



## Section 2: Scheme performance

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- The background image shows a modern office environment with large windows. In the foreground, there are several documents on a desk. One document is titled "Business activity of company and subsidiaries" and features a bar chart. Another document is titled "Product placement in different regions" and includes a pie chart and a bar chart. A laptop is also visible on the desk.



# Open and transparent reporting

WorkCover WA closely monitors the performance of all aspects of the Western Australian (WA) workers' compensation and injury management scheme (the scheme). Understanding scheme trends through the collection and analysis of data is vital to ensuring the ongoing stability of the scheme, and early detection of emerging issues.

WorkCover WA communicates new scheme developments through information sessions and regular publication of statistical information on the WorkCover WA website.



During 2017/18, the Agency published the following reports:

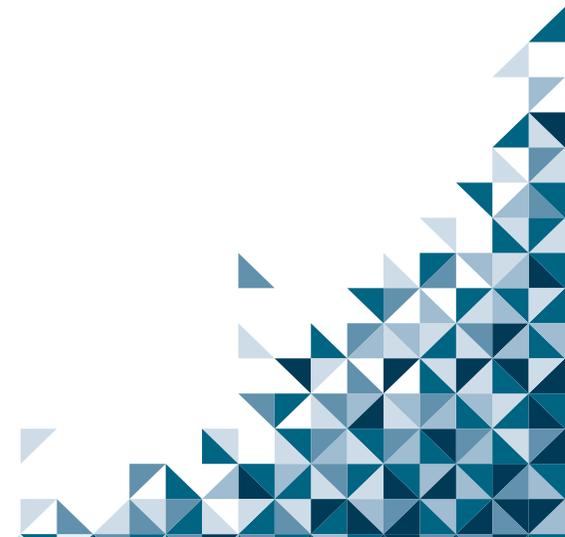
- Scheme Status Report
- Scheme Exits Report
- Insurer Claims Status Report
- Services Status Report (Medical, Allied Health and Workplace Rehabilitation)
- Workers' Compensation Scheme Trends
- Workers' Compensation Annual Statistical Report
- Industry Benchmark Report
- Industry-specific Statistical Reports (Construction, Health care and social assistance, Manufacturing, and Mining)
- Conciliation and Arbitration Services Status Report

WorkCover WA works with the scheme actuary to produce annual recommended premium rates and quarterly statistical summaries from an actuarial perspective. These reports are available on the 'Statistical reports' page at [www.workcover.wa.gov.au](http://www.workcover.wa.gov.au).

# Comparative overview

The WA scheme is working well. According to Safe Work Australia's *Comparative Performance Monitoring Report, Nineteenth Edition*, analysis of the most recent comparative statistics shows WorkCover WA leads a scheme with:

- the **lowest** standardised average premium rate across the States and Territories, on par with the Australian Government
- **nearly three quarters** of scheme costs expended on services and payments for claimants, on par with the national average
- approximately **87 percent** of claim disputes resolved within six months, above the national average of 83 percent
- a disputation rate of **3.8 percent**, the second lowest of all Australian jurisdictions.





# Scheme performance report

**Important:** Due to the nature of the processes involved in the capture, verification and analysis of claims data, information relating to time lost as a result of workers' compensation claims is only available one year retrospectively. Therefore, some information from 2017/18 was unavailable at the time of publishing this report and we have therefore, in line with established practice, reported on information from 2016/17.

## Claim numbers

In 2016/17, 28,161 claims were lodged. Of these, 45 percent had no lost time and 55 percent involved at least one day or shift off work (lost-time claims). Of all lost-time claims lodged in 2016/17, 35 percent had 60 or more days or shifts lost (long duration claims).

Further information on scheme performance is available from [workcover.wa.gov.au](http://workcover.wa.gov.au) under 'Resources – Research, evaluation and statistics'.

