

**WORKERS REHABILITATION AND  
COMPENSATION BILL 2009  
SECOND READING SPEECH**

Mr Speaker, I move that this Bill now be read for a second time.

Mr Speaker, this is a Bill to amend the *Workers Rehabilitation and Compensation Act 1988*.

At its most basic, the Act is about providing:

- for the treatment and return to work of an injured or ill worker as early and safely as possible: and
- compensation to an injured or ill worker for lost income, medical and other expenses and any permanent impairment that may result.

The Act has been subject to considerable change and review since it was passed by Parliament over twenty years ago.

It is a difficult and often complex piece of legislation which generates much debate, and difference of opinion between employers, employees, unions, insurers and lawyers.

This Bill will not end debate.

This Bill will not end the differences of opinion.

And this Bill will not give stakeholders everything that they want from a modern workers compensation system.

But this Bill will strike a better balance between the needs of employers and the rights of workers in Tasmania.

It will continue to provide an affordable and cost effective scheme for employers.

It will achieve greater fairness for injured workers and their families.

It will make work places safer and reinforce a return to work culture among employers, workers, insurers, doctors and allied health professionals.

Mr Speaker, this Bill will improve and enhance our current workers compensation scheme.

Mr Speaker, some will say that this Bill goes too far, others will say that the Bill does not go far enough. Our job as the Government of Tasmania and my job as Minister for Workplace Relations is to find a way through competing and sometimes disparate views to make fair and balanced decisions for the future. That is what we have achieved in this Bill.

Mr Speaker, this Bill brings together the outcomes from two major reviews of aspects of our workers compensation system.

In a 2004 review, conducted by Mr Bob Rutherford, it was observed that while there was a lot of common ground

between employers, workers and other stakeholders on the importance of rehabilitation and return to work, there was still work that needed to be done to develop a framework that represented best practice.

Following Mr Rutherford's review in late 2004, the WorkCover Tasmania Board initiated a project to develop a cohesive injury management model for the Tasmanian scheme. In early 2008, the Board finalised a 'Return to Work and Injury Management Model'. This Bill will implement the model by providing the necessary legislative framework. The WorkCover Board is also progressing aspects of the model through education, new licence conditions and guidance material.

Mr Speaker, this Bill also implements the Government's response to a review which the Government initiated to address concerns about the fairness and adequacy of the benefit model under the scheme, particularly as it applied to more seriously injured workers.

The Government engaged an independent expert, Mr Alan Clayton, to review key aspects of the Act. I am pleased to say that we have adopted the majority of Mr Clayton's recommendations.

The initiatives in this Bill have been arrived at after considerable research, advice and consultation.

We have engaged with and listened to the views of key stakeholders throughout the process including unions, employers, insurers, general practitioners, lawyers, the Tasmanian Risk Management Fund, the Tasmanian Chamber of Commerce and Industry, Workplace Standards and the Workers Rehabilitation and Compensation Tribunal.

We have sought expert actuarial advice on the likely effect of the changes.

We published a Regulatory Impact Statement in August this year which:

- explained the proposed amendments ;
- analysed their costs and benefits; and
- weighed up the impacts on business versus the public interest.

We released a draft Bill for public comment on 3 September.

Only four written submissions were received, in relation to the Regulatory Impact Statement and the draft Bill, although further verbal comments were received following discussions with key stakeholders. All of those comments were carefully considered and some resulted in additional changes to the Bill. For example, the provisions relating to the settlement of claims were extensively modified following concerns raised by the Australian Lawyers Alliance and other stakeholders.

Mr Speaker, it is no secret that the reforms in this Bill are estimated to increase total claims costs in Tasmania by around 15% which would increase the average premium rate from 2% of wages to 2.29%. Mr Speaker, I make no apology for that. The public benefit of achieving a better balanced system and greater fairness for injured workers and their families far outweighs a small increase in costs.

Despite the small increase, I am very confident that Tasmania's workers compensation system will remain affordable and cost effective.

It is worth noting that since 2002, average premium rates in Tasmania have fallen by around 45% and we have the best rate of return to work in Australia for injured workers; 91% compared with 80% nationally.

But more can and needs to be done in this important area. It is important because it has the capacity to affect so many Tasmanians.

Last year there were more than 10,000 workplace injuries reported in Tasmania, with more than 4,000 resulting in lost time at work.

I have personally met many Tasmanians who have suffered some terrible injuries while at work and some have not fared well under the current system. These workers and their families have a right to be better cared for and to be able to access fairer compensation for their injuries. Mr Speaker, this is what this Bill will do.

I would like to take this opportunity to also recognise and commend Tasmanian businesses who work extraordinarily hard to make their workplaces safe. Safety is everybody's business. With employers, employees, unions and Government working



together we can instil a culture of safety, support and care in our workplaces so that they will:

- become safer
- injuries will be reduced
- there will be fewer claims for compensation and
- there will be better return to work outcomes

Mr Speaker the reforms in this Bill are responsible and responsive to the needs of injured workers and businesses.

The Government has listened to the stakeholders and responded accordingly. This is a progressive Bill which will ensure that injured workers are better supported on their return to work, and are able to access fairer compensation while they are away from work.

There is much in this Bill for both injured workers and employers.

For example the Bill will:

- streamline the management of injury and illness to deliver better health and return to work outcomes for injured workers and lower costs to employers through the adoption of the new 'Return to Work and Injury Management Model';
- provide greater income security for injured workers by increasing the duration and reducing the 'step-down' of weekly compensation payments;
- increase lump sum compensation up to \$250,000 for permanent impairment or death;
- give workers greater access to common law damages by reducing the whole of person impairment threshold from 30% to 20%;
- provide additional financial incentives for workers and employers to participate in rehabilitation;
- offer counselling services for the family of a deceased worker; and
- provide a power to extend a worker's entitlement to medical and related services where a worker requires surgery or treatment to remain in employment.

Mr Speaker I commend this Bill to the House.