

**Submission
No 23**

INQUIRY INTO NSW WORKERS COMPENSATION SCHEME

Organisation: Lindsteel fabrication (Newcastle) Pty Ltd
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As a small business struggling in a slow manufacturing climate we cannot foresee how it is possible for our company to absorb the 28% increase in workers compensation premiums. Our company is already deemed high risk in the manufacturing and erection of structural steel. For only 14 employees, including three admin roles, our premiums are already in excess of \$30k per year.

In Addition we disagree with the "no fault scheme". In all other law you are innocent until proven guilty. We had a situation three years back where an employee hurt his knee walking into Tafe. The story was dubious, he was a troubled kid with a very poor work ethic and had been given at least 5 or 6 written notices for unsatisfactory attendance and work related incidences. When he did his injury he left work early on a Thursday, didn't turn up to work Friday and had a knee injury at 8am Monday morning walking into Tafe.

It was a terrible 12 months for our company, made worse by the fact that the insurance company has a duty of care to the worker only. They had to believe his story over ours, even though they agreed that he probably didn't do the injury the way he described. They explained that the injured worker does not have to prove anything. Now why didn't the insurance company investigate or help our small business? The simple answer is because they weren't playing with "their money". The cost to our company for his "work" injury was \$38,000. The cost of our workers comp premiums went up by just under \$13,000 per year for three years post injury claim, a total of \$39,000. So the insurance company in effect did not pay out one cent.

While ever we have a scheme that allows workers to claim on injuries, regardless of guilt, the system will always be in deficit. Raising the premiums will not solve this issue. In fact it will put more pressure on small businesses like ours. Currently in NSW we have record numbers of insolvencies. Don't increase these numbers.