



Workers
Insurance
Association



International
Labour
Organization

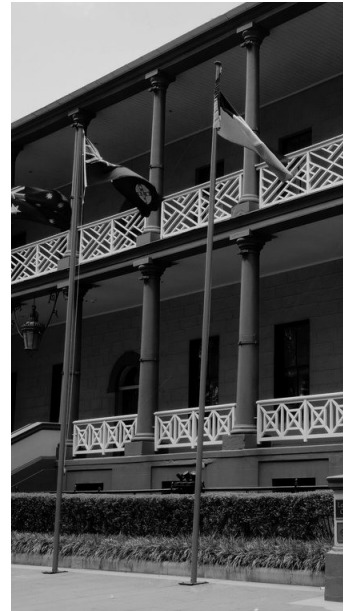
State of the Industry Report Workers Compensation

Safe Work. Strong Recovery. Life Ready.

Advocacy · Policy · Reform

April 2026

CONTENTS



Executive Summary

03

Overview & Context
About the WIA

WIA's Reform Priorities

06

Our industry-critical policies
supporting a healthy workers
compensation system

Our Industry By the Numbers

04

Key industry return to work
statistics and insights

Leading System- Wide Reform

07

WIA's track record of
delivering system
improvements

Emerging Industry Challenges

05

An overview of key risks
facing industry

Concluding Remarks & Next Steps

08

Looking ahead to what's next
in the scheme

World Day for Safety & Health at Work

→ **Support workers. Build capacity. Stronger results.**

1.0 Executive Summary

The World Day for Safety and Health at Work is an International Labour Organization (ILO) observance held annually on 28 April, focused on prevention, worker wellbeing, and safe workplaces. It provides a credible global anchor to reflect on workers compensation system performance and reinforce the importance of safe work and effective recovery.

In New South Wales, the workers compensation system is entering a critical phase. Once in a decade legislative reforms, heightened regulatory focus, and increasing scheme complexity are reshaping the operating environment. At the same time, cost pressures and changing injury profiles, including psychosocial claims, are placing greater demands on the system.

Against this backdrop, return to work outcomes remain the defining measure of success. Strong recovery outcomes are driven by early intervention, timely decision-making, and practical support for injured workers. Where these elements are delayed or fragmented, recovery deteriorates and scheme costs increase.

This state of the industry report provides a concise overview of the current state of the scheme, the key forces shaping its direction, and the practical reforms required to strengthen outcomes. As reforms move from policy into implementation, there is a clear opportunity to align regulatory settings with on the ground realities of managing complex workforces.

2.0 About the WIA

Representing Industry. Delivering Outcomes.

The Workers Insurance Association (WIA) is the peak industry body representing licensed self-insurers, specialised insurers, and scheme participants who collectively represent over half a billion dollars in gross underwritten premium and provide coverage for a significant share of the more than five million workers covered in the NSW workers compensation scheme.

Self and specialised insurers are not only scheme participants, but large employers in their own right, directly accountable for workforce health, operational continuity, and long-term cost sustainability. Our members share a common focus on early intervention, durable return to work (RTW) outcomes, and practical claims management, grounded in real operational experience.

We work closely with regulators, government, and system stakeholders to ensure legislative and regulatory settings are informed by on-the-ground realities faced by self and specialised insurers managing complex workforces and high-risk environments. Through policy leadership, technical training, executive roundtables, and targeted advocacy, the WIA supports members to navigate legislative/regulatory reform and strengthen best practice.

At its core, the WIA exists to advance a system that works better for injured workers, employers, and the broader NSW economy.

The WIA Way: Show Don't Tell

→ Reform, Pressure, and Opportunity

3.0 Our Industry by the Numbers: Recovery Outcomes Define System Success

The NSW workers compensation system is undergoing a period of significant change. Once in a decade legislative reforms are reshaping key aspects of the scheme, bringing renewed focus to how it operates and delivers outcomes for injured workers and employers.

These changes have been accompanied by increased political, regulatory, and media attention. Workers compensation is now firmly in the public policy spotlight, with heightened scrutiny on decision-making, system performance, and the effectiveness of reforms as they move into implementation.

