



**Q-COMP**

**Queensland Workers'  
Compensation Scheme 2001-2002  
Statutory Claims Analysis**



**Q-COMP**

*The Workers' Compensation Regulatory  
Service of Queensland*

## INTRODUCTION

This is the third annual statistical report to be published by Q-COMP to disseminate scheme-wide data – covering both WorkCover and Self-Insurers – from the Queensland workers' compensation scheme.

**Some improvements to the data capture have been recognised and form part of this year's statistical analysis. In particular**

**claims with a lump sum payment together with compensation payments, have been included in the calculation of average costs and durations. These claims were not previously reported as time lost claims. For this reason, previous years' average costs and durations have been recalculated to allow for comparisons.**

## 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 and Appeals
- Medical Assessment Tribunals
- Scheme Analysis and Systems Support
- Education and Research
- Licensing and Insurer Compliance
- Rehabilitation Compliance and Advice.

## BACKGROUND

The major recent legislative changes for workers' compensation include:

1 February 1997 – *WorkCover Queensland Act 1996*

1 July 1997 – *WorkCover Queensland Act 1996*

- Change in the definition of "worker" from anybody working under a contract of services, regardless of their taxpaying status to a PAYE taxpayer
- Changes to the definition of "injury" from requiring employment to be "a significant contributing factor" causing the injury to be "the major contributing factor" to the injury.

1 July 1999 – *WorkCover Queensland Amendment Act 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

1 July 2000 – *WorkCover Queensland Amendment Act 1999*

- Change in the definition of "worker" from a PAYE taxpayer to a person working under a contract of service, regardless of their taxpaying status

1 July 2001 – *WorkCover Queensland Amendment Act 2001*

- Increase in the lump sum benefit payable to dependants on the death of a worker to \$250,000
- Increase in the maximum statutory benefit able to be received by an injured worker to \$150,000.

The new maximum amounts apply to injuries occurring on or after 1 July 2001.

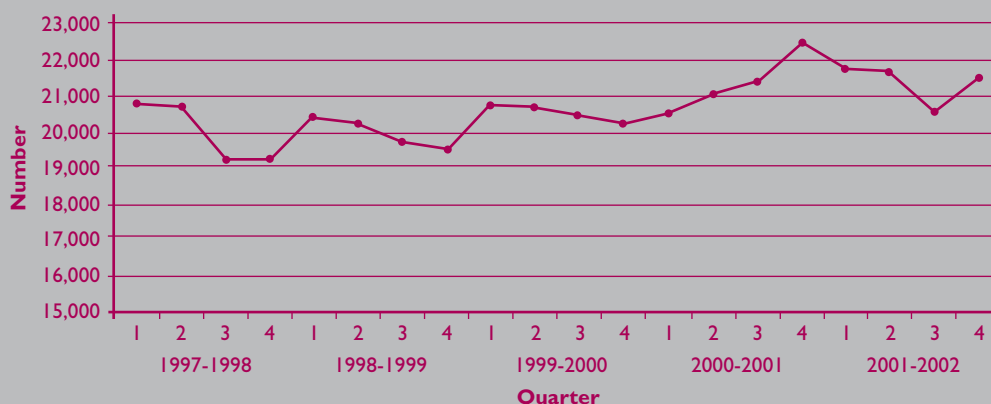
## INTIMATIONS

Many factors influence the number of claims intimated by injured workers. Some of these factors which may have contributed to changes in numbers of intimations over the years include:

- Changing industry economics
- Variations in the overall numbers in the workforce
- Work process changes within industry, eg. automation, improved workplace health and safety practices.

In 2001-2002 there were 85,407 claims intimated in the Queensland workers' compensation scheme. This represents a 0.1% increase from 2000-2001. The figure below illustrates claim intimations per quarter between 1997-1998 and 2001-2002.

