

## Transcript

Station: **5AA** Date: **31/07/2007**  
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 Compere: **MATTHEW PANTELIS** Summary ID: **A00027356129**

Item: **PANTELIS TALKS TO PETER CHRISTOPHER, PUBLIC SERVANTS UNION, ABOUT WHY HE IS CALLING FOR THE ENTIRE WORKCOVER BOARD TO BE SACKED. CHRISTOPHER EXPLAINS THAT THEY FEEL THE CURRENT STRUCTURE OF THE BOARD IS INAPPROPRIATE TO MEET THE NEEDS OF WORKERS AND THE COMMUNITY.**

**INTERVIEWEES: PETER CHRISTOPHER, PSA**

Demographics:	Male 16+	Female 16+	All people	ABs	GBs
	12000	21000	33000	4000	22000

**MATTHEW PANTELIS:** Now one of our unions is calling for the entire Work Cover Board to be sacked. It says it's basically assaulting worker's entitlements. The PSA is the union and Peter Christopher from the PSA joins me now, the Public Service Association.

Good morning Peter.

**PETER CHRISTOPHER:** Good morning Matthew.

**MATTHEW PANTELIS:** Why do you want the board sacked?

**PETER CHRISTOPHER:** The composition of the board at the moment and its current structure we believe is inappropriate to meet the needs of workers and the community.



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What has occurred is clearly everybody recognises that Work Cover has a number of financial issues it needs to deal with. The Board had put forward a proposal to government, which was really aimed at slashing worker's entitlements, rather than dealing with problems in a more fundamental way. The government has established an enquiry and we've made a submission to that enquiry which really talks about the need for a totally new board structured in a way that provides a more sophisticated approach to the problem than simply slashing worker's entitlements.

**MATTHEW PANTELIS:** Is this board unable to deal with the ongoing unfunded liability debt that Work Cover has?

**PETER CHRISTOPHER:** I think it is if it adopts the current approach. And the approach the board has generally adopted is saying we've got a financial problem, therefore the way of dealing with it is to slash worker's entitlements. The reality is if we look at the Commonwealth scheme, Comcare, they actually have Australia's highest return to work rate and yet they actually have the second highest level of weekly payments. And so we think the focus needs to change.

One of the difficulties is the board is composed in a way that we don't consider particularly balanced. It's perhaps a bit wrong to describe it as accounting oriented but certainly that's a lot of the focus.



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**MATTHEW PANTELIS:** Well it has a couple of union people on it, including Janet Giles the boss of SA Unions and Jim Watson the Liquor Hospitality and Miscellaneous Union organiser. I mean it's hardly a ringing endorsement of their efforts which you're calling for.

**PETER CHRISTOPHER:** Well I think when the board put forward their original proposal, SA Unions actually put forward a minority report, so that we just didn't agree with all the proposals the board was putting forward.

The PSA criticism is not so much an attack or criticism of the individuals per se, it's really about the criticism of the structure of the board where we're saying instead of actually having a board that's comprised you know of ten or so people, a couple of whom are there to represent worker's interests, what it actually needs to be set up with is in a way which is bipartisan and which is set up for the purpose of better establishing how to manage return to work programmes in a cost effective manner.

There are some very good individuals on the board, but the nature of the overall structure simply doesn't allow it to focus on the looking after worker's interests who have been injured as well as juggling the dollars.

MATTHEW PANTELIS: The unfunded liabilities that it has - basically what that is is the claims I suppose that are made against it.

PETER CHRISTOPHER: It's a prediction of what costs will be expected in the future. So they're not actual liabilities as such.

MATTHEW PANTELIS: No. So they'll only be in trouble if they have to pay all that out at once.

PETER CHRISTOPHER: That's correct.

MATTHEW PANTELIS: So in effect it's a paper debt that isn't claimable just in one hit.

PETER CHRISTOPHER: Yes.

