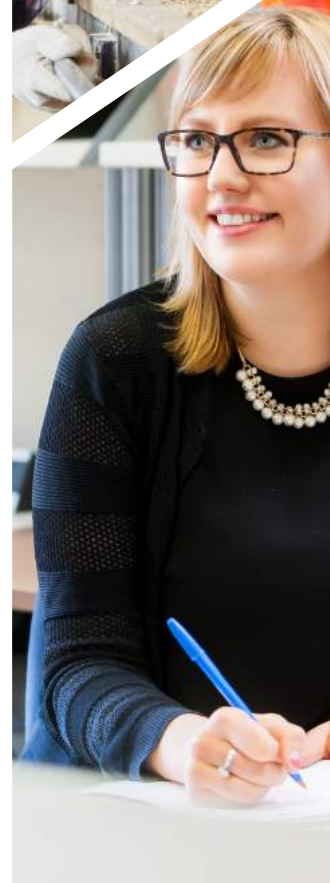




Workers' Compensation Scheme Trends

November 2018



A workers' compensation and injury management scheme that works for all

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About WorkCover WA

WorkCover WA is the government agency responsible for overseeing the workers' compensation and injury management scheme in Western Australia. This includes monitoring compliance with the *Workers' Compensation and Injury Management Act 1981*, informing and educating workers, employers and others about workers' compensation and injury management, and providing an independent dispute resolution system.

This publication is current at November 2018.

Disclaimer

This publication contains information regarding workers' compensation and injury management scheme trends. It is intended to provide general information only. The statistics were the most recent available at the time of publication.

For more information, visit the WorkCover WA website at www.workcover.wa.gov.au.

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Foreword

Chris White

A/Chief Executive Officer
WorkCover WA

Trends in our scheme

WorkCover WA's purpose is to lead a contemporary, healthy and integrated workers' compensation scheme that is fair, accessible and cost effective for all participants.

WorkCover WA closely monitors the performance of all aspects of the Western Australian workers' compensation and injury management scheme (the scheme). Understanding scheme trends is vital to the ongoing stability of the scheme, and collection and analysis of relevant data ensures that emerging issues and trends are identified and managed. This publication provides a snapshot of the latest statistics about claim frequency, claim management and costs. We have also focused on one topical subject, musculoskeletal disorder claims.

Western Australia's changing economic climate has contributed to a reduction in claim numbers. In 2017/18 there were 27,065 new claims, down from 28,135 in 2016/17, continuing the decreasing trend seen over the last four years. Long duration claims of 60 or more days off work now account for over a third of the total number of lost-time claims, and scheme costs mirror this trend.

Our return to work rate has improved, with Safe Work Australia's Return to Work (RTW) survey report finding 75 per cent of injured workers with 10 or more days off work were back at work within seven to nine months post injury. Although there is always room for improvement, this is a positive result and reflects the efforts of scheme participants in returning seriously injured workers to sustainable employment.

Despite increases in the proportion of serious claims in the scheme, it is pleasing to see that Western Australia has maintained a low disputation rate at around four per cent of all claims lodged, 84 per cent of which were resolved within six months.

Overall the Scheme continues to deliver appropriate support to injured workers while maintaining premiums at an affordable level for employers, with our standardised average premium rate still one of the lowest in Australia. Through our 2018-2021 Strategic Plan we will continue to strengthen WorkCover WA's performance and digital capability and deliver a workers' compensation scheme that works for all Western Australians.

Key comparative statistics

36%

of lost-time claims result in 60 or more days off work

39%

of claims are in Health care and social assistance, Construction and Manufacturing industries

66%

of scheme costs expended on income payments and lump sums for workers

4.2%

of claims are disputed

75%

of claimants with 10 or more days absence back at work within 7-9 months post injury*

84%

of WA claim disputes completed within six months

Source: Safe Work Australia: Return to Work Survey 2018 Headline Measures Report (Australia and New Zealand), July 2018

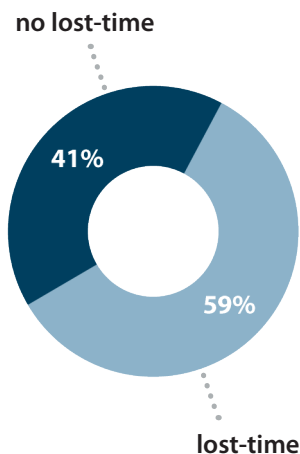
Scheme snapshot In 2017/18, the following scheme participants...

- > Employers
- > General Practitioners
- > Allied Health Providers
- > Approved Medical Specialists
- > Workplace Rehabilitation Providers
- > Audiometric Officers
- > Insurers & Self-Insurers
- > Insurance Brokers
- > Legal Practitioners
- > Registered Agents

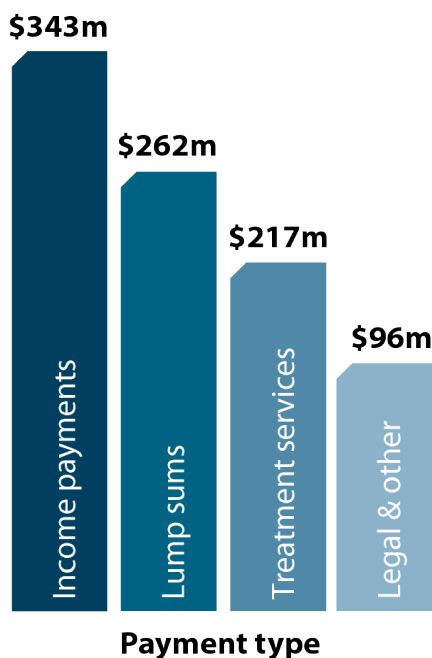
assisted more than **27,065*** workers who had a work-related injury or disease

to achieve our vision of a **"workers' compensation and injury management scheme that works for all"**

15,914 claims involved lost-time



66% of payments were direct to workers



more than **1 million** services provided

Medical	335,547
Allied health	360,656
Workplace rehabilitation	260,073
Other	83,474

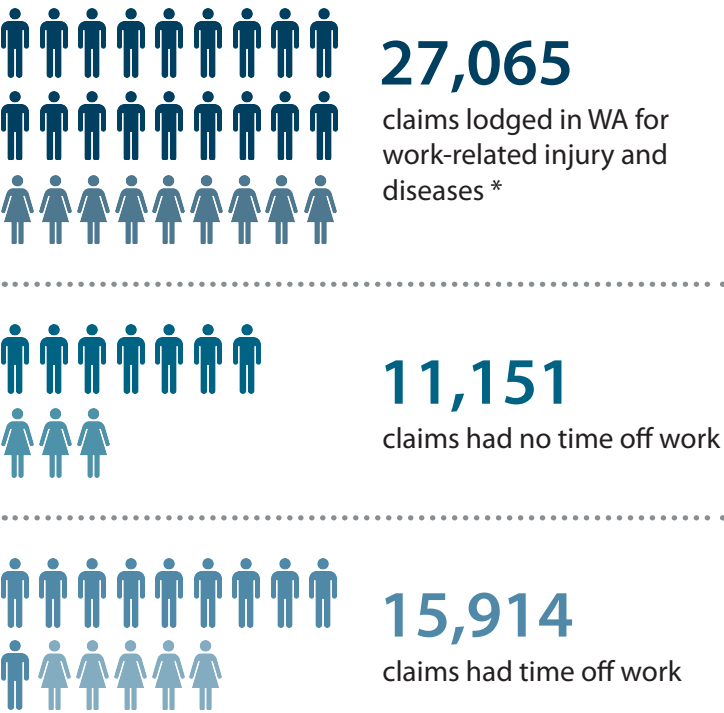
* Asbestos-related diseases, journey claims and disallowed claims excluded

Claims lodgement

In 2017/18, 27,065 claims were lodged (Figure 1). Of these, 59 per cent involved at least one day or shift off work; these are referred to as claims with lost-time.

