ACT Workers' Compensation Review of Scheme Performance to 30 June 2025

Chief Minister, Treasury and Economic Development Directorate

ACT Workers' Compensation Review of Scheme Performance to 30 June 2025

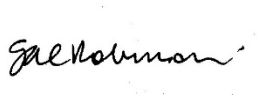
The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) have requested that Finity Consulting (Finity) undertake an actuarial review of the performance of the ACT private sector workers' compensation scheme (the Scheme) in order to inform CMTEDD on key developments in the scheme experience.

This report includes:

- An investigation of trends in the private sector claims experience to 30 June 2025
- An estimate of premium rates for the 2026/27 financial year.

The terms of reference for our work are set out in our contract with the Chief Minister and Treasury Directorate (number 2022.2913444.210).

Yours sincerely



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Appendices

Part I Executive summary

1 Introduction and background

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) requested that Finity undertake an actuarial review of the performance of the ACT private sector workers' compensation scheme. We investigated trends in the claims experience to 30 June 2025 and estimated reasonable premium rates for the 2026/27 policy year.

Our review included:

- Identifying major trends in the insured private sector claims experience
- Developing a reasonable premium pool and average premium rate for the insured scheme for the 2026/27 policy year
- Developing premium rates at ANZSIC class level for the 2026/27 policy year, using the ANZSIC 2006 classification system
- Comparisons of insurer market share, industry mix, premium rates, and claims experience
- Estimated levels of insurer profitability.

We used data extracted from the policy and claims system at the end of September 2025.

2 Key Scheme Metrics

In 2024/25 around 20,600 policies were written, covering $14.8bn in wages ($15.1bn in Sep-25 values). Premiums of $323m were collected in the year ($330m in Sep-25 values).

Written wages increased by 1.6% in 2024/25 in real terms, while written premiums saw only 0.5% real growth. The combined impact led to a decrease in the written premium rate from 2.21% in 2023/24 to 2.18% in 2024/25.

3 Claims experience

Section 2 of our report examines the claims experience that has emerged in the last year. Section 3 details how our actuarial projections respond to this experience. The main features are summarised below.

3.1 COVID impacts

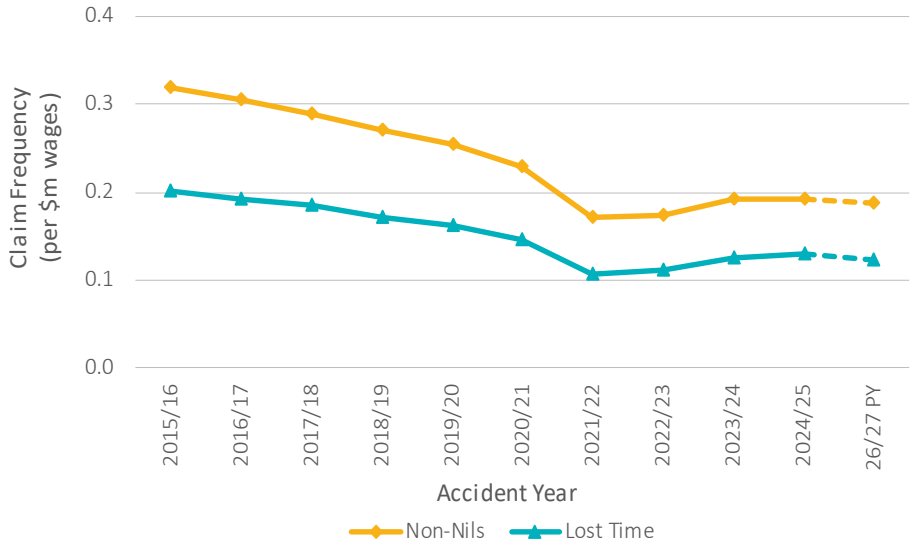
COVID appears to have had indirect impacts on claim numbers and exposure for some industries. We consider any disruptions as a result of COVID in setting our assumptions.

3.2 Claim numbers and frequency

The number of non-nil claims reported in 2024/25 was just under 2,900, virtually unchanged from 2023/24. The number of new lost time claims was also stable, with around 1,900 in 2024/25.

Figure 1.1 shows our estimates of ultimate claim frequency for the Scheme.

Figure 1.1 – Estimated ultimate claim frequency



The non-nil claim frequency per $m wages steadily reduced between 2010/11 and 2020/21, from 0.39 to 0.23 claims per $m wages. It then fell sharply to 0.17 for 2021/22, coinciding with COVID lockdowns, and remained low in 2022/23. In 2023/24 and 2024/25 the frequency has increased slightly to 0.19, and is close to what would be expected based on the longer-term trend.

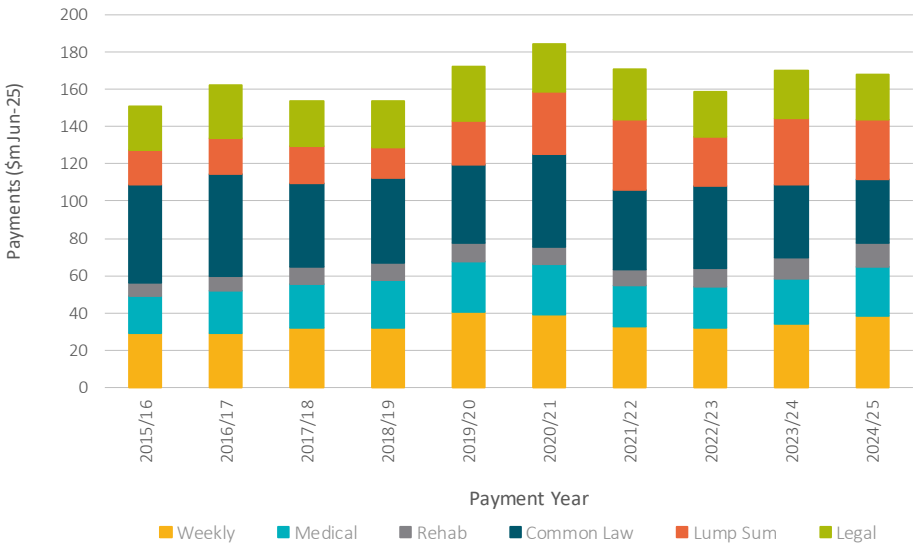
We have adopted a claim frequency for the 2026/27 policy year of 0.19 claims per $m wages, similar to 2024/25. The adopted frequency is unchanged from the frequency adopted in our previous review (adjusted for inflation) and corresponds to 2,900 claims for the 2026/27 policy year.

The frequency of claims receiving weekly benefits has followed a very similar trend. We have adopted a lost time frequency of 0.12 claims per $m wages for the 2026/27 policy year.

3.3 Claim payments

Figure 1.2 shows total gross claim payments made over the last ten years, by payment type. All payments have been adjusted to June 2025 values.

Figure 1.2 – Gross payments (June 2025 values)



Annual payments averaged $155m from 2015/16 to 2018/19, before increasing to $172m in 2019/20 and then to $184m in 2020/21. In the following two years payments fell significantly driven by a combination of lower claim numbers and a reduction in new common law and lump sum claims. In 2024/25 payments were $168m, similar to 2023/24 but lower than levels in 2019/20 to 2021/22.

We have adopted an average claim size per non-nil claim of $60,300 (net of recoveries) for the 2026/27 policy year. This is lower than our previous selection of $62,100 (adjusted to June 2025 dollars, including superimposed inflation).

4 Non-claim assumptions

We have included an expense loading of 27.1% of premium ($87.1m) in the reasonable premium rate for 2026/27, up from 26.8% at the previous review. The increase is driven largely by the increased Regulatory Funding Levy.

The reasonable premium rate for 2026/27 includes a profit margin of 11.0% of premium, down from 11.5% at last year's review.

Our adopted inflation assumptions include:

- Flat future wage inflation of 3.5% p.a., unchanged from the previous review.
- Superimposed inflation of 3.5% p.a., down from 4.0%. The allowance for a significant level of above inflationary growth in average sizes is consistent with an assessment that reductions in claim frequency relate to a smaller proportion of lower severity claims.

The adopted 2026/27 premium year discount rate has increased from 4.0% p.a. to 4.35% p.a., reflecting movements in risk-free rates.

5 Average premium rate for 2026/27

Our estimate of the reasonable premium pool for 2026/27 is $322.1m, as set out in Table 1.1.

Table 1.1 – Total premium pool

Premium Rate Component	$m
Risk Premium Pool	199.5
Expense Loading	87.1
Profit Loading	35.4
Total Premium Pool	322.1
Wages Estimate	16,280.8
Average Risk Premium (% wages)	1.23%
Average Premium Rate (% wages)	1.98%

The reasonable average premium rate for 2026/27 is 1.98% of wages, down 0.06% from the previous review (2.04%). The decrease of 0.06% is the net result of:

- Changes in claim cost assumptions (claim frequency, average size and payment pattern) – decrease of 0.01%.
- Lower adopted superimposed inflation, and a higher discount rate – decrease of 0.04%
- Changes in expenses, levies, and insurer margin – decrease of 0.01%

6 ANZSIC class premium rates

To derive reasonable premium rates at the ANZSIC class level, we separately considered frequency relativities, average size and cost relativities. Appendix H includes the full schedule of reasonable premium rates.

The reasonable rates lie between 0.25% and 31.71% of wages. Only one ANZSIC class, 9129 (Other Horse and Dog Racing Activities), has an estimated reasonable rate above 11.44%.

7 Reliances and limitations

Our reliances and limitations are an important part of this report and are detailed in Section 10.

Part II Detailed Findings

1 Introduction

1.1 Purpose

The Chief Minister and Treasury Directorate (CMTEDD) has requested that Finity Consulting (Finity) undertake an actuarial review of the performance of the ACT private sector workers' compensation scheme (the Scheme), in order to inform CMTEDD about key developments in the Scheme experience. We were required to investigate trends in the claims experience to 30 June 2025 and provide an estimate of a reasonable premium rate for the 2026/27 policy year.

Our previous Scheme review was summarised in the report "ACT Workers' Compensation Review of Scheme Performance to 30 June 2024" dated 16 April 2025.

1.2 Scope

The scope of our review is limited to the insured private sector workers' compensation scheme; it does not include self-insured employers or the ACT public sector.

Our review encompassed:

- Identifying trends in the private sector experience that impact on Scheme cost, including consideration of:
  - Claim numbers and frequency for non-nil claims, lost time claims and lump sums.
  - Injury type.
  - Claim payments, average claim sizes and payment patterns by benefit type.
- Estimating future claim costs for past accident years.
- Developing a reasonable premium pool and average premium rate for the insured Scheme as a whole for the 2026/27 policy year.
- Developing reasonable premium rates at the ANZSIC class level for 2026/27.
- Examining claim trends by injury type.
- Investigating return to work rates and trends.
- Estimating insurer profitability at Scheme-wide level.

Appendix B of this report summarises the various historical legislative reforms that have had a significant impact on the cost of the Scheme.

1.3 Data

We have prepared this advice using data as at 30 September 2025 sourced from CMTEDD's Workers Compensation Management System (WCMS) that commenced late 2015.

The last full financial year of data is the year ending 30 June 2025, and many of the graphs and commentary in this report are prepared using the experience to 30 June 2025 only. We have also considered the claims experience for the three months to 30 September 2025 in projecting ultimate claim numbers.

In relation to data quality:

- We remain wary about the reliability of case estimates in WCMS and have sourced case estimates from summarised data provided directly by each insurer.
- There are small differences in wages and premium information sourced from WCMS and that provided directly by insurers. Our approach is:
  - > When looking at long-term trends (such as claim frequency) we have continued to rely on the summarised data provided by insurers to ensure consistency across all years.
  - > For estimating ANZSIC class relativities (where we generally analyse accidents in the last three to five years) we have relied on WCMS data as it includes more granular information.

Further details of the data supplied and reconciliations are set out in Section 8.

1.4 Structure of report

The details of our review are set out in the following report sections:

Part II – Scheme review and reasonable premium rates

Part III – Further information

Part IV – Appendices

2 Overview of claims experience

This section summarises trends in the Scheme's claims experience. Further detail relating to claim frequency and average claim size, including projections by payment type, follows in Section 3.

Key findings

- Claim numbers continue to emerge at levels below the pre-COVID experience. We consider the experience to be back in line with pre-COVID trends.
- The number of non-nil claim reports in 2024/25 was similar to 2023/24 at around 2,900.
- The number of new lost time claims increased by 2% in 2024/25 to around 1,900.
- Total gross payments were $166m in 2024/25, down just 2% from 2023/24. Higher weekly, medical and rehabilitation payments were offset by lower common law, lump sum and legal payments. After allowing for inflation, total payments for the year were broadly in line with the longer-term average.
- First lump sum numbers decreased in 2024/25 to 349 (406 in 2023/24); the longer term average has been around 440. We note that there is a delay between accident date and lump sum payment, and it is likely that lower claim numbers during COVID periods have translated to lower lump sum numbers in recent years.

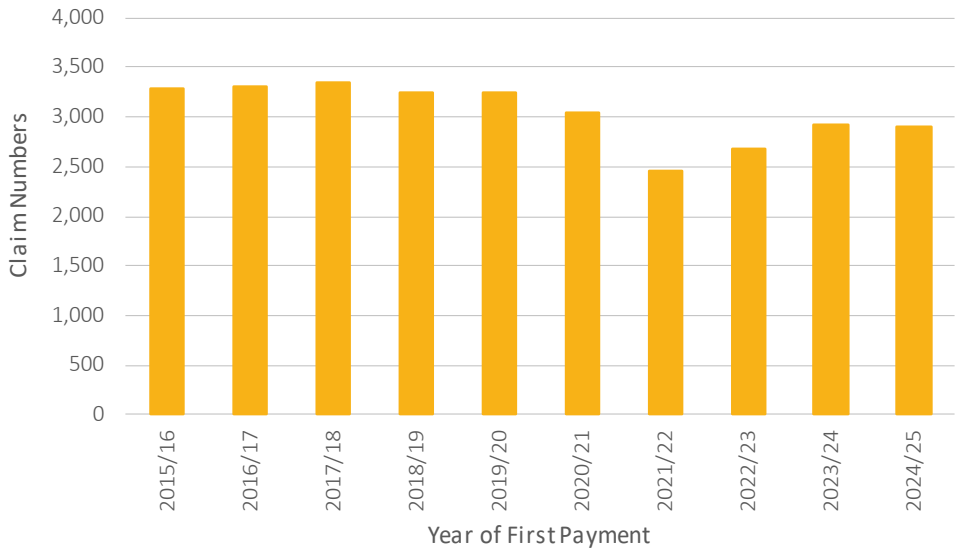
2.1 COVID impacts

COVID appears to have had indirect impacts on claim numbers and exposure for some industries. We consider any disruptions as a result of COVID in setting our assumptions.

2.2 Numbers of claims reported

Figure 2.1 shows the number of non-nil claims in each year (counted in the year of first payment).

Figure 2.1 – Non-nil claim numbers



Non-nil claim numbers changed little between 2015/16 and 2019/20, then fell by 8% in 2020/21 and by 16% in 2021/22, which we assess to be linked to COVID restrictions. Numbers increased by 9% in each of 2022/23 and 2023/24, and remained stable in 2024/25.

Table 2.1 compares the number of non-nil claims reported in 2024/25 with the expected experience from our previous review.

Table 2.1 – Actual vs expected claim reports in 12 months to 30 June 2025

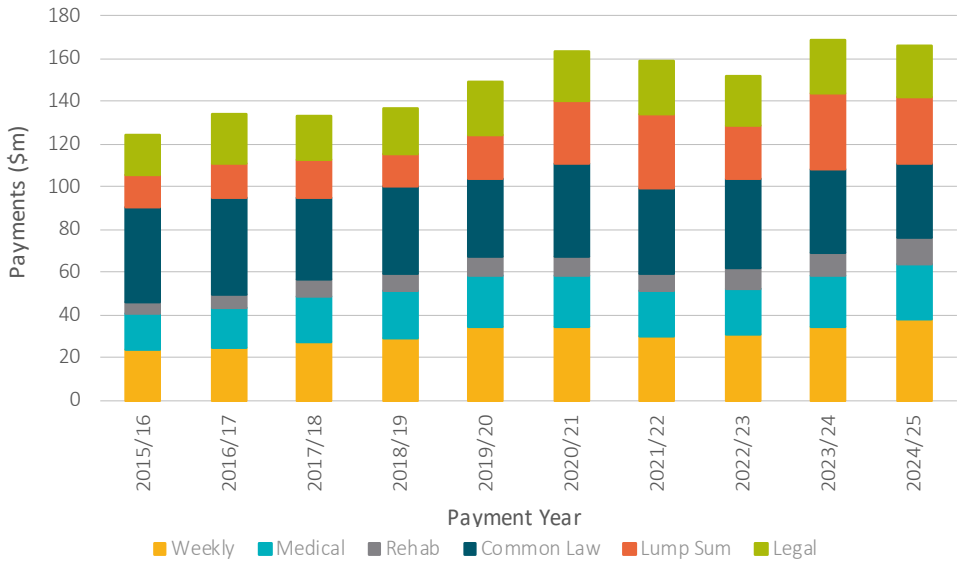
Accident Year	Non-nil claims reported			
	Actual	Expected	Difference	% diff
Prior	8	10	-2	-19%
2021/22	10	7	3	43%
2022/23	21	18	3	18%
2023/24	376	376	0	0%
2024/25	2,483	2,531	-48	-2%
Total	2,898	2,941	-43	-1%

Non-nil claim reports in 2024/25 were 1% lower than expectations, with most of the difference relating to the 2024/25 accident year. Although claim numbers were close to expectations, wages were lower, leading to a higher frequency for 2024/25 than expected.

2.3 Claim payments

The following two graphs show the makeup of claim payments by payment year. Figure 2.2 shows the payments in actual historical values, while in Figure 2.3 they are adjusted to June 2025 values.

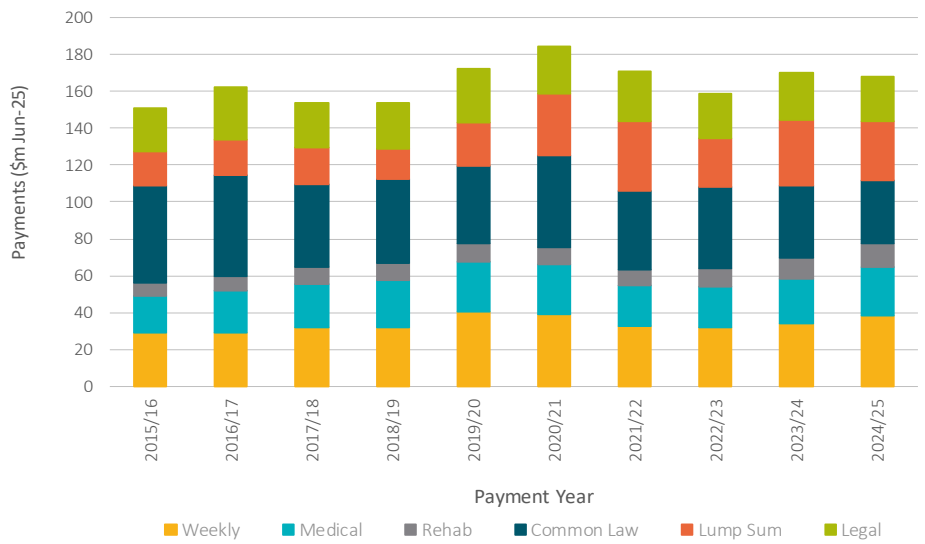
Figure 2.2 – Gross payments by type: Actual historical values



Total payments were fairly steady in the three years to 2018/19, and increased in 2019/20 and again in 2020/21 (to $163m). Gross payments then decreased over the following two years driven by (1) low claim numbers during COVID and (2) fewer common law and lump sum claims.

Gross payments increased by 11% In 2023/24 to $169m, driven by the continuing bounce-back in claim numbers. In 2024/25 gross payments decreased by just 2% to $166m. Insurers received $4m in non-reinsurance recoveries, bringing net payments in the year to $162m.

Figure 2.3 – Gross payments by type: June 2025 values



After adjusting to current values:

- Annual payments were at around $155m from 2015/16 to 2018/19 and reached a ten-year high of $184m in 2020/21
- Payments of $168m in 2024/25 are similar to 2023/24.

The split between statutory and lump sum benefits has varied from year to year. The impact of COVID on claim numbers is likely to have impacted the mix of payments in recent years; lower claim numbers initially translated to lower statutory benefits, and have resulted in fewer lump sum payment over the last two to three years.

Table 2.2 compares net payments in the 12 months to 30 June 2025 to the expected payments from our previous review.

Table 2.2 – Actual vs expected payments in 12 months to 30 June 2025

Payment Type	Actual	Expected	Difference	Diff %
	$m	$m	$m	
Weekly	38.2	37.2	1.0	3%
Medical	26.1	26.1	(0.0)	0%
Rehab	12.3	12.3	(0.0)	0%
Lump sums[1]	65.6	81.6	(16.0)	-20%
Legal	23.7	24.9	(1.3)	-5%
Recoveries	(3.8)	(5.3)	1.5	-28%
Total	162.0	176.8	(14.8)	-8%

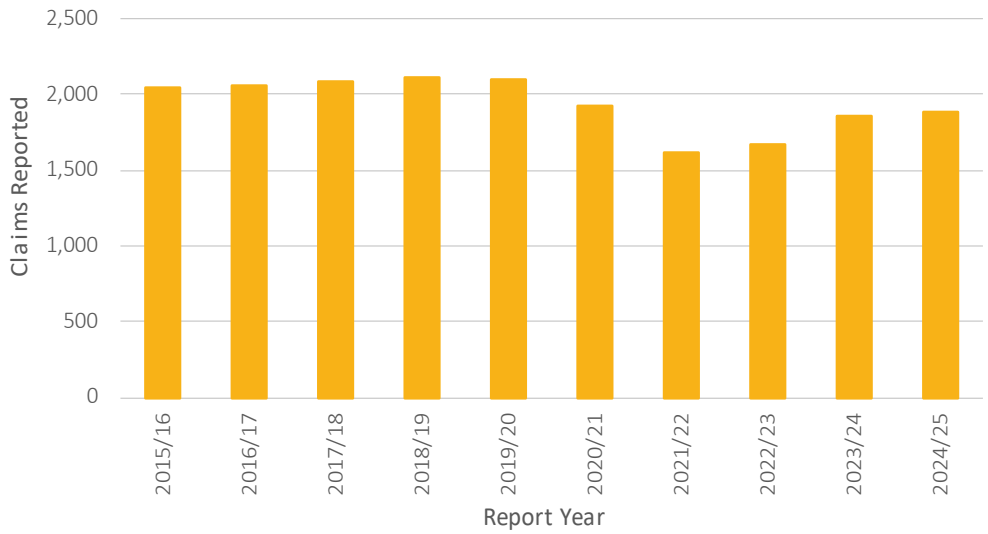
[1]Includes Common Law

Total payments in 2024/25 were 8% lower than expected, driven mainly by lump sums. Statutory benefits were close to expectations.

2.4 Claims involving lost time

Table 2.3 shows the number of new weekly benefit claims (claims involving lost time) in each year. We count a claim as a 'new' lost time claim in the year when it first receives a weekly benefit payment.

Figure 2.4 – New lost time claims



The numbers of lost time claims follow the same broad trend as non-nil claims. Numbers grew at about 1% p.a. from 2015/16 to 2019/20, before falling by 8% in 2020/21 and by 16% in 2021/22 to reach the lowest level seen in the last ten years. The number of new lost time claims has increased since then (1,890 in 2024/25).

Table 2.3 shows that the number of new lost time claims in 2024/25 was slightly lower than expectations, driven by fewer than expected new lost time claims for the 2023/24 year. For the 2024/25 accident year, the number of lost time claims was higher than expected despite lower non-nil claim reports, implying the proportion receiving weekly payments was higher than expected.

Table 2.3 – Actual vs expected lost time claims reported in 12 months to 30 June 2025

Accident	Lost time claims reported			
Year	Actual	Expected	Difference	Diff %
Prior	7	4	3	69%
2021/22	6	6	0	3%
2022/23	23	17	6	37%
2023/24	452	498	-46	-9%
2024/25	1,402	1,381	21	2%
Total	1,890	1,906	-16	-1%

2.5 Common law and other lump sums

Numbers of lump sums paid

Injured workers may choose to pursue either:

- A common law claim (damages awarded under Chapter 9 of the Act).
- A negotiated settlement (claimant signs a common law release but no writ is issued).
- A redemption of statutory entitlements (a 'commutation').
- A statutory permanent impairment benefit.

Pursuing either a common law claim or a commutation results in finalisation of the claim, with all of the worker's entitlements settled. Payment of a statutory permanent impairment benefit results in the settlement of the impairment benefit component only – the worker continues to have an entitlement to receive future weekly benefits and medical costs. The number of claimants pursuing statutory permanent impairment benefits is small relative to common law and commutation numbers.

Figure 2.5 shows the number of claims that have received lump sum benefits for the first time in each payment year ("lump sum claims reported"). Around 3% of claimants receive both a common law payment (including negotiated settlement) and a lump sum payment (commutation, statutory benefit or death). For the purpose of Figure 2.5 we have categorised claims using the following hierarchy:

- If a claim has a common law payment it is counted as common law.
- If a claim has no common law payment but has a negotiated settlement payment, it is a settlement.
- If a claim has neither of the above but has a commutation payment, it is counted as a commutation lump sum.
- If a claim has none of the above but has a statutory impairment payment, it is counted as a statutory impairment benefit.
- If a claim has none of the above but has a death benefit, it is counted as a death lump sum.

Figure 2.5 – Numbers of lump sum claims reported

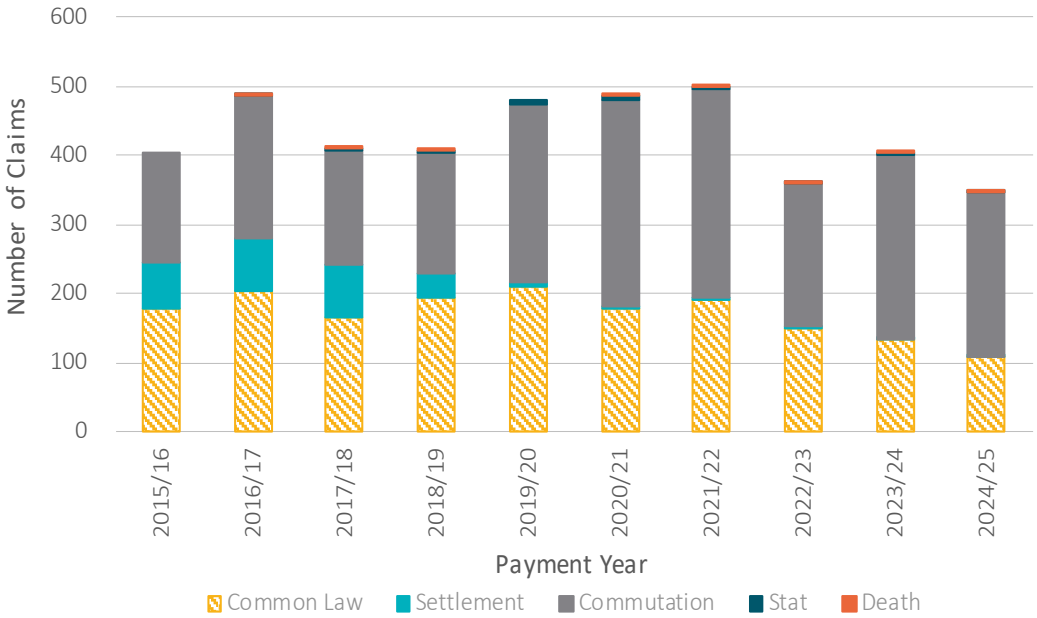


Figure 2.5 shows:

- 349 claims received a lump sum payment in 2024/25. This is still lower than the pre 2022/23 average of around 450 claims; we assess that lump sum numbers over the last three years have been impacted by lower overall claim numbers for the COVID periods.
- The numbers of claimants receiving either common law or negotiated settlement damages (yellow and blue segments combined) have trended down since 2014/15.
- The proportion of lump sum claims receiving a commutation increased strongly from 40% prior to 2018/19 to 60% since 2019/20. This is due to increases in commutation numbers and reductions in common law and settlement numbers.
  - > Since both common law/negotiated settlements and commutations result in finalisation of a claim, and they have trended in opposite directions recently, we do not attach significance to the individual trends for these types of payments. However, as discussed below, the average settlement size is lower for commutations which may indicate a recent preference for insurers to proactively settle via this method.
- Very small numbers of claims received a statutory impairment benefit without receiving some other form of lump sum.

- There was one new death benefit claim in 2024/25.

Table 2.4 shows the numbers of lump sums reported in 2024/25 compared with expectations from our previous review.

Table 2.4 – Actual vs expected lump sums reported in 12 months to 30 June 2025

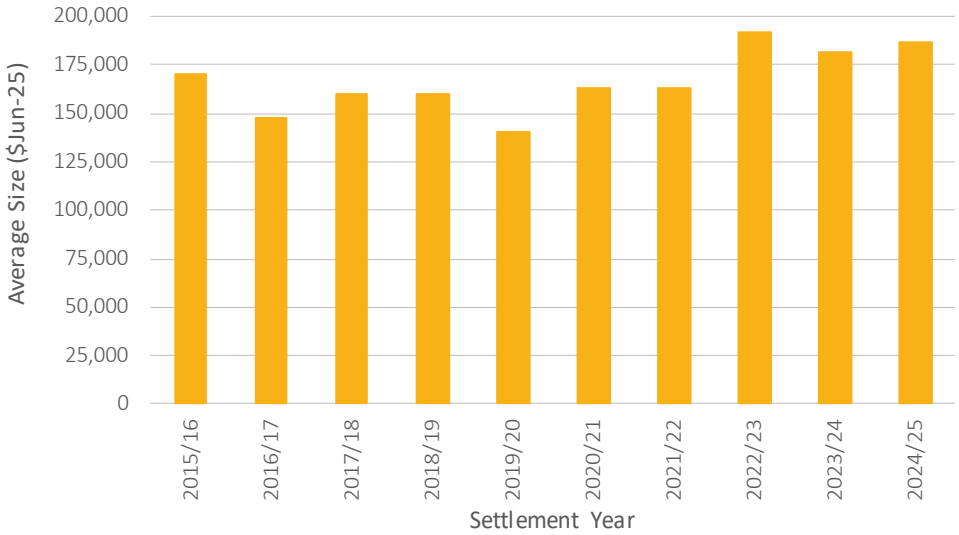
Accident	Lump sum claims reported			
Year	Actual	Expected	Difference	Diff %
Prior	8	9	-1	-12%
2016/17	3	3	0	-5%
2017/18	3	4	-1	-32%
2018/19	4	9	-5	-58%
2019/20	12	22	-10	-46%
2020/21	51	58	-7	-11%
2021/22	73	86	-13	-15%
2022/23	95	121	-26	-22%
2023/24	87	95	-8	-9%
2024/25	13	13	0	3%
Total	349	421	-72	-17%

Overall lump sum claim numbers were 17% below expectations, with most accident years emerging below expected. We note that the number of lump sum claims can be volatile from year to year, and as discussed earlier is likely that lower claim numbers during COVID periods have translated to lower lump sum numbers in recent years.

Average size of lump sums (lump sum component)

Figure 2.6 shows the average size of lump sum claims (adjusted to June 2025 dollars) by year of settlement.

