

# SIRA Discussion paper – measuring return to work (RTW)

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# 1. Discussion paper – measuring return to work

## 1.1 Context and background

The purpose of this discussion paper is to articulate how the State Insurance Regulatory Authority (SIRA) currently measures return to work (RTW) and to seek input from stakeholders about how measurement of RTW could be strengthened across the schemes we regulate.

The objectives of the workers compensation system are set out in section 3 of the Workplace Injury Management and Workers Compensation Act 1998 and include:

- provide prompt treatment and rehabilitation to assist injured workers to return to work

Similarly, one of the objectives of the Motor Accident Injuries Act 2017 is to:

- encourage early and appropriate treatment and care to achieve optimum recovery of persons from injuries sustained in motor accidents and to maximise their return to work or other activities.

In addition, Safe Work Australia, (an Australian government body established in 2008 to develop national policy relation to work health and safety, and workers compensation) has launched a ten-year National RTW Strategy to commence in 2020.

An element of the National RTW Strategy is to develop richer multi-faceted RTW measures to understand and influence barriers and enablers to achieving positive RTW outcomes. It will also facilitate more comprehensive national benchmarking. NSW will be well positioned to inform these measures through the work done by SIRA.

SIRA considers RTW performance as a key metric for the system performance. In response to a recommendation from the Legislative Council Standing Committee on Law and Justice on improving measurement of RTW, in 2017 the NSW Government response said “SIRA will undertake to develop a multi-layered approach to measure system-wide return to work performance that will provide more consistent and complete analysis and reporting of return to work outcomes.” The measures outlined from 5.2 – 5.6 in this paper were developed in response to the recommendation from the Legislative Council Standing Committee on Law and Justice.

SIRA has worked to collect clearer and more comprehensive data on return to work and now uses a range of measures and is developing more metrics that will be discussed in this paper. In particular, in workers compensation SIRA uses the “work status measure” which records the work status of a worker at a point in time (4, 13, 26 weeks). It is reported by insurers to SIRA and includes information on whether or not a worker has returned to work in either suitable work or pre-injury work or has not returned to work and ceased payments for other reasons such as retirement.

Historically RTW was primarily measured in the NSW workers compensation system by measuring cessation of weekly payments. However, in response to stakeholder concerns, SIRA no longer relies on this measure as a proxy for RTW.

## State Insurance Regulatory Authority

SIRA is responsible for the regulatory functions in relation to workers compensation insurance, motor accidents compulsory third party (CTP) insurance and home building compensation. SIRA is responsible for developing the policy and guidance regarding (RTW) and measuring how the schemes are performing in terms of RTW.

## 2. Why is returning to work and measuring RTW important?

The impact of delayed return to work on injured people is a serious concern. There is a strong body of empirical evidence that the longer an injured worker is away from work, the less likely they are to ever return to work.

Work disability has serious consequences<sup>1</sup>. Delaying returning to work can hinder a worker's overall recovery<sup>2</sup>, this is particularly the case for people with mental illness<sup>3</sup>. Work is a powerful determinant of health, and thus, re-entering the workforce can aid recovery and shorten the duration of treatment<sup>4</sup>. The evidence of the health benefits of work is clear, where returning to work or remaining at work during recovery following injury or illness is an important component of rehabilitation and an important marker of functional recovery<sup>5</sup>.

Workers who are not adequately supported to return to work may unnecessarily experience long term worklessness, which is empirically associated with increased morbidity and mortality. Delayed return to work creates potential for longer term harm to the health outcomes of injured workers.

Compensation systems must enable and support a worker to recover at work and stay connected to their workplace wherever there is good, safe, suitable work they can undertake as part of their return to work plan.

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<sup>1</sup> van Vilsteren M, van OostromSH, de Vet HCW, et al. (2015). The Cochrane Collaboration Workplace interventions to prevent work disability in workers on sick leave (Review)

<sup>2</sup> The Australasian Faculty of Occupational & Environmental Medicine (Nov 2015) Realising the health benefits of work - An evidence update.

<sup>3</sup> SWA 2018, *Taking Action: A best practice framework for the management of psychological claims for the Australian workers' compensation sector*, <https://www.safeworkaustralia.gov.au/system/files/documents/1902/taking-action-framework-2018.pdf>

<sup>4</sup> The Australasian Faculty of Occupational & Environmental Medicine (Nov 2015) Realising the health benefits of work - An evidence update.

<sup>5</sup> The Australasian Faculty of Occupational & Environmental Medicine (Nov 2015), Realising the health benefits of work - An evidence update.

Evidence has consistently shown that encouraging and accommodating people to remain in the workforce/active while recovering from illness or injury facilitates shorter recovery times and prevents or reduces disability.

Measuring RTW provides a way to determine the effectiveness of the system in supporting workers to RTW. SIRA uses a comprehensive suite of multi-layered RTW measures to enable a greater depth of analysis and 360-degree view to understand the range of factors that affect RTW. These measures are outlined further below and include shorter term measures to determine the effectiveness and timeliness of early intervention strategies of stakeholders such as employers, insurers and service providers, while longer term measures such as durability of RTW, are measures of a sustainable RTW.

The RTW experience is different for individuals and across occupations and industries. A multi-metrics approach aims to measure RTW in a holistic way and responses to this paper may further inform development of new measures to ensure ongoing improvement in this area, with the aim of driving better RTW outcomes for workers and employers.

## **NSW Workers compensation scheme**

SIRA measures RTW in many ways throughout an injured person's claim and afterwards.

