



Scheme status report

September 2017

Data used in this report was extracted from WorkCover WA databases on 22 January 2018. Data reflects scheme activities that occurred prior to and including September 2017.



Scheme status report: September 2017

Perth, Western Australia: Western Australian Government

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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 24 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.

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.
- 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 September (Q1) 2017/18 quarter i.e. encompasses all new activity within the scheme between 1 July 2017 and 30 September 2017. Comparisons are made with previous quarters spanning the last four years (i.e. December (Q2) 2013/14 to September (Q1) 2017/18).

Notes for the reader:

Different reporting timeframes 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 March (Q3) 2016/17 quarter (lag time of two financial quarters).
- Estimated claim cost indicators are only reported up to the September (Q1) 2016/17 (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 have largely stabilised 12 months after claim lodgement.

About this report

- Claims data used in the report is derived from data supplied by insurers and exempt employers in accordance with the Q2 specification which can be found on WorkCover WA's website at www.workcover.wa.gov.au.

Section 1: Key indicators Overview

Four year summary (December (Q2) 2013/14 to September (Q1) 2017/18)

- The number of claims received by insurers in the WA workers' compensation scheme decreased by 24.8% to 7,080 for September (Q1) 2017/18. The incidence rate decreased over the past four years from 0.69 to 0.53 claims per 100 employed people in September (Q1) 2017/18.
- Total claim payments remained stable. Direct compensation to workers increased by 3.9%, and service payments increased by 5.7%.
- The median claim duration for lost-time claims increased from 5.3 to 6.1 months over the four year period.
- The management of claims by insurers has improved over time. The proportion of claims where liability decisions are made within the specified legislative timeframes (14 days for approved insurers and 17 days for self-insurers) was 91.5% in September (Q1) 2017/18.
- The proportion of claims finalised through settlements increased.

Summary of key changes between September (Q1) 2016/17 and September (Q1) 2017/18

Number of workers' compensation claims

- The number of new claims lodged in the WA workers' compensation scheme and the incidence rate of claims (number of claims per 100 workers) both decreased over the year.
- The number of 'active' income claims in the WA workers' compensation scheme (i.e. had a transaction payment during the period) decreased by 7.3% over the year.

Claim payments

- Total claim payments remained stable between September (Q1) 2016/17 and September (Q1) 2017/18.
- Payments direct to workers remained stable (-2.3%), whereas payments for treatment services increased (+6.2%).

Claim management

- The median claim duration for lost-time claims remained stable over the year and stands at 6.1 months.
- The proportion of claims meeting the legislative timeframe for insurer lodgement was stable.
- The proportion of claims with liability decisions made within the legislative timeframe continued to improve over the last year.

Disputes

- The number of dispute applications (conciliation) and the disputation rate remained stable over the year.

Common law applications

- The proportion of active claims with common law applications remained stable over the reference period.

Settlements

- The proportion of claims finalised by Memorandum of Agreements* remained stable at 14.7%.
- The proportion of claims finalised through Section 92(f) deeds increased to 9.3%.

Summary of changes between September (Q1) 2015/16 and September (Q1) 2016/17

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 September 2016, in order to provide meaningful comparisons over time.
- For approved insurers, the total estimated claims costs decreased by 5.2%. For self insurers, estimated claims costs decreased by 21.2%.

* See Glossary for definition and further explanation.

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 | 7,080 | -3.0 | -6.8 | ▼ |
| Incidence rate | 0.53 | -0.1 | -7.5 | ▼ |
| Total active income claim count | 16,579 | -2.8 | -7.3 | ▼ |
| Claim payments (pg 9) | | | | |
| Total payments (\$m) | 234.1 | -3.2 | 0.0 | ■ |
| Total payments direct to workers* (\$m) | 152.6 | -4.9 | -2.3 | ■ |
| Total payments for treatment services* (\$m) | 56.6 | 0.2 | 6.2 | ▲ |
| Total payments for legal and other services* (\$m) | 24.9 | -0.3 | 0.6 | ■ |
| Proportion of payments direct to workers (%) | 65.2 | -1.7 | -2.2 | ■ |
| Proportion of payments for treatment services (%) | 24.2 | 3.5 | 6.2 | ▲ |
| Proportion of payments for legal and other services (%) | 10.6 | 3.0 | 0.7 | ■ |
| Claim management (pg 11) | | | | |
| Median claim duration for lost-time claims (months) | 6.1 | -3.2 | -1.6 | ■ |
| Proportion (%) of insurer lodgement period within the legislated time (Insurers only: 5 days) | 82.5 | 1.0 | 0.8 | ■ |
| Proportion (%) of income claims with initial liability decision made within the legislated time (Insurers: 14 days, Self-insurers 17 days) | 91.5 | 3.3 | 4.0 | ■ |
| Disputes (pg 12) | | | | |
| Number of dispute applications | 520 | 4.8 | -1.7 | ■ |
| Disputation rate | 2.1 | 5.2 | 2.2 | ■ |
| Common law applications (pg 13) | | | | |
| Common Law 2004 Scheme Applications as a proportion of active claims (%) | 0.8 | -0.2 | -4.7 | ■ |
| Settlements (pg 14) | | | | |
| Memorandum of Agreements* as a proportion of finalised claims (%) | 14.7 | 11.6 | 3.7 | ■ |
| Section 92(f) deeds as a proportion of finalised claims (%) | 9.3 | 31.5 | 35.7 | ▲ |

* See Glossary for definition and further explanation.

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

Note that percentage changes are calculated on actual values whereas figures presented with graphs show rounded values.

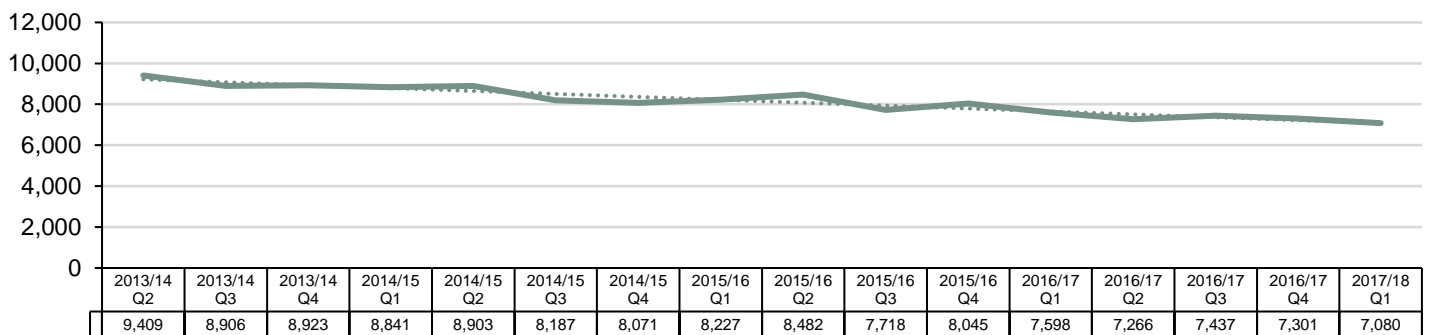
Section 1: Key indicators

Claim numbers

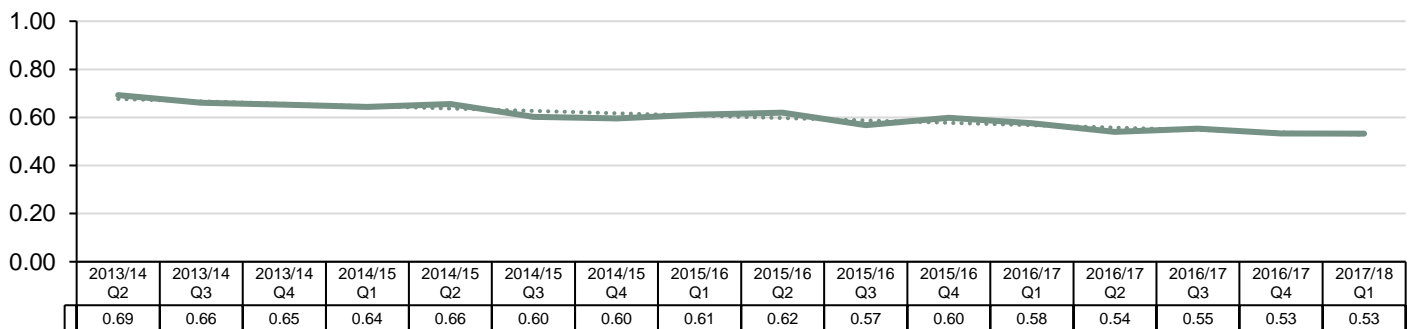
Summary:

- The number of claims lodged each quarter shows a decreasing trend over the reporting period. From September (Q1) 2016/17 to September (Q1) 2017/18 the number of claims lodged decreased by 6.8% (Indicator 1.1.1).
- The incidence rate (new claims per 100 employees) shows a decreasing trend. From September (Q1) 2016/17 to September (Q1) 2017/18, the incidence rate dropped by 7.5% (Indicator 1.1.2).
- The number of active income claims show a decreasing trend (7.3%) from September (Q1) 2016/17 to September (Q1) 2017/18 (Indicator 1.1.3).

1.1.1: Total number of claims by insurer received quarter

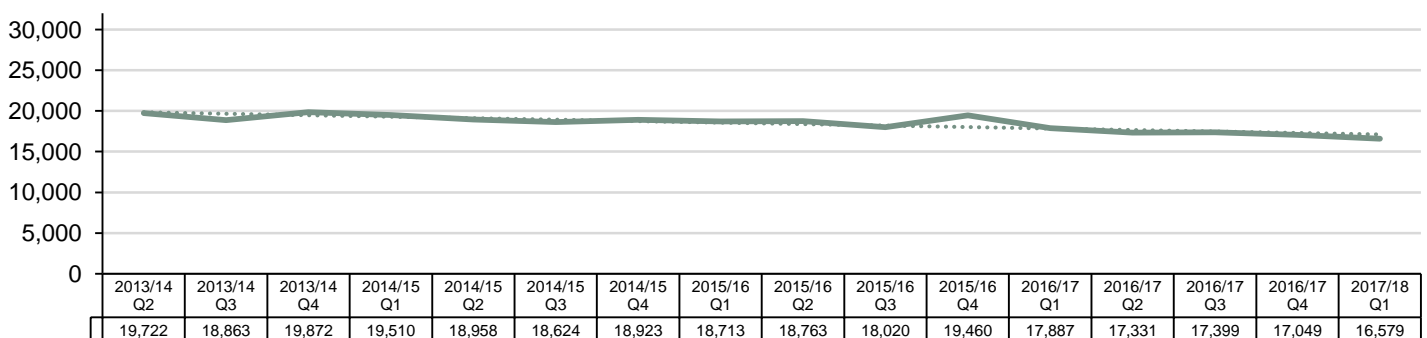


1.1.2: Number of claims per 100 employed people (incidence rate) by insurer received quarter



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



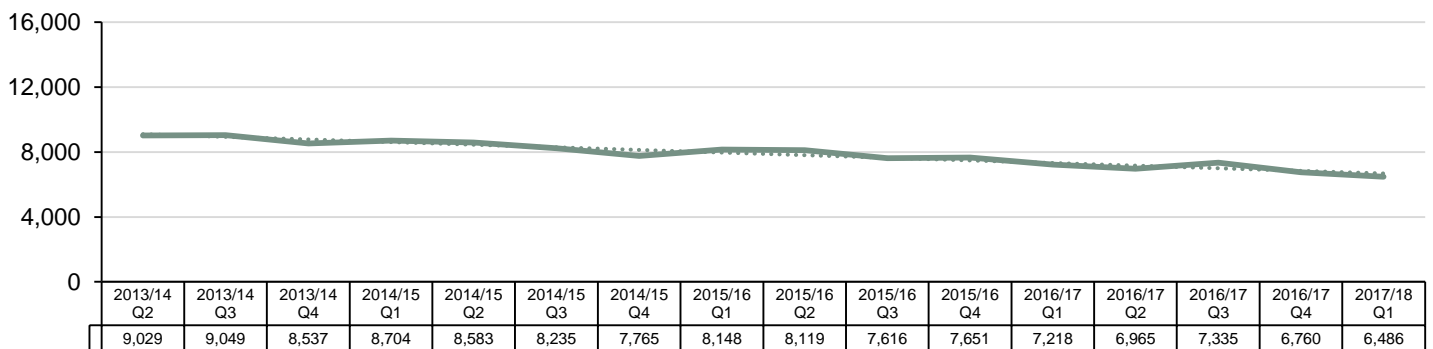
* See Glossary for definition and further explanation.

Section 1: Key indicators Claim numbers

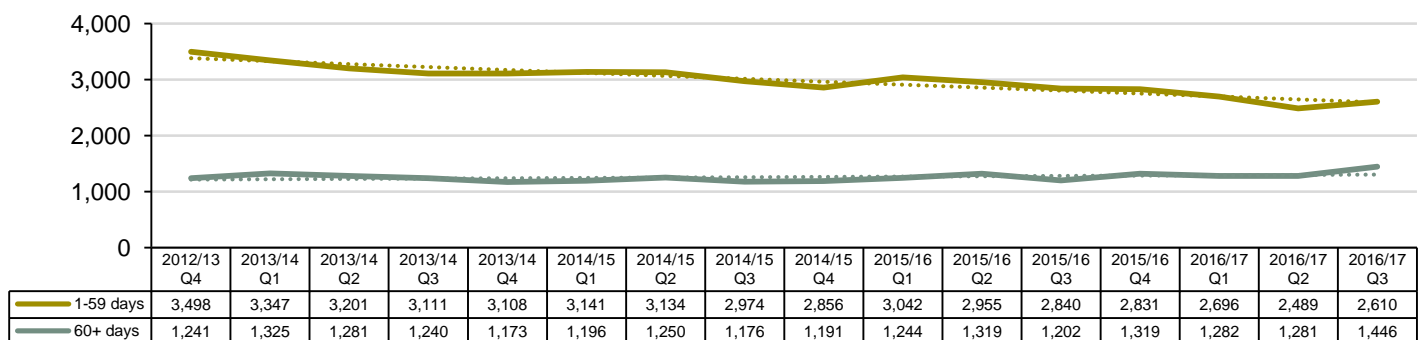
Summary:

- The number of claims per accident quarter* declined by 28.2% over a four year period (December (Q2) 2013/14 and September (Q1) 2017/18) (Indicator 1.1.4). It should be noted that data for the last two quarters is subject to significant development over time.
- Shorter duration claims (1-59 days) decreased by 8.1% and long duration claims (60+ days) increased 20.3% over the March (Q3) 2015/16 to March (Q3) 2016/17 period. As outlined in the Introduction, this indicator (1.1.5) has a six month time lag (two quarters).
- In the March (Q3) 2016/17 quarter, shorter duration claims accounted for 64% of lost-time claims, while the remaining 36% were for long duration claims (Indicator 1.1.6).

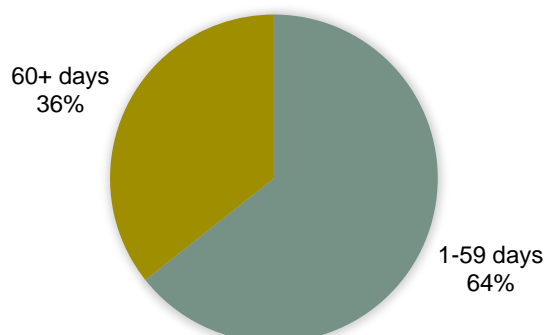
1.1.4: Total number of claims per accident quarter



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



1.1.6: Proportion of lost-time claims (1-59 days and 60+ days) in the March (Q3) 2016/17 quarter



* See Glossary for definition and further explanation.