Figure 2.6 – Average size of lump sum settlements



For claims settled from 2016/17 to 2021/22 the average settlement was about $155k. The average increased sharply in 2022/23 to $191k, driven by large settlement amounts on claims from more recent accident years; the higher sizes have persisted through to 2024/25 with an average of $186k. The higher sizes in recent years have coincided with a smaller number of lump claim payments, which may indicate that the fall in numbers is linked to a reduction in those with lower settlement sizes.

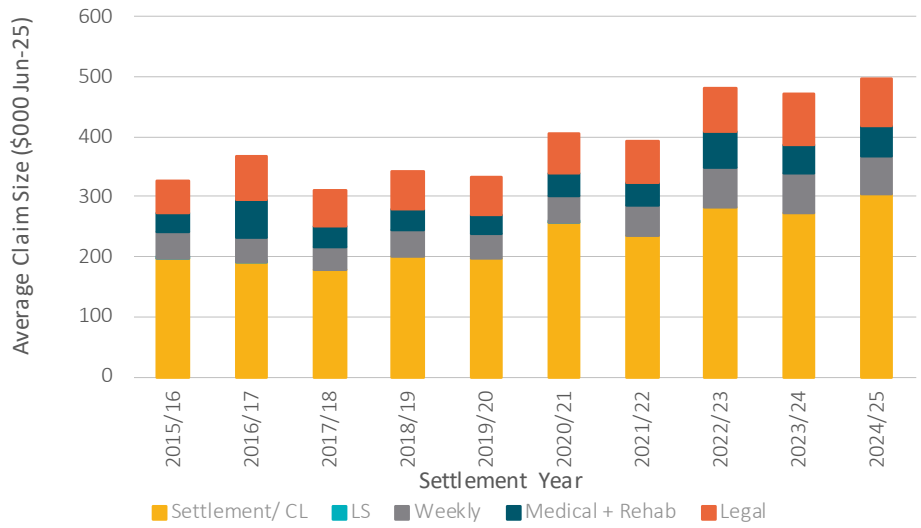
Average size of lump sums (total claim cost)

We have also investigated the total average cost of claims that receive common law or commutations. Here we look at the average across all benefit payments received, not just the lump sum component, for claims receiving a common law, negotiated settlement or commutation payment.

Figure 2.7 to Figure 2.9 show the average amounts received for the following claim groups:

- Those receiving common law or negotiated settlement.
- Those receiving a commutation benefit but no common law or settlement.
- Those receiving both a common law/negotiated settlement amount and a commutation.

Figure 2.7 – Average size of claims receiving common law or negotiated settlement

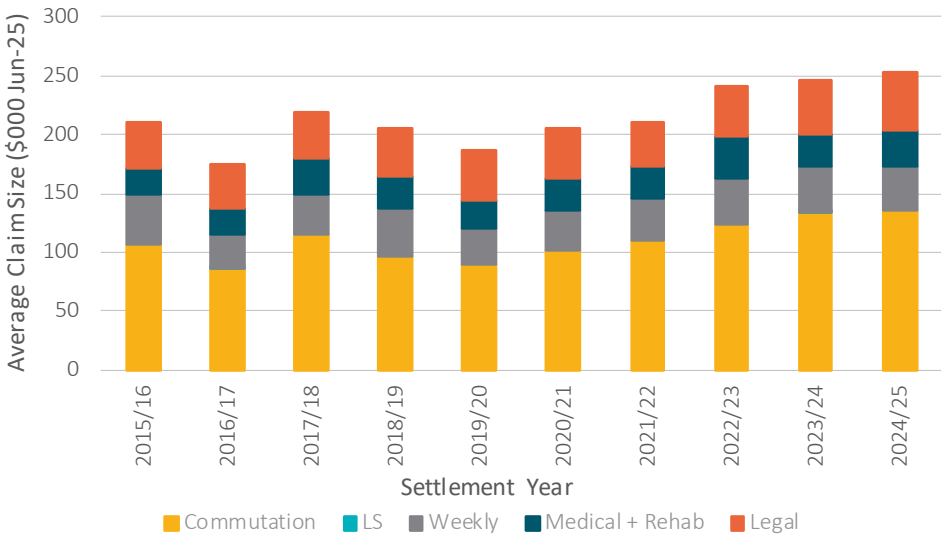


The average size in 2024/25 was $498k[1], a 6% increase from 2023/24, and was made up as follows:

- Common law component: $304k (up 11%).
- Weekly benefits: $64k (unchanged).
- Medical and rehabilitation costs: $50k (up 2% – after a 15% decrease last year).
- Legal costs: $80k (down 5% – the only component that decreased since last year).

[1] Average sizes for all settlement years have been inflated to June 2025 dollars and are based on the latest available information in WCMS. Quoted sizes may not align completely with previous reports.

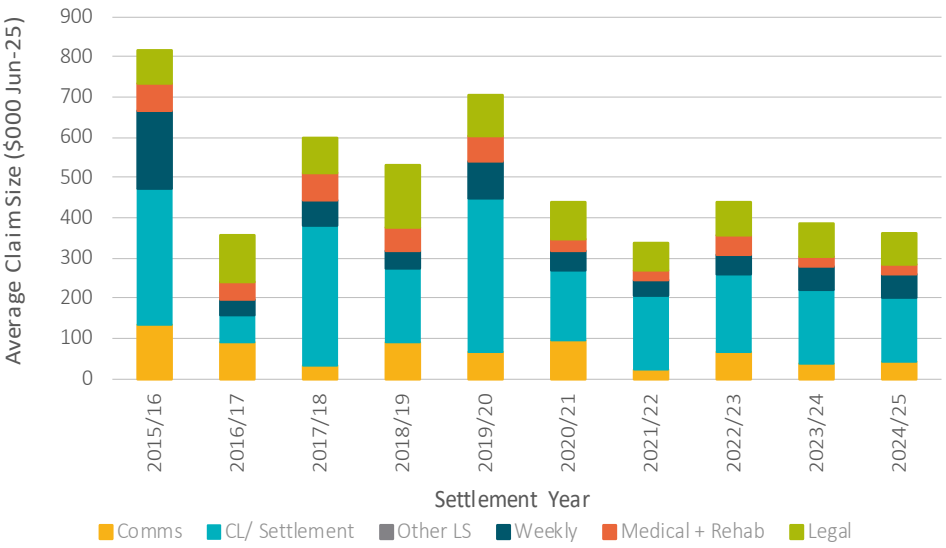
Figure 2.8 – Average size of claims receiving commutations



The overall average cost of claims receiving commutations (but no common law) increased to $252k in 2024/25, up from $246k in 2023/24; in earlier years the average cost was around $200k, with some volatility year-to-year. The 2024/25 average claim size can be broken down as follows:

- Commutation component: $135k (up 1% from 2023/24); over the longer term, the average size of commutation payments is around 42% of the size of common law settlements.
- Weekly benefits: $38k (down 1%).
- Medical and rehabilitation costs: $30k (up 9%).
- Legal costs: $49k (up 7%).

Figure 2.9 – Average size of claims receiving both common law & commutation



The overall average cost for claims receiving both common law and commutation payments is variable, noting that there are only 5-20 such claims each year. Historically, these claims have had a higher settlement size than those that receive only one of these payment types; this has not been the case in the last three years due to reductions in the size of these mixed settlements as well as increases in the size of exclusive common law or commutation settlements. In the last five years (averaging over a longer period due to lower numbers) the average size of $396k has been made up as follows:

- Common law component: $181k.
- Commutation component: $54k (total common law plus commutation $235k).
- Weekly benefits: $48k.
- Medical and rehabilitation costs: $33k.
- Legal costs: $80k.

Claim size distribution

Table 2.5 shows the claim size distribution of all common law and other lump sum claims recorded in WCMS (in June 2025 values). This includes all payments made on these claims, not just the lump sum component.

Table 2.5 – Claim size distribution

Size of Settlement $Jun-25	Common Law			Other Lump Sums		
	Number of Claims	Proportion	Avg claim size in band ($ Jun-25)	Number of Claims	Proportion	Avg claim size in band ($ Jun-25)
0-50k	292	6%	31,000	882	13%	31,000
50k-100k	515	10%	76,000	1,342	21%	74,000
100k-150k	624	12%	126,000	1,180	18%	124,000
150k-200k	589	11%	175,000	825	13%	174,000
200k-300k	1,003	19%	247,000	1,066	16%	245,000
300k-400k	736	14%	348,000	573	9%	345,000
400k-500k	480	9%	449,000	301	5%	446,000
500k-1m	798	15%	681,000	323	5%	644,000
>1m	168	3%	1,506,000	46	1%	1,987,000

Over the history, 60% of common law claims have settled for more than $200k, and 18% have settled for $500k or more. The distribution of other lump sums is skewed to lower cost claims.

3 Claim analysis and assumptions

This section describes our findings in relation to trends in exposure, claim numbers and frequency, claim payments and average claim size. We also document the assumptions required to estimate ultimate claim costs.

Key findings

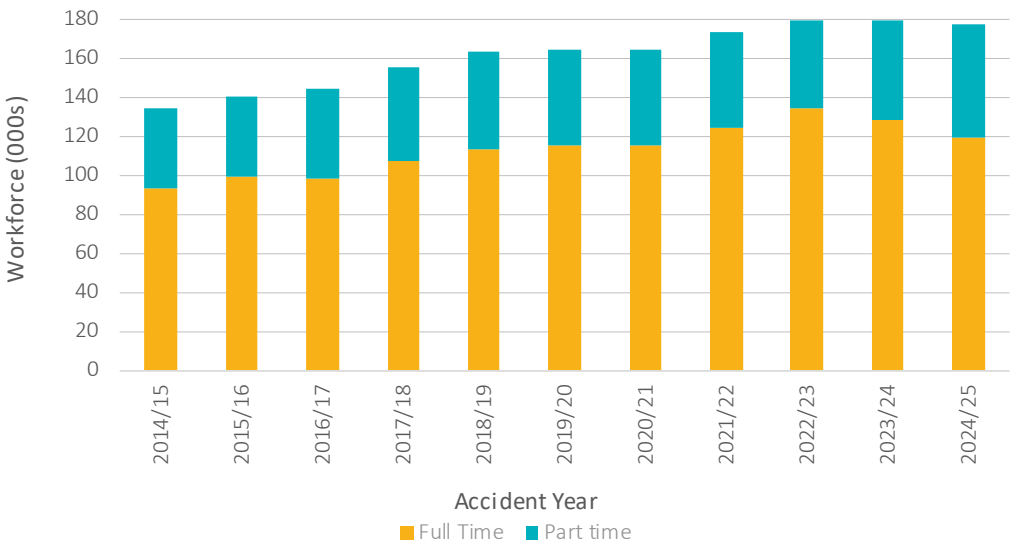
- Earned wages fell by 0.3% in real terms to $14.9bn in 2024/25.
- We estimate there will ultimately be 2,872 non-nil claims for the 2024/25 accident year, down 0.8% from the previous year.
- We have adopted a non-nil claim frequency of 0.19 claims per $m of wages for the 2026/27 policy year. This is 1% higher than the claim frequency adopted in our previous review (adjusted for inflation) and results in a projection of 2,927 claims.
- Our selected average claim size per non-nil claim for 2026/27 is $60,300, down from our previous average size of $62,100 (June 2025 values).

3.1 Exposure

Number of employees

Employee numbers are used as a measure of exposure in the calculation of ultimate claim frequency. Figure 3.1 shows the estimated ACT private sector workforce relevant to each accident year, split between full time and part time workers. The number of employees is calculated as the ACT total (ABS figures), less the number of Commonwealth and ACT Government employees (provided by CMTEDD).

Figure 3.1 – Private sector workforce



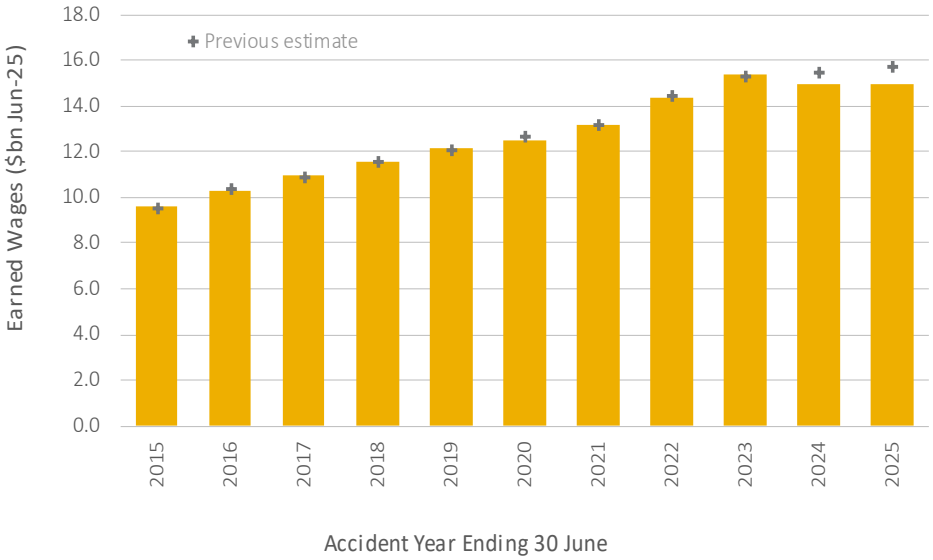
Employee numbers grew in 2021/22 and 2022/23, reflecting the post-COVID economic recovery, before stabilising in 2023/24. In 2024/25, overall numbers reduced by 1.3% and full time employees fell by 8%. Where we have examined frequency by employee, we have used the number of full time ACT private sector employees as the measure of exposure.

As these employee figures are not provided by the insurers, and are compiled from two different sources of data, our premium estimates rely more heavily on frequency measured relative to wages than to employee numbers.

Earned wages

Wages are used as the primary measure of exposure. Figure 3.2 shows earned wages by accident year. The wages are adjusted for historical wage inflation (amounts expressed in June 2025 values), so an increase here represents real wages growth. These figures are estimates based on information to September 2025, noting that estimates are often revised to actual figures at the end of a policy year (see Appendix G). We have also shown our estimates from last year, adjusted for differences in inflation.

Figure 3.2 – Estimated ultimate earned wages



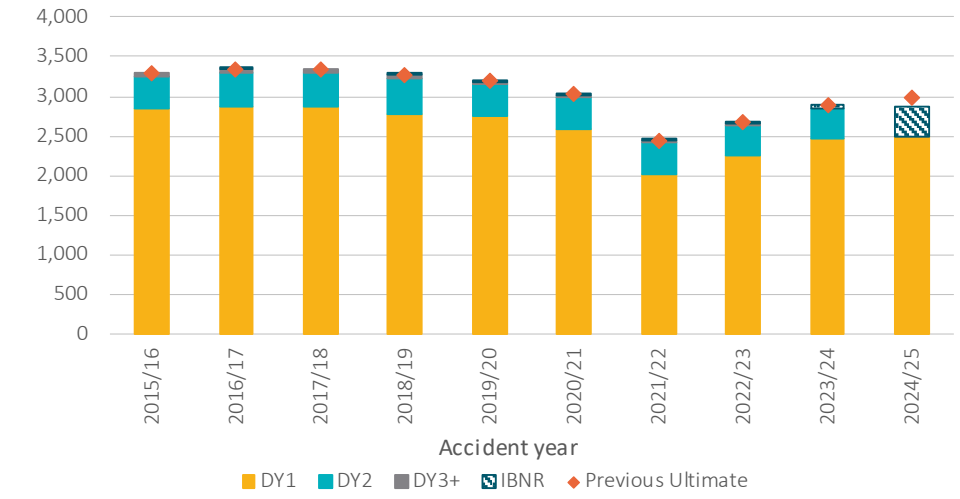
Earned wages decreased by 0.3% in real terms in 2024/25 and are estimated to be around $14.9bn in June 2025 values. The low real growth may be reflective of the negligible growth in employee numbers over this period, combined with the fall in the proportion of workers employed full time (Figure 3.1).

We note that the downward revision of wages for 2023/24 is driven by the restatement of one insurer's data.

3.2 Claim numbers and frequency

Figure 3.3 shows the numbers of non-nil claims that have been reported to the insurers to 30 June 2025, as well as our estimate of ultimate numbers for each accident year. We have shown claims reported by duration, or "development years" following the accident; "DY1" represents claims reported within one year of the accident, "DY2" represents claims reported between 1 to 2 years after the accident and so on.

Figure 3.3 – Ultimate number of (non-nil) claims

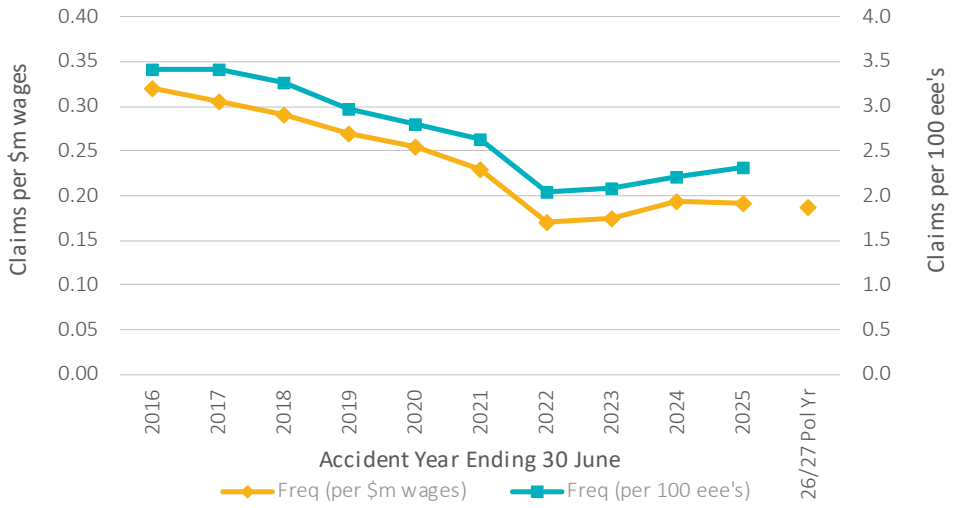


There are generally very few claims reported more than two years after the accident, and the number of Incurred But Not Reported (IBNR) claims is therefore small for all but the latest accident year.

The projected number of non-nil claims for 2024/25 is 2,872, a 0.8% decrease from 2023/24.

The estimated ultimate number of non-nil claims is divided by both earned wages and full time employee numbers to arrive at measures of the ultimate claim frequency; see Figure 3.4.

Figure 3.4 – Ultimate non-nil claim frequency



The non-nil claim frequency per $m wages steadily reduced between 2012/13 and 2020/21. It dropped materially in 2021/22, coinciding with COVID lockdowns. In the two years to 2023/24, the claim frequency increased as COVID-related restrictions eased. The 2024/25 claim frequency is slightly lower than 2023/24 and is close to what would be expected based on the longer-term downward trend observed until 2020/21.

The claim frequency per employee has followed a very similar trend over the same period.

We have adopted a claim frequency for the 2026/27 policy year of 0.19 claims per $m wages. This is marginally lower than our adopted frequency for 2024/25, continuing the long-term downward trend in frequency, noting that the impact of the reduction in claim frequency is completely offset by our assumed above wage inflation growth in average sizes (discussed in Section 4.3).

Our selected frequency is 1% higher than the claim frequency adopted in our previous review (adjusted for inflation) and results in a projection of 2,927 claims for 2026/27.

Appendix E provides further detail of our claim number analysis.

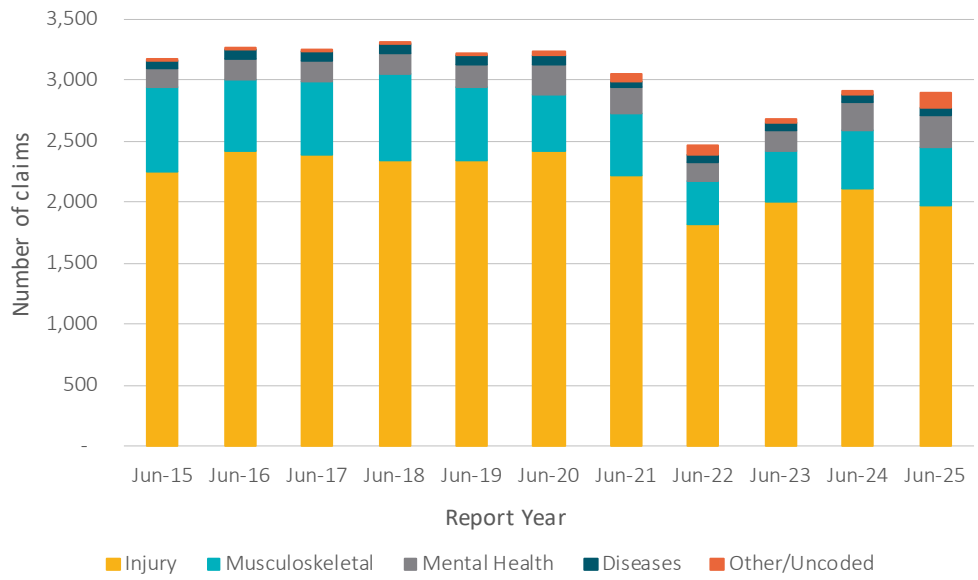
3.3 Injury trends

We have analysed trends in claim numbers by injury type, grouping claims into the following categories[2]:

- Injury
- Musculoskeletal
- Mental Health
- Diseases
- Other/uncoded.

Figure 3.5 shows the numbers of claims split by injury type.

Figure 3.5 – Claims by injury type



Over the period shown, Injury claims make up 73% of total claim numbers, and Musculoskeletal claims represent 18%. After 2015 (the first year fully coded), the proportion of Mental Health claims increased from 4.8% to 7.6% in 2019/20. It reduced temporarily from 2020/21 to 2022/23 but has peaked again at 8.9% in 2024/25. The proportion of Musculoskeletal claims has varied from 14% to 22% over the period shown; however they have made up 16-17% of claims over the last three years. Both Mental Health and Musculoskeletal claims have higher average costs than Injury claims, so a shift in mix towards these injury types would be expected to produce an increase in overall average size.

We note that our data includes only the primary injury type; a proportion of claimants with non-mental health injuries will develop secondary mental health issues that will increase the claim duration.

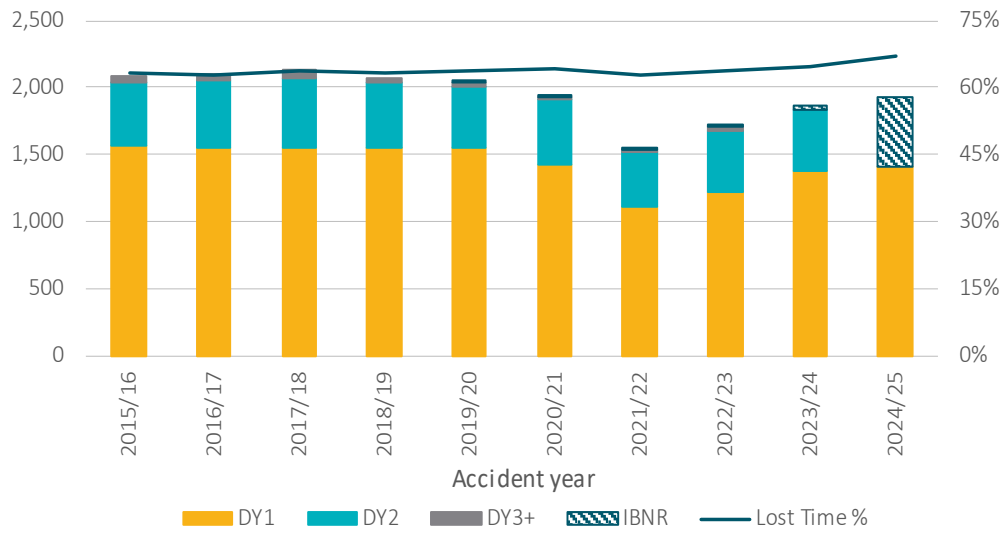
[2] Claims have been coded under the TOOCS 3.0 classification system since September 2013. A full listing of the injuries under each group is shown in Appendix I.

3.4 Weekly benefits

Lost time claims

Figure 3.6 shows our estimated ultimate numbers of lost time claims, and the estimated proportion of non-nil claims that involve weekly benefits.

Figure 3.6 – Ultimate number of lost time claims



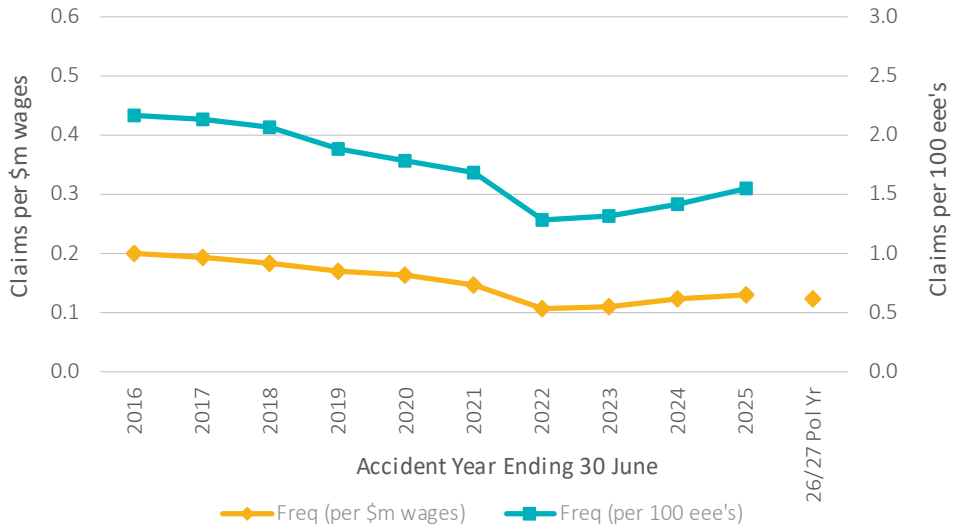
As with non-nil claims, there are very few new lost time clams identified more than two years after the accident, and therefore the number of IBNR claims is small for all but the latest accident year.

We project 1,925 lost time claims for 2024/25, an increase of 3% from 2023/24.

The ratio of lost time claim numbers to non-nil claims was reasonably stable over most of the period shown (averaging 63%). It has ticked slightly upwards in recent years and we have adopted a lost time proportion of 65.5% for the 2026/27 policy year. This proportion is up from the previous review (64.0%), giving partial credibility to the recent experience but not fully reflecting the immature 2024/25 accident year. Some of the increase in the lost time proportion in 2024/25 is likely related to the increase in the proportion of psychological claims.

Figure 3.7 shows the ultimate number of lost time claims expressed as claim frequencies.

Figure 3.7 – Ultimate lost time claim frequency

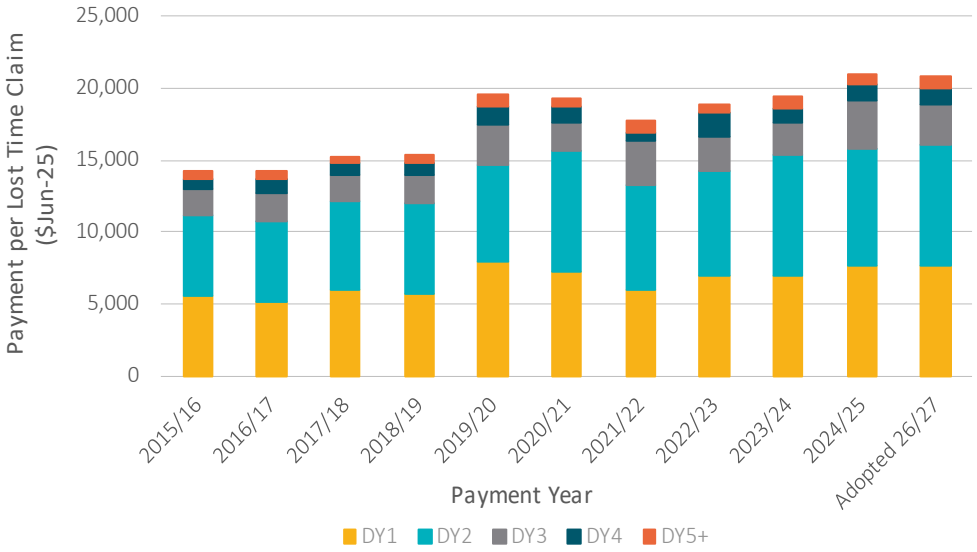


The lost time claim frequency (per $m wages) is projected to be 0.12 for 2023/24 and 0.13 for 2024/25. We have adopted a frequency of 0.12 for the 2026/27 policy year. As with total non-nil claims, we assume that the experience will stabilise at a level below the pre-COVID experience.

Average weekly benefit payments

Figure 3.8 shows the average weekly benefits paid per lost time claim by payment year, as well as our adopted average weekly benefit cost for the 2026/27 policy year.

Figure 3.8 – Weekly benefits per lost time claim



The average weekly payment amount increased materially in 2019/20, due to a combination of higher numbers of claims reaching longer durations and increased average payment amounts. This was potentially linked to a reduction in return to work opportunities as a result of COVID lockdowns, but the deterioration began prior to the lockdowns and has continued since COVID restrictions have eased.

Costs have trended upwards in recent years and the experience in 2024/25 emerged higher than previous peak in 2019/20.

Our selected average claim size for the 2026/27 policy year for weekly benefits is $20,750 per lost time claim (June 2025 values). This is 2.2% higher than the selected average claim size at the previous review (June 2025 values) and in line with the experience for 2024/25.

The adopted average weekly cost per **non-nil** claim (not just lost time claims) is $13,600. This is a 4.6% increase from the previous review (June 2025 values).

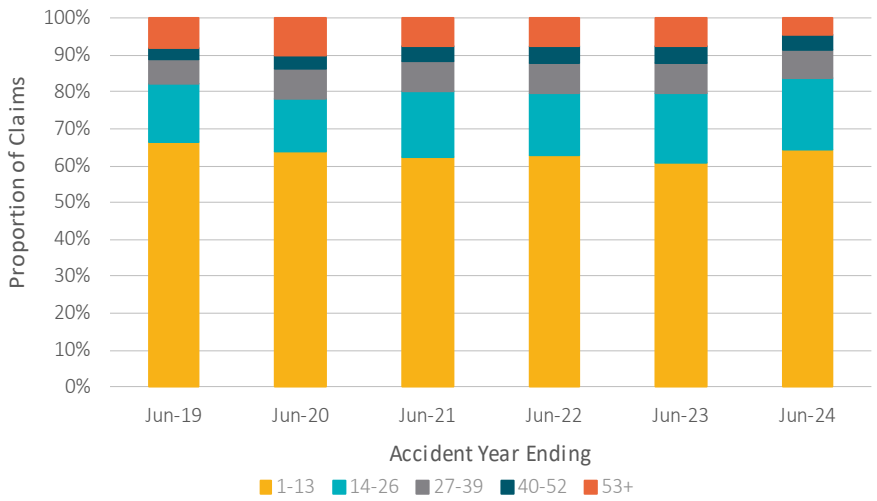
The full analysis of weekly benefit average claim sizes can be found in Appendix F.

Duration of weeklies & return to work

We have performed high level analysis of the Scheme's experience in relation to weekly claimants' time off work and their reasons for ceasing weekly payments. For this analysis, we have defined a week as a "week off work" if the worker has received a weekly payment (full or partial) for that week.[3]

Figure 3.9 shows our analysis of the distribution of weeks off work for claimants from each accident year. This analysis includes only those claimants who have 'exited' weekly benefits (i.e. it excludes claimants who are still receiving weekly benefits). We note that these figures do not represent the 'final' outcomes. We have excluded the most recent accident year, due to its immaturity.

