

Department of Police, Fire and Emergency Management**INCOMING GOVERNMENT BRIEF****TOPIC: WORKERS COMPENSATION**

Current situation:

- DPFEM's workers compensation premium has risen from \$1.37 million in 2014-15 to \$46.6 million in 2025-26. This represents an increase of \$13.7 million on the 2024-25 premium (\$32.9 million).
- Modelling undertaken by Edith Cowan University projects that the workers compensation premium will rise to \$44 million in 2027 and \$80 million in 2033.
- The premium for the Tasmania Fire Service (TFS), subject to final confirmation, will increase by 33.1%, from \$6.7 million in 2024-25 to \$8.9 million in 2025-26, an increase of \$2.2 million.
- The State Fire Commission, through its Corporate Plan, makes an allocation to the TFS Workers Compensation Premiums annually. There is an ongoing risk for the State Fire Commission to meet these premiums given the significant ongoing increase. This will need to be managed closely by the Commission in the outyears. For a number of years, the Department has redirected non-salary funding intended for other purposes to meet the increasing premium costs. This option has been exhausted.
- The Department has informed the previous Minister for Police, Fire and Emergency Management and Budget Committee of the unaffordability of rising premiums, and the increased cost in workers compensation has been identified as a high priority budget risk since 2019-20.
- Compounding the issue is the fact that wage recoveries (from salary reimbursements) have to be redirected back to meet the rising premium costs, thus not allowing the back fill of injured workers, which is increasing the pressure and psychosocial hazard for those remaining in the workforce.
- The 2025-26 Budget, whilst not approved, provided an additional \$58 million - \$14.5 million a year for four years – to help meet the increase in DPFEM workers compensation premiums.
- Should this increase be approved this will bring the annual funding to \$32.9 million, which still represents a deficit of \$13.7 million on the 2025-26 premium.
- The Government, DPFEM and Treasury will continue to work together to meet the cost of future premiums.



Key facts:

- The growth in compensable injury claims over the preceding 10 years is a major concern for DPFEM.
- The current workers compensation premium is not affordable, is unsustainable and well exceeds the Department's allocated appropriation for workers compensation.
- Government policy decisions that have directly impacted on the level of workers compensation premiums that DPFEM is required to meet are:
 - the introduction of presumptive PTSD legislation in 2018-19
 - removal of step-down provisions for police officers in 2019-20, and
 - expanded presumptive cancer legislation for firefighters from 12 cancers to 21 cancers, including the addition of female reproductive cancers. Presumptive cancer legislation was also extended to include 5,000 volunteers and our Bushfire Risk Unit.

Claims submitted/closed in 2024-25

- 268 claims have been submitted this financial year - 26% related to mental health, 69% related to physical health and 4% for cancer.
- At 30 June 2025, 221 claims had been closed.

Claims open as at 30 June 2025

- On 30 June 2025, there were 356 open workers compensation claims, including volunteers, retired and resigned personnel.

	Physical Health	Mental Health	Cancer*	Total
SES	S36			11
Business and Executive Services				5
TFS				84
TFS State Service Employees				2
TASPOL				249
TASPOL State Service Employees				5
Total	120	209	S36	356

* only applies to TFS

- Physical health injuries (other than cancer) are generally resolved relatively quickly. Mental health claims are often more complex and long-standing. This



is reflected in the fact that, of the 254 open claims for Tasmania Police S36

S36

- The number of current emergency service workers incapacitated, on suitable duties or preinjury duties as at 30 June 2025 is outlined in the following table.

	Incapacitated	Suitable duties	Pre-injury duties
State Service Employees	3	8	0
State Emergency Service - Career	2	3	0
State Emergency Service - Volunteers	1	5	0
Tasmania Fire Service - Career	19	19	14
Tasmania Fire Service - Volunteers	3	12	10
Tasmania Police	95	87	41
*	123	134	65

* Does not include retired or resigned personnel

- The table below indicates the increase in the premium for DPFEM from 2016-17 and for the State Fire Commission from 2019-20.

