

INQUIRY INTO PERSONAL INJURY COMPENSATION LEGISLATION

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Date Received: 23/05/2005

Subject:

Summary



WAGGA
WAGGA
CITY COUNCIL

Wagga Wagga City Council

Submission to the Legislative Council's inquiry into Personal Injury Compensation Legislation.

Monday 23 May 2005.

Committee's Terms of Reference

Inquire into, and report on the operations and outcomes of all personal injury compensation legislation approved by the Parliament of New South Wales from 1999, with particular reference to:

1. The impact on employment in rural and regional communities.

- 1.1. It is impossible to gauge the contribution that this suite of legislative amendments has had on employment with the Wagga Wagga City Council.

Whilst the State Government imposed 'rate-pegging' appears to be the major impediment in this area all additional/increased costs imposed upon this Council have the effect of diverting funds and consequently requires prioritizing of works and projects. Our business plan for 2005/06 and beyond is currently being framed and will see reductions in many areas due to insufficient funds. Naturally this impacts upon employment both directly with the Council as well as with the independent contractors that are engaged by Council.

- 1.2. I have little 'first-hand' evidence of the impact upon the Wagga Wagga Local Government area.

2. The impact on community events and activities, and community groups.

It is difficult for me to gauge the effect of the legislative alterations in areas other than the Civil Liabilities legislation.

- 2.1. In retrospect, it now appears fortunate that this Council was unable to obtain reasonable liability insurance cover in the mid 90's and joined the NSW Local Government Mutual Liability Scheme, commonly referred to as Statewide Mutual. I am aware of the Statewide Mutual submission to the Committee and therefore have not prepared any discussion note on matters covered in that submission.

Fortunately we continue to access reasonable liability protection through the scheme. The contributions made by this Council to the mutual scheme over recent years are: -

1999-00	\$175,000
2000-01	\$192,452
2001-02	\$211,750
2002-03	\$300,000
2003-04	\$420,000
2004-05	\$462,000
2005-06	\$485,100

The NSW Civil Liabilities legislation was enacted in 2002 but we are yet to see any impact upon our contributions due to the 'long tail' of pre 2002 matters to be settled. It is only recently that I have been informed that the fund has climbed out of deficit and the annual report soon to be released will show a small surplus.

2.2. Numerous commercial contractors, professional consultants and community groups have been unable to access reasonable insurance terms and consequently have required Council managers to change their methods of operation and/or modify their requirements.

3. The impact on insurance premium levels and the availability of cost-effective insurance.

3.1. Public Liability/Professional Indemnity (see point 2.1 above).

3.2. Workers Compensation - this Council is currently using the services of a WorkCover approved Fund Manager (Allianz). Our payments over recent years are: -

1999-00	\$1,178,530
2000-01	\$671,846
2001-02	\$537,356
2002-03	\$496,111
2003-04	\$409,413
2004-05	\$490,719
2005-06	TBA

Whilst this table shows a significant saving in this area this is as a direct consequence of Council's pro-active OH&S and claim management as much as legislative changes. It is difficult to estimate the degree of significance under these respective areas.

3.3. Compulsory Third Party. There is difficulty in extracting the payments made under this category as the costs appear to have been included with registration costs. The following costs have been supplied by Council's insurance consultants: -

2002-03	\$54,550
2003-04	\$69,570
2004-05	\$66,236
2005-06	\$59,950

4. The level and availability of Compulsory Third Party motor accident premiums required to fund claims cost if changes had not been implemented in 1999; and the impact on the WorkCover scheme if changes had not been implemented in 2001.

4.1. The Council has not experienced any difficulties in accessing the required protection. One can only speculate on the situation had the legislation not been enacted.

5. Any other issue that the Committee considers to be of relevance to the inquiry

5.1. Nil.

Conclusion

Whilst we are still to reap the benefits of the legislative changes – particularly in the Civil Liabilities area, I reiterate that this Council supports the thrust of the legislative suite which is seen to benefit the greater community.

We encourage the Government to maintain the legislation in its current format.