

Chapter
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Workplace Injury Insurance

Cleaning

The cleaning industry is a particularly hazardous industry and workers are exposed to many risks when undertaking their work. Risks include handling hazardous substances, work which is highly physical and often takes place after hours and is unsupervised.

In the year 2001/2002 352 people were injured at work when cleaning at a cost of \$12 million. 64% of injuries resulted in a sprain, strain or back injury. These injuries generally arise as a result of heavy lifting, bending or working in awkward positions.

WorkSafe Victoria is currently working with this industry to improve the occupational health and safety of all cleaners by visiting cleaning employers and those who contract cleaners to make sure that systems are in place to manage health and safety.

WorkSafe Victoria has developed information for the industry to assist them in understanding the hazards posed by this type of work and reduce the risks in managing contracted cleaners.

Cleaners are also at greater risk of injury as the work they do is often in worksites that they are unfamiliar with and after hours. Both cleaning employers and those who contract cleaning services need to ensure that the health and safety of contract cleaners is considered and managed.

Workplace Injury Insurance

Your premium provides insurance coverage for the costs of benefits for any of your workers who are injured or become ill because of their work (as set out in the Accident Compensation Act 1985).

It is compulsory for all employers in Victoria to be covered by workplace injury insurance as these compensation entitlements for injured workers are guaranteed.

Entitlements may include the replacement of lost income, medical and rehabilitation treatment costs, legal costs, or, in the event of a serious injury, lump sum compensation. The cost of providing these benefits to an injured worker can run into the hundreds of thousands or even millions of dollars.

Do I need a WorkCover policy?

All Victorian workers are covered by workplace injury insurance.

If you employ workers and you pay or expect to pay more than \$7,500 a year in remuneration (this includes wages, benefits and superannuation) or you engage apprentices or trainees, you must have a workplace injury insurance policy.

You are not required to register or take out a policy for workplace injury insurance if:

- you expect to pay less than \$7,500 in remuneration
- you do not engage apprentices or trainees.

However, if one of your workers makes a claim for compensation you will be required to register for workplace injury insurance and pay a registration fee of \$135 (GST not applicable).

If you don't have a policy when you should, you can be heavily fined and face the full costs of any claims incurred while you were uninsured.

If an employer does not have a policy the benefits payable to any of his or her injured workers are guaranteed by the VWA.

How do I take out a WorkCover Insurance policy?

To take out a policy, fill in an application for a WorkCover Insurance policy and send it to the VWA agent of your choice.

Please complete the form properly and accurately. If the information you give is vague, incorrect or incomplete, this can lead to problems. For example, your premium may be miscalculated or your business may be classified to the wrong industry.

New look application form

We have taken feedback over the past year on what you want from the form and worked with a designer to make it more akin to the Tax Pack – with information to assist you in completing the form.

We are currently making improvements to the Application for a WorkCover Insurance policy to:

- provide more explanation and guidance to you at the time of completing the form; and
- place an increased emphasis on the accuracy of the upfront information provided – getting the right information at the right time.

Your feedback

We want to test the forms usability and invite you to give us your feedback as a result of actual completion of the form. Please email any feedback to premium@workcover.vic.gov.au

For questions relating to your individual premium, please contact your VWA agent. View and download the form - Application for a WorkCover Insurance policy at our web site www.worksafe.vic.gov.au.

If you need help when completing your application for a WorkCover Insurance policy, please contact your selected VWA agent.

How do I pay my premium?

The policy renewal period will take place from early September, with the first premium payments due on 1 October 2005. There are a variety of options available to pay your premium. You can choose to pay your premium either as a one-off payment in advance, or in instalments.

Pay in full to receive a 3% discount

If you pay the full amount at policy renewal, you can take advantage of a 3% discount. To obtain the discount, you need to pay the discounted premium and any outstanding amounts by 1 October 2005. If you are paying the minimum premium of \$148.50 (including GST), you are not eligible for the discount.

Paying quarterly

If you are on the quarterly plan, you must pay the instalments by the first day of October, December, March and June.

Paying monthly

If you choose the monthly plan, payment is due in 10 instalments on the first day of the month, starting in October 2005 and ending in July 2006.

Premium under \$1,000

If your premium is \$1,000 or less you must pay the full amount by 1 November 2005.

Late payment penalties

It is important to remember that late payments will attract a penalty of 1.104% per month on the outstanding amount, compounding monthly. When this happens, your instalment plan can be cancelled making the remaining premium for the whole year due immediately.

What Goods and Services Tax is applicable?

Workplace Injury Insurance premium is subject to the Goods and Services Tax (GST). The majority of businesses can claim all or part of the GST from the Australian Tax Office as an input tax credit. GST is added after the premium has been calculated. Details of the amounts that you need to claim from the tax office are on the back of the invoice.

If you pay your premium by the due date, the invoice becomes a tax invoice for the discounted renewal amount. Otherwise, it is a tax invoice for the instalment amount. If you pay by instalment, the invoices issued to you during the year are also tax invoices for GST purposes.

How do I choose the buy-out option?

Under normal circumstances, an employer is responsible for the first ten days of weekly benefits for an injured worker who is off work, and the first \$517 (indexed annually on 1 July) of reasonable medical and related expenses.

However, you can remove this liability if you choose to take up the buy-out option by paying an additional loading of 12.5% of your premium.

The aim is to make it easier for employers, especially small businesses, to manage the early stages of a claim and to encourage the early reporting of claims so they can be managed effectively from the start.

The buy-out option is available to all employers. If you intend to take up this option for the 2005/06 policy period, you must notify your VWA authorised agent by 31 August 2005.

How do I get the full details about premium calculation in 2005/06?

The Workplace Injury Insurance Premiums Order sets out the full details on premium calculation. For each workplace, your agent selects and assigns an appropriate industry classification from the Premiums Order. The order contains detailed descriptions of each classification with indicative lists of the type of predominant activities included in each. As at 08/06/05 the order for 05/06 is expected to be available mid June. This document is located in the Government Gazette section of the Craftsman Press website at www.craftpress.com.au.

Further information

Further information on Victoria's workplace injury insurance system, premium calculation, remuneration, etc. can be accessed via our website at www.worksafe.vic.gov.au.

You can also download a copy of the publication 'Your Workplace Injury Insurance 2005/06' for further information on premium.

Please note that the material on these pages is of a general nature and is designed to help develop employers understanding of the premium system. If you require more specific information, you should contact your [VWA agent](#), who is familiar with your claims experience and business details.