



THE MCKELL INSTITUTE

It's Broken

WORKERS' COMPENSATION
IN NEW SOUTH WALES SINCE 2012

JULY 2022

ABOUT THE MCKELL INSTITUTE

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THIS PROJECT HAS BEEN PRODUCED WITH THE SUPPORT OF
UNIONS NSW AND THE **INJURED WORKERS SUPPORT NETWORK.**

ACKNOWLEDGEMENT OF COUNTRY

This report was written on the lands of the **Darug** and the **Eora Nations**. The McKell Institute acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners of Country throughout Australia and their continuing connection to both their land and seas.

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T H E M C K E L L I N S T I T U T E

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EXECUTIVE SUMMARY

Workers' compensation is a fundamental workers' entitlement, and is central to every Australians' safety net, having operated in some form for over 100 years, and in New South Wales since 1910. While all responsible policy makers, businesses, and trade unions are on a unity ticket when it comes to ensuring Australian workplaces are safe, the unfortunate reality is that hundreds of thousands of Australian workers are hurt on the job each year, necessitating workers' compensation schemes to ensure that those who suffer workplace injuries are not driven towards poverty.

Each state has its own workers' compensation scheme. This report assesses the quality of NSW's scheme, and whether it is adhering to the core principles codified in substantial 2012 reforms that govern workers' compensation in the state. A decade on from those reforms, this report casts judgement on the efficacy of the system, analysing data including novel survey data gathered from injured workers for the purpose of this study.

Part 1 of this report outlines the reform process that occurred in 2012 which changed the New South Wales' workers' compensation system. Citing a financial liabilities, the then-O'Farrell Coalition Government legislated to adjust the system, while also undertaking a major legislated review of the system just two years later. This report notes that this 2014 review was premature, and was unable to identify the medium term consequences of the 2012 reforms.

In *Part 2*, the report outlines the seven key principles that were intended to guide the state's workers' compensation system in the 2012 reforms, assessing the extent to which these principles have been met. In some instances, principles are being adhered to more closely than others. NSW's workers' compensation premiums are close to the national average, for example, which is one principle of the scheme. But on other measures – especially those that deal with how successful the scheme is in enabling workers' to return to work after injury – the scheme is performing poorly.

Part 3 presents the findings from a survey conducted by the *NSW Injured Workers' Support Network* for the purposes of this study. The survey received responses from 106 injured workers in NSW who have interacted with the state's workers' compensation scheme. The results paint a dire picture of individual experiences when dealing with workers' compensation, and the inadequate financial and well-being support the system grants its recipients. In many cases, respondents reported acute mental stress, with a majority of respondents admitting to experiencing suicidal ideation as a result of their experiences with the NSW workers' compensation scheme.

This report demonstrates that the NSW workers' compensation system has failed to achieve the objectives set out in the 2012 reform process. In order for NSW to be the best state to work, it needs to ensure its safety nets are robust. This report, and the harrowing stories of those injured workers' who have bravely and anonymously shared their experiences for this study, demonstrate that many changes affecting injured workers over the last ten years have failed workers and the scheme that supports them. In particular, the voices of those with lived experience of the scheme must be heard and should guide future reforms of the NSW workers' compensation system.



KEY FINDINGS

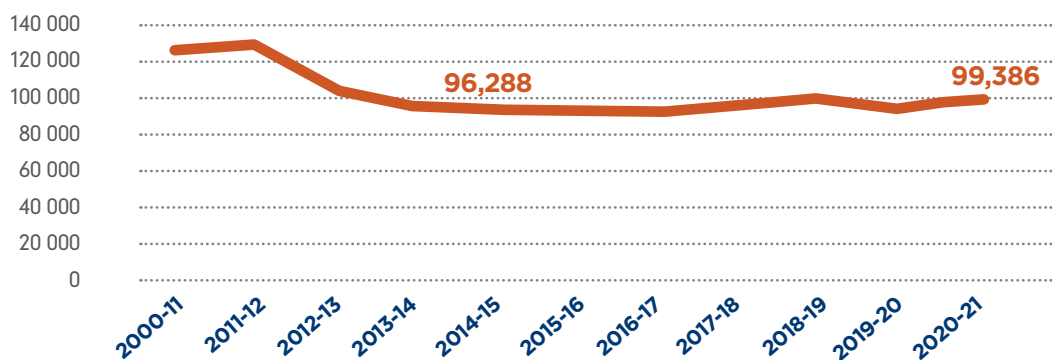
FINDING 1

Ten years on, the key objectives pursued in the workers' compensation reforms of 2012 have not been met.

FINDING 2

Workers' compensation claims were declining from 2010 but have flatlined since the 2012 reforms, with approximately 100,000 claims each year. Workplace fatalities have also stabilised, but are not decreasing at any notable rate.

FIGURE 1 TOTAL WORKER'S COMPENSATION CLAIMS IN NSW, 2010-2021



FINDING 3

Average Workers' Compensation premiums have declined every year since 2006-07 and have not increased, regardless of the financial viability of the Scheme before or after the 2012 reforms.

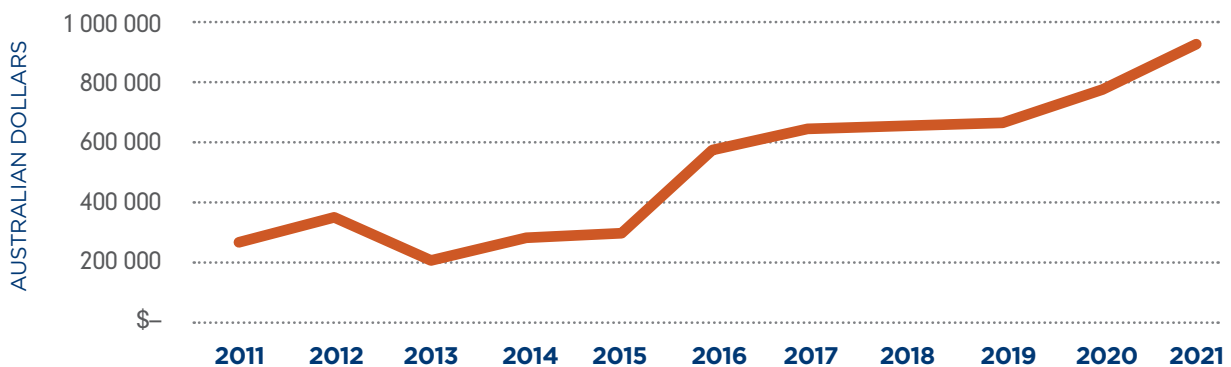
FINDING 4

Return to Work rates had improved steadily since 2008-09, but began to decline again from 2014, just two years after the 2012 reforms.

FINDING 5

Administrative expenses are not directly comparable after the shift from WorkCover to iCare in 2015. Nonetheless WorkCover operating expenses increased by 33 per cent in 2012, following the reform process. iCare expenses then increased by 61 per cent in just four years (from \$576 million to \$926 million).

FIGURE 2 OPERATING EXPENSES (\$, '000)



FINDING 6

Workers who have navigated the workers' compensation system are routinely experiencing financial hardship, stress, and even suicidal ideation as a result of the inadequacies of the workers' compensation system, according to a survey of 106 injured workers undertaken for this report. Of the injured workers surveyed,

- 73 per cent had experienced suicidal ideation as a result of their workers' compensation claim.
- 72 per cent had lost employment during the period of their claim.
- 76 per cent strongly disagreed that the workers' compensation system had helped them recover from injury, and
- 87 per cent found it difficult to meet the cost of living while receiving workers' compensation payments.

FINDING 7

Workers receiving workers' compensation routinely cite extreme financial hardship as a consequence of the inadequate workers' compensation they receive after suffering an acute injury at work.

PART ONE:

A DECADE OF CHANGE TO THE NSW WORKERS' COMPENSATION SCHEME

In early 2012, the newly elected O'Farrell Government embarked upon a suite of substantial policy and legislative changes to the NSW workers' compensation system. Major legislative changes and revisions were undertaken in 2012, followed by a mandatory statutory review of said changes in 2014.¹ In 2015 further reform was undertaken with the establishment of iCare (Insurance and Care) NSW which sought to improve the experiences of injured workers by bringing together multiple insurance and care agencies together.

The 2012 reforms included substantial legislative amendments which changed the benefit structure for injured workers. They sparked an intense period of change within the workers' compensation system, with many changes meeting with substantial opposition from the Trade Union movement. For a list of workers' compensation amendments since 2012, see Appendix 1.

In 2014, a Statutory Review found that it was too early to tell whether the reforms had delivered on their objectives. A decade later, and it is no longer too early to assess the impact and veracity of those reforms. Now is the time go back and analyse those changes and measures of success to see if the NSW workers compensation reforms have delivered on their promises.





The reasons for the 2012 changes

In March 2012, the NSW government received an actuarial report estimating a projected shortfall of \$4.1 billion for the state compensation scheme. In April, the Minister for Finance and Services, Greg Pearce, released the NSW Workers Compensation Scheme Issues Paper, which compared the NSW scheme with other jurisdictions and called for urgent action to stem the perceived financial failure of the system.² The paper identified seven principles of reform, detailed below:

1. Enhance NSW workplace safety by preventing and reducing incidents and fatalities,
2. Contribute to the economic and jobs growth, including for small businesses, by ensuring that premiums are comparable with other states and there are optimal insurance arrangements,
3. Promote recovery and the health benefits of returning to work,
4. Guarantee quality long term medical and financial support for seriously injured workers,
5. Support less seriously injured workers to recover and regain their financial independence,
6. Reduce the high regulatory burden and make it simple for injured workers, employers, and service providers to navigate the system, and
7. Strongly discourage payments, treatments, and services that do not contribute to recovery and return to work.³

The Issues Paper subsequently catalysed the sweeping changes to the system, as a week after it was published, a Joint Parliamentary Select Committee was established to inquire into the scheme. The Committee was tasked with inquiring into and reporting on the following:

1. The performance of the scheme in the key objectives of promoting better health and return to work outcomes,
2. The financial sustainability of the scheme, and
3. The functions and operations of the WorkCover Authority.⁴

The eight-member Select Committee was predominantly composed of Government members and supporters.⁵ The Committee was guided by the primary objective laid out in the Issues Paper: to address and reverse, if possible, the deteriorating financial performance of the workers' compensation system. Their report was published on 13 of June 2013, and within six days of the publication, legislative changes were introduced to parliament, passing the lower house on 22 of June, and enacted on 27 June 2012.⁶

Thus, by mid-2012, the NSW government had introduced wide ranging changes to the workers' compensation scheme with the Workers Compensation Legislation Amendment Act 2012 (hereafter, the 2012 Act). The 2012 Act amended the Workers Compensation Act 1987 and the Workplace Injury Management and Workers Compensation Act 1998.⁷ These amendments made significant alterations to entitlements, the claims process, and the claims dispute process, which subsequently impact the matters that are dealt with by the Workers Compensation Commission.⁸

Unsurprisingly, the primary objective of the legislation was to improve the financial viability and sustainability of the NSW workers compensation scheme.⁹ It was intended to be achieved by reducing the generosity of benefits and services and restricting access to the scheme for certain groups of workers, thus reducing overall expenditure. A second objective was to improve return to work rates of workers with accepted claims by introducing financial disincentives for not returning to work if the worker was assessed to have some work capacity.¹⁰

Additionally, the Safety, Return to Work and Support Board Bill 2012 (NSW) was established in response to the report from the Joint Select Committee, which oversees the functions of various authorities, including the WorkCover Authority of NSW, the Motor Accidents Authority of NSW, and the Lifetime Care and Support Authority of NSW. This board replaces the former Compensation Authorities Staff Division with a single governing board.¹¹

These legislative reforms brought about large and significant changes in the NSW workers compensation system, resulting in a substantial reduction in the number of accepted claims for injured and ill workers.¹² The impact of this policy effect was greater for claims that involved time loss than for claims where the worker was only seeking treatment or medical expenses. Following the reforms, insurer decisions took longer, and the duration of disability (defined as the median number of weeks for which income benefits have been paid) for injured workers with accepted claims increased significantly.¹³ Reductions in claim acceptance were larger in workers with occupational disease and mental health conditions than with workers with other injuries, and there was also a significant increase in disability duration among workers with mental health condition claims.¹⁴

The second stage of policy making was triggered by a requirement in the Workers Compensation Act 1987 to review the 2012 Act under certain circumstances, one of which was providing actuarial advice projecting that the scheme would return to surplus (Clause 27(1), Part 19H, Schedule 6).¹⁵ Within 18 months of the change of legislation, the \$4.1 billion in deficit became a \$1.4 billion surplus and the number of active compensation claims had fallen by 23 per cent.¹⁶ The NSW government shortly reduced employer premiums three times, by 7.5 per cent from 30 June 2013, by 5 per cent from January 1 2014, and by a further 5 per cent from 30 June 2014.¹⁷

The 2014 review was premature

To conduct the 2014 Statutory review, the NSW government commissioned the Centre for International Economics (CIE) in early 2014, which noted that:

“Moreover, there are also some gaps and inconsistencies in the application of the amendments, and some equity considerations that detract from the spirit of the guiding principles for reform.”

Largely, the resulting report found that it was too soon to declaratively say whether the improvement in economic feasibility and fundamentals were sustainable, also noting that some of the difficulties identified in the report were likely teething issues that would dissipate with time.¹⁸ The report further stated that the impacts of large-scale change takes time to be properly implemented and observed, suggesting that five years would be a sufficient amount of time to be able to gather meaningful data-driven observations.¹⁹

“In many respects, it is too early to determine the impact of the amendments on the financial sustainability of workers compensation in NSW, and the effectiveness of individual amendments on behaviours.”

A central theme in the various inquiries, legislative reforms, and issues papers on the NSW workers compensation scheme/system

that have come out over the years is the need to create a system that encourages and incentivises a timely and durable return to work.²⁰ In presenting the 2012 Amendments to the NSW workers' compensation system, the Minister described the changes as designed to 'promote recovery and health benefits for injured workers returning to work while guaranteeing long term income support and treatment for severely injured workers and ensuring the costs of the workers' compensation system are sustainable'.²¹

It has now been ten years since the 2012 reforms and subsequent system changes, and there is more than enough data to adequately assess the impact and validity of the reforms, and whether or not they have improved the system insofar as their seven identified principles of reform.

