

# SELF INSURERS OF SOUTH AUSTRALIA

**Annual General Meeting – 27<sup>th</sup> August 2003**

## **Chairman's Report**

As I forecast in last year's report, SISA's activities during the year were dominated by the preparation and submission of responses to the recommendations of the Stanley review of Workers Compensation and Occupational Health, Safety and Welfare systems in South Australia.

In addition, the Government announced a shortfall in funding of the WorkCover scheme. As a result, SISA was required to provide support to associate member organisations in the process of gaining exempt licenses, as they were subject to close scrutiny to assess the financial impact on the WorkCover fund of the granting to them of exempt status.

The other major area of activity was the acquisition by SISA of its own offices at Torrensville.

Membership continued to grow, not only with associates keen to offer value added services to self insured organisations, but also with organisations intent on achieving and enjoying the benefits of exempt status.

### **Major Achievements**

Probably the most significant achievement for SISA in its history, and in the interests of its future, was the purchase of its own office accommodation at 136 South Road Torrensville. As the balance sheet will indicate when the financial report is delivered later today, SISA now has an asset that will appreciate in value, with savings achieved through repayments less than the rental at its previous accommodation. In addition, there is the potential to offset costs and increase revenue through lease of part of the premises and share of facilities.

The process of consultation and co-ordination of a submission in response to the Stanley review was also a major achievement. The review addressed all sections of both the Occupational Health Safety and Welfare and Workers Rehabilitation and Compensation Acts, and demanded responses to complex matters in a very short time frame. The fact that SISA was able to deliver a comprehensive and effective submission is a credit to all in the self insurer community, who devoted considerable time and effort in participating on various working parties to consider the many issues involved.

In fact, the efforts of SISA members to directly lobby the review in respect of an intention to proscribe the employment of in-house rehabilitation providers, was instrumental in having this section removed from the final recommendations.

SISA also made a successful submission to the Minister, regarding his proposal to intervene in the granting of exempt status for four SISA associate members that had paid application fees for exemption under existing rules. As a result, all applications will proceed, albeit against reduced funding of future liabilities in view of the funding situation of the WorkCover scheme.

Darryl Turner was reappointed as Chair of the National Council of Self Insurers, and in that role, has worked to develop closer liaison and information sharing between the various State Associations. In particular, the provision of a survey tool to enable self insurers from all states to participate in a consolidated submission to the Productivity Commission Review into national workers compensation was a most notable achievement.

Also through the National Council, the opportunity to participate in a national excess of loss insurance cover was offered. Whilst the take up rate was not great, due to self insurers having their own well established insurance portfolio arrangements, several universities in different states have subscribed to the scheme for their mutual benefit.

During Safe Work week in November 2002, SISA, through its injury prevention sub-committee, hosted a workshop involving minimising aggression and violence in the workplace. The workshop was most successful, and attracted media interest, both locally and interstate.

SISA continued to support and encourage networking initiatives, with participation in an evening for local medical and allied health professionals, hosted by Carter Holt Harvey, a major self insurer at Mt.Gambier, and in the injury management network group in the far northern areas. Mr. Turner gave a presentation on self insurance to a national Workers Compensation seminar in Sydney in February.

With major support from associate member Wilson People Management, and full member Bridgestone Australia, the SISA / WorkCover golf day was again a successful event, held this year at the Royal Adelaide Golf Club.

### **Status of Major Current Activities**

Issues for self insurers arising from the Stanley review continue to be the major areas of focus for SISA.

SISA is awaiting the announcement of details of a proposed review of the Exempt Employer Performance Standards, which is likely to impact on the number of new licenses to be granted in the future, and to affect renewals of existing self insurers. In preparation for stakeholder consultation, SISA has sought information from its members and stakeholders to quantify the value of exempt employers for the economic sustainability and development of the state.

The OHS&W (Safework SA) Amendment Bill, introduced on the basis of recommendations from the review, has been referred to a Parliamentary Committee on Occupational Safety, Rehabilitation and Compensation. On request, SISA has provided a submission to the Committee to assist in its considerations, and expects to make an appearance before the Committee as part of the process.

In the first formal consultation arising from the Workers Compensation section of the review, the Minister of Industrial Relations has asked SISA for comment relating to recoveries from negligent third parties, involving host employers and contract and labour hire. SISA has commenced a process that will involve wide consultation with members and stakeholders to provide a response to this most important issue.

Following the recent announcement of a new WorkCover Board, SISA has committed to establish relationships with Board members to ensure that its issues are understood and given due consideration at Board level.

