

WORKERS COMPENSATION, OUTSTANDING CLAIMS

406. Mrs C.L. EDWARDES to the Minister for Consumer and Employment Protection:

I have a supplementary question. Given that the figures I was referring to were the actual costs of the claims, and did not even include outstanding claims, will the minister admit that he misled the House and the employers of this State?

Mr J.C. KOBELKE replied:

I certainly will not. The question indicates that the member has not understood the figures. There is no issue of outstanding claims with those costings.

Mrs C.L. Edwardes: It will be more than that, based on the minister's own costing of 13.8 per cent.

Mr J.C. KOBELKE: It is difficult in this interchange to deal with those complex figures. I will go back to what I said earlier. Insurers have collected \$600 million and have paid out in the order of \$340 million. The gap of nearly \$300 million is not profit. It represents the income in one year and the costs so far for that year, but insurers must put aside money over future years for an accident that happened in that year. That can generally be referred to as "outstandings". Those figures can be a bit rubbery but they need to be taken into account. They will be in the fine detail of our costings, but the additional cost, which the member suggested was \$13.8 million - there are a number of models but that was the one that was taken - relates to the current cost structure and not the current premium income.

Mrs C.L. Edwardes: I was not talking about premium income. I was talking about the current cost structure.

Mr J.C. KOBELKE: The current cost structure is way below the current premium level. Therefore, by making sure that a much bigger percentage of premiums flows through to meet the costs, there is room to ensure that premiums will be able to be kept down while enhancing the benefits. There is clearly a need to improve the benefits to injured workers, because the changes that were made by the member's Government have left the system threadbare in a range of areas. Injured workers are not getting a fair deal. The Gallop Government will give workers a fair deal and make sure that stable premium costs deliver a better outcome for employers at the same time.