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Is Workers Compensation Fit for the Future?

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Is Australia's Workers' Compensation Fit for Future Purpose?

Stephen Somogyi

Abstract

The combined statistics published by Safe Work Australia for the 9 years from 2013-14 to 2022-23 shows increasing claims frequency per million hours worked, increasing median time lost per injury resulting in a significant increase in median claim cost per injury. This reflects a change in the mix of occupations as the Australian economy matures from goods focussed industries to service industries, a change in the working population with an older workforce including a higher proportion of females and more part time work, and a significant change in compensation claim types especially the fast rise of psychosocial claims. These trends are forecast to continue with Oxford Economics⁴, in a paper prepared for Jobs & Skills Australia, projecting continuing movement away from goods industry occupations to service industry occupations to 2050 and beyond, thereby increasing the exposure to psychosocial claim types and reducing exposure to physical injury claim types. The Intergenerational Report (IGR)¹ published by Treasury in 2023 projects a continuing ageing of the population and by implication of the working population.

My projections, using these population trends but with static claims incidence and cost of claims continuing to outpace wages by 1.5% per annum, show that the cost of workers compensation claims is likely to outpace growth of Australia's Gross Domestic Product by around 3% per annum. Even more if we fail to stem the fast growth of psychosocial harm. We need to consider some new strategies to ameliorate this outcome to enable workers compensation schemes to best serve Australian workers and enterprises, perhaps anticipating the problem by adopting more effective prevention strategies and more intensive efforts in returning workers to the workplace.

Keywords: Claims frequency, mental health claims intensity, ageing working population, economic cost.

1. Many of the workers compensation schemes around Australia have had significant reforms undertaken in recent years due to rapid changes in patterns of claims frequency, increasing time off work per claim and rapid real growth in the median cost per claim. It is important to look forward a sufficiently lengthy period to anticipate future pressures on these and similar arrangements to see how these can be best incorporated in the design! A future challenge understood today is one that can be managed better going forward.

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2. It is instructive to project comprehensively across all existing jurisdictions in Australia. The coverage of industries and enterprises and therefore the workforce is comprehensive and will reflect likely changes in economic activities⁴ comprehensively over the coming 40 years.

3. There have been significant movements in the age and gender mix of the Australian population over the past 40 years and projected to change again over the next 40 years, see Table 1 below. This provides a backdrop to modelling the future shape of the working population. The regular reports of Jobs & Skills Australia do an excellent job of looking ahead at the future mix of skills in demand within the economy. Economic activity is predicted to continue to move rapidly from manufacturing and production of goods to services industry sectors. This was illustrated in research undertaken by Oxford Economics⁴ to investigate the projected skills gap.

4. We can augment these valuable insights with a view of the changing age and gender profile of the working population using past trends evident from the ABS Workforce by Age and Sex statistics². In Table 2 below we see the major changes in the age and gender distribution of the working population between 1983 and 2023, including the move away from full time work. We can see several crucial changes over the years.

5. Observation shows more female participation at all ages, and female workers are now taking much less time out of the workforce during the key child rearing years. More people over age 55 are participating, many part time.

6. Whilst 51% of males aged 15-84 participated in the workforce in 1983 this had grown to nearly 56% by 2023. There are more dramatic shifts in female participation from just over 30% in 1983 to around 50% in 2023. The age profile of participants is growing older with many more males over 60 participating, from 41% (60-64) in 1983 moving up to 64% in 2023, and more dramatically from 10% to over 22% participation of those 65-84. Female participation trends are also startling with the 55-59 age group moving from 26.5% to 71.5%. The 60-64 age group moving from 12% to 53%, and the 65-84 age group moving from 3% to 13%. A key trend is the overall part time rate of participation has increased from 17% in 1983 to 30% in 2023.

