

WORKERS COMPENSATION, ACTUARIAL REPORT ON GUTHRIE REPORT

677. Mrs EDWARDES to the Minister for Consumer and Employment Protection:

The minister said he would be obtaining an actuarial analysis on the implementation of the Guthrie recommendations. Will he use the same actuary that provided the copy of the report he has just single-handedly dismissed?

Mr KOBELKE replied:

Part of the confusion in the mind of the member for Kingsley is that, before the election, the then Labor Opposition released a detailed direction statement on reforming the workers compensation system. Actuarial analyses are done regularly by WorkCover to examine specific things. The Labor Party wanted to involve WorkCover, because it has a great deal of expertise in this area. WorkCover has worked with Mr Guthrie as well, using his expertise to help develop proposals for the Government. Some of the actuarial analyses done by WorkCover from time to time may have had some relation to the Guthrie report, but they do not relate to the Gallop Government's intention of taking the matter forward using the Guthrie report.

I cannot give an undertaking as to who may be the appropriate actuary to use, because some fine tuning is necessary on the Guthrie report - beginning with a huge area and then refining it down. The Government's direction statement in the first instance gave a much narrower road to reform. Mr Guthrie has now put a lot more detail on that, and in some areas has clearly defined things the Government had left to be worked on later. There is still another step, with the feedback the Government has had, to refine those changes accurately, so that the actuary can be more accurate in determining the potential cost savings and extra costs. In some areas the changes will produce savings, and in other areas they will lead to increased costs. The Government's undertaking is that the costs and expenses will balance out so that the net effect will be that premiums will remain the same, or hopefully continue to reduce.

The issue is that it is not a matter of looking at the premiums in any one year; they must be sustainably lower. As the member for Kingsley is quite well aware, when she was the minister, average premiums increased by 35 per cent in one single year. The intention is to maintain sustainably lower premiums, not to artificially suppress them for a short period and then have them skyrocket. To achieve this, the Government will ensure that it has the best actuarial advice available. I do not think it is appropriate at this stage to indicate who may be the person to undertake that actuarial work, because the Government has not yet refined the proposals to a stage where it can seek expressions of interest from actuaries.