

Injury Schemes Seminar

Balancing Outcomes

10-12 November 2013
Sheraton Mirage Gold Coast



WorkCoverSA – Scheme Update

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Presentation overview

- Current position
 - Overview of South Australian scheme
 - Results at 30 June 2013
- Current strategies
 - Scheme improvement initiatives



Overview of South Australian scheme

- High cost scheme
- Prevention managed separately - SafeWorkSA
- New Board (November 2013)
- New Management team (February 2013)
- Clear Ministerial expectations of improved performance & initiatives
- Premium managed in house (new ERS)
- Claims & legal outsourced (new arrangements 1 January 2013)
- Common law not a feature in SA



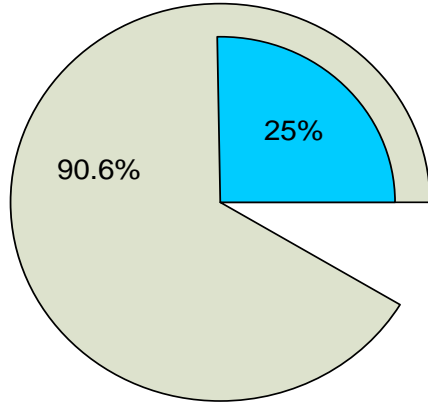
WorkCoverSA by the numbers

- 50,000 registered employers covering ~ 500,000 workers
- ~35% of the State workforce is self-insured
- General numbers each year
 - ~\$650m premium collected
 - ~\$420m claims costs
 - ~\$125m scheme expenses
- Good investment returns



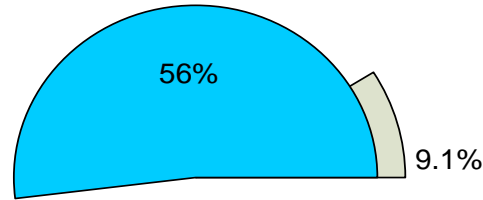
Employers by base premium

■ Number of employers
■ Claim costs



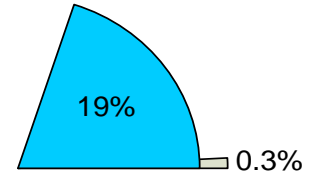
< \$20,000 base premium and
< \$300,000 remuneration

