

**THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**WORKERS' COMPENSATION (AMENDMENT) BILL 1998**

**EXPLANATORY MEMORANDUM**

Circulated by authority of  
Gary Humphries MLA  
Minister Assisting the Treasurer

## **Workers' Compensation (Amendment) Bill 1998**

### **Outline**

The *Workers' Compensation Act 1951* provides for compensation to be paid to private sector employers who suffer work related injuries.

A major feature of the Act is the part played by the Magistrates Court. In particular the Act provides for the Court to settle disputed claims by arbitration

It has been decided that the costs incurred in having the Court provide arbitration services should be borne by employers. This is to be achieved by imposing a levy on insurers and those employers who have been exempted from having insurance. The levy will be proportionate to the premiums received by an insurer or that would have been paid by an employer

The amendment provides for the levy to cover the costs of administration of the Act. At present it is intended the costs to be covered by the levy will be limited to those incurred in having the Court provide arbitration services. Other costs incurred in administering the Act include the costs of an inspectorate. The possibility of these costs being included in the future will be kept under review.

### **Revenue/Cost Implications**

The Bill will result in approximately \$300,000 being payable by insurers and employers who do not have insurance in the 1998/99 financial year.

### **Formal Clauses**

**Clauses 1 (Short title), 2 (Commencement) and 3 (Principal Act)** These clauses are formal. They refer to the short title of the Bill; provide that the Bill will commence when it is notified in the Gazette; and provide a definition of "Principal Act".

### **Insertion**

**Clause 4** inserts new section 27D in the Act. The new section provides for the costs of administration of the Act to be paid from a levy. The Minister is given power to levy workers compensation insurers and employers who have been exempted from having insurance. The levy will be apportioned on the basis of the premiums received by the insurer or that would have been paid by the employer.

Clause 4(2) provides for proposed section 27D to apply to the costs of administration incurred after 1 January 1997. This is to enable the costs to be

recovered in the 1998/99 financial year. Clause 4(3) provides for the first apportionment under proposed section 27D(2) to be made after 1 January 1999. This will allow for necessary administrative steps to be attended to and for insurers and exempt employers to be able to make any necessary adjustments.