

## **EXPLANATORY STATEMENT**

### *Safety, Rehabilitation and Compensation Act 1988*

Issued by the Safety, Rehabilitation and Compensation Commission

### **Notice of a Disallowable Instrument and Statement of Compatibility with Human Rights**

### **Premium Determination Guidelines 2013**

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 for each financial year.

The purpose of the instrument to which this notice relates is to issue guidelines for the determination by Comcare of the annual workers' compensation premiums payable to Comcare by the employers of employees of the Commonwealth and Commonwealth authorities. They guide Comcare's consideration of the matters set out in section 97A of the *Safety, Rehabilitation and Compensation Act 1988* (the SRC Act).

The Guidelines are intended to ensure that the workers' compensation scheme under the SRC Act is to be fully funded year-by-year, that the impact of claim performance and other variable costs on premiums must be transparent and explained to premium paying agencies, that indicative rates for premiums should be advised to premium paying agencies in time for consideration in the context of agencies' budgets for the following financial year, that significant changes to premiums methodology will be explained to premium paying agencies and that Comcare will report to the Commission each year on the performance of the system for determining and collecting premiums.

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 for that purpose.

The instrument is a legislative instrument within the meaning of the *Legislative Instruments Act 2003*.

The instrument was developed by the Commission in consultation with Comcare. Given the purpose and limited scope of this interest and employee and employer representation on the Commission the instrument was not released for public consultation.

As the relevant premium paying employers are public sector agencies the instrument has no impact on business and the non-profit sector and the Office of Best Practice Regulation has advised no regulation impact statement was required.

The instrument does not engage any human rights issues and 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*.