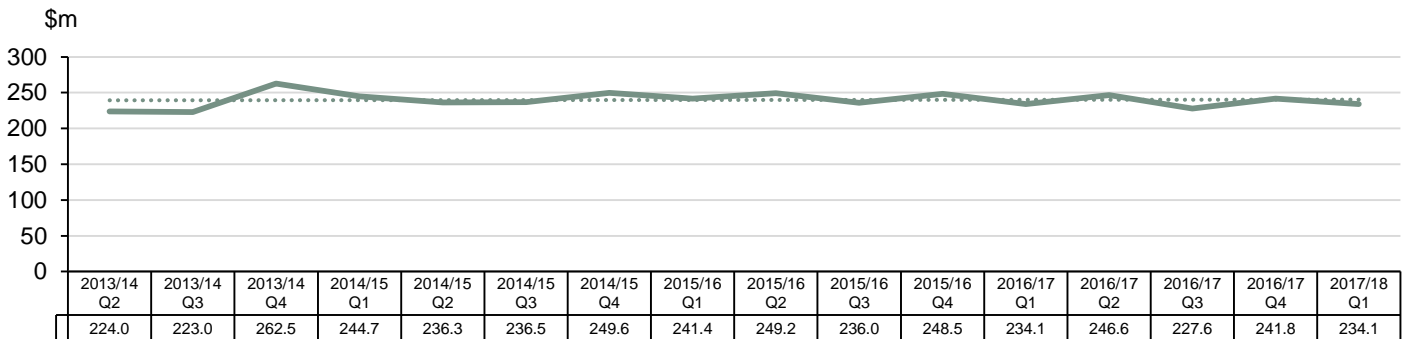
Section 1: Key indicators

Claim payments

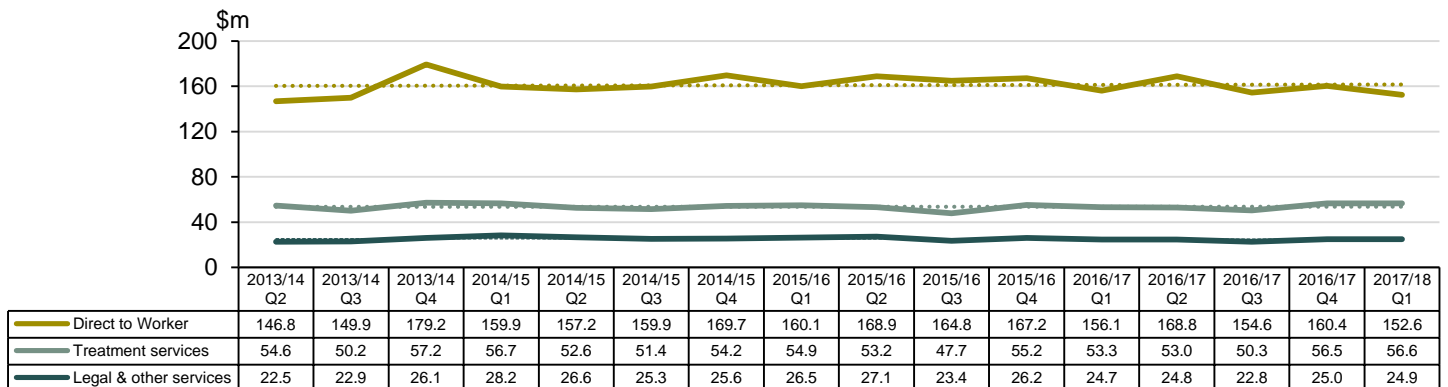
Summary:

- Claim payments remained stable from September (Q1) 2016/17 to September (Q1) 2017/18 (Indicator 1.2.1).
- Over the reference period, payments direct to workers, treatment service payments, and legal and other service payments have remained stable (Indicator 1.2.2).
- Payments direct to workers made up two thirds of the payment type proportion (Indicator 1.2.3) over the reference period.

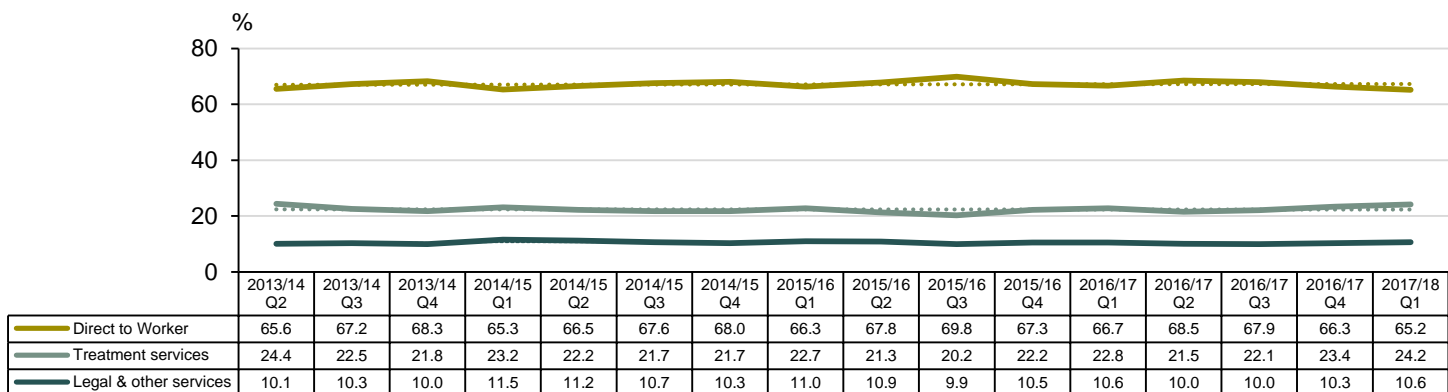
1.2.1: Total payments by transaction quarter



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.

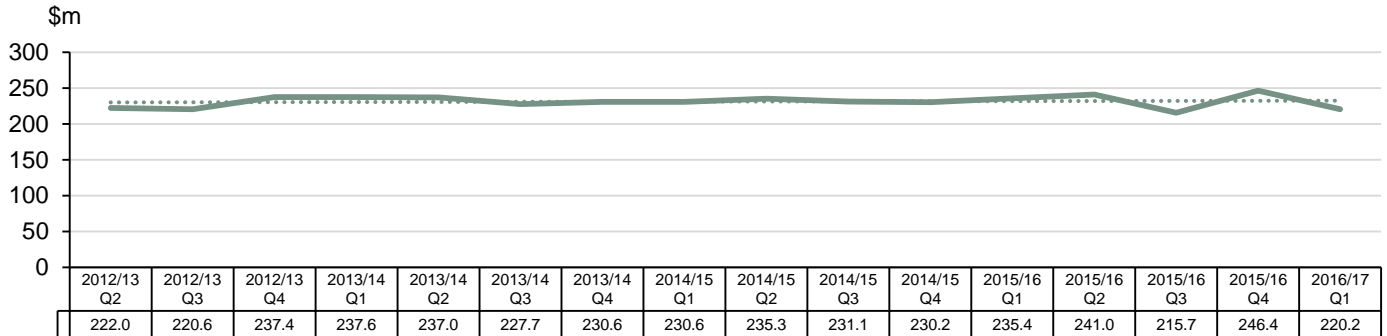
Section 1: Key indicators

Estimated costs

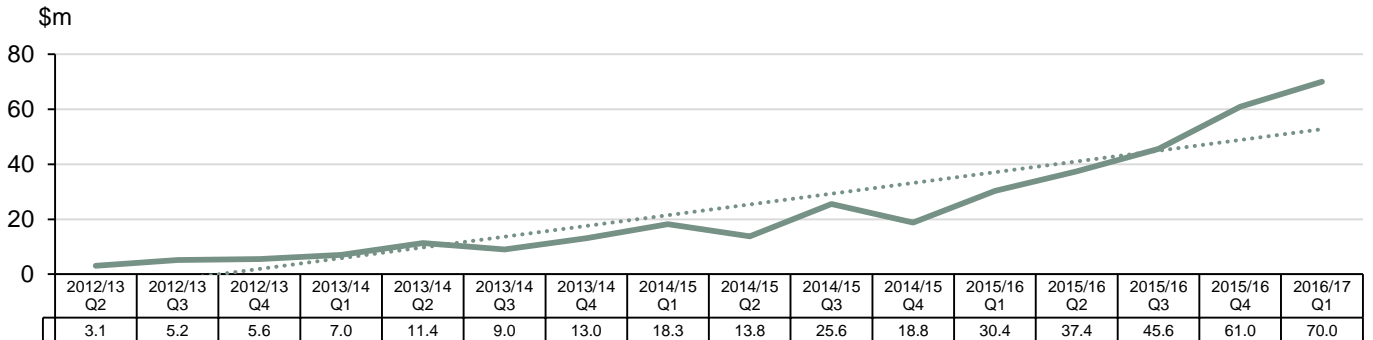
Summary:

- As outlined in the Introduction to this report, estimated claim costs are reported up to the September (Q1) 2016/17 quarter (one year time lag). This is because estimated claim cost data is subject to significant development over time and information for the most recent four quarters (December (Q2) 2016/17 to September (Q1) 2017/18) is still preliminary, based on analysis undertaken by WorkCover WA.
- The total estimated claim costs decreased by 6.5% over the last year (Indicator 1.3.1). The average estimated claim costs* increased by 1.3% over the same period (Indicator 1.3.3).

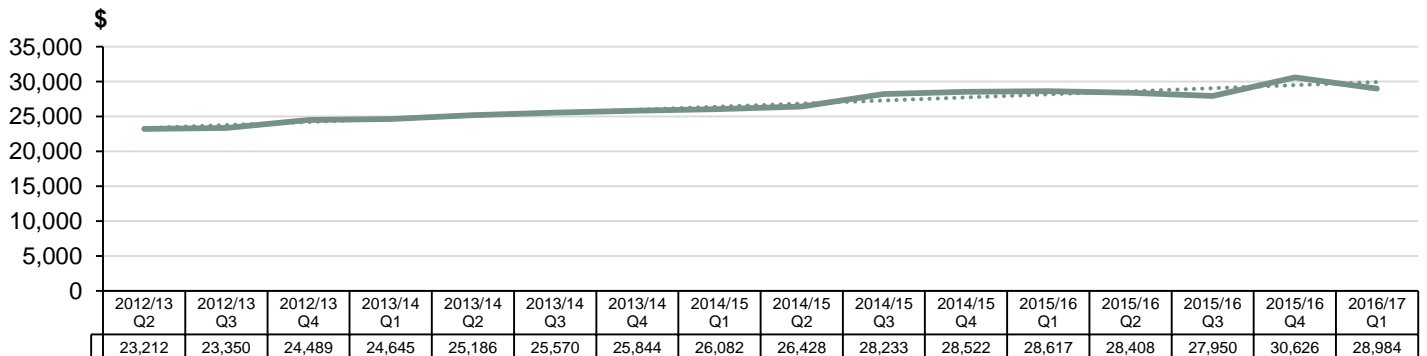
1.3.1: Total estimated claim costs by insurer received quarter



1.3.2: Total outstanding estimated claim costs by insurer received quarter



1.3.3: Average estimated claim costs by insurer received quarter



* See Glossary for definition and further explanation.

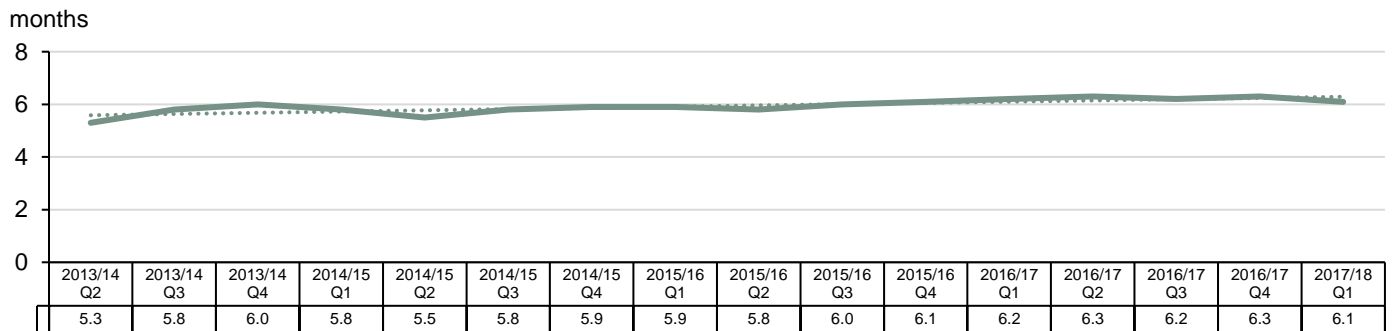
Section 1: Key indicators

Claim management

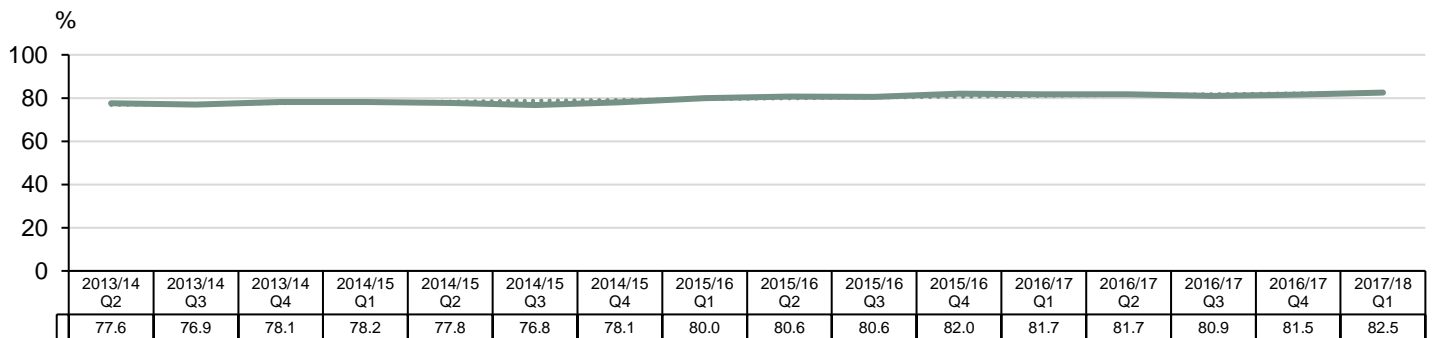
Summary:

- Indicator 1.4.1 shows that the median claim duration for lost-time claims has increased over the reporting period and stands at 6.1 months for September (Q1) 2017/18.
- The proportion of income claims lodged by employers with their insurer within five working days (legislative requirement, effective 1 October 2011) increased over the reporting period (Indicator 1.4.2). In the current quarter, 82.5% of income claims met this requirement.
- The proportion of income claims where an insurer/self-insurer makes an initial liability decision* within the specified legislative time requirement improved over the reference period. In the most recent quarter, 91.5% of income claims had a liability decision made within the required time (Indicator 1.4.3).

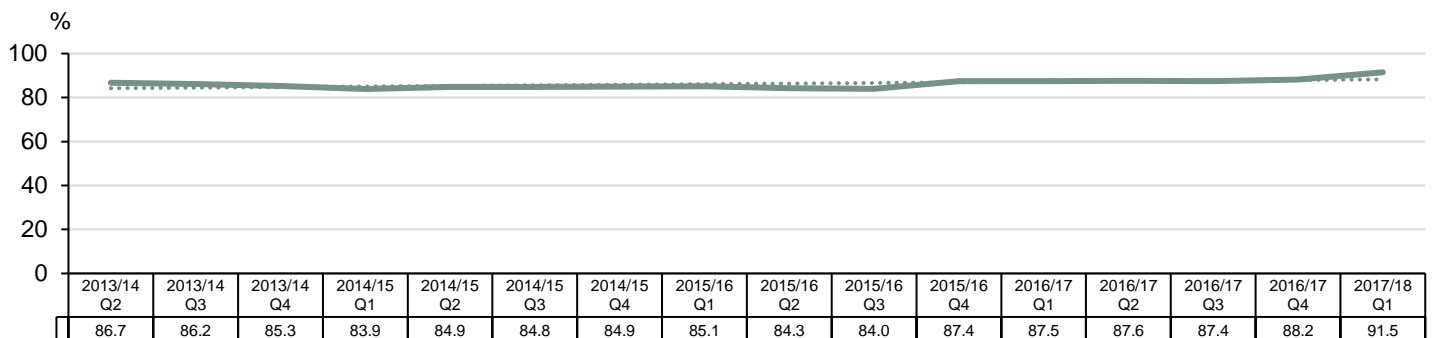
1.4.1: Median lost-time claim duration by initial finalisation quarter



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



1.4.3: Proportion of income claims with initial liability decision made within the legislated time (14 days for insurers and 17 days for self-insurers) by insurer received quarter



* See Glossary for definition and further explanation.