Public concerns with the workers' compensation scheme have been growing

In addition to the 2012 and 2014 amendments and changes, in 2015, the NSW Government created 'iCare' as a state-run corporation with a \$4 billion surplus, and every year over 250,000 businesses pay more than \$3 billion in premiums to cover more than 3 million workers if they get sick or injured at work.²² Its main foci included workers' compensation insurance in both the public and private sectors, as well as insurance for NSW public sector assets.²³

Yet, by mid-2020, the media brought to light the persistent warnings and red flags indicating that the organisation had mismanaged its core responsibilities and finances. It was found that since its inception, there had been 'deteriorating return to work rates, and it had underpaid up to 52,000 injured workers an estimated \$80 million'.²⁴ Moreover, over a three-year period, over \$118 million worth of contracts were never put to tender.²⁵

In an article released by the *AFR* on 7 June 2022, it was found that the deficit at iCare had blown out by more than \$1 billion in six months, as more workers file stress injury claims and return to work rates plummet.²⁶ Additionally, the workers compensation insurer's shortfall soared to \$1.5 billion in the second half of 2021.²⁷

These issues, scandals, and blatant financial misconduct were subsequently explored in a Parliamentary Review into the Workers Compensation Scheme in 2020, as well as in a report by the Honourable Robert McDougall QC in 2021.

The review of the workers compensation scheme undertook, as part of its terms of reference, to supervise the operation of the insurance and compensation schemes established under New South Wales workers compensation and motor accidents legislation.²⁸ Some of their major/relevant findings included the following:

1. That the multi-billion losses incurred recently by the Nominal Insurer and Treasury Managed Fund have been caused, in large part, by a collapse in return to work rates arising from iCare's decision to introduce a new claims management model,
2. That return to work rates have fallen further in schemes managed by iCare than in schemes managed by specialist and self-insurers, and
3. That iCare has failed to address the fall in return to work rates in the Nominal Insurer and the Treasury Managed Fund with either the urgency or thoroughness they deserved given the negative impacts falling return to work rates have on injured workers and the financial sustainability of the scheme.²⁹

Similarly, the remit of the McDougall report encompassed (among other things) a comprehensive review of iCare, a review of the government-managed workers compensation schemes, and recommendations for improvement.³⁰ McDougall found that the

execution of iCare's program was sloppy, and that their implementation of changes was far too quick and untested.³¹

Given the recent reviews and reports that were triggered by the iCare scandals, as well as the ten year anniversary of the 2012 reforms, now is the time to ask whether those changes made a positive difference in the lives of Australian's who were injured or got sick at work. Now is the time to look back and assess whether those reforms improved the system and came to the aid of those who need it most. Or are we back where we started, with the embattled workers' compensation system running up a deficit in the billions?





PART TWO: ASSESSING NSW WORKERS' COMPENSATION PERFORMANCE SINCE 2012

New South Wales' workers' compensation system is, as was articulated in Part 1 of this report, governed by seven core principles. As this section notes, the system has, however, not fully lived up to the standards enshrined in the 2012 reforms. When introducing the 2012 Act, NSW Treasurer Mike Baird stated that:

“These bills will ensure better protection for injured workers, save businesses from unnecessary premium hikes and get the scheme back into surplus.”

– SECOND READING SPEECH, 2012,
NSW TREASURER, THE HON. MIKE BAIRD MP

Ten years after the reforms, we look to ground our analysis in the intention of those changes. In many ways these changes are inter-related. The financial health of the Workers Compensation Scheme is impacted by return to work rates and the number and type of workplace incidents affect recovery times.

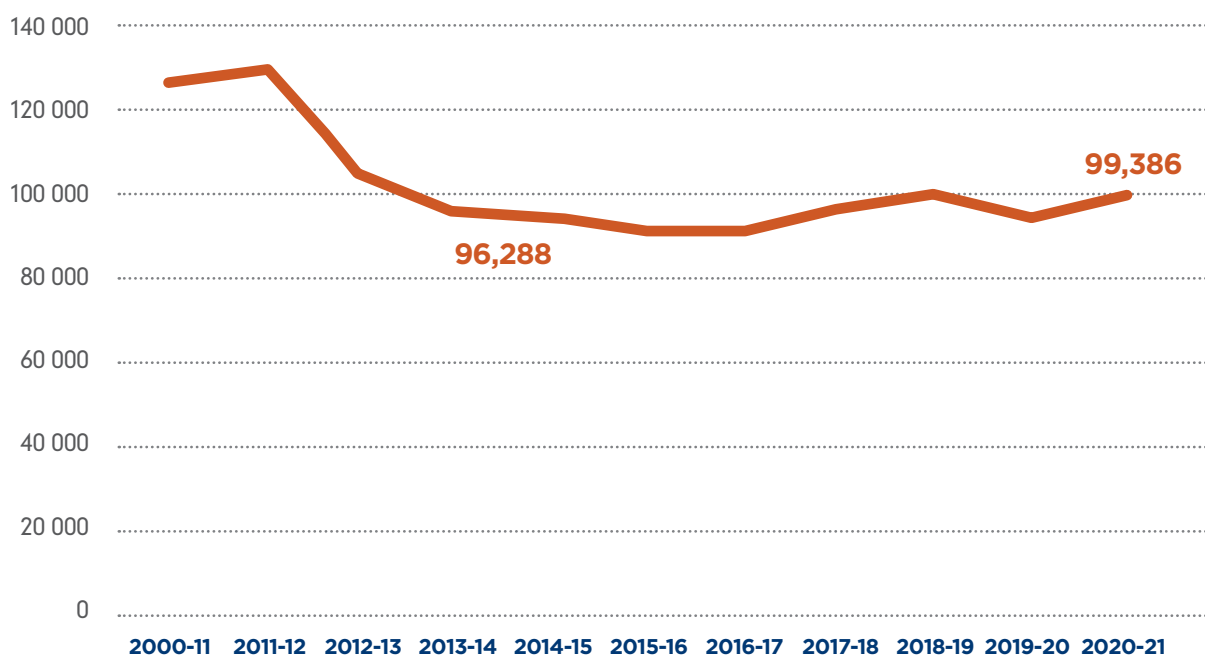
This section of the report reviews the objectives that policymakers set for the changes in 2012, noting a mixed track record when it comes to the system's performance against these benchmarks and goals.

PRINCIPLE 1: ENHANCE NSW WORKPLACE SAFETY BY PREVENTING AND REDUCING INCIDENTS AND FATALITIES

Central to driving down the costs of workplace injury compensation claims in NSW is lowering the incidences of injuries themselves. This is a challenging policy task, but can be achieved with a comprehensive and collaborative policy approach that builds consensus about workplace safety standards between business, government, and trade unions. Achieving this outcome, simply requires looking beyond the workers' compensation system towards a more holistic approach to workers' safety.

However, in the 2012 reforms, the principle of 'reducing incidents and fatalities' was incorporated into the reforms. On this measure, the system is performing inadequately, with both workers' compensation claims and fatalities largely stalling in the past decade.

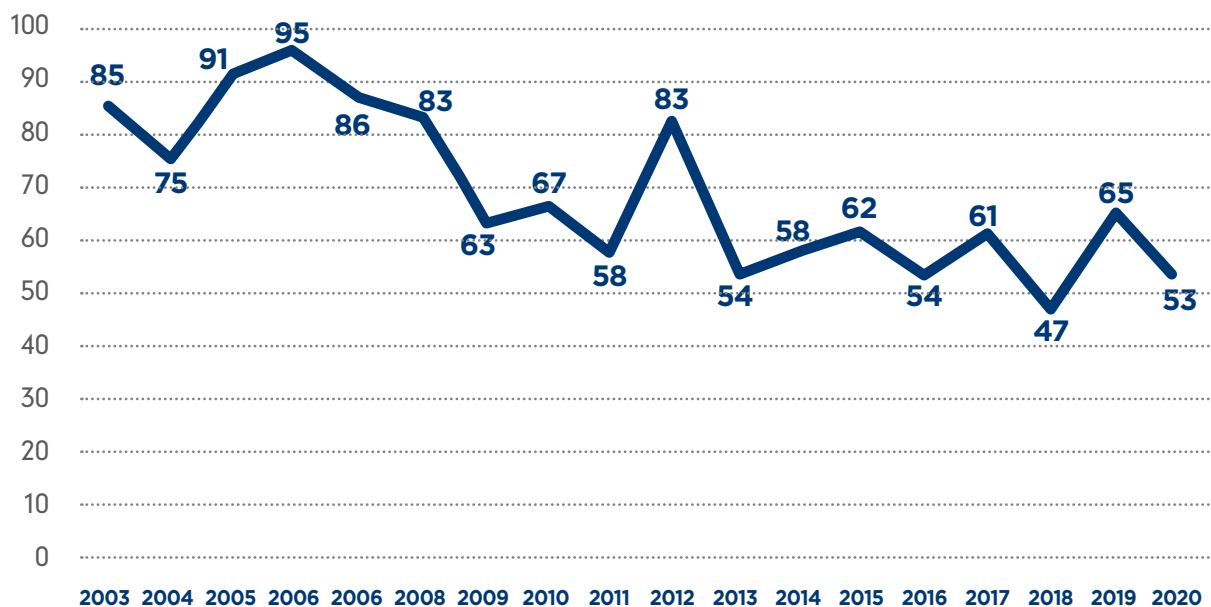
FIGURE 2.1 TOTAL WORKER'S COMPENSATION CLAIMS IN NSW, 2010-2021



Source: SIRA calculations from Statistical Bulletins, Annual Reports, and their more newly compiled open data portal.³²

Figure 2.1 indicates that while total incidents declined from 2010 to 2013, over the last five to seven years, they seem to have stabilised at roughly 100,000 claims per annum. After the reform and legislative amendments were enacted in 2012, the system appears to have stalled after an initial dip in claims, which indicates that there is room for improvement.

Further, while the data does show a decline in claims in 2012, this may more accurately reflect the legislative changes that discouraged claims. Whether this meets the equity objective is a different question.

FIGURE 2.2 TOTAL WORKPLACE FATALITIES IN NSW, 2003-2022

Source: Safe Work Australia work-related traumatic injury fatalities, time series profile.³³

Over the last decade, we can see that NSW has averaged 60 deaths per year since 2012. Again, although there was a sharp decline in deaths in 2013 (after a peak in 2012), the number of work-related fatalities seems to have plateaued at roughly 60 per year.

While there have been clear peaks and troughs, the fluctuations in the number of workplace incidents (vis-à-vis the total number of claims) and fatalities cannot be causally tied to the 2012 Workers Compensation reforms. From 2012 onwards, we can see that the claims remained relatively steady until the beginning of the pandemic, while the fatalities experienced a peak in 2012 and have held a relatively steadier trend since then (with the exception of 2018).

PRINCIPLE 2: ENSURING COMPARABLE PREMIUMS

Contribute to economic and jobs growth, including for small business, by ensuring that premiums are comparable with other states and there are optimal insurance arrangements.

Workers' compensation is a compulsory form of insurance for all employers in Australia. It provides protection to employees if they suffer work-related illness or injury. Workers' compensation premiums are paid by employers for this insurance, with the premium generally determined by the amount of wages paid, as well as the industry and claim history of the employer.³⁴

Australian state, territory, and commonwealth governments each manage compensation schemes to provide replacement wages and treatment costs in the event of work-related injuries.³⁵ Jurisdictions tend to mirror each other's regulations in a relatively persistent culture of 'competing' for the lowest workers' compensation employer premiums, with the aim of attracting more investment and job opportunities to their state or territory.³⁶

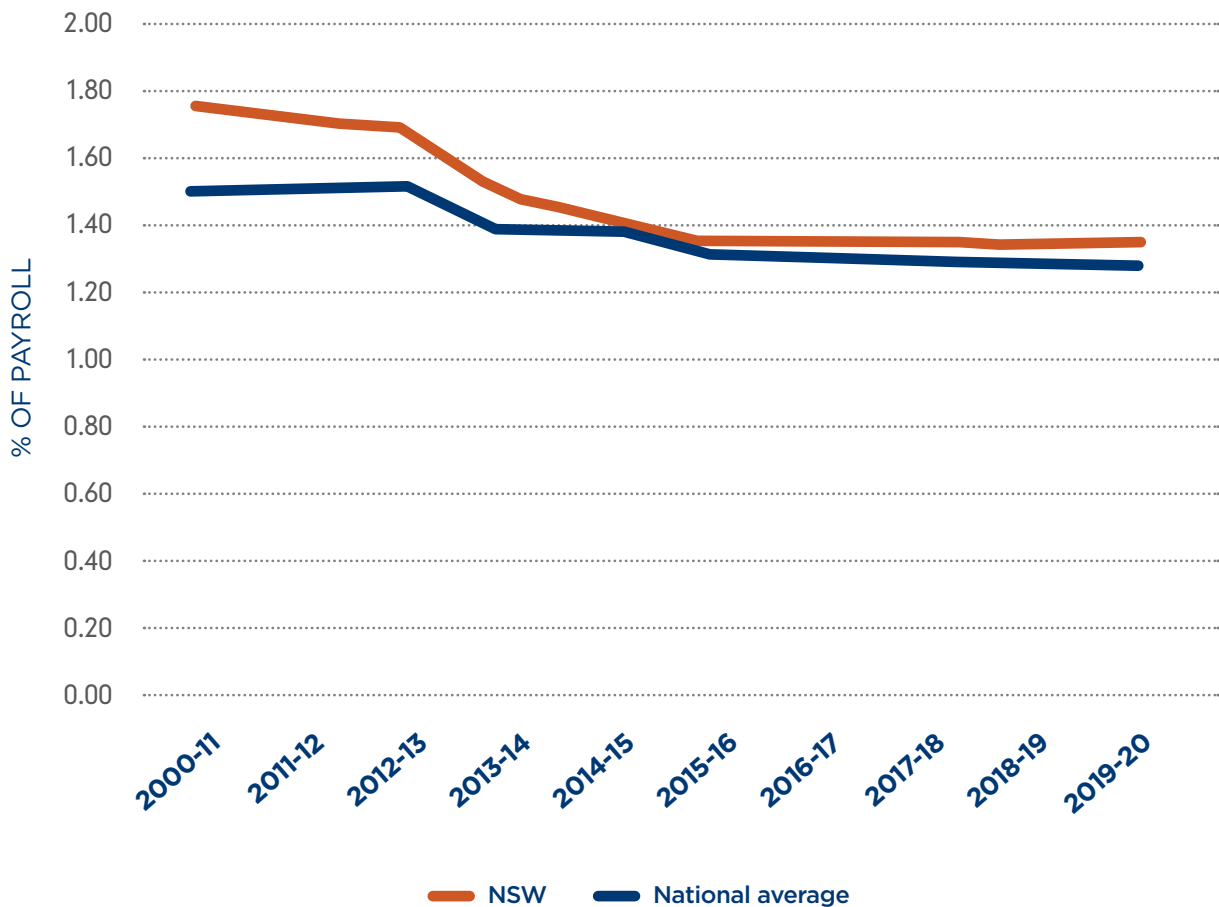
At the time when Premier O'Farrell announced the 2012 amendments, the incumbent government suggested that the existing system was in 'crisis' and that without substantial changes to the scheme, increases in premiums in NSW would place employers at a competitive disadvantage with those in Victoria and Queensland.³⁷ However, analysis of the premiums in NSW and other jurisdictions since 2005 show there is little basis for this claim.

