
Fact Sheet on WorkCover Scheme Raid

Wednesday, 1 February 2012

The Victorian Government's mini budget papers released on December 15 by Treasurer Kim Wells outline a plan to strip the Victorian WorkCover Authority scheme of \$471.5m over four years to balance the books.*

The move was not outlined in the Victorian Government's media statement but in the fine print of the budget papers.

The plan is seriously flawed — it is a raid on employer contributions to the VWA to balance the state's books, and is likely to drive up premiums and reduce injured workers' entitlements.

It is one of a number of "revenue initiatives", and is designed to apply the Government's dividend policy to the VWA. Provision is already made to use the TAC surplus in the same way.

To make this happen the State Government will need to amend the *Accident Compensation Act* in the New Year – probably the first sitting of State Parliament.

The Government has so far been silent on why they think this is prudent way to manage the state budget and poses a serious threat to the financial future of the VWA.

We have the safest workplaces, the lowest premiums and the best benefits in Victoria. This is all under threat. It is extraordinary that the Government would want to put the scheme at risk by a short sighted grab for cash.

It's the thin end of the wedge that strips away the strong financial base of the insurer. A raid like this has never been proposed in any other state or territory or anywhere else in the western world.

Victoria's safety record will be under threat. This raid will leave WorkSafe with inadequate resources to implement safety initiatives.

Over the past six weeks nine Victorians have died at work – we don't need the WorkCover to be bled dry and left without any resources to be a safety watchdog.

The surplus is meant to keep premiums at an affordable level for business and this is a back door tax that is bad for business, bad for workers and bad for Victorians.

Sources

[http://www.premier.vic.gov.au/images/stories/documents/mediareleases/2011/111215_Wells - Coalition Government strengthens finances to grow Victorias economy.pdf](http://www.premier.vic.gov.au/images/stories/documents/mediareleases/2011/111215_Wells_-_Coalition_Government_strengthens_finances_to_grow_Victorias_economy.pdf)

<http://www.budget.vic.gov.au/CA25783300199E40/pages/budget-update>