



Speech by

Marc Rowell

MEMBER FOR HINCHINBROOK

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WORKCOVER

Mr ROWELL (Hinchinbrook—NPA) (12.10 pm): Many honourable members will have read an article in the *Courier-Mail* of 26 January this year lauding the achievements of Labor Party 'identity' Ian Brusasco and his offside, Tony Hawkins, in raising WorkCover from being a corporate basket case with an alleged \$321 million deficit to being a national leader with a \$723 million surplus. The essence of the article is that Messrs Brusasco and Hawkins have engineered a \$1 billion turnaround over the past 7½ years, in the process kicking a much-needed goal for the Beattie government.

There is certainly good news. The management of WorkCover over the life of the Beattie government is a rare corner of public administration in which excessive ministerial micromanagement and political interference has not destroyed any prospect of the public good. The drop in workers compensation premiums to \$1.20 per \$100—the lowest in the country—is a real achievement for the government and its 'identity', Mr Brusasco. It is interesting to note that last year the nine per cent superannuation component of wages was added to the fund's calculation and then premiums were adjusted to reduce the overall rate from \$1.40 for every \$100 to \$1.20 for every \$100.

I do not want to deny the government its moment in the sun, but I suggest that those interested in the full story behind this unique managerial miracle look a little further into the history and inheritance of the Beattie government. If one were to believe the tale told by the *Courier-Mail*—and doubtless the Labor-induced spin surrounding the 26 January article—one might be tempted to accept the election of the first Beattie government in 1998 as a kind of WorkCover year zero requiring a complete revision of the mistakes of the previous administration.

The traditional Labor line is that the alleged \$321 million deficit owed by WorkCover in mid-1998 was the construction of the previous coalition government, in response to which the Beattie government's new plan has revolutionised workers compensation funding. Three issues have been glossed over and there is one bold misrepresentation. The latter is that as at 30 June 1998, some months before Mr Brusasco's August appointment, WorkCover was \$43 million in deficit. The \$321 million referred to in the *Courier-Mail* article was the deficit as at 30 June 1996 and represented an inheritance of the moribund Workers Compensation Fund from the Goss government. I will not be so cynical to suggest that the government has deliberately confused these dates, but I will allow honourable members to draw their own conclusions.

From this lapse in historical fact, the three glossed over issues come into play. The first is that the Kennedy inquiry, which was responsible for the innovations upon which the current Labor government and its 'identity' have relied to build upon their inherited surplus, was instigated by and reported to the last coalition minister for industrial relations, the Hon. Santo Santoro. Changes emanating from the Kennedy inquiry included the corporatisation of WorkCover, tougher fraud enforcement, transparency and accountability, and a new system that rewarded safety. Initially, these changes were onerous and required employers to pay average initial contributions of 2.145 per cent to create a solvent entity. However, that was a transitional figure and it was already down to 1.85 per cent upon Mr Brusasco's arrival—another piece of incorrect data that the government has neglected to correct. Contrary to the spin currently being pervaded, the design of WorkCover, like the surplus, is an inheritance.

Secondly, Mr Tony Hawkins, who has been a most able CEO of WorkCover and who in the contemporary version of the events—

Time expired.