



AUSTRALIAN **HEALTH** AND
SAFETY SERVICES

CAPABILITY STATEMENT

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OVERVIEW

Workers' Compensation is an insurance product that is compulsory in all States and Territories of Australia for every business that employs staff. Each State and Territory and indeed the Commonwealth have differing provisions governing the provision of workers' compensation and apply different pricing methods, claims management and return to work strategies.

Workers' Compensation is an issue that has or is vexing the governments of all jurisdictions in Australia as they struggle to achieve what is believed to be a correct balance between benefit levels and protection for injured workers and the level of premiums that are appropriate and affordable for business.

Despite trying to achieve this balance, workers' compensation premiums usually represent the second largest employee related expense for an employer after the cost of wages and salary for workers. Whilst the size of the payroll is one determining factor in calculating premiums, it is the businesses own performance that sets the underlying parameters for the base rate used for this calculation.

As the cost of workers' compensation claims continue to rise, reflecting higher wages, medical costs and court based damages awards, employers need to have in place the best possible policies, systems and procedures to ensure that they provide a safe and healthy place of work.

Australian Health and Safety Services specialises in providing contemporary management systems, which will assist in controlling premiums by focussing on the key elements, which drive the overall cost of compensation. We will analyse your business, its compensation needs, and the systems currently in place and compare these to the systems that are required by legislation and that will have the greatest impact on your experience. We then offer advice and develop solutions which reflect your business needs in consultation with you and your key staff.

Principally, the objective of Australian Health and Safety Services is to provide you with the long-term solutions that will enable you to manage workers' compensation on an ongoing basis, through skills development and transfer to your staff.

SCOPE OF SERVICES

Australian Health and Safety Services assist employers on a state or territory basis or on a national basis in the following key areas: -

- | | |
|--------------------------|--|
| * Premium Management | * Occupational Health and Safety |
| * Claims Management | * Workers Compensation Performance Profiling |
| * Training and Education | * Self Insurance, Self-Administration and |
| * Insurers and Providers | Outsourcing |

Australian Health and Safety Services will tailor a management program consisting of the above elements, structured to meet your individual needs.

PREMIUM MANAGEMENT

Premium Management allows an employer to track the development of claims and the impact that this will have on premium costs. Projection of claims trends both in number and cost will avoid surprises in the premium process at renewal time and allow the employer to budget premium payments to best suit their operational and cash flow needs.

Premium Projections

Regular premium projections based on current and predicted claims figures allow employer to best budget for expenses. These projections enable an employer not only to track trends but to identify deteriorating performance and take early corrective action.

“What if?” Scenarios

Business is not static, it changes all the time as either the market or the strategic direction of the owners, shareholders or managers change. Knowing what the outcome of proposed changes will be ahead of time is invaluable as a planning tool and “what if?” scenarios can help understand this.

Premium Allocation

In organisations where there are more than one operating division one of the greatest challenges is getting ownership of the costs associated with workers’ compensation. Allocating premiums down to the lowest operational level possible within the organisation can create ownership by demonstrating directly the costs associated with each Division’s performance.

These premium allocations and the subsequent monitoring of performance against them can be used as part of performance based management to

recognise and reward good performance and to highlight areas for improvement.

Industry Rating Review

All jurisdictions now base premiums in industry ratings. Insurers routinely determine what rating should apply to each business but rely on what they are told on proposal forms to make this determination. Sometimes the information that you give will be incomplete or incorrect resulting in the allocation of an incorrect rating and consequently a wrong premium.

Australian Health and Safety Services will examine the full range of what you do to determine the correct rating and if this carries a lower premium assist you or your broker negotiate this with your insurer.

Business Analysis

How you set your business up will have a major impact on the classification that you are allocated. If you have a mixed arrangement of activities generally the insurer will take whatever is the riskier undertaking and use this as the basic classification. By examining your operations Australian Health and Safety Services can make recommendations on how the mix of your operations should be made to place yourself in the best possible position for insurance renewal.

OCCUPATIONAL HEALTH AND SAFETY

“An ounce of prevention is worth a pound of cure”. Never a truer statement was made and in the area of managing the exposure of a business to the cost of compensation the best and most effective method of cost control is to prevent claims in the first place. Prevention is the key and the key to prevention is having the right type of policies, systems and procedures developed and implemented throughout the whole of your organisation.

Occupational Health and Safety Management System (OHSMS) Review

Australian Health and Safety Services has developed a simple approach to business analysis that will identify and report on areas of good performance as well as making recommendations about areas that need improvement.

Our review covers the following areas:

-

- Housekeeping
- Work environment
- Plant and equipment (incl. Guarding)
- Hazard Controls
- Storage and Manual Handling
- Emergency Systems Management
- OH&S Compliance
- Consultation
- Allocation of responsibilities
- Inspection, investigation and reporting
- Exposure Management
- Purchasing procedures
- Contractor safety

Once the review is complete Australian Health and Safety Services will develop a report that gives you guidance and a prioritised implementation plan with practical solutions.

