



Dominic Perrottet

Treasurer

Victor Dominello

Minister for Digital

Minister for Customer Service

MEDIA RELEASE

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MCDUGALL REVIEW INTO ICARE HANDED DOWN

The NSW Government acknowledges and welcomes the recommendations of the fast-tracked icare and *State Insurance and Care Governance Act 2015 Independent Review*, handed down by retired Supreme Court Judge Hon. Robert McDougall QC today.

Mr McDougall conducted a root and branch examination of Insurance and Care NSW (icare) and examined issues raised over the past year.

The Review offers an independent assessment of the issues and challenges facing icare and the worker's compensation scheme and deals with these fully and frankly.

The Review states icare's push for change was well-intentioned but was conducted too quickly which led to poor execution and failures in areas including procurement, cost management, probity and conflicts management.

In acknowledging these matters and others that have arisen in the establishment of icare, the Review also affirms that the structural reforms initiated by the NSW Government in 2015 to improve the NSW workers compensation system were and are fundamentally sound.

The Review concludes that, once all relevant recommendations have been implemented, *"... the result should be a workers compensation system in this State that delivers fairly to injured workers the full measure of their statutory entitlements, and does so efficiently and at the least cost possible to employers."*

Treasurer Dominic Perrottet said Mr McDougall's objective and constructive approach would enable the Government to focus on implementing the Review's recommendations, delivering a stronger and better worker's compensation scheme.

"Securing the Review has been a top priority for me and the Government, and I thank Mr McDougall for his work in delivering a report that will ultimately support better outcomes for injured workers and employers in NSW," Mr Perrottet said.

"Over the past seven months we haven't sat idle, we have acted and embarked on the most significant changes to icare since the scheme was created in 2015.

"We know there is still more work to be done and these recommendations will form the bedrock of a better and stronger worker's compensation scheme."

Key recommendations from the Review include:

- icare should be bound to a procurement and probity framework equal to that of other government agencies;
- icare prepare and publish a plan for cultural change which addresses key risk factors, and reports annually to the Treasurer on its progress;
- The icare Board include one or more members who possess extensive public sector experience and workers compensation insurance experience;
- SIRA develop an accelerated plan for implementation of the findings of its Healthcare Review and release it publicly;
- There should be a further independent cultural review of icare by 2023.

Minister for Digital and Minister for Customer Service Victor Dominello welcomed the review and said work would start immediately on the recommended changes.

“The State Insurance Regulatory Authority (SIRA) is committed to working with icare and the industry to drive down costs and deliver better health outcomes for injured workers,” Mr Dominello said.

The Government will immediately accept 35 recommendations, which can be implemented operationally by icare and SIRA, and will respond to the further recommendations that would, if implemented, require legislation in due course after they are considered by cabinet.

Work is already completed or underway at icare on implementing a number of the recommendations in the Review, including:

- The appointment of three new Board members, including Chairman John Robertson, and a new CEO to ensure icare has the expertise needed;
- Improving return to work rates for the Nominal Insurer;
- Proactively assessing eligible claims to ensure people that may have been underpaid due to PIAWE miscalculations are remediated;
- Increased transparency about icare’s performance.

This work is part of a broader strategy to further improve the operation of icare and worker’s compensation, including by improving risk and governance, improving performance - especially return to work rates, and driving an accountable culture.

The Review also considered the external and independent Allens report, which examined the commercial arrangements between icare and Comensura following questions raised during a Budget Estimates hearing earlier this year.

The report found there was a credible commercial rationale for the procurement and a competitive public tender process was conducted, with appropriate oversight and governance.

The NSW Government also acknowledges the work of the Law and Justice Committee which also released its report on the 2020 Review of the Workers Compensation Scheme today.

The Government thanks the Hon. Robert McDougall QC for his important work, which will help deliver a better workers compensation scheme for the people of NSW.

A full copy of the Review can be found [here](#).

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