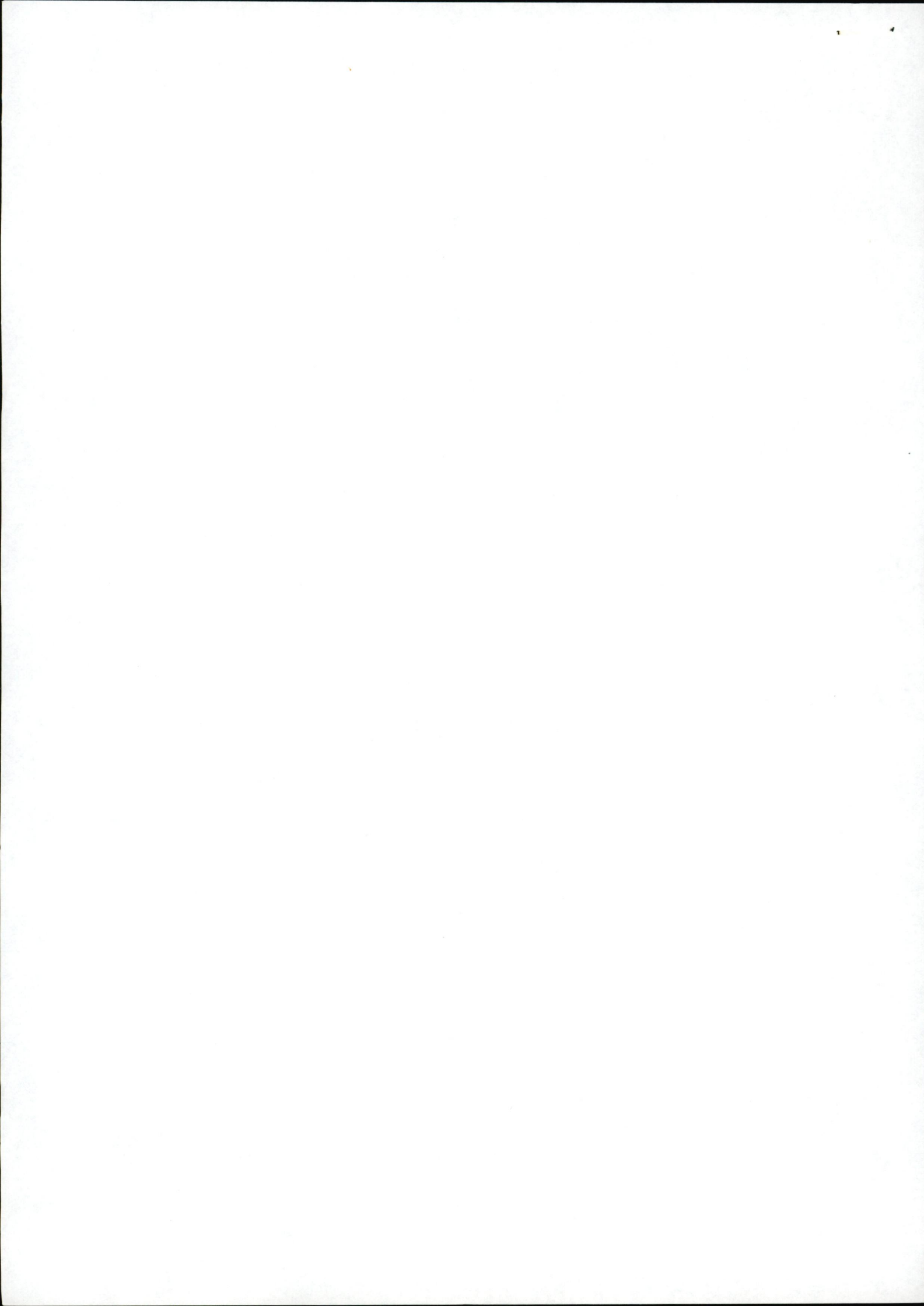


LEGISLATIVE COUNCIL

WORKERS COMPENSATION (LEGISLATION)
AMENDMENT BILL 1992

SECOND READING

MINISTER TO SAY



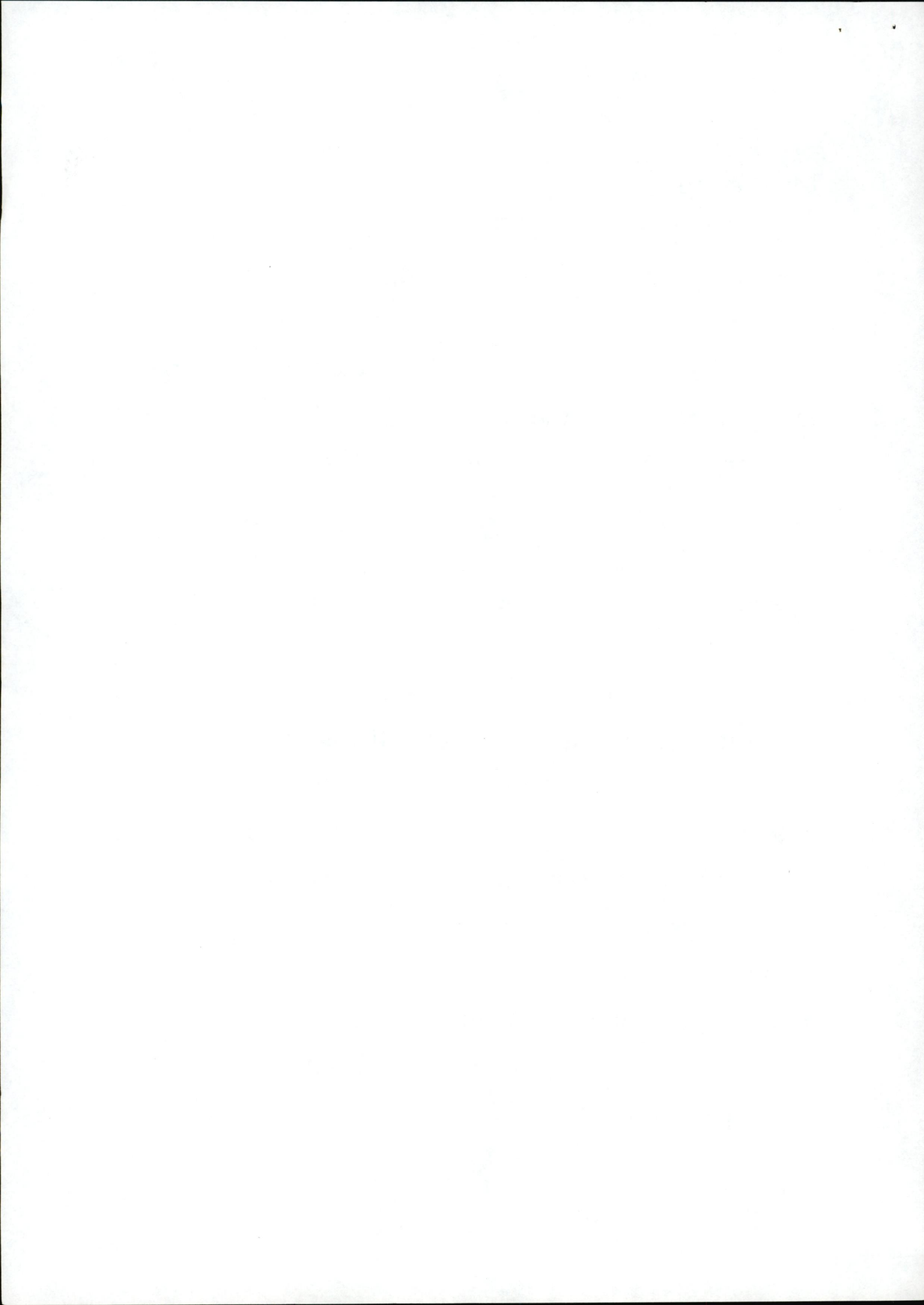
Mr President,

I move that this Bill be now read a second time.

Mr President, this Bill provides for major improvements in the benefits available to workers suffering employment-related dust diseases.

The main purposes of the proposed legislation are:

