

Question on Notice

No. 453

Asked on 3 June 2014

MR JUDGE asked the Attorney-General and Minister for Justice (Mr JARROD BLEIJIE) –

QUESTION:

With reference to WorkCover's practice of basing its premium decisions on claim numbers and financial results over several years, and highlight the fact that these figures have not been revised since the Newman Government's introduction of thresholds—

Will the Attorney-General justify how in fact decreases have been achieved and refute that recent reduction in WorkCover premiums had nothing to do with the introduction of thresholds?

ANSWER:

I thank the Member for Yeerongpilly for his question.

The Government has a strong plan for a brighter future in Queensland.

In February 2014, the Board approved a reduction in the average premium rate to \$1.20 per \$100 of wages paid from \$1.45 for the 2014-15 FY.

The Board has advised that, without the 2013 legislative amendments, the Board would not have been in a position to reduce the average premium rate to the extent that it has for the 2014-15 FY.

The 2013 legislative amendments introduced a greater than 5% threshold to access common law damages. The threshold was introduced to address the fact that the 2010 amendments had not impacted on the number of lower-end common law claims made in the scheme. These claims accounted for around half the common law payouts in the scheme in the 2011-12 FY. Left unchecked, these claims would have increased pressure in the long-term on the ongoing viability of the scheme.

Ultimately, the reduction in premium rate has been determined by the Board, acting on actuarial advice. WorkCover continues to offer a stable and viable fund for Queensland employers and their workers.

I note that the Member's federal leader has vowed to repeal all legislation passed by the LNP Government. It is disappointing that the Member does not support the reduction of premiums for Queensland businesses and the restoration of Australia's best and fairest workers' compensation scheme.