

047 3 August 2012

Finance and Administration Committee,
Parliament House,
Alice & George Sts, Brisbane, QLD, 4000, Australia

Via email: fac@parliament.qld.gov.au



Dear Sir/Madam

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

The Galvanizers Association of Australia represents the batch hot dip galvanizing industry across Australia. In Queensland, all companies who provide batch hot dip galvanizing services are members of our Association. These plants are located in the greater metropolitan area of Brisbane (four factories) and Townsville (two factories). We have as members other manufacturers who operate in Queensland, however this submission is on behalf of the batch hot dip galvanizers only.

We have sought comment from our galvanizing members as a result of the invitation to provide a submission to the enquiry and seek to comment as follows:

Australian Professional Galvanizing (APG) would like to see reforms introduced into the WorkCover Scheme ("the Scheme") that restricted the impact of Common Law claims on the Scheme, and reduced the upward pressure on the business sector.

The number and cost of Common Law claims involving the workplace have grown substantially in the last 3 – 5 years, putting substantial upward pressure on WorkCover premiums. APG believes this growth is unsustainable and new initiatives are required to bring down the cost of the Scheme. The new initiatives are needed to bring back balance, to reduce the cost impact on employers whilst still providing benefits for genuine injured employees.

APG general concerns are:

- 66% of Common Law claims relate to Statutory PI (permanent impairment) of 5% or less.
- WorkCover and the judiciary are too accommodating and reluctant to contest claims that most employers would consider spurious.
- Too much weighting given to medical reports with little regard given to the non-medical issues (i.e., the individual's injury and work history, life circumstances, relationship to employment, employee's contribution to the injury, etc).
- Previous emphasis in claims was that "employment" had to be a major significant contributing factor. Current emphasis now requires "employment" to be only a significant contributing factor.
- Statute of Limitation period (3 years) for a claim is too long.
- Settlements need to be more realistic (i.e., a recent settlement for an injured employee with a 1% PI and a poor employment record involved a payout of \$204,000).
- The Scheme is promoting an "entitlement culture" rather than a genuine desire to recover from injury and return to work.

- There are very different levels of judicial standards between geographical areas within Queensland. An example of this was made evident to APG in a meeting with a Queensland WorkCover solicitor when, in the course of outlining a case, he said:

"You have a good case and if I was back in Brisbane I would take this to trial and expect a good outcome, but here in Cairns I won't take it to trial because the judge here always finds in the plaintiff's favour, it's just not worth it".

APG recommends the following reforms:

- Introduce a PI threshold of 15% for Common Law claims (potentially reduce the number of Common Law claims by over 70%).
- Add more balance to the weighting given between medical and non-medical reports.
- More consideration given to an employee's contributory negligence by WorkCover and the judiciary.
- Allow claims only where employment was the major significant contributing factor
- Remove Journey and Recess claims (i.e. travel to and from work)
- Reduce Statute of Limitations from 3 years to 2 years.
- WorkCover to allow more Case Worker face-to-face sessions with injured workers (believe it would significantly improve the management/assessment of worker's claims and ability to return to work)
- Introduce an earlier tapering-off of payments (as a percentage to weekly earnings) to encourage worker's to return to work earlier.
- Allow costs to be awarded against plaintiffs whose cases are dismissed.
- Increase obligations of third parties to fully participate in the resolution processes in the pre-proceeding processes.
- Increase employer excess to allow for lower annual premiums.

Yours Sincerely,



Peter Golding
Chief Executive Officer
Galvanizers Association of Australia