

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2010-2011**

Agency - Comcare

DEEWR Question No.EW0550_11

Senator Marshall asked on 20/10/2010, Hansard page 11.

Refers to previous DEEWR Question No [EW0243_11](#).

Question

COMCARE - PEOPLE SEEKING TO RETURN TO WORK DUE TO FIVE PER CENT PENALTY.

CHAIR—We know one of the policy rationales for applying the notional five per cent superannuation penalty to permanently injured workers is that it might encourage a return to work. In the May estimates you told me you were not aware of any miraculous recoveries of permanently injured people because of that five per cent penalty applied to them. Since then have there been any miraculous recoveries as a result of applying the five per cent penalty to anyone? Mr O'Connor—For the sake of continuity, I will ask my colleague Mr Kibble to continue his discussion with you on that matter. Mr Kibble—We provided some evidence through questions on notice in relation to nine employees who could have an ability to earn or return to work out of 391 people receiving incapacity payments under that particular provision. Nothing has particularly changed in the circumstances of those people, but I can confirm that for you on notice. CHAIR—So you believe that those people who are seeking to return to work because of the five per cent penalty that is being applied to their payments? Mr Kibble—They return to work for a range of reasons because that is what we are aiming at and what they are aiming at as well, of course. I will confirm if there has been any change. I do not suspect there has been any particular change in the numbers that we provided in the proportion, but I will confirm that on notice for you.

Answer

Comcare has provided the following response:

On 11 July 2010, Comcare prepared a response to Question No EW0243_11, based on the information available at that time. The information provided below is current as at 2 November 2010 and will vary slightly to the information provided in Comcare's original response.

Of the 391 invalidity retirees in receipt¹ of weekly compensation payments under sections 20, 21 or 21A of the *Safety Rehabilitation and Compensation Act 1988* (the

¹ Workers who were in receipt of weekly incapacity compensation at 28 February 2010 with reason for exit reported as 'invalidity retirement'. That is the same group of workers referred to in previous DEEWR response SQ10-000518.

Act) there are seven who have a recorded ability to earn (AE).

AE is defined in subsection 19(2) of the Act and means:

'the greater of the following amounts:

- (a) the amount per week (if any) that the employee is able to earn in suitable employment;*
- (b) the amount per week (if any) that the employee earns from suitable employment (including self-employment) that is undertaken by the employee during that week.'*

Of the seven invalidity retirees with a recorded AE figure, three are currently totally incapacitated for work because of a worsening of symptoms as a result of volunteer and part time work.

Of the four workers with a current ability to earn:

- One worker is employed between 1.5-9 hours per week;
- One worker is employed 20 hours per week;
- One worker is self employed and working up to 19 hours per week;
- One worker is currently working four hours per week as part of a Graduated Return to Work.

All seven workers continue to receive weekly incapacity payments under the Act as their ability to earn is less than their normal pre-injury weekly earnings.