



Speech by

Mr S. SANTORO

MEMBER FOR CLAYFIELD

Hansard 3 March 1999

WORKERS COMPENSATION FUND

Mr SANTORO (Clayfield—LP) (10.18 a.m.): The Government's proposed changes to the Workers Compensation Fund are a recipe for disaster. If the honourable member for Kedron refuses to acknowledge this, he is either misinformed or wilfully embarking on a foolish adventure.

It is a fact that the Minister and his union-oriented advisers are intent on reversing the sensible changes to policy and administration put in place by the coalition. We have his word on that. Reverse gear seems to be the order of the day. He plans to do this with workplace relations and now he plans to do it with WorkCover at a time when it is only just beginning to recover from the bankrupt state in which we found it—nearly \$400m in the red—when the coalition came to office in 1996. It is now in better shape through the reforms that were implemented after the Kennedy inquiry. The fund now has a solvency ratio of 2%, which is not nearly good enough but a start on the long road to rehabilitation.

However, the Minister intends to return it to the red—although, of course, he will not admit that. He believes that he has found a new and novel way of robbing Peter to pay Paul. He plans to take the Queensland system back to the circumstances in which it suffered significant financial problems in the early to mid 1990s. He plans to return the WorkCover fund to the penury in which Labor traditionally keeps every agency it can get away with turning into a milch cow.

The Queensland Chamber of Commerce and Industry—the State's peak employer body—describes the Government's proposals as a leap of faith. The QCCI is being charitable: it is a leap into the dark from a very high place without a parachute. The Government's proposals to widen the definition of "injury", to extend journey claims, to make funding available through the fund for educational and advisory programs, and after an interval to broaden the definition of "worker", are a recipe for disaster. The investment income of the fund is expected to decline this year. The economy is expected to be under significant pressure throughout the second half of this year and throughout 2000. The Minister expects the fund to keep on earning as it has done!

What the Government proposes is neither friendly to business—the sector the Premier must depend upon if he is to get within cooee of his 5% unemployment target—nor sensible financial management practice. As the QCCI says, it is a gamble. It is a con job. It is a blatant sop to Labor's supposed friends. It is a financial misadventure in the making.

Time expired.