Figure 3.9 – Weeks off work: Claimants no longer receiving weeklies



On average, claimants for accident years 2020/21 to 2022/23 received weekly payments for 18 weeks; around 62% of these claimants received only 1-13 weeks' payment. This proportion is lower than older accident years, which may explain part of the increase in the average weekly amount. Across all accident years, around 81% of claimants have received 26 weeks or less of weekly payments. For the 2018/19 year (the most mature experience), 8% of weekly claims received weekly payments for more than a year.

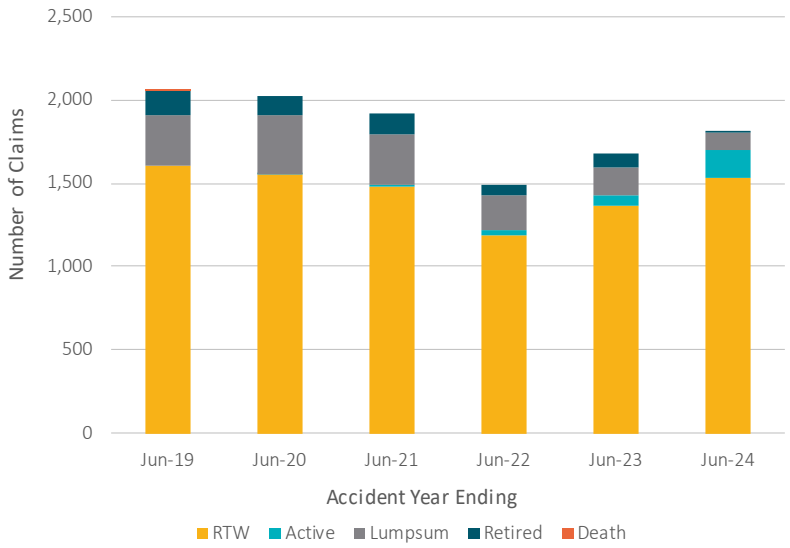
Weekly benefits can cease for a number of reasons, including:

- Payment of commutation/settlement
- Death of claimant
- Retirement of claimant
- Claimant returns to work (RTW).

[3] We can perform this analysis only for claims with an accident date after 31 October 2013, because it is only from this date that start and end dates are recorded against weekly payments.

We have identified the current state of each claimant who has received a weekly benefit for accident years 2018/19 and onwards; see Figure 3.10.

Figure 3.10 – Current status of claimants receiving weekly benefits

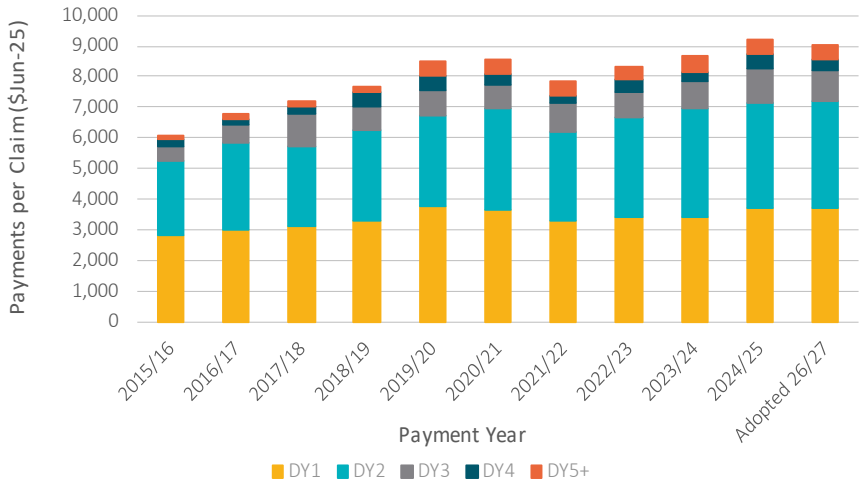


Most of the claimants who received weekly benefits have returned to work. For accident years 2018/19 to 2023/24 combined, around 13% of claimants (to date) have ceased weeklies after payment of a commutation or lump sum, and around 5% have received weekly benefits until retirement age[4].

3.5 Medical and related payments

Figure 3.11 shows the average medical payments per non-nil claim for each past payment year, and our adopted average medical claim size for the 2026/27 policy year.

Figure 3.11 – Medical benefits per non-nil claim



The five years from 2015/16 to 2019/20 saw sustained above-inflationary growth in the average medical size; over this period the medical size grew by 9% p.a. above normal inflation. In 2020/21 this growth was just 1%, and in 2021/22 the size reduced by 8%; it is possible that this experience relates to claimants having limited access to some services during COVID lockdowns. This is supported by the increase in size

[4] We have observed that some lump sums are paid more than one year after the last weekly payment. This means that some claimants who have not received a weekly for four or more weeks and have a current status 'RTW' may receive a lump sum in future years and therefore be reclassified.

following the removal of COVID restrictions, with the average medical size in 2024/25 now higher than pre-pandemic averages.

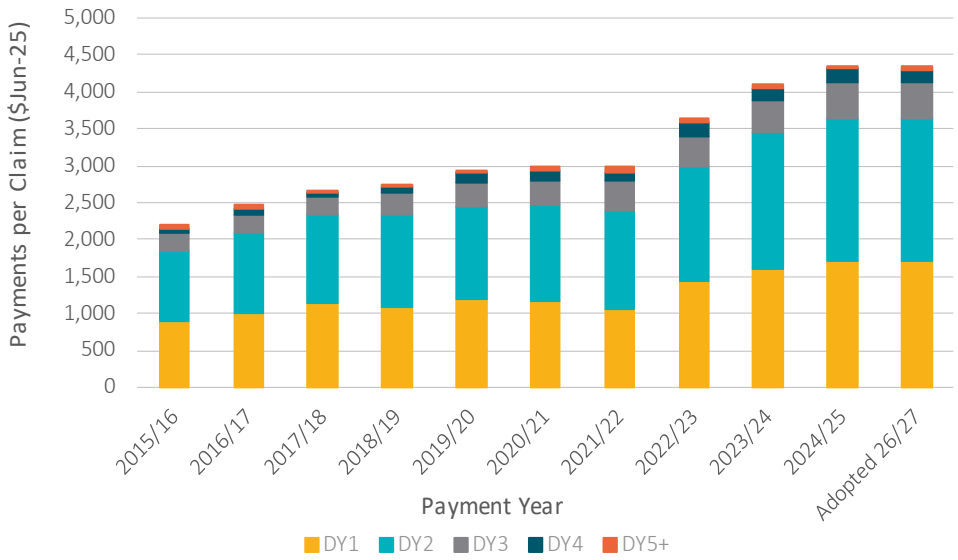
Our selected average medical cost per non-nil claim for the 2026/27 policy year is $9,000 (June 2025 values), which is roughly in line with the average over the past two years. This is 0.5% lower than the cost adopted in our previous review ($9,100; June 2025 values).

The full analysis of medical and related payment average claim sizes can be found in Appendix F.

3.6 Rehabilitation

Figure 3.12 shows the average rehabilitation cost per non-nil claim, along with our adopted average rehabilitation claim size for the 2026/27 policy year.

Figure 3.12 – Rehabilitation benefits per non-nil claim



The average rehabilitation benefit per non-nil claim increased by 8% p.a. more than inflation from 2015/16 to 2019/20, similar to medical benefits. Across 2020/21 and 2021/22 the growth was just 1% p.a., again possibly due to limited access to services. The average benefit has increased strongly since 2022/23.

Our adopted average rehabilitation cost per non-nil claim for the 2026/27 policy year is $4,400 (June 2025 values). This is 0.8% higher than adopted at our previous review ($4,300) and is in line with the average size in 2024/25.

The full analysis of rehabilitation benefit average claim sizes can be found in Appendix F.

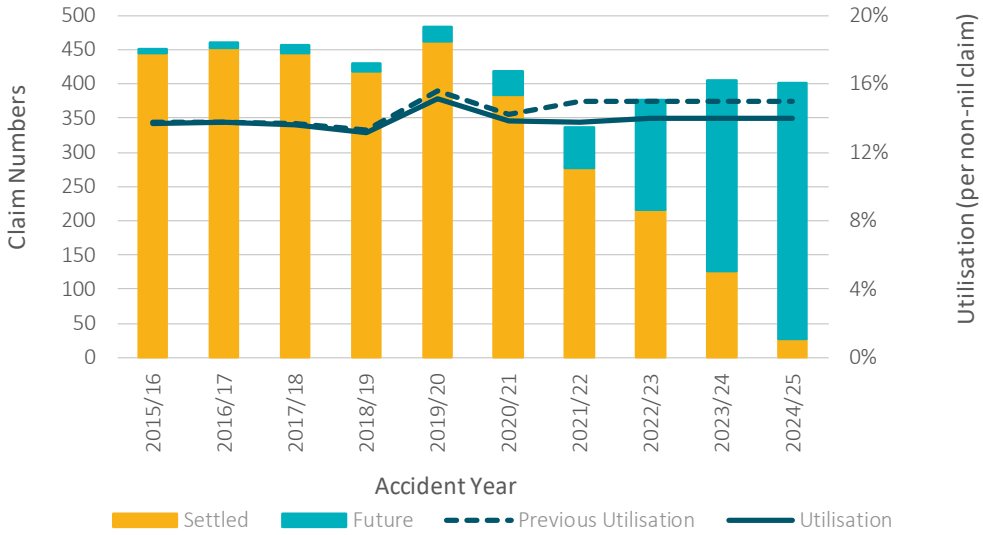
3.7 Lump sums

Numbers of lump sums

Due to differing practices in the classification of lump sum payment types between insurers (as discussed in Appendix C.4), we have grouped all lump sum claims together for our analysis.

Figure 3.13 shows the estimated ultimate number of lump sum claims for each past accident year. We also show the lump sum utilisation rate – the number of lump sums as a proportion of the number of non-nil claims.

Figure 3.13 – Ultimate lump sum numbers and utilisation



Our estimates of ultimate lump sum numbers have generally decreased since the previous review for the periods shown, reflecting the most recent experience.

Due to the delay to report for lump sums, we have set the ultimate claim numbers for 2022/23 and more recent accident periods by selecting a utilisation rate per non-nil claim. At the previous review, uncertainty around ultimate lump claim numbers for 2021/22 and 2022/23 was high and we gave partial weight to 2019/20 experience when selecting the utilisation rate. With an extra year of experience, it appears that the high utilisation rate for 2019/20 has not continued for 2021/22 and 2022/23 and we have revised our utilisation rate downwards to reflect this.

For the 2026/27 policy year we are projecting 410 lump sum claims, a utilisation rate of 14.0% (similar to recent levels).

There is a considerable level of uncertainty in these projections, and a significant IBNR element, for accident years up to four years old.

Settlement experience and adopted average size of lump sums

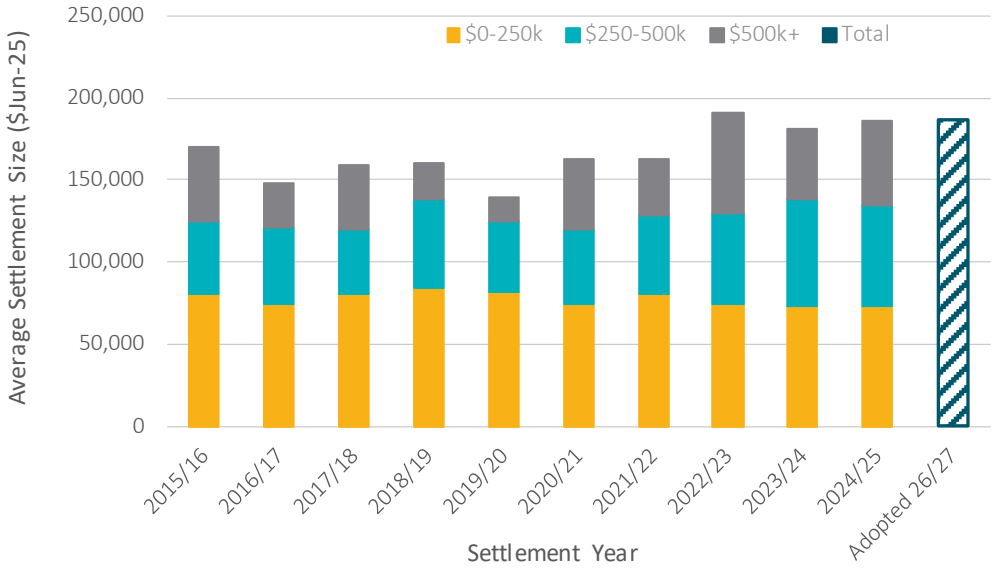
Table 3.1 shows the numbers and average size of lump sum claims by year of settlement, including the three months' settlement experience to September 2025. Figure 3.14 shows the information in graphical form, with the sizes broken down into costs attributable to claims less than $250k, claims between $250k and $500k, and claims above $500k.

Table 3.1 – Average size of common Law & other lump sum settlements

	Common Law			Lump Sums			Lump Sums & Common Law		
Year of Settlement	No. of Claims	Avg size ($ Jun-25)	Change from prev yr	No. of Claims	Avg size ($ Jun-25)	Change from prev yr	No. of Claims	Avg size ($ Jun-25)	Change from prev yr
2015/16	288	201,855		177	106,347		456	170,019	
2016/17	294	187,841	-7%	215	86,489	-19%	499	147,902	-13%
2017/18	242	186,553	-1%	180	114,624	33%	412	159,658	8%
2018/19	228	199,769	7%	174	95,007	-17%	387	160,256	0%
2019/20	200	203,067	2%	265	88,365	-7%	455	139,890	-13%
2020/21	195	255,569	26%	323	102,238	16%	513	162,132	16%
2021/22	191	235,671	-8%	313	115,279	13%	495	163,066	1%
2022/23	163	277,313	18%	222	118,775	3%	377	191,346	17%
2023/24	147	269,625	-3%	276	130,806	10%	417	181,811	-5%
2024/25	117	297,943	11%	249	131,650	1%	361	186,147	2%
2025/26 *	31	233,294	-22%	112	88,182	-33%	144	123,303	-34%

** 2025/26 shows settlements in the three months to September 2025 only*

Figure 3.14 – Average size of lump sum settlements



* 2025/26 shows settlements in the three months to September 2025 only

Figure 3.14 demonstrates that the average settlement size for an individual year depends strongly on the number of very large settlements (grey segments). The contribution of very large settlements drove an upwards step in the average size in 2022/23; since then, the average settlement size has been $186k.

We have adopted an average settlement size of $187k (June 2025 dollars) for lump sum claims in the 2026/27 policy year. This is slightly lower than our previous selection (inflated) and reflects experience over the last three years. We test the sensitivity to this assumption in Section 6.5.

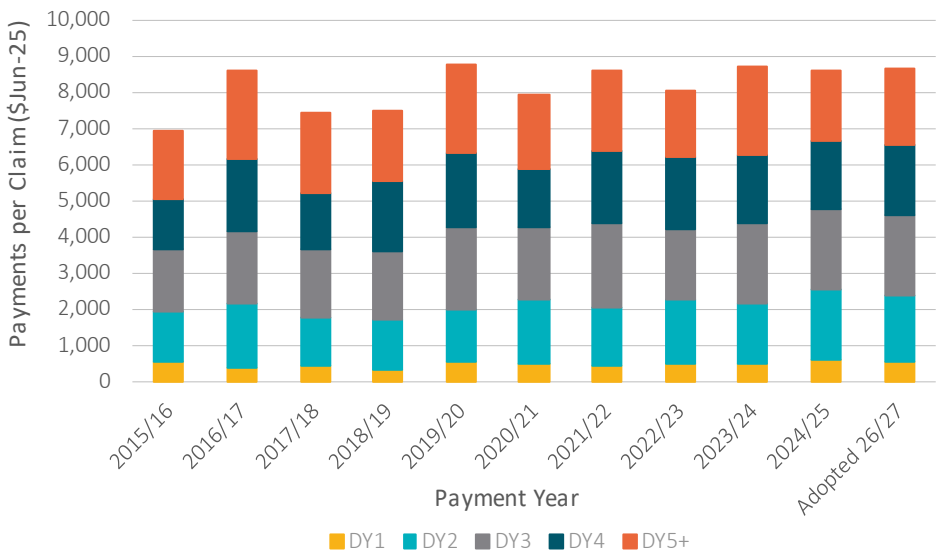
The adopted average lump sum cost for the 2026/27 year for all non-nil claims (not just lump sum claims) is $26,100. This is 8.1% lower than in the previous review ($28,400 in June 2025 dollars), largely driven by the lower adopted utilisation rate of lump sums.

The full analysis of average claim sizes for lump sum benefits can be found in Appendix F.

3.8 Legal and investigation

Figure 3.15 shows legal and investigation costs per non-nil claim, along with our adopted average size for the 2026/27 policy year.

Figure 3.15 – Legal and investigation costs per non-nil claim



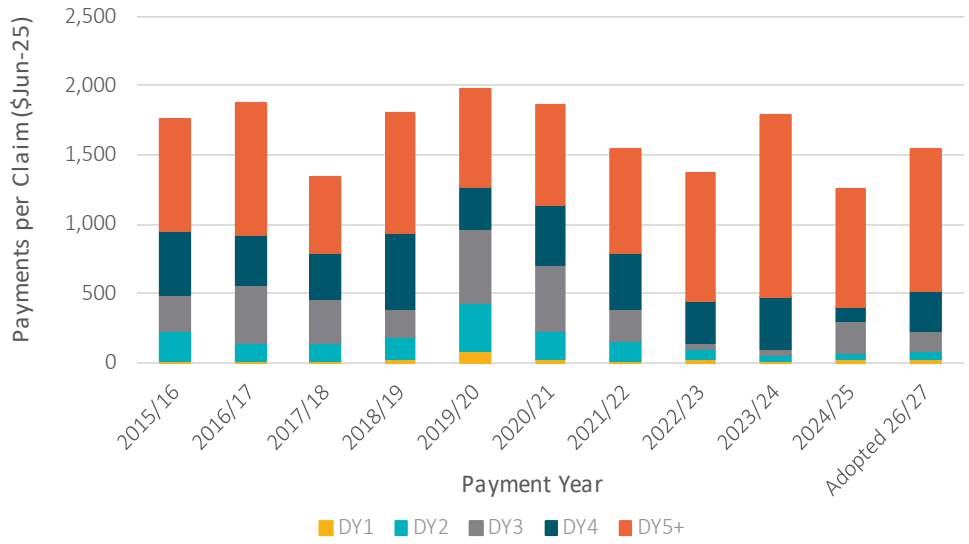
The average legal and investigation cost trended upwards between 2015/16 and 2023/24, with some volatility. Our selected average claim size for the 2026/27 policy year is $8,700 per non-nil claim (June 2025 dollars). This is 4.3% lower than the average claim size adopted in the previous review, reflecting recent stability in inflation-adjusted claim sizes.

The full analysis of the average claim sizes for legal and investigation costs can be found in Appendix F.

3.9 Recoveries

Figure 3.16 shows the amount recovered by insurers per non-nil claim, along with our selection for the 2026/27 policy year. Recoveries include recoveries from other insurers (sharing), employers (excess) and other sources.

Figure 3.16 – Recoveries per non-nil claim



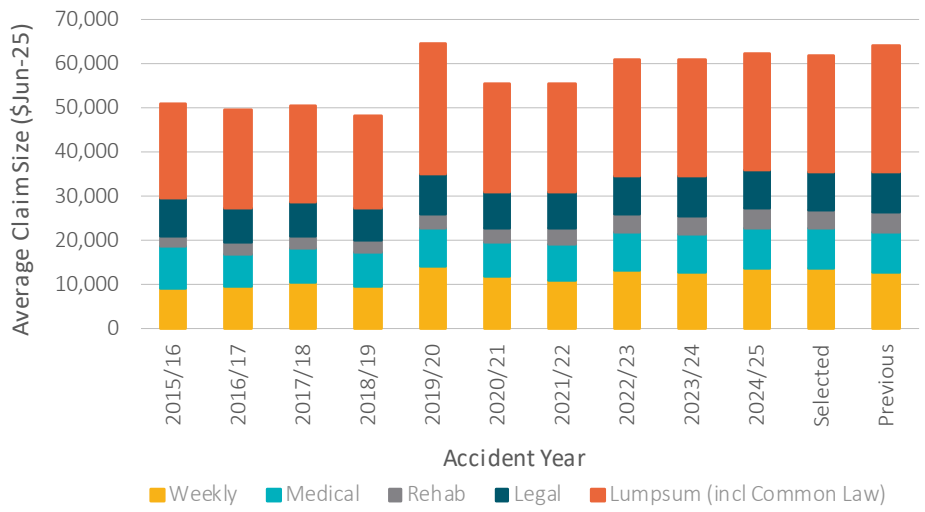
Recovery levels have been variable over the past ten years, and there has been poor recoveries experience in the post-pandemic period. Our selected average size for the 2026/27 policy year is $1,500 per non-nil claim (June 2025 dollars), which is 15.6% lower than our selection at the previous review.

The full analysis of the average size of recoveries can be found in Appendix F.

3.10 Overall average claim size

Figure 3.17 summarises the adopted gross average claim sizes for each past accident year, and our selection for the 2026/27 policy year.

Figure 3.17 – Adopted gross average claim size (per non-nil claim) by payment type

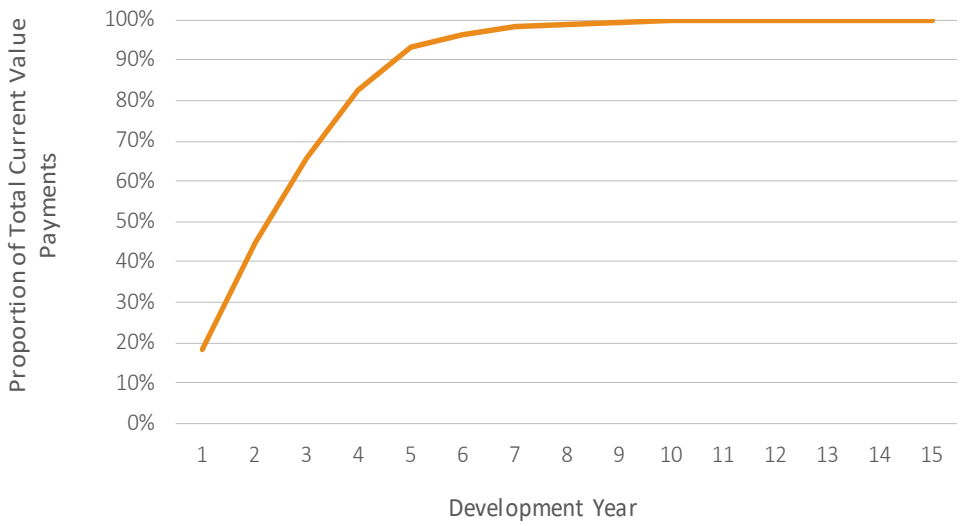


Our selected gross average claim size for the 2026/27 policy year is $61,800; after allowing for recoveries, this reduces to $60,300. In aggregate, this is lower than the selected size in our previous review ($62,100, inflated), although there have been some offsetting differences among payment types. We note that over the long term, average sizes have generally trended up while claim frequency has generally trended down, suggesting a change in the severity mix of claims. This long-term trend has been distorted in recent years due to the impacts of COVID on claim numbers.

3.11 Payment pattern

Our valuation methods incorporate assumptions about the pattern of payments by development year, and our payment pattern analysis is undertaken by payment type. The adopted payment pattern for all payment types combined is shown in Figure 3.18. Full details of each of the selected payment patterns can be found in Appendix F.

Figure 3.18 – Adopted net payment pattern



The majority of payments are made in the first few years after the accident, with over 90% of payments made within five years.

3.12 Summary of assumptions for 2026/27 policy year

Table 3.2 summarises the claim numbers and average claim sizes we have adopted for estimating reasonable premium rates for the 2026/27 policy year.

Table 3.2 – Claim assumptions for 2026/27 policy year

Payment Type	Number basis	Claim Frequency (per $m)[1]	Ultimate Non-Nil Claim Numbers	Average Claim Size ($Jun-25)	Avg Cost per Non-Nil Claim ($Jun-25)
Weekly benefits	Lost time claims	0.12	1,917	20,700	13,600
Medical	Non-nil claims	0.19	2,927	9,000	9,000
Rehabilitation	Non-nil claims	0.19	2,927	4,400	4,400
Lump sums	Lump Sum claims	0.03	410	186,700	26,100
Legal & Investigation	Non-nil claims	0.19	2,927	8,700	8,700
Recoveries	Non-nil claims	0.19	2,927	(1,500)	(1,500)
Total	Non-nil claims	0.19	2,927		60,300

[1]Per $ million of wages in $Jun-25

4 Economic, expense and profit assumptions

This section outlines the economic assumptions, expense assumptions and insurer margins incorporated in our assessment of a reasonable premium pool.

4.1 Summary of assumptions

Table 4.1 summarises the assumptions adopted in our estimates of a reasonable premium for the 2026/27 policy year, as well as those adopted in our previous review.

Table 4.1 – Summary of economic, expense and profit assumptions

Assumption	Adopted	Previous
Discount Rate (p.a.) - valuation assumption	4.30%	4.20%
Discount Rate (p.a.) - premium rate assumption	4.35%	4.00%
Wage Inflation (p.a.): 2024/25-2025/26	3.50%	3.50%
Wage Inflation (p.a.): thereafter	3.50%	3.50%
Economic growth (p.a.): 2024/25	2.00%	2.00%
Economic growth (p.a.): 2025/26	2.00%	2.00%
Superimposed Inflation (p.a.)[1]	3.50%	4.00%
Expenses (% of premium)	27.1%	26.8%
Insurer margin (% of premium)	11.0%	11.5%

[1] Average across all payment types

4.2 Discount rate

Discounted claims costs are used to estimate outstanding claims liabilities and insurer profitability. We have calculated the discount rate based on yields available on Commonwealth Government bonds corresponding to the duration of the ACT workers' compensation claim payments at 30 June 2025 (the 'valuation' date).

The valuation discount rate adopted for this review is 4.3% p.a., slightly higher than the rate of 4.2% p.a. adopted at the previous review.

We also allow for the time value of money when estimating a reasonable premium rate for 2026/27. For this purpose we have used a risk-free rate based on forward rates implied by yields available on Commonwealth Government bonds as at 28 February 2025. Any margin above the risk-free rate earned by the licensed insurers from their actual investments contributes to profits and is taken into account in deriving an appropriate insurer margin.

The discount rate adopted for 2026/27 policy year premiums is 4.35% p.a., up from the 4.0% p.a. used for 2025/26 premiums. When estimating historical risk premiums, we have used the current discount rate so that comparisons between historical years and the 2026/27 policy year are on a consistent basis.

To discount past payments to the premium receipt date in calculating hindsight risk premiums, we have used the actual average historical cash rates applicable in each year from 1999 to 2025, as published by the Reserve Bank of Australia.

4.3 Inflation

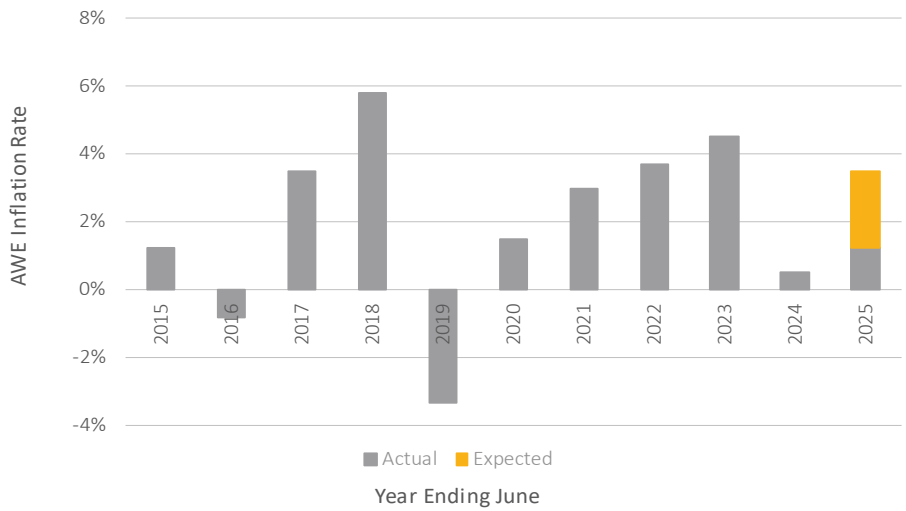
Two types of inflation are incorporated into our cost models:

- Normal economic inflation – in this case wage inflation (based on AWE), since the majority of workers' compensation benefits are income-related
- Superimposed inflation – inflation in excess of normal economic inflation.

Wage inflation

Figure 4.1 shows the historical rate of change in the Australian Bureau of Statistics' Average Weekly Earnings (AWE). The grey bars show the actual rate of change (wage inflation in the period) and the orange segment shows the wage inflation rate adopted at our previous review.

Figure 4.1 – AWE inflation



AWE inflation has been variable, likely due to sampling error in the index. Broadly speaking, inflation over the last decade has been low; over the last 12 months wage inflation was lower than anticipated.

Independent forecasts for wage inflation are in the range of 3% to 3.5% p.a. and views on inflation have remained broadly unchanged since last year. Given the heightened uncertainty and volatility surrounding inflation in recent years, there is a wide range of views on possible outcomes. The uncertainty is amplified by the current war in Iran.

We have adopted future wage inflation of 3.5% p.a., unchanged from the previous review.

The implied gap between the discount rate and inflation rate for claim payments is 0.85% p.a. (4.35% p.a. discount rate less 3.5% p.a. inflation rate) and compares to 0.5% from our previous review.

Superimposed inflation

Superimposed inflation is the tendency for payments to increase at a higher rate than normal economic inflation. Some examples of the forms superimposed inflation can take are:

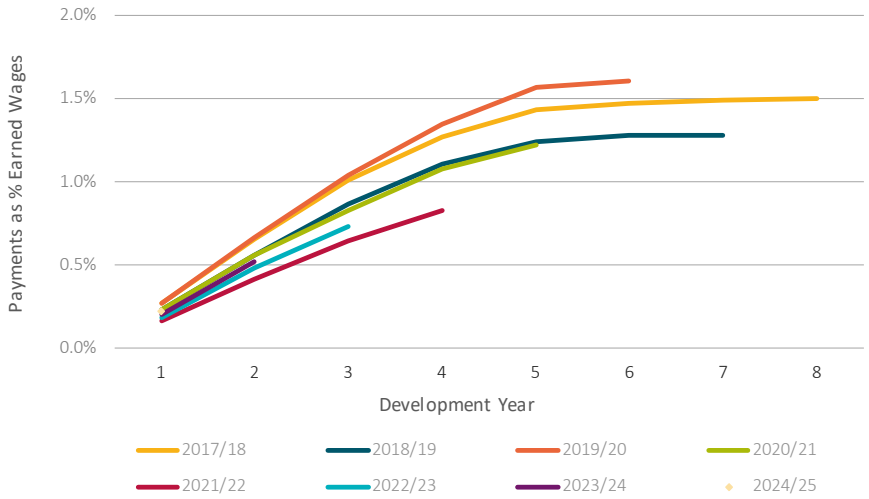
- Changes to the average severity of claims
- Longer periods of payment – for example, in the case of weekly benefits and medical costs
- More claims for particular heads of damage – for example, more claimants seeking lump sum benefits.

We analysed the experience of the ACT workers' compensation portfolio in order to look for evidence of superimposed inflation; this was done for each payment type. We observed evidence of superimposed inflation over the longer term across all payment types.

