



Q-COMP

**Queensland Workers'
Compensation Scheme
1999-2000
Statutory Claims Analysis**




Q-COMP™

*The Workers' Compensation Regulatory
Service of Queensland*

About Q-COMP

Under the *WorkCover Queensland Act 1996* (the Act), WorkCover Queensland has two clearly identified roles: to provide accident insurance as a commercial provider, and to enforce the Act as a regulator. Q-COMP is the regulator of workers' compensation in Queensland.

Q-COMP's main focus is to ensure equitable, impartial and balanced regulatory services for Queensland's injured workers, employers and insurers. These regulatory services include:

- Claim and Premium Review
- Medical Assessment Tribunals
- Scheme Development
- Self-Insurance
- Workplace Rehabilitation

Background

Major legislative changes that have recently influenced claims for workers' compensation include:

1 July 1999 Changes to the definition of 'injury' from requiring employment to be 'the major contributing factor' causing the injury to be 'a significant contributing factor' to the injury.
Establishment of a Review Unit separate from WorkCover's commercial business.
Establishment of a Review Council to monitor the Review Unit and Medical Assessment Tribunals.

Legislative changes affecting Self-Insurers include:

3 March 1999 The requirement for a Self-Insurer to assume liability for outstanding claims i.e. claims incurred before the issue of the self-insurance licence.
The introduction of new occupational health and safety criteria.
An increase in the number of workers from 500 to 2,000.

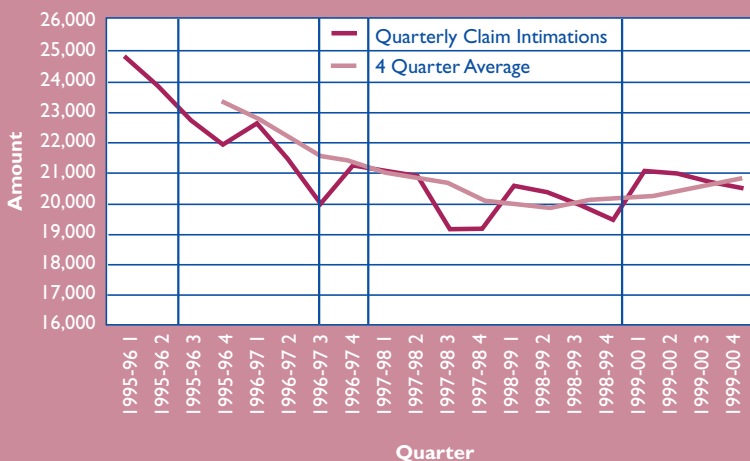
Introduction

This is the first report to be published by Q-COMP to disseminate scheme-wide data – covering both WorkCover and Self-Insurers – from the Queensland workers' compensation scheme. This report focuses on claim intimations and costs by major areas of interest (such as injury type and industry). This publication also looks briefly at Self-Insurer data following the first full year of self-insurance for all of the 22 current Self-Insurers .

(Note: some Self-Insurers have been licensed to self-insure since June 1998).

Scheme-Wide

CLAIM INTIMATIONS, QUARTERLY
1995-1996 to 1999-2000



Intimations

In 1999-2000 there were 82,335 claims intimated in the Queensland workers' compensation scheme. While this figure is less than the number of claims intimated in 1995-1996 (down 11%), it represents a 3.2% increase from 1998-1999. The figure below illustrates claim intimations per quarter between 1995-1996 and 1999-2000, together with key legislative changes that occurred during this time.

1. 1/1/96 Change in definition of 'injury'
2. 1/2/97 Change in definition of 'injury'
3. 1/7/97 Change in definition of 'worker'
4. 1/7/99 Change in definition of 'injury'

Claim Rates

Claim rates have been calculated for 1995-1996 to 1999-2000 to allow for comparison between accepted claims relative to the number of employed persons in Queensland.

The following table illustrates claim rates based on accepted claims as at the end of August 2000. At this date, approximately 1% of the 1999-2000 claims were yet to be decided. Outstanding intimations have been included in accepted claims to represent the highest potential rate scenario.

- a Australian Bureau of Statistics, Labour Force, Queensland (February Quarter), Cat No 6201.3.
b Accepted claims include outstanding intimated claims.

