



SCHEME STATUS REPORT



December 2021

Data used in this report was extracted from WorkCover WA databases on 31 March 2022. Data reflects scheme activities that occurred prior to and including December 2021.



Scheme status report: December 2021

Any queries or comments on this publication should be directed to:

Business Intelligence Services Branch

Corporate Services Division

WorkCover WA

Phone: (08) 9388 5555

Fax: (08) 9388 5550

© WorkCover WA, Government of Western Australia

There is no objection to this publication being copied in whole or part, provided there is due acknowledgment of any material quoted from the publication.

This publication is available at the WorkCover WA website:

workcover.wa.gov.au

Published by the Western Australian Government

Publication date: April 2022

TABLE OF CONTENTS

4 ----- INTRODUCTION	5 ----- OVERVIEW	6 - 15 ▶ ----- KEY INDICATORS	6 - 7 ----- CLAIM NUMBERS
8 - 10 ----- CLAIM PAYMENTS	11 - 12 ----- CLAIM MANAGEMENT	13 ----- CLAIM DISPUTES	14 - 15 ----- CLAIM SETTLEMENTS
16 - 22 ▶ ----- APPROVED INSURERS & SELF-INSURERS COMPARISON	16 ----- APPROVED INSURERS & SELF-INSURERS OVERVIEW	17 ----- APPROVED INSURERS & SELF-INSURERS CLAIM NUMBERS	18 ----- APPROVED INSURERS & SELF-INSURERS CLAIM PAYMENTS
19 ----- APPROVED INSURERS & SELF-INSURERS CURRENT CLAIM COSTS FOR OPEN CLAIMS	20 ----- APPROVED INSURERS & SELF-INSURERS CLAIM DURATIONS	21 ----- APPROVED INSURERS & SELF-INSURERS MEMORANDA OF AGREEMENT	22 ----- APPROVED INSURERS & SELF-INSURERS SECTION 92(f) DEEDS
23 - 24 ----- GLOSSARY	25 ----- DISCLAIMER		

Scheme status report

WorkCover WA is the government agency responsible for overseeing the workers' compensation and injury management scheme 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 23 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 insurers rather 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 AND
SETTLEMENTS

The report is presented in two 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 for approved insurers and self-insurers in relation to claim numbers, payments, estimated costs, claim management and settlements. This supplements information presented in Section 1.



Notes for the reader:

Different reporting timeframes for two indicators: lost-time and estimated claim costs

- Lost-time claim indicators (p.7) allow for lost-time estimates to mature and therefore are only reported up to the Jun (Q4) 2020/21 quarter (lag time of two financial quarters).
- 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 workcover.wa.gov.au.



