

# Transport Workers' Union of Australia Queensland Branch



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26 July 2012

Ms Deborah Jeffrey  
Research Director  
Finance and Administration Committee  
Parliament House  
George Street  
BRISBANE QLD 4000



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By Email: fac@parliament.qld.gov.au

Dear Ms Jeffrey

**RE: SUBMISSIONS OF THE TRANSPORT WORKERS' UNION OF AUSTRALIA IN RELATION TO THE OPERATION OF QUEENSLAND'S WORKERS' COMPENSATION SCHEME**

We refer to Mr Michael Crandon MP's letter dated 22 June 2012 inviting a submission to the Finance and Administration Committee in relation to the operation of Queensland's Workers Compensation Scheme.

The Queensland Branch of the Transport Workers Union of Australia represents the industrial interests of about 10,000 transport workers in Queensland. Our members work in aviation, general transport, waste management, passenger transport, and the cash in transit industry.

The TWU is an active member of the Transport and Storage Industry Sector Standing Committee, the Road Freight Industry Council Safety Committee, the Transport and Logistics Workforce Advisory Group and of the recently established Bus Safety Committee. We are a key stakeholder when it comes to issues relating to Safety and Workers Compensation in the transport sector.

On behalf of our membership, we write to put to the Committee our views as to the operation of Queensland's Workers Compensation Scheme.

## **Objects of the Workers Compensation and Rehabilitation Act 2003**

The objects of the Workers Compensation and Rehabilitation Act 2003 ("the Act") are to:

"Maintain a balance between—

- (i) providing fair and appropriate benefits for injured workers or dependants and persons other than workers; and
- (ii) ensuring reasonable cost levels for employers;

It is submitted that the present scheme is achieving those objects and ought not be changed in any significant way.

## Risk of Harm in the Transport Sector

Compared to other industry sectors, the Transport sector has one of the highest rates of occupational injury and Workcover claims.

The following industry analysis (reproduced from the Workcover Website (<http://www.deir.qld.gov.au/workplace/statistics/injury-heat-maps/index.htm>)) shows the risk of harm across broad industry groupings. The index that is applied identifies the top third of industries in each business size group as red (serious harm), while those industries in the bottom third as green (low harm). The third of industries with average index values are orange (moderate harm).

Industry	Employer size		
	Large	Medium	Small
Agriculture, forestry and fishing	Green	Orange	Red
Manufacturing	Red	Red	Red
Electricity, gas, water and waste services	Red	Green	Green
Construction	Orange	Red	Red
Wholesale trade	Orange	Red	Orange
Retail trade	Orange	Orange	Orange
Accommodation and food services	Green	Orange	Orange
Transport, postal and warehousing	Red	Red	Orange
Information media and telecommunications	Green	Green	Green
Financial and insurance services	Green	Green	Green
Rental, hiring and real estate services	Green	Orange	Orange
Professional, scientific and technical services	Green	Green	Green
Administrative and support services	Green	Orange	Orange
Public administration and safety	Red	Green	Green
Education and training	Red	Green	Green
Health care and social assistance	Red	Orange	Green
Arts and recreation services	Green	Orange	Red
Other services	Green	Orange	Orange

Key:  Serious harm  Moderate harm  Low harm

The industry with the highest number of work related fatalities between 2005-06 and 2009-10, was Transport and storage (81 fatalities), followed by Construction (37 fatalities), Manufacturing (25 fatalities), and Agriculture, forestry and fishing (23 fatalities).

(Source: <http://www.deir.qld.gov.au/workplace/statistics/performance-trends/index.htm>)

Given the high risk of serious harm and death in the transport sector, it is essential that transport workers (and their dependants) have access to a workers compensation scheme that is both fair and sustainable.

## **Journey Claims**

Journey claims represent only 6% of all statutory claim lodgements and this has been stable for the past 10 years (Source: Q Comp Queensland Workers Compensation Claims Monitoring May 2012).

A high proportion of Transport Workers travel to work each day using their own vehicle or work vehicle rather than public transport. Many transport depots are located in areas that are not serviced by, or are underserved by, public transport and transport workers often commence and finish work at times when public transport services are not regular.

Notwithstanding the existence of State and Federal legislation that targets fatigue management while a transport worker is at work, the effects of fatigue from long hours behind the wheel of a truck are still present on the journey to or from work. The risk of injury to a transport worker in a journey accident is perhaps greater than workers in other sectors.

It is not known what proportion of journey claims relate to the Transport and Storage Sector.

Unlike other States that have no fault statutory schemes to compensate those involved in motor vehicle accidents (such as in Victoria) Queensland's motor accident compensation scheme is a fault based scheme. A transport worker that is injured in an at fault motor vehicle accident on the way to or from work is entitled to compensation under the Workers Compensation and Rehabilitation Act 2003.

