

# **SUBMISSIONS TO FEDERAL PARLIAMENT INQUIRY**

## **20 NOVEMBER 2002**

I am a Barrister & Solicitor and have practiced in the field of personal injury work for the past 22 years. I have handled over 5,000 accident compensation claims during that period. During the last 4 ½ years I have ran a high profile public awareness campaign called Justice For Victims that speaks to half a million people a week on the radio. The Campaign deals with the unrelenting attack on injured people over the past 10 years.

I propose to give a broad overview and refer specifically to some of the submissions that have already been presented to the Inquiry of which I have had the benefit of reading.

Compensation fraud amongst claimants in WA is negligible. I am pleased to observe that Minister John Kobelke has come to the same conclusion based upon information received from the Insurance Industry in this State. You therefore have it from the horse's mouth, as it were.

There will always be people who exaggerate their symptoms and I have acted for a few of them over the years. In all cases, they have either lost their case or suffered a severe financial penalty as a result of exaggeration, and that is the way it should be. They give the entire system a bad name and no lawyer in their right mind would act for them if they knew, in the first instance, what might come to light 2 or 3 years later on a surveillance film, for example. Again, I can count these clients on maybe two hands.

I have acted for many more clients who actually understate their problems, or who do not want to claim for them at all. Many victims do not want to make a fuss, contrary to public mythology that every victim is out there for a buck. This mythology has been cleverly cultivated by a powerful and wealth lobby group made up of Insurance Companies, aided and abetted by the Chamber of Commerce and Industry, who are in many ways a mere Insurance Company front, given that Insurance Companies make up some of their most powerful fee paying members.

I note with interest some of the comments made by the employers, who have addressed you. Their remarks are often based on their own sour experience with a particular employee, who may or may not have taken them for a ride. Fortunately, these kinds of employees are also rare and I have certainly

never employed one who has done this to me. As such, I can speak from first hand experience, not only as a lawyer in this area, but as a small businessman.

I agree with much of what the Australian Plaintiff lawyers have had to say when they point out that claimant fraud is rare and probably less common than employer fraud. APLA have given examples of the kind of fraud used by employers and I do not need to restate them. One of the examples they have not given is where an employer will force an employee to sign a discharge form which sets out the fact that various injuries never took place at all, or that there was no negligence on the part of the employer, when there clearly was and so on and so forth, in order to white wash what actually occurred. Therefore, fraud does exist in this system, but it works both ways.

In WA, approximately 21% of employers are not covered for workers' compensation at all, or are under insured. What concerns me is that WorkCover, who is responsible for ensuring that these employers are so covered appears to have done nothing about it. Judging by the submissions I have read, the percentage of employers not taking out insurance appears to have grown in WA in recent years. This should be investigated independently of WorkCover, as there is no confidence in WorkCover WA and huge dissatisfaction with it.

I share APLA's sentiments that these inquiries always appear to target injured workers and hardly ever employers. At least this Inquiry has gone half way to doing that. However, what the Inquiry has failed to do is address the issue of the real fraudsters in this system, namely the insurance Companies, who in my view, have scandalously rorted this system for years.

For a decade, we have been told that our workers' compensation system was in crisis and that we could not afford to pay full common law payouts, due to a blow out in claims. Organisations like the Chamber of Commerce Industry and the Insurance Council, along with private Insurance Companies in this State, have lobbied relentlessly to slash pay outs to injured workers, using the argument that there is a crisis and that the premiums collected are not sufficient to meet the pay outs. This campaign also spawned the now infamous "Dob In A Compo Bludger Campaign", which in itself was financed by the previous Court Government and the Insurance Industry in who's interest it is to demonise injured workers and their

lawyers so as to reduce pay outs and therefore enhance profits. I believe, along with a mounting number of people, that the Insurance Industry and Government and their allies have been in collusion so as to jack up premiums and slash pay outs. The general approach is as follows – increase premiums, demand tort reform, trawl through ridiculous cases involving ridiculous pay outs, ensure that this is all published in the media, spend millions of dollars asking neighbours, relatives and friends to do in injured people to the police, prevail upon stupid or dodgy politicians to bring in tort reform and bingo you have high premiums, plus low pay outs or no pay outs equals massive Insurance Company profits. Very simple. Deadly effective.

