WorkCover Work Capacity Guidelines

Workers Compensation Act 1987
Workplace Injury Management and Workers Compensation Act 1998

I, Julie Newman, the Acting Chief Executive Officer of the WorkCover Authority of New South Wales, under sections section 376 (1) of the Workplace Injury Management and Workers Compensation Act 1998 and section 44A of the Workers Compensation Act 1987, issue the following guidelines.

Dated this 27th day of September 2012

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Work Capacity Guidelines

Instructions and guidance to insurers regarding the appropriate and consistent application of work capacity assessments, decisions and reviews.
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8. **Glossary**
1. Introduction

In June 2012 the Government introduced changes to the NSW worker’s compensation system. The changes are focussed on encouraging and assisting injured workers to stay at work as part of their rehabilitation wherever possible, or to support their safe return to employment. The changes will also reduce the impact of injury on workers and their families. The changes will provide better financial support for seriously injured workers and assist employers to meet their return to work commitments. The concept of a work capacity assessment was introduced as an important part of return to work planning and determination of entitlement to weekly payments.

These changes were introduced in the Workers Compensation Legislation Amendment Act 2012 (referred to as ‘the 2012 Amendment Act’) passed by Parliament on 22 June 2012 and assented on 27 June 2012. The 2012 Amendment Act amended the Workers Compensation Act 1987 (referred to as ‘the 1987 Act’) and the Workplace Injury Management and Workers Compensation Act 1998 (referred to as ‘the 1998 Act’).

1.1. Purpose

This document provides instructions and guidance to insurers regarding the appropriate and consistent application of work capacity assessments and decisions in the NSW workers compensation system. It also explains the process for insurers’ internal review of work capacity decisions when this is requested by a worker, including matters concerning the following specific sections of the 1987 Act:

- Section 38 Special requirements for continuation of weekly payments after second entitlement period (after 130 weeks)
- Section 43 Work capacity decisions by insurers
- Section 44 Review of work capacity decisions
- Section 44A Work capacity assessment
- Section 44B Evidence as to work capacity

The work capacity assessments provisions do not apply to those workers whose claims are excluded, including police officers, paramedics and fire-fighters, people injured working in or around coal mines, volunteer bush fire fighters, emergency and rescue service volunteers, people with a dust disease claim under the Workers Compensation (Dust Diseases) Act 1942, or workers who currently receive weekly payments as a result of an injury under the 1926 Act. Seriously injured workers, as defined by section 32A of the 1987 Act are not required to undergo a work capacity assessment unless the worker requests it and the insurer considers such an assessment appropriate.
These guidance materials and instructions apply to all claims made on or after 1 October 2012.

From 1 January 2013, these guidance materials and instructions will apply to all claims.

1.2. Legislative framework

These guidance materials and instructions are to be read in conjunction with, and in light of, the legislative framework governing work capacity certificates, assessments, decisions and reviews as contained in the relevant legislation and delegated legislation including

- the 1987 Act

- the 1998 Act

- the Workers Compensation Regulation 2010 (referred to as ‘the Regulation’)

2. Guiding principles

2.1. A focus on facilitating the worker’s capacity for work

Work promotes recovery, reduces the risk of long-term disability and loss of employment, and improves quality of life and wellbeing. An integrated and multi-disciplinary approach to injury management supports the worker to stay at work as part of their rehabilitation wherever possible, and participate in opportunities to improve their capacity for employment.

It is essential that all relevant parties work together. Early development of clear return to work goals, the injury management plan, and regular reviews of the plan are important elements to support the worker’s rehabilitation.

2.2. Effective communication throughout the life of the claim

Transparent and effective communication from notification of an injury onwards can help to set clear expectations regarding the roles and responsibilities of the worker, insurer, employer and medical and other service providers.

The implementation of this claims management approach, and any associated decisions must include plain language communication and be considerate of the worker’s and employer’s primary language, cultural background and literacy skills.

Communication issues and difficulties should be promptly addressed to ensure expectations are aligned and to minimise the risk of disputes.

2.3. Soundly based decisions

All decisions made in relation to the worker’s recovery and work capacity should be timely, informed and evidence based. Decisions should be made and communicated in a transparent and robust manner free from preference and prejudice ensuring that effective outcomes are achieved and due process is followed. Decisions should be made in line with the Best Practice Decision-Making Guide.

