

WORKERS COMPENSATION REFORM, INJURY MANAGEMENT SAVINGS

616. Hon. C.L. Edwardes to the Minister for Consumer and Employment Protection

I refer to the Position Paper on 'Workers Compensation Reform' released by the Minister and dated October 2002, resulting from the Guthrie Report, and ask: -

- (a) is it a fact that in Appendix 2, under the heading Actuarial Assessment of Cost Implications, the Position Paper (Page 36) shows a projected saving of 2.5 per cent in injury management, as a percentage change in total costs – initial and after erosion; and
- (b) how does the Minister reconcile this projected savings with the actuarial assessment of nil savings in injury management?

Mr J.C. KOBELKE replied:

- (a) Yes.
- (b) While the report summary indicates cost neutrality the Actuary in the body of the report identifies the fact it may not be unreasonable to target a level of saving between 2.5% and 5% of claim risk cost from effectively implementing injury management. The Government has a strongly held view that injury management will further reduce costs in the system which is consistent with views the Hon Member previously expressed whilst Minister responsible for this area.