

ACT PRIVATE SECTOR WORKERS' COMPENSATION SCHEME PERFORMANCE SUMMARY

KEY FACTS

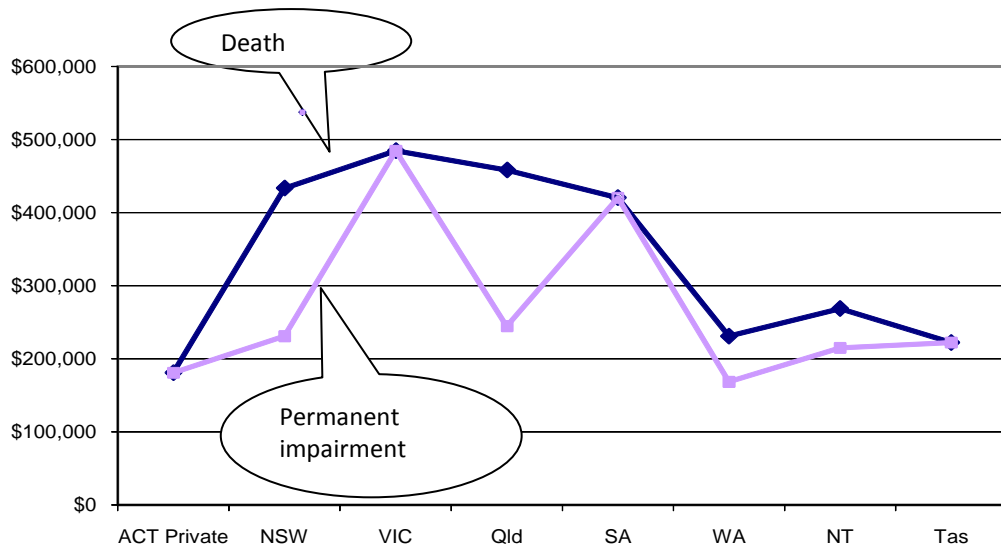
- Approximately 117,750 workers covered
- 14,000 policies
- 4,500 claims annually

PAYMENT PROFILE

- 90% of workers (4,000) recover and return to work quickly
- 10% of claims (440) account for 80% of costs
 - These claims account for 1.13% of wages or 55% of the reasonable premium rate
 - The majority (58%) of these claims relate to sprains, strains and muscle stress
 - Top six industries (detailed level) for lump sum/common law claims :
 - Supermarket and Grocery Stores 5.65%
 - Cafes and Restaurants 4.79%
 - Cleaners 4.45%
 - Accommodation 3.08%
 - Department stores 2.17%
- 17.5% of scheme payments are legal and investigation fees for employers and workers (paid by the insurer)
 - Workers may also face additional costs in the form of solicitor/client and uplift fees

National comparisons

Lump sum and Death compensation



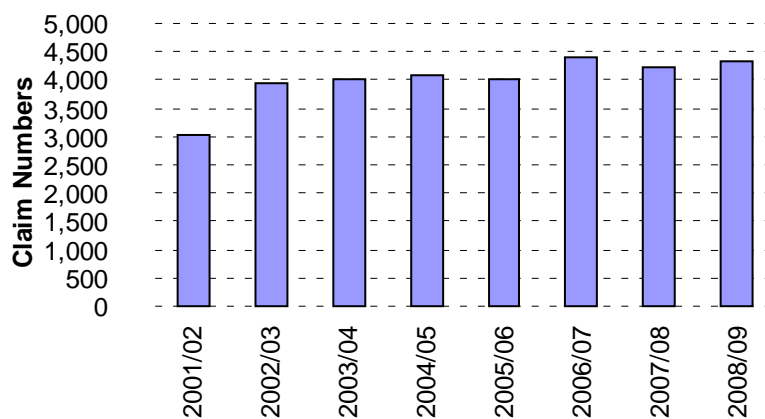
WA – up to \$126,374 is added to the \$183,000 lump sum if the injury has resulted in total permanent incapacity

