

21 January 2019

Dear employer

I am writing to let you know about the outcomes of our recent consultation with all premium paying employers about proposed changes to the premium end of year process. These changes were:

- Providing more time for you to give us your remuneration information (up to 10 weeks instead of 3-4 weeks)
- Allowing all employers to choose whether they pay their premium in 9 monthly instalments or one annual payment
- Eliminating remuneration estimates, and calculating base premium using actual remuneration information for the previous year.

More information about these changes and their benefits to you is available at www.rtwsa.com/premium-process-changes.

Feedback summary

Thank you to over 750 employers who provided feedback on the changes, via online survey, email, or through attendance at information sessions. The table below summarises the feedback received, and ReturnToWorkSA's next steps:

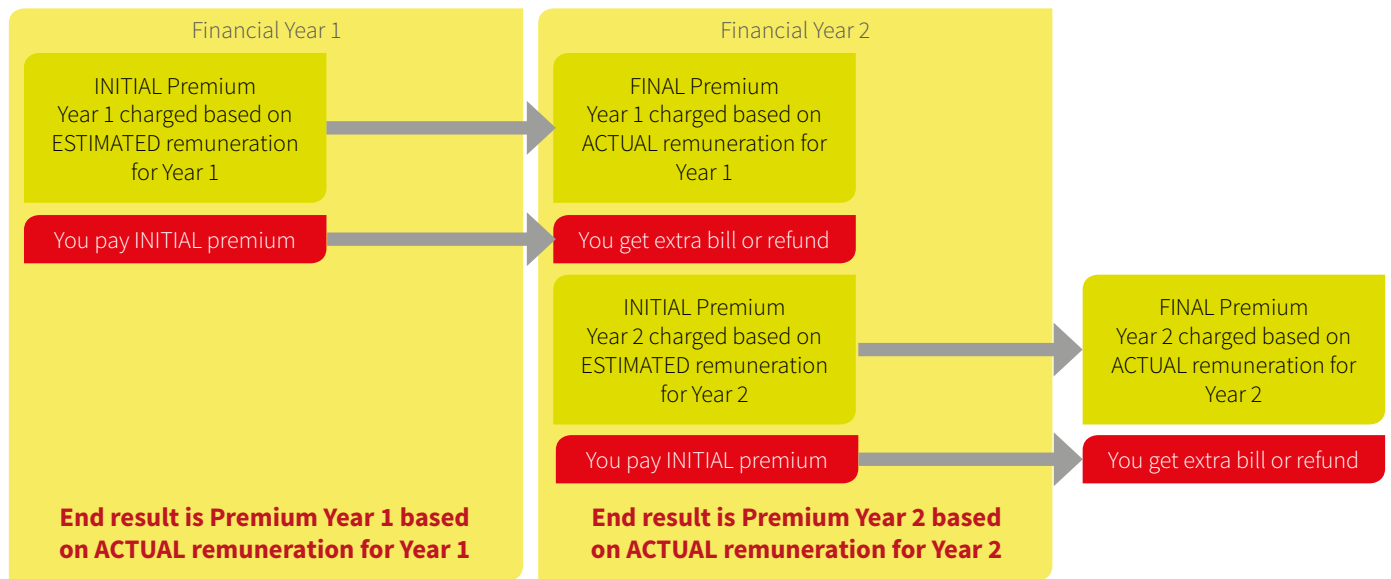
Proposed Change	Employer Feedback	ReturnToWorkSA Comments	Next Steps
Providing more time for you to provide information at year end	Change supported by 78% of small employers 75% of medium employers 78% of large employers	Some of you did not support the change because you want your premium invoice in July. The invoice is generated as soon as you enter your information online, and this will not change. Some of you voted no because you find the current timeframe sufficient.	The change will be implemented for 2019-20 premium.
Providing all employers a choice of 9 instalments or one annual payment	Change supported by 89% of small employers 86% of medium employers 87% of large employers	Some of you did not support the change because you are happy with your current payment method. There is no change to payment methods, we are now offering you a choice.	The change will be implemented for 2019-20 premium.
Eliminating remuneration estimates and calculating premium based on actual remuneration for the previous year	Change supported by 69% of small employers 71% of medium employers 72% of large employers	Some of you did not support the change because our explanation was not clear enough, some because your remuneration varies considerably from year to year so you feel safer with estimates, and some because you are transitioning to retirement/closure and your remuneration is trending downward every year. Employers in this last situation are slightly worse off financially under this proposal.	We have carefully considered your feedback, and decided to modify our proposal. All employers will be able to choose whether their premium will be calculated using the new method (based on previous year actual remuneration) or the current method (based on estimated remuneration). This change will be implemented for 2019-20 premium.

