



Injury Schemes Seminar*

Balancing Outcomes

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Sheraton Mirage Gold Coast

* Formerly the Accident Compensation Seminar



**Actuaries
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SYNOPSIS

A NEW WORLD: EMERGING EXPERIENCE IN A POST-REFORM NSW WORKERS COMPENSATION SCHEME

Roland Fan, Harry Haggith, Gary Jeffery

Key words: reforms, June 2012, benefit design, emerging experience, PwC, NSW WorkCover

Purpose of your paper: Using the 2012 NSW Workers Compensation reforms as a case study, we start to answer these questions:

What are the drivers of reform?

How do we learn from emerging experience post-reform?

What are the challenges and opportunities in this 'new world'?

Synopsis: *What are the drivers of reform?*

The June 2012 legislative reforms represented the most significant benefit reforms to the NSW workers compensation scheme since 2001. Challenges through deteriorating claims experience, a continued difficult economic climate, the potential for significant upward pressure on premiums and the need to better support injured workers returning to work were some of the drivers of reform in a scheme under financial pressure.

How do we learn from emerging experience post-reform?

While previous scheme reforms have focused on common law, the benefit design for the June 2012 legislative reforms was more wide-reaching. Costing these reforms required significant actuarial judgment in the face of uncertainty.

A little more than 12 months on, we examine the experience immediately before the reforms and the emerging experience in the post reform world, with some changes having a greater impact than expected.

What are the challenges and opportunities in this 'new world'?

As the Scheme continues to transition into this new world, we also explore some of the key challenges and opportunities faced by NSW WorkCover in delivering a Scheme that supports the state's workers and employers. The renewed focus of the scheme on 'recovery at work' means the relationship between stakeholders is particularly important.