Figure 10: Claim numbers - 2016/17

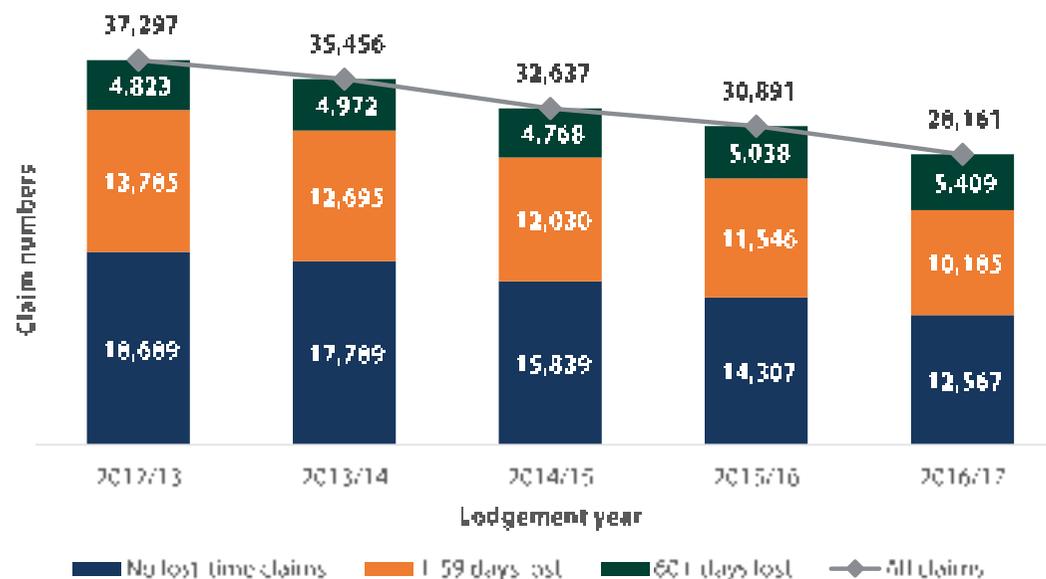


## Claim trends

From 2012/13 to 2016/17, the annual number of claims lodged in the WA scheme decreased by 24.5 percent from 37,297 to 28,161.

The number of long duration claims (claims with 60 or more days/shifts lost) increased over the last four years, whereas claims with shorter duration and no lost time decreased.

Figure 11: Claim trends

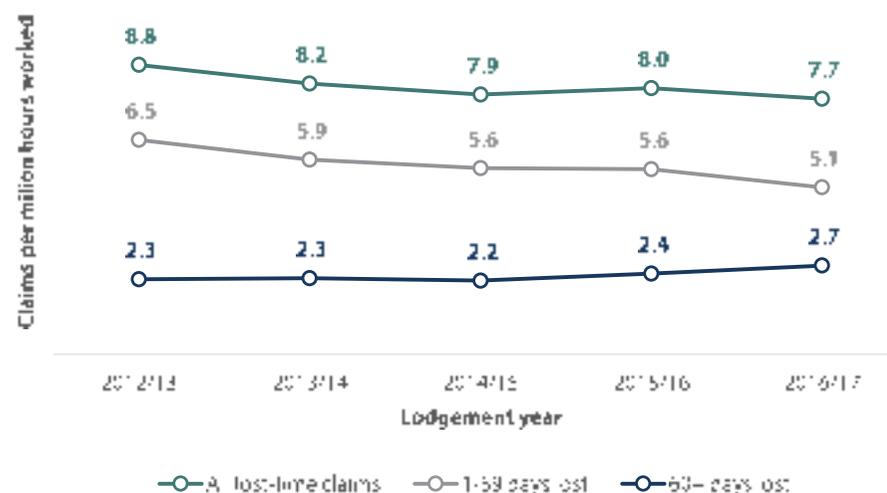




## Frequency rates

The frequency rate (number of lost-time claims per million hours worked) decreased by 11.7 percent between 2012/13 and 2016/17. However, the frequency rate of longer duration claims increased for this reporting period.