I am not aware of the premium to pay out ratios in other States, but I have carried out an investigation into premiums collected versus pay outs in WA. The figures are startling. Far from being a crisis revealed, what is revealed is an absolute killing. Exhibit "A" **attached**, sets out the premiums collected each year and the pay outs. It also sets out the surplus derived. You will see from the table that there is a surplus every year and that the cumulative surplus for the past 21 years is \$1.8 billion. Some crisis. Some con. Some fraud more like it.

This obscene surplus is based entirely upon a fraud committed by the Insurance Companies in this State against every working West Australian, who risk injury every time they leave their front door. Thousands of victims have suffered incredible financial hardship. Many have lost their homes. Countless numbers have attempted suicide and some have already killed themselves because they have been denied compensation for no good reason at all.

It appears that our holier than thou, squeaky clean Insurance Companies, who may well have helped drive this Inquiry for all I know, have been crying poor and laughing all the way to the Bank. No doubt they will think this Inquiry is a big hoot, as it will only enhance their profits even more, if this Inquiry finds that compensation fraud amongst claimants is widespread, even though it appears there is absolutely no evidence to back up that finding. This has been made abundantly clear in APLA's submissions and Kobelke himself confirms this on behalf of the WA Government and the Insurance Industry.

This raises the threshold question as to why this Inquiry has been set up at all and why it has chosen not to look in to the Insurance Industry – yet again. Voters out there are extremely concerned that our Parliaments around this country are firmly in bed with Insurance Companies. They claim that is why Insurance Companies are never investigated, apart from the HIH collapse, which was more as a result of Insurance greed and corruption than compensation fraud by victims, who to this day remain without compensation.

There was clearly no choice but to investigate HIH. But the question people are asking now is, why stop there? There is overwhelming evidence that Insurance Companies have been conning us for years over workers' compensation. I note that you have received submissions from the Chamber of Commerce and Industry, who purport to represent employers. The feeling in this town is that they are wearing two hats and that they actually also represent their most powerful members, namely Insurance Companies. Be that as it may, their own former Director of Operations, Brendan McCarthy gave sworn evidence before WA's Parliament in July 1998 concerning Insurance Companies. **Attached** is McCarthy's evidence Exhibit "B".

Broadly, McCarthy said that injured workers and their lawyers were "the last people to blame for the problems in the system". He pointed the finger at Insurance Companies. He accused them of mismanaging claims and basic incompetence. Incredibly, he also accused them of cooking their books and said "I've long suspected they are able to manipulate their outstandings (outstanding claims) to make their books look like whatever they want them to look like". If that is not talking about fraud, creative accounting and bare faced lies, one wonders what else he was referring to. McCarthy went on to say that he had long suspected that Insurance Companies were charging "suspiciously similar premiums in a so called competitive market". This strongly implies premium price fixing, which is against the law.

McCarthy even added, "I could go stronger". So far, he never has and nobody but me has asked him to publicly.

McCarthy's evidence is extremely important. It was given on sworn evidence by a man who was very close to the Insurance Industry and who was in a prime position to know, given that he spent years on the

WA Premium Rates Committee. As previously advised, Insurance Companies make up the most powerful clique of the Chamber's members, so McCarthy knew these people very well. His evidence came like a bolt of lightning and has never been refuted or challenged by any one, particularly the Insurance Industry, who he basically accuses of being crooks, lying to us about their books and rigging their premiums, which is against the law. One would have thought the Insurance Industry, who are largely absent in these proceedings, but who's fingerprints are all over it, would have had a lot to say about McCarthy's accusations, but they remain to this day deafeningly silent on this issue. Again, very serious allegations made against the Insurance Industry by a man in a position to know on sworn evidence and yet nothing has been done about it. What has Parliament's response been? Not an inquiry into these same premium price fixing, book cooking Insurance Companies, but yet another assault upon injured workers, with employers thrown in, even though the vast majority of them are innocent too.

