

industry back to a competitive basis with other States on costs of workers compensation.

The Hon. W. R. BAXTER (North Eastern Province)—The most encouraging aspect of the second-reading speech of the Minister for Economic Development was the undertaking that there will be an inquiry into workers compensation in Victoria. It is certainly not before time. Workers compensation premiums are continuing to escalate wildly. They are probably the greatest impediment to additional employment in Victoria.

Any employer carefully considers the prospective employee but that is only the beginning. He is then saddled with high workers compensation premiums, particularly in some industries and certainly in the timber industry. Those premiums are extremely high and it is unbelievable that they could be of such magnitude. In other industries which do not face the same degree of danger as the sawmilling industry, the premiums are still quite extraordinarily high for no apparent reason.

Over the years, the system has been abused not only by the workers but also by the medical profession, employers and, to some extent, insurance companies. A wide-ranging inquiry will clear the air and, I hope, disclose some of the inefficiencies in the present system to enable the implementation of a more equitable and cheaper substitute. If this is not done, employment prospects will further diminish because employers will continue to bear this sort of burden at the rate premiums have been increasing over the past few years.

Yesterday, a country employer quoted some figures to me and he was only one case. His premiums had increased from \$18 000 to \$72 000 for only thirteen employees. It is beyond belief that they are so high. I, at first, did not believe those figures but the employer was able to produce statistics to indicate that that was the situation. Employers cannot continue to meet those sorts of increases and still maintain the same work force. Therefore, I

look forward to the early establishment of the committee and trust that it will get on with its task and bring down a report and recommendations with the minimum of delay.

I support the upgrading of the so-called table of maims benefits, which have been eroded by inflation. It is incumbent on Parliament to bring it up to date occasionally. I am not so sure about the amendments to the provisions that deal with deafness but I am prepared to accept the advice of the Commonwealth Department of Health and the acoustic laboratories that the present system is inappropriate and should not be used. I would not like the amendments to the Act to be used as yet another measure of increasing awards when the industrial environment may not be the full cause of the deafness of an employee.

No doubt exists that the companies involved will use the provisions to mount a counter argument to the Workers Compensation Board. The National Party supports the Bill, but urges that the inquiry envisaged is set under way without delay.

The Hon. B. W. MIER (Waverley Province)—It is with great pleasure and honour this morning that I take the place of the late Tony Van Vliet who, unfortunately, due to illness and consequent death, did not have the opportunity of representing the constituents of Waverley Province. I take this opportunity of thanking all the people who were associated with the by-election campaign, in particular the family of the late Tony Van Vliet—his mother and close relatives—who offered me all their good wishes and support during the campaign.

On behalf of members of the Labor Party, I am proud of the result we achieved which has undoubtedly proved that John Cain and the Labor Government in Victoria now hold the complete and total confidence of all Victorians. I have digressed a little from the Bill because I wanted to convey those appreciations to the House as they are thoroughly justified.

I support the Bill and suggest that workers compensation in Victoria has been in a mess for some time. Workers in Victoria constantly face severe financial hardships and, at times, have even faced bankruptcy because of injuries sustained during their employment.

Financial difficulties are faced mainly when the insurance companies assess the claim and then deny liability. A case then needs to be mounted at a workers compensation board and delays occur, which range from two to three years in many instances. One can well imagine what financial position a family is placed in when that burden is placed on them. People who have financial commitments, mortgage repayments, bank loans or whatever, are then faced with the possibility of no income for long periods.

It is only right that the trade union movement in Victoria has been extremely concerned about the problem, as has the Victorian Branch of the Labor Party. As a member of the Victorian Branch of the Labor Party's Industrial Affairs Policy Committee, I shall express its attitude to the problem by saying that it fully supports the investigation announced by the Minister for Economic Development this morning. During the inquiry and investigation, the committee will be presented with evidence. The majority of evidence will centre around eliminating as much as possible the costs that are incurred in workers compensation.

Workers compensation premiums place a burden on employers when they are faced with the decision of hiring new labour, particularly in this day and age of economic gloom, when employers take extreme care before making a decision to employ new labour. The employers must consider all the costs that they will have to bear, one of which is workers compensation premiums and employees are blamed for members that quite often the trade unions and employers are blamed for those increased costs by their demands for higher payments, higher reimburse-

ments and increased compensation payments for injuries they may have sustained during employment.

One of the major causes of increased costs in workers compensation premiums is the legal argument mounted before the various boards. The legal profession in Victoria has transformed the workers compensation area into a financial bonanza. A few years ago, the trade union secretaries, organizers or people who were appointed as workers compensation officers went before a board once or twice a week and handled the claims of their members. In more recent years, that situation has changed and many reasons exist for that change.

Industry has changed dramatically with modern technology, and the handling of new and unknown materials, namely, toxic materials, on which there has often been no research or there is no knowledge of the toxicity of the materials before workers are requested to handle or work with them. All those new innovations have caused the arguments that are put to the workers compensation boards to become more sophisticated and complex. Because of this, the legal profession has jumped onto the bandwagon, and I hope, arising from this inquiry, people will realize the costs that are incurred and that we will receive an itemized assessment of the legal costs of claims before workers compensation boards. If these horrendous charges can be eliminated, we can go a long way towards reducing the over-all costs of workers compensation.

The committee of which I am part, in conjunction with the Minister for Employment and Training, the Minister of Labour and Industry and the Treasurer, will be consulting constantly on this matter, and when the measure comes back to this place at a later date I shall be pleased to make those submissions to the House.

The motion was agreed to.

The Bill was read a second time, and passed through its remaining stages.