The insurer must use a sound decision-making model that includes appropriate controls and review processes aligned with the General Insurance Code of Practice incorporating a quality assurance and continuous improvement framework.
2.4. **A tailored approach**

Work capacity assessments should be tailored to the worker. An understanding of the worker’s circumstances and their injury ensures the right approach at the right time.
3. **WorkCover Certificate of Capacity**

(1987 Act: S.44B)

From 1 October 2012, the *WorkCover Certificate of Capacity* replaces the WorkCover medical certificate as the primary tool for the nominated treating doctor or treating specialist to communicate with all parties involved in the return to work process.

The *WorkCover Certificate of Capacity* is attached at section 7.1.

The nominated treating doctor or treating specialist is responsible for completing the *WorkCover Certificate of Capacity*. The *Information for medical practitioners completing the WorkCover Certificate of Capacity* provides further detail regarding the certificate.

The *WorkCover Certificate of Capacity* is one of the many sources of information used to help inform a tailored approach to injury management and return to work planning for each worker.

The worker is responsible for providing a completed *WorkCover Certificate of Capacity* to the employer and the insurer to be eligible for weekly payments.
4. **Work capacity assessment**

(1987 Act: S.32A, S.44A)

A work capacity assessment is an assessment conducted by the insurer of a worker’s current work capacity in accordance with section 44A of the 1987 Act.

**current work capacity**, in relation to a worker, is defined in section 32A of the 1987 Act as:

"a present inability arising from an injury such that the worker is not able to return to his or her pre-injury employment but is able to return to work in suitable employment.”

A work capacity assessment undertaken by the insurer is a review of the worker’s functional, vocational and medical status and helps to inform decisions by the insurer about the worker’s ability to return to work in his or her pre-injury employment or suitable employment with the pre-injury employer, or at another place of employment.

The insurer may conduct a work capacity assessment at any stage throughout the life of a claim. It is an ongoing process of assessment and reassessment that commences on notification of a workplace injury and continues as needed during the life of the claim.

**suitable employment**, in relation to a worker, is defined in Section 32A of the 1987 Act as:

“employment in work for which the worker is currently suited:

(a) having regard to:

(i) the nature of the worker’s incapacity and the details provided in medical information including, but not limited to, any certificate of capacity supplied by the worker (under section 44B), and
(ii) the worker’s age, education, skills and work experience, and
(iii) any plan or document prepared as part of the return to work planning process, including an injury management plan under Chapter 3 of the 1998 Act, and
(iv) any occupational rehabilitation services that are being, or have been, provided to or for the worker, and
(v) such other matters as the WorkCover Guidelines may specify, and

(b) regardless of

(i) whether the work or employment is available, and
(ii) whether the work or the employment is of a type or nature that is generally available in the employment market, and
(iii) the nature of the worker’s pre-injury employment, and
(iv) the worker’s place of residence"

A work capacity assessment considers all available information which may include, but is not limited to:

- reports from the treating doctor, treating specialist or other allied health professionals;
• WorkCover Certificates of Capacity;
• independent medical reports;
• injury management consultant reports;
• the worker’s self report of their abilities and any other information from the worker;
• the injury management plan;
• reports from a workplace rehabilitation provider such as workplace assessment reports, return to work plans, functional capacity evaluation reports, vocational assessment report, work trial documents, job seeking logs, activities of daily living assessments, etc;
• information from the employer such as documents relating to return to work planning; and
• information obtained and documented on the insurer’s claim file.

Referrals to a medical practitioner, workplace rehabilitation provider or other relevant party may be needed as part of the assessment if the information on the claim file is incomplete. This information from third party service providers will then form part of the body of evidence considered in the insurer’s work capacity assessment.

As provided by section 44A of the 1987 Act, the worker must attend and participate in any evaluation required as part of the work capacity assessment. If the worker does not attend or participate their weekly payments may be suspended until the assessment has taken place.

4.1. Timing of a work capacity assessment

A work capacity assessment may be conducted at any stage throughout the life of a claim.

At a minimum, the insurer must commence a review of the worker’s capacity for work once the worker has received a cumulative total of 78 weeks of weekly payments.

If a worker has an ongoing entitlement to weekly payments beyond 130 weeks, the insurer must conduct a work capacity assessment at least once every two years after this point, until such time as the worker’s entitlement ceases.

