

**Submission  
No 160**

## **INQUIRY INTO NSW WORKERS COMPENSATION SCHEME**

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Submission from

**The Australian Workers' Union, New South Wales**

To

**Joint Select Committee on the  
NSW Workers Compensation Scheme**

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## **Joint Select Committee on the NSW Workers Compensation Scheme**

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#### **Acknowledgement:**

This report was written by Stephen Crawford, AWU Industrial Officer and  
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## **JOINT SELECT COMMITTEE ON THE NSW WORKERS COMPENSATION SCHEME**

### **SUBMISSION FROM THE AUSTRALIAN WORKERS' UNION, NEW SOUTH WALES**

#### **Introduction**

1. The Australian Workers' Union, New South Wales (AWU) consists of three (3) geographic branches being Greater New South Wales Branch; Newcastle, Central Coast & Northern Regions Branch; Port Kembla South Coast & Southern Highlands Branch. The AWU has approximately 30,000 members in NSW and 140,000 members across Australia. AWU members work in a wide range of industries including: manufacturing (steel, aluminium, glass & other manufacturing products), pharmaceuticals, civil construction, oil refineries, mining, golf courses, landscaping, agricultural, shearing, viticultural, pastoral, public sector, indoor sport, outdoor entertainment, zoos, hair and beauty.
2. The AWU is affiliated with Unions NSW and strongly supports their submission to the Joint Committee on the NSW Workers Compensation Scheme (Joint Committee).
3. This report addresses additional issues concerning our members regarding the issue of workers compensation entitlements in NSW. There are a number of alarming proposals in the NSW Workers Compensation Scheme Issues Paper (Issues Paper) which we feel compelled to specifically address.
4. The AWU views the current system as deficient in many areas and considers any reduction in the current entitlements to be a massive step backwards for an advanced, relatively wealthy and progressive state like NSW. The O'Farrell Government was certainly not elected on a platform of reducing workers compensation entitlements in NSW.
5. This submission argues that the fundamental principle of the Issues Paper, that costs incurred by the current workers compensation system are unsustainable and can only be addressed by substantial reductions in employee benefits is flawed. This submission acknowledges that changes need to be undertaken so as to provide better outcomes for employees and that the AWU recommendations will achieve reduced costs and better outcomes for employees without any reduction in workers compensation benefits.
6. In summary, this submission makes the following recommendations:
  - a. Actuary rate must be lowered to reflect the current economic climate and that workers compensation costs are a result of employer negligence of not maintaining a safe working environment and that these costs should not be shifted to the employee or the Commonwealth or other insurance companies (in relation to journey claims).
  - b. Improving the timeliness of medical treatment given to injured workers;
  - c. Review the medical schedule of costs charged for the treatment of workers;

- d. Ensure that any misdiagnosed and other quality issues concerning treatment of workers be fully investigated;
- e. Prior to any changes to the scheme that super profits generated by specialised insurers companies and their administration cost structures be examined so as to ensure that injured workers are receiving appropriate share of the premiums;
- f. Journey claims must remain as integral part of the workers compensation scheme;
- g. Ensure no worker is worse off due to the negligence of the employer and cuts to the scheme proposed by the NSW Government.

### **Alleged High Financial Costs of the Scheme**

7. The Issues Paper refers to the following Guiding Principles at clause 1.2:

*As a guiding principle the object of the workers compensation legislation is to provide income support, medical assistance and rehabilitation support for workers injured during the course of their employment.*

8. However, a basic analysis of the 16 “Options for Change” identified in the Issues Paper reveals that there are only two options that are directed at improving “income support, medical assistance and rehabilitation support for workers”. These are:
- Improved benefits for severely injured workers
  - Simplification of the definition of pre-injury earnings and adjustment of pre-injury earnings

The remaining 14 options are clearly designed to **reduce** current entitlements for injured workers.

