

MEDIA CLIPPING

HEADLINE: **WA's Government insurance warns of blowout in public sector compensation claims**

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The State Government insurer has warned that an alarming blowout in public service workers compensation is expected to cost WA an extra \$300 million over the next four years.

The Insurance Commission of WA remains in ongoing talks with the Government and government departments about how to rein in the claims, which resulted in 302,710 lost working days last financial year and saw ICWA pay out \$279m in compensation.

ICWA chief executive Rod Whithear said the claim rates were "really starting to get out of hand", noting that claimants were being paid more and spending more time off work.

That in turn has pushed up insurance premiums for government departments.

"There are a lot of public sector positions where we are actually paying two wages to have that one job done, because we are paying the wages of the person on workers' compensation and the wages of the replacement," Mr Whithear said. "It's an expensive way to run a government department."

The blowout in claims is laid bare in ICWA's annual report, which also discloses that the statutory corporation rebounded from a small loss for 2019-20 to a \$1.1 billion net profit in the year to June 30 following a bumper 17.65 per cent return on its \$7b investment portfolio.

ICWA's RiskCover, which covers insurance arrangements for State Government bodies, paid \$276.9m in claims for the 12 months, up 5.7 per cent on a year earlier, with 7185 active claims in the fund as June 30. But the average size of finalised claims also rose another 9.2 per cent, to \$38,684, and has now risen nearly 20 per cent over the past two years.

Mr Whithear said that as a result of the increases, ICWA was budgeting for a \$279m cumulative increase in workers' compensation costs over the next four years that would increase annual payouts to nearly \$400m.

Five years ago, 65 per cent of government sector workplace injuries resulted in time off work. Last year, it was 73 per cent. The proportion of severe lost time injury claims resulting in 60 days or more off work has also increased over the period, from 18.7 per cent to 27.6 per cent.

Education assistants (810), prison officers (453) and nurses (453) accounted for the most claimants by job last year. Claims from nurses, who have been at the forefront of the pandemic, were up 13 per cent on a year earlier. Claims from education assistants, many of whom help children with learning difficulties or severe disabilities, jumped 23 per cent.

Mental stress continues to be overrepresented in the government sector. While the public sector accounts for just 8.5 per cent of the State's workforce, its workers filed 55 per cent of the State's claims for mental stress last year. The 509 claims were up 11 per cent on a year earlier.

ICWA funds its obligations from a combination of investment returns and premiums for third-party injury insurance levied on the State's 1.9 million drivers for their three million registered vehicles.

Claims payments last financial year to people injured in car crashes rose \$5.1m to \$484.8m.