

COMPENDIUM OF WORKERS' COMPENSATION STATISTICS AUSTRALIA 2005–06

June 2008



Australian Government

Australian Safety and Compensation Council

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Appendixes

Appendix 1 — Definitions and explanatory notes

1. Definitions

Frequency rate

The frequency rate of occupational injuries and diseases is the number of claims expressed as a rate per million hours worked by employees. Frequency rates were calculated using the following formula:

$$\frac{\text{number of occupational injury and disease claims} \times 1\,000\,000}{\text{number of hours worked by employees}}$$

Frequency rates for fatalities are expressed as a rate for 100 million hours.

Incidence rate

The incidence rate of occupational injuries and diseases is the number of claims expressed as a rate per thousand employees. Incidence rates were calculated using the following formula:

$$\frac{\text{number of occupational injury and disease claims} \times 1000}{\text{number of employees}}$$

Incidence rates for fatalities are expressed as a rate per 100 000 employees.

Median

The median is a measure of central tendency of a sample and is the value for which one half (50%) of the observations (when ranked from smallest to largest) will lie above that value and one half will lie below that value. When the number of values in the sample is even, the median is computed as the average of the two middle values.

In this publication median figures for the cost of claims and the time lost from work are published to give some indication of a 'typical' claim. The median is the preferred measure since the average would be skewed by the inclusion of the few claims that involved long periods of time off work and/or large compensation payouts.

Serious claims

Only serious workers' compensation claims are included in this publication. Serious claims are those accepted for compensation by the jurisdiction and involving either a death; a permanent incapacity; or a temporary incapacity with an absence from work of one working week or more. Common law claims are included.

Occupational diseases

Occupational diseases are work-related diseases which result from repeated or long term exposure to an agent(s) or event(s), or which result from a single traumatic event where there was a long latency period: for example, the development of hepatitis following a single exposure to the infection.

Workers' compensation data are not an ideal measure of the extent of work-related disease since, for a variety of reasons, many diseases do not result in a compensation claim. Due to long latency periods it may not be possible to establish conclusively a relationship between the disease and workplace exposure.

Occupational injuries

Occupational injuries are work-related injuries which result from a single traumatic event occurring while a person is on duty or during a recess period and where there was a short or non-existent latency period. This includes injuries which are the result of a single exposure to an agent(s) causing an acute toxic effect.

The terms 'occupational injuries' and 'occupational diseases' are defined in the *National Data Set for Compensation-based Statistics, 2nd edition, May 1999* (NDS). Their definitions and use are in accordance with the resolutions of the Thirteenth International Conference of Labour Statisticians, October 1982.

Reference year

Within this publication the reference year refers to a claim lodged in a particular financial year. This figure will not include claims still open from previous years.

Working week

One working week is defined as being lost when the number of hours an employee was absent from work was equal to or greater than the number of hours they usually worked per week.

2. Scope and coverage

The statistics presented in this Compendium are compiled annually from claims made under the state, territory and Australian Government workers' compensation Acts which resulted in a fatality; permanent disability; or a temporary disability with an absence from work of one working week or more. The data shown for 2005–06 refer to all accepted claims lodged to 30 June 2006, extracted as at 30 November 2006.

Within this publication, data from 2000–01 onwards are presented according to the NDS2 scope and are further limited to only include claims involving more than one working week lost from work. For years prior to 2000–01, when data were provided according to the NDS1 scope, one working week was defined as 5 working days. The difference between these two methods of limiting the scope is best illustrated by considering an example. If a person was a part-time worker who usually worked 18 hours per week over 3 days, and sustained an injury resulting in being off work for 24 hours (4 working days), the claim would be included in the scope from 2000–01 onwards as the time off was greater than the time usually worked in one week. However, this claim would not be included in previous years under NDS1 scope, as the employee had lost less than 5 working days. Adjustments are made to the data to compensate for this difference and allow time series comparison. More information on the differences arising from the change from NDS1 to NDS2 and the adjustment methodology can be found in Explanatory note 11 – Time series analysis.

The statistics in this report do not cover all cases of occupational injuries and diseases for the following reasons:

- Temporary disability occupational injuries resulting in absences from work of less than one usual working week, as per the definition above, have not been included.
- Occupational injuries and diseases occurring on a journey to or from work have not been included in this publication.
- While the majority of employees are covered for workers' compensation under general state, territory and Australian Government workers' compensation legislation some specific groups of workers are covered under separate legislation. Every effort has been made to compile data from all groups of employees, but it is known that currently, claims lodged by police in Western Australia and military personnel within the Defence Forces are excluded.

