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Half a million Australians left exposed by outdated workers' compensation system

Almost half a million Australians are covered by a federal workers' compensation system that has barely changed in nearly 40 years, leaving them with fewer rights, slower processes and weaker protections than workers under state and territory schemes.

Australian Unions are calling on the Albanese Government to adopt all 124 recommendations of an independent review of the Safety Rehabilitation and Compensation Act 1988 (SRC Act) and to immediately legislate to provide better protections and support to injured workers.

The Comcare system, which operates under the SRC Act, covers more than 470,000 workers employed by the Commonwealth and ACT Governments, as well as major national companies including Commonwealth Bank, NAB, Telstra, John Holland and Australia Post. Despite the changing nature of work, this system has not undergone major reform since 1988 and no longer reflects the realities of modern workplaces.

The SRC Review found that injured and ill workers face a system that is slow, complex, and too often undermines recovery rather than supporting it.

Comcare ranks the third worst in Australia for claims disputes. Workers are more likely to have their claims contested, and those disputes are more likely to drag on, leading to longer delays and poorer outcomes.

At every stage of the process, workers face hurdles that make recovery and return to work harder. They struggle to claim basic medical expenses where employers can deny claims or cut payments over technical errors, and there are no enforceable obligations on employers to support a worker's return to work.

The current system also enables reckless and negligent employers to avoid accountability. Restrictions on legal rights mean seriously injured workers have fewer avenues to pursue justice and compensation from their employer, and also fewer legal representatives available to assist them.

The SRC review, informed by workers, unions and employers, sets a clear roadmap to modernise the scheme so it reflects the realities of contemporary work, improves governance and usability, and aligns entitlements with best practice and community expectations.

The review recommends comprehensive reforms, including ensuring injured workers can access early treatment without financial stress, requiring employers to provide safe, supported return-to-work plans, and faster resolution of disputes. It also recommends reforming the practice of employers managing their own workers' claims and restoring legal rights for seriously injured workers to take action against negligent employers.

Quotes attributable to ACTU Assistant Secretary, Liam O'Brien:

"Getting hurt at work should not cost you your income, your recovery, or your rights. Under the current Comcare scheme, it can cost you all three.

"Nearly half a million workers are covered by a system that is broken, slow, and almost 40 years out of date. The way Australians work has changed, the injuries they face have changed, but the scheme has not kept up.

"Unions hear directly from workers across the federal system on a weekly basis. They face long delays, lost income, barriers to medical treatment and little support to stay connected to their job - all because our national laws are decades behind.

“The independent review provides a clear blueprint on exactly what is wrong and how to fix it. Injured workers cannot wait - they need the government to legislate these reforms now.”

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Media Contact: Cameron Warasta (0447) 159 467