Impact Analysis Statement (IAS)

Summary IAS

Details

Lead department	Office of Industrial Relations (Department of State Development and Infrastructure)
Name of the proposal	Consideration of policy proposals arising from the recommendations from the 2023 review of the workers' compensation scheme (the Review) Better Regulation Policy reference number **OIR0155**
Submission type (*Summary IAS / Consultation IAS / Decision IAS)*	Summary Impact Analysis Statement
Title of related legislative or regulatory instrument	Workers' Compensation and Rehabilitation and Other Legislation Amendment Bill 2024
Date of issue	12 February 2024

References to specific recommendations throughout this statement align with the numbered recommendation from the 2023 five-year workers' compensation scheme review (2023 review). The review made a total of 54 recommendations. Regulatory analysis for these recommendations has been undertaken as follows:

Recommendations not included in this summary IAS as they are not being progressed, are under consideration or do not require regulatory amendments	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 13, 15, 16, 18, 21, 23, 24, 25, 28, 30, 32, 35, 36, 38, 39, 40, 41, 43, 44, 46, 47, 49, 50, 51 and 54
Recommendations outlined in this summary IAS which are minor and machinery in nature	12, 14, 19, 20 27(a), 29, 31, 33, 37, 38, 45, 48 and 52
Recommendations outlined in this summary IAS – all other proposals	9, 17, 22, 26, 27(b), 34 and 42
Recommendations dealt with in a separate Summary IAS and attached Decision IAS	53

Proposal type	Details
Minor and machinery in nature	Proposals arising from the following recommendations of the 2023 review have negligible regulatory costs and are considered minor and not subject to Regulatory Impact Analysis requirements under the Better Regulation Policy.

Proposal type	Details
	Recommendation 12 This recommendation states: *That the Minister consider introducing a Bill to amend the Act to provide that enforceable standards or codes of practice can be issued to support the enforcement of any aspect of the Act. All guidelines and factsheets on rehabilitation and return to work should be reviewed to ensure that any which are enforceable are not referred to as 'guidelines' and to determine which should be transitioned to an enforceable standard or code of practice under the Act.* The only impact of the proposal is to expand an existing head of power in the *Workers' Compensation and Rehabilitation Act 2003* (Act) to make codes of practice (section 486A). Expanding this power will not of itself have any cost impacts. Impacts arising from the creation of any codes of practice will be considered in a future impact assessment process. It is not proposed to create any enforceable standards. Recommendation 14 This recommendation states: *That the Minister consider introducing a Bill to amend s 228(4) of the Act to require that:* *(a) the employer, when providing written evidence that suitable duties are not practicable, describe the steps taken or the inquiries made to reach that determination; and* *(b) the insurer take reasonable steps to satisfy itself that no suitable duties are available, and where appropriate, use the penalty provisions at s 228(1) and s 229 where it is not satisfied.* Implementation of this recommendation is proposed to be achieved by requiring insurers to be satisfied no suitable duties are practicable when an employer considers this to be the case. This clarifies insurers' role in monitoring employer compliance with existing rehabilitation obligations. Section 228(1) requires employers to take all reasonable steps to assist or provide injured workers with rehabilitation, including suitable duties programs. Section 228(4) of the Act requires employers to give evidence to the insurer where they consider it is not practicable to provide a worker with suitable duties programs. Insurers can penalise employers who do not provide suitable duties where it would be practicable to do so (section 229). Although the Act does not *expressly* require insurers to scrutinise the practicability of employers providing suitable duties programs, it is implicit from this enforcement function and requirement for employers to give evidence to insurers that this should be occurring. The proposal seeks to confirm this. Recommendation 19 This recommendation states: *That the Minister consider introducing a Bill to amend the Act to provide that an injured worker has the right to choose an alternative workplace rehabilitation provider (WRP) from the list of accredited providers where the worker is dissatisfied with the WRP selected by the insurer. This right is to be included in the Workers' Statement of Rights.* The Act already requires insurers to consult with workers in coordinating the development of a rehabilitation and return to work (RRTW) plan and this should already include consultation about the selection of a rehabilitation provider (section 220(7)). The proposal clarifies and builds on this requirement by enabling workers to select an alternative provider where they are dissatisfied with the insurer's choice. WorkCover Queensland (WorkCover) advises this approach already aligns with current practice and a worker who is dissatisfied with the chosen provider is able to select a new provider although this is

Proposal type	Details
	not publicised. Feedback from rehabilitation stakeholders also indicates this right is unlikely to be exercised by most workers, further reducing any associated impacts. Recommendation 20 This recommendation states: *That the Minister consider introducing a Bill to amend the Act to provide that a RRTW plan for an injured worker is to be developed within 10 business days of a claim for compensation being accepted. It may be amended from time to time thereafter, in consultation with the worker, to take account of changed circumstances.* This proposal has negligible regulatory costs and is considered minor. Insurers already have an obligation to take reasonable steps to coordinate the development of a RRTW plan (section 220(5)) and the only impact of this proposal is to include a statutory timeframe for these reasonable steps to occur. While the introduction of a statutory timeframe is new, best practice guidance published by the Workers' Compensation Regulator (Regulator) already recommends RRTW plans be developed within a certain timeframe (currently, 20 business days). Importantly, this guidance also confirms the plan to be developed is scalable depending on the information at hand at the particular time (e.g., from a file note to a detailed RRTW plan). Recommendation 27(a) This recommendation states: *That the Minister…consider introducing a Bill to amend the Act to treat day work rotation as service for the purpose of s 36E of the Act…* Section 36D of the Act deems certain diseases to be a compensable injury where they are suffered by a person who has been employed as a firefighter for a minimum number of specified years (a qualifying period). For deciding the minimum number of specified years, a period of 12 months may be included only if, throughout the period, the person: • was employed for the purpose of firefighting (defined as extinguishing, controlling, or preventing the spread of fires); and • attended fires to the extent reasonably necessary to fulfil the purpose of the person's employment. Concerns were raised during the review that firefighters on day work rotations were excluded from the deemed diseases provisions. The Office of Industrial Relations' (OIR) interpretation of this provision is that this work would already be counted as part of the qualifying period as firefighters on day work rotation are either recalled to duty or perform overtime in their firefighter role (although this is yet to be tested in the Queensland Industrial Relations Commission). Consultation with Queensland Fire and Emergency Services (QFES) confirms that firefighters who have undertaken day work rotation are able to access the deemed disease provisions in practice. To avoid ambiguity, the proposal will clarify that day work rotations are able to be counted as part of the qualifying period. Importantly, this proposal does not extend the presumptive provisions or cause disadvantage to other firefighters not covered by the presumption. All Queensland firefighters are currently able to make a workers' compensation claim for any work-related injury (including these diseases) via the normal claims pathway. Recommendation 29 This recommendation states: *That the Minister consider introducing a Bill to amend the Act to provide a default payment of weekly compensation after a claim is accepted and until an insurer calculates the applicable rate of weekly compensation. This would be a fixed percentage of the current value of Queensland ordinary-times earnings - QOTE (QOTE for the 2023–2024 financial year is $1,760.70). For part-time and casual*

Proposal type	Details
	employees, the default payment would be the fixed percentage of QOTE expressed as an hourly rate, times the number of hours per week the employee nominates they normally work. Over/underpayments would be made up through subsequent benefits once the correct rate was calculated. This proposal facilitates the prompt payment of weekly compensation to workers with an accepted workers' compensation claim, noting these payments are often delayed until the employer gives the insurer wage information necessary to calculate the worker's compensation entitlement. The proposal does not create any new entitlements to compensation, require insurers to pay compensation to workers who have not had their claim accepted, or change the amount of compensation to which a worker is entitled. The proposal will have minor administrative impacts for insurers as they correct any over or underpayments of default compensation once the worker's exact compensation entitlement is known. However, under and overpayments already occur under current settings and insurer systems allow for these to be addressed. Further, insurers can already advance compensation payments to a worker (section 146). <u>Recommendation 31</u> This recommendation states: *That the Minister consider introducing a Bill to amend the Act to:* *(a) impose on insurers a positive duty to report suspected offences by employers to the Regulator; and* *(b) include protections for employees of self-insurers who report employer offences.* The proposal to require insurers to report suspected employer-related offences builds on existing requirements for insurers to report claims farming offences (generally committed by law practices who pressure or harass an individual into making a compensation claim) and fraud-related offences (generally committed by workers). The proposal is expected to have minor administrative impacts as insurers already have processes for reporting offences. The proposal to include protections for employees of self-insurers is designed to promote accurate reporting by self-insurers. It recognises these entities are both insurer and employer and would be required to self-report their own offending. Implementation of this recommendation is proposed to be achieved by preventing self-insurers from taking discriminatory action (including dismissal and disciplinary action) against employees who report employer-related offences. This is expected to have minor administrative impacts noting self-insurers are subject to similar obligations under the *Work Health and Safety Act 2011* (WHS Act) and adverse action prohibitions under the *Fair Work Act 2009* (Cth). The peak representative body for Queensland self-insurers, the Association of Self-Insured Employers of Queensland, did not oppose this proposal. <u>Recommendation 33</u> This recommendation states: *That the Regulator undertake a review of the employer-specific obligations and offences in the Act to ensure that they are fit for purpose, meet community standards and can be practically enforced.* *The Minister consider introducing a Bill to amend the Act to introduce further regulatory tools including enforceable notices and on the spot fines.* The proposal to review employer-specific obligations will not of itself have any impacts. The impacts of any offences introduced or changed following this review will be assessed through a separate impact assessment process. The proposal to introduce enforceable notices will enable the Regulator to better enforce existing obligations and offences under the Act. Implementation is proposed to be