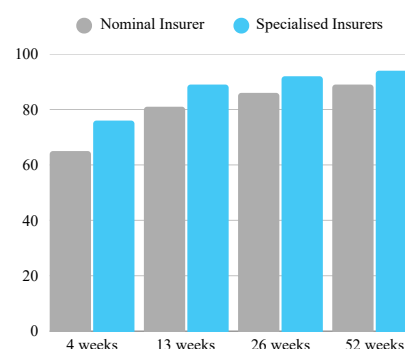
At the same time, scheme sustainability and cost pressures remain central concerns. Rising claim complexity, longer durations, and evolving injury profiles are placing increased demands on the system, reinforcing the need for settings that are both practical and financially sustainable over the long term.

There is also greater scrutiny on insurer performance, particularly in relation to return to work outcomes, claims management practices, and consistency of decision-making. This reflects a broader shift towards outcome-based assessment of system performance.

Taken together, these dynamics present both challenges and opportunities. While the system is under pressure, the current reform environment provides a window to strengthen performance, improve return to work outcomes, and ensure the scheme remains fit for purpose.

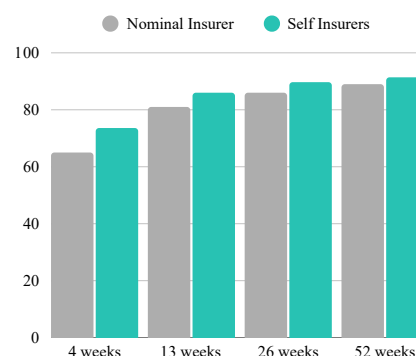
The below graph highlights that specialised insurers consistently outperform the nominal insurer across all return to work timeframes. The gap is most pronounced in the early stages of recovery (4 to 26 weeks), where early intervention and specialised claims management have the greatest impact.

Specialised Insurers
Average Return to Work Rates: 2022-25



The self-insurer graph (below) shows how they similarly outperform the nominal insurer at every return to work milestone, with the strongest differential occurring early in the recovery process. This reflects the benefit of direct employer involvement in claims management and workplace reintegration, supporting faster and more durable return to work outcomes.

Self-Insurers
Average Return to Work Rates: 2022-25



Emerging Industry Challenges

→ Where the system is under pressure

4.0 Growing System Risks

The NSW workers compensation system is facing a number of structural and operational pressures that, if unaddressed, will impact both performance and long-term sustainability. Rising cost pressures remain a central concern, with growing claim complexity and duration placing strain on the scheme as a whole and reinforcing the need for reforms that support both recovery and financial sustainability.

Legislative Changes: As reforms move towards implementation by wider industry, there is heightened implementation risk. The effectiveness of reform will ultimately depend on how well new settings translate into practical, workable processes across the system.

Independent Medical Examinations: Delays in accessing IMEs continue to impact recovery timelines. Extended wait times can slow decision-making, delay treatment pathways, and contribute to longer periods on claim.

Cost Code Reform: The current cost codes are no longer fit for purpose. They are limited in scope and detail and are ultimately constraining the ability to deliver much-needed services, compare outcomes, and drive ongoing improvement.

Growing Administrative Burden: Increasing complexity creates friction for employers and insurers. It ultimately reduces the ability to tailor responses efficiently to the needs of injured workers.

The current environment presents interconnected risks, requiring draft regulations to translate into practical improvements without increasing red tape. The Market Review should provide certainty and ensure stakeholder input, alongside targeted reforms such as a standing Terrorism Reinsurance Fund for workers compensation. Resolving structural misalignment, including IME delays and system friction, will be key to supporting better recovery outcomes and a more efficient, person centred system.

Industry Risk Clusters



WIA's Reform Priorities

→ Practical, Outcomes-Focused Reform

5.0 Supporting a system that lasts

The WIA's reform priorities are grounded in improving real-world outcomes for injured workers, employers, and the broader scheme. Our focus is on practical, implementable changes that strengthen system performance and support long-term sustainability.