Workers Compensation Premium Contributions – DPFEM

Year No.	Financial Year	Premium DPFEM	\$ Increase	% Increase
1	2016-17	\$1,597,499		
2	2017-18	\$1,907,213	\$309,714	19 %
3	2018-19	\$2,261,197	\$353,984	19 %
4	2019-20	\$3,443,969	\$1,182,772	52 %
5	2020-21	\$4,615,740	\$1,171,771	34 %
6	2021-22	\$8,620,175	\$4,004,435	87 %
7	2022-23	\$13,986,727	\$5,366,552	62 %
8	2023-24	\$20,431,898	\$6,445,171	46 %
9	2024-25	\$32,919,328	\$12,487,430	61.1%
10	2025-26	\$46,576,780	\$13,657,452	41.5%

Notes: Inclusive of Workers Compensation premium, salary adjustment and asbestos levy



Workers Compensation Premium Contributions – Tasmania Fire Service

Year No.	Financial Year	Premium TFS *	\$ Increase	% Increase
1	2016-17	-		
2	2017-18	-		
3	2018-19	-		
4	2019-20	\$1,271,363		
5	2020-21	\$1,821,390	\$550,027	43 %
6	2021-22	\$2,676,069	\$854,679	47 %
7	2022-23	\$3,973,009	\$1,296,940	48 %
8	2023-24	\$4,484,359	\$511,350	13 %
9	2024-25	\$6,710,372	\$2,226,013	49.6%
10	2025-26	\$8,931,915	\$2,221,543	33.1%

Notes: Inclusive of Workers Compensation premium, salary adjustment and asbestos levy
 Premiums for 2016-17, 2017-18 and 2018-19 are not shown for TFS as they were with a private insurer for this period.

Challenges and opportunities:

- The increasing costs of workers compensation premiums continue to be a financial challenge for the Department.
- In addition, the number of workers compensation matters, particularly those where the employee is incapacitated, present operational challenges for the Department. The Department faces a budget shortfall of \$13.7 million in 2025-26 based on funding and the new premium.

Action required by Government:

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DPFEM Business
and Executive Services

Background:

- Workers compensation claims have continued to rise since the introduction of legislation to address presumptive recognition of PTSD and cancers and the removal of step-down provisions. This has seen both increases in the number of cases and absences from work resulting in higher premiums, larger claims and settlements, and increased overtime costs across the Department associated with backfill requirements.
- Since the introduction of presumptive PTSD legislation in 2018-19, there has been a 550% increase in mental health claims. Research predicts an increase in claims related to presumptive cancer recognition, following the addition of nine cancers to the presumptive list in 2023.
- Further, step down provisions were abolished for police officers in 2019-20, which meant no police officer would be subject to a decrease in salary due across the duration of their claim.
- With the increase in claims in DPFEM, there has been a commensurate increase in pressure on employees remaining in the workforce to cover the extended distances of divisions.
- Tasmania Police is experiencing a concentrated impact, that has been identified as a cycle, where we have a person incapacitated for work through workers compensation, which causes a need for members remaining at work to take on overtime shifts, to maintain the service to the community. This then puts an increased risk that remaining members will also become incapacitated due to a work-related injury due to a lack of suitable staff available to meet the ever-increasing pressures in keeping communities safe.
- Long-term officer absences present additional health, safety and wellbeing risks from a fatigue management perspective.
- An increase in claims has also led to a need to increase the size of the Department's Injury Management Advisory Service (IMAS), which manages claims. Consultants in IMAS are currently carrying a caseload of between 50-60 claims each.
- A review of workers compensation legislation across Australia has identified a number of differences to the Tasmanian legislation:
 - Police settlements calculated on the pension age of 67 when the Police Service Act prohibits a police officer from working beyond 65;
 - In some States the continued accumulation of leave entitlements in suspended while a worker is subject to worker compensation payments. This does not apply to the Tasmanian scheme thus resulting in significant leave balances adding to settlement costs.
 - The legislation provides for a cap of 100 days long service leave however with the approval of a Minister this cap can be waived.



Custom and practice has seen every application to accumulate long service leave over the 100 days approved.



