

New return to work assistance – Discussion Paper

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Allianz - Treasury Managed Fund

Allianz thanks SIRA for the opportunity to submit feedback on the regulation of the new return to work assistance benefits.

Please find our feedback below for your consideration:

NEW EMPLOYMENT ASSISTANCE

FOCUS QUESTION 1: What are appropriate 'classes' of new employment assistance?

With regard to products or services to be payable, Allianz recommends that these exclude those which are required to be paid by the new employer by law and those which are provided as part of the new employment contract or conditions, by the new employer.

For a product or service to be eligible, Allianz recommends that it be required to address a specific barrier to the worker taking up the offer of suitable employment, or being able to maintain the suitable employment.

FOCUS QUESTION 2: What circumstances, if any, should limit the types of costs that can be claimed under this benefit?

Allianz TMF would recommend that the assessment of eligibility be done by the claims manager/insurer and that applications should be subject to pre-approval. In order to ensure speedy access to this benefit (despite pre-approval being required), Allianz TMF would recommend that applications require assessment by the claims manager/insurer within five working days of receipt.

Allianz TMF does not recommend the exclusion of any type of cost (except for a private motor vehicle) as long as it can be demonstrated that:

- the product or service addresses a specific barrier to the worker being able to take up and offer of suitable employment or maintain the employment
- it is a cost effective option for overcoming this barrier and reducing weekly payments to the worker
- it is not a cost which would be otherwise funded by the new employer or is necessary to be funded by the new employer to meet legislative requirements

Allianz TMF also agrees that it be specifically stated that the purchase of a private motor vehicle is not covered.

It is recommended that the upkeep, maintenance or replacement of any purchased item be the responsibility of the worker and not that of the pre-injury employer/insurer/claims manager.

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In relation to whether this benefit should be available with multiple employers, Allianz TMF recommends that it should be available more than once as long as the above criteria are met, particularly in relation to it being a cost effective option for reducing weekly payments to the worker.

FOCUS QUESTION 3: Should there be a time limit on when a cost was incurred and, if so, what timeframes would be reasonable?

In relation to timing it is recommended that the application is to be made no later than three months following the offer of employment. Pre-approval requirements should apply.

FOCUS QUESTION 4: What type of employment arrangements (eg ongoing employment, casual, short term contract work, or self-employment) should be considered?

Allianz TMF would recommend that the new employment assistance be available for workers with a documented offer of suitable employment, as defined by Section 32A of the Workers Compensation Act 1987. It is recommended that no type of employment be excluded but that all applications are considered on the basis of cost effectiveness specifically, the cost of the product or service compared to the reduction of weekly payments to the worker. Offers of employment therefore, which are temporary or casual or opportunities for self-employment, would not be excluded but would have to allow a worker to be more able to maintain financial independence.

It is recommended that volunteer work be excluded from the definition of employment.

Allianz TMF recommends that suitability of employment be assessable by an Accredited Rehabilitation Provider if deemed necessary by the claims manager/insurer.

EDUCATION AND TRAINING ASSISTANCE

FOCUS QUESTION 5: With reference to the information provided in Table 1 of this discussion paper, should limitations be considered in the classes of education and training?

It is recommended that classes of education and training under this benefit be limited to the following:

- occupational licenses
- pre-vocational courses
- certificates I to IV
- on the job employment training (if required to secure an offer of employment)

Classes of education from diploma through to post graduate are not recommended for eligibility as the costs are likely to exceed the maximum payment of \$8000. The costs for these programs should be considered under the guidelines for Section 53 applications.

FOCUS QUESTION 6: With reference to the information provided in Table 2 of this discussion paper, should limitations be considered in the classless of training provider?

Training providers should be limited to registered training organisations, VET training providers and specialist disability employment training providers. This would ensure quality control as well as an increased likelihood of employment

opportunities on completion. Higher education providers are likely to be excluded on the basis of cost however should the costs be within \$8000, they too should be considered.

FOCUS QUESTION 7: What circumstances, if any, should be considered in which an employer should not be liable to pay the cost of education and training assistance?

As long as the training is provided by a registered provider and is likely to result in the worker having better employment opportunities, leading to a reduction in weekly payments, the employer should be considered liable.

Support for the vocational goals associated with the training should be obtained from an Accredited Rehabilitation Provider and the Nominated Treating Doctor.

FOCUS QUESTION 8: What consideration might be necessary in relation to the interaction between the two new return to work assistance benefits and the existing vocational rehabilitation (section 53) programs?

New employment assistance

With regard to the new employment assistance, Allianz TMF consider that this benefit should be available from the date of injury as long as the previously mentioned criteria are met in relation to addressing a specific barrier to undertaking employment and that it is a cost effective option for reducing weekly payments to the worker. This would differentiate the benefit from the existing Transition to Work payment which requires the worker to have received 26 weeks of weekly payments. Having the new employment assistance benefit available to workers pursuing self-employment opportunities would also differentiate this benefit from the existing Transition to Work payments.

It is recommended that the new employment assistance be accessed first. If this option has been exhausted or the costs exceed the maximum \$1000 payable, workers could then access Transition to Work payment (assuming the criteria for this program are met).

Education and training assistance

Allianz TMF would recommend that the requirements for approval of the existing vocational programs are updated to reflect the need for employment opportunities to be considered "suitable" in line with Section 32A of the Workers Compensation Act 1987.

These programs could work concurrently or consecutively, dependent on the stage of the claim of the worker and whether they have received 78 weeks of weekly payments. Given that this program is for workers with higher needs, increased flexibility should be seen in the criteria for eligibility for these payments. Allowing for training assistance in areas which may not necessarily result in a role which is reasonably comparable to their pre-injury role in terms of salary and status is recommended, given the potential for fewer employment opportunities for this cohort.

FOCUS QUESTION 9: What operational and administrative arrangement should be considered in relation to the two new return to work assistance benefits?

Recommendation is made that administrative arrangements include:

- specific eligibility criteria including differentiation from current Transition to Work and existing vocational retraining programs
- specific timeframes for submission and consideration of applications
- strict criteria for acceptable classes of education and training as well as classes of training providers
- formal dispute management process in the event of a disagreement regarding eligibility

FOCUS QUESTION 10: Do you have any innovative ideas that might be incorporated into the return to work assistance regulation or otherwise enhance the regulation?

Allianz TMF consider these return to work assistance benefits to be in line with the principles of the health benefits of good work. We would consider that education regarding the health benefits of work which include the existence of these programs and how they can benefit workers returning to work and health would be appropriate and helpful, particularly with general practitioners and the professional psychological community.

FOCUS QUESTION 11: Are there any other matters relevant to the return to work assistance regulation that have not been addressed elsewhere in the SIRA discussion paper or your submission?

Recommendation is made not to allow applications for retrospective payment.