9. There is a proposition put forward in the Issues Paper that the scheme is massively in debt, in excess of \$4 billion, and that for individual employers the scheme is one of the most expensive in the nation due to extensive benefits given to the employees. Employers & employer groups are advocating that these increased costs are making NSW businesses uncompetitive and will result in a reduction in business activity as business move to low cost states.
10. A large proportion of the suggested \$4 billion deficit in the current scheme is based on actuarial calculations using the discount cash flow model of projected future costs for the scheme. The percentages used calculating future costs can be altered from time to time which will result in a significant change to the level of deficit.
11. The current percentage used can be reduced based on sound economic reasoning and not simply because it suits a particular outcome. The percentage reduction can occur due to fundamental changes in the Australian economy through the Reserve

Bank reducing interest rates as well as a reduction of consumer price index (CPI) to 2.1% for the current year. The combination of these two factors will result in the amendment of the actuarial calculations resulting in a substantial reduction in the alleged deficit.

12. The reduction in actuary discount rate is further substantiated through the 2011 Annual Reports of the insurance companies showing that during this period the rate was reduced by at least 0.5%. Given the current economic circumstances involving CPI and Reserve Bank interest rates, the rate for 2012 will be significantly lower again.
13. The AWU accepts that that the workers compensation scheme needs to be managed and operated in a financially sustainable manner, but the ultimate objective of the scheme is to restore the injured worker, as best as possible, back to pre-injury duty. Costs incurred in achieving this objective are legitimate business costs and if these costs are believed to be high, then this will give a greater importance for businesses to focus on addressing why workers are being injured and how best to rectify the situation.
14. However, we question why the Issues Paper is so heavily focused upon reducing entitlements for injured workers whilst virtually no consideration appears to have been given to providing meaningful analysis of the cost factors and how it can be better managed.
15. The AWU rejects the proposition put forward by a number of submissions given to the Inquiry as well as the Farmers Federation that costs must be reduced through a reduction of entitlements or risk losing business in NSW.
16. This proposition ignores the fact that there are many other uncontrollable higher costs incurred in New South Wales compared to other states. Electricity costs, leasing costs, land values are all significantly higher in NSW than anywhere else in the Nation, yet NSW remains as the largest populated State. Whilst some residents and businesses may move interstate, NSW continues to be main economic power house of the Nation because of its size, access to markets and its natural advantage such as high quality farming land.
17. Workers compensation costs are not uncontrollable. The higher cost in NSW provides incentive to employers to address issues concerning injuries in their work place and also across their industry. Unscrupulous employers must be removed from the business environment and not rewarded. We do not want a third world workers compensation system where injured workers are discarded and left on the scrapheap of society to fend for themselves.
18. The AWU does not want to see cost shifting of workplace injuries from the employer onto either the Commonwealth (through increased Medicare costs and unemployment benefits) or onto the employee through income protection insurance. The rehabilitation of an injured worker is a legitimate business expense that employers, both individually and collectively must take responsibility for.

19. The NSW workers compensation scheme currently does offer some better benefits that are better than other schemes. These benefits are not excessive nor are they unwarranted. The basic premise is that all work place injuries are preventable and all effort must be undertaken to stop work place incidents from occurring. If a worker is injured, they need to have faith in the system that will be looked after so as to return to meaningful employment.
20. Workers Compensation Schemes should offer injured workers all the benefits so as they can recover and return to the workplace rather than being a race to the bottom as to which jurisdiction can offer the least income or medical support to the worker.
21. This AWU submission recommends that actuary rate must be reviewed to reflect the current economic climate and that workers compensation costs are a result of employer negligence of not maintaining a safe working environment and that costs to treat workers and support their incomes should not be shifted to the employee or the Commonwealth.