One factor that can lead to superimposed inflation in average sizes is a sustained reduction in claim frequency, as the claims that are no longer made tend to skew towards lower severity claims, and the overall severity of the remaining claims increases. As shown in Figure 3.6, the ACT claim frequency has been trending down for a number of years.

In order to assess whether there has been any offset between the reduction in frequency and average size, we have looked at total claim payments as a proportion of earned wages by development year; see Figure 4.2. If there had been no change in average size over time, the cost as a proportion of wages would reduce in line with claim frequency.

Figure 4.2 – Payments as a proportion of earned wages



We make the following comments:

- 2023/24 is emerging on the same trajectory as 2018/19 and 2020/21. As the frequency for 2023/24 is lower than these years, this suggests that frequency reductions have been fully offset by average size increases over this period.
- 2021/22 and 2022/23 are emerging at a lower level; we assess that this largely due to COVID impacts on claim numbers. In essence, the reduction in claim frequency was artificially greater during this period; it is unsurprising that this translated to a lower cost relative to wages.

There is significant uncertainty in the drivers of the growth in average size, particularly with COVID related disruptions in the recent history. We assess that there is likely growth in the average size due to the tendency to skew towards higher severity claims as the claim frequency reduces, in combination with an underlying above-inflation trend in average sizes.

We have adopted a superimposed inflation rate of 3.5% p.a. (reduced from 4.0% at the previous review), reflecting the overall level of superimposed inflation in recent years.

We acknowledge that it is difficult to completely capture the underlying dynamics, and this is one of the more subjective areas of our basis.

The sensitivity to the adopted superimposed inflation rate is demonstrated in Section 6.5.

4.4 Economic growth

In order to project wages for the coming policy year, we need to make an assumption about the growth of the workforce due to general growth in the economy. We have adopted growth of 2.0% p.a. for 2025/26 and 2026/27, unchanged from the previous review.

4.5 Expenses

Commission/brokerage

Table 4.2 shows the commission/brokerage rates paid by each of the licensed insurers writing workers' compensation insurance in the ACT, as well as the assumptions adopted in each of the insurer's premium rate filings for 2024/25 and 2025/26.

Table 4.2 – Commission rates

	Achieved		Filed	
Insurer	2023/24	2024/25	2024/25	2025/26
AAL	3.6%	3.7%	3.7%	3.7%
IAG	3.7%	3.7%	3.6%	4.5%
QBE	3.7%	3.9%	3.6%	4.6%
SUN	4.5%	4.5%	4.5%	4.7%
GUI	0.0%	0.0%	0.0%	0.0%
Average [1]	3.8%	3.9%	3.8%	4.2%

[1] Weighted average based on premium volume.

The overall rate of commission/brokerage paid in 2024/25, at 3.9% of premiums, is 0.1% higher than the previous year but lower than the average filed rate of 4.2% for 2025/26. We have allowed for commission/brokerage of 3.85% of premium in our estimated reasonable premium pool for 2026/27, slightly higher than the previous review (3.8%).

Administration expenses

Table 4.3 shows the expense rates included in the insurers' filed rates over the last three policy years; these rates exclude statutory levies.

Table 4.3 – Administration expense rates

Insurer	2023/24	2024/25	2025/26
AAL	10.6%	11.2%	10.4%
QBE	16.6%	15.2%	16.3%
SUN	17.5%	19.4%	13.2%
IAG	17.8%	18.7%	18.1%
GUI	26.5%	29.1%	29.1%
Average	15.4%	15.7%	14.0%

[1] Weighted average based on premium volume.

We note that the treatment of statutory levies in the filed rates is not consistent between insurers. Some are implicit within their overall expense loadings, while some are separately identified. Our treatment of expenses attempts to ensure that comparisons of expense rates among insurers are consistent. However, some uncertainty remains around the actual levels of administration expenses.

We have adopted an allowance of 15.7% of premium, unchanged from the previous review. We note that one insurer's administration expense rate has decreased significantly in 2025/26 due to a reallocation between expense categories and an estimated reduction in expense rates. As this is a forecast change in that insurer's expense rate, rather than an actual reduction, we have not responded at this valuation.

Statutory charges and levies

Our recommended premium rates also include the following levies for 2026/27:

- Magistrates Court Levy: 0.25% of premium, based on the expected collection during 2026/27 as advised by CMTEDD (slightly higher than last year)
- Default Insurance Fund (DIF) levy: 1.60% of premium, as advised by CMTEDD (down from 1.80%)
- Regulatory Funding Levy (RFL): 5.65% of premium (up from 5.28%).

Total expense loading

Table 4.4 below shows the total expense loading we have adopted, by component.

Table 4.4 – Expense loadings

	Loading (% premium)	Estimated amount ($m)
Commission & Brokerage	3.85%	12.4
Administration	15.7%	50.6
Statutory Charges & Levies		
Magistrates Levy	0.3%	0.8
DIF Levy	1.6%	5.2
Regulatory Funding Levy	5.6%	18.2
Total Expense Loading	27.1%	87.1

Our total expense loading is 27.1% of premium. This is up from 26.8% at the previous review, driven largely by the increased RFL noted above.

4.6 Insurer margin

In determining an appropriate insurer margin for profit, we have used a model that projects the after-tax profits of the 2026/27 business until it has completely run off. In applying this model we have made the following long-term assumptions (in addition to those detailed above):

- Technical provisions will all be invested in risk-free assets and will, on average, earn the risk-free rate of 4.35% p.a. The duration of these assets is assumed to match the average duration of the technical liabilities (2.5 years).
- Additional capital allocated to the business will be invested in a mix of risk-free and riskier assets (equity, property, managed trusts) which earn on average 3.0% p.a. above the risk-free rate. The duration of these assets is assumed to be longer than the technical liabilities (around 5 years).
- Claims provisions will incorporate a 12.5% risk margin.
- The capital held will be 1.5 to 2.0 times the APRA Prescribed Capital Amount.
- Shareholders will demand a return on capital of 12.5% after tax.

The results of our modelling indicate that, using these assumptions, an appropriate insurer margin for this business is 9.7% to 12.1% of premium. In determining a reasonable premium pool for the 2026/27 policy year, we have adopted an insurer margin of 11.0% of premium (0.5% decrease from the previous review).

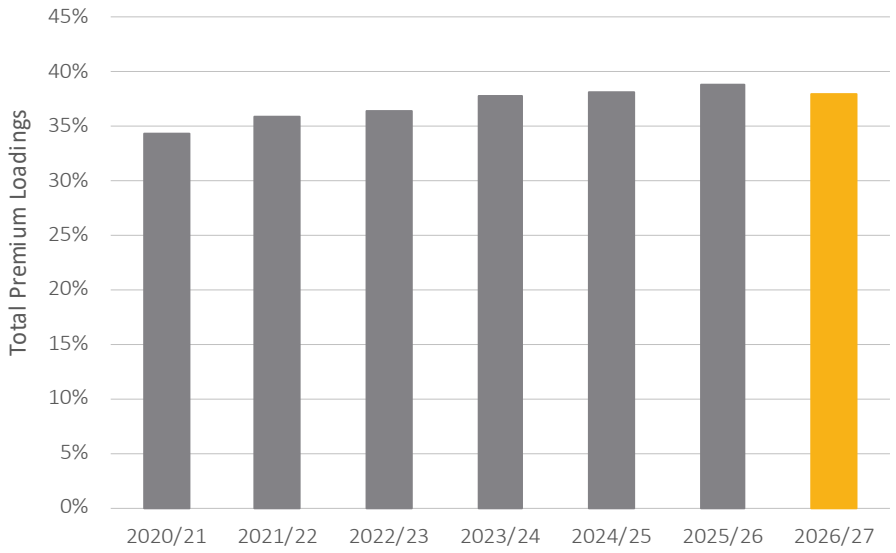
The adopted margin of 11.0% compares to an average margin (weighted by premium volume) of 11.2% of premium adopted in the insurers' filed rates for 2025/26.

4.7 Overall loading

We have relied on the insurers' filed rates to derive our loading assumptions for the 2026/27 premium pool; however, as noted above, the treatment and split of individual expense components is not always

consistent or completely transparent. In Figure 4.3 we compare the overall loadings implied by insurers' filed rates with what we have adopted for the 2026/27 premium pool.

Figure 4.3 – Total premium loadings



Our adopted total premium loading of 38.1% is similar to the implied loading of 38.8% in insurers' filed rates for 2025/26.

5 Results of hindsight analysis

We have prepared estimates of the future payments for outstanding workers' compensation claims and the ultimate claims cost for each accident year, using valuation methods which are discussed in Section 9, claim assumptions detailed in Section 3, and economic and other assumptions described in Section 4. This section summarises these results.

Key findings

- We estimate that ultimate claims costs for 2024/25 will be 6% higher than 2023/24; this continues the trend of growing costs following the end of COVID restrictions.
- Insurers as a whole appear to be adequately reserved, given the risk margins they hold.
- The risk premium for the 2024/25 accident year (claims costs) is estimated to be 1.21% of wages.

5.1 Estimated ultimate cost

Table 5.1 summarises our central estimates of ultimate costs by accident year, split between what has been paid to 30 June 2025 and what we estimate to be outstanding at that date.

Table 5.1 – Estimated ultimate cost

Accident Financial Year	Paid to 30-Jun-25	Estimated Outstanding	Estimated Ultimate Claims Cost[1]	Year-on-Year Change
	$m	$m	$m	%
2012/13	127.8	0.8	128.6	
2013/14	108.0	1.8	109.8	-15%
2014/15	113.8	1.1	114.9	5%
2015/16	137.8	1.8	139.6	21%
2016/17	138.8	2.1	140.9	1%
2017/18	140.6	3.0	143.6	2%
2018/19	132.5	4.7	137.2	-4%
2019/20	177.0	7.5	184.5	34%
2020/21	143.8	13.3	157.1	-15%
2021/22	106.2	25.2	131.4	-16%
2022/23	101.8	61.7	163.5	24%
2023/24	73.8	109.9	183.7	12%
2024/25	32.1	163.0	195.1	6%

[1] Net of recoveries, inflated and undiscounted

The ultimate costs shown are inflated to the time of payment but undiscounted, so if there were no trends in exposure, claim numbers, average claim sizes or superimposed inflation, we would expect each year's costs to be higher than the previous year by the rate of wage inflation.

The movement from year to year in ultimate costs is variable, with claims costs dropping during the COVID-impacted periods and returning to pre-pandemic levels in 2023/24. For 2024/25, we estimate that ultimate costs will be 6% higher than 2023/24, which is driven primarily by inflation and average size differences.

5.2 Comparison to insurer central estimates

Table 5.2 compares our estimated outstanding claims cost (inflated to date of payment, and discounted to 30 June 2025) and the central estimate of insurer reserves (case estimates plus IBNR/ER amounts) at 30 June 2025.

Table 5.2 – Comparison to insurer central estimates

Accident Financial Year	Finity Central Estimate	Insurer Case Estimates	Insurer IBNR/ER	Insurer Central Estimate	Difference (Insurer less Finity)	% Diff
	$m	$m	$m	$m	$m	%
Prior	9	16	3	18	9	99%
2017/18	3	1	1	2	-1	-25%
2018/19	4	3	1	3	-1	-25%
2019/20	7	6	1	7	0	-4%
2020/21	12	6	6	12	-1	-6%
2021/22	24	27	6	33	9	39%
2022/23	58	42	28	69	11	20%
2023/24	102	76	51	128	26	25%
2024/25	149	75	96	171	22	15%
Total	368	251	192	443	75	20%

Our central estimate of the outstanding claims liability is $368m. Insurer case estimates plus IBNR/ER amounts of $443m are $75m (20%) higher than our central estimate. The difference predominantly relates to the four most recent accident years.

We assess that the insurers as a group are adequately reserved.

This assessment of reserve adequacy is performed at a high level, for the Scheme as a whole. The adequacy of any individual insurer's reserves will depend on the insurer's own reserving practices.

5.3 Scheme risk premiums

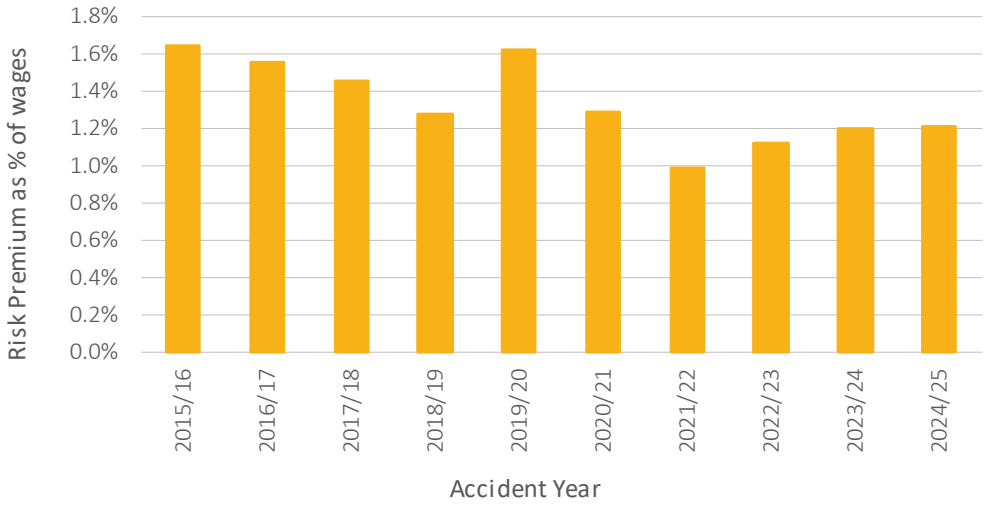
Table 5.3 and Figure 5.1 show our estimates of the historical risk premium rates. Historical risk premiums are calculated from actual past payments plus our latest estimates of outstanding claims. Claims costs are then discounted to the beginning of the accident year and expressed as a proportion of earned wages for that year.

Table 5.3 – Risk premiums

Accident Financial Year	Est. Ultimate Claims Cost[1]	Earned Ultimate Wages	Cost as % Earned Wages
	$m	$m	%
2015/16	131.2	7,988	1.64%
2016/17	133.5	8,556	1.56%
2017/18	137.6	9,402	1.46%
2018/19	132.1	10,324	1.28%
2019/20	178.6	11,013	1.62%
2020/21	152.6	11,801	1.29%
2021/22	127.5	12,827	0.99%
2022/23	156.8	13,997	1.12%
2023/24	171.7	14,232	1.21%
2024/25	177.6	14,682	1.21%

[1] Net of recoveries, inflated, discounted to beginning of acc. yr

Figure 5.1 – Risk premiums



As noted throughout the report, we assess that the risk premiums for 2021/22 and 2022/23 were artificially low due to COVID impacts.

6 Premium pool for 2026/27

This section brings together the analysis of previous sections, establishing our estimate of a reasonable premium pool and the average premium rate.

Key findings

We estimate a reasonable premium rate for the 2026/27 policy year of 1.98% of wages, down 0.06% from the previous review (2.04%). The decrease is the net impact of the following changes:

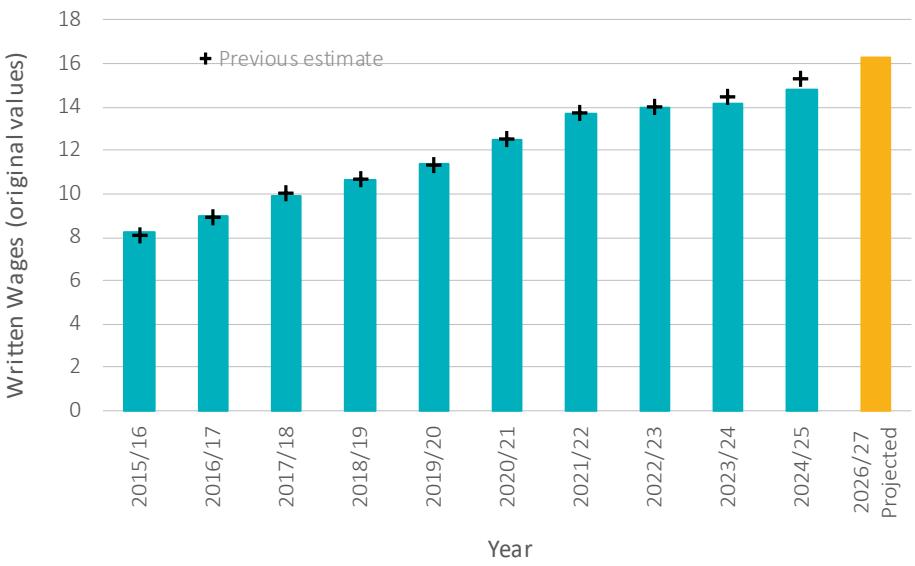
- Changes in claim cost assumptions – decrease of 0.01%
- Changes in economic assumptions – decrease of 0.04%
- Changes in expenses, levies and profit margin – decrease of 0.01%.

6.1 Wages

We have adopted future wage inflation of 3.5% p.a. and employment growth of 2.0% p.a. in 2025/26 and 2026/27. These assumptions are discussed in Section 4.

We project written wages of around $16.2bn for the 2026/27 policy year, as shown in Figure 6.1.

Figure 6.1 – Estimated wages covered



Actual written wages in 2024/25 were lower than we estimated at our previous review. We note that due to one-off changes in one insurer's data, there have been some small movements in the reported and ultimate written wages relative to last year's review; this mostly impacts 2023/24.

6.2 Average renewal date

Based on past patterns of wages covered and earned wages, we have estimated that the average renewal date for workers' compensation policies in the ACT is mid-September. Hence the key dates we have assumed for the 2026/27 policy year are:

- 15 September 2026 – average renewal date, and average premium receipt date
- 15 March 2027 – average accident date, and average date of first year's claim payments

- 15 March 2028 – average date of second year's claim payments, etc.

As we have selected our average claim size in June 2025 values, the above dates mean that claims payments in the first year will need 20.5 months of inflation added, payments in the second year need 32.5 months inflation, etc. All payments are then discounted back to the average date of renewal, 15 September 2026.

6.3 Reasonable premium pool

The total Scheme risk premium for 2026/27 represents the total expected claims costs, and is derived as the adopted number of non-nil claims times the adopted average claim size (Section 3.12), plus allowance for inflation and discounting (Sections 4.2 and 4.3). This process results in a risk premium estimate for 2026/27 of $199.5m, or 1.23% of wages. The risk premium of 1.23% is similar to the risk premium estimated for 2023/24 and 2024/25 (1.21%; Table 5.3).

When expenses (Section 4.5) and insurer profit margins (Section 4.6) are added to the risk premium, our estimate of a reasonable premium pool for 2026/27 is $322.1m, as shown in Table 6.1.

Table 6.1 – Total premium pool

Premium Rate Component	$m
Risk Premium Pool	199.5
Expense Loading	87.1
Profit Loading	35.4
Total Premium Pool	322.1
Wages Estimate	16,280.8
Average Risk Premium (% wages)	1.23%
Average Premium Rate (% wages)	1.98%

The estimated reasonable average premium rate for the 2026/27 policy year is 1.98% of wages, down by 0.06% from the previous review (2.04%).

6.4 Comparison with 2025/26 premium rate

The drivers of the movement in the reasonable premium rate since last year are shown in Table 6.2.

Table 6.2 – Movement in reasonable premium rate

	Average Premium Rate	Increase/ Decrease
Last year's suggested rate for 2025/26	2.04%	
Project to 2026/27	2.04%	0.00%
Change in		
Claim cost assumptions	2.02%	-0.01%
Economic assumptions	1.99%	-0.04%
Expense loadings, levies and insurer margin	1.98%	-0.01%
Total change - suggested rate for 2026/27	1.98%	-0.06%

The movements in the components of the reasonable premium rate are:

- Claims cost assumptions – decrease of 0.01%.
  - > Although selected claim numbers are stable, lower wage estimates lead to an increased claim frequency relative to previous expectations, increasing the reasonable rate by 0.02%.

- A small decrease in the average size decreased the reasonable rate by 0.03%.

- Economic assumptions – decrease of 0.04%
  - The superimposed inflation assumption was decreased from 4.0% to 3.5% based on recent experience, decreasing the reasonable rate by 0.02%.
  - The increase in the risk-free discount rate from 4.0% to 4.35% has decreased the reasonable rate by 0.02%.
- Expenses, levies and profit margin – decrease of 0.01%
  - Changes to expense loadings had minimal impact on the reasonable rate.
  - Increases to the levies increased the reasonable rate by 0.01%.
  - Changes to the insurer margins reduced the reasonable rate by 0.02%.

6.5 Sensitivity analysis

The estimate of the average premium rate is sensitive to the assumptions used, and the selection of our assumptions is subject to uncertainty. The effect on the average premium rate of changing each of the key assumptions is shown in Table 6.3. Note that the scenarios tested do not indicate the full range of possible outcomes. Each scenario is independent of the others shown.

Table 6.3 – Sensitivity analysis

Scenario	Best Estimate Value	Sensitivity Assumption	Premium Rate	Difference	Difference %
Base Case			1.98%		
Claim frequency up 10%	0.186	0.205	2.18%	0.20%	10%
Average claim size up 10%	60,300	66,300	2.18%	0.20%	10%
Lump sum numbers up 10%	410	451	2.07%	0.09%	4%
Lump sum average size up 10%	186,700	205,400	2.07%	0.09%	4%
Discount rate up 1% p.a.	4.35%	5.35%	1.93%	-0.05%	-2%
Superimposed inflation at 4.5% p.a.	3.5%	5.0%	2.04%	0.06%	3%
Expense loadings up 1%	27.1%	28.1%	2.01%	0.03%	2%
Insurer margins up 1%	11.0%	12.0%	2.01%	0.03%	2%

The scenarios presented show that:

- A 10% increase in frequency or a 10% increase in overall average claim size would result in a 10% increase in the average premium rate.
- If the number of claims receiving lump sum benefits were to increase by 10%, or the average cost of these claims were to increase by 10%, the average premium rate would increase by 4%.
- A 1% p.a. increase in the risk-free discount rate would result in a 2% reduction in the estimated average premium rate.
- An increase in the superimposed inflation rate to 4.5% p.a. (applied from 2026/27, as described in Section 4.3) increases our estimate of the average premium rate by around 3%.
- If expenses or insurer margins were to increase by 1% of premium, the average premium rate required would be 2% higher.

7 Suggested relativities and reasonable premium rates

This section documents our suggested relativities and average premium rates by ANZSIC division and provides some comparisons with insurer achieved rates.

Key findings

- The experience across ANZSIC classes shows considerable variation, with our reasonable rates sitting in the range 0.25% to 31.71% of wages
- Only one ANZSIC class, 9129 (Other Horse and Dog Racing Activities), has an estimated reasonable rate above 11.44%.

7.1 Relativities

Our approach to calculating the relativities is explained in Section 9.5. Appendix H contains a summary of the results of our analysis for each ANZSIC class with non-nil wages in the ACT. The table shows:

- ANZSIC class and description
- Observed claim frequency relativity – average last three years
- Observed capped claims cost relativity – average last five years
- Our selected relativity
- Our estimate of a reasonable premium rate.

7.2 Reasonable premium rates

The following example (for ANZSIC Code 7000 – Computer System Design and Related Services) shows how we have applied the selected relativities to determine the ANZSIC premium rates:

1 Average reasonable premium rate for Scheme = 1.98% of wages (Section 6.3)

2 Suggested relativity for ANZSIC 7000 = 12.74 (Appendix H)

3 Average premium rate (prior to scaling) for ANZSIC 7000 = 0.25% of wages [1.98% * 12.74/100]

4 Average premium rate (post scaling) for ANZSIC 7000 = 0.25% of wages *[0.25% * 1.00]*

The scaling factor (1.00 at this review) is applied to ensure that the overall average premium rate is achieved. We followed this process to derive an average premium rate for each ANZSIC class.

The experience across the range of ANZSIC classes shows considerable variation, with our reasonable rates sitting in the range 0.25% to 31.71% of wages.

The rates shown in Appendix H are indicative of the average rates that we consider to be appropriate for the employers at ANZSIC class level, consistent with a target average rate of 1.98% of wages overall. The actual rates charged by insurers to individual employers are expected to differ from these rates, reflecting the following:

- The actual expense loadings and profit requirements will differ from insurer to insurer
- The experience of an individual employer will be taken into account by the insurer in determining the rate to be charged; poorer risks will likely be charged additional premiums, while better risks may be given discounts (from the average)

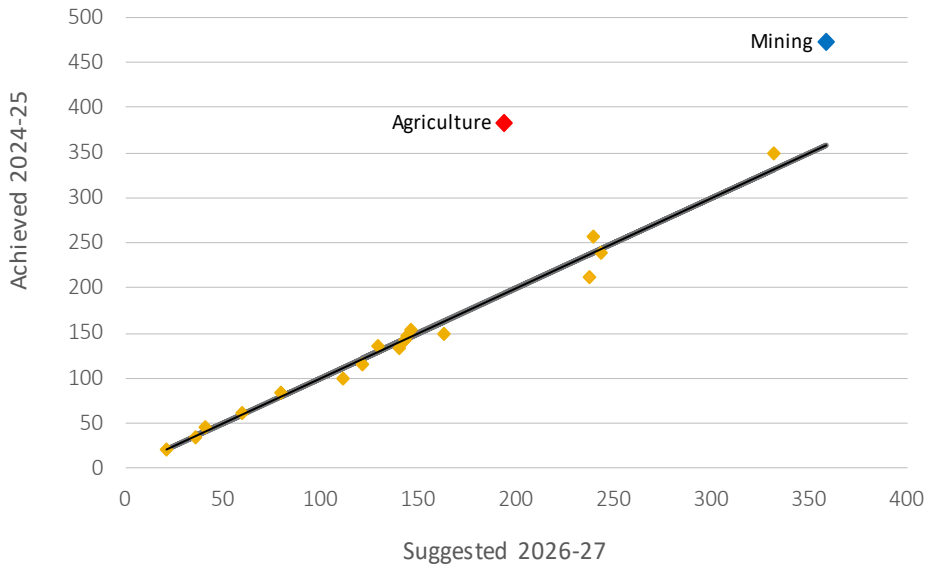
- The rates are determined on the basis of an assessment of the profitability for a single year's business; insurers who write business over a number of years may increase or decrease rates in response to accumulated profitability and competitive positioning
- The application by insurers of minimum premiums, reflecting administrative costs which are incurred independent of the claims cost or 'riskiness'.

7.3 Comparison with insurer relativities

Figure 7.1 compares the relativities of the 2026/27 reasonable rates with the relativities of licensed insurers' achieved rates for 2024/25. Each point on the graph represents one of the 19 ANZSIC divisions.

The 45-degree line indicates where suggested relativities are equal to the achieved relativities. A point above the 45-degree line indicates our suggested relativity is lower than the achieved relativity, and for points below the line our suggested relativity is higher than the achieved relativity.

Figure 7.1 – Suggested (after cap) vs achieved relativities

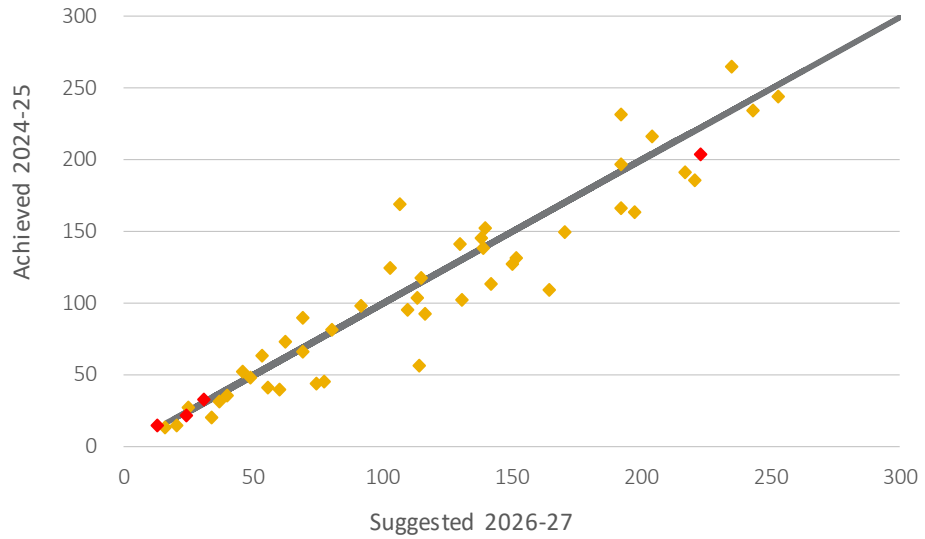


At the division level, the achieved relativities tend to be close to our suggested relativities. There are two notable outliers – Agriculture and Mining, where the achieved relativity is significantly higher:

- These industries each account for less than 1% of total wages covered in 2024/25 and can be subject to year on year volatility in achieved rates.
- It is possible that in setting their rates for these industries insurers use experience from other jurisdictions that have more exposure, while our analysis is limited to exposure within the ACT.

There is greater variability between recommended and achieved relativities at ANZSIC class level. Figure 7.2 shows the achieved and recommended relativities for the top 50 ANZSIC classes (measured by wages in 2024/25).

Figure 7.2 – Suggested (after cap) vs achieved relativities: Top 50 ANZSIC classes



The largest four ANZSIC classes (shown in red) make up 35% of ACT private sector wages. All of these classes have an achieved relativity within 25% of the suggested relativity.

Part III Further information

8 Data

This section describes the data items we were supplied with for this investigation, the results of our reconciliations and the data summaries produced.

8.1 Data supplied

CMTEDD administers the ACT Workers Compensation Management System (WCMS). WCMS was established in 2015 and contains workers' compensation premium and claim information from all insurers and self-insurers operating in the Scheme. As part of our review, CMTEDD supplied us with the following information from WCMS:

- Individual claim file showing the accident and report date, insurer code, current liability status, total payments to date and estimated future payments outstanding for each claim reported or having had a payment between 1 July 1999 and October 2025
- Claim payment transaction file with payments made (by type and month) between 1 July 1999 and October 2025
- Individual policy files, with the ANZSIC division and insurer codes for each policy written or renewed between 1 July 1999 and October 2025.

In addition to the information provided, we also received the following summarised data from each of the insurers:

- Policies written in each year
- Written premiums and wages in each year, split into single-year and multi-year policies
- Earned premiums and wages in each year, split by ANZSIC class
- Triangulations of claims reported and claim payments to 30 September 2025
- Case estimates and IBNR/ER allowances as at 30 June 2025.

We have also compiled workforce figures from information available from the Australian Bureau of Statistics (ABS) and the Australian Public Service Employment Database (APSED), as well as information on the number of ACT public sector employees supplied by CMTEDD.

Refer to Appendix A for a more detailed listing of the data.

8.2 Reinsurance and other recoveries

The data supplied for the purposes of our review did not include details of reinsurance recovery amounts. Therefore, all data and projections contained in this review are gross of any reinsurance recoveries, but net of all other recoveries.

8.3 Reconciliation

Key findings

- The claim number information on WCMS is fairly reliable and is satisfactory for the purposes of our actuarial review.
- The claim payment information on WCMS for 2001/02 and later years is of reasonable quality and is satisfactory for the purposes of our actuarial review.
- Premium and wages information on WCMS is of reasonable quality; however, we continue to rely on information sourced directly from insurers for consistency with previous reports.
- Case estimates from WCMS are on average 18% lower for accident years after 2015/16, and much higher for prior years. We have not relied on case estimates in our analysis of ultimate claim size or costs. However, when assessing ANZSIC level relativities we place some reliance on case estimates, limited to the five most recent accident years.

