

Evaluating the impact of workers' compensation policy in Australia using insurance claims data and comparative quasi-experimental methods

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Australia, like the USA, has state-based workers' compensation (WC) systems that provide income support, healthcare and rehabilitation for injured and ill workers. The eleven major Australian WC systems provide coverage for over 90% of the labor force and accept approximately one quarter of a million new claims per annum. Governments commonly use changes in scheme design (most often enacted through legislative amendment) to influence WC system performance including rates of claiming, costs and return to work (RTW) outcomes. Using a national, longitudinal, case level dataset of WC insurance claims data, we evaluated the impact of multiple, state level legislative amendments. The impact of legislative amendments in the states of South Australia (year of 2009), Tasmania (2010), Victoria (2010) and New South Wales (2012) were evaluated using interrupted time series analysis. Outcomes included volume and incidence of accepted WC claims, employer and insurer claim processing timeframes, and duration of work disability. Major findings include (1) the Tasmanian amendments designed to improve RTW outcomes failed; (2) the South Australian amendments designed to encourage early employer claim lodgment were partially effective; (3) the New South Wales amendments designed to ensure the financial viability of the WC scheme reduced access to benefits and disproportionately affected workers with occupational disease and mental health conditions; (4) the Victorian amendments designed to increase benefit generosity led to an increase in claims and longer duration of disability. Study findings demonstrate both intended and unintended consequences of WC system reform, and provide an evidence base for future reform.

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