Comparative Performance Monitoring Report

Comparison of occupational health and safety and workers’ compensation schemes in Australia and New Zealand

11th Edition
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Eleventh Edition
December 2009
Foreword

The Labour Ministers’ Council, now known as the Workplace Relations Ministers’ Council (WRMC), released the first Comparative Performance Monitoring (CPM) report in December 1998. The CPM reports provide trend analysis on the occupational health and safety (OHS) and workers’ compensation schemes operating in Australia and New Zealand. Information in the report is designed to help gauge the success of different approaches undertaken by the various workers’ compensation and OHS authorities to reduce the incidence of work-related injury and disease. This is the eleventh annual report of the CPM project.

The CPM is complemented by the Compendium of Workers’ Compensation Statistics, which provides more detailed analysis of national workers’ compensation data using key variables such as occupation, industry, age and gender with supporting information on the circumstances surrounding work-related injury and disease occurrences. The Compendium series can be found at safeworkaustralia.gov.au.

Statement of purpose

Provide measurable information to support policy making and program development by governments on OHS and workers’ compensation, to meet the goal of Australian and New Zealand workplaces free from injury and disease and to enable durable return to work and rehabilitation for injured and ill workers. The information should provide:

(a) measurement of progress against national strategies
(b) identification of factors contributing to improved OHS and workers’ compensation performance (which includes consideration of resources), and
(c) measurement of changes in OHS and workers’ compensation over time, including benchmarking where appropriate.

Changes to the report this year

A number of changes have been made to the current report from the information published in the previous report.

(i) Additional information on fatalities from the Work-related traumatic injury fatalities report has been included in this report.

(ii) The claims by size of business indicator is now reporting for private sector only and for five business groups instead of four.

(iii) Following a review of the methodology used in calculating standardised average premium rates, assets to liabilities ratio and scheme expenditure changes have been incorporated into this edition of the CPM report.

(vi) The international comparison indicator was calculated using the traumatic injury fatalities data instead of the NDS data.
Data

Data used in this report were most recently supplied by jurisdictions for the 2007–08 financial year plus updates back to 2002–03. Readers should be aware that data presented here may differ from jurisdictional annual reports due to the use of different definitions and the application of adjustment factors to aid the comparability of data. Explanatory commentary on the data items are contained within each chapter with additional information included in Appendix 1 - Explanatory Notes, at the end of this publication.

Data for this report are collected from:

- the various workers’ compensation schemes and OHS authorities as follows:
  - New South Wales — WorkCover New South Wales
  - Victoria — WorkSafe Victoria
  - Queensland — Workplace Health and Safety Queensland, Department of Justice and Attorney General, Q-COMP and WorkCover Queensland
  - Western Australia — WorkCover Western Australia and WorkSafe Division, Department of Commerce
  - South Australia — WorkCover Corporation South Australia and SafeWork SA
  - Tasmania — Workplace Standards Tasmania and WorkCover Tasmania
  - Northern Territory — NT WorkSafe and Department of Employment, Education and Training
  - Australian Capital Territory — Australian Capital Territory WorkCover and the Office of Regulatory Services within the Department of Justice and Community Services
  - Australian Government — Comcare
  - Seacare — Seacare Authority (Seafarers Safety, Rehabilitation and Compensation Authority), and
  - New Zealand — Accident Rehabilitation and Compensation Insurance Corporation and New Zealand Department of Labour
- the Australian Heads of Workers’ Compensation Authorities’ Return to Work Monitor, the full results of which can be accessed at hwca.org.au/reports_rtw.php,
- the Australian Bureau of Statistics, which provides denominator data, based on the Labour Force Survey, the Survey of Employment and Earnings and the Survey of Employment, Earnings and Hours.

Coordination

This report has been compiled and coordinated by Safe Work Australia with assistance from representatives of all OHS and workers’ compensation authorities in Australia and New Zealand.

Through a partnership of governments, employers and employees, the Safe Work Australia Council drives national policy development on OHS and workers’ compensation matters and specifically to:

- achieve significant and continual reductions in the incidence of death, injury and disease in the workplace
- achieve national uniformity of the OHS legislative framework complemented by a nationally consistent approach to compliance policy and enforcement policy
- improve national workers’ compensation arrangements.
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Summary of findings

Performance against the National OHS Strategy 2002–2012

The reduction in the incidence rate of injury and musculoskeletal claims between the base period (2000–01 to 2002–03) and 2007–08 was 18%, which is below the rate required to meet the National OHS Strategy 2002–2012 long term target of a 40% improvement by 2012. The rate of decline in the incidence of claims will need to accelerate in future years if the target is to be achieved. Five jurisdictions however, met the required rate of improvement: Seacare with 46% improvement, South Australia with 33% improvement, the Australian Government with 30% improvement, New South Wales with 25% improvement and Victoria with 24% improvement.

The number of fatalities recorded for 2007–08 is slightly lower than in previous years, increasing the percentage improvement from the base period. The incidence of compensated fatalities from injury and musculoskeletal disorders decreased by 17% from the base period to 2007–08. The national incidence rate is ‘on target’ to meet the 20% reduction required by 2011–12, however there is a considerable amount of volatility in this measure and consistent improvement is required.

The National OHS Strategy also includes an aspirational target for Australia to have the lowest work-related traumatic fatality rate in the world by 2009. Analysis of international data indicates that in 2006–07, Australia recorded the seventh lowest injury fatality rate, with this rate decreasing more quickly than many of the best performing countries in the world. However, despite this improvement it is unlikely that Australia will meet the aspirational goal unless substantial improvements are recorded in the next year.

OHS performance

There has been a fall of 14% in the rate of serious injury and disease claims over the past four years from 16.4 claims per 1000 employees reported in 2003–04 to 14.1 claims per 1000 employees reported in 2006–07. The preliminary workers’ compensation claims data for Australia indicate that in 2007–08 the incidence of serious injury and disease claims was 13.5 claims per 1000 employees. It is expected that this rate will increase by around 2% when the liability on all the claims submitted in 2007–08 is determined.

There have been 232 compensated fatalities recorded so far for Australia for 2007–08, of which 188 were from injury and musculoskeletal disorders and 44 were from other diseases. It is expected that this number will rise slightly when all claims are processed. The number of compensated fatalities has decreased from 280 recorded in 2003–04 to 260 recorded in 2006–07.

The preliminary workers’ compensation claims data for New Zealand indicate that in 2007–08 the incidence of serious injury and disease claims was 15.4 claims per 1000 employees. New Zealand recorded a 9% increase in incidence rates from 2003–04 to 2006–07.

There were 75 compensated fatalities in New Zealand in 2007–08. This represents a 35% decrease from 2006–07 and is the lowest level recorded for New Zealand in the past five years.

Body stressing continued to be the mechanism of injury/disease which accounted for the greatest proportion of claims (41%). Claim numbers for this group have shown little change over the past five years. This mechanism is receiving attention under the National OHS Strategy. Claims for Heat, radiation & electricity recorded the largest percentage increase of all mechanism groups: 9% over the period from 2003–04 to 2006–07. These claims represent 2% of all serious claims.
The highest incidence rates were recorded in the Transport & storage industry (24.4 claims per 1000 employees) followed by the Agriculture, forestry & fishing industry (24.3), the Manufacturing industry (24.1) and the Construction industry (21.6). These industries together with the Health & community services industry are receiving attention under the National OHS Strategy.

In 2007–08 over 112 000 workplace interventions were undertaken by OHS authorities around Australia. Australian jurisdictions issued 58 000 notices, 534 legal proceedings against businesses were finalised and $17 million in fines were handed out by the courts.

Workers’ compensation scheme performance

Australia’s standardised average premium rate fell 29% from 2.25% of payroll in 2003–04 to 1.59% of payroll in 2007–08. The majority of Australian jurisdictions recorded falls over this period. The Queensland scheme recorded the lowest premium rate of all jurisdictions at 1.09% of payroll in 2007–08, while the Seacare scheme recorded the highest premium rate at 4.71% of payroll.

The New Zealand standardised average premium rate was 0.89% of payroll in 2007–08, a 4% decrease from the previous year. The New Zealand rate remains lower than Australia’s rate. One reason for the lower rate in New Zealand is that it does not provide the same level of coverage for mental disorders as the Australian schemes provide.

In 2007–08 the Australian average funding ratio for centrally funded schemes dropped to 121% from 131% in 2006–07. This decrease was mainly the result of poorer investment returns. The Australian average funding ratio for privately underwritten schemes has also fallen to 120% from 126% in 2006–07. Western Australia recorded a notable increase from 128% to 139% following stronger investment performances. The Northern Territory also recorded a modest increase.

In 2007–08, Australian workers’ compensation schemes spent $6300 million, of which 54% was paid direct to the injured worker in compensation for their injury or illness and 23% was spent on medical and other services costs. Insurance operations expenses made up 19% of the total expenditure by schemes, down from 21% in 2003–04. Regulation costs made up 2.1% of total scheme expenditure, while dispute resolution expenses accounted for 1.1% and other administration expenses accounted for 1.8%.

The durable return to work rate decreased from last year with 75% of workers returning to work in 2007–08 following a work-related injury or disease. This is lower than the peak of 80% in 2005–06. Seacare was the only jurisdiction to record an increase in the durable return to work rate (11 percentage point increase). The Northern Territory recorded the most substantial drop in the return to work rate (7 percentage point decrease).

The rate of disputation on claims rose slightly from 2006–07 to 7.2% of all new claims lodged in 2007–08. This rate remains lower than that recorded during 2003–04 to 2005–06. Seacare and Western Australia recorded the largest percentage falls in disputation rates since 2003–04. While the percentage of disputes resolved within 3, 6 and 9 months has remained stable during the past five years, there has been a 25% decrease in the proportion of disputes resolved within one month.
Chapter 1 – Progress against the National OHS Strategy

The National OHS Strategy provides the framework for collective efforts to improve Australia's OHS performance. The National OHS Strategy sets national targets to reduce the incidence of work-related injury fatalities by at least 20% and reduce the incidence of workplace injury (including musculoskeletal disorders) by at least 40% by 30 June 2012.

A standard definition of ‘serious claims due to injury or musculoskeletal disorders’ has been used for analysis to enable greater comparability between jurisdictions. Serious claims include all fatalities, all permanent incapacity claims (as defined by the jurisdictions) and temporary claims for which one or more weeks of time lost from work has been recorded. This definition takes into account the different employer excesses that exist in the various schemes.

Achievements against the national targets for injury and fatality are measured using the National Data Set for Compensation-based Statistics (NDS). The baseline for the national targets is taken from the data for the three-year period 2000–01 to 2002–03. This move was motivated by the desire to publish jurisdictional level data where one year of data may not be typical. A three-year base period will smooth much of this volatility, resulting in a more typical starting point at which to measure progress against the targets. While the base period data are considered stable, revisions are likely for the more recent years. To ensure a more accurate measure of improvement is calculated, the most recent year of data have been projected forward to indicate the likely incidence rate once updated data are received.

Since its adoption in May 2002, the National OHS Strategy has informed the work and strategic plans of all Australian OHS authorities as well as driving the work of Safe Work Australia in the area of OHS. Safe Work Australia is working to achieve the goals of the National OHS Strategy through a variety of means including driving national harmonisation of OHS legislation, developing a compliance and enforcement policy to ensure nationally consistent regulatory approaches across all jurisdictions, encouraging excellence in OHS through the National Safe Work Australia Awards and improving the collection and analysis of OHS data and research to inform the development or evaluation of OHS policies and programs.

National compliance and intervention campaigns initiated by the Heads of Workplace Safety Authorities (HWSA) demonstrate the continuation of coordinated national programs relating to the priority injury risks and industries under the National OHS Strategy. National campaigns undertaken in recent years covered a range of areas such as large mobile plant, manual handling in manufacturing, labour hire in the food processing industry and manual tasks and slips and trips in hospitals. Campaigns undertaken in 2007–08 targeted the prevention of falls in the construction industry and the guarding of machinery in the manufacturing industry.

All parties to the National OHS Strategy are committed to achieving a steady improvement in OHS practices and performance and a corresponding decline in both incidence and severity of work-related injuries.
Injury and musculoskeletal target

Indicator 1 shows there was an 18% improvement recorded in the incidence of injury and musculoskeletal claims between the base period (2000–01 to 2002–03) and projected 2007–08 data, which is below the rate of improvement needed to meet the long term target of a 40% improvement by 2012. The rate of decline in the incidence of claims will need to accelerate in future years if the target is to be achieved.

Indicator 1 – Incidence rate of serious* compensated injury and musculoskeletal claims, Australia, base period (2000–01 to 2002–03) to 2007–08

Jurisdictional progress

Indicator 2 shows how the jurisdictions are progressing towards the injury target. To be ‘on target’, jurisdictions would need to have recorded a 24% improvement from the base period. Seacare, South Australia, the Australian Government and New South Wales all exceeded the required rate of improvement to meet the target, while Victoria met the required rate of improvement. Tasmania, Western Australia, the Australian Capital Territory, the Northern Territory and Queensland all recorded some improvement from the base period but not enough to meet the required target.

Changes to scheme operations since the base period can affect the percentage improvements shown in this indicator. Achievement of the target may be more difficult in the Australian Capital Territory Private Scheme due to reforms introduced during the base period that resulted in a higher level of reporting of claims since 2001–02. Victoria has changed the way minor claims are treated and is using a more accurate method of calculating time lost on these claims.

* Includes accepted workers’ compensation claims for temporary incapacity involving one or more weeks of compensation plus all claims for fatality and permanent incapacity.
**Indicator 2 – Incidence rates (claims per 1000 employees) and percentage improvement of serious* compensated injury and musculoskeletal claims by jurisdiction**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Seacare</td>
<td>36.3</td>
<td>25.1</td>
<td>32.1</td>
<td>27.1</td>
<td>18.6</td>
<td>19.7</td>
<td>45.8%</td>
</tr>
<tr>
<td>South Australia</td>
<td>18.3</td>
<td>17.6</td>
<td>16.2</td>
<td>14.3</td>
<td>11.6</td>
<td>12.2</td>
<td>33.4%</td>
</tr>
<tr>
<td>Australian Government</td>
<td>8.8</td>
<td>8.4</td>
<td>7.7</td>
<td>6.7</td>
<td>4.9</td>
<td>6.2</td>
<td>29.7%</td>
</tr>
<tr>
<td>New South Wales</td>
<td>17.1</td>
<td>15.3</td>
<td>13.2</td>
<td>12.5</td>
<td>12.1</td>
<td>12.8</td>
<td>25.4%</td>
</tr>
<tr>
<td>Victoria</td>
<td>11.3</td>
<td>10.1</td>
<td>9.8</td>
<td>9.3</td>
<td>8.6</td>
<td>8.6</td>
<td>24.0%</td>
</tr>
<tr>
<td>Tasmania</td>
<td>16.2</td>
<td>16.0</td>
<td>15.9</td>
<td>15.7</td>
<td>14.2</td>
<td>14.6</td>
<td>9.9%</td>
</tr>
<tr>
<td>Western Australia</td>
<td>12.5</td>
<td>13.5</td>
<td>12.3</td>
<td>12.1</td>
<td>11.7</td>
<td>12.0</td>
<td>3.6%</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>11.4</td>
<td>12.3</td>
<td>12.3</td>
<td>11.4</td>
<td>10.9</td>
<td>11.0</td>
<td>3.4%</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>12.4</td>
<td>12.5</td>
<td>12.7</td>
<td>11.4</td>
<td>12.0</td>
<td>12.2</td>
<td>1.9%</td>
</tr>
<tr>
<td>Queensland</td>
<td>16.6</td>
<td>15.9</td>
<td>15.7</td>
<td>15.9</td>
<td>16.4</td>
<td>16.6</td>
<td>0%</td>
</tr>
<tr>
<td>Australia</td>
<td>14.8</td>
<td>13.8</td>
<td>12.8</td>
<td>12.3</td>
<td>11.7</td>
<td>12.1</td>
<td>18.2%</td>
</tr>
</tbody>
</table>

* Includes accepted workers’ compensation claims for temporary incapacity involving one or more weeks of compensation plus all claims for fatality and permanent incapacity.

** Percentage improvement from base period (2000–01 to 2002–03) to 2007–08 projected.

**Fatalities target**

Indicator 3 shows progress towards the fatalities target. These data show that the incidence rate of compensated fatalities from injuries and musculoskeletal disorders decreased 17% from the base period. This is greater than the required result of a 12% reduction for 2007–08, indicating that Australia is on track to meet the target of a 20% reduction by 2011–12. However, as Indicator 3 shows, the volatility in this measure means that consistent improvement is still required to ensure the target is achieved.