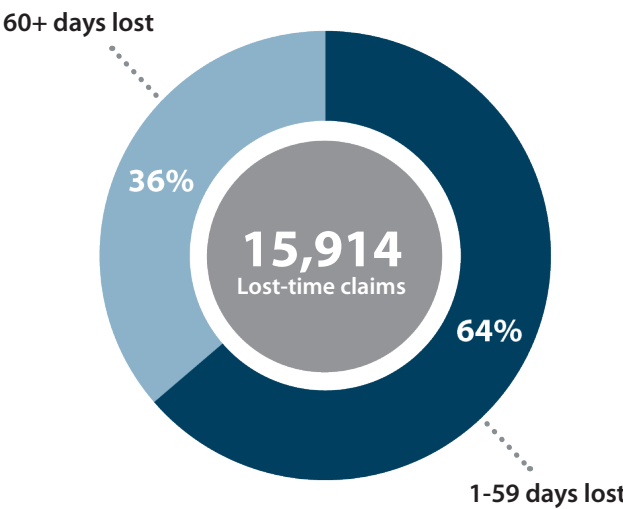
Of all lost-time claims lodged in 2017/18, 36 per cent of claims had 60 or more days lost; these are referred to as long duration claims (Figure 2).

Figure 1: Claims lodged within the WA workers' compensation scheme – 2017/18



* For the purposes of this report, this report excludes the 1,248 asbestos-related, journey, and disallowed claims lodged in 2017/18.

Figure 2: Percentage of lost-time claims - 2017/18



9 in 10
lost-time claims were **injury** claims

1 in 10
lost-time claims were **disease** claims

Claim trends

Between 2014/15 and 2017/18, the number of claims lodged fell by 17 per cent. The decrease is primarily driven by a 30 per cent reduction in the number of claims without lost-time (Figure 3).

During the same period, the number of lost-time claims decreased by five per cent.

The proportion of long duration claims has steadily increased from 28 per cent to 36 per cent over the last four years, whereas claims with shorter duration decreased (Figure 4).



Figure 3: Number of claims lodged by lost-time

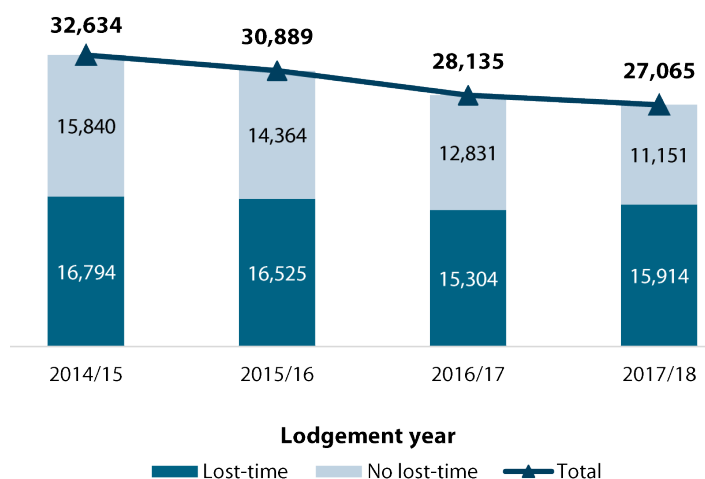
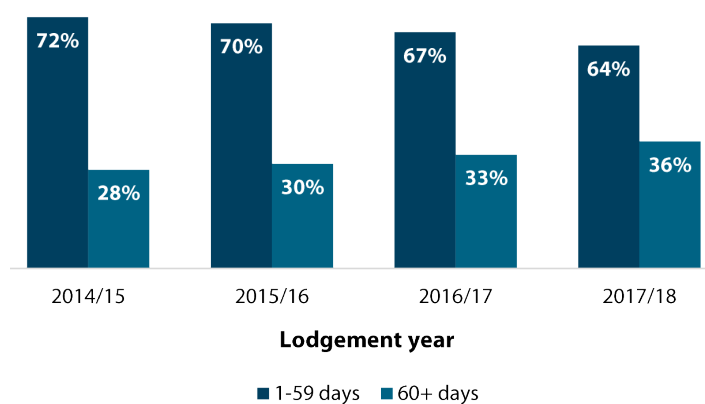


Figure 4: Percentage of lost-time claims by days lost group

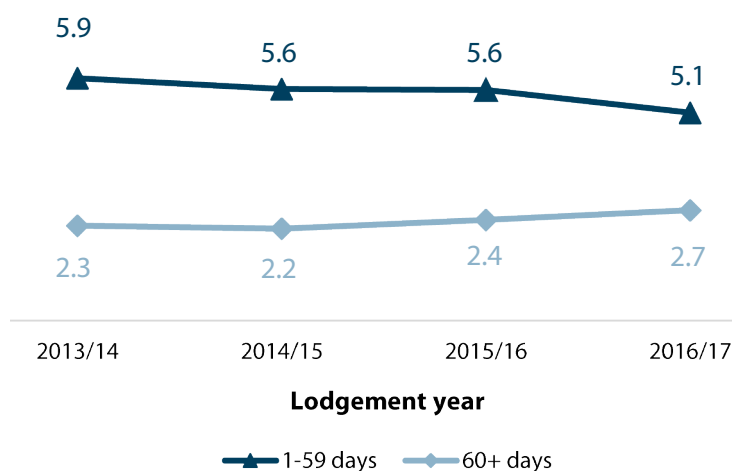


Frequency rates

Frequency rates measure the number of lost-time claims per million hours worked and indicates the prevalence of workers' compensation claims. It is based on the number of hours worked by employed persons in Western Australia, as supplied by the Australian Bureau of Statistics.

The overall frequency rate decreased by six per cent between 2013/14 and 2016/17. The frequency rate for shorter duration claims is decreasing, while the frequency rate of long duration claims increased over the last four years (Figure 5). The 2017/18 frequency rate was not available at the time of publication.

Figure 5: Frequency rate of lost-time claims per million hours worked

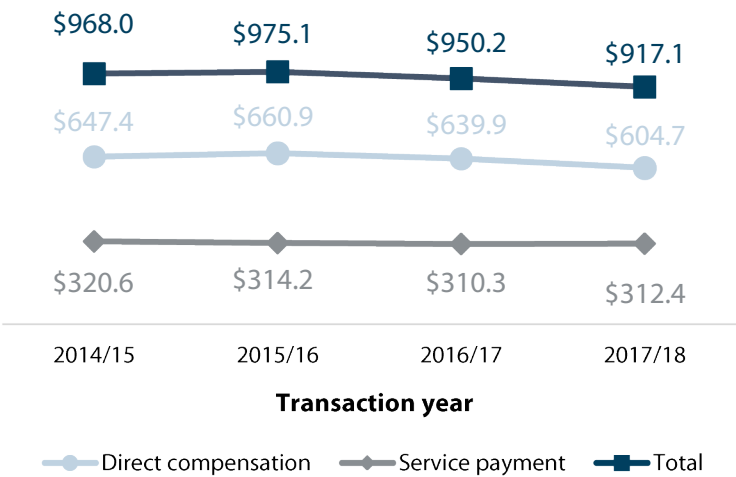


Claim payments

After adjustment for inflation, claim payments comprising of direct compensation and service payments shows a decreasing trend from 2014/15. The decrease in claim payments was attributed to the decrease in claim numbers, partially offset by the increasing average claim size.

