



Dominic Perrottet
Treasurer

Victor Dominello
Minister for Digital
Minister for Customer Service

MEDIA RELEASE

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PIAWE REMEDIATION PROGRAM AND REVIEW

NSW Treasurer Dominic Perrottet and Minister for Digital and Minister for Customer Service Victor Dominello today announced NSW Treasury and the State Insurance Regulatory Authority (SIRA) will work with icare to speed up the remediation process for injured workers who have been underpaid due to historical miscalculation of payments.

Deloitte will be engaged to lead the review providing expert advice on rectifying the historical Pre-injury Average Weekly Earnings (PIAWE) underpayments and overpayments, following their work on the 7-Eleven wage claims program.

This will include commissioning a comprehensive review of PIAWE assessments to ensure the timely and fair compensation of any underpaid claims and determining if changes to the calculation or methodology are needed to assist icare in preventing PIAWE miscalculations in the future.

Mr Perrottet said rectifying the PIAWE miscalculations had been a priority for icare since it identified and self-reported to SIRA, but the complexity of recalculation requirements was hampering progress.

“It is clear that, despite investing significant time and resources into identifying and repaying affected workers, progress has not been fast enough,” Mr Perrottet said.

“From the moment icare identified and self-reported this issue the stated position has been to pay back any injured worker who has been underpaid.

“Every injured worker deserves to receive the entitlements owed to them and today we’re putting in place measures needed to find the best way forward.”

The PIAWE miscalculations have been found to impact the private sector workers covered by the Nominal Insurer as well as the Treasury Managed Fund, which covers government workers.

Current legislation dictates employers and injured workers need to provide the exact figures dating back 52 weeks prior to the injury, including detail such as sick leave, leave without pay, secondments, higher duties, overtime and more.

Mr Dominello said SIRA’s regulatory role would enable it to help find solutions to the immediate challenge of repaying workers, while also ensuring the same issue did not arise in the future.

“PIAWE was designed to ensure every worker receives the compensation they are entitled to, but clearly the system in its current form isn’t working well enough,” Mr Dominello said.

“Many employers and workers simply don't have the necessary information needed to complete the PIAWE calculation accurately. SIRA will work with icare to determine what changes may be needed to fix this problem.”

The Terms of Reference for Deloitte’s review will be published once finalised.

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BACKGROUND

icare identified the miscalculation of the PIAWE payments and proactively alerted SIRA to the issue in February 2020.

In March 2020 icare proactively alerted the community and has since determined an estimated 23,000 workers may have been potentially impacted by underpayments and overpayments by up to \$20 million.

icare has invested \$3.5 million to date to support the assessment and payment of injured workers who have been underpaid. Conversely, any worker found to have been overpaid has not been asked to repay any overpayments.

icare continues to call on injured workers who received weekly compensation payments for injuries notified between October 2012 and October 2019 and wish to have their entitlements checked to request an assessment.

The Deloitte review will be overseen and supervised by a Steering Committee chaired by SIRA and also comprising NSW Treasury and icare.

Injured workers can lodge a request by visiting: www.icare.nsw.gov.au/assessment.