

Scheme Status Report

March 2025

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

workcover.wa.gov.au



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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, where private insurance agencies are licensed 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 licensed insurer. Exempt employers are commonly referred to as self-insurers. During the period referenced in this report, there were six licensed insurers and 23 self-insurers operating within the WA workers compensation scheme.

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 licensed insurer within the WA workers compensation scheme, ICWA is considered to be more appropriately grouped with licensed insurers rather than self-insurers.

The *Workers Compensation and Injury Management Act 2023* came into effect on 1 July 2024, replacing the *Workers' Compensation and Injury Management Act 1981*.

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. licensed insurer and self-insurer comparison: detailed information for licensed 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 Sep (Q1) 2024/25 quarter (lag of two financial quarters).
- Claims data used in the report is derived from data supplied by insurers and exempt employers in accordance with the NIDS specification found on WorkCover WA's website at workcover.wa.gov.au.

CLAIM NUMBERS p. 6



Total claims lodged
7,147

-3.0% change from previous quarter



Incidence rate
1.14

+2.2% change from previous quarter



Active claims
28,228

+1.4% change from previous quarter

CLAIM PAYMENTS p. 8-10



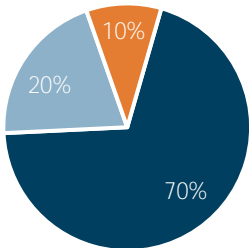
Total payments
\$436.1 m

+8.4% change from previous quarter



Average finalised payment
\$53,192

+15.2% change from previous quarter



- Direct compensation
- Treatment services
- Legal & other services

CLAIM MANAGEMENT p. 12



Median lost-time claim duration
7.5 months

+13.6% change from previous quarter



96.2%
of income claims

Initial liability action made within legislative timeframe

DISPUTES p. 13



Dispute applications
521 disputes

0.0% change from previous quarter



Disputation rate
4.3 disputes
per 100 active claims

-2.4% change from previous quarter

SETTLEMENTS p. 14-15



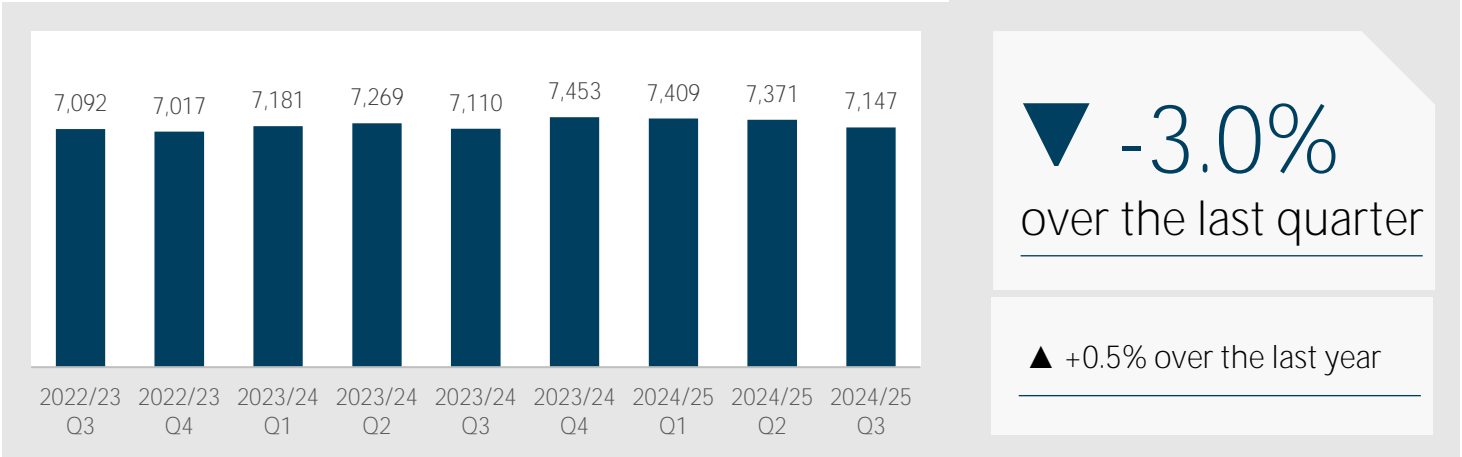
Proportion of claims finalised by
settlement agreement