Direct compensation decreased by seven per cent between 2014/15 and 2017/18, and service payments decreased by three per cent during the same period.

Figure 6: Claim payments (adjusted) by payment type group (\$m)



Payments by type

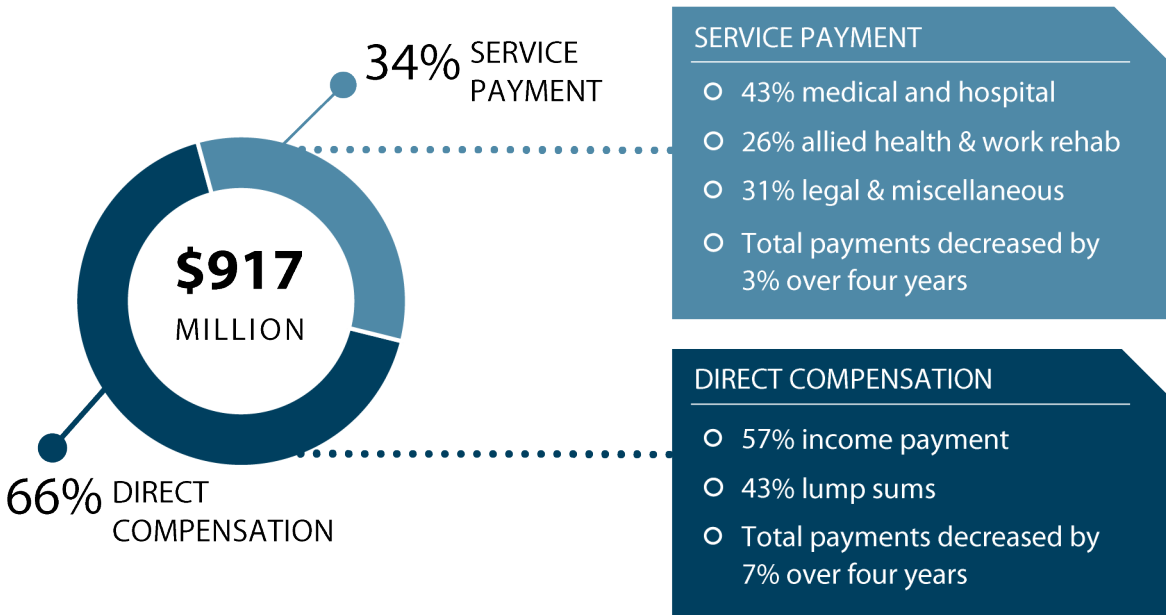
Direct compensation (e.g. income payment) accounted for 66 per cent of the total adjusted claim payments, while service payments made up the remaining 34 per cent in 2017/18 (Figure 7).

Medical and hospital payments accounted for 43 per cent of the total service payments, followed by legal and miscellaneous payments at 31 per cent and allied health and workplace rehabilitation payments at 26 per cent.

Income payments accounted for 57 per cent of total direct compensation payments, with the remaining 43 per cent for lump sums.



Figure 7: Proportion of claim payments by payment type – 2017/18



Return to work

For injured workers with 10 or more days absence from work,

RTW Rate

87%

returned to work some time since their injury or illness

Current RTW Rate

75%

were working at the time of the survey (7 to 9 months post injury)

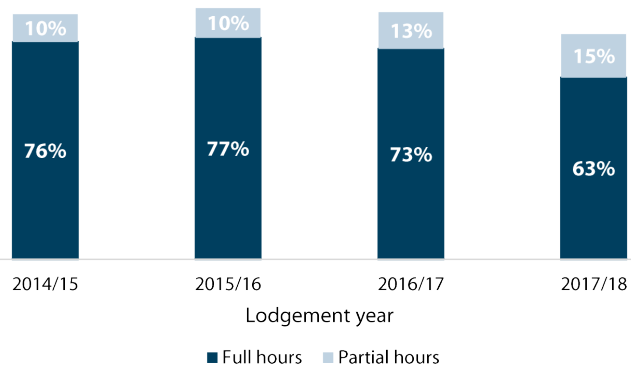
Source: Safe Work Australia: Return to Work Survey 2018 Headline Measures Report (Australia and New Zealand), July 2018

Return to work status

For injured workers lodging a lost-time claim in 2017/18, 78 per cent had returned to work. The majority of claimants (63 per cent) returned to work at full capacity and 15 per cent returned to work at partial capacity. The remaining 22 per cent did not return to work due to work-related injuries or other reasons.

The return to work rate is subject to further development, as there is a higher proportion of unfinalised claims in the most recent financial year (Figure 8).

Figure 8: Proportion of lost-time claimants who returned to work



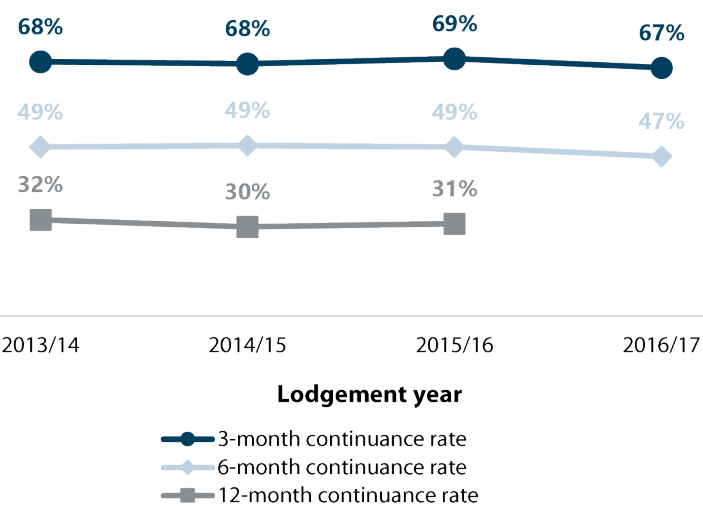
Continuance rate

The continuance rate monitors claims over time from the date a claim was lodged with an insurer. This indicator shows the number of claims involving weekly income replacement payments at three months, six months and 12 months as a proportion of claims involving weekly income replacement payments at one month. It provides insight into claim duration and scheme exits (Figure 9).

The overall trend shows that the three-month and six-month continuance rates decreased while the 12-month continuance rate remained stable.

For claims lodged in 2016/17, 67 per cent involved weekly income replacement payments at three months, reducing to 47 per cent of claims at six months. The twelve-month continuance rate for 2016/17 was not available at the time of publication (less than 12 months elapsed).

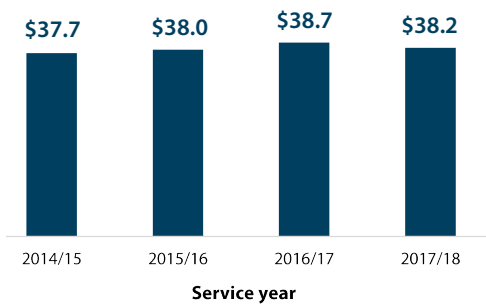
Figure 9: Continuance rate



Injury management

Allied health service payments remained stable between 2014/15 and 2017/18. In 2017/18, physiotherapy services accounted for 36 per cent of the total allied health service payments, followed by exercise therapy at 34 per cent and occupational therapy at 15 per cent (Figures 10 and 11).

