Comparative Review of Workers’ Compensation Systems in Select Jurisdictions

JURISDICTION: QUEENSLAND, AUSTRALIA

ENVIRONMENT

Population Size 3,374,000 (December 1997)
Labour Force 1,713,100 (May 1997)

Demographic and Economic Indicators

Queensland occupies the north-east quarter of the Australian continent. Of the six states and two territories, Queensland ranks second in area and third in population (comprising 22.5% of the total population in Australia). The coastline extends for 7,400 kilometers, 9,800 including islands.

Queensland’s unemployment rate is 9.20% (October 1997, 1,575,600 employed persons, 162,300 unemployed persons).
GOVERNANCE & ADMINISTRATION

Nature of System A state-based, compulsory, workers' compensation program\(^1\) with an exclusive state fund.

Principles and Mandate The mission of the Workers' Compensation Board of Queensland is to "provide an equitable and financially viable workers' compensation service in Queensland".

Access to Litigation Queensland is not an exclusive remedy jurisdiction.

A worker who sustains a "work related impairment" (WRI) of 20% or more of the statutory maximum compensation has access to common law, in addition to the statutory lump-sum compensation for impairment (see "Award for permanent physical impairment"). A worker who sustains a WRI of less than 20% of the statutory maximum compensation must make an irrevocable election as to whether to accept the statutory lump sum compensation offered for permanent impairment or pursue a common law action. There are no limits on the amount of the common law award that may be granted and an action may be pursued for both economic and non-economic loss.

Injured workers seeking common law remedy must follow a pre-proceedings process prior to the issue of court proceedings. The intent of the pre-proceedings process is to:

- promote early settlement;
- ensure all parties are fully informed;
- minimize costs; and
- ensure injured workers are aware of the costs associated with common law actions and payable by WorkCover and/or by themselves.

The pre-proceedings process includes a mechanism to assist resolution of the claim and compulsory case conference prior to court proceedings.

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\(^1\) In Australia there are ten different employer-financed schemes of occupational disability benefits -- eight states and two territories plus two federal schemes, a federal system for seafarers and a federal system for federal government employees.
Scope of System

Who is Covered?

Employers, other than self-insured employers, are legally obliged to have workers' compensation insurance through WorkCover Queensland.

Under the new legislation\(^2\), a worker is anyone employed under a contract of service and for whom the employer makes Pay As You Earn (PAYE) taxation deductions. This includes those person who earn less than the taxable threshold (currently $60 per week). Under the new provisions, the Act will cover about 95\% of the Queensland labour force.

Those individuals no longer covered by the definition of a 'worker' can obtain insurance cover from WorkCover Queensland as an eligible person. Under the WorkCover Queensland Act 1996, WorkCover must enter into a contract of insurance with any eligible person who applies to be covered.

What is Covered?

The Act provides that employment is to be "the major significant factor" in determining whether an injured worker is entitled to compensation.

The Queensland scheme covers any occupational injury or illness sustained:
1) during the course of employment;
1) from an incident arising out of employment;
1) on a journey to or from the place of employment (provided that the journey is the shortest convenient route);
1) while traveling to or from the place of employment with one employer and the place of employment with another employer.

Coverage includes psychiatric or psychological conditions subject to a "reasonable person test" that requires consideration of whether a reasonable person in the same employment would have been expected to sustain such a condition.

\(^2\) The new provisions of the Act that came into effect July 1, 1997, clarify the definition of worker and rectify interpretation and compliance problems related to person employed under a contract of service, but labour only contractors.
Self Insurance

The Queensland system allows certain employer's to be granted a license to self insure\(^3\). Licenses to self insure can be issued to a single employer or a group of employers.

