



Scheme status report

December 2011

Data used in this report was extracted from the WorkCover WA Q1 database on 2 April 2012, the WorkCover WA Dispute Resolution Directorate (DRD) and the WorkCover WA Conciliation and Arbitration Services (CAS) records. Data reflects scheme activities that occurred prior to and including December 2011.

WorkCover WA
Scheme status report: December 2011
Perth, Western Australia: Western Australian Government

Any queries or comments on this publication should be directed to:

Research and Evaluation Branch
Policy and Performance Division
WorkCover WA
Email: postmaster@workcover.wa.gov.au
Phone: (08) 9388 5555
Fax: (08) 9388 5550

© WorkCover WA, Government of Western Australia

There is no objection to this publication being copied in whole or part, provided there is due acknowledgment of any material quoted from the publication.

This publication is available at the WorkCover WA website:
www.workcover.wa.gov.au

Published by the Western Australian Government

Publication date: 2 April 2012

Table of contents

	Page
Introduction	4
Section 1: Key indicators of WA workers' compensation scheme	5
1.0.1: Overview	5
Summary	
1.1.1 - 1.1.6: Claim numbers	7
1.2.1 - 1.2.3: Claim payments	9
1.3.1 - 1.3.3: Estimated costs	10
1.4.1 - 1.4.3: Claim management	11
1.5.1 - 1.5.2: Disputes	12
1.6.1 - 1.6.2: Common Law applications	13
1.7.1 - 1.7.4: Settlements	14
Section 2: Approved insurer and Self-insurer comparison	16
2.1.0 - 2.1.5: Claim numbers	16
2.2.0 - 2.2.6: Claim payments	19
2.3.0 - 2.3.9: Estimated costs	22
2.4.0 - 2.4.8: Claim management	27
2.5.0 - 2.5.6: Settlements	31
Section 3: Tables	34
3.1.1 - 3.1.5: Claim numbers	34
3.2.1 - 3.2.4: Claim payments	35
3.3.1 - 3.3.5: Estimated costs	36
3.4.1 - 3.4.7: Claim management	37
3.5.1 - 3.5.2: Disputes	39
3.6.1 - 3.6.7: Common law and settlements	40
Section 4: Glossary	42
Disclaimer	45

Introduction

Scheme status report

WorkCover WA is the government agency responsible for overseeing the workers' compensation and injury management system in Western Australia (WA).

WA operates a privately underwritten workers' compensation scheme. This means that private insurance agencies are approved by WorkCover WA to provide workers' compensation insurance to WA employers. Additionally WorkCover WA also exempts large employers, who have the material and financial resources to cover their own liabilities from any workplace injuries that may occur, from having to obtain workers' compensation insurance from an approved insurer. Exempt employers are commonly referred to as self-insurers. Currently there are eight approved insurers and 27 self-insurers operating within the WA workers' compensation scheme.

Data from the Insurance Commission of Western Australia (ICWA) is also included in this report. ICWA manages workers' compensation arrangements for WA government agencies. Although not an approved insurer within the WA workers' compensation scheme, ICWA is considered to be more appropriately 'grouped' with approved than self-insurers.

The scheme status report is produced on a quarterly basis to measure trends and variations in relation to key elements of the WA workers' compensation scheme including:

- claim numbers
- claim payments
- estimated costs
- claim management
- disputes, common law and settlements (reflected by number of Memorandum of Agreements registered).

The report is presented in three sections:

1. **Key indicators:** a high level overview that summarises long and short term trend changes for key elements within the WA workers' compensation scheme.
2. **Approved insurer and self-insurer comparison:** detailed information presented in charts and graphs about approved insurers and self-insurers performance in relation to claim numbers, payments, estimated costs, claim management and settlements. This supplements information presented in Section 1 and illustrates quarterly trend development.
3. **Data tables:** details of annual and quarterly values for all indicators presented in the report.

This Scheme Status report presents the status of key elements of the WA workers' compensation scheme for the December 2011 quarter i.e. encompasses all new activity within the scheme between 1 October and 31 December 2011. Comparisons for the December 2011 quarter are made with previous quarters spanning the last four years (2007-2011).

Legislative changes to the *Workers' Compensation and Injury Management Act 1981*

Please note that data in the report reflects changes to the *Workers' Compensation and Injury Management Act* including:

- the period for employers to lodge a workers' compensation claim with their insurer has been extended to five days (from three) - effective from 1 October 2011.
- establishment of a new dispute resolution system - Conciliation and Arbitration Services (CAS) which commenced operation on 1 December 2011. Please note the CAS is not comparable with the former Dispute Resolution Directorate (DRD).

Notes for the reader:

Adjustments to the reporting timeframe for two indicators: lost time and estimated claim costs

- Lost time claim indicators (Indicator 1.1.5 and 1.1.6 in the report) allow for lost time estimates to mature and therefore are only reported up to the June (Q4) 2010/11 quarter (lag time of two financial quarters).
- Estimated claim cost indicators are only reported up to the December (Q2) 2010/11 (lag time of one financial year). Estimated claim costs are strongly influenced by how insurers model and predict costs and are subject to significant development over time. This timeframe is based on analysis by WorkCover WA which shows that estimated claim costs stabilise 12 months after claim lodgement.

About this report

- The data used in the report is derived from data supplied by insurers and exempt employers in accordance with the Q1 specification which can be found on WorkCover WA's website at www.workcover.wa.gov.au.

Section 1: Key indicators Overview

Four year summary:

- The number of claims within the WA workers' compensation scheme decreased during 2008/09, then remained stable with a small rise in the September (Q1) quarter of 2011/12.
- Associated payments have increased slightly over this time. This is attributed to increases in average claim duration and the proportion of longer duration claims (60 days or more lost time) within the scheme.
- The proportion of workers' compensation claims lodged with insurers within the legislated timeframe has improved over time, with 77.0% of claims lodged within five working days in the December 2011/12 quarter.
- The proportion of common law applications and settlements within the scheme have increased over time.

Summary of key changes between December 2010/11 and December 2011/12

Number of workers' compensation claims

- There was a small decrease in the number of new claims lodged in the WA workers' compensation scheme during the reference period (2.7%) and the incidence rate of claims (number of claims per 100 workers) (4.0%).
- However, the number of income claims in the WA workers' compensation scheme that were 'active', i.e. had a transaction payment during the period, remained stable for the reference period (1.6%).

Claim payments

- Claim payments remained stable.
- There was a large variation in payment types for the reference period with treatment services (medical, allied health and vocational rehabilitation) and legal/other service payments increasing by 14.2% and 9.4% respectively. However, payments direct to workers (weekly income replacements and lump sums) decreased by 6.0%.

Claim management

- There was a notable improvement (5.2%) in the number of claims lodged with insurers within the legislated timeframe (five working days) with 77% of all claims lodged on time in the December 2011/12 quarter. The timeframe for lodgement has increased from three to five days as part of legislative changes (see page 4).
- Insurer performance in making initial liability decisions within the required legislative timeframe (14 days for approved insurers and 17 days for self-insurers) remained stable (94% of all claims lodged).

Disputes

- From 1 December 2011, WorkCover WA established a new dispute resolution system which features a Conciliation Service and Arbitration Service (CAS). No comparison is able to be made between CAS and the former Dispute Resolution Directorate (DRD).

Common law applications

- Over the reference period, there was a slight increase in common law applications (1.7%).

Settlements

- Both the number of Section 92(f) deeds and Memorandum of Agreements (both represented as a proportion of finalised claims) remained stable over the reference period.
- Payments associated with Memorandum of Agreements remained stable while payments for Section 92(f) deeds decreased.

Summary of changes between December 2009/10 and December 2010/11

Estimated costs

- Total estimated costs are subject to significant development as claims mature and therefore indicators of estimated costs have a one year lag time. Within this report, estimated costs are reported up to December 2011, in order to provide meaningful comparisons over time.
- For the reference period, total estimated costs increased by 8.1% while average estimated costs increased by 3.5%.

Section 1: Key indicators Overview

1.0.1 Key indicators - Claims

	Current quarter	% change from previous quarter	% change from same quarter last year	
Claim numbers (pg 7-8)				
Total claim count	9,605	-4.7	-2.7	■
Incidence rate	0.76	-5.5	-4.0	■
Total active income claim count	18,445	-1.8	1.6	■
Claim payments (pg 9)				
Total payments (\$m)	176.6	-5.4	0.4	■
Total payments direct to worker* (\$m)	109.3	-10.1	-6.0	▼
Total payments for treatment services* (\$m)	46.3	5.8	14.2	▲
Total payments for legal & other services* (\$m)	21.1	-1.8	9.4	▲
Proportion of payments direct to worker (%)	61.9	-3.2	-4.2	■
Proportion of payments for treatment services (%)	26.2	2.8	3.2	■
Proportion of payments for legal & other services (%)	11.9	0.4	1.0	■
Claim management (pg 11)				
Average claim duration (months)	7.0	0.7	4.2	■
Proportion (%) of insurer lodgement period within the legislated time (Insurers only: 5 days)	77	-0.6	5.2	▲
Proportion (%) of initial liability decision made within the legislated time (Insurers: 14 days, Self-insurers 17 days) - pending claims excluded	94	-0.5	0.0	■
Disputes (pg 12)				
Number of new disputes [^]	289	n/a	n/a	
Disputation rate	n/a	n/a	n/a	
Common law applications (pg 13)				
Number of Common Law 2004 Scheme Applications	179	-14.8	1.7	■
Settlements (pg 14)				
Number of Memorandum of Agreements as a proportion of finalised claims (%)	8.2	-1.5	-0.5	■
Number of Section 92(f) deeds as a proportion of finalised claims (%)	2.6	-0.9	-0.4	■

* See Glossary for definition and further explanation.

[^] Dispute data reported relates to the WorkCover WA Dispute Resolution Directorate only (which ceased operation on 30 November 2011) and not the WorkCover WA Conciliation and Arbitration Service that commenced on 1 December 2011.

▲ Increased by 5% or more

■ Increased/decreased by less than 5%

▼ Decreased by 5% or more

□ > +/- 5% change in year

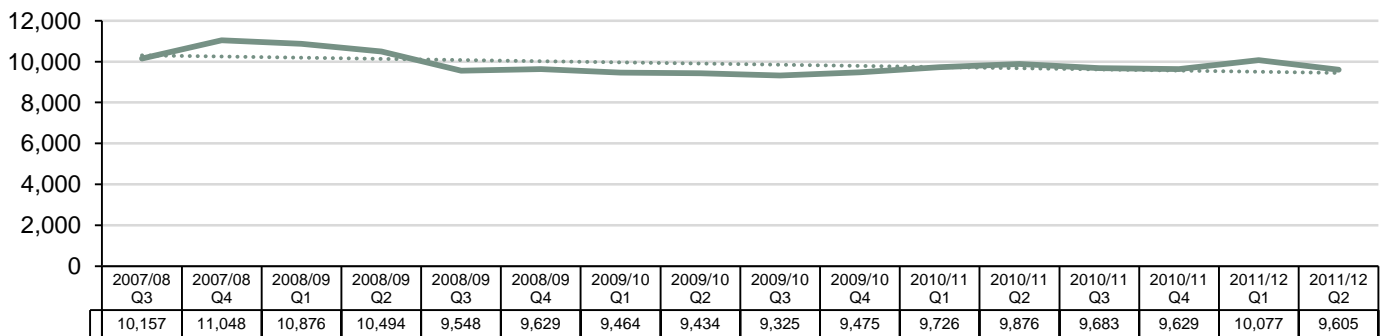
Section 1: Key indicators

Claim numbers

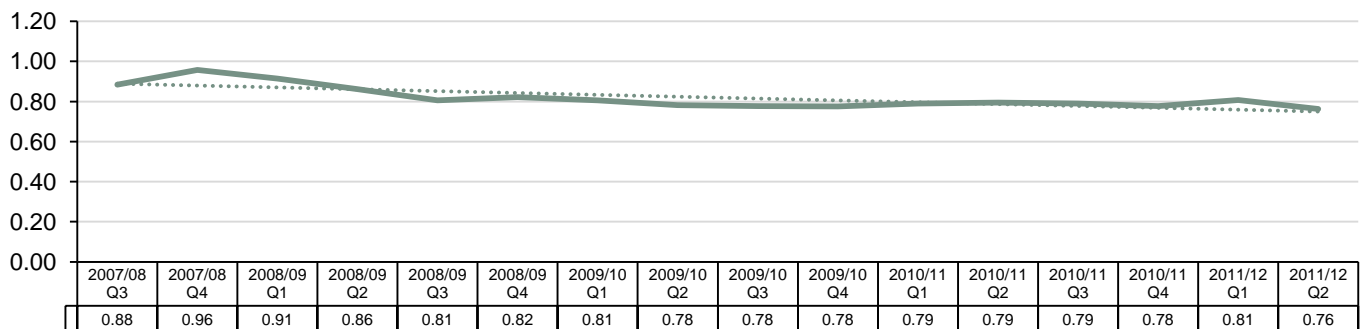
Summary:

- The total number of claims (Indicator 1.1.1) and the rate of claims (Indicator 1.1.2) lodged in the WA workers' compensation scheme decreased slightly between December (Q2) 2010/11 and December (Q2) 2011/12.
- Overall, the long term trend shows that both the number and incidence rate of new claims has been decreasing over time.
- The number of income claims with a transaction payment in a financial quarter (active) has remained stable over time with a slight increase in the most recent December 2011/12 quarter.

1.1.1: Total number of claims by insurer received quarter

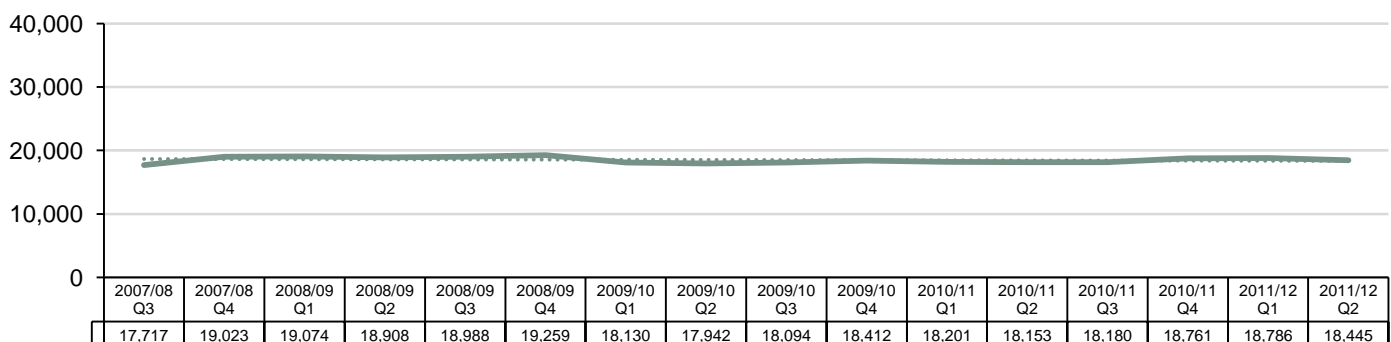


1.1.2: Number of claims per 100 employed people (incidence rate) by insurer received quarter



Numbers of employees are based on Australian Bureau of Statistics Labour Force survey data, catalogue 6291.0.55.001

1.1.3: Total number of active income claims by transaction quarter



* See Glossary for definition and further explanation.

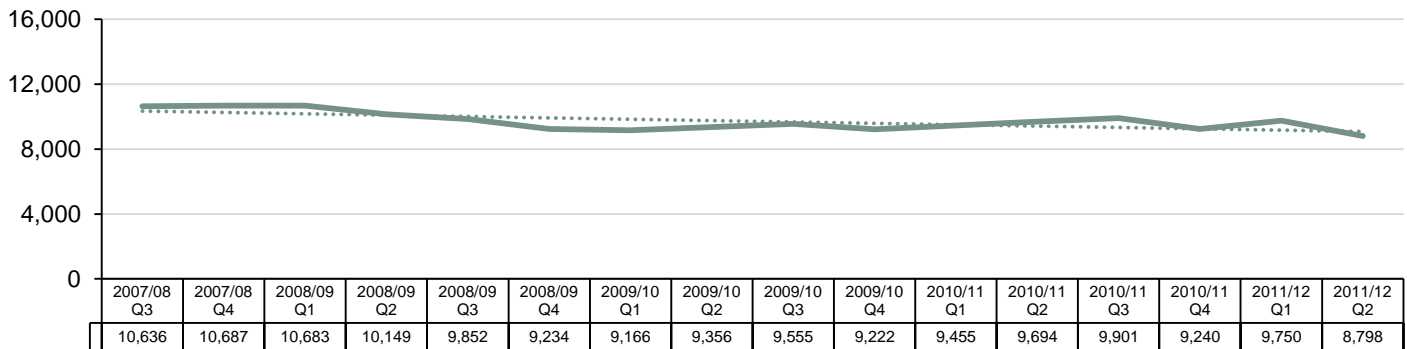
Section 1: Key indicators

Claim numbers

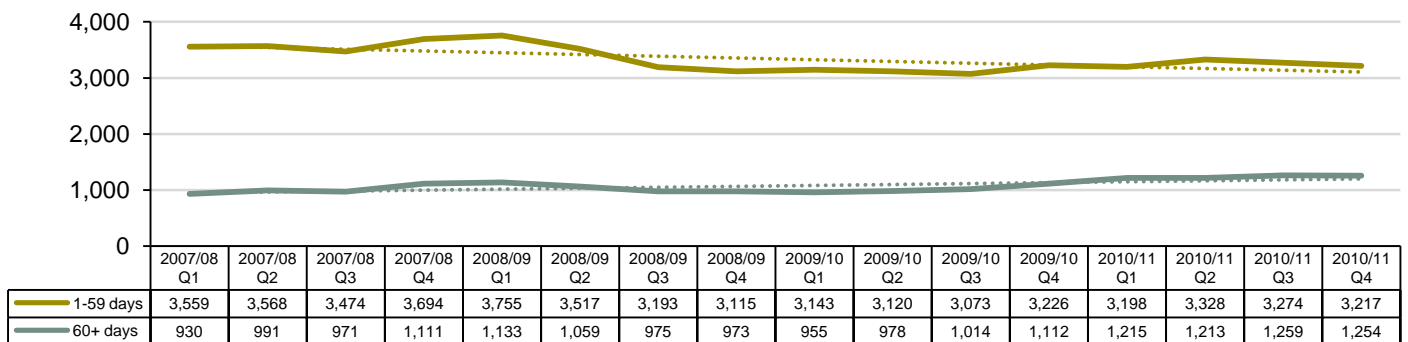
Summary:

- The number of claims per accident quarter* (Indicator 1.1.4) decreased slightly between December (Q2) 2010/11 and December (Q2) 2011/12, although it should be noted that the data for the last two quarters is subject to significant development over time.
- Both longer (60 days or more) and shorter (1-59 days) duration claims increased between September (Q1) 2010/11 and September (Q1) 2011/12. As outlined in the Introduction, this indicator has a six month lag time.
- The long term trend shows that longer duration claims are increasing in the scheme while shorter duration claims are decreasing.

