

19 June 2015

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Dear Senator

The Australian Lawyers Alliance (ALA), the Chamber of Commerce and Industry Queensland (CCIQ) and the Queensland Council of Unions (QCU) collectively write to express our organisations' concern with the *Safety, Rehabilitation and Compensation Amendment Bill 2014*.

The Queensland workers' compensation scheme is regarded as the best performing in Australia not only in terms of solvency but in delivering the lowest or second lowest average premium for businesses across the last 10 years. At the same time the benefits delivered to injured workers and their families across this period have additionally been regarded as both fair and reasonable.

The proposed *Bill* in our collective view will have the unintended impact of undermining the success of WorkCover Queensland through contributing to the diminution of safety; increased premium volatility; an increased average premium rate over time; and added complexity and uncertainty of health and safety arrangements in Queensland. These impacts will be to the direct detriment of the Queensland small business community and our State's 2.1 million employees.

The opening up of national self-insurance as proposed by the *Bill* will have the impact of reducing the WorkCover Queensland premium pool as large businesses leave the Scheme. Based on the proposed criteria of operating in two or more jurisdictions to be eligible for national self-insurance, Queensland Government analysis of policy holders indicates that a substantial number of businesses will be eligible to exit the Queensland scheme and could potentially result in a reduction in premium income of over \$250 million or 18 per cent of the \$1.4 billion premium pool. This reduction would invariably result in greater premium volatility in the average rate over time. Furthermore as dominant employers with good claims history leave then it is likely to result in an increase to the industry rate for remaining employers.

The *Bill* will have impacts on businesses well beyond companies eligible for national self-insurance. In Queensland there are an estimated 138,000 private sector non-agricultural small businesses employing fewer than 20 workers. These small businesses do not operate across interstate borders and many will not be in a position to absorb premium fluctuations from a reduced premium pool. The *Bill* in this context creates an unequal playing field for Queensland small businesses.

Furthermore the proposed amendments contained in this *Bill* will create greater complexity for Queensland employers and employees, and have the unintended effect of producing both jurisdictional and safety gaps in the system to the detriment of all parties.



A scheme that broadens its application nationally (such is the object of this *Bill*), to invariably operate alongside existing State-based workers compensation schemes will create unnecessary overlap of applicable insurance arrangements, resulting in decreased safety outcomes for employees and increased red tape for employers. The everyday impact of the amendments proposed in the *Bill* amount to increased costs and reduced productivity due to the duplication and overlap in the regulation of work health and safety arrangements in multiple jurisdictions.

Stakeholders across the political spectrum in Queensland have worked hard to ensure that all employers irrespective of size and their employees have access to an efficient, fair, stable and cost effective workers' compensation scheme, a system that Queenslanders can be rightly proud of.

Any expansion of the Comcare scheme would in our respectful view, be a retrograde step for Queensland. We also believe that similar considerations apply in the majority of other states and territories.

In light of the above, ALA, CCIQ and the QCU stress the importance of ensuring that the *Safety, Rehabilitation and Compensation Amendment Bill 2014* does not undermine the outstanding operation of Queensland's workers compensation scheme. Accordingly, we seek your support in blocking the passage of this Bill.

Yours sincerely,



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