Note that a table of jurisdictional improvements in fatalities has not been included due to the volatility of these data. Information on the number of fatalities recorded by each jurisdiction can be found in Indicator 10.

**Indicator 3 – Incidence rates of compensated injury & musculoskeletal fatalities, Australia, base period (2000–01 to 2002–03) to 2007–08**
International comparison

Following the first triennial review of the National OHS Strategy, WRMC adopted an additional aspirational goal of having the lowest rate of traumatic fatalities in the world by 2009. Analysis of injury fatality data using information published on the International Labor Office (ILO) website at laborsta.ilo.org was undertaken in 2004. The results of this analysis were published in a report titled *Fatal Occupational Injuries — How does Australia compare internationally?*, which can be accessed at safeworkaustralia.gov.au/swa/AboutUs/Publications/.

The aim of this report was to obtain a measure of the gap in performance between Australia and the best performing countries. Countries were included in this analysis if they had a lower incidence of fatality than Australia as reported to the ILO. This resulted in most of the countries included in this comparison being European. The analysis undertaken in the report only used fatalities from injuries, making adjustments where possible for differences in scope and coverage. The data were then standardised against Australia to take account of different industry mixes and finally a three-year average was calculated to remove some of the volatility that results from working with small numbers.

In this edition of the CPM report the international comparison indicator was calculated using Traumatic Injury Fatalities data, sourced from the National Data Set for Compensation-based statistics (NDS), the Notified Fatalities Collection and the National Coronial Information System and including all workers in Australia. This data source is more comparable with the data sources used by other countries. As the Traumatic Injury Fatalities data is only available from 2003–04 to 2006–07, fatalities for the previous years have been imputed using the movement during these prior years in the NDS fatalities data.

Using the same methodology as in previous editions, but with the more comparable Australian data and continuing the data series, Australia’s work-related fatality rate from 1999–2001 has consistently decreased whereas the best performing countries in the world have experienced fluctuations in the rate of work-related fatality. While the gap between Australia and the better performing countries has reduced, Australia remains in seventh place and it is unlikely that we will meet this aspirational goal.

Other countries with similar economic profile to Australia are not included in this indicator due to their higher incidence of fatality. For example, the unstandardised fatality rate for Canada is above 6 deaths per 100 000 employees, while the unstandardised fatality rate for the United States of America is close to 4 deaths per 100 000 employees.

It should be noted that due to differences in scope and methodology, comparisons of occupational injury fatalities data between countries have many limitations. The areas of concern lie in the coverage of self-employed workers, the lack of data relating to road traffic fatalities and the incomplete coverage within the data of the working population. The adopted methodology has attempted to address these concerns but some issues have not been fully resolved and may impact on the final results.
Indicator 4 – Comparison of Australia’s work-related injury fatality rate with the best performing countries
Chapter 2 - OHS performance

The data used in this chapter are accepted workers’ compensation claims lodged in each financial year. Workers’ compensation data are currently the most comprehensive source of information for measuring OHS performance. While there are some limitations, most notably that the data reflect the injury experience of employees only and under-report the incidence of disease, workers’ compensation data still provide a good indication of OHS trends.

Serious claims

As there are different employer excesses across the various schemes, a standard reporting definition of a ‘serious claim’ has been adopted for analysis. Serious claims include all fatalities, all permanent incapacity claims (as defined by the jurisdictions) and temporary claims for which one or more weeks of time lost from work has been recorded. Refer to page 42 of Appendix 1 - Explanatory notes for further information.

Due to the different number of employees in each jurisdiction, rates have been calculated to assist with comparisons. Incidence rates compare jurisdictions on a ‘per employee’ basis and frequency rates allow a comparison on a ‘per hour worked’ basis. Recently, the ABS supplied number of employees and hours based on a new methodology. Therefore, incidence and frequency rates are not comparable to those in previous publications. Refer to page 43 of Appendix 1 - Explanatory notes for further information.

Note: Victoria has recently changed the way minor claims are treated using a more accurate method of calculating time lost on these claims. This change resulted in reduction in the Victorian and Australian rates and rates in this edition should not be compared with those in previous editions.

Indicator 5 shows the Australian incidence rate for serious claims has steadily declined over the past four years, decreasing 14% from 16.4 to 14.1 claims per 1000 employees between 2003–04 and 2006–07. Preliminary data for 2007–08 indicates an incidence rate of 13.5 claims per 1000 employees. While it is expected that this rate will rise when updated data are available, the preliminary rate for 2007–08 indicates a continuing improvement in incidence rates.

Substantial falls in incidence rates from 2003–04 to 2006–07 were recorded by Seacare (down 36%), the Australian Government (down 29%), the Australian Capital Territory (down 22%), New South Wales (down 20%) and South Australia (down 19%). Seacare recorded the highest incidence rate for 2007–08 at 22.4 claims per 1000 employees with the Australian Government recording the lowest rate at 5.9 claims per 1000 employees. The Australian Government recorded the largest decrease in incidence rates for 2007–08. This was in part attributable to the changes to the SRC Act in April 2007 which removed coverage for non-work-related journeys and recess and break periods.

These data are higher than those shown in Chapter 1 as they include all injury and all disease claims. The National OHS Strategy measurement only includes injury and musculoskeletal disease claims, however these two indicators show similar levels of improvement.

Over the period 2003–04 to 2006–07, New Zealand recorded a 9% increase in incidence rates, rising from 14.9 claims per 1000 employees to 16.2 claims per 1000 employees. The preliminary data show a slight decrease to 15.4 claims per 1000 employees.
Indicator 5 – Incidence rates of serious* injury and disease claims by jurisdiction

*Includes all accepted workers’ compensation claims involving temporary incapacity of one or more weeks plus all claims for fatality and permanent incapacity.

Indicator 6 shows that in 2007–08 the Australian frequency rate was 8.0 claims per one million hours worked. While the frequency rate data show a similar level of improvement for Australia, there are differences in the order of the jurisdictions: Queensland recorded the highest frequency rate of 10.9 claims per one million hours worked but only the second highest incidence rate. Seacare also changed position due to the 24-hour basis on which their frequency rates are calculated. Refer to page 44 of Appendix 1 - Explanatory notes for further information.

Indicator 6 – Frequency rates of serious* injury and disease claims by jurisdiction

*Includes all accepted workers' compensation claims involving temporary incapacity of one or more weeks plus all claims for fatality and permanent incapacity.
Long term claims - twelve or more weeks of compensation

Indicator 7 shows the incidence rate for long term injury and disease claims in Australia decreased by 14% from 4.2 claims per 1000 employees in 2003–04 to 3.6 claims per 1000 employees in 2006–07. While the 2007–08 data show a continuing decrease these data should be treated with caution due to the shorter development time these claims have had compared to claims from previous years. Around 24% of serious claims result in twelve or more weeks of compensation.

**Indicator 7 – Incidence rates of long term (12 weeks or more compensation) injury and disease claims by jurisdiction**

Tasmania and Queensland were the only Australian jurisdictions to record increases in the incidence rate of long term claims over the period 2003–04 to 2006–07. New Zealand recorded a 22% increase over this period, though its rate remains lower than that of Australia.

**Indicator 8 – Frequency rates of long term (12 weeks or more compensation) injury and disease claims by jurisdiction**
The frequency rates of long term claims in Indicator 8 show a similar pattern to the incidence rates. There are differences in the order of jurisdictions with Seacare reading the fifth highest frequency due to the 24-hour basis on which their frequency rates are calculated.

Duration of absence

The duration of absence for claims provides one indicator of the severity of injuries occurring in Australia. Indicator 9 shows the variation across the jurisdictions in the percentage of claims involving selected periods of compensation. These data are based on claims lodged in 2005–06, which is the most recent year that reliable data are available for this indicator.

**Indicator 9 – Serious* claims: Percentage involving selected periods of compensation, 2005–06**

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Less than 6 weeks</th>
<th>6 weeks or more</th>
<th>12 weeks or more</th>
<th>26 weeks or more</th>
<th>52 weeks or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>64 %</td>
<td>36 %</td>
<td>22 %</td>
<td>13 %</td>
<td>8 %</td>
</tr>
<tr>
<td>Victoria</td>
<td>54 %</td>
<td>46 %</td>
<td>30 %</td>
<td>18 %</td>
<td>11 %</td>
</tr>
<tr>
<td>Queensland</td>
<td>62 %</td>
<td>38 %</td>
<td>23 %</td>
<td>11 %</td>
<td>3 %</td>
</tr>
<tr>
<td>Western Australia</td>
<td>60 %</td>
<td>40 %</td>
<td>27 %</td>
<td>16 %</td>
<td>9 %</td>
</tr>
<tr>
<td>South Australia</td>
<td>60 %</td>
<td>40 %</td>
<td>28 %</td>
<td>19 %</td>
<td>13 %</td>
</tr>
<tr>
<td>Tasmania</td>
<td>64 %</td>
<td>36 %</td>
<td>20 %</td>
<td>10 %</td>
<td>5 %</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>56 %</td>
<td>44 %</td>
<td>28 %</td>
<td>16 %</td>
<td>9 %</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>52 %</td>
<td>48 %</td>
<td>32 %</td>
<td>18 %</td>
<td>10 %</td>
</tr>
<tr>
<td>Australian Government</td>
<td>56 %</td>
<td>44 %</td>
<td>29 %</td>
<td>15 %</td>
<td>8 %</td>
</tr>
<tr>
<td>Seacare</td>
<td>23 %</td>
<td>77 %</td>
<td>46 %</td>
<td>22 %</td>
<td>10 %</td>
</tr>
<tr>
<td><strong>Australian Average</strong></td>
<td><strong>61 %</strong></td>
<td><strong>39 %</strong></td>
<td><strong>25 %</strong></td>
<td><strong>14 %</strong></td>
<td><strong>8 %</strong></td>
</tr>
<tr>
<td>New Zealand</td>
<td>67 %</td>
<td>33 %</td>
<td>20 %</td>
<td>11 %</td>
<td>6 %</td>
</tr>
</tbody>
</table>

*Includes all accepted workers’ compensation claims involving temporary incapacity of one or more weeks plus all claims for fatality and permanent incapacity.

These data show that 61% of claims in Australia resulted in less than six weeks of compensation being paid. The jurisdictional rates were similar except for Seacare, which only recorded 23% of claims being resolved in this time. Injured workers in the Seacare scheme face unique problems in attempting to return to work, which need to be considered when interpreting the Seacare results in this indicator. Refer to page 46 of Appendix 1 - Explanatory notes for further information.

South Australia had the highest percentage of claims continuing past 52 weeks of compensation (13% of claims) followed by Victoria (11%). The Australian Capital Territory and Seacare had 10% of claims continuing beyond 52 weeks. In contrast, Queensland had only 3% of claims continuing past 52 weeks of compensation – partly due to the nature of the Queensland scheme. Tasmania recorded only 5% of claims continuing past 52 weeks.

The New Zealand scheme finalised a similar proportion of claims within six weeks as did Australia.
Compensated fatalities

Indicator 10 shows that in 2007–08 in Australia there were 232 accepted compensated claims for a work-related fatality – made up of 188 fatalities from injury and musculoskeletal disorders and 44 fatalities from other diseases. As with the other data the number of fatalities is expected to rise as more claims lodged in 2007–08 are accepted. The historical data shows that there was a 7% fall in the number of compensated fatalities from 2003–04 to 2006–07.

The increase in injury and musculoskeletal disorder fatalities in 2007–08 in Queensland was due to an unprecedented and significant increase in the number of on duty road traffic fatal incidents in the transport and storage industry.

New Zealand recorded 75 compensated fatalities in 2007–08. This represents a 35% decrease from 2006–07 and is the lowest level recorded for New Zealand during the past five years. Over the period 2003–04 to 2006–07 New Zealand recorded a 37% increase in the number of compensated fatalities, due to the increased coverage of mesothelioma and asbestosis.

Fatalities are recorded in the National Dataset for Workers’ Compensation Statistics (NDS) against the date of lodgement of the claim, not the year the worker died. Data revisions from previous years can occur where a claim is lodged in one year but not accepted until after the data are collected for that year or for an injury or disease in one year where the employee dies from that injury or disease in a subsequent year. This is particularly the case with disease fatalities, where considerable time could elapse between diagnosis resulting in a claim being lodged and death.

Workers’ compensation data are known to understate the true number of fatalities from work-related causes, particularly deaths from occupational diseases such as asbestosis and mesothelioma where compensation is often sought through separate mechanisms including common law.

In contrast to the previous edition, mesothelioma and asbestosis fatalities are no longer reported separately but rather as part of ‘other diseases’. Firstly, this is due to the low number of such fatalities reported through the workers’ compensation system in some jurisdictions. For example, in New South Wales, fatalities from these diseases are mostly compensated through the Dust Diseases Board. These data are not included in this publication. Secondly, the recent changes to the way the Queensland scheme operates resulted in a significant drop in the number of asbestosis and mesothelioma fatalities reported. This is because employees who are diagnosed with asbestosis and mesothelioma now have the option of either a lump sum payment at the time of diagnosis or their dependants receiving a fatality payment when they die. If the lump sum payment at the time of diagnosis is taken, this is no longer categorised as a fatality but a latent onset injury.

Safe Work Australia is currently reporting annually on mesothelioma using data from the National Cancer Statistics Clearing House. The first of these publications Mesothelioma in Australia: Incidence 1982 to 2005, Deaths 1997 to 2006 is available from safeworkaustralia.gov.au.

Deaths in the agricultural and construction sectors are also likely to be understated in the NDS data due to the higher proportion of self-employed workers in these industries who are not covered by workers’ compensation. A more accurate representation of fatalities in these industries and others is available in the Work-Related Traumatic Injury Fatalities, Australia 2006–07 report, which in addition to workers’ compensation data uses coronial information and notified fatalities data to provide a more accurate
estimate of the number of fatalities from work-related injuries. The report is available from safeworkaustralia.gov.au. Data from the Work-Related Traumatic Injury Fatalities collection has also been included in this edition of the CPM report as an OHS performance indicator.

In addition, as compensation may be sought through the Compulsory Third Party insurance scheme for motor vehicles, work-related deaths from road traffic accidents may also be understated. Note that fatalities occurring from a journey to or from work are not included in these statistics.

Detailed information on the causes and other characteristics of fatalities reported through the NDS is contained in the Compendium of Workers' Compensation Statistics, which can be found at safeworkaustralia.gov.au.

**Indicator 10 – Compensated Fatalities by jurisdiction**

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</tbody>
</table>

*From 2007–08, deaths due to asbestosis or mesothelioma are not included if the worker chose to take an upfront lump sum payment at the time of diagnosis. This is a break in time series.
Notified fatalities

While workers’ compensation data are currently the most extensive source of information for measuring OHS performance, there are some limitations. Other data sources can be used to supplement workers’ compensation data and provide a more complete picture of work-related fatalities. One alternative data source is the Notified Fatalities dataset.

These data are collated from the work-related traumatic fatalities that are notified to jurisdictional OHS authorities under their OHS legislation. The use of these data addresses some of the limitations of the compensated data by capturing fatalities occurring in categories of workers not covered for workers’ compensation, such as the self-employed. This data source was only established in July 2003. More information about the Notified Fatalities collection can be found at safeworkaustralia.gov.au.

Indicator 11a shows that the number of notified fatalities increased by 7% for workers and 19% for bystanders between 2003–04 and 2007–08. However, between 2006–07 and 2007–08 there was a 11% decrease in the number of notified fatalities for workers.

### Indicator 11a – Notified work-related traumatic fatalities, Australia

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<td>Bystander</td>
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<td>Total</td>
<td>139</td>
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<td>166</td>
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</table>

Note that Indicator 11a under reports work-related road traffic fatalities as these fatalities are not notified to some OHS jurisdictions, whereas Indicator 10 does not include deaths of persons who are not classed as employees, such as self-employed workers and bystanders. While these data cannot be directly compared, they both indicate a decrease in the number of injury fatalities for workers in 2007–08. It is important to note that Indicator 11a is a volatile measure and can change from year to year.
Work-related traumatic injury fatalities

There is currently no single national data collection system that identifies all work-related injury fatalities. This means that the exact number of people who die as a result of work-related activities in Australia is difficult to accurately establish. The Work-Related Traumatic Injury Fatalities dataset provides the best estimate of work-related injury deaths in Australia.

