



Speech by

Mr M. ROWELL

MEMBER FOR HINCHINBROOK

Hansard 15 April 1999

WORKCOVER QUEENSLAND AMENDMENT BILL

Mr ROWELL (Hinchinbrook—NPA) (4.13 p.m.): Many industries around Queensland are very dependent on the work force. I think the WorkCover Queensland Amendment Bill is particularly important because, at the end of the day, we have to make sure that we have competitive industries.

Mr Schwarten: At the end of the day it gets dark, digger.

Mr ROWELL: I think your lights have been off for a fair while, too.

Mr Welford: That is as sharp as I have heard you in 10 years.

Mr ROWELL: You are pretty blunt, particularly at the top end.

Mr Robertson: We are trying to be nice to you.

Mr ROWELL: I know you are, and I am returning the compliments. It is pleasing to see such a great lot of people on the other side making comment.

Government members interjected.

Madam DEPUTY SPEAKER (Ms Nelson-Carr): Order! Would the member continue with his speech?

Mr ROWELL: Will you control them, Madam Deputy Speaker? I need your protection.

Those rural export industries are very important and are very dependent on the work force to ensure their competitiveness. I highlight the sugar industry, which is so important to north Queensland. There is quite a range of workers within that industry. Going back many years, canecutters actually cut cane by hand and had to shift rails. The activities they were involved in were very dangerous in many instances. The industry has progressed since those times and has moved to mechanised harvesting of cane. Large tipping bins and so on are involved and a very experienced work force is required to carry out related activities.

Some of those activities are dangerous. There is little question about that. What can often make them dangerous is the conditions under which people work. We have to ensure that we match the risk involved for workers with a premium. Due consideration has to be given to the cost of that premium. If we push it too high, the industry will have enormous difficulties remaining viable, particularly in years such as it is experiencing now. We have to be very careful that we do not go overboard but that, at the same time, we adequately cover those people working within the industry, in the event that they have an accident and they have cause to seek medical attention or some time off.

The sugar industry is very sophisticated. Machinery is very large and quite complex. We compete with countries, such as Brazil, which have very low labour costs, so we have to be very careful that all of our cost components, whether they be workers compensation, input costs or whatever, are kept intact. Mills are another aspect of the sugar industry. They, too, have to compete in the world arena. Mills have an excellent reputation with regard to accidents. They are involved in transportation, milling and export to various destinations.

The sugar industry is worth in the order of \$2 billion to the State. The horticultural industry is worth about \$1 billion. Every time we build a dam and every time people look at getting a better return from a smaller block of land, we will probably see horticultural industries spring up. As a result of that, we are going into the export arena in that area. We have capacity in Australia such that not only can we feed ourselves but also we can export. We then have to compete against countries such as Thailand.

To pick fruit, workers in that country climb up a bamboo pole with cross sticks. If one worker falls down, they get another worker to climb up the pole.

Mr Fenlon: Is that what you want here?

Mr ROWELL: I did not say that I wanted that. We have to compete.

Mr Fenlon interjected.

Mr ROWELL: You don't understand the reality of life. That is your problem. You sit down in an office——

Madam DEPUTY SPEAKER: Order! The member will address his remarks through the chair.

Mr ROWELL: Madam Deputy Speaker, would you please give me some protection when these erroneous interjections are made?

It is important that we are able to compete and make sure that our workers are safe.

A Government member interjected.

Mr ROWELL: Would the member say that again?

Mr Welford: Get on with it.

Mr ROWELL: I just thought that I heard a murmur from someone opposite.

Mr Fenlon: I am still waiting for you to explain to me whether you see that as the benchmark.

Mr ROWELL: No, I do not see it as a benchmark. The member really has a thick skull; there is little question about that. We have to compete against——

Mr Fenlon interjected.

Mr ROWELL: We have to compete against them on world markets. Does the member not understand that? He must be very thick. Madam Deputy Speaker, could you please keep the member quiet? He is a bit of a problem.

It is important that we are able to compete in the world arena. However, we must ensure that our workers are adequately covered by workers compensation if accidents do occur. We ensure adequate workplace health and safety provisions are met. In fact, many primary industries are now implementing some safe strategies for their workers. I am not talking only about picking operations; I am talking also about spraying chemicals and all that type of thing. At the present time, courses are being held to give those workers a better understanding of the chemicals that they are handling so that fewer accidents occur within the work force. That is the point that I am trying to get across.

Our timber industry is extremely important. When one goes to mills such as those at Tuan or Caboolture, one sees very sophisticated operations. From the time that the log goes into the mill to the time it is packed into crates ready for transshipment, very often the human hand does not touch that timber. There have been some massive changes in that industry. Bench operations are extremely dangerous, and they require some skills on the part of the people involved. In the past, workers on bench operations have experienced some problems. The message that I am trying to get across is that we have to be competitive, but we also have to have industries that can forge ahead into the next millennium.

One of the big issues for employers is that they have to make provisional payments. That entails the employer paying money up front for the next year. It also involves an assessment at the present time, and I hope that limits will not be placed on that assessment, because considerable variations can occur from one year to the next in terms of the work force and the premiums that are being paid for workers compensation.

WorkCover is really a safety net. That is the important thing about it. It is a safety net that ensures that workers have, in the event of injury, adequate cover to sustain them over the period of that injury. Many forms of insurance can be taken out for various things. I believe that the workers compensation scheme that we had in Queensland in the past, and particularly up to 1989-90, was very good. From 1990 to 1995, there was considerable erosion of the benefits that derived from that scheme, and that created enormous problems with debt.