Premium Calculation Choices

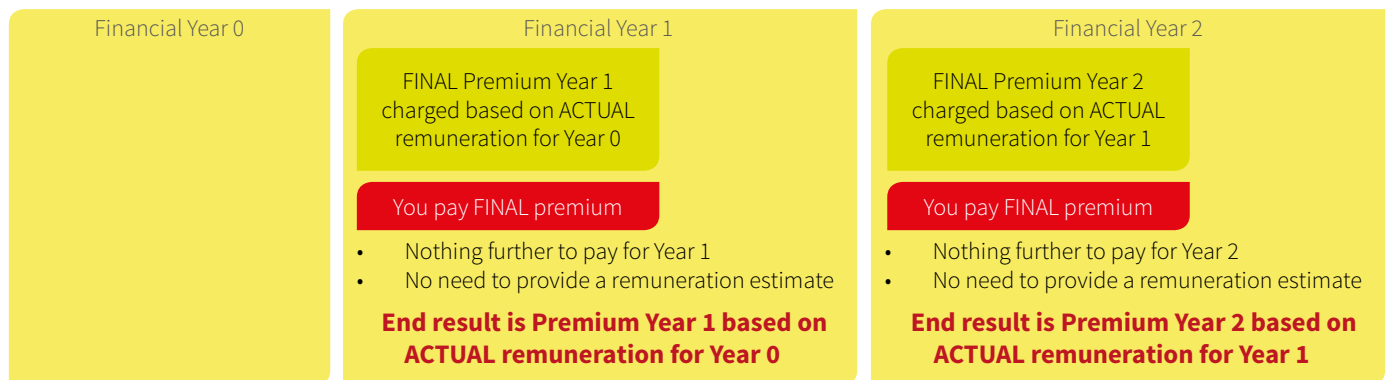
It is clear from the feedback received that the majority of employers are in favour of eliminating remuneration estimates, which means you provide less information to ReturnToWorkSA, and will not receive a premium adjustment at the end of the year. Positive comments received included, “it makes perfect sense,” “this is fantastic” and “hallelujah!”.

The feedback we received also indicated that our explanation of this proposal was not clear enough for everyone. Some interpreted this change as ReturnToWorkSA simply cancelling end of year reconciliations/premium adjustments that employers are entitled to. This is not the case. The diagrams below explain the proposal in a different way:

CURRENT PROCESS – WITH REMUNERATION ESTIMATES



PROPOSED PROCESS – WITHOUT REMUNERATION ESTIMATES



Some of you were concerned that your remuneration can fluctuate significantly within a financial year, due to seasonal work, loss of major contracts, or other unexpected factors. As your premium will always be based on your actual remuneration in the proposed process, these fluctuations will be reflected in your premium over time, with a delay of one year. Our proposal also allows for employers experiencing unexpected changes that cause financial hardship to apply for a premium adjustment if they cannot wait for this change to be reflected in their premium the following year.

To ensure we accommodate the needs and feedback of everyone, we have decided that **you will be able to choose** between the current process (with remuneration estimates) and the proposed process (without remuneration estimates). This will apply for your 2019-20 premium. You will be able to make a different choice each year, depending on your business needs.

This way, those of you who would prefer to provide less information and not have a premium adjustment at the end of the year can opt for the new process. Those of you who prefer to stay with the current process can do so.

Where to from here?

Thank you to all of you who took the time to give us feedback. We have considered it carefully and tried hard to accommodate all of your needs.

Our goal is to make it easier to do business with us. We are working very hard to implement these changes for 2019-20 premium. We will communicate with you about these changes and what you need to do over the next six months. If you have any questions in the meantime, please contact premium@rtwsa.com.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Julia Oakley', written over a horizontal line.

Julia Oakley

Executive General Manager
ReturnToWorkSA