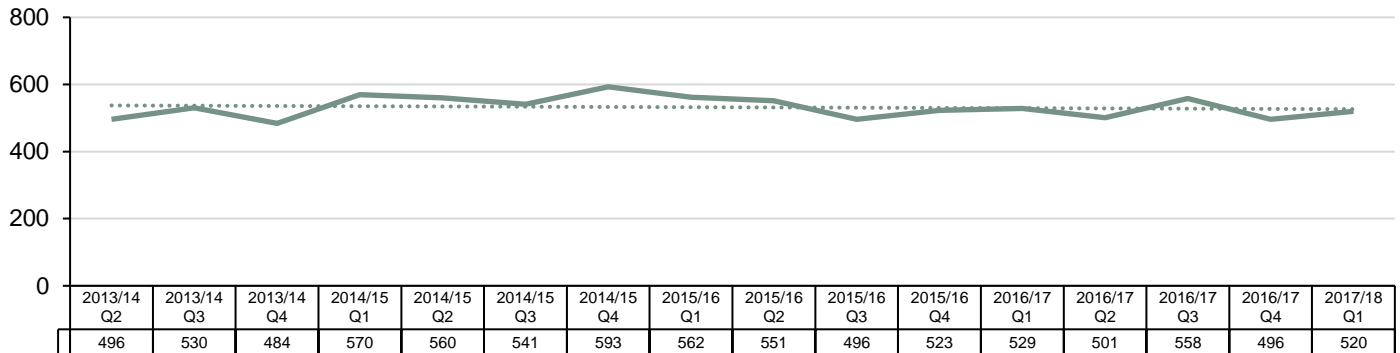
Section 1: Key indicators

Disputes

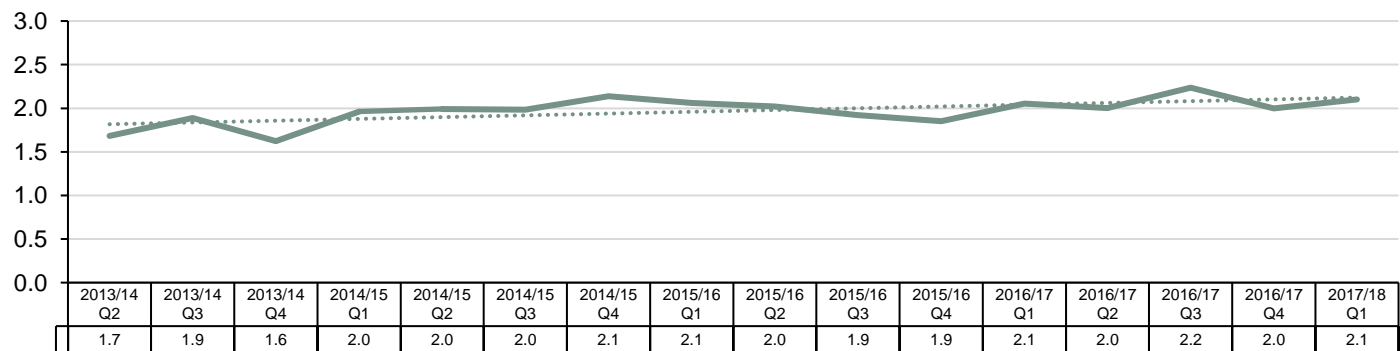
Summary:

- Indicator 1.5.1 and 1.5.2 show that between December (Q2) 2013/14 and September (Q1) 2017/18, the number of new applications lodged in the Conciliation Service remained stable however the application rate increased.
- For September (Q1) 2017/18, the number of dispute applications was 520 and the disputation rate (number of disputes per 100 active claims) was 2.1 (Indicator 1.5.2).

1.5.1: Number of dispute applications by acceptance quarter



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



* The disputation rate is the number of dispute applications per 100 active claims by dispute acceptance quarter. The number of active claims tends to revise upwards over time as more payment data is received. Therefore, the disputation rate is preliminary for the most recent quarter.

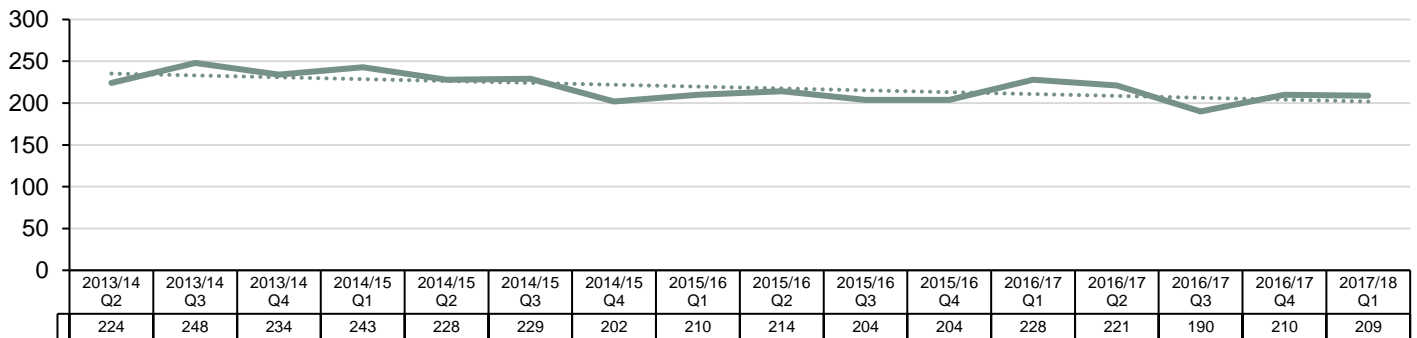
Section 1: Key indicators

Common law applications

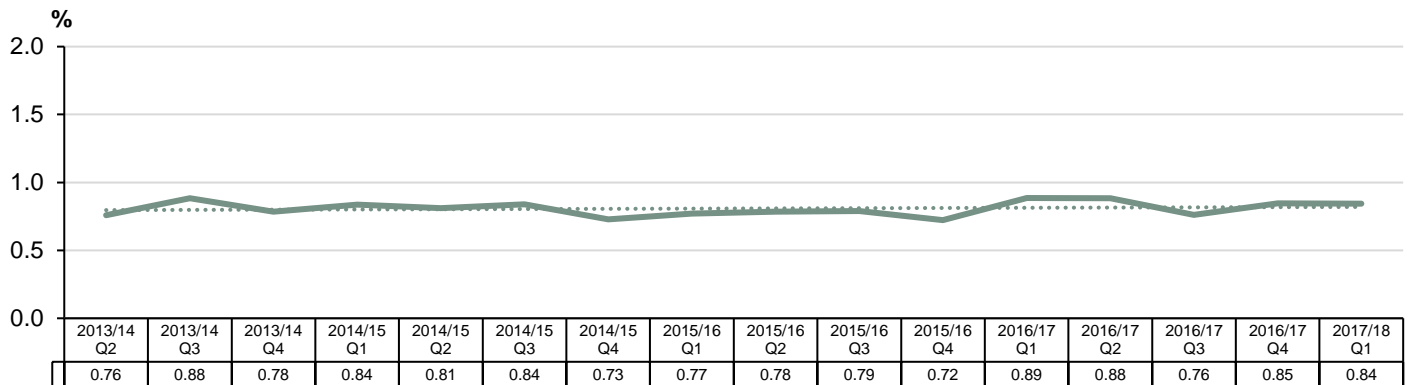
Summary:

- The number of common law applications decreased over the reference period, despite variations across quarters, whereas the rate of applications as a proportion of active claims increased.
- The number of common law applications decreased by 8.3% over the year September (Q1) 2016/17 to September (Q1) 2017/18) (Indicator 1.6.1).
- From September (Q1) 2016/17 to September (Q1) 2017/18, the common law application rate decreased by 4.7% (Indicator 1.6.2).

1.6.1: Number of common law applications* by application quarter



1.6.2: Common law applications* as a proportion of active claims by application quarter



* See Glossary for definition and further explanation.

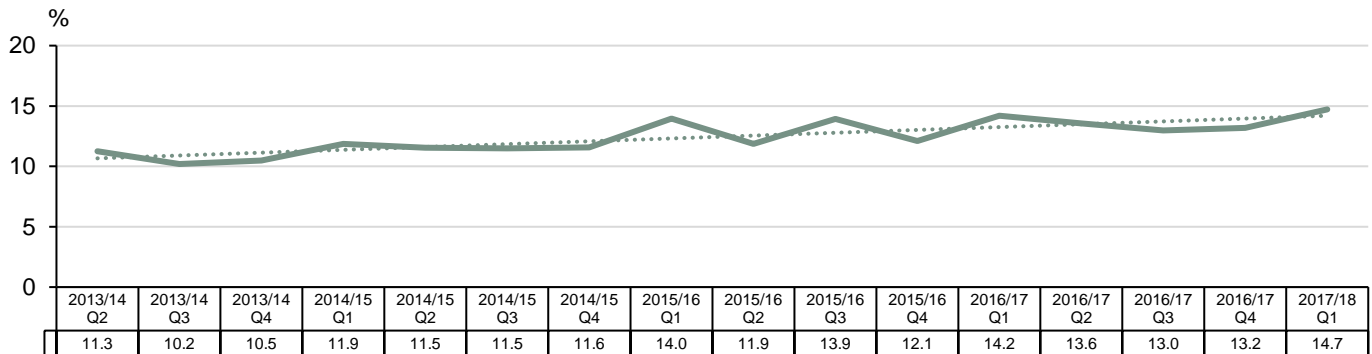
Section 1: Key indicators

Settlements

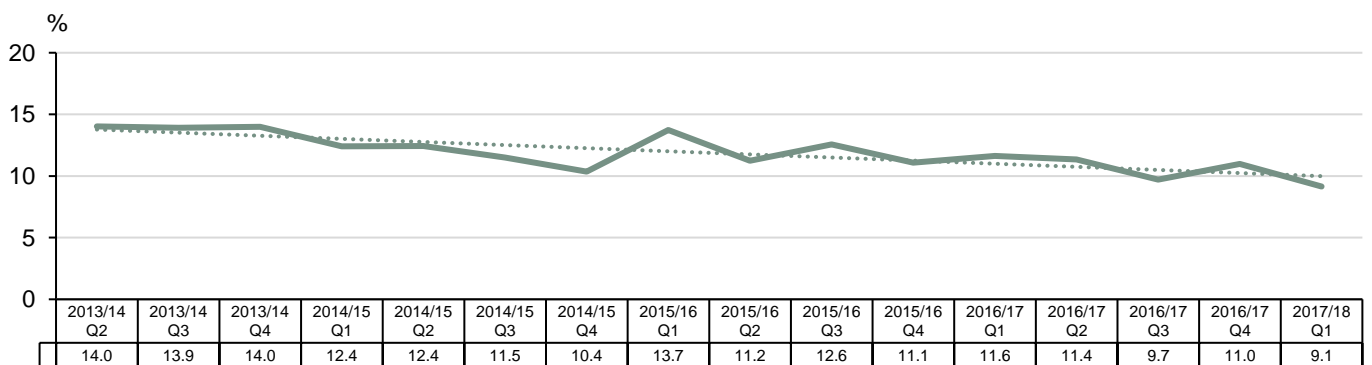
Summary:

- A Memorandum of Agreement* is a legal instrument that records a settlement of a worker's compensation.
- The proportion of claims that were finalised through Memorandum of Agreements* increased from 13.2% in June (Q4) 2016/17 to 14.7% in September (Q1) 2017/18 (Indicator 1.7.1).
- The proportion of Memorandum of Agreement* payments to finalised claim payments decreased to 9.1% compared to 11% in the previous quarter (Indicator 1.7.2).

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



1.7.2: Memorandum of Agreement* payments as a proportion of finalised claim payments by recording quarter



* See Glossary for definition and further explanation.

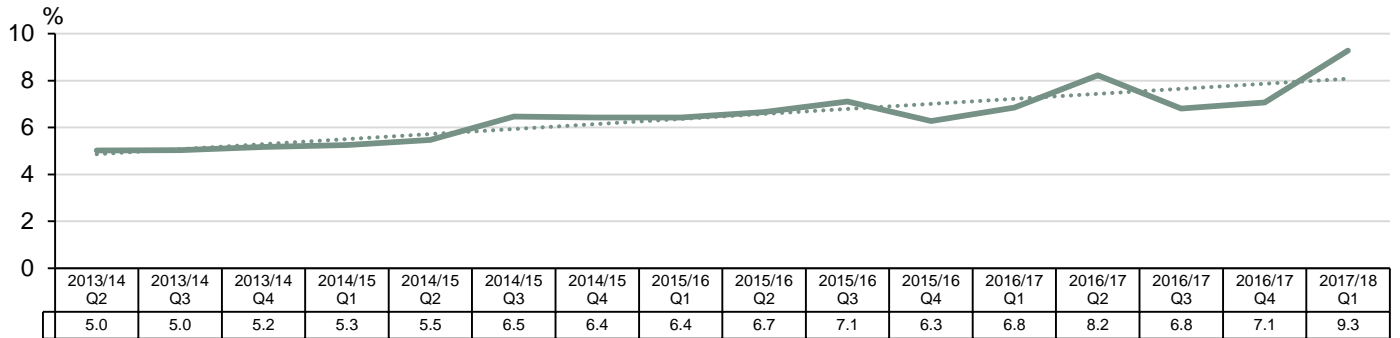
Section 1: Key indicators

Settlements

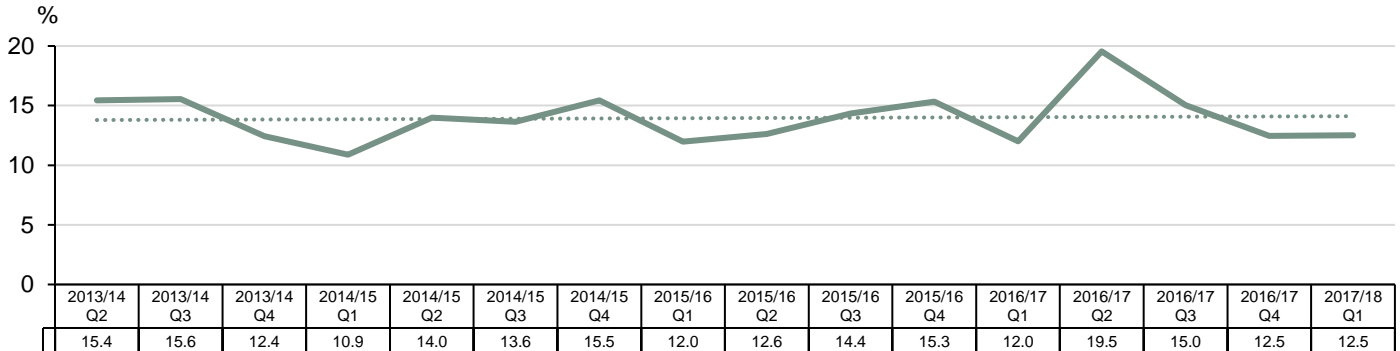
Summary:

- The proportion of claims finalised through lump sums for damages against the employer without proceeding to court (Section 92(f) deeds) increased over the reporting period. In the most recent quarter (September (Q1) 2017/18), 9.3% of claims were finalised through Section 92(f) deeds (Indicator 1.7.3).
- The proportion of payments associated with Section 92(f) deeds to finalised claim payments was 12.5% in the current quarter (September (Q1) 2017/18), and remained unchanged from the previous quarter (June (Q4) 2016/17) (Indicator 1.7.4).

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



1.7.4: Section 92(f) deed* payments as a proportion of finalised claim payments 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 and settlements 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: September (Q1) 2016/17 and September (Q1) 2017/18

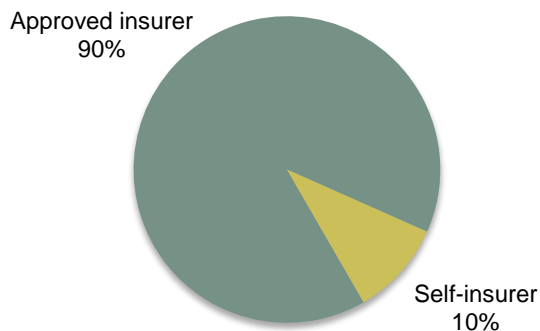
- The number of active income claims (i.e. had a transaction payment during the period) decreased for both approved insurers and self-insurers.
- The new to closed claim ratio for approved insurers remained stable over the year, whereas the ratio increased for self-insurers.

