

The three entitlement periods

Weeks 1 to 13 (first entitlement period)

Workers who are totally or partially incapacitated for work are entitled to 95% of their Pre Injury Average Weekly Earnings (PIAWE), less their actual earnings or capacity to earn in suitable employment, whichever is higher.

Weeks 14 to 130 (second entitlement period)

- Totally incapacitated workers: entitled to 80% of PIAWE.
- Partially incapacitated workers: if working at least 15 hours per week: 95% of PIAWE less actual or capacity to earn in suitable employment, whichever is higher.
- Partially incapacitated workers: if working fewer than 15 hours: 80% of PIAWE less actual or capacity to earn in suitable employment, whichever is higher.

Weeks 131 to 260 (third entitlement period)

Eligibility is more restrictive.

- Total incapacity: the insurer (or the Personal Injury Commission) must assess the worker as having no current work capacity. If so, they receive 80% of PIAWE.
- Partial incapacity: the worker must work at least 15 hours per week and earn above the statutory minimum (\$240 per week from 1 July 2025) and be working to their full capacity. If these conditions are met, the worker is entitled to receive 80% of PIAWE less actual earnings.

Workers with more than 20% whole person impairment do not need to meet the minimum hours or earnings requirements. They are entitled to 80% of PIAWE less actual or capacity to earn in suitable employment, whichever is higher.

A worker's degree of impairment is established by agreement with the insurer or by determination of the Personal Injury Commission.

Medical and treatment-related expenses

Currently, workers can claim reasonably necessary medical and treatment expenses arising from their injury. The 2025 amendments change the legal test from "reasonably necessary" to "reasonable and necessary".

Relevant factors to consider include:

- The appropriateness of the treatment
- The cost and effectiveness compared to alternatives
- Acceptance of the treatment within the medical profession.

To establish liability for treatment expenses, the worker only needs to show the injury (or its consequences) materially contributed to the need for treatment.

Entitlement duration is dependent on WPI:

- 0–10% WPI: up to 2 years.
- 11–20% WPI: up to 5 years.
- >20% WPI: ongoing.
- Exempt workers: no time limits.
- The 2025 amendments restrict medical and treatment expenses for primary psychological injuries to 12 months from the date the claim was made or 12 months from the date weekly payments ceased.

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NSW Workers Compensation: What GPs need to know

The Workers Compensation Legislation Amendment Bill 2025 was passed by both houses of Parliament on 18 November 2025. At the time of writing, the Bill has not yet been proclaimed, and the amendments are not currently in force. Further proposed Amendments have been passed by the Legislative Assembly and are currently before the Legislative Council. The 2025 amendments introduce significant reforms to the workers compensation scheme, particularly for workers with psychological injuries.

Except in passing, this brochure does not address the 2025 amendments.

Overview

For most NSW workers, entitlements to workers compensation benefits arise under the NSW Workers Compensation Act 1987 (WCA) and the Workplace Injury Management and Workers Compensation Act 1998 (WIM Act).

The scheme has become more and more complex as a result of numerous attempts at reform, with major changes to the legislation in 2001, 2012, and more recently in November 2025.

The WCA provides three broad types of compensation benefits for injured workers:

- Weekly payments of compensation.
- Medical and treatment-related expenses.
- Compensation for permanent impairment.

To qualify for benefits, an injured worker must satisfy various statutory criteria.

Injury

To qualify, a worker must have suffered a workplace injury, which can arise as a result of:

1. A frank or traumatic incident (or series of incidents)

In these cases, employment must be a substantial contributing factor to the injury.

2. The contraction of a disease

For disease injuries, employment must be the main contributing factor to the development of the disease (For police officers, firefighters, and paramedics [commonly referred to as “exempt workers”], employment only needs to be a substantial contributing factor.

3. The aggravation, acceleration, exacerbation, or deterioration of a disease

Again, employment must be the main contributing factor (or a substantial contributing factor for exempt workers).

Physical injuries must involve an identifiable pathological change, such as a soft tissue injury or fracture.

For psychological injuries, the condition must result in a recognised psychological or psychiatric disorder.

Once employment is found to be a substantial contributing factor or the main contributing factor to an injury, it never ceases to be so. The effects of the injury may resolve (such that a worker is no longer incapacitated for work or needs treatment because of the injury) but employment does not cease being a substantial contributing factor or the main contributing factor to an injury.

The WCA also contains several presumptive provisions that apply to particular types of workers or circumstances. For example, under Section 19A, certain cancers are presumed to have been contracted in the course of employment for firefighters; under Section 19B, workers in “prescribed employment” are presumed to have contracted COVID-19 in the course of employment unless the presumption is rebutted.

Consequential conditions

A workplace injury can lead to or contribute to conditions or symptoms in other parts of the body (eg gastrointestinal, urological, or respiratory/sleep-related impacts). For example, a worker may sustain a workplace injury to the right knee and subsequently gain weight and/or develop an altered gait leading to lower back symptoms that require treatment. Legally, we refer to this as a consequential condition.

Employment does not need to be the substantial or main contributing factor to a consequential condition. Rather, all that is required is that the condition develops or, in the case of a pre-existing condition, materially worsens or deteriorates as a consequence of the workplace injury based on a commonsense evaluation of the causal chain.

Compensation

Weekly payments of compensation

An injured worker who is totally or partially incapacitated for work as a result of a workplace injury is entitled to claim weekly payments for an aggregate period of up to 260 weeks. The 260 week restriction does not apply to exempt workers or to non-exempt workers who have greater than 20% whole person impairment. The 2025 Amendments restrict weekly benefits to workers with primary psychological injuries to 130 weeks unless the worker has at least 25% WPI.

Certificates of capacity

To receive weekly payments, workers must provide the insurer with Certificates of Capacity.

Certificates of Capacity can only cover a period of 28 days unless there are “special reasons” why a longer period should be accepted and the insurer accepts these reasons [s44B(3) and (4)]. A Certificate of Capacity cannot be for a period exceeding 90 days [s 44(5)].

Rehabilitation and return to work

Rehabilitation and return to work is a major focus for injured workers and employers. While the scheme aims to rehabilitate and return injured workers to work in a timely fashion, in our experience workers regularly report feeling pressured to upgrade their capacity and return to work before they feel ready or capable of doing so.