

Submission
No 2

**INQUIRY INTO WORKERS COMPENSATION
LEGISLATION AMENDMENT BILL 2025**

Name: Name suppressed

Date Received: 18 June 2025

Partially
Confidential

Thank you for the opportunity to provide feedback on the Workers Compensation Legislation Amendment Bill 2025.

While I acknowledge the Bill's intent to improve aspects of the workers compensation scheme, I believe that lasting reform must also address broader systemic issues that continue to affect injured workers, employers, and those working within the system. These include a lack of transparency, perceived governance conflicts, and instability around Claims Service Provider (CSP) arrangements — all of which directly impact the delivery and integrity of the scheme.

Lack of transparency and consistent oversight

Recent changes to CSP arrangements — particularly the sudden removal of certain providers from managing Nominal Insurer and Treasury Managed Fund claims — have caused widespread disruption. These decisions were made with limited notice and no public explanation, affecting injured workers, employers, and staff. Workers are often left unaware that their claim has changed hands, and CSPs are expected to manage transitions with little direction or preparation.

While employers can now nominate a preferred CSP, that choice is ultimately undermined when icare can remove providers from the scheme without transparent justification. If employers are to take part in selecting a CSP, there must be certainty that the provider will be allowed to continue managing those claims long-term — otherwise the system lacks credibility and continuity.

Need for stronger governance and independence

The current structure allows a single entity to oversee both scheme design and operational delivery. This concentration of responsibility creates issues around accountability and impartiality. Further, movement of senior leadership between regulatory bodies and CSPs raises valid concerns about governance boundaries and perceived conflicts of interest. Clear separation between oversight and service delivery is essential to maintaining public trust.

Ongoing impact on staff and injured workers

System instability, high caseloads, and inconsistent processes continue to place pressure on those delivering services. Decisions are often made without consulting those managing claims, yet the responsibility to implement changes and support workers falls on them. These challenges affect the quality of service and delay recovery, especially when claims are shifted between providers without proper planning.

Recommendations

1. Establish an independent body to oversee procurement decisions and scheme design, separate from operational management.
 2. Protect employer choice by requiring transparent, evidence-based justification before removing any nominated CSP from the scheme.
 3. Implement formal continuity-of-care protocols to safeguard injured workers during CSP transitions.
 4. Enforce clear governance boundaries between oversight agencies and service providers to avoid perceived or actual conflicts of interest.
 5. Set consistent workload, onboarding, and performance standards across all CSPs.
 6. Improve communication protocols to ensure staff and claimants are informed and supported through scheme changes.
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I appreciate the opportunity to contribute and hope these insights assist in building a more transparent, accountable, and stable system for all stakeholders.