MATTHEW PANTELIS: But is that really a problem? I mean surely the organisation can continue with that even though that figure is now three quarters of a billion I understand.

PETER CHRISTOPHER: Well certainly it's become a bit of a political hot potato as parties like to reduce their potential liability. The PSA submission, which was professionally prepared for us by an expert in field, Dr Kevin Purse, is really saying the best way of cutting the liability is actually not to reduce the individual benefits the injured workers receive, but to introduce programmes which provide better



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rehabilitation and allow injured workers to return to work more quickly and therefore reduce the potential future debt by reducing the cost impact for the future.

Instead of somebody being off for, let's say for argument's sake six months, if you can get them back to work after four weeks then you've actually saved five months salary and reduced the debt accordingly. So the emphasis needs to be on rehab programmes aimed at getting people back to work and reducing the debt that way, rather than the process which we believe is currently being adopted by the board. Which is to say, look people are not going to go back to work earlier, let's slash their benefits to try and reduce the potential.

**MATTHEW PANTELIS:** I've got a statement from the Government which has come in by email. I'll read it out to you. I gather though it's probably what's in the paper today. It says: The Government has absolutely ... this is from the Media Advisor to Minister Paul Caica who is obviously filling in for Michael Wright presumably?

**PETER CHRISTOPHER:** That would be correct.

**MATTHEW PANTELIS:** The Government has absolutely no intention of removing the Work Cover Board. The review of the Worker's Compo system is entirely independent. The review will give due consideration to



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submissions made to it and the Government will carefully consider the review recommendations when they're made.

So what you're calling for may happen, but obviously it'll be down the track a little bit.

**PETER CHRISTOPHER:** Well certainly our report needs to be seen in context. What the PSA has done is actually placed a submission to the enquiry which recommends a different way forward. So we're not recommending that the Government today turn around and summarily dismiss the board. We're actually saying that enquiry, the focus about how Work Cover claims are dealt with in the future needs to focus more on rehab. And if that was to occur then there needs to be a restructure of the board which removes the current board as it is currently structured and creates a different board with a different set of priorities as an outcome of the enquiry.

So we're not actually expecting government turnaround and cut the board off at the knees today. It's our submission to the enquiry that the future composition and structure of the board needs to be changed to provide for a different approach with a greater focus on earlier return to work and therefore saving costs through that mechanism, rather than what the Work Cover Board itself put forward.

Which was a proposal to reduce their costs by reducing benefits.

**MATTHEW PANTELIS:** Bruce Carter is the Chair, and the name might not mean too much to people listening, but he's the bloke who's come in and rescued local businesses in Adelaide that have been in trouble including Harris Scarfe's. He's a financial receiver I suppose, an expert in corporate recovery and insolvency of businesses. He stepped in with the National Wine Centre and basically kept that going.

A number of business like that, Harris Scarfe's as I said. And does it surprise you Peter that he's in charge of the Work Cover Board and the institution is having these financial concerns.

**PETER CHRISTOPHER:** Well I think part of the difficulty is he's a well respected person and clearly makes a major contribution. I think there's a fundamental way of how these issues are looked at and there are two ways to reduce costs. One is to fundamentally reduce the payments that you make by reducing the benefit stream to workers, which is what's being proposed.

Or there is the alternative that the PSA is putting forward is that if better rehab programmes are introduced and people got back to work early, then that will also have the effect of reducing costs while providing a better community benefit. And I



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suppose that's a philosophical difference of approach about how one deals with the problem and we believe ours is a more humane approach and isn't just simply dealing with the political pressures coming from government and opposition to, you know who are always clamouring for the future liability to be reduced.

MATTHEW PANTELIS:        Alright. Peter, thank you for your time today.



PETER CHRISTOPHER: Thank you.

MATTHEW PANTELIS: Peter Christopher from the Public Service Association.

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ABs = Managers, administrators, professions. GBs = Grocery buyers.

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