Rehabilitation and Compensation

– Workers' Compensation

Cross border arrangements >

This information bulletin provides information on how the Northern Territory's *Workers Rehabilitation and Compensation Act* clarifies (at section 53) who is a Northern Territory worker for the purposes of declaring remuneration for the calculation of workers' compensation insurance premium.

Cross border provisions exist in workers' compensation legislation throughout Australia. They mean that generally, an employer need only obtain workers' compensation insurance to cover a particular worker in only one state or territory. The state or territory in which workers' compensation premiums relating to a particular worker are payable is referred to as the worker's 'state of connection'.

Below you will find tests to determine which 'state' the worker is connected to and thus their remuneration needs to be declared in that 'state'. The term 'state' includes a territory of Australia.

These tests are also used to determine if the worker is covered by the Northern Territory's workers' compensation scheme should they suffer an injury in the course of their employment while working interstate or overseas.

Determining a Worker's 'State of Connection'

The tests are hierarchical – that is, if test A doesn't confirm what a worker's state of connection is, then use test B, and so on. Consider the worker's employment with *you*, not with any previous employers.

Tests	Matters which may be considered
Test A: ***Which state does the worker usually work in?***	1. In which state will the worker's future work be? 2. In which state did the worker spend the greatest proportion of time working over the past 12 months? 3. Which state does the worker's contract indicate they will be working in? 4. What is the worker's history of work in each state?

If no state can be determined from test A, then use test B on the next page.

Tests	Matters which may be considered
Test B: ***In which state is the worker usually based?***	1. What state is specified on the worker's contract of employment? 2. Which state does the worker routinely visit to receive directions or collect material, equipment or instruction in relation to work? 3. In which state does the worker usually report for work? 4. From which state are the worker's wages usually paid?

If no state can be determined from test B, then use test C.

Tests	Matters which may be considered
Test C: ***In which state is the employer's principal place of business located?***	1. In which state is your address registered on the Australian Business Register in connection with your ABN? 2. If not registered for an ABN, in which state is your business registered on the ASIC names index? 3. In which state is your mailing address? 4. For workers on ships, in which state is the ship registered or surveyed, or if registered/surveyed in more than one, which state was the ship most recently registered/surveyed?

Please note: you should check with the workers' compensation authorities in other states or countries where you engage workers to work for you, even if your worker is connected with the Northern Territory, to ensure that you do not have insurance obligations there.

Further elaboration on these tests and illustrative examples can be found in the *Guide to Cross Border Worker's Compensation Provisions* which can be found on the NT WorkSafe website.

For further information on cross border provisions please contact NT WorkSafe.

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