Figure 10: Allied health service payments (\$m)



Workplace rehabilitation service payments increased by 10 per cent between 2014/15 and 2017/18. Case management, travel, and reports make up around three quarters of all workplace rehabilitation payments in 2017/18. This trend has been consistent over the past four years (Figures 12 and 13).

Figure 12: Workplace rehabilitation service payments (\$m)



Medical service payments dropped by seven per cent between 2014/15 and 2017/18 (Figure 14). In 2017/18, 21 per cent of medical service payments were associated with general practitioner services, 18 per cent were diagnostic imaging services, and 13 per cent were for anaesthetist services. Medical non-scheduled items accounted for 31 per cent of the total medical service payments.

Figure 14: Medical service payments (\$m)

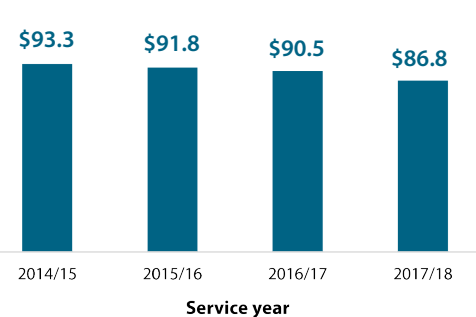


Figure 11: Proportion of allied health service payments – 2017/18

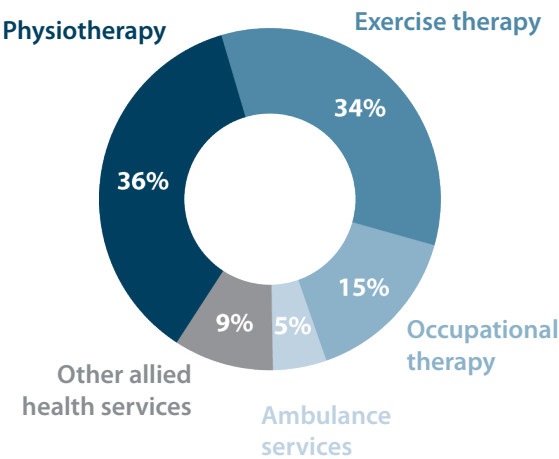
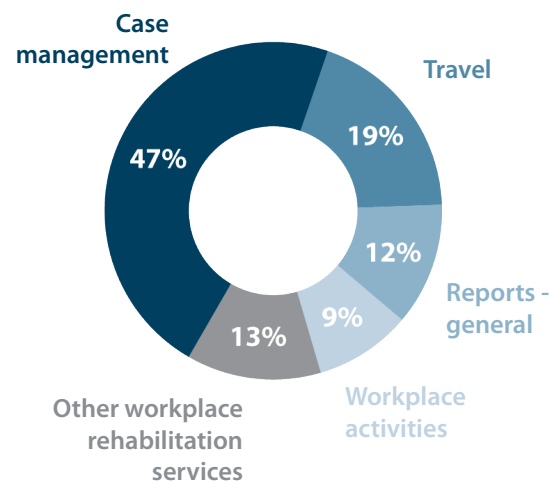
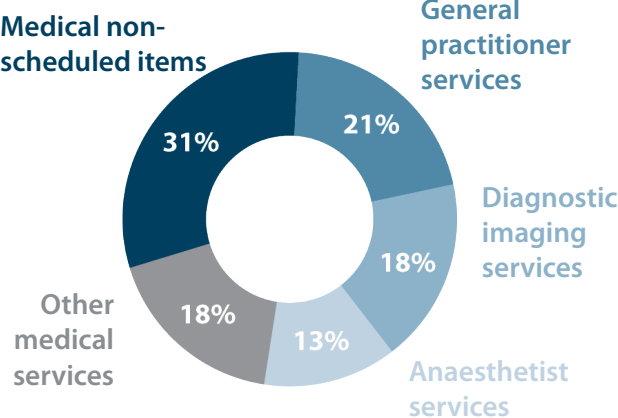


Figure 13: Proportion of workplace rehabilitation service payments – 2017/18



These medical services are not included in the schedule of medical items for which WorkCover WA sets prescribed fees (Figure 15).

Figure 15: Proportion of medical service payments – 2017/18



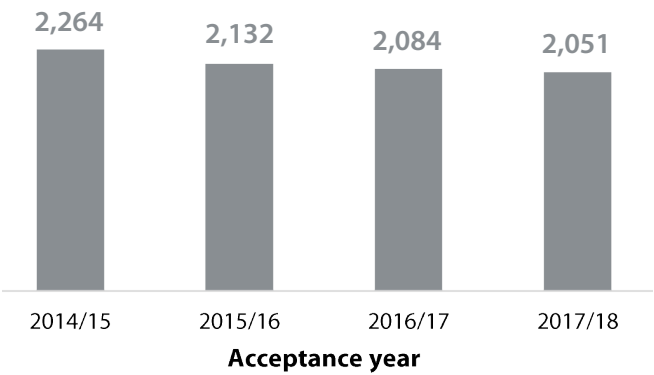
Disputes

Dispute applications

The number of dispute applications decreased by nine per cent between 2014/15 and 2017/18. A 'dispute' is either a conciliation that did not go to arbitration, or a combined conciliation and Arbitration.

In 2017/18, there were 2,051 disputes lodged (Figure 16). Of these conciliations, 586 (28.6%) proceeded to arbitrations.

Figure 16: Dispute applications

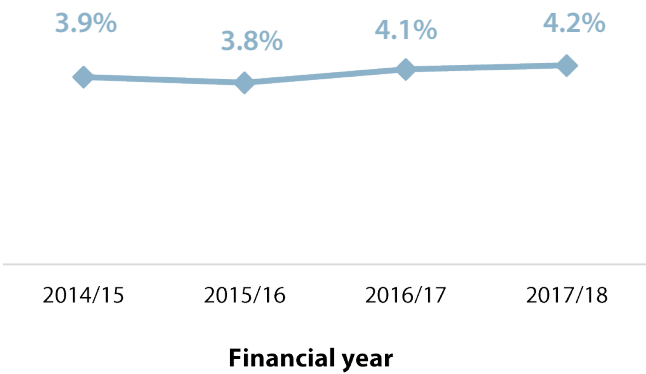


Disputation rates

The disputation rate measures the number of disputes as a proportion of active claims in a financial year. An active claim is described as a claim on which a payment of any type was made during the financial year.

From 2014/15 to 2017/18, the disputation rate slightly increased from 3.9% to 4.2% (Figure 17).