In doing so SIRA seeks to understand and monitor RTW performance including the effectiveness of early intervention and longer-term support. Measures are typically used at:

- four weeks which provides a picture of the effectiveness of early intervention and preventing a claim from become long-term
- 13 weeks as this timeframe marks a potential decrease in weekly payments for most workers and evidence shows most workers will have returned to work at this stage
- 26 weeks as this is a step down in weekly payments for exempt<sup>6</sup> workers
- 52 weeks as this is a further indicator of a likely requirement for longer term support

SIRA has identified a trend of deteriorating RTW rates in 2019 when compared with the same reporting periods in 2018, 2017 and 2016. SIRA is investigating the causes and providing direction to insurers regarding data quality and performance.

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<sup>6</sup>'exempt worker' refers to specific classes of workers for which most of the amendments made to the Workers Compensation Acts in 2012 and 2015 do not apply. Exempt workers include, police officers, paramedics and fire fighters.

## NSW CTP Scheme:

The NSW CTP scheme was reformed in 2017, with the *Motor Accident Injuries Act 2017* which commenced on 1 December 2017. SIRA has a strong focus on data and analysis of CTP insurer performance. More than half of the number of injured people in the scheme are of working age, so encouraging and measuring RTW is important in improving outcomes for people injured in motor vehicle accidents as well as for those who are injured at work.

SIRA will work to develop RTW measures for the CTP scheme. Feedback from this discussion paper will assist this process.

## 3. Open data

SIRA is committed to providing data on the performance of the workers compensation system that is accessible and transparent to all stakeholders.

In September 2019 SIRA's open data reporting went live on the SIRA website reporting workers compensation data as at 30 June 2019. RTW is one element of the open data reporting that provides a breakdown of RTW measures for the system as a whole, by insurer type, industry and RTW period. There is a specific page to benchmark RTW performance by insurer types and industry with performance data going back to July 2016.

## 4. Key considerations

SIRA measures and reports RTW in the workers compensation system using several methods based on claims data reported by insurers. These measures primarily use the *work status code*. CTP insurers also use the *work status code* so these measures will be refined to apply to the CTP scheme.

SIRA is also considering how it measures outcomes for people who are not workers/earners. These people may be focusing on getting their lives back on track so a return to usual activities measure is being explored. This measure will complement RTW measures but is out of scope for this paper.

SIRA will also undertake additional measurement using surveys of worker/injured person and policy holder experience.

## 5. Measures

### 5.1 RTW rate – work status measure

This measure reports the percentage of workers who have been off work for at least one day as a result of their work-related injury/illness and have returned to work in any capacity based on work status codes<sup>7</sup> 1,2,3 or 4 at 4 - weeks, 13 - weeks, 26- weeks and 52- weeks from the date the claim was entered into the insurer's system. The cohort for each RTW measure is based on claims reported in a 12-month period.

SIRA primarily measures RTW from the date the claim was entered into the insurer's system consistently across all insurers as it is the date from which an insurer can influence RTW.

Calculation of each RTW rate allows for a lag period for claim development to determine whether the workers have returned to work in any capacity following a work-related injury or illness. The lag time allowed is equivalent to the time period of the measure. For example, an additional 28 days (4 weeks) is allowed for the 4-week RTW rate; an additional 91 days (13 weeks) is allowed for the 13-week RTW rate; an additional 182 days (26 weeks) is allowed for the 26-week RTW rate and an additional 364 days (52 weeks) is allowed for the 52-week RTW rate.

This measure has been used consistently by SIRA since 2015 and is reported in

- [Workers compensation system performance report](#)
- [Monthly dashboard](#)
- [Open data](#)

Table 1 show the most current RTW rates by insurer using the work status measure by insurer type and from date entered into the insurer's system (DEIS).

**Table 1. RTW percentage using work status measure by insurer type from DEIS as at 31/10/19.**

	Nominal Insurer	Government self insurers	Specialised insurers	Self insurers	Total
<b>4 weeks</b>	59%	71%	72%	69%	<b>62%</b>
<b>13 weeks</b>	73%	83%	82%	78%	<b>76%</b>
<b>26 weeks</b>	79%	87%	86%	83%	<b>81%</b>
<b>52 weeks</b>	85%	90%	88%	86%	<b>87%</b>

<sup>7</sup> \***1** = working same employer - full work capacity; **2** = working same employer - current work capacity; **3** = working different employer - full capacity; **4** =- working different employer - current work capacity.

Table 2 shows the same measure, but this time calculated from the worker's date of injury (DOI).

Note: the **average delay** from DOI to date entered into insurers system for the RTW (DOI) cohort is 21 days for 4 weeks, 21 days for 13 weeks and 22 days for 26 weeks. The median from DOI to date entered into insurer's system for the RTW (DOI) cohort is 5 days for 4 weeks, 13 weeks and 26 weeks.

**Table 2. RTW percentage using work status measure by insurer type from DOI as at 31/10/19.**

	Nominal Insurer	Government self insurers	Specialised insurers	Self insurers	Total
<b>4 weeks</b>	58%	72%	74%	72%	<b>62%</b>
<b>13 weeks</b>	73%	83%	83%	79%	<b>76%</b>
<b>26 weeks</b>	79%	88%	86%	83%	<b>81%</b>
<b>52 weeks</b>	85%	90%	88%	86%	<b>87%</b>

## 5.2 Durability of RTW rate

This measure reports RTW work status based on the percentage of workers who have returned to work in any capacity for at least 3 consecutive months, measured at 12 months from the date the claim was entered into the insurers system.

This measure is reported in:

- Workers Compensation System Performance Report

Table 3 shows the durability of RTW over four financial years, by insurer type and the total for the system. Note: the data reported for 2017/18 is measured at 30 June 2019 as there is a 12-month development period for this data.

