

NSW Workers' Compensation Policy Application Pack.

Important Information.

Thank you for taking the time to read this page carefully before completing your Workers' Compensation Policy application. Please fill in your form using BLOCK LETTERS, tick (✓) the appropriate boxes and return it to Allianz within 14 Days.

There are three simple steps to taking out a NSW Workers' Compensation Policy with Allianz.

We've got you covered.*

1

Step 1

Tell us about your business.

Please fill out the Insurance Proposal and the Business Activity Details forms included in this pack. These forms have been designed to make it as easy as possible for you to give us the information we need to correctly complete your application.

It is important to carefully complete all parts of the Insurance Proposal and the relevant parts of the Business Activity forms.

Completion of the Business Activity Details form will help us to categorise your business more accurately.

Please provide a clear description of your business activity and the goods/services you produce/handle/supply.

If your business activity does not fall into one of the eight groups defined, then tick "Other" and provide as much additional information about your business as possible. Feel free to include any brochures or your website address.

Please ensure that the completed Insurance Proposal form is signed by the business owner, director or other authorised signatory.**

If you require assistance completing the form please contact your Insurance Adviser, Accountant or one of our helpful consultants on 1300 130 664.

2

Step 2

We'll do the maths.

As soon as you have completed your Insurance Proposal and Business Activity Details forms, please send them to Allianz by either:

- Email: your covered@allianz.com.au
- Fax: (02) 9266 7387
- Mail: GPO Box 5429, Sydney NSW 2001

When we receive your completed forms we will calculate your premium using the information you provide. There are three key elements that are entered into the formula set by the WorkCover NSW, that is used to calculate your premium:

- **Wages:** The annual amount paid out to workers in wages and benefits, including superannuation.
- **'WIC' Rate:** The WorkCover Industry Classification (WIC) Rate. There are over 500 WIC rates, which are set each year by the WorkCover NSW and vary for each specific industry.
- **Experience Premium:** This figure is derived from the cost of any claims from your business for the previous 2 years.

3

Step 3

We'll send you a 'Welcome Pack'.

Within 30 days of Allianz receiving your completed form we will send you our 'Welcome Pack', which includes:

- Details about Allianz NSW Workers' Compensation;
- Important information for you to display in your workplace; and
- An invoice for your premium.

* Cover will commence from the time and date that cover is initially requested from Allianz Australia Workers' Compensation (NSW) Ltd. or from the date that the completed and signed Proposal Form is received by Allianz if a previous request for cover has not been received.

** Please refer to the Declaration in Part 9 of the Insurance Proposal form.

Frequently Asked Questions

Here are some Questions and Answers to help you complete your NSW Workers' Compensation Policy Application.

Q: What happens if I don't complete my form in full?

A: There will be a delay in processing your forms. We may be unable to correctly classify your business, which will mean we are not able to calculate your premium correctly.

Q: Can I change the start date of my policy?

A: Once the nominated start date of the policy has passed it is not possible to change it.

Q: What is ITC?

A: This is 'Income Tax Credit' which is the amount of GST you may claim back (Please ask your Accountant for clarification if you have questions about ITC).

Q: Why do I need to tell you about my business activity?

A: Your premium is calculated using set industry classification rates. To correctly rate your business we need to know, in detail, what your business does.

Q: Why can't my secretary sign the form?

A: The person who signs the form must be authorised to incur debt on behalf of the business. If your secretary has this authority then they may sign on your behalf. Otherwise, the form must be signed by a person with such authority.

Q: Do I need to estimate contractors' wages?

A: Yes. But you do not need to include contractors covered under their own Workers' Compensation Insurance. For further information please refer to 'Definition of Wages' Manual available at www.allianz.com.au

Q: Why do I have to tell you about the insurance history if I've just bought the business?

A: As the business is the same, only ownership has changed, the 'risk' carries over and as such we need to know about the previous insurance history.

Q: Why do I need to tell you about my insurance history?

A: The insurance history is important as it may have an effect on your premium. We also need to know because if you are changing insurer we are required to contact your previous insurer.

And some general Questions and Answers about NSW Workers' Compensation.

Q: Who is covered by the policy?