It is essential that Transport Workers have access to compensation in circumstances where they sustain injury on the way to work or on the journey home even where they are at fault.

The removal or restriction of existing rights to statutory compensation for an injury on the way to or from work would not be consistent with the objects of the Act and could leave Queensland as the only jurisdiction in Australia that does not provide access to compensation (or fair compensation) for workers that are involved in an at fault accident on the way to or from work.

### *Recommendation:*

The TWU recommends that existing rights to compensation for journey accidents be maintained without modification.

## **Permanent Impairment Threshold to Recovery of Common Law Damages**

Under the Act an entitlement to common law damages is available to all employees who can prove negligence against their employer and who have suffered an impairment or disability that substantially affects their future earning ability.

As Ms Woods explained to the Committee in the Departmental Briefing on 11 July 2012, impairment is distinct from the concept of disability which is not compensated under the statutory scheme. However, under the Act a worker can still access common law damages with a 0% assessment of permanent whole person impairment.

Ms Woods also explained that the introduction of a threshold level of permanent impairment is likely to have the effect of increasing claims costs and significantly increasing the timeframe for the resolution of claims. The introduction of a permanent impairment threshold to access common law damages is likely to significantly increase the number of matters referred to the Medical Assessment Tribunal (MAT) as workers fight to gain access to common law. The fact is that the supply of suitably qualified medical practitioners has been exhausted and it follows that an increase in levels of disputation will increase claims costs and timeframes for resolution.

There will be greatly increased involvement of lawyers before the MAT. At present most MAT hearings are conducted without lawyers.

The introduction of a 1% work related whole person impairment threshold to recovery of common law damages would deny access to common law for 32% of workers negligently injured by the carelessness of others. The introduction of a 5% threshold would deny access to 58% workers injured by the negligence of others. (*Source: Q Comp Queensland Workers Compensation Claims Monitoring May 2012 page 33*). This amounts to effective abolition of common law rights for the majority of injured workers and would be strongly resisted by the members of our union. The right to seek redress and achieve justice against a wrongdoer that has caused hurt and damage is regarded as a fundamental right of our members.

The following case studies relate to TWU members who have recently settled common law claims against Workcover.

### **Mr B**

*Mr B was 45 years at time of injury. He was employed as a full time truck driver by one of the major transport companies. He sustained serious Injuries when he was in process of lifting packs of steel off the back of a truck while using a forklift. The steel packs started to slip off the tines of the forklift due to the negligence of another party which resulted in the forklift tipping to one side while Mr B was still in the driver's seat.*

*Injuries sustained included neck, lower back, shoulder and secondary psychological injuries. Mr B was assessed as having a 3% impairment. His claim settled for a significant amount representing the fact he could no longer work as a forklift driver. .*

### **Mr M**

*Mr M was employed as a Coach Driver. He injured his back in May 2010. He was required to drive a bus with a defective seat from Rockhampton to Brisbane (a trip of around 10-12 hours in a bus).*

*In December 2010 Mr B was reviewed by the MAT who found that he was suffering from exacerbation of pre-existing lumbar spine degeneration and that his work related incapacity had ceased. Therefore he had a Nil% WRI and \$Nil offer for the physical injuries which included an annular tear L4/5/S1 and anxiety/depression. The matter resolved for an amount in excess of \$150,000 because he could not return to work as a driver and his lack of education meant he was effectively unemployable. This worker would be entitled to nothing under a 0% threshold..*

### **Mr E**

*Mr E fell from a ladder at the Airport whilst he was refuelling a plane. The leg of the ladder broke, and Mr E fell backwards and injured his right shoulder. Mr E did not initially lodge a WorkCover claim and when he did, it was rejected on the basis he did not sustain an "injury". Q-Comp upheld WorkCover's decision, and Mr E successfully appealed to the Industrial Relations Commission. He then pursued a common law claim in respect of a 5.3% permanent impairment and recovered \$200,000.*

**Ms X**

*Ms X was pulling a pallet jack, walking backwards out of a chiller room when one of the wheels of the pallet jack got stuck in an indentation in the floor, causing the pallet jack to stop and her right shoulder to jerk as she kept pulling to get over the indentation. There had been numerous complaints about the indentation in the floor which were ignored. Her shoulder injury has had a profound impact on her life. She required surgery, and now has had to modify a lot of what she does. Lifting shopping bags is difficult, particularly if she has to lift them with her arm extended. She used to enjoy gardening, however now has to modify the way in which she does this by keeping her arm close to her body. . She has difficulty with household chores such as hanging out the washing, cleaning windows and washing her hair. She has difficulty dressing and reaching up into overhead cupboards. She used to enjoy swimming, but she is not able to freestyle any more, and cannot play social sport. She used to play tennis with her children, but no longer can do so. Ms X was assessed as having a 6.4% impairment (offer of \$13,980). She pursued a Common Law claim which settled for \$170,000.*