**Table 3. Durability of RTW rate.**

Year	Nominal Insurer	Government self insurers	Specialised insurers	Self insurers	Total
<b>2014/15</b>	87%	88%	91%	89%	<b>88%</b>
<b>2015/16</b>	94%	92%	95%	94%	<b>94%</b>
<b>2016/17</b>	93%	93%	93%	93%	<b>93%</b>
<b>2017/18</b>	91%	92%	91%	94%	<b>92%</b>

## 5.3 Stayed at work rate

This rate is the percentage of workers who have made a claim but have not ceased working as a result of their work-related injury/illness. This includes workers who may be at work on reduced hours, or modified duties. The Stayed at Work rate is calculated as the proportion of workers who made a claim within a 12- month period and did not cease work due to the injury / disease as a percentage of all claims reported within that 12- month period. The measure is based on the work status code and where the date ceased work code is null.

It is assumed that workers who stayed at work were able to do so either because their injury / illness did not reduce their capacity to work at their pre- injury employment, or that their employer was able to make accommodations for any reduction in their capacity to work (i.e. provide modified duties and/or modified hours) such that they could continue to work.

This measure is reported in:

- [Workers compensation system performance report](#)

Data for the last five financial years by insurer type for this measure is outlined in table 4. Note: the data reported for 2018/19 is measured at 30 September 2019 as there is a three month development period for this data.

**Table 4. Stayed at work rate for four financial years**

Year	Nominal Insurer	Government self insurers	Specialised insurers	Self insurers	Total
2014/15	42%	66%	44%	39%	<b>44%</b>
2015/16	42%	60%	50%	36%	<b>44%</b>
2016/17	42%	61%	51%	35%	<b>43%</b>
2017/18	37%	64%	49%	37%	<b>40%</b>
2018/19	39%	65%	49%	33%	<b>41%</b>

## 5.4 Maintaining significant RTW periods

Workers are considered as having returned to work for significant periods where they are reported to be at work for at least nine out of the 12 months following their initial return to work.

This measure was created in response to the Legislative Council Standing Committee on Law and Justice recommendation and also uses the work status code. It is reported in:

- [Workers compensation system performance report](#)

Table 5. Maintained RTW

Maintained RTW	% of claims in 2017/18				
	Nominal Insurer	Government self insurers	Specialised insurers	Self insurers	Total
Maintained RTW for 12 months	82.69%	85.02%	85.43%	82.21%	<b>83.29%</b>
Maintained RTW for 9-11 months	8.84%	9.25%	7.58%	9.57%	<b>8.87%</b>
Maintained RTW for 6-8 months	3.45%	2.38%	2.76%	3.38%	<b>3.20%</b>
Maintained RTW for 3 - 5 months	2.18%	1.73%	1.80%	2.85%	<b>2.10%</b>
Maintained RTW for less than 3 months	2.84%	1.62%	2.43%	1.98%	<b>2.54%</b>

## 5.5 RTW including medical only claimants' (Working rate)

The working rate measure is a combination of two measures: the RTW rate work status measure and the Stayed at work rate. This measure includes workers who have had at least one day off work as well as workers who have not ceased work.

This measure also allows an insurer type comparison of workers who are at work at four, 13 and 26 week intervals from the date the claim is entered into the insurer's system. The graphs in figures 1,2 and 3 show the data at 4, 13 and 26 weeks respectively as at August 2019.

This measure is reported in:

- [Monthly dashboard](#)

Figure 1.

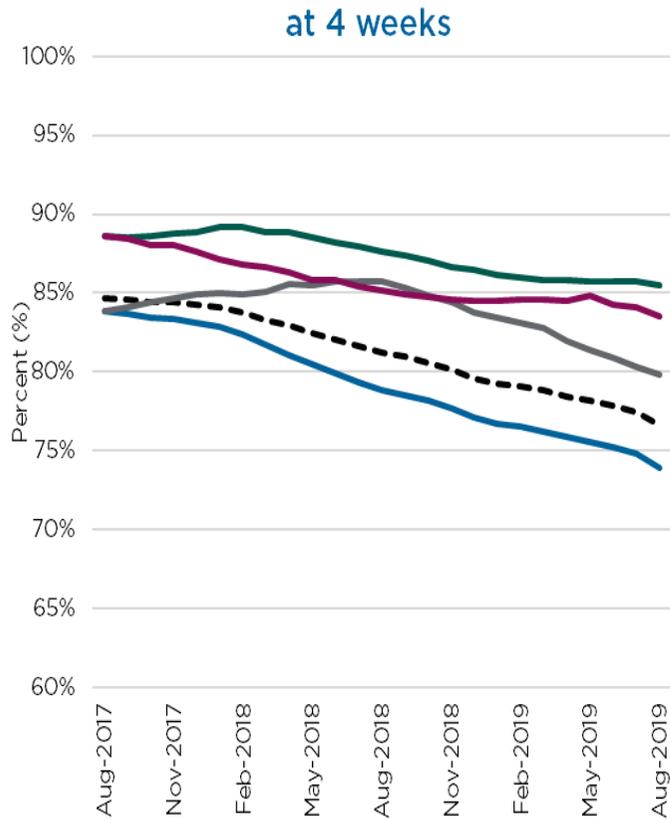


Figure 2.

