

Friday 7 December

Finance and Administration Committee
Parliament House
George Street
BRISBANE QLD 4000

submitted via email

To whom it may concern:

**Re: Supplementary Submission to the Inquiry into the Operation of Queensland's
Workers' Compensation Scheme**

The Chamber of Commerce and Industry Queensland (CCIQ) wishes to make a supplementary submission to the Inquiry into the Operation of Queensland's Workers' Compensation scheme, following the Parliamentary Committee Hearing on 28 November 2012.

An employer excess is already required under the Workers' Compensation and Rehabilitation Act 2003 (the Act) and applies to 'time lost' claims.

More specifically section 66 (2) of the Act requires an employer must pay the worker an amount for a 'time lost' claim equal to the weekly payment of compensation that would be payable to the worker. This is calculated as the lesser of:

- 100% of Queensland Ordinary Time Earnings (QOTE); or
- The weekly compensation amount (in most cases this is 100% of the award or 85% of normal weekly earnings, whichever is the greater).¹

CCIQ believes this should be the extent to which any employer is liable for an excess under the Queensland Workers' Compensation Scheme. All claims for 'medical expenses only' should be paid directly by WorkCover to the service provider.

According to QCOMP estimate that WorkCover Queensland receives over 100,000 claims lodged per year.² This figure is well above other state and territory averages, attributable to the requirement for workers to lodge an application for compensation with WorkCover regardless of the severity of the injury.

QCOMP suggested in their submission an option to reduce the number of claims, could be the implementation of an employer excess for 'medical expense only' claims that cost less than QOTE.³

¹ WorkCover Queensland <http://www.workcoverqld.com.au/rehabefits/weekly-compensation/employer-excess>

² QCOMP Submission to the 'Inquiry into the Operation of Queensland's Workers' Compensation Scheme', September 2012, p 11.

³ QCOMP Submission to the 'Inquiry into the Operation of Queensland's Workers' Compensation Scheme', September 2012, p 12.

During the Parliamentary hearing on 28 November 2012, Ms Woods informed the Committee that QCOMP had further refined a figure relating to a possible excess, being approximately \$600 and would yield a reduction of approximately 48,000 claims in the scheme.⁴

CCIQ steadfastly opposes any implementation of an employer excess for 'medical expense' only claims. Such a move would have a significant and detrimental effect on Queensland businesses.

Firstly, the proposal is simply shifting 'medical expense only' claim costs of up to \$600 from WorkCover on to the employer. CCIQ estimates this direct cost to Queensland businesses to be up to \$28.8 million.

Secondly, the proposal actually creates an additional non-dollar burden on business, particularly small business. CCIQ notes that less 'WorkCover required' paperwork may be initially filled out but this benefit is significantly outweighed by the employer having to now manage the medical expense process.

CCIQ shares the position WorkCover articulated during the hearing on the 28 November. Mr Tony Hawkins (CEO, WorkCover) and Ms Sharon Stratford (General Manager, Customer Services WorkCover) set out a number of problems associated with the suggested change:

- "Red tape" will increase for employers who will be required to keep records of minor claims;
- An injury that may initially be thought to be minor and fall within the \$600 excess threshold may turn out to be more serious than anticipated and will then become a WorkCover claim, whereby the entire process will be delayed (assessment, treatment, rehabilitation, return to work, etc) and hence become more expensive for the employer;
- Time-poor employers will be burdened by the complexity of payment of bills etc and general process oversight and familiarisation.

Whilst understanding the desire to reduce claim numbers for the Scheme, CCIQ is steadfastly opposed to any changes that will increase the cost and additionally the compliance burden on Queensland businesses that are poorly placed to oversee the provision and administration of medical services.

The additional internal procedures that employers will be required to implement in order to satisfy a requirement under such a proposal will significantly detract from the State Government's commitment to reduce red tape by 20 per cent and their pledge to return Queensland to offering the most competitive business operating environment.

Yours sincerely,



Nick Behrens
General Manager – Advocacy
Chamber of Commerce and Industry Queensland

⁴ Queensland Parliament Finance and Administration Committee Public Hearing (Inquiry into the Operation of Queensland's Workers' Compensation Scheme) Broadcast (28 November 2012).