**Mr G**

*Mr G injured his lower back when he was working in a sewerage pit at a council workplace. He was diagnosed with an aggravation of pre-existing left L5/S1 disc protrusion. He was assessed with a 7% whole person impairment as a result of the accident. His lower back injury has affected all areas of his life. His lower back pain was aggravated by prolonged sitting, which interferes with his ability to be a truck driver, and also his ability to sit and relax in his leisure time. His symptoms are also aggravated by jogging, cycling and gym work. He has trouble driving a car for long distances, standing in a queue, lifting, carrying, bending, performing home renovations, washing his car, getting dressed or undressed, preparing food in the kitchen, washing and wiping dishes, and gardening. His sleep is also disrupted by the pain. Mr G rejected the impairment offer of \$17,472 and achieved a common law settlement of \$175,000.*

The case studies demonstrate that under the present system, workers who have suffered injuries that have resulted in a nil level of permanent impairment or a low level of permanent impairment (but a high level of disability) can achieve a decent level of compensation by pursuing common law claims.

If thresholds to the recovery of common law damages are introduced many of our members will not be able to achieve fair and appropriate compensation for work related injury.

*Recommendation*

It is recommended that the existing system which does not impose a threshold level of permanent impairment to the recovery of common law damages be maintained.

**Growth in Common Law Claims and Claims Cost**

The Committee is required to consider whether the reforms implemented in 2010 have addressed the growth in common law claims and claims cost that was evidenced in the scheme in 2007-08.

The data provided by Workcover confirms that in relation to the Transport, Postal and Warehousing division:

- New common law claims have remained steady at approximately 225 claims per annum since 2009-10;
- Average common law claim cost has declined from over \$179,000.00 in 2009-10 to about \$150,000.00 in 2011-12.

*(Source: Workcover Queensland Industry Summary (data as at 31 May 2012) Division: Transport, Postal and Warehousing) (copy attached).*

New common law claims in the Road Transport Sector (as a sub division of the Transport, Postal and Warehousing Division) have declined markedly since a high of 170 in 2009-10. In 2011-12 new common law claims had reduced to 142.

*(Source: Workcover Queensland Industry Summary (data as at 31 May 2012) Sub- division: Road Transport) (copy attached).*

### **Self Insurance Arrangements**

The TWU has members employed by a number of self insurers under the Act including:

- Qantas Airways Limited;
- Toll Holdings Limited;
- JBS Australia Pty Ltd;
- Coles Group
- Redland City Council;
- Brisbane City Council;
- Gold Coast City Council;
- Townsville City Council.

There are also a number of transport companies that presently self insure under the Comcare scheme that employ TWU members. Those companies include:

- Australian Air Express Pty Ltd;
- Australian Postal Corporation;
- Border Express Pty Ltd;
- Chubb Security Services Limited;
- K & S Freighters Pty Ltd;
- Linfox Australia Pty Ltd;
- Linfox Armaguard Pty Ltd;
- TNT Australia Pty Ltd;
- Transpacific Industries Pty Ltd.

Since the election of the Rudd/Gillard Government there has been a moratorium on the granting of self insurance licences under the Comcare scheme. We can only speculate as to whether or not that moratorium will be lifted if the Liberal National Party coalition wins government at the next federal election.

The possibility of the granting of new Comcare scheme licenses and the effect that may have on the viability of Queensland's workers compensation scheme is a matter that the Committee ought to consider in its deliberations. When large employers leave the State system it puts upward pressure on premiums.

Presently, the eligibility requirements for the granting of a self insurance licence under the Act include a requirement that the employer have at least 2000 employees. It is noted that at one time the threshold was reduced to 500 employees.

Any reduction in the threshold requirement of 2000 employees may allow other employers to self insure under the Act. The granting of new licences under the Act is likely to put upward pressure on premiums and that may be a matter upon which the Committee should seek further information and actuarial advice.

TWU members employed by self insurers under both the Act and the Comcare scheme have expressed concerns about the way in which their claims are managed. A common complaint is that of "conflict of interest". Affected TWU members perceive that meritorious claims are rejected and resisted by self insurers because the company that manages the claim is the company that stands to suffer a financial loss if the claim is accepted.

