Suggested Industry Premium Rates for 2026/27

WorkCover Tasmania

4 May 2026

WorkCover Tasmania Board

WorkSafe Tasmania
30 Gordons Hill Road, Rosny Park
Tasmania, 7018

Mr Damian Davidson
Executive Director
WorkSafe Tasmania

4 May 2026

Dear Damian

Suggested Industry Premium Rates for 2026/27

We are pleased to enclose our report in respect of the suggested industry premium rates for 2026/27.

If you have any questions with respect to this report, please feel free to contact us.

Yours sincerely

N Donlevy

Neil Donlevy

Partner, KPMG

Financial Risk & Analytics

Fellow of the Institute of Actuaries of Australia

Cindy Lau

Director, KPMG

Financial Risk & Analytics

Fellow of the Institute of Actuaries of Australia

Executive summary

1. Introduction and Background

KPMG has been engaged by the WorkCover Tasmania Board ('Board') to develop a set of suggested premium rates for the 2026/27 underwriting year ('Current Pricing Review'), in respect of the Tasmanian workers' compensation industry.

This work has been performed under our contract with WorkCover Tasmania, dated 8 November 2024. It has been conducted for the purpose of suggesting premium rates for the 2026/27 underwriting year, both in total and at the 2006 Australian and New Zealand Standard Industrial Classification ("ANZSIC") level. It is not intended, nor necessarily suitable, for any other purpose.

WorkSafe Tasmania ('WorkSafe') is the organisation that administers workers' compensation and work health and safety in Tasmania and helps the Board fulfil its statutory functions.

A report of this type has been published by WorkSafe each year since 2002/03, providing a guide to employers' and workers' compensation insurers, noting that insurers should undertake their own analysis to support their premiums rates. This is the second time KPMG has undertaken this analysis of suggested premium rates.

The previous report ('Previous Report', which related to the 2025/26 premium basis) related to suggested rates for the 2025/26 underwriting year ('Previous Pricing Review'). The findings were documented in the report "Suggested Industry Premium Rates for 2025/26", dated 6 May 2025. Unless otherwise noted, all comparisons in this report are relative to the 2025/26 premium basis.

2. Suggested Average Premium Rate for 2026/27

Our estimate of the total premium pool required for the 2026/27 underwriting year is $341.8 million (in 31 December 2025 values), which is equivalent to a suggested average premium rate of 2.18% (excluding GST) of wages. Table 1 provides a breakdown of the drivers of the movement in the suggested average premium rate, from 2.06% at the Previous Pricing Review (for 2025/26) to 2.18% at the Current Pricing Review (for 2026/27).

Table 1: Reconciliation with 2025/26 Suggested Average Premium Rate[1]

	Average Premium Rate (% Wages)	Change (% Wages)
Suggested Rate for 2025/26 (excl. GST)	**2.06%**	
Expected Rate for 2026/27	2.06%	
Changes made in basis for 2026/27		
Change in Payment Pattern*		0.00%
Change in Claim Frequency		-0.11%
Change in Average Claim Size		0.27%
Change in Expenses Loading		-0.02%
Change in Profit Margin		0.00%
Change in Discount Rates		-0.02%
Change in Inflation Rates		0.01%
Total Change		**0.12%**
Suggested Rate for 2026/27 (excl. GST)	**2.18%**	

[1] The numbers may not sum to the total due to rounding.

The 0.12 percentage point increase in the suggested average premium rate has been primarily driven by:

- a 0.27 percentage point increase, due to an increase in the adopted average claim size assumptions across the weekly (+4.0%), medical (+11.7%) and lump sum (+39.9%) payment types (refer to Section 2.4).

partially offset by

- a 0.11 percentage point decrease, due to a reduction in the adopted claim frequency assumption (refer to Section 2.2);
- a 0.02 percentage point decrease, due to a reduction in the expense loading, particularly for "other administration expenses" and the "WRCF levy" (refer to Section 3.4); and

Changes to economic assumptions, i.e. inflation and discount rates broadly neutralise one another.

Recent experience has continued to deteriorate relative to expectations, indicating that there remains risk of further premium rate increases in subsequent reviews should the worsening experience persist. Given these observed trends, our view is that this risk outweighs the possibility of a downwards revision of premium rates.

3. Summary of Key Assumptions

The tables below provide a summary of the key assumptions underpinning the suggested average premium rate of the 2026/27 underwriting year.

Table 2: Key Non-Economic Assumptions for the 2026/27 Suggested Average Premium Rate

Key non-economic assumptions	
Claim frequency (per $m wages, in 30 June 2026 values)	0.379
Average claim size (in 30 June 2026 values)	38,903
Average risk premium (% wages, in 30 June 2026 values)	**1.48%**
Claims handling expenses (% risk premium)	n/a[1]
Net cost of reinsurance (% of average premium excluding GST)	0.35%
Commission and brokerage (% of average premium excluding GST)	3.74%
Acquisition and policy handling expenses (% of average premium excluding GST)	11.78%
Nominal insurer levy (% of average premium excluding GST)	0.00%
Workers' Rehabilitation and Compensation Fund levy (% of average premium excluding GST)	3.34%
Profit margin (% of average premium excluding GST)	13.00%
Suggested average premium rate excluding GST ($ of wages)	**2.18%**
Suggested average premium rate including GST ($ of wages)	**2.40%**
Period premiums are applicable for	2026/27

[1] Claims handling expenses are included in the loading for acquisition and policy handling expenses.

Table 3: Key Economic Assumptions for the 2026/27 Suggested Average Premium Rate

Year Ending 15 March	Discount Rate (p.a.)	Economic Inflation (p.a.)	Superimposed Inflation (p.a.)	Development Year	Payment Pattern (% Paid)
2028	4.33%	3.75%	0.75%	0	36.9%
2029	4.53%	3.75%	0.75%	1	20.3%
2030	4.72%	3.75%	0.75%	2	15.8%
2031	4.89%	3.75%	0.75%	3	10.4%
2032	5.05%	3.75%	0.75%	4	6.5%
2033	5.19%	3.75%	0.75%	5	3.8%
2034	5.31%	3.75%	0.75%	6	3.4%
2035	5.42%	3.75%	0.75%	7	1.6%
2036	5.52%	3.75%	0.75%	8+	1.2%

4. Claim Assumptions

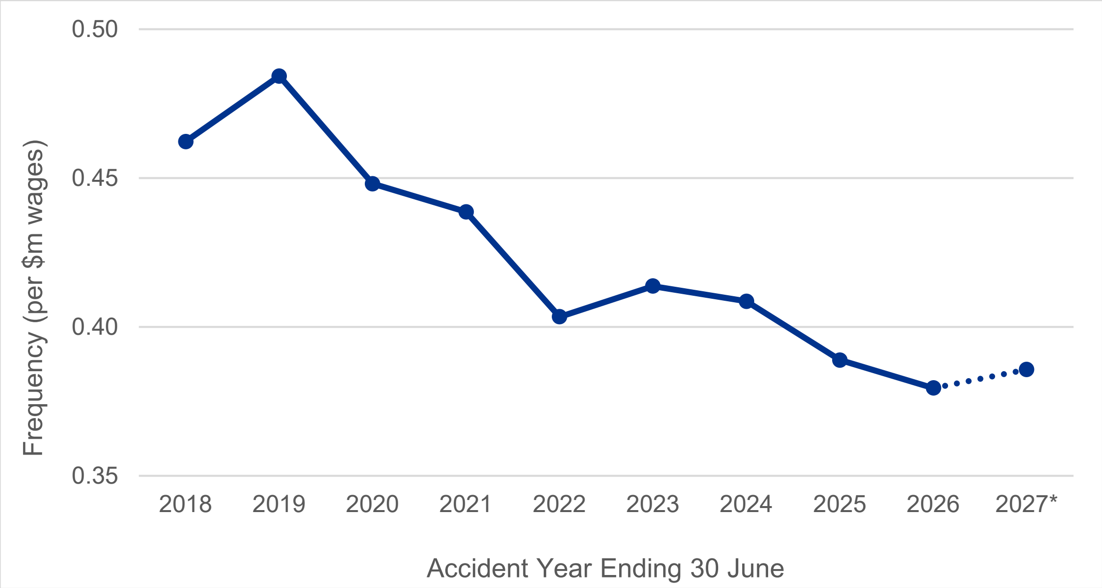
Written Wages

Written wages are projected to be $15.7 billion for the 2026/27 underwriting year. On a like for like basis, this is $1.5 billion (-8.6%) lower than the estimate of written wages for the 2025/26 underwriting year used as the basis at the Previous Pricing Review.

Claim Frequency

The figure below shows ultimate claim frequency by accident year for licensed insurers.

Figure 1: Ultimate Claim Frequency, by Accident Year (all claims)



Claim frequency stabilised at around 0.41 claims per million dollars of wages for accident years 2021/22 to 2023/24 but has continued to reduce from 2024/25 to 2025/26. Our forecast of ultimate claim frequency for the 2026/27 underwriting year (in 31 December 2025 values) is 0.386 claims per million dollars of wages, which is lower than the claim frequency assumption adopted at the Previous Pricing Review (0.424). This assumes claim frequency will emerge in line with experience observed for accident years 2024/25 to 2025/26.

We note that our adopted assumption is equivalent to 0.379 claims per million dollars of wages, when expressed in 30 June 2026 values.

Average Claim Size

The adopted average claim size assumption for the 2026/27 underwriting year is $38,056 (in 31 December 2025 values). This is 14.0% higher in real terms than the average claim size assumption adopted at the Previous Pricing Review.

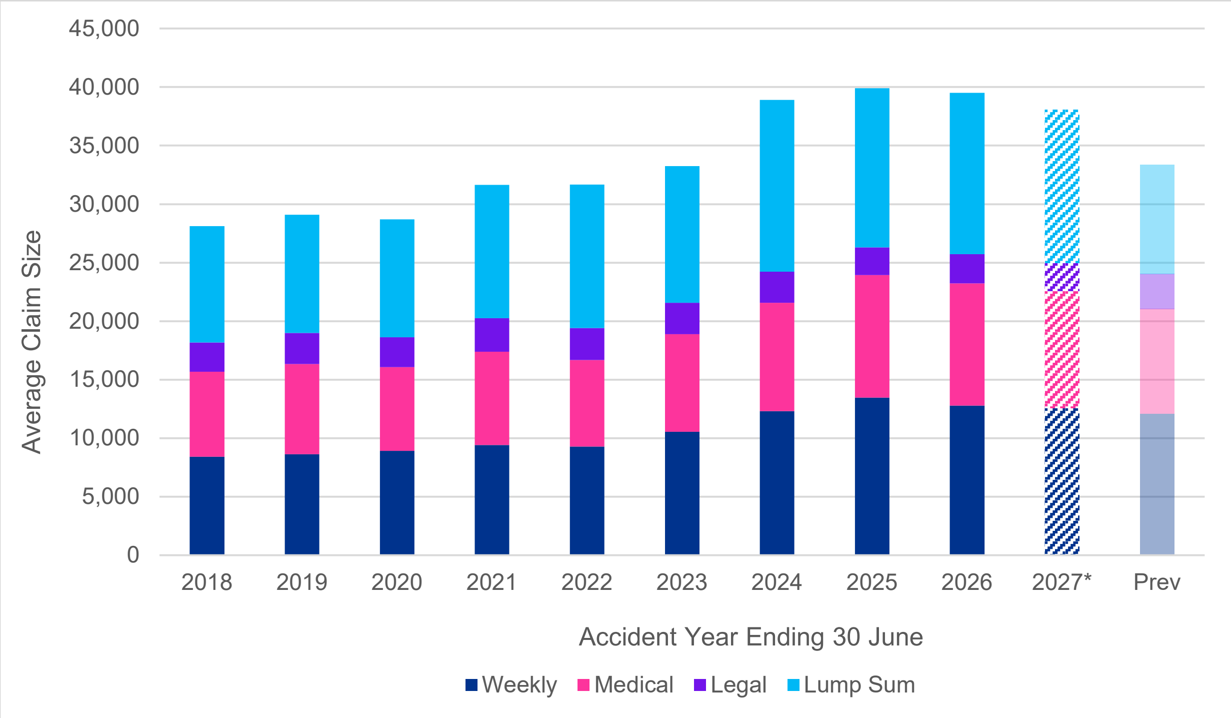
We note that our adopted assumption is equivalent to $38,903, when expressed in 30 June 2026 values.

In selecting the average claim size assumption, we have considered the following:

Recent experience: In general, we have observed increases in average claim sizes over time across all payment types except for the legal benefit. In particular, there have been large increases in the volume of lump sum claim settlements and average lump sum settlement size.

Figure 2 shows selected average claim sizes by payment type and accident year. The average claim sizes have been calculated by dividing the projected ultimate cost of payments for each payment type by the ultimate number of claims projected for the relevant accident year.

Figure 2: Adopted Average Claim Sizes, by Accident Year ($, Dec-25 values)



* The average claim size shown for 2027 is the assumption that has been adopted for the 2026/27 underwriting year.

Our average claim size assumptions for each payment type are higher than our average claim size projections for recent accident years. Compared to the Previous Pricing Review, our average claim size assumption for weekly, medical and lump sum benefits have increased by 4.0%, 11.7% and 39.9% respectively, whereas the assumption for legal benefits has decreased by 19.6%.

Mental Health Claims

The proportion of reported licensed insurer claims that are mental health-related has grown steadily across recent years – from 5% for accident year 2015/16 to 11% for accident year 2024/25, with particularly notable increases in the last four years. There are no clear signs of the increasing trend abating. The growth in proportion of claims that are mental health-related is a trend that has been observed in other Australian states and territories for workers compensation and also within the life insurance industry.

Figure 3: Claims Reported to Date by Accident Year, Split by Mental Health (MH) and Non-MH Claims

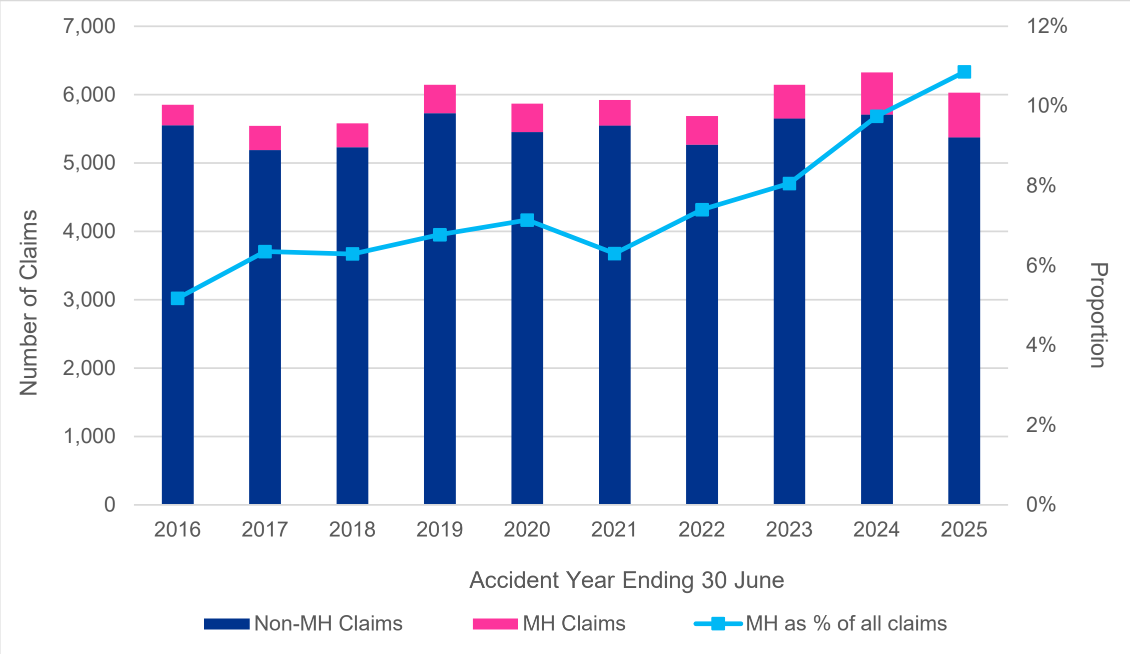
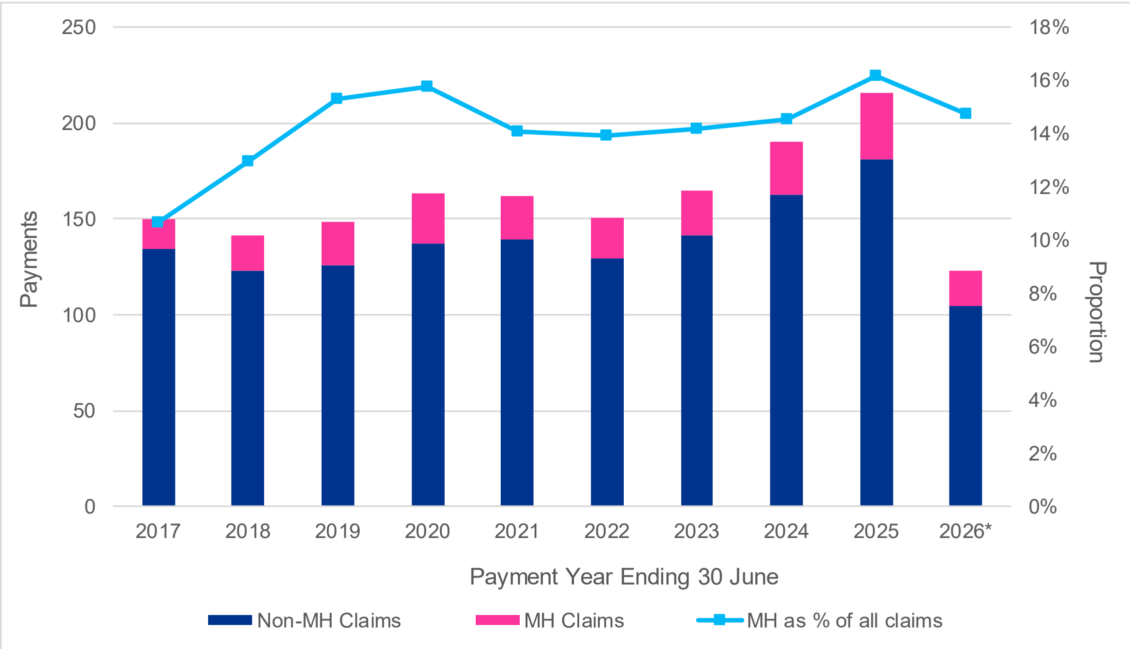


Figure 4 shows licensed insurer payments in total since the 2016/17 payment year. Payments have been split out into payments for mental health (MH) related claims and payments for non-mental health (non-MH) related claims.

Figure 4: Payments by Payment Year, Split by Mental Health (MH) and Non-MH Claims ($m, Dec-25 values)



* Figures shown for payment year 2026 represents experience in the 6 months to 31 December 2025 (i.e. December 2025 payment half-year).

The proportion of reported licensed insurer payments that are mental health-related has grown sharply since 2016/17. As mental health-related claims have a higher average cost than non-mental health-related claims, the proportion of payments that are mental health-related is significantly higher than the proportion of claims reported that are mental health-related. The proportion of payments that are mental health-related has ranged between 14% to 16% in the last 8 years (i.e. since payment year 2018/19).

The experience by payment type has varied.

- **Weekly benefits**: The proportion of weekly payments that pertain to mental health-related claims has been steady around 17% between 2016/17 to 2022/23, however it has increased to approximately 20% between 2023/24 and the first half of 2025/26.

- **Lump sum benefits**: The proportion of lump sum payments for mental health-related claims have averaged 15% across the last 10 years, however the experience has been volatile. The lowest proportion year is 2014/15 at 5%, and the highest proportion year is 2019/20 at 21%. The payments in the first half of 2025/26 are 11% or $4.8m. This compares to 2024/25 (note, 12 months of experience) of 17% or $10.8m.
- **Medical benefits**: The proportion of medical payments for mental health-related claims have averaged 8% across the last 10 years. Its trend over time has been relatively steady, however, there are some increases in recent years. It has increased to 9% between 2023/24 and 2024/25, with the first half of 2025/26 having 10% of all medical payments being related to mental health.
- **Legal benefits**: The proportion of legal payments for mental health-related claims is volatile. Prior to 2016/17, the proportion has averaged approximately 15%. Since 2016/17, the proportion has averaged approximately 21%. The proportion for 2024/25 and the first half of 2025/26 are both 24%.

Silicosis Claims Experience

Over the last few years, there has been concern across Australia regarding an increase in exposure to silica dust particularly through the manufacturing and use of engineered stone.

We have provided some historical information for reference but at this review we have not made any explicit adjustments to the suggested premium rates.

We have considered the Tasmania experience of silicosis claims in the workers' compensation system. We have considered this experience with respect to the need to make allowance in the suggested premium rates.

Silicosis claims are treated like all other claims in our analysis (as opposed to being removed from the base data, and analysed separately) and hence would only impact the suggested premium rates, as far as the historical experience suggests that it is warranted.

In terms of claim volume, 23 silicosis claims have been reported to date (an increase from 22 at the Previous Pricing Review), in respect of 17 distinct claimants (no change from the Previous Pricing Review) and 11 distinct employers (no change from the Previous Pricing Review).

In terms of accepted claims, there is a total of 17 accepted claims with the average age at injury of 43 years old. Since the Previous Pricing Review, there has been 1 new accepted claims.

This claim relates to the Other Non-Metallic Mineral Product Manufacturing ANZSIC class (2090) within the manufacturing industry and to the Top Centre TAS employer.

The total incurred cost (in nominal values) for accepted silicosis claims is expected to be $4.42m (a decrease from $4.68m in the Previous Pricing Review). The amount outstanding (in nominal values) is $0.78m or 18% of the incurred cost. Payments to date (in nominal values) are around $3.65m, of which 47% relate to lump sum benefits, 30% relate to weekly benefits, 16% relate to legal/investigation costs, and 7% relate to medical benefits.

5. Economic, Expense and Insurer Margin Assumptions

Discount Rates

Forward discount rates have been set with reference to the market prices of Commonwealth Government bonds as at 31 December 2025. Compared to the Previous Pricing Review, on a like-for-like basis, our discount rate assumptions have increased across all development periods. The change in discount rate has led to a 0.02% reduction in the average premium rate, with a projected cashflow mean term of 2.2 years.

Inflation Rates

Our assumptions for future economic inflation continue to be based on current economic forecasts for wage inflation (specifically, the AWE index). Compared to the Previous Pricing Review, on a like-for-like basis, our economic inflation rate assumptions is 3.75% p.a. for all development periods. This represents a minor increase of 0.25% p.a.

In addition, we continue to adopt a superimposed inflation assumption of 0.75% p.a. across all benefit types.

Expenses

The adopted expense loading, as a percentage of premiums, has slightly decreased from 19.87% at the Previous Pricing Review to 19.22% at the Current Pricing Review.

This reduction was driven by a:

- 0.51 percentage point reduction for other administration expenses
- 0.07 percentage point reduction for the Workers Rehabilitation and Compensation Fund (WRCF) levy
- 0.04 percentage point reduction for commission and brokerage expenses
- 0.03 percentage point reduction for the net cost of reinsurance.

Insurer Margin

Our adopted insurer margin, at 13% of premium, is unchanged from the Previous Pricing Review.

6. Suggested Relativities and Premium Rates

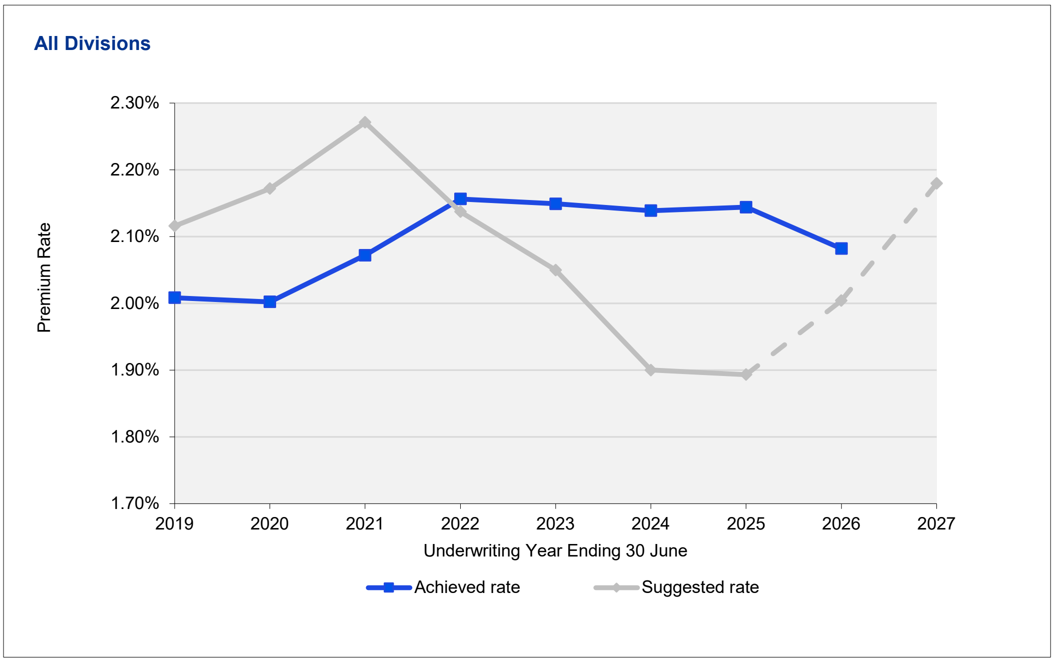
Suggested versus Achieved Rates

Up to and including 2021/22, reported achieved rates have been lower than suggested rates, albeit this gap has narrowed over time. The gap has now inverted for underwriting year 2022/23, such that achieved rates are higher than suggested rates. This has resulted in most divisions seeing a level of convergence between achieved and suggested rates, which can be observed in most of the figures presented below.

For the 2024/25 underwriting year, the achieved rate reported to date is equivalent to 113% of the suggested rate (this is equivalent for the 2024/25 underwriting year).

However, it should be noted that based on historic experience, the reported achieved rates for the most recent two underwriting years will likely increase as premium adjustments are received. However, the extent of remaining development is uncertain.

Figure 5: Suggested versus Achieved Premium Rates



ANZSIC Classes with Large Changes in Suggested Premium Rates

The table below summarises ANZSIC classes with the largest proportional increases in suggested premium rates, between the Previous and Current Pricing Review.

Table 4: ANZSIC Classes with Proportional Increases over 20% in Suggested Premium Rates

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
133	4530	Clubs (Hospitality)	3.19%	2.47%	+29.20%
	8921	Zoological and Botanical Gardens Operation			
	9002	Creative Artists, Musicians, Writers and Performers			

This wages for these ANZSIC classes for the 2026/27 year are expected to be $25.6 million. This class was previously part of the relativity group 63, which included three other ANZSIC classes – Nature Reserves and Conservation Parks Operation (8922), Performing Arts Operation (9001) and Performing Arts Venue Operation (9003).

- Clubs (Hospitality), with wages of $15.0 million, its claim experience relativity as identified as significantly *higher* than the remaining ANZSIC classes in the relativity group 63, both in terms of relativity for claim frequency (1.3 times higher) and claim size (1.9 times higher).
- The Zoological and Botanical Gardens Operation, with wages of $6.5 million, its claim experience relativity as identified as significantly *higher* than the remaining ANZSIC classes in the relativity group 63, both in terms of relativity for claim frequency (1.8 times higher) and claim size (1.3 times higher).
- The Creative Artists, Musicians, Writers and Performers, with wages of $4.1 million, its claim frequency relativity was identified as significantly *higher* than the remaining ANZSIC classes in the relativity group 63, (1.9 times higher), while its claim size relativity was somewhat lower than the remaining ANZSIC classes in the relativity group 63 (0.5 times lower).

We have moved these classes to a new relativity group, being relativity group 133. As a result, the adopted relativity has increased from 120 to 145 (+21%). The resulting increase in the suggested premium rate of 29.20 reflects the net effect of the overall premium rate increase and the adopted relativity increase.

In relation to the remaining ANZSIC classes within relativity group 63, with expected wages of $46.0 million, its adopted relativity has decreased from 120 to 110 (-9%). The suggested rate has decreased from 2.47% in 2025/26 to 2.41% in 2026/27, a decrease of 2.52%.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
127	0159	Other Crop Growing n.e.c.	5.25%	4.12%	+28.31%

The wages for Other Crop Growing n.e.c. for the 2026/27 year are expected to be $13.6 million. This class was previously part of the relativity group 2, which included other horticulture ANZSIC classes - Mushroom Growing (0121), Grape Growing (0131), Rice Growing (0146), Other Grain Growing (0149), Sugar Cane Growing (0151), Cotton Growing (0152) and Forestry (0301).

The claim experience relativity of this class was identified as materially *higher* than the remaining ANZSIC classes in the relativity group 2, both in terms of relativity for claim frequency (3.3 times higher) and claim size (2.0 times higher). We have moved this class to a new relativity group, being relativity group 127.

As a result, the adopted relativity has increased from 200 to 240 (+20%). The resulting increase in the suggested premium rate of 28.31% reflects the net effect of the overall premium rate increase and the adopted relativity increase.