Frankly, the high incidences of non-insurance by employers in this State is probably due to the fact that they cannot afford the exorbitant premiums being charged by these same Insurance Companies, who have done a very good job of shifting the blame to so called bludging victims, ambulance chasing lawyers and Santa Claus Judges, if one believes what one reads in the press. I have had no doubt these images have been carefully crafted by the Insurance Industries' well paid spin doctors, who apparently operate out of Sydney on instructions from companies like NRMA and IAG, which owns our own SGIO. I also note from reading the submissions already put to you that IAG is Australia's biggest workers compensation Insurance Company.

What is the relevance of all this you may ask? How does it fit in in our terms of reference? The point is obvious – you are aiming at the wrong people. This Committee is wasting its time and taxpayers' money. There is overwhelming evidence that compensation fraud by injured people in this country is negligible. How many more inquiries will be required to confirm what we already know? It is about time the Tony Abbott's of this world started looking at the real culprits, namely Insurance Companies. Otherwise, he risks putting himself in the unenviable position of having on his CV not only the description "Union Basher", but now "Crippled Injured Worker Basher". Hardly a smart move for someone who requires votes even if the votes he is seeking are from the employer and insurance side of the ledger. The fact is

workers' compensation affects all of us, especially those people who go out to work and who are obliged to vote.

A number of politicians in WA attacked injured workers and did so at their political peril. It was instrumental in removing the previous Court Government, and I understand it also played a hand in removing the Kennett Government. Voters do not like politicians who take their rights away from them and launch inquiries into compensation fraud that is barely an issue by all accounts any way. Particularly, when one contrasts the meagre benefits injured workers now enjoy, compared to the massive benefits retained by politicians if they get injured on the job.

It is fortunate for Abbott that he is not a WA politician, otherwise we would have seen him off long ago, as we did [redacted] who spent years here beating up injured workers and Unions whilst peddling fairy tales about a crisis in the system that clearly never existed. That is the relevance of what I am saying. In other words, we've heard all this nonsense before and it is obvious that Abbott is not out to help working people, the vast majority of whom would never dream of committing compo fraud. This is confirmed by the findings of all inquiries into this issue before this Inquiry. It ill behoves himself and the Majesty of Parliament, who now appear to be on some sort of crusade to destroy injured people. This is not an overstatement when one looks at the [redacted] decimation of public liability rights [redacted]. To see such grovelling to Insurance Companies by a fellow lawyer makes we lawyers feel sick to our stomach. None of the initiatives [redacted] will help anyone but Insurance Companies.

We lawyers also note with grave concern the role of Justice David Ipp in this whole [redacted] saga. The fact that a Supreme Court Judge has put his name to what he has is breath taking. As the Financial Review reported, his report on Negligence Law Reform is allegedly full of fallacies, flaws, basic errors and ignorance of even High School economics. It allegedly disregards contradictory Nobel Prize winning research. It allows otherwise negligent professionals to get off scott free. It even allows victims who are duped by misleading and deceptive conduct to be denied the compensation to which they are clearly entitled. It allegedly accepts on face value all sorts of unverified allegations put to him, which flies in the face of any judicial approach I have ever encountered. In what was the biggest put down of a Judge that I

have ever seen, the Financial Review went on to say that the most striking feature of Ipp's report was the complete absence of a single fact. It seems that in the space of a month, Justice Ipp has managed, all by himself, to turn a workable, silk-lined negligence system into a sow's ear. Curiously, not one eminent Judge in a hundred years has seen fit to try and do the same thing. Now, I read in the Weekend Financial Review dated 9 November 2002 that Ipp blames the Insurance Industry for refusing to provide information to his Inquiry and for being partly responsible for the so called Insurance crisis. After releasing a report on behalf of the Federal Government that will allow for the decimation of countless, innocent victims' claims, Ipp now belatedly tells us that the real cause of the so called Insurance crisis is Insurance Company greed, negligence and incompetence or a combination of all three of the above! A tad late for those victims who might lose their homes in the future on the basis of Ipp's "balanced" recommendations don't you think?