2.1.0 Claim numbers

| | Current quarter | % change from previous quarter | % change from same quarter last year | |
|--|-----------------|--------------------------------|--------------------------------------|---|
| Total claim count (pg 17) | | | | |
| Approved insurer | 6,371 | -2.4 | -6.5 | ▼ |
| Self-insurer | 709 | -8.0 | -9.8 | ▼ |
| Proportion of claims (%) (pg 17) | | | | |
| Approved insurer | 90.0 | 0.6 | 0.4 | ■ |
| Self-insurer | 10.0 | -5.2 | -3.2 | ■ |
| Active income claims (pg 18) | | | | |
| Approved insurer | 15,175 | -2.0 | -6.9 | ▼ |
| Self-insurer | 1,404 | -10.6 | -11.5 | ▼ |
| New to closed claim ratio (pg 18) | | | | |
| Approved insurer | 0.98 | 5.2 | 0.3 | ■ |
| Self-insurer | 1.06 | 14.5 | 12.5 | ▲ |

- ▲ 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 September (Q1) 2017/18 quarter



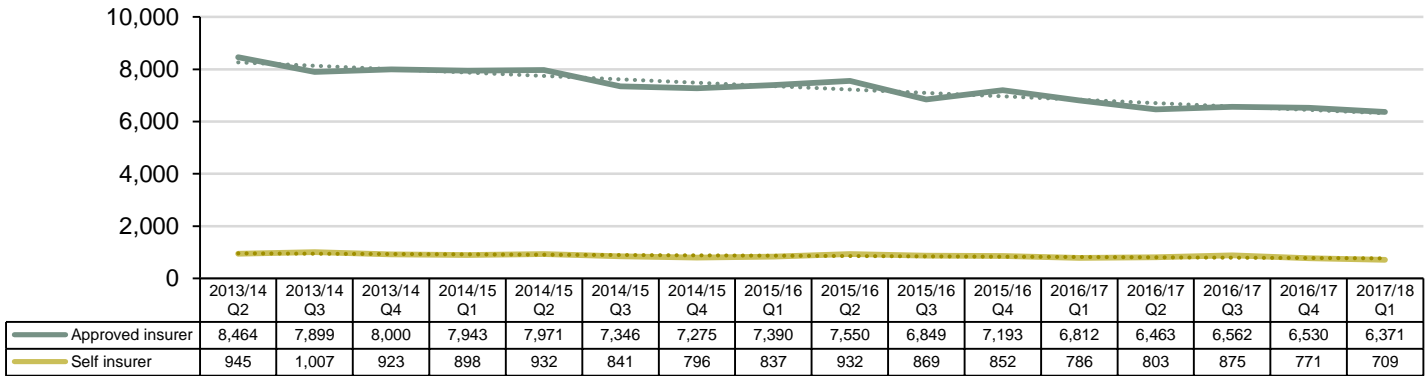
Section 2: Approved insurer and self-insurer comparison

Claim numbers

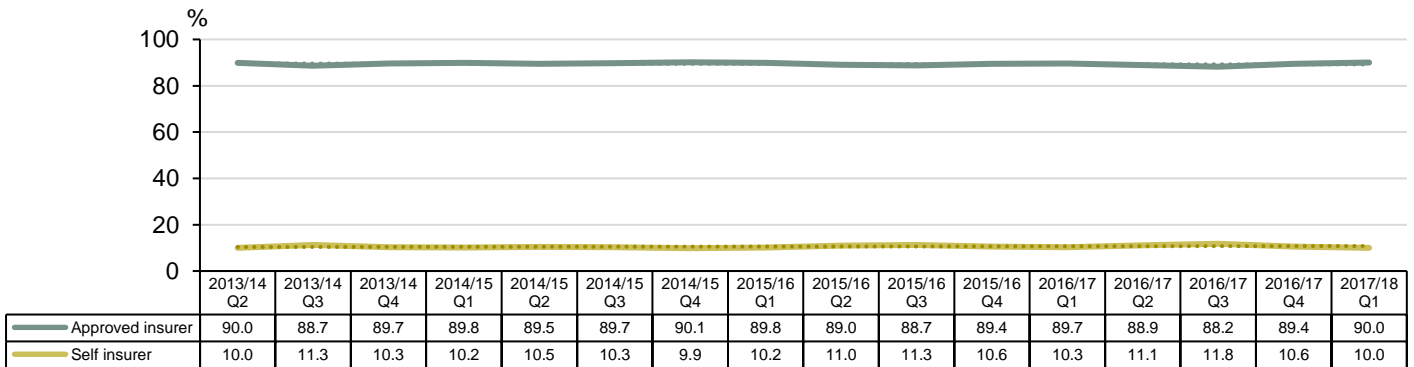
Summary:

- The long term trend shows a decrease in the number of claims lodged for both approved insurers (24.7%) and self-insurers (25%) (Indicator 2.1.1).
- The proportion of claims received by both insurer types remained stable (Indicator 2.1.2). In September (Q1) 2017/18, 90% of claims within the WA workers' compensation scheme were managed by approved insurers.

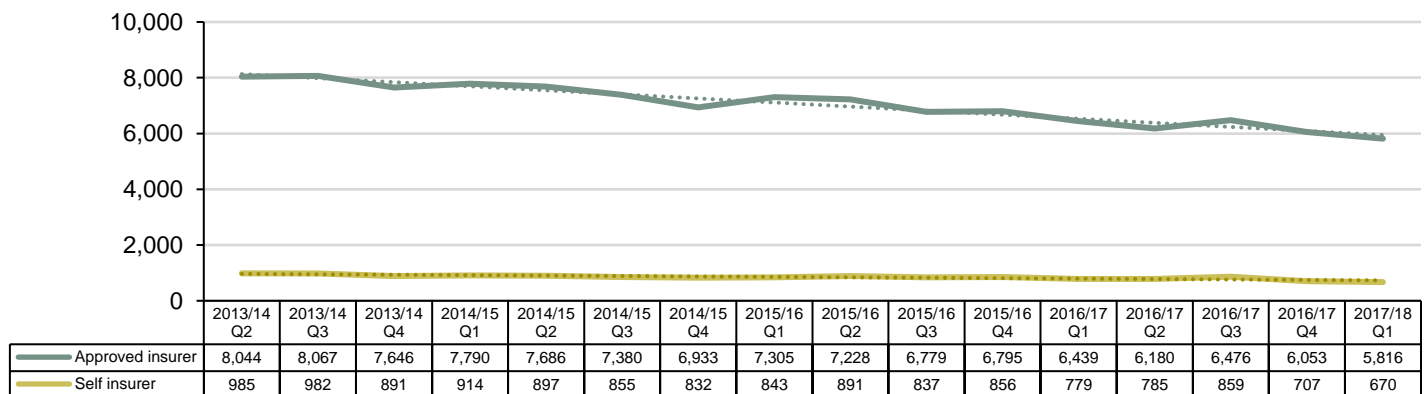
2.1.1: Total number of claims by insurer received quarter



2.1.2: Proportion of claims by insurer received quarter



2.1.3: Total number of claims by accident quarter



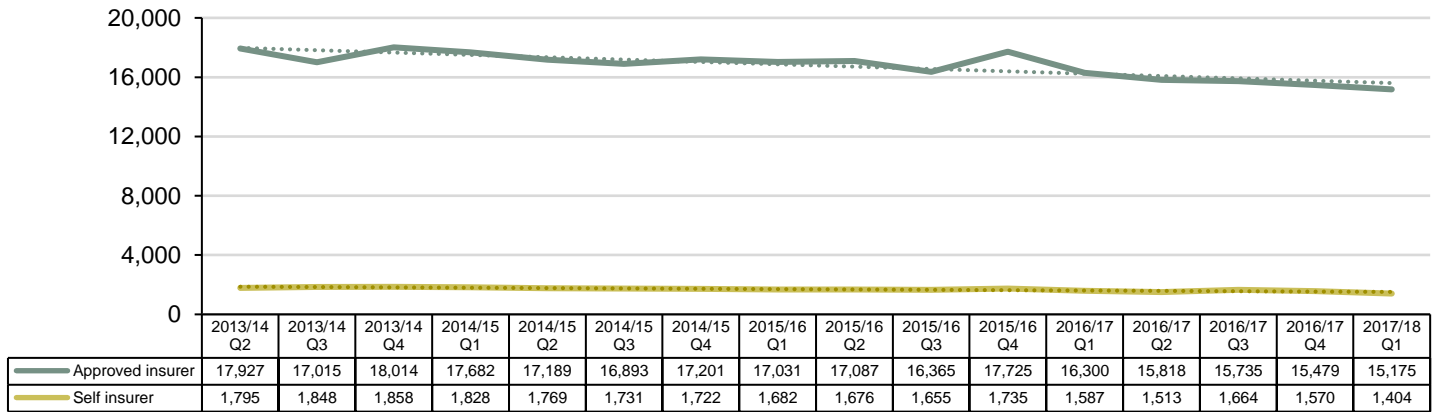
Section 2: Approved insurer and self-insurer comparison

Claim numbers

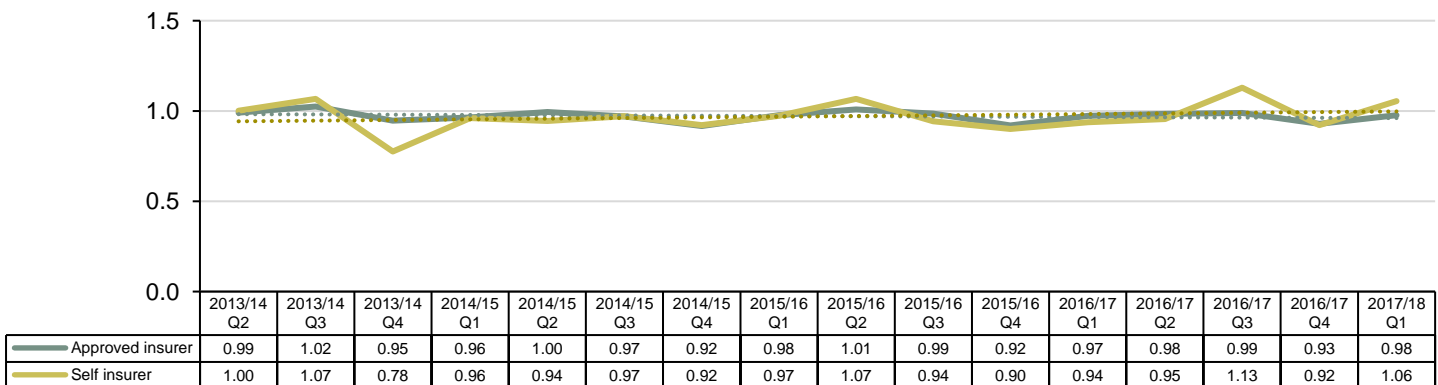
Summary:

- The number of active income claims (i.e. had a transaction payment during the period) decreased from the previous quarter for approved insurers by 2% and for self-insurers by 10.6%. (Indicator 2.1.4).
- The ratio of new to closed claims decreased from the the previous quarter, for approved insurers by 5.2% and for self-insurers by 14.5% (Indicator 2.1.5).

2.1.4: Number of active income claims by transaction quarter



2.1.5: Ratio of new claims to closed claims



Section 2: Approved insurer and self-insurer comparison

Claim payments

Summary: September (Q1) 2016/17 to September (Q1) 2017/18

- Total claim payments remained stable for approved insurers and decreased for self-insurers over the year.
- Weekly payments decreased (6.7%), and allied health and workplace rehabilitation payments increased (6.9%). Medical and hospital payments also increased (5.8%). Other payments remained stable over the year.
- The proportion of payments for allied health and workplace rehabilitation had the largest increase (6.9%), whilst income payments had the largest decrease (6.7%).

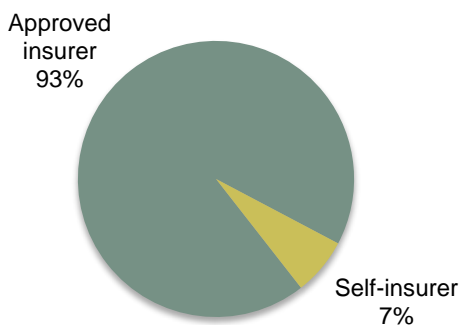
2.2.0: Claim payments

| | Current quarter | % change from previous quarter | % change from same quarter last year | |
|--|-----------------|--------------------------------|--------------------------------------|---|
| Total payments (\$m) (pg 20) | | | | |
| Approved insurer | 218.4 | -2.8 | 1.2 | ■ |
| Self-insurer | 15.7 | -9.2 | -14.0 | ▼ |
| Income payment | 84.2 | -8.0 | -6.7 | ▼ |
| Lump sums (incl common law) | 68.4 | -0.7 | 3.9 | ■ |
| Medical and hospital | 35.1 | -1.7 | 5.8 | ▲ |
| Allied health and workplace rehabilitation | 21.5 | 3.5 | 6.9 | ▲ |
| Legal and other services | 24.9 | -0.3 | 0.6 | ■ |
| Proportion of payments (%) (pg 21) | | | | |
| Approved insurer | 93.3 | 0.5 | 1.2 | ■ |
| Self-insurer | 6.7 | -6.2 | -14.0 | ▼ |
| Income payment | 36.0 | -5.0 | -6.7 | ▼ |
| Lump sums (incl common law) | 29.2 | 2.6 | 3.9 | ■ |
| Medical and hospital | 15.0 | 1.5 | 5.8 | ▲ |
| Allied health and workplace rehabilitation | 9.2 | 6.9 | 6.9 | ▲ |
| Legal and other services | 10.6 | 3.0 | 0.7 | ■ |

- ▲ 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 September (Q1) 2017/18 quarter



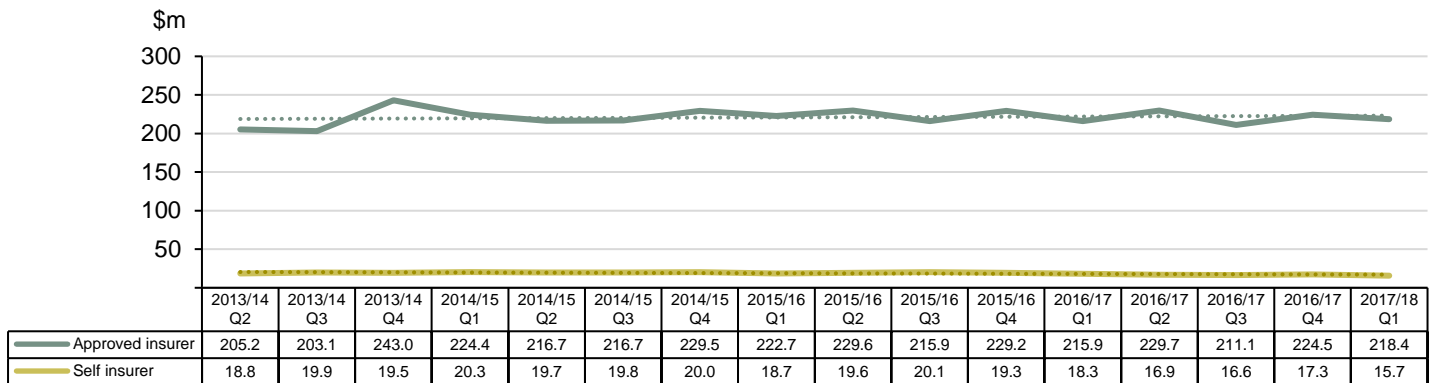
Section 2: Approved insurer and self-insurer comparison

Claim payments

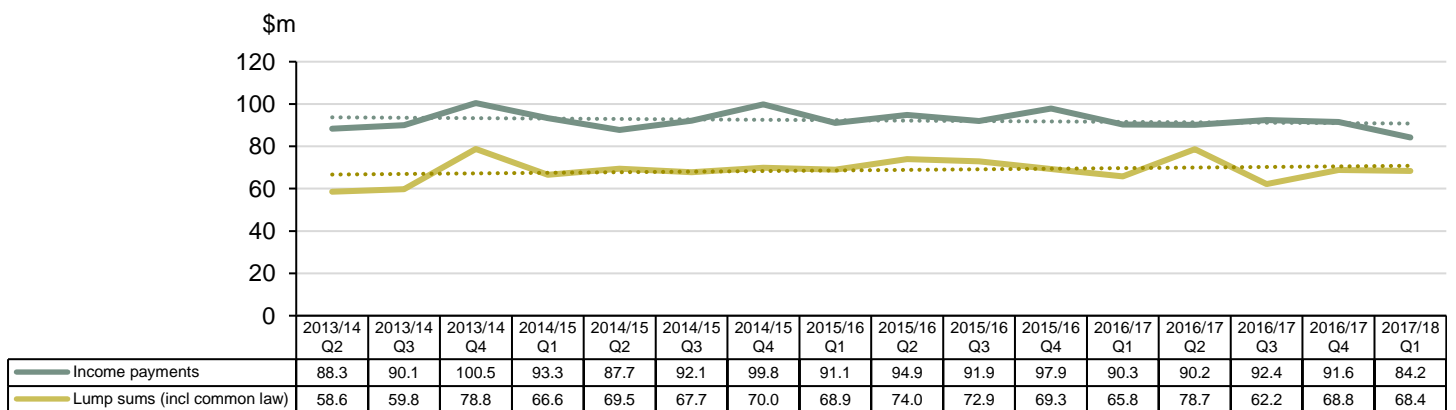
Summary:

- The long term trend for claim payments for both approved insurers and self-insurers remained stable across the reporting period (Indicator 2.2.1).
- Income payments and lump sums remained stable over the four year period (Indicator 2.2.2).
- In comparison to the previous year, payments for medical and hospital increased by 5.8%, allied health and workplace rehabilitation increased by 6.9%, and legal and other services remained stable (Indicator 2.2.3).