7. Leaving participation rates static after 2023 and combining this with the projected population to 2063 gives us the future working population which matches that underlying the IGR, see Table 3 below. The blending of these projections for the coming 40 years together with the full time: part time mix in 2023 provides projections of millions of work hours, shown in Table 4 below. This shows how the contribution to total hours worked remains at 56/44% males/females and the rate of growth overall of hours worked is projected to achieve just over 0.94% per annum. This is understandable given that the only assumption allowed to move in these projections is the age and gender mix with participation rates and work hours fixed as of 2023. The resource demand via GDP growth, as predicted in the IGR, stands at 2.2% per annum. This implies that reasonable productivity growth will need to resume through the full 40 years. Given today's position on productivity growth this may prove to be particularly challenging!

8. Before projecting future workers' compensation claims we need to examine claims experience over the last 10 years. This is the only period for which we have Australia wide claim frequency, time off work and cost per claim statistics collected and reported by Safe Work Australia, National Dataset for Workers' Compensation Data³. In Table 5 below we can see the changes in claim incidence, time off work and cost per claim. Also shown in comparison is the movement in Average Weekly Total Earnings over the same period, reported by the ABS. Assuming that the experience over recent years is a guide to the future

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and assuming no future degradation from this point forward Table 6 below shows the full assumption set by age and gender. Combining this with the changes in the workforce and hours worked derives the growth in claim volumes and overall claim costs in current dollars.

9. The data in Table 5 shows that the last 10 years has already seen significant changes with a slowly ageing workforce driving a much faster rate of growth in cost per claim of 3.8% pa, around 1.5% pa ahead of the growth rate of average weekly total earnings of 2.3% pa. This is largely driven by the significantly faster increase in mental health claims incidence, and the much longer time off work for these claims all leading to the rising median cost per claim!

10. Table 7 below gives us projected workers' compensation claim numbers using the rate of claim per million hours worked by age and gender shown in Table 6. Table 8 below then projects the future cost of claims using the median compensation paid per age group and gender shown in Attachment 3.

11. Table 8 reflects the changing nature of the workforce, more women and more older workers and more people working part time than in prior decades. This also shows the greater exposure to claim risk as workers' age and gender mix changes. But this assumes the cost per claim remains at the 2022 \$ level. Beyond these projections we need to consider the issue of claims intensity for mental health claims as well as the fast rate of claims growth compared with earnings growth, demonstrated to be 1.5% pa over the recent past as shown in Table 5.

12. Applying the median compensation payment growth rate of these payments each year, due to the changing nature of work, the changing nature of injury and illness and the ageing workforce produces the claims amounts projected in the Grand Total (1.5% pa) row. This shows total claims growing over the coming 40 years at a rate of 2.51% pa. This result is driven by assuming the growth of median compensation claims outpacing average total earnings by 1.5% pa, if past evidence continues.

13. The IGR assumes that average weekly earnings will grow by 3.7% pa or around 1.5% higher than GDP growth of 2.2% pa. This implies that workers compensation claims will exceed GDP growth by 3.0% pa over the coming 40 years, given median claims growth more than earnings growth of 1.5% pa plus the 1.5% pa growth in earnings above GDP growth. So, the real cost of workers compensation payments project to be 7.6 times current levels in 40 years. This compares with the IGR projection of GDP being 2.4 times its current value in 40 years. But, if we now also incorporate the changing nature of work, ageing workforce, gender mix and expanding compensation causes, particularly mental health and similar psychosocial claims, the resultant outcome may see a further significant increase in cost to the Australian economy. Without tempering this claim propensity and payment intensity the economy overall will be hit even harder than the roughly 3.0% per annum additional cost burden above natural economic growth.

Mental Health Impacts

14. As Table 5 illustrates clearly, mental health issues have had a major impact on the workers compensation arrangements in Australia. However, this is also impacting the wider community and other insurance fields such as life insurance.

15. The use of mental health services has increased substantially over the last 10 years⁵, by on average 2.9% pa. A spike during the COVID-19 pandemic was sharply impactful in 2020-21, but the level of use of these services is still 4.2% higher in 2022-23 than in 2018-19.

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16. The Australian Institute of Health and Welfare analysis shows that total mental health expenditure increased in constant dollars from \$437 per capita in 2013-14 to \$501 per capita in 2022-23. That is an increase in real terms of 1.5% pa. The same report also shows that total hospital services for mental health cases cost the economy \$3.3 bn in 2022-23 compared with \$2.6 bn in 2013-14, having increased in real terms by 2.7% pa. Community mental health services cost \$3.2 bn in 2022-23 compared with \$2.4 bn in 2013-14, an increase in real terms of 3.3% pa.

