

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

Organisation: CFMEU Manufacturing Division

Date Received: 19 May 2025



Standing Committee on Law and Justice
NSW Parliament House
6 Macquarie St
Sydney NSW 2000

15 May 2025

To Whom It May Concern

Proposed changes to support for psychologically injured workers

Overview

We write on behalf of the members of the CFMEU Manufacturing Division who are soon to be members of the Timber, Furnishing & Textiles Union (TFTU). Our members work in the timber and building products supply chain as well as making and laundering the textiles, clothes and footwear, particularly uniforms, that other workers rely on. The work they do is essential to making a better future for the residents of NSW. Regardless of where they work, they are union members because they want the same things: to be safe at work, to be fairly compensated for the work they do and because job security matters to them.

Members of our union are understandably concerned by the exposure bill released 9 May 2025 that sets out proposed changes to support for psychologically injured workers. We understand the concerns for the future of workers' compensation support that have triggered the government to act but have concerns about the practical consequences of what is being proposed. The Unions NSW submission sets out a more prudent process for addressing the Government's concerns and we endorse this being the approach taken.

Specific concerns

Whilst the submissions by Unions NSW and other unions will set out the problems with the exposure bill in more detail, we do wish to draw your attention to the following concerns:

1. Limiting the ability of psychologically injured workers to seek support
 - a. This bill creates a higher threshold for establishing psychological injury, making it harder for significantly impaired workers to get help.
 - b. The bill also seeks to impose an extremely limited set of circumstances where a psychological injury is said to occur. Those limited circumstances do not reflect the hazards that most workers are exposed to in the workplace.
 - c. The bill inserts a requirement for litigation before those who are injured by sexual or racial harassment or bullying. This creates a number of problems but particularly:
 - i. The risk that workers become more ill as their treatment is delayed by the Industrial Relations Commission process (noting there is no contemplation of provisional liability until the conclusion of those proceedings).
 - ii. Resources imbalance. It is unclear whether workers will have access to government funding to pursue these issues. If not, unions will be the only source of support available to these workers. In comparison, employers tend to be better resourced and more likely to have access to legal assistance in these matters.
2. Limiting payments
 - a. The proposal to cap weekly payments at 130 weeks (half the current support levels) for psychiatric injuries assessed at less than 31% whole person impairment (WPI) risks creating two-tiers of workplace injury as this is different to the payments for physical injury.
 - b. There are two likely impacts of this.
 - i. The first is that an injured worker is left with an injury and insufficient support to recover (noting the severe impairment required for an assessment far less than 31%).

- ii. The second is the impact that having two-tiers of injury will have on how injury prevention occurs. This bill tacitly sets up a hierarchy of concern for different types of risks and resultant injuries that is likely to have a perverse impact on the Government's stated aim of increasing prevention and hazard management for psychological injuries.

Recommendations

In light of the above concerns and those set out in a more expansive way by Unions NSW, we seek that:

1. Consultation and review of these proposed changes happens in a more sensible and systematic way.
2. The factors in the bill that will limit access to support and create a two-tier system of workplace injury and therefore workplace safety are addressed.

Please do not hesitate to contact the author

Yours faithfully

Alison Rudman
NSW Secretary