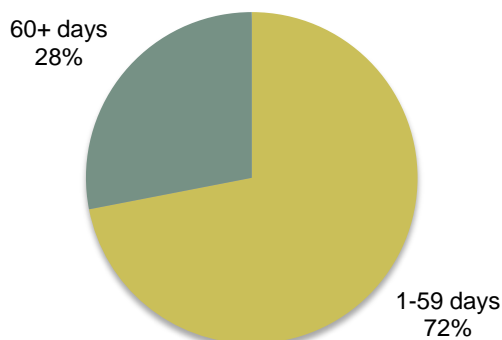
1.1.4: Total number of claims per accident quarter



1.1.5: Number of lost-time claims (1-59 days and 60+ days) by insurer received date



1.1.6: Proportion of lost-time claims (1-59 days and 60+ days) in the June 2011 (Q4) quarter



* See Glossary for definition and further explanation.

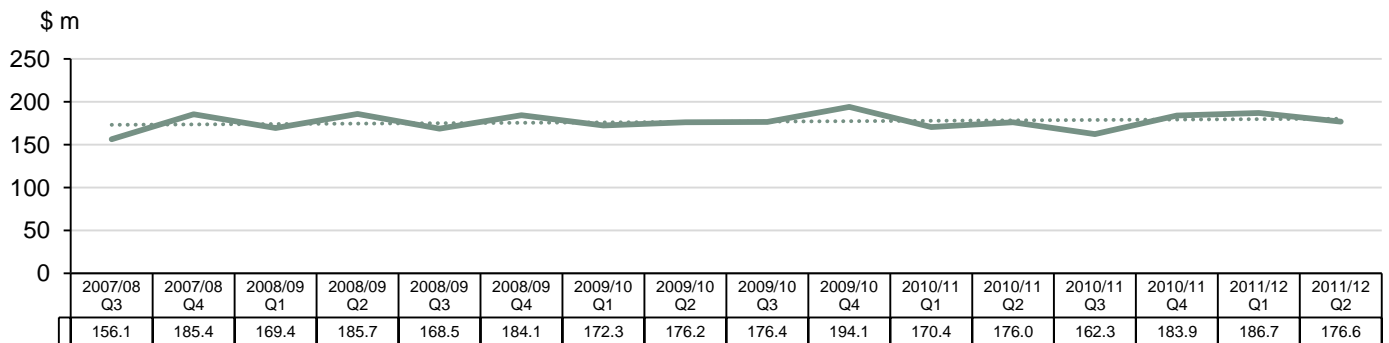
Section 1: Key indicators

Claim payments

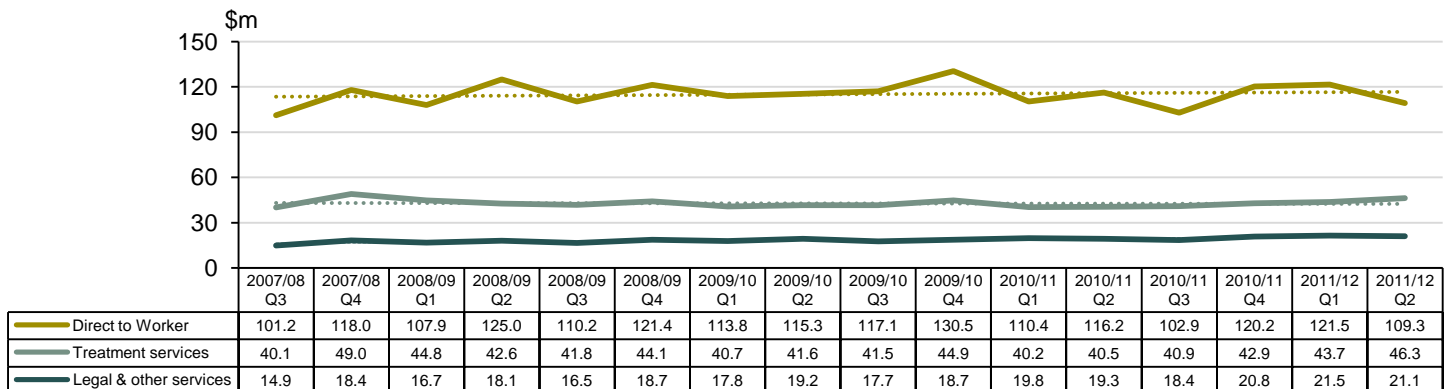
Summary:

- Over the past year (December 2010/11 to December 2011/12), total payments* for workers' compensation claims have been increasing despite a slight downward variation in the March (Q3) 2010/11 quarter.
- As shown in Indicator 1.2.2, between the December 2010/11 and December 2011/12 quarters, payments for treatment services and legal/other services increased while payments direct to the worker decreased.
- As illustrated in Indicator 1.2.3, the long term trend shows slight increases in treatment services and legal/other services over the four year period.

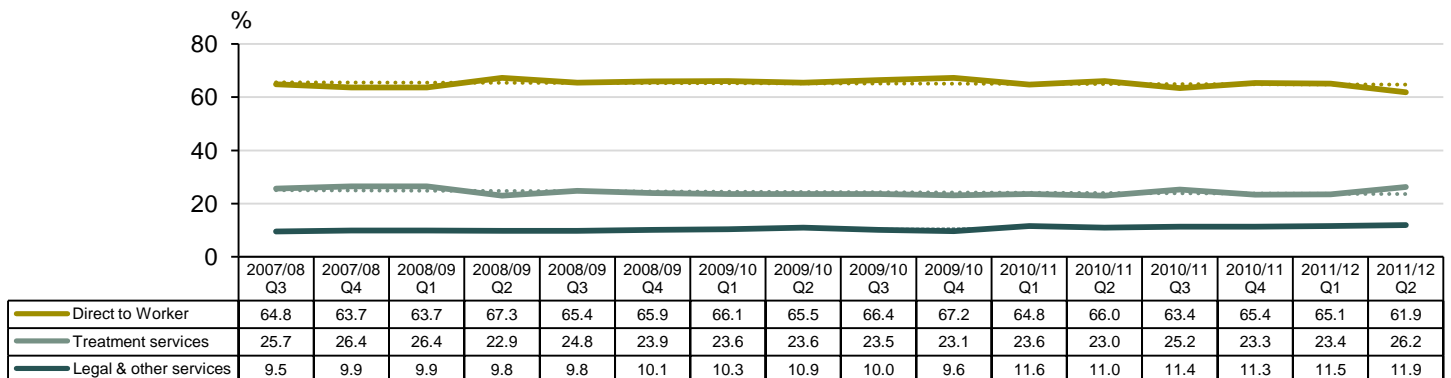
1.2.1: Total payments by transaction quarter



1.2.2: Type of payments by transaction quarter



1.2.3: Proportion of payments by transaction quarter



* See Glossary for definition and further explanation.

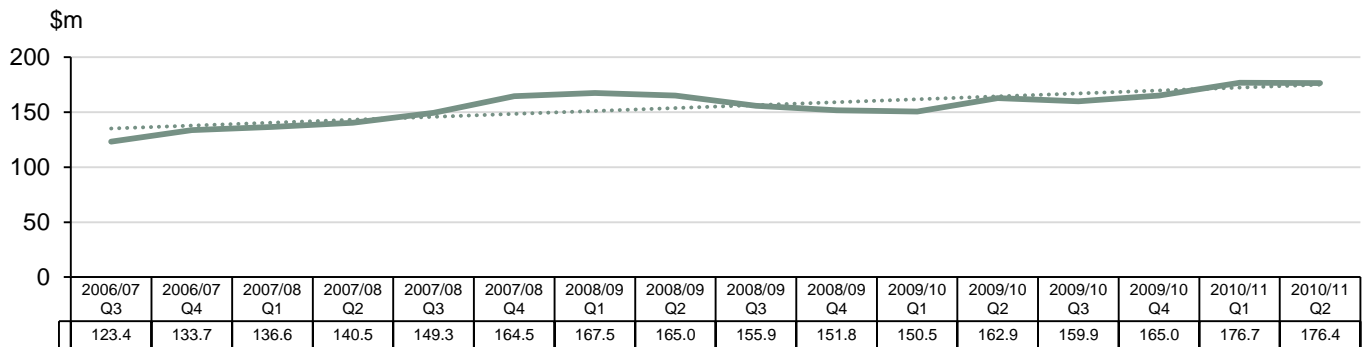
Section 1: Key indicators

Estimated costs

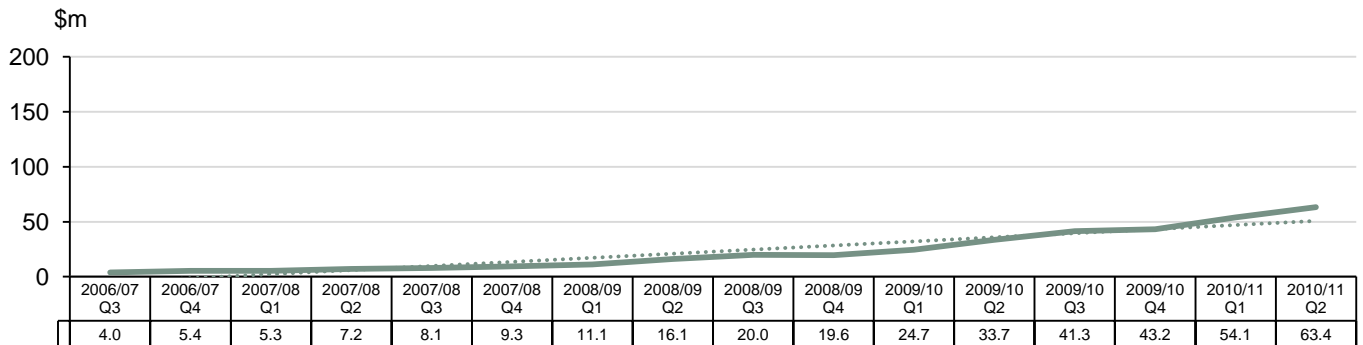
Summary:

- As outlined in the Introduction to this report, estimated claim costs are reported up to the December (Q2) 2010/11 quarter (one year time lag). This is because estimated claim costs data is subject to significant development over time and information for the 2011/12 year is still preliminary based on analysis undertaken by WorkCover WA.
- Indicator 1.3.1 highlights that estimated claim costs* have been increasing between December 2009/10 and December 2010/11. Similarly, outstanding estimated costs have increased over the reference period (Indicator 1.3.2) although this is based on insurer estimates and tends to revise downwards as claims mature.
- As shown in Indicator 1.3.3, average estimated costs have also increased in the last year, which may be attributed to increasing numbers of longer duration claims (see Indicator 1.1.5).

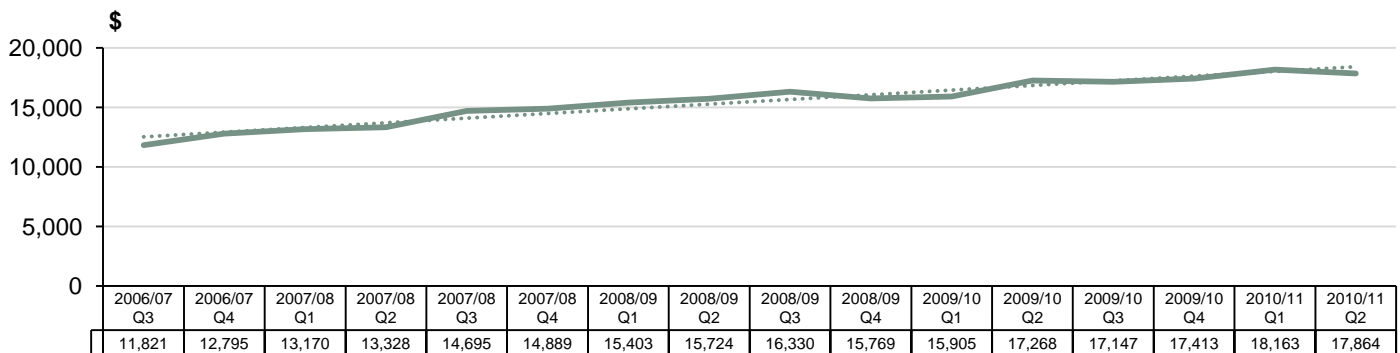
1.3.1: Total estimated claim costs by insurer received date



1.3.2: Total outstanding estimated claim costs by insurer received date



1.3.3: Average estimated claim costs by insurer received quarter



* See Glossary for definition and further explanation.

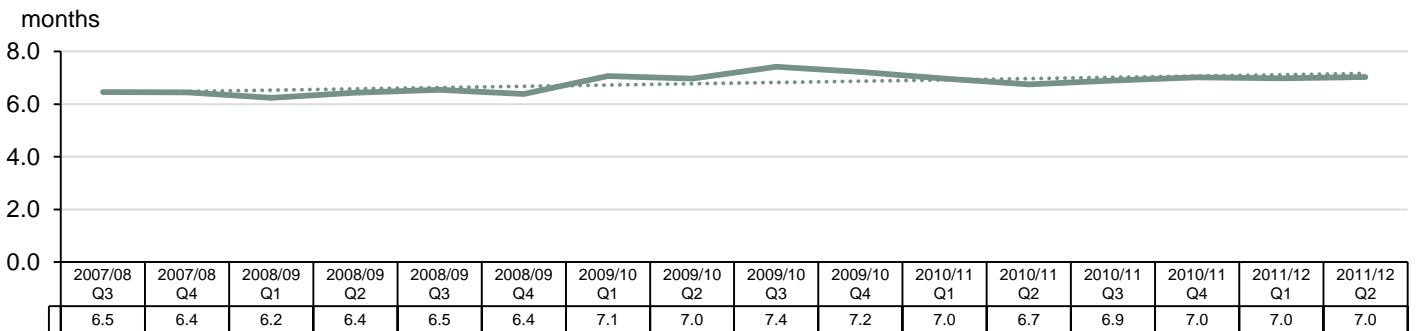
Section 1: Key indicators

Claim management

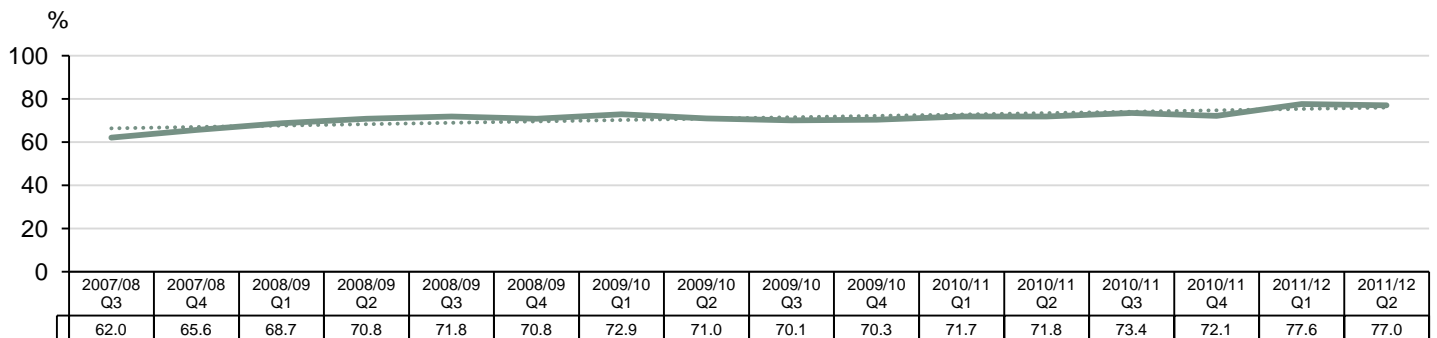
Summary:

- Indicator 1.4.1 highlights that the average length of time taken to finalise claims has remained stable at seven months since the June (Q4) 2010/11 quarter. However the long term trend shows that the average claim duration has been increasing over the past four years.
- Indicator 1.4.2 shows that the proportion of claims lodged by employers with their insurer within five working days (new legislative requirement, effective 1 October 2011) has remained stable for the two most recent quarters.
- The proportion of claims where an insurer/self-insurer makes an initial liability decision* within the specified legislative time requirement has remained stable in the last year (Indicator 1.4.3). This indicator excludes pending claims* and shows a very high proportion of claims (>90%) have an initial decision made within the required time.

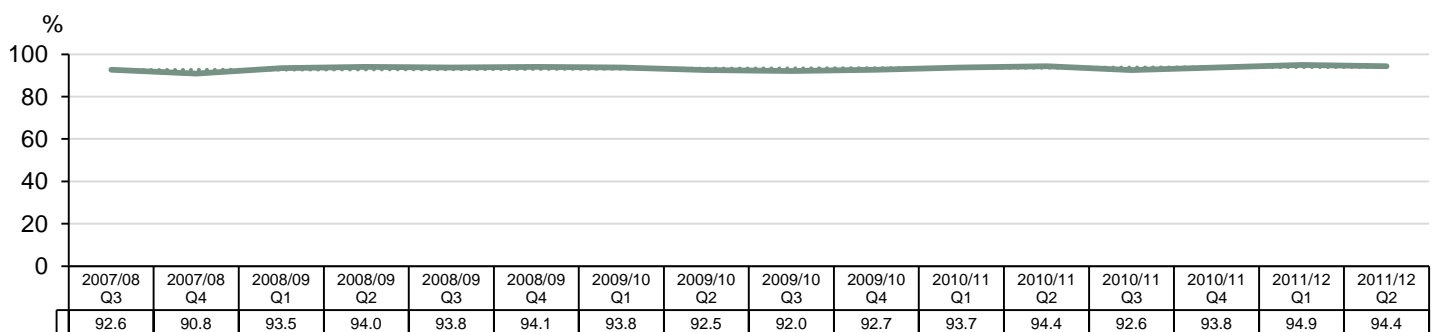
1.4.1: Average claim duration by initial finalisation quarter



1.4.2: Proportion of insurer lodgement period within 5 working days by insurer received quarter



1.4.3: Proportion of initial liability decision made within the legislated time (14 days for insurers and 17 days for self-insurers) by initial decision quarter - pending claims* excluded



* See Glossary for definition and further explanation.