The Traumatic Injury Fatalities dataset incorporates information from three datasets that contain information on work-related injury fatalities to determine an estimate of the number of workers and bystanders killed each year from work-related injury. These datasets are the NDS, the Notified Fatalities dataset and the National Coronial Information System (NCIS). Information from media articles is also used to advise of additional deaths not previously identified. These deaths tend to come from incidents investigated by Commonwealth agencies i.e. plane and rail crashes and incidents involving the maritime industry. All such cases are matched with information in the NCIS to determine work-relatedness. This data source was established in 2003. Further information on the Traumatic Injury Fatalities collection along with annual reports can be found at safeworkaustralia.gov.au.

Indicator 11b shows between 2003–04 and 2006–07 there was a 15% increase in the number of workers killed while working. Between 2003–04 and 2006–07, there was a 10% increase in non-road crash fatalities and a 26% increase in fatalities as a result of a road crash.

### Indicator 11b – Number of worker fatalities, Australia

<table>
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<tbody>
<tr>
<td>Non-road crash</td>
<td>174</td>
<td>176</td>
<td>192</td>
<td>192</td>
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<td>82</td>
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<td>103</td>
</tr>
<tr>
<td>Total</td>
<td>256</td>
<td>261</td>
<td>270</td>
<td>295</td>
</tr>
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</table>

As fatality data for 2007–08 are not yet available for this indicator, it is not possible to evaluate whether the decrease in injury fatalities evidenced in indicator 10 and 11a holds true for the wider scope covered by this dataset. However, indicator 11b does exhibit an increasing trend in injury fatalities for workers between 2003–04 to 2006–07, a trend also observed in the NDS and Notified Fatalities dataset.
Claims by mechanism of injury/disease

Claim patterns can be analysed using the Type of Occurrence Classification System (TOOCS) which is a series of codes providing information on the cause of the incident and the type of injury or disease sustained. One part of this system is the Mechanism of injury/disease which is intended to identify the action, exposure or event which was the direct cause of the most serious injury or disease. More information on the TOOCS can be found on the Safe Work Australia website at safeworkaustralia.gov.au.

Indicator 12 shows the number of serious claims by Mechanism of injury or disease over the past five years. Under the National OHS Strategy the following are priority mechanisms: Body stressing; Falls, trips & slips of a person; Being hit by moving objects; and Hitting objects with a part of the body and are receiving national focus. The serious claims data indicate that the priority mechanisms account for 84% of claims. In particular, Body stressing remains the most common cause of claims, accounting for 41% of the 131 110 serious claims in 2007–08. Excluding the preliminary 2007–08 data, the largest decreases in claims over the four years from 2003–04 to 2006–07 were recorded for the mechanisms of Mental stress (down 16%), Other & unspecified mechanisms (down 15%) and Chemical & other substances (down 15%). However, these categories accounted for only 5%, 6% and 1% of all serious claims respectively in 2006–07. Claims due to the mechanism of Heat, radiation & electricity increased 9%, however this category accounted for only 2% of all claims in 2006–07. More information on the progress of these priority mechanisms against the National OHS Strategy targets can be found at safeworkaustralia.gov.au.

More detailed information on claims by Mechanism of injury or disease can be found in the Compendium of Workers’ Compensation Statistics, which can be found at safeworkaustralia.gov.au.

Indicator 12 – Mechanism of injury or disease: number of serious* claims by year, Australia

*Includes all accepted workers’ compensation claims involving temporary incapacity of one or more weeks plus all claims for fatality and permanent incapacity.

**Includes vehicle accidents
Claims by size of business

In this edition of the CPM report indicator 13 has been expanded to include a fifth size of business group, 500 or more employees. It also excludes the government sector and industries with high proportion of government entities. The excluded Industries are: Finance & insurance; Government administration & defence; Education; and Health & community services. Indicator 13 compares the incidence of serious compensated claims by size of business for 2003–04 and 2007–08. Nine Australian jurisdictions and New Zealand collect compensation data by size of business; however there are differences in the methodologies used by schemes to collect this information and caution should be exercised when making jurisdictional comparisons.

In 2003–04, the lowest incidence rates were recorded for businesses with 500+ employees for all jurisdictions with the exception of Tasmania, where the lowest incidence rates were recorded for businesses with 1–4 employees. In 2007–08, for all jurisdictions except Seacare, businesses with 500+ employees had the lowest incidence rates for compensated claims. Furthermore, all jurisdictions recorded a decrease in the incidence rate of claims for this size of business during this period.

For all size of business groups in New Zealand, the incidence rate of claims remained stable between 2003–04 and 2007–08.

Indicator 13 – Size of business: incidence rates (claims per 1000 employees) of serious* claims by jurisdiction**

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* Includes all accepted workers’ compensation claims involving temporary incapacity of one or more weeks plus all claims for fatality and permanent incapacity in the private sector.
** This indicator shows patterns at two points in time. Selecting different points may show a different pattern.
*** Consists only of Australian jurisdictions listed above.
Chapter 3 – OHS compliance and enforcement activities

Jurisdictions encourage OHS compliance using a variety of mechanisms ranging from education, advice and information through to prosecution. Inspectors appointed under legislation may visit workplaces for the purpose of providing advice, investigating accidents or dangerous occurrences and ensuring compliance with the OHS legislation. Where breaches are detected the inspector, based on risk, may issue notices or escalate the action to formal procedures, which are addressed through the courts for serious contravention of the legislation. Indicator 14 provides details on specific OHS compliance activity undertaken by jurisdictions for each year from 2003–04 to 2007–08.

In 2007–08 there were over 112 000 workplace interventions undertaken around Australia. Australian jurisdictions issued 58 000 notices, 534 legal proceedings against businesses were finalised and $17 million in fines were handed out by the courts.

In 2009, Safe Work Australia together with jurisdictions reviewed the data supplied for the compliance and enforcement indicator. As a result of this review and the subsequent resupply of some data by jurisdictions, the data are now more comparable between the jurisdictions. The data in this edition of the CPM report should not be compared with that published in previous editions.

Total workplace interventions consist of the sum of all proactive and reactive workplace interventions. Most interventions in the mining sector are not included in these data because mining inspectors in most jurisdictions utilise their own reporting mechanisms.

Proactive interventions are defined as all workplace visits that have not resulted from a complaint or workplace incident. They include all planned interventions, routine workplace visits, inspections/audits and industry forums/presentations (where an inspector delivers educational advice or information as well as field inspection).

Reactive interventions are defined as attendances at work sites following notifiable work injuries, dangerous occurrences or issuing of notices where comprehensive investigation summaries (briefs of evidence) are completed. Not all requests for investigations or incidents result in a formal investigation. A range of enquiries may be made in order to inform a decision on whether an investigation is warranted.

Repeat visits and the number of inspectors in attendance are counted separately for both proactive and reactive workplace interventions. However, in Western Australia inspectors in attendance are not counted separately. Please refer to page 50 of Appendix 1 - Explanatory notes for further information.

Indicator 14 shows that the total number of workplace interventions has declined after reaching a peak in 2005–06.

In 2007–08, South Australia established the Help and Early Intervention Centre (HEIC). Interventions undertaken in the HEIC are currently not reported in order to maintain national uniformity with data reporting definitions. This has an impact on the total workplace intervention and reactive workplace intervention data for 2007–08.

In New Zealand, workplace interventions are counted as processes. This means one intervention is counted when a workplace visit process is opened and then closed. As such, repeat visits are not counted separately for proactive and reactive workplace interventions.
Comcare’s proactive and reactive intervention statistics do not reflect the number of site visits associated with its investigative efforts. Comcare’s statistics reflect its regulatory approach which generally focuses on OHS management systems review and improvement rather than the more traditional inspectorate approach.

The New South Wales approach to compliance and enforcement includes a variety of advisory and enforcement activities that all aim to ensure compliance with legislative obligations, and improve the capability of businesses to manage occupational health and safety. This approach is consistent with the National Compliance and Enforcement Policy. Please refer to page 50 of Appendix 1 - Explanatory notes for further information.

Where interventions by an inspector identify a breach under OHS legislation, a notice may be issued. In 2007–08, the total number of notices issued by the Australian jurisdictions reached the lowest level in the past five years. The use of infringement notices, sometimes referred to as on-the-spot fines is the least used of the three notice types. In 2007–08, 1510 of this type of notice were handed out around Australia compared to 6294 prohibition notices and 50 108 improvement notices.

During the past three years a number of proactive industry campaigns were conducted in the Northern Territory resulting in an increase in the number of enforcement notices issued.

Note: Data for notices cannot be directly compared across jurisdictions as notices are defined by legislation in each jurisdiction. In some instances a single notice may be issued for multiple breaches of the legislation while in other instances multiple notices are issued for each breach identified.

In 2007–08, 19 689 workplace interventions were carried out in New Zealand and 611 notices were issued, a substantial reduction from 2006–07 where 1917 notices were issued to employers. In October 2005, the New Zealand Department of Labour changed its procedures for issuing and recording improvement notices. This resulted in a sharp decline in the number of improvement notices issued from 2004–05. The drop in the total number of notices in 2007–08 can be attributed to a new regulation whereby the New Zealand Department of Labour works with offending employers and encourages them to improve OHS measures at their workplaces before any notices are issued. This may involve more than one visit to the offending workplaces.

The number of field active inspectors employed around Australia has remained relatively stable between 2005–06 and 2007–08. Field active inspectors are defined as gazetted inspectors whose role is to spend the majority of their time enforcing provisions of the OHS legislation directly with workplaces as well as, in some jurisdictions, engaging in other activities to improve OHS capabilities of businesses and workplaces i.e. a compliance field role. They include managers of the inspectorate regardless of whether they are undertaking a field active role. Current vacancies are included in these numbers and mines inspectors have been excluded from the data due to different legislation operating across jurisdictions. Due to this definition it is possible that the number of field active inspectors shown in this report may differ to inspectorate numbers shown in jurisdictional reports.

The number of employees regulated by Comcare increased significantly from 2005–06 to 2007–08. In response, Comcare increased the number of field active inspectors from 22 in 2005–06 to 47 as at 30 June 2008. The increased number of workplace interventions can be directly related to the expansion in the jurisdiction.
In the Australian Capital Territory, the increase in the number of inspectors and prohibition notices issued as well as the decrease in the number of workplace interventions directly correspond to trainee inspectors working alongside senior inspectors during the 2007–08 financial year.

In 2009 Safe Work Australia endorsed a change recommended by the Heads of Workplace Safety Authorities (HWSA) to the definition of the number of prosecutions resulting in conviction. The HWSA definition for the number of legal proceedings resulting in a conviction, order or agreement has been applied to all years. In addition, legal proceedings finalised are now being reported in place of legal proceedings commenced. This means that jurisdictional data for legal proceedings finalised and for number of legal proceedings resulting in a conviction, order or agreement are now reported for the same reference year. As a result, these data are no longer comparable with that published in previous editions.

Under the revised definition a conviction, order or agreement is defined (with or without penalty) once it has been recorded against a company or individual, in the judicial system. All legal proceedings recorded in the reference year are counted regardless of when the initial legal action commenced. Data for Victoria and the Australian Capital Territory is limited to the number of successful prosecutions resulting in a conviction, fine or both. Queensland legislation does not allow for agreements, while Western Australian legislation does not provide for orders or agreements.

In New South Wales, substantial decreases in the number of legal proceedings and the total amount of fines awarded by the courts were recorded in 2007–08. This trend is an outcome of an integrated prevention and compliance approach where WorkCover works cooperatively with industry to prevent injury and illness, and sanctions are only applied where necessary. As a result of the decreases in New South Wales, the number of legal proceedings finalised and legal proceedings resulting in a conviction, order or agreement reached the lowest point during the past five years.

The consistent decline in the number of legal proceedings from 2004–05 in Western Australia is indicative of improvements in OHS compliance.

In the Northern Territory, a number of ongoing and complex investigations were completed in 2006–07, which led to prosecutions being initiated that year and the following year (2007–08). As a result there was an increase in the number of legal proceedings finalised in 2007–08.

Due to the decreases recorded by New South Wales, the total amount of fines awarded by the courts dropped to $17 million, the lowest amount in the past five years. Information on penalty provisions can be found in the publication *Comparison of OHS Arrangements in Australia and New Zealand* available on the web at [deewr.gov.au/WorkplaceRelations/WRMC/Pages/Reports.aspx](http://deewr.gov.au/WorkplaceRelations/WRMC/Pages/Reports.aspx). In some instances the courts declare that penalty amounts are to remain confidential. Therefore the data recorded in Indicator 14 are only those amounts known publicly.
Indicator 14 – OHS compliance and enforcement activity by jurisdiction

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## Indicator 14 – OHS compliance and enforcement activity by jurisdiction continued

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<td>317</td>
<td>188</td>
<td>190</td>
<td>51</td>
<td>30</td>
<td>9</td>
<td>0</td>
<td>&quot;14&quot;</td>
<td>0</td>
<td>2</td>
<td>801</td>
<td>89</td>
</tr>
<tr>
<td>2005–06</td>
<td>348</td>
<td>136</td>
<td>174</td>
<td>47</td>
<td>53</td>
<td>13</td>
<td>0</td>
<td>&quot;19&quot;</td>
<td>&quot;1&quot;</td>
<td>0</td>
<td>791</td>
<td>49</td>
</tr>
<tr>
<td>2006–07</td>
<td>303</td>
<td>107</td>
<td>126</td>
<td>30</td>
<td>60</td>
<td>23</td>
<td>0</td>
<td>&quot;6&quot;</td>
<td>&quot;1&quot;</td>
<td>0</td>
<td>658</td>
<td>59</td>
</tr>
<tr>
<td>2007–08</td>
<td>185</td>
<td>125</td>
<td>102</td>
<td>26</td>
<td>57</td>
<td>24</td>
<td>10</td>
<td>&quot;2&quot;</td>
<td>&quot;2&quot;</td>
<td>&quot;1&quot;</td>
<td>534</td>
<td>41</td>
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<td><strong>Number of legal proceedings resulting in a conviction, order or agreement</strong></td>
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<td></td>
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<tr>
<td>2003–04</td>
<td>339</td>
<td>181</td>
<td>120</td>
<td>43</td>
<td>31</td>
<td>6</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>726</td>
<td>100</td>
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<tr>
<td>2004–05</td>
<td>302</td>
<td>158</td>
<td>156</td>
<td>48</td>
<td>31</td>
<td>7</td>
<td>0</td>
<td>11</td>
<td>0</td>
<td>1</td>
<td>714</td>
<td>119</td>
</tr>
<tr>
<td>2005–06</td>
<td>340</td>
<td>121</td>
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<td>41</td>
<td>48</td>
<td>13</td>
<td>0</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>711</td>
<td>79</td>
</tr>
<tr>
<td>2006–07</td>
<td>300</td>
<td>87</td>
<td>102</td>
<td>29</td>
<td>56</td>
<td>16</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>595</td>
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<tr>
<td>2007–08</td>
<td>182</td>
<td>107</td>
<td>83</td>
<td>23</td>
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<td>4</td>
<td>1</td>
<td>1</td>
<td>480</td>
<td>73</td>
</tr>
<tr>
<td><strong>Total amount of fines awarded by the courts ($'000)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2003–04</td>
<td>$13,330</td>
<td>$4,159</td>
<td>$2,024</td>
<td>$385</td>
<td>$628</td>
<td>$87</td>
<td>$0</td>
<td>$0</td>
<td>$55</td>
<td>$0</td>
<td>$20,668</td>
<td>NZ$1,037</td>
</tr>
<tr>
<td>2004–05</td>
<td>$11,500</td>
<td>$3,294</td>
<td>$3,344</td>
<td>$457</td>
<td>$439</td>
<td>$74</td>
<td>$0</td>
<td>$0</td>
<td>$32</td>
<td>$0</td>
<td>$19,141</td>
<td>NZ$1,859</td>
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<tr>
<td>2005–06</td>
<td>$13,878</td>
<td>$3,532</td>
<td>$3,823</td>
<td>$383</td>
<td>$1,042</td>
<td>$173</td>
<td>$0</td>
<td>$0</td>
<td>$134</td>
<td>$0</td>
<td>$22,965</td>
<td>NZ$1,929</td>
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<tr>
<td>2006–07</td>
<td>$11,086</td>
<td>$1,716</td>
<td>$2,953</td>
<td>$457</td>
<td>$1,299</td>
<td>$236</td>
<td>$23</td>
<td>$135</td>
<td>$198</td>
<td>$0</td>
<td>$18,103</td>
<td>NZ$1,751</td>
</tr>
<tr>
<td>2007–08</td>
<td>$8,600</td>
<td>$3,239</td>
<td>$2,686</td>
<td>$685</td>
<td>$1,176</td>
<td>$188</td>
<td>$179</td>
<td>$177</td>
<td>$165</td>
<td>$0</td>
<td>$17,094</td>
<td>NZ$1,553</td>
</tr>
</tbody>
</table>

*a Australian Government data cannot be compared directly with the other jurisdictions, for more information please see page 50 of Appendix 1. *b Totals exclude New South Wales data. *c The decrease is due to Northern Territory WorkSafe taking responsibility for mines in 2007–08 the data for which is not included. *d Does not include industry forums/presentations where an inspection also occurs. *e In Western Australia, the number of inspectors in attendance are not counted separately. *f South Australia implemented a change in the classification of proactive and reactive interventions more in line with CPM definitions. *g The data for 2006–07 and 2007–08 are not comparable with that for previous years as worksite visits solely for educational purposes and interventions in minerals processing plants are excluded. *h There is no legislative requirement for infringement notices in Western Australia, Victoria, South Australia and the Australian Government. *i Queensland is not able to provide data retrospectively for these years because of a break in time series due to a change in HR systems. *j Headcount is only available for 2003–04 and 2004–05. *k The data excludes current vacancies for the period 2005–06 to 2007–08. *l New South Wales previously reported the number of breaches rather than the number of companies being prosecuted. *m The number of defendants is provided. *n Data are for legal proceedings commenced.
Chapter 4 – Workers’ compensation premiums and entitlements

Standardised average premium rates

The rates in this chapter are for policies that provided coverage during the reference financial years. The premium rates reported are ‘earned premium’, except for Western Australia which supplies premiums data on a written basis. Earned premium is defined as the amount allocated for cover in a financial year from premiums collected during the previous and current financial years. The premiums reported are allocated for defined periods of risk, irrespective of when they were actually paid, enabling rates to be compared for each financial year. GST charged on premiums is not included in the reported rates as most Australian employers recoup part, or all, of this tax through input tax credits.

