



Speech by

Hon. GORDON NUTTALL

MEMBER FOR SANDGATE

Hansard 29 April 2003

WORKERS' COMPENSATION AND REHABILITATION BILL

Hon. G. R. NUTTALL (Sandgate—ALP) (Minister for Industrial Relations) (3.04 p.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. Since 1999 the government has enacted a series of reforms which continue to deliver on this promise. Firstly, we removed the unfair restrictions on workers' access to compensation by amending the definition of injury to allow compensation where work is a significant contributing factor to injury. The right to compensation was also returned to workers employed on contract of service arrangements regardless of their taxation status, and at the same time employers' premiums were reduced.

In 2001 under the WorkCover Queensland: Leading Australia policy, Labor continued to build upon those reforms by improving workers compensation entitlements, and in 2002 further improvements including changes to bring certainty to cross-border compensation arrangements were made. Further, since coming to office the Queensland Labor government has delivered successive reductions in premium rates and maintained the lowest average premium rate for employers in any Australian state for the last three successive years.

This enviable position has been reached in an environment of sensible and sound reforms, where we have sought to introduce changes in measured stages to maintain the balance between improving worker entitlements and maintaining the stability of scheme finances.

As further testament to this government's sound management of the workers compensation scheme, I recently announced that the current premium rate of \$1.55 per \$100 of wages paid—still the lowest of any Australian state—will continue to apply to premiums for the 2003-04 financial year.

The contribution of the WorkCover Board and management team to this outcome must be acknowledged, as this result has been achieved in a very difficult business and investment environment. In comparison with other state schemes, it is stating the obvious to say that Queensland employers and workers continue to enjoy the best and fairest workers compensation system in Australia.

The measured approach to change continues with the introduction of the Workers' Compensation and Rehabilitation Bill 2003. This bill has been developed following a full review of the policy, regulation and delivery mechanisms of the workers compensation scheme. This review incorporated a public benefit test as part of an assessment of national competition policy implications of the present arrangements. The review identified that, while the self-insurance provisions and single insurer monopoly of WorkCover do not facilitate a fully competitive market, the success of the Queensland scheme in containing the costs of insurance and providing high benefit levels outweighs any gains possible through privatisation of the market.

The review did, however, identify that the combined roles of WorkCover in service delivery and regulation of the scheme through its Q-COMP Division do constitute a conflict with competition principles and should be separated. The government accepted these recommendations, and the bill before the House gives effect to that separation.

The inclusion of the words 'workers compensation and rehabilitation' in the title of the bill reflects the objective of the proposed legislation, which is to provide a scheme of arrangements for the regulation and delivery of optimal workers compensation and rehabilitation services to Queensland workers and employers.

The change in title from the WorkCover Queensland Act marks the separation of the insurance and regulatory functions, with the inclusion of rehabilitation in the title reflecting this government's belief in the fundamental importance of rehabilitation in meeting the overall objectives of the scheme.

In order to ensure that injured workers do in fact have early access to appropriate rehabilitation treatment, the Queensland Labor government committed to the development of industry based rehabilitation arrangements at the time of the last election. As the responsible minister, I am pleased to advise the House that WorkCover, in cooperation with industry stakeholders and officers of my department, has finalised and is implementing industry based and supported rehabilitation models across a range of high-risk industry sectors.

While the bill when enacted will repeal the existing WorkCover Queensland Act 1996, the essential characteristics of Queensland's workers compensation scheme have been retained. The Workcover Queensland Authority is retained as a candidate government owned corporation, with a focus on premium setting and funds management rather than on regulation of the scheme.

Workcover will continue to deliver insurance underwriting and service delivery functions through its metropolitan and regional office network. There will be a smaller board consisting of seven directors, reflective of WorkCover's more focused role, and all current corporate governance requirements will continue to apply.

The bill creates the Workers Compensation Regulatory Authority, which is charged with the regulation of those elements of the scheme previously administered by WorkCover through its Regulatory Division, Q-COMP. These include the licensing of self-insurers, operation of the review and appeals processes, the oversight and administration of medical assessment tribunals and ensuring employers' and insurers' compliance with rehabilitation provision and other legislated requirements.

The authority will continue to operate under the name of Q-COMP, as this name is widely identified and accepted amongst stakeholders. As with WorkCover, the authority will have a board of seven directors including a chair. A chief executive officer will be appointed under provisions of the bill and staff of the authority will be appointed under the Public Service Act 1996.

WorkCover staff currently working in the regulatory division will be transferred to the authority, and the bill contains transitional provisions preserving all their terms and conditions of employment, including long service leave and superannuation entitlements. With the realignment of functions within the scheme as delivered by the bill, matters of workers compensation policy and scheme design are now centralised within my department. Officers of the department will continue to work closely with both WorkCover and the authority as well as other stakeholders in the further development of the scheme.

To ensure that, as the responsible minister, I remain fully informed on issues impacting service delivery and regulation of the scheme, the bill provides for the establishment of workers compensation advisory committees. When constituted at the request of the minister, these committees will provide consultation and advisory forums and may be directed to address any matter relevant to the scheme.

Committees will comprise representatives of workers, employers, government, self-insurers, WorkCover and Q-COMP, and persons who have other experience or expertise the minister considers appropriate to the issue under consideration. This composition will ensure that all stakeholders have adequate opportunity for input and to have their views considered.

The bill also contains new provisions regarding medical practitioners' liability when participating as members of the medical assessment tribunals. They provide for the protection of medical practitioners from civil liability arising from an act or omission made in good faith in the discharge of their role on the tribunals. Medical assessment tribunals are an integral part of the workers compensation scheme in Queensland and the indemnity is provided in the interests of ensuring certainty and the continued participation of appropriately skilled practitioners. Any liability arising will attach to the authority rather than to the members of the individual tribunals.

In other respects, the majority of the remaining provisions of the bill replicate the existing arrangements provided for in the current WorkCover Queensland Act 1996, with only changes or new provisions complimentary to the separation of functions being added. All amendments previously made to the WorkCover Queensland Act 1996 which were due to commence from 1 July 2003 are contained in the bill.

Finally, a matter not related to workers' compensation, though equally important to Queensland employers and workers, is also addressed in the bill. I refer to amendments proposed to the provisions of the Industrial Relations Act 1999 as they relate to the Queensland minimum wage.

The proposed amendments are technical in nature and are not considered in any way contentious. They merely clarify issues of compliance and enforcement in regard to the Queensland minimum wage, which came into operation on 1 April 2003. The minimum wage applies to both award and non-award workers and provides for the first time a safety net for workers who fall outside the award system.

This bill continues the well-planned and structured process of reforming Queensland's workers compensation system and in doing so continues the Queensland government's commitment to ensuring that Queenslanders are working under the best and fairest workers compensation system in Australia. I commend the bill to the House.