In relation to the remaining ANZSIC classes within relativity group 2, with expected wages of $37.6 million, its adopted relativity has decreased from 200 to 180 (-10%). The suggested rate has decreased from 4.12% in 2025/26 to 3.94% in 2026/27, a decrease of 4.30%.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
129	1413	Timber Resawing and Dressing	4.62%	3.60%	+28.31%
	1499	Other Wood Product Manufacturing			

The wages for this group for the 2026/27 year are expected to be $43.1 million, comprises of $36.2m for Timber Resawing and Dressing and $7.0m million for Other Wood Product Manufacturing. These classes were previously part of the relativity group 19, which included four other wood manufacturing related ANZSIC classes – Wood

Rel Group	ANZSIC	Description	2026/27	2025/26	Change

Chipping (1412), Prefabricated Wooden Building Manufacturing (1491), Wooden Structural Fitting and Component Manufacturing (1492) and Reconstituted Wood Product Manufacturing (1494).

The claim experience relativity of these two classes was identified as significantly *higher* than the remaining ANZSIC classes in the relativity group 19, both in terms of claim frequency (1.4 times and 1.9 times higher than the group average respectively) and claim size (1.2 times and 1.6 times higher than the group average respectively). We have moved these two classes into a new relativity group together, being relativity group 129. As a result, the adopted relativity has increased from 175 to 210 (+20%). The resulting increase in the suggested premium rate of 28.31% reflects the net effect of the overall premium rate increase and the adopted relativity increase.

In relation to the remaining ANZSIC classes within relativity group 19, with expected wages of $42.9 million, its adopted relativity has decreased from 175 to 160 (-9%). The suggested rate has decreased from 3.60% in 2025/26 to 3.52% in 2026/27, a decrease of 2.24%.

135	8710	Child Care Services	3.30%	2.57%	+28.31%

This wages for this class for the 2026/27 year are expected to be $161.5 million. These classes were previously part of the relativity group 105, which included two other healthcare related ANZSIC classes – Other Allied Health Services (8539) and Other Health Care Services n.e.c. (8599).

The claim experience relativity of this class was identified as *higher* than the remaining ANZSIC classes in the relativity group 105, both in terms of claim frequency (1.6 times higher than the group average) and claim size (1.6 times higher than the group average). We have moved this class into a new relativity group, being relativity group 135. As a result, the adopted relativity has increased from 125 to 150 (+20%). The resulting increase in the suggested premium rate of 28.31% reflects the net effect of the overall premium rate increase and the adopted relativity increase.

In relation to the remaining ANZSIC classes within relativity group 105, with expected wages of $183.3 million, its adopted relativity has decreased from 125 to 115 (-8%). The suggested rate has decreased from 2.57% in 2025/26 to 2.53% in 2026/27, a decrease of 1.63%.

131	3606	Liquor and Tobacco Product Wholesaling	2.20%	1.75%	+25.80%
	3711	Textile Produce Wholesaling			
	3731	Furniture and Floor Covering Wholesaling			

This wages for these three classes for the 2026/27 year are expected to be $18.9 million, comprising of $12.4 million for Liquor and Tobacco Product Wholesaling, $2.7 million for Textile Produce Wholesaling and $3.8 million for Furniture and Floor Covering Wholesaling. These classes were previously part of the relativity group 50, which included seven other wholesaling related ANZSIC classes – Clothing and Footwear Wholesaling (3712), Pharmaceutical and Toiletry Goods Wholesaling (3720), Jewellery and Watch Wholesaling (3732), Kitchen and Diningware Wholesaling (3733), Toy and Sporting Goods Wholesaling (3734), Book and Magazine Wholesaling (3735) and Commission-Based Wholesaling (3800).

The claim experience relativity of these three classes was identified as *higher* than the remaining ANZSIC classes in the relativity group 50, both in terms of claim frequency (2.2 times higher than the group average) and claim size (2.1 times higher than the group average). We have moved these three classes into a new relativity group together, being relativity group 131. As a result, the adopted relativity has increased from 85 to 100 (+18%). The resulting increase in the suggested premium rate of 25.80% reflects the net effect of the overall premium rate increase and the adopted relativity increase.

In relation to the remaining ANZSIC classes within relativity group 50, with expected wages of $53.6 million, its adopted relativity has decreased from 85 to 75 (-12%). The suggested rate has decreased from 1.75% in 2025/26 to 1.65% in 2026/27, a decrease of 2.24%.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
31	2462	Mining and Construction Machinery Manufacturing	0.77%	0.62%	+24.75%

The wages for this class is expected to be $33.6 million in 2026/27. The implied technical relativity based on the emerged claims experience for this relativity group is *higher* than the adopted relativity from the Previous Pricing Review for both the claims frequency and severity, thus the adopted relativity at the Current Pricing Review has increased from 30 to 35 (+17%).

The increase of 24.75% in the suggested premium rate reflects both the overall premium rate increase and adopted relativity increase.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
76	5511	Motion Picture and Video Production	0.77%	0.62%	+24.75%
	5512	Motion Picture and Video Distribution			
	5513	Motion Picture Exhibition			
	5514	Post-production Services and Other Motion Picture and Video Activities			
	5521	Music Publishing			
	5522	Music and Other Sound Recording Activities			
	5610	Radio Broadcasting			
	5621	Free-to-Air Television Broadcasting			
	5622	Cable and Other Subscription Broadcasting			
	6020	Other Information Services			
	6632	Video and Other Electronic Media Rental and Hiring			

For 2026/27, the wages for these 11 classes are expected to be $33.5 million The largest two ANZSIC classes in this group are Free-to-Air Television Broadcasting (wages of $12.9 million) and Post-production Services and Other Motion Picture and Video Activities (wages of $7.3 million). The implied technical relativity based on the emerged claims experience for this relativity group is *higher* than the adopted relativity from the Previous Pricing Review, thus the adopted relativity at the Current Previous Review has increased from 30 to 35 (+17%).

The increase of 24.75% in the suggested premium rate reflects both the overall premium rate increase and adopted relativity increase.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
53	4110	Supermarket and Grocery Stores	1.87%	1.54%	+21.18%
	4123	Liquor Retailing			

This group, with wages for the 2026/27 year expected to be $99.7 million, comprises of $73.5 million for Supermarket and Grocery Stores and $26.2 million for Liquor Retailing. They have an implied technical relativity that is *higher* than the Previous Pricing Review based on recent claims experience.

There was a strengthening in the claim frequency relativity for this group, while the claim size relativity has remained broadly similar. This has resulted in an adopted relativity at the Current Pricing Review of 85, which is an increase from 75 at the Previous Pricing Review (+13%).

The increase of 21.18% in the suggested premium rate reflects both the overall premium rate increase and adopted relativity increase.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
83	6619	Other Motor Vehicle and Transport Equipment Rental and Hiring	1.87%	1.54%	+21.18%
	6631	Heavy Machinery and Scaffolding Rental and Hiring			

This group, with wages for the 2026/27 year expected to be $26.1 million, comprising of $8.8 million for Other Motor Vehicle and Transport Equipment Rental and Hiring and $17.3 million for Heavy Machinery and Scaffolding Rental and Hiring. This relativity group has an implied technical relativity that is *higher* than the Previous Pricing Review based on recent claims experience.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
This led to a material strengthening in the claim severity relativity and minor strengthening in the claims frequency relativity for this relativity group. This has resulted in an adopted relativity at the Current Pricing Review of 85, which is an increase from 75 at the Previous Pricing Review (+13%). The increase of 21.18% in the suggested premium rate reflects both the overall premium rate increase and adopted relativity increase.					
84	6711	Residential Property Operators	1.87%	1.54%	+21.18%
	6712	Non-Residential Property Operators			

This group, with wages for the 2026/27 year expected to be $28.0 million, comprises of $18.0 million for Residential Property Operators and $10.0 million for Non-Residential Property Operators. This relativity group has an implied technical relativity that is *higher* than the Previous Pricing Review based on recent claims experience.

There was a strengthening in both the claims frequency and severity relativity for this group. This has resulted in an adopted relativity at the Current Pricing Review of 85, which is an increase from 75 at the Previous Pricing Review (+13%).

The increase of 21.18% in the suggested premium rate reflects both the overall premium rate increase and adopted relativity increase.

The table below summarises ANZSIC classes with the largest proportional decrease in suggested premium rates, between the Previous and Current Pricing Review.

Table 5: ANZSIC Classes with Largest Proportional Decreases over 15% in Suggested Premium Rates

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
130	2640	On Selling Electricity and Electricity Market Operation	0.66%	0.82%	-20.25%

The wages for On Selling Electricity and Electricity Market Operation for the 2026/27 year are expected to be $37.2 million. This class was previously part of the relativity group 32, which included five other power related ANZSIC classes - Fossil Fuel Electricity Generation (2611), Hydro-Electricity Generation (2612), Other Electricity Generation (2619), Electricity Transmission (2620) and Electricity Distribution (2630).

The claim experience relativity of this class was identified as significantly *lower* than the remaining ANZSIC classes in the relativity group 32, both in terms of relativity for claim frequency (0.5 times lower) and claim size (0.25 times lower). We have moved this class to a new relativity group, being relativity group 130. As a result, the adopted relativity has decreased from 40 to 30 (-25%). The resulting decrease in the suggested premium rate of 20.25% reflects the net effect of the overall premium rate increase and the adopted relativity decrease.

In relation to the remaining ANZSIC classes within relativity group 32, with expected wages of $343.3 million, its adopted relativity has increased from 40 to 45 (+13%). The suggested rate has increased from 0.82% in 2025/26 to 0.99% in 2026/27, an increase of 19.63%.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
137	8531	Dental Services	0.77%	0.93%	-16.83%

The wages for this class for the 2026/27 year are expected to be $32.5 million. This class was previously part of the relativity group 102, which included one other health related ANZSIC class - Pathology and Diagnostic Imaging Services (8520).

The claim experience relativity of this class was identified as significantly *lower* than the remaining ANZSIC classes in the relativity group 41, particularly in terms of relativity for claim severity (65% lower than the other class in relativity group 102). We have moved this class to a new relativity group, being relativity group 137. As a result, the adopted relativity has decreased from 45 to 35 (-22%). The resulting decrease in the suggested premium rate of 16.83% reflects the net effect of the overall premium rate increase and the adopted relativity decrease.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
In relation to the remaining ANZSIC classes within relativity group 102, with expected wages of $115.0 million, its adopted relativity has increased from 45 to 50 (+10%). The suggested rate has increased from 0.93% in 2025/26 to 1.10% in 2026/27, an increase of 18.81%.					
136	3233	Air Conditioning and Heating Services	2.53%	2.98%	-15.20%
The wages for this class for the 2026/27 year are expected to be $65.3 million. This class was previously part of the relativity group 41, which included four other trade ANZSIC classes - Plumbing Services (3231), Carpentry Services (3242), Tiling and Carpeting Services (3242) and Painting and Decorating Services (3244). The claim experience relativity of this class was identified as significantly *lower* than the remaining ANZSIC classes in the relativity group 41, particularly in terms of relativity for claim severity (31% lower) but also marginally for claim frequency (5% lower). We have moved this class to a new relativity group, being relativity group 136. As a result, the adopted relativity has decreased from 145 to 115 (-21%). The resulting decrease in the suggested premium rate of 15.20% reflects the net effect of the overall premium rate increase and the adopted relativity decrease. In relation to the remaining ANZSIC classes within relativity group 41, with expected wages of $156.6 million, its adopted relativity has increased from 145 to 160 (+10%). The suggested rate has increased from 2.98% in 2025/26 to 3.52% in 2026/27, an increase of 17.99%.					

Movement in Suggested Premium Rates at the ANZSIC Class Level

The suggested premium rates are tabulated for each individual ANZSIC class in Part I of this report. Our suggested premium rates, at the ANZSIC class level, for 2025/26 range from 0.41% to 11.86% of wages. The distribution of ANZSIC classes by movement in suggested premium rate between 2025/26 and 2026/27 is shown below.

Table 6: Distribution of ANZSIC Classes by Movement in Suggested Premium Rates between 2025/26 and 2026/27

Premium Rate Change	Number of ANZSIC Classes	Proportion of ANZSIC Classes	Proportion of Estimated Wages for 2025/26
Less than -20%	0	0%	0%
Greater or equal to -20%; and less than -10%	10	2%	3%
Greater or equal to -10%; and less than -1%	134	29%	21%
Greater or equal to -1%; and less than +1%	39	8%	15%
Greater or equal to +1%; and less than +10%	88	19%	26%
Greater or equal to +10%; and less than +20%	156	34%	28%
Greater or equal to +20%; and less than +30%	36	8%	6%
Greater or equal to +30%	0	0%	0%

* Exclude ANZSIC classes with zero wages

There are 506 ANZSIC classes, however 43 are expected to have zero wages in 2026/27.

The average increase across all ANZSIC classes is 6.65%, It reflects the overall suggested premium rate increase from 2.06% at the Previous Pricing Review to 2.18% at the Current Pricing Review.

Of the 463 ANZSIC classes which are expected to have non-zero wages in 2026/27:

- 8% of ANZSICs (with 15% of wages) have less than +/-1% change in suggested premium rate.
- 61% of ANZSICs (with 60% of wages) had an increase of more than +1% in their suggested premium rate.
  - 19% of ANZSICs (with 26% of wages) had an increase between +1% and +10%.
  - 34% of ANZSICs (with 28% of wages) had an increase between +10% and +20%.
  - 8% of ANZSICs (with 6% of wages) had an increase of more than +20%.
- 31% of ANZSICs (with 24% of wages) had a decrease of more than -1% in their suggested premium rate.

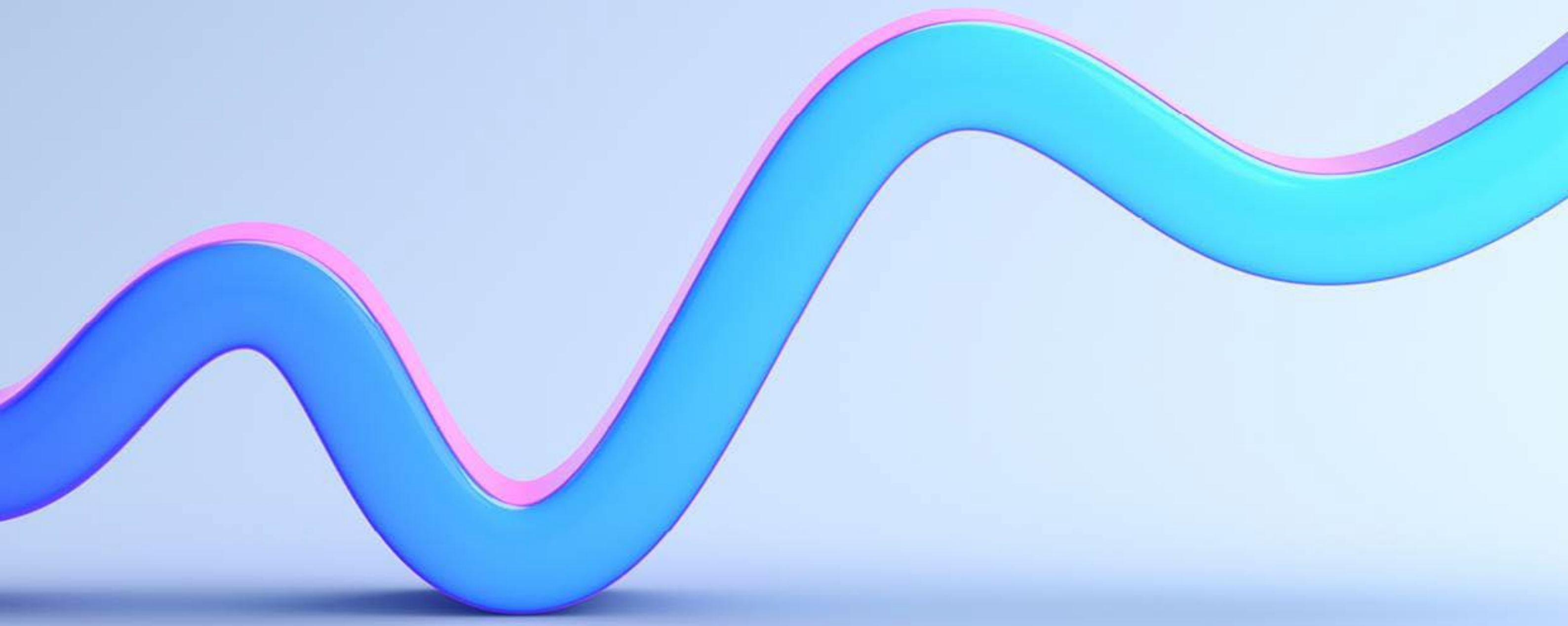
- 29% of ANZSICs (with 21% of wages) had a decrease between -1% and -10%.
- 2% of ANZSICs (with 3% of wages) had a decrease of more than -10%.

7. Reliances and Limitations

This Executive Summary should be read in conjunction with the full report, and the reliance and limitations described therein.

Contents

Executive summary iii
Part I: Summary of Suggested Rates 1
Part II: Analysis to derive Suggested Premium Rates for 2026/27 17
1. Introduction and Background 18
2. Claim Assumptions 20
3. Economic, Expense and Insurer Margin Assumptions 36
4. Suggested Average Premium Rate 41
5. Suggested Relativities and Premium Rates 45
6. Our Approach 59
7. Reliance and Limitations 63
Part III: Appendices 65
A Data 66
B Legislative Reforms 70
C Valuation Approaches Used 74
D Wages 75
E Claim Numbers 76
F Claim Payments 77
G Expenses 78