The announcement by the Government of a shortfall in funding of the WorkCover scheme, and as result, a significant increase in the scheme average levy rate, has had an adverse effect on the levies payable by exempt employers. Although exempt levies are fixed for 3 years at a rate of 5.5%, the higher average levy rate has lead to unintended consequences in respect of the amounts of individual levies payable by exempt employers. SISA has commenced negotiations with WorkCover to review the situation.

SISA will continue to pursue the case for national frameworks, including consistent licensing and audit criteria, and mutual recognition, for self insurance through the National Council of Self Insurers.

Planning is well underway to conduct a seminar in November in injury prevention. The seminar has been planned to fill a void left by the postponement by WorkCover of its Safework Week activities this year. In association with Natalie Bottroff & Associates, it is intended to focus on conducting a number of quality seminars during the year.

A working party is considering a discussion paper on terrorism cover. The paper, from the Commonwealth Government, was distributed by State Treasury, and may provide an opportunity for terrorism cover under the established Federal scheme.

Preliminary negotiations regarding medical fees and services have commenced. SISA will have stakeholder involvement in these important negotiations with both WorkCover and the AMA.

SISA is continuing to develop its website and encourage members to visit it regularly as a source of current news and information.

### **Future Activities**

SISA has reviewed its Corporate Plan for 2003/2004 and will focus on the following key areas:

- Ongoing involvement in consultation processes in respect of the recommendations from the Stanley review.
- Establishment of a strong lobby group and focus to maintain self insurance as an important factor in business growth and development in the State.
- Continued development of profile and initiatives in the national arena.
- Establish alternative income streams through the provision of high quality seminars and training programs.
- Maintain high quality service to both Full and Associate members.
- Maintain and develop resource and asset bases.

## **Membership**

SISA has welcomed the following full and associate members during the past year.

### **Full Members**

Auspine Ltd  
Transfield Services Ltd  
Skilled Engineering

### **Associate Members**

Med-Assess  
Marsh  
Stamford Hotels  
Aged Care & Housing  
Pinnacle Workplace Consultants  
OSA Group  
Certant  
Effective Rehabilitation Services  
Nandu Nandoska & Associates  
Australian Submarine Corporation  
Natalie Bottroff & Associates  
Challenge Recruitment  
Corporate Health Group

Although continued growth in membership was achieved, it is important for SISA to maintain a service to its associate members, particularly those in the category of prospective exempt employers. SISA must do all it can to assist those organisations to gain exempt status.

It is noted that Risk Assessment Services and PIRSA did not renew their associate memberships, and Amatek Ltd. surrendered its exempt licence due to a significant drop in employees below the required number.

## **Committee Involvement**

SISA maintained its active involvement in several committees and stakeholder forums: -

- Ministerial Advisory Committee for OHS&W
- Ministerial Advisory Committee for OHS&W
- WorkCover Employer Strategic Consultation Forum
- Management Committee of the Employee Advocate Unit
- Business SA OHS&W Advisory Group

## **Summary**

The year has been most satisfactory as SISA has met the consultation demands of the legislative review as a priority and still managed to generate additional income through growth and resource management.

So far the most significant outcome from the review has been the OHS&W (Safework SA) Amendment Bill. Other legislative changes, proposed under the WR&C Act, have yet to progress, however it is important that SISA is prepared to respond positively to any proposal that may be detrimental to its members' exempt licences.

At today's annual meeting, our Executive Committee for 2003/2004 will be announced. There will be no need for an election, as nominations do not exceed the number of vacant positions. Hopefully this is a sign that at SISA we are providing a service to meet the needs of our members. If this is not the case, we would encourage you to let us know.

I would like to thank all members of the existing committee for their contributions during the year. In particular, Ms Carolyn Jachmann, who resigned during the year when she changed her employment, and Mr Phil Jones, who has accepted an interstate transfer.

I look forward to working with the new committee in 2003/2004.

Ms Annette Dunn, SISA's Office Administrative Assistant for 8 years, has decided to resign from her employment following a period of maternity leave. On behalf of all SISA members, thank you to Annette for a job well done, and also on behalf of all members, I wish you all the best in the future.

Finally, my thanks to all members for their continued support of SISA.

STEVE STANDEN  
Chairman

The 2002/2003 Executive Committee were as follows: -

<b>Chairman</b>	Steve Standen	-	Ausbulk Ltd
<b>Hon. Treasurer</b>	Di Routledge	-	Hills Industries
<b>Committee</b>	Jeff Ames	-	Dept of Human Services
	Jeff Beer	-	Mitsubishi Motors Aust
	Michael Bendyk	-	Southern Cross Care (part year)
	Mark Deayton	-	Arnott's Biscuits
	Joanne Denley	-	Bridgestone Australia
	Rob Edwards	-	OCPE
	Carolyn Jachmann	-	David Jones (part year)
	Phil Jones	-	Coca Cola Amatil
	Simon Porter	-	Holden Ltd
	Wayne Potter	-	Local Govt workers comp
	Brian Willcocks	-	Santos Ltd

## **Sub-Committee Reports**

In presenting the sub-committee reports it is important to emphasise that for a good part of the year both sub-committees were involved in assisting with responses to the Stanley review recommendations.

