

**ACT private sector workers compensation scheme:
Consultation on proposed amendments to the *Workers Compensation Act 1951***

The ACT private sector workers' compensation scheme provides compensation to workers for injuries arising out of or in the course of their employment. Significant amendments to the scheme in 2001 introduced a focus on injury management and sustainable return to work for injured workers. These amendments were intended to reduce administrative costs under the scheme.

The workers' compensation scheme has two safety net arrangements to ensure that all injured workers have access to benefits on injury. The Nominal Insurer provisions under the *Workers Compensation Act 1951* provide access to benefits for injured workers who are employed by an employer who does not have a compulsory insurance policy. The Workers Compensation Supplementation Fund provides access to benefits where an insurer collapses or is otherwise unable to meet the costs of claims against workers' compensation policies issued by the insurer.

Neither of these safety net arrangements supports the use of injury management and return to work processes for injured workers and are inconsistent with the intent of the scheme. To address this inconsistency, the ACT Government has given its agreement to the drafting of amending legislation to improve the effectiveness of the workers' compensation scheme. The ACT Occupational Health and Safety Council's Workers Compensation Advisory Committee has been consulted during the drafting of the amending legislation.

The draft Workers Compensation Amendment Bill 2005 (No 2) (Amendment Bill) has been prepared and released as an exposure draft for external consultation with key stakeholders.

The Amendment Bill would combine the arrangements for both safety net schemes in the *Workers Compensation Act 1951* and repeal the *Workers Compensation Supplementation Fund Act 1980*. These proposals will also improve accountability and transparency for the safety net arrangements.

The Amendment Bill proposes establishing a scheme for certificates of currency that will provide information about the coverage of a compulsory insurance policy held by an employer. Employers will be able to ask insurers for an up to date certificate of currency every six months. An authorised person, including an inspector or workers' representative, will be able to ask an employer for the certificate. Principals entering into subcontracting arrangements will also be able to ask for the certificate of currency. These provisions will ensure that parties with an interest in the scope of an employer's insurance coverage will be able to access information in a timely way.

A number of minor policy amendments to improve the operation of the scheme are also proposed in the Amendment Bill. These include: improving consistent use of language and terms in the Act; treating all periods of absence from work due to an injury as cumulative; ensuring that arbitration costs associated with individual workers' compensation claims are charged to insurers as part of a claim; introducing publicity orders against persons convicted of offences against the

Act; and repealing provisions for infringement notices under the Act and creating a new schedule under the general infringement notice provisions of the *Magistrates Court Act 1930*.

The Exposure Draft of the Bill, and the accompanying Explanatory Statement can be accessed on the ACT Government Legislation Register (<http://www.legislation.act.gov.au/>). Submissions on the draft legislation can be made by close of business **Tuesday 20 September 2005**. This will enable comments to be considered and any consequent drafting changes to be made prior to the introduction of the Bill into the Legislative Assembly early in the Spring sittings.

All correspondence should be addressed to:

Office of Industrial Relations,
ACT Chief Minister's Department,
Canberra Nara Centre,
1 Constitution Avenue, Canberra City ACT 2601

or email Margaret.Cotton@act.gov.au or Patricia.Devlin@act.gov.au .

Please contact: Ms Margaret Cotton or Ms Patricia Devlin on 02-6207-9944 should you wish to discuss the proposed legislation.