

## Health & Safety Law

### *Part 2: Injury management & workers compensation*

The Workers Compensation Act 1987 and the Workplace Injury Management and Workers Compensation Act 1998 detail an employer's workers compensation and injury management responsibilities.

#### **Workers Compensation Policy**

Workers compensation provides injured workers who have suffered a work-related injury or illness, with weekly payments to cover their loss of earning capacity, payment for medical expenses, and other reasonable expenses to assist them to return to work.

If you have employees, you must have a current workers compensation insurance policy covering all your employees which is available through licensed insurance companies.

Your workers compensation premium rates reflect the risk in your industry. Premium rates are calculated based on the previous claims costs for all employees in your industry classification.

Your basic insurance premium is **wages x premium rate**. If your premium is more than \$3,000, it is also adjusted according to your claims experience and the size of your business in terms of wages. Wages include salary, overtime, shift allowances, bonuses, commissions, payments for holidays (including loadings), payments for sick leave, value of board and lodging provided by you for your employees. Since 30 June 2003 wages also include payments to working directors, employee superannuation contributions, grossed up value of fringe benefits, long service leave payments and termination payments.

If you engage contractors, they must take out their own workers Compensation insurance policy (unless they are sole traders). However, sometimes contractors are classified as 'deemed workers' under the Workers Compensation Act 1987 and you need to include these workers on your own workers compensation insurance policy. For further information on deemed workers please see the information at the end of this resource.

Since 1 July 2003, principal contractors have to check that their subcontractors have the proper workers compensation insurance. Principal contractors should have a copy of the subcontractor's **Certificate of Currency** and a **written statement by the subcontractor** that all workers compensation premiums have been paid otherwise, principals may be liable for insurance premiums owing in connection with the work or service performed on their behalf.

## **Injury Notification**

The incident notification system in NSW was simplified during 2003.

Depending on the type of incident, you are required to report work-related incidents to WorkCover. Whether or not you must report an incident and the time within which a report must be made is summarised in the leaflet contained in this resource.

## **Injury Management**

Injury management is a term that includes all the activities associated with ensuring the early return of an injured worker to the workplace. These activities include early notification, treatment, claims management, rehabilitation and retraining.

When an employee suffers a work-related injury or illness, you are responsible for managing their return to the workplace. All employers must establish a Return-to-Work Program that details the procedures that are to be followed if a worker is injured or becomes ill. **Guidance on managing return-to-work can be obtained from your insurer and that will ensure that your program is consistent with your insurer's injury management program.**

It is essential to return an injured person to work as soon as it is healthy for them to do some work. This will minimise the impact on an injured worker and also your workers compensation premium.

Appropriate early return to work will help with the physical rehabilitation of the worker and keep them in contact with the shearing team and the industry.

Appropriate early return to work will also guard against stress and depression and maintain the worker's confidence and motivation.

Part of the injury management program involves keeping records. You should have a Register of Injuries that keeps details of not only the injuries but also the shearing shed (workplace) where the injuries were sustained. Your tally book is a good place for such records.

You should keep correct records of all wages paid to workers for the past 7 years.

***The other sections in this resource pack aim to help you meet your responsibilities and duties under the OHS legislation.***