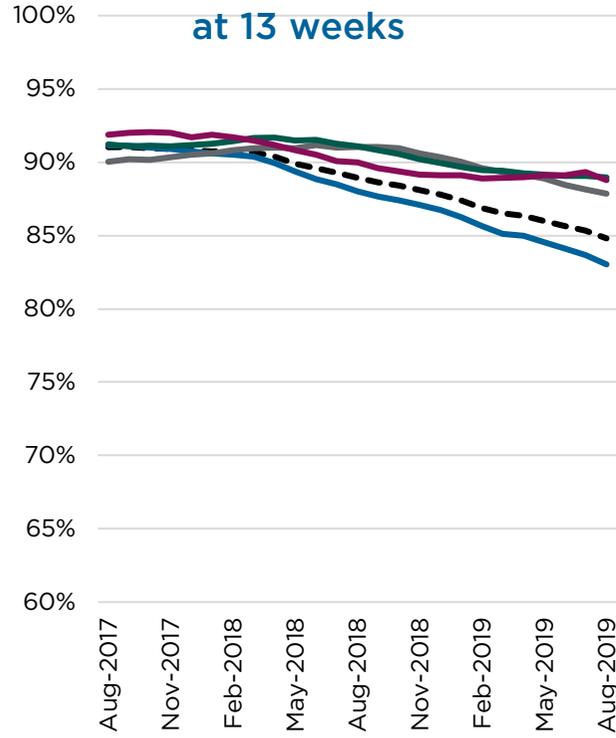
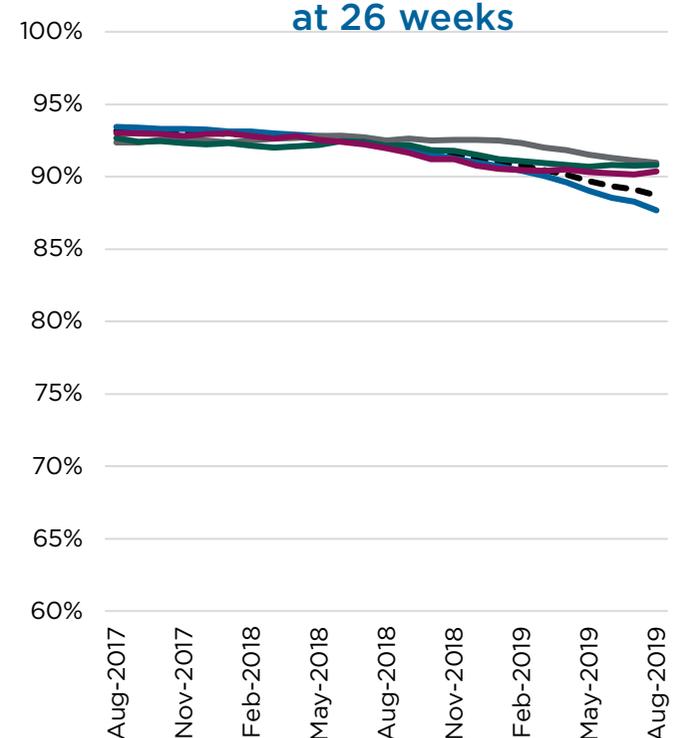


Figure 3.



System average
  Nominal insurer
  Government self insurer (TMF)
  Self insurers
  Specialised insurers

## 5.6 Additional measures

SIRA also publishes additional measures as part of its regulatory oversight, monitoring all facets of scheme performance and customer experience. This includes both lead and lag indicators that are used in conjunction with the RTW measure. Some of the additional system performance measures that supplement the RTW measures include:

- **Cost to the system for weekly payments paid per month.** This is the rawest form of monitoring RTW performance based on insurer submission and payments they made. It is a 25 months trend measure of weekly payments. Refer to Table 6 below:

**Table 6. Weekly payments paid per month**

Weekly payments paid per month* - NSW system as at September 2019					
Month	Nominal insurer	Government self-insurers (TMF)	Specialised insurers	Self insurers	Total
Sep 2017	\$49,456,515	\$20,350,267	\$3,019,955	\$4,699,921	\$77,526,657
Oct 2017	\$55,994,470	\$19,760,452	\$2,985,591	\$5,115,970	\$83,856,484
Nov 2017	\$48,505,178	\$21,306,200	\$3,561,725	\$4,871,475	\$78,244,579
Dec 2017	\$52,562,530	\$20,571,855	\$3,982,673	\$4,826,027	\$81,943,086
Jan 2018	\$52,765,320	\$22,748,064	\$3,790,171	\$4,202,231	\$83,505,786
Feb 2018	\$50,053,002	\$20,578,700	\$2,878,432	\$3,980,919	\$77,491,053
Mar 2018	\$52,762,117	\$21,773,838	\$3,719,904	\$4,987,844	\$83,243,703
Apr 2018	\$52,164,936	\$20,872,045	\$3,239,873	\$4,550,426	\$80,827,280
May 2018	\$60,894,991	\$25,184,437	\$4,257,203	\$5,396,767	\$95,733,397
Jun 2018	\$56,861,996	\$22,359,213	\$4,238,345	\$4,792,292	\$88,251,847
Jul 2018	\$61,250,906	\$21,083,149	\$3,616,389	\$4,882,195	\$90,832,638
Aug 2018	\$71,236,012	\$24,971,216	\$4,610,422	\$4,802,286	\$105,619,937
Sep 2018	\$62,999,272	\$22,485,696	\$4,065,217	\$5,134,440	\$94,684,625
Oct 2018	\$62,822,001	\$25,129,777	\$3,915,489	\$5,383,074	\$97,250,340
Nov 2018	\$66,416,020	\$24,704,280	\$4,425,298	\$5,270,890	\$100,816,487
Dec 2018	\$68,972,380	\$23,538,214	\$4,327,462	\$4,772,307	\$101,610,363
Jan 2019	\$67,323,006	\$24,852,579	\$4,324,195	\$5,651,552	\$102,151,332
Feb 2019	\$62,378,211	\$23,558,551	\$4,007,492	\$4,779,116	\$94,723,369
Mar 2019	\$66,080,623	\$23,953,002	\$3,808,902	\$5,550,709	\$99,393,236
Apr 2019	\$68,138,749	\$26,071,938	\$4,037,151	\$4,725,184	\$102,973,022
May 2019	\$75,124,722	\$28,727,393	\$5,602,697	\$6,714,405	\$116,169,217
Jun 2019	\$68,884,774	\$27,042,723	\$4,692,724	\$5,832,046	\$106,452,267
Jul 2019	\$81,639,373	\$29,806,079	\$5,488,473	\$6,101,385	\$123,035,310
Aug 2019	\$75,541,353	\$28,765,679	\$4,335,487	\$5,620,710	\$114,263,229
Sep 2019	\$77,402,581	\$27,083,018	\$4,623,544	\$5,595,655	\$114,704,799

\*To ensure consistency across the time series, the table excludes workers who ceased weekly payments as a result of section 39 of the 1987 Act from September 2017 to June 2018.

