safe work australia

Comparative Performance Monitoring Report

Comparison of work health and safety and workers' compensation schemes in Australia and New Zealand

15th Edition

SAFE WORK AUSTRALIA

Comparative Performance Monitoring Report

Comparison of work health and safety and workers' compensation schemes in Australia and New Zealand

Fifteenth Edition
October 2013

DISCLAIMER

The information provided in this document can only assist you in the most general way. This document does not replace any statutory requirements under any relevant state and territory legislation. Safe Work Australia is not liable for any loss resulting from any action taken or reliance made by you on the information or material contained on this document. Before relying on the material, users should carefully make their own assessment as to its accuracy, currency, completeness and relevance for their purposes, and should obtain any appropriate professional advice relevant to their particular circumstances. The views in this report should not be taken to represent the views of Safe Work Australia unless otherwise expressly stated.

ISBN No.978-1-74361-116-6 [PRINT]

978-1-74361-117-3 [PDF]

978-1-74361-118-0 [RTF]

Creative Commons

With the exception of the Safe Work Australia logo, this report is licensed by Safe Work Australia under a Creative Commons 3.0 Australia Licence. To view a copy of this licence, visit

http://creativecommons.org/licenses/by/3.0/au/deed.en

In essence, you are free to copy, communicate and adapt the work, as long as you attribute the work to Safe Work Australia and abide by the other licensing terms. The report should be attributed as the Comparative Performance Monitoring Report 15th Edition.

Enquiries regarding the licence and any use of the report are welcome at:

Copyright Officer
Safe Work Australia
GPO Box 641 Canberra ACT 2601
Email: copyrightrequests@safeworkaustralia.gov.au

Important Notice

Safe Work Australia provides the information given in this document to improve public access to information about work health and safety information generally. The vision of Safe Work Australia is Australian workplaces free from injury and disease. Its mission is to lead and coordinate national efforts to prevent workplace death, injury and disease in Australia.

Foreword

The Labour Ministers' Council released the first Comparative Performance Monitoring (CPM) report in December 1998. The CPM project was transferred to Safe Work Australia when it was established in 2009. The CPM reports provide trend analysis on the work health and safety and workers' compensation schemes operating in Australia and New Zealand. Information in the report is designed to help gauge the success of different approaches undertaken by the various workers' compensation and work health and safety authorities to reduce the incidence of work-related injury and disease. This is the 15th annual report of the CPM project.

The CPM is complemented by the *Compendium of Workers' Compensation Statistics*, which provides more detailed analysis of national workers' compensation data using key variables such as occupation, industry, age and gender with supporting information on the circumstances surrounding work-related injury and disease occurrences. The CPM is also complemented by the Comparison of Workers' Compensation Arrangements in Australia and New Zealand, which discusses the way that each scheme deals with key aspects such as coverage, benefits, self-insurance, common law and dispute resolution. The Compendium and the Comparison series can be found at www.swa.gov.au.

Statement of purpose

The purpose of the CPM is to provide measurable information to support policy making and program development by governments on work health and safety and workers' compensation in order to meet the goal of Australian and New Zealand workplaces free from injury and disease and to enable durable return to work and rehabilitation for injured and ill workers. The information should provide:

(a) measurement of progress against national strategies

(b) identification of factors contributing to improved work health and safety and workers' compensation performance (which includes consideration of resources), and

(c) measurement of changes in work health and safety and workers' compensation over time, including benchmarking where appropriate.

Data

The data used in this report were most recently supplied by jurisdictions for the 2011–12 financial year plus updates back to 2007–08. Readers should be aware that the data presented here may differ from jurisdictional annual reports due to the use of different definitions and the application of adjustment factors to aid the comparability of data. Explanatory commentary on the data items are contained within each chapter with additional information included in Appendix 1 - Explanatory Notes, at the end of this publication.

The data in this report were collected from:

- workers' compensation schemes and work health and safety authorities as follows:
  - New South Wales — WorkCover New South Wales
  - Victoria — WorkSafe Victoria
  - Queensland — Workplace Health and Safety Queensland, Department of Justice and Attorney General, Q-COMP and WorkCover Queensland
  - Western Australia — WorkCover Western Australia and WorkSafe Division, Department of Commerce
  - South Australia — WorkCover Corporation South Australia and SafeWork SA

- Tasmania — Workplace Standards Tasmania and WorkCover Tasmania
- Northern Territory — NT WorkSafe and Department of Justice
- Australian Capital Territory — WorkSafe ACT and the Office of Regulatory Services within the Justice and Community Safety Directorate
- Australian Government — Comcare
- Seacare — Seacare Authority (Seafarers Safety, Rehabilitation and Compensation Authority), and
- New Zealand — Accident Rehabilitation and Compensation Insurance Corporation and New Zealand Department of Labour

- the Heads of Workers' Compensation Authorities' *Australia and New Zealand Return to Work Monitor,* the full results of which can be accessed at hwca.org.au/reports_rtw.php and,
- the Australian Bureau of Statistics, which provides denominator data, based on the *Labour Force Survey,* the *Survey of Employment and Earnings* and the *Survey of Employee, Earnings and Hours.*

Coordination

This report has been compiled and coordinated by Safe Work Australia with assistance from representatives of all work health and safety and workers' compensation authorities in Australia and New Zealand.

Through a partnership of governments, employers and employees, Safe Work Australia leads the development of national policy to improve work health and safety and workers' compensation arrangements across Australia to:

- achieve continual reductions in the incidence of death, injury and disease in the workplace
- achieve national uniformity of the work health and safety legislative framework complemented by a nationally consistent approach to compliance and enforcement policy, and
- improve national workers' compensation arrangements.

Contents

Foreword v

Summary of findings ix

Chapter 1 – Progress against the National OHS Strategy 1

Injury and musculoskeletal target 2
Jurisdictional progress 2
Fatalities target 3

Chapter 2 – Work health and safety performance 5

Serious claims 5
Long term claims - twelve or more weeks of compensation 7
Duration of absence 8
Compensated fatalities 8
Notifiable fatalities 10
Work-related traumatic injury fatalities 11
Claims by mechanism of injury/disease 11

Chapter 3 – Work health and safety compliance and enforcement activities 15

Interventions 15
Inspectors 16
Notices 16
Legal Proceedings 17
Fines 17

Chapter 4 – Workers' compensation premiums and entitlements 21

Standardised average premium rates 21
Entitlements under workers' compensation 22

Chapter 5 – Workers' compensation scheme performance 27

Assets to liabilities ratio 27
Scheme expenditure 29
Durable return to work 33
Disputation rate 34
Dispute resolution 36

Chapter 6 – Industry information 39

Claims by industry 39
Premium rates by industry 39

Appendix 1 — Explanatory notes 43
Appendix 2 — Key features of Australian Workers' Compensation Schemes 55
Appendix 3 — Jurisdictional contact information 57

Summary of findings

Performance against the National Occupational Health and Safety Strategy 2002–2012

The reduction in the incidence rate of injury and musculoskeletal claims between the base period (2000–01 to 2002–03) and 2011–12 was 28%. This is below the rate required to meet the target of a 40% improvement by 30 June 2012. South Australia recorded a 44% improvement and was the only jurisdiction to meet the required rate of improvement. The Australian Capital Territory was the only jurisdiction to record an increase in its incidence rate of serious injury and musculoskeletal claims from the base period.

The number of compensated fatalities has continued to fall against a backdrop of increasing employment. This has resulted in a 42% improvement in the incidence of compensated fatalities from injury and musculoskeletal disorders from the base period to 2011–12. This is more than double the target of a 20% reduction by 30 June 2012.

Work health and safety performance

Over the past four years the incidence rate of serious injury and disease claims has fallen 9% from 13.9 claims per 1000 employees in 2007–08 to 12.7 in 2010–11. The preliminary data for 2011–12 indicates a further fall is likely. While the preliminary incidence rate is 12.2, it is expected to rise by around 2% when the liability on all claims submitted in 2011–12 is determined.

The preliminary data also show that compensation has been paid for 199 worker fatalities in 2011–12 of which 146 involved injury and musculoskeletal disorders and 53 were the result of work-related diseases. It is expected that this number will rise slightly when all claims are processed. The number of compensated fatalities decreased 34% from 328 in 2007–08 to 216 in 2010–11. These numbers are an undercount as not all work-related fatalities are compensated. The Traumatic Injury Fatalities report showed that 231 workers died of injuries in 2011–12 which is 57% higher than the 147 injury fatalities recorded in the compensation system for the same period.

The preliminary workers' compensation claims data for New Zealand indicate that in 2011–12 the incidence rate of serious injury and disease claims was 10.2 claims per 1000 employees. New Zealand recorded a 27% decrease in incidence rates from 2007–08 to 2010–11.

There were 59 compensated fatalities in New Zealand in 2011–12. New Zealand recorded a 17% increase in the number of compensated fatalities from 99 in 2007–08 to 116 in 2010–11. The number of fatalities in the previous year was unusually high because of the Pike River disaster and the Christchurch earthquake, which together accounted for 84 deaths.

Body stressing continued to be the mechanism of injury/disease that accounted for the greatest proportion of claims (40%); claim numbers for this mechanism have decreased by 4% since 2007–08.

The highest incidence rate of serious injury and disease claims was recorded in the Agriculture, forestry & fishing industry (22.4 serious claims per 1000 employees) followed by Manufacturing (21.4), Transport & storage (21.3) and Personal & other

services (19.8) and the Construction industry (19.1). Four of these industries, together with the Health & community services industry, were priority industries under the National Occupational Health and Safety Strategy 2002–2012.

In 2011–12 close to 211 300 workplace interventions were undertaken by work health and safety authorities around Australia. Australian jurisdictions issued 50 100 notices, 410 legal proceedings against businesses were finalised and $22.3 million in fines were handed out by the courts.

Workers' compensation scheme performance

The Australian standardised average premium rate fell 8% from 1.63% of payroll in 2007–08 to 1.51% of payroll in 2011–12. All Australian jurisdictions with the exception of Queensland and Tasmania recorded falls over this period. The Australian Government scheme recorded the lowest premium rate of all jurisdictions at 0.99% of payroll in 2011–12 while the Seacare scheme recorded the highest at 3.12%.

The New Zealand standardised average premium rate was 0.84% of payroll in 2011–12, an 8% decrease from the previous year. The New Zealand rate remains lower than the Australian rate. One reason for the lower rate in New Zealand is that it does not provide the same level of coverage for mental disorders that Australian schemes provide.

In 2011–12 the Australian average funding ratio for centrally funded schemes dropped slightly to 103% from 104% in 2010–11 while the ratio for privately underwritten schemes recorded a substantial fall from 109% in 2010–11 to 92% in 2011–12. Notable falls from the previous year were recorded by Tasmania decreasing from 130% to 111% and the Northern Territory decreasing from 92% to 79%.

In 2011–12 Australian workers' compensation schemes spent $7 838 million of which 54% was paid directly to the injured worker as compensation for their injury or illness and 23% was spent on medical and other services costs. Insurance operations expenses made up 18% of the total expenditure by schemes, similar to that recorded in 2007–08. Regulation costs made up 1.6% of total scheme expenditure, while dispute resolution expenses accounted for 1.2% and other administration expenses accounted for 2.2%.

The 2011–12 Durable Return to Work rate decreased from 77% to 75% of workers returning to work following a work-related injury or disease. This is lower than the peak of 80% seen in 2005–06. While Victoria recorded the same rate as in the previous year all other jurisdictions recorded decreases in the Durable Return to Work rate with Seacare recording the most substantial decrease (down by 19%).

The rate of disputation on claims increased to 5.0% of all claims lodged in 2011–12 compared to 4.8% in 2010–11. While the percentage of disputes resolved within 3, 6 and 9 months remained stable between 2007–08 and 2011–12, there was a 5% decrease in the proportion of disputes resolved within one month during the same period.

Chapter 1 – Progress against the National OHS Strategy

Collective efforts to improve Australia's work health and safety performance have been guided by the National Occupational Health and Safety Strategy 2002–2012 (the Strategy). The strategy for the next decade – the Australian Work Health and Safety Strategy 2012–2022 – was launched in October 2012. This report presents data on the progress against targets in the Strategy that will continue until the 2014 edition of the report (CPM 16) owing to the time lag in compilation of workers' compensation data. Reporting against the Australian Work Health and Safety Strategy 2012–2022 will commence in CPM 17 (2015).

The Strategy set national targets to reduce the incidence of work-related injury fatalities by at least 20% and to reduce the incidence of workplace injury (including musculoskeletal disorders) by at least 40% by June 2012. Achievements against the national targets for injury and fatality are measured using the National Data Set for Compensation-based Statistics (NDS). A standard definition of 'serious claims due to injury or musculoskeletal disorders' has been used for analysis to enable greater comparability between jurisdictions. Serious claims include all fatalities, all permanent incapacity claims (as defined by the jurisdictions) and temporary claims for which one or more weeks of compensation has been recorded. This definition takes into account the different employer excesses that exist in the various schemes.

The baseline for the national targets was calculated as the average incidence rate for the three-year period 2000–01 to 2002–03. A three-year base period smooths the volatility in the data, resulting in a more typical starting point at which to measure progress against the targets. While the base period data are considered stable, revisions are likely for the more recent years. To ensure a more accurate measure of improvement is calculated, the most recent year of data have been projected forward to indicate the likely incidence rate once updated data are received.

All parties to the Strategy committed to achieving a steady improvement in work health and safety practices and performance and a corresponding decline in both the incidence and severity of work-related injuries.

Since its adoption in May 2002, the Strategy has informed the work and strategic plans of all Australian work health and safety authorities as well as driving the work of Safe Work Australia. Safe Work Australia has worked to achieve the goals of the Strategy through leading national harmonisation of work health and safety legislation, developing a compliance and enforcement policy to ensure nationally consistent regulatory approaches across all jurisdictions, encouraging excellence in work health and safety through the National Safe Work Australia Awards and improving the collection and analysis of work health and safety data and research to inform the development or evaluation of work health and safety policies and programs.

National compliance and intervention campaigns initiated by the Heads of Workplace Safety Authorities (HWSA) targeted the priority injury risks and industries under the Strategy. HWSA is currently targeting quad bike safety. More information on HWSA campaigns can be found at www.hwsa.org.au.

Injury and musculoskeletal target

Indicator 1 shows a 28% decrease in the incidence rate of injury and musculoskeletal claims between the base period (2000–01 to 2002–03) and the projected 2011–12 data, which is same as that recorded in the previous year. This decrease is below the rate of 40% improvement required to meet the long term target by 30 June 2012. Australia did not meet the target set in the 2002–12 National Occupational Health and Safety Strategy.

Indicator 1 – Incidence rate of serious* compensated injury and musculoskeletal claims, Australia, base period (2000–01 to 2002–03) to 2011–12

** Includes accepted workers' compensation claims for temporary incapacity involving one or more weeks compensation plus all claims for fatality and permanent incapacity.*

Jurisdictional progress

Indicator 2 shows how the jurisdictions are progressing towards the injury target. To be 'on target', jurisdictions would need to have recorded a 40% improvement from the base period.

Indicator 2 – Incidence rates (serious claims per 1000 employees) and percentage improvement of serious* compensated injury and musculoskeletal claims by jurisdiction.

Jurisdiction	Base period	2008–09	2009–10	2010–11	2011–12 Preliminary	2011–12 projected	Percentage improvement (%)**
South Australia	18.3	11.3	11.0	10.3	10.4	10.3	43.7%
New South Wales	17.1	12.7	12.1	11.9	11.1	11.5	32.5%
Northern Territory	12.4	11.3	11.6	10.9	7.8	8.6	30.6%
Victoria	11.3	8.4	8.0	7.9	7.6	7.9	30.1%
Australian Government	8.8	6.8	6.3	6.4	6.0	6.5	26.1%
Queensland	16.6	15.1	13.9	13.1	13.0	13.2	20.5%
Tasmania	16.2	14.8	14.1	14.1	12.8	13.4	17.3%
Seacare	36.3	34.5	36.1	39.9	31.3	33.6	7.4%
Western Australia	12.5	11.8	11.0	11.5	11.1	11.6	7.2%
Australian Capital Territory	11.4	12.0	12.3	12.5	12.2	12.8	-12.3%
Australia	**14.8**	**11.7**	**11.1**	**10.8**	**10.4**	**10.7**	**27.7%**

** Includes accepted workers' compensation claims for temporary incapacity involving one or more weeks compensation plus all claims for fatality and permanent incapacity.*
*** Percentage improvement from base period (2000–01 to 2002–03) to 2011–12 projected.*

These data show that South Australia was the only jurisdiction that met the target. However, with the exception of the Australian Capital Territory all other jurisdictions recorded improvements in the incidence rates of serious claims for injury and musculoskeletal disorders since the introduction of the National Occupational Health and Safety Strategy.

Changes to scheme operations since the base period can affect the percentage improvements shown in this indicator. Achievement of the target was more difficult in the Australian Capital Territory because reforms were introduced during the base period that resulted in a higher level of reporting of serious claims since 2001–02.

