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NSW WorkCover scheme in a strong position

NSW Minister for Industrial Relations, John Della Bosca, today announced the latest operational results for the NSW WorkCover scheme.

Independent actuary, PricewaterhouseCoopers, has submitted its valuation of the scheme at 31 December 2007.

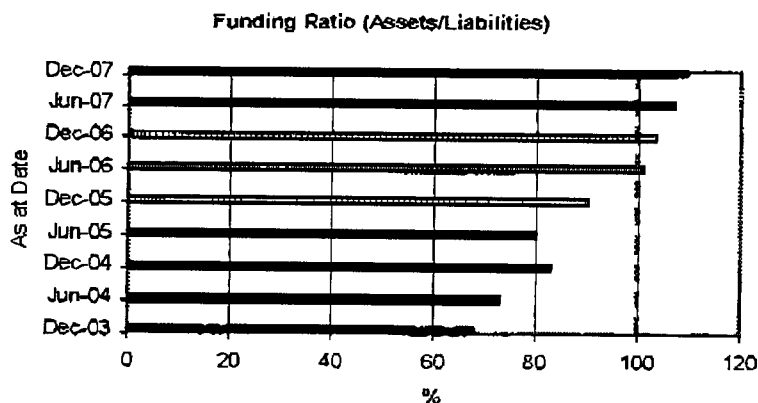
"Another solid performance has moved the surplus to \$1.2 billion, representing a two per cent improvement in the scheme's funding ratio," Mr Della Bosca said.

"These results show the lemma Government's 30 per cent reduction in premiums to business have proved sustainable, while maintaining the nation's most comprehensive suite of benefits," he said.

The Minister said the scheme's position was strengthened by a solid return in investment income, improved claims management and reduced legal costs, in conjunction with the lowest injury rates since the scheme began in 1987.

"This latest result follows NSW Government changes to ensure effective funds management, reduce disputes and delays and improve injury management and return to work outcomes," he said.

The results take the scheme's funding position to a high of 109 per cent, up from 107 per cent the previous year and from 68 per cent in 2003.



"NSW offers a package of safe workplaces, low and stable premiums and the most comprehensive suite of workers compensation benefits in the nation," he said.

"This level of performance can only be achieved through attentive claims management, a commitment to safety by employers and employees and strong partnerships with the scheme's dedicated service providers," the Minister said.

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"The NSW Government has turned the scheme's \$3.2 billion deficit into a surplus, while at the same time reducing premiums and increasing benefits," Mr Della Bosca said.

"We have delivered five premium cuts since December 2005, reducing premium rates by an average 30 per cent: a saving of \$785 million per year for businesses and the State's economy.

"In addition, permanent impairment payments have been increased twice since 2006 and Premier lemma has announced further benefit increases made possible by the scheme's financial position.

"Employers with workers whose annual wages are \$7,500 or under will no longer be required to hold workers compensation insurance, except where an employer engages an apprentice or trainee or is a member of a Group of companies for workers compensation purposes.

"To align NSW processes with Victoria, record keeping requirements have been simplified and reduced from seven years to five years.

"Harmonising key areas in workers compensation between the States will reduce complexity, lower costs and create a more effective system that is easier to use and provides more certainty.

"The continued strong performance is testament to the Labor Government's reforms and management of the scheme, which is providing greater support for injured workers and making it easier for employers to do business in NSW," he added.

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