



Institute of Actuaries of Australia

XIth Accident Compensation Seminar 2007

Opportunities for Harmonisation in State Workers Compensation Schemes

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Agenda

- ❖ Historical Perspective
- ❖ What is the solution?
- ❖ What was the approach- first phase?
- ❖ Transforming into initiatives
- ❖ Quick wins
- ❖ Where to from here?
- ❖ Conclusion

Historical Perspective



Historical Perspective

- Adequate compensation for workers
- Differences driven by need
- Local vs multi-jurisdictional employers
- Real vs perceived differences

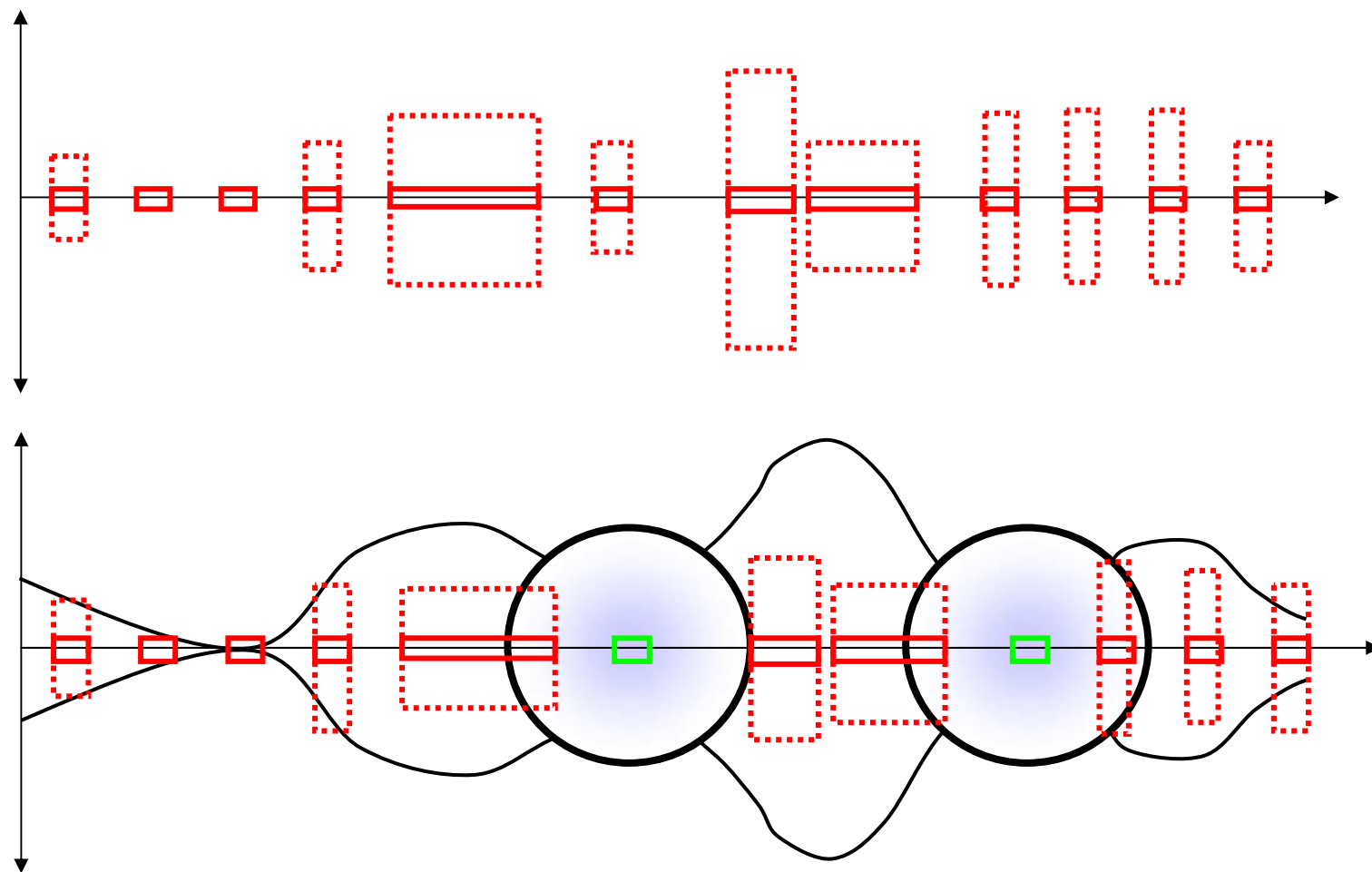
What is the solution?



What was the approach – first phase?



What was the approach – first phase?