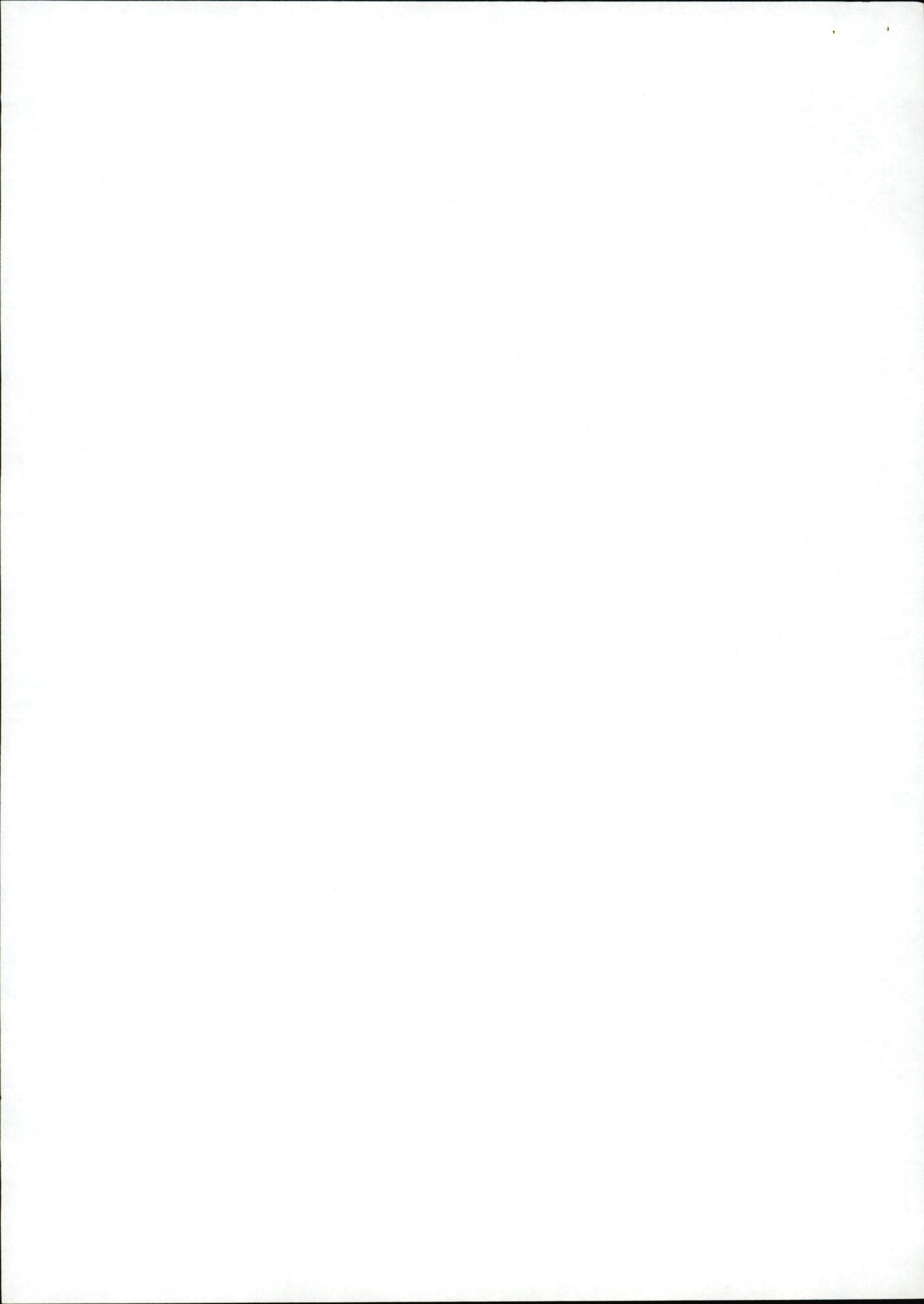
- to increase the level of weekly benefits payable to workers incapacitated by dust diseases;
- to increase the lump sum and annuity benefits for dependent spouses and children of workers who die from dust diseases; and
- to make minor amendments to the accounting procedures applicable to licensed workers compensation insurers.



Mr Speaker, last year, workers compensation premiums payable by employers were cut by \$80 million and, at the same time, a benefits package of \$400 million was provided for injured workers under the main WorkCover Scheme.

