

19th March 2013

Finance and Administration Committee
Parliament House
George Street
Brisbane QLD 4000



Your Ref: I1.13.57

Dear Mr Crandon,

Re: Inquiry in to the operation of Queensland's workers' compensation scheme:

Thank you for affording me the opportunity to respond to Q Comp's proposal for **Reducing Red Tape for Employers**.

I work as the Injury Management Coordinator for a large Australian company which has employees in every state of Australia. I have an excellent working knowledge of all Workers Compensation Jurisdictions across Australia, and I can tell you without hesitation the QLD Workers Compensation Statutory Claims system is simply the BEST in the Country. Whilst the Victorian system looks good on paper and statistically, it is a **treacherous system** to navigate for the injured worker, medical providers and proactive employers. The QLD Workers Compensation statutory claims system works – it is not broken, there is no need to fix it.

The submission states, that in QLD injured workers apply for workers compensation regardless of how minor their claim. This is successful for a number of reasons:

- The injured workers feel protected by the system
- The Employer recognises that they have to work within the legislation for the injured worker and supply Suitable Duties from the start of the claim
- Submitting an application for Workers Compensation is an easy process
- Injured workers can submit their application on line, over the phone and at their Doctors
- The process for assessment and compensation the insurer needs to administer is relatively minor for ALL claims, unless the Employer has concerns and requires these claims investigated. As the Employer cannot always confirm the injury is actually work related, (particularly for soft tissue injuries).
- The application for compensation of all work related injuries, also allows the Employer to have a voice and dispute any claims they have concerns with – as soon as they are submitted.

Where is the Red Tape that supposedly needs to be reduced?

In Queensland, the current statutory claim system works so well because:

- All the Injured workers and Employers go through the legislative processes from the very beginning of the claim
- Minor Claims do not require an assessment process
- In my experience, Minor Claims in Queensland work better than any other jurisdiction as Workcover QLD provide the best service for the Injured Worker, Employer and Medical personnel.
- The injured worker feels safe and protected by 'the system'
- There is not a lot of administration required from the insurer for the application of minor claims
- The employers are satisfied that their injured worker is covered and protected
- The determination of all claims in Queensland is done by Workcover QLD (a third party) and they have the resources to refer the injured worker to Medical Specialists to determine the claim on Medical evidence
- This removes the Employer from the determination process and allows the Employer and Employee to maintain a good working relationship, which in turn has a positive effect on the RTW processes
- In the last 10 yrs Workcover QLD has **been successful** in pushing the early Return To Work focus, through their early involvement of the claim.

How many 'nation wide' Employers are complaining of Red Tape in Queensland? Certainly, as far as I am concerned, the process of submitting a claim with Workcover QLD is easy, compared with the other systems in the country.

- The Injured worker submits their claim either on line, via the phone or at their Drs (not a huge amount of paperwork to be completed – if any at all)
- The Employer is notified by Workcover QLD and asked if they are able to provide Suitable duties and if they are, Workcover QLD **assist** the Employer by informing the Medical Practitioner that the injured worker is able to return to work on suitable duties
- The Employer can submit their report online which takes all of 5 minutes

Problems identified with the current Victorian System:

- Given that claims don't have to be lodged until 10 days post injury – I strongly suspect that a lot of claims are not captured in their Statistics
- I would suggest from my experience that not all claims are recorded
- This system, requires the Employer to focus their time and energy on chasing invoices from Medical Practitioners, rather than focusing on a RTW for the injured worker
- Employers in Victoria become disgruntled as they have an employee with an 'injury' and this employee is being compensated prior to any assessment.
- If the Employer disagrees or has concerns that the injury was not work related, and the injury needs to be investigated and perhaps declined, the cost to the Employer is significant as the estimate on their premium escalates exponentially and then gradually reduces over at least a 3 year period.

Victoria is touted as having a great system on paper, however my experience with the Victorian Workers Compensation scheme, tells a very different story. It looks good statistically but that is about all. **It would be prudent to further research the long term effect there is on claims that are poorly managed in the initial stages.**

- There is an increase in Unmeasured Medical Costs
- There is an Increase in the lengths of the claims
- The Employer should not be put in the position to determine if the injury occurred at work or not. Giving the Employer this power (without any resources) will negatively impact on Employer / Employee relationships and will in turn negatively impact on any return to work process for the injured worker
- This system is extremely difficult to navigate through when you are a proactive Employer, it would be disastrous for smaller Employers

If the Queensland Government adopt this submission I foresee the below problems arising:

- Given the ease of access there is to Common Law in QLD (currently) I would suggest we would see a significant increase in Common Law claims, due to the initial stages of statutory claim being mishandled by both the Employer and employee
- If a work related injury is left unassessed and unattended for the first 10 days, surely the length of the claim will be drawn out significantly. Work related injuries need to be managed from day one, it will be difficult returning the injured workers back into the workplace in the first 10 days if the injured worker knows that he is not required

by legislation to return to work in this time frame. (WorkCover QLD has worked hard over the last 10 years to ensure employers are pro-active during this period)

