



Speech by

Mr DOUG SLACK

MEMBER FOR BURNETT

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WORKERS COMPENSATION

Mr SLACK (Burnett—NPA) (6.30 p.m.): It is now history that, when the coalition attained office, the workers compensation scheme in Queensland was, in round figures, \$400m in the red. As a result of that, the coalition Government had to do something about it, so it appointed Kennedy to head a group to consider it and to come up with independent recommendations. Those recommendations were very finely tuned. It was pointed out very forcibly to the then Government that to work those recommendations had to be adopted in toto. And let us make no mistake about it: they were working. The Labor Government now wants to go back on those recommendations and do some finetuning of its own to suit its own constituency. That is fair enough to a point. However, the reality is that this will have very major consequences for industry, business and, in the longer term, jobs. On the one hand the Government wants to see more jobs created in the community, but on the other hand it wants to create situations in which industry is not prepared to employ people if things become too hard. As soon as we start tampering with workers compensation, it can become too hard, and we run the risk of blowing out the cost of premiums. Workers compensation premiums should remain affordable to employers.

It would be great to achieve what the Government is proposing in this amendment to the motion. Government members can talk about it, but in reality it may have the opposite effect of what the Government wants to achieve. At the end of the day the premiums cannot remain affordable to employers. I agree that it is nice to have recourse to common law. However, Kennedy proposed in toto a set of rules that were addressing the workers compensation problems of this State.

The central element of the coalition's policy in Government was employment growth. No-one could truly deny that. That was demonstrated by the fact that, during our two and a half years in office, Queensland consistently outperformed the other States and the Australian national growth rate in jobs. A central part of employment security is a sensible and fiscally responsible provision of workers compensation so that people injured at work are properly looked after. There is no doubt that that is what the coalition set out to do, and its reforms to the WorkCover fund were designed to further this aim. It was essential that the fund return to viability as swiftly as possible. This fine objective was achieved, and it is this fine objective which the member for Kedron seeks now to overturn.

The WorkCover fund, which as my colleague the member for Clayfield advised the House in April was headed for a surplus at the end of the 1998 fiscal year, is now under substantial threat of a return to unfinancial status. This will be bad for employment. It will be bad for workplace safety. It is directly counter to the real interests of the workers that the Minister for Employment, Training and Industrial Relations is supposed to be protecting. It is bad for the growth of private sector regional employment, which Queensland so badly needs to encourage. It is bad for the process of steadily improving the standard of living and life choices that Queenslanders everywhere rightly expect and justly demand. It is disturbing that these retreats to the past, orchestrated by the member for Kedron in this instance, are at the behest of sectional interests. It is the pursuit and seduction of sectional interest at which Labor is most adept. But it is not good policy, particularly in the financial area.

Any objective assessment of the position of the WorkCover fund today would have to conclude that it is immeasurably better off—it is heading back to surplus under a strongly commercial focus—than the dreadful situation it was in when the coalition assumed office in 1996. This can be attributed fairly

and squarely to the efforts of Mr Jim Kennedy and to the difficult but necessary decisions made by the coalition following the Kennedy inquiry to return the scheme to full funding. Statutory claims numbers are continuing to trend down. New claim numbers are 4.9% lower. The average cost and duration of statutory claims have also continued to decrease. Common law claim numbers are down 23.3% this year.

It is crucial that employers as well as employees are protected under the State workers compensation scheme. The coalition's reforms achieved this double result. By sound financial management and commercial decision making, WorkCover is well on the way to providing Queenslanders with a scheme that really has a long-term, viable future. It is essential that the Government meets the coalition's budgeted outlays on WorkCover contained in the 1998-99 State Budget—that is, a financial commitment of \$35m. It is also vital that the Government reassesses its political position on workers compensation. Members should listen to what employers have to say about the Government's proposed amendments to workers compensation.

Time expired.
