

Industry reviews

Section D compares the occupational health and safety statistics and workers' compensation premium rates across the schemes for particular industries. Data for schemes have only been included for each indicator where they have sufficient employment and claims information to calculate reliable measures.

Incidence rates are provided for one week or more of compensated absence and for twelve weeks or more of compensated absence, providing an indication of the severity of injury and disease. These data, except for Seacare, have been standardised to take account of 'sub-industry' injury-risk profiles within jurisdictions. More information on incidence rates at the industry or jurisdictional level can be found at www.nosi2.gov.au. These data however have not been standardised and will differ from those shown in this report which have been standardised to enhance comparability.

The average premium rates have been adjusted to account for different definitions of remuneration across jurisdictions, different employer excesses and the provision of journey claims. However, average premium rates have not been standardised for sub-industry risk profiles within jurisdictions.

Note that there has been a change to the adjustment factors applied which impacts on data from 2000–01. This means that premium rates are not comparable across the five years. For more information on the adjustments applied see the explanatory notes for Part A1, which can be found on page 37 of this report.

Key results

- The Australian average incidence rate of injury and disease claims resulting in one week or more on compensation decreased in every industry except Agriculture, Forestry and Fishing.
- The Australian average incidence rate of injury and disease claims resulting in twelve weeks or more on compensation also decreased in every industry except Agriculture, Forestry and Fishing.
- The Australian average premium rates increased in three of the sixteen industries, decreased in seven, and remained relatively constant in the remaining industries.
- New Zealand incidence rates of injury and disease resulting in one and twelve weeks on compensation were lower than the Australian average rate in all but five instances. Premium rates paid by New Zealand employers were lower than the Australian average rate in every industry.

Agriculture, Forestry and Fishing

Figure 56 shows that the Australian average workers' compensation premium rate for the Agriculture, Forestry and Fishing industry remained steady in 2002–03 at 5.11% of payroll. Notable changes were recorded in Western Australia (fall of 6%), Tasmania (increase of 5%) and New Zealand (increase of 14%).

Figure 56 *Agriculture, Forestry and Fishing*
Average premium rates

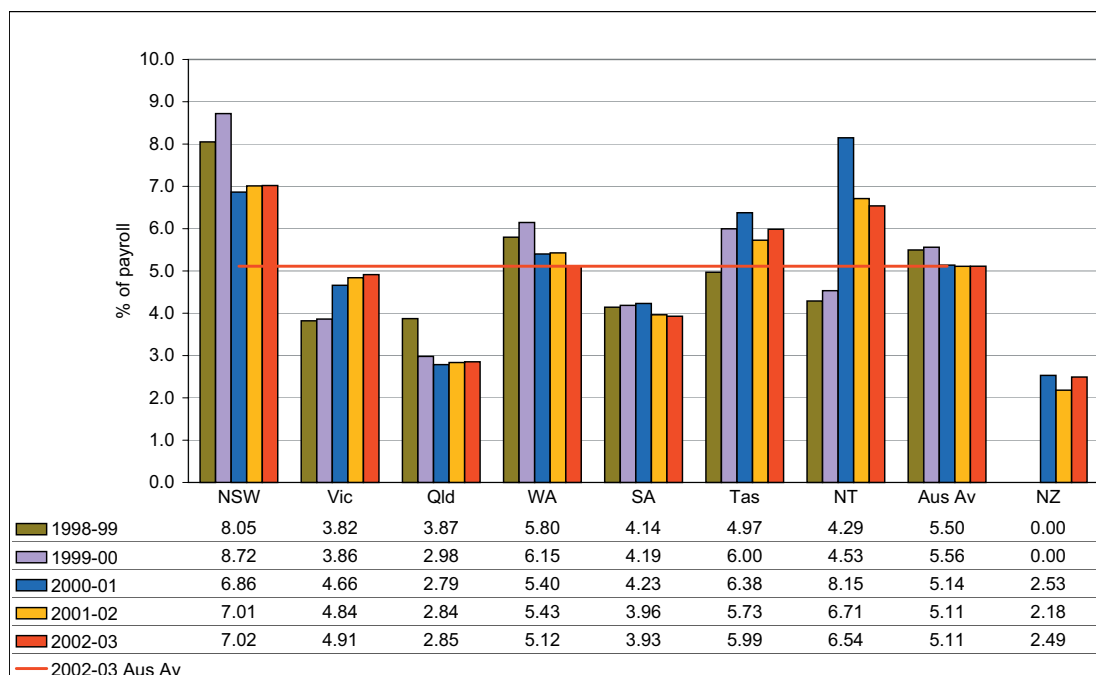


Figure 57 shows the incidence of injury and disease claims resulting in one week or more off work in the Agriculture, Forestry and Fishing industry has increased by 12% since 2001–02, but has decreased by 9% from 1998–99. The Northern Territory experienced a large increase in incidence rate. This, along with increases in incidence rates in all other jurisdictions except New South Wales has contributed to the increase in the Australian average rate.

Figure 57 *Agriculture, Forestry and Fishing*
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

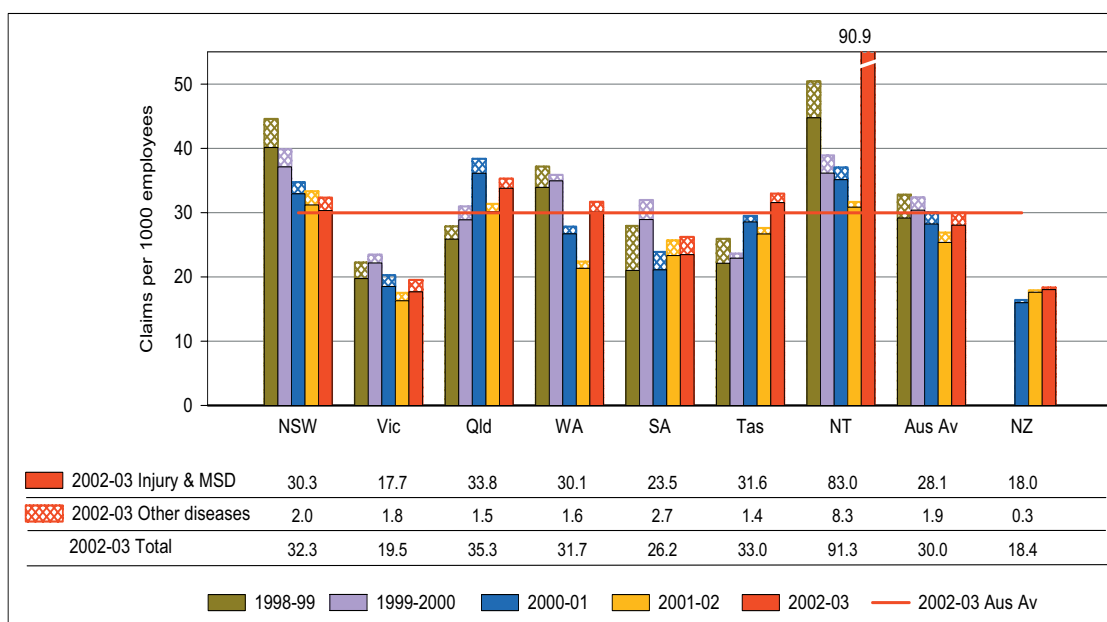
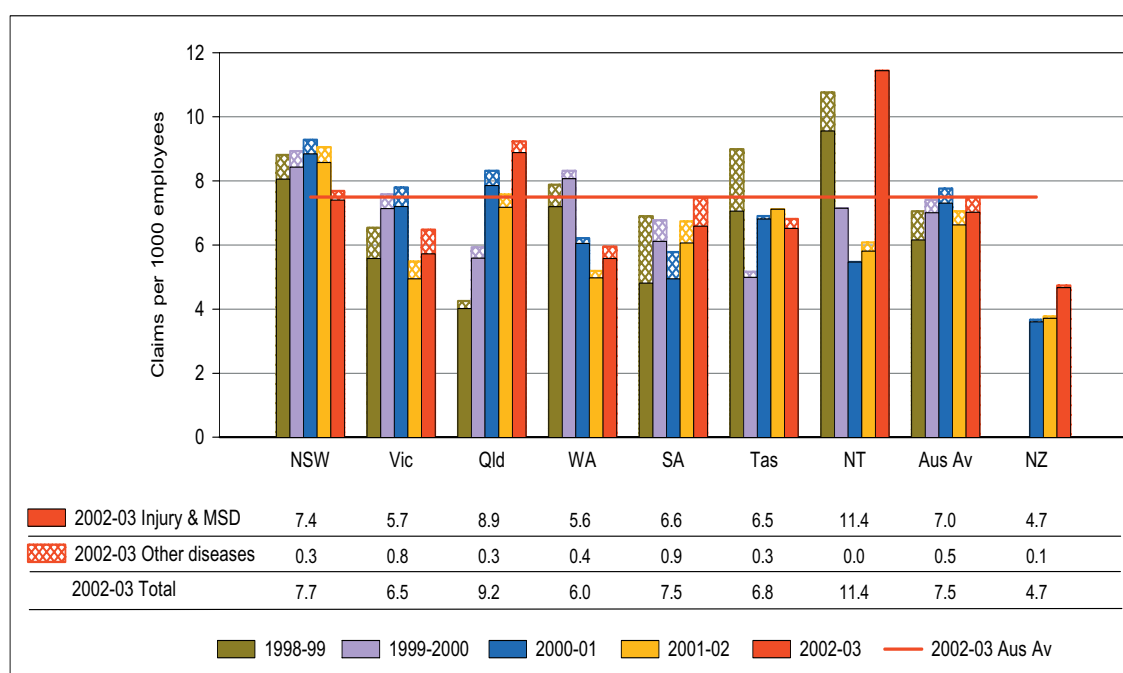


Figure 58 shows that the incidence of workplace injury and disease claims resulting in twelve weeks or more of compensation has increased by 6% since 2001–02. Due to fluctuations in incidence rates over the past five years the increase since 1998–99 is also 6%. Year on year fluctuations were recorded in most jurisdictions, except for New South Wales which showed a declining trend over the past three years.

Figure 58 *Agriculture, Forestry and Fishing*
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Mining

Figure 59 shows that in 2002–03 premium rates in the Mining industry fell in all jurisdictions except Victoria, South Australia and the Northern Territory. High rates in New South Wales and Tasmania are a reflection of a high proportion of underground mining as opposed to open-cut mining compared to other jurisdictions. The Australian average premium rate fell to 2.45% of payroll from 2.72% in 2001–02.

Figure 59 Mining
Average premium rates

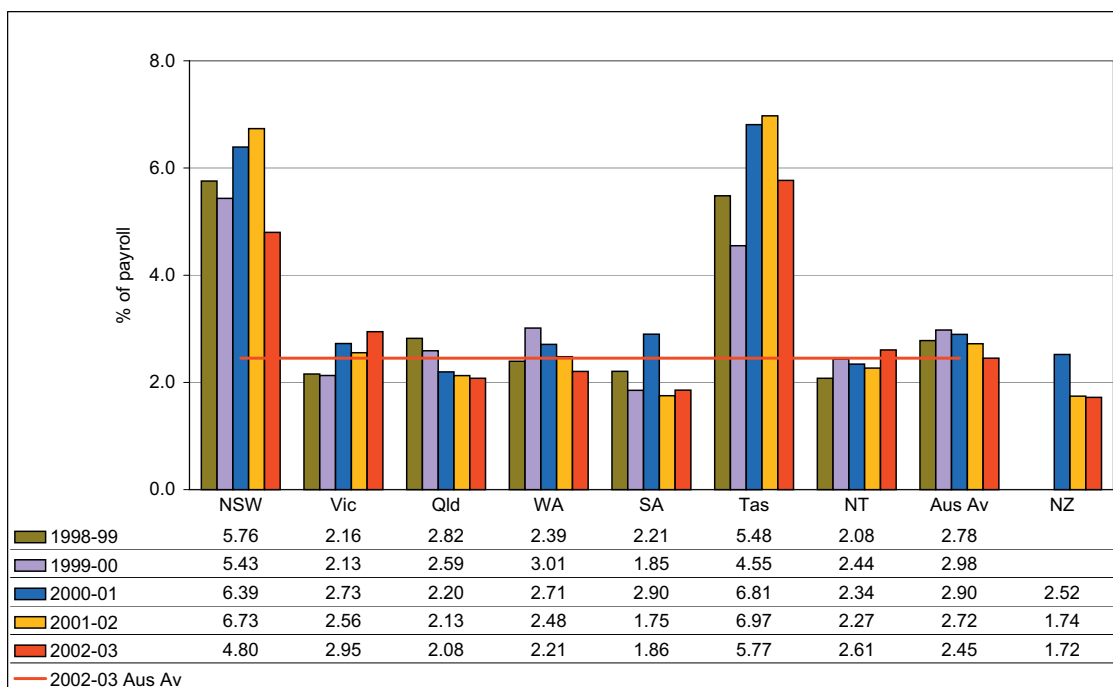


Figure 60 shows the incidence of injury and disease claims resulting in one week or more on compensation in the Mining industry has decreased by 31% since 2001–02 and by 36% from 1998–99 with falls recorded in most jurisdictions. These decreases are greater than the national average across all industries, which has decreased by 8% since 2001–02 and by 20% from 1998–99. Northern Territory’s incidence rate fell substantially for the second successive year, from 57.0 claims per 1000 employees to 20.1 claims, a decrease of more than 60%.

Figure 60 Mining
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

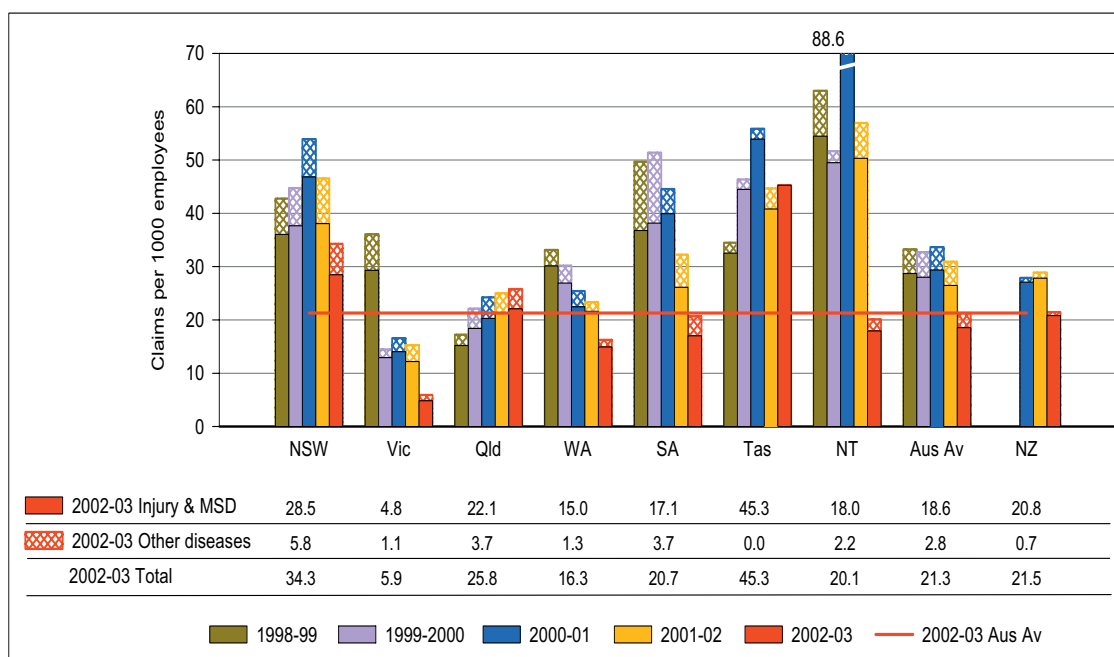
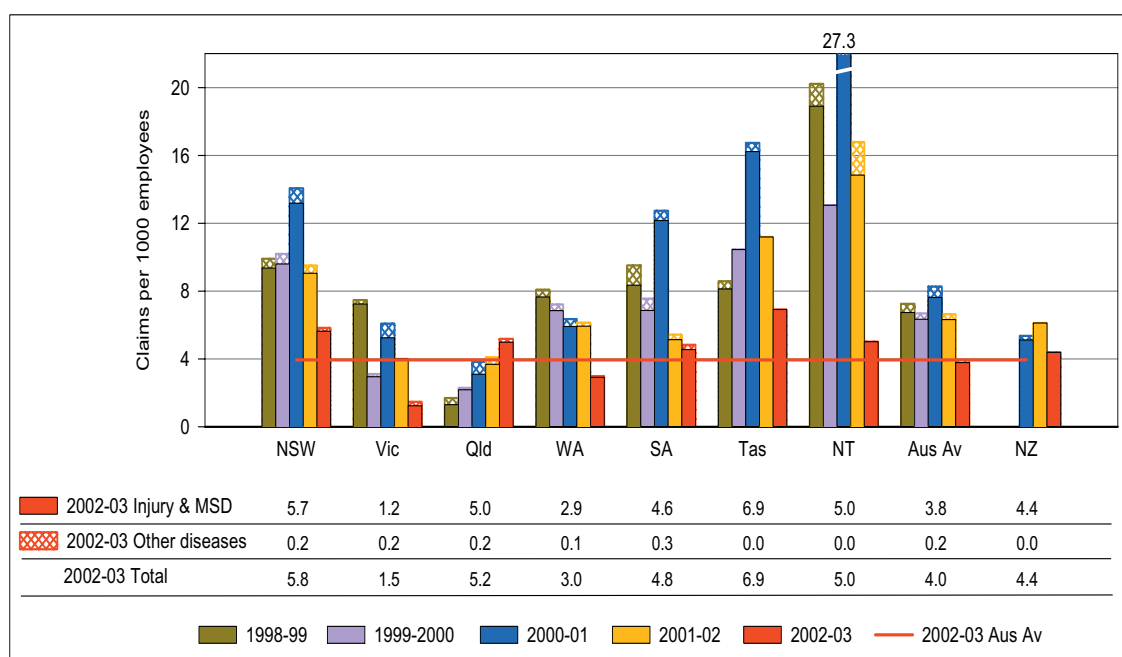


Figure 61 shows the incidence of workplace injury and disease claims resulting in twelve weeks or more on compensation in the Mining industry has decreased by 41% since 2001–02 and by 46% from 1998–99. All jurisdictions except Queensland recorded decreases in incidence rates. The Northern Territory showed the largest decrease of 70%.

Figure 61 Mining
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Manufacturing

Figure 62 shows that the Australian average for workers' compensation premium rates for the Manufacturing industry decreased slightly in 2002–03, to 3.72% of payroll, from 3.74% in 2001–02. While most jurisdictions showed little change from the previous years, increases were recorded for Tasmania and the Northern Territory and decreases were recorded for Queensland, Western Australia and South Australia. Premium rates for Queensland and Australian Government remained substantially below the Australian average.

