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Print post: 350625/000100

134 Overport Road
Frankston South
Victoria 3199

Phone: (03) 9750 0220
Fax: (03) 9750 0210

Email: help@mcgrathco.com.au

24 Hour Emergency Assistance:
0412 502691

A.C.N. 092 210 921
A.B.N. 90 092 210 921

www.mcgrathco.com.au

McGrath Consulting

Workers Compensation & OHS Specialists

Victorian WorkCover Agents Tender to remain

All Victorian WorkCover Agents are currently tendering to continue as Agents after their current agreements expire this year.

Rumours about the industry as to who will remain. These rumours as always, are just that, but it will be interesting to see how it all washes out.

The main suggestion current wafting through the shadows has been surrounding the smaller Agents, and whether the VWA may look to reduce compliance costs by exiting those agents with less market share.

If this were to occur, we would probably agree that it is a sensible approach, given the costs of monitoring agents by the VWA.

In any event, all agents licences expire on 30th June, and an announcement is expected in April if there are to be any changes.

In the event that your agent does not continue, you will probably be transferred immediately to a new agent by the VWA.

We are presently working on a program with insurers to assist in a simple transition to the new Agent, so we would be pleased to receive your call, in the event that your current agent ceases to act on behalf of the VWA

On page 2 of this newsletter, we have detailed the current standing of Agents in relation to market share.

As most employers are by now aware, the Victorian WorkCover Authority has introduced a "moratorium" for employers who believe that they are in the incorrect industry classification.

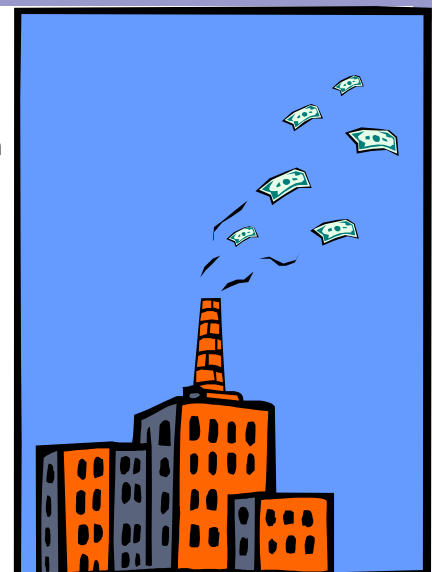
This is really only of benefit to employers who believe that the industry classification they have been allocated attracts a higher premium rate than the one they current have.

Until recently, it was the practice of the VWA to backdate incorrect industry classifications picked up through audit to 1996. A recent court decision threw doubt on this practice, and the Government has now legislated to a

llow them to continue to back date.

In support of this the VWA has provided a moratorium until 31 May 2002, for employers to correct the registration, with the change only affecting premium for the 2001/02 financial year, not previous years.

If you consider that you may be in this position, please call us on 9750 0220 and we will discuss the options with you.



Failing to review premium issues effectively is no different to simply throwing money away

Why pay more WorkCover premium than you should ???

McGrath Consulting was established to help clients develop strategies that help to:

- Minimise WorkCover premiums through correct workplace classification
- Improve workplace Health & Safety performance
- Minimise the cost and impact of claims through effective management
- Improve injury management outcomes

Our consultants **WILL NOT ADD COSTS** to your business. Generally, we are able to reduce an employer's premium liability **through effective management**.

In fact we are so confident about our ability to positively impact on our clients, we are prepared to review your current WorkCover, OHS and Injury Management programs **AT NO COST, unless we can show factual, identifiable savings**.

Our methodology is designed to assist clients to get the framework in place, to allow the client to manage the process going forward.

We look forward to working with you to improve the performance of your business, and would be pleased to receive your call at any time on (03) 9750 0220 or e-mail help@mcgrathco.com.au.

The current VWA Annual Report details the 2000/01 Market Shares for each Agent as follows:

AGENT	% Share of Policies	% Share of Premium	% Share of reported Claims	% Share of open Claims
NRMA	15.55	21.29	22.79	22.00
ALLIANZ	16.03	18.43	19.07	18.81
GIO	17.52	16.65	16.12	17.06
QBE MERC	20.21	16.14	15.58	14.57
CGU	16.37	10.80	9.76	12.74
ROYAL SUN	6.84	6.99	7.34	6.93
ZURICH	3.25	4.22	3.38	3.30
VACC	2.96	2.50	2.62	1.95
JLT	0.06	2.01	2.37	1.56
CCI	0.44	0.78	0.85	1.00
GUILD	0.77	0.19	0.12	0.09
TOTAL	100.00	100.00	100.00	100.00

Since these figures were taken, VACC has been assumed by QBE Merc, and as such, QBE Merc figures should be increased to accommodate the former VACC market share

As an organisation grows, the management of many issues becomes more complex. McGrath Consulting can help to resolve these issues where they relate to OHS, WorkCover & the other human issues with the organisation.

Recent Prosecutions

- A Footscray based company was convicted of failing to provide a safe workplace and fined \$50,000 after a 53 year old truck driver visiting its premises was crushed to death by a load which fell from a forklift.
- Melbourne Crane Imports P/L was hit with a \$480,000 safety fine after WorkSafe Victoria discovered that the company tampered with the ID plates of scissor lifts to avoid their ten-year safety overhaul.
- A company was fined an aggregate \$25,000 in the Ringwood Magistrates Court for three charges relating to employees working at height without fall protection. This charge related to an incident at a Bayswater construction site in May 1998, when a WorkCover field officer saw three men on a steel beam, about four metres off the ground, without any fall protection.
- An employee was working with a jack hammer in a pit when a gas main was punctured and a spark ignited the escaping gas engulfing him in flames. WorkSafe Victoria laid two charges against the company and its **Director**, in relation to the incident for breaches of the Occupational Health & Safety Act. The company and the **Director** pleaded guilty to all charges and **both defendants** were fined a total of \$37,500 and ordered to pay costs of \$2703.80.
- A court heard a worker died while fixing wire roofing safety mesh to a building when it came into contact with 22,000 volt power lines just 1.85 metres away. WorkSafe said the principal contractor exposed the worker to the double hazard of unsafe work at height and electrocution. The company pleaded guilty to two breaches of the Occupational Health and Safety Act and was fined \$85,000 and ordered to pay costs of \$3,357.

