

3rd November 1999

Mr Paul McMahon
Committee Secretary
House of Representatives Standing Committee
on Employment, Education and Workplace Relations
Suite R1 116 Parliament House
Canberra ACT 2600

Dear Sir,

Re: Inquiry into Issues specific to Workers over 45 Years of Age seeking Employment, or Establishing a Business, following Unemployment

Thank you for the opportunity to make a submission to your committee. Insurers that offer Workers Compensation insurance cover in the various Australian Jurisdictions where this is permitted, have a great interest in the early return to work of all persons injured as a result of their work regardless of their age.

As you have probably been told, there are special problems with older workers who have received permanent impairments or diseases that prevent them from returning to their pre-injury employment. The ageing of the workforce has meant that injuries and diseases which arise from the nature and conditions of work done over long periods (decades) have increased in frequency. Very often the only effective way of returning injured workers in these categories to useful employment is retraining and redeployment.

In some cases, older workers who are permanently, partially disabled as a result of work are encouraged by the compensation systems to accept "early retirement". Future liability to pay compensation by way of weekly benefits is redeemed by the worker in return for a cash lump sum, they are then free to get on with their lives.

Often in cases like these the lump sum is not invested wisely and is spent within two years of receipt forcing the worker onto social security benefits or back into the workforce. Structured settlements with an annual review to establish the continuing incapacity would be a preferable compensation delivery mechanism which would protect the injured worker's interests as much as an insurer's.

Regarding your specific requests for information, ICA does not maintain any workers compensation data, this is the responsibility of the regulators in the various States and Territories.

Most regulators release incidence and severity data annually but disappointingly, different reporting criteria are used so comparisons are difficult.

A National data set is compiled periodically by Worksafe Australia. They may be able to assist with queries related to which States and Territories and industries generate most claims and in what proportion those aged over 45 are represented. Anecdotally, older workers do have more injuries than younger ones.

Employers' premiums are not age related for premium rating purposes. In most cases the individual employers premium is calculated on industry experience and exposure (wages). Only when an employer is of sufficient size for there to be some control over the management of injuries are premiums in any way claims related.

Each workers compensation jurisdiction delivers different levels of benefits. Most do allow expenditure on special equipment or furniture, or indeed training for redeployment purposes provided that there is just cause.

I hope that these brief comments assist the Committee, however should you require clarification of matters raised or any other information or assistance please call me.

Yours faithfully,

Richard Gilley
Workers Compensation Consultant
Statutory Classes Division
Insurance Council of Australia Ltd
56 Pitt Street
Sydney NSW 2000

Tel: (02) 9253 5124