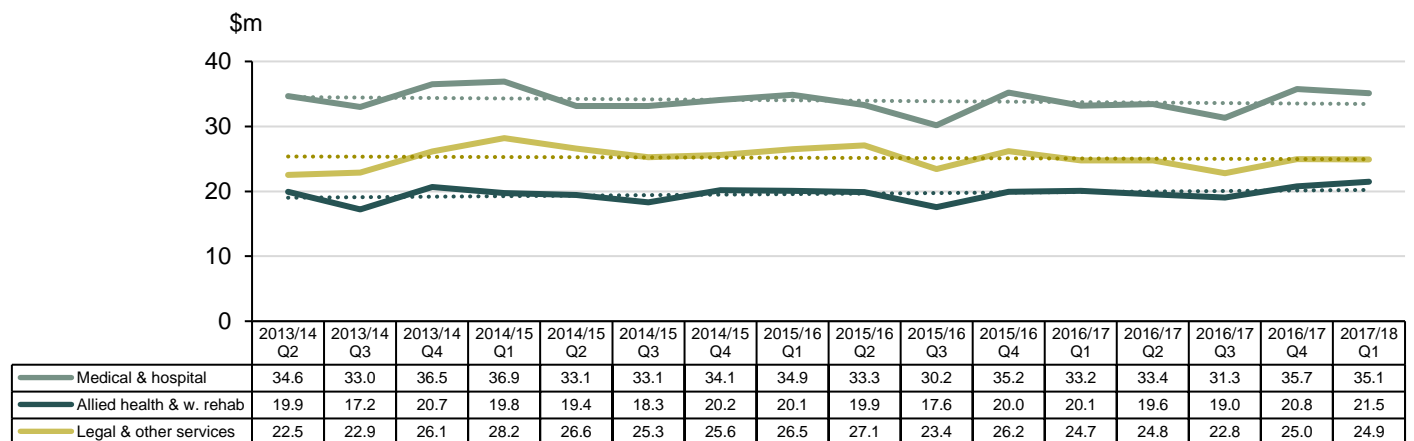
2.2.1: Total claim payments by transaction quarter



2.2.2: Claim payments direct to workers by transaction quarter



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



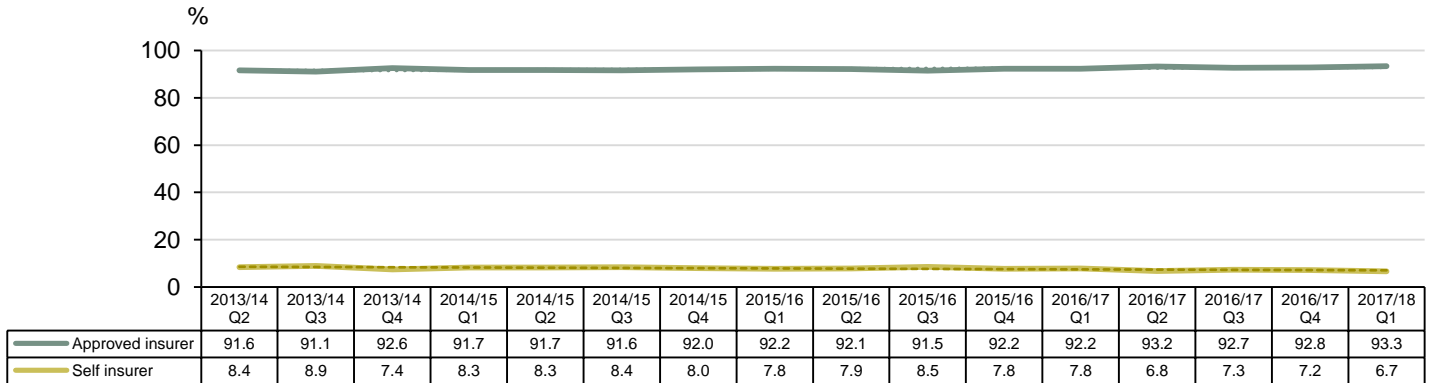
Section 2: Approved insurer and self-insurer comparison

Claim payments

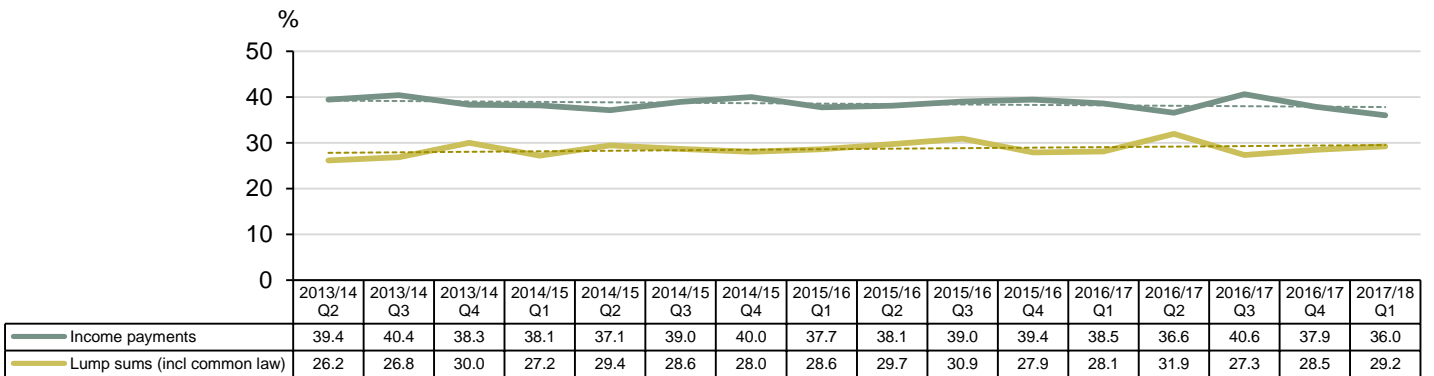
Summary:

- The proportion of claim payments remained stable for both approved insurers and self-insurers (Indicator 2.2.4).
- The proportion of income payments to total claim payments decreased by 8.7% and the proportion of lump sums to total claim payments increased by 11.7% over the reporting period (Indicator 2.2.5).
- The proportion of claim payments for medical and hospital, allied health and workplace rehabilitation, and legal and other services remained stable over the reporting period (Indicator 2.2.6).

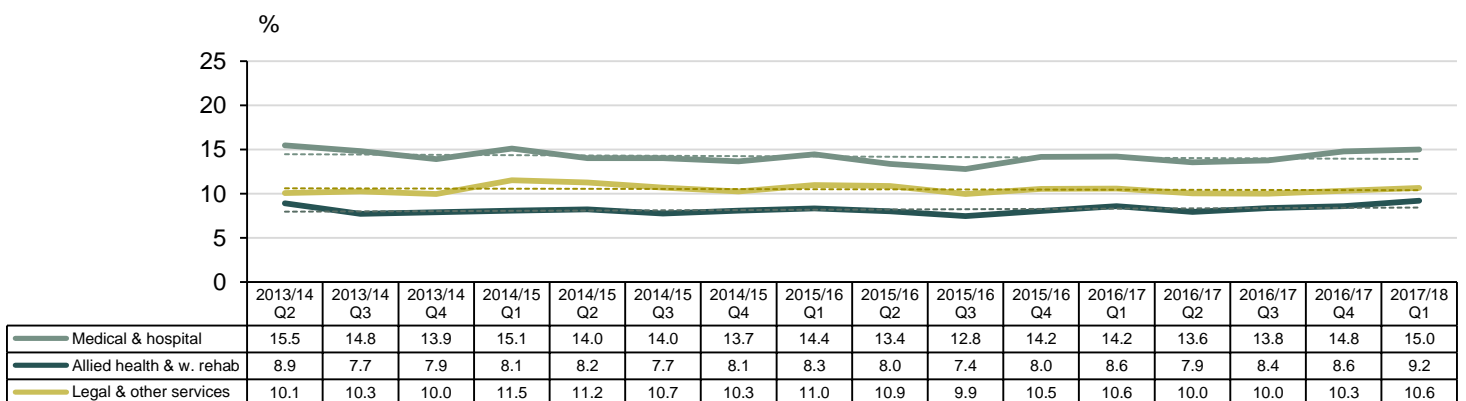
2.2.4: Proportion of claim payments by transaction quarter



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



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



Section 2: Approved insurer and self-insurer comparison

Estimated costs

Summary: September (Q1) 2015/16 to September (Q1) 2016/17

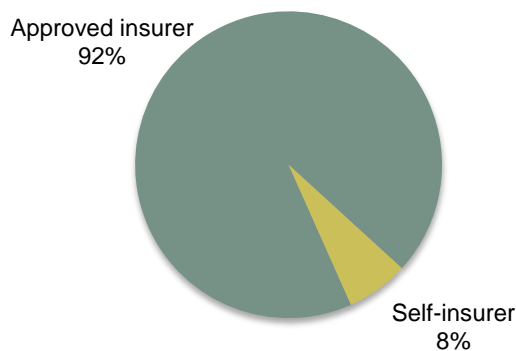
- Estimated claim costs are reported up to the September (Q1) 2016/17 quarter only (one year lag). This is because estimated costs data is subject to significant development over time and information for the most recent year is still
- The total estimated claim costs decreased for approved insurers and self insurers.
- The average estimated claim costs (including common law) remained stable for approved insurers and decreased for self-insurers (16%).
- The average estimated claim costs (excluding common law) remained stable for approved insurers and decreased for self-insurers (9.4%).

2.3.0 Estimated costs*

| | Sep (Q1) 2016/17 | % change from previous quarter | % change from previous year | |
|---|---------------------|-----------------------------------|--------------------------------|---|
| Total estimated claim costs (\$m) (pg 23) | | | | |
| Approved insurer | 205.8 | -11.1 | -5.2 | ▼ |
| Self-insurer | 14.4 | -3.8 | -21.2 | ▼ |
| Average estimated claim costs (\$) (pg 23) | | | | |
| Approved insurer | 30,212 | -6.1 | 2.8 | ■ |
| Self-insurer | 18,340 | 4.3 | -16.0 | ▼ |
| Average estimated claim costs - excl common law (\$) (pg 24) | | | | |
| Approved insurer | 27,670 | -3.7 | 2.5 | ■ |
| Self-insurer | 18,340 | 4.3 | -9.4 | ▼ |

- ▲ 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 September (Q1) 2016/17 quarter



* See Glossary for definition and further explanation.

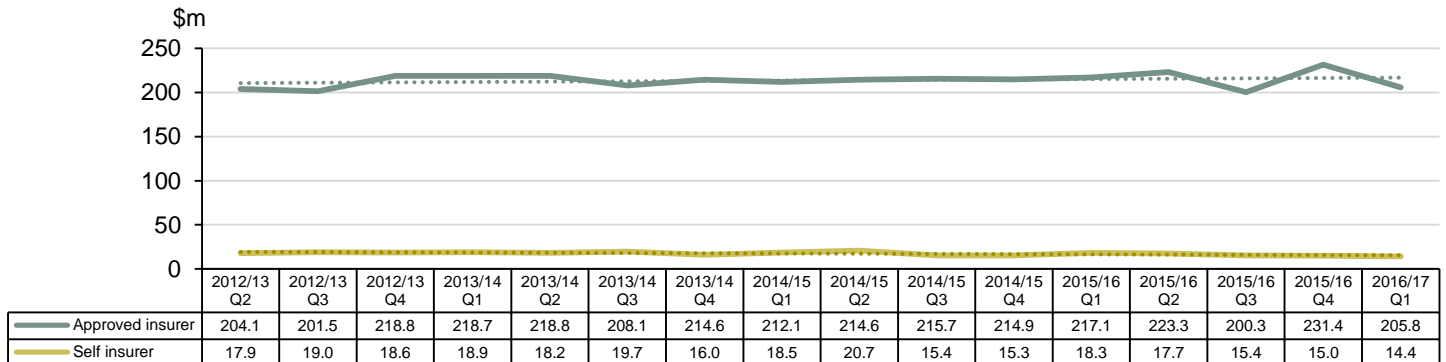
Section 2: Approved insurer and self-insurer comparison

Estimated costs

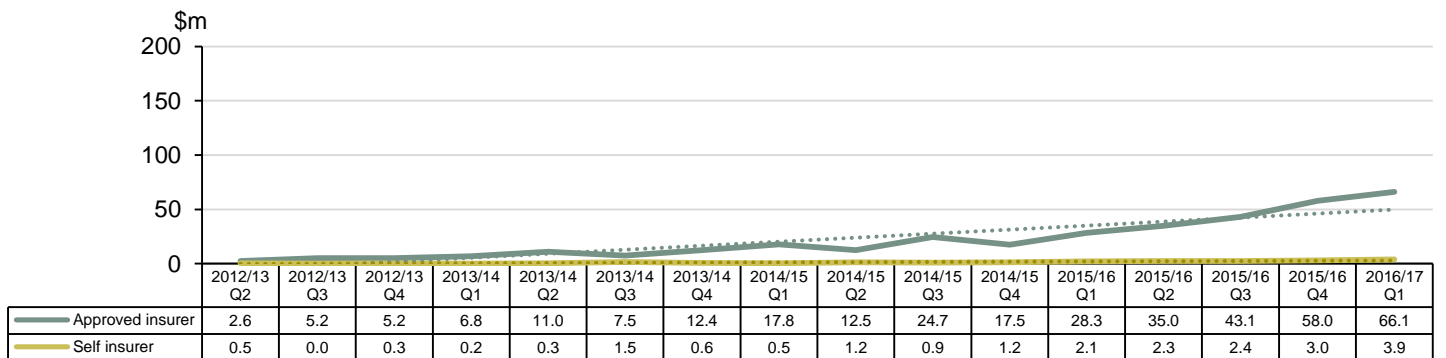
Summary:

- Over the last year, the total estimated claim costs decreased (5.2%) for approved insurers and decreased (21.2%) for self-insurers (Indicator 2.3.1).
- The long term trend for average estimated claim costs for both approved insurers and self-insurers increased. However, in comparison to the previous quarter, the average estimated claim cost for approved insurers decreased by 6.1%, while self-insurers increased by 4.3% (Indicator 2.3.3).

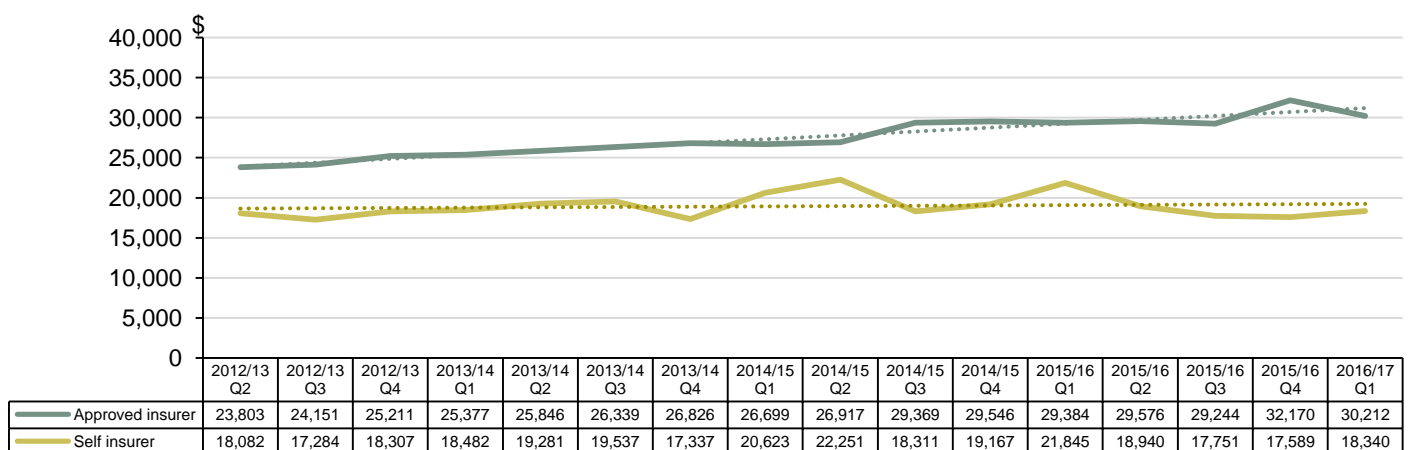
2.3.1: Total estimated claim costs by insurer received quarter