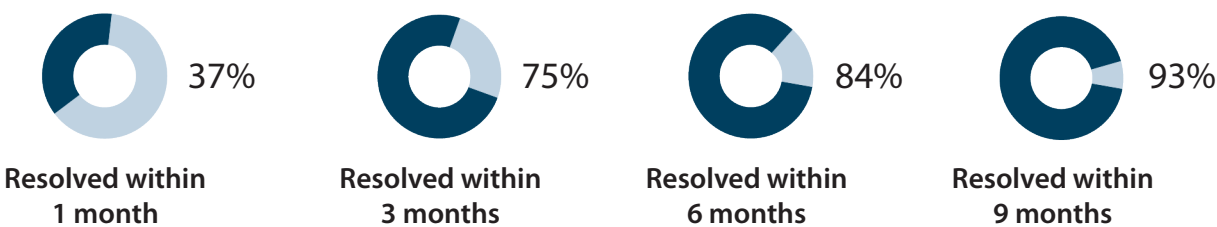
Figure 17: Disputation rates



Dispute resolution timeframes

For the disputes lodged in 2017/18, 84 per cent of the matters were resolved within six months, while 93 per cent of the matters were resolved within nine months (Figure 18).

Figure 18: Percentage of resolved disputes – 2017/18



Scheme exits

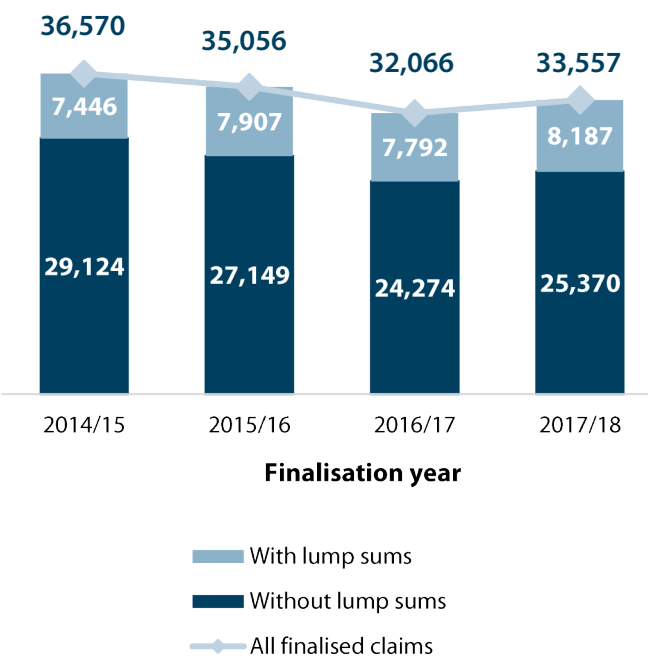
Finalised claims

Between 2014/15 and 2017/18, the total number of finalised claims that exited the scheme decreased by eight per cent.

The number of claims finalised with lump sum payments increased by 10 per cent over the same period, whilst finalised claims without lump sum payments decreased by 13 per cent (Figure 19).



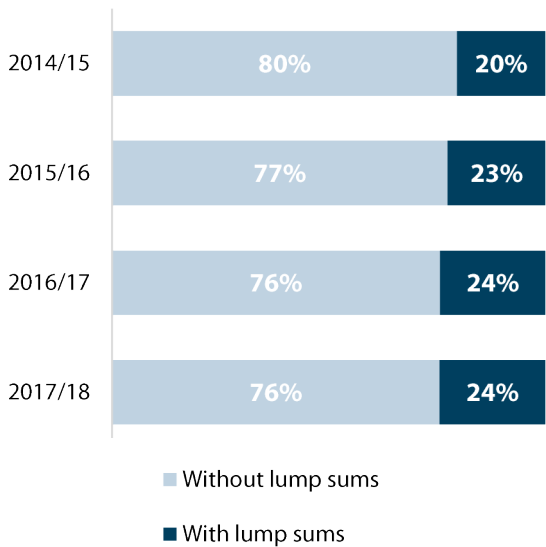
Figure 19: Settlements as a proportion of finalised claims



Lump sums

The proportion of claims finalised with lump sum payments increased from 20 per cent in 2014/15 to 24 per cent in 2017/18. In turn, the proportion of finalised claims without lump sums dropped from 80 per cent to 76 per cent over the same period (Figure 20).

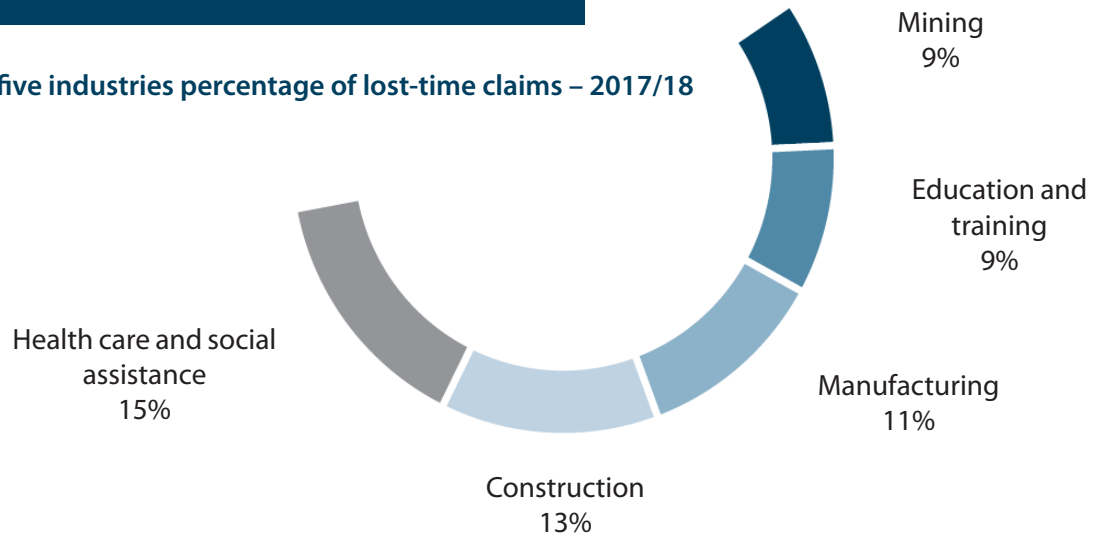
Figure 20: Proportion of finalised claims by exit type



Industry and occupation

In 2017/18, the highest number and proportion of lost-time claims were associated with manual labour and high risk industries, such as Health care and social assistance (15 per cent), Construction (13 per cent) and Manufacturing (11 per cent). View Figure 21.