29.5%

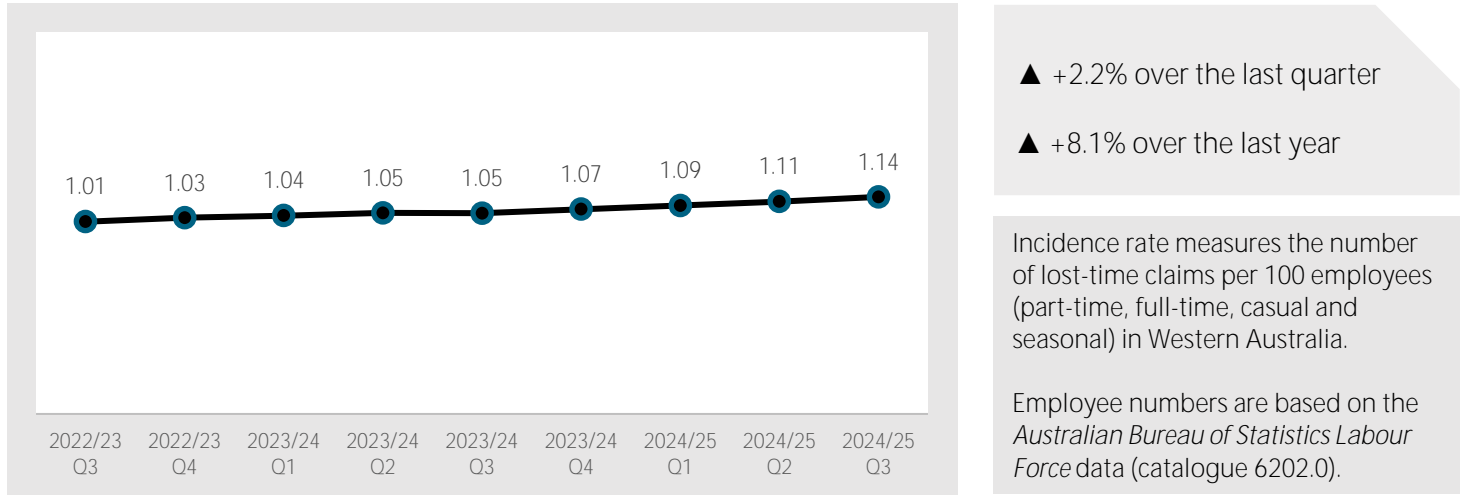
+5.7%p change from previous quarter

CLAIM NUMBERS

Total number of claims lodged | by insurer received quarter

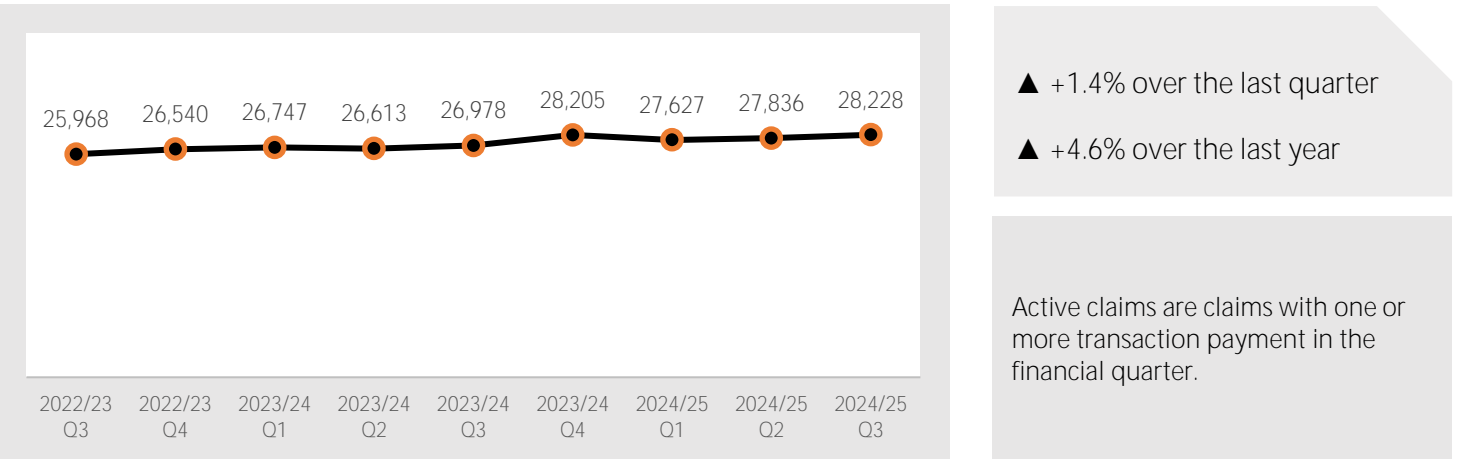


Incidence rate* | number of lost-time claims per 100 employed persons



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

Active claims | by transaction quarter



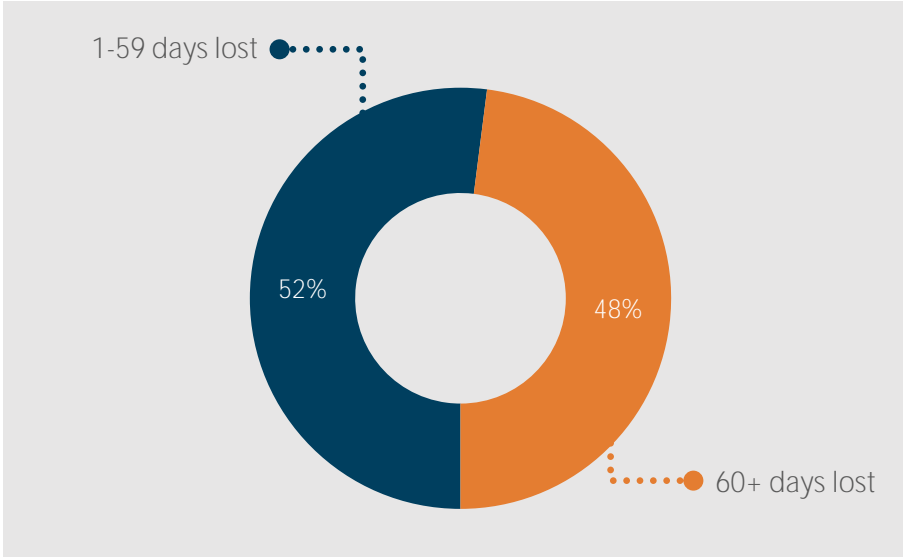
CLAIM NUMBERS

SHORT VS. LONG DURATION CLAIMS | 2024/25 Q1



Indicators on this page refer to long duration claims (60+ days lost). To allow for long duration claims to be realised, a six-month lag (two quarters) is applied.

Proportion of lost-time claims | 2024/25 Q1

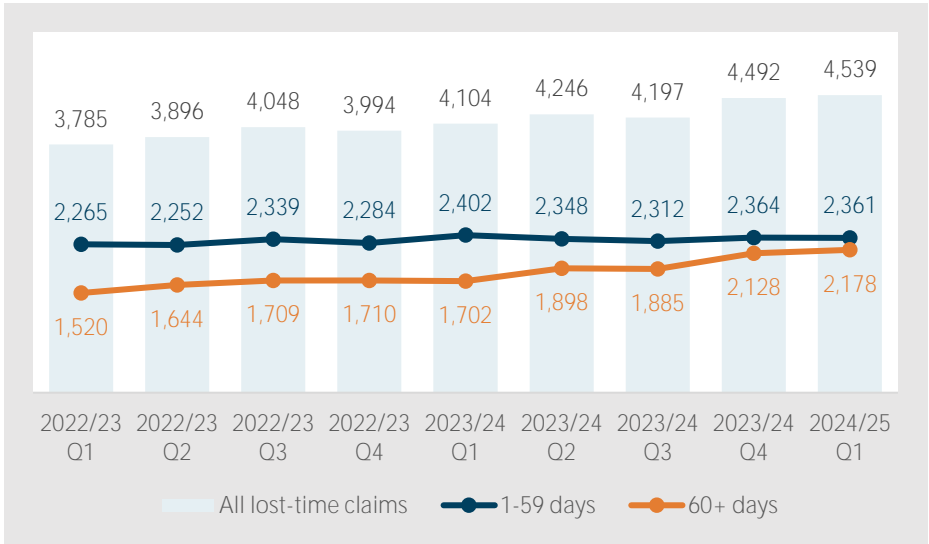


There were **4,539** lost-time claims lodged in Sep (Q1) 2024/25.

Short duration claims accounted for **52%** of lost-time claims and long duration claims accounted for **48%** of lost-time claims.

Long duration claims increased from **40%** to **48%** from Sep (Q1) 2022/23 to Sep (Q1) 2024/25. Short duration claims decreased from **60%** to **52%** over the same period.

Claim numbers | short vs. long duration claims



1-59 days lost

▼ -0.1% over the last quarter

▼ -1.7% over the last year

60+ days lost

▲ +2.3% over the last quarter

▲ +28.0% over the last year

CLAIM PAYMENTS

2024/25 Q3 | AT A GLANCE

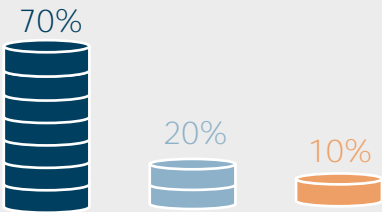


TOTAL PAYMENT TRANSACTIONS
\$436.1 m
▲ +8.4% over the last quarter



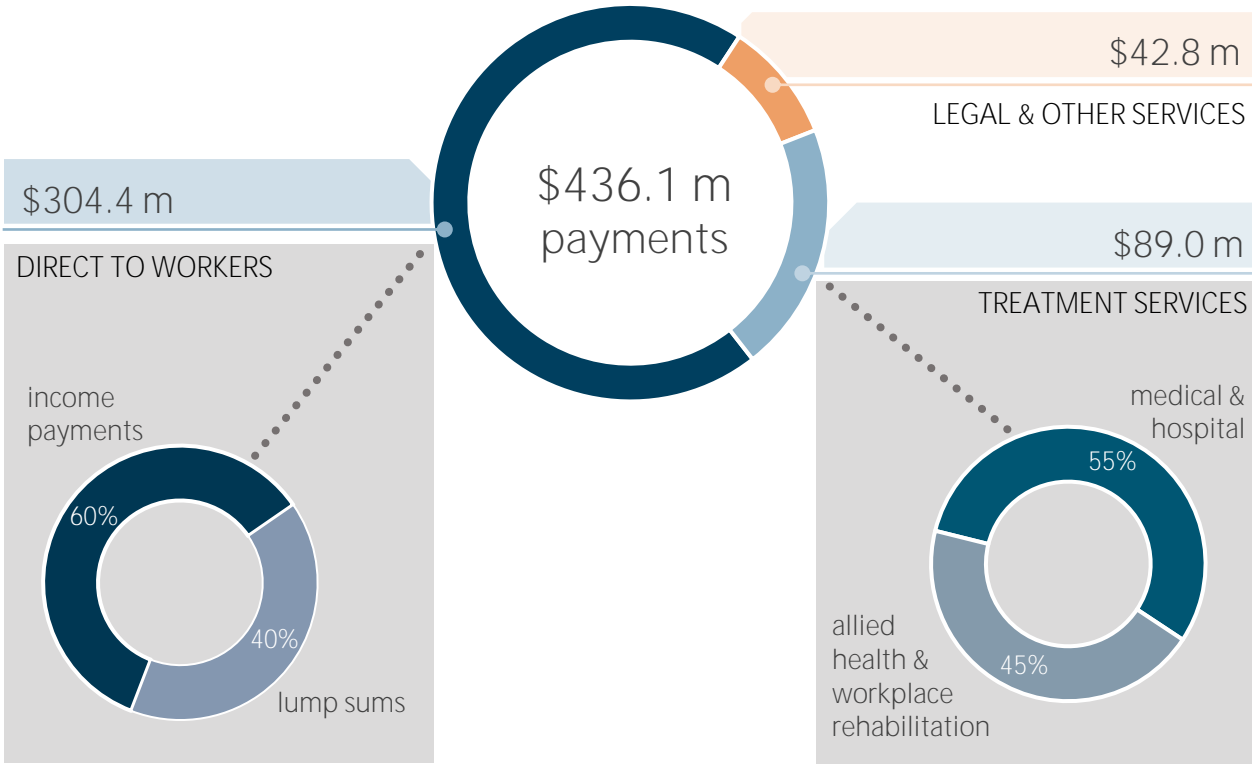
AVERAGE PAYMENT
\$53,192 per finalised claim
▲ +15.2% over the last quarter