The criteria and conditions for a self insurance license are:

- sufficient size - at least 500 full-time employees;
- net tangible assets of at least $100 million and demonstrated long-term financial viability;
- mandatory coverage of all employees;
- provision of an unconditional bank guarantee or cash deposit of 150% of estimated claims liability or $5 million, whichever is greater;
- adequate resources and systems to manage claims;
- ability to provide claims data to WorkCover;
- an application fee of $15,000 for single employers and $20,000 for group employers;
- appropriate reinsurance cover (catastrophe insurance); and
- provision of adequate rehabilitation systems.

The scheme also provides for self rating. Self rating is a new insurance product being offered to large employers who may wish to obtain some of the benefits of self insurance without the risk in being outside the fund. Self rating employers will have their premium assessment based on their own claims experience through an individual premium pool which will not be affected by the performance of other employers in the same industry pool. In addition to the annual premium, self raters will pay an administrative charge for claims management. This charge may be adjusted to recognize the delegation of certain claims and injury management functions to self raters who apply and are registered to perform those functions.

The criteria for self-rating registration are:

- sufficient size - at least 500 workers and a minimum deemed premium of $1 million;
- coverage of all workers;
- provision of an unconditional bank guarantee or cash deposit of at least 50% of estimated claims liability, and
- provision of adequate rehabilitation systems.

\(^3\) Before the 1996 reforms, self insurance was not permitted in Queensland.
Organizational Framework

WorkCover Queensland is an independent statutory body established under the *WorkCover Queensland Act 1996* and subject to provisions of the *Government Owned Corporations Act 1993*.

WorkCover Queensland administers the *WorkCover Queensland Act 1996* and is responsible for delivering workers' compensation insurance in a commercial manner. It is also responsible for administering the regulatory functions contained in the *WorkCover Queensland Act, 1996*.

WorkCover Queensland consists of 23 regional offices and a head office situated in Brisbane. WorkCover employs approximately 1,000 staff throughout Queensland.

As at July 1, 1997, the South Brisbane Rehabilitation Centre became an independent commercial unit of WorkCover. The Centre has since been renamed "ProActive Injury Management".

The board of directors of WorkCover Queensland consists of nine members appointed by the Governor in Council, on the recommendation of the Minister. The board is not a representative board and members bring specialist business skills and commercial expertise to the board. The board of directors has authority to set premiums and benefits and to manage the workers' compensation fund, subject to written direction of the Minister. The board makes recommendations

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4 In response to serious unfunded liability concerns (the Queensland workers' compensation fund had unfunded liability of $114 million at year end June 30, 1995), the government established a wide ranging independent inquiry on March 11, 1995. The final report of the *Inquiry into Workers' Compensation and Related Matters in Queensland* was tabled in Parliament in July 1996. The report recommended fundamental change to the system; 73 of the 79 recommendations in the report were implemented through the *WorkCover Queensland Act 1996* to address financial, regulation and operational concerns, including the replacement of the Workers' Compensation Board of Queensland, a division of the Queensland government Department of Training and Industrial Relations with an independent statutory body, WorkCover Queensland. The major advantages of replacing the former board with the new WorkCover authority is the creation of a board of directors fully accountable for the performance and operation of the workers' compensation system in Queensland; the removal of potential for hidden political interference by requiring any government intervention in WorkCover's commercial operations to be made fully transparent to the public and the separation from the public service to ensure efficient, customer focused, commercially oriented service delivery.
to the Minster regarding entitlements to be paid under the Act, regulation of access to damages and legislative policy issues.

**Policy Development**

Policy development is generated internally through the identification of operational difficulties within WorkCover, and externally through the implementation of government policy. Government policy may result from recommendations or public inquiries, or alternatively, through compliance with Commonwealth government policy.

All legislative changes are required to pass through Cabinet along a defined consultative process, including inter-governmental consultation, stakeholder consultation and public consultation.