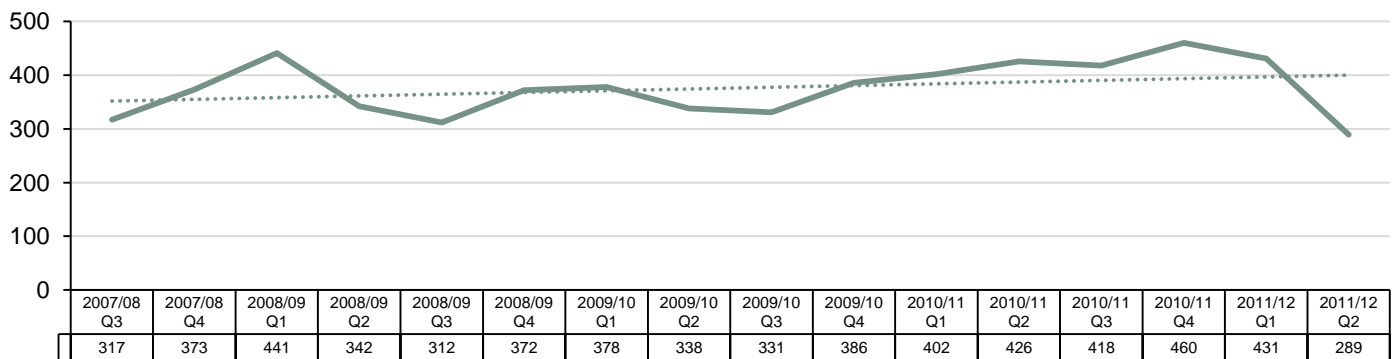
Section 1: Key indicators

Disputes

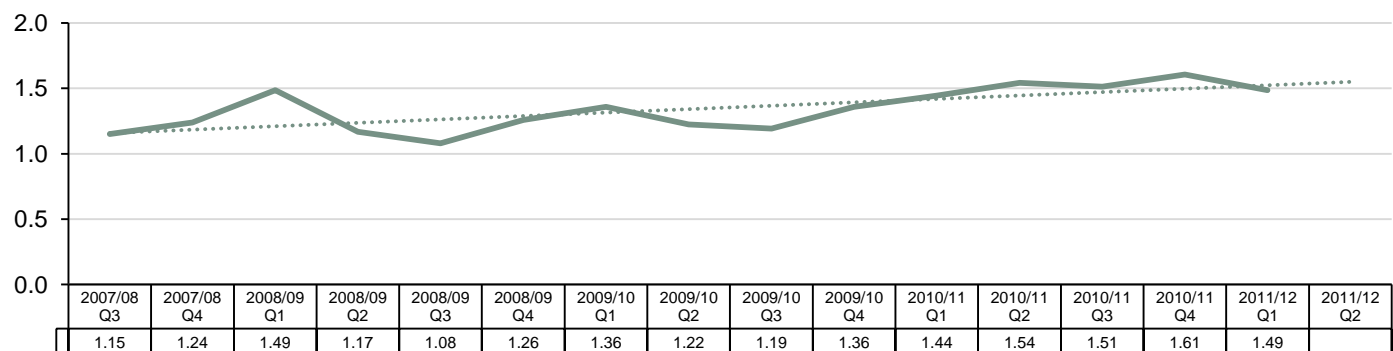
Summary:

- As shown in Indicator 1.5.1, the significantly lower number of disputes in the December (Q2) 2011/12 quarter is reflective of the transition period between the former Dispute Resolution Directorate (DRD) and commencement of the new Conciliation and Arbitration Services (CAS). See page 4 for further information.
- Trends for the new CAS will be discussed in future reports.

1.5.1: Number of new dispute applications[^] by acceptance quarter



1.5.2: Number of new dispute applications per 100 active claims (disputation rate) by acceptance quarter



[^] Please note that dispute data reported between the March (Q3) 2007/08 and September (Q1) 2011/12 quarters relates to the WorkCover WA Dispute Resolution Directorate (DRD) only. The DRD ceased operation on 30 November 2011 and the WorkCover WA Conciliation and Arbitration Services (CAS) commenced on 1 December 2011. Therefore data reported for the December (Q2) 2011/12 reflects the transition period between the DRD and CAS.

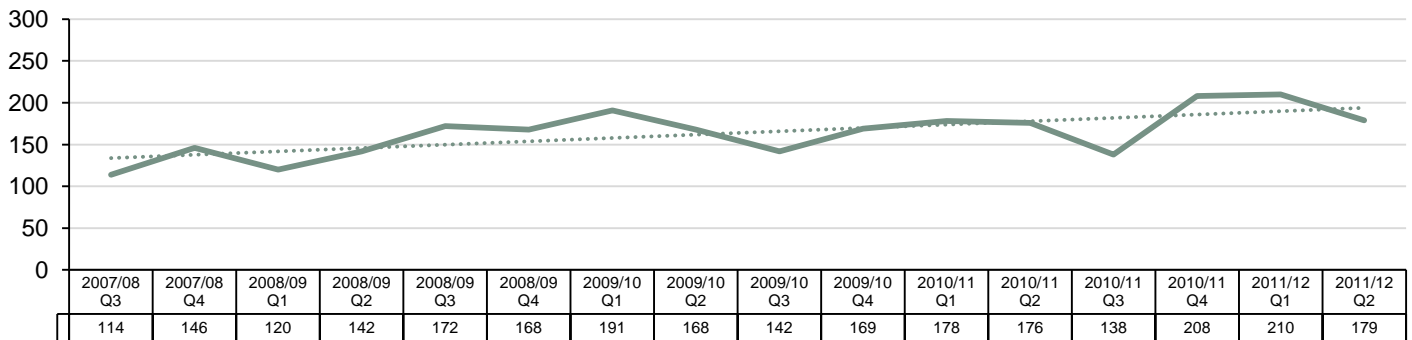
Section 1: Key indicators

Common law applications

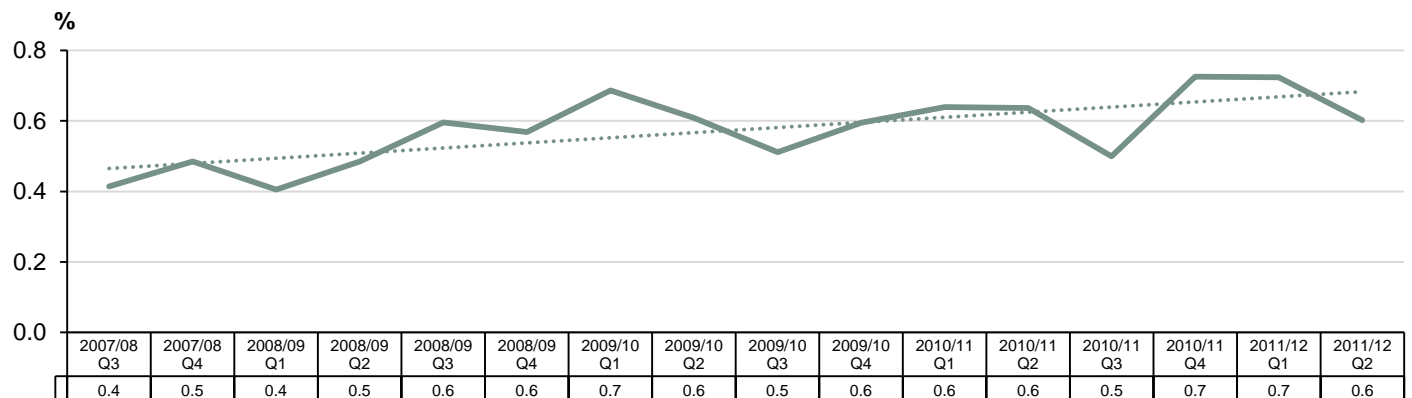
Summary:

- The number of Common Law applications (Indicator 1.6.1) and proportion of Common Law applications (of all active claims*) remained stable between December (Q2) 2010/11 and December (Q2) 2011/12 quarters.
- However, the long term trend (four years) shows that applications have been steadily increasing over time.

1.6.1: Number of Common law 2004 Scheme applications by application quarter*



1.6.2: Number of Common law 2004 Scheme applications as a proportion of active claims by application quarter



* See Glossary for definition and explanation of terms.

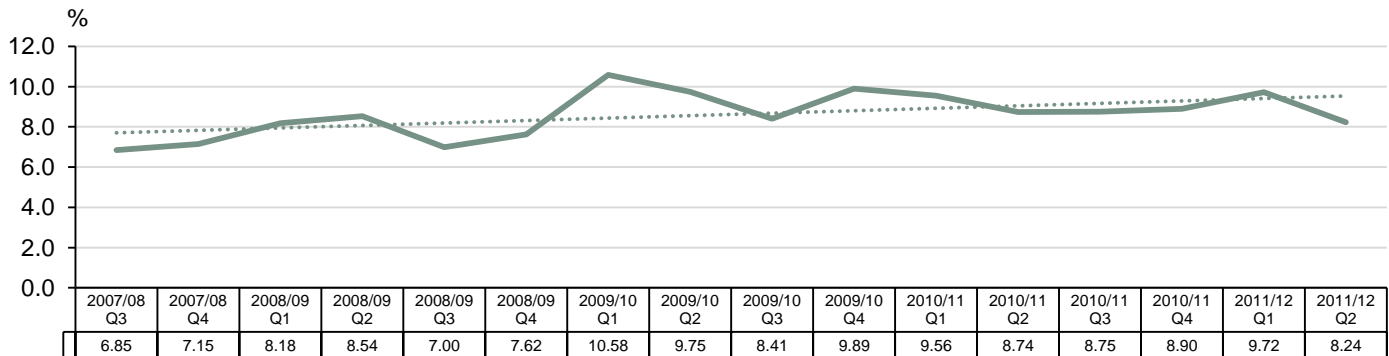
Section 1: Key indicators

Settlements

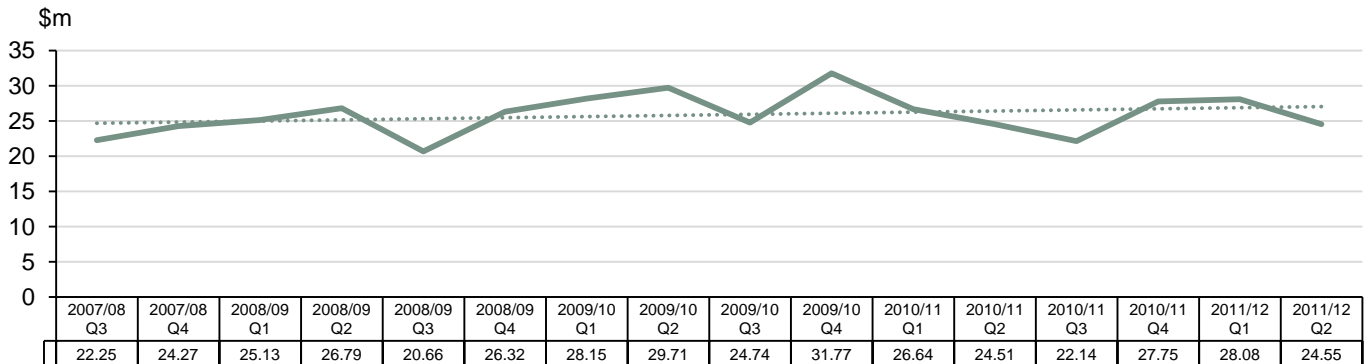
Summary:

- Over the past year (December 2010/11 to December 2011/12), the number of Memorandum of Agreements (MOA) as a proportion of finalised claims (Indicator 1.7.1) slightly decreased. However, total payments associated with MOA for the refered period remained stable.
- Both the number of MOA and associated payments have been increasing over the past four years.

1.7.1: Number of Memorandum of Agreements* as a proportion of finalised claims by finalisation quarter



1.7.2: Total payments (real) associated with Memorandum of Agreements* by recording quarter



* See Glossary for definition and explanation of Memorandum of Agreements.

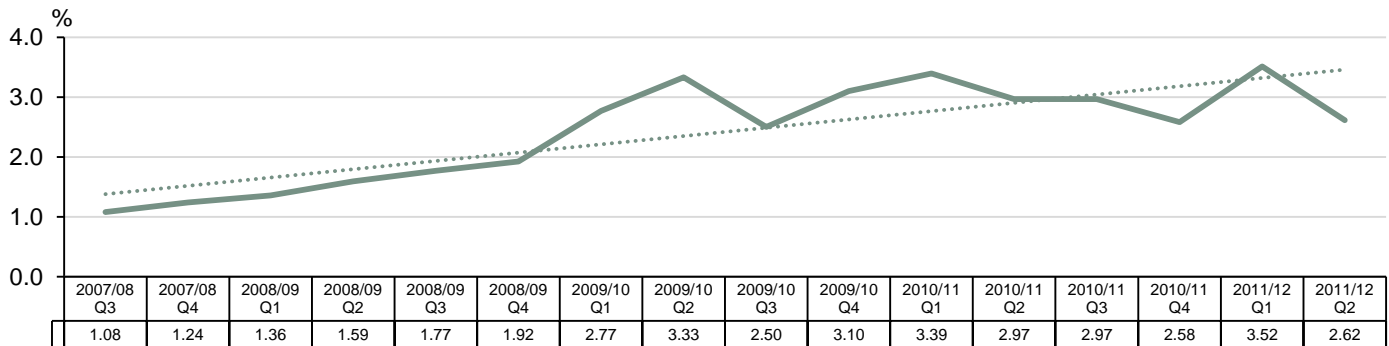
Section 1: Key indicators

Settlements

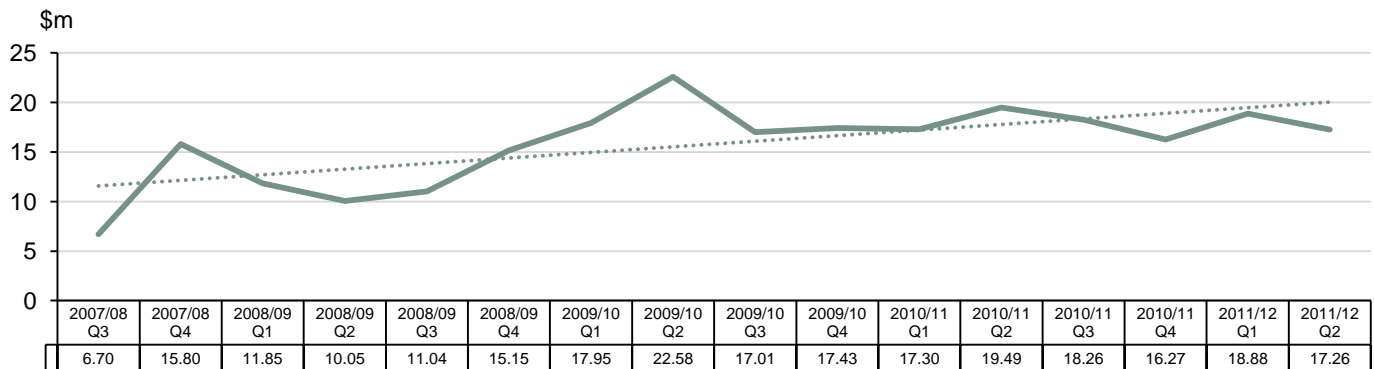
Summary:

- Between the December 2010/11 and December 2011/12 quarters, the number of Section 92(f) deeds as a proportion of finalised claims decreased (Indicator 1.7.3). This was also reflected for total payments associated with Section 92(f) deeds.

1.7.3: Number of Section 92(f) deeds* as a proportion of finalised claims by finalisation quarter



1.7.4: Total payments (real) associated with Section 92(f) deeds by recording quarter



* See Glossary for definition and explanation of Common Law applications and Section 92(f) deeds.

Section 2: Approved insurer and self-insurer comparison

Claim numbers

This section presents detailed information about claim numbers, payments, estimated costs, claim management, Memorandum of Agreements and Section 92(f) deeds at both the approved insurer and self-insurer level. It should be noted that for claim payment indicators contained in this section, information is reported by different types of payment rather than at the insurer level.

Summary: December 2010/11 to December 2011/12

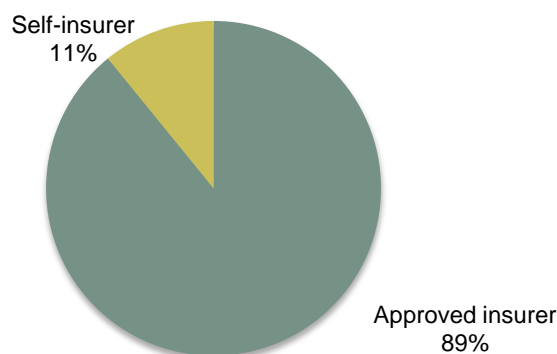
- Claim activity for both approved insurers and self-insurers decreased over the reference period:
 - both insurer types had decreases in the number of new claims lodged, most notably for self-insurers (8.8% decrease).
 - the number of active* claims also increased for both insurer types, particularly for approved insurers (8.4% increase).

2.1.0 Claim numbers

	Current quarter	% change from previous quarter	% change from same quarter last year	
Total claim count (pg 17)				
Approved insurer	8,561	-4.3	-1.9	■
Self-insurer	1,044	-7.7	-8.8	▼
Proportion of claims (%) (pg 17)				
Approved insurer	89.1	0.4	0.7	■
Self-insurer	10.9	-0.4	-0.7	■
Active income claims (pg 18)				
Approved insurer	16,669	-1.4	1.9	■
Self-insurer	1,776	-5.7	-1.1	■
New:closed claim ratio (pg 18)				
Approved insurer	1.03	-0.08	-0.07	■
Self-insurer	1.03	0.12	0.05	■

- ▲ Increased by 5% or more
- Increased/decreased by less than 5%
- ▼ Decreased by 5% or more
- > +/- 5% change in year

Proportion of claims in the December quarter (Q2) of 2011/12



* See Glossary for definition and further explanation.