17. Within the life insurance industry⁶ mental health permanent disability claims increased by 8.8% pa over the last 10 years compared with 0.6% pa for all other causes. Mental health temporary disability decreased by 0.6% pa, but all other causes decreased by 4.8% pa over the same 10 years. As a result, the cost of permanent mental health claims increased 4.3 times between 2014 and 2022, compared with a doubling in cost for all other physical causes of claim.

18. The health insurance industry claim profile is much shorter in duration so mental health causes of claim have not shown much increase in recent years.

19. Some organisations have tackled this issue head on. Whilst there are many examples of efforts to improve return to meaningful work to provide self-respect and dignity to those individuals suffering mental health issues by providing meaningful work opportunities and reducing time away from work, this is a massive struggle. One such initiative has been widely recognised at Telstra and there is a short summary of the program summarised below the Tables. There are others but the need to innovate with prevention and return initiatives i continues to challenge!

19. Clearly, this is not a position the Australian economy nor the community would be willing to bear. We would expect various rules and regulations changes to temper the effects of the changing risk exposure. This may mean changes to the design of work and the introduction of more significant prevention activities. A risk anticipated is better avoided than one to which we react in hindsight. Australia must invest more in effective research of these crucial factors as economic activity changes and reshapes as anticipated into higher service intensity.

20. I trust this paper has raised some issues of value. I look forward to a robust discussion at the IDSS in Brisbane.

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2. National Workforce Statistics by Age and Sex – ABS, November 2023.
3. National Dataset for Compensation Based Statistics – Safe Work Australia, September 2024.
4. Higher Education Qualification Demand – July 2023, Oxford Economics.

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5. Australian Institute of Health and Welfare, Medicare subsidised services from 2013-14 to 2022-23.
6. KPMG and Council of Life Insurers – Australia's Mental Health Check Up, November 2024.

Table 1 - IGR Population Distribution ('000)

	1983	2023	2030	2040	2050	2060	2063	Growth 2023-63	Growth 1983-23
Males									
<15	25.0%	18.8%	17.7%	17.1%	16.9%	16.3%	16.1%		
15-24	17.4%	12.9%	13.4%	12.4%	12.0%	11.9%	11.8%		
25-34	16.5%	14.5%	14.1%	14.5%	13.5%	13.1%	13.0%		
35-44	13.5%	13.9%	14.0%	13.5%	14.0%	13.1%	13.0%		
45-54	10.1%	12.4%	12.1%	12.7%	12.3%	12.9%	12.8%		
55-64	9.1%	11.3%	10.8%	10.5%	11.1%	11.0%	11.2%		
65-84	8.0%	14.5%	15.8%	16.2%	16.2%	17.3%	17.7%		
85+	0.4%	1.7%	2.2%	3.3%	4.0%	4.4%	4.4%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Total Males	7,686	13,160	14,501	16,211	17,871	19,451	19,919	1.04%	1.35%
Females									
<15	23.8%	17.5%	16.3%	15.8%	15.5%	15.0%	14.8%		
15-24	16.8%	11.9%	12.4%	11.3%	10.9%	10.9%	10.8%		
25-34	16.1%	14.3%	13.7%	14.0%	12.9%	12.5%	12.5%		
35-44	12.9%	14.0%	14.2%	13.5%	13.8%	13.0%	12.8%		
45-54	9.6%	12.5%	12.2%	12.9%	12.5%	13.0%	12.8%		
55-64	9.3%	11.7%	11.1%	10.8%	11.7%	11.5%	11.6%		
65-84	10.5%	15.7%	17.1%	17.5%	17.5%	18.7%	19.1%		
85+	1.0%	2.5%	3.0%	4.3%	5.2%	5.6%	5.6%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Total Females	7,707	13,361	14,823	16,694	18,437	20,060	20,539	1.08%	1.39%
Grand Total	15,393	26,521	29,324	32,905	36,307	39,511	40,456	1.06%	1.37%
%Male	49.9%	49.6%	49.5%	49.3%	49.2%	49.2%	49.2%		