Fatalities target

Indicator 3 shows that fatality incidence rates have been falling steadily over the past five years. Since the base period there has been a 42% decrease in the incidence rate of compensated injury and musculoskeletal fatality claims. This improvement is more than twice the decrease required to meet the target of a 20% reduction by 30 June 2012.

Note that a table of jurisdictional improvements in fatalities has not been included due to the volatility of these data. Information on the number of fatalities recorded by each jurisdiction can be found in Indicator 10.

Indicator 3 – Incidence rates of compensated injury & musculoskeletal fatalities, Australia, base period (2000–01 to 2002–03) to 2011–12

Chapter 2 – Work health and safety performance

The data used in this chapter are mainly accepted workers' compensation claims lodged in each financial year. Workers' compensation data are currently the most comprehensive source of information for measuring work health and safety performance. While there are some limitations, most notably that the data reflect the injury experience of employees only and under-report the incidence of disease, workers' compensation data still provide a good indication of work health and safety trends. For injury fatalities these data are supplemented with the data from the Notifiable Fatalities dataset and the National Coroners' Information System (NCIS).

Serious claims

As there are different employer excesses across the various schemes, a standard reporting definition of a 'serious claim' has been adopted for analysis. Serious claims include all fatalities, all permanent incapacity claims (as defined by the jurisdictions) and temporary incapacity claims for which one or more weeks of compensation has been recorded. Refer to Appendix 1 (Explanatory notes) for further information.

Due to the different number of employees in each jurisdiction, rates have been calculated to allow meaningful comparisons. Incidence rates compare jurisdictions on a 'per employee' basis and frequency rates allow a comparison on a 'per hour worked' basis.

Indicator 4 shows that the Australian incidence rate for serious claims has steadily declined over the past four years, decreasing 9% from 13.9 to 12.7 claims per 1000 employees between 2007–08 and 2010–11. Preliminary data for 2011–12 show an incidence rate of 12.2 claims per 1000 employees. While it is expected that this rate will rise when updated data are available, the preliminary data indicate a continuing improvement in incidence rates.

Substantial falls in the incidence rates of serious claims from 2007–08 to 2010–11 were recorded by Queensland (18%), the Northern Territory (down 15%), Victoria (down 11%), Western Australia (down 8%) and New South Wales (down 6%). Seacare recorded a substantial increase in incidence rates during the same period (up 34%). Increases were also recorded for the Australian Government (up 16%), South Australia (up 10%) and the Australian Capital Territory (up 7%). Seacare recorded the highest incidence rate of serious claims in 2010–11 with 45.0 claims per 1000 employees, while the Australian Government recorded the lowest rate with 8.0 claims per 1000 employees.

The rates presented above are higher than those shown in Chapter 1 because they include all injury and all disease claims. The National Occupational Health and Safety Strategy target measurement only includes injury and musculoskeletal disorder claims. However, both indicators show similar rates of improvement but with jurisdictional variations.

Over the period 2007–08 to 2010–11 New Zealand recorded a 27% decrease in the incidence rate of serious claims, dropping from 14.8 to 10.8 claims per 1000 employees. Preliminary data for 2011–12 show a further 5% decrease to 10.2 claims per 1000 employees.

Indicator 4 – Incidence rates of serious* injury and disease claims by jurisdiction

	S'care	Qld	Tas	NSW	ACT	SA	WA	Vic	NT	Aus Gov	Aus Total	NZ
2007-08	33.6	18.2	16.6	15.4	12.8	11.3	13.6	10.6	14.4	6.9	13.9	14.8
2008-09	39.6	17.0	17.0	15.1	13.3	13.5	12.9	10.0	12.3	8.2	13.6	13.5
2009-10	43.2	15.8	16.1	14.7	13.6	13.1	12.1	9.8	12.8	8.1	13.1	11.6
2010-11	45.0	15.0	16.3	14.4	13.7	12.4	12.5	9.4	12.3	8.0	12.7	10.8
2011-12p	35.9	14.8	14.6	13.5	13.2	12.5	12.1	9.0	8.7	7.5	12.2	10.2
2011-12p Aus												

** Includes all accepted workers' compensation claims involving temporary incapacity of one or more weeks compensation plus all claims for fatality and permanent incapacity.*

Indicator 5 shows that in the 2011–12 preliminary data, the Australian frequency rate of serious claims was 7.2 claims per million hours worked. While the frequency rate data show a similar level of improvement for Australia, there are differences in the order of the jurisdictions: Tasmania recorded the highest frequency rate at 9.6 claims per one million hours worked but the third highest incidence rate. Seacare also changed position due to the 24-hour basis on which their frequency rates are calculated. Refer to Note 1 in Appendix 1 (Explanatory notes) for further information.

Indicator 5 – Frequency rates of serious* injury and disease claims by jurisdiction

	Tas	Qld	S'care	ACT	NSW	SA	WA	Vic	NT	Aus Gov	Aus Total	NZ
2007-08	10.4	10.9	6.5	8.1	9.0	6.9	7.9	6.5	8.1	3.9	8.3	8.2
2008-09	10.8	10.3	8.9	8.4	9.0	8.4	7.5	6.2	6.8	4.6	8.2	7.5
2009-10	10.4	9.6	9.6	8.6	8.7	8.2	7.1	6.0	7.2	4.5	7.9	6.5
2010-11	10.7	9.2	10.5	8.7	8.5	7.7	7.3	5.8	6.8	4.5	7.6	6.0
2011-12p	9.6	8.8	8.6	8.2	8.0	7.7	6.9	5.5	4.8	4.1	7.2	5.6
2011-12p Aus												

** Includes all accepted workers' compensation claims involving temporary incapacity of one or more weeks compensation plus all claims for fatality and permanent incapacity.*

Long term claims - twelve or more weeks of compensation

Indicator 6 shows that the incidence rate of long term injury and disease claims in Australia decreased by 5% from 3.9 claims per 1000 employees in 2007–08 to 3.7 in 2010–11. While the 2011–12 results are consistent with the previous trend these data should be treated with caution due to the shorter development time these claims have had compared to claims from previous years. On average 27% of serious claims result in 12 or more weeks of compensation over the five year period.

Indicator 6 – Incidence rates of long term (12 weeks or more compensation) injury and disease claims by jurisdiction

	S'care	ACT	Qld	Vic	WA	Tas	SA	NSW	Aus Gov	NT	Aus Total	NZ
2007-08	17.4	3.8	4.2	4.0	3.9	4.0	3.8	3.8	2.0	4.6	3.9	3.3
2008-09	20.0	4.2	4.0	3.8	3.8	4.0	3.6	3.8	2.4	4.2	3.8	3.0
2009-10	22.4	4.4	3.7	3.8	3.6	3.8	3.6	3.6	2.5	3.6	3.6	2.3
2010-11	18.7	5.1	3.7	3.7	3.8	4.2	3.7	3.6	2.5	3.3	3.7	2.1
2011-12p	16.4	4.2	3.7	3.5	3.5	3.2	3.1	3.0	2.2	2.1	3.3	1.8
2011-12p Aus												

The Australian Capital Territory, the Australian Government, Seacare and Tasmania recorded increases in the incidence rates of long term claims over the period 2007–08 to 2010–11. New Zealand recorded a substantial decrease over this period (down by 35%) with its rate remaining lower than that of Australia.

The frequency rates of long term claims in Indicator 7 show a similar pattern to the incidence rates.

Indicator 7 – Frequency rates of long term (12 weeks or more compensation) injury and disease claims by jurisdiction

	S'care	ACT	Qld	Vic	Tas	WA	SA	NSW	Aus Gov	NT	Aus Total	NZ
2007-08	3.4	2.4	2.5	2.4	2.5	2.2	2.3	2.2	1.1	2.6	2.3	1.8
2008-09	4.5	2.6	2.4	2.4	2.6	2.2	2.2	2.2	1.3	2.3	2.3	1.6
2009-10	5.0	2.8	2.2	2.3	2.5	2.1	2.3	2.1	1.4	2.0	2.2	1.3
2010-11	4.4	3.2	2.3	2.3	2.7	2.2	2.3	2.2	1.4	1.8	2.2	1.2
2011-12p	3.9	2.6	2.2	2.2	2.1	2.0	1.9	1.8	1.2	1.2	2.0	1.0
2011-12p Aus												

Duration of absence

The duration of absence associated with claims provides an indication of the severity of injuries occurring in Australia. Indicator 8 shows the variation across the jurisdictions in the percentage of claims involving selected periods of compensation. These data are based on claims lodged in 2009–10, which is the most recent year that reliable data are available for this indicator.

Indicator 8 – Serious* claims: Percentage involving selected periods of compensation, 2009–10

Jurisdiction	Less than 6 weeks	6 weeks or more	12 weeks or more	26 weeks or more	52 weeks or more
New South Wales	63	37	24	15	9
Queensland	60	40	23	10	3
Tasmania	59	41	24	11	7
South Australia	59	41	28	17	11
Western Australia	56	44	30	18	10
Northern Territory	54	46	28	15	6
Australian Government	53	47	31	18	10
Australian Capital Territory	53	47	32	19	11
Victoria	46	54	38	25	17
Seacare	28	72	52	24	13
Australian Average	**57**	**43**	**28**	**16**	**10**
New Zealand	69	31	19	9	4

** Includes all accepted workers' compensation claims involving temporary incapacity of one or more weeks compensation plus all claims for fatality and permanent incapacity.*

These data show that 57% of claims in Australia resulted in less than six weeks of compensation. The jurisdictional rates were similar except for Seacare where 28% of claims were resolved in this time and Victoria (46%). Injured workers in the Seacare scheme face unique problems in return to work that need to be considered when interpreting the Seacare results for this indicator. Refer to Note 4 at Appendix 1 (Explanatory notes) for further information.

Victoria had the highest percentage of claims continue past 52 weeks of compensation (17% of claims) followed by Seacare (13% of claims), South Australia and the Australian Capital Territory (11% each), and Western Australia and the Australian Government (10% each). Queensland had 3% of claims continuing past 52 weeks of compensation, partly due to the nature of the Queensland scheme, followed by the Northern Territory (6%) then Tasmania (7%).

The New Zealand scheme finalised a higher proportion of claims within six weeks than did Australian schemes on average. However, its scheme recorded a higher proportion of claims finalised within six weeks when compared to the previous year (69% v 67%).

Compensated fatalities

Indicator 9 shows that in 2011–12 there were 199 accepted compensated claims for a work-related fatality in Australia, of which 146 fatalities were due to injury and musculoskeletal disorders and 53 due to other diseases. The number of fatalities is expected to rise as more claims lodged in 2011–12 are accepted. There was a 34% decrease in the number of compensated fatalities in Australia from 2007–08 to 2010–11.

New Zealand recorded 59 compensated fatalities in 2011–12. Over the period 2007–08 to 2010–11 New Zealand recorded a 59% increase in the number of compensated

fatalities. The New Zealand preliminary data for 2011–12 recorded a 62% decrease in the number of compensated fatalities compared to the previous year. The number of fatalities in the previous year was unusually high because of the Pike River disaster and the Christchurch earthquake, which together accounted for 84 deaths.

Fatalities are recorded in the NDS against the date of lodgement of the claim, not the date of death. Data revisions from previous years can occur where a claim is lodged in one year but not accepted until after the data are collected for that year or for an injury or disease in one year where the employee dies from that injury or disease in a subsequent year. This is particularly the case with disease fatalities where considerable time could elapse between diagnosis resulting in a claim being lodged and death.

Workers' compensation data are known to understate the true number of fatalities from work-related causes, particularly deaths from occupational diseases such as asbestosis and mesothelioma where compensation is often sought through separate mechanisms including common law and because of difficulties in proving work-relatedness for a disease claim.

Indicator 9 – Compensated Fatalities by jurisdiction

Jurisdiction	2007–08	2008–09	2009–10	2010–11	2011–12p	*5yr Average*
Injury and musculoskeletal disorders						
New South Wales	46	52	38	45	44	45
Victoria	50	39	37	27	32	37
Queensland	69	59	32	39	39	48
Western Australia	20	22	14	24	11	18
South Australia	12	9	13	10	3	9
Tasmania	8	5	5	4	5	5
Northern Territory	9	6	5	3	4	5
Australian Capital Territory	4	2	0	1	5	2
Australian Government	6	3	12	1	3	5
Seacare	0	1	0	0	0	1
Australian Total	**224**	**198**	**156**	**154**	**146**	**176**
New Zealand	65	71	71	136	40	77
Other diseases						
New South Wales	18	21	11	5	7	12
Victoria	14	16	15	6	6	11
Queensland*	50	31	16	15	21	27
Western Australia	2	4	8	11	5	6
South Australia	1	1	2	3	0	1
Tasmania	3	0	0	2	0	1
Northern Territory	1	1	0	0	0	1
Australian Capital Territory	0	1	1	0	0	1
Australian Government	15	5	20	20	14	15
Seacare	0	0	0	0	0	0
Australian Total	**104**	**80**	**73**	**62**	**53**	**74**
New Zealand	34	30	40	21	19	29
Total						
Australia	**328**	**278**	**229**	**215**	**199**	***250***
New Zealand	**99**	**101**	**111**	**116**	**59**	**105**

** The majority of compensated fatalities for other diseases in Queensland are due to mesothelioma or asbestosis. Queensland compensates more of these fatalities through its scheme than is the case in other jurisdictions where compensation is more often sought through separate mechanisms including common law.*

Safe Work Australia reports annually on mesothelioma using data from the National Cancer Statistics Clearing House. The most recent of these publications *Mesothelioma in Australia: Incidence 1982 to 2008, Mortality 1997 to 2007* is available from www.swa.gov.au.

Deaths in the agricultural and construction sectors are also likely to be understated in the NDS data due to the higher proportion of self-employed workers in these industries who are not covered by workers' compensation. More accurate data on injury fatalities are presented in the *Work-Related Traumatic Injury Fatalities, Australia 2010–11* report, which in addition to workers' compensation data uses coronial information and notifiable fatalities data to provide a more accurate estimate of the number of fatalities from work-related injuries. The report is available from www.swa.gov.au. See also Indicator 10b.

As compensation may be sought through the Compulsory Third Party insurance scheme for motor vehicles, work-related deaths from road traffic incidents may also be understated.

Detailed information on the causes and other characteristics of fatalities reported through the NDS is contained in the *Compendium of Workers' Compensation Statistics,* which can be found at www.swa.gov.au.

Notifiable fatalities

While workers' compensation data are currently the most extensive source of information for measuring work health and safety performance there are some limitations. Other data sources can be used to supplement workers' compensation data and provide a more complete picture of work-related fatalities. One alternative data source is the Notifiable Fatalities dataset.

These data are collated from the work-related traumatic fatalities that are notifiable to jurisdictional work health and safety authorities under their legislation. The use of these data addresses some of the limitations of the compensated data by capturing fatalities occurring in categories of workers not covered by workers' compensation such as the self-employed. More information about the Notifiable Fatalities collection can be found at www.swa.gov.au.

Indicator 10a shows that the number of worker fatalities notified to jurisdictions increased by 19% between 2007–08 and 2011–12. The volatility of work-related fatalities in Australia is highlighted by the increase in the number of notified worker fatalities from the lowest recorded over the collection period (111) in 2009–10, to the highest recorded (150) in 2008–09 and again in 2011–12.

Indicator 10a – Notifiable work-related traumatic fatalities, Australia

	2007–08	2008–09	2009–10	2010–11	2011–12	% chg
Workers	133	150	111	120	150	13%

Note that Indicator 10a underreports work-related road traffic fatalities. These fatalities are investigated by the police and are not always notified to the work health and safety authority. Indicator 9 does not include deaths of persons who are not classed as employees, such as self-employed workers. The NDS data for 2011–12 are preliminary and likely to increase as more claims are accepted, while the Notifiable Fatalities data are not likely to increase. It is important to note that Indicator 10a is a volatile measure and can change from year to year.

Work-related traumatic injury fatalities

Currently no single national data collection system exists that identifies all work-related injury fatalities meaning it is difficult to determine an accurate number of work-related fatalities. The Traumatic Injury Fatalities dataset provides the best estimate of work-related injury deaths in Australia.

The Traumatic Injury Fatalities dataset incorporates information from the two datasets just discussed (compensated and notifiable fatalities) with additional information from the National Coronial Information System (NCIS). Further information on the Traumatic Injury Fatalities collection can be found at www.swa.gov.au.

Indicator 10b shows between 2007–08 and 2011–12 there was a 21% decrease in the number of workers killed while working. Non-traffic incidents decreased by 13% while Traffic incidents recorded a substantial decrease (down by 37%). Traffic incidents are those involving vehicles on public roads. The decrease in work-related traumatic injury fatalities observed in 2009–10 and 2010–11 may be related to the economic downturn associated with the global financial crisis. The 231 worker deaths identified in 2011–12 is 57% more than the 147 injury-related deaths identified through the compensation (NDS) system.

