



Kemp Meats Pty Ltd

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as Trustee for The Kemp Meats Trust
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Monday, 3 September 2012

The Research Director
Finance and Administration Committee
Parliament House
George Street
Brisbane QLD 4000



Dear Sir/Madam,

I was present at the hearing in Mackay and would like to briefly give my submission in writing.

- WorkCovers current and future financial position and its impact on the Queensland economy, the states competitiveness and employment growth

The impact the high costs of Work Cover have had on our family owned company mean that our company is no longer viable to operate. Our current cost of workcover equates to \$10,000.00/employee to pay to workcover for the 2012/2013 financial year. We are not in an industry that can just put up the prices to cover this huge impost. So the impact it has had on our region is that there will then be 13 local people who no longer have work which for some of them they have worked for us for over 10 years.

- Whether the reforms implemented in 2010 have addressed the growth in common law claims and claims cost that was evidenced in the scheme 2001 – 08

All of our Common Law Claims have been since 2010. Since that time we have had 3, before then. I would suggest that this is not an improvement. The advent and extreme advertising of 'no win no pay' solicitors and the 'stories' others spread about how easy it is to get a common law claim with the employer left to disprove any false or misleading claims, and then not to be believed in a court of Law.

In 2010 our Workcover Bill was \$26,232.80 and now it is \$111,000.00 this is all due to claims which should never have been settled as common law claims or even got close to that stage. In the process of these claims we provided evidence against these claims and work cover proceeded to accept them. After one of these claims had been finalised and payout had been received the claimant was seen walking in high heels pushing a full trolley at Christmas time with no difficulty, please note part of her claim was that she was bedridden and needed help daily to do her housework. I have video evidence of this and Work Cover is not interested.

During the course of a current claim we have consistent evidence that what the claimant is claiming is lies and have proof of this however Workcover has offered this person a payout which he never accepted and is now going to court, He is asking 1/2 Million Dollars for a cut on his thumb, and we have been led to believe that the Law system will award it to him.

I believe the current system is not working for the employer, who pays the insurance. They do not take the employers evidence but look for the easiest way to finalise the claim irrespective of cost. A Public Liability Insurance cost about \$5,000 for \$20 Million cover, the costs of Work cover are not comparable.

The way in which the premiums are calculated is not a just way of working out how much the employer pays. All industry should be at the same rate or percentage and of course an increase with claims history. Maybe an incentive for employers without claims. Work cover needs to have its own lawyers that they are the only ones who the claimant can go to to put an end to fraudulent claims and excessive and ridiculous payouts. There also needs to be a capping in payouts that are for injuries that are not life changing, leaving the system fair for the truly injured worker who has obeyed directions from employers and has had an accident at work. This is what WorkCover is for

Hoping that from this enquirey Parliament will be able to move forward and implement changes that will see an improvement in both the claims history of Workcover and the premiums.

Sincerely,

*Andrew Kemp
Director
Kemp Meats Pty Ltd*