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Comcare information session: Understanding your 2025-26 premium

Thursday 22 May 2025
11.00am – 12.00pm AEST





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Acknowledgement of Country

Acknowledgement of artist

Healing Hands – Cover artwork by Dion Devow of DD Designs

Housekeeping



The session is being recorded

Available on our website in the coming week - search for 'Comcare webinars'



Chat function available

Use the chat for discussion and questions



Manage chat notifications

Click '*More*', then '*settings*', select '*Don't show chat bubbles*' and '*mute notifications*'



Please complete the survey at the end of the Forum

Access using a QR code or link.

Session overview



- **Liability and the premium pool**
Ash Evans, Taylor Fry
- **Premium process and key drivers of premiums**
Megan Buick, Comcare
- **Key observations, trends and initiatives in claims**
Lachlan Vivian-Taylor, Comcare
- **Q&A**





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Liability and the premium pool

Ash Evans

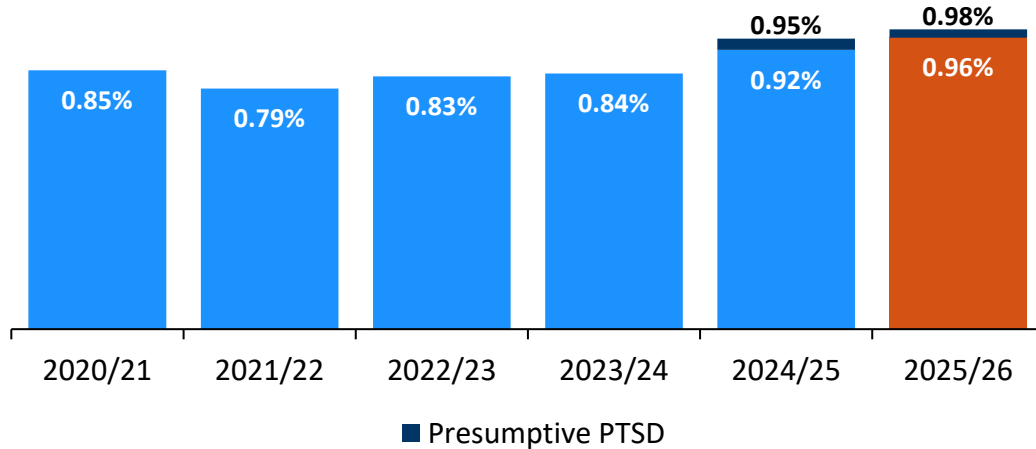
Principal, Taylor Fry



Premiums

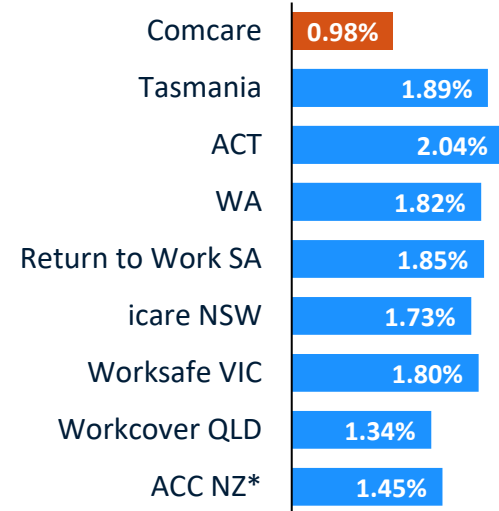
➤ We advise a central estimate premium rate of **0.98%** of wages for 2025/26