Indicator 10b – Number of Traumatic Injury fatalities by traffic status, Australia

	2007–08	2008–09	2009–10	2010–11	2011–12	% chg
Non traffic incident	191	191	140	168	166	-13%
Traffic incident	103	93	83	57	65	-37%
Total	**294**	**284**	**223**	**225**	**231**	**-21%**

Claims by mechanism of injury/disease

Claim patterns can be analysed using the *Type of Occurrence Classification System* (TOOCS), which is a series of codes providing information on the cause of the incident and the type of injury or disease sustained. Coding for the Mechanism of injury/disease is intended to identify the action, exposure or event that was the direct cause of the most serious injury or disease. More information on TOOCS can be found at www.swa.gov.au

Indicator 11 shows the number of serious claims by Mechanism of injury/disease over the past five years. Under the National Occupational Health and Safety Strategy the following are priority mechanisms: *Body stressing; Falls, trips & slips of a person; Being hit by moving objects; and Hitting objects with a part of the body*. These priority mechanisms accounted for 82% of serious claims with *Body stressing* accounting for 40% of the 128 050 serious claims in 2011–12.

Among the priority mechanisms, the largest decrease in claims between 2007–08 to 2010–11 was recorded for *Being hit by moving objects* (down by 11%), followed by *Body Stressing* (down by 6%) and *Hitting objects with part of a body* (down by 5%). Claims for *Falls, trips & slips of a person* decreased by 2%. Claims due to the mechanism of *Sound & pressure* increased by 26%, however this category accounted for just 4% of all claims in 2010–11. Claims due to the mechanism *Mental stress* increased by 20% over the four years from 2007–08 to 2010–11.

More detailed information on claims by Mechanism of injury or disease can be found in the *Compendium of Workers' Compensation Statistics,* published at www.swa.gov.au.

Indicator 11 – Mechanism of injury or disease: number of serious* claims by year, Australia

** Includes all accepted workers' compensation claims involving temporary incapacity of one or more weeks compensation plus all claims for fatality and permanent incapacity.*
*** Includes vehicle incidents.*

Claims by size of business (in the private sector)

Indicator 12 compares the incidence of serious compensated claims by size of business for 2007–08 and 2011–12. Eight Australian jurisdictions and New Zealand collect compensation data by size of business; however there are differences in the methodologies used by schemes to collect this information and caution should be exercised when making jurisdictional comparisons. This indicator reports on the private sector only and excludes those industry sectors that are wholly or substantially public sector industries i.e. Government, administration & defence, Health & community services, Education and Finance & insurance.

Change of methodology

Since the 14th edition of the CPM report the incidence rates by size of business groups presented differ from previous editions. This is due to the adoption of new business size groups by the Australian Bureau of Statistics (ABS), which provides employee numbers used to calculate incidence rates. Refer to Note 1 in the Explanatory notes (Appendix 1) for more information on the calculation of these employee groups.

Victoria and Queensland have been excluded from this indicator because more than 88% of Victorian 2011–12 serious claims were missing size of employer information, while Queensland does not collect these data.

Readers should be aware that the Australian incidence rates presented in this edition of the report are not comparable with the rates reported in the previous edition. This is due to the recent update of the number of employees used in calculating these incidence rates.

In 2007–08 the lowest incidence rates were recorded for businesses with 1–19 employees for all jurisdictions with the exception of New South Wales and the Northern Territory. However, the 10.7 incidence rate recorded in NSW for businesses with 1–19 employees is still lower than the Australian average of 12.7 claims per 1000 employees for this business size group. New South Wales and the Northern Territory recorded the lowest incidence rates for businesses with 200 or more employees. In 2007–08 the highest incidence rates were recorded for businesses with 20–199 employees for all jurisdictions except Seacare.

In 2011–12 for Western Australia, Tasmania and the Australian Capital Territory businesses with 1–19 employees had the lowest incidence rates of compensated claims. While for New South Wales, and the Northern Territory businesses with 200 or more employees had the lowest incidence rates of compensated claims. With the exception of Seacare, businesses in all other jurisdictions with 20-199 employees had the highest incidence rate of compensated claims in 2011–12. There is an overall decline in incidence rate in the 20-199 employee group from 2007–08 to 2011–12.

With the exception of New South Wales, the Australian Capital Territory and Seacare all other jurisdictions recorded a decrease in the incidence rates of compensated claims for businesses with 200 or more employees between 2007–08 and 2011–12.

In New Zealand the incidence rate of claims decreased for all size of business groups between 2007–08 and 2011–12.

Indicator 12 – Size of business: incidence rates (claims per 1000 employees) of serious* claims by jurisdiction (private sector only)**

	1–19 employees	20–199 employees	200 or more employees
		2007–08	
New South Wales	10.7	15.6	8.2
Western Australia	10.3	21.9	12.3
South Australia	9.4	23.8	15.2
Tasmania	9.1	28.8	14.9
Northern Territory	21.5	24.3	4.0
Australian Capital Territory	7.0	25.3	9.5
Seacare	0.0	29.4	34.3
Australia* **	**12.7**	**26.0**	**15.4**
New Zealand	21.7	16.1	11.0
		2011–12p	
New South Wales	11.2	13.1	8.5
Western Australia	10.8	15.0	10.9
South Australia	10.5	18.3	8.2
Tasmania	8.8	21.2	12.9
Northern Territory	16.9	11.1	1.3
Australian Capital Territory	9.5	19.1	11.9
Seacare	0.0	29.1	39.5
Australia* **	**11.8**	**21.8**	**14.9**
New Zealand	13.2	11.9	7.5

** Includes all accepted workers' compensation claims involving temporary incapacity of one or more weeks compensation plus all claims for fatality and permanent incapacity in the private sector.*
*** This indicator shows patterns at two points in time. Selecting different points may show a different pattern.*
**** Consists only of Australian jurisdictions listed above.*

Chapter 3 – Work health and safety compliance and enforcement activities

Jurisdictions encourage work health and safety compliance using a variety of mechanisms ranging from education, advice and information through to prosecution. Inspectors appointed under legislation may visit workplaces for the purpose of providing information, presentations, training and advice, investigating incidents or dangerous occurrences and ensuring compliance with work health and safety legislation. Where breaches are detected the inspector, based on risk, may issue notices or escalate the action to formal procedures, which are addressed through the courts for serious contravention of the legislation.

Indicator 13 provides details on specific work health and safety compliance and enforcement activities undertaken by jurisdictions each year from 2007–08 to 2011–12. The reader should note that the compliance and enforcement data for Indicator 13 do not include the mining sector. Mines inspectors have a different mechanism for enforcement measures and have been excluded from the data due to different legislation operating across jurisdictions. Due to this exclusion it is possible that the number of field active inspectors shown in this report may differ to inspectorate numbers shown in jurisdictional reports.

A summary of the compliance and enforcement activities show that in 2011–12 there were:

- 75 469 proactive workplace visits around Australia
- 58 466 reactive workplace visits around Australia
- 1076 field active inspectors employed around Australia
- 50 062 notices were issued by Australian jurisdictions
- 417 legal proceedings against businesses were finalised
- 362 legal proceedings resulted in a conviction, order or agreement, and
- $22.3 million in fines were handed out by Australian courts.

Interventions

Most jurisdictions were unable to provide five years of data based on the new definitions. Queensland and Western Australia were the only jurisdictions that supplied proactive and reactive workplace intervention data for the five financial years while South Australia and Seacare supplied most of these data for five financial years. Where jurisdictions were unable to supply data according to the new definition the table shows u/a (for unavailable).

A high proportion of intervention activities in New South Wales align to resolving issues raised by the community through workplace visits, office-based follow up activities and stakeholder engagement mechanisms. In addition, New South Wales integrates components of proactive prevention programs within reactive or response activity to ensure greater coverage of high risk workplaces is achieved. This was reflected by the substantial increase in the number of workshops/presentations/seminars conducted in 2010–11 compared to the previous year. Other than *'Other intervention activities - reactive'* all intervention activities recorded substantial decreases in 2011–12 compared to the previous year.

In Queensland, proactive workplace visits recorded a 16% increase in 2011–12 compared to the previous year while number of reactive workplace activities remained similar. The Queensland inspectorate is still focusing on strategies that will enhance its reach and effectiveness across industries. Greater emphasis is being directed to

engage with workplaces, develop networks and provide advice to workplaces. This shift in focus is manifested by the substantial increase in the number of workshops\presentations\seminars\forums conducted since 2008–09.

The Australian Government recorded substantial increases in the number of proactive and reactive workplace visits for the second consecutive year. This is ,in part, due to the implementation of a new case management system in June 2010 that allows more accurate recording and reporting of intervention activities. In 2011–12 the Australian Government conducted the National Prevention campaigns on bullying and harassment, researching best practice in body stressing injuries, and ensuring notification compliance. More staff were also delivering workshops, presentations and activities relating to the introduction of the *Work, Health and Safety Act*. These extra activities are reflected in the substantial increase in the number of '*Other staff doing non-inspectorate activities*' when compared with the previous year.

The Australian Capital Territory recorded a decrease in the number of proactive workplace visits due to investigations into a number of serious incidents (four fatalities) in the 2011–12 reporting period. This reduced Worksafe ACT's capacity to conduct proactive workplace visits. In contrast, the Australian Capital Territory recorded an increase in the number of educational activities due to the new *Work Health and Safety Act 2011* and Workplace Bullying Awareness training in 2011–12.

Inspectors

The number of field active inspectors employed around Australia has remained relatively stable between 2007–08 and 2011–12. Field active inspectors are defined as gazetted inspectors whose role is to spend the majority of their time enforcing the provisions of the work health and safety legislation directly with workplaces. In some jurisdictions inspectors engage in other activities to improve the work health and safety capabilities of businesses and workplaces i.e. a compliance field role. They include investigators (where applicable) who are appointed to work with the enforcement provisions by doing worksite visits, gathering evidence and drawing conclusions. They also include current vacancies and staff on extended leave, managers of the inspectorate regardless of whether undertaking field active work, auditors (who are gazetted as inspectors) who are responsible for creating an audit template, completing the auditing process and providing feedback. Staff involved in giving advice and information packs from the office, and business advisory officers and community education officers have been excluded.

The number of field active inspectors employed by the Australian Government decreased in 2011–12. In contrast there was a substantial increase in the number of *'Other staff undertaking non-inspectorate activities*'. This is due to prevention campaigns and education activities outlined in the previous section.

Readers should note that although repeat visits and the number of inspectors in attendance are counted separately for both proactive and reactive workplace intervention measures, this is not so for Western Australia where inspectors in attendance are not counted separately. Please refer to Note 2 of the Explanatory notes for more details.

Notices

Where inspectors identify a breach under their work health and safety legislation a notice may be issued. Australian jurisdictions issued 50 062 notices in 2011–12, a 13% decrease from the previous year. In 2011–12, 612 infringement notices, 4 613 prohibition notices and 44 837 improvement notices were issued in Australia.

Data on notices cannot be compared directly across jurisdictions as notices are defined by the separate legislation of each jurisdiction. For example, in some instances a single notice may be issued for multiple breaches of the legislation, while in other instances multiple notices are issued for each breach identified.

The number of notices issued by Tasmania has continued to decrease over the last two financial years. This is consistent with Tasmanian enforcement policy. Inspectors have been empowered to achieve compliance (where relevant) without the need for formal notices.

In 2011–12, there was a substantial increase in the number of notices issued by the Seacare authority (up by 52%). In contrast, the number of notices issued by Western Australia recorded a 22% decrease from last year.

Legal Proceedings

A conviction, order or agreement is defined (with or without penalty) once it has been recorded against a company or individual in the judicial system. All legal proceedings recorded in the reference year are counted regardless of when the initial legal action commenced. Data for Victoria and the Australian Capital Territory is limited to the number of successful prosecutions resulting in a conviction, fine or both. Queensland legislation does not allow for agreements and Western Australian legislation does not provide for orders or agreements.

In 2011–12 New South Wales recorded 10% and 6% decreases in the number of legal proceedings finalised and legal proceedings resulting in a conviction, order or agreement respectively following an increase in the previous financial year. The increase was due to a temporary delay in the finalisation of some proceedings relating to the High Court Kirk Group judgement in February 2010, which resulted in a large number of interlocutory applications being made including strike out motions and adjournment applications.

Victoria recorded a 13% increase in the number of legal proceedings finalised and a 32% increase in the number of legal proceedings resulting in a conviction, order or agreement in 2011–12. In 2011–12 Western Australia recorded a 50% increase in the number of legal proceedings finalised and a 47% increase in the number of legal proceedings resulting in a conviction, order or agreement. The Northern Territory recorded a three fold increase in the number of legal proceedings finalised and legal proceedings resulting in a conviction, order or agreement. South Australia and Tasmania both recorded decreases in the number of legal proceedings finalised and legal proceedings resulting in a conviction, order or agreement.

Fines

The total amount of fines awarded by the courts in 2011–12 was $22.3 million, a 43% increase from the previous year. In some instances the courts declare that penalty amounts are to remain confidential. Therefore the data recorded in Indicator 14 are only those amounts known publicly.

In 2011–12 all jurisdictions except Seacare recorded increases in the amount of fines awarded by the courts compared to the previous year. This increase varied between 12% in Queensland and 265% in Tasmania.

The Northern Territory reported a substantial increase (up by 44 times) in the total amount of fines awarded by the courts in 2011–12. This increase was due to four prosecutions successfully undertaken compared to only one in the previous year.

Indicator 13 – Work health and safety compliance and enforcement activity by jurisdiction

		NSW	Vic	Qld	WA	SA	Tas	NT	ACT	Aus Gov	Seacare	[a]Total Aus	NZ
Number of workplace visits: proactive	2007–08	u/a	[b]23 836	[b]27 577	[c]6 702	5 745	2 375	280	u/a	u/a	31	**65 534**	9 310
	2008–09	u/a	[b]25 370	[b]20 280	[c]7 266	7 648	4 518	110	u/a	u/a	38	**65 192**	14 136
	2009–10	8 915	[b]28 104	[b]25 687	[c]7 045	7 208	4 218	55	u/a	[c]195	43	**81 341**	12 905
	2010–11	9 736	[b]24 934	[b]22 526	[c]6 609	8 732	5 360	54	761	[c]432	40	**79 290**	12 065
	2011–12	6 577	[b]21 945	[b]26 091	[c]5 228	9 201	4 442	946	433	[c]557	49	**75 469**	13 224
Number of workshops/ presentations/ seminars/ forums: proactive	2007–08	u/a	u/a	1 306	243	u/a	u/a	u/a	u/a	u/a	n/a	**1 549**	u/a
	2008–09	u/a	u/a	2 580	[d]295	226	359	u/a	u/a	u/a	12	**3 472**	u/a
	2009–10	631	u/a	[e]3 651	[d]323	295	222	20	u/a	85	2	**5 229**	603
	2010–11	3 015	u/a	[e]2 986	[d]335	334	191	49	161	109	4	**7 184**	355
	2011–12	1 065	u/a	[e]3 179	[d]285	345	172	102	218	507	13	**5 886**	269
Number of workplace visits: reactive	2007–08	u/a	14 626	3 053	[c]6 189	12 007	1 466	4 174	u/a	u/a	23	**41 538**	5 174
	2008–09	u/a	16 814	[f]2 370	[c]4 850	15 871	1 524	3 449	u/a	u/a	12	**44 890**	6 248
	2009–10	15 661	16 514	2 061	[c]4 646	13 871	2 741	3 996	u/a	425	30	**59 945**	5 352
	2010–11	16 370	17 413	2 420	[c]4 754	10 562	2 644	3 672	1 613	1 794	66	**61 308**	5 435
	2011–12	13 652	18 567	2 455	[c]4 446	9 510	3 230	2 889	1 574	2 143	u/a	**58 466**	4 908
Other reactive interventions	2007–08	u/a	u/a	14 864	13 463	u/a	u/a	u/a	u/a	u/a	0	**28 327**	4 895
	2008–09	u/a	u/a	14 112	12 030	u/a	u/a	u/a	u/a	u/a	0	**26 142**	4 481
	2009–10	19 138	u/a	12 948	13 495	2 673	u/a	u/a	u/a	906	0	**49 160**	4 268
	2010–11	23 263	u/a	11 440	13 814	11 806	1 006	u/a	0	1 508	0	**62 837**	4 013
	2011–12	26 244	u/a	10 710	17 307	11 869	2 276	u/a	0	3 047	0	**71 453**	4 814
Number of field active inspectors	2007–08	314	[e]212	217	[g]103	93	29	12	14	47	3	**1 044**	141
	2008–09	314	[e]253	235	[g]103	93	31	12	12	60	3	**1 116**	156
	2009–10	315	[e]255	221	[g]103	93	31	12	16	39	3	**1 088**	[h]151
	2010–11	315	[e]248	233	[g]103	93	31	12	23	44	4	**1 106**	[h]145
	2011–12	315	[e]240	216	[g]103	93	31	12	23	39	4	**1 076**	146
Number of field active inspectors per 10 000 employees	2007–08	1.0	0.9	1.2	1.1	1.3	1.4	1.2	1.0	1.3	7.5	**1.1**	0.8
	2008–09	1.1	1.0	1.3	1.0	1.3	1.5	1.1	0.9	1.7	6.4	**1.1**	0.9
	2009–10	1.0	1.0	1.2	1.0	1.3	1.5	1.1	1.2	1.1	6.6	**1.1**	0.8
	2010–11	1.0	0.9	1.2	1.0	1.3	1.5	1.1	1.7	1.2	8.3	**1.1**	0.8
	2011–12	1.0	0.9	1.1	1.0	1.3	1.5	1.1	1.7	1.0	7.4	**1.1**	0.8