This Bill will provide an additional \$32 million in benefit provisions targeted at claimants covered by the Dust Diseases Scheme, who suffer the terrible consequences of asbestosis, mesothelioma or similar diseases.

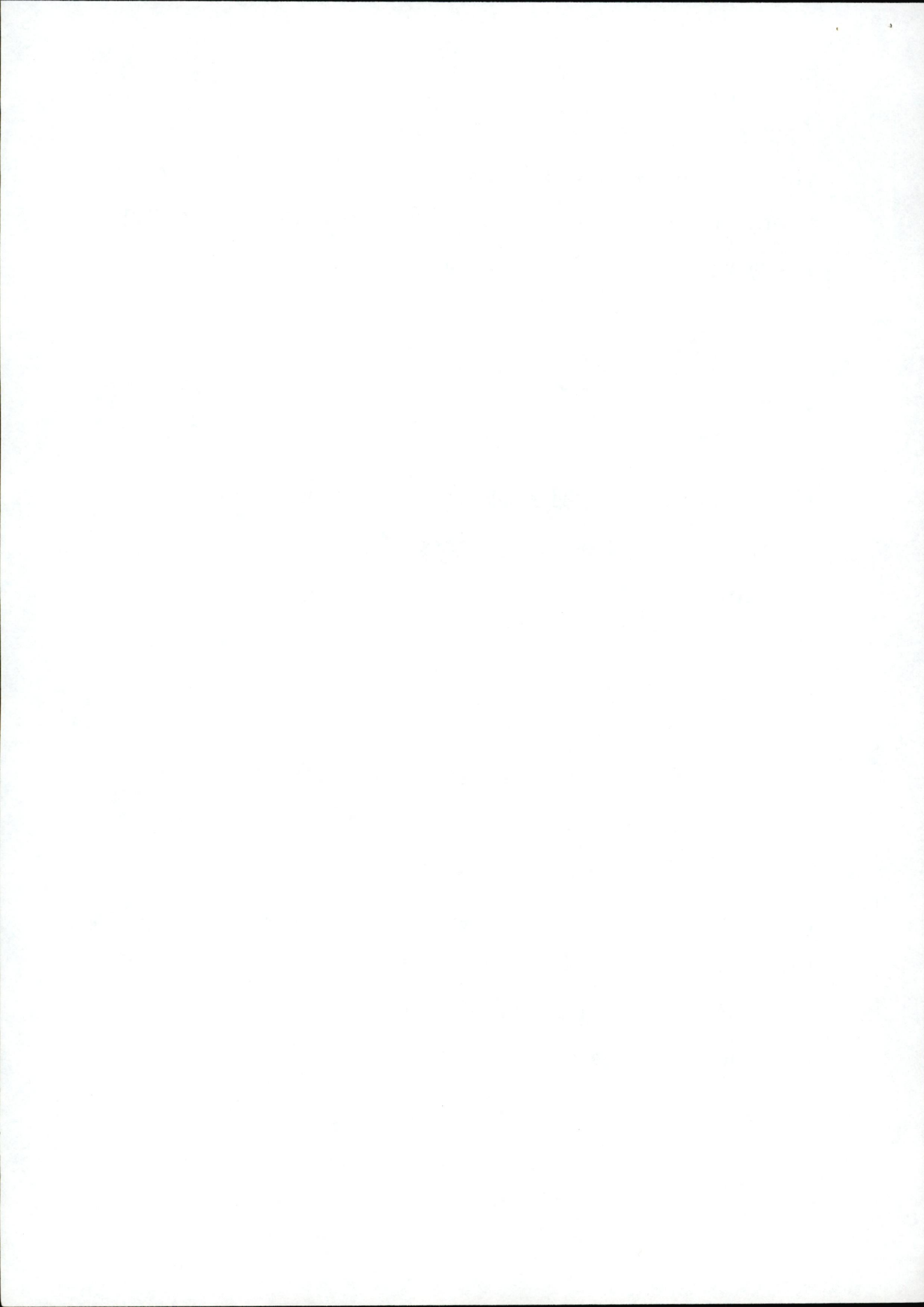
The proposed benefit improvements are based on recommendations made by the Workers Compensation (Dust Diseases) Board, following a review of benefits in the light of the recent compensation increases under the main WorkCover Scheme.



