

# WORKERS COMPENSATION

## SCHEME REVIEW



AMOUNT COLLECTED

*in payroll tax*

\$200 MILLION



AMOUNT COLLECTED

*From employers in workers compensation premiums*

\$120 MILLION



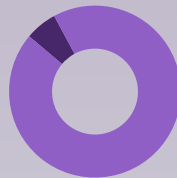
115,000

WORKERS COVERED BY THE NT SCHEME



6% OF CLAIMS CONTINUE PAST 52 WEEKS

6%



40%

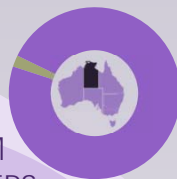
PAYMENTS ARE FOR LUMP SUMS

10 WORKERS COMPENSATION SCHEMES IN AUSTRALIA



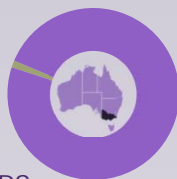
2.2%

AVERAGE PREMIUM PAID BY NT EMPLOYERS



1.34%

AVERAGE PREMIUM PAID BY VIC EMPLOYERS



79.3%

NT FUNDING RATIO (healthy scheme 100% funding ratio)



5 INSURERS



SELF INSURERS



CATHOLIC CHURCH

4

14,630 NUMBER OF BUSINESSES IN NT



21.4% ARE IN CONSTRUCTION



93.6% BUSINESSES EMPLOYING LESS THAN 20 EMPLOYEES



## SUMMARY OF KEY PRELIMINARY WORKERS REHABILITATION AND COMPENSATION ACT (WRCA) REVIEW RECOMMENDATIONS

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- ▶ Rehabilitation provisions to be enhanced by providing rehabilitation plans that take into account work is generally good for health and wellbeing; and a bio-psycho-social approach to injury management.
- ▶ In addition to the other initiatives by NT WorkSafe in relation to injury management, and any codes of practice, the rehabilitation provisions could be enhanced by providing rehabilitation plans that take into account work is generally good for health and wellbeing; and a bio-psycho-social approach to injury management.
- ▶ WRCA to recognise duty of mitigation of loss, assessed on an objective basis.
- ▶ WRCA to require medical treatment must meet objective standards such as those in the Clinical Framework.
- ▶ Medical certificates should be revised to focus on the workers' capacity, rather than incapacity; and import from the Clinical Framework the appropriate matters that should be reported.
- ▶ In relation to psychological or psychiatric claims, the WRCA should make clear employment must be the "real, proximate or effective cause" or the "the major significant contributing factor" for psychological or psychiatric claims. Consideration of a defence of management action taken in "good faith"; defining "reasonable administrative action", for example, to include appraisal of the employee's performance; defining "reasonable disciplinary action", for example, to include formal or informal counselling action; suspension action; formal or informal disciplinary action.
- ▶ Incidents that are a manifestation of an underlying disease (such as heart attacks, strokes, spinal disc ruptures caused by degenerative disease and similar phenomena) will be covered for workers compensation purposes on the same basis as a "disease"— that is, where employment was the substantial contributing factor or the real, proximate or effective cause of the incident.
- ▶ Definition of "normal weekly earnings" to be revised in accordance with contemporary industrial practice.
- ▶ Depending on the nature and extent of step downs, maximum weekly benefit and maximum duration, an entitlement to a lump sum calculated in an agreed manner should be considered.
- ▶ WRCA should provide for formal negotiated settlements of statutory benefits in appropriate cases, linked to a tiered approach as discussed in the report.
- ▶ Statutory workers' compensation should remain the exclusive remedy for an injured worker for a work-related injury; and that the scheme maintains the abolition of the common law action by a worker against his or her employer. However, mechanics should be introduced into WRCA to allow a worker and employer to negotiate a lump sum in accordance with agreed mechanism taking into account a tiered approach.

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