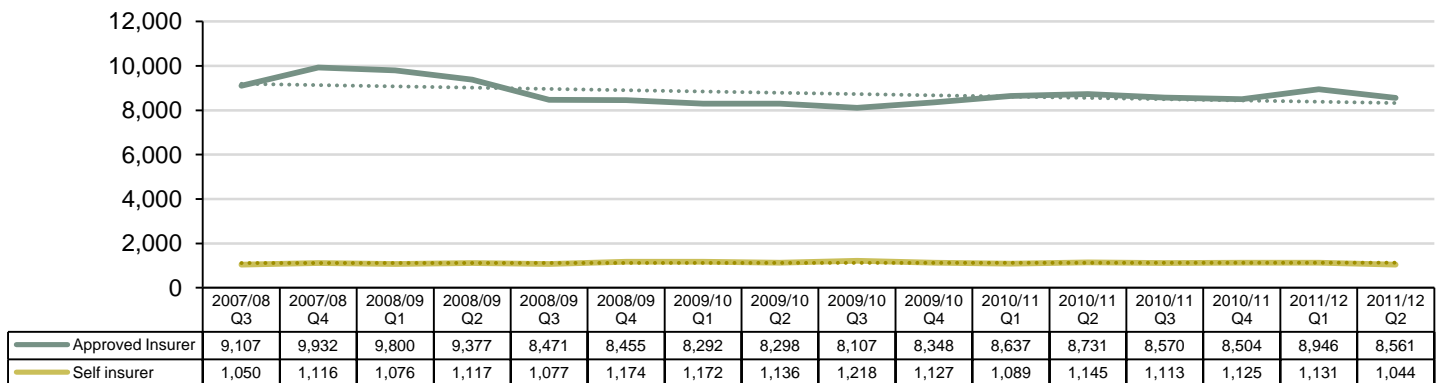
Section 2: Approved insurer and self-insurer comparison

Claim numbers

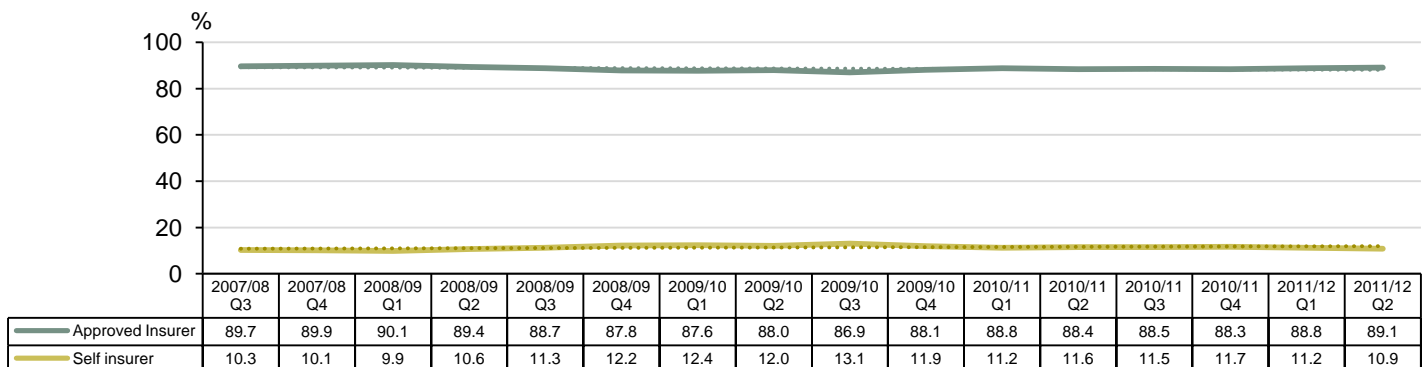
Summary:

- Long term trends (four year period) show that the number of claims lodged with approved insurers has been decreasing over time while claims have remained stable for self-insurers.
- More recently, between the September (Q1) 2011/12 and December (Q2) 2011/12 quarters, there was a 4% decrease in claim numbers for approved insurers and an 8% decrease in claims for self-insurers.
- However, the proportion of claims has remained stable for both insurer types (Indicator 2.1.2).

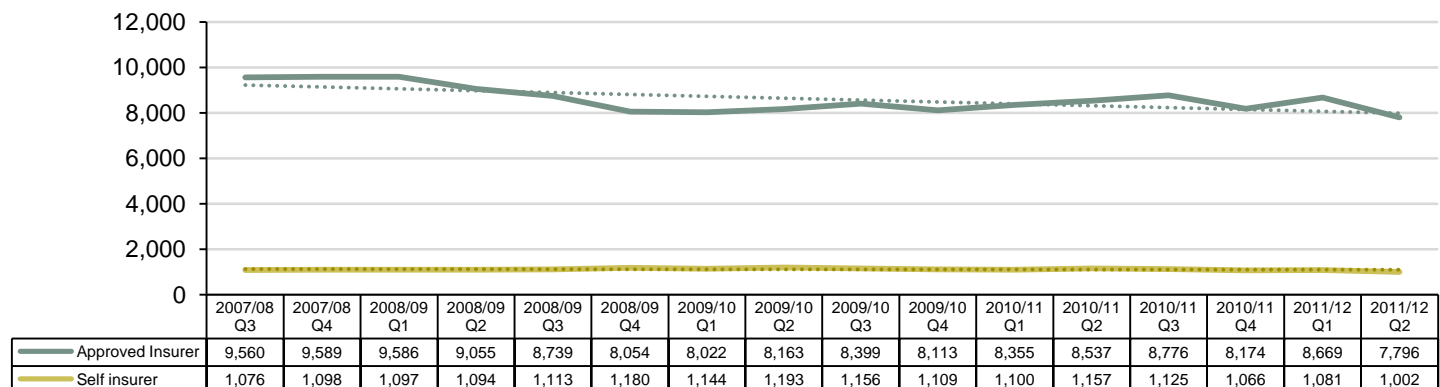
2.1.1: Total number of claims by insurer received quarter



2.1.2: Proportion of claims by insurer received quarter



2.1.3: Total number of claims by accident quarter



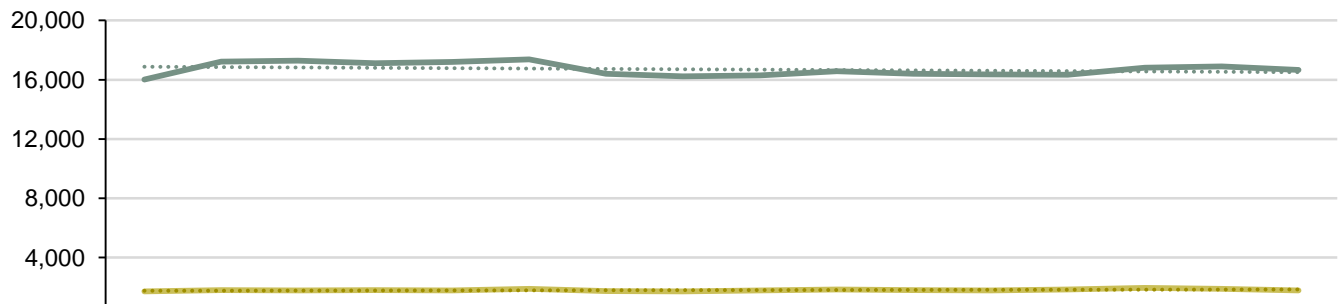
Section 2: Approved insurer and self-insurer comparison

Claim numbers

Summary:

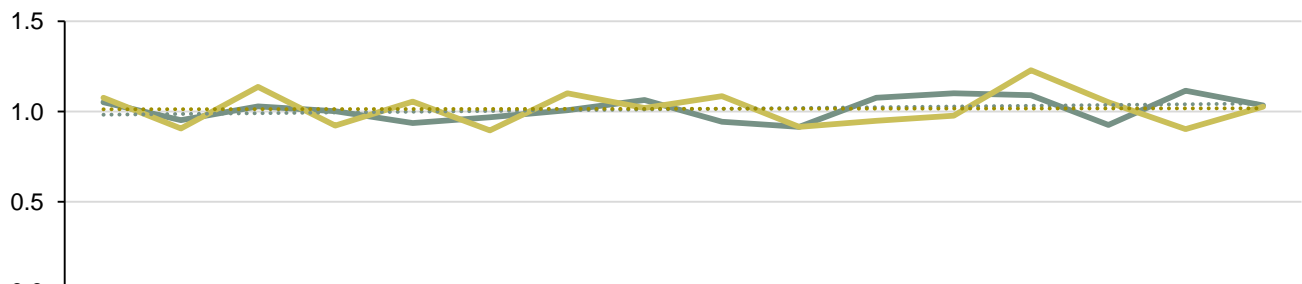
- Indicator 2.1.4 clearly illustrates that the majority of claim activity within the WA workers' compensation scheme is managed by approved insurers, with the number of active income claims increasing slightly for approved insurers between the June (Q4) 2010/11 and December (Q2) 2011/12 quarters.
- The ratio of new to closed claims for both approved and self-insurers has been stable over the past year, despite variations across quarters (Indicator 2.1.5). For the most recent December quarter (Q2) 2011/12, both insurer types had a slightly larger proportion of new claims lodged than claims closed.
- However, the long term trend (over the past four years) indicates that the rate of new claims to closed claims is stable.

2.1.4: Number of active income claims by transaction quarter



	2007/08 Q3	2007/08 Q4	2008/09 Q1	2008/09 Q2	2008/09 Q3	2008/09 Q4	2009/10 Q1	2009/10 Q2	2009/10 Q3	2009/10 Q4	2010/11 Q1	2010/11 Q2	2010/11 Q3	2010/11 Q4	2011/12 Q1	2011/12 Q2
Approved Insurer	16,003	17,214	17,297	17,110	17,195	17,371	16,392	16,230	16,303	16,573	16,392	16,358	16,339	16,808	16,903	16,669
Self insurer	1,714	1,809	1,777	1,798	1,793	1,888	1,738	1,712	1,791	1,839	1,809	1,795	1,841	1,953	1,883	1,776

2.1.5: Ratio of new claims to closed claims



	2007/08 Q3	2007/08 Q4	2008/09 Q1	2008/09 Q2	2008/09 Q3	2008/09 Q4	2009/10 Q1	2009/10 Q2	2009/10 Q3	2009/10 Q4	2010/11 Q1	2010/11 Q2	2010/11 Q3	2010/11 Q4	2011/12 Q1	2011/12 Q2
Approved Insurer	1.05	0.95	1.03	1.00	0.94	0.97	1.01	1.06	0.94	0.92	1.08	1.10	1.09	0.93	1.12	1.03
Self insurer	1.08	0.91	1.14	0.92	1.05	0.90	1.10	1.02	1.08	0.91	0.95	0.98	1.23	1.05	0.90	1.03

Section 2: Approved insurer and self-insurer comparison

Claim payments

Summary: December 2010/11 to December 2011/12

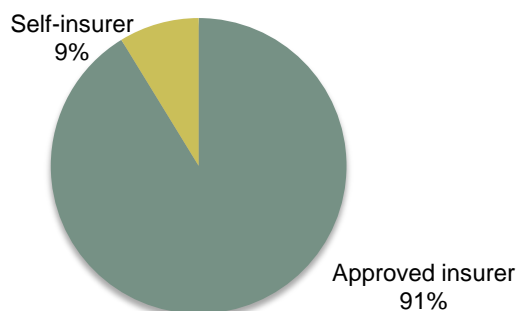
- Claim payments decreased significantly for self-insurers (9.5%) and slightly increased for approved insurers.
- Consistent with the overall scheme trend for the stated reference period, medical, allied health and vocational rehabilitation increased significantly (>10%) and there were also increases in legal and other service payments.
- There was a large decrease in common law payments (38%) which may have contributed to overall payments remaining stable.

2.2.0: Claim payments

	Current quarter	% change from previous quarter	% change from same quarter last year	
Total payments (\$m) (pg 20)				
Approved insurer	161.2	-5.2	1.4	■
Self-insurer	15.5	-7.2	-9.5	▼
Income payment	62.6	-4.0	-1.2	■
Lump sum - excl common law	30.9	-8.8	12.6	▲
Common law payment	15.7	-29.7	-38.1	▼
Medical and hospital	28.6	6.8	14.0	▲
Allied health & vocational rehabilitation	17.6	4.3	14.7	▲
Legal & other services	21.1	-1.8	9.4	▲
Proportion of payments (%) (pg 21)				
Approved insurer	91.2	0.2	1.0	■
Self-insurer	8.8	-0.2	-1.0	■
Income payment	35.5	0.5	-0.6	■
Lump sum - excl common law	17.5	-0.7	1.9	■
Common law payment	8.9	-3.1	-5.5	▼
Medical and hospital	16.2	1.8	1.9	■
Allied health & vocational rehabilitation	10.0	0.9	1.2	■
Legal & other services	11.9	0.4	1.0	■

- ▲ Increased by 5% or more
- Increased/decreased by less than 5%
- ▼ Decreased by 5% or more
- > +/- 5% change in year

Proportion of payments in the December quarter (Q2) of 2011/12



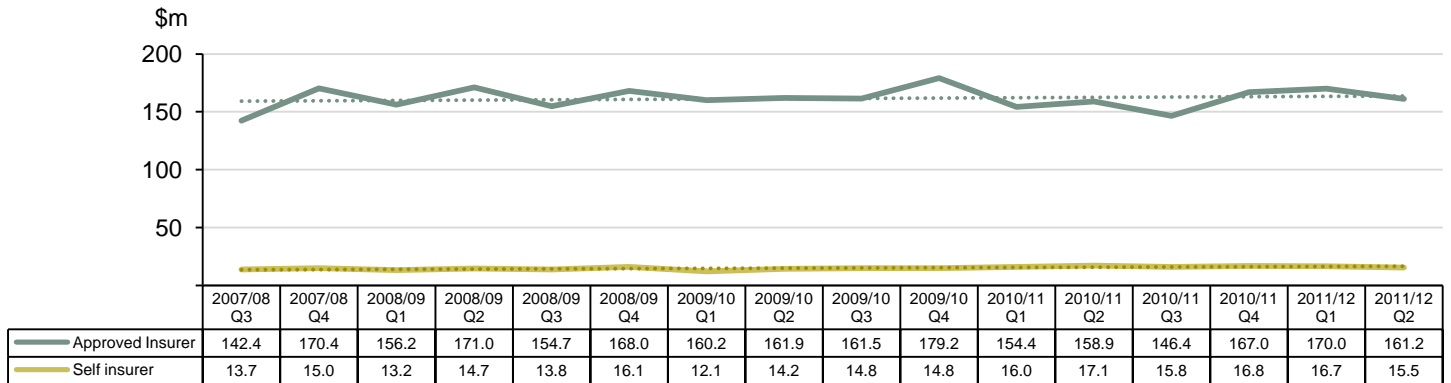
Section 2: Approved insurer and self-insurer comparison

Claim payments

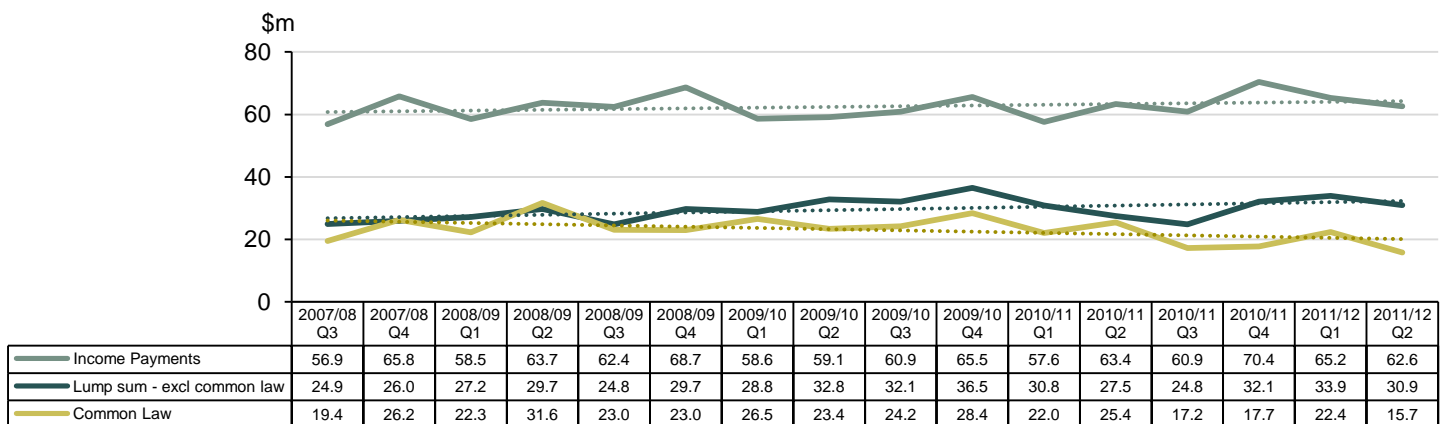
Summary:

- Over the last year (December 2010/11 to December 2011/12) payments increased for approved insurers and decreased for self-insurers (Indicator 2.2.1).
- However, the long term trend shows that claim payments have remained stable for both insurer types over the past four years.
- Between the December 2010/11 and December 2011/12 quarters, all service payment types increased (Indicator 2.2.3) whereas for payments direct to worker (Indicator 2.2.2), only lump sum payments increased.

