

## Section 2

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# Open and transparent reporting

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

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



## Comparative overview

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

- the second lowest standardised average premium rate of the Australian jurisdictions
- around 80 percent of scheme costs expended on services and payments for claimants, on par with the national average
- approximately 88 percent of claim disputes resolved within six months, above the national average of 82 percent
- a disputation rate of 4.1 percent, the third lowest of the Australian jurisdictions and below the Australian average of 5.1 percent.

### During 2018/19, the Agency published the following reports:

- Claims Experience Status Report
- Conciliation and Arbitration Services Status Report
- Industry Benchmark Report
- Industry-Specific Statistical Reports (Construction, Health care and social assistance, Manufacturing and Mining)
- Insurer Claims Status Report
- Long Duration Claims in the WA Workers' Compensation Scheme
- Musculoskeletal Statistical Note
- Scheme Exits Report
- Scheme Status Report
- Service Status Report (Medical, Allied Health and Workplace Rehabilitation)
- Workers' Compensation Annual Statistical Report
- Workers' Compensation Scheme Trends.

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

# Scheme performance report

**Important:** Due to the nature of the processes involved in the capture, verification and analysis of claims data, information relating to lost-time as a result of a workers' compensation claim is only available one year retrospectively. As a result, some information from 2018/19 was unavailable at the time of publishing this report and we have therefore, in line with established practice, reported on information for 2017/18.

## Claim numbers

In 2017/18, 26,867 claims were lodged. Of these, 43 percent had no lost time and 57 percent involved at least one day or shift off work (lost-time claims). Of all lost-time claims lodged in 2017/18, 35 percent had 60 or more days or shifts lost (long duration claims).

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

**Figure 10: Claim numbers - 2017/18**

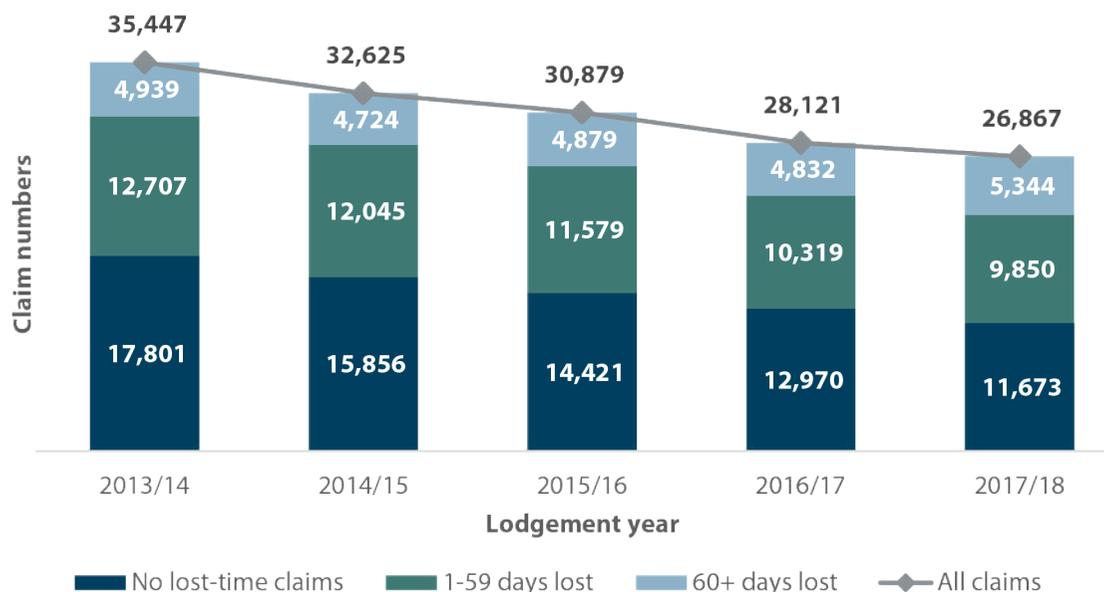


## Claim trends

From 2013/14 to 2017/18, the annual number of claims lodged in the WA scheme decreased by 24.2 percent from 35,447 to 26,867.