CLAIM INTIMATIONS, QUARTERLY 1997-1998 TO 2001-2002



## CLAIM RATES

Claim rates have been calculated for 1997-1998 to 2001-2002. These allow for the comparison of the number of claim intimations relative to the number of people employed in Queensland. Due to the increased

coverage of the scheme following the change to the definition of "injury" and "worker", the claim rate decreased in 2000-2001. A further decrease of 4.1% has been seen in 2001-2002.

### CLAIM RATES 1997-1998 TO 2001-2002

	Annual Comparison				
	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002
<b>QUEENSLAND LABOUR FORCE</b>					
Average Number of Employed People ('000) <sup>a</sup>	1,603.4	1,617.0	1,659.4	1,671.1	1,732.2
Change from Previous Year	4.1%	0.8%	2.6%	0.8%	3.7%
Average Number of Employees Covered ('000) <sup>b</sup>	1,333.4	1,352.5	1,388.8	1,583.5	1,652.8
Change from Previous Year	-8.1%	1.4%	2.7%	14.0%	4.4%
<b>QUEENSLAND WORKERS' COMPENSATION SCHEME</b>					
<b>Intimated Claims</b>					
Number	79,859	79,805	82,335	85,340	85,407
Change from Previous Year	-6.2%	-0.1%	3.2%	3.6%	0.1%
<b>Claim Rate</b>					
Number per 100,000 employees covered <sup>b</sup>	5,989.1	5,900.6	5,928.5	5,389.3	5,167.4
Change from Previous Year	3.3%	-1.5%	0.5%	-9.1%	-4.1%

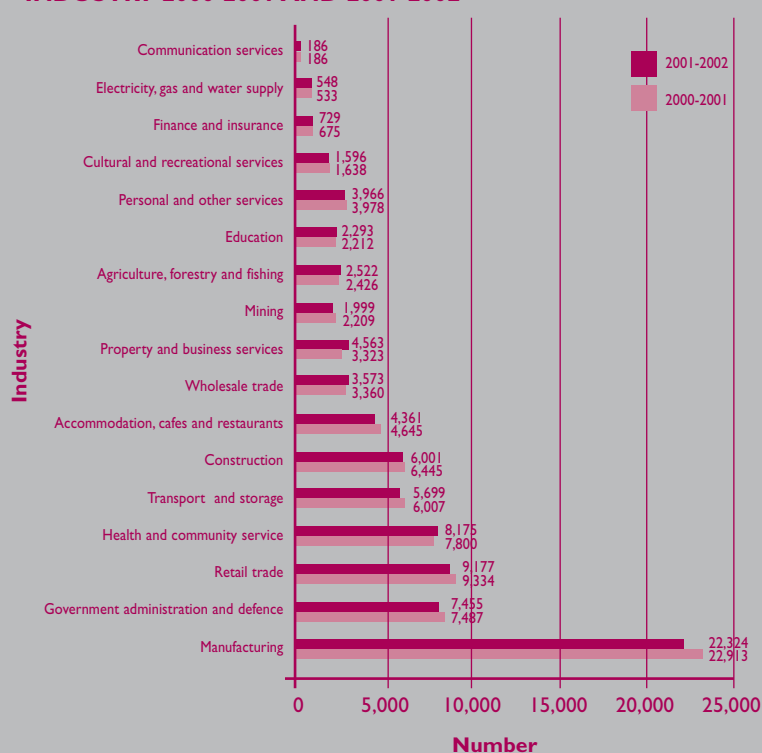
<sup>a</sup> Australian Bureau of Statistics, Labour Force, Queensland (February Quarter – for each of the above years), Cat No 6201.3.

<sup>b</sup> "Employees covered" is a subset of all employed persons depending on the legislation in place (see definitions)

## INDUSTRY

Manufacturing represents the highest proportion of claims intimated in the Queensland scheme, mainly due to the size of the workforce and the nature of the work. It accounted for over a quarter (26.1%) of all intimations in 2001-2002. From 1 July 2001 claims from Group Training Schemes are coded under the property and business services industry. Prior to 1 July 2001, these claims were spread throughout all industry classifications. This explains the large increase in intimations for the property and business services industry (41.1%).