A: All employees will be covered. Sole Traders or partners of a Partnership will not be covered as they are deemed to be the employer. For further information visit www.workcover.nsw.gov.au

Q: How can I prove to a potential client I am covered?

A: We can issue you with a 'Certificate of Currency'. Just tick the box in Part 8 of the Insurance Proposal. You can also get a request form from www.allianz.com.au or by calling 1300 130 664.

Q: Can I pay by instalments?

A: Yes, from the 30th June 2007, if your basic tariff premium is over \$1000 and your policy is for a 12-month period, you may pay quarterly instalments. If your basic tariff premium is over \$5000 and your policy is for a 12-month period, you may pay monthly instalments.

Q: Why can't I pay by instalments if the policy is for less than a year?

A: Current legislation stipulates that the policy must be for 12 months before it can be considered for an instalment plan.

Q: Do I really get a Discount if I pay my premium annually?

A: Yes! If you pay your full premium in a single lump sum, and on time, you will receive a discount.

Q: What are the methods of payment?

A: From the 30th June 2007, you may pay the following ways: Cheque, B-Pay, Direct Deposit and Direct Debit. For Direct Debit, please complete our Authority form.

Q: I am a principal contractor. What are my obligations?

A: From 1st July 2003 principal contractors are required to check that their subcontractors have proper Workers' Compensation Insurance. To protect themselves, principal contractors must have:

- A copy of the subcontractor's current 'Certificate of Currency'
- A written statement from the subcontractor that all applicable premiums have been paid (until this statement is received the principal contractor may withhold payment without penalty).

Otherwise the principal contractor may be liable for premiums owing by contractors in connection with services performed on behalf of the principal.

For further help in completing your Policy Application please visit our website at www.allianz.com.au or contact one of our helpful representatives on 1300 130 664.

Policy number

Period of insurance

From // To //

WORKERS COMPENSATION ACT 1987

INSURANCE PROPOSAL

This form is to be used to provide essential information for the commencement of a new workers compensation insurance policy.

This form is required for the initial insurance proposal only and is not required for subsequent renewals of the policy.

Please complete this form in BLOCK letters and use a black pen. If further space is required, please attach a separate page.

1 EMPLOYER'S DETAILS

Legal name of employer

(Your legal name may be different from your trading name. Give Company name, Sole Trader or Partners' full names. If a trust give the name of the trustee and the trust)

Trading name

ABN

ACN/ARBN

Location of business premises

Street

Suburb

Postcode

Postal address (if different from business premises)
 (PO Box or Street address)

Suburb

Postcode

Contact person

Phone

Work

Mobile

Fax

Email

2 IS YOUR BUSINESS A:

Registered company (eg. Pty Ltd company)

Name of Directors	Address
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

Sole Trader

Partnership

Trust

Cooperative, welfare or charitable organisation

Other - please specify below

GOODS AND SERVICES TAX

Are you registered for GST?

Yes No

If you are registered for GST, can you claim back 100% of the GST from the ATO in your BAS return (ie. your input tax credit entitlement is 100%)?

Yes No

If No, specify your reduced input tax credit entitlement

%

3 PREVIOUS INSURANCE HISTORY

Did you establish this business?

Yes No If Yes, when? / /

Did you purchase this business?

Yes No If Yes, when? / /

Have you purchased or taken over another business or part thereof within the previous 12 months?

Yes No If Yes, when? / /

If yes to the above, did you acquire additional staff as a result of this acquisition?

Yes No If Yes, when? / /

(Note: it is compulsory for you to answer the above four questions)

Has this business or any business acquired (or part thereof) been insured for workers compensation in the past two years? Yes No

If Yes, complete details of previous workers compensation insurance coverage. If No, go to section 4.

Insurance for previous two years

Last year

Scheme Agent

Policy number

Period of insurance

From / / To / /

Year before last

Scheme Agent

Policy number

Period of insurance

From / / To / /

5 ESTIMATED WAGES FOR THE RELEVANT PERIOD OF INSURANCE

If you are engaged in separate and distinct businesses, provide separate details of wages for each business activity in the section below. Note: If the estimated wages for all your workers total \$7500 or less per financial year, you are no longer required to hold workers compensation insurance, except where you engage an apprentice and/or a trainee, and/or are a member of a Group. For an explanation as to what gross wages specifically comprises refer to note under WAGES in DEFINITIONS.