4.2. Work capacity assessments and seriously injured workers

Work capacity assessments must not be conducted for a seriously injured worker unless the worker requests it. If a seriously injured worker requests an assessment for example, to assist with return to work planning, the insurer must decide whether or not it is appropriate considering the worker’s circumstances.
Section 32A of the 1987 Act defines a **seriously injured worker** as

“a worker whose injury has resulted in permanent impairment and:

(a) the degree of permanent impairment has been assessed for the purposes of Division 4 to be more than 30%, or

(b) the degree of permanent impairment has not been assessed because an approved medical specialist has declined to make an assessment until satisfied that the impairment is permanent and the degree of permanent impairment is fully ascertainable, or

(c) the insurer is satisfied that the degree of permanent impairment is likely to be more than 30%.”

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5. **Work capacity decision**

(1987 Act: S.43)

A work capacity decision is a specific type of decision by the insurer which is defined in section 43 of the 1987 Act.

**Work capacity decisions by insurers** are decisions defined in section 43 of the 1987 Act as:

“(a) a decision about a worker’s current work capacity,

(b) a decision about what constitutes suitable employment for a worker,

(c) a decision about the amount an injured worker is able to earn in suitable employment,

(d) a decision about the amount of an injured worker’s pre-injury average weekly earnings or current weekly earnings,

(e) a decision about whether a worker is, as a result of injury, unable without substantial risk of further injury to engage in employment of a certain kind because of the nature of that employment,

(f) any other decision of an insurer that affects a worker’s entitlement to weekly payments of compensation, including a decision to suspend, discontinue or reduce the amount of the weekly payments of compensation payable to a worker on the basis of any decision referred to in paragraphs (a)–(e).

The following are not work capacity decisions:

(a) a decision to dispute liability for weekly payments of compensation,

(b) a decision that can be the subject of a medical dispute under Part 7 of Chapter 7 of the 1998 Act”
A work capacity decision is a discrete decision that may be made at any point in time and can be about any one of the factors described in section 43(1), such as the worker’s capacity to earn in suitable employment. This is different to a work capacity assessment which is a review process that may or may not lead to the making of a work capacity decision or another type of decision regarding a claim.

Work capacity decisions should be made in line with the Best Practice Decision-Making Guide.

5.1. Making a work capacity decision

Work capacity decisions will be made at many points throughout the life of a claim.

The insurer may make a work capacity decision on receipt of new information that relates to the worker’s capacity for employment which may affect the calculation of weekly payments. Such information may include, but is not limited to:

- evidence of the worker’s pre-injury wages or current wages
- WorkCover Certificates of Capacity
- a change in the worker’s personal circumstances
- confirmation that the worker has returned to work
- confirmation that the worker has become unable to work at all, or as much as they had been
- a report from a medical practitioner or allied health practitioner
- a workplace rehabilitation report
- an investigation report.

When making a work capacity decision the insurer should follow the Best Practice Decision-Making Guide including:

- ensuring that all reasonable opportunities to establish capacity for work have been provided to the worker
- ensuring that the insurer meets their responsibility of establishing and supporting an injury management plan tailored to the worker’s injury as set out in Chapter 3 of the 1998 Act
- evaluating all available and relevant evidence
- following a robust and transparent decision-making process with clear, concise and understandable information provided to the worker giving reasons for decisions
- seeking any additional information that is required to ensure the worker’s current capacity for work is fully understood
• providing opportunity for the worker to contribute additional information, especially if the decision may result in reduction or discontinuation of the worker’s weekly payments
• ensuring decision makers have the appropriate expertise, ability, and support to make the decision they are making.

Any work capacity decision should be logical, rational and reasonable. It should be a decision that is more likely than not to be correct. In many cases the insurer will already have all the information they need to make a work capacity decision without the need to refer the worker for additional evaluations by third party service providers.

**Example:** The worker is recovering from recent surgery. The WorkCover Certificate of Capacity and report from the treating specialist indicates the worker has no current work capacity. A work capacity decision can be made based on this information probably without the need for any further evidence.

**Example:** The worker has returned to work in their full pre-injury role. It is confirmed that the worker is in receipt of their pre-injury average weekly earnings. A work capacity decision can be made based on this information probably without the need for any further evidence.

**Example:** The worker has returned to suitable employment, working reduced hours. Information has been received from the worker’s physiotherapist and nominated treating doctor indicating that the worker has capacity for full pre-injury hours. The insurer can make a work capacity decision about the amount the worker is able to earn in this suitable employment, working full hours, probably without the need for any further evidence.

