Submission No 139

INQUIRY INTO NSW WORKERS COMPENSATION SCHEME

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Submission to the Workers Compensation Scheme Inquiry

17 May 2012

Joint Select Committee on the NSW Workers Compensation Scheme
Parliament House
Macquarie St
Sydney NSW 2000

Dear Committee,

Thank you for the opportunity to make a submission to this joint select committee on the Workers Compensation Scheme in NSW.

Concerns about committee structure and timeframes

Workers compensation is a fundamental right that was won for working people in the last century. The right to go to work and to be protected if you are injured in the service of another is essential if work is to be dignified and employees to be secure when working for the benefit of employers. Therefore the matters that are before this committee are of vital importance to the State of NSW.

As a starting point I would like to share my concerns with the unequal representation on the Parliamentary Committee which has been given the important task of considering reforms to the Workers Compensation System.

The NSW Legislative Council contains 19 Coalition members, 14 ALP members, 5 Greens NSW members, 2 Shooters and Fishers Party members and 2 Christian Democratic Party members. The Committee however contains 4 Coalition members, 2 ALP members, and one member each of the Shooters and Fishers Party and the Christian Democratic Party.

While it is understood that not every committee will be exactly representative of the composition of the Parliament, the current arrangement certainly gives the impression that this is a committee formed by the government with an eye more to the outcome than a balanced inquiry into the operation of the scheme and options for reform.

I also note The Greens' grave concerns about the incredibly short consultation period and limited number of hearings. As the Greens NSW Spokesperson on Industrial Relations I have received hundreds of emails and phone calls from workers detailing their mistreatment by WorkCover and serious problems with the existing workers compensation system. Many have contacted me recently and asked how could any government make an already mean system even meaner? This is a question that this committee must grapple with.

Asserting that the Workers Compensation scheme can be considered, discussed and reformed within slightly over one month is absurd, and this timeframe will, of itself, undermine the integrity of any conclusions this committee draws about the scheme.

Once the committee becomes aware of the impossibility of undertaking the exercise with which they have been tasked in the time with which they have been allotted, the committee will have three realistic options before it:

(i) The Committee can unanimously approach the Parliament for an extension of time to produce a report;

(ii) Any report produced can be expressly stated to be of an interim or preliminary nature, noting the inadequate consultation and consideration that will have produced it; or

(iii) The Committee can produce a final report that embarrasses the Parliamentary committee system by failing to grasp the complexities, the true costs and benefits and the importance of the current scheme.

I further note the serious oversight in the Committee's terms of reference. Despite the clearly beneficial intent of the original 1926 and 1987 Workers Compensation Acts, the present terms of reference have no regard to whether or not the NSW Workers Compensation Scheme provides just compensation for injured workers.

This is a hole in the heart of the Committee's terms of reference that will of necessity produce an incomplete and unbalanced review of the scheme.

Purpose of the Issues Paper

While comparison with other states can provide a useful starting point for considering the scheme, there is no inherent reason why the fact that Queensland and Victoria have schemes that pay less to injured workers should be used as a justification for eroding the benefits available in this State.

The Issues Paper argues that "*Workers compensation has to be affordable and efficient and allow New South Wales to be competitive with our most comparable States of Victoria and Queensland*"[1]. This is the cry of many in industry, now being taken up by those in government, that States should not compete with each other on terms of quality or justice, but rather they must be engaged in self-defeating race to the bottom.

Competitiveness with other states is much more complicated than ensuring employers pay the bare minimum in premiums. A workers compensation scheme that looks after injured workers by providing adequate resources to allow them to deal with their injuries and re-enter the workforce in a productive capacity will itself contribute to greater competitiveness as valuable skills and experience are not needlessly lost. A wasted worker that is discarded by an under-resourced workers compensation scheme is a far greater loss to this State's economy than the extra dollars necessary for premiums covering the true costs of injuries and rehabilitation.

[1] Page 29.

There are seven reform principles outlined in the introduction to this paper as follows:

1. enhance NSW workplace safety by preventing and reducing incidents and fatalities;

2. contribute to the economic and jobs growth, including for small businesses, by ensuring that premiums are comparable with other states and there are optimal insurance arrangements;

3. promote recovery and the health benefits of returning to work;

4. guarantee quality long term medical and financial support for seriously injured workers;

5. support less seriously injured workers to recover and regain their financial independence;

6. reduce the high regulatory burden and make it simple for injured workers, employers and service providers to navigate the system; and

7. strongly discourage payments, treatments and services that do not contribute to recovery and return to work.

