

SUBMISSION

# NSW Workers Compensation Reform Consultation

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## Digital Early Intervention and Initial Stakeholder Engagement: *Evidence from the Self-Insured Sector*

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## Executive Summary

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This submission is made in response to the NSW Government's consultation on the Workers Compensation Legislation Amendment (Reform and Modernisation) Act 2025 and associated draft regulations. It is authored by David Grant, who served as Director of Health Policy at the NSW State Insurance Regulatory Authority (SIRA) before joining EQL as Executive Advisor, Government and System Partnerships (Australia).

We welcome the reform agenda, particularly the emphasis on faster claim determination, clearer initial stakeholder engagement obligations, and the intent to reduce the human and financial cost of workplace injury. This submission draws on clinical evidence and directly relevant deployment experience to make the case that digital musculoskeletal (MSK) triage and self-management tools should be explicitly recognised and supported within the regulatory framework now being developed.

Our core argument is straightforward: a significant proportion of workers compensation claims — particularly MSK claims — escalate in duration, cost and complexity because injured workers do not access appropriate clinical guidance promptly after injury. The reform's provisions on initial stakeholder engagement and provisional payments create a regulatory window to address this. Done well, digital early intervention tools can reduce claims duration by months, not days, and deliver return-on-investment ratios that make them financially compelling for self-insured employers, insurers, and scheme managers alike.

We present data from a live self-insured employer deployment in NSW that demonstrates these outcomes at scale. We also make five targeted recommendations to SIRA on how the regulations and guidance materials can create conditions for these tools to be deployed systematically across the scheme.

### Summary of Recommendations

1. Define early digital intervention as a recognised form of initial stakeholder engagement under the regulations and SIRA guidelines.
2. Include validated digital MSK triage tools in SIRA's approved early intervention pathways for self-insured employers and licensed insurers.
3. Require self-insurers to report on early intervention activation rates as part of their annual compliance data submission to SIRA.
4. Develop guidance on how digital tools complement (not replace) the treating practitioner relationship, including GP referral pathways.
5. Commission a NSW scheme-level evaluation of digital MSK triage outcomes to build an evidence base for future regulatory settings.

## About the Authors

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### David Grant — Lead Author

David Grant served as Director of Health Policy at the NSW State Insurance Regulatory Authority (SIRA) from 2019 to 2024. In that role he was responsible for the development of

evidence-based health and recovery frameworks for both the workers compensation and motor accidents schemes, including oversight of clinical guidelines, stakeholder engagement frameworks, and data standards for health outcomes reporting. He joined EQL in March 2026 as Executive Advisor, Government and System Partnerships (Australia), with a specific focus on the integration of digital early intervention tools into regulated insurance schemes.

His authorship of this submission reflects direct regulatory experience of the system gaps these reforms seek to address, as well as current visibility of how digital tools are performing in the self-insured sector.

## EQL

EQL is a clinical-grade digital musculoskeletal health platform, operating under the brand name Phio in Australia. Phio delivers AI-supported triage, clinical pathway allocation, and self-management support for injured workers and employees experiencing MSK conditions. The platform has been deployed in Australia since 2024 through a large leading occupational rehabilitation provider, with active deployments covering NSW workers compensation populations.

EQL operates across the United Kingdom, Australia, and Ireland. In the UK, Phio is deployed across NHS Trusts, large employers, and health insurers. In Australia, deployments to date include labour hire, retail, FMCG, and energy sectors. Data from these deployments underpins the evidence presented in this submission.

# 1. The Reform Context and the MSK Gap

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## 1.1 What the reform is trying to achieve

The Workers Compensation Legislation Amendment (Reform and Modernisation) Act 2025 represents the most significant restructuring of the NSW workers compensation framework in a decade. The provisions on initial stakeholder engagement, provisional liability payments, and clearer determination timelines are, in our view, well-directed: they address the period immediately following injury notification — the window in which the trajectory of a claim is most malleable.

The existing framework has consistently struggled to activate timely, evidence-based intervention during this window. Injured workers often wait weeks for GP appointments, then further weeks for specialist referrals, during which their condition — and their confidence in recovery — deteriorates. By the time active treatment begins, the claim has often already moved from an acute management challenge to a chronic one.

