



Speech by

**Hon. RUSSELL COOPER**

**MEMBER FOR CROWS NEST**

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Hansard 14 April 1999

**WORKCOVER QUEENSLAND AMENDMENT BILL**

**Hon. T. R. COOPER** (Crows Nest—NPA) (3.25 p.m.): I, too, want to take part in this debate. But firstly, I must say that on nearly every occasion that I rise to speak in this House I have to pull this microphone up by myself. I am sick and tired of having to do that. I know that I am going to get a crook arm from this, so I sincerely hope that I will be eligible for workers compensation. I put in another plea for something to be done about this.

Secondly, the other people whom I believe are really going to need workers compensation are those poor lift drivers in the Parliamentary Annexe. Anyone who uses those lifts and goes down into the bowels of the Parliamentary Annexe will know that the stink is unbelievable. So as an aside, I put in a plug for them.

**Mr Littleproud:** I thought you were a shop steward.

**Mr COOPER:** I thought that my mate from the BLF would have been helping them long ago. He should not forget the lift drivers.

**Mr Purcell:** I didn't hear you then. What did you say?

**Mr COOPER:** I was talking about the lift drivers in the Parliamentary Annexe. The member should have been listening. Because of the smell in the lifts, those lift drivers are going to be eligible for workers compensation if they have to work for much longer in those conditions. Has the member never been in a lift with them?

**Mr Purcell:** How many tonnes of cement do you reckon the lift drivers put in the lift every day when they take it up for plastering?

**Mr COOPER:** Is the member not going to support the lift drivers?

**Mr Purcell:** Yes, I am.

**Mr COOPER:** Good. That is all I want to know. I also support the great rural industries of this State.

**Mr Purcell:** They have to load it and unload it.

**Mr COOPER:** The member should not get carried away. It is all right. He should relax, for heaven's sake. We will have a good old chat later on. I want to get on with my speech.

Most members of this Chamber would know that I represent the great rural industries of this State. I believe that most members would know that the Queensland economy rests very heavily on our rural industries. As such, because of the changes that this Government is making, they are going to bear a big burden—an unfair burden.

**Mr Welford:** They think you're a goose. Rural industry thinks you're mad.

**Mr COOPER:** The Minister should be very careful about what he says. Every time he opens his mouth he puts his foot in it. The sorts of things that he says, we telegraph right throughout the bush.

**Mr Welford:** Oh, yes.

**Mr COOPER:** Yes, we do.

**Mr Schwarten:** I've been to the bush, and you want to hear what they say about you.

**Mr COOPER:** It could only be good things, and the member knows it. Members who have been through the bush a lot, especially in the past five to seven years, which is a fair while for members opposite, would have noticed that commodity prices are low. Did the member for Bulimba say that things in the bush are booming; that the bush economy is booming?

**Mr Purcell:** No.

**Mr COOPER:** That is good. I just wanted to make sure that he did not say that, because I know darned well that it is not.

**Mr Purcell:** When things are good in the bush and things are good in the building industry, that is when Queensland booms. They're a very big barometer.

**Mr COOPER:** That is correct. I know for certain that, for the past seven to nine years, things have been crook in the bush.

**Mr Purcell:** Tough, very tough.

**Mr COOPER:** Damned tough. Therefore, they are going to cop an unfair burden out of this. If there are to be changes to WorkCover or workers compensation, they must be fair and equitable. However, I do not believe that this will happen. I believe that the bush is going to get hurt, and I will explain why.

Vast areas of the State are still recovering. I hope that they do recover. I know that most of the commodity industries— whether it be the sugar industry, the beef industry, the wool industry, the dairy industry or the pork industry—are all crook, and they have been suffering for a long, long time. The only industry that one could say is doing all right now is the cotton industry. But everyone says that the cotton industry is doing well, so sooner or later those poor beggars are going to go down the tube, as well.