The review will also evaluate the level of compliance with any current

policies and procedures that you have in place. Having a system is not the full answer. In the event of a claim or prosecution you need to be able to demonstrate that the system is not only developed that it is implemented and in use on a day-to-day basis.

The Risk Review will provide you with the evidence to demonstrate the level of use that your staff members make of the system in managing Occupational Health and Safety in the workplace.

Risk Advice

Australian Health and Safety Services is able to provide advice in all the following areas: -

- Ergonomics and office layout
- Industrial hygiene
- Hazardous Materials Handling and storage
- Contractor Safety
- Personal Protective Equipment
- Noise and Lighting
- Plant Risk Assessments

CLAIMS MANAGEMENT

In every State and Territory, workers' compensation legislation is geared towards early notification of claims, injury management and effective and durable rehabilitation and return to work. Australian Health and Safety Services will assist an employer to ensure that they have in place systems and procedures to effectively drive the claims process. It will provide training and education for staff in all aspects of claims management to ensure that they are able to deal effectively with insurers.

Claim Administration

The exchange of information between an employer and an insurer is vital to the outcome of any claim. The amount of information provided to an insurer at the time the claim is lodged will have a significant impact on how the insurer goes about determining the claim and managing it initially.

Australian Health and Safety Services will provide guidance and assistance in managing this communication process both internally and with the insurer and other involved parties. This will ensure that communication is quick, easy, organised and effective and prevents unnecessary or expensive delays in managing a claim.

Complex Claims Management Advice

Australian Health and Safety Services offer independent guidance in dealing with complex claims and will advise an employer of their rights and obligations within the relevant State or Territory legislation.

Claims Reviews

An employer should meet with their insurer on a regular basis, probably every six months as a minimum and if you have more than 5 open claims then every three months.

Failure to this can result in the employer losing control of the claim and not understanding what the insurer is doing to manage the claim in the interests of the employer and get the injured worker back to work.

Segrott Management Services have nearly 30 years experience in claims management and will help employers prepare for the claims review meeting and attend where requested with the employers staff at the meeting to help with: -

Claims management negotiations

Implementation of effective action plans on individual claims

Negotiation of claims estimates which reflect the circumstances of the claim

Rehabilitation and Injury Management Plans

The most successful employers effectively control claim costs by having responsive rehabilitation and injury management models in place.

Australian Health and Safety Services will review your current systems and develop an action plan that will assist the development of a best practice approach to rehabilitation and injury management.

WORKERS COMPENSATION PERFORMANCE PROFILING

Sound understanding of ALL the key drivers within workers compensation is often held by organisation and as a result proper focus on key issues relevant to their own operations may not occur. In many States and Territories it is also necessary for employers to market themselves to an insurer to obtain the best possible premium.

Performance Profiling

Australian Health and Safety Services will prepare a report that will provide:

- Insurers with an insight into the systems in place and initiatives taken within an employer to minimise and control workers' compensation risks
- Employers with an overview of where they are doing well and where they need to devote attention to improve to reduce risk.

The areas covered in this report are: -

- Claim Management
- Early Injury Management
- Employment Management
- OH&S Systems Management
- Purchasing Management
- Workers' Compensation Management

Once Australian Health and Safety Services has completed an organisational review, a draft Performance Profile and Action Plan will be prepared for consideration by the employer.

The operational analysis will identify areas of risk and the action plan will offer a range of solutions to these risks.

We will discuss with the employer how best to put in place a management plan to address the risk and facilitate the change process in accordance with agreed priorities.

Once the action plan has been agreed a final report will be prepared for the employer to present to the insurer for use as part of the renewal process.

The operational analysis will allow and insurer to review and understand the management systems in place and consider the impact that this will have in reducing the number and severity of claims and potential risks.

Using this information the employer can demonstrate to the insurer that it has a commitment and a process in place to manage workers' compensation and be able to assure the insurer that any issues that have reflected on past claims experience have been addressed or alternatively that good claims experience of the past has been the result of good management not just good luck.

TRAINING AND EDUCATION – OH&S AND WORKERS' COMPENSATION

Workers' compensation legislation changes regularly across Australia and employers must keep up to date with what is happening in their own State or Territory to ensure that they are complying.

An understanding of Occupational Health and Safety obligations and duties is essential to ensure legislative compliance and create a culture of knowledge and awareness that is applied on a day-to-day basis.

Australian Health and Safety Services can develop and deliver specific training programs to equip you and your staff with the necessary knowledge, skills and attitudes to make this part of your business

Workers' Compensation and Rehabilitation Management

In most organisations the responsibility for carrying out the compensation claims management and rehabilitation coordination rests with one or perhaps two people.