First stage findings

- ❑ Employers said complexity led to:
 - administrative burden and duplication of work
 - an increase in the likelihood of errors when filing data due to subtle variations in reporting requirements
 - staff spending more time on paperwork and therefore less able to focus on injury prevention.

- ❑ A lot of the issues could be readily addressed

Transforming into initiatives – principles

Employer

known costs
across the range
of industries

make
administration
easier

continued viability
& robustness of
schemes

minimise workforce
impact & reaction

improved
communication &
visibility



balance

Employee

not to restrict
access to common
law

cater for local &
national needs

not about reducing
worker coverage

not restricting
worker benefits

no skewing of benefits
to minor at expense of
serious injuries

maintain high no.
of inspectorate to
ensure no safety
gap

Transforming into initiatives

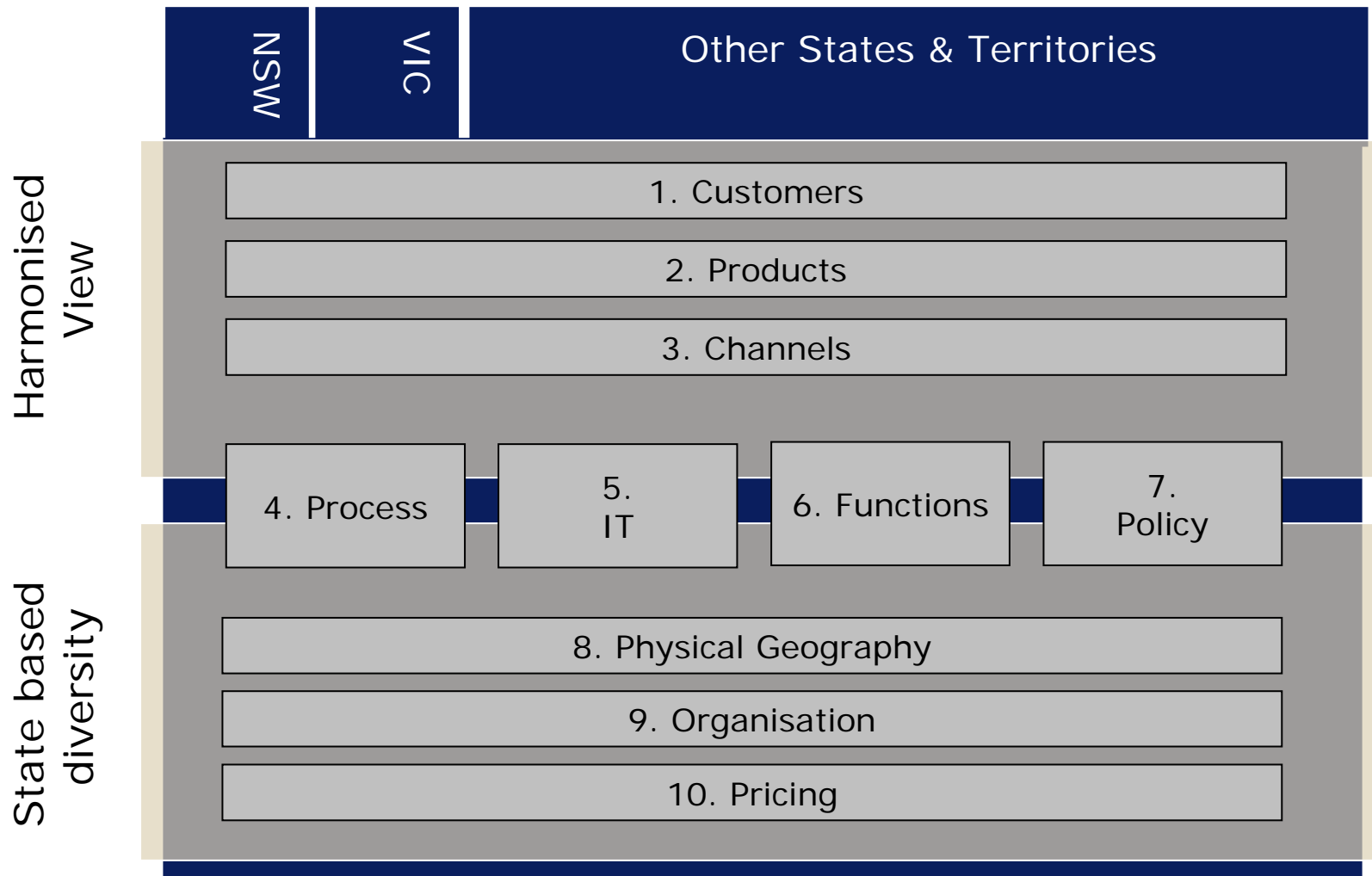
- Points highlighted by employers
 - Forms – format, content, approval & requirements
 - Processes and regulations related to premiums
 - Processes and regulations related to claims
 - Submissions and communications
- Current or future initiatives