2.3.2: Outstanding estimated claim costs by insurer received quarter



2.3.3: Average estimated claim costs by insurer received quarter

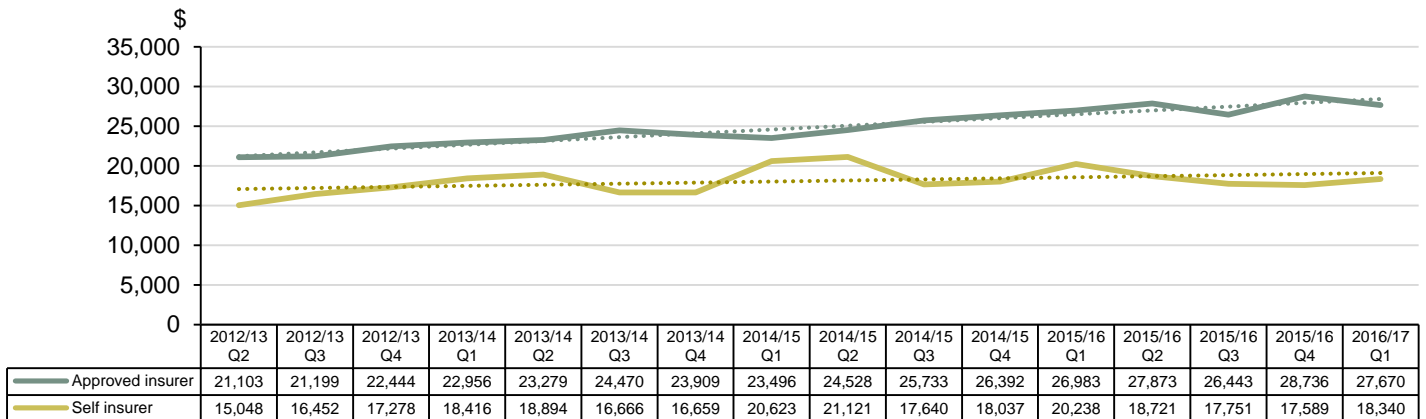


Section 2: Approved insurer and self-insurer comparison Estimated costs

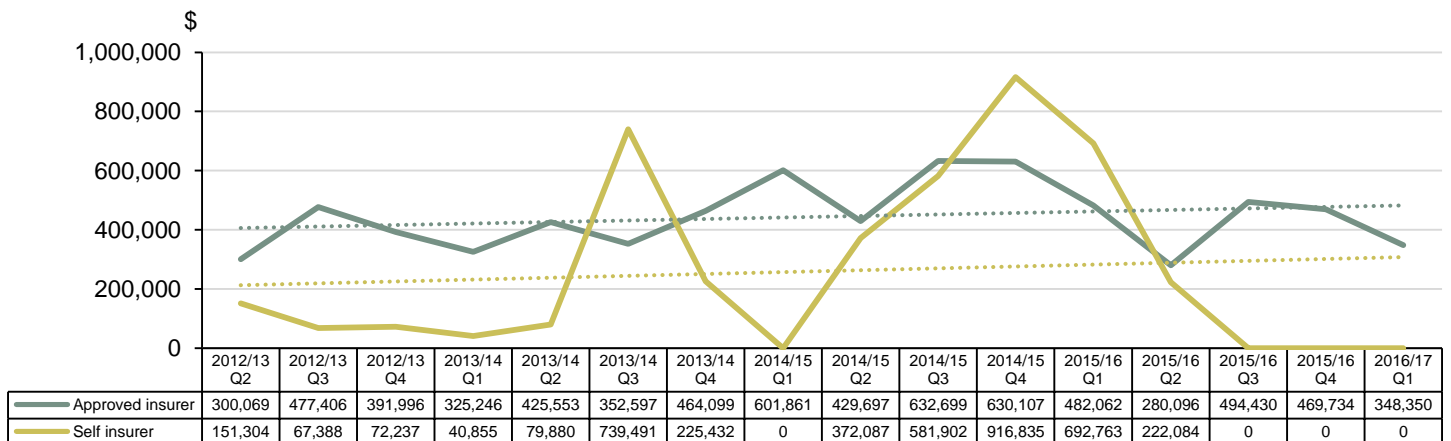
Summary:

- Indicator 2.3.4 shows that the average estimated claim costs, without the influence of common law, have been increasing over time for both insurer types.
- As shown in Indicator 2.3.5, the average estimated common law claim costs continue to increase for approved insurers over the long term. For self-insurers, due to the small number of claims, the average estimated common law claim cost is subject to fluctuation.

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 2017 for approved insurers.

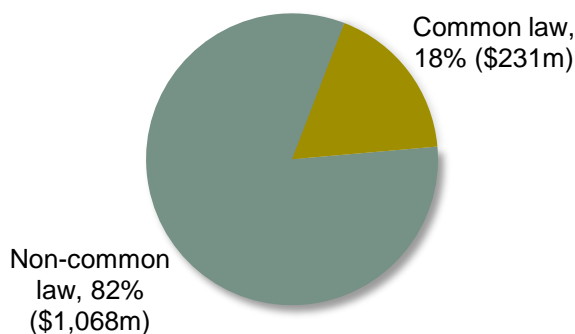
2.3.6 Current claim costs for open claims (excl common law) by insurer received year - Approved insurers

| Insurer received year | Open claims | Total estimated \$ | Actual paid \$ | Outstanding estimated \$ | % outstanding estimate for all open claims |
|-----------------------|--------------|----------------------|--------------------|--------------------------|--|
| All earlier years | 61 | 10,636,794 | 7,962,849 | 2,673,945 | 25.1 |
| 2008/09 | 24 | 4,575,022 | 3,337,191 | 1,237,832 | 27.1 |
| 2009/10 | 38 | 7,037,439 | 4,569,084 | 2,468,355 | 35.1 |
| 2010/11 | 55 | 7,824,564 | 5,434,890 | 2,389,674 | 30.5 |
| 2011/12 | 81 | 12,715,968 | 8,460,005 | 4,255,963 | 33.5 |
| 2012/13 | 172 | 32,546,878 | 23,785,642 | 8,761,236 | 26.9 |
| 2013/14 | 336 | 61,515,837 | 41,706,007 | 19,809,830 | 32.2 |
| 2014/15 | 676 | 109,234,698 | 74,202,963 | 35,031,735 | 32.1 |
| 2015/16 | 2,037 | 292,040,108 | 167,479,773 | 124,560,335 | 42.7 |
| 2016/17 | 5,669 | 529,527,431 | 241,260,540 | 288,266,891 | 54.4 |
| Total | 9,149 | 1,067,654,739 | 241,260,540 | 489,455,796 | 45.8 |

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

| Insurer received year | Open claims | Total estimated \$ | Actual paid \$ | Outstanding estimated \$ | % outstanding estimate for all open claims |
|-----------------------|-------------|--------------------|-------------------|--------------------------|--|
| All earlier years | 0 | - | - | - | n/a |
| 2008/09 | <5 | 660,865 | 491,541 | 169,324 | 25.6 |
| 2009/10 | <5 | 840,368 | 404,242 | 436,126 | 51.9 |
| 2010/11 | <5 | 3,537,375 | 2,713,635 | 823,740 | 23.3 |
| 2011/12 | 9 | 8,734,303 | 5,426,980 | 3,307,323 | 37.9 |
| 2012/13 | 15 | 11,697,489 | 5,246,100 | 6,451,388 | 55.2 |
| 2013/14 | 39 | 30,667,445 | 12,702,444 | 17,965,001 | 58.6 |
| 2014/15 | 68 | 57,437,931 | 19,969,330 | 37,468,601 | 65.2 |
| 2015/16 | 109 | 61,891,112 | 21,980,386 | 39,910,726 | 64.5 |
| 2016/17 | 121 | 55,286,453 | 13,497,470 | 41,788,983 | 75.6 |
| Total | 368 | 230,753,341 | 82,432,127 | 148,321,214 | 64.3 |

Proportion of total estimated claim costs for all open claims for approved insurers within the WA workers' compensation scheme to 30 June 2017



Section 2: Approved insurer and self-insurer comparison

Estimated costs

This section details actual, estimated and outstanding costs for all unfinalised claims up to 30 June 2017 for self-insurers.

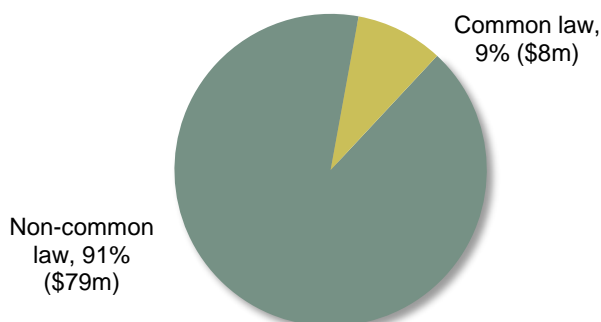
2.3.8 Current claim costs for open claims (excl common law) by insurer received year - Self-insurers

| Insurer received year | Open claims | Total estimated \$ | Actual paid \$ | Outstanding estimated \$ | % outstanding estimate for all open claims |
|-----------------------|-------------|--------------------|-------------------|--------------------------|--|
| All earlier years | 10 | 913,306 | 598,118 | 315,188 | 34.5 |
| 2008/09 | <5 | 508,608 | 362,209 | 146,399 | 28.8 |
| 2009/10 | - | - | - | - | - |
| 2010/11 | 5 | 1,080,554 | 792,254 | 288,300 | 26.7 |
| 2011/12 | 9 | 1,557,855 | 1,190,605 | 367,251 | 23.6 |
| 2012/13 | 8 | 1,796,068 | 1,228,384 | 567,685 | 31.6 |
| 2013/14 | 18 | 3,430,835 | 2,512,906 | 917,928 | 26.8 |
| 2014/15 | 48 | 7,644,973 | 5,102,771 | 2,542,202 | 33.3 |
| 2015/16 | 181 | 21,491,777 | 12,662,696 | 8,829,081 | 41.1 |
| 2016/17 | 603 | 40,457,218 | 19,147,260 | 21,309,958 | 52.7 |
| Total | 884 | 78,881,194 | 43,597,203 | 35,283,991 | 44.7 |

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

| Insurer received year | Open claims | Total estimated \$ | Actual paid \$ | Outstanding estimated \$ | % outstanding estimate for all open claims |
|-----------------------|-------------|--------------------|------------------|--------------------------|--|
| All earlier years | <5 | 34,850 | 34,850 | - | n/a |
| 2008/09 | - | - | - | - | n/a |
| 2009/10 | - | - | - | - | n/a |
| 2010/11 | - | - | - | - | n/a |
| 2011/12 | - | - | - | - | n/a |
| 2012/13 | <5 | 956,813 | 436,946 | 519,867 | 54.3 |
| 2013/14 | <5 | 2,738,864 | 1,020,775 | 1,718,089 | 62.7 |
| 2014/15 | <5 | 2,033,096 | 700,213 | 1,332,883 | 65.6 |
| 2015/16 | <5 | 1,607,609 | 606,607 | 1,001,001 | 62.3 |
| 2016/17 | <5 | 501,876 | 175,915 | 325,961 | 64.9 |
| Total | 14 | 7,873,108 | 2,975,307 | 4,897,801 | 62.2 |

Proportion of total estimated claim costs for all open claims for self-insurers within the WA workers' compensation scheme to 30 June 2017



Section 2: Approved insurer and self-insurer comparison

Claim management

Summary: September (Q1) 2016/17 to September (Q1) 2017/18

- The median time taken to finalise a lost-time claim (claim duration) remained stable for approved insurers and self-insurers.
- The proportion of income claims with insurer lodgement periods within five days increased from 81.7% in September (Q1) 2016/17 to 82.5% in September (Q1) 2017/18.
- The proportion of income claims with an initial liability decision made within the required legislated timeframe remained stable for approved insurers and self-insurers.

2.4.0 Claim management

| | This quarter | % change from previous quarter | % change from same quarter last year | |
|--|--------------|--------------------------------|--------------------------------------|---|
| Claim duration - initial finalisation (months) (pg 28) | | | | |
| Approved insurer | 6.2 | -1.6 | -3.1 | ■ |
| Self-insurer | 5.5 | -6.8 | 1.9 | ■ |
| Employer lodgement period* - injury income claims (days) (pg 28) | | | | |
| Approved insurer | 14 | -8.5 | -21.0 | ▼ |
| Self-insurer | 22 | -3.5 | 30.1 | ▲ |
| Employer lodgement period* - disease income claims (days) (pg 29) | | | | |
| Approved insurer | 28 | -57.6 | -49.2 | ▼ |
| Self-insurer | 30 | 13.9 | 8.5 | ▲ |
| Insurer lodgement period - income claims (days) (pg 29) | | | | |
| Approved insurer | 4 | -14.1 | -11.3 | ▼ |
| Proportion (%) of income claims with insurer lodgement periods within five days (pg. 29) | | | | |
| Approved insurer | 82.5 | 1.2 | 1.0 | ■ |
| Proportion (%) of income claims with initial liability decision period within the legislated time (Insurers: 14 days, self-insurers: 17 days) (pg 30) | | | | |
| Approved insurer | 92.2 | 3.8 | 4.5 | ■ |
| Self-insurer | 84.4 | 2.5 | 5.0 | ■ |

- ▲ 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.

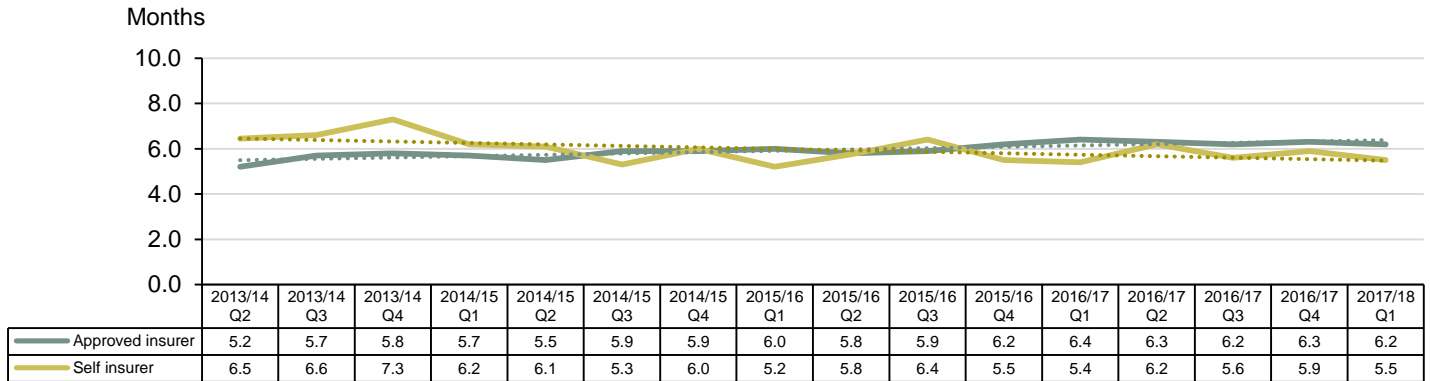
Section 2: Approved insurer and self-insurer comparison

Claim management

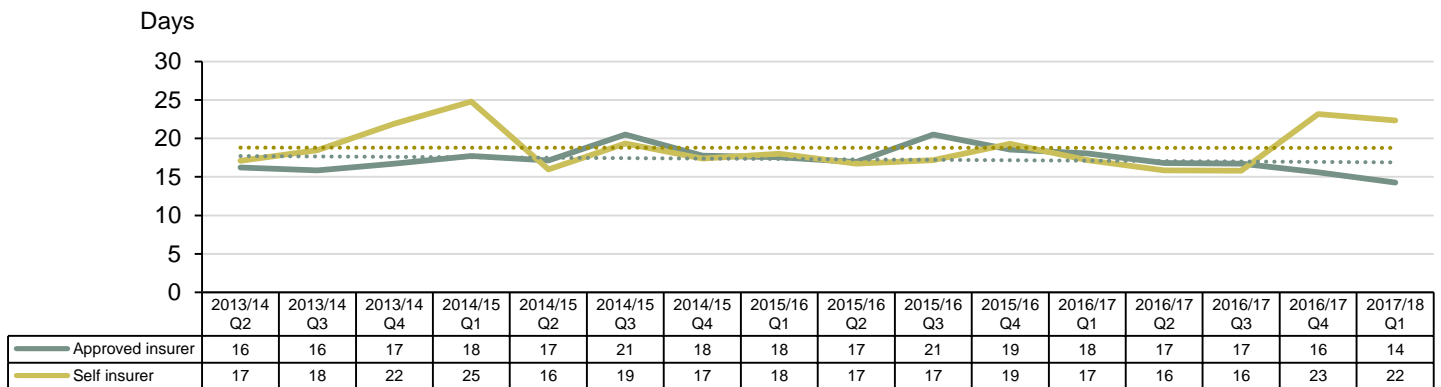
Summary:

- Over the reporting period, the median lost-time claim duration for approved insurers shows an increasing trend from 5.2 months in December (Q2) 2013/14 to 6.2 months in the current quarter (Indicator 2.4.1).
- The median lost-time claim duration for self-insurers shows a decreasing trend over the reporting period (Indicator 2.4.1).
- Despite variations across quarters, the number of days between the occurrence of an injury and lodgement of a workers' compensation claim with an employer (employer lodgement period) improved for approved insurers (Indicator 2.4.2).