A. Direct workers

Description of work performed	Total no. of workers (including apprentices)	Total gross wages (\$) (including apprentices)	Agent use WIC code

B. Details of apprentices – included above (see note under APPRENTICE INCENTIVE SCHEME in DEFINITIONS)

Description of work performed	Total no. of apprentices	Total gross apprentice wages (\$)	Agent use WIC code

C. Contract workers who are deemed to be your employees

(see note under CONTRACTOR in DEFINITIONS) - record the full contract value in column (3). Do not include any GST payable in this figure. For the purposes of calculating contractor remuneration, enter further details re the breakdown of the full contract value into the \$ value of labour and other components (if known) into the applicable column/s (4), (5), (6) and/or (7). If these amounts are not known, place an 'X' in the column/s indicating the components included in the contract without providing \$ figures. DO NOT reduce the amount to reflect the standard default percentages referred to in the Wages Definition Manual. The agent will apply the default percentages as appropriate.

(1) Description of work performed	(2) Total no. of contract workers	(3) Full contract value (\$)	(4) Labour only (\$)	(5) Labour and tools (\$)	(6) Labour and plant (\$)	(7) Labour, plant and materials (\$)	(8) Agent use WIC code
				L: T:	L: P:	L: P/M:	
				L: T:	L: P:	L: P/M:	
				L: T:	L: P:	L: P/M:	

4 BUSINESS ACTIVITY

To ensure correct premium calculation a detailed description is required for each separate and distinct business. Based on this description your Agent will assign a WorkCover Industry Classification (WIC) to enable calculation of your premium. To help describe your business, attach company brochures and website addresses.

Describe your business or industrial activity

- eg. I am a courier driver.

What goods/services do you produce/handle/supply?

- eg. I carry documents and small parcels.

What equipment/machinery/tools do you use in your business/industrial activity? - eg. station wagon.

What specific trade qualifications and/or licences are required in your business/industrial activity? - eg. driver's licence.

D. Non-wage based business activities

No. of per capita units	Description - eg. taxi plates, rides, bouts, games, etc.

If you are a taxi operator, you will need to provide the following additional information: a list of plate/s held at the beginning of the period of insurance (including plate number/s), purchase/sale dates of any plate/s that have changed hands in both the previous and current 12 months, indicate if plate/s are metropolitan or country, and the average number of bailee shifts/week per plate. Please provide this information on a separate sheet and attach to this form.

6 RELATED CORPORATIONS

Is your organisation related to or part of another organisation? Yes No

(eg. holding company, subsidiary. Refer to DEFINITIONS)

If Yes, provide details below. If insufficient space or if more than one related organisation, please attach a separate sheet.

Name of organisation	
ABN	
Scheme Agent	
Policy Number	
Policy Renewal Date	
How Related to Employer organisation	

9 DECLARATION BY EMPLOYER OR THEIR AUTHORISED REPRESENTATIVE

I, _____ PRINT NAME

- declare that the information provided in this request and any attachments is true, correct and complete
- declare that no information has been suppressed or omitted from this request
- agree to supply a correct declaration of actual wages paid at the expiry of the period of insurance to allow an accurate calculation of premium. I understand the declaration of actual wages may result in further premium payable or a refund of premium paid
- acknowledge that the terms and conditions of the policy are as prescribed by Form 3 of Schedule 1 of the *Workers Compensation Regulation 2003*
- acknowledge that the Premium Forms Definitions supplement has been provided to me
- consent to the information provided in this form, and any further information provided, be used for the purpose of evaluating and administering the employer's workers compensation policy, and any related purpose
- am authorised by the employer to complete this form and sign this declaration on behalf of the employer.

Penalties may apply for providing false, misleading or incomplete information.

Signature of person authorised to act on behalf of employer

Date

 / /

Position

DEFINITIONS

To assist employers to complete this form a PREMIUM FORMS DEFINITIONS supplement is available separately. The DEFINITIONS supplement is common to the Insurance Proposal, Declaration of Estimated Wages, Declaration of Actual Wages and Request for Certificate of Currency and Statement of Wages forms. Please contact your Scheme Agent for the DEFINITIONS supplement if it has not been provided with this form. Employers are required to acknowledge that they have obtained the DEFINITIONS supplement when completing this form.