Incredibly, Ipp's very belated comments in relation to the real cause of the problem were not meant to be made public. Why not? He should have told us sooner. As a Judge concerned only with justice, he should have yelled it from the highest mountain. He should have saved us all the money, time and trouble. It is extraordinary that a Supreme Court Judge would take such action and come to such conclusions, knowing what he knows and believing what he believes are the real causes of the crisis. I could have told him all that before he sat. And what is disturbing is that he appeared to have pre-judged the issues before he even sat anyway, based on the comments that he made before he sat. If there was any doubt about his pre-judging of the issues, the terms of reference that he accepted left no doubt about what the outcome would be.

Let us hope the old saying – never have an inquiry unless you know the outcome, does not apply here as well.

One might argue the same about these terms of reference, which are the subject of this Inquiry. That is why I am at pains to try and present the other side of the story as most of the submissions I have read are full of nonsense, biased personal opinions based on isolated cases and conclusions about injured workers which simply do not stack up with the facts. It is in the interests of the Insurance Industry to portray injured people as some how having a lend of all of us. But a closer reading of even their

submissions makes it clear that they have no hard evidence of widespread fraud either. And if they had, we lawyers would urge them to prosecute and have those responsible imprisoned, if necessary. But that does not happen either. What they have cleverly done is tried to give the impression, without saying so, that the vast majority of injured people are conning us or getting something for nothing, because this suits their purpose. This Inquiry in itself and its terms of reference, give weight to that culture of suspicion surrounding injured people and their lawyers.

I take great umbrage at suggestions made by some of the people who have addressed you that lawyers are also in on it. It is an outrageous suggestion and if there is any evidence of it, there should be an inquiry undertaken and that lawyer prosecuted and struck off. I have not heard of one lawyer being in that position and I have never heard even anecdotal suggestions that any of that kind of behaviour is happening in WA. Again, it is all part of a clever smear campaign to portray lawyers as ambulance chasers, when in fact we are simply doing our job having been trained at the taxpayers expense for that purpose.

One of the submissions called for the abolition of lawyers advertising and somehow tried to link that to compo fraud. I wonder what Industry put that into his tiny little head as a suggestion? Insurance Companies are able to advertise around the clock but we lawyers are to be treated like tobacco companies apparently. As it is, the WA Parliament has again buckled to the Insurance Industry and recently placed restrictions on personal injury lawyers advertising. Hopefully, the author of the submission who called for such a ban can now sleep easily at night, knowing that there will be no more ambulance chasing lawyers urging people to put in fraudulent claims. What absolute twaddle.

Again, you may ask what has this have to do with your Inquiry? I have the same reply, namely, that you, like Ipp, are missing the point and are picking on the wrong people. Already, victims have been devastated by their accident and further devastated by the so called tort reform that politicians and Judges like Ipp say will bring "balance" to the system. There is nothing "balanced" about what has been done to accident victims in the last 10 years in the name of reform or what Ipp has proposed that you do. It is positively unbalanced and I would say bordering on insane, unless you happen to be an Insurance Company boss, in which case you would find it wonderful and highly profitable.



Rest assured, when Federal Parliament and our own WA Parliament start coming up with laws based on Ipp's findings, you and Ipp can all expect to hear from us along with voters who still remain to be convinced that there is a crisis in the first place that requires a wholesale destruction of rights.

The Financial Review said that Ipp's report did not contain a single fact. Here's a fact that might have saved him the trouble: In the last 23 years, the Insurance Industry has managed to rake in a surplus of \$5,700 million over and above payouts around Australia on public liability alone. Again, where is the crisis that requires such poison? And one wonders what the surplus will be in the next 10 years if and when Ipp's extraordinary report is enshrined in legislation by those who appear to be in a great hurry to take away their fellow citizens' rights?