The premium rates data presented in this edition of the CPM differ to that in previous editions. This is due to the adoption of a new standardisation methodology designed to improve comparability across jurisdictions. This methodology has been applied to the last five years of premium rates data. Refer to page 47 of Appendix 1 - Explanatory notes for further information.

Indicator 15 shows that in 2007–08 the standardised Australian average premium rate was 1.59% of payroll, a 10% decrease on last year’s rate of 1.76%. This decrease was the result of falls in most jurisdictions.

Western Australia recorded the largest percentage decrease (20%) from the previous financial year followed by Tasmania with a 16% decrease.

Seacare recorded the highest premium rate in 2007–08 at 4.71% of payroll due to the high risk nature of this industry. However, this is still a substantial drop of 40% from the 2003–04 premium rate of 7.79%.

Queensland recorded the lowest premium rate of all jurisdictions at 1.09% of payroll. The lower administrative costs along with strong financial and claims management, and business efficiencies allows for lower premiums.

The Australian Government scheme recorded the second lowest premium rate of all jurisdictions at 1.15% of payroll. The Australian Government scheme as a whole comprises a diverse range of occupations and industries including police, customs services, communications, freight services, engineering and transport. Recent inclusions to the scheme also include some self-insurers which may have competed directly for business with current or former Australian Government owned companies. Data for the Australian Government does not include the Australian Capital Territory Public Service.

South Australia was the only scheme to record an increase in premium rates (1%) from the previous financial year.

The New South Wales scheme recorded a decrease of 11% from the previous financial year. This was mainly due to improved business efficiencies resulting in a $812m surplus in 2006–07 which allowed for the setting of a target collection rate of 1.77% of remuneration, down from 2.44% in 2005.
To be consistent with the Australian jurisdictions, the New Zealand premium information now includes the levy on employers to fund the workers’ compensation portion of the ‘Residual Claims Account’. This account relates to workers’ compensation claims incurred prior to 1 July 1999 but excludes the liability for pre-1992 non-work injuries for earners. In 2007–08, 38% of all employer contributions were levies to fund the Residual Claims Account. This change has seen the New Zealand standardised average premium rate fall to 0.89% of payroll, slightly lower than published previously. This rate continues to be much lower than the rate recorded for Australia. One reason for the lower rate in New Zealand is that its scheme does not provide the same level of coverage for mental disorders, as the Australian schemes.

Note that these data will be different to premium rates published directly by the jurisdictions due to the adjustments made to the data to enable more accurate jurisdictional comparisons. The principal regulatory differences that affect comparability and for which adjustments have been applied in this indicator are: the exclusion of provision for coverage of journey claims; the inclusion of self-insurers; the inclusion of superannuation as part of remuneration; and the standardisation of non-compensable excesses imposed by each scheme. The effect of each of these adjustments is shown in Appendix Table 4 on page 48 in the Explanatory Notes. Information on published rates can be found in the Comparison of Workers’ Compensation Arrangements publication at safeworkaustralia.gov.au.
Entitlements under workers’ compensation

Premium rates are set at a level to ensure sufficient funds are available to cover the entitlements payable under workers’ compensation in the event an employee is injured or develops a work-related disease. Different entitlement levels across the jurisdictions can explain some of the differences in premium rates. Data provided in other chapters of this report should also be considered when comparing entitlements provided under the various workers’ compensation schemes.

The following examples have been included to provide indicative entitlements payable in each jurisdiction. A brief summary on how entitlements are calculated is contained in Appendix 2: Table 8. More detailed information can be found in the Comparison of Workers’ Compensation Arrangements publication at safeworkaustralia.gov.au. These entitlements are based on legislation current as at 1 January 2008.

Temporary incapacity

This example details how jurisdictions compensate low, middle and high income employees during selected periods of temporary incapacity. Entitlements for an injured employee are shown in the following table using pre-injury earnings of $600 gross per week (award wage), $1000 gross per week (non-award wage) and $2000 gross per week (non-award wage). These profiles have been chosen to highlight the statutory maximum entitlements payable as well as jurisdictional differences in entitlements to workers employed under an award.

Scenario
The employee remains unable to work for a period of time before returning to their previous duties on a full-time basis. The employee has a dependent spouse and two children (aged 7 and 8). The employee injured their back and has lower back strain as a result.

Indicator 16 – Percentage of pre-injury earnings for selected periods of incapacity, as at 1 January 2008

<table>
<thead>
<tr>
<th>Level of pre-injury income</th>
<th>NSW</th>
<th>Vic</th>
<th>Qld</th>
<th>WA</th>
<th>SA</th>
<th>Tas</th>
<th>NT</th>
<th>ACT</th>
<th>Aus Gov</th>
<th>NZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 weeks of incapacity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low income</td>
<td>100</td>
<td>95</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>80</td>
</tr>
<tr>
<td>Middle income</td>
<td>80</td>
<td>95</td>
<td>85</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>80</td>
</tr>
<tr>
<td>High income</td>
<td>80</td>
<td>61</td>
<td>85</td>
<td>86</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
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<tr>
<td>26 weeks of incapacity</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low income</td>
<td>100</td>
<td>85</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>93</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>80</td>
</tr>
<tr>
<td>Middle income</td>
<td>80</td>
<td>85</td>
<td>85</td>
<td>93</td>
<td>100</td>
<td>93</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>80</td>
</tr>
<tr>
<td>High income</td>
<td>80</td>
<td>61</td>
<td>85</td>
<td>86</td>
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<td>93</td>
<td>100</td>
<td>100</td>
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<td>52 weeks of incapacity</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low income</td>
<td>100</td>
<td>80</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>89</td>
<td>95</td>
<td>94</td>
<td>99</td>
<td>80</td>
</tr>
<tr>
<td>Middle income</td>
<td>71</td>
<td>80</td>
<td>80</td>
<td>89</td>
<td>100</td>
<td>89</td>
<td>90</td>
<td>83</td>
<td>97</td>
<td>80</td>
</tr>
<tr>
<td>High income</td>
<td>55</td>
<td>61</td>
<td>80</td>
<td>85</td>
<td>100</td>
<td>89</td>
<td>88</td>
<td>83</td>
<td>97</td>
<td>80</td>
</tr>
<tr>
<td>104 weeks of incapacity</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Low income</td>
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<td>78</td>
<td>100</td>
<td>100</td>
<td>90</td>
<td>87</td>
<td>93</td>
<td>90</td>
<td>94</td>
<td>80</td>
</tr>
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<td>Middle income</td>
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<td>90</td>
<td>87</td>
<td>85</td>
<td>74</td>
<td>86</td>
<td>80</td>
</tr>
<tr>
<td>High income</td>
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<td>61</td>
<td>78</td>
<td>85</td>
<td>90</td>
<td>87</td>
<td>81</td>
<td>74</td>
<td>86</td>
<td>80</td>
</tr>
</tbody>
</table>

(a) In Western Australia the prescribed maximum amount for weekly benefit ($159 091) would be exhausted during the 96th week of compensation. After this time, if there were exceptional circumstances a further amount of $119 318 could be approved. This example assumes there were no exceptional circumstances.
For low income earners, New South Wales, Queensland and Western Australia provided the highest percentage of pre-injury earnings for 104 weeks of incapacity, providing 100% of pre-injury earnings in compensation. This is because these jurisdictions provide full coverage of earnings for employees working under awards. Reductions in compensation payments would have occurred for non-award employees. Victoria provided the lowest percentage of pre-injury earnings for 104 weeks of incapacity (78%) due in part to the step-down in benefits to 75% of pre-injury earnings after 13 weeks of compensation (see Appendix 2: Table 8 for more details).

For middle income earners with 104 weeks of incapacity, South Australia provided the highest percentage of pre-injury earnings, at 90% followed by Western Australia (87%), Tasmania (87%) and the Australian Government (86%). New South Wales provided the lowest percentage of pre-injury earnings for the full period of incapacity (66%) due to the lower payments from the first day of injury for non-award workers and the restrictions applied after 26 weeks. In the New South Wales scheme, once 26 weeks of compensation have been paid, the injured worker is entitled to the lesser of 90% of Average Weekly Earnings (as defined by the Australian Bureau of Statistics) or the indexed statutory rate, plus extra entitlements for dependants (see Appendix 2: Table 8 for more details).

In contrast to the low income scenario, where eight of the nine Australian jurisdictions provided full income protection for the first 13 weeks, the high income scenario shows that only five jurisdictions provided full income protection for high income earners for this period of incapacity.

Permanent incapacity

This scenario shows the entitlements payable for a degree of permanent incapacity caused by a workplace injury. Each jurisdiction has a predetermined statutory maximum lump sum payment for injuries causing permanent impairment. Maximum amounts are payable in cases of full and permanent impairment. Appendix Table 8 lists entitlements under workers’ compensation schemes for each jurisdiction. The following scenario is indicative only for these types of payments.

Scenario

As a result of the workplace incident, the employee was diagnosed with complete tetraplegia below the 6th cervical neurological segment. This resulted in paralysis of his hands, impaired upper body movement and paralysis of the trunk and lower limbs. He lost all lower body function and was wheelchair-bound. Incapacity was total and permanent and there was no real prospect of returning to work.

The employee’s pre-injury earnings were $1000 gross per week. The employee is 35 years of age and has a dependent spouse and two children aged 7 and 8 – the younger child entered the workforce at 16 and the older child remained in full-time education until age 25. The employee contributed to a superannuation fund. There was no contributory negligence on his part, however there was negligence on the part of the employer.

Indicator 17 details the entitlements payable to the injured employee. The statutory component includes the weekly benefits payable for the remainder of the employee’s working life (30 years in this instance) and all lump sum payments for permanent incapacity. The common law component is an estimate of the additional payment available under a common law settlement, where applicable. All figures exclude medical and like services such as attendant care. Appendix Table 7 identifies the
jurisdictions that have access to common law. In the Australian Capital Territory if a worker obtains damages (i.e. common law) in relation to an injury then either the lesser of the compensation benefits received prior to the damages being awarded or the damages, will be recovered by the employer hence no common law amount is shown. Similarly workers for the Australian Government are more likely to accept the statutory lump sum payment than to pursue a common law settlement.

Total entitlements ranged from $1.2 million in the Australian Capital Territory to $5.1 million in New South Wales.

In Western Australia, New South Wales, Queensland and Tasmania there is no upper limit on compensation that could be expected from a common law claim under this scenario. Western Australia provided a figure for this scenario of $979 838, which is based on estimates from approved insurers within the Western Australian workers compensation scheme. A figure of $4 million was provided by New South Wales and is considered to be entitlements payable under common law for a similar scenario. Queensland provided a figure of $3 million, which is based on claims similar to this scenario. Tasmania provided a figure of $1 million. Statutory benefits are repaid by the worker to compensation schemes if common law damages are awarded. Common law access is readily available to injured workers in Western Australia, whilst access in New South Wales is somewhat restricted.

The entitlements provided by the New Zealand scheme in this scenario are comparable to those provided by the Australian jurisdictions. However, there is no access to common law under the New Zealand scheme.

**Workplace fatality**

This example examines the entitlements payable to dependants of an employee who died following a workplace incident. Entitlements to dependants are paid by way of a lump sum and/or weekly benefits, depending on the employee’s circumstances and scheme design. The date of death for this example was 1 January 2008.

Pecuniary entitlements may be affected by common law payments in jurisdictions where there is access to common law redress. South Australia and the Northern Territory have no access to common law, while the Australian Government has limited access to common law. In Victoria there may be access to an additional lump sum under the Wrongs Act.

**Scenario**

The deceased employee and family circumstances in this scenario are the same as in the previous example but in this case the workplace incident resulted in death. The spouse did not re-enter the workforce or re-married for ten years.

Indicator 17 shows that a number of jurisdictions provided similar benefits in the case of a fatality. Queensland provided the highest entitlement payable to dependants in Australia following a workplace incident resulting in a fatality at $579 000 followed by New South Wales at $544 000. In 2007–08, New South Wales increased its fatality benefits with the passage of the *Workers’ Compensation Legislation Amendment Act 2008*. Amendments included an increased lump sum death benefit of $425 000 and enabled the benefit to be paid to a worker’s estate where the deceased leaves no dependants. The lowest entitlements for fatality were provided in the Australian Capital Territory ($218 000) and Western Australian ($266 000). Appendix 2 provides more details on how these entitlements are calculated.
In New Zealand $469 000 is payable to dependants, higher than more than half of the
Australian jurisdictions. The New Zealand scheme provides little in the way of lump
sum amounts but provides high weekly benefits to the spouse and children while the
children remain dependants.

**Indicator 17 – Level of entitlements for permanent incapacity or fatality as at
1 January 2008**

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*In New South Wales there is no upper limit on compensation that could be paid from a common law claim. The amount provided is an estimate of entitlements payable under common law for claims similar to the scenario in question.*

*There is no upper limit on compensation that could be paid for a common law claim in Queensland. The amount provided is based on claims similar to the scenario in question.*

^In Western Australia there is no upper limit on compensation that could be paid from a common law claim. The amount provided is based on estimates from approved insurers in the Western Australian scheme.*
Chapter 5 – Workers’ compensation scheme performance

There are significant differences in the funding arrangements for the various schemes around Australia. The schemes that are centrally funded (New South Wales, Victoria, Queensland, South Australia, Comcare and New Zealand) have their OHS and workers’ compensation functions, staffing and operational budgets funded by premiums. For those jurisdictions with privately underwritten schemes, funding for the non-workers’ compensation functions comes directly from government appropriation. This difference in funding arrangements may have an impact on the data shown in this section.

Assets to liabilities ratio

This section reports the standardised ratio of assets to net outstanding claim liabilities (funding ratio) for each jurisdiction over the past five years. This indicator is a measure of the adequacy of the scheme to meet future claim payments. Ratios above 100% indicate that the scheme has more than sufficient assets to meet its predicted future liabilities. Conversely, low ratios could be an indication of the need for a scheme to increase its premium rates to ensure assets are available for future claim payments. Funding ratio trends should therefore be considered in conjunction with the premium rates reported elsewhere in this report.

The funding ratio data presented in this edition of the CPM differs to that in previous editions. This is due to the adoption of a new standardisation methodology designed to improve comparability across jurisdictions. This methodology has been applied to the past five years of funding ratio data. Refer to page 50 of Appendix 1 - Explanatory notes for further information.

While a standard definition of the funding ratio of net outstanding claim liabilities has been adopted to improve comparability across jurisdictions, there still remain fundamental differences between centrally funded (CF) and privately underwritten (PU) schemes.

Privately underwritten schemes are governed by the Australian Prudential Regulatory Authority’s (APRA) prudential regulatory requirements to make sure that enough funds are available to cover all liabilities. Including the measure for PU schemes alongside CF schemes is misleading because the funding ratio measure for PU schemes does not capture the true extent of the private schemes ability to meet future claim payments. Therefore, in this edition of the CPM report the funding ratios of PU schemes are shown on a separate graph to those for the CF schemes.