Figure 62 Manufacturing Average premium rates

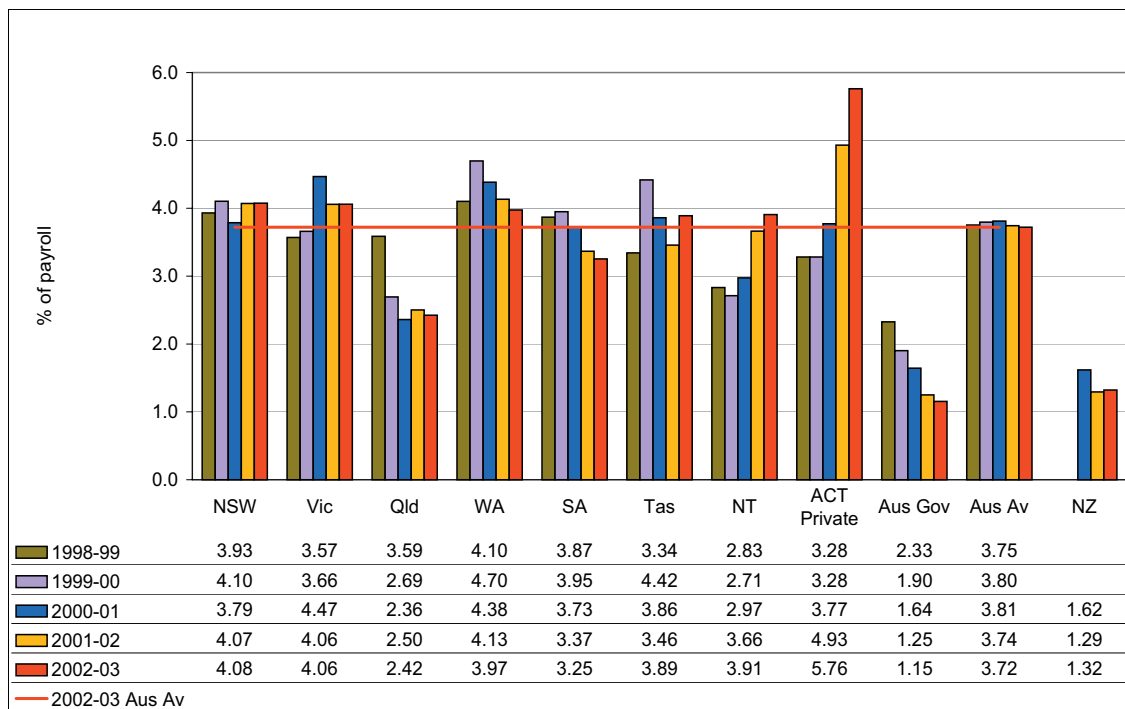


Figure 63 shows the incidence of injury and disease claims resulting in one week or more of compensation in the Manufacturing industry has decreased by 9% from 2001–02 and by 24% since 1998–99. Falls were recorded in the larger jurisdictions with rises in the smaller jurisdictions, including New Zealand. The Northern Territory experienced the greatest increase in incidence rates, up 57% in 2002–03 from 15.6 claims in 2001–02 to 24.5 claims in 2002–03. The Australian Capital Territory private sector scheme also experienced a great increase in incidence rates, up 30% to 31.2 claims per 1000 employees in 2002–03, from 23.8 in 2001–02.

Figure 63 Manufacturing
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

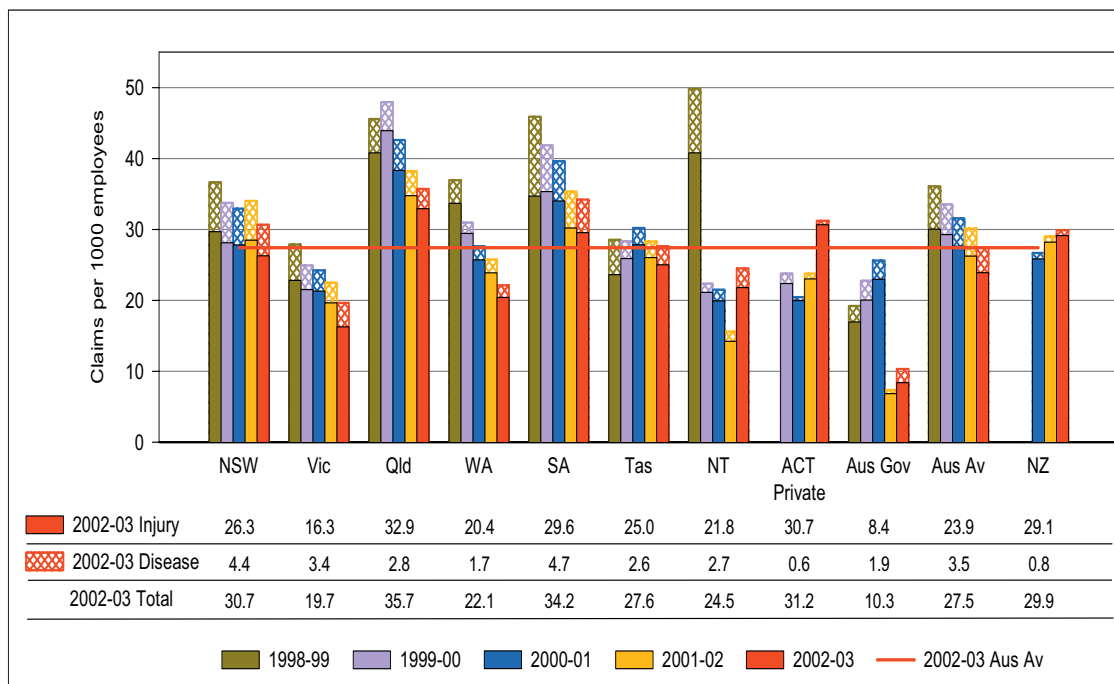
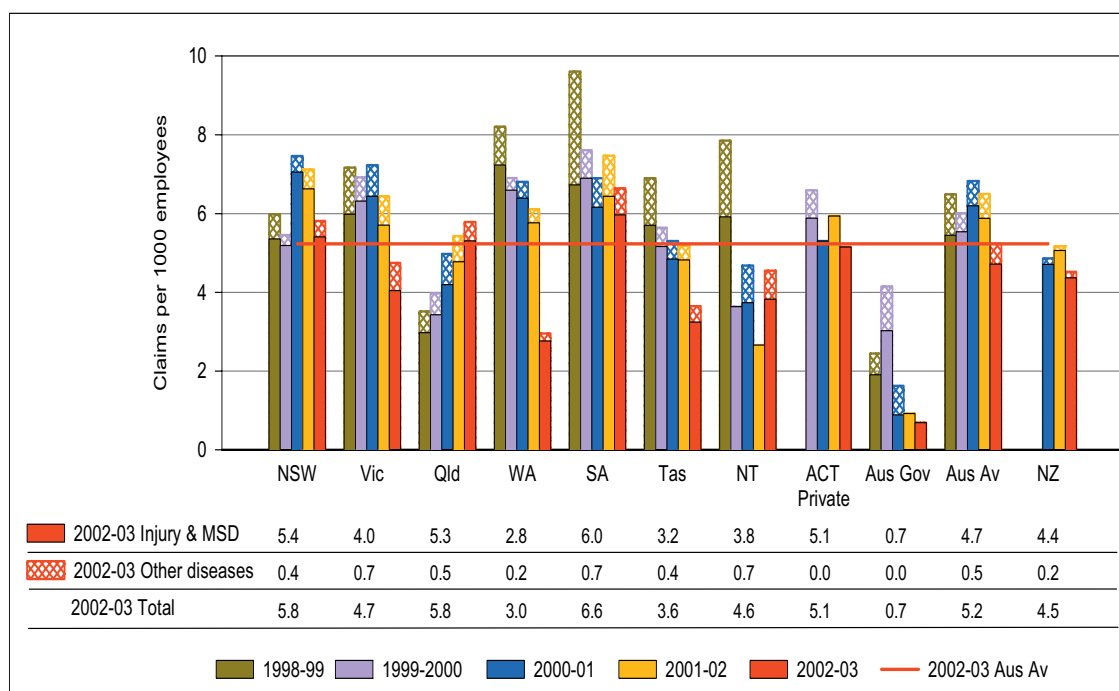


Figure 64 shows the incidence of workplace injury and disease claims resulting in twelve weeks or more of compensation has decreased by 20% since 2001–02 and by 19% from 1998–99 due to yearly fluctuations. The incidence rates in the Northern Territory are on the rise and the Australian Government has the lowest incidence rate of all the jurisdictions with less than one case per 1000 employees.

Figure 64 Manufacturing
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Electricity, Gas and Water supply

Figure 65 shows that there was a fall in the Australian average premium rate for the Electricity, Gas and Water supply industry. This was mainly attributable to the decline in the New South Wales rate, which fell to 1.85% of payroll in 2002–03 from 2.38%. Premium rates in Queensland remain substantially below the Australian average. After being similar levels to Queensland, South Australia jumped to just below the Australian average.

Figure 65 Electricity, Gas and Water supply Average premium rates

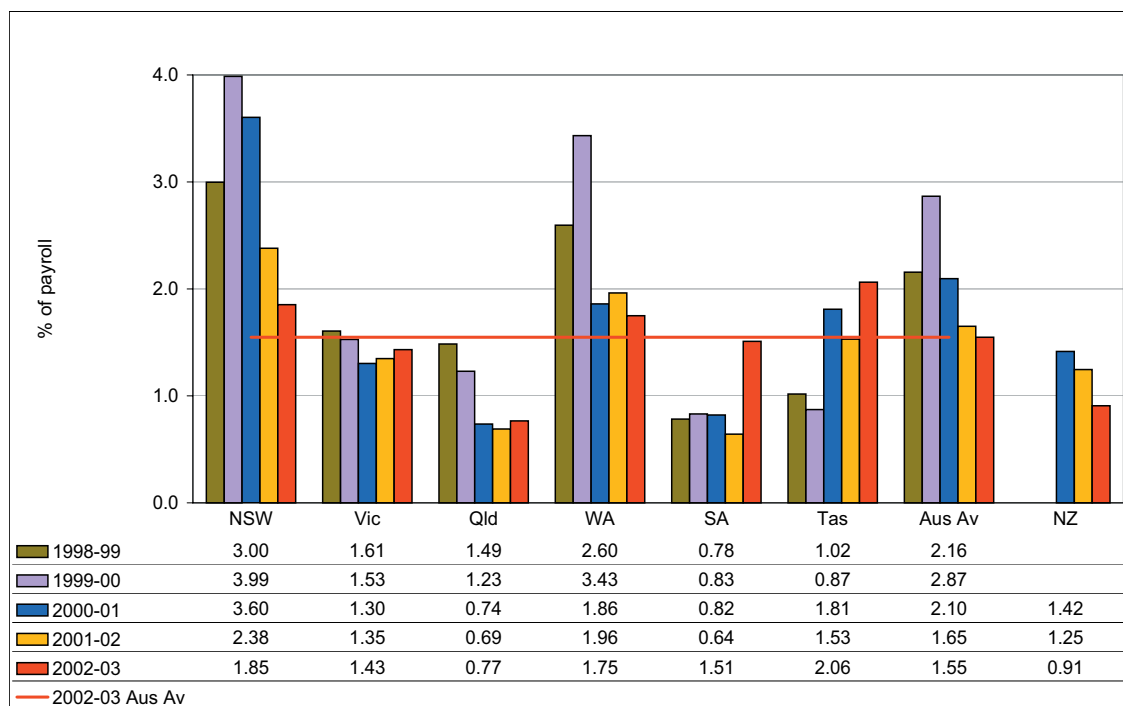


Figure 66 shows the incidence of compensated injury and disease claims resulting in one week or more off work in the Electricity, Gas and Water supply industry has decreased by 29% since 2001–02 and by 49% from 1998–99. Falls were recorded in most jurisdictions, with rises recorded by Tasmania and New Zealand.

Figure 66 Electricity, Gas and Water supply
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

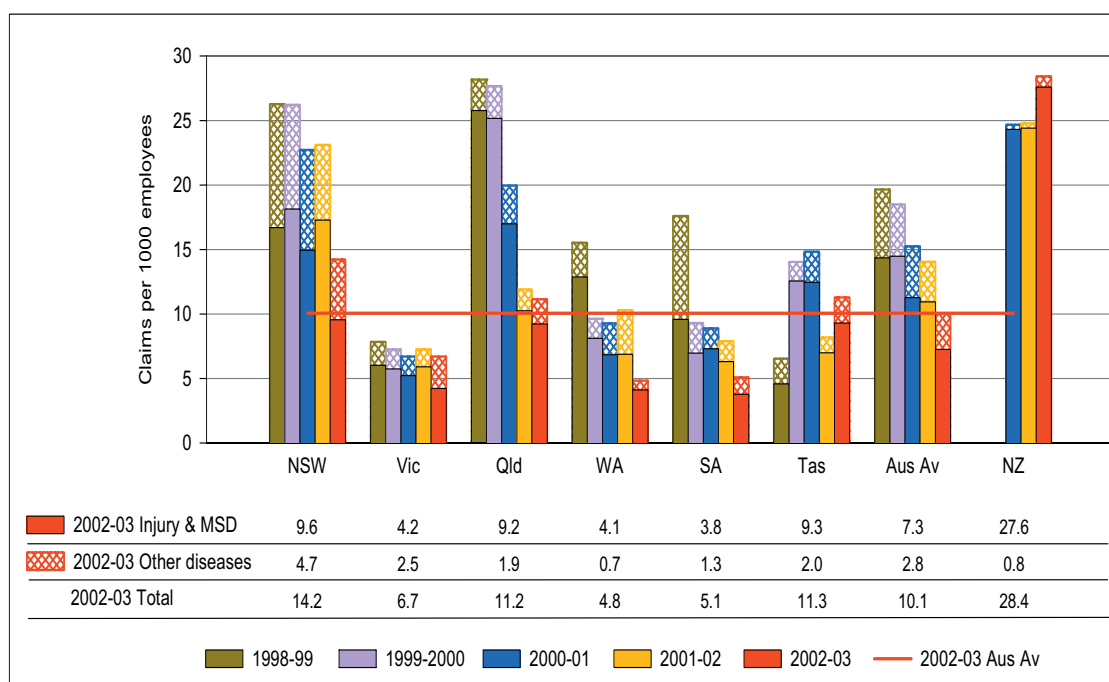
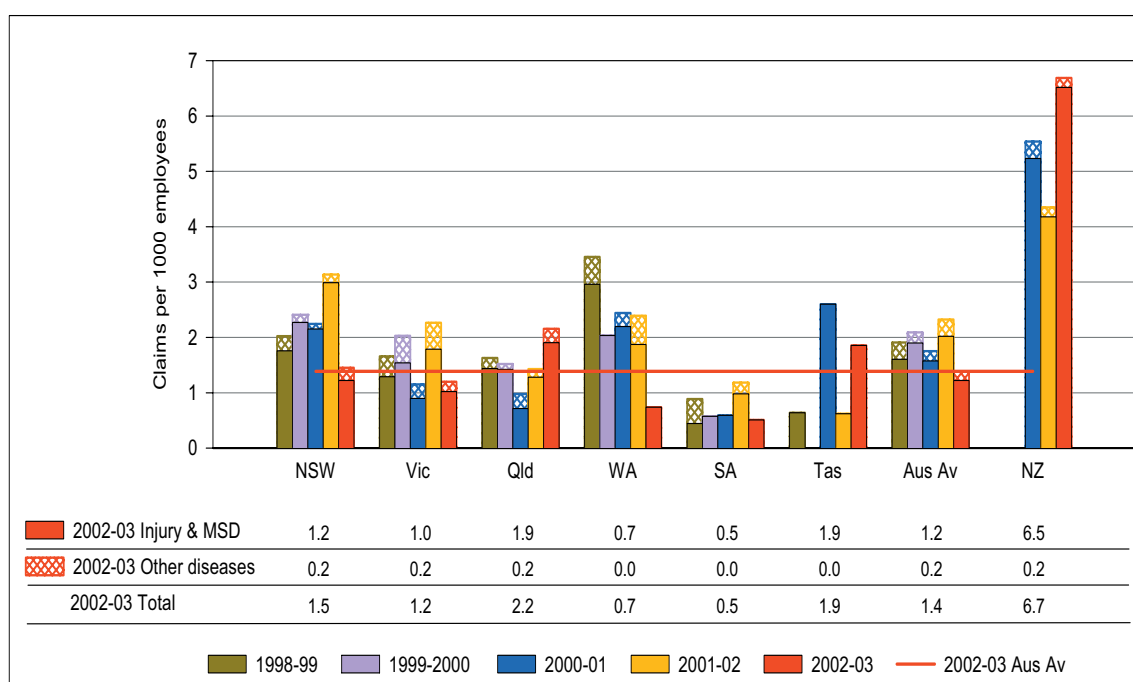


Figure 67 shows the incidence of compensated injury and disease claims resulting in twelve weeks or more off work decreased in 2002–03 by 40% and has decreased by 27% from 1998–99. However, there is a large amount of variability in these rates and despite the national decline, substantial increases in incidence rates were experienced by Queensland, Tasmania and New Zealand in 2002–03.

Figure 67 Electricity, Gas and Water supply
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Construction

Figure 68 shows average premium rates for the Construction industry have remained fairly steady across the jurisdictions in 2002–03. There has been less movement in the Australian average rate over the last 5 years. Premium rates in Queensland remain substantially below the Australian average.

Figure 68 Construction Average premium rates

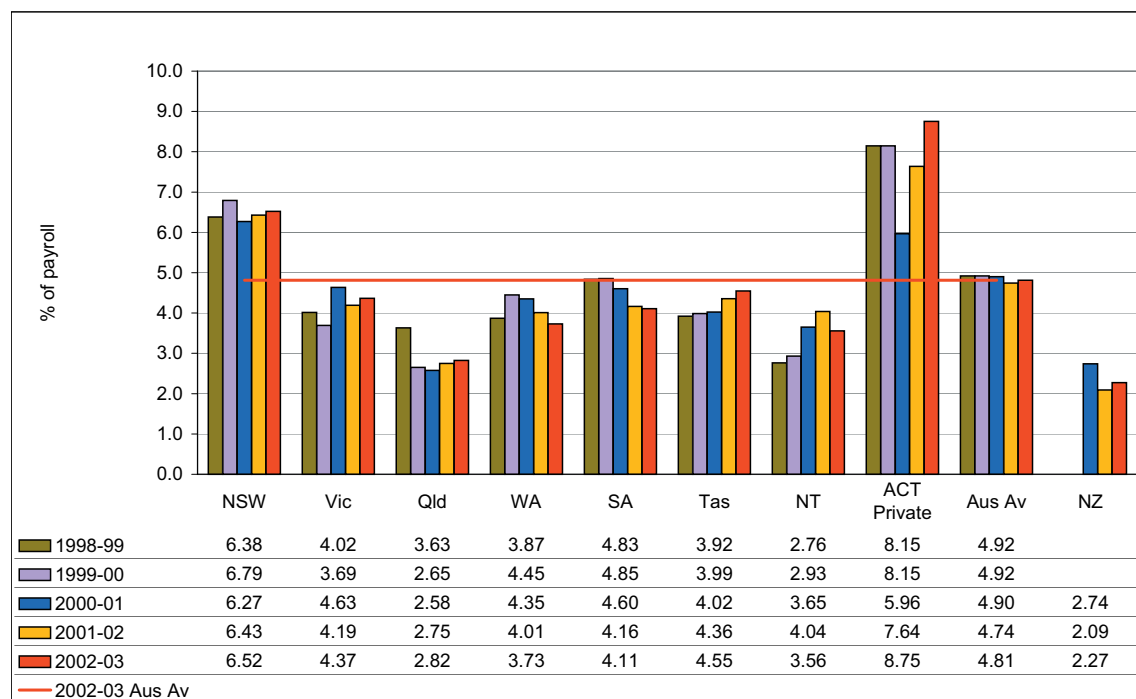


Figure 69 shows the incidence of injury and disease claims resulting in one week or more of compensation in the Construction industry has decreased by 4% since 2001–02 and by 19% from 1998–99. This trend is similar to the national decrease across all industries for the same period.

