



Speech by

Mr J. HEGARTY

MEMBER FOR REDLANDS

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WORKERS COMPENSATION

Mr HEGARTY (Redlands—NPA) (6.20 p.m.): The fact that the Workers Compensation Fund is in a far healthier position now than it was when the coalition assumed office in February 1996 is due to the reforms that the coalition Government put in place. The Workers Compensation Fund was not the best scheme in the world, as the member for Bulimba would have us believe. It was the coalition's fiscal responsibility that turned the Labor Party's legacy of a \$400m black hole in WorkCover into a surplus. Labor's claims to brilliance—so often puffed up as gospel by the prophets at the Courier-Mail—always deserve close scrutiny, and none more so than those based on financial records.

In this event, as is usually the case, Labor's claim to have been responsible for a miracle cure is yet again shown to be somewhat on the long side of heroic. In any event, Labor's plans to wreck the sensible and fiscally responsible reforms the coalition put in place for WorkCover are shown to be foolish and ultimately at the great expense of ordinary Queenslanders.

Honourable members will no doubt recall that WorkCover's actuary, Coopers & Lybrand, clearly stated that the January 1996 changes introduced by the former Labor Government would be insufficient to turn the tide and fix the fund—as my colleague the member for Clayfield advised the House in a ministerial statement in April this year. It was the view of Coopers & Lybrand that Labor's 1996 changes would not achieve full funding within 10 years, even if the common law claims experienced stabilised at January 1996 levels. The coalition's response to the issue of an effective and fair workers compensation policy was clear, effective and fair.

Employers could predict premium costs into the future with reasonable grounds for supposing the fact that the fund was back under control and would limit the potential, short of any political interference with commercial decisions such as the Government is now proposing, for blow-outs in either premiums or payouts. Employers with a good history of compliance and safety would no longer be held hostage by bad employers. Employers with a history of continuing poor management performance would have to pay the additional premium their carelessness warranted. Employees have the benefit of a fund that would not suddenly go broke on them and from which, for legitimate compensation claims, they could expect reasonable payments.

All reasonable Queenslanders will view with great concern the policies of the Beattie Labor Government in relation to WorkCover and the devastating impact that these policies will have on Queensland business, including small business, which is the main generator of employment. If the Labor Government's policies are implemented they will include increased premiums and redundancies. This must impact on future employment prospects as employers grapple with increased overheads. It flies in the face of the newly elected Beattie Labor Government's commitment to reduce unemployment to 5%. It is not too late for the new Minister for Employment, Training and Industrial Relations to see the error of his ways where the financial security of WorkCover is concerned. He should leave in place the actuarially sound measures implemented following the 1996 examination of the fund. The present WorkCover arrangements provide a balance between the rights and interests of workers and employers and any tampering with the mechanism will potentially threaten Queensland's low-tax State status.

The amendments moved by the Honourable the Minister tonight are really only platitudes and will in no way address the situation of the fund. I therefore endorse the assertion by the member for Clayfield that the coalition put the best measures in place to provide a financially sound WorkCover for Queensland workers and employers.