- **Number of workers receiving weekly payments per month.** This is a 25 months trend measure of the number of claims on weekly payments by insurer type. The

measure excludes workers who ceased weekly payments from September 2017 to June 2018 due to section 39 of the 1987 Act. Refer to Table 7 below:

**Table 7. Number of workers receiving weekly payments per month**

Workers receiving weekly payments per month* - NSW system as at September 2019					
Month	Nominal insurer	Government self-insurers (TMF)	Specialised insurers	Self insurers	Total
Sep 2017	14,298	5,832	1,145	1,657	22,932
Oct 2017	15,031	5,781	1,109	1,610	23,531
Nov 2017	14,583	6,003	1,131	1,656	23,373
Dec 2017	15,134	5,775	1,116	1,680	23,705
Jan 2018	14,642	5,819	1,089	1,549	23,099
Feb 2018	14,368	5,723	1,044	1,575	22,710
Mar 2018	15,046	5,975	1,225	1,746	23,992
Apr 2018	14,767	6,008	1,083	1,612	23,470
May 2018	15,917	6,466	1,257	1,764	25,404
Jun 2018	15,905	6,286	1,453	1,756	25,400
Jul 2018	16,255	6,091	1,180	1,681	25,207
Aug 2018	17,856	6,412	1,286	1,636	27,190
Sep 2018	17,207	6,364	1,299	1,664	26,534
Oct 2018	16,919	6,783	1,258	1,830	26,790
Nov 2018	17,943	6,470	1,274	1,790	27,477
Dec 2018	18,093	6,336	1,226	1,672	27,327
Jan 2019	18,573	6,483	1,250	1,701	28,007
Feb 2019	18,002	6,499	1,337	1,699	27,537
Mar 2019	17,641	6,653	1,354	1,865	27,513
Apr 2019	17,621	6,926	1,269	1,745	27,561
May 2019	18,854	7,047	1,559	1,945	29,405
Jun 2019	19,129	6,963	1,601	1,927	29,620
Jul 2019	20,090	7,193	1,474	1,984	30,741
Aug 2019	19,769	7,058	1,365	1,860	30,052
Sep 2019	21,179	7,159	1,442	1,849	31,629

\*To ensure consistency across the time series, the table excludes workers who ceased weekly payments as a result of section 39 of the 1987 Act from September 2017 to June 2018.\*

**Percentage of workers at work at 4, 13 and 26 weeks.** This is a variation of the RTW rate – work status measure. The measure includes medical only claims who never left work and allows an insurer type comparison of workers who are at work at 4, 13 and 26 week intervals from the date the claims entered into the insurers system. Refer to table 8 below:

