

Workers' Compensation and Rehabilitation (QOTE) Notice 2021

Explanatory notes for SL 2021 No. 59

made under the

Workers' Compensation and Rehabilitation Act 2003

General Outline

Short title

Workers' Compensation and Rehabilitation (QOTE) Notice 2021

Authorising law

Sections 10A and 205 of the *Workers' Compensation and Rehabilitation Act 2003*.

Policy objectives and the reasons for them

Each year workers' compensation entitlements are indexed in accordance with Queensland Ordinary Time Earnings (QOTE) to ensure the relative value of entitlements over time.

Under section 10A of the Act, QOTE for a financial year is the amount of Queensland full-time adult persons ordinary time 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.

QOTE for 2020-21 was \$1,609.30. According to the latest Australian Statistician's report released on 25 February 2021, QOTE will increase to \$1,615.40 in 2021-22, an increase of 0.38%.

Achievement of policy objectives

Under section 10A 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. The Regulator's notice is subordinate legislation.

Under section 205 of the Act, if QOTE varies, each payment or amount under chapter 3, part 3, division 4 or 5 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 Workers' Compensation Regulator must notify a variation under this section. The Regulator's notice is subordinate legislation.

Consistency with policy objectives of authorising law

The *Workers' Compensation and Rehabilitation (QOTE) Notice 2021* (the Notice) is consistent with the main objects of the Act to maintain a balance between providing fair and appropriate benefits for injured workers and their dependants and ensuring reasonable cost levels for employers.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

The Notice is beneficial for injured workers and their dependants as the effect of indexation is to maintain the relative value of compensation entitlements over time in line with wages growth. The cost of applying the indexation to compensation entitlements is borne by workers' compensation scheme insurers.

Consistency with fundamental legislative principles

The Notice is consistent with fundamental legislative principles.

Consultation

WorkCover Queensland and self-insurers were advised in relation to the proposed indexation and the Notice.

In accordance with the Queensland Government Guide to Better Regulation, the department applied a self-assessable exclusion from undertaking further regulatory impact analysis (Category (h) – regulatory proposals that put forward standard annual fee variations in line with or below a government endorsed indexation factor).