

OHSC 090/03

Ms Jill Irvine
Administrative Officer
Workers' Compensation and OHS
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

Dear Ms Irvine

**NATIONAL WORKERS' COMPENSATION AND OCCUPATIONAL
HEALTH & SAFETY FRAMEWORKS - NEW INQUIRY**

Defence welcomes the Commission's inquiry into national frameworks for the provision of workers' compensation and occupational health and safety and would like to register our interest. We would also like to make certain observations concerning the current compensation and occupational health and safety arrangements for the Australian Defence Force (ADF).

Traditionally, compensation and rehabilitation cover for ADF members has been provided under the *Safety, Compensation and Rehabilitation Act 1988* and/or the *Veterans' Entitlements Act 1986* as part of the Military Compensation Scheme. In relation to the *Safety, Compensation and Rehabilitation Act 1988*, Defence in effect operates as a 'self insurer' meeting costs on a pay as you go basis. Because of the nature of its activities, the ADF has a limited capacity to retain members who are ill or injured and who are likely to remain below the required medical standard beyond what can be accepted as a reasonable rehabilitation timeframe.

That said, the ADF has a highly effective system for the provision of medical treatment and care, including medical rehabilitation. It involves the early treatment, recording, health management and gradual return to work of serving members by in-house health services. Due to the fitness standards and deployability requirements of ADF employment, a large number of those members who need occupational rehabilitation to assist in their return to work will require a program designed to return them to employment in the civilian environment following discharge from the ADF. In these circumstances, the Military Compensation and Rehabilitation Service within the Department of Veterans' Affairs provides this service exclusively on behalf of the ADF.

In addition, following on the recommendations of the Review of the Military Compensation Scheme undertaken by Mr Noel Tanzer AC in 1999, a new Military Compensation Scheme is being developed. The new scheme will be based on the best practice principles and attributes of a modern compensation system, with an appropriate emphasis on prevention and rehabilitation. It would promote a more integrated approach to injury prevention and management in the ADF with closer integration of safety, rehabilitation, resettlement and compensation. Defence is working towards an exposure bill for May 2003. The contact officer for the new scheme is Mal Pearce, Director General Military Compensation, telephone (02) 6266 8442.

In the meantime, we would appreciate being placed on the Commission's register for updates and other information.

Yours sincerely,

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