Table 8 Percentage of workers at work at 4, 13 and 26 weeks

Month	Percentage of workers at work at 4, 13 and 26 weeks														
	4 Week					13 Week					26 Week				
	Nominal insurer	Gov self insurer (TMF)	Specialised insurers	Self insurers	System average	Nominal insurer	Gov self insurer (TMF)	Specialised insurers	Self insurers	System average	Nominal insurer	Gov self insurer (TMF)	Specialised insurers	Self insurers	System average
Sep 2017	83.72%	84.11%	88.44%	88.49%	84.58%	91.11%	90.19%	92.01%	91.07%	91.02%	93.36%	92.33%	92.98%	92.41%	<b>93.07%</b>
Oct 2017	83.47%	84.43%	88.03%	88.63%	84.45%	91.02%	90.18%	92.04%	91.14%	90.97%	93.28%	92.51%	92.94%	92.43%	<b>93.05%</b>
Nov 2017	83.36%	84.66%	88.00%	88.80%	84.42%	90.91%	90.36%	91.99%	91.10%	90.92%	93.29%	92.53%	92.79%	92.32%	<b>93.04%</b>
Dec 2017	83.11%	84.96%	87.63%	88.88%	84.29%	90.75%	90.53%	91.70%	91.17%	90.83%	93.25%	92.47%	92.95%	92.24%	<b>93.01%</b>
Jan 2018	82.88%	84.99%	87.17%	89.15%	84.13%	90.60%	90.59%	91.84%	91.26%	90.75%	93.13%	92.37%	92.97%	92.32%	<b>92.92%</b>
Feb 2018	82.34%	84.90%	86.77%	89.23%	83.73%	90.53%	90.82%	91.70%	91.45%	90.75%	93.13%	92.51%	92.81%	92.13%	<b>92.91%</b>
Mar 2018	81.69%	85.09%	86.65%	88.88%	83.28%	90.39%	90.95%	91.48%	91.64%	90.68%	93.01%	92.65%	92.60%	91.99%	<b>92.83%</b>
Apr 2018	81.09%	85.62%	86.35%	88.82%	82.94%	89.97%	91.01%	91.15%	91.68%	90.38%	92.91%	92.67%	92.79%	92.07%	<b>92.78%</b>
May 2018	80.50%	85.53%	85.86%	88.51%	82.46%	89.36%	90.94%	90.85%	91.50%	89.93%	92.83%	92.82%	92.55%	92.18%	<b>92.75%</b>
Jun 2018	79.90%	85.74%	85.85%	88.21%	82.06%	88.87%	91.18%	90.55%	91.51%	89.61%	92.74%	92.83%	92.42%	92.43%	<b>92.70%</b>
Jul 2018	79.32%	85.74%	85.44%	87.93%	81.61%	88.50%	91.01%	90.10%	91.25%	89.28%	92.49%	92.73%	92.24%	92.40%	<b>92.50%</b>
Aug 2018	78.85%	85.74%	85.22%	87.66%	81.26%	88.02%	91.08%	90.03%	91.11%	88.95%	92.11%	92.51%	91.96%	92.13%	<b>92.17%</b>
Sep 2018	78.56%	85.35%	85.00%	87.42%	80.96%	87.67%	91.07%	89.64%	90.85%	88.66%	91.79%	92.62%	91.71%	92.16%	<b>91.95%</b>
Oct 2018	78.17%	84.82%	84.80%	87.06%	80.56%	87.39%	90.96%	89.43%	90.56%	88.41%	91.53%	92.49%	91.24%	91.84%	<b>91.69%</b>
Nov 2018	77.69%	84.45%	84.67%	86.64%	80.13%	87.09%	90.59%	89.22%	90.23%	88.10%	91.25%	92.55%	91.22%	91.81%	<b>91.51%</b>
Dec 2018	77.09%	83.79%	84.53%	86.47%	79.60%	86.74%	90.35%	89.16%	89.94%	87.80%	90.98%	92.52%	90.79%	91.55%	<b>91.26%</b>
Jan 2019	76.74%	83.50%	84.52%	86.18%	79.29%	86.24%	90.04%	89.19%	89.67%	87.39%	90.71%	92.50%	90.62%	91.22%	<b>91.04%</b>
Feb 2019	76.57%	83.17%	84.68%	85.95%	79.12%	85.66%	89.63%	88.94%	89.46%	86.90%	90.41%	92.30%	90.57%	91.11%	<b>90.79%</b>
Mar 2019	76.40%	82.81%	84.67%	85.84%	78.94%	85.14%	89.38%	88.99%	89.41%	86.51%	90.03%	92.00%	90.52%	90.97%	<b>90.47%</b>
Apr 2019	76.15%	81.97%	84.64%	85.83%	78.63%	84.99%	89.17%	89.06%	89.24%	86.37%	89.61%	91.82%	90.58%	90.83%	<b>90.15%</b>
May 2019	75.99%	81.45%	84.96%	85.72%	78.45%	84.69%	88.91%	89.19%	89.13%	86.13%	89.02%	91.53%	90.38%	90.69%	<b>89.68%</b>
Jun 2019	75.86%	80.95%	84.48%	85.75%	78.25%	84.37%	88.47%	89.26%	89.04%	85.85%	88.56%	91.31%	90.29%	90.79%	<b>89.34%</b>
Jul 2019	75.55%	80.37%	84.40%	85.77%	77.94%	84.11%	88.21%	89.53%	89.07%	85.65%	88.30%	91.16%	90.27%	90.76%	<b>89.14%</b>
Aug 2019	75.04%	79.99%	84.04%	85.64%	77.49%	83.78%	87.91%	89.01%	88.99%	85.33%	87.84%	91.02%	90.49%	90.85%	<b>88.84%</b>
Sep 2019	74.66%	79.60%	83.71%	85.76%	77.15%	83.21%	87.66%	88.99%	89.05%	84.91%	87.39%	90.67%	90.45%	90.88%	<b>88.48%</b>

- **Average duration of weekly payments paid in the first six months.** This measure shows the average number of days of weekly benefits paid to workers in the first 6 months of their injury. The measure uses work hours lost to calculate average days. Refer to table 9 below:

**Table 9. Average duration of weekly payments paid in the first six months.**

Average duration of weekly payments paid in the first 6 months*					
Quarter ending	Nominal insurer	Government self-insurers (TMF)	Specialised insurers	Self insurers	Total
Jun-13	23.1	26.0	18.3	15.6	22.7
Sep-13	24.2	25.1	20.1	16.0	23.3
Dec-13	24.5	24.4	16.2	15.8	23.1
Mar-14	23.8	25.3	17.2	15.2	22.8
Jun-14	24.7	25.1	21.9	17.0	23.9
Sep-14	24.3	24.1	20.1	18.8	23.4
Dec-14	24.2	23.5	20.0	16.5	23.1
Mar-15	22.1	23.5	19.2	17.9	21.8
Jun-15	21.1	21.9	18.6	16.1	20.7
Sep-15	20.0	22.3	15.6	19.4	20.1
Dec-15	20.6	22.0	16.6	17.6	20.3
Mar-16	21.1	22.4	15.8	18.2	20.7
Jun-16	22.8	23.9	18.3	21.1	22.5
Sep-16	22.6	22.6	15.9	19.5	21.9
Dec-16	24.3	24.7	15.5	19.4	23.4
Mar-17	24.4	25.5	17.6	16.6	23.5
Jun-17	27.0	25.4	18.6	17.2	25.4
Sep-17	28.1	24.4	16.3	18.3	25.9
Dec-17	29.4	25.1	19.0	17.6	27.0
Mar-18	29.7	28.0	18.4	17.5	27.4
Jun-18	29.9	27.9	19.6	17.0	27.6
Sep-18	29.6	27.7	19.5	15.4	27.5
Dec-18	29.9	28.7	18.3	19.9	28.1
Mar-19	30.2	28.3	18.7	18.5	28.0

\* This measure uses work hours lost and injury quarter to calculate average days, it is reported to March 2019 to allow for claim data development.

## 5.7 Predictive models

SIRA uses predictive data modelling for proactive workers compensation regulation of RTW. These predictive models look at the individual claim and employer level to assist with targeting intervention activities. At the claim level, the model predicts claims where a worker is at risk of not returning to work.

The employer level model uses a range of factors based on five years of data, including claim complexity when predicting which employers may not be performing well in

terms of RTW. SIRA uses different regulatory interventions in response to this predictive modelling.

The benefits of using predictive modelling is that it enables SIRA to undertake proactive regulatory action to provide opportunities for direct assistance with RTW for workers and employers. SIRA is currently implementing a project with direct engagement with large employers in the Community Services sector based on the predictive data modelling to improve RTW.