Therefore there was not the usual activity devoted to working parties on other issues as would normally be the case, and general meetings scheduled for September were cancelled due to the need for the SISA working parties to concentrate their efforts on the review submission.

Other general meetings were held regularly by each sub-committee and were generally well attended.

The following is a brief overview of each sub-committee's activities for the year.

### **Injury Prevention Sub-Committee**

#### **General meetings**

The following topics were presented at the General Meetings:

March 2003	The role and future direction for Workplace Services Demonstration of Performance Evaluation System	Michele Patterson (E/D Workplace Services) Robin Shaw (WorkCover)
May 2003	OHS&W (Safework SA) Amendment Bill  WorkCover directions  WorkCover.com Portal for HSRs	Michele Patterson (E/D Workplace Services) Dianna Alder (WorkCover) Kay Edwards (WorkCover)
July 2003	Du Pont in America  Establishing OH&S Key Performance Indicators	Steve Griffiths (One Steel) Shaune Finn (NRG Flinders)

The March meeting was combined with the injury management group. All presentations were placed on the SISA website for member access.

#### **Other Initiatives**

As has been previously recorded, the majority of the sub-committees work was involved in advising the SISA Executive in relation to the Stanley review into OHS&W. This included scrutiny and advice relating to the OHS&W (SafeworkSA) Amendment Bill.

A planning meeting was held in October, as a result of which it was decided that actions for the sub-committee should follow the NOHSC strategic plan. Areas identified for sub-committee attention were compliance and data collection and reporting.

The sub-committee participated in an exercise to obtain information from member organisations relating to their OH&S practices with suppliers.

The sub-committee planned and co-ordinated a workshop involving minimising aggression and violence in the workplace during Safe Work week in November. The workshop was most successful, and attracted media interest, both locally and interstate.

### **Working Parties**

Members of the sub-committee participated in several working parties during the year including the following:

Compliance, as identified under the NOHSC strategic plan and agreed at the sub-committee planning day. The working party is awaiting the announcement of details of a review of the Performance Standards before proceeding further.

The Performance Standards working party is involved in considering the merits of the WorkCover SRS reporting system, and will also be involved in the review of the Performance Standards.

Data collection, as identified under the NOHSC strategic plan. The working party is keen to address the issue of data collection and benchmarking in line with NOHSC requirements.

A seminar working party is contributing towards a major OH&S seminar to be held in November, to fill a void left by the postponement of the WorkCover Safe Work week.

### **Future Activities**

It is likely the sub-committee will be required to respond to the outcomes of the Stanley review as they are progressively introduced. If the OHS&W (Safework SA) Amendment Bill passes through Parliament, there will be a need for consultation and advice to SISA Executive on the operations of the Safework SA Authority and how it will apply to exempt employers.

Similarly, when details of the review of the Performance Standards are announced, the sub-committee will have a major role in making recommendations to the Executive.

The sub-committee will continue to address the areas of compliance and data, identified for action under its operational plan.

## **In Conclusion**

My thanks go to all the people who have contributed to the sub-committee activities during the year.

In particular to Phil Moody, Stuart Lowe and Robert Keage who resigned from the sub-committee during the year.

It is recognised that the daily demands of our work at times make it difficult to devote time to the sub-committee and all efforts are really appreciated.

I look forward to working with the sub-committee again in the coming year.

DARRYL TURNER

Chairman – Injury Prevention Sub-Committee

The 2002/2003 Injury Prevention Sub- Committee Members are as follows:

<b>Chairman</b>	Darryl Turner	-	SISA
<b>Deputy Chairman</b>	Colin Mclean	-	Sola Optical
<b>Committee</b>	Bernadette Brennan	-	Cooper Standard Automotive
	Tony Carter	-	Coles Myer Ltd
	Shaune Finn	-	NRG Flinders
	Julianne Flower	-	OCPE
	Steve Griffiths	-	OneSteel
	Frank Hulshof	-	BRL Hardy
	Robert Keage	-	DECS (part year)
	Stuart Lowe	-	Arnotts Biscuits (part year)
	Philip Moody	-	Holden Ltd (part year)
	Lesley Riddle	-	Hills Industries (part year)
	Linda Smith	-	Catholic Church
	Bill Sloan	-	Transfield Services (part year)
	Simon Williams	-	Bridgestone Australia (part year)
	Stuart Wright	-	ETSA Utilities (part year)