## 1.2 MSK as the dominant cost driver

Musculoskeletal injuries and conditions represent approximately one in three workers compensation claims in NSW and are the leading category by total claim cost. The NSW iCare scheme recorded AU\$5.3 billion in claims expenditure in FY2023/24, with MSK-related claims accounting for a disproportionate share of long-duration and high-cost cases.

The clinical evidence on MSK recovery is clear: outcomes are strongly correlated with the speed of appropriate intervention. Delayed access to clinical triage — even by two or three weeks — significantly increases the probability that an acute MSK presentation becomes a chronic condition requiring extended support. For the scheme, this translates directly into higher claims durations, higher total indemnity and treatment costs, and poorer worker outcomes.

### 1.3 The initial stakeholder engagement gap

SIRA's own compliance monitoring has identified initial stakeholder engagement as a recurrent area of weakness among self-insured employers. The regulatory framework requires employers to make timely contact with injured workers and to establish a meaningful injury management process from the outset. In practice, many employers — particularly those with large, geographically dispersed workforces — find this difficult to operationalise consistently.

The consequence is a gap between the regulatory intention (early, active engagement) and what injured workers often experience (administrative contact, not clinical support). We submit that filling this gap requires not just stronger compliance obligations, but an approved toolkit of interventions that employers can deploy at scale. Digital clinical triage is one such tool.

## 2. Evidence: Large Australian Employer-based Deployment

### 2.1 Deployment context

PHIO is working with one of Australia's largest labour hire employers (the Employer), with approximately 7,000 workers placed nationally across logistics, manufacturing, and warehousing. It is self-insured for workers compensation in NSW, and therefore carries the full financial and compliance risk of its claims portfolio.

In 2024, the Employer deployed Phio as a digital front-door triage tool for injured workers across a cohort of 2,000 lives in its NSW and national self-insured population. The deployment was facilitated through a large leading occupational rehabilitation provider, which is a SIRA-accredited workplace rehabilitation provider under the NSW scheme.

The 12-month evaluation period concluded in early 2025. The Employer had renewed the contract for a further 12 months and has since expressed intent to expand coverage to its full eligible workforce of approximately 7,000 in October 2026.

### 2.2 Outcomes

The following outcomes were measured against the control population and baseline claims data over the 12-month deployment period:

Return on investment	<b>14:1</b>
Workers compensation claims avoided	<b>AU\$339,808</b>
Reduction in triage time to clinical guidance	<b>70–85%</b>

Net Promoter Score (injured worker experience)	<b>90+</b>
Claims duration reduction (average)	<b>&gt;50% vs. control cohort</b>
Contract renewal	<b>12 months (renewed 2025)</b>
Planned expansion	<b>2,000 → ~7,000 lives (Oct 2026)</b>

The 14:1 ROI figure represents the ratio of workers compensation costs avoided to the cost of the Phio deployment. This is calculated on the basis of claims that did not progress to formal claim lodgement following Phio triage, compared to the baseline claim conversion rate for equivalent injury presentations in the prior period.

The 70–85% reduction in triage time reflects the difference between the average time from injury notification to first clinical guidance under the Phio model (typically within hours, via the digital assessment and pathway allocation) versus the average time to first substantive clinical contact under the traditional pathway (typically 7–14 days, dependent on GP availability).

### 2.3 Mechanism of action

Phio works by providing injured workers with structured clinical assessment immediately following injury notification. On receiving a referral or accessing the platform directly, the worker completes a validated MSK assessment. The platform then allocates them to one of three pathways:

- **Self-management pathway:** the worker's presentation is consistent with a self-limiting condition. They receive evidence-based exercise guidance, symptom tracking, and a safety-netting protocol that flags deterioration for escalation.
- **Supported pathway:** the worker's presentation warrants guided physiotherapy or occupational therapy support. The platform schedules this and tracks progress.
- **Urgent escalation pathway:** red flag symptoms are detected and the worker is directed immediately to medical assessment.

This triage function directly addresses the initial stakeholder engagement gap identified above. Rather than replacing the employer's contact obligations, Phio operationalises them: it ensures that an injured worker's first substantive post-injury interaction is clinically meaningful, not just administrative.