His appointment as a permanent member of the NSW Supreme Court bench on the very same day he handed down this rubbish is gob smacking. And I am by no means an orphan in this assessment. Lawyers and victims alike here are outraged and disgusted by what he has done. Coming from some one who has probably never met an accident victim, let alone represented one, its a disgrace. I am simply saying what countless lawyers are saying right now, not to mention victims who cannot believe the recommendations handed down in light of the Insurance Industries mind boggling profits.

This approach by Insurance Companies has been taken before in America where the same tactics were used. It was found that the Insurance Companies had been in collusion and were basically making fraudulent claims to the American public, with the result that countless innocent people were denied compensation. For the record, it was found that there was no difference in premiums charged in those States that accepted the fairy tales, and enacted tort reform, and those that did not. That is because this issue has never had anything to do with payouts. It is all about Insurance profits.

Seven hundred organisations surveyed around Australia all reported sky rocketing premiums and yet 96% of them have never lodged a claim on their policy. Crisis or con? Again, I note with interest the number of comments by various employers who have given submissions to you, which basically confirm this. Many of them have spoken of exorbitant increases in their premiums, but have been equally loud in telling you that they have hardly put a claim in or not put one in at all. So why are they paying such exorbitant

premiums anyway? They are doing so because they are being conned by their own Insurance Company who are basically overcharging them whilst peddling lies and rumours about fraud and greedy lawyers advertising and drumming up business which did not exist in the first place. This is all classic Insurance Company propaganda, which I have been hearing for 22 years. A classic case of the pot calling the kettle black.

When one talks about fraud, the biggest fraudsters of all are the Insurance Companies themselves. They have basically cried poor and laughed all the way to the Bank. They flatly refuse to open their books to confirm the so called losses they are making. Curiously, they stubbornly refuse to leave a system they claim to be making losses from. And people like Brendan McCarthy have told us their books are cooked anyway. Little wonder they will not open them. I have heard countless stories of Insurance Companies collecting a premium from an employer based on a supposed future payout that never even took place. Again, there are hints at this in the submissions put to you. It was also what McCarthy was referring to when he indicated that they were able to manipulate their outstanding claims to make their books look like whatever they want. In other words, if you are an employer who receives a claim, the Insurance Company tells you that they have set aside \$250,000 for that claim, and that your premiums will sky rocket. They will continue to collect those inflated premiums over those few years and then pay the victim a fraction of the amount they say they were going to pay. In most cases, the employer is none the wiser and when asked for an explanation, I hear that the Insurance Companies invariably blame the victim and the lawyer, because we are soft and easy targets. Convenient scapegoats.

Higher premiums are not necessarily evidence of a crisis or a blow out in claims. It is more likely to be evidence of over charging by rorting Insurance Companies, who will no doubt, when questioned, blame that over charging on those so called ambulance chasing lawyers and their compo bludging fraudulent clients. In fact, some of the businesses I have questioned have confirmed that that is exactly what they were told by our squeaky clean Insurance Company friends, who are not the subject of this Inquiry, for reasons we can only speculate about.

Again, what does this have to do with this Inquiry? Very simple. I have no doubt that one of the reasons that Abbott convened this Inquiry was because his employer and Insurance Company constituents who

make huge donations to the Liberal Party, have complained that premiums are going up because of payouts and that some of those payouts are due to fraud. I agree that a very small proportions of them probably are and that those who are found to be fraudulent should be prosecuted and imprisoned where necessary. What I cannot agree with, is an Inquiry or campaign that might give the impression (without actually saying so) that compo fraud is endemic and which then, somehow, gives every accident victim a bad name.

However well-intentioned this Inquiry may be, it is seen by injured people as yet another unjustified assault upon their honesty and integrity. And you cannot blame them for thinking that. For 10 years in WA, over 80% of genuine accident victims have not been able to sue for an accident that wasn't their fault. All because of a so called crisis that never existed in the first place! The insensitivity of this Inquiry is therefore breathtaking in the context of all that and the credibility of Parliament can only be restored once there is a major widespread inquiry into insurance fraud committed by Insurance Companies. Perhaps you will be good enough to tell me when that is taking place so that I can make submissions to that Inquiry as well, along with thousands of innocent accident victims who are getting angrier by the day.

