

Australian Capital Territory

Workers Compensation Amendment Regulation 2021 (No 1)

Subordinate law SL2021–29

made under the

***Workers Compensation Act 1951*, section 223 (Regulation-making powers)**

EXPLANATORY STATEMENT

PURPOSE AND OUTLINE

The purpose of this Regulation is to amend the *Workers Compensation Regulation 2002* (the WC Regulation) to facilitate a further short-term extension to 31 May 2022 for current insurers and self-insurers.

The extensions are required following the introduction of a new licensing framework that commenced under the *Workers Compensation Act 1951* (WC Act) from 9 January 2021.

Workers' compensation insurers and self-insurers that were approved/exempted as to operate prior to 9 January 2021 have been extended to 31 December 2021 under the *Workers Compensation Amendment Regulation 2020* (No 1) [SL2020-40] and are taken to be licensees under the WC Act. This was to allow time for the supporting instruments for the new licensing framework to be made. These supporting instruments, including amending Regulations have not yet been finalised. Consequently, and until the supporting instruments are implemented, this Regulation supports a further extension of the current arrangements for ACT workers' compensation insurers and self-insurers for a further period to 31 May 2022.

The amendments will establish a mechanism to extend current insurer and self-insurer licenses to 31 May 2022 to ensure they continue to meet their obligations under the WC Act. To allow the extension to operate, technical amendments are also made by this Regulation to update terminology in the WC Regulation to align with the WC Act, by replacing references to *approval/exemption* with *licence* and placing the licensing functions with the regulator.

CONSISTENCY WITH HUMAN RIGHTS

These amendments do not engage the *Human Rights Act 2004* (HR Act).

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CLAUSE NOTES

Clause 1 Name of Regulation

This clause provides that the name of the regulation is the *Workers Compensation Amendment Regulation 2021 (No 1)*.

Clause 2 Commencement

This regulation commences on 25 November 2021.

Clause 3 Legislation amended

This clause provides that the regulation amends the *Workers Compensation Regulation 2002*.

Clause 4 Section 62 (3)

This clause makes technical amendments to replace the term approved insurer with licensed insurer to align with the WC Act and facilitate the extension of insurer and self-insurer licenses.

Clause 5 Parts 9 to 10A

This clause makes technical amendments to:

- replace the term approved insurer with licensed insurer to align with the WC Act and facilitate the extension of insurer and self-insurer licenses; and
- replace Minister with the regulator for the purpose of carrying out insurer licensing functions consistent with the WC Act.

The substantive amendments in this clause to facilitate the extension of current insurer and self-insurer licences is found in the new sections 68(2), 71, 86(2) and 87A. These clauses allow for current insurers and self-insurers to apply for a licence that will, on the condition of licence, be cancelled on 31 May 2022. This purpose of this insertion is to provide a mechanism to extend the current arrangement to 31 May 2022 while the subordinate instruments to support the new licensing framework are finalised.

The information required for the extension licence is simplified to provide the necessary assurance that insurers and self-insurers will comply with their obligations under the WC Act for the period to 31 May 2022.

Clause 6 Section 101 heading

This clause makes technical amendments only to replace the term approved insurer with licensed insurer to align with the WC Act and facilitate the extension of insurer and self-insurer licenses.

Clause 7 Section 101 (2) (a)

This clause makes technical amendments only to replace the term approved insurer with licensed insurer to align with the WC Act and facilitate the extension of insurer and self-insurer licenses.

Clause 8 Section 101 (2) (d) (ii)

This clause makes technical amendments only to replace the term approved insurer with licensed insurer to align with the WC Act and facilitate the extension of insurer and self-insurer licenses.

Clause 9 Schedule 3, part 3.1, new items 15 to 18

This clause makes technical amendments only to:

- replace the term approved insurer with licensed insurer to align with the WC Act and facilitate the extension of insurer and self-insurer licenses; and
- replace Minister with the regulator for the purpose of carrying out insurer licensing functions consistent with the WC Act.

Clause 10 Dictionary, note 2

This clause makes a technical and consequential amendment.

Clause 11 Dictionary, note 3

This clause makes technical amendments only to replace the term approved insurer with licensed insurer to align with the WC Act and facilitate the extension of insurer and self-insurer licenses.

Clause 12 Dictionary, note 3

This clause makes technical amendments only to replace the term approved insurer with licensed insurer to align with the WC Act and facilitate the extension of insurer and self-insurer licenses.

Clause 13 **Dictionary, definition of *exemption***

This clause makes a technical and consequential amendment only to remove the definition of an exemption that is no longer required.