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Table 2 - Workforce by Age and Gender ('000)							
	1983		%15-84	2023		%15-84	Growth
	Total	%FT	Popl'n	Total	%FT	Popl'n	1983-23
Males							
0-14	0	0.0%	0.0%	0	0.0%	0.0%	
15-19	304	77.6%	46.4%	403	30.7%	48.6%	
20-24	494	93.1%	72.2%	714	67.5%	79.7%	
25-29	537	95.6%	83.8%	841	85.2%	89.2%	
30-34	553	96.7%	88.5%	883	90.7%	89.7%	
35-39	516	97.1%	89.7%	870	90.8%	90.4%	
40-44	404	97.7%	88.3%	789	91.7%	89.5%	
45-49	337	97.2%	85.7%	704	90.8%	88.1%	
50-54	315	96.7%	81.8%	697	90.0%	84.2%	
55-59	272	94.7%	71.6%	596	87.3%	79.5%	
60-64	132	89.2%	41.2%	473	77.3%	64.0%	
65-84	61	61.3%	9.9%	422	52.6%	22.1%	
85+	0	0.0%	0.0%	0	0.0%	0.0%	
Total	3,925	93.9%	51.1%	7,392	81.3%	55.9%	1.60%
Females							
0-14	0	0.0%	0.0%	0	0.0%	0.0%	
15-19	282	65.7%	45.1%	402	15.8%	51.7%	
20-24	419	83.2%	63.0%	662	52.1%	79.4%	
25-29	317	69.7%	50.5%	768	71.3%	80.8%	
30-34	288	54.9%	47.0%	782	65.5%	78.1%	
35-39	294	51.9%	52.5%	790	59.7%	80.8%	
40-44	245	56.2%	56.5%	731	61.8%	81.4%	
45-49	184	58.5%	49.3%	672	65.2%	82.1%	
50-54	149	60.2%	40.7%	672	64.7%	78.7%	
55-59	99	56.8%	26.5%	555	61.0%	71.5%	
60-64	42	53.0%	12.3%	410	47.7%	52.7%	
65-84	22	43.3%	2.7%	274	33.1%	13.1%	
85+	0	0.0%	0.0%	0	0.0%	0.0%	
Total	2,341	63.6%	30.4%	6,718	57.9%	50.1%	2.67%
Grand Total	6,266	82.6%	40.7%	14,111	70.2%	52.9%	2.05%
% Male	62.6%			52.4%			

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Table 3 - IGR Working Population Projections ('000)

	1983	2023	2030	2040	2050	2060	2063	Growth 2023-63	Growth 1983-23
Males									
<15	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
15-24	20.3%	15.1%	15.9%	14.8%	14.5%	14.5%	14.5%		
25-34	27.8%	23.3%	22.9%	23.7%	22.3%	21.9%	21.8%		
35-44	23.4%	22.5%	22.8%	22.0%	23.1%	21.9%	21.7%		
45-54	16.6%	18.9%	19.1%	20.2%	19.8%	21.0%	20.8%		
55-64	10.3%	14.5%	13.7%	13.4%	14.4%	14.3%	14.7%		
65-84	1.6%	5.7%	5.7%	5.9%	6.0%	6.4%	6.6%		
85+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Total Males	3,925	7,392	8,140	8,981	9,712	10,506	10,748	0.94%	1.60%
%15-84Popln	68.4%	70.6%	70.1%	69.6%	68.7%	68.1%	67.9%		
Females									
<15	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
15-24	29.9%	15.8%	17.0%	15.2%	14.9%	15.0%	15.0%		
25-34	25.9%	23.1%	22.0%	22.8%	21.4%	21.1%	21.0%		
35-44	23.0%	22.6%	22.8%	22.0%	22.9%	21.8%	21.6%		
45-54	14.2%	20.0%	19.7%	21.2%	20.7%	21.8%	21.6%		
55-64	6.0%	14.4%	13.4%	13.4%	14.6%	14.5%	14.8%		
65-84	0.9%	4.1%	5.2%	5.4%	5.4%	5.9%	6.0%		
85+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Total Female:	2,341	6,718	7,470	8,220	8,882	9,577	9,784	0.94%	2.67%
%15-84Popln	40.4%	62.8%	62.5%	61.6%	60.7%	60.1%	59.8%		
Grand Total	6,266	14,111	15,610	17,201	18,594	20,082	20,532	0.94%	2.05%
%15-84Popln	54.3%	66.7%	66.2%	65.5%	64.6%	64.0%	63.8%		