Prior to the 2012 legislative amendments, NSW standardised average premium rates as a per

centage of payroll had declined each year since 2006-07.³⁸ In the two years after the amendments, employer premiums reduced by almost 20 per cent, declining from 1.7 per cent of wages in 2011-12, to 1.4 per cent in late 2014.³⁹

In 2019-20, Safe Work Australia found that the standardised Australian average premium rate was 1.29 per cent of payroll, which is a reduction of 3 per cent since 2015-16.⁴⁰ We can see that NSW premiums have remained stable and only slightly above the national average in that same time frame.

FIGURE 2.3 STANDARDISED AVERAGE PREMIUM RATES: NSW V NATIONAL



Source: Authors' calculations based on Safe Work Australia Comparative Performance Monitoring reports of workers' compensation premiums.⁴¹

Additionally, ABS data suggests that most jurisdictions have seen the relative cost of workers' compensation decline since 2003. In NSW, the decline in premium costs was particularly steep, falling by over one full percentage point between 2003 and 2016 (a decline of 40 per cent).⁴² This was the largest decline in average premium costs of any state or territory, with almost half of that decline occurring since 2011 alone (which corresponds to the dramatic reduction in benefit payouts).⁴³

With the 'competitive' mirroring of the other states, in 2013 and 2014, QLD and SA followed suit and enacted cost-cutting changes to their workers' compensation systems, cutting back injured workers' entitlements through the imposition of higher thresholds access to income maintenance and medical payouts.⁴⁴ Both states arguing that they needed to reduce employers' costs by lowering premiums.⁴⁵ This fosters a 'race to the bottom' mentality in terms of workers' compensation systems across Australian jurisdictions, cutting premiums and denying benefit payouts, which impacts those workers who need help the most.

PRINCIPLE 3 (AND 7): PROMOTE THE RECOVERY AND HEALTH BENEFITS OF RETURNING TO WORK

Support less seriously injured workers to recover and regain their financial independence and strongly discourage payments, treatments and services that do not contribute to recovery and return to work.

Improving return to work rates was a principle objective of the 2012 Amendments. Returning to work has flow on benefits for workers as well as the financial position of insurers. Whether return to work is achieved by genuine rehabilitation is not something that is captured successfully through existing data sets, but we explore this in Part 3 through the survey conducted by the NSW Injured Workers Support Network.

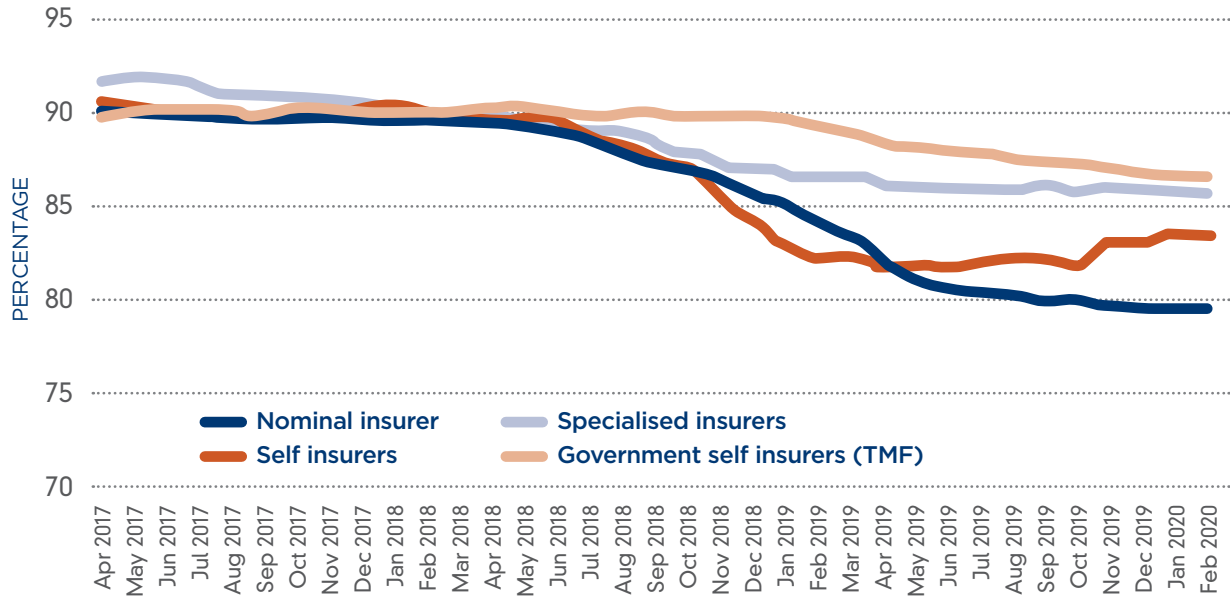
The 2014 Statutory Review found that it was too early to tell whether the Amendments would have a substantial effect on individual behaviours, such as return to work rates.⁴⁶

“There are also early signs of potential inefficiencies, emerging inequities, and **barriers to return to work** as a result of implementation to date.”

The Review went on to identify the rate of exit from the workers compensation system at different intervals (13 weeks, 26 weeks, and 52 weeks). Importantly, the rate of exit does not fully capture return to work rates as it doesn't account for retirements or people who fall out of the system for other reasons. It found that while data at the 26 week and 52 week marks showed some positive post-reform experience, there were no significant observable changes at 13 weeks and;

“The data does not allow us to conclude that increases to the rate of injured workers exiting the system have resulted in better return to work outcomes.”⁴⁷

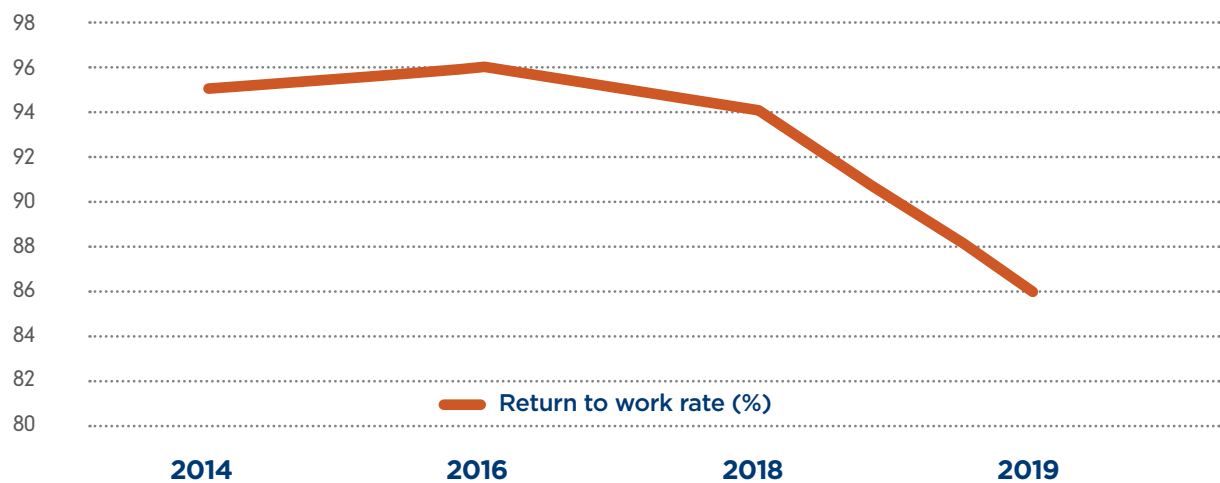
The more recent 2020 NSW Parliamentary Review of the Workers Compensation Scheme found substantive declines in return to work rates at 26 weeks across all insurers going back to 2017. Unfortunately, SIRA did not provide data in their submission tracking earlier years.⁴⁸

FIGURE 2.4 RETURN TO WORK – 26 WEEK

Source: SIRA Submission to the 2020 NSW parliamentary Inquiry into the Workers Compensation Scheme

We must look at consistent data sets both before, during, and after the 2012 Amendments to isolate any effects that are the result of the amendments or longer-term trends. Return to work rates have been difficult to measure with largely inconsistent data sets and changing methodology.

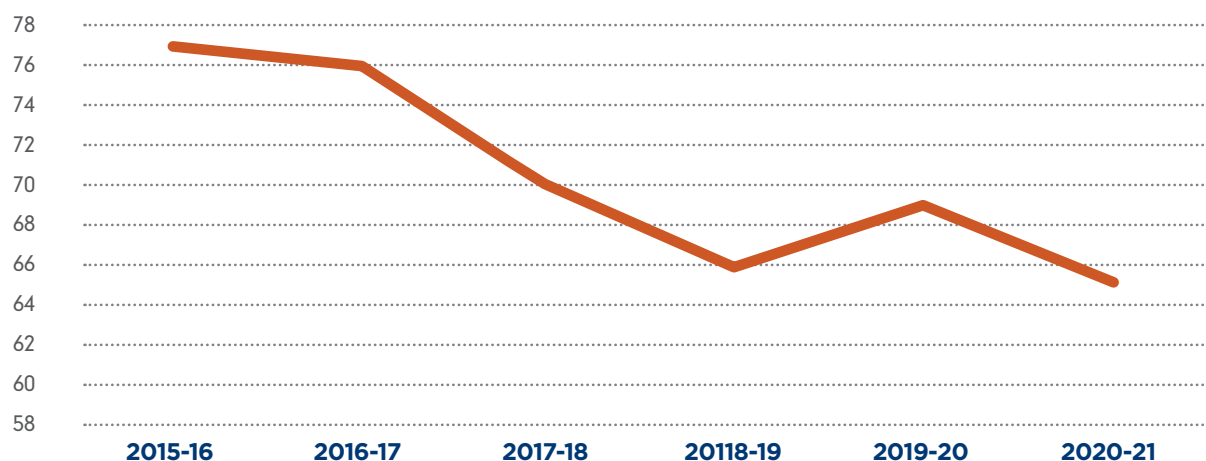
That said, Safe Work Australia has operated the National Return to Work Survey using consistent methodology since 2014. The survey asks respondents whether they have returned to work at any point since their work-related injury or illness. The results confirm the declining return to work rates which had been relatively steady from 2014 to 2016.⁴⁹

FIGURE 2.5 RETURN TO WORK RATE: SYSTEM-WIDE (%)

Source: Abridged Return to Work Outcomes Survey: NSW Workers' Compensation System, October 2019, Social Research Centre

SIRA have reported more damning findings with their measure of return to work at 4-weeks showing a decline of 12 per cent since 2015-16.⁵⁰

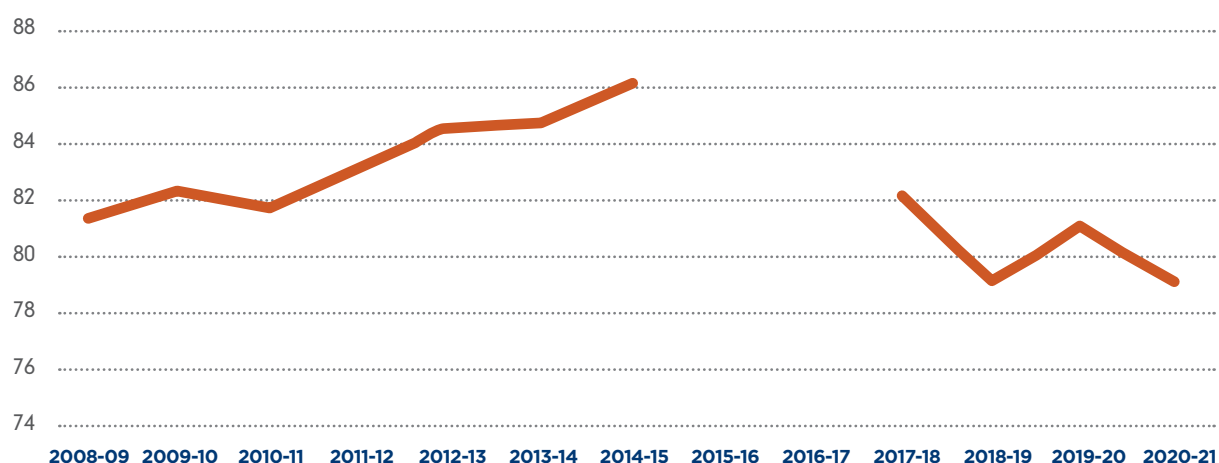
FIGURE 2.6 RETURN TO WORK RATE AT 4 WEEKS (%)



Source: SIRA

Return to work rates at four weeks were not measured consistently prior to 2015-16. However, return to work rates at 13 weeks provide insight into trends prior to 2015-16 and again more recently. The below table below shows that return to work rates had been improving consistently since at least 2008-09. Those improvements continued for a short period following the 2012 Act but were not sustained.^{51 52}

FIGURE 2.7 RETURN TO WORK RATE AT 13 WEEKS (%)



Source: Author calculations from SIRA System Performance Reports and Dashboard.

At the conclusion of a decade of reforms to the Workers Compensation system, the return to work rate is lower today than at any time since at least 2008-09. Further, return to work rates have declined by five per cent since the 2012 Act, noting that a temporary improvement for at least two years is observable.

PRINCIPLE 4: FINANCIAL SUSTAINABILITY OF THE SCHEME

Guarantee quality long-term medical and financial support for seriously injured workers.

The policy challenge most often cited as reason for the 2012 reforms was the financial sustainability of the workers compensation scheme. The Government at the time cited a deficit in excess of \$4 billion.

The Statutory review of the amendments was released in June 2014 and considered the changes in the financial position of the Nominal Insurer. It found that:

1. Improved investment returns accounted for 33 per cent of the improved financial position
2. A reduction in workers compensation liabilities accounted for 66 per cent of the improved financial position.⁵³

In assessing the financial sustainability, we look to the performance of iCare, given that it manages the Nominal Insurer and the Treasury Managed Fund.

The Nominal Insurer's net loss as at 30 June 2020 was \$1.894 billion, with a net underwriting loss of \$2.195 billion. It has also experienced a steady decline in its funding ratio, predating the COVID-19 pandemic. The financial position of the Treasury Managed Fund is equally concerning, given a recently reported net loss of \$635 million.

The concern of a deficit in the Scheme in 2012 have not been resolved. The liabilities held are heavily dependent on return to work rates which have declined (see principle 3 and 7). There is no evidence beyond temporary changes in the scheme to suggest that the 2012 reforms have achieved their objectives of a financially sustainable workers' compensation scheme.

