



Speech by

JEFF SEENEY

MEMBER FOR CALLIDE

Hansard 13 May 2003

WORKERS' COMPENSATION AND REHABILITATION BILL

Mr SEENEY (Callide—NPA) (Deputy Leader of the Opposition) (11.44 p.m.): I rise to make a contribution to the Workers' Compensation and Rehabilitation Bill 2003. As set out in the explanatory notes, this bill was a result of the national competition policy review of the WorkCover Queensland Act 1996. The legislation we have before the House is in response to that review.

The bill sets out to repeal the WorkCover Queensland Act 1996 and to provide new legislation to provide for the separate delivery and regulation of the workers compensation scheme. I think that is the most important element of what is a considerably large piece of legislation.

The explanatory notes suggest that the object of the government is to maintain WorkCover as a fully commercial statutory body, to provide for the establishment of a statutory authority to regulate the scheme, and to achieve the aim of centralising policy and legislative development functions within the Department of Industrial Relations.

It is particularly important that Queensland does have a workers compensation scheme that Queensland workers can be confident protects their interests and ensures they are properly compensated if they are hurt at work. I think everybody agrees with that. Irrespective of on which side of the House any member in this place sits, I think everyone would agree with the concept that there needs to be an umbrella of safety for Queensland workers. I think the scheme we have in place, in comparison with schemes that operate in other parts of Australia, is something Queenslanders can have confidence in. We as Queenslanders can take some pride in the fact that we do have a workers compensation scheme that provides that umbrella of safety for Queensland workers.

The first element of the consideration of this bill is whether that umbrella of safety provided to Queensland workers will be diminished or enhanced. As each of us decides how we will respond to the bill before the House, that is the first test that has to be applied to the bill the minister has introduced. Will it make the workers compensation scheme better or does it have the potential to detract from the protection that is available to Queensland workers today? If we use that measure to look at what is being proposed, I suggest that it is difficult to see how this proposal will make things better for Queensland workers or, for that matter, for Queensland employers, who are the people who pay the premiums.

It is sometimes forgotten that there are two major groups of stakeholders in this workers compensation issue. There are the workers, who obviously need the protection of an insurance scheme, and there are the employers, whose responsibility it is to pay the premiums and to ensure that their workers are covered by an adequate level of insurance. We need to look at what is being proposed in this legislation from the viewpoint of both of those groups of stakeholders. If one of those groups of stakeholders suffers, they both suffer. If one of those groups of stakeholders is impacted upon by this legislation—if it detracts from the benefits that either of those groups of stakeholders receive from Queensland's WorkCover system—then both groups of stakeholders are worse off.

So what does this legislation propose? It seeks to separate the regulatory function from the insurance function. It seeks to separate within the current system the regulation making function that the government quite rightly has from the provision of insurance, which I guess is the eventual aim of the whole workers compensation process. Unfortunately, what that separation does—and some of the comments in the explanatory notes indicate this is the long-term intent, even though it is not clearly

spelt out—is make it more likely that the provision part of the workplace insurance cover scheme is going to be made into a government owned corporation. I think the term that is used in the explanatory notes is that it is a candidate government owned corporation, a candidate GOC. It appears that there is a move in that direction, that is, to take the insurance function of WorkCover and set it up as a government owned corporation, which I think is referred to in this bill as Q-Comp, which stands for Queensland compensation, I presume.

I acknowledge before the minister madly scribbles some notes over there that this legislation does not set up a government owned corporation, but it appears to be an inevitable step in that direction. That should be of some concern to anybody who has a genuine concern about the issues that I referred to at the start of this contribution—that is, concern about maintaining the umbrella of safety that is available for Queensland workers and maintaining the workers compensation scheme that is available to Queensland employers who have the responsibility to pay those premiums. There is no benefit that I can see to either of those stakeholders in progressing these changes to the Queensland workers compensation scheme towards setting up a government owned corporation.