Proposal type	Details
	achieved by enabling authorised persons to issue improvement notices to remedy contraventions of the Act or prevent further contraventions from occurring. This proposal does not change the nature or effect of existing obligations and offences under the Act and simply gives the Regulator a new means of enforcing them. The proposal to introduce on the spot fines is machinery in nature. It entails an amendment to the *State Penalties Enforcement Regulation 2014* to prescribe certain existing offences in the Act as penalty infringement offences, enabling infringement notices to be issued for contraventions. Like the proposal for improvement notices (see above), this proposal simply creates a new means of enforcing existing offences. <u>Recommendation 37</u> This recommendation states: *That, in consultation with stakeholders, the Regulator should develop a statement of workers' rights and responsibilities in the workers' compensation system, to be distributed in workplaces, on insurer websites and provided to all injured persons on notification of an injury. The statement should include such matters as –* *the right of a worker to:* *(a) make a claim for workers' compensation;* *(b) choose their own treating medical practitioner;* *(c) not have an employer contact the treating practitioner or attend a medical consultation except with genuine consent;* *(d) choose their WRP where they are dissatisfied with the choice made by the insurer;* *(e) seek advice and support from their union, the Workers' Compensation Information and Advisory Service (WCIAS), the Workers' Psychological Support Service (WPSS) or lawyer;* *(f) participate in the development of their RRTW plan;* *and the responsibilities of a worker to:* *(g) satisfactorily participate in RRTW; and* *(h) treat insurer staff with courtesy.* Implementation of this recommendation is proposed to be achieved by amending the Act to require the Regulator to prepare the proposed statement; employers to give the statement to workers on commencement; and insurers to give the statement to workers when they make a claim. The statement is intended to be informative in nature and will not of itself create any new rights or obligations. Requirements on employers and insurers to give the statement to workers will have minor administrative costs. These are expected to be negligible noting federally covered, national system employers are already required to provide employment law information to new employees under the *Fair Work Act 2009* (Cth) (as well as onboarding material), and insurers already supply scheme information to workers who make a claim. The statement may present an opportunity for insurers to consolidate or streamline the information they provide to workers. <u>Recommendation 38</u> This recommendation states: *That the Minister consider for which rights, set out in recommendation 37, it is necessary or appropriate to introduce a Bill to confirm their existence.* Implementation of this recommendation is proposed to be achieved by clarifying and codifying a workers' existing rights to choose their treating doctor and not have their employer or an insurer present during medical or clinical examinations. These rights are consistent with principles of medical consent and confidentiality under the general law

Proposal type	Details
	and are also consistent with best practice claims management (which insurers and employers should already be having regard to). Insurers can continue to seek a copy of relevant medical records and have the option of seeking an independent medical examination, as part of the standard claims management process. Recommendation 45 This recommendation states: *The Minister consider introducing a Bill to amend the Act to provide that:* *(a) the Regulator can establish a standard on the format of the file the insurer is to provide to allow the review to proceed;* *(b) the file, in the required format, is to be provided to the Regulator within 5 business days of being requested;* *(c) an application for review is to be allocated for review no later than 10 business days after receipt of the insurer's file in the prescribed format;* *(d) the Regulator must then review and decide the application within 25 business days of the date after the file has been allocated for review;* *(e) the time frame for the allocation of the review is to be subject to a sunset clause of two years after the date of assent of the Act; and* *(f) the current provisions allowing an extension of time to make a decision within prescribed circumstances remain.* Implementation of (a) and (b) is proposed to be achieved through legislative amendments which will provide certainty about how insurers should provide claims files to the Regulator to enable the Regulator to review insurer decisions under chapter 13 of the Act. These amendments will clarify existing legislative provisions which require insurers to provide claim files to the Regulator generally within five business days, but which do not specify the required format of the file (section 544). Minor costs may be incurred by insurers in formatting files to the required standard. It is proposed to implement (c) through administrative means. This will occur through the Regulator's existing file allocation process and will have no regulatory costs. It is not proposed to implement (d) or (e), and (f) does not require any action. Recommendation 48 This recommendation states: *That the early intervention programs set out in recommendations 5 and 9, and other initiatives, be supported through adequate training and development of insurer staff, by:* *(a) the Regulator establishing appropriate standards and competencies for training and development in early intervention; and* *(b) insurers increasing their investment in education of staff, especially new staff dealing with initial claim lodgements or referrals to early support services.* Implementation of this recommendation is proposed to be achieved by amending the Act to create a head of power enabling the Regulator to set training and competency standards for insurer staff. The Regulator already has a statutory function of monitoring insurer performance and compliance and this recommendation does not expand or limit that function. Primary responsibility for claims management and the engagement of claims staff will continue to sit with insurers. WorkCover notes in their submission to the Review they are actively refining and expanding their Claims Capability Framework to enhance the proficiency and skill set of their claims officers, indicating that work of this nature is already occurring in the scheme.

Proposal type	Details
	It is also noted the Personal Injury Education Foundation is developing a national competency framework which may provide a nationally consistent set of standards for claims officers and this is likely to facilitate a number of benefits such as mutual recognition of skills and portability of claims officers between insurers and also impacting on staff retention. The setting of standards and competencies for training would be conducted in consultation with key scheme stakeholders taking into account existing training provided by insurers and the work being developed nationally. Recommendation 52 This recommendation states: *That the Regulator should implement a governance framework to ensure appropriate training/refresher training and ongoing due diligence checks for medical specialists who undertake the evaluation of permanent impairment in the Queensland scheme. The Regulator's Medical Advisor should provide advice to inform the development of the framework and assist in overseeing its implementation.* Implementation of this recommendation is proposed to be achieved by amending the Act to enable the Regulator to make standards about the professional and training requirements for medical specialists who assess permanent impairment for the scheme, and to require the Regulator to maintain a register of these specialists. The Regulator already maintains such a register on an administrative basis and provides training to medical specialists. The proposed standards will clarify existing training expectations specialists should meet and the circumstances in which the Regulator may make changes to the register. Ongoing due diligence checks will not add any regulatory burden as this will ensure medical specialists have current professional registrations in place (e.g., registered with Australian Health Practitioner Regulation Agency) to protect the integrity of the scheme.
Regulatory proposals where no RIA is required	Nil.
Cabinet exemptions	Cabinet previously approved an exemption for WHS Act amendments from further regulatory impact analysis

*Refer to *The Queensland Government Better Regulation Policy* for regulatory proposals not requiring regulatory impact analysis (for example, public sector management, changes to existing criminal laws, taxation).

For all other proposals

What is the nature, size and scope of the problem? What are the objectives of government action?
Refer to Annexure A below.
What options were considered?
Refer to Annexure A below.
What are the impacts?
Refer to Annexure A below.
Who was consulted?
Refer to Annexure A below.

What is the recommended option and why?
Refer to Annexure A below.

Amendments to the *Industrial Relations Act 2016*

Proposal type	Details
Minor and machinery in nature	This proposal seeks to align the *Industrial Relations Act 2016* with the *Fair Work Act 2009* (Cth). The amendments include: • ensuring Queensland Employment Standards in the IR Act are consistent with National Employment Standards in relation to superannuation entitlements; • increasing flexible unpaid parental leave from 30 days to 100 days; • increasing the claim threshold for unpaid wages claims from $50,000 to $100,000. This proposal is machinery in nature, and does not result in a substantive change to regulatory policy or new impacts on business, government or the community.
Regulatory proposals where no RIA is required	The proposal to streamline the appeal pathways under the IR Act relates to the administration of courts and tribunals. No regulatory impact analysis is required under the Better Regulation Policy.

Amendments to the *Labour Hire Licensing Act 2017*

Proposal type	Details
Minor and machinery in nature	This proposal will: a) remove section 69(4) of the *Labour Hire Licensing Act 2017 (*LHL Act) as it limits section 31 and 32 of the *Human Rights Act 2019* (HR Act) without reasonable justification by potentially requiring a person to incriminate themself; b) allow for the general service of all notices issued under the LHL Act to be done via email, bringing the scheme into step with contemporary service methods and industry expectations; and c) provide that existing powers inspectors have under sections 70 to 71 of the LHL Act to be made more generally accessible through modern electronic means for inspectors in the course of their compliance and enforcement work. The amendments are machinery in nature and do not result in substantive change to regulatory policy or impose negative impacts on business, government or the community.

Impact assessment

Amendments to the *Workers' Compensation and Rehabilitation Act 2003*

	First full year	First 10 years**
Direct costs – *Compliance costs**	Minor and machinery in nature proposals identified above will have no or negligible direct costs. Quantifying direct cost impacts has not been possible for proposals related to recommendations 9, 17, 22, 34 and 42 due to lack of available data. Qualitatively there will be some administrative impacts (e.g., education for claims managers). Importantly these matters either clarify existing obligations or existing claims management practices in the scheme. Some are already implemented in the scheme but in an administrative manner. Further details of these impacts are explored in Annexure A. Recommendation 26 is expected to create additional costs to the scheme of approximately $15.4 million per year. For all other proposals, refer to Annexure A below	Annualised costs provided in first year costs column (these are in 2023-24 dollars).
Direct costs – *Government costs*	The government will continue to monitor the impact of these amendments in terms of future resourcing considerations.	

* The *direct costs calculator tool* (available at www.treasury.qld.gov.au/betterregulation) should be used to calculate direct costs of regulatory burden. If the proposal has no costs, report as zero. **Agency to note where a longer or different timeframe may be more appropriate.

