

AUSTRALIA MEAT HOLDINGS PTY LIMITED



Incorporated in Queensland

A.B.N. 14 011 062 338

Head Office:

30 January 2003

Mr Herb Plunkett Assistant
Commissioner Productivity
Commission PO Box 80
BELCONNEN ACT 2616

Re: National Workers' Compensation and OHS Inquiry

The following details the position of Australia Meat Holdings Pty Limited (AMH) in relation to the Interim Recommendations of the Commission.

1. AMH opposes any move towards national uniformity in workers compensation. We support the retention of the state-based workers compensation jurisdictions. Employers who currently operate in Queensland would be drastically disadvantaged if they had to operate under a scheme that was more like any other jurisdictions. This is because in our view as a national based Queensland based business that this scheme is the most economically viable.
2. AMH is not opposed to the concept of national self-insurance licensing or mutual recognition, PROVIDING that this type of licensing is VOLUNTARY and selfinsured employers are not compelled to nationally self-insure. Employers wishing to remain licensed for self-insurance within state schemes should have this option.
3. The Interim Report recommends establishing a national self-insurance scheme and in the long-term, establishing a national insurance scheme for all employers, which would incorporate the national self-insurance scheme. AMH does support this view. There are currently several workers compensation schemes in Australia, each with their own coverage definitions and benefit structures. In establishing a national insurance scheme to cover all employers, it would be necessary to formulate a national workers compensation statute. This will mean that employers and employees in each state will face changes to their current workers compensation arrangements including risks and costs. These changes will either be detrimental or beneficial to employers.

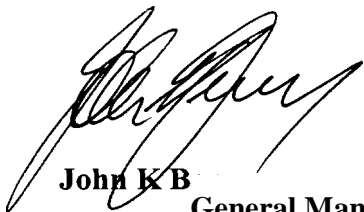
4. The most difficult issue will be achieving a workable national legislation. No doubt various elements will be taken from the existing schemes. However, which elements will be chosen? Will the elements most beneficial to employers be chosen? Will the elements most beneficial to employees be chosen? Will the elements most beneficial to multi-state employers be chosen? Will the elements most beneficial to single employers be chosen?
5. We also believe it will be impossible to devise a national scheme that will be structured equitably and not disadvantage companies.
6. AMH acknowledges the Commissions' recommendations that the criteria for obtaining a national self-insurance licence include no minimum employee requirement. Whilst we acknowledge the commission has recommended prudential and claims management criteria, AMH believes minimum employee requirements should be included. With the modern day corporate structures, companies could meet prudential and administrative requirements, whilst only having one or two employees. Self-insurance should not be extended to include such situations.
7. There is the scope in some present jurisdictions for employers to exclude related companies from their self-insurance licence, thus leaving potentially high-risk or poor-performing entities in the premium pool. AMH submits that if an employer is a self-insurer, then all its related entities should be included in the licence, in much the same way as is required by the Queensland self-insurance provisions.

It is understood that the Australian Meat Industry Councils (AMIC) is also providing a response to the Productivity Commission's review of Workers' Compensation and Occupational Health and Safety (OHS) Frameworks. AMH as Australia's largest meat processor and a member of AMIC does not concur with the thrust of their response and recommendations in relation to this matter.

Any issues in relation to this submission should be directed to myself on telephone (07) 3810 2318.

Yours sincerely

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John K B
General Manager,
Corporate Affairs