My Justice for Victims Campaign speaks to half a million people a week on the radio. I have personally spoken to hundreds of them and they all want Insurance Companies investigated. They want them to open their books and prove their so called losses, or do us all a favour and get out of the system altogether. Their view is if Insurance Companies do not want to pay out they shouldn't collect the premiums. Moreover, they should not be accusing the vast majority of genuine victims of fraud, when in fact that is committed by less than 1% of those who get injured.

Rehabilitation in this State is a joke. I have not seen one successful return to work by means of the rehabilitation process. Most of the rehabilitation providers are either heavily influenced by Insurance Companies or actually owned by them. Clearly, they are in a complete conflict of interest predicament at the outset, and their agenda is simply to undermine people's claims. No real jobs come out of the process and victims are often left feeling angry and more dehumanised than ever. There is a \$9,000 limit for rehab providers and in my experience, they use the limit in almost every case, with nothing to show for it, but a pile of notes that presumably go into a shredder at some stage.

I am all for real rehabilitation where people find meaningful work within their capabilities after they have been injured. Sadly, that has not occurred, because the system has been corrupted yet again by the Insurance Industry and WorkCover, which is financed and effectively controlled by the Insurance Industry in Western Australia.

I read with some irony the comments [redacted] referred to in APLA's submissions. Here is a man pontificating about the compo fraud of victims when he backdated a deadline to stop people claiming compensation on the last day before their rights were cut off. He did this on the same day that he refused to admit to me on live radio when that deadline was, even though he was asked three times when it was. How should we describe [redacted] role in all this? When will there be an inquiry into him and other WorkCover agencies who also appear to be working hand in glove with Insurance Companies, judging by the submissions that have been put to you?

Your Inquiry also deals with work safety. What incentive is there to provide a safe working environment when hardly anyone can sue for negligence of an employer anyway? That is one of the benefits of common law; a system that Federal Parliament and various State Parliaments have been hell bent on destroying. Again, nobody has gained except Insurance Companies. Tellingly, none of the billions saved by abolishing or minimising common law has been passed on to employers in the form of cheaper premiums. What I find extraordinary about the submissions I have read in this Inquiry is that nobody has pointed the finger at Insurance Companies and asked why on earth they are paying such high premiums in the first place? Given the level of claims and the fact that most people have not been able to sue in Australia for the past 10 years, premiums should be a fraction of what they are now. There lies the biggest fraud of all. One which is very conspicuous by its deafening absence in your Inquiry.

Ask yourself this, who gained but Insurance Companies when [redacted] backdated the deadline referred to above? Who gained except Insurance Companies when Medical Panels at WorkCover WA were stacked with biased, handpicked Insurance doctors? These doctors are paid \$1,200 per hour. Some say they were paid off. When will there be an inquiry into that? When will there be an Inquiry into paid off Insurance doctors, who earn half a million dollars a year writing reports on behalf of Insurance Companies

that come straight off a word processor? The only change is the name of the patient. The conclusion is always the same. The patient is a malingerer and should get back to work. Again, I have never heard of any of these patients being successfully prosecuted for compensation fraud. If it was all so straightforward and these reports had such cogency, why aren't all these people being charged and convicted? Why aren't their lawyers, who are putting them up to it?

I have had the opportunity of conferring with the Injured Persons Action and Support Association who, like me, have dealt with thousands of accident victims over a 20 year period. Like me, they say they can count on one hand the number of people they suspect of compensation fraud or gross exaggeration that would be tantamount to fraud. None of them have ever been charged or convicted and none of my clients have either. Frankly, I could not point to one client that I have ever acted for who I could say has committed fraud.

