

Changes to the WorkCover Scheme – at a glance

This page summarises some of the key changes affecting injured workers and employers.

Injured workers

Work capacity reviews

The new legislation aims to strengthen the test that determines whether an injured worker is entitled to ongoing compensation beyond 130 weeks or 2.5 years. The test ascertains whether an injured worker is well enough to return to work, either full-time or in some part-time capacity.

This change becomes **effective from 1 April 2009** and from this date will apply to all claimants who have been entitled to receive weekly payments for a period of 130 weeks.

Weekly payments

Under the new legislation, injured workers will receive 100% of the amount they were earning prior to being injured (pre-injury earnings) for 13 weeks. At 13 weeks there is a reduction in payments to 90%, followed by a further reduction to 80% at 26 weeks.

Changes to weekly payments become **effective from 1 July 2008** and will apply to new claims received on or after 1 July 2008.

Payments for permanent serious injury

Non-economic loss payments (for pain and suffering) are payments over and above compensation for a person's actual economic loss. The maximum amount payable to workers who suffer a permanent, serious injury or illness has increased from \$230,982 to \$400,000. A threshold has also been set at 5% for physical injury.

WorkCover will consult with stakeholders on the new guides which will be used by doctors to assess the degree of permanent impairment before it becomes **effective from 1 April 2009**.

Restricting redemptions

The use of redemptions (or one-off payments from WorkCover) to finalise claims where an injured worker has not returned to work will be restricted to certain circumstances, where it will not undermine the Scheme's primary focus of return to work.

The legislative provisions become **effective on 1 July 2009**.

Find out more

If you would like to find out more about the changes please see our booklet 'The WorkCover Scheme ... A guide to the changes'. Alternatively, visit www.workcover.com or call our hotline 13 18 55.

All Scheme participants

Provisional liability

The new legislation includes the introduction of provisional liability – a process in which WorkCover begins paying income and medical costs for new claims within seven days.

WorkCover will consult with stakeholders on provisional liability before it becomes **effective from 1 January 2009**. It will apply to new claims received on or after 1 January 2009.

Disputes and legal costs

The dispute process for WorkCover claims has been changed to ensure decisions are made quickly and fairly, with avenues for appeal. The payment of legal costs by WorkCover has also been changed to encourage disputes to be resolved early in the process. Also, there will be a limit on the amount lawyers can charge workers.

This change becomes **effective from 1 January 2009** and will apply to existing and new disputes made on or after 1 January 2009.

WorkCover will consult with stakeholders on legal costs before it becomes **effective from 1 January 2009**.

Decision making on medical issues

Under the new legislation, independent medical panels will be established so that decisions on medical questions would be made by suitably experienced medical experts.

The Government will consult with stakeholders on appointments to the medical panels before panel members are appointed by the Governor and the new system becomes **effective from 1 April 2009**.

Innovations with a return to work fund

Under the reform package, a \$15 million return to work fund will be established to improve rehabilitation and retraining activities, and to fund projects and research to improve return to work outcomes. A stakeholder reference group will have input into the setting of annual priorities for the return to work fund. The return to work fund will support initiatives that will assist injured workers to return to work, in particular, in areas where there are current skills shortages.

The return to work fund will be **established from 1 July 2008**.

Employers

Levy payments

The WorkCover levy will now be paid in advance rather than in arrears. This change will not alter the payment arrangement for the many employers who pay levy monthly – this is not a requirement to pay an annual lump sum amount.

WorkCover will consult with stakeholders on the levy payment before it becomes **effective no later than 1 July 2010**.

Rehabilitation and return to work coordinators

Like OHS representatives, properly-trained rehabilitation and return to work coordinators (RRTWCs) will be required in designated workplaces to focus on and coordinate rehabilitation and return to work efforts.

WorkCover will consult with stakeholders on return to work coordinators before they become **effective from 1 January 2009**.

Rewards for early reporting

Under the new legislation, employers will be financially rewarded for reporting a claim within 48 hours, by not being required to pay the first two weeks of weekly payments (currently in South Australia, employers are required to cover the first two weeks).

This change becomes **effective from 1 January 2009** and will apply to new claims received on or after 1 January 2009.

Incentives to employ apprentices and trainees

The WorkCover levy paid by employers is calculated as a percentage of total wages paid by each employer. Under the reform package, wages paid to apprentices and trainees will be excluded from the calculation of employers' levy.

This change becomes **effective from 1 July 2008**.

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