It is of note that though the first principle mentioned relates to enhancing workplace safety, and four of the other principles focus on the quality of care for the injured worker, that the paper overwhelmingly focuses on the impact of insurance premiums on employers and comparative scheme costs with other states.

As such this issues paper does not adequately address the principles that are necessary to guide fair reforms of the system.

1. Priorities for New South Wales

1.1 The need to reform the NSW Workers Compensation Scheme

It is agreed that the current operation of the NSW Workers Compensation scheme does not provide quality outcomes for injured workers. It is also accepted that its present style of operations is not financially sustainable.

1. While insurance premiums may be higher in NSW this is not because workers are receiving excessive benefits in comparison. In fact rampant increases in payments to insurance companies have overwhelmingly been responsible for the increasing cost of the scheme, not increased payments to workers.

   An analysis by The Greens of WorkCover's own annual returns shows a staggering rate of growth in the fees paid to private insurers to manage workers compensation

claims. Over the same period injury rates have fallen and benefits paid to assist injured workers have barely kept up with inflation.

Date	Payment to Private Insurers	Payment to private insurers if limited to inflation of 2.5%[2]	Benefits paid (unadjusted)	Number of Major injuries[3]	Management fee per major injury
1996/97	$141,743,000	$141,743,000	$1,367,805,000	$60,109	$2,358
1997/98	$137,676,000	$145,286,575	$1,467,737,000	$58,604	$2,349
1998/99	$163,400,000	$148,918,739	$1,811,025,000	$55,492	$2,944
1999/00	$134,654,000	$152,641,707	$2,016,000,000	$53,224	$2,529
2000/01	$177,868,000	$156,457,506	$2,191,847,000	$53,797	$3,306
2001/02	$160,730,000	$160,369,194	$2,692,423,000	$54,674	$2,939
2002/03	$196,440,000	$164,378,424	$2,518,760,000	$51,000	$3,851
2003/04	$172,392,000	$168,487,884	$2,047,690,000	$51,551	$3,344
2004/05	$331,538,000	$172,700,082	$1,608,936,000	$36,150	$9,171
2005/06	$393,587,000	$177,017,583	$1,518,437,000	$31,613	$12,450
2006/07	$398,479,000	$181,443,023	$1,581,846,000	$29,326	$13,587
2007/08	$649,538,000	$185,979,099	$1,632,507,000	$30,077	$21,595
2008/09	$376,229,000	$190,628,576	$1,836,039,000	$30,133	$12,485
2009/10	$476,996,000	$195,394,291	$1,962,418,000	$28,056	$17,001
Total	$3,911,270,000	$2,341,445,683			

[2] This is a comparative costing that assumes payments made to insurers had kept pace with inflation from FY 1997 to date.

[3] Defined as an injury causing 5 days or more off work

In the 2010 financial year, private insurers took home $476 million which was almost a quarter of the $1.9 billion paid to injured workers. Yet this was not even the most extreme year, in FY 2008 insurers received almost 40% of the amount paid to workers – getting paid a staggering $649 million dollars when the amount paid to benefit the injured was at a near all time low of $1.63 billion.

Improving the financial viability of the scheme must mean changes to the current arrangements with insurance companies and limited the grossly inappropriate share of the pie that is diverted to these private claims managers.

2. It is agreed that the system contains excessive red tape. This is not just frustrating for those attempting to make claims, but adds to overall costs and processing times, directly contributing in many cases to worse outcomes for injured workers.

   The simple fact is there have been hundreds of millions of dollars wasted every year on endless reporting and form filling by workers at the request of the private claims managers. This bureaucratic tangle has been delivered by the agency overseeing the scheme, WorkCover. There is a desperate need to refocus much of WorkCover from overly bureaucratic tasks and oversight of claims management, to more pro-active risk control measures and workplace inspections.

3. Payments are not adequate, meaning that many injured workers live on or close to the poverty line. This remains unacceptable.

