

# Significant issues and trends

## Current and emerging issues

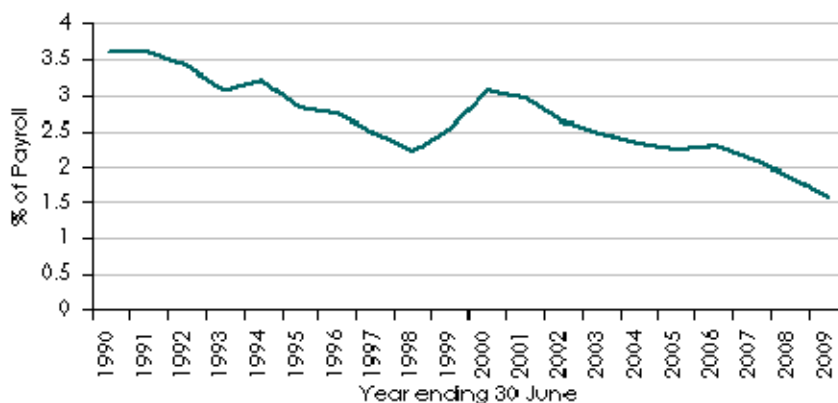
WorkCover WA's operations are affected by the scheme environment and influenced by State and national trends.

Current and emerging issues identified as likely to impact on WorkCover WA in the coming years are:

- the impact of the economic and social environment on aspects of scheme performance, such as premium rates and claim payments
- legislative development and review
- national harmonisation of workers' compensation arrangements.

### Scheme performance

The recent strong performance of the Western Australian workers' compensation scheme is expected to continue in 2008–09 and beyond. The dramatic growth in employment and remuneration in Western Australia in recent years has not been matched by increases in the number or severity of workers' compensation claims. The health of the scheme is reflected in the continued reduction in average premium rates, notwithstanding a significant increase in the entitlements of workers in 2005. The average recommended premium rate of 1.582 per cent for 2008–09 is the lowest rate struck since the establishment of the scheme in 1981.



**Figure 5: Average Recommended Premium Rate 1989–90 to 2008–09**

WorkCover WA has extended the scheme performance monitoring framework established in 2006–07 to support early identification of any adverse trends and cost pressures, should economic circumstances change.

The agency will also continue to work closely with scheme stakeholders to improve injury management and return-to-work outcomes for injured workers, as the most effective strategy for minimising scheme costs.

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### Legislative environment

In 2005 significant reforms to the [\*Workers Compensation and Injury Management Act 1981\*](#) were introduced. An early evaluation of the reforms found that stakeholders remain concerned about inflexibility and complexity in the legislation, despite the changes introduced. WorkCover WA is keen to address this concern and is considering mechanisms to modernise and streamline workers' compensation legislation in Western Australia.

### Harmonisation of workers' compensation arrangements

WorkCover WA recognises its responsibilities to achieve the optimum level of regulatory consistency between jurisdictions. Despite fundamental differences in workers compensation schemes across Australia, WorkCover WA is cooperating in efforts to achieve consistency in some key areas, such as the definitions of 'worker' and 'employer'. Efforts to introduce common approaches to pain and other work disability injury management, and to move towards a common permanent impairment assessment methodology, will also contribute to greater harmonisation of workers' compensation arrangements.