STRATA
COMMUNITY
INSURANCE

WORKERS COMPENSATION

Understanding your legal obligations and wage declaration requirements

CONFIDENCE FOR YOUR COMMUNITY

STRATA COMMUNITY INSURANCE

Protecting your community starts with understanding your obligations.
This guide explains who needs to be declared, what wages must be reported, and why your premium may adjust at policy period end.

What does this mean for you?

Strata communities manage common property and often engage people like cleaners, gardeners, building managers, and contractors. Australian laws may consider these individuals as "workers" even when they're not employees.

If someone is injured while working on your property, your Strata Community could be legally liable for their medical costs, lost wages, and rehabilitation. Without Workers Compensation insurance, this can lead to:

FINANCIAL RISK
Unlimited liability for medical costs, lost wages, and rehabilitation expenses.

LEGAL PENALTIES
Non-compliance can result in prosecution and fines under state or territory legislation.

OPERATIONAL DISRUPTION
Delays in repairs and maintenance due to disputes and unresolved claims.

SECTION 4
WORKERS COMPENSATION

Section 4, when selected, covers your legal liability to employees under workers compensation legislation if your Insured Property is situated in one of the SCI transacted states.

SCI TRANSACTED STATES	STATE REGULATED SCHEMES
Western Australia (WA)	New South Wales (NSW)
Northern Territory (NT)	Victoria (VIC)
Australian Capital Territory (ACT)	Queensland (QLD)
Tasmania (TAS)	South Australia (SA)

Important: NSW, VIC, QLD, and SA are handled by individual state regulatory authorities. Coverage can be arranged directly with these state schemes.

Strata Community Insurance Agencies Pty Ltd
ABN 72 165 914 009, AFSL 457787
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Your Legal Responsibility Under State or Territory Legislation

Workers Compensation insurance premiums are calculated based on wages and contractor payments made by the Strata Community and declared to the insurer for a specific policy period. These declarations are mandatory under the relevant state or territory workers compensation acts.

Understanding Wage Declarations

ESTIMATED WAGES DECLARATIONS	ACTUAL WAGES DECLARATION
When: Policy inception and renewal.	**When:** Within 30 days of policy expiry.
Purpose: Projects anticipated wages for the upcoming policy period.	**Purpose:** Reports true wages paid during the completed policy term.
Premium Impact: Forms the basis for calculating estimated or minimum premium.	**Premium Impact:** Reconciles premium. A refund or additional premium may apply.
Requirement: Must include ALL categories of workers as defined by legislation.	**Requirement:** Mandatory under state and territory legislation.

Why might my premium change at the end of the policy period?

The Actual Wages Declaration is how your final premium for the previous policy period is calculated. If the wages actually paid were higher than estimated, an additional premium may apply. If lower, a refund may be issued. This reconciliation is a legal requirement under all applicable state and territory legislation, not an administrative choice by Strata Community Insurance. Keeping accurate payroll and contractor records throughout the year is the most effective way to avoid unexpected adjustments at reconciliation.

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What do you need to declare?

Workers and Employees
Individuals employed directly by the Strata Community as full-time or part-time employees.

Common examples include:
- Building Managers / Resident Managers
- Caretakers
- Working Committee Members (if remunerated for operational work)

Contractors and Sub-contractors
Many Strata Communities engage contractors for services around the property which need to be declared.

Common contractor roles include:
- Cleaners
- Maintenance Staff
- Security Personnel
- Gardeners and Groundskeepers
- Pool and Spa Technicians

Declaration Methods:

CONTRACT VALUE	OR	CONTRACTOR WAGES
Total contract amount including labour, materials, and equipment.		Only the wages/remuneration component of the contractor engagement.

Note: In some cases, both Contract Value and Contractor Wages may apply where different contractors are engaged on different payment bases. If you are unsure how to categorise a contractor payment, contact us for guidance before submitting your declaration.

Why do third-party contractors need to be covered?

You engaged a cleaning company, not the individual cleaner. So why could your Strata Community be liable if that cleaner is injured on your property?

The answer lies in the concept of "deemed workers". Workers compensation legislation may extend liability beyond the direct employer/employee relationship. When a contractor is working on your common property, the law can deem the Strata Community to be the employer for purposes of the relevant workers compensation scheme, and therefore directly liable for compensation, even if that person is employed by a third-party business.

The legislation exists to protect injured workers. Even where the contractor carries insurance, the Strata Community may still be exposed to liability as a deemed employer under the applicable legislation.

Your protection: Always obtain and verify a current Certificate of Currency from every contractor before work commences. An expired certificate is no protection at all. If a contractor cannot provide one, do not allow work to proceed. It is important to note that obtaining a Certificate of Currency is a necessary, but not always sufficient, protection, and that it will not necessarily extinguish the Strata Community's own liability under the relevant legislation.

Note: The scope of deemed worker provisions and principal liability varies materially in workers compensation legislation across each jurisdiction.