Figure 69 Construction
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

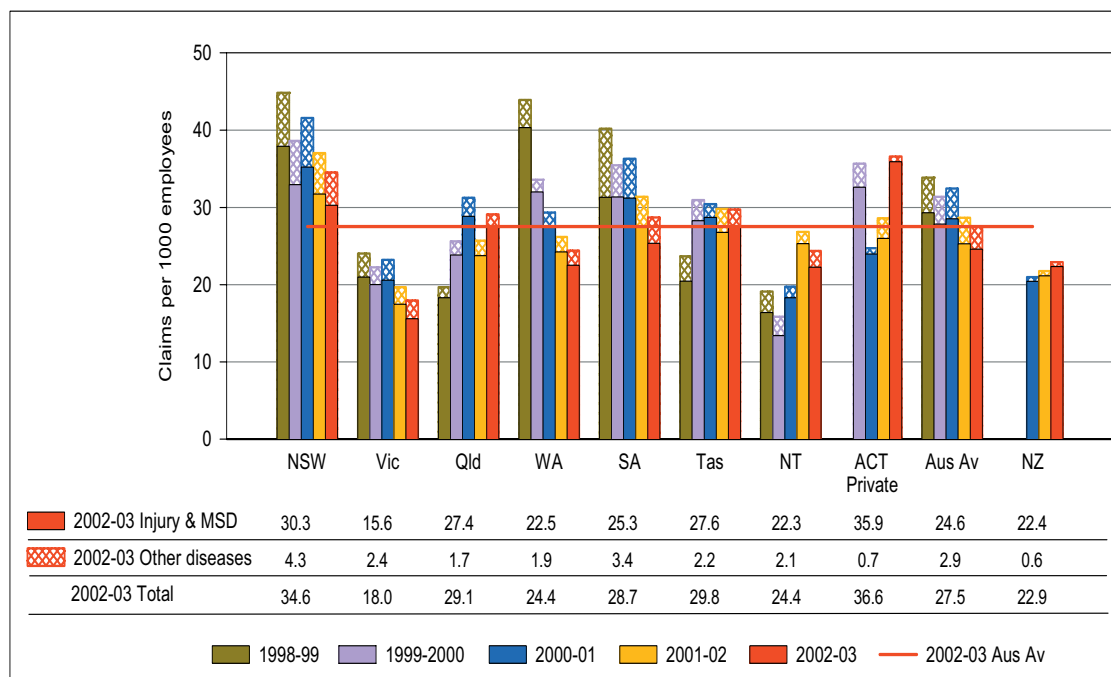
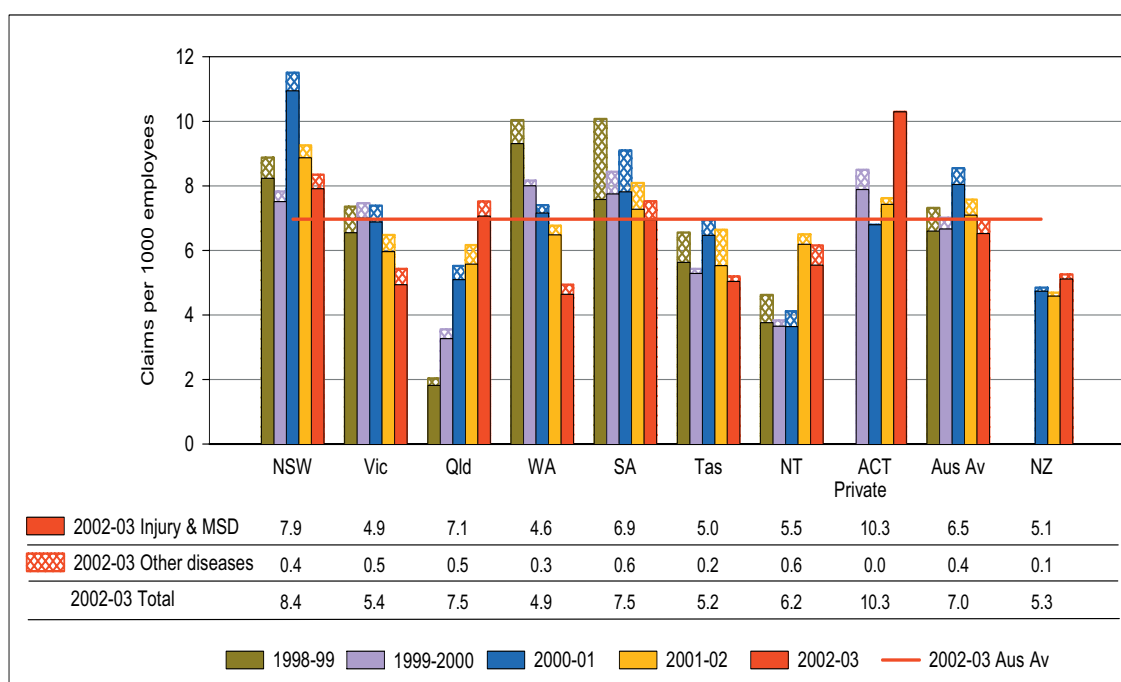


Figure 70 reports the incidence rate of workplace injury and disease claims resulting in twelve weeks or more of compensation has decreased by 8% since 2001–02 and by 5% from 1998–99. Western Australia reported the largest reduction in incidence rates, from 6.8 claims to 4.9 claims per 1000 employees in 2002–03. The Australian Capital Territory reported the largest increase in incidence rates, from 7.6 to 10.3 claims per 1000 employees in 2002–03.

Figure 70 Construction
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Wholesale Trade

Figure 71 shows that the Australian average workers' compensation premium rate for the Wholesale Trade industry has remained relatively stable over the past five years. Despite this regular falls have been recorded in New South Wales over this period while rises were recorded in Victoria. Variable patterns have emerged in the other jurisdictions. Premium rates in Queensland remain substantially below the Australian average.

Figure 71 Wholesale Trade Average premium rates

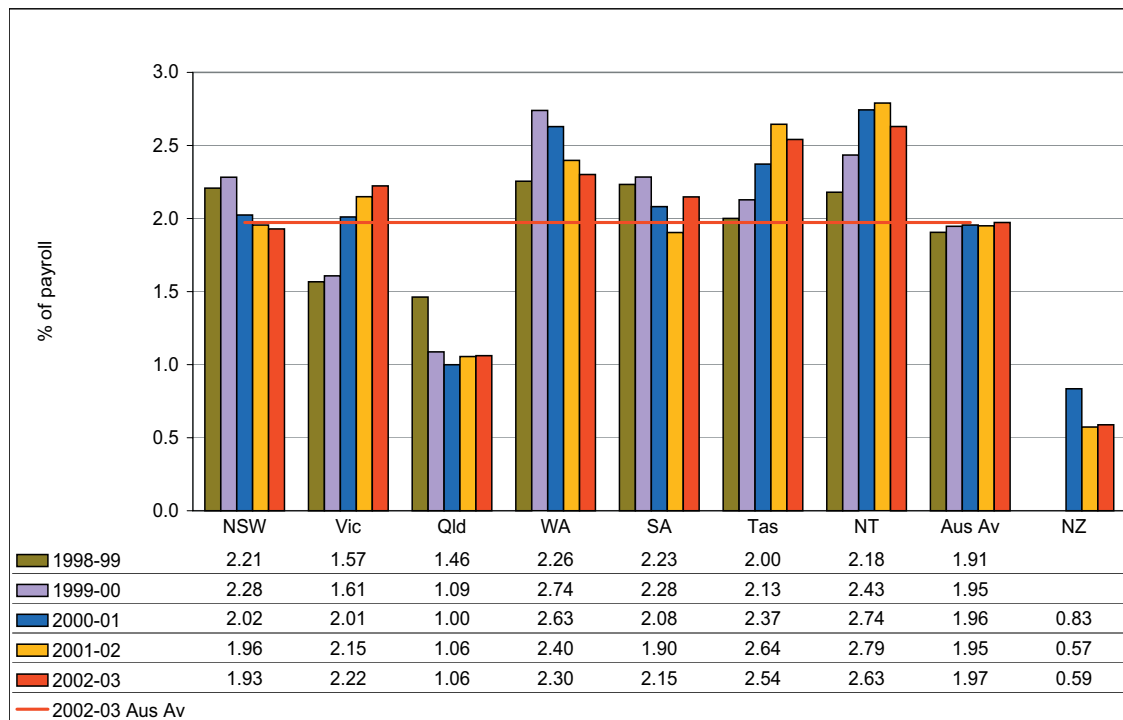


Figure 72 shows the incidence of injury and disease claims resulting in one week or more of compensation in the Wholesale Trade industry has decreased by 12% since 2001–02 and by 14% from 1998–99. Rates fell in most jurisdictions.

Figure 72 Wholesale Trade
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

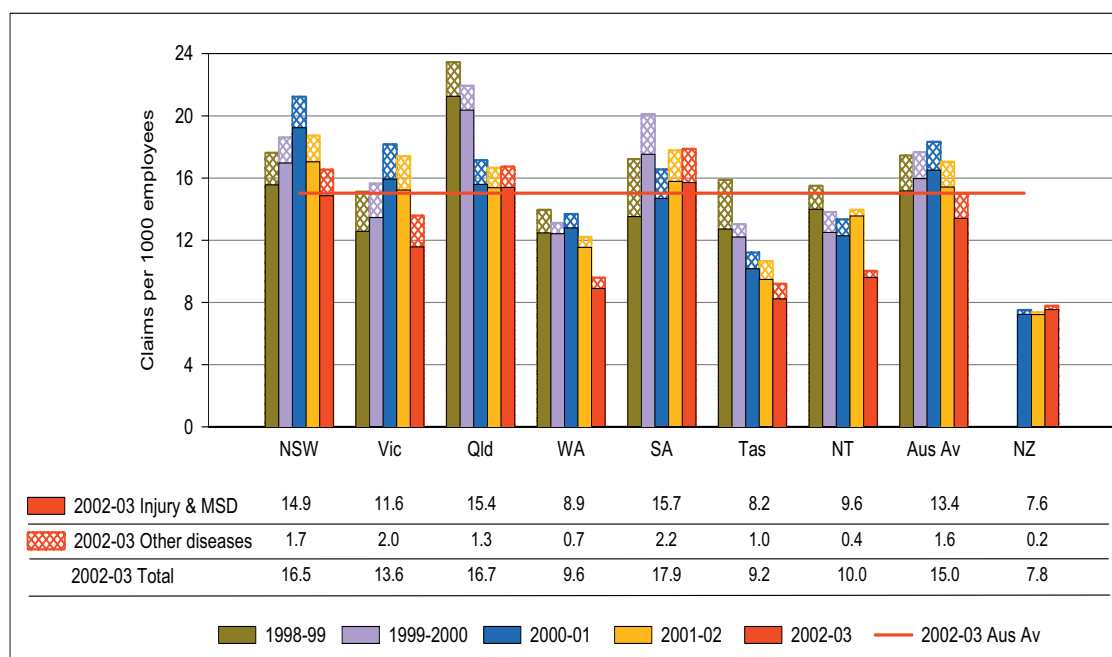
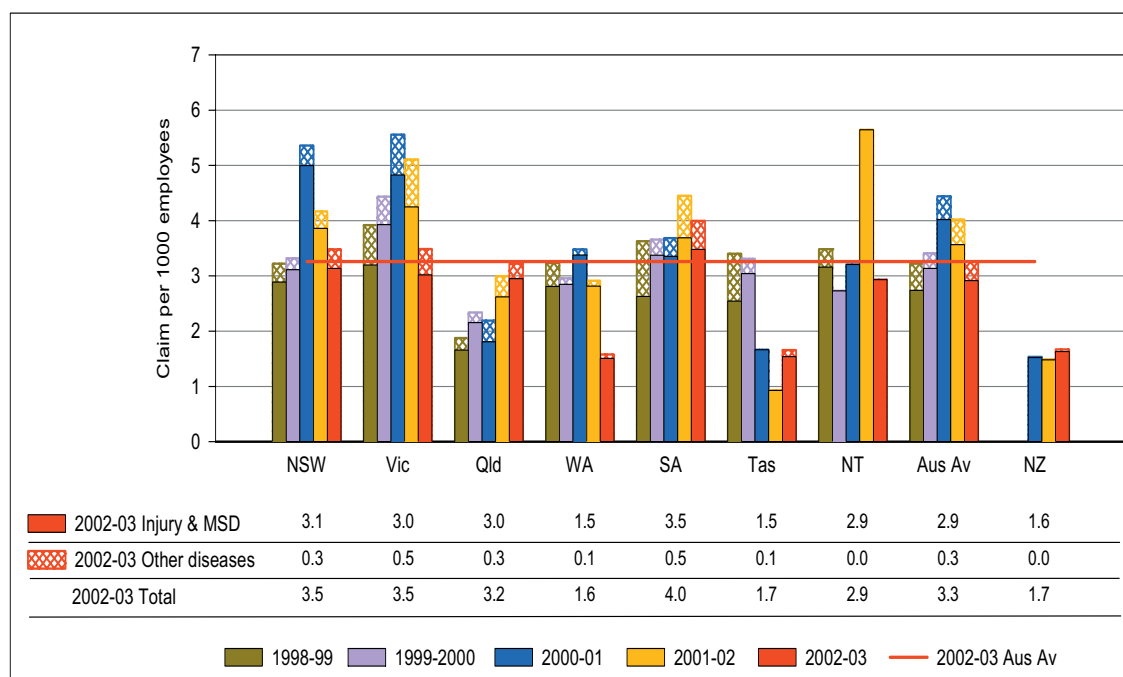


Figure 73 reports the incidence rate of workplace injury and disease claims resulting in twelve weeks or more of compensation has decreased by 19% since 2001–02 to pre 2000–01 levels. Incidence rate reductions were reported for all Australian jurisdictions except Queensland and Tasmania.

Figure 73 Wholesale Trade
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Retail Trade

Figure 74 shows that the Australian average premium rate for the Retail Trade industry decreased to 2.31% of payroll in 2002–03 from 2.37% in 2001–02. Australian Capital Territory Private Sector showed the largest increase, from 3.64% of payroll in 2001–02 to 4.47% in 2002–03.

**Figure 74 Retail Trade
Average premium rates**

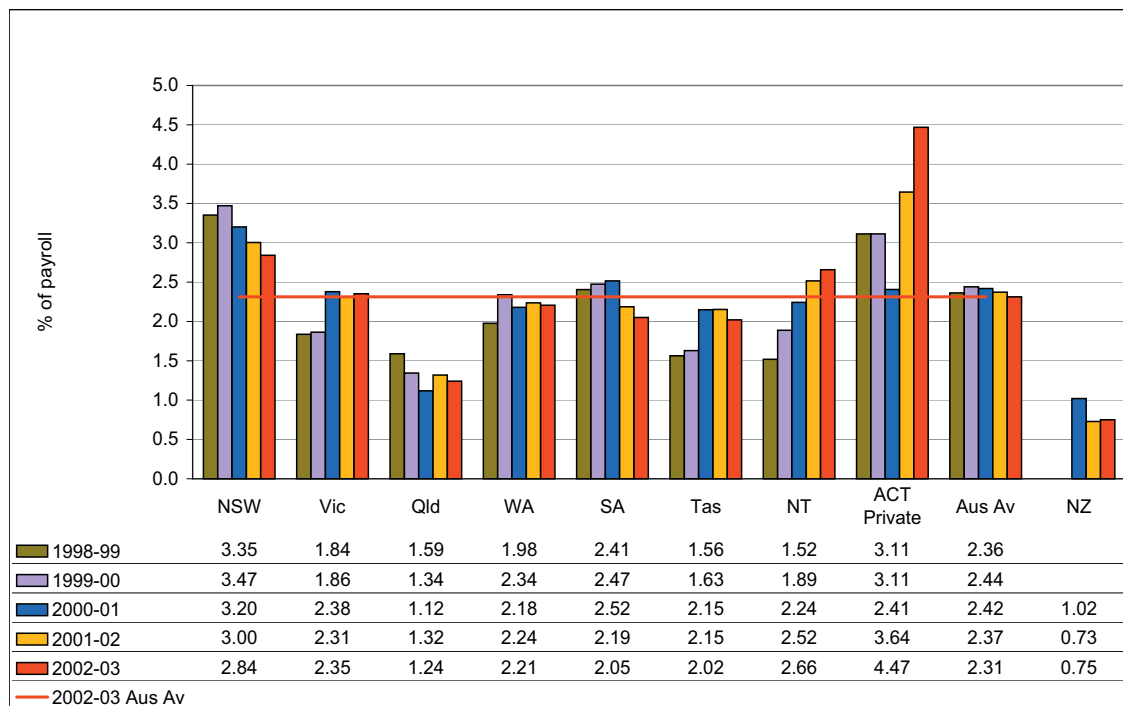


Figure 75 shows the incidence of injury and disease claims resulting in one week or more of compensation in the Retail Trade industry has decreased by 13% since 2001–02 and by 21% from 1998–99. All Australian jurisdictions except the Australian Capital Territory Private Sector experienced a decrease in incidence rates in 2002–03. New Zealand reported an increase, from 8.3 claims per 1000 employees in 2001–02 to 9.0 in 2002–03.

Figure 75 Retail Trade
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

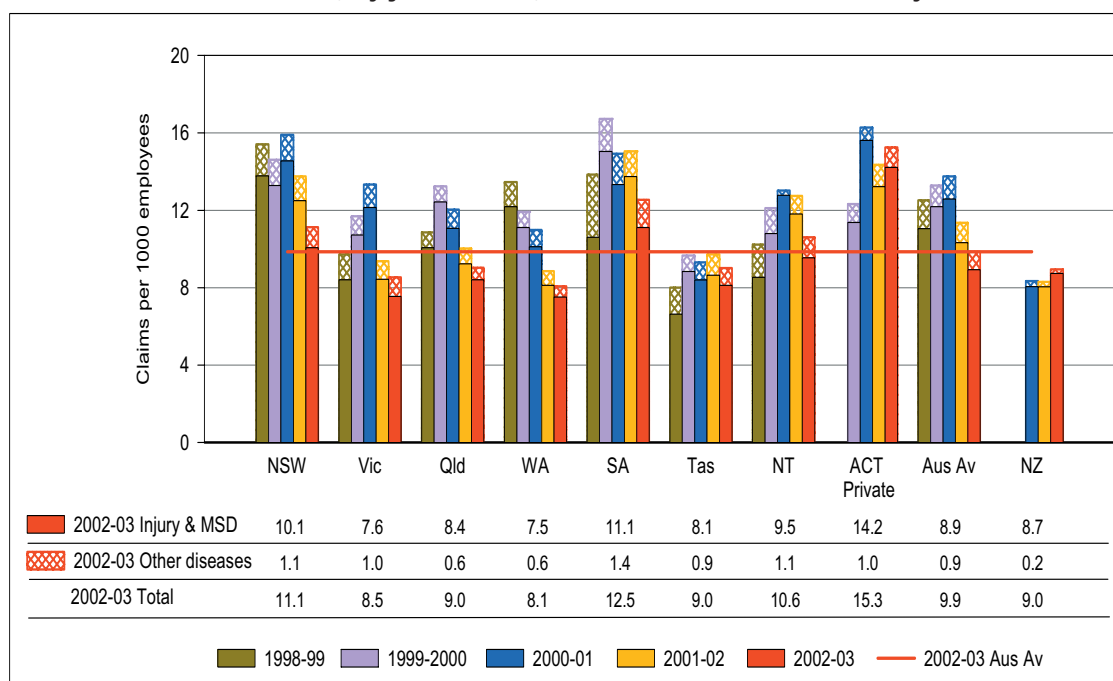
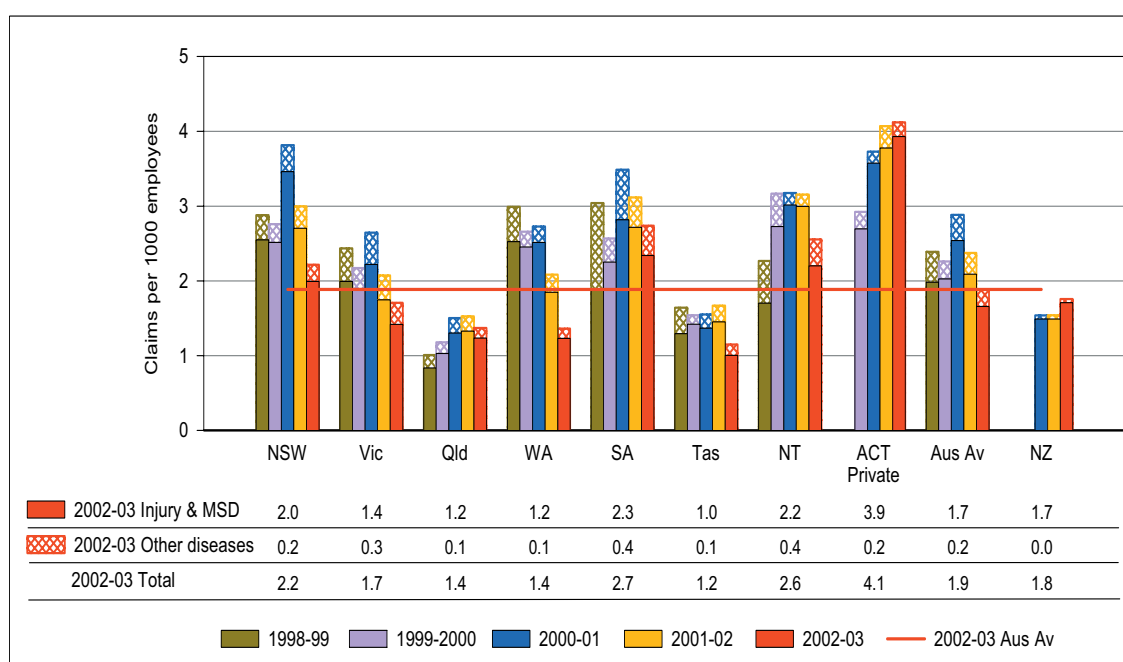


Figure 76 shows the incidence of workplace injury and disease claims resulting in twelve weeks or more off work decreased by 21% since 2001–02 and 1998–99. The Australian Capital Territory reported a slight rate increase, while the rest of the Australian jurisdictions reported a decrease in their rates. New Zealand also reported a slight increase.