In the 2010 Report of the Structural Review of Institutional and Working Arrangements in Queensland's Workers' Compensation Scheme the following observation was made:

*"101. A relatively small percentage of decisions in relation to claims are reviewed, but the number has steadily grown since 2007-08. In 2005-6, about 2.7% of claims (around 2,300 were reviewed. By 2009-10, about 3.0% of claims (about 3,000) were reviewed. A higher percentage of self insurer decisions were reviewed. The outcomes do not appear to be affected by whether the person seeking the review is legally represented. The percentage of decisions that are returned for reconsideration has almost doubled in the past five years (from 7%, or 140 claims in 2006-06 to 13 percent, or 358 claims, in 2009-10), although closer examination of the reasons would be required to understand that trend"*

Self insurers claim to have a "Chinese Wall" that ensures that claims are dealt with impartially. Those claims are difficult to reconcile with:

- the regular flow of complaints from TWU members;
- the proportion of TWU members employed by self insurers (as compared to employers that hold a Workcover policy of insurance) who are referred to the union's lawyers for advice and assistance; and
- the aforementioned observations of the Structural Review

Employers who are also self insurers obtain access to private medical information about their workers. We have seen examples where the 'insurance' arm has leaked medical information to the 'employment' arm of the employer leading to clear breach of privacy and increased disputation. Independent insurers have no such conflict.

### *Recommendation*

Given the forgoing, the TWU recommends that:

- the existing eligibility rules for self insurance under the Act (including the requirement for 2000 employees) be maintained without modification;
- Q Comp should be tasked to examine and report on why the rate of review of workers compensation claims managed by self insurers is so much higher than the rate of review of Workcover claims.
- Consideration be given to the establishment of benchmarks for self insurers to achieve in relation to the rate of review of claims.

### **Focus on Injury Prevention and Management**

The Injury Prevention and Management Program (IPaM) is a joint initiative between Workplace Health and Safety Queensland and WorkCover Queensland and focusses on the improvement of injury prevention and rehabilitation and return to work outcomes for the worst performing Queensland employers.

In 2011/12 the IPaM case managed group (approximately 200 businesses) achieved the following:

- Average costs decreased by 24% more than the Workcover Scheme;
- Total statutory claims costs reduced by \$2.2 M; and
- Claims frequency (as measured by claims divided by wages) decreased by 7% compared to the overall WorkCover scheme which decreased by 4%.

*(Source: IPaM progress update to Transport & Storage Industry Sector Standing Committee 21 June 2012 (copy attached))*

### **Case Study**

In June 2011 a Translink bus service provider joined the IPaM program having been identified as a large employer with premiums capped at twice the average industry rate.

The company has requested anonymity and we shall refer to them as "BusCo". Busco has provided the following information about its achievements over the last 12 months:

*"Premium rate 2010/2011 was 4.204 (industry rate was 2.102, Busco was double-capped). Increased to 5.030 in 2011/2012 (double-cap remained). However forecast for 2012/2013 is now 4.753.*

Average first RTW days is now 21.89 days (industry is 27.82) and dropping.

Stay at work percentage was 24.39% in 2010/2011 (industry average was 30.68%). This positively increased substantially to 36.36% in 2011/2012 (industry average is 31.62%) and we expect this positive trend to continue as all of our current claims are still within the workforce on RTW programmes.

Final RTW percentage is 95.83% (2011/2012) with industry average at 95.51%.

New claims for BusCo have gone from 55 in 2010/2011 to 46 in 2011/2012. Currently, we only have 10 claims across BusCo, compared to 19 in January. In one major depot, it has gone from 15 claims to 4 current claims (all back at work and only two over 6 months old)."

These encouraging results demonstrate that much improvement in the performance of the Workers Compensation scheme can be achieved without further legislative change but instead with the direction of an appropriate level of resources toward injury prevention and management.

#### *Recommendation*

The TWU recommends that the IPaM program be expanded to cover more poor performing employers.

#### **Conclusion**

The scheme is presently achieving the objects of the Act to provide fair and appropriate benefits to injured workers in a sustainable way. The effects of the 2010 reforms are presently being seen with a reduction in common law claims and claims costs. Accordingly, there is no present need for any significant legislative change and the old adage that "if it's not broken then don't try and fix it" would seem apt.

If there are to be changes to the system those changes should be directed at improving and expanding injury prevention and management programs for those employers that are being hit with increased premiums because of their past poor safety record.