Amendments to the *Industrial Relations Act 2016*

	First full year	First 10 years
Direct costs – *Compliance costs*	Nil	Nil
Direct costs – *Government costs*	Nil	Nil

Amendments to the *Labour Hire Licensing Act 2017*

	First full year	First 10 years
Direct costs – Compliance costs	Nil	Nil
Direct costs – Government costs	Nil	Nil

Signed

Graham Fraine

Director-General

Date: 11 / 04 / 2024

Grace Grace MP

Minister for State Development and Infrastructure
Minister for Industrial Relations
Minister for Racing

Date: 11 / 04 / 2024

Annexure A – Proposals other than minor proposals

Amendments to the *Workers' Compensation and Rehabilitation Act* 2003

1. Summary of the review

Background

The Queensland workers' compensation scheme is a no fault, centrally funded, short tail scheme with access to common law damages. The scheme covers over 182,000 employers and an estimated 2.6 million workers.

Under section 584A of the Act, the operation of the workers' compensation scheme must be reviewed at least once in every five-year period.

Two independent reviewers, Ms Glenys Fisher and Emeritus Professor David Peetz, were appointed to lead the 2023 review.

The reviewers undertook targeted consultation, with key stakeholders invited to make submissions and meet with the reviewers to explore matters raised in submissions, with a total of 31 meetings held and 45 submissions received. Key stakeholders included registered industrial organisations, legal peak bodies, scheme insurers and medical and allied health groups.

The final report of the review (Review Report) was tabled in the Queensland Legislative Assembly on 4 October 2023.

Findings of review

The Review Report found the scheme is 'fairly strong' and more financially efficient than in recent years. No major scheme reform was recommended; however, opportunities were identified to address emerging scheme trends. The Review Report makes 54 recommendations, 26 of which may or will require legislative amendment and the remaining 28 which can be managed administratively.

The emerging trends include growing psychological or psychiatric injury claims (including secondary psychological or psychiatric injury claims), poorer RRTW performance comparatively to other jurisdictions and delays in administrative decision-making.

In recognition of these trends, the Review Report made recommendations aiming to:

- increase early intervention to pre-empt the development of a secondary psychological or psychiatric injury following a physical injury;
- address workplace issues that may be causing or worsening psychological or psychiatric injuries;
- improve return to work processes by making it easier for injured workers to find gainful employment with their own or another employer;
- promote reductions in delays in the time taken to provide information and make decisions by setting standards for the quality and format of insurer files;
- extend workers' compensation coverage to insecure workers including gig economy workers and taxi and limousine drivers; and
- address other specific issues.

2. Purpose of this document and objectives of government action

This document assesses the regulatory impacts of proposals to implement legislative recommendations of the 2023 review which may be accepted or accepted in principle by the Government (other than the minor proposals discussed above).

Proposals pertaining to workers' compensation coverage of gig workers and bailee taxi and limousine drivers (recommendations 53 and 54) will be considered separately in a Decision Impact Analysis Statement.

3. Consultation

Consultation with external stakeholders

OIR has consulted with external stakeholders in relation to the outcomes of the Review, and possible legislative reforms, through a stakeholder reference group (SRG) convened throughout November 2023.

The SRG comprised 23 key scheme stakeholders representing the interests of workers, employers, insurers (including a representative body for self-insured employers), the medical profession, allied health professions and the legal profession. Three SRG sessions were held on 9, 17 and 20 November 2023. SRG members were also invited to makes written submissions outlining their position on the review recommendations.

OIR has also undertaken separate consultation with:

- the members of the Medical Assessment Tribunals;
- the Department of Education;
- the Queensland Small Business Commissioner;
- the Queensland Council of Unions and its affiliates;
- the Consultative Committee for Work-related Fatalities and Serious Incidents;
- the Australian Higher Education Industrial Association;
- the Rural Fire Brigades Association Queensland Inc.; and
- the Australian Society of Rehabilitation Counsellors;

Consultation with affected government agencies

On 5 September 2023, a discussion paper was distributed to the Department of the Premier and Cabinet (DPC), Queensland Treasury (QT), the Department of Justice and Attorney-General (DJAG), Queensland Health (QH), the Department of Youth Justice, Employment, Small Business and Training (DYJSBT), Queensland Corrective Services, QFES, the Department of Child Safety, Seniors and Disability Services (DCSSDS), Queensland Police Service (QPS) and the Public Sector Commission (PSC).

From 31 October to 2 November 2023, OIR met with QH, DJAG, DYJESBT, DCSSDS and QFES to discuss specific feedback raised by these agencies in response to the discussion paper. Agencies' feedback is noted throughout the IAS and outlined below:

- DJAG feedback in relation to recommendations to create new offences, and changes to the Workers' Compensation Regulator's enforcement tools which would require amendments to the *State Penalties Enforcement Regulation 2014*;
- QH feedback about recommendations relevant to the management of psychological or psychiatric injuries, RRTW and the extension of workers' compensation coverage to student nurses;
- DYJESBT feedback about impact of employer-related recommendations on small business;

- QFES feedback about the recommendation to expand the list of presumptive diseases to include additional cancers and the recommendation to expand coverage for firefighters on 'day work rotations' or extended leave; and
- DCSSDS feedback about the recommendation to extend workers' compensation coverage to gig economy workers.

4. Psychological or psychiatric injuries and early intervention

Identification of the problem

The Review Report observed primary and secondary psychological or psychiatric injury (PPI) claims within the scheme have been increasing in recent years. It noted accepted primary PPI claims increased by 92 per cent over the four years to 2021-22, while secondary PPI claims have tripled over the last ten years. Compared to physical injury claims, primary and secondary PPI claims have higher costs, lower return to work rates, lower claim acceptance rates, longer claim durations, and take longer to determine. Noting this, the rise of PPI claims presents a threat to the scheme if not appropriately managed.

Consistent with current best practice, access to early medical treatment (often referred to as early intervention) is critical to reducing the risk and severity of PPI. The Review Report also noted studies linking the early identification and assessment of individual psychosocial risk factors with improved recovery and a reduction in the risk of developing a secondary PPI.

Section 232AB of the Act currently requires insurers to take reasonable steps to provide reasonable services to workers who make a PPI claim before their claim is determined. However, workers who make a physical injury claim are not eligible to receive treatment or support until their claim is accepted by the insurer. Once their claim is accepted, the insurer must pay the cost of any medical treatment or hospitalisation that the insurer considers reasonable, having regard to the workers' injury.[1]

Evidence links early identification of psychosocial risks, and their management with a biopsychosocial approach, with improved recovery and return to work rates. The Review Report noted a standardised approach to assessment and intervention would allow such an approach to be used at scale, as well as enabling consistency of support, ease of claimant access and skill development among insurers.

In recognition of these issues, the Review Report recommended (recommendation 9):

> *That the Minister consider introducing a Bill to amend the Act to require early intervention services for workers with relevant physical injuries, designed to minimise the development of secondary mental injuries. In particular:*
>
> *(a) once a claim for a physical injury is lodged, if the physical injury is likely to lead to two or more weeks off work, the insurer should identify appropriate referrals that should be made to prevent the development of a secondary mental injury, including possible workplace discussion facilitation;*
>
> *(b) this identification process should be done using a psychosocial assessment tool; and*
>
> *(c) the threshold expected period off work (initially two weeks) should be defined in the [Workers' Compensation and Rehabilitation] Regulation and can be amended after evaluation of this reform.*

Analysis

<u>Consideration of options</u>

[1] Workers' Compensation and Rehabilitation Act 2003, s 210.

The following options are available to address the identified problem and implement the intent of recommendation 9:

- Option 1: Amend the Act to impose a general obligation on insurers, supported by a code of practice and performance standards for insurers;
- Option 2: Amend the Act to impose specific obligations on insurers.

Impact analysis of options

Option 1: Amend the Act to impose a general obligation on insurers, supported by a code of practice and performance standards for insurers

This option proposes to amend the Act to impose a general obligation on insurers, to be supported by a code of practice and performance standards. This approach would meet the expectation of stakeholders by enabling further consultation to design an approach which can be tailored, targeted and informed by evidence.

Introduction of a new statutory obligation to offer early intervention support to certain physical injury claimants is expected to have some operational impact on insurers, however the impacts are not considered to be significant as insurers already:

- are required to offer the same early intervention supports to PPI claimants and will have existing procedures for appropriate referrals;
- provide (once a claim is accepted) related medical and rehabilitation costs as long as they are considered reasonable and medically necessary including where an injured worker may be suffering from a secondary psychological injury related to their physical injury. This includes things like treatment by a registered medical or allied health practitioner (doctor, psychologist); any medical items that are needed like medicines; and return to work services that support recovery.

Any additional operational and administrative costs incurred by insurers will be outweighed by the financial benefit of reduced secondary PPI claims. Secondary PPI claims will result in significant increasing costs to the scheme through longer durations and greater conversion to common law claims if forecasted growth is not mitigated.

The operational impacts on WorkCover and self-insured employers are not considered to be significant. WorkCover already utilises a tailored care and support (TCS) claims management model which utilises a combined data-driven and judgment-based approach to ensure early identification of workers at risk of delayed return to work or a poor recovery outcome. Additionally, WorkCover is currently undertaking an Early Psychosocial Screening and Intervention pilot until 30 June 2024 that will trial the use of a psychosocial assessment tool (the Örebro Musculoskeletal Pain Screening Questionnaire (Örebro Questionnaire) for workers with musculoskeletal injuries. Under the pilot, workers identified to be at a high risk of developing a PPI are offered insurer-funded RTW-focused psychological counselling sessions at the time of claim acceptance. Preliminary results show a high response to the risk screening tool which allows for the provision of early intervention services:

- 40% response rate to the Örebro Questionnaire;
- 100% acceptance of the worker care conversation; and
- 71% identification of at-risk or high-risk claims based on Örebro response and care conversation.

