Speech by

Hon. GORDON NUTTALL

MEMBER FOR SANDGATE

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WORKERS' COMPENSATION AND REHABILITATION BILL

Hon. G. R. NUTTALL (Sandgate—ALP) (Minister for Industrial Relations) (2.30 p.m.), continuing in reply: Last night I indicated to the House that I would try to answer in detail a number of questions that were raised during the second reading debate so that we could progress through the committee stage reasonably rapidly. I will try to address those in my reply.

Before I seek to revisit the benefits of the bill before the House, I would like to address what does appear to be some considerable confusion behind the opposition's lack of support for the bill. The member for Callide and the member for Toowoomba South have based their opposition to the bill on the concern that the separation of the regulatory functions of WorkCover and the establishment of Q-Comp as an independent regulatory authority is somehow a precursor to the establishment of Q-Comp as a government owned corporation. This is completely wrong. I believe that the honourable members have confused the roles of both WorkCover and Q-Comp. I say for the record that I find it very disappointing that the opposition has not bothered to give the time to this bill that it deserves. I am left to explain again the very basics of these reforms.

Mr Seeney interjected.

Mr NUTTALL: I need to explain these reforms to the member for Callide because he did not read the details. The bill proposes that WorkCover continue the delivery of insurance services, including premium settings and funds management, as well as the administration of claims through its regional network. Q-Comp is established as an independent statutory authority and has no status as a candidate GOC or, for that matter, any form of GOC. It is in fact established as a Public Service office with a Public Service work force. The bill confirms and continues the current status of WorkCover and simply establishes an independent regulatory function through the Q-Comp authority.

From its establishment under the coalition government's WorkCover Queensland Act 1996, WorkCover has always been a candidate government owned corporation. This followed recommendations from the Kennedy inquiry into workers compensation arrangements in Queensland. The bill before the House preserves that status as introduced by the coalition and contains no provisions which seek to move WorkCover to full GOC status. In fact, at no point was the candidate GOC status identified for possible change under the national competition policy review.

While I do not seek to second-guess the coalition government's reasons for the establishment of WorkCover as a candidate GOC under the 1996 act, I can point to this government's success in creating an investment fluctuation reserve to ensure that any surplus funds in the scheme are retained and used in maintaining premiums at the lowest rate of any Australian state—in fact, for the fourth consecutive year under the Beattie Labor government—which has been recognised by the member for Toowoomba South as the cornerstone of ensuring the survival of small and medium sized businesses.

In addition, let me clarify my role as minister in regard to the responsibility for WorkCover and Q-Comp as proposed in the bill. Both these agencies are required to report to me, as the responsible minister, on their performance on a quarterly basis. This bill preserves the right of the minister to direct WorkCover and Q-Comp on matters which the responsible minister considers to be in the public interest.

As was the case with the candidate GOC status, this provision was introduced into the WorkCover Queensland Act 1996 by the coalition government and former minister Santo Santoro. I understand this is a complex and lengthy bill, and I hope that this information may assist the honourable members for Callide and Toowoomba South to reconsider their position on this legislation.

The member for Callide has also raised concerns that this bill contains little benefit in regard to the rehabilitation of workers. This is simply incorrect. It retains the current provisions for rehabilitation which have enabled improved access to rehabilitation through the development of industry based arrangements. I refer to my second reading speech, in which I said—

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.

WorkCover's ability to provide workers access to such an industry based rehabilitation program has only been achieved through this government's prudent financial management of the Queensland workers compensation scheme. At a time when other state schemes are in the red, WorkCover Queensland is not only in a sound financial position; it is also currently offering employers the lowest average premiums of any state in the country while providing injured workers and their families access to some of the highest benefits available anywhere in the country.

The honourable member for Gladstone has also raised the question of timely access to rehabilitation. I refer the member to my previous comments in respect to the implementation of industry based rehabilitation in better meeting injured workers' needs. In regard to the member's concern at determining which clauses in fact introduce changes to the WorkCover Act provisions and which are unchanged, I draw her attention to the general outline section of the explanatory notes which provides an overview of the changes, while the analysis by clause in every case identifies those clauses which are preserved and those which include changes.