Part I: Summary of Suggested Rates

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
0111	Nursery Production (Under Cover)	1	3.93	110	73	95	105	**2.09%**	2.16%	-3.26%
0112	Nursery Production (Outdoors)	1	8.71	110	73	95	105	**2.09%**	2.16%	-3.26%
0113	Turf Growing	1	0.05	110	73	95	105	**2.09%**	2.16%	-3.26%
0114	Floriculture Production (Under Cover)	1	0.78	110	73	95	105	**2.09%**	2.16%	-3.26%
0115	Floriculture Production (Outdoors)	1	9.72	110	73	95	105	**2.09%**	2.16%	-3.26%
0121	Mushroom Growing	2	0.00	64	201	180	200	**3.96%**	4.12%	-3.76%
0122	Vegetable Growing (Under Cover)	3	1.80	130	86	100	110	**2.20%**	2.26%	-2.79%
0123	Vegetable Growing (Outdoors)	3	52.19	130	86	100	110	**2.20%**	2.26%	-2.79%
0131	Grape Growing	2	28.60	64	201	180	200	**3.96%**	4.12%	-3.76%
0132	Kiwifruit Growing	3	0.00	130	86	100	110	**2.20%**	2.26%	-2.79%
0133	Berry Fruit Growing	3	120.59	130	86	100	110	**2.20%**	2.26%	-2.79%
0134	Apple and Pear Growing	3	27.93	130	86	100	110	**2.20%**	2.26%	-2.79%
0135	Stone Fruit Growing	3	21.61	130	86	100	110	**2.20%**	2.26%	-2.79%
0136	Citrus Fruit Growing	3	0.00	130	86	100	110	**2.20%**	2.26%	-2.79%
0137	Olive Growing	3	1.68	130	86	100	110	**2.20%**	2.26%	-2.79%
0139	Other Fruit and Tree Nut Growing	3	0.19	130	86	100	110	**2.20%**	2.26%	-2.79%
0141	Sheep Farming (Specialised)	4	12.39	172	200	200	220	**4.40%**	4.53%	-2.79%
0142	Beef Cattle Farming (Specialised)	4	29.81	172	200	200	220	**4.40%**	4.53%	-2.79%
0143	Beef Cattle Feedlots (Specialised)	4	2.72	172	200	200	220	**4.40%**	4.53%	-2.79%
0144	Sheep-Beef Cattle Farming	4	22.45	172	200	200	220	**4.40%**	4.53%	-2.79%
0145	Grain-Sheep or Grain- Beef Cattle Farming	4	17.29	172	200	200	220	**4.40%**	4.53%	-2.79%
0146	Rice Growing	2	0.00	64	201	180	200	**3.96%**	4.12%	-3.76%
0149	Other Grain Growing	2	2.94	64	201	180	200	**3.96%**	4.12%	-3.76%
0151	Sugar Cane Growing	2	0.00	64	201	180	200	**3.96%**	4.12%	-3.76%
0152	Cotton Growing	2	0.01	64	201	180	200	**3.96%**	4.12%	-3.76%
0159	Other Crop Growing n.e.c.	127	13.63	509	602	240	200	**5.28%**	4.12%	28.31%
0160	Dairy Cattle Farming	4	84.87	172	200	200	220	**4.40%**	4.53%	-2.79%
0171	Poultry Farming (Meat)	5	1.09	275	252	250	225	**5.50%**	4.63%	18.81%
0172	Poultry Farming (Eggs)	5	5.84	275	252	250	225	**5.50%**	4.63%	18.81%
0180	Deer Farming	4	0.00	172	200	200	220	**4.40%**	4.53%	-2.79%
0191	Horse Farming	4	2.31	172	200	200	220	**4.40%**	4.53%	-2.79%
0192	Pig Farming	4	5.07	172	200	200	220	**4.40%**	4.53%	-2.79%
0193	Beekeeping	4	3.11	172	200	200	220	**4.40%**	4.53%	-2.79%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
0199	Other Livestock Farming n.e.c.	5	0.47	275	252	250	225	**5.50%**	4.63%	18.81%
0201	Offshore Longline and Rack Aquaculture	6	10.27	191	193	170	155	**3.74%**	3.19%	17.28%
0202	Offshore Caged Aquaculture	6	102.61	191	193	170	155	**3.74%**	3.19%	17.28%
0203	Onshore Aquaculture	122	123.72	60	85	100	110	**2.20%**	2.26%	-2.79%
0301	Forestry	2	6.04	64	201	180	200	**3.96%**	4.12%	-3.76%
0302	Logging	7	51.48	120	240	210	230	**4.62%**	4.73%	-2.37%
0411	Rock Lobster and Crab Potting	6	0.63	191	193	170	155	**3.74%**	3.19%	17.28%
0412	Prawn Fishing	6	0.00	191	193	170	155	**3.74%**	3.19%	17.28%
0413	Line Fishing	6	0.47	191	193	170	155	**3.74%**	3.19%	17.28%
0414	Fish Trawling, Seining and Netting	6	0.05	191	193	170	155	**3.74%**	3.19%	17.28%
0419	Other Fishing	6	0.03	191	193	170	155	**3.74%**	3.19%	17.28%
0420	Hunting and Trapping	5	0.90	275	252	250	225	**5.50%**	4.63%	18.81%
0510	Forestry Support Services	8	12.35	136	100	140	155	**3.08%**	3.19%	-3.42%
0521	Cotton Ginning	3	0.00	130	86	100	110	**2.20%**	2.26%	-2.79%
0522	Shearing Services	4	12.28	172	200	200	220	**4.40%**	4.53%	-2.79%
0529	Other Agriculture and Fishing Support Services	6	58.26	191	193	170	155	**3.74%**	3.19%	17.28%
0600	Coal Mining	9	10.88	67	74	70	65	**1.54%**	1.34%	15.15%
0700	Oil and Gas Extraction	9	3.05	67	74	70	65	**1.54%**	1.34%	15.15%
0801	Iron Ore Mining	9	123.84	67	74	70	65	**1.54%**	1.34%	15.15%
0802	Bauxite Mining	9	0.00	67	74	70	65	**1.54%**	1.34%	15.15%
0803	Copper Ore Mining	10	2.26	50	152	120	110	**2.64%**	2.26%	16.65%
0804	Gold Ore Mining	128	119.84	60	50	90	110	**1.98%**	2.26%	-12.51%
0805	Mineral Sand Mining	9	4.39	67	74	70	65	**1.54%**	1.34%	15.15%
0806	Nickel Ore Mining	9	3.92	67	74	70	65	**1.54%**	1.34%	15.15%
0807	Silver-Lead-Zinc Ore Mining	9	11.54	67	74	70	65	**1.54%**	1.34%	15.15%
0809	Other Metal Ore Mining	10	77.21	50	152	120	110	**2.64%**	2.26%	16.65%
0911	Gravel and Sand Quarrying	10	9.89	50	152	120	110	**2.64%**	2.26%	16.65%
0919	Other Construction Material Mining	9	14.79	67	74	70	65	**1.54%**	1.34%	15.15%
0990	Other Non-Metallic Mineral Mining and Quarrying	10	0.00	50	152	120	110	**2.64%**	2.26%	16.65%
1011	Petroleum Exploration	9	0.00	67	74	70	65	**1.54%**	1.34%	15.15%
1012	Mineral Exploration	11	4.03	79	89	90	80	**1.98%**	1.65%	20.29%
1090	Other Mining Support Services	11	46.13	79	89	90	80	**1.98%**	1.65%	20.29%
1111	Meat Processing	12	68.29	471	396	405	385	**8.91%**	7.92%	12.48%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
1112	Poultry Processing	13	8.81	182	112	130	130	**2.86%**	2.68%	6.93%
1113	Cured Meat and Smallgoods Manufacturing	14	6.48	118	75	85	95	**1.87%**	1.96%	-4.33%
1120	Seafood Processing	13	31.35	182	112	130	130	**2.86%**	2.68%	6.93%
1131	Milk and Cream Processing	15	44.87	63	57	65	70	**1.43%**	1.44%	-0.71%
1132	Ice Cream Manufacturing	15	2.19	63	57	65	70	**1.43%**	1.44%	-0.71%
1133	Cheese and Other Dairy Product Manufacturing	15	81.92	63	57	65	70	**1.43%**	1.44%	-0.71%
1140	Fruit and Vegetable Processing	14	119.75	118	75	85	95	**1.87%**	1.96%	-4.33%
1150	Oil and Fat Manufacturing	14	2.14	118	75	85	95	**1.87%**	1.96%	-4.33%
1161	Grain Mill Product Manufacturing	14	0.66	118	75	85	95	**1.87%**	1.96%	-4.33%
1162	Cereal, Pasta and Baking Mix Manufacturing	14	0.21	118	75	85	95	**1.87%**	1.96%	-4.33%
1171	Bread Manufacturing (Factory based)	16	14.95	122	112	120	135	**2.64%**	2.78%	-4.95%
1172	Cake and Pastry Manufacturing (Factory based)	16	8.90	122	112	120	135	**2.64%**	2.78%	-4.95%
1173	Biscuit Manufacturing (Factory based)	16	0.45	122	112	120	135	**2.64%**	2.78%	-4.95%
1174	Bakery Product Manufacturing (Non- factory based)	14	76.39	118	75	85	95	**1.87%**	1.96%	-4.33%
1181	Sugar Manufacturing	14	0.00	118	75	85	95	**1.87%**	1.96%	-4.33%
1182	Confectionery Manufacturing	14	2.98	118	75	85	95	**1.87%**	1.96%	-4.33%
1191	Potato, Corn and Other Crisp Manufacturing	14	0.71	118	75	85	95	**1.87%**	1.96%	-4.33%
1192	Prepared Animal and Bird Feed Manufacturing	16	31.00	122	112	120	135	**2.64%**	2.78%	-4.95%
1199	Other Food Product Manufacturing n.e.c.	14	5.67	118	75	85	95	**1.87%**	1.96%	-4.33%
1211	Soft Drink, Cordial and Syrup Manufacturing	16	10.40	122	112	120	135	**2.64%**	2.78%	-4.95%
1212	Beer Manufacturing	14	25.34	118	75	85	95	**1.87%**	1.96%	-4.33%
1213	Spirit Manufacturing	14	25.12	118	75	85	95	**1.87%**	1.96%	-4.33%
1214	Wine and Other Alcoholic Beverage Manufacturing	14	29.01	118	75	85	95	**1.87%**	1.96%	-4.33%
1220	Cigarette and Tobacco Product Manufacturing	14	0.00	118	75	85	95	**1.87%**	1.96%	-4.33%
1311	Wool Scouring	17	0.00	122	177	155	140	**3.41%**	2.88%	18.38%
1312	Natural Textile Manufacturing	17	0.83	122	177	155	140	**3.41%**	2.88%	18.38%
1313	Synthetic Textile Manufacturing	17	0.00	122	177	155	140	**3.41%**	2.88%	18.38%
1320	Leather Tanning, Fur Dressing and Leather Product Manufacturing	17	1.25	122	177	155	140	**3.41%**	2.88%	18.38%
1331	Textile Floor Covering Manufacturing	17	0.33	122	177	155	140	**3.41%**	2.88%	18.38%
1332	Rope, Cordage and Twine Manufacturing	17	3.39	122	177	155	140	**3.41%**	2.88%	18.38%
1333	Cut and Sewn Textile Product Manufacturing	17	6.04	122	177	155	140	**3.41%**	2.88%	18.38%
1334	Textile Finishing and Other Textile Product Manufacturing	17	3.29	122	177	155	140	**3.41%**	2.88%	18.38%
1340	Knitted Product Manufacturing	17	1.02	122	177	155	140	**3.41%**	2.88%	18.38%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
1351	Clothing Manufacturing	17	0.25	122	177	155	140	**3.41%**	2.88%	18.38%
1352	Footwear Manufacturing	17	0.00	122	177	155	140	**3.41%**	2.88%	18.38%
1411	Log Sawmilling	18	16.97	344	271	285	290	**6.27%**	5.97%	5.08%
1412	Wood Chipping	19	25.97	103	115	160	175	**3.52%**	3.60%	-2.24%
1413	Timber Resawing and Dressing	129	36.17	283	197	210	175	**4.62%**	3.60%	28.31%
1491	Prefabricated Wooden Building Manufacturing	19	1.92	103	115	160	175	**3.52%**	3.60%	-2.24%
1492	Wooden Structural Fitting and Component Manufacturing	19	14.97	103	115	160	175	**3.52%**	3.60%	-2.24%
1493	Veneer and Plywood Manufacturing	18	3.51	344	271	285	290	**6.27%**	5.97%	5.08%
1494	Reconstituted Wood Product Manufacturing	19	0.00	103	115	160	175	**3.52%**	3.60%	-2.24%
1499	Other Wood Product Manufacturing n.e.c.	129	6.96	283	197	210	175	**4.62%**	3.60%	28.31%
1510	Pulp, Paper and Paperboard Manufacturing	20	43.14	59	73	65	60	**1.43%**	1.24%	15.84%
1521	Corrugated Paperboard and Paperboard Container Manufacturing	20	9.99	59	73	65	60	**1.43%**	1.24%	15.84%
1522	Paper Bag Manufacturing	20	0.00	59	73	65	60	**1.43%**	1.24%	15.84%
1523	Paper Stationery Manufacturing	20	0.00	59	73	65	60	**1.43%**	1.24%	15.84%
1524	Sanitary Paper Product Manufacturing	20	0.00	59	73	65	60	**1.43%**	1.24%	15.84%
1529	Other Converted Paper Product Manufacturing	20	0.26	59	73	65	60	**1.43%**	1.24%	15.84%
1611	Printing	20	18.36	59	73	65	60	**1.43%**	1.24%	15.84%
1612	Printing Support Services	20	0.91	59	73	65	60	**1.43%**	1.24%	15.84%
1620	Reproduction of Recorded Media	20	0.95	59	73	65	60	**1.43%**	1.24%	15.84%
1701	Petroleum Refining and Petroleum Fuel Manufacturing	22	0.00	97	124	125	140	**2.75%**	2.88%	-4.53%
1709	Other Petroleum and Coal Product Manufacturing	22	1.74	97	124	125	140	**2.75%**	2.88%	-4.53%
1811	Industrial Gas Manufacturing	22	0.00	97	124	125	140	**2.75%**	2.88%	-4.53%
1812	Basic Organic Chemical Manufacturing	22	1.14	97	124	125	140	**2.75%**	2.88%	-4.53%
1813	Basic Inorganic Chemical Manufacturing	22	0.48	97	124	125	140	**2.75%**	2.88%	-4.53%
1821	Synthetic Resin and Synthetic Rubber Manufacturing	22	2.67	97	124	125	140	**2.75%**	2.88%	-4.53%
1829	Other Basic Polymer Manufacturing	22	4.98	97	124	125	140	**2.75%**	2.88%	-4.53%
1831	Fertiliser Manufacturing	22	11.91	97	124	125	140	**2.75%**	2.88%	-4.53%
1832	Pesticide Manufacturing	22	11.49	97	124	125	140	**2.75%**	2.88%	-4.53%
1841	Human Pharmaceutical and Medicinal Product Manufacturing	23	30.04	60	61	65	65	**1.43%**	1.34%	6.93%
1842	Veterinary Pharmaceutical and Medicinal Product Manufacturing	23	2.68	60	61	65	65	**1.43%**	1.34%	6.93%
1851	Cleaning Compound Manufacturing	24	0.17	105	164	150	135	**3.30%**	2.78%	18.81%
1852	Cosmetic and Toiletry Preparation Manufacturing	24	1.85	105	164	150	135	**3.30%**	2.78%	18.81%
1891	Photographic Chemical Product Manufacturing	23	0.00	60	61	65	65	**1.43%**	1.34%	6.93%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
1892	Explosive Manufacturing	22	4.29	97	124	125	140	**2.75%**	2.88%	-4.53%
1899	Other Basic Chemical Product Manufacturing n.e.c.	24	1.72	105	164	150	135	**3.30%**	2.78%	18.81%
1911	Polymer Film and Sheet Packaging Material Manufacturing	24	1.77	105	164	150	135	**3.30%**	2.78%	18.81%
1912	Rigid and Semi-Rigid Polymer Product Manufacturing	24	13.47	105	164	150	135	**3.30%**	2.78%	18.81%
1913	Polymer Foam Product Manufacturing	24	0.00	105	164	150	135	**3.30%**	2.78%	18.81%
1914	Tyre Manufacturing	25	0.15	138	171	160	145	**3.52%**	2.98%	17.99%
1915	Adhesive Manufacturing	24	0.00	105	164	150	135	**3.30%**	2.78%	18.81%
1916	Paint and Coatings Manufacturing	24	0.09	105	164	150	135	**3.30%**	2.78%	18.81%
1919	Other Polymer Product Manufacturing	25	9.61	138	171	160	145	**3.52%**	2.98%	17.99%
1920	Natural Rubber Product Manufacturing	25	12.38	138	171	160	145	**3.52%**	2.98%	17.99%
2010	Glass and Glass Product Manufacturing	26	3.18	170	147	125	115	**2.75%**	2.37%	16.23%
2021	Clay Brick Manufacturing	26	4.02	170	147	125	115	**2.75%**	2.37%	16.23%
2029	Other Ceramic Product Manufacturing	26	0.01	170	147	125	115	**2.75%**	2.37%	16.23%
2031	Cement and Lime Manufacturing	26	16.87	170	147	125	115	**2.75%**	2.37%	16.23%
2032	Plaster Product Manufacturing	26	0.08	170	147	125	115	**2.75%**	2.37%	16.23%
2033	Ready-Mixed Concrete Manufacturing	26	8.90	170	147	125	115	**2.75%**	2.37%	16.23%
2034	Concrete Product Manufacturing	26	27.96	170	147	125	115	**2.75%**	2.37%	16.23%
2090	Other Non-Metallic Mineral Product Manufacturing	40	4.16	244	900	660	600	**14.53%**	12.35%	17.62%
2110	Iron Smelting and Steel Manufacturing	27	31.86	163	157	160	145	**3.52%**	2.98%	17.99%
2121	Iron and Steel Casting	27	5.98	163	157	160	145	**3.52%**	2.98%	17.99%
2122	Steel Pipe and Tube Manufacturing	27	4.70	163	157	160	145	**3.52%**	2.98%	17.99%
2131	Alumina Production	28	0.00	122	64	60	55	**1.32%**	1.13%	16.65%
2132	Aluminium Smelting	28	83.40	122	64	60	55	**1.32%**	1.13%	16.65%
2133	Copper, Silver, Lead and Zinc Smelting and Refining	27	0.68	163	157	160	145	**3.52%**	2.98%	17.99%
2139	Other Basic Non-Ferrous Metal Manufacturing	27	0.00	163	157	160	145	**3.52%**	2.98%	17.99%
2141	Non-Ferrous Metal Casting	26	0.00	170	147	125	115	**2.75%**	2.37%	16.23%
2142	Aluminium Rolling, Drawing, Extruding	26	0.00	170	147	125	115	**2.75%**	2.37%	16.23%
2149	Other Basic Non-Ferrous Metal Product Manufacturing	26	0.14	170	147	125	115	**2.75%**	2.37%	16.23%
2210	Iron and Steel Forging	27	0.00	163	157	160	145	**3.52%**	2.98%	17.99%
2221	Structural Steel Fabricating	27	52.35	163	157	160	145	**3.52%**	2.98%	17.99%
2222	Prefabricated Metal Building Manufacturing	27	5.83	163	157	160	145	**3.52%**	2.98%	17.99%
2223	Architectural Aluminium Product Manufacturing	27	34.21	163	157	160	145	**3.52%**	2.98%	17.99%
2224	Metal Roof and Guttering Manufacturing (except Aluminium)	27	1.37	163	157	160	145	**3.52%**	2.98%	17.99%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
2229	Other Structural Metal Product Manufacturing	27	4.01	163	157	160	145	**3.52%**	2.98%	17.99%
2231	Boiler, Tank and Other Heavy Gauge Metal Container Manufacturing	27	10.17	163	157	160	145	**3.52%**	2.98%	17.99%
2239	Other Metal Container Manufacturing	27	6.35	163	157	160	145	**3.52%**	2.98%	17.99%
2240	Sheet Metal Product Manufacturing (except Metal Structural and Container Products)	27	13.67	163	157	160	145	**3.52%**	2.98%	17.99%
2291	Spring and Wire Product Manufacturing	27	0.47	163	157	160	145	**3.52%**	2.98%	17.99%
2292	Nut, Bolt, Screw and Rivet Manufacturing	27	0.00	163	157	160	145	**3.52%**	2.98%	17.99%
2293	Metal Coating and Finishing	27	7.39	163	157	160	145	**3.52%**	2.98%	17.99%
2299	Other Fabricated Metal Product Manufacturing n.e.c.	27	17.44	163	157	160	145	**3.52%**	2.98%	17.99%
2311	Motor Vehicle Manufacturing	29	0.14	104	127	120	120	**2.64%**	2.47%	6.93%
2312	Motor Vehicle Body and Trailer Manufacturing	29	17.55	104	127	120	120	**2.64%**	2.47%	6.93%
2313	Automotive Electrical Component Manufacturing	29	0.55	104	127	120	120	**2.64%**	2.47%	6.93%
2319	Other Motor Vehicle Parts Manufacturing	29	4.85	104	127	120	120	**2.64%**	2.47%	6.93%
2391	Shipbuilding and Repair Services	120	56.00	307	276	170	155	**3.74%**	3.19%	17.28%
2392	Boatbuilding and Repair Services	120	6.72	307	276	170	155	**3.74%**	3.19%	17.28%
2393	Railway Rolling Stock Manufacturing and Repair Services	29	0.00	104	127	120	120	**2.64%**	2.47%	6.93%
2394	Aircraft Manufacturing and Repair Services	29	1.59	104	127	120	120	**2.64%**	2.47%	6.93%
2399	Other Transport Equipment Manufacturing n.e.c.	29	0.08	104	127	120	120	**2.64%**	2.47%	6.93%
2411	Photographic, Optical and Ophthalmic Equipment Manufacturing	23	2.51	60	61	65	65	**1.43%**	1.34%	6.93%
2412	Medical and Surgical Equipment Manufacturing	23	0.68	60	61	65	65	**1.43%**	1.34%	6.93%
2419	Other Professional and Scientific Equipment Manufacturing	30	11.37	91	68	90	100	**1.98%**	2.06%	-3.76%
2421	Computer and Electronic Office Equipment Manufacturing	23	4.74	60	61	65	65	**1.43%**	1.34%	6.93%
2422	Communications Equipment Manufacturing	23	0.39	60	61	65	65	**1.43%**	1.34%	6.93%
2429	Other Electronic Equipment Manufacturing	23	3.19	60	61	65	65	**1.43%**	1.34%	6.93%
2431	Electric Cable and Wire Manufacturing	30	0.70	91	68	90	100	**1.98%**	2.06%	-3.76%
2432	Electric Lighting Equipment Manufacturing	30	2.87	91	68	90	100	**1.98%**	2.06%	-3.76%
2439	Other Electrical Equipment Manufacturing	30	5.70	91	68	90	100	**1.98%**	2.06%	-3.76%
2441	Whiteware Appliance Manufacturing	30	0.00	91	68	90	100	**1.98%**	2.06%	-3.76%
2449	Other Domestic Appliance Manufacturing	30	0.12	91	68	90	100	**1.98%**	2.06%	-3.76%
2451	Pump and Compressor Manufacturing	26	0.17	170	147	125	115	**2.75%**	2.37%	16.23%
2452	Fixed Space Heating, Cooling and Ventilation Equipment Manufacturing	26	0.47	170	147	125	115	**2.75%**	2.37%	16.23%
2461	Agricultural Machinery and Equipment Manufacturing	27	7.30	163	157	160	145	**3.52%**	2.98%	17.99%
2462	Mining and Construction Machinery Manufacturing	31	33.58	41	58	35	30	**0.77%**	0.62%	24.75%
2463	Machine Tool and Parts Manufacturing	27	5.40	163	157	160	145	**3.52%**	2.98%	17.99%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
2469	Other Specialised Machinery and Equipment Manufacturing	26	1.43	170	147	125	115	**2.75%**	2.37%	16.23%
2491	Lifting and Material Handling Equipment Manufacturing	27	24.71	163	157	160	145	**3.52%**	2.98%	17.99%
2499	Other Machinery and Equipment Manufacturing n.e.c.	26	14.47	170	147	125	115	**2.75%**	2.37%	16.23%
2511	Wooden Furniture and Upholstered Seat Manufacturing	30	38.23	91	68	90	100	**1.98%**	2.06%	-3.76%
2512	Metal Furniture Manufacturing	26	0.00	170	147	125	115	**2.75%**	2.37%	16.23%
2513	Mattress Manufacturing	26	2.33	170	147	125	115	**2.75%**	2.37%	16.23%
2519	Other Furniture Manufacturing	26	3.26	170	147	125	115	**2.75%**	2.37%	16.23%
2591	Jewellery and Silverware Manufacturing	23	0.29	60	61	65	65	**1.43%**	1.34%	6.93%
2592	Toy, Sporting and Recreational Product Manufacturing	26	2.06	170	147	125	115	**2.75%**	2.37%	16.23%
2599	Other Manufacturing n.e.c.	27	0.55	163	157	160	145	**3.52%**	2.98%	17.99%
2611	Fossil Fuel Electricity Generation	32	0.00	34	47	45	40	**0.99%**	0.82%	20.29%
2612	Hydro-Electricity Generation	32	325.51	34	47	45	40	**0.99%**	0.82%	20.29%
2619	Other Electricity Generation	32	5.95	34	47	45	40	**0.99%**	0.82%	20.29%
2620	Electricity Transmission	32	0.00	34	47	45	40	**0.99%**	0.82%	20.29%
2630	Electricity Distribution	32	11.86	34	47	45	40	**0.99%**	0.82%	20.29%
2640	On Selling Electricity and Electricity Market Operation	130	37.14	15	9	30	40	**0.66%**	0.82%	-19.80%
2700	Gas Supply	33	16.23	43	80	70	70	**1.54%**	1.44%	6.93%
2811	Water Supply	33	134.48	43	80	70	70	**1.54%**	1.44%	6.93%
2812	Sewerage and Drainage Services	34	4.13	117	166	145	130	**3.19%**	2.68%	19.27%
2911	Solid Waste Collection Services	35	50.17	93	149	130	130	**2.86%**	2.68%	6.93%
2919	Other Waste Collection Services	35	4.10	93	149	130	130	**2.86%**	2.68%	6.93%
2921	Waste Treatment and Disposal Services	35	1.37	93	149	130	130	**2.86%**	2.68%	6.93%
2922	Waste Remediation and Materials Recovery Services	35	10.55	93	149	130	130	**2.86%**	2.68%	6.93%
3011	House Construction	36	240.63	150	112	120	125	**2.64%**	2.57%	2.65%
3019	Other Residential Building Construction	126	33.69	**364**	**232**	**185**	**170**	**4.07%**	**3.50%**	**16.36%**
3020	Non-Residential Building Construction	38	**172.56**	129	127	130	120	**2.86%**	2.47%	15.84%
3101	Road and Bridge Construction	38	104.76	129	127	130	120	**2.86%**	2.47%	15.84%
3109	Other Heavy and Civil Engineering Construction	39	119.90	73	159	135	140	**2.97%**	2.88%	3.11%
3211	Land Development and Subdivision	39	0.75	73	159	135	140	**2.97%**	2.88%	3.11%
3212	Site Preparation Services	34	254.27	117	166	145	130	**3.19%**	2.68%	19.27%
3221	Concreting Services	24	34.26	105	164	150	175	**3.30%**	3.60%	-8.35%
3222	Bricklaying Services	37	9.31	166	184	180	175	**3.96%**	3.60%	9.98%
3223	Roofing Services	37	23.04	166	184	180	175	**3.96%**	3.60%	9.98%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
3224	Structural Steel Erection Services	37	2.84	166	184	180	175	**3.96%**	3.60%	9.98%
3231	Plumbing Services	41	84.57	141	168	160	145	**3.52%**	2.98%	17.99%
3232	Electrical Services	42	226.62	75	76	80	80	**1.76%**	1.65%	6.93%
3233	Air Conditioning and Heating Services	136	65.27	132	101	115	145	**2.53%**	2.98%	-15.20%
3234	Fire and Security Alarm Installation Services	123	31.04	132	71	95	105	**2.09%**	2.16%	-3.26%
3239	Other Building Installation Services	123	13.00	132	71	95	105	**2.09%**	2.16%	-3.26%
3241	Plastering and Ceiling Services	123	30.17	132	71	95	105	**2.09%**	2.16%	-3.26%
3242	Carpentry Services	41	21.59	141	168	160	145	**3.52%**	2.98%	17.99%
3243	Tiling and Carpeting Services	41	13.00	141	168	160	145	**3.52%**	2.98%	17.99%
3244	Painting and Decorating Services	41	37.45	141	168	160	145	**3.52%**	2.98%	17.99%
3245	Glazing Services	37	17.91	166	184	180	175	**3.96%**	3.60%	9.98%
3291	Landscape Construction Services	43	21.86	201	200	200	220	**4.40%**	4.53%	-2.79%
3292	Hire of Construction Machinery with Operator	37	13.27	166	184	180	175	**3.96%**	3.60%	9.98%
3299	Other Construction Services n.e.c.	37	36.70	166	184	180	175	**3.96%**	3.60%	9.98%
3311	Wool Wholesaling	44	3.28	63	48	55	60	**1.21%**	1.24%	-1.98%
3312	Cereal Grain Wholesaling	44	0.99	63	48	55	60	**1.21%**	1.24%	-1.98%
3319	Other Agricultural Product Wholesaling	44	52.79	63	48	55	60	**1.21%**	1.24%	-1.98%
3321	Petroleum Product Wholesaling	45	35.05	149	192	155	140	**3.41%**	2.88%	18.38%
3322	Metal and Mineral Wholesaling	45	21.05	149	192	155	140	**3.41%**	2.88%	18.38%
3323	Industrial and Agricultural Chemical Product Wholesaling	46	19.28	63	79	75	85	**1.65%**	1.75%	-5.65%
3331	Timber Wholesaling	46	8.83	63	79	75	85	**1.65%**	1.75%	-5.65%
3332	Plumbing Goods Wholesaling	46	10.43	63	79	75	85	**1.65%**	1.75%	-5.65%
3339	Other Hardware Goods Wholesaling	58	77.92	122	155	115	105	**2.53%**	2.16%	17.11%
3411	Agricultural and Construction Machinery Wholesaling	44	58.08	63	48	55	60	**1.21%**	1.24%	-1.98%
3419	Other Specialised Industrial Machinery and Equipment Wholesaling	44	20.87	63	48	55	60	**1.21%**	1.24%	-1.98%
3491	Professional and Scientific Goods Wholesaling	47	25.06	44	53	50	50	**1.10%**	1.03%	6.93%
3492	Computer and Computer Peripheral Wholesaling	47	5.13	44	53	50	50	**1.10%**	1.03%	6.93%
3493	Telecommunication Goods Wholesaling	47	1.01	44	53	50	50	**1.10%**	1.03%	6.93%
3494	Other Electrical and Electronic Good Wholesaling	47	54.77	44	53	50	50	**1.10%**	1.03%	6.93%
3499	Other Machinery and Equipment Wholesaling n.e.c.	47	26.67	44	53	50	50	**1.10%**	1.03%	6.93%
3501	Car Wholesaling	121	75.21	136	111	115	105	**2.53%**	2.16%	17.11%
3502	Commercial Vehicle Wholesaling	121	42.65	136	111	115	105	**2.53%**	2.16%	17.11%
3503	Trailer and Other Motor Vehicle Wholesaling	121	20.07	136	111	115	105	**2.53%**	2.16%	17.11%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
3504	Motor Vehicle New Parts Wholesaling	121	13.37	136	111	115	105	**2.53%**	2.16%	17.11%
3505	Motor Vehicle Dismantling and Used Parts Wholesaling	121	43.47	136	111	115	105	**2.53%**	2.16%	17.11%
3601	General Line Grocery Wholesaling	49	38.86	124	109	115	115	**2.53%**	2.37%	6.93%
3602	Meat, Poultry and Smallgoods Wholesaling	49	1.58	124	109	115	115	**2.53%**	2.37%	6.93%
3603	Dairy Produce Wholesaling	49	1.72	124	109	115	115	**2.53%**	2.37%	6.93%
3604	Fish and Seafood Wholesaling	49	7.64	124	109	115	115	**2.53%**	2.37%	6.93%
3605	Fruit and Vegetable Wholesaling	49	53.81	124	109	115	115	**2.53%**	2.37%	6.93%
3606	Liquor and Tobacco Product Wholesaling	131	12.42	138	229	100	85	**2.20%**	1.75%	25.80%
3609	Other Grocery Wholesaling	49	44.65	124	109	115	115	**2.53%**	2.37%	6.93%
3711	Textile Product Wholesaling	131	2.76	138	229	100	85	**2.20%**	1.75%	25.80%
3712	Clothing and Footwear Wholesaling	50	17.45	35	39	75	85	**1.65%**	1.75%	-5.65%
3720	Pharmaceutical and Toiletry Goods Wholesaling	50	20.26	35	39	75	85	**1.65%**	1.75%	-5.65%
3731	Furniture and Floor Covering Wholesaling	131	3.75	138	229	100	85	**2.20%**	1.75%	25.80%
3732	Jewellery and Watch Wholesaling	50	0.23	35	39	75	85	**1.65%**	1.75%	-5.65%
3733	Kitchen and Diningware Wholesaling	50	2.62	35	39	75	85	**1.65%**	1.75%	-5.65%
3734	Toy and Sporting Goods Wholesaling	50	0.87	35	39	75	85	**1.65%**	1.75%	-5.65%
3735	Book and Magazine Wholesaling	50	0.31	35	39	75	85	**1.65%**	1.75%	-5.65%
3736	Paper Product Wholesaling	46	3.37	63	79	75	85	**1.65%**	1.75%	-5.65%
3739	Other Goods Wholesaling n.e.c.	46	6.36	63	79	75	85	**1.65%**	1.75%	-5.65%
3800	Commission-Based Wholesaling	50	11.86	35	39	75	85	**1.65%**	1.75%	-5.65%
3911	Car Retailing	48	108.35	99	54	65	70	**1.43%**	1.44%	-0.71%
3912	Motor Cycle Retailing	48	8.11	99	54	65	70	**1.43%**	1.44%	-0.71%
3913	Trailer and Other Motor Vehicle Retailing	48	3.13	99	54	65	70	**1.43%**	1.44%	-0.71%
3921	Motor Vehicle Parts Retailing	48	18.30	99	54	65	70	**1.43%**	1.44%	-0.71%
3922	Tyre Retailing	51	19.41	102	103	120	135	**2.64%**	2.78%	-4.95%
4000	Fuel Retailing	52	3.95	95	117	110	115	**2.42%**	2.37%	2.28%
4110	Supermarket and Grocery Stores	53	73.50	88	84	85	75	**1.87%**	1.54%	21.18%
4121	Fresh Meat, Fish and Poultry Retailing	52	14.57	95	117	110	115	**2.42%**	2.37%	2.28%
4122	Fruit and Vegetable Retailing	52	5.52	95	117	110	115	**2.42%**	2.37%	2.28%
4123	Liquor Retailing	53	26.23	88	84	85	75	**1.87%**	1.54%	21.18%
4129	Other Specialised Food Retailing	52	67.20	95	117	110	115	**2.42%**	2.37%	2.28%
4211	Furniture Retailing	58	19.72	122	155	115	105	**2.53%**	2.16%	17.11%
4212	Floor Coverings Retailing	55	16.95	109	65	75	75	**1.65%**	1.54%	6.93%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
4213	Houseware Retailing	54	4.40	90	81	75	70	**1.65%**	1.44%	14.57%
4214	Manchester and Other Textile Goods Retailing	55	12.06	109	65	75	75	**1.65%**	1.54%	6.93%
4221	Electrical, Electronic and Gas Appliance Retailing	54	42.03	90	81	75	70	**1.65%**	1.44%	14.57%
4222	Computer and Computer Peripheral Retailing	56	3.24	33	19	35	40	**0.77%**	0.82%	-6.44%
4229	Other Electrical and Electronic Goods Retailing	57	6.59	24	33	40	45	**0.88%**	0.93%	-4.95%
4231	Hardware and Building Supplies Retailing	132	73.12	104	82	85	105	**1.87%**	2.16%	-13.44%
4232	Garden Supplies Retailing	132	14.30	104	82	85	105	**1.87%**	2.16%	-13.44%
4241	Sport and Camping Equipment Retailing	124	28.06	78	77	60	55	**1.32%**	1.13%	16.65%
4242	Entertainment Media Retailing	56	1.92	33	19	35	40	**0.77%**	0.82%	-6.44%
4243	Toy and Game Retailing	56	5.67	33	19	35	40	**0.77%**	0.82%	-6.44%
4244	Newspaper and Book Retailing	56	19.53	33	19	35	40	**0.77%**	0.82%	-6.44%
4245	Marine Equipment Retailing	56	9.97	33	19	35	40	**0.77%**	0.82%	-6.44%
4251	Clothing Retailing	124	55.01	78	77	60	55	**1.32%**	1.13%	16.65%
4252	Footwear Retailing	56	11.87	33	19	35	40	**0.77%**	0.82%	-6.44%
4253	Watch and Jewellery Retailing	57	15.34	24	33	40	45	**0.88%**	0.93%	-4.95%
4259	Other Personal Accessory Retailing	56	1.92	33	19	35	40	**0.77%**	0.82%	-6.44%
4260	Department Stores	54	12.33	90	81	75	70	**1.65%**	1.44%	14.57%
4271	Pharmaceutical, Cosmetic and Toiletry Goods Retailing	56	105.46	33	19	35	40	**0.77%**	0.82%	-6.44%
4272	Stationery Goods Retailing	54	6.83	90	81	75	70	**1.65%**	1.44%	14.57%
4273	Antique and Used Goods Retailing	55	4.87	**109**	**65**	**75**	**75**	**1.65%**	**1.54%**	**6.93%**
4274	Flower Retailing	54	**3.05**	90	81	75	70	**1.65%**	1.44%	14.57%
4279	Other Store-Based Retailing n.e.c.	55	59.21	**109**	**65**	**75**	**75**	**1.65%**	**1.54%**	**6.93%**
4310	Non-Store Retailing	55	**4.36**	109	65	75	75	**1.65%**	1.54%	6.93%
4320	Retail Commission-Based Buying and/or Selling	55	0.53	109	65	75	75	**1.65%**	1.54%	6.93%
4400	Accommodation	60	224.97	114	100	105	105	**2.31%**	2.16%	6.93%
4511	Cafes and Restaurants	61	281.34	82	61	65	60	**1.43%**	1.24%	15.84%
4512	Takeaway Food Services	62	148.55	131	54	75	70	**1.65%**	1.44%	14.57%
4513	Catering Services	61	11.30	82	61	65	60	**1.43%**	1.24%	15.84%
4520	Pubs, Taverns and Bars	60	147.20	114	100	105	105	**2.31%**	2.16%	6.93%
4530	Clubs (Hospitality)	133	14.99	187	230	145	120	**3.19%**	2.47%	29.20%
4610	Road Freight Transport	64	251.46	151	221	205	220	**4.51%**	4.53%	-0.36%
4621	Interurban and Rural Bus Transport	65	25.09	71	77	85	95	**1.87%**	1.96%	-4.33%
4622	Urban Bus Transport (Including Tramway)	69	56.43	231	220	225	205	**4.95%**	4.22%	17.36%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
4623	Taxi and Other Road Transport	65	3.94	71	77	85	95	**1.87%**	1.96%	-4.33%
4710	Rail Freight Transport	67	38.20	116	197	120	110	**2.64%**	2.26%	16.65%
4720	Rail Passenger Transport	67	0.00	116	197	120	110	**2.64%**	2.26%	16.65%
4810	Water Freight Transport	67	23.58	116	197	120	110	**2.64%**	2.26%	16.65%
4820	Water Passenger Transport	67	70.69	116	197	120	110	**2.64%**	2.26%	16.65%
4900	Air and Space Transport	68	34.66	103	119	75	70	**1.65%**	1.44%	14.57%
5010	Scenic and Sightseeing Transport	65	14.99	71	77	85	95	**1.87%**	1.96%	-4.33%
5021	Pipeline Transport	69	0.00	231	220	225	220	**4.95%**	4.53%	9.36%
5029	Other Transport n.e.c.	69	0.63	231	220	225	220	**4.95%**	4.53%	9.36%
5101	Postal Services	21	15.63	127	276	215	195	**4.73%**	4.01%	17.89%
5102	Courier Pick-up and Delivery Services	21	20.05	127	276	215	195	**4.73%**	4.01%	17.89%
5211	Stevedoring Services	70	74.77	104	165	165	185	**3.63%**	3.81%	-4.63%
5212	Port and Water Transport Terminal Operations	71	89.08	44	63	65	65	**1.43%**	1.34%	6.93%
5219	Other Water Transport Support Services	71	19.37	44	63	65	65	**1.43%**	1.34%	6.93%
5220	Airport Operations and Other Air Transport Support Services	72	39.39	104	86	95	85	**2.09%**	1.75%	19.51%
5291	Customs Agency Services	73	0.42	36	28	30	30	**0.66%**	0.62%	6.93%
5292	Freight Forwarding Services	74	9.83	57	132	115	120	**2.53%**	2.47%	2.47%
5299	Other Transport Support Services n.e.c.	69	6.68	231	220	225	220	**4.95%**	4.53%	9.36%
5301	Grain Storage Services	75	0.05	105	230	105	95	**2.31%**	1.96%	18.18%
5309	Other Warehousing and Storage Services	75	19.56	105	230	105	95	**2.31%**	1.96%	18.18%
5411	Newspaper Publishing	20	17.42	59	73	65	60	**1.43%**	1.24%	15.84%
5412	Magazine and Other Periodical Publishing	20	1.01	59	73	65	60	**1.43%**	1.24%	15.84%
5413	Book Publishing	20	1.09	59	73	65	60	**1.43%**	1.24%	15.84%
5414	Directory and Mailing List Publishing	20	0.35	59	73	65	60	**1.43%**	1.24%	15.84%
5419	Other Publishing (except Software, Music and Internet)	20	0.63	59	73	65	60	**1.43%**	1.24%	15.84%
5420	Software Publishing	20	10.95	59	73	65	60	**1.43%**	1.24%	15.84%
5511	Motion Picture and Video Production	76	1.02	39	60	35	30	**0.77%**	0.62%	24.75%
5512	Motion Picture and Video Distribution	76	4.87	39	60	35	30	**0.77%**	0.62%	24.75%
5513	Motion Picture Exhibition	76	0.00	39	60	35	30	**0.77%**	0.62%	24.75%
5514	Post-production Services and Other Motion Picture and Video Activities	76	7.26	39	60	35	30	**0.77%**	0.62%	24.75%
5521	Music Publishing	76	1.70	39	60	35	30	**0.77%**	0.62%	24.75%
5522	Music and Other Sound Recording Activities	76	0.44	39	60	35	30	**0.77%**	0.62%	24.75%
5610	Radio Broadcasting	76	0.34	39	60	35	30	**0.77%**	0.62%	24.75%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
5621	Free-to-Air Television Broadcasting	76	12.81	39	60	35	30	**0.77%**	0.62%	24.75%
5622	Cable and Other Subscription Broadcasting	76	3.31	39	60	35	30	**0.77%**	0.62%	24.75%
5700	Internet Publishing and Broadcasting	20	1.80	59	73	65	60	**1.43%**	1.24%	15.84%
5801	Wired Telecommunications Network Operation	77	6.20	40	45	65	70	**1.43%**	1.44%	-0.71%
5802	Other Telecommunications Network Operation	77	17.78	40	45	65	70	**1.43%**	1.44%	-0.71%
5809	Other Telecommunications Services	77	9.27	40	45	65	70	**1.43%**	1.44%	-0.71%
5910	Internet Service Providers and Web Search Portals	77	8.69	40	45	65	70	**1.43%**	1.44%	-0.71%
5921	Data Processing and Web Hosting Services	78	4.84	48	25	30	35	**0.66%**	0.72%	-8.35%
5922	Electronic Information Storage Services	78	1.71	48	25	30	35	**0.66%**	0.72%	-8.35%
6010	Libraries and Archives	78	0.02	48	25	30	35	**0.66%**	0.72%	-8.35%
6020	Other Information Services	76	1.54	39	60	35	30	**0.77%**	0.62%	24.75%
6210	Central Banking	80	0.32	13	14	15	15	**0.40%**	0.40%	1.00%
6221	Banking	80	33.87	13	14	15	15	**0.40%**	0.40%	1.00%
6222	Building Society Operation	80	71.43	13	14	15	15	**0.40%**	0.40%	1.00%
6223	Credit Union Operation	80	1.08	13	14	15	15	**0.40%**	0.40%	1.00%
6229	Other Depository Financial Intermediation	80	7.44	13	14	15	15	**0.40%**	0.40%	1.00%
6230	Non-Depository Financing	80	3.92	13	14	15	15	**0.40%**	0.40%	1.00%
6240	Financial Asset Investing	80	6.62	13	14	15	15	**0.40%**	0.40%	1.00%
6310	Life Insurance	80	1.26	13	14	15	15	**0.40%**	0.40%	1.00%
6321	Health Insurance	80	23.14	13	14	15	15	**0.40%**	0.40%	1.00%
6322	General Insurance	81	0.37	14	34	35	40	**0.77%**	0.82%	-6.44%
6330	Superannuation Funds	80	69.12	13	14	15	15	**0.40%**	0.40%	1.00%
6411	Financial Asset Broking Services	80	17.35	13	14	15	15	**0.40%**	0.40%	1.00%
6419	Other Auxiliary Finance and Investment Services	82	75.22	17	13	25	25	**0.55%**	0.51%	6.93%
6420	Auxiliary Insurance Services	82	57.42	17	13	25	25	**0.55%**	0.51%	6.93%
6611	Passenger Car Rental and Hiring	48	35.10	99	54	65	70	**1.43%**	1.44%	-0.71%
6619	Other Motor Vehicle and Transport Equipment Rental and Hiring	83	8.82	83	155	85	75	**1.87%**	1.54%	21.18%
6620	Farm Animal and Bloodstock Leasing	5	0.00	275	252	250	225	**5.50%**	4.63%	18.81%
6631	Heavy Machinery and Scaffolding Rental and Hiring	83	17.26	83	155	85	75	**1.87%**	1.54%	21.18%
6632	Video and Other Electronic Media Rental and Hiring	76	0.20	39	60	35	30	**0.77%**	0.62%	24.75%
6639	Other Goods and Equipment Rental and Hiring n.e.c.	59	12.13	111	179	100	90	**2.20%**	1.85%	18.81%
6640	Non-Financial Intangible Assets (Except Copyrights) Leasing	80	0.06	13	14	15	15	**0.40%**	0.40%	1.00%
6711	Residential Property Operators	84	18.02	105	133	85	75	**1.87%**	1.54%	21.18%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
6712	Non-Residential Property Operators	84	9.95	105	133	85	75	**1.87%**	1.54%	21.18%
6720	Real Estate Services	80	150.13	13	14	15	15	**0.40%**	0.40%	1.00%
6910	Scientific Research Services	85	24.67	16	23	20	20	**0.44%**	0.41%	6.93%
6921	Architectural Services	85	50.30	16	23	20	20	**0.44%**	0.41%	6.93%
6922	Surveying and Mapping Services	85	34.86	16	23	20	20	**0.44%**	0.41%	6.93%
6923	Engineering Design and Engineering Consulting Services	85	250.16	16	23	20	20	**0.44%**	0.41%	6.93%
6924	Other Specialised Design Services	73	15.69	36	28	30	30	**0.66%**	0.62%	6.93%
6925	Scientific Testing and Analysis Services	85	20.04	16	23	20	20	**0.44%**	0.41%	6.93%
6931	Legal Services	80	138.39	13	14	15	15	**0.40%**	0.40%	1.00%
6932	Accounting Services	80	140.65	13	14	15	15	**0.40%**	0.40%	1.00%
6940	Advertising Services	73	19.83	36	28	30	30	**0.66%**	0.62%	6.93%
6950	Market Research and Statistical Services	73	6.77	36	28	30	30	**0.66%**	0.62%	6.93%
6961	Corporate Head Office Management Services	125	50.05	91	72	45	40	**0.99%**	0.82%	20.29%
6962	Management Advice and Related Consulting Services	86	200.74	21	27	30	35	**0.66%**	0.72%	-8.35%
6970	Veterinary Services	87	57.88	185	76	100	100	**2.20%**	2.06%	6.93%
6991	Professional Photographic Services	59	2.80	111	179	100	90	**2.20%**	1.85%	18.81%
6999	Other Professional, Scientific and Technical Services n.e.c.	85	18.94	16	23	20	20	**0.44%**	0.41%	6.93%
7000	Computer System Design and Related Services	80	261.89	13	14	15	15	**0.40%**	0.40%	1.00%
7211	Employment Placement and Recruitment Services	88	3.27	97	116	110	115	**2.42%**	2.37%	2.28%
7212	Labour Supply Services	89	37.26	219	238	230	210	**5.06%**	4.32%	17.11%
7220	Travel Agency and Tour Arrangement Services	57	19.69	24	33	40	45	**0.88%**	0.93%	-4.95%
7291	Office Administrative Services	73	99.67	36	28	30	30	**0.66%**	0.62%	6.93%
7292	Document Preparation Services	20	0.68	59	73	65	60	**1.43%**	1.24%	15.84%
7293	Credit Reporting and Debt Collection Services	73	2.60	36	28	30	30	**0.66%**	0.62%	6.93%
7294	Call Centre Operation	73	14.75	36	28	30	30	**0.66%**	0.62%	6.93%
7299	Other Administrative Services n.e.c.	73	23.60	36	28	30	30	**0.66%**	0.62%	6.93%
7311	Building and Other Industrial Cleaning Services	90	81.73	168	204	190	175	**4.18%**	3.60%	16.09%
7312	Building Pest Control Services	90	6.67	168	204	190	175	**4.18%**	3.60%	16.09%
7313	Gardening Services	43	26.87	201	200	200	220	**4.40%**	4.53%	-2.79%
7320	Packaging Services	20	3.36	59	73	65	60	**1.43%**	1.24%	15.84%
7510	Central Government Administration	86	0.74	21	27	30	35	**0.66%**	0.72%	-8.35%
7520	State Government Administration	86	3.22	21	27	30	35	**0.66%**	0.72%	-8.35%
7530	Local Government Administration	93	370.03	159	119	130	135	**2.86%**	2.78%	2.97%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
7540	Justice	86	0.00	21	27	30	35	**0.66%**	0.72%	-8.35%
7551	Domestic Government Representation	86	0.00	21	27	30	35	**0.66%**	0.72%	-8.35%
7552	Foreign Government Representation	86	0.03	21	27	30	35	**0.66%**	0.72%	-8.35%
7600	Defence	86	0.00	21	27	30	35	**0.66%**	0.72%	-8.35%
7711	Police Services	94	0.00	62	61	145	160	**3.19%**	3.29%	-3.10%
7712	Investigation and Security Services	95	42.92	87	99	125	140	**2.75%**	2.88%	-4.53%
7713	Fire Protection and Other Emergency Services	95	0.09	87	99	125	140	**2.75%**	2.88%	-4.53%
7714	Correctional and Detention Services	94	0.69	62	61	145	160	**3.19%**	3.29%	-3.10%
7719	Other Public Order and Safety Services	94	11.70	62	61	145	160	**3.19%**	3.29%	-3.10%
7720	Regulatory Services	86	3.16	21	27	30	35	**0.66%**	0.72%	-8.35%
8010	Preschool Education	96	2.90	88	63	60	55	**1.32%**	1.13%	16.65%
8021	Primary Education	96	7.12	88	63	60	55	**1.32%**	1.13%	16.65%
8022	Secondary Education	96	16.19	88	63	60	55	**1.32%**	1.13%	16.65%
8023	Combined Primary and Secondary Education	96	460.20	88	63	60	55	**1.32%**	1.13%	16.65%
8024	Special School Education	97	3.95	146	81	110	120	**2.42%**	2.47%	-1.98%
8101	Technical and Vocational Education and Training	134	57.20	66	32	45	55	**0.99%**	1.13%	-12.51%
8102	Higher Education	98	510.04	9	17	15	15	**0.40%**	0.40%	1.00%
8211	Sports and Physical Recreation Instruction	99	13.72	77	48	70	75	**1.54%**	1.54%	-0.20%
8212	Arts Education	97	20.89	146	81	110	120	**2.42%**	2.47%	-1.98%
8219	Adult, Community and Other Education n.e.c.	97	0.24	146	81	110	120	**2.42%**	2.47%	-1.98%
8220	Educational Support Services	134	4.60	66	32	45	55	**0.99%**	1.13%	-12.51%
8401	Hospitals (Except Psychiatric Hospitals)	100	243.36	65	65	70	75	**1.54%**	1.54%	-0.20%
8402	Psychiatric Hospitals	100	7.48	65	65	70	75	**1.54%**	1.54%	-0.20%
8511	General Practice Medical Services	101	121.24	24	25	25	25	**0.55%**	0.51%	6.93%
8512	Specialist Medical Services	101	99.26	24	25	25	25	**0.55%**	0.51%	6.93%
8520	Pathology and Diagnostic Imaging Services	102	115.03	34	51	50	45	**1.10%**	0.93%	18.81%
8531	Dental Services	137	32.51	42	15	35	45	**0.77%**	0.93%	-16.83%
8532	Optometry and Optical Dispensing	103	26.75	36	6	15	15	**0.40%**	0.40%	1.00%
8533	Physiotherapy Services	101	45.87	24	25	25	25	**0.55%**	0.51%	6.93%
8534	Chiropractic and Osteopathic Services	101	6.72	24	25	25	25	**0.55%**	0.51%	6.93%
8539	Other Allied Health Services	105	81.14	75	79	115	125	**2.53%**	2.57%	-1.63%
8591	Ambulance Services	100	7.44	65	65	70	75	**1.54%**	1.54%	-0.20%
8599	Other Health Care Services n.e.c.	105	102.19	75	79	115	125	**2.53%**	2.57%	-1.63%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
8601	Aged Care Residential Services	106	569.28	169	171	170	185	**3.74%**	3.81%	-1.74%
8609	Other Residential Care Services	107	265.21	145	165	160	150	**3.52%**	3.09%	14.06%
8710	Child Care Services	135	161.45	246	154	150	125	**3.30%**	2.57%	28.31%
8790	Other Social Assistance Services	104	642.85	161	176	170	170	**3.74%**	3.50%	6.93%
8910	Museum Operation	78	31.70	48	25	30	35	**0.66%**	0.72%	-8.35%
8921	Zoological and Botanical Gardens Operation	133	6.49	187	230	145	120	**3.19%**	2.47%	29.20%
8922	Nature Reserves and Conservation Parks Operation	63	20.66	45	50	110	120	**2.42%**	2.47%	-1.98%
9001	Performing Arts Operation	63	0.05	45	50	110	120	**2.42%**	2.47%	-1.98%
9002	Creative Artists, Musicians, Writers and Performers	133	4.09	187	230	145	120	**3.19%**	2.47%	29.20%
9003	Performing Arts Venue Operation	63	25.31	45	50	110	120	**2.42%**	2.47%	-1.98%
9111	Health and Fitness Centres and Gymnasia Operation	99	25.92	77	48	70	75	**1.54%**	1.54%	-0.20%
9112	Sports and Physical Recreation Clubs and Sports Professionals	99	10.98	77	48	70	75	**1.54%**	1.54%	-0.20%
9113	Sports and Physical Recreation Venues, Grounds and Facilities Operation	99	28.04	77	48	70	75	**1.54%**	1.54%	-0.20%
9114	Sports and Physical Recreation Administrative Service	99	19.61	77	48	70	75	**1.54%**	1.54%	-0.20%
9121	Horse and Dog Racing Administration and Track Operation	110	0.44	306	510	445	420	**9.79%**	8.65%	13.29%
9129	Other Horse and Dog Racing Activities	110	18.97	306	510	445	420	**9.79%**	8.65%	13.29%
9131	Amusement Parks and Centres Operation	119	2.74	171	131	305	340	**6.71%**	7.00%	-4.08%
9139	Amusement and Other Recreational Activities n.e.c.	119	13.57	171	131	305	340	**6.71%**	7.00%	-4.08%
9201	Casino Operation	111	112.75	115	103	105	100	**2.31%**	2.06%	12.27%
9202	Lottery Operation	111	0.21	115	103	105	100	**2.31%**	2.06%	12.27%
9209	Other Gambling Activities	111	1.65	115	103	105	100	**2.31%**	2.06%	12.27%
9411	Automotive Electrical Services	29	10.76	104	127	120	120	**2.64%**	2.47%	6.93%
9412	Automotive Body, Paint and Interior Repair	51	53.27	102	103	120	135	**2.64%**	2.78%	-4.95%
9419	Other Automotive Repair and Maintenance	42	86.49	75	76	80	80	**1.76%**	1.65%	6.93%
9421	Domestic Appliance Repair and Maintenance	14	5.27	118	75	85	105	**1.87%**	2.16%	-13.44%
9422	Electronic (except Domestic Appliance) and Precision Equipment Repair and Maintenance	78	18.18	48	25	30	35	**0.66%**	0.72%	-8.35%
9429	Other Machinery and Equipment Repair and Maintenance	121	5.19	136	111	115	105	**2.53%**	2.16%	17.11%
9491	Clothing and Footwear Repair	56	57.70	33	19	35	40	**0.77%**	0.82%	-6.44%
9499	Other Repair and Maintenance n.e.c.	14	4.14	118	75	85	105	**1.87%**	2.16%	-13.44%
9511	Hairdressing and Beauty Services	114	58.06	65	68	60	55	**1.32%**	1.13%	16.65%
9512	Diet and Weight Reduction Centre Operation	114	0.00	65	68	60	55	**1.32%**	1.13%	16.65%
9520	Funeral, Crematorium and Cemetery Services	59	12.00	111	179	100	90	**2.20%**	1.85%	18.81%
9531	Laundry and Dry-Cleaning Services	116	29.09	365	280	285	260	**6.27%**	5.35%	17.21%