Figure 76 Retail Trade
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Accommodation, Cafes and Restaurants

Figure 77 shows that the Australian average premium rate for the Accommodation, Cafes and Restaurant industry increased to 3.09% of payroll in 2002–03 from 2.96%. Notable increases were recorded in the South Australian and the Australian Capital Territory schemes.

**Figure 77 Accommodation, Cafes and Restaurants
Average premium rates**

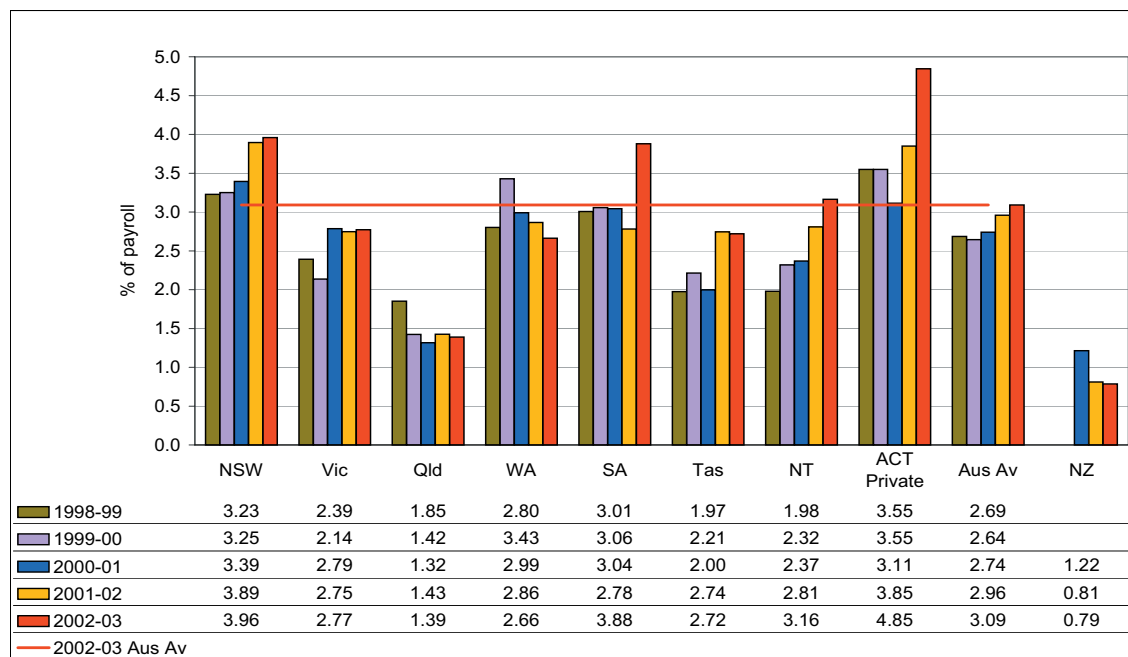


Figure 78 shows the incidence of injury and disease claims resulting in one week or more off work in the Accommodation, Cafes and Restaurant industry has decreased by 4% since 2001–02 and by 14% from 1998–99. This was primarily due to falls in New South Wales and Victoria with rises recorded in Queensland, Western Australia, South Australia and the Northern Territory.

Figure 78 Accommodation, Cafes and Restaurants
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

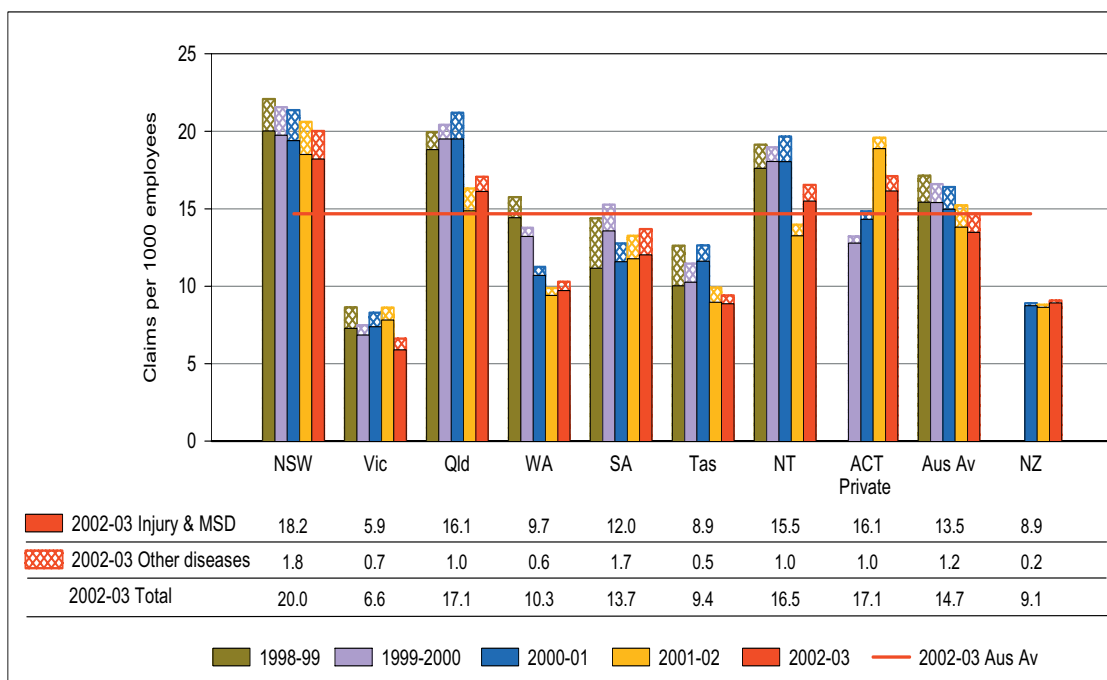
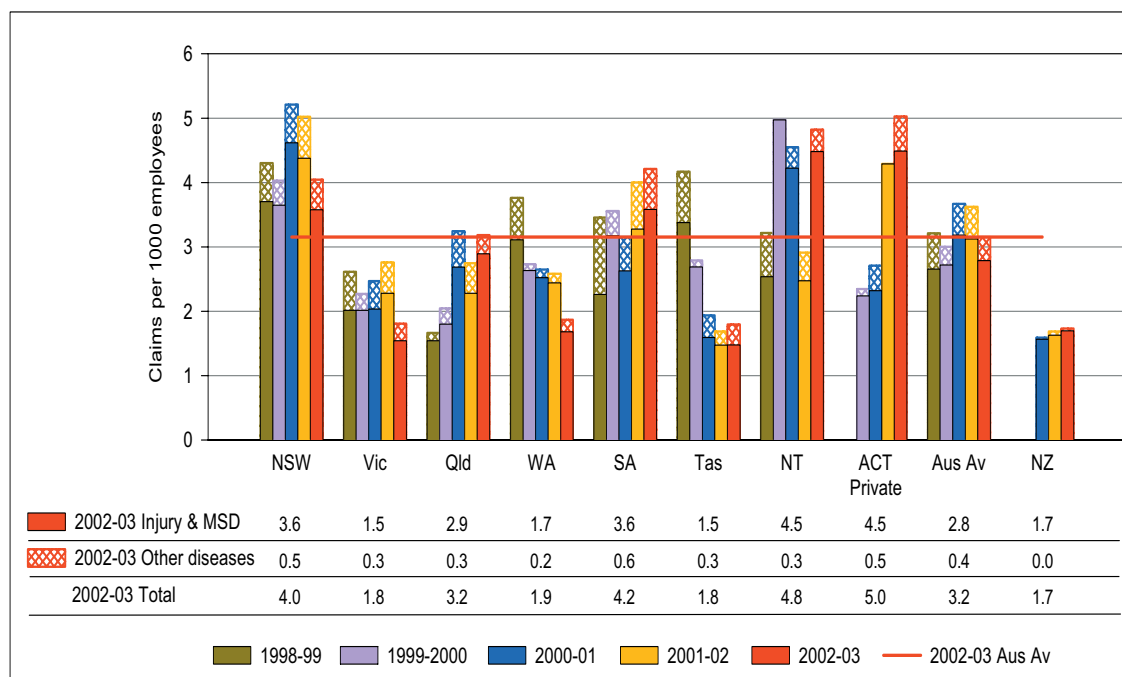


Figure 79 shows the incidence of workplace injury and disease claims resulting in twelve weeks or more of compensation has decreased by 11% since 2001–02 but remains similar to the 1998–99 level. New South Wales, Victoria and Western Australia reported the only incidence rate decreases in 2002–03.

Figure 79 Accommodation, Cafes and Restaurants
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Transport and Storage

Figure 80 shows the Australian average premium rate for the Transport and Storage industry has remained relatively stable over the past five years. The Northern Territory, Australian Capital Territory Private Sector and Seacare schemes recorded the greatest increases in average premium rates, while the South Australian scheme recorded the greatest decrease.

Figure 80 *Transport and Storage Average premium rates*

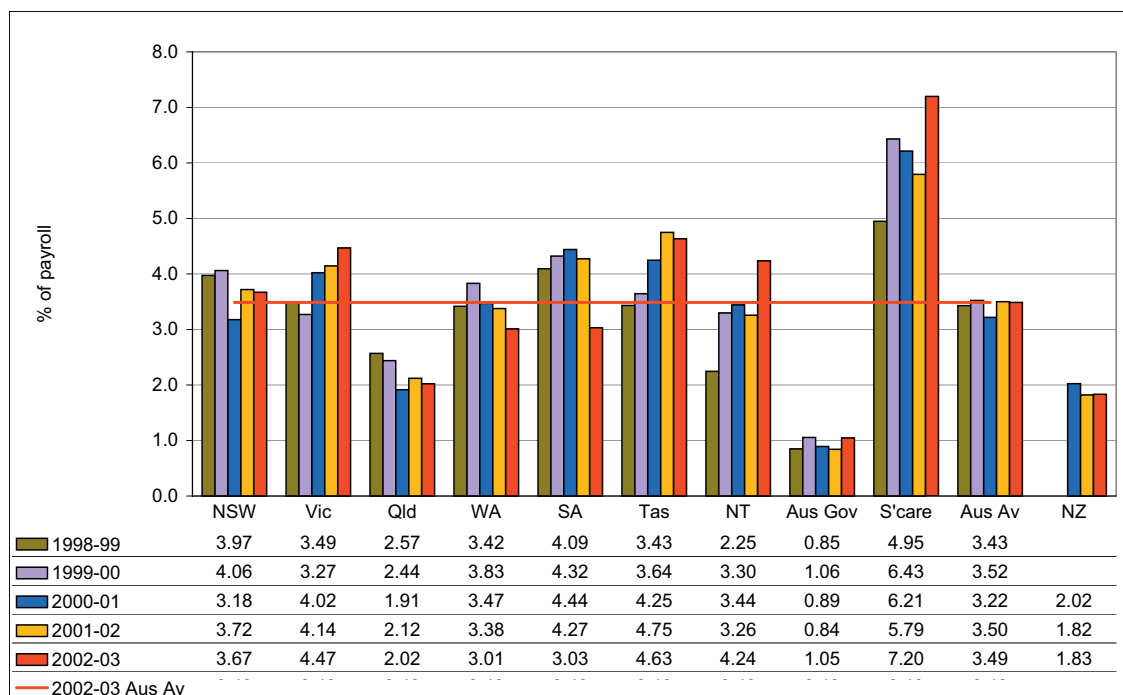


Figure 81 shows the incidence of injury and disease claims resulting in one week or more off work in the Transport and Storage industry has decreased by 7% in 2002–03 and by 9% since 1998–99. The Australian Government, Northern Territory and Western Australia reported incidence rates substantially lower than the Australian average. Only New South Wales, Queensland and Seacare reported rates above the Australian average. Note that Seacare scheme data are not standardised to account for the sub-industry injury risk profile.

Figure 81 Transport and Storage
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

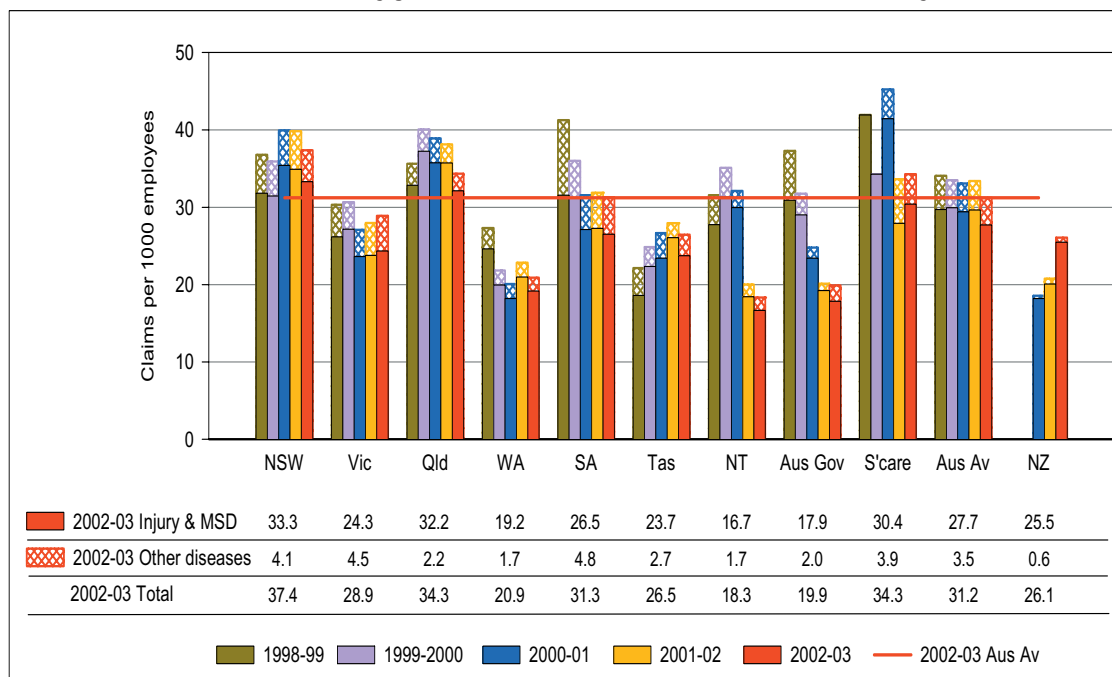
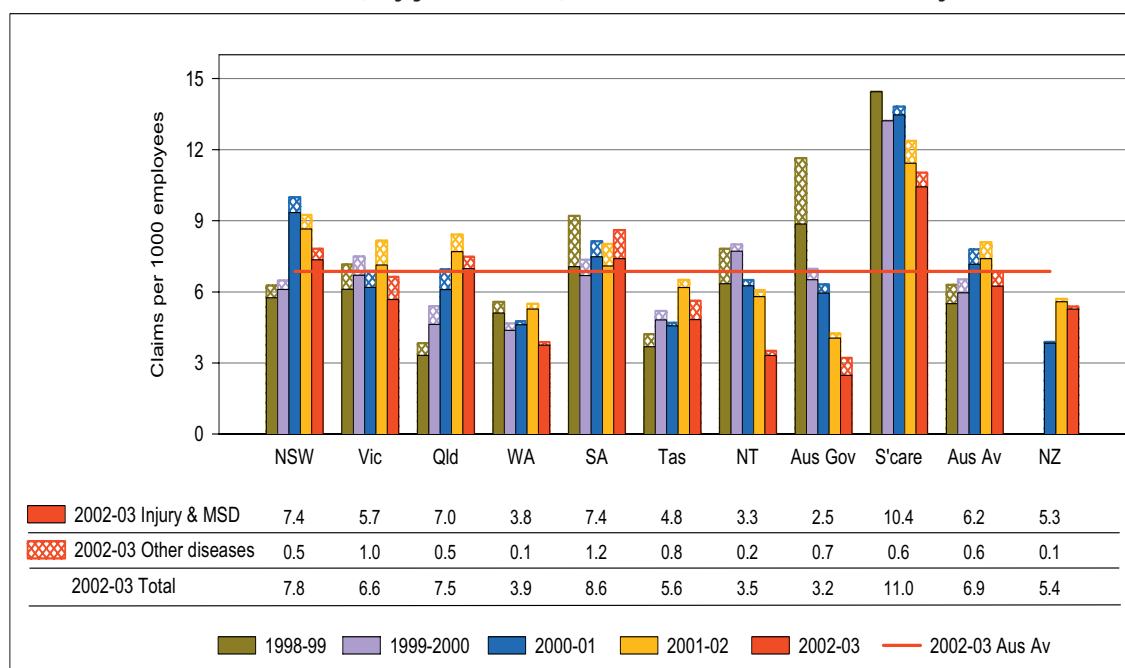


Figure 82 shows the incidence rate of workplace injury and disease claims resulting in twelve weeks or more off work has decreased by 15% since 2001–02 but has increased by 9% since 1998–99. Incidence rate reductions were reported in 2002–03 for all jurisdictions except South Australia.

Figure 82 Transport and Storage
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Finance and Insurance

Figure 83 shows the Australian average premium rate for the Finance and Insurance industry increased to 0.52% of payroll in 2002–03, up from 0.50%. Rates across jurisdictions remained relatively stable compared to 2001–02 data except for the Northern Territory and South Australian schemes which recorded substantial increases. New Zealand recorded a substantial fall in premium rates.