ACCEPTED CLAIMS AND CLAIM RATES 1995-1996 to 1999-2000

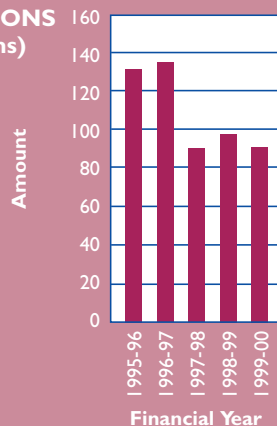
	1995-96	1996-97	1997-98	1998-99	1999-00
QUEENSLAND LABOUR FORCE					
Average Number of Employed People ('000) ^a	1,513.9	1,540.6	1,603.4	1,617.0	1,659.4
Change from Previous Year		1.8%	4.1%	0.8%	2.6%
Average Number of Employees Covered ('000) ^a	1,423.2	1,450.2	1,333.4	1,352.5	1,388.8
Change from Previous Year		1.9%	-8.1%	1.4%	2.7%
QUEENSLAND WORKERS' COMPENSATION SCHEME					
Intimated Claims					
Number	93,008	85,110	79,686	79,805	82,335
Change from Previous Year		-8.5%	-6.2%	-0.1%	3.2%
Accepted Claims					
Number ^b	83,951	75,684	68,999	69,771	74,332
Change from Previous Year		-9.9%	-8.8%	1.1%	6.5%
Accepted Claim Rates					
Number per 100,000 workers ^b	5,898.8	5,218.9	5,174.7	5,158.7	5,352.2
Change from Previous Year		-11.5%	-0.8%	-0.3%	3.8%

Fatalities

Fatality intimations (excluding cancelled fatal claims) have decreased since 1995-1996 as illustrated in the figure below. In 1999-2000 there were 90 fatal claim intimations, which is a decrease (down 32.3%) from the 1996-1997 figure of 134.

The industries recording the highest number of fatalities in 1999-2000 were transport and storage (16%), manufacturing (13%), construction (13%), agriculture (12%) and retail (12%).

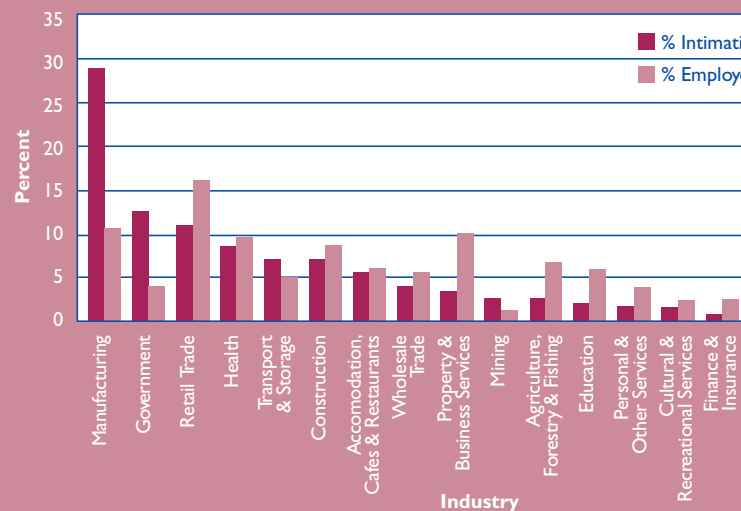
FATAL CLAIM INTIMATIONS (excluding cancelled claims) 1995-1996 to 1999-2000



Industry

Manufacturing represents the highest proportion of claims intimated in the Queensland scheme. It accounted for over a quarter (28.7%) of all intimations in 1999-2000. This was significantly more than the proportion of people employed in manufacturing in Queensland (10.6%). Other industries recording high levels of intimations included government (12.5% of all claims) and retail (10.9%).

PROPORTION OF INDUSTRY REPRESENTATION IN CLAIM INTIMATIONS AND EMPLOYED PERSONS 1999-2000



Injury

Sprains and strain injuries accounted for almost half (47.1%) of all injuries intimated in 1999-2000. Of these, sprains and strains to the back were the major body location (accounting for almost one fifth (19.6%) of all intimations).

Injury types that had a larger increase than the increase in intimations scheme-wide between 1998-1999 and 1999-2000 were:

- Mental disorders – primarily stress (16.7%).
- Other injuries – not specifically identified (15.8%).
- Other sprains and strains – excluding back injuries (5.9%).

Industries which had higher than average rates of particular injuries in 1999-2000 included:

- Open wound to hand in accommodation, restaurants and cafes (17.0% compared with 10.1% scheme-wide).
- Burns in accommodation, restaurants and cafes (9.3% compared with 2.9%).
- Fractures in agriculture (16.0% compared with 5.6%).
- Deafness in mining (7.4% compared with 1.5%).
- Stress claims in finance and insurance (15.2% compared with 2.4%).
- Other sprain/strains in finance and insurance (40.2% compared with 27.5%).
- Sprain/strains to backs in health (27.9% compared with 19.7%).