Departmental Minute

Trim reference number: This document – A26/187286

Attachment 1 – A26/187286/1 - 2025-26 Request for Additional Funds S21 Form - DPFEM

To: Secretary

2025-26 Request for Additional Funds – Workers' Compensation Premium Costs

Critical date: 19/06/2026

Recommendation

That you:

- Note the attached 2025-26 Request for Additional Funds (Existing Purpose) (A26/187286/1) seeking approval for additional funding of \$13.7 million to meet above-budget workers' compensation premium costs incurred by the Department in 2025-26; and
- Sign the attached Agency Request for Additional Funds form under section 21(1) of the *Financial Management Act 2016* to enable the Department to incur the necessary additional expenditure for this existing purpose.

Background

- The Department's 2025-26 workers' compensation premium is \$46.6 million, inclusive of the Personal Injury and Asbestos Levy, which exceeds the funding available within the approved budget by \$13.7 million. The increase reflects actuarial advice provided to the Tasmanian Risk Management Fund and is primarily driven by higher claims costs, increased psychological injury claims, changes to eligibility requirements and growth in workforce numbers.
- The Department has no capacity to absorb these additional costs within existing appropriations, Specific Purpose Accounts or through offsetting savings without significant impacts on service delivery and staffing levels. Accordingly, additional funding is sought under section 21(1) of the *Financial Management Act 2016* for an existing purpose.

Financial Implication

- Absorption of these costs from existing appropriations would result in significant pressure on service delivery budgets and potentially necessitate reductions in operational activities, workforce-related expenditure and other critical services. The Department has reviewed available funding sources and confirmed that no surplus appropriation, offsetting savings or Specific Purpose Account balances are available to meet this expenditure.
- Approval of the request will ensure the Department can meet its statutory workers' compensation obligations while maintaining planned delivery outcomes during 2025-26.

Next steps

- If approved, sign the attached Agency Request for Additional Funds documentation and submit it to Treasury by 12pm on 19 June 2026 to enable consideration of the funding request within the 2025-26 financial year.

Clearance table

	Name	Position	Date
Prepared by	Albert Olinga	Manager Budgets and Financial systems	18 June 2026
Through	Graham Murray	Manager Finance and Payroll Services	18 June 2026
Through	Scott Wilson-Haffenden	A/Executive Director, People and Business Services	18 June 2026
Through	Ross Hinkley	A/Deputy Secretary	18 June 2026
Approved	Donna Adams	Secretary	19 June 2026
Return to	Manager Finance and Payroll Services		

2025-26 BUDGET ESTIMATES COMMITTEE

Minister for Police, Fire and Emergency Management

Link to Budget
Chapter

☐ Key Deliverable
☐ Output Group
☐ Capital Investment
Please tick box (if relevant)

BRIEF 50 – WORKERS COMPENSATION

Key messages

- The Tasmanian Government knows that emergency services responders experience situations that most of the general public cannot imagine. Emergency service workers run towards danger and are exposed to violence and other distressing situations.
- We are committed to supporting the physical and mental health of all our emergency service responders, both career and volunteer.
- In 2018, the Government introduced a program to support the health and wellbeing of emergency service responders. A 2024 election commitment of \$1 million per annum over four years has seen our commitment of \$3 million a year increase to \$4 million a year.
- We support a ground-breaking health and wellbeing program that provides a mix of proactive, preventive and intervention measures 24/7 to our police officers, fire service, SES and Ambulance Tasmania and State Service personnel. Further information is provided in [\[LINK - Brief 52 Wellbeing Services\]](#)
- The Government has:
 - introduced nation leading presumptive PTSD legislation,
 - removed step-down workers compensation provisions for police officers, and

- expanded presumptive cancer legislation for firefighters from 12 cancers to 21 cancers, including the addition of female reproductive cancers. Presumptive cancer legislation was also extended to include 5,000 volunteers and our Bushfire Risk Unit.
- These initiatives provide invaluable support to emergency services workers when they need it most, and we are proud of this. By making support increasingly accessible, it is reasonable we have experienced an increase in workers compensation claims and in the workers compensation premium.
- The 2025-26 Budget provides an additional \$58 million - \$14.5 million a year over the Budget and Forward Estimates – to help meet the increase in DPFEM workers compensation premiums.
- The Government, DPFEM and Treasury will continue to work together to meet the cost of future premiums.

