

**Submission
No 33**

INQUIRY INTO 2022 REVIEW OF THE WORKERS COMPENSATION SCHEME

Organisation: SafeWork NSW

Date Received: 3 August 2022

The role of SafeWork NSW

- SafeWork NSW is the regulator for Work Health and Safety (WHS) legislation in NSW. The enforcement of WHS laws protects workers and others at the workplace.
- SafeWork NSW provides advice to businesses, workers and others on improving work health and safety in NSW workplaces and undertakes a range of compliance activities to keep NSW workplaces safe. SafeWork NSW's other WHS functions include providing licences and registration for potentially dangerous work and investigating workplace incidents.
- The harmonised WHS legislation adopted in NSW views health and safety to mean both physical and psychological health. SafeWork NSW's strategic compliance activities target both physical and psychological harms respectively.
- SafeWork NSW aims to prevent harm to the physical and psychological health and safety of NSW workers while also reactively responding to and investigating workplace incidents. Between 2019-20 and 2021-22 SafeWork NSW received (and responded to) over 2600 Requests for Service where psychosocial hazards were identified as one of three primary hazards relating to the request. In this same timeframe, SafeWork NSW has responded to over 100 workplace incidents where the hazard category was recorded as 'psychosocial'.
- Since the separation of WorkCover into SafeWork NSW, the State Insurance Regulatory Authority (SIRA) and icare in 2015, SafeWork NSW Inspectors have also continued to support the work of SIRA in regulating employer compliance with the Workers Compensation scheme in NSW. SafeWork NSW remains funded through the Workers Compensation operational fund.
- SIRA delegate authority to SafeWork NSW Inspectors. SafeWork NSW Inspectors are authorised to exercise powers under both Work Health and Safety and Workers Compensation legislation; however, SIRA remains the lead agency for the enforcement and regulation of Workers Compensation legislation in NSW. SafeWork NSW continues to support SIRA by providing Inspector and other technical resources available for response, as reasonably required, in metropolitan and regional NSW.
- SafeWork NSW Inspectors conduct compliance activities to support SIRA in regulating Employer obligations under Workers Compensation Legislation. The scope of work of

SafeWork NSW Submission to the 2022 Parliamentary Review of the Workers Compensation scheme

SafeWork NSW Inspectors is focussed on employer obligations relating to insurance, workplace injury management and return to work.

- SafeWork NSW Inspectors conduct capability building and compliance activities relating to insurance obligations, which include Workers Compensation policy checks. These checks aim to detect under and non-insurance in the NSW Workers Compensation scheme. These activities contribute to the viability and financial performance of the scheme.
- SafeWork NSW Inspectors also monitor and assess compliance of the systems used by NSW employers for workplace injury management and return to work. Proactive compliance activities include verifications to assess an employer's systems for supporting recovery at work or strategic projects aimed at improving an employer's Return to Work (RTW) systems. Reactive compliance activities include responding to complaints (requests for Service) raised by workers and their representatives, which relate to employer obligations under Workers Compensation Legislation.
- SafeWork NSW Inspector activities targeting employer obligations aim to improve Return to Work rates for injured workers in NSW, reducing the financial burden of the scheme and supporting the NSW economy.
- SafeWork NSW has a specialist RTW team which collaborates closely with and supports SIRA to plan and implement both routine and strategic activities aimed at NSW Employers and the Return to Work performance of the scheme.
- SafeWork NSW will support SIRA in the delivery of key items from the 10- point action plan announced by SIRA in December 2021; this will also include supporting the development of SIRA's newly announced and developed Inspectorate.
- SafeWork NSW will also support the work of SIRA in delivering their 2025 Strategy announced in April 2022.

The NSW Government's action to create Mentally Healthy Workplaces (MHW Strategy)

- NSW workers have the right to work safely without impact to their mental health and businesses have a responsibility to take all reasonable and practicable steps to ensure the mental health and safety of workers.
- Research indicates almost 1 in 6 workers in NSW experience mental-ill health at any given time, and the cost to the economy exceeds \$2.8 billion.
- Work can have a positive or negative impact on a workers mental health.

SafeWork NSW Submission to the 2022 Parliamentary Review of the Workers Compensation scheme

- The *NSW Mentally Healthy Workplaces Strategy to 2022* (the Strategy) is a NSW Government initiative to ensure more than 90,000 NSW businesses take effective action to create mentally healthy workplaces by 30 June 2022.

