



Speech by

Mr SANTO SANTORO

MEMBER FOR CLAYFIELD

Hansard 18 August 1999

MR G. MURPHY

Mr SANTORO (Clayfield—LP) (11.08 p.m.): I refer to the response of the Minister for Employment, Training and Industrial Relations to my question regarding the appointment of lawyer Mr Gerry Murphy to the WorkCover Queensland board. May I make the point that the essence of my question was a real concern regarding ongoing conflict of interest on the board of an important Government institution.

The Minister's understanding, outlined in his response, that the situation with Mr Murphy not being on the panel was brought about by WorkCover making a decision primarily that people who were doing work for plaintiffs could not also do work for defendants is incorrect. If the Minister cares to obtain accurate information from WorkCover on dates and sequences of events, he will find that the independent legal audit and proper process leading to Ebsworth and Ebsworth's removal from WorkCover's defendant panel occurred and concluded before the decision by WorkCover's board that lawyers who were doing work for plaintiffs could not also do work for defendants.

In a letter dated 5 March 1997, WorkCover advised Mr Murphy that, due to unsatisfactory performance, which was confirmed by the independent legal audit to which he was unable to provide an adequate response, Ebsworth and Ebsworth have been removed from the department's panel. The process in respect of moving to the stage where lawyers who were doing work for plaintiffs could not also do work for defendants did not commence until some time after this date.

The independent legal audits are a legitimate process for WorkCover to ensure that its defence lawyers provide high standards and quality of service. With common law payments of \$220m in the 1997-98 financial year, of which \$52m was paid in legal costs, unsatisfactory performance by

defence lawyers is totally unacceptable. Obviously, with payments of \$220m, common law claims defence is a major part of WorkCover's business, and litigation by plaintiffs is also a crucial compulsory third-party issue which this Government has been forced to address.

The real concern with Mr Murphy's appointment by this Government to the WorkCover board is that he has a direct, continuing business interest in taking regular legal action against WorkCover and employers. Mr Murphy's business interest is therefore in direct conflict in a significant way with the proper role of WorkCover.

The Auditor-General, Len Scanlan, has expressed concern about a real and perceived conflict of interest with respect to the net bet scandal in which a decision by this Government has allowed its mates to profit. It does not matter whether this conflict is real or perceived; Mr Murphy's appointment is still a conflict of interest in that he profits from suing WorkCover. While board members will sometimes need to voluntarily abstain from involvement in certain issues because of real or perceived conflict of interest, does the Government not consider Mr Murphy's appointment an unacceptable perceived and possibly a real conflict of interest, especially given WorkCover's clear common law defence and responsibility, which is a major part of its business?

There is absolutely no doubt in my mind and in the minds of most decent people who are observing the operations of WorkCover that Mr Murphy's role on the WorkCover board has, in fact, a very destabilising, debilitating and negative influence on morale within WorkCover Queensland. There is no doubt that what is happening to WorkCover at the moment following the good work that was done by the coalition Government in addressing the problems that we

inherited from the previous Government is, in fact, debilitating to the morale of WorkCover Queensland staff.

We have a conflict of interest, as I have just mentioned; we have an exodus of up to one third of the managerial staff within WorkCover, which is clearly draining WorkCover of managerial experience and corporate memory, and that is impacting very negatively on the ability of WorkCover to go about conducting its business in an efficient and financially prudent manner.

We also have various concerns that have been expressed in terms of the proposed structure for delivery of WorkCover's insurance services, particularly at its district locations. It is my understanding that WorkCover operations will be delivered by three separate streams, all reporting separately to the Brisbane office. Clearly, at district locations, one manager will no longer have overall responsibility for service coordination and delivery. I believe that this will again affect the long-term viability of WorkCover.

There has also been an incredible increase in the number of consultants who have been used to perform normal WorkCover functions. I have asked the Minister to provide the number of WorkCover consultants who have been employed by WorkCover to undertake normal tasks. I hope that the Minister will be honest, because if he is, he will clearly demonstrate one of the major reasons why morale within WorkCover is, in fact, on the decline. I have asked him to provide full details of executive staff appointments in the past 12 months, who they have replaced and the number and classification of executive staff who have left WorkCover in that period. Clearly, there are tremendous problems associated with WorkCover, and unless the Minister—

Time expired.