2.4.1: Median lost-time claim duration by initial finalisation quarter



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



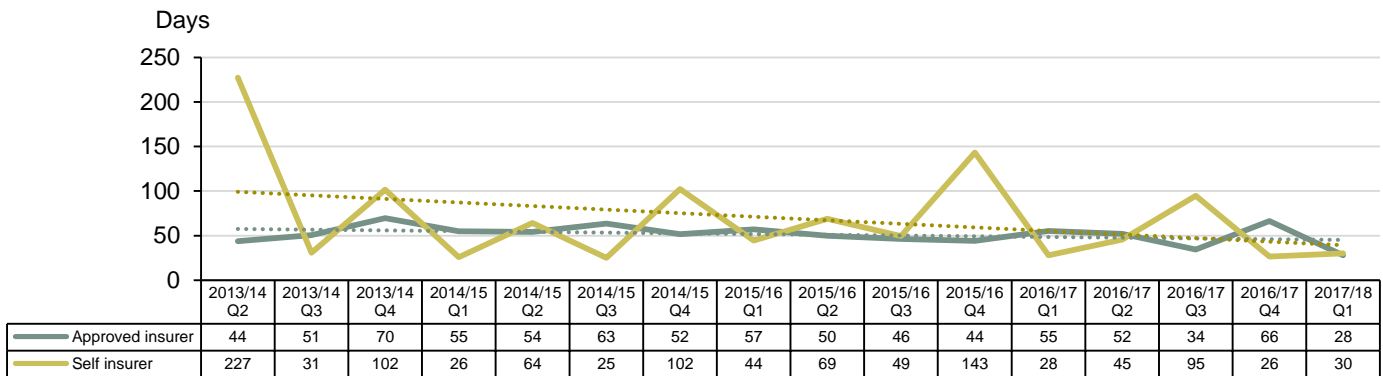
Section 2: Approved insurer and self-insurer comparison

Claim management

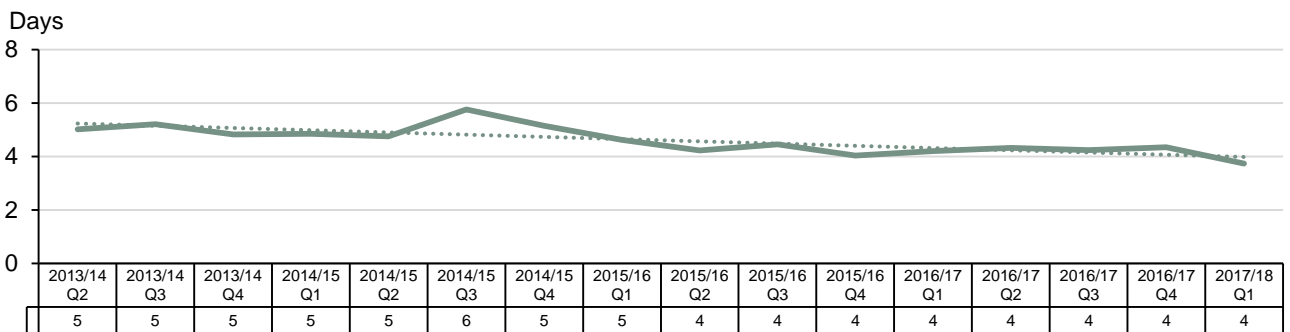
Summary:

- The average number of days between diagnosis of a disease and lodgement of a worker's compensation claim with an employer (employer lodgement period) decreased for claims managed by approved insurers over the last year. For self-insurers, there is greater fluctuation due to the small number of disease claims within the scheme (Indicator 2.4.3).
- As shown in Indicator 2.4.4, employers' timely lodgement of workers' compensation claims (with approved insurers) remained stable over the past four years. The average insurer lodgement period for income claims in September (Q1) 2017/18 was 4 days.
- Indicator 2.4.5 shows the proportion of income claims lodged with an approved insurer within five working days gradually improved from September (Q1) 2015/16 to September (Q1) 2017/18.

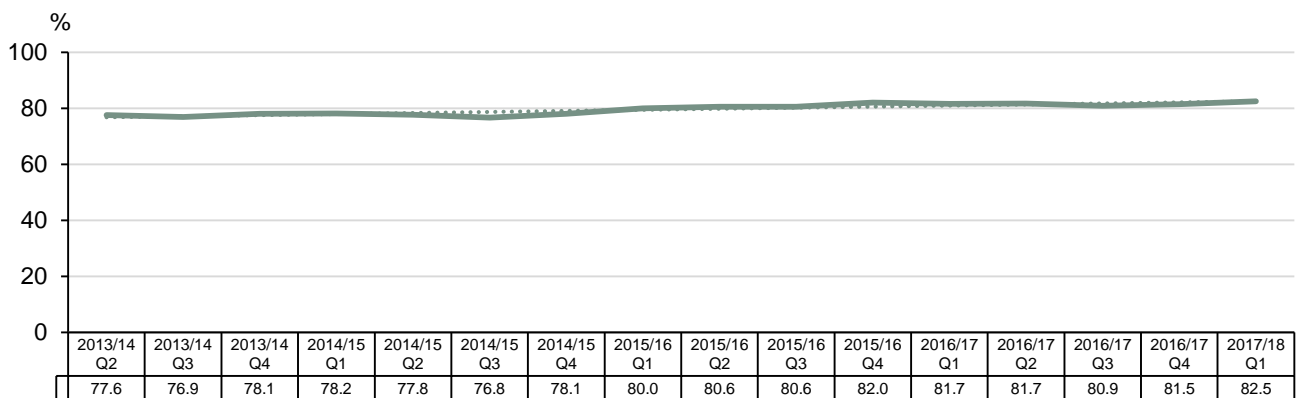
2.4.3: Average employer lodgement period for disease income claims by insurer received quarter



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



2.4.5: Proportion of insurer lodgement period within the legislated time of five working days by insurer received quarter - income claims

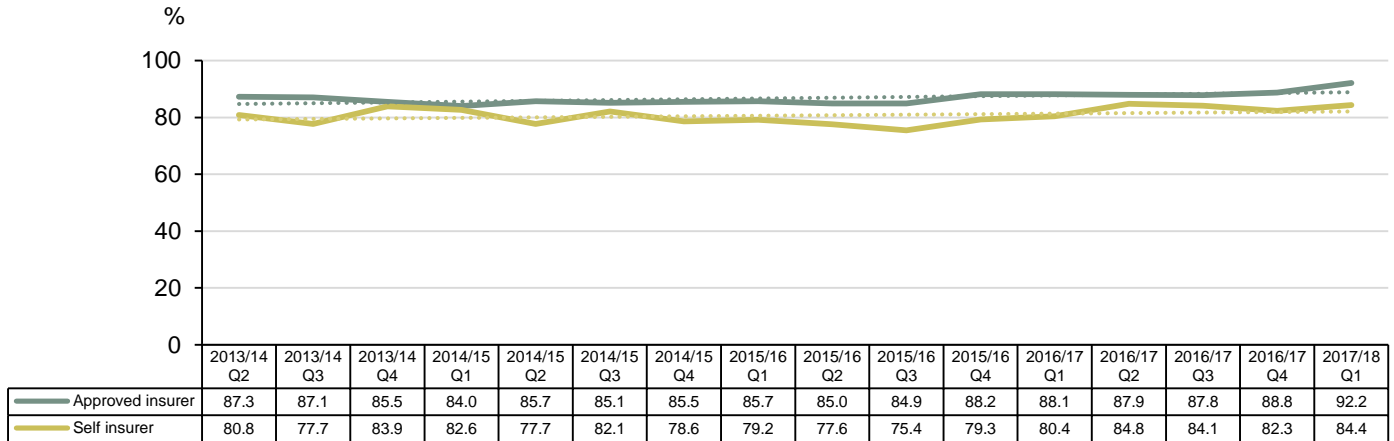


Section 2: Approved insurer and self-insurer comparison Claim management

Summary:

- Over the reference period, the proportion of claims where an initial liability decision* was made within the legislated timeframe improved for both self-insurers and approved insurers (Indicator 2.4.6).

2.4.6: Proportion of income claims with initial liability decision made within legislative time (14 days for approved insurers and 17 days for self-insurers) by insurer received quarter



* See Glossary for definition and further explanation.

Section 2: Approved insurer and self-insurer comparison

Settlements

Summary: September (Q1) 2016/17 to September (Q1) 2017/18

- The number of claims finalised through Memorandum of Agreements* remained stable for approved insurers but decreased by 10.4% for self-insurers.
- The proportion of Memorandum of Agreements* to finalised claims remained stable for approved insurers but increased for self-insurers (11.7%).
- The number of claims finalised through lump sums for damages against employers (Section 92(f) deeds) increased (40%) for approved insurers and (11.7%) for self-insurers. Due to the small number of claims finalised through Section 92(f) deeds, differences in quarters can vary significantly.
- Section 92(f) deed* payments as a proportion of finalised claim payments decreased (10.5%) for self-insurers and increased (7.9%) for approved insurers.

2.5.0 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 | 999 | -0.1 | -4.4 | ■ |
| Self-insurer | 60 | 57.9 | -10.4 | ▼ |
| Memorandum of Agreements* as a proportion of finalised claims (%) (pg 32) | | | | |
| Approved insurer | 15.3 | 7.8 | 2.5 | ■ |
| Self-insurer | 8.9 | 96.7 | 11.7 | ▲ |
| Memorandum of Agreements* payments as a proportion of finalised claim payments (%) (pg 32) | | | | |
| Approved insurer | 9.3 | -21.1 | -22.8 | ▼ |
| Self-insurer | 7.6 | 129.7 | -1.4 | ■ |
| Number of Section 92(f) deeds* (pg. 33) | | | | |
| Approved insurer | 599 | 19.8 | 30.5 | ▲ |
| Self-insurer | 69 | 23.2 | -10.4 | ▼ |
| Section 92(f) deeds* as a proportion of finalised claims (%) (pg 33) | | | | |
| Approved insurer | 9.2 | 29.2 | 40.0 | ▲ |
| Self-insurer | 10.3 | 53.5 | 11.7 | ▲ |
| Section 92(f) deed* payments as a proportion of finalised claim payments (%) (pg 33) | | | | |
| Approved insurer | 12.1 | -3.7 | 7.9 | ▲ |
| Self-insurer | 18.8 | 63.2 | -10.5 | ▼ |

- ▲ 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.

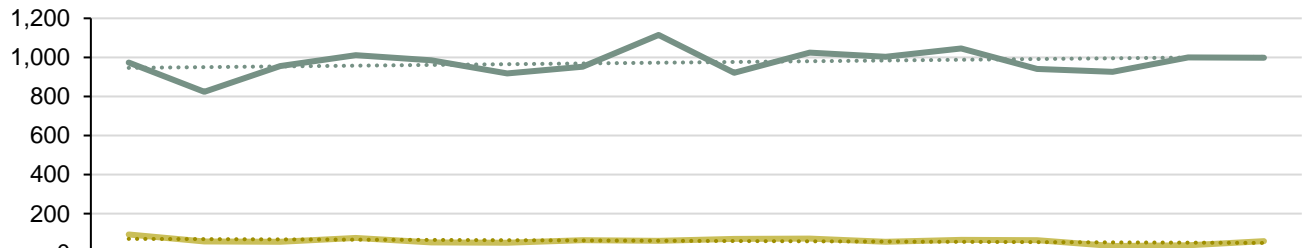
Section 2: Approved insurer and self-insurer comparison

Settlements

Summary:

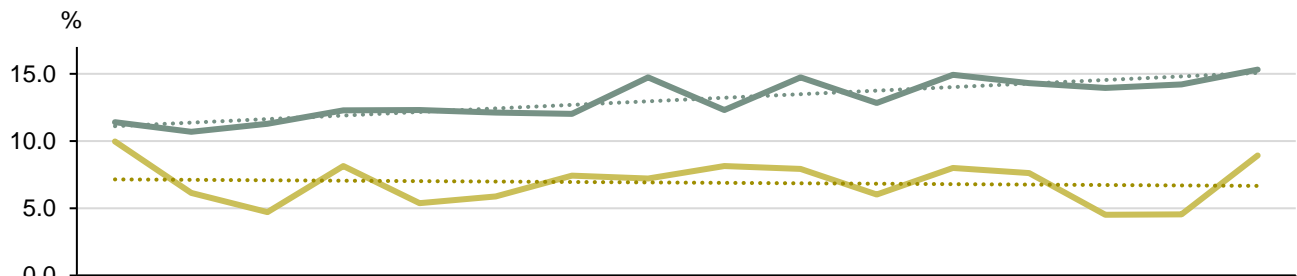
- Over the previous year, the number of Memorandum of Agreements* decreased for self-insurers (10.4%) and for approved insurers (4.4%) (Indicator 2.5.1).
- The proportion of claims finalised through Memorandum of Agreements* remained stable for approved insurers and decreased (11.7%) for self-insurers since last year September (Q1) 2016/17 to September (Q1) 2017/18 (Indicator 2.5.2).
- Indicator 2.5.3 shows a decreasing trend in the proportion of Memorandum of Agreement* payments to finalised claim payments for approved insurers and self-insurers over the reporting period.

2.5.1: Number of Memorandum of Agreements* by recording quarter



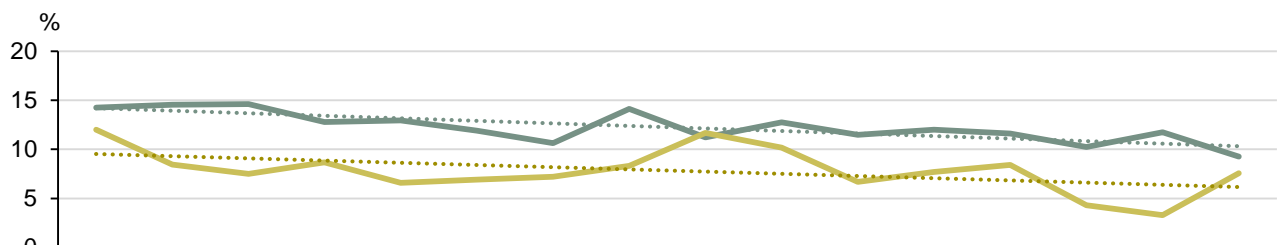
| | 2013/14 Q2 | 2013/14 Q3 | 2013/14 Q4 | 2014/15 Q1 | 2014/15 Q2 | 2014/15 Q3 | 2014/15 Q4 | 2015/16 Q1 | 2015/16 Q2 | 2015/16 Q3 | 2015/16 Q4 | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2017/18 Q1 |
|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Approved insurer | 974 | 824 | 955 | 1,012 | 986 | 918 | 953 | 1,115 | 921 | 1,024 | 1,004 | 1,045 | 941 | 926 | 1,000 | 999 |
| Self insurer | 94 | 58 | 56 | 76 | 53 | 51 | 64 | 62 | 71 | 73 | 57 | 67 | 64 | 35 | 38 | 60 |

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



| | 2013/14 Q2 | 2013/14 Q3 | 2013/14 Q4 | 2014/15 Q1 | 2014/15 Q2 | 2014/15 Q3 | 2014/15 Q4 | 2015/16 Q1 | 2015/16 Q2 | 2015/16 Q3 | 2015/16 Q4 | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2017/18 Q1 |
|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Approved insurer | 11.4 | 10.7 | 11.3 | 12.3 | 12.3 | 12.1 | 12.0 | 14.7 | 12.3 | 14.7 | 12.8 | 14.9 | 14.3 | 14.0 | 14.2 | 15.3 |
| Self insurer | 10.0 | 6.1 | 4.7 | 8.1 | 5.4 | 5.9 | 7.4 | 7.2 | 8.1 | 7.9 | 6.0 | 8.0 | 7.6 | 4.5 | 4.5 | 8.9 |

2.5.3: Memorandum of Agreement* payments as a proportion of finalised claim payments by recording quarter



| | 2013/14 Q2 | 2013/14 Q3 | 2013/14 Q4 | 2014/15 Q1 | 2014/15 Q2 | 2014/15 Q3 | 2014/15 Q4 | 2015/16 Q1 | 2015/16 Q2 | 2015/16 Q3 | 2015/16 Q4 | 2016/17 Q1 | 2016/17 Q2 | 2016/17 Q3 | 2016/17 Q4 | 2017/18 Q1 |
|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Approved insurer | 14.2 | 14.6 | 14.6 | 12.8 | 13.0 | 11.9 | 10.6 | 14.1 | 11.2 | 12.8 | 11.5 | 12.0 | 11.6 | 10.3 | 11.7 | 9.3 |
| Self insurer | 12.0 | 8.5 | 7.5 | 8.7 | 6.6 | 6.9 | 7.2 | 8.3 | 11.7 | 10.2 | 6.7 | 7.7 | 8.4 | 4.3 | 3.3 | 7.6 |

* See Glossary for definition and further explanation.

