

SAFETY, REHABILITATION AND COMPENSATION COMMISSION

STATEMENT OF EXPECTATIONS – 2021

Ministerial Statements of Expectations provide greater clarity about government policies and objectives relevant to the regulator in line with its statutory objectives, and the priorities the Minister expects it to observe in conducting its operations. As the responsible Commonwealth Minister for Industrial Relations under the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act), this statement sets out my expectations of the Safety, Rehabilitation and Compensation Commission (SRCC).

Overview

The SRCC is a statutory body that administers the regulatory functions of the SRC Act, other than those ascribed to Comcare. The SRCC plays an important role in the continued improvement of prevention, rehabilitation and workers' compensation performance outcomes in the Commonwealth jurisdiction. The SRC Act allows certain Commonwealth authorities and eligible corporations to apply to the SRCC for a licence to self-insure their workers' compensation liabilities. As the regulator of self-insurance licences, the SRCC monitors compliance and sets performance standards and measures for the prevention, claims management and rehabilitation functions of licensees.

The SRCC has a range of functions under the SRC Act, including to:

- grant, vary, extend, suspend or revoke self-insurance licences
- set any licence conditions considered necessary to ensure licensees achieve the objects of the SRC Act
- ensure that, as far as practicable, there is equity of outcomes resulting from administrative practices and procedures used by Comcare and a licensee in the performance of their respective functions
- further review Comcare's review of a determination regarding a premium or regulatory contribution charged to an agency where the Principal Officer of the relevant agency objects to the determination
- provide advice to me about anything relating to the operation of the SRC Act or to the SRCC's functions and powers.

The Government recognises and respects the independence of the Chair of the SRCC and their responsibility for regulating self-insured licensees. I expect the SRCC to exercise its functions and powers in good faith and to the best of its ability.

Principles of regulator best practice

Under the *Regulator Performance Guide July 2021*, the principles of regulator best practice are:

1. **Continuous improvement and building trust:** regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture, to build trust and confidence in Australia's regulatory settings.
2. **Risk-based and data-driven:** regulators maintain essential safeguards, using data and digital technology to manage risks proportionately to minimise regulatory burden and to support those they regulate to comply and grow.

3. **Collaboration and engagement:** regulators are transparent and responsive, implementing regulations in a modern and collaborative way.

I expect the SRCC to embed and act in accordance with the Government's principles of regulator best practice in conducting its operations, as well as strive for continuous improvement against these principles.

In exercising its functions and powers in accordance with these principles, I expect the SRCC to:

1. **Continuous improvement and building trust**

- be flexible and adaptive, open to new ideas and ways of doing things
- consider the broader environment and is proactive in dealing with its impacts
- encourage innovation in the development of sustainable solutions to health and safety issues, and endeavours to use the latest tools, data and technology to develop new solutions to problems

2. **Risk-based and data-driven**

- ensure its regulatory activities are fit-for-purpose, up-to-date and can effectively respond to any risks that may compromise its ability to effectively administer its functions under the SRC Act.

3. **Collaboration and engagement Stakeholder engagement**

- Open, transparent and consistent engagement with stakeholders including industry, government and the broader community is crucial to maintaining competent and innovative regulatory practices. Consequently, I expect the SRCC to:
 - work collaboratively with self-insured licensees to secure compliance with the SRC Act
 - provide up-to-date, clear and accessible guidance and information to assist self-insured licensees to continuously improve their prevention, rehabilitation and claims management performance outcomes
 - seek opportunities to engage and consult genuinely with Comcare, government, licensees and their representatives, and employees and their representatives
 - be receptive to feedback and diverse stakeholder views
 - seek to increase transparency in decision-making processes.

Innovation and regulatory change

I expect the SRCC to continually monitor the environment it operates in to ensure that regulatory approaches keep pace with changes in technology, industry practices and community expectations. I also expect the SRCC to regularly review and, where necessary, adjust policies, protocols and operating procedures, to ensure it can respond to the changing social, technological and commercial context in which it operates.

The Government's policy priorities and objectives

Deregulation Agenda

The Deregulation Agenda is a key component of the Government's plan to support economic recovery by making it easier for businesses to grow and create jobs. Ensuring our regulatory

settings are the best they can be helps boost productivity and competitiveness and supports well-functioning markets, business investment, job creation and growth.

Under the Deregulation Agenda, the Australian Government is taking a new whole-of-government approach to regulatory policy. This will focus on reducing barriers affecting Australia's productivity growth and competitiveness. It will also make sure regulations are well-designed, fit-for-purpose and support businesses to grow and create jobs.

I expect the SRCC to contribute to the deregulation process by:

- seeking opportunities to remove duplication and streamline processes in order to improve efficiency and lift productivity,
- acting in accordance with regulator best practice in its decision-making, policies, processes and communication practices, in order to maximise transparency and minimise compliance costs,
- applying the *Regulator Performance Guide July 2021* to its regulatory functions to assess its performance and engagement with stakeholders.

Relationship with Minister and portfolio

The SRCC plays an essential role in ensuring that the Government and I, as the Minister responsible for Industrial Relations, are well placed to respond promptly to issues affecting Commonwealth workers' compensation arrangements. The Attorney-General's Department (the department) also supports and advises me by providing advice on policy development and the performance of the portfolio's regulatory systems. The department takes into account the knowledge and expertise of the SRCC when considering changes to policy and legislation that impact on Commonwealth workers' compensation arrangements.

Accordingly, I expect the SRCC to work collaboratively with the department on significant issues relating to strengthening Commonwealth workers' compensation arrangements.

As the responsible Minister, I will provide an enabling environment for the SRCC to consistently implement best practice by ensuring you are well informed of the Government's policy direction, as specific initiatives and strategies are being considered.