



Minister for Finance
Minister for Multicultural Affairs

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Ms Julia Agostino
Committee Secretary
Senate Education and Employment Committees
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Dear Ms Agostino

**VICTORIAN GOVERNMENT SUBMISSION TO THE SENATE EDUCATION AND EMPLOYMENT
COMMITTEE INQUIRY INTO THE SAFETY, REHABILITATION AND COMPENSATION LEGISLATION
AMENDMENT (EXIT ARRANGEMENTS) BILL 2015**

The Victorian Government welcomes the provisions in the Safety, Rehabilitation and Compensation Legislation Amendment (Exit Arrangements) Bill 2015 in so far as it ensures that Comcare is able to set sustainable premiums, and that injured employees of exiting premium-payer entities will continue to receive appropriate rehabilitation treatment facilitating their early return to work.

Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014

The Victorian Government does not, however, support the broader suite of legislative proposals relating to the Comcare scheme. In particular, Victoria does not support the *Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014* which is currently before the Senate. The Victorian Government is particularly concerned by the expansion of Comcare coverage through proposed amendments which enable corporations operating under two or more workers compensation schemes to apply to join Comcare – thereby lifting the moratorium on new entrants to the scheme.

Given the benefits available to injured workers under Comcare are in many instances lower than under Worksafe Victoria (Worksafe), this Bill represents a diminution of worker's rights, as it means many workers may be forced to move to a scheme which will reduce the benefits they receive should they suffer injury or illness at work.

The Comcare scheme was established primarily to cover workers who undertake low risk work in the Australian Public Service. It was not designed to cover the range of medium to high risk work undertaken by many employees under state/jurisdictional schemes. As such, the structure, funding and operation of Comcare does not reflect the risk profiles of the broader and more diverse range of work covered by state/territory schemes such as Worksafe.

For example, as a health and safety regulator, Comcare has only 44 inspectors¹ nationwide, from July 1 2013 to June 30 2014 only undertook 192 investigations and commenced only one criminal prosecution, 7 civil enforcement proceedings and nine enforceable undertakings². In contrast, Worksafe has 261 inspectors, undertook 42,191 visits from workplace inspectors, 287 investigations, completed 122 prosecutions and entered into 13 enforceable undertakings³.

This Bill will create an exodus of premium paying national employers from existing state/territory schemes, adversely affecting existing pooling arrangements and premiums for medium to small businesses in those jurisdictions. This may mean that state/territory governments are forced to either increase premiums or reduce benefits.

The Victorian Government, like all state and territory governments, has worked hard to ensure that all businesses, irrespective of size, have access to an efficient and cost effective workers compensation scheme which treats injured workers fairly, enables them to get back to work quickly and actively works to reduce workplace injuries. This Bill will compromise the continuation of the good work of Worksafe as well as the safety of Victorian workers.

I urge the Federal Government to reconsider these provisions.

Yours sincerely

ROBIN SCOTT MP
Minister for Finance
Minister for Multicultural Affairs

¹ Safework Australia Comparative Monitoring Report, Sixth Edition, October 2014, p.16

² Australian Government Safety, Rehabilitation and Compensation Commission, Comcare Annual Report 2013-2014 p165, 180.

³ Victorian Workcover Annual Report 2014, pp. 19, 24.