- This may decrease the administration workload on the Insurer, but it will definitely place added pressure on the Employer. (Therefore not reducing 'red tape'.)
- The Employer will no longer be able to remain an independent party
- This can significantly impact negatively on the relationship between the Employer and injured worker
- The Employers will be more concerned with paying bills as opposed to ensuring a safe and timely return to work for the injured worker
- Medical Providers will not be paid efficiently – as they are now
- There will be problems with invoice recoveries and debt collectors
- The focus will shift from the injury / Injured worker and their return to work, to payment of invoices

- Employers will have to pay the medical accounts - how will they know what to pay?
- Where will the Employers gain access to the Table of Costs?
- Providers will not know who to chase for payments
- Employers will be required to keep records of all claims plus data reporting to Q-COMP
- This may impact RTW outcomes and ultimate claims costs if there is a delay in lodgement this is particularly worrying given the hard work Workcover QLD has put in to the successful implementation of early return to work
- When employers dispute statutory claims and delay payment of excess - this will result in more disputes to Q-COMP with the potential to damage the relationship between the employee and employer which, as stated previously will lead to a negative impact on RTW of the injured worker
- Will Employers continue to pay full wages or an accident compensation rate (and how do they work that out)?
- There will be an absence of employer records for the first 10 days of the claim, as it won't be recorded by Workcover QLD and if a Common Law claim is lodged the lack of records will ultimately increase cost of common law claims
- How will employers know definition of 'injury' etc and how will they investigate an injury to decide whether it should be accepted or not?
- There will be no legislation covering the Injured worker for the first 10 days, which will leave it open for Employers try not to pay excess and instead tell a injured worker to claim sick or annual leave instead thus removing the rights of the injured worker

The submission suggests there would be a number of benefits if their suggestion is accepted.

1. *This would reduce red tape and allow employers, workers and treating doctors to manage low impact and uncomplicated injuries themselves and get on with business*

Response:

- Seemingly uncomplicated claims can quickly become complicated and without the resources of Workcover QLD these will not be able to be managed effectively and efficiently
- This will place more pressure on the Employer who in turn may place more pressure on the injured worker
- Medical professionals have struggled previously with the simplest administration processes related to workers compensation – this will only make it worse when they don't know who to invoice
- There will be a marked increase in the injured worker having to pay for their own medical and allied health professional bills then waiting to be reimbursed by their company
- If the injured worker has to pay for their medical bills up front and wait for reimbursement, this could lengthen the timeframe for treatment as the injured worker may not be in a position to pay for their medical services

2. *Cost Neutral Scheme*

Response:

- On paper and in theory this might seem the case, but reality is often different
- If the long term repercussions of this scheme are measured, given the extended length of the statutory claim and possible impact it would have on Common Law, the cost to the employer would be significantly increased
- How will the Government ensure/ enforce Employers to have the allocated funds to pay for the services of the claims costs for the first 10 days

3. *Earlier intervention of claims with time lost. Having shorter excess period puts greater emphasis on the Employer to be proactive in the early intervention of claims and return to work.*

Response:

- Workcover QLD have successfully implemented an early intervention and return to work system, and it is by far the best state in Australia with this system
- The employers who are already proactive in relation to early return to work will remain so

- The employers who are not proactive in early intervention will become less so as they will now have the 10 days in which they will not be required under legislation to be proactive.
- Employers will be more focused on paying bills than being supportive of an injured worker on an early RTW plan
- There will be an **increase** in time lost in the first 10 days as the injured worker will know that they have the first 10 days before their claim is being 'managed'
- Employers will not have Workcover QLD's backing in the first 10 days to put pressure on the Medical Practitioners to return the injured worker back to work on Suitable Duties
- There is the potential for injured workers to lose their rights, by being 'encouraged' by their Employer to take sick leave within the first 10 days of a work related injury

Queensland Workers Compensation Statutory Claims system is simply the BEST in Australia (despite how the statistics look) – It supports the Injured Worker and the Employer and streamlines all the processes involved in regards to early intervention and a timely Return to Work. **Please don't mess with this – the current Statutory Claims system in Queensland works so well, and it has taken a lot of effort to get to this point.** If we adopt the Victorian system - yes, our Statistics might fall and we might look good on paper, but what will be the **actual and eventual costs to Queenslanders?**

- Loss of rights for the injured worker, by being encouraged to take sick leave in lieu of their Employer paying for the first 10 days of Workers Compensation
- Longer Statutory claims
- Higher costs as the claim draws out
- Potential for claims and injuries to be mishandled from the beginning
- Higher Common Law payments

I thank you for taking to the time to read my response. I look forward to hearing from you in the near future should you require further elaboration or information from me.

Yours sincerely,

Michelle McBride

Injury Management Coordinator