



Speech By
Hon. Jann Stuckey

MEMBER FOR CURRUMBIN

Record of Proceedings, 17 October 2013

**WORKERS' COMPENSATION AND REHABILITATION AND OTHER
LEGISLATION AMENDMENT BILL**

 **Hon. JA STUCKEY** (Currumbin—LNP) (Minister for Tourism, Major Events, Small Business and the Commonwealth Games) (5.13 pm): I rise to speak to the Workers' Compensation and Rehabilitation and Other Legislation Amendment Bill, introduced into this place by the honourable Attorney-General and Minister for Justice and member for Kawana on 15 October 2013 and, in doing so, I add my support for this legislation. In my capacity as the Minister for Small Business I speak today on behalf of almost 190,000 small and medium sized enterprises throughout our great state that welcome a fairer system and one that will deliver protection for injured workers. For too long our small business community has been suffocated with layers of red tape from a Labor government and prohibitive regulations, and this bill provides some relief.

As the Attorney-General outlined in his introductory speech, this bill aims to ensure the ongoing success and viability of Queensland's workers compensation scheme by reducing duplication, simplifying regulatory processes and ensuring that compensation is available and accessible to help injured workers get back on their feet, literally speaking. The changes aim to strike a better balance between providing appropriate benefits for injured workers but at the same time keeping the costs incurred by employers reasonable.

This bill relates to seven areas of workers compensation including journey claims, cracking down on fraudulent claims, rehabilitation and return to work, definition of 'injury', disclosure of previous injuries or claims history, common law threshold and Q-Comp transition. I will expand on each of those areas in a moment. This bill will make Queensland premiums the cheapest in Australia again and reduce the baseline general premium rate by more than 15 per cent. We will have one of the lowest average premium rates for employers whilst maintaining the appropriate coverage for injured workers.

In the past Queensland had the lowest average premium rate in Australia, and the Newman government wants to keep it that way. However, since 2009 the average premium rate in Queensland has increased by around 20 per in Queensland. Simply put, Queensland businesses and employers are not seeing value for money from their workers compensation premiums. Queenslanders want an affordable scheme that helps injured workers get back to work as quickly as possible. That is why the Finance and Administration Committee undertook an inquiry into the operation of Queensland's workers compensation scheme. The committee tabled its report on 23 May 2013 and since that time the Newman government has implemented a number of the 32 recommendations contained in the report.

Of the 32 recommendations, 12 are of a legislative nature while 20 recommendations involve administrative and structural arrangements. The Queensland government response to the committee's report supports the majority of these recommendations. The first of the seven areas to be covered by the bill relates to journey claims made by employees travelling to and from their place of

work. The Newman government is retaining unrestricted access to journey claims because it recognises that a state as large and decentralised as Queensland presents unique circumstances and we support a large fly-in fly-out workforce. I am pleased to say that we are the only state to maintain journey claims for every worker.

The second issue this bill addresses is fraudulent claims. Cracking down on fraudulent claims will not only help reduce premiums but also save employers undue stress and hassle. We are changing the law to require that WorkCover refer all allegations of fraud related offences to the scheme regulator for investigation. Additionally, we are increasing the penalties for fraudulent claims, with maximum penalties of 500 penalty units or five years imprisonment—an increase from a maximum of 400 penalty units or 18 months imprisonment.

The third matter this bill covers is rehabilitation and return to work. This bill will require insurers to refer injured workers to an accredited return-to-work program to facilitate improved return-to-work outcomes and minimise the injured worker's future economic loss.

The fourth issue this bill addresses is the definition of 'injury'. No longer will psychological or psychiatric claims be considered as an injury unless employment can be proven to be the major significant contributing factor.

The fifth matter this bill covers relates to the disclosure of previous injuries and claims history. In the past, workers were required to provide an employer with a notification of previous injuries if requested by the employer. This bill reintroduces this clause and enables employers to be able to access a prospective worker's claims history. This will allow employers to be able to mitigate any risks of aggravating a pre-existing injury or condition when recruiting workers.

The sixth matter the bill addresses is the common law threshold for workers compensation claims. The government is retaining access to common law claims except for those with a medically assessed impairment of five per cent or less because seriously injured workers deserve to have adequate compensation.

In 2009-10 the board of WorkCover Queensland, under former chairman Ian Brusasco, recommended that the government introduce a 10 per cent to 15 per cent threshold on common law claims. Under our proposed changes, we believe we have got the balance right with the above five per cent threshold. Since 2010 the number of lower-end common law claims has remained constant or increased in certain work related impairment bands, which is of significant concern to the government. All injured workers are entitled to compensation under the statutory payment scheme, which is a no-fault scheme. Statutory compensation provides weekly compensation for lost wages, medical expenses and a lump sum payment until a worker's injury is stable. It should be noted that the statutory claim process is far more efficient than that of a common law claim. The government believes these claims are more appropriately dealt with through the statutory no-fault system instead of through the courts.

The seventh and last area this bill covers is the Q-Comp transition. As part of the government's commitment to strive for improvements in front-line services, the current workers compensation regulator, Q-Comp, will be merged into the Office of Fair and Safe Work Queensland in the Department of Justice and Attorney-General. This transition will specify that current Q-Comp employees will be no worse off. This merger will enable government to reduce duplication and inefficiencies in the current structure and end the general confusion about the roles of WorkCover Queensland and the regulatory framework.

This bill is supported by many industry organisations including the Chamber of Commerce and Industry Queensland, the Housing Industry Association and Master Builders Queensland. In a media release Nick Behrens from CCIQ said—

The Queensland business community welcomes the government's decision to restore fairness in the system to ensure the interests of both employee and employer are met.

HIA Queensland's executive director, Warwick Temby, said on Tuesday—

HIA also supports the government's commitment to return-to-work programs and rehabilitation. This is what the workers' compensation system should be focused on rather than how to maximise common law claims.

Grant Galvin, the executive director of Master Builders Queensland, said—

Our industry has had on average a 23 per cent increase in workers' compensation premiums over the last four years, meaning it has one of the highest rates in Queensland. The changes announced by the government today are estimated to reduce premiums by at least 13 per cent, whilst ensuring that the scheme remains fully funded and sustainable, and effectively balances the interests of employers and workers.

I believe that Mr Galvin summed up industry's response to this bill when he said—

We believe that the Newman government's changes to the scheme will make a clear statement to the rest of Australia that Queensland is once again open for business with a robust, fair and cost effective workers' compensation system.

Like many honourable members in the House, over past months my electorate office has been contacted by many individuals and some unions expressing their views relating to this issue. The comments are varied, but there has been a very clear theme of concern relating to journey claims when travelling to and from work—an aspect that this legislation does not change, so I am confident Currumbin locals will be very pleased this aspect has remained the same.

There was also a desire by some to leave the current workers compensation scheme untouched but, as with many schemes across various portfolios, such as the Public Works BSA overhaul, regular reviews are seen as a necessary and somewhat healthy initiative. This new legislation will ensure the Queensland scheme is the fairest in the nation, with the most coverage for workers and the lowest premiums for employers. Queenslanders deserve the best in the nation and that is what the Workers' Compensation and Rehabilitation and Other Legislation Amendment Bill 2013 sets out to do. This bill will go a long way to guaranteeing the ongoing success and viability of Queensland's workers compensation scheme in years to come.