

INQUIRY INTO NSW WORKERS COMPENSATION SCHEME

Organisation: Name suppressed
Date received: 16/05/2012

Partially Confidential

16th May 2012

The Chairman
Joint Select Committee on the NSW Workers' Compensation Scheme
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir,

Re: Submission to the Enquiry on a 'Confidential / Non-Public Release of Identity' Basis

I am writing in response to reports that your Committee is considering urgent reforms to our NSW Workers' Compensation scheme to address a deficit of approximately \$4 billion. I understand that a likely outcome if systemic reforms are not identified and implemented is a substantial increase in premiums, estimated at up to 28% effective 1 July 2012, in order to restore our scheme.

As background on [redacted] ability to comment on this issue:

1. [redacted] is an independent, owner operated recruitment and labour on-hire business that has supplied industry, commerce and government organisations across Greater Western Sydney since April 1989.
2. We currently have a team of ten (10) permanent employees within our office (two working Directors & Consultants / Administrative staff) plus on-hire casual workers assigned to clients – currently a ytd average of 118 casual employees per week (in terms of full time / 38 hours equivalent).
3. [redacted] total estimated payroll for the 2011-2012 Workers' Compensation renewal was \$8,659,514.00 – current projections see us achieving this figure. We employ workers across a total of 35 WorkCover Industry Classification descriptions.
4. As at our last Workers' Compensation renewal 1 July 2011, [redacted] average employer claims cost ratio (ECCR) across the three years to 30 June 2011 was 0.2828% against an industry rate (ICCR) of 0.5893% - this is submitted as an indicator of our focus on effective Risk Management to avoid injury and Return to Work policies and procedures in place to manage claims costs.

..... does support a fair and effective Workers' Compensation scheme that provides for the proper care of seriously ill or injured workers and we actively promote Return to Work as an expectation rather than an option for injured workers wherever appropriate. To achieve this we work with the client (ie, host employer responsible) wherever possible, or alternative clients, plus our insurers and rehabilitation / medical providers to provide suitable duties and a planned and progressive return to full pre-injury duties.

As illustrated by our ECCR achieved over the past three years, this has been a successful strategy which we believe will be enhanced by the requirements of NSW's recent transition to harmonised Work Health and Safety legislation. This legislation mandates greater partnering between labour on-hire users and suppliers such as in terms of workplace risk management, consultation and post-injury return to work requirements. In fact, this legislation has enhanced the requirements of Terms and Conditions of Business regarding these critical issues, which we see as a positive development.

In light of the above points, submits that:

1. Your review of the NSW Workers' Compensation Scheme has no option other than finding in favour of an even greater focus on Return to Work strategies as the most effective means of controlling Workers' Compensation claims costs; I understand that blow-outs in claims durations and resulting costs are a major contributor to the current deficit issue
2. Any consideration of defaulting to premium increases in support of the claims management status quo must be resisted. NSW Workers' Compensation premiums are already some 20 – 60% above those effective in Victoria and Queensland and business in NSW (ie, our clients / host employers) cannot continue absorbing cost increases in what is already a challenging business environment. A stand needs to be made to promote our State's productivity and competitiveness.

Thanking you for your time in considering this submission.

Yours faithfully,