

# MEDIA RELEASE

## Statement on Parliamentary Inquiry Report into the NSW Government's Workers Compensation Reforms



26 May 2025

The NSW Bar Association acknowledges the release of the [Parliamentary inquiry report](#) into the proposed changes to liability and entitlements for psychological injury in NSW.

The Association [remains opposed](#) to the draft [Workers Compensation Legislation Amendment Bill 2025](#), which is contrary to the interests of workers in NSW.

The NSW Government placed the Standing Committee on Law and Justice in an impossible situation. The committee has been required to produce a report on a complex reform with no time properly to consider the implications for millions of workers in NSW.

The committee Chair, the Hon. Greg Donnelly MLC, stated that “the timeframe did not permit the committee to undertake detailed examination and analysis of the volume of evidence, let alone prepare thorough and considered commentary, findings and recommendations.”

The terms of reference for the inquiry were referred to the committee by the Treasurer on 8 May 2025, the exposure Bill was released on 9 May 2025, submissions closed on 15 May 2025, and there was a single day of hearings on 16 May 2025 before a report was published on 23 May 2025. The committee has made clear that it did not seek this deadline.

The reforms have been proposed without sufficient time for proper consultation with stakeholders. The NSW Government should take the time required to hear from the community about how it can appropriately address the problems facing the workers compensation system.

It is most concerning that the exposure Bill proposes to abolish substantial compensation rights for psychological injury for those assessed as having a Whole Person Impairment of less than 31 percent. The proposed reforms will radically reduce workers compensation entitlements for psychological injury in NSW, because virtually no one is assessed as having impairment of that level for psychological injury.

Further, the effect of the exposure Bill will be to block recovery of workers compensation entitlements until a worker injured by bullying or sexual or racial harassment obtains a finding from a tribunal such as the Industrial Relations Commission that the bullying or harassment has occurred. In many cases the cause of the injury will not be disputed and the requirement will cause only delay and wasted costs. In other cases, the requirement to obtain a finding from the Commission will result in an injured worker

being unable to access effective cover for medical treatment and income for many months. Some may never access the scheme because of the costs and stress involved in legal proceedings.

The proposed changes risk reducing access to early medical treatment, increasing the cost and complexity of claims while drastically reducing benefits, and increasing the social and economic impact of workplace psychological injuries. They stand in the way of workers having the chance to recover and return to work.

The NSW Government's rationale for the changes is the impact of the rise in psychological injury claims on the financial performance of the workers compensation scheme. A number of reforms to workplaces and the administration of the scheme have been proposed to the NSW Government to reduce the incidence of workplace psychological injury and to reduce delays and wasted costs associated with psychological injury claims. The Association has made a number of suggestions and is prepared to work with the Government in relation to their implementation.

The NSW Government should carefully consider and implement sensible reforms to workplaces and the workers compensation scheme before resorting to changes that reduce or eliminate benefits to injured workers. The NSW Government would not reduce benefits to workers suffering physical injuries like silicosis because of an increase in claims by affected workers. Claims by workers suffering psychological injuries should not be treated any differently.

The NSW Government's Bill may be introduced in the NSW Parliament as early as 27 May 2025. Parliamentarians should not support the Bill in its current form but, rather, demand a substantive review of the proposed amendments, enabling the Standing Committee on Law and Justice to perform its important role in providing evidence-based advice and recommendations.

**Dominic Toomey SC, President of the NSW Bar Association**

Media contact: Edward Clapin, 0491 844 487, [eclapin@nswbar.asn.au](mailto:eclapin@nswbar.asn.au)