THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

Government Amendments to the Workers Compensation Amendment Bill 2001

EXPLANATORY MEMORANDUM

Circulated by authority of the Minister of Urban Services

GOVERNMENT AMENDMENTS TO THE WORKERS COMPENSATION AMENDMENT BILL 2001

EXPLANATORY MEMORANDUM

OUTLINE		
CLAUSE 3	FORMAL REQUIREMENTS	6
CLAUSE 3A & 4	INTERPRETATION	б
	B ENTITLEMENTS	
New Section 5K	Working out average pre-incapacity weekly hours for contractor	
New Section 5M	Gradual onset of incapacity	
CLAUSE 5	SUBSTITUTION	
New Section 6C	Compensation for Personal Injury	
Section 6D	Amounts of compensation under Act cumulative	9
New Part 4.3	Dealing with weekly compensation	9
New Section 8E	Partially incapacitated workers after 26 weeks after incapacity de	
New Section 8F	Stopping of payments for partial incapacity	. 1 1
New Section 8G	Effect on payment period of loss of entitlement to weekly	
	compensation	
New Section 8H	Living outside Australia	
New Section 8I	Effect of living outside Australia if compensation is still payable	
New Section 8J	Effect of payment of weekly compensation on other benefits etc	
New Section 8K	No assignment etc of weekly compensation	
New Part 4.4	Compensation for permanent injuries	
New Section 8L	Meaning of loss	
New Section 8M	Meaning of single loss amount	
New Section 8N	Meaning of maximum loss amount	
New Section 80	Compensation for permanent injuries generally	
New Section 8P	Compensation for 2 or more losses	
New Section 8Q	Compensation and left-handedness	
New Section 8R	Compensation for combination of items	
New Section 8S	Compensation for only arm, leg, hand or foot	
New Section 8T	Compensation for loss of sexual organs	
New Section 8U	Loss of bowel function	
New Section 8V	Proportionate loss of use	.14
New Section 8W	Special provisions for HIV/AIDS	
New Section 8X	Deduction for previous injury or pre-existing condition	.15
New Section 8Y	Further loss and deductible proportions	. 15
New Section 8Z	Loss of hearing because of age	
New Section 9	No compensation for less than 6% hearing loss	.15
New Section 9A	Presumption to be drawn from refusal to submit to hearing	
	examination	
New Section 9B	Employer's responsibility to pay for hearing loss tests	
New Section 9C	Reimbursement for costs of medical certificate and examination	1

New Section 9D	Limited entitlement if death happens within 3 months	17
New Part 4.5	Compensation for medical treatment, damage and other costs	.17
New Section 9E	Application of part 4.5	.17
New Section 9F	Employer liability for medical treatment and damage	.18
New Section 9G	Claim for compensation for part 4.5	.18
New Section 9H	Second opinions	.19
New Section 9I	Payments for treatment received from hospital.	.19
New Section 9J	Transport costs other than private car	.19
New Section 9K	Working out transport costs for private cars	. 19
New Section 9L	Costs of accommodation and meals	.20
New Part 4.6	Compensation for death	.20
New Section 10	Death benefits	.20
New Section 10A	Payment into court of lump sum death benefits	.20
New Part 4.7	Registration of agreements for compensation	.20
New Section 10B	Registration of agreements for compensation	.20
New Section 10C	Effect of registration of agreements	.20
New Section 10D	Cancellation or amendment of registered agreements	.21
New Part 4.8	Exceptions to entitlements to compensation	.21
New Section 10F	No compensation while imprisoned	.21
CLAUSE 11A	INSERT	.21
New Part 5.1	Object and definitions for chapter 5	.21
New Section 10H	Object of ch 5	.21
New Section 10I	Definitions	21
New Section 10J	Meaning of employer and insurer if more than one	41
New Part 5.2	General obligations	22
New Section 10K		22
New Section 10L	Insurer to give effect to injury management program	22
	Insurers obligation of prompt payment	
New Section 10N	Employer's obligations for injury management programs	22
New Part 5.3	Obligations on injury	42
New Section 10O	Early notification of workplace injury	22
New Section 10P	Injury Notice	43
New Section 10R	Obligation of insurer on being notified of injury	23
New Part 5.4	Obligations in relation to personal injury plans	23
New Section 10S	Personal injury plan for worker with significant injury	24
New Section 10T	Provision of information about personal injury plan	24
New Section 10U	Vocational rehabilitation	2/1
New Section 10V	Employers personal injury plan obligations	24
New Section 10W	Worker's personal injury plan obligations	24 04
New Section 10X		75
New Section 10Y	Subsequent medical certificates under the personal injury plan	.,. <u>2</u> 5
New Part 5.5	Other obligation	د <i>ک</i>
New Section 10Z	Injured worker's obligation to return to work	43 カミ
New Section 10Z	BEmployer must provide suitable work for contract workers	دئد عد
New Section 10Z	C Payment of cost of treatment of injured worker	20
New Section 10Z	D Second injury arrangements	20
New Section 107	F Workplace rehabilitation	40

New Section 10ZI	Return to work guidelines	27
New Part 5.6		
New Section 10Z0	G Obligation of Minister	27
	H Compliance by insurers	
	Compliance by workers	
	A Unreasonableness in stopping payment	
New Section 10ZJ	Liability not affected	28
New Part 6.2	Time for accepting rejecting claims	
New section 12	Meaning of given to the insurer	
New section 12A	Claim accepted if not rejected within 28 days	28
New section 12B	Rejecting claims generally	
New section 12C	Rejecting claims within 28 days	
New section 12D	Rejecting claims after 28 days but within 1 year	29
New section 12E	Rejecting claims from 1 year	29
New Part 6.3	Liability on Claims	29
New section 12F	Without prejudice payments	29
New section 12G	Liability on claims not accepted or rejected	29
New section 12H	Order for refund of overpayments of compensation	29
New Part 6.4	Settlement of claims	30
New section 12I	Contracting out	30
New section 12J	How worker may commute rights	30
New section 12K	No assignment of payout of weekly compensation	30
CLAUSE 14	PART 2A IS OMITTED AND SUBSTITUTED	30
CLAUSE 23	PART 6C IS OMITTED AND SUBSTITUTED	30
CLAUSE 25	REGULATION-MAKING POWER	30
CLAUSE 26A	TRANSITIONAL ARRANGEMENTS	31
CLAUSE 27	NEW SCHEDULE & DICTIONARY	
CLAUSE 29	LIMITATION ACT 1985	31
CLAUSES 34 TO	45 CONSFOLENTIAL AMENDMENTS	31

GOVERNMENT AMENDMENTS TO THE WORKERS COMPENSATION AMENDMENT BILL 2001

EXPLANATORY MEMORANDUM

OUTLINE

The Government amendments to the Workers Compensation Amendment Bill 2001 incorporate a range of provisions from the draft Workers Compensation Regulations 2002 and restructures the Bill's numbering accordingly.