		NSW	Vic	Qld	WA	SA	Tas	NT	ACT	Aus Gov	Seacare	[a]Total Aus	NZ
Number of other staff undertaking non-inspectorate activities	2007–08	u/a	u/a	38	[i]4	12	0	0	[j]u/a	u/a	2	**56**	13
	2008–09	u/a	u/a	49	[i]5	13	0	0	[j]u/a	u/a	2	**68**	12
	2009–10	34	u/a	57	[i]6	13	0	0	[j]u/a	13	2	**125**	11
	2010–11	34	u/a	64	[i]5	13	0	0	3	2	2	**123**	11
	2011–12	36	u/a	57	[i]5	11	0	0	4	24	2	**139**	12
Number of infringement notices issued	2007–08	620	[k]n/a	643	[k]n/a	[k]n/a	37	201	13	[k]n/a	0	**1 514**	16
	2008–09	686	[k]n/a	506	[k]n/a	[k]n/a	49	0	10	[k]n/a	0	**1 251**	7
	2009–10	688	[k]n/a	393	[k]n/a	[k]n/a	56	0	6	[k]n/a	0	**1 143**	4
	2010–11	588	[k]n/a	316	[k]n/a	[k]n/a	54	0	14	[k]n/a	0	**972**	10
	2011–12	357	[k]n/a	207	[k]n/a	[k]n/a	44	0	4	[k]n/a	0	**612**	23
Number of improvement notices issued	2007–08	13 109	10 279	14 390	9 724	2 328	161	136	129	18	16	**50 290**	1 008
	2008–09	10 832	18 363	8 151	9 833	2 396	169	209	99	31	17	**50 083**	981
	2009–10	12 161	21 600	9 082	10 640	1 841	224	132	187	36	20	**55 923**	1 187
	2010–11	11 326	20 551	6 193	10 416	2 347	92	99	265	17	47	**51 353**	1 081
	2011–12	8 859	17 907	7 030	8 212	2 295	79	68	282	26	79	**44 837**	1 430
Number of prohibition notices issued	2007–08	994	1 043	2 784	676	588	113	61	94	19	3	**6 375**	434
	2008–09	767	1 078	2 282	721	630	112	69	101	16	4	**5 780**	330
	2009–10	856	928	2 291	705	628	167	51	103	[i]26	3	**5 758**	356
	2010–11	834	754	1 847	603	885	139	82	139	5	5	**5 293**	364
	2011–12	601	645	1 757	401	857	132	72	135	13	0	**4 613**	554

Indicator 13 – Work health and safety compliance and enforcement activity by jurisdiction *continued*

		NSW	Vic	Qld	WA	SA	Tas	NT	ACT	Aus Gov	Seacare	[a]Total Aus	NZ
Number of legal proceedings finalised	2007–08	[l]185	125	102	26	57	24	10	[l]2	1	0	**532**	76
	2008–09	[l]98	119	133	21	66	13	5	[l]3	2	3	**463**	100
	2009–10	[l]81	149	96	49	51	15	1	[l]3	3	0	**448**	91
	2010–11	[l]93	103	93	36	46	19	1	1	3	0	**395**	67
	2011–12	[l]84	116	98	54	37	10	4	2	5	0	**410**	84
Number of legal proceedings resulting in a conviction, order or agreement	2007–08	[l]182	107	83	[m]23	51	18	10	4	1	1	**480**	80
	2008–09	[l]96	107	102	[m]18	62	6	5	3	2	1	**402**	92
	2009–10	[l]76	134	85	[m]42	46	10	1	3	3	0	**400**	117
	2010–11	[l]89	76	75	[m]32	40	12	1	1	3	0	**329**	75
	2011–12	[l]84	100	78	[m]47	36	7	4	1	5	0	**362**	51
Total amount of fines awarded by the courts ($'000)	2007–08	$8 600	$3 239	$2 686	$685	$1 176	$188	$179	$177	$20	$0	**$16 949**	NZ$1 501
	2008–09	$4 602	$6 796	$3 247	$470	$1 365	$81	$693	$165	$375	$100	**$17 894**	NZ$2 166
	2009–10	$5 614	$7 674	$3 812	$781	$875	$48	$60	$15	$308	$0	**$19 187**	NZ$3 022
	2010–11	$6 039	$3 870	$2 819	$703	$1 467	$48	$8	$8	$487	$0	**$15 448**	NZ$1 934
	2011–12	$7 922	$5 946	$3 161	$1 735	$2 011	$175	$336	$15	$965	$0	**$22 266**	NZ$1 238

[a]Totals only include jurisdictions that supplied the relevant data. [b]Does not include industry forums/ presentations where an inspection also occurs. [c]The number of inspectors in attendance are not counted separately. [d]Figures may be inflated when Inspectors and Community Education Officers present or attend the same event and therefore have been counted more than once. It is not possible to identify and separate such events from these figures. [e]Amended to include managers of inspectorate. [f] Decrease in reactive activities is indicative of the general decrease in incident notifications in the same period. [g]WA now includes vacancies and auditors who are gazetted as inspectors for all years (FTEs). [h]The drop is due to budget cuts. [i]FTE figures supplied for external Consultants, ThinkSafe Small Business Managers and Community Education Officers. [j]The new structure within WorkSafe ACT (re Proactive, Reactive and High Risk Teams) was established on 1 July 2010, therefore there have been no specific recordings of statistics for the dates 2006–07 to 2009–10. [k]There is no legislative requirement for infringement notices in Western Australia, Victoria, South Australia and the Australian Government. [l]Data are for number of defendants in successful Work health and safety prosecutions. [m]Western Australia legislation does not provide for orders or agreements.

Chapter 4 – Workers' compensation premiums and entitlements

Standardised average premium rates

The rates in this chapter are for policies that provided coverage during the reference financial years. The premium rates reported are 'earned premium', except for Western Australia which supplies premiums data on a written basis. Earned premium is defined as the amount allocated for cover in a financial year from premiums collected during the previous and current financial years, while written premium is defined as the amount of premium recorded for a policy at the time it is issued. The premiums reported are allocated for defined periods of risk, irrespective of when they were actually paid, enabling rates to be compared for each financial year. Goods and Services Tax charged on premiums is not included in the reported rates as most Australian employers recoup part or all of this tax through input tax credits.

Indicator 14 shows that in 2011–12 the standardised Australian average premium rate was 1.51% of payroll, slightly more than in the previous financial year.

The Australian Capital Territory scheme recorded the largest percentage decrease (5%) from the previous financial year followed by the New South Wales scheme with a 3% decrease. The Seacare scheme recorded the largest percentage increase (up by 18%) followed by Queensland (up by 15%) from the previous financial year.

Seacare recorded the highest premium rate in 2011–12 at 3.12% of payroll due to the high risk nature of this industry. However, this still represents a substantial drop (38%) from the 2007–08 premium rate of 5.00%.

The Australian Government scheme recorded the lowest premium rate of all jurisdictions at 0.99% of payroll, followed by Western Australia at 1.21% of payroll. Data for the Australian Government does not include the Australian Capital Territory Public Service.

Indicator 14 – Standardised average premium rates (including insured and self-insured sectors) by jurisdiction

Victoria recorded the third lowest premium rate of all jurisdictions at 1.34% of payroll. Despite a 15% increase from the previous financial year, Queensland recorded the fourth lowest premium rate of all jurisdictions at 1.42% of payroll. Lower administrative costs along with strong financial and claims management and business efficiencies allows for lower premiums.

To be consistent with the Australian jurisdictions, the New Zealand premium information includes the levy on employers to fund the workers' compensation portion of the 'Residual Claims Account'. This account relates to workers' compensation claims incurred prior to 1 July 1999 but excludes the liability for pre-1992 non-work injuries for earners. The New Zealand standardised average premium rate was 0.84% of payroll, an 8% decrease from the previous financial year. This rate continues to be much lower than the rate recorded for Australia. One reason for the lower rate in New Zealand is the New Zealand scheme does not provide coverage for the same range of mental disorders as the Australian schemes.

It should be noted that these data will be different to premium rates published directly by the jurisdictions due to the adjustments made to the data to enable more accurate jurisdictional comparisons. The principal regulatory differences that affect comparability and for which adjustments have been applied in this indicator are: the exclusion of provision for coverage of journey claims; the inclusion of self-insurers; the inclusion of superannuation as part of remuneration; and the standardisation of non-compensable excesses imposed by each scheme. The effect of each of these adjustments is shown in Appendix 1: Table 3 in the Explanatory Notes. Information on published rates can be found in the *Comparison of Workers' Compensation Arrangements in Australia and New Zealand* publication at www.swa.gov.au.

Entitlements under workers' compensation

Premium rates are set at a level to ensure sufficient funds are available to cover the entitlements payable under workers' compensation in the event an employee is injured or develops a work-related disease. Different entitlement levels across the jurisdictions can explain some of the differences in premium rates. Data provided in other chapters of this report should also be considered when comparing entitlements provided under the various workers' compensation schemes.

The following examples have been included to provide indicative entitlements payable in each jurisdiction. A brief summary of how entitlements are calculated is contained in Appendix 2 – Table 2. These entitlements are based on legislation current at 1 January 2012. More detailed information can be found in the *Comparison of Workers' Compensation Arrangements in Australia and New Zealand* publication at www.swa.gov.au.

Temporary impairment

This example details how jurisdictions compensate low, middle and high income employees during selected periods of temporary impairment. Entitlements for an injured employee are shown in the following table using pre-injury earnings of $800 gross per week (award wage), $1300 gross per week (non-award wage) and $2000 gross per week (non-award wage). These profiles have been chosen to highlight the statutory maximum entitlements payable as well as jurisdictional differences in entitlements to workers employed under an award.

Scenario

The employee remains unable to work for a period of time before returning to their previous duties on a full-time basis. The employee has a dependent spouse and two children (aged 7 and 8). The employee injured their back and has lower back strain as a result.

Indicator 15 – Average percentage of pre-injury earnings for selected periods of incapacity, as at 1 January 2012

Level of pre-injury income	NSW	Vic	Qld	WA	SA	Tas	NT	ACT	Aus Gov	NZ
13 weeks of incapacity										
Low income	100	95	100	100	100	100	100	100	100	80
Middle income	80	95	85	100	100	100	100	100	100	80
High income	80	95	85	100	100	100	100	100	100	80
26 weeks of incapacity										
Low income	100	88	100	100	95	100	100	100	100	80
Middle income	80	88	85	93	95	100	100	100	100	80
High income	80	80	85	93	95	100	100	100	100	80
52 weeks of incapacity										
Low income	95	84	100	100	88	95	95	87	97	80
Middle income	68	84	80	89	88	95	89	83	97	80
High income	58	84	80	89	88	95	88	83	97	80
104 weeks of incapacity										
Low income	92	82	100	100	84	93	93	80	86	80
Middle income	61	82	78	87	84	93	83	74	86	80
High income	47	82	78	[(a)] 87	84	93	81	74	86	80

(a) In Western Australia there is a cap on weekly earnings set at twice the annual Average Weekly Earnings (AWE) as published by the ABS each year. The weekly cap as at 30 June 2012 was $2156.60 and applied to all income levels. In addition, for a high income earner (e.g. $2000 per week) the prescribed total amount for weekly benefit ($190 701) would be exhausted by 102 weeks of compensation. In Victoria there is a statutory maximum amount for weekly payments of $1930 (for 0 to 52 weeks of compensation) as at 1 January 2012.

For low income earners (working under awards), Queensland and Western Australia provided the highest percentage (100%) of pre-injury earnings for 104 weeks of impairment. Therefore, these jurisdictions provide full coverage of earnings for low income employees under this scenario. After the 13th week of compensation, the Western Australian scheme does not compensate for overtime and bonuses; reductions in weekly payments would have occurred for non-award employees. Tasmania and the Northern Territory provided the second highest percentage (93% each) of pre-injury earnings in compensation at 104 weeks of incapacity followed by New South Wales (92%). The Australian Capital Territory provided the lowest percentage of pre-injury earnings for 104 weeks of impairment (80%) due in part to the step-down in benefits to 65% of pre-injury earnings after 26 weeks of compensation (see Appendix 2 – Table 2 for more details).

For middle income earners with 104 weeks of impairment, Tasmania provided the highest percentage of pre-injury earnings (93%) followed by Western Australia (87%), the Australian Government (86%) and South Australia (84%). New South Wales provided the lowest percentage of pre-injury earnings for the full period of impairment (61%) due to the lower payments from the first day of injury for non-award workers and the restrictions applied after 26 weeks. In the New South Wales system once 26 weeks of compensation have been paid, the injured worker is entitled to the lesser of 90% of their average weekly earnings or the indexed statutory rate, plus extra entitlements for dependants (see Appendix 2 – Table 2 for more details).

In contrast to the low income scenario, where eight of the nine Australian jurisdictions provided full income protection for the first 13 weeks, the middle and high income scenarios show that only six jurisdictions provided full income protection for middle and high income earners for this period of incapacity.

Permanent impairment

This scenario shows the entitlements payable for a degree of permanent impairment caused by a workplace injury. Each jurisdiction has a predetermined statutory maximum lump sum payment for injuries causing permanent impairment. Maximum amounts are payable in cases of full and permanent impairment. Appendix 2 – Table 2 lists entitlements under workers' compensation schemes for each jurisdiction. The following scenario is indicative only for these types of payments.

Scenario

> As a result of a workplace incident the employee was diagnosed with complete Tetraplegia below the 6th cervical neurological segment. This resulted in paralysis of his hands, impaired upper body movement and paralysis of the trunk and lower limbs. He lost all lower body function and was wheelchair-bound. Impairment was total and permanent and there was no real prospect of returning to work.
>
> The employee's pre-injury earnings were $1300 gross per week. The employee is 35 years of age and has a dependent spouse and two children aged 7 and 8. The younger child entered the workforce at 16 and the older child remained in full-time education until age 25. The employee contributed to a superannuation fund. There was no contributory negligence on his part, however there was negligence on the part of the employer.

Indicator 16 details the entitlements payable to the injured employee. The statutory component includes the weekly benefits payable for the remainder of the employee's working life (30 years in this instance) and all lump sum payments for permanent impairment. The common law component is an estimate of the additional payment available under a common law settlement, where applicable. All figures exclude medical and like services such as attendant care. Appendix 2 – Table 1 identifies the jurisdictions that have access to common law. In the Australian Capital Territory common law awards regularly exceed the statutory entitlement for equivalent injuries, therefore the recovery provisions do not result in a zero net common law. The Courts are able to consider permanent impairment and loss of earnings very broadly and without restriction, and frequently make awards on the basis of possible foregone career progression. The damages amounts can far exceed the limited and capped statutory entitlements. The Australian Government workers are more likely to accept the statutory lump sum payment than pursue a common law settlement.

Total entitlements ranged from $1.4 million in Western Australia to 4.5 million in the Australian Capital Territory.

In Western Australia, New South Wales, Queensland, Tasmania and the Australian Capital Territory there is no upper limit on compensation that could be expected from a common law claim under this scenario. The Australian Capital Territory provided a figure for this scenario of $ 3 000 000. Western Australia provided a figure of $1 037 781 which is based on estimates from approved insurers within the Western Australian workers' compensation scheme. A figure of $1 152 655 was provided by New South Wales that was calculated with assumptions based on legislation as at 1 January 2013 (see footnote below graph for details). Queensland provided a figure of $1 393 105, which is based on an example similar to this scenario. Victoria provided a figure

of $1 687 740. Statutory benefits are repaid by the worker to compensation schemes if common law damages are awarded.

In South Australia legislative changes resulted in a significant increase in the maximum amount payable to workers who suffer a permanent serious injury or illness. In 2011–12 this amount was $454 739. The South Australian system has recently been weighted so that more compensation is paid to those with moderate to serious permanent injuries rather than those with minor permanent injuries.

The entitlements provided by the New Zealand scheme in this scenario are comparable to those provided by Australian jurisdictions. However, there is no access to common law under the New Zealand scheme.

Workplace fatality

This example examines the entitlements payable to dependants of an employee who died following a work related injury. Entitlements to dependants are paid by way of a lump sum and/or weekly benefits, depending on the employee's circumstances and scheme design. The date of death for this example was 1 January 2012.

Pecuniary entitlements may be affected by common law payments in jurisdictions where there is access to common law redress. South Australia and the Northern Territory have no access to common law, while the Australian Government has limited access to common law. In Victoria there may be access to an additional lump sum under the *Wrongs Act*.

Scenario

The employee and family circumstances in this scenario are the same as in the previous example but in this case the workplace incident resulted in death. The spouse did not re-enter the workforce or re-marry for 10 years.

