INFORMATION SHEET
WORKERS COMPENSATION AND TRAVEL

On 19 June 2012 the NSW Workers Compensation Legislation Amendment Act 2012 came into effect. This legislation implemented several changes to the then existing legislation, one of those changes being the removal of Journey claims from Workers Compensation provisions.

Prior to amendments, employees were covered under Workers Compensation provisions for work related travel. This traditionally included travel to work and back again.

WHAT IS A JOURNEY CLAIM?
A journey claim is an injury sustained while a worker is travelling between home and work while the worker is off duty. This means coverage is only available where there is a substantial connection between the person’s employment and the incident out of which the injury arose. The mere necessity to travel to CSU each day does not give it a real and substantial connection with employment under Workers Compensations provisions.

What did this mean for University employees? Travel to/from the workplace and home may no longer be covered under Workers Compensation.

INTERPRETATION OF LEGISLATION – SIGNIFICANT CONCERN
The interpretation adopted by Workcover NSW is more severe than may have been considered reasonable. The interpretation goes beyond what appears to be the intended purpose of the legislative changes and has impacted on travel that the University would reasonably be considered to have a substantial connection between the injury incurred and employment.

The exposure applies where staff may commence their travel without having commenced their journey from a campus base, despite this travel being approved under University authority.

SITUATIONAL ANALYSIS
The following listing represents everyday journeys that may not be covered under Workers Compensation:

- Travel to/from home to/from work
- Travel to/from home to another campus or required CSU temporary workplace
- Travel to/from authorised CSU temporary work location to/from hotel
- Travel to/from airport to/from home/hotel

A table that sets out the types of journeys and coverage under Worker Compensation or the new Journey policy is at the end of this information sheet.

UNIVERSITY’S POSITION
The University has some concern regarding the interpretation that has been applied to Journey Claims. The University's operating model means that staff travel, and where staff are travelling on what is considered University business, supported by an approved travel plan, then it has a responsibility to ensure as far as possible the safety and security of its employees.

In response to these issues, the University has acquired a separate journey claim policy.
JOURNEY INSURANCE

This policy has two main components:

1. **Income Protection**
   This covers employees for up to 85% of their pre-tax income for a period of up to 2 years. This income is capped at $2,000 or $3,000, dependent upon the employee's pay scale.

2. **Death/Permanent Paralysis**
   A lump sum benefit up to $450,000.

Whilst the policy is structured to resemble policy features as provided under Workers Compensation, the University is unable to acquire a policy that provides the same benefits as available under Workers Compensation.

The major exception between the two policies is that an accepted Workers Compensation claim will cover both income and reasonable medical expenditure of the employee, whilst Journey Insurance is primarily an income protection policy with medical cover only in extreme injuries.

The **Certificate of Currency** and **Product Disclosure Statement** (PDS) for this insurance product can be accessed on the Division of Finance website.

LIMITATIONS, EXPOSURES AND RISKS

The Journey Policy provides limited income protection. The University has engaged a two tier income protection structure as follows:

1. $2,000 or 85% of pre tax weekly income, whichever is the lower. This is the majority of CSU employees and the University has engaged most of the policy around this tier.

2. $3,000 or 85% of pre tax weekly income, whichever is the lower. This is the minority of CSU employees, however can represent some of the largest exposure given executive commuting patterns.

Determination of earning patterns is based upon the average earnings over the prior twelve months, or commencement of employment/new position within the University. Income protection is a gross payment and taxation does apply.

The difference between a journey claim compared with workers compensation is as follows:

1. Waiting period. Journey claim provides for five working days excess. Where this applies, sick leave may be taken to fill this gap.

2. The journey claim exclusion under Workers Compensation treats an abode the same as home. An abode is for example a motel while residing at another campus location.

3. The claim level is limited to $3,000 or 85% of gross weekly earnings, whichever is lower. Where a staff member earns in excess of this, the University will allow a pro-rata draw on their available leave to meet the difference.

4. The policy does not provide for medical costs. In the event of a motor vehicle accident, the provisions of the CTP vehicle insurance may apply. The University has its CTP underwritten by Allianz which does provide for not-at-fault drivers, passengers, or pedestrians cover subject to a limit but still not equivalent to the benefit under Workers Compensation.

5. The aggregate liability for the University is limited to $4 million per annum. In the event of a number of claims or a major event, the maximum amount received by the employee may be reduced or in extreme cases, negated.

6. All income protection is capped at 2 years.
The most common exposure under the current interpretation is a journey between campuses that has not commenced from a campus (ie journey has commenced from home, even where this is approved by a travel authority).

The best way to mitigate this risk is that an employee’s journey commences from their respective campus. It is not mandated that all staff commence their travel from their respective campus, however it will be encouraged by managers, and all staff travelling should be advised of the respective risks when a travel authority is submitted.

Given the exposures and deficiency in coverage between the policies, both staff and managers approving travel must be mindful of these risks and let the employee determine his/her point of departure/arrival for all CSU travel.

CLAIMS PROCEDURES
As claims involve confidential employee information, the claims process will be administered by Human Resources. If a staff member wishes to lodge a Journey Claim and is uncertain as to their eligibility, then a claim should initially be made under Workers Compensation, and if declined on the basis of it being a journey, a claim would be made under the Journey policy.

CLAIMS PROCEDURES
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<table>
<thead>
<tr>
<th>Travel Description</th>
<th>Workers Compensation</th>
<th>Journey Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicle Travel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From home directly to CSU</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>From home indirectly to CSU</td>
<td>No</td>
<td>Maybe</td>
</tr>
<tr>
<td>From CSU directly to home</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>From CSU indirectly to home</td>
<td>No</td>
<td>Maybe</td>
</tr>
<tr>
<td>From home to another campus or CSU required location</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>From a CSU campus to another campus or CSU required location</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Air Travel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From home to airport - airport to CSU required destination</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>From home to airport - airport to hotel or any other location</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>From CSU required location to hotel</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>From CSU required location to airport - airport to home</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>From CSU required location to airport - airport to campus</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>From hotel to airport - airport to home or personal location</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>From hotel to airport - airport to hotel</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Note:
1. Staff will be covered under Journey Insurance so long as the indirect route does not add to the risk associated with the directly routed journey.
2. Any travel that involves departure from or destination to an employee’s home may be excluded from Workers Compensation provisions as per current legislative interpretations.

FURTHER INFORMATION
Contacts for further information and advice on:

- Journey policy or other insurance matters
  University Insurance Officer, Division of Finance
  Email: insurance@csu.edu.au
  Phone: 02 6365 7508

- Workers Compensation or Journey Claim lodgement
  Melissa Lombe, Manager, Work Health & Safety
  Email: mlombe@csu.edu.au
  Phone: 84029