Research demonstrates tangible benefits to RTW rates for workers who described positive psychosocial experiences compared to negative psychosocial experiences. When interactions with the case manager and the system in general were positive, the injured worker was 25 per cent more likely to RTW from a physical injury and 13 per cent more likely for a psychological

or psychiatric injury.[2] A tailored, person-specific approach to treatment and case management is particularly important for the psychological or psychiatric injury claims.[3]

This approach also has potential to reduce claims costs as research into interventions that promote RTW find strong evidence that adopting a collaborative approach encompassing at least two of the three domains of healthcare, workplace accommodation and case management significantly reduced time lost from work, and moderate evidence that multi-domain interventions reduced costs.[4] A workplace intervention program in New South Wales public hospitals utilised Örebro screening to refer workers identified as high risk to a psychologist trained in psychosocial counselling, as well as additional support via workplace RTW coordinators and facilitated early specialist review though an injury medical consultant. This intervention resulted in a 30 per cent reduction in claims costs at 11 months post-injury, with control group costs continuing to rise while intervention group costs plateaued at 10-11 months.[5]

For this proposal, the eligible physical injuries for which early intervention supports are to be offered would be limited and determined in consultation with key stakeholders, to ensure the scope of eligible injuries is evidence-informed and maximises both RRTW outcomes for workers and value for money for the scheme.

The potential impacts on groups within the scheme and the community are as follows:

Group	Benefits	Costs/challenges
Workers	Access to early intervention services for eligible workers. Mitigation or avoidance of a secondary PPI or other adverse mental health outcomes. Improved RTW outcomes.	Nil.
Employers	. Potential reduction in time lost.	Nil.
Insurers	Potential mitigation of growth of secondary PPI claims. Potential reduction in claims costs.	Negligible costs associated with administering psychosocial screening and offering existing early intervention services.
Regulator	Flexibility in reviewing and updating the obligation on insurers to ensure it reflects current best practice and allows innovation.	Resourcing and workload pressures associated with developing codes of practice or performance standards.
Community	Nil.	Nil.

[2] Royal Australasian College of Physicians and the Australasian Faculty of Occupational and Environmental Medicine (2022), *It Pays to Care: Bringing evidence-informed practice to work injury schemes helps workers and their workplace*, 29.

[3] Ibid, 136.

[4] Ibid, 125.

[5] Ibid, 131.

Option 2: Amend the Act to impose specific obligations on insurers and implement recommendation 9 in full

Option 2 would require amendments to the Act which impose specific obligations on insurers.

This option would have similar benefits for workers, employers and insurers as outlined in option 1, by offering early intervention support to certain physical injury claimants with the aim of improving RTW outcomes and reducing claims costs. This approach to impose specific obligations would provide limited flexibility for insurers and would restrict the ability to review and update the particulars of the obligation in line with evolving biopsychosocial evidence and best practice approaches.

Group	Benefits	Costs/challenges
Workers	Access to early intervention services for eligible workers. Mitigation or avoidance of a secondary PPI or other adverse mental health outcomes.	Early intervention services may become outdated and result in poorer RTW outcomes.
Employers	Nil.	Nil.
Insurers	Potential mitigation of growth of secondary PPI claims.	Negligible costs associated with administering psychosocial screening and offering existing early intervention services.
Regulator	Would immediately set specific expectations on management of these claims.	Less 'buy in' from insurers due to lack of flexibility in the model. Legislative amendment would be required to update insurers' obligations should new evidence emerge and/or best practice change in time.
Community	Nil.	Nil.

Consultation

Key scheme stakeholders indicated in-principle support for this recommendation. Stakeholders preferred a flexible approach to implementation which:

- ensures all relevant physical injuries which evidence indicates are likely to give rise to a secondary PPI are considered for screening;
- identifies appropriate trigger/s for psychosocial screening;
- considers whether psychosocial screening and/or participation in the early intervention supports offered should be mandatory for eligible workers, or if unreasonable refusal should result in limited access to entitlements; and

- considers the appropriate skills and qualifications of the persons administering the psychosocial screening tool.

Initial consultation did not result in a clear consensus among stakeholders on the above considerations, though the intent of the proposal was unambiguously supported as well as the preference to co-design an evidence-based approach to address these considerations.

Stakeholders were generally supportive of utilising the Örebro Questionnaire as the screening tool in the first instance. The Örebro Questionnaire is a 'yellow flag' screening tool that predicts long-term disability and failure to return to work when completed four to 12 weeks following a soft tissue injury.[6] The Örebro Questionnaire has been utilised in several workers' compensation jurisdictions, including New South Wales and Western Australia.

It is noted that the Örebro Questionnaire is designed for soft tissue injuries and inclusion of other relevant injuries likely to give rise to a secondary PPI (e.g., latent onset and terminal injuries) will likely require different or bespoke screening tools. The Review Report recommends that the Regulator establish an external expert consultative group to determine the most appropriate psychosocial screening tool for immediate use and later to examine the outcomes of the research to consider a bespoke screening tool and other measures to minimise the conversion of primary physical claims into secondary PPI claims. This recommendation is proposed to be accepted by the Queensland Government.

Conclusion and recommended option

Taking into account the benefits, impacts and costs of the three options, including the results of consultation outlined above, a decision has been made to adopt **Option 1** on the basis that it generates the greatest net benefit to the community.

The effect and impacts of options 1 and 2 are closely comparable, with the distinction that option 1 recognises the importance of early intervention and the complexities, including the need for flexibility, to adopt evidence based early intervention.

Neither option is considered to have significant impacts on relevant parties including insurers, employers, claimants, or the Government. As such, option 1 is preferred as it is expected to be more flexible, effective and efficient and will enable the approach to be easily updated as research and evidence in this area evolves.

5. Rehabilitation and return to work

Identification of the problem

The national work health and safety and workers' compensation policy agency, Safe Work Australia, undertakes a biannual survey of Australian workers from all Australian jurisdictions to collect data about their rehabilitation experience and return to work status.

The Review Report noted the results of the most recent survey in 2021 showed Queensland workers were the least likely in the country to have a RRTW plan (62 per cent) or to have had contact with a RRTW coordinator. This was significantly less than Comcare (77.5 per cent) and other states and territories (between 65.3 per cent and 74.7 per cent), as well as the national average (67.2 per cent).

The Review Report noted the consequences for a worker of not having a RRTW plan are potentially severe.

Research undertaken by Monash University under the Compensation Policy and Return to Work Effectiveness (COMPARE) project showed that having a RRTW plan has been directly

[6] Linton SJ, Hallden K. Can we screen for problematic back pain? A screening questionnaire for predicting outcome in acute and subacute back pain. Clin J Pain 1998; 3: 209-215.

associated with improved return to work outcomes in multiple studies. It set out associations between return to work outcomes and RRTW plans, specifically:

- Workers who reported having a RRTW plan had increased odds of return to work.
- While in the first 30 days after the claim, having a written or unwritten plan did not impact return to work, it was significantly better than having no RRTW plan.
- After 30 days, having a written plan increased the odds of return to work 3.4 times and having an unwritten plan increased the odds of return to work 2.2 times.

The research concluded that return to work planning can be a simple, yet effective return to work intervention.[7]

The Review Report also noted concerns expressed by stakeholders about the availability and quality of suitable duties programs offered to injured workers by employers and insurers, and the enforcement of employers' rehabilitation obligations under the Act. It also noted the challenges for labour hire workers who are nearly 25 per cent more likely to not return to work than another worker.

The review made various recommendations to respond to this problem as well as specific issues impacting RRTW performance.

No.	Identified problem	Recommendation
17	The Principles of Practice for Workplace Rehabilitation Providers, which are intended to outline nationally-uniform training and competency standards for rehabilitation providers in workers' compensation schemes, have not been formally adopted in Queensland. The Principles of Practice comprise: • *principles of service delivery* designed to ensure providers adopt a biopsychosical approach, empower workers and employers to achieve RRTW goals, deliver outcome-driven services, adopt an evidence-based approach, and provide services that result in measurable benefits; and • *principles of administration* designed to ensure providers are competent and qualified professionals and have appropriate governance processes. While WorkCover Queensland (WorkCover) applies the Principles in its contractual arrangements with providers, this is not underpinned by	That the Principles of Practice for Workplace Rehabilitation Providers endorsed by the Heads of Workers' Compensation Authorities be give effect in the scheme by an enforceable standard or code of practice under the Act, which would ensure the quality of workplace rehabilitation providers in the scheme.

[7] Sheehan, Luke; Lane, Tyler; Gray, Shannon; Beck, Dianne; Collie, Alex (2019). Return to Work Plans for Injured Australian Workers: Overview and Association with Return to Work. Monash University. Presentation. https://doi.org/10.26180/5c35458082082.

No.	Identified problem	Recommendation
	any regulatory document or framework.	
22	The Act requires the employer of an injured worker to take all reasonable steps to assist or provide the worker with rehabilitation, which includes reasonable suitable duties programs. In labour hire arrangements the labour hire provider is the legal employer and has this obligation. However, in practice, labour hire providers rely on host employers to provide suitable duties programs because, being suppliers of labour, limited suitable duties exist within their own workplace. Return to work can be delayed because of this. Additionally, the Act does not require a host employer to cooperate with a labour hire provider in relation to RRTW matters.	That the Minister consider introducing a Bill to amend the Act to require host employers to cooperate with labour hire providers to assist them to comply with their obligations to establish and implement a rehabilitation and return to work program and provide the pre-injury position or suitable duties position to the extent it is reasonable to do so. This should be an offence provision.

