

QUESTIONS

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1. How will the new scheme work?

All of the Territory's injured workers will have access to increased statutory benefits and access to statutory lump sum compensation for a great array of injuries.

- The primary purpose of the workers' compensation scheme is to support workers while they recover from their injuries and assist them return to work.
- Under the proposals workers will continue to receive rehabilitation services, incapacity benefits and compensation for the cost of reasonable medical treatment.
- Workers will be able to access compensation for a broad range of injuries that result in a permanent impairment.
- The maximum compensation for permanent impairment will increase from \$126,000 (single loss) to \$220,000, paid pro-rata based on a worker's degree of impairment.
- Compensation for permanent impairment will be payable based upon a single, independent assessment of the worker's whole person impairment.
- The maximum for work-related fatalities will increase from \$189,000 to \$450,000.
- All claims will be required to participate in alternative dispute resolution procedures prior to proceeding to arbitration or hearing.
- Unlimited common law damages will be available to workers who suffer a permanent impairment of at least 15%.
- Workers with an impairment of less than 15% will receive financial support, care and rehabilitation under the statutory framework, including increased lump sum entitlements.
- The amendments will only apply to workers injured after the date the Bill commences.

2. How will workers be impacted by the threshold?

The Territory's 4,500 workers injured annually will benefit from increased access to compensation for a greater range of permanent injuries without the expense of multiple medical examinations or additional legal expense.

- All workers with any degree of permanent impairment will have access to increased lump sum compensation payable as an automatic process under the Act and without the expense of multiple medical examinations or legal fees.
- Currently, workers only receive statutory lump sum compensation when their injury falls within a set list of prescribed physical injuries – such as amputation, loss of sight, taste or smell, loss of the power of speech or injuries causing permanent brain damage.
- The proposal broadens the lump sum compensation regime to include injuries that have a permanent life impact for a worker including – soft tissue injuries that result in permanent nerve damage, impairment from a prolapsed disc or impairment caused by psychological injury.
- The proposal also increases the maximum compensation payable for permanently injuries from \$126,600 (single loss) to \$220,000 – payable by reference to the worker's degree of whole person impairment.
- Workers with an impairment of 15% or more will continue to have access to full and unlimited damages. Workers with an impairment of 14% or less will have access to increase statutory compensation payments.

3. How will workers be protected from unjust and inaccurate clinical decisions?

All medical assessments performed by the proposed panel of independent medical specialists will be conducted under the ACT's approved medical guidelines, be subject to peer review before being finalised and accountable through formal appeal grounds.

- Permanent Impairment Assessment Panel established for both CTP and WC.
- The impairment guidelines were developed with the input and collaboration of a significant number of medical professionals across a variety of specialities – ensuring a balanced and holistic approach to assessing impairment.
- A co-ordinating committee convenes sub-committees of clinical specialists to review parts of the impairment guide to ensure the guidelines keep pace with changes in clinical practice.
- The Permanent Impairment Assessment Panel is made up of independent medical specialists trained and accredited in the use of permanent impairment guidelines approved under the Act. The same medical specialists operate in the SA and NSW workers' compensation schemes.
- The neutral secretariat to the Panel will refer an injured person to an assessor with the appropriate speciality.
- Injured workers are able to provide **any additional relevant information** to the assessor conducting their examination.
- Before an assessment of the worker's whole person impairment is finalised, it will be 'peer reviewed' by a second independent assessor appointed by the Panel secretariat.
- The peer review ensures that all relevant evidence has been considered, that the assessment contains no factual inaccuracies and that the correct provisions of the approved guides have been used in the correct manner.
- An injured worker can apply to the Magistrates Court to declare void an assessment where the worker has been denied procedural fairness in the course of the assessment process.

- If an assessment is declared void it is remitted to the Panel for a further assessment by an alternate assessor.

4. How will insurance premiums be affected by the threshold?

The cost of insurance coverage (i.e. premiums) is expected to decrease with the introduction of a threshold to access common law damages.

- Legally the ACT's Approved Insurers are required to take account of all risk factors in determining their premium rates.
- Where access to common law damages is unrestricted, the risk of common law action must be factored across every policy and every claim made to the Insurers.
- By restricting access to common law damages to workers above the 15% WPI threshold, the Government is changing the risk environment contributing to high ACT premium rates.
- The use of a threshold reduces the risk of common law action as a pricing factor applicable to some claims.
- The threshold will reduce the number of common law claims that insurers are required to respond to, in turn reducing the legal and business costs incurred in doing so.
- These costs represent further premium components that will no longer be passed on to ACT business.