



Speech by

**BRUCE DAVIDSON**

**MEMBER FOR NOOSA**

---

Hansard 14 April 1999

**WORKCOVER QUEENSLAND AMENDMENT BILL**

**Mr DAVIDSON** (Noosa—LP) (2.53 p.m.): Workers compensation in Queensland, albeit somewhat restrictive, was originated in 1881, when a Bill was presented in the House by then north Queensland representative Mr John Macrossan. In common with many similar pieces of legislation, that Act has since suffered the slings and arrows of successive politicians, all of whom claim to have found the magic elixir that cries out for changes to be made. Indeed, all over the world in places where many of the Queensland models have been adopted to cope with the ever-present possibility of work-related injury, insurance fraud is ever present and thus the costs of maintaining these funds are escalating. We find newly elected Governments rushing to change the status quo, regardless of the state of the fund's equity.

The injured back or neck syndrome is well known to any student of insurance fraud. Indeed, many private investigation firms survive solely on the basis of detecting such fraud. But perhaps the most critical factor facing the managers of financially viable workers compensation schemes is the politician, and in particular the social engineer politician, who knows a good vote getter when he sees one—the politician or his political party who is well versed in the concept of public acceptance by being the battlers' buddy.

How often since 1909, when the SGIO was established in Queensland as the State accident insurance office—it opened its doors for business on 22 May 1916—have we seen opportunist elected representatives meddle in these matters much to their own detriment, as was the case with the Queensland Upper House, where the matter of workers compensation was the trigger that brought that illustrious Chamber undone?

One has to traverse back only 12 years, when the social engineering politics of the then Victorian Labor "Polka Dot" Premier saw such a blow-out in that State's Compensation Commission's finances that they ensured that a Liberal Premier looks to have gained permanent possession of the Premier's seat in that State's Parliament. Unfettered access to that State's fund by all sorts of mischievous claims, aided and abetted by certain factions in the Victorian legal fraternity who saw the fund as the next best thing to a Gold Lotto jackpot win, almost crushed the Victorian economy, to such a degree that it has taken nine years of tight, sound financial management not only to arrest and reduce that outstanding fiscal debit to the Workcare Fund but also to relieve Victoria of its tag as the rust bucket State. Thank you very much, Mrs Kirner!

When the coalition was elected to power in this State in 1996, we inherited a workers compensation scheme from the Goss Government—of which many who now sit opposite were members—that was approximately \$400m in the red. If it had been left with its then current deficiencies, which proffered many an opportunity for mischievous claims, which also were aided and abetted by a certain legal fraternity not dissimilar to its Victorian counterpart, coupled with a lax enforcement of premium payment, the people of Queensland would have been left with an economic black hole that even the Mount Stromlo observatory could not have fathomed.

Now we have the same people back on the Government benches proffering the same flawed plan as existed when they were last in Government, with all of its inherit catastrophes. At the time of our election to Government in 1996, one of the first things we did was to appoint and commission Mr Jim Kennedy to inquire into the Queensland workers compensation system to review and make recommendations on ways and means to fix this massive problem. The implemented changes returned

the fund into the black by more than \$40m—a massive reversal from its predictable journey under the Goss Government to a \$400m-plus deficit, when the fund was heading for a black hole similar to that imposed on Victoria.

Today in Queensland we see a return to the same policies so beloved by the Victorian Labor Government of former Premier Kirner in the form of the presentation made to this House by the Minister for Employment, Training and Industrial Relations, the honourable member for Kedron. Spouting his confidence in the Bill, the Minister, after "considering the views of the stakeholders", announced the reversal of several of the most important Kennedy recommendations, including—

changing the current definition of "injury" which requires that employment be the major significant factor causing the injury to a new one which requires employment to be a significant contributing factor;

the re-emergence of stress claims;

the watering down of journey claims;

massive changes to the definition of "worker" which will allow many categories of non-PAYE workers to make claims on the fund where in the past the relevant premium has not been paid;

undermining the self-insurance provisions, which will make it more difficult to provide disincentive for enterprises to self-insure; and

the removal of the current surcharge of 10% of net premium for employers under the experience based rating system.

These changes represent a huge windfall for the unions and the lawyers and herald a return to the compo culture so prevalent in the Goss and Kirner years of Government. Whom, may I ask, were the stakeholders whose views were so vital to the Minister in his decision-making process? It certainly was not business, either big or small, or local governments. As the Courier-Mail reported on 15 March in an article titled "Employers hit Beattie on compo shake-up"—

"Queensland's key employer groups have accused the Beattie Government of a 'snow job' over changes to workers' compensation rules.

The groups claim the Government purposely kept them in the dark about its plans, reneging on promises of consultation with industry."