We trust this information will be of assistance to the Committee in its deliberations,

Yours faithfully

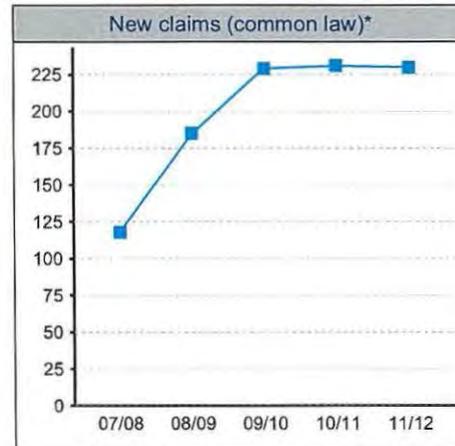
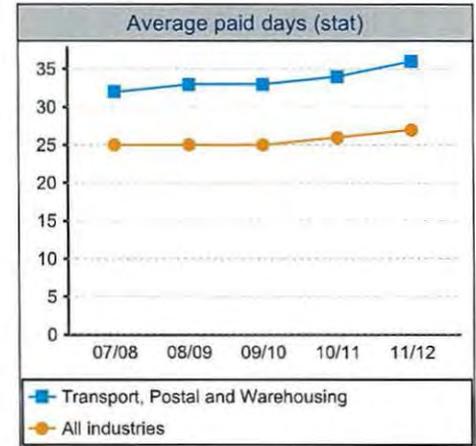
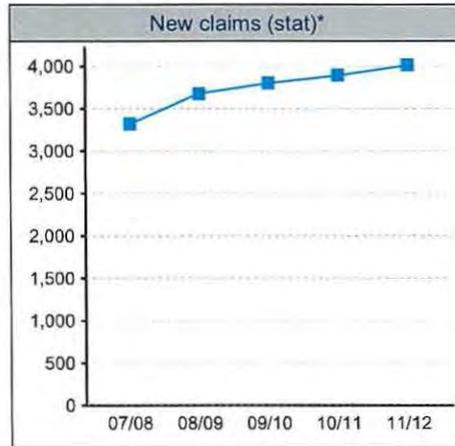
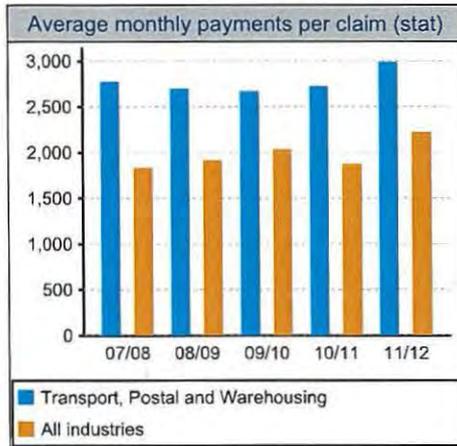
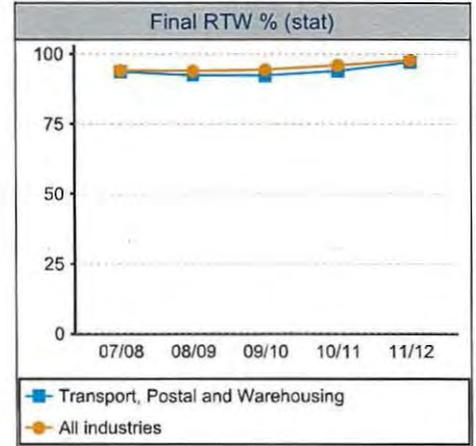
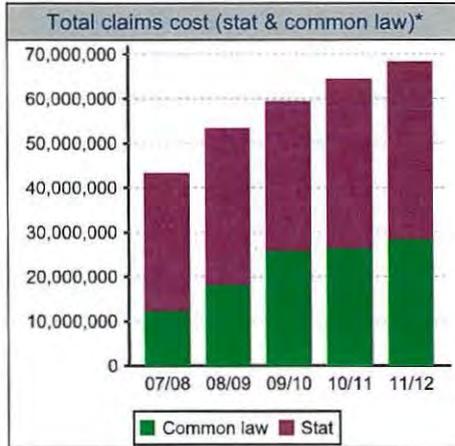
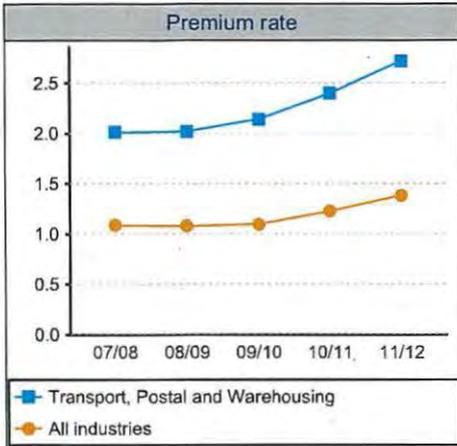


Peter Biagini

Qld Branch Secretary – Transport Workers Union of Australia

Data as at: 31-May-2012

Division: Transport, Postal and Warehousing



\* Factoring applied for 12/13 projections

Premium rate		
Year	Transport, Postal and Warehousing	All industries
07/08	\$2.012	\$1.089
08/09	\$2.021	\$1.082
09/10	\$2.144	\$1.098
10/11	\$2.402	\$1.230
11/12	\$2.721	\$1.385