Figure 83 Finance and Insurance Average premium rates

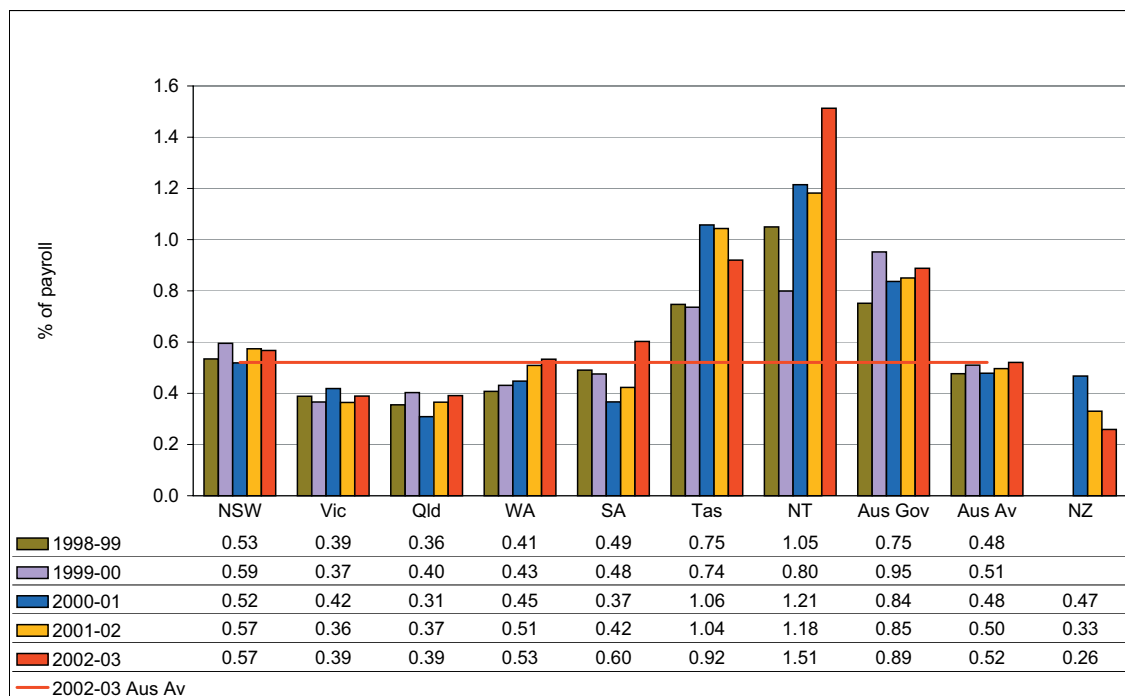


Figure 84 shows the incidence of injury and disease claims resulting in one week or more on compensation in the Finance and Insurance industry has decreased by 6% since 2001–02 and by 17% from 1998–99. The Australian Government rate remained well above the Australian average.

Figure 84 Finance and Insurance
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

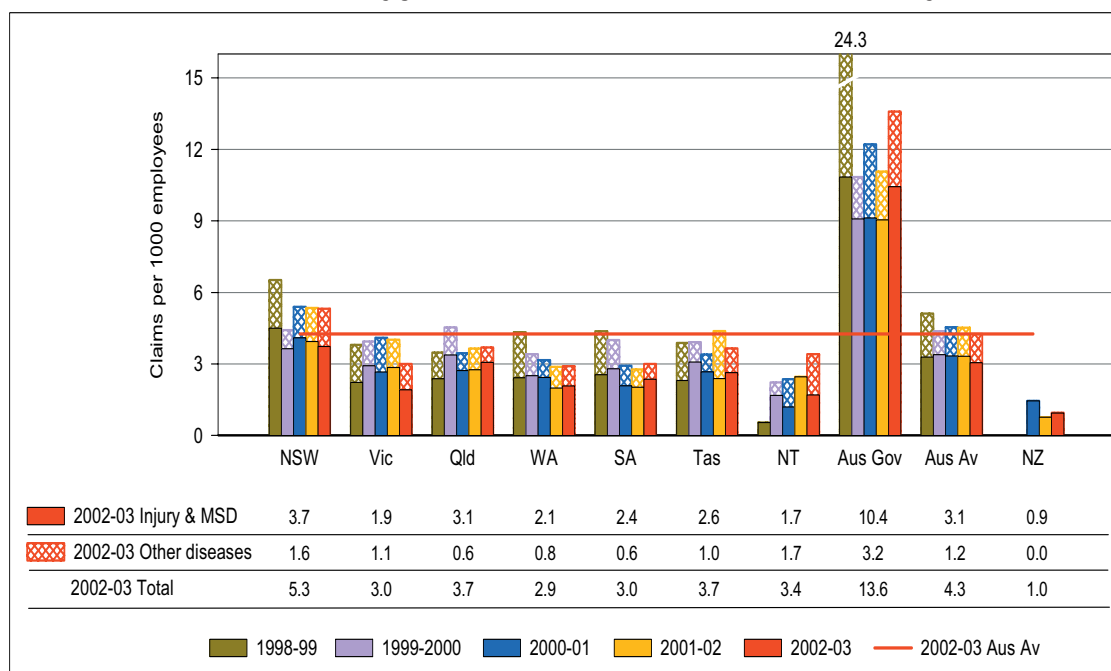
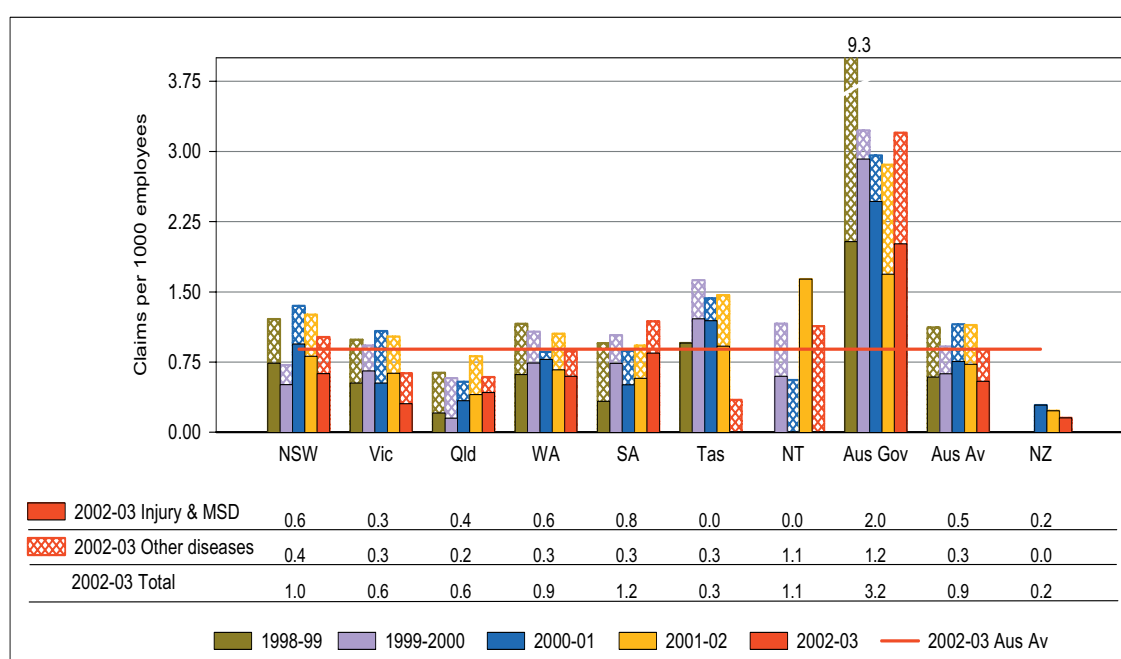


Figure 85 shows the incidence of compensated injury and disease claims resulting in twelve weeks or more on compensation has decreased by 23% since 2001–02 and by 21% from 1998–99. Tasmania reported the largest percentage decrease (76%) recording no injury and musculoskeletal claims for the first time, while South Australia reported the largest percentage increase (28%). The incidence rate for the Australian Government remained well above the Australian average.

Figure 85 Finance and Insurance
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Property and Business Services

Figure 86 shows that the Australian average premium rate for the Property and Business Services industry has remained relatively stable over the last five years with falls in some jurisdictions offset by rises in others. Premium rates for the Queensland and Australian Government schemes remain substantially lower than the Australian average for this industry.

Figure 86 Property and Business Services Average premium rates

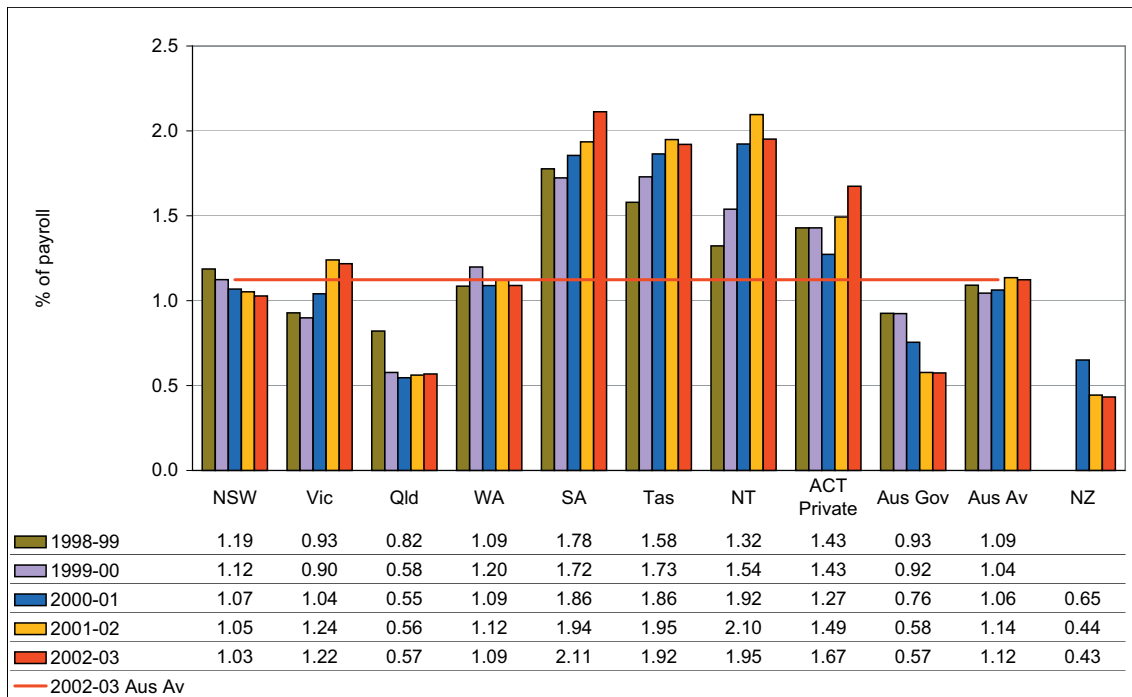


Figure 87 shows the incidence of injury and disease claims resulting in one week or more on compensation in the Property and Business Services industry has decreased by 3% since 2001–02 and by 20% from 1998–99. Queensland has continued to shown strong improvements.

Figure 87 Property and Business Services
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

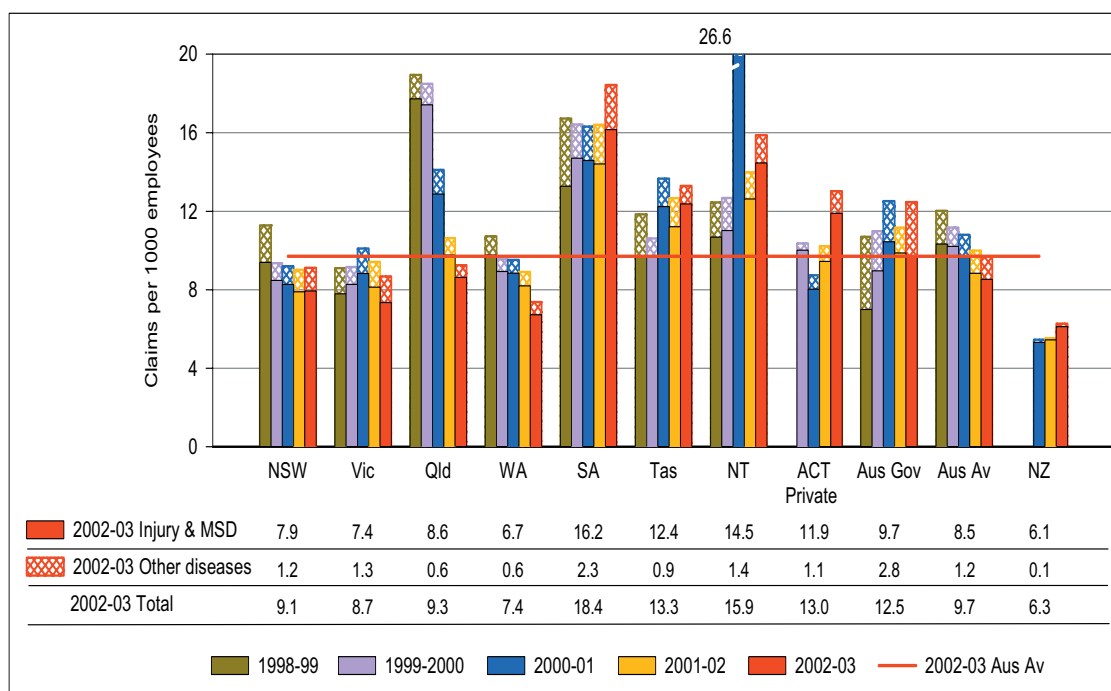
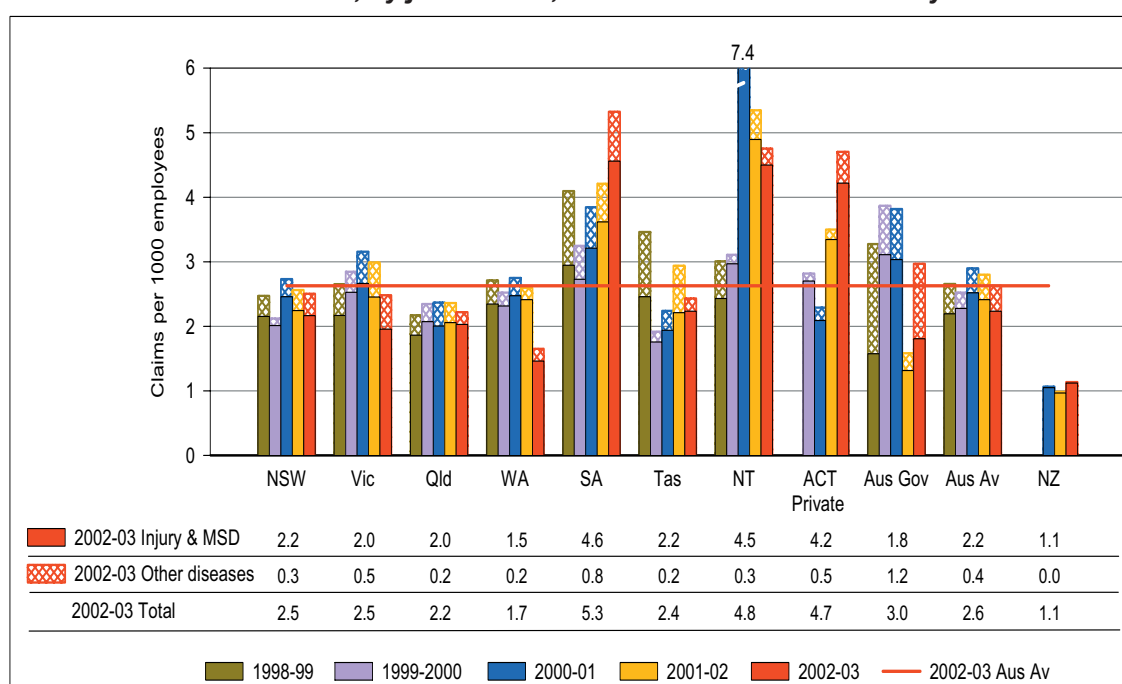


Figure 88 shows the incidence of compensated injury and diseases resulting in twelve weeks or more on compensation has decreased by 6% since 2001–02 to pre 2000–01 levels. The Australian Government scheme recorded the largest increase in incidence rates in 2002–03, after a particularly low rate in 2001–02. The Australian Capital Territory, Northern Territory and South Australian rates remained well above the Australian average.

Figure 88 Property and Business Services
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Government Administration and Defence

The Australian average premium rate for Government Administration and Defence increased to 1.94% of payroll from 1.77% in 2001-02, as seen in Figure 89. Western Australia recorded the largest percentage fall in premium rates to have the second lowest rate of all Australian jurisdictions. New Zealand has continued to record falls in premium rates in this industry.

**Figure 89 Government administration and defence
Average premium rates**

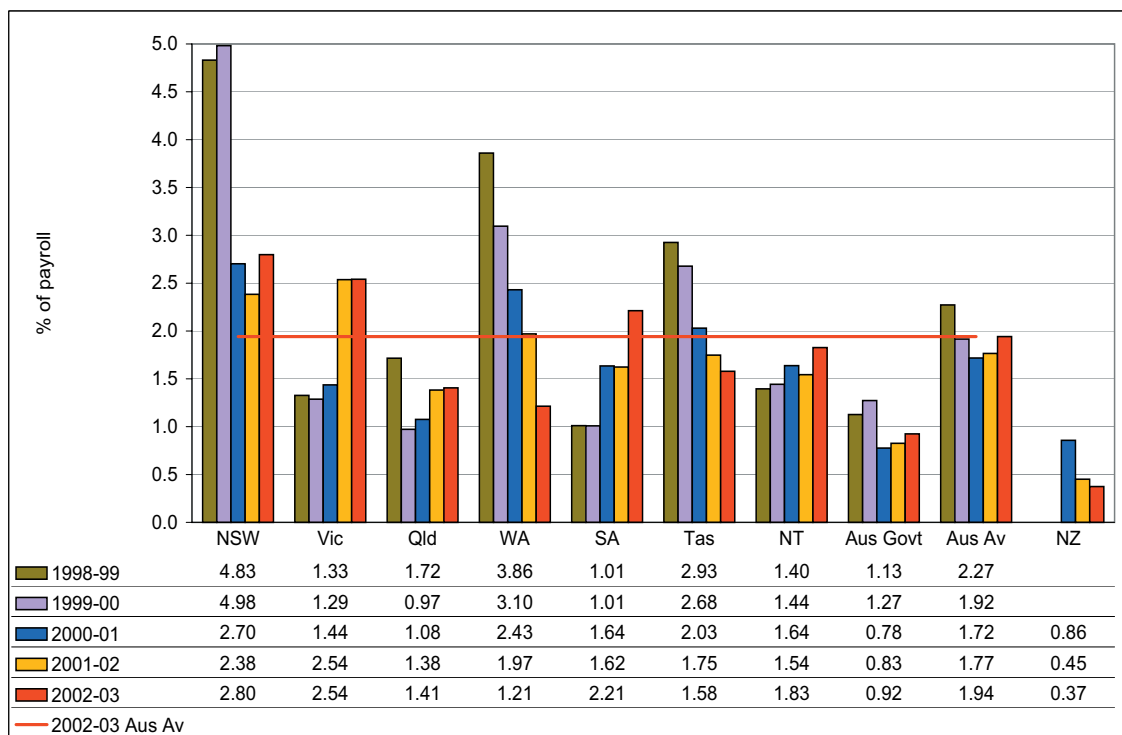


Figure 90 shows the incidence of injury and disease claims resulting in one week or more on compensation in Government Administration and Defence has decreased by 7% since 2001–02 and by 9% from 1998–99. Incidence rates show considerable variations across jurisdictions in this industry. Incidence rates in New South Wales and Tasmania remain well above the Australian average while incidence rates in Victoria, Western Australia and the Northern Territory are considerable below the average.