## **Injury Management Sub-Committee**

### **General Meetings**

The following topics were presented at the General Meetings:

November 2002	The Coper Program Pain Management	Professor Ross Harris
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March 2003	The role and future direction for Workplace Services Demonstration of Performance Evaluation System	Michele Patterson (E/D Workplace Services) Robin Shaw (WorkCover)
May 2003	WorkCover directions  Reporting arrangements for exempt employers Industrial implications from Stanley review	Dianna Alder (WorkCover) Emma Hosking (WorkCover) Guy Biddle (Minter Ellison)
July 2003	SA Rehab Association Aims & objectives  WorkCover Governance Bill Aims & implications	George Hallwood (President SARPA)  Guy Biddle (Minter Ellison)

The March meeting was combined with the injury prevention group. All presentations were placed on the SISA website for member access.

### **Other initiatives**

As has been previously recorded, a great deal of the sub-committees work was involved in advising the SISA Executive in relation to the Stanley review into Workers Compensation.

In addition to general meetings, the sub-committee arranged presentations from Brosnans Investigators and from Grant Archer from Finlaysons on a Draft Taxation Ruling proposing the taxing of redemption settlements.

Subsequently, the sub-committee had input into a SISA submission in relation to the Draft Taxation Ruling.

Considerations were given to a process of peer review for physiotherapy services.

Representatives from the sub-committee attended meetings at the workers Compensation Tribunal regarding Tribunal rules.

Members of the sub-committee have provided stakeholder comment for a proposal by WorkCover to adopt revised strategies for the return to work of injured employees.

In addition to the above, the sub-committee responded to various enquiries and issues raised by members.

## **Working Parties**

Members of the sub-committee participated in several working parties during the year including the following:

AMA working party, with consultation into fee schedules for medical reports

Training, with an aim to develop a joint SISA / WorkCover injury management training program.

The Performance Standards working party, which is involved in considering the merits of the WorkCover SRS reporting system, and will also be involved in the review of the Performance Standards.

Section 58B, which has sought to agree with WorkCover some protocols in investigating alleged breaches of Section 58B involving provision of suitable duties for work injured employees.

Labour Hire, to contribute to guidelines for host employers. This will assume greater importance as proposed legislative changes to Section 54 are considered.

Seminars, with input into SISA seminars and workshops to be conducted during the year.

## **Future Activities**

It is likely the sub-committee will be required to respond to the outcomes of the Stanley review as they are progressively introduced.

The sub-committee has identified the need to consider the establishment of a code of conduct for in-house rehabilitation providers.

The AMA working party will be involved in consultation processes relating to a review of medical fees and services, due in December this year.

## **In Conclusion**

My thanks go to all the people who have contributed to the sub-committee activities during the year.

Kym Coulter and Dave Harding resigned from the sub-committee during the year. Dave, in particular, has been a valuable supporter of SISA for many years as a member of its sub-committee and working parties. His input will be greatly missed.

It is recognised that the daily demands of our work at times make it difficult to devote time to the sub-committee and all efforts are really appreciated.

I look forward to working with the sub-committee again in the coming year.

DARRYL TURNER

Chairman – Injury Management Sub-Committee

The 2002/2003 Injury Prevention Sub- Committee Members are as follows:

<b>Chairman</b>	Darryl Turner	-	SISA
<b>Committee</b>	Bev Bell	-	RAA
	Greg Binks	-	SA Police
	Elinor Bolt	-	Holden Ltd (part year)
	Linda Bogdanov	-	Mitsubishi Motors
	Christine Bray	-	Commonwealth Bank
	Jim Buttfield	-	DHS
	Deb Carmichael	-	OCPE
	Kym Coulter	-	Coles Myer (part year)
	John Dewar	-	DHS
	Sue Elliott	-	Catholic Church
	Dave Harding	-	DECS (part year)
	Lynn Hodge	-	Mitsubishi Motors
	Sue Hutton	-	Port Adelaide Central Mission
	Jeff Lord	-	SA Police
	Moffie McDonald	-	Skilled Engineering
	Greg Pugh	-	Select Staff
	Di Routledge	-	Hills Industries
	Michael Rule	-	Hardy Wines
	Jan Roggli	-	Bridgestone Australia
	Chris Ryan	-	Coles Myer (part year)
	Jan Scott	-	Flinders Medical Centre
	Adele Stevenson	-	Noarlunga Health Services