Figure 21: Top five industries percentage of lost-time claims – 2017/18

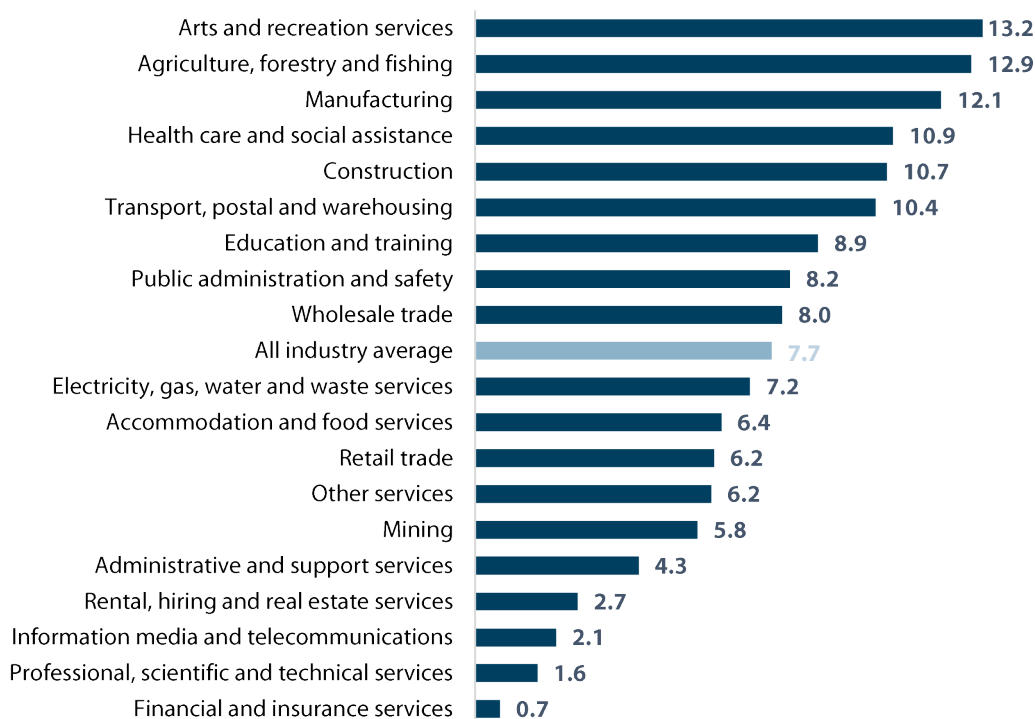


Frequency rates by industry

In 2016/17, the industry with the highest frequency rate was Arts and recreation services (13.2) followed by Agriculture, forestry and fishing (12.9) and Manufacturing (12.1).

Financial and insurance services had the lowest frequency (0.7) during the same period (Figure 22).

Figure 22: Frequency rates by industry – 2016/17



Claim by occupation

The Occupational classification is based on the Australian and New Zealand Standard Classification of Occupations (ANZSCO) published by the Australian Bureau of Statistics. It is a skill-based classification which encompasses all occupations in the Australian workforce (abs.gov.au).

Technicians and trades workers, Labourers and Community and personal service workers accounted for 63 per cent of lost-time claims lodged in 2017/18.

In contrast, white collar workers occupied the lowest proportion of claims, including Sales workers at four per cent, Clerical and administrative workers at four per cent and Managers at three per cent (Figure 23).



Technicians and trades workers **25%**



Labourers **20%**



Community and personal service workers **17%**

Figure 23: Percentage of lost-time claims by occupation – 2017/18



Injury/disease attributes

Level of incapacity

Injuries or diseases resulting in permanent incapacity (total or partial) have steadily decreased over the past four years (Table 1).

In 2016/17, 76 per cent of work-related injuries and diseases resulted in temporary incapacity for claimants. Partial permanent incapacity accounted for 24 per cent of lost-time injuries (Figure 24).

The level of incapacity data is subject to significant revision as claims mature, therefore 2017/18 data is withheld to allow time to ascertain final levels of incapacity.

Figure 24: Percentage of lost-time claims by level of incapacity – 2016/17

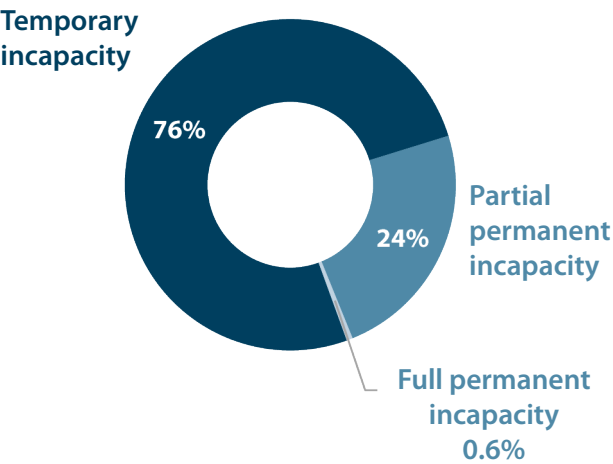
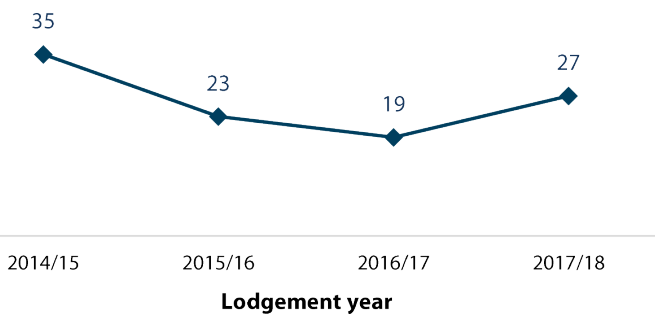


Table 1: Number of lost-time claims by level of incapacity

Level	2013/14	2014/15	2015/16	2016/17
Temporary incapacity	12,521	11,890	11,769	11,598
Partial permanent incapacity	5,079	4,848	4,682	3,617
Full permanent incapacity	52	50	71	89
Total	17,652	16,788	16,522	15,304

Compensated fatalities

Figure 25: Number of compensated fatalities



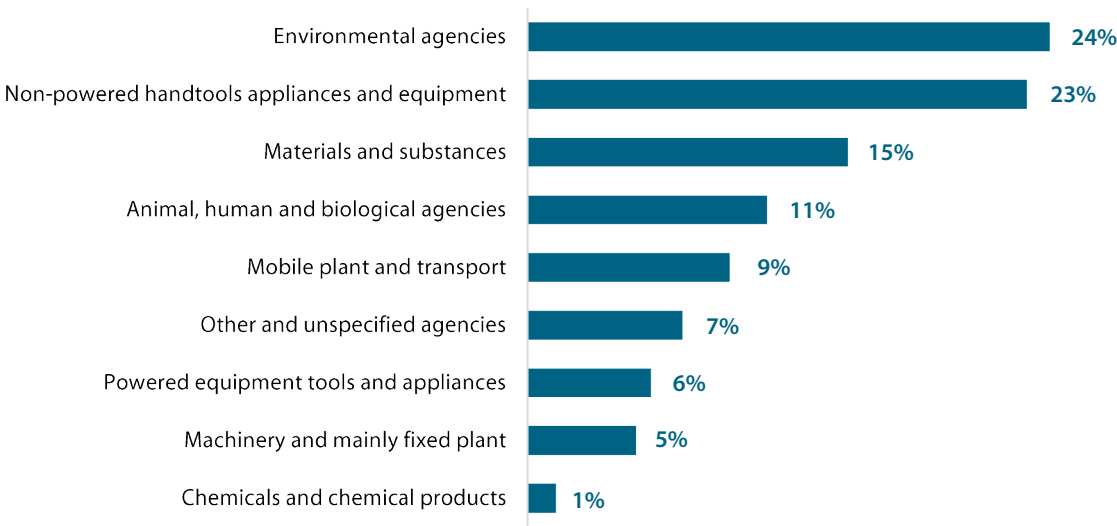
There were 27 compensated fatalities in 2017/18 and an average of 26 fatalities between 2014/15 and 2017/18 (Figure 25).



Agency of injury/disease

In 2017/18, environmental agencies accounted for 24 per cent of work-related injuries or diseases, followed closely by non-powered handtools, appliances and equipment at 23 per cent (Figure 26).