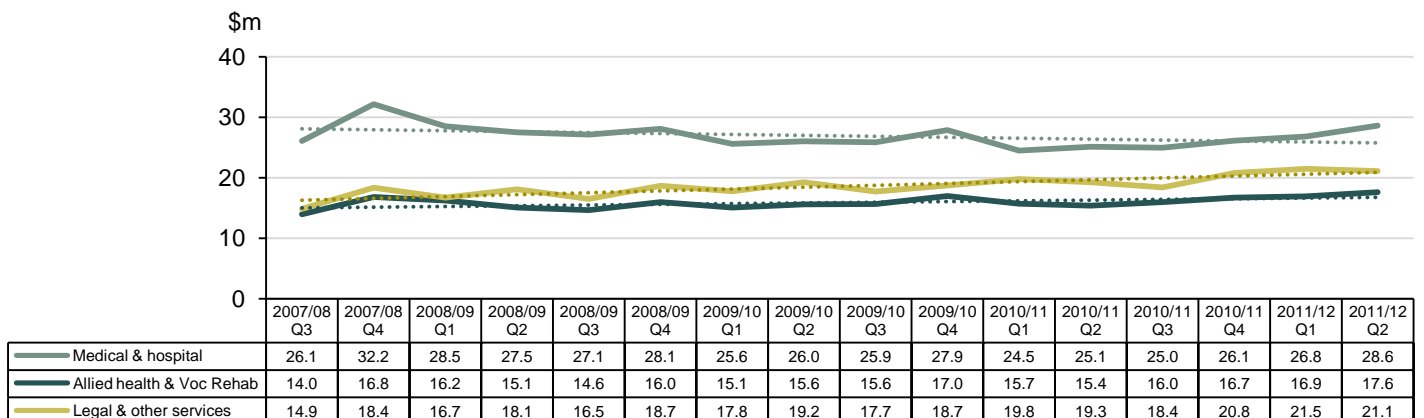
2.2.1: Total claim payments by transaction quarter



2.2.2: Claim payments direct to worker by transaction quarter



2.2.3: Claim payments for treatment services and legal & other services by transaction quarter



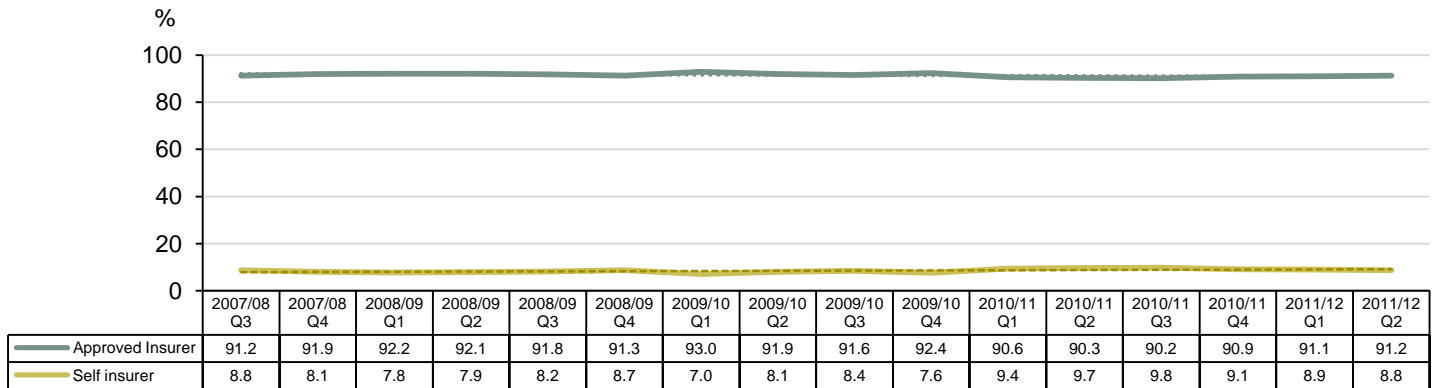
Section 2: Approved insurer and self-insurer comparison

Claim payments

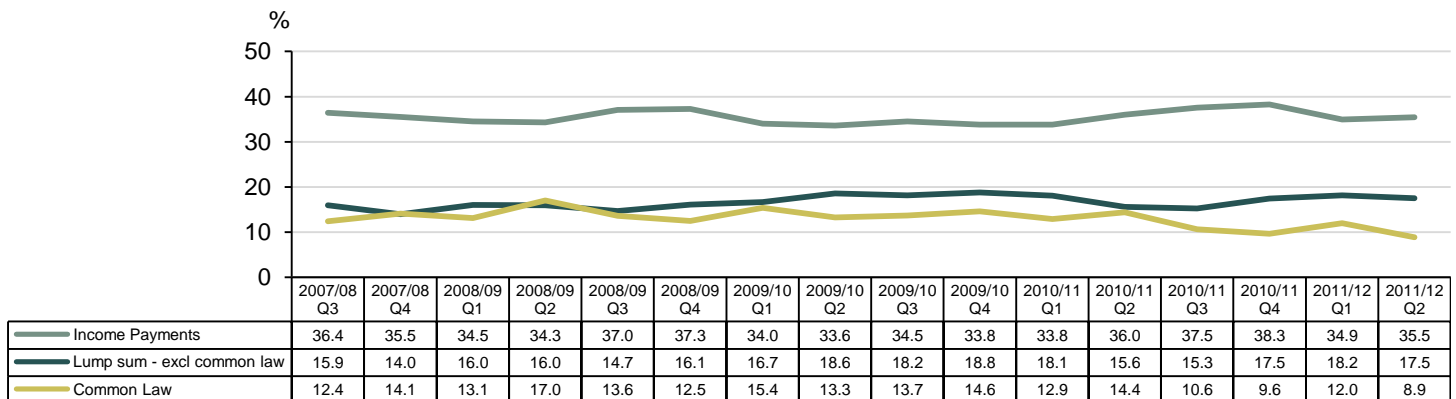
Summary:

- As illustrated by Indicator 2.2.4, the proportion of claim payments for approved insurers has slightly increased in the past year with a corresponding decrease for self-insurers. However, the long term trend shows that the proportion of payments between insurer types remains stable.
- The proportion of claim payments in the past year reflect trends discussed for total claim payments (see previous page).

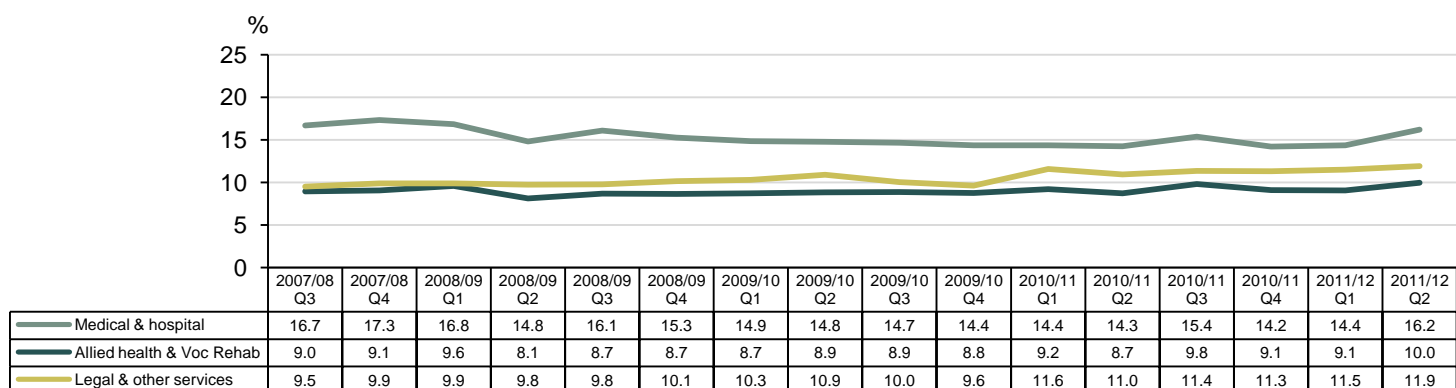
2.2.4: Proportion of claim payments by transaction quarter



2.2.5: Proportion of claim payments direct to worker by transaction quarter



2.2.6: Proportion of claim payments for treatment services and legal & other services by transaction quarter



Section 2: Approved insurer and self-insurer comparison

Estimated costs

Summary: December 2009/10 to December 2010/11

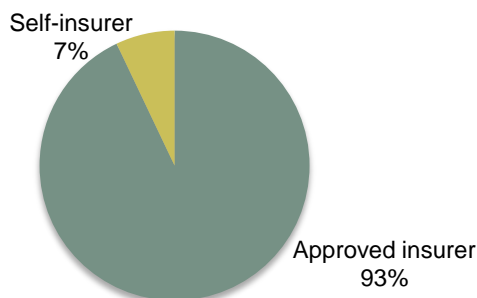
- Estimated claim costs are reported up to the December (Q2) 2010/11 quarter only. This is because estimated costs data is subject to significant development over time and information for the 2011/12 year is still preliminary.
- Total estimated average claim costs increased for approved insurers and decreased for self-insurers. For the latter this is attributed to a significant decrease (17.9%) in non-common law claim costs.
- Common law estimated costs increased for self-insurers during the reference period. It should be noted that due to the small proportion of claims, figures for common law claim costs can fluctuate widely.

2.3.0 Estimated costs*

	September 2010/11 quarter	% change from previous quarter	% change from same quarter last year	
Total estimated claim costs (\$m) (pg 23)				
Approved insurer	164.0	0.5	11.0	▲
Self-insurer	12.5	-7.9	-18.2	▼
Average estimated claim costs (\$) (pg 23)				
Approved insurer	18,778	-0.6	5.5	▲
Self-insurer	10,892	-12.4	-18.9	▼
Average estimated claim costs - excl common law (\$) (pg 24)				
Approved insurer	16,452	-2.0	15.2	▲
Self-insurer	8,712	-19.8	-17.9	▼
Average estimated claim costs - common law (\$) (pg 24)				
Approved insurer	165,762	32.2	2.1	■
Self-insurer	122,165	69.8	10.5	▲

- ▲ Increased by 5% or more
- Increased/decreased by less than 5%
- ▼ Decreased by 5% or more
- > +/- 5% change in year

Proportion of total estimated claim costs in the December quarter (Q2) of 2010/11



* See Glossary for definition and further explanation.

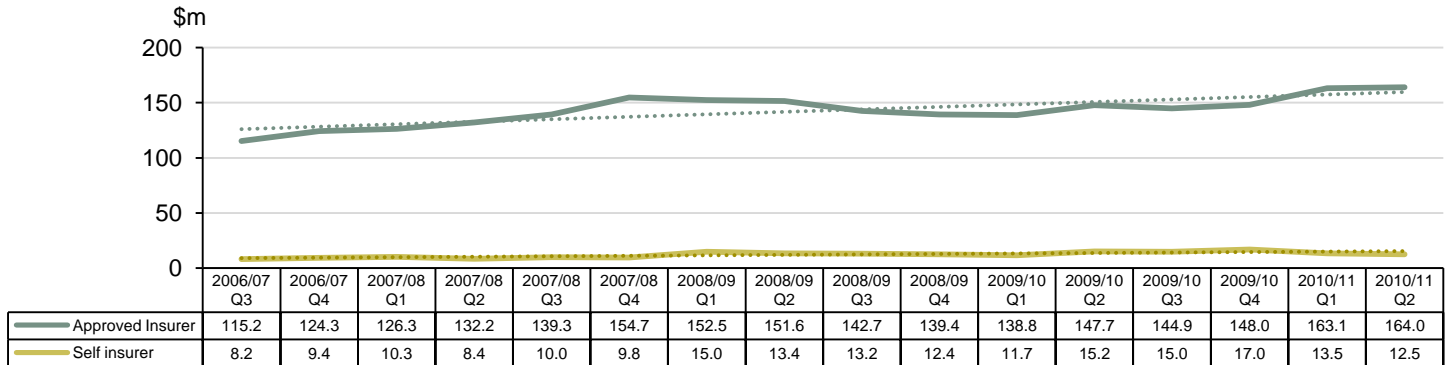
Section 2: Approved insurer and self-insurer comparison

Estimated costs

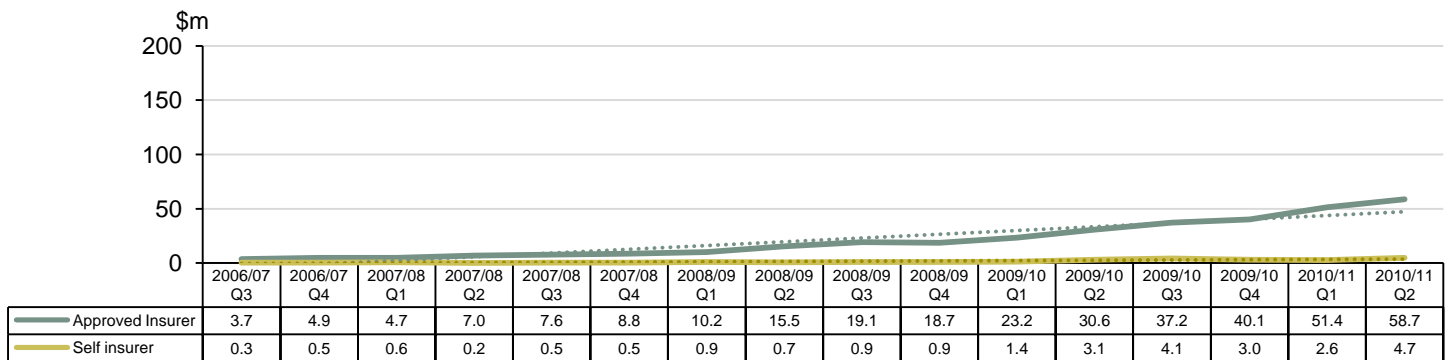
Summary:

- Long term trends show that estimated claim costs (Indicator 2.3.1 and 2.3.2) have been increasing over time for approved insurers while remaining stable for self-insurers. In relation to the former, trends are influenced by different estimation methodologies used by approved insurers.
- As shown in Indicator 2.3.2, outstanding claim costs revise downwards for approved insurers as claims mature.

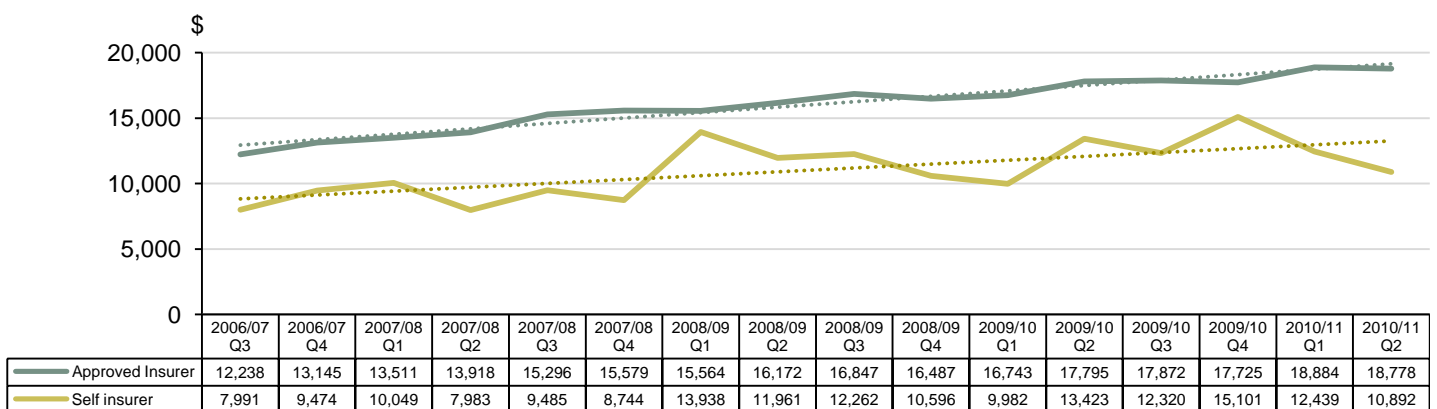
2.3.1: Total estimated claim costs by insurer received quarter



2.3.2: Outstanding estimated claim costs by insurer received quarter



2.3.3: Average estimated claim costs by insurer received quarter



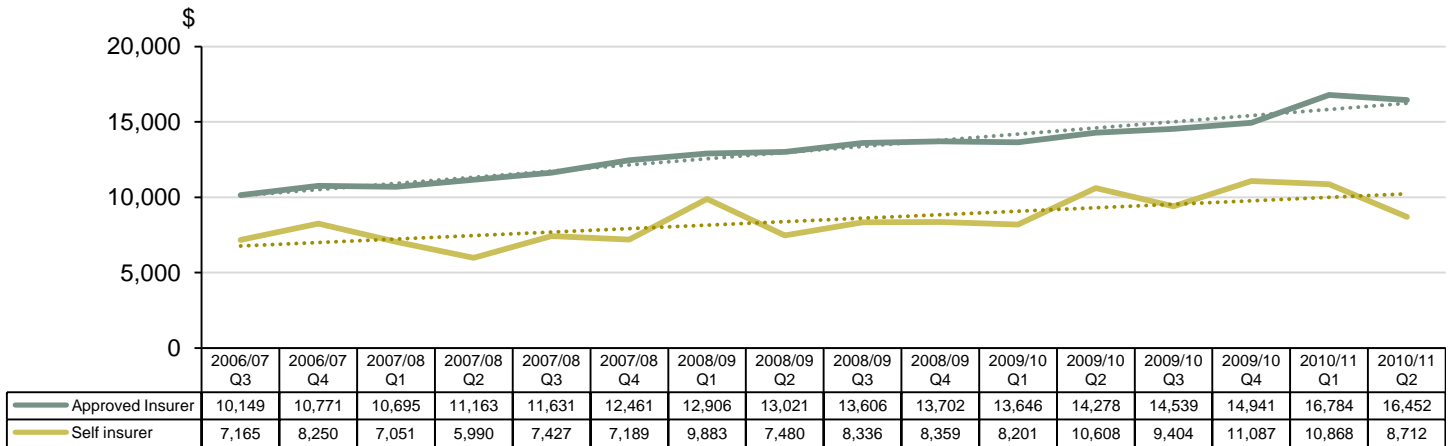
Section 2: Approved insurer and self-insurer comparison

Estimated costs

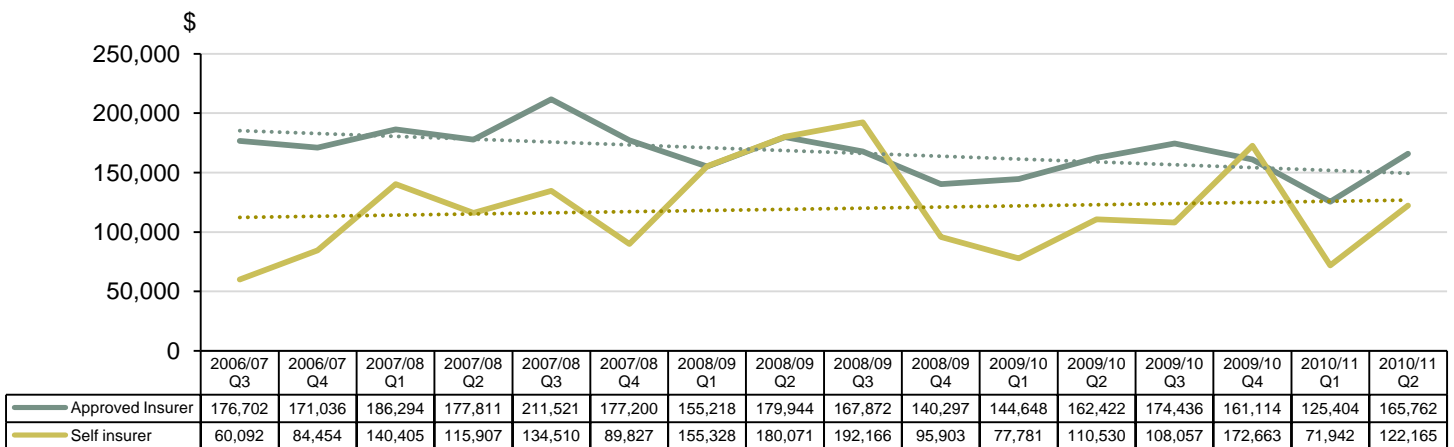
Summary:

- Indicator 2.3.4 shows that average estimated claim costs without the influence of common law, increased for approved insurers and decreased for self-insurers between December (Q2) 2009/10 and December (Q2) 2010/11.
- The long term trends show that estimated costs have been increasing for both insurer types over the past four years.
- Average estimated common law claim costs increased for both insurer types over the past year (December 2009/10 to December 2010/11). However, the long term trends show that average common law claim costs have been increasing for self-insurers and decreasing for approved insurers over time.