ANZSIC Class	ANZSIC06 Class Description	Rel. Group	Estimated Wages for 2026/27 ($million)	Claim Freq. Rel. (last 3 years.)	Attritional Payment Rel. (last 5 years.)	2026/27 Selected Relativity	2025/26 Selected Relativity	2026/27 Suggested Premium Rate	2025/26 Suggested Premium Rate	Premium Rate Change
9532	Photographic Film Processing	59	0.04	111	179	100	90	**2.20%**	1.85%	18.81%
9533	Parking Services	68	2.41	103	119	75	70	**1.65%**	1.44%	14.57%
9534	Brothel Keeping and Prostitution Services	114	0.00	65	68	60	55	**1.32%**	1.13%	16.65%
9539	Other Personal Services n.e.c.	114	8.36	65	68	60	55	**1.32%**	1.13%	16.65%
9540	Religious Services	117	74.73	88	93	100	110	**2.20%**	2.26%	-2.79%
9551	Business and Professional Association Services	125	69.50	91	72	45	40	**0.99%**	0.82%	20.29%
9552	Labour Association Services	125	18.88	91	72	45	40	**0.99%**	0.82%	20.29%
9559	Other Interest Group Services n.e.c.	118	93.74	63	96	95	105	**2.09%**	2.16%	-3.26%
9601	Private Households Employing Staff	114	1.97	65	68	60	55	**1.32%**	1.13%	16.65%
9602	Undifferentiated Goods- Producing Activities of Private Households for Own Use	114	0.00	65	68	60	55	**1.32%**	1.13%	16.65%
9603	Undifferentiated Service- Producing Activities of Private Households for Own Use	114	0.07	65	68	60	55	**1.32%**	1.13%	16.65%

Part II: Analysis to derive Suggested Premium Rates for 2026/27

1. Introduction and Background

1.1 Purpose and Scope of the Report

KPMG has been engaged by the WorkCover Tasmania Board ('Board') to develop a set of suggested premium rates for the 2026/27 underwriting year ('Current Pricing Review'), in respect of the Tasmanian workers' compensation industry.

This work has been performed under our contract with WorkCover Tasmania, dated 8 November 2024. Our work has been conducted for the purpose of suggesting premium rates for the 2026/27 underwriting year, both in total and at the 2006 Australian and New Zealand Standard Industrial Classification ("ANZSIC") level. It is not intended, nor necessarily suitable, for any other purpose.

WorkSafe Tasmania ('WorkSafe') is the organisation that administers workers' compensation and work health and safety in Tasmania and helps the Board fulfil its statutory functions.

A report of this type has been published by WorkSafe each year since 2002/03, providing a guide to employers' and workers' compensation insurers, noting that insurers should undertake their own analysis to support their premiums rates. This is the second time KPMG has undertaken this analysis of suggested premium rates.

The previous report ('Previous Report', which related to the 2025/26 premium basis) related to suggested rates for the 2025/26 underwriting year ('Previous Pricing Review'). The findings were documented in the report "Suggested Industry Premium Rates for 2025/26", dated 6 May 2025. Unless otherwise noted, all comparisons in this report are relative to the 2025/26 premium basis.

1.2 Objectives of Industry Premium Rates

The suggested premium rates are actuarially assessed, with regard to WorkSafe's objectives:

- Ensuring a fully funded workers' compensation scheme;
- Providing relative stability in the marketplace;
- Providing fair and equitable premiums in relation to risk;
- Ensuring minimal cross-subsidisation between employers;
- Ensuring increased transparency in the premium setting process;
- Providing a benchmark for comparing suggested rates against actuary average rates charged by individual insurers; and
- Identifying major scheme trends, and the effects of legislative changes.

Inevitably, some compromises between the above objectives are required. The overall aim of pricing is to charge each employer a fair premium while still collecting an overall premium pool which is sufficient to cover claim costs and expenses, as well as provide insurers with a reasonable return on the capital required.

The industry premium rates are aimed at the licensed insurer portfolio, derived from data from the licensed insurers.

1.3 Our Approach

An overall average premium rate for the licensed insurer portfolio is initially estimated. The estimate of the expected future claims cost is based on our analysis of wages, claim counts and payments for licensed insurers to 31 December 2025. The estimate is discounted for the time value of money. There is allowance for future economic and superimposed inflation. Expenses and a profit margin are also added to derive an average overall premium rate. In short, the overall average premium rate reflects a 'central estimate' view of the level of premium required for the scheme to be in a fully funded position.

Our approach to deriving the overall average premium rate is based on a combination of actuarial techniques and actuarial judgement. Within each actuarial model, judgement is applied in the selection of claim experience assumptions that is expected to prevail in the 2026/27 underwriting year.

Second, a relativity for each ANZSIC level is determined, based on the relative risk level of each ANZSIC to the licensed insurer portfolio.

Analysis of the relative risk level includes consideration of recent claim frequency and payment experience of each ANZSIC, allowing for volume of business in each ANZSIC. This analysis is to determine a fair and equitable distribution of premium with minimal cross-subsidisation, reflecting the historical claims experience and volume of wages of each ANZSIC. ANZSICs with smaller wage volumes may be combined with other ANZSICs to determine their relativity and ensure a robust basis for their adopted relativity.

There are limits to how much the adopted relativity for ANZSIC can move from one underwriting year to another. The application of capping and cupping rules ensures that premium rates at an individual ANZSIC level maintain a level of stability in the marketplace.

For each ANZSIC, the adopted relativity is subsequently applied to the overall average premium rate, to derive premiums at the individual ANZSIC level. The premium rate for each ANZSIC ensures the licensed insurer portfolio is fully funded when applied to all employers.

We note, however, each employer within an ANZSIC level may not be necessarily homogenous. Insurers may include judgement, commercial reasons, and other consideration in setting the premium rate for an individual employer. The overall impact may imply that the collected premium rate will not align with the suggested premium rate, at each ANZSIC level or at the licensed insurer portfolio level.

1.4 Data

We have prepared this report using claim and policy data 31 December 2025, extracted from the WorkSafe Information Management System ('WIMS') during the month of February 2026. WIMS has been operational since 1 July 2012 and replaced WorkSafe's previous data management system.

We have made use of unit record policy, coverage, claims and payment transaction files. We have performed checks on the overall data, and spot checks on individual items to the Previous Report. We note that some retrospective adjustments and data development can be expected. Within these limits, we are satisfied that the data provided is consistent with that in the Previous Pricing Review.

Total estimated payments, and the implied outstanding amount, from WIMS have not been used in our consideration of claims costs except where further verification of the estimates has been sought. This is because case estimation practices can vary both amongst insurers and over time, which limits their usefulness for the purpose of examining claims experience relativities across industries.

Details of the data supplied by WorkSafe are included in Appendix A.

1.5 Scheme Environment

Appendix B provides a detailed description of the legislative reforms that have impacted the Tasmanian workers' compensation scheme.

2. Claim Assumptions

This section outlines our findings in respect of experience for licensed insurers. It also outlines our assumptions regarding wages, claim frequency and average claim size for the 2026/27 underwriting year.

Key Points
For the 2026/27 underwriting year, we have projected $15.7 billion of written wages, and selected claim frequency and average claim size assumptions of 0.386 claims per million dollars of wages and $38,056, respectively. On a like for like basis, the claim frequency and average claim size assumptions are 9.0% lower and 14.0% higher, respectively, than that selected at the Previous Pricing Review.

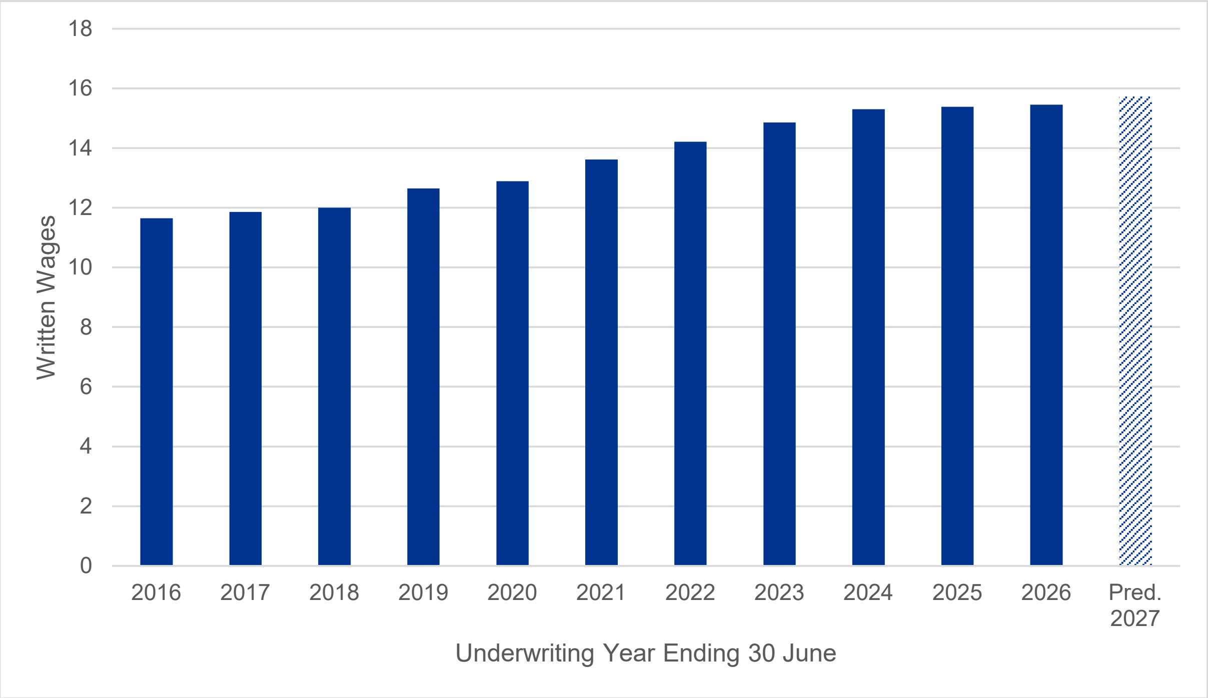
2.1 Written Wages

Key Points
Written wages are projected to be $15.7 billion for the 2026/27 underwriting year. On a like for like basis, this is $1.5 billion (-8.6%) lower than the estimate of written wages used as the basis at the Previous Pricing Review.

Figure 6 below shows our current estimates of written wages by underwriting year for licensed insurers. All figures shown are in 31 December 2025 values, so that real growth in written wages can be assessed. The wages shown for underwriting years 2023/24 to 2025/26 include an allowance for expected development, as wages are often revised upwards from initial estimates to actual figures once finalised. In particular, we noted that there is greater uncertainty in the estimate for the incomplete 2025/26 underwriting year.

Further details in relation to our analysis and projection of wages is outlined in Appendix D.

Figure 6: Written Wages, by Underwriting Year ($b, Dec-25 values)



Comparing the 2024/25 underwriting year to 2023/24, written wages grew by 0.5% in real terms from $15.3 billion to $15.4 billion. Preliminary figures suggest that written wages will grow by 0.5% in real terms, to be $15.5 billion in 2025/26 underwriting year.

On a like for like basis, the estimate of wages for the 2025/26 underwriting year is $1.7 billion (-10.2%) lower than that forecasted at the Previous Pricing Review. This decrease is driven by lower than expected development in the written wages pool.

We have forecasted written wages to be $15.7 billion for the 2026/27 underwriting year, which is $0.2 billion (+1.8%) higher than the revised projection for the 2025/26 underwriting year. Our estimate of the increase between 2025/26 and 2026/27 is based on the Tasmania Department of Treasury and Finance's forecast[1] of 1.75% p.a. real growth in Tasmania's gross state product over 2026/27. Further detail on our economic growth assumptions can be found in Section 3.3.

This implies that, on an equal basis, our current estimate of $15.7 billion of wages for the 2026/27 underwriting year is $1.5 billion (-8.6%) lower than the estimate of $17.2 billion at the Previous Pricing Review for wages for the 2025/26 underwriting year.