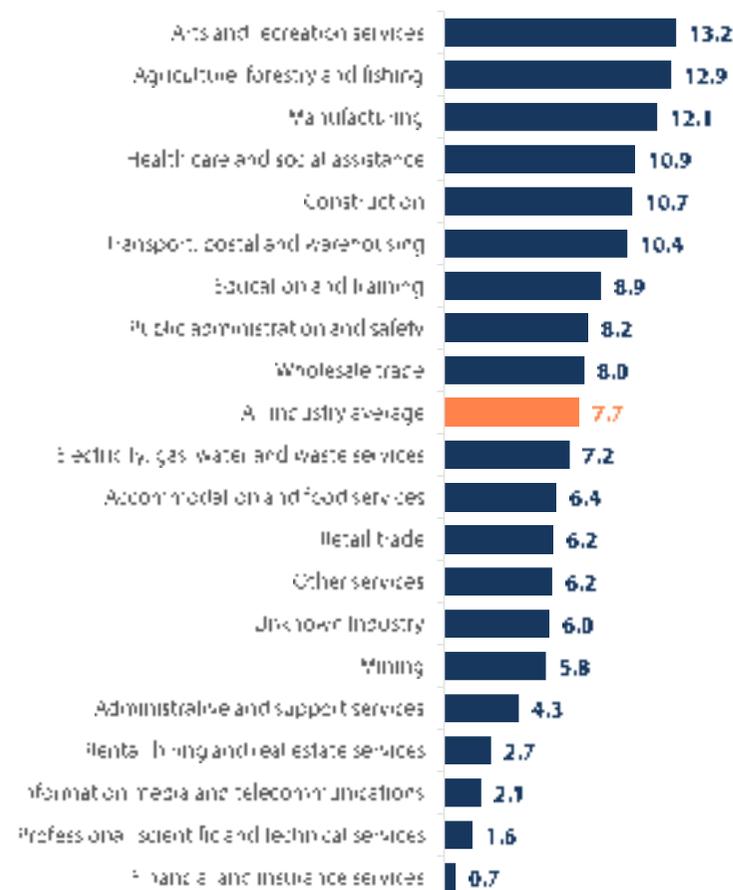
Figure 12: Frequency rates



## Frequency of lost-time claims by industry

In 2016/17, the industries with the highest lost-time claim frequencies were Arts and recreation services, Agriculture, forestry and fishing, Manufacturing, and Health care and social assistance.

Figure 13: Frequency of lost-time claims by industry 2016/17

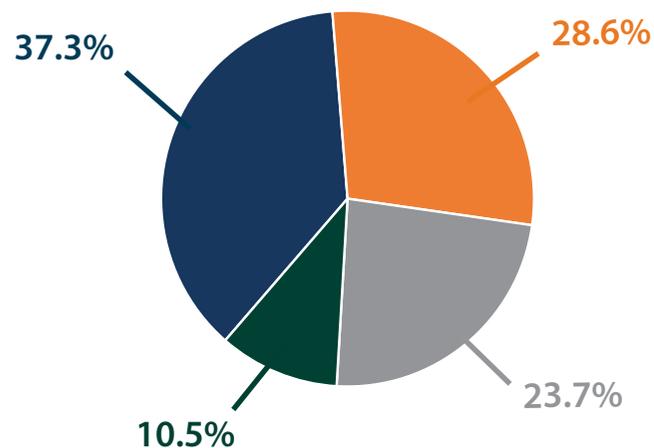




## Scheme payments 2017/18

During 2017/18, 65.9 percent of scheme payments were paid directly to workers in the form of income payment and common law and lump sum payouts, while 23.7 percent of payments were made for treatment services, such as medical, allied health and workplace rehabilitation services. The remaining 10.5 percent of payments were related to legal and other services.