Indicator 18a shows that the average funding ratio for CF schemes fell to 121% in 2007–08 as a result of falls in all CF jurisdictions, with the exception of Comcare. This fall is linked to poorer investment returns and indicates that these schemes experienced a decline in assets available to meet claim liabilities. However all CF jurisdictions, except South Australia, have funding ratios above 100%, indicating that assets are still sufficient to meet future liabilities.

Whilst the average for CF schemes for 2007–08 is lower than that recorded in 2006–07, it remains higher than that recorded for 2003–04 to 2005–06. This has been due to good investment returns, strong wages growth increasing premium revenue, changes in the amount of benefits, improvements in incidence rates of injury, legislative changes and changes to claims management procedures.
The substantial improvement in the funding ratio for Queensland since 2004–05 is due to the factors mentioned above and to a change to workers’ compensation legislation surrounding long latency diseases, such as those caused by asbestos exposure.

The reduction in the funding ratio for Comcare in 2004–05 was mainly due to less favourable forecast investment returns compared to inflation expectations, which resulted in a significant increase in estimated claims liabilities.

Indicator 18b shows that in 2007–08 average funding ratio for PU schemes fell to 120%. This can be attributed to the fall in the funding ratio observed for Tasmania, from 145% in 2006–07 to 131% in 2007–08. Western Australia recorded a notable increase, from 128% in 2006–07 to 139% in 2007–08. The Northern Territory also recorded an increase in the funding ratio. The three Australian jurisdictions operating PU schemes have funding ratios above 100%, indicating that assets are sufficient to meet future liabilities.
The Seacare and Australian Capital Territory Private schemes are privately underwritten, but no data are currently available for this indicator. Refer to page 50 of Appendix 1 - Explanatory notes for more information.

Self insurers are excluded from the funding ratio measures as the workers’ compensation assets and liabilities are not quarantined from the rest of the self insurer’s business. Self insurers are regulated in each jurisdiction and are required to lodge financial guarantees with the regulatory authority to provide security for workers’ compensation entitlements. The level of the guarantee varies across the jurisdictions. A summary of the current requirements can be found in Safe Work Australia’s Comparison of Workers’ Compensation Arrangements in Australia and New Zealand at safeworkaustralia.gov.au.

The data shown in this indicator may differ from jurisdictions’ annual reports due to the use of a standard definition of assets and liabilities.

**Scheme expenditure**

The presentation of the information on scheme expenditure has been substantially altered from previous publications. As claim management costs did not capture similar information across the jurisdictions, a new data item has been introduced. Insurance operations costs will now be shown. Insurance operations costs encompass all expenses relating to the insurance function of the workers’ compensation scheme. In addition, Dispute resolution and Regulation costs will also be shown separately. Regulation costs are the costs of all activities associated with undertaking the regulation functions of workers’ compensation, while Dispute resolution includes all activities associated with the finalising of disputes other than the direct costs associated with a claim. Refer to page 52 of Appendix 1 - Explanatory notes for further information.

Since CF and PU schemes have different financial structures the jurisdictions have been shown in their respective funding arrangement group. While the standardisation methodology provides a comparable measure across the two groups, caution should still be exercised when making such comparisons.

Indicator 19 shows the amount and proportion of total scheme expenditure paid out in payments to injured employees plus administrative costs for the periods 2003–04 and 2007–08.

This indicator shows that in 2007–08, compensation paid direct to the claimant accounted for half of all scheme expenditure. Direct compensation is paid to injured employees either as weekly benefits, redemptions, common law settlements (excluding legal costs) and non-economic loss benefits. For CF schemes, direct payments as a proportion of total scheme expenditure were highest in Queensland (67.3%) and lowest in Victoria (52.5%) and New South Wales (47.3%). For PU schemes, direct payments as a proportion of total scheme expenditure were highest in the Northern Territory (65.0%) and lowest in Tasmania (44.0%). Generally the PU schemes have recorded a higher proportion of expenditure on administrative costs and a lower proportion on direct payments. This is due to the profit margins built into the administration costs.

Expenditure on Services to claimant (such as medical treatment, rehabilitation, legal costs, return to work assistance, transportation, employee advisory services and interpreter costs) is used to assist employees recover from their injury and return to work.
Of the CF schemes, the proportion of expenditure for services to claimant was highest for New South Wales (26.3%) and lowest for Queensland (17.3%). For PU schemes, the proportion of expenditure for services to claimant was highest for Tasmania (26.9%) and lowest for Seacare (16.6%).

For CF schemes, the highest proportion of expenditure dedicated to insurance operations was recorded by Victoria (21.3%) and New South Wales (20.9%), while South Australia (10.6%) and Queensland (10.3%) recorded the lowest proportions. For PU schemes, Tasmania recorded the highest proportion (27.2%) while the Northern Territory recorded a substantial decrease from 14.8% in 2003–04 with the lowest proportion (8.0%).

Regulation expenditure for CF schemes was highest for New South Wales (3.6%) and lowest for Queensland (0.5%) and Comcare (0.4%). South Australia recorded a decrease in regulation expenditure from 4.4% in 2003–04 to 1.4% in 2007–08. Regulation costs were similar across the PU schemes, with the exception of the Northern Territory in which there was no recorded expenditure on regulation.

For CF schemes, the proportion of expenditure dedicated to dispute resolution ranged from 0.5% for South Australia to 1.4% for New South Wales. For PU schemes, Seacare recorded a substantial increase from 2003–04 with the highest proportion of expenditure dedicated to dispute resolution (5.6%), while the Northern Territory recorded the lowest proportion (0.3%).

Of the CF schemes, Comcare had the highest proportion of expenditure dedicated to other administration (4.4%) while New South Wales had the lowest (0.6%). Of the PU schemes, Seacare had the highest proportion (6.0%), while Tasmania and Western Australia had the lowest (0.8%).

The New Zealand proportions display a different pattern to the Australian schemes with a lower proportion in direct to claimant expenditure and a higher proportion in services to claimant expenditure. This is due to the nature of the New Zealand scheme where a greater proportion of workers’ medical costs are identified as work-related. In Australia, the Medicare system would most likely pick up some medical costs for work-related injuries where a workers’ compensation claim is not submitted.

Administrative costs are impacted on by the type of scheme in operation. Indicator 20 shows the distribution of direct payments into weekly benefits and lump sums. The payment of long term weekly benefits results in higher administration costs. This indicator shows that the Comcare, New South Wales, Seacare and South Australian schemes pay out more as weekly benefits, while Queensland is a predominantly lump sum scheme. The New Zealand scheme has little provision for lump sum payments.
## Indicator 19 – Scheme expenditure

<table>
<thead>
<tr>
<th>Scheme Costs</th>
<th>NSW</th>
<th>Vic</th>
<th>Qld</th>
<th>SA</th>
<th>Comcare</th>
<th>WA</th>
<th>Tas</th>
<th>NT</th>
<th>Seacare</th>
<th>Australia</th>
<th>NZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure ($M)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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</tr>
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<td><strong>2003–04</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Direct to claimant</td>
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<td>239.9</td>
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<td>0.7</td>
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<td>17.3</td>
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<td>3.3</td>
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<td>0.0</td>
<td>0.1</td>
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<td>0.6</td>
<td>0.4</td>
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<td>96.0</td>
<td>48.4</td>
<td>5.2</td>
<td>5611.1</td>
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<td><strong>2007–08</strong></td>
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<td>0.4</td>
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<tr>
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Indicator 19 – Scheme expenditure cont.

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<tr>
<th>Scheme Costs</th>
<th>NSW</th>
<th>Vic</th>
<th>Qld</th>
<th>SA</th>
<th>Comcare</th>
<th>WA</th>
<th>Tas</th>
<th>NT</th>
<th>Seacare</th>
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<th>NZ</th>
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<td></td>
</tr>
<tr>
<td>Direct to claimant</td>
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<td>60.7</td>
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<td>16.8</td>
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<td>10.6</td>
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<td>0.6</td>
<td>0.7</td>
<td>0.4</td>
<td>0.0</td>
<td>1.6</td>
<td>1.4</td>
<td>3.8</td>
</tr>
<tr>
<td>Dispute resolution</td>
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<td>1.5</td>
<td>1.2</td>
<td>0.6</td>
<td>0.7</td>
<td>0.5</td>
<td>0.7</td>
<td>0.7</td>
<td>0.0</td>
<td>1.3</td>
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<tr>
<td>Other administration</td>
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<td>5.2</td>
<td>2.7</td>
<td>3.0</td>
<td>1.1</td>
<td>0.8</td>
<td>1.3</td>
<td>7.7</td>
<td>1.4</td>
<td>6.0</td>
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<tr>
<td><strong>Total</strong></td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

| **2007–08**                |     |     |     |    |         |    |     |    |         |           |    |
| Direct to claimant         | 47.3| 52.5| 67.3| 62.1| 54.3    | 49.4| 44.0| 65.0| 60.1    | 53.7      | 46.7 |
| Services to claimant       | 26.3| 20.8| 17.3| 21.3| 23.0    | 22.8| 26.9| 24.6| 16.6    | 22.5      | 33.5 |
| Insurance operations       | 20.9| 21.3| 10.3| 10.6| 16.6    | 25.7| 27.2| 8.0 | 11.3    | 18.8      | 8.1 |
| Regulation                 | 3.6 | 2.7 | 0.5 | 1.4 | 0.4     | 0.6 | 0.3 | 0.0 | 0.4     | 2.1       | 4.9 |
| Dispute resolution         | 1.4 | 1.3 | 0.9 | 0.5 | 1.3     | 0.6 | 0.7 | 0.3 | 5.6     | 1.1       | 0.0 |
| Other administration       | 0.6 | 1.3 | 3.6 | 4.1 | 4.4     | 0.8 | 0.8 | 2.1 | 6.0     | 1.8       | 6.8 |
| **Total**                  | 100.0| 100.0| 100.0| 100.0| 100.0   | 100.0| 100.0| 100.0| 100.0   | 100.0     | 100.0 |
This section presents the durable return to work (RTW) rate compiled from data published in the 2007–08 Australia and New Zealand Return To Work Monitor (RTW Monitor), which reports on RTW outcomes and injured workers’ perceptions of the RTW process. The report can be found at hwca.org.au/reports_rtw.php. The survey includes injured workers who have been paid 10 days or more compensation by a workers’ compensation authority or their employer, but does not include injured workers from organisations who self-insure their workers’ compensation risk. Western Australia and the Australian Capital Territory do not participate in this survey.

The sample selected for all RTW Monitor surveys consisted of injured workers who had:

- submitted a claim seven to eight months before the date of the survey or seven to nine months for Tasmania, the Northern Territory and the Australian Government, due to the small number of claims in these jurisdictions. For Seacare, due to its even smaller size, the entire population of claimants were invited to be interviewed over four rounds in August, November, February and May, and
- 10 days or more compensation paid, inclusive of any excess.

Durable RTW refers to an injured worker who returned to work and was still working at the time of the survey, seven to nine months after their claim and is measured by the injured worker reporting their work status, sources of income and compensation status.

Indicator 21 reveals that the 2007–08 Australian average rate for durable RTW was 75%. This is lower than the peak of 80% in 2005–06, and slightly lower than the rate for 2006–07 (77%). Seacare was the only jurisdiction to record an increase in the durable return to work rate with an increase of 11 percentage points. This is a further improvement to the seven percentage point increase in the return to work rate observed for Seacare in 2006–07. The Northern Territory recorded the biggest drop in the return to work rate (7 percentage point decrease).

Each jurisdiction faces varying challenges in their endeavours to improve RTW rates. Some drivers of RTW are defined by legislation and can be influenced by the nature of the scheme design (whether it is short or long tail in nature). For example, the benefit structure can influence RTW, as can the associated step down provisions, and
legislative differences regarding early claims reporting, employer obligations and common law arrangements.

**Indicator 21 – Durable return to work rate**

**Disputation rate**

A dispute is an appeal to a formal mechanism, such as a review officer or conciliation or mediation service, against an insurer’s decision or decisions relating to compensation. Disputes exclude common law and also exclude redemptions and commutations unless processed as disputes through the jurisdiction’s dispute resolution system.

Indicator 22 shows the number of new disputes as a proportion of new claims lodged in the reference financial year. The dispute may not be in relation to a claim lodged in the same year. It should also be noted that the number of new claims used in this calculation is all claims lodged within a jurisdiction rather than the serious claims used in Chapters 1 and 2 of this report. Indicator 22 reveals that the Australian disputation rate for 2007–08 was 7.2% of claims lodged, a 3% increase from 2006–07. Despite this slight increase, the Australian disputation rate for 2007–08 is lower than that recorded during 2003–04 to 2005–06.

Decreases from the previous year were recorded in three jurisdictions with increases recorded in six. Queensland reported the lowest disputation rate of all the Australian jurisdictions at 3.1% of claims lodged, while Seacare recorded the highest rate at 16.2% of claims lodged. Victoria’s high disputation rate is influenced by high numbers of disputes resulting from the active management of claims for medical and like expenses.

In 2007–08, only 16 percent of claims made by seafarers resulted in an application to the Administrative Appeals Tribunal (AAT) for review. This represents a reduction from previous years. The vast majority of the matters going to the AAT are finalised by the consent of the parties without going to a hearing.

During 2007–08, the Comcare scheme experienced an 18% reduction in the number of claims received. Given that disputes do not necessarily relate to the claims lodged in the same year, this reduction in claims led to an increase in the disputation rate, which increased from 10.3% in 2006–07 to 12.3% in 2007–08.
Workers’ compensation scheme performance

Indicator 22 – Proportion of claims with dispute

In South Australia, there is provision for deeming delayed, non-exempt decisions as disputes. This may increase the rate for this scheme compared to other jurisdictions.

The disputation rate for Tasmania is influenced by the existence of a preliminary dispute process that was originally intended to protect workers against frivolous and vexatious disputes by employers. In July 2004, a ‘reasonably arguable case’ test was introduced to determine disputes and the period allowed to determine liability was increased from 28 to 84 days. These changes have had a dramatic impact on the number of initial liability disputes. Subsequently, the disputation rate in Tasmania has fallen from 15.5% to 7.2% over the past five years.

The New Zealand disputation rate is very low because of the universal nature of New Zealand’s accident compensation scheme. Since people who have accidents are covered whether the accident occurs at work, home, on the road, playing sport etc., and whether they are employed, self-employed or a non-earner (child, pensioner, student, unemployed), there are very few disputes relating to cover.

Dispute resolution

Only some jurisdictions can supply data on the time involved to resolve disputes. The speed that disputes are resolved depends very much on the systems and processes in place for each jurisdiction. Generally, the simpler the process, the faster the dispute is resolved. Where there is a lag in the collection, exchange and lodgement of information by one or more parties, disputes are likely to be more adversarial and therefore more costly. A high percentage of disputes resolved in a longer timeframe may also indicate that there are a high number of more complex disputes being dealt with within a jurisdiction, or that there are some mandatory medical or legal processes in place which inherently delay resolution.

Indicator 23 demonstrates that in the past four years in Australia, there has been a slight decrease in the proportion of disputes resolved within one month down from 14% of claims in 2003–04 to 10% of claims in 2007–08. However, the percentage of disputes resolved within three, six and nine months has remained stable during this period.
Comparative Performance Monitoring 2007–08

Indicator 23 – Percentage of disputes resolved within selected time periods (cumulative)

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Within 1 month (%)</th>
<th>Within 3 months (%)</th>
<th>Within 6 months (%)</th>
<th>Within 9 months (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2003–04</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Victoria</td>
<td>2.2</td>
<td>51.0</td>
<td>75.4</td>
<td>88.7</td>
</tr>
<tr>
<td>Queensland</td>
<td>25.8</td>
<td>80.6</td>
<td>89.8</td>
<td>93.7</td>
</tr>
<tr>
<td>Western Australia</td>
<td>37.8</td>
<td>62.0</td>
<td>80.8</td>
<td>89.0</td>
</tr>
<tr>
<td>Tasmania</td>
<td>34.4</td>
<td>69.5</td>
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<td>Comcare</td>
<td>6.9</td>
<td>14.4</td>
<td>27.1</td>
<td>44.2</td>
</tr>
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<td>Australia*</td>
<td>14.1</td>
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<td>75.0</td>
<td>86.0</td>
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<td>New Zealand</td>
<td>8.1</td>
<td>70.6</td>
<td>91.1</td>
<td>96.6</td>
</tr>
</tbody>
</table>

| **2007–08**      |                    |                     |                     |                     |
| NSW              | 8.3                | 49.8                | 85.5                | 94.7                |
| Victoria         | 2.3                | 52.5                | 76.5                | 89.0                |
| Queensland       | 21.5               | 79.4                | 90.7                | 94.6                |
| Western Australia| 22.0               | 43.9                | 63.5                | 76.1                |
| Tasmania         | 49.0               | 65.9                | 78.4                | 86.3                |
| Comcare          | 3.8                | 11.5                | 25.7                | 40.7                |
| Australia*       | 10.6               | 55.3                | 75.0                | 85.7                |
| New Zealand      | 4.5                | 36.6                | 84.6                | 95.3                |

* includes only those jurisdictions listed above but excludes NSW.

