



Speech by

Mr LEN STEPHAN

MEMBER FOR GYMPIE

Hansard 15 April 1999

WORKCOVER QUEENSLAND AMENDMENT BILL

Mr STEPHAN (Gympie—NPA) (9.51 p.m.): It gives me a great deal of pleasure to join in the debate this evening and to speak on this very important workers compensation legislation. I do not imagine that a single member would disagree with the argument that workers compensation has to be fair to all parties. The system must be such that it reacts swiftly, fairly and comprehensively to the needs of injured workers. It is very important that it does not place unreasonable financial burdens upon employers. It must certainly be capable of meeting its financial obligations to injured workers for past, present and future claims.

Therefore, if the amendments before us were the result of an unfair and inequitable system of workers compensation, it would be almost impossible to resist them. If the amendments were a reaction to an out-of-control underfunding problem of, say, \$300m or \$400m, I would be the first to acknowledge that the Minister would have to act. If these amendments were a response to a system that acted as a disincentive to rehabilitation, speedy return to work and employment, I would probably say yes, yes, yes to the Minister who will soon be without a seat. If these amendments recognised the evolving needs of workers compensation, particularly with regard to the impact of National Competition Policy issues, I would have some difficulty arguing against them. If these amendments were the result of a comprehensive, independent review of the kind recommended by the Kennedy inquiry to take place about now, the coalition's opposition to this Bill might seem more political than practical.

However, these are not the reasons why these amendments are coming forward. In fact, the issues that I have referred to applied as a result of Goss Labor mismanagement between the years of 1989 and 1996. The bottom line is that the WorkCover system in this State right now, under the current laws, is working very well indeed thanks to the coalition's reforms of 1996. In fact, it is working so well that in October last year—about the time when the Minister embarked upon this very foolish enterprise at the instigation of the trade union movement—the WorkCover situation was formally described to the new Minister as follows—

"WorkCover is focused on its finances, its customers and its own people, and this report highlights our significant achievements in these areas.

WorkCover Queensland's Board of Directors demonstrated excellent stewardship in moving WorkCover towards a solid financial position as at 30 June, 1998.

I acknowledge the contributions of the previous chair, Mr Frank Haly, and previous directors Mr Terry Bolger, Mr Col Thatcher and Dr Jane Wilson towards achieving this pleasing result.

I am confident WorkCover's current Board will show the same dedication in guiding WorkCover towards its vision. WorkCover has many opportunities and challenges ahead and it is well equipped to meet them.

We are clearly focused on achieving full funding. We have a strong commitment to customers and a commercial focus. We have a professional and committed team of WorkCover people. I look forward to helping make WorkCover Queensland the provider of choice for workers compensation and related services."

Those are the words of Labor Party stalwart Ian Brusasco, who was appointed chairman of the WorkCover board by the Minister when Labor slipped into office last year. He made those comments in his covering letter to the Minister in presenting the 1997-98 annual report of WorkCover. The report itself is a glowing testimony to the success of the previous coalition Government's reforms, all under Mr Brusasco's name.

I believe Mr Brusasco's words are worth something. Somehow he has managed to survive a long tenure in the Labor Party and retain a reputation as a good businessman. He is credited with pursuing policies which pulled Labor out of its massive underfunding problem a few years ago. That seems to be a problem for Labor members, who are getting financially and philosophically into the red. Mr Brusasco signed off on the WorkCover annual report and endorsed such policies as "moving the scheme towards full funding" and "developing a commercial, customer-focused operation".

I wish to draw the attention of the House—and especially the wreckers opposite—to Mr Brusasco's comment that the coalition WorkCover model "has taken strong steps towards becoming a truly customer focused operation that shows genuine social and economic concern for the workers and employers it serves". That paints a picture: Ian Brusasco, Labor Party funds manager, being handed an operation of vibrance, excellence, integrity, respect and responsiveness. But honourable members should not just take my word for it. That is exactly how he describes it to the retiring Minister opposite.

I do not imagine the Labor Party ever handed anything over to Ian Brusasco that was in such good shape. WorkCover was a very cushy little number compared with Mr Brusasco's time spent lumbered with the responsibility of getting Labor out of the deep dark hole it had dug in its own finances because of gross mismanagement. A political appointment he may be, but Ian Brusasco has a pretty good reputation as an astute businessman to hang onto. He has ended up as the chairman of WorkCover and as a board member of the Queensland Investment Corporation. He does not have any worries about his reputation for business expertise. There would not be two more successful Government owned entities handed over last year by the coalition than WorkCover and the QIC. However, if I were Mr Brusasco I would be very worried about the future, given his handling of this situation. He has made a marked impression. What were the achievements that Mr Brusasco was so keen to inform the Minister about in October last year? I will give the House a few examples.

On the financial side of things, WorkCover Queensland improved its solvency margin from minus 7.4% to plus 2.2%. In the 1997-98 year alone it had turned a \$126m deficit into \$43m in net assets. That is a very substantial turnaround. But there is more. As a result of its judicious investments through the Queensland Investment Corporation, it received a 10.21% return on its investments. That cannot be sneezed at. That translated into \$192m in investment income. But there is still more. We might even get to the steak knives yet! WorkCover Queensland saved a cool \$3m in those 12 months through fraud detection.

On the customer service side, WorkCover expanded its highly successful one-stop shop workplace injury management teams to cover 1,700 employers. It also implemented the experience-based rating premium system to give employers greater financial incentives to improve their risk and claims management. In other words, it brought about improvement in both workplace safety and the way in which injured workers were treated.

It seems to me that the WorkCover board was quite happy with the state of affairs as they existed when the 1997-98 report was published. They reflected on the challenges ahead, but these were the challenges flagged by Jim Kennedy in his 1996 inquiry. However, when chairman Ian Brusasco wrote his glowing testimony to the effectiveness of WorkCover Queensland in October 1998, he must surely have remembered the threats made by Labor in Opposition to pull apart the reforms.

From a political perspective, I would have expected the new chairman of WorkCover to have been a bit more circumspect when he gave such a ringing endorsement of the WorkCover organisation set in place by my colleague the honourable member for Clayfield. I would have thought that he might have backed and filled a bit, but that was not the case. I would have thought that perhaps he would flag some of the heavy-duty changes that he must have known would be imposed by the honourable member for Kedron, who had after all made no secret of his desire for notoriety as the next Labor wrecker of State compensation. He must have seen, heard or been told of the rhetorical flourish with which the de facto Minister for Industrial Relations, Trades Hall boss John Thompson, set about telling the world what he was going to do to the system if Labor got back in.

Surely when the honourable member for Kedron began warming his seat over there and appointed his new politicised board at WorkCover, he would have mentioned his intentions to businessman Brusasco. But it seems maybe I am too cynical, because the new chairman did not back away from the obvious success of the coalition reforms. What he did when he wrote his foreword to the 1997-98 annual report—and I think this is greatly to the credit of Mr Brusasco—was to go on the public record with what can only be interpreted as a ringing personal endorsement of the current WorkCover model. He openly and proudly acknowledged his involvement in that system. He certainly believes that

it has been a success. But after all the detail, the explanation, the comment and the facts contained in this annual report so eloquently handed to the Minister by the WorkCover chairman, reality disappeared. Enter the dogs of Trades Hall.

Now we are seeing the real Labor Party at work. Here today we are seeing old style politics, not reform. That is a pity. Here today we are seeing the handiwork of backroom party faction wheeler-dealers. However, we can look forward to a future based on the very solid foundation established by the coalition over the last two years when it was in Government. We can be thankful for that.

Time expired.
