Understanding the key changes

Change | **Expected impact**

From July 1

Psychological injury eligibility
- New tests for psychological injury claims
- Strengthening of the “reasonable management action” defense.
- Employment is the main contributing factor to the injury

Fewer psychological injuries will be compensable
- Claims will be disputed where the event that caused the injury does not meet the new tests or definitions or where the injury is caused significantly by an employer’s “reasonable management action”.

New Liability Process
- New liability determination process for psychological injury claims caused by sexual or racial harassment, bullying or excessive work demands (“relevant conduct”).
- New relevant conduct dispute pathway – internal review (icare) and IRC.

Faster timeframe for liability determination
- Tighter timeframes will mean it is more important that employers provide the claims provider with relevant information early.
- New function for the IRC.

Increased WPI thresholds & Single Assessment
- Increased thresholds for workers with psychological claims to access long term benefits, lump sum compensation or damages.
- New single assessment process

Shorter claims durations and less assessments
- Psychological injury claims will be shorter in duration and there will be fewer that resolve by settlement or work injury damages.
- One assessment will now be used to decide a worker's eligibility for all compensation benefits.

From October 1

Broader Access to Commutations
- The reforms provide broader access to commutations for additional classes of eligible claims for a limited period.
- Workers can submit an Expression of Interest & the insurer has 10-days to respond.

Additional classes of claims can be commuted
- These changes allow eligible claims to be commuted without meeting all of the pre-conditions, subject to PIC approval.

Treatment approvals
- New test for medical expenses from “reasonably necessary” to higher threshold of “reasonable and necessary”
- Services related to Companion Animals excluded from 1 July

A higher threshold
- Meaning that some treatments approved today, will not be approved in the future. This will apply to all claims, for new treatment requests received after the commencement date.

Additional changes – 1 July

Change			Expected impact
PIAWE	• PIAWE is no longer a work capacity decision and minimum notice periods have changed.	Non-exempt	• New notice periods of nil notice, 2 weeks (weekly payments for <1 year) and 6 weeks notice (weekly payments > 1 year).
Digital Delivery	• Work Capacity and PIAWE decisions can be delivered digitally or via post (2022 update)	Non-exempt	• If delivered electronically, postal notice is not required. Must file note worker has nominated to received corro electronically.
Indexation	• All workers compensation benefits currently subject to indexation will now be indexed on an annual basis.	Exempt & Non-exempt	• Annual indexation will occur on 1 April each year and will reflect the annual increase in the ABS indexes used.
Higher Benefit Amounts	• The draft regulation significantly updates the amounts that apply to statutory compensation entitlements.	Exempt & Non-exempt	• Will be managed under current BAU processes, max rates will be updated in the system
Employer Obligations at Medical Appts	• Employers are prohibited from attending a worker's medical treatment appts or medical examinations.	Non-exempt	• Case conferences continue, however employers should not be present for treatment or examinations.
Merit Based tests for ILARS	• Application of a merit-based test to ILARS and insurers to certify reasonable prospects of success	Non-exempt	• We will incorporate into our Legal Specialists review and incorporated into PIC forms
Covid Presumption	• Presumptions relating to certain employment clarifies how incapacity is defined for Covid-19	Exempt & Non-exempt	• Period of incapacity for a worker with Covid-19 will be the period specified on their medical certificate.
Death Benefit Disputes	• A dispute about liability for a lump sum death benefit will now be able to be negotiated and settled	Non-exempt	• Will be managed as a SLM with icare and PIC will develop rules to govern the process for settlement approval

Note: Excess Changes introduced in the reforms are not applicable to TMF