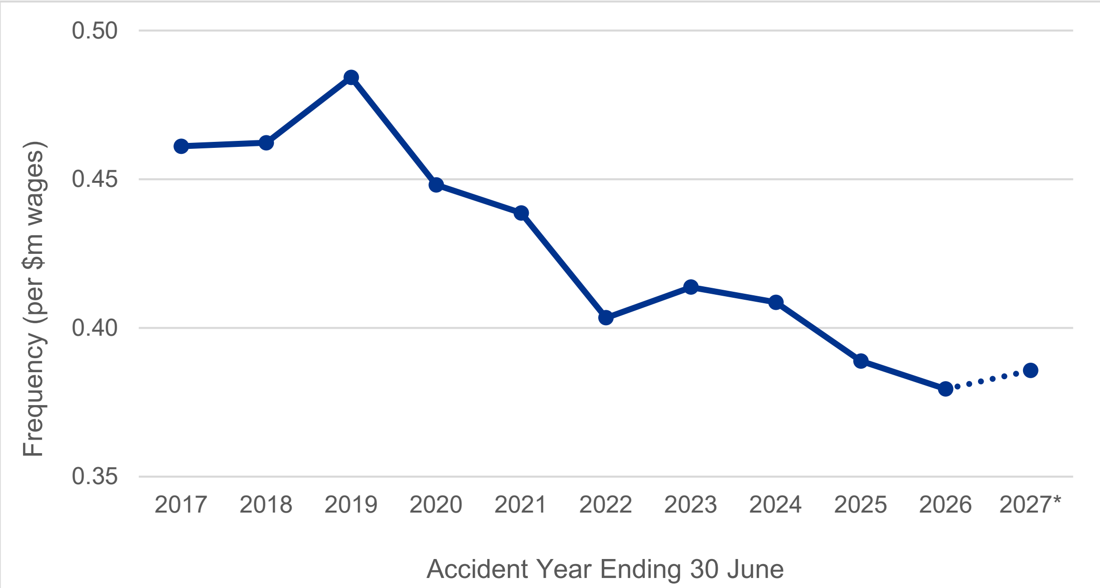
2.2 Claim Numbers and Frequency

Key Points
Our adopted ultimate claim frequency assumption for the 2026/27 underwriting year is 0.386 claims per million dollars of written wages, which is 5.5% lower than the assumption adopted at the Previous Pricing Review. This implies a forecast of 6,065 claims for the 2026/27 underwriting year.

2.2.1 Claim Frequency

Figure 7 shows ultimate claim frequency by accident year for licensed insurers. We have also included the claim frequency assumption selected for the 2026/27 underwriting year. Ultimate claim frequency has been calculated by dividing the projected ultimate number of claims by earned wages (in 31 December 2025 values).

Figure 7: Ultimate Claim Frequency, by Accident Year (All Claims)



* The claim frequency shown for 2027 is the adopted assumption for the 2026/27 underwriting year.

Claim frequency has mostly trended downwards between 2018/19 and 2021/22, noting the slight increase between 2017/18 and 2018/19 due to the introduction of the January 2018 amendments, which became effective on 1 January 2018 (i.e. mid-way through accident year 2017/18).

[1] 2025-26 Revised Estimates Report.pdf

Claim frequency stabilised at around 0.424 claims per million dollars of wages for the 2021/22 to 2023/24 accident years. More recently, projected claim frequency has continued to decrease to 0.379 per million dollars of wages for the 2025/26 accident year .

Our forecast of ultimate claim frequency for the 2026/27 underwriting year is 0.386 claims per million dollars of wages, which assumes claim frequency will emerge in line with experience observed for the 2024/25 to 2025/26 accident years . Despite the 2025/26 accident year having immature development (a large portion of the ultimate claim numbers is "Incurred-but-not-Reported" or "IBNR" – accidents that have occurred but have not yet had a claim reported yet), we have given weighting to this year in the selection of the frequency assumption due to the strong decreasing trend observed in recent years.

2.2.2 Adopted Claim Frequency Assumption

Table 7: Adopted Claim Frequency

Adopted Claim Frequency (all claims)	Per $m wages (Dec-25 values)	Per $m wages (Jun-26 values)	Per $m wages 2026/27 values*
2025/26 Premium Rates**	0.408		
2026/27 Premium Rates	0.386	0.379	0.369
Change between 2025/26 and 2026/27	-5.5%		

* Refers to 15 March 2027 values, given this is the assumed timing of the average accident date for policies that are written in the 2026/27 underwriting year.

** The claim frequency assumed at the Previous Pricing Review was 0.42, in 31 December 2024 values. When restated in 31 December 2025 values, the claim frequency at the Previous Pricing Review is 0.408.

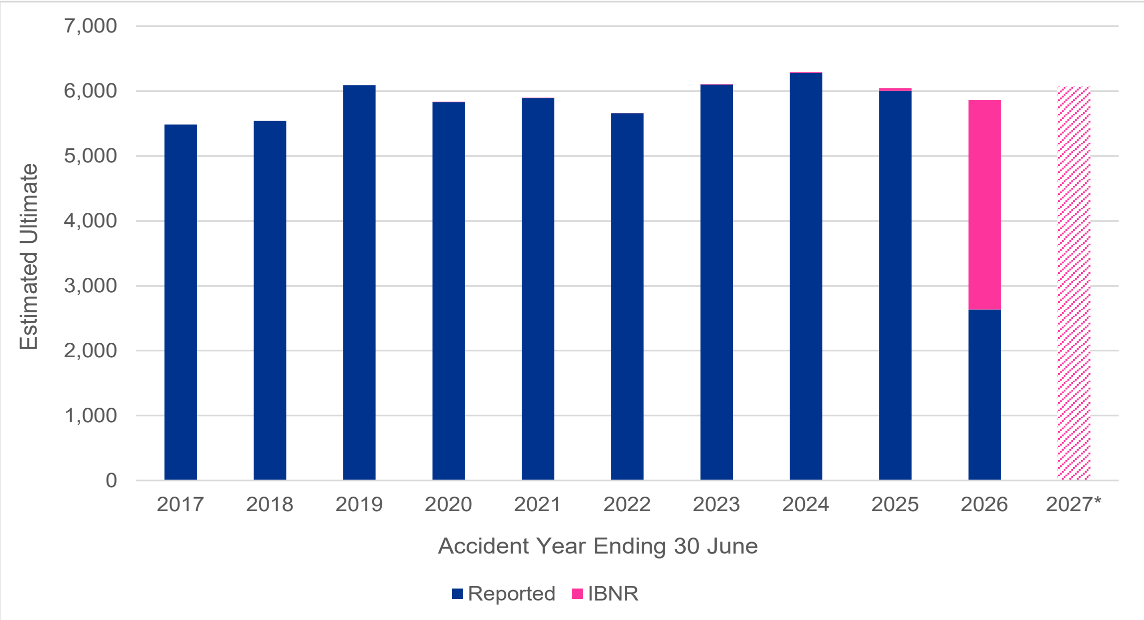
The adopted claim frequency assumption for the 2026/27 underwriting year (in 31 December 2025 values) is 0.386 claims per million dollars of wages, which is lower than the claim frequency assumption adopted at the Previous Pricing Review by 5.5%.

As will be shown in Section 2.2.3, this frequency assumption implies a forecast of 6,065 claims for the 2026/27 underwriting year. This has been derived by multiplying our claim frequency assumption of 0.386, by our written wages forecast of $15.7 billion for the 2025/26 underwriting year.

2.2.3 Estimated Ultimate Claim Numbers

Figure 8 shows estimated ultimate claim numbers by accident year for licensed insurers. We have also shown the forecasted number of claims for the 2026/27 underwriting year.

Figure 8: Ultimate Claim Numbers, by Accident Year (All Claims)



* The ultimate number of claims shown for 2027 is in respect of the 2026/27 underwriting year.

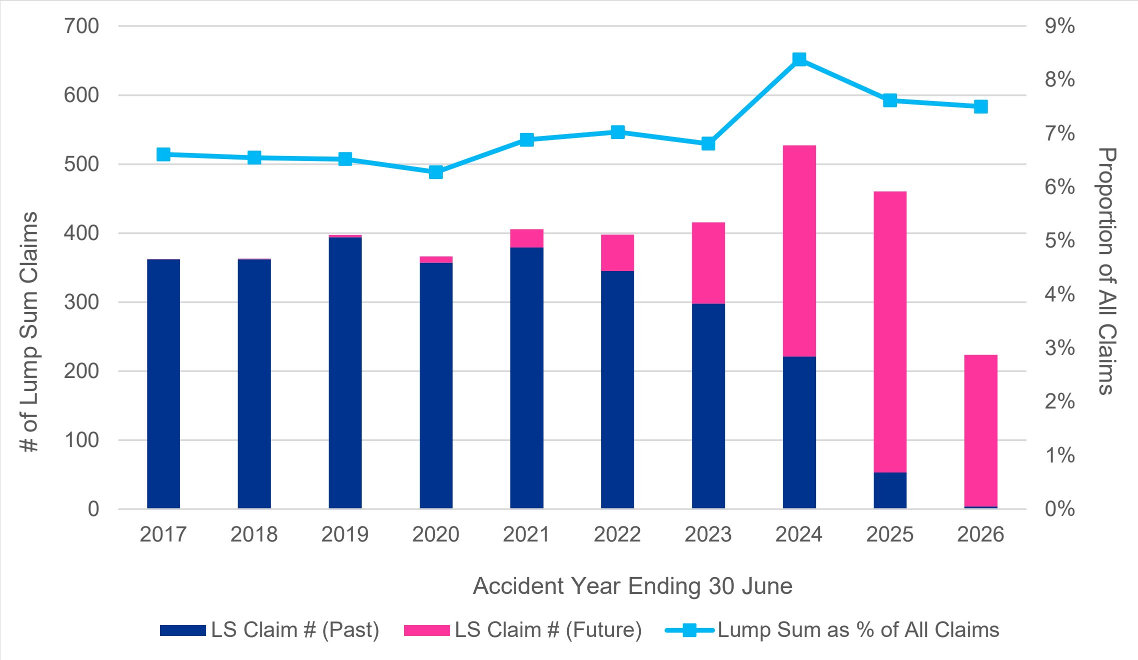
The ultimate number of claims for the 2025/26 accident year is projected to be 5,864. This is slightly lower than the projected ultimate for the 2024/25 accident year of 6,045.

We have forecasted the ultimate number of claims for the 2026/27 underwriting year to be 6,065. This is 13.6% lower than our forecast of 7,021 claim for the 2025/26, at the Previous Pricing Review. Our forecast for the 2026/27 underwriting year is based on our forecast of written wages (refer to Section 2.1) and claim frequency assumption for the 2026/27 (refer to Section 2.2.2) underwriting year.

2.2.4 Estimated Lump Sum Ultimate Claim Numbers

Figure 9 shows estimated ultimate lump sum claim numbers by accident year for licensed insurers.

Figure 9: Ultimate Lump Sum Claim Numbers, by Accident Year



* The ultimate number of claims shown for 2026 is in respect of the 2025/26 underwriting year and is only representative of the experience for the half-year ending 31 December 2025.

From 2018/19 to 2022/23, the ultimate number and proportion of lump sum claims have remained broadly stable at approximately 400. However, this is forecast to increase for the 2023/24 year onwards, with strong development in lump sum volumes observed in recent years.

The ultimate number of claims for the 2023/24 accident year is projected to be 527, which represents a significant increase from prior years. There is some indication of speeding up of lump sum settlement activity. The 2024/25 accident year is expected to produce 460 lump sum claims, with the 2025/26 year broadly consistent with this if the second half of the year develops as forecasted for the first half.

2.3 Claim Payments and Average Claim Size

Key Points

Claim payments of $236.6 million for calendar year 2025 was 19.9% higher in real terms than calendar year 2024, driven by a 45.8% increase in lump sum payments, a 16.0% increase in medical payments and a 13.1% increase in weekly payments.

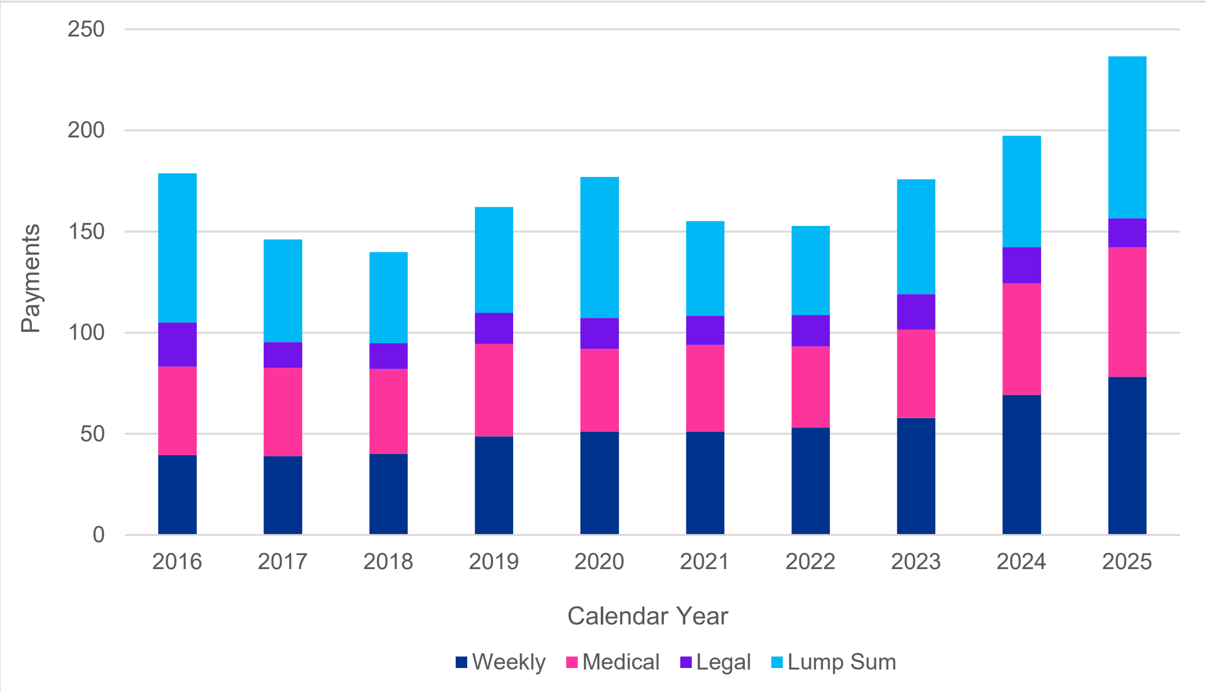
Our average claim size assumptions for each payment type (except for legal) are typically higher than our average claim size projections for recent accident years. The legal claim size assumption has reduced due to the re-allocation of independent medical review claims from legal benefits to being a medical benefit (NIDS v8.1). At the current pricing review, we have made no allowance for the impact of the Section 87 amendments on average claim size experience and have instead given higher weight to recent averages which would include the experience from this amendment.

Our adopted average claim size assumption for the 2026/27 underwriting year is $38,056, which is 14.0% higher in real terms than the assumption adopted at the Previous Pricing Review. This has been driven by a 39.9% increase in the average claim size assumption adopted for lump sum payments and an 11.7% increase in the average claim size assumption adopted for medical payments.

2.3.1 Claim Payments

Figure 10 shows total payments by payment type and calendar year, for licensed insurers. Given that Figure 10 is constructed on a payment year basis, payments in any year will relate to a mix of underwriting years and a mix of accident years. All figures are shown in 31 December 2025 values, so that real growth in payments can be assessed.

Figure 10: Claim Payments, by Calendar Year ($m, Dec-25 values)



Claim payments in recent years have increased significantly, with a combination of weekly and lump sum payments being the main driver of this in recent years. Claim payments made in calendar year 2025 totalled $236.6 million, which was 19.9% higher (+39.3 million) in real terms than calendar year 2024. This was driven by a 45.8% (+25.2 million) increase in lump sum payments, a 16.0% (+8.9 million) increase in medical payments and a 13.1% (+9.0 million) increase in weekly payments.

2.3.2 Actual versus Expected (AvE) Payments Experience

Table 8 below shows a comparison of actual claim payments made over the 12 months to 31 December 2025 against the expected payments from the Previous Pricing Review for licensed insurers. All figures are shown in nominal values (values as paid and not adjusted to 31 December 2025 values).

Table 8: Actual vs Expected Payments for the 12 Months to 31 December 2025 (nominal values)

Accident Year (ending 30 June)	Actual ($'000)	Expected ($'000)	Difference ($'000)	Difference
Prior	17	0	17	
2012	0	0	0	
2013	264	0	264	
2014	2	0	2	
2015	169	0	169	
2016	886	43	843	1962%
2017	39	108	-69	-64%
2018	3,458	470	2,988	635%
2019	6,415	1,516	4,899	323%
2020	6,411	4,958	1,453	29%
2021	12,855	9,729	3,125	32%
2022	20,799	16,391	4,408	27%
2023	33,606	28,662	4,944	17%
2024	50,785	37,641	13,144	35%
December 2024 (Accident HY)	39,950	34,075	5,876	17%
Total (All Accident Half Years to December 2024)	**175,657**	**133,592**	**42,065**	**31%**

Payments over the last 12 months for accidents to 31 December 2024 totalled $175.6m, which was $42.0m (+31%) higher than expected. This was particularly driven by adverse experience in the lump sum benefit type, which have been deteriorating in terms of claim numbers and size.

Table 9 below provides further insight into the actual versus expected analysis by benefit type for accidents to 31 December 2024. All figures are shown in nominal values (values as paid and not adjusted to 31 December 2025 values).

Table 9: Actual vs Expected Payments for the 12 Months to 31 December 2024 by Benefit Type (nominal values)

Benefit Type	Actual ($'000)	Expected ($'000)	Difference ($'000)	Difference
Weekly	48,830	40,877	7,953	19%
Medical	37,919	29,584	8,336	28%
Legal	10,878	12,970	-2,092	-16%
Lump Sum	78,030	50,162	27,868	56%
Total	**175,657**	**133,592**	**42,065**	**31%**

The following observations can be made on the actual versus expected experience up until 31 December 2024 across Tables 8 and 9:

- Lump sum benefits were the key driver of the higher-than-expected payments experience, with payments being $27.9 million (+56%) higher than expected. In particular, the 2023/24 accident year was $7.5 million (+77%) higher than expected. This reflects a continuation of the strengthening trend observed for claim volumes.

- Medical payments were the second largest driver of the adverse experience, with payments being $8.3 million (+28%) higher than expected. Of this, $5.8 million related to the 2023/24 accident year and the December 2024 accident half-year. The remaining $2.5 million relates to earlier accident periods and is driven by higher levels of payments observed in later development periods (the “tail”).
- Weekly payments also contributed to the adverse experience, with payments being $8.3 million (+19%) higher than expected. Of this, $7.1 million related to the 2023/24 accident year and the December 2024 accident half-year.
- Legal payments emerged favourably by $2.1 million (-16%) over the last 12 months, with $2.0 million of this being attributed to the 2023/24 accident year and the December 2024 accident half-year. This favourable experience can be attributed to the re-allocation of independent medical reviews from the legal category to the medical benefit type.

2.3.3 Weekly Benefits

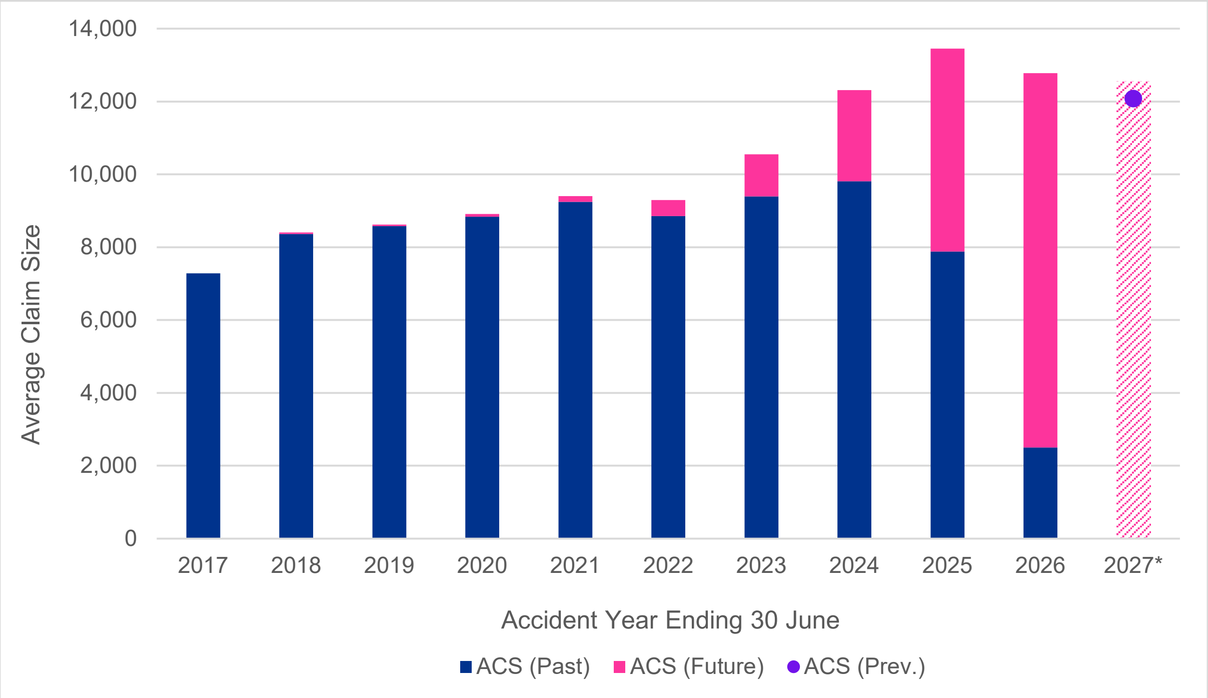
As explained in Appendix C.3, we use a Payments per Active Claim (‘PPAC’) model to estimate the ultimate cost of weekly benefits. The PPAC approach projects weekly payments as a function of the number of weekly active claims, with a claim being active if it receives one or more weekly payment in the relevant period. These are shown in Appendix C.3.

Average Claim Size

Figure 11 shows the selected weekly average claim sizes by accident year. The average claim sizes shown include both payments already made (‘paid to date’; ‘ACS (Past)’) and our projection of future payments (‘outstanding payments’; ‘ACS (Future)’). The average claim sizes have been calculated by dividing the projected ultimate cost of weekly benefit payments by the ultimate number of claims projected for the relevant accident year. We have also presented the weekly benefit average claim size assumption that we have selected for the 2026/27 underwriting year, and compared it to the equivalent assumption selected at the Previous Pricing Review.

All figures shown are in 31 December 2025 values, so that real growth in average claim sizes can be assessed.

Figure 11: Weekly Benefit Average Claim Sizes, by Accident Year ($, Dec-25 values)



* The average claim size shown for 2026 is the assumption that has been adopted for the 2025/26 underwriting year.

The selected weekly benefit average claim size for the 2026/27 underwriting year is $12,556 – this is 4.0% higher in real terms than the selection at the Previous Pricing Review.

The selection is based on the projected average claim sizes for accident years 2022/23 to 2024/25, with an added allowance of 3.8% growth, which reflects the long-term increase to the average weekly claim size (across the last

15 years). A longer term average is assumed for this benefit type due to the uncertainty pertaining the reduction observed in 2026 and whether this trend will persist.

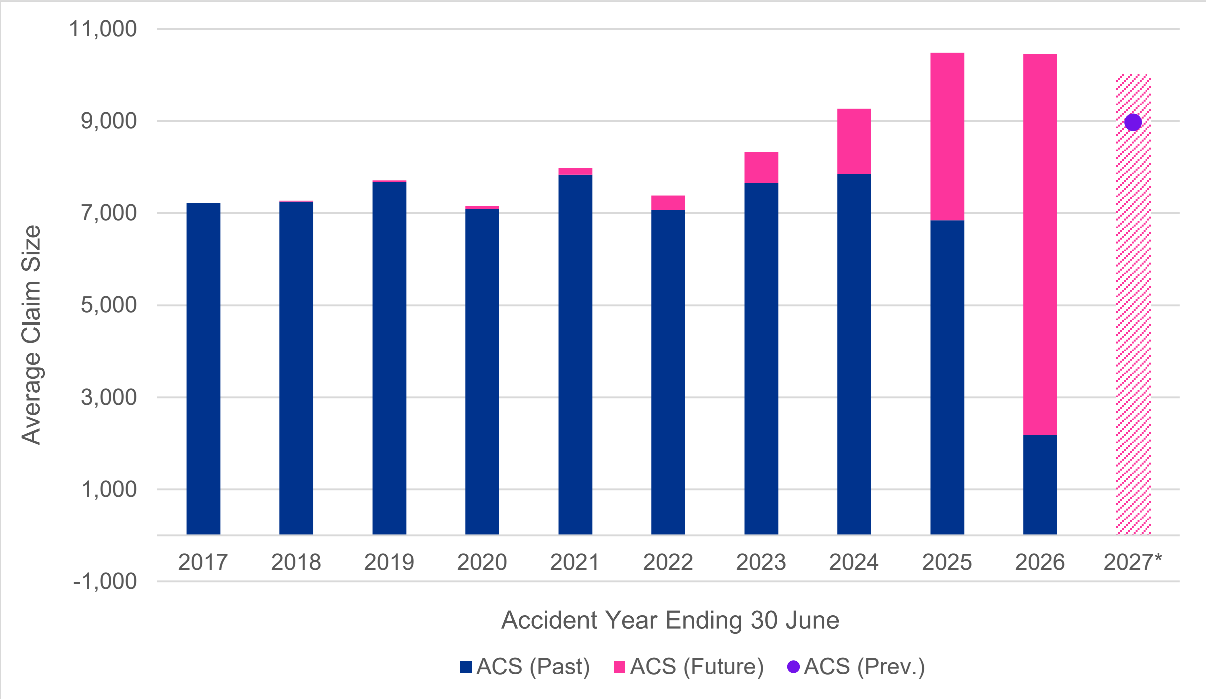
2.3.4 Medical and Related Payments

As further explained in Appendix C.2, we use a Payments-per-Claims-Incurred ("PPCI") model to estimate the ultimate cost of medical and related benefits. The PPCI approach projects medical and related payments as a function of the ultimate number of all claims for the relevant accident period. This assumes medical and related payments in any period are correlated to the ultimate number of claims. All figures shown are in 31 December 2025 values, so that real growth in PPCIs can be assessed.

Figure 12 shows our selected medical average claim sizes by accident year. The average claim sizes shown include paid to date and outstanding payments. The average claim sizes are referred to as PPCIs, given they have been calculated by dividing the projected ultimate cost of medical and related benefits by the ultimate number of claims projected for the relevant accident year. We have also presented the medical PPCI selected for the 2026/27 underwriting year, and compared it to the equivalent assumption selected at the Previous Pricing Review.

All figures shown are in 31 December 2025 values, so that real growth in PPCIs can be assessed.

Figure 12: Medical PPCIs, by Accident Year ($, Dec-25 values)



* The PPCI shown for 2027 is the assumption that has been adopted for the 2026/27 underwriting year.

The selected medical PPCI for the 2026/27 underwriting year is $8,634 – this is 11.7% higher in real terms than the selection at the Previous Pricing Review. The elevated medical PPCI amounts since 2025 can be attributed to the re-allocation of independent medical reviews out of the legal benefit category and into the medical benefit payment type (as per NIDS v8.1). This re-allocation is expected to impact approximately $6 million of payments per year.

The selection is based on the projected average claim sizes for accident years 2022/23 and 2024/25, with an added allowance of 7.1% growth, which reflects the increasing projected average claim sizes observed since 2020/21.

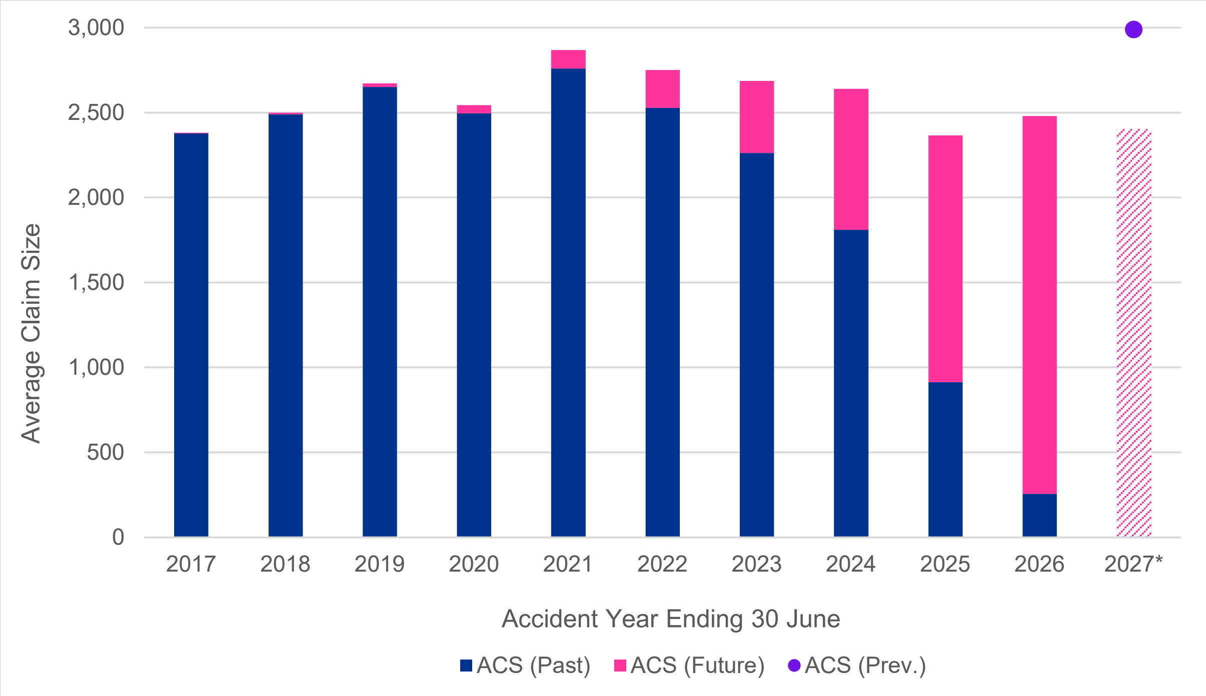
2.3.5 Legal and Investigation Payments

As further explained in Appendix C.2, we use a PPCI model to estimate the ultimate cost for legal and investigation costs. The PPCI approach projects payments for legal and investigation costs as a function of the ultimate number of all claims for the relevant accident period. This assumes payments in any period for legal and investigation costs are correlated to the ultimate number of claims.