Comcare premium rates



Premium rates shown exclude GST

Other scheme rates



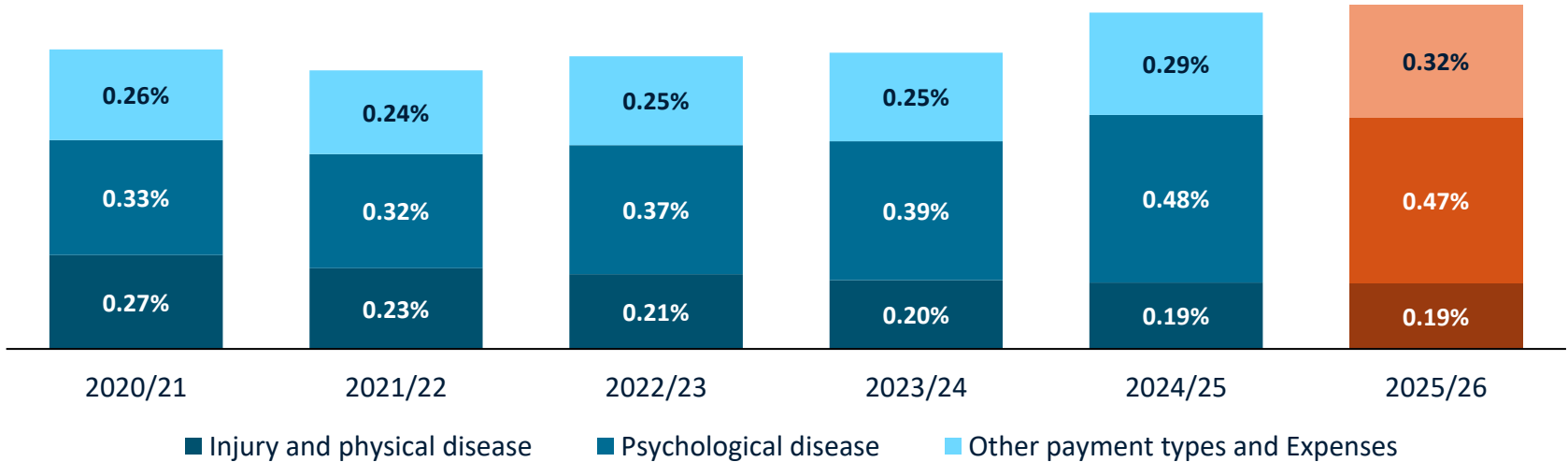
*Effective from 1 April 2025 to 31 March 2026

Rates for WA, ACT and Comcare relate to the 2025/26 year, all other rates shown relate to the 2024/25 year

Premiums

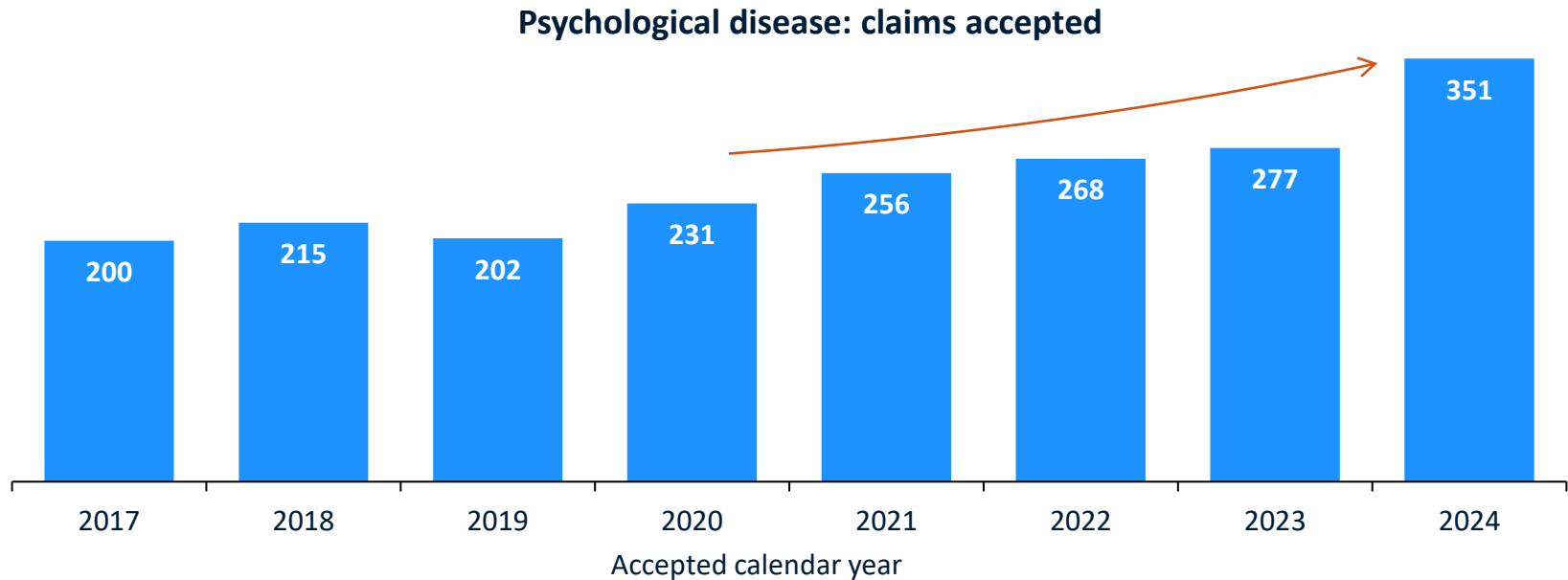
Psychological disease claims have comprised an increasing proportion of premiums over time