Farmers are affected by low commodity prices and by floods and cyclones. We have seen unusually wet weather in the west and the north. We welcome wet weather whenever we can get it; nevertheless, it comes at a price, namely, ruined crops. This is the sort of thing that concerns the coalition. Increased premiums for WorkCover are going to affect our rural communities. Those people have had enough. These are the imperatives that face rural communities. These people comprise some of the State's most productive small businesses. I refer to the farmers and graziers who are the true people of the inland. Recently we have seen figures which indicate that the population in rural areas is falling. The projections through until the year 2005 show an even greater drift from rural areas. The last thing we want to see is increased burdens being placed on these people.

We have to ensure that these burdens are spread far more equitably on all people in the State and not just on a sector that is losing its wealth. The rural community plays its part in Queensland. The bush is the home of the battler and the honest bloke—the bloke who would sooner die than let down a mate. The bush deserves a break. I think the Minister is still the member for Rocky—

**Mr Schwarten:** Yes, I am.

**Mr COOPER:** From the member's association with people in the west he would know that what I am saying is true.

**Mr Schwarten:** There are plenty of those sorts of people in places like Rocky.

**Mr COOPER:** I am not saying that these people do not exist in Rocky. I am saying that we need to ensure that we stick up for the people who make up the economy of Rockhampton and other similar cities. The Labor Party has never really understood the bush since it said farewell to the Tree of Knowledge so many years ago. People in rural areas are not receiving a break from this Labor Government. People are not receiving a break because of Labor's risky financial plans to turn workers compensation back into a cosy club for the in-crowd. It will be a giant drain on the public purse.

We often hear the Premier say, "Let's be clear about this." Well, I am saying let us be clear about this. Workers compensation is a necessary part of any industry, small or large, urban or rural. It is not in the Australian nature to argue that a worker injured on the job should be denied financial support. The coalition is not saying that at all.

However, it is not fair that businesses and farm families have to support a scheme that is unsound. Under the reforms initiated by the coalition in 1996 the scheme was returned to prudential security. It is this security that Labor now seeks to destroy—having done so once before and having to be rescued from failure and ignominy. It was left to the coalition to repair the damage when it was in office from 1996 to 1998. Even those opposite know that the Queensland workers compensation scheme was turned into a sad mess by the Goss Labor Government. No-one can deny that Goss left Queensland's workers compensation system in an unsound position. It was unfunded and the potential costs were enormous. The scheme was being defrauded and rorted, which was typical of Labor practice. It had been turned into a lawyers' picnic by the ambulance chasers. No-one should forget the

\$300m-plus of unfunded liability that was left for employers—many of them small employers—to set right.

**Mr Swarten:** Your mate said \$400m before.

**Mr COOPER:** At least \$300m.

**Mr Swarten:** Borbidge said a billion once. What was it?

**Mr COOPER:** No, it was not a billion.

**Mr Swarten:** Well, he said that.

**Mr COOPER:** The facts and figures are there. Now that Labor is in Government and wants to change things, it needs to know what it is changing things from and to. Labor has to base its decisions on facts, otherwise it will make further unsound decisions. That is what most worries the coalition. Businesspeople know—even if members of the Labor Party do not—that imprudent financial practice has a serious impact on competitiveness. Many people know—and it is a great pity that those opposite do not—that the rural sector is among the best in the competition field. Our competition is increasingly international and global in scope. In that environment, any depressant on competitive standing is a fatal drain.

It is nothing short of tragic that Labor's latest proposals to revisit the past—and this is not a foreign country for the Labor Party which has turned it into a promised land—will have a heavy impact on rural and regional Queensland and will hurt farm families. We have heard talk about having to look after families. We have to be more equitable. It is right and proper to worry about the families of injured workers. However, we must also worry about the burdens imposed on farming families.

This action is not only cruel; it is also short-sighted. Primary industries are vital to Queensland. I know that those opposite do not like rural people very much. Rural people contribute to the prosperity of all the State, and in particular to the rural and regional areas. The industry provides thousands of jobs in the production, processing and retailing sectors.