Indicator 16 shows that entitlements payable to dependants in the case of a fatality varied across jurisdictions. South Australia provided the highest entitlement payable to dependants in Australia following a workplace incident resulting in a fatality at $843 000, followed by Queensland and Victoria at $724 000 each. The lowest entitlements for a fatality were provided in Western Australia ($319 000) and the Australian Capital Territory ($416 000). Appendix 2 – Table 2 provides more details on how these entitlements are calculated.

In Victoria, legislative changes that were enacted from April 2010 increased lump sum amounts payable from $273 970 to $503 000 backdated for all claims not determined from 10 December 2009. The lump sum amount increased to $527 610 in 2011–12.

In the Australian Government scheme, benefits under the S*afety, Rehabilitation and Compensation (SRC) Act* were amended. The amendments were applied retrospectively to all compensable deaths that occurred from 13 May 2008 with lump sum payments set at $458 981 in 2011–12.

In New Zealand $368 810 is payable to dependants which is lower than all of the Australian jurisdictions but one. The New Zealand scheme provides little in the way of lump sum amounts but provides high weekly benefits to the spouse and children while the children remain dependants.

Indicator 16 – Level of entitlements for permanent incapacity or fatality as at 1 January 2012

	ACT	VIC	NSW	QLD	TAS	WA	SA	Aus Gov	NT	NZ
Statutory $'000	1531	2137	1911	1112	1942	334	2082	1677	1777	1746
Common law $'000	3000	1688	1153	1393	421	1038	n/a	n/a	n/a	n/a
Fatality $'000	416	724	611	724	554	319	843	630	502	369

+ In New South Wales there is no upper limit on compensation that could be paid from a common law claim. The figure provided by New South Wales was calculated based on the the assumptions that the worker does not have access to other heads of damages (example motor vehicle accident); the worker can prove negligence; the claim is within three years of the date of injury; there is no evidence of contributory negligence on the part of the worker; the worker never returned to any paid employment post injury and has no residual earning capacity; no increase in the worker's earnings over his working life; vicissitudes of life applied; and the amount represents the average of the calculated low and high ranges for this example.

** There is no upper limit on compensation that could be paid for a common law claim in Queensland. The amount provided is based on an example similar to the scenario in question.*

*** There is no upper limit on compensation that would be expected from a common law claim under this scenario in the Australian Capital Territory. ^ In Western Australia there is no upper limit on compensation that could be paid from a common law claim. The amount provided is based on estimates from approved insurers in the Western Australian scheme. However, damages awarded may be higher or lower than the estimates provided, depending on the specific circumstances of an individual case.*

^^ In Victoria for dependants claiming compensation under the Wrongs Act the upper limit is $834 470, however, damages awarded may be lower depending on the specific circumstances of an individual case.

Chapter 5 – Workers' compensation scheme performance

There are significant differences in the funding arrangements for the various schemes around Australia. The schemes that are centrally funded (New South Wales, Victoria, Queensland, South Australia, Comcare and New Zealand) have their work health and safety and workers' compensation functions, staffing and operational budgets funded by premiums. For those jurisdictions with privately underwritten schemes, funding for the non-workers' compensation functions comes directly from government appropriation. This difference in funding arrangements may have an impact on the data shown in this section.

Assets to liabilities ratio

This section reports the standardised ratio of assets to net outstanding claim liabilities (funding ratio) for each jurisdiction over the past five years. This indicator is a measure of the adequacy of the scheme to meet future claim payments. Ratios above 100% indicate that the scheme has more than sufficient assets to meet its predicted future liabilities. Conversely, low ratios could be an indication of the need for a scheme to increase its premium rates to ensure assets are available for future claim payments. Funding ratio trends should therefore be considered in conjunction with the premium rates reported elsewhere in this report.

While a standard definition of the funding ratio of net outstanding claim liabilities has been adopted to improve comparability across jurisdictions, there still remain fundamental differences between centrally managed and privately underwritten schemes.

Privately underwritten schemes are governed by the Australian Prudential Regulatory Authority's (APRA) prudential regulatory requirements to make sure that enough funds are available to cover all liabilities. Including the measure for privately underwritten schemes alongside centrally funded schemes is misleading because the funding ratio measure for privately underwritten schemes does not capture the true extent of the private schemes' abilities to meet future claim payments. Therefore, the funding ratios of privately underwritten schemes are shown on a separate graph to those for the centrally funded schemes.

Indicator 17a shows that the average funding ratio for centrally funded schemes was 103% in 2011–12, one percentage point less than the previous year. Comcare's funding ratio was consistently equal or above 100 per cent over the period to 30 June 2011. Comcare's funding ratio decreased in 2011–12 because of a significant increase in the value of claim liabilities. While Queensland and New South Wales funding ratios recorded improvements compared to the last financial year, Victorian and South Australian schemes recorded a decrease in funding ratios compared to the previous year. This slight drop might be linked to the negative impact of the global financial crisis. However, all centrally funded jurisdictions, except South Australia and Comcare, have funding ratios above 100%, indicating that assets are sufficient to meet future liabilities.

In Queensland, the funding ratio increased during 2011–12 after continually decreasing since 2007–08. In New Zealand, the substantial increase in funding ratio during the last three years was mainly due to a 34% increase in total assets while the outstanding claims liabilities decreased 8% since 2008–09. This improvement in the assets position was mainly due to the continuous surplus achieved since the 2009–10 financial year through improved investment returns, reduced scheme costs paid, decrease in un-expired risk liabilities and reduced movements in outstanding claims liability that resulted in a 54% increase in funding ratio since 2008–09.

Indicator 17a – Standardised ratio of assets to net outstanding claim liabilities for centrally funded schemes

Indicator 17b shows that in 2011–12 the average funding ratio for privately underwritten schemes decreased 15% from the previous year. This is due to the falls in the funding ratios observed in all three privately underwritten schemes (Tasmania, Western Australia and the Northern Territory). Tasmania and the Northern Territory recorded a 14% drop in their funding ratios in 2011–12 compared to the previous year, while Western Australia recorded a 4% drop during the same period.

With the exception of the Northern Territory, the Australian jurisdictions operating privately underwritten schemes have funding ratios above 100%, indicating that assets are sufficient to meet future liabilities.

The Seacare and Australian Capital Territory Private schemes are privately underwritten, but no data are currently available for this indicator. Refer to Note 5 of Appendix 1 — Explanatory notes for more information.

Indicator 17b – Standardised ratio of assets to net outstanding claim liabilities for privately underwritten schemes

Self insurers are excluded from the funding ratio measures as the workers' compensation assets and liabilities are not quarantined from the rest of the self insurer's business. Self insurers are regulated in each jurisdiction and are required to lodge financial guarantees with the regulatory authority to provide security for workers' compensation entitlements. The level of the guarantee varies between jurisdictions. A summary of the current requirements can be found in the *Comparison of Workers' Compensation Arrangements in Australia and New Zealand* at www.swa.gov.au.

The data shown in this indicator may differ from jurisdictions' annual reports due to the use of a standard definition of assets and liabilities.

Scheme expenditure

Since centrally funded and privately underwritten schemes have different financial structures the jurisdictions have been shown in their respective funding arrangement group. While the standardisation methodology provides a comparable measure across the two groups, caution should still be exercised when making such comparisons.

Indicator 18 shows the amount and proportion of total scheme expenditure paid out in payments to injured employees plus administrative costs for the periods 2007–08 and 2011–12.

This indicator shows that in 2011–12, compensation paid directly to the claimant accounted for just over half of all scheme expenditure. In 2011–12, all Australian jurisdictions, with the exception of South Australia,Comcare and Victoria, recorded an increase in the proportion of total scheme expenditure paid directly to the claimant compared to the expenditure paid in 2007–08. Direct compensation is paid to injured employees either as weekly benefits, redemptions, common law settlements (excluding legal costs) and non-economic loss benefits.

In 2011–12, six of the nine Australian jurisdictions recorded a decrease in the proportion of total expenditure to insurance operations compared to 2007–08, with the most substantial falls recorded by Queensland (down by 14%), the Northern Territory (down by 12%) then Tasmania (down by 11%). These decreases were offset by the substantial increases recorded by Seacare (up by 36%) and South Australia (up by 21%), resulting in a 3% decrease in the proportion of total expenditure dedicated to insurance operation functions by Australian schemes over this period. Costs associated with insurance operations include expenditures for insurer's representatives in legal matters, medical reports, investigation and fees paid to agents.

All jurisdictions except New South Wales, Comcare and Seacare recorded increases in the proportion of expenditure associated with services to claimants, with South Australia recording the highest increase (up by 26%). Seacare recorded a substantial drop (down by 41%) in the proportion of expenditure associated with services to claimants. Costs associated with services to claimants include expenditures for medical and legal services plus expenditures for other services like funeral, interpreting and transport services.

The New Zealand proportions display a different pattern to the Australian schemes with a lower proportion in direct to claimant expenditure and a higher proportion in services to claimant expenditure. This is due to the nature of the New Zealand scheme where a greater proportion of workers' medical costs are identified as work-related. In Australia, the Medicare system would most likely pick up some medical costs for work-related injuries where a workers' compensation claim is not submitted.

Administrative costs are affected by the type of scheme in operation. Indicator 19 shows the distribution of direct payments into weekly benefits and lump sums. The

Indicator 18 – Scheme expenditure

	Centrally funded					Privately underwritten					
Scheme Costs	**NSW**	**Vic**	**Qld**	**SA**	**Comcare**	**WA**	**Tas**	**NT**	**Seacare**	**Australia**	**NZ**
Expenditure ($M)											
2007–08											
Direct to claimant	964.5	857.0	643.8	354.0	136.6	341.9	42.6	37.9	4.4	**3 382.6**	233.5
Services to claimant	535.6	339.7	169.3	121.2	57.8	157.7	26.0	14.9	1.2	**1 423.5**	167.8
Insurance operations	426.4	353.6	98.9	65.3	41.6	172.8	26.3	4.7	0.8	**1 190.7**	41.3
Regulation	71.6	59.2	4.8	8.6	1.0	4.4	1.6	0.0	0.0	**151.3**	24.7
Dispute resolution	29.8	22.3	8.6	2.8	3.4	4.2	1.0	0.2	0.4	**72.7**	0.0
Other administration	13.1	29.8	34.8	23.4	9.9	5.7	0.4	1.3	0.4	**118.8**	34.1
Total	**2 040.9**	**1 661.6**	**960.2**	**575.3**	**250.4**	**686.8**	**98.0**	**59.0**	**7.3**	**6 399.5**	**501.5**
2011–12											
Direct to claimant	1 310.9	981.5	892.0	237.8	171.9	474.4	55.3	55.5	12.0	**4 191.3**	205.1
Services to claimant	689.1	401.1	246.8	132.2	73.6	222.2	34.8	21.3	1.7	**1 822.7**	148.7
Insurance operations	543.6	395.1	117.7	68.6	55.4	215.3	29.6	6.0	2.7	**1 433.9**	45.2
Regulation	36.4	65.2	7.6	10.6	0.0	4.8	2.0	0.0	0.0	**126.1**	31.3
Dispute resolution	33.0	26.5	15.0	7.3	4.8	4.1	1.1	0.3	0.6	**92.8**	0.0
Other administration	16.0	38.6	42.7	41.2	22.0	8.6	0.8	1.3	0.4	**171.5**	43.3
Total	**2 629.0**	**1 908.0**	**1 321.8**	**497.7**	**327.0**	**929.4**	**123.6**	**84.3**	**17.5**	**7 838.3**	**473.5**

Indicator 18 – Scheme expenditure continued

	Centrally funded					Privately underwritten					
Scheme Costs	**NSW**	**Vic**	**Qld**	**SA**	**Comcare**	**WA**	**Tas**	**NT**	**Seacare**	**Australia**	**NZ**
Percentage of total expenditure (%)											
2007–08											
Direct to claimant	47.3	51.6	67.0	61.5	54.6	49.8	43.5	64.1	60.1	**53.4**	46.6
Services to claimant	26.2	20.4	17.6	21.1	23.1	23.0	26.6	25.2	16.6	**22.5**	33.5
Insurance operations	20.9	21.3	10.3	11.4	16.6	25.2	26.9	8.0	11.3	**18.8**	8.2
Regulation	3.5	3.6	0.5	1.5	0.4	0.6	1.6	0.0	0.4	**2.4**	4.9
Dispute resolution	1.5	1.3	0.9	0.5	1.3	0.6	1.1	0.4	5.6	**1.1**	0.0
Other administration	0.6	1.8	3.6	4.1	4.0	0.8	0.4	2.2	6.0	**1.9**	6.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
2011–12											
Direct to claimant	49.9	51.4	67.5	47.8	52.6	51.0	44.7	65.8	68.9	**53.5**	43.3
Services to claimant	26.2	21.0	18.7	26.6	22.5	23.9	28.1	25.3	9.7	**23.3**	31.4
Insurance operations	20.7	20.7	8.9	13.8	16.9	23.2	23.9	7.1	15.4	**18.3**	9.5
Regulation	1.4	3.4	0.6	2.1	0.0	0.5	1.6	0.0	0.2	**1.6**	6.6
Dispute resolution	1.3	1.4	1.1	1.5	1.5	0.4	0.9	0.4	3.6	**1.2**	0.0
Other administration	0.6	2.0	3.2	8.3	6.7	0.9	0.6	1.5	2.2	**2.2**	9.1
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

payment of long term weekly benefits results in higher administration costs. This indicator shows that in 2011–12 the Seacare, Comcare, South Australian, New South Wales, Victorian, Western Australian and Tasmanian schemes paid out more as weekly benefits while the Northern Territory and Queensland schemes paid out more as lump sum benefits.

For six out of the nine Australian jurisdictions, the proportions of benefits paid as lump sums in 2011–12 were less than what was recorded in the previous year. Comcare and New South Wales recorded the same proportions as in the previous year. South Australia recorded a substantial decrease (down by 53%) in the proportion of benefits paid as lump sum compared to the previous year, followed by Victoria (down by 11%).

The South Australian decrease was due to the fact that the redemption of future income maintenance and medical payments were greatly curtailed from 2010–11 as a result of a policy change. It is also due to an ongoing drop in lump sum applications resulting from legislative changes in 2009, moving from 'Table of Maims' to a 'whole-person impairment' (WPI) approach in calculating lump sum benefits.

The Seacare scheme recorded a substantial increase (up by 250%) in the proportion paid as a lump sum in 2011–12 compared to the previous year. This was due to the scheme compensating one permanent incapacity claim that was lodged in 2011–12.

Overall in Australia in 2011–12 a smaller proportion (down by 6%) of benefits were paid as a lump sum compared to the previous year, with all jurisdictions except New South Wales, Comcare and the Seacare recording decreases in the proportion paid as lump sums. However, figures for 2011–12 should not be compared to those in the previous edition of this report as some jurisdictions update the scheme cost figures for previous years.

The New Zealand scheme has little provision for lump sum payments.

Indicator 19 – Direct compensation payments by type and jurisdiction, 2011–12

Durable return to work

This section presents the Durable Return to Work rate compiled from data published in the 2011–12 *Australia and New Zealand Return To Work Monitor* (RTW Monitor), which reports on return to work outcomes and injured workers' perceptions of the return to work process. The report can be found at hwca.org.au/reports_rtw.php. The survey includes injured workers who have been paid 10 days or more compensation, but does not include injured workers from organisations who self-insure their workers' compensation risk. Western Australia and the Australian Capital Territory did not participate in this survey. Refer to Note 4 of Appendix 1 – Explanatory notes for more information.

The sample of injured workers for the survey was randomly selected by each jurisdiction from their claim database. In smaller jurisdictions this represented the entire population of eligible claims. For larger jurisdictions, the criteria for inclusion were:

- submitted a claim seven to eight months before the date of the survey or seven to nine months for Tasmania, the Northern Territory, Seacare and the Australian Government, due to the small number of claims in these jurisdictions. Due to small number of claims for Seacare, interviews were conducted in August, November, February and May each year, and
- 10 days or more compensation paid, inclusive of any excess.

Durable Return to Work refers to an injured worker who returned to work and was still working at the time of the survey, seven to nine months after their claim and is measured by the injured workers self-reporting their work status.

Durable Return to Work rates reported here are estimates based on a sample of the eligible population. Differences between and within jurisdictions should be interpreted with caution. Refer to Note 4 in Appendix 1 – Explanatory notes for further information.

Indicator 20 reveals that in 2011–12 three quarters of Australian (75%) and over three quarters of New Zealand (80%) injured workers had returned to work and were still working at the time of interview.

Indicator 20 – Durable return to work rate

The Durable Return To Work rate was higher for injured workers in Comcare (80%), Tasmania (78%) and New South Wales (76%). All jurisdictions except Victoria recorded decreases in the Durable Return to Work in 2011–12. Seacare recorded the largest decrease (down 19%). Although Seacare recorded a big decrease, their rates are volatile due to their small sample size.

Each jurisdiction faces varying challenges in their endeavours to improve return to work rates. Some drivers of return to work are defined by legislation and can only be influenced by the nature of the scheme design (whether it is short or long tail in nature). For example, the benefit structure can influence return to work, as can the associated step down provisions and legislative differences regarding early claims reporting, employer obligations and common law arrangements.

