

IMPORTANT NOTICES

GIO WORKERS COMPENSATION NORTHERN TERRITORY

The information provided in this guide should not be regarded as a substitute for obtaining professional advice on your workers compensation or other insurance requirements. It is important to note that workers compensation legislation is frequently amended.

1. General information

Workers compensation insurance is compulsory throughout Australia where you have Workers. GIO offers business and domestic workers compensation cover in Western Australia, Australian Capital Territory, Tasmania and Northern Territory.

2. Business numbers

Australian Company Number (ACN)

An ACN is issued to any company registered with the Australian Securities and Investments Commission.

Australian Registered Business Number (ARBN)

An ARBN is issued to any business other than companies registered with the Australian Securities and Investment Commission.

Australian Business Number (ABN)

An ABN is issued by the Australian Taxation Office. You must have an ABN to register for GST purposes; however, the issue of an ABN does not automatically mean you are registered to claim GST Input Tax Credits.

GST

If you are a registered business or non-profit organisation you must inform GIO of the extent to which you are entitled to Input Tax Credits on your insurance premium. This advice is required prior to the commencement of each period of insurance or when you have a claim. However, if you do not provide this information it will be assumed that you are registered and that you are entitled to claim 100% of the GST paid on your premium as an Input Tax Credit.

3. Wages, salaries and remuneration

Wages, salaries and remuneration includes:

Wages, salary, overtime, shift and other allowances, over-award payments, bonuses, commissions, payments for public holidays and annual holidays (including loadings), payments for sick leave, payments for long service leave (including a lump sum payment instead of long service leave), including but not limited to:

- the market value of meals, accommodation and electricity provided by the employer for the worker;
- the total value of any salary sacrificed amounts, for example motor vehicles, (including fringe benefits applicable to these salary sacrifices);
- superannuation contributions that would be payable to a worker as wages or salary if the worker so elected (e.g. salary sacrificed superannuation).

The following are NOT usually included:

- workers compensation payments made under the Act;
- maternity or paternity leave payments, including payments under the Australian Government's Paid Parental Leave scheme;
- superannuation that is paid by employers under the Compulsory Superannuation Guarantee Levy, including contributions made by the employer over and above the compulsory levy;
- any and all payments for retirement, redundancy or termination
- the value of staff discounts;
- the value of costs reimbursed to workers that were incurred in earning their income.

These are not prescribed by the legislation, but are simply guides for insurers and employers.



4. Who needs to be covered

A natural person who:

- performs, under a contract or agreement of any kind (whether expressed or implied, oral or in writing or under a law of the Territory or not), work or a service of any kind for another person; and
- is an employee for the purpose of assessment for PAYG withholding under the Tax Administration Act 1953 (Cth), Schedule 1, Parts 2-5.

The legislation also considers the following to be workers:

- a person or class of persons included by Regulation (e.g. St John Ambulance Volunteers);
- Fire Brigade, Bushfires and Emergency Services Volunteers.

You **do not need to cover** a person who meets the following:

- An individual who is an immediate family member of the employer is not considered a worker for that employer.¹
- An individual who is a director (or similar position) of a company is not considered a worker of that business.²
- An individual employed in voluntary work who receives nothing more than reasonable travelling, accommodation or other out of pocket expenses.
- An individual employed by a household.³

¹ A family member can be covered for workers' compensation by declaring to the insurer the individual's name, nature of employment and remuneration.

² Directors can be covered for workers' compensation provided the individual's name, nature of employment and remuneration is declared to the insurer. A director will also be required to have PAYG deductions made from their remuneration.

³ An individual who is employed by a householder as a chauffeur, or to cook, clean, iron or to do gardening and earns more than 20% of the NT average weekly earnings is considered a worker.

5. Signature of person making declaration

As per section 130(4)(b) of the Return to Work Act 1986, signing a statutory declaration is confirmation that the wages declared and other prescribed information is true and correct.

Regulation 16 of the Return to Work Regulations 1986 also provides that the declaration must be signed by certain persons depending upon the organisational status of the employer:

- a. where the employer is an individual natural person – the form must be signed by the natural person; or
- b. where the organisation is a partnership – the form must be signed by one of the partners;
- c. where the organisation is a company or body corporate – the form must be signed by a director or secretary of the body corporate or its principal officer in the Territory; or
- d. where the organisation is an incorporated association, within the meaning of the Associations Act – the form must be signed by the public officer.

6. Claims excess

No excess.

7. Terms and conditions

Any cover under the policy is subject to the terms, conditions and exclusions of the policy and the provisions of applicable State, Territory and Commonwealth laws.

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