E. Asbestos

(see note under ASBESTOS in DEFINITIONS)

Do you anticipate any of your workers in the course of their employment will handle or become exposed to products containing asbestos? Yes No

If you answered Yes, provide details of the activity/activities in which the worker/s will be exposed to asbestos containing products. If insufficient space please attach a separate sheet.

If Yes, estimate the above worker's total gross wages for the relevant period of exposure to asbestos.

 \$

These wages must also be included in A and/or C on page 2 of this form. In which industry are they employed?

7 GROUPING OF RELATED EMPLOYERS

Are you a member of a Group that pays combined wages in excess of \$600,000 in New South Wales? (see note under GROUPING OF RELATED EMPLOYERS in DEFINITIONS) Yes No

If Yes, have you registered with WorkCover as a member of a Group? Yes No

If Yes, what is your Group Number?

If you are a member of a Group and have not registered, contact WorkCover on 13 10 50

8 CERTIFICATE OF CURRENCY OPTION

Do you require a Certificate of Currency to be issued based on the information you have provided in this Proposal? Yes No

DISCLAIMER

This form provides information and may refer to some of your obligations under the various workers compensation and occupational health and safety legislation that WorkCover NSW administers. To ensure you comply with your legal obligations you must refer to the appropriate Acts and regulations at www.legislation.nsw.gov.au

This page has been left blank intentionally.

Business Activity Details

Only complete the parts relevant to your organisation.

Agriculture

Farming, Forestry and Fishing

Please provide a description of your business activity.
If you are involved in more than one activity, e.g. beef farming and sheep farming, please advise percentage of wages paid to each activity.

_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Are you only growing crops to feed your own stock?

Yes No

Community Services

Education

Which type of educational services are you providing?
e.g. primary, secondary, tertiary, tutors, driving school, etc.

Preschool and Childcare Services

Which services do you provide?
e.g. childcare, day care services, preschool, etc.

Health (including Aged & Community Care)

Which services do you provide?
e.g. GP/specialist, aged accommodation, ambulance, optometry, pathology, etc.

Residential Non-residential

Cultural Services

Which type of services are you providing, please specify?
e.g. library, museum, theatre production, etc.

Construction

Building Construction

What do you build?

Please complete below part in regards to building type and time spent.

<input type="checkbox"/> Residential 1 to 3 storeys	_____ %
<input type="checkbox"/> Residential 3+ storeys	_____ %
<input type="checkbox"/> Commercial	_____ %

Construction continued

Non-Building Construction

Please specify if you are involved in non-building construction
e.g. cable laying, swimming pools, roads, dams, etc.

Trade Services

Which trade do you provide?
e.g. electrical contracting, plumbing services, etc.

Concreting

Please advise type of concreting undertaken.
e.g. kerbs, gutters, footpaths, housing foundations, drilling or cutting, formwork, etc.

Machinery and Equipment Hire

Which type(s) of machinery and/or equipment do you hire out?

Do you hire the goods with or without operators?

With operators Without operators

Which industries do you hire to?

Entertainment

Hospitality

Please tick appropriate boxes to describe your business.

Hotel Motel

drinking mainly accommodation mainly

Food services

dine in mainly takeaway mainly

Clubs

licensed not licensed

Other e.g. catering services

Sport and Recreation

Which type of services are you providing, please specify?
e.g. sports grounds facilities, coaching, sporting clubs, etc.

Business Activity Details continued

Policy Number _____

Only complete the parts relevant to your organisation.

Financial and Business Services

Accountants, etc

Which services are you providing?

Consultants

Which consulting services do you provide?
e.g. IT consultant, etc.

Property Services Please tick appropriate box
Strata Schemes

commercial residential

Property Operators/Developers

commercial residential

Real Estate Agent

Other e.g. body corporate

Finance and Insurance

Which types of services do you provide?

Manufacturing (including Assembly)

What product(s) are you manufacturing?

What materials are the product(s) made from?