CLAIM NUMBERS p. 6



Total claims lodged

7,009

1.5% change from previous quarter



Incidence rate

1.20

3.8% change from previous quarter



Active claims

25,468

3.1% change from previous quarter

CLAIM PAYMENTS p. 8-10



Total payments

\$306m

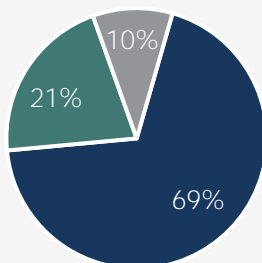
9.2% change from previous quarter



Average finalised payment

\$39,282

10.5% change from previous quarter



- Direct compensation
- Treatment services
- Legal & other services

CLAIM MANAGEMENT p. 12



Median lost-time claim duration

6.9 months

7.8% change from previous quarter



91%

Insurer liability decision made within legislative timeframes

DISPUTES p. 13



Dispute applications

525 disputes

-8.4% change from previous quarter



Disputation rate

4.5 disputes

per 100 active claims

SETTLEMENTS p. 14-15



Proportion of claims finalised by Memoranda of Agreement

12.7%

8.1% change from previous quarter

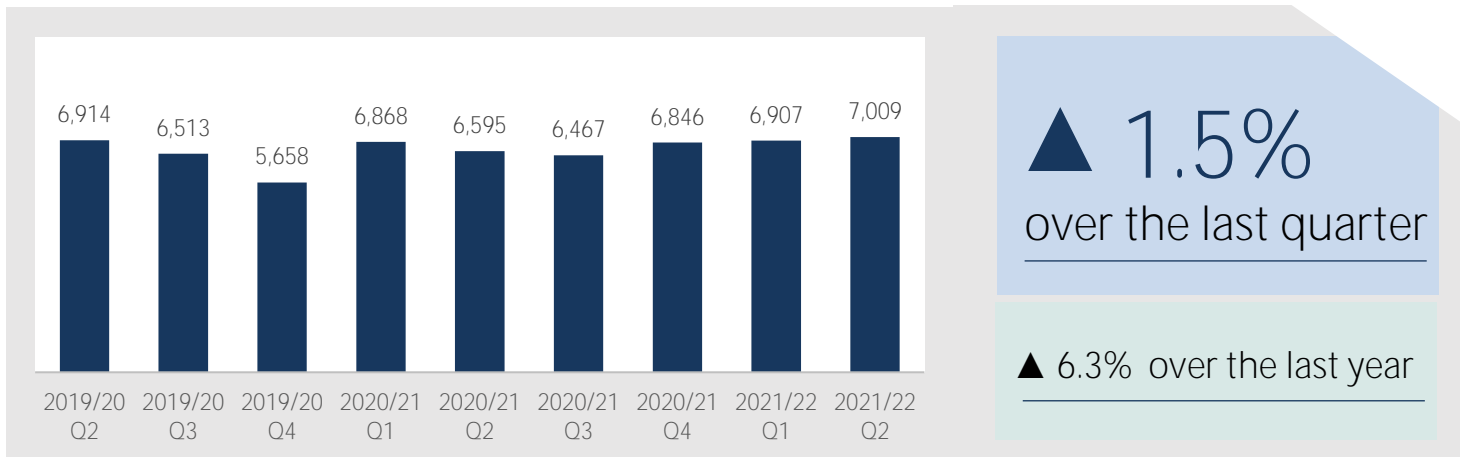


Proportion of claims finalised by 92(f) deeds

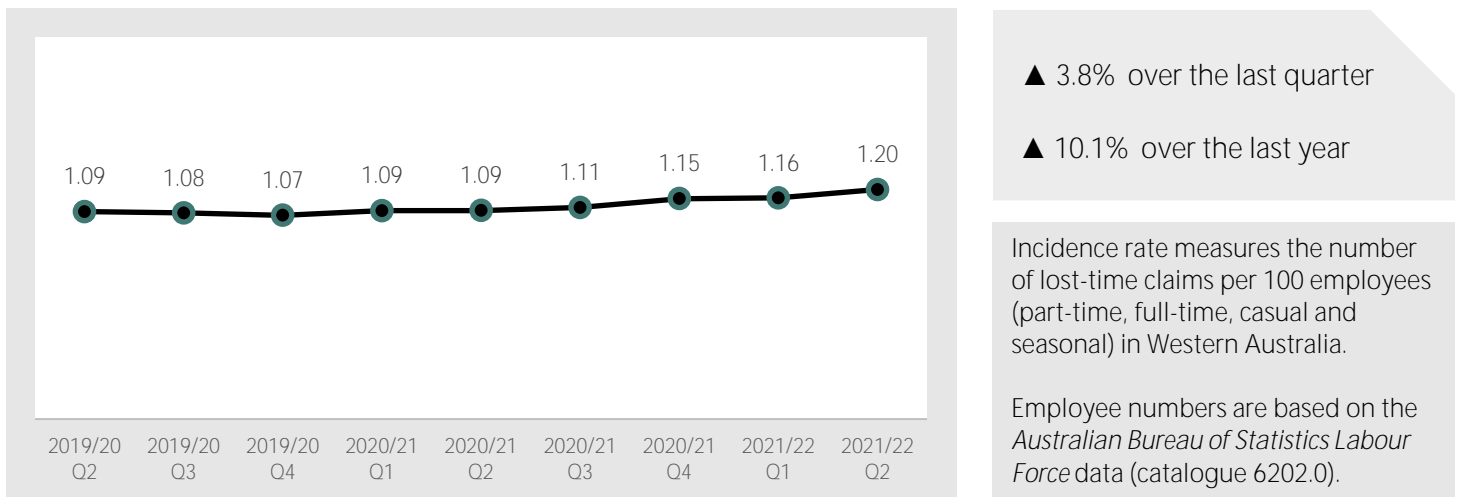
11.7%

-2.4% change from previous quarter

Total number of claims lodged | by insurer received quarter

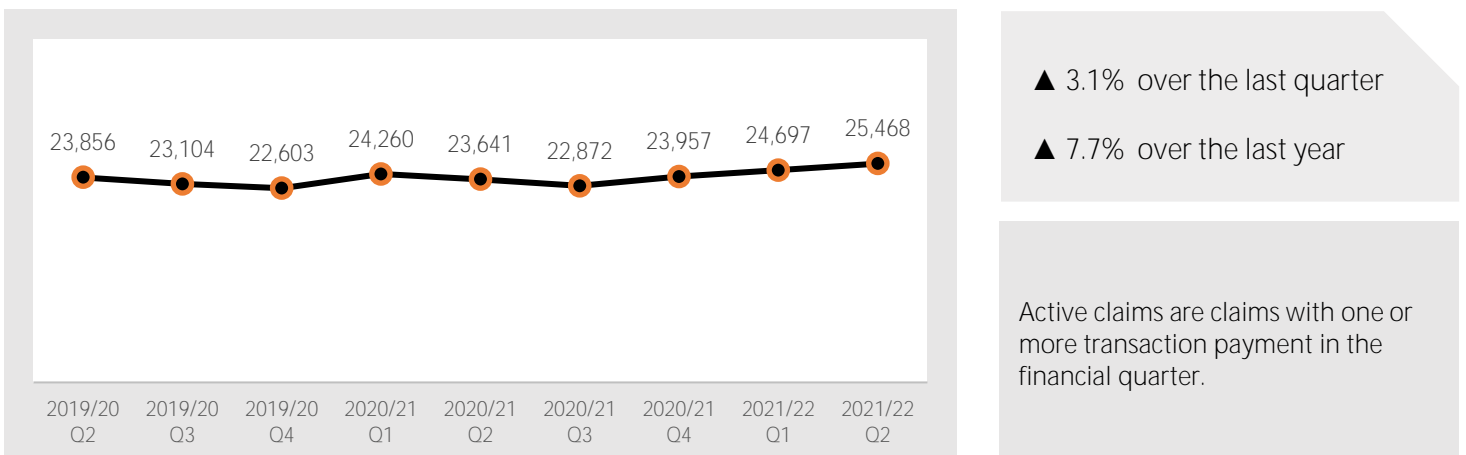


Incidence rate* | number of lost-time claims per 100 employed persons



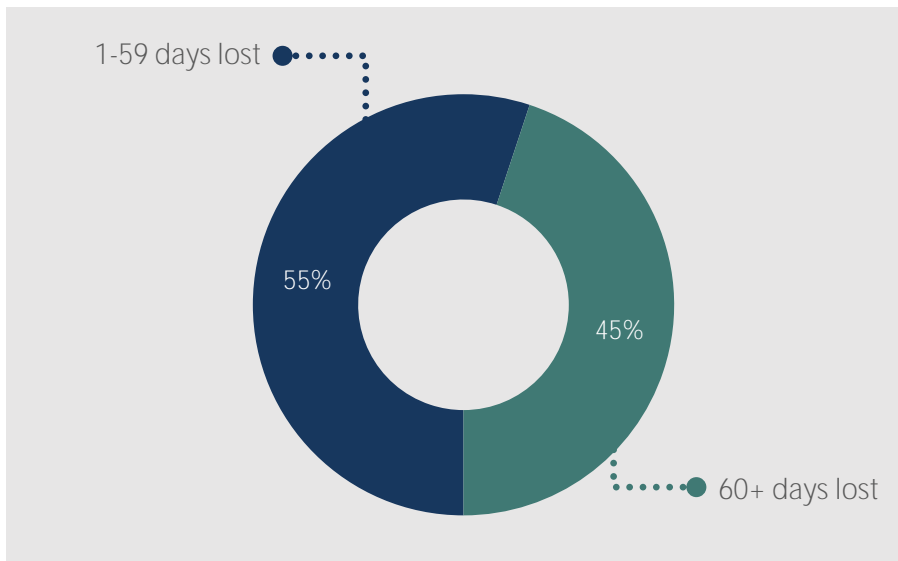
* Incidence rate is based on a four-quarter rolling period.

Active claims | by transaction quarter



2020/21 Q4 | proportion of lost-time claims

It should be noted that data for the last two quarters is subject to significant development over time, therefore there is a six-month lag (two quarters).

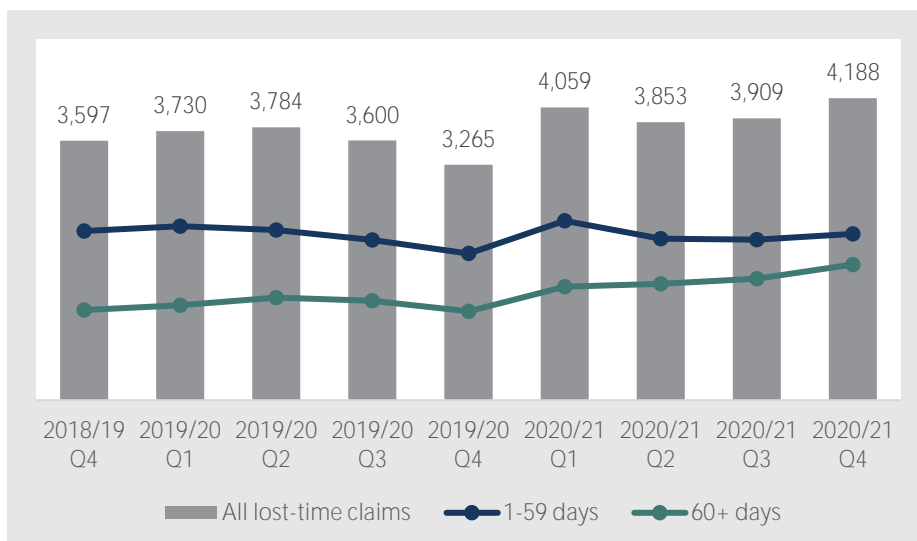


There were 4,188 lost-time claims lodged in Jun (Q4) 2020/21. Short duration claims

accounted for 55% of lost-time claims and long duration claims accounted for 45% of lost-time claims.

Long duration claims increased from 35% to 45% from Jun (Q4) 2018/19 to Jun (Q4) 2020/21. Short duration claims decreased from 65% to 55% over the same period.

Claims lodged | short vs long duration



1-59 days lost

- ▲ 3.7% over the last quarter
- ▲ 13.5% over the last year

60+ days lost

- ▲ 11.6% over the last quarter
- ▲ 52.7% over the last year



Between Jun (Q4) 2019/20 and June (Q4) 2020/21, both short and long duration claims increased (13% and 53% respectively).