On average half the disputes were resolved within three months from the date of lodgement with Queensland resolving 79% of disputes, Tasmania 66%, Victoria 52% and New South Wales 50%.

In 2007–08, Tasmania resolved half of disputed claims within one month, significantly higher than any other jurisdiction. However, its proportion of resolved disputes after six and nine months were similar to the Australian average.

In contrast, less than 4% of disputes were resolved within one month in both the Victorian and Comcare schemes. The resolution times for Victoria are impacted by the compulsory conciliation process which may or may not involve medical panel referral and the fact that court litigation can only occur at the conclusion of the compulsory conciliation process.

Overall, Comcare disputes generally took more time to resolve than disputes in other jurisdictions. As Comcare disputes proceed to an external and independent body, Comcare has no control over the associated timeframes for dispute resolution. These disputes tend to be quite complex and require a longer time to resolve.

The resolution times for New South Wales are impacted on by the fact that the Workers’ Compensation Commission incorporates a mandatory binding medical assessment process into its proceedings in relation to disputes over the quantum of permanent impairment entitlements. Entitlement to compensation for permanent impairment is disputed in over 70% of Applications to Resolve a Dispute lodged with the Commission. While New South Wales resolves a small percentage of disputes within one month, 86% of disputes are resolved within six months and 95% of disputes are resolved within nine months of lodgement.
New Zealand has adjusted current and historic figures for new claims to include all claims received regardless of cover decision. This is different from previous data which only included claims that received cover. The resolution rates for New Zealand are better than most Australian jurisdictions, however as noted in Indicator 22, this scheme has very few disputes to resolve.
Chapter 6 – Industry information

Claims by industry

Indicator 24 shows the incidence rate of claims across industries in Australia in descending order based on the 2007–08 year. In 2007–08, the Transport & storage industry reported the highest incidence rate at 24.4 claims per 1000 employees followed closely by the Agriculture, forestry & fishing industry (24.3), the Manufacturing industry (24.1) and the Construction industry (21.6).

Under the National OHS Strategy the following industries have been identified as priorities for improvement: Transport & storage, Manufacturing, Construction and Health and community services. Following the triennial review of the National OHS Strategy, the Agriculture, Forestry & Fishing industry was added to this list from 2005–06. These five industries account for 35% of all employees in Australia. The four highest incidence rates have been recorded in industries receiving focus under the National OHS Strategy. More information on the progress of these priority industries against the National OHS Strategy targets can be found at safeworkaustralia.gov.au.

Decreases in the incidence rate of claims from the previous year were recorded in the majority of industries. However, the Wholesale trade industry recorded a 6% increase in the incidence rate of claims from the previous year, the Cultural & recreational services industry recorded a 5% increase, and the Property & business services industry recorded no change.

Excluding these preliminary data, falls in the incidence rate of claims were recorded in all industries over the period 2003–04 to 2006–07. The greatest percentage fall of 30% over this period was recorded by the Communication services industry. The Finance & insurance industry recorded the second largest percentage fall of 24%, while the Mining industry recorded the third largest fall of 22%. More detailed information on claims by industry can be found in the Compendium of Workers’ Compensation Statistics, which can be found at safeworkaustralia.gov.au.

Premium rates by industry

The premium rates data presented in this edition of the CPM differ to that in previous editions. This is due to the adoption of a new standardisation methodology designed to improve comparability across jurisdictions. Refer to page 47 of Appendix 1 - Explanatory notes for further information.

Indicator 25 shows average premium rates by industry in Australia, in descending order for the years 2003–04 to 2007–08. These data show that the Agriculture, forestry & fishing industry recorded the highest average premium at 3.7% of payroll. The lowest premium rate was recorded by the Finance & insurance industry at 0.3% of payroll.

Premium rates for all industries have decreased since 2003–04. The largest percentage fall of 38% was recorded for the Mining and Construction industries. The Electricity, gas & water supply industry recorded the second largest percentage decrease of 37%.

The published industry rates for a number of schemes are not necessarily based solely on risk-profile or performance, as some schemes cross-subsidise premiums. The premium rates quoted in this section of the report are based on premiums in each industry divided by remuneration in that industry.
Indicator 24 – Incidence rate of serious claims’ by industry

* Includes accepted workers’ compensation claims for temporary incapacity involving one or more weeks of compensation plus all claims for fatality and permanent incapacity
Indicator 25 – Australian average premium rates by industry

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture, forestry &amp; fishing</th>
<th>Mining</th>
<th>Manufacturing</th>
<th>Electricity, gas &amp; water supply</th>
<th>Construction</th>
<th>Wholesale trade</th>
<th>Retail trade</th>
<th>Accommodation, cafes &amp; restaurants</th>
<th>Transport &amp; storage</th>
<th>Communication services</th>
<th>Finance &amp; insurance</th>
<th>Property &amp; business services</th>
<th>Government administration &amp; defence</th>
<th>Education</th>
<th>Health &amp; community services</th>
<th>Cultural &amp; recreational services</th>
<th>Personal &amp; other services</th>
<th>Aus Av</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>4.9</td>
<td>4.3</td>
<td>3.4</td>
<td>3.4</td>
<td>2.8</td>
<td>2.3</td>
<td>2.3</td>
<td>2.1</td>
<td>1.8</td>
<td>1.6</td>
<td>1.7</td>
<td>1.2</td>
<td>1.1</td>
<td>1.0</td>
<td>0.4</td>
<td>2.3</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>2004-05</td>
<td>4.7</td>
<td>4.1</td>
<td>3.4</td>
<td>3.2</td>
<td>2.7</td>
<td>2.2</td>
<td>2.2</td>
<td>1.9</td>
<td>1.7</td>
<td>1.6</td>
<td>1.6</td>
<td>1.7</td>
<td>1.7</td>
<td>1.2</td>
<td>1.3</td>
<td>2.1</td>
<td>1.0</td>
<td>0.4</td>
</tr>
<tr>
<td>2005-06</td>
<td>4.5</td>
<td>3.7</td>
<td>3.2</td>
<td>3.2</td>
<td>2.6</td>
<td>2.1</td>
<td>2.1</td>
<td>1.7</td>
<td>1.6</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>1.2</td>
<td>1.2</td>
<td>0.9</td>
<td>2.0</td>
<td>0.9</td>
<td>0.4</td>
</tr>
<tr>
<td>2006-07</td>
<td>4.2</td>
<td>3.2</td>
<td>2.8</td>
<td>2.9</td>
<td>2.7</td>
<td>2.4</td>
<td>1.9</td>
<td>1.9</td>
<td>1.5</td>
<td>1.5</td>
<td>1.3</td>
<td>1.4</td>
<td>1.1</td>
<td>1.1</td>
<td>0.8</td>
<td>1.8</td>
<td>0.3</td>
<td>1.8</td>
</tr>
<tr>
<td>2007-08</td>
<td>3.7</td>
<td>2.7</td>
<td>2.7</td>
<td>2.6</td>
<td>2.4</td>
<td>2.2</td>
<td>1.7</td>
<td>1.7</td>
<td>1.3</td>
<td>1.3</td>
<td>1.3</td>
<td>1.2</td>
<td>1.1</td>
<td>1.0</td>
<td>0.7</td>
<td>1.6</td>
<td>0.3</td>
<td>1.6</td>
</tr>
</tbody>
</table>
Appendix 1 - Explanatory notes

1. Workers’ compensation claims data

Scope

The data presented in this report are collected through the National Data Set for Compensation-based Statistics (NDS) and are compiled annually from claims made under the State, Territory and Australian Government workers’ compensation Acts. The New Zealand Accident Compensation Corporation also collects data in accordance with the NDS. This report is restricted to serious claims which resulted in a fatality, permanent disability or a temporary disability with an absence from work of one working week or more excluding those occurring on a journey to or from work. One working week is defined as being lost when the number of hours lost is greater than or equal to the number of hours usually worked per week.

The data in this report do not cover all cases of occupational injury and disease as generally only employees are covered by workers’ compensation. Therefore many contractors and self-employed workers are not covered by these data. The exclusion of self-employed persons is likely to result in an understatement of the number of cases for industries where self-employed persons are common, for example, Agriculture, forestry & fishing; Construction; Transport & storage - Road transport; and Retail trade. However the incidence and frequency rates shown in this report for all industries can be considered reliable as the denominators used in the calculation of the rates have been adjusted to also exclude self-employed persons.

In addition, the following have been excluded from the data in this report:

- temporary disability occupational injuries resulting in absences from work of less than one working week
- military personnel within the Defence Forces
- cases not claimed as workers’ compensation or not acknowledged as being work-related
- claims for compensation to the Dust Diseases Board of New South Wales.

Australian Government employees working in each jurisdiction have been included in Australian Government figures rather than State or Territory results. Australian Capital Territory Public Service employees are covered by the Comcare scheme but operate under the OHS provisions of the Australian Capital Territory. As such, these employees and their claims have been combined with Australian Capital Territory Private sector employees for reporting outcomes in Chapters 1 and 2 of this report.

The following table shows: the preliminary number of serious claims; an estimate of the number of employees in each jurisdiction; and an estimate of the number of hours worked in each jurisdiction in 2007–08. Note that the number of serious claims shown for Victoria include the adjustment factors as explained later in these notes. The employee and hours figures in the table below are those used to calculate the incidence and frequency rates in this report. Please note that the number of claims shown will increase when updated information is provided by the jurisdictions for next year’s report.
Appendix Table 1 – Summary of key jurisdictional data, 2007–08

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Serious claims</th>
<th>% of claims</th>
<th>Employees</th>
<th>% of employees</th>
<th>Hours ('000)</th>
<th>% of hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>42 730</td>
<td>32.6</td>
<td>3 022 660</td>
<td>31.0</td>
<td>5 175 662 010</td>
<td>31.5</td>
</tr>
<tr>
<td>Victoria</td>
<td>24 630</td>
<td>18.8</td>
<td>2 407 460</td>
<td>24.7</td>
<td>3 944 885 990</td>
<td>24.0</td>
</tr>
<tr>
<td>Queensland</td>
<td>32 480</td>
<td>24.8</td>
<td>1 782 360</td>
<td>18.3</td>
<td>2 974 425 850</td>
<td>18.1</td>
</tr>
<tr>
<td>Western Australia</td>
<td>13 020</td>
<td>9.9</td>
<td>1 011 710</td>
<td>10.4</td>
<td>1 156 581 010</td>
<td>7.0</td>
</tr>
<tr>
<td>South Australia</td>
<td>9 630</td>
<td>7.3</td>
<td>703 980</td>
<td>7.2</td>
<td>1 756 038 150</td>
<td>10.7</td>
</tr>
<tr>
<td>Tasmania</td>
<td>3 330</td>
<td>2.5</td>
<td>207 280</td>
<td>2.1</td>
<td>330 506 500</td>
<td>2.0</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>1 420</td>
<td>1.1</td>
<td>106 810</td>
<td>1.1</td>
<td>191 276 500</td>
<td>1.2</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>1 640</td>
<td>1.3</td>
<td>137 040</td>
<td>1.4</td>
<td>217 103 590</td>
<td>1.3</td>
</tr>
<tr>
<td>Australian Government</td>
<td>2 150</td>
<td>1.6</td>
<td>362 530</td>
<td>3.7</td>
<td>646 050 410</td>
<td>3.9</td>
</tr>
<tr>
<td>Seacare</td>
<td>90</td>
<td>0.1</td>
<td>4 020</td>
<td>0.0</td>
<td>20 894 260</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Australian Total</strong></td>
<td><strong>131 110</strong></td>
<td><strong>100.0</strong></td>
<td><strong>9 745 850</strong></td>
<td><strong>100.0</strong></td>
<td><strong>16 413 424 270</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**New Zealand**

24 660 1597 830 2 814 499 580

Time series and adjustment of scheme data

The estimates for number of employees and hours worked are supplied by the Australian Bureau of Statistics (ABS) and are based on the Labour Force Survey and the Survey of Employment and Earnings data. The ABS recently conducted a review of the methodology used to estimate the number of employees and hours worked and subsequently implemented a number of changes to the methodology which increased the number of employees and hours worked by those employees. The review also highlighted the net migration of New South Wales residents into the Australian Capital Territory to work. An adjustment has been applied to the estimates to correct for this migration which has subsequently decreased the incidence and frequency rates for the Australian Capital Territory. Similarly, the Northern Territory estimates have also been adjusted for migration.

The ABS was only able to supply new estimates back to 2005–06. To avoid a break in time series, data prior to 2005–06 were adjusted based on the movement between the old estimates and the new estimates for 2005–06. Hence incidence and frequency rates in this publication will differ from previous publications for all years.

These data are matched to the scope of the claims data but may not be exact, particularly in the smaller jurisdictions due to the number of employees being derived from a survey of the population rather than a census. The labour force estimates are then benchmarked against the Census every five years.

Incidence and frequency rates will also differ from those presented in previous reports due to the number of accepted claims shown for a particular year increasing due to further data development. This may involve additional claims being accepted or shorter term claims incurring additional time lost to then match the definition of a serious claim: one that involves one or more working weeks of time lost.

Claims data shown in this report for 2007–08 are preliminary, unless otherwise stated, as they are taken from an earlier stage of claims processing than data for previous years shown in this publication. Therefore, these data are likely to be understated and comparison of 2007–08 data with previous annual data should be undertaken with caution.
In analysing trends over time, consideration needs to be given to any changes to jurisdiction-specific legislation during the period concerned. Where provided, commentary relating to these comparisons should be read carefully.

Frequency rates for the Seacare scheme have been calculated using a 24-hour basis in recognition of the 24-hour risk of exposure due to the nature of maritime industry employment. This definition is consistent with data published by the Seacare Authority.

Due to difficulties obtaining time lost in hours for the Northern Territory, data have been estimated using the definition of a working week of five working days. To make the data reported from the Northern Territory and data reported for all other jurisdictions comparable, the data for the Northern Territory has been increased by a factor of 1.3% from 2000–01 onwards.

Definition of injury and disease

**Occupational injuries** are defined as all employment-related injuries which are the result of 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.

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

In this report Indicator 10 reports data on fatalities from injuries separately to disease. In this indicator the injuries data also include claims for musculoskeletal disorders (MSD). This change was necessitated by the introduction of a new coding system in Victoria in 2002–03 which resulted in a high number of claims previously coded as strains and sprains (injuries) being coded as diseases of the musculoskeletal system and connective tissue, more accurately reflecting the repetitive and long term muscle stress that results in these conditions. To minimise the effect of this coding change on time series consistency, musculoskeletal diseases have been combined with the data on injuries for all years and all jurisdictions in this report. A similar change in coding practices across all other jurisdictions has been occurring progressively from 2005–06 as the 3rd edition of the Type of Occurrence Classification Scheme (TOOCS) is introduced in each jurisdiction.

Adjustment of Victorian data

Only claims involving one or more weeks of compensation have been used for analysis in Chapters 1 and 2 to enable greater comparability in the jurisdictional data. 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 by the injured worker plus the first $546 (as at 30 June 2008) of medical services, unless the employer has elected the Excess Buyout option. More information on the Excess Buyout option can be found at worksafe.vic.gov.au.

As employers do not always provide WorkSafe Victoria with information on claims lasting less than 10 days an adjustment factor needs to be applied in order to compare Victorian claims data with other jurisdictions. To calculate the Victorian under 10 day excess impact, the percentage of claims of one and two weeks duration for Victoria was compared with the percentage of one and two weeks claims for other Australian
jurisdictions. From this comparison, the number of Victorian one and two weeks claims was increased by a factor so that the percentage of such claims was similar to the Australian average for one and two weeks duration claims. The analysis was undertaken at the industry division level to allow for a greater degree of homogeneity in respect of claim duration. The application of the factors has increased the claims supplied by WorkSafe Victoria from 21 568 to 24 625.