Figure 26: Percentage of lost-time claims by agency of injury/disease – 2017/18

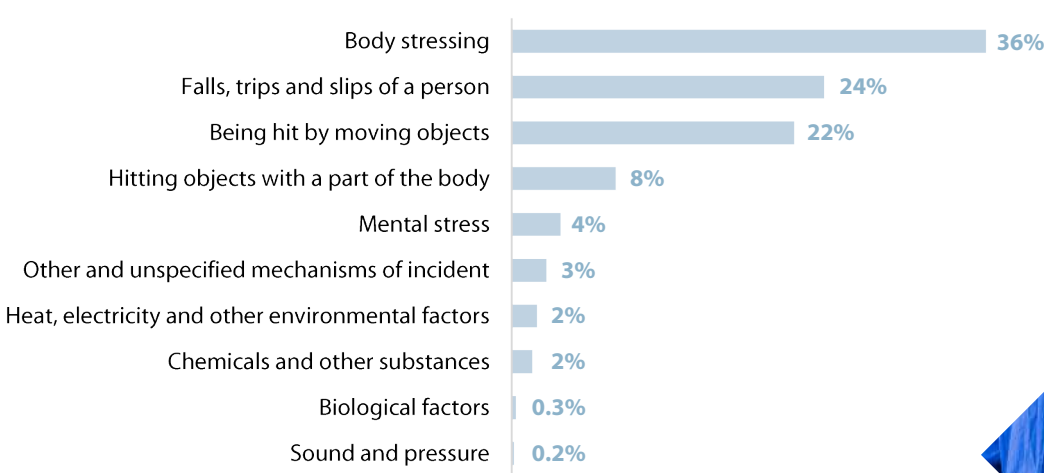


Mechanism of incident

The mechanism of incident refers to the action, exposure or event that best describes the circumstances that resulted in the most serious injury or disease.

In 2017/18, the predominant causes of work-related injuries or diseases are due to body stressing (36 per cent), falls, trips and slips (24 per cent) and being hit by moving objects (22 per cent). View Figure 27.

Figure 27: Percentage of lost-time claims by mechanism of injury/disease – 2017/18



Bodily location of injury/disease

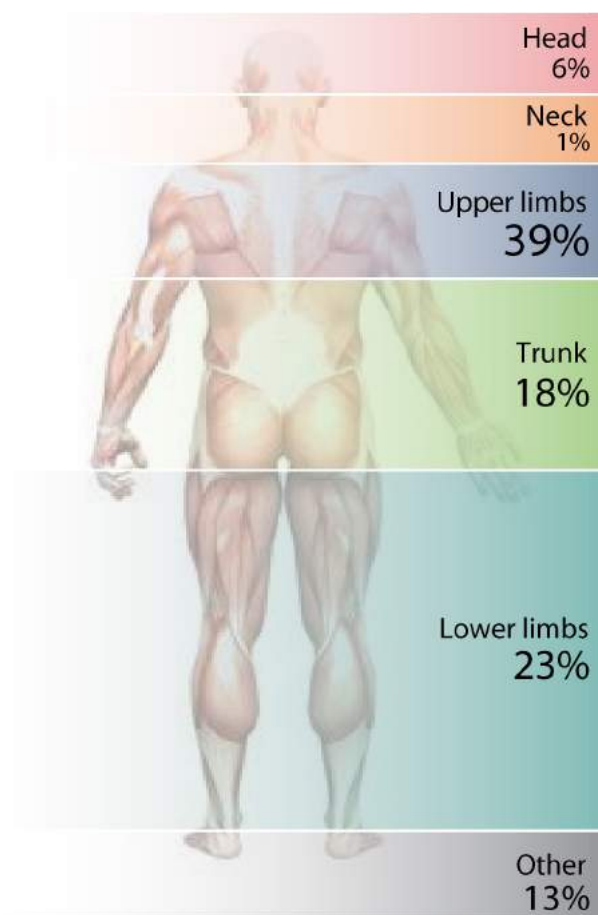
Bodily location of injury or disease identifies the part of the body affected by the most serious injury or disease (Figure 28).

Workers' compensation statistics in WA show that in 2017/18, injuries predominantly occurred to the:

- upper limbs (39 per cent)
- lower limbs (23 per cent)
- trunk of the body (18 per cent).



Figure 28: Percentage of lost-time claims by bodily location of injury/disease – 2017/18

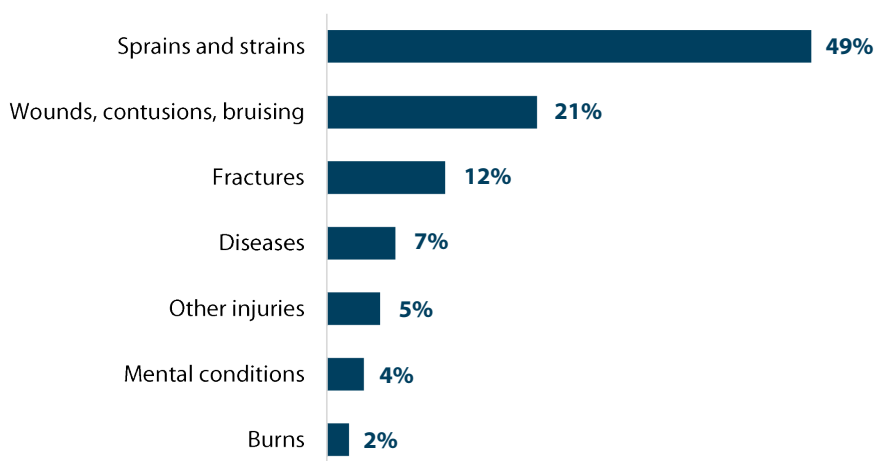


Nature of injury/disease

The nature of injury or disease classification is intended to identify the most serious injury or disease suffered by the worker. On average, around 90 per cent of lost-time claims resulted from work-related injuries, with the remaining 10 per cent arising from work-related diseases.

Sprains and strains are the most common injuries, accounting for almost half (49 per cent) of all lost-time claims (Figure 29).

Figure 29: Percentage of lost-time claims by nature of injury/disease – 2017/18



MUSCULOSKELETAL DISORDER CLAIMS

In this statistical note, Musculoskeletal Disorder claims (MSD) include traumatic joint/ligament and muscle/tendon injury and musculoskeletal and connective tissue diseases based on the national Type of Occurrence Classification System (TOOCS).

In the Western Australian workers' compensation scheme, the majority of claims are associated with MSDs. Although the number of MSDs shows a decreasing trend, they account for 56% of all lost-time claims over the last four years.

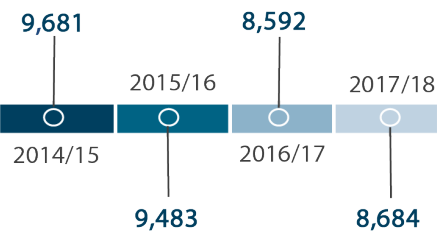
2014/15 - 2017/18

Four Year Period

36,440

Musculoskeletal lost-time claims

Musculoskeletal disorder claims represent **MORE THAN HALF** of workers' compensation lost-time claims



▼ -10% over the last four years

MAJORITY OF LOST-TIME CLAIMS ARE MUSCULOSKELETAL

15,913 lodged in 2017/18
Lost-time claims

8,684 lodged in 2017/18
MSD claims

18 average weeks lost
Weeks lost in 2017/18

Number of MSD claims



FREQUENCY RATE AND INCIDENCE RATE | 2013/14-2016/17*

Decreased from 4.8 to
4.3 claims
per million hours worked
▼ -11%
Frequency rate

Decreased from 8.4 to
7.1 claims
per thousand workers
▼ -16%
Incidence rate

1 out of 141 workers
lodged an MSD claim in 2016



*The 2017/18 frequency rate and incidence rate were not available at the time of publication.

