

# Commission policy on licence applications during COVID-19 pandemic

In the current unprecedented environment of COVID-19, the Safety, Rehabilitation and Compensation Commission (Commission) has determined to temporarily suspend any consideration of licence applications. The Commission has committed to reviewing the ongoing requirement of this policy in May 2020.

## **Background**

The Commission has made this decision due to the range of issues below which may affect some or all potential licensees.

### **1. Adequacy of resources**

Management systems may be unable to be assessed as many have changed employment practices (e.g. a shift towards working from home arrangements).

### **2. Claims prospectively**

- a) Modelling to date may not prove accurate in the foreseeable future.
- b) As applicants (potential licensees) already have workers' compensation coverage, it is not the appropriate time to make major changes to administration practices.

### **3. Third parties**

There may be difficulties being assured that third parties can take on new work – e.g.

- a) Third-Party Claims Administrators are, more often than not initially engaged by new scheme participants.
- b) New licensees are subject to full audits within the first few months of licence – this would be difficult to undertake in the current environment with restrictions on travel, work from home arrangements etc.

### **4. Critical vs non-critical functions**

- a) Commission monitoring and regulation of current self-insured licensees is critical in the current environment, while consideration of licence applications is non-critical. It is noted that applicants have existing workers' compensation arrangements in place.
- b) At this time, the focus of any prospective licensees needs to be on the continued safety of its own workforce and its response to COVID-19.

### **5. Transition plans and consultation with staff**

Once a licence is granted, there are many activities to be completed from the transition plan prior to licence commencement, including the development of documentation and formal consultation. The Commission's view is that it would be

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difficult to be satisfied in the current environment that appropriate plans are able to be developed and that effective consultation has been undertaken.

### **6. Bank guarantees and reinsurance**

Bank guarantee and reinsurance may prove more difficult for some businesses to obtain in an environment of higher risk.

### **7. Our work health and safety obligations**

The Commission is cognisant that it must follow all health guidelines in asking Comcare staff to perform duties on our behalf and does not wish to require Comcare staff to perform non-critical functions.

### **8. Leadership**

At a time of increased risk and as a Government entity, the Commission must act at the highest standards and seek to mitigate any health-related risk at this time. Potential licensees at this time should be focussed on the safety of their workforces required to deliver any urgent COVID-19 activities.

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