As a result of the reconciliation differences observed in older years, we do not rely on case estimates in our analysis of ultimate claim size or costs, and use case estimates supplied directly by insurers instead of those in WCMS when comparing to our projected central estimates. However, when assessing ANZSIC level relativities we place some reliance on case estimates; this analysis is limited to 2020 and more recent accident years where differences are less material.

In preparing this advice we have relied on the claims information supplied by CMTEDD, premium and wages from both CMTEDD and insurers depending on the period being analysed and case estimate information supplied by the insurers.

We have compared the WCMS data provided for this review with the data provided for our previous review (see Appendix C.3). The data from the two extracts matched reasonably well for payments and non-nil claim numbers but not for case estimates.

We have also reviewed and checked the WCMS data for reasonableness and consistency. Reliance was placed on, but not limited to, the accuracy of the information described in this report.

8.4 Data summaries & adjustments

Scheme performance analysis

In performing our claims analysis we have identified and separately considered claims which have zero payments made to date ("nil claims").

Further, in determining the number of claims receiving common law and lump sum benefits, we have excluded claims which received total common law or lump sum benefits of less than $500, on the basis that the payment will most likely reflect a small investigation or administration expense rather than a lump sum payment. The costs of such claims continue to be included in our claim payment summaries.

Workforce information

We have calculated an approximate private sector workforce as follows:

- Total workforce in the ACT
- *Less* ACT public sector employees

- *Less* Commonwealth public sector employees.

We do not have a 'full time equivalent' number of workers and have used the numbers of full time workers to approximate the total ACT private sector workforce; see Appendix G.

Relativities analysis

For the premium relativities analysis, we have:

- Calculated claim frequency based on non-nil claims only
- Calculated average claim size using both
  - > Wage-inflation adjusted payments
  - > Wage-inflation adjusted payments to date plus current case estimates (incurred costs).

9 Compliance with standards and approach

This section describes our compliance with relevant standards, and the approach used for the projection of ultimate costs and premium rates.

9.1 Compliance with relevant Australian Standards

The purpose of this review is to provide an overview of the performance of the Scheme, not to advise any individual entity on the financial reporting of its workers' compensation liabilities. Accordingly, Professional Standard 302 "Valuations of General Insurance Claims" (PS 302) issued by the Institute of Actuaries of Australia does not apply to this review. In the absence of any other applicable professional standard, we have used PS 302 for guidance on our approach to the review, but our review and report are not intended to comply with all requirements of PS 302.

This report has been prepared in accordance with the Institute of Actuaries of Australia's Code of Professional Conduct for the provision of actuarial advice.

9.2 Basis of estimates

The estimates of future claims costs provided in this report are intended to be central estimates, which means they are based on assumptions selected without deliberate bias towards either over-estimation or under-estimation.

The premium rate estimates have been developed on the basis of the following principles:

- Estimates of expected claims costs should be central estimates, incorporating allowance for both 'normal' and 'superimposed' inflation
- Claims costs are to be discounted to allow for the time value of money
- Estimates of claims costs should take into account any amounts recoverable
- Premiums should allow for the expenses of writing the business and administering claims
- Premiums should include an appropriate allowance for profit.

9.3 Methodology for actuarial analysis

For the purpose of analysis, all data has been grouped by accident years – the year of occurrence of the injury which gave rise to the claim. Development of this data is then analysed and projected by development year – a measure of the number of years since the accident occurred, e.g. development year 2 is the year after the accident year. All analysis has been carried out on a financial year basis (years ending 30 June).

In conducting our analysis of the Scheme experience, we have followed the same approach as in the previous review. This involved examining claim numbers and frequency, and average size, by benefit type. The development analysis allows us to project future claim reports and costs in respect of injuries which have already occurred, from which we can estimate the ultimate number and cost of claims arising from each accident year. This allows analysis of the underlying trends in Scheme experience and provides a basis for assessing a reasonable level of premium.

Claim numbers

In order to estimate ultimate numbers of claims we use the Chain Ladder method to estimate the number of claims that are yet to be reported (Incurred But Not Reported or "IBNR" claims). The estimated ultimate number of claims (reported to date plus IBNR claims) is then expressed as a claim frequency by dividing the ultimate number of claims in each accident year by a measure of exposure.

Claim numbers were modelled in the following groups:

- Non-nil claims – we analysed the ultimate number of claims that are expected to result in a payment by the insurer, and estimated frequency relative to both ultimate inflation-adjusted wages earned in the period and full time employee numbers in the period. Further detail on the calculation of ultimate inflation-adjusted wages can be found in Appendix G
- Lost time claims – we analysed the numbers of claims receiving weekly benefits ("lost time") and the frequency of lost time claims relative to non-nil claims
- Lump sums – we analysed the numbers of lump sum claims (common law, statutory impairment, commutations and death benefits, excluding claims with lump sum payments less than $500) and utilisation rate (ultimate number of lump sum claims divided by ultimate number of non-nil claims).

Claim duration

We examined trends in duration of weekly benefit claims by analysing the number of claims that remain active in each development quarter. A claim received an 'active' flag and was counted if it received a weekly payment in the quarter. We excluded from our active count any claims where total weekly payments to date were negative or where the weekly payments made in a quarter totalled zero.

Average claim size

Claim payments were analysed and projected using the following benefit type groupings:

- Weekly benefits – modelled using a Payments Per Claim Incurred (PPCI) approach, where the claim count used is the estimated ultimate number of lost time claims. We supplemented this primary model with a Payments Per Active Claim (PPAC) model
- Medical and related benefits – modelled using a PPCI approach, where the claim count used is the estimated ultimate number of non-nil claims
- Rehabilitation benefits – modelled using a PPCI approach, where the claim count used is the estimated ultimate number of non-nil claims
- Lump sums – modelled using a Payments Per Claim Settled (PPCS) approach, where the claim count used is the ultimate number of lump sum claims
- Legal and other benefits – modelled using a PPCI approach, where the claim count used is the estimated ultimate number of non-nil claims
- Recoveries – modelled using a PPCI approach, where the claim count used is the estimated ultimate number of non-nil claims.

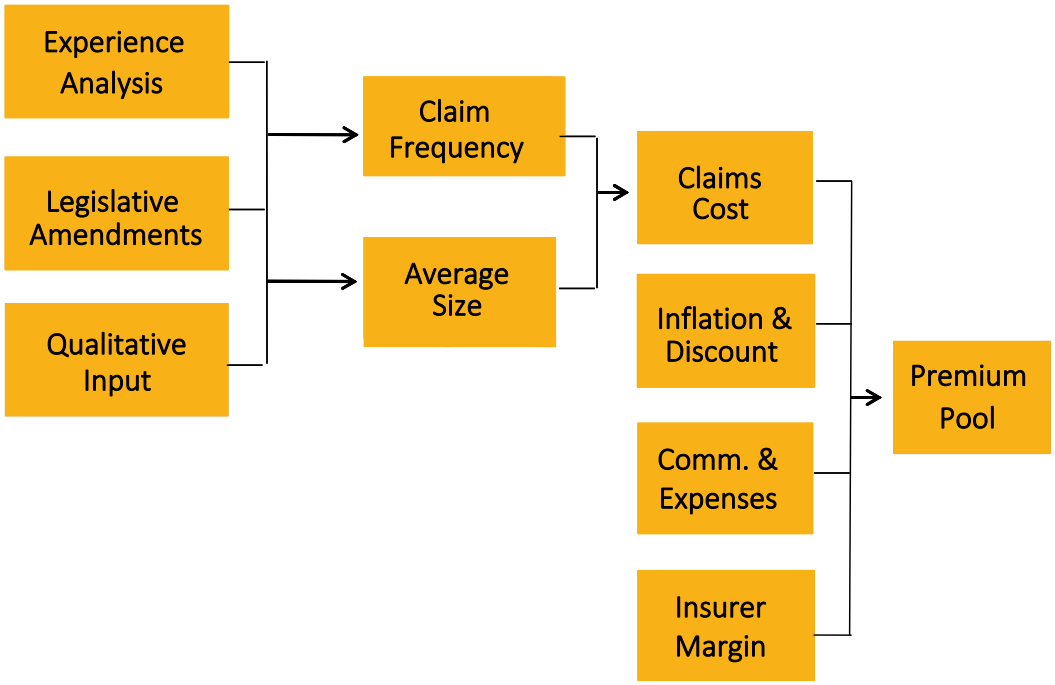
A description of the valuation methods can be found in Appendix D.

From each of the above models we estimate the average payment, by payment type and development year. The overall average claim size for each accident year is the result of adding our estimated payments for each payment type and dividing by the projected ultimate number of claims.

9.4 Reasonable premium pool

The estimation of a reasonable premium pool includes allowance for claims, expenses and profit. Diagrammatically this can be represented as follows:

Figure 9.1 – Reasonable premium pool



We have assessed each element separately and then tested the reasonableness of the estimated premium pool resulting from the combination of all assumptions.

The estimate of the total premium pool, which includes allowances for expenses, levies and reasonable insurer profit margins, is divided by insured wages to derive a reasonable Scheme average premium rate. The derived rate for past years can be compared with the actual rates charged by insurers.

Claims cost

The claims cost assumptions come from the actuarial analysis of the historical Scheme claims experience discussed in Section 3.

Inflation and discount

The long-tailed nature of workers' compensation means that it is appropriate to allow for both future inflation and the time value of money in assessing the premium rate.

For the purpose of establishing the average rates for this report we have based our assumptions on the following:

- Discount rate – expected returns on Australian government bonds over the period in which claim payments are made
- Normal economic inflation – claims inflation was based on current economic forecasts for medium term wage inflation; wage inflation until 2025/26 was based on recent wage inflation experience and wage inflation forecasts.
- Superimposed inflation – analysis of recent Scheme experience, together with expectations for the future (necessarily judgemental).

Commission and expenses

We were supplied with average commission rates currently paid by each of the licensed insurers writing workers' compensation insurance in the ACT. Based on their market shares (as measured by premium volume), we have estimated the overall average commission paid by the Scheme as a whole.

We have allowed for other administration costs based on insurer information, along with expense rates included in the insurer's rates, and our knowledge of expense rates in other state workers' compensation schemes. We have also allowed for the Regulatory Funding Levy, Default Insurance Fund (DIF) Levy and Magistrates Court Levy.

Insurer margin

In determining an appropriate margin for profit, we have used a model that projects the after-tax profits of a single underwriting year's business in each future year until the cohort of business has completely run off. On the basis of a series of assumptions regarding investment returns earned by insurers, the capital required to support this business, and the return on capital required by the insurer shareholders, we have derived an insurer margin we view as appropriate for this business.

9.5 ANZSIC 2006 Division premium rates

The ANZSIC 2006 codes have a 'tree' structure comprising categories at four levels, namely Divisions (1 digit level), Subdivisions, Groups and Classes (4 digit level). There are 19 Divisions within the ANZSIC coding, each identified by an alphabetical character (A is agriculture, B is mining, etc.).

The determination of a reasonable premium rate for each ANZSIC division proceeds from the estimate of the total premium pool. The past claims experience is analysed to determine claims cost relativities between Divisions. The resulting relativities are then applied to the Scheme average premium rate to determine a set of rates for each ANZSIC division, which should result in premiums that add to produce the total premium pool. These rates will spread total premium costs across ANZSIC divisions in proportion to each industry's contribution to the costs of the workers' compensation scheme.

Relativities

Our methodology for setting ANZSIC class relativities uses statistical modelling to provide claim frequency and average size predictions. The frequency and average size predictions are combined to give a claims cost expressed as a percentage of wages which can then be used to calculate relativities for each ANZSIC class.

For ANZSIC classes with significant movements, their experience is manually reviewed, and if required overwrites are made to ensure that movements in relativities are not unduly influenced by claim volatility.

10 Reliances & limitations

10.1 Data

We have relied on the accuracy and completeness of all data and other information (qualitative, quantitative, written and verbal) provided to us by CMTEDD and private insurers for the purpose of this report. We have not independently verified or audited the data but we have reviewed it for general reasonableness and consistency. It should be noted that if any data or other information is inaccurate or incomplete, we should be advised, so that our advice can be revised, if warranted.

Specific data limitations identified and the impact of these on our review are discussed further in Appendix C.

10.2 Uncertainty

The estimates of future claims costs are intended to be central estimates and are based on assumptions selected without deliberate bias towards either over-estimation or under-estimation. Please note, however, that it is not possible to put a value on future claims cost with certainty. As well as difficulties caused by limitations on the historical information, outcomes remain dependent on future events, including legislative, social, and economic forces. Although we have prepared estimates in conformity with what we believe to be the likely future experience, actual experience could vary considerably from our estimates. Deviations are normal and are to be expected.

In our judgement, we have employed techniques and assumptions that are appropriate, and the conclusions presented herein are reasonable, given the information currently available. However, it should be recognised that future claim emergence will likely deviate, perhaps materially, from our estimates.

10.3 Distribution and use

This report is being provided for the use of CMTEDD for the purposes stated in Section 1.1 of this report. It is not intended, nor necessarily suitable, for any other purpose. This report should only be relied on by CMTEDD for the purpose for which it is intended. No other use of, or reference to, this report may be made without the prior written consent of Finity, nor should any part of the report be disclosed to any other person. The report should be considered as a whole.

Third parties, whether authorised or not to receive this report, should recognise that the furnishing of this report is not a substitute for their own due diligence and should place no reliance on this report or the data contained herein which would result in the creation of any duty or liability by Finity to the third party.

Finity has performed the work assigned and has prepared this report in conformity with its intended utilisation by a person technically competent in the areas addressed and for the stated purposes only. Judgements about the conclusions drawn in this report should be made only after considering the report in its entirety, as the conclusions reached by a review of a section or sections on an isolated basis may be incorrect.

Part IV Appendices

A Glossary of terms

The terms described below may have different meanings ascribed to them in other actuarial reports.

Term	Definition
Accident year	The year (ending 30 June) of occurrence of the injury which gave rise to a claim. E.g. a claim occurring on either 30 September 2008 or 30 March 2009 is said to belong to the 2008/09 accident year.
Active claim	A claim which has received a weekly payment in the quarter, excluding any claims where total weekly payments to date were negative or where the weekly payments made in the quarter total zero.
Central estimate	An estimate of the liability which is intended to contain no deliberate bias to either over- or under-estimation and does not include allowance for claims handling expenses.
Claim frequency	Estimated ultimate number of claims divided by a measure of exposure (either wages or employees).
Continuance rate	The number of claimants in receipt of weekly benefits in one quarter divided by the number in receipt of weekly benefits in the preceding quarter. For example, the rate for development quarter 1:2 is calculated as the number of claimants receiving weekly benefits the second quarter after the accident quarter, compared with the number receiving weekly benefits in the accident quarter.
Development year	The number of years since the year in which the accident occurred, e.g. development year 1 is the same as the year of accident, development year 2 is the year following the accident year, etc.
Earned premium	Policy-year premiums spread over the period of cover. All premiums shown are exclusive of GST and inclusive of brokerage/commissions.
Earned wages	Policy-year wages spread over the period of cover. All wages shown are exclusive of superannuation, but include salary, overtime, shift and other allowances, over-award payments, bonus, commissions, payments for public and annual holidays (including loadings), payments for sick and long service leave, value of board/lodging provided by employer, reimbursement for expenses incurred by the worker due to employment, any amount expended on behalf of the worker, directors' fees, and fringe benefits costs.
Loss ratio	Estimated ultimate cost (net of recoveries) divided by gross earned premium for that year. Ultimate costs have been discounted to the mid-point of the relevant accident year.
IBNR	Incurred but Not Reported Claims – i.e. claims that have occurred at the review date but have not yet been reported.
Nil claims	Claims which have no payments made to date. Some nil claims will always remain nil ("report only claims") while others will become non-nil claims as payments are made
Outstanding claims costs	Includes the costs of IBNR claims and allowance for further payments on already reported claims.

PPCF	Payment per Claim Finalised
PPCI	Payment per Claim Incurred
PPCS	Payment per Claim Settled
Premium pool	Estimated claims costs plus allowance for expenses and insurer margins.
Premium rate	Premiums divided by wages. The premium rate may be calculated on either a written or earned basis.
Risk premium	Total expected claim costs divided by wages. Historical risk premiums are calculated from actual past payments plus our estimate of outstanding claims.
Superimposed inflation	The tendency for claims costs to increase at a higher rate than normal economic inflation (i.e. wage inflation).
Ultimate claim numbers	The total expected number of claims for an accident year. This will include all claims reported to the review date together with any IBNR claims for the accident year.
Ultimate claims costs	The total expected claim costs for an accident year. This includes all amounts paid to the review date (net of recoveries) plus outstanding claims costs.

B Scheme background

This section covers the background to the workers' compensation scheme in the ACT, including the impacts of the major legislative amendments.

B.1 Introduction

The ACT workers' compensation scheme (Scheme) is a privately underwritten scheme, operating under the Workers' Compensation Act 1951 (the Act). CMTEDD is responsible for the administration of the Act.

Under the Act, employers are required to take out a workers' compensation insurance policy with a licensed insurer (licensed by the regulator) or be granted an exemption to self-insure these risks by the regulator. There are currently five licensed insurers providing workers' compensation insurance in the ACT:

- QBE (including the run-off of Mercantile Mutual Insurance)
- Allianz
- IAG (including the run-off of CGU, FAI, HIH, NZI and VACC)
- Suncorp (written through the GIO licence and including the run-off of Vero)
- Guild.

Zurich and CCI exited the market in 2022/23.

B.1.1 The Default Insurance Fund

The Default Insurance Fund (DIF) is a body established under the Act to cover the cost of claims for compensation where the employer is uninsured, bankrupt or insolvent. The DIF is funded by a levy on premiums, and on notional premiums in the case of self-insurers. We have excluded the cost of claims covered by the DIF from the analysis of claim performance of the Scheme and have included an allowance for the DIF levy in determining the reasonable premium pool.

B.2 Compensation types

Under the Act, a worker is entitled to compensation as described below.

B.2.1 Weekly benefits

Compensation is provided to a worker who is incapacitated for work as a result of an injury or disease arising out of, or in the course of, the worker's employment. Weekly payments may continue for the duration of the incapacity, or to Commonwealth pension age – subject to a minimum of two years after the date of incapacity if the worker is within two years, or is already older than, the pension age. The level of the weekly payment ("the replacement ratio") varies by duration of incapacity as shown in Table B.1 below.

Table B.1 – Weekly benefit entitlements

Weeks on Benefit	Total Incapacity	Partial Incapacity
0-26 weeks	100% of average pre-incapacity weekly earnings.	100% of the difference between average pre-incapacity weekly earnings and average weekly amounts the worker is being paid or could earn in reasonably available suitable employment.
26 weeks +	* 100% of average pre-incapacity weekly earnings, if average pre-incapacity weekly earnings are less than the pre-incapacity floor (i.e. the federal minimum wage immediately before the incapacity); **or** * Maximum of either 65% of average pre-incapacity weekly earnings and the statutory floor.	A percentage of the difference between average pre-incapacity weekly earnings (subject to the minimum statutory floor and maximum statutory ceiling of 150% of AWE) and average weekly amounts the worker is being paid or could earn in reasonably available suitable employment, with this percentage varying depending on the weekly hours worked relative to pre-incapacity hours of the employer.

The weekly benefits described above have been in place since 1 July 2002, with the exception of the alignment of benefits ceasing with the Commonwealth retirement age.

B.2.2 Medical and rehabilitation benefits

The Act provides for compensation to the injured worker for costs associated with medical treatment (including hospital), rehabilitation services, alterations to the worker's place of residence, wages lost by the worker whilst attending treatment, transport to/from treatment, accommodation (including meals) while at treatment, repair/replacement of damaged clothing, etc. The total amount of medical costs relating to repair or replacement of contact lenses, crutches, prosthesis, spectacles, artificial aids and for loss or damage to a worker's clothing is capped at $500 (CPI indexed to approximately $923 as of October 2025).

B.2.3 Death benefits

Death benefits were aligned to the Comcare scheme in December 2017, leading to around a doubling in the benefit scale. Currently, dependants are entitled to lump sum compensation on the death of the worker, capped at approximately $664k (indexed with WPI). In addition, dependants may be entitled to receive weekly payments of approximately $183 per week (indexed with WPI) and funeral expenses of around $15,000 (indexed with CPI).

B.2.4 Impairment lump sums

Workers who suffer a permanent impairment from a work-related injury or disease may be entitled to receive a maximum lump sum payment of $100k (CPI indexed to approximately $184k as of October 2025) for a single injury or $150k (CPI indexed to approximately $276k as of October 2025) for multiple injuries. The level of the lump sum payment varies between 2% and 100% of the maximum amount for a total loss as shown in Schedule 1 of the Act. For partial losses, the claimant is entitled to a proportionate reduction on the Schedule 1 amount. In most cases, a claim for an impairment lump sum cannot be made earlier than two years after the injury. Weekly benefits may continue to be payable despite payment of a lump sum benefit, subject to negotiation between the injured worker and employer or insurer.

B.2.5 Redemption of statutory entitlements

In certain circumstances, subject to negotiation between the injured worker and the employer or insurer, claimants may commute their statutory benefits. The redemption may include amounts for the worker's entitlement to weekly benefits, medical and other expenses. Throughout the report we refer to the redemption of statutory entitlements as "commutations".

B.2.6 Common law

A worker may be entitled to seek compensation damages under common law where the work-related injury or disease was caused or contributed to by the negligence of a third party. Damages awarded are reduced by the amount of compensation already paid to the worker. Access to common law and the maximum amount of compensation available are unlimited under the Act.

Common law payments may include either damages awarded at court or negotiated lump sum settlements (a lump sum payment accompanied by a common law release).

B.2.7 Legal costs

An injured worker may also seek reimbursement for the costs of legal and other expenses incurred as a result of pursuing common law damages or negotiating a settlement of their statutory entitlement.

B.3 Journey claims

Workers are covered for injuries arising out of journeys both to and from work and undertaken for work purposes.

B.4 Employer excess

The level of employer excess is not prescribed under the Act but can be negotiated between the employer and the insurer.

B.5 Legislative reform

This section summarises the legislative reforms that have had a significant impact on our review. The reader is referred to the relevant legislation for full details of the changes.

B.5.1 2002 amendments

The Workers' Compensation Amendment Act 2001 came into effect on 1 July 2002 and applies to injuries where the accident occurred on or after this date.

The amendments from the previous legislation can be summarised as follows:

- Weekly benefits
  - > Benefits cease upon return to work or pension age - subject to a two-year minimum if within two years of pension age, or beyond pension age, at injury (previously death)
  - > Benefits depend on average pre-injury earnings including overtime (previously did not include overtime or allowances)
  - > Benefits for incapacity post 26 weeks drop to 65% of pre-injury earnings (previously based on a statutory rate) subject to a minimum of a statutory floor
  - > Benefits for partial incapacity subject to a minimum of a statutory floor (the federal minimum wage) and statutory ceiling (150% of AWE) (previously based on a statutory amount).
- Lump sums
  - > Introduction of 6% threshold for access to compensation for hearing loss
  - > Expanded the Table of Maims
  - > Increased maximum impairment, death and funeral benefits

- Introduction of a two year waiting period before a worker could claim for permanent impairment benefits.

- Medical benefits
  - Increased maximum amount for specified medical costs.
- Common law
  - Reduced statute of limitations for common law to 3 years (previously 6 years).
- Other
  - Definition of worker expanded to include volunteers
  - Definition of employment-related diseases tightened
  - Definition of journey claims tightened
  - Increased focus on injury management processes, including the strengthening of requirements for employers to provide suitable return to work
  - Encouraged early notification of claims.

B.5.2 Civil Law (Wrongs) Act 2002

The amendments introduced as part of the Civil Law (Wrongs) Act 2002 came into force in late 2002 and resulted in changes to legal proceedings in the ACT. In September 2003, the legislation was amended to exclude workers' compensation claims from the Wrongs Act.

B.5.3 2006 amendments

The Workers' Compensation Act 2006 and Workers' Compensation Amendment Act 2006 (No 2) became effective 1 July 2006 and resulted in:

- Establishment of the Default Insurance Fund
- Change in definition of maximum duration of weekly compensation to 65 years of age
- Categorisation of some 'carers' as workers
- Encouragement of early reporting of injury
- Specific mention of rehabilitation costs.

B.5.4 2009 amendments

The Workers' Compensation Amendment Act 2009 introduced a range of amendments that:

- Allowed the appointment of a rehabilitation service provider in the event that an injured worker had been unable to return to work in their pre-injury hours and duties within 4 weeks
- Introduced new offences and penalties for non-compliance by employers.

B.5.5 2011 amendments

The Workers' Compensation Amendment Regulation 2011 came into effect on 1 September 2011 and introduced amendments requiring compliance audits of Approved Insurers and Self-Insurers.

B.5.6 2013 amendments – regulatory levy

The Workers Compensation Amendment Bill 2013, passed in October 2013, amends the Act to enable funding of Work Health and Safety regulatory costs via an insurer levy.

B.5.7 2015 amendments – cross-border arrangements

The Workers Compensation (Cross-border Workers) Amendment Bill 2015 aligned cross-border state of connection to employment with updated national guidelines. These amendments provide guidance in the event of dispute regarding relevant jurisdiction and connection to employment in the ACT.

B.5.8 2017 amendments – retirement age and death benefits

The Workers Compensation Amendment Bill 2017:

- Aligned the cessation of weekly benefits with the Commonwealth retirement age (previously weekly benefits ceased at age 65). Cessation is subject to a two-year minimum if the worker is injured within two years of pension age, or after pension age.
- Aligned death benefits with the Comcare scheme.

C Data

This section summarises the data provided to us for this review and documents the reconciliations performed.

C.1 WCMS Data

The WCMS data provided to us by CMTEDD is detailed below.

C.1.1 Claim file

We received an individual claim file listing all claims reported or having had a payment between 1 July 1999 and September 2025, which included the following variables:

1 Claim ID (WCMS assigned)

2 Claim number (insurer assigned)

3 Policy number

4 Coverage ID and reference (unique identifiers to link to the coverage file)

5 Accident date

6 Report date, the date claim was notified to the insurer by the employer

7 Lodgement date, the date claim was lodged with employer

8 ANZSIC 1993 and 2006

9 Type of injury ("Injury")

10 Mechanism of injury ("Mechanism")

11 Part of body injured ("Body Location")

12 Agency causing the injury ("Agency")

13 Worker details (date of birth, gender, duty status, employment status, hours worked, pre-injury earnings)

14 Whole Person Impairment (WPI) percentage

15 Claim finalised date

16 Date reopened

17 Claim status

18 Total estimated payments

19 Total estimated lost time.

C.1.2 Payment transaction file

We received a claim payment transaction file with payments made (by payment type and month) between 1 July 1999 and September 2025, which included the following variables:

1 Payment ID (WCMS assigned)

2 Payment reference (insurer assigned)

3 Claim ID and reference (unique identifiers to link to the claim file)

4 Insurer number and name

5 Date of transaction

6 Service date

7 Payment type

8 Payment amount

9 Payment source (employer or insurer)

10 Time lost in minutes.

C.1.3 Case estimate file

We received an individual claim file listing all claims reported or having had a payment between 1 July 1999 and September 2025, which included the following variables:

1 Claim ID (WCMS assigned)

2 Claim number (insurer assigned)

3 Insurer name

4 Total estimated payments

5 Total payments to date

6 Total outstanding amounts.

C.1.4 Policy file

We received an individual policy file for all policies written or renewed between 1 July 1999 and September 2025, which contained the following variables:

1 Policy ID (WCMS assigned)

2 Policy number (insurer assigned)

3 Insurer number and name

4 Employer ABN

5 Employer name

6 Employer postcode.

C.1.5 Coverage file

We received an individual premium file for all policies exposed from 1 July 1988 that included the variables listed below:

1 Policy ID (WCMS assigned)

2 Policy number (insurer assigned)

3 Cover ID (WCMS assigned)

4 Coverage reference (insurer assigned)

5 Insurer number and name

6 Employer ABN

7 ANZSIC 1993 and ANZSIC 2006

8 Start date of period of cover (“Effective Date”)

9 End date of period of cover (“Expiry Date”)

10 Number of workers (“Estimated Workers” and “Actual Workers”)

11 Wages in dollars ("Estimated Wages" and "Actual Wages")

12 Premiums charged ("Initial Deposit", "Adjusted Amount" and "Actual Final")

13 Lapse reason code

14 Coverage type (e.g. new policy, adjustment, renewal, etc)

15 Policy type (e.g. normal, burning cost, minimum premium).

C.2 Information provided by insurers

Each of the insurers of workers' compensation in the ACT provided us with summarised premium, wages and claims information, including:

- Written policies for policy years ending 30 June 2004 to 30 June 2025, separately for burner and all other policies, and split into single-year and multi-year policies
- Written wages for policy years ending 30 June 2004 to 30 June 2025. Insurers provided both initial (i.e. that initially estimated at the start of the policy period) and final adjusted written wages, separately for burner and all other policies, and split into single-year and multi-year policies
- Written premium for policy years ending 30 June 2004 to 30 June 2025. Insurers provided both initial and adjusted written premiums, separately for burner and all other policies
- Earned wages for accident years ending 30 June 2004 to 30 June 2025, and by ANZSIC division. Insurers provided adjusted earned wages
- Earned premium for accident years ending 30 June 2004 to 30 June 2025, and by ANZSIC division. Insurers provided adjusted earned premiums.
- Numbers of claims reported, subdivided by accident year and report year
- Claim payments made, subdivided by accident year and payment year
- Case estimates and IBNR/ER allowances as at 30 June 2025, subdivided by accident year.

In order to improve the comparability and consistency of the information supplied by insurers, Allianz's data was required to include brokerage and commissions.

We compared the premium and wages information supplied for this review with that supplied for the previous review and found some minor changes in wages and premiums recorded for more recent policy years. This reflects expected development on policies as information is updated with final wages estimates and changes to burner policies reflect emerging claims experience. The differences were not unexpected.

We compared the claim number, claim payment and case estimate information supplied by the insurers to that on WCMS. The reconciliations are detailed in Appendix C.3 below. Our findings were:

- There are some minor differences between WCMS data and insurer records for wages, premium and claims data. This is not expected to impact our analysis.
- There were some substantial differences in the case estimate information between WCMS and insurer data, relating primarily to Suncorp, QBE and Guild. There were also some less material differences relating to IAG.

We have utilised case estimate information directly from the insurers.

C.3 Data reconciliations

We compared the WCMS data provided for this review with the data provided for our previous review. The following table summarises the comparison of claim reports and claim payments to 30 June 2024 from the two data sources.

Table C.1 – Reconciliation to previous data

	Claim Numbers				Claim Payments ($m)			
Accident Year	Current Dataset	Previous Dataset	Difference	% Difference	Current Dataset	Previous Dataset	Difference	% Difference
2014/15	3,247	3,247	0	0%	113.7	113.7	0.0	0%
2015/16	3,295	3,295	0	0%	136.9	136.9	0.0	0%
2016/17	3,350	3,351	-1	0%	135.8	135.8	0.0	0%
2017/18	3,353	3,353	0	0%	139.9	140.2	-0.3	0%
2018/19	3,288	3,288	0	0%	131.7	131.7	0.0	0%
2019/20	3,192	3,192	0	0%	172.7	172.7	0.0	0%
2020/21	3,021	3,020	1	0%	127.0	126.4	0.7	1%
2021/22	2,430	2,429	1	0%	82.8	82.8	0.0	0%
2022/23	2,654	2,647	7	0%	66.8	66.8	0.0	0%
2023/24	2,640	2,627	13	0%	29.3	29.3	0.0	0%
Total	30,470	30,449	21	0%	1,136.7	1,136.2	0.5	0%

The data from the two sources matched closely.