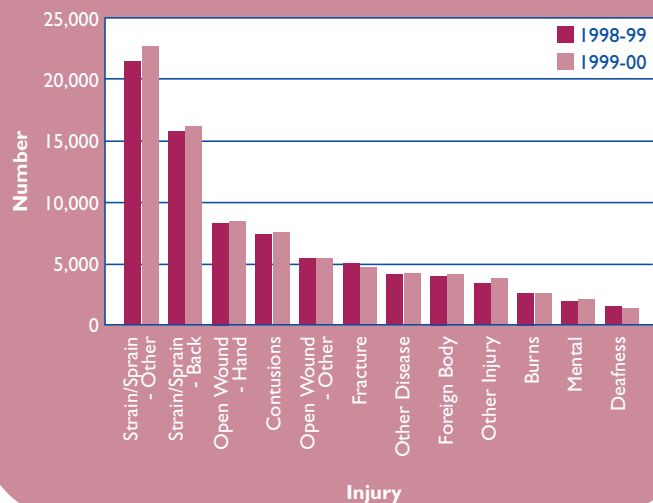
Claim Type

Almost half of the claims (49.3%) intimated result in time lost from work (time lost claims – TLC). The second most frequent type is medical expense only (MEO) claims which account for 37.1%. Other claim types account for the remaining 13.6% of claims intimated.

Durations

Over the past two years, durations for ceased and finalised time lost claims has increased by 4.2% from 21.5 days in 1998-1999 to 22.4 days in 1999-2000.

NUMBER OF CLAIM INTIMATIONS BY INJURY TYPE 1998-1999 and 1999-2000



Costs

All Claims Cost

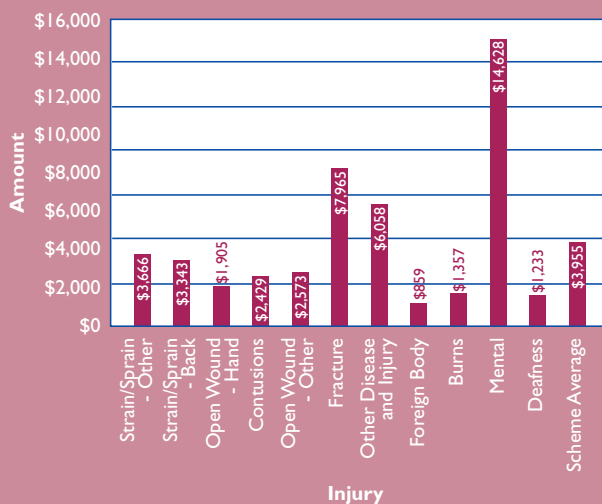
Overall, the average cost of finalised time lost claims increased by 2.6% from \$3,858 in 1998-1999 to \$3,956 in 1999-2000. As the following table illustrates this increase is in line with other standard indicators for the same period.

COMPARISON OF AVERAGE CLAIMS COST INCREASES 1999-2000 COMPARED WITH GENERAL COST INCREASES

Indicator	% Change
AVERAGE TIME LOST CLAIMS COST	2.6
CONSUMER PRICE INDEX ^a	
Average All Groups, Brisbane	2.7
Health and Personal Services, Brisbane	3.0
QUEENSLAND ORDINARY TIMES EARNINGS (QOTE) ^b	2.7

ALL CLAIMS COST

AVERAGE TIME LOST CLAIMS COST BY INJURY TYPE 1999-2000



- a Australian Bureau of Statistics, Consumer Price Index, Australia, Cat No 6401.0 – All Groups CPI, Brisbane, % change from June 2000 to the corresponding quarter of previous year and Health and Personal Care CPI, Brisbane, % change from June 2000 to the corresponding quarter of previous year.
- b Australian Bureau of Statistics, Average Weekly Earnings, Cat No 6302.0 – Change in full-time adult ordinary time earnings from February 1999 to February 2000.

Average claims cost by injury and by industry vary significantly. Industry differences may be related to the types of injuries experienced in the industry. The following two figures illustrate the average claims cost by injury and industry for 1999-2000.

The cost of mental disorder claims (including stress claims) (\$14,628) was the most expensive of all injury types, followed by fractures (\$7,965).

