

Module	WORKERS COMPENSATION
Jurisdictions	CTH, NSW, VIC, SA, TAS, WA, NT, QLD, ACT

Module Application

The WORKERS COMPENSATION INSURANCE module informs the insurance providing entity or organisation of their legislated legal obligations. The module also demonstrates effective practical advice and assistance to the insurance providing entity to implement procedures and processes that will ensure compliance and regulatory accountability throughout all levels of the workers compensation insurance providing entity.

The WORKERS COMPENSATION INSURANCE module advises workers compensation insurance entities of the processes and procedures they need to implement to ensure compliance with all legal and regulatory obligations. Core legal and regulatory obligations are based on considerations of the broad questions determining;

- › Decision making;
- › Accountability;
- › Stewardship;
- › Direction; and
- › Control.

To fulfil its purpose the module focuses on providing practical assistance to the workers compensation insurance entity establishing and maintaining a robust foundational framework that determines;

- › How the organisation will function;
- › Who is the responsible decision maker;
- › What matters are relevant to the decision-making process; and
- › Whether the desired outcome has been achieved.

As entities, their employees and authorised individuals are all expected to be familiar with the broad landscape of legal obligations to which they are subject as well as more specific obligations relevant to the particular sector they are operating in, the WORKERS COMPENSATION INSURANCE module should be subscribed by all workers compensation entities, their employees and authorised individuals. The aim of the module is to equip the subscriber with knowledge of their obligations and the skills they require to establish relevant systems and processes to ensure compliance throughout their organisation.

There are three types of workers compensation schemes operating in Australia. The module covers the three different types of scheme and how they operate in the different states of Australia;

- Centrally funded schemes;
- A government agency performs the functions of the insurer, including underwriting;
- Hybrid schemes;
- Public central insurers are responsible for underwriting, funds management and premium setting, while private sector bodies undertake claims management and rehabilitation; and
- Privately underwritten schemes.

Insurer functions are carried out through approved private sector insurance companies.

The broad scope of the WORKERS COMPENSATION INSURANCE module is to provide answers to these questions;

- What are our legal obligations?
- From where are our legal obligations derived?
- How can we ensure that we are complying with our legal obligations?
- What are the consequences if we are not complying with our legal obligations?

The WORKERS COMPENSATION INSURANCE module covers all legislated legal obligations of workers compensation insurance entities and demonstrates practical assistance and guidance to ensure that these obligations are complied with through the implementation and maintenance of best practice processes throughout the organisation. The module also covers the role of the regulator as well as exemptions to the obligations, if applicable, and how they may or may not apply in particular circumstances.

The module fulfils this objective by comprehensively covering three main areas;

- The legislative and regulatory landscape from which the primary legal obligations are derived;
- A New Tax System (Goods and Services Tax) Act 1999 (Cth);
- A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2011 (no.1)(Cth);
- Workers Compensation Act 1951 (ACT);
- Workers Compensation Act 1987 (NSW);
- Workers Compensation and Rehabilitation Act 2003 (QLD);
- Workplace Injury Rehabilitation and Compensation Act 2013 (VIC);
- Workers Rehabilitation and Compensation Act 1988 (TAS);
- Workers Compensation and Injury Management Act 1981 (WA); and
- Return to Work Act 2014 (SA).

In addition to the state-based workers compensation legislation listed here, each state also relies on numerous other supporting acts and legislation to govern workers compensation insurance in their state. The module provides comprehensive coverage of both the commonwealth and state legislative basis of workers compensation obligations.

The specific areas where legal and regulatory obligations apply to the workers compensation insurance entity;

- The applications process for insurance entities seeking licences or approvals;
- Complying with licence and approval conditions; and
- Renewal, suspension and cancellation of the licence or approval.

Mandatory fund contribution requirements in Australian Capital Territory, New South Wales, Tasmania, Western Australia and the Northern Territory;

- Policy management;
- Appropriate provisions;
- Setting premiums; and
- Renewal, cancellation and expiry.

Claims management;

- Receiving claims;
- Claims management procedures;
- Paying compensation;
- Reviewing a disputed claim;
- Determining liability;
- Transferring claims; and
- Multiple insurers.

Calculation of entitlements and compensation payments;

- Work capacity assessment;
- Weekly compensation;
- Lump sum;
- Medical treatment and tests;
- Injury related living expenses;
- Disease, loss of hearing and gradual onset incapacity; and
- Compensation following the death of a worker (difference requirements apply in different states);

Planning documentation and record-keeping;

- Injury management program;
- Injury management plans and coordinators;
- Business plans;
- Accounting and other records;
- Providing information to the relevant authority;
- Specifications for insurer's forms;
- Insurer data specifications; and
- Register of policies.

Mandatory and required notification requirements;

- › Dispute resolution;
- › Internal dispute resolution;
- › Providing information to parties in dispute;
- › Mediation and conciliation;
- › Merit review and arbitration; and
- › Making interim payments.

Maintaining secrecy and confidentiality;

- › Performing monitoring and audits;
- › Performance standards;
- › Compliance and financial audits; and
- › Conducting wage audits.

Significant consequences can apply to workers compensation insurance entities found to have breached or not complied with their legal obligations or conditions of their licence or operating approval. These consequences vary considerably depending on the nature and extent of the breach or failure. The WORKERS COMPENSATION INSURANCE module covers specific consequences in detail. They can include monetary penalties, and suspension or cancellation of licences or approvals to operate.

The WORKERS COMPENSATION INSURANCE module does not cover the rights or entitlements of individuals who have suffered damages or losses due to breaches of obligations by workers compensation insurance entities. The module does not cover the process that an entity or an individual would follow to report or seek compensation for the breach or their loss.

The module covers the legal obligations of workers compensation insurance entities. The module does not cover the workers compensation legal obligations of employers towards their employees.

About LexisNexis Regulatory Compliance

LexisNexis Regulatory Compliance® helps you forge a clear path to compliance.

With LexisNexis® content know-how at the core, our compliance registers, alerts, and information-driven solutions make compliance uncomplicated for GRC professionals across the globe.