



SRC Act amendments to the processes for setting, reviewing and paying charges

1. PURPOSE

The purpose of this Circular is to advise agencies of the key changes to charges under the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act) and to the processes for setting, reviewing and paying those charges.

2. BACKGROUND

The *Safety, Rehabilitation, Compensation and Other Legislation Amendment Act 2001* (SRCOLA Act) has amended the SRC Act. Customer Circular 42, issued in November 2001, explained some of the changes to benefit levels.

This Circular:

- summarises the key differences in charges and processes for setting, reviewing and paying charges under the SRC Act. These new arrangements become effective from 1 July 2002;
- replaces Customer Circular No. 30, *Payment of damages and costs in common law matters*, issued in May 1999.

3. KEY CHANGES

Previously, agencies paid a premium and/or an OHS contribution.

There will be a new charge titled 'regulatory contribution' which will replace the OHS contribution and will include:

- the estimated costs of the Safety, Rehabilitation and Compensation Commission (the Commission) and of Comcare's functions under the SRC Act except for the costs of Comcare's management of claims (which remain in the premium); and

- the estimated costs of the Commission and of Comcare's functions under the *Occupational Health and Safety (Commonwealth Employment) Act 1991* (OHS Act) (which previously comprised the OHS contribution).

Comcare (rather than the Commission) will set premiums and regulatory contributions.

Comcare will also set extra, one-off, 'special premiums' for agencies that paid 1999 - 2000, 2000 - 2001 or 2001 - 2002 premiums to Comcare and did not arrange insurance cover for possible liability for actions for non-economic loss from injuries suffered by their employees during those years.

In May 1999, Customer Circular 30 advised agencies that the SRC Act did not allow Comcare to indemnify them for damages or costs arising from common law claims for non-economic loss brought by employees or their dependants and that Comcare would no longer cover agencies from 1 July 1999.

The amendments to the SRC Act now:

- make Comcare liable for actions for non-economic loss brought by employees for injuries that will be suffered on and after 1 July 2002 and retrospectively validate Comcare's indemnity coverage for the period 1 July 1989 to 30 June 1999;
- require Comcare to collect 'special premiums' from agencies that did not arrange insurance cover for possible liability for actions for non-economic loss from injuries suffered by their employees during 1999 - 2000, 2000 - 2001 and 2001 - 2002;

- make Comcare liable retrospectively for actions for non-economic loss from injuries suffered in 1999 - 2000, 2000 - 2001 and 2001 - 2002 by employees of agencies that pay special premiums to Comcare; and
- from 1 July 2002, allow Comcare to take over the conduct of such actions on behalf of the Commonwealth, Commonwealth authorities or employees in respect of injuries occurring after 1 July 1989.

While the Commission will not be involved in setting premiums, regulatory contributions and special premiums, the Commission may issue guidelines relating to Comcare's determination of these charges.

Comcare expects to issue notices of premium and regulatory contribution amounts early in July as in previous years.

The SRC Act now requires payment of the premium and regulatory contribution by 31 July or 30 days after Comcare issues the notices. Previously payments were due by 30 September.

The amendments to the SRC Act also remove the Minister from the review processes. Comcare, instead of the Commission, will undertake a first level review of the premium and/or regulatory contribution. If necessary, after Comcare's review of the premium and/or regulatory contribution, the Commission, instead of the Minister for Employment and Workplace Relations, will undertake a second, and final review.

Agency requests for review of the premium or regulatory contribution will not affect the due date for payment. Previously the payment of a premium was suspended pending the outcome of a review. Now, after the review processes are completed, if Comcare or the Commission has reduced a premium or regulatory contribution, Comcare will refund the difference between the amount paid and the reduced amount. Comcare may pay interest on the refund.

A Customer Circular providing information on Comcare's role after 1 July 2002 in managing common law actions for non-economic loss will be issued later.

4. FURTHER INFORMATION

If you would like more information on any of these changes please call Comcare's Policy and Coordination Group on 1300 366 979.

5. DISCLAIMER

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CUSTOMER FORUMS

The Customer Forums provide an opportunity for Comcare's customers to join us to discuss the latest injury prevention, return to work and compensation news.

The forums are provided for Comcare customers free of charge.

Perth	5 February	23 May
Adelaide	7 February	21 May
Canberra	12 February	1 May
Melbourne	20 February	14 May
Hobart	21 February	15 May
Brisbane	26 February	9 May
Sydney	28 February	7 May
Darwin	5 March	30 May

TRAINING & SEMINARS

Comcare delivers a national training and seminars program tailored to the needs of managers and staff responsible for preventing and managing workplace injury under the Commonwealth scheme.

The range of courses available has been extended to include two that are aimed at preventing workplace injury:

- OHS for managers & supervisors
- Making the most of health & safety committees

Comcare's latest training calendar is now available. If you would like a copy, it is available on the *What's New* page of our website, or by calling 1300 366 979.