Changed Approach to Management of Claims

- To ensure a successful, person-centric model of wellbeing support was extended to those on workers compensation, the Injury Management and Advisory Service (IMAS) was transferred to Wellbeing Support in May 2022.
- The IMAS team has since doubled in size – to 12 positions. We now have an IMAS manager, a client services manager, seven injury management consultants and three injury management advisors, including one specialising in payroll matters.
- We are working to improve the experience of injured workers and are focused on a return to best possible health.

- The person-centric approach has resulted in the appointment of two Wellbeing Support medical consultants, one a psychiatrist and the other an occupational physician. The consultants are engaged early in the claim process to focus on the injured worker's health needs and providing advice on the management of the claim.
- Workers compensation claims can be made by a resigned/retired member but will only be accepted in exceptional circumstances – noting claims need to be made within 6 months of the injury/illness. Cancer claims for firefighters can be submitted after resignation/retirement.

Claims submitted/closed in 2024-25

- 268 worker's compensation claims were submitted in 2024-25, up from 240 the previous financial year. 26% of claims related to mental health, 70% related to physical health and 4% were for cancer.
- In 2024-25, 227 claims were closed (up from 161 in 2023-24). Of the claims closed, 170 were physical health claims, 52 were mental health claims and five were cancer claims.

Claims open as at 30 June 2025

- On 30 June 2025, there were 356 open workers compensation claims, including volunteers.

	Physical Health	Mental Health	Cancer*	Total
SES	S36		0	11
Business and Executive Services			0	5
TFS			27	84
TFS State Service Employees			0	2
TASPOL			0	249
TASPOL State Service Employees			0	5
Total	120	209	27	356

* only applies to TFS

- Physical health injuries (other than cancer) are generally resolved relatively quickly. Mental health claims are often more complex and long-standing. This is reflected in the fact that, of the 249 open claims for Tasmania Police, **S36**

S36

- The number of emergency service workers incapacitated, on suitable duties or preinjury duties as at 30 June 2025 is outlined in the following table.

	Incapacitated	Suitable duties	Pre-injury duties
BES State Service Employees	0	5	0
State Emergency Service SSE	2	3	0
• SES Volunteers	1	5	0
Tasmania Fire Service	19	19	14
• TFS SSE	1	1	0
• TFS Volunteers	3	12	10
Tasmania Police*	104	91	21
• TASPOL SSE	2	2	0
	132	138	45

* 22 have been fully cleared but still require treatment (21 sworn, 1 SSE), 7 have resigned, 5 have retired.

Tasmania Police Guidelines for Managing Workers Compensation Absences

- Tasmania Police has introduced *Guidelines for Managing Workers Compensation absences*. The intent is to ensure that the appropriate level of support is provided to injured police officers, whilst also fulfilling Tasmania Police's obligations to provide an effective and responsive police service.
- The Guidelines were developed as a direct result of the increase in the number of police officers totally incapacitated – noting that number is 95-105 police officers at any one time. Whilst the police officer will remain under the management of their district, they can, after 12 months of incapacity, be transferred to an unattached list. This will enable recruitment to fill their position.
- The Guidelines also provide for recruitment strategies that allow additional - above establishment - police officers to be recruited to maintain allocation numbers.

Application of step-down provisions

- A review in July 2024 identified step-down provisions mandated by the *Workers Rehabilitation and Compensation Act 1988* had not been applied correctly in some cases.
- In response, DPFEM has progressed a three-phased approach:
 - Understand: DPFEM has undertaken an internal review to understand the scope of the matter. 57 matters of interest were identified. Some of these matters have resulted in potential overpayments to injured workers.