5.2. **Fair notice provisions**

Before making a work capacity decision that may result in a reduction or discontinuation of the worker’s weekly payments the insurer must, at least two weeks prior to the work capacity decision, communicate this to the worker in a way that is appropriate in the circumstances of the case, and preferably by telephone or in person. This must be done to:

• inform the worker that a review of their current work capacity is being undertaken and that a work capacity decision is going to be made
• explain that this review may include further discussions with other parties such as their employer, nominated treating doctor or other treatment providers
• advise the potential outcome of this review and detail the information that has led the insurer to their current position
• provide an opportunity for the worker to supply any further information to the insurer for further consideration and the date that this information is to be provided by
• tell the worker when this decision is expected to be made.

This information should also then be confirmed in writing to the worker.

This requirement does not apply to a reduction or discontinuation in weekly payments that is due to the application of different rates as defined in the legislation (section 36, section 37, and section 38 of the 1987 Act) or changes as a result of the indexation of benefits.
5.3. **A worker’s capacity to earn in suitable employment**


Determining the worker’s current work capacity and the amount they are able to earn in suitable employment are work capacity decisions. These decisions must be made considering the definition of suitable employment in section 32A of the 1987 Act (also see section 4 of this document).

Suitable duties in the workplace may be identified that are able to accommodate the worker’s work restrictions due to their injury and to facilitate their return to work. These are not necessarily in an existing role and may be a role created by the employer to assist the worker in their efforts to rehabilitate and return to work.

Suitable duties may not necessarily constitute suitable employment. Suitable employment has a broader definition and requires the employment to be transferrable to other workplaces.

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**Example of suitable duties:** A truck driver is provided with administrative duties to accommodate his physical restrictions. The employer has created this role especially for the worker as they do not have another position available and/or the worker does not have any other transferrable skills to undertake any other existing or available position the employer may have. The duties do not constitute a role that is transferrable to another workplace. The employer advises they can no longer provide these suitable duties. The worker has capacity to work. The worker has been compliant with all of his injury management requirements under Section 48 of the 1987 Act.

- A decision to reduce weekly payments should not be made at this stage, as reasonable return to work support has not yet been provided to the worker. Factor ‘\(E\)’, used in the calculation of weekly payments should be taken to be a value of ‘zero’ until a soundly based decision of the worker’s capacity to earn in suitable employment can be made.

- A revised injury management plan that identifies and documents realistic return to work strategies should be developed in consultation with all relevant parties. This may include a vocational or other assessment and assistance with job seeking. When the worker has been provided with reasonable return to work opportunities, and when suitable employment options have been
identified for the worker, the insurer should then determine the appropriate
timing for a subsequent work capacity decision.

Example of suitable employment: A truck driver is provided with administrative
duties to accommodate his physical restrictions. The worker has the transferrable
skills to undertake these duties, as his previous employment and education
history included managing his own business, which involved administrative tasks,
and completing a MYOB and Certificate IV in Office Management. The employer
advises they can no longer provide suitable duties. The worker has been
compliant with all his injury management requirements under Section 48 of the
1987 Act. The worker has capacity to work, and has demonstrated this capacity
for 6 months.

- There should be sufficient evidence in this situation for the insurer to deem an
administrative role as suitable employment for the worker. ‘E’ can be
determined and a decision made to reduce or discontinue the worker’s weekly
payments accordingly. The insurer must provide notification of the decision in
line with these guidelines. At least 3 months notice must be provided before
applying the appropriate reduction in the worker’s weekly payments.

5.4. Notification of a work capacity decision

Upon making a work capacity decision that will result in a reduction or
discontinuation of the worker’s weekly payments the insurer shall:

- telephone and speak to the worker at the time of the decision to:
  - inform the worker that a work capacity decision has been made
  - explain the outcome and consequences of this decision and the
    information that has led the insurer to their current position
  - explain the internal review process and that a review application will be
    sent with the notice
  - confirm that the decision will be conveyed in writing.

The insurer must then notify the worker in writing of the work capacity decision.

The insurer must provide 3 months notice before reducing or discontinuing the
worker’s weekly payments.

Example: The worker returns to work full time and is receiving their pre-injury
average weekly earnings. The insurer confirms this with the worker and the
employer. The insurer makes a work capacity decision that the worker’s weekly
payments are to be discontinued.

- The insurer should notify the worker their weekly payments will cease as
  there is no loss of income however a Work Capacity Decision Notice is not
  required. No notice period applies.
**Example:** The worker is currently receiving weekly benefits and the *WorkCover Certificate of Capacity* deems they have no current work capacity. The insurer undertakes a work capacity assessment and the insurer then makes a work capacity decision that the worker has current work capacity. This decision will result in a reduction or discontinuation of the worker’s weekly payments.