### **Medical Costs**

22. Clause 14 of the Issues Paper states:

*Increases in medical costs over the last five years have been significant and it may be desirable to strengthen the regulatory framework for health providers to ensure that scheme resources are directed to evidence-based treatment with proven health and return to work outcomes for injured workers rather than on treatments that maintain dependency.*

The Estimate of Discounted Outstanding Liability by component contained in clause 1.4 of the Issues Paper reveals the following outstanding liabilities for The Workers Compensation Scheme:

<b><u>Benefit type</u></b>	<b><u>Outstanding claims liability</u></b>
Commutations	\$ 290 million
Weekly payments	\$5,912 million
Workplace Injury Damages	\$1,771 million
<b>Legal Costs</b>	<b>\$ 443 million</b>
Permanent Injury	\$ 590 million
Pain and Suffering	\$ 237 million
<b>Medical</b>	<b>\$3,339 million</b>

23. We note that the medical liability substantially exceeds the total of the commutations, workplace injury damages, permanent injury and pain and suffering components.
24. In these circumstances, it is concerning that there is minimal discussion about addressing medical expenses in the Issues Paper. Anecdotal evidence established by the Union through discussion with injured workers highlight the following issues that significantly impact upon the cost of medical services:
- Delay in receiving medical treatment;
  - Time and costs involved by the insurance company simply to have original medical opinion reconfirmed;
  - Misdiagnosis of the injury or illness;
  - Incorrect treatment plan that has resulted in adversely impacting the health of the worker and therefore extending the time and costs involved in having the employee return to work;
  - Observations by workers that some doctors order additional tests that may not be required or bill at a higher rate for workers compensation patients compared to other patients.
25. There could be scope for significant savings through minimising party aligned medical reports in favour of purely independent reports or introducing more regulated fee structures. Often, insurance company doctor reports produce extremely conservative medical assessments based on a short medical consultation.
26. The issues raised above ought to be fully explored before the already minimal entitlements of injured workers are further diminished.
27. Clause 14 of the Issues Paper as quoted above, gives the impression that worker seeks to remain off work by seeking medical treatment designed to “maintaining dependency.” This is completely false and workers wish to recover as quickly as possible so as to not only return to workplace but to also lead effective home life. We receive complaints from members that their treatment has been delayed causing aggravations to the injury and wish to commence treatment so as to return to the workplace as soon as possible.
28. The AWU recommends that the inquiry should examine timeliness, quality and cost of delivery of medical services rather than linking recovery to outcomes of return to work plan resulting in financial penalties to the worker. The AWU also recommends to review the schedule of medical costs charged to injured workers.

### **Legal Costs**

29. Similarly, clause 1.4 of the Issues Paper reveals that legal costs are a substantial component of liability in the workers compensation system (see above). We acknowledge that legal fees are already regulated by the *Workers Compensation Regulation 2010*. However, we note the following comment from the NSW Office of the Legal Services Commissioner:



*A legal practitioner is bound by the restrictions on costs and cannot exceed the amount prescribed by the 2003 Regulation (which is now 2010). However legal practitioners **can and often do** “contract out” of the regulated costs in work injury damages matters, allowing them to recover costs exceeding the maximum amounts.<sup>1</sup>*

30. Law firms are another example of a stakeholder in the workers compensation system that has greater resources than injured workers to absorb a reduction in current income levels. We note there is no analysis in the Issues Paper about the extent of “contracting out” of regulated fees and no proposal to address the current legal framework.

### **Insurance Companies**

31. Clause 1.5 of the Issues Paper specifies that workers compensation insurance in NSW can currently be obtained from the following sources:

- The Workers Compensation Scheme
- SICorp
- Self-insurers
- Specialised insurers

32. However, there is no detail about the degree to which these four different sources of insurance are currently being utilised by employers. The AWU has primarily dealt with large companies falling within the “Specialised insurers” category or “Self-insurers” when representing injured workers.

