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10 August 2015

Research Director Finance and Administration Committee Parliament House George Street Brisbane Qld 4000

By e-mail: fac@parliament.qld.gov.au

Dear Sir/Madam,

## Workers' Compensation and Rehabilitation and Other Legislation Amendment Bill 2015

Thank you for providing the National Retail Association ("NRA") the opportunity to make submissions regarding the above Bill.

The NRA is a not-for-profit industry organisation providing professional services and critical information and advice to the retail, fast food and broader service industry throughout Australia. We are Australia's largest and most representative retail industry organisation, representing more than 19,000 stores and outlets.

This membership base includes the majority of national retail chains, as well as independent retailers, franchisees and other service sector employers. Members are drawn from all sub-categories of retail including fashion, groceries, department stores, home wares, hardware, fast food, cafes and personal services like hairdressing and beauty.

The NRA has represented the interests of retailers and the broader service sector for almost 100 years. Its aim is to help Australian retail businesses grow.



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The NRA is concerned about the effects of the following proposed amendments to the Workers' Compensation and Rehabilitation Act 2003 ("Act") set out in the Bill:

- Clause 6: regarding the amendment of section 237 of the Act to remove the requirement that a worker must have an assessed degree of permanent impairment of more than 5% arising from their injury in order for that worker to be entitled to seek damages for the injury under the Act;
- Clause 11: regarding the introduction of a new Chapter 32 into the Act to
  provide for transitional arrangements for claims where a worker's injury
  was sustained on or after 15 October 2013 and before the 31st January
  2015 and in order to establish the ability to provide additional
  compensation to particular workers impacted by the common law threshold
  during this period.

The current requirement for a worker to have an assessed degree of permanent impairment ("DPI") of more than 5% before being able to pursue claims for damages under the common law is in our view reasonable and minimises the risk of workers making speculative claims. This not only limits the number of workers' compensation claims that our members have to deal with but also assists with maintaining their workers' compensation premiums at reasonable levels.

The removal of the DPI threshold, as well as the retrospective application of this legislation will inevitably result in increased workers' compensation claims, both legitimate and speculative in nature. This will have the following effects on our members:

- additional time and costs in dealing with these claims;
- increased workers' compensation premiums; and
- as a result, reduced productivity.

Our members are continuously faced with a range of challenges which they have to address in order to continue to remain competitive, including adapting to the impact of technology, particularly in the on-line environment. Businesses in our



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industry operate within very tight profit margins and can ill afford working in unstable industrial environments or having to incur increased costs such as those that will arise if the Bill is passed.

We anticipate that our members will adopt various measures in order to seek to mitigate the effects that this legislation will have including, where possible, relying on labour-hire arrangements. In other cases, existing and prospective businesses may decide to move their operations to other Australian states which offer more reasonable and stable industrial environments. These measures will therefore result in reduced job security for workers and are also likely to have a detrimental effect on the Queensland economy.

In light of the above matters, we are strongly opposed to any measures that will adversely impact our members and our industry. For these reasons we submit that the proposed amendments referred to above, should be removed from the Bill.

We are hopeful that the matters we have raised will be given due consideration and would be happy to respond to any queries that you may have.

Yours sincerely,

**Trevor Evans** 

**CEO** 

National Retail Association Limited