



Workers Compensation Legislation Amendment (Trainees)

Bill.

Second Reading

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [10.52 p.m.], on behalf of Ms Reba Meagher: I move:

That this bill be now read a second time.

This bill gives effect to a measure announced by the Treasurer in his Budget Speech on 24 June 2003.

From 1 January next year employers taking on trainees will be required to pay their workers compensation premiums in the same way as employers of apprentices are already required to. The New South Wales Government has paid the workers compensation premiums of trainees since 1989. Victoria is the only other State providing a concession—and it is very limited—and Victoria also applies payroll tax to trainees. From 1 January 2004 New South Wales will not. After remaining static for years, the number of trainees in New South Wales has risen dramatically from 1997-98, nearly quadrupling to 56,000 since that time. The cost of premiums met by the Government has increased from \$4 million in 1997-98 to a projected \$47 million in 2003-04.

Actuarial advice indicates that the cost of the scheme will continue to rise to more than \$70 million a year. The incentive is open to abuse, with some employers enrolling existing employees—and in some cases long-term employees—as new trainees. One company claimed the vast majority of its existing staff as trainees. Some of them had been on the company's payroll for up to 13 years. In addition, as employers are not responsible for the cost of workers compensation premiums, there is less incentive to maintain workplace safety. From 1 January 2004, employers of trainees will be required to pay their workers compensation premiums. This will put trainees and apprentices, for whom employers already pay workers compensation, on the same footing. As a transitional measure the Government will continue to pay the premiums of existing trainees until 31 December 2004. I commend the bill to the House.

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