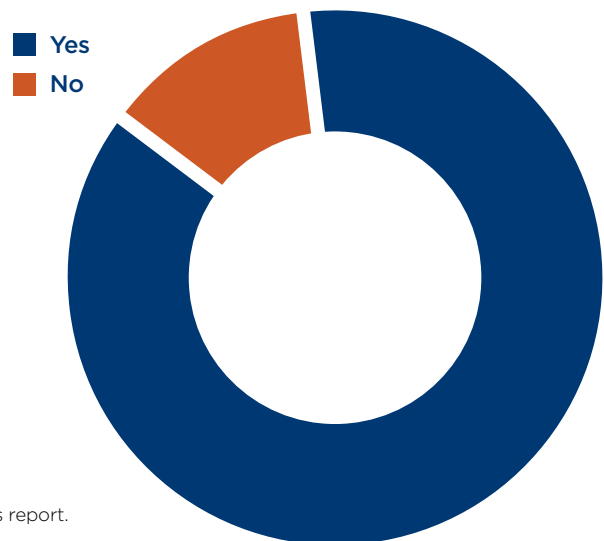
PRINCIPLE 5: SUPPORT LESS SERIOUSLY INJURED WORKERS TO RECOVER AND REGAIN THEIR FINANCIAL INDEPENDENCE

The fifth governing principle outlined in the 2012 reforms was related to an injured workers' economic wellbeing. For all workers, there should be an expectation that the workers' compensation scheme will provide adequate compensation that, if not enabling a standard of financial wellbeing comparable to employment, at least enables that worker to live a dignified life.

Survey data in *Part 3* of this report, however, calls this into question. Of the 106 workers surveyed for this report, an overwhelming majority noted that they found it 'difficult to meet the cost of living on [their] existing level of workers' compensation payments'. Given the rising cost of living pressures facing NSW workers, these findings suggest that for those who are required to engage with the workers' compensation system, their economic wellbeing is not being met.

FIGURE 2.8

Do you ever find it difficult to meet the cost of living on your existing level of workers compensation payments?



Source: See Section 3 of this report.

In the qualitative data collected for this report, numerous survey respondents described in detail the financial duress they were placed under while receiving workers' compensation payments. One injured worker noted that the workers' compensation they received did not even cover a wheelchair they required to manage their injury:

"The Bills were not less but income was. Something had to give. I was forced to pay off my own wheelchair when it was denied. I didn't have the money to buy it!" – Injured worker surveyed for this report.

PRINCIPLE 6: REDUCE ADMINISTRATIVE BURDEN

Reduce high regulatory burden and make it simple for injured workers, employers, and service providers to navigate the system.

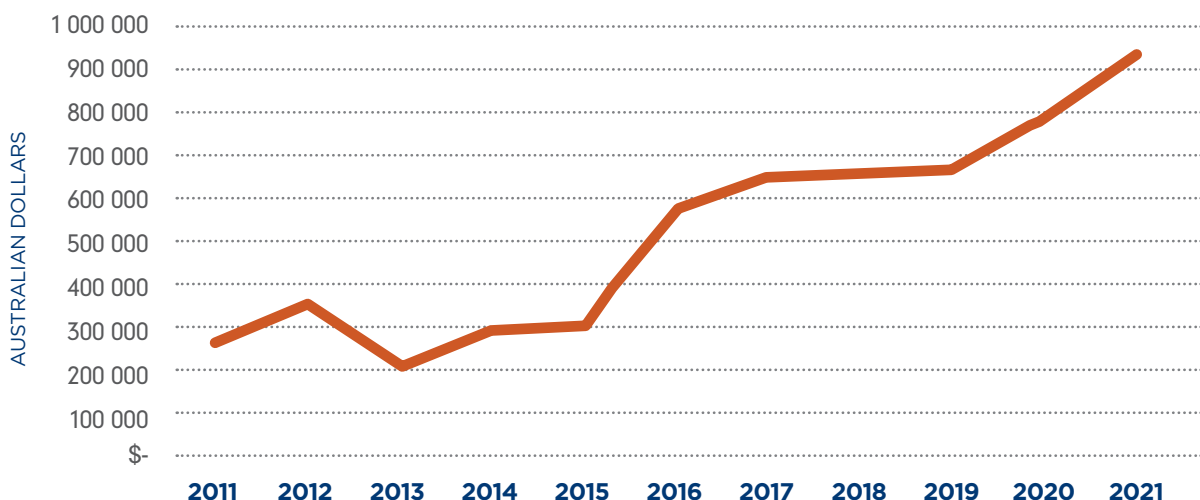
One of core principles outlined in the 2012 reforms was ensuring that injured workers in the state would not be burdened unnecessarily by the administrative complexities associated with the workers' compensation system. As the then-Treasurer Baird noted in 2012;

"The amendment proposes only one assessment of the level of impairment for the purposes of permanent impairment commutation and common law work injury claims and allows workers to waive their requirement to obtain legal advice before agreeing to a lump sum. These initiatives will help to reduce disputes and reduce administration costs while allowing the scheme to focus on the more seriously injured workers."

The aim of simplifying administrative barriers is important, as a more streamlined applications and assessments process can help lower the overall financial burden of the scheme.

Administrative expenses are not directly comparable after the shift from WorkCover to iCare in 2015. Nonetheless, operating expenses had been relatively stable under WorkCover from 2011 to 2015. The notable exception is the spike in operating expenses in 2012, coinciding with the government reforms.

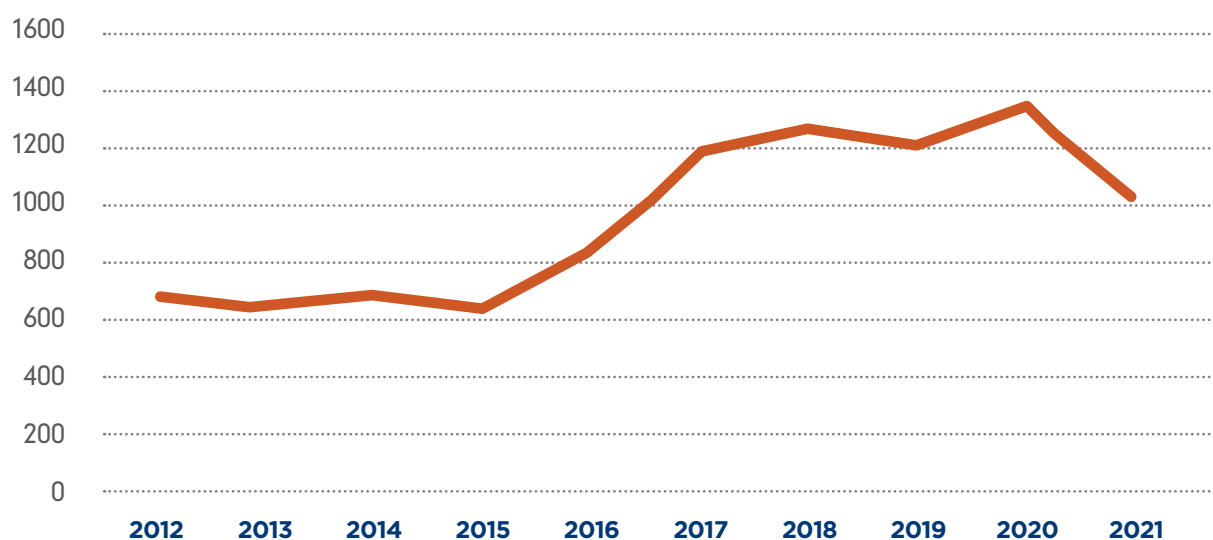
FIGURE 2.9 OPERATING EXPENSES (\$, '000)



Source: WorkCover and iCare annual reports

Since the transition to iCare, operating expenses have grown particularly strongly from \$576 million in 2016 to \$926 million in 2021 (an increase of 61 per cent in four years). The increase is reflected in specific expenses such as Board and Committee fees which were declining from 2012 until 2015 before rapid increases in costs.

FIGURE 2.10 BOARD AND COMMITTEE FEES (\$, '000)



Source: WorkCover and iCare annual reports

TABLE 1 BOARD AND COMMITTEE FEES (\$, '000)

YEAR	BOARD AND COMMITTEE FEES (\$, '000)	OPERATING EXPENSES (\$, '000)	OPERATING ENTITY
2011		264,211	WorkCover
2012	690	350,682	WorkCover
2013	652	208,175	WorkCover
2014	690	284,621	WorkCover
2015	641	305,785	WorkCover
2016	838	575,908	iCare
2017	1181	646,619	iCare
2018	1258	655,217	iCare
2019	1215	664,612	iCare
2020	1342	783,550	iCare
2021	1027	925,806	iCare

Source: WorkCover and iCare annual reports 2011-12 to 2020-21.

Workers' are required to tackle major administrative complexities

Injured workers surveyed for this study noted various administrative complexities associated with managing their workers' compensation claims. Some respondents noted that, during the course of their workers' compensation experience, they had engaged with over 25 separate individuals involved in handling their case. While this is a minority experience (over 50 per cent describe engaging between 1 and 5 individuals), it reflects the fact that inadequacies in case management impose an administrative burden on certain injured workers navigating the system.



PART THREE:

“RUINED MY LIFE” — THE VOICE OF INJURED WORKERS

For the purposes of this study, the lived experiences of injured workers’ in NSW who have dealt with the state’s workers’ compensation system were solicited.

Between 17 May 2022 and 8 June 2022, the NSW Injured Workers Support Group conducted a survey of 106 individual workers’ compensation recipients in NSW. The survey asked 15 questions, and allowed respondents to explain in detail their experiences navigating the NSW workers’ compensation system.

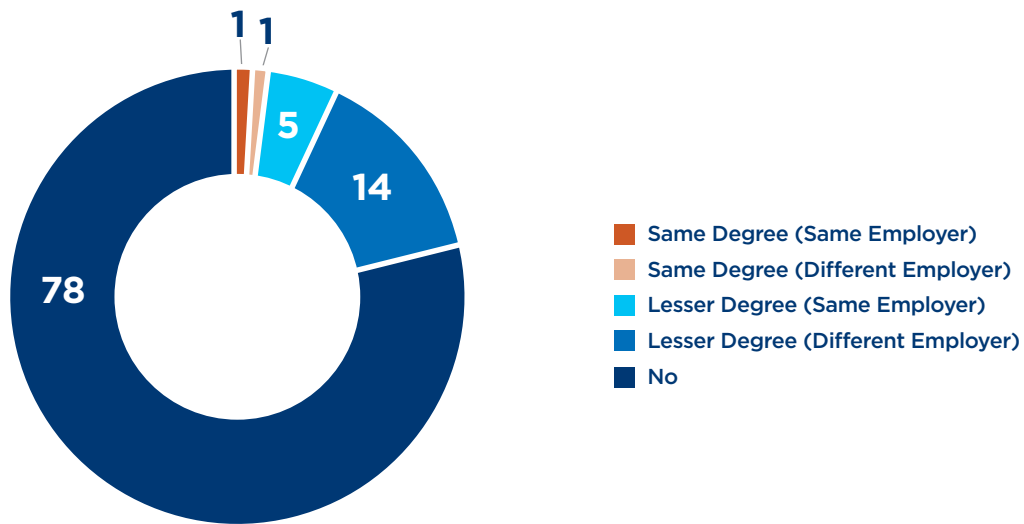
The responses below demonstrate that for many workers navigating the workers’ compensation system in NSW, the experience itself is burdensome to navigate, and at times worsening the wellbeing of the injured worker.



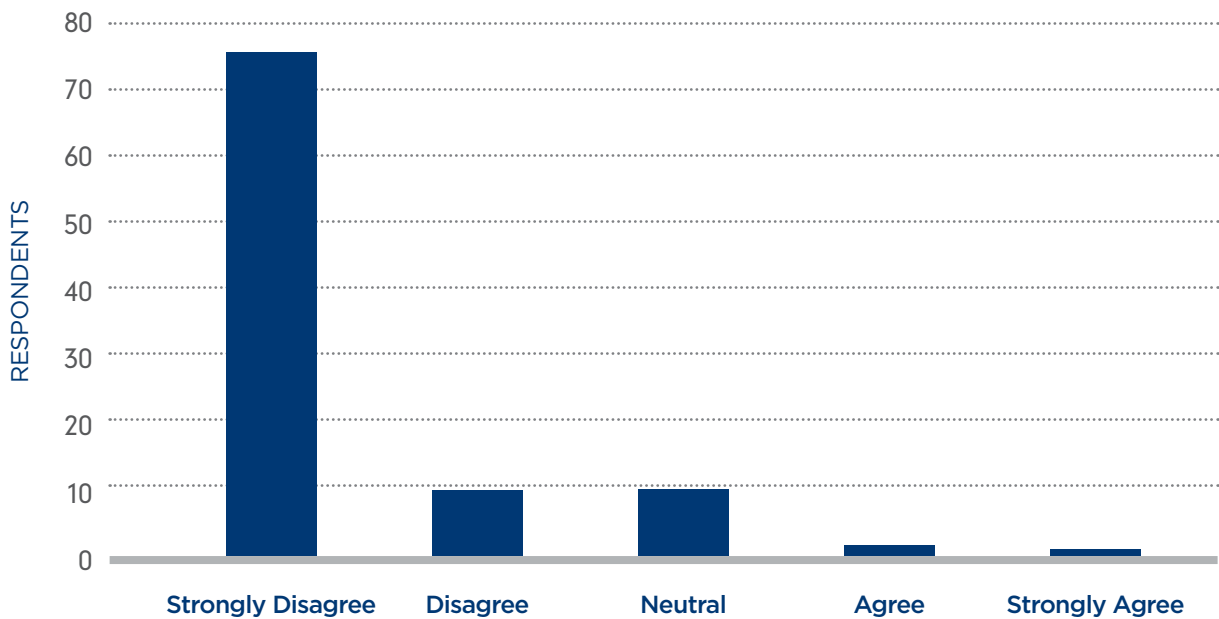


The quantitative responses to the survey show a broken system

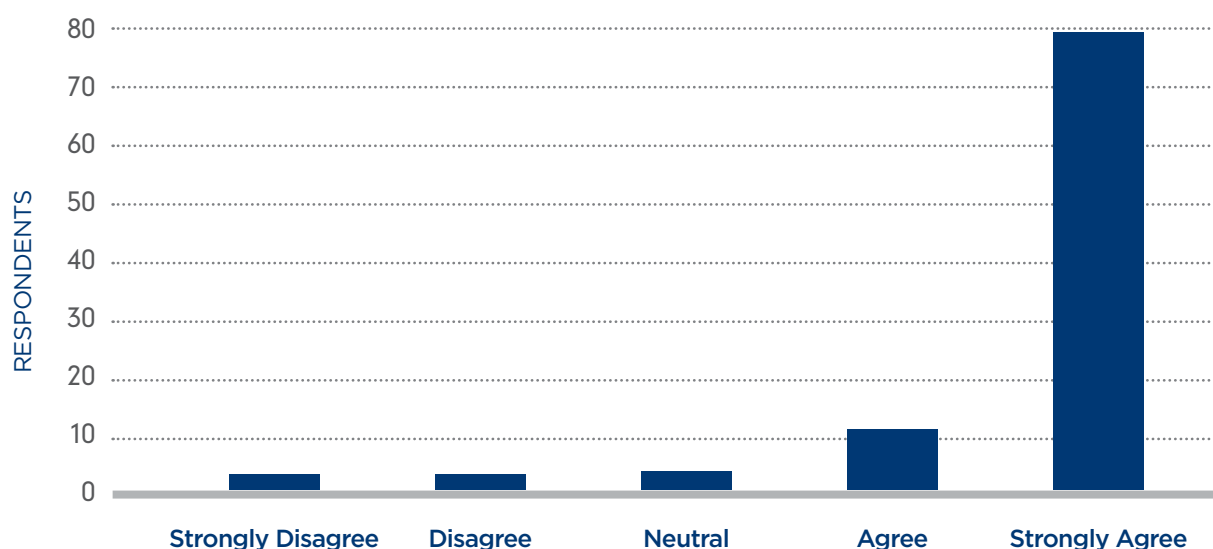
Q1: Since sustaining your injury have you been able to return to work and to what degree?