2021/22 Q2 | AT A GLANCE



TOTAL PAYMENT TRANSACTIONS
\$306m

▲ 9.2% over the last quarter

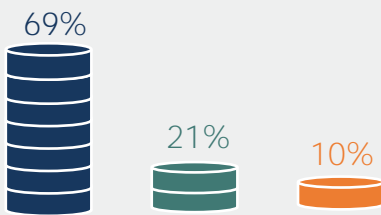


AVERAGE PAYMENT

\$39,282 per finalised claim

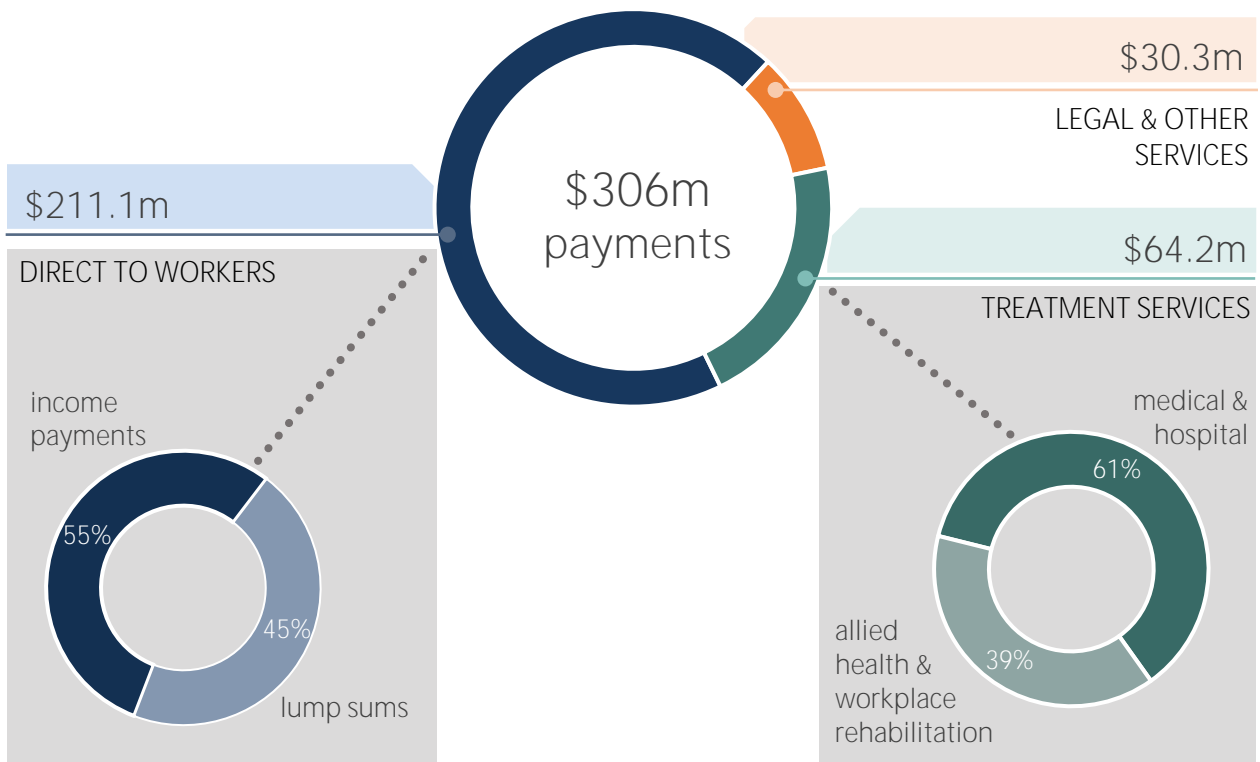
▲ 10.5% over the last quarter

TRANSACTION TYPES



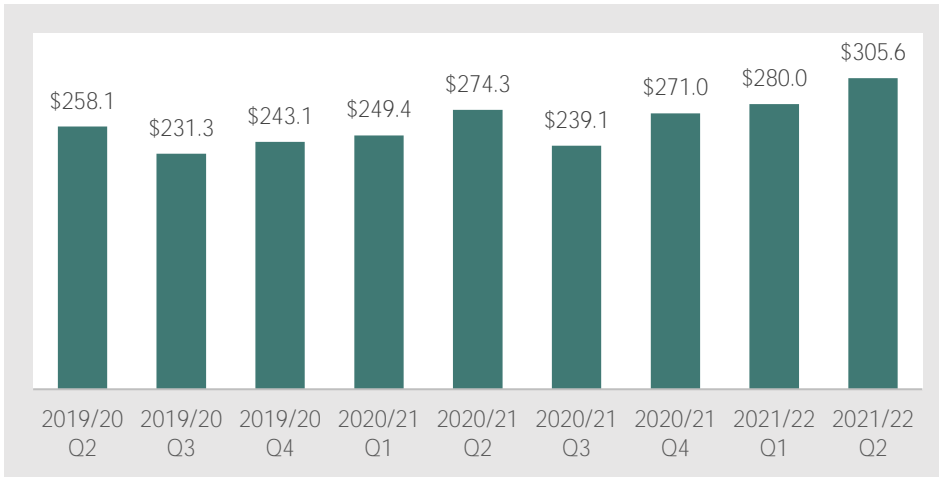
DIRECT TO WORKERS	\$211.1m
TREATMENT SERVICES	\$64.2m
LEGAL & OTHER SERVICES	\$30.3m

TRANSACTION TYPES BREAKDOWN



Claim Payments

Total claim payments | \$million



Payments are adjusted for inflation to allow meaningful comparisons over time.

Total claim payments increased by **11%** between Dec (Q2) 2020/21 and Dec (Q2) 2021/22.

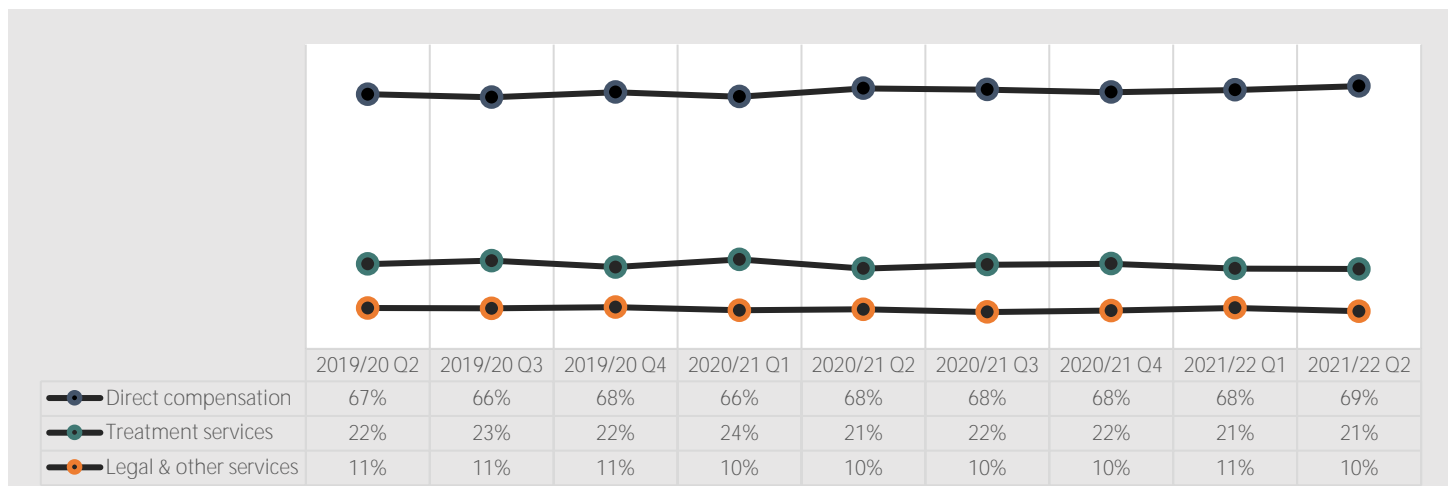
▲ 9.2% over the last quarter

▲ 11.4% over the last year

Claim payments by payment type | \$million



Claim payments | proportion of payment types



Payments direct to workers | \$million



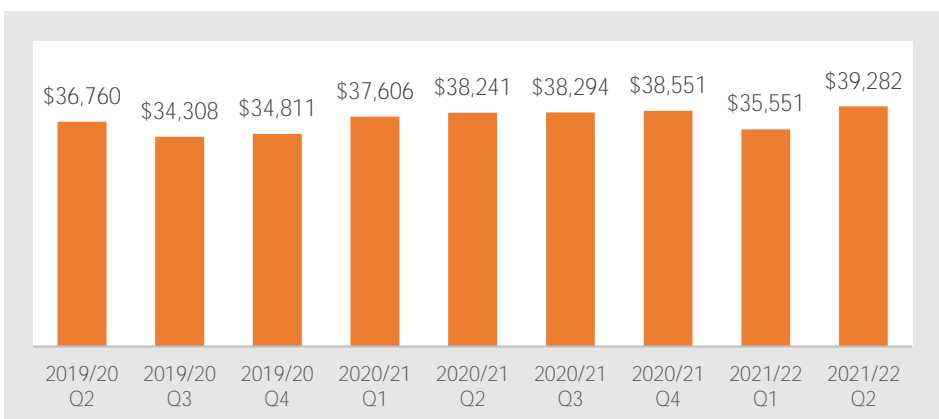
- Income payments
 - ▼ -1.4% over the last quarter
 - ▲ 11.1% over the last year
- Lump sums
 - ▲ 30.0% over the last quarter
 - ▲ 14.0% over the last year

Treatment services and legal & other services payments | \$million



- Medical & hospital
 - ▲ 9.8% over the last quarter
 - ▲ 13.8% over the last year
- Legal & other services
 - ▲ 0.4% over the last quarter
 - ▲ 6.2% over the last year
- Allied health & workplace rehab
 - ▲ 6.5% over the last quarter
 - ▲ 6.7% over the last year

Average claim payments | per finalised claim



Average finalised claim payments **increased** over the last quarter and currently stands at **\$39,282** for Dec (Q2) 2021/22.

- ▲ 2.7% over the last year

Payments are adjusted for inflation to allow for meaningful comparisons over time.

2021/22 Q2 | AT A GLANCE



LOST-TIME CLAIM DURATION

MEDIAN 6.9 months

▲ 7.8% over the last quarter

▲ 13.1% over the last year



EMPLOYER LODGEMENT PERIOD



INSURER LODGEMENT PERIOD within 5 days



INITIAL LIABILITY DECISION made within legislative timeframe

injury claims: 15 days
disease claims: 41 days

Employer lodgement period refers to 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 the employer.

The average number of days between the occurrence of an injury and lodgement of a workers' compensation claim with an employer was 16 days for all income claims.

average days: 3.2 days

After receiving a worker's compensation claim, an employer (whose worker is covered by the *Workers' compensation and Injury Management Act 1981*) is required to lodge the received claim with their insurer within five working days. This is referred to as the insurer lodgement period.