Size of business

In this edition of the CPM report the size of business indicator has been expanded to include a fifth group, 500 employees or more. The number of employees in each business size has been provided by the ABS. Employment data are based on the Australian Industry, 2005–06 publication (cat. No. 8155.0) and derived using a combination of directly collected data from the Annual Economic Activity Survey conducted by the ABS and business income tax provided by businesses to the Australian Taxation Office. The scope and coverage of these estimates are for the private sector which consists of all business entities in the Australian economy except for entities classified as general Government. Data on the number of claims is collected in each jurisdiction by a variety of methods, some via the claim form and others by imputing estimates from the data supplied by employers.

Self insurers joining Comcare - adjustment of claims


Previously, former Commonwealth authorities and licensed private sector corporations operated under the Commonwealth workers’ compensation regime, but were covered by state and territory OHS legislation in the jurisdictions in which they operated. This amendment removed the need for multiple compliance regimes. However as the number of employees and hours worked were originally only available from the OHS jurisdictions’, workers’ compensation claims from those authorities and companies self-insuring with Comcare were allocated to their OHS jurisdictions for 2005–06 and 2006–07. In 2007–08, the ABS undertook a review of the methodology used to calculate the number of employees and hours data. As an outcome of this review, the number of employees and hours data is now available from the workers’ compensation jurisdictions for these years and as such, claims of those authorities and companies self-insuring under the Comcare scheme now remain within the scheme. Self insurers have been included in the Comcare scheme if they were self-insuring with Comcare at June 30 in the relevant year.

2. Return to work data

Data for the 2007–08 Australia and New Zealand Return to Work Monitor (RTW Monitor) are drawn from a survey conducted by Campbell Research and Consulting on behalf of the Heads of Workers’ Compensation Authorities. The survey is conducted in November and May each year. The 2007–08 sample consisted of 3017 injured workers who had made a workers’ compensation claim. The figures reported in this section for Comcare include the Australian Capital Territory Public Service. The Australian Capital Territory Private Sector and Western Australia do not participate in this survey. The Australian average for each year is calculated using the jurisdictions that participated in the survey for that year. The full RTW Monitor can be viewed at hwca.org.au.
Appendix Table 2 – Sample size by jurisdiction 2007–08

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Total Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>600</td>
</tr>
<tr>
<td>Victoria</td>
<td>600</td>
</tr>
<tr>
<td>Queensland</td>
<td>600</td>
</tr>
<tr>
<td>South Australia</td>
<td>400</td>
</tr>
<tr>
<td>Tasmania</td>
<td>400</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>120</td>
</tr>
<tr>
<td>Comcare</td>
<td>240</td>
</tr>
<tr>
<td>Seacare</td>
<td>57</td>
</tr>
<tr>
<td>TOTAL of Australian jurisdictions</td>
<td>3 017</td>
</tr>
<tr>
<td>New Zealand</td>
<td>600</td>
</tr>
</tbody>
</table>

Sampling error

The following paragraph is taken from the RTW Monitor.

A sample of all eligible injured workers is surveyed, as such the statistics produced have sampling error associated with them. That is, estimates from the survey may differ from the numbers that would have been produced if all eligible injured workers had been surveyed. The statistical estimate of sampling error is the standard error. The standard error provides a basis for measuring the precision to which the sample estimate can estimate the population value. There is about a 5% chance that the true value lies outside a range of two standard errors either side of the sample estimate. Such a range defines a 95% confidence interval for that estimate.

Appendix 3 shows the standard errors for the current sample size at the 95% confidence interval. This table indicates that if the survey estimate produced a value of 50% then we can be 95% certain that the true value would lie between 48.2% and 51.8% if the entire population was surveyed.

Appendix table 3 – Survey estimates of 50% and 80% at 95% confidence interval

<table>
<thead>
<tr>
<th>Survey estimate of 50%</th>
<th>Survey estimate of 80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size</td>
<td>Confidence interval</td>
</tr>
<tr>
<td>3017</td>
<td>+/- 1.8%</td>
</tr>
<tr>
<td></td>
<td>Confidence interval</td>
</tr>
<tr>
<td></td>
<td>+/- 1.4%</td>
</tr>
</tbody>
</table>

Interpretation of Seacare Authority return to work results

Seacare Authority injured workers face unique problems in attempting to return to work which need to be considered when interpreting Seacare results. To facilitate graduated return to work for an injured seafarer, a supernumerary position on a ship needs to be found and there are few supernumerary positions available. Also, it can be difficult to include shore-based duties as part of a graduated return to work, as many seafarers live in different locations to their employers’ offices.

Injured seafarers have to be passed as medically fit under fitness-for-duties regulations to resume full pre-injury duties. The injury time for seafarers may also be extended by the fact that ships are away from port for four to six weeks, meaning that injured workers may not be able to resume work immediately after they are deemed fit to do so. These factors can result in injured workers waiting additional time to return to work.
3. Standardised average premium rates

In 2008 Finity Consulting Pty Ltd was engaged to undertake a review of the standardisation methodology used to calculate the premium rate measure. A number of changes to the calculation of the premium rate measure were proposed and have been implemented in this edition of the CPM report. The significant changes are as follows:

- earned amounts for premiums and remuneration are to be supplied but written amounts can be supplied if earned amounts are too difficult to obtain
- the five most recent years’ premiums and wages data is now submitted by jurisdictions, enabling the updated premium rates data to be published on a yearly basis
- all levies collected by jurisdictions are now included in the premium rate measure
- for self insurers, the chain ladder methodology has been discontinued and replaced with either actuarial estimates or insured sector rates, and
- to be consistent with other jurisdictions, the premium rate measure for New Zealand now includes the levy on employers to fund the workers’ compensation portion of the ‘Residual Claims Account’, which relates to workers’ compensation claims incurred prior to 1 July 1999.

Other issues affecting the comparability of premium rates across the schemes include:

- differences in benefits and coverage for certain types of injuries, in particular the coverage of the journey to and from work
- different levels of accident frequency and severity
- differences in claims management arrangements
- variations in the funding arrangements for delivery of occupational health and safety (OHS) services, with some jurisdictions providing degrees of cross-subsidisation
- differences in the definitions of wages for premium setting purposes including whether superannuation contribution is part of wages
- different scheme excess deductibles (note that wage under-declaration has not been accounted for as it is considered to have a similar prevalence in each jurisdiction)
- different levels of self-insurance
- different industry mixes
- differences in premium calculation methodology, for example, some schemes have experience rating formulae and some have exemptions for employers with low payrolls, and
- different actuarial assumptions used in the calculation of premium rates.

The premium rate data in this report take into account differences in remuneration, self-insured premiums, employer excess and journey claim coverage.

Premiums in the self-insured sector

Most jurisdictions allow large employers to self-insure their workers’ compensation if they prove they can manage the associated financial and other risks. Jurisdictions with a large proportion of employees under self-insurance arrangements include New South Wales, South Australia, Tasmania and the Australian Government. Significantly fewer self-insurers operate in Victoria, Queensland, Western Australia and the Australian
Capital Territory Private Scheme. A number of methodologies are employed in this report to obtain an estimate of the amount of premium that self-insurers would pay.

**Employer excess factors**

Some schemes have non-compensable excesses whereby the employer pays the first five or ten days compensation and/or meets medical expenses to a maximum amount. To improve comparability of premium rates, a common deductible of the first five days compensation with no medical costs has been applied. The factors applied to the insured sector data in each jurisdiction are shown in the Appendix Table 4. Adjustment factors are also applied to the self-insured sector to make the data consistent with the common deductible of the first five days compensation with no medical costs.

### Appendix Table 4 – Premium rate adjustment factors (%)

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Employer excess factors</th>
<th>Journey factor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Insured sector</td>
<td>Self insured sector</td>
</tr>
<tr>
<td></td>
<td>Time lost excess</td>
<td>Time lost excess</td>
</tr>
<tr>
<td>New South Wales</td>
<td>n/a</td>
<td>-3.2</td>
</tr>
<tr>
<td>Victoria</td>
<td>2.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Queensland</td>
<td>-1.5</td>
<td>n/a</td>
</tr>
<tr>
<td>Western Australia</td>
<td>-1.5</td>
<td>n/a</td>
</tr>
<tr>
<td>South Australia</td>
<td>2.0</td>
<td>n/a</td>
</tr>
<tr>
<td>Tasmania</td>
<td>n/a</td>
<td>0.4</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>-2.5</td>
<td>n/a</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>-2.0</td>
<td>n/a</td>
</tr>
<tr>
<td>Australian Government</td>
<td>-2.0</td>
<td>n/a</td>
</tr>
<tr>
<td>Seacare</td>
<td></td>
<td>Excess adjustment factors reviewed annually</td>
</tr>
<tr>
<td>New Zealand</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**Journey factors**

All jurisdictions except Victoria, Western Australia, South Australia, Tasmania, Australian Government and New Zealand provide some level of coverage for journey claims. Hence an estimated amount equal to the cost of providing this coverage has been removed from the premium rates of the jurisdictions who provide this type of coverage. The factors applied are shown in the Appendix Table 4. In New Zealand journey claims are covered by a different scheme.

**Seacare scheme**

Seacare scheme policies often include large excesses, ranging from $5000 to $100 000, representing approximately three weeks to more than 12 months compensation, with the majority of policies containing excesses in the $5000 to $25 000 range. An adjustment factor has been developed to take into account the large and variable deductible. The impact of this factor is observed in the notable difference between Seacare’s raw premium rate and the premium rate after the employer excess adjustment has been applied (see columns 3 and 4 of the Appendix Table 5).
Effect of adjustment factors on premium rates

Appendix Table 5 presents average premium rates with various adjustments to assist comparability. Each column in this table represents progressively adjusted premium rates as follows:

Column 1. These data are average premium rates for insured employers only, calculated using the definition of remuneration as used by that jurisdiction, i.e. superannuation included where applicable. GST was excluded in all cases. Rates are applicable to the employer and medical excesses that apply in each jurisdiction and hence should not be compared.

Column 2. These rates are average premium rates for the insured sector adjusted to include superannuation in the definition of remuneration. Estimates of superannuation were applied to Western Australia, Tasmania and the Northern Territory. All other jurisdictions were able to provide appropriate data. Data for New Zealand were also adjusted to include superannuation.

Column 3. These rates are the average premium rates for each jurisdiction including both the insured and self-insured sectors before any adjustment factors are applied.

Column 4. These rates adjust the rates in column 3 to account for the different employer excesses that apply in each jurisdiction. The adjustment made to the data from the self-insured sector may be different to that applied to the premium paying sector due to the assumption that a nil employer excess applies to the self insured sector. More information on the adjustment factors used in this calculation is included in the Explanatory notes at the end of this section.

Column 5. These rates further adjust the rates in column 4 to remove a component comparable to the cost of providing workers’ compensation coverage for journeys to and from work. These adjustments apply to all jurisdictions except Victoria, Western Australia, South Australia, Tasmania and New Zealand where the coverage for these types of claims is outside the workers’ compensation system.

Appendix Table 5 – Effect of adjustment factors on premium rates in 2007–08

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Average premium rates for premium paying sector</th>
<th>Adjusted to include superannuation</th>
<th>Total(a) average premium rate</th>
<th>Total(b) average premium rate adjusted for employer excess</th>
<th>Total(c) average premium rate adjusted for employer excess and journey claims</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unadjusted</td>
<td>Adjusted</td>
<td>Total</td>
<td>Adjusted</td>
<td>Total</td>
</tr>
<tr>
<td>NSW (b)</td>
<td>1.97</td>
<td>1.97</td>
<td>2.09</td>
<td>2.08</td>
<td>1.88</td>
</tr>
<tr>
<td>Vic</td>
<td>1.48</td>
<td>1.48</td>
<td>1.40</td>
<td>1.44</td>
<td>1.44</td>
</tr>
<tr>
<td>Qld (c)</td>
<td>1.15</td>
<td>1.15</td>
<td>1.18</td>
<td>1.16</td>
<td>1.09</td>
</tr>
<tr>
<td>WA (d)</td>
<td>1.44</td>
<td>1.30</td>
<td>1.29</td>
<td>1.27</td>
<td>1.27</td>
</tr>
<tr>
<td>SA</td>
<td>3.07</td>
<td>3.07</td>
<td>2.80</td>
<td>2.84</td>
<td>2.84</td>
</tr>
<tr>
<td>Tas</td>
<td>1.69</td>
<td>1.53</td>
<td>1.50</td>
<td>1.49</td>
<td>1.49</td>
</tr>
<tr>
<td>NT</td>
<td>2.31</td>
<td>2.09</td>
<td>1.91</td>
<td>1.87</td>
<td>1.81</td>
</tr>
<tr>
<td>ACT Private</td>
<td>2.46</td>
<td>2.46</td>
<td>2.48</td>
<td>2.43</td>
<td>2.23</td>
</tr>
<tr>
<td>Aus Gov</td>
<td>1.24</td>
<td>1.24</td>
<td>1.17</td>
<td>1.15</td>
<td>1.15</td>
</tr>
<tr>
<td>Seacare (e)</td>
<td>3.27</td>
<td>3.27</td>
<td>3.27</td>
<td>5.12</td>
<td>4.71</td>
</tr>
<tr>
<td>Australia</td>
<td>1.63</td>
<td>1.63</td>
<td>1.67</td>
<td>1.67</td>
<td>1.59</td>
</tr>
<tr>
<td>NZ</td>
<td>1.08</td>
<td>0.98</td>
<td>0.89</td>
<td>0.89</td>
<td>0.89</td>
</tr>
</tbody>
</table>

(a) Total of adjusted premium for insured sector plus calculated premium for self-insured sector. (b) The NSW average premium rates also include the dust diseases levy which is not part of the WorkCover New South Wales scheme but is payable by employers in that State. (c) Queensland includes stamp duty levied at a rate of 5% of the premium including GST. (d) Western Australia includes a temporary levy to meet the costs associated with the failure of HIH Insurance Ltd. (e) Note that there are no self-insurers in the Seacare scheme.
4. Comment on enforcement data

Australian Government data are not comparable with other jurisdictions' data. In terms of workplace interventions, the data for Comcare only represent interventions which resulted in a comprehensive investigation report. They do not include visits to workplaces for providing advice, routine workplace visits or industry forums and presentations.

Following the Government’s decision in March 2007 to grant licensed self-insurers coverage under the OHS Act 1991, the number of employees regulated by Comcare increased by 33 per cent from 291,535 full-time equivalent (FTE) employees prior to the March 2007 legislative amendment to 388,830 FTE employees as at June 2008. In response, Comcare increased its field active inspectors from 22 in 2005–06 to 45 in 2006–07, with a further increase to 47 by 30 June 2008, based in seven regional offices across Australia. This ensured appropriate investigator resources to effectively regulate the growing jurisdiction. The increased number of workplace interventions and court based enforcement actions can be directly related to the large and growing number of employers and employees that Comcare regulates across its jurisdiction.

Data provided by Western Australia in relation to proactive and reactive interventions include the number of visits (including repeat visits) for investigations with a completion date between the reporting period. In efforts to provide stable and reliable data and to prevent double counting, visits pertaining to open investigations have been excluded.

During 2007–08, New South Wales Inspectors and Advisory Officers undertook over 7000 proactive workplace advisory visits to provide advice, information and assistance. These visits did not result from a complaint or workplace incident. WorkCover also undertook over 1100 small business advisory forums and workshops to deliver educational advice and information. Inspectors conducted over 27,000 workplace interventions to resolve incidents and complaints. These included workplace visits, as well as non-field responses such as phone advice and verification of documentation, interviews, formal warnings and cancellations of accreditation. New South Wales applies sanctions in instances when breaches of occupational health and safety occurred and when advice and assistance has failed. These figures are provided in Indicator 14.

5. Assets to liability ratio data

Along with the premium rates measure, Finity Consulting Pty Ltd was engaged to undertake a review of the standardisation methodology used to calculate the assets to liabilities ratio (funding ratio). A number of changes to the calculation of the funding ratio were proposed and have been implemented in this edition of the CPM report. The significant changes are as follows:

- the standardisation for different discount and inflation rates has been removed because it did not result in any significant improvement to the data
- for centrally funded schemes, the funding ratio has been adjusted to remove non-claim liabilities from both the assets and liabilities
- for Comcare, ‘pre-premium business’ arising from claims prior to 1 July 1989 has been excluded from the measure as this is funded directly from special appropriations from the Australian Government, and
- to be consistent with other jurisdictions, the funding ratio measure for New Zealand includes claim liabilities and the corresponding assets in the ‘Residual Claims Account’.
Different measures of assets to liabilities can arise from different economic and actuarial assumptions in valuing liabilities as well as differences in the definitions of:

- assets and net assets, and
- liabilities, such as allowance in some schemes for prudential margins, and allowance for different levels of claim handling expenses.