What happens when one or both of those people are on leave or go somewhere else to work? What material is there for others to refer to?

Australian Health and Safety Services can design procedures that can be used as an ongoing reference not only for your current staff but also for future staff and used as a training aid for new staff.

General Training

Australian Health and Safety Services will develop training programs based on the areas identified in conjunction with the employer as having an impact on workers' compensation costs such as: -

- Contractor management
- Basic claims management
- Rehabilitation and injury management

• Hazard specific training Specific OH&S Training

Basic OH&S Legislative Requirements

This program will give you and your staff an introduction to Occupational Health and Safety principles and the legislative requirements as well as some practical advice on systems development and implementation.

Manual Handling

This program caters for awareness at all levels from management to operational. It covers basic body physiology through to principles of leverage and covers an introduction to risk analysis of manual handling tasks.

Accident Investigation

This can be used for both employee accident investigation and public accident investigation for those employers with public risk exposure. It is focussed on the identification of causes and builds on inherent observation skills of the participants.

We can also customise any other required OH&S training programs

INSURER AND SERVICE PROVIDER SELECTION AND MANAGEMENT

Having a good relationship with and between all the parties involved in the workers' compensation process is one of the most important aspects of making the process function effectively. It is important that each of the parties understands the expectation and requirements of the other parties within the relationship.

Provider Reviews

Employers, traditionally work closely with their insurer, who should be managing their claims, but often remain at arms length to the other providers of services, such as:

- Solicitors
- Rehabilitation Providers
- Investigators
- Medical and Para-Medical Providers

Each of the members of this group can and do have a significant impact on the overall outcome achieved as a result of claims management.

Employers who want to ensure that they get the best out of these service providers should carefully select them to ensure that they compliment each other and co-operate with the other providers. This will significantly improve the achieved outcomes.

Australian Health and Safety Services will undertake this process and provide assistance in structuring workable alliances.

Service Agreements

Each employer has a specific and unique set of requirements and these requirements need to be reflected in any agreements

Australian Health and Safety Services will assist you identify these requirements and establish minimum service standards so that there are no misunderstandings about service levels and accountability, we will also regularly review performance to ensure that it is maintained.

Insurer Reviews

As with any business arrangement a good relationship between the parties is essential, this is never more important than with either the bank or your insurer. At times the relationship with your insurer may become strained and this could lead to communication breakdown and adverse outcomes in relation to claims management.

In some circumstances, reviewing the relationship becomes necessary to ensure that both parties remain on a firm understanding of the relationship. In other cases periodically it may be advantageous to tender or put the business to the market, to ensure that you are getting the best deal for your money.

Working with you or your insurance broker, Australian Health and Safety Services will help prepare the tender documents, present it to the market if you do not have a broker already to do that and analyse the results.

The end result of this process is:

- A comparison of responses
- Arrangement of insurer presentations
- Assistance in making any change
- Management of any ongoing claims that remain with the prior insurer if you do change

SELF INSURANCE, SELF-ADMINISTRATION AND OUTSOURCING

Many employers are large enough to consider the benefits of self-insurance rather than the traditional premium based approach to workers' compensation insurance. Self-insurance involves a significant financial and operational commitment from any employer and a detailed examination of the options, cost-benefit analysis and the operational implications must be undertaken to identify areas of cost savings as well as cost increases.

Self-Insurance/Self-Administration Feasibility Study

Australian Health and Safety Services will arrange to undertake a feasibility study to which allows a thorough analysis and financial comparison between self-insurance, self-administration and your existing insurance arrangements.

This study, using actuarial analysis to predict claims costs coupled with a skills audit and resource analysis will enable a full understanding of the financial considerations up front.

Employers often already have well developed systems and processes that can be easily adapted to take on the role of self-insurance or self-administration. The study will identify and evaluate these as well as identifying the hidden costs of meeting the high level of compliance that will be required.

Self-Insurance Application Assistance

If a company decides to apply for a self-insurance licence, Australian Health and Safety Services will lead the employer the application process.

As part of this process the employer must meet certain claims management and OH&S standards and we will help develop and implement these. We can also assist in the recruitment process to

ensure that suitable and qualified staff members are retained.

We will also undertake the negotiations with the WorkCover authorities associated with the application

Self-Administration Application Assistance

In jurisdictions where self-administration is a possibility and the feasibility study shows that this is the line to be followed, Australian Health and Safety Services will participate in the application process.

Outsourcing

Throughout Australia there is a shortage of qualified workers' compensation claims management staff. In the event that you are not able to find a suitable applicant to fill the vital claims management role or there is a delay in completing this process, Australian Health and Safety Services can provide claims management expertise and OH&S management on a contract basis, whilst this is being finalised.

Or we can provide it on a long-term contract basis if required.