



Speech by

**JEFF SEENEY**

**MEMBER FOR CALLIDE**

---

Hansard 15 April 1999

**WORKCOVER QUEENSLAND AMENDMENT BILL**

**Mr SEENEY** (Callide—NPA) (3.35 p.m.): I am pleased to rise to join this debate on the WorkCover Queensland Amendment Bill. In speaking in opposition to this Bill, I wish to discuss how the proposed amendments to the workers compensation system will affect the domestic and international competitiveness of Queensland businesses and thereby the very future of businesses and the people whom they employ.

It is the competitiveness of those businesses that will determine whether or not they will continue to operate in the future. It is their competitiveness that will determine whether or not they are able to continue to provide returns for their owners and jobs for their employees. That is the point that is ignored so totally by so many speakers opposite. That is the point that they just cannot understand: unless Queensland businesses can remain profitable, they will not survive. To remain profitable, they must be competitive. They must be competitive domestically with other domestic businesses and they must be competitive with imported goods and services.

The equation is wonderfully simple even for members such as the member for Rockhampton and the member for Lytton, neither of whom have ever invested their own money in a business and neither of whom have done anything other than put their hands out for a wage that has been negotiated by somebody else. In their case, the wages have probably been earned by somebody else. Those members have never risked their own money. However, even those members can understand the equation that if people cannot compete in business, then their profits equal zero. If profits equal zero, then jobs equal zero. That is the reality of business that the members opposite have never experienced.

Business owners do not enjoy guaranteed rates of pay. They do not enjoy the guaranteed benefits and entitlements such as compensation for injuries and statutory leave. They have to provide those things for themselves and still remain competitive and make a profit in an increasingly difficult business environment. That environment is becoming especially difficult for small family businesses, and they are deserving of the Government's concern rather than its mocking of them. I have no doubt that many small family businesses in the electorate of the member opposite—and if I could think which one it was I would record it in Hansard—are suffering financially. Business people must not only provide the benefits for themselves but also they must provide them for their employees, and still be competitive and still make a profit. It is a big ask and, increasingly, for many family businesses it is too big an ask. It is fair to say that Queensland businesses will be further adversely affected by the changes being proposed in this legislation. It cannot be seen to be any other way.

I would like to make some comments about the pathetic attempt to promote the myth that somehow this legislation is going to bring about a fall in premiums and a rise in benefits. Members opposite would have to be off with the fairies to believe that. They would have to be more stupid than the member for Rockhampton to believe that. There is absolutely no way that anybody with half a degree of commonsense will accept that argument. The simple unavoidable result of this legislation is that the workers compensation premiums that business owners must pay will rise. Inevitably, they must rise.

**Mr Schwarten:** Premiums are going down.

**Mr SEENEY:** Even the member for Rockhampton knows that.

The cost structure that is currently crushing many small businesses will be increased, but there will be no increase in competitiveness or profitability. As members of this House would be aware, when the coalition formed Government in 1996 it took the initiative to inquire into all aspects of the workers compensation scheme, to address the legacy of the financial problems that were left by the Labor Government. At that time, the scheme faced a long-term unfunded liability in excess of \$400m, which was a developing disaster that Labor simply chose to ignore. The scheme was \$400m in the red. Labor was running the scheme in a way that no business owner could run their business and survive.

**Mr Schwarten** interjected.

**Mr SEENEY:** I take the constant and inane interjection from the member for Rockhampton. I am a proud employer of a number of employees. If he cares to take the time to ask them, they will vouch for the fact that they have been treated in the most fair manner. I have been on the other side of the ledger. I have spent a good part of my life as an employee and now I am an employer. I have experienced both sides of the equation, unlike the union hacks who dominate the other side of the House. I ask them to stand up and put their hands up if they have ever risked their businesses or if they have ever had to make a payout to their employees.

