

# COMPENDIUM OF WORKERS' COMPENSATION STATISTICS AUSTRALIA 2006–07

March 2009



Australian Government

Australian Safety and Compensation Council

## **Disclaimer**

The Department of Education, Employment and Workplace Relations through the Australian Safety and Compensation Council (ASCC) provides the information given in this document to improve public access to information about occupational health and safety. The vision of the ASCC is Australian workplaces free from injury and disease. Its mission is to lead and coordinate national efforts to prevent workplace death, injury and disease in Australia.

The information provided in this document can only assist you in the most general way. This document does not replace any statutory requirements under any relevant State and Territory legislation. The ASCC accepts no liability arising from the use of or reliance on the material contained on this document, which is provided on the basis that the ASCC is not thereby engaged in rendering professional advice. Before relying on the material, users should carefully make their own assessment as to its accuracy, currency, completeness and relevance for their purposes, and should obtain any appropriate professional advice relevant to their particular circumstances. To the extent that the material in this document includes views or recommendations of third parties, such views or recommendations do not necessarily reflect the views of the ASCC or the Department of Education, Employment and Workplace Relations nor do they indicate a commitment to a particular course of action.

## **© Commonwealth of Australia 2009**

ISBN 978-0-642-32741-3

This work is copyright. You may download, display, print and reproduce this material in unaltered form only (retaining this notice) for your personal, non-commercial use or use within your organisation. Apart from any use as permitted under the Copyright Act 1968, all other rights are reserved. Requests and inquiries concerning reproduction and rights should be addressed to Commonwealth Copyright Administration, Attorney-General's Department, Robert Garran Offices, National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>

# 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 payment figures and median time lost from work are used to give some indication of a 'typical' claim. Medians are used as the average is skewed by the inclusion of a few claims that involved long periods of time off work and/or large compensation payments. The average figures, particularly for the most recent years, are also subject to much greater revisions in future publications as the claims develop. Medians are not greatly affected as the 'typical' claim is finalised within a few months.

#### Serious claims

Only serious workers' compensation claims are included in this publication. Serious claims are those lodged in the reference year and accepted for compensation by the jurisdiction by the date the data are extracted and involve 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. Permanent incapacity is determined by each jurisdiction and can include a total incapacity for work or a permanent impairment which may require a change of tasks or responsibilities.

#### Occupational diseases

Occupational diseases are work-related diseases which result from repeated or long term exposure to an agent or event, 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, the main one being that due to long latency periods it may not be possible to establish conclusively a relationship between the disease and workplace exposure. Therefore the monitors other sources of information with reports available on the ASCC website.

### **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 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.

### **Payments**

Payments include compensation or weekly benefits paid 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). Payments do not include estimates of future liability or any indirect costs such as loss of productivity (except in the case of common law claims).

### **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. Only claims which have been accepted for liability are included in this publication.

### **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 publication are compiled annually from serious claims made under the state, territory and Australian Government workers' compensation Acts. The data shown for 2006–07 refer to all accepted claims lodged from 1 July 2006 to 30 June 2007, extracted as at 30 November 2007.

There has been a substantial decrease in the number of claims reported in this publication that has also affected the estimates of time lost and payments made for claims. This is due to a major resupply of data by one jurisdiction. In reporting using the new data items under NDS3, New South Wales identified an error in the way they had previously supplied data. This error involved the reporting of all received claims rather than restricting to accepted claims only. This has resulted in around 5000 claims being removed from the scope of this publication. In addition, as the rejected and pending claims had limited time lost and payments, increases have been recorded in the median figures of time lost and payments made in this report. As New South Wales were only able to supply corrected information back to 2000–01, time series data have been restricted from this year onwards.

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

- Occupational injuries involving temporary incapacity and resulting in an absence from work of less than one usual working week are not included.
- Occupational injuries and diseases occurring on a journey to or from work have not been included.

- 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 workers and hence are considered to accurately reflect the occurrence of work-related injury and disease in the workplace.

### 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, the date when the disease was 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 which may allow for medical costs to be paid but no weekly benefits. As time lost is not recorded when weekly benefits are not paid, claims from older workers would not make it into the scope of this publication. Eligibility conditions for workers' compensation by jurisdiction can be found in the publication *Comparison of workers' compensation arrangements in Australia and New Zealand, October 2007*.

### 4. Time lost from work

Time lost figures shown in this publication are presented in terms of working weeks lost from work. Information relating to time lost from work should be examined with caution for the following reasons:

- 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.
- Time lost from work does not include estimates of future absence. However, it is unlikely that this would affect the median figures presented in this publication.
- Median working weeks lost have been calculated including claims where zero days have been lost, as is the case for some permanent disabilities such as deafness where the disability does not preclude the worker being at work.

## 5. Payments

Median figures for payments are rounded to the nearest \$100 in this publication. Medians are used as the average is skewed by the few long-term claims that involve large compensation payments. The reader should not use the median payment multiplied by the number of claims to calculate the total cost of work-related injury and disease in Australia.

Unlike median time lost from work, median payments are calculated excluding claims where total payments are zero. The rationale for this treatment of payments is that, whereas occurrences with zero time lost are valid observations because some permanent disabilities never result in time lost, an occurrence which has been compensated should almost always have a payment figure associated with it. There can be some delays in this payment information being applied to the claim record and hence claims with no payments are excluded from the median calculation. As this particularly impacts on the preliminary year, payment information for this year are not presented in this publication.