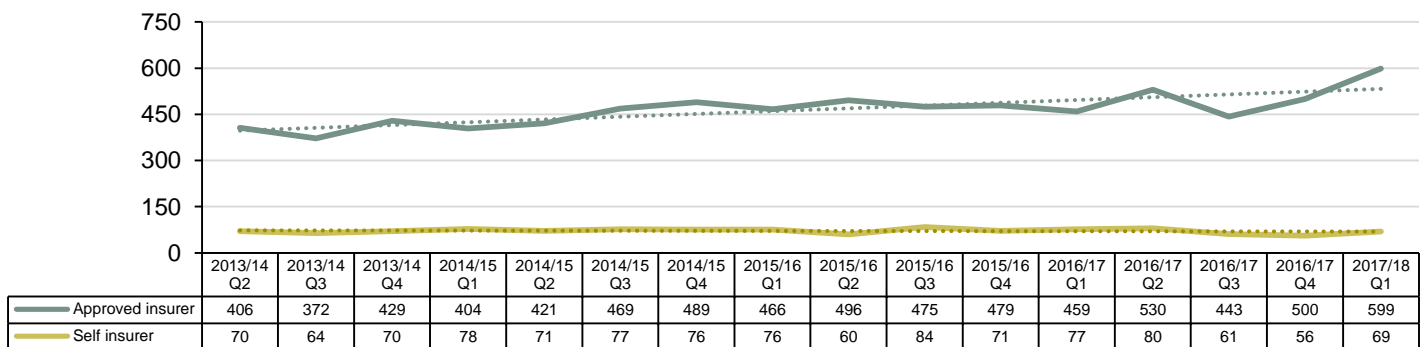
Section 2: Approved insurer and self-insurer comparison

Settlements

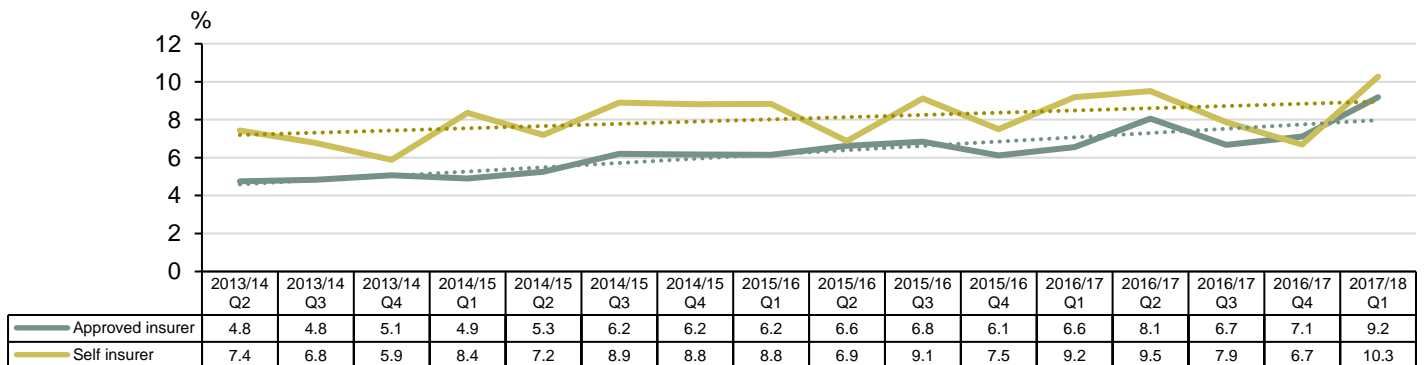
Summary:

- Over the reference period, the number of claims finalised through Section 92(f) deeds for approved insurers increased (47.5%) and remained stable for self-insurers (Indicator 2.5.4).
- The proportion of claims finalised through Section 92(f) deeds had an increasing trend over the reporting period for both approved insurers and self-insurers (Indicator 2.5.5).
- The proportion of Section 92(f) payments to finalised claim payments remained stable for both approved insurers and self-insurers over the last year (Indicator 2.5.6).

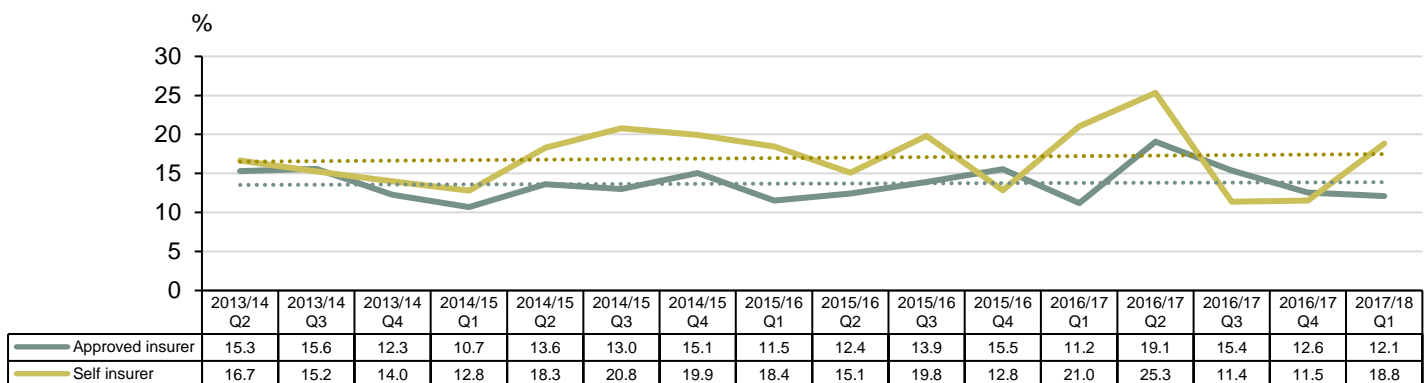
2.5.4: Number of Section 92(f) deeds* by recording quarter



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



2.5.6: Section 92(f) deed* payments as a proportion of finalised claim payments 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 counts (number)

| Insurer received date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|-----------------------|---------|---------|---------|---------|------------|
| Approved insurer | 32,980 | 30,535 | 28,982 | 26,367 | 6,371 |
| Self insurer | 3,898 | 3,467 | 3,490 | 3,235 | 709 |
| Total | 36,878 | 34,002 | 32,472 | 29,602 | 7,080 |

3.1.2 Proportion (%) of claims

| Insurer received date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|-----------------------|---------|---------|---------|---------|------------|
| Approved insurer | 89.4% | 89.8% | 89.3% | 89.1% | 90.0% |
| Self insurer | 10.6% | 10.2% | 10.7% | 10.9% | 10.0% |

3.1.3 Total claim counts (number)

| Accident date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|------------------|---------|---------|---------|---------|------------|
| Approved insurer | 32,178 | 29,789 | 28,107 | 25,148 | 5,816 |
| Self insurer | 3,854 | 3,498 | 3,427 | 3,130 | 670 |
| Total | 36,032 | 33,287 | 31,534 | 28,278 | 6,486 |

3.1.4 Active income claims (number)

| Transaction date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|------------------|---------|---------|---------|---------|------------|
| Approved insurer | 33,212 | 31,572 | 31,501 | 28,655 | 15,175 |
| Self insurer | 3,283 | 3,173 | 3,031 | 2,863 | 1,404 |
| Grand Total | 36,495 | 34,745 | 34,532 | 31,518 | 16,579 |

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

3.1.5 New/closed claim ratio

| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|------------------|---------|---------|---------|---------|------------|
| Approved insurer | 0.98 | 0.96 | 0.97 | 0.97 | 0.98 |
| Self insurer | 0.94 | 0.95 | 0.97 | 0.98 | 1.06 |
| Total | 0.98 | 0.96 | 0.97 | 0.97 | 0.98 |

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 (\$m)

| Transaction date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|------------------|---------|---------|---------|---------|------------|
| Approved insurer | 872.6 | 887.3 | 897.4 | 881.2 | 218.4 |
| Self insurer | 76.3 | 79.9 | 77.7 | 69.0 | 15.7 |
| Total | 948.9 | 967.2 | 975.1 | 950.2 | 234.1 |

3.2.2 Proportion (%) of total payment

| Transaction date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|------------------|---------|---------|---------|---------|------------|
| Approved insurer | 92.0% | 91.7% | 92.0% | 92.7% | 93.3% |
| Self insurer | 8.0% | 8.3% | 8.0% | 7.3% | 6.7% |

3.2.3 Total payments (\$m) - transaction type

| Transaction date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|----------------------------------|---------|---------|---------|---------|------------|
| Allied health & workplace rehab. | 79.7 | 77.6 | 77.5 | 79.4 | 21.5 |
| Income payments | 365.6 | 372.9 | 375.8 | 364.3 | 84.2 |
| Lump sums (incl common law) | 263.6 | 273.8 | 285.1 | 275.6 | 68.4 |
| Medical & hospital | 142.4 | 137.3 | 133.5 | 133.7 | 35.1 |
| Legal expense payments | 53.3 | 63.1 | 61.4 | 58.3 | 15.4 |
| Miscellaneous payments | 44.3 | 42.5 | 41.7 | 38.9 | 9.5 |
| Total | 948.9 | 967.2 | 975.1 | 950.2 | 234.1 |

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

3.2.4 Proportion (%) of total payments - transaction type

| Transaction date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|----------------------------------|---------|---------|---------|---------|------------|
| Allied health & workplace rehab. | 8.4% | 8.0% | 7.9% | 8.4% | 9.2% |
| Income payments | 38.5% | 38.6% | 38.5% | 38.3% | 36.0% |
| Lump sums (incl common law) | 27.8% | 28.3% | 29.2% | 29.0% | 29.2% |
| Medical & hospital | 15.0% | 14.2% | 13.7% | 14.1% | 15.0% |
| Legal expense payments | 5.6% | 6.5% | 6.3% | 6.1% | 6.6% |
| Miscellaneous payments | 4.7% | 4.4% | 4.3% | 4.1% | 4.1% |
| Total | 100% | 100% | 100% | 100% | 100% |

Section 3: Tables Estimated costs

3.3.1 Total estimated claim costs (\$m)

| Insurer received date | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 Q1 |
|-----------------------|---------|---------|---------|---------|------------|
| Approved insurer | 818.3 | 860.1 | 857.3 | 872.1 | 205.8 |
| Self insurer | 70.7 | 72.8 | 69.9 | 66.3 | 14.4 |
| Total | 889.0 | 932.9 | 927.2 | 938.5 | 220.2 |

3.3.2 Total outstanding estimated claim costs (\$m)

| Insurer received date | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 Q1 |
|-----------------------|---------|---------|---------|---------|------------|
| Approved insurer | 15.2 | 37.8 | 72.5 | 164.5 | 66.1 |
| Self insurer | 1.1 | 2.6 | 3.9 | 9.8 | 3.9 |
| Total | 16.3 | 40.4 | 76.4 | 174.3 | 70.0 |

3.3.3 Average estimated claim costs (\$)

| Insurer received date | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 Q1 |
|-----------------------|---------|---------|---------|---------|------------|
| Approved insurer | 23,681 | 26,079 | 28,076 | 30,093 | 30,212 |
| Self insurer | 17,316 | 18,677 | 20,166 | 19,011 | 18,340 |
| Total | 23,008 | 25,297 | 27,270 | 28,901 | 28,984 |

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

| Insurer received date | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 Q1 |
|-----------------------|---------|---------|---------|---------|------------|
| Approved insurer | 21,185 | 23,633 | 24,994 | 27,521 | 27,670 |
| Self insurer | 15,580 | 17,663 | 19,439 | 18,566 | 18,340 |
| Total | 20,599 | 23,001 | 24,425 | 26,554 | 26,698 |

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

| Insurer received date | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 Q1 |
|-----------------------|---------|---------|---------|---------|------------|
| Approved insurer | 318,613 | 388,624 | 569,136 | 426,000 | 348,350 |
| Self insurer | 101,026 | 264,757 | 523,000 | 535,870 | - |
| Total | 270,196 | 380,262 | 567,840 | 427,735 | 348,350 |

Section 3: Tables

Claim management

3.4.1 Median lost-time claim duration - initial finalisation (months)

| Initial finalisation date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|---------------------------|---------|---------|---------|---------|------------|
| Approved insurer | 5.6 | 5.7 | 6.0 | 6.3 | 6.2 |
| Self insurer | 6.6 | 5.9 | 5.7 | 5.7 | 5.5 |
| Total | 5.7 | 5.7 | 6.0 | 6.3 | 6.1 |

This indicator reports on the median duration of a lost-time claim from insurer received date to initial finalisation date.

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

| Insurer received date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|-----------------------|---------|---------|---------|---------|------------|
| Approved insurer | 17 | 18 | 18 | 17 | 14 |
| Self insurer | 20 | 19 | 18 | 18 | 22 |
| Total | 17 | 18 | 18 | 17 | 15 |

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 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|-----------------------|---------|---------|---------|---------|------------|
| Approved insurer | 55 | 56 | 50 | 51 | 28 |
| Self insurer | 116 | 57 | 76 | 50 | 30 |
| Total | 59 | 56 | 52 | 51 | 28 |

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 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|-----------------------|---------|---------|---------|---------|------------|
| Approved insurer | 5 | 5 | 4 | 4 | 4 |

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

3.4.5 Proportion (%) of income claims with insurer lodgement period within legislated timeframes

| Insurer received date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|-----------------------|---------|---------|---------|---------|------------|
| Approved insurer | 77.1 | 77.7 | 80.8 | 81.5 | 82.5 |

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.

Section 3: Tables

Claim management

3.4.6 Proportion (%) of income claims with initial liability decision made within legislated timeframe

| Insurer received date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|-----------------------|---------|---------|---------|---------|------------|
| Approved insurer | 86.5 | 85.1 | 85.9 | 88.2 | 92.2 |
| Self insurer | 81.0 | 80.2 | 77.8 | 83.0 | 84.4 |
| Total | 86.0 | 84.6 | 85.2 | 87.7 | 91.5 |

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

| Accepted date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|---------------|---------|---------|---------|---------|------------|
| Total | 1,945 | 2,264 | 2,132 | 2,084 | 520 |

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

| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|-------|---------|---------|---------|---------|------------|
| Total | 3.1 | 3.9 | 3.8 | 4.1 | 2.1 |

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

Section 3: Tables

Common law and settlements

3.6.1 Number of common law applications

| Application date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|------------------|---------|---------|---------|---------|------------|
| Total | 925 | 902 | 832 | 849 | 209 |

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*

| Recorded date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|------------------|---------|---------|---------|---------|------------|
| Approved insurer | 1,637 | 1,783 | 1,916 | 1,932 | 599 |
| Self insurer | 279 | 302 | 291 | 274 | 69 |
| Total | 1,916 | 2,085 | 2,207 | 2,206 | 668 |

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 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|------------------|---------|---------|---------|---------|------------|
| Approved insurer | 3,725 | 3,869 | 4,064 | 3,912 | 999 |
| Self insurer | 271 | 244 | 263 | 204 | 60 |
| Total | 3,996 | 4,113 | 4,327 | 4,116 | 1,059 |

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

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

| Recorded date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|------------------|---------|---------|---------|---------|------------|
| Approved insurer | 4.9 | 5.6 | 6.4 | 7.1 | 9.2 |
| Self insurer | 6.8 | 8.3 | 8.1 | 8.3 | 10.3 |
| Total | 5.1 | 5.9 | 6.6 | 7.2 | 9.3 |

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

| Recorded date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|------------------|---------|---------|---------|---------|------------|
| Approved insurer | 11.1 | 12.2 | 13.6 | 14.4 | 15.3 |
| Self insurer | 6.6 | 6.7 | 7.3 | 6.2 | 8.9 |
| Total | 10.6 | 11.6 | 12.9 | 13.5 | 14.7 |

* See Glossary for definition and further explanation.

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

3.6.6 Section 92(f) deed* payments as a proportion (%) of finalised claim payments

| Recorded date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|------------------|---------|---------|---------|---------|------------|
| Approved insurer | 13.9 | 13.1 | 13.4 | 14.5 | 12.1 |
| Self insurer | 15.6 | 17.8 | 16.4 | 16.7 | 18.8 |
| Total | 14.0 | 13.5 | 13.6 | 14.7 | 12.5 |

3.6.7 Memorandum of Agreement* payments as a proportion (%) of finalised claim payments

| Recorded date | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 Q1 |
|------------------|---------|---------|---------|---------|------------|
| Approved insurer | 14.4 | 12.0 | 12.4 | 11.4 | 9.3 |
| Self insurer | 9.5 | 7.4 | 9.2 | 5.7 | 7.6 |
| Total | 14.0 | 11.6 | 12.1 | 10.9 | 9.1 |

* See Glossary for definition and further explanation.

Section 4: Glossary

| TERM | DEFINITION / EXPLANATION OF TERM |
|--------------------|---|
| Accident quarter | The financial quarter in which the occupational injury/disease occurred or when symptoms of the occupational illness or disease were first recognised. |
| Active claim | A claim with one or more transaction payments in a financial year/quarter. |
| Average claim cost | 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 | 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 (including 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. - 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 workplace rehabilitation payments: <ul style="list-style-type: none"> - other treatment and appliance payments - workplace 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 | 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 | 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 | 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 | 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 | 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 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 (catalogue number: 6202.0). |
| Insurer lodgement period | After receiving a worker's 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 five 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 | A three-month period where new workers' compensation claims were lodged with an insurer (approved insurer or self-insurer). |
| Lost-time claims | Claims for which the injury/disease results in an absence from work of at least one day or shift. |
| Long duration claims | Workers' compensation claims for which the injury/disease results in an absence from work of at least 60 days or shifts. |

Section 4: Glossary

| TERM | DEFINITION / EXPLANATION OF TERM |
|---|--|
| 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 | Claims lodged during a given period. It includes claims where no payment has been recorded at the date of data extract. |
| New to closed claims ratio | 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 | 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) deeds | 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 | 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.
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