Disputation rate

A dispute is an appeal to a formal mechanism, such as a review officer, conciliation or mediation service, against an insurer's decision or decisions relating to compensation. Disputes exclude common law and also exclude redemptions and commutations unless processed as disputes through the jurisdiction's dispute resolution system.

Indicator 21 shows the number of new disputes as a proportion of 'active' claims in the reference financial year. An active claim is described as any claim on which a payment of any type was made during the reference financial year (including claims with medical treatment costs only) regardless of when that claim was lodged.

The measure includes all disputes lodged for the year against any active claim that had any type of payment in the reference financial year. The comparison of disputation rates between jurisdictions must be treated with caution due to jurisdictional differences in scheme design, types of decisions that can be appealed, dispute resolution models and the cost of appeals.

Indicator 21 shows that the Australian disputation rate has increased by 12% since 2007–08. In 2011–12 the Australian disputation rate was 5.0% of active claims; a 5% increase compared to the previous year. In previous years, the increase has been steady but smaller.

Indicator 21 – Proportion of claims with dispute

	S'care	Vic	SA	Tas	NT	NSW	C'care	Qld	WA	Aus Av	NZ
2007-08	14.6%	9.2%	7.8%	5.5%	4.1%	3.7%	5.3%	2.5%	2.5%	4.5%	0.7%
2008-09	10.4%	9.4%	8.2%	5.6%	4.8%	3.9%	4.3%	2.6%	2.6%	4.6%	0.8%
2009-10	11.7%	9.7%	7.4%	6.0%	4.8%	3.9%	4.3%	3.0%	2.5%	4.7%	1.1%
2010-11	17.8%	10.0%	5.9%	5.9%	5.0%	3.9%	3.4%	3.1%	3.1%	4.8%	1.0%
2011-12	14.2%	10.3%	7.4%	7.2%	5.4%	4.2%	3.5%	3.0%	2.2%	5.0%	1.0%

2011-12 Aus Av

Readers should be aware that due to a change in policy in South Australia, data for this indicator are now provided by the Workers' Compensation Tribunal and are based on their annual report rather than from an internal reporting system. South Australia has updated its data back to 2005–06 to be in line with its new reporting system. Therefore rates for previous years shown in this edition are no longer comparable with those published in the previous editions of the report.

Significant reforms to the Western Australian workers' compensation dispute resolution system came into effect on 1 December 2011 and the new Conciliation and Arbitration Services (CAS) commenced operation on that date. As the two systems are fundamentally different, Western Australia has not combined the data from old and new systems. Figures used in this edition of the report are provided for disputes lodged or finalised between 1 July 2011 and 30 November 2011 only. Figures based on the new system will be provided for 2012–13 onwards. As the figures represented in the CPM report are percentages the shortened timeframe should not impact on comparisons for Western Australia over time.

Western Australia, Queensland and Seacare were the only jurisdictions to record a decrease from the previous year. Queensland and Western Australia reported the lowest disputation rate of all the Australian jurisdictions at 3.0% and 2.2% of active claims respectively, while Seacare recorded the highest rate at 14.2% of active claims in 2011–12.

In 2011–12, 50 applications were lodged with the Administrative Appeals Tribunal (AAT). Of the applications finalised in 2010–11, 64 were finalised by consent of the parties, with no matters proceeding to a hearing. The number of applications to the AAT relative to the claims lodged indicates the propensity for seafarers and their representatives to seek a review of their claim. This ratio provides a means of determining disputation rates. In 2011–12, the disputation rate was 14.2%. This represents a decrease from 2010–11 but is still higher than in previous years.

The disputation rate for South Australia recorded a substantial increase (up by 26%) in 2011–12 compared to the previous year mainly due to the major legislative changes that commenced from 1 July 2008. The disputation rate for South Australia recorded a 5% decrease since 2008–09.

Comcare recorded a disputation rate of 3.5% in 2011–12. This represents a 2% increase from 2010–11, but still lower than in previous years.

Readers should be aware that the New Zealand data in this edition of the report differ from figures previously supplied as the Accident Compensation Commission (ACC) has recently implemented a more robust method of measuring and reporting reviews. For this reason data prior to 2008 is not available.

In New Zealand the ACC is taking a more active management approach in the provision of rehabilitation and treatment. As a result more treatment, rehabilitation and surgery requests have been declined and consequently more claimants are seeking their cases be reviewed or reconsidered. This has led to an increase in the disputation rate for New Zealand since 2008–09. However, the disputation rate has remained steady at 1.0% over the last two years.

The New Zealand disputation rate is very low because of the universal nature of its accident compensation scheme. Since people are covered whether the incident occurs at work, home, on the road, playing sport etc. and whether they are employed, self-employed or a non-earner (child, pensioner, student, unemployed) there are very few disputes relating to cover.

Dispute resolution

The Northern Territory cannot supply data on the time required to resolve disputes. The speed that disputes are resolved depends on the systems and processes in place for each jurisdiction. Generally, the simpler the process, the faster the dispute is resolved. Where there is a lag in the collection, exchange and lodgement of information by one or more parties, disputes are likely to be more adversarial and therefore more costly. A high percentage of disputes resolved in a longer timeframe may also indicate that there are a high number of more complex disputes being dealt with within a jurisdiction, or that there are some mandatory medical or legal processes in place that inherently delay resolution.

Indicator 22 demonstrates that in the past five years in Australia there has been a slight decrease (down by 5%) in the proportion of disputes resolved within one month.

The percentage of disputes resolved within three months decreased by 4%, while the percentage of disputes resolved within six and nine months increased slightly during this period (each up by 2%).

Indicator 22 – Percentage of disputes resolved within selected time periods (cumulative)

Jurisdiction	Within 1 month	Within 3 months	Within 6 months	Within 9 months
		2007–08		
NSW	8.3	49.8	85.5	94.7
Victoria	2.3	52.5	76.5	89.0
Queensland	21.5	79.4	90.7	94.6
Western Australia	22.0	43.9	63.5	76.1
Tasmania	49.0	65.9	78.4	86.3
Comcare	3.8	11.5	25.7	40.7
Seacare	2.8	16.7	25.0	44.4
Australia	**9.7**	**53.2**	**78.9**	**89.0**
New Zealand	13.1	55.4	90.8	99.7
		2011–12		
NSW	7.7	39.4	84.2	95.1
Victoria	1.6	49.4	74.8	87.7
Queensland	15.7	84.8	93.2	95.3
Western Australia	31.9	58.2	83.5	93.7
Tasmania	58.7	71.6	85.1	91.8
Comcare	3.5	13.8	29.9	48.4
Seacare	2.9	15.9	39.1	62.3
Australia*	**9.2**	**50.9**	**80.3**	**90.8**
New Zealand	8.4	37.0	87.8	99.9

On average for Australia, half the disputes were resolved within three months of the date of lodgement, with Queensland resolving the highest proportion of disputes (85%) followed by Tasmania (72%) within that time.

During the five year period Seacare recorded substantial improvements in the proportion of disputes resolved within six and nine months. The proportion of disputes resolved within six and nine months increased by 57% and 40% respectively.

In 2011–12, Tasmania resolved 59% of disputed claims within one month, significantly higher than any other jurisdiction. The proportion of disputes resolved within nine months in Tasmania (92%) was slightly higher than the Australian average (91%).

In contrast, fewer than 4% of disputes were resolved within one month in the Victorian, Comcare and Seacare schemes. The resolution times for Victoria are impacted by the compulsory conciliation process, which may or may not involve medical panel referral, and the fact that court litigation can only occur at the conclusion of the compulsory conciliation process.

Overall Comcare disputes generally took more time to resolve than disputes in other jurisdictions. As Comcare disputes proceed to an external and independent body, Comcare has no control over the associated timeframes for dispute resolution. These disputes tend to be quite complex and require a long time to resolve.

The resolution times for New South Wales are affected by the incorporation of a mandatory medical assessment into the Workers' Compensation Commission's proceedings in relation to disputes over permanent impairment entitlements. Entitlement to compensation for permanent impairment is the subject of over 70% of dispute applications lodged with the Commission. While New South Wales resolves only 8% of disputes within one month, 84% of disputes are resolved within six months and 95% of disputes are resolved within nine months of lodgement.

The proportion of disputes resolved in New Zealand is lower than the Australian average for the one month and three months time periods but higher than the Australian average for six months and nine months time periods. However, as noted in Indicator 22, this scheme has very few disputes to resolve.

Chapter 6 – Industry information

Claims by industry

Indicator 23 shows the incidence rates of serious claims across industries in Australia in descending order based on the 2011–12 year. In 2011–12, the Agriculture, forestry & fishing industry recorded the highest incidence rate with 22.4 claims per 1000 employees followed by the Manufacturing industry (21.4) and the Transport & storage industry (21.3).

Under the National Occupational Health and Safety Strategy 2002–2012 the following industries were identified as priorities for improvement: Transport & storage, Manufacturing, Construction and Health & community services. Following the first triennial review of the National OHS Strategy, the Agriculture, forestry & fishing industry was identified as a priority from 2005–06. These five industries account for 34% of all employees in Australia and 52% of all serious claims. Four out of the five highest incidence rates have been recorded in industries receiving focus under the National Occupational Health and Safety Strategy. More information on the progress of these priority industries against the National Occupational Health and Safety Strategy targets can be found at www.swa.gov.au.

Decreases in the incidence rate of serious claims from 2010–11 were recorded by most industries, the most notable of which were Finance & insurance (20%), Government administration & defence (17%), Property & business services (13%), Electricity, gas & water supply (11%), Education and Wholesale trade industries (down by 9% each).

Over the period 2007–08 to 2010–11, the greatest percentage fall (27%) was recorded by the Mining industry. The Communication services industry recorded the second largest percentage fall (26%), while the Electricity, gas & water supply recorded the third largest percentage fall (25%) and the Government administration & defence industry recorded 17% drop in incidence rate of serious claims. More detailed information on claims by industry can be found in the *Compendium of Workers' Compensation Statistics*, published at www.swa.gov.au.

Premium rates by industry

Indicator 24 shows average premium rates by industry in Australia in descending order for the years 2007–08 to 2011–12. These data show that the Agriculture, forestry & fishing industry recorded the highest average premium rate at 3.8% of payroll. The lowest premium rate was recorded by the Finance & insurance industry at 0.3% of payroll.

With the exception of Government administration & defence, premium rates for all industries have decreased since 2007–08. The largest percentage decrease (down by 40%) was recorded by the Communication services industry. The Electricity, gas & water supply industry recorded the second largest percentage decrease (down by 21%) followed by Construction (down by 16%) then Finance & insurance (down by 12%) and Mining (down by 11%). The Government administration & defence industry recorded a 15% increase in premium rate since 2007–08.

For a number of schemes the published industry rates are not based solely on risk-profile or performance, as some schemes cross-subsidise premiums. The premium rates quoted in this section of the report are based on premiums in each industry divided by remuneration in that industry.

Indicator 23 – Incidence rates of serious* claims by industry

	A	C	I	Q	E	B	O	F	H	P	M	N	G	L	J	D	K	Aus Av
2007-08	24.8	25.5	25.0	18.5	22.5	20.0	15.6	15.8	12.1	10.4	12.2	9.1	8.6	8.2	8.9	9.4	2.9	14.2
2008-09	25.7	24.1	25.1	19.2	22.3	16.4	15.1	15.1	11.6	9.3	10.8	8.9	8.5	8.4	6.4	7.1	2.8	13.6
2009-10	22.2	22.4	24.2	19.9	20.0	16.5	15.5	13.7	10.2	9.3	11.0	8.8	8.4	8.0	6.5	7.8	2.8	13.1
2010-11	21.7	21.8	22.5	19.3	19.2	14.7	14.8	14.5	10.4	9.1	10.1	8.6	8.2	8.7	6.6	7.0	2.9	12.7
2011-12p	22.4	21.4	21.3	19.8	19.1	14.6	14.5	13.1	10.9	8.5	8.4	7.9	7.7	7.5	7.2	6.2	2.3	12.2
Aus Av																		

** Includes accepted workers' compensation claims for temporary incapacity involving one or more weeks of compensation plus all claims for fatality and permanent incapacity*

Indicator 24 – Australian average premium rates by industry

	A	I	C	Q	E	H	G	O	M	P	B	F	N	D	L	J	K	Aus Av
2007-08	3.8	2.7	2.6	2.5	2.7	2.2	1.7	1.8	1.2	1.3	1.4	1.3	1.0	1.1	0.7	1.1	0.3	1.63
2008-09	3.6	2.6	2.5	2.3	2.5	2.1	1.6	1.7	1.2	1.3	1.3	1.2	1.0	1.0	0.7	0.9	0.3	1.54
2009-10	3.7	2.5	2.5	2.4	2.5	2.1	1.6	1.7	1.3	1.3	1.2	1.2	1.0	0.9	0.7	0.6	0.3	1.53
2010-11	3.7	2.5	2.4	2.6	2.3	2.0	1.7	1.6	1.3	1.3	1.2	1.2	0.9	0.9	0.7	0.6	0.3	1.49
2011-12	3.8	2.6	2.5	2.3	2.3	2.0	1.7	1.7	1.4	1.3	1.3	1.2	1.0	0.9	0.7	0.6	0.3	1.51

2011-12 Aus av

Appendix 1 — Explanatory notes

1. Workers' compensation claims data

Scope

The data presented in this report are extracted from the *National Data Set for Compensation-based Statistics* (NDS), which are compiled annually from claims made under state, territory and Australian Government workers' compensation Acts. The New Zealand Accident Compensation Corporation (ACC) also collects data in accordance with the NDS. This report is restricted to serious claims that resulted in a fatality, permanent incapacity or a temporary incapacity with one week or more of compensation (time lost from work) excluding those occurring on a journey to or from work. One working week is defined as lost when the number of hours lost is greater than or equal to the number of hours usually worked per week.

The data in this report do not cover all cases of occupational injury and disease as generally only employees are covered by workers' compensation. Therefore many contractors and self-employed workers are not represented by these data. The exclusion of self-employed persons is likely to result in an underestimate of the number of cases in industries where self-employed persons are common, such as, Agriculture, forestry & fishing, Construction and Transport & storage - Road transport. However, the incidence and frequency rates shown in this report for all industries can be considered reliable as the denominators used in the calculation of the rates have been adjusted to exclude self-employed persons.

In addition, the following have been excluded from the data in this report:

- temporary disability occupational injuries resulting in absences from work of less than one working week
- military personnel within the Defence Forces
- cases not claimed as workers' compensation or not acknowledged as being work-related, and
- claims for compensation to the Dust Diseases Board of New South Wales.

Australian Government employees working in each jurisdiction have been included in Australian Government figures rather than state or territory results. Australian Capital Territory Public Service employees are covered by the Comcare scheme but operate under the work health and safety provisions of the Australian Capital Territory. These employees and their claims have been combined with Australian Capital Territory Private sector employees for reporting outcomes in Chapters 1 and 2 of this report.

The following table (Appendix 1 – Table 1) shows: the preliminary number of serious claims, an estimate of the number of employees in each jurisdiction; and an estimate of the number of hours worked in each jurisdiction in 2011–12. Note that the number of serious claims shown for Victoria includes adjustment factors that are explained later in these notes. The employee and hours figures in Appendix 1 – Table 1 are those used to calculate the incidence and frequency rates in this report. Please note that the number of claims shown will increase when updated information is provided by the jurisdictions for next year's report.

Appendix 1 – Table 1: Summary of key jurisdictional data, 2011–12

Jurisdiction	Serious claims	% of claims	Employees	% of employees	Hours ('000)	% of hours
New South Wales	43 150	33.7	3 201 000	30.4	5 392 579 400	30.5
Victoria	23 640	18.5	2 631 800	25.0	4 293 040 600	24.3
Queensland	29 430	23.0	1 988 700	18.9	3 352 485 600	19.0
Western Australia	13 880	10.8	1 142 500	10.9	2 010 117 800	11.4
South Australia	9 110	7.1	727 400	6.9	1 179 917 500	6.7
Tasmania	3 070	2.4	209 500	2.0	318 632 200	1.8
Northern Territory	1 000	0.8	115 700	1.1	210 457 800	1.2
Australian Capital Territory	1 790	1.4	134 900	1.3	217 294 400	1.2
Australian Government	2 790	2.2	372 400	3.5	678 603 800	3.8
Seacare	200	0.2	5 400	0.1	22 721 520	0.1
Australian Total	**128 050**	**100.0**	**10 529 400**	**100.0**	**17 675 850 700**	**100.0**
New Zealand	18 660		1 806 700		3 347 765 300	

Time series and adjustment of scheme data

The estimates for number of employees and hours worked are supplied by the Australian Bureau of Statistics (ABS) and are based on the *Labour Force Survey* and the *Survey of Employment and Earnings* data. These data are matched to the scope of the claims data but may not be exact, particularly in the smaller jurisdictions, due to the number of employees being derived from a survey of the population rather than a census. The labour force estimates are benchmarked against the Census every five years.

