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Mr Michael Crandon MP
Chair
Finance and Administration Committee
Parliament House
George Street
Brisbane QLD 4000

Dear Mr Crandon,

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

I refer to the above inquiry and your letter 27/02/2013 in relation to the Q-COMP proposal aimed at reducing red tape.

Firstly, I would like to commend Q-COMP for its proactive approach in making a submission that is aimed at reducing red tape and administration for employers, workers and insurers.

Our Association's initial submission to the inquiry recommended a change to the objectives of the *Workers' Compensation and Rehabilitation Act 2003* to include a new subsection – "*...provide flexible Employer based Injury Management arrangements suited to the particular needs of industry*". We believe that submission is an example where flexible employer based injury management arrangements would prove useful. The proposal by Q-COMP will not suit all employers and there needs to be some flexibility for employers (especially smaller employers) where the preference would be to have claims lodged for all injuries allowing the insurer to administer the payment of accounts to doctors and providers.

However, larger employers that have developed relationships with doctors and providers would potentially seize on the opportunity to manage minor injuries within their own environment. This is consistent with global evidence that employers that develop their own unique injury management systems focused on early intervention and better outcomes for workers achieve the best results.

Whilst the Association supports the introduction of flexible arrangements to reduce the requirement to lodge claims for all injuries, it cautions against the use of a dollar amount to determine the relevant threshold. This is because a finance threshold is not a consistent measure that has relevance to the severity of the injury or the incapacity and therefore the application by employers may see difficulties arise for both insurers and workers.

For example, a worker may have a knee strain and start physiotherapy with one visit every two (2) weeks. It may be potentially three (3) months before the financial threshold is reached at which time a doctor may require surgery and a claim is lodged. The insurer is disadvantaged as the case is three (3) months old and pressure will mount for early decisions to facilitate surgery when it may be difficult to determine liability or the work relationship to the current condition.

Alternatively, the worker may be disadvantaged as the injury may have required more proactive intervention. The delay in providing higher level medical or rehabilitation intervention may have been as a result of not wanting to cross the threshold or a cost reduction exercised by the employer.

There is also the possibility that insurers will face common law only claims relating to injuries that were managed in the workplace without the knowledge of the insurer, once again complicating potential liability or quantum issues years after the original injury.

Our Association would support a relaxation of the requirement for employers to lodge claims for minor injuries, however, the requirements for lodging a claim should be framed on the following basis:

1. Both the Employer or the Worker have the right to request that a claim be lodged for any work related injury;

2. A claim must be lodged where a lost time injury is sustained; and

3. A claim must be lodged when the certified incapacity exceeds seven (7) days of restricted work or 14 days of medical treatment from the date of injury.

These three (3) requirements would provide additional benefits than those proposed in the Q-COMP proposal. This proposal would:

1. Ensures the employers and workers rights to insist on a claim are protected;

2. Would reduce red tape and allow employers, workers and treating doctors to manage low impact and uncomplicated injuries themselves and get on with business;

3. Would provide a clearer threshold for claims lodgement that can be easily assessed for non-compliance and far easier to calculate by workers, doctors and providers who will not be privy to the collective costs being paid by the employer;

4. Would be cost neutral to the scheme;

5. Provide a reduction in administration for all insurers;

6. Ensure early intervention for time lost claims;

7. Encourage employers to implement early intervention strategies to manage minor injuries and develop employer based injury management strategies;

8. Focus attention towards the severity of the injury and the incapacity rather than variable costs associated with a variety of diagnostic and medical procedures;

9. Reduce the number of report only and medical treatment only claims from the insurers portfolios;

10. Would allow the insurer to monitor compliance and ensure claims are lodged for all lost time injuries and any incapacity exceeding 14 days from the injury; and

11. Would severely reduce the risk of any common law only claims being lodged where no statutory claim was lodged as the level of incapacity is the measure to require the lodgement of a statutory claim. Any case where a statutory claim was not lodged would be for a clearly defined minor injury.

Under this proposal the employer would be responsible for all medical and rehabilitation costs if a claim was not lodged for a minor injury. The employer would then have the choice to determine whether they would prefer to have an insurer driven rehabilitation model or an employer based injury management model. We would endorse Q-COMP's assertion that employer's would be required to keep a robust system of recording injuries, incidents and notifications. This could be incorporated through insurance premium notices requiring employers to indicate whether they will want all injuries managed by the insurer or whether they will adopt an employer based injury management system for minor injuries.

Members of our Association have firsthand experience with claim lodgement strategies based on financial thresholds and whilst recognising the benefits they would strongly recommend a more robust system based on medically certified incapacity levels if the current legislation is to be changed.

The Executive would like to thank the Finance and Administrative Committee for the opportunity to again contribute to the inquiry into the operation of the Queensland workers' compensation scheme.

Our Executive would be available to provide further information or clarification on any of the issues that have been raised.

Yours faithfully

Victoria Barham
Chair
ASIEQ