

Media Statement

Attention:
30 October 2007

Common mistake is costly for no workers' compensation policy

A home-based transport business must pay over \$2000 in fines, penalties and costs after being found guilty of not having a workers' compensation policy.

WorkCover WA General Manager, Regulation and Compliance Division, Peter King said Jason and Michelle Clatworthy were successfully prosecuted by WorkCover WA in the Perth Magistrate's Court. They were fined \$500 each, ordered to pay a further \$659.07 for avoided premiums plus \$480.70 in costs for not having a workers' compensation policy between April and September 2005.

The Oakford-based business employed one full time worker during this time, whom they should have covered under a workers' compensation policy.

"The Clatworthy's explanation was that they had approached an insurance company and asked if the driver was covered by workers' compensation, and found out later that they were not. This is a common mistake for business which can result in high costs, especially when workers are injured," Mr King said.

"The \$2,139.77 they must now pay is a big cost to a small business which could have been avoided by simply following the rules. There is a clear message for all businesses to double check their responsibilities under the law to ensure they comply.

"It is compulsory for Western Australian businesses to have a current workers' compensation policy and to provide a work environment that protects workers in the event of an injury at work.

"Employers not paying workers' compensation means they are not contributing their fair share to the premium pool to share costs of injuries for the industry."

The average premium rate in Western Australia fell from 2.117 per cent in 2006-07 to 1.849 per cent in 2007-2008. WorkCover WA independently recommends benchmark premium rates for workers' compensation insurance. These rates are based on the performance of the workers' compensation scheme and claim experience across more than 480 industries.

“Over the past few years, the State Government has been able to deliver significant improvements in benefits to injured workers, while at the same time reducing premiums paid by employers,” Mr King said.

“Businesses avoiding these costs directly impact on other employers throughout the State, which means compliant employers’ are paying for uninsured employers.”

Workers’ compensation laws ensure injured workers are cared for by accessing appropriate medical treatment and by giving them the opportunity to be gainfully employed following their workplace injury.

Workers must have confidence that if they are injured at work, they will be supported both financially and medically, and assisted in their return to work.

WorkCover WA provides a range of information to employers and employees to help them understand what requirements they need to meet regarding Workers’ Compensation, Injury Management and Return to Work programs under the [Workers’ Compensation and Injury Management Act 1981](#).

WorkCover WA conducts compliance programs across a range of industries to check that they meet these requirements.

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