- Formal notification of this work capacity decision is required. The insurer must provide 3 months notice before reducing or discontinuing benefits.
- This notification must be made in accordance with **5.4.2 Requirements of a Work Capacity Decision Notice** of this guideline.

**Example:** The worker has now received a cumulative total of 13 weeks of weekly payments. The worker has no capacity for work. The insurer decides that the amount of weekly payments the worker is entitled to receive is to be reduced due to the application of a different rate of payment (that is, the weekly payments are now calculated under section 37 of the *1987 Act*, rather than section 36).

- The insurer should notify the worker of the change in their rate of payment and how it was calculated however a **Work Capacity Decision Notice** is not required. No notice period applies.

A reduction or discontinuation in weekly payments due to information supplied by the worker does not require formal notification by the insurer.

### 5.4.1. Standards for notifying of a work capacity decision

The insurer must provide the worker and other relevant parties with plain language communication regarding the work capacity decision.

Plain language communication requires:

- being considerate of the nature of the worker’s circumstances
- communicating respectfully
- communicating a clear message
- presenting concise information
- adapting communication style to meet the worker’s needs.

Insurers must make reasonable efforts to communicate work capacity decisions that affect the amount of weekly payments a worker is entitled to receive, in an appropriate way, preferably by telephone or in person as well as in writing. If needed, an accredited interpreter should be engaged to assist in giving effective communication.

Other forms of communication such as face-to-face meetings, facsimile and emails may also form part of the communication of the work capacity decision as appropriate.
In some cases, it may be appropriate to communicate a work capacity decision in the presence of the nominated treating doctor or other relevant health care professional. For example, when communicating a decision to reduce or discontinue weekly payments for a worker with a psychological injury.

Effective communication will help to minimise the risk of disputes.

5.4.2. Requirements of a Work Capacity Decision Notice

The **Work Capacity Decision Notice** must:

- reference the relevant legislation
- explain the relevant entitlement periods
- state the decision and give brief reasons for making the decision
- outline the evidence considered in making the decision, noting the author, the date and any key information. All evidence considered should be referred to, regardless of whether or not it supports the decision.
- clearly explain the line of reasoning for the decision
- state the impact of the decision on the worker in terms of their entitlement to weekly payments, entitlement to medical and related treatment expenses and return to work obligations
- advise when the decision will take effect
- detail any support, such as job seeking support, which will continue to be provided during the notice period
- advise that any documents or information that have not already been provided to the worker can be provided to the worker on request to the insurer
- advise of the process available for requesting review of the decision and how to access the required form, *Application for review of a work capacity decision by insurer*. 
5.5. Flow chart - making a soundly based work capacity decision

1. Identify the need for a work capacity decision (see section 7.1)

2. Identify the type of work capacity decision that needs to be made

3. In light of the particular circumstances of the claim, consider the relevant and available information. Is there enough information to make a logical, rational and reasonable work capacity decision?

   - No
   - Yes

   - Obtain additional information via consultation or third party assessments

4. Assess all available and relevant information as a whole

5. Make a preliminary decision and determine the likely impact of this decision on the worker. Is the preliminary decision an adverse decision? That is, will the outcome of this decision result in a reduction or discontinuation of the worker's weekly payments?

   - Yes
   - No

   - Advise the worker of the preliminary decision and the likely impact of this decision. Provide opportunity for the worker to submit additional information for consideration.

   - Allow a minimum of 2 weeks after preliminary decision before making final work capacity decision

6. Make the work capacity decision based on all the information available, including any additional information that has been submitted by the worker.

7. Notify the worker of the decision and the impact of this decision. If this is an adverse decision, provide a work capacity decision notice and at least 3 months notice before reducing or discontinuing the worker's weekly payments.
6. **Reviews of work capacity decisions**

(1987 Act: S.44)

A worker may refer a work capacity decision by an insurer for an internal review by the insurer, and afterwards for a merits review of the decision by the WorkCover Authority and afterwards for a review of the insurer’s procedures to the WorkCover Independent Review Officer.

6.1. **Flow chart – reviews of work capacity decisions**
6.2. **Internal review by insurers of work capacity decisions**

(1987 Act: S.44)

(Review Guidelines: Division 2, Chapters 5, 6 & 7)

The ability for a worker to seek an internal review of a work capacity decision by an insurer is provided for in section 44 of the 1987 Act, and the rules and requirements applying to such reviews are further detailed in the Review Guidelines, which are delegated legislation.