It is estimated that about 18% of Queensland's work force—the work force that this Government says it wants to grow—is employed in the rural sector, in industry servicing the sector and adding value to rural sector products, and in food and fibre wholesaling and retailing. It is also estimated that 36% of Queensland's international exports derive from our rural industries. These rural exports include in the main sugar, beef, cotton, grain, seafood and fruit and vegetables. They are exported especially to Asia and also to the highly competitive United States market. Primary industries should not be penalised by a return to the bad old days of workers compensation rorts.

Rural industry is under pressure. We have had droughts and floods and we have also had storm and cyclone damage which has devastated the sugar industry and part of the valuable fruit industry. The pork industry is in disarray. The wool industry has been fleeced and is just a shadow of its former self. The Asian crisis has taken its toll. Other countries are heavily subsidising their agricultural production. It is generally known that the primary producers in this State and this nation are on their own.

In Queensland it is intended to add to the problems of rural industry and make it harder for them to be competitive in world markets. This is not the time for Governments to be adding to the cost pressures of industry. Queenslanders remember the mess in which the Workers Compensation Fund was left by the Goss Labor Government. The Beattie Labor Government should not need to be reminded that the scheme was hundreds of millions of dollars in the red.

The policies of the Goss Government caused these problems. The workers compensation scheme under Goss was fundamentally flawed. It was a scheme that was being rorted. In the words of Jim Kennedy's report, the scheme was a lawyers' picnic. This lawyers' picnic was paid for by Queensland businesses. Unfortunately for ordinary Queenslanders, business has to pass on unwarranted costs. Costs are passed on in the form of fewer jobs and higher prices for products and services. The coalition's reforms dealt with that imbalance and with that prudential disaster. These now threaten to return because this Government is the creature of the unions, of the lawyers, and of that pernicious section of the political community that sees business as an arm of the welfare system. The impact of this return to the past will be much worse for rural industry where margins are ever more razor thin.

For farm families striving to make a living in a difficult world market, the impact of higher workers compensation premiums is a direct slug to farm family income. How will the new higher costs of meeting workers compensation obligations be funded? Who will pay? These questions must be asked. The jobs, jobs, jobs strategy of the Beattie Government will rapidly fail if this is an example of the implementation of the strategy.

Despite the difficult conditions, the better seasons in rural industry have resulted in a large number of new jobs being created. But any return to the imprudence of Labor's past in regard to workers compensation will have a serious impact on rural industry. The rural sector is in no position to

withstand a return to that past. It is carrying too much debt on too slim a range of margins. In 1998, Queensland's rural debt increased by almost 10% to reach \$5.3 billion. The Queensland Rural Adjustment Authority commissioned this rural debt survey which has just been released by the Treasurer. It is a reputable survey. These are the Government's own figures.

This survey showed that the percentage of rural borrowers considered to be in a sound financial position decreased from 93% to 87%. In other words, 13% of rural borrowers are in trouble or potentially so this year—almost double the rate in the previous survey. Perhaps it is time the honourable member for Ipswich had a quiet word with the honourable member for Kedron and pointed out that, although red might be a fine colour scheme for their own political party, it is quite wrong for a balance sheet.

Rural debt is a serious problem but, through this legislation, this Government is going to add to it. Increased workers compensation premiums will be just another nail in the coffin for many rural businesses. Rural industry is the price taker. Most of the product is exported in very competitive world markets. Neither world markets nor Australian markets will put up their prices just because the Queensland Government wants to cosy up to its mates in the unions and, in doing so, push up the cost that producers have to pay.

Let us look at the facts. Sugar is sold under fixed, long-term contracts. The price does not go up just because of a price rise in workers compensation premiums. The price of beef exported to Japan and the US does not go up because of higher workers compensation premiums in Queensland. Neither does the price of wool, mangoes, cotton, or any other product that has to compete in world markets. Premium rises directly reduce the competitiveness of our industries. They cost jobs and they cost growth. They directly affect the profitability and hence the viability of each producer. Primary industry is caught in an impossible situation: costs go up because of Government decisions but the prices received do not.