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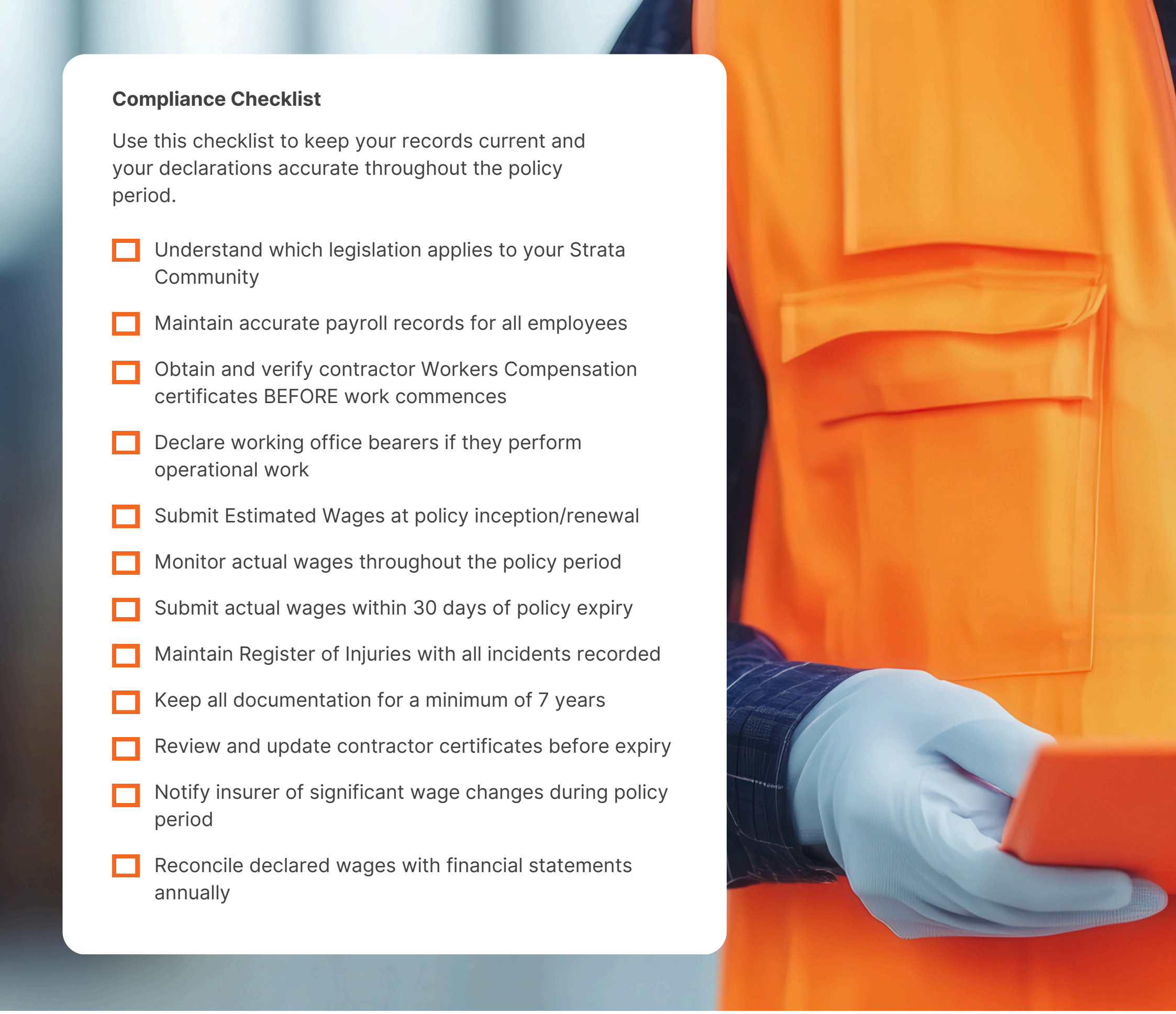

Compliance Checklist

Use this checklist to keep your records current and your declarations accurate throughout the policy period.

- ☐ Understand which legislation applies to your Strata Community
- ☐ Maintain accurate payroll records for all employees
- ☐ Obtain and verify contractor Workers Compensation certificates BEFORE work commences
- ☐ Declare working office bearers if they perform operational work
- ☐ Submit Estimated Wages at policy inception/renewal
- ☐ Monitor actual wages throughout the policy period
- ☐ Submit actual wages within 30 days of policy expiry
- ☐ Maintain Register of Injuries with all incidents recorded
- ☐ Keep all documentation for a minimum of 7 years
- ☐ Review and update contractor certificates before expiry
- ☐ Notify insurer of significant wage changes during policy period
- ☐ Reconcile declared wages with financial statements annually

Need assistance?

When your schedule shows that cover for workers compensation is selected, cover is provided for your legal liability under the applicable workers compensation legislation of the State or Territory where your insured property is situated. Workers' compensation cover is provided under a separate policy and is subject to the terms and conditions of that policy.

Forms and resources

Relevant information for your State or Territory, including wages declaration forms, can be found here.
To access the WorkCover WA cancellation form, please visit here.

Contact us

Email: myenquiry@scinsure.com.au
Phone: 1300 SCINSURE (1300 724 678)

Any advice provided is general advice only and does not consider your objectives, financial situation or needs. Terms, conditions, limits and exclusions apply. Before making a decision, please consider the relevant Product Disclosure Statement and Policy Wording (PDS). The PDS and Target Market Determinations are available at stratacommunityinsure.com.au. Insurance products are issued by Strata Community Insurance Agencies Pty Ltd (ABN 72 165 914 009, AFSL 457787) as agent for the insurer Allianz Australia Insurance Limited (ABN 15 000 122 850, AFSL 234708).