The proposals in the Bill have been formulated with reference to extensive actuarial advice to ensure they are responsible and affordable.

The operation of the Workers Compensation (Dust Diseases) Act 1942 is funded from periodic levies determined as percentages of wages paid by employers in the various industries assessed as involving dust disease risk.

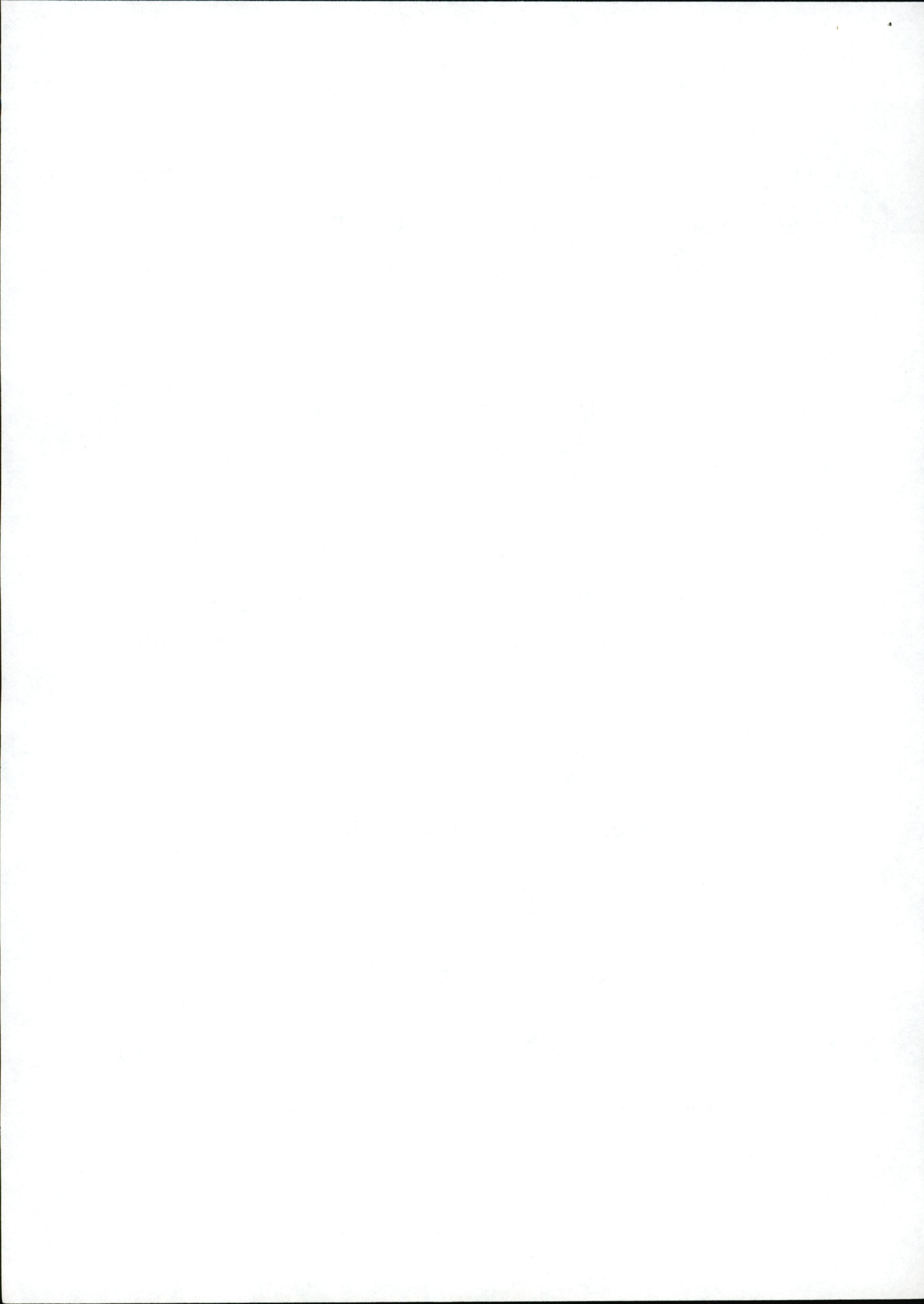
The cost of the benefit increases now proposed will be between 0.02% and 0.5% of wages paid by employers in those industries. In accordance with normal procedures under the Dust Diseases Scheme, these levy provisions will be structured, so that the extent of cost increase for particular industries depends on the level of their dust disease risk.