33. The seven “Specialised insurers” in NSW are:

- Allianz Australia Workers’ Compensation (NSW) Limited
- Xchanging Integrated Services Australia Pty Ltd
- CGU Workers Compensation (NSW) Limited
- Employers Mutual NSW Limited
- Gallagher Bassett Services Pty Ltd
- GIO General Limited
- QBE Workers Compensation (NSW) Limited

34. Given that most of the “options for change” would dramatically reduce the amounts payable to injured workers by these insurance companies, the Issue Paper is severely lacking in financial information about these seven “Specialised Insurers”. For example:

### **What are the profits generated and cost structures of the seven licensed NSW workers compensation insurers?**

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<sup>1</sup> See [http://www.lawlink.nsw.gov.au/lawlink/olsc/ll\\_olsc.nsf/pages/OLSC\\_factsheet4](http://www.lawlink.nsw.gov.au/lawlink/olsc/ll_olsc.nsf/pages/OLSC_factsheet4)

35. This information is important because insurance companies may be another stakeholder which is far better resourced to absorb reduced income than an injured worker.
36. It is extremely difficult to gather financial information from publicly available sources on the financial performance of the specialised insurers operating in the New South Wales system and whether their performance is different compared to other jurisdictions.
37. The principle objectives of the insurance companies can be best summarised by *Employers Mutual Annual Report 2011* where it described its operation (which can be extrapolated to other insurance companies) "to develop and deliver solutions to prevent injuries, to assist injured employees to return to work and to reduce workers compensation costs to employers.
38. Employers Mutual (EM) operates in both the NSW and South Australian workers compensation market. EM's Net Assets as at 30/6/2003 was \$32.1 million. Over the next 8 years EM generated 7 profitable years and grew from \$32.1 million to \$87.2 million. The growth equates a 171% increase to net assets or an annualised profit return of approximately 15.4% per annum. This is a fairly healthy return compared to any industry, and on the back of injured workers.
39. CGU is predominantly involved in workers compensation and is part of Insurance Australia Group. The annual reports indicates that CGU operations returned \$139 million in 2010 & \$140 million in 2011. First half of the current financial year has generated a divisional result of \$88 million dollars which, if current financial performance continues, will generate a full year result significantly higher than last year.
40. We note that clause 1.6 of the Issues Paper states:  
*...there has been a cumulative 33 per cent reduction in average workers compensation premium rates since 2005 (with resulting savings for employers of around \$1 billion per annum)...*
41. From the evidence demonstrated from the data of CGU and Employers Mutual, specialised insurance companies are generating significant investment returns on net assets, in a climate where the previous State Labor Government managed to significantly slash premiums by 33%. Therefore, the insurance companies are deriving an significantly increased proportion of the workers compensation premium dollar than workers. It is ironic, that shareholders of insurance companies are deriving dividends and wealth from another set of employers, with the later screaming out that costs to the scheme is too high.
42. Prior to any changes to workers entitlements, the Government ought to investigate super profits generated by insurance companies and examine ways that these profits ought to be reinvested into the scheme to support injured workers.

## Specific Concerns

43. The Issues Paper identifies a number of “Options for change” including:

- Reduce payments for workers with total incapacity to the statutory rate at 13 weeks instead of 26 weeks
- Removal of journey claims
- Cap medical coverage duration
- Cap weekly payment duration
- Remove “pain and suffering” as a separate component of compensation
- Prevention of nervous shock claims from relatives of deceased or injured workers

44. The following case studies of AWU members who have suffered injuries at work illustrate the practical effect of the proposed reductions to workers’ compensation entitlements in NSW.

### Example 1: Mick Jenkins

45. Mick Jenkins had his right hand crushed whilst operating a roller mill machine in Young on 26 June 2006. Mr Jenkins subsequently had his four fingers and thumb amputated. Mr Jenkins underwent further surgery which attempted to fix three toes to the remainder of his right hand. The surgery failed which left Mr Jenkins without a right hand and three toes.

46. The company was prosecuted for clear breaches of occupational health and safety legislation in relation to failing to install guarding, a cut-off switch and an emergency stop button on the roller mill.