Likely to have a claim every...
14 years



>= \$20,000 and <= \$500,000
base premium and
>= \$300,000 remuneration

Likely to have a claim every...
5 months



> \$500,000 base premium

Likely to have a claim every...
2 weeks

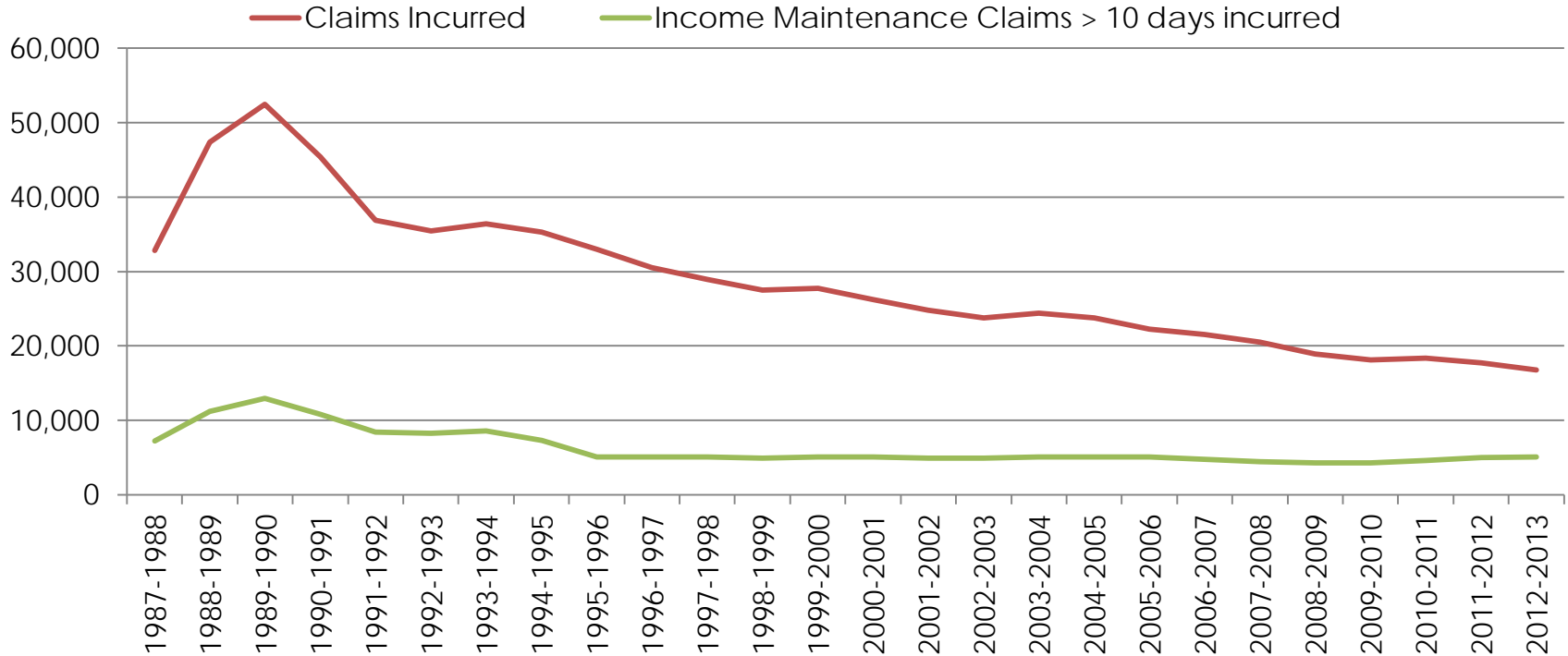


Indicative cost of claims over time

Group	# claims	% claims	Lifetime cost (\$m)	Average cost	% cost
< 2 wks & medical	13,500	74%	26	1,950	4%
2-13 weeks	1,700	9%	13	7,500	2%
13-26 weeks	1,000	5%	17	17,000	3%
> 26 weeks	2,000	11%	570	285,000	86%
Serious Inj.	25	0.1%	38	1,500,000	6%
Total	18,225		664	36,410	



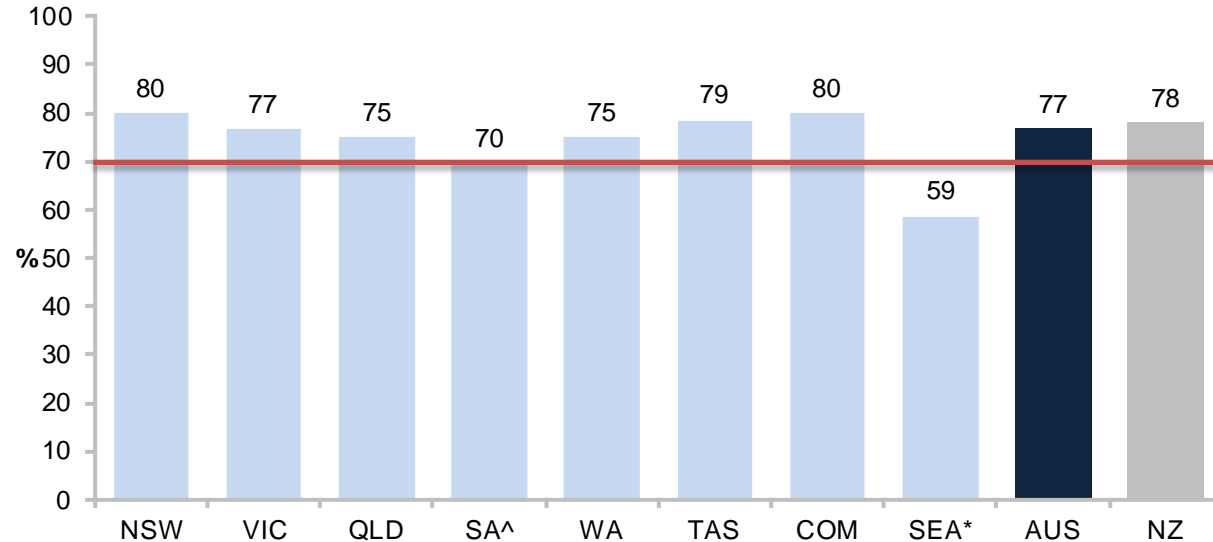
New claim trends





RTW compared nationally

- Are you currently (at 7-9 months) working in a paid job?