How are the products made? e.g. blow moulded, etc.

What are your products used for?

Retail

Please advise what type(s) of goods are being retailed?

Wholesale

Which product(s) do you sell?

Do you handle the goods?

Yes No

Transport and Storage

Road Transport

What type of vehicle do you use?
e.g. tipper truck, prime mover, bus, etc.

Average round trip?

less than 500km more than 500km

Do you or your employees load and/or unload?

Yes No

What do you transport? e.g. goods, sand, cement, etc.

Taxis

Please advise plate type.

T Plate TC Plate HC Plate

Water Transport

Air Transport

Storage

What type of goods are you storing? e.g. grain, furniture, etc.

Is this a self storage operation?

Yes No

Do you and/or your employees assist your customers with the storage of the goods?

Yes No

Other Please give a detailed description

Which business are you in?

What products do you make?

Which services do you provide?

WORKERS COMPENSATION ACT 1987

PREMIUM FORMS DEFINITIONS

This DEFINITIONS supplement is common to the Insurance Proposal, Declaration of Estimated Wages, Declaration of Actual Wages and Request for Certificate of Currency and Statement of Wages forms.

The DEFINITIONS supplement is provided by the Scheme Agent to assist employers complete the forms. Employers are required to acknowledge that they have obtained the DEFINITIONS supplement when completing the forms.

RECORDS

Section 174 of the *Workers Compensation Amendment Act 1987* (the Act) requires an employer to keep correct records of all wages paid to their workers as well as the trade or occupation of each worker. Section 174(2) of the Act stipulates that the employer is to retain these records in good order and condition for at least 5 years after the last entry is made in the record.

INPUT TAX CREDIT ENTITLEMENT

If you are registered for GST and you are entitled to claim back all the GST on your premium from the ATO in your business activity statement (BAS) return, you have a 100% input tax credit entitlement. Some employers such as banks or financial service providers are input taxed and only able to claim back a portion of the GST from the ATO. Those entities have a 'reduced input tax credit entitlement' and are required to note this percentage on the form. In the event of non-notification of a lower input tax credit entitlement, the premium will be based on a 100% entitlement.

WAGES

Gross wages includes total gross earnings (before tax deductions) and some payments that are not generally thought of as wages.

It includes, but is not limited to:

- salary/wages
- overtime, shift and other allowances
- over-award payments
- bonuses, commissions
- payments to working directors (including directors' fees)
- payments to certain contractors
- payments to pieceworkers
- payments for sick leave, public holidays and the associated leave loadings
- value of any substitutes for wages
- grossed-up value of fringe benefits (allowances subject to fringe benefits tax are counted at the grossed-up value, that is the value of the benefit multiplied by the relevant Australian Tax Office benefit formula)*
- trust distributions to workers where the distribution is in lieu of wages for work done for the trust.
- employer superannuation contributions (including the superannuation guarantee levy)
- long service payments (including lump sum payments instead of long service leave)
- termination payments (lump sum payments in respect of annual leave, long service leave, sick leave and related leave loadings).

It does not include:

- directors' fees paid to non-working directors
- compensation under the *Workers Compensation Act 1987*
- any GST component in a payment to a worker.

* Non-profit organisations, public benevolent institutions (PBIs) and charities should continue to declare worker benefits that aren't subject to fringe benefits tax at the net value. Once the worker benefits exceed the Australian Tax Office fringe benefit threshold, the employer must declare the benefit at the grossed-up value.

For further information refer to the *WorkCover Wages Definition Manual*, available as a Publication from WorkCover's website.

WORKER

A 'worker' is any person who has entered into, or who works under, a contract of service or apprenticeship with an employer (whether by way of manual labour, clerical work or otherwise, and whether the contract is expressed or implied, and whether the contract is verbal or in writing).

An injured worker is only eligible to claim workers compensation in NSW when they have a 'State of Connection' that is NSW. A worker's 'State of Connection' is determined using the following tests.

- test A – the State in which the worker usually works in that employment
- test B – if no State is identified by test A, the State in which the worker is usually based for the purposes of that employment
- test C – if no State is identified by test A or B, the State in which the employer's principal place of business in Australia is located.

