

Indexation of Workers Compensation Entitlements

The *Workers Compensation and Injury Management Act 2023* (the *WCIMA23*) provides for compensation caps or limits to be adjusted in accordance with the *Workers Compensation and Injury Management Regulations 2024* (the *WCIMR24*) and protects against any reduction in capped entitlements if the value of the indices used for the adjustment is negative for a specific financial year.

Key Points

Act ref: s s . 538, 566 Reg ref: Part 11

- Caps that apply to various worker entitlements under the *WCIMA23* are indexed annually using various Australian Bureau of Statistics indices such as Average Weekly Earnings, Wage Price Index and Consumer Price Index. The applicable indexation methodology depends on the type of entitlement.
- The *WCIMR24* sets out the relevant methodology that applies to annual indexation.
- The *WCIMA23* protects against any reduction in the capped amount if that would otherwise occur as a result of the indexation method in the regulations.

Questions & Answers

Q. Will the general capped entitlement amount in the *WCIMA23* align with the 'prescribed amount' referred to in the 1981 Act if I have an existing claim on 1 July 2024?

A. Yes. The 'general maximum amount' (the term used in the *WCIMA23*) corresponds with the 'prescribed amount' in the 1981 Act. The amount is indexed 1 July each year.