6.2.1. **Application by a worker to an insurer for an internal review of a work capacity decision**

(1987 Act: S.44(2))

(Review Guidelines: 6.1 to 6.4)

A worker may refer a work capacity decision for an internal review by the insurer. The insurer should have given the worker the application form with the work capacity decision notice.

The worker may be assisted in completing the application form by another person such as the insurer, a support person, agent, union representative, employer, legal representative or interpreter. In accordance with section 44(6) of the 1987 Act, a legal practitioner is not entitled to be paid for costs incurred in connection with a review of a work capacity decision.

WorkCover will provide and maintain a service to assist workers in connection with the procedures for reviews of work capacity decisions.

6.2.2. **Time limit for lodgement**

(1987 Act: S.44(1)(a))

(Review Guidelines: 6.5, 6.6)

If a worker wishes to refer a work capacity decision for an internal review, they should lodge a completed Application for Review of a Work Capacity Decision form with the insurer within 30 days of receiving the work capacity decision from the insurer.

The Application for Review of a Work Capacity Decision form is attached to this document at section 7.2. The application must be in the approved form, specify the grounds on which the review is being sought and any additional information to be considered. (For example, the worker is able to supply further medical information or the worker believes that the suitable employment identified places them at substantial risk of further injury.)
An insurer shall decline to review a decision if an application for review is not lodged by the worker within 30 days of the worker receiving the work capacity decision unless the insurer is satisfied that exceptional circumstances exist sufficient to justify any delay.

6.2.3. Multiple work capacity decisions or claims

(Review Guidelines: 6.10, 6.11)

In one Application, a worker may refer for internal review more than one work capacity decision about one or more of the worker’s related claims managed by the same insurer, as long as the 30 day lodgement time limit is met for each decision.

The insurer will determine whether or not those internal reviews are most appropriately conducted together or separately as is appropriate in the circumstances of each particular case.

6.2.4. Acknowledgement of application

(Review Guidelines: 7.1)

The insurer must acknowledge the referral in writing to the worker within 7 days of receiving the application and:

- explain the review process;
- advise that a review of a work capacity decision does not operate to stay the decision or otherwise prevent the taking of action based on the decision;
- clarify with the worker any new information supplied or any other information that the worker is in the process of obtaining; and
- indicate when and how the decision will be conveyed to the worker.

6.2.5. Frivolous or vexatious applications

(Review Guidelines: 6.7, 6.8, 6.9)

An insurer may decline to review a decision at any stage of the internal review process if an application for review is, or becomes, frivolous or vexatious. If an insurer does decline to review a decision, the decision that has been declined has not been the subject of internal review by the insurer and cannot therefore be referred by the worker for a merit review by the Authority.

The insurer must notify the worker in writing of the decision.
6.2.6. **Internal reviewer and decision**

(Review Guidelines: 7.2 to 7.5)

The internal reviewer is to undertake the review of the work capacity decision in accordance with the insurer’s complaints and disputes handling model including at a minimum:

- the review of the work capacity decision is to be undertaken by a party independent to the original work capacity decision;
- the review of the work capacity decision is to be conducted by someone with a comprehensive knowledge of the legislation as it applies to the work capacity decision referred and the issues arising from it, and has the appropriate expertise and authority for the decision they are making;
- the reviewer is to undertake a full consideration of the subject of the work capacity decision considering all available information and making a fresh work capacity decision; and
- the reviewer has an obligation to make a decision they think is more likely than not to be correct.

6.2.7. **Notification of the internal review decision**

(1987 Act: S.44(1)(a))

(Review Guidelines: 7.6, 7.7,)

The insurer must write to the worker within 30 days of receiving the application advising of the outcome of the internal review and if the insurer fails to do so the worker may then make an application for Merit Review by the Authority.

The notification must be in writing and must include the decision, its impacts and reasons. The notification must also advise the worker about the availability of further review options.

6.2.8. **Outcomes of internal review**

An internal review of a work capacity decision will result in a new decision being made. The new decision may be the same as the original decision or it may be different.

If the review decision is the same, it could be based on the same reasons applied to the same information as the original decision maker’s decision, or it may be the same despite being made based on different reasons or new information.
If the review decision is different, it could be based on different reasons applied to the same information as the original decision maker had, or it may be based on different reasons or based on new information the original decision maker did not have.

6.3. **Merit Review by the Authority**

(1987 Act: S.44)

(Review Guidelines: Division 3, Chapters 8, 9 & 10)

If the worker is not satisfied with the outcome of the insurer’s internal review of a work capacity decision, or if an internal review by the insurer is not completed within 30 days, the worker may lodge an application for a further review by the WorkCover Authority.

