



The Association of Self-Insured Employers of Queensland

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Ms Sue Cawcutt
Research Director
Education, Tourism, Innovation & Small Business Committee
Parliament House
BRISBANE QLD 4000

BY EMAIL: etisbc@parliament.qld.gov.au

Dear Ms Cawcutt

Re: Inquiry into Workers' Compensation and Rehabilitation (National Injury Insurance Scheme) Amendment Bill 2016

The Association of Self-Insured Employers of Queensland (ASIEQ) would like to thank the Committee for an opportunity to provide a submission in regards to the Amendment Bill. The ASIEQ represents all current self-insured employers within the Queensland Workers' Compensation Scheme.

The ASIEQ supports in principal, the primary aims of the Bill in regards to providing lifetime care and support for seriously injured workers. However, it is important to note that there are inherent difficulties attaching a long tail lifetime care and support system to a short tail compensation scheme.

Whilst the proposed amendment provides a reasonable structure for the implementation of the system, there is still significant detail in regards to the application or operational detail that will need to be implemented to ensure an efficient and cost effective scheme.

The ASIEQ acknowledges and thanks the Office of Industrial Relations (OIR) for including the ASIEQ as a participant in relevant stakeholder reference groups to date. In the event the legislation proceeds, the ASIEQ would seek closer participation with WorkCover, NIIS Queensland Agency and the OIR to contribute to the effective implementation of the Scheme.

It is noted that the Bill provides options for ongoing lifetime care and support and the option to seek treatment, care and support damages. Both are reasonable options with the first option in keeping with a long tail scheme and the second in keeping with a short tail scheme.

However Section 232ZD of the Bill appears to introduce a 5 year reassessment of an agreed damages award. The benefits of a short tail system and a damages settlement is the provision of finality. A reassessment of a damages award based on whether the amount was sufficient would be considered unusual and possibly unprecedented. This area needs potential close scrutiny as to whether it should exist or should only occur if there has been unexpected and substantive change to the worker's condition. (From an Actuarial basis alone, estimating potential liability for cases that may resurface in 20 years is unreasonable.)

It is noted that a decision in regards to this reassessment, an insurer must have regard to matters prescribed by Regulation. There appears to be no amendments to the Regulations to clarify this proposed reassessment at this time.

It should be highlighted that the potential short term cost of the NIIS for the Workers' Compensation Scheme on the surface appears manageable. However, long tail schemes tend to become more expensive over time

as costs are accumulated. The future costs to the scheme may be substantially higher than estimated as time progresses. The potential escalation in areas of conflict and related legal reviews have possibly not been considered as there are significant potential areas of conflict.

There is also an opportunity for significant bracket creep if current eligibility criteria are adjusted at any time in the future in the Federal Scheme.

Whilst the ASIEQ acknowledges and supports the amendments to assist single self-insured employers to consider a return to WorkCover Queensland Insurance, the ASIEQ has long held the view that the minimum requirement of 2000 workers is unnecessary and inconsistent with all other State legislation. It is understood that this issue may not be within the scope of the committee, however, the reduction of the 2000 limit to 500 would be a reasonable position for the Government to adopt.

Thank you again for the opportunity to provide a submission to the Committee.

Yours faithfully,

A black rectangular redaction box covering the signature of Bill Mevin.

Bill Mevin
Chair, ASIEQ