

Submission by Master Grocers Australia
to the Queensland Parliament
in respect of the
Workers Compensation and Rehabilitation Amendment Bill 2015

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Master Grocers Australia (MGA) refers to the proposal by the Queensland Government to make a number of amendments to the **Workers Compensation and Rehabilitation Amendment Bill 2015 (the Bill)**. MGA notes that the Finance and Administration Committee (the Committee), as appointed by the Queensland Government is seeking submissions in relation to this important issue and welcomes the opportunity to provide comment on the proposed amendments to the Committee.

About MGA

In Queensland there are 650 branded independent supermarkets that trade under brand names such as Supa IGA, IGA, FoodWorks, SPAR and Friendly Grocers. The employees in these stores total more than 21,000, they hold full time, part time or casual status in the independent supermarket industry, representing \$2.8 million in retail sales, and they work across a seven day working week. Independent supermarkets are traditionally community friendly entities and are committed to supporting their employees, many of whom include working mothers, tertiary students, schoolchildren, trainees and apprentices. These businesses are small to medium in size and many of them are family operated.

Independent supermarket owners operate their businesses under either the General Retail Industry Award or their own enterprise agreements. Independent supermarkets constitute a major sector of the retail industry in Queensland. As employers of thousands of workers in Queensland MGA members are fully conversant with their obligations in respect of workers compensation laws, pursuant to the Workers Compensation and Rehabilitation Act 2003(Qld) (the Act) as amended. Any changes to the workers compensation laws will impact on their businesses and therefore it is appropriate for MGA to make comment on this issue to the Committee.

Introduction

In 2013 the former Queensland Government made a number of amendments to the Workers Compensation and Rehabilitation Act 2003(Qld) (the Act) following a review of its operation in Queensland. The changes to the Act included the requirement that an injured worker would require a 5% degree of permanent impairment arising from a workplace injury and this replaced the notion of the whole of person impairment. Other amendments included the removal of a table of injuries from the Workers Compensation and Rehabilitation Regulation 2003, amendment of the definition of injury and allowing employers to seek disclosure from potential workers about previous workplace injuries together with the ability to obtain details of any workers compensation claims.

At the time that the amendments to the Act were introduced, the then Labor Opposition leader, the Hon Anastacia Palaszczuk, now Premier of Queensland, made a promise to the people of Queensland that if a new Labor Government was voted into power at the next election in 2015, she would remove the thresholds implemented in these changes. The new Queensland Government has now, as promised, proceeded to reverse a number of the changes that were made in 2013 as described in the proposed in the Bill .

Comment on the proposed amendments to the Act.

The implementation of the amendments that were made in 2013 provided an equitable and effective workers compensation system for both employers and workers alike, one that offered security of employment opportunities to workers. It was significant that the cost of workers compensation premiums was considerably reduced resulting in Queensland employers enjoying the lowest workers compensation premiums in Australia.

It has been stated by the Minister for Employment and Industrial Relations, the Hon. Curtis Pitt, that the proposed amendments will, “Reinstate common law rights for all injured workers who can prove negligence on the part of their employer” and they “will also remove the unfair permanent impairment threshold currently required, before an injured worker can access the common law” He continued that, “Workers shouldn’t be denied the opportunity to access common law damages ...” which the Government believes is happening under the current law.

The removal of the current limitation on the entitlement to seek damages, which requires that a worker must have a degree of permanent impairment from an injury, that is greater than 5%, in order to make common law claim, is a reversal of the amendment to the Act in 2013. It is submitted that any reversal of the law in this respect would be a retrograde step. It will inevitably lead to an increase in the number of damages claims brought by injured workers, despite the Explanatory notes to the Workers Compensation and Rehabilitation Amendment Bill 2015 suggesting that this will not be the case. It is stated in the said Explanatory Notes that the workers compensation system in Queensland will remain solvent even after the introduction of the changes. The Explanatory Notes states further that there will be no requirement to increase the average premium rate of \$1.20 for every \$100 of wages paid by the employer should the amendments be implemented. This may not be the case in the longer term.

The current system, that is post the 2013 amendments, shows clearly that premiums have been maintained at a lower rate and if common law claims increase, as the most likely will over time if the changes are

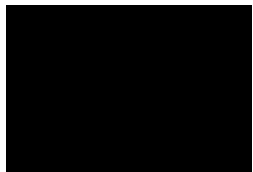
implemented, then despite the claim that premiums will remain low, the reality is that they will inevitably increase.

The reform measures that were implemented two years ago have been successful so why should they be changed? The small business sector in particular will suffer the consequences, premiums for smaller businesses will rise in line with the increase in the number of claims.

MGA urges the Queensland government to consider the consequences of the proposed changes, particularly for members of MGA, who struggle to survive in an environment dominated by larger and wealthier supermarket giants. Small independent retailers will find any increases to workers compensation premiums unsustainable. If small businesses in the supermarket industry sector are impacted financially yet again, from another legislative change, it will have a severe economic impact on business viability. There will be job losses to add to the increasing high unemployment rates in the State of Queensland.

Conclusion.

MGA thanks the Queensland Government for the opportunity to make this comment on behalf of our members and urges the Government to consider the damage which is likely to occur if the proposed amendments are implemented in the Act.



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August 2015