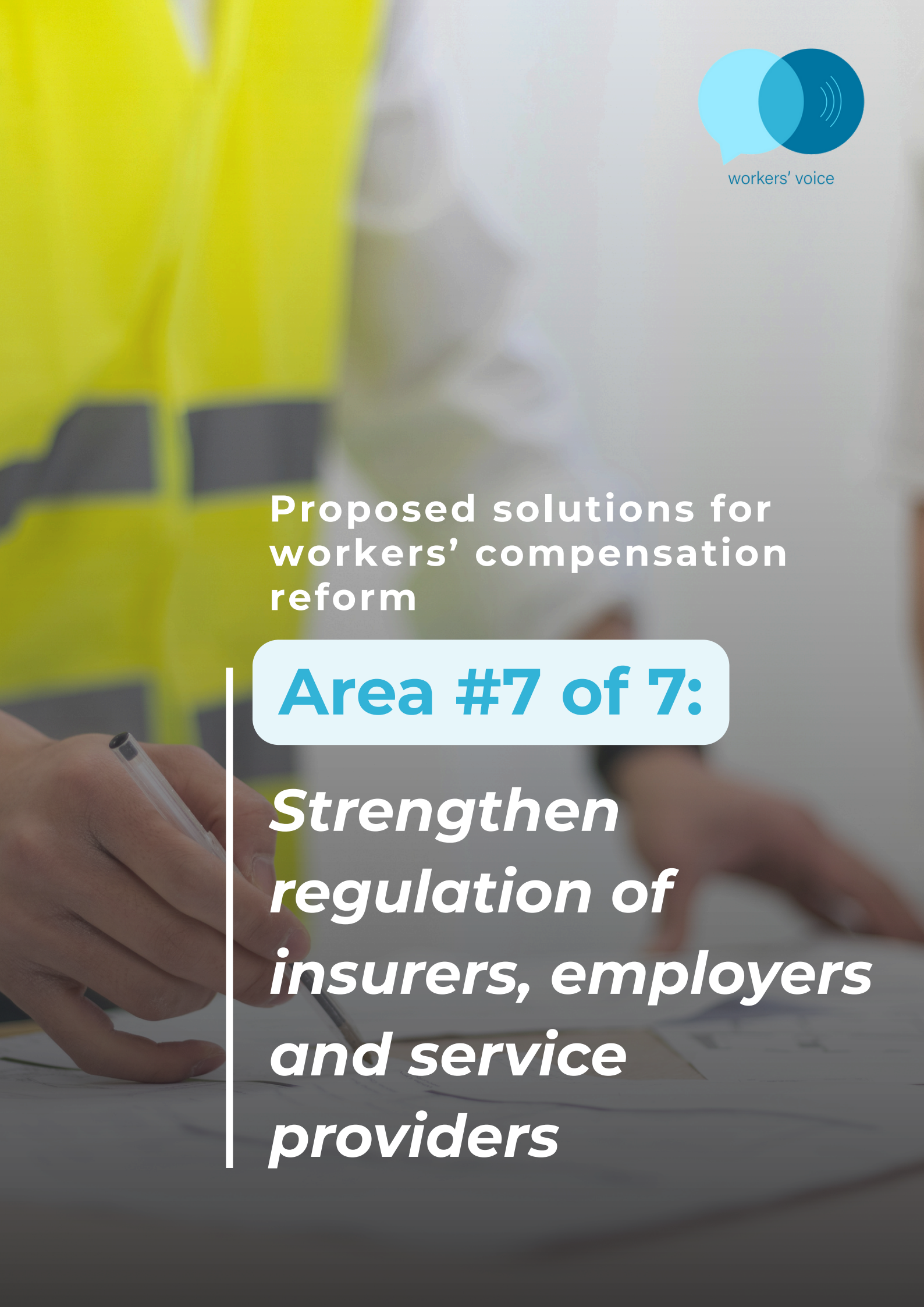

workers' voice

Proposed solutions for workers' compensation reform

Area #7 of 7:

Strengthen regulation of insurers, employers and service providers

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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 seven of the seven key areas for improvement.**

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

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 #7 of 7: Strengthen regulation of insurers, employers and service providers

workers' voice

Problem Statement

Workers report that **scheme regulators** could **do much more** to ensure that workers' compensation systems were operating as they are intended, and that key participants in the schemes are **meeting their obligations** and working in the **best interests** of injured workers.

Insurers and employers are often perceived as being **'gatekeepers'** to the workers' compensation system. Workers report that **employers** have a lot of power and **influence** in the initiation of a claim, and that **insurers** hold **decision making power** during a claim.

Workers also note that **both of these stakeholders** often have direct **financial interests** in claim **outcomes** (e.g., via employer premiums and insurer incentives).

Workers also report that the process for **selecting medical examiners,** whose opinion can have a substantial influence on the workers claim, is **not always** independent or transparent.

The **limited regulation** of potentially harmful treatment was also noted, with specific mention of **opioid prescribing** as a challenge for workers compensation schemes.

Proposed Solutions

7.1 Enhance transparency by publishing monitoring and audit results.

Regular independent **audits** of insurers claim management processes and performance should be **conducted and published** in a format accessible publicly (e.g., a website).

A **similar approach** should be followed for other key stakeholders in compensation schemes, such as workplace rehabilitation providers.

Particular attention should be paid to organisations involved in delivering **critical services** but which also have **financial motives** for involvement in workers' compensation.

These organisations should be required to publish **key financial information** including their income, expenditure, and profit margins to increase transparency.

Taking these steps would help the public **stay informed** and could help injured workers gauge whether the **system is working** as intended.

7.2 Strengthen regulation of independent medical examiners.

Require IMEs, and the organisations that employ them to provide services to workers compensation, to **disclose any commercial relationships** or **conflicts of interest** IMEs may have with insurers or employers.

Require organisations employing IMEs to **publish aggregate statistics** on the recommendations arising from their examinations.

Proposed Solutions

7.3 Reduce misuse of potentially harmful medicines.

To better protect injured workers from developing **substance use** problems, establish a more robust **monitoring system** for prescription medications that have addiction or abuse potential.

Regularly **publish statistics** on the use of these medications and conduct analysis to identify healthcare practitioners with outlying/unusual prescription patterns.

7.4 Promote re-investment back into the scheme.

Require insurers and other service delivery organisations who are making financial profits from the scheme to **re-invest a portion of their profits** back into the scheme.

This could include, for example, insurers funding activities that will enhance their capability and capacity to support workers to recover and return to work.

Acknowledgement
This fact sheet was produced as part of the Workers' Voice project.

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