**Accountability**

The Board of Directors of WorkCover Queensland is subject to the written direction of the Minister for the operation of the workers' compensation system and the management of the fund. There are also formal accountability and reporting mechanisms in the legislation, including reports that must be provided to the Minister for each quarter of the financial year by the board of WorkCover on the operations of the system and an annual report that must be provided to the Minister.
Performance Assessment

The formal reporting requirements are linked to the performance assessment provisions imposed on WorkCover Queensland. The *WorkCover Queensland Act* requires that WorkCover Queensland must have a corporate plan, to be developed on an annual basis and submitted to the Minister for approval. Upon approval by the Minister, the corporate plan becomes the formal corporate plan for the agency for that financial year. Each year WorkCover must also submit a statement of corporate intent that is consistent with the corporate plan. The statement of corporate intent is a well defined agreement between the WorkCover Board and the Minister as to the objectives of WorkCover for that financial year. At the end of the year, a comparison of actual outcomes can be made against the performance targets for its activities for the relevant financial year. The statement of corporate intent also includes any community service obligations\(^5\) and the employment and industrial relations plan for WorkCover.

Claims Adjudication Process

Any claims through illness or injury must be accompanied by a medical certificate from the injured workers' treating physician. The worker must complete the claim application, but the employer is expected to assist and support the injured worker as necessary.

All workers' compensation claims are handled directly by WorkCover Queensland. A claim may be sent directly by the worker or employer to the head office or any district office of the board. Claims are processed by the WorkCover office nearest to the claimant's residential address.

Dispute Resolution

*Mediation/Conciliation*

There is no formal, compulsory mediation/conciliation process in the Queensland system.

*Appeals Process*

A worker or employer may apply for a review of a decision made by WorkCover regarding a statutory claim or premium.

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\(^5\) Community service obligations are non-commercial activities which WorkCover may be directed to pursue by government and often relate to equity objectives of government and do not specifically include regulation or policy functions.
through the Statutory Review Branch\textsuperscript{6}. A decision arrived at through the internal review process can be referred to an industrial magistrate and then to the Industrial Court.

The Industrial Magistrates Court is an independent body within the legal and justice system in Queensland. The Court hears other matters in addition to the workers' compensation, such as industrial relations issues, Department of Social Security issues and taxation matters. The Industrial Magistrate is appointed by the Senior Magistrate on a 12 month basis. There is no dedicated workers' compensation appeal system in Queensland.

Medical issues can be referred to the Medical Assessment Tribunal (MAT). The MAT is independent of WorkCover and is housed in a different location from WorkCover offices. WorkCover does, however, provide administrative support for the MAT. The MAT is comprised of registered medical specialists appointed on the basis of their qualifications, experience and professional standing. The general MAT consists of a chairperson and two other members appointed by the Governor in Council. A number of specialist medical tribunals also exist consisting of three specialists in the area in which the tribunal is concerned (i.e., cardiac, orthopedic, dermatology, ear, nose and throat, neurology/neurosurgical, ophthalmology).

There is no appeal from a decision of the MAT unless fresh medical evidence is submitted within 12 months of a MAT decision.

\textsuperscript{6} Prior to the recent reforms, there was no formal internal review of decisions. Contested decisions of the WCB were subject to informal review by a senior officer of the board and then went directly to an industrial magistrate to be heard. The goal of introducing an internal review process is to provide an efficient and cost-effective system by providing internal reconsideration of contested decisions before referral to the industrial magistrate and Industrial Court.
Prior to 1 July 1997, employers paid premium based on a percentage of gross wages paid. The percentage was an industry/business rate applying to all business which fall within a particular classification. Individual claims performance is reflected in either a merit bonus premium discount on a sliding scale for good claims performance or a demerit premium loading for poor claims performance. On July 1, 1997, a new premium structure commenced which calculates the premium rate based on an employer's previous three years statutory claims experience, and a further two years' common law claims experience. Industry rates will be retained for new policyholders. A sizing factor will be applied so that the larger a company's industry premium the greater the weighting that is given to its claims experience.