- Some mesothelioma cases (associated with work-related exposure to asbestos) are compensated through mechanisms other than workers' compensation. Consequently, mesothelioma claims in this publication are known to be understated.
- Cases not claimed as workers' compensation or not acknowledged as being work-related are excluded.
- Most occupational injuries to self-employed workers are excluded because they are generally not covered by workers' compensation schemes. The exclusion of self-employed workers results in an understatement of the number of work-related injuries or diseases within industries where self-employed workers are common, for example, Agriculture, forestry and fishing; Construction; Transport and storage — Road transport; and Retail trade. However, incidence and frequency rates are calculated using estimates of employees and hours worked that exclude self-employed people.

3. Age of employee

The age of the employee used in this report is derived from date of birth and the date on which the injury occurred or, if the claim involved an occupational disease, when first reported to the employer. Data relating to the open ended age group 65 years and over should be interpreted with caution because of the limited eligibility for workers' compensation among workers within this age group. This varies considerably by jurisdiction, details of which can be found in *Comparison of workers' compensation arrangements in Australia and New Zealand, October 2006*.

4. Time lost from work

Information relating to time lost from work should be examined with caution for the following reasons:

- The time lost from work refers to the total period for which compensation was paid — the time lost is not necessarily continuous. Where an injured employee has returned to work on a part-time basis, the time lost from work is the total amount of time for which compensation has been paid — it does not represent the total period of incapacity.
- The time lost from work does not include estimates of future absence. Therefore the total duration of absence for the more serious claims may not be known for some time after the end of the financial year in which the claim was lodged. For this reason median figures published in this report may increase in future reports.
- Claims lodged in a given financial year may be for injuries or illnesses incurred in an earlier financial year.
- Median working weeks lost have been calculated including claims where zero days have been lost, as is the case for some permanent disabilities and fatalities.
- Differences in the scope of data collections in some jurisdictions, associated with the effect of employer excess on threshold provisions, may impact on the number of short duration claims reported.

5. Direct costs

Caution needs to be exercised when using workers' compensation payments data as a measure of the cost of workplace injury and disease. Payments information provided in any one year by the jurisdictions will not necessarily cover all the payments made lately, and do not include estimates of future costs. It is, therefore, incorrect to assume that the cost information presented in this report represents the final total median cost of claims.

The direct cost figures presented in this publication include compensation or sustenance payments to a worker or the worker's family; payments for goods and services (such as medical treatment, funeral expenses, rehabilitation services); and non-compensation payments (such as legal costs, transport and interpreter services). The data does not include estimates of future liability or any indirect costs, such as loss of productivity (except in the case of common law claims).

Medians have been calculated excluding claims where zero payments have been reported. The rationale for different treatment for calculations for costs, compared with time lost, is that whereas occurrences with zero time lost are valid observations as some fatalities and permanent disabilities never result in time lost, an occurrence which has been compensated should almost always have a payment figure associated with it.

6. Industry classification

The industry in which an occupational injury or disease occurred is classified in accordance with the *Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993 edition* (ABS Cat. No. 1292.0).

7. Occupation classification

The occupation of the worker has been classified in accordance with the *Australian Standard Classification of Occupations (ASCO), Second Edition, July 1997* (ABS Cat. No. 1222.0).

8. Type of occurrence data

Details of the 'description of the occurrence' reported on the workers' compensation claim have been classified according to the *Type of Occurrence Classification System, Second Edition, (May 2002)* (TOOCS2.1). See:-

ascc.gov.au/ascc/aboutus/publications/statreports/

The changeover from coding based on TOOCS1 to coding based on TOOCS2 took place on 1 July 2000. From 2000–01 onwards, the major difference is the inclusion of a new code, *Agency of injury or disease*. The five classifications used to describe the type of occurrence are:

Nature of Injury or Disease

The Nature of injury or disease refers to the most serious injury or disease sustained or suffered by the worker.

In Part C: Trends over time, *Disorders of the musculoskeletal system and connective tissue* have been combined with occupational injuries when showing data by nature of injury or disease. This change has been necessitated by the introduction of a new coding system in 2002–03 under which some claims that were previously coded as *Sprains and strains of joints and adjacent muscles* are now coded to *Disorders of the musculoskeletal system and connective tissue*. This coding change more accurately reflects the repetitive and long term muscle stress that results from these conditions. By combining these categories, a useful time series can still be maintained.

Bodily Location of Injury or Disease

The Bodily location of injury or disease refers to the part of the body affected by the most serious injury or disease.

Mechanism of Injury or Disease

The Mechanism of injury or disease is the action, exposure or event which was the direct cause of the most serious injury or disease, that is, how exactly the injury or disease was sustained.

Breakdown Agency

The Breakdown agency refers to the object, substance or circumstance that was principally involved in, or most closely associated with, the point at which things started to go wrong, and which ultimately led to the most serious injury or disease.

Agency of Injury and Disease

The Agency of injury or disease refers to the object, substance or circumstance directly involved in inflicting the injury or disease. The coding structure is the same as is used for breakdown agency.