2012/13 Headline Measures Report (Australia and New Zealand), August 2013 (Figure 3, page 5)

^ SA > 10 days los, * Small sample size

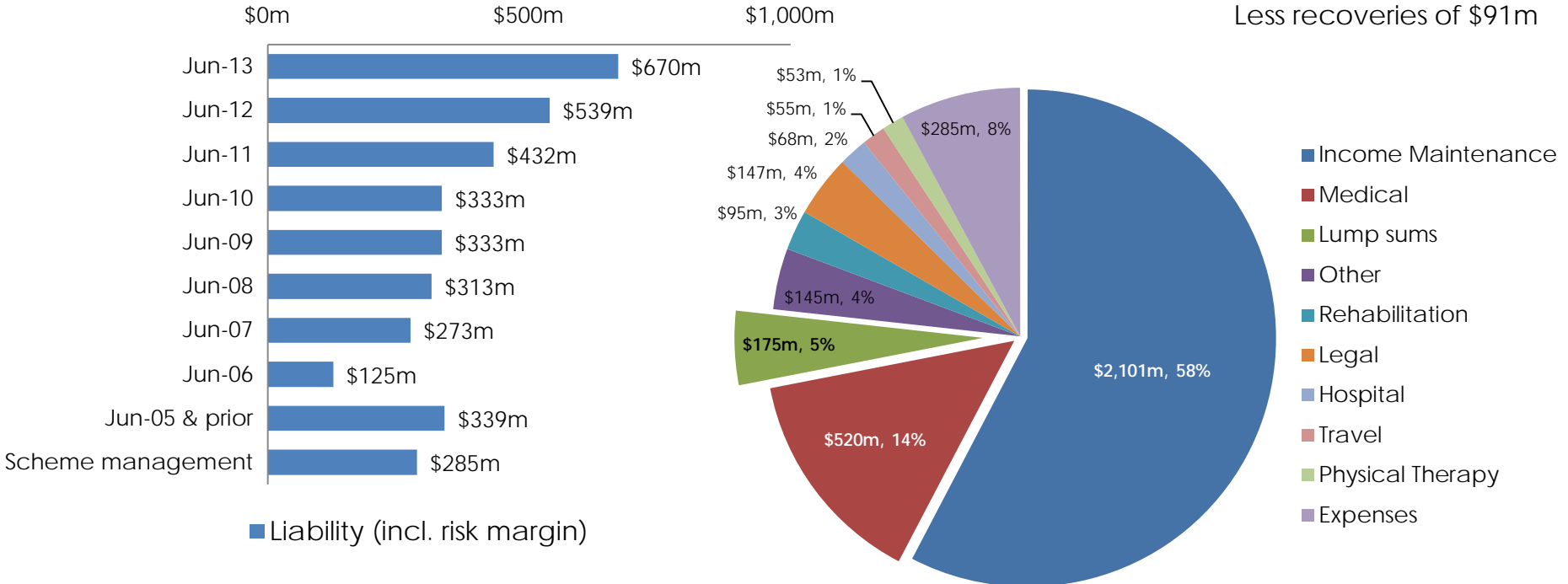


Results at 30 June 2013

- Scheme funding **63.7%**
- Outstanding claims liability for all funds **\$3.725b** (\$1.366b unfunded)
 - Compensation fund outstanding claims liability **\$3.552b**
- In 2012-13
 - **16,774** claims incurred from WorkCover insured employers (~65% scheme)
 - **5,051** income maintenance claims >10 days lost time incurred
 - **2,309** claim disputes
 - Net investment return **13.1%** (\$253m)
- 2012-13 hindsight rate **3.28%** at June 2013 vs. premium charged of 2.75%
- Current forward break even premium rate in excess of **3.3%**

