



Bicycle Federation of Australia

Mr John Carter
Committee Secretary
Senate Employment, Workplace Relations and Education Committee
Department of the Senate
Parliament House
Canberra

By email: eet.sen@aph.gov.au

Dear Mr Carter

**Inquiry into the Safety, Rehabilitation and Compensation and Other Legislation
Amendment Bill 2006**

The Bicycle Federation of Australia is a non-profit organisation dedicated to expanding choice and opportunity for people who ride bicycles in Australia for recreation, transport, tourism, health and fitness, and fun. It is the national peak body, and directly represents over 20,000 cyclists who belong to its member groups in each State and Territory.

Our submission to the Inquiry is attached. It focuses on the proposed changes to the journey and recess aspects of the Comcare scheme. If enacted, these changes would leave many thousands of cyclists around Australia without coverage as they ride to or from work. We point out that pedestrians, motorists and public transport users, as well as cyclists, will be adversely affected by the changes.

I would like the opportunity to outline the BFA's key concerns at a public hearing of the Committee. As I am based in Canberra, a hearing in Canberra would be most appreciated.

Yours sincerely

Peter Strang
Executive Director
Bicycle Federation of Australia Inc.

INQUIRY INTO THE SAFETY, REHABILITATION AND COMPENSATION AND OTHER LEGISLATION AMENDMENT BILL 2006

This submission focuses on the proposed amendments to the Safety, Rehabilitation and Compensation and other Legislation Amendment Bill 2006 (the Bill) that would remove Comcare cover for injuries sustained on an ordinary journey to or from work or during a recess.

The effect of the changes

The changes mean that commuters would receive no payment for loss of wages or medical expenses unless they have private income protection and health insurance or can claim from another insurer such as a compulsory third party (CTP) insurer. Examples of commuters who could be disadvantaged include:

- A cyclist who hits a bump, comes off and breaks a collar bone is not covered
- A pedestrian, a public transport user, or a motorist walking from a car park, who trips and fractures their wrist will be on their own
- Motorists in jurisdictions without no-fault CTP schemes have no cover if they cannot show their injuries resulted from the other driver's fault

To take out insurance or pursue another insurer brings increased costs and delays in waiting for payment, especially if the matter has to go to court. This aspect of cost shifting is in effect a pay cut.

Problems with the proposals

The changes will discourage riding to work. Australia has record levels of physical inactivity, overweight and obese children (tomorrow's workers'), high petrol prices and spreading road congestion. Cycling and walking help counter these problems in our community.

The Bill's Regulatory Impact Statement does not address countervailing benefits of cycling. Fitter staff bring greater productivity, take less sick leave and can have a faster recovery rate from injuries.

The Federal Government has recognised the benefits of cycling and has policies and programs to promote physical activity. One of the priorities of the Australian National Cycling Strategy 2005 –2010, endorsed by Transport Ministers at the Australian Transport Council, is: "to support and promote cycling in Australia". The Department of Health and Ageing last year provided funding for the first National Ride to Work Day, which attracted approximately 33,000 participants from 1,300 workplaces around the country. The proposed changes are quite inconsistent with these successful initiatives that the Federal government is supporting and will have a counterproductive effect on them.

Travel directly to and from work is part and parcel of your job. The current scheme recognises this by excluding claims where there is a deviation or interruption.

Journey claims are a small proportion of Comcare claim numbers and costs, and appear to be falling:

- 2004/05: 16.8% of claims and 10.5% of costs
- 2005/06: 14.8% and 8.9% respectively.

The claimed benefit of greater national consistency is exaggerated. At present, five schemes (including Comcare) cover journeys and four do not.

There are other instances where the employer has little or no control over staff, e.g. travel between work-sites, which remains covered.

The Bill's supporting material makes no mention of whether the claimed savings reflect recovery from CTP schemes, nor does it mention Comcare's rate of recovery from CTP schemes.

Comcare already has the lowest standard workers' compensation premiums (lower than some State schemes that exclude journey claims), and the lowest rates of short and long term incapacity claims. This indicates that the scheme provides fair value to employers and employees alike.

The savings claimed are not cost savings at all, they are simply cost shifting. Costs would be shifted to Medicare, to individual cyclists and pedestrians. Public transport operators will also be exposed to claims as passengers without workers' compensation cover look for other ways to recover their loss. Passengers would end up paying higher fares to cover this cost.

A fairer solution

The BFA asks the Committee to recommend the retention of journey and recess coverage for cyclists, pedestrians, motorists and public transport users.

The BFA suggests that some cost savings could be realised by beefing up current recovery arrangements so that Comcare automatically recovers its payout from all other insurance claims such as third party motor vehicle claims. This could be done by modifying the Act's current recovery provisions (e.g. s50) so that:

- The injured person must notify Comcare where any other insurance applies before Comcare benefits can be paid
- The other insurer must pay claim proceeds to Comcare when it is notified of Comcare's right of recovery

This approach would help contain costs for employers and ensure employees have access to the appropriate medical treatment to get them back to work as soon as possible, something that is in the interests of the employer as well as the employee.