

# WORKSTREAMS NEWS

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## Inside this issue...

New Inspectors will force employers to return injured workers to work	1
Vic employers urge cuts to WorkCover premiums	1/2
Construction industry has the worst safety record says federal Minister, Kevin Andrews.	2
Man fined \$66,000 over forklift licence scam	2
VCAT decision is final. Seat belts are compulsory on fork lift trucks	3
Salaries rise as companies struggle in tight labour market	3
Statistical Case Estimates. DHO??!	4

## New Inspectors will force employers to return injured workers to work.

A dedicated unit of inspectors will monitor businesses to ensure employers will focus on returning their injured workers to work. According to the WorkCover Minister, John Lenders, there would be an increasing focus on returning injured people to work, with a dedicated unit to be set up to complement the workplace safety inspectorate. The new unit would concentrate on building awareness among employers about their legal obligations to support injured workers, he said.

Meanwhile, the Victorian WorkCover Authority has posted a \$1 billion-plus profit thanks to its strong investment. However the Authority has reported a 36% loss due to reduced earnings to \$475.8 million.

A 10 per cent cut in the average premium rate and lower actuarial releases of reserve funds were the reasons for the decline in operational performance.

Releasing the result last Friday, WorkCover Minister John Lenders foreshadowed a tougher line against businesses that did not actively try to get injured employees back to work early.

WorkCover chairwoman Elana Rubin said the scheme now had a 119 per cent funding ratio, had reduced costs for business and improved benefits for injured workers.

## Vic employers urge cuts to WorkCover premiums.

Victorian employers are calling for the State Government to cut WorkCover premiums, after the authority that administers the program posted a strong profit.

The Victorian WorkCover Authority has reported a net profit of \$1 billion for the past financial year.

Victorian Employers' Chamber of Commerce and Industry spokesman David Gregory says that shows the Government can afford to reduce the amount employers pay.

"We are the group that does fund the WorkCover Authority," he said.

“When it is having good results, which as I say we are very pleased about, they should then pave the way for a further announcement regarding premium reduction.”

WorkCover Minister John Lenders says the Government has cut premiums in the past.

“What we have is a balance here where we’ve seen the premiums come down by almost one third in the last three years of the Bracks Government, [and] we’re also seeing injuries coming down,” he said.

## **Construction industry has the worst safety record says federal Minister, Kevin Andrews.**

A new safety code designed to stem the high death rate in Australia’s construction industry has been launched by the federal government.

Workplace Minister Kevin Andrews said the industry had the worst record for fatalities, with one workplace death a week.

“This is an industry that historically has had a culture which doesn’t reflect best practice,” Mr Andrews told reporters after the Melbourne launch this week.

“A culture which unfortunately I think has seen

shortcuts taken so far as occupational health and safety is concerned.

“An industry that’s got a record far worse than any other and that’s simply unacceptable.”

The new framework developed by the Cooperative Research Centre for Construction Innovation aims to bring about a long-term cultural and behavioural change, leading to safer working environments in the industry.

The federal government has contributed \$14 million to the project, which spawned a partnership between industry leaders, researchers and unions.

Project leader Dean Cipolla said the transient nature of the industry contributed to the high number of deaths and injuries.

“Many Australian construction sites have a poor safety culture, which has contributed to a fatality rate more than five times higher than the mining industry not to mention many thousands of avoidable injuries,” he said. “Labour mobility makes it difficult for any one company to consistently influence safety attitudes and behaviours because workers and sub-contractors hear different safety messages when they move to different companies, projects and sites.”

The new framework will provide guidelines for managers to share a uniform response to occupational health and safety issues.

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## **Man fined \$66,000 over forklift licence scam**

The last of nine men caught up in a forklift licensing scam referred to the NSW corruption watchdog has been fined \$66,000 for his part in the racket.

Chief Industrial Magistrate Gregory Hart today found former licence assessor Quang Tran was overseas when he claimed to have assessed seven forklift licences, WorkCover NSW said in a statement.

Tran was the last of nine former WorkCover-accredited assessors to be prosecuted over the issuing of false Certificates of Competency to operate forklifts.

Mr Hart fined Tran \$66,000 for seven deliberate breaches of required conduct.

WorkCover referred the matter to the Independent Commission Against Corruption in 2004.

WorkCover CEO Jon Blackwell said: “These were very serious offences, which could have led to the serious injury and even death of workers.”

“WorkCover has introduced substantial changes to prevent corruption, and to ensure that all Certificates of Competency holders are properly identified and competent to operate the equipment listed on their licences,” he said.