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

**Figure 11: Claim trends**

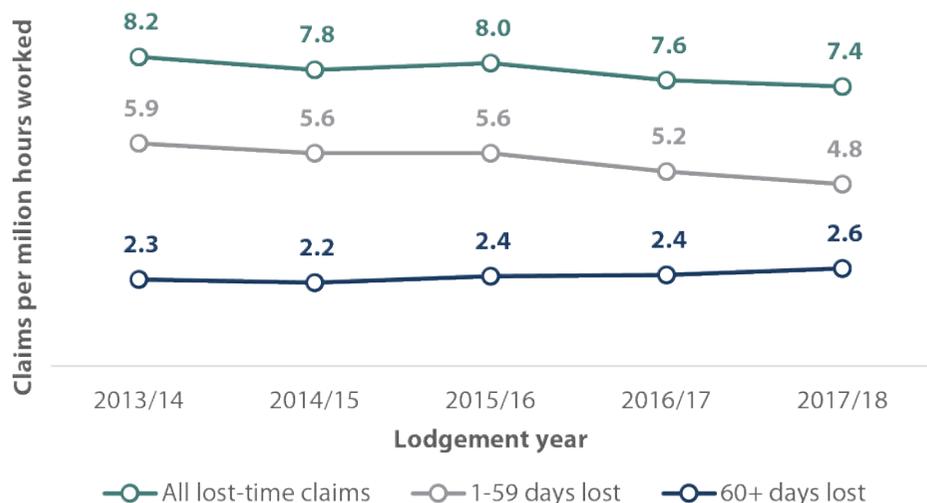




## Frequency rates

The frequency rate, which is the number of lost-time claims per million hours worked, decreased by 9.6 percent between 2013/14 and 2017/18.

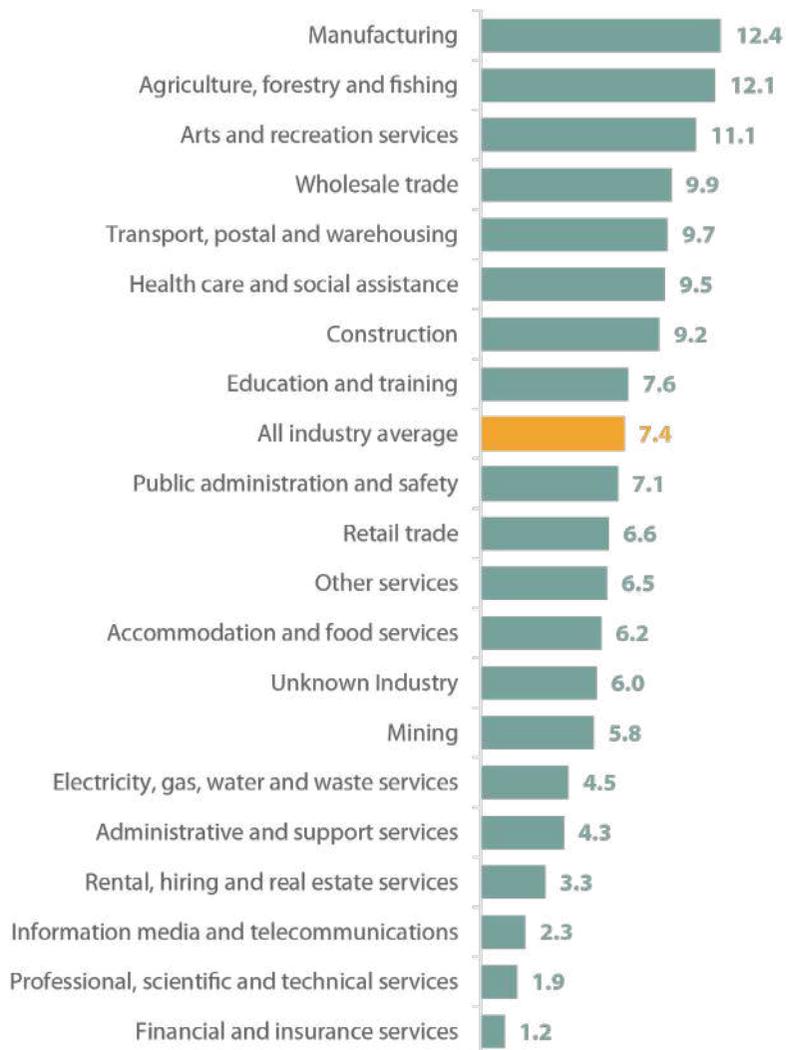
**Figure 12: Frequency rates**



## Frequency of lost-time claims by industry

In 2017/18, the industries with the highest lost-time claim frequencies were Manufacturing, Agriculture, forestry and fishing, Arts and recreation services, Wholesale trade, Transport, postal and warehousing and Health care and social assistance.

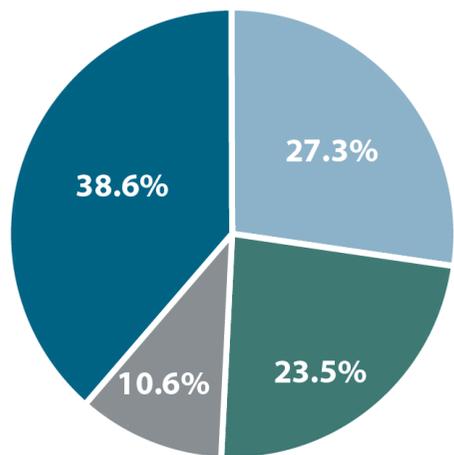
**Figure 13: Frequency of lost-time claims by industry 2017/18**



## Scheme payments 2018/19

During 2018/19, 65.9 percent of scheme payments were paid directly to workers in the form of income payment and common law and lump sum payouts, while 23.5 percent of payments were made for treatment services, such as medical, allied health and workplace rehabilitation services. The remaining 10.6 percent were related to legal and other services.

