

1992

AUSTRALIAN CAPITAL TERRITORY LEGISLATIVE ASSEMBLY

**WORKERS' COMPENSATION SUPPLEMENTATION FUND
(AMENDMENT) BILL 1992**

EXPLANATORY MEMORANDUM

Circulated by Authority of the Minister for Industrial Relations

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WORKERS' COMPENSATION SUPPLEMENTATION FUND (AMENDMENT) BILL 1992

This Bill amends the *Workers' Compensation Supplementation Fund Act 1980* ('the Act') to allow for the reimbursement to the Territory of the costs of administration of the Workers' Compensation Supplementation Fund by the Manager of the Fund.

OUTLINE

The Act establishes a fund to accept responsibility for the payment of compensation in the event of an insurance company failing and being unable to meet a liability to pay workers' compensation. To this end, section 3 of the Act establishes the Workers' Compensation Supplementation Fund of the Australian Capital Territory ('the Supplementation Fund').

The Workers' Compensation Supplementation Fund (Amendment) Bill 1992 amends the Act to allow the payment to the Territory of an amount determined by the Minister from time to time to be the costs of staffing the position of Manager of the Supplementation Fund, in respect of her or his duties in managing the Fund.

FINANCIAL IMPLICATIONS

The Bill will allow for the administration of the Supplementation Fund on a cost recovery basis. This will result in savings to the Territory of approximately \$14,200 per financial year. The Bill also provides for the recovery of costs from the 1990/1991 financial year and each subsequent financial year. The payment of the Manager's salary and 'on costs' has been built into the budget in anticipation of this amendment and this retrospective application of the provision is necessary to meet that budgetary commitment.

MAIN AMENDMENTS

Clause 3 - Payments out of the Supplementation Fund

Section 7 of the Act sets out the purposes for which payments may be made from the Supplementation Fund. Clause 3 amends section 7 to allow the payment of the amount referred to in new section 8A (inserted by clause 4 of the Bill).

Clause 4 - Reimbursement of Territory in respect of Manager's remuneration

New section 8A provides that there is payable out of the Supplementation Fund to the Territory an amount determined by the Minister to be the expense incurred by the Territory in funding the position of Manager of the Fund.

The Manager of the Supplementation Fund at present is the Director of the Compensation and Long Service Leave Section and the duties of Manager of the Supplementation Fund currently account for about 10% of the duties of that position. Only such portion as reflects the portion of that position that is taken up with the duties of Manager of the Supplementation Fund will be reimbursed to the Territory out of the Fund.

The costs will include a salary for the Manager and 'on costs' associated with the employment of the Manager such as superannuation, workers' compensation contributions, accommodation, corporate support and other recurrent costs.

Clause 5 - Application

The amendments are expressed to apply in relation to the 1990/1991 financial year and each subsequent year. The retrospective application is necessary to meet the obligations that have been anticipated in the budget process.

FORMAL AND TECHNICAL MATTERS

Clauses 1, 2 and 6 and the Schedule

Clauses 1 and 2 provide for the citation and interpretation of the Bill.

Clause 6 and the Schedule amend the Act to eliminate any sexist language.