



Speech by

**Hon. P. BRADDY**

**MEMBER FOR KEDRON**

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Hansard 4 August 1998

### **WORKERS COMPENSATION**

**Hon. P. J. BRADDY** (Kedron—ALP) (Minister for Employment, Training and Industrial Relations) (6.10 p.m): I rise in the House in response to the motion moved by the honourable member for Clayfield in relation to the Queensland workers compensation system. Mr Santoro has asked that the House note the financial position of the Queensland Workers Compensation Fund at present as well as at the time when the coalition came to power. He asked that we note the significant improvement in the state of the WorkCover system. I would like to inform the House of a number of relevant facts that must be considered in relation to Mr Santoro's motion. I will firstly move an amendment to the motion. I move—

"All words after 'February 1996'—

omit, insert—

- '(2) that the Queensland workers' compensation system should be fair and accessible to injured workers and their families, including the maintenance of access to common law;
- (3) that premiums should remain affordable for employers;
- (4) that any reforms should not put increased cost pressures on the workers' compensation system; and
- (5) that there be a continued capital injection of \$35m in 1998-99 to WorkCover Queensland to assist in its financial recovery.'."

The Goss Labor Government had recognised that the workers compensation system in Queensland was experiencing financial difficulties and, as a result, introduced a number of reforms, particularly in relation to common law access, which were specifically aimed at addressing the problems. These reforms commenced on 1 January 1996. Coming to power in February 1996, the coalition Government did not wait to evaluate the impact of those reforms. Instead, it embarked on a legislative review process culminating in the introduction of the WorkCover Queensland Act 1996 that contained significant limitations on workers' access to the workers compensation system. I note with interest the financial position of WorkCover Queensland as reported in the first annual report of 1996-97 as well as statements made by the former Minister, Mr Santo Santoro.

I would like to take a moment to review WorkCover's financial position during that time and to carefully consider what the real drivers have been in bringing about a change. On examining the figures, it is readily evident that much of the change has been brought about by a combination of unusually high investment returns in addition to a total of \$70m Government capital injection as well as a significant stabilisation in the number of common law claims, the last process having been brought about by the Labor reforms coming into effect on 1 January 1996. In 1996-97 the fund was boosted by a 16% return, amounting to \$213m. The long-term investment rate of return from QIC is, however, 8.2%. The early estimate for this year is approximately 11%.

This Government is committed to ensuring that workers have access to a fair and reasonable system of workers compensation. A particular concern is the fact that the WorkCover Queensland Act 1996 has reduced that access through changes to the definition of "injury" and "worker". This Government has indicated its desire to maintain coverage for injured workers when work is a significant contributing factor and for recess and journey claims.

However, many of the claims advanced tonight by the honourable member for Clayfield are his own invention and only time will tell what this Labor Government introduces in terms of legislation. But no-one in Queensland should take the definition of the reforms intended by this Labor Government from speeches made by the honourable member for Clayfield, who continues to exaggerate and indeed make claims that are not accurate in relation to what our reforms will be.

Notwithstanding the Government's desire to make changes to the regulatory framework, it is also concerned that additional cost pressures are not placed on the workers compensation system in the State. I am therefore seeking the cooperation of the WorkCover Queensland board and my department in undertaking an analysis of the current regulatory framework and possible future policy options. In this regard I have requested that they include an evaluation of the impact on the Workers Compensation Fund, on stakeholders and on the maintenance of competitive premiums.

This Government is also of the view that workers compensation should be maintained as a public system to ensure public accountability and equity for injured workers and their dependents, and that commercial considerations should not be the only factor in the funding and conditions of the scheme. I emphasise again that the Government's intention is to provide a set of reforms that achieve fairness and accessibility without placing increased cost pressures on the workers compensation system.

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