The experience rating system will introduce a premium structure which is adjusted by the employer's claims experience including common law claims. Prevention incentives are strong, with the impact of improved performance directly reflected in the premium to be paid. The experience rating system will have the effect of continually penalizing poor performing employers and continually rewarding high performing employers.

The new experience rating system will also address some of the difficulties which have been encountered with the former system of setting premiums. In particular, where employers have more than one business activity operating from the same workplace, the premium rate applied was that of the business activity with the highest rate. The experience rating system provides for determining the employer's industry classification by taking account of the employer's predominant and primary business activity, which is based on wages. Under the experience rating system, over time, the employer's premium will relate to the individual claims experience of the employer.
**Assessment/Premium Rates**

Since January 1, 1996 premiums have risen, due to financial pressures on the scheme. The average levy or premium rate since January 1, 1996 has been 1.95% plus 10% surcharge amounting to 2.145% of gross wages. The same premium rate has been applied for the 1995/96 year through to the 1997/98 year. The lowest published rate is 0.37 (legal and accounting services, bank/building societies) and from July 1, 1998, the lowest experience rated rate will be set at 15% of the industry rate; the highest gazetted rate is $15.00.

**Second Injury Funds / Disaster Funds**

WorkCover has a second injury policy of insurance which covers injuries which have occurred while the worker is undergoing rehabilitation, traveling to rehabilitation or while being treated for the injury.
COMPENSATION
BENEFITS

Claim Rate

The number of reported claims in 1996/97 was 85,110, down 8.5% from the 1995/96 volume of 93,008 claims. Until 1995/96, claims had risen steadily since 1990/91.

Medical Aid

Nature of Aid

Medial aid coverage is comprehensive. There are no limits on medical and occupational rehabilitation services and the scheme covers all reasonable costs. The scheme also covers the cost of private hospitalization up to $10,000 for any one incident, plus a further $10,000 in special circumstances.

It includes the cost of repair or replacement of prosthesis or other assistive device or appliance (including dentures or eyeglasses) when their destruction or damage was sustained during the course of employment (providing the item was being used for its intended purpose at the time the damage or destruction occurred).

WorkCover makes an annual payment to the State Health Department (1996/97 $3.5M) to cover inpatient and outpatient care provided to injured workers through public hospitals. The WorkCover Queensland board of directors recently approved the 1997 grant of $338,500 towards funding the Division of Orthopedics within the Department of Surgery at the University of Queensland.

Choice of Provider

The injured worker has free choice of "registered medical provider". Registered medical providers have primary care status. A worker has no entitlement to compensation until they have consulted a registered medical practitioner. Allied medical costs (i.e., physiotherapists, specialists) are only compensable if the worker was referred by a registered medical practitioner. In the case of dental injury only, a registered dentist may have primary care status.

Medical Cost
Containment
Initiatives

There is a set fee schedule, based on the Medicare Schedule, plus 27.5% for all consultations and procedures. The cost of non-Medicare services (e.g. physiotherapy) is set through negotiation with WorkCover and the various provider
Rehabilitation

Physical / Occupational / Vocational

Rehabilitation is workplace based, though it can be initiated and managed by either the worker's employer, medical practitioner or WorkCover.

The employer is expected to take an active role in rehabilitating the injured worker including, maintaining regular and open communication with injured workers; maintaining job security for injured workers, where possible; providing suitable duties in a positive environment for early return to work; and initiating and maintaining contact with the treating medical practitioner and WorkCover to discuss rehabilitation and return to work and seek approval for rehabilitation plans.

It is the worker's responsibility to do everything possible to minimize the effects of their injury, including following medical advice and participating in rehabilitation am return to work programs during their claim period. Failure to participate may result in their compensation being suspended.

WorkCover's role is to ensure that the rehabilitation of injured workers is aimed at assisting their early return to work.

Social

The gratuitous care lump-sum payment is available to workers who sustain a serious injury with a WRI of 50% or more is intended to recognize the value of care provided gratuitously by family members. It is based on assessed dependency levels when the injury is stable and stationary.