Comparison of sample Premium Rates for 2010/2011

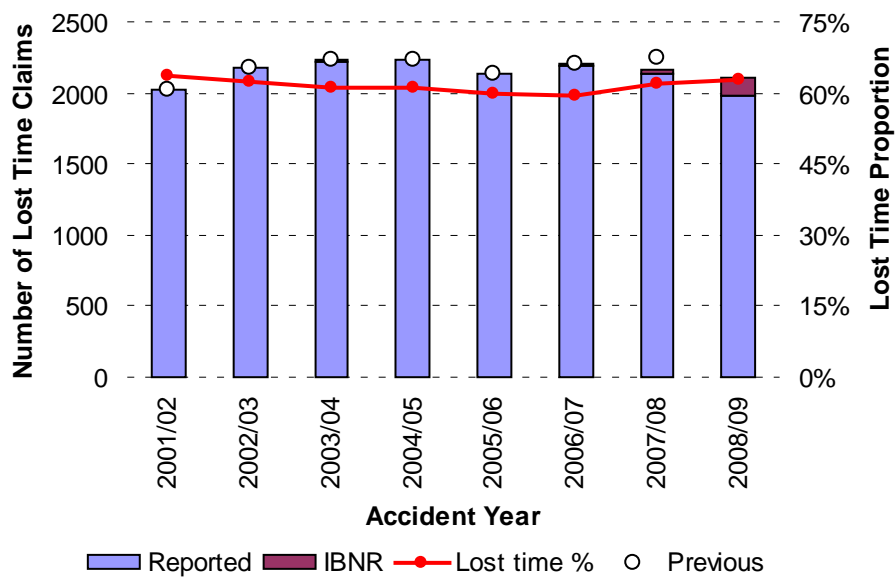
Classification	WorkCover NSW	WorkCover	Average ACT rate (sample of insurers)
		WA	
House Construction	5.04%	1.10%	7.55%
Road and Bridge Construction	4.29%	1.80%	9%
Tiling & Carpeting Services	7.57%	3.48%	10.77%
Automotive Repair & Services	2.79%	2.04%	4.59%
Accommodation	3.67%	2.13%	4.05%
Computer Consultancy Services	0.24%	0.25%	1%
Accounting Services	0.24%	0.25%	0.71%
Hairdressing & Beauty Salons	1.78%	0.94%	3.92%
Childcare Services	2.45%	1.71%	3.6%
Supermarket & Grocery Stores	4.36%	1.84%	4.62%

ACT Claim Profile

Claim numbers

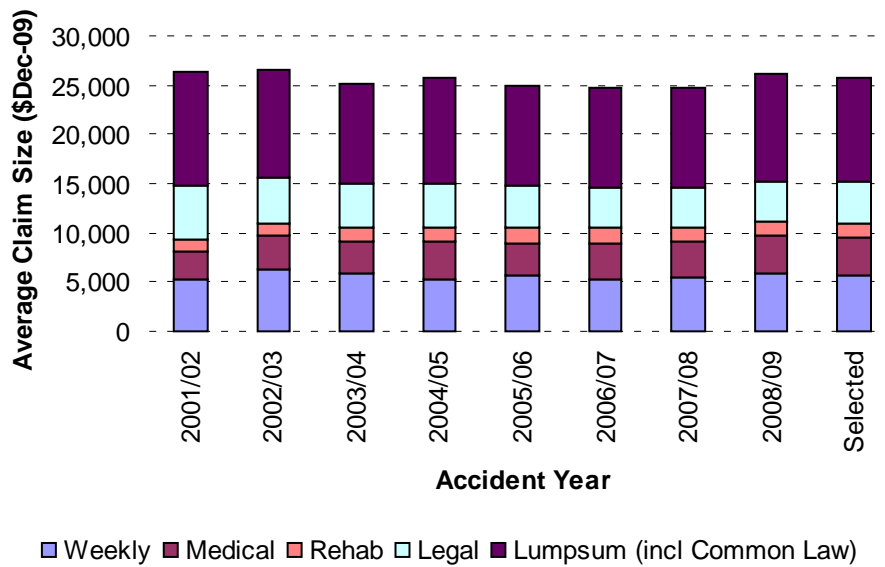


Lost time claims



- The top five occupations generating the most claims in the Scheme are (2007/08):
 1. Sales 35%
 2. Labourers 21%
 3. Cleaners 17%
 4. Carers 13%
 5. Childcare 13%
- The top five industries with the highest percentage of total scheme claims costs (2007/08)
 - Construction - 23.72%
 - Retail Trade – 18.93%
 - Property and Business Services – 14.03%
 - Health and Community Services – 7.59%
 - Manufacturing – 7.15%

Average claim size – all incurred claims



Premium

- Small employers (less than 20 employees) account for 86% of policies and 45% of premiums
- Medium 20 – 99 employees = 10% of policies and 35% of premium

Comparison of whole person impairment framework compared to existing and to NSW

Injury	Proposed WPI framework and increased maximum (\$220,000)		Existing framework and existing single loss maximum (\$126,622)		NSW Comparison (WPI framework)
	% WPI	Statutory lump sum payable	Schedule 1	Statutory lump sum payable	
Amputation of middle toe at metatarsophalangeal joint	1%	\$2,200	6%	\$7,597	1% = \$1,375
Tibial plateau fracture with no displacement	2%	\$4,400	Not covered	Nil	2% = \$2,750
Total medial meniscectomy (Knee)	3%	\$6,600	Not covered	Nil	3% = \$4,125
Arthritis of knee joint with 3mm cartilage interval	3%	\$6,600	Not covered	Nil	3% = \$4,125