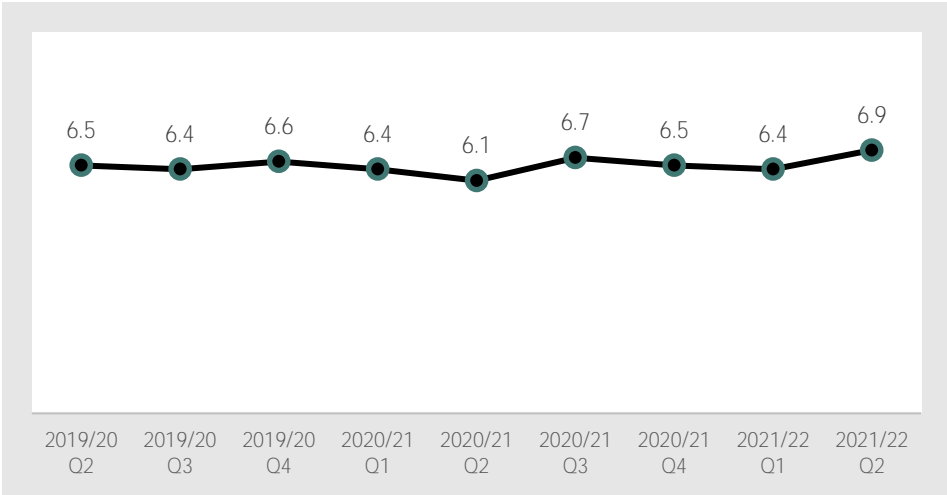
The average number of days for employers lodging the received claims with their insurer was 3.2 days.

insurer: 92%
self-insurer: 85%

Initial liability decision made within legislative timeframe refers to the period of time where approved insurers and self-insurers are required to make an initial decision as to whether to accept or decline liability for the compensation claim.

For approved insurers the timeframe is within 14 days. For self-insurers, the timeframe is within 17 days.

Median lost-time claim duration | months

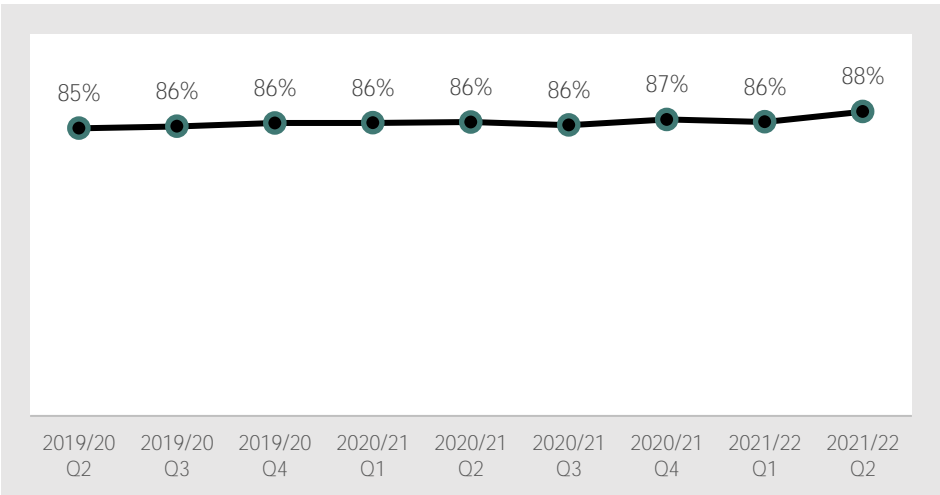


▲ 7.8% over the last quarter

▲ 13.1% over the last year

Between Dec (Q2) 2019/20 and Dec (Q2) 2021/22, the median lost-time claim duration ranges between 6.1 and 6.9 months.

Proportion of income claims lodgement by insurers | within 5 days

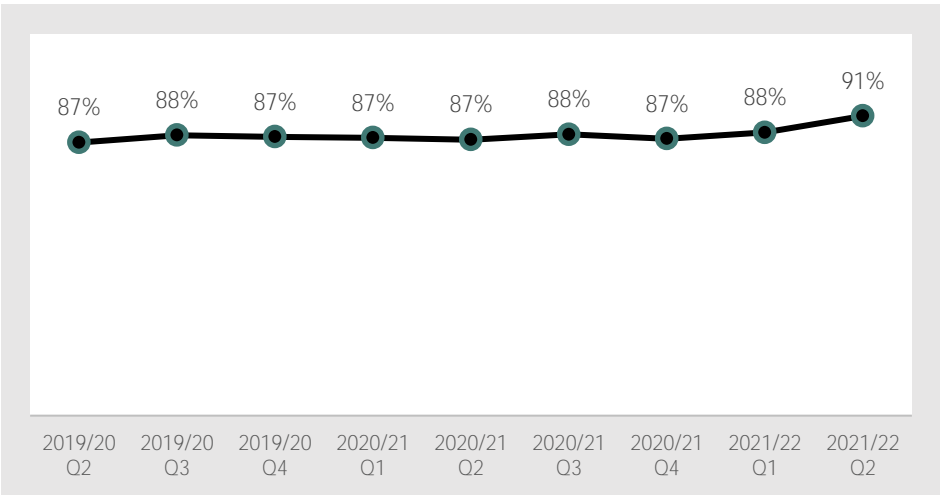


▲ 1.9% over the last quarter

▲ 1.9% over the last year

After receiving a worker's compensation claim, an employer (whose worker is covered by the *Workers' Compensation and Injury Management Act 1981*) is required to lodge the received claim with their insurer within five working days. This is referred to as the **insurer lodgement period**.

Proportion of income claims with initial liability decision made | within legislative timeframes

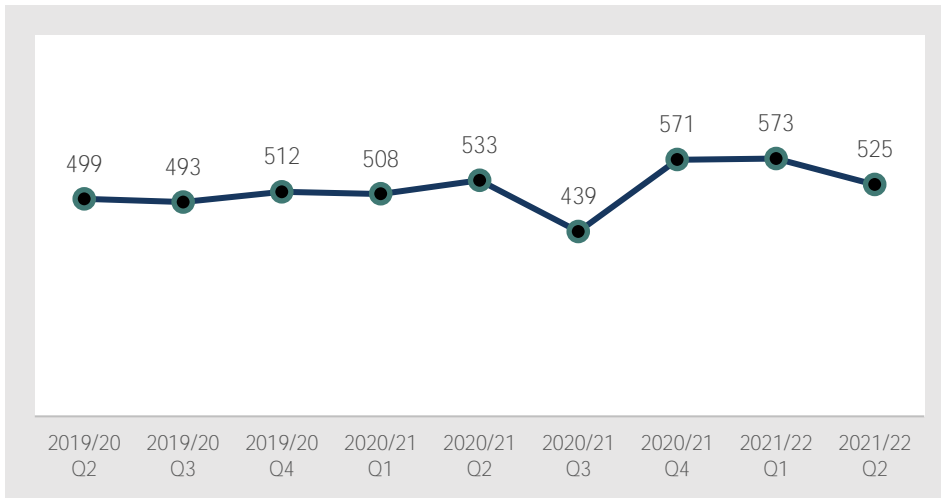


▲ 3.2% over the last quarter

▲ 4.6% over the last year

Approved insurers are required to make an initial decision as to whether to accept or decline liability for claims within 14 days. For self-insurers an initial decision should be made within 17 days.

Number of dispute applications | by acceptance quarter



▼ -8.4% over the last quarter

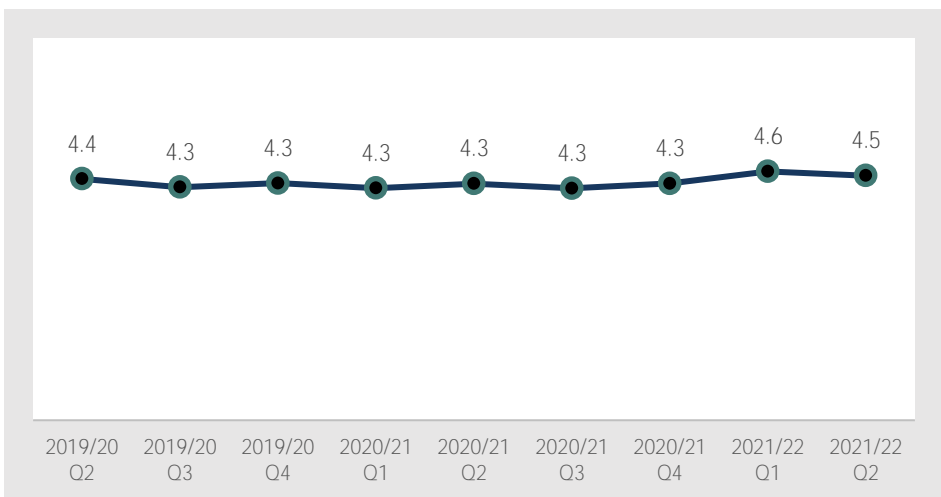
▼ -1.5% over the last year

For Dec (Q2) 2021/22, the number of dispute applications was **525**.



Between Dec (Q2) 2019/20 and Dec (Q2) 2021/22 the dispute rate **increased**.