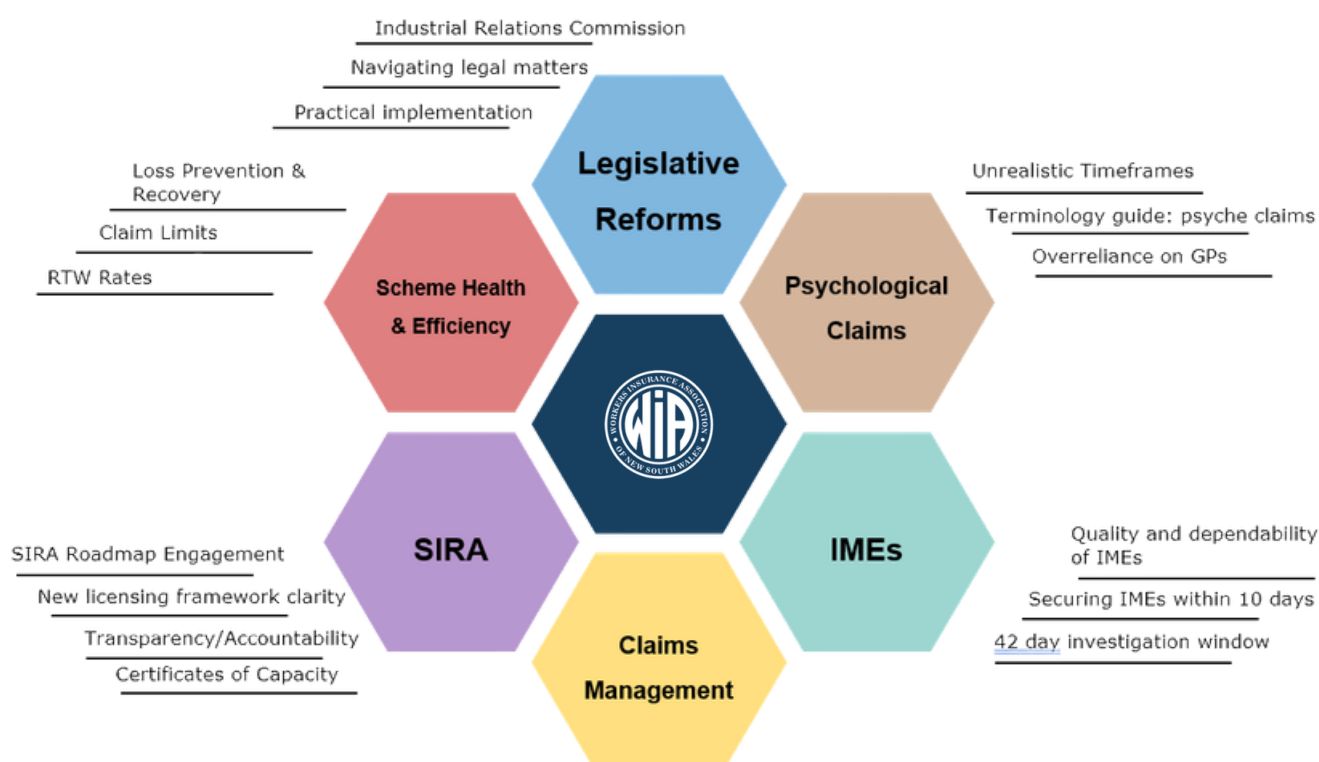
Strengthening return to work outcomes remains the central priority. This includes a continued emphasis on early intervention, timely decision-making, and coordinated support to deliver faster, more durable recovery outcomes.

Supporting a sustainable and resilient workers compensation scheme is critical, particularly in the context of increasing cost pressures and evolving injury profiles.

This requires policy settings that balance financial stability with effective support for injured workers. The WIA also advocates for reducing regulatory complexity and improving workability. Clear, practical, and proportionate regulation is essential to ensure the system operates efficiently and delivers consistent outcomes.

Finally, aligning policy settings with real operational experience ensures reforms are grounded in how the system functions in practice. Drawing on the expertise of insurers and employers is essential to delivering effective and sustainable reform.