To ascertain what effect that is going to have, we need to look at the operation of the other government owned corporations that already exist and how they have affected the service that is available to the people whom they directly administer. No better example exists than that of SunWater, which was well and truly explored in the debate on the previous legislation in this House. SunWater is a government owned corporation, and there can be no doubt that the services that were available to the customers of that government owned corporation—in that case it was water users—have suffered and have been eroded substantially since the implementation of this government owned corporation structure.

I spoke in that debate about the increasing tendency of ministers to separate themselves from their responsibilities and their decision-making role by using the government owned corporation structure as some sort of a buffer between them as ministers, as elected representatives, and the people who receive the service from the government owned corporation that they set up. So the government owned corporation becomes a barrier to people who want access to their elected representatives who are ultimately responsible for the administration in these particular areas. Suncorp is a great example. Queensland Racing is another great example, and we saw that in the House this morning when the Minister for Racing basically said that she is not the Minister for Racing. She does not have a role. It is all the government owned corporation. It is all Queensland Racing's fault.

If we allow these changes to progress down the track towards making Q-Comp a government owned corporation, why would we expect it to be any different from the other government owned corporations? Why would we expect Q-Comp, when it becomes a government owned corporation, to be any different from SunWater or Queensland Racing or Ergon or Energex? We have no reason to expect it to be any different. We have to look at those government owned corporations as an example of what to expect if we as a parliament allow this bill to progress and allow the progression of the workers compensation scheme into a government owned corporation.

Another example that should be very clearly noted is the extent to which the government relies on GOCs as an income stream. For a number of years government owned corporations in the electricity industry have provided successive governments with a very substantial income stream. Due to a number of factors in the electricity industry—

Mr Purcell interjected.

Mr SEENEY: None of us did when we were in government, and the previous government did not when it was in government either. But due to a number of factors, such as the privatisation of the electricity industry, the entry of private players, the setting up of a national electricity market and that big powerline they built down to New South Wales, those government owned corporations were not able to provide that flow of income that state governments had become addicted to. So what is happening now? Pressure is being applied to other government owned corporations to fill that gap, to take up the slack.

That is why government owned corporations like SunWater are suddenly being required and expected to produce a dividend for the government. This year, for the first time, we saw SunWater generate a dividend for the government. Where did that dividend come from? It came from the users of the service that the government owned corporation provides that was previously provided by a government department before this government owned corporation was set up. So the water users in the SunWater case are suddenly contributing more than they would have done before the establishment of a government owned corporation so that that government owned corporation can pay a dividend to the government.

That is what we can expect to happen if we see the establishment of Q-Comp as a government owned corporation. Members should ask themselves how that will be achieved. If we allow this to progress and Q-Comp becomes a government owned corporation, it is inevitable that it will be required

to pay a dividend. How will Q-Comp generate a dividend? There are only two ways that Q-Comp will be able to generate a dividend. One is that it will pay less compensation to workers who are injured at work. I am sure the member for Bulimba would not be supporting that, because it would mean that payments to workers would be restricted and the requirements to qualify for those payments would be tougher. I am sure the member for Bulimba would not be supporting that, and nor should he. The only other way is to increase the premiums that employers pay, and the member for Bulimba should not be supporting that either because that means those businesses that those employers run are weakened and they are less able to provide employment and less able to provide the economic benefits that they do for Queensland.

When Q-Comp becomes a government owned corporation—because it is when and not if—and it is required to pay a dividend to the government, it can only mean a detraction from the service or from the benefits that are available to those two stakeholder groups. There is no possibility that this progression of Q-Comp to a government owned corporation can do anything else but detract from the benefits that are enjoyed by those two stakeholder groups.

For that reason I believe that this parliament should reject this legislation. We should not progress down the path towards a government owned corporation that has the responsibility for workers compensation. Workers compensation insurance is not something that the government should endeavour to make money out of, because if it seeks to make money out of it it will mean a detraction from those two major stakeholders.

The member for Keppel will speak later in this debate. He was formerly a minister responsible for this area. He will be outlining how, in years gone by, when the workers compensation scheme generated a profit that profit was returned to the scheme in the form of incentives and rewards for employers who were able to achieve safe workplaces and low accident rates. Is that not the way it should be? Is that not the way to achieve what we all want to achieve in seeing fewer workplace accidents, fewer workers hurt in accidents and more employers take greater responsibility for safety in their workplace?