The honourable member for Gladstone also questioned whether the provision under clause 61 for additional premium charges on employers who fail to pay premiums on a timely basis constitutes a new provision. I can confirm that this provision has existed since the inception of the WorkCover Queensland Act and provides for incremental penalties through regulation dependent upon the extent to which the payment is overdue. For example, premiums less than 30 days overdue attract a five per cent penalty; for those overdue between 30 and 60 days, a 10 per cent penalty applies; and those that are overdue in excess of 60 days also accrue interest charges.

The member for Gladstone also sought clarification on the issue of persons working on ships for a percentage of the catch and whether or not these persons are entitled to compensation in the event of an injury. I can confirm that the bill preserves the current coverage for such workers whose entitlements for compensation are assessed on a case-by-case basis in accordance with the particular employment arrangements which apply. Persons engaging in a partnership arrangement based on a share of the profits from the catch would not meet the requirements for a worker.

With respect to the matter of contributory negligence, I can confirm that the bill preserves the existing WorkCover Act 1996 provisions which allow a court to determine the extent to which such negligence would influence the quantum of any damages payable. In regard to the member's reference to the unnamed medical practitioner, I am happy to speak with her at a later date as she requested.

In response to the member for Bulimba, I can assure the honourable member that after 12 months I will initiate a review of employers' compliance with the recently introduced results test to determine who is and who is not a worker. The changes to the scheme contained in the bill follow a complete and comprehensive review of workers compensation legislation for consistency with National Competition Policy principles. This is in keeping with the Queensland government's commitment to the COAG agreement on national competition policy as adopted by all jurisdictions.

The decision to separate the assurance and regulatory functions of WorkCover follow the full public benefit test and stakeholder consultation process in line with guidelines established by the National Competition Council. The establishment of an independent regulatory authority removes any room for criticism in regard to the perceived independence of decisions in respect of review of claims as well as the administration of medical assessment tribunals, self-insurance licensing and the enforcement of rehabilitation requirements. These decisions will now be taken in a completely independent environment, removed from the commercial pressures of either WorkCover or self-insurers. WorkCover will continue to manage the premium and investment funds, and will also continue in the delivery of insurance services to Queensland workers and employers.

While the separation of the insurance and regulation components has the advantage as outlined, the bill also provides for a direct reporting line by the newly structured boards of both WorkCover and the authority to me as the minister responsible for the Queensland scheme. I will be

provided with quarterly reports detailing the activities and status of both the insurance and regulatory components of the scheme to ensure that the overall operations of the scheme continue to be closely monitored. To ensure that policy decisions about the scheme are fully informed, the bill provides for the establishment of workers compensation advisory committees which will provide an effective consultation and advisory forum to address any matters relevant to the scheme.

As outlined in my second reading speech, the committees will consist of representatives of workers, employers, government, self-insurers, WorkCover and Q-Comp, and this composition will ensure that all stakeholders have adequate opportunity for input. With the transparency of decision making that will result from the changes introduced by the bill, the role of my department is also clarified.

A dedicated workers compensation policy capacity has been developed within the department which will work closely with the offices of WorkCover and the new regulatory authority, as well as industry stakeholders in the continued enhancement of this scheme. This approach of cooperative consultation with all stakeholders in workers compensation has been a hallmark of the Queensland Labor government and has led to the enviable position that sees Queensland workers and employers enjoying the best and fairest workers compensation scheme in Australia.

As a result of changes introduced by the bill, medical practitioners taking part in medical assessment tribunals will be protected from claims for civil liability arising from the reasonable discharge of their functions. Any such liability will be deferred to, and underwritten by, the authority. The cost of administering the scheme overall will not increase significantly as a result of the new arrangements, with funding of the new authority continuing to be met by WorkCover and self-insurers who will contribute through their annual licence fees. As I recently advised the House, average employer premiums will be held at $1.55 per $100 of wages for the 2003-04 financial year—the fourth consecutive year of the lowest average premium rate of any state in Australia.

Mr Purcell: What would it be in New South Wales; do you know?

Mr NUTTALL: Very expensive. The bill continues Labor's planned approach to the improvement of further elements of Queensland's workers compensation scheme and cements it as a model across this country. I commend the bill to the House.