

The Hon. Jarrod Bleijie MP  
Deputy Premier, Minister for State Development  
Minister for Infrastructure and Planning  
Minister for Industrial Relations  
PO Box 15009  
CITY EAST QLD 4002

**Via Email: [deputy.premier@ministerial.qld.gov.au](mailto:deputy.premier@ministerial.qld.gov.au)**

**Re: The impact of psychological injuries on Work Cover Queensland**

Dear Deputy Premier,

We are writing to seek your support for a review of the impact that psychological injuries are having on WorkCover. At the outset, we wish to acknowledge our strong support for WorkCover as an actuarially sustainable, no-fault scheme with reasonable premiums that also provides the best possible chance for workers to return to work.

The construction sector, residential, commercial and civil, has a higher proportion of workplace injury due to its physically demanding nature. In the face of this challenge, over time, the construction sector, through a combination of changing culture, technological improvements and legislative change has reduced the number of physical injuries over a long-term period per 1,000 employed people.

Despite this, there is concern and anecdotal feedback about some emerging issues in the scheme, specifically with regard to psychological and psychiatric claims. The Workcover Queensland annual reports included statistics around these types of claims that highlight this concern:

- New proportion of psychological and psychiatric statutory claims increased by 8.1 percent from 2023–24. Totalling an increase of 15% over the previous two years.
- Psychological injuries have increased from approx. 4,400 to 8,000 in the last 5 years.
- Psychological and psychiatric claims currently represent 15 per cent of total statutory payments (\$261 million for 2024–25)
- An average finalised time lost claim cost of \$23,000 which is nearly two times the average time lost claim cost of physical injuries (\$13,000 for 2024–25) and two and a half times the average time lost claim cost of physical injuries in 2023-24 (\$9,900).
- Have longer periods of time off work for the worker (115.6 average annual paid days) than for physical injury claims (49.5 average annual paid days); and
- Are less likely to result in the worker's return to work, at 72% in 2024—2025 compared to workers with a primary physical injury at 91.4%.

These problems are not isolated to Queensland. According to New South Wales (NSW) Treasurer, the Hon. Daniel Mookhey, psychological injury claims only make up 12 per cent of total claims but are responsible for 38 per cent of total scheme costs in NSW. The imbalance triggered a financial strain, with the state's main scheme covering just 85 cents per dollar of future liabilities prior to recent reforms.

Other key reasons outlined for New South Wales to reform their scheme were:

- Mental health-related claims are rising: According to SIRA, psychological injury claims increased by 64 per cent, jumping from 5,616 in 2019–20 to 9,195 in 2023–24. The average cost per psychological injury claim has nearly doubled from \$146,000 in 2020 to \$288,000 in 2025. In a Parliamentary Inquiry held on 17 June 2025, Daniel Mookhey told Parliament that iCare's deficit could blow out to \$6 billion without reforms by 1 July 2025.
- Low return-to-work rates: Only 50 per cent of workers with psychological injuries return to work within a year, compared to 95 per cent for physical injuries.

Based on this, New South Wales has recently undertaken reforms to ensure the sustainability of their scheme (iCare). The New South Wales reforms included reduced the Whole Person Impairment Threshold and most importantly, narrowed the definition of psychological injuries.

New South Wales and Queensland are on similar trajectories, and with policy settings as they currently are, it is easy to see the pressures that drove New South Wales reforms to be enlivened in Queensland.

We respectfully submit that there should be an examination into the nature of psychological and psychiatric claims with regard to Work Cover, with the goal of ensuring the long-term sustainability of the scheme. A review should examine whether reforms similar to New South Wales should be introduced in Queensland and in addition a robust review of the claims management process with focus on more independent psychological assessment.

Yours sincerely

**Damian Long**  
Chief Executive Officer  
Civil Contractors Federation Queensland

**Paul Bidwell**  
Chief Executive Officer  
Master Builders