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Table 4 - IGR Hours Worked Projections (M)

Males	1983	2023	2030	2040	2050	2060	2063	Growth 2023-63	Growth 1983-23
<15	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
15-24	19.6%	12.9%	13.5%	12.5%	12.2%	12.2%	12.2%		
25-34	28.1%	24.2%	23.8%	24.7%	23.2%	22.8%	22.7%		
35-44	23.9%	23.7%	24.0%	23.2%	24.3%	23.1%	22.9%		
45-54	16.9%	19.9%	20.2%	21.3%	20.9%	22.1%	21.9%		
55-64	10.2%	14.6%	13.7%	13.5%	14.4%	14.4%	14.7%		
65-84	1.3%	4.8%	4.7%	4.9%	5.0%	5.3%	5.5%		
85+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Total Males	7,122	12,545	13,710	15,157	16,392	17,712	18,115	0.92%	1.43%
%FullTime	93.9%	81.3%	79.9%	80.3%	80.3%	80.1%	80.1%		
Females									
<15	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
15-24	32.3%	13.9%	14.9%	13.3%	13.1%	13.1%	13.0%		
25-34	25.7%	24.6%	23.5%	24.3%	22.9%	22.5%	23.3%		
35-44	21.6%	23.1%	23.3%	22.4%	23.3%	22.2%	21.8%		
45-54	13.9%	20.9%	20.7%	22.2%	21.8%	22.9%	22.5%		
55-64	5.7%	14.1%	13.4%	13.4%	14.5%	14.4%	14.5%		
65-84	0.8%	3.4%	4.3%	4.4%	4.5%	4.9%	4.9%		
85+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Total Female:	3,584	9,929	10,945	12,096	13,057	14,064	14,524	0.96%	2.58%
%FullTime	63.6%	57.9%	56.6%	57.2%	57.1%	56.9%	58.6%		
Grand Total	10,706	22,474	24,655	27,252	29,449	31,776	32,638	0.94%	1.87%
%FullTime	82.6%	70.2%	68.7%	69.3%	69.2%	69.1%	69.8%		
%Males	66.5%	55.8%	55.6%	55.6%	55.7%	55.7%	55.5%		

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Table 5 - Australian Workers Compensation Historical Claims Profile

Table 9 – Australia: Workers' Compensation: Notifiable Claims: Persons			
Claims Count			
	2013-14	2022-23	Growth pa
Injuries	80,558	90,961	1.4%
Diseases	28,516	48,003	6.0%
Mental Health	6,749	14,585	8.9%
Total	109,076	139,002	2.7%
Median Time Lost (weeks)			
	2013-14	2021-22	Growth pa
Injuries	4.80	6.40	3.7%
Diseases	9.39	10.00	0.8%
Mental Health	16.41	37.00	10.7%
Total	5.79	7.20	2.8%
Median Compensation (\$)			
	2013-14	2021-22	Growth pa
Injuries	8,968	13,165	4.9%
Diseases	16,587	18,043	1.1%
Mental Health	29,334	65,402	10.5%
Total	10,737	14,416	3.8%
Average Total Earnings per Week (\$)			
	2013-14	2021-22	Growth pa
Males	1,364.00	1,587.00	1.9%
Females	881.30	1,114.90	3.0%
Persons	1,123.00	1,344.70	2.3%

Source: Safe Work Australia; Australian Bureau of Statistics

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Table 6 - Assumed Values for Workers Compn Projections