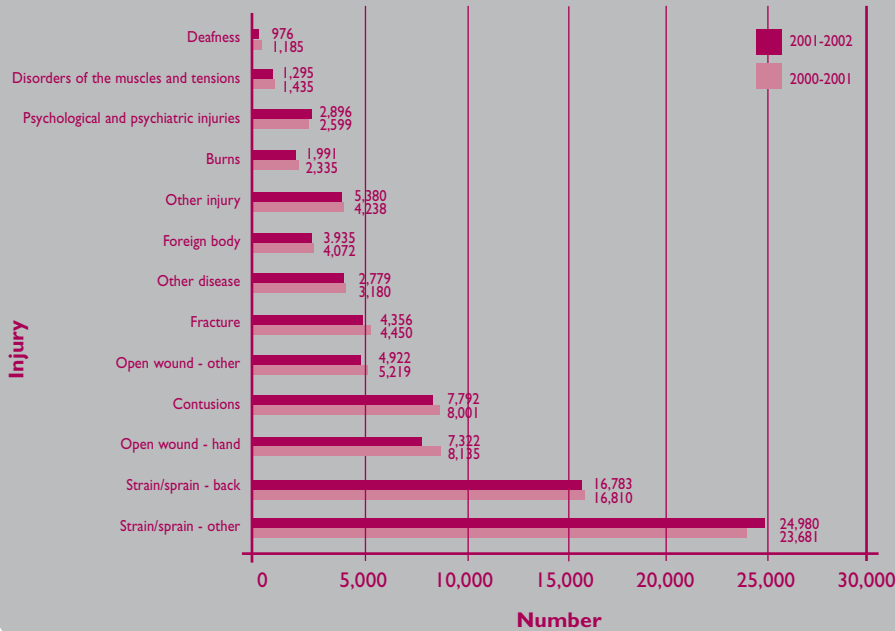
### STATUTORY CLAIM INTIMATIONS BY INDUSTRY 2000-2001 AND 2001-2002



## INJURY

Sprains and strain injuries accounted for almost half (48.9%) of all injuries intimated in 2001-2002. Of these, sprains and strains to the back were the major body location (accounting for almost one fifth or 19.7% of all intimations).

### STATUTORY CLAIM INTIMATIONS BY INJURY TYPE 2000-2001 AND 2001-2002



## CLAIM TYPE

Almost half (43.5%) of the claims intimated resulted in time lost from work (time lost claims – TLC). The second most frequent claim type was medical expense only (MEO) claims which accounted for 42.5% of claims. Other claim types accounted for the remaining 14.0% of claims intimated.

## DURATION

Over the past two years, durations for finalised time lost claims including the excess paid by the employer (where applicable) has increased by 17.2% from 30.2 days in 2000-2001 to 35.4 days in 2001-2002 (refer to definition of Time Lost Claims re change in calculations).

## AVERAGE COSTS OF CLAIMS

This section compares the change in the average cost of finalised time lost claims to other indicators and across industries and injury types. The average cost of a claim increased by 30.9% from \$5,277 in 2000-2001 to \$6,906 in 2001-2002 (refer to definition of Time Lost Claims re change in calculations). This is partially due to the increased duration of claims as well as other factors, to a lesser extent, such as wages growth and CPI increases and increases in the level of benefits.

In addition the average cost of claims may vary depending on:

- The duration of claims
- Changes in industry claim rates and the average wages paid in industry
- The mix of injuries intimated scheme-wide
- Level of medical and other expenses required for the injury
- Standard cost indicators impacting on costs.