We also received summaries of claim and policy data from the insurers operating in the Scheme in response to our request to confirm the validity of the WCMS data.

Table C.2 shows a reconciliation of the number of non-nil claims on the WCMS database to those supplied by insurers.

Table C.2 – Non-nil claim numbers reported: WCMS vs insurer data

Accident Year	WCMS Data	Insurer Data	Difference	% Difference
2014/15	3,247	3,274	-27	-1%
2015/16	3,295	3,288	7	0%
2016/17	3,351	3,337	14	0%
2017/18	3,353	3,375	-22	-1%
2018/19	3,289	3,301	-12	0%
2019/20	3,194	3,199	-5	0%
2020/21	3,023	3,032	-9	0%
2021/22	2,440	2,466	-26	-1%
2022/23	2,666	2,667	-1	0%
2023/24	2,859	2,863	-4	0%
2024/25	2,616	2,648	-32	-1%

All analysis relies only on non-nil claims; hence we have shown this comparison here. The data from the two sources matched closely.

Table C.3 shows a reconciliation of claim payments in WCMS to that supplied by insurers.

Table C.3 – Claim payments: WCMS vs insurer data

Payment Year	WCMS Data	Insurer Data	Difference	Difference
	$000	$000	$000	%
2014/15	125,261	127,119	-1,858	-1%
2015/16	119,629	124,251	-4,622	-4%
2016/17	129,265	129,901	-636	0%
2017/18	129,666	132,079	-2,413	-2%
2018/19	131,729	133,456	-1,727	-1%
2019/20	143,188	145,494	-2,306	-2%
2020/21	157,461	159,025	-1,563	-1%
2021/22	154,371	156,788	-2,417	-2%
2022/23	147,963	150,946	-2,983	-2%
2023/24	163,025	164,942	-1,916	-1%
2024/25	161,931	163,695	-1,765	-1%

Payments from the insurer data and the WCMS database between 2014/15 and 2024/25 are sufficiently close for actuarial analysis. We assess that the claim payment data on the WCMS database reconciles satisfactorily to the insurer data.

Table C.4 shows a reconciliation of case estimates in WCMS to that supplied by insurers.

Table C.4 – Case estimates: WCMS vs insurer data

Accident Year	WCMS Data	Insurer Data	Difference	Difference
	$000	$000	$000	%
Prior	102,317	1,326	100,992	7617%
2015/16	16,990	12,248	4,742	39%
2016/17	6,818	577	6,241	1081%
2017/18	8,999	488	8,512	1745%
2018/19	9,014	2,385	6,629	278%
2019/20	14,412	6,815	7,597	111%
2020/21	5,588	4,241	1,347	32%
2021/22	15,470	23,002	-7,532	-33%
2022/23	20,786	35,865	-15,079	-42%
2023/24	42,857	73,047	-30,190	-41%
2024/25	64,387	91,063	-26,676	-29%

Table C.5 shows the same comparison but setting case estimates equal to zero for closed claims in WCMS.

Table C.5 – Case estimates: WCMS (closed set to nil) vs insurer data

Accident Year	WCMS Data	Insurer Data	Difference	Difference
	$000	$000	$000	%
Prior	8,005	1,326	6,680	504%
2015/16	12,894	12,248	645	5%
2016/17	636	577	59	10%
2017/18	1,366	488	879	180%
2018/19	2,458	2,385	73	3%
2019/20	5,495	6,815	-1,320	-19%
2020/21	3,321	4,241	-920	-22%
2021/22	14,925	23,002	-8,078	-35%
2022/23	20,172	35,865	-15,693	-44%
2023/24	42,637	73,047	-30,410	-42%
2024/25	64,263	91,063	-26,801	-29%

The case estimates from WCMS appear to be significantly overstated for older periods. The WCMS data system was only on place from 2014 onwards, therefore we believe that the very high level of discrepancy prior to this period is likely to be a legacy issue from the AIMS data system. It appears that case estimates on closed claims were not set to nil when the transfer from AIMS to WCMS occurred, which is backed up by the improved reconciliation when we set case estimates to zero on closed claims as shown in Table C.5.

For more recent years, differences in the timing of the WCMS data versus the date insurers supplied case estimates could explain some of the discrepancies, however it does appear that there are some discrepancies that exist beyond just timing differences particularly when this reconciliation is done at an insurer level.

As a result of the reconciliation differences observed in older years, we do not rely on case estimates in our analysis of ultimate claim size or costs, and use case estimates supplied directly by insurers instead of that in WCMS when comparing to our projected central estimates. However, when assessing ANZSIC level relativities we place some reliance on case estimates as our analysis for this is limited to the five most recent accident years. While there remain some differences in this window, when we combine payments and case estimates to calculate incurred costs, the differences between WCMS and the insurer data are less material.

Table C.6 shows a reconciliation of the WCMS wages data to that supplied by insurers.

Table C.6 – Wages & premiums: WCMS vs insurer data

	Wages				Premiums				Premium Rate			
		Insurer				Insurer				Insurer		
Policy Year	WCMS Data	Data	Difference	Difference	WCMS Data	Data	Difference	Difference	WCMS Data	Data[1]	Difference	Difference
	$m	$m	$m	%	$m	$m	$m	%	%	%	%	%
2013/14	7,105	7,123	-19	0%	166	166	0	0%				
2014/15	7,530	7,799	-268	-3%	167	164	3	2%	2.22%	2.11%	0.11%	5%
2015/16	8,192	8,201	-9	0%	168	167	1	1%	2.06%	2.04%	0.02%	1%
2016/17	8,888	8,985	-96	-1%	181	178	3	1%	2.04%	1.99%	0.05%	3%
2017/18	9,342	9,939	-596	-6%	183	193	-10	-5%	1.96%	1.94%	0.02%	1%
2018/19	10,569	10,673	-104	-1%	206	208	-2	-1%	1.95%	1.95%	0.00%	0%
2019/20	11,141	11,414	-273	-2%	219	224	-5	-2%	1.96%	1.96%	0.00%	0%
2020/21	12,170	12,503	-333	-3%	236	239	-2	-1%	1.94%	1.91%	0.03%	2%
2021/22	13,310	13,671	-361	-3%	260	269	-8	-3%	1.96%	1.96%	-0.01%	0%
2022/23	14,033	13,989	44	0%	285	295	-9	-3%	2.03%	2.11%	-0.07%	-3%
2023/24	14,767	14,193	574	4%	310	308	2	1%	2.10%	2.17%	-0.07%	-3%
2024/25	14,707	14,790	-83	-1%	313	317	-4	-1%	2.13%	2.14%	-0.01%	-1%

[1] The premium rates in this table are calculated directly from raw WCMS and insurer data. Achieved premium rates discussed in the body of the report are on an ultimate basis.

The discrepancies between the data captured on WCMS and sourced directly from the insurers are relatively small. Although there are some larger differences at an individual insurer level, we have also checked the distribution of wages by ANZSIC class on both WCMS and from insurers and they are very similar. We have therefore relied on insurer information for aggregate level wage and premium information, but for ANZSIC class information we have partially relied on WCMS data as it allows for a more granular assessment of performance.

C.4 Coding of data on WCMS

C.4.1 Common law, commutations and impairment benefits

Discussions with CMTEDD have revealed historical differences in coding practices of common law, commutation and impairment benefit payments. Specific examples include:

- For claims where a common law action is commenced and is subsequently settled out of court, some insurers code the payments as common law while others code the payment as a commutation

- Some insurers are negotiating commutations with the claimant and having the claimant sign a common law deed of release. These are being coded as common law rather than commutations
- Some insurers are coding what are essentially impairment benefit payments as commutations.

As a result of these differences in practices, we have grouped all common law, commutation and impairment benefit payments together in undertaking our review.

C.4.2 GST and ITCs

We understand that all claim payments made in the post-GST environment are reported inclusive of GST for all insurers. However, practices vary in relation to the treatment of ITC recoveries – some insurers net them off in payments captured on WCMS while others do not. We understand that the WCMS data specification is in the process of being amended to offer greater clarity to insurers on the treatment of ITCs. However, historical information will not be amended.

As we have analysed payment data net of ITC recoveries, we have had to adjust the data for those insurers who have not netted off the ITC recoveries (IAG, Suncorp, Guild, QBE and Zurich). Given that the majority of workers' compensation payments do not attract GST, we have only netted off estimated ITC amounts from legal and investigation costs for these insurers. Some elements of medical and rehabilitation payments will also attract GST (e.g. home modifications, vocational rehabilitation services) and hence should have ITC recoveries netted off. However we do not know what proportion of medical and rehabilitation payments attract GST, and have therefore not adjusted these payments. We believe this is immaterial in the context of our review.

C.4.3 Incident notifications

We understand that some insurers are submitting incident notifications as well as claim records to WCMS, and that the treatment of this varies by insurers.

By looking at the numbers of non-nil claims, we should effectively capture the true number of actual claims involving workers compensation claim payments and the differences in reporting of notifications is therefore not expected to have a material impact on our analysis.

D Valuation approach

D.1 Chain ladder method

The chain ladder method estimates the ultimate number of claims incurred in each accident year by analysing past claim reporting patterns and estimating a pattern for the future.

The chain ladder method can be applied to any cumulative data triangle that summarises the experience by accident year and development period.

Chain ladder ratios are calculated from the data triangle by taking, for each accident period:

Cumulative Number of Claims reported to Development Period t

Cumulative Number of Claims reported to Development Period (t – 1)

Ratios for projection are selected taking into account the observed ratios in recent periods and changes expected in the future. The ratios generated are then applied to the most recent cumulative claim figures (separately for each accident period) to project reported claims to ultimate.

D.2 Payments Per Claim Incurred

The Payments Per Claim Incurred (PPCI) method models the claim process by assuming that the payments in respect of a group of claims will develop in a predictable pattern over a period of years. This pattern is defined by:

- An average claim size
- The proportion of claim payments that will be made in each development year.

The PPCI method proceeds as follows:

1. Estimate the ultimate number of claims incurred in each accident year by using the Chain Ladder method.
2. Inflate past claim payments, subdivided by accident and payment years, to the monetary values of the latest accident year using an appropriate measure of past inflation.
3. For each accident year divide the inflation adjusted claim payments [derived in (ii)] by the estimated ultimate number of claims incurred [calculated in (i)] to obtain an historical PPCI pattern of payments.
4. Taking into account the result for (iii) and expectations for the future, select the average claims size together with the proportion of the payments made in each development year.
5. Using an assumed future rate of claim inflation calculate projected future payments for each accident year by multiplying together:
    a. The estimated ultimate number of claims incurred
    b. The average claim size in current dollars
    c. The proportion of payments by development year
    d. The assumed inflation factor.

The present value of liabilities is calculated by discounting projected payments to the valuation date at the assumed discount rate.

D.3 Payments Per Claim Settled

This method models the claims process by assuming that the payments in respect of a group of claims will develop in a predictable pattern over a period of years. This pattern is often expressed as the payments per claim settled together with the proportion of claims which will be settled in each development year.

There can sometimes be a timing mismatch between the date a claim first receives a lump sum payment and the date of final payment, and we note that a small amount of common law and lump sum claims do involve multiple common law or lump sum payments. We therefore define date of settlement to be the date of last payment. We note that the method may be susceptible to changes in data due to re-openings and payment of further benefits, but this is not expected to materially alter the results of our analysis providing the rate of such re-openings remains stable over time.

In order to use this method, we need to make assumptions about:

- The number of claims incurred in each accident year
- The average payment per claim settled in the monetary values of the latest accident year (not necessarily the same average cost for all accident years)
- The proportion of claims settled in each development period, before allowance for claim inflation
- Rates of future claim inflation and investment earnings.

Future payments are projected by multiplying together:

- The number of claims outstanding
- The payment per claim settled in current dollars
- The proportion of claims settled by development period
- The proportion of future settlements paid by development period
- The inflation index based on projected rates of claims inflation.

The present value of liabilities is then calculated by discounting projected payments to the valuation date at the adopted discount rate.

D.4 Continuance model

The continuance model is in effect a Payments Per Active Claim ("PPAC") model which assumes that the payments in respect of a group of claims will develop in a predictable pattern over a period of years. This pattern is defined by:

- An average claim size
- The proportion of claims will remain active and receiving benefits in each development year.

The PPAC method proceeds as follows:

1. Estimate the ultimate number of active claims incurred in each accident year by using the Chain Ladder method, taking into account the number of claims active in the most recent period and assumed continuance rates in future.
2. Inflate past claim payments, subdivided by accident and payment years, to the monetary values of the latest accident year using an appropriate measure of past inflation.

3 For each accident year divide the inflation adjusted claim payments [derived in (ii)] by the estimated ultimate number of active claims [calculated in (i)] to obtain an historical pattern of average weekly benefits per continuing claim.

4 Taking into account the result for (iii) and expectations for the future, select the average claims size together with the proportion of the payments made in each development year.

5 Using an assumed future rate of claim inflation, calculate projected future payments for each accident year by multiplying together:

   a The estimated ultimate number of active claims incurred

   b The average claim size in current dollars

   c The proportion of payments by development year

   d The assumed inflation factor.

The implied payments were then converted into PPCIs for comparison with the PPCI model.

E Claim number analysis

ACT Workers' Compensation Scheme Review

All Claims
Excludes Nil Claims
Chain Ladder Model

E1.1 Cumulative Number of Claims (excluding nil claims)

Accident	Development Quarter (delay to first payment)																														Reported
Quarter	1	2	3	4	5	6	7	8	9	10	11	12	13	14	16	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	to date
Sep-18	545	837	863	874	880	882	883	884	884	886	887	889	889	889	890	891	891	891	891	891	891	891	891	891	891	891	891	891	891		891
Dec-18	461	724	755	769	777	778	778	778	779	780	781	781	783	785	785	785	785	785	785	785	785	785	785	786	786	786	786	786			786
Mar-19	457	776	807	823	831	833	834	838	840	841	842	843	844	846	846	846	846	846	847	847	847	847	847	847	847	848	848				848
Jun-19	380	683	716	728	737	741	742	743	745	748	749	751	751	753	754	754	754	754	755	755	755	755	755	755	755	755					755
Sep-19	526	829	857	879	887	888	889	889	890	890	891	891	892	893	893	894	894	894	894	895	895	895	895	895	895						895
Dec-19	469	716	754	765	767	770	771	772	772	773	775	778	778	778	779	779	779	779	779	779	779	779	779	780							780
Mar-20	440	703	731	749	754	756	759	761	761	763	765	765	766	767	768	768	768	768	768	768	768	769	769								769
Jun-20	413	690	719	728	731	735	738	740	740	740	742	742	743	743	743	745	745	745	745	745	745	745									745
Sep-20	435	734	758	767	775	777	781	780	780	780	782	783	783	785	786	786	786	786	787	787	787										787
Dec-20	447	666	694	700	705	707	708	708	708	709	709	709	710	711	711	711	711	711	711	711											711
Mar-21	429	703	739	745	752	755	755	755	755	756	757	761	762	763	763	763	763	763	763												763
Jun-21	433	700	726	744	748	750	752	753	754	755	756	757	757	758	758	758	759	759													759
Sep-21	305	493	518	521	528	531	535	537	537	537	538	538	538	539	539	539	539														539
Dec-21	295	546	583	601	603	603	607	611	612	613	613	613	613	613	614	615															615
Mar-22	327	570	601	614	618	619	620	621	621	621	621	622	625	628	628																628
Jun-22	344	595	626	638	649	651	655	655	657	657	658	658	658	658																	658
Sep-22	395	652	685	694	700	702	703	707	707	708	708	709	709																		709
Dec-22	355	539	563	574	582	584	588	588	591	592	592	592																			592
Mar-23	374	634	671	682	684	687	688	690	690	692	693																				693
Jun-23	357	606	643	655	661	666	668	670	671	672																					672
Sep-23	441	699	729	737	746	748	750	756	757																						757
Dec-23	401	620	657	668	676	676	681	681																							681
Mar-24	363	634	663	676	679	682	684																								684
Jun-24	447	690	720	725	732	737																									737
Sep-24	425	730	753	763	771																										771
Dec-24	449	674	710	717																											717
Mar-25	359	644	680																												680
Jun-25	366	579																													579

E1.2 Chain Ladder Factors

Accident	Development Quarter (delay to first payment)																											
Quarter	1:2	2:3	3:4	4:5	5:6	6:7	7:8	8:9	9:10	10:11	11:12	12:13	13:14	14:15	15:16	16:17	17:18	18:19	19:20	20:21	21:22	22:23	23:24	24:25	25:26	26:27	27:28	28:29	29:30
Sep-18	1.5358	1.0311	1.0127	1.0069	1.0023	1.0011	1.0011	1.0000	1.0023	1.0011	1.0023	1.0000	1.0000	1.0011	1.0011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec-18	1.5705	1.0428	1.0185	1.0104	1.0013	1.0000	1.0000	1.0013	1.0013	1.0013	1.0000	1.0026	1.0026	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0013	1.0000	1.0000	1.0000	1.0000		
Mar-19	1.6980	1.0399	1.0198	1.0097	1.0024	1.0012	1.0048	1.0024	1.0012	1.0012	1.0012	1.0012	1.0024	1.0000	1.0000	1.0000	1.0000	1.0012	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0012	1.0000			
Jun-19	1.7974	1.0483	1.0168	1.0124	1.0054	1.0013	1.0013	1.0027	1.0040	1.0013	1.0027	1.0000	1.0027	1.0013	1.0000	1.0000	1.0000	1.0013	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000				
Sep-19	1.5760	1.0338	1.0257	1.0091	1.0011	1.0011	1.0000	1.0011	1.0000	1.0011	1.0000	1.0011	1.0011	1.0000	1.0011	1.0000	1.0000	1.0000	1.0011	1.0000	1.0000	1.0000	1.0000	1.0000					
Dec-19	1.5267	1.0531	1.0146	1.0026	1.0039	1.0013	1.0013	1.0000	1.0013	1.0026	1.0039	1.0000	1.0000	1.0013	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0013							
Mar-20	1.5977	1.0398	1.0246	1.0067	1.0027	1.0040	1.0026	1.0000	1.0026	1.0026	1.0000	1.0013	1.0013	1.0013	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0013	1.0000							
Jun-20	1.6707	1.0420	1.0125	1.0041	1.0055	1.0041	1.0027	1.0000	1.0000	1.0027	1.0000	1.0013	1.0000	1.0000	1.0027	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000								
Sep-20	1.6874	1.0327	1.0119	1.0104	1.0026	1.0051	0.9987	1.0000	1.0000	1.0026	1.0013	1.0000	1.0026	1.0013	1.0000	1.0000	1.0000	1.0013	1.0000	1.0000									
Dec-20	1.4899	1.0420	1.0086	1.0071	1.0028	1.0014	1.0000	1.0000	1.0014	1.0000	1.0000	1.0014	1.0014	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000										
Mar-21	1.6387	1.0512	1.0081	1.0094	1.0040	1.0000	1.0000	1.0000	1.0013	1.0013	1.0053	1.0013	1.0013	1.0000	1.0000	1.0000	1.0000	1.0000											
Jun-21	1.6166	1.0371	1.0248	1.0054	1.0027	1.0027	1.0013	1.0013	1.0013	1.0013	1.0013	1.0000	1.0013	1.0000	1.0000	1.0013	1.0000												
Sep-21	1.6164	1.0507	1.0058	1.0134	1.0057	1.0075	1.0037	1.0000	1.0000	1.0019	1.0000	1.0000	1.0019	1.0000	1.0000	1.0000													
Dec-21	1.8508	1.0678	1.0309	1.0033	1.0000	1.0066	1.0066	1.0016	1.0016	1.0000	1.0000	1.0000	1.0000	1.0016	1.0016														
Mar-22	1.7431	1.0544	1.0216	1.0065	1.0016	1.0016	1.0016	1.0000	1.0000	1.0000	1.0016	1.0048	1.0048	1.0000															
Jun-22	1.7297	1.0521	1.0192	1.0172	1.0031	1.0061	1.0000	1.0031	1.0000	1.0015	1.0000	1.0000	1.0000																
Sep-22	1.6506	1.0506	1.0131	1.0086	1.0029	1.0014	1.0057	1.0000	1.0014	1.0000	1.0014	1.0000																	
Dec-22	1.5183	1.0445	1.0195	1.0139	1.0034	1.0068	1.0000	1.0051	1.0017	1.0000	1.0000																		
Mar-23	1.6952	1.0584	1.0164	1.0029	1.0044	1.0015	1.0029	1.0000	1.0029	1.0014																			
Jun-23	1.6975	1.0611	1.0187	1.0092	1.0076	1.0030	1.0030	1.0015	1.0015																				
Sep-23	1.5850	1.0429	1.0110	1.0122	1.0027	1.0027	1.0080	1.0013																					
Dec-23	1.5461	1.0597	1.0167	1.0120	1.0000	1.0074	1.0000																						
Mar-24	1.7466	1.0457	1.0196	1.0044	1.0044	1.0029																							
Jun-24	1.5436	1.0435	1.0069	1.0097	1.0068																								
Sep-24	1.7176	1.0315	1.0133	1.0105																									
Dec-24	1.5011	1.0534	1.0099																										
Mar-25	1.7939	1.0559																											
Jun-25	1.5820																												

E1.3 Selected Chain Ladder Factors

	Development Quarter (delay to first payment)																											
	1:2	2:3	3:4	4:5	5:6	6:7	7:8	8:9	9:10	10:11	11:12	12:13	13:14	14:15	15:16	16:17	17:18	18:19	19:20	20:21	21:22	22:23	23:24	24:25	25:26	26:27	27:28	Tail
Jun-25 Selected	1.6400	1.0490	1.0150	1.0090	1.0040	1.0030	1.0025	1.0015	1.0013	1.0013	1.0012	1.0010	1.0009	1.0007	1.0006	1.0004	1.0003	1.0003	1.0003	1.0003	1.0002	1.0002	1.0002	1.0002	1.0002	1.0001	1.0001	1.0002

E1.4 Incremental Projected Number of Claims

Accident	Development Quarter (delay to first payment)																														Ultimate
Quarter	1	2	3	4	5	6	7	8	9	10	11	12	13	14	16	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Tail	Claims
Sep-18	545	292	26	11	6	2	1	1	0	2	1	2	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	891
Dec-18	461	263	31	14	8	1	0	0	1	1	1	0	2	2	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	786
Mar-19	457	319	31	16	8	2	1	4	2	1	1	1	1	2	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0	0	0	848
Jun-19	380	303	33	12	9	4	1	1	2	3	1	2	0	2	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	755
Sep-19	526	303	28	22	8	1	1	0	1	0	1	0	1	1	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	895
Dec-19	469	247	38	11	2	3	1	1	0	1	2	3	0	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	781
Mar-20	440	263	28	18	5	2	3	2	0	2	2	0	1	1	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	770
Jun-20	413	277	29	9	3	4	3	2	0	0	2	0	1	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	746
Sep-20	435	299	24	9	8	2	4	-1	0	0	2	1	0	2	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	788
Dec-20	447	219	28	6	5	2	1	0	0	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	712
Mar-21	429	274	36	6	7	3	0	0	0	1	1	4	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	764
Jun-21	433	267	26	18	4	2	2	1	1	1	1	1	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	761
Sep-21	305	188	25	3	7	3	4	2	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	540
Dec-21	295	251	37	18	2	0	4	4	1	1	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	617
Mar-22	327	243	31	13	4	1	1	1	0	0	0	1	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	630
Jun-22	344	251	31	12	11	2	4	0	2	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	661
Sep-22	395	257	33	9	6	2	1	4	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	713
Dec-22	355	184	24	11	8	2	4	0	3	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	596
Mar-23	374	260	37	11	2	3	1	2	0	2	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	698
Jun-23	357	249	37	12	6	5	2	2	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	678
Sep-23	441	258	30	8	9	2	2	6	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	764
Dec-23	401	219	37	11	8	0	5	0	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	689
Mar-24	363	271	29	13	3	3	2	2	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	693
Jun-24	447	243	30	5	7	5	2	2	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	749
Sep-24	425	305	23	10	8	3	2	2	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	787
Dec-24	449	225	36	7	6	3	2	2	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	739
Mar-25	359	285	36	10	6	3	2	2	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	711
Jun-25	366	213	28	9	6	2	2	2	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	635

ACT Workers' Compensation Scheme Review

Lost Time Claims
Excludes Nil Claims
Chain Ladder Model

E2.1 Cumulative Number of Claims

Accident	Development Year (of first Weekly Benefit Payment)								Reported
Year	1	2	3	4	5	6	7	8	to date
2017/18	1,551	2,071	2,121	2,129	2,129	2,131	2,131	2,131	2,131
2018/19	1,549	2,031	2,058	2,067	2,070	2,071	2,071		2,071
2019/20	1,545	2,002	2,023	2,032	2,034	2,037			2,037
2020/21	1,430	1,905	1,924	1,929	1,933				1,933
2021/22	1,105	1,515	1,528	1,534					1,534
2022/23	1,221	1,677	1,700						1,700
2023/24	1,384	1,836							1,836
2024/25	1,402								1,402

E2.2 Chain Ladder Factors

Accident	Development Year (of first Weekly Benefit Payment)						
Year	1:2	2:3	3:4	4:5	5:6	6:7	7:8
2017/18	1.3353	1.0241	1.0038	1.0000	1.0009	1.0000	1.0000
2018/19	1.3112	1.0133	1.0044	1.0015	1.0005	1.0000	
2019/20	1.2958	1.0105	1.0044	1.0010	1.0015		
2020/21	1.3322	1.0100	1.0026	1.0021			
2021/22	1.3710	1.0086	1.0039				
2022/23	1.3735	1.0137					
2023/24	1.3266						
2024/25							

E2.3 Selected Chain Ladder Factors

	Development Year (of first Weekly Benefit Payment)						
	1:2	2:3	3:4	4:5	5:6	6:7	Tail
Jun-25 Selected	1.3500	1.0110	1.0038	1.0012	1.0008	1.0001	1.0000

E2.4 Incremental Projected Number of Claims

Accident	Development Year (of first Weekly Benefit Payment)									Ultimate
Year	1	2	3	4	5	6	7	8	Tail	Claims
2017/18	1,551	520	50	8	0	2	0	0	0	2,131
2018/19	1,549	482	27	9	3	1	0	0	0	2,071
2019/20	1,545	457	21	9	2	3	0	0	0	2,037
2020/21	1,430	475	19	5	4	2	0	0	0	1,935
2021/22	1,105	410	13	6	2	1	0	0	0	1,537
2022/23	1,221	456	23	6	2	1	0	0	0	1,710
2023/24	1,384	452	22	7	2	1	0	0	0	1,869
2024/25	1,402	491	21	7	2	2	0	0	0	1,925

ACT Workers' Compensation Scheme Review

Claim Number Summary

E3.1 Ultimate Number of Claims

Accident	All Claims (excl Nils)			Lost Time Claims		
Year	Reported	IBNR	Ultimate	Reported	IBNR	Ultimate
2017/18	3,345	0	3,345	2,131	0	2,131
2018/19	3,280	1	3,281	2,071	0	2,071
2019/20	3,189	2	3,191	2,037	0	2,037
2020/21	3,020	5	3,025	1,933	2	1,935
2021/22	2,440	8	2,448	1,535	2	1,537
2022/23	2,666	18	2,684	1,700	10	1,710
2023/24	2,859	37	2,896	1,858	11	1,869
2024/25	2,747	125	2,872	1,675	250	1,925

ACT Workers' Compensation Scheme Review

Common Law & Lump Sum
Excludes Nil Claims
Chain Ladder Model

E4.1 Cumulative Number of Claims

Accident Year	Development Year (of first Common Law Payment) 1	2	3	4	5	6	7		Reported to date
2017/18	10	102	247	346	413	434	442	445	445
2018/19	10	97	231	337	388	413	417		417
2019/20	23	143	304	387	448	460			460
2020/21	12	120	234	329	380				380
2021/22	14	81	189	262					262
2022/23	9	96	191						191
2023/24	12	99							99
2024/25	13								13

E4.2 Chain Ladder Factors

Accident Year	Development Year (of first Common Law Payment) 1:2	2:3	3:4	4:5	5:6	6:7	7:8
2017/18	10.2000	2.4216	1.4008	1.1936	1.0508	1.0184	1.0068
2018/19	9.7000	2.3814	1.4589	1.1513	1.0644	1.0097	
2019/20	6.2174	2.1259	1.2730	1.1576	1.0268		
2020/21	10.0000	1.9500	1.4060	1.1550			
2021/22	5.7857	2.3333	1.3862				
2022/23	10.6667	1.9896					
2023/24	8.2500						
2024/25							

E4.3 Selected Chain Ladder Factors

	Development Year (of first Common Law Payment) 1:2	2:3	3:4	4:5	5:6	6:7	Tail
Jun-25 Selected	8.4300	2.1600	1.3900	1.1700	1.0480	1.0160	1.0324

E4.4 Incremental Projected Number of Claims

Accident Year	Development Year (of first Common Law Payment) 1	2	3	4	5	6	7	8	Tail	Ultimate Claims
2017/18	10	92	145	99	67	21	8	3	11	456
2018/19	10	87	134	106	51	25	4	3	10	431
2019/20	23	120	161	83	61	12	7	4	11	483
2020/21	12	108	114	95	51	18	6	3	10	418
2021/22	14	67	108	73	45	15	5	3	8	337
2022/23	9	87	95	91	55	18	6	3	10	376
2023/24	12	87	124	90	55	18	6	3	10	405
2024/25	13	92	121	88	53	18	6	3	10	402

F Claim size analysis

ACT Workers' Compensation Scheme Review

Weekly Benefits
PPCI Model

F1.1 Incremental Inflated Payments ($000 Jun-25)

Accident	Development Year (of Payment)								Acc Yr	Pay Yr
Year	1	2	3	4	5	6	7	8	Total	Total
2017/18	12,750	13,509	5,794	2,225	828	216	49	100	35,471	12,750
2018/19	11,775	14,069	4,278	1,349	482	141	42		32,137	25,284
2019/20	16,128	17,030	6,366	3,250	928	487			44,190	35,991
2020/21	13,974	14,106	4,694	1,958	442				35,174	32,591
2021/22	9,058	11,128	3,353	1,910					25,449	28,730
2022/23	11,916	14,483	5,590						31,989	30,346
2023/24	12,900	15,197							28,097	33,764
2024/25	14,754								14,754	38,080

F1.2 Inflated Payment Per Claim Incurred

Accident	Development Year (of Payment)							
Year	1	2	3	4	5	6	7	8
2017/18	5,983	6,339	2,719	1,044	388	101	23	47
2018/19	5,686	6,793	2,066	652	233	68	21	
2019/20	7,917	8,359	3,125	1,595	456	239		
2020/21	7,222	7,291	2,426	1,012	228			
2021/22	5,892	7,239	2,181	1,242				
2022/23	6,968	8,469	3,269					
2023/24	6,902	8,131						
2024/25	7,665							

F1.3 Selected Payments per Claim Incurred

	Development Year (of Payment)								
	1	2	3	4	5	6	7	8	Tail
Jun-25 Selected	7,600	8,385	2,800	1,200	350	155	100	86	74

F1.4 Actual & Projected Payments Inflated to Payment Date ($000)