4. It is asserted in the issues paper that there are "perverse financial incentives for workers to remain off work". This is a bare assertion, unfounded in any empirical studies. This is a claim argued by many of those who wish to cut benefits, though in my experience is not borne out in practice. Most injured workers want nothing more than to recover from their injury or illness as quickly as possible and return to their workplace. No one could wish to remain a day longer than necessary in the NSW Workers Compensation scheme.

5. The issues paper argues that "Less seriously injured workers are not encouraged effectively through financial incentives and the system to recover and regain their financial independence".

   It is agreed that less seriously injured workers often do not receive the support that they need to return to their workplaces, but the suggestion that "financial incentives" – presumably cutting off their payments – are a solution to this is a statement of belief founded in the myth that injured workers are shirkers. The most effective way of enabling such workers to return to the workplace is to provide them with adequate support to do so. This means early engagement with rehabilitation, early return to work plans and real requirements for employers to take injured workers back on suitable duties.

6. It is agreed that WorkCover does not currently have adequate resources and powers to ensure that treatments contribute to recovery and return to work. In fact the scheme's return to work performance in the past decade has been poor. Again an analysis of the scheme annual reports shows that return to work rates were stagnant from 2003 to 2008. More recent figures are not publicly available.

1.2 Guiding Principles

The Issues Paper presents the following goals for any reform package:

- adopt the most effective workers compensation measures from around Australia
- simplify benefit calculation,
- make workers‟ entitlements more transparent and easier for workers and employers to understand
- workers whose injuries are less serious should have greater incentives and support to return to work, while more seriously injured workers should receive improved weekly benefits and lump sum compensation entitlements.

The goal of adopting the most effective measures from around Australia is unnecessarily vague. Based on reading the rest of the issues paper it appears that "effective" is being considered mainly from the perspective of reducing premiums to be paid by employers. Effective should also include consideration of the best way to achieve quality outcomes for workers and ensure that the schemes cost is not saddled with increasing amounts of money going to private insurance companies and claims managers.

The committee, if it is to undertake a national audit of workers compensation schemes, must include those aspects of the NSW scheme that are best practice. This would include the uncapped period for weekly payments, s40 make up pay entitlements and journey claim cover. These are all effective means to provide a just and comprehensive compensation scheme and must not be whittled away in this "reform" process.

Simplification and ease of understanding are goals which are supported and appropriate.

It is also agreed that improving support for less injured workers to return to work is a positive goal – though simply cutting their benefits does not achieve this.

1.3 Financial Background

There is no mention in this section of the government's issues paper of the current financial background of a series of premium cuts that were in the mid 2000's at a time when the then actuarial assumptions (founded on an unrealistic assumption that the recent buoyant stock market returns would continue indefinitely). These premium cuts have proven to be misguided and are responsible for a good deal of the present notional scheme deficit (in the order of $1 billion).

The analysis of the financial background of the scheme must also be closely considered. Estimates of outstanding liabilities are based on a series of actuarial assumptions that could be significantly altered with only modest reviews of their factual basis.

For example, including a possibility for modest commutations after a period of, say, three years in receipt of weekly payments (without requiring an arbitrary wpi threshold) would greatly reduce the liability for future medical and weekly payment expenses.

Allowing people the choice to exit the scheme with modest commutation payments that are only a proportion of their future weekly payment entitlements, but are delivered in a lump sum and allow workers some freedom and dignity free from the scheme, would produce very significant savings. It would not only reduce the notional ongoing liability for weekly payments it would also, by moving these workers onto Medicare for medical expenses, greatly reduce ongoing medical liabilities.

Not every worker would choose this discounted exit payment. But sufficient numbers likely would which in turn would significantly reduce the outstanding liability.

Further, it is understood that the actuarial assumptions are based on the cost of every claim where the worker is assessed at 15% or greater wpi as though it was to be paid out as a common law claim. This is a seriously inaccurate and inflated assumption that will inevitably produce an exaggerated scheme deficit.

Finally the actuarial assumptions tend to give excessive weight to share market returns on the scheme's invested funds over the preceding three years. The past three years have been, to say the least, poor ones for domestic and international stock markets. It is unlikely, given historical trends, that significant increases will be the norm in years to come. Actuarial assumptions should be adjusted to take this into account and if this was done, it would likely significantly reduce the notional scheme deficit.

1.4 Outstanding Liability categories

The issues paper states: "Weekly payments, medical treatment and Work Injury Damages liabilities are the largest three contributors to the Scheme‟s outstanding claims liability. They are also the main contributors to the $2.1 billion increase in claims liability since 2008."