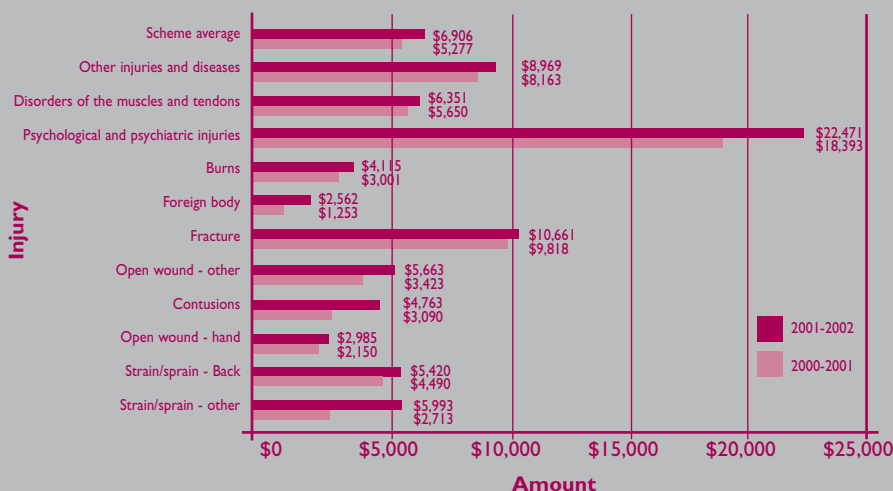
a Australian Bureau of Statistics, Consumer Price Index, Australia, Cat No 6401.0 – All Groups CPI, Brisbane, % change from June 2002 to the corresponding quarter of previous year and Health CPI, Brisbane, % change from June 2002 to the corresponding quarter of previous year.

b Australian Bureau of Statistics, Average Weekly Earnings, Cat No 6302.0 – Change in full-time adult ordinary time earnings from February 2001 to February 2002.

### COMPARISON TO GENERAL COST INCREASES

Indicator	% Change
AVERAGE TIME LOST CLAIMS COST	30.9%
Consumer Price Index <sup>a</sup>	
Average All Groups, Brisbane (excluding GST)	3.1%
Health, Brisbane (excluding GST)	7.6%
Full Time Adult Ordinary Time Earnings <sup>b</sup>	5.3%

### AVERAGE TIME LOST CLAIMS COST BY INJURY TYPE 2001-2002



Average claim costs by injury and by industry vary significantly. Although psychological and psychiatric injuries only account for only 3.4% of all claims, they are the most expensive with an average cost of \$22,471. In particular, the duration of psychological and psychiatric claims impacts on the average cost of these claims, with an average duration of 103.5 days for psychological and psychiatric injuries compared with the scheme average of 35.4 days. The second most expensive injury type, fractures, (\$10,661) also only accounted for a small proportion of injuries (5.1%).

**NOTE : Claims with compensation together with lump sum payments were not previously reported as time lost claims. For this reason, previous years' average costs and durations have been recalculated to allow for comparisons.**

### AVERAGE TIME LOST CLAIMS COST 2001-2002 BY INDUSTRY



Of all industry claims, mining industry claims had the highest average cost (\$17,222) partially due to the higher wages paid in the industry. The average weekly earnings (full time adults) for employees in the mining industry (\$1,371) is much higher than the Queensland average (\$802) (Source: ABS, Average Weekly Earnings, Cat No 6302.0, March 2002).

Similarly, industries that tended to have lower average time lost claim

costs – accommodation, restaurants and cafes, and retail – also had the lowest average weekly earnings of all industries (between \$643 and \$670).