Approximately 2 years ago, I did speak to a man named David, who was convicted of compo fraud. He told me that he had served 6 months of an 18 month imprisonment for this offence. He was apparently caught on surveillance video working at a time when he was supposed to be unfit for work and receiving workers' compensation for being so unfit. He was filmed operating a harvester or similar machine on a farm. Although David protested his innocence, the surveillance film sealed his fate and it appeared to be an open and shut case of compensation fraud. However, upon his release, David and his lawyer continued to plead his innocence and became more suspicious about the film that was taken and the date it was taken on. His lawyer showed the film to an eminent botanist, who was able to confirm that the film could not have been taken at the time shown because of the wildflowers that were present in the film and which would not have been in bloom at the time the film was taken. After further lengthy and expensive inquiries, it transpired that David had been set up and that the film had been concocted and manipulated by either the Insurance Company or their private investigator, or both. Needless to say, David received no compensation, no costs and no apology. He remains to this day devastated by this experience and feels that the whole incident has ruined his life.

When are we going to have an inquiry into these sorts of cases? I note that the insurance Companies who have addressed you, have made no reference to these sorts of cases at all and that is why I have

made a point of stressing the other side of the story. Again, I wish to make it abundantly clear that I do not condone compensation fraud and have no doubt that it exists, but it is at negligible levels.

What the Insurance Company, their Agent and the State did to this man was unforgivable and reflects very badly on all those concerned, particularly given that this man was of limited intellect and left school at the age of 14 years. That is what my campaign is about; standing up for people like David, even though he was never a client of mine. And that is what organisations like IPASA are about. They are annoyed that they had no notice of this Inquiry and would have liked to have addressed you on these issues. I only heard about the Inquiry in the last few days and have hastily put these submissions together. I have also heard, third hand, that the Unions were not aware of the Inquiry at all.

The other irony of David's story is that he allegedly sought (but was refused) compensation and an apology from the former State Attorney General who was himself a former Insurance lawyer, who describes himself in speeches that I have read before State Parliament as an enlightened former Insurance lawyer acting for an enlightened Insurance Company. It appears that the tentacles of Insurance Companies reach far and wide and many say that they are now well and truly enshrined in Federal Parliament. Given that politics is all about perception this is also a disaster for Federal Parliament or any politician, who requires votes.

There was an interesting exchange that took place at the Law Society a few years ago. With wringing hands and gnashing teeth, they both recounted horror stories about compensation fraud by victims. I was the only one who pressed them on it and asked for an explanation. They appeared to be reluctant to give one, so I pressed them further. I asked for the names and addresses of the victims involved and their lawyers who were bringing such fraudulent claims. I offered to refer them to the Barrister's Board or the Police, if necessary. After all, they were implying crimes were being committed by victims and/or their lawyers. Finally, after more prompting, they gave several examples, one of which happened to be a client of mine. One or both of them gave the impression that this worker had injured himself by merely picking up a "plate" from the ground. They made it sound like it was a dinner plate. The listeners there present were no doubt impressed that this may well have been a classic case of compensation fraud. It sounded ludicrous. It

sounded unbelievable. Perhaps that was because it was unbelievable. It was only after they left and I later checked the file at my office, that I realised the client was one of mine and that the "plate" in question weighed 80 kilograms and was, in fact, a steel manhole plate cover that he was attempting to lift on his own without assistance.

For the record, [redacted] have led the charge on slashing workers' compensation payouts in this State for years. They started the game of Poker and lost. How many other fairy tales have they been peddling or have I just stumbled in to the only one?

Clearly, I have not had the opportunity of investigating the case studies presented to you by the Insurance Companies. Based on my 22 years experience, I would treat them with the utmost suspicion they have earned themselves over that period. Their reputation in WA is appalling. Nobody but their mothers believe them here. Injured workers demand a Royal Commission in to them. They want to know if Federal Parliament is prepared to grant one.

I have no doubt that some of the case studies that have been put to you by Insurance Companies and some of the employers have more holes in them than Swiss cheese. Some of them simply do not stack up on face value alone and there could have been several quite innocent explanations for the actions taken by some of the injured workers and their lawyers.

Let me make it clear; fraud does exist, but it is rare and we lawyers take it very seriously or we are rubbed out. No lawyer that I have ever met would be prepared to put his practice, reputation and family home and reputation at risk when there is plenty of legitimate work out there for we good lawyers anyway.