Different definitions of net assets have been addressed in this publication by the application of a consistent definition. For centrally funded schemes, net assets are equal to the total current and non-current assets of the scheme minus the outstanding claim recoveries as at the end of the reference financial year. For privately underwritten schemes, assets are considered to be the insurers’ overall balance sheet claims provisions.

A consistent definition of net outstanding claim liabilities has also been adopted, but there are still some differences between jurisdictions in the measurement of net outstanding claim liabilities. These relate to the different claim handling expense assumptions by jurisdictions for which adjustments have not been applied.

For centrally funded schemes, net outstanding claim liabilities are equal to the total current and non-current liabilities of the scheme minus outstanding claim recoveries as at the end of the reference financial year. For privately underwritten schemes, liabilities are taken as the central estimate of outstanding claims for the scheme (excluding the self-insured sector) as at the end of the reference financial year.

For jurisdictions with a separate fund dedicated to workers’ compensation (centrally funded schemes), the assets set aside for future liabilities can be easily identified from annual reports. Centrally funded schemes operate in Victoria, Queensland, South Australia, Comcare and New Zealand.

For jurisdictions where workers’ compensation is underwritten by insurance companies (privately underwritten schemes), assets are set aside to meet all insurance liabilities but the insurance companies do not identify reserves specifically for workers’ compensation liabilities. For these schemes, net assets are considered to be the balance sheet provisions made by the insurers at the end of each financial year. Privately underwritten schemes operate in Western Australia, Tasmania, the Northern Territory, the Australian Capital Territory and Seacare.

The New South Wales scheme is a managed fund, combining some of the features of centrally funded schemes and privately underwritten schemes. Under the WorkCover Scheme, insurers have been licensed as fund managers on behalf of WorkCover Authority of New South Wales.

Prudential margins

Many jurisdictions add prudential margins to their estimates of outstanding claims liabilities to increase the probability of maintaining sufficient assets to meet the liabilities estimate. This is done in recognition that there are inherent uncertainties in the actuarial assumptions underlying the value of outstanding liabilities. The addition of a prudential margin will lower the assets to liabilities ratio for that jurisdiction. As some jurisdictions do not have prudential margins, these margins have been removed from the estimates to enhance comparability. For jurisdictions that use prudential margins in determining their liabilities, there will be a greater discrepancy between the ratios shown in this report and those shown in their annual reports. The margins that have been removed are:

- NSW — risk margin of 1% removed from 2004–05, 3% from 2005–06, and 13% from 2006–07 and 2007–08.
• Victoria — prudential margin of 8.5% removed from 2005–06, 2006–07 and 2007–08.
• Queensland — prudential margin of 15% removed from 2003–04 and 2004–05; 11.6% from 2005–06, 11.8% from 2006–07 and 11.7% from 2007–08.
• South Australia — a prudential margin of 7% removed from 2003–04 and 2004–05 and 5% removed from 2005–06, 2006–07 and 2007–08.
• Northern Territory — prudential margin of 15% removed from all years.
• Comcare — prudential margin of 10.6% removed from 2003–04; no prudential margin was applied in 2004–05 or 2005–06. In 2006–07 a prudential margin of 6.9% was removed from premium business and a 7.5% margin for pre-premium business. In 2007–08 a prudential margin of 9.6% was removed from premium business and a 9% margin removed for pre-premium business.

The liabilities for the remainder of the schemes are central estimates, without prudential margins.

6. Scheme expenditure data

In addition to the premium rate and funding ratio measures, Finity Consulting Pty Ltd was engaged to undertake a review to the scheme expenditure measure in 2008. A number of changes to the measure were recommended and have been implemented in this edition of the CPM report. The new data items are as follows:

Dispute resolution costs include all activities associated with the finalising of disputes other than the direct costs associated with a claim, such as legal representation costs, which are included as claim payments. Includes costs associated with departments of justice/ courts, conciliation, medical panels and workers compensation tribunals/ courts.

Regulation costs include: licence and performance management, compliance activity, fraud investigations, litigation and prosecution, return to work and compensation advertising, IT costs, injury management and return to work research, actuarial services and administration and overseeing of self-insurers and exempt employers.

Insurance operations costs which encompass: claims management, premiums/ levy management, fees paid to agents, medical reports, licensed insurer expenses, registration of employers, collection of premiums and other costs associated with the claims management and premium collection functions of the scheme.

Other administration costs include expenditure associated with corporate administration, but excludes corporate administration costs allocated to OHS. Costs encompass executive management, board/management committee, corporate planning and reporting, finance, human resources and personnel, administration, audit costs, corporate legal costs, bank charges and IT costs (including depreciation).

Direct to worker costs are compensations paid to injured employees either as weekly benefits, redemptions, lump sums, common law settlements (excluding legal costs) and non-economic loss benefits.

Services to worker costs encompass medical treatment, rehabilitation, legal costs, return to work assistance, transportation, employee advisory services and interpreter costs that are used to assist employees recover from their injury and return to work.
### Appendix Table 7 – Key features of Australian workers’ compensation schemes, 2007–08

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>New South Wales</th>
<th>Victoria</th>
<th>Queensland</th>
<th>Western Australia</th>
<th>South Australia</th>
<th>Tasmania</th>
<th>Northern Territory</th>
<th>Australian Capital Territory</th>
<th>Australian Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cover for journey claims</td>
<td>Managed fund</td>
<td>Central fund</td>
<td>Central fund</td>
<td>Private insurers</td>
<td>Central fund</td>
<td>Private insurers</td>
<td>Private insurers</td>
<td>Private insurers</td>
<td>Central fund</td>
</tr>
<tr>
<td>Common law available</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes - limited</td>
</tr>
<tr>
<td>Redemptions/Settlements available</td>
<td>Yes</td>
<td>Yes - limited</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Number of employees</td>
<td>3 023 000</td>
<td>2 407 000</td>
<td>1 782 000</td>
<td>1 012 000</td>
<td>704 000</td>
<td>207 000</td>
<td>107 000</td>
<td>118 000</td>
<td>363 000</td>
</tr>
<tr>
<td>Number of self-insurers</td>
<td>67</td>
<td>38</td>
<td>25</td>
<td>27</td>
<td>70 plus crown</td>
<td>13</td>
<td>4 plus crown</td>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td>Standardised avg. premium rate (%)</td>
<td>1.88</td>
<td>1.44</td>
<td>1.09</td>
<td>1.27</td>
<td>2.84</td>
<td>1.49</td>
<td>1.81</td>
<td>2.23</td>
<td>1.15</td>
</tr>
<tr>
<td>Funding ratio (%)</td>
<td>119</td>
<td>126</td>
<td>195</td>
<td>139</td>
<td>61</td>
<td>131</td>
<td>112</td>
<td>not available</td>
<td>125</td>
</tr>
<tr>
<td>Disputation rate (%)</td>
<td>6.6</td>
<td>16.6</td>
<td>3.1</td>
<td>3.7</td>
<td>13.6</td>
<td>7.2</td>
<td>6.3</td>
<td>n/a</td>
<td>12.3</td>
</tr>
<tr>
<td>Durable return to work rate (%)</td>
<td>76</td>
<td>75</td>
<td>75</td>
<td>n/a</td>
<td>64</td>
<td>79</td>
<td>68</td>
<td>n/a</td>
<td>84</td>
</tr>
</tbody>
</table>

(a) Note that journey claims are covered by the TAC in Victoria for injuries sustained to/from work. Journey injuries sustained in the course of work are compensable under the Accident Compensation Act 1985.
(b) The number of employees is supplied from the Australian Bureau of Statistics using Labour Force Survey data as a base, with a number of adjustments applied to account for differences in workers compensation coverage for some jurisdictions. Figures are rounded to the nearest 1000.
(c) Journey claims not covered if incident involves a motor vehicle. This is covered by the Motor Accidents Compensation Act.
(d) As at 30 June, 2008.
### Appendix Table 8 – Entitlements under Australian workers’ compensation schemes for award wage earners as at 1 January 2008

<table>
<thead>
<tr>
<th></th>
<th>New South Wales</th>
<th>Victoria</th>
<th>Queensland</th>
<th>Western Australia</th>
<th>South Australia</th>
<th>Tasmania</th>
<th>Northern Territory</th>
<th>Australian Capital Territory</th>
<th>Australian Government</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>0-13 weeks</strong></td>
<td>100% (excl overtime)</td>
<td>95%</td>
<td>85% of NWE (or 100% under industrial agreement)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>(total incapacity)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>14-26 weeks</strong></td>
<td>100% (excl overtime)</td>
<td>75%</td>
<td>85% of NWE (or 100% under industrial agreement)</td>
<td>100%</td>
<td>100%</td>
<td>85%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>(total incapacity)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>27-52 weeks</strong></td>
<td>90% (excl overtime) up to $367.70pw + allowances</td>
<td>75% (excl O/T)</td>
<td>75% NWE or 70% QOTE</td>
<td>100%</td>
<td>100%</td>
<td>85%</td>
<td>75-90%</td>
<td>65% or Stat Floor</td>
<td>27-45 wks 46-52 wks 75%</td>
</tr>
<tr>
<td>(total incapacity)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>53-104 weeks</strong></td>
<td>90% (excl overtime) up to $367.70pw + allowances</td>
<td>75% (excl O/T)</td>
<td>75% NWE or 70% QOTE</td>
<td>100%</td>
<td>80%</td>
<td>52-78 wks 85%</td>
<td>70-104 weeks 80%</td>
<td>75-90%</td>
<td>65% or Stat Floor 75%</td>
</tr>
<tr>
<td>(total incapacity)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>104+ weeks</strong></td>
<td>90% (excl overtime) up to $367.70pw + allowances</td>
<td>75% (excl O/T, subject to work capacity after 130 weeks)</td>
<td>75% NWE if &gt;15% impairment, otherwise 65% NWE or 60% QOTE</td>
<td>100%</td>
<td>80%</td>
<td>75-90%</td>
<td>65% or Stat Floor</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>(total incapacity)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Other entitlements

<table>
<thead>
<tr>
<th>Lump Sums - maximum</th>
<th>$220,000 for multiple injuries or $231,000 for back impairment + $50,000 pain &amp; suffering</th>
<th>$168,499 + $126,374 in special circumstances</th>
<th>$137,900 + $93,082.50 where lump sum &gt;55%</th>
<th>$222,267</th>
<th>$220,147.20 indexed</th>
<th>$150,000 cpi indexed</th>
<th>$146,016 + $45,756 non-economic loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limits - medical and hospital</td>
<td>$50,000 or greater amount prescribed or directed by WC Commission</td>
<td>$50,550 + $50,000 in special circumstances</td>
<td>No limit</td>
<td>No limits, but entitlements cease after 9 years</td>
<td>No limit</td>
<td>No limit</td>
<td>No limit</td>
</tr>
<tr>
<td>Death benefits (all jurisdictions pay funeral expenses to differing amounts)</td>
<td>$425,000 + $104.10pw for each dependent child</td>
<td>$267,210 (shared) + pre-injury earnings-related pensions to a maximum of $1,210pw for dependent partner(s) and children</td>
<td>$409,050 + $10,925 to dep. spouse + $21,845 for each dep. family member under 16 or student + $80.85pw per child</td>
<td>$230,982 + $44.20pw for each dependent child</td>
<td>$230,983 + $500pw for totally dependent spouse + $125pw for each dependent child</td>
<td>$222,267 + 100% weekly payment 0-13 weeks, 85% weekly payment 14-78 weeks, 50% weekly payment, 79-104 weeks + $60.24pw for each dependent child</td>
<td>$275,180 + $105.84pw for each child max of 10 children</td>
</tr>
<tr>
<td></td>
<td>$222,267 + 100% weekly payment 0-13 weeks, 85% weekly payment 14-78 weeks, 50% weekly payment, 79-104 weeks + $60.24pw for each dependent child</td>
<td>$230,983 + $500pw for totally dependent spouse + $125pw for each dependent child</td>
<td>$222,267 + 100% weekly payment 0-13 weeks, 85% weekly payment 14-78 weeks, 50% weekly payment, 79-104 weeks + $60.24pw for each dependent child</td>
<td>$275,180 + $105.84pw for each child max of 10 children</td>
<td>$150,000 cpi indexed + $50 pw cpi indexed for each dependent child</td>
<td>$230,983 + $500pw for totally dependent spouse + $125pw for each dependent child</td>
<td>$197,121 + $10,951 + $72,989pw for each dependent child</td>
</tr>
</tbody>
</table>

^ Entitlement benefits in Victoria, Western Australia, Tasmania, Northern Territory, Australian Capital Territory and New Zealand do not include superannuation contributions.

* Payment thresholds and specific benefit arrangements may also apply. The relevant jurisdiction should be contacted directly if further information is required.

** Benefits shown for employees working under an industrial award. If not under an award, benefits are 80% of pre-injury earnings for first 26 weeks. Different rates apply after 26 weeks.

*** NWE - normal weekly earnings, QOTE - Seasonally adjusted amount of Queensland Full-time adult persons ordinary time earnings subject to work-related impairment.

# Lump sum shared under statutory formulae between spouse and children. Pension payable to partner for 3 years and to children until age of 16 (or 21 in full-time study).

## Except for workers who receive a settlement or award of pecuniary loss damages or a statutory voluntary settlement.
## Appendix 3 - Jurisdictional contact information

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Organisation</th>
<th>Contact details</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>WorkCover NSW</td>
<td>WorkCover Assistance 13 10 50 <a href="mailto:contact@workcover.nsw.gov.au">contact@workcover.nsw.gov.au</a> <a href="http://www.workcover.nsw.gov.au">www.workcover.nsw.gov.au</a></td>
</tr>
<tr>
<td>Victoria</td>
<td>WorkSafe Victoria</td>
<td>Advisory Service 1800 136 086 <a href="mailto:info@worksafe.vic.gov.au">info@worksafe.vic.gov.au</a> <a href="http://www.worksafe.vic.gov.au">www.worksafe.vic.gov.au</a></td>
</tr>
<tr>
<td>Queensland</td>
<td>Workplace Health and Safety Queensland – Department of Justice and Attorney General</td>
<td><a href="http://www.whs.qld.gov.au">www.whs.qld.gov.au</a></td>
</tr>
<tr>
<td>Western Australia</td>
<td>WorkCover WA</td>
<td>(08) 9388 5555 <a href="http://www.workcover.wa.gov.au">www.workcover.wa.gov.au</a></td>
</tr>
<tr>
<td></td>
<td>WorkSafe WA - Department of Commerce</td>
<td>(08) 9327 8777 <a href="http://www.commerce.wa.gov.au/">www.commerce.wa.gov.au/</a> WorkSafe</td>
</tr>
<tr>
<td>South Australia</td>
<td>SafeWork SA</td>
<td>(08) 8303 0245 <a href="http://www.safeworksa.gov.au">www.safeworksa.gov.au</a></td>
</tr>
<tr>
<td></td>
<td>WorkCover SA</td>
<td>13 18 55 <a href="http://www.workcover.com">www.workcover.com</a></td>
</tr>
<tr>
<td>Tasmania</td>
<td>WorkCover Tasmania and Workplace Standards</td>
<td>Helpline 1300 366 322 (inside Tas) (03) 6233 7657 (outside Tas) <a href="mailto:wstinfo@justice.tas.gov.au">wstinfo@justice.tas.gov.au</a> <a href="http://www.wst.tas.gov.au">www.wst.tas.gov.au</a></td>
</tr>
<tr>
<td>Northern Territory</td>
<td>NT WorkSafe</td>
<td>1800 250 713 <a href="mailto:ntwksafe.deet@nt.gov.au">ntwksafe.deet@nt.gov.au</a> <a href="http://www.worksafe.nt.gov.au">www.worksafe.nt.gov.au</a></td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>WorkCover - Office of Regulatory Services</td>
<td>(02) 6205 0200 <a href="http://www.workcover.act.gov.au">www.workcover.act.gov.au</a></td>
</tr>
<tr>
<td>Seafarers</td>
<td>Seacare Authority</td>
<td>(02) 6275 0070 <a href="mailto:seacare@comcare.gov.au">seacare@comcare.gov.au</a> <a href="http://www.seacare.gov.au">www.seacare.gov.au</a></td>
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<tr>
<td>Australian Government</td>
<td>Comcare</td>
<td>1300 366 979 <a href="http://www.comcare.gov.au">www.comcare.gov.au</a></td>
</tr>
<tr>
<td>New Zealand</td>
<td>Accident Compensation Commission</td>
<td>64 4918 4295 <a href="http://www.acc.co.nz">www.acc.co.nz</a></td>
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