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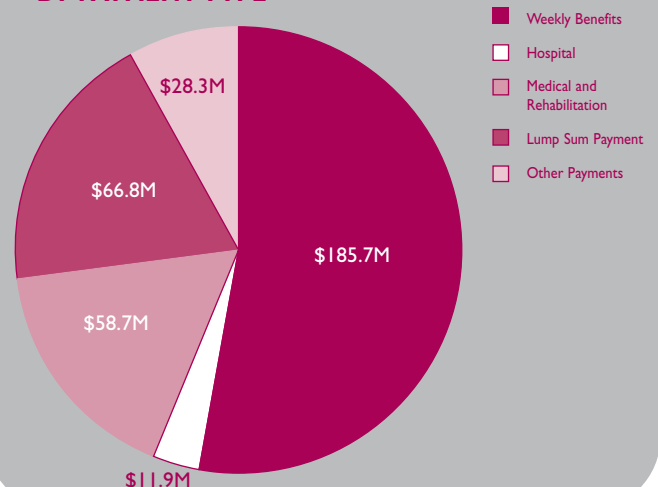
### STATUTORY CLAIM PAYMENTS

This section compares the statutory claim payments made by the scheme in the last financial year by the payment type, industry and injury type. These payments include all statutory payments made by workers’ compensation insurers and include all weekly benefits, hospital payments, medical and rehabilitation payments, lump sum payments (including fatal lump sums), statutory legal expenses, travel and other payments.

In 2001-2002, workers’ compensation insurers paid \$351.4M in statutory benefits to injured workers and their providers. These were made up of five main components - weekly benefits, hospital, medical and rehabilitation, lump sum and other payments such as travel, statutory legal costs etc.

The breakdown of these payments in 2001-2002 shows over half (52.8%) of statutory claim payments paid were for weekly benefits. Payments for lump sum settlements accounted for a further 19.0% and medical and rehabilitation services accounted for a further 16.7% of payments.

### STATUTORY CLAIM PAYMENTS 2001-2002 BY PAYMENT TYPE



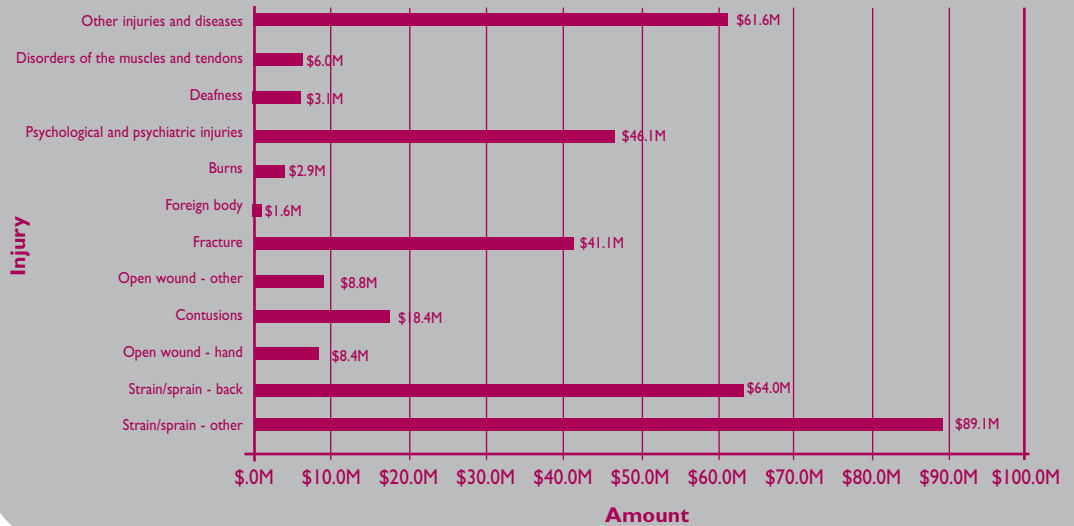
### STATUTORY CLAIM PAYMENTS 2000-2001 TO 2001-2002

Payment Type	2000-2001	2001-2002	% Increase/ (Decrease)
Weekly Benefits	\$151.0M	\$185.7M	23.0% <sup>a</sup>
Hospital	\$11.1M	\$11.9M	7.2%
Medical and Rehabilitation	\$54.9M	\$58.7M	6.9%
Lump Sum Payments	\$48.9M	\$66.8M	36.6% <sup>b</sup>
Other Payments	\$19.7M	\$28.3M	43.7%
<b>TOTAL PAYMENTS</b>	<b>\$285.6M</b>	<b>\$351.4M</b>	<b>23.0%</b>