Rehabilitation is provided by WorkCover for the purpose of returning injured workers to work as soon as possible. If it is deemed necessary by WorkCover for modifications to be made to an injured worker's home of automobile, then the cost of the necessary modifications will be covered by WorkCover. An injured worker may be eligible to receive psychological counseling if they meet the criteria set out by WorkCover, but there is a limit to the number of treatments allowed.
**Rehabilitation Incentives**

The legislation requires that employers who employ 30 or more workers at a particular workplace must appoint a rehabilitation coordinator.

As well, industrial relations legislation contains a provision that an injured worker can not be dismissed by their employer for three months from the date of the injury for any reason relating to the injury.

**Trends in Treatment of Subjective Complaints**

An occupational stress unit, dedicated to private employers, was established by the then Workers' Compensation Board of Queensland in 1995. The unit was established in an attempt to address the increasing number and cost of stress claims in private industry in Queensland.

Research was undertaken based on the claiming behaviour of "stress" claimants. The unit developed and implemented policy to introduce improved practices to administer psychological or psychiatric claims. The policy introduced the diagnostic tool DSM IV which is to be used in completing the medical certificate to be forwarded with the claim form. WorkCover will only accept "stress" claims which have a diagnosis for the DSM IV. Concurrently, training was provided to general practitioners in the use of the DSM IV to assist in the efficient and prompt administering of the claim. Private employers were also provided with training and policy advice regarding the management of occupational stress within various workplace arrangements. The unit ceased to operate from February 1997, having run the course of the policy implementation.
Disability Benefits

Short-Term Benefits -
Temporary Disability

Weekly "loss of earnings or wage loss" compensation:

Rate: From the second to the 26th week, workers under award or industrial agreement⁷ receive the greater of 85% of the worker's normal weekly earnings (NWE, includes other award payments, shift allowances and overtime, etc.) or the amount payable under the worker's award or industrial agreement. Workers not under award or agreement, receive 85% of NWE or 70% of a set amount, the Queensland Ordinary Time Earnings (QOTE) which is $656.80 as of July 1, 1997. After 26 weeks, all workers are eligible to receive the greater of 65% of NWE or 60% of QOTE.

Indexed: QOTE is increased each year at July 1, and weekly benefits are adjusted to reflect the increase.

Duration: Up to two years weekly benefits.

Taxable: Yes.

Employer's Excess / Waiting Periods: The employer must cover the first week or five working days, including the day of injury⁸. There is no employee co-payment or waiting period in relation to benefits.

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⁷ Industrial awards or enterprise agreements between specific industries and employers and employees may contain an award or rate for injured workers specific to that industry.

⁸ The introduction of the five day employer excess only came into effect on January 1, 1996 (part of a Workers Compensation Amendment Act, 1995). Other changes brought in with this amendment act included the step-down in benefits at 26 weeks; the introduction of QOTE (Queensland full-time adult persons Ordinary Time Earnings as declared by Australian Statistician); an increase in the maximum statutory compensation to $100,000 (combined weekly and lump-sum payments); a revised Table of Injuries and other enhancements to calculation of lump-sum awards, including thresholds for access to common law.
Comparative Review
Queensland

Long-Term Benefits - Permanent Partial and Total Disability

Economic Loss or "loss of earnings or wage loss" awards or pensions:
Rate: After two years of weekly benefits, injured workers are re-assessed and those with a work-related impairment (WRI) of more than 15% are entitled to continue to receive the greater of 65% of NWE or 60% QOTE or up to five years or until a maximum of $110,430 in total weekly benefits (July 1997). Workers with an WRI of less than or equal to 15%, are entitled to receive an amount equal to the Department of Social Security single pension rate.
Indexed: QOTE is increased each year at July 1, and benefits are adjusted to reflect the increase.
Duration: Five years or $110,430.00 in weekly benefits\(^9\).
Taxable: Yes.
Offset Against Other Social Security Benefits: No.