Costs - Continued

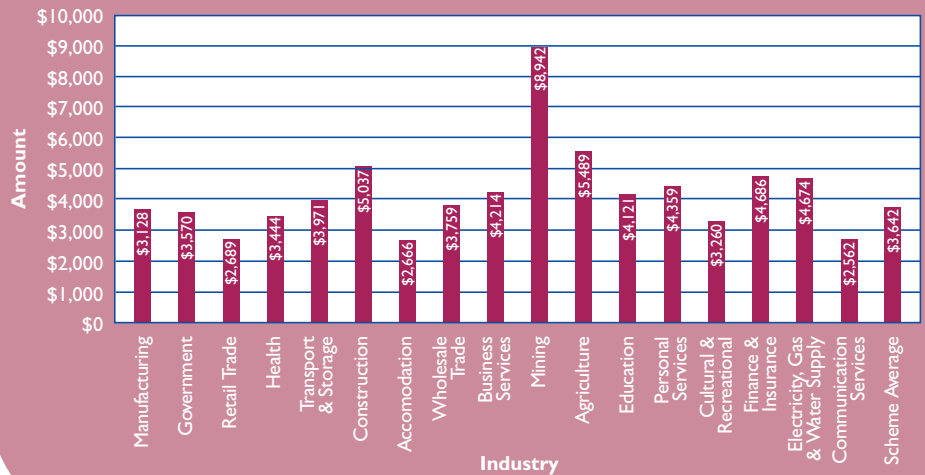
Of all industry claims, mining industry claims were the highest cost (\$8,689), potentially due to the higher wages paid in the industry. Nationally, the average weekly earning for all employees in the mining industry is \$1,255, more than twice the total average of \$608 (Source: ABS, Average Weekly Earnings, Cat No 6302.0, February 2000).

Similarly, industries that tended to have lower average time lost claim costs – accommodation, restaurants and cafes, retail trade, and cultural and recreational services – also had the lowest average weekly earnings of all industries (between \$347 and \$443).

(Note: Industry comparisons are only for claims with an injury date after 1 July 1997 as the coding of industry changed at this time and prior data is not comparable).

ALL CLAIMS COST

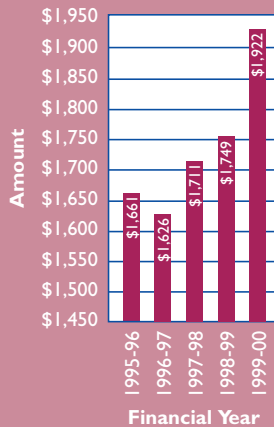
AVERAGE TIME LOST CLAIMS COST 1999-2000 BY INDUSTRY (FOR INJURIES OCCURRING AFTER 1 JULY 1997)



CURRENT YEAR CLAIMS COST

AVERAGE CLAIMS COST BY FINANCIAL YEAR 1995-1996 to 1999-2000

For All Time Lost Claims Intimated and Ceased or Finalised Within the Financial Year



Current Year Claims Cost

The cost of the current year's claims, those claims intimated in 1999-2000 which have been finalised or ceased by 30 June 2000, have been calculated and compared to comparable claims (i.e. intimated and ceased or finalised within the financial year) over the preceding 4 years. As illustrated, claims cost have increased consistently over the past four years with a large increase being observed in 1999-2000 (9.9%).

The past year's claims cost by industry and injury have also been analysed over the past two financial years.

The largest increases in claims cost were in education (up 37%), finance and insurance (up 26%), government (up 23%) and mining (up 23%). The only industries recording a decrease were communication services (down 26%), electricity, gas and water supply (down 15%), cultural and recreational services (down 5%) and wholesale trade (down 3%).

CURRENT YEAR CLAIMS COST

AVERAGE CLAIMS COST BY INDUSTRY 1998-1999 and 1999-2000

For All Time Lost Claims Intimated and Ceased or Finalised Within the Financial Year



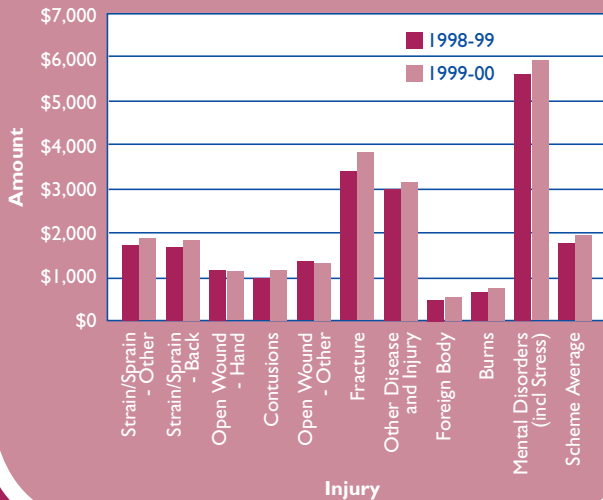
Costs - Continued

The largest increases in claims costs were contusions (up 20%) and burns (up 17%). The only injury types recording a decrease were open wounds in general (down 4%) and to the hand (down 1%).