Accident	Development Year (of Payment)									Ultimate	
Year	1	2	3	4	5	6	7	8	Tail	Costs	Outstanding
2017/18	11,192	12,099	4,998	1,968	769	207	48	99	174	31,556	174
2018/19	10,437	12,129	3,783	1,255	462	140	42	184	181	28,612	365
2019/20	14,001	15,057	5,917	3,122	921	481	211	194	190	40,094	595
2020/21	12,424	13,097	4,501	1,945	437	310	214	197	193	33,319	915
2021/22	8,464	10,658	3,331	1,887	557	264	182	168	164	25,674	1,334
2022/23	11,537	14,388	5,521	2,123	662	314	217	199	196	35,157	3,711
2023/24	12,816	15,006	5,413	2,482	775	367	253	233	229	37,575	9,753
2024/25	14,616	16,695	5,965	2,735	854	405	279	257	252	42,058	27,442

ACT Workers' Compensation Scheme Review

Medical & Related Costs (excl. rehab)
PPCI Model

F2.1 Incremental Inflated Payments ($000 Jun-25)

Accident Year	Development Year (of Payment) 1	2	3	4	5	6	7	8	Acc Yr Total	Pay Yr Total
2017/18	10,524	9,965	2,809	1,238	520	159	52	74	25,342	10,524
2018/19	10,752	9,544	2,491	728	205	34	16		23,770	20,717
2019/20	12,124	10,540	3,065	1,272	605	287			27,893	24,478
2020/21	11,124	8,722	2,478	736	162				23,221	22,377
2021/22	8,108	8,025	2,276	1,169					19,579	20,446
2022/23	9,179	9,485	3,004						21,667	21,115
2023/24	9,884	9,981							19,864	23,505
2024/25	10,598								10,598	25,128

F2.2 Inflated Payment Per Claim Incurred

Accident Year	Development Year (of Payment) 1	2	3	4	5	6	7	8
2017/18	3,146	2,979	840	370	155	48	15	22
2018/19	3,277	2,909	759	222	62	10	5	
2019/20	3,799	3,303	960	399	190	90		
2020/21	3,678	2,883	819	243	53			
2021/22	3,312	3,279	930	478				
2022/23	3,420	3,534	1,119					
2023/24	3,413	3,446						
2024/25	3,690							

F2.3 Selected Payments per Claim Incurred

	Development Year (of Payment) 1	2	3	4	5	6	7	8	Tail
Jun-25 Selected	3,698	3,500	1,000	380	171	86	63	58	86

F2.4 Actual & Projected Payments Inflated to Payment Date ($000)

Accident Year	Development Year (of Payment) 1	2	3	4	5	6	7	8	Tail	Ultimate Costs	Outstanding
2017/18	9,223	8,926	2,422	1,094	484	152	51	73	315	22,741	315
2018/19	9,549	8,219	2,203	676	195	34	16	197	331	21,421	528
2019/20	10,503	9,318	2,852	1,219	601	283	209	205	344	25,534	759
2020/21	9,881	8,098	2,374	731	160	268	212	208	349	22,281	1,038
2021/22	7,574	7,683	2,260	1,155	434	232	184	180	302	20,006	1,333
2022/23	8,878	9,425	2,966	1,056	509	273	216	211	354	23,888	2,619
2023/24	9,821	9,852	2,996	1,219	588	315	249	244	409	25,693	6,020
2024/25	10,492	10,397	3,179	1,294	624	334	264	259	434	27,277	16,785

ACT Workers' Compensation Scheme Review

Rehabilitation
PPCI Model

F3.1 Incremental Inflated Payments ($000 Jun-25)

Accident	Development Year (of Payment)								Acc Yr	Pay Yr
Year	1	2	3	4	5	6	7	8	Total	Total
2017/18	3,791	4,267	1,110	392	184	38	1	0	9,784	3,791
2018/19	3,530	4,076	1,069	348	87	3	0		9,113	7,796
2019/20	3,843	4,195	1,322	618	187	52			10,217	9,029
2020/21	3,534	4,011	1,248	456	73				9,322	8,274
2021/22	2,618	3,810	1,080	440					7,948	8,283
2022/23	3,843	4,951	1,316						10,110	9,476
2023/24	4,645	5,590							10,235	11,307
2024/25	4,940								4,940	12,338

F3.2 Inflated Payment Per Claim Incurred

Accident	Development Year (of Payment)							
Year	1	2	3	4	5	6	7	8
2017/18	1,133	1,276	332	117	55	11	0	0
2018/19	1,076	1,242	326	106	26	1	0	
2019/20	1,204	1,314	414	194	59	16		
2020/21	1,168	1,326	413	151	24			
2021/22	1,069	1,557	441	180				
2022/23	1,432	1,845	490					
2023/24	1,604	1,930						
2024/25	1,720							

F3.3 Selected Payments per Claim Incurred

	Development Year (of Payment)								
	1	2	3	4	5	6	7	8	Tail
Jun-25 Selected	1,700	1,930	490	180	40	9	4	3	3

F3.4 Actual & Projected Payments Inflated to Payment Date ($000)

Accident	Development Year (of Payment)									Ultimate	
Year	1	2	3	4	5	6	7	8	Tail	Costs	Outstanding
2017/18	3,328	3,826	958	347	172	36	1	0	11	8,678	11
2018/19	3,129	3,510	945	324	83	3	0	10	11	8,016	21
2019/20	3,331	3,707	1,230	592	186	51	13	11	12	9,134	35
2020/21	3,143	3,727	1,196	453	72	28	13	11	12	8,655	64
2021/22	2,447	3,646	1,073	435	101	24	12	9	10	7,757	157
2022/23	3,722	4,918	1,299	499	119	29	14	11	12	10,621	683
2023/24	4,616	5,517	1,468	576	137	33	16	13	14	12,389	2,256
2024/25	4,893	5,733	1,557	611	146	35	17	13	15	13,020	8,127

ACT Workers' Compensation Scheme Review

Legal & Investigation Costs
PPCI Model

F4.1 Incremental Inflated Payments ($000 Jun-25)

Accident Year	Development Year (of Payment) 1	2	3	4	5	6	7	8	Acc Yr Total	Pay Yr Total
2017/18	1,393	4,671	7,735	5,429	3,772	1,314	390	173	24,877	1,393
2018/19	1,100	4,752	6,586	6,561	3,453	1,231	205		23,888	5,770
2019/20	1,683	5,614	7,333	6,380	5,291	1,309			27,610	14,169
2020/21	1,531	4,948	5,873	5,801	3,709				21,861	18,701
2021/22	1,072	4,230	5,449	4,643					15,395	22,969
2022/23	1,397	4,354	5,975						11,727	22,225
2023/24	1,492	5,540							7,033	22,850
2024/25	1,764								1,764	19,609

F4.2 Inflated Payment Per Claim Incurred

Accident Year	Development Year (of Payment) 1	2	3	4	5	6	7	8
2017/18	417	1,396	2,312	1,623	1,128	393	117	52
2018/19	335	1,448	2,007	2,000	1,053	375	63	
2019/20	527	1,759	2,298	1,999	1,658	410		
2020/21	506	1,636	1,941	1,918	1,226			
2021/22	438	1,728	2,226	1,897				
2022/23	521	1,622	2,227					
2023/24	515	1,913						
2024/25	614							

F4.3 Selected Payments per Claim Incurred

	Development Year (of Payment) 1	2	3	4	5	6	7	8	Tail
Jun-25 Selected	565	1,800	2,225	1,950	1,300	425	175	80	154

F4.4 Actual & Projected Payments Inflated to Payment Date ($000)

Accident Year	Development Year (of Payment) 1	2	3	4	5	6	7	8	Tail	Ultimate Costs	Outstanding
2017/18	1,229	4,152	6,680	4,805	3,513	1,253	386	170	596	22,785	596
2018/19	974	4,113	5,836	6,112	3,312	1,223	203	271	625	22,670	897
2019/20	1,465	4,976	6,827	6,130	5,263	1,292	578	283	651	27,464	1,511
2020/21	1,363	4,611	5,649	5,761	3,660	1,330	586	287	660	23,906	2,862
2021/22	1,002	4,073	5,415	4,590	3,292	1,151	507	248	572	20,850	5,770
2022/23	1,354	4,330	5,906	5,413	3,862	1,351	595	291	671	23,773	12,182
2023/24	1,482	5,483	6,665	6,250	4,459	1,560	687	336	774	27,696	20,732
2024/25	1,749	5,347	7,072	6,632	4,731	1,655	729	357	822	29,093	27,345

ACT Workers' Compensation Scheme Review

Recoveries
PPCI Model

F5.1 Incremental Inflated Payments ($000 Jun-25)

Accident	Development Year (of Payment)								Acc Yr	Pay Yr
Year	1	2	3	4	5	6	7	8	Total	Total
2017/18	-66	-525	-1,776	-1,434	-1,002	-2,367	-354	-1	-7,525	-66
2018/19	-76	-1,134	-1,558	-1,332	-351	-1,010	-87		-5,548	-601
2019/20	-275	-673	-704	-980	-2,398	-1,574			-6,604	-3,185
2020/21	-74	-431	-116	-1,114	-503				-2,237	-3,711
2021/22	-46	-187	-102	-229					-565	-3,272
2022/23	-61	-124	-648						-833	-4,047
2023/24	-50	-122							-172	-4,267
2024/25	-71								-71	-2,733

F5.2 Inflated Payment Per Claim Incurred

Accident	Development Year (of Payment)							
Year	1	2	3	4	5	6	7	8
2017/18	-20	-157	-531	-429	-299	-708	-106	0
2018/19	-23	-346	-475	-406	-107	-308	-26	
2019/20	-86	-211	-221	-307	-751	-493		
2020/21	-24	-143	-38	-368	-166			
2021/22	-19	-77	-42	-94				
2022/23	-23	-46	-241					
2023/24	-17	-42						
2024/25	-25							

F5.3 Selected Payments per Claim Incurred

	Development Year (of Payment)								
	1	2	3	4	5	6	7	8	Tail
Jun-25 Selected	-22	-60	-150	-280	-410	-400	-70	-60	-89

F5.4 Actual & Projected Payments Inflated to Payment Date ($000)

Accident	Development Year (of Payment)									Ultimate	
Year	1	2	3	4	5	6	7	8	Tail	Costs	Outstanding
2017/18	-58	-468	-1,540	-1,267	-935	-2,286	-353	-1	-329	-7,238	-329
2018/19	-68	-982	-1,378	-1,241	-336	-1,006	-86	-204	-345	-5,646	-549
2019/20	-240	-595	-655	-949	-2,387	-1,554	-231	-212	-360	-7,183	-803
2020/21	-66	-401	-111	-1,107	-496	-1,252	-234	-215	-365	-4,245	-2,065
2021/22	-43	-180	-101	-227	-1,038	-1,084	-203	-186	-316	-3,378	-2,827
2022/23	-59	-123	-644	-777	-1,218	-1,271	-238	-218	-370	-4,920	-4,093
2023/24	-50	-121	-449	-898	-1,406	-1,468	-275	-252	-428	-5,346	-5,176
2024/25	-71	-178	-477	-952	-1,492	-1,558	-292	-267	-454	-5,741	-5,670

ACT Workers' Compensation Scheme Review

Common Law & Lump Sum
Excludes Nil Claims
PPCS Model

F6.1 Incremental Number of Claims Settled as Lump Sum or Common Law

Accident	Development Year (of Last LS_CL Payment)								Settled
Year	1	2	3	4	5	6	7	8	to date
2017/18	6	65	142	119	68	30	9	5	444
2018/19	7	66	139	110	62	26	5		415
2019/20	8	108	166	87	71	20			460
2020/21	6	88	115	106	59				374
2021/22	8	58	106	85					257
2022/23	4	77	104						185
2023/24	9	64							73
2024/25	8								8

F6.2 Lump Sum/Common Law Proportion Settled (% of Ultimate Lump Sums/Common Law)

Accident	Development Year (of Last LS_CL Payment)							
Year	1	2	3	4	5	6	7	8
2017/18	1.3%	14.3%	31.2%	26.1%	14.9%	6.6%	2.0%	1.1%
2018/19	1.6%	15.3%	32.3%	25.5%	14.4%	6.0%	1.2%	
2019/20	1.7%	22.4%	34.4%	18.0%	14.7%	4.1%		
2020/21	1.4%	21.1%	27.5%	25.4%	14.1%			
2021/22	2.4%	17.2%	31.5%	25.2%				
2022/23	1.1%	20.5%	27.7%					
2023/24	2.2%	15.8%						
2024/25	2.0%							

F6.3 Selected Proportion Settled

	Development Year (of Last LS_CL Payment)								
	1	2	3	4	5	6	7	8	Tail
Jun-25 Selected	2.11%	18.22%	30.69%	23.98%	14.39%	5.18%	1.92%	0.96%	2.56%

F6.4 Incremental Projected Number of Claims Settled as Lump Sum or Common Law

Accident	Development Year (of Last LS_CL Payment)									Ultimate
Year	1	2	3	4	5	6	7	8	Tail	Finalised
2017/18	6	65	142	119	68	30	9	5	12	456
2018/19	7	66	139	110	62	26	5	4	11	431
2019/20	8	108	166	87	71	20	8	4	11	483
2020/21	6	88	115	106	59	21	8	4	11	418
2021/22	8	58	106	85	46	17	6	3	8	337
2022/23	4	77	104	93	56	20	7	4	10	376
2023/24	9	64	128	100	60	22	8	4	11	405
2024/25	8	73	124	97	58	21	8	4	10	402

F6.5 Incremental Inflated Payments ($000 Jun-25)

Accident	Development Year (of Last LS_CL Payment)								Acc Yr	Pay Yr
Year	1	2	3	4	5	6	7	8	Total	Total
2017/18	265	7,395	21,028	20,965	12,626	5,500	1,480	670	69,929	265
2018/19	377	6,649	21,474	20,136	10,923	3,610	693		63,862	7,773
2019/20	452	11,990	26,476	25,164	20,139	4,334			88,555	28,128
2021/22	363	9,986	18,223	22,016	13,766				64,354	54,793
2021/22	1,177	6,866	17,412	16,061					41,516	70,400
2022/23	293	7,737	19,908						27,938	66,970
2023/24	631	8,085							8,715	73,024
2024/25	323								323	63,839

F6.6 Inflated Payments per Claim Settled in $Jun-25 ($000)

Accident	Development Year (of Last LS_CL Payment)							
Year	1	2	3	4	5	6	7	8
2017/18	44	114	148	176	186	183	164	134
2018/19	54	101	154	183	176	139	139	
2019/20	56	111	159	289	284	217		
2020/21	61	113	158	208	233			
2021/22	147	118	164	189				
2022/23	73	100	191					
2023/24	70	126						
2024/25	40							

F6.7 Selected Payments per Claim Settled in $Jun-25 ($000)

	Development Year (of Last LS_CL Payment)								
	1	2	3	4	5	6	7	8	Tail
Jun-25 Selected	73.2	124.5	172.1	224.9	224.9	226.4	226.4	226.4	226.4

F6.8 Actual & Projected Payments Inflated to Payment Date ($000)

Accident	Development Year (of Payment)									Ultimate	
Year	1	2	3	4	5	6	7	8	Tail	Costs	Outstanding
2017/18	303	7,349	20,196	17,569	10,950	4,676	1,444	369	2,244	65,099	2,244
2018/19	385	6,052	20,150	17,843	10,214	3,465	577	1,440	2,027	62,154	3,467
2019/20	574	11,386	24,986	23,856	19,522	3,768	2,856	1,048	1,476	89,470	5,379
2020/21	381	10,209	17,638	21,527	12,959	5,240	2,804	1,028	1,448	73,234	10,521
2021/22	1,176	7,246	17,061	15,536	10,818	4,287	2,294	841	1,185	60,444	19,425
2022/23	336	8,091	19,923	19,886	14,894	5,903	3,158	1,158	1,632	74,981	46,631
2023/24	660	8,735	22,307	23,016	17,239	6,832	3,655	1,341	1,888	85,672	76,277
2024/25	378	9,677	23,193	23,930	17,924	7,103	3,800	1,394	1,963	89,362	88,984

ACT Workers' Compensation Scheme Review

All Payments

F7.1 Actual & Projected Payments Inflated to Payment Date ($000)

Accident	Development Year (of Payment)																													Acc Yr
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	16	16	17	18	19	20	21	22	23	24	25	26	27	28	29	Tail	Ultimate
2017/18	25,217	35,884	33,714	24,516	14,953	4,039	1,578	710	1,228	568	251	217	233	228	242	24	13	2	1	1	0	0	0	0	0	0	0	0	0	0	143,621
2018/19	24,406	33,041	31,540	24,969	13,931	3,860	751	1,899	1,163	530	240	202	217	211	223	26	13	2	1	1	0	0	0	0	0	0	0	0	0	0	137,226
2019/20	29,633	43,848	41,156	33,970	24,106	4,322	3,636	1,528	971	423	204	161	173	163	172	27	14	2	1	1	0	0	0	0	0	0	0	0	0	0	184,513
2020/21	27,126	39,340	31,247	29,310	16,792	5,925	3,595	1,516	967	419	203	160	172	161	170	27	14	2	1	1	0	0	0	0	0	0	0	0	0	0	157,150
2021/22	20,620	33,125	29,039	23,376	14,164	4,875	2,975	1,261	809	348	171	133	143	133	141	23	12	2	1	1	0	0	0	0	0	0	0	0	0	0	131,353
2022/23	25,768	41,029	34,971	28,199	18,829	6,597	3,961	1,653	1,042	458	218	175	188	178	188	28	14	2	1	1	0	0	0	0	0	0	0	0	0	0	163,500
2023/24	29,345	44,472	38,399	32,646	21,791	7,638	4,585	1,915	1,207	531	253	202	218	205	217	32	16	3	2	1	0	0	0	0	0	0	0	0	0	0	183,679
2024/25	32,057	47,671	40,490	34,250	22,786	7,974	4,798	2,013	1,269	557	266	212	228	214	227	34	17	3	2	1	0	0	0	0	0	0	0	0	0	0	195,070

F7.2 Actual & Projected Payments Inflated to Payment Date & Discounted to Middle of Accident Year ($000)

Accident	Development Year (of Payment)																													Acc Yr
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	16	16	17	18	19	20	21	22	23	24	25	26	27	28	29	Tail	Ultimate
2017/18	25,217	35,270	32,643	23,389	14,114	3,797	1,481	657	1,095	486	206	170	176	165	168	16	8	1	1	0	0	0	0	0	0	0	0	0	0	0	139,062
2018/19	24,406	32,549	30,614	23,979	13,324	3,686	706	1,724	1,012	442	192	155	160	148	151	17	8	1	1	0	0	0	0	0	0	0	0	0	0	0	133,275
2019/20	29,633	43,204	40,122	32,982	23,367	4,125	3,350	1,350	822	343	159	120	124	112	113	17	8	1	1	0	0	0	0	0	0	0	0	0	0	0	179,955
2020/21	27,126	38,923	30,791	28,835	16,269	5,540	3,223	1,303	797	331	154	116	120	107	109	17	8	1	1	0	0	0	0	0	0	0	0	0	0	0	153,772
2021/22	20,620	32,991	28,875	22,891	13,386	4,418	2,585	1,050	646	267	125	93	96	86	87	14	7	1	1	0	0	0	0	0	0	0	0	0	0	0	128,240
2022/23	25,768	40,963	34,385	26,760	17,131	5,755	3,313	1,326	801	338	154	118	122	111	112	16	8	1	1	0	0	0	0	0	0	0	0	0	0	0	157,182
2023/24	29,345	43,797	36,498	29,751	19,040	6,399	3,683	1,475	891	376	171	132	136	123	125	17	9	1	1	0	0	0	0	0	0	0	0	0	0	0	171,969
2024/25	32,057	46,009	37,467	30,387	19,382	6,503	3,751	1,509	912	384	176	135	139	125	127	18	9	2	1	0	0	0	0	0	0	0	0	0	0	0	179,093

G Workforce, wages and premiums

G.1 Workforce

We have compiled workforce figures from information available from the Australian Bureau of Statistics (ABS) and the Australian Public Service Employment Database (APSED), plus information on the number of ACT public sector employees supplied by CMTEDD.

We have calculated an approximate private sector workforce as:

- Total full time workforce in the ACT
- Less full time Commonwealth public sector employees
- Less full time ACT public sector employees.

This is shown in Table G.1 below.

Table G.1 – Calculation of ACT Private Sector Workforce (full time employees)

Accident Year	ABS	C'wealth Government Public Servants	ACT Government Public Servants	ACT Private Sector Workforce
2015/16	160,471	45,309	16,458	98,704
2016/17	159,992	45,459	16,655	97,878
2017/18	170,064	45,431	17,139	107,493
2018/19	174,335	43,710	17,823	112,801
2019/20	178,198	45,292	17,666	115,240
2020/21	180,025	46,339	18,450	115,236
2021/22	191,943	48,760	18,975	124,208
2022/23	205,568	52,068	19,821	133,679
2023/24	207,221	56,394	22,243	128,584
2024/25	203,021	60,107	24,191	118,723

G.2 Earned wages

Recorded wages can change over time as employers update their initial estimate over the course of the policy period. In order to arrive at an estimate of the ultimate earned wages we examined the development of reported wages for older policy years and as a result selected a multiplier to gross up the reported wages for the more recent policy years to ultimate. This is shown in Table G.2 below.

Table G.2 – Earned wages data

Accident Year	Reported	Gross-up Factor	Estimated Ultimate	Inflated Ultimate[1]
	$m		$m	$m
2015/16	7,988.2	1.000	7,988.2	10,286.4
2016/17	8,555.6	1.000	8,555.6	10,935.2
2017/18	9,401.9	1.000	9,401.9	11,537.3
2018/19	10,323.9	1.000	10,323.9	12,140.9
2019/20	11,013.1	1.000	11,013.1	12,497.4
2020/21	11,801.5	1.000	11,801.5	13,201.5
2021/22	12,827.1	1.000	12,827.5	14,334.6
2022/23	13,996.2	1.000	13,997.0	15,345.5
2023/24	14,230.1	1.000	14,232.0	14,976.7
2024/25	14,602.7	1.005	14,681.6	14,935.8

[1] In 30 June 2025 values

G.3 Earned premium

Table G.3 shows the reported earned premium amounts by calendar year. As for wages, they have been inflated and grossed-up to ultimate estimates by analysing the development of reported premiums for older policy years.

Table G.3 – Earned premium data

Accident Year	Reported	Gross-up Factor	Estimated Ultimate	Inflated Ultimate[1]
	$m		$m	$m
2015/16	167.1	1.000	167.1	215.2
2016/17	174.2	1.000	174.2	222.7
2017/18	187.6	1.000	187.6	230.3
2018/19	202.1	1.000	202.1	237.7
2019/20	216.8	1.000	216.8	246.0
2020/21	231.4	1.001	231.7	259.1
2021/22	248.9	1.003	249.7	279.0
2022/23	282.0	1.005	283.4	310.7
2023/24	304.8	1.008	307.4	323.5
2024/25	320.2	1.008	322.8	328.4

[1] In 30 June 2025 values

G.4 Historical premium rates

Table G.4 shows the calculation of the historical premium rate. The earned premiums and wages have both been grossed up to ultimate as discussed above, and are expressed in nominal values.

Table G.4 – Calculation of premium rate

Accident Year	Gross Earned Premium	Gross Earned Wages	Premium to Wages
	$m	$m	
2014/15	166.6	7,444.6	2.24%
2015/16	167.1	7,988.2	2.09%
2016/17	174.2	8,555.6	2.04%
2017/18	187.6	9,401.9	2.00%
2018/19	202.1	10,323.9	1.96%
2019/20	216.8	11,013.1	1.97%
2020/21	231.7	11,801.5	1.96%
2021/22	249.7	12,827.5	1.95%
2022/23	283.4	13,997.0	2.02%
2023/24	307.4	14,232.0	2.16%
2024/25	322.8	14,681.6	2.20%

H Recommended rates by ANZSIC division

ACT Workers' Compensation Scheme Review

H.1 Premium Rates by ANZSIC Class

ANZSIC	Description	Estimated Wages for 2026/27 ($m)	Claim Freq Rel - last 3 years	Capped Claim Cost Rel - last 5 years	2026/27 Selected Relativity	2026/27 Suggested Premium Rate
0112	Nursery Production (Outdoors)	1.8	0	0	183	3.64%
0113	Turf Growing	1.7	0	60	182	3.61%
0123	Vegetable Growing (Outdoors)	0.1	0	0	178	3.52%
0141	Sheep Farming (Specialised)	0.1	0	0	218	4.32%
0144	Sheep-Beef Cattle Farming	0.9	0	433	225	4.47%
0172	Poultry Farming (Eggs)	7.9	0	173	154	3.06%
0193	Beekeeping	0.1	0	0	213	4.23%
0199	Other Livestock Farming n.e.c.	2.1	440	271	221	4.39%
0301	Forestry	0.2	0	0	325	6.45%
0302	Logging	1.2	501	505	359	7.13%
0420	Hunting and Trapping	0.2	0	0	196	3.89%
0510	Forestry Support Services	0.6	0	31	217	4.30%
0522	Shearing Services	0.1	1,655	291	219	4.35%
0529	Other Agriculture and Fishing Support Services	0.5	0	0	217	4.30%
0919	Other Construction Material Mining	3.0	1,555	589	377	7.49%
1090	Other Mining Support Services	0.5	0	0	237	4.71%
1111	Meat Processing	0.1	0	0	178	3.53%
1131	Milk and Cream Processing	3.7	130	99	146	2.91%
1132	Ice Cream Manufacturing	0.1	0	0	150	2.97%
1162	Cereal, Pasta and Baking Mix Manufacturing	0.1	0	0	183	3.63%
1171	Bread Manufacturing (Factory based)	3.1	346	224	284	5.65%
1172	Cake and Pastry Manufacturing (Factory based)	0.2	0	0	216	4.28%
1174	Bakery Product Manufacturing (Non-factory based)	24.9	191	93	138	2.74%
1182	Confectionery Manufacturing	0.2	0	0	183	3.63%
1199	Other Food Product Manufacturing n.e.c.	0.6	0	43	214	4.25%
1212	Beer Manufacturing	3.8	396	193	263	5.23%
1213	Spirit Manufacturing	0.9	0	0	216	4.29%
1214	Wine and Other Alcoholic Beverage Manufacturing	1.6	0	206	213	4.22%
1331	Textile Floor Covering Manufacturing	0.1	0	0	191	3.79%
1333	Cut and Sewn Textile Product Manufacturing	0.3	463	18	201	3.98%
1351	Clothing Manufacturing	0.6	0	0	194	3.85%
1492	Wooden Structural Fitting and Component Manufacturing	55.8	316	266	295	5.85%
1499	Other Wood Product Manufacturing n.e.c.	0.4	0	0	251	4.99%
1611	Printing	11.8	63	99	139	2.76%
1709	Other Petroleum and Coal Product Manufacturing	3.7	0	0	185	3.68%
1812	Basic Organic Chemical Manufacturing	0.3	0	0	205	4.08%
1821	Synthetic Resin and Synthetic Rubber Manufacturing	0.3	748	114	211	4.18%
1841	Human Pharmaceutical and Medicinal Product Manufacturing	4.5	110	28	101	2.01%
1852	Cosmetic and Toiletry Preparation Manufacturing	0.2	0	0	209	4.15%
1912	Rigid and Semi-Rigid Polymer Product Manufacturing	0.8	227	275	236	4.69%
2010	Glass and Glass Product Manufacturing	1.6	411	1,286	487	9.67%
2032	Plaster Product Manufacturing	0.3	0	0	446	8.86%
2033	Ready-Mixed Concrete Manufacturing	7.4	132	102	450	8.93%
2034	Concrete Product Manufacturing	3.4	52	319	548	10.88%
2090	Other Non-Metallic Mineral Product Manufacturing	5.7	128	471	369	7.32%
2110	Iron Smelting and Steel Manufacturing	0.1	0	0	245	4.87%
2142	Aluminium Rolling, Drawing, Extruding	0.3	0	0	212	4.20%
2221	Structural Steel Fabricating	13.3	653	453	397	7.87%
2222	Prefabricated Metal Building Manufacturing	0.6	560	683	380	7.54%
2223	Architectural Aluminium Product Manufacturing	13.0	269	345	305	6.06%
2229	Other Structural Metal Product Manufacturing	10.8	304	463	433	8.59%
2231	Boiler, Tank and Other Heavy Gauge Metal Container Manufacturing	0.1	0	0	335	6.64%
2240	Sheet Metal Product Manufacturing (except Metal Structural and Container Products)	4.8	120	43	293	5.81%
2293	Metal Coating and Finishing	0.5	0	0	328	6.50%
2299	Other Fabricated Metal Product Manufacturing n.e.c.	1.9	416	605	349	6.92%
2312	Motor Vehicle Body and Trailer Manufacturing	0.3	0	0	201	3.98%
2393	Railway Rolling Stock Manufacturing and Repair Services	3.8	471	625	237	4.71%
2394	Aircraft Manufacturing and Repair Services	10.1	250	372	209	4.14%
2399	Other Transport Equipment Manufacturing n.e.c.	1.0	0	0	216	4.29%
2412	Medical and Surgical Equipment Manufacturing	1.5	0	655	108	2.15%
2419	Other Professional and Scientific Equipment Manufacturing	4.7	81	351	106	2.11%
2421	Computer and Electronic Office Equipment Manufacturing	5.1	141	72	88	1.75%
2422	Communications Equipment Manufacturing	15.5	11	0	71	1.41%
2429	Other Electronic Equipment Manufacturing	1.8	0	0	65	1.30%
2432	Electric Lighting Equipment Manufacturing	2.0	0	18	137	2.73%
2439	Other Electrical Equipment Manufacturing	1.8	0	0	146	2.89%
2449	Other Domestic Appliance Manufacturing	1.1	171	444	210	4.17%
2452	Fixed Space Heating, Cooling and Ventilation Equipment Manufacturing	1.2	156	856	235	4.67%
2462	Mining and Construction Machinery Manufacturing	1.0	0	0	139	2.75%
2463	Machine Tool and Parts Manufacturing	0.1	0	0	143	2.83%
2469	Other Specialised Machinery and Equipment Manufacturing	2.1	100	3	169	3.35%
2491	Lifting and Material Handling Equipment Manufacturing	21.1	159	100	195	3.88%
2499	Other Machinery and Equipment Manufacturing n.e.c.	1.9	372	98	192	3.82%