Analysis – Recommendation 17

Consideration of options

The following options are available to address the identified problem and implement the intent of recommendation 17:

- Option 1: Amend the Act to give legislative force to the Principles of Practice and make insurers responsible for ensuring rehabilitation providers satisfy these principles;
- Option 2: Amend the Act to give legislative force to the Principles of Practice and make the Regulator responsible for ensuring rehabilitation providers satisfy these principles via an accreditation scheme.

Impact analysis of options

Option 1: Amend the Act to make insurers responsible for ensuring rehabilitation providers satisfy the Principles of Practice

Option 1 would require an amendment to the Act to enable a regulation or enforceable document (for example, a code of practice or standard) to adopt the Principles of Practice and require insurers to only engage rehabilitation providers who satisfy these principles. This option would resolve the identified problem by enshrining the Principles of Practice a legislative instrument. Requiring insurers to ensure conformance with these principles is consistent with current policy settings, where insurers are responsible for directly engaging and managing rehabilitation providers.

All other Australian jurisdictions (excluding South Australia) have adopted accreditation schemes for rehabilitation providers underpinned by the Principles of Practice (discussed further below). While Option 1 does not propose an accreditation scheme, enshrining the

Principles of Practice in a legislative instrument would ensure greater uniformity with the standards applied to rehabilitation providers nationally.

The potential impacts on groups within the scheme and the community are as follows:

Group	Benefits	Costs/challenges
Workers	Likely to lead to improved quality and rehabilitation service delivery, which may in turn drive improved RRTW outcomes.	Nil.
Employers	Nil.	Nil.
Insurers	Clear regulatory standards about the competencies, qualifications and experience expected of rehabilitation providers. Retain their existing and direct relationships with service providers in the scheme necessary for day-to-day claims management.	Increased administrative/compliance burden and associated costs impacts arising from a new legislative obligation to ensure rehabilitation providers satisfy the Principles of Practice. However, this is likely to largely be offset as WorkCover already applies the Principles of Practice in its contractual arrangements with providers.
Regulator	Preservation of existing regulatory settings, where insurers retain responsibility for engaging and managing rehabilitation providers.	Increased demand for monitoring and enforcement activities arising from the creation of a new obligation.
Community	Nil.	Nil.
Rehabilitation providers	Clear and transparent regulatory standards about the competencies, qualifications and experience expected of rehabilitation providers. Portability of skills between other schemes, mutual recognition. National consistency with other jurisdictions that have adopted the Principles of Practice. No accreditation burden created noting allied health professionals are already accredited by their own professional body (e.g., Occupational Therapy Association).	Rehabilitation providers would be subject to a new regulatory requirement (conformance with the Principles of Practice) to conduct business in the scheme. However, the impact of this may be lessened for rehabilitation providers who contract to WorkCover, noting WorkCover generally applies the Principles of Practice in its contractual arrangements with providers already. There are currently 43 rehabiliation providers registered with WorkCover. While it is not possible to assess how many of these providers would be required to change practices under option 1, the impact on this cohort is likely to be negligible noting they are

Group	Benefits	Costs/challenges
		already contractually required to apply the Principles of Practice. Rehabilitation providers that operate nationally would continue to be subject to a different process noting some schemes operate a Regulator-maintained accreditation scheme.

Option 2: Amend the Act to make the Regulator responsible for accreditation of rehabilitation providers

Option 2 would require an amendment to the Act to enable a regulation or enforceable document (for example, a code of practice or standard) to adopt the Principles of Practice and give the Regulator a new function of accrediting rehabilitation providers in accordance with these principles.

Under this approach, rehabilitation providers seeking to provide services within the scheme would be required to apply to the Regulator for accreditation. The Regulator would then assess the application against legislative criteria that is consistent with the Principles of Practice and decide whether to accredit the provider.

This option would entail a significant shift from existing policy settings. As noted above, insurers are currently responsible for engaging and managing the performance of rehabilitation providers and day -to-day claims management. While insurers would retain the function of engaging insurers under this option, responsibility for determining the suitability of such providers would transfer to the Regulator.

Comcare, New South Wales, Tasmania, South Australia, Western Australia and the Northern Territory also operate accreditation schemes for rehabilitation providers that are generally consistent with the Principles of Practice. Adopting option 2 would ensure greater consistency with national approaches to the regulation of rehabilitation providers.

To fund the cost of maintaining the accreditation scheme under this option, the Regulator could levy insurers or alternatively charge applicants an application fee. Comcare and New South Wales each charge a $2,000 application fee, while other jurisdictions either do not charge a fee or do not publish the fee.

The potential impacts on groups within the scheme and the community are as follows:

Group	Benefits	Costs/challenges
Workers	Likely to lead to improved rehabilitation service delivery. Improved RRTW outcomes.	Nil.
Employers	Nil.	Nil.
Insurers	Possible reduction in workload in assessing whether rehabilitation providers meet contractual requirements to satisfy the Principles of Practice.	Nil.

Group	Benefits	Costs/challenges
Regulator	Direct regulatory oversight and control over the suitability of rehabilitation providers seeking to provide services within the scheme.	The creation of a Regulator-maintained accreditation scheme for rehabilitation providers would represent a significant expansion of the Regulator's regulatory functions. This would also significantly increase demand for regulatory services, with associated resourcing and costs impacts for government.
Community	Nil.	Nil.
Rehabilitation providers	Clear and transparent regulatory standards about the competencies, qualifications and experience expected of rehabilitation providers. National consistency with other jurisdictions that have adopted the Principles of Practice and who operate an accreditation scheme. Portability of skills between other schemes, mutual recognition.	Rehabilitation providers would be subject to a new regulatory requirement (conformance with the Principles of Practice) to conduct business in the scheme. However, the impact of this may be lessened for rehabilitation providers who contract to WorkCover, noting WorkCover generally applies the Principles of Practice in its contractual arrangements with providers. Rehabilitation providers may be required to pay fees to apply for accreditation to support the cost of maintaining the accreditation scheme and any associated uplift in regulatory resources (based on national comparisons, this fee could be as high as $2,000).

Consultation

Stakeholders expressed in-principle support for this recommendation. The Australian Rehabilitation Providers Association did not advocate for an approval or accreditation scheme noting they are already accredited by their own professional body. Occupational Therapy Australia supports the Principles of Practice but noted flexibility is required to ensure no disadvantage is created (e.g., specifying minimum 12 months experience which may limit sourcing suitably skilled providers, noting the current labour shortages).

Conclusion and recommended option

Taking into account the benefits, impacts and costs of the three options, including the results of consultation outlined above, a decision has been made to adopt **Option 1** on the basis that it generates the greatest net benefit to the community.

Option 1 aims to resolve the identified problem by formally adopting the Principles of Practice while preserving insurers' responsibility for the engagement and management of rehabilitation providers.

Requiring Insurers to only engage rehabilitation providers who satisfy the Principles of Best Practice would enable them to select the most appropriate professional with the skills and capability to assist the workers in their RRTW. This approach is likely to improve the quality of suitable duties programs with improved RTW outcomes and reduced costs for the scheme.

Option 2 would require a significant departure from current policy settings, in which insurers retain responsibility for the engagement of rehabilitation providers. Under this approach, the Regulator would become responsible for overseeing competency and training standards for rehabilitation providers by maintaining an accreditation scheme. It is considered that the Principles of Practice can be adopted without the creation of such a scheme, and in a way that is consistent with existing insurer and Regulator functions.

While option 1 may generate additional administrative/compliance burden for insurers, it noted that WorkCover already applies the Principles of Practice administratively through its contractual arrangements with rehabilitation providers. Any increase in WorkCover's workload is unlikely to be significant. There may be impacts on self-insurers in the scheme noting they have not disclosed their current arrangements but in the main they generally align with WorkCover and their RTW performance is monitored to inform any licence renewal applications.

Noting other Australian schemes accredit rehabilitation providers having regard to the Principles of Practice, if option 1 is adopted, consideration could be given to mutual recognition arrangements to alleviate administrative burden on rehabilitation providers that operate nationally.

Analysis – Recommendation 22

Consideration of options

The following options are available to address the identified problem and implement the intent of recommendation 22:

- Option 1: Amend the Act to implement recommendation 22 in full;
- Option 2: Develop guidance about the steps labour hire providers should take to discharge their RRTW obligations.

Impact analysis of options

Option 1: Amend the Act to implement recommendation 22 in full

Option 1 would require an amendment to the Act to require host employers to cooperate with labour hire providers to assist them with meeting their RRTW obligations under the Act, with penalties for non-compliance. This option would resolve the identified problem provided there is appropriate monitoring and enforcement of compliance with the new obligation.

Under this approach, host employers would be subject to a new statutory obligation and would be regulated within the scheme for the first time as a recipient of labour (as distinct from an employer in their own right). In practice, the new obligation is likely to require host employers to assist labour hire providers to identify what suitable duties exist for workers within the host employer's organisation; provide those duties to workers where reasonable; support the implementation of RRTW plans; provide relevant information to the labour hire provider about a worker's rehabilitation; and support the labour hire provider's participation in case conferences to support a worker's return to work. It is also important to note host employers already hold RRTW obligations for their own employees so this would not be a new process or administrative burden.

Similar cooperation requirements were recently introduced in Victoria and Western Australia. Section 109 of the *Workplace Injury Rehabilitation and Compensation Act 2013* (Vic) and section 167 of the *Workers Compensation and Injury Management Act 2023* (WA) each

require a host, to the extent that it is reasonable to do so, to cooperate with a labour hire employer in respect of action taken by the labour hire employer to comply with certain RRTW obligations. Failure to comply with these obligations is an offence in both jurisdictions.