Comcare premium rate breakdown



Driver of premium rates

➤ Increasing incidence of psychological disease claims



Headwinds and volatility

➤ Economic conditions

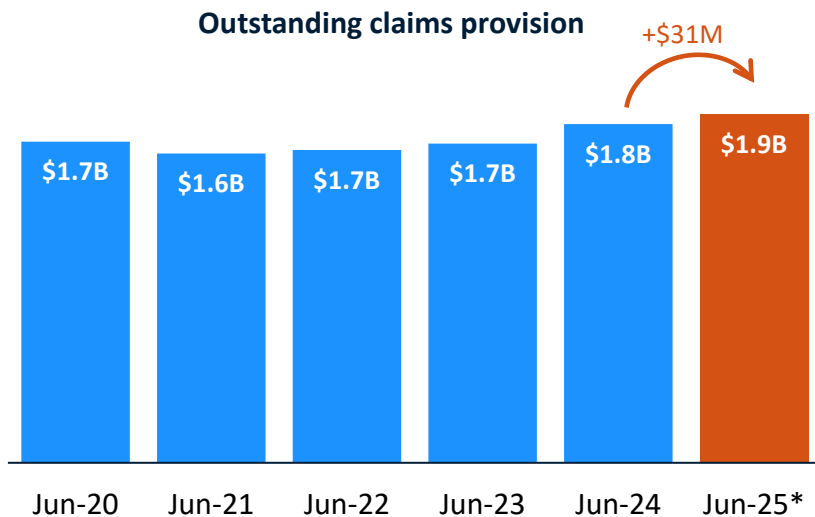
Economic conditions are outside of Comcare's control. These have a large effect on Comcare's liability because many costs are forecast to occur years in the future

- Comcare's premium and liability is especially vulnerable to the changes in the economic environment because of the long-term nature of the liability
- Both inflation and interest rates (and thus investment returns) have increased over the last year. Depending on the relative size of changes in inflation rates compared to interest rates, the premium could increase or reduce.

A 1% increase in investment returns reduces premiums by 6%

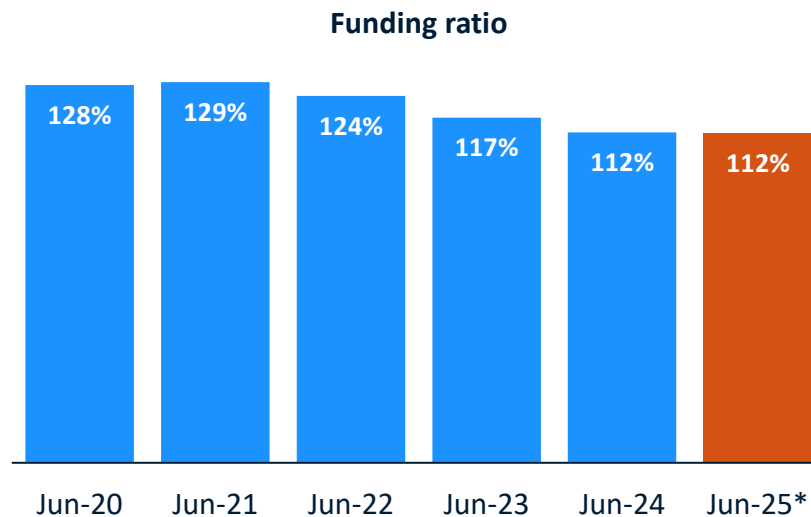
Outstanding claims liability and funding

▸ Our preliminary estimate of Comcare's Premium Scheme outstanding claims provision as at 30 June 2025 is **\$1.9B**.



