

0209-2003-01

Ms Maria Kakulas (9388 5576)

Mr Herb Plunkett
Assistant Commissioner
National Workers' Compensation and OHS Inquiry
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

Dear Assistant Commissioner

The Workers' Compensation and Rehabilitation Commission (WCRC) wishes to respond to three aspects of the *National Frameworks for Workers' Compensation and Occupational Health and Safety* interim inquiry report released by the Productivity Commission and having viewed the interim recommendations makes the following observations:

- (i) The WCRC considers that large employers currently have the ability to self insure in most jurisdictions and as such their exclusion from the states' scheme through a national self insurance arrangement would not significantly impact upon the stability of the states' schemes, but has the potential to create a two-tiered benefit structure for workers within a state depending upon the benefit structure adopted.
- (ii) In regards to small to medium employers, the capacity for these employers to operate as self-insurers is doubted and the move of a significant number from the States' schemes would significantly impact upon the stability and viability of these schemes.
- (iii) The third recommendation, for establishment of a national scheme, while desirable in principle, requires consideration of a broad range of financial factors including current scheme liability, run off costs and impact on infrastructures of each state/territory's scheme prior to such a development. In regard to a national scheme the most significant difficulty would be devising a scheme, which would accommodate the existing benefit and premium structures in the nine existing schemes.

This Commission strongly supports the need for national consistency in respect to workers' compensation, which has the flexibility to recognise the different employment profiles operating in the various States.

The Commission considers that achieving this goal should be progressed through the National Heads of Workers' Compensation Authorities under the auspices of the Workplace Relations Ministers' Council. Areas of national consistency to be addressed should include, but not restricted to, definitions, jurisdictions and criteria for self-insurance. Recently this process has resulted in national agreement on consistency in cross-border provisions, which will simplify for many employers operating in more than one state, the workers' compensation requirements with which they must comply, and provide certainty to injured workers as to the benefits they will receive.

Yours sincerely

BRIAN BRADLEY
CHAIRMAN
WORKERS' COMPENSATION AND
REHABILITATION COMMISSION

24 February 2004