The Government amendments also clarify the meaning, or intent, of a number of provisions.

The Government amendments are consistent with the focus of the Bill, which is to reshape the ACT workers' compensation scheme into a scheme based upon the rehabilitation and return to work of injured employees.

Provisions previously located in the draft regulations, relating to entitlements for compensation, the injury management process, claims for compensation and compensation for permanent injuries, are now incorporated into the Bill.

Explanatory Memorandum

CLAUSE 3 FORMAL REQUIREMENTS

Clause 3, subclause (1) now establishes that the Workers Compensation Regulations will be amended in addition to the Workers Compensation Act 1951..

CLAUSE 3A & 4 INTERPRETATION

A new clause 3A introduces the heading 'Chapter 1 Přeliminary'.

Clause 4 is amended to omit 'Part 1A Interpretation' and to introduce 'Chapter 2 Interpretation generally'. The heading 'Part 1B' is replaced with 'Chapter 3'

Clause 4 also amends the proposed subsection 2(2) by including in the note reference to the existing ACT Workers Compensation Regulations.

The proposed 'Note 3, Subcontracting and labour hire' is amended to substitute the term 'part' with 'chapter' where appropriate, and 's 5AA' for 's 14'.

The proposed sections 4A and 4B are also amended to substitute the term 'part' with 'chapter' where appropriate.

CLAUSE 4A & 4B ENTITLEMENTS

Clause 4A introduces the heading 'Chapter 4 Entitlements to compensation'.

Clause 4B introduces a new part: '4.1 Important concepts'.

The object of this part 4.1 is to introduce new concepts in relation to what an injured worker receives by way of compensation. The proposed new part means a worker will be entitled to receive an amount equal to their average pre injury earings, which includes overtime payments, allowances and other payments normally received in the course of employment.

New part 4.1 describes the methodology to apply when calculating pre-injury earnings. The following explains the sections under new part 4.1.

New Section 5G Meaning of CPI indexed and AWE indexed

Section 5G defines the meaning of 'awe indexed' and 'CPI'. Section 5G(2) provides for the impact of 'negative adjustment' to the CPI or AWE indexation upon an amount already established by the calculation of an injured worker's Average Weekly Earnings, as defined in the Act's dictionary. A negative adjustment to CPI or AWE indexation does not reduce the amount already established by an injured worker's AWE amount.

Section 5G(3) establishes that an amount referred to in section 5G(2) may be increased consistent with an adjustment to AWE or CPI only to the extent that the increase accounts for any negative adjustments prior to the increase, but since the establishment of an injured employee's AWE.

Section 5G(4) establishes that section 5G(3) does not apply once the effect of the negative adjustment is offset by an increase driven by an adjustment in AWE and CPI.

An example of how these adjustments are calculated is given at the end of section 5G to assist interpretation.

New Section 5H Working out average pre-incapacity weekly earnings for a non-contractor

Section 5H(1) establishes that to work out pre-incapacity AWE for a non-contractor a worker's earnings from all employment immediately prior to injury must be taken into account. Section 5H(1) also allows a workers' actual weekly earnings to be taken into account for a period one year prior to the injury, or, if the worker was not employed for a whole year, the period of employment prior to the injury.

Section 5H(2) provides a method to establish an injured worker's AWE if it is not possible to apply the method outlined in 5H(1). Section 5H(2) allows an AWE to be established by referring to workers who perform similar work at the same grade as the injured worker, or by referring to workers who are in the same class of employment and who perform similar work at the same grade.

New section 51 Working out average pre-incapacity weekly earnings for contractor

Section 5I provides that working out average pre-incapacity weekly earnings for a contractor are to be worked out as if the worker is an employee. Section 5I provides for reference to any relevant award or industrial agreement.

New section 5J Working out average pre-incapacity weekly hours for non-contractor

Section 5J(1) establishes that to work out a non-contractor's pre-incapacity hours the worker's work hours from all employers must be taken into account and the actual weekly hours up to one year prior to the injury must be taken into account.

If it is not possible to use section 5J(1) to work out weekly hours, section 5J(2) allows weekly hours to be worked out by referring to other workers in the same employment, similar employment or same class of employment, who perform similar work at the same grade as the worker in question.

New Section 5K Working out average pre-incapacity weekly hours for contractor

To work out average pre-incapacity weekly hours for a contractor, section 5K provides that an injured contractor's hours are to be worked out as if the worker were an employee.

New Section 5L Overtime — hours and wages

Section 5L deals with the overtime component of a worker's earnings or hours. The section establishes that overtime can only be taken into account if:

overtime was worked in a regular and established pattern;

the established pattern of overtime was a uniform number of overtime hours worked; and

the worker would have continued this uniform pattern of overtime if the injury had not occurred.

New Section 5M Gradual onset of incapacity

Section 5M contemplates the effect of injuries which lead to a gradual incapacitation of a worker. Section 5M(1) provides for the circumstances where a worker's preincapacity AWE and hours are affected by the gradual onset of incapacity due to an injury.

Section 5M(2) establishes that a worker's pre-incapacity AWE and hours must be set at an amount that fairly represents the worker's AWE and hours if the worker had not been affected by the gradual onset of incapacity.

CLAUSE 5 SUBSTITUTION

Clause 5 introduces a new heading: 'Part 4.2 General entitlement to compensation for personal injury'.

New Section 6C Compensation for Personal Injury

Section 6C(1) and (2) provides that subject to particular provisions within the section a worker who suffers personal injury arising out of, or in the course of, the worker's employment the worker is entitled to compensation. However, with respect to disease a worker who suffers an injury that is caused by a disease must be able to establish a causal relationship between the disease and their employment. That is to say, the worker's employment must have substantially contributed to the injury (the disease) for it to be an injury within the meaning of the Act.

