

Workers compensation market
practice and premiums
guidelines: Annexure E

Request for Review:
*Primary activity of a
business*

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State Insurance
Regulatory Authority

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1. Review of Primary Activity

1.1 Background

The NSW Workers Compensation Industry Classification (WIC) System is based on the Australian Bureau of Statistics (ABS) industry data published in 1993 under the title of Australian and New Zealand Standard Industry Classification (ANZSIC) 1993.

The ABS has arranged large amounts of data about business units into groupings which are analytically useful and readily understandable. In the case of ANZSIC, business units are identified by their *predominant* or *primary* activity and are then grouped on the basis of carrying on similar productive activities to form an industry classification.

Under this guideline, the State Insurance Regulatory Authority (SIRA) is providing the process for employers to submit a Request for Review of their Primary Activity.

Please Note: All reviews will be undertaken without regard to relevant industry rates. This means that if SIRA determines that the primary activity is to be re-assigned to a different WIC, the applicable industry rate for all employers assigned to the primary activity concerned may increase, decrease or experience no change.

2. Submitting a Request for Review

2.1 When can I lodge a Request for Review?

In certain cases, an employer may consider that the primary activity they have been assigned is better grouped with other primary activities that are more similar to activities found within another industry group.

Where an employer accepts that the primary activity that has been assigned to their workers compensation policy is correct, but considers that their listed primary activity may be better grouped within another industry classification, they are encouraged to submit a request for review with SIRA.

Alternatively, if an employer feels that they are engaged in a primary activity that is not reflected in Annexure A of the *Market Practice and Premium Guidelines*, then the employer may make an application for consideration to be given for the inclusion of a new primary activity.

2.2 Who can request a review?

Employers may make a submission directly with SIRA or alternatively through a consultant or advisor. If the application for a review is being submitted by someone other than the employer then a letter of authority must accompany the application.

2.3 What do I need to include in my application?

The employer must provide detailed reasons as to why their primary activity has been incorrectly assigned to the current industry classification and also why the proposed industry classification or classifications is/are more appropriate.

Each submission must also provide substantial evidence to support the submission to re-allocate the primary activity. This should include an analysis of worker functions and activities within the business, as well as jurisdictional comparisons for the treatment of the primary activity. Trends and comparisons of claims data between the employer's

current primary activity and the proposed Workers Compensation Industry Classification (WIC) may also be submitted for consideration.

Submissions for a Request for Review of a primary activity should be made with the assistance of the insurer. The insurer can provide the employer with any claims data relevant to the employer's primary activity and the claims data relating to the destination WIC. The insurer will also be required to provide reasons why they support or do not support the employer's submission.

2.4 Where do I send the Request for Review?

Employers seeking the re-allocation of a primary activity into a different industry classification **must** complete the approved form for such reviews and send the application to:

Manager Premium and Prudential Supervision

SIRA

Locked Bag 2906

Lisarow NSW 2252

3. SIRA Reviews of Primary Activities

3.1 What happens after I make an application to SIRA?

Upon receipt of the Request for Review of the primary activity, SIRA will acknowledge the request within 5 working days.

As part of the review process SIRA may contact you to seek clarification or additional information. SIRA may consult with industry experts and the Australian Bureau of Statistics. Where applicable, SIRA will also give consideration to the treatment of such activities by other jurisdictions and government departments and agencies such as Office of State Revenue and Australian Tax Office.

Depending on the complexity of the Request for Review, SIRA will review your submission and issue its determination within 90 calendar days.

3.2 If my primary activity is moved to another WIC, when will the change take effect?

For reviews completed before 31st December, any changes to the primary activity will take effect from the commencement of the next premium filings in accordance with the Market Practice and Premium Guidelines.

Disclaimer

This publication may contain information that relates to the regulation of workers compensation insurance, motor accident third party (CTP) insurance and home building compensation in NSW. It may include details of some of your obligations under the various schemes that the State Insurance Regulatory Authority (SIRA) administers.

However to ensure you comply with your legal obligations you must refer to the appropriate legislation as currently in force. Up to date legislation can be found at the NSW Legislation website legislation.nsw.gov.au

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