## 5.8 Current national benchmarking

SWA conducts a biennial RTW survey of workers across Australia. The National RTW survey uses self-reported measures of RTW through a telephone survey with workers (outlined below). As this survey measures RTW differently it does not enable a direct comparison with SIRA RTW data. It does however provide an opportunity to understand the performance of the system in NSW compared with other jurisdictions, while noting there are differences in the way each scheme operates that influence RTW results.

The survey which has been in operation and managed by the Social Research Centre (SRC) since 2012 provides an opportunity for benchmarking across the workers compensation jurisdictions in Australia and measures self-reported rates of RTW including:

- A current returned to work rate of workers who reported returning to work at any time since their work-related injury or illness and are in paid employment at the time of the survey
- A returned to work rate of workers who reported returning to work at any time since their work-related injury or illness

These measures are reported in:

- [SWA National RTW survey report \(2018\)](#)

Figure 4 benchmarks the Australian SWA 2018 RTW survey results with those of NSW for the current return to work rate (*Are you currently in a paid job?*) and the return to work rate (*Have you returned to work at any time since your work-related injury or illness?*).

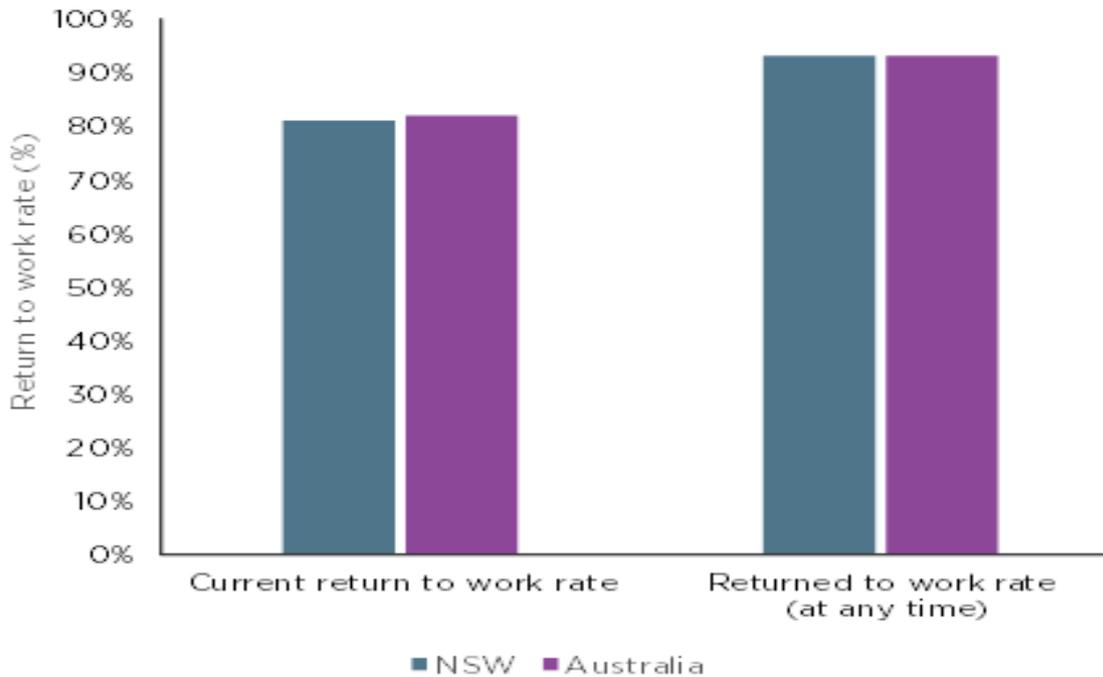
The response rates between the NSW and Australian cohorts were similar: 81 per cent of NSW respondents and 82 per cent of the Australian cohort reported they were currently in a paid job.

When asked in the SWA 2018 return to work survey, '*Have you returned to work at any time since your work-related injury or illness?*', 93 per cent of both the NSW respondents and the Australian respondents reported they had returned to work.

Figure 4. NSW self-reported RTW rates compared with national benchmark

Questions '*Are you currently in a paid job?*' and '*Have you returned to work at any time since your work-related injury or illness?*'

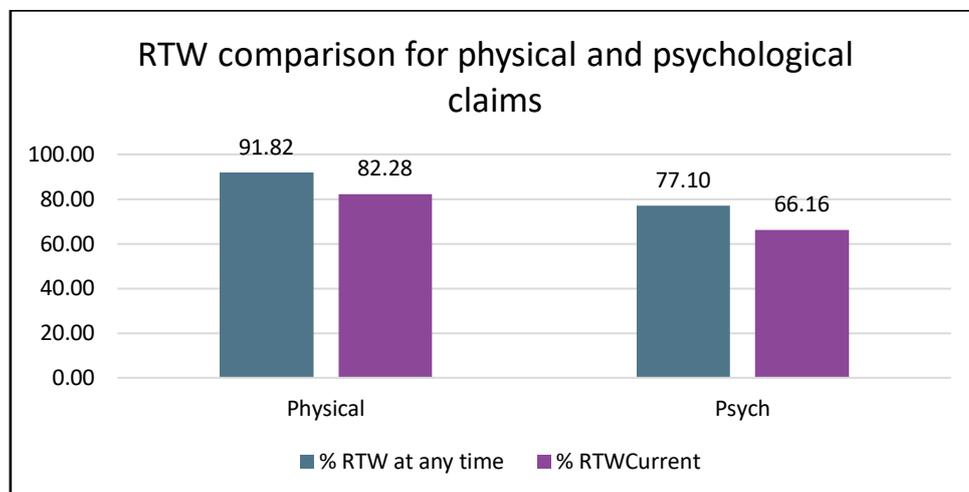
Source: SWA 2018 RTW survey (sample size of total cohort: NSW=865; Australia=4,602).