Figure 13 shows our selected legal/investigation average claim sizes by accident year. The average claim sizes shown include paid to date and outstanding payments. The average claim sizes are referred to as PPCIs, given they have been calculated by dividing the projected ultimate cost of legal and investigation payments by the ultimate number of claims projected for the relevant accident year. We have also presented the legal/investigation PPCI selected for the 2026/27 underwriting year, and compared it to the equivalent assumption selected at the Previous Pricing Review.

All figures shown are in 31 December 2025 values, so that real growth in PPCIs can be assessed.

Figure 13: Legal and Investigation PPCIs, by Accident Year ($, Dec-25 values)



* The PPCI shown for 2027 is the assumption that has been adopted for the 2026/27 underwriting year.

The selected legal/investigation average claim size for the 2026/27 underwriting year is $2,404 – this is 19.6% lower in real terms than the selection at the Previous Pricing Review. Our updated selected for the legal/investigation average claim size is consistent with projected average claim sizes between 2024/25 to 2025/26, reflecting the recent average following the re-allocation of independent medical reviews out of the legal benefit category and into the medical benefit payment type (as per NIDS v8.1).

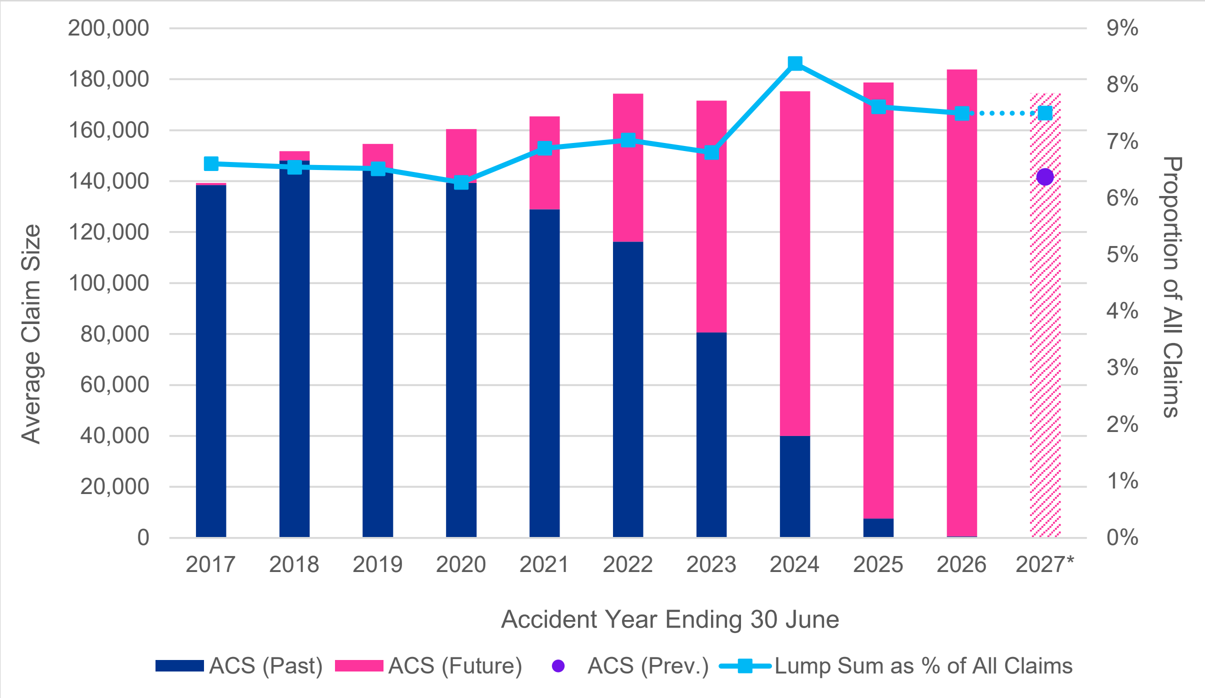
2.3.6 Lump Sum Benefits

As further explained in Appendix C.2, we use a Payments per Claim Incurred (‘PPCI’) model to estimate the ultimate cost of lump sum benefits. The PPCI approach projects lump sum benefits as a function of the ultimate number of lump sum claims for the relevant accident period. This assumes lump sum payments in any period are correlated to the ultimate number of claims that are expected to receive lump sum benefits.

Figure 14 shows the selected lump sum average claim sizes (per claim receiving a lump sum) by accident year. The average claim sizes shown include both paid to date and outstanding payments. The average claim sizes are referred to as PPCIs, given they have been calculated by dividing the projected ultimate cost of lump sum benefits by the ultimate number of lump sum claims projected for the relevant accident year. We have also presented the lump sum PPCI selected for the 2026/27 underwriting year, and compared it to the equivalent assumption selected at the Previous Pricing Review.

All figures shown are in 31 December 2025 values, so that real growth in PPCIs can be assessed. In addition, Figure 14 shows the proportion of claims receiving a lump sum as a percentage of all claims.

Figure 14: Lump Sum PPCIs, by Accident Year ($, Dec-25 values)



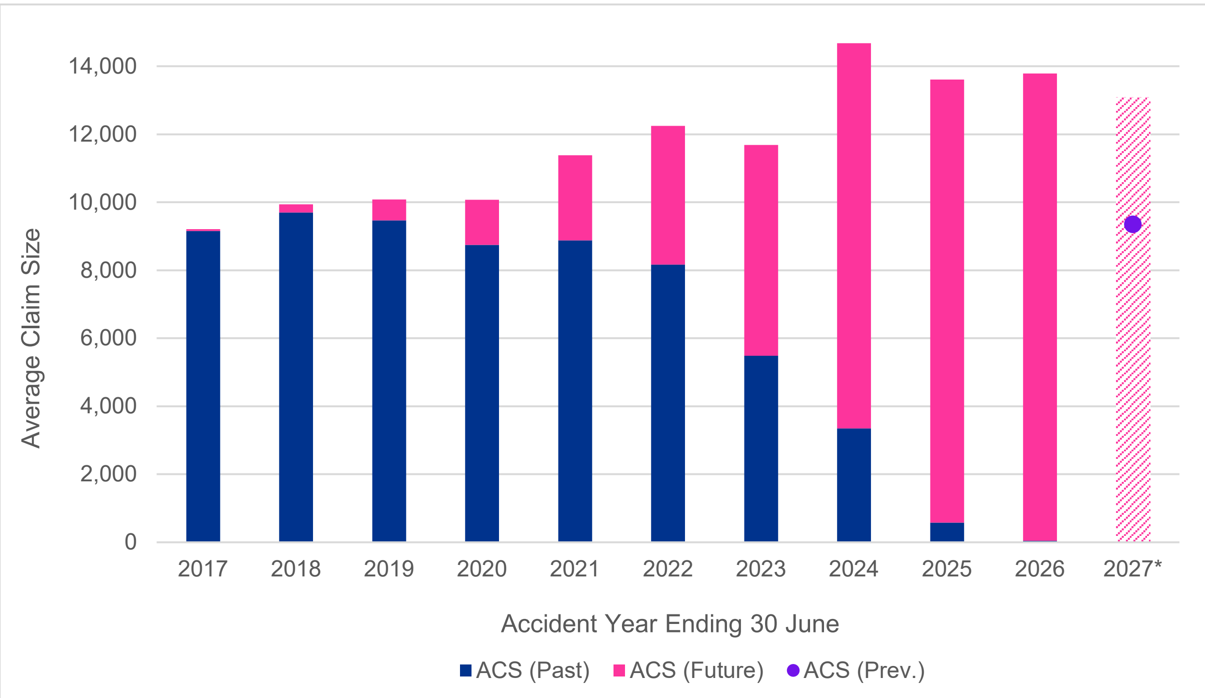
* The PPCI shown for 2027 is the assumption that has been adopted for the 2026/27 underwriting year.

The selected lump sum PPCI for the 2026/27 underwriting year is $174,416 – this is 23.2% higher in real terms than the selection at the Previous Pricing Review. Our updated selection for the lump sum PPCI is broadly consistent with the average for accident years 2022/23 to 2025/26.

Figure 15 shows our selected lump sum average claim sizes, per all claims, by accident year. Similarly, the average claim sizes shown include both paid to date and outstanding payments. The average claim sizes have been calculated by dividing the projected ultimate cost of lump sum payments by the ultimate number of claims projected for the relevant accident year. We have also presented the lump sum average claim size assumption that we have selected for the 2026/27 underwriting year, and compared it to the equivalent assumption selected at the Previous Pricing Review.

All figures shown are in 31 December 2025 values, so that real growth in average claim sizes can be assessed.

Figure 15: Lump Sum Average Claim Sizes (per all claims), by Accident Year ($, Dec-25 values)



* The average claim size shown for 2027 is the assumption that has been adopted for the 2026/27 underwriting year.

The selected lump sum average claim size for the 2026/27 underwriting year is $13,081 – this is 39.9% higher in real terms than the selection at the Previous Pricing Review. Our updated selected for the lump sum average claim size is consistent with projected average claim sizes between 2021/22 to 2024/25, which represents increasing weight given to the recent, higher average claim size experience.

2.4 Adopted Average Claim Size

Key Points
The adopted average claim size assumption for the 2026/27 underwriting year is $38,056. This is 14.0% higher in real terms than the average claim size assumption adopted at the Previous Pricing Review.

As alluded to in Section 2.3, in selecting the average claim size assumption, we have considered the following:

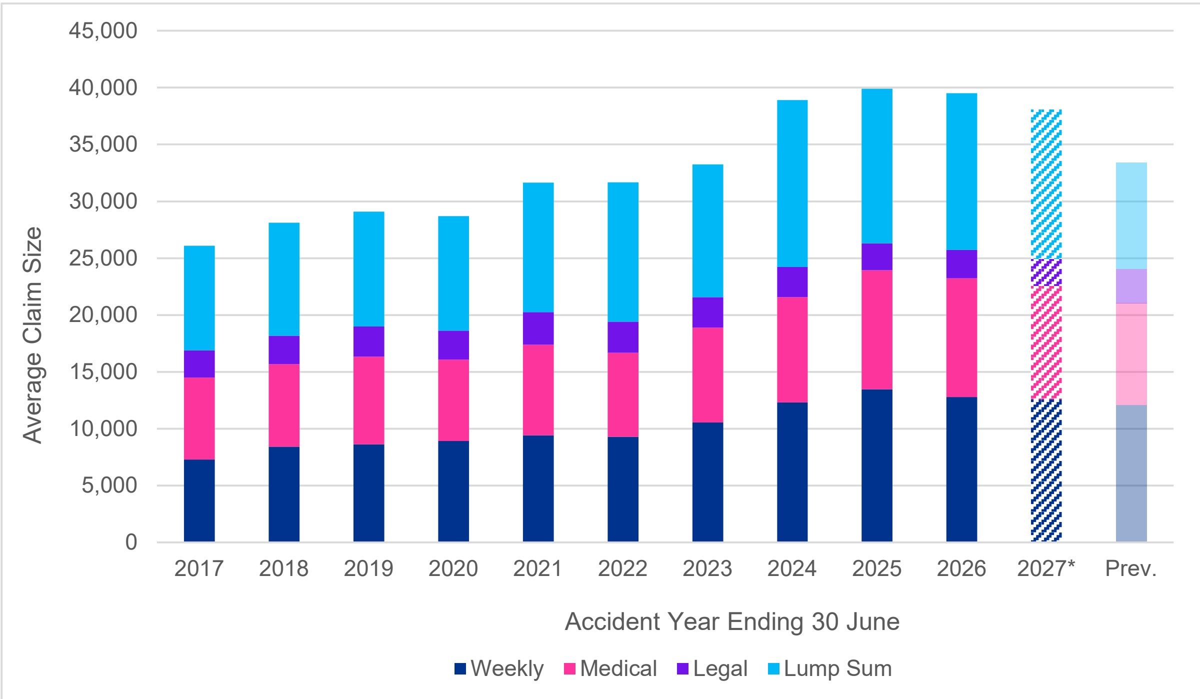
- Recent experience: In general, we have observed increases in average claim sizes over time. In particular, there has been large increases in the lump sum average claim size as well as medical and weekly benefit average claim sizes. We note, this experience may be driven by an increasing proportion of reported claims and payment volumes in respect of mental health-related claims, which are typically more expensive and take longer to resolve. We discuss mental health-related claims experience further in Section 0.

Figure 16 shows our selected average claim sizes by payment type by accident year. The average claim sizes shown include both paid to date and outstanding payments. The average claim sizes have been calculated by dividing the projected ultimate cost of payments for each payment type by the ultimate number of claims projected for the relevant accident year.

We have also presented the average claim size assumptions selected for the 2026/27 underwriting year, and compared it to the equivalent assumptions selected at the Previous Pricing Review.

All figures shown are in 31 December 2025 values, so that real growth in average claim sizes can be assessed.

Figure 16: Adopted Average Claim Sizes, by Accident Year ($, Dec-25 values)



* The average claim size shown for 2027 is the assumption that has been adopted for the 2026/27 underwriting year.

2.4.1 Adopted Claim Size Assumption

Table 10: Adopted Claim Size Assumption

Adopted Claim Size (all claims)	Dec-25 values	Jun-26 values	2026/27 values*
2025/26 Premium Rates**	33,383		
2026/27 Premium Rates	38,056	38,903	40,125
Change between 2025/26 and 2026/27	14.0%		

* Refers to 15 March 2027 values, given this is the assumed timing of the average accident date for policies that are written in the 2026/27 underwriting year.

** The average claim size assumed at the Previous Pricing Review was 32,135, in 31 December 2024 values. When restated in 31 December 2025 values, the average claim size assumption at the Previous Pricing Review is 33,383.

The adopted average claim size assumption for the 2026/27 underwriting year (in 31 December 2025 values) is $38,056. On a like for like basis, this is 14.0% higher than the average claim size assumption adopted at the Previous Pricing Review.

2.5 Mental Health Claims

Key Points

The proportion of reported licensed insurer claims that are mental health related has grown steadily across recent years – from 5% for accident year 2015/16 to 11% for accident year 2024/25, with particularly notable increases in the last four years. There are no clear signs of the increasing trend abating.

The growth in proportion of claims that are mental health related is a trend that has been observed in other Australian states and territories for workers compensation and also within the life insurance industry.

The proportion of licensed insurer payments that pertains to mental health related claims has ranged between 14% to 16% in the last 8 years. Weekly benefits have seen the largest increase in the proportion of payments that relate to mental health-related claims over the last 20 years.

2.5.1 Mental Health Claim Numbers

Figure 17 shows the number of claims reported to date by accident year for licensed insurers. The claims reported numbers have been split out into mental health-related claims and non-mental health-related claims.

Figure 17: Claims Reported to Date by Accident Year, Split by Mental Health (MH) and Non-MH Claims

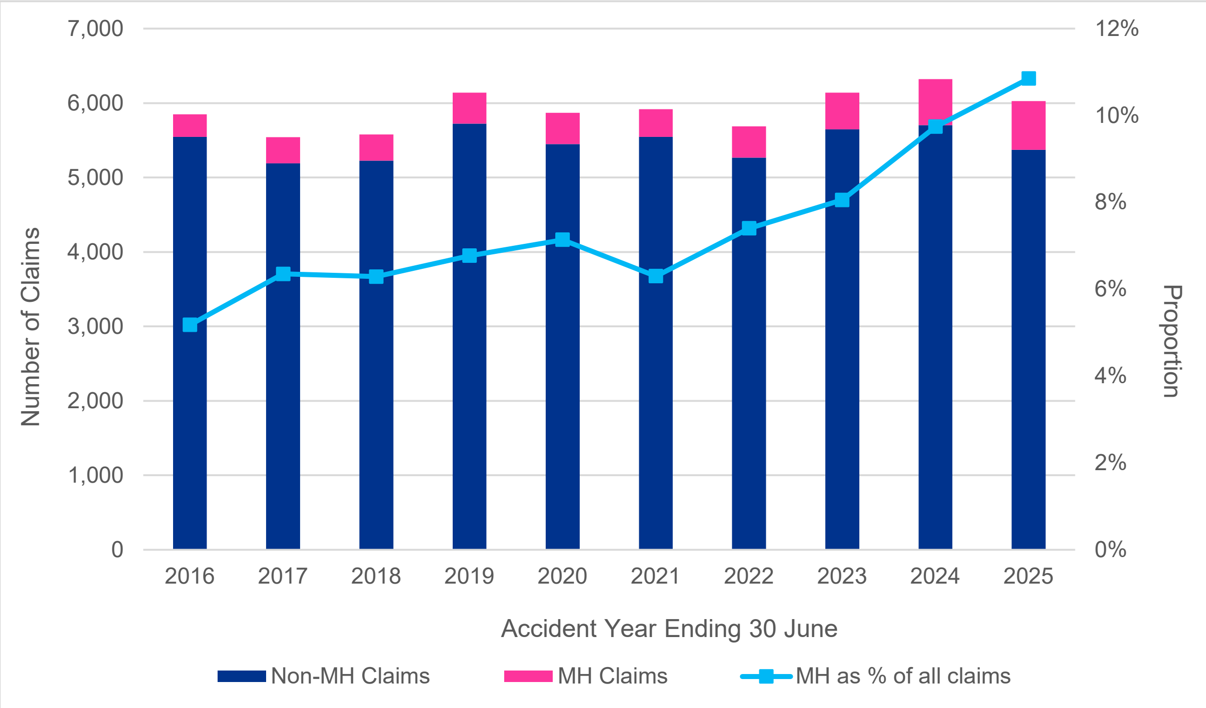


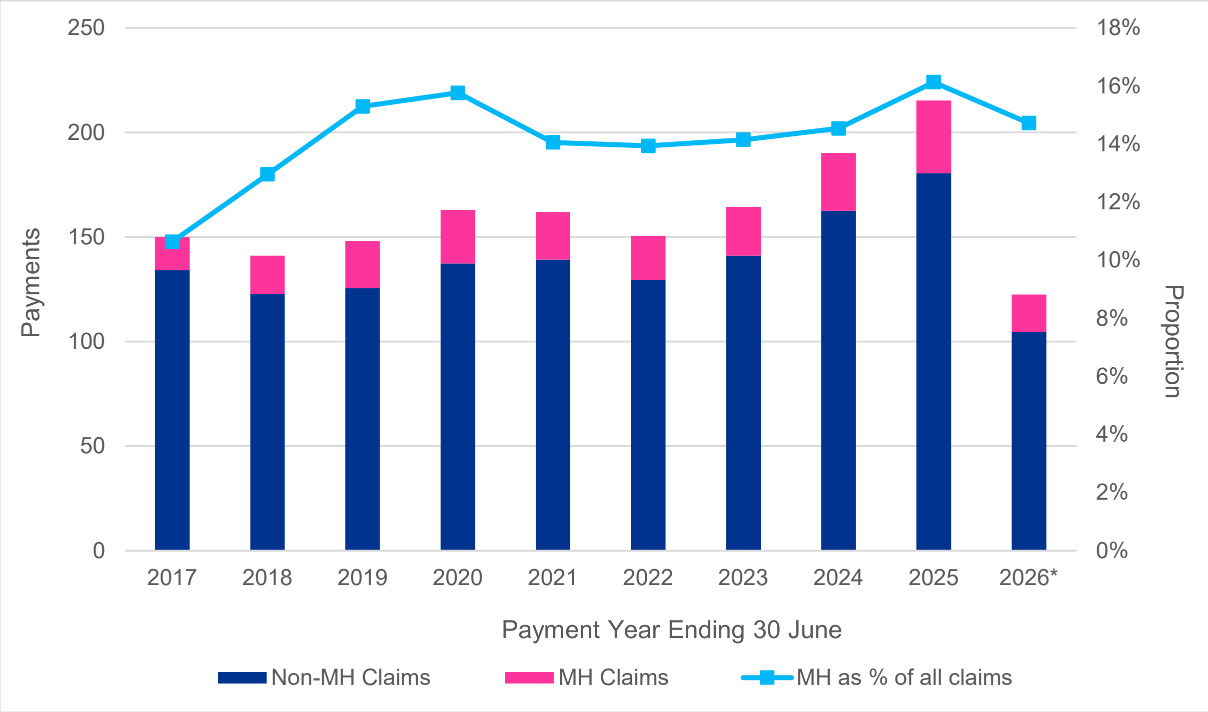
Figure 17 shows the proportion of reported licensed insurer claims that are mental health-related has grown steadily across recent years – from 5% for accident year 2015/16 to 11% for accident year 2024/25. The growth in proportion of claims that are mental health-related is a trend that has been observed in other Australian states and territories for workers compensation, and also within the life insurance industry.

2.5.2 Mental Health Claim Payments

Figure 18 shows licensed insurer payments in total since the 2016/17 payment year, and Figure 19 shows licensed insurer payments by payment type since the 2016/17 payment year. Payments have been split out into payments for mental health (MH) related claims and payments for non-mental health (non-MH) related claims.

All figures shown are in 31 December 2025 values, so that real growth in payments can be assessed. In addition, large lump sum payments (based on a nominal threshold of $2 million) have been excluded (for illustrative purposes) to avoid the distortionary impact of these large payments.

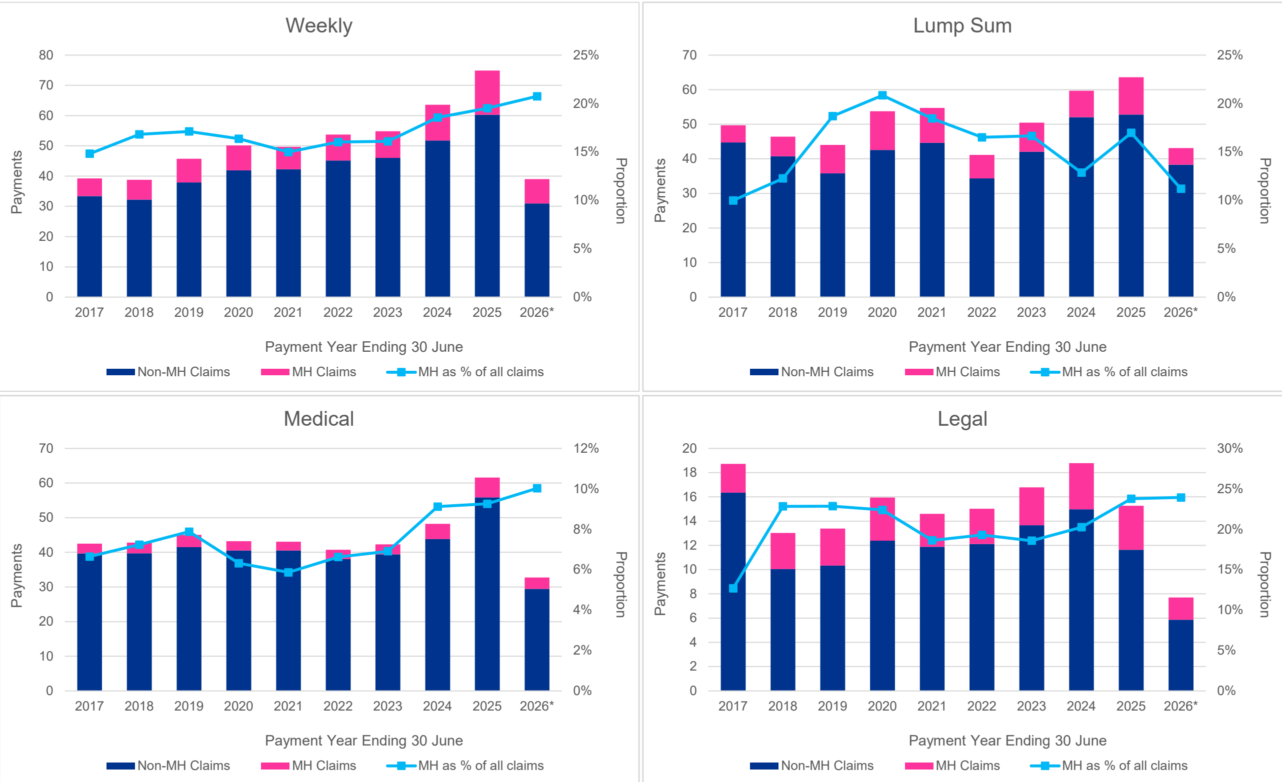
Figure 18: Payments by Payment Year, Split by Mental Health (MH) and Non-MH Claims ($m, Dec-25 values)



* Figures shown for payment year 2026 represents experience in the 6 months to 31 December 2025 (i.e. December 2025 payment half-year).

The proportion of reported licensed insurer payments that are mental health-related has grown sharply since 2016/17. As mental health-related claims have a higher average cost than non-mental health-related claims, the proportion of payments that are mental health-related is significantly higher than the proportion of claims reported that are mental health-related. The proportion of payments that are mental health-related has ranged between 14% to 16% in the last 8 years (i.e. since payment year 2018/19).

Figure 19: Payments by Payment Type by Payment Year, Split by Mental Health (MH) and Non-MH Claims ($m, Dec-25 values)



* Figures shown for payment year 2026 represents experience in the 6 months to 31 December 2025 (i.e. December 2025 payment half-year).

Figure 19 shows that the change in the proportion of licensed insurer payments that pertains to mental health-related claims has varied by payment type. Experience by payment type has been as follows:

- **Weekly benefits**: The proportion of weekly payments that pertain to mental health-related claims was steady around 17% between 2016/17 to 2022/23. However, it has increased to approximately 20% between 2023/24 and the first half of 2025/26.
- **Lump sum benefits**: The proportion of lump sum payments for mental health-related claims have averaged 15% across the last 10 years, however the experience has been volatile. The lowest proportion year is 2014/15 at 5%, and the highest proportion year is 2019/20 at 21%. The payments in the first half of 2025/26 are 11% or $4.8m. This compares to 2024/25 (note, 12 months of experience) of 17% or $10.8m.
- **Medical benefits**: The proportion of medical payments for mental health-related claims have averaged 8% across the last 10 years. Its trend over time has been relatively steady, however, there are some increases in recent years. It has increased to 9% between 2023/24 and 2024/25, with the first half of 2025/26 having 10% of all medical payments being related to mental health.
- **Legal benefits**: The proportion of legal payments for mental health-related claims is volatile. Prior to 2016/17, the proportion has averaged approximately 15%. Since 2016/17, the proportion has averaged approximately 21%. The proportion for 2024/25 and the first half of 2025/26 are both 24%.

2.6 Silicosis Claims Experience

Key Points
23 silicosis claims have been reported to date (an increase from 22 at the Previous Pricing Review), in respect of 17 distinct claimants (no change from the Previous Pricing Review) and 11 distinct employers (no change from the Previous Pricing Review). In terms of accepted claims, there is a total of 17 accepted claims with the average age at injury of 43 years old. Since the Previous Pricing Review, there has been 1 new accepted claim. This claim relates to the Other Non-Metallic Mineral Product Manufacturing ANZSIC class (2090) within the manufacturing industry (employer being Top Centre TAS). The total incurred cost (in nominal values) for accepted silicosis claims is expected to be $4.42m (a decrease from $4.68m in the Previous Pricing Review). The amount outstanding (in nominal values) is $0.78m or 18% of the incurred cost. Payments to date (in nominal values) are around $3.65m, of which 47% relate to lump sum benefits, 30% relate to weekly benefits, 16% relate to legal/investigation costs, and 7% relate to medical benefits. ANZSIC division C represents 10 of the 17 accepted silicosis claims, as well as 72.7% of payments to date (in nominal values) and 73.7% of outstanding case estimates (in nominal values). For the remaining 7 accepted silicosis claims, three claims each relate to division B, and one claim each relates to divisions D, E, F and G.

The work of the National Dust Disease Taskforce (2022) has demonstrated the need for greater visibility of the respiratory disease in the workplace. In particular, the importance of understanding the impact of silica dust through the manufacturing and use of engineered stone. We note the Federal government has also imposed strict regulations, including a ban on the manufacture, supply, processing, and installation of engineered stone benchtops from July 2024.

While there is a National Occupational Respiratory Disease Registry that captures silicosis claims data at the national level, we have also considered the Tasmania experience of silicosis claims in the workers compensation system. We have considered this experience with respect to the need to make allowance in the suggested premium rates.

Silicosis claims are treated like all other claims in our analysis and hence would only impact the suggested premium rates, as far as the historical experience suggests that it is warranted.

Table 11: Summary of Experience for Accepted Silicosis Claims at the Previous and Current Pricing Reviews[1]

Accident Year	Current							Previous
	Industry Division	ANZSIC Class	Relativity Group (2026/27)	Number of Claimants	Payments to Date ($'000)	Case Estimates ($'000)	Reported Incurred Costs ($'000)	Reported Incurred Costs ($'000)
1990	Mining	807	9	1	286	-	286	286
1992	Electricity, Gas, Water and Waste Services	2619	32	1	6	27	33	33
1997	Construction	3212	34	1	4	-	4	4
2010	Mining	804	10	1	29	3	32	32
2011	Retail Trade	4231	58	1	343	10	354	354
2018	Manufacturing	2090	40	1	121	0	121	121
2019	Manufacturing	2090	40	4	1,305	285	1,590	1,590
2020	Manufacturing	2090	40	1	289	0	289	289
2020	Mining	911	10	1	320	36	355	819
2021	Manufacturing	2090	40	1	291	7	299	299
2022	Manufacturing	2090	40	1	486	3	489	210
2023	Manufacturing	2090	40	1	34	0	35	216
2024	Wholesale Trade	3339	58	1	6	128	134	429
2025	Manufacturing	2090	40	1	126	276	402	
Total				**17**	**3,647**	**774**	**4,422**	**4,681**

[1] Figures shown are in nominal values.