Disputation rate* | by acceptance quarter



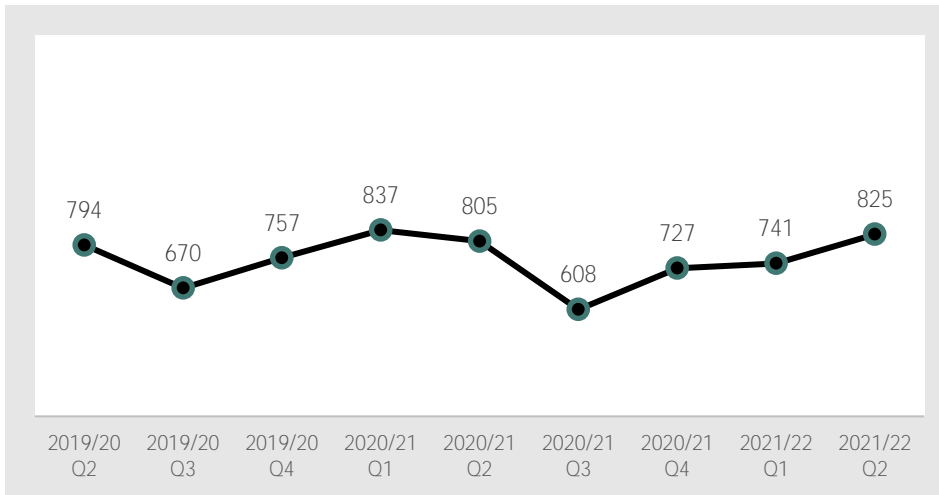
▼ -1.7% over the last quarter

▲ 3.4% over the last year

For 12 months ending 31 Dec 2021 (2021/22 Q2), the disputation rate was **4.5 disputes** per 100 active claims.

* Disputation rate is based on a four-quarter rolling period.

Number of memoranda of agreement | by settlement recorded quarter



▲ 11.3% over the last quarter

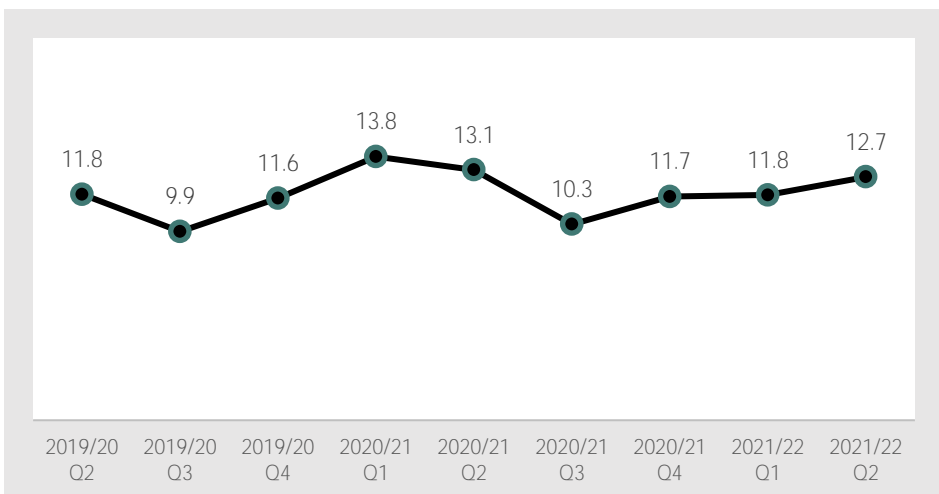
▲ 2.5% over the last year

For Dec (Q2) 2021/22, the number of Memoranda of Agreement was **825**.



Between Dec (Q2) 2019/20 and Dec (Q2) 2021/22 the number of MoA increased.

Memoranda of agreement | as a proportion of finalised claims

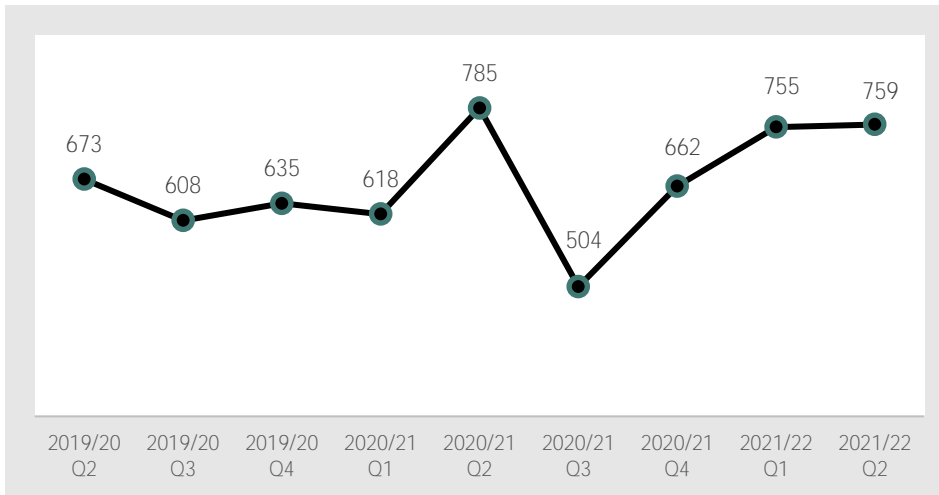


▲ 8.1% over the last quarter

▼ -2.8% over the last year

For Dec (Q2) 2021/22, the proportion of claims finalised by Memoranda of Agreement was **12.7%**.

Number of section 92(f) deeds | by settlement recorded quarter



▲ 0.5% over the last quarter

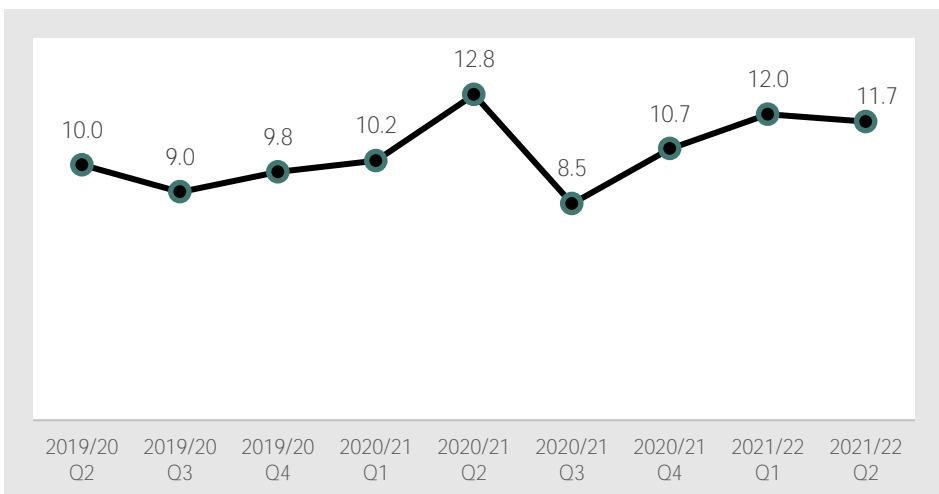
▼ -3.3% over the last year

For Dec (Q2) 2021/22, the number of Section 92(f) deeds was **759**.



Between Dec (Q2) 2019/20 and Dec (Q2) 2021/22 the number of S.92(f) deeds increased.

Section 92(f) deeds | as a proportion of finalised claims



▼ -2.4% over the last quarter

▼ -8.3% over the last year

For Dec (Q2) 2021/22, the proportion of claims finalised through Section 92(f) deeds was **11.7%**.

