



Speech by

**Hon. V. LESTER**

**MEMBER FOR KEPPEL**

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Hansard 15 April 1999

**WORKCOVER QUEENSLAND AMENDMENT BILL**

**Hon. V. P. LESTER** (Keppel—NPA) (4.46 p.m.): This Bill is yet another action from this Government based on secrecy and a lack of accountability. In relation to this very important topic, workers compensation, once again we are being asked by the Labor Party to believe that the basic tenets of what is being proposed are necessary because of advice that they have, which we cannot see. That is secret advice. This is becoming a very familiar activity from this Government. It is becoming its modus operandi. It is a strange sort of politics. It is secret politics that goes absolutely against the grain of everything Governments should have learned in recent years.

We have had this twice from the Minister for Mines and Energy. He claimed that there was a maintenance problem in the State's power stations. He said that that problem was based on a report to him by experts, so it had to be right. However, we could not see the report; we simply had to trust him. Recently, the Minister for Mines and Energy announced a restructure of the regional electricity boards based on another report. He used the same excuse for not justifying that restructure: it is also a secret report.

We have had a rise in compulsory third-party insurance based on alleged concerns about the actuarial soundness of that scheme. We have not been able to examine that data, either. The common denominator of the excuses for this Government not being able to be open and accountable is that the issues are commercial in confidence. That was always one of the key boltholes that the Labor Party used in the corporatisation process that it put in place the last time it was in Government—with the help and guidance of Paul Keating, and we know where he has been in recent times. Commercial in confidence was always going to give Labor plenty of opportunities to hide behind excuses.

Again, we are not allowed to know whether the material that is before the Government in relation to workers compensation and the alleged need for changes has even the slightest validity. It is commercial in confidence. It is voodoo. It is as simple as that. We cannot see it. That is not good enough.

There can be no trust in the Labor Party when it comes to these sorts of issues. It has trained us to feel that way. In relation to workers compensation, of all the try-ons one only has to take a cursory look at the ALP's record when it was last in Government to see that there is simply no basis for providing that trust or for accepting any suggestion that in this field the Government knows best.

Members opposite inherited a perfectly healthy scheme that existed under the National and Liberal Parties. Indeed, that scheme was equally healthy under the coalition Governments that preceded the National Party Government. Labor reduced that scheme to such a state that it was literally hundreds of millions of dollars short of meeting its long-term liabilities. I was the Minister responsible for workers compensation at the time and I know that each year we had an excess of approximately \$60m. That excess was used for the benefit of the employers who had a good safety record, because it meant that they did not have to pay as much in premiums the next year. We gave employers and workers a good deal. However, the schemes in Victoria and New South Wales that were administered by Labor Governments were not millions of dollars out of kilter but billions of dollars out of kilter. I hate to say it, but I fear that we will get into the same trouble with this legislation.

The Labor Party achieved that by displaying another classic failing of Labor Governments in this State. They headed down that path even though the warnings were constant. The signals that there

was a steadily rising blow-out in common law compensation claims were visible in the records of the scheme almost immediately Labor achieved office, and the Government ignored those signals. It turned a blind eye to them in precisely the same way as it decided to ignore the warnings from the then Queensland Electricity Commission, to give another powerful example of this typical Labor behaviour. Towards the end of their tenure, the result was there for all to see: a workers compensation scheme that was hundreds of millions of dollars shy of being able to meet the long-term demands that were going to be made on it. All I can say is heaven help us all. Thank God we returned to power for a short while to try to sort it out again.

One of the hallmark failures of the Goss Government was that it simply sat on its hands while common law claims ran out of control. The Labor Premier of the day did what his counterpart does today: he looked for the good media line. He attacked the lawyers. He attacked the fact that they were touting for business after giving them the means to do so. That was extraordinarily hard to work out. He got the six o'clock headlines and then he displayed another trait that he has in common with his current counterpart: he did nothing to address the problems. He toyed with the idea of imposing a limit on common law claims and then under union pressure he backed off. He got the headlines and then he disappeared.

Of course, we are even worse off under the Government of the member for Brisbane Central in relation to workers compensation than we were under the Government of the former member for Logan. At least the Government of the former member for Logan was not quite so scared of the unions. In fact, that member gave the Left Wing unions, in particular, very short attention indeed. We now have a very different balance in the caucus and the Labor Party. The member for Brisbane Central has nowhere near the authority that the former member for Logan enjoyed in the caucus and the wider party until around 1994. The member for Brisbane Central does not have anything like the backing of the AWU that the former member for Logan had. He does not have Bill Ludwig to keep the unions in line for him. The member for Brisbane Central has a set of Left Wing unions, in particular, that are now working very hard to ensure that they achieve and maintain the influence in the Labor Party that was denied them throughout the years of the leadership of the member for Logan. At the end of that period they vowed that they would never again let themselves be ridden over in the same way as they were trodden down during the years of the leadership of the former member for Logan.

