

Finance and Administration Committee
Parliament House
BRISBANE QLD 4000

042

30 July 2012



Dear Sir/Madam

Inquiry into the operation of Queensland's workers' compensation scheme

Thank you for the opportunity to provide a submission to the above.

Background to QSuper and interaction with WorkCover

QSuper is the superannuation fund for current and former Queensland Government employees and their spouses. As one of Australia's largest superannuation funds, QSuper has \$37 billion in funds under management and 540,000 members. QSuper self insures death, total and permanent disability and income protection benefits which cover approximately 230,000 employees of Queensland Government.

QSuper's insurance arrangements cover members 24 hours a day, 7 days a week. Members who are temporarily unable to work due to sickness or injury can claim QSuper income protection which pays a benefit of 75% of the member's salary for up to 2 years. Causation is not an issue in determining eligibility for the payment of QSuper claims. The cause of injury or illness does not need to be work related unlike WorkCover and also, unlike WorkCover, QSuper does not cover treatment or rehabilitation expenses.

Section 5 of *Worker Compensation and Rehabilitation Act 2003* – Objectives

A QSuper benefit is not payable simultaneously with a WorkCover benefit but a person may have simultaneous claims in place. In these situations, the QSuper benefit may need to be repaid where a member is subsequently granted a WorkCover benefit for the same period. Higher benefits are generally available with WorkCover, however some members choose not to submit a WorkCover claim and instead apply for QSuper income protection. WorkCover claims involve a higher level of employer involvement, and anecdotal evidence indicates this involvement is not welcome by the member, particularly in cases where workplace issues are concerned.

In addition, there is anecdotal evidence that some employers steer their employees to QSuper instead of WorkCover as there is no cost to the employer with a QSuper claim by way of, for example, increases in premium.

The current interaction between QSuper and WorkCover claims is manageable. However, any changes to the workers compensation scheme that restrict WorkCover benefits or eligibility for benefits will result in increased pressure on QSuper claims, detrimentally impacting QSuper claim costs and ultimately increasing premium costs to members. As such we would welcome consultation regarding any proposals that may arise from this inquiry.

Contact Details

If you have any questions or require further information, please contact Barry Cook, Head of Insurance Management, on 07 3239 1443 or Barry.Cook@qsuper.qld.gov.au.

Yours sincerely



Rosemary Vilgan
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QSUPER