

**Submission
No 183**

INQUIRY INTO NSW WORKERS COMPENSATION SCHEME

Organisation: Laurie Earthmoving Pty Ltd

Date received: 24/05/2012



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EXCAVATOR, ROCKBREAKER, DOZER, GRADER, 6 X 6 DUMPERS, FLOAT, ROLLER, TIPPER
TIMBER SUPPLIES

15 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.**
- **Any increase in premiums will impact on profitability and consequently employment numbers.**
- Any increase in premiums will further weaken the competitiveness of NSW employers.
- **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.**

We have had one major claim in 25 years of business and that one claim has put us on the brink of closing. At the time we employed up to 20 people in a mixed industry business of sawmilling and earthmoving. The incident happened in the sawmill. Workcover did not find us to be at fault as all guarding and OH & S systems were in place. However due to this incident we paid an extra \$100,000 in premiums. I also note that as we have had a major downturn we had to wait months for a refund on overpaid premiums which also caused financial stress.

- **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.**

The employee which was involved in our incident at first agreed to come back to work but eventually got a total payout.

- 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.**

As mentioned above Workcover did not find any fault in our workplace yet we still had to pay full workers comp costs.

- **There must be more power for WorkCover and Agents to investigate fraudulent claims and personal injury aggravation of claims.**

There is very little to prevent a worker from injuring him or herself on the weekend and then claiming the injury happened at work on Monday morning. We have had one case of this.

- **There must be more power for WorkCover and Agents to enforce timely compliance of a worker to an agreed injury management plan.**

A high turnover of employees at the insurance company meant our file kept getting put aside and not followed up.

- 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,

RUTH LAURIE
Laurie Earthmoving Pty Ltd

This submission is made of behalf of the above organisation.

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