The shape of this legislation is testimony to the fact that they are getting their way, because this legislation is all about bringing back the torts. It is about re-establishing the very definitions of "worker" and "injury" that got it into such great trouble last time. Of course, Labor will have a ready remedy for that. It will simply do what it did in the first half of the 1990s, which was to rack up the cost to employers. That is what will happen. Of course, then the employers will not be able to afford to employ people, which will not help us much.

Under the Labor Party in the first half of the 1990s, workers compensation premiums escalated steadily. We started to lose the advantage that Queensland had long enjoyed. We had a system that was producing good benefits on premiums that made Queensland an attractive place to come and set up a business, employ people and grow jobs. Now we are returning to that particularly old-fashioned Labor view that capital is on one side of the ideological divide and the unions are on the other, and the unions are in control for the time being.

Therefore, this legislation is part of a whole raft of measures that the Government has either instituted or is in the process of instituting that will add up to a raid on capital. We saw that in relation to recent changes to the building industry. We are seeing it in other legislation concerning the mining industry that is now before the House and we see it in this legislation. Unfortunately, premiums are going to keep going up. The attack on employers and jobs is widening with this legislation. Queensland is going to see the resumption of the steady deterioration in workers compensation premiums that gathered pace under the previous Labor Government of this State and that was reined in briefly over the life of the coalition Government when we set in train policies that would have eventually restored full funding to the scheme. That is really how it should be. Eventually, that would have restored our premium advantage. That was always going to be a long-term goal.

The resumption of Labor policies on workers compensation, which has already shown the capacity to help undermine the scheme, coming after such a brief period of operation of the coalition's policies, will quickly re-establish the pace of decline that occurred from 1990 to 1996. We will soon see legislation in this House to give a statutory basis to the requirement to keep funds actuarially sound, which will simply become Labor's rubber stamp for regular increases in workers compensation premiums.

An area of the Queensland economy that is going to be particularly hard hit by the premium increases that are going to flow from this legislation is a vast area of our economy that simply cannot afford any more cost burdens or any more kicks in the guts. I refer not just to primary industries but to the whole fabric of business in our rural and regional areas, and to the domino effect that these changes are going to set in train. The impacts are just going to pile up, whether they relate to the

goods that are carried by rail or truck to farms or townships, the fuel that is bought at the local depot, superphosphate for crops or drought feed for cattle, anything bought at any of the small businesses in town or the meat that is processed. The list is endless and the snowballing effect is going to be another burden piled on top of all the other burdens that have been shoved onto the bush almost exclusively by Labor, ever since Gough Whitlam started turning the focus of Government in this country away from the outback—the rural and regional areas—and into the cities. The devastation of the bush that started in that era is just about complete and it is going to cost jobs. Indeed, it has already cost many jobs. It will cost jobs in the mines.

The prospects for the mining industry in this State have probably never been so bleak. Along with the rest of the primary industry sector, it has always been one of our greatest industries. Last night Michael Pinnock stated very clearly that the next few years will be very bleak. Exploration is way down, and it has been going down now for a number of years thanks to native title and low commodity prices. The number of mines queued for start-up in this State has rarely been smaller. The lack of exploration activity means that those who should be joining the queue in a few years' time will not be doing so. The continuity of development of the mining sector, which has been one of the hallmarks of this State for over a hundred years, is slowing down. Coal in particular, which is the lifeblood of scores of rural and regional communities in this State, is in trouble. Prices and production are down. A few days ago an Access Economics report showed that the impact of the slowdown will bite really hard by later this year. In many areas of the State that has already happened in the mining industry, and the effects are being felt. The simple fact is that higher workers compensation premiums will mean fewer jobs in mining in this State.

Higher workers compensation premiums will mean fewer jobs in rural and regional towns. Some members opposite will be silly enough to suggest that increased premiums alone will not do that; that that will not be significant enough. However, they are wrong. What they fail to realise is that the bush has been dying a death of a thousand cuts. Eventually, just one of those cuts will be the one that will prove fatal. Anybody who does not accept that has not been watching the dynamics of what has been occurring in the bush over the past 20 years in particular. The inequities have been piling up to the point at which now the slightest increase in the insurance burden can have an impact way beyond what one might expect. That is another injustice. It will be one too many for a lot of people in the bush, and members opposite should hang their heads in shame for inflicting this upon us.

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