- Assess: DPFEM subsequently engaged an external reviewer to review and validate the step-down calculations of the affected workers.
- DPFEM (Wellbeing Support and Payroll Services) has been working closely with the external reviewer to respond to requests for information and comment.
- The volume and complexity of the analysis is significant.
- More than 3,500 rows of data were analysed throughout this process, together with a review of associated IMAS files, medical certificates, leave bookings, return to work plans, higher duties payments and transfers/secondments.
- Finalise: The external review has been finalised. The department has now resolved 29 matters with no further action required. Advice from Treasury is being sought in respect to one, and the remaining 28 are being considered on a case-by-case basis, primarily as settlement negotiations are occurring. The preferred approach is to work through each matter and, where possible, resolve through the worker's compensation settlement process.
 - DPFEM has examined the issues that led to the errors and new business processes have been implemented to prevent a recurrence.
 - Ensuring correct payments to workers is the priority.
- DPFEM is advising affected staff, unions and volunteer associations as the matter progresses.

Statistical data

Open Claims at 30 June 2025

	Physical Health	Cancer	Mental Health	Total	Total by Service
BES and FSST	S36				5
State Emergency Service SSEs					11
State Emergency Service Volunteers					
Tasmania Fire Service Career					86
Tasmania Fire Service Volunteers					
Tasmania Fire Service SSEs					
Tasmania Police Sworn					254
Tasmania Police SSEs					
	120	27	209	356	356

At the end of 2024-25, for all services combined:

- 59% of the open claims were for mental health;
- 33% of the open claims were for physical health; and
- 8% of the open claims were for cancer.

BES and FSST

- For BES and FSST:

-
-

S36

State Emergency Service

- For the State Emergency Service:

-
-

S36

Tasmania Fire Service

- For the Tasmania Fire Service:

-
-
-

S36

- The open claims include six related to retired TFS career staff and one retired TFS volunteer.

Tasmania Police

- For Tasmania Police:

-
-

S36

- The open claims include claims for 12 resigned or retired police officers.

Incapacitation, Suitable Duties, Pre-Injury Duties @ 30 June 2025*BES and FSST*

	@ 30 June 2025
Physical Health	S36
Mental Health	
Total claims	5

- Of the 5 claims, all are on suitable duties.

State Emergency Service

	@ 30 June 2025	
	SSE	Volunteer
Physical Health	S36	
Mental Health		
Total Claims	5	6

- Of the 11 claims open at 30 June 2025
 - 3 are totally incapacitated (1 volunteer, 2 state service employees).
 - 8 are on suitable duties (5 volunteers, 3 state service employees).

Tasmania Fire Service

	@ 30 June 2025		
	Career	Volunteer	SSE
Physical Health	S36		
Cancer			
Mental Health			
Total Claims	58	26	2

- Of the 86 claims
 - 23 are totally incapacitated (19 career, 3 volunteer, 1 SSE)
 - 32 are on suitable duties (19 career, 12 volunteer, 1 SSE)
 - 24 are on pre-injury duties (14 career, 10 volunteer)
 - 7 have retired (6 career, 1 volunteer)

Tasmania Police

	@ 30 June 2025	
	Sworn officers	SSEs
Physical Health	S36	
Mental Health		
Total Claims	249	5

- Of the 254 claims
 - 106 are totally incapacitated (104 sworn, 2 SSE)
 - 93 are on suitable duties (91 sworn, 2 SSE)
 - 21 are on pre-injury duties (21 sworn)
 - 22 have been fully cleared but still require treatment (21 sworn, 1 SSE)
 - 7 have resigned
 - 5 have retired.

Number of Workers Compensation Settlements

- There were 36 settlements of workers compensation claims in FY2425

State Service	TFS	Tasmania Police	SES
4	3	29	0

- Claims settled 2023-24 = 22
- Claims settled 2022-23 = 18

Number of Reasonably Arguable Cases Orders made by TASCAT

2024-25

- During the FY2425, there were a total of 23 Reasonably Arguable Case Orders made by TASCAT in relation to claims for workers compensation. This compares to 25, in the previous financial year.
- Support is provided to staff members whose claims are not accepted.

