

Proposed solutions for
workers' compensation
reform

Area #4 of 7:

***Reduce financial
burdens on
workers and their
families***

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Overview

This document outlines a **series of solutions** proposed by people with lived experience of Australia's workers' compensation systems. The full series will be available on workersvoice.com.au

These individuals have directly experienced the challenges of making a claim, accessing support, and navigating the system during recovery.

The solutions were developed through extensive consultation with the Workers' Voice **Lived Experience** Advisory Group, including input from a dedicated workshop held in November 2024.

What it includes

The document highlights **number four of the seven key areas for improvement.**

- medical information
- communication with claims managers
- navigating the system
- **reducing financial burden (this document)**
- mental health claims model of care
- pathways for scheme exit
- strengthen regulation

Each section begins with a brief problem statement (describing an issue faced by injured workers), followed by practical solutions that could improve outcomes and system fairness.

These insights reflect **real-world experiences** and offer concrete ideas for reform, grounded in the everyday realities of injured workers across Australia.





Area #4 of 7: Reduce financial burdens on workers and their families

Problem Statement

Workers report that some aspects of workers' compensation scheme rules can have **unintended, and often unrecognised, financial impacts** on workers and their families.

These include substantial **reductions in income** due to wage replacement "step-downs" for workers with longer claims, often combined with **increased out-of-pocket costs** for healthcare in order to access rapid or preferred treatment.

Scheme **funding rules** and **administrative requirements** are also a **barrier for healthcare practitioners**, with many reluctant to treat workers compensation clients, which in some cases leads to workers **paying gap fees** (for Medicare funded services) or for entire services not covered by other sources.

Workers also acknowledge that their **family members** provide important, unpaid supports that help workers recover and return to work (e.g., transport to medical appointments), and that not having this support can slow recovery.



Proposed Solutions

4.1 Reduce or eliminate 'out of pocket' medical costs.

Recognise that workers and their families have **increased expenses** during periods of **sickness** and **time off work**, including contributions to their own medical treatment, and costs of travelling to and from appointments and meeting other scheme requirements.

Removing administrative and financial **barriers** to healthcare practitioner engagement in workers' compensation will also **reduce the likelihood** that workers will need to **self-fund** services.

Providing the **full costs** of medical treatment, including incidental costs, will support worker engagement in treatment and **positively influence** recovery.

4.2 For low income workers, provide full wage replacement.

Recognise that **financial stress** is a barrier to recovery and return to work.

It contributes to worsening **mental health**, can affect close **personal relationships**, and thus may negatively impact on **work capacity**.

Workers with **low pre-injury incomes** or those with **limited financial** resources should be provided with **full wage replacement** to reduce financial stress and mitigate its negative consequences.

Wage replacement step-downs should be **eliminated for low income workers** and instead emphasis should be on positive, rather than punitive, return to work incentives.

4.3 Financial support for primary carers.

Workers with **complex or serious health conditions** often require the support of family members or close friends during their recovery.

This can include practical supports that require the **carer to take time off work** (e.g., to transport the injured worker to required appointments, or to assume other caring duties such as childcare).

Providing **financial** or other services for **primary carers** can support faster, more enduring recovery.



Acknowledgement

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