

WorkCover Review of Premiums

WorkCover NSW is reviewing the method of calculating workers compensation insurance premiums and the implementation of grouping provisions. With the introduction of grouping provisions, workers compensation premiums will be calculated on a group basis. This means that related entities, including trusts, partnerships and corporations, will be grouped along similar lines to the payroll tax provisions.

The purpose of the 'WorkCover Review of Premiums and Implementation of Grouping Discussion Paper' was to seek comments on the method of calculating workers compensation premiums, with a view to introducing a revised method from the 2004/05 policy year. Larger community groups will be most significantly impacted by the current review due to a likely mix of services eg. retail, residential, counselling etc. The risk goes up with the more complex the service provision.

The consultation process was an attempt to identify and address some of the consequences of changes to the scheme that have been made in the last few years or which are to be implemented in the near future. ACROD's submission has stated the concerns of the disability sector about changed methods of calculating WorkCover premiums. It is believed there is a need for increased transparency in the calculation of WorkCover premiums and better disclosure by insurers in relation to the calculation of premiums. The review team are collating the responses and it is hoped that an analysis on the comments on the discussion paper should be available in December.

MHCC took part in a discussion with NCOSS, who have also made a proposal to WorkCover about their position on OH&S. However, there is some disappointment about the limitations of the review as the welfare sector is really looking for an entire review of industry groupings.