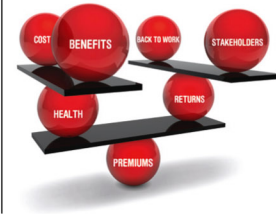


Injury Schemes Seminar

Balancing Outcomes

10–12 November 2013
Sheraton Mirage Gold Coast



Comcare Scheme Update

Bruce Watson, Chief Actuary



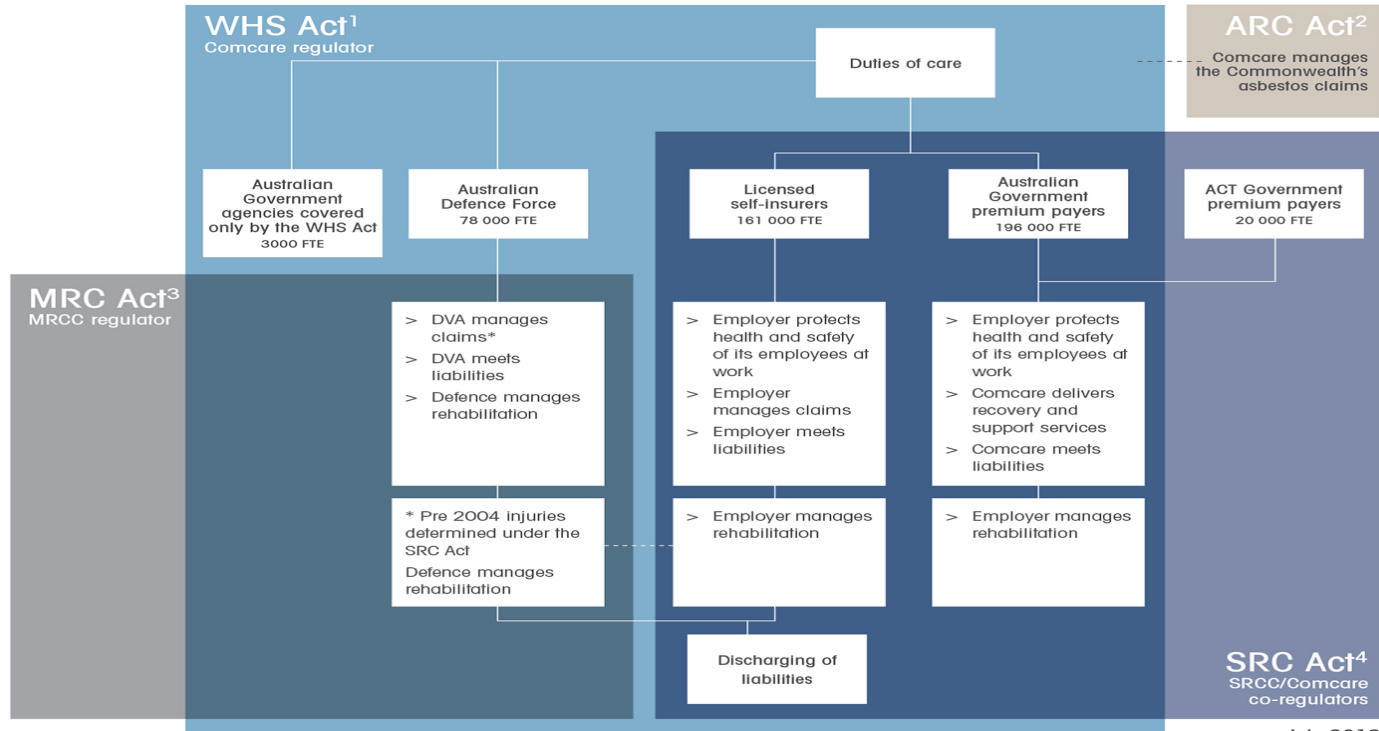
Australian Government

Comcare

*This presentation has been prepared for the Actuaries Institute 2013 Injury Schemes Seminar.
The Institute Council wishes it to be understood that opinions put forward herein are not necessarily those of the Institute
and the Council is not responsible for those opinions.*