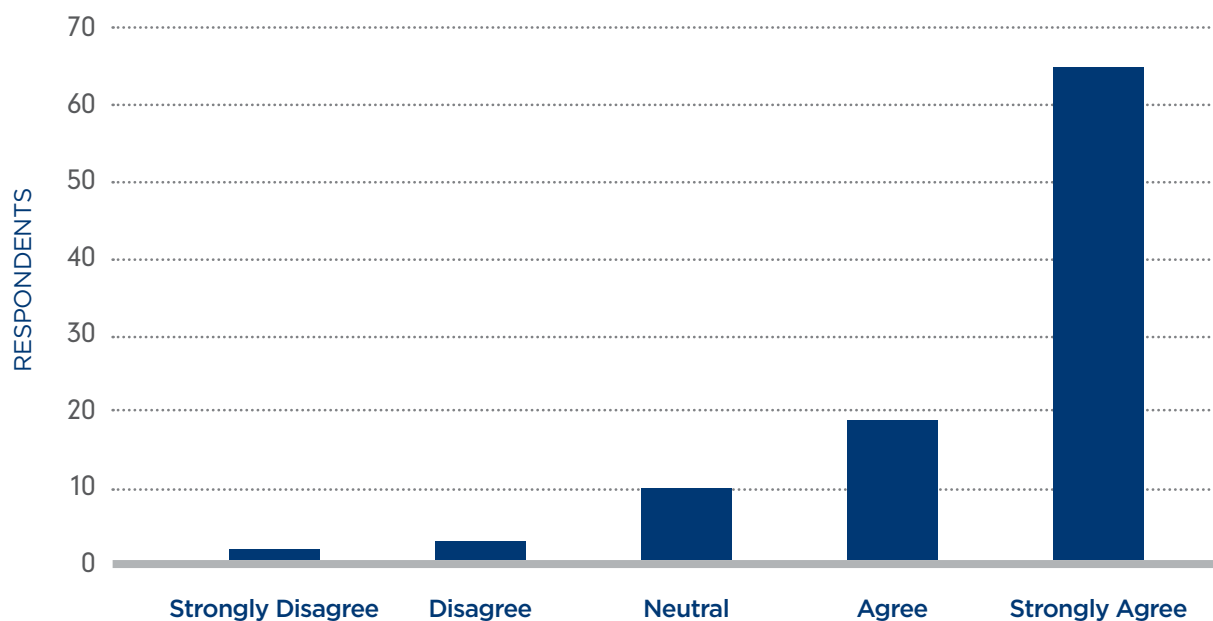
Q2: Do you agree that your experience with the workers compensation system has helped you recover from your workplace injury?



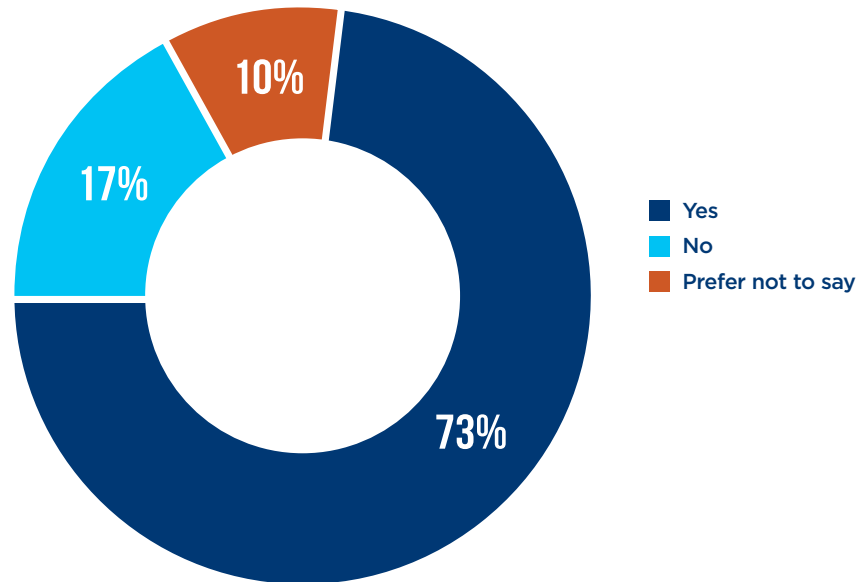
Q3: Do you agree that your experience with the workers' compensation system has negatively affected your mental health and wellbeing?



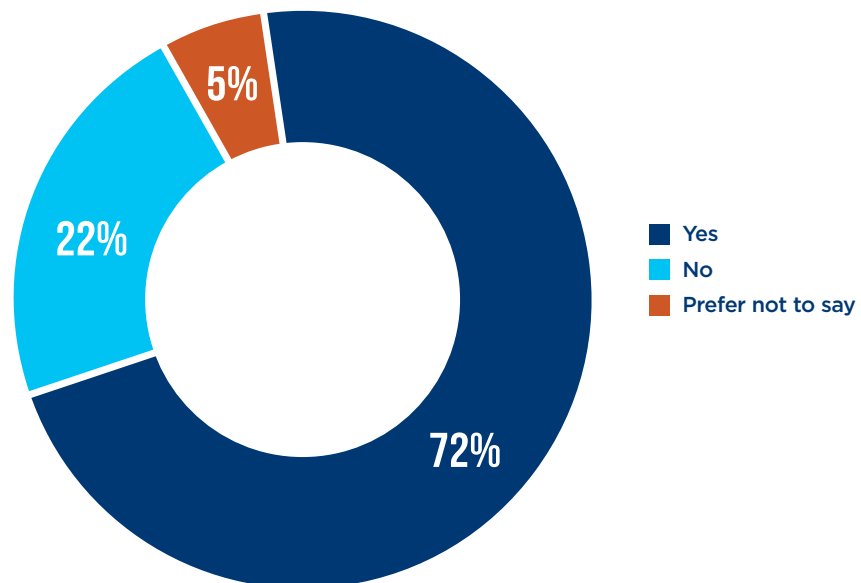
Q4: Do you agree that your experience with the workers' compensation system has negatively affected the mental health and wellbeing of your immediate family?



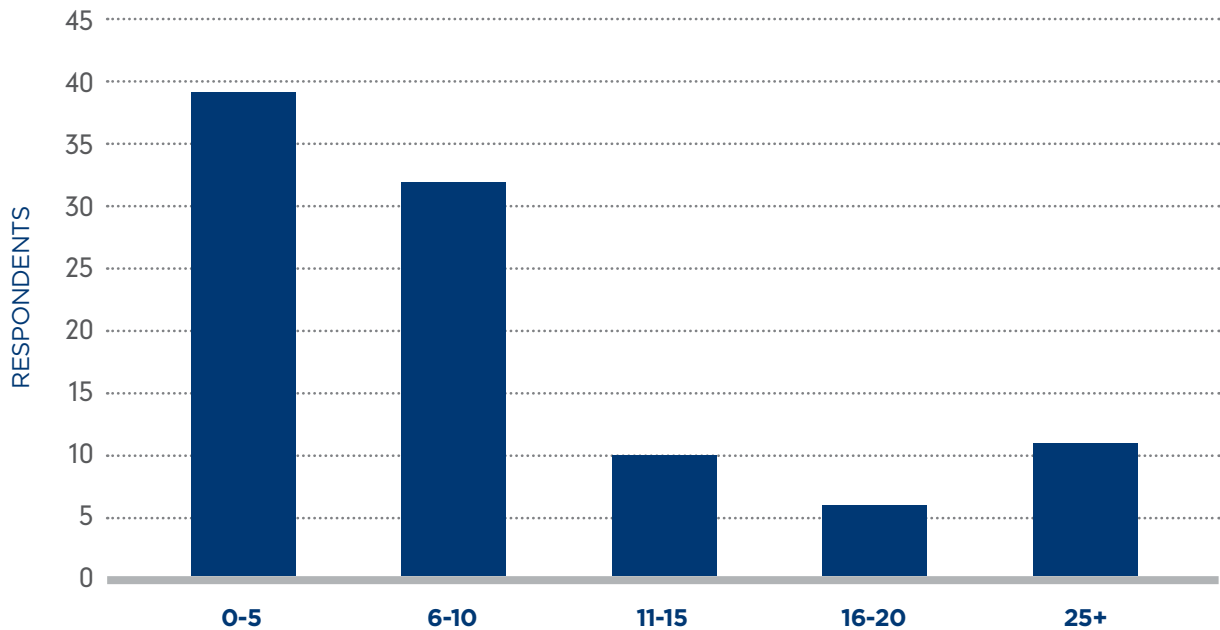
Q5: Have you ever experienced suicidal thoughts/ideation as a result of your claim?



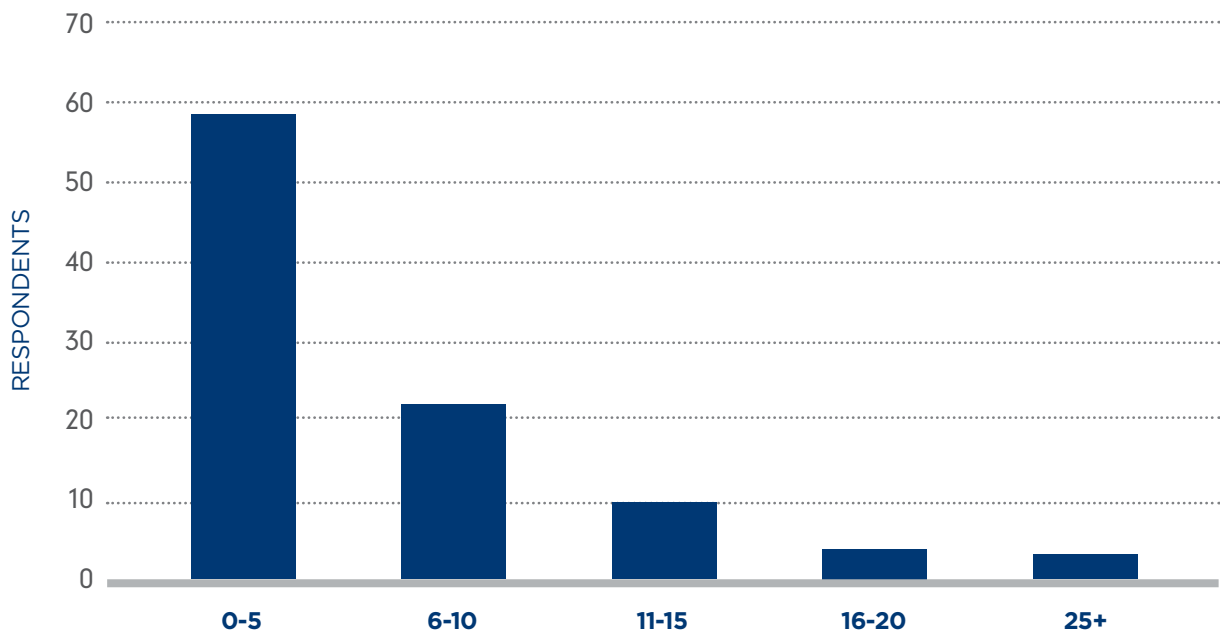
Q6: Over the course of your injury and/or claim did your employer terminate your contract or employment with them?



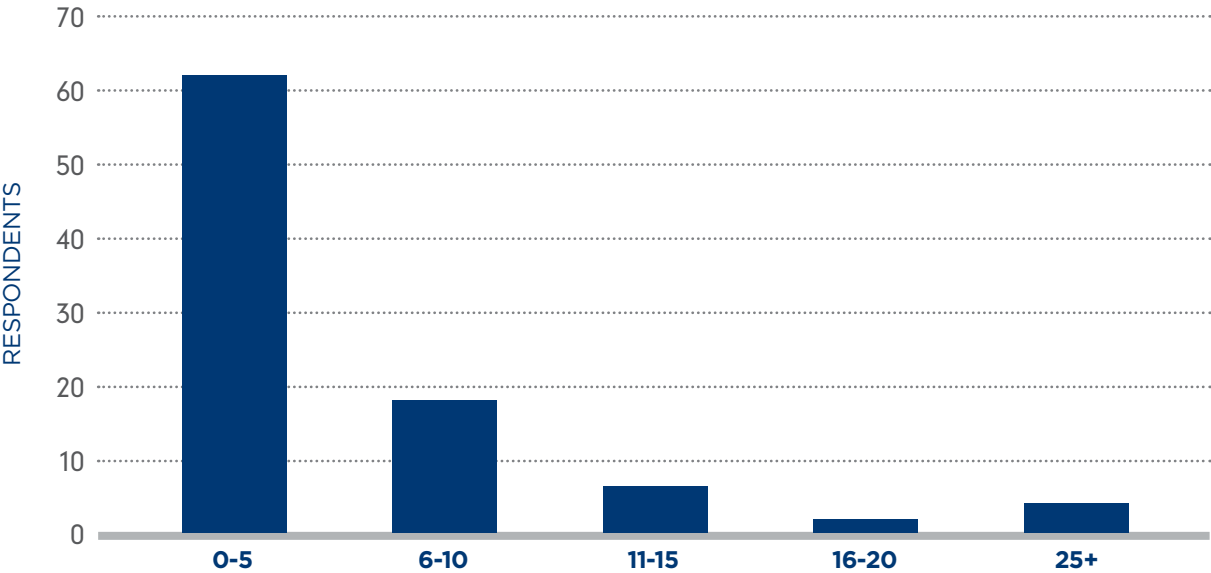
Q7: How many insurer case/claims managers have you dealt with over the course of your claim?



