



Barry O'Farrell MP

Premier of NSW

Minister for Western Sydney

MEDIA RELEASE

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RESULTS OF REFORM: AVERAGE WORKCOVER PREMIUM CUT OF 7.5 PER CENT

NSW Premier Barry O'Farrell and Finance and Services Minister Greg Pearce today announced 167,000 employers will benefit from an average reduction to WorkCover premiums of 7.5 per cent, saving them more than \$200 million a year.

"The NSW Government's WorkCover reforms are reducing the cost of doing business in NSW, delivering a stronger economy and creating more jobs," Mr O'Farrell said.

"As a result of reforms to WorkCover announced in June last year, employers have avoided a premium hike of 28 per cent, which would have cost more than 12,000 jobs.

"Our changes have made the system fairer and have provided more generous payments to severely injured workers, as well as giving incentives to businesses to improve workplace safety," he said.

"The NSW Government's actions to fix WorkCover mean no employer will receive a base rate increase in 2013 and businesses will save an average of 7.5 per cent on premiums.

"These are the clear results from our reforms to the WorkCover system – a stronger economy and more jobs.

Mr Pearce said the NSW Government's WorkCover reforms mean better care for injured workers, lower premiums and the protection of jobs.

"More than 167,000 employers across 364 industries have improved safety performance in the workplace and will receive a premium rate reduction from 30 June 2013," Mr Pearce said.

"We have reduced red tape, freeing up businesses to grow and provided better support for injured workers to help them safely return to work sooner."

Mr Pearce said while the average reduction to premiums is 7.5 per cent, under the NSW Government's changes businesses can save even more.

The following incentives have been introduced to encourage employers across the State to keep their workplaces safe and to return their injured employees to work;

- A 10 per cent Employer Safety Incentive (ESI) premium discount will be offered at each policy renewal for the small employers in the scheme
- A Return to Work Incentive for employers who have an injury within the workplace. The employer can retain the ESI discount provided injured workers return to work within 13 weeks
- The discount for paying the premium in full by the due date has increased to five per cent, giving more back to employers who renew their policy on time
- Additional reductions due to changes to the definition of 'small business'

"The old WorkCover scheme was unsustainable and if left unchanged would have cost employers more in premiums and led to thousands of job losses, clearly we could not stand back and let this happen," Mr Pearce said.

"Opposition Leader John Robertson and Labor have committed to ripping up our changes which would cancel these premium reductions and put more workers on the jobless queue.

"The new scheme will provide long term financial stability for business and their workers, encourage job growth and return the Workers Compensation Scheme to the black – which is good news for all NSW taxpayers."