SIRA also arranged for SRC to survey an additional sample of workers with psychological injury in 2018 to enable better analysis of RTW outcomes for workers with psychological injury claims in comparison with those for workers with a claim for a physical injury. A total of 335 surveys were completed in this additional sample of workers.

Of the 1,200 claimants surveyed overall, 33% (393) reported their primary injury as a psychological injury. Figure 5 illustrates the RTW rate at any time for psychological injuries (77%) was significantly lower than the physical injuries (92%). In comparison, the current RTW rate for psychological injuries was 66% compared to 82% for physical injuries. RTW rates for psychological injury claims in previous surveys have had lower RTW rates than physical injury claims.

**Figure 5. RTW comparison for physical and psychological claims**



## 5.9 SIRA Independent abridged RTW survey 2019

In 2019 SIRA engaged the SRC to undertake an Abridged Return to Work Outcomes Survey for the NSW workers compensation system and undertake new analysis of survey data collected from the National RTW surveys in 2014, 2016 and 2018. The 2019 SRC Report is independent and its methodology is consistent with the National RTW survey, noting this survey and analysis is for the NSW Workers Compensation system only. New comparative analysis by insurer type using previous survey data was also included.

The abridged survey measured RTW and experience through a subset of the national RTW survey using the following measures:

- return to work rate
- current return to work rate
- perceived injustice of the compensation system using the procedural, informational and interpersonal justice questions only (this measures the worker's perception of fairness of their workers compensation experience).

The 2019 SRC Report results show that both key RTW benchmarks in NSW- the returned to work rate and the current return to work rate - were lower (and in many cases significantly lower) compared to previous years, with the exception of the Current Return to Work Rate for the Treasury Managed Fund.

For the Nominal Insurer (NI) the survey results are lower compared to the rates in previous years. For self-insurers, government self-insurers and specialised insurers there was also a decrease but not to the same degree as for the NI. Table 10 summarises these results (2019 abridged RTW survey, page 1).

**Table 10. Key metrics by System, Insurer Type and Year**

	2019				2018				2016			2014		
	NI	TMF	SSI	Total	NI	TMF	SSI	Total	NI	TMF and SSI	Total	NI	TMF and SSI	Total
Returned to work rate (%)	74	89	92	86	93	95	100	94	96	96	96	96	94	95
Current RTW rate	73	85	84	77	83	83	89	84	86	89	87	80	90	83
Procedural justice (mean)	4.0	4.0	3.9	4.0	3.9	3.8	4.0	3.9	*	*	*	*	*	*
Informational justice (mean)	3.9	3.7	3.9	3.8	3.7	3.8	3.7	3.7	*	*	*	*	*	*
Interpersonal justice (mean)	4.3	4.4	4.3	4.3	4.4	4.3	4.5	4.4	*	*	*	*	*	*

- The Perceived Justice of the Compensation System survey started to be collected in 2018.

## 6. Future opportunities

As outlined, SWA has launched a ten-year National RTW strategy to commence in 2020. The existing measures used in the National RTW survey of workers will be incorporated under the RTW strategy and there will be opportunities to enhance national measures of RTW. As the measurement framework is introduced, it is expected that national targets may be considered.

SIRA is building enhanced measures of customer service and outcomes and aims to have a strong understanding of stakeholder views to inform NSW measures and benchmarks as well as the NSW input into future national measures and targets.

## 7. Other workers compensation jurisdictions in Australia

Other workers compensation jurisdictions in Australia use a range of measures to understand RTW performance. While these measures are similar to those used in NSW there are some definitional differences, except for the SWA RTW Survey. These differences make direct comparison difficult. The measures include:

- the biennial SWA RTW survey,
- similar codes to the work status codes used in NSW as reported by insurers
- weekly payments
- work status codes as reported by workplace rehabilitation providers
- durability of RTW
- or various combinations of the above.

Most jurisdictions recognise the importance of measuring RTW from early in the claim stage and throughout, but some only record the status at claim closure.

## 8. Focus questions:

1. SIRA's primary RTW measure uses the work status code. Do you have other suggestions on this specific measure and/or other alternative RTW measures? For example, only use those claimants with a substantial injury such as 10 days off work, take a 12 month average RTW rate or a rolling 3 month average RTW rate.
2. The primary RTW (work status) measure can be applied to various cohorts, for example, people with different injury types, people partially returning to work, different occupational groups.  
Are there any other cohort mixes where the RTW measure could be applied?
3. Should people be back at work for a specified time before being considered a sustainable RTW? What period would you consider sustainable?

4. Should SIRA use lead indicators for return to work such as early intervention, reduced or no disputes, positive communication and engagement by employer in RTW process?
5. What measures should be used for measuring RTW in the CTP scheme for injured people where the employer does not have the obligations that apply under workers compensation legislation? Are there additional considerations for measuring RTW in the CTP scheme?
6. Is there anything else SIRA should consider in its measurement of RTW?

## 9. Consultation

Consultation on the measures of RTW commences with the publication of this discussion paper and a call for public submissions (available on our website) and will close Monday 2<sup>nd</sup> March 2020. SIRA will also directly contact selected stakeholders to invite their review and submission; however, all interested parties are welcome to review the discussion paper and make submissions.

Using the feedback generated by the discussion paper, SIRA will undertake a detailed analysis of stakeholder recommendations. This may include further forums and/or discussion.

SIRA intends to publish a summary of the feedback received through the submission process. The publication of the summary paper will mark the end of the dedicated consultation process; however, SIRA will continue to engage with stakeholders as part of any future development, implementation and evaluation activities.

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However to ensure you comply with your legal obligations you must refer to the appropriate legislation as currently in force. Up to date legislation can be found at the NSW Legislation website [legislation.nsw.gov.au](http://legislation.nsw.gov.au)

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