TRANSACTION TYPES



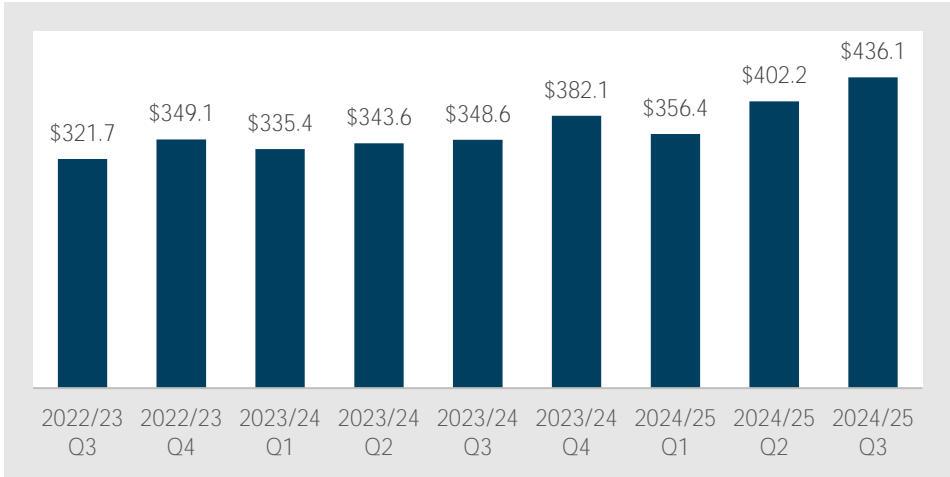
DIRECT TO WORKERS **\$304.4 m**
TREATMENT SERVICES **\$89.0 m**
LEGAL & OTHER SERVICES **\$42.8 m**

TRANSACTION TYPES BREAKDOWN



CLAIM PAYMENTS

Total claim payments | \$million

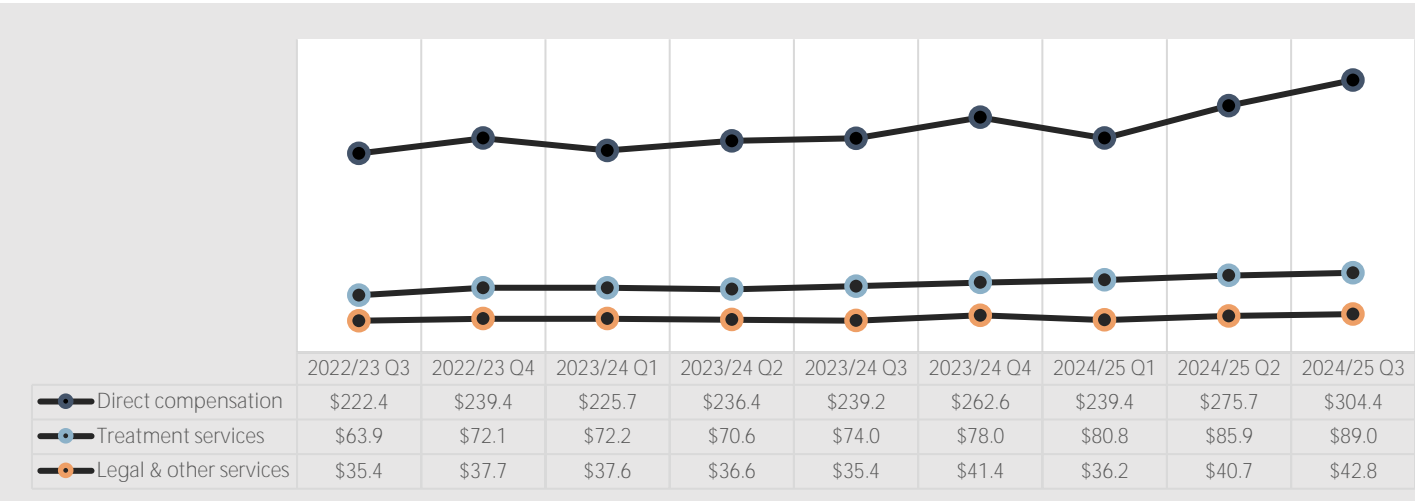


Payments are adjusted for inflation to allow for meaningful comparisons over time.

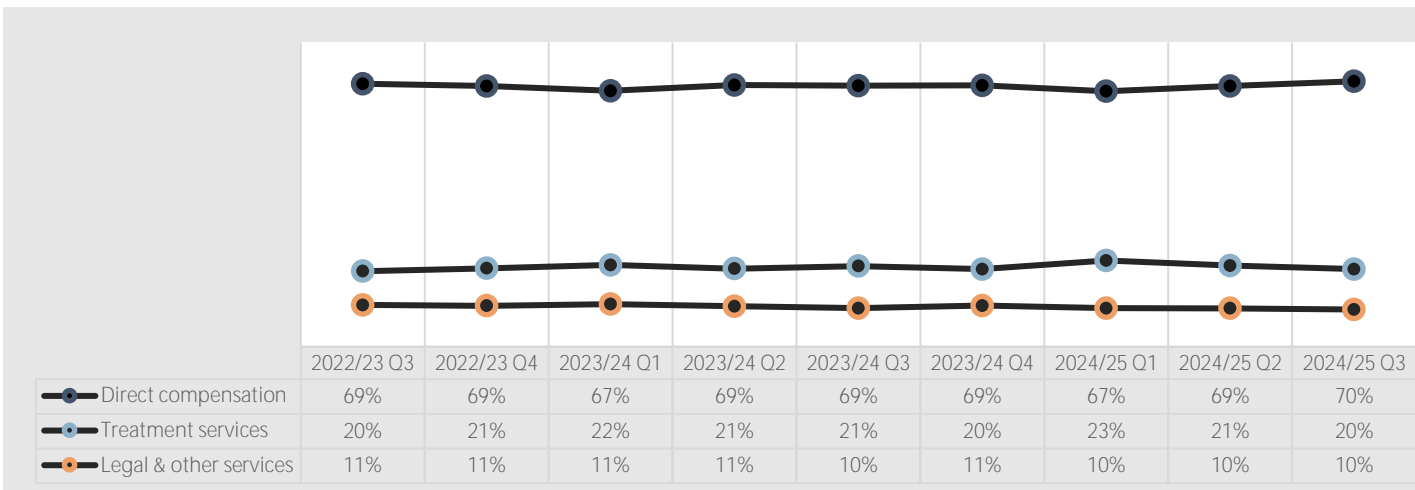
Total claim payments show a **steady to increasing trend** over the reporting period.

