



3 August 2012

050

The Research Director  
Finance and Administration Committee  
Parliament House  
George Street  
Brisbane Qld 4000  
[fac@parliament.qld.gov.au](mailto:fac@parliament.qld.gov.au)



Bundaberg Sugar Ltd  
ABN 24 077 102 526  
4 Gavin Street  
Bundaberg Qld 4670

PO Box 500  
Bundaberg Qld 4670

Tel: +61 (0)7 4150 8500  
Fax: +61 (0)7 4150 8522  
[www.bundysugar.com.au](http://www.bundysugar.com.au)

Dear Research Director

### **Operation of Queensland's Workers' Compensation Scheme EMPLOYERS SHOULDN'T PAY FOR WORKERS COMPENSATION PROBLEMS**

Bundaberg Sugar Ltd (BSL) is writing to express its increasing frustration with the abuse of the common law provisions of Queensland's workers compensation scheme and the negative impact this might have on the company's premium.

There is no dispute that if a worker is genuinely injured in a BSL workplace that they should receive appropriate compensation. In most cases, BSL believes the statutory claims process administered by Work Cover delivers the right outcome. However, BSL is concerned by the increasing levels of abuse of the common law process and the impact this will have on its premium.

The best way to fix the system is to put rules around who can use the common law process and who can't. If a worker is seriously injured then BSL can accept that they might want to use the courts to seek compensation appropriate to their injury. It seems entirely reasonable that a 20 per cent impairment threshold should be set for someone to be able to prosecute a common law claim.

Right now, every worker can access the system with most claims being sorted on the steps of the court for in excess of \$50,000 because both parties know that's the typical cost for an employer to mount a case against the claim. In making the change it means that people who might have minor back or neck injury can still be dealt with, fairly, through the statutory process. It also means that the cost of administering the scheme is reduced significantly, without affecting those with genuine claims.

Queensland is hardly the first to move in restricting this access to common law. In fact, it's the only State in the nation that allows the common law system to be abused in this way. New South Wales made the change after a review in 2001 which originally argued for a 20 per cent or greater impairment threshold. They settled on 15 per cent. The same applies in Western Australia. In Victoria and Tasmania they have a 30 per cent threshold. In South Australia they restrict access altogether. Every state administration eventually arrives at this point because to do otherwise would be to feed the legal community at the expense of business growth.

This is not a time to be hitting business with another increased cost. The economic environment remains a challenging one. More costs convert to less growth and less jobs. Importantly, it also does nothing to improve workplace safety.

BSL sincerely hopes you will carefully review the submissions and choose a path that supports business and the worker instead of the one that encourages marginal claims and puts more fees in the hands of the legal profession.

Yours sincerely

Bundaberg Sugar Ltd

R J Halt  
Chief Executive Officer