3. Economic, Expense and Insurer Margin Assumptions

Key Points

Discount and economic inflation rate assumptions have increased across all development periods, as compared to the Previous Pricing Review.

The adopted expense loading, as a percentage of premiums, has decreased from 19.87% to 19.21% at the Current Pricing Review, with the decrease driven by “other administration expenses” and the “Workers Rehabilitation and Compensation Fund (WRCF) levy”.

The adopted insurer margin assumption of 13% of premium is unchanged from the Previous Pricing Review.

3.1 Discount Rates

Forward discount rates have been set with reference to the market prices of Commonwealth Government bonds as at 31 December 2025. For the purposes of our suggested average premium rate calculation, we discount projected claim payment cashflows to 15 March 2027, given this is the assumed average timing of premium collection for policies that are written in the 2026/27 underwriting year. Similarly, at the Previous Pricing Review, claim payments were discounted to 15 March 2026.

Table 12 shows the adopted discount rates at the Previous and Current Pricing Reviews by development half-year, which is a like-for-like comparison basis. Discount rate assumptions have increased across all development periods. This has resulted in a small decrease to our suggested average premium rate, as will be discussed in Section 4.2.

At the Current Pricing Review, the projected mean term of payments is 2.2 years.

Table 12: Discount Rates (p.a.) by Development Half-Year (DHY), at Previous and Current Pricing Reviews

Development Half-Year (DHY)[1]	Current	Previous	Change
DHY 1	4.22%	3.68%	+0.54%
DHY 2	4.33%	3.67%	+0.66%
DHY 3	4.43%	3.75%	+0.68%
DHY 4	4.53%	3.92%	+0.61%
DHY 5	4.63%	4.08%	+0.55%
DHY 6	4.72%	4.24%	+0.48%
DHY 7	4.81%	4.39%	+0.42%
DHY 8	4.89%	4.52%	+0.37%
DHY 9	4.97%	4.65%	+0.32%
DHY 10	5.05%	4.76%	+0.29%
DHY 11	5.12%	4.85%	+0.27%
DHY 12	5.19%	4.94%	+0.25%
DHY 13	5.25%	5.02%	+0.23%

Development Half-Year (DHY)[1]	Current	Previous	Change
DHY 14	5.31%	5.08%	+0.23%
DHY 15	5.37%	5.13%	+0.24%
DHY 16	5.42%	5.17%	+0.25%
DHY 17	5.47%	5.19%	+0.28%
DHY 18	5.52%	5.21%	+0.31%
DHY 19	5.56%	5.23%	+0.33%
DHY 20	5.60%	5.24%	+0.36%

[1] For example, for the Current Pricing Review, DHY1 refers to the 6 months to 15 September 2027, and DHY2 refers to the 6 months to 15 March 2028. In comparison, for the Previous Pricing Review, DHY1 refers to the 6 months to 15 September 2026, and DHY2 refers to the 6 months to 15 March 2027.

3.2 Inflation Rates

Two types of inflation are considered in our projections of claim payments: normal/economic inflation and superimposed inflation.

3.2.1 Economic Inflation

Our analysis of experience is performed on current dollar values, that is, past payments, wages and premiums information have been converted to 31 December 2025 values using the Average Weekly Earnings (AWE) index for Tasmania for All Persons Total Ordinary Time Earnings (ABS AWE Table 11F series ID A84994910A).

Our assumptions for future economic inflation are based on current economic forecasts for wage inflation (specifically, the AWE index), especially given the income-related nature of weekly benefits.

Table 13 shows the adopted economic inflation rates at the Previous and Current Pricing Reviews by development half-year. The selection for the Current Pricing Review has been made after consideration of the Tasmania Department of Treasury and Finance's 2025-26 Revised Estimates Report (February 2026)[2] and outlook from the Reserve Bank Statement of Monetary Policy (February 2026)[3].

As shown, our economic inflation rate assumptions have increased across all development periods, and this has resulted in an increase to our suggested average premium rate, as will be discussed in Section 4.2.

Table 13: Economic Inflation Rates (p.a.) by Development Half-Year, at Previous and Current Pricing Reviews

Development Half-Year (DHY)[1]	Current	Previous	Change
DHY 1	3.75%	3.50%	+0.25%
DHY 2	3.75%	3.50%	+0.25%
DHY 3+	3.75%	3.50%	+0.25%

[1] For example, for the Current Pricing Review, DHY1 refers to the 6 months to 15 September 2027, and DHY2 refers to the 6 months to 15 March 2028. In comparison, for the Previous Pricing Review, DHY1 refers to the 6 months to 15 September 2026, and DHY2 refers to the 6 months to 15 March 2027.

3.2.2 Superimposed Inflation

Superimposed inflation refers to an allowance for the tendency for average claim sizes to increase at a faster rate than normal/economic inflation. Superimposed inflation is notoriously difficult to quantify and rarely operates in a uniform and predictable manner. It can arise from many sources, including:

[2] 2025-26 Revised Estimates Report.pdf
[3] Statement on Monetary Policy – February 2026 | RBA

- benefit changes from judicial precedents;
- increased use/cost of medical services/technology; and
- claims from previously unknown sources.

It may manifest itself through higher utilisation of services, higher volume of claims and higher cost per claim.

We have reviewed the level of superimposed inflation for each payment type.

Despite the worsening experience in weekly and medical payments, we believe there is insufficient evidence to increase the superimposed inflation assumption from the Previous Pricing Review. Therefore, we have maintained the superimposed inflation assumption of 0.75% p.a. across all benefit types. This is unchanged from the Previous Pricing Review.

3.3 Economic Growth

Based on the Tasmania Department of Treasury and Finance's latest forecast[4], the Tasmanian gross state product is expected to grow by 1.8% p.a. in 2026/27 and 2.3% p.a. in 2027/28 and 2028/29.

We have adopted an economic growth rate of 1.8% p.a., in determining our estimate of written wages for the 2026/27 underwriting year. This is slightly lower than the Previous Pricing Review, reflecting the budget forecast.

3.4 Expenses

Key Points

The adopted expense loading, as a percentage of premiums, has decreased from 19.87% at the Previous Pricing Review to 19.22% at the Current Pricing Review.

This reduction was driven by a 0.51 percentage point decrease for other administration expenses, a 0.07 percentage point reduction for the Workers Rehabilitation and Compensation Fund (WRCF) levy, and a 0.07 percentage point reduction across the commission/brokerage expenses and net cost of reinsurance.

Table 14 summarises the expense loadings, and the equivalent dollar amounts (in 31 December 2025 values), that have been adopted the Previous and Current Pricing Review, in the calculation of the suggested average premium rate.

Table 14: Expense Loadings at the Previous and Current Pricing Reviews

Item	Loading as % Premium			Equivalent Dollars ($m)		
	Current	Previous	Movement	Current	Previous	Movement
Net cost of reinsurance	0.35%	0.38%	-0.02%	1.2	1.3	-0.1
Commission and brokerage	3.74%	3.78%	-0.04%	12.8	13.3	-0.5
Other administration expenses	11.78%	12.30%	-0.51%	40.3	43.2	-2.9
Nominal insurer levy	0.00%	0.00%	n/a	0.0	0.0	n/a
Workers' Rehabilitation and Compnesation Fund levy (WCRF levy)	3.34%	3.41%	-0.07%	11.4	12.0	-0.6
Total	**19.22%**	**19.87%**	**-0.65%**	**65.7**	**69.7**	**-4.0**

There has been a 0.65 percentage point reduction between the Previous and Current Pricing Reviews, in respect of the overall loading for expenses.

[4] 2025-26 Revised Estimates Report.pdf

This reduction was primarily driven by a 0.51 percentage point decrease for other administration expenses (i.e. acquisition, policy handling and claims handling expenses). On a like for like basis, the dollar-value loading assumed for other administration expenses has decreased by 5.8% relative to the Previous Pricing Review, highlighting the impact of the 8.6% increase in the projection of wages for the 2026/27 underwriting year at the Current Pricing Review in comparison to the projection of wages for the 2025/26 underwriting year at the Previous Pricing Review.

The increase in the expense loading was also driven by a 0.07 percentage point reduction for the Workers Rehabilitation and Compensation Fund (WRCF) levy, a 0.04 percentage point reduction for commission and brokerage expenses, and a 0.03 percentage point reduction for the net cost of reinsurance.

3.4.1 Net Cost of Reinsurance

Consistent with the approach adopted at the Previous Pricing Review, we first adopted a gross cost of reinsurance (as a percentage of premium) assumption of 0.70%, which is based on average experience for the licensed insurer sector across financial years 2020/21 to 2024/25.

The net cost of reinsurance assumption is then calculated by assuming reinsurance recoveries will be 50% of reinsurance premiums (we have not changed this assumption relative to that adopted at the Previous Pricing Review).

As a result, the assumption adopted for net cost of reinsurance is 0.35% and is unchanged from the Previous Pricing Review.

3.4.2 Commission and Brokerage

The assumption of 3.74% adopted for commission and brokerage costs (as a percentage of premium) is based on average experience for the licensed insurer sector for financial years 2020/21 to 2024/25 and is comparable to financial year 2022/23 specifically (3.71%). The adopted assumption is slightly lower than that assumed for the Previous Pricing Review (3.78%).

We have observed an upward trend for commission and brokerage expenses (as a percentage of premium) from financial year 2021/22 (3.18%) to financial year 2023/24 (4.88%), although this has reduced to 3.56% for the 2024/25 year. This increase has been partially reflected in the adopted commission and brokerage rate.

Further details are shown in Appendix G.

3.4.3 Other Administration Expenses

As mentioned in Section 3.4, the ‘other administration expenses’ loading represents an allowance for acquisition, policy handling and claims handling expenses. While insurers do not report the individual components of other administration expenses, we understand it to include expenses such as: overhead/personnel costs; premises/office accommodation; motor vehicles; entertainment and travel; communications, advertising and promotion; professional fees for accounting, audit, management, and legal interpretations; head office expenses; safety and medical advice; finance such as banking fees and charges on transactions; and computing.

In determining the other administration expenses loading, we have based our assumption on average experience for the licensed insurer sector across financial years 2020/21 to 2024/25. This has resulted in a 0.51 percentage point reduction for other administration expenses (as a percentage of premium) from 12.30% at the Previous Pricing Review to 11.78% at the Current Pricing Review. This reduction reflects the decreasing trend observed for other administration expenses (as a percentage of premium) since 2019/20.

3.4.4 Nominal Insurer Levy

As at this Pricing Review, we have not allowed for the nominal insurer levy. This is unchanged from the Previous Pricing Review.

3.4.5 Workers’ Rehabilitation and Compensation Fund (WRCF) Levy

The WRCF levy is collected from licensed insurers (as well as self-insurers and the Tasmanian State Service) to fund the operations of the Board.

The invoice issued to licensed insurers during each financial year comprises WorkSafe's budgeted allowance for the ongoing financial year, as well as an adjustment amount that reflects the extent to which actual expenses of the Board for the previous financial year was different to that budgeted.

The adopted levy is based on the approved Worksafe budget for 2026/27 year. The resultant dollar-value WRCF levy expense allowance was equivalent to 3.34% of premiums, which was a decrease from 3.41% at the Previous Pricing Review.

3.5 Insurer Margin

The adopted insurer margin, at 13% of premium, is unchanged from the Previous Pricing Review.

4. Suggested Average Premium Rate

Key Points

Our estimate of the total premium pool required for the 2026/27 underwriting year is $341.8 million, which is equivalent to a suggested average premium rate of 2.18% of forecasted wages for the 2026/27 underwriting year.

The increase in the suggested average premium rate, compared to 2.06% at the Previous Pricing Review, is driven by a 0.27 percentage point increase due to an increase in the adopted average claim size assumption, partially offset by a 0.11 percentage point decrease from a reduction in the adopted claim frequency assumption and a 0.04 percentage point decrease from a reduction in discounting and expenses.

4.1 Suggested Average Premium Rate

The risk premium pool for the 2026/27 underwriting year represents the total expected claim costs for licensed insurers. It is calculated by multiplying our forecast of the number of claims for 2026/27 (refer to Section 2.2), by the adopted average claim size assumption (refer to Section 2.4), while allowing for discounting and inflation (refer to Sections 3.1 and 3.2).

This has resulted in a risk premium pool of $231.7 million (in 31 December 2025 values), which is equivalent to an average risk premium of 1.48% of forecasted wages for the 2026/27 underwriting year.

After allowing for expenses (refer to Section 3.4) and insurer margins (refer to Section 3.5), the estimate of the total premium pool required for the 2026/27 underwriting year is $341.8 million (in 31 December 2025 values).

This is equivalent to a suggested average premium rate of 2.18% of forecasted wages for the 2026/27 underwriting year. Table 15 shows the breakdown of the total premium pool across its different components.

Table 15: Summary of Suggested Total Premium Pool and Average Premium Rates for Underwriting Year 2026/27 ($m)

Item	Dec-25 values	2026/27 values*
Forecasted written wages	15,724	16,436
Risk premium pool	231.7	242.9
Expenses	65.7	68.9
Insurer margin	44.4	46.6
Total premium pool	**341.8**	**358.3**
Average risk premium (% wages)		**1.48%**
Average premium rate (% wages)		**2.18%**

* Refers to 15 March 2027 values, given this is the assumed timing of the average accident date for policies that are written in the 2026/27 underwriting year.

4.2 Comparison with 2025/26 Suggested Premium Rates

Table SEQ Table * ARABIC summarises the drivers of the movement in the suggested average premium rate, from 2.06% at the Previous Pricing Review for the 2025/26 underwriting year to 2.18% at the Current Pricing Review for the 2026/27 underwriting year.

Table 16: Reconciliation with 2025/26 Suggested Average Premium Rate

	Average Premium Rate (% Wages)	Change (% Wages)
Suggested Rate for 2025/26 (excl. GST)	**2.06%**	
Expected Rate for 2025/26	2.06%	
Changes made in basis for 2026/27		
Change in Claim Frequency		-0.11%
Change in Average Claim Size		0.27%
Change in Expenses Loading		-0.02%
Change in Profit Margin		0.00%
Change in Discount Rates		-0.02%
Change in Inflation Rates		0.01%
Change in Payment Pattern		0.00%
Total Change		**0.12%**
Suggested Rate for 2026/27 (excl. GST)	**2.18%**	

The 0.12 percentage point increase in the suggested average premium rate has been primarily driven by:

- a 0.27 percentage point increase, due to an increase in the adopted average claim size assumptions across most payment types, and in particular lump sum and medical benefits (refer to Section 2.4); and
- a 0.01 percentage point increase driven by a change in the future inflation rates to reflect the economic outlooks across the industry.

This is partially offset by:

- a 0.11 percentage point decrease, due to a reduction in the adopted claim frequency assumption (refer to Section 2.2).
- a 0.02 percentage point decrease, due to a reduction in the expense loading, particularly for “other administration expenses” and the “WRCF levy” (refer to Section 3.4); and

Changes to economic assumptions (i.e. inflation and discount rates) that effectively neutralise one another.

4.3 Sensitivity Analysis

The estimate of the suggested average premium rate is sensitive to the underlying assumptions, and the selection of our assumptions is subject to uncertainty. Table 17Table SEQ Table * ARABIC shows the impact of changing key assumptions on the suggested average premium rate for the 2026/27 underwriting year. Note that:

- Each scenario shown below is an adverse scenario, i.e. we would expect an increase in the suggested average premium rate if that scenario prevailed. Equivalent and opposite scenarios (i.e. favourable outcomes) would be expected to have a similar quantum of impact on the suggested average premium rate, but in the opposite direction (i.e. downwards).
- The scenarios tested do not reflect the full range of possible outcomes for the average premium rate. In reality, actual outcomes could emerge that would be outside of the ranges of scenarios shown below.
- Each scenario is treated independent of the other scenarios shown.
- We have provided one "combined" scenario of higher average claim sizes and the need for higher superimposed inflation simultaneously.

We note, average claim size figures shown are in 2026/27 values (i.e.15 March 2027 values).

Table 17: Summary of Sensitivity Analysis of Suggested Average Premium Rates for 2026/27

Item	Best Estimate Value	Sensitivity Assumption	Premium Rate	Absolute Difference in Premium Rate	Percentage Difference in Premium Rate
Best estimate			**2.18%**		
Sensitivities					
Claim frequency +5%	0.385709124	0.405	2.28%	0.10%	4.8%
Weekly benefit ACS +10%	$13,239	$14,563	2.25%	0.07%	3.3%
Medical benefit ACS +10%	$10,559	$11,615	2.24%	0.06%	2.6%
Legal ACS +10%	$2,534	$2,788	2.19%	0.01%	0.6%
Lump sum ACS +10%	$13,792	$15,172	2.25%	0.07%	3.4%
Total ACS +10%	$40,125	$44,137	2.40%	0.22%	10.0%
Superimposed inflation +0.75% p.a.	0.75%	1.50%	2.25%	0.07%	3.0%
Total ACS +10%; and Superimposed inflation +0.75% p.a.	$40,125 0.75%	$44,137 1.50%	2.47%	0.29%	13.3%
Expense loading +1% of premium	19.22%	20.17%	2.21%	0.03%	1.4%
Insurer margin +1% of premium	13.00%	14.00%	2.21%	0.03%	1.4%
Discount rate -0.5% p.a.	3.72% to 5.60%	3.22% to 5.10%	2.20%	0.02%	1.0%
Inflation rate +0.5% p.a.	3.75%	4.25%	2.21%	0.03%	1.4%

To provide additional context in respect of the claim frequency and average claim size sensitivities:

- A 5% increase in the claim frequency assumption results in an assumption that is broadly consistent with the overall claim frequency for accident years 2021/22 to 2023/24.
- A 10% increase in the weekly benefit average claim size results in a 3.3% increase in the overall average claim size assumption.
- A 10% increase in the medical benefit average claim size results in a 2.6% increase in the overall average claim size assumption.
- A 10% increase in the legal average claim size results in a 0.6% increase in the overall average claim size assumption.
- A 10% increase in the lump sum average claim size results in a 3.4% increase in the overall average claim size assumption.

The table above also includes a scenario which combines the impact of two factors: increasing the total average claim size by 10% and increasing the superimposed inflation rate to 1.50% p.a..

This scenario reflects the growing uncertainty in respect of the increasing average claim sizes observed across all payment types, and in particularly lump sum and medical benefits. This scenario implies an 0.29 percentage point (+13.3%) increase in the suggested average premium rate.

The scenarios presented show that the suggested average premium rate could increase (or decrease) by between 0.6% and 13.3% of wages, if our assumptions were to be varied.

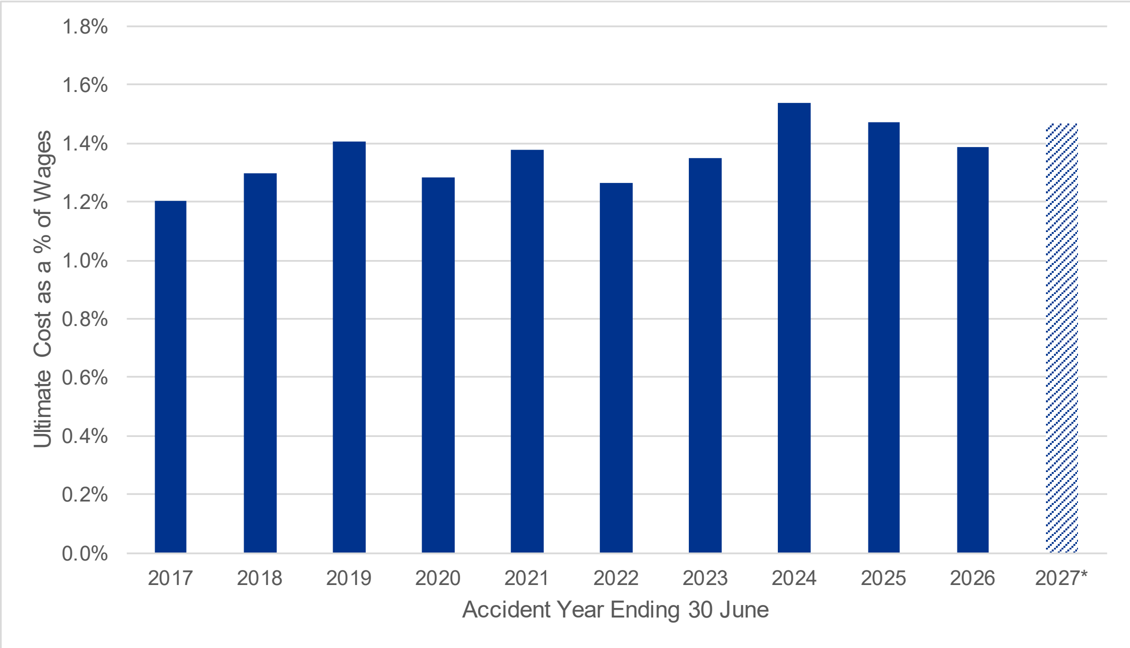
We note that this does not reflect the full range of possible outcomes for the average premium rate, but rather plausible alternatives given recent experience. We also note that each sensitivity is considered in isolation to the other sensitivities; the combined effect of two or more changes is not considered here.

4.4 Claims Cost as a Proportion of Wages

Figure 20 shows the undiscounted ultimate claims costs as a proportion of earned wages by accident year. Ultimate cost as a percentage of wages has been calculated by dividing uninflated and undiscounted ultimate claims costs (in 31 December 2025 values) for each accident year by earned wages (in 31 December 2025 values) for the respective accident year.

We have also shown the implied projection for the 2026/27 underwriting year, which is based on our projection of written wages for the 2026/27 underwriting year and our selected claim frequency and average claim size assumptions.

Figure 20: Ultimate Claims Costs (Undiscounted) as a Proportion of Earned Wages



Ultimate cost as a proportion of wages has varied between 1.20% and 1.54% of wages for accident years 2016/17 to 2024/25. The ultimate cost of the 2025/26 accident year is projected to be 1.39% of earned wages, with the increase relative to the projection of 1.36% of earned wages at the Previous Pricing Review being driven by unfavourable claim payment experience.

Our assumptions for the 2026/27 underwriting year imply an ultimate cost as a proportion of written wages of 1.47%, which is 5.8% higher than the projection for accident year 2025/26 and consistent with the projection for accident year 2024/25.

Since 2023/24, the ultimate cost has increased as a proportion of earned wages due to the increased average claim size assumptions across all payment types, in particular for the lump sum benefits and to a smaller extent, the weekly and medical benefits as well (refer to Section 2.4).

5. Suggested Relativities and Premium Rates

Key Points

The ANZSIC classes have been grouped into 128 different “relativity groups” at the Current Pricing Review, with suggested premium rates for these relativity groups ranging from 0.4% to 14.53%.

For the 2024/25 underwriting year, it has been observed that the achieved relativity was lower than the suggested relativity for 11 of the 19 ANZSIC divisions. This indicates that over half of the divisions were charged lower premium rates than the suggested premium rates for 2024/25.

Up to and including 2021/2022, reported achieved rates have been lower than suggested rates, with this gap narrowing over time. The gap inverted for 2022/23, such that achieved rates are higher than suggested rates. This gap has widened for 2023/24 and 2024/25.

The ANZSIC classes with the largest proportional increase in suggested premium rate were Clubs Hospitality (4530), Zoological and Botanical Gardens Operation (8921), Creative Artists, Musicians, Writers and Performers (9002). The ANZSIC class with the largest proportional decrease in suggested premium rate was On Selling Electricity and Electricity Market Operation (2640). Most of the ANZSIC classes with the largest increases and decreases in suggested premium rates were classes impacted by relativity regrouping that occurred between the Previous and Current Pricing Review and the increases in the overall premium rate, others were impacted by recent claims experience over the Current Pricing Review or continuing from the Previous Pricing Reviews.

5.1 Selected Relativities

The ANZSIC classes, as based on the 2006 classification system, have been allocated into 128 different “relativity groups” based on consideration of each class’s claim frequency and payments experience, nature of activity and volume of wages.

The selected relativities range from 15% for the lowest relativity groups to 660% for the highest relativity group. Part I of this report provides details of the selected relativities and suggested premium rates, by ANZSIC class.

5.2 Suggested Premium Rates

The suggested rates by ANZSIC class are tabulated in Part I and is presented alongside the following supporting information:

- ANZSIC class code and description;
- adopted relativity group for rating purposes;
- estimated wages for underwriting year 2026/27;
- claim frequency relativity (average over the last 3 years) for the relativity group the class has been allocated to at the Current Pricing Review;
- attritional payments relativity (average over the last 5 years) for the relativity group the class has been allocated to at the Current Pricing Review;
- suggested relativity for 2026/27 (excluding large claim allowance);
- suggested relativity for 2026/27;
- suggested relativity for 2025/26; and
- suggested premium rate for 2026/27.

These rates are intended to provide a guide to employers and licensed insurers. The rates charged by an insurer ("achieved rates") for an individual employer can be expected to differ from suggested rates, due to factors such as:

- riskiness of individual employers within an ANZSIC class;
- pricing and marketing strategy; and
- expense structure and required return on capital.

It is expected that an insurer will perform their own analysis to support their pricing, including analysis of the average premium rate, and at the level of individual risks.

5.3 Suggested versus Achieved Premium Relativities by ANZSIC Division

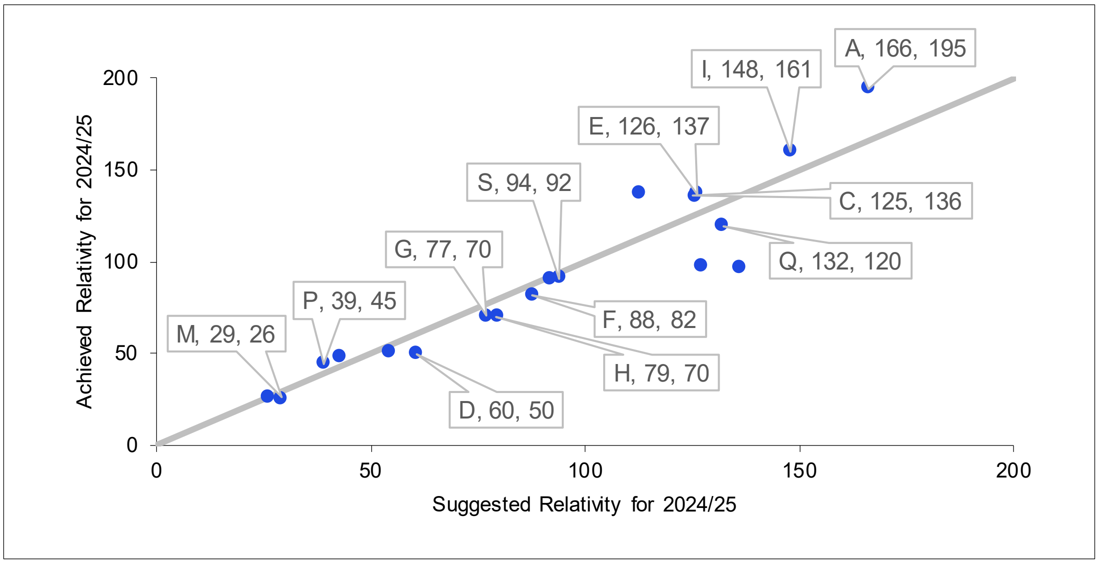
Achieved rates can be expected to differ from suggested rates. For the achieved rates, insurers may apply judgement, commercial reasons and other considerations in setting the premium rate for an individual employer. The overall impact may imply that the collected premium rate will not align with the suggested premium rate, at each ANZSIC level or at the scheme level.

This section compares suggested premium rate relativities for underwriting year 2024/25 with licensed insurers' achieved premium rate relativities for the 2024/25 year. This analysis has been performed by ANZSIC division, as can be seen in Figure 202 below.

Note that we have presented figures for the 2024/25 underwriting year, as this is the most recent year for which written wages and premiums data are sufficiently developed, which is essential to producing an accurate comparison between suggested and achieved relativities. Each point on the graph represents one of the 19 divisions, with the overall result for each division produced by weighting individual ANZSIC classes based on actual written wages for each class.

The 12 largest divisions (ranked based on each division's share of written wages for 2024/25) have been highlighted through the data labels in Figure 21.

Figure 21: Suggested versus Achieved Premium Relativities in 2024/25, by ANZSIC Division



Note: First value in the box for the division is the suggested relativity, the second value in the box for the division is the actual relativity

ANZSIC divisions that lie on the 45-degree line have achieved relativities that are equal to suggested relativities. Points above the line represent divisions with achieved relativities that are higher than suggested relativities. For example, Division A has an achieved relativity of 195 versus a suggested relativity of 166. Points below the line represent divisions with achieved relativities that are lower than suggested relativities. For example, Division Q has an achieved relativity of 120 versus a suggested relativity of 132.

The achieved relativity is less than the suggested relativity for 11 of the 19 divisions. This indicates that most divisions were charged lower premium rates than suggested premium rates for 2024/25. For the remaining 8 divisions that fall above the 45-degree line, achieved premium rates were higher than suggested premium rates.