These relatively modest levy increases for employers are offset by reductions in general workers compensation insurance premium rates in the past few years.

In return, the following improvements are to be introduced in dust disease compensation benefits:

- first, a lump sum of \$145,500 for dependent family-members in the case of death of a worker - an increase of almost \$30,000 over the current amount;
- second, weekly payments to dependent spouses of \$141.40 - up by \$28 dollars per week - together with similar increases in the amounts for dependent children;
- third, for long term incapacitated workers, weekly income support will be increased by 20%. This will mean, for example, that - after the first six months of compensation at the award wage level - a totally



disabled worker with a spouse and two children will receive \$408.40 per week.

It should be noted that the improvements in weekly entitlements will apply - after the proposed commencement on 1 July 1992 - to existing claims of workers and dependent family-members.

In the case of lump sum death benefits, the increases will apply to deaths occurring after the amendments have commenced.

These arrangements are in line with benefit changes enacted under the main Workers Compensation Act in December 1991.

In addition to these substantial improvements, all the amounts will be subject to current provisions for twice yearly indexation.

In regard to the main WorkCover Scheme, the Bill also streamlines accounting arrangements concerning statutory funds administered by licensed insurers.

The proposed changes will allow the separate funds which each insurer must presently establish for each financial year - and into which premiums received during the year must be paid - to be rolled into one fund per insurer.

Provision is also made for greater flexibility as to the timing of actuarial investigations of insurer-managed statutory funds, to be carried out at the direction of the WorkCover Authority.

These measures will be more administratively efficient and will result in considerable savings in the operating expenses of the Scheme.

I commend the Bill to the House.

FIRST PRINT

**WORKERS COMPENSATION LEGISLATION (AMENDMENT)
BILL 1992**

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The objects of this Bill are:

- (a) to facilitate the amalgamation of an insurer's existing separate insurer-managed statutory funds for separate financial years and to require their periodic actuarial investigation at such times as the WorkCover Authority determines instead of every 3 years; and
- (b) to increase the lump sum and weekly workers compensation benefits in respect of workers who have died from a work-related dust disease or who are incapacitated by such a disease—the increases are in the range of 20–25% and are consistent with the increases for workers compensation benefits for other workers effected by the Workers Compensation (Benefits) Amendment Act 1991; and
- (c) to make other changes of an ancillary, consequential or minor nature.

Clause 1 specifies the short title of the proposed Act.

