

**Submission
No 96**

INQUIRY INTO NSW WORKERS COMPENSATION SCHEME

Organisation: Timber Trade Industrial Association

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TIMBER TRADE INDUSTRIAL ASSOCIATION

SUBMISSION BY THE TIMBER TRADE INDUSTRIAL ASSOCIATION RE CHANGES TO THE NSW WORKERS COMPENSATION SCHEME

To:

Joint Select Committee on the NSW Workers Compensation Scheme

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Introduction

The Timber Trade Industrial Association (TTIA) is the major Employer Association covering Occupational Health and Safety (OH&S), Workers' Compensation, Rehabilitation, Training and Industrial Relations throughout the New South Wales Timber Industry.

Since 1940 TTIA has provided an Industrial service which was supplemented by an OH&S and Workers' Compensation service in 1993. Both these services have provided expert help and advice to the Industry and currently services over 500 members throughout Australia, the majority of which are in New South Wales. Membership covers the complete timber industry including logging and haulage companies. These member companies are located in city and remote regional areas throughout New South Wales.

Submission

TTIA believes that the NSW Workers Compensation Scheme is in major deficit and that the government is contemplating raising workers compensation premiums up to 28 percent. The TTIA wishes to express our opposition to any rise in the Workers Compensation premium.

Premium increases of this size will damage business and jobs growth in NSW. Workers compensation premiums paid by NSW employers are already 20 to 60 per cent higher than in Victoria and Queensland.

Small to medium sized businesses in NSW are already struggling to make money in today's economic climate and raising workers compensation premiums will only increase the burden on NSW business.

Workers compensation costs are already one of our major costs and if a company has a major claim, the workers compensation premium doubles for a period of 3 years.

These costs are not sustainable for small to medium sized businesses, especially if the claim is fraudulent or exaggerated by the injured worker and they are given months off by a treating doctor instead of days. In these cases, the estimated cost of the claim rises and so does the Premium.

It is all well for the government and WorkCover to tell businesses to manage the claim, but how can they manage a claim when a treating doctor continues to give the injured worker months off work for minor injuries or if the claims are fraudulent or exaggerated by workers who know how to wrought the system?

The TTIA believes that reforms need to be made to the NSW Workers Compensation Scheme. These reforms need to be made in the following areas:

a) Psychological and stress claims

There needs to be stricter rules regarding when a stress claim can be made.

b) Incentive scheme

There is no incentive for employers (PCBUs) to prevent injury or manage claims.

c) Stringent investigation

Stringent investigation by agents on suspected fraudulent claims or on injured workers who are exaggerating injuries.

d) Faster and more effective claims management by insurance agents.

Insurance agents can take months to organise appointments or worker assessments, which has a massive impact on claims.

- e) Doctors need to be held accountable for their decisions not to allow injured workers back on suitable duties.
- f) Claims experience should be based on the actual cost of the claim, not on the claim estimates.
- g) **Administration of Workers Compensation**
Workers Compensation Premiums should be administered in the same fashion as Payroll Tax/Superannuation contributions, i.e. a monthly reconciliation (and payment) based on actual monthly wages/salaries, thereby reducing the burden and vagaries on predicting the following years payroll, which naturally either means a twelve month over payment or under payment.

In conclusion, TTIA believes this Inquiry presents a unique opportunity, which may not arise again for some time, to address some of the inherent deficiencies in the NSW Workers Compensation system.

We therefore believe that it is an opportunity that should not be wasted, and would appreciate this Inquiry examining the concerns raised in this submission.

Brian Beecroft
Chief Executive Officer

16 May 2012