I am not in a position to comment on the different safety records and claims profiles of different industries for obvious reasons. What must be obvious, however, is that if an injured worker cannot sue for an unsafe system at work, then there are bound to be more accidents and more unsafe work practices because of short-sighted [redacted] Politicians more interested in looking after Insurance Companies than the people who voted for them in the first place. That is why people like [redacted] is walking on very

rocky ground and it would be my humble suggestion that this whole Inquiry be shut down for the waste of time it clearly is and will prove to be in relation to the issue of compo fraud.

If the Parliament is serious about work safety, then it should get rid of agencies like WorkSafe here in WA which have a reputation for arriving days or weeks (if at all) after an accident took place, even if someone was killed. That is because WorkSafe was set up by the same politician as WorkCover,

who clearly had no real interest in helping injured people at all. Both agencies are a disaster and there is huge public disquiet about both of them. I often say that WorkCover neither works nor gives you any cover. WorkSafe is not safe. Its inaction suggests its positively dangerous at times.

None of the submissions I have read and which have been forwarded have pointed to any hard evidence of widespread compo fraud that would require Parliamentary intervention. As such, Abbott's intentions and actions appear to be wholly misplaced and inappropriate. They are insensitive and unnecessarily confrontational, which is entirely consistent with the reputation he has and which reputation will finally catch up with him.

I have spoken bluntly because its time we all did. Too many victims have been hurt to do otherwise. Victims are now well aware of what is happening to them. Politicians are doing the bidding of Insurance Companies or if they are not, it goes way beyond mere coincidence. The outcome is always the same. Lower benefits for injured workers, higher profits for Insurance Companies. There can only be three alternatives for their unrelenting attack on some of the most vulnerable people in our community:

- (1) They are in bed with Insurance Companies and are receiving substantial party donations from them; or
- (2) They are naive and/or stupid to the point where they should not be in Parliament anyway; or
- (3) They just don't like voters who have accidents.

There is no doubt that Insurance Companies are prepared to spend extraordinary amounts of money to avoid bad publicity or gain good publicity. Once classic example is that NRMA and/or IAG have reportedly contracted to pay John Laws between \$100,000 and \$500,000 a year for the next three years.



If Insurance Companies are prepared to pay radio DJs that, what might they be prepared to pay Government to secure a license to print money? Or are we to assume that this contract between these companies and Laws are the only ones in existence? There is obviously nothing wrong with such commercial arrangements, but it beggars belief to suggest that all these attacks on injured workers are all being done for nothing. Again, there is nothing wrong with businesses making donations to Government, but when is enough enough?

Groups like IPASA say that this Inquiry is just more injured worker bashing. Demonising. Stigmatising. Demoralising. Dehumanising.

I recently read a book about Gestapo tactics involving denunciations of neighbours, relatives and friends during the Nazi period. The "Dob In A Compo Bludger Campaign", which was financed by Insurance Companies was very similar and equally sinister. Most dob-ins or denunciations were inspired, not by hard evidence of guilt or fraud, but petty jealousies, gripes, animosity and basic muck raking. This campaign was very un-Australian and should bring shame on all those Australians who put their name to it. I think this Inquiry should take heed and take great care to ensure that it is not seen in the same light, whatever good intentions individual members of the Committee may have. It would have been far more credible had it also included Insurance Companies in its terms of reference. Even though they are clearly by far the biggest culprits, Insurance Companies remain very conspicuous by their absence in this Inquiry. Why? Victims I speak to would very much like to know the answer and have asked me to relay it to them on your behalf.

Justice must not only be done but be seen to be done. If it was the intention of this Inquiry to do some real good, this omission alone has wasted an otherwise great opportunity. Sadly, this omission also undermines faith and confidence on the part of injured people that they do indeed have a voice in Parliament.

I await the outcome of this Inquiry with interest. On behalf of thousands of injured people for whom I speak, let us hope our concerns and suspicions are entirely misplaced.