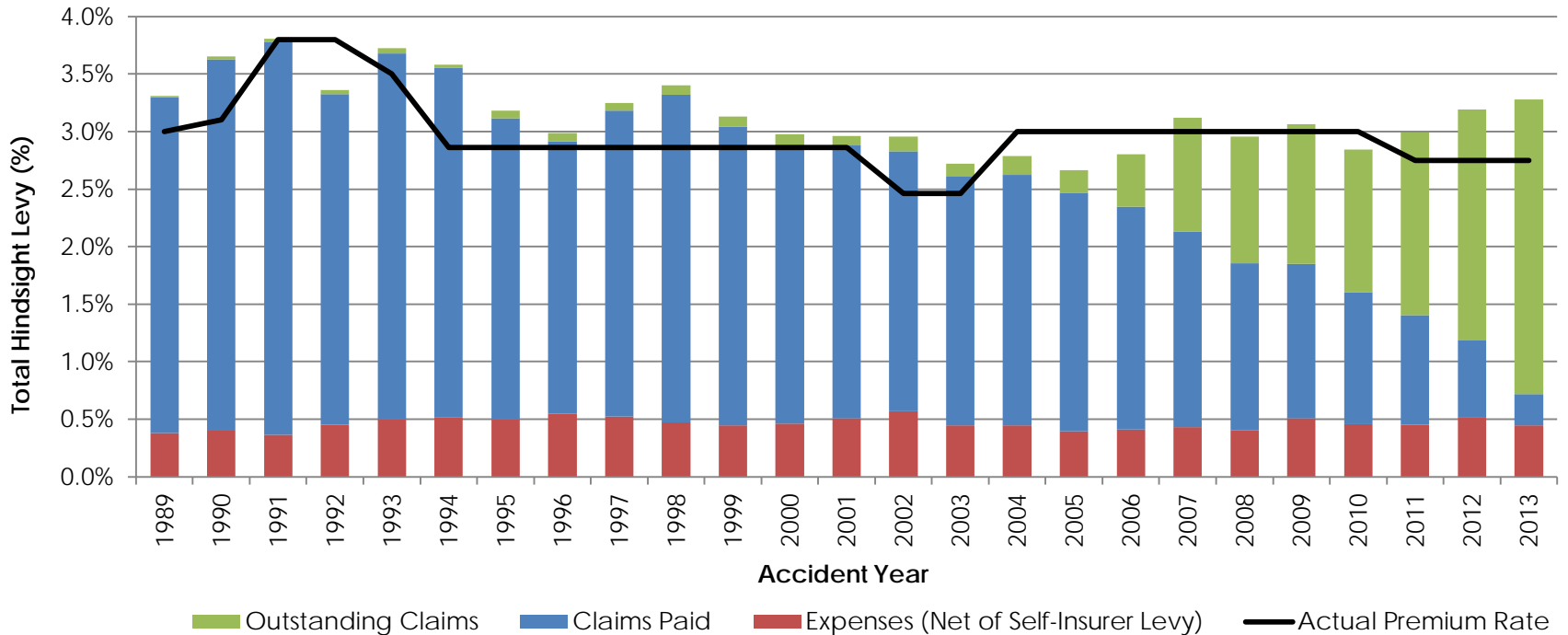


Liabilities at 30 June 2013






Premium vs. liability at 30 June 2013





Strategies

-  Free advisory service for injured workers, employers and the public, launched August 2013
- Early intervention with employer workplace visits for small employers
- Enhancing use of RRTW Coordinators
- Improved focus on the work capacity review provisions
- Revised claims agent KPIs & more active management
- Improving reporting, scheme analytics and data mining
- Increasing fraud and investigation act
- Enhanced outcome focussed vocational rehabilitation model
- Remissions and Supplementary Payments Scheme (RASP) for employers