Section 6C(3) establishes that an injury suffered partly, or completely, because of a pre-existing diseased heart valve, coronary artery disease, aortic aneurism or cerebral

aneurism, is only a work-related injury if the worker's employment substantially contributes to the injury.

The section previously numbered 6C(3) is now numbered 6C(4) and amended to reflect the Bills new numbering. Sections 6C(4)(c) and (d) are amended to reflect the introduction of part 4.8 dealing with entitlements to compensation, section 8A dealing with death, and 10ZI dealing with compliance.

The proposed sections 6C(4) and (5) are omitted.

Section 6D Amounts of compensation under Act cumulative

This section was previously numbered as section 7. This section defines when compensation payable in relation to an injury may be in addition to any amounts payable under any other provisions of this Act.

New Section 6E Payments to people with legal disabilities

Section 6E is introduced to provide for payment of compensation to people with legal disabilities. The section defines the meaning of a 'person with a mental disability' as a person who is not legally competent to conduct their own legal affairs due to a mental disability. People who do not have a legal guardian are included in the definition. The section also defines a child as a person with a legal disability.

This section enables the Magistrates Court to make an order about the payment of compensation it considers appropriate to protect the person or persons' interests.

CLAUSE 7A INSERT

Clause 7A introduces:

part 4.3 dealing with weekly compensation;

part 4.4 dealing with compensation for permanent injuries;

part 4.5 dealing with compensation for medical treatment damage and other costs;

part 4.6 dealing with compensation for death;

part 4.7 dealing with registration of agreements for compensation; and

part 4.8 dealing with exceptions to entitlements to compensation.

New Part 4.3 Dealing with weekly compensation

New Section 8A What if the worker is dead?

Section 8A stipulates that a worker who is dead is not entitled to weekly compensation. Compensation entitled to the person before their death are not affected.

New Section 8B When do weekly compensation payments begin?

Section 8B establishes that the entitlement compensation payments begins when the worker gives notice of the injury to the employer. However, the liability for compensation starts from the date of the injury itself.

New Section 8C Totally incapacitated workers

Section 8C applies to workers who are totally incapacitated because of a compensable injury. A totally incapacitated worker is entitled to 26 weeks of AWE from the date of injury.

After 26 weeks the incapacitated worker is entitled to either:

100 percent of the worker's AWE if the AWE is less than the pre-incapacity statutory floor for earnings set by Schedule 1 of the Act; or

the pre-incapacity floor for earnings set by Schedule 1, if 65 percent of the workers AWE is less than the floor; or

65 percent of AWE or the statutory floor, whichever is the greater amount at the time of payment.

Section 8C(4) specifies when a worker is not entitled to compensation under the section, namely if the worker stops being totally incapacitated, or returns to work, or reaches pension age, or dies.

New Section 8D Partially incapacitated workers up to 26 weeks after incapacity date

Section 8D applies to workers who are partially incapacitated due to a compensable injury.

Section 8D(2) establishes that for 26 weeks after the date of injury the worker is entitled to receive weekly compensation equal to the difference between the worker's AWE and the average weekly amount the worker is being paid for work or could reasonably earn in reasonably available suitable employment.

Section 8D(3) states that any suitable employment that the worker unreasonably rejects, and any suitable employment obtained by the worker but unreasonably rejects, may be considered when working out the average weekly amount under section 8D.

New Section 8E Partially incapacitated workers after 26 weeks after incapacity date

Section 8E applies to workers who are partially incapacitated due to a compensable injury, 26 weeks after the date of injury.

Section 8E(2) stipulates that the worker is entitled to receive weekly compensation equal to the difference between the weekly amount the worker is paid and: 100 percent of the worker's AWE if the AWE is less than the statutory floor; or the statutory floor if the relevant percentage of the workers AWE is less than the statutory floor; or

the statutory ceiling if the relevant percentage of the worker's AWE is greater than the statutory ceiling; or

the relevant percentage of the workers AWE.

Section 8E(3) stipulates the criteria for establishing the relevant percentage. The relevant percentage can be:

- (a) 65% if the worker is not working or works 25% (or less) of their average weekly hours; or
- (b) 75% if the worker works more than 25% of average weekly hours but not more than 50% of their average weekly hours; or
- (c) 85% if the worker is working more than 50% of their average weekly hours but not more than 75%; or
- (d) 95% if the worker is working more than 75% of the worker's average weekly hours but not more than 85%; or
- (e) 100% if the worker works more than 85% of their average weekly hours.

The average pre-incapacity weekly hours referred to above is established by part 4.1.

Section 8E(4) defines statutory ceiling as 150% of AWE at the time the amount is to be paid.

New Section 8F Stopping of payments for partial incapacity

Section 8F stipulates that a worker stops being entitled to payments under section 8D or section 8E if the worker ceases to be partially incapacitated, reaches pension age, or dies. In addition, a worker who is injured at an age one year younger than pension age or older, ceases to be entitled to payments under sections 8D and 8E after two years of payments.

New Section 8G Effect on payment period of loss of entitlement to weekly compensation

Section 8G establishes the meaning of the payment period should a worker cease to be entitled to compensation under section 10F dealing with imprisonment or section 10ZI dealing with compliance.

Section 8G(2) establishes that the period when the worker's entitlement to payment has stopped is counted as part of the payment period under sections 8C, 8D and 8E.

New Section 8H Living outside Australia

A worker entitled to weekly compensation payments under the Act is not entitled to this compensation if they stop living in Australia.

However, section 8H(2) if a medical referee certifies that the worker's injury is likely to be permanent or the worker's absence from Australia is likely to assist recuperation, then the worker continue to be entitled to compensation payments.

New Section 8I Effect of living outside Australia if compensation is still payable

Section 8I applies to workers who live outside of Australia and continue to be entitled to compensation payments.

Section 8I(2) stipulates that workers entitled to compensation and living overseas will be paid compensation quarterly the amount of the weekly compensation payable during the previous quarter. A quarter is a period of 3 months beginning on 1 July, 1 October, 1 December or 1 April.

The worker must prove that they are the person entitled to compensation and that they remain incapacitated due to the compensable injury.

New Section 8J Effect of payment of weekly compensation on other benefits etc

Other benefits or payments due to the worker, unrelated to the Act, are not affected by entitlements provided by the Act. Section 8J provides the examples of long service leave and annual leave to assist with the interpretation of the section.