If it is determined that NSW is a worker's 'State of Connection' their wages must be declared for NSW premium calculation purposes and they must be covered under their employer's NSW workers compensation policy, unless their employer's NSW workers combined wages are \$7500 or less per financial year, in which case the employer is not required to hold a policy. The exception is those employers who engage an apprentice/trainee and/or are a member of a Group, in which case a workers compensation policy is required regardless of the estimated wages total.

APPRENTICE INCENTIVE SCHEME

The *Growing Our Skills Base*: Apprentice Incentive Scheme provides a premium reduction for employers of apprentices.

For new or renewed policies commencing on or after 31 December 2006, the wages you pay to an apprentice will be used to calculate your premium reduction.

To be eligible you must have entered into a NSW Department of Education and Training (NSW DET) approved 'Training Contract' with the apprentice in a designated trade vocation and the apprentice identified in the training contract. [Note the reduction is available only to these apprentices and not to NSW DET recognised traineeships].

From 31 December 2006, when renewing or obtaining a new workers compensation policy, you are required to declare the amount of wages you pay your apprentice(s) and the industry in which they work separately from wages to other workers. This will allow your Scheme Agent to calculate your premium reduction.

You will need to retain your apprentice wages records, as well as your Apprentice Training Contract and letter from the Department of Education and Training advising that the application for the training contract has been approved. These documents will need to be produced in the event of a wage audit.

For further information contact: your workers compensation Scheme Agent, the WorkCover Information Centre on 13 10 50 or visit www.workcover.nsw.gov.au [Enter "Apprentice" under the Search facility for Fact Sheets and FAQs on the Apprentice Incentive Scheme].

CONTRACTOR

Some people working as contractors are also treated as workers for workers compensation purposes, depending on the individual circumstances. This means that if there is a workplace injury the contractor may be entitled to receive workers compensation. The law refers to these contractors as 'deemed workers'. For this reason, their employer (or principal) must declare any payments made as wages and cover them for workers compensation if the total estimated wages for all that employer's NSW workers combined is greater than \$7500 per financial year (unless employing an apprentice and/or a trainee and/or are a member of a Group in which case the \$7500 exemption does not apply). For further information see www.workcover.nsw.gov.au/WorkersCompensation/InsurancePolicies/PrincipalContractors

Under workers compensation law, a principal contractor is anyone who enters into a contract with another person (subcontractor) to carry out work. A principal may be liable to pay workers compensation to workers employed by subcontractors if a subcontractor was required to have a policy and does not have one and there is a workplace injury. Further, a principal contractor may be liable for their subcontractor's unpaid premiums if they fail to check that their subcontractors are properly insured (this law only applies when a subcontractor is engaged to carry out work relating to the business of the principal).

Principal contractors should check that their subcontractors have signed a statement that there are no outstanding liabilities and that all workers compensation premiums applicable for that work have been paid. If the subcontractor is required to have a policy they should also have a Certificate of Currency in which they:

- are classified in the correct industry
- have declared an appropriate amount of wages for their insurance cover.

WORKER STATUS SERVICE & PRIVATE RULINGS

WorkCover NSW provides assistance to employers through the Worker Status Service to help them determine whether a person is a worker or contractor for premium calculation purposes.

Employers can contact the Worker Status Service to discuss their particular situation or use the tools provided. These tools include a self-assessment tool, which is a simple, anonymous tool that can provide clarity on whether a person is a worker or contractor. This tool also may help an employer decide whether they wish to lodge an application for a private ruling. The self-assessment tool is a guide only and not a binding ruling.

A private ruling is a binding notice from WorkCover that states whether a person is a worker or contractor. A private ruling is only relevant for the circumstances described by the employer in their application and does not impact upon a person's ability to lodge a workers compensation claim, nor can it be used in any claims proceedings.