A refreshed strategy was launched in June 2021, responding to recommendations from an expert review, mid-point evaluation, a 2020 benchmarking tool survey of 12,000 people, customer and stakeholder insights and data on impacts of the COVID-19 pandemic. Four focus areas were introduced: direct practical coaching, tailored support for small businesses, collaboration with key industries and regional NSW.

A 2022 benchmarking tool survey will commence from July 2022 to assess progress against the 90,000 NSW businesses target following which the strategy will be independently evaluated with the final report due December 2022.

The work started under the Strategy continues and once evaluation and benchmarking results are in these will be used to inform a new *Mentally Healthy Work Plan* for launch and implementation from early 2023.

- SafeWork NSW continues to deliver free coaching and training programs to private businesses with less than 200 workers and not-for-profit organisations of any size in NSW:

One-on-one business coaching (Direct Practical Coaching)

- The service: tailored one-on-one expert advice on any topic that can impact mental health in the workplace. Gives businesses practical solutions to create lasting change in their workplace.
 - Outcomes: to 31 May 2022; 608 businesses received coaching. On average 96% of coaching recipients said their coaching needs were met, 91% made changes from the coaching and 97% intended to continue working towards a mentally healthy workplace.
- Free workplace training (Mental Health at Work Training)
 - The service: packages are tailored for business owners and executives; for managers; and for all staff. The training builds participants' knowledge, confidence, and skills to comply with WHS legislation and support mental health at work.
 - Outcomes: to 31 May 2022; 24,980 individuals were trained. On average 99% of participants recommend the training. Three months after training 78% of managers had taken action to prevent or reduce risks to mental health in their

SafeWork NSW Submission to the 2022 Parliamentary Review of the Workers Compensation scheme

workplace, participants had experienced a 35% increase in their knowledge and 25% increase in their confidence to manage mental health at work.

- In response to COVID-19, in 2021 an online *COVID-19 mental health at work* resource kit was also released to support business owners and leaders to provide a mentally healthy workplace.
- A Mental Health at Work website moved to nsw.gov.au in October 2021 is a 'one-stop-shop' for NSW businesses for practical self-service digital tools, templates and resources to create a mentally healthy workplace. From late 2018 to 31 May 2022 the website had 614,014 unique pageviews.
- The 'Code of Practice: Managing psychosocial hazards at work' (CoP) was gazetted by the former Minister for Better Regulation and Innovation on 28 May 2021. This is the first Code of its kind in Australia (that applies to all businesses). It was based on feedback from SafeWork NSW stakeholders, unions and industry who were seeking more clarity in relation to managing risks to psychological health.
- The Code shows businesses how to comply with the NSW *Work Health and Safety Act 2011* (WHS Act) and *Work Health and Safety Regulation 2017* in simple terms with practical examples. A series of webinars and presentations have supported the rollout of the Code and enabled businesses to familiarise themselves with the Code and how to apply it.
- The code lists the most common workplace psychosocial hazards in Australia research. These hazards have been associated with both psychological and physical injuries and illnesses and long-term poor health outcomes such as heart disease.
- The code of practice provides practical guidance on managing the risk of psychosocial hazards, including:
 - The WHS duties
 - Effective leadership
 - Risk management approach
 - Investigating psychosocial hazards
 - Case scenarios
- The code of practice also refers to the *People @ Work psychosocial risk assessment tool* (PAW) process. PAW is a free, evidence-based, survey and resources that workplaces can use to help identify and manage risks to psychological health. It

SafeWork NSW Submission to the 2022 Parliamentary Review of the Workers Compensation scheme

includes a psychosocial risk assessment process with educational modules and supporting resources such as project templates and communications and promotional material. PAW is a digital product which provides the workplace with a link for workers to complete the survey and will generate a report of the outcomes. PAW measures the common psychosocial hazards listed in the code.

- The tool was digitised through collaboration between SafeWork NSW, WorkSafe Queensland and other WHS regulators and was published in March 2021.
- A self-service online *Workplace Wellbeing Assessment* tool is being built for release in October 2022. This tool will enable businesses to survey their workforce to benchmark their capability to provide a mentally healthy workplace, identify priority areas for action and get tailored recommended actions to improve.
- A *Healthy Work Strategy* to 2032, is currently in consultation and development for launch in November 2022. This Strategy will build the confidence and capability of businesses to take an integrated health approach for work health and safety (WHS) to achieve better outcomes for the business and their workers' psychological and physical health.