In contrast, analysis of the financial information in WorkCover's annual reports has shown the following:

- From 1997 to 2010 major workplace injuries fell by 53%
- From 1997 to 2010 inflation increased by 44%
- From 1997 to 2010 management fees increased by 236% (more than 5 times inflation)

- From 1997 to 2010 benefits paid increased by 43% (less than inflation)
- From 1997 to 2010 management fees per major injury increased by 620% (14 times inflation)
- If private insurer management fees had, like benefits, grown only by inflation then $1.6 billion dollars would have been saved.
- In FY 2010 management fees paid to private insurers accounted for 24% of the value of benefits paid to injured workers compared to just 10% in FY 1997

Since 1997 payments to private insurers to manage workers compensation claims have grown by 236% per cent – this is more than 5 times faster than both inflation and actual benefits paid to the injured.

In 1997 the fees paid to insurers to just manage claims cost 10 per cent of the amount paid to injured workers; yet in 2010 insurers were creaming off almost one dollar in every four paid to benefit workers.

With more than $3.9 billion dollars being paid to private insurers in the last 15 years, this growth in bureaucratic paper shuffling has wasted more than $1.6 billion and eroded the scheme's financial sustainability.

It is therefore agreed that the scheme requires urgent reform to improve its outstanding liability, but cuts to workers benefits are not the way to achieve this. In fact, in an ideal scheme 100% of the cost of the scheme would be directly supporting workers to return to work and supporting those who are recovering.

It is likely that the increased payments for common law actions is driven by the fact that common law payments are the only viable option for most workers to gain a dignified exit from the scheme. With narrow and overly bureaucratic thresholds in place for commutation payments, many workers strive to achieve notional common law claims which are then very heavily discounted in order to find a way, any way, to exit the scheme. This is a key failing in the current scheme design and is almost certainly the driver in increased common law payments.

As noted above, allowing for voluntary commutation payments to workers to exit the scheme would significantly reduce ongoing liability for weekly expenses, medical expenses and common law claims. This is an option that the committee must seriously consider if it is to produce a report that addresses the costs in the scheme while protecting the rights of injured workers to fair compensation.

1.5 Workers Compensation System, Insurance, Premium, Benefit and Regulatory Systems

While the WorkCover scheme is a publicly owned statutory fund, it pays private insurers to manage every claim. Currently the seven private insurers that provide claims and policy services under contract to WorkCover are:

- Allianz Australia Workers' Compensation (NSW) Ltd
- Cambridge Integrated Services Australia Pty Ltd (trading as Xchanging)
- CGU Workers Compensation (NSW) Limited
- Employers Mutual NSW Limited
- Gallagher Bassett Services Pty Ltd
- GIO General Limited, and
- QBE Workers Compensation (NSW) Limited.

Payments made to private insurers are to manage claims and encourage those injured to return to work. The $3.9 billion paid to these private insurers since 1996 has not lead to any significant increase in injured workers returning to work. There has been almost no change in the rate at which injured workers have returned to work since 2003.[4]

Management fees paid to the private insurers have grown from just 10% of the cost of benefits paid in FY 1997 to more than 24% of the benefits paid to injured workers in FY 2010.

It is acknowledged that these represent payments made in a financial year and may relate to work performed in previous years. Nevertheless, they represent the most concrete data available as to the costs of these aspects of the scheme – that is the actual payments made in any financial year. They represent a sustained and damaging trend of inflated payments to private claims managers.

1.6 Premium Levels

As is noted above, the premium reductions since 2005 have proven unsustainable. The fact of the increases notional deficit is proof of this. They should be reversed.

1.7 Key differences compared to schemes in other jurisdictions

1.7.1 Scheme Premium Jurisdictional Comparisons

These six examples of comparative premiums do not appear to have been selected to provide a meaningful comparison of the overall scheme premiums. It is likely they have been selected for effect rather than as a statistically meaningful set of comparators. They must be treated with real caution by this committee.

[4] WorkCover Annual Report 2010/11 page 41 and WorkCover Annual report 2007/08 page 24 (FY 2003 being the first year comparable figures are available as reported in the FY 2008 Annual Report).