Figure 90 Government Administration and Defence
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

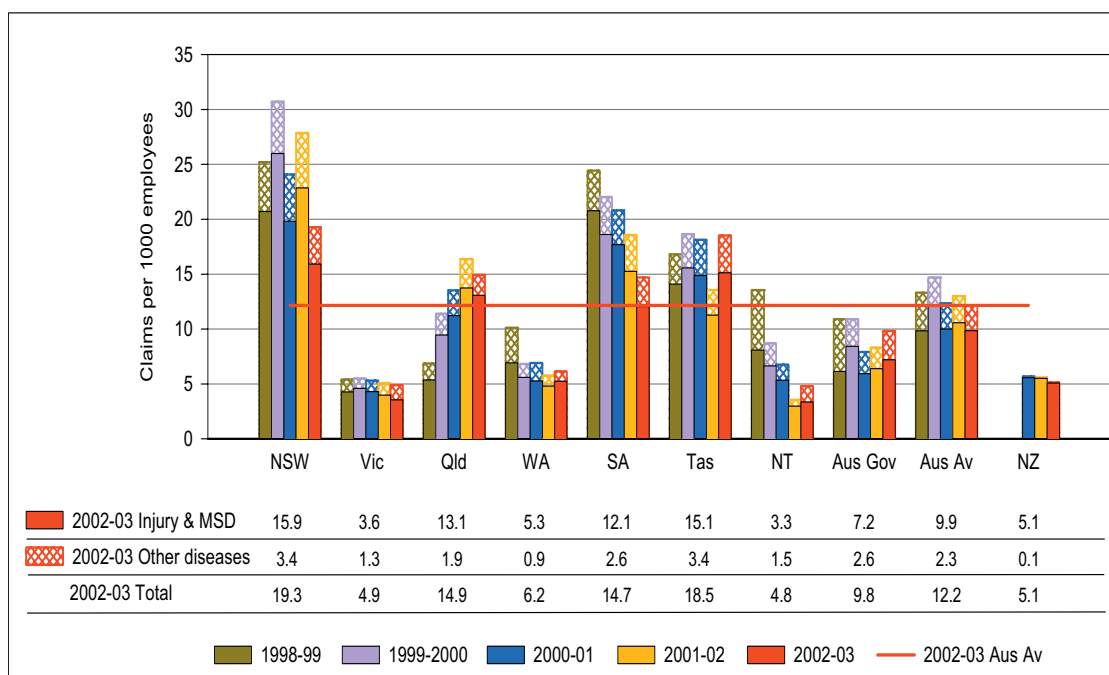
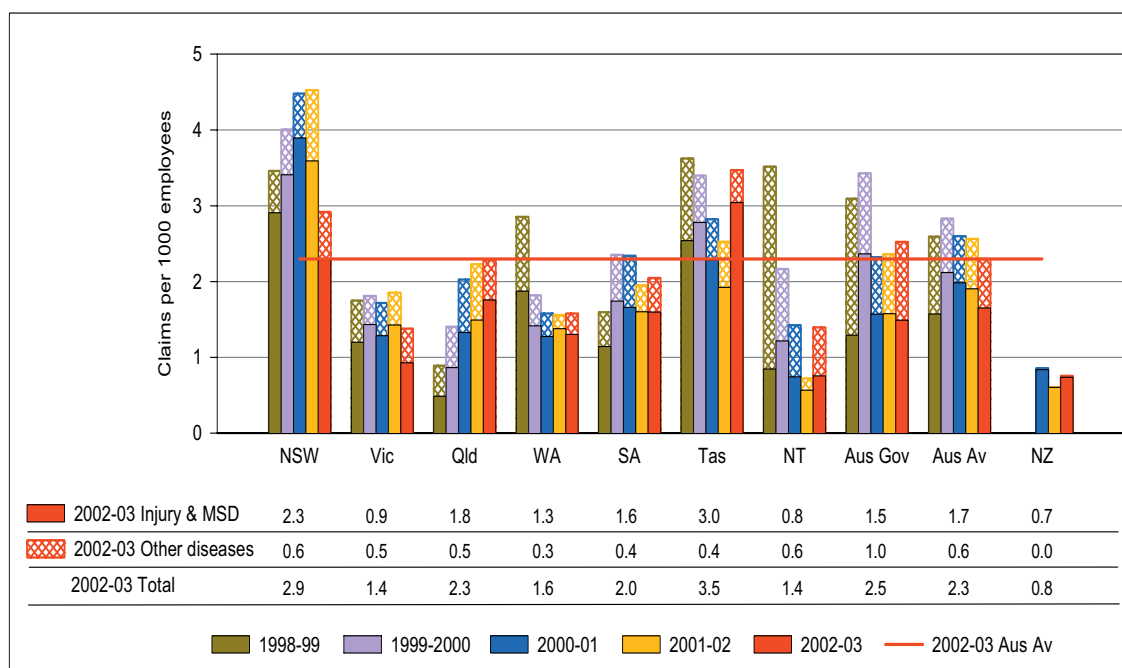


Figure 91 shows the incidence of compensated injury and disease claims resulting in twelve weeks or more on compensation has decreased by 10% since 2001–02 and 11% from 1998–99. Incidence rates for Tasmania have increased substantially in 2002–03 to be considerably higher than the Australian average.

Figure 91 Government Administration and Defence
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Education

Figure 92 shows that the Australian average premium rate for the Education industry rose to 1.44% of payroll in 2002–03, up from 1.37%, driven mainly by increases in New South Wales and Victoria which are nearly 60% higher than the Australian average.

Figure 92 Education
Average premium rates

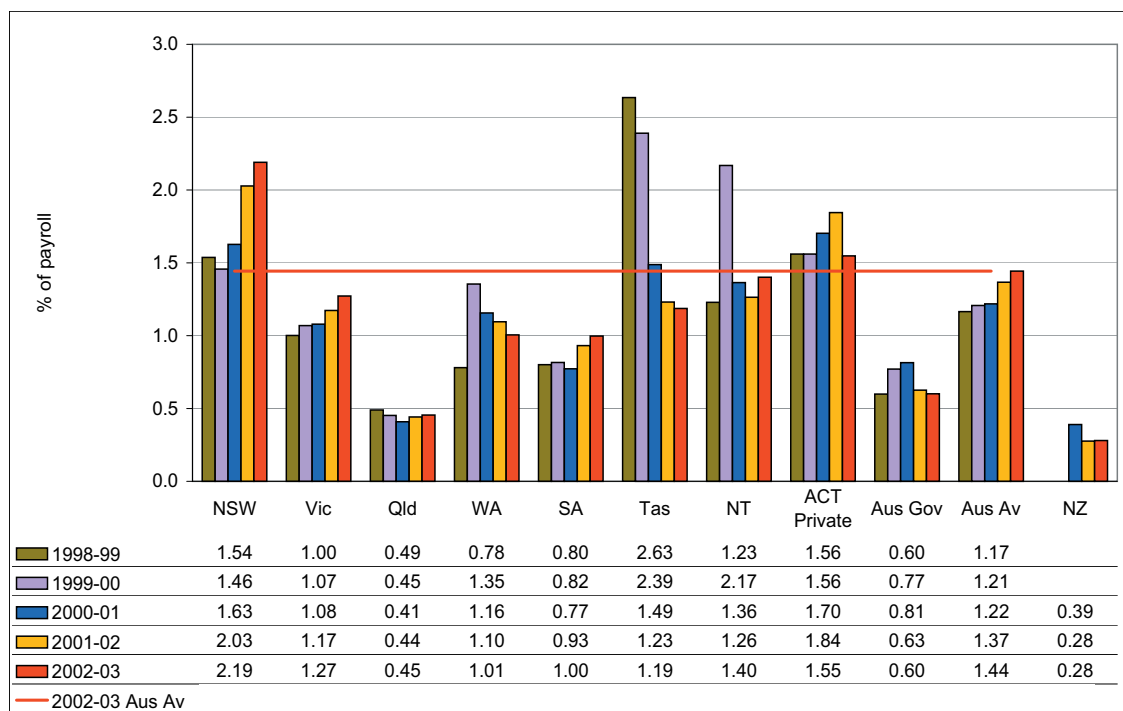


Figure 93 shows the incidence of injury and disease claims resulting in one week or more on compensation in the Education industry has remained relatively stable, over the past five years. The Australian Government, Tasmania and the Northern Territory reported substantial decreases in incidence rate per 1000 employees and the Australian Capital Territory Private Sector decreased after a spike in 2001-02.

Figure 93 Education
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

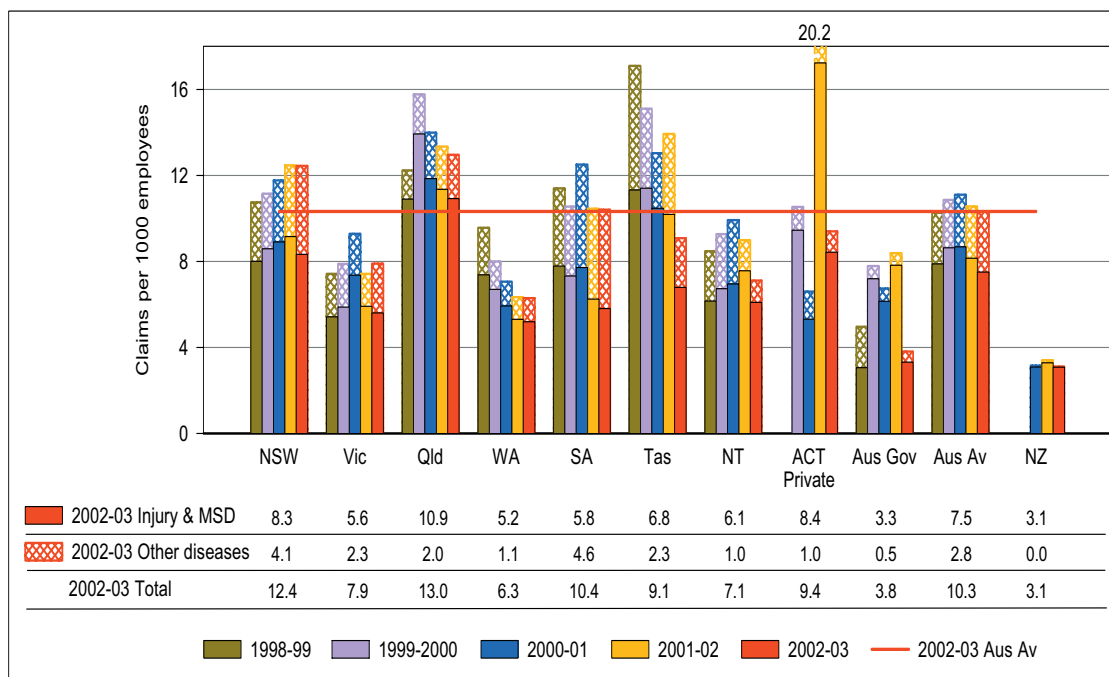
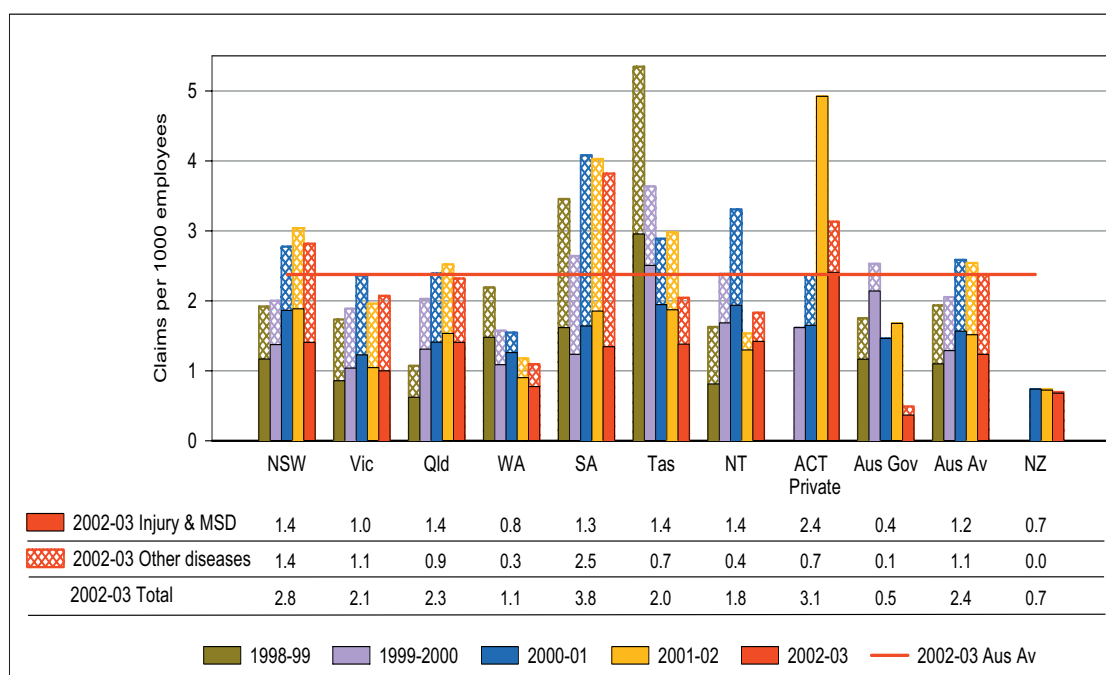


Figure 94 shows the incidence of workplace injury and disease claims resulting in twelve weeks or more of compensation has decreased by 6% since 2001–02, but is still more than 20% higher than 1998–99. Notable reductions in incidence rates were reported in Tasmania and the Australian Government. Incidence rates for South Australia and the Australian Capital Territory Private Sector were well above the Australian average.

Figure 94 Education
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Health and Community Services

Figure 95 shows the Australian average premium rate for the Health and Community Services industry has remained stable over the past five years. While most jurisdictions recorded only slight changes in premium rates, the Australian Capital Territory Private scheme premium rate rose substantially to 4.04% of payroll in 2002–03, well above the Australian average.

Figure 95 Health and Community Services Average premium rates

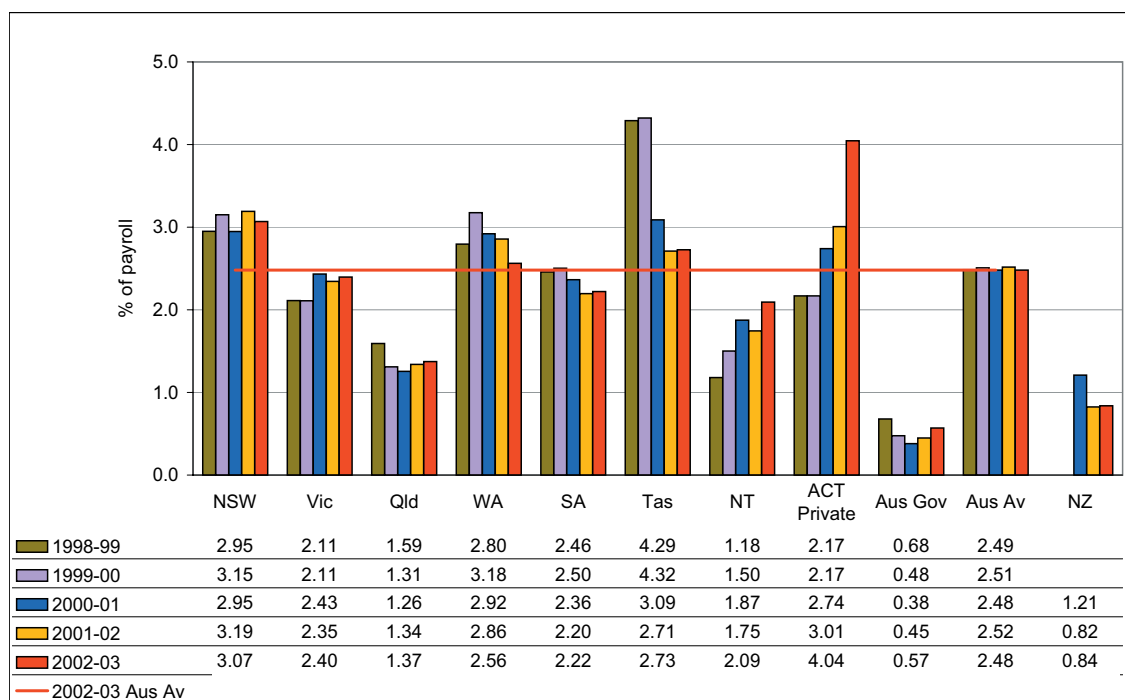


Figure 96 shows the incidence of injury and disease claims resulting in one week or more of compensation in the Health and Community Services industry has decreased by 7% since 2001–02 and by 16% from 1998–99. A substantial decrease was recorded in the Australian Government scheme, while a substantial increase was recorded in the Australian Capital Territory Private Sector scheme.

Figure 96 Health and Community Services
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

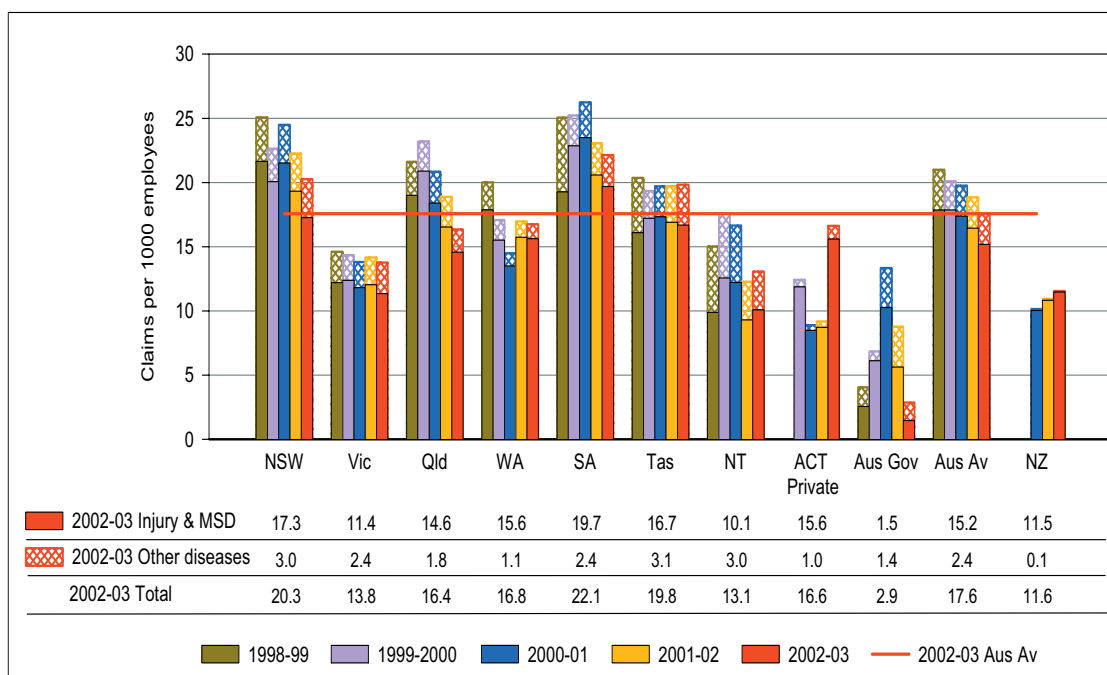
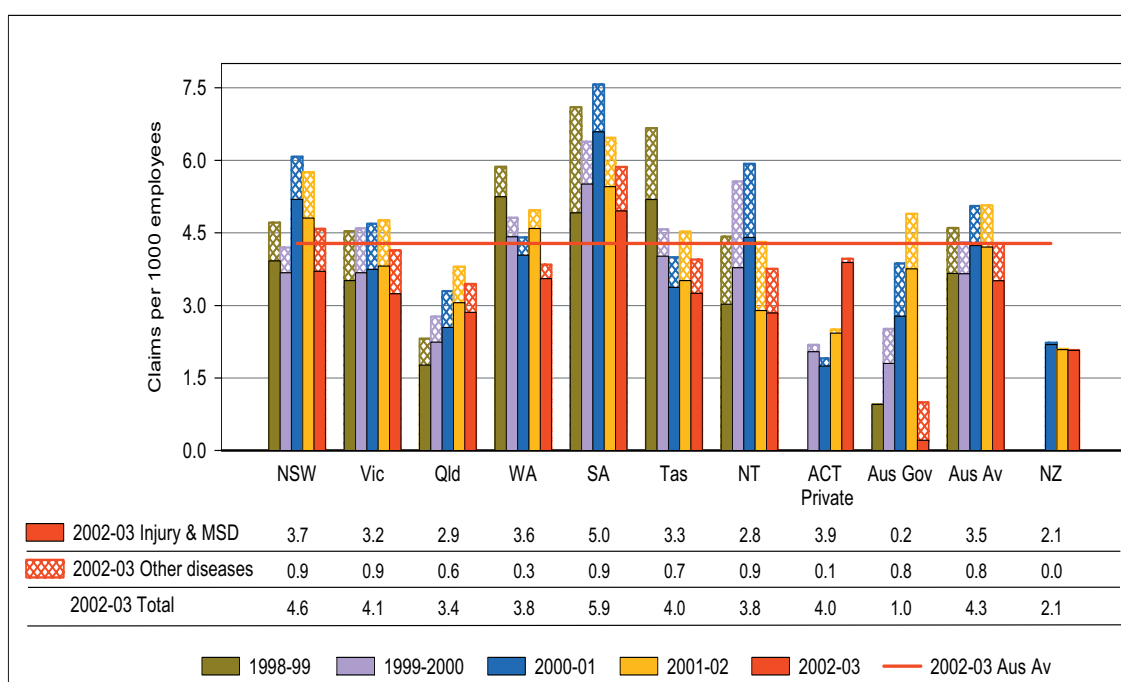


Figure 97 shows the incidence of workplace injury and disease claims resulting in twelve weeks or more of compensation has decreased by 16% since 2001–02 and by 7% from 1998–99. The Australian Government reported a dramatic decrease of 81%, from 4.9 claims per 1000 employees in 2001–02 to only 1.0 claims in 2002–03.