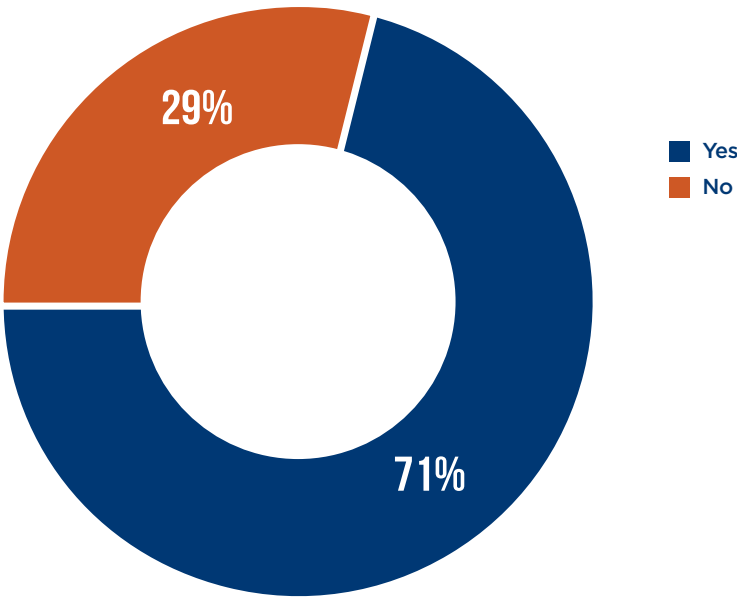
Q8: How many insurances company appointed IMEs have you been required to see over the course of your workers' compensation claim?



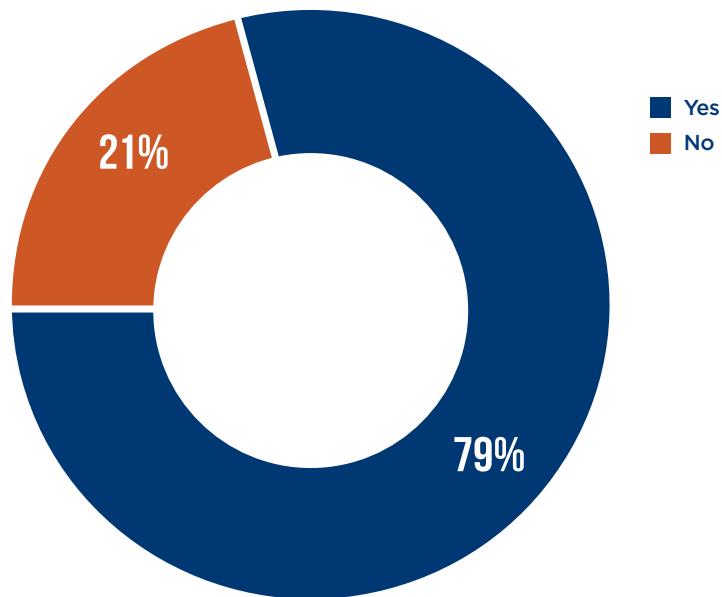
Q9: How many work capacity decisions has the insurer made throughout your claim?



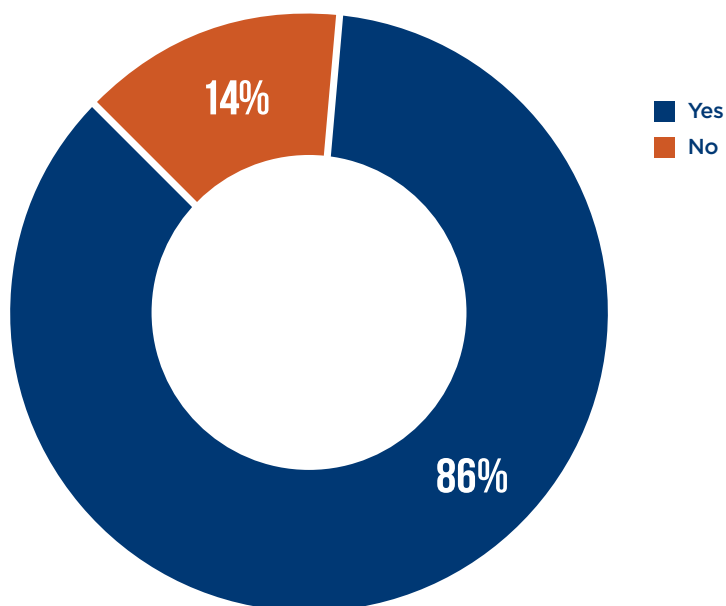
Q10: Has your insurer ever attempted to reduce your payments?



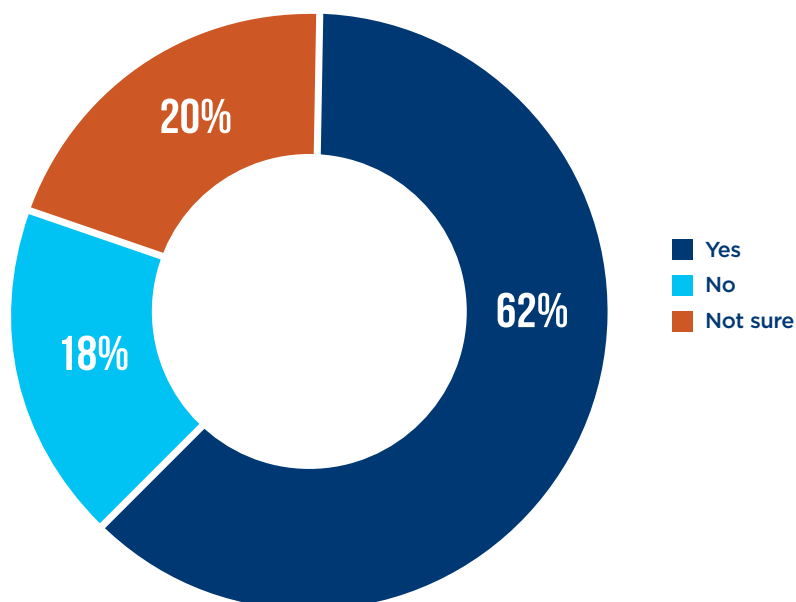
Q11: Have you ever escalated or lodged complaints regarding any aspects related to the management and/or decision making in relation to your claim?



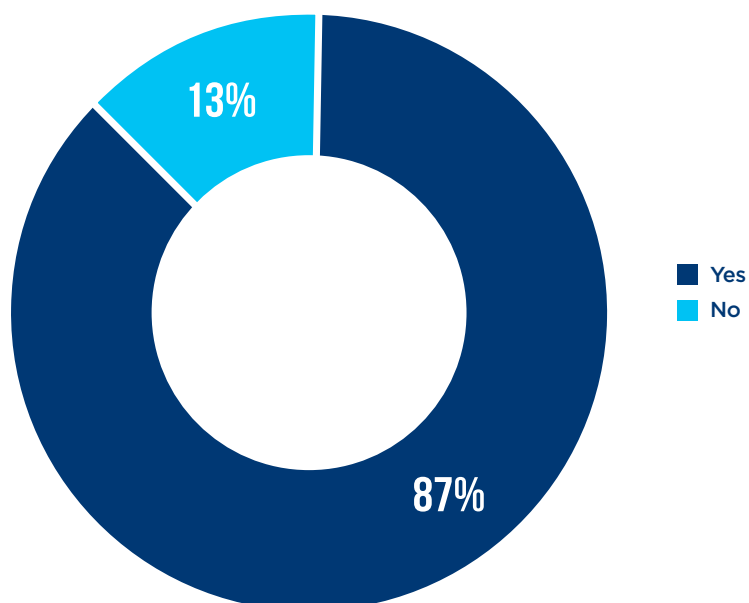
Q12: Have you ever experienced delays in the approval of your treatment and/or surgery?



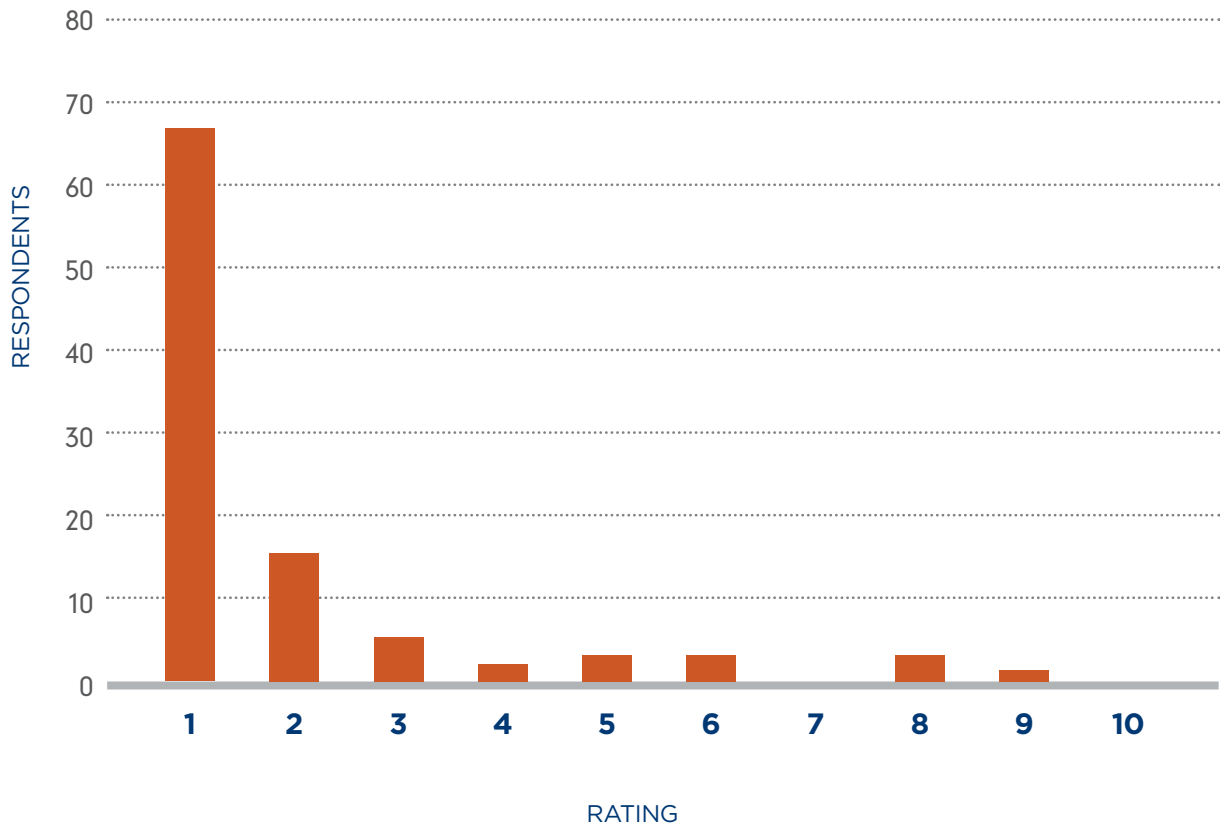
Q13: Have you ever experienced an underpayment of your workers' compensation entitlements?



Q14: Do you ever find it difficult to meet the cost of living on your existing level of workers' compensation payments?



Q15: On a scale of 1 to 10 how would you rate your overall experience with the NSW Workers' Compensation System?



Qualitative responses to the survey

In addition to the 15 questions which prompted a quantitative response, survey participants were also asked to share their experiences about engaging with the workers' compensation system, and to describe their personal stories.

INJURED WORKERS' FINANCIAL DIFFICULTIES ARE SEVERE

Respondents who answered 'yes' to the question "Do you ever find it difficult to meet the cost of living on your existing level of workers compensation payments?" were asked to describe in detail the 'difficulty' they experienced.

The responses describe the myriad consequences that the often inadequate compensation level of workers' compensation imposes upon those who are experiencing it. Some respondents even noted that they were forced to explore bankruptcy options due to the degree of support, or lack thereof.

- > The Bills were not less but income was. Something had to give. I was forced to pay off my own wheelchair when it was denied. I didn't have the money to buy it!
- > On 2 separate occasions I went without pay for lengthy periods and could not even claim centre link payments as i had an open claim.
- > I could barely pay rent, food and fuel. I lived on my own so this put extra pressure and stress on my cost of living.
- > Having to use savings to survive. Savings are going out the door at a rapid pace. Soon they'll be none at all.
- > They financially assaulted me making it impossible to obtain income protection through my superannuation.
- > The 80% on a low income cannot sustain a family.
- > Cost of living goes up by 5% minimum whilst yearly payments increase couple dollars per fortnight.
- > Before the accident I was working as an engineer 2020, after the COVID I was sacked. I worked in construction company as technician and got injured . Based on the accident job , they calculate my PIAWE which is very low, even hard to survive .
- > Loosing 20% of my income greatly affects me and I cannot afford to put any of my income into super. So I've had no super paid since 2018 either.
- > As it's over 5 years since my injury I get nothing from the insurance company and now trying to survive on medical pension from Centrelink.
- > I earned more!!
- > I'm only allowed to earn 80% of my previous wage that has been for over 5 years which equals the loss of a full years wage so far over the time of the injury.
- > My pre-injury salary then averaged was considerably higher than the determined Workers Compensation payment. Not only did I have to endure significant salary payment reduced when averaged over the previous 12 months I was a casual teacher so some weeks received no pay. Then my weekly payment was reduced to the determined amount with the only comment some workers received an increase to their weekly and others like you a further deduction.

- Rent car food etc
- I've got Drs to see and travel, parking fees, medication, specialists, and the list goes on. Getting injured is more expensive than going to work.
Lunch and travel just don't add up to the out of pocket fees that I am incurring now my employer (NSW health) has refused repeatedly to allow me to work from home as per my NTDs request.
- Living 50 kms away from any town. Transport costs, food and mortgage defaults.
- Currently I'm cut off weekly payments and have been for nearly 5 years, so making ends meet is very difficult as I am TOD and have a zero work capacity.
- 80% of my wage is not enough to live on. Lucky my partner is able to help me get by.
- My income is not high enough. I believe they have been not paying the right amount.
- Unable to provide suitable income for family expenses.
- \$800 / fortnight doesn't groceries petrol electricity and my ongoing treatment that gives me quality of life but I am refused to pay for such as acupuncture, physio - I've apparently had enough for one lifetime, massages.
- Struggling to pay rent and pay bills along with food, petrol and other expenses.
- I lost all of my commission payments which were a significant portion of my take-home income. I now receive 80% of my base salary. Over the past two years I have had to liquidate a significant portion of my share portfolio in order to survive.
- Need to access savings to survive. These will be used up very soon.
- Had to sell my rental property where we planned to retire.
- My insurer disputed liability for the claim, I cannot work and have no income over the previous 9 months.
- I have had to adjust our lifestyle so my family are living within our means. No extra savings for a rainy day.
- I had no choice but to sell all investment properties.
Until that runs out, we save and budget where we can. Being completely cut off workers compensation since 2012.
- I had savings fortunately so I didn't have to survive on WC payments alone.
- No longer on WC using leave entitlements.
- Half of my weekly pay goes to rent. Hard to pay utility bills and buy groceries, medication, clothing, pay for registration on car etc.
- My income prior work was 60% higher. So I stressed and adjusted to the new payments that neglected my second job in my payed calculation. My workers comp claim will cut me out of the system early next year and I still have not work capacity.

