



Speech by

Mr M. HORAN

MEMBER FOR TOOWOOMBA SOUTH

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WORKERS COMPENSATION

Mr HORAN (Toowoomba South—NPA) (Deputy Leader of the Opposition) (6.37 p.m.): How well we remember that great debacle of six years of Labor Government, when it wrecked one of the best workers compensation schemes that this country had ever seen. In 1995, when we went to the election, the \$112m unfunded liability was hidden. No-one was told about it during the 1995 election, but we discovered it afterwards. Within six months, that unfunded liability blew out to \$320m. What a disgrace that was! It took six years of Labor Government to take it from one of the best schemes in Australia to one of the worst. In two years we returned it to being one of the best in Australia.

The member for Nicklin spoke about how Queensland's workers compensation premiums are the second-lowest in Australia, how we still have access to common law, and how we have been able to bring the scheme from an unfunded liability of \$320m to a point at which it is now in the black—\$41m. However, the scheme must have \$500m in reserve funds to ensure that it is once again financially safe, secure and stable, and so that we can guarantee payments to workers.

The member for Bulimba spoke about the workers. What was the Labor Government going to pay the workers with? Fresh air? Where was it going to get all the money from? It had an unfunded liability of \$320m, and it was going backwards. That was an absolute disgrace!

Mr Purcell interjected.

Mr HORAN: It was one of the most irresponsible acts of that Government. Did you know that it was going that badly and you did not stand up on behalf of the people who needed the money?

Mr SPEAKER: Order! The member will address his remarks through the Chair.

Mr HORAN: Let us consider the rise in premiums during the term of the previous Labor Government. Paragraph (4) of the amendment states—

"... that any reforms should not put increased cost pressures on the workers compensation system."

In 1992-93, Queensland businesses experienced a 13% rise in rates. A further 4% increase occurred the next year. In 1994-95, there was a 26.5% increase, which included a 10% surcharge. All those rises occurred while the scheme was going downhill. Why was it going downhill? That was occurring because of the claims and the utter lack of control on that system. In all, the workers compensation premiums increased by 48% during the term of the Goss Government. In two years, we were able to get that system back to a safe, secure one.

The policies of the Labor Government will produce only one result: workers compensation costs will rise. Labor wants policies that refer to the definitions of "worker" and "injury" and which refer to unrestricted access to common law. Under the Goss Government, even Labor realised that it had to institute some restraints in that regard. Now, people have the option to take the statutory benefit or to go to common law. Most importantly, we need a system that is properly funded and that is sound and stable. Currently, common law claims account for only 3% of all claims under workers compensation; however, they account for 60% of the money that is paid out. That percentage is rising dramatically. How on earth can that scheme be expanded without a massive cost increase when already the scheme is under significant pressure? If introduced, the Labor policies will bring about the total opposite to the

effect of the amendment that has been moved. The amendment is a total charade. It will result only in increased costs.

This Labor Government talks about jobs. I do not know whether any members opposite have been small businesspeople. Each year, one of the major costs for small business is workers compensation. At the end of the day, employers must have the money to pay their good, loyal, talented staff fairly so that they can have job security. Labor's policies will make it more difficult for small business to provide job security. Honourable members should remember the 48% increase in costs. In three years we will probably have another 48% blow-out. One can only consider the record of the coalition Government, which introduced sound accounting practices and sound financial management to guarantee workers access to a scheme that is now regarded as the best in Australia. Members opposite want to take the best in Australia and turn it into the worst in Australia, which it was under the Goss Government.

Gone will be some of the good coalition initiatives, such as experience-based rating systems, the right of workers to retain common law rights while also having access to statutory rights, the regional offices and the reforms for injured workers to ensure their rehabilitation. Already we have seen the——

Time expired.