It should be noted that the 'Other' category used in some graphs of type of occurrence does not necessarily represent occurrences which have not been fully and/or appropriately classified, the category can be used to present the sum of remaining categories.

Throughout this publication, the *Type of Occurrence Classification System* categories have been italicised.

9. 'Not stated' data

Not stated categories within TOOCS codes are not prorated across stated categories. They are generally included in table totals and in the "Other and unspecified" categories of percentage distributions. However, where necessary, other not stated categories, such as age and gender, are prorated.

10. Confidentiality

Data in this publication has been rounded to the nearest 5 claims in adherence to ASCC practice. This ensures that confidential information about employers and employees is protected. For this reason differences may occur between the totals and the sum of the row and column values. By agreement with the jurisdictions fatality numbers are not rounded since this information is a matter of public record.

11. Time series analysis

Comparison of 2005–06 data with previous years should be undertaken with caution. Data shown for 2005–06 are preliminary (denoted by 'p') and are likely to be understated because they are taken from an earlier stage of claims processing than data for earlier years shown in this publication. This issue is addressed by not making time series comparisons to preliminary 2005–06 data. Instead, comparisons are made to revised 2004–05 data.

In addition, when analysing trends over time, consideration needs to be given to any changes to jurisdiction-specific legislation during the period concerned. Current workers' compensation arrangements can be found in the publication *Comparison of workers' compensation arrangements, Australia & New Zealand, October 2006*.

Time series continuity was affected by the move to NDS2 in 2000–01. The nature of the 'break' in series brought about by this change is not the same across jurisdictions due to the different formats used to supply the data. To increase comparability between jurisdictions and improve consistency over time, factors are applied to some historical and current year data.

New South Wales and Tasmanian data for 1996–97 to 1999–2000 and ACT Private sector data for 1999–2000 used definitions of a working week similar to the NDS2 definition. This resulted in over-reporting of part-time workers' claims for these years, which were under the NDS1 scope. To make their data comparable with other jurisdictions, the data have been decreased by a factor of 3.3% for the years mentioned.

From 2000–01 actual figures for hours usually worked and time lost were not available for the Northern Territory, therefore estimates needed to be derived for

these data items. Due to the estimation methodology, one working week lost could only be derived as 5 working days lost (as per NDS1 scope). To make the Northern Territory data (NDS1 scope) compatible with that from all other jurisdictions (NDS2 scope), a factor of 3.3% has been applied from 2000–01 onwards. Additional factors have been applied to the Victorian data as discussed in Explanatory note 13 — Adjustment of Victorian data. A summary of the factors applied to the jurisdictions are outlined in the table following. The factor applied to 2005–06p claims from Western Australia adjusts for a known undercount due to processing delays.

Jurisdiction	1997–98	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	2005–06p
New South Wales	-3.3%	-3.3%	-3.3%	nil	nil	nil	nil	nil	nil
Queensland	nil	nil	nil	nil	nil	nil	nil	nil	nil
Western Australia	nil	nil	nil	nil	nil	nil	nil	nil	+3.3%
South Australia	nil	nil	nil	nil	nil	nil	nil	nil	nil
Tasmania	-3.3%	-3.3%	-3.3%	nil	nil	nil	nil	nil	nil
Northern Territory	nil	nil	nil	+3.3%	+3.3%	+3.3%	+3.3%	+3.3%	+3.3%
ACT Private	Not available	Not available	-3.3%	nil	nil	nil	nil	nil	nil
Australian Government	nil	nil	nil	nil	nil	nil	nil	nil	nil
ACT Government	nil	nil	nil	nil	nil	nil	nil	nil	nil
Seacare	nil	nil	nil	nil	nil	nil	nil	nil	nil

A further complication when looking at time series data is the inclusion of jurisdictions for only part of the time frame. This is particularly relevant for years earlier than 1999–2000, when ACT Private sector data were included for the first time.

A review of data carried out in 2006 established that some common law claims which were within the data scope of NDS2 were not being supplied. These data can only be supplied for the years 2000–01 onwards. Although the small number of claims added did not impact greatly on time series comparisons of numbers and rates, the associated costs and time lost noticeably increased the overall median time lost and median costs from 2000–01 onwards. Consequently time series comparison of time lost and costs is limited to the period 2000–01 onwards.

12. Calculation of denominator data used to calculate incidence and frequency rates.

Denominator data are supplied each year from the Australian Bureau of Statistics. These estimate the number of employees and hours worked for each Australian workers' compensation jurisdiction. These estimates are provided by jurisdiction, gender and age for both industry and occupation.

Denominator data are based on the Labour Force Survey, though a number of adjustments are applied to account for differences in scope between the denominators and the workers' compensation coverage for some jurisdictions. The largest adjustment is made for Commonwealth employees who are estimated using the Survey of Employment and Earnings.