New Section 8K No assignment etc of weekly compensation

Section 8K stipulates that weekly compensation, and compensation paid to eligible workers living overseas, cannot be assigned, charged or attached, nor can it be passed to anyone else through a legal mechanism, nor can it have a claim set off against it.

New Part 4.4 Compensation for permanent injuries

New Section 8L Meaning of loss

Section 8L defines loss as the loss of the thing, the permanent loss of the use of the thing, or the loss of the efficient use of the thing.

The definition of loss includes permanent musculoskeletal impairment or another permanent impairment and the loss, damage, impairment, disfigurement or disease mentioned in schedule 1. Schedule 1 stipulates compensation for permanent injuries.

New Section 8M Meaning of single loss amount

A single loss amount is \$100 000, which is CPI indexed.

New Section 8N Meaning of maximum loss amount

A maximum loss amount is \$150 000, which is CPI indexed.

New Section 80 Compensation for permanent injuries generally

Section 80 provides for workers who have suffered a loss itemised in schedule 1 due to a compensable injury. The worker is entitled to receive the percentage of the single loss amount attributed to the item in schedule 1.

Calculating the loss occurs after the worker's employer becomes liable to pay compensation for the work related injury and it is unlikely that there will be an improvement, or further improvement, in the use of the injured part of the body or the efficient use of the injured part of the body.

Section 8O(3) allows for a worker to make further claims for loss due to an increase in the loss as a result of the same injury.

New Section 8P Compensation for 2 or more losses

Section 8P provides for workers who suffer 2 or more losses as the result of an injury. A worker in this case is not entitled to an amount of compensation for loss greater than the 'maximum loss amount' for the losses in total.

New Section 8Q Compensation and left-handedness

This section provides for workers who are left-handed. Should a left-handed worker sustain a loss of the left arm, hand or fingers, then they are to be compensated as if the loss was the right arm, hand, or fingers.

Likewise, should a left-handed worker sustain the loss of their right arm, hand or fingers, then they are to be compensated as if the loss was the left arm, hand, or fingers.

New Section 8R Compensation for combination of items

Section 8R enables a claim for compensation for a combination of items in schedule 1 or by a proportionate loss of a single item. This applies to losses apart from impairment of the back, neck or pelvis.

The section provides examples to assist with interpretation of the section.

New Section 8S Compensation for only arm, leg, hand or foot

If a worker only has one arm, leg, hand or foot and a compensable injury results in the loss of their only arm, leg, hand or foot, then they are treated under schedule 1 as if they had lost both arms, legs, hands or feet.

New Section 8T Compensation for loss of sexual organs

Section 8T provides for the loss of sexual organs. Each loss of a sexual organ is subject to the maximum percentage of 47% and does not limit compensation for the loss of another sexual organ.

Compensation for the loss of the penis is 47% of the single loss amount. Compensation for the loss of one testicle is 10% of the single loss amount. Compensation for the loss of both testicles is 47% of the single loss amount.

New Section 8U Loss of bowel function

Section 8U contemplates what should be considered when working out the extent a worker has suffered permanent loss of bowel function.

For the purpose of this section the bowel includes the anal sphincter. A permanent ileostomy or a permanent colostomy constitute a permanent loss of bowel function, for which the maximum percentage of compensation is payable.

New Section 8V Proportionate loss of use

Section 8V(1) provides for a loss of a proportion of an item in schedule 1. A worker is entitled to claim a percentage of the total loss payable for that item under section 8O.

Section 8V(2) stipulates that the reduction of the effect of the loss due to removable aids or appliances are not to be taken into account when determining the percentage of total loss payable.

Section 8V(3) requires matters under this section to be worked out by arbitration in accordance with this Act, unless decided by agreement.

New Section 8W Special provisions for HIV/AIDS

Compensation is not payable under section 80 for a loss due to HIV infection or AIDS, if the HIV or AIDS was contracted during consentual activity or illicit drug

Section 8W excludes the application of section 8V for a loss that is HIV infection or AIDS.

Section 8W defines AIDS and HIV infection.

New Section 8X Deduction for previous injury or pre-existing condition

This section deals with deductions from compensable amounts for a loss, or losses. Deductions can arise to a previous injury or a pre-existing condition.

Section 8X(1) stipulates that compensation for loss is reduced by any proportion of the loss attributed to a previous injury (whether compensable or not) or a pre-existing condition or abnormality.

Section 8X(2) stipulates that it does not matter if the initial loss is a total or partial loss.

Should the deductable proportion of a loss be too difficult or costly to work out, section 8X(3) establishes that the deductable proportion is assumed to be 10 percent of the loss. This applies unless the available evidence is contrary to the assumption.

Section 8X(4) directs matters relating to hearing loss to section 8Z.

An example of how the deductable proportion as a percentage affects the percentage of initial loss.

New Section 8Y Further loss and deductible proportions

Section 8Y provides for a further loss resulting from an initial loss. The section establishes that the initial loss should be applied as a deductable proportion and then deducted from the compensation payable for the further loss.

Section 8Y(3) stipulates that the deduction derived from the initial loss, which is then applied to the further loss, is in addition to any other deductible proportion under section 8X that applies to the further loss. The deduction derived from initial loss does not substitute for any other deductions.

New Section 8Z Loss of hearing because of age

Section 8Z establishes a proscribed age of 55 years-old for women and 65 years-old for men, for the purposes of the section. The section applies a method of working out the percentage decrease of hearing due to industrial deafness for workers who are the prescribed age or older. The loss of hearing is determined binaurally, which is the total loss of hearing of both ears in conjunction with each other.

Section 8Z applies a loss of hearing due to age as 0.5 decibels for each complete year of the worker's age over the prescribed age.

New Section 9 No compensation for less than 6% hearing loss

Section 9 stipulates that a worker is not entitled to compensation for 'boilermakers deafness' if the total hearing loss is less than 6 percent. If hearing loss reaches 6 percent or greater, the worker is entitled to compensation for 'boilermaker's deafness'.

An example is provided as a note to the section to assist with interpretation.

Section 9(3) establishes that percentage hearing loss is worked out as a proportion of hearing loss of both ears in conjunction with each other. In medical terms, hearing loss is a binaural assessment.