Approved Insurer & Self-Insurer Comparison

2021/22 Q2 | AT A GLANCE

Approved Insurer

6,448 claims
92%

\$281.6 million
92%

\$39,778
per finalised claim

6.9 months

91.6%

24.2%



Claim Count



Claim Payment



Average Payment
Per Finalised Claim



Median Lost-Time
Claim Duration



Initial Liability Decision Within
Legislative Timeframe



Settlement Rate

Self-Insurer

561 claims
8%

\$24 million
8%

\$33,652
per finalised claim

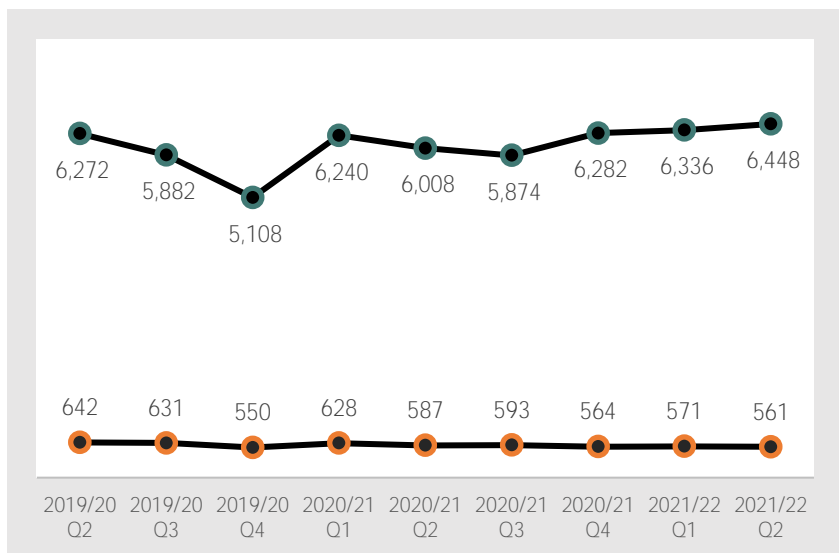
7.8 months

85.0%

27.1%

Approved Insurer & Self-Insurer Comparison

Total number of claims lodged



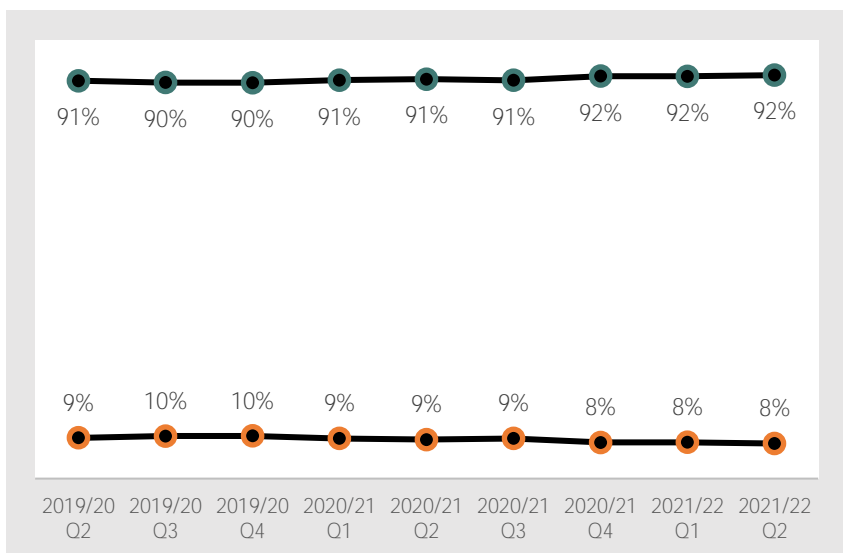
- Approved insurer
 - ▲ 1.8% over the last quarter
 - ▲ 7.3% over the last year
- Self-insurer
 - ▼ -1.8% over the last quarter
 - ▼ -4.4% over the last year



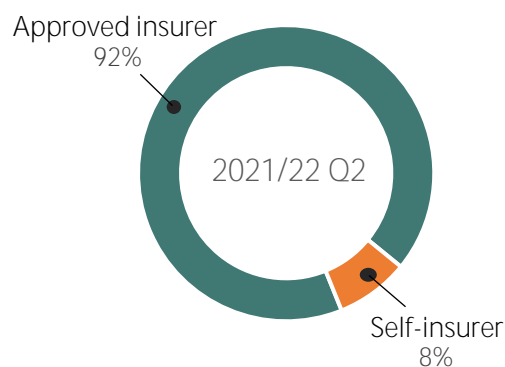
Over the reporting period, there is a **stable to increasing** trend for claims lodged by **approved insurers** and **stable** trend for **self-insurers**.

Over the last year, the number of claims lodged increased for **approved insurers** (7%) and decreased for **self-insurers** (4%).

Proportion of claims



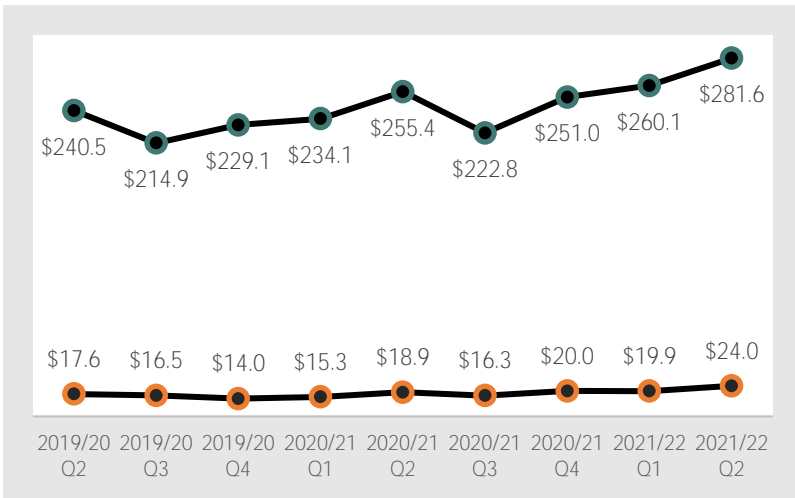
- Approved insurer
 - ▲ 0.3% over the last quarter
 - ▲ 1.0% over the last year
- Self-insurer
 - ▼ -3.2% over the last quarter
 - ▼ -10.1% over the last year



Between Dec (Q2) 2019/20 and Dec (Q2) 2021/22, the proportion of claims for **approved insurers** and **self-insurers** remained stable.

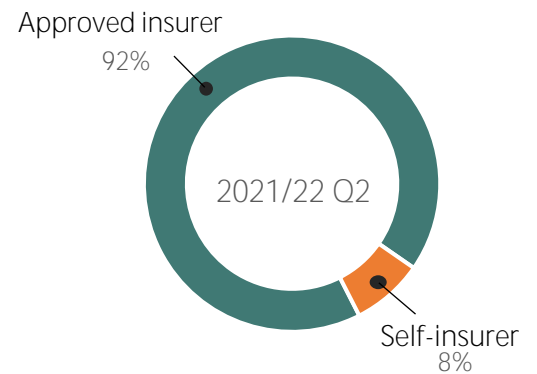
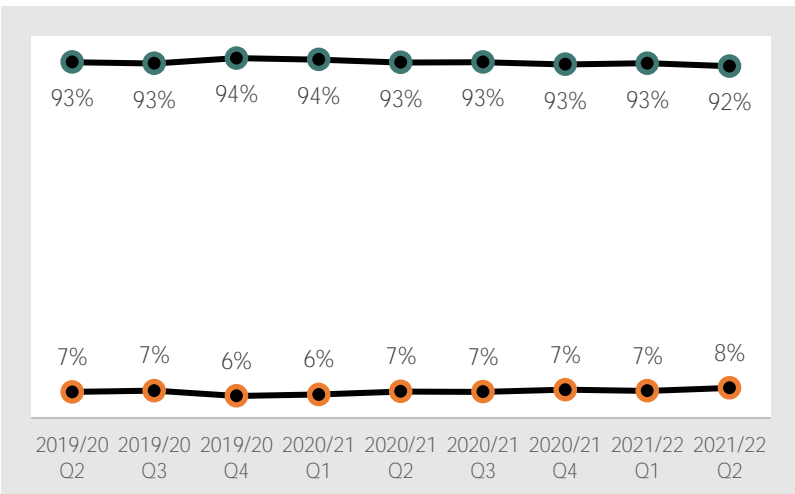
Approved Insurer & Self-Insurer Comparison

Total payments | \$million

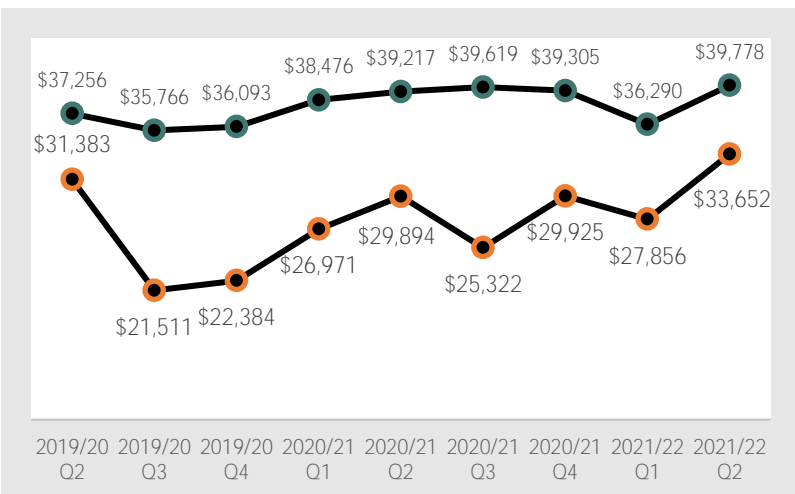


- Approved insurer
 - ▲ 8.3% over the last quarter
 - ▲ 10.3% over the last year
- Self-insurer
 - ▲ 20.8% over the last quarter
 - ▲ 26.9% over the last year