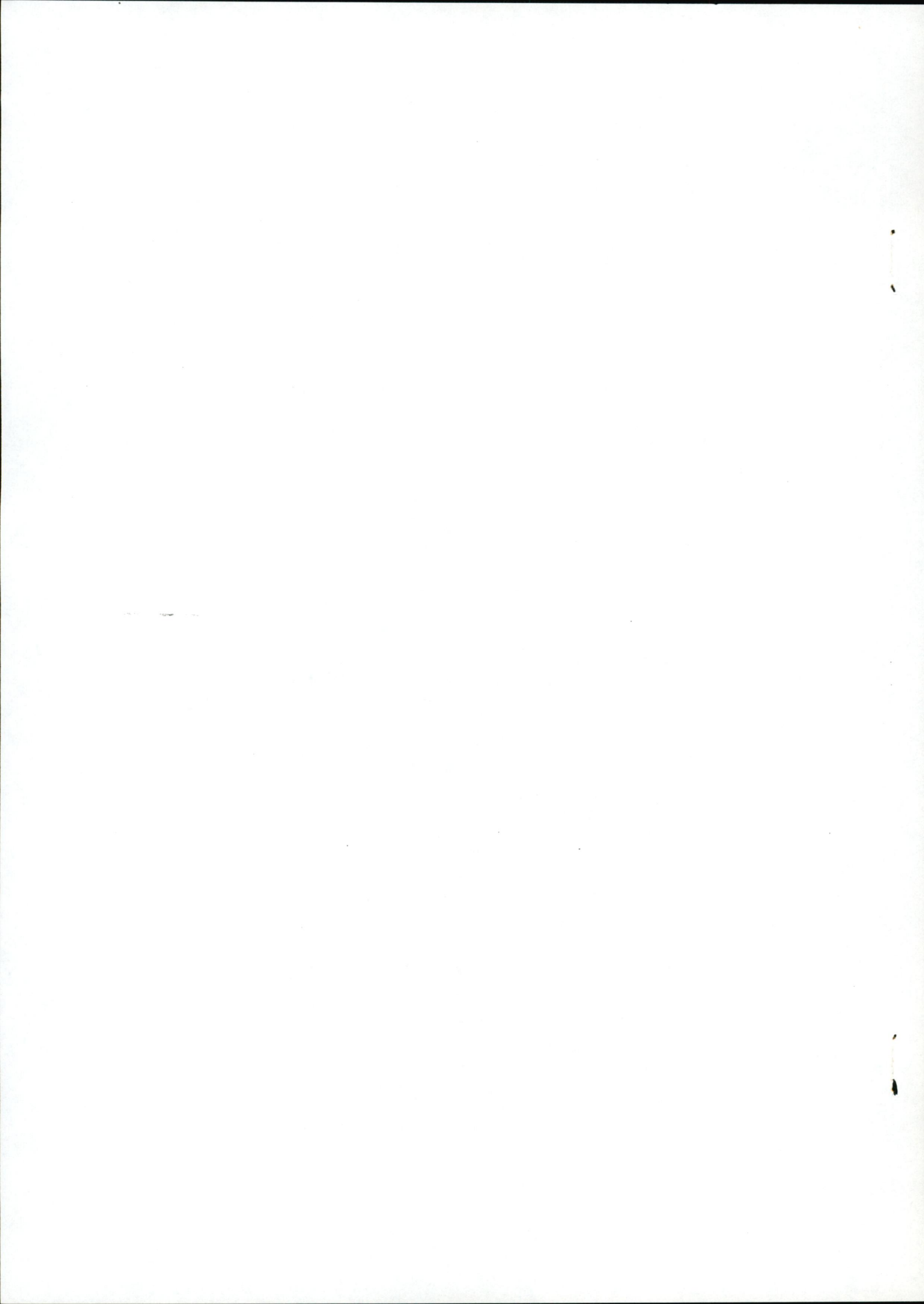
Clause 2 provides that the proposed Act commences on a day or days appointed by proclamation.

Clause 3 is a formal provision that gives effect to the Schedule of amendments to the Workers Compensation Act 1987.

Clause 4 is a formal provision that gives effect to the Schedule of amendments to the Workers Compensation (Dust Diseases) Act 1942.

Schedule 1 contains the amendments to the Workers Compensation Act 1987 to give effect to the objects specified in paragraphs (a) and (c) above.

Schedule 2 contains the amendments to the Workers' Compensation (Dust Diseases) Act 1942 to give effect to the objects specified in paragraphs (b) and (c) above.



FIRST PRINT

**WORKERS COMPENSATION LEGISLATION (AMENDMENT)
BILL 1992**

NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Amendment of Workers Compensation Act 1987 No. 70
4. Amendment of Workers' Compensation (Dust Diseases) Act 1942 No. 14

SCHEDULE 1—AMENDMENT OF WORKERS COMPENSATION ACT 1987
SCHEDULE 2—AMENDMENT OF WORKERS' COMPENSATION (DUST
DISEASES) ACT 1942

**WORKERS COMPENSATION LEGISLATION (AMENDMENT)
BILL 1992**

NEW SOUTH WALES



No. , 1992

A BILL FOR

An Act to amend the Workers Compensation Act 1987 with respect to the statutory funds of licensed insurers; to amend the Workers' Compensation (Dust Diseases) Act 1942 to increase benefits under that Act; and for other purposes.

Workers Compensation Legislation (Amendment) 1992

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Workers Compensation Legislation (Amendment) Act 1992.

5 Commencement

2. This Act commences on a day or days appointed by proclamation.

Amendment of Workers Compensation Act 1987 No. 70

3. The Workers Compensation Act 1987 is amended as set out in Schedule 1.

10 Amendment of Workers' Compensation (Dust Diseases) Act 1942 No. 14

4. The Workers' Compensation (Dust Diseases) Act 1942 is amended as set out in Schedule 2.

**SCHEDULE 1—AMENDMENT OF WORKERS
COMPENSATION ACT 1987**

15

(Sec. 3)

(1) Section 195 (Establishment of statutory funds):

After section 195 (4), insert:

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(5) The Authority may, by notice served on an insurer, require the insurer to close all or any of its statutory funds other than its most recent such fund and transfer the assets and liabilities of those statutory funds (and the policies of insurance to which they relate) to its most recent such fund.

