



Local Government Finance Professionals

21 Albert Street Mornington
Victoria 3931

Email: gabrielle@finpro.org.au
Mobile: 0400 114 015
www.finpro.org.au



29 January 2024

The Hon. Melissa Horne MP
Minister Local Government
Melissa.Horne@minstaff.vic.gov.au

Dear Minister,

RE: Workers Compensation Insurance

There have been significant increases in workers compensation insurance across many sectors, including Local Government. There are several factors related to this increase, however the State Government increase in the average premium rate from 1.27% to 1.80%, as part of the state budget, has had a major impact and is thus a major factor.

FinPro recently undertook a survey of its members to understand the impact. 55 Councils (70% of councils) completed the survey, with representation across all Council types. The response was extremely pleasing given the survey was only open for one week and was distributed during the January holiday period.

51 of the 55 Councils provided an estimate of their 2022/23 and 2023/24 workers compensation insurance premiums, with the summary of results as follows:

- 2022/23 premiums = \$47.70 million
- 2023/24 premiums = \$71.59 million
 - That's an increase of \$23.99 million or 33% that is not being invested in key community services.
 - All 51 Councils saw an increase in workers compensation insurance premiums.
 - The \$ impact ranged between \$34,000 and \$3M, and the percentage increase ranged from 4% through to 55% depending on Councils, with a median increase of 32%.

FinPro acknowledges that Councils should have appropriate insurance cover in place, and the safety of all workers is paramount, however the increases in insurance payable will have



Local Government Finance Professionals

21 Albert Street Mornington
Victoria 3931

Email: gabrielle@finpro.org.au
Mobile: 0400 114 015
www.finpro.org.au

a direct impact on service delivery – especially when rate revenue (Councils major revenue source) is not keeping pace with the increases.

We provide this information and request that you raise the issue with your Ministerial colleagues to discuss the impact and look at possible solutions to reduce the financial impact on Councils, and we request that both yourself and the Essential Services Commission consider such increases in future announcements associated with the annual rate cap.

Please feel free to contact us with any further questions via myself via 0419 634 128 or our Executive Officer, Gabrielle Gordon gabrielle@finpro.org.au.

Regards,

Bradley Thomas
President – FinPro

Local Government Finance Professionals Inc.

E: gabrielle@finpro.org.au

W: www.finpro.org.au

ADVOCATE | EDUCATE | COMMUNICATE | INNOVATE | COLLABORATE

CC: Mike Gooley – Executive Director Local Government Victoria

CC: Kate Symons – Commissioner and Chairperson, Essential Services Commission