Total claims cost (stat & common law)*		
Year	Stat	Common law
07/08	\$30,983,054	\$12,298,676
08/09	\$35,084,542	\$18,215,412
09/10	\$33,493,862	\$25,825,306
10/11	\$37,896,581	\$26,479,768
11/12	\$39,861,938	\$28,383,417

Final RTW % (stat)		
Year	Transport, Postal and Warehousing	All industries
07/08	93.7%	94.2%
08/09	92.4%	93.9%
09/10	92.3%	94.4%
10/11	93.9%	96.0%
11/12	97.2%	97.8%

Average monthly payments per claim (stat)		
Year	Transport, Postal and Warehousing	All industries
07/08	\$2,770	\$1,826
08/09	\$2,697	\$1,909
09/10	\$2,664	\$2,032
10/11	\$2,725	\$1,868
11/12	\$2,988	\$2,221

New claims (stat)*	
Year	Transport, Postal and Warehousing
07/08	3,320
08/09	3,677
09/10	3,803
10/11	3,895
11/12	4,015

Average paid days (stat)		
Year	Transport, Postal and Warehousing	All industries
07/08	32	25
08/09	33	25
09/10	33	25
10/11	34	26
11/12	36	27

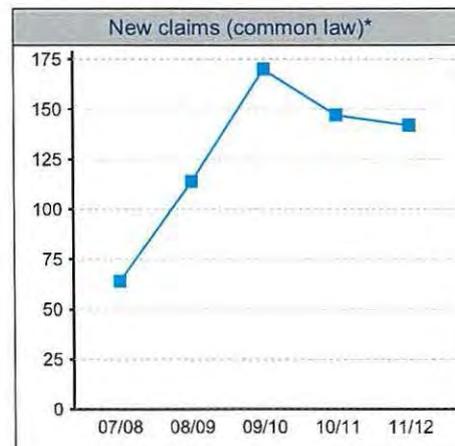
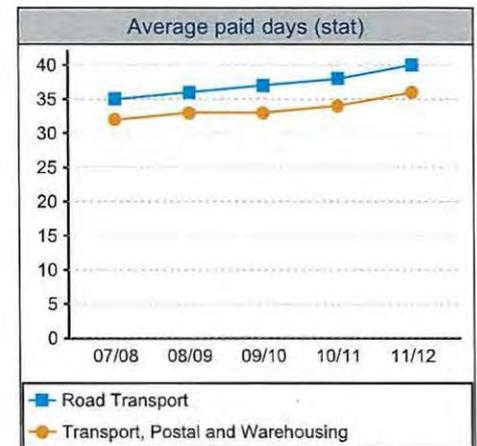
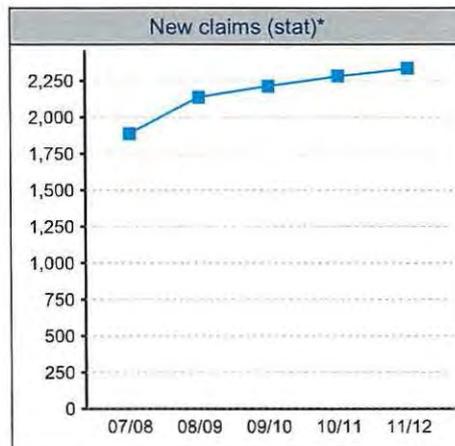
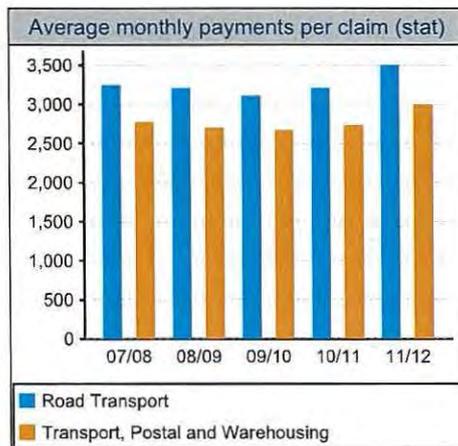
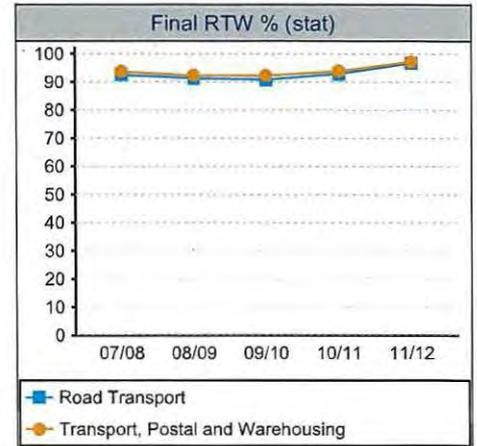
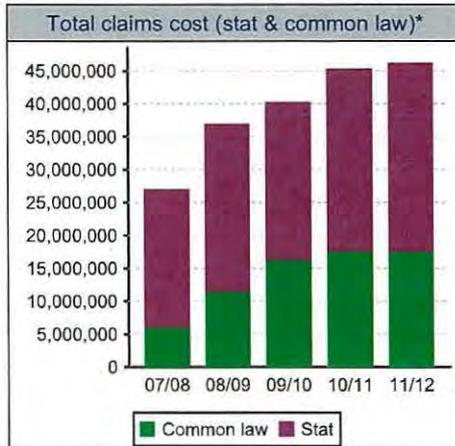
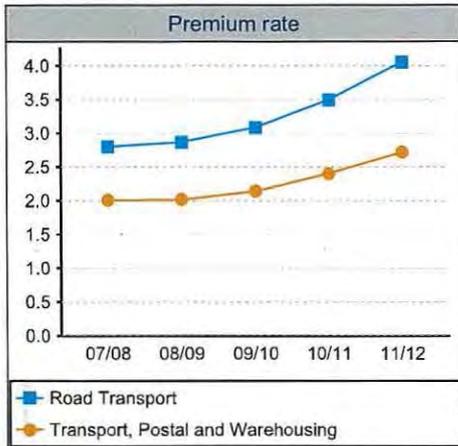
Average claim cost (common law)		
Year	Transport, Postal and Warehousing	All industries
07/08	\$135,150	\$126,124
08/09	\$144,567	\$142,847
09/10	\$179,342	\$153,712
10/11	\$173,070	\$159,608
11/12	\$150,581	\$148,869

