



**Dominic Perrottet**

Treasurer

**Victor Dominello**

Minister for Digital

Minister for Customer Service

## **MEDIA RELEASE**

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### **MCDUGALL REVIEW RECOMMENDATIONS TO BE LEGISLATED**

The NSW Government is continuing to improve the worker's compensation scheme in response to recommendations in the *icare and State Insurance and Care Governance Act 2015 Independent Review*.

Retired Supreme Court justice the Hon. Robert McDougall QC conducted a thorough examination of Insurance and Care NSW (icare) and handed down his review at the end of April this year.

The NSW Government will be introducing legislation to address a further eight recommendations from the Review, after 35 recommendations, which icare and the State Insurance Regulatory Authority (SIRA) were able to implement operationally without legislation, were accepted immediately after the Review was handed down.

Treasurer Dominic Perrottet said these additional recommendations requiring legislation will be adopted to strengthen governance and regulation, and clarify the roles of organisations in the NSW workers compensation system.

"We are taking the next steps to deliver a stronger and better worker's compensation scheme with these changes, addressing scheme wide issues identified by the Review," Mr Perrottet said.

"This legislation will build on the significant change already underway at icare to lift the performance of the organisation and improve the foundations of the worker's compensation scheme to ensure its support for people when they are at their most vulnerable.

"icare has already adopted all the recommendations related to the organisation that do not require legislation and has programs of work addressing these. While the changes will take time we know they're necessary to ensure injured workers and NSW employers get the care and support they need long term."

The introduction of legislation will implement eight of the recommendations of the McDougall Review, including with respect to:

- Terms of directors;
- Clarifying SIRA's regulatory powers in relation to icare and the Nominal Insurer;
- Adding policy objectives in the *State Insurance and Governance Care Act 2015*;
- Clarifying the objectives, roles, powers and functions of icare, SIRA and SafeWork.

Minister for Digital and Minister for Customer Service Victor Dominello said SIRA would also be carrying out further public consultation on the four McDougall Review recommendations which deal with threshold tests for entitlements, entitlement to medical treatment and access to lump sum settlements.

“SIRA is committed to working with icare to make sure we get the settings right to deliver the best health outcomes for injured workers, and it’s important we hear from the public and key stakeholders on these matters,” Mr Dominello said.

“Following this consultation, the NSW Government will consider whether further legislative reform is required.”

The NSW Government intends to introduce a single bill to address all legislative changes required as a result of the McDougall Review, including any that arise from consultation. The McDougall Review was handed down on April 30 this year. At the time, work was already complete or underway at icare on a number of actions that were ultimately recommended in the Review, including:

- The appointment of three new Board members, including Chairman John Robertson, and a new CEO;
- A restructure of the organisation, including of the executive team;
- Stabilising return to work rates for the Nominal Insurer;
- Proactively assessing eligible claims, including writing to all eligible claimants, to ensure potential underpayments are addressed; and
- Improving risk and governance, improving performance and driving an accountable culture.

The Legislative Council Law and Justice Committee also released its report on the 2020 Review of the Workers Compensation Scheme at the end of April. The Committee’s recommendations for legislative changes overlap with recommendations of the McDougall Review.

An update on the ongoing icare improvement program is available here: <https://www.icare.nsw.gov.au/about-us/reform-at-icare>.

**MEDIA: Ian Paterson | Treasurer | 0438 748 501**  
**William Sparling | Minister | 0408 576 636**