The regulation of labour hire arrangements is not new in Queensland. Labour hire providers must be licensed under the *Labour Hire Licensing Act 2017*. Further, both labour hire providers and host employers hold work and safety duties for labour hire workers under the WHS Act, including a duty under section 46 to consult, cooperate and coordinate activities with one another so far as is reasonably practicable in relation these workers. OIR is also anecdotally aware that some labour hire agreements between labour hire providers and host employers outline responsibilities for RRTW.

The potential impacts on groups within the scheme and the community are as follows:

Group	Benefits	Costs/challenges
Workers	Improved RRTW outcomes from increased cooperation between host employers and labour hire providers in RRTW matters. These outcomes are not currently able to be quantified and would be measured by reference to return to work rates for labour hire workers. The return to work rate for labour hire workers has averaged at 92.6 per cent in the last five years compared with 93.9 per cent for non-labour hire workers. Better employment outcomes.	Nil.
Employers	Greater capacity to meet RRTW obligations under section 228 of the Act due to cooperation from host employers. Better employment outcomes.	Host employers would be subject to a new statutory obligation and would be regulated within the scheme for the first time as a recipient of labour (as distinct from an employer in their own right) Some administrative burden and compliance costs for host employers in discharging their cooperation obligation. The exact administrative burden and costs on host employers is not able to be quantified. However, these impacts are not expected to be significant noting: • claims by labour hire workers currently represent only approximately 5 per cent of total claims in the scheme;

Group	Benefits	Costs/challenges
		• is managed to some extent commercially through labour hire contracts ; • host employers are already required to provide RRTW to their own employees and will have existing processes in place for this; and • primary RRTW obligations will continue to sit with the labour hire provider. Increased administrative burden for labour hire providers as host employers seek to increase their engagement with labour hire providers to discharge their cooperation obligation. Potential impact on commercial terms for labour hire arrangements to reflect host employers' new role for supporting the RRTW of injured labour hire workers.
Insurers	Improved RRTW processes due to increased cooperation between host employers and labour hire providers. Potentially, increased likelihood of pre-injury employer-provided suitable duties, reducing the need for insurers to place injured workers with host employment programs.	Nil.
Regulator	Better RTW outcomes for the scheme.	Increased demand for enforcement and compliance activities due to creation of new offence provision. Costings for additional Regulator resources are unable to be quantified at this time and would need to be monitored.
Community	Nil.	Nil.

Option 2: Develop guidance recommending that host employers to cooperate with labour hire providers

Option 2 would require the Regulator to develop non-enforceable guidance outlining the steps labour hire providers can take to discharge their obligation to assist or provide workers with

rehabilitation under section 228(1) of the Act. Such guidance would emphasise how labour hire providers should engage with host employers when a labour hire employee sustains a compensable work-related injury, including by taking reasonable steps to seek host employers' cooperation in the RRTW process, which might be negotiated via contractual processes.

The potential impacts on groups within the scheme and the community are as follows:

Group	Benefits	Costs/challenges
Workers	Potentially, improved RRTW outcomes from increased cooperation between host employers and labour hire providers in RRTW matters.	Nil.
Employers	Nil.	Increased administrative and compliance costs for labour hire providers arising from new regulatory requirements. Nil or minimal impacts for host employers. May not result in desired behavioural change (noting it is guidance only)
Insurers	Nil.	Nil.
Regulator	Nil.	Increased demands on regulatory resources due to need to create new guidance materials.
Community	Nil.	Nil.

Consultation

External stakeholders expressed their support for requiring host employers to comply with labour hire providers in RRTW matters affecting labour hire workers. Some stakeholders submitted the host employer should be required to comply to the extent it is reasonable to do so and noted this approach has been adopted in Victoria and Western Australia. Some stakeholders supported that this be an offence provision. No stakeholders, including employer stakeholders, opposed the proposal.

Conclusion and recommended option

Taking into account the benefits, impacts and costs of the three options, including the results of consultation outlined above, a decision has been made to adopt **Option 1** on the basis that it generates the greatest net benefit to the community.

Option 1 is considered to be the most effective way to require host employers to cooperate with labour hire providers. While increased cooperation between labour hire providers and host employers is likely to have some cost and administrative impacts for both, these impacts are not considered so significant as to undermine the benefits of the labour hire model and can be managed commercially through labour hire contracts (to the extent they are not already). This option is similar to existing provisions recently introduced in Victoria and Western Australia. Moreover, host employers and labour hire providers in Queensland are

subject to a similar duty to cooperate under section 46 of the WHS Act, which has been in operation in its current form since 2011.

While option 2 would avoid the need for legislative change and drive improved RRTW outcomes for labour hire workers, it would do little to influence change to host employer behaviour or involve host employers in the RRTW of labour hire workers and maintains the status quo of these responsibilities falling on labour hire providers. Specifically, this option would not compel host employers to cooperate with labour hire providers. Without the cooperation of host employers, the RRTW steps a labour hire provider can take in respect of an injured worker are limited.

Accordingly, option 2 does not effectively resolve the identified problem or meet the intent of the scheme to provide for employers and injured workers to participate in effective return to work programs.

6. Coverage for firefighters

Identification of the problem

Under the Act's presumptive provisions, where a current or former firefighter has been engaged in active firefighting duties for a specified number of years (a 'qualifying period') and is diagnosed with one of twelve specified 'latent onset' diseases, the disease is presumed to be a work-related injury unless there is evidence to the contrary. This enables firefighters to access workers' compensation quickly without having to prove their disease arose out of or in connection with their employment. Importantly, firefighters who are not eligible to access these presumptive provisions (for example, because they do not meet the minimum qualifying period) can still access compensation under the scheme for the specified diseased provided they can establish the work-relatedness of the disease.

Similar presumptive provisions exist in other Australian workers' compensation schemes. At a minimum, all schemes recognise the specified diseases recognised in the Queensland scheme, although some jurisdictions recognise additional diseases.

In 2019, a review of the firefighter provisions of the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act) was completed with assistance from Professor Tim Driscoll and the Commonwealth Government subsequently passed amendments to the SRC Act to reduce the qualifying period for oesophageal cancer from 25 years to 15 years, extend the firefighter provisions to volunteer firefighters and add eight further cancers to its list of specified cancers. Other Australian jurisdictions also expanded their list of specified diseases in line with the Commonwealth reforms.

In July 2022, the World Health Organisation's International Agency for Research on Cancer (IARC) also escalated occupational exposure in the firefighting profession from Group 2B – Probably carcinogenic to humans to Group 1 – Carcinogenic to humans.

In recognition of these issues, the Review Report recommended (recommendation 26):

> *That the Minister consider introducing a Bill to add asbestos related diseases, primary site liver cancer, primary site lung cancer, primary site skin cancer, primary site cervical cancer, primary site ovarian cancer, primary site pancreatic cancer, primary site penile cancer, primary site thyroid cancer and malignant mesothelioma into the Act as presumptive illnesses for firefighters.*

Analysis

Consideration of options

The following options are available to address the identified problem and implement the intent of recommendation 26:

- Option 1: Expanding coverage (in part) to align with the Commonwealth government for national consistency;
- Option 2: Expanding coverage (in full) to all diseases listed in recommendation 26.

Impact analysis of options

Option 1: Expanding coverage (in part)

Option 1 would result in expanding the current list of deemed diseases to align with the Commonwealth's deemed diseases provisions for firefighters and amendments to the qualifying period for oesophageal cancer the SRC Act. This option would expand the list of diseases to include eight of the recommended deemed diseases:

1. primary site lung cancer;
2. primary site skin cancer;
3. primary site cervical cancer;
4. primary site ovarian cancer;
5. primary site pancreatic cancer;
6. primary site penile cancer;
7. primary site thyroid cancer; and
8. malignant mesothelioma.

The Commonwealth's list has also been adopted in Tasmania and Western Australia. Accordingly, option 1 would ensure consistency between the deemed diseases in the Queensland scheme and those in other Australian jurisdictions. This would in turn promote greater nationally consistency in the treatment of this issue.

Two diseases mentioned in recommendation 26 (asbestos-related disease and liver cancer) would not be recognised as deemed diseases under this option. Only the Northern Territory recognises these diseases and OIR is not aware of any plans for these diseases to be recognised by other jurisdictions.

The recognition of additional cancers will likely increase scheme costs by increasing the number of accepted claims for the new deemed diseases. However, any amendment would be prospective and factored into future budget and claims provisioning estimates. In addition, it is expected some of this cost would already be offset as these diseases are already being compensated in the scheme.

As noted above, firefighters with one of the deemed diseases above can already access compensation if they can establish the disease was work-related.

The potential impacts on groups within the scheme and the community are as follows:

Group	Benefits	Costs/challenges
Workers	Access to the presumptive pathway for firefighters diagnosed with any of the eight additional diseases, ensuring more timely access to workers' compensation entitlements.	Nil.
Employers	Nil.	May increase the number of accepted claims for the eight specified diseases proposed by this option, impacting claims experience and

Group	Benefits	Costs/challenges
		increasing premiums for certain employers (e.g., QFES).
Insurers	Nil.	Increased cost and resources may be required to administer the new claims coming into the scheme.
Regulator	Nil.	Nil.
Community	Nil.	Nil.

Cost impact analysis

The potential impacts to the scheme of implementing this Recommendation in part (Option 1) and expanding the list of specified diseases in schedule 4A of the Act are:

- Approximately 26 claims per year, 6 of which will be death claims from the 8 new cancer claims;
- At an average cost of around $0.57m, the total cost to the scheme is estimated to be in the range of around $14.5 million per year in 2023/24 dollars; and
- Active firefighters contribute to around $4.5 million of the annual cost with the remaining $10.0 million due to inactive firefighters.

