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The Research Director
Finance and Administration Committee
Parliament House
George St
Brisbane Qld 4000



Dear Mr Crandon

RE: Inquiry into the operation of Queensland's workers' compensation scheme

Please find the Australian Rehabilitation Provider's Association (ARPA) Qld's response to the Inquiry into the operation of Queensland's workers compensation scheme.

ARPA represents member organisations who deliver Occupational Rehabilitation services across all states and territories of Australia. These member organisations employ the vast majority of working rehabilitation service providers in Australia.

ARPA Nationally has a national membership of 123 organisations representing in the order of 1400 (full-time equivalent) Workplace Rehabilitation Providers. In Queensland, we are the only body which represents the varied allied health professionals who deliver workplace rehabilitation and return to work services under the Workers' Compensation and Rehabilitation Act 2003.

We understand that the Qld Government is canvassing a range of feedback, ideas and solutions to the problems being experienced in the Worker's Compensation scheme so that the Government can act to ensure the long term viability of the Scheme to provide injured workers with the support they deserve while remaining affordable, fair and competitive

In this response we have addressed the following principles:

- The performance of the scheme in meeting its objectives under section 5 of the Workers Compensation and Rehabilitation Act 2003
- How the Queensland worker's compensation scheme compares to the scheme arrangements in other jurisdictions

We welcome the opportunity to elaborate on these issues

Yours sincerely,



Sharon Darmody
President, ARPA Qld

EXECUTIVE SUMMARY

- ARPA recommends that robust measures be put in place to ensure that injured workers who require assistance to return to work, receive the best rehabilitation and return to work services possible in a timely manner. This should include more effective measures to identify at risk claims, as well as the promotion of the importance of early referral for injured workers.
- Establishment of an Advisory Committee with representation from relevant industry and rehabilitation experts to focus on the implementation of standards for injury management in Queensland
- ARPA is fully supportive of the NCF (National Consistency Framework); including that durability of employment is confirmed after 13 weeks.
- It is ARPA's opinion that the greater utilisation of Vocational Rehabilitation Services during the statutory claim, would directly impact on return to work and thus on the costs associated with Common Law.

The performance of the scheme in meeting its objectives under section 5 of the Workers Compensation and Rehabilitation Act 2003

EARLY INTERVENTION

The evidence for early intervention is strong, self-insurers are well aware of this and at recent ARPA, ASIEQ, and PIEF conferences many companies' presentations report on the reduction in costs, the improvement of staff morale and the reduction in claims instances where the employer is proactive and focussed on resolving the issues early. They also show a reduction in common law activity where the worker feels that the system is assisting them rather than creating conflict and trying to disprove their injury. Once the parties are not involved in fighting to disprove the other but rather assist each other to resolution, the issues become less complex and entrenched.

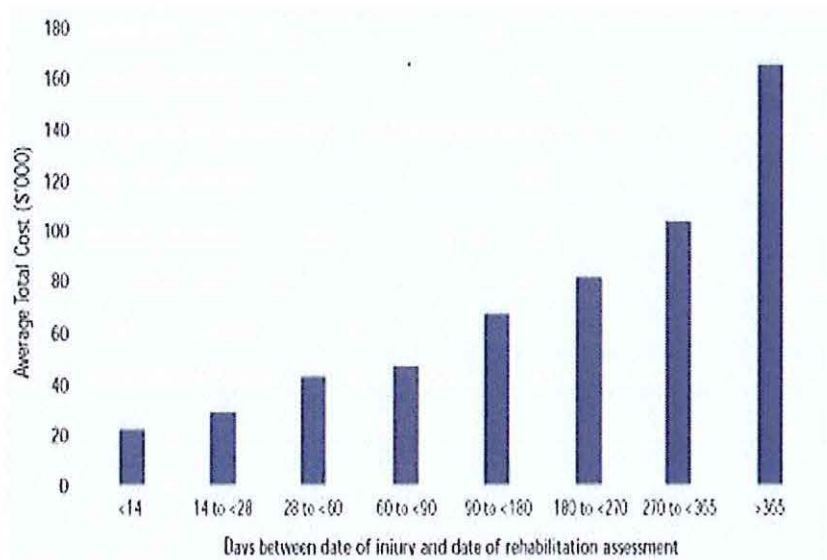
In 2002, McKinsey & Co was engaged by NSW to review the NSW Workers' Compensation Scheme. A significant finding was that 15% of all claims accounted for 85% of the liability of the Scheme. This cohort of claims represented "at risk" claims that resulted in a delayed, protracted or no return to work resulting in increased costs. *Source: Partnerships for Recovery – The McKinsey Review into the NSW Workers Compensation Scheme, September 2003*

Screening tools present an opportunity to identify this cohort. If all injured workers were screened, this would give Schemes confidence that the people they were referring out to Workplace Rehabilitation Providers– based on that screening – would be the ones needing rehabilitation services.

Early intervention ensures Workplace Rehabilitation Providers (WRP's) are engaged in a timely fashion to assist with the management of at risk / complex claims to maximise return to work outcomes and costs. Return to work reduces the costs of claims by reducing weekly benefits as well as the costs of medical and related services. The health and financial benefit of early intervention for all at risk claims is well documented. The relationship between claims costs and commencement of rehabilitation was well illustrated in the Comcare 1998/1999 Annual Report:



GRAPH 10: Effect of Early Intervention on Average Claim Costs



Graph taken without alteration from the Comcare 1998/1999 Annual Report

Early Intervention in Queensland

Average decision making timeframe for psychological or psychiatric injury in Qld - **25.3 days**

QComp Annual Report 2011 – 2012

The Resolve at Work Program through the Department of Justice and Attorney General demonstrates Early Intervention at work in Queensland and its positive outcomes both from a successful return to work and cost saving perspective.

