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RECRUITMENT AND CONSULTING SERVICES ASSOCIATION LTD

Productivity Commission

Inquiry Into

National Workers' Compensation and Occupational Health and Safety Frameworks

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Via email: wcohs@pc.gov.au

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INTRODUCTION

The Recruitment and Consulting Services Association Ltd is Australia's leading employment industry association with over 3200 member providing employment services and on-hired employees to Australian business.

According to the Australian Bureau of Statistics, the employment industry conducts over 2.3 million on-hired employee and contractor placements and almost 450,000 permanent placements every year. Given the breadth and variety of employment services provided by its members, the RCSA is in a good position to provide a brief insight into the framework requirements for Workers Compensation and Occupational Health and Safety in Australia.

Workers Compensation and Occupational Health and Safety have rightfully become paramount issues for contemporary employers and governments and it is time for a legislative framework to be adopted to ensure that the finite resources devoted to their respective management are most efficiently and effectively utilised. On-hired employee service providers now play an integral role in the provision of flexible and professional workforce solutions across Australia. Whilst Workers Compensation and Occupational Health and Safety management remains challenging for traditional employers, management of both disciplines is particularly complex within the on-hired employee services industry owing to a mix of high turnover employment compounded by varying legislative schemes in each State.

The RCSA has surveyed its members in regards to their opinions on skills needs and received contributions on the issues with selected members of its education and training committee, which is comprised of leading practitioners from around the country. Their responses are summarised in the following concise submission.

THE INDUSTRY

The Recruitment and Consulting Services Association is an organisation committed to the implementation of workers compensation and occupational health and safety legislation and associated legislative frameworks that promote compliance as well as results. It is essential that the focus of relevant stakeholders is not confined to the application of current legislation inside existing frameworks and that the suitability of current legislation be considered in relation to modern employment arrangements and how the adaptability of legislation would be enhanced by unitary systems.

The needs and demands being placed upon contemporary business and government are significantly different to those that existed two decades ago. Third party employment services are one of the many means ways these parties can maintain a focus upon core functions and service delivery in what is an increasingly competitive global market. Whilst nearly all members of the Recruitment and Consulting Services Association have and maintain traditional employment relationships across many States of Australia it is the service of on-hired employees that require particular focus and attention in this inquiry.

The recruitment and on-hired employee services industry is unique in that our industry is every industry. The following characteristics are evident throughout the industry:

- ❑ The performance of work at multiple client sites and locations
- ❑ The performance of work within a broad spectrum of industries
- ❑ Indirect reporting and control mechanisms arising from the performance of work for host organisations and their representatives

For medium to large providers of on-hired employee services, it is also common to maintain national contracts for the supply of on-hired employees and many of these contracts would go beyond the borders of any one State.

The prevalence of short-term client assignments and large numbers of casual employees create challenges for compliance and continuous improvement that are typically not experienced by most traditional employers. It is arguable that the resources required to successfully manage occupational health and safety and workers compensation for a short term employee are equal to that of an employee likely to be engaged for a longer period. Therefore, given the higher rate of employment within the on-hired employee services industry, and based upon current OHS and workers compensation legislative models, on-hired employee service providers are faced with unique logistical and resource burdens that are only compounded by inconsistent legislation amongst the States and Territories.

The on-hired employee services industry is likely to be exposed to a greater diversity of OHS and workers compensation claims than any other business given the fact that employment is the core medium and almost every industry requires the services of employees. This recognition is paramount when

assessing compliance and efficiency considerations associated with inconsistent OHS and workers compensation legislation across Australia.

THE ISSUES

The RCSA support the introduction of a national framework for both occupational health and safety and workers compensation on the basis that it will provide for beneficial outcomes.

Given the broad scope of operations of most RCSA members providing on-hired employee services, a nationally consistent legislative scheme would result in significant improvements in compliance as well as providing for the elimination of resource duplication, which is currently attributed to by unjustifiable legislative inconsistencies.

Many members of the RCSA are currently required to engage occupational health and safety and workers compensation claims management practitioners in each State where many of these functions could be provided centrally in circumstances where legislation was consistent across State boundaries. The need to duplicate compliance and administration resources from State to State could only be described as confusing in a world where the demands being placed upon corporate resources are increasing rather than decreasing. A failure to facilitate the allocation of resources to prevention and rehabilitation is to pander to State bureaucracies rather than sense and good law.

A failure to ensure consistency of legislation across State boundaries simply compounds the problem of finite resources being misallocated to administration rather than risk control, injury management and return to work strategies.

One RCSA member could on-hire employees to every State and Territory within Australia and as a result would be required to assess and comply with at least sixteen pieces of occupational health and safety and workers compensation legislation. When you break this down into subordinate legislation and codes of practice, the task simply becomes daunting.

Workers compensation benefit structures, common law access rights, insurance arrangements and insurer recovery action matters could all be streamlined under a national system. The economies of scale associated with a national insurance model would be substantial for many RCSA members who currently struggle with the compliance costs associated with multiple schemes.

THE PREFERRED MODEL

The RCSA support the introduction of a national model based upon consistent legislative provisions. The RCSA believe this would be best delivered through a centrally administrated system where the Commonwealth Government make and administer the legislation in relation to occupational health and safety as well as workers compensation. The current OHS model where the National Occupational Health and Safety Commission develops national standards and codes has not provided for consistent outcomes and it is the concern of the RCSA that despite best intentions, a workers compensation model would be exposed to the same local variations that result in the inefficiencies associated with existing compliance demands.

CONCLUSION

In an industry where cross border operations are the norm and engagement and termination are prevalent in comparison to traditional employment arrangements, a nationally consistent and efficient system is particularly inviting. A system categorised by certainty and efficiency with the ability to consider and take account of justifiable local elements will provide an answer to the current multi regime system that ultimately fails the worker who it was designed to protect.