This point needs to be reinforced because, clearly, it is not understood by the Minister. Rural industries cannot pass on costs—not if they want to stay in business. Rural commodity prices are fixed in tough international markets. I am not talking about multinationals; the extra dollars shelled out for higher workers compensation premiums come straight from the pockets of farmers and from families on the land already doing it tough. There is no doubt that other industries will also be affected, but none will be as badly impacted upon as primary industries. The impact this legislation will have on country towns—indeed, the whole of the State's economy—is obvious.

Of course there is a need to provide assistance and support to workers who are genuinely injured in the workplace. However, let us reflect for a moment on the bad old days that the Minister and the other members of the Beattie Labor Government apparently want to reinvent. At that time, the fund had an unfunded liability of more than \$300m. That was a disaster for Queensland. Yet this is a Government that claims to be obsessed about jobs and about the Premier's high five unemployment target. The Premier and his Ministers should do some basic arithmetic, because a \$300m deficit paid off by employers over 10 years means, taking an average wage of, say, \$30,000, 10,000 jobs going missing. That means that a return to the policy of rorts could cost Queenslanders 10,000 productive private sector jobs. That is 10,000 people on the unemployment scrap heap, and in that equation I am not even counting their families. Worse, it could be 10,000 people in rural and regional Queensland on the scrap heap. So much for the jobs, jobs, jobs strategy and so much for the mob that calls itself the can-do Government!

Further cost impacts will flow from the change in the definition of "injury". Rural industry has a very large number of casual workers, which is the group of workers most at risk of sustaining injury in and around the workplace. So rural industry will be hardest hit. The previous definition of "injury" was that employment had to be a major significant factor causing the injury. The proposed new definition requires only that employment be a significant contributing factor. The question that must be asked is: will this again mean that any casual employee with an old football injury is going to be able to rest up with the help of the Workers Compensation Fund and at the cost of the employers and future jobs growth in Queensland? What about the ageing process? Will the fund be faced with a rash of claims of dubious merit for back injuries and strains that relate more to the age of the person than the work conditions? What will this do for the ability of the fruit and vegetable industry to employ a range of seasonal workers? What about the reintroduction of stress claims? If ever there was a loophole for rorting the system, that was it. It was a major contributor to the blow-out in the liability of the fund. It is funny how these sorts of names come up. At one stage, we had RSI and then we had stress. Stress is something for those people who just want to cop out because they cannot take it. Once upon a time, people were told to wake up to themselves and get on with it. Of course, now they just claim a stress condition and out they go. It is no wonder that we are becoming a weak society. In terms of premium costs, every industry had to dig deep to cover the deficit to which dubious and unverifiable claims for stress contributed. Everyone, including the present Minister if he is honest, will admit that dubious stress claims were wide open to fraud. No wonder the Minister is hiding the actuarial advice. No-one can

actually predict the impact of these changes other than to say that it will have a disastrous impact on the viability of this scheme.

Finally, I refer to the change in the definition of "worker", which will give non-PAYE personnel access to State compensation benefits. The Kennedy inquiry demonstrated that this was a problem. Workers were non-PAYE workers because it created a tax benefit. Suddenly and mysteriously subcontractors, who made no contribution to the Workers Compensation Fund, when injured became eligible to receive benefits. The present sensible legislation introduced by the coalition, after exhaustive public consultation, addressed that issue. The solution was simple: those in the PAYE tax system are covered; those who operate as subcontractors did not need to pay premiums for workers compensation and were not covered. The rorts stopped. Now, it is proposed to reintroduce the rorts. The Minister says that he will police the system, but how on earth is he going to do that? Labor failed the last time, and now that the unions are running the show and the lawyers are with them, it is going to fail again and all of us are going to pay the price. The Minister needs to table the actuarial advice that proves that this proposed backward step will not be a burden on the other employees who contribute to the scheme.

Time expired.

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