47. Mr Jenkins reached agreement for a commutation of his workers compensation rights in 2009. Mr Jenkins had significant psychological problems after his injury and has been unable to locate any alternative work to this date.

48. Mr Jenkins’s wife was severely affected by his injury but did not claim compensation for nervous shock. Mr Jenkins suggests his wife may have even been through a worse ordeal than him over years. Mr Jenkins says that his life changed forever on 26 June 2006 and no one can really understand the impact on yourself and those around you until you lived through it.

### The proposed changes to would mean the following for Mr Jenkins:

49. Mr Jenkins would receive his pre-injury earnings of approximately \$1,000 for 13 weeks and would then fall onto the statutory rate which is currently \$432 per week. This means Mr Jenkins would have to survive on \$560 a week less than his regular earnings from 13 weeks after his injury. This would mean Mr Jenkins has to deal with financial distress whilst trying to recover from losing his right hand, three toes and a psychological illness.

50. The Issues Paper, if adopted by the Government, would have resulted within the first six months of injury occurring, Mr Jenkins being \$7,280 worse off compared to the existing system due to dropping income support from 26 weeks to 13 weeks.
51. After around 2 and-a-half years Mr Jenkins would have to pay for his own medical expenses. Mr Jenkins was still receiving treatment for his psychological illness 3 years after his injury. Mr Jenkins has a prosthetic hand which is meant to be replaced every year. This costs around \$25,000. Under the proposed changes Mr Jenkins would be liable for all these expenses into the future.
52. Mr Jenkins has been looking for work over the past few years but has been unable to locate anything. Under the proposed changes, Mr Jenkins would cease receiving any weekly compensation after approximately two and-a-half years. This would leave Mr Jenkins in financial ruin to go with his missing hand and three toes.
53. Mr Jenkins has very little prospect of ever earning his pre-injury rate of \$1,000 per week again. If Mr Jenkins is lucky enough to find a job he would currently be entitled to make-up pay to lessen the impact of his reduced earnings. Under the proposed changes, Mr Jenkins would cease being entitled to make-up pay at an arbitrary date and would be forced to suffer from a reduced income for the rest of his life in addition to his workplace injuries.
54. Mr Jenkins received a "pain and suffering" payment of \$50,000 in 2009. This was the maximum amount which could be awarded and was in recognition of his horrific injury and the drastic impact on his whole life. Under the proposed changes, Mr Jenkins would receive no compensation for having to experience his hand being crushed in a rolling mill and then viewing his hand rolled flat after it was removed from the machine.
55. Mr Jenkins describes his wife as very tough and stoic. She did not claim compensation for nervous shock after the accident despite the devastating impact upon her life. Mr Jenkins has suggested that often relatives of injured workers go through a worse ordeal than the injured worker. Under the proposed changes, Mr Jenkins's wife would not be compensated if she suffered from nervous shock and neither would the relatives of people killed at work.
56. Even the existing workers compensation system fails to support Mr Jenkins as he would have had approximately ten (10) more working years prior to retirement and as a result of his employer's action, Mr Jenkins has lost approximately \$300,000 in potential income compared to if he stayed in a fit state.

#### **Example 2: Garry Elven**

57. Garry Elven injured his back whilst working at a glass manufacturing company in Western Sydney in 2004. Mr Elven was provided with light duties and had minimal time off work. Mr Elven has permanent work restrictions but has secured an alternative role with his employer which he can fully perform. Mr Elven's back

requires a "tune-up" every 12-18 months which involves 10-12 sessions with a physiotherapist.

**The proposed changes would mean the following for Mr Elven:**

58. If the proposal to cap medical coverage duration is introduced, Mr Elven faces the prospect of having to cover his own medical expenses into the future. This would mean that Mr Elven would have to pay around \$1,000 per year to cover the physiotherapy sessions which are necessary to allow him to continue providing valuable work for his employer. This additional financial burden would have a substantial impact on Mr Elven and his family.
59. If the proposed changes are adopted by the Government and Mr Elven finds himself in financial difficulty and cannot afford to undertake the medical treatment, he would be unable to continue to work and become unemployed. The proposed changes would turn a productive employee into an unemployable person reliant on Government handouts to survive.