- ▲ +8.4% over the last quarter
- ▲ +25.1% over the last year

Claim payments by payment type | \$million

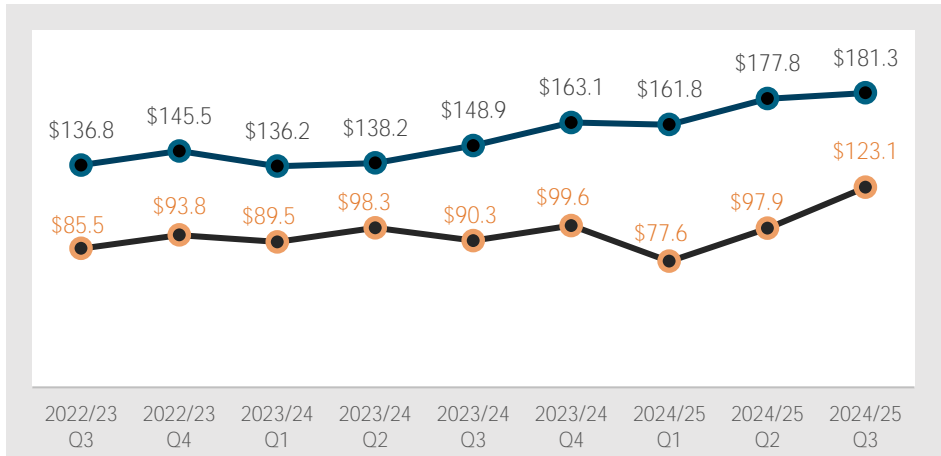


Claim payments | proportion of payment types



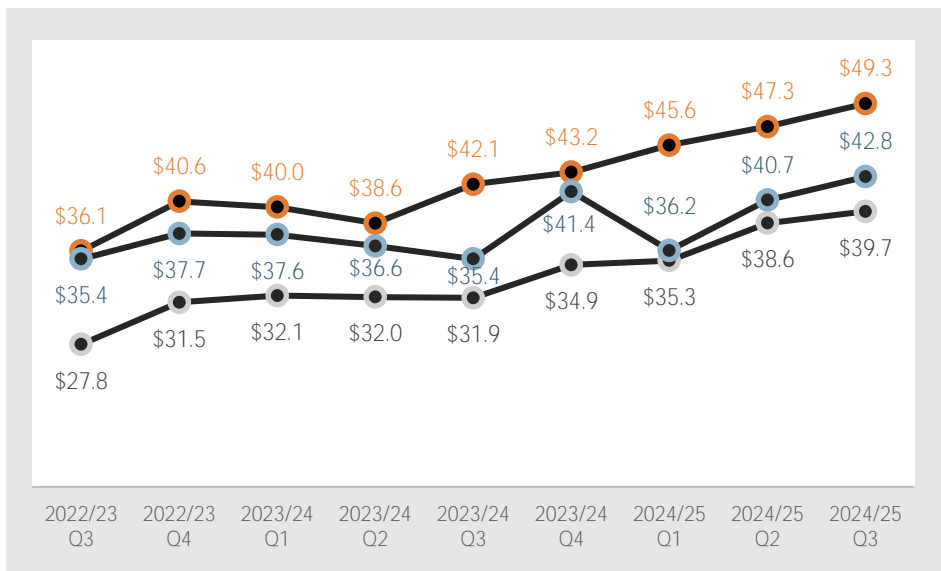
CLAIM PAYMENTS

Payments direct to workers | \$million



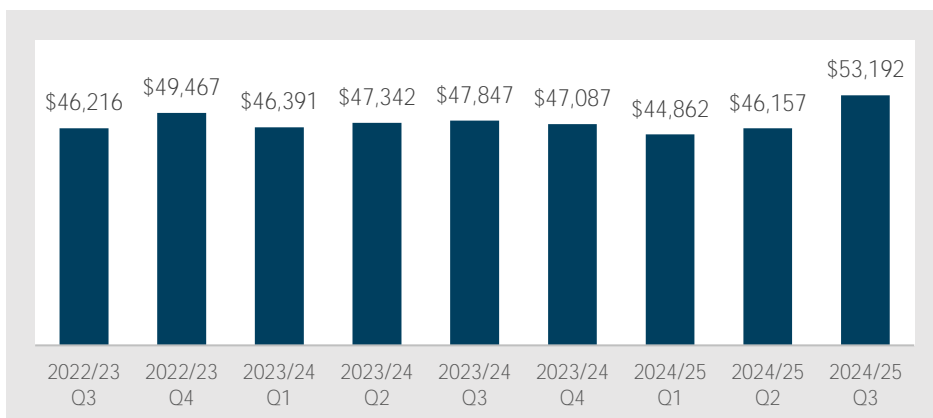
- Income payments
 - ▲ +2.0% over the last quarter
 - ▲ +21.7% over the last year
- Lump sums
 - ▲ +25.8% over the last quarter
 - ▲ +36.3% over the last year

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



- Medical & hospital
 - ▲ +4.3% over the last quarter
 - ▲ +17.1% over the last year
- Legal & other services
 - ▲ +5.1% over the last quarter
 - ▲ +20.8% over the last year
- Allied health & workplace rehab
 - ▲ +2.7% over the last quarter
 - ▲ +24.3% over the last year

Average claim payments | per finalised claim



Average finalised claim payments **increased** over the last quarter and currently stands at **\$53,192** for Mar (Q3) 2024/25.

▲ +11.2% over the last year

Increase in the average over the quarter was due to a number of outliers of large claims.

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

2024/25 Q3 | AT A GLANCE



LOST-TIME CLAIM DURATION

MEDIAN 7.5 months ▲ +13.6% change over last quarter ▲ +11.9% over the last year



EMPLOYER LODGEMENT PERIOD
for income claims



INSURER LODGEMENT PERIOD
within 7 days



INITIAL LIABILITY ACTION
made within
legislative timeframe

injury claims: 19 days
disease claims: 44 days

Employer lodgement period is the time 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 and lodgement of a workers compensation claim with an employer will typically be less for injury than disease claims.

Disease claims usually have a longer latency period with symptoms taking an extended period to appear after exposure.

average days: 4.1 days

Insurer lodgement period is the time between an employer receiving a workers compensation claim and lodging the claim with their insurer.

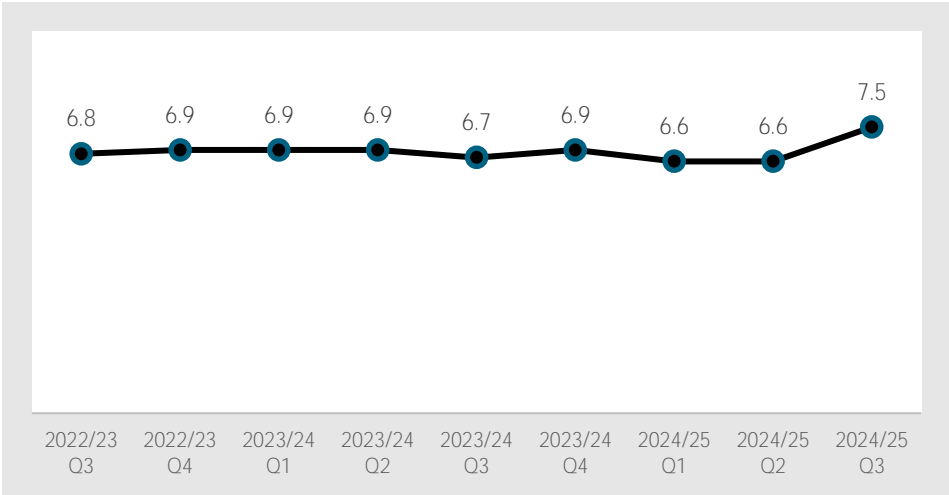
The legislative timeframe is within seven calendar days, and only applies to licensed insurers.

insurer: 96%
self-insurer: 94%

After receiving a worker's compensation claim from an employer, licensed insurers and self-insurers are required to take action regarding liability of the claim within 14 days (accept, not accept, or defer).

CLAIM MANAGEMENT

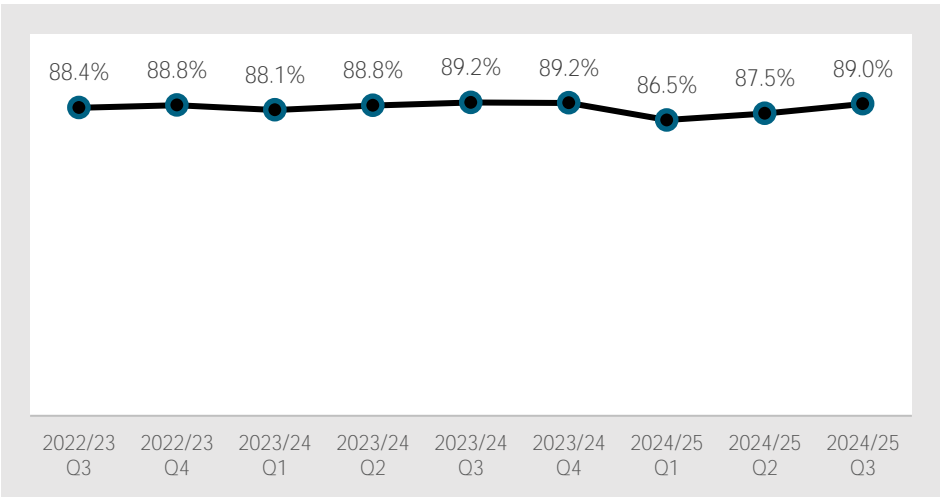
Median lost-time claim duration | months



▲ +13.6% change over last quarter
▲ +11.9% over the last year

Over the reporting period, the median lost-time claim duration ranges between 6.6 and 7.5 months.

