



Speech by

**Michael Caltabiano**

**MEMBER FOR CHATSWORTH**

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## **WORKERS' COMPENSATION AND REHABILITATION AMENDMENT BILL**

**Mr CALTABIANO** (Chatsworth—Lib) (12.42 pm): I was driven to speak on this bill after the statements made earlier by the member for Ferny Grove. He took a very narrow view of history when it comes to the provision of WorkCover, the WorkCover bill before the House and, indeed, the act and how it got here. He presented a poor reflection on a great Queensland identity—a former member and minister in this place who is now a senator and minister in the federal parliament, the Hon. Santo Santoro.

**Mr Barton:** Ha, ha!

**Mr CALTABIANO:** Well may the minister laugh. He is a greater man than the minister will ever be. Many honourable members will have read a curious piece in the *Courier-Mail* of 26 January this year which was a precursor to this bill. The article lauded the achievements of 'Labor Party identity Ian Brusasco and offsider Tony Hawkins'—

**Mr Barton:** He's the one who fixed it.

**Mr CALTABIANO:**—in raising WorkCover from a 'corporate basket case' with an alleged \$321 million deficit to a national leader with a \$723 million surplus.

I take the minister's interjection that Mr Ian Brusasco was the one who fixed it. Never has a greater falsehood been stated in this parliament than that which the minister has just stated. 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 of kicking a much-needed goal for the Beattie government.

**Mr Barton:** They did.

**Mr CALTABIANO:** But they have not, Minister. He does not know his facts. I will come to the facts in a moment.

Certainly, there is good news here. Over the life of this government the management of WorkCover is a rare corner of public administration where excessive ministerial micromanagement and political interference have 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, contrary to its performance in areas such as health, fleet management, child protection, water safety, road building, access to roads and the list goes on.

**Government members** interjected.

**Mr DEPUTY SPEAKER** (Mr Lee): Order! I would like to hear the member who is on his feet.

**Mr CALTABIANO:** As I said, there is achievement in this field. I do not want to deny the government its moment in the sun. However, I suggest that those interested in the full story behind this unique managerial miracle look a little further into the history—

**Mr BARTON:** I rise to a point of order. I raise the question of the relevance to the bill in relation to what the member is speaking about.

**Mr DEPUTY SPEAKER:** Order! There is no point of order. There has been a reasonable degree of latitude in this debate. I ask that members stop referring to each other in derogatory terms across the chamber. Members will be so kind as to allow us to hear the member on his or her feet. In general terms, the member on his or her feet will refer specifically to the bill.

**Mr CALTABIANO:** I will do my very best, Mr Deputy Speaker. Thank you for your latitude, which you have given also to previous speakers today.

There is achievement here, and I do not want to deny the government its moment in the sun. However, I suggest that those interested in the full story behind it need to have a look at the history of what the government inherited.

If one were to believe the tale told by the *Courier-Mail* earlier this year—doubtless the Labor induced spin in the *Courier-Mail* earlier this year—in 1998 the Beattie government faced a WorkCover year zero, requiring a complete revision of the mistakes of the previous administration. The traditional line that is put out by the minister, and we heard it again a moment ago, is that the government allegedly inherited a \$321 million deficit in mid-1998.

However, three fundamental issues have been glossed over and one very bold misrepresentation has been made. The latter is that in June 1998, some months before Mr Brusasco's august appointment, WorkCover was only \$43 million in deficit. The \$321 million referred to by the minister was in fact the deficit left to the coalition government by the Goss Labor government on 30 June 1996. I will not be so cynical as to suggest that the government is deliberately confusing those dates. I will allow honourable members to draw their own conclusions.

From this lapse in history, the three glossed issues come into play. The first is that the Kennedy inquiry, which has been responsible for the innovations on which the current Labor government and its identity have relied to build their inherited surplus, was instigated by and reported to the last coalition minister for industrial relations, the Hon. Santo Santoro.

Changes from the Kennedy inquiry included the corporatisation of WorkCover, tougher fraud enforcement, transparency and accountability and a new system rewarding safety. Initially this was onerous, requiring employers to pay average initial contributions of 2.145 per cent to create a solvent entity. However, this was transitional and was already down to 1.85 per cent upon Mr Brusasco's arrival, which is another piece of incorrect data that the government has neglected to correct. The design, like the surplus, is an inheritance contrary to the spin currently being purveyed.

The second issue relates to Mr Tony Hawkins, who has been the most able CEO of WorkCover and in the contemporary version of events is referred to so unkindly as Mr Brusasco's 'offsider'. He preceded Mr Brusasco by some eight months, having been appointed under the Borbidge government in January 1998. Again, the professional administration of WorkCover is an inheritance glossed over as part of this government's traditional way of dealing with public servants.

The third issue which I wish to take up today which the January *Courier-Mail* piece of historical revisionism most conveniently and most tellingly glossed over is, of course, the role of the Labor Party in allowing the collapse of WorkCover prior to 1996. We could not reach the position today where we are discussing the bill today and looking at changes, particularly with respect to the MAT process, unless we understood where the bill came from. We know from this dark period of Queensland history that, as with so many other structural problems faced by Labor and its return to the treasury benches, the answers to the WorkCover compensation fund were well known to government but unpalatable to its union base. Way back in the early 1990s the problems in WorkCover were well known, but members opposite did not have the guts to sort the problems out because they were reliant on their union base. In relation to WorkCover it is a fact that difficult decisions were taken by a conservative administration and were gratefully inherited at the time by Minister Braddy, who recognised and retained the quality of the reforms and the executive team who were already well about the business of implementing them.

As for the other claims made in the article in the *Courier-Mail* earlier this year, which preceded this bill, that technology was outdated and morale was low in 1998, we can only congratulate the Beattie government on not reinstating outmoded union friendly systems and practices which have only compounded the necessary pain of an organisation in transition.

I offer those observations today to set the record straight. Having been in the game for a couple of years, I am well aware that much of the practice of politics, whether in this chamber or through the media, involves hyperbole and gilding of lilies, mostly by the ALP through its self-confessed media tart, and often leads to misrepresentations in the media. On matters of importance, such as the WorkCover bill, we need to make sure that those things are set straight. It was Edmund Burke, who I am sure is no favourite of this government, who observed in 1796 that 'as in all virtues, there is an economy of the truth.'

The government, in celebrating the achievements of WorkCover, is keen to assert the removal of a deficit. Instead, it might address its deficit in its economy of truth and accord credit where it is genuinely due, and that is at the feet of the previous government and the system that it inherited. I will certainly be supporting the bill. As the shadow minister has been pointed out, we on this side will support this bill. However, it is important that we reflect on the history of how we came to reach this point today.