EXPLANATORY STATEMENT

Safety, Rehabilitation and Compensation Act 1988

Issued by the Safety, Rehabilitation and Compensation Commission

Premium Determination Guidelines 2016

Section 97 of the Safety, Rehabilitation and Compensation Act 1988 (the SRC Act) provides that Comcare must make a determination of the premium to be paid by each Entity and Commonwealth authority (premium paying agency) for each financial year.

Section 97E of the SRC Act provides that the Safety, Rehabilitation and Compensation Commission (the Commission) may prepare and issue guidelines to the Chief Executive Officer of Comcare in relation to the determination by Comcare of premiums to be paid by premium paying agencies in respect of a financial year.

The purpose of the instrument is to issue guidelines for the determination by Comcare of the annual workers’ compensation premiums payable to Comcare by premium paying agencies. The Premium Determination Guidelines 2016 (Guidelines) guide Comcare’s consideration of the matters set out in section 97A of the SRC Act. The Guidelines will replace any previous guidelines issued by the Commission pursuant to section 97E of the SRC Act on the day after the instrument is registered.

The Guidelines are intended to ensure that: the workers’ compensation scheme under the SRC Act is returned to a fully funded position; the impact of claim performance and other variable costs on premiums is transparent and explained to premium paying agencies; indicative premiums are advised to premium paying agencies in time for consideration in the context of agencies’ budgets for the following financial year; significant changes to the premium calculations methodology are explained to premium paying agencies; and Comcare advises the Commission annually on its compliance with the Guidelines.

The instrument is a legislative instrument within the meaning of the Legislation Act 2003.

The instrument was developed by the Commission in consultation with Comcare and the Department of Employment. The Commission’s members include three members nominated by the Australian Council of Trade Unions, a member who represents the licensees, a member who represents the Commonwealth and Commonwealth authorities and a member who represents the interests of the Australian Capital Territory’s public sector employers. Given the purpose and limited scope of this instrument, and the employee and employer representation on the Commission, the instrument was not released for public consultation.

The instrument only affects premium paying agencies and has no impact on business and the non-profit sector. The Office of Best Practice Regulation has advised no regulation impact statement is required (OBPR ID: 20926).
Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Premium Determination Guidelines 2016

This instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the Human Rights (Parliamentary Scrutiny) Act 2011.

Overview of the legislative instrument

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Human rights implications

This instrument does not engage any of the applicable rights or freedoms.

Conclusion

This instrument is compatible with human rights as it does not raise any human rights issues.