The 'Scheme' covers 460 000 workers

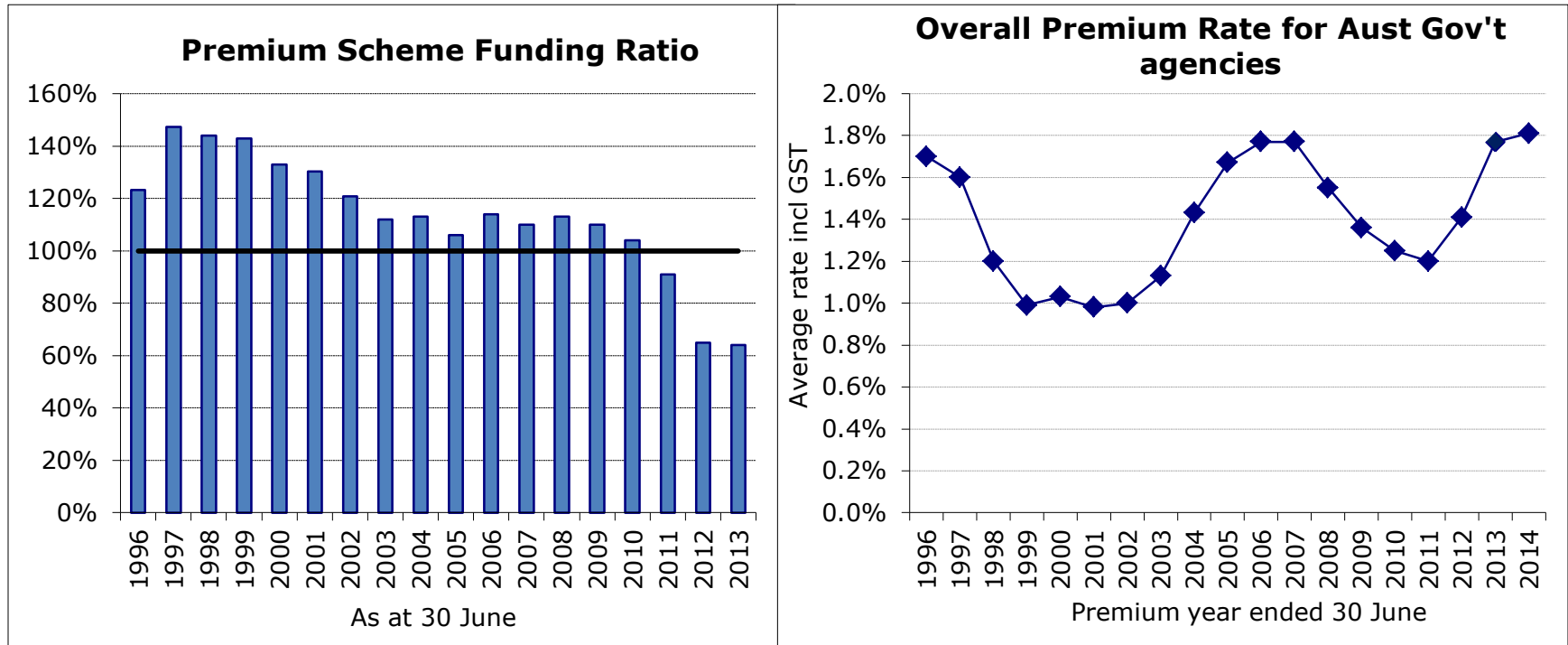


July 2013

1. *Work Health and Safety Act 2011*
2. *Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005*
3. *Military Rehabilitation and Compensation Act 2004*
4. *Safety, Rehabilitation and Compensation Act 1988*