**Preliminary 30 June 2025 valuation*

▸ Our preliminary estimate of Comcare's funding ratio as at 30 June 2025 is **112%**.



**Preliminary 30 June 2025 valuation*



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The premium process and key drivers

Megan Buick

General Manager Scheme Management
Group, Comcare



Context



Key drivers of premiums:

- **Time off work** ('incapacity' payments)
- **Prevention** and
- **Return to work.**



2025-26 indicative scheme premiums

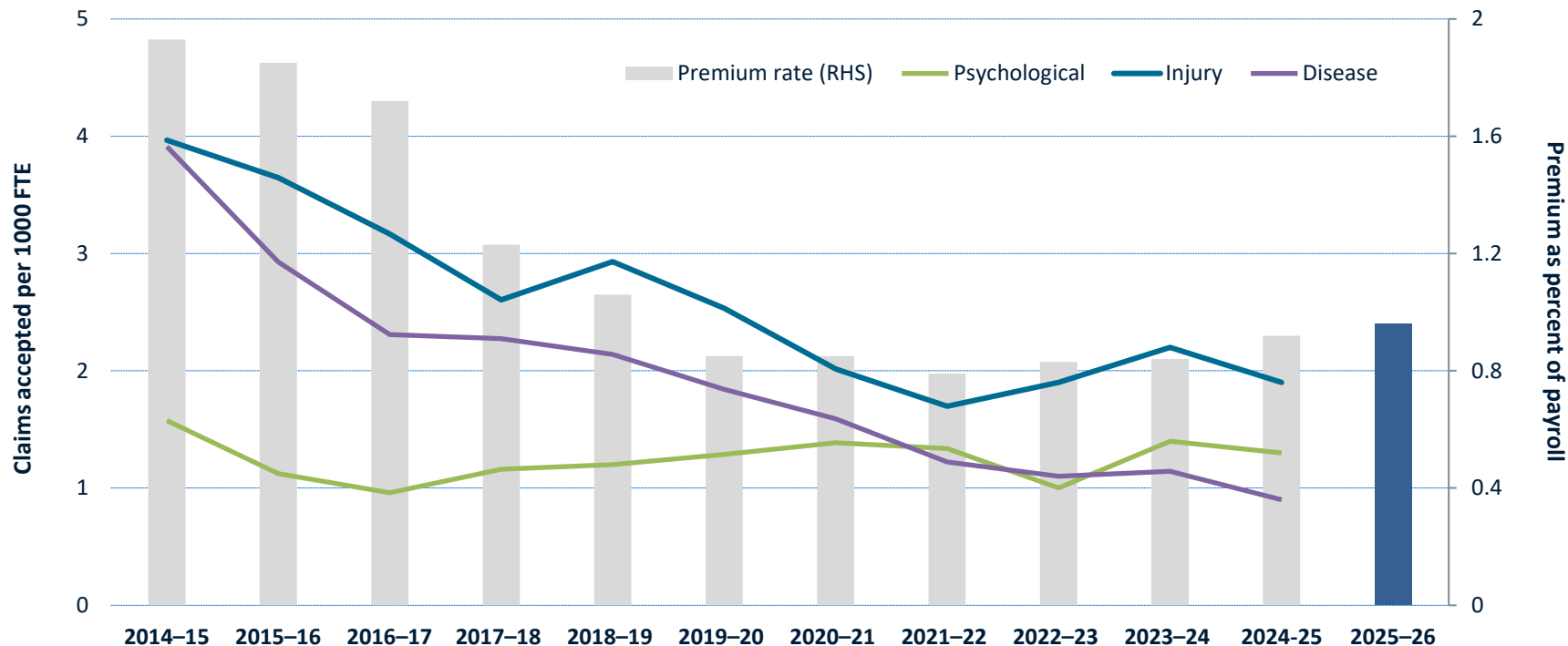


The 2025-26 average premiums have increased from **0.95% of payroll to 0.98% of payroll.**