Section 9(4) stipulates that lawyers or agents acting for a worker claiming for hearing loss, is not entitled to recover costs for a hearing loss claim, if the binaural assessment of the total hearing loss is less than 6%.

Section 9 defines total hearing loss as the total of the present loss and all previous losses of hearing due to boilermaker's deafness.

New Section 9A Presumption to be drawn from refusal to submit to hearing examination

Consistent with section 9, section 9A stipulates that a worker claiming for boilermaker's deafness is presumed to have no hearing loss if the worker fails to allow themself to be medically examined, or obstructs an examination, required by the personal injury plan. Unless medical evidence to the contrary is provided the presumption of no hearing loss stands.

New Section 9B Employer's responsibility to pay for hearing loss tests

Section 9B requires employers to pay for:

a hearing loss test carried out at least 3 years after any previous test the employer paid for;

a hearing loss test that finds the worker suffers a binaural hearing loss due to boilermaker's deafness of 6% or more;

a hearing loss test after the worker has separated from the employer, if the hearing loss is due to the employment; and

a hearing loss test conduced by a doctor, or audiologist, using an audiogram.

An employer is not liable for hearing loss tests where section 9 would apply, namely that the binaural hearing loss is less than 6%.

Section 9B(2) stipulates that the cost includes the cost of obtaining a medical certificate and any examination required to certify the extent of hearing loss.

Section 9B(3) stipulates that employers are not required to pay for any hearing test not specified by chapter 4 of the Act.

Total hearing loss is defined as the total of the present loss and all previous losses of hearing due to boilermaker's deafness.

New Section 9C Reimbursement for costs of medical certificate and examination

Section 9C stipulates that obtaining a medical certificate and any examination required to obtain a certificate is taken to be medical or related treatment for the chapter, if the worker gives the employer a copy of the certificate.

Section 9C(2) defines 'medical certificate' as a certificate or report by a doctor that certifies a worker has suffered a loss mentioned in schedule 1 or the extent of loss. Extent of loss certified allows the amount of compensation to be worked out.

New Section 9D Limited entitlement if death happens within 3 months

Section 9D applies to workers with a compensable injury who die within 3 months of the date of injury, and who die because of their compensable injury or another injury sustained at the same time.

Section 9D(2) lists items of schedule 1 not entitled to a worker defined by this section. The worker is not entitled to compensation for:

loss of sense of taste or smell; loss of senses of taste and smell; loss of sexual organs; loss of one or both breasts; permanent and total loss of capacity to engage in sexual intercourse; severe facial disfigurement; severe bodily disfigurement.

New Part 4.5 Compensation for medical treatment, damage and other costs

New Section 9E Application of part 4.5

Section 9E establishes that part 4.5 applies if compensation is payable by an employer to a worker for a compensable injury.

Part 4.5 also applies if the operation of section 9 means that no compensation is payable by an employer to a worker for an injury.

Part 4.5 also applies if an employer is liable to pay compensation to a worker but for the fact that the worker is not incapacitated for work, or the worker is imprisoned, or weekly compensation is suspended, or the worker fails to comply with the Act.

New Section 9F Employer liability for medical treatment and damage

Section 9F(1) stipulates that the employer is liable to pay for the cost of medical treatment reasonably obtained in relation to the compensable injury. The employer is also liable for any damage, or loss, of the worker's clothing sustained in association to the injury.

The amount of compensation appropriate for medical treatment should be consistent with the charges customarily made for similar medical treatment in the context of the Australian Capital Territory.

The amount of compensation appropriate for a worker's clothing should be a reasonable amount that would cover the repair or replacement of the clothing.

Section 9F(2) foreshadows a total maximum amount payable under section 9F(1) for the cost of medical treatment required to repair or replace contact lenses, crutches, prosthesis, spectacles or other artificial aids, or for damage or loss of clothing.

The maximum amount for the purposes of this section is set at \$500 CPI indexed or an amount agreed upon between the worker and the employer.

Section 9F(4) establishes that the cost of medical treatment includes: the amount of wages lost by the worker to attend a treatment place for treatment; the cost of taking the worker to the treatment place (as specified by section 9J and 9K); and the cost of any accommodation and meals required by the worker due to attending the treatment place (as specified by 9L).

New Section 9G Claim for compensation for part 4.5

A worker may claim for compensation under part 4.5 for medical treatment and damaged or lost clothing, as specified by sections 9E and 9F.

To claim for compensation a worker must write to the employer stating the amount of compensation sought. The notice must contain details of the expenses to justify the amount sought.

Section 9G(2) stipulates that worker's claim for compensation under part 4.5 is not affected if the worker fails to give a notice, or their notice has a defect or inaccuracy, provided that a legal proceeding on the claim finds that the failure, defect or inaccuracy was caused by mistake or other reasonable cause (9G(2)(b)). In addition the claim under part 4.5 is unaffected if a legal proceeding finds that an employer's defence is not prejudiced by the failure to give notice, or a defect or inaccuracy in the notice (9G(2)(a)).

New Section 9H Second opinions

If a worker receives medical treatment and claims compensation for the treatment from the employer under part 4.5, section 9H allows the employer to require the employee to be examined by a doctor, or relevant professional, selected by the employer. Prior to a decision seeking a second opinion, the employer must consult the doctor, or professional, who provided the treatment to the employee.

New Section 91 Payments for treatment received from hospital

Section 9I stipulates that an employer liable under part 4.5 must pay on demand for medical treatment a hospital provided to the worker. The employer is liable for any amount outstanding after any payments previously paid by the worker. The employer is to pay the proprietor of a private hospital, or the authorised person or governing entity responsible for receiving payments of any other hospital.

New Section 9J Transport costs other than private car

Section 9J deals with costs for taking an injured worker to and from places for medical treatment by means other than a private motor vehicle. Section 9J establishes how these costs are worked out.

If an ambulance is required to take a worker to hospital, or a place for medical treatment, section 9J(2) stipulates that the transport cost is the actual cost of the ambulance transport.

Section 9J(3) contemplates a worker who uses public transport to attend a place for medical treatment because the worker does not have access to a private motor vehicle, the worker cannot rely on anyone to drive the worker, or the worker is legally prohibited from driving. Section 9J(3) stipulates that the transport cost is the actual cost of public transport for a worker contemplated by this section.

If a private motor vehicle or public transport is not reasonably available or appropriate, section 9J(4) allows for the payment of reasonable transport costs appropriate to the circumstances of the worker.

