

## EXPLANATORY STATEMENT

Issued by the authority of the Minister for Employment and Workplace Relations

*Safety, Rehabilitation and Compensation and Other Legislation Amendment Act 2007*

### **Proclamation**

Subsection 2(1) of the *Safety, Rehabilitation and Compensation and Other Legislation Amendment Act 2007* (the Act) provides that item 22 of Schedule 1 to the Act commences on a day to be fixed by Proclamation. However, if any of the provisions do not commence within the period of 6 months beginning on the day on which the Act receives the Royal Assent, they commence on the first day after the end of that period. The Act received Royal Assent on 12 April 2007.

Subsection 2(1) of the Act also provides that items 24, 26 and 27 of Schedule 1 to the Act commence at the same time as item 22.

This Proclamation fixes 27 April 2007 as the day on which item 22 of Schedule 1 to the Act commences.

Items 22, 24, 26 and 27 of Schedule 1 to the Act amend sections 20, 21 and 21A of the *Safety, Rehabilitation and Compensation Act 1988* which provide formulas for the calculation of incapacity benefits. Weekly incapacity benefits are reduced by the deemed interest earned on the lump sum superannuation benefit. Prior to these amendments, claimants were deemed to earn interest on their lump sums at a fixed rate of 10%. The amendments allow the deemed interest rate on lump sum payments to be set, and adjusted annually, to reflect market interest rates.

The commencement date for item 22 of Schedule 1 of the Act is the earliest available date after the Act received Royal Assent. The commencement date was chosen, in consultation with Comcare, to ensure the benefit of the provisions are conferred to the general public at the earliest available opportunity.

The Proclamation is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.