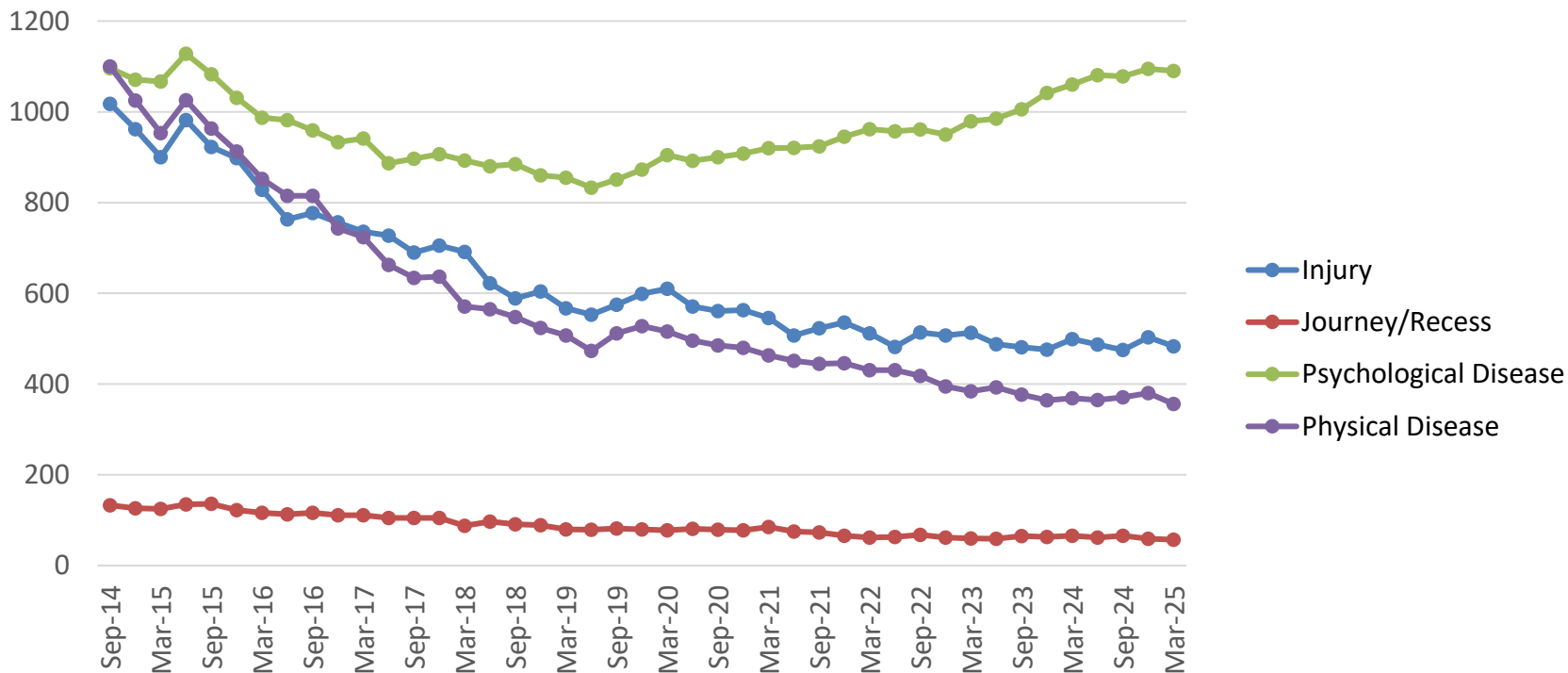
- Increase due to higher projected psychological disease claim frequency
- Reduction due to projected decreases in average cost of incapacity benefits
- Increase due to higher projected claim administration expenses
- Decrease due to favourable future economic conditions.

Safe Work Australia: Comcare's premium remains the lowest across Australian and New Zealand jurisdictions.

Average premiums over the past decade



Count of claims receiving incapacity benefits in quarter



What does your 2025-26 premium cover?