Section 9J(5) provides definitions of public bus, public transport, restricted taxi and taxi.

New Section 9K Working out transport costs for private cars

Section 9K establishes how transport costs are worked out for private motor vehicle transport of an injured worker to and from places for medical treatment of the compensable injury.

Section 9K(2) stipulates that transport costs for the car are worked out by multiplying the number of kilometres travelled to and from the place by the cost per kilometre of the car.

The per kilometre cost for a car, in relation to its size, is listed in schedule 1, part 2, of the Commonwealth's Income Tax Assessment Regulations 1997.

New Section 9L Costs of accommodation and meals

This section provides a guide to appropriate amounts to be incurred for travel and accommodation for the worker to travel and undergo medical treatment or examination.

New Part 4.6 Compensation for death

New Section 10 Death benefits

When a worker dies the dependents of the worker are entitled to the compensation set out in subsections (2)(a), (b) and (c).

Receipt of family tax benefits within the meaning of the Family Assistance Act 1999 (Cwlth) must be disregarded.

New Section 10A Payment into court of lump sum death benefits

Unless otherwise ordered by the Magistrates Court, any lump sum benefit with respect to death must be paid into the Court. These sum, or sums, will be invested, applied or otherwise dealt with for the benefit of those entitled. Where the beneficiary suffers disability then the lump sum will be dealt with under the *Public Trustee Act 1995*.

New Part 4.7 Registration of agreements for compensation

New Section 10B Registration of agreements for compensation

If the worker has reached an agreement with respect to compensation the worker may apply to the Court for registration of the agreement. The Court may refuse to register the agreement if the agreement is inaccurate, inadequate, in terms of the amount of compensation. The Court must refuse to register an agreement where the Court is not satisfied that the worker received independent legal advice.

New Section 10C Effect of registration of agreements

A worker with a registered agreement is not entitled to receive additional compensation for the loss of the right to pursue the matter further, in regard to further compensation. However, the Court may award additional compensation if it is

satisfied that the agreement was obtained by fraud or undue influence or that the amount was manifestly inadequate. This does not limit an award for additional compensation where a further loss has been sustained, after the loss to which the agreement relates.

New Section 10D Cancellation or amendment of registered agreements

The Court may amend or cancel a registered agreement only if evidence was not available to a party when the agreement was made and the Court considers that if the evidence had been available then the agreement would not have been made, or would not have been registered.

New Part 4.8 Exceptions to entitlements to compensation

Clause 7A renumbers the Bill's existing section 6D as section 10E.

New Section 10F No compensation while imprisoned

A worker who is otherwise entitled to compensation, is not so entitled for the period that the worker is imprisoned. When the worker has been convicted of an offence against a law of the Territory. State, Commonwealth or another Territory.

CLAUSE 11A INSERT

Clause 11A inserts a new 'Chapter 5 Injury Management Process'.

New Part 5.1 Object and definitions for chapter 5

New Section 10H Object of ch 5

Chapter 5 establishes a system designed to achieve the best results for the timely, safe and durable return to work of workers following work related injuries.

New Section 10I Definitions

A number of key definitions are set out.

New Section 10J Meaning of employer and insurer if more than one

Regard should be had to this section when there are two or more employers who are, or who maybe, liable to pay compensation to an injured worker.

New Part 5.2 General obligations

New Section 10K Insurer to establish etc injury management program

An insurer must establish and maintain an injury management program. This program must be reviewed for its effectiveness at least once every two years. A copy of the injury management program and any revision must be given to the Minister.

New Section 10L Insurer to give effect to injury management program

An insurer will comply with its injury management program by giving effect to the obligations imposed on it by the program. The insurer must take appropriate steps to ensure that each employer is aware of the employer's obligations, both under chapter 5 and within the injury management program.

New Section 10M Insurers obligation of prompt payment

An insurer is required under this Act to pay for the provision of services rendered. For example, medical services within 30 days after the provision of that service by the service provider.

The requirements of the above paragraph will not apply where the insurer believes on reasonable grounds that the service has not been properly provided and the insurer has advised the service provider in writing. Or where the insurer has another reasonable ground for not paying for the service.

New Section 10N Employer's obligations for injury management programs

All employers, other than non-business, employers must comply with the reasonable obligations imposed by the employer's insurer under the injury management program

Clause 11A renumbers section 12 of the Bill, dealing with 'register of injuries' as section 10NA.

New Part 5.3 Obligations on injury

New Section 100 Early notification of workplace injury

The injured worker is obliged to tell the employer that he or she has received a work related injury. This must be done as soon as possible after the injury. The fact of the injury must be entered into a register of injuries (see section 10NA). The employer must then give the insurer notice of the injury, pursuant to section 10P. This must be done within 48 hours after becoming aware that the worker received a work related injury.

New Section 10P Injury Notice

The section sets out what must be contained in the notice to ensure that notice is conveyed rapidly to the insurer. The section provides that notice may be given orally, in writing or electronic form. This means that insurers must be prepared to facilitate such arrangements in the event, for example, of notice being given by telephone, e.mail or fax.

Where notice is given orally confirmation of the notice will need to be given in writing within three days of the oral advice.

Where the worker has more than one employer then notice must be given by the employer responsible for the workplace where the injury occurred.

New Section 10Q What is employer does not give notice of injury within time?

Where notice of an injury has been given to an employer, but the employer does not give notice to the insurer within the time of notification (see section 10O(2)), then this section will apply.

The employer is then liable to pay the worker from the end of the notification period until such time as the employer gives the insurer notice of the injury. The employer will not be indemnified by the insurer for those payments made by the employer in relation to subsection (2) of this section.

New Section 10R Obligation of insurer on being notified of injury

The insurer must within three business days after receiving the injury notice, take action under the insurer's injury management program. The insurer must make contact with: the injured worker, the employer and the worker's nominated treating doctor.

This is to facilitate appropriate arrangements for treatment of the injury, rehabilitation and return to work.

New Part 5.4 Obligations in relation to personal injury plans

New Section 10S Personal injury plan for worker with significant injury

A significant injury for the purposes of this section means a work related injury that is likely to result in the worker being incapacitated for work for a continuous period of longer than seven days. These days may be business days, or otherwise and the incapacity can be either total, partial or a combination of both.

