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Workers' Compensation
Office of Industrial Relations
Chief Minister's Department
GPO Box 158
Canberra ACT 2601

SUBMISSION IN RESPECT OF THE WORKERS COMPENSATION AMENDMENT BILL 2010 (EXPOSURE DRAFT)

The ACT & Region Chamber of Commerce & Industry is the largest and strongest Canberra based organisation representing local business, and has a diverse membership, with involvement from a wide variety of business types and sizes across the Canberra region. We appreciate the opportunity to comment on the draft *Workers' Compensation Amendment Bill 2010*, and this submission is presented by the Chamber on behalf of the members that we represent.

The Chamber considers that the cost of providing Workers' Compensation insurance cover is a significant cost to business and a financial disincentive to employers. Accordingly, we applaud measures intended to reduce the cost of Workers' Compensation insurance while still retaining an acceptable level of benefits to workers injured in the course of their duties. We consider that the proposed amendments to the Workers' Compensation Act will achieve this purpose.

In regard to specific changes proposed under the *Workers' Compensation Amendment Bill 2010*, we submit the following:

- The proposal to change the way in which permanent impairment is assessed and compensated is supported. The proposed change is likely to result in a consistent assessment process utilising expert medical opinion without unduly bureaucratic or legalistic requirements.
- The increase in statutory payments for lump sum payments, death benefits and funeral benefits is supported. Arguably the current limits do not adequately compensate injured workers (or their families) for serious impairment or death and the increases are warranted.
- The Chamber supports the proposal to impose limitations on access to common law claims. The proposed thresholds of 15% Whole Person Impairment for injuries, and 20% WPI for psychological injuries appear appropriate. Seriously injured workers will still have access to the courts if so desired, but workers whose injuries do not meet the above thresholds will have the benefit of the enhanced lump sum payments under the Statutory framework.

We consider that the reduction in legal costs arising from this measure will be particularly beneficial as a measure directed towards containing overall scheme costs. It is important from a number of perspectives that payments under the Workers Compensation Act should be primarily directed towards the medical treatment and rehabilitation of injured workers and not eaten up by legal fees.

- The Chamber also supports the proposed changes to the dispute resolution provisions. The compulsory conference and exchange of offers are appropriate precursors to any court processes in regard to a Workers' Compensation claim.

The draft Bill contains a number of measures that will directly enhance the benefits available to injured workers under the Workers' Compensation Act 1951. The draft Bill also is likely to impose some restrictions on the options available to workers, such as a restriction on common law claims in circumstances where the level of injury sustained by a worker falls below the set threshold. On balance, we feel that these restrictions are justified and appropriate, as a range of enhanced benefits are available to injured workers within the statutory framework.

The overall effect of many of the proposed changes will be to focus payments from the insurance pool more directly towards the treatment of injuries and to effect the rehabilitation and return to work of workers, and this is to be applauded.

It is acknowledged (but not condoned) that a small number of employers attempt to evade their responsibilities under the Workers' Compensation Act 1951 by either not insuring their workers or understating their payroll to minimise the cost of their insurance policy. The proposed changes contained in the draft Bill are likely to result in a more-affordable workers' compensation scheme, which may reduce the rate of avoidance by employers and the cost of compliance enforcement.

The ACT & Region Chamber of Commerce & Industry, on behalf its constituent members, submits that the *Workers' Compensation Amendment Bill 2010* is a well-considered proposal for change to the existing workers' compensation legislation. The measures contained in the Bill are balanced and likely to effectively achieve their stated purpose. We support the introduction and passage of the Bill in its present form.



Greg Schmidt
Director, Workplace Relations