The Worker Status Service can be contacted on 13 10 50 or email privaterulings@workcover.nsw.gov.au

The worker status self-assessment tool, fact sheets and the private ruling application form are also available at www.workcover.nsw.gov.au/workerstatus

NON-WAGE BASED BUSINESS ACTIVITIES

To calculate the premium for taxi operators further details are required than those requested in the forms. These details are to include the following: a list of plate/s held at the beginning of the relevant period of insurance (including plate number/s), purchase/sale dates of any plate/s that have changed hands in both the 12 months prior to and during the relevant period of insurance, an indication if plate/s are metropolitan or country, the anticipated number of drivers and the average number of bailee shifts/week per plate. If you are unsure as to what constitutes the relevant period of insurance, please contact your Scheme Agent. Taxi operators are to provide these additional details on a separate sheet, which should be attached to the other form/s being submitted.

ASBESTOS

Asbestos is the generic term for a number of fibrous silicate minerals including chrysotile (white asbestos), amosite (brown asbestos), crocidolite (blue asbestos), tremolite, actinolite and anthophyllite. The manufacture and use of products containing chrysotile was prohibited nationally from 31 December 2003 and all other forms of asbestos were banned in the mid-1980s. As a result, the use of all forms of asbestos is no longer permitted except for the purpose of sampling or analysis, maintenance, removal, disposal, encapsulation or enclosure. The prohibition of products containing chrysotile did not extend to the removal of asbestos products *in situ* at the time the prohibition took effect. These *in situ* asbestos-containing materials must be appropriately managed to ensure that the risks of exposure to airborne asbestos fibres are eliminated or controlled.

It is important that employers indicate whether any of their workers in the course of their employment are exposed to or handle any asbestos containing products. It is a legal requirement for the controller of premises to identify all asbestos containing materials within a workplace, and these materials must be recorded in an asbestos register.

A Dust Diseases Levy rate will be applied to calculate the premium of those employers whose business activities involve exposure to asbestos.

BUSINESS ACTIVITY

Provide a full description of your business activities and include any brochures or website addresses that may clarify the definition of these business activities. Based on this description your Scheme Agent will assign a WorkCover Industry Classification (WIC) to enable calculation of your premium.

Refer to the *Insurance Premiums Order* for further clarification, available from www.workcover.nsw.gov.au/WorkersCompensation/Premiums/IndustrialClassification

RELATED CORPORATION FOR BUSINESS ACTIVITY PURPOSES

A corporation is related to another corporation (whether or not that other corporation is an employer) if:

- the employer and other corporation are related to each other by reason of the *Corporations Act 2001* (Commonwealth)
- the directors of the employer act under the instructions of the directors of the other corporation
- the directors of the other corporation act under the instructions of the directors of the employer
- the directors of the employer and the other corporation act under the instructions of another person
- the directors of the employer exercise 50% or more of the voting power of the other corporation
- another person exercises 50% or more of the voting power of both corporations.

If a corporation carries on clerical, administrative or managerial services only and predominantly supplies those services to a related corporation, then that corporation is classified on the same basis as the related corporation. Clerical, administrative or managerial services include accounting, drafting, designing, marketing, sales, legal and training.

GROUPING OF RELATED EMPLOYERS

Provisions for grouping for workers compensation purposes are set out in Divisions 2A & 2B of Part 7 of the *Workers Compensation Act 1987*. These provisions determine who is a related entity.

All related employers that pay combined wages over \$600,000 in NSW must be grouped for premium assessment purposes.

However, charitable and not-for-profit organisations may apply to WorkCover for exemption to grouping status for those related employers who are not in direct competition with the private sector.

All employers within a Group must have separate policies and must insure with the same Scheme Agent, with a common renewal date for all policies.

Note: Grouping provisions commenced from 30 June 2006.

For further information contact 13 10 50 or visit www.workcover.nsw.gov.au/WorkersCompensation/Premiums/Groupings

INSURANCE POLICY WORDING

The wording of the employer's insurance policy is prescribed by Form 3 of Schedule 1 of the *Workers Compensation Regulation 2003*.

This may be accessed through a link from WorkCover's website to the NSW legislation website:

<http://www.workcover.nsw.gov.au/LawAndPolicy/Regulations/default.htm>
Alternatively you may contact your Scheme Agent for a copy of the policy wording.

DISCLAIMER

This DEFINITIONS supplement provides information and may refer to some of your obligations under the various workers compensation and occupational health and safety legislation that WorkCover NSW administers. To ensure you comply with your legal obligations you must refer to the appropriate Acts and regulations at www.legislation.nsw.gov.au