	Claims	Median	Median
	Frequency	Time	Compensation
Age/Gender	Rate/M.hrs	Lost (weeks)	Paid (\$)
<15	0.00	0.00	0
15-24			
Male	8.00	4.00	7,400
Female	4.75	4.00	5,000
25-34			
Male	6.00	6.00	12,500
Female	4.50	6.00	9,250
35-44			
Male	5.60	7.50	17,500
Female	4.90	8.50	14,500
45-54			
Male	7.10	9.00	21,500
Female	7.00	10.00	18,000
55-64			
Male	8.60	10.00	24,500
Female	9.00	10.00	17,500
65-84			
Male	7.75	11.00	24,500
Female	8.00	10.50	16,500
85+	0.00	0.00	0
Total	6.50	7.50	15,500

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Table 7 - IGR Workers Compensation Claims Numbers									
Males	1983	2023	2030	2040	2050	2060	2063	Growth pa 2023-63	Growthpa 1983-2023
0-14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
15-24	23.2%	15.0%	15.8%	14.7%	14.3%	14.3%	14.2%		
25-34	24.9%	21.2%	20.9%	21.7%	20.3%	19.9%	19.8%		
35-44	19.7%	19.4%	19.7%	19.0%	19.9%	18.9%	18.7%		
45-54	17.7%	20.6%	20.9%	22.1%	21.7%	22.9%	22.7%		
55-64	13.0%	18.3%	17.3%	17.0%	18.1%	18.0%	18.4%		
65-84	1.5%	5.5%	5.4%	5.5%	5.6%	6.0%	6.2%		
85+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Total Males	48,223	85,863	93,721	103,472	112,093	121,560	124,502	0.93%	1.45%
Females									
0-14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
15-24	28.9%	11.2%	12.0%	10.7%	10.4%	10.4%	10.3%		
25-34	21.8%	18.8%	17.9%	18.4%	17.2%	16.8%	17.4%		
35-44	20.0%	19.1%	19.3%	18.5%	19.1%	18.1%	17.8%		
45-54	18.3%	24.8%	24.6%	26.2%	25.5%	26.7%	26.2%		
55-64	9.7%	21.5%	20.4%	20.3%	21.8%	21.5%	21.8%		
65-84	1.2%	4.7%	5.8%	6.0%	6.0%	6.5%	6.6%		
85+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Total Females	18,997	58,635	64,567	71,769	78,067	84,560	87,262	1.00%	2.86%
Grand Total	67,220	144,498	158,288	175,240	190,160	206,120	211,764	1.03%	2.07%
%Males	71.7%	59.4%	59.2%	59.1%	59.0%	59.0%	58.8%		

Is Australia's Workers' Compensation Fit for Future Purpose?

Table 8 - Total Claims Compensation Cost (\$M)									
Males	1983	2023	2030	2040	2050	2060	2063	Growthpa 2023-63	Growthpa 1983-2023
<15	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
15-24	11.0%	6.4%	6.8%	6.2%	6.0%	6.0%	6.0%		
25-34	19.9%	15.2%	15.1%	15.6%	14.5%	14.1%	14.0%		
35-44	22.1%	19.5%	19.9%	19.1%	19.9%	18.7%	18.5%		
45-54	24.3%	25.5%	26.0%	27.3%	26.6%	27.9%	27.5%		
55-64	20.4%	25.8%	24.5%	23.9%	25.3%	25.0%	25.5%		
65-84	2.3%	7.7%	7.6%	7.8%	7.8%	8.4%	8.5%		
85+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Total Males	754	1,495	1,620	1,800	1,969	2,147	2,204	0.98%	1.73%
Females									
<15	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
15-24	12.5%	4.0%	4.3%	3.8%	3.6%	3.6%	3.6%		
25-34	17.5%	12.3%	11.9%	12.0%	11.1%	10.8%	11.3%		
35-44	25.1%	19.7%	20.0%	19.0%	19.4%	18.3%	18.0%		
45-54	28.5%	31.7%	31.6%	33.3%	32.2%	33.5%	33.0%		
55-64	14.7%	26.8%	25.5%	25.0%	26.7%	26.3%	26.6%		
65-84	1.7%	5.5%	6.8%	7.0%	6.9%	7.4%	7.6%		
85+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Total Females	220	824	905	1,016	1,115	1,213	1,249	1.04%	3.36%
Grand Total (0%)	974	2,319	2,524	2,817	3,084	3,360	3,453	1.00%	2.19%
%Males	77.4%	64.5%	64.2%	63.9%	63.9%	63.9%	63.8%		
Grand Total (1.5%)		2,319	2,801	3,628	4,610	5,829	6,263	2.51%	

Is Australia's Workers' Compensation Fit for Future Purpose?