**Figure 14: Scheme payments 2017/18**



**Key:**

	<b>Income payments</b> \$331.1 million
	<b>Common law and lump sum payments</b> \$253.5 million
	<b>Treatment services</b> \$210.1 million
	<b>Legal and other service payments</b> \$92.8 million

## Average recommended premium rates

WorkCover WA publishes annual recommended premium rates for workers' compensation insurance for each industry. The average recommended premium rate for 2018/19 represents an increase of 3.9 percent on the previous rate, from 1.525 percent to 1.585 percent of total wages.

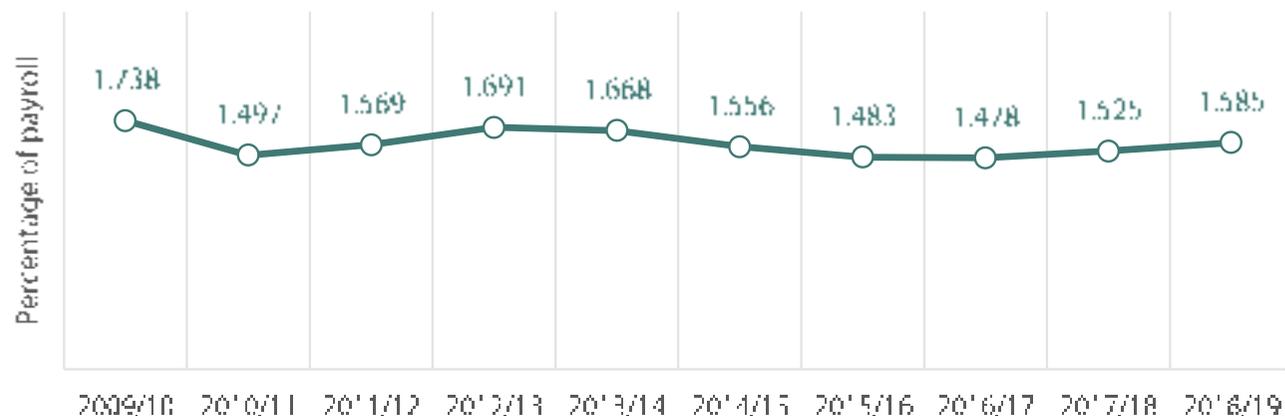
In 2017/18 WorkCover WA published recommended premium rates for 2018/19 based on Australian and New Zealand Industrial Classification (ANZSIC) 2006 classifications. Previously recommended premium rates were based on ANZSIC 1993 classifications.

The change to ANZSIC 2006 does not affect the overall average recommended premium rate although some classes will be impacted. Recommended premium rates are developed with the assistance of the scheme actuary. In 2017/18 the scheme actuary was PricewaterhouseCoopers Actuarial.

The increase in 2018/19 premium rates is the result of a number of factors, including increasing average claim costs and expenses and a reduction in wages.

Average recommended premium rates vary from year to year to ensure the scheme is fully funded. The average recommended premium rate has reduced by 8.8 percent over the last decade.

**Figure 15: WA average recommended premium rates**





## Scheme payments and premium income

This table shows changes in premiums collected and compensation paid during the past five financial years. Variations in claim payments and premium income over time reflect changes in number of employees, wage growth and inflationary pressures.

**Figure 16: Scheme payments and premium income**



### Key:

- Scheme payments (premium payers and self-insurers)
- Premium income (premium payers only)

## Settlements

Settlement of workers' compensation claims may occur in a number of ways in the Western Australian scheme. A Memorandum of Agreement may include compensation for redemption of future weekly payments, and medical expenses and lump sum payments for specific injuries or impairments. Section 92(f) deeds arise from the settlement of actions for common law damages relating to workplace injuries that do not proceed to judgement in a court.

The number of 92(f) deed settlements increased between 2013/14 and 2017/18. However, the number of Memoranda of Agreement decreased during this time.

**Figure 17: Number of settlements**