Incidence and frequency rates will differ from those presented in previous reports due to the number of accepted claims shown for a particular year increasing as a result of further data development. This may involve additional claims being accepted or shorter term claims with temporary incapacity incurring additional time lost and subsequently matching the definition of a serious claim: one that involves one or more working weeks of time lost.

Claims data shown in this report for 2011–12 are preliminary unless otherwise stated. Therefore these data are likely to be understated and comparison of 2011–12 data with previous annual data should be undertaken with caution.

The projected number of injury and musculoskeletal claims for each jurisdiction in the reference financial year are derived from the growth rates between the preliminary and updated claims of the previous year.

In analysing trends over time, consideration needs to be given to any changes to jurisdiction-specific legislation and administrative processes during the period concerned; further details of which should be sought from the jurisdictions. Commentary relating to these comparisons should be read carefully where provided.

Frequency rates for the Seacare scheme have been calculated using a 24-hour basis in recognition of the 24-hour risk of exposure due to the nature of maritime industry employment. This definition is consistent with data published by the Seacare Authority.

Due to difficulties obtaining time lost in hours for the Northern Territory, data have been estimated using the definition of a working week of five working days. To make the data reported from the Northern Territory and data reported for all other jurisdictions comparable, the data for the Northern Territory has been increased by a factor of 1.3% from 2000–01 onwards.

Definition of injury and disease

Occupational injuries are defined as all employment-related injuries that are the result of a single traumatic event, occurring while a person is on duty, or during a recess period, and where there was a short or nonexistent latency period. This includes injuries that are the result of a single exposure to an agent(s) causing an acute toxic effect.

Occupational diseases are defined as all employment-related diseases that result from repeated or long-term exposure to an agent(s) or event(s), or that are the result of a single traumatic event where there was a long latency period (for example, the development of hepatitis following a single exposure to the infection).

In this report, Indicator 9 presents data on fatalities from injuries separately to fatalities from disease. In this indicator, the injuries data also include claims for musculoskeletal disorders (MSD). This change was necessitated by the introduction of a new coding system in Victoria in 2002–03 that resulted in a large number of claims previously coded as sprains and strains (injuries) being coded as diseases of the musculoskeletal system and connective tissue. This more accurately reflects the repetitive and long term muscle stress that results in these conditions. To minimise the effect of this coding change on time series consistency, musculoskeletal disorders have been combined with the data on injuries for all years and all jurisdictions in this report. A similar change in coding practices across all other jurisdictions has been occurring progressively from 2005–06 as the 3rd edition of the Type of Occurrence Classification Scheme (TOOCS) is introduced in each jurisdiction.

Adjustment of Victorian and South Australian data

Only claims involving one or more weeks of compensation have been used for analysis in Chapters 1 and 2 to enable greater comparability in the jurisdictional data. This accounts for the different employer excesses that exist in various schemes. However under the Victorian and South Australian workers' compensation schemes the employer is generally liable for the first 10 days of lost wages by the injured worker. In addition to this (only in Victoria), the employer pays the first $629 of medical services (as at 30 September 2012) unless the employer has elected the Excess Buyout option. More information on the Excess Buyout option can be found at www.worksafe.vic.gov.au.

As employers do not always provide WorkSafe Victoria and Workcover South Australia with information on claims lasting fewer than 10 days, an adjustment factor needs to be applied in order to compare Victorian claims data with other jurisdictions. To calculate the Victorian and South Australian under 10 day excess impact, the percentage of claims of one and two weeks duration for Victoria and South Australia was compared with the percentage of one and two weeks claims for other Australian jurisdictions. From this comparison, the number of Victorian and South Australian one and two weeks claims was increased by a factor so that the percentage of such claims was similar to the Australian average for one and two weeks duration claims. The analysis was undertaken at the industry division level to allow for a greater degree of homogeneity in respect of claim duration. The application of the factors has increased the claims supplied by WorkSafe Victoria from 21 185 to 23 645 and from 8064 to 9109 for claims supplied by South Australia.

Size of business

The number of employees in each of the three business size groups has been provided by the ABS. Estimates of employment figures by 'Small: less than 20 employees', 'Medium: 20-199 employees' and 'Large: 200 employees or more' business size groups

published in the 2011–12 'Australian Industry' publication (ABS cat. No. 8155.0) are used. These estimates are produced annually using a combination of directly collected data from the annual Economic Activity Survey (EAS) conducted by the ABS and Business Activity Statement (BAS) data provided by businesses to the Australian Taxation Office (ATO). As figures in this publication are for 'Employment', the ABS Labour Force data were also used in order to be able to exclude self-employed persons from the 'Australian Industry' figures.

The scope and coverage of these estimates are for the private sector, which consists of all business entities in the Australian economy except for entities classified as general Government. Data on the number of claims are collected in each jurisdiction by a variety of methods, some via the claim form and others by imputing estimates from the data supplied by employers.

Self insurers joining Comcare - adjustment of claims

On 15 March 2007 new legislation came into effect that extended the coverage of the *Occupational Health and Safety Act 1991* (the OHS Act) to organisations licensed to self-insure under the *Safety Rehabilitation and Compensation Act 1988*. Previously, former Commonwealth authorities and licensed private sector corporations operated under the Commonwealth workers' compensation regime, but were covered by state and territory work health and safety legislation in the jurisdictions in which they operated. This amendment removed the need for multiple compliance regimes. However, as the number of employees and hours worked were originally only available from the work health and safety jurisdictions, workers' compensation claims from those authorities and companies self-insuring with Comcare were allocated to their work health and safety jurisdictions for 2005–06 and 2006–07. In 2007–08, the ABS undertook a review of the methodology used to calculate the number of employees and hours data. As an outcome of this review, the number of employees and hours data are now available from the workers' compensation jurisdictions for these years and claims of those authorities and companies self-insuring under the Comcare scheme now remain within the scheme. Self insurers have been included in the Comcare scheme if they were self-insuring with Comcare at June 30 in the relevant year.

2. Enforcement data

In 2009–10, Safe Work Australia, in collaboration with the Heads of Workplace Safety Authorities (HWSA) and States and Territories reviewed a number of compliance and enforcement definitions. A number of changes to these definitions were proposed and have been implemented in this edition of the report. They include:

- the number of legal proceedings finalised is now requested in place of legal proceedings commenced
- the HWSA definition of the number of legal proceedings resulting in a conviction, order or agreement is implemented in place of the number of prosecutions resulting in a conviction
- the number of field active inspectors has been amended to include managers of the field inspectors. The data also include investigators (where applicable) who are appointed to work with the enforcement provisions. Staff on extended leave are also included
- proactive workplace intervention is now split into two measures: (A) Workplace visits and (B) Workshops\Presentations\Seminars\Forums and data are now supplied separately, and
- reactive workplace intervention is also split into two measures: (A) Workplace visits and (B) Other reactive interventions.

Following the Australian Government's decision in March 2007 to grant licensed self-insurers coverage under the 1991 OHS Act, the number of employees regulated by Comcare increased by 37% from 291 535 full-time equivalent (FTE) employees prior to the March 2007 legislative amendment to an estimated 400 000 FTE employees as at June 2012. In response Comcare increased its field active inspectors (including other staff undertaking non-inspectorate activities) from 22 in 2005–06 to 44 by 30 June 2012, based in seven regional offices across Australia. This ensured there were sufficient investigator resources to regulate the growing jurisdiction effectively. The increased number of workplace interventions and court based enforcement actions can be directly related to the Federal Minister's direction of 2008 seeking stronger enforcement and justice outcomes and Comcare's 2015 Strategic Plan on healthier and safer workplaces.

Data provided by Western Australia in relation to proactive and reactive interventions include the number of visits (including repeat visits) for investigations with a completion date within the reporting period. In an effort to provide stable and reliable data and to prevent double counting, visits pertaining to open investigations have been excluded.

3. Standardised average premium rates

In 2012 Finity Consulting Pty Ltd (Finity) was engaged to provide actuarial services to review the employer excess, medical excess, superannuation and journey claim adjustment factors used in the standardisation methodology employed to calculate the Premium Rate measure for use in the Comparative Performance Monitoring (CPM) reports. A new set of adjustment factors were calculated and updated by Finity in line with the latest available data. These new factors were used in this edition of the report to adjust the premium rates measure.

In 2008 Finity was engaged to undertake a review of the standardisation methodology used to calculate the premium rate measure. A number of changes to the calculation of the premium rate measure were proposed and have been implemented since the eleventh edition of this report.

Some of the significant changes are as follows:

- earned amounts for premiums and remuneration are to be supplied but written amounts can be supplied if earned amounts are too difficult to obtain
- all levies collected by jurisdictions are now included in the premium rate measure
- for self insurers, the chain ladder methodology has been discontinued and replaced with either actuarial estimates or insured sector rates, and
- to be consistent with other jurisdictions the premium rate measure for New Zealand now includes the levy on employers to fund the workers' compensation portion of the 'Residual Claims Account', which relates to workers' compensation claims incurred prior to 1 July 1999.

Other issues affecting the comparability of premium rates across the schemes include:

- differences in benefits and coverage for certain types of injuries, in particular the coverage of the journey to and from work
- differences in claims management arrangements
- variations in the funding arrangements for delivery of work health and safety services, with some jurisdictions providing degrees of cross-subsidisation
- differences in the definitions of wages for premium setting purposes including whether superannuation contribution is part of wages
- different scheme excess deductibles (note that wage under-declaration has

not been accounted for as it is considered to have a similar prevalence in each jurisdiction)

- different levels of self-insurance
- different industry mixes
- differences in premium calculation methodology, for example some schemes have experience rating formulae and some have exemptions for employers with low payrolls, and
- different actuarial assumptions used in the calculation of premium rates.

The premium rate data in this report take into account differences in remuneration, self-insured premiums, employer excess and journey claim coverage.

Premiums in the self-insured sector

Most jurisdictions allow large employers to self-insure their workers' compensation if they prove they can manage the associated financial and other risks. Jurisdictions with a large proportion of employees under self-insurance arrangements include New South Wales, South Australia, Tasmania and the Australian Government. Significantly fewer self-insurers operate in Victoria, Queensland, Western Australia and the Australian Capital Territory Private Scheme. A number of methodologies are employed in this report to obtain an estimate of the amount of premium that self-insurers would pay.

Employer excess factors

Some schemes have non-compensable excesses where the employer pays the first five or 10 days compensation and/or meets medical expenses to a maximum amount. To improve comparability of premium rates a common deductible of the first five days compensation with no medical costs has been applied. The factors applied to the insured sector data in each jurisdiction are shown in Appendix 1 – Table 2. Adjustment factors are also applied to the self-insured sector to make the data consistent with the common deductible of the first five days compensation with no medical costs.

Appendix 1 – Table 2: Premium rate adjustment factors (%)

Jurisdiction	Employer excess factors			Journey factor
	Insured sector		Self insured sector Time lost excess	
	Time lost excess	Medical expenses excess		
New South Wales	n/a	n/a	-1.5	-9.3
Victoria	2.0	1.0	-3.0	n/a
Queensland	n/a	n/a	n/a	-6.5
Western Australia	-1.9	n/a	n/a	n/a
South Australia	2.0	n/a	-3.0	n/a
Tasmania	n/a	0.4	-2.5	n/a
Northern Territory	-2.5	n/a	n/a	-3.0
Australian Capital Territory Private	-1.8	n/a	n/a	-7.5
Australian Government	-1.8	n/a	-4.5	n/a
Seacare	Excess adjustment factors reviewed annually			-6.0
New Zealand	n/a	n/a	n/a	-7.5

Journey factors

All jurisdictions except Victoria, Western Australia, Tasmania, Australian Government and New Zealand provide some level of coverage for journey claims. Hence, an estimated amount equal to the cost of providing this coverage has been removed from the premium rates of the jurisdictions that provide this type of coverage. The factors applied are shown in Appendix 1 – Table 2. In New Zealand journey claims are covered by a different scheme.

Seacare scheme

Seacare scheme policies often include large excesses, ranging from $5000 to $100 000, representing approximately three weeks to more than 12 months compensation, with the majority of policies containing excesses in the $5000 to $25 000 range. An adjustment factor has been developed to take into account the large and variable deductible.

Effect of adjustment factors on premium rates

Appendix 1 – Table 3 presents average premium rates with various adjustments to assist comparability. Each column in this table represents progressively adjusted premium rates as follows:

Column 1. These data are average premium rates for insured employers only, calculated using the definition of remuneration as used by that jurisdiction, i.e. superannuation included where applicable. GST was excluded in all cases. Rates are applicable to the employer and medical excesses that apply in each jurisdiction and should not be compared.

Column 2. These rates are average premium rates for the insured sector adjusted to include superannuation in the definition of remuneration. Estimates of superannuation were applied to Western Australia, Tasmania and the Northern Territory. All other jurisdictions were able to provide appropriate data. Data for New Zealand were also adjusted to include superannuation.

Column 3. These rates are the average premium rates for each jurisdiction including both the insured and self-insured sectors before any adjustment factors are applied.

Column 4. These rates adjust the rates in column 3 to account for the different employer excesses that apply in each jurisdiction. The adjustment made to the data from the self-insured sector may be different to the adjustment applied to the premium paying sector due to the assumption that a nil employer excess applies to the self insured sector.

Column 5. These rates further adjust the rates in column 4 to remove a component comparable to the cost of providing workers' compensation coverage for journeys to and from work. These adjustments apply to all jurisdictions except Victoria, Western Australia, Tasmania and New Zealand where the coverage for these types of claims is outside the workers' compensation system.

Appendix 1 – Table 3: Effect of adjustment factors on premium rates in 2011–12

Jurisdiction	Average premium rates for premium paying sector		Total[a] average premium rate	Total[a] average premium rate adjusted for employer excess	Total[a] average premium rate adjusted for employer excess and journey claims
	Unadjusted	Adjusted to include super-annuation			
	1	2	3	4	5
NSW [b]	1.74	1.74	1.86	1.86	1.70
Vic	1.37	1.37	1.30	1.34	1.34
Qld [c]	1.44	1.44	1.52	1.52	1.42
WA [d]	1.36	1.23	1.24	1.21	1.21
SA	2.78	2.78	2.47	2.51	2.51
Tas	1.66	1.52	1.52	1.51	1.51
NT	2.16	1.96	1.91	1.86	1.81
ACT Private	2.17	2.17	2.20	2.16	1.99
Aus Gov	1.15	1.15	1.02	0.99	0.99
Seacare [e]	3.32	3.32	3.32	3.32	3.12
Australia	**1.54**	**1.54**	**1.58**	**1.58**	**1.51**
NZ	1.15	1.05	0.91	0.91	0.84

(a) Total of adjusted premium for insured sector plus calculated premium for self-insured sector. (b) The NSW average premium rates also include the dust diseases levy which is not part of the WorkCover New South Wales scheme but is payable by employers in that State. (c) Queensland includes stamp duty levied at a rate of 5% of the premium including GST. (d) Western Australia includes a temporary levy to meet the costs associated with the failure of HIH Insurance Ltd. (e) Note that there are no self-insurers in the Seacare scheme.

4. Return to work data

Data for the 2011–12 *Australia and New Zealand Return to Work Monitor* (RTW Monitor) are drawn from a survey conducted by Campbell Research and Consulting on behalf of the Heads of Workers' Compensation Authorities (HWCA). The survey is conducted in November and May each year. The 2011–12 sample consisted of 3028 injured workers who had made a workers' compensation claim (Appendix 1 – Table 4). The figures reported in this section for Comcare include the Australian Capital Territory Public Service. The Australian Capital Territory Private Sector and Western Australia do not participate in this survey. The Australian average for each year is calculated using the jurisdictions that participated in the survey for that year. The full RTW Monitor report can be viewed at hwca.org.au.

Appendix 1 – Table 4: Sample size by jurisdiction 2011–12

Jurisdiction	Total Sample Size
New South Wales	600
Victoria	602
Queensland	600
South Australia	400
Tasmania	390
Northern Territory	120
Comcare	225
Seacare	91
TOTAL of Australian jurisdictions	**3 028**
New Zealand	600

Sampling error

The following paragraph is taken from the RTW Monitor:

"Where a sample of all eligible injured workers is surveyed, the statistics produced have sampling error associated with them. That is, estimates from the survey may differ from the numbers that would have been produced if all eligible injured workers had been surveyed. The statistical estimate of sampling error is the standard error. The standard error provides a basis for measuring the precision to which the sample estimate can estimate the population value. There is about a 5% chance that the true value lies outside a range of two standard errors either side of the sample estimate. Such a range defines a 95% confidence interval for that estimate."

Appendix 1 – Table 5 shows the standard errors for the current sample size at the 95% confidence interval. This table indicates that if the survey estimate produced a value of 50% then we can be 95% certain that the true value would lie between 48.2% and 51.8% if the entire population was surveyed.

