

Amended copy of
handwritten submission

Productivity Commission
Workers Compensation Inquiry
Attention: Monika Binder
02 6240 3200

Prime Minister of Australia
Prime Minister UK
President of USA
Secretary General UN
Jossey Bass The Leadership Challenge
Editor BRW

Dear Monika

I refer to our telephone conversation two days ago in which you stated I should email you the tenor of our talk.

The facts are as follows:

- When I conducted that audit 20 years ago it was done in a professional manner (a product of my training both in the public and private sector in the UK) which did not then happen in Australia although no doubt things are improving.
- The problem was set out for discussion and distributed the way it was because all concerned knew the problems (I should mention that I was trained under the official secrets act and the public service leaks like a sieve in Australia a fact which would be known to the politicians) but politicians need the advice of relevant expert in the field before they can act. One of the issues I raised was control which is a methodology to keep people honest. Internal Audit is considered the experts on Internal Control. Other factors were that the government had just introduced the American Institute of Internal Audit Charter on the advice of the then Auditor General and Neville Wran was a barrister who had practiced in the workers compensation court.
- I researched back in the 1970s when mid 1970 the natural ratio was 1.7% which if my memory serves me well was the same as the USA. However unemployment started to rise and with it the ratio a factor which was confirmed by EPAC in the mid 80's.
- Your office produced a report in 1994 relating to workers compensation and I have a copy in my home. The relevant point is that an American insurance expert looked at the whole situation in 1985. He found the following ratio of 1.1 for Japan, 1:7 for USA and higher for Australia. I might add that in these days Japan had full employment.

- In the courses I am doing at university (UWS) one of the subjects was World Class Operations with the recommended textbook being Global Operations Management by Thereas Flaherty (HBS). I mentioned to Quality Control lecturer that in the real world it had no relevance and was a load of academic bullshit. He said “now now it is all knowledge”. In the textbook certain research was described in relation to FMS comparing Japan and the USA. It was found that Japan had the highest capital intensity, the most advanced regarding automation and the highest productivity.
- I have been in extensive correspondence with Victoria over a number of years and two years ago Bill Cameron, the then Minister for WorkCover replied as follows: “I agree with you the answer is capital expenditure and automation”.
- In my research at UWS on quality control I found that in the textbook “Total Quality Management” that there was more emphasis in the Japanese educational system on moral philosophy than in the USA where the emphasis was on communications. Adam Smith, a Scot who wrote the book Wealth of Nations as a moral philosopher.
- Another case in point is what my wife informed me that one of her friends who was a cleaner had a knee injury. She claimed \$25,000 and since the injury was obvious and the amount small thought that she would be paid automatically. The insurance company would not pay and sent her to see 3 specialists at \$600 a pop and in the end all she got was \$7500 on the basis that a contributory factor was an accident she had in her youth. I might also add that my wife has informed me that she had to pay \$3500 in solicitors fees out of the above. I draw attention to my initial submission where I mentioned Pareto's principle and the fact that if the states are going to agree on a national scheme then there should be equity.
- I have been perusing my case and I have got advice from NSW DPP which indirectly confirms I have equity. Further more I have advice from a solicitor (son of a migrant) relating to OHS (but he tried to trick me). I forwarded the documentation to a solicitor (an Australian) to enter into a commercial agreement to his advantage. He has retained the documentation and is now demanding immediate payment of his account. This solicitor has sighted correspondence from A Blair and S Bracks and Advised me I have no case. However I am not so sure about S Bracks when taken everything together. However he is demanding immediate payment despite being perfectly well aware of the fact that I gave Australia the only chance she had.
- To all those overseas who read the letter you know what to do regarding WTO and the American Trade talks in Canberra. It is a greedy Australian who is going to ensure that the world does not get an energy policy. As published in BRW gas reserve are 61 years but this is at current production and when one takes growth into account it is less than 40 years and what the politicians keep quiet about is that gas ‘a process heat’ is used in the manufacture of fertiliser. No fertiliser means no food. I should also mention that I have just recently informed the

worlds politicians that Hydrogen is not the answer except in the very long term.
It is the Australians who are jeopardising World security.

Could you acknowledge receipt of this letter.

Sincerely

P A Sandilands

PS I have nothing against Academics as such but you don't learn to run a business
or become a manager out of a textbook which is why Japan has no Business
Schools.