- **The premium is set to fully fund the forecast lifetime cost of claims sustained in 2025-26**
- **Costs include payments for:**
 - Time off work
 - Medical and rehabilitation expenses
 - Lump sums for death or permanent impairment
 - Legal services
 - Claims administration.
- **Lifetime cost of 2025-26 injuries and diseases will emerge over decades.**



Key elements of premium calculation



- Premium calculation uses accepted claims with date of injury in the last four financial years: 2020-21 to 2023-24 (**‘premium window’**)
- Estimates of future payments are calculated using a **statistical case estimate (SCE) system**.



What makes up the premium calculation?



Premium calculated as the sum of two components:

- **Prescribed amount** = is your entity's share of the premium pool for the financial year.
 - **Prescribed rate** = prior year's prescribed rate x pool trend x performance adjustment.
- **Bonus/penalty** = an adjustment to your entity's contribution to the prior year's premium pool, based on an additional year of claims data.

Pool trend factor



Reflects the changes in the scheme's claim performance since the previous year's premium pool (as percentage of payroll).

- The same **factor applies** to all insured entities
- **Pool trend for 2025-26** is 104.4%*

*Trend excludes amounts applied to specific agencies affected by presumptive PTSD legislation.

Performance adjustment



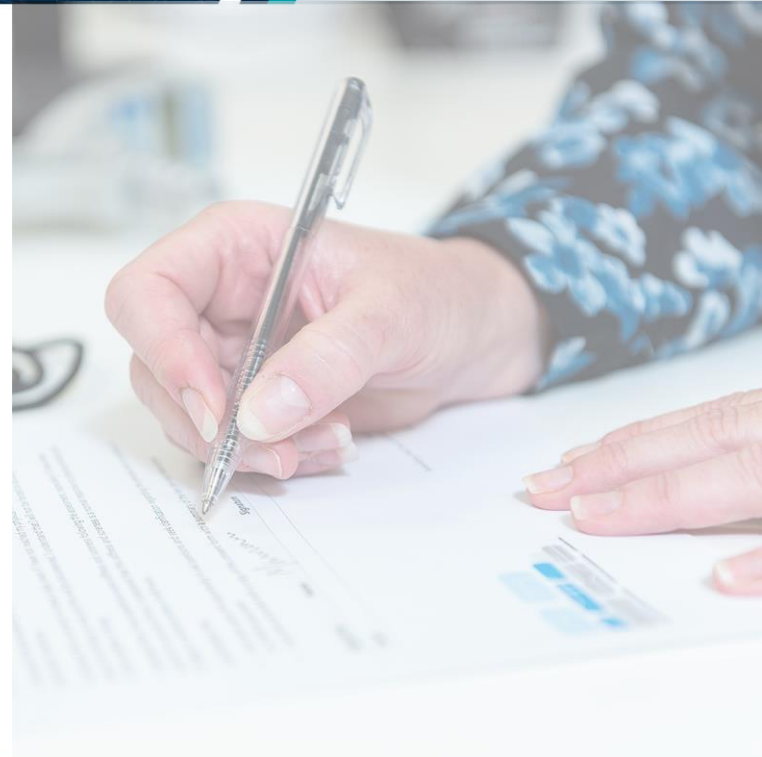
- Reflects changes to **incurred cost rate** relative to the overall scheme since last year.
- Incurred cost rate (estimated lifetime cost of claims / payroll) is used to measure claims performance:
 - reported and accepted claims only
 - “premium window” spans the last four full financial years
 - lifetime costs uses SCE system to estimate likely future costs for claims.

Performance adjustment



Common drivers of entity performance adjustments are:

- The 'premium window' moves forward
- Changes in existing claims
- Processing backlogs
- Claims accepted late.



Bonus/penalty



- Each entity's share of the prior year's final premium pool is adjusted by changes in your entity's incurred cost rate.
- The difference between revised and initial prior year's prescribed rate multiplied by the prior year's estimated payroll.



Pool 'discount' or 'loading'



- As with the previous year, funding ratio is within desired range and no 'discount' (or 'loading') is being applied to 2025-26 premiums
- This approach ensures the Scheme remains fully funded, protects against volatile economic conditions and ensures we reduce the likelihood of being under funded.

