

2009

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

**WORKERS COMPENSATION (DEFAULT INSURANCE FUND)
AMENDMENT BILL 2009**

EXPLANATORY STATEMENT

**Presented by
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Minister for Industrial Relations**

Workers Compensation (Default Insurance Fund) Amendment Bill 2009

OUTLINE

The Default Insurer Fund (DI Fund) is established by the *Workers Compensation Act 1951* (WC Act). The DI Fund provides a safety net to meet the cost of workers' compensation claims made against employers who have no insurance or claims against insurers who cannot meet their liabilities. The Fund has been operational for a few years and there are a number of provisions that require refinement.

All insurers licensed under the ACT Private Sector Workers Compensation Scheme, other than the DI Fund Manager, have the power to settle a claim without employer consent. Under the current WC Act provisions, the DI Fund Manager must obtain the uninsured employer's consent to settle a claim. This results in unnecessary legal and administrative costs for the DI Fund, the expenditure of unnecessary court time and delays in injured workers receiving their workers compensation entitlements.

The Workers Compensation (Default Insurance) Amendment Bill 2009 will allow the DI Fund Manager to make decisions regarding the conduct of matters and settlement of claims without the employer's consent. Under the provisions the DI Fund Manager will still be required to, as far as practicable, consult with the employer regarding the matter.

Workers Compensation (Default Insurance Fund) Amendment Bill 2009

Detail

Clause 1 — Name of Act

This is a technical clause that names the Act. This Act is the *Workers Compensation (Default Insurance Fund) Amendment Act 2009*.

Clause 2 — Commencement

This Act commences on the day after its notification day.

Clause 3 — Legislation amended

This clause identifies the Act to be amended, namely the *Workers Compensation Act 1951*.

Clause 4 — DI Fund Manager not to consent to judgment etc unless defendant agrees - Section 170O

This clause will be omitted.

Clause 5 — DI Fund Manager may consent to judgment etc - New section 172A

This clause will establish that the DI Fund Manager may conduct and settle matters without the employer's consent and as far as practicable the DI Fund Manager should consult with the employer on such matters.