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(2) Section 204 (Periodic actuarial investigation of statutory funds):

In section 204 (1) (a), after "regulations", insert "or (subject to the regulations) such other period as is specified by the Authority in a notice served on the insurer".

Workers Compensation Legislation (Amendment) 1992

**SCHEDULE 2—AMENDMENT OF WORKERS’
COMPENSATION (DUST DISEASES) ACT 1942**

(Sec. 4)

- Section 8 (Certificate of medical authority and rates of compensation):** 5
- (a) From section 8 (2B) (b) (i) and (3) (d), omit “\$113,000” wherever occurring, insert instead “\$141,250”.
- (b) From section 8 (2B) (b) (ii), omit “\$109.80”, insert instead “\$137.30”.
- (c) From section 8 (2B) (b) (iii), omit “\$55.50”, insert instead “\$69.40”. 10
- (d) After section 8 (2F), insert:
- (2G) The amendments made to this section by the Workers Compensation Legislation (Amendment) Act 1992 apply:
- (a) in the case of amendments made to subsections (2B) (b) (i) and (3) (d)—only in respect of the death of a person occurring on or after 1 July 1992; or 15
- (b) in any other case—in respect of compensation that becomes payable on or after 1 July 1992 (whether the claim concerned arose before or after that date). 20
- On and from 1 July 1992 (and until the next adjustment of the amounts under subsection (3) (d)), the amount specified in subsections (2B) (b) (i) and (3) (d) is taken to be \$145,500, the amount specified in subsection (2B) (b) (ii) is taken to be \$141.40 and the amount specified in subsection (2B) (b) (iii) is taken to be \$71.50. 25
- (e) From section 8 (3) (b), omit “section 37 (subsection (1) excepted) applies without modification”, insert instead “sections 35 and 37 apply without modification”.
- (f) Omit section 8 (3AA) and (3AB). 30
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**WORKERS COMPENSATION LEGISLATION (AMENDMENT)
ACT 1992 No. 36**

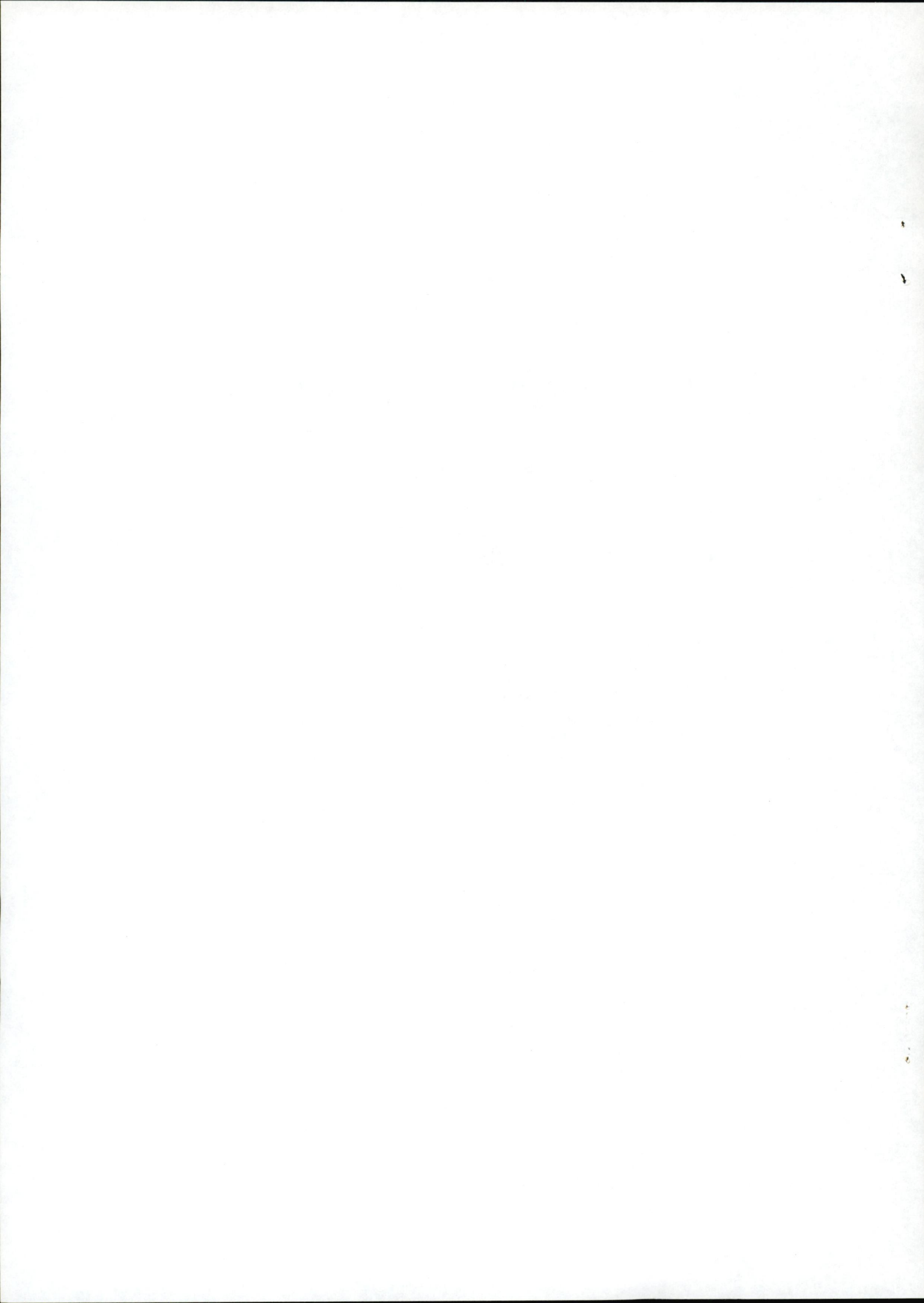
NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Amendment of Workers Compensation Act 1987 No. 70
4. Amendment of Workers' Compensation (Dust Diseases) Act 1942 No. 14

