



Speech by

Hon. GORDON NUTTALL

MEMBER FOR SANDGATE

Hansard 7 November 2002

WORKCOVER QUEENSLAND AMENDMENT BILL

Second Reading

Hon. G. R. NUTTALL (Sandgate—ALP) (Minister for Industrial Relations) (11.42 a.m.): I move—

That the bill be now read a second time.

When the Queensland Labor government came to office in 1998, it committed to restoring balance and equity to Queensland's workers compensation scheme. In 1999 the government introduced reforms that indeed delivered on this promise. In 2001 Labor built upon those reforms by improving workers compensation entitlements while at the same time maintaining the lowest average premium rate for employers in any Australian state—at 1.55 per cent. In stark contrast, the average premium rate in New South Wales is currently 2.8 per cent. Under this state Labor government, Queensland employers and workers now have the nation's best, fairest and only fully funded workers compensation scheme in Australia. The WorkCover Queensland Amendment Bill 2002 continues the well-planned and structured process of reforming Queensland's workers compensation system.

The bill provides for—

- a declaration to ensure certainty in common law damages claims;
- cross-border workers compensation arrangements with New South Wales and Victoria;
- a court to make a consent order for the structured settlement of all or part of an award of damages in the form of periodic payments funded by an annuity or other agreed means; and
- changes to succession rules which provide a premium incentive to employers with good occupational health and safety records.

The bill amends the WorkCover Queensland Act 1996 to clarify that the commencement of the limitation period provided for in the Limitation of Actions Act 1974 has always applied to workers compensation damages claims and will continue to do so. This amendment is being made in order to provide certainty for employers and workers involved with such claims.

In relation to cross-border workers compensation arrangements, I am pleased to announce that an agreement has been reached between Queensland, New South Wales and Victoria which, once implemented, will make a number of changes. It will—

- remove the need for employers to have two workers compensation policies for their employees working temporarily interstate for up to six months;
- allow employers to readily determine in which jurisdiction to insure each of their workers; and
- ensure certainty for workers in relation to their workers compensation entitlements.

Amendments to the WorkCover Queensland Act 1996 which reflect and give effect to this agreement between these states will come into effect from 1 July 2003. New South Wales proposes its amendments will also be effective from this date. As I said, the new arrangements will reduce the burden currently on Queensland employers of having to obtain workers compensation coverage for a worker in more than one jurisdiction. It will also mean that Queensland workers undertaking employment related activities temporarily in New South Wales or Victoria will be covered by Queensland's workers compensation scheme for a period of up to six months. The bill also clarifies workers compensation arrangements applicable to seafarers.

This is good news for Queensland businesses. These reforms represent a significant saving for some companies who have employees currently working interstate on a temporary basis. The Queensland Labor government is committed to the provision of voluntary structured settlements as a means of compensating for personal injuries. This commitment is reflected in the Personal Injuries Proceedings Act 2002 and recent consequential amendments to the Motor Accident Insurance Act 1994, which allow courts to make orders on structured settlements. This means that where a worker is seriously injured they can opt to receive periodic payments rather than a lump sum which would give greater certainty of a regular income over the long term.

Consultation with stakeholders has highlighted overwhelming support for voluntary structured settlements within Queensland's workers compensation scheme. On 26 September 2001 the federal government announced a tax change to encourage the use of structured settlements, making annuities purchased by a claimant or insurer tax free. This decision, however, excludes structured settlements in workers compensation claims, therefore negating any incentive for their use. The Queensland government therefore intends as a matter of priority to make representations to the Commonwealth government to reconsider the taxation status of workers compensation damages awards. The bill amends the WorkCover Queensland Act 1996 so as to provide that where the parties to a common law claim agree to settle a claim by making a structured settlement the court may make such an order.

Finally, the government is committed to improving current succession rules which are unfairly penalising some employers. The bill amends current succession rules so that—

- a person acquiring a business with which they have had no previous connection will be subject to the same calculation currently used for a new business, ensuring that the new employer is not penalised by any previous poor claims history associated with the business; and
- where an existing business is acquired or dissolved and then recommenced by a person or persons associated with that business, the premium rate will, for the first 18 months, be determined by reference to the previous rate associated with that business.

Thereafter, the premium will be calculated by the experienced based rating system commencing with the experience during the first 18 months of operation of the new business.

In conclusion, this bill continues the Queensland Labor government's Restoring the Balance reforms which incorporate initiatives that provide significant benefits to both workers and employers and reflects Labor's continuing commitment to ensuring that Queensland has the best and fairest workers compensation scheme in the country. I commend the bill to the House.

Debate, on motion of Mr Lester, adjourned.