



Five years ago, NIDMAR Executive Director Wolfgang Zimmermann was invited by WorkCover New South Wales (NSW) to make a keynote address on emerging professional and programme standards to a provider audience in Sydney, Australia. Employers Mutual CEO Cameron McCullagh was in the audience and, impressed by what he heard, sent his “chief lieutenant” Executive Director NSW Claims Tony Middlebrook to Canada to further investigate NIDMAR’s approach. The rest, as they say, is history.

*Top row L-R: Cameron McCullagh, Managing Director, Employers Mutual; Ralph McGinn, fr. President and CEO WorkSafe BC and Chair, Global Audit Commission of the IDMSC
Bottom row L-R: Tony Middlebrook, CEO, Employers Mutual; Wolfgang Zimmermann, Executive Director, NIDMAR*

Employers Mutual in New South Wales Renews NIDMAR License “Indefinitely”



SEIZING OPPORTUNITY AND A LEADERSHIP ROLE

In April 2004, Employers Mutual became the first organisation in Australia to license the Consensus Based Disability Management Audit (CBDMA). Handling workers’ compensation since 1910, Employers Mutual today offers claims management services on behalf of WorkCover NSW, the New South Wales Treasury Managed Fund (a self-insurance scheme introduced by the NSW government), and Coal Services.

Employers Mutual put its own stamp on the audit tool, renaming it the Benchmark Injury Management Assessment or BIMA, which according to McCullagh and Middlebrook, is easy for NSW employers to remember, reminiscent as it is of the nickname “Bimmer” for the coveted BMW automobile.

Earlier this year, McCullagh and Middlebrook travelled to Canada to proudly renew Employers Mutual’s license agreement with NIDMAR on an ongoing and “indefinite” basis.

Reflecting back to the beginning of their involvement with the Canadian approach, McCullagh, whose title is now managing director, notes Employers Mutual instantly recognised the audit tool as a way to add value to New South Wales employers on the insurance side of the scale. “We already have very good prevention and occupational safety and health in Australia through a tripartite relationship between the underwriter, the employer and the worker,” he noted.

“When there are problems with injury management, it’s because the employers don’t know what they are doing. What we saw in the CBDMA was best practices in employer systems.

So it was really a question of how we add value to our members to get better results.” McCullagh is frank in his assessment that there is a very real need in the region for increased education in the disability/injury management field. “In general, there is not a great understanding among employers about what they should be doing – although they’ve experienced adjusted premiums. The approach to industrial relations and workers’



compensation comes out very much from the culture of the work force.”

However, he continues, “There are pockets of excellence. There are some sectors, some industries that do very well. But on the whole, there is a lot of education still required.”

“Small and medium-sized employers are not as prepared. We’ve seen more awareness with larger employers. And while the employer is financially motivated to put best practices in place, many still don’t. The very worst employers are those who blame everything but themselves. They blame the workers, unions or doctors.”

McCullagh stresses, “The benefit of the BIMA (or CBDMA), is it puts the focus back on them.”

MEASURING SUCCESS – ONE INDUSTRY AT A TIME

Today, Middlebrook, Employers Mutual’s recently named chief executive, has been conducting a comprehensive programme of audits in the New South Wales coal mining industry. “It’s a risky industry,” he confirms.

Producing 170.3 million tonnes of raw coal, accounting for \$8.1 billion in income, in 2006-07, it’s also an enormously important industry in NSW, with market growth, productivity and exports all trending upwards. Mitigating risk is vital.

Says Middlebrook, “The coal audits in New South Wales have been able to quantify there is a direct link between low premium rates and international standards. In a very dangerous industry, low premiums and good practice have been achieved.”

Employers Mutual, working with Coal Services Pty Limited, has completed 70-plus audits for the industry. “Initially, there were concerns if the audit tool was right for the coal industry. These concerns were quickly put to rest with two mines achieving the international benchmark,” says Middlebrook.

He cites the example of two large coal mining operations, which both recently exceeded 80 percent in their audit scores and achieved IDMSC Certification. “Two have excelled. We do know that if a company invests in injury management, they can achieve what is required.”

RESEARCH POINTS TO POSITIVE CHANGE

Employers Mutual is now involved in a research program identifying what constitutes best practices specifically within the mining sector and is using the audit tool for the purpose.

In the meantime, there are signs of positive improvement within the coal mining sector. According to Employers Mutual’s figures, in 2003, workers’ compensation costs represented 11.13 percent of wages – “a massive amount” notes Middlebrook.

Along with the audits, Employers Mutual has continued to change the structure of service delivery – increasing case managers’ capabilities to support employers, and increasingly reporting directly to CEOs of large companies to monitor progress.

When it came to persuading the first 70 or so coal industry employers to undergo the BIMA, Coal Mines Insurance, the industries specific workers compensation insurer, offered incentives, said Middlebrook. “To get them to participate, we gave them access to an incentive scheme, which could lead to a 12 percent reduction in their premiums for the year.”

At the basic level, a six percent reduction was available to all those who underwent the audit and performed well in terms of claims duration, claims reporting and OH&S; the additional reduction, up to 12 percent, was tied to the BIMA.

McCullagh adds, “Tony was the managing director of the whole scheme. The money was attached to getting employers to do something good and to continuous improvement. To access the incentive going forward, you had to at least be at a benchmark level.”

Employers Mutual has also gained buy-in from the NSW Minerals Council and the Construction, Forestry, Mining and Energy Union (CFMEU), both principal players in Australia’s coal mining sector and owners of the Coal Mines Insurance, which has also experienced improved injury and claims management through Employers Mutual’s consulting services and use of the audit.



EXTENDING BIMA TO OTHER INDUSTRIES

Middlebrook advises that Employers Mutual has recently found success with the NIDMAR audit tool in the public sector as well, with one Treasury Managed Fund and four hospitals becoming IDMSC Certified this year.

“We targeted the hospitals for the value-add, assisting with their risk management and to show other employers in the public sector what could be achieved through the international standards.”

For the future, Employers Mutual plans more activity-building programs where the BIMA is being “incorporated as part of regular service” rather than as a value-add or incentive. As McCullagh states, “It’s a product that is well suited to large employers, anyone with a lot of claims who needs assistance.”

As for the CBDMA’s benefits to Employers Mutual, he advises, “It’s put us in touch with like-minded international organisations. Otherwise, I don’t think we’d be here now speaking today to a WCB in Canada. It is an international best practices tool that has been taken up by a number of people around the world. We’re engaged in that process and it has helped us as an organisation to be more engaged.”

When it comes to Employers Mutual’s strong and continued push to improve injury management in the coal mining industry, McCullagh says, “We call it our beachhead.”