WIA's Policy Focus



Leading System-Wide Reform

→ Evidence led: from insight to implementation

6.0 Supporting a system that lasts

The WIA plays an active role in shaping the direction of the NSW workers compensation system through sustained engagement, practical policy development, and industry leadership.

Over the past year, the WIA has delivered 45+ engagements with Members of Parliament and Ministers across New South Wales, ensuring the industry's voice is represented in key policy and reform discussions.

This has been supported by ongoing engagement with the State Insurance Regulatory Authority (SIRA), the Personal Injury Commission (PIC), and the Independent Review Office (IRO), particularly in relation to legislative reform, implementation, and future scheme settings.

The WIA has also delivered policy submissions and industry-led recommendations, grounded in operational experience and focused on practical, outcomes-based reform. As part of expanding our external presence, the WIA launched ThinkTwice, its first public-facing campaign, aimed at improving awareness and decision-making across key areas of the system.

In addition, the WIA continues to convene the industry through roundtables and executive engagement, bringing together key stakeholders to drive collaboration, share insights, and support more effective system outcomes.



Launched our inaugural Think Twice campaign, our first public-facing education initiative



Successfully advocated for SIRA to begin a project on certificates of capacity reform as a core industry priority



45+ direct engagements with government decision-makers



6+ direct meetings with SIRA on regulatory reform, implementation and future scheme settings



Real-time engagement on the Workers Compensation Legislation Amendment reforms during parliamentary debates



Engagements with the Independent Review Office (IRO) on the impact of legislative reforms



Exclusive engagement with the President Judge from the Personal Injury Commission (PIC) on regulatory changes



We held our Implementation Workshop for industry on how the reforms will translate into practice on a daily basis

Concluding Remarks

→ Improving outcomes where it matters most

7.0 Looking Ahead

As reforms move into implementation, there is a clear opportunity to focus on practical delivery and continuous improvement across the system. Ensuring that new legislative and regulatory settings translate effectively into day-to-day operations will be critical to improving return to work outcomes and maintaining scheme sustainability.

The WIA will continue to work closely with government, regulators, and industry to support this next phase. This includes identifying emerging implementation challenges, providing targeted, evidence-based input, and ensuring that policy settings remain aligned with real operational experience across complex workplaces.

Through ongoing engagement, the WIA will facilitate industry roundtables, support stakeholder briefings, and contribute to consultation processes to help refine and strengthen system performance over time. This collaborative approach will be essential to ensuring reforms deliver their intended outcomes.

We welcome continued engagement with stakeholders and would be pleased to provide further briefings or discuss the report's findings and reform priorities in more detail.

The NSW workers compensation system is at a critical juncture. As reforms move from policy into implementation, the focus must remain on delivering practical outcomes that improve recovery, support employers, and ensure long-term scheme sustainability.

There is a clear opportunity to align regulatory settings with real operational experience, reduce complexity, and strengthen return to work outcomes across the system. Achieving this will require continued collaboration between government, regulators, and industry.

The WIA stands ready to support this next phase and looks forward to supporting the delivery of a stronger, more effective workers compensation system for New South Wales.

Safe work. Strong recovery. Life ready.

If you would like further information, please reach out to:

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What our Members Say



"Their advocacy gives us greater engagement and influence with key industry stakeholders."



"By bringing together leading voices in workers compensation, WIA drives smarter policy, stronger collaboration, and a more effective scheme for all participants."



"WIA cuts through the noise and gets results that matter across the scheme..."





**Workers
Insurance
Association**

5,000,000+

Number of jobs insured through workers
compensation in NSW.

We thank you for your ongoing
support of the Workers
Insurance Association of NSW

Acknowledgements

We recognise the collective efforts of those who contributed to the development of the World Day for Health and Safety at Work, including those responsible for concept and coordination, research, and design.

This work was further strengthened by the insights and participation of attendees at WIA Roundtables, which were fundamental in shaping a strong policy and advocacy framework.

We also acknowledge the collaboration and support of our partner organisations and contributors, and above all the continued engagement and leadership of our members.

We thank all those across the sector who, every day, are advancing the workers compensation system in New South Wales.

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