

Workers' Compensation and Rehabilitation (QOTE) Notice 2017

Explanatory notes for SL 2017 No. 121

made under the

Workers' Compensation and Rehabilitation Act 2003

General Outline

Short title

Workers' Compensation and Rehabilitation (QOTE) Notice 2017

Authorising law

Sections 107 and 205 of the *Workers' Compensation and Rehabilitation Act 2003*.

Policy objectives and the reasons for them

Monetary entitlements of injured workers and dependants of deceased workers under the *Workers' Compensation and Rehabilitation Act 2003* (the Act) are subject to indexation in accordance with variations in Queensland Ordinary Time Earnings (QOTE).

QOTE, for a financial year, is the amount of Queensland full-time adult persons ordinary time average weekly earnings declared by the Australian Statistician in the original series of the publication 6302.0 – *Average Weekly Earnings, Australia* most recently published before the start of the financial year.

Amendments to the Act in 2016 ensured that if average weekly earnings decrease in a given year, QOTE is to remain at the level it was in the year before the decrease in the value of QOTE. This was designed to prevent financial hardship to those relying on workers' compensation payments. In 2016-17 QOTE remained at \$1,456.90, as the average weekly earnings had decreased. If the value of QOTE increases in the next financial year to a value above the current value, then the new amount of QOTE will apply and the variation will be the change from the current level of QOTE and the new amount of QOTE.

According to the latest Australian Statistician's report released on 23 February 2017, average Queensland full-time adult persons ordinary time earnings is \$1,482.10. As the variation in QOTE for 2016-17 was zero per cent (QOTE remained at \$1,456.90), a variation to \$1,482.10 in 2017-18 equals an increase of 1.73 per cent.

Achievement of policy objectives

Under section 107 of the Act, the Workers' Compensation Regulator must, before the start of a financial year, notify QOTE for the financial year and the percentage difference in QOTE for the financial year compared to QOTE for the previous financial year.

Under section 205 of the Act, if QOTE varies, each payment or amount under part 3, division 4 or part 6, 10 or 11 of the Act that is not expressed as a percentage of QOTE must be varied proportionately, rounded up to the nearest five dollars. The Regulator must notify a variation.

The Regulator's notifications are subordinate legislation.

Consistency with policy objectives of authorising law

The notification is consistent with the main objects of the *Workers' Compensation and Rehabilitation Act 2003* to maintain a balance between providing fair and appropriate benefits for injured workers or dependants and ensuring reasonable cost levels for employers.

Inconsistency with policy objectives of other legislation

The notification is not inconsistent with the policy objectives of other legislation.

Benefits and costs of implementation

The notification will have a beneficial result for injured workers and their dependants as the effect of the indexation of weekly compensation and lump sum entitlements is to maintain the relative value of those amounts over time in line with wages growth.

Consistency with fundamental legislative principles

The notification is consistent with fundamental legislative principles.

Consultation

WorkCover Queensland and licensed self-insurers have been advised of the notification.