SISA Update February 2017

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Code

- Regulation to reduce scaling factor to 150% published.

- No clear explanation as to why no increase in minimum guarantee.

- But we'll take it!

- Further review:
  - Simplify, 'plain English'
  - Draft will be discussed with group of SIs when ready

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Evaluation process

- Project to improve the clarity of scoping

- Further review of the IM standards

- IM evaluation is essentially a test of legal compliance of policy, procedure & claims mgt conformance with policy & procedure

- Guidelines simplified into flowcharts

- WHS standards – to review or not?

- SISA argues for recognition of certification/accreditation

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Bills

- *Statutes Amendment (South Australian Employment Tribunal) Bill 2016*
  - Received assent, now being implemented
- *Work Health and Safety (Notification of Next of Kin) Amendment Bill 2017*
  - Adrian Pederick MP had this Bill drafted
  - Unlikely to receive support in Opposition Party Room so likely will never be tabled

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ATO ruling on redemption

- Effective 10/8/16
- Primary points:
  - Tax rate will depend on whether it is part of ETP
  - If ETP, tax is calculated under the ETP rules
  - If not ETP, tax is to be withheld at the worker's top marginal rate
  - Note that tax rate may change if the redemption pushes worker into a higher tax bracket
  - Must have a payment summary issued (not necessarily separate to normal summary)

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ATO ruling on redemption

- What the ruling does is turn income redemption lump sums into PAYE income

- Therefore makes sense to have the agreed amount taxed and paid out by payroll with w/comp reimbursing payroll if necessary

- Does make negotiations more difficult – when an amount is agreed, tax will need to be quantified before sign-off

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ATO ruling on redemption

- Other points to note:
  - 10% withhold for Medicare to be calculated on the gross redemption
  - Tax to be calculated on the gross redemption (ie including the 10% Medicare withholding)
  - Centrelink section 1183 clearance is still required
  - When the relevant tax rate is being considered, it must be on 100% NWE regardless of whether payments are at the 80% rate

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ATO ruling on redemption

- ATO website has tools:
  - Tax Withheld Calculator
  - Schedule 5 – method statement for calculation
- Recommend you leave all tax calculations etc to payroll or tax professionals
- Will be necessary to amend procedures accordingly and train payroll/tax professionals on this aspect of w/comp

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RTWA - state of play

- SAET:

  - Some key causation decisions – eg Ward & Roberts reinforce our long-standing view that s.7 presents no higher hurdle for physical injuries than the repealed Act

  - Jury still out on psych injuries

  - Key cases emerging re WPI, particularly combining assessments. *Preedy* appeal to Full bench is key case

  - McBride decision took some risk out of WPI assessments re choice of assessor

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Reflections on RTWA state of play

- Cessation of weekly payments on 28/6/17 will bring pressure to bear on Govt re the Act

- Will be happening when Parlt Standing Committee is deliberating – timing!

- Likely to see flurry of s.18(3) activity, possibly uptick in litigation around the 30% threshold

- Yet to be seen if there is a rash of fresh traumas to revive transitional injuries

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Crown claims management

- Info suggests no clear Cabinet decision yet

- Likely to result in substantially increased costs by way of RTWSA premiums – SISA thinks $50-$100 million depending on premium model

- Where are the resources to take over the claims? Especially the complex ones?

- Media interest muted – working on ways to change that

- Certain to be aimed at private underwriting

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Health Benefits of Good Work

- Planning day held Sydney 8/2/17 to put together 2017 activity plan

- Projects will involve NZ HBGW bodies

- Need to get union buy-in – try to dispel fear that HBGW is a front to reduce benefits

- NSW Police Association is member of SSG

The Australasian Faculty of
Occupational & Environmental Medicine

The Royal Australasian
College of Physicians

AUSTRALIAN and NEW ZEALAND CONSENSUS STATEMENT ON THE HEALTH BENEFITS OF WORK

POSITION STATEMENT: REALISING THE HEALTH BENEFITS OF WORK

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Other news

- Thomas Foods International is self-insured effective 1/4/17

- 3 other applications in process

- Internal structural review at RTWSA

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Questions?