

Data Sheet 99 (DS 099)

Workers Compensation Premium Costs

What are we monitoring?

Blue Mountains City Council (BMCC) annual Workers Compensation Premium Costs. The Council has set a target of reducing these costs to \$500,000 by 2023.

What is the trend?

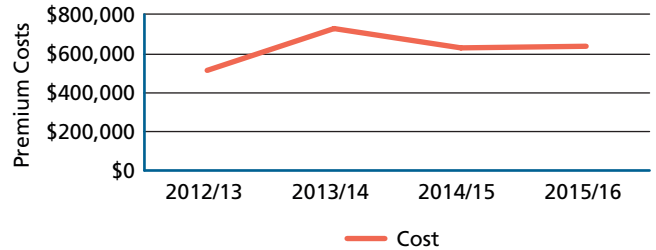
Despite an increase in 2012 costs, there have been significant reductions in premium costs since moving to the Retro-Paid Loss Workers Compensation Scheme. The results are significantly stronger than the target of reaching \$500,000 by 2023 (set in 2013).

Why is monitoring this trend important?

Workers Compensation Premium Costs are an indicator of the effectiveness of workplace safety. Generally, a safer workplace will attract lower premiums. However, the premium is also influenced by the level of cover and the amount of excess for each claim. General economic conditions also have an effect on the premiums.

Blue Mountains City Council altered its workers compensation insurance model in the second half of 2010. Annual premiums have reduced from an amount in the range \$1.5 million to \$1.8 million in the years preceding this decision to an average of \$650,000 in the reporting period. This is an outstanding result that bodes well for the target set for 2023.

Workers Compensation Premium Costs



Workers Compensation Premium Costs for Blue Mountains City Council

Year	2012/13	2013/14	2014/15	2015/16
Actual Cost	\$509,491	\$724,909	\$625,073	\$623,499

Source: Allianz Australia Workers Compensation (NSW) Ltd.