### 2.4 Relevance to the reform provisions

We draw SIRA's attention to three direct connections between the outcomes of the large Employer trial and the provisions under consultation:

**Provisional payments.** The Act's provisional payment provisions are intended to remove financial barriers to early treatment access. Digital triage complements this by ensuring that when a worker does access treatment, they are accessing the right treatment, informed by prior clinical assessment. Without triage, provisional payment entitlements risk being used for treatment that is misaligned with the worker's actual clinical presentation.

**Initial stakeholder engagement.** The reform strengthens the obligation on employers to engage with injured workers early. Digital tools provide a scalable mechanism for meeting this obligation in a clinically meaningful way — particularly for self-insured employers with large or dispersed workforces. The Employer deployment demonstrates this is achievable and cost-effective.

**Data and outcomes reporting.** Digital platforms generate structured, auditable outcome data that can support SIRA's compliance monitoring and the scheme's evidence base for future regulatory settings. The Employer deployment produced the outcome data summarised in Section 2.2 within a standard 12-month deployment — data that would not have been systematically captured under traditional paper-based injury management processes.

### 3. Regulatory Implications and the Self-Insurer Compliance Setting

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#### 3.1 Self-insured employers as the priority cohort

Self-insured employers in NSW carry the full financial risk of their claims portfolio. They are therefore both the population with the strongest commercial incentive to invest in early intervention, and the population for whom SIRA's compliance framework has the most direct traction. SIRA's Special Licence conditions regime — applied where employer compliance is found to be deficient — provides a direct lever to encourage higher standards of early intervention practice.

The sector includes some of NSW's largest employers across retail, logistics, manufacturing, healthcare, and professional services. Many have the operational capacity to deploy digital tools at scale; what they currently lack is regulatory clarity about what constitutes compliant early intervention practice, and whether digital tools meet that standard.

#### 3.2 The case for explicit regulatory recognition

At present, there is no explicit reference in SIRA guidance to digital clinical triage as a recognised form of initial stakeholder engagement or early intervention. This creates ambiguity for employers seeking to invest in these tools: they cannot be confident that their investment will be recognised as meeting their regulatory obligations.

We submit that this ambiguity is unnecessary and counterproductive. The evidence base for digital MSK triage is well-established. The Employer outcomes are not exceptional — they are consistent with outcomes achieved in other regulated insurance settings internationally, including the UK NHS and private health insurance sector. The question for SIRA is not whether these tools work, but how they should be recognised and governed within the regulatory framework.

#### 3.3 Avoiding perverse incentives

We note one risk that SIRA should consider in designing the regulatory settings: the risk that employers deploy digital tools as a claims management mechanism — to discourage claim lodgement — rather than as a clinical intervention to support recovery. This is not a risk inherent to digital triage; it is a governance and design risk.

SIRA can mitigate it by specifying, in guidance, that:

- Digital triage tools must be clinically validated, not self-developed by employers;
- Triage outcomes must be transparent to the worker, not only to the employer;
- Escalation pathways to formal claim lodgement must be clearly accessible and must not be obscured by the triage interface;
- Outcome data from digital deployments should be reportable to SIRA as part of the employer's annual compliance data.

These conditions are consistent with good practice standards already embedded in the Phio platform and in equivalent tools operating in other regulated markets. They would create a clear, enforceable standard that separates clinical tools from gatekeeping ones.

## 4. Recommendations

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We make the following five recommendations to SIRA in the context of the current consultation. They are targeted, proportionate, and — as the Employer evidence demonstrates — capable of delivering significant scheme-level outcomes.

### **Recommendation 1: Recognise digital early intervention in guidelines**

- Amend SIRA's Initial Stakeholder Engagement guidelines to explicitly recognise validated digital MSK triage as a compliant form of early intervention.
- Specify the minimum standards a digital tool must meet to qualify (clinical validation, transparency to workers, escalation pathways).
- This removes the current ambiguity that is deterring self-insurer investment.

### **Recommendation 2: Approved digital early intervention pathways**

- Develop a register or approval pathway for digital MSK triage tools, analogous to SIRA's accreditation of workplace rehabilitation providers.
- This ensures tools on the register meet clinical and governance standards, and gives employers confidence that approved tools satisfy their regulatory obligations.
- Accredited workplace rehabilitation providers (could serve as the deployment channel, integrating digital tools with their existing clinical governance frameworks).