1.7.2 Injured Worker Benefit Jurisdictional Comparisons

i) Journey claims

It is a necessary element of almost every working day to travel to and from work. For the better part of a century workers compensation has provided insurance coverage for this aspect of work to workers in NSW. It is not acceptable to see this entitlement removed in 2012.

It is notable that the NSW scheme is most closely aligned to that in Qld. These two state schemes are positive models for other jurisdictions to follow.

It is often the entitlement to workers compensation for injuries sustained to and from work that keeps injured worker's households afloat after an injury. Its loss would force many injured workers into poverty.

Before considering removing the benefit the committee must inquire into the cost to the scheme of this benefit. It is understood that the overall cost to the scheme is only in the order of $70 million per annum with half of this being recovered through claims against third parties made on behalf of the scheme.

ii) Weekly benefits for total incapacity

Those injured at work have a fundamental right in the 21st century to go to work and return home uninjured. However if they are injured, and the figures show that almost 30,000 people are seriously injured at work every year in NSW, they deserve access to workers compensation benefits that allow then to live in dignity, free from poverty, for the duration that their injury incapacitates them, in whole or in part, for work.

The already meagre statutory rate payments that most seriously injured workers are reduced to after 6 months on workers compensation are currently insufficient to adequately compensate them for their injury. No worker chooses to be injured (and if any did then they would be denied compensation under the present scheme).

iii) Weekly benefits-partial incapacity

Payments for partial incapacity are a direct incentive for injured workers to return to work. The reason for this can be spelt out by example.

If, for example, an architect was on $1,200 a week working for a building company and then suffers a serious back injury on a building site. After 12 months rehabilitation including surgery, they are then able to return to the workforce but only able to work, say, 20 hours a week because of ongoing restrictions then they have two options:

(i) Stay off work and receive only the statutory rate of some $400 dollars week to live on; or

(ii) Try to get back to work for 20 hours a week, earn $600 in wages (half their pre-injury earnings for half a week's work) and receive a top-up payment for partial incapacity of $400 per week in addition.

As can be seen with option (i) the injured architect does not return to work and struggles to get by on $400 per week. Under option (ii) the injured architect returns to work, and although not receiving the full $1,200 she would have received had she been uninjured, is still substantially better off with a take home payment of $1,000.

As this example proves, the ability to receive ongoing compensation for partial incapacity is in fact a real incentive to return to work. It is not the disincentive described by the government and is an entitlement that must be maintained.

iv) Duration

The starting point for a scheme designed to produce fair payments must be that while ever the injury that a worker has suffered at work is reducing their capacity to earn in the labour market reasonably available to them, they must be entitled to compensation to help cover that loss.

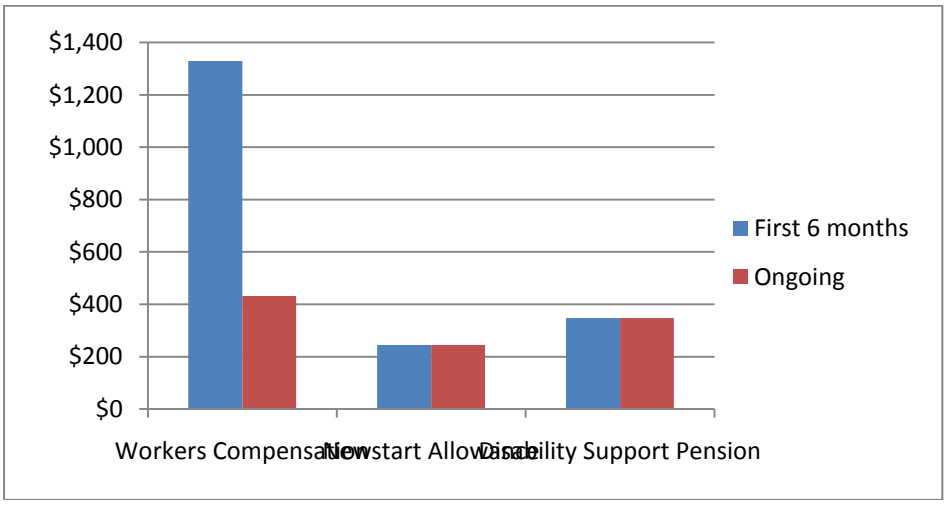
This principle is at odds with any of the reform proposals put forward by the government and therefore the government's proposals are neither supported nor supportable.