Award for permanent physical impairment:
Periodic (pension or annuity): None
Lump-sum: The total amount payable to a permanent disabled worker in both weekly benefits and a lump-sum award is $110,430.00. Workers who suffer spinal cord injury or chronic organic brain syndrome resulting in WRI of at least 50% are entitled to an additional lump-sum payment of up to $110,430.00 (calculated on a graduated scale based on degree of permanent impairment between 50 and 75%)\(^11\).
Covers Disfigurement: Prescribed disfigurement is defined in the Act as severe facial disfigurement or bodily scarring. A lump-sum of up to $55,215 may be awarded for disfigurement\(^12\).

Impairment Schedule: Table of Injuries as prescribed under the regulations (Schedule 2). Where an injury results in a degree of impairment not listed in the table, the degree of impairment is assessed by reference to the AMA Guides.

Supplemental Awards: A worker is entitled to a "gratuitous care" lump sum statutory award if they have sustained a WRI of 50% or more and have a moderate to total level of dependency on day-to-day care for the basic activities of daily living\(^13\).

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\(^9\) Work related impairment is calculated by expressing a workers lump-sum compensation entitlement as a percentage of the statutory maximum. WRI is calculated according to the following formula: WRI = lump-sum entitlement \(\times\) 100/statutory maximum (i.e., 103,100).
### Comparative Review

**Queensland**

#### Hearing Loss

The threshold for hearing loss compensation is 5%\(^{14}\).

#### Death Benefits

**Funeral Expense Benefits**

*Funeral Costs:* WorkCover will pay the actual and reasonable costs of funeral expenses. It will also cover the cost of transporting the body within Australia.

*Emergency Lump-sum:* None.

#### Survivor Benefits

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<thead>
<tr>
<th>Survivor Category</th>
<th>Lump-sum</th>
<th>Pension</th>
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<tbody>
<tr>
<td>Wholly dependent survivors</td>
<td>$176,690.00 (July 1997), less amount already paid under any weekly benefits or as a lump-sum under the Table of Injuries.</td>
<td>None.</td>
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| Dependent children | $6,630.00 (July 1997) | Weekly payments of up to 7% QOTE ($46.00, July 1997) until 16 years, or 21 if a student. |

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\(^{10}\) The two tiered weekly benefit schedule at two years and the five year limitation on weekly benefits were introduced as part of the 1996 reforms.

\(^{11}\) For both additional lump-sums - injuries over 50% WRI and gratuitous care awards - the 50% WRI cannot be achieved through the combination of WRI for the physical injury and WRI for a psychological/psychiatric injury overlay.

\(^{12}\) A prescribed disfigurement assessment tribunal may be used in determining the level of compensation payable. A tribunal consists of a specialist in plastic or reconstructive surgery, a doctor nominated by WorkCover and a doctor nominated by the injured worker. Disfigurement which is caused by another injury, e.g. scarring from a broken leg, is taken into account in the assessment of any statutory lump-sum payment.

\(^{13}\) Gratuitous care lump-sum awards were introduced in the 1996 reforms and replaced the common law head of damage for gratuitous care commonly referred to as the Griffiths vs Kerkemeyer awards.

\(^{14}\) The 1996 changes to the legislation increased the threshold/deductible for hearing loss from 1% to 5% and introduced provisions to simplify the assessment of industrial deafness.
HEALTH & SAFETY & PREVENTION

Organization Structure

Agencies Responsible

The Workplace Health and Safety program (DWHS), a division of the Department of Training and Industrial Relations, Queensland government is the agency responsible for occupational health and safety in Queensland. The Kennedy Inquiry specially addressed the need to maintain the responsibility for workplace health and safety within the DWHS rather than transferring it to WorkCover.

