

WORKERS COMPENSATION, AVERAGE PREMIUM RATES

36. Mrs EDWARDES to the Minister for Labour Relations.

Given that amendments to workers compensation implemented by the former coalition Government and supported by this Parliament have reduced the average recommended premium rate to 2.6 per cent and that employers will be expected to pay a five per cent levy for the HIH Insurance collapse, will the minister give an undertaking that his Government will not introduce any legislative amendments nor make any administrative changes to the workers compensation system that will increase the average premium rate above 2.6 per cent?

Mr KOBELKE replied:

To what does the two per cent drop apply?

Mrs Edwardes: You should read the Premium Rates Committee media release to identify it.

Mr KOBELKE: The premium rate was 8.2 per cent. I am not sure from where the member for Kingsley got the two per cent.

Mrs Edwardes: The 2.6 per cent is referred to in the Premium Rates Committee media release. It is the average recommended premium rate today.

Mr KOBELKE: Two main issues were involved. Rather than trying to cover all the points of the question, which would take me beyond my allocated time, I refer first to the member's reference to the average premium rate set by the Premium Rates Committee, which has effect under the Act. Insurers can charge above or below that. We must examine whether the average premium rate charged is at that level. I hope it is. The rate is coming off a very high base following the total mismanagement of the workers compensation system implemented by the past Government, which, in one year, imposed a 35 per cent increase in the average premium rate. That increase caused huge difficulties for industry. However, we are now seeing reductions. The most recent reduction is, I think, the third reduction, which is comparable to what occurred before the huge increase when the previous Government lost control of the system. As I indicated, the member referred to rates set by the Premium Rates Committee. I urge industry to follow the committee's recommendation so that those are the rates that are charged. They are now considerably higher than that.