Proportion of payments



Average claim payments | per finalised claim



- Approved insurer
 - ▲ 9.6% over the last quarter
 - ▲ 1.4% over the last year
- Self-insurer
 - ▲ 20.8% over the last quarter
 - ▲ 12.6% over the last year

Approved Insurer & Self-Insurer Comparison

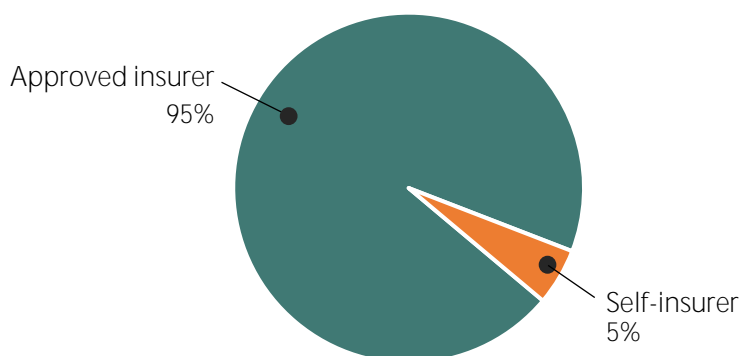
Current claim costs for open claims | Approved Insurer

Insurer received year	Open claims	Total estimated \$	Actual paid \$	Outstanding estimated \$	% outstanding estimate for all open claims
All earlier years	61	13,818,372	10,776,342	3,042,030	22.0
2012/13	18	3,044,022	2,325,391	718,631	23.6
2013/14	28	4,633,097	3,063,994	1,569,103	33.9
2014/15	52	15,986,758	10,475,368	5,511,390	34.5
2015/16	78	19,397,354	11,728,562	7,668,792	39.5
2016/17	165	45,810,998	28,776,805	17,034,194	37.2
2017/18	340	98,806,688	57,583,037	41,223,652	41.7
2018/19	817	237,668,756	134,796,041	102,872,716	43.3
2019/20	1,920	405,595,428	238,654,729	166,940,700	41.2
2020/21	5,632	706,756,385	349,416,683	357,339,702	50.6
Total	9,111	1,551,517,860	847,596,952	703,920,908	45.4

Current claim costs for open claims | Self-insurer

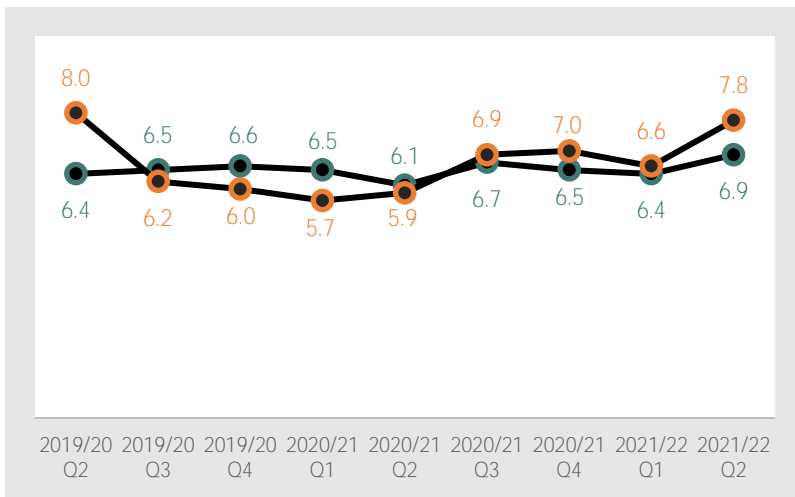
Insurer received year	Open claims	Total estimated \$	Actual paid \$	Outstanding estimated \$	% outstanding estimate for all open claims
All earlier years	<5	441,618	368,579	73,038	16.5
2012/13	<5	39,806	31,863	7,943	20.0
2013/14	<5	263,238	231,380	31,858	12.1
2014/15	<5	292,762	140,213	152,549	52.1
2015/16	0	0	0	0	-
2016/17	<5	521,613	400,011	121,601	23.3
2017/18	15	2,593,735	1,507,074	1,086,661	41.9
2018/19	46	11,381,855	6,871,841	4,510,014	39.6
2019/20	134	24,628,476	15,007,806	9,620,670	39.1
2020/21	488	45,718,196	26,399,565	19,318,631	42.3
Total	693	85,881,297	50,958,331	34,922,966	40.7

Proportion of total estimated claim costs for open claims | up to 30 June 2021



Approved Insurer & Self-Insurer Comparison

Median lost-time claims duration by initial finalisation | months

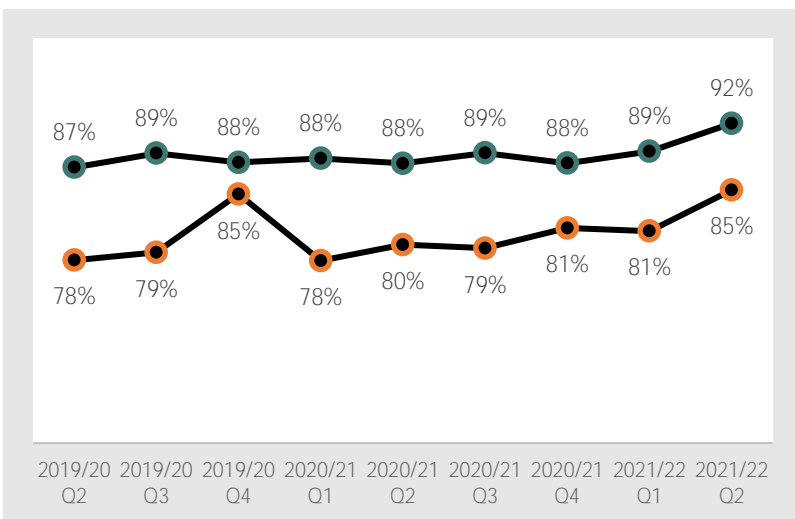


Over the reporting period, the median lost-time claim duration for approved insurers shows a stable trend.

The median lost-time claim duration for self-insurers fluctuates between 5.7 months to 8.0 months over the reporting period.

- Approved insurer
 - ▲ 7.8% over the last quarter
 - ▲ 13.1% over the last year
- Self-insurer
 - ▲ 18.2% over the last quarter
 - ▲ 32.2% over the last year

Proportion of income claim initial liability decisions made | within legislative timeframe



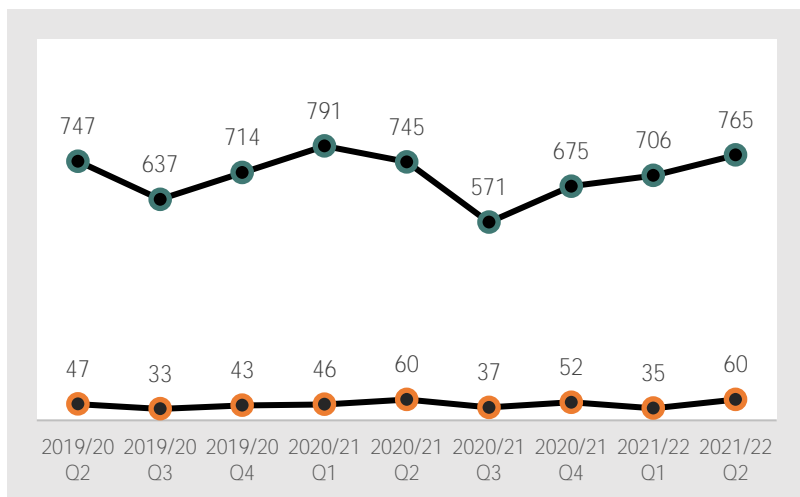
The proportion of income claims where an approved insurer/self-insurer makes an initial liability decision within the specified legislative time requirement improved over the reference period.

Between Dec (Q2) 2019/20 and Dec (Q2) 2021/22, income claims with liability decisions made within the required time for approved insurers improved from 88% to 92% and self-insurers from 80% to 85%.