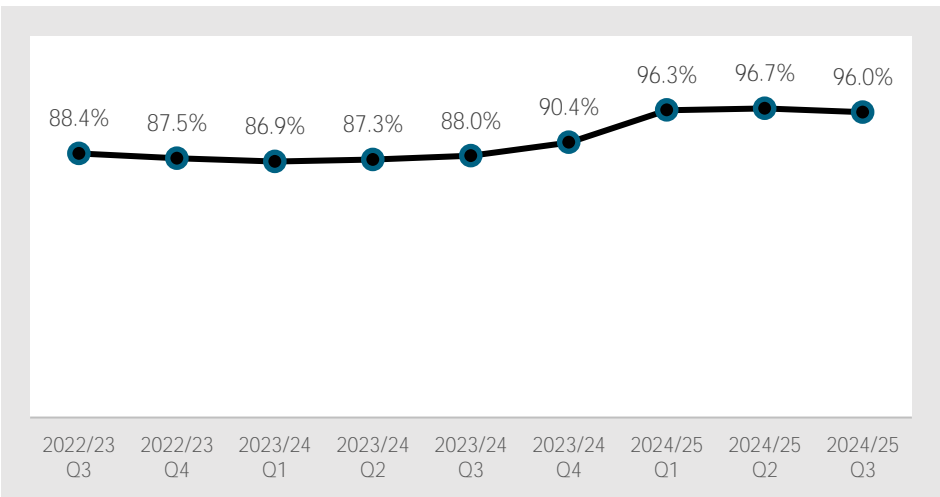
Proportion of income claims lodgement by insurers | within 7 days



▲ +1.5%p over the last quarter
▼ -0.2%p over the last year

After receiving a worker's compensation claim, an employer is required to lodge the received claim with their insurer within seven calendar days (insurer lodgement period).

Proportion of income claims with initial liability action made | within legislative timeframe

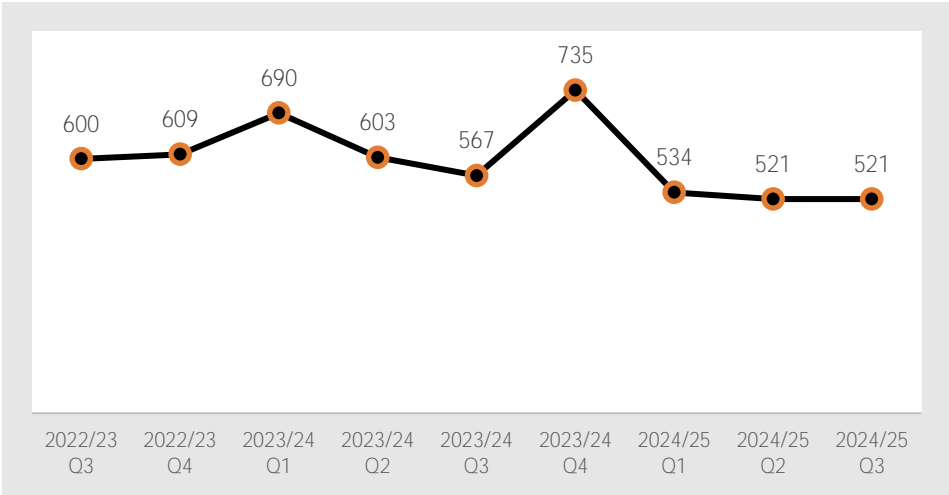


▼ -0.7%p over the last quarter
▲ +8.0%p over the last year

Licensed insurers and self-insurers are required to give a worker a liability action notice (accepted, not accepted or deferred) for the worker's claim within 14 days.

CLAIM DISPUTES

Number of dispute applications | by acceptance quarter

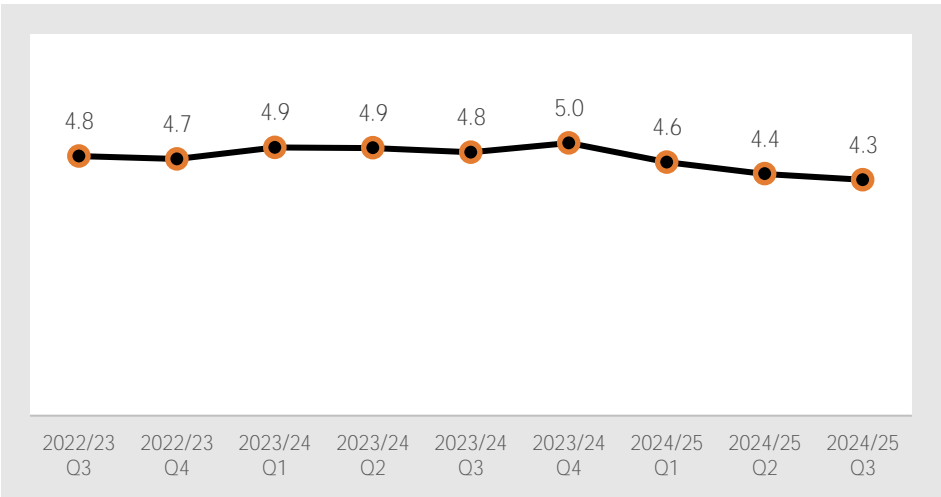


■ 0.0% over the last quarter

▼ -8.1% over the last year

Over the quarter, the number of disputes accepted remained stable at **521 disputes**, with a spike in Jun (Q4) 2023/24 coinciding with the conclusion of the previous Act.

Disputation rate* | by acceptance quarter



▼ -2.4% over the last quarter

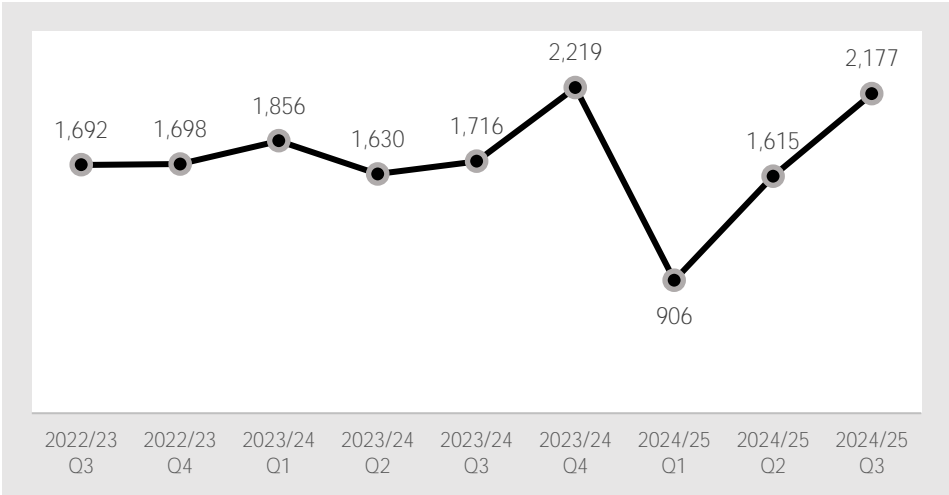
▼ -10.4% over the last year

For 12 months ending 31 Mar 2025 (2024/25 Q3), the disputation rate was **4.3 disputes** per 100 active claims.

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

CLAIM SETTLEMENTS

Number of settlement agreements | by settlement recorded quarter

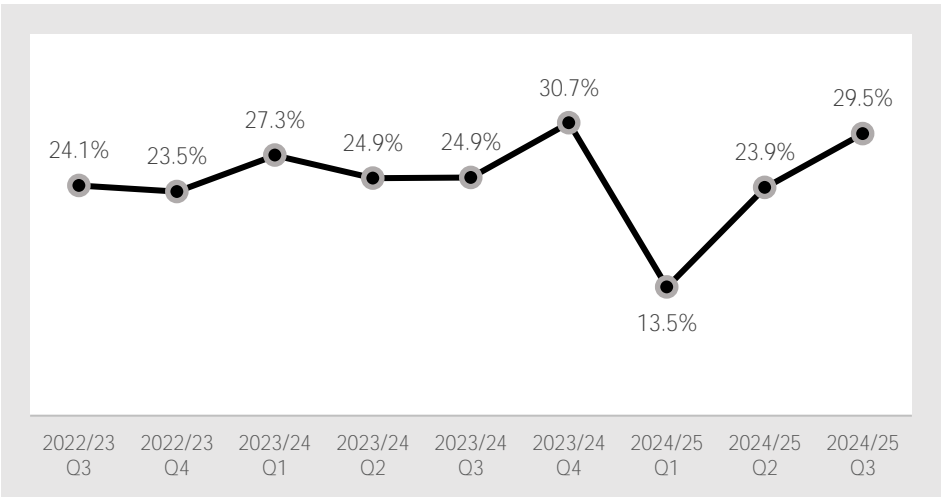


- ▲ +34.8% over the last quarter
- ▲ +26.9% over the last year

For Mar (Q3) 2024/25, there were 2,177 settlement agreements recorded.

Settlements prior to 1 July 2024 include both Memorandum of Agreements and section 92(f) deeds.