In considering removing the entitlement to weekly compensation the committee must consider what impact his will have on injured workers. The fact is the impact will be severe.

For a single worker with no dependents the reduction in entitlements from the maximum under workers compensation to the maximum under a commonwealth Newstart or Disability allowance is very substantial. The following table and graph illustrate the point.

Injured worker, single with no dependants	***Workers Compensation***	***Newstart Allowance***	***Disability Support Pension***
First 6 months	$1,329	$244.85	$347.65
Ongoing	$432	$244.85	$347.65

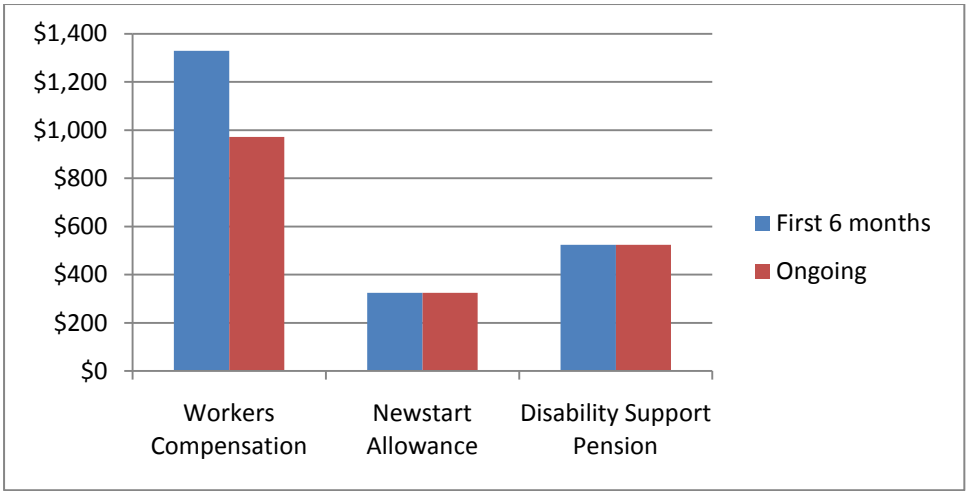
Graph 1: Difference between Workers Compensation and Commonwealth benefits for Single Worker with no dependents



For a worker with a family consisting of a dependent partner and four dependent children the reduction in entitlements from the maximum under workers compensation to the maximum under a commonwealth Newstart or Disability allowance is simply devastating. The following table and graph illustrate the point.

Injured worker with dependent spouse and 4 children	***Workers Compensation***	***Newstart Allowance***	***Disability Support Pension***
First 6 months	$1,329	$324.25	$524.10
Ongoing	$971.10	$324.25	$524.10

Graph 2: Difference between Workers Compensation and Commonwealth benefits for Worker with dependent partner and four dependent children



It is recognised that an excessive number of long "tail" claims can undermine the financial viability of a compensation scheme. As is noted above, the answer to this is to allow for the return of genuine, voluntary and reasonable commutation payments.

v) Medical expenses

There is a need to keep a close eye on the quantum of medical expenses paid for any particular service provided by the workers compensation scheme. There are anecdotal reports of overcharging by a small minority of medical providers and systems must be rigorous to minimise or hopefully prevent this.

However, as with payments for incapacity, the key principle must be that whilst ever the need for medical expenses is ongoing due to a work related injury, the obligation to pay for those medical expenses lies with the scheme.

vi) Lump sum benefits

Lump sum benefits for impairment (s66 of the Act) are already mean, being paid in accordance with the arbitrary and unfair whole person impairment scale. It would be a crime against decency to reduce them further. It is notable that often even serious injuries, such as lower back injuries, ankle injuries and most notably injuries to internal organs, produce very modest (and in some cases zero) wpi assessments.

The present maximum lump sum entitlement for pain and suffering (s67 of the Act) has not been indexed for over a decade. It is already at a bare minimum and should be considered for indexation not reduction.

Any arbitrary threshold to access lump sum entitlements would produce such injustice that this committee should not consider it.

vii) Work Injury damages

The present 15% wpi threshold for access to work injury damages is unfair, arbitrary and must be reviewed.

Workers already have greatly reduced entitlements to recover common law damages. At present workers have:

(i) no right to recover future medical expenses;
(ii) are limited to s66/67 lump sum benefits with no access to common law "general damages"; and
(iii) are prevented from recovering any domestic assistance damages.