### **Recommendation 3: Early intervention activation reporting**

- Include early intervention activation rate (defined as the proportion of notifiable MSK claims where a structured clinical intervention — digital or face-to-face — is initiated within 5 business days of notification) as a required metric in the self-insurer annual compliance data submission.
- This creates a measurable compliance standard, consistent with the reform's intent to strengthen initial stakeholder engagement obligations.
- Benchmarking across self-insurers would provide SIRA with scheme-level intelligence on where early intervention gaps are greatest.

#### **Recommendation 4: GP pathway integration guidance**

- Develop guidance on how digital triage tools interact with the treating practitioner relationship.
- Specifically: digital triage should be positioned as a complement to (not a substitute for) GP management, including clear protocols for when triage outcomes should trigger a GP referral rather than a self-management pathway.
- This guidance would address a common employer concern about the scope of digital tools, and reduce the risk of tools being used in ways that undermine the treating practitioner relationship.

#### **Recommendation 5: NSW scheme-level evaluation**

- Commission a structured evaluation of digital MSK triage outcomes across a representative sample of NSW self-insured and licensed insurer deployments, using a consistent methodology agreed with SIRA.
- The evaluation should measure: triage-to-treatment time, claims conversion rate, claims duration, total claim cost, and worker-reported outcomes at 3 and 12 months.
- Outcomes would inform future regulatory settings and provide SIRA with a scheme-level evidence base equivalent to the employer-level data already available from deployments such as the Employer pilot.

## **Conclusion**

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The NSW Workers Compensation Reform Consultation presents a timely opportunity to align the regulatory framework with the evidence on what works in early MSK intervention. The provisions on initial stakeholder engagement and provisional payments create the right incentive structure. What is needed now is regulatory clarity that enables employers, insurers, and rehabilitation providers to deploy clinically validated digital tools with confidence.

The Employer deployment demonstrates that this is not a theoretical proposition. A 14:1 return on investment, AU\$339,808 in claims costs avoided, and a 70–85% reduction in time to clinical guidance are outcomes achieved in a real NSW self-insured deployment, under existing regulatory conditions. Under a regulatory framework that explicitly supports and governs digital early intervention, these outcomes should be replicable across the scheme.

We commend the reform agenda and welcome the opportunity to contribute further to the implementation process. David Grant is available to present this evidence to SIRA staff or the relevant ministerial advisory group at any time.

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*April 2026*

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## Appendix: About Phio (EQL)

Phio is a clinically validated digital musculoskeletal health platform developed by EQL. It is designed for deployment within regulated insurance settings, large employer populations, and public health systems. The platform combines AI-supported clinical assessment with evidence-based exercise therapy and human clinical oversight.

### Clinical validation

- Phio's assessment engine is based on validated clinical instruments including the STarT MSK Tool and ÖMPQ (Örebro Musculoskeletal Pain Questionnaire) for risk stratification.
- The platform's clinical pathways are aligned with NICE (UK National Institute for Health and Care Excellence) guidelines for MSK conditions, which are internationally recognised as best-practice standards.
- Phio has been independently evaluated in NHS and private insurance settings in the UK, with peer-reviewed outcome data available on request.

### Data and security

- Australian user data is hosted on Google Cloud Platform (GCP) infrastructure located in Sydney, in compliance with Australian data sovereignty requirements.
- The platform is ISO 27001 certified and has completed third-party penetration testing to CREST standards.
- Phio's data architecture supports outcome reporting at the claim, cohort, and scheme level.

### Australian deployments (active, as at April 2026)

Employer Australia	<b>2,000 lives — self-insured WC (EML), NSW. Renewed 12 months.</b>
Large NSW state-based insurer	<b>~14,000 lives — Sydney Catholic Schools, TransDev, Guardian Childcare</b>

### Channel partner

In Australia, Phio is deployed through a large leading occupational rehabilitation provider and SIRA-accredited workplace rehabilitation provider. This ensures all deployments are embedded within a regulated clinical governance framework, with qualified allied health oversight of escalation and return-to-work planning.