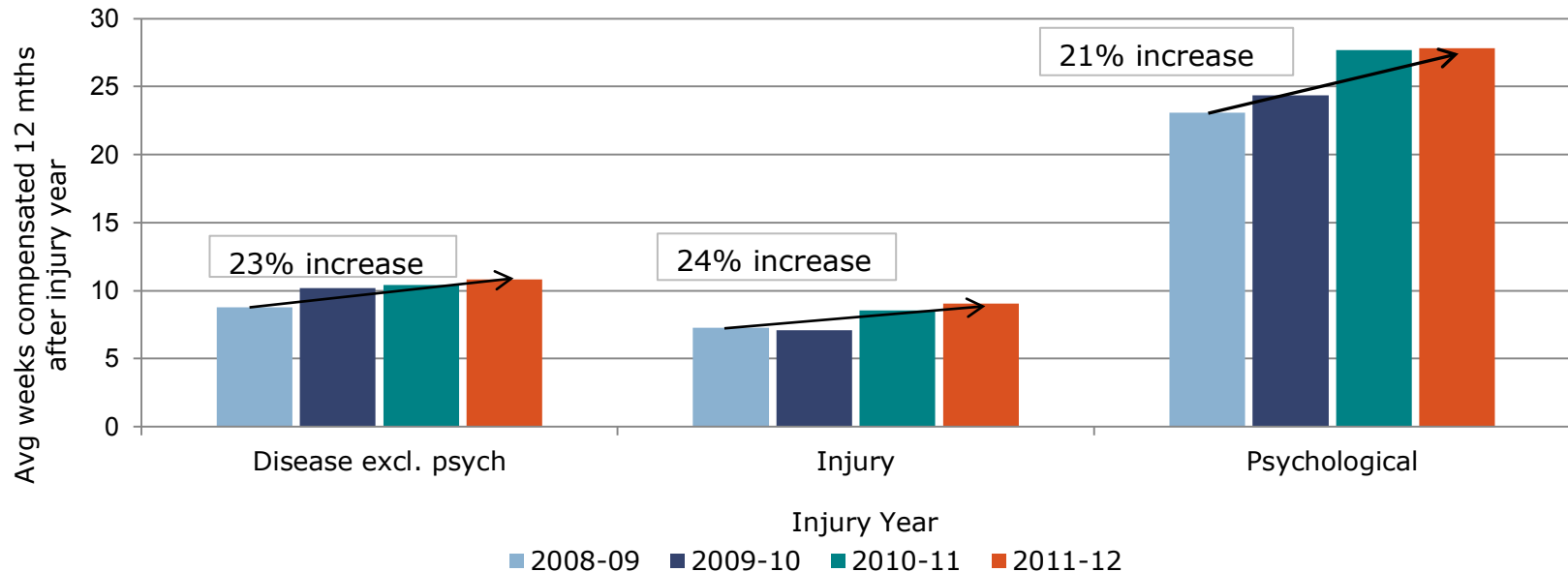
The financial position of the insured workers' compensation scheme has deteriorated significantly





Increasing time off work is the major factor putting pressure on liabilities and premiums

The average lost time is deteriorating across all injury types:





SRC Act review was completed in 2012-13

- Review by Mr Peter Hanks QC and Dr Allan Hawke AC delivered in early 2013.
- Highlights of their recommendations included:
 - A focus on the **timely rehabilitation** of ill and injured workers and the importance of early intervention
 - Strong **action by senior public sector leaders** to reduce rates of mental harm at their workplaces and to improve return to work outcomes
 - **Improved governance** for the Comcare scheme to regularise the arrangements for Comcare's significant regulatory and insurance operations
 - A reformed **financial framework** for Comcare
- Legislative responses are a matter for Government, while Comcare and employers can implement cultural and organisational improvements.



Regulatory highlights

- Comcare's major focus continues on **preventing psychological harm** in the workplace and promoting the **health benefits of work**, for example:
 - Led the design of national accredited training for work health and safety inspectors on workplace bullying
 - Released the joint guide with the APSC: *Working Together; Promoting mental health and wellbeing at work*.
- Extension of the prevention and rehabilitation **systems improvement program** into government workplaces.
- Significant regulatory response to the emergence of safety concerns over **asbestos in telecommunication pits** being remediated for the NBN roll-out.



as one

**Working Together:
Promoting mental health and wellbeing at work**

Effective leadership *Diverse workforce* Capable organisations and workforce Employee conditions APS Values





Self-insurance update

- Thirty companies are licensed to self-insure
- **Self-insurers consistently perform better** than premium payers, particularly on return to work measures:
 - SRC Act Review identified self-insurers' preparedness to intervene more quickly on rehabilitation
- SRC Act Review recommended **greater access** to self-insurance:
 - Lift the moratorium on new eligibility declarations (policy)
 - Remove 'competition test' and define 'national employer' criteria for eligibility (legislative change)
 - Allow group licences (legislative change), noting the current robust regulatory oversight





Common law asbestos update

- Under the ARC Act 2005, Comcare manages all common law claims against the Australian Government for compensation for personal injury arising from asbestos related diseases.
- Claims experience has been quite **stable** in recent years:
 - Around 100 new primary claims received each year
 - Net liabilities around \$925 m (including 40 per cent risk margin)
- **Guided choice model** introduced to help potential claimants navigate compensation options, particularly where both statutory and common law options may be available.