

Mr Tony Wessling  
Received by

James Ryan

Date: 16 / 05 / 2025

Resolved to publish Yes / No

## Opening Statement

- Good morning.
- Thank you for the opportunity to contribute to the Committee's proceedings today.
- My name is Tony Wessling and I am privileged to lead the workers compensation team at icare.
- icare's role is to administer the workers compensation scheme to the legislation that is in place. We do that alongside the policy makers and regulators such as SIRA.
- I lead a team that are on the front line of serving the injured workers and employers who rely on the schemes we operate. Like my team at icare, I joined to fulfil the purpose of supporting injured workers to return to health and work. We all have a genuine commitment and passion to prevent injuries and support workers and employers in the recovery process when an injury occurs.
- icare has been in the spotlight over recent years. It is clear we don't always get things right but i can assure you that that is our goal.
- As icare has expressed in our submission, the workers compensation system, as it was first introduced 100 years ago, was designed to support people with work-related injuries resulting from manual labour.
- The establishment of workers compensation in the early 1900's, made insurance compulsory for all employers. It widened the definition of a worker, increasing benefits, setting premium rates, and legislating a more secure way of life for those unfortunately

incapacitated due to work. The workers compensation system has been periodically reformed to respond to changing workplace risk and practices.

- We have seen many iterations of the legislation since this time, emphasising prevention of accidents, rehabilitation of workers and fair compensation.
- The legislative framework that is currently in place as well as our operations needs reflect the current nature of work and workplace injuries.
- We know that we need to further modernise.
- For both psychological and physical injuries, a greater proportion of injured workers are now being assessed with higher whole person impairment (WPI). And the number of psychological injuries continues to increase. These factors are greatly impacting the system, including:
  - increasing claim costs,
  - poorer return to work outcomes, and
  - greater demands on our front line claims managers
  - and ultimately this is impacting scheme's financial sustainability
- As evidence of this, the funding ratio for the NI has been declining for several years. As at December of last year, the NI had a funding ratio of 82 per cent.
- Increases in psychological injury claims are not unique to NSW, nor isolated to a particular industry.

- Psychological claims can be complex, which can result in people needing longer periods off work, and higher costs per claim for both weekly payments and medical benefits.
- On top of this, we know there are increasing challenges in finding early treatment options with mental health service providers.
- We all agree that returning to work as soon as safely possible is good for health and wellbeing and research has consistently found a correlation between early return to work and improved health outcomes. An early return to work also improves the opportunity for financial independence and social inclusion.
- The challenges of returning to work can be even greater for those experiencing psychological injury, and for those unable to return to their pre-injury role.
- icare would agree that the issues associated with increasing psychological claims numbers will persist in the absence of reforms and actions to modernise the scheme.
- The changed work environment, increasingly demanding work and declining community mental health is going to require employers to make similar mindset shifts to what occurred in the 1970s and 80s in relation to reducing physical injuries in the workplace.
- These issues require a holistic response. icare continues to play our role, working with a range of stakeholders across Government and the private sector.
- In response to recommendations from this Committee and other enquiries, icare is continuing work on improvements to the claims model, to emphasis specialised psychological claim management,



case manager capability and professional standards, and we are focused on improving Return To Work and other claim outcomes with claims managers and service providers.

- We are also reviewing pathways to expand suitable work opportunities across Government agencies and looking at opportunities for injury prevention through the reduction of workplace risks and staff engagement, as part of our work on the NSW Government's *Whole-of-Government Return to Work Strategy*.
- Despite the extensive work already underway, the issues associated with increasing psychological claim numbers will persist in the absence of both further concerted management action and reform.
- We stand ready to help.
- A sustainable workers compensation scheme is one that is affordable, focuses on prevention, provides the best possible recovery support to those injured at work, and enables support to those that may be injured into the future.
- We will do our best today to provide full responses to inform your work and then to respond to any recommendations from the inquiry.