

OT AUSTRALIA Victoria

Victoria Inc

8 July 2003

Productivity Commission
Level 28
35 Collins St
MELBOURNE 3000

Dear Sir,

Re: *Inquiry into National Workers' Compensation and Occupational Health & Safety Frameworks.*

Following our hearing in Melbourne on June 26th, we would like to provide you with additional information following queries raised by Chairman Woods. Specifically;

- Reasons for the non-use of occupational rehabilitation services, when the evidence shows a high level of effectiveness in claims cost savings and productivity improvements for employers
- Australia's recognised professional leadership in workplace based occupational rehabilitation and injury prevention, taking into consideration workplace conflict, employer education and return to work arrangements, in contrast to less successful models that favour medical centre-based treatment or medical treatment alone.

Reasons for non-use of occupational therapy and rehabilitation services

The use of these services is not open to the free market. The services are purchased by insurers with the right of subrogation in employee injury matters. While some more enlightened employers will privately purchase under the guide of human resource management and OH&S requirements, most abide by WorkCover requirements to leave the purchase decisions to insurers. Six different insurance agents deal with rehabilitation and compensation in the Victorian WorkCover system, and OH&S is managed directly by the VWA. This situation results in significant 'red-tape'; in particular,

- Service delays in claims administration;
- The need for paper-based approvals by claims officers for every hour of service,
- Varying degrees of intervention towards rehabilitation, depending on the expertise and workload of individual claims officers,
- Systemic barriers to a focus on early intervention and prevention, and
- Post-injury purchase of services and no provision for prevention services

These factors combine to negatively affect the return to work outcomes for injured workers in Victoria. Recent proposed changes to the 'claims management model' in Victoria may assist in resolving this situation. In the meantime, the data indicates that the potential in the system is still not being met.

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Australian Association of Occupational Therapists
Victoria Inc

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Workplace-based services

Australia is renowned for its innovative approaches in work-based rehabilitation services that are delivering consistent outcomes, as demonstrated by examples provided by Ms Farquhar. Rehabilitation professionals working along side employers and employees are staving off disputes by providing expert information at an early stage to parties in conflict. By aligning rehabilitation within a work environment, durable results are achieved at less cost than centre based rehabilitation services that alienate the injured workers from their work places. To conclude, we consider that a national framework will bring about a closer alignment between OH&S and rehabilitation and compensation. It will attract the following benefits:

- Reduction in work related injuries through early identification of hazards and risks via pro-active working relationships with all parties concerned;
- Decreased premiums for employers through decreased claims and claims costs, and;
- Achieve consistencies in prevention, early intervention and rehabilitation of work related injuries to enable benchmarking of best practice and to promote further research.

These benefits can and should be measured in terms of growth in productivity and reduction in costs associated with rehabilitation and compensation.

OT AUSTRALIA Victoria was pleased to be involved in this inquiry. Please do not hesitate to contact us for any further information.

Yours sincerely f

Louise Johnson
Executive
Director
OT
AUSTRALIA
Victoria