Quick wins

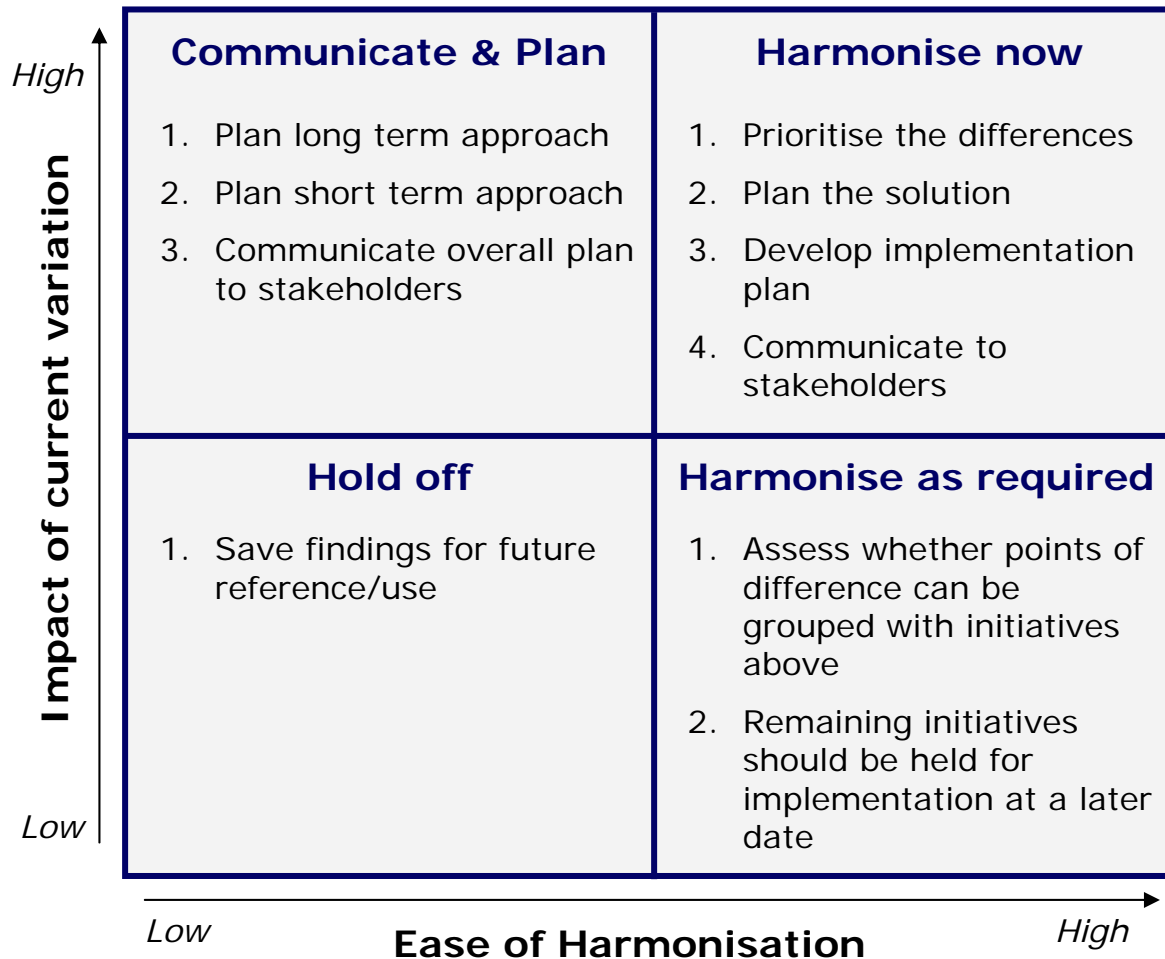
- ❑ Finding common ground
- ❑ Current initiatives:

- ✓ Generating one wage declaration form
- ✓ Rules and deadlines around the submission of wage declarations
- ✓ Mechanisms for submitting paperwork
- ✓ Processes for interacting with national employers
- ✓ Contact, communication & training