- With the reduce wage and having to claim all travel expenses yet have to always fight for it, plus the cost of living keeps going up making it harder to cover cost of living.
- My pay went down as I could not work. However I am self-employed so took myself back to earl.
- Reduced payments affect everything.
- I struggle as my injury happened in my home working from home and I cannot live with the constant flashbacks so I find myself having to leave my home and cannot afford to meet my home repayments and rent another home.
- Since losing 20% of my pat and not being able to get things approved I've had to wear the cost, also since I've been unable to get house or yard help and an unable to drive due to my injury my partner has had to reduce his hours at work to take care of all the things I use to do before I was injured.
- Defaults on mortgage, accessing superannuation to pay for mortgage, electricity cut off, can't pay utility bills. Pharmacy accounts not paid for. Had to access Samaritans food bank and ask for vouchers to pay bills and for food.
- I starved myself to feed and clothe my 2 growing boys while trying to keep a roof over our heads and utilities paid.
I've lived on the brink of bankruptcy ever since stopping work. The insurance company works on this pressure by reducing or stopping income and more recently, last 10 years, insurance agents causing damage to home and vehicle etc that needs repairs!!
- Family needs.
- I'm on 80% of wages until 68 years of age. Yes medical for life. But 20 years without superannuation. I have been forced to rely on minimum wages with no super for retirement. Very wrong.
- Instead of receiving up to 80% of my indexed pre-injury average weekly income I am only receiving 80% of the "transition rate" – hundreds of thousands of underpayment!
- Especially now that cost of living has skyrocketed, and having my income reduced, from getting a workplace injury I didn't want.
it's horrible that I care staff gets bonuses i.e. income top up – where i as the person who is actually suffering a debilitating injury, have to haggle each time the insurer wants to stop my payments.
- I am on my own and have loans to paid and house maintenance it hard to do all.
- I was unable to support my partner during COVID 19 while she was unemployed in the travel industry, this put great pressure on both of us. I worked for NSW Health at that time, full wage while on compensation would have helped. Whilst on compensation outgoings don't reduce to 80%.
- Took 5 years and many declines from insurer (based on fraudulent statements from employer) and lost my home in the process Criminal conduct from the WCCC.
- Wages went down cost of living went up and my normal salary progression ceased.
- I am receiving about \$400 to \$500 different from when I was working my rent is half of what I get paid on compo and all other bills make it very hard to live i had to give up smoking as I couldn't afford to smoke I don't drink because I can't afford to buy any I don't go anywhere because after bills I don't have money to do anything or go anywhere.

- > The reduced income once I exhausted the weekly payments as my whole body impairment was assessed at 19%.
- > Medical retirement I'm on Disability.
- > Home loan payments hard to keep up with on reduced income.
- > Wasn't always getting paid on time therefore bills got behind leading to being evicted from my house after falling behind. When they did eventually fix my underpayment it was deposited into an old account and full tax taken out. THEY ASK FOR TAX FORM AND EFT which I filled out only for it to be ignored and put in an overdrawn account.
- > General living expenses, increased food cost as I'm a celiac. I pay \$700 a week rent.
- > Reduced wages makes it hard to care for my children and pay my mortgage and all expenses that come with it. I can also no longer afford to take my children on holidays or buy them things.
- > I am the sole provider for my family. I normally work two jobs one full-time (where I sustained my injury) the second is a casual role. Since this injury it has impacted my ability to make an income I normally would and as payments are reduced, I am now living on a credit card just to pay bills.
- > Weekly payments should be 100% of your pre-injury payment. It's constitutionally wrong to pay an injured worker 80% of pre-injury wages. SIRA needs to amend this law.
- > Must pay to have work done that in the past I would do.
- > In 2013 my income reduced from 80% of my pre-injury average weekly income (indexed) to 80% of a "transition rate" – I have had \$250000 stolen from me since then!
- > My family and I have endured severe financial hardship due to the denial of my claim. Once engaging a solicitor and two years later that have accepted liability however I'm still trying to get back payment and they have lied to me on numerous occasions confirmed by team leader when I escalated my complaint this week.
- > Unable to meet my day to day expenses. Had to access my superannuation twice now.
- > I am now receiving less than half of what I was earning whilst employed. This amount is less than I would be getting through Centrelink.
- > I was the main provider in my household due to my husband taking on full time caring for our disabled child, with extremely rare chromosomal and kidney disorders.
- > As a casual, I received no compensation payments.
- > When monies were reduced, I could not meet my expenses for the bare minimums of maintaining health, vehicle costs and home.
- > With receiving \$336 a week it does not go far with fuel, food, mortgage etc.
- > My partner has had to work to cover my short coming.
- > With the massive drop in wages life becomes difficult.

- I was earning \$2300 gross a week when my employment was terminated.
I now receive 380net a week.
Goes nowhere to covering the commitments I made whilst receiving my wage.
- The cap on WC was 60% of my pre-injury salary.
- Had to reduce home payments to suit, cut back kids activities.
- Well I don't receive any payments.
- I had been sent to a dodgy doctor who did not assess me and stated that, I am at 14% impairment. I am wheelchair bound and cannot look after myself at all. My husband had to give up his career to care for me full time. I have been assessed by a specialist on the SIRA panel at 40% and need to see multiple specialist for the other body parts. The insurer can clearly see that there's an error in judgment regarding the IME and they will NOT send me to another doctor even though, they had stated they would have me re assessed. My wages have been cut off until, I can see multiple specialist.
- I was already on a low income with 4 dependent children and the insurance meant my wage (PAYWI) was reduced to 80%.
- I was casual – my claim was denied. I never got a cent from Bunnings.
- the reduction to 80% minus all the other monies earned like OT, allowances, super, etc.
- I wasn't paid any weekly payments for 5 months, being placed on "reasonable excuse" without any investigation or IME appointment.
While my medical team of the two psychologist, a psychiatrist and GP all agreed I'd suffered a workplace psychological injury.
- I had to sell my unit in Queensland we were planning to retire in.
- No take too long'
- I had my wages terminated 3 years ago I have no money only my husband's wages.
- Everything
- It's just awful. As mortgages go up, my payments continue to go down. I got injured from my employers negligence, my claim is accepted – i should not for an accepted claim have any reduced income.
- Left for no money for 14 months.
- Had to watch how money was spent and lived a very slow paced life so just existing at the bare minimum.
- Receiving 80% of my previous wage is not enough! It's not my fault what happened to me and I feel penalised.

Respondents often described a broken system

- The system is set up to deny you help and make you give up, Saving money with the appearance of being a safety net and punishing the worker for being injured. Unfortunately workers have no idea of this unless they need the system so are labelled fraudulent by most of employees, community and Parliamentarians!
- The system as it is managed is akin to slavery with the onerous demands and limitations placed on an injured person , our lives are controlled 24/7 where even a family picture can be misconstrued to show capacity which insurers will use against us.
- They show no compassion, empathy or simple bit of care. Everyone apart from my GP were rude and made me feel like i was a fake when i had genuine pain and couldn't even dress myself brush my hair or teeth. I had no dignity and the workers comp system had no support and was sooo slow.
- It's corrupt.
- Founder of gender injury discrimination in insurance The system abuses women in the worst way.
- Make the politicians and bureaucrats have the same system us everyday Australians or better yet have everyday Australians have the same WC system as the politicians and bureaucrats.
- Insurers can and do dispute everything resulting in no appropriate treatment in a reasonable timely manner, also this process disadvantages injured workers with wpi assessments with AMS Doctors because they have a different guideline with tables and percentages, guaranteed to drop wpi % by minimum 4% just by appealing ams. Whilst Insurers save money in the short-term for not approving surgery, the long-term damage pain and suffering to injured workers results in permanent injuries that are never repaired.
- Need to change this current system , what I feel after the accident is “ if You are injured , then it's your problem , no one cares”.
I got grade 3 open fracture , now it's my problem, whole life career stamped with workers comp.
- The way COMPLEXED REGIONAL PAIN SYNDROME is diagnosed as it's been modified Dr on the Australian and international standard of diagnosis means, they accept I have the condition but because I have it in both feet and therefor I'm not assymetrical meant that my WPI if 40% is now 14%. Because the AMS refused to give me the diagnosis under the criteria even though I displayed all signs. I'm 6 months away from the disability pension and there is no Avenue to help. I will not receive the card and treatment I am meant to for my workplace injury. I'm housebound with no functional of physical capacity.
- I always have the feeling that they are working against you and not helping by not believing you.
- Icare do not care!
- I have lodged complaints with SIRA and received responses which differed from other parts of the Workers Compensation Scheme ie Workers Compensation Commission I raised with Clayton Barr various issues which were raised in parliament without answers (to my understanding) being received - have raised with Sophie's office.
- It's set up to fail from the start for the injured so we either give up or commit suicide.

➤ Re-write the entire thing putting the worker at the centre of the system.
There should be AUTOMATIC whs PROSECUTION BY SAFE WORK NSW
WHEN A WORKER GETS A ACCEPTED WC INJURY
why - because the employer has clearly failed in their duty of care under WHS laws to keep that staff member as safe as reasonably practicable.
Employers should have significant penalties also for forcing the people they injure out of the WC system where they don't pay anything for their breakages
Its the family and household of the worker that's been injured bear the brunt of a system so unfair that it causes people to divorce and suicide - and none of this meet any form of red flag that the employer is being negligent.

➤ It will be way too long to say.

➤ The system is broken and heavily biased towards the insurance companies. The Doctors used by the insurers are often retired getting their income from doing biased reports to ensure the insurer continues to use them to discredit sick and injured workers.

➤ It is a never ending roundabout with no exits, we are at their mercy!!

➤ Delays in care and treatment.

➤ Every time my special issue doctors requests for treatment .icare sent me to their IME to get approval. and got rejected.

➤ I hate how when the insure phones you on you phone and requires you to give out all your personal details to prove who you are. Seriously, they are the ones that change.
Also how if you have a question regarding their obligations you cannot get answers.

➤ Throughout my time under the 'care' of icare, I have: waited 3 months for a referral to a specialist to be approved; waited 4 months and 3 weeks for an appointment with an Independent Medical Examiner to be arranged in order to be assessed for treatment (which was declined on the basis of not being 'reasonably necessary'); had multiple requests for treatment declined, despite being supported by my medical treatment team; had an IME commit fraud evidenced in a medico-legal document and then had the insurer refuse to request amendment in violation of SIRA Standard S20; repeatedly had the insurance company breach standards, expectations, acts and obligations- with no accountability from SIRA or the IRO.

➤ Ruined my life.

➤ It's a corrupt system.

➤ I don't know why I am being punished for my employer's neglect of duty of care.

➤ My employer lied to the insurer and withheld information. I provided information to demonstrate they lied and withheld information. The information I provided was ignored by the insurer and iCare, SIRA ignored me complaint, I wrote to parliamentarians and the subsequent review simply restated the previous outcome.

➤ The system needs advocacy for injured workers. Asking injured workers to advocate for themselves with no experience within a system that treats people as a claim number and try's to mitigate claim costs is not a system that has recovery as its aim. Injured workers deserve to be treated with compassion.

➤ It was never about what type of injury and what care/ medical a person needed
The w/c is about getting you off system asap.
So now I have more secondary problems from mismanagement.

> I had my weekly payments stopped after I was medically retired by the NSW Dept of Education. The psychiatrist who was organised by the abuser principal. She suggested I take 6 months leave to recover or then be reassessed or be medically retired. The DoEd demanded she not give two options but to make one recommendation so she advised I should be medically retired. I then had to engage a solicitor to fight for lump sum compensation. I was moderately successful despite having Whole Person Impairment ratings of 6 and 5% from Allianz Ins psychiatrists. The psychiatrist organised by my legal team gave me 19% WPI. I only survived financially because I had savings. I ended up with \$42,000 but the NSW Dept Ed claimed \$10,500 without any word of explanation. Thanks to a wonderful WIRO employee it was returned to me after several months once again with no communication or apology. Relating to Q3 I have done some art teaching of children in the holidays and after school. Most of my work has been volunteering. I managed to do 2016 Census job but was still unwell and found it very challenging. I no longer do paid work except for the Federal election last Saturday. Volunteer work I can handle because there's not much responsibility. I have worked hard to recover and still see a psychologist monthly but I feel the negative effects of the bullying abuse and consequent fight for justice via WC every day. The worst most detrimental aspect of being involved in WC is we are put in a situation where we need to mount a fight for justice while we are least capable of doing so. My Allianz psychologist, although empathetic 'encouraged' me to return to work when I was still very unwell, while the bully abuser principal was overseas. I was too unwell to realise and to assert myself. I was too unwell to realise that returning to work with the abuser again was dangerous.

> Disgraceful

> Horrible

> The system is designed so the injured worker is a golden egg, everyone wants a piece of you, I had dozen of procedures and appointments that I didn't need for my spinal injury. I was told by solicitor that an injured workers injury has a price out on it at the start, that's what you are entitled to, but then they take out all expenses, wages etc and you get what is left, happened to me for both my spinal injuries, 2015 injury cost \$550,000 for wages, surgeries, treatment, Physio, gap, psychologist, psychiatrist, ex Phys, etc. they all were paid very well and that's what is taken out of my final claim. The system is set up for all health professionals to make money and the injured worker to get what is left which is more than 50% less that what they are entitled to.

> I am self employed as a rehab consultant. My claims management was goad as I did not let the insurer manage my claim. I took matters into my own hands. I chose my dress, rehab provider and managed my own return to work.

> It's not fair. The harder we work the worse off we are. Work hard get injured and then get punished and from then you suffer physically, mentally and financially.

> My life is hopeless now I lost my ability to do anything, my marriage is broken, I can't be the mother I was or the grandmother that my family deserves. I am so broken by this injury that I don't want to live anymore. My family doesn't understand my mental health but to end my life would hurt them more. I've been hospitalised 3 times and am needing to do it again but I know it's just a bubble and more medication that I hate and don't help.

> It is impossible to get treatment approved. I am constantly ignored by my case managers. The system has discriminated against CRPS sufferers leaving you with a diagnosis of carps but not rating your carps according to the guidelines apparently there is clinical carps and new workers compensation carps. They are the exact same thing except one leaves you with no whole person impairment % for how debilitating the condition is. Also I have been trying since February to get a PIAWE review. This is also ignored. I have waited 3 months for a piece of exercise machinery request. No one will contact me about this. There is no help in this system. It is corrupt and it is designed to break you so you go away. It is the most uncaring and toxic environment anyway could be subjected to. It is a disgrace.



