

**INQUIRY INTO PROPOSED CHANGES TO LIABILITY AND  
ENTITLEMENTS FOR PSYCHOLOGICAL INJURY IN NEW  
SOUTH WALES**

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**Dear Committee Secretary,**

I am writing to provide a submission regarding the proposed changes to the NSW workers compensation system, particularly any increase to the Whole Person Impairment (WPI) threshold for psychological injury from 15% to 30%.

While my case is complex and has now been settled, my lived experience in the system was deeply traumatic and highlights many of the systemic failures that these reforms risk making worse not better.

I have worked in the NSW health system and the broader care economy for over 20 years since migrating to Australia. At the time of my original injury, I was working with children in out-of-home care. I sustained a work-related right knee injury, and what followed was over two decades of being dragged through a bureaucratic and adversarial system just to access a **medically necessary total knee replacement**.

Due to the prolonged delays and failures in the system, I developed **secondary injuries** to my left knee and right foot, as well as a **secondary psychological injury** involving depression and anxiety — the direct result of substandard care, insurer-driven delays, and the lack of systemic safeguards.

I had to deal with multiple layers of dysfunction from **claim service providers** to **iCare NSW**, **SIRA**, and **IRO**. In my experience:

- SIRA has proven ineffective as a regulator;
- IRO was, frankly, useless when I needed real support;
- And iCare's approach has caused further harm through its reliance on adversarial tactics and outsourced decision-making.

As someone who has also worked at executive levels within health and ageing departments, I have seen firsthand the **waste** and missed opportunities within the system. Instead of a health-focused model that prioritises early intervention, recovery, and return to work, we operate under an **insurance-based model** that delays and denies treatment ironically leading to higher long-term costs and worse outcomes.

This model:

- Funnels money into IMEs, PICs, and dispute resolution instead of care;
- Often ends in the insurer **losing and paying more anyway**, but only after significant damage has been done to the injured worker;
- Contributes to irreversible physical and psychological harm, which could have been prevented with early, evidence-based treatment.

Leadership and accountability matter — in the workplace and in our care systems. I fear this proposed change to the psychological injury threshold is not only harmful but part of a broader **cost-shifting exercise** that will push injured workers out of the workers compensation system and onto an already struggling Medicare system.

**I urge the Committee to:**

- Reject any increase to the psychological injury WPI threshold;
- Investigate the broader structural failures within iCare and SIRA that perpetuate harm;
- Prioritise a healthcare model, not an insurance bureaucracy.

Thank you for considering my submission. I welcome any follow-up or the opportunity to share further insights, including those shared on my professional page:

Kind regards,  
**Richard Hoskins**