

CEO speech

**Launch of the Collaborative Partnership to Improve
Work Participation**

Insurance Council of Australia Annual Forum

Hilton Hotel

488 George Street, Sydney

3:00-3:30pm

Wednesday, 7 March 2018

Minister introduction

Thank you, Ellen. And thanks to Rob and the ICA for putting on this event.

It's great to be here today and talk to you about this Collaborative Partnership to improve work participation through a national effort by public, private and not-for-profit organisations. I'll be back to give you more information on this work shortly.

But first, a quick introduction from the Minister for Small and Family Business, the Workplace and Deregulation, the Honourable Craig Laundy.

He had hoped to be here for this event, but had a previous engagement and sends his apologies.

I spoke with him last week about the Partnership and he's very supportive of the work we're doing.

Minister Laundy prepared this message for us.

Acknowledgements

Thanks to the Minister for that introduction.

The Government has always recognised the importance of this work and the health and productivity improvements we want to achieve.

I'd like to acknowledge the members of the Collaborative Partnership:

- Insurance Council of Australia
- Department of Jobs and Small Business
- EML
- Department of Social Services
- Australasian Faculty of Occupational and Environmental Medicine
- Australian Council of Trade Unions
- And the experts who have been instrumental in developing this work:
 - Comcare's Work for Health Advisor Professor Niki Ellis, who designed the Partnership; and
 - Lucy Brogden who chairs the Mentally Healthy Workplace Alliance and is co-chair of the National Mental Health Commission.

And again, particular thanks to the ICA and Rob Whelan for hosting this event today. The ICA was an early supporter of the Partnership and was quick to recognise the potential of this collaboration.

Introduction

The Minister outlined the Partnership and gave an overview of what we want to achieve. I'll give you more detail on how this work began, how it's progressing and why it's so important.

A focus for me as Comcare CEO is to help the community evolve in its understanding of the importance of good work to health and wellbeing, and for work to play a greater role in recovery.

This Partnership presents a significant opportunity to take that understanding further, and support people participating at work to their full potential.

As the Minister noted, many people with temporary or permanent physical or mental health conditions struggle to find work, recovery at work or return to work.

And we have a fragmented work disability system that comprises a number of separate sectors, including workers' compensation, motor accident compensation, life insurance, veterans' compensation, disability support and superannuation.

Considering the sectors as a whole rather than as independent systems will lead to a better understanding of how they connect, and where gaps or tensions exist.

There's growing recognition of the potential synergy between these sectors. There's also more recognition of the opportunities to align service provision to improve support for people with health conditions that affect their ability to work.

Research through a key project for the Partnership has already given us a basis for improving Australia's service delivery model for supporting

people with work-related injury or disability in their return to work. More on that shortly.

Why it's important

The Partnership grew out of work Comcare began a few years ago.

Our Health Benefits of Work program focused on improving return to work and health outcomes through measures including a certificate of capacity, and helping GPs focus on work as part of their patients' recovery.

We saw the potential to extend this across the public, private and not-for-profit sectors and expand the work to deliver positive, system-wide change.

There are real opportunities to improve health and productivity if we focus on the tangible links between good work and health.

Work is part of our identity. It can make a big difference to our mental health and sense of wellbeing.

It can also play a significant part in aiding recovery.

While the Comcare jurisdiction experiences good return to work rates, these outcomes have stagnated nationally. And despite sustained efforts, work participation rates for people with disability have not improved.

Increasing numbers of people have moved into the disability support system, and this reached a tipping point in 2011. For the first time there were more people on disability support pensions than unemployed.

A fragmented system

While our work disability system remains siloed, we know the various sectors overlap.

Many people making group life insurance claims, for example, pass through workers' compensation or compulsory third-party systems on the way. And many different schemes feed into disability support.

Yet until now, these sectors have generally operated with little reference to each other.

And the systems themselves can cause damage to people and delay or prevent recovery. We know that there are better outcomes for people with non-compensable injuries, compared with the same clinical profile for those who have a compensation claim.

There is a growing realisation that what happens in one system impacts others, and the costs often just shift between the systems.

There's also increasing recognition across these systems of the potential for a combined approach to more effectively influence employers, GPs

and employees – and achieve greater improvements in health and work outcomes.

Projects

The Partnership has established a number of projects to deliver this improvement, and work is well underway.

Broadly, the projects target employers, employees, medical practitioners and the benefit systems.

If we're going to make a difference, we need to work with all of them.

