

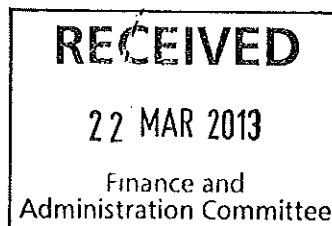
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233



22 March 2013

Mr Michael Crandon MP
Member for Coomera
Chair, Finance and Administration Committee
Parliament House
George Street
BRISBANE QLD 4000

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

Supplementary submission to the Inquiry into the operation of Queensland's workers' compensation scheme

Dear Mr Crandon

AgForce Queensland wishes to put forward a supplementary submission to the Inquiry into the operation of the Queensland workers' compensation scheme, in response to the Worker's Compensation Regulation Authority's (Q-COMP) proposal aimed at reducing red-tape.

Q-COMP's proposal to reduce red tape is an attempt to decrease the relatively high number of claims in the Queensland scheme. As stated by Q-COMP, Queensland's claim numbers are in the vicinity of 100,000 claims per year. This is due to injured workers in Queensland having to lodge an application for compensation with the insurer to receive compensation, regardless of how minor the injury. At present the insurer administers the assessment and compensation process.

Q-COMP proposes an amendment to legislation to remove the requirement for claims to be lodged with the insurer until 50 per cent of Queensland Ordinary Time Earnings (QOTE) is reached with medical compensation or compensation for loss of wages is reached. The amount of excess is to remain the same. The employer or injured worker will still retain the right to lodge a claim immediately if there is a dispute or strong grounds to indicate the claim will cost more than QOTE. This amendment will include the requirement for employers to develop and maintain a register for minor injuries.

Currently an excess applies in the Workers' Compensation and Rehabilitation Act 2003 Qld (the Act) for 'time lost' claims and is 100% of Queensland Ordinary Time Earnings (QOTE) or the amount of the first week of benefits if less than QOTE. Medical expenses are not covered by the excess and payment is facilitated through WorkCover. The proposed amendments institute an employer excess for 'medical expense only' claims. This causes a direct cost and management impost for the employer.

It is understood that the consequences of implementing the proposed amendments has the potential to halve claim numbers. Q-COMP is asserting that by removing minor claims from the scheme in this manner it reduces red tape, as employers will no longer be required to fill out and submit claims for minor injuries.

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Aside from this, it must be taken into account that there will be a direct cost impact on an employer for a 'medical expense only' claim as well as the responsibility of arranging, overseeing and paying for appropriate medical treatment as per the proposed new excess requirement.

Most agricultural producers are small to medium size businesses that are currently time poor and dealing with the many workplace health and safety compliance issues that are already in existence. The added burden of developing and maintaining a register of minor injuries and relevant supporting documentation will increase red tape for these businesses.

Employers are also faced with an arbitrary judgement as to whether or not the injury will reach the threshold of 50% of QOTE to choose the path to be followed for management of the workers injury. Should the injury initially be deemed minor and then end up to be more severe, the employer will have to change tact on the injury management process and lodge a WorkCover claim. This will involve more time and further expense for the employer.

Unless Q-COMP can provide assurance that the proposed amendment will reduce claims, reduce costs and provide a flow on effect of reduced employer premiums, then on balance such an amendment would be of most benefit to WorkCover and not the employer.

AgForce is appreciative of the Queensland government's efforts to date in decreasing red tape encumbering agricultural producers. To continue to achieve the government's goal of a 20 per cent reduction in red tape the suggested excess payment option should be considered carefully by assessing the actual red tape reduction benefits and efficiencies to be gained by employers. Agricultural producers are constantly focussed on the need to increase productivity. Increases in costs such as workers compensation have a negative impact on this goal and ultimately lead to a decline in a business' profitability and viability.

Thank you for the opportunity to respond further to this inquiry. If you require further information or clarification please contact Policy Officer, [REDACTED]

Yours faithfully



Charles Burke
Chief Executive Officer
AgForce Queensland