

New South Wales

# Workers Compensation Amendment (Permanent Impairment Benefits) Bill 2006

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

This Bill is cognate with the *Industrial Relations (Child Employment) Bill 2006*.

## Overview of Bill

The object of this Bill is to amend the *Workers Compensation Act 1987* to provide for a 10 percent increase in the amount of permanent impairment compensation benefits payable under that Act.

## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on 1 January 2007.

**Clause 3** is a formal provision that gives effect to the amendments to the *Workers Compensation Act 1987* set out in Schedule 1.

**Clause 4** provides for the repeal of the proposed Act on the day following the day on which the proposed Act commences. Once the amendments have commenced the proposed Act will be spent and section 30 of the *Interpretation Act 1987* provides that the repeal of an amending Act does not affect the amendments made by that Act.

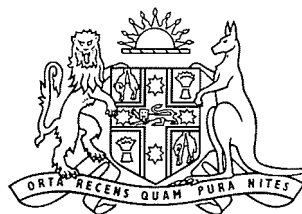
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## Schedule 1 Amendments

**Schedule 1 [1]–[8]** amend section 66 (2) of the *Workers Compensation Act 1987* to give effect to the object of the proposed Act as set out in the Overview above.

**Schedule 1 [9]** substitutes two examples to section 66 (2A) of the *Workers Compensation Act 1987* as a consequence of the amendments above.

**Schedule 1 [10]–[12]** make amendments to Schedule 6 (Savings, transitional and other provisions) to the *Workers Compensation Act 1987*. **Schedule 1 [11]** inserts proposed clause 21 (a savings and transitional provision) into Part 6 of that Schedule. **Schedule 1 [12]** provides for the making of savings and transitional regulations as a consequence of the amendments to the *Workers Compensation Act 1987* made by the proposed Act. **Schedule 1 [10]** is a consequential amendment.



New South Wales

# **Workers Compensation Amendment (Permanent Impairment Benefits) Bill 2006**

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New South Wales

# Workers Compensation Amendment (Permanent Impairment Benefits) Bill 2006

No. , 2006

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## A Bill for

An Act to amend the *Workers Compensation Act 1987* to provide for an increase in certain benefits paid to workers who receive injuries that result in permanent impairment; and for related purposes.

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<b>The Legislature of New South Wales enacts:</b>	1
<b>1    Name of Act</b>	2
This Act is the <i>Workers Compensation Amendment (Permanent Impairment Benefits) Act 2006</i> .	3 4
<b>2    Commencement</b>	5
This Act commences on 1 January 2007.	6
<b>3    Amendment of Workers Compensation Act 1987 No 70</b>	7
The <i>Workers Compensation Act 1987</i> is amended as set out in Schedule 1.	8 9
<b>4    Repeal of Act</b>	10
(1) This Act is repealed on the day following the day on which this Act commences.	11 12
(2) The repeal of this Act does not, because of the operation of section 30 of the <i>Interpretation Act 1987</i> , affect any amendment made by this Act.	13 14

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## Schedule 1      Amendments

(Section 3)

**[1]    Section 66 Entitlement to compensation for permanent impairment**

Omit “\$1,250” from section 66 (2) (a). Insert instead “\$1,375”.

**[2]    Section 66 (2) (b)**

Omit “\$12,500”. Insert instead “\$13,750”.

**[3]    Section 66 (2) (b)**

Omit “\$1,500”. Insert instead “\$1,650”.

**[4]    Section 66 (2) (c)**

Omit “\$27,500”. Insert instead “\$30,250”.

**[5]    Section 66 (2) (c)**

Omit “\$2,500”. Insert instead “\$2,750”.

**[6]    Section 66 (2) (d)**

Omit “\$77,500”. Insert instead “\$85,250”.

**[7]    Section 66 (2) (d)**

Omit “\$3,500”. Insert instead “\$3,850”.

**[8]    Section 66 (2) (e)**

Omit “\$200,000”. Insert instead “\$220,000”.

**[9]    Section 66 (2A), Examples 1 and 2**

Omit the examples. Insert instead:

**Example 1.** A person suffers 10% permanent impairment. Under subsection (2), the amount of permanent impairment compensation to which he or she is entitled is \$13,750 ( $10 \times \$1,375$ ). If the whole of the impairment is to the back, the compensation payable in relation to the back will be the whole \$13,750. Under this subsection, that \$13,750 will be increased by 5%, yielding \$14,437.50.

**Example 2.** A person suffers 50% permanent impairment. Under subsection (2), the amount of permanent impairment compensation to which he or she is entitled is \$123,750 ( $\$85,250 + (10 \times \$3,850)$ ). If two-thirds of the impairment is to the back, the compensation payable in relation to the back will be two-thirds of \$123,750, or \$82,500. Under this subsection, that \$82,500 will be increased by 5%, yielding \$86,625. The total compensation payable for the impairment will therefore be \$127,875.

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Schedule 1      Amendments

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<b>[10]    Schedule 6 Savings, transitional and other provisions</b>	1
Omit the heading to Part 6. Insert instead:	2
 <b>Part 6    Provisions relating to compensation for               non-economic loss</b>	 3 4
<b>[11]    Schedule 6, Part 6</b>	5
Insert after clause 20:	6
 <b>21    2006 amendments to section 66 relating to permanent impairment           benefits</b>	 7 8
Section 66, as amended by the <i>Workers Compensation           Amendment (Permanent Impairment Benefits) Act 2006</i> :	9 10
(a)    applies to a worker who receives an injury on or after the date of commencement of that Act (being 1 January 2007), and	11 12 13
(b)    does not apply to a worker who received an injury before that date.	14 15
 <b>[12]    Schedule 6, Part 20</b>	 16
Insert at the end of clause 1 (1):	17
<i>Workers Compensation Amendment (Permanent Impairment           Benefits) Act 2006</i>	18 19