



Speech By  
**Hon. Curtis Pitt**


**MEMBER FOR MULGRAVE**

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## **MINISTERIAL STATEMENT**

### **WorkCover**

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships) (9.56 am): I rise today to inform the House of the continuing strong performance of Queensland's workers compensation scheme. The strong performance of WorkCover can be attributed to the previous Labor government's 2010 workers compensation legislative reforms, which are now being realised. It is because of those reforms that the scheme is on a very healthy financial footing.

Furthermore, today I can announce that the WorkCover Queensland board will maintain the average premium rate at \$1.20 per \$100 in wages paid for 2015-16. This will be the lowest average premium rate of any state in Australia. This is a great result for Queensland business, particularly for those businesses that get a competitive advantage when they trade interstate.

It is evident that the 2010 amendments were successful in addressing the increasing costs of claims, particularly the disproportionate increase in common law claims that WorkCover was experiencing at the time of the amendments. For the period 2009 to 2014, the scheme experienced a 15 per cent reduction in the number of common law claims lodged. In addition, the average annual cost of a common law damages claim has reduced by 10 per cent. The combination of these two improvements has resulted in significant savings to the scheme. Over the same period, there has been a 15 per cent reduction in the number of new statutory claims and a 15 per cent reduction in the incidence of serious work related injuries requiring more than five days off work.

I would also point out that the harsh and unfair common law amendments that were introduced on 15 October 2013 by the previous LNP government are only now starting to flow through in claims data. Injured workers have approximately three years to make common law claims and, on average, approximately 4,000 claims per year are received. The unfairness of the LNP's workers compensation scheme is not being seen yet, because many of the claims have not been lodged. Queensland businesses are also becoming safer, with fewer serious injuries and fatalities. This reduction in injury rate has a flow-on effect to common law lodgements, that is, if workers are not being injured, common law claims will reduce.

As well as being safer, Queensland workplaces are returning more workers back to work after injury. Over the period 2010 to 2014, the return-to-work rate for injured workers increased from 94.3 per cent to 96.3 per cent. That is a fantastic result for workers who are able to maintain dignity and independence after a workplace injury and employers are able to retain the skills of knowledge of workers, which leads to more productive businesses.

The 2010 reforms have achieved and continue to deliver ongoing savings and improvements to Queensland's workers compensation scheme. This was all achieved without attacking the basic entitlements and rights of workers. This is in stark contrast to the 2013 common law amendments that sought to achieve scheme savings by removing the benefits and entitlements of workers.

Under the previous government, the parliament's Finance and Administration Committee conducted a 12-month inquiry into the operation of Queensland's workers compensation scheme. After considering all the arguments for and against imposing an impairment threshold on common law access, the committee considered that a threshold should not be imposed as the extent of the 2010 amendments in addressing the increase in common law claims had yet to be fully realised.

The committee further recognised that imposing thresholds on accessing common law rights would improperly remove rights from one group of citizens that are available to other citizens. Contrary to the view of the committee, on 15 October 2013 legislative amendments made by the former government introduced a greater than five per cent threshold entitlement to seek damages for an injury sustained by a worker. Just like the broader public, the previous Newman LNP government did not listen to the considered view of the parliamentary Finance and Administration Committee. The considered 2010 reforms that were worked through with representatives of employers, lawyers and workers have provided the foundation to maintain the average premium rate at \$1.20 as a result of the reduction in common law claims. I personally spoke to the chair of WorkCover to ensure that he and other board members were fully aware of the Palaszczuk government's proposed changes to the workers compensation scheme, including the proposal to remove the five per cent threshold. They have since determined that the \$1.20 premium rate can be maintained.

Despite claims by those opposite that their 2013 changes were the reason for the premium reduction, premiums will not now skyrocket because the scheme is healthy due to the good stewardship of Labor governments over the last two decades. This government is committed to restoring fairness to Queensland's workers compensation scheme and to Queensland workers generally—fairness to both workers and employers. This revelation from the WorkCover board is good news for business.