**Mr Sullivan:** For 70 years our family ran a business.

**Mr SEENEY:** I say to the member for Chermside that if that is the case, he should have a greater understanding of the effects of this legislation. If that is the case, he should understand the problems with this legislation. To return to the Bill——

**Madam DEPUTY SPEAKER** (Dr Clark): I think that is most advisable.

**Mr SEENEY:** I notice that the member for Rockhampton was not standing up. That is because he has not a clue——

**Mr SCHWARTEN:** I rise to a point of order. My parents had a small family carpentry business in Rockhampton and I worked as an apprentice to my father. That counts. That is one.

**Madam DEPUTY SPEAKER:** Order! There is no point of order. The member shall continue with his speech.

**Mr SEENEY:** There is obviously no point of order. The member for Rockhampton is wasting my time.

One of the key areas that needed review was the structure of premiums in Queensland, whether the existing scheme was sufficiently rewarding to employers with good claims and management history or whether unreasonable levels of subsidisation were occurring within the existing merit bonus penalty scheme. There had been a review of premium arrangements some years earlier that resulted in the introduction of this interlocking penalty and bonus scheme, and that did work. It became clear that this approach was not delivering the incentives that were required for employers to dramatically improve their performance, and thus gain the financial benefits that would flow from good management practices and enhance the future competitiveness of their business and, therefore, reduce workplace injuries.

I am pleased to say that the premium rating changes that emerged from the Kennedy inquiry were proving very effective in changing the management culture among employers. As an employer, I am pleased to see that happen. Those changes are promoting improved workplace health and safety practices, which are reducing workplace injury. Employers who are very active in the management of workplace injury and disease are gaining the benefit of lower premiums under the experience rating arrangements that were introduced by the coalition in Government.

**Mr Wilson:** Did you pay the award?

**Mr SEENEY:** Absolutely. In my business, I pay well above the award. In fact, I pay people what they are worth, which is a great concept that the member should take on board. I pay my employees what they are worth, which is over and above the award. I know that that is something of a foreign philosophy to the people opposite.

As I said, employers who are very active in their management of workplace injury and disease are gaining the benefit from lower premiums under the experience rating arrangements that were introduced by the coalition in Government. Employers who do not address the workers compensation issues in the same way are required to pay the price of this through increased premiums. That is the way it should be. This system, known as experience rating, is equally well regarded by proving itself to be equally effective in other jurisdictions. Regrettably, the changes proposed by Labor are going to undermine this very worthwhile aspect of the coalition's changes to legislation resulting from the Kennedy review. They risk adding mightily to the costs to be borne by employers and businesspeople, and let us remember that they are the people who are paying the premiums. The Labor Government's meddling union mates do not pay the premiums; the employers pay the premiums for no real return.

These changes risk entrenching further bureaucracy. When did Labor ever do anything that did not produce more bureaucracy, more forms to fill in and more paperwork? What present and future Queenslanders need is far greater freedom to manage their own lives. What the Queensland business community needs is a chance to get on with the difficult task of ensuring that their businesses can be competitive and can survive. They deserve the chance to do that without being saddled with any further cost burdens.

The era of the Big Brother union has gone. This legislation is an attempt to go back to that era; to go back to the featherbedding and the paternalism of the past. It is an attempt to perpetrate the myth that the employers—the businesspeople—have an inexhaustible supply of money to pay premiums to guarantee whatever benefits the union cartels decide to demand. Labor wants to change a number of key aspects of the overall system that will make it considerably harder for good management to keep costs down. Of course, I refer to the changes in the definition of "injury" and "worker". The reasons for these changes are not based on solid policy or experience. If the changes introduced by the coalition had failed, then there might be some reasonable basis for what is proposed. However, the coalition's shift to the experience rating system under new definitions of "injury" and "worker" were working. We have to look for another reason for these changes. Of course, that reason is readily apparent.

