

Lifetime Care and Support (Catastrophic Injuries) Work Injury Levy Determination 2025 (No 1)

Notifiable instrument NI2025–314

made under the

Lifetime Care and Support (Catastrophic Injuries) Act 2014, section 84 (Determination of LTCS levy)

EXPLANATORY STATEMENT

Section 84 of the *Lifetime Care and Support (Catastrophic Injuries) Act 2014* (LTCS Act) requires the Lifetime Care and Support Commissioner of the Australian Capital Territory (LTCS Commissioner) to determine the LTCS levy relating to work injuries for a contribution period.

Under the LTCS Act, the LTCS Commissioner is required to assess the amount needed to be contributed to the LTCS Fund (the fund) in each contribution period so that the scheme is fully funded. Specifically, the required fund contribution is an amount that will:

- fully fund the present and likely future liabilities of the LTCS Scheme under part 6 (Payments under LTCS scheme) of the LTCS Act in relation to people who become participants in the scheme because of a work injury during the contribution period;
- meet the payments needed to be made from the fund other than payments under part 6 of the LTCS Act; and
- provide for any other matters the LTCS Commissioner should, in all the circumstances, prudently make provision for in relation to liabilities under part 6 of the LTCS Act.

The required fund contribution is based on an actuarial estimate of the likely work injury liabilities for each contribution period. The contribution period applicable for this instrument is the financial year beginning 1 July 2025 to 30 June 2026. Levies for work injuries determined to be payable by each insurer or self-insurer under Schedule 1 are calculated by apportioning the required fund contribution for the period between insurers and self-insurers.

The methodology for determining the levy is specified in the *Lifetime Care and Support (Catastrophic Injuries) LTCS Work Injury Levy Guideline 2016* [DI2016-168]. The Guideline provides that each workers' compensation insurer and self-insurer in the ACT will be assessed a portion of the required fund contribution based on each insurer's or self-insurer's respective estimated market share for the contribution period. The LTCS Commissioner will apply market share estimates for each insurer and self-insurer as determined for the ACT workers' compensation regulatory levy under section 210 of the *Workers Compensation Act 1951*.

At the end of each contribution period, actual market share values will be assessed based on the ACT workers' compensation regulatory levy determination. The contribution payable by each insurer and self-insurer in the next levy determination is adjusted to reflect any difference in the contribution paid between the estimated and actual market share. The LTCS Commission will refund the balance to insurers and self-insurers in the event that the amount of an adjustment exceeds the next levy contribution. The calculations take into consideration when an insurer exits the market, based on the financial year in which they exited the market.