Settlement agreements | as a proportion of finalised claims



- ▲ +5.7%p over the last quarter
- ▲ +4.6%p over the last year

For Mar (Q3) 2024/25, the proportion of claims finalised by settlement agreement was 29.5%, in line with historical figures, other than the decrease in 2024/25 Q1, coinciding with the new Act.

LICENSED INSURER & SELF-INSURER COMPARISON

2024/25 Q3 | AT A GLANCE

Licensed Insurer

6,553 claims
91.7%

\$403.6 million
92.5%

\$54,284
per finalised claim

7.5 months

96.2%

29.7%



Claim Count



Claim Payments



Average Payment
Per Finalised Claim



Median Lost-Time
Claim Duration



Initial Liability Action Within
Legislative Timeframe



Settlement Rate

Self-Insurer

594 claims
8.3%

\$32.5 million
7.5%

\$41,413
per finalised claim

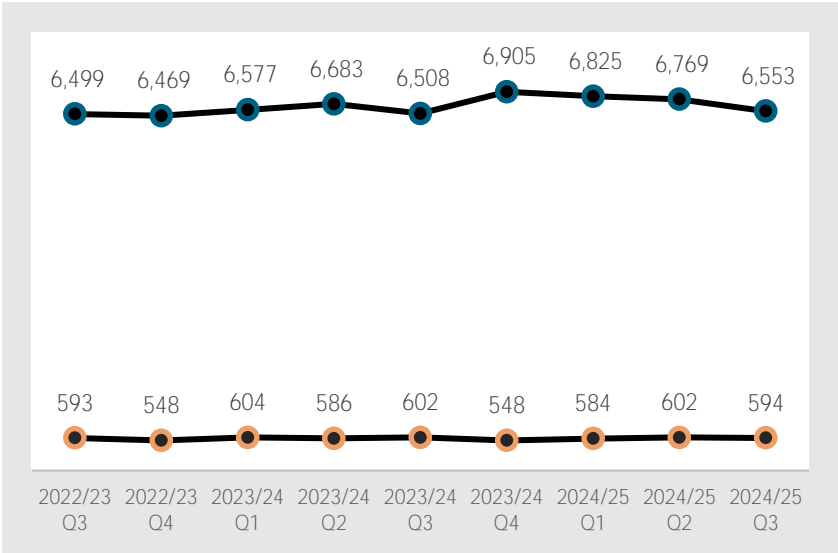
7.4 months

93.9%

27.8%

LICENSED INSURER & SELF-INSURER COMPARISON

Total number of claims lodged

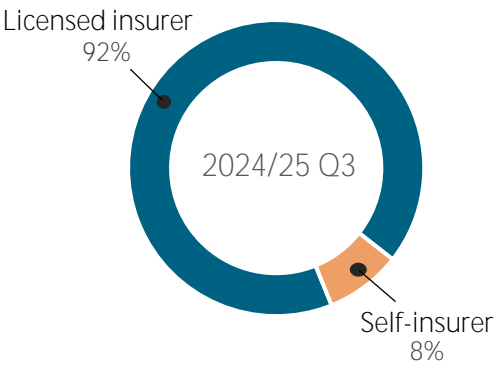
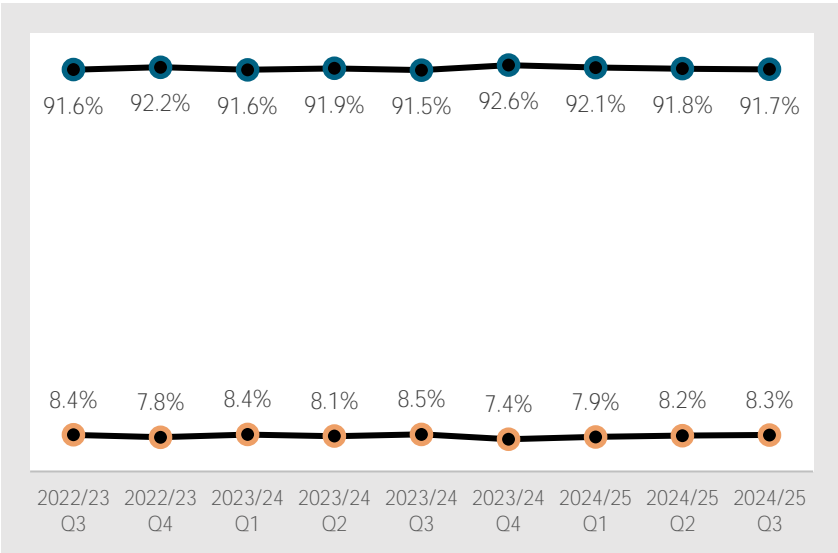


Over the reporting period, there is a steady trend for claims lodged by licensed insurers and for self-insurers.

Over the last year, the number of claims lodged increased for licensed insurers (+0.7%) and decreased for self-insurers (-1.3%).

- Licensed insurer
 - ▼ -3.2% over the last quarter
 - ▲ +0.7% over the last year
- Self-insurer
 - ▼ -1.3% over the last quarter
 - ▼ -1.3% over the last year

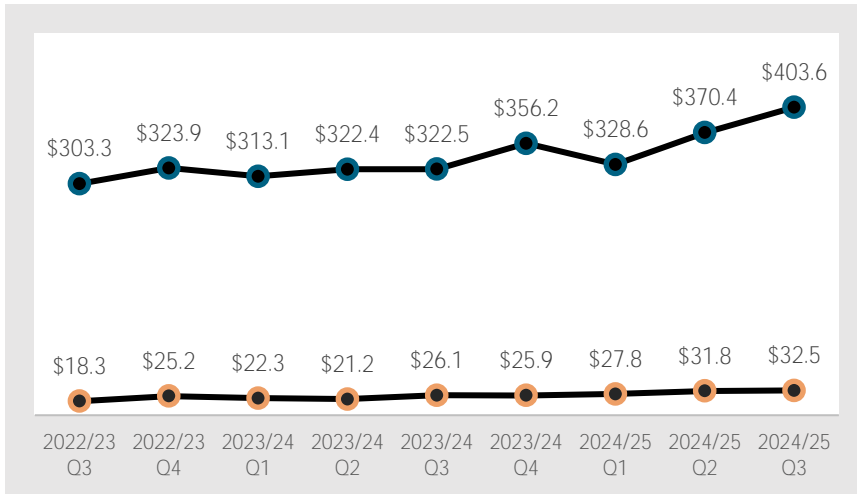
Proportion of claims



- Licensed insurer
 - ▼ -0.1%p over the last quarter
 - ▲ +0.2%p over the last year
- Self-insurer
 - ▲ +0.1%p over the last quarter
 - ▼ -0.2%p over the last year

