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Cheryl Scarlett
Inquiry Secretary
Standing Committee on Employment and Workplace relations
House of Representatives
CANBERRA ACT 2600

Dear Cheryl

As requested, below are some dot points outlining our observations relating to the issues you raised in your email to us.

Anita Grindlay and Dr Paul Pers are management consultants specialising in workers compensation. At present we have contracts to perform workers compensation consulting in the Victorian, South Australian and New South Wales jurisdictions.

These consultants have backgrounds in Medicine, Nursing and Occupational Health and Safety, case management and business. Between them these consultants have over 60 years experience in health care and workers compensation. Recent consulting assignments have resulted in review of over 1000 workers compensation files.

We are not service providers and therefore believe that we are able to provide independent objective advice as it pertains to workers compensation.

In response to you email:

In our experience there is only a very small amount of true workers compensation fraud. The vast majority of claims begin with a legitimate injury. However the legitimacy of many long term claims becomes clouded by issues relating to the claim that are not related to the initial legitimate injury.

There is a substantial lack of accountability on the part of many stakeholders within all workers compensation jurisdictions in which we have worked resulting in the following:

1. Poor return to work outcomes due to poor enforcement of both employee and employer responsibilities.
2. Poor case management and return to work outcomes due to a process rather than outcome focus, high caseloads and poor skill level and training at insurer level
3. Over servicing by some treatment providers due to lack of understanding of evidence and in some cases (rare) opportunism. Providers are almost never engaged by or challenged by those responsible for administration of the Act in any jurisdiction. Treatment provided that is paid for at an hourly rate or per consultation instead of based upon outcomes fuels this problem.
4. In many jurisdictions there is poor access to evidence based treatment.
5. In our experience there can be a variety of structural (including legislative) factors that provide perverse incentives to both employers and employees to operate within the letter of workers compensation legislation but outside of the spirit. These include factors such as a culture of litigation, safety bonuses, make up pay, limited time periods for provision of suitable duties, ease with which non compliance with return to work can be avoided etc.

6. Surveillance is commonly used in workers compensation claims as a tool to detect fraud. Our experience is that it is very infrequently successful at bringing a claim to resolution and in fact often only serves to inflame an already problematic situation.

7. There are a very wide number of reasons for variability in safety records and claims profiles from industry to industry. These include: some industries are genuinely more dangerous than others, some industries have more structural factors than others that promote poor performance, and some industries have an entrenched claiming culture. There is also now a vast array of evidence to support the view and it has been our experience that industries that have hostile labor relations experience worse workers compensation outcomes.

This outline is a very brief overview of our opinions and experience based upon workers compensation claims viewed by us and relating only to the issues you have raised.

If you would like to discuss this further please contact us.

Anita Grindlay Dr Paul Pers
Health Management Consultants