Option 2: Expanding coverage (in full)

Option 2 would require an amendment to the Act to include the 10 additional diseases mentioned in recommendation 26 of the Review Report in schedule 4A.

This would put Queensland ahead of all other Australian jurisdictions with regard to total number of recognised deemed diseases, at 22. While each of the additional diseases mentioned in recommendation 26 is recognised by at least one other Australian workers' compensation scheme, there is no single Australian workers' compensation scheme that recognises all.

The inclusion of additional cancers to the schedule will result in increased costs to the scheme. However, as noted above, any amendment would be prospective and factored into future budget and claims provisioning estimates. In addition, it is expected that some of these cancers are already being paid in the scheme so would offset costs.

Group	Benefits	Costs/challenges
Workers	Access to the presumptive pathway for eligible workers diagnosed with any of the ten additional diseases.	Nil.
Employers	Nil.	Increase of accepted claims and premium costs.
Insurers	Nil.	Increased costs and resources may be required to administer the new claims coming into the scheme.

Group	Benefits	Costs/challenges
Regulator	Nil.	Nil.
Community	Nil.	Nil.

Cost impact analysis

The potential impacts to the scheme of implementing this recommendation in full (Option 2) and expanding the list of specified diseases in schedule 4A of the Act are:

- Approximately 27 claims per year, 7 of which will be death claims from the 10 new cancer claims;
- At an average cost of around $0.58m, the total cost to the scheme is estimated to be in the range of around $15.4 million per year in 2023/24 dollars; and
- Active firefighters contribute to around $4.8 million of the annual cost with the remaining $10.7 million due to inactive firefighters.

Figure 1 below summarises the maximum statutory benefits available in the scheme for firefighters with a deemed disease.

Figure 1 – Average cost of firefighters' deemed diseases claims

Table 5 – Average Cost of firefighter's cancer claims

	Below Retirement		Above Retirement	
	Death	Non-Death	Death	Non-Death
Lump sum death benefit	$799,220	-	$799,220	-
Lump sum impairment benefit	-	$380,580	-	$380,580
Funeral benefits	$14,260	-	$14,260	-
Weekly benefits to dependants	$106,930	$106,930	-	-

Medical costs ($Jun-23)	All claimants
Lung cancer	$45,000
Skin cancer	$10,000
Cervical cancer	$47,500
Ovarian cancer	$55,000
Penile cancer	$57,500
Pancreatic cancer	$50,000
Thyroid cancer	$25,000
Malignant mesothelioma	$57,500
ARD [1]	$57,500
liver cancer	$50,000

[1] *Assumed to be the same as malignant mesothelioma*

Figure 2 below provides an estimate of the cost of implementation of option 1.

Figure 2 – Estimate of the cost of presumptive legislation changes (option 1)

Service Type	Status	# claims per year	# deaths per year	Cost per year ($m)	ACS ($m)
Professional	Active	4.0	0.7	$2.4	$0.59
Professional	Inactive	11.3	3.1	$6.3	$0.56
Volunteer	Active	3.8	0.9	$2.1	$0.55
Volunteer	Inactive	6.4	1.0	$3.7	$0.58
Total		25.6	5.8	$14.5	$0.57

Figure 3 below provides an estimate of the cost of implementation of option 2.

Figure 3 – Estimate of the cost of presumptive legislation changes (option 2)

Service Type	Status	# claims per year	# deaths per year	Cost per year ($m)	ACS ($m)
Professional	Active	4.2	0.9	$2.5	$0.60
Professional	Inactive	12.0	3.6	$6.8	$0.57
Volunteer	Active	4.0	1.1	$2.2	$0.56
Volunteer	Inactive	6.6	1.2	$3.9	$0.59
Total		26.8	6.7	$15.4	$0.58

Consultation

Stakeholders generally supported the intent of recommendation 26 and recognised that occupational exposure in the firefighting profession is recognised as carcinogenic to humans. However, views differed on which new diseases should be added due to the differing strength of the scientific evidence supporting the inclusion of the additional diseases (e.g., where the disease's causal link to firefighting duties was not clearly established due to limited evidence or association with other conditions). Stakeholders expressed a preference for adopting a nationally consistent approach.

Conclusion and recommended option

Taking into account the benefits, impacts and costs of the three options, including the results of consultation outlined above, a decision has been made to adopt **Option 2** on the basis that it generates the greatest net benefit to the community.

Both options 1 and 2 recognise the escalated occupational exposure in the firefighting profession. They respond to the expectations of stakeholders by recognising the need to work towards a nationally consistent approach by adopting the full list of additional deemed diseases recently introduced by the Commonwealth Government.

Option 2 is expanded to also include liver cancer and asbestos related diseases which has been recognised as additional deemed diseases by the Northern Territory. Both approaches are closely comparable in costs and it is expected that some of these cancers are already being paid in the scheme so would offset costs.

Option 2 is preferred as it also adopts a precautionary approach which acknowledges the occupational risks and is considered appropriate noting the evolving scientific research and the potential and actual harm suffered by workers diagnosed with the recommended diseases.

OIR is engaging with QFES who provides fire and rescue services to Queensland through permanent firefighters, auxiliary firefighters and the Rural Fire Service volunteers, to understand the premium impacts associated with this option. It is noted premium calculation is complex and varies yearly based on factors such as:

- the number of full-time equivalent staff and wages paid;
- employer claims experience (which takes into account the past three years of statutory claim costs, following by the preceding one year of common law claims costs, among other things); and
- the employer's safety systems and safety culture maturity (which influences claim lodgements and claimant behaviour).

7. Compliance, education and prevention programs

Identification of the problem

The Review Report noted reports of employers making payments to injured workers in lieu of the worker making a claim for compensation. This practice of inducing a worker not to make a claim can negatively impact on a worker's future medical treatment needs, RRTW outcomes, legal rights to review a decision and subsequent lump sum compensation and/or damages at common law. It also has the potential to cause distortions in the claim statistics that inform injury prevention activities and funding decisions and is contrary to the objectives of the Act (which include providing benefits for workers who sustain injury in their employment and encouraging improved health and safety performance by employers).

Section 109 of the Act prohibits an employer who is not a self-insurer from paying a worker an amount, either in compensation or instead of compensation, that is payable under the Act by WorkCover for an injury sustained by the worker. If an employer contravenes section 109, WorkCover may require the employer to pay WorkCover an amount by way of penalty equal to 50% of the employer's premium for the period of insurance. Despite this, the Regulator is aware that the practice persists and in many cases is incentivised by employers setting performance indicators such as "no lost time injuries" as evidence of a safety culture.

Despite the intent of this provision, it does not specifically prohibit the making of such payment in lieu of a worker applying for compensation and cannot be enforced by the Regulator as it is not an offence provision.

In recognition of these issues, the Review Report recommended (recommendation 34):

> *That the Minister consider introducing a Bill to amend the Act to include an offence prohibiting employers from making payments to an injured worker in lieu of the worker making a claim for compensation.*

Analysis

Consideration of options

The following options are available to address the identified problem and implement the intent of recommendation 34:

- Option 1: Amend the Act to implement recommendation 34 in full;
- Option 2: Amend the Act to make section 109 of the Act an offence provision.

Impact analysis of the options

Option 1: Amend the Act to implement recommendation 34 in full

Option 1 would require an amendment to the Act to create a new offence provision prohibiting employers from inducing or attempting to induce, whether financially or otherwise, an injured worker not to make an application for compensation. This would resolve the identified problem by criminalising such conduct and enabling the Regulator to bring prosecutions against offending employers for general and specific deterrence. This also sends a clear message to employers that claims must be not circumnavigated from the scheme.

This provision would supplement section 109(3) and (4) of the Act, which prohibit an employer from paying a worker an amount, either in compensation or instead of compensation, that is payable under the Act by WorkCover or a self-insurer for an injury sustained by a worker. The 2023 review noted these provisions are not offence provisions that can be prosecuted by the Regulator, although WorkCover is empowered to impose a financial penalty for non-compliance with section 109(3).

The potential impacts on groups within the scheme and the community are as follows:

Group	Benefits	Costs/challenges
Workers	Prohibiting inducements not to make an application for compensation, and the enforcement of this prohibition by the Regulator, is likely to support more injured workers to access the scheme (or to access the scheme in a more timely way). Protects the rights of workers (including review and appeal rights)	Nil.
Employers	Nil.	Employers will be subject to a new regulatory requirement with penalties for non-compliance.
Insurers	Nil.	Nil.
Regulator	Nil.	Increased enforcement and compliance activities due to the creation of a new offence, placing further demand on regulatory resources.
Community	Nil.	Nil.

Option 2: Amend the Act to make section 109 of the Act an offence provision

Option 2 would require an amendment to section 109 of the Act to make the prohibitions against paying amounts in lieu of compensation (see above) offence provisions. This option would enhance the existing legislative framework rather than introducing a new employer offence.

As noted above, sections 109(3) and (4) are not currently offence provisions, although WorkCover can impose a financial penalty on employers who contravene section 109(3). Converting these provisions to offence provisions would enable the Regulator to prosecute offending employers and would also provide an enforcement mechanism for section 109(4).

The potential impacts on groups within the scheme and the community are as follows:

Group	Benefits	Costs/challenges
Workers	May result in more workers accessing benefits under the scheme.	Nil.
Employers	Nil.	Employers will be exposed to the risk of prosecution (or other enforcement activity) where they contravene section 109(3) or (4).
Insurers	Nil.	Nil.
Regulator	Nil.	Increased enforcement and compliance activities due to the creation of a new offence, placing further demand on regulatory resources.
Community	Nil.	Nil.

