

Media Release

Mr Danny Pearson MP

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DELIVERING A SUSTAINABLE WORKCOVER SCHEME FOR VICTORIANS

The Allan Labor Government has today introduced a bill to Parliament to modernise WorkCover and reinforce its financial health so that it can continue to help injured Victorians return to work now and into the future.

The introduction of the legislation follows months of consultation with unions, businesses and other stakeholders to ensure the scheme is fit for purpose and reflects modern workplaces.

The *WorkCover Scheme Modernisation Bill*, supported by the creation of Return to Work Victoria, will provide a renewed focus on injury recovery and return to work because the longer a person spends away from work, the harder it is for them to recover.

WorkCover was designed in 1985 principally to support workers with physical injuries – but is clearly no longer meeting the needs of the Victorian workforce.

WorkCover's claims liability has tripled over the past decade, mainly due to injured workers staying on the scheme for longer and a significant rise in mental injury claims that were not anticipated when the scheme was created – mental injury claims now represent 16 per cent of new WorkCover claims.

The new legislation makes a number of important changes to WorkCover as foreshadowed earlier in the year, including bringing Victoria into line with other states by introducing a Whole of Person Impairment test for workers on the scheme after two and a half years and offering workers with stress or burnout claims 13 weeks of provisional payments while leaving frontline workers unaffected.

Bullying, harassment and discrimination is not acceptable in Victoria, and these claims will continue to be eligible for compensation.

The bill also clarifies the processes for resolution of initial eligibility disputes and mandates an independent review of the scheme in 2027.

Return to Work Victoria will be established in 2024, alongside changes to WorkCover, to develop and deliver early intervention and support for workers to return to work.

The *WorkCover Scheme Modernisation Bill* is expected to pass Parliament this year with changes taking effect in the first quarter of 2024.

The Labor Government reaffirms its stance that the state will not take any capital repayments from WorkSafe and that any savings will be reinvested to benefit workers and in lower premiums for business.

Quotes attributable to Minister for WorkSafe and the TAC Danny Pearson

"We have been very clear that WorkCover is fundamentally broken. These important changes will mean WorkCover can continue to support injured workers when they need it most."

"We're establishing Return to Work Victoria so that workers can return to work as quickly and safely as possible – which is the best outcome for them, their families and the community."

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