

10th May 2012

Ms Rachel Callinan
Director
Joint Select Committee on the NSW Workers Compensation Scheme
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Director,

Thank you for the opportunity to make a submission to the Inquiry into the NSW Workers Compensation Scheme.

We believe that reform of the NSW Workers Compensation Scheme should be based around principles that produce positive outcomes for injured workers, employers and NSW taxpayers alike. For the following reasons we do not believe the current scheme satisfies any of these principles.

- **A premium increase will not fix the underlying problems of the scheme – reform of the legislation and management processes must occur.**

The current scheme is far too complicated for cases that are doubtful with unfair burdens of proof placed on employers.

- **Any increase in premiums will impact on profitability and consequently employment numbers.**
- **Any increase in premiums will further weaken the competitiveness of NSW employers.**

We already struggle to keep employees in NSW who are attracted by higher salaries offered in other states, increasing our costs will amplify this situation.

- **The scheme is too complex for most employers and employees to manage their way through it. This needlessly creates an adversarial relationship between employers and employees.**
- **The focus of the Scheme must be to get people back to work safely and quickly – at the moment there is not enough motivation for injured workers to go back to work quickly.**

Most employees initially receive their normal pay when on workers comp leave providing little incentive to return to work.

Work capacity assessments are a critical part of the claim management process. Assessors should be accredited by WorkCover to undertake them – and not be limited to Doctors but also include other allied health professionals.

- There must be more structure in the work capacity assessment dispute process. Clear lines of authority are required.
- The link between safety initiatives and reduced premiums is not clear enough, particularly in a high risk industry such as ours. No one wants people to get hurt, but budgets are not limitless. We thus need an insurance model that better rewards through lower premiums good safety performance and injury management practices.
- There must be more power for WorkCover and Agents to investigate fraudulent claims and personal injury aggravation of claims.

We have suffered due to the ridiculousness of blaming the last employer for alleged injuries of employees that incurred when the employee was not even employed by us. The claim should be traced back to the correct employer or at least shared by all previous employers.

***Example:** An employee worked for us for about four years as a plant operator, previously working for a similar employer for about four years, left our employ and worked as an oyster farm labourer for one year, then worked for himself as a concreter for six years, then returned to our employ as a plant operator submitting a claim for a bad back within six months of being re-employed, blaming his condition on the operation of plant throughout his working life to date.*

*He did not reveal any back condition at our pre-employment medical examination and admitted that there was no actual incident that caused his condition, just years of operating plant. As we were the last employer, we had to endure the claim, the costs, the admin headaches etc , etc. **This is a very bad aspect of NSW legislation and needs to be fixed.***

- There must be more power for WorkCover and Agents to enforce timely compliance of a worker to an agreed injury management plan.
- There must be more power for WorkCover to effectively manage Agents. The two largest Agents that have been identified as not performing adequately should have been managed better and/or lost market share.

I would again like to thank the Committee for the opportunity to make this submission.

Yours sincerely,

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This submission is made of behalf of the above organisation.