**Figure 14: Scheme payments 2018/19**



**Key:**

- Income payments**  
\$347.5 million
- Common law and lump sum payments**  
\$246.2 million
- Treatment service payments**  
\$211.8 million
- Legal and other service payments**  
\$95.5 million

## Average recommended premium rates

WorkCover WA publishes annual recommended premium rates for workers' compensation insurance for each industry. The average recommended premium rate for 2019/20 represents an increase of 3.7 percent on the previous rate, from 1.585 percent to 1.645 percent of total wages.

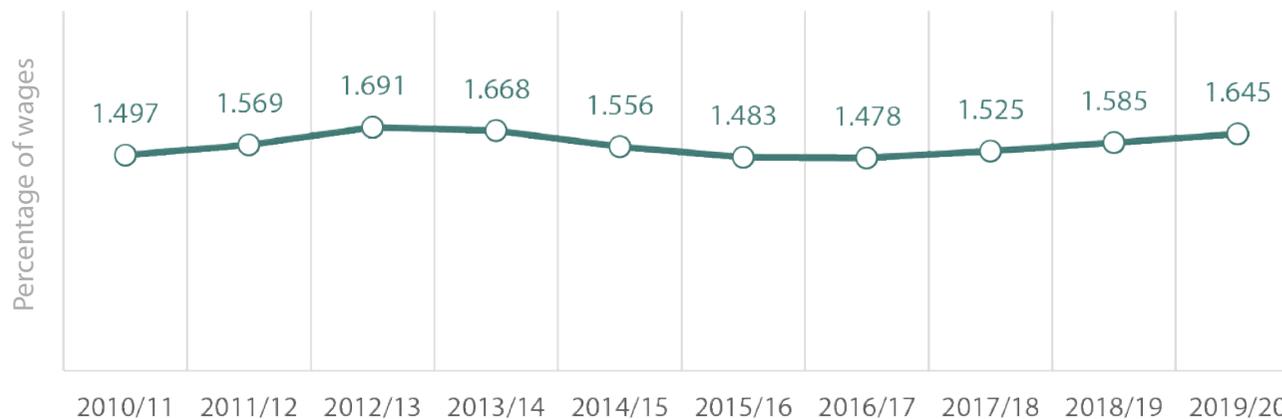
Recommended premium rates are developed with the assistance of the scheme actuary. In 2018/19 the scheme actuary was PricewaterhouseCoopers Consulting.

The increase in 2019/20 premium rates is the result of a number of factors, including a reduction in wages and an increase in expenses.

Average recommended premium rates vary from year-to-year to ensure the scheme is fully funded. The Western Australian (WA) average recommended premium rates are low by national standards.



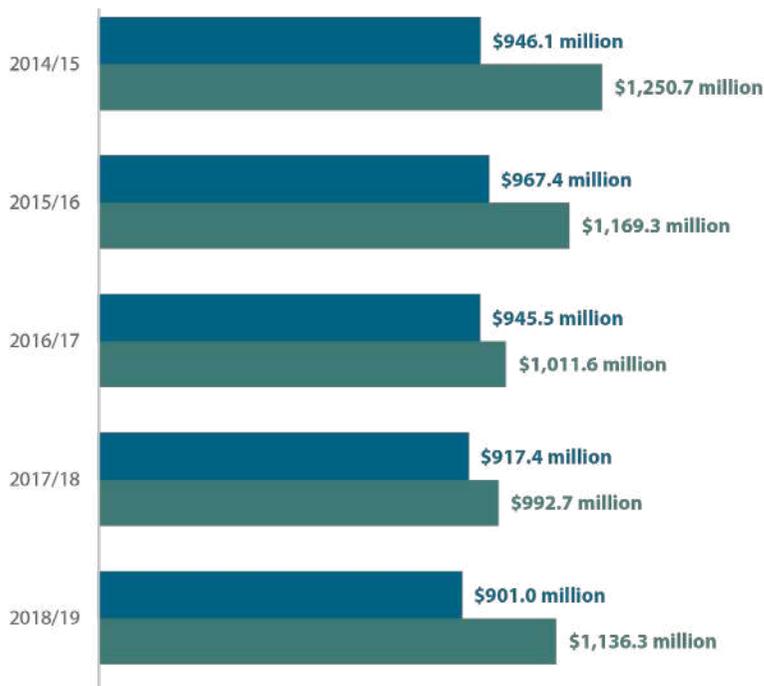
**Figure 15: WA average recommended premium rates**



# Scheme payments and premium income

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

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



**Key:**

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

# Settlements

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

The number of section 92(f) deed settlements increased between 2014/15 and 2018/19. However, the number of Memoranda of Agreement decreased during this time.

**Figure 17: Number of settlements**