New claims (common law)*	
Year	Transport, Postal and Warehousing
07/08	118
08/09	185
09/10	229
10/11	231
11/12	230

\* Factoring applied for 12/13 projections

Data as at: 31-May-2012

Sub-division: Road Transport



\* Factoring applied for 12/13 projections

Premium rate		
Year	Road Transport	Transport, Postal and Warehousing
07/08	\$2.801	\$2.012
08/09	\$2.869	\$2.021
09/10	\$3.086	\$2.144
10/11	\$3.495	\$2.402
11/12	\$4.053	\$2.721

Total claims cost (stat & common law)*		
Year	Stat	Common law
07/08	\$20,904,820	\$6,085,724
08/09	\$25,438,792	\$11,540,827
09/10	\$23,888,250	\$16,351,285
10/11	\$27,790,584	\$17,544,707
11/12	\$28,531,234	\$17,619,389

Final RTW % (stat)		
Year	Road Transport	Transport, Postal and Warehousing
07/08	92.6%	93.7%
08/09	91.3%	92.4%
09/10	90.9%	92.3%
10/11	92.9%	93.9%
11/12	96.8%	97.2%

Average monthly payments per claim (stat)		
Year	Road Transport	Transport, Postal and Warehousing
07/08	\$3,245	\$2,770
08/09	\$3,203	\$2,697
09/10	\$3,104	\$2,664
10/11	\$3,202	\$2,725
11/12	\$3,499	\$2,988

New claims (stat)*	
Year	Road Transport
07/08	1,891
08/09	2,141
09/10	2,214
10/11	2,284
11/12	2,336

Average paid days (stat)		
Year	Road Transport	Transport, Postal and Warehousing
07/08	35	32
08/09	36	33
09/10	37	33
10/11	38	34
11/12	40	36

Average claim cost (common law)		
Year	Road Transport	Transport, Postal and Warehousing
07/08	\$114,825	\$135,150
08/09	\$162,547	\$144,567
09/10	\$177,731	\$179,342
10/11	\$160,961	\$173,070
11/12	\$134,760	\$150,581

New claims (common law)*	
Year	Road Transport
07/08	64
08/09	114
09/10	170
10/11	147
11/12	142

\* Factoring applied for 12/13 projections

# Injury Prevention and Management program progress update

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## Background

The Injury Prevention and Management program is a joint initiative between Workplace Health and Safety Queensland and WorkCover Queensland focusing on working with businesses with a workers' compensation premium twice that of their industry average to improve their injury prevention and rehabilitation and return to work systems.

For 2011-2012 there are 1,200 businesses within the workers compensation scheme whose premiums are capped at two times the average rate for their industry.

The long-term goal is to reduce injury rates and therefore minimise scheme costs.