How can you affect your entity's premium?



*The best way for entities to reduce claim costs is to **prevent injury and manage the early and sustainable return to health and work** of injured employees.*



Comcare's focus



Our Purpose – Promote and enable safe and healthy work

Our Strategic Priorities



Prevent work-related injuries



Deliver better return to work outcomes

- **Preventing** work-related injuries is the single-most significant action we can take to reduce premiums.
- Where injuries can't be prevented, **intervening early** is key to reducing the impact of the injury.
- If an employee is unable to return to their pre-injury position or workplace, **identifying suitable employment** in a timely manner is critical to reducing incapacity and ensuring a safe a durable RTW.



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Key observations, trends and initiatives in claims

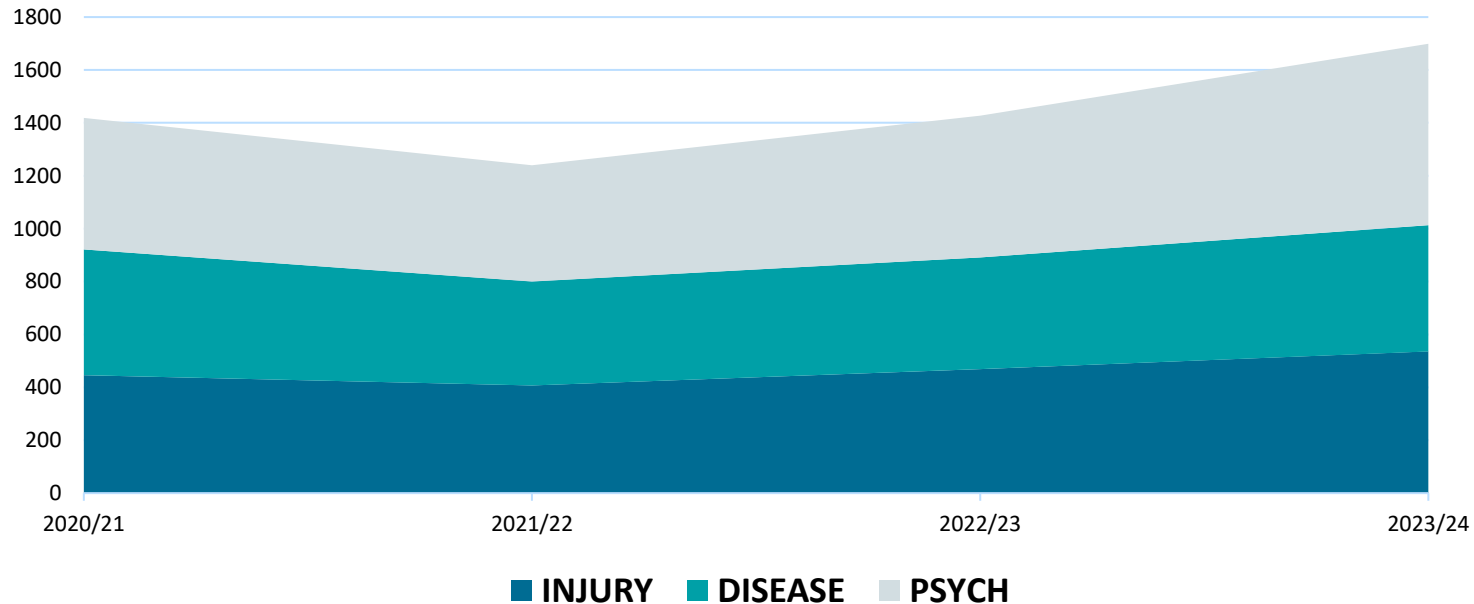
Lachlan Vivian-Taylor
General Manager Claims
Management Group, Comcare



Trend in claims received



Premium scheme - claims received



Return to work (RTW)



RTW RATE	2022/23	2023/24	2024/25 YTD
PREMIUM SCHEME	74%	77%	75%
INJURY	87%	92%	89%
DISEASE	87%	88%	89%
PSYCH	53%	57%	57%

Return to work (RTW)



- RTW for psychological claims is the critical challenge
- Employer role is critical
- Importance of early action
- Provision of suitable duties where capacity exists
- RTW Support team
- Employer brokerage as part of rehabilitation programs.