If it appears to an insurer that the workplace injury is a significant injury, then the insurer must establish a personal injury plan for the worker. That plan must be established in agreement with both the employer and the injured worker to the extent to which their participation and cooperation allow, and with the assistance of an approved rehabilitation provider.

The insurer must give effect to the plan and must comply with the obligations imposed on the insurer under the plan.

New Section 10T Provision of information about personal injury plan

The insurer must give both the employer and the worker information about the personal injury plan. This must include a statement to the effect that the worker's entitlement to weekly compensation may stop if the worker unreasonably fails to comply with the requirements of chapter 5.

The insurer must keep the employer informed of steps taken or proposed to be taken under the injury plan.

New Section 10U Vocational rehabilitation

The insurer must ensure as far as possible that vocational rehabilitation provided or arranged for the worker under the personal injury plan is reasonably likely to lead to real prospects of employment or a real increase of earnings for the injured worker.

New Section 10V Employers personal injury plan obligations

The employer must take part in the establishment of a personal injury plan and comply with the reasonable obligations imposed upon the employer.

New Section 10W Worker's personal injury plan obligations

The worker must take part and cooperate in the establishment of a personal injury plan (see section 10ZI). The injured worker must comply with obligations imposed by the plan, including an obligation to receive, as agreed, medical or surgical treatment, or take part in rehabilitation, or retraining.

New Section 10X Nomination of doctor for personal injury plan

The worker must nominate his or her personal medical practitioner or practice as the worker's treating doctor for the purposes of the injury plan. The nominated doctor or medical practice should be prepared to take part in the development of arrangements under the worker's personal injury plan.

The worker must authorise his or her treating doctor to provide relevant information to the insurer or the employer for the purposes of the injury plan. The injury plan must provide for the worker to change his or her nominated treating doctor as required.

New Section 10Y

Subsequent medical certificates under the personal injury plan

Medical certificates required under the personal injury plan must be from a doctor.

New Part 5.5

Other obligation

New Section 10Z

Injured worker's obligation to return to work

Reasonable efforts must be made by the injured worker to return to work.

New Section 10ZA

Employer must provide suitable work for full-time, part-time and casual workers

This section applied to full-time, part-time or casual workers who have been totally or partially incapacitated for work. An employer liable to pay compensation to the worker in relation to an injury, must provide suitable employment for the worker, if asked by the worker within six months after the day the worker became entitled to weekly compensation under this Act.

The nature of the employment provided must be both suitable and as far as reasonably practicable the same as or equivalent to the employment the worker was undertaking at the time of injury.

Qualifications to this section and its requirements are set out in subsection (4).

New Section 10ZB

Employer must provide suitable work for contract workers

This section applies to a contract worker who has been totally or partially incapacitated for work because of injury, whether on a full-time or part-time basis, and whether or not the worker can return to previous employment.

The employer must provide suitable employment for the worker if asked by the worker to provide employment in the event that the contract and any reasonable extension or renewal of the contract ends, or would end, before the expiration of six months after the day the worker became entitled to weekly compensation.

In any other case not contemplated by the above paragraph, the employer must provide suitable employment within six months after the day the worker became entitled to weekly compensation.

The nature of the employment provided must be both suitable and as far as reasonably practicable the same as or equivalent to the employment the worker was undertaking at the time of injury.

Qualifications to this section and its requirements are set out in subsection (3).

New Section 10ZC Payment of cost of treatment of injured worker

The worker's personal injury plan may provide for the insurer to pay the costs set out in subsection 10ZC(1)(a) and (b). It does not matter that the worker has not made a claim for compensation or that the insurer has not accepted liability for the injury.

New Section 10ZD Second injury arrangements

Arrangements may be entered into under this section to encourage the employment of injured workers by providing financial incentives to employers in relation to insurance liabilities.

An insurer who is liable to pay compensation to an injured worker can enter into a new arrangement with a new employer to provide indemnification for the new employer to pay compensation to the injured worker. The insurer may pay a wage subsidy to the new employer in relation to the worker's employment.

The arrangements under this section apply for six months, unless otherwise agreed. The indemnity applies to all injuries or only to the injury stated in the indemnity arrangement. It is also subject to conditions agreed upon by both the insurer and the new employer.

The section applies only to approved insurers.

New Section 10ZE Workplace rehabilitation

An employer other than a non-business employer must establish a return to work program in relation to policies and procedures for the rehabilitation of the employer's injured workers.

The return to work program must be consistent with the employer's injury management program.

A return to work program must satisfy those matters set out in subsection 10ZE(3).

The Minister may authorise in writing two or more employers who wish to establish a single return to work program.

New Section 10ZF

Return to work guidelines

The Minister may issue guidelines for the establishment of return to work programs.

New Part 5.6

Compliance with chapter 5

New Section 10ZG

Obligation of Minister

The Minister must monitor compliance by insurers with the requirements of Chapter 5.

New Section 10ZH

Compliance by insurers

Insurers must comply with the requirements of Chapter 5.

New Section 10ZI

Compliance by workers

Where a worker fails to comply with a requirement under Chapter 5, or fails to take part in vocational rehabilitation or return to work programs, or fails to do any of the things referred to in subsection 10ZI(1), then that worker is not entitled to weekly compensation.

The conditions relevant to continuation or resumption of weekly compensation are set out in the section.

New Section 10ZIA

Unreasonableness in stopping payment

This section applies if an insurer gives a worker and Minister notice under section 10ZI to stop the worker's weekly compensation.

If the Minister considers the cessation of payments could possibly be unreasonable, section 10ZIA(2) enables the Minister to write to the insurer asking for further information about the cessation, and/or, direct the insurer to continue to pay weekly compensation for a time not longer than one month.

If the Minister considers the cessation of payments to be unreasonable section 10ZIA(3) enables the Minister to tell the insurer so in writing and direct the insurer to continue to pay weekly compensation until otherwise directed by the Minister, or until the claim is settled or decided.

The insurer must not contravene the Minister's direction under this section without a reasonable excuse.

New Section 10ZJ Liability not affected

Section 10ZJ establishes that anything done by an employer or insurer under or for an injury management plan is not an admission of liability by the employer or the insurer under this Act or independently of this Act.

In addition, section 10ZJ establishes that anything done by an employer or insurer in relation to the assessment of an injured worker for rehabilitation, retraining or employment, or the provision or arrangement of services or other measures for rehabilitation or suitable employment.