Given this, to either increase the threshold or decrease the entitlements payable for common law damages would be unconscionable.

As is noted above the increase in access to common law benefits is most likely attributable to the underlying failure in the present scheme to provide a method for existing the scheme by way of a voluntary commutation payment. This is the avenue for reform the committee should consider, not further limiting the access to well established common law entitlements.

Regulatory framework for health providers

A closer regulatory framework for health providers is an option available for restraining ongoing medical expenses. It must however not allow for untrained claims managers to become de-facto clinicians.

viii) Commutations

This is addressed above at length.

2. Options for Change

1. Severely injured workers

For the reasons set out above these proposed reforms are not supported.

2. Removal of coverage for journey claims

For the reasons set out above these proposed reforms are not supported.

The Greens strongly oppose any plans to remove coverage for journey claims. A core part of working is getting to your workplace – whether you are an office worker with a regular commute into the Sydney CBD or a builder who drives long distances to sites.

3. Prevention of nervous shock claims from relatives or dependants of deceased or injured workers

This reform is not supported.

First the cost to the scheme is likely to be at best marginal. It is notable that no costings are provided by the government. Second, the tragic death of a loved one in an often violent workplace injury can have serious mental health consequences on family members and to remove the entitlement to recover damages for this loss is, put plainly, unjust.

4. Simplification of the definition of pre-injury earnings and adjustment of pre-injury earnings

The present definitions are well understood and not the product of any proven uncertainty in the operation of the scheme. Any reforms can only be assessed once they are more clearly enunciated by the government.

5. Incapacity payments-total incapacity

The government's arguments are not supported by evidence or any empirical studies. For the reasons noted above these suggested reform options are not supported.

6. Incapacity payments - partial incapacity

Again the government's arguments are not supported by evidence or any empirical studies. For the reasons noted above these suggested reform options are not supported.

7. Work Capacity Testing

Work capacity testing is already undertaken by the scheme. It should be simplified and limited and all results provided promptly to the worker with the right for an independent review.

8. Cap weekly payment duration

The government's position is not supported by evidence or any empirical studies. For the reasons noted above these suggested reform options are not supported.

9. Remove "pain and suffering" as a separate category of compensation

The government's position is not supported for the reasons noted above.

10. Only one claim can be made for whole person impairment

This option removes the existing pain and suffering entitlement. The entitlement to pain and suffering under s67 is the only current lump sum entitlement that allows the workers compensation tribunal to tailor a payment to the real impact of an injury on a worker. The s66 payments, being based solely on the degree of wpi, are arbitrary and take no account of the personal impact of an injury on the worker.

For example a serious hand injury to a lawyer would be a very serious matter and deserving compensation, but the same injury to an accomplished violinist would likely be even more tragic. Under the current scheme this differential can only be reflected in the quantum paid under s67 and to allow a degree of humanity in the scheme it must be retained.

The government's position is not supported for the reasons noted above.

11. One assessment of impairment for statutory lump sum, commutations and work injury damages

The government's position is not supported for the reasons noted above.

12. Strengthen work injury damages

The government's position is not supported for the reasons noted above.

13. Cap medical coverage duration

The government's position is not supported for the reasons noted above.

14. Strengthen regulatory framework for health providers

As is noted above, a closer regulatory framework for health providers is an option available for restraining ongoing medical expenses. It must however not allow for untrained claims managers to become de-facto clinicians.

15. Targeted commutation

As is noted above, and for those reasons, access to commutations should be broadly opened, significantly further than is proposed by the government in this position paper. But it must be voluntary.

16. Exclusion of strokes/ heart attack unless work a significant contributor.

This is not supported. The present law requires work to be a significant contributing factor before any entitlement to claim compensation for a heart attack or stroke. This is only just and reasonable. In fact the present requirement (section 9A) was put in place in order to ensure this connection must be proved in cases of this kind.

Conclusion

Thank you for taking the time to consider the above. As I hope this submission demonstrates, there are many options for reform of the scheme that will reign in the deficit without paring back further the already meagre entitlements to workers compensation paid for the benefit of injured workers.

I would urge the committee to fully investigate each of these options before recommending any reductions in benefits paid to some of the most vulnerable people in this state, those who have been injured at work.

Kind regards,

David Shoebridge