2.3.4: Average estimated claim costs (derived) by insurer received quarter - excluding common law



2.3.5: Average estimated common law claim costs (derived) by insurer received quarter



Section 2: Approved insurer and self-insurer comparison

Estimated costs

This section details actual and outstanding costs for all unfinalised claims up until 30 June 2011 for approved insurers.

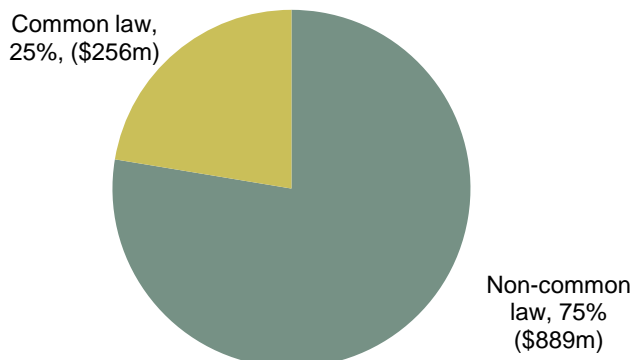
2.3.6 Current claim costs for open claims (excluding common law) by insurer received year - Approved insurer

Insurer received year	Open claims	Total estimated \$	Actual paid \$	Outstanding estimated \$	% outstanding estimate for all open claims
All earlier years	341	33,654,135	22,685,092	10,969,043	32.6
2002/03	100	7,128,380	4,865,967	2,262,413	31.7
2003/04	127	9,390,570	5,992,954	3,397,616	36.2
2004/05	155	14,943,144	10,209,143	4,734,000	31.7
2005/06	206	21,021,334	13,394,055	7,627,279	36.3
2006/07	318	35,664,788	24,380,445	11,284,343	31.6
2007/08	513	57,734,495	38,964,272	18,770,223	32.5
2008/09	924	105,958,041	68,581,588	37,376,453	35.3
2009/10	1,975	203,713,135	121,284,697	82,428,438	40.5
2010/11	5,527	399,949,150	192,789,228	207,159,922	51.8
Total	10,186	889,157,172	503,147,441	386,009,731	43.4

2.3.7 Current claim costs for open common law claims by insurer received year - Approved insurer

Insurer received year	Open claims	Total estimated \$	Actual paid \$	Outstanding estimated \$	% outstanding estimate for all open claims
All earlier years	15	5,437,756	3,785,538	1,652,218	30.4
2002/03	7	2,231,425	1,304,443	926,982	41.5
2003/04	11	8,462,567	4,117,253	4,345,314	51.3
2004/05	20	12,633,731	5,472,639	7,161,092	56.7
2005/06	18	10,616,873	3,851,335	6,765,538	63.7
2006/07	24	10,985,770	3,786,953	7,198,817	65.5
2007/08	48	21,753,596	12,423,246	9,330,350	42.9
2008/09	88	43,745,563	17,577,382	26,168,180	59.8
2009/10	161	73,639,007	24,867,468	48,771,539	66.2
2010/11	192	66,963,571	16,566,664	50,396,907	75.3
Total	584	256,469,859	93,752,923	162,716,936	63.4

Proportion of total estimated claim costs for all open claims for approved insurers within the WA workers' compensation scheme to 30 June 2011



Section 2: Approved insurer and self-insurer comparison

Estimated costs

This section details actual and outstanding costs for all unfinalised claims up to 30 June 2011 for self-insurers.

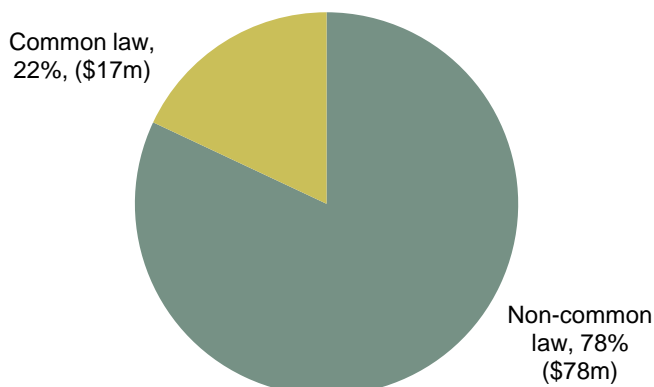
2.3.8 Current claim costs for open claims (excluding common law) by insurer received year - self-insurer

Insurer received year	Open claims	Total estimated \$	Actual paid \$	Oustanding estimated \$	% outstanding estimate for all open claims
All earlier years	63	3,592,178	2,706,688	885,490	24.7
2002/03	8	257,812	156,985	100,827	39.1
2003/04	28	1,754,702	1,105,990	648,712	37.0
2004/05	17	1,024,288	673,996	350,292	34.2
2005/06	28	1,705,714	1,047,532	658,183	38.6
2006/07	33	2,712,573	1,886,972	825,601	30.4
2007/08	46	3,687,024	2,290,540	1,396,484	37.9
2008/09	104	8,951,448	5,841,154	3,110,294	34.7
2009/10	259	23,033,230	13,930,052	9,103,178	39.5
2010/11	667	31,660,672	15,992,790	15,667,882	49.5
Total	1,253	78,379,642	45,632,699	32,746,943	41.8

2.3.9 Current claim costs for open common law claims by insurer received year - self-insurer

Insurer received year	Open claims	Total estimated \$	Actual paid \$	Oustanding estimated \$	% outstanding estimate for all open claims
All earlier years	<5	52,443	2,443	50,000	95.3
2002/03	<5	1,021,038	405,073	615,966	60.3
2003/04	-	-	-	-	-
2004/05	<5	1,582,286	996,354	585,932	37.0
2005/06	<5	612,665	465,857	146,808	24.0
2006/07	<5	326,882	127,451	199,431	61.0
2007/08	7	1,764,347	1,378,375	385,972	21.9
2008/09	7	2,854,027	2,650,319	203,707	7.1
2009/10	15	5,668,238	3,104,554	2,563,683	45.2
2010/11	20	3,334,264	1,240,040	2,094,224	62.8
Total	57	17,216,189	10,370,467	6,845,723	39.8

Proportion of total estimated claim costs for all open claims for self-insurers within the WA workers' compensation scheme to 30 June 2011



Section 2: Approved insurer and self-insurer comparison

Claim management

Summary: December 2010/11 to December 2011/12

- The average time taken to finalise a claim deteriorated for self-insurers over the reference period, increased from 6.7 months in December 2010/11 to 7.6 months in December 2011/12. Claim duration for approved insurers remained stable.
- The proportion of claims where a liability decision is made within the legislated timeframe (initial liability decision period - excluding pending claims*) slightly decreased for approved insurers and improved for self-insurers.
- The time taken for a worker to lodge either an injury or disease claim with an employer improved significantly (>10%) for both insurer types.

2.4.0 Average duration of claims

	This quarter	% change from previous quarter	% change from same quarter last year	
Claim duration - initial finalisation (months) (pg 28)				
Approved insurer	7.0	-0.1	2.9	■
Self-insurer	7.6	7.9	14.5	▲
Employer lodgement period* - injury income claims (days) (pg 28)				
Approved insurer	13	-5.6	-13.0	▼
Self-insurer	10	-23.1	-41.6	▼
Employer lodgement period* - disease income claims (days) (pg 29)				
Approved insurer	39	-0.7	-44.3	▼
Self-insurer	40	88.4	-30.3	▼
Insurer lodgement period - income claims (days) (pg 29)				
Approved insurer	5	-6.5	-12.6	▼
Average initial liability decision period for income claims which were initially pended (days) (pg 29)				
Approved insurer	47	-5.7	3.5	■
Self-insurer	60	5.4	-2.5	■

2.4.1 Proportion of claims with management periods within legislated timeframes

	This quarter	% change from previous quarter	% change from same quarter last year	
Insurer lodgement period - income claims (pg 30)				
Approved insurer	77	-0.6	5.2	▲
Initial liability confirmation period for income claims - pending claims excluded (pg 30)				
Approved insurer	95	-0.6	-0.3	■
Self-insurer	90	-0.4	3.0	■

- ▲ Increased by 5% or more
- Increased/decreased by less than 5%
- ▼ Decreased by 5% or more
- > +/- 5% change in year

* See Glossary for definition and further explanation.

Section 2: Approved insurer and self-insurer comparison

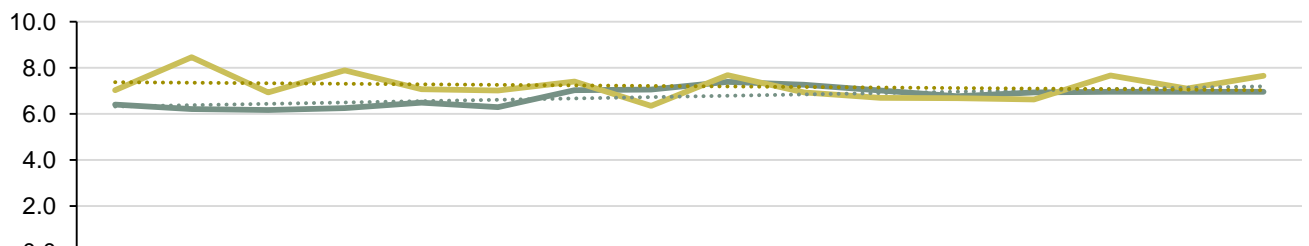
Claim Management

Summary:

- The long term trend shows that the average claim duration has been increasing over time for approved insurers while remaining stable for self-insurers.
- However more recently, between March (Q3) 2010/11 and December (Q2) 2011/12 quarters, the average claim duration remained stable for approved insurers and deteriorated for self-insurers.
- Despite large variations across quarters, the number of days between the occurrence of an injury and lodgement of a workers' compensation claim with an employer improved for both insurer types (Indicator 2.4.3) between the December 2010/11 and December 2011/12 quarters.

2.4.2: Average claim duration by initial finalisation quarter

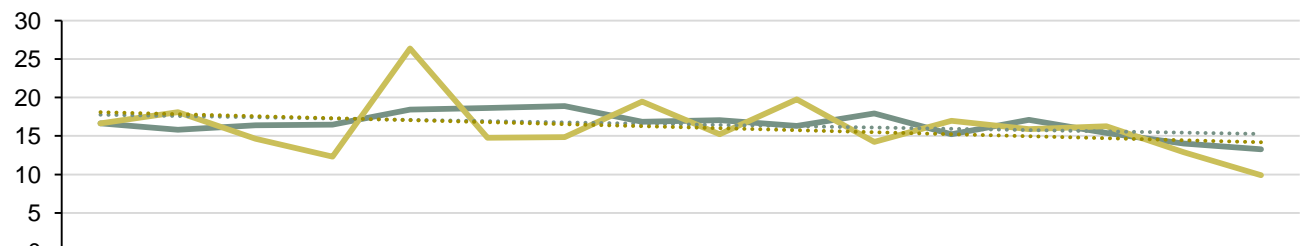
Months



	2007/08 Q3	2007/08 Q4	2008/09 Q1	2008/09 Q2	2008/09 Q3	2008/09 Q4	2009/10 Q1	2009/10 Q2	2009/10 Q3	2009/10 Q4	2010/11 Q1	2010/11 Q2	2010/11 Q3	2010/11 Q4	2011/12 Q1	2011/12 Q2
Approved Insurer	6.4	6.2	6.2	6.3	6.5	6.3	7.0	7.1	7.4	7.3	7.0	6.8	6.9	7.0	7.0	7.0
Self insurer	7.0	8.5	6.9	7.9	7.1	7.0	7.4	6.4	7.7	6.9	6.7	6.7	6.6	7.7	7.1	7.6

2.4.3: Average employer lodgement period for injury income claims by insurer received quarter

Days



	2007/08 Q3	2007/08 Q4	2008/09 Q1	2008/09 Q2	2008/09 Q3	2008/09 Q4	2009/10 Q1	2009/10 Q2	2009/10 Q3	2009/10 Q4	2010/11 Q1	2010/11 Q2	2010/11 Q3	2010/11 Q4	2011/12 Q1	2011/12 Q2
Approved Insurer	17	16	16	16	18	19	19	17	17	16	18	15	17	15	14	13
Self insurer	17	18	15	12	26	15	15	19	15	20	14	17	16	16	13	10

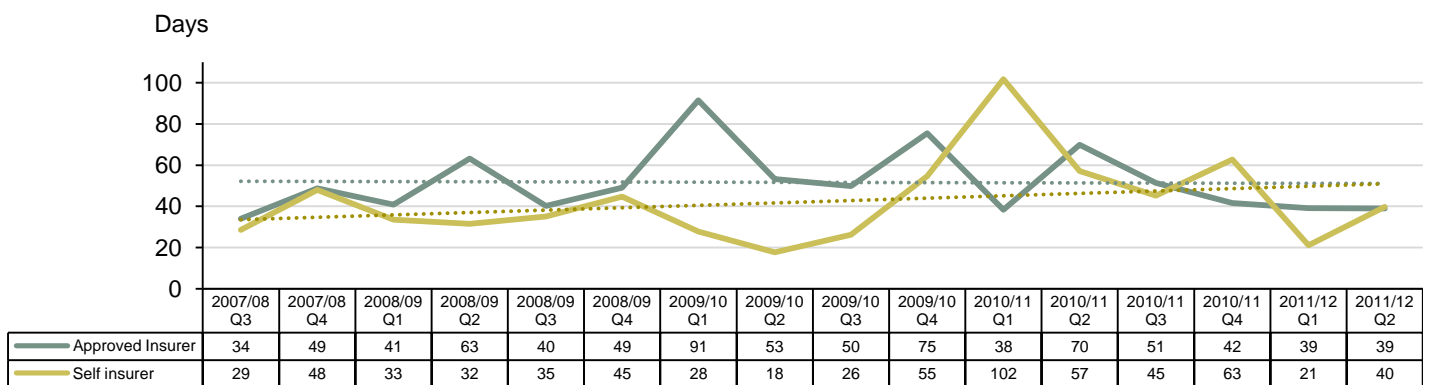
Section 2: Approved insurer and self-insurer comparison

Claim Management

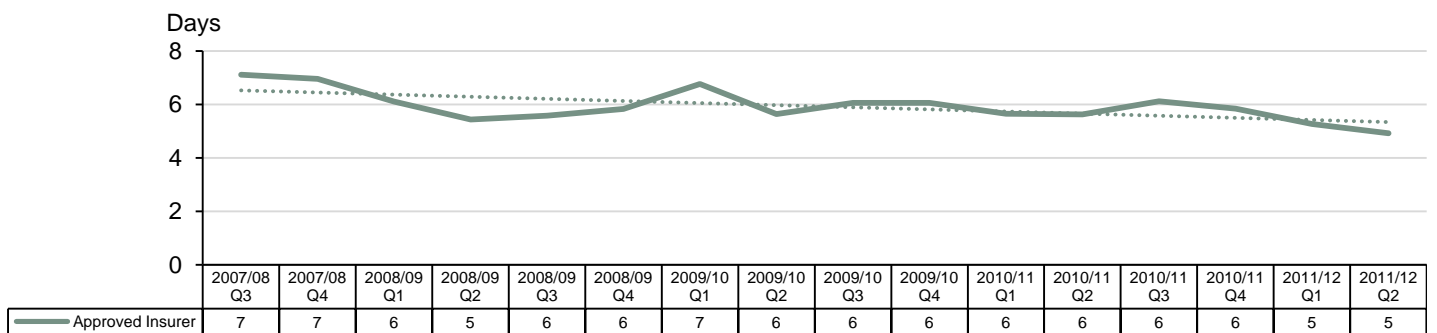
Summary:

- The number of days between diagnosis of a disease and lodgement of a workers' compensation claim (employer lodgement period) significantly improved for both insurer types. However, it should be noted that there are a small number of disease claims and this can result in wide variations across quarters (Indicator 2.4.4).
- As shown in Indicator 2.4.5, employers' performance in relation to timely lodgement of workers' compensation claims (with approved insurers) has remained stable over the past year, despite a legislative amendment extending the timeframe for lodgement from three working days to five working days.
- Indicator 2.4.6 shows the average time taken to make a decision on pending claims. These are claims where the liability decision making period on a workers' compensation claim is extended by an insurer. These durations have remained stable for both insurer types between December 2010/11 and December 2011/12.

