Attachment A

Broad Workers Rehabilitation and Compensation Scheme Review

Terms of Reference

1. Purpose

The purpose of the Review is to undertake an independent, evidence-based assessment of the fairness, sustainability, effectiveness, governance arrangements and future-readiness of Tasmania's workers rehabilitation and compensation scheme (the Scheme) under the *Workers Rehabilitation and Compensation Act 1988* (the Act).

The Review will identify short-term and long-term reforms required to ensure the Scheme:

- provides timely and appropriate support to workers who experience a workplace injury and facilitates a timely, safe and durable return-to-work
- provides fair, transparent and affordable compensation for workers who experience a workplace injury
- remains financially sustainable and affordable
- responds effectively to changes in work, injury and workforce structure
- supports efficient and consistent insurer and regulatory performance
- maintains public confidence in the Scheme
- continues to effectively achieve its stated objective over the next 10–15 years

2. Review Objectives

2.1 Best Practice Framework

- Assess whether the Scheme is delivering timely support to workers who experience a workplace injury and facilitates safe and sustainable return-to-work outcomes.
- Assess long-term financial sustainability, premium affordability and liability trends.
- Identify any trends in compensation claims, the actual and potential cost of different types of claims and emerging risks.
- Examine the Tasmanian State Service (TSS) workers compensation sustainability within the broader scheme.
- Consider whether premium setting, insurer compliance and permit conditions, and financial oversight arrangements appropriately reflects the risk and the supports long-term sustainability of the Scheme

- Assess impacts on employer affordability and competitiveness, including small business.

2.2 Worker Experience and Fairness

- Assess workers' access to timely benefits, the quality of rehabilitation, and pathways that support safe and sustainable return-to-work.
- Evaluate fairness, transparency, and consistency of decision-making.
- Examine the effectiveness of the dispute processes and access to review.
- Assess whether the current scheme delivers consistent outcomes for different groups of workers who experience a workplace injury.

2.3 Emerging Risks and Workforce Change

- Consider the financial impact of:
    - psychological injury
    - occupational violence
    - ageing workforce
    - hybrid, gig and platform work
    - temporary, migrant and multicultural workforce changes

  on the cost of the Scheme
- Assess whether the legislative and administrative frameworks adequately responds to emerging and non-traditional employment arrangements.
- Identify emerging risks and consider potential mechanisms to address these findings through regulatory, operational or scheme-level responses.

2.4 Insurance, Governance and Regulatory Performance

- Evaluate insurer and self-insurer performance, including consistency and compliance with license and permit conditions.
- Assess the effectiveness of regulatory oversight and incentives.
- Assess whether the legislative functions, powers and oversight mechanisms under the Act support contemporary best practice and effective scheme regulation.
- Examine whether the Board's functions and powers enable effective and equitable regulation of privately underwritten insurers, self-insurers, TSS arrangements, the Nominal Insurer and accredited providers.
- Assess whether accreditation provisions under the Act (including relevant sections such as section 77C) provide sufficient authority to enable effective oversight and compliance.
- Assess the appropriateness and long-term sustainability of the privately underwritten model, including any identification of alternative insurance or

scheme design models that may better support workers who experience a workplace injury, fairness, efficiency and the financial viability of the Scheme.

- Assess the governance structures and insurance arrangements utilised by the Scheme, including their clarity, effectiveness and alignment with contemporary best practice.
- Assess workforce capacity, capability and training needs across system participants, and identify opportunities for improvement.
- Identify opportunities to simplify and modernise administrative arrangements.

3. Scope of the Review

3.1 Legislative and Policy Framework

- Whether the Act continues to effectively achieve its stated objectives, including the timely support and rehabilitation of workers who have experienced a workplace injury, fair and sustainable compensation, and safe return-to-work practices.
- Opportunities to clarify roles, reduce complexity and improve navigability of the legislative framework

3.2 Scheme Design and Performance

- Structure and objectives of the current scheme, including whether the objectives under the Act are being achieved and identifying opportunities to improve outcomes, efficiency and alignment with best practice.
- Claim duration, cost escalation, and dispute trends.
- Rehabilitation and the success of return-to-work programmes.

3.3 System Operations and Administration

- Claims management practices.
- The quality of data provided on the operation of the Scheme.
- The administrative burden on employers, insurers and service providers.
- Powers, functions and administrative arrangements of the Nominal Insurer, particularly in the context of evolving employment models.

3.4 National Benchmarking

- Comparative analysis across Australian jurisdictions.
- Assessment of best practice models and reform trends.

3.5 Short-Term and Long-Term Recommendations

- Identify practical short-term improvements to the Act that can proceed during the Review.
- Identify long-term reforms required to the Scheme.

4. Out of Scope

The Review will not examine:

- Matters unrelated to workers compensation or return-to-work.
- Industrial relations or wage policy issues.
- Broader health-care system reform (except where it interfaces with workers compensation).

5. Methodology

The Review will include:

- Detailed analysis of Scheme, actuarial and cost data
- Review of legislative and administrative arrangements
- Comparative analysis with other jurisdictions
- Targeted consultation with, but not limited to:
    - Workers
    - persons with lived experience
    - employers
    - insurers and self-insurers
    - unions and industry bodies
    - medical providers
    - legal practitioners
    - TASCAT
    - Worker Assist Tasmania
    - peak bodies and representative groups
- Establish a Tripartite Reference Group, comprising employer, union and government/Board representatives, to provide system-level insight, support constructive engagement, and inform the Review, including testing key themes, findings and reform options.
- Publication of Issues Papers, Discussion Papers and a Draft Report
- Delivery of a Final Report with findings and recommendations

6. Governance and Oversight

- The Board will govern the Review and advise the Minister in accordance with s.10 of the Act.

7. Deliverables

The Review Panel will deliver:

1. Issues Paper
2. Discussion Paper
3. Draft Report
4. Final Report containing:
    - Findings
    - Recommended reforms
    - Priority sequencing
    - Short-term vs long-term changes
    - Legislative, administrative and policy proposals

8. Principles for the Review

The Review will be guided by the following principles:

- Fairness of the compensation benefits model
- The financial sustainability of the Scheme
- Transparency
- Evidence-based analysis
- Person-centred
- Future-readiness
- Clear, simple communication
- Equity across sectors, including the Tasmanian State Service
- Avoiding piecemeal reform
- Consultation and inclusiveness
- Recognition that the Scheme exists to support workers who experience a workplace injury to recover and return-to-work safely, while maintaining financial sustainability