## 6. Industry classification

The industry shown in this publication is the industry of the employer of the injured worker. The industry is classified in accordance with the *Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993 edition* (ABS Cat. No. 1292.0). There are some industries who employ workers engaged under labour hire arrangements. Injuries to these workers will be shown under Property and business services as the industry of the employer of the worker regardless of the industry where the injury actually occurred. In addition, due to the limitations of the ABS in collecting detailed information on employment, some employee estimates can only be supplied at a higher level of the classification. Some pro-rating of estimates has been undertaken in Part D Priority Industry Profiles to ensure robust incidence rates are provided.

## 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/](http://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 Victoria 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. The change implemented in Victoria is similar to TOOCS3 which is being progressively implemented in all jurisdictions.

#### **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**

A number of claims have not been fully coded for the various classifications used in this publication due to insufficient information on the claim form. These claims are always included in the totals and in some cases are included in the "Other and unspecified" categories. Where numbers are significant they have been separately shown so that the reader can take this information into consideration when making comparisons, particularly across time.

## **10. Confidentiality**

Claim numbers in this publication have been rounded to the nearest 5 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 2006–07 data with previous years should be undertaken with caution. Data shown for 2006–07 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 including the preliminary 2006–07 data in time series comparisons.

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*

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. Within this publication, data are only presented from 2000–01 onwards. This is a change from previous publications where some data were presented from 1997–98 onwards. Recent information provided by some jurisdictions relating to data provided in NDS1 years has indicated that the break in series is bigger than previously thought and hence these data should not be compared.

It has been necessary to apply a factor to the data supplied from the Northern Territory from 2000–01 on to account for the fact that the Northern Territory is only able to supply the number of days of time lost rather than actual hours lost which is required to accurately calculate one working week of time lost. 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), the number of claims supplied by the Northern Territory has been increased by 3.3% .

The Victorian data has also been factored to account for the different excess period operating in that jurisdiction. Details can be found in Explanatory note 13 — Adjustment of Victorian data.

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

Estimates of the number of employees and hours worked for each Australian workers’ compensation jurisdiction are supplied annually from the Australian Bureau of Statistics. These estimates are provided by jurisdiction, gender and age separately for industry and occupation. This restricts the way incidence and frequency rates can be presented in this publication. In particular, industry information below the Division level should be treated with caution due to the limitations of the ABS in being to accurately determine specific industries of employment for all employees.

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. Other adjustments are to ensure employees working under labour hire arrangements are allocated to the correct industry and employees with more than one job are counted in each job.

## 13. Adjustment of Victorian data

The use of claims involving one or more weeks of compensation in this publication generally takes account of the different employer excesses that exist in the 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 \$531 (in 2006–07) 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](http://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 impact of the Victorian 10 day excess, 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 2003–04 to 2005–06 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 average for such claims. The factor increases the number of Victorian claims by around 20 per cent. The analysis was undertaken at the industry division level to allow for a greater degree of homogeneity in respect of claim duration.

While South Australia has a 10 day excess per employee, information indicates that information on claims for less than 10 days is being sent to the workers' compensation authority and no adjustment is necessary.

## 14. Standard symbols and abbreviations

The following standard symbols are used in this publication:

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
**	data is not suitable for publication

## 15. NOSI database

More detailed claims information can be accessed through the Online Statistics Interactive (NOSI) database, available through the ASCC website [ascc.gov.au](http://ascc.gov.au). It should however be noted that some data in the database will be different to that shown in this publication due to the aggregation of some claims information in this publication to present only the areas of most interest. In addition, in some instances claims which were not fully coded have been pro-rated in this publication whereas the NOSI database will show these as 'not stated'. This will generate different incidence and frequency rates between NOSI and this publication.

## 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 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 non-sampling errors.

Attempts to edit data accurately, consistently and comparably are adopted by agencies to minimise 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 are 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](http://workcover.nsw.gov.au)

### **Victoria**

Victorian WorkCover Authority 1800 136 089  
[workcover.vic.gov.au](http://workcover.vic.gov.au)

### **Queensland**

Department of Industrial Relations 1300 369 915  
[dir.qld.gov.au/workplace](http://dir.qld.gov.au/workplace)

WorkCover Queensland 1300 362 128  
[workcover.qld.gov.au](http://workcover.qld.gov.au)

### **Western Australia**

WorkSafe Western Australia 1300 307 877  
[worksafe.wa.gov.au](http://worksafe.wa.gov.au)

WorkCover Western Australia 1300 794 744 (inside Western Australia only)  
[workcover.wa.gov.au](http://workcover.wa.gov.au)

### **South Australia**

Safework South Australia 1300 365 255  
[safework.sa.gov.au](http://safework.sa.gov.au)

WorkCover Corporation South Australia 131 855  
[workcover.com](http://workcover.com)

### **Tasmania**

WorkCover Tasmania 1300 366 322 (inside Tasmania only)  
[workcover.tas.gov.au](http://workcover.tas.gov.au)

Workplace Standards Tasmania 1300 366 322 (inside Tasmania only)  
[wst.tas.gov.au](http://wst.tas.gov.au)

### **Australian Capital Territory**

ACT WorkCover (02) 6205 0200  
[workcover.act.gov.au](http://workcover.act.gov.au)

### **Northern Territory**

NT WorkSafe  
Department of Employment, Education and Training 1800 019 115  
[worksafe.nt.gov.au](http://worksafe.nt.gov.au)

### **Australian Government**

Comcare Australia 1300 366 979  
[comcare.gov.au](http://comcare.gov.au)

## Inquiries

For further information about data in this publication contact:

**Data & Analysis Section**

Tel: (02) 6121 9115

The Office of the Australian Safety and Compensation Council  
Department of Education, Employment and Workplace Relations  
Loc 530  
GPO Box 9880  
Canberra ACT 2601  
Tel: (02) 6121 5317

More detailed data is available at the ASCC website [ascc.gov.au](http://ascc.gov.au)