LICENSED INSURER & SELF-INSURER COMPARISON

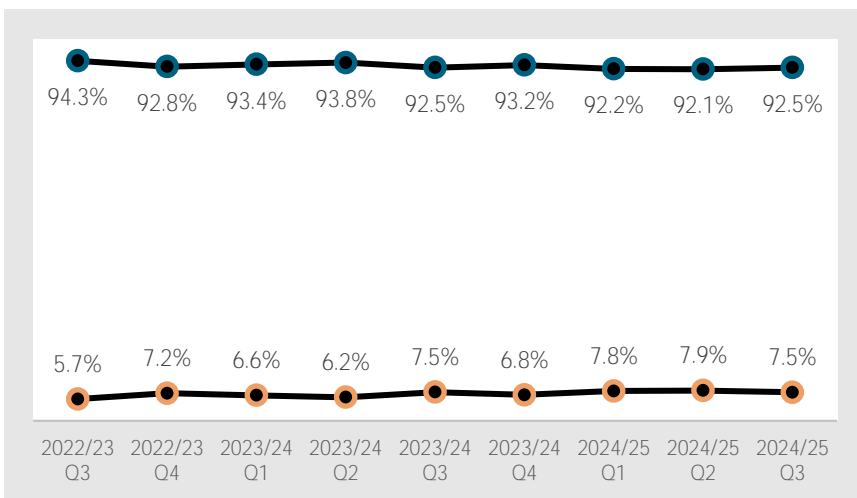
Total payments | \$million



Licensed insurer
 ▲ +9.0% over the last quarter
 ▲ +25.1% over the last year

Self-insurer*
 ▲ +2.3% over the last quarter
 ▲ +24.6% over the last year

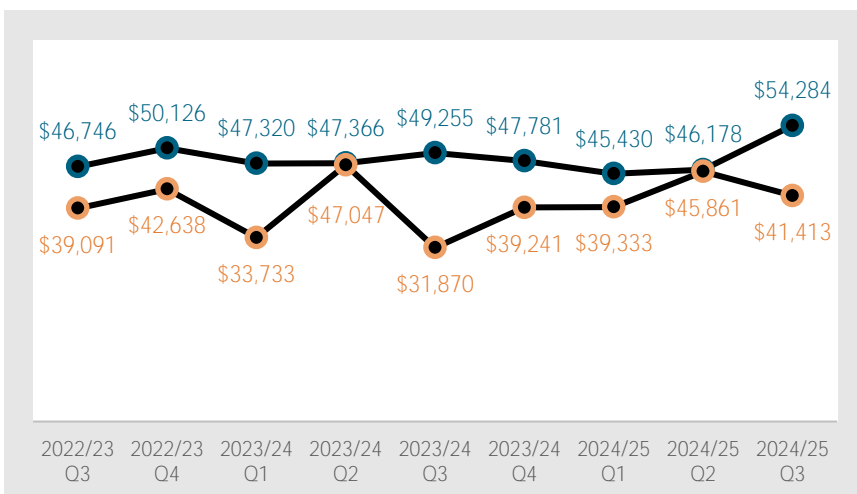
Proportion of payments



Licensed insurer
 ▲ +0.5%p over the last quarter
 ▲ +0.0%p over the last year

Self-insurer
 ▼ -0.5%p over the last quarter
 ▲ +1.7%p over the last year

Average claim payments | per finalised claim



Licensed insurer
 ▲ +17.6% over the last quarter
 ▲ +10.2% over the last year

Self-insurer*
 ▼ -9.7% over the last quarter
 ▲ +29.9% over the last year

* Self-insurers may be subject to greater variation across quarters due to the low number of claims lodged.

LICENSED INSURER & SELF-INSURER COMPARISON

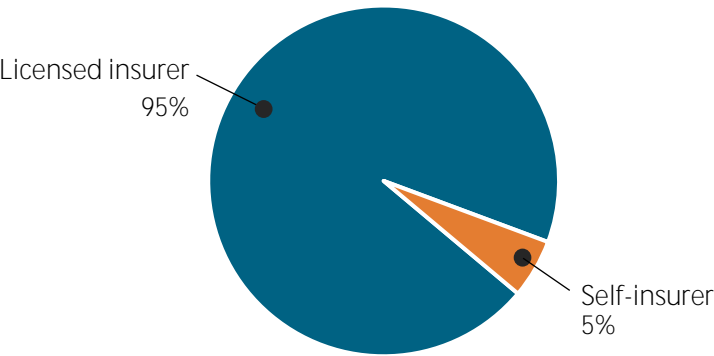
Current claim costs for open claims | Licensed Insurer

Insurer received year	Open claims	Total estimated \$	Actual paid \$	Outstanding estimated \$	% outstanding estimate for all open claims
All earlier years	56	13,457,476	9,540,976	3,916,501	29.1
2015/16	9	2,205,089	1,585,868	619,222	28.1
2016/17	38	8,252,774	6,319,340	1,933,434	23.4
2017/18	42	8,615,174	6,251,768	2,363,406	27.4
2018/19	61	27,417,766	16,800,972	10,616,794	38.7
2019/20	160	59,061,835	37,842,151	21,219,684	35.9
2020/21	319	118,057,630	71,946,545	46,111,085	39.1
2021/22	726	218,961,115	123,724,516	95,236,599	43.5
2022/23	1,863	467,706,633	273,085,769	194,620,864	41.6
2023/24	4,181	823,209,579	458,375,335	364,834,244	44.3
Total	7,455	1,746,945,071	1,005,473,240	741,471,831	42.4

Current claim costs for open claims | Self-Insurer

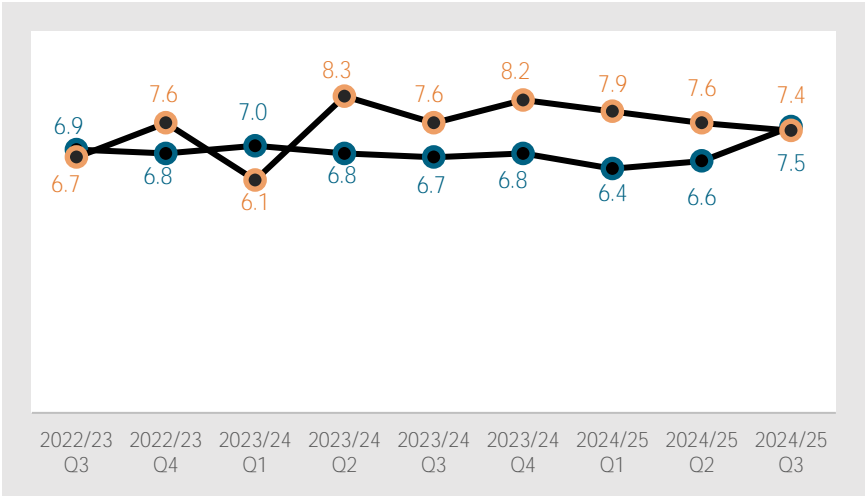
Insurer received year	Open claims	Total estimated \$	Actual paid \$	Outstanding estimated \$	% outstanding estimate for all open claims
All earlier years	5	717,981	584,494	133,487	18.6
2015/16	0	0	0	0	n/a
2016/17	0	0	0	0	n/a
2017/18	6	1,429,415	946,674	482,741	33.8
2018/19	<5	1,463,893	561,205	902,688	61.7
2019/20	10	1,868,954	1,100,630	768,325	41.1
2020/21	22	6,747,102	4,660,849	2,086,253	30.9
2021/22	53	11,118,093	7,803,720	3,314,372	29.8
2022/23	144	27,660,838	20,664,113	6,996,725	25.3
2023/24	379	49,570,662	36,996,340	12,574,322	25.4
Total	621	100,576,939	73,318,025	27,258,914	27.1

Proportion of total estimated claim costs for open claims | up to 30 June 2024



LICENSED INSURER & SELF-INSURER COMPARISON

Median lost-time claims duration by initial finalisation | months



self-insurers

On average over the last two years, **licensed insurers** had shorter claim duration (6.8 months) compared to **self-insurers** (7.5 months).

- Licensed insurer

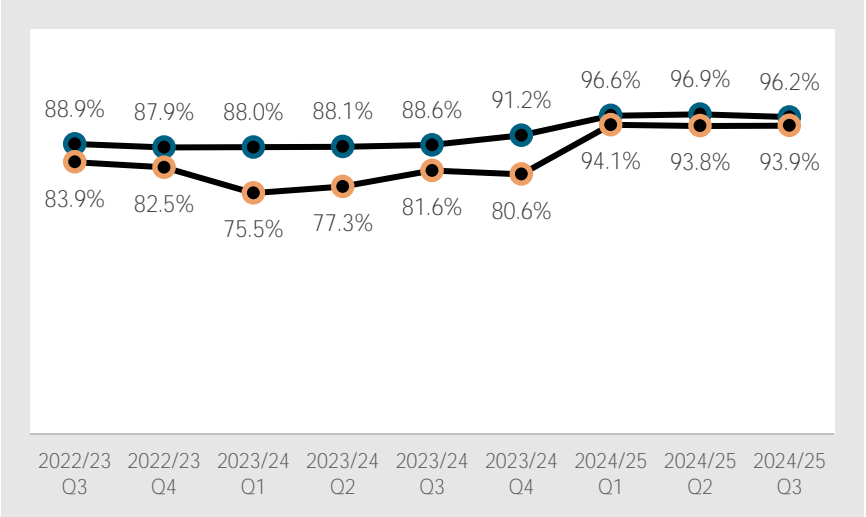
▲ +13.6% over the last quarter

▲ +11.9% over the last year
- Self-insurer

▼ -2.6% over the last quarter

▼ -2.6% over the last year

Proportion of income claims initial liability action made | within legislative timeframe



The proportion of income claims where an **licensed insurer/self-insurer** makes or defers an initial liability decision within the legislative time requirement (14 days) shows an increasing trend over the reference period.

Over the last two years, income claims with liability actions made within the required time for **licensed insurers** improved from 88.9% to 98.0%, and **self-insurers** from a 83.9% to 95.1%.