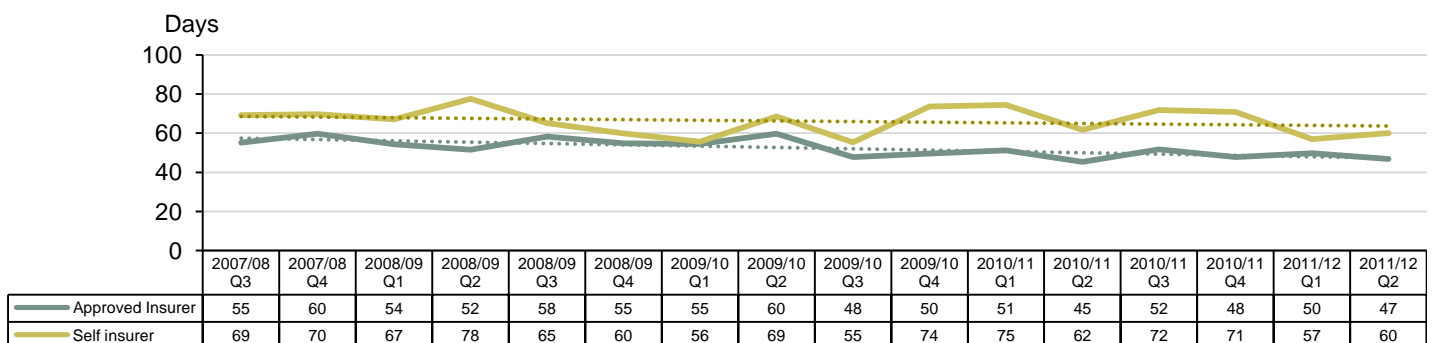
2.4.4: Average employer lodgement period for disease income claims by insurer received quarter



2.4.5: Average insurer lodgement period for income claims by insurer received quarter



2.4.6: Average initial liability decision period for income claims which were initially pended by initial decision quarter



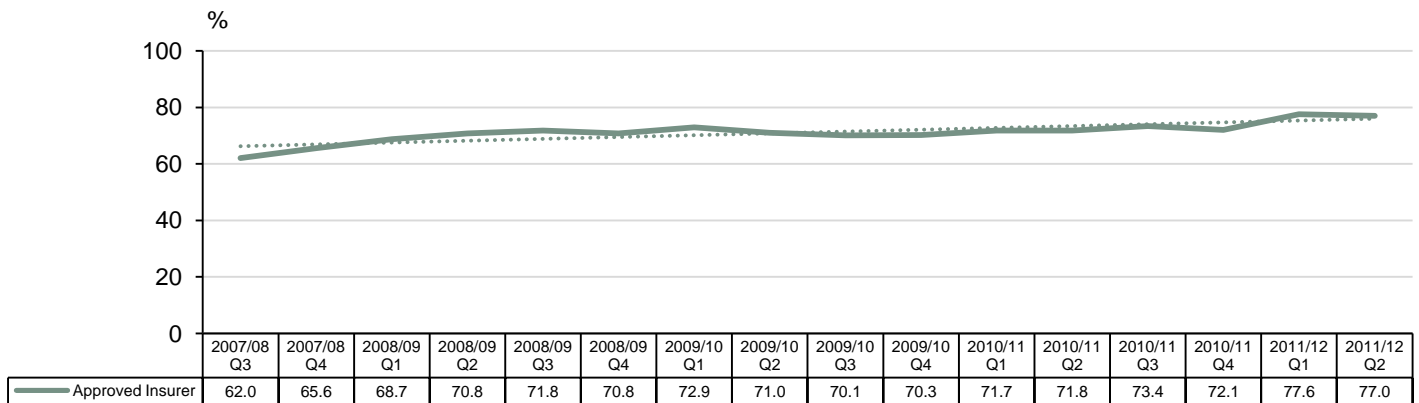
Section 2: Approved insurer and self-insurer comparison

Claim Management

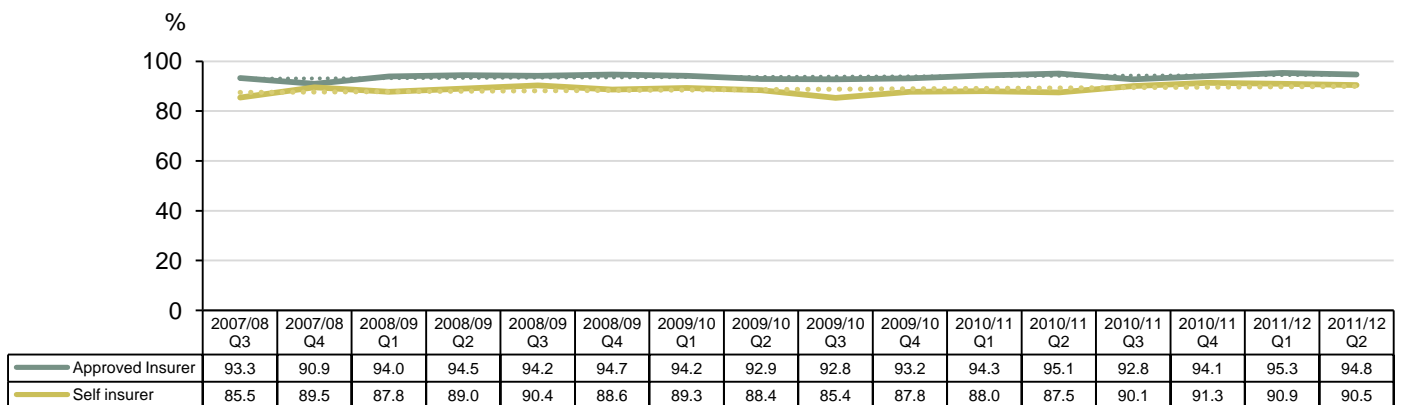
Summary:

- As illustrated in Indicator 2.4.7, the proportion of claims lodged by employers with their approved insurers within the required legislated period has been steadily improving over time. In the most recent quarter (December Q2 2011/12) there was a slight decrease in the lodgement period compared to the September (Q1) 2011/12 quarter.
- Over the past year, the proportion of claims where insurer types make an initial liability decision* within the legislated time improved for self-insurers and slightly decreased for approved insurers.

2.4.7: Proportion of insurer lodgement period within the legislated time of five working days by insurer received quarter



2.4.8: Proportion of initial liability decision period within legislative time (14 days for approved insurers and 17 days for self-insurers) by initial decision quarter - pending claims excluded



* See Glossary for definition and further explanation.

Section 2: Approved insurer and self-insurer comparison Settlements

Summary: December 2010/11 to December 2011/12

- The rate of Memorandum of Agreements (MOA) recorded (as a proportion of finalised claims) increased for both insurer types.
- However, payments associated with MOA decreased for approved insurers but increased significantly (>10%) for self-insurers, as a result of an increase in the number of MOA.
- The rate of Section 92(f) deeds (as a proportion of finalised claims) has also remained stable for both approved and self-insurers. However, there were decreases in payments associated with 92(f) deeds for both insurer types.

2.5.0 Number of Memorandum of Agreements and Section 92(f) deeds

	This quarter	% change from previous quarter	% change from same quarter last year	
Number of Memorandum of Agreements* (pg 32)				
Approved insurer	848	-6.4	9.8	▲
Self-insurer	78	-7.1	16.4	▲
Number of Memorandum of Agreements as a proportion of finalised claims (%) (pg 32)				
Approved insurer	8.4	-1.8	-0.8	■
Self-insurer	6.7	0.5	1.1	■
Total payments associated with Memorandum of Agreements (\$m) (pg 32)				
Approved insurer	22.49	-12.2	-1.4	■
Self-insurer	2.06	-16.1	21.5	▲
Number of Section 92(f) deeds* (pg 33)				
Approved insurer	252	-17.9	3.7	■
Self-insurer	42	-17.6	0.0	■
Number of Section 92(f) deeds as a proportion of finalised claims (%) (pg 33)				
Approved insurer	2.5	-0.3	-0.4	■
Self-insurer	3.6	-0.2	0.1	■
Total payments associated with Section 92(f) deeds (\$m) (pg 33)				
Approved insurer	15.63	-5.1	-7.7	▼
Self-insurer	1.63	-32.4	-36.1	▼

▲ Increased by 5% or more

■ Increased/decreased by less than 5%

▼ Decreased by 5% or more

> +/- 5% change in year

* See Glossary for definition and further explanation.

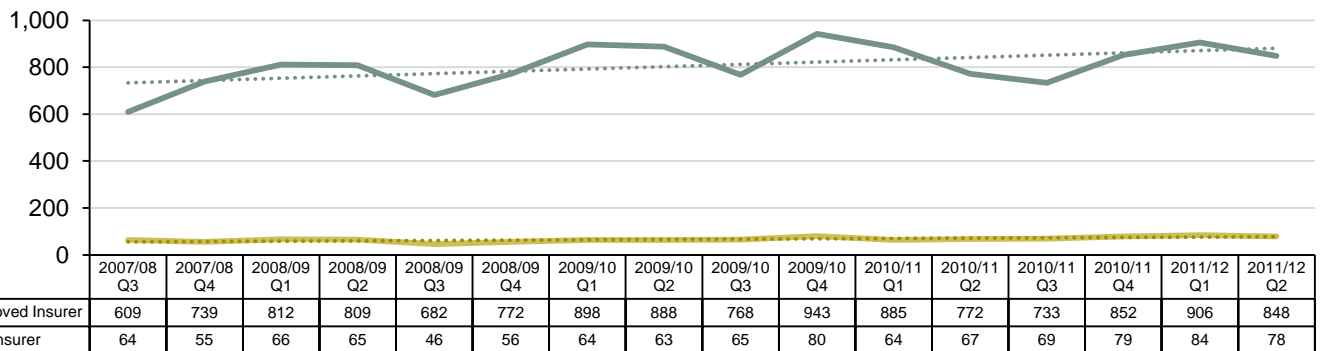
Section 2: Approved insurer and self-insurer comparison

Settlements

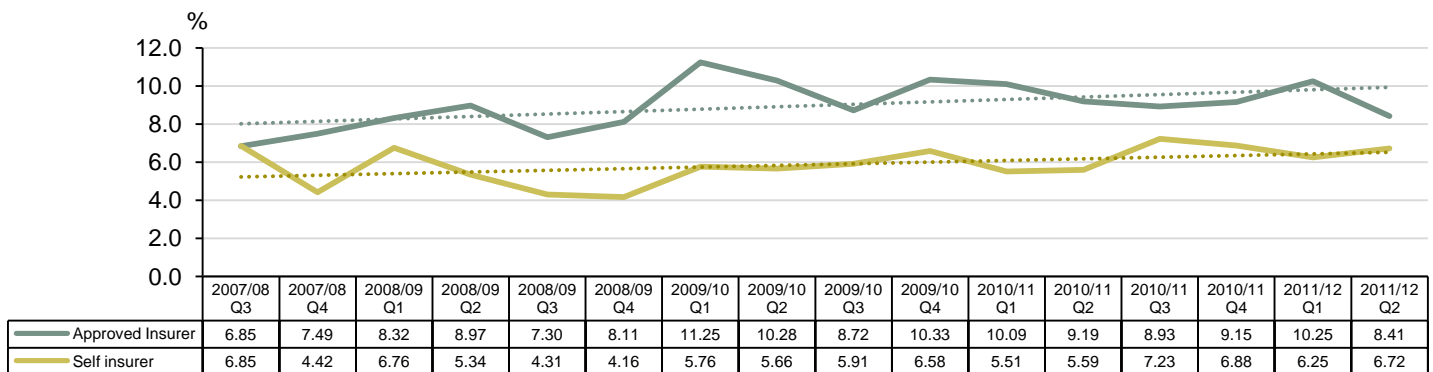
Summary:

- Indicator 2.5.1 shows that the the number of Memorandum of Agreements (MOA) increased between the December 2010/11 and December 2011/12 quarters for both insurer types. However, the rate of MOA (as a proportion of finalised claims) decreased for approved insurers and slightly increased for self-insurers (Indicator 2.5.2).
- Total payments associated with MOA decreased for approved insurers and increased for self-insurers over the past year. However the long term trend (over four years) shows that payments are slowly increasing for approved insurers.

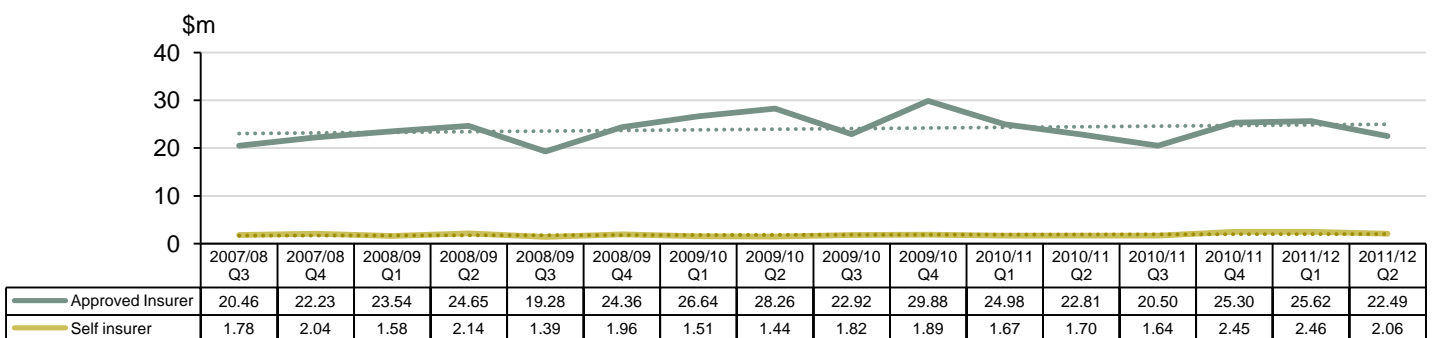
2.5.1: Number of Memorandum of Agreements* by recording quarter



2.5.2: Number of Memorandum of Agreements as a proportion of finalised claims by finalisation quarter



2.5.3: Total payments (real) associated with Memorandum of Agreements* by recording quarter



* See Glossary for definition and further explanation.

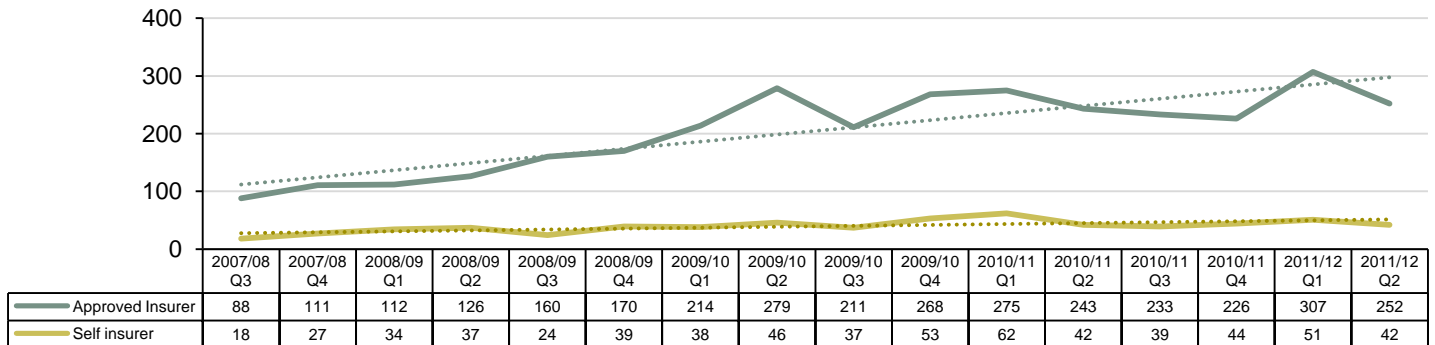
Section 2: Approved insurer and self-insurer comparison

Settlements

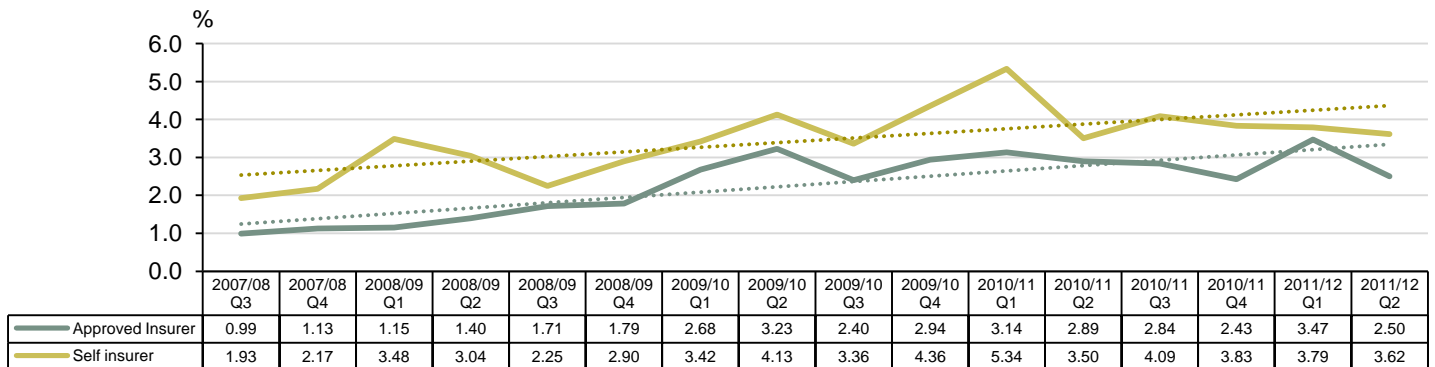
Summary:

- The number of Section 92(f) deeds increased for approved insurers and remained stable self-insurers between December 2010/11 and December 2011/12. However, the proportion of Section 92(f) deeds (of finalised claims) has increased for self-insurers and decreased for approved insurers in the stated reference period.
- Indicator 2.5.6 shows that payments associated with Section 92(f) deeds have decreased for both insurer types over the past year.

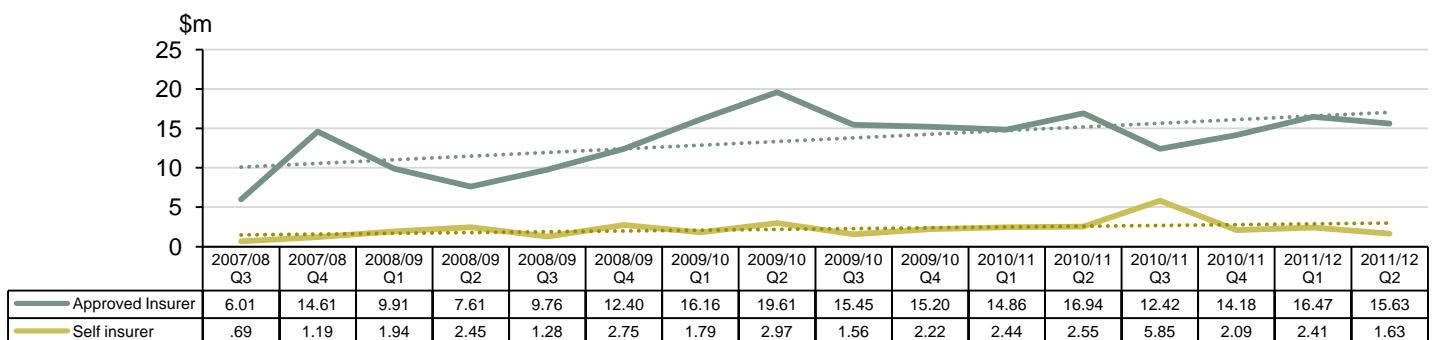
2.5.4: Number of Section 92(f) deeds* by recording quarter



2.5.5: Number of Section 92(f) deeds* as a proportion of finalised claims by finalisation quarter



2.5.6: Total payments (real) associated with section 92(f) deeds by recording quarter



* See Glossary for definition and further explanation.

Section 3: Tables

Claim numbers

The section provides details of annual and quarterly values for all indicators presented in the report.