<sup>a</sup> Increase due primarily to increased claim durations

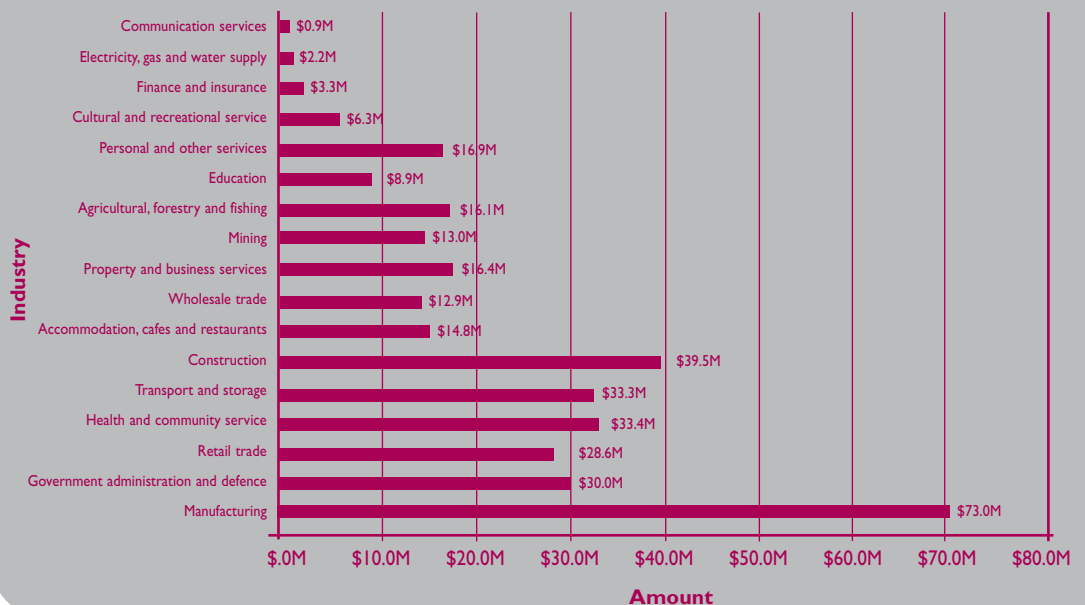
<sup>b</sup> The statutory maximum for lump sum increased for injuries on or after 1 July 2001. This would contribute to the increase.

### STATUTORY CLAIM PAYMENTS 2001-2002 BY INJURY TYPE



The majority of statutory claim payments in 2001-2002 were claims with a primary injury of sprains and strains other than the back, accounting for 25.3% of all statutory payments.

### STATUTORY CLAIM PAYMENTS 2001-2002 BY INDUSTRY TYPE



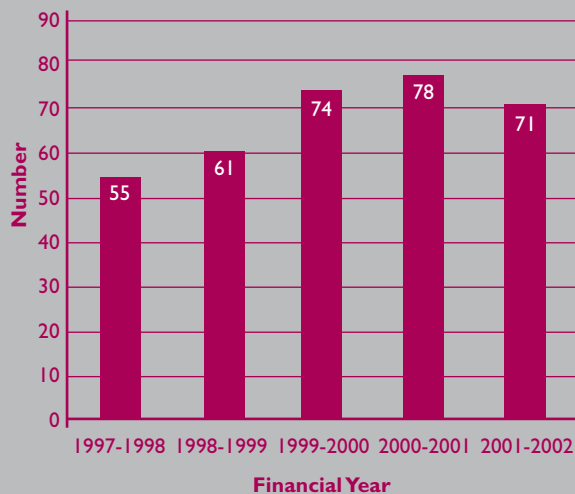
Claims from the manufacturing industry accounted for the majority of statutory claim payments in 2001-2002 at 20.9%.

