

Date: Wednesday 24 March 2021

## **WORKERS COMPENSATION PREMIUMS ADJUST TO FUTURE RISKS**

icare CEO Richard Harding announced today that icare has sought SIRA approval for NSW workers compensation premiums to adjust from 1.4% to 1.44% of wages in the next financial year to better meet the long-term risks for the scheme. Any past operating issues will be met by changes to icare's operations and not NSW businesses.

Average premiums have not increased since 2014. Premium changes were put on hold last year due to the need to support NSW businesses through the once-in-a-century pandemic. The changes we are making this year seek to balance the ongoing support to NSW businesses with the longer-term inflationary pressures on the scheme.

"The NSW workers compensation scheme holds almost \$18 billion worth of assets. However, there have been significant cost pressures over the past eight years which have been absorbed by the scheme as premiums were kept on hold," Mr Harding said.

"In making this recommendation we have considered the future risk to scheme performance including volatile investment markets; the delivery of operational improvements; and the ongoing impact of COVID-19.

"We are seeking modest increases to premiums over the medium term of 2.9% each year over the next two years, within the parameters of other normal business expenses such as utilities, to ensure there is no knee-jerk reactions or rate shock for business. Premiums will remain below the national average.

"It is also important to note that this premium increase will be accompanied by a commitment to lifting icare's performance and a reduction in internal costs by saving \$100 million. We will ensure businesses benefit from the improvements through better services not through their wallets.

"Getting injured workers back to work sooner is always the best thing for workers and employers, and also reduces costs to the scheme. This is why it is one of my top three priorities as the new CEO and a key focus of the new Group Executive of the Nominal Insurer.

"The best accident is the one that never happens, which is why we will continue with incentives and discounts to businesses that demonstrate a strong safety record and commitment to helping injured workers return to work. To find out more go to <https://www.icare.nsw.gov.au/employers/premiums/calculating-the-cost-of-your-premium>

"We will also continue investment into programs that drive real safety outcomes like the Protect Together program, which has a safety improvement record of 18%.

"We have identified and will work with the 20% of employers who represent over 60% of all scheme costs and accelerate the improvement in their employer safety records," he said

**Media contact: [media@icare.nsw.gov.au](mailto:media@icare.nsw.gov.au) | 0427 247 137**