3.1.1 Total claim count by insurer received date (number)

Insurer received date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved Insurer	37,885	36,103	33,045	34,442	8,946	8,561
Self insurer	4,237	4,444	4,653	4,472	1,131	1,044
Total	42,122	40,547	37,698	38,914	10,077	9,605

3.1.2 Proportion of claims (percentage)

Insurer received date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved Insurer	89.9%	89.0%	87.7%	88.5%	88.8%	89.1%
Self insurer	10.1%	11.0%	12.3%	11.5%	11.2%	10.9%

3.1.3 Total claim count by accident date (number)

Accident date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved Insurer	37,640	35,434	32,697	33,842	8,669	7,796
Self insurer	4,220	4,484	4,602	4,448	1,081	1,002
Total	41,860	39,918	37,299	38,290	9,750	8,798

3.1.4 Active income claims (number)

Transaction date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved Insurer	31,692	32,858	30,551	31,121	16,903	16,669
Self insurer	3,205	3,316	3,215	3,347	1,883	1,776
Total	34,897	36,174	33,766	34,468	18,786	18,445

This indicator reports the number of claims with at least one claim payment by transaction date.

3.1.5 New/closed claim ratio

	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved Insurer	1.02	0.98	0.98	1.04	1.12	1.03
Self insurer	0.99	0.99	1.03	1.04	0.90	1.03
Total	1.02	0.98	0.98	1.04	1.09	1.03

This indicator reports the ratio of new claims by insurer received date to number of closed claims by initial finalisation date.

Section 3: Tables Payments

3.2.1 Total payments - insurer group \$(m)

Transaction date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved Insurer	613.4	650.0	662.9	626.8	170.0	161.2
Self insurer	52.3	57.9	56.0	65.7	16.7	15.5
Total	665.7	707.8	718.9	692.5	186.7	176.6

3.2.2 Proportion of total payment - insurer group (percentage)

Transaction date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved Insurer	92.1%	91.8%	92.2%	90.5%	91.1%	91.2%
Self insurer	7.9%	8.2%	7.8%	9.5%	8.9%	8.8%

3.2.3 Total payments - transaction type \$(m)

Transaction date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Income payment	231.7	253.4	244.1	252.3	65.2	62.6
Lump sum - excl common law	107.0	111.3	130.1	115.1	33.9	30.9
Common law	95.6	99.8	102.5	82.3	22.4	15.7
Medical and Hospital	110.8	111.3	105.4	100.7	26.8	28.6
Allied Health and Voc Rehab	58.3	61.9	63.3	63.8	16.9	17.6
Legal & other payment	62.4	70.0	73.5	78.3	21.5	21.1
Total	665.7	707.8	718.9	692.5	186.7	176.6

These represent the types of payments within the WA workers' compensation scheme - n.b. lump sum refer to redemptions and Schedule 2 payments

3.2.4 Proportion of total payments - transaction type (percentage)

Transaction date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Income payment	34.8%	35.8%	34.0%	36.4%	34.9%	35.5%
Lump sum - excl common law	16.1%	15.7%	18.1%	16.6%	18.2%	17.5%
Common law	14.4%	14.1%	14.3%	11.9%	12.0%	8.9%
Medical and Hospital	16.6%	15.7%	14.7%	14.5%	14.4%	16.2%
Allied Health and Voc Rehab	8.8%	8.7%	8.8%	9.2%	9.1%	10.0%
Legal & other payment	9.4%	9.9%	10.2%	11.3%	11.5%	11.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Section 3: Tables

Estimated costs

3.3.1 Total estimated claim costs \$(m)

Insurer received date	2006/07	2007/08	2008/09	2009/10	2010/11	
					Q1	Q2
Approved Insurer	460.0	552.5	586.3	579.4	163.1	164.0
Self insurer	34.4	38.4	54.0	59.0	13.5	12.5
Total	494.4	590.9	640.3	638.3	176.7	176.4

3.3.2 Outstanding estimated claim costs \$(m)

Insurer received date	2006/07	2007/08	2008/09	2009/10	2010/11	
					Q1	Q2
Approved Insurer	18.5	28.1	63.5	131.2	51.4	58.7
Self insurer	1.0	1.8	3.3	11.7	2.6	4.7
Total	19.5	29.9	66.9	142.9	54.1	63.4

3.3.3 Average estimated claim costs (\$)

Insurer received date	2006/07	2007/08	2008/09	2009/10	2010/11	
					Q1	Q2
Approved Insurer	12,294	14,585	16,239	17,532	18,884	18,778
Self insurer	8,381	9,054	12,152	12,674	12,439	10,892
Total	11,908	14,028	15,791	16,933	18,163	17,864

3.3.4 Average estimated claim costs (\$) - excluding common law

Insurer received date	2006/07	2007/08	2008/09	2009/10	2010/11	
					Q1	Q2
Approved Insurer	9,852	11,499	13,286	14,352	16,784	16,452
Self insurer	7,026	6,918	8,501	9,803	10,868	8,712
Total	9,573	11,039	12,764	13,793	16,126	15,558

3.3.5 Average estimated claim costs (\$) - common law

Insurer received date	2006/07	2007/08	2008/09	2009/10	2010/11	
					Q1	Q2
Approved Insurer	196,378	188,063	160,540	160,118	125,404	165,762
Self insurer	89,955	120,057	153,382	115,833	71,942	122,165
Total	183,577	180,731	159,581	153,530	117,727	159,691

Section 3: Tables

Claim management

3.4.1 Average claim duration - initial finalisation (months)

Initial finalisation date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved Insurer	6.3	6.3	7.2	6.9	7.0	7.0
Self insurer	7.9	7.2	7.1	6.9	7.1	7.6
Total	6.5	6.4	7.2	6.9	7.0	7.0

This indicator reports on the average duration of a claim from insurer received date to initial finalisation date

3.4.2 Average employer lodgement period - injury income claims (days)

Insurer received date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved Insurer	16	17	17	16	14	13
Self insurer	16	17	17	16	13	10
Total	16	17	17	16	14	13

This indicator reports on the average number of days between injury occurrence and claim being lodged with employer

3.4.3 Average employer lodgement period - disease income claims (days)

Insurer received date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved Insurer	44	49	68	51	39	39
Self insurer	39	36	34	66	21	40
Total	44	48	65	52	38	39

This indicator reports on the average number of days between occurrence of a disease and claim being lodged with employer

3.4.4 Average insurer lodgement period - income claims (days)

Insurer received date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved Insurer	6.9	5.7	6.1	5.8	5.3	4.9

This indicator reports on the average number of days between employer receiving claim (with income payments) and lodging with approved insurer

3.4.5 Average initial liability decision period for income claims (days) which were initially pended

Initial confirmation date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved Insurer	60	55	53	49	50	47
Self insurer	72	68	63	69	57	60
Total	61	56	54	51	51	48

This indicator reports on the average initial liability decision period for claims with income payments.

Section 3: Tables

Claim management

3.4.6 Proportion of insurer lodgement period within legislated timeframes (percentage)

Insurer received date	2007/08	2008/09	2009/10	2010/11	2011/12 Q1	2011/12 Q2
Approved Insurer	65.0%	70.5%	71.1%	72.3%	77.6%	77.0%

This indicator reports on the proportion of claims with income payments that employers lodged with their approved insurers within the legislated required period of 5 working days

3.4.7 Proportion of average initial liability decision period within legislated timeframe for income claims (percentage) - pending claims excluded

Initial confirmation date	2007/08	2008/09	2009/10	2010/11	2011/12 Q1	2011/12 Q2
Approved Insurer	93.2%	94.3%	93.3%	94.1%	95.3%	94.8%
Self insurer	90.2%	89.0%	87.6%	89.3%	90.9%	90.5%
Total	92.9%	93.8%	92.8%	93.6%	94.9%	94.4%

This indicator reports on the proportion of claims with income payments where initial liability decision period was made within 14 days for approved insurers and 17 days for self-insurers

Section 3: Tables

Disputes

3.5.1 Number of new dispute applications[^]

Application date	2007/08	2008/09	2009/10	2010/11	2011/12 Q1	2011/12 Q2
Total	1,309	1,467	1,433	1,706	431	289

3.5.2 Number of dispute applications per 100 active claims (disputation rate)

	2007/08	2008/09	2009/10	2010/11	2011/12 Q1	2011/12 Q2
Total	3.75	3.62	3.88	3.80	1.49	n/a

This indicator reports the number of dispute applications per 100 active claims

[^] Please note that dispute data reported between 2007/08 and September (Q1) 2011/12 quarter relates to the WorkCover WA Dispute Resolution Directorate (DRD) only. The DRD ceased operation on 30 November 2011 and the WorkCover WA Conciliation and Arbitration Services (CAS) commenced on 1 December 2011. Therefore data reported for the December (Q2) 2011/12 quarter reflects the transition period between the DRD and CAS.

Section 3: Tables

Common law and settlements

3.6.1 Number of Common law 2004 Scheme applications

Application date	2007/08	2008/09	2009/10	2010/11	2011/12 Q1	2011/12 Q2
Total	477	602	670	700	210	179

Number of common law applications where the worker has at least an agreed or assessed 15% whole person impairment

3.6.2 Number of Section 92(f) deeds

Application date	2007/08	2008/09	2009/10	2010/11	2011/12 Q1	2011/12 Q2
Approved insurer	378	568	972	977	307	252
Self insurer	77	134	174	187	51	42
Total	455	702	1,146	1,164	358	294

Number of Section 92(f) deeds that records a statutory settlement of a workers' compensation claim.

3.6.3 Number of Memorandum of Agreements

Recorded date	2007/08	2008/09	2009/10	2010/11	2011/12 Q1	2011/12 Q2
Approved insurer	2,801	3,075	3,497	3,242	906	848
Self insurer	250	233	272	279	84	78
Total	3,051	3,308	3,769	3,521	990	926

Number of agreements that records a statutory settlement of a workers' compensation claim.

3.6.4 Number of Section 92(f) deeds as a proportion of finalised claims (%)

Recorded date	2007/08	2008/09	2009/10	2010/11	2011/12 Q1	2011/12 Q2
Approved insurer	1.03	1.51	2.81	2.82	3.5	2.5
Self insurer	1.79	2.91	3.83	4.19	3.8	3.6
Total	1.11	1.66	2.93	2.97	3.5	2.6

3.6.5 Number of Memorandum of Agreements as a proportion of finalised claims (%)

Recorded date	2007/08	2008/09	2009/10	2010/11	2011/12 Q1	2011/12 Q2
Approved insurer	7.60	8.17	10.12	9.35	10.3	8.4
Self insurer	5.82	5.06	5.99	6.25	6.3	6.7
Total	7.41	7.83	9.64	8.99	9.7	8.2

Common law, Section 92(f) deeds and Memorandum of Agreements

3.6.6 Total payments associated with Section 92(f) deeds \$(m)

Recorded date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved insurer	38.1	39.7	66.4	58.4	16.5	15.6
Self insurer	5.5	8.4	8.6	12.9	2.4	1.6
Total	43.6	48.1	75.0	71.3	18.9	17.3

3.6.7 Total payments associated with Memorandum of Agreements \$(m)

Recorded date	2007/08	2008/09	2009/10	2010/11	2011/12	
					Q1	Q2
Approved insurer	89.2	91.8	107.7	93.6	25.6	22.5
Self insurer	7.1	7.1	6.7	7.5	2.5	2.1
Total	96.3	98.9	114.4	101.0	28.1	24.6

Section 4: Glossary

TERM	DEFINITION / EXPLANATION OF TERM
Accident quarter	Refers to the financial quarter in which the occupational injury occurred or when symptoms of the occupational illness or disease were first recognised.
Active claims	Refers to a claim with one or more transaction payments in a financial year/quarter.
Average claim cost	This represents an estimate of costs for unfinalised claims, plus the total cost of finalised claims, divided by the number of claims. Average cost is attributed to the year in which a claim was lodged.
Claim costs	Represents an estimate of costs for unfinalised claims, and the total cost of finalised claims attributed to the year in which a claim was lodged with an insurer.
Claim duration	The number of months between the date the claim was received by the insurer and the date at which the claim was first finalised.
Claim payments	<p>Payments direct to worker:</p> <ol style="list-style-type: none"> 1. income payments (payments made for absences from work). 2. lump sum payments (excluding common law): <ul style="list-style-type: none"> - redemption payments made under Schedule 1 - specific injury payments made under Schedule 2 - fatal payments including funeral expenses. 3. common law and other Acts payments. <p>Payments for treatment services:</p> <ol style="list-style-type: none"> 1. medical and hospital payments: <ul style="list-style-type: none"> - medical practitioner and specialist payments - hospital expenses (hospital accommodation and hospital treatment). 2. allied health and vocational rehabilitation payments: <ul style="list-style-type: none"> - other treatment and appliance payments - vocational rehabilitation payments. <p>Payments for legal and other services:</p> <ol style="list-style-type: none"> 1. legal expenses 2. approved medical specialist service payment and third party referred report 3. miscellaneous payments
Closed claims	The number of claims closed during a financial year/quarter i.e. a finalisation date is recorded.
Common law claim	An action for common law damages made against an employer or other party in respect of an injury; if the injury was caused by the negligence of the employer or other party and the worker has at least an agreed or assessed 15% whole person impairment.
Common law payment	Represents the total economic loss component of a common law settlement or judgement after deduction of amounts for contingencies and contributory negligence. This includes any amount for pain and suffering, permanent impairment, loss of superannuation, legal expenses and future medical costs.

Section 4: Glossary

TERM	DEFINITION / EXPLANATION OF TERM
Common Law 2004 Scheme Applications	This refers to the Common Law 2004 Scheme that was introduced by the <i>Workers' Compensation Reform Act 2004</i> . This applies to workers injured post 14 November 2005. To qualify for common law damages, an individual must be assessed to have 15% whole-of-person impairment for limited common law damages or 25% whole-of-person impairment for unlimited common law damages.
Dispute	This is in relation to a dispute over a worker's compensation claim by parties involved (e.g. insurer, employer, worker). A dispute can occur at any stage of a claim in relation to a number of matters.
Disputation rate	This is defined as the number of dispute applications as a proportion of all active claims for the reference year. Prior to 2009/10, the disputation rate was calculated slightly differently, with the number of dispute applications represented as a proportion of all new claims lodged in a reference year. The change to the current definition and calculation was made at a national level, across all jurisdictions, to reflect that dispute applications may occur at different stages during a claim cycle, not necessarily in the first year.
Employer lodgement period	Refers to the number of days between occurrence of a work-related injury or diagnosis of a work-related disease and lodgement of a worker's compensation claim with an employer.
Estimated claim cost	The total estimated incurred claim costs, exclusive of development estimate and incurred but not reported (IBNR) amounts. Estimated costs are not adjusted for inflation and are attributed to the year in which a claim was lodged with an insurer.
Incidence rate	The incidence rate is the number of lost time claims per hundred employees (part-time, full-time, casual, and seasonal) in Western Australia. Employee numbers are based on the Australian Bureau of Statistics Labour Force data CAT No 6202.0.
Insurer lodgement period	After receiving a workers' compensation claim, an employer (whose worker is covered by the <i>Workers' Compensation and Injury Management Act 1981</i>) is required to lodge the received claim with their insurer within three working days. See S.57A (2) <i>Workers' Compensation and Injury Management Act 1981</i> .
Initial liability decision for approved insurers	After receiving a worker's compensation claim from an employer, an approved insurer within the WA workers' compensation scheme is required to make an initial decision as to whether to accept or decline liability for the claim within 14 days. See S.57A (3) <i>Workers' Compensation and Injury Management Act 1981</i> .
Initial liability decision for self-insurers	After receiving a worker's compensation claim, a self-insurer within the WA workers' compensation scheme is required to make an initial decision as to whether to accept or decline liability for the claim within 17 days. See S.57B (2) <i>Workers' Compensation and Injury Management Act 1981</i> .
Insurer received quarter	Refers to a three month period where new workers' compensation claims were lodged with an insurer (approved insurer or self-insurer).
Lost time claims	Lost time claims are claims for which the injury or disease results in an absence from work of at least one day or shift.
Long duration claims	Workers' compensation claims for which the injury or disease results in an absence from work of at least 60 days or shifts.
Memorandum of Agreements	A legal instrument which, if registered with the Conciliation and Arbitration Services of WorkCover WA, records a statutory settlement of a worker's compensation claim. See section 76 of the <i>Workers' Compensation and Injury Management Act 1981</i> .
Number of claims	This includes all claims lodged during a given quarter. It includes claims where no payment has been recorded at the date of data extract.

Section 4: Glossary

TERM	DEFINITION / EXPLANATION OF TERM
New to closed claims ratio	Shows the relationship between the number of new claims lodged and the number of closed claims for a given quarter.
Outstanding estimated claim costs	Amount of liability that is yet to be paid for each incurred claim and as estimated by insurers.
Payment year or payment period or payment quarter	Refers to the year, period or quarter for when payments were made for workers' compensation claims.
Payments	Also see claim payments. Payments are adjusted for inflation to allow meaningful comparisons over time.
Pending claims	Where a decision to accept or decline liability for a worker's compensation claim is extended by an insurer until further information is obtained (e.g. medical information or details about a worker's weekly earnings).
Section 92(f) Settlements	Refers to a lump sum payment for damages against the employer without proceeding to court; no further claim can be made. See Section 92(f) of the <i>Workers' Compensation and Injury Management Act 1981</i> .
Transaction quarter	Refers to the date of when a payment was processed.

Disclaimer

- 1 Due to the dynamic nature of workers' compensation claims, the interpretation of data contained within this report (the data) must be undertaken with some caution. Data users are cautioned to consider carefully the provisional nature of the data before using it for decisions that concern personal or public safety or the conduct of business that involves substantial monetary or operational consequences.
- 2 The accuracy or reliability of the data is not guaranteed or warranted in any way. WorkCover WA has made a reasonable effort to ensure that the data is up-to-date, accurate, complete, and comprehensive at the time of disclosure. This data reflects data reported to this agency by insurers for the reporting periods indicated. Data users are responsible for ensuring by independent verification its accuracy, currency or completeness.
- 3 Neither WorkCover WA, or its agencies or representatives, are responsible for data that is misinterpreted or altered in any way. Derived conclusions and analysis generated from this data are not to be considered attributable to WorkCover WA.
- 4 This data is provided as is and in no event shall WorkCover WA, its agencies or representatives be liable for any damages, including, without limitation, damages resulting from lost data or lost profits or revenue, the costs of recovering such data, the costs of substitute data, claims by third parties or for other similar costs, or any special, incidental, punitive or consequential damages, arising out of the use of the data.
- 5 Information concerning the accuracy and appropriate uses of the data or concerning other workers' compensation data may be obtained by contacting WorkCover WA.