

## Explanatory note

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

### Overview of Bill

The object of this Bill is to amend the Workplace Injury Management and Workers Compensation Act 1998 (the 1998 Act) and the Workers Compensation Act 1987 (the 1987 Act) to provide new funding arrangements for the WorkCover Authority (WorkCover) as follows:

(a) WorkCover's operations will be funded from the Workers Compensation Insurance Fund (the Insurance Fund) by payments made from that Fund to the WorkCover Authority Fund with the approval of the Minister,

(b) existing provisions that enable WorkCover to require a contribution from the premium income of insurers will be retained but limited to contributions from specialised insurers and self-insurers (with the result that WorkCover will no longer be able to levy a contribution on the premium income of the Nominal Insurer),

(c) WorkCover will be authorised to transfer money or other forms of surplus from the WorkCover Authority Fund to the Insurance Fund.

### 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 July 2008 with the exception of the amendment that allows the transfer of any surplus in the WorkCover Authority Fund to the Insurance Fund (which is to commence on the date of assent).

Clause 3 is a formal provision that gives effect to the amendments to the Workplace Injury Management and Workers Compensation Act 1998 set out in Schedule 1.

Clause 4 is a formal provision that gives effect to the amendments to the Workers Compensation Act 1987 set out in Schedule 2.

Clause 5 provides for the repeal of the proposed Act after the amendments made by the proposed Act have commenced. 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.

### Schedule 1 Amendment of Workplace Injury

#### Management and Workers

#### Compensation Act 1998

Schedule 1 [1], [2] and [5] establish the new arrangements for the funding of WorkCover's operations by providing for the payment into the WorkCover Authority Fund of amounts approved by the Minister to be paid into the Fund from the Insurance Fund.

Schedule 1 [4] and [6]–[12] limit the existing arrangements for the levying of contributions on insurance premiums to premiums payable to specialised insurers and the deemed premium income of self-insurers, so that contributions will no longer be levied on the premium income of the Nominal Insurer.

Schedule 1 [3] authorises WorkCover to transfer any surplus in the WorkCover Authority Fund to the Insurance Fund.

### Schedule 2 Amendment of Workers Compensation

#### Act 1987

Schedule 2 [1] makes a consequential amendment to the provision that authorises payments from the Insurance Fund to provide for the payments that will be authorised to be made under the proposed new funding arrangements.

Schedule 2 [2] enacts a transitional provision that requires the payment from the Insurance Fund into the WorkCover Authority Fund of contributions on outstanding premium debts due to the Nominal Insurer. The provision is consequential on the

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termination of existing arrangements for levying contributions on the premium income of the Nominal Insurer and provides for the levying of a contribution on premiums that are due and unpaid when the existing arrangements end.

Schedule 2 [3] enacts a savings and transitional regulation-making power.