Injury	Proposed WPI framework and increased maximum (\$220,000)		Existing framework and existing single loss maximum (\$126,622)		NSW Comparison (WPI framework)
	% WPI	Statutory lump sum payable	Schedule 1	Statutory lump sum payable	
Amputation of little finger at the metacarpophalangeal joint	5%	\$11,000	9%	\$11,396	5% = \$6,875
Lumbar disc protrusion with associated spasm and guarding but no radiculopathy	5-8%	\$11,000 - \$17,600	Not covered	Nil	5 - 8% = \$6,875 - \$11,000
Visible simple facial scarring with usual hairstyle and clothing	5-9%	\$11,000 - \$19,800	Not covered	Nil	5 - 9% = \$6,875 - \$12,375
Displaced patellar fracture with non-union	7%	\$15,400	Not covered	Nil	7% = \$9,625
Amputation of great toe at metatarsophalangeal joint	9%	\$19,800	22%	22% = \$27,857	9% = \$12,375
Tibial plateau fracture with 10 degrees of angulation	10%	\$22,000	Not covered	Nil	10% = \$13,750
Arthritis of knee joint with 1mm cartilage interval	10%	\$22,000	Not covered	Nil	10% = \$13,750
Lumbar disc protrusion with associated spasm and guarding and radiculopathy	10-13%	\$22,000 - \$28,600	Not covered	Nil	10 - 13% = \$13,750 - \$18,700
Non-melanoma skin cancer	6 – 10%	\$13,200 - \$22,000	Not covered	Nil	6 – 10% = \$8,250 - \$13,750
Replacement of shoulder joint	14%	\$30,800	Not covered	Nil	14% = \$20,350
THRESHOLD – ACCESS TO COMMON LAW					
Air passage defects - dyspnea is produced by stress, prolonged exertion, hurrying, hill-climbing, or recreational or similar activities (except sedentary forms)	11 – 29%	\$24,200 - \$63,800	Not covered	Nil	11% - 29% = \$15,400 – \$55,000

	Proposed WPI framework and increased maximum (\$220,000)		Existing framework and existing single loss maximum (\$126,622)		NSW Comparison (WPI framework)
Injury	% WPI	Statutory lump sum payable	Schedule 1	Statutory lump sum payable	
Binaural hearing impairment (29.1-30.1%)	15%	\$33,000	Total loss of hearing (1 ear) 20%	\$25,324	15% = \$22,000
Urinary diversion disorders (Nephrostomy & Neobladder/replacement cystoplasty)	15%	\$33,000	Not covered	Nil	15% = \$22,000
Impairment for ankle ankylosis in the neutral position	15%	\$33,000	Not covered	Nil	15% = \$22,000
Symptoms and signs of bladder disorder (eg urinary frequency), requiring continuous treatment	16-40%	\$35,200 - \$88,000	Not covered	Nil	16-40% = \$23,650 - \$85,250
Latex contact urticaria/angioedema with cross reactions	17%	\$37,400	Not covered	Nil	17% = \$25,300
30% wedge compression fracture of C6 vertebral body	15-18%	\$33,000 - \$39,600	Not covered ¹	Nil	15 – 18% = \$22,000 - \$26,950
Fused hip joint in optimal position	20%	\$44,000	Not covered	Nil	20% = \$30,250
Amputation of thumb at metacarpophalangeal joint	22%	\$48,400	R 30%	\$37,987	22% = \$35,750
			L 26%	\$32,922	
Amputation at ankle	25%	\$55,000	Amputation of foot - 65%	\$82,304*	25% = \$44,000
Cervical fusion of C5 and C6 and no associated neurological sequelae	25-28%	\$55,000 - \$61,600	Not covered	Nil	25-28% = \$44,000 - \$52,250
Total loss of function of median nerve at the carpal tunnel	27%	\$59,400	Not covered	Nil	27% = \$49,500

¹ Note: Schedule 1 provides for compensation for a 'permanent impairment of back', payable at a rate of 60% of the maximum single loss amount. In practice, this would be applied to significant impairment cases.

	Proposed WPI framework and increased maximum (\$220,000)		Existing framework and existing single loss maximum (\$126,622)		NSW Comparison (WPI framework)
Injury	% WPI	Statutory lump sum payable	Schedule 1	Statutory lump sum payable	
Impairment for knee ankylosis	27%	\$59,400	Not covered	Nil	27% = \$49,500
Amputation of hand (all digits at metacarpophalangeal joints)	54%	\$118,800	Loss of hand (as opposed to loss of all fingers)	R 70% = \$88,635* L 65% = \$82,304*	54% = \$139,150
Thoracic spinal fracture at T10 with complete paraplegia	up to 93%	93% = \$220,000	60% permanent impairment of back	\$75,973	Up to 93% - \$231,000
Workplace fatality		\$450,000 \$9,000 funeral benefits		\$189,900* \$5,100 funeral benefits	\$449,850 (30 Sept 2010) \$455,900 (1 October 2010)

- Adoption of the whole person impairment framework will increase the number of permanent injuries entitled to lump sum compensation
 - Current, only workers that meet a set list of prescribed physical injuries are eligible for lump sum compensation (injuries resulting in amputation, loss of sight, taste or smell, loss of the power of speech or injuries causing permanent brain damage)
 - Proposed, increases maximum lump sum compensation and broadens the lump sum compensation regime to include injuries that have a permanent life impact for a worker including – soft tissue injuries that result in permanent nerve damage, impairment from a prolapsed disc or impairment caused by psychological injury.