## VCAT decision is final. Seat belts are compulsory on fork lift trucks

The Victorian Civil and Administrative Tribunal (VCAT) has published its decision on a review of a WorkSafe decision to issue Phil Fehring Engineering Pty Ltd with an improvement notice requiring the retro-fitting of a seat belt to a forklift.

The facts relate to an improvement notice issued on 15th February 2006 by a Worksafe inspector against Phil Fehring Engineering Pty. Ltd.

The company submitted that it had undertaken a hazard identification process in accordance with the OHS (Plant) Regulations 1995 and concluded that the risk of forklift rollover was low and no further action was necessary.

The Judge found that the company had completely misconceived its obligations under section 21 of the OHS Act, and determined that the company's obligations under this section and the requirements of Regulation 704 of the OHS (Plant) Regulations 1995, required the company to adopt a higher form of control than was currently in place and that this higher control was represented by the installation of a seat belt.

Judge Sandra Davis stated that "it is clear on the evidence before me, in the light of the concessions made by the company concerning the practicability of installing seat belt in its Toyota forklift, that the company cannot rely solely on administrative controls such as the operator being trained to hold on to the cabin to avoid being tipped out, or

the company regularly filling potholes in its yard, or the forklift not being used for much of the day. Accordingly, I am not satisfied that the company has complied with the relevant 1995 Regulations in any event."

In the context of this case, it is common ground that the serious risks and consequences associated with tipping or sudden stopping of forklifts are well known, and that the measures to avert the risk, or reduce it as far as is possible, are inexpensive. The law requires all forklifts manufactured since 1995 to be fitted with seat belts. It is common ground that the fitting of seat belts to older forklifts will reduce the risks associated with ejection of the operator as far as is possible. It is also common ground that it is simple and not expensive to retrofit the Toyota forklift with the seat belt specifically designed by Toyota for this purpose." The company has now until the 27th October 2006 to fit the seatbelt. ACH Australia members are reminded that if you object against a decision made by an inspector you can ask for an Internal Review. If you are not satisfied with a decision made by the Internal Review Officer, or the Internal Review Officer fails to make a decision, you have the right to apply to the Victorian Civil & Administrative Tribunal (VCAT) for external review of the Internal Review Officer's decision. Usually, an application to VCAT must be made within 14 days from the date you are aware of the Internal Review decision.

According to the data published by the Victorian WorkCover Authority only 15% of the improvement notices issued were upheld (without changes) the rest were modified and 30 notices were cancelled.

For further information please call ACH Australia on 93494800

## Salaries rise as companies struggle in tight labour market.

Salaries climbed higher this past year across the nation as employers fought to attract and retain staff in the tightest labour market in 30 years, a new

survey shows.

Mercer Human Resources Consulting's latest survey on remuneration trends shows salaries have risen 4.1 per cent in the year to the end of Jul.

But the survey also found that salaries had stabilised in the final six months, indicating that employers are finally finding a balance between retaining existing employees and attracting new talent.



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## Statistical Case Estimates. DHO???

After innumerable requests we have agreed to shed some light on the SCE. I say some light because SCE is a statistical model that is impenetrable and at best mysterious.

Here are some clarifications. Agents are required by law to estimate the cost of a claim. To date there is no magic wand that can predict accurately how much a claim will cost. However the Victorian WorkCover Authority utilizes 20 years worth of data. It is this data that provides some guidance on the potential cost of a claim. Initial estimates are based on the injury type, the industry, the age of the worker etc. The rest of the estimate is greatly influenced by the course of action taken by the claimant and by the employer.

To clarify this it is necessary to consider that the claim costs are the SCE biggest drivers and are used to “equalize” one company versus its peers in the same industry. It is important to remember that inactive claims still have estimates because generally over 30% of these “came back to bite you”.

The key drivers that will dictate the size of each SCE are:

- Weekly compensation
- Medical and like costs
- Medico-legal
- Common Law
- Maims and impairments lump sums
- Legal

According to the VWA there are 16 main factors or characteristics that are actuarially used to calculate a SCE. The major ones are time off work, number of separate benefits paid, time since the last payment, the worker’s age at the accident, pre-injury earnings, worker’s occupation, injury type, body location, work capacity, industry and the length of delay in reporting the injury. In all of this there is one thing that must be remembered. The quicker you can return your injured workers to work the quicker the SCE will be reduced. If you still do not have a Rehabilitation Policy please call Elena at WorkStreams on 93494655 for a free, tailored policy.