



Victorian  
Farmers  
Federation

# RESPONSE

## INDEPENDENT REVIEW INTO THE AGENT MODEL AND COMPLEX CLAIMS

Date September 2020

## 1 The Victorian Farmers Federation

The Victorian Farmers Federation (VFF) is the only recognised consistent voice on issues affecting rural Victoria and we welcome the opportunity to respond to some of the questions raised in the terms of reference on the Victorian Review into Skills for Growing Victoria's Economy.

Victoria is home to 25 per cent of the nation's farms. They attract neither government export subsidies nor tariff support. Despite farming on only three per cent of Australia's available agricultural land, Victorians produce 30 per cent of the nation's agricultural product. The VFF represents the interests of our state's dairy, livestock, grains, horticulture, flowers, chicken meat, pigs and egg producers.

The VFF consists of a nine-person Board of Directors, with seven elected members and, a member representative Policy Council to set policy and seven commodity groups representing dairy, grains, livestock, horticulture, chicken meat, pigs, flowers and egg industries.

Farmers are elected by their peers to direct each of the commodity groups and are supported by Melbourne-based and regionally located staff.

Each VFF member is represented locally by one of the 200 VFF branches across the state and through their commodity representatives at local, district, state and national levels. The VFF also represents farmers' views on hundreds of industry and government forums.

A handwritten signature in black ink, appearing to read "David Jochinke".

**David Jochinke**  
President

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# Our place in Victoria



## What we do



- Victoria's **20,775 farms** cover **10.6 million** hectares
- We are **24.2%** of Australian farmers
- **91%** family operated, with only **2%** foreign owned



- We employ **87,800** people mostly in regional areas
- **\$4739** of food consumed each year by every Australian
- As a net exporter we have long term food surity



- Our annual production is **\$13.16 billion**, **3.5%** of Victoria's economy
- **27.8%** of Victoria's exports are agricultural product valued at **\$11.9 billion**

## How we do it



- Farmers invest **\$80 million** in R&D



- Every R&D **\$1** converts to **\$12** in farmer generated impact



- **2.7%** productivity growth through innovative efficiency gains



- Farmers receive less than **1.5%** in government support



- **63%** reduction in greenhouse gas emissions between 1996-2016



- Water consumption reduced by **7%** from 2014-2015



- Land conservation has increased to **18%** of total land mass.



- Farmers spend **\$20,000** annually on feral animals and pest weeds



- **3.5 million** beef cattle



- **140 million** chickens



- **1.1 million** dairy cows producing **6.186 billion** litres of milk



- **65,992** sows



- **13.1 million** breeding ewes and a fleece clip of **66,100 tonnes**



- **6.5 million** tonnes of grain



- **\$2.35 billion** in horticultural production

## Introduction

The Victorian Farmers Federation (VFF) as a member organisation assists farmers with various aspects of their business, including answering queries associated with workers compensation, managing claims and returning to work questions. The VFF has lobbied the various State Governments throughout the years on good governance in this area, with the aim to minimise employer premiums but still have a quality workers compensation scheme operating in Victoria. The VFF with respect to the questions raised in the discussion paper, we will answer those questions that appear below:

### Questions in the Issues Paper:

#### Identifying and assessing complex claims

1. What are the features of a claim for worker's compensation that make it complex, or at risk of being complex?

On reviewing the Victorian Ombudsman's second report, "Ombudsman Report: WorkSafe 2", which is a follow up investigation into the management of complex work cover claims, there were many employee case studies that were cited. After reviewing these case studies, there seems to be common features of a complex claim that tend to have:

- (a) mental psychological aspects to the injury, such as stress bullying, and harassment, PTSD from traumatic incidents, and
- (b) physical injuries mainly to the back region; and
- (c) a combination of (a) and (b).

These type of injuries above, may need to be triaged early into the claim process in order to prevent the claims developing into future complex claims. More resources may be required to do appropriate research into, what are the variables that trigger or contribute to complex claims?

2. How, and at what stage, should claims for worker's compensation be assessed as being complex, or at risk of becoming complex?

WorkSafe should conduct research into the data collected over the years on complex claims. It should analyze the data and then develop, based on evidence collected, tables or a matrix with different injury claim types. Then based on the data, ascertain optimum intervention times, so that more resources, such as allied health services can be implemented with the aim of preventing the claim escalating into a complex claim.

In 2002, WorkSafe introduced a new system where various profession representatives (occupational therapist, treating doctors, etc.) would be part of a panel to work together to individually tailor a recovery plan for an employee that has not made a recovery as the system would expect. This extract below:

Extract from Claims Management by the Victorian Workcover Authority Victorian Auditor- General's Report June 2009 2008-09.25

*In 2002 VWA introduced a new claims management model as part of a wider reform program to improve its performance in core business areas. The new model aimed to improve RTW outcomes, achieve cost-effective claims management, and to enhance the overall effectiveness of case, injury and medical management. Under the model, claims are triaged and segmented according to risk, where low-risk claims are handled quickly and high-risk claims are actively managed. VWA requires each agent to establish multidisciplinary teams (MDTs) comprising a case manager, technical manager and injury management advisor to case manage high-risk claims. The case manager leads the team, acts as the primary contact for employers/workers, and manages the claim. The technical manager provides expert legal and technical advice to the case manager.*

*The injury management advisor is responsible for developing and promoting injury management strategies that focus on early recovery and durable RTW. The MDT must work as a unit, combining their skills to actively manage high-risk claims and to maximise RTW outcomes and minimise liabilities.*

The results from this claim management model introduced in 2002 may assist with this review.

### **Case management of complex claims**

3. Are current case management practices able to support and treat the individual needs of injured workers with complex claims?

From reading the Ombudsman's report it would appear that some case management practices need to be reviewed and improved upon. In our experience there is a lot of turnover of staff in the claims area and this has an effect on both employers and on employees who have lodged claims.

With respect to the incentives offered to Agents by WorkSafe the VFF is not familiar with the arrangements.

### **Victorian Ombudsman 2016 and 2019 reports**

4. The Victorian Ombudsman's Recommendation 5 should address issues where the claims process can be overwhelming and be overly complex. A process where relevant people can go to a centralized point of contact is a good idea.
5. The Victorian Ombudsman Recommendation 6 should address issues raised in her 2019 report such as cherry picking various medical reports and questionable use of surveillance. Recommendation 6 is a very important recommendation as it relates to agent's decisions and to updating the claims manual and training staff. It also requires agents to provide reasons in an adverse decision notice if they have disregarded or discounted any relevant evidence or information in making the decision. This should make the people concerned accountable.
6. The Ombudsman's report included a number of case studies, many of these case claims were cases going back several years and therefore would have not been exposed to new improvements made by WorkSafe. The Ombudsman's report in 2016 made several recommendations but have the implemented improvements WorkSafe has made since the 2016 report had sufficient time to see an improvement.

### **Conclusion**

The VFF supports a fair and cost effective Work Cover system. The two Ombudsman's Reports have identified some very serious shortcomings of the current work cover framework. VFF has the view that even though the system has flaws it can be improved by addressing the issues the Ombudsman has concerns with, but still have a system that is an effective, efficient well run Government Authority.