13. Adjustment of Victorian data

Other than claims involving fatalities or permanent incapacity, only serious claims involving one or more weeks of compensation have been used in this publication. This takes account of the different employer excesses that exist in various schemes. However, under the Victorian workers' compensation scheme the employer is generally liable for the first 10 days of lost wages (equivalent to 2 weeks for full-time workers) by the injured worker plus the first \$517 (in 2005–06) of medical services,

unless the employer has elected the Excess Buyout option (more information on the Excess Buyout option can be found at workcover.vic.gov.au). Information on claims paid solely by employers are not always provided to the Victorian Workcover Authority.

In order to compare Victorian claims data with other jurisdictions, adjustments have been made to estimate the full number of claims in Victoria with 1 to 2 weeks off work. To calculate the Victorian under 10 day excess impact, the percentage of claims of 1 to 2 weeks duration reported for Victoria was compared with the percentage of 1 to 2 weeks claims reported by other Australian jurisdictions (averaged over the 3 year period 2002–03 to 2004–05 to allow adequate claim development). Based on this comparison, the number of Victorian 1 to 2 weeks claims was increased by a factor so that the percentage of such claims matched the Australian percentage of claims of 1 to 2 weeks duration. The analysis was undertaken at the industry division level to allow for a greater degree of homogeneity in respect of claim duration.

14. Standard symbols and abbreviations

The following standard symbols are used in this publication:

*	relative standard error of the denominator greater than 25%
**	data suppressed because relative standard error is greater than 50%
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
ASCC	Australian Safety and Compensation Council
ASCO	Australian Standard Classification of Occupations
CPM	Comparative Performance Monitoring
n.a	not applicable
NDS	National Data Set for Compensation-based Statistics
n.e.c	not elsewhere classified
p	preliminary data

15. ASCC website

More statistical data and OHS-related information, including the Online Statistics Interactive (NOSI), are available through the ASCC website ascc.gov.au

Appendix 2 — Reliability of the data

The statistical data provided in this publication are subject to two sources of error.

NON-SAMPLING ERROR

Non-sampling errors may occur in any statistical collection during data reporting, recording and processing. Non-sampling errors can be a result of one or more of the following:

- deficiencies in the data collecting forms
- incorrect recording of answers by the respondent or the processing agency
- inaccurate coding
- non-response or omitted cases
- errors in collection procedures, and
- errors in data entry, editing and processing.

Non-sampling errors may affect both the numerator and denominator data. It is difficult to quantify the non-sampling errors.

Attempts to edit data accurately, consistently and comparably are adopted by agencies to minimise the non-sampling errors.

SAMPLING ERROR

Sampling error is a measure of the variability that occurs by chance because a sample, rather than the entire population, is surveyed. The likelihood of difference is measured by the standard error, which indicates the extent to which an estimate might have varied by chance because a sample was selected. Sampling variability is also measured by the relative standard error (RSE), which is obtained by expressing the standard error as a percentage of the estimate to which it refers.

In this publication, the denominator data used in the estimation of incidence and frequency rates are the only data which are subject to sampling error. Incidence and frequency rates based on denominator data with high relative standard errors are indicated in tables by annotation with one asterisk to indicate an RSE of the denominator greater than 25%. If the RSE is greater than 50% the figure is suppressed and replaced with two asterisks. In general, at the aggregate level at which most compendium data is presented, high RSEs are rare. However, readers should note that rates relating to groups with relatively small numbers of employees are likely to have relatively higher RSEs and should therefore be viewed with caution.

Appendix 3 — Contact information for state, territory and Australian Government data

New South Wales

WorkCover New South Wales 13 10 50
workcover.nsw.gov.au

Victoria

Victorian WorkCover Authority 1800 136 089
workcover.vic.gov.au

Queensland

Department of Industrial Relations 1300 369 915
dir.qld.gov.au/workplace

WorkCover Queensland 1300 362 128
workcover.qld.gov.au

Western Australia

WorkSafe Western Australia 1300 307 877
worksafe.wa.gov.au

WorkCover Western Australia 1300 794 744 (inside Western Australia only)
workcover.wa.gov.au

South Australia

Safework South Australia 1300 365 255
safework.sa.gov.au

WorkCover Corporation South Australia 131 855
workcover.com

Tasmania

WorkCover Tasmania 1300 366 322 (inside Tasmania only)
workcover.tas.gov.au

Workplace Standards Tasmania 1300 366 322 (inside Tasmania only)
wst.tas.gov.au

Australian Capital Territory

ACT WorkCover (02) 6205 0200
workcover.act.gov.au

Northern Territory

NT WorkSafe
Department of Employment, Education and Training 1800 019 115
worksafe.nt.gov.au

Australian Government

Comcare Australia 1300 366 979
comcare.gov.au

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More detailed data may be available at the ASCC website ascc.gov.au