

# Media Release

The Hon Daniel Andrews MP  
Premier



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## GETTING VICTORIANS HEALTHY AND BACK TO WORK

The Andrews Labor Government is helping Victorians get healthy and back to work after injury, building a modern WorkCover scheme that gives security to Victorian workers and businesses.

Labor has always stood with injured workers – supporting them to pay their bills while they recover and get back to work through WorkCover and its predecessors, dating back to the Cain Labor Government’s landmark passage of the Occupational Health and Safety Act and Accident Compensation Act in 1985.

But WorkCover is fundamentally broken – no longer meeting the modern needs of those it was designed to assist more than 30 years ago.

Since 2010, WorkCover’s claims liability has tripled, mainly driven by the increased cost of weekly income support and many workers staying on the scheme long-term.

The increase is partially driven by mental injury claims – now representing 16 per cent of new claims – which was never envisaged when the scheme was designed.

That’s why the Labor Government is creating Return to Work Victoria, to help people get back into the workforce as part of new reforms to ensure Victoria’s WorkCover scheme is sustainable and fit-for-purpose.

Return to Work Victoria, with input from employers, unions, mental health and occupational health experts, will pilot supports for injured Victorians and those experiencing work related mental stress to return to work or training pathways.

Health outcomes for workers are worse the longer they remain on WorkCover, and can lead to prolonged injury and unemployment – the longer a person is away from work, the less likely they are to ever return.

To align with other states and territories, WorkSafe will update the test for workers receiving WorkCover weekly payments beyond two-and-a-half years by introducing a Whole Person Impairment test of greater than 20 per cent – to more objectively measure the degree of physical and mental impairment.

Additionally, workers who experience stress and burnout will no longer be able to access weekly benefits from WorkCover – instead, they will be eligible for provisional payments for 13 weeks to cover medical treatment, while enhanced psychosocial supports will be provided to help them return to work or explore training pathways.

WorkSafe will continue to focus on preventing workplace injuries and to support workers who make claims for physical injuries, and mental injuries arising from workplace harassment, bullying and traumatic events such as those experienced by frontline workers.

Planned eligibility changes will come into effect in 2024 and will only apply prospectively. Victorians already receiving WorkCover who have passed the two-and-a-half-year mark will continue under the current scheme, will continue to receive payments, and will also benefit from the services of Return to Work Victoria to help them get better and back into the workforce.

A legislated review will take place no earlier than three years after the changes come into effect, to review their operation and assess their financial impact and to ensure the scheme is working as it should and workers are getting the support they need.

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Premiums paid by organisations will move to an average of 1.8 per cent of remuneration, bringing Victoria in line with other states and territories and ensuring that WorkCover can continue to support workers and businesses into the future.

When WorkCover returns to financial sustainability, additional capital will not be repatriated to the state budget – meaning any savings will go back into the scheme to ensure better outcomes for workers, or lower premiums.

Boosted assistance to help workers get back to their job, or find a new position, is good for workers and businesses – helping avoid the negative health impacts of long-term unemployment and helping keep business premiums lower.

The changes come after extensive consultation with worker and employer groups, and the Labor Government will move to introduce legislation later in 2023.

For more information, visit [vic.gov.au/workcover-modernisation](https://vic.gov.au/workcover-modernisation).

**Quote attributable to Premier Daniel Andrews**

*“There’s nothing safe about being sick – we’re helping workers return to their jobs and making sure WorkCover can support Victorians for many years to come.”*

**Quote attributable to Minister for WorkSafe Danny Pearson**

*“We’re modernising the WorkCover Scheme and establishing Return to Work Victoria, so that no injured worker is left behind.”*