2511	Wooden Furniture and Upholstered Seat Manufacturing	9.6	183	88	246	4.88%
2512	Metal Furniture Manufacturing	1.3	0	18	286	5.69%
2513	Mattress Manufacturing	1.1	177	104	238	4.72%
2519	Other Furniture Manufacturing	0.8	0	0	247	4.90%
2591	Jewellery and Silverware Manufacturing	1.2	0	0	103	2.05%
2592	Toy, Sporting and Recreational Product Manufacturing	0.1	0	0	141	2.79%
2599	Other Manufacturing n.e.c.	1.6	0	0	122	2.43%
2611	Fossil Fuel Electricity Generation	0.3	0	0	199	3.95%
2619	Other Electricity Generation	0.8	0	1,473	202	4.00%
2620	Electricity Transmission	3.8	0	0	172	3.41%
2630	Electricity Distribution	105.2	72	156	164	3.26%
2640	On Selling Electricity and Electricity Market Operation	16.2	0	0	181	3.59%
2811	Water Supply	88.3	86	165	170	3.38%
2812	Sewerage and Drainage Services	6.6	639	1,381	561	11.13%
2911	Solid Waste Collection Services	26.6	393	539	554	10.99%
2919	Other Waste Collection Services	3.7	111	130	457	9.06%
2921	Waste Treatment and Disposal Services	5.4	287	955	550	10.92%
2922	Waste Remediation and Materials Recovery Services	7.6	203	523	463	9.19%
3011	House Construction	128.3	234	342	252	5.01%
3019	Other Residential Building Construction	42.5	169	242	208	4.12%
3020	Non-Residential Building Construction	255.8	87	129	138	2.74%
3101	Road and Bridge Construction	25.3	264	232	412	8.19%
3109	Other Heavy and Civil Engineering Construction	46.0	245	431	329	6.53%
3211	Land Development and Subdivision	4.6	36	114	114	2.26%
3212	Site Preparation Services	59.0	250	405	343	6.81%
3221	Concreting Services	33.9	168	320	378	7.50%
3222	Bricklaying Services	9.7	190	596	570	11.31%
3223	Roofing Services	19.9	321	677	559	11.10%
3224	Structural Steel Erection Services	11.2	452	538	576	11.44%
3231	Plumbing Services	124.0	285	191	216	4.29%
3232	Electrical Services	272.1	164	154	151	3.00%
3233	Air Conditioning and Heating Services	89.7	179	158	191	3.80%
3234	Fire and Security Alarm Installation Services	84.0	109	147	103	2.04%
3239	Other Building Installation Services	51.8	279	371	237	4.70%
3241	Plastering and Ceiling Services	18.3	77	302	325	6.46%
3242	Carpentry Services	60.8	524	639	516	10.23%
3243	Tiling and Carpeting Services	23.5	115	137	226	4.49%
3244	Painting and Decorating Services	33.6	139	295	283	5.61%
3245	Glazing Services	13.1	205	340	411	8.15%
3291	Landscape Construction Services	41.8	211	360	387	7.67%
3292	Hire of Construction Machinery with Operator	8.3	265	583	412	8.18%
3299	Other Construction Services n.e.c.	50.5	225	528	375	7.44%
3312	Cereal Grain Wholesaling	0.1	0	0	163	3.23%
3319	Other Agricultural Product Wholesaling	0.6	0	0	161	3.19%
3321	Petroleum Product Wholesaling	5.6	118	120	147	2.92%
3322	Metal and Mineral Wholesaling	12.8	436	384	272	5.40%
3323	Industrial and Agricultural Chemical Product Wholesaling	3.3	0	169	132	2.63%
3331	Timber Wholesaling	2.7	0	269	238	4.72%
3332	Plumbing Goods Wholesaling	7.5	196	76	228	4.52%
3339	Other Hardware Goods Wholesaling	43.0	256	193	224	4.45%
3411	Agricultural and Construction Machinery Wholesaling	3.2	442	552	103	2.04%
3419	Other Specialised Industrial Machinery and Equipment Wholesaling	1.5	119	226	115	2.28%
3491	Professional and Scientific Goods Wholesaling	18.1	77	38	78	1.55%
3492	Computer and Computer Peripheral Wholesaling	57.9	31	51	38	0.76%
3493	Telecommunication Goods Wholesaling	1.4	0	0	78	1.55%
3494	Other Electrical and Electronic Good Wholesaling	63.9	83	117	91	1.81%
3499	Other Machinery and Equipment Wholesaling n.e.c.	8.9	217	157	94	1.86%
3501	Car Wholesaling	0.7	0	0	139	2.77%
3502	Commercial Vehicle Wholesaling	2.5	0	0	132	2.62%
3504	Motor Vehicle New Parts Wholesaling	12.9	383	197	141	2.79%
3505	Motor Vehicle Dismantling and Used Parts Wholesaling	4.1	0	0	112	2.22%
3601	General Line Grocery Wholesaling	37.3	471	381	304	6.04%
3602	Meat, Poultry and Smallgoods Wholesaling	4.8	42	33	229	4.55%
3603	Dairy Produce Wholesaling	0.2	0	0	201	3.99%
3604	Fish and Seafood Wholesaling	0.1	0	0	199	3.96%
3605	Fruit and Vegetable Wholesaling	3.4	59	9	215	4.27%
3606	Liquor and Tobacco Product Wholesaling	9.9	171	215	160	3.18%
3609	Other Grocery Wholesaling	18.0	87	41	124	2.46%
3711	Textile Product Wholesaling	0.4	0	0	100	1.99%
3712	Clothing and Footwear Wholesaling	4.6	222	21	94	1.86%
3720	Pharmaceutical and Toiletry Goods Wholesaling	14.0	0	98	127	2.52%
3731	Furniture and Floor Covering Wholesaling	7.9	83	177	137	2.72%
3733	Kitchen and Diningware Wholesaling	0.7	0	0	138	2.74%
3734	Toy and Sporting Goods Wholesaling	0.7	0	0	139	2.76%
3735	Book and Magazine Wholesaling	0.1	0	0	137	2.73%
3736	Paper Product Wholesaling	1.9	0	0	134	2.67%
3739	Other Goods Wholesaling n.e.c.	1.0	263	191	139	2.76%

3800	Commission-Based Wholesaling	12.4	32	101	80	1.58%
3911	Car Retailing	120.9	183	105	130	2.58%
3912	Motor Cycle Retailing	1.0	471	1,022	137	2.72%
3913	Trailer and Other Motor Vehicle Retailing	1.6	0	0	115	2.29%
3921	Motor Vehicle Parts Retailing	12.4	152	213	181	3.60%
3922	Tyre Retailing	7.2	179	277	223	4.43%
4000	Fuel Retailing	18.3	112	41	101	2.00%
4110	Supermarket and Grocery Stores	185.6	186	177	197	3.91%
4121	Fresh Meat, Fish and Poultry Retailing	14.3	328	251	201	3.99%
4122	Fruit and Vegetable Retailing	11.7	240	72	110	2.17%
4123	Liquor Retailing	19.1	74	58	104	2.07%
4129	Other Specialised Food Retailing	13.0	46	16	96	1.91%
4211	Furniture Retailing	39.1	422	275	250	4.97%
4212	Floor Coverings Retailing	12.8	136	171	191	3.80%
4213	Houseware Retailing	4.6	45	411	183	3.63%
4214	Manchester and Other Textile Goods Retailing	6.9	199	45	164	3.25%
4221	Electrical, Electronic and Gas Appliance Retailing	42.2	148	134	80	1.59%
4222	Computer and Computer Peripheral Retailing	7.5	0	0	62	1.24%
4229	Other Electrical and Electronic Goods Retailing	3.8	0	213	97	1.93%
4231	Hardware and Building Supplies Retailing	19.0	263	165	197	3.91%
4232	Garden Supplies Retailing	9.2	122	84	164	3.26%
4241	Sport and Camping Equipment Retailing	36.9	81	88	73	1.46%
4242	Entertainment Media Retailing	1.8	0	0	55	1.09%
4243	Toy and Game Retailing	6.9	84	70	67	1.33%
4244	Newspaper and Book Retailing	11.1	83	18	53	1.05%
4251	Clothing Retailing	77.4	172	90	130	2.57%
4252	Footwear Retailing	17.2	65	130	120	2.38%
4253	Watch and Jewellery Retailing	14.2	152	85	104	2.07%
4259	Other Personal Accessory Retailing	1.6	334	825	204	4.06%
4260	Department Stores	19.4	288	121	169	3.35%
4271	Pharmaceutical, Cosmetic and Toiletry Goods Retailing	82.9	82	44	69	1.36%
4272	Stationery Goods Retailing	1.6	0	0	96	1.90%
4273	Antique and Used Goods Retailing	15.3	112	37	144	2.85%
4274	Flower Retailing	5.0	226	354	167	3.32%
4279	Other Store-Based Retailing n.e.c.	41.3	317	228	184	3.65%
4310	Non-Store Retailing	6.3	98	199	121	2.40%
4320	Retail Commission-Based Buying and/or Selling	1.1	0	9	133	2.64%
4400	Accommodation	170.2	255	189	139	2.76%
4511	Cafes and Restaurants	333.2	141	114	109	2.17%
4512	Takeaway Food Services	127.4	170	118	114	2.27%
4513	Catering Services	47.1	111	176	124	2.46%
4520	Pubs, Taverns and Bars	34.3	174	65	87	1.72%
4530	Clubs (Hospitality)	94.7	206	118	149	2.97%
4610	Road Freight Transport	50.4	370	436	503	9.99%
4621	Interurban and Rural Bus Transport	3.3	278	635	520	10.33%
4622	Urban Bus Transport (Including Tramway)	16.1	437	756	471	9.36%
4623	Taxi and Other Road Transport	0.6	283	73	378	7.49%
4720	Rail Passenger Transport	1.3	0	0	208	4.12%
4900	Air and Space Transport	25.2	227	165	179	3.56%
5010	Scenic and Sightseeing Transport	0.1	2,849	1,150	201	3.99%
5029	Other Transport n.e.c.	2.6	134	438	230	4.56%
5101	Postal Services	12.3	131	144	139	2.76%
5102	Courier Pick-up and Delivery Services	15.1	209	399	255	5.07%
5220	Airport Operations and Other Air Transport Support Services	12.6	1,096	318	237	4.71%
5292	Freight Forwarding Services	1.5	174	210	297	5.89%
5299	Other Transport Support Services n.e.c.	0.3	0	140	347	6.88%
5309	Other Warehousing and Storage Services	14.7	142	168	151	3.01%
5411	Newspaper Publishing	15.0	12	2	38	0.75%
5412	Magazine and Other Periodical Publishing	1.8	0	0	37	0.74%
5413	Book Publishing	0.4	0	0	43	0.85%
5419	Other Publishing (except Software, Music and Internet)	0.8	0	0	38	0.75%
5420	Software Publishing	24.6	0	22	16	0.32%
5511	Motion Picture and Video Production	11.8	54	10	60	1.19%
5512	Motion Picture and Video Distribution	0.5	311	160	55	1.09%
5513	Motion Picture Exhibition	6.6	158	66	60	1.20%
5514	Post-production Services and Other Motion Picture and Video Activities	7.4	0	0	53	1.06%
5521	Music Publishing	0.3	0	0	57	1.13%
5522	Music and Other Sound Recording Activities	3.3	0	24	53	1.05%
5610	Radio Broadcasting	14.0	44	5	36	0.72%
5621	Free-to-Air Television Broadcasting	16.2	24	13	50	0.98%
5622	Cable and Other Subscription Broadcasting	0.4	425	194	45	0.89%
5700	Internet Publishing and Broadcasting	8.0	0	0	42	0.83%
5801	Wired Telecommunications Network Operation	1.3	0	0	41	0.81%
5802	Other Telecommunications Network Operation	18.3	54	6	35	0.70%
5809	Other Telecommunications Services	13.8	28	38	45	0.90%
5910	Internet Service Providers and Web Search Portals	2.9	0	0	45	0.89%
5921	Data Processing and Web Hosting Services	22.0	9	10	44	0.86%

5922	Electronic Information Storage Services	11.8	36	3	38	0.75%
6010	Libraries and Archives	0.1	0	0	47	0.94%
6020	Other Information Services	0.4	0	0	45	0.90%
6210	Central Banking	0.1	0	0	43	0.86%
6221	Banking	22.1	37	100	49	0.96%
6222	Building Society Operation	2.4	0	0	56	1.11%
6223	Credit Union Operation	1.3	0	0	67	1.33%
6229	Other Depository Financial Intermediation	0.7	0	0	55	1.09%
6230	Non-Depository Financing	1.2	0	0	44	0.87%
6240	Financial Asset Investing	8.3	0	0	38	0.76%
6310	Life Insurance	1.6	0	0	59	1.18%
6321	Health Insurance	3.4	58	14	79	1.58%
6322	General Insurance	20.3	87	90	100	1.98%
6330	Superannuation Funds	4.3	0	128	47	0.93%
6411	Financial Asset Broking Services	24.5	8	10	21	0.41%
6419	Other Auxiliary Finance and Investment Services	111.1	15	6	24	0.48%
6420	Auxiliary Insurance Services	76.9	22	48	34	0.67%
6611	Passenger Car Rental and Hiring	7.9	55	19	126	2.50%
6619	Other Motor Vehicle and Transport Equipment Rental and Hiring	2.2	278	264	125	2.49%
6631	Heavy Machinery and Scaffolding Rental and Hiring	14.0	298	229	185	3.67%
6632	Video and Other Electronic Media Rental and Hiring	0.1	0	0	129	2.56%
6639	Other Goods and Equipment Rental and Hiring n.e.c.	10.5	171	158	172	3.42%
6640	Non-Financial Intangible Assets (Except Copyrights) Leasing	0.2	0	0	105	2.08%
6711	Residential Property Operators	9.7	437	432	144	2.85%
6712	Non-Residential Property Operators	83.0	109	58	69	1.36%
6720	Real Estate Services	235.1	35	40	37	0.73%
6910	Scientific Research Services	184.7	50	35	49	0.97%
6921	Architectural Services	73.3	16	30	20	0.40%
6922	Surveying and Mapping Services	25.5	38	28	50	1.00%
6923	Engineering Design and Engineering Consulting Services	495.2	29	33	31	0.61%
6924	Other Specialised Design Services	22.8	47	24	46	0.91%
6925	Scientific Testing and Analysis Services	16.0	66	114	57	1.13%
6931	Legal Services	255.6	28	26	39	0.78%
6932	Accounting Services	482.9	13	13	15	0.30%
6940	Advertising Services	21.2	48	70	39	0.78%
6950	Market Research and Statistical Services	12.8	0	1	26	0.51%
6961	Corporate Head Office Management Services	106.6	57	54	45	0.90%
6962	Management Advice and Related Consulting Services	1,021.5	15	23	24	0.47%
6970	Veterinary Services	54.3	572	248	182	3.62%
6991	Professional Photographic Services	4.0	53	2	60	1.19%
6999	Other Professional, Scientific and Technical Services n.e.c.	3.4	96	14	58	1.14%
7000	Computer System Design and Related Services	3,754.6	7	11	13	0.25%
7211	Employment Placement and Recruitment Services	204.3	63	67	74	1.47%
7212	Labour Supply Services	27.6	91	171	162	3.21%
7220	Travel Agency and Tour Arrangement Services	11.3	17	39	46	0.91%
7291	Office Administrative Services	208.7	48	43	62	1.24%
7292	Document Preparation Services	3.6	51	6	64	1.28%
7293	Credit Reporting and Debt Collection Services	6.0	0	1	58	1.14%
7294	Call Centre Operation	1.6	0	0	50	0.98%
7299	Other Administrative Services n.e.c.	32.1	46	147	55	1.10%
7311	Building and Other Industrial Cleaning Services	169.4	268	230	243	4.82%
7312	Building Pest Control Services	11.2	298	348	317	6.30%
7313	Gardening Services	24.8	503	458	413	8.20%
7320	Packaging Services	0.4	980	383	292	5.79%
7510	Central Government Administration	60.6	0	0	62	1.22%
7520	State Government Administration	23.2	0	0	103	2.04%
7530	Local Government Administration	0.1	0	0	75	1.49%
7552	Foreign Government Representation	55.5	117	163	140	2.79%
7600	Defence	0.6	0	15	113	2.24%
7712	Investigation and Security Services	114.7	141	176	192	3.80%
7714	Correctional and Detention Services	0.3	0	0	250	4.96%
7719	Other Public Order and Safety Services	10.9	231	808	259	5.14%
7720	Regulatory Services	0.1	0	95	173	3.43%
8010	Preschool Education	4.1	591	423	125	2.48%
8021	Primary Education	4.8	160	142	76	1.50%
8022	Secondary Education	23.7	91	28	74	1.47%
8023	Combined Primary and Secondary Education	486.5	125	81	80	1.60%
8024	Special School Education	0.5	0	0	82	1.62%
8101	Technical and Vocational Education and Training	54.0	94	55	93	1.85%
8102	Higher Education	52.5	59	77	53	1.04%
8211	Sports and Physical Recreation Instruction	26.7	156	92	93	1.85%
8212	Arts Education	9.8	125	111	96	1.90%
8219	Adult, Community and Other Education n.e.c.	23.1	190	100	73	1.44%
8220	Educational Support Services	13.3	31	23	44	0.87%
8401	Hospitals (Except Psychiatric Hospitals)	168.1	183	147	139	2.76%
8402	Psychiatric Hospitals	5.7	107	40	138	2.74%
8511	General Practice Medical Services	107.4	33	58	58	1.15%
8512	Specialist Medical Services	123.3	41	28	51	1.02%
8520	Pathology and Diagnostic Imaging Services	93.4	122	97	114	2.26%
8531	Dental Services	64.8	61	38	73	1.46%
8532	Optometry and Optical Dispensing	26.3	23	8	40	0.79%
8533	Physiotherapy Services	57.9	29	32	34	0.67%
8534	Chiropractic and Osteopathic Services	9.2	42	62	53	1.05%
8539	Other Allied Health Services	111.1	131	134	109	2.17%
8591	Ambulance Services	0.5	438	37	109	2.17%
8599	Other Health Care Services n.e.c.	95.4	163	135	113	2.24%
8601	Aged Care Residential Services	325.6	255	163	192	3.81%
8609	Other Residential Care Services	74.6	221	235	235	4.66%

8710	Child Care Services	291.8	317	198	220	4.36%
8790	Other Social Assistance Services	487.1	195	224	223	4.42%
8910	Museum Operation	4.7	95	15	67	1.33%
8921	Zoological and Botanical Gardens Operation	4.7	756	941	379	7.52%
8922	Nature Reserves and Conservation Parks Operation	0.2	0	854	406	8.06%
9001	Performing Arts Operation	2.9	309	226	140	2.79%
9002	Creative Artists, Musicians, Writers and Performers	4.8	88	77	129	2.55%
9003	Performing Arts Venue Operation	9.0	0	84	160	3.18%
9111	Health and Fitness Centres and Gymnasia Operation	54.8	125	89	129	2.56%
9112	Sports and Physical Recreation Clubs and Sports Professionals	38.7	121	121	99	1.96%
9113	Sports and Physical Recreation Venues, Grounds and Facilities Operation	22.4	255	128	161	3.20%
9114	Sports and Physical Recreation Administrative Service	32.7	43	59	62	1.23%
9129	Other Horse and Dog Racing Activities	1.1	1,112	3,532	1,597	31.71%
9131	Amusement Parks and Centres Operation	8.0	464	192	298	5.92%
9139	Amusement and Other Recreational Activities n.e.c.	4.0	446	802	295	5.86%
9201	Casino Operation	15.8	223	239	139	2.76%
9202	Lottery Operation	0.5	0	0	117	2.32%
9209	Other Gambling Activities	2.8	0	0	118	2.35%
9411	Automotive Electrical Services	4.9	0	0	123	2.45%
9412	Automotive Body, Paint and Interior Repair	49.9	92	202	182	3.61%
9419	Other Automotive Repair and Maintenance	64.6	134	162	204	4.04%
9421	Domestic Appliance Repair and Maintenance	6.0	111	310	148	2.95%
9422	Electronic (except Domestic Appliance) and Precision Equipment Repair and Maintenance	22.0	36	7	69	1.37%
9429	Other Machinery and Equipment Repair and Maintenance	10.6	77	27	115	2.29%
9491	Clothing and Footwear Repair	1.1	0	42	125	2.48%
9499	Other Repair and Maintenance n.e.c.	2.8	233	322	119	2.36%
9511	Hairdressing and Beauty Services	64.5	81	188	141	2.80%
9520	Funeral, Crematorium and Cemetery Services	4.2	642	1,171	330	6.56%
9531	Laundry and Dry-Cleaning Services	8.2	197	66	263	5.22%
9532	Photographic Film Processing	0.1	1,508	738	273	5.43%
9533	Parking Services	2.3	1,420	1,187	300	5.96%
9534	Brothel Keeping and Prostitution Services	0.9	231	217	301	5.97%
9539	Other Personal Services n.e.c.	10.4	592	579	331	6.57%
9540	Religious Services	51.0	70	58	70	1.38%
9551	Business and Professional Association Services	284.6	37	60	60	1.19%
9552	Labour Association Services	17.0	166	367	127	2.52%
9559	Other Interest Group Services n.e.c.	113.9	113	63	116	2.30%
9601	Private Households Employing Staff	1.2	251	75	133	2.65%

I Injury codes groupings

Table I.1 – Injury

Code	Major Group	Description
101	Intracranial injuries	Brain injury
108	Intracranial injuries	Other intracranial injury, not elsewhere classified
109	Intracranial injuries	Intracranial injury, unspecified
111	Fractures	Fractured skull and facial bones
112	Fractures	Fracture of vertebral column without mention of spinal cord lesion
118	Fractures	Other fractures, not elsewhere classified
119	Fractures	Fractures, unspecified
129	Wounds, lacerations, amputations and internal organ damage	Internal injury of chest, abdomen and pelvis
139	Wounds, lacerations, amputations and internal organ damage	Traumatic amputation
145	Wounds, lacerations, amputations and internal organ damage	Injury to major blood vessel
149	Wounds, lacerations, amputations and internal organ damage	Laceration or open wound not involving traumatic amputation
154	Wounds, lacerations, amputations and internal organ damage	Medical sharp/needle-stick puncture
159	Wounds, lacerations, amputations and internal organ damage	Superficial injury
169	Wounds, lacerations, amputations and internal organ damage	Contusion, bruising and superficial crushing
171	Burn	Electrical burn
172	Burn	Chemical burn
173	Burn	Cold burn
174	Burn	Hot burn
175	Burn	Friction burn
178	Burn	Combination burn or burn not elsewhere classified
179	Burn	Burns, unspecified
181	Injury to nerves and spinal cord	Quadriplegia involving spinal cord injury
182	Injury to nerves and spinal cord	Paraplegia involving spinal cord injury
188	Injury to nerves and spinal cord	Injuries to nerves and spinal cord, not elsewhere classified
189	Injury to nerves and spinal cord	Injuries to nerves and spinal cord, unspecified
201	Trauma to joints and ligaments	Dislocation
218	Trauma to joints and ligaments	Trauma to joints and ligaments, not elsewhere classified
219	Trauma to joints and ligaments	Trauma to joints and ligaments, unspecified
222	Trauma to muscles and tendons	Traumatic tearing away part of the muscle/tendon structure, avulsion
223	Trauma to muscles and tendons	Trauma to muscles
224	Trauma to muscles and tendons	Trauma to tendon
228	Trauma to muscles and tendons	Trauma to muscles and tendons, not elsewhere classified
229	Trauma to muscles and tendons	Trauma to muscles and tendons, unspecified
239	Residual soft tissue disorders due to trauma or unknown mechanisms	Soft tissue injuries due to trauma or unknown mechanisms with insufficient information to code elsewhere
301	Other injuries	Foreign body on external eye, in ear or nose or in respiratory, digestive or reproductive tract
302	Other injuries	Poisoning and toxic effects of substances
311	Other injuries	Electrocution, shock from electric current
312	Other injuries	Traumatic deafness from air pressure or explosion
313	Other injuries	Heat stress/heat stroke
314	Other injuries	Hypothermia and effects of reduced temperature
319	Other injuries	Effects of weather, exposure, air pressure and other external causes, not elsewhere classified
329	Other injuries	Multiple injuries
349	Other injuries	Other specified injuries, not elsewhere classified
399	Other injuries	Unspecified injuries

Table I.2 – Musculoskeletal

Code	Major Group	Description
401	Musculoskeletal and connective tissue diseases	Osteoarthritis/osteoarthrosis
402	Musculoskeletal and connective tissue diseases	Inflammatory arthritis/arthropathies
403	Musculoskeletal and connective tissue diseases	Infectious arthritis/arthropathies
404	Musculoskeletal and connective tissue diseases	Arthropathies, not elsewhere classified
405	Musculoskeletal and connective tissue diseases	Arthropathies, unspecified
406	Musculoskeletal and connective tissue diseases	Meniscus degenerate/detached/retained/chronic tear
407	Musculoskeletal and connective tissue diseases	Acquired musculoskeletal deformities
409	Musculoskeletal and connective tissue diseases	Other chronic joint and ligament diseases
418	Musculoskeletal and connective tissue diseases	Joint and other articular cartilage diseases, not elsewhere classified
419	Musculoskeletal and connective tissue diseases	Joint and other articular cartilage diseases, unspecified
422	Musculoskeletal and connective tissue diseases	Disc displacement, prolapse, degeneration or hernia
423	Musculoskeletal and connective tissue diseases	Infectious diseases involving the spine
459	Musculoskeletal and connective tissue diseases	Back pain, lumbago, and sciatica
479	Musculoskeletal and connective tissue diseases	Neck pain, cervicalgia
488	Musculoskeletal and connective tissue diseases	Spinal vertebrae and intervertebral discs diseases, not elsewhere classified
489	Musculoskeletal and connective tissue diseases	Spinal vertebrae and intervertebral discs diseases, unspecified
501	Musculoskeletal and connective tissue diseases	Synovitis and tenosynovitis
503	Musculoskeletal and connective tissue diseases	Ganglion, trigger finger, Dupuytren's contracture
518	Musculoskeletal and connective tissue diseases	Diseases of synovium and related tissue, not elsewhere classified
519	Musculoskeletal and connective tissue diseases	Diseases of synovium and related tissue, unspecified
526	Musculoskeletal and connective tissue diseases	Tendinitis
527	Musculoskeletal and connective tissue diseases	Epicondylitis
531	Musculoskeletal and connective tissue diseases	Frozen shoulder (adhesive capsulitis)
532	Musculoskeletal and connective tissue diseases	Fasciitis
533	Musculoskeletal and connective tissue diseases	Muscle/tendon strain (non-traumatic)
538	Musculoskeletal and connective tissue diseases	Diseases of muscle, tendon and related tissue, not elsewhere classified
539	Musculoskeletal and connective tissue diseases	Diseases of muscle, tendon and related tissue, unspecified
541	Musculoskeletal and connective tissue diseases	Bursitis
542	Musculoskeletal and connective tissue diseases	Occupational overuse syndrome
548	Musculoskeletal and connective tissue diseases	Fibromyalgia, fibrositis and myalgia
557	Musculoskeletal and connective tissue diseases	Complex regional pain syndrome
568	Musculoskeletal and connective tissue diseases	Other specified soft tissue diseases, not elsewhere classified
571	Musculoskeletal and connective tissue diseases	Osteopathies and chondropathies
579	Musculoskeletal and connective tissue diseases	Soft tissue diseases due to non-traumatic causes with insufficient information to code in groups H3 to H5
599	Musculoskeletal and connective tissue diseases	Musculoskeletal and connective tissue diseases, unspecified

Table I.3 – Mental health

Code	Major Group	Description
702	Mental diseases	Post-traumatic stress disorder
703	Mental diseases	Anxiety/stress disorder
704	Mental diseases	Depression
705	Mental diseases	Anxiety/depression combined
706	Mental diseases	Short term shock from exposure to disturbing circumstances
707	Mental diseases	Reaction to stressors - other, multiple or not specified
718	Mental diseases	Other mental diseases, not elsewhere classified
719	Mental diseases	Mental diseases unspecified

Table I.4 – Diseases

Code	Major Group	Description
721	Digestive system diseases	Hernias
722	Digestive system diseases	Ulcers and gastritis
738	Digestive system diseases	Diseases of the digestive system, not elsewhere classified.
739	Digestive system diseases	Diseases of the digestive system, unspecified.
741	Skin and subcutaneous tissue diseases	Contact dermatitis
742	Skin and subcutaneous tissue diseases	Other and unspecified dermatitis or eczema
758	Skin and subcutaneous tissue diseases	Other diseases of skin and subcutaneous tissue, not elsewhere classified
759	Skin and subcutaneous tissue diseases	Diseases of skin and subcutaneous tissue, unspecified.
761	Nervous system and sense organ diseases	Diseases of the brain, spinal cord and peripheral nervous system
762	Nervous system and sense organ diseases	Diseases of nerve roots, plexuses and single nerves
763	Nervous system and sense organ diseases	Carpal tunnel syndrome
764	Nervous system and sense organ diseases	Diseases of the conjunctiva and cornea
769	Nervous system and sense organ diseases	Other diseases of the eye
771	Nervous system and sense organ diseases	Deafness
772	Nervous system and sense organ diseases	Audio shock, audio shriek
777	Nervous system and sense organ diseases	Other diseases of the ear and mastoid process
778	Nervous system and sense organ diseases	Diseases of the nervous system and sense organs, not elsewhere classified
779	Nervous system and sense organ diseases	Diseases of the nervous system and sense organs, unspecified
781	Respiratory system diseases	Asthma
782	Respiratory system diseases	Legionnaires' disease
783	Respiratory system diseases	Asbestosis
784	Respiratory system diseases	Silicosis
785	Respiratory system diseases	Pneumoconiosis due to coal dust
786	Respiratory system diseases	Pneumoconiosis excluding asbestosis, silicosis and coal workers' pneumoconiosis
787	Respiratory system diseases	Other respiratory conditions due to substances
788	Respiratory system diseases	Chronic bronchitis, emphysema and allied conditions
798	Respiratory system diseases	Other diseases of the respiratory system, not elsewhere classified
799	Respiratory system diseases	Other diseases of the respiratory system, unspecified
801	Circulatory system diseases	Ischaemic heart disease
802	Circulatory system diseases	Other heart disease excluding ischaemic heart disease
803	Circulatory system diseases	Cerebrovascular disease
804	Circulatory system diseases	Arterial disease
805	Circulatory system diseases	Vibration white finger - secondary Raynaud's Disease
806	Circulatory system diseases	Hypertension
807	Circulatory system diseases	Venous thromboembolism
808	Circulatory system diseases	Venous disease, not elsewhere classified
818	Circulatory system diseases	Other diseases of the circulatory system, not elsewhere classified
819	Circulatory system diseases	Other diseases of the circulatory system, unspecified
821	Infectious and parasitic diseases	Intestinal infectious diseases
822	Infectious and parasitic diseases	Anthrax
823	Infectious and parasitic diseases	Brucellosis
824	Infectious and parasitic diseases	Q-fever
825	Infectious and parasitic diseases	Leptospirosis
826	Infectious and parasitic diseases	Other zoonoses, not elsewhere classified
827	Infectious and parasitic diseases	Protozoal diseases
828	Infectious and parasitic diseases	Specified sexually transmitted diseases excluding HIV/AIDS
831	Infectious and parasitic diseases	Hepatitis A
832	Infectious and parasitic diseases	Hepatitis B
833	Infectious and parasitic diseases	Hepatitis C
834	Infectious and parasitic diseases	Viral hepatitis, not elsewhere classified or unspecified
835	Infectious and parasitic diseases	Human immunodeficiency virus (HIV)/AIDS
837	Infectious and parasitic diseases	Fungal conditions (mycoses)
836	Infectious and parasitic diseases	Viral diseases, not classified elsewhere.
838	Infectious and parasitic diseases	Meningococcal disease
848	Infectious and parasitic diseases	Infectious and parasitic diseases, not elsewhere classified
849	Infectious and parasitic diseases	Infectious and parasitic diseases, unspecified
861	Neoplasms (cancer)	Malignant neoplasm of mesothelium (mesothelioma)
862	Neoplasms (cancer)	Malignant melanoma of skin
863	Neoplasms (cancer)	Other malignant neoplasm of skin
864	Neoplasms (cancer)	Malignant neoplasm of lymphatic and haematopoietic tissue
865	Neoplasms (cancer)	Carcinoma in situ of skin
866	Neoplasms (cancer)	Other malignant neoplasms and carcinomas
867	Neoplasms (cancer)	Benign neoplasm of skin
868	Neoplasms (cancer)	Other benign neoplasms
879	Neoplasms (cancer)	Neoplasm, not specified as benign or malignant
941	Other diseases	Other diseases, not elsewhere classified
949	Other diseases	Unspecified diseases

Table I.5 – Other

Code	Major Group	Description
951	Other claims	Exposure to substances without current injury or disease apparent
961	Other claims	Damage to artificial aid(s)
999	Other claims	Not Known

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