- Approved insurer
 - ▲ 3.1% over the last quarter
 - ▲ 4.5% over the last year
- Self-insurer
 - ▲ 5.0% over the last quarter
 - ▲ 6.8% over the last year

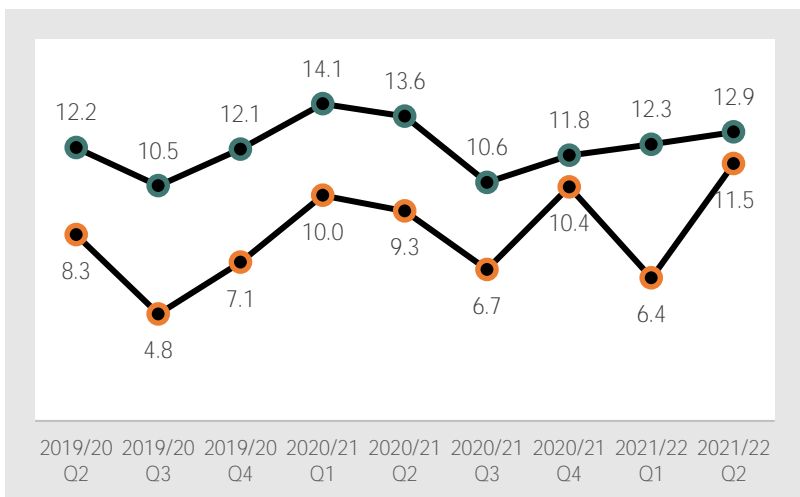
Approved Insurer & Self-Insurer Comparison

Number of memoranda of agreement



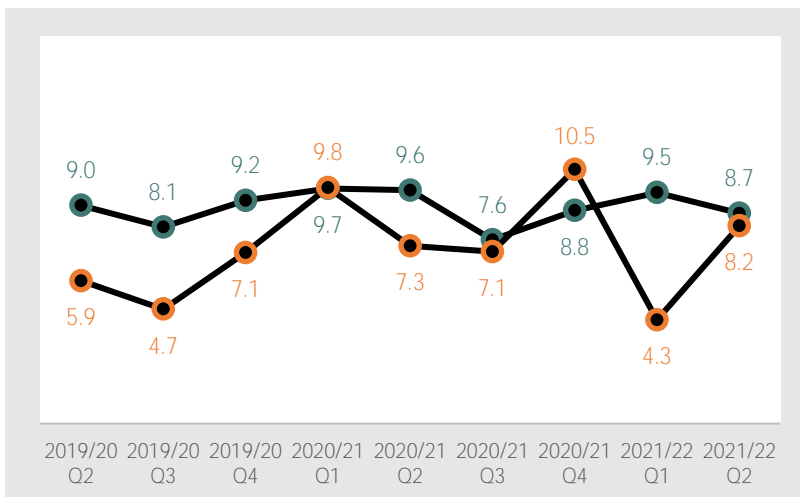
- Approved insurer
 - ▲ 8.4% over the last quarter
 - ▲ 2.7% over the last year
- Self-insurer
 - ▲ 71.4% over the last quarter
 - 0.0% over the last year

Memoranda of agreement | as proportion of finalised claims



- Approved insurer
 - ▲ 4.4% over the last quarter
 - ▼ -5.1% over the last year
- Self-insurer
 - ▲ 79.9% over the last quarter
 - ▲ 22.5% over the last year

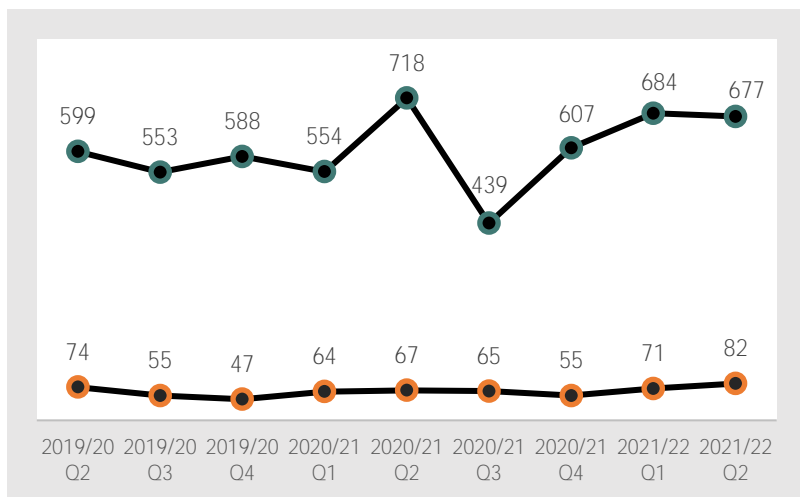
Memoranda of agreement payments | as proportion of finalised claim payments



- Approved insurer
 - ▼ -9.0% over the last quarter
 - ▼ -9.9% over the last year
- Self-insurer
 - ▲ 90.7% over the last quarter
 - ▲ 11.3% over the last year

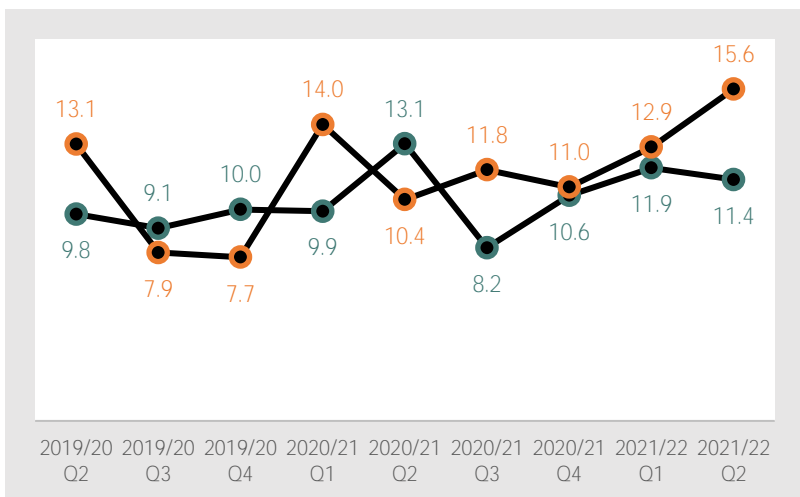
Approved Insurer & Self-Insurer Comparison

Number of section 92(f) deeds



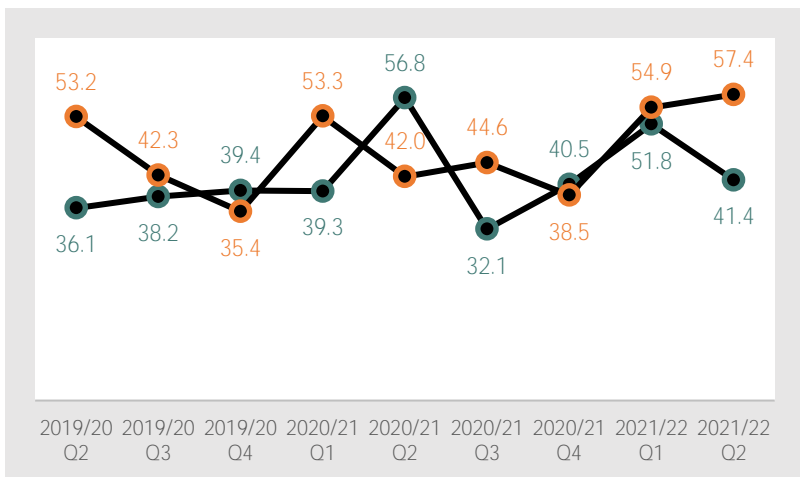
- Approved insurer
 - ▼ -1.0% over the last quarter
 - ▼ -5.7% over the last year
- Self-insurer
 - ▲ 15.5% over the last quarter
 - ▲ 22.4% over the last year

Section 92(f) deeds | as proportion of finalised claims



- Approved insurer
 - ▼ -4.6% over the last quarter
 - ▼ -12.9% over the last year
- Self-insurer
 - ▲ 21.2% over the last quarter
 - ▲ 49.9% over the last year

Section 92(f) deeds payments | as proportion of finalised claim payments



- Approved insurer
 - ▼ -20.2% over the last quarter
 - ▼ -27.1% over the last year
- Self-insurer
 - ▲ 4.4% over the last quarter
 - ▲ 36.7% over the last year

TERM	DEFINITION / EXPLANATION OF TERM
Active claim	A claim with one or more transaction payments in a financial year/quarter.
Average payments per finalised claim	The total cost of finalised claims divided by the number of finalised claims. Payments are attributed to the year in which the claims were finalised.
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 payment types	<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.
Disputation rate	The number of dispute applications as a proportion of all active claims based on a four-quarter rolling period.
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.
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).

TERM	DEFINITION / EXPLANATION OF TERM
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 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> .
Long duration claims	Workers' compensation claims for which the injury/disease results in an absence from work of at least 60 days or shifts.
Lost-time claims	Claims for which the injury/disease results in an absence from work of at least one day or shift.
Memoranda of Agreement	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 and includes claims where no payment has been recorded at the date of data extract.
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.
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> .
Settlement rate	The number of settlements recorded as a proportion of finalised claims.
Transaction quarter	The date a payment was processed.

- 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 and self-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.
- 4 This data is provided as is and in no event shall WorkCover WA, its agencies or representatives be liable for any damages, including, without limitation, damages resulting from lost data or lost profits or revenue, the costs of recovering such data, the costs of substitute data, claims by third parties or for other similar costs, or any special, incidental, punitive or consequential damages, arising out of the use of the data.
- 5 **Information concerning the accuracy and appropriate uses of the data or concerning other workers' compensation data may be obtained by contacting WorkCover WA.**