Appendix 1 – Table 5: Survey estimates of 50% and 80% at 95% confidence interval

	Survey estimate of 50%			Survey estimate of 80%		
Sample size	Confidence interval	Lower band	Upper band	Confidence interval	Lower band	Upper band
3 028	+/- 1.8%	48.2%	51.8%	+/- 1.4%	78.6%	81.4%
600	+/- 4.0%	46.0%	54.0%	+/- 3.2%	76.8%	83.2%
400	+/- 4.9%	45.1%	54.9%	+/- 3.9%	76.1%	83.9%
300	+/- 5.7%	44.3%	55.7%	+/- 4.5%	75.5%	84.5%
200	+/- 6.9%	43.1%	56.9%	+/- 5.5%	74.5%	85.5%
100	+/- 9.8%	40.2%	59.8%	+/- 7.8%	72.2%	87.8%

Interpretation of Seacare Authority return to work results

Seacare Authority injured workers face unique problems in attempting to return to work that need to be considered when interpreting Seacare data. To facilitate graduated return to work for an injured seafarer, a supernumerary position on a ship needs to be found but there are few supernumerary positions available. Also it can be difficult to include shore-based duties as part of a graduated return to work as many seafarers live in different locations to their employers' offices.

Injured seafarers have to be passed as medically fit under fitness-for-duties regulations to resume full pre-injury duties. The injury time for seafarers may also be extended by the fact that ships are away from port for four to six weeks, meaning that injured workers may not be able to resume work immediately after they are deemed fit to do so. These factors can result in injured workers waiting additional time to return to work.

5. Assets to liabilities ratio data

Along with the premium rates measure, Finity was engaged to undertake a review of the standardisation methodology used to calculate the assets to liabilities ratio (funding ratio). A number of changes to the calculation of the funding ratio were proposed and have been implemented since the 11th edition of this report. The significant changes are as follows:

- the standardisation for different discount and inflation rates has been removed because it it did not result in any significant improvement to the data

- the funding ratio for centrally funded schemes has been adjusted to remove non-claim liabilities from both the assets and liabilities
- for Comcare, 'pre-premium business' arising from claims prior to 1 July 1989 has been excluded from the measure as this is funded directly from special appropriations from the Australian Government, and
- to be consistent with other jurisdictions, the funding ratio measure for New Zealand includes claim liabilities and the corresponding assets in the 'Residual Claims Account'.

Different measures of assets to liabilities can arise from different economic and actuarial assumptions in valuing liabilities as well as differences in the definitions of:

- assets and net assets, and
- liabilities, such as allowance in some schemes for prudential margins, and allowance for different levels of claim handling expenses.

Different definitions of net assets have been addressed in this publication by the application of a consistent definition. For centrally funded schemes, net assets are equal to the total current and non-current assets of the scheme minus the outstanding claim recoveries as at the end of the reference financial year. For privately underwritten schemes, assets are considered to be the insurers' overall balance sheet claims provisions.

A consistent definition of net outstanding claim liabilities has also been adopted, but there are still some differences between jurisdictions in the measurement of net outstanding claim liabilities. These relate to the different claim handling expense assumptions by jurisdictions for which adjustments have not been applied.

Net outstanding claim liabilities for centrally funded schemes are equal to the total current and non-current liabilities of the scheme minus outstanding claim recoveries as at the end of the reference financial year. For privately underwritten schemes, liabilities are taken as the central estimate of outstanding claims for the scheme (excluding the self-insured sector) as at the end of the reference financial year.

For jurisdictions with a separate fund dedicated to workers' compensation (centrally funded schemes), the assets set aside for future liabilities can be easily identified from annual reports. Centrally funded schemes operate in Victoria, Queensland, South Australia, Comcare and New Zealand.

For jurisdictions where workers' compensation is underwritten by insurance companies (privately underwritten schemes), assets are set aside to meet all insurance liabilities but the insurance companies do not identify reserves specifically for workers' compensation liabilities. For these schemes net assets are considered to be the balance sheet provisions made by the insurers at the end of each financial year. Privately underwritten schemes operate in Western Australia, Tasmania, the Northern Territory, the Australian Capital Territory and Seacare.

The New South Wales scheme is a managed fund, combining some of the features of centrally funded schemes and privately underwritten schemes.

Prudential margins

Many jurisdictions add prudential margins to their estimates of outstanding claims liabilities to increase the probability of maintaining sufficient assets to meet the liabilities estimate. This is done in recognition that there are inherent uncertainties in the actuarial assumptions underlying the value of outstanding liabilities. The addition of a prudential margin will lower the assets to liabilities ratio for that jurisdiction. As some

jurisdictions do not have prudential margins, these margins have been removed from the estimates to enhance comparability. For jurisdictions that use prudential margins in determining their liabilities there will be a greater discrepancy between the ratios shown in this report and those shown in their annual reports. The margins that have been removed are:

- New South Wales — risk margin of 3% from 2007–08, 2008–09, 2009–10 and 2010–11 and 12% from 2011–12.
- Victoria — prudential margin of 8.5% for the WorkSafe scheme and 40% for the Insurers' Guarantee Fund and the Uninsured Employers and Indemnity Funds from 2007–08, 2008–09, 2009–10, 2010–11 and 2011–12
- Queensland — a prudential margin of 11.7% from 2007–08, 12.7% from 2008–09,13% from 2009–10, 10.1% from 2010–11 and 9.5% from 2011–12.
- South Australia — a prudential margin of 5.2% from 2007–08 and 2008–09, and 5.5% from 2009–10, 2010–11 and 2011–12.
- Northern Territory — prudential margin of 15% from all years.
- Comcare — In 2007–08 a prudential margin of 9.6% from premium business and a 9% margin from pre-premium business. In 2008–09, 2009–10, 2010–11 and 2011–12 a prudential margin of 11.8% from premium business and a 12.7% margin from pre-premium business.

The liabilities for the remainder of the schemes are central estimates without prudential margins.

6. Scheme expenditure data

In addition to the premium rate and funding ratio measures, Finity was engaged to undertake a review of the scheme expenditure measure in 2008. A number of changes to the measure were recommended and have been implemented since the 11th edition of this report. The new data items are as follows:

Direct to worker costs are compensation paid to injured employees either as weekly benefits, redemptions, lump sums, common law settlements (excluding legal costs) and non-economic loss benefits.

Services to worker costs encompass: medical treatment, rehabilitation, legal costs, return to work assistance, transportation, employee advisory services and interpreter costs that are used to assist employees recover from their injury and return to work.

Insurance operations costs encompass: claims management, premiums/ levy management, fees paid to agents, medical reports, licensed insurer expenses, registration of employers, collection of premiums and other costs associated with the claims management and premium collection functions of the scheme.

Dispute resolution costs include all activities associated with the finalising of disputes other than the direct costs associated with a claim, such as legal representation costs, which are included as claim payments. Dispute resolution costs also include costs associated with departments of justice/courts, conciliation, medical panels and workers' compensation tribunals/courts.

Other administration costs include expenditure associated with corporate administration, but exclude corporate administration costs allocated to work health and safety. Costs encompass executive management, board/management committee, corporate planning and reporting, finance, human resources and

personnel, administration, audit costs, corporate legal costs, bank charges and IT costs (including depreciation).

Regulation costs include: licence and performance management, compliance activity, fraud investigations, litigation and prosecution, return to work and compensation advertising, IT costs, injury management and return to work research, actuarial services and administration and overseeing of self-insurers and exempt employers.

Appendix 2 — Key features of Australian Workers' Compensation Schemes

Appendix 2 – Table 1: Key features of Australian workers' compensation schemes as at 1 January 2012

	NSW#	Vic	Qld	WA	SA	Tas	NT	ACT	Aust Gov
Fund Type	**Managed fund**	**Central fund**	**Central fund**	**Private insurers**	**Central fund**	**Private insurers**	**Private insurers**	**Private insurers**	**Central fund**
Cover for journey claims	Yes	No[a]	Yes	No	No[b]	No	Yes - Limited[c]	Yes	No[d]
Common law available	Yes	Yes - limited	Yes	Yes	No	Yes	No	Yes	Yes - Limited
Redemptions/ Settlements available	Yes	Yes - limited	Yes	Yes	Yes[e]	Yes	Yes	Yes	Yes - Limited
Number of employees [f]	3 165 700	2 643 300	1 965 200	1 094 100	729 700	209 000	115 000	132 300	377 800
Number of self-insurers	66	38	25	27	67 plus 55 crown	11[g]	4	8	30[h]
Standardised avg premium rate (%)	1.74	1.34	1.42	1.21	2.51	1.51	1.81	1.99	0.99
Funding ratio (%)	104	116	132	126	60	111	79	not available	75
Disputation rate (%)	5.2	10.3	3.0	2.2	7.4	7.2	5.4	n/a	3.5
Durable return to work rate (%)	76	76	75	n/a	66	78	74	n/a	80

(a) Journey claims as a result of a transport accident are covered by the TAC in Victoria for injuries sustained to/from work. Journey injuries sustained in the course of work are compensable under the Accident Compensation Act 1985.
(b) Journey claims are only covered in SA in limited circumstances - the journey must have been undertaken while carrying out work duties. Commutes between home and work are only compensable where there is a 'real and substantial connection' with employment.
(c) Journey claims not covered if incident involves a motor vehicle. This is covered by the Motor Accidents (Compensation) Amendment Act 2007.
(d) As of 13 April 2007, the SRC Act was amended to remove coverage for non-work related journeys and recess breaks, however on 7 December 2011 section 6 of the SRC Act was amended to reinstate ordinary recess claims.
(e) All redemptions in SA are subject to legislative restrictions as of 1 July 2010. A worker is only eligible if: (a) they have returned to work but are entitled to ≤$30pw; (b) they are 55 years and have no current work capacity, or (c) the Tribunal orders a redemption due to exceptional circumstances. A redemption can only be reached by agreement between the worker and WorkCoverSA or self-insured employer.
(f) Number of employees is supplied by the ABS using Labour Force Survey data as a base, with a number of adjustments applied to account for differences in coverage for some jurisdictions.
(g) Not including the Tasmanian State Service.
(h) As at 30 June 2012.

Appendix 2 – Table 2: Entitlements under Australian workers' compensation schemes for award wage earners as at 1 January 2012[a]

Jurisdiction	NSW	Vic	Qld	WA	SA	Tas	NT	ACT	Aust Gov
Entitlements expressed as a percentage of pre-injury earnings for award wage earners									
0-13 weeks (total incapacity)	100% (excl O/T)[b]	95%	85% of NWE[c] (or 100% under industrial agreement)	100%	100%	100%	100%	100%	100%
14-26 weeks (total incapacity)	100% (excl O/T)[b]	80%	85% of NWE[c] (or 100% under industrial agreement)	100% (excl O/T & bonuses)	90%	100%	100%	100%	100%
27-52 weeks (total incapacity)	90% (excl O/T) up to $424.50 pw + allowances[b]	80%	75% NWE or 70% QOTE[c]	100% (excl O/T & bonuses)	80%	90% or 95%[d]	75-90%	65% or Stat Floor	27-45 wks 100% 46-52 wks 75%
53-104 weeks (total incapacity)	90% (excl O/T) up to $424.50pw + allowances[b]	80% (excl O/T)	75% NWE or 70% QOTE[c]	100% (excl O/T & bonuses)	80%	53-78 weeks 90% or 95%[d], 79-104 weeks 80% or 85%[d]	75-90%	65% or Stat Floor	75%
104+ weeks (total incapacity)	90% (excl O/T) up to $424.50pw + allowances[b]	80% (excl O/T, subject to work capacity test after 130 weeks)	75% NWE if > 15% impairment, otherwise 65% NWE or 60% QOTE (subject to work-related impairment)[c]	100% (excl O/T & bonuses)	80% (ongoing entitlement after 130 weeks is subject to a work capacity review)	80% or 85%[d][e]	75-90%	65% or Stat Floor	75%
Other entitlements									
Lump Sums-maximum	>75% impairment: $220 000 for multiple injuries or $231 000 for back impairment + $50 000 pain & suffering	$527 610	$273 055 permanent impairment + $309 315 gratuitous care	$190 701 + $143 026 in special circumstances[f]	$454 739	$305 759	$278 969.60 permanent impairment	$150 00 cpi indexed	$163 535.42 permanent impairment + $61 325.85 non-economic loss
Limits-medical and hospital	$50 000 or greater amount prescribed or directed by WC Commission	52 weeks from cessation of weekly payments[g]	Medical - no limit. Hospital - 4 days (>4 days if reasonable)	$57 210 + $50 000 in special circumstances	No limit	No limits but entitlements stop either after 1 year of weekly benefits cessation or 1 year after claim was made	No limit	No limit	No limit
Death benefits (all jurisdictions pay funeral expenses to differing amounts)	$473 100 + $120.20pw for each dependant child	$527 610 (shared) + pre-injury earnings related to pensions to a maximum of $1930 for dependant partner/s and children	$511 460+$13 665 to spouse + $27,320 per dep. family member under16 yrs or student + $101.10pw per child < 6 yrs given to spouse + $126.35pw per dep. child/family member under 16 yrs or a student	$261 429 + $50.00 pw for each dependant child + max of $57,210 for medical expenses[f]	$454 739 + 50% of worker's NWE to totally dep. spouse + 25% of worker's NWE to totally dep. orphaned child + 12.5% of worker's NWE to totally dep. non-orphaned child	$305 759 +100% weekly payment 0-26 weeks, 90% weekly payment 27-78 weeks, 80% weekly payment 79-104 weeks + $110.52pw for each dependant child	$348 712 + $134.12 pw for each dependant child to max of 10 children	$150 000 cpi indexed + $50 cpi indexed per week for each dependant child	$458 980.51 lump sum + $10 412.50 funeral + $126.22pw for each dependant child

(a) Entitlement benefits in Victoria, WA, TAS, NT, ACT, & NZ do not include superannuation contributions. Compensation in the form of superannuation contribution is payable in VIC after 52 weeks of weekly payments. (b) Benefits shown for employees working under an industrial award. If not under an award, benefits are 80% of pre-injury earnings for first 26 weeks. Different rates apply after 26 weeks. (c) NWE - normal weekly earnings, QOTE - Seasonally adjusted amount of Queensland Full-time adult persons ordinary time earnings. (d) If there is medical evidence that the worker is unable to perform the worker's usual duties with the employer; and there is medical evidence that the worker is able to return to perform suitable alternative duties with the employer; and the employer does not enable the worker to undertake suitable alternative duties as part of the worker's employment by the employer. (e) But not exceeding: (i) 9 years from the date of the initial incapacity, if the worker's permanent impairment (if any), at a percentage of the whole person, is less than 15% or is not assessed; or (ii) 12 years from the date of the initial incapacity, if the worker's permanent impairment, assessed at a percentage of the whole person, is 15% or more but less than 20%; or (iii) 20 years from the date of the initial incapacity, if the worker's permanent impairment, assessed at a percentage of the whole person, is 20% or more but less than 30%; or (iv) the period extending from the date of the initial incapacity to the day on which the entitlement of the worker ceases in accordance with section 87 of the Workers Rehabilitation and Compensation Act 1988, if the worker's permanent impairment, assessed at a percentage of the whole person, is 30% or more. (f) Lump sum shared under statutory formulae between spouse and children. Pension payable to partner for 3 years and to children until age of 16 (or 21 in full-time study). (g) Except for workers who receive a settlement or award of pecuniary loss damages or a statutory voluntary settlement or whose work or activities of daily living would be adversely affected or surgery is required. Notes: In cases where an injury results in the permanent total incapacity of a worker, and their social and financial circumstances justify it, an arbitrator may order up to an additional 75% of the Prescribed Amount for weekly payments. If the injured workers' degree of permanent whole of person impairment is 15% or more and\ where the worker's social and financial circumstances justify it.

Appendix 3 — Jurisdictional contact information

Jurisdiction	Organisation	Contact details
New South Wales	WorkCover NSW	WorkCover Assistance 13 10 50 contact@workcover.nsw.gov.au www.workcover.nsw.gov.au
Victoria	WorkSafe Victoria	Advisory Service 1800 136 089 info@worksafe.vic.gov.au www.worksafe.vic.gov.au
Queensland	Workplace Health and Safety Queensland – Department of Justice and Attorney General	Infoline 1300 369 915 www.worksafe.qld.gov.au
Western Australia	WorkCover WA	(08) 9388 5555 www.workcover.wa.gov.au
	WorkSafe WA - Department of Commerce	(08) 9327 8777 www.commerce.wa.gov.au/WorkSafe
South Australia	SafeWork SA	(08) 8303 0245 www.safework.sa.gov.au
	WorkCover SA	13 18 55 www.workcover.com
Tasmania	WorkCover Tasmania and Workplace Standards	Helpline 1300 366 322 (inside Tas) (03) 6233 7657 (outside Tas) wstinfo@justice.tas.gov.au www.workcover.tas.gov.au
Northern Territory	NT WorkSafe	1800 250 713 ntworksafe@nt.gov.au www.worksafe.nt.gov.au
Australian Capital Territory	WorkSafe ACT - Office of Regulatory Services	(02) 6207 3000 www.worksafe.act.gov.au
Seafarers	Seacare Authority	(02) 6275 0070 seacare@comcare.gov.au www.seacare.gov.au
Australian Government	Comcare	1300 366 979 www.comcare.gov.au
New Zealand	Accident Compensation Commission	64 4918 4295 www.acc.co.nz