

# Compensation costs a big threat to industry

DESPITE the commodity and resources boom, spiralling workers' compensation costs are a major threat to companies in the mining sector, according to an injury risk management expert.

Debbie Young, managing director of risk management company Aurenda, in Kalgoorlie for the Surface Mine Emergency Response competition, believes the mining industry is good at preventing injuries but nowhere near as good at managing them.

And she says the current skills shortage in the mining sector highlights the importance of employers proactively managing injured workers.

"The direct cost of not managing injured workers is in the tens or even hundreds of thousands of dollars. Companies can go broke because of workers' compensation premiums so it's going to hurt if you don't look after your people," she told the *Kalgoorlie Miner*.

Ms Young claims that rather than taking an adversarial approach with insurers to reduce premiums, employers needed help to focus on an improved approach to injury management.

"This ultimately reduces premiums. Managing injuries does not stop once workers get to the top of the mine. In fact as in the case highlighted in Tasmania, even a positive survival outcome can have enormous costs associated with psychological injuries to both the rescued workers and in some instances their workmates," Ms Young said.

"With such a skills shortage in the mining industry it is difficult to attract and retain good people and therefore looking after injured workers becomes an investment not a cost."

Ms Young said that after mine site injuries, employers stepped back and left everything to the insurers. They should be proactive in the management of injury, work with medical advisers and maintain the management of that employee not leave it to a third party.

There were a number of components that could be managed by an employer to control workers' compensation costs including wages, medical costs, rehabilitation and exposure to common law action.

"Our aim is to transfer knowledge to enable employers to progressively manage their injured workers and their workers' compensation costs in-house," she said.

Ms Young said general workers' compensation premiums were 3.52 per cent based on the wage roll.

These could be cut down to as low as one per cent if companies were proactive in focusing on an improved approach to injury management but alternately not managing injured workers could see compensation costs increase dramatically.

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**Warning: Aurenda injury risk management experts Debbie Young, company managing director, and business manager Michael Chester claim workers' compensation costs are a threat to mining companies.**