Clause 12 renumbers the Bill's existing section 11 as section 11J.

New Part 6.2 Time for accepting rejecting claims

New section 12 Meaning of given to the insurer

Under this section, an insurer is considered to have been given a claim when they receive the claim or when either the employer or the injured worker informs the insurer of the claim. This is to avoid situations in which due to incomplete or inaccurate administrative procedures decisions in relation to the treatment of injured workers are unnecessarily delayed.

New section 12A Claim accepted if not rejected within 28 days

Under this section, an insurer has from the time they are given a claim 28 days to determine if a claim for compensation is to be accepted. If the insurer fails to make a decision within the 28 days, the claim is automatically deemed to have been accepted by the insurer.

New section 12B Rejecting claims generally

This section details how a claim for compensation is rejected and the information that must accompany a rejection of a claim for compensation. Insurers must inform both the employer and the employee of the decision to reject a claim for compensation. The notice that informs the employer and the employee must include the reasons as to why the insurer is rejecting the claim. If the claim is rejected after 28 days the notice must be in the form of an affidavit and include the evidence that the insurer is relying upon to reject the claim.

If the reason for rejecting the claim is medical in its nature the medical evidence upon which the insurer is relying must also form part of the notice. A simple statement that the claim is rejected for medical reasons is not sufficient to reason to meet compliance with this section.

New section 12C Rejecting claims within 28 days

This section details how and when an insurer stops compensation payments if the claim for compensation is rejected within 28 days of the insurer being given notice. The payment of compensation (both weekly and medical) stops two weeks after the worker receives the notice from the insurer rejecting the claim.

However, the insurer is not entitled to reject or delay the making of a decision regarding the acceptance or rejection of a claim on the grounds that they had insufficient time to make a decision.

New section 12D Rejecting claims after 28 days but within 1 year

This section details how a claim which was initially accepted within 28 days can subsequently be rejected by an insurer.

New section 12E Rejecting claims from 1 year

Claims of a year or more in length may only be rejected by the insurer with the leave of the Court. If the Court gives leave to the insurer to reject the worker's claim then the insurer need not give notice to the worker of the rejection if the worker's lawyer is present when the court gives leave to reject. The insurer may then stop paying weekly compensation on the day set by the court or eight weeks after the worker is given notice of the rejection if no date has been specified in the order.

Subsection (3) provides for notice.

New Part 6.3 Liability on Claims

New section 12F Without prejudice payments

The insurer is not required to make any admissions with respect to liability when making payment in relation to a claim.

New section 12G Liability on claims not accepted or rejected

An insurer is liable to pay weekly compensation and compensation for costs in relation to an injury until such time as the insurer rejects or settles the claim. Payments made under this section may not be recovered by the insurer. The insurer however, is not liable to pay an amount the employer is liable to pay under section 100. Accordingly the insurer may recover that amount from the employer.

New section 12H Order for refund of overpayments of compensation

This section deals with payments by way of overpayment purportedly made because of an obligation arising under this Act. This section only applies if the Court before which a proceeding for an offence under section 26T is taken.

New Part 6.4 Settlement of claims

New section 12I Contracting out

A provision of an agreement or other document is void if it purports to preclude or limit a right or rights under this Act, or a liability imposed on an employer under this Act.

This section does not apply to an agreement by a worker to commute an existing right to compensation for a compensable injury.

New section 12J How worker may commute rights

A worker may commute an existing right to compensation for a compensable injury on payment of an amount by an insurer. Settlement may include those matters set out in subsection 12J(2).

New section 12K No assignment of payout of weekly compensation

A payout of weekly compensation may not be assigned, charged or attached nor may the payout pass to anyone else by operation of law, nor may a claim be set off against it.

CLAUSE 14 PART 2A IS OMITTED AND SUBSTITUTED.

Clause 14 now renames part 2A of the Bill as 'Chapter 7 Vocational rehabilitation'.

CLAUSE 23 PART 6C IS OMITTED AND SUBSTITUTED

Clause 23 now renames part 6C of the Bill as 'Chapter 13 Notice and appeals'.

CLAUSE 25 REGULATION-MAKING POWER

Clause 25 now omits from the Bill sections 30(2)(a), 30(2)(b) and 30(2)(c), dealing with the management of worker injuries; management of compensation claims; and the quantum and method of compensating diseases and losses. These matters are now incorporated into the body of the Bill.

Consistent with the omissions mentioned in the above paragraph, sections 30(4) and 30(5) are also omitted from the Bill.

Section 30(2)(1) is amended to increase the scope of the Act's regulation making power. This Government amendment enables the regulations to arbitrate on matters and questions arising under this Act, including the exclusion, or modification of, the Commercial Arbitration Act 1986.

CLAUSE 26A TRANSITIONAL ARRANGEMENTS

New clause 26A renames part 8 of the Bill as 'Chapter 15 Transitional'.

CLAUSE 27 NEW SCHEDULE & DICTIONARY

Clause 27 now introduces a new schedule into the Bill, 'Schedule 1 Compensation for permanent injuries'.

The schedule sets out a table of compensable injuries and the nature of the injuries against which compensation may be claimed. This schedule was previously located in the draft Workers Compensation Regulations 2002 into the Bill.

Clause 27 updates the dictionary, consistent with the Bill now incorporating matters dealing with the management of worker injuries; management of compensation claims; and the quantum and method of compensating diseases and losses.

Consistent with section 2A, which defines what an injury is for the purposes of the Act and provides for a test of substantial contribution. The dictionary now defines substantial as meaning real, actual or material, for the purposes of this Act.

Consistent with clause 14 of the Bill dealing with vocational rehabilitation, the dictionary now defines vocational rehabilitation and amends definitions that require use of the term vocational rehabilitation.

Clause 27 now updates definitions with relevant numbering and terminology.

CLAUSE 29 LIMITATION ACT 1985

Clause 29 amends the Limitation Act 1985, numbered as section 16A. Clause 29 now modifies the amendment at 16A(1)(a) by changing the first mention of 'injury' to now read 'personal injury'.

CLAUSES 34 TO 45 CONSEQUENTIAL AMENDMENTS

Clauses 34 to 45 are consequential and minor amendments to the legislation. They come about as a result of the re-formatting of the Government's Bill, and in some cases are minor re-wordings that are grammatical in content.