	Physical Health	Cancer	Mental Health	Total
BES/FSST	S36			7
SES				3
TFS				4
TasPol				9
	7	1	15	23

PTSD claims October 2018 – 30 June 2025

- From 1 October 2018 to 30 June 2025, there were 181 psychological injury claims where PTSD was the confirmed diagnosis.

Service Arm	No. of PTSD Claims (1 October 2018 – 30 June 2025)
State Service (including SES)	S36
TFS Career	
TFS Volunteers	
Tasmania Police	
Total	181

Financial considerations

- Increases in premiums have occurred since the introduction of the presumptive PTSD administrative standard in October 2018. Increases have also been seen following the introduction of the presumptive cancer legislation and the extension of presumptive cancers from 12 to 21.

- The workers compensation premiums for the 2025-26 financial year show further increases.
 - The premium for DPFEM will see an increase by 41.5%, from \$32,919,328 in 2024-25 to \$46,576,780 in 2025-26. This is an increase of \$13,657,452.
 - The Department is currently funded to the total of the 2024-25 premium (which includes the additional \$14.5m allocated in the 2025-25 budget). There is currently a deficit of approximately \$14 million on the 2025-26 premium.
 - The premium for TFS, will increase by 33.1% from \$6,710,372 in 2024-25 to \$8,931,915 in 2025-26. This is an increase of \$2,221,543.
- The 2025-26 Budget provides an additional \$14.5 million per annum on a permanent basis to help meet the increase in DPFEM workers compensation premiums.
- The State Fire Commission, through its Corporate Plan, makes an allocation to the Tasmania Fire Service Workers Compensation Premiums annually. There is an ongoing risk for the State Fire Commission to meet these premiums given the significant ongoing increase. This will need to be managed closely by the Commission in the outyears.
- The table below indicates the increase in the premium for DPFEM from 2016-17 and for the State Fire Commission from 2019-20.

Workers Compensation Premium Contributions – DPFEM

Year No.	Financial Year	Premium DPFEM	\$ Increase	% Increase
1	2016-17	\$1,597,499		
2	2017-18	\$1,907,213	\$309,714	19%
3	2018-19	\$2,261,197	\$353,984	19%
4	2019-20	\$3,443,969	\$1,182,772	52%
5	2020-21	\$4,615,740	\$1,171,771	34%
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8	2023-24	\$20,431,898	\$6,445,171	46%
9	2024-25	\$32,919,328	\$12,487,430	61%
10	2025-26	\$46,576,780	\$13,657,452	41%

Notes: Inclusive of Workers Compensation premium, salary adjustment and asbestos levy

Workers Compensation Premium Contributions – Tasmania Fire Service

Year No.	Financial Year	Premium TFS *	\$ Increase	% Increase
1	2016-17	-		
2	2017-18	-		
3	2018-19	-		
4	2019-20	\$1,271,363		
5	2020-21	\$1,821,390	\$550,027	43%
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7	2022-23	\$3,973,009	\$1,296,940	48%
8	2023-24	\$4,484,359	\$511,350	13%
9	2024-25	\$6,710,372	\$2,226,013	50%
10	2025-26	\$8,931,915	\$2,221,543	33%

Notes: Inclusive of Workers Compensation premium, salary adjustment and asbestos levy
 Premiums for 2016-17, 2017-18 and 2018-19 are not shown for TFS as they were with a private insurer for this period.

Background

Overview of the Number of Workers Compensation Claims 2017-18 to 2023-24

Financial Year	DPFEM Claims	TFS Claims	Total Claims
2017-18	116	46	162
2018-19	130	62	192
2019-20	181	48	229
2020-21	183	39	222
2021-22	180	70	250
2022-23	204	77	281
2023-24	177	62	239
2024-25	189	79	268
Total	1,360	483	1,843

Department Clearance Table

	Name	Title	Contact No.	Date
Prepared by	Matthew Richman	Director, Wellbeing Support	s.36(1)	13/10/2025
Through	Scott Wilson-Haffenden	A/Executive Director, People and Business Services		
Through	Ross Hinkley	Deputy Secretary	s.36(1)	06/11/2025
Cleared by	Donna Adams	Secretary		