Providing optimal rehabilitation and recovery services to achieve sustainable outcomes, required a holistic and strategic focus.



People & Culture

Adopting a 'People before Process' mindset meant that we needed to understand and challenge both people and cultural drivers, to promote work practices that enabled our people to remain engaged with work, and to give them the best opportunity to remain at, or recover at work.



Processes

We needed our processes to enable end-to-end management that supported the objectives and ways of working, of the new Support & Recovery operating model.



Systems & Tools

We needed a 'one way same way' systems workflow that made it easy to request support to manage health related injury/illness impacting a persons ability to remain at or return to work



Ways of Working

We needed to change the narrative around our Health Management programs, embed a case management approach that supported our people holistically – whilst also being outcomes driven.

Collaboration & Innovation to Drive Improved Human and Financial Outcomes



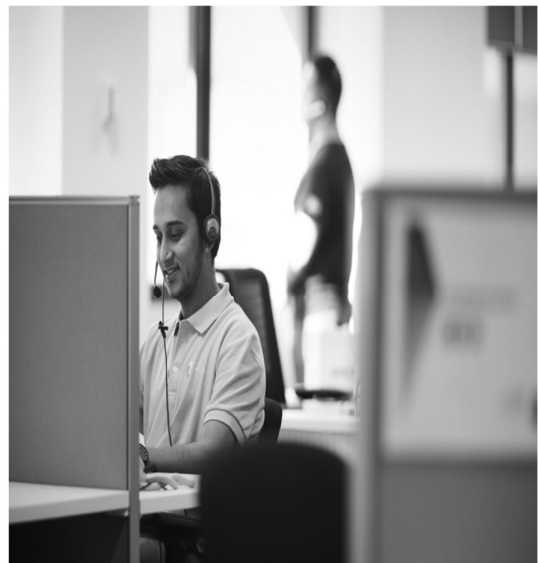
Collaboration

We consulted and collaborated with our people, business, unions, and regulators. We listened to understand their feedback on the challenges and pain points, to help identify opportunities for change and improvement. We addressed confusion and challenged old mindsets on the 'perceived risks' around recovery at work practices, and worked with the business to develop campaigns such as 'Report for Support', to promote the importance of early identification, notification and planning for sustained RTW and return to health outcomes.



Innovation

We took bold steps and approached the solution on multiple fronts. By maintaining a data driven focus on outcomes, we developed and evolved the Support & Recovery operating model to be both innovative from an evidenced based systems and tools perspective, incorporating tools such as ODG, and a bespoke Work Transition Program - whilst maintaining its ease of use, and end to end case management objectives.



Achieving Sustained Human & Financial Outcomes

A deep dive performance review of Telstra's Support & Recovery Operating Model



Improved Employee Retention

35% reduction in the number of employment separations due to medical conditions



Reduction in Workers' Compensation Liabilities & Disputes whilst increasing spend on Rehabilitation Services

\$3m annual saving in actual claims liabilities (on average). \$7.7M reduction in legal costs and an increase in \$1.3M in Rehabilitation costs since the implementation of the Support & Recovery operating model



Reduction in Claims Frequency Rates

A 27% reduction in the frequency of incidents that progress to claims as a result of better early intervention and rehabilitation supports and services



Improved RTW outcomes

92% of current and ex-employees successfully achieving and sustaining their RTW Goal



Increased Reporting for Rehabilitation and RTW Support

43% increase in the number incidents raised and referrals for rehabilitation and RTW support



Improved Employee Response around our culture of care

Our Employee Engagement surveys include questions to help us understand whether our people feel supported to bring their best to work everyday