One project, led by the Department of Jobs and Small Business, is looking at ways to mobilise employers – examining attitudes and barriers, and improving their capacity to provide work opportunities.

EML is leading work on raising employees' awareness – increasing their understanding of the health benefits of good work, and empowering them to play a greater role in their own recovery.

Another important project is supporting general practitioners, and this is being led by the Australasian Faculty of Occupational and Environmental Medicine. This work is developing nationally consistent approaches that will help GPs use work as part of recovery, including focussing on capacity – what someone can do, rather than what they can't.

Cross-Sector research

The most advanced body of work is the Cross-sector project, led by the Department of Social Services. This is looking at existing data and services across all the systems that support people to work. It's about identifying the flow of people through the various compensation and benefit systems, and finding opportunities to improve services.

Through the Cross-Sector project, we now have research findings which mark the first step in establishing an evidence base in this critical area of public health and social policy.

This work has produced a high-level map of 10 major systems of income and benefit support in Australia, and highlights where we can make a difference to work participation and health outcomes.

The research was undertaken by experts at Monash University's Insurance Work and Health Group and led by its Director, Professor Alex Collie.

We know that work-related injury represents a huge economic and health burden – affecting more than half a million workers each year and, by Safe Work Australia's estimate, at a cost to the economy of at least \$61.8 billion, or around four per cent of GDP.

But as the research highlighted, this dramatically underestimates the true burden of health-related work incapacity in Australia.

What's missing is the burden associated with many illnesses, diseases and conditions that don't happen in the course of employment, but still affect people's ability to remain in work.

This was underlined in the Australian Institute of Health and Welfare's national burden of disease study. It showed that physical and mental health conditions that frequently cause work incapacity – back pain, shoulder pain and anxiety – account for three of the five major conditions affecting people of working age in Australia.

The various systems that support people with injury and illness that affect work capacity all have common goals: prevention, rehabilitation, engaging in good work and minimising costs.

But in isolation, none of them can achieve these objectives at a national level.

To date very little attention has been paid to how these systems intersect and interact. The Cross-Sector project seeks to change that – to help us understand these relationships better, and improve them to deliver better outcomes.

Findings

The Monash research shows the scale of the challenge.

In 2015-16 there were 786,000 people who couldn't work due to ill health, injury or disability were receiving income support – from either a Commonwealth, State, Territory or private source.

Another 6.5 million people accessed employer-provided leave entitlements for short periods of work incapacity – typically days or weeks.

In total, \$37.2 billion was spent on income support in that year.

Entitlements provided by employers is predictably the largest group of recipients, consisting mainly of people on very short-term sick leave. But the numbers in the other benefit systems are also significant.

They include 469,000 people in social security – with the Disability Support Pension being the main component; and 155,000 in workers' compensation.

As part of the research, the Monash team created the first conceptual map of Australia's income support systems, showing the volumes of people, the types of income support they receive and how they might move through the various systems.

This provides some important insight into likely pathways between the systems, giving us a basis for future research and an understanding of where and how best to deliver change.

Opportunities for improvement

The research identifies multiple opportunities for improving work and health outcomes.

Greater information and data sharing would provide more understanding of the movement of people between systems, and how rules and processes in one system can affect others.

Better aligning service models – particularly through reforming GP certification and work capacity assessment – could reduce overlap and improve service delivery.

Early intervention in claims is something we've certainly had success with in the Comcare scheme, and this report identifies opportunities for increasing this work in other systems – for example, providing access to rehabilitation for people in the waiting period for other insurance claims.

The Monash research highlights the importance of influencing employers and their powerful role in supporting return to work. We need to engage

them better and take a unified approach to improve prevention, health promotion and rehabilitation – rather than relying on the system-specific approach we're taking now. As I mentioned earlier, mobilising and engaging employers is a key project being undertaken through the Partnership.

There are further opportunities around improving the design of benefits and products to reduce gaps and better encourage return to work; and policy reform to create more streamlined approaches to supporting people with work incapacity.

Conclusion

It's clear that taking a cross-system view and a collaborative approach gives us a platform to design and trial new service offerings. We have significant opportunities to improve health and productivity for a very large number of working age Australians.

Importantly, it's also clear that delivering this change requires collaboration – precisely what this Partnership is fostering.

Increasing work capacity nationally is not something any government or organisation can solve alone. We can only deliver sustainable change by working together.

I'll now hand over to Rob Whelan for an overview of the ICA's involvement in the partnership and its importance to them.

Thank you.

I'll now hand back to Rob to give you an insight into the importance of this work for the ICA.