



visualdiversity
HOMES

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167

The Research Director
Finance and Administration Committee
Parliament House
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To whom it may concern

**Re: Submission to the Inquiry into the Operation of the Queensland Workcover Scheme – 2012
("Workcover Inquiry")**

Visual Diversity Homes is a building company building residential homes and operating within South East Queensland, predominantly in the Gold Coast and Brisbane areas.

We wish to make a submission to the Workcover Inquiry in relation to the operation of Workcover within our industry. We believe that Section 5 of the Workcover Act, which provides that Workcover should not impose too heavy a burden on employers, is not being met within the residential building industry.

In the current building environment most residential builders build a home by using a variety of sub-contractors. For example, concretors, tillers, roofers, in the construction of a home. This is the most efficient and economic means of construction and allows for workers to be highly specialized, and thus earn higher incomes, and for labour to be more efficiently utilized across the industry. This results in more affordable housing for consumers as well as higher incomes within the industry.

Currently, a sub-contractor employed in the building industry **MAY** be considered to be a "worker" for Workcover purposes. It is not immediately clear to the employer whether the sub-contractor is an employee. The level of complexity is such that this determination can only be made on a case by case basis, and is often only made retrospectively after an injury has occurred.

As a result of the uncertainty surrounding this employment relationship, as it applies to Workcover, our business must choose between being under-insured, and having a potential claim or audit made against us, or overpaying our Workcover premiums. Because of the complexity of the definition of who is a "worker" much on the Workcover legislation and subsequent requirements is too convoluted for a layman to understand.

Sub-contractors, who are sole traders, are then forced to either be considered as employees by the builder or to set their business up as a company, which imposes a much heavier financial and administrative cost on the sub-contractor. Many sub-contractors may also have their own employees. This adds another layer of complexity to the current arrangements.



We submit that:

- if a person or persons is employed as a sub-contractor, on an ABN, they should responsible for obtaining a Workcover policy for themselves and any employees that they have; and
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- a sole trader should be able to have a policy that covers them to work for as many or as few companies as they like and this policy should cover them regardless of who they work for; and

Workcover needs to be simplified so that:

- all persons working on a site are aware of what their obligations are in obtaining coverage are that they are confident that they are covered by a policy if they are injured; and
- all employers are confident that they are all persons on their sites are covered and that they are not over-insuring; and
- Work cover policies are as simple and be as flexible to obtain as any other item of private sector insurance.

The point of Workcover should always be to ensure that all workers have coverage in case of injury. It should not be used as a means to implement industry wide changes or as a revenue raising arm of the state government or as a means of stamping out "sham" contracting.

Thank-you for your consideration of our submission

Kind Regards

Daniel Smith

Manager

Visual Diversity Homes