SCHEDULE 1—AMENDMENT OF WORKERS COMPENSATION ACT 1987
SCHEDULE 2—AMENDMENT OF WORKERS' COMPENSATION (DUST
DISEASES) ACT 1942



**WORKERS COMPENSATION LEGISLATION (AMENDMENT)
ACT 1992 No. 36**

NEW SOUTH WALES



Act No. 36, 1992

An Act to amend the Workers Compensation Act 1987 with respect to the statutory funds of licensed insurers; to amend the Workers' Compensation (Dust Diseases) Act 1942 to increase benefits under that Act; and for other purposes. [Assented to 18 May 1992]

Workers Compensation Legislation (Amendment) Act 1992 No. 36

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Workers Compensation Legislation (Amendment) Act 1992.

Commencement

2. This Act commences on a day or days appointed by proclamation.

Amendment of Workers Compensation Act 1987 No. 70

3. The Workers Compensation Act 1987 is amended as set out in Schedule 1.

Amendment of Workers' Compensation (Dust Diseases) Act 1942 No. 14

4. The Workers' Compensation (Dust Diseases) Act 1942 is amended as set out in Schedule 2.

**SCHEDULE 1—AMENDMENT OF WORKERS
COMPENSATION ACT 1987**

(Sec. 3)

(1) Section 195 (**Establishment of statutory funds**):

After section 195 (4), insert:

(5) The Authority may, by notice served on an insurer, require the insurer to close all or any of its statutory funds other than its most recent such fund and transfer the assets and liabilities of those statutory funds (and the policies of insurance to which they relate) to its most recent such fund.

(2) Section 204 (**Periodic actuarial investigation of statutory funds**):

In section 204 (1) (a), after "regulations", insert "or (subject to the regulations) such other period as is specified by the Authority in a notice served on the insurer".

Workers Compensation Legislation (Amendment) Act 1992 No. 36

**SCHEDULE 2—AMENDMENT OF WORKERS’
COMPENSATION (DUST DISEASES) ACT 1942**

(Sec. 4)

Section 8 (Certificate of medical authority and rates of compensation):

- (a) From section 8 (2B) (b) (i) and (3) (d), omit “\$113,000” wherever occurring, insert instead “\$141,250”.
- (b) From section 8 (2B) (b) (ii), omit “\$109.80”, insert instead “\$137.30”.
- (c) From section 8 (2B) (b) (iii), omit “\$55.50”, insert instead “\$69.40”.
- (d) After section 8 (2F), insert:

(2G) The amendments made to this section by the Workers Compensation Legislation (Amendment) Act 1992 apply:

- (a) in the case of amendments made to subsections (2B) (b) (i) and (3) (d)—only in respect of the death of a person occurring on or after 1 July 1992; or
- (b) in any other case—in respect of compensation that becomes payable on or after 1 July 1992 (whether the claim concerned arose before or after that date).

On and from 1 July 1992 (and until the next adjustment of the amounts under subsection (3) (d)), the amount specified in subsections (2B) (b) (i) and (3) (d) is taken to be \$145,500, the amount specified in subsection (2B) (b) (ii) is taken to be \$141.40 and the amount specified in subsection (2B) (b) (iii) is taken to be \$71.50.

- (e) From section 8 (3) (b), omit “section 37 (subsection (1) excepted) applies without modification”, insert instead “sections 35 and 37 apply without modification”.
- (f) Omit section 8 (3AA) and (3AB).

[Minister’s second reading speech made in—
Legislative Assembly on 7 May 1992
Legislative Council on 7 May 1992]