## FATAL INJURIES

Intimations for fatal injuries (excluding cancelled fatal claims and disease fatalities) have steadily increased from 1997-1998 to 2000-2001. However, there was a 9% decrease between 2000-2001 (n = 78) and 2001-2002 (n = 71). While fatal intimations have decreased, the number of intimations resulting from work-related journeys or journeys to and from work have increased between 2000-2001 (n = 30) and 2001-2002 (n = 36).

The industries recording the highest number of fatal injury intimations in 2001-2002 were manufacturing (18.3%, n = 13), transport and storage (18.3%, n = 13), agriculture (8.5%, n = 6), wholesale (8.5%, n = 6) and retail (8.5%, n = 6). Fatalities in the construction industry have fallen from 12.8% (n = 10) in 2000-2001 to 4.2% (n = 3) in 2001-2002. Over half (50.7%, n = 36) of fatal injury intimations were as a result of either work-related journeys or journeys to and from work.

### FATAL INJURY INTIMATIONS (EXCLUDING CANCELLED CLAIMS AND DISEASE FATALITIES) 1997-1998 TO 2001-2002



This report was prepared by the Scheme Analysis and Systems Support Unit of Q-COMP using available data at the time of preparation. Inquiries regarding technical aspects of this publication should be forwarded to the Data Analyst, Q-COMP on (07) 323 54119 or by email to [statistics@qcomp.com.au](mailto:statistics@qcomp.com.au). For general inquiries contact the Research Officer, Q-COMP on (07) 340 43468.

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## DEFINITIONS

**Average Claim Cost** – The average statutory cost of ceased or finalised time lost claims, including any excess amount paid for by the employer. Claims with compensation together with lump sum payments were not previously reported as time lost claims. For this reason, previous years' average costs and durations have been recalculated to allow for comparisons.

**Durations** – Work days lost due to an injury on ceased or finalised time lost claims, including any work days lost paid for by the employer. Claims with compensation together with lump sum payments were not previously reported as time lost claims. For this reason, previous years' average costs and durations have been recalculated to allow for comparisons.

**Employees covered** – Under legislation, the type of workers covered by workers' compensation varies. Between 1 July 1997 and 30 June 2000 a "worker" was limited to PAYE taxpayers, before and after this period the definition of a worker included anybody working under a contract of service. Using ABS definitions, employees are always covered by workers' compensation. "Own account workers" are covered prior to 1 July 1997 and after 30 June 2000 and "employers" and "contributing family members" are not covered.

**Fatal claims** – All claims where an injury caused the death of an injured worker, excluding cancelled and rejected claims and fatalities caused by disease.

**Industry** – 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 Type** – 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 (ie. includes cancelled and rejected claims).

**Statutory Claim Payments** – All statutory payments made in 2001-2002, including any payments for time lost made by the employer as part of the compensation period (excess) as reported by WorkCover.

**Psychological and psychiatric injuries** – the injury nature code from the "Type of Occurrence Classification System", Second Edition, National Occupational Health and Safety Commission (NOHSC) has been renamed psychological and psychiatric injuries in this publication and includes claims commonly referred to as "stress" claims.

**Time Lost Claims** – All claims which have resulted in time lost from work excluding fatalities, (ie. compensation is paid for the time lost), including those with a lump sum payment. Claims with compensation together with lump sum payments were not previously reported as time lost claims. For this reason, previous years' average costs and durations have been recalculated to allow for comparisons.

## CONTACT DETAILS



12th Floor/30 Makerston Street  
PO Box 13407  
George Street Q 4003

Telephone: 1300 361 235  
Email: [statistics@qcomp.com.au](mailto:statistics@qcomp.com.au)  
Web: [www.qcomp.com.au](http://www.qcomp.com.au)