Figure 97 Health and Community Services
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Cultural and Recreational Services

Figure 98 shows that the Australian average premium rate for the Cultural and Recreational Services industry decreased to 1.74% of payroll in 2002–03 from 1.91%. Tasmania reported the greatest decrease in premium rates in 2002–03, returning to a similar rate as in 2000–01 after a large increase in 2001–02.

Figure 98 Cultural and Recreational Services Average premium rates

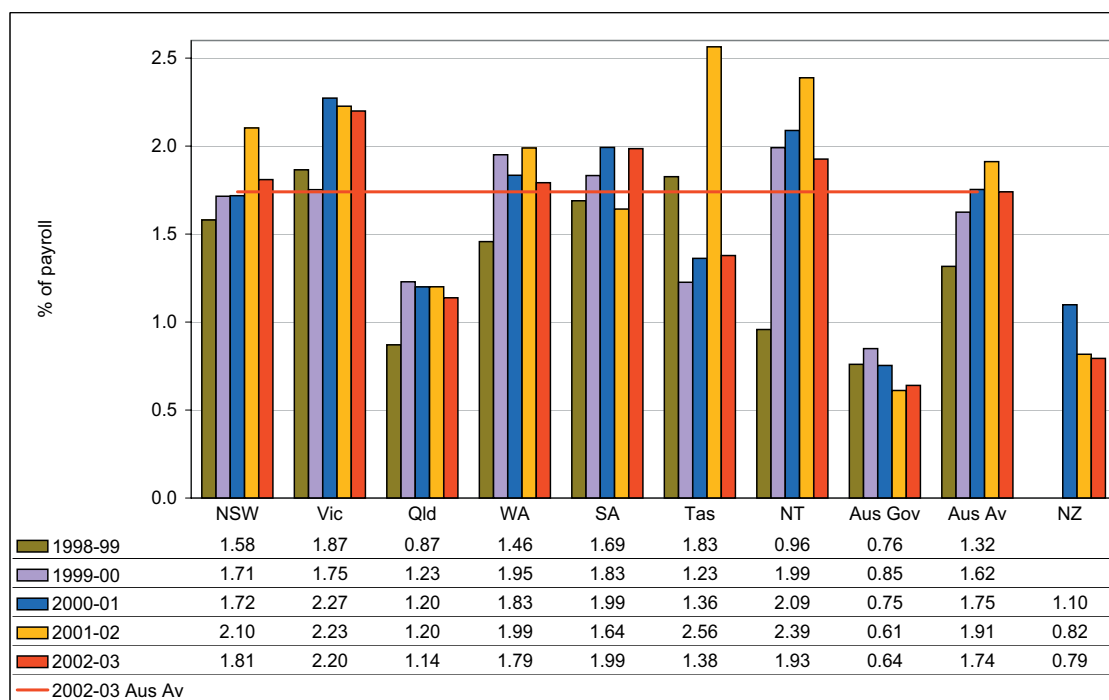


Figure 99 shows the incidence of injury and disease claims resulting in one week or more of compensation in the Cultural and Recreational Services industry has decreased by 11% since 2001–02 and by 24% from 1998–99. Western Australia and the Northern Territory reported the greatest decreases in 2002–03, while the Australian Government scheme reported the greatest increase in incidence rates. New Zealand recorded a rise but still remains below the Australian average.

Figure 99 Cultural and Recreational Services
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

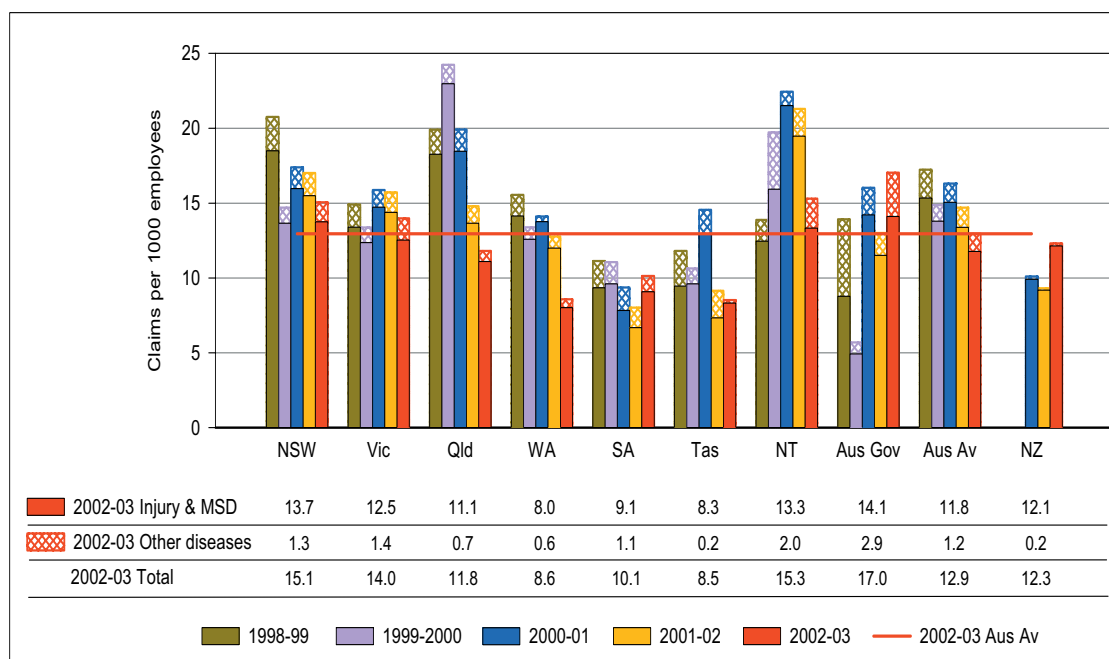
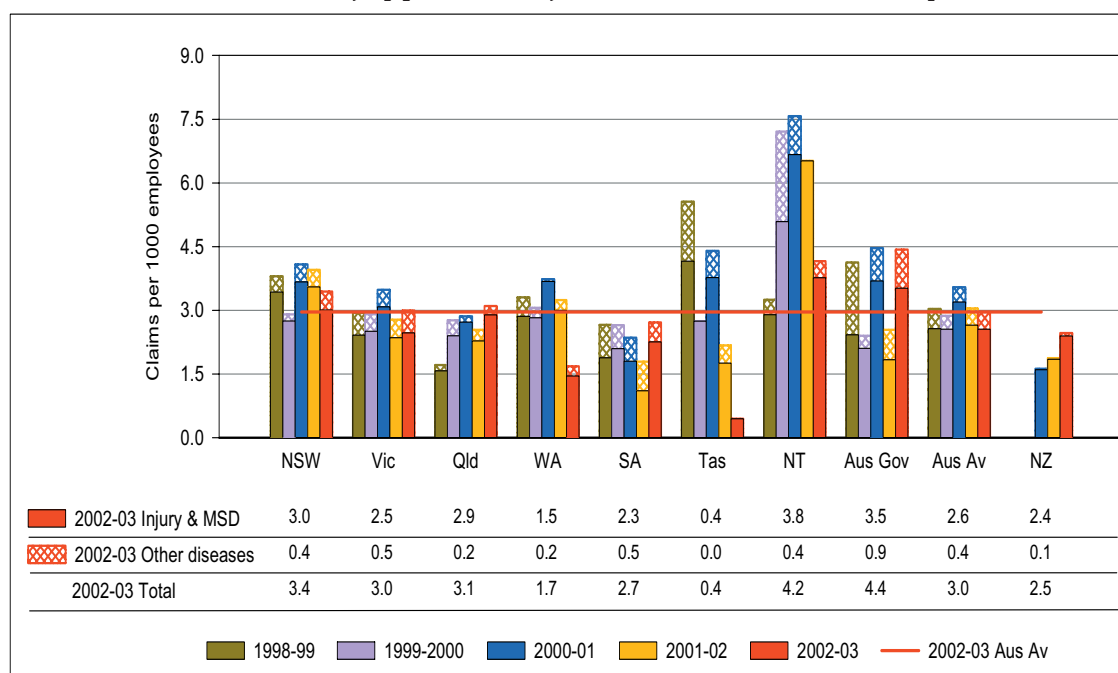


Figure 100 shows the incidence of workplace injury and disease claims resulting in twelve weeks or more of compensation remained reasonably constant. The greatest increase in incidence rate was reported by the Australian Government scheme, with a change of over 65%, from 2.5 claims per 1000 employees in 2001–02 to 4.4 claims in 2002–03. The greatest decrease in incidence rate was reported by Tasmania with a change of 80% from 2.2 claims in 2001–02 to 0.4 claims in 2002–03. This figure shows that the incidence rates in this industry are quite volatile, with most jurisdictions experiencing considerable variation throughout the five year period.

Figure 100 Cultural and Recreational Services
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Personal and Other Services

Figure 101 shows that the Australian average premium rate for the Personal and Other Services industry decreased slightly to 3.52% of payroll in 2002–03 from 3.55%. The largest increases were reported for South Australia, the Northern Territory and the Australian Government schemes. Premium rates for Queensland remain considerably below the Australian average. Premium rates in New Zealand have continued to decline and are substantially smaller than all Australian jurisdictions.

Figure 101 Personal and Other Services
Average premium rates

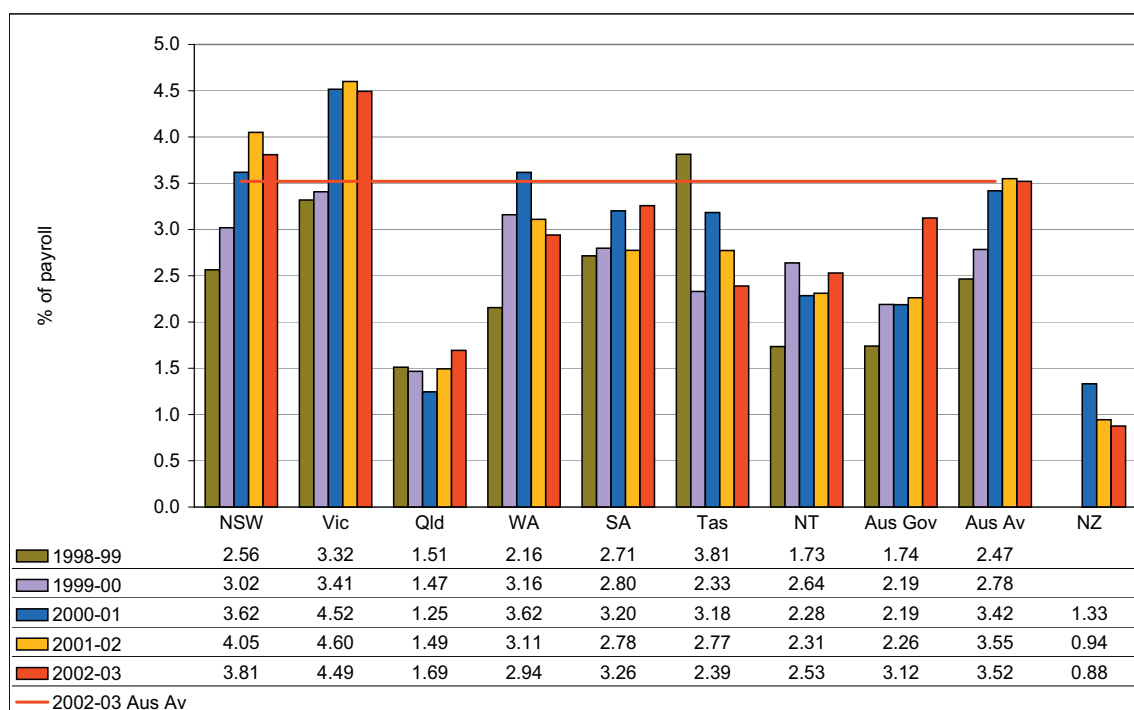


Figure 102 shows the incidence of injury and disease claims resulting in one week or more of compensation in the Personal and Other Services industry has decreased by 12% since 2001–02 and by 19% from 1998–99. Decreased rates were reported for Victoria, Western Australia, and the Australian Government.

Figure 102 Personal and Other Services
Incidence rate of compensated injury and disease resulting in 1 week or more off work, by jurisdiction, standardised for sub-industry mix

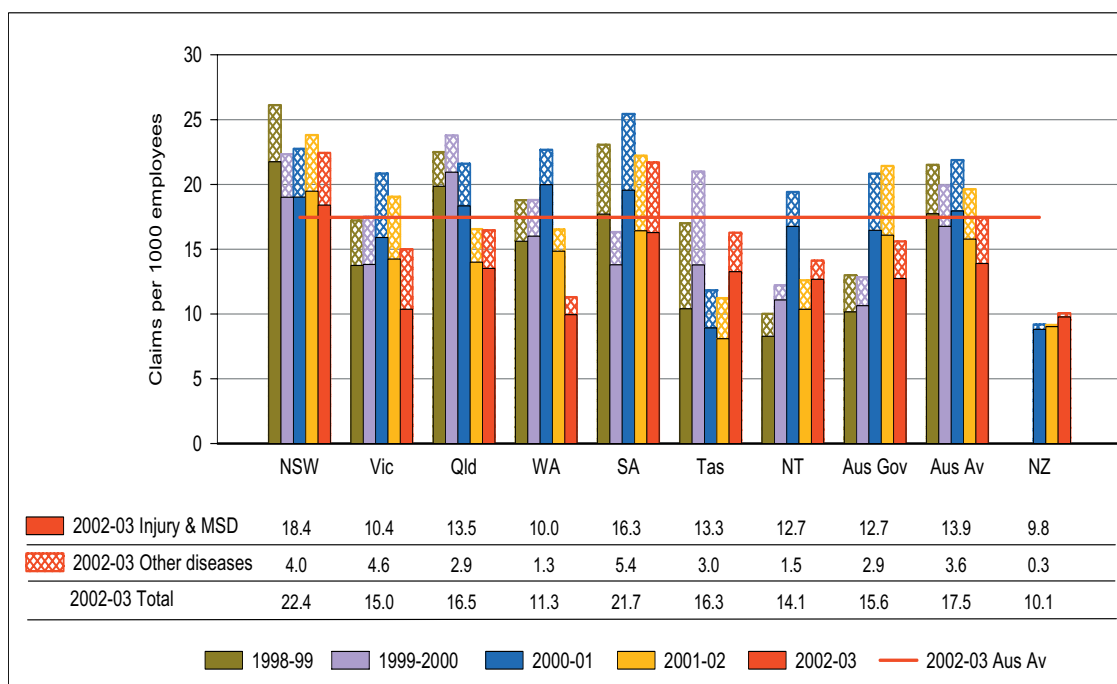
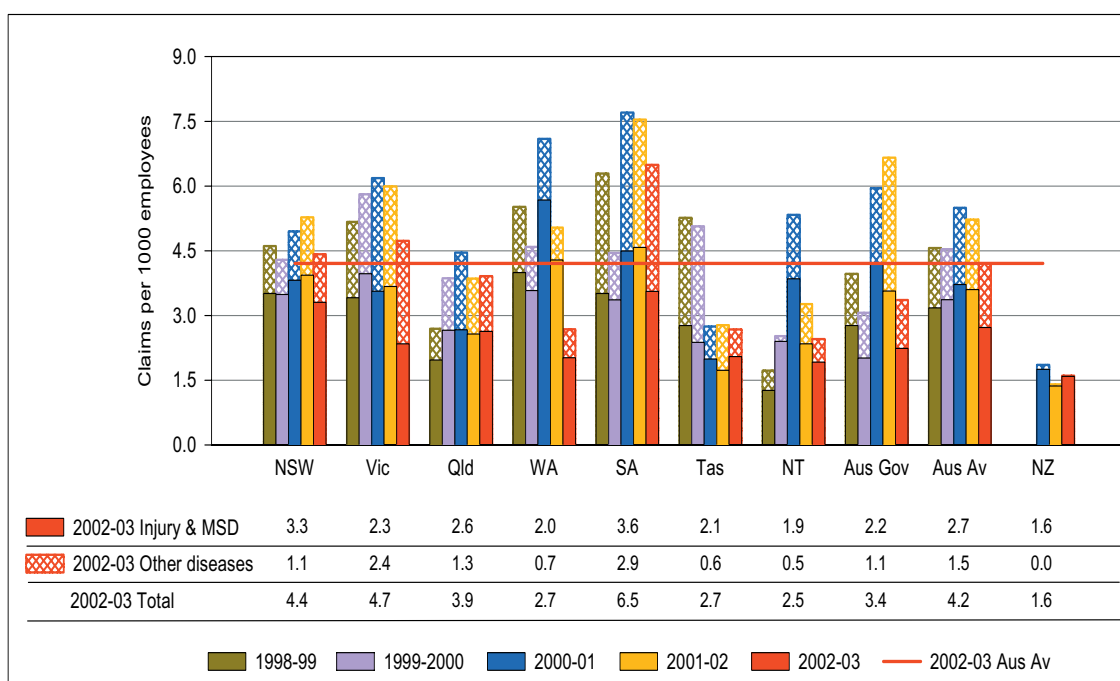


Figure 103 shows the frequency of workplace injury and disease claims resulting in twelve weeks or more of compensation has decreased by 19% since 2001–02, but by only 8% since 1998–99. Every jurisdiction except Queensland recorded reduced incidence rates. The largest decreases were reported for the Western Australia, the Northern Territory and the Australian Government. Queensland reported a slight increase of less than 2%.

Figure 103 Personal and Other Services
Incidence rate of compensated injury and disease resulting in 12 weeks or more off work, by jurisdiction, standardised for sub-industry mix



Jurisdictional comments

New South Wales

Significant changes have been made to New South Wales workers' compensation, injury management and occupational health and safety requirements since 2000. These have included enhanced focus on return to work and dispute resolution, enhancing employer focus on responsibilities for OHS, and targeting benefits at the more seriously injured.

Disputes have been reduced through the establishment of the Claims Assistance Service, introducing provisional liability acceptance of claims to ensure treatment and benefits flow faster to injured workers and creating the Workers Compensation Commission to provide a faster less formal dispute resolution mechanism.