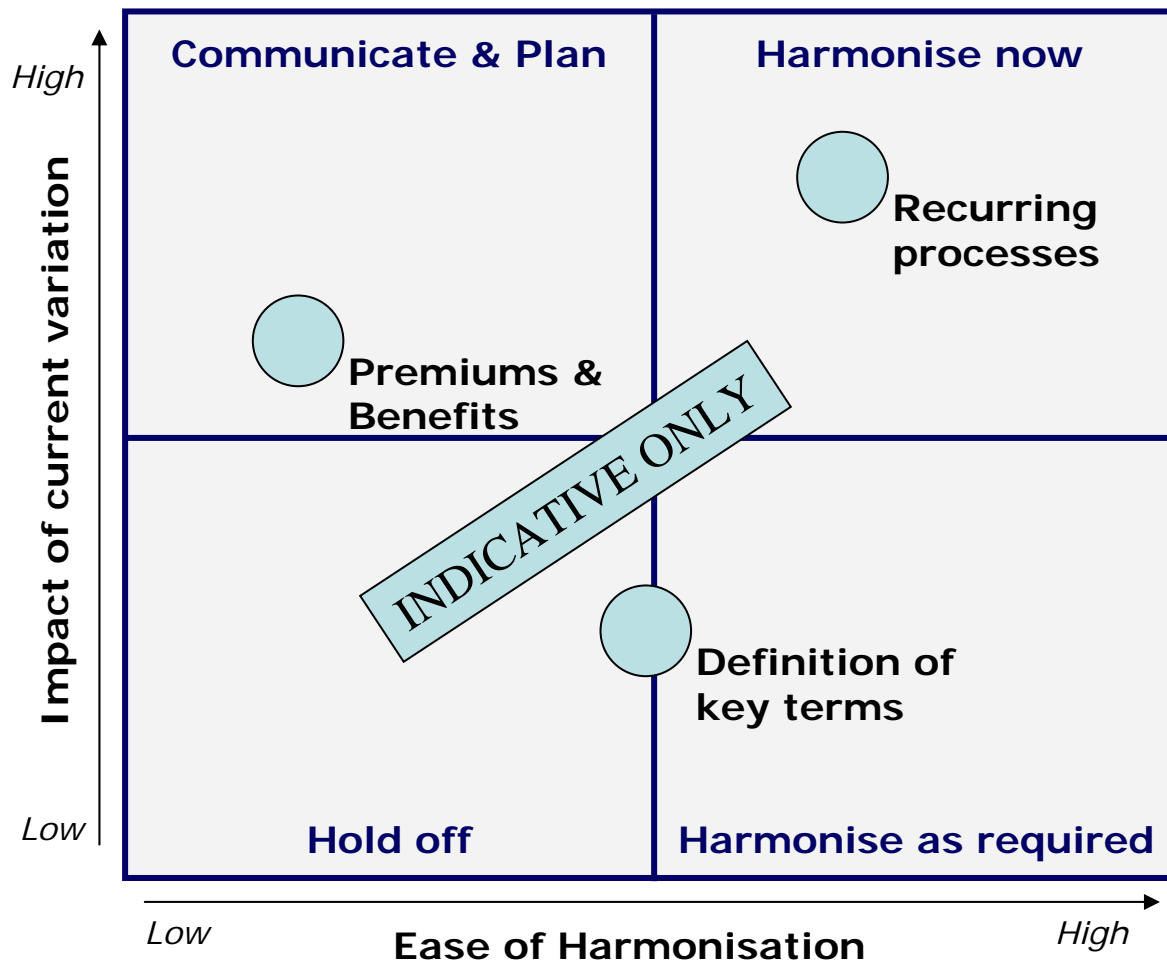
Where to from here?



Balancing the variations



Where do variations actually fall?



Differing weekly benefit structures

Time (Weeks)	VIC	NSW	SA	WA	QLD	TAS	NT	ACT
13	95% of wage differential	100% of wage or 80% of average wage	100% of average wage	100% of average wage	85% of average wage	100% of wage	100% of wage	100% of average wage or wage differential
26	75% of average wage or 60% of wage differential			90% average wage		80% of wage or 80% of wage differential		
52		Wage differential	65% of average wage	75% of wage (may reduce or cease if deemed earning capacity)	65-100% of wage or Relevant percentage of wage differential			
78		80% of wage or 80% of wage differential	65% of average wage					
104		Benefits generally cease	Benefits generally cease	80% of wage or 80% of wage differential	65% of average wage for up to 5 yrs	Benefits may reduce if deemed earning capacity		

Conclusion

- Balancing harmonisation and tailored service
- Several of the current initiatives have already been completed and implemented
- Analysis & planning underway for longer term initiatives
- Input from the actuarial community
- Potential benefits for all stakeholders
- Best of both worlds

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