

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

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Submission: Opposition to the Draft Workers Compensation Legislation Amendment Bill (9 May 2025)

Dear Minister,

I write to express my strong opposition to the proposed Draft Workers Compensation Legislation Amendment Bill, released on 9 May 2025. As a person who has experienced workplace injury, I believe this Bill poses a serious threat to the safety, fairness, and wellbeing of injured workers across NSW.

Key Concerns

1. Raising the WPI Threshold for Psychological Injury (15% → 31%)

This move will exclude the vast majority of psychologically injured workers from accessing lump sum and common law compensation.

Workers suffering serious psychiatric harm (even those deemed permanently unfit to work) may no longer qualify for justice.

2. Requiring Court or Tribunal Findings Before Lodging Claims for Bullying or Harassment

Forcing workers to first obtain a legal ruling on harassment before a claim can even be made will cause delays, retraumatisation, and further harm.

Most victims already face barriers reporting bullying—this adds another gate to an already broken system.

3. Time Limits on Psychological Support (8 Weeks or 182 Weeks Max)

Limiting mental health care to just 8 weeks, or 3.5 years if under 31% WPI, ignores the nature of psychological injury.

Many injuries require long-term care and ongoing support to prevent suicide, breakdown, or chronic disability.

4. Restricting Independent Assessments

Preventing workers from obtaining their own WPI assessments and allowing only one "principal" assessment undermines natural justice.

Injured workers must retain the right to challenge insurance-funded assessments and advocate for fair treatment.

What Should Be Done Instead

The NSW Government should:

Retain the 15% WPI threshold for psychological injury;

Ensure bullying and harassment claims are not delayed by legal prerequisites;

Extend—not restrict—access to care;

Keep the system fair by allowing independent medical assessments.

Address the cause - a full investigation into the Claims Management System. The injured workers can tell you exactly where the problems are occurring.

Not apply the law retrospectively for those currently in and who have been failed by the Scheme. Who are in cost agreements etc with their lawyers.

Incorporate legislative practices already enshrined within the Work Health and Safety Act and the SafeWork NSW Code of Practice 'Managing PsychoSocial Hazards in the Workplace'. Changing the definition of 'Reasonable Management Action' as currently proposed does not align with this legislation, the Code developed specifically to reduce the number of psychological injuries.

Conclusion

This Bill will not fix the system—it will further marginalise vulnerable injured workers and deny many their legal rights.

There will be an increase in the number of suicides and hospitalisations as psychological injuries exacerbate and mental health deteriorates, the NSW Health system does not have the resources, the beds in Acute Mental Health Wards, enough Ambulances or first responders to deal with the increase in 000 calls and this will tie up emergency resources from attending other emergencies.

Centrelink payments will not even cover rent for single income earners who are currently injured and in the system which will create a further housing crisis and increase in homelessness.

Injured workers will be forced to withdraw their Superannuation which will impact Social Services when they reach retirement.

These reforms will impact every system, both State and Federally.

I urge the NSW Government to withdraw or revise the Bill and consult with those who know the system firsthand: the workers it was meant to protect.

Sincerely,

Kylie Simpson