The article goes on to state that, recently, the Queensland Chamber of Commerce and Industry and the Australian Industry Group released a joint statement saying that they were appalled by the lack of consultation on the changes. AIG State director Paul Fennelly said that both organisations feared the changes would trigger higher premiums for employers and affect the competitiveness of the State's industry. Mr Fennelly said that the proposed changes came as premiums were set to rise 27% this year, on Mr Braddy's own figures. QCCI Chief Executive Clive Bubb said that Mr Braddy had breached a promise he made last July to consult with industry over any changes to the fund. Mr Bubb said—

"We have every right to ask why employers' views have not even been considered in making these changes ..."

Again in the Courier-Mail of 27 March in an article headed "WorkCover plan angers business", Australian Industry Group State director Paul Fennelly said—

"Business believed higher premiums, or financial difficulties for WorkCover, were inevitable consequences of the proposed changes."

The Queensland Retail Traders and Shopkeepers Association's Randall Swain said—

"... the Government had not considered employers' arguments about WorkCover and probably wouldn't do so."

The article went on to say that Mr Swain also criticised Mr Braddy for consulting only with union groups before announcing the changes. He said—

"I think Minister Braddy needs to consider who does all the employing in the State and it's not the Unions."

Closer to every member's home, small business is appalled at the proposed changes. In my electorate I hear the same protest. A long-time Noosa building business operator said to me—

"If premiums go up an extra 27% as proposed in the changes, we will simply have to close down, as WorkCover will become the single biggest expense, outside of our every day to day expenses, and it will be one that we simply cannot afford.

These proposed changes do not in any way help to alleviate the cost burden and indeed it separates us further from arranging our own insurance, as can be done in Victoria and NSW, where I can insure all of my workers for 24 hours a day, every day of the year for about half of the proposed cost, let alone any increase in the premiums that this Bill indicates."

He went on—

"The Politicians and the Bureaucrats simply do not understand what hardship expense, that requirements, such as WorkCover applies to business and unless these people get out and talk to the small business operator, they won't have to worry about WorkCover in the future, because there will be no future for small business and thus no need for workers compensation."

It should be obvious from these statements that members opposite still live in a fool's paradise where they still harbour the belief that everyone who owns and runs a business is a justifiable milking cow—a curse to the working class and a target to be exploited. If the Minister and his colleagues had taken a scintilla of interest in the biggest employer in this State—small business—they would more reasonably have understood that the world of business is not a bed of roses as they perceive it to be, but rather it is a matter of working 70 to 80 hours a week without leave loading, without holidays, often at the expense of family lifestyles and with no guarantees of success for all of these endeavours. I know; I have been there.

I am amazed that the Minister for State Development, who is responsible for all of the business activity in this State and, of most importance, its viable future, has not objected to the changes that this Bill proposes to the viability of the major sector of industry—small business. But then, like the red tape reduction task force board fiasco that the Minister has been involved in, he has probably been too busy to take notice of this impending catastrophe with his searches for bunnies to sit on his board.

Where was "Mr 5%", the Premier of this State, when this travesty of commonsense was being postulated? Surely it does not take a great deal of nous to realise that, if small business in this State takes a mortal dive instigated because his Minister for Employment and Industrial Relations is just not interested in talking to the biggest employers in this State about this matter, his promise of only 5% unemployment has as much chance of a real life of its own as snowflakes in hell. Obviously, the Premier relishes his role as media superstar more than he does the job of looking after all of Queensland's major interests by protecting the State's business interests. Otherwise, he would surely have told the member for Kedron to pick up his game and come into this House with relevant proposals for a competent workers compensation scheme that would provide incentives and that would be in everyone's interest and not just in the interests of a favoured few.

Far from restoring equity and balance to the Queensland workers compensation system, the proposed changes, so ebulliently championed by the Minister for Employment, Training and Industrial Relations through lack of consultation with the people on the paying end of the changes—the employers, both big and small—we see before us are a recipe for economic disaster for the State's industry. The history of the past in other places on which this legislation is based ensures a complete return to the bad old days of workers compensation and the rorts and fraudulent claims that have brought other such schemes to the brink of destruction.

I advise the Minister to revisit that earlier history and then perhaps he will better understand that the wishes of a dying union movement and the rabid financial desire of a segment of the legal fraternity should play no part in the proper administration of the scheme which not only justifiably satisfies the needs of social justice but also carries with it the commonsense to understand that only business can provide the necessary funds to ensure the scheme's survival and only with their input can a Bill be developed that can survive in the real world.

This is not a Bill for a real world; it is a rehash of "polka dot policies" that have failed so miserably before and will do so again. It may well be that this Parliament will pass this Bill this week, but business both big and small will pass the most appropriate judgment at a more appropriate time; and make no mistake, we will remind them in the most appropriate manner. In the meantime, I commend this Bill to the waste paper bin.

---