If there is to be a surplus generated by the operation of the workers compensation scheme, that is a much better use for it than to have it paid to the government as a dividend, as an income stream, so that whichever government is in power will very quickly become reliant upon it, just as governments became reliant upon the dividend streams from the government owned corporations in the electricity industry.

There is nothing that I can ascertain in the way that this legislation has been presented to this House that should convince the parliament to support it. There is certainly nothing in the minister's second reading speech that should convince the parliament to support it. It is the thin end of the wedge. It is the first step down the path to the establishment of a government owned corporation that will be called Q-Comp. Unless there are substantial arguments advanced as to why that will be of particular benefit to the people for whom workers compensation is important, then this parliament certainly should not even consider passing this legislation.

There is an argument that can be made about separating the regulatory function from the provision of insurance. That is the point that was identified by the national competition review, that is, that there needs to be a separation of the regulatory function from the provision of insurance. The validity of that argument is somewhat recognisable in a range of different areas of government administration and in a range of different areas of government activity where there is a regulatory role in a service provision role.

The benefits that can be achieved by that separation can be achieved without proceeding down this path towards a government owned corporation. The two are not mutually exclusive. I would be suggesting to the minister that a better course of action would be to protect the interests of Queensland workers and Queensland employers by ensuring that the workers compensation scheme continues to provide the benefits that it currently does to both of those groups.

This can be done by ensuring that the scheme does not become a money making enterprise for the government and by ensuring that that separation is carried out within the departmental structure. That can be done. It can be done within the departmental structure without exposing the stakeholders to the danger of a reduction in service and in benefit that I believe would inevitably flow from the establishment of Q-Comp as a government owned corporation.

We will be looking forward to hearing in the debate how this is to benefit those stakeholders. There has been no evidence put forward in that regard as yet, and I struggle to see what arguments can be put forward to illustrate the benefits to those stakeholders that would justify the passage of this legislation in its current form. I think there is a responsibility incumbent on every member of this House to ensure that those stakeholders' interests are protected in any changes we make to the WorkCover system.

It is probably worth while noting that the title of this bill has been changed. It says in the explanatory notes that it has been deliberately done to better reflect the approach that the government wants to take towards this whole area, and the bill has been named the Workers' Compensation and Rehabilitation Bill. I think, too, that is something that would have the support of every member of the House. I cannot see that there would be any argument mounted against the approach that the explanatory notes set out to explain that change in name. There is no disagreement about that, that is, that any workers compensation scheme needs to be focused on rehabilitation and ensuring that workers who are unfortunately hurt are very quickly rehabilitated and returned to work.

There is not much in this legislation that I can see that would assist in that regard. There is not a lot that I can see in this legislation that makes any great change or improvement in the prospect of workers being rehabilitated should they be injured. I would be looking for some response from the minister when he sums up the second reading debate. He may be able to point out something that I have missed that deals specifically with that rehabilitation question, because it is important to do more than just recognise the need for it and change the title. It is important to do a whole lot more than that and to ensure that what is conveyed in the title is reflected in the bill. We will be looking for some sort of an explanation from the minister on that when he sums up this second reading debate.

Other than that, there are a large number of clauses in the bill. Many of them relate to the renumbering of clauses and the rearrangement of clauses from the old act, and the majority of them do not constitute a change in legislative approach from the one that existed in the old act. There are a couple there that are possibly best dealt with in the committee stages of the legislation, and I will certainly be pursuing those with the minister.

I conclude by reinforcing the point that any bill that is introduced into this House that suggests a change to the workers compensation scheme needs to clearly identify how those two major stakeholder groups are to be better off under the change that is proposed. The change that is proposed in this bill seems to me to be moving the whole workers compensation process closer to being a government owned corporation. The examples of the other government owned corporations that we have become familiar with show that this cannot possibly deliver benefits to those two stakeholder groups. For that reason the opposition will be opposing this legislation.