**Example 3: Doreen Podmore**

60. Doreen Podmore fell around 3 and-a-half metres from scaffolding which collapsed whilst she was at work on a mushroom farm in Western Sydney in 2009. Ms Podmore suffered a serious lower back injury which will never fully recover. Ms Podmore has been totally unfit for work for a number of periods over the last 3 years and has permanent work restrictions which make returning to work at the mushroom farm impossible. Ms Podmore has recently undergone spinal surgery and requires ongoing medical treatment. She is currently receiving workers' compensation payments and looking for alternative employment.

**The proposed changes would mean the following for Ms Podmore**

61. Ms Podmore would have to try and support her two children on the statutory workers compensation rate which is currently \$432 per week from 13 weeks after her back injury. This is virtually impossible in Sydney and could result in Ms Podmore and her family literally ending up on the streets.
62. Ms Podmore would be left to pay her own medical expenses once an arbitrary period of around 2-and-a-half years expires. This would make any further surgery on her spine impossible and could result in her having to suffer from severe back pain because she cannot afford the necessary treatment.
63. Ms Podmore would cease receiving weekly workers compensation payments after around 2-and-a-half-years and could be forced to deal with her back condition without any regular source of income. This would leave her in financial ruin and is a totally unjust outcome for a woman who fell from incorrectly erected scaffolding at work.

64. If Ms Podmore is able to locate alternative employment at a lower rate of pay she is currently entitled to receive make-up pay into the future. The proposed changes would mean that Ms Podmore and her children have to deal with a reduced income after the cap of approximately two-and-a-half years is reached.
65. The consequential effect of the proposed changes would move Ms Podmore from the workers compensation system onto Medicare and unemployment benefits. The resultant change is to cost shift from State to the Federal Government.
66. Ms Podmore who at the time of injury was 46 years of age, has the potential of remaining in the workforce for another 20 years. The removal of make up pay due to the proposed changes to the scheme could result in Ms Podmore of losing approximately \$350,000 in potential earnings due to the actions of her employer and no fault of her own.

#### **Example 4: Michael Macbain**

67. Michael Macbain is a long term employee in the glass manufacturing industry and works at a Viridian Glass in South-Western Sydney. In 2009 Mr Macbain worked his shift and drove out of the factory car park on his motorbike. Mr Macbain was hit by a car seconds after leaving the car park and suffered a severe wound to his leg and a minor shoulder injury. Mr Macbain was only off work for a couple of days because he was fortunate enough to have a sympathetic employer who arranged office duties for him to perform. Mr Macbain's wound required almost daily medical attention for 3-4 months and he was eventually certified fit for pre-injury duties around 6 months after the accident.

#### **The proposed changes would mean the following for Mr Macbain:**

68. The Issues Paper contains a proposal to remove coverage for workers injured on their journey to and from work. This change would leave Mr Macbain with no workers compensation entitlements once he leaves the work car park.
69. Generally, employers may be reluctant to have a non-work related injured employee at the workplace due to the possibility that any further injury could result in a workers compensation claim.
70. Assuming the new proposals are adopted by the Government, and the motorist who struck Mr Macbain was not insured, Mr Macbain would have been left to cover all his medical expenses and have no entitlement to weekly compensation payments. There is also no guarantee that his employer would offer the same level of support without having any statutory workers compensation obligations.
71. Even in the best case example, if the motorist was fully insured, it would still take time before medical payments and loss of income payments would begin. In the meantime, no income because he is off work could result in failure to pay the mortgage loan and other hardships on the family life.