Comcare's focus



- Focus on client experience – telephony and coaching
- RTW action plan
- Account management
- Timely decision making – statutory timeframes
- Engagement and education of key stakeholders.



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Q&A



Resources and support



Forums & events

**Claims Manager Forum
(5 June)**

Registrations open

**Rehabilitation Case Manager Forum
(29 July)**

Registrations opening soon



Free education eLearns



**Early intervention
for managers and
supervisors**



Work trials



**Officer due
diligence**



**Suitable
employment**



WHS for workers



WHS for managers

Access [Comcare's free education platform](https://www.comcare.gov.au)

Visit www.comcare.gov.au



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Resources and support



Good Work Design: Knowing your team

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Knowing your team is the key to being a great manager

Research shows that workers who view their managers and supervisors positively are more likely to be engaged, productive and committed to their work.

Why it matters

Your team is made up of people with different strengths, skills, motivations, working styles and personal lives.

By harnessing individual differences, you can have the right person doing the right work and create a high performing team.

There is one quality that truly sets great managers apart from the rest: They discover what is unique about each person and capitalize on it.

Melissa Beckingham



How it's done

A great manager who knows their team consistently does four things:

1 Focus on strengths

When we use our strengths to perform our work, we are more focused, energized, motivated and confident. In contrast, focussing on fixing weaknesses invites feelings of inadequacy and other negative emotions that drain energy. Employees who **use their strengths** are more likely to be engaged in their work and perform well.

- Know what your own strengths are and share them with your team.
- Ask your team members what their strengths are and pay attention to what they do well.
- Let people know what you think their strengths are.
- Give people opportunities to use their strengths, including through planning how specific strengths can be used to deliver different work.

Remember that every team member has **more talent and skill** than you are aware of, even if you already feel that you know them well.



Good Work Design: Knowing your team 1

Good Work Design: Building trust in your team

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We know that trust is a key element that underpins success at work

People who work in high-trust organisations report greater engagement, productivity, energy and satisfaction. They have less stress, fewer sick days and less burnout.

As a manager or supervisor, the more your team trusts you—and the more you trust them—the more success you will have together. Trust matters even more for virtual teams.

Why it matters

Trust is key to building psychological safety.

We all need to feel that the people we work with have confidence in us to do our jobs. Feeling trusted helps us develop a **strong sense of belonging** at work and we're able to do our jobs effectively. Developing a **positive team climate**, where members are trusted to provide input, value each other's contributions and care about each other's wellbeing, is the most important thing you can do to create psychological safety for your team.

'Psychological safety is a belief that one will not be punished or humiliated for speaking up with ideas, questions, concerns or mistakes, and that the team is safe for interpersonal risk-taking.'

How it's done

Great managers are credible, act with integrity and look out for the best interests of their teams. They are self-aware and identify when their behaviour and values don't align. Great managers **know how** to build trust with their teams.

Refer to **The Trust Equation** for more information on the factors that make individuals trustworthy. Addressing these underlying trust factors can improve trustworthiness.



Good Work Design: Building trust in your team 1

A practical resource for managers and supervisors



Mental Notes

Every day wellbeing at work

What is mental health-related stigma and how does it affect workers?

Mental Health-Related Stigma in the Workplace

Make a mental note

Raise awareness of mental health-related stigma in the workplace

Mental Notes is a Comcare initiative

For more information visit comcare.gov.au/mentalnotes

A practical resource for managers and supervisors



Mental Notes

Every day wellbeing at work

Addressing stigmatising attitudes and behaviours in the workplace

Mental Health-Related Stigma in the Workplace

Make a mental note

Recognise and respond to mental health-related stigma at work

Mental Notes is a Comcare initiative

For more information visit comcare.gov.au/mentalnotes

Visit www.comcare.gov.au



Contact us:

EmployerAccountManagement@comcare.gov.au

Premiums@comcare.gov.au

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