6.3.1. **Applications by a worker to the Authority for merit review**

(1987 Act: S.44(1)(b), S.44(2), S.44(3)(a) and (b))

(Review Guidelines: 9.1 to 9.22)

A worker may be assisted in completing the application form by another person such as the insurer, a support person, agent, union representative, employer, legal representative or interpreter.

WorkCover will provide and maintain a service to assist workers in connection with the procedures for reviews of work capacity decisions.

The application by the worker must be made within 30 days of either receiving the insurer’s internal review decision or the date when the insurer’s internal review decision was due.

In one Application, a worker may refer for internal review more than one work capacity decision about one or more of the worker’s related claims managed by the same insurer, as long as the 30 day lodgement time limit is met for each decision.

The worker must send the insurer a copy of the application before, or at the same time, as lodging the application with the Authority.

The worker does not need to attach to their application all of the existing documents and information relating to the claim or the work capacity decision, as the insurer will be required to provide all relevant information to the Authority as part of their Reply to the application.

The Authority will write to the worker and insurer within 7 days of receiving the application from the worker to acknowledge receipt of the application.
6.3.2. Reply by insurer to a merit review application

(Review Guidelines: 9.23 to 9.26)

On receiving the worker’s application, the insurer is to exchange and lodge a Reply to the Application in the approved form (attached at section 7.3) as quickly as possible and within 7 days of receiving the application.

The Insurer must send the Reply to the worker before, or at the same time, as lodging the reply with the Authority.

The reply **lodged with the Authority** must be submitted electronically via email and must include;

- a list of all documents relevant to the work capacity decision and the Review of that decision, including documents supplied by the worker;
- attach electronic copies of all of the documents included in the list of relevant documents, including documents supplied by the worker.

The reply **sent to the worker** must include;

- the list of all relevant documents, but;
- does not need to attach copies of all the relevant documents being lodged with the reply, as the insurer should only attach any documents which have **not already been provided** to the worker previously.

Any surveillance images lodged with the Authority are to be provided in DVD format and must first be provided to the worker with any investigator’s or loss adjuster’s report. If surveillance images are provided to a worker for the first time in support of a Reply, the worker will be offered an opportunity to respond to the surveillance images.

The Authority will write to the worker and insurer within 7 days of receiving the Reply from the insurer.

6.3.3. Merit review decision by the Authority

(1987 Act: S.44(3)(c), (d), (e) and (g))

(Review Guidelines: Chapter 10)

The Authority’s merit reviewer may require additional information from the worker or the insurer for the purposes of the review, which the worker and insurer must provide.

The Merit Reviewer will consider all of the material substantively and on its merits as if the original work capacity decision had not been made, and is obliged to make the decision that they think is more likely than not to be correct.
The Merit Reviewer may also make recommendations to the insurer based on their findings, which are binding on the insurer and must be given effect to by the insurer.

The Authority must write to the worker and insurer within 30 days of receiving the application advising of the outcome of the Merit Review and must include the decision, its impacts, any recommendations and reasons. The notification must also advise the worker about the availability of further review options.
6.4. **Procedural review by WIRO**

(1987 Act: s.44(1)(c), s.44(2), s.44(3)(a), (c), (d), (f) and (h))

If the WorkCover review does not resolve the issue, the worker may lodge an application for review with the WorkCover Independent Review Officer (WIRO) within 30 days of receiving the WorkCover review decision.

The WIRO review is a review only of the insurer's procedures in making the work capacity decision, not of any judgment or discretion exercised by the insurer in making the decision. Recommendations made by the WIRO are binding on the insurer and the Authority.
7. **Approved forms**

Attached to this document are the following notices and forms approved by the Authority;

7.1. **WorkCover Certificate of Capacity**

This is the ‘form approved by the Authority’ referred to in section 44B(3)(a) of the 1987 Act for the certificate of capacity to be given by a medical practitioner.

This certificate includes within it the declaration by a worker which is the ‘form approved by the Authority’ referred to in section 44B(1)(b) of the 1987 Act.

7.2. **Application for review of a work capacity decision by insurer**

This is the ‘form approved by the Authority’ referred to in section 44(2) of the 1987 Act for applications by a worker under section 44(1)(a) to an insurer for internal review of a work capacity decision by the insurer.

7.3. **Application for review of a work capacity decision by the Authority**

This is the ‘form approved by the Authority’ referred to in section 44(2) of the 1987 Act for applications by a worker under section 44(1)(b) to the Authority for a merit review of a work capacity decision by an insurer.

