

Your Ref:

Our Ref: Accident Compensation & Tort Law Committee

18 December 2012

Mr M A Boothman MP

PO Box 1255
BEENLEIGH QLD 4207

Dear Mr Boothman

QUEENSLAND'S WORKERS' COMPENSATION SYSTEM

The Queensland Law Society is the peak body for the solicitors of Queensland. Our members represent, amongst others, injured workers, employers and insurers.

You are no doubt aware of the current review of the workers' compensation scheme being undertaken by the Finance and Administration Committee. The Committee is to report to Parliament by 28 February 2013.

Queensland has, unquestionably, the best workers' compensation system in Australia by any objective measure, delivering in an efficient manner appropriate benefits and support for injured workers and low premiums for employers.

No system is perfect and, as with all schemes such as this, there is scope for improvement. There are some important facts which are relevant to any consideration of the current scheme:

1. The scheme is in good financial health. WorkCover Queensland made a profit last year and has sufficient reserves to meet its liabilities unlike most comparable schemes in other states.
2. The outlook is positive. The latest figures show that there are less common law claims now than in 2010 and all claims rates continue to decrease. Claims payments have also decreased and continue to do so.
3. Actuarial evidence has now shown that the 2010 amendments to the scheme have contributed to the reversal of previously identified trends.
4. Queensland has the second lowest average premium in the country at 1.45% of wages. The published average premium in Victoria is lower at 1.29% but employers in Victoria must pay the first two weeks of wages and the first \$629 in medical expenses of a claim directly. Employers can buy out this by paying a 10% premium increase, equivalent to 1.4278%. In effect therefore, the Victorian premium rate is very little different to Queensland's.
5. There has been discussion of introducing a 0% whole person impairment (WPI) threshold in order for an injured worker to make a common law claim. The Society opposes thresholds for access to common law claims. A 0% WPI assessment does not mean that a person is not injured and does not mean that they are not disabled as a result of their injury. For example the loss of the sense of smell may be awarded a 0% WPI. Thresholds will also undermine the very effective short tail nature of the scheme.
6. There have been calls for the removal of journey claims from the scheme. Journey claims represent only 6% of lodged claims and often the insurer can obtain a contribution to the expense from CTP (ie motor vehicle compulsory third party insurance) insurers. Journey claims are of particularly significant importance in rural and regional areas and provide coverage for injured workers where there is no other insurance scheme, eg a single vehicle accidents involving drive in/drive out workers. The cost of journey claims does not add to the premium of an employer.

We **enclose** for your assistance, copies of the Society's submissions to the Review.

We would be pleased to have the opportunity to meet with you to discuss the Review, the scheme generally and the Society's views.

Should you have any enquiries please contact Matthew Dunn, Principal Policy Solicitor on 3842 5889.

Yours faithfully

Dr John de Groot
President