The results below are from the initial evaluation reporting from 1 March 2010 - 18 February 2011.

- Uptake of early intervention services was moderate with 258 referrals across 9 government agencies during the 12 month period.
- The majority of referrals were for psychological injury (62%, n=158) requiring complex case management for a combination of issues such as grievances, discrimination/harassment, worker-worker conflict, manager-worker conflict, performance management, high work demands and lack of procedural fairness/natural justice.
- Intervention services provided include: comprehensive assessment; workplace visit; conflict resolution; mediation; counselling; development of return-to-work goals; and skill development for supervisors, managers' and case managers.



Resolve Outcomes

- 153 cases had not lodged a workers compensation claim which equates to significant savings for agencies.
- Average intervention hours and costs (majority of referrals for psychological injury 62%)
 - Non-workers' compensation - 12.4hrs (n=116) ie **\$1909.60 / case**;
 - Workers' Compensation - 16.6hrs (n=41) ie **\$2556.40 / case**
- Cases with full-time or partial RTW capacity at time of case closure:
 - Worker at work or <5 days absence – **92.5%** (111)

Psychological and psychiatric claim most expensive claim with an average claim cost of \$32,606

(Queensland Workers Compensation Scheme Statistics Report 2010-2011)

Solution:

ARPA recommends that robust measures be put in place to ensure that injured workers who require assistance to return to work, receive the best rehabilitation and return to work services possible in a timely manner. This should include more effective measures to identify at risk claims, as well as the promotion of the importance of early referral for injured workers.

ARPA REPRESENTATION ON AN ADVISORY COMMITTEE

ARPA Qld relies on our daily experience dealing with injured workers, employers, and WorkCover to provide our perspective on the rehabilitation issues faced under the Queensland Workers Compensation Scheme. We represent over 80% of all providers of vocational rehabilitation services in Queensland, and are united in our passion to deliver injured workers of Queensland with rehabilitation services which are better than or at the very least comparable to their interstate counterparts. We currently work actively with WorkCover, QComp, Workplace Health and Safety and ASIEQ to improve what service delivery capacity is allowed under the current legislation, however we strongly believe that without a change that focuses on return to work outcomes rather than just statutory claims costs, that no real improvement in outcomes can be made for the injured workers of Queensland or their employers who are unable to access support from WorkCover to assist in returning their injured workers back to work post-statutory claim. We believe that our unique combination of industry experience and health related knowledge would be a valuable resource in such discussions, and request representation at any ongoing advisory committees regarding changes to the Queensland Workers' Compensation Scheme.

Solution:

Establishment of an Advisory Committee with representation from relevant experts to focus on the implementation of standards for injury management in Queensland

How the Queensland worker's compensation scheme compares to the scheme arrangements in other Australian jurisdictions

COMPLIANCE WITH NATIONALLY CONSISTENT APPROVAL FRAMEWORK FOR WORKPLACE REHABILITATION PROVIDER'S

Workplace Rehabilitation Providers currently operate within and adhere to a regulatory framework. The 'Nationally Consistent Approval Framework for Workplace Rehabilitation Providers' (NCF), was developed by HWCA (Heads of Workers' Compensation Authorities of Australia and New Zealand) in consultation with the workplace rehabilitation industry as part a national harmonisation initiative.

The Framework is based on key principles to support the workplace rehabilitation industry to provide high quality rehabilitation services and achieve sustainable return to work outcomes. A number of the recent initiatives from the national (HWCA) rehab framework are not being supported by WorkCover Queensland including the 13-week [RTW] durability assessment.

13-week durability is about protecting injured workers from re-injury or other issues that might cause a failure in the success of RTW but also supporting employers ensuring workers with a place back in employment are in employment that is sustainable.

Solution:

ARPA is fully supportive of the NCF, including that durability of employment is confirmed after 13 weeks.

ON MANAGING STATUTORY COSTS RESULTS IN POORER RTW OUTCOMES AND INCREASED RELIANCE ON COMMON LAW

The Queensland Workers' Compensation Legislation differs significantly from all other Australian jurisdictions in the trigger for closure of a statutory claim. Other Workers' Compensation Jurisdictions are only able to close statutory claims once the injured worker has achieved a return to work outcome. In Queensland, the Statutory Claim is required to close as soon as the injured worker becomes medically stable or stationery. This is an effective way to manage statutory claims costs and durations, but is not effective in achieving sustainable RTW outcomes for workers and employers and we believe that this has significantly contributed to the increase in common law costs.

Further, anecdotal evidence suggests that when some rehabilitation services are requested by WorkCover, they are done in the end stage of the claim and often as discrete services rather than comprehensive service provision. As a result whilst it can be noted that rehabilitation services have been utilised it does not provide the opportunity for follow up of recommendations which would represent a truly integrated service as part of the overall rehabilitation plan. This type of approach, where rehabilitation falls short, leaves injured workers with little option other than to seek financial compensation through the common law system. It is ARPA's opinion that the greater utilisation of these Vocational Rehabilitation Services during the statutory claim, would directly impact on the costs associated with Common Law. We believe it would also impact positively on relationships with Employers who often express frustration when a claim is deemed stable and stationary however the person does not have the functional tolerances to complete critical job demands associated with their usual duties.

ARPA recognises the RTW Assist program is available to injured workers to access services to return to work if they do not have a job to go to when their statutory claim closes. However at present, the RTW Assist services are only provided to workers who are self-motivated to



ARPA
QLD

attend. ARPA recommends in future that the delivery of Vocational Rehabilitation occurs during the statutory phase to provide an integrated service to all injured workers.

Solution:

It is ARPA's opinion that the greater utilisation of Vocational Rehabilitation Services during the statutory claim, would directly impact on return to work and thus on the costs associated with Common Law.