This is also the ‘form approved by the Authority’ referred to in section 44(2) of the 1987 Act for the worker to notify the insurer of an application by a worker under section 44(1)(b) to the Authority for a merit review of a work capacity decision by an insurer.

7.4. **Reply to an Application for review of a work capacity decision by the Authority**

This is a form approved by the Authority for an Insurer to lodge a reply to an application by a worker under section 44(1)(b) to the Authority for a merit review of a work capacity decision by the insurer.
8. **Glossary**

**current work capacity**, in relation to a worker, is defined in section 32A of the 1987 Act:

“means a present inability arising from an injury such that the worker is not able to return to his or her pre-injury employment but is able to return to work in suitable employment”

**days**

a reference to a number of days means the number of calendar days unless otherwise stated

**injury management** is defined in section 42 of the 1998 Act:

“means the process that comprises activities and procedures that are undertaken or established for the purpose of achieving a timely, safe and durable return to work for workers following workplace injuries.”

**injury management plan** is defined in section 42 of the 1998 Act:

“means a plan for co-ordinating and managing those aspects of injury management that concern the treatment, rehabilitation and retraining of an injured worker, for the purpose of achieving a timely, safe and durable return to work for the worker. An injury management plan can provide for the treatment, rehabilitation and retraining to be given or provided to the injured worker.”

**injury management program** is defined in section 42 of the 1998 Act:

“means a co-ordinated and managed program that integrates all aspects of injury management (including treatment, rehabilitation, retraining, claims management and employment management practices) for the purpose of achieving optimum results in terms of a timely, safe and durable return to work for injured workers.”

**insurer** is defined in section 42 of the 1998 Act:

“means a licensed insurer, specialised insurer or self-insurer.”
**medical practitioner**

means a person registered under the Health Practitioner Regulation National Law (NSW) No. 86a in the medical profession who is not a Specialist Surgeon.

**month**

“means a period commencing at the beginning of a day of one of the 12 named months and ending:

(a) immediately before the beginning of the corresponding day of the next named month, or

(b) if there is no such corresponding day, at the end of the next named month.”

**no current work capacity**, in relation to a worker, is defined in section 32A of the 1987 Act:

“means a present inability arising from an injury such that the worker is not able to return to work, either in the worker’s pre-injury employment or in suitable employment.”

**nominated treating doctor** is defined in section 42 of the 1998 Act:

“means the treating doctor nominated from time to time by a worker for the purposes of an injury management plan for the worker.”

**seriously injured worker** is defined in section 32A of the 1987 Act:

“ means a worker whose injury has resulted in permanent impairment:

(a) the degree of permanent impairment has been assessed for the purpose of Division 4 to be more than 30%, or

(b) the degree of permanent impairment has not been assessed because an approved medical specialist has declined to make an assessment until satisfied that the impairment is permanent and the degree of permanent impairment is fully ascertainable, or

(c) the insurer is satisfied that the degree of permanent impairment is likely to be more than 30.”
suitable employment, in relation to a worker, is defined in section 32A of the 1987 Act:

“means employment in work for which the worker is currently suited:

(a) having regard to:
   (i) the nature of the worker’s incapacity and the details provided in the medical information including, but not limited to, any certificate of capacity supplied by the worker (under section 44B), and
   (ii) the worker’s age, education, skills and work experience, and
   (iii) any plan or document prepared as part of the return to work planning process, including an injury management plan under Chapter 3 of the 1998 Act, and
   (iv) any occupational rehabilitation services that are being, or have been, provided to or for the worker, and
   (v) such other matters as the WorkCover Guidelines may specify, and

(b) regardless of
   (vi) whether the work or employment is available, and
   (vii) whether the work or the employment is of a type or nature that is generally available in the employment market, and
   (viii) the nature of the worker’s pre-injury employment, and
   (ix) the worker’s place of residence.”

treating specialist

is defined in Schedule 4 of the Health Insurance Regulations 1975:

“specialist medical practitioner is a medical practitioner recognised as a specialist by the Australian Medical Council and remunerated in accordance with Health Insurance Commission Health Insurance Regulations 1975, Schedule 4, Part 1 at specialist rates under Medicare. “

work capacity assessment

is an insurer’s assessment of an injured worker’s current work capacity, conducted in accordance with section 44A of the 1987 Act

work capacity decision

is a specific type of decision that is made by the insurer defined in section 43 of the 1987 Act.