In opposing this Bill, I wish to raise a number of issues central to the shortsighted and dangerous financial policy that underlies the Government's proposed changes to workers compensation. These concerns centre on the exceptionally high-risk nature of Labor's overall policy agenda in this area. These are risks that the Labor Party should know about, and they are risks that the Labor Government certainly does know about.

The WorkCover amendments are an exercise in politics, not in prudential policy. In 1997, Labor released its employment, training and industrial relations platform, which contained—at paragraphs 3.8.11 to 3.8.20 inclusive, for those with a taste for poor history—a range of workers compensation policies which, if fully implemented, would unwind many important disciplines contained within the

coalition's existing scheme. My very great concern is that these policy proposals, a number of which are proposed for implementation as part of this Bill, will ultimately cause a complete and total dismantling of the coalition's reforms. This provocative and very high-risk direction will be paid for by the employers, whom Labor wants to conscript as welfare contributors, and will ultimately cause the scheme to fragment and lose financial control.

The coalition's reforms, implemented in 1996, clearly position workers compensation in this State in the strong financial position it is in today. WorkCover's annual report identifies the continuing improvement in this financial position, and the documents released as part of the Government's proposed amendments show that this financial position is improving further. The coalition can take full credit for this position. The great tragedy of the ALP's total policy platform is that it will cause a return to the uncontrolled position which the Goss Labor Government was unable to address over a number of years, leading to the coalition's assumption of power in 1996. Of course, members opposite will return to that massive deficit of some \$350m that occurred in 1995.

Because the Bill before the House addresses only one of the policies within Labor's platform, it is clear that the ALP already recognises the high-risk nature of its policies and has decided, therefore, to undertake its total reforms in more than one amendment Bill. There is clear evidence of this approach when one considers the Minister's second-reading speech, wherein he states that a further major amendment in relation to common law will be undertaken in a further amendment Bill. I refer specifically to this statement from the Minister's second-reading speech—

"Common law issues are extremely complex and the effects of any changes need to be fully evaluated in terms of impact and costs.

Having said that, I want to state clearly and on the public record that, within the first six months of the next term of Government, Labor will review the additional workers compensation common law provisions introduced by the coalition in the WorkCover Queensland Act 1996."

The Minister should know that reform to workers compensation involving common law is so complex that it takes many years before the full impact on claims incidence becomes evident, and even then experience is determined very much by behavioural changes in certain industry groups. Often, such behavioural changes are determined by the promotional activity undertaken by unions and lawyers. Members would recall that it was very attractive for the legal fraternity to advertise to claimants that if they were prepared to take on their services, while there might not be any up-front legal costs, they would take a share of the cake in the event of a successful outcome.

Mr Wilson: That's not true.

Mr ROWELL: The member says, "That's not true." There used to be advertisements in the newspapers saying that if people wanted to be represented by the legal fraternity, there would be a share of the cake, and that is inevitably what happened.

Mr Lucas: They were charged at the end. But they are not entitled to have a percentage like in America.

Mr ROWELL: It was up to them as to what percentage was decided on. I have not specified any percentage. They made a decision between themselves as to what that may be. But I know that some people were concerned about the activities of some in the legal fraternity in that particular sector.

Against this background and the considerable difficulties faced by other jurisdictions with out of control common law claims costs, it is clear that the Minister does not appreciate the high-risk nature of his reform approach. Far less, it seems, does he comprehend the impact it will ultimately have on Queensland employment and the opportunities for workers in this State.

There must be many in the Australian Labor Party and the Government who are concerned at the high-risk nature of the reforms being proposed and those currently being undertaken. If Labor gets a second opportunity, it is admitting already that it will take an even higher risk approach to satisfy the requirements of its mates in the union movement. There is no doubt that the Government would have gone a lot further with the current amendments, but even the ALP seems to not have the gall to undertake all reforms at once.

I now turn to the specific elements of the ALP's policy platform and outline various high-risk aspects of Labor's policies. The platform makes a commitment to the maintenance of workers compensation and accident/injury insurance as a public system. It also asserts Labor's policy position that commercial considerations are not the only driving factor in the funding and conditions of the scheme. Further, it states that full funding of workers compensation should be related to appropriate levels of employer premiums, including ensuring full compliance with the payment of levies.

The coalition's review of workers compensation following the Kennedy inquiry recognised that the public system, as it was designed and as it operates, has many significant benefits for workers and employers. However, a point which Labor's platform seems to neglect is that appropriate competition within any system contributes significantly to the standards of service delivery which should exist for the

benefit of workers and employers. Labor's model—which emphasises the one-size-fits-all preference of that party—ignores this important factor, and the policy platform's proposals to reduce access to self-insurance as a competitive element within the scheme is evidence of Labor's lack of understanding of the important commercial and service delivery issues.

On the question of full funding, Labor has never recognised that the only way to ensure adequate benefits for injured workers in the long term is through the maintenance of a fully funded, commercially viable scheme. It is naive for Labor to not recognise that full funding is fundamental to ensuring that adequate premiums are paid by today's employers to cover the cost of claims incurred during the relevant period of insurance. Otherwise, it is necessary to reduce benefits to future workers or make tomorrow's employers pay for costs they did not incur.

The wording of Labor's platform clearly identifies that this important principle is not understood. Furthermore, the Labor Government's procrastination and unwillingness to properly manage common law incidence and cost blowouts in the early to mid 1990s is evidence of this complete lack of understanding. By failing to act appropriately, Labor has forced today's employers to pay for claims costs incurred in earlier years.

Labor's platform, regrettably, does not recognise the importance to both workers and employers of operating in a fully funded and commercially viable way. As a result, the party—and now regrettably—

Time expired.