TOP THREE INDUSTRIES | 2017/18



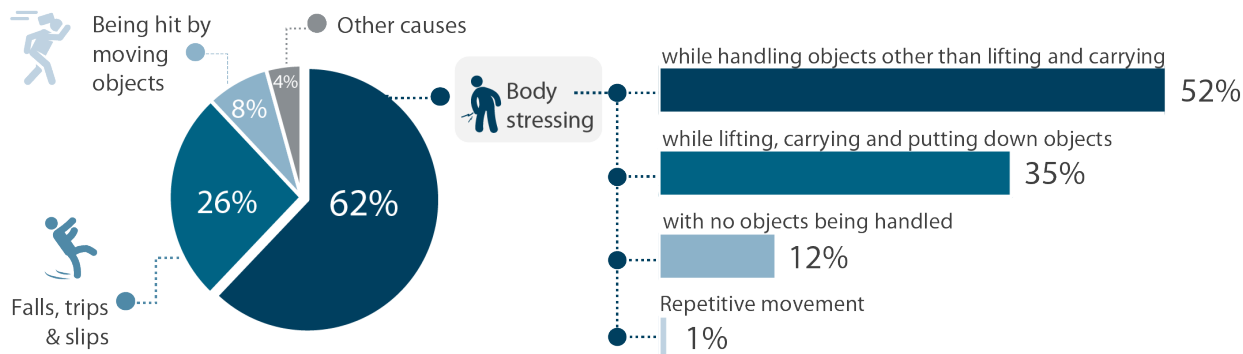
There were 2,335 lost-time claims lodged in the Health Care and Social Assistance industry in 2017/18



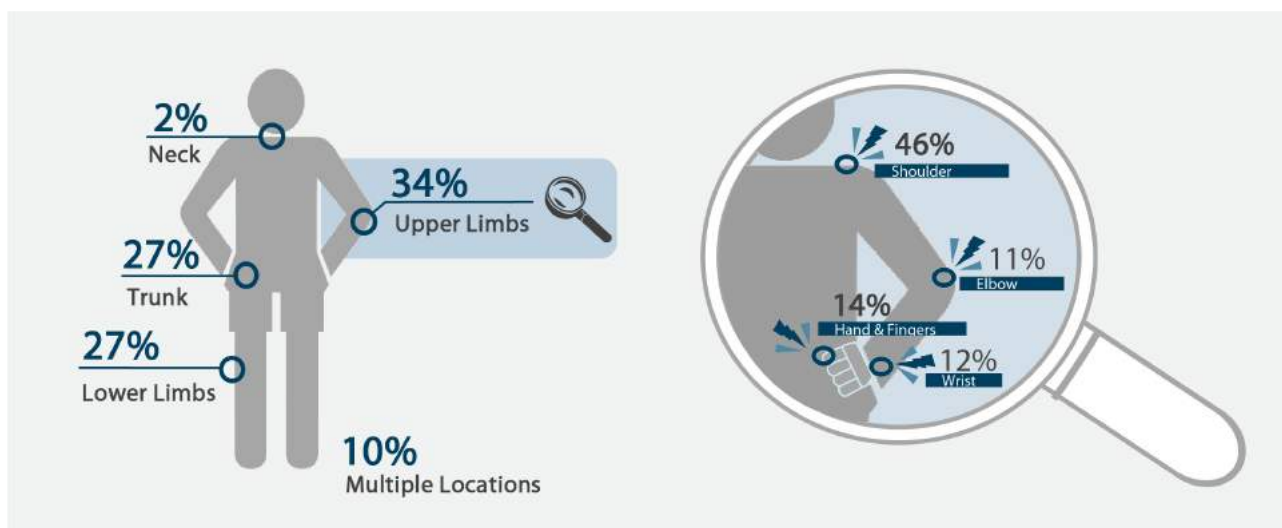
MSDs account for **two thirds** of these lost time claims.

MUSCULOSKELETAL DISORDER CLAIMS

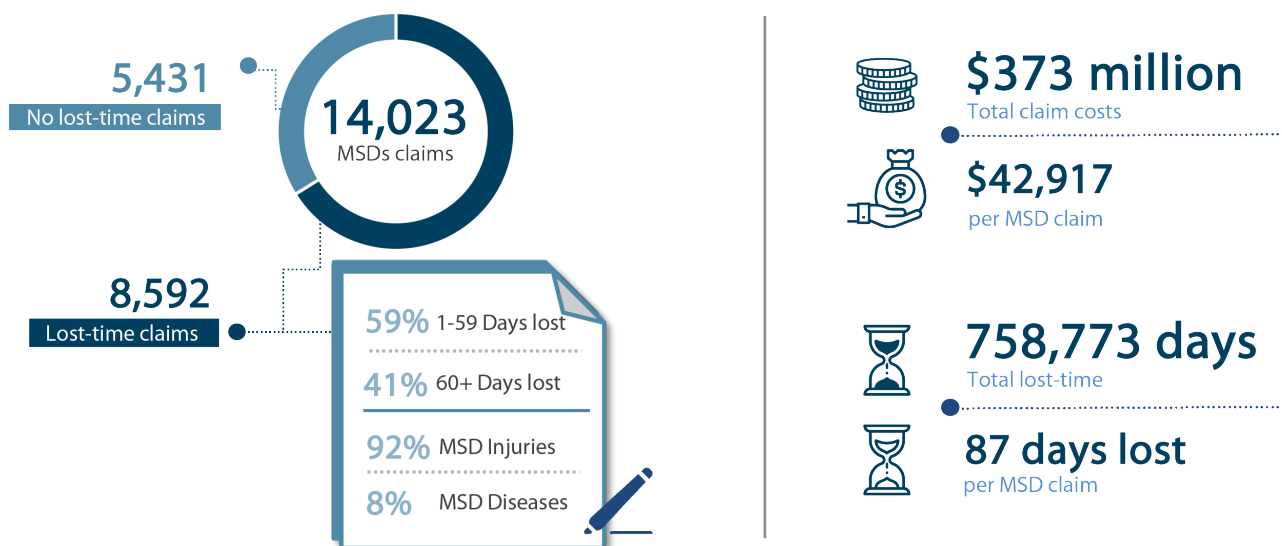
CAUSES OF MUSCULOSKELETAL CLAIMS | 2017/18



BODILY LOCATION OF THE MUSCULOSKELETAL INJURIES | 2017/18



PROFILE OF MUSCULOSKELETAL DISORDERS CLAIMS | 2017/18



More information?

More in-depth analysis of the WA workers' compensation and injury management scheme is available on the WorkCover WA website at workcover.wa.gov.au.

Available reports

Quarterly

- › Scheme Status Report
- › Insurer Claim Report
- › Scheme Exits Report
- › Claims Experience Status Report

Biannual

- › Conciliation and Arbitration Services (CAS) Status Report

Annual

Scheme Reports

- › Workers' Compensation Statistical Report
- › Medical, Allied Health and Workplace Rehabilitation Service Status Report
- › Long Duration Claims in the WA Workers' Compensation Scheme

Industry Reports

- › Industry Benchmark Report
- › Construction Industry Statistical Report
- › Manufacturing Industry Statistical Report
- › Mining Industry Statistical Report
- › Health Care and Social Assistance Industry Statistical Report



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