72. Mr Macbain's medical expenses after the accident exceeded \$50,000 and having to find this amount of money would have been extremely difficult for Mr Macbain and his family. Furthermore, seven months lost wages would have been approximately \$40,000 resulting in a total loss of \$90,000 through the adoption of the proposed new changes. His problems could be further compounded given that an employee that has 3 months or more off in a year could face being dismissed by the employer under the Fair Work Act.
73. Once again, the proposed new changes would ruin the life of employee and force him from being a contributor in society to one that is thrown out of work and relying on federal government handouts.

#### **Example 5: Greg Harris**

74. Greg Harris is a steel worker from Newcastle who was involved in a terrible accident on his way to work in 2010. A motorcycle pulled out in front of Mr Harris and he was seriously injured in the resulting crash. Mr Harris suffered a shattered pelvis, hips and kneecap as well as a broken wrist and brain injury. Mr Harris is only 47 years old and is unlikely to work again.

#### **The proposed changes would mean the following for Mr Harris:**

75. If the proposal to remove coverage of journey claims is implemented, Mr Harris will have no workers compensation entitlements whatsoever. Mr Harris will have to deal with financial ruin along with his horrific injuries.
76. Mr Harris would be left to pay for his own extensive medical expenses and would receive no weekly income support or assistance with finding alternative employment if his condition improves.
77. The journey to work is an unavoidable aspect of the employment relationship and it is fair, just and reasonable for the workers compensation system to cover workers as they make these journeys on a daily basis.
78. As discussed above with Mr Macbain, journey claims are an integral part of the workers compensation system and that the NSW State Government ought to arguing for it to be included in all state schemes rather than eliminating it from NSW scheme.

#### **Conclusion and Recommendations**

79. The phrase "class warfare" has been recently rolled out by the Federal Opposition Leader Tony Abbott in relation to the Federal Budget. The Issues Paper can be fairly criticised on this same basis except the class warfare in this case is pitching workers against employers, insurance companies and the NSW Government.
80. The AWU is extremely concerned that the Issues Paper is almost solely focused on achieving costs savings from the pockets of injured workers whilst paying scant

attention to savings which could be achieved from medical practitioners, lawyers and insurance companies.

81. The Workers Compensation Scheme is not meant to pitch any party against any other party. An employee who leaves the family home to go to work has the right to return home without injury. If an employee is injured on the way to work, at work or on the way home, then he/she has the right to know that they will be treated fairly and with dignity and that everything possible will be done so as to get the appropriate medical treatment and not incur a financial penalty.
82. Workplace injuries should not be a fact of life and must be avoided at all costs. James Rock from The Australian Industry Group, (as quoted in the Employers Mutual Annual Review 2011), acknowledged that “young and/or inexperienced workers moving into the manufacturing industry comprise some of the most exposed groups from an OHS perspective.” It is a given that employers understand that there is greater risk of the workplace injury with young and/or inexperienced workers. Lack of training and supervision often lead to workplace injury. We cannot allow for sake of saving a few dollars that injured employees are discarded like broken tools. Human life is precious and we all have the right to be looked after if something goes wrong.
83. Recommendations proposed by the AWU as outlined above is that prior to any consideration given to reducing workers entitlements, that the Government undertake a detailed examination and make the necessary adjustments to:
  - a. Actuary rate must be lowered to reflect the current economic climate and that workers compensation costs are a result of employer negligence of not maintaining a safe working environment and that these costs should not be shifted to the employee or the Commonwealth or other insurance companies (in relation to journey claims).
  - b. Improving the timeliness of medical treatment given to injured workers;
  - c. Review the medical schedule of costs charged for the treatment of workers;
  - d. Ensure that any misdiagnosed and other quality issues concerning treatment of workers be fully investigated;
  - e. Prior to any changes to the scheme that super profits generated by specialised insurers companies and their administration cost structures be examined so as to ensure that injured workers are receiving appropriate share of the premiums;
  - f. Journey claims must remain as integral part of the workers compensation scheme;
  - g. Ensure no worker is worse off due to the negligence of the employer and cuts to the scheme proposed by the NSW Government.