Consultation

External scheme stakeholders and affected government agencies were consulted on the recommendations as set out at section 2 above. Stakeholders expressed general support for a new offence prohibiting employers from making payments in lieu of an application for compensation (as proposed by recommendation 34). Some stakeholders submitted employers should not be penalised for inadvertent offending.

Conclusion and recommended option

Taking into account the benefits, impacts and costs of the three options, including the results of consultation outlined above, a decision has been made to adopt **Option 1** on the basis that it generates the greatest net benefit to the community.

Option 1 resolves the identified problem by prohibiting employers from inducing workers not to make an application for compensation and enabling the Regulator to bring a prosecution to deter employers from engaging in this conduct. Stakeholders also generally supported this option.

Option 2 is not recommended because, although it utilises existing provisions (sections 109(3) and (4)), it does not specifically prohibit employers from inducing workers not to make an application for compensation. Instead, sections 109(3) and (4) are concerned with paying amounts payable by WorkCover or a self-insurer, rather than the making of an application. The purpose of this is to prevent employers from making workers' compensation to workers. Accordingly, these sections may not be fit for purpose to address the identified issue.

Both options have potential benefits for workers. However, option 1 is likely to benefit workers more than option 2 as it would preserve the existing protections provided by sections 109(3) and (4) *and* introduce a new prohibition against inducements.

Both options have costs impacts for employers. Option 1 has more significant impacts for employers than option 2 as it involves creating a new proscription for employers. However, in circumstances where existing provisions may not adequately address the identified problem, this change is considered necessary.

The resourcing impacts for the Regulator will be similar under each option, noting that each involves the creation of a new offence.

8. Delays and timeframes

Identification of the problem

The Review Report identified the payment of weekly compensation to injured workers is often delayed due to delays by employers in providing timely and accurate wage information to WorkCover (this information being required to calculate the worker's entitlement to compensation).

WorkCover currently has the power to request wage information from employers, and this arises from its general powers under section 388 of the Act. However, WorkCover does not currently have the power to compel or require wage information from employers. Additionally, while employers have a general obligation to cooperate with insurers in relation to RRTW (section 228(3)), they are not under a duty to supply information relevant to the determination of a claim.

There is considerable evidence that delays in the payment of compensation and the financial stress that results can have significant adverse effects on a worker's recovery and their ability to successfully return to work.

In recognition of these issues, the Review Report recommended (recommendation 42):

> *That the Minister oversee discussions with WorkCover to determine the most appropriate method for imposing a 10 business day limit for the employer submission of wage information to WorkCover. This could involve either:*
>
> *(a) a Bill to amend the Act to allow insurers to compel employers to comply with requests for wage information within 10 business days; or*
> *(b) for employers who provide the information within time, a discount on the excess payable, administered by WorkCover.*

Analysis

Consideration of options

The following options are available to address the identified problem and implement the intent of recommendation 42:

- Option 1: Amend the Act to allow insurers to compel employers to comply with requests for wage information within a set timeframe, accompanied by a penalty for the failure to comply with such a request without a reasonable excuse;
- Option 2: Empower WorkCover to provide a discount on the excess payable for employers who provide the injured worker's wage information within the timeframe.

Impact analysis of the options

Option 1: Amend the Act to allow insurers to compel employers to comply with requests for wage information within a set timeframe, accompanied by a penalty for the failure to comply with such a request without a reasonable excuse.

Option 1 would require an amendment to the Act to permit WorkCover to request that an employer provide an injured worker's wage information within a set timeframe, in the circumstances where the worker's claim has been accepted and WorkCover does not hold the worker's wage information. This option would require consideration of the appropriate timeframe in which the wage information is to be provided and the appropriate penalty for non-compliance.

The potential impacts on groups within the scheme and the community are as follows:

Group	Benefits	Costs/challenges
Workers	Workers will be more likely to receive payment of the correct rate of weekly compensation for an accepted claim in a timely manner. Less delay in the time from accepting the claim to making the first weekly compensation payment.	Nil.
Employers	Nil.	Employers, particularly smaller employers, may have difficulty in providing wage information to the insurer within the set timeframe. Any amendment must ensure employers are not penalised for non-compliance in extenuating circumstances.
Insurers	The power to compel employers to provide wage information within a set timeframe will assist WorkCover in calculating the correct rate of weekly compensation payable to an injured worker in a timely manner.	Nil.
Regulator	Nil.	Potential demand on regulatory resources arising from the creation of a new offence.
Community	Nil.	Nil.

Option 2: Empower WorkCover to provide a discount on the excess payable for employers who provide the injured worker's wage information within the timeframe

Option 2 would require an amendment to the Act to give WorkCover the discretion to provide a discount on the excess payable by an employer on an accepted claim if the employer provides the injured worker's wage information within the required timeframe. This option would require consideration of whether WorkCover's discretion is to be unfettered or bound by a set amount and/or scaling structure for the applicable discount to the excess payable.

The potential impacts on groups within the scheme and the community are as follows:

Group	Benefits	Costs/challenges
Workers	Workers will be more likely to receive payment of the correct rate of weekly compensation for	Nil.

Group	Benefits	Costs/challenges
	an accepted claim in a timely manner. Less delay in the time from accepting the claim to making the first weekly compensation payment.	
Employers	A potential discount on the excess payable on a compensable injury.	Employers, particularly smaller employers, may have difficulty in providing wage information to the insurer within the set timeframe. Any amendment must ensure employers are not penalised for non-compliance in extenuating circumstances.
Insurers	Incentivising employers to provide wage information within a set timeframe may assist WorkCover in calculating the correct rate of weekly compensation payable to an injured worker in a timely manner.	Nil.
Regulator	Nil.	Nil.
Community	Nil.	Nil.

Consultation

Stakeholders confirmed their in-principle support for recommendation 42 and noted the interconnection with recommendation 29. Stakeholders were generally supportive of the proposal to fix a timeframe and have the employer bear the cost for non-compliance, though suggested taking into account extenuating circumstances affecting employers' ability to provide the wage information within the set timeframe.

WorkCover considers that the best approach is for the legislation to impose this time limit, in the same way it imposes a time limit for reporting an injury. The time limit should run from the date of acceptance although employers may provide it before acceptance. If employers were required to provide this information before acceptance, it could increase privacy risk in collecting information they do not need to make a claim decision. WorkCover does not recommend a financial incentive for employers. They consider the suggestion that that the employer be liable for any overpayment created through the default weekly compensation provision (recommendation 29) if they delay in providing wage information could be a further incentive to encourage employers to provide wage information in a timely manner.

Conclusion and recommended option

Taking into account the benefits, impacts and costs of the three options, including the results of consultation outlined above, a decision has been made to adopt **Option 1** on the basis that it generates the greatest net benefit to the community.

Option 1 sets an enforceable expectation that employers supply wage information in a timely way. Additionally, the requirement for employers to pay excess acts as an important incentive

for employers to improve work health and safety performance to minimise the risk of work-related injury. Discounting the excess payable (as is proposed under option 2) to reward the timely provision of wage information undermines this incentive and would also result in additional administrative work for insurers to manage.

9. Implementation, compliance support and evaluation strategy

Implementation

The implementation of the recommended options in this IAS will likely take a staged approach to allow scheme stakeholders to familiarise themselves with and adapt to any new obligations.

Implementation will require regulatory and non-regulatory actions. The proposed amendments to the Act and the *Workers' Compensation and Rehabilitation Regulation 2014* (Regulation) can be delivered through regulatory methods through the standard governmental procedures required to approve, develop and enact legislation.

Further regulatory impact analysis will be prepared where required (e.g., where an option recommends that further work be undertaken to refine an approach, such as in recommendation 9).

Any legislative amendments will be supported by education and communications with key scheme stakeholders, employers, workers, and the community at large. Education and communication initiatives will be both general and targeted and are likely to include web content, fact sheets and other guidance material detailing the changes. This will support scheme-wide knowledge and understanding of the changes.

Compliance

Compliance with the proposed reforms will be the responsibility of the Workers' Compensation Regulator, whose functions include ensuring compliance with and enforcement of duties and obligations under the Act. The Regulator delegates these functions to Workers' Compensation Regulatory Services (WCRS) within OIR. The Regulator's compliance and enforcement tools include advice and education, the use of authorised persons to investigate potential contraventions, targeted and responsive audits, licensing consequences for self-insured employers, and commencement of prosecutions.

Compliance activities will be undertaken in accordance with the *Workers' Compensation and Rehabilitation Act 2003 – Compliance and Enforcement Policy*. This policy outlines eight principles guiding OIR's compliance monitoring and enforcement role, being that compliance activities are to be proportionate, transparent, consistent, accountable, targeted, constructive, responsive, and inclusive.

Certain recommendations may require an uplift in resources to ensure adequate compliance and enforcement, being recommendations 14, 17, 31, 34 and 52.The impact of the changes will be initially monitored and considered as part of any additional resourcing requests.

Recommendations 14 and 17 are expected to place additional demand on insurer resources to ensure compliance, though the impacts have been assessed to be minor.

Evaluation

Evaluation of the proposed reforms would be ongoing and informed through existing regular engagement processes with key scheme stakeholders including insurers, registered industrial organisations and relevant employer and employee peak bodies, and the legal, medical and allied health professions.

The long-term efficacy of the reforms will be considered in the next statutory review of the operation of the workers' compensation scheme, which is to be completed in 2028.