The goal of the DWHS is "to reduce the risk of injury and disease" in the workplace. The objectives of the division are:

• to ensure the best possible workplace health and safety legislation and standards are available;
• to ensure safe work practices are implemented at workplaces;
• to ensure clients have access to effective consultation, information and education and training in workplace health and safety; and
• to ensure staff are well trained and equipped to deliver services that are valued by clients.

The DWHS is responsible for administration of the Workplace Health and Safety Act, 1995. The new Act strengthened the employers' responsibility "to ensure the health and safety of workers" (there is no longer any provision for "compliance as far as possible").

Source of Funding

The DWHS program is funded entirely from Consolidated Revenue.

Any fees collected by the DWHS are paid directly into the Consolidated Revenue fund.

Accident Reporting

Not known.
OHS Representatives & Committees

The new OHS Act provides for the establishment of workplace health and safety (WHS) representatives, WHS officers and WHS committees. Workers have the right to elect WHS representatives; the number of WHS representatives is subject to negotiation with the employer taking into account such matters as work areas, work processes, and shift arrangements. Under the Act, any employer may also establish a committee, but must establish a committee if the WHS representative requests that one be established or if the work at the workplace is particularly hazardous and the DWHS orders that a committee be established.

Offenses and Penalties

Types of Offenses and Maximum Fines:
The Act provides for penalty arrangements comprised of an increase in the quantum maximum penalty and a tiered system of maximum penalties graduated according to the seriousness of the breach to which they relate. For example,

- a person found guilty of a breach resulting in death or grievous bodily harm is assessed the maximum 800 penalty unit - amounting to $60,000 or two years imprisonment for an individual and $300,000 in the case of a corporation;
- for a breach involving an exposure to a hazardous substance likely to cause death or grievous bodily harm, 500 penalty units and up to one year imprisonment are assessed; and
- for any other breach, 400 penalty points, and up to six months imprisonment are assessed.

Convictions:
1995/96 - 124 prosecutions were undertaken for serious breaches and regulatory offenses.
1996/97 - 108 prosecutions were undertaken.
The program averages about a 90% success rate for prosecutions undertaken.

Administrative Penalties

"On the spot" fines are being introduced to help streamline and simplify the legal processes associated with minor breaches of the OHS legislation.
## Comparative Review

### Queensland

| OHS Legislative Review | No legislative requirement for a regular, systematic review of the OHS legislation is presently in place in Queensland. Workplace health and safety standards are regularly reviewed to ensure that they reflect current work practice and keep pace with technological change. Under Queensland law, a regulatory impact statement including a full cost benefit analysis, must be prepared for all new regulations, and for all existing regulations that have been in existence for more than ten years. Such a review is generally undertaken on a tripartite basis. |
| Health and Safety and Loss Prevention Initiatives | DWHS is currently developing codes of practice designed to provide specific industry sectors with practical, relevant information on how to prevent injury or illness. DWHS is also expanding its OHS information and education activities, and introducing new programs focused on poor performers designed to help them reduce their accident rate. |
FRAUD PREVENTION

WorkCover first established a unit to investigate fraudulent claims and practices in 1991. The Loss Investigations Unit currently employees 17 staff including four employees dedicated to the surveillance of suspected fraudulent cases. The WorkCover Queensland Act, 1996, strengthens workers' compensation fraud provision by:

- establishing that a conviction for fraud precludes the right to common law damages
- increasing the penalties for fraud
- giving WorkCover the power to obtain information from the person reasonably suspected of having information with respect to fraud
- placing a responsibility on all employers to report instances of workers' compensation fraud that they reasonably believe are occurring
- allowing WorkCover to recover the costs associated with proven offenses
- allowing formal information sharing arrangements with the Queensland Police Service.

In 1996/97, WorkCover's Loss Investigations Unit

- identified and investigated 1,040 cases of potential fraud (as compared to 722 cases in 1995/96)
- prosecuted 91 cases of fraud (and 81 in 1995/96)
- saved WorkCover an estimated $2.2 million ($3.3 million in 1995/96) as a result of its fraud prevention activities.