Changes were made to increase the levels of statutory permanent impairment benefits and better focus the availability of common law benefits and commutations for serious cases. Independent actuarial analysis has shown considerable savings to the scheme from these amendments principally through reductions in legal costs. In the future, efforts will increasingly focus on weekly benefits and the need to improve return to work rates.

Initial analysis indicates that claims are being notified earlier, paid earlier and resolved earlier. This indicates, albeit at an early stage, that these reforms appear to be achieving their objectives to improve reporting, reduce payment delays, and ultimately to reduce disputes. Given the early stages of the reform, care should be taken when interpreting the information in the CPM report.

The ability to make fair and definitive comparisons between jurisdictions is a continuing issue for the Comparative Performance Monitoring system and NSW believes that continuing attention to improving the comparability of data is essential to the future of the CPM.

The premium rates and incidents included in the report reflect not only the New South Wales WorkCover Scheme that is available to all employers but also the activities of self-insurers and special insurers (including the Treasury Managed Fund (TMF) which covers most New South Wales Government employees). In some cases, only claims payments information and total wages were available for these insurers. Premium rates for these insurers were calculated by NOHSC using the payments and wages data. For the TMF, WorkCover NSW used the industry specific wages from "Workers Compensation Wage Roll Declaration" supplied by the TMF to allocate payments and wages data to industry groups, improving the accuracy of allocations that in the past had been calculated by NOHSC using ABS data.

The New South Wales claims data in the OHS part of this report for each financial year was extracted at the end of November 2003. In addition, some of the information has been adjusted to Australian standardized industry mixes. It is important to note, therefore, that the data presented in this report differs in some cases from the WorkCover New South Wales published data.

Data used in charts showing injuries resulting in six or 12 weeks or more of compensation for the years before 2000/1 is based on the actual number of days off work provided by insurers. Problems have been found with the quality of this data and therefore disaggregated figures should be used with caution. The 2000/1 and later years data used in these charts are based on time lost (the period paid for total incapacity) and hours usually worked and is considered more reliable.

Victoria

Victoria would like to caution against too literal comparisons between the jurisdictions as the systems vary so greatly that strictly comparative data is not possible. Some standardisations are applied to the data in an attempt to smooth out these differences, but it is not possible to standardise for all differences. This standardisation of the data results in CPM data for Victoria that is inconsistent with similar data normally produced by the Victorian Workcover Authority.

Users are urged to consider the jurisdictional differences and all relevant explanatory notes when CPM data is used.

The 5-10 day factor adjustment

The Victorian Scheme operates on a basis whereby the employer is liable for the first 10 days time, unless the employer has chosen the buyout option. The employer is also liable for the first \$480 (for 2002/03) of medical & like expenses. As a result some employers, although required to lodge a claim, may not do so if they anticipate that these thresholds will not be exceeded.

Note that an adjustment factor (based on averaged experience across other jurisdictions) has been applied to the data provided by Victoria, to derive an estimate of “claims” with 5 days or more lost. These factors, which increase the number of “claims” for Victoria by 19% in order to align the statistic with other jurisdictions, are very approximate and ignore jurisdictional differences in claims patterns.

Further the scope of the data provided for this report does not match the criteria used for normal statistical reporting in Victoria. As a consequence, care should be taken in interpreting these figures, noting that they will differ from actual claims numbers reported by the Victorian Workcover Authority.

Disputes

Common Law ceased in Victoria in November 1997 and was restored in October 1999. These changes have resulted in changes in the pattern of claims data and therefore data may be observed to change over time as development progresses.

Premium

The standardisation for premium rates, as discussed in the explanatory note to Section B1, only takes into consideration some of the issues affecting the comparison of premium rates across the Schemes. There are numerous variations within the Schemes including the terms of benefits paid, coverage, access to dispute resolution processes and ease of access to benefits, and these have not been fully allowed for in the standardisation approach adopted.

Other

Victoria also note that this analysis is now close to 18 months old and significant changes have occurred within the Victorian jurisdiction during this period which have impacted premium rates, claims management, safety initiatives and liability estimates. Readers should consult the VWA website at www.workcover.vic.gov.au for more up to date information.

Queensland

On 14 May 2003, the Queensland Parliament passed the Workers' Compensation and Rehabilitation Act 2003. This Act commenced on 1 July 2003 and formally separated WorkCover Queensland's regulatory functions from its insurance functions. The objectives of the Act are met through a workers' compensation scheme, which consists of three parts: WorkCover the insurer; Q-COMP the regulator; and the Department of Industrial Relations – policy and legislation development. With the exception of 25 licensed self-insurers, WorkCover is the exclusive provider of workers' compensation insurance in Queensland.

Also effective from 1 July 2003 was a new definition of 'worker' which includes a three-part results test. The new definition uses more objective criteria which provide certainty to both workers and employers, in particular labour-only subcontractors.

When reading this report, caution must be exercised with the data because:

- other than Part B3, data is for the whole of Queensland scheme – part B3 does not include self-insurers.
- the Queensland Government implemented changes in the benefit limits and access to common law provision effective from 1 July 2001.
- information and data published elsewhere by WorkCover Queensland or Q-COMP may differ from information and data in this report because of standardisation by the publisher and alternative treatment of data in the way the individual schemes report.

Western Australia

Western Australia recommends caution when interpreting the data provided in this report. This is primarily due to:

1. There are fundamental differences between each state jurisdiction in terms of how their workers' compensation schemes are funded.
2. There are significant difficulties associated with standardising data from three different sources - privately underwritten funds, managed funds and central funds.
3. There are also differences in workers' compensation policies between each jurisdiction which impacts significantly on system costs and outcomes.

Consequently, the standardisation methodologies applied to each scheme need to be fully understood before any comparisons can be made between state jurisdictions.

Particular care should be taken with regard to comparing data on premium rates. In Western Australia, approved insurers can discount recommended rates without limitations and surcharge by a maximum of 100 % of the applicable rate (surcharging beyond 100 % requires the approval of the Workers' Compensation and Rehabilitation Commission).

As Western Australia has a multi-insurer system, detailed information is not readily available on aspects of the scheme that are the responsibility of insurers. This limits data related to matters such as return on investments or details of administrative costs, which may be spread across the range of an insurer's insurance business.

Similarly, data reported to WorkCover Western Australia does not necessarily conform to the categories identified for the CPM report and adjustments have been made to accommodate different reporting requirements. In some instances, cost or income data could not be identified, which affects the usefulness of the data for comparative purposes.

Access to damages at common law differs between jurisdictions and affects significantly the usefulness of comparisons of scheme performance. Because of the highly significant impact of common law claims on costs and outcomes, it is recommended that readers consider the policies related to common law for each jurisdiction when interpreting all comparisons contained in the report.

Note: Due to standardisation of data presented in this report, figures will differ from those presented for Western Australia in other reports (e.g., WorkCover WA Annual Report and Annual Statistical Report).

South Australia

In South Australia, the standardised average premium rate (excluding GST) for 2002–03, as depicted in figure 28 and table 4 in part B1 of the report, was below the Australian average at 2.20 per cent. As depicted in Figure 30 in part B2, the South Australian standardised ratio of assets to outstanding claim liabilities has reduced to 55 per cent for the 2002–03 financial year. *(Note that this ratio will differ from results published in the WorkCover SA 2002–03 Annual Report due to differences in calculation used for the CPM project, and the standardisation process).*

The premium rate reported in this report may appear to be out of step with this funding ratio. This is due to timing issues in collection of the data.

The levy rate reported within this report was set in March 2002 for the 2002–03 financial year. The financial results used for this report are as at 30 June 2003.

Therefore, premium rates for 2003–04, to be reported in the next CPM, will show an increase following the decision of the South Australian WorkCover Board to adjust the average levy rate to 3.00 per cent (from 2.46 per cent) effective from 1 July 2003. This increase in levy responded to the deterioration in funding evident in this comparative report.

The Board expects that this increase in average levy rate will bring the South Australian scheme to full funding within 10 years.

Tasmania

Tasmania recommends caution in interpreting the comparison between jurisdictions because of the difficulties in standardising data from schemes that have fundamental differences in insurance-delivery structures and data collections.

The comparison of Assets and Liabilities (Part B2) presents difficulties in comparing the assets and liabilities of private schemes against schemes that are centrally funded. For Tasmania the funding ratio is the ratio of insurer and self-insurer case estimates and a central estimate derived from the annual actuarial review. The use of case estimates as a proxy for scheme assets and the inclusion of self-insurer data for Tasmania is questioned. The ratio reveals information about the validity of case estimates at a point in time but little about the solvency of the scheme. The measure completely ignores independent actuarial advice suggesting that the last four years covered in the report will be profitable for Tasmanian insurers.

The comparison of administration costs (B3 Figure) is another result that should be viewed with caution. Tasmania relies on raw data supplied by private insurers and may not be directly comparable with administrative expenses reported by other schemes. Further work is required to improve the comparability of these costs.

Australian Capital Territory

The private sector in the ACT is covered by the ACT Workers Compensation Act 1951 and the ACT Occupational Health and Safety Act 1989.

The data contained in this report for the ACT private sector is based on information provided by the ACT-approved insurers who underwrite the scheme privately. At the date of the compilation of this report, the data has not been independently audited or verified by the ACT. The data is indicative only. Accordingly, it should not be relied on for predictive purposes in the making of any decision or forming any judgment.

The ACT Government Sector includes all bodies established by ACT enactments. Employees of the ACT Government Sector are covered by the Commonwealth's Safety, Rehabilitation and Compensation Act 1988 (SRC Act) for the purposes of workers' compensation. Comcare collects workers compensation data for ACT Government Sector employees.

The ACT's Occupational Health and Safety Act 1989 (OHS Act) applies to all ACT Government Sector employees but does not extend to Commonwealth employees working in the Territory who are covered separately by the Commonwealth's Occupational Health and Safety (Commonwealth Employment) Act 1991.

The OHS Act is modified in its application to the ACT Government Sector and has additional provisions for matters such as workplace arrangements and inquiries. In this report, the ACT Government Sector and the ACT private sector occupational health and safety data is combined. Previously these two sectors were reported separately in Part A. However, as the OHS Act covers both sectors it is appropriate to combine the jurisdictional information on occupational health and safety.

The data for Part B of the report could not be subjected to independent actuarial assessment for accuracy or consistency. Accordingly, the data provided is only indicative of trends that may be developing within the scheme. No reliance should be placed on the data without first seeking the advice or assistance of the ACT Government.

The ACT Government has decided to withdraw from the Campbell Survey on which Part C of the report is based. This report represents the last time that data for the ACT will appear in this section as it is currently constructed. It is anticipated that the introduction of NDS3 will better address issues associated with return to work outcomes.

In Part D of the report where an industry classification has been identified as representing less than 5 per cent of the total workforce of the ACT, data has been excluded. In some cases, this exclusion has occurred in response to privacy concerns, while in other industries concerns relate more directly to the accuracy and reliability of the available data.

Due to the significant difference in the workers' compensation schemes that operate for the ACT Government and private sectors the information in the report that deals with workers compensation is still presented separately for the ACT private sector in Parts B through D. ACT Government Sector performance is reported as part of the Comcare scheme. It should be noted that ACT Government Sector data has been excluded from Part B1 of the report. The

ACT Government Sector remains part of the Australian Government workers' compensation scheme and has been declared to be a Commonwealth Authority for the purposes of the Safety, Rehabilitation and Compensation Act 1988. The ACT pays an annual workers' compensation premium to its insurer, Comcare.

Australian Government

The Safety, Rehabilitation and Compensation Act 1988 (SRC Act) establishes a national scheme to provide for rehabilitation and compensation for mainly Australian Government employees, including for the period covered by this report, members of the Australian Defence Force (ADF). It also covers employees of the Australian Capital Territory public sector and certain private sector corporations which have a licence to self-insure under the SRC Act. In 2002–03, there were 305 918 employees covered by the SRC Act.

The Occupational Health and Safety (Commonwealth Employment) Act 1991 applies to only Australian Government employees and employees of Government business enterprises. It excludes employees working in the Australian Capital Territory public sector as well as those employed by private corporations licensed to self-insure under the SRC Act.

The Australian Government's workers' compensation scheme is a no-fault scheme with a comprehensive and, in comparison to many Australian schemes, generous benefit structure balanced by very limited access to common law.

The Safety, Rehabilitation and Compensation Commission plays an important role in monitoring the performance of self-insurers, other determining authorities and premium paying agencies against a range of key performance indicators. The Commission has adopted the National OHS Strategy targets and has incorporated them into its own indicators. Annual performance targets are set by the Commission to promote the Commission's principles of continuous improvement and management accountability for outcomes.

Included within Part A of the CPM report is OHS and premium performance of the scheme excluding the Australian Defence Force. The Australian Capital Territory public sector's performance is shown combined with data from the Australian Capital Territory Private sector. Only Comcare's performance is reported in Parts B2, B3 and B4, which excludes the performance of the self-insurers and the Australian Defence Force. Part C uses Comcare sourced information as a proxy of scheme performance in return-to-work.

Enforcement data

Comcare recommends caution in interpreting comparative enforcement data. As noted in Part A2, the Australian Government cannot be compared directly with other jurisdictions as its enforcement data does not correspond with the data definitions. Comcare has less than 20 appointed investigators and contracts with state and territory OHS authorities and private sector firms to undertake required reactive investigations.

Comcare's annual planned investigation program also differs markedly from investigations conducted by other states and territories. This program involves detailed evaluation of particular organisations' OHS management systems. Comcare also monitors a number of organisations that have been granted self audit status.

Disputation

Comcare recommends caution in interpreting comparative disputation data in the report. Part B4 includes data on the number of formal disputes against an insurer's decision relating to compensation, with the reported disputation rate showing the percentage of new disputes to new claims lodged in the reference year.

Provision exists under the SRC Act for a claimant to seek a formal reconsideration of a determination made by Comcare or other determining authority. However, provision also exists for a claims manager to reconsider a determination on his/her own motion as new information comes to light. In either case, the resultant decision is issued to the claimant as a reviewable decision. Accordingly, the total number of reviewable decisions made by Comcare and other determining authorities include a certain proportion of reconsiderations of own motion. Technically, while the absolute number of reviewable decisions provides an indication of the level of disputes, it over-estimates the actual level of disputation by including the significant number of reviewable decisions that resulted from reconsiderations of own motion.

The comparison of time taken to resolve disputes is another area where Comcare recommends caution in interpreting the reported data. It should be noted that the SRC Act provides for a two-tiered formal dispute resolution process. The first tier enables a claimant to seek a reconsideration of any determination issued by a determining authority. Once a reviewable decision has been made by the determining authority, the claimant has a further option of lodging an appeal with the Administrative Appeals Tribunal (AAT). While the determining authority has a degree of control in terms of the time taken to review a request for reconsideration, it has no control over the time taken by the AAT to complete its review of an appeal.

The significant percentage of disputes that took longer than nine months to resolve, in part reflects the delays experienced in gaining resolution at the AAT level.

Seacare

The Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority) continues to focus on data quality and reliability, to ensure that data inputs used in the CPM report are robust and reliable for national comparative purposes. However, some data sets and data collection processes are still maturing. In a small scheme such as Seacare, small variations in data can have significant statistical implications. Additionally, there are a number of unique features of the Seacare scheme that could impact on the data inputs, and the use of the data for comparative purposes. Some of these are:

Seacare scheme characteristics

The Seacare scheme (maritime industry) represents only one part of an ANZSIC division (Transport and Storage) and includes a narrow band of occupations, all of whom work on a moving workplace subject to the vagaries of the weather. The scheme does not cover on shore occupations associated with the maritime industry. For this reason, care needs to be taken when comparing Seacare scheme performance with other schemes, which cover a wide range of occupations and therefore risk factors, and with other ANZSIC industries, which cover the full spectrum of occupations in an industry and associated risk factors across those occupations within the industry. As a small scheme, Seacare data is susceptible to statistical anomalies that arise when small sample sizes are factored for comparability with larger jurisdictions.

Insurance premiums

Several points need to be made about the premium in the Seacare scheme:

- the premium and policies cover employers for each 24 hours the employee is on board, not just for time at work and on a journey to and from work;
- the premium often covers liabilities in addition to those under the *Seafarers Rehabilitation and Compensation Act 1992*, such as the return to home port provisions in the *Navigation Act 1912*;
- on the other hand, the premium does not support claims management costs (which are entirely an employer responsibility), nor the cost of occupational health and safety inspectorate services, which are funded from maritime safety levies paid separately by maritime industry employers; and
- scheme insurers do not cross subsidise their seafarer workers' compensation business with other workers' compensation business nor with other classes of insurance. The cost of reinsurance on the international reinsurance market for this class of insurance is a significant factor in the overall premium.

OHS performance – the injury frequency rate

The injury frequency rate reported in CPM is not fully accepted by the maritime industry as a true reflection of injury frequency rates across individual employers or the industry as a whole. The main reason for this appears to relate to the 24 hour nature of the employment arrangements. Hours worked data used as the denominator in CPM frequency rate calculations for Seacare is adjusted by Seacare to reflect average shift duration (accepted by industry as 12 hours per day in the trading fleet sector, and 14 hours per day in the offshore fleet sector), while employers invariably use 24 hour per day data to calculate their own Lost Time Injury Frequency Rates, resulting in considerably lower injury frequency rates.

Scheme administration costs

Given the role of the employer as claims manager, the Seacare Authority has not yet been able to accurately identify claim administration costs by each employer or by insurance companies. This will impact on some data and reports in Part B3.

Scheme Legal costs

The Seacare Authority continues to work with scheme insurers to obtain accurate legal costs for Part B3. Seacare accepts that the data used in this report will be subject to review in future reports.

New Zealand

Before 1 July 1999, workers' compensation in New Zealand was covered by the Employers' Account administered by the Accident Rehabilitation and Compensation Insurance Corporation (commonly known as ACC), a Crown entity. This account also covered the work injuries of self-employed people and shareholder employees.

On 1 July 1999, the *Accident Insurance Act 1998* came into effect. Under this Act, employers were required to buy workers' compensation cover from private insurers, or from @Work Insurance, a state-owned enterprise. Employers could not continue to buy workers' compensation insurance from ACC. Self-employed people could either continue to be covered by ACC or buy work and non-work cover privately. Premium setting was not regulated.

ACC continued to manage the continuing rehabilitation and provision of entitlements to existing claimants (that is, accidents that occurred before 1 July 1999). Employers are required to fund these costs according to premiums set on an industry basis.

ACC continued also to be the sole provider of accident-insurance cover in all non-work contexts. This included cover for earners' non-work injuries, motor-vehicle injuries and non-earners' injuries.

A change of government in November 1999 resulted in amendments to the *Accident Insurance Act*. From 1 July 2000, cover for all accidents (work, non-work and motor vehicle) became the responsibility again of ACC. The private insurers who entered the market on 1 July 1999 continue to manage their existing work-injury claims.

ACC established a new, fully funded scheme to manage accident-compensation insurance from 1 July 2000 – the employers' scheme. Many of the ratios reported in Part B of this report are distorted because the scheme is new. For example, its costs of compensating injured employees are small, as all claims are in their first development year. Total scheme costs are therefore artificially low, so medical and rehabilitation costs as a percentage of the total seem high compared with the Australian schemes.

On 1 April 2002, the *Accident Insurance Act* (and associated amendments) was replaced by the *Injury Prevention Rehabilitation and Compensation (IPRC) Act 2001*. Under it, ACC continues to provide compensation for all accidents (work, non-work and motor-vehicle). The IPRC gives injury prevention high priority for ACC. Other changes include:

- the introduction of lump-sum compensation for permanent impairment;
- a revision of the rehabilitation process to focus on jobs suited to the skills of individuals and the areas they live in;
- minor changes in weekly compensation for those in marginal employment situations (temporary and seasonal work); and
- the ability of ACC to develop individually tailored products for the self-employed.