## Key achievements / outcomes for 2011

WorkCover Queensland have provided data for the 2011-2012 calendar year which indicates some pleasing trends within the IPaM case managed group of approximately 200 businesses. Please refer to attached document. (Attachment 1)

### Highlights

- Average costs for those businesses being actively case managed within the program, decreased by 24% more than the WorkCover scheme.
- Total statutory claims costs for those actively case managed reduced by \$2.2M, while scheme claims costs increased.
- Claims frequency (as measured by claims divided by wages), for the case managed group decreased by 7% compared to the overall WorkCover scheme decreasing by 4%. This reduction is significant given the case managed group are the worst performers and likely to take longer to decrease their claims frequency.

### Exiting Employers

There are currently 11 businesses that have been exited from active case management and moved into a 'supported self management' phase of intervention. In the next month it is anticipated that another 30 businesses will be moved from active case management. Some examples of achievements within these companies include:

- An increased focus on worker participation and consultation such as weekly tool box talks with all workers including contractors.
- Introduction of the PERforM (Participative Ergonomics for Manual Tasks) program to assist in the reduction of musculoskeletal injuries.
- Implementation of the new harmonised workplace health and safety legislation, i.e. legal requirements for hazardous chemicals have been updated.
- Positive WHS performance indicators have been set at various levels of organisations.
- Competency checks/safety observations have been developed and implemented.
- Some businesses have recognised the benefits of a systematic approach to safety and are in the process of gaining AS/NZS 4801 compliance which includes external provider scrutiny of their systems.

- Suitable duties, designated medical centres and allied health professionals have been established by employers to further improve injury management processes.
- Development of Committees and Health and Safety Representatives with some businesses introducing safety champion awards for the staff to encourage more active participation
- Translation of key documents into Chinese for the workforce
- Nominations for QCOMP return to work awards and SWAW Awards

## Key activities for 2012

### IPaM capped employer list for 2012

There are currently 162 active case managed businesses on IPaM.

In liaison with WHSQ, WorkCover Queensland is currently reviewing the capped employer list with a view to ensuring that the information about the policies on the list allows for easy prioritisation to active case management.

Determination for prioritisation on this list will be based not only on wages, financial impact of coming off the cap and frequency of claims but also other criteria such as whether a policy is capped due to a single common law claim. Since the November 2011 list was updated there continues to be a number of policies that were, for example, capped for one common law claim with only a very small number of employees (1-2 people) and for businesses who were closing. Allocation of limited IPaM resources will focus on the potential where IPaM can have the greatest impact.

### Monitoring and evaluation

Businesses moving from active case management to supported self management will be surveyed and again reviewed at a 6 month and 12 month time frame. WorkCover Qld is currently considering the premium capping options for those companies whose 'history' will continue to affect their premium despite present day improvements. These businesses' premiums may be able to be considered on a 'case by case basis' where some discretion could be applied to capping remaining based on achieving positive improvement to workplace health and safety and injury management outcomes.

### Recommendation

It is recommended that the Board Notes the progress of the Injury Prevention and Management Program.

### WCQ Data IPaM program 2010 – 2011

This data represents.

- The IPaM case managed group - Those employers who have been identified as poor performers in the Workers Compensation scheme and have been actively case managed.
- Scheme - The scheme represents the state-wide average of all employers under the workers compensation scheme.

For future data updates a request has been made for Individual data on the actively case managed businesses.

Measure	IPaM Case Managed List (200 employers)	Comments
Claims frequency (Claims/Wages)  Claim numbers divided by wages	<b>decreased by 7%</b> against the scheme reducing by 4%	This is measured by claims divided by wages. It has been measured against the 2009/2010 IPaM list. We expect the case managed employers to be the worst performers and therefore take longer to reduce the claims frequency. Despite this, the case managed list did perform better than the scheme with the scheme experiencing a 4 % decrease
Average Costs	<b>decreased by 24% more</b> than the scheme	Average costs takes into consideration the following factors: <ul style="list-style-type: none"> <li>▪ Medical costs</li> <li>▪ Wages lost</li> </ul> This is due to a decrease in claims plus the reduction in time staff are off work due to improved return to work strategies and medical improvements.
Average Durations (based on total incapacity days – measured in days)	<b>decreased by 6% more</b> than the scheme	Average number of weeks for a claim from intimation to finalisation
Days to Return to Work	<b>1% higher than scheme</b>	The average number of days taken to secure any form of return to work. Only lost time claims are included in this calculation. This could be due to the possible increase in seriousness of injury and also longer recovery period.
Final RTW outcome	<b>Improved by 2%</b> (from 96% to 98%).	The number of claims where time lost has been paid and where the worker has returned to work, shown as a percentage of all claims, in a given financial year.
Statutory Claims Costs	<b>reduced by \$2.2M</b> 09/10 \$13.6M 10/11 \$11.4M	This is measured in dollars and is influenced by the industry rate and CPI. As these have both gone up in the 2010/2011 financial year the IPaM case managed list has bucked the trend and has decreased the statutory claims costs.