- Licensed insurer

▼ -0.8%p over the last quarter

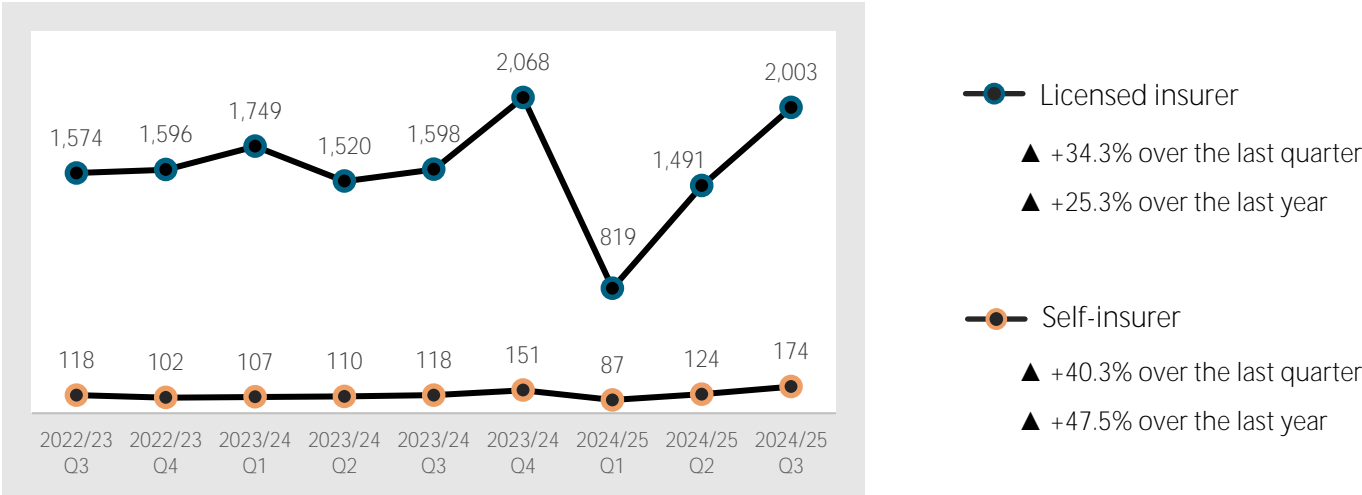
▲ +7.5%p over the last year
- Self-insurer

▲ +0.1%p over the last quarter

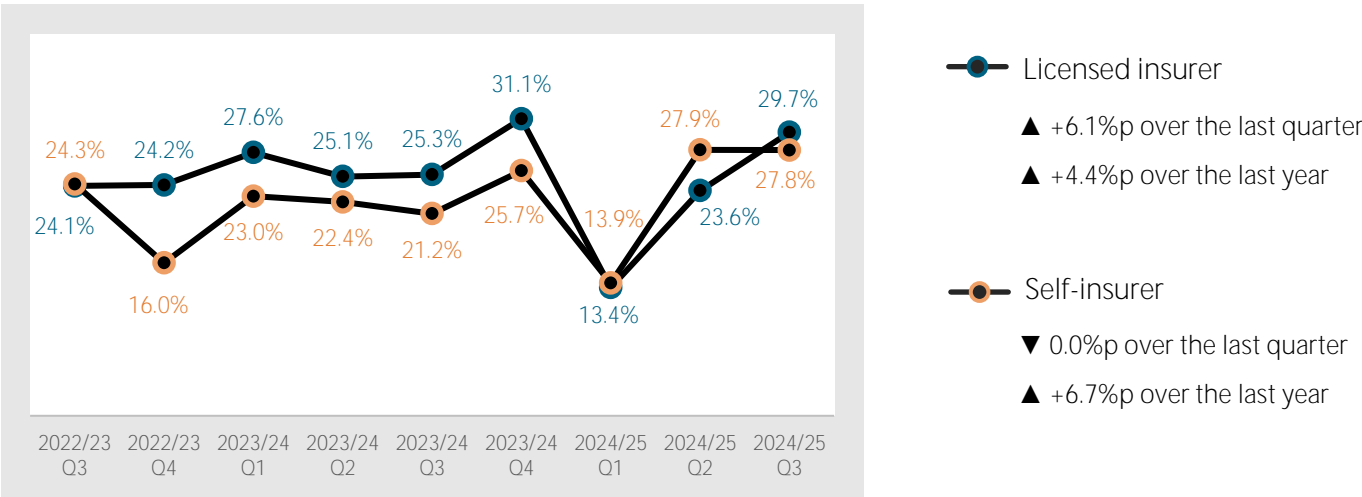
▲ +12.2%p over the last year

LICENSED INSURER & SELF-INSURER COMPARISON

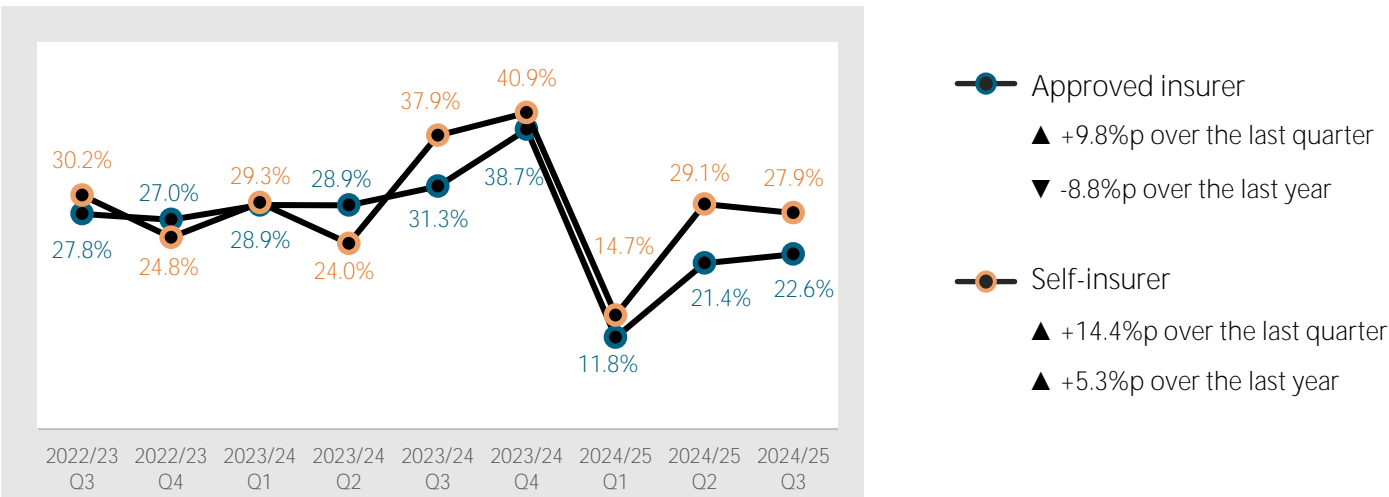
Number of settlement agreements | by settlement recorded quarter



Settlement agreements | as proportion of finalised claims



Settlement agreement payments | as proportion of finalised claim payments



GLOSSARY

TERM	DEFINITION / EXPLANATION
Act	The <i>Workers Compensation and Injury Management Act 2023</i> came into effect on 1 July 2024, replacing the <i>Workers' Compensation and Injury Management Act 1981</i> .
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 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 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: <ul style="list-style-type: none"> - specific injury payments - 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. licensed 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 workers compensation claim by parties involved (e.g. worker, employer, insurer). 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 workers 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.

GLOSSARY

TERM	DEFINITION / EXPLANATION
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).
Initial liability action for licensed insurers and self-insurers insurers	After receiving a worker's compensation claim from an employer, a licensed insurer/self-insurer within the WA workers compensation scheme is required to make an initial decision action within 14 days, as to whether to accept, not accept, or defer their decision on the liability for the claim. See section 28 of the <i>Workers Compensation and Injury Management Act 2023</i> .
Initial liability action period	The number of days between the date the income claim was lodged with the insurer and the first date the insurer made a decision to accept or not accept liability.
Initial liability decision period	The number of days between the date the income claim was lodged with the insurer and the first date the insurer made a decision to accept or not accept liability.
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 2023</i>) is required to lodge the received claim with their insurer within seven working days. See section 26 (1) of <i>Workers Compensation and Injury Management Act 2023</i> .
Long duration claims	Workers compensation claims where the work-related injury or 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.
Settlement agreement	A legal instrument which, if registered with the Conciliation and Arbitration Services of WorkCover WA, records a statutory settlement of a workers compensation claim.
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.
Percentage point (%p)	The unit for the arithmetic difference between two percentages points. For example, moving up from 10% to 15% is an increase of 5%p.
Settlement rate	The number of settlements recorded as a proportion of finalised claims.
Transaction quarter	The date a payment was processed.