- It is the most degrading system, which has decimated mine and my families mental health. My career has now had to return to fulltime paid work to pay for my treatment and medication. I now have no carer. No workers comp payments, no treatments, no medication. I am more mentally unstable than ever.
- Since I stopped work in 2000, this WC has only, and is STILL, denying recommendations for treatment and denying help.
- Loss of wage super Fraudulent documents used in Drs reports Pressure on my treating Drs to raise compacity bullying refusal of treatment new case mangers repeatedly not back paying money owed etc.
- The system is corrupt.
- caught in a system since 2012. For some reason don't qualify for any of the "income protection insurance" that is part of super and a massive income cut 5 years after being injured.
- I was deliberately injured by a workplace and employer that wanted me terminated, couldn't performance mangle me out as it was not reasonable to give me the workload of 2 people for over 6 months, and my employer stopped at nothing to ensure I could not continue working.
- My injury was deliberate, it was accepted as being caused by the insurer, yet nothing at all has been done to either - stop my ongoing exacerbated, and make the employer give me suitable duties. Nothing has been done regarding providing safe suitable duties that meet my NTDs safety guidelines. I have been harassed, victimised and my injury deliberately made worse. I am now facing a workplace investigation and a show cause report GIVEN TO ME FOR THE FIRST TIME AFTER I WENT ON WC LEAVE. That was put on hold due to my injury, bout since i asked for a Service conduct report printout, "coincidentally" , this has been re-actioned by SLHD. This investigation - that is not procedurally fair, had outcomes determined , and I was couriered the report as a final document, supposedly allowing me to make comment at the end of the process. I have not been stood down (as I was on workers comp) - and have been threatened with suspension when try to return to suitable duties. THERE IS NO PROTECTION FOR ME AS An INJURED WORKER, TO STOP IR PROCESSES OCCURING. I am today, AT THIS VERY MINUTE, facing termination while I am medically unfit to work, or participate in this process, and am still awaiting my determination from the arbitrator in the PIC. HOW IS THIS FAIR.
- The lied and hurt they I flick on us is so wrong.
- I was left on "reasonable excuse" for 5 months, I ask, how would the executives at I care and Insures manage with no payments of any kind for five months?
- Lots - I've filed a case in the Supreme Court against insurer, I care and SIRA (waiting judge decision) - utter disgrace. Corrupt to the core - doctors and lawyers leeches on this system - victims left for dead at the hands of criminals!
- The NSW workers compensation system is all about making money not compensating and treating injured workers, they cut corners and try everything in their power to get rid of you of workers compensation even if it's not legal. They pay for reports in their favour and dismiss the recommendations of your treating qualified physicians that know you and your medical history. Discredit one expert in favour of the one they paid for. It's game of thrones in real life.
- I had to get a union lawyer to fight elm in the personal injury commission to get the surgery I needed to fix my knee they backed down at the meeting.

- > My employer has been amazing and I acknowledge it would have been easier for him to terminate me. The system is terrible - I believe that it is rigged to keep people under 20% whole body impairment to avoid lifetime care- for me I have adjusted my life to cope without the additional income. The lifetime medical treatment is what I am currently challenging and it is a story all of its own.
- > I went to the union, nothing.
- > Time-frames not adhered to in making decisions on treatment requests. No superannuation payments for retirement.
- > Too many case managers. No genuine care for workers suffering.
- > It's only early days for me.
- > I have two cases in 5 years both closed now but wouldn't keep the one I needed open.
- > My current case manager is a real jerk, so 02/06 I'm getting in touch with IRO as I'm sick of him!!
- > I've faced a lot of adversity in the past with domestic violence. The bullying I have endured since my accident has been really triggering from both work and the insurer. I feel very much like the focus is on ticking boxes and moving me off goes as quick as is possible, with little concern or regard for my safety and well-being. The quick hiring of IME's and IPC's who conduct assessments without even assessment of me as part of the process and against surgeons or another practitioners advice is distressing and immoral. I am finding myself with suicidal thoughts due to the stress and wanting it all just to stop.
- > Treated worse than criminals and I used to work for corrective services ,so I should know.
- > The transition rate is CRIMINAL!
- > Ye I use to work for a rehab provider and the Manager told me to make a clients life hard which I did not agree with or do. Bring on workers compensation makes life hard enough.
- > Injured both shoulders. After surgery on my right shoulder the surgeon gave me 6 weeks of zero capacity, my ProCare person went behind my back and had this taken away. I was forced to work from home reviewing and commenting on my employers WHS manual.
- > Abuse at the hands of IME's and that is just the tip of the iceberg.
- > The system is a joke filled with incompetent inept people who don't know how to do the very basics of their job descriptions, Doctors who make up fictitious garbage to suit their agenda with no recompense, lawyers out to line their own pockets, IRO and SIRA couldn't give a rat's behind what goes on and are there to act as placating legislation defying trolls.
- > The inability to obtain a legal practitioner because of the complexity of the claim means I have never been able to get a WPI assessment nor a work damages claim or domestic assistance nor ongoing wages from the first claim.
- > They don't care about you. All they care about is getting you back to work weather it's the same job or a different job regardless of the injury or how much pain you're in.
- > There is no one that can provide instant assistance. E.g. my GP and specialists are arguing who has to contact who regarding my pain management....wiro will send them a letter? I need this sorted now!
- > Having case managers who are only concerned with saving a dollar instead of the welfare of the injured person.

- Insurance company spends more in trying to decline a claim then the actual cost of treatment.
- There are 2 types of ppl who work for insurance companies.
Those that are addicted to the higher than a stage wages and those that revel in controlling and manipulating ppls lives.
- For the life of me, how can EML sponsor an AFL and NRL team when those monies should be spent on injured workers.
- In the same light, how can ICARE employees receive bonuses for declining injured workers.
- The doctors are scared of the insurers, I have lost over \$750,000 in wages and super because of being hurt at work and I didn't receive any money for the constant pain I am in and the days I can't work because my body doesn't work but I will not go near workers compensation the way I was treated I live with hatred of the system and hate keeps me going!
- Yes the system in run by the insurance companies with endorsement by our state government.It is corrupted 100%.Everything that shouldn't happen, happened to me.After my court case the opposing barrister came into the room where I was signing the rip-off and bent across and wished me the best. At the time due to my injury I had no idea what he talking about.Only latter after I had contacted the commissioner for the compensation court did I realise what he meant by it.
- Took over 3 years for approval after 2 mediations.
- The case managers are not trained in the medical field. This has a massive affect on your injury as they have no understanding.
- The insurer are not compassionate and we are all just a piece of paper on their desk.
- There seems to be a lot of game playing and a lot of lies and accusations thrown around without factual evidence.
- There is no government body to actually regulate the laws. SIRA, IRO, and ICARE have no power they have been put here for mediation purposes only. I believe that they are all a waste of money and the state government would save money if they were to get rid of them and have a government body that can step in and regulate the laws. This would save money as the injured worker goes to the commission and overturns the outcome. So all the money spent on fighting sick injured workers is a waste of time and money. There's very sick injured workers like myself that are being treated so badly, when we deserve respect!! The system is appalling and things need to change as there is way too many lives being lost due to this system.
- My solicitor from WIRO was outstanding, understanding and knowledgeable. I would be in a different place if it wasn't for him.
- Mine was a psychological injury created by people who lied in my workplace about performance allegations after I had cancer treatments.They are disgusting but no action has been taken against them. They lied to SafeWork, have lied in statements to the IRC .in meetings it was agreed upon that they would remove the lies and performance allegations but under the privacy act they have refused. The employer has ignored doctors certificates to say that I am a current cancer patient, the employer states I'm in remission. I had a hysterectomy in the middle of their performance program. My medical privacy has been breached.

- The employer has accepted from management that there were concerns about my performance when I was on long service leave, that there were meetings with managers when I was on long service leave, observations on a Sunday, pages and pages of my personal privacy has also been breached. I have had conciliatory discussions in the Australian Human Rights Commission for disability discrimination. All of this could have been avoided.
- My employer has terminated my position 6 months after I returned to work.
- I have an unfair dismissal case lodged. It's been over 12 months. I'm completely struggling, stressed and so saddened. It's affecting myself, family, relationships, financial issues, my social position.
- My employer has strong policies around the code of conduct and ethics, morals and promotion of disability advocacy. It's beyond dismissal that they cover up the performance lies and have sabotaged my long standing career.
- This case has been costly but the employer has deep legal pockets and will continue. People created my injury. They used power and authority to hide their corrupt practices.
- How much annually is being spent on psychological injury?
Surely NSW needs an inquiry into workplace mental health issues?
- It's set up for the business not the injured.
- I'm 68 years old. Because I'm past the 65 retirement age I'm only entitled to 52 weeks workers comp. Because the work place demographics have changed and our retirement age has been pushed up by the government, why is that not reflected on the workers comp policy.
- they lie, and continue to do so as long as they can decline your claim and or treatment the so called assistance you received from them is a no win as they most times can't help you even as it pertains to the ACT itself.
- How is it that an insurance case manager, with no medical experience can override the opinions of those with medical degrees?
- I am the victim of an injury and I feel like I am being punished.
- Its cruel and totally inhumane, I don't know the bastards sleep at night
- Number one I'm nearly crippled can't walk I limp so my Gate is putting pressure on my leg and hips I just have to deal with it I have no life in pain every day.
- fix the fraudulent system treat injured as human not as a number and a way to fill everyone else's pocket except the injured.
- Where is the WHS prevention and duty of care ???
If you get injured at work and you have to take 7+ days off work - you should automatically have to notify SWNSW.
- Its broken.
- Its corrupt in every way from doctors to your own lawyer and to the [name of insurance company redacted]. They all get the piece of your pie and your left with crumbs and what's left of your called life.





CONCLUSION

This report has outlined the inadequate state of NSW's workers' compensation framework since major reforms to the system occurred in 2012.

On the standards established by those 2012 reforms, it is clear that the current NSW workers' compensation system is performing inadequately. In measuring clear benchmarks, such as ensuring more injured workers returning to work, data shows that the system is sliding backwards. Many workers navigating the system are facing extensive administrative burdens, and those that do manage to navigate the system are often left with inadequate compensation.

Further, as this report highlights, there is evidence that navigating the NSW's workers' compensation system is, in many cases, inflicting significant harm on individuals. The survey evidence tabled in this report reflects a growing disenchantment with the system for those who rely upon it, and in many cases, documents evidence of acute mental health strain being placed on NSW's workers' compensation recipients.

Workers' compensation systems should, at the very least, do no harm to those who require workers' compensation. This basic principle is routinely being overlooked in NSW.

While there is no silver bullet for fixing the myriad challenges facing NSW's workers' compensation system, the data and analysis in this report makes it clear that a major review of the system is needed.

APPENDIX

WORKERS COMPENSATION AMENDMENTS SINCE 2012



LEGISLATIVE INSTRUMENT	AMENDMENTS
Workers Compensation Amendment (Medical Expenses) Regulation 2013	<p>For existing recipients:</p> <ol style="list-style-type: none"> 1. Section 59A does not apply for hearing aids, artificial aids, prosthesis, and home modifications
Workers Compensation Amendment (Existing Claims) Regulation 2014	<p>For existing recipients:</p> <ol style="list-style-type: none"> 1. Section 59A does not apply to workers with more than 20% WPI 2. Introduced a stay for work capacity decision while seeking a review 3. No time limit for secondary surgery
Workers Compensation Amendment Act 2015	<p>For all workers:</p> <ol style="list-style-type: none"> 1. Section 59A limits on medical expenses increased from 12 months: <ol style="list-style-type: none"> a. 0% - 10% - 2 years limitation b. 11% - 20% - 5-year limitation c. 21% and over - no limitation 2. Retirement Age clarified. If injured prior to retirement age, will receive at least 12 months weekly payments post retirement age 3. If a person has more than 20% WPI, not required to work 15 hours per week for the purposes of s 38 4. Minimum weekly benefit for workers with more than 30% WPI to be indexed twice a year 5. New assistance packages for workers not returning to pre-injury employer 6. New assistance packages for workers with high needs for education and training services 7. Lump sum compensation to be indexed yearly 8. Death benefit increased for, \$524,000 to \$750,000 9. Funeral expenses increased from \$9,000 to \$15,000 10. Hearing aids, artificial aids, prosthesis, and home modifications not subject to s 59A limitations
State Insurance and Care Governance Act 2015	<ol style="list-style-type: none"> 1. Abolished WorkCover and created three new agencies to reduce conflicts of interest: <ol style="list-style-type: none"> a. icare - nominal insurer b. State Insurance Regulatory Authority (SIRA) - Workers' compensation regulator c. SafeWork NSW - safety regulator
Workers Compensation Amendment (Legal Costs) Regulation 2016	<p>For all workers</p> <ol style="list-style-type: none"> 1. Introduced legal costs for advice and representation in relation to a merit review on a work capacity decision. 2. Costs limited to \$1,200, with an additional \$600 where it results in a more favourable outcome. 3. Only available to legal practitioners
Workers Compensation Amendment (Transitional Arrangements Weekly Payments) Regulation 2016	<p>For existing recipients:</p> <ol style="list-style-type: none"> 1. Section 39 does not apply to certain workers who WPI is 20% or WPI has not been assessed yet 2. Permits insurers to agree that a person is 20% WPI without the necessity of a MAC 3. Allows for one final assessment for the purposes of assessing s 39 claims only

LEGISLATIVE INSTRUMENT	AMENDMENTS
Workers Compensation Legislative Amendment Act 2018	<p>For all workers:</p> <ol style="list-style-type: none"> 1. A new simple definition of PIAWE (applies to date of injury post commencement date yet to be determined): <ol style="list-style-type: none"> a. Any income related to employment included – no exclusions b. Overtime included for the entirety of the claim 2. 52-week step down removed for workers injured between date of assent and date of commencement 3. Work Capacity review process changed (applies to decisions made after 1 January 2019): <ol style="list-style-type: none"> a. Internal review is optional – insurer must complete within 14 days of receiving application b. All disputes to be managed through the Workers Compensation Commission c. SIRA no longer has decision making powers 4. WIRO to handle all complaints by injured workers
Workers Compensation Amendment Regulation 2018	<p>For all workers:</p> <ol style="list-style-type: none"> 1. Sets out the requirements for communication of a notice of dispute 2. Sets out the requirements for the communication of a review decision
Personal Injury Commission Bill 2020	<p>Established a “one stop shop”. Union intervention ensured:</p> <ol style="list-style-type: none"> 1. Independence of the WIRO (now IRO) 2. ILARS entrenched in legislation for the first time and hence protected 3. Clear restrictions on the President’s power 4. Ensuring Commission members have the requisite experience and knowledge to perform their duties 5. Ensuring workers are represented on the Rules Committee
COVID-19 Legislation Amendment (Emergency Measures – Miscellaneous) Bill 2020	<p>Introduced a workers compensation presumption – if a worker engaged employment or industries is diagnosed with COVID it is assumed they contracted it at work. Applies even if a worker is asymptomatic – the key is that the worker is “incapable” of attending work due to the illness.</p>
Motor Accidents and Workers Compensation Amendment Bill 2021 – still before parliament	<p>Negotiated significant changes to the Bill, specifically the removal of provisions designed to restrict access to deemed disease style claims.</p> <p>Others matters currently being considered:</p> <ol style="list-style-type: none"> 1. Removal of changes to the definition of “medical and related expenses 2. The insertion of a provision to create a presumption where a worker is required to have a COVID vaccine for work and where they suffer a serious adverse effect – to work like the COVID presumption.

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