CURRENT YEAR CLAIMS COST

AVERAGE CLAIMS COST BY INJURY TYPE 1998-1999 and 1999-2000

For All Time Lost Claims Intimated and Ceased or Finalised Within the Financial Year



Definitions

Accepted claims – All intimated claims that have been accepted by the insurer. The following claim types are excluded: cancelled, rejected, 'no action required' and 'report only' claims.

Claim rates - The number of accepted claims per 100,000 workers covered by the Queensland scheme.

Employed people – All people employed in Queensland.

Employed people covered – An estimate of all people employed in Queensland who are covered by the Queensland workers' compensation scheme given the definition of 'worker' at any point in time. For employed people covered estimates, both 'employees' and 'own account workers' were included from ABS data in estimates up to 30/6/97. Only 'employees' were included from 1 July 1997 due to changes in legislation.

Industry Codes – All industry codes are based on the insurers' coding of industry to the divisions from the "Australian and New Zealand Standard Industry Classification", ABS.

Injury – For injuries occurring after 1 July 1999, the definition of 'injury' required employment to be 'a significant contributing factor' causing the injury. Prior to this, employment needed to be 'the major contributing factor' causing the injury.

Injury Codes – All injury codes are based on the insurers' coding of injury to the nature and location codes of the "Type of Occurrence Classification System", Second Edition, National Occupational Health and Safety Commission (NOHSC). Where large numbers of injury nature classifications occurred (such as strain/sprain and open wound) they have been further broken down using the location of the injury.

Intimations – All claims lodged with insurers, regardless of the outcome (i.e. includes cancelled and rejected claims).

Self-Insurer – Companies which meet the Queensland licencing requirements are able to apply for a licence to self-insure and take liability and manage their own workers' compensation claims rather than insure with WorkCover Queensland.

Time Lost Claims – Claims which have resulted in time lost from work (i.e. compensation is paid for the time lost).

Self-Insurance

The first self-insurance licence in Queensland started in June 1998. As at 30 June 2000, Queensland had 22 Self-Insurers, all of whom had been self-insured for a year or more. The end of June 2000 marks the first year anniversary for the newest Self-Insurers.

Intimations

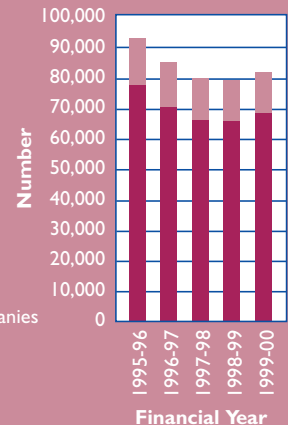
Since the first Self-Insurers were issued with a licence in June 1998, the proportion of intimated claims for Self-Insurers has steadily increased from 1% in 1997-1998 to 10% in 1998-1999 and 15% in 1999-2000.

In 1999-2000, Self-Insurers intimated a total of 12,715 claims.

When analysing the workers' compensation history of Self-Insurers (including their policies under WorkCover), Self-Insurers have consistently accounted for 16% – 17% of the claim intimations scheme-wide over the past five years (See figure below).

Self-Insurer intimations have decreased by 11% since 1995-1996. The only year recording an increase during this period was 1999-2000 where claims increased 3.2%.

NUMBER OF INTIMATIONS Self-insurers (All Claims) and Other Companies, 1995-1996 to 1999-2000



Level 12/30 Makerston Street,
PO Box 407
Brisbane Roma Street
Queensland 4003

Telephone: 1300 361 235
Email: statistics@qcomp.com.au
Web: www.qcomp.com.au

This report was prepared by the Scheme Development Unit of Q-COMP using available data at the time of preparation. Enquiries regarding technical aspects of this publication should be forwarded to the Scheme Analyst, Q-COMP on (07) 3235 4905 or by email to statistics@qcomp.com.au. For general enquiries contact the Research Officer, Q-COMP on (07) 3404 3468.

For this and other publications prepared by Q-COMP relating to workers' compensation in Queensland, please see the Q-COMP website: www.qcomp.com.au

Excerpts from this publication may be produced, with appropriate acknowledgement, as permitted under the Copyright Act. This publication is intended only to provide a summary of the matter covered and without assuming a duty of care. Although the information, including commentary, herein has been derived from sources believed to be reliable, Q-COMP does not guarantee or make representations to its accuracy or completeness or accept responsibility for any loss or damage whatsoever occurring as a result of its use.