QBE Connect

NEWSFLASH 79 April 2010

Legislative Changes - Victoria

The Accident Compensation Act 1985 and the Accident Compensation (Workcover Insurance) Act 1993 have recently been reviewed and changes have been made.

The Accident Compensation Amendment Bill 2009 has recently been passed by the Victorian Parliament which means there are changes to the legislation that could affect your business. A summary of the changes and the date of implementation is as follows.

Changes effective 10th December 2009

- An increase in the no fault maximum lump sum entitlement for a permanent impairment from $409,200 to $503,000.
- A 10% increase in no fault lump sum entitlements for some workers who are compensated for spinal impairments only.
- Increase in the no fault lump sum entitlements to workers with a permanent psychiatric impairment assessed at the existing 30% whole person impairment threshold, from $13,650 to $68,240.
- There is an increase in the maximum lump sum payment for dependants following a workplace death from $273,970 to $503,000.
- The surviving partner who was living with the worker at the time of death will be deemed to be dependent on the earnings of the deceased worker.
- Except in certain circumstances claims can be determined without the need to go to court.
- Extend eligibility to pensions and lump sums for dependent children of deceased workers up to the age of 25 who are undertaking full time study or full time apprenticeship.

Changes effective 5th April 2010

- Workers entitlements have been amended which will change the calculation of your workers Pre Injury Average Weekly Earnings. Workers now have an increase in their weekly payments from 75% to 80% after workers have received payments for longer than 13 weeks.
- Superannuation contributions will be calculated as a percentage of your workers weekly payments for workers still receiving weekly payments after 52 weeks.
- Increased compensation for workers entitled to overtime and shift allowances by extending the time for which these allowances are taken into account in the calculation of the weekly payments from 26 weeks to 52 weeks.
- Increase in the Statutory maximum for weekly payments to twice Victoria's average weekly earnings, currently $1760.
- Entitlement to weekly payments for up to 13 weeks for injured workers who have returned to work, but who require surgery for their work related injury where they have already received weekly payments for 130 weeks.
- Workers will have the ability to fill out an electronic claim form on the WorkSafe website and submit it with a signature via fax, and with the employers consent, by email.
- An employer will be able to request from their Agent a written statement outlining why certain claims for compensation were rejected or accepted.
- Conciliation officers will be able to direct WorkSafe or a self-insurer to pay the reasonable costs of medical and like expenses up to $5000 at conciliation.
- Reimbursement of workers transportation costs to attend a conciliation conference capped at $50 per conference.

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- Reimbursement of lost income sustained by a worker when attending a conciliation capped at $350.00 per day.
- New powers have been granted to WorkSafe to suspend payments to a service provider whilst they are under investigation for a breach of the Act and to disqualify service providers from the scheme.

Changes effective 1 July 2010

- Enhanced protection against discrimination for workers making or pursuing compensation claims.
- Expanded penalties for discrimination.
- The ability to seek a review of WorkSafe's decision not to prosecute discrimination.
- A new right for a worker to bring their own action to address discrimination in the Magistrates' Court.
- Introduction of a staged approach to the consequences for workers who do not comply with their return to work obligations.
- WorkSafe will develop supporting materials which will clearly set out how to comply with obligations for workers.
- Introduction of simple and clear return to work obligations for employers, reducing the emphasis on 'paper compliance' and focusing on achieving return to work outcomes.
- Return to work inspectors will continue to provide assistance and guidance to employers, however they will, where necessary, have the ability to issue notices requiring compliance.
- Tougher penalties for employers who fail to comply with their return to work obligations.
- Introduction of the ability to seek a review of WorkSafe's decision not to prosecute alleged return to work breaches by employers.
- 'Host' employers will be required to co-operate with labour hire employers on the return to work of a worker who is injured while 'on hire' to the 'host'.
- WorkSafe will develop supporting materials which will clearly set out how to comply with obligations for employers.
- A nine month transitional period will be implemented between 1 July 2010 and 31 March 2011 to enable employers with existing claims to adjust to the changes in return to work obligations.
- The right for employers to request a review of statistical case estimates where there are data errors.
- Access to a formal internal and external review process if employers dispute their premium.
- Regular review of premium setting by an independent body.
- Introduction of new premium avoidance measures and revised penalties to encourage premium compliance.
- Changes to the definitions of remuneration which will more closely align with the Victorian payroll tax system and WorkCover New South Wales.
- Ability for trustees to hold multiple policies for independent businesses run under trusts.

QBE will be running information sessions in April to assist our employers through the changes. For more information relating to this session or the changes please refer to your QBE case manager or Business Relationship Manager.

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