I remind the House of one of the classic quotes from the Yes, Minister series, "In defeat—malice; in victory—revenge." This Bill, which was prepared by the unions for the unions, is a vengeful document. It is about revenge in victory. It is not a Bill that seeks to encourage proper workplace practices in order to minimise injury and, therefore, the cost of the workers compensation scheme. That is far from the motivation of the drafters of the Bill. This Bill is about revenge in victory. This is a Bill in which the political arm of the Labor Party simply seeks to do the bidding of its union bosses, without any concern for those who have to pay the premiums. It seeks to widen the opportunity for workers to make workers compensation claims. Its sole aim is to ensure that workers, deserving or not, can access as many of the dollars that their employers put into the Workers Compensation Fund as possible.

In the past couple of years, employers have incurred considerable expense in adjusting their administrative procedures as a result of the changes to the WorkCover Act following the Kennedy inquiry. Employers will be put to further expense to amend their procedures to cover the additional workers who will be brought under the cover of this legislation. In many cases, it will not be an easy task to ascertain the persons who are eligible to be covered. The increased coverage will then add to the premiums of those employers who engage contractors and those employers who engage people who have not previously been covered by the legislation. Claims by any of these workers will further increase the premiums of the employers under the experience-based rating system.

The changes to the definitions of "worker" and "injury" represent a severe financial impost on employers. The union leaders who drafted this legislation will sleep well in their beds when the Bill is passed, but for many business owners and many small family business operators, this financial impost will be too much. For many it will mean a reduction in their competitiveness and for many it will mean a reduction in their profitability. The only way that those people will continue to operate at current levels is to reduce their own standard of living and to reduce the number of people whom they employ.

I cannot stress strongly enough my concerns regarding the way in which these policy proposals have been developed and the obvious involvement of the unions in having a number of aspects of the scheme changed. I cannot stress strongly enough my concerns regarding the way in which these changes will impact on small family businesses. First and foremost, a good workers compensation scheme must provide adequate protection to workers when they have been injured at their workplace. That is so obvious that it almost goes without saying. Nobody disputes that. However, a good workers compensation scheme must also encourage employers to manage their workplace in a way that minimises such injury.

A good workers compensation scheme must be humane. It must be workable and it must be affordable to those who have to pay the cost. It must be affordable to those who must pay the premium as part of their business cost structure. For many years we had such a system in Queensland. It was the envy and indeed the model of many other States. While systems in other States were getting deeper and deeper into trouble, we had a good system here which delivered good benefits to workers and carried employer premiums that were the envy of job creators around the country. We need to keep that advantage.

The Premier says that he wants to see a 5% unemployment rate in this State, that jobs are his preoccupation. This legislation is anti-jobs, anti-employer, anti-competitiveness and it is a false promise for those who seek its protection. It wants employers to bear a heavier burden for workers compensation simply so that workers compensation benefits can be more accessible to members of the union power clique. This Bill will not help to create jobs in Queensland. It does not serve the

interests of the workers in this State, because it threatens the competitiveness of the businesses they rely on for their employment. No competitiveness equals no profits, equals no business, equals no jobs.

In various media statements and in presentations around the State, on a number of occasions the honourable member for Clayfield, who was the Minister presiding over the introduction of the Kennedy reforms, has also expressed his concern that the workers compensation scheme should assist both injured workers and employers—there is a novel concept—in this State in providing a balanced delivery of benefit to workers at a reasonable cost to employers. In this way, we in the coalition believe that the goal of competitiveness, which must be a consideration in the design of any workers compensation scheme, can be achieved in a fair and equitable way for all stakeholders within the scheme. This Bill does not do that. It seeks to impose major new burdens on the employers of this State in order for the parliamentary Labor Party to provide benefits to its industrial wing. Again, it is a payback for support received. Again, it is a bitter and cynical exercise to pay the piper. It is a political document, not a reasonable piece of legislation that draws on commonsense and prudential equity.

In conclusion, I repeat that I find it very regrettable that, as a result of this legislation and through no fault of their own, many small family businesses will be saddled with a financial burden that they are in no position to bear. Today I feel for them and their families.

---