Note that differences in achieved and suggested relativities may indicate that insurers have a different view of the relative riskiness of divisions than that presented in our reports. Furthermore, licensed insurers tend to apply some level of self-experience rating for larger employers, whilst smaller employers tend to be rated closer to suggested rates. Thus, the achieved premium rate within each division is likely to differ by size of employer.

5.3.1 Movements in Suggested versus Achieved Relativities

In general, for the larger divisions (as highlighted in Figure 202), the relationships between achieved and suggested relativities are similar to those observed at the Previous Pricing Review, except for Divisions N which previously had an achieved relativity that was closer to the suggested relativity.

In saying that, observations regarding divisions with noteworthy achieved versus suggested experience are as follows:

- For Division Q (Health Care and Social Assistance), the achieved relativity (120) is -9% lower than the suggested relativity (132) for 2024/25. The gap between achieved and suggested relativity has narrowed since 2023/24, where the achieved relativity (116) was -15% lower than the suggested relativity (137).
- For Division E (Construction), the achieved relativity (137) is 9% higher than the suggested relativity (126) for 2024/25. The gap between achieved and suggested relativity has narrowed since 2023/24, where the achieved relativity (141) was 14% higher than the suggested relativity (124).
- For Division C (Manufacturing), the achieved relativity (136) is 9% higher than the suggested relativity (125) for 2024/25. The gap between achieved and suggested relativity has widened since 2023/24, where the achieved relativity (125) was 4% higher than the suggested relativity (120).
- For Division M (Professional, Scientific and Technical Services), the achieved relativity (26) is -12% lower than the suggested relativity (29) for 2024/25. The gap between achieved and suggested relativity has widened since 2023/24, where the achieved relativity (27) was -7% lower than the suggested relativity (29).
- For Division P (Education and Training), the achieved relativity (45) is 16% higher than the suggested relativity (39) for 2024/25. The gap between achieved and suggested relativity has narrowed since 2023/24, where the achieved relativity (31) was -26% lower than the suggested relativity (42).
- For Division G (Retail Trade), the achieved relativity (70) is -9% lower than the suggested relativity (77) for 2024/25. The gap between achieved and suggested relativity has narrowed since 2023/24, where the achieved relativity (70) was -12% lower than the suggested relativity (79).
- For Division A (Agriculture, Forestry and Fishing), the achieved relativity (195) is 17% higher than the suggested relativity (166) for 2024/25. The gap between achieved and suggested relativity has narrowed since 2023/24, where the achieved relativity (208) was 30% higher than the suggested relativity (159).
- For Division H (Accommodation and Food Services), the achieved relativity (70) is -11% lower than the suggested relativity (79) for 2024/25. The gap between achieved and suggested relativity has widened since 2023/24, where the achieved relativity (72) was -10% lower than the suggested relativity (80).

5.4 Suggested versus Achieved Rates by ANZSIC Division

The graphs in this section compare reported achieved rates with suggested rates, with the latter being re-weighted using actual wages written for each constituent ANZSIC class.

We are unable to provide achieved rates for the 2025/26 underwriting year, given that premiums and wages were incomplete for this year as at 31 December 2025.

Similarly, achieved rates for 2026/27 are unavailable, given that this year is yet to commence. As a result, suggested rates for 2025/26 and 2026/27 have been estimated using the wage distribution implied by the actual wages written for 2024/25.

It should be noted that based on historic experience, the reported achieved rates for the most recent underwriting years will likely increase as premium adjustments are received. However, the extent of remaining development is uncertain.

The figure below shows each ANZSIC division's share of written wages reported to date for the 2024/25 underwriting year.

Figure 22: Written Wages for 2024/25, by ANZSIC Division

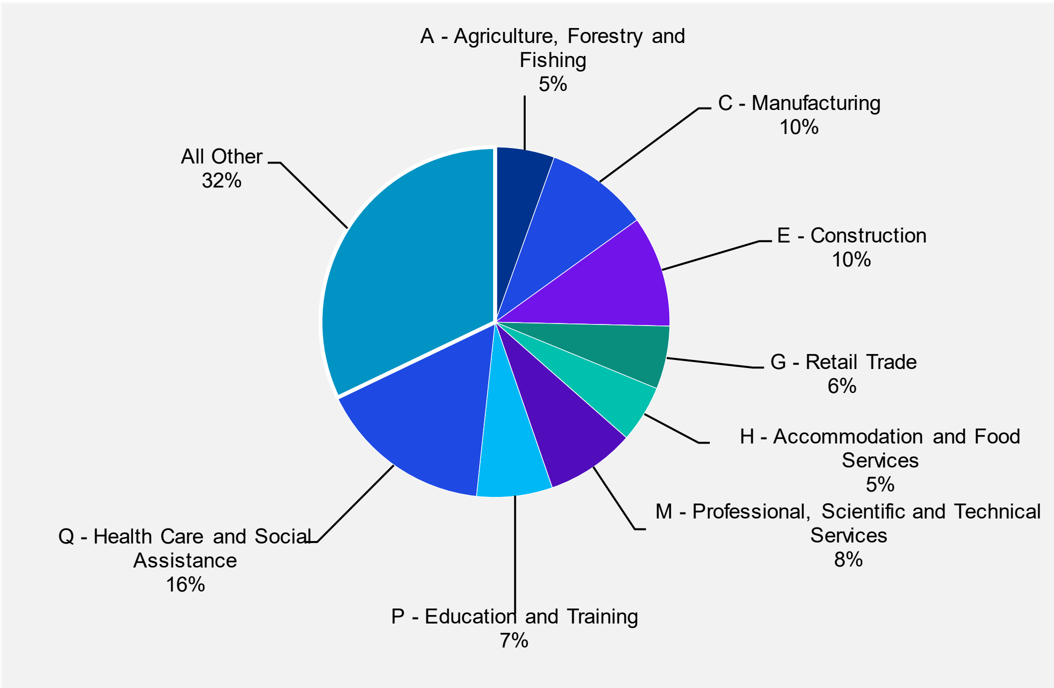
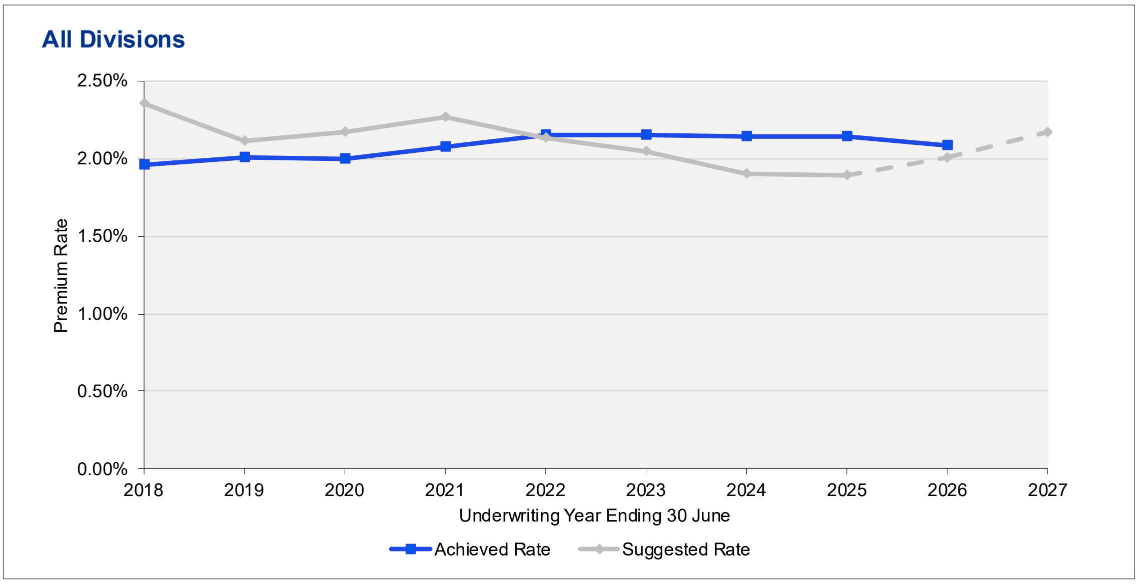


Figure 22 shows that the eight largest divisions (A, C, E, G, H, M, P, and Q) collectively account for 68% of wages for 2024/25. As such, below we have presented suggested versus achieved premium rates for these eight largest divisions in individual graphs and combined the remaining 11 divisions into 'All Other'.

The figures below compare overall suggested and achieved premium rates for licensed insurers.

Figure 23: Suggested versus Achieved Rates

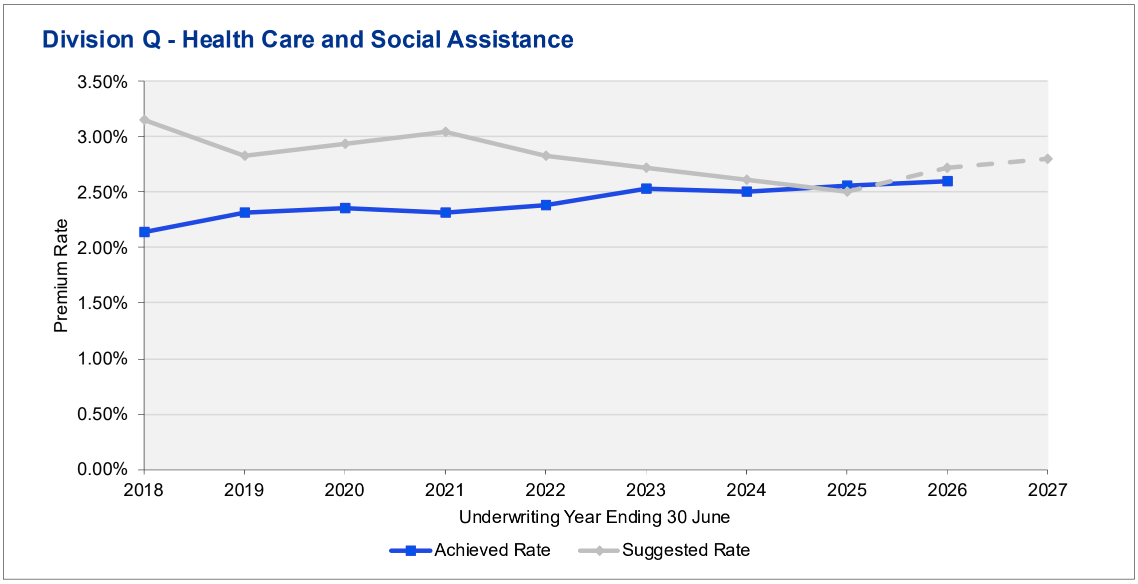


Up to and including 2021/22, reported achieved rates have been lower than suggested rates, albeit this gap has narrowed over time. The gap has now inverted from the underwriting year 2022/23, such that achieved rates are higher than suggested rates.

This has resulted in most divisions seeing a level of convergence between achieved and suggested rates, which can be observed in most of the figures presented below.

For the 2024/25 underwriting year, the achieved rate reported to date is equivalent to 113% of the suggested rate (broadly consistent with the 113% for the 2023/24 underwriting year).

Figure 24: Suggested versus Achieved Rates, Division Q (Health Care and Social Assistance)

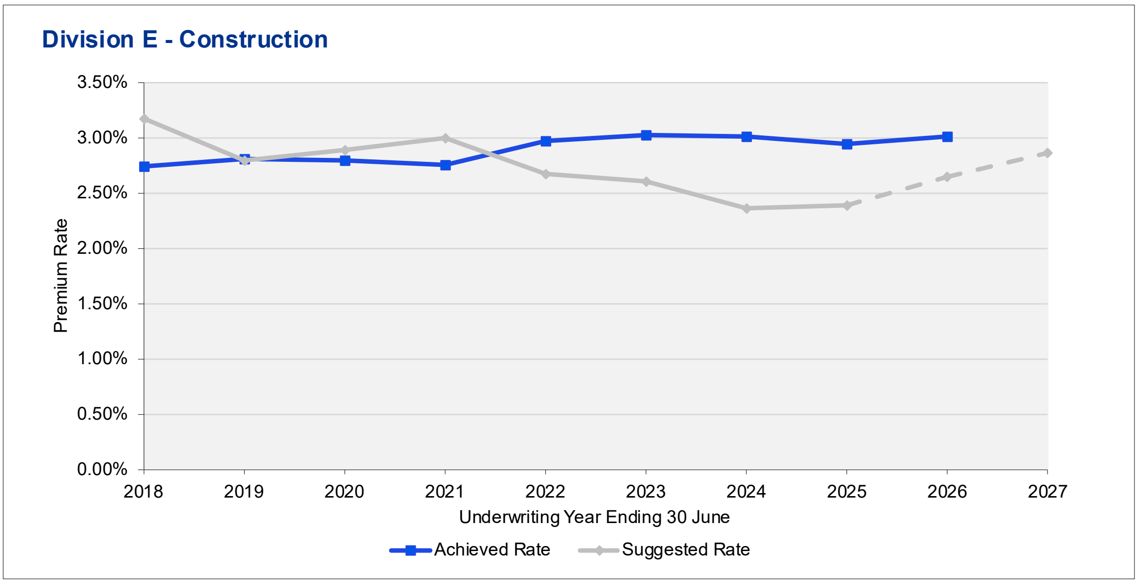


The suggested and achieved rates for Division Q (Health Care and Social Assistance) maintained a relatively large gap up to 2020/21 but has since narrowed. Since 2020/21, the suggested rate for Division Q has gradually fallen in line with the rate of decrease for the overall rate average.

For Division Q, the achieved rate reported to date for the 2024/25 underwriting year is equivalent to 103% of the suggested rate (an increase from the 96% for the 2023/24 underwriting year).

The suggested rate for Division Q increased from 2.50% for 2024/25 to 2.72% for 2025/26, then increased to 2.80% for 2026/27.

Figure 25: Suggested versus Achieved Rates, Division E (Construction)

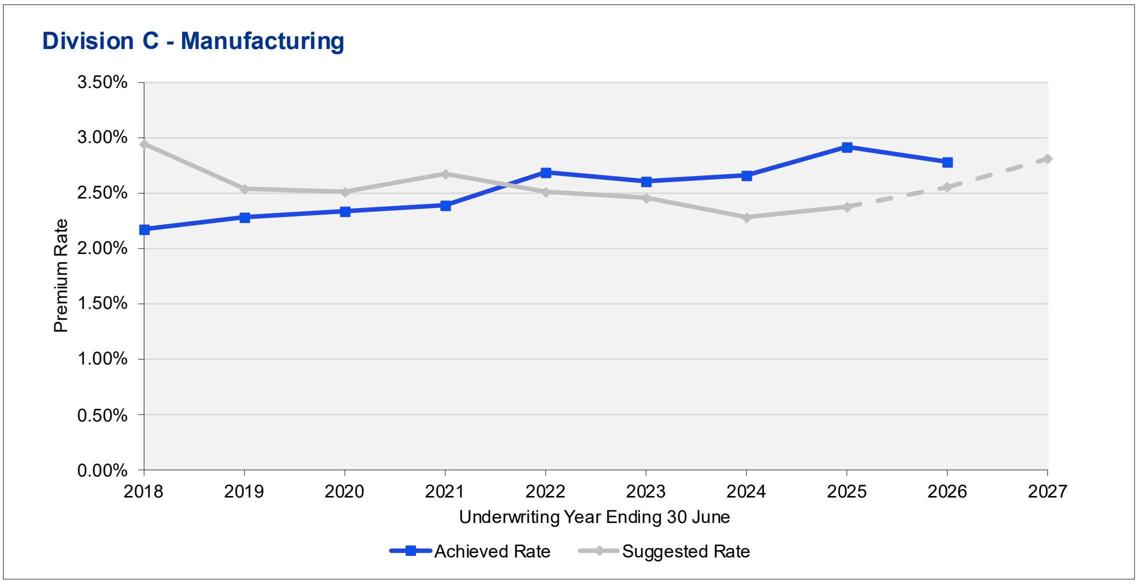


The suggested and achieved rates for Division E (Construction) have fluctuated over time, with suggested rates being higher than achieved rates for most years between 2017/18 to 2020/21. The last four underwriting years show that achieved rates have begun to emerge higher than suggested rates.

The achieved rate reported to date for the 2024/25 underwriting year is equivalent to 123% of the suggested rate (a reduction from 127% for the 2023/24 underwriting year).

The suggested rate for Division E had increased from 2.39% for 2024/25 to 2.64% for 2025/26, then increased to 2.86% for 2026/27.

Figure 26: Suggested versus Achieved Rates, Division C (Manufacturing)

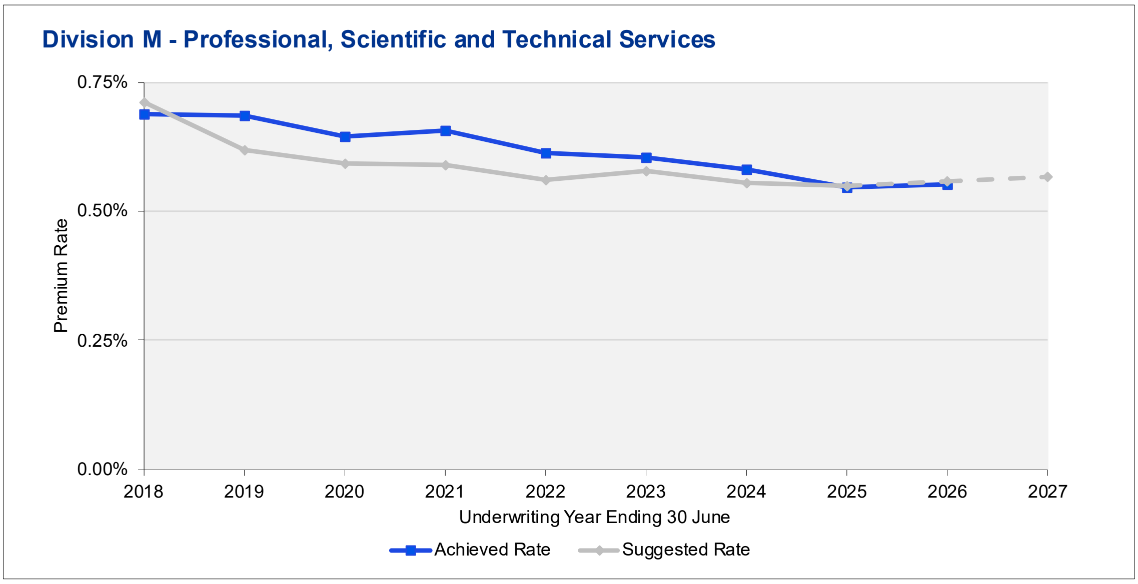


The gap between suggested and achieved rates for Division C (Manufacturing) has been small for the last six underwriting years, with the gap increasing in 2024/25.

The achieved rate reported to date for the 2024/25 underwriting year is equivalent to 123% of the suggested rate (increased from 117% for the 2023/24 underwriting year).

The suggested rate for Division C had increased from 2.37% for 2024/25 to 2.55% for 2025/26, then increased to 2.81% for 2026/27.

Figure 27: Suggested versus Achieved Rates, Division M (Professional, Scientific and Technical Services)

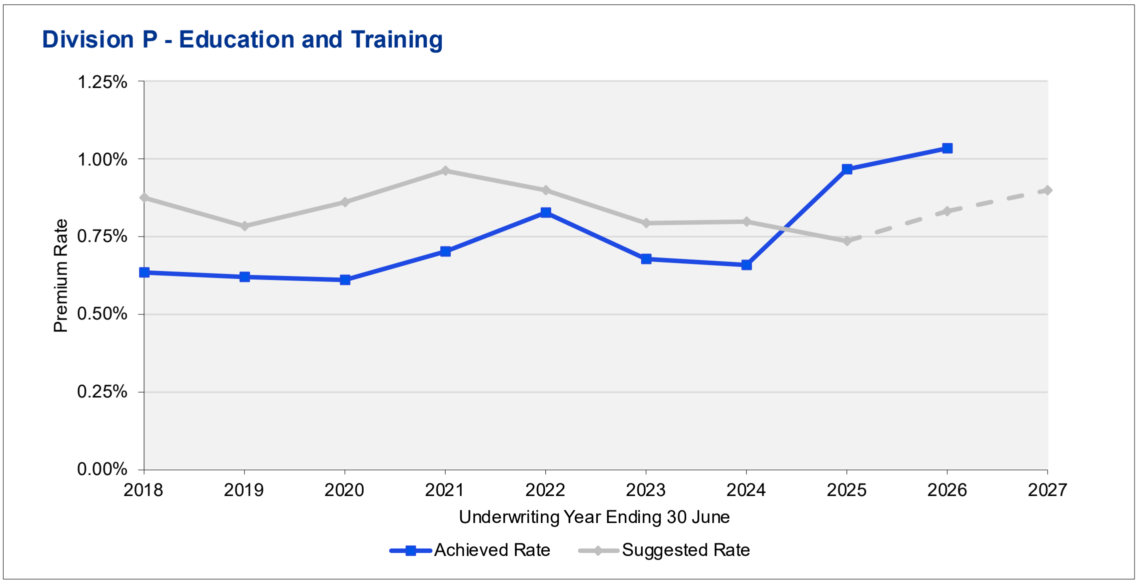


The suggested and achieved rates for Division M (Professional, Scientific and Technical Services) have been relatively stable and similar across all underwriting years shown. From 2018/19 onwards, achieved rates have been consistently higher than suggested rates, with a convergence in rates in the recent underwriting years.

The achieved rate reported to date for the 2024/25 underwriting year is equivalent to 100% of the suggested rate (increase from 105% for the 2023/24 underwriting year).

The suggested rate for Division M has slightly increased from 0.55% for 2024/25 to 0.56% for 2025/26, then increased slightly to 0.57% for 2026/27.

Figure 28: Suggested versus Achieved Rates, Division P (Education and Training)



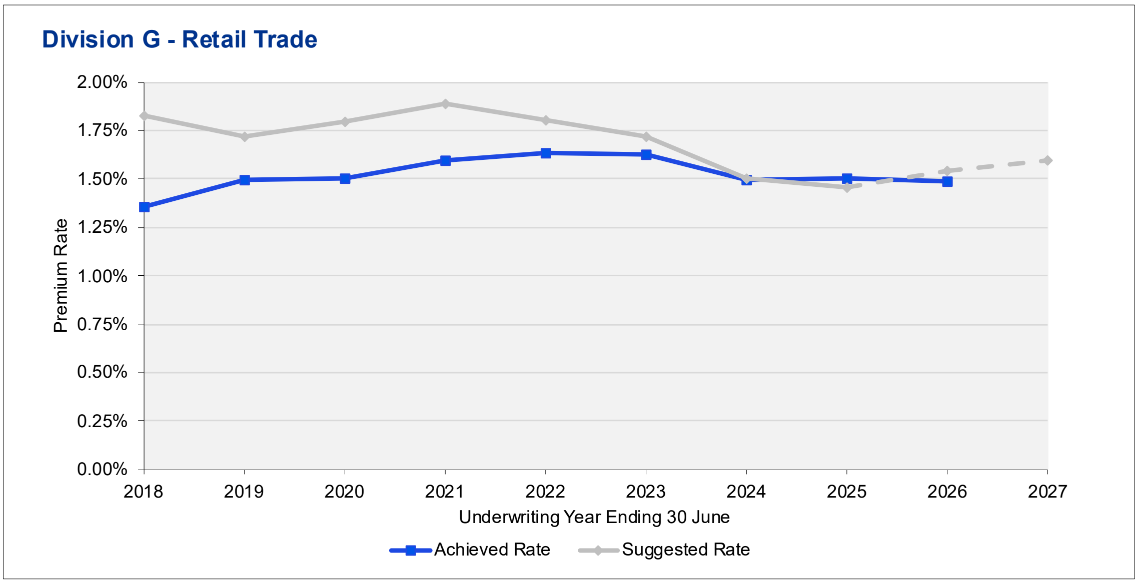
The gap between the suggested and achieved rates for Division P (Education and Training) have been relatively stable over time, with the achieved rate consistently being lower than the suggested rate.

This has converged since 2024/25, the achieved rate reported to date for the most recent two underwriting years being higher than the suggested rate.

The achieved rate reported to date for the 2024/25 underwriting year is equivalent to 131% of the suggested rate (an increase from 83% for the 2023/24 underwriting year).

The suggested rate for Division P has increased from 0.74% for 2024/25 to 0.83% for 2025/26, then increased to 0.90% for 2026/27.

Figure 29: Suggested versus Achieved Rates, Division G (Retail Trade)

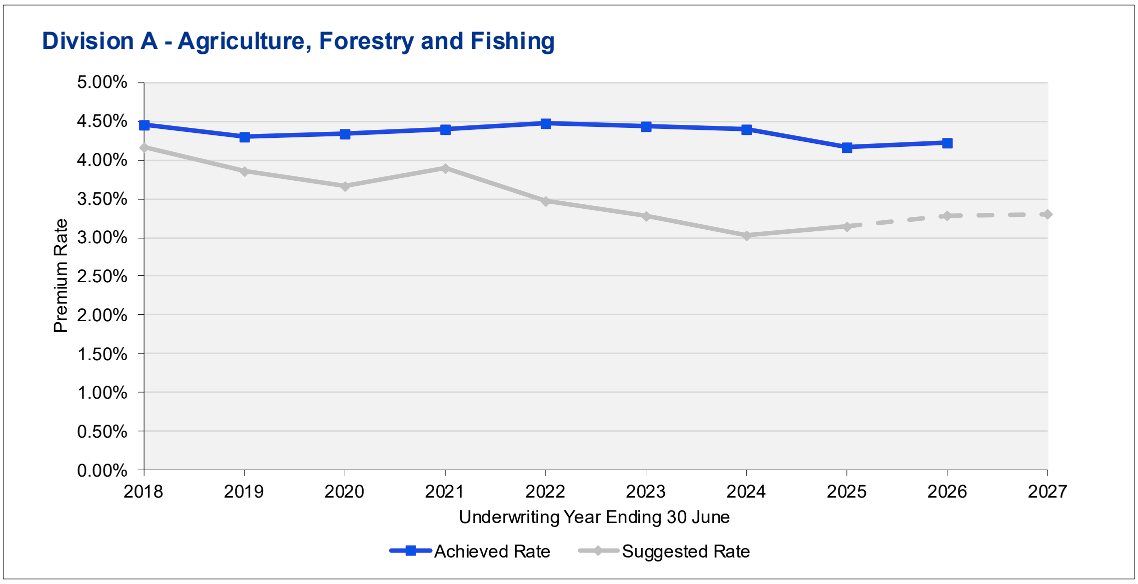


The achieved rates for Division G (Retail) have remained lower than the suggested rates across all underwriting years shown, although the gap has narrowed over time.

The achieved rate reported to date for the 2024/25 underwriting year is equivalent to 103% of the suggested rate (increased from 100% for the 2023/24 underwriting year).

The suggested rate for Division G has increased from 1.45% for 2024/25 to 1.54% for 2025/26, then increased to 1.59% for 2026/27.

Figure 30: Suggested versus Achieved Rates, Division A (Agriculture, Forestry and Fishing)

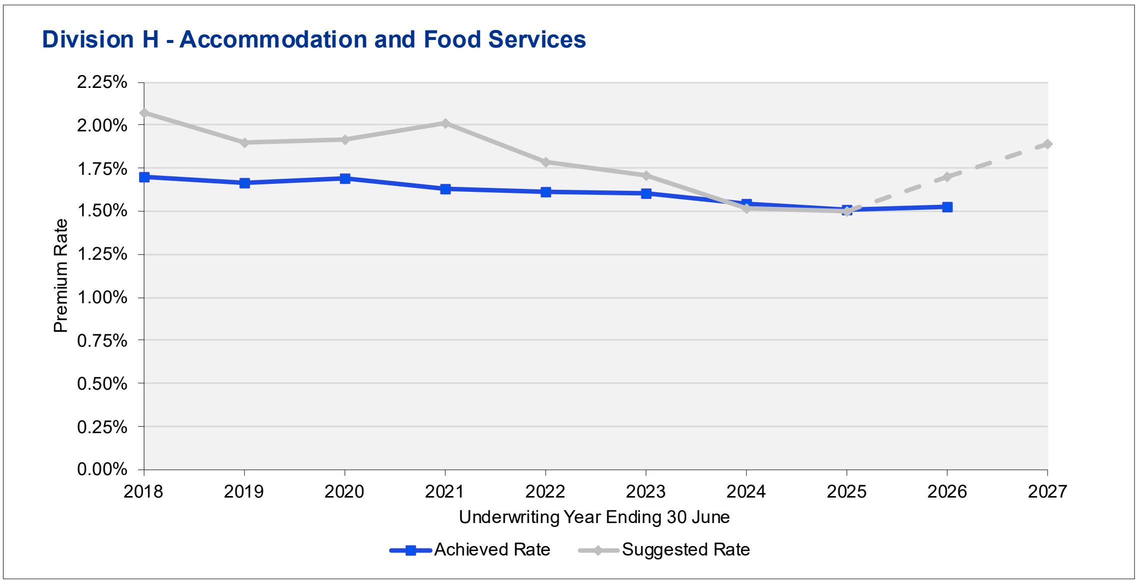


The achieved rates for Division A (Agriculture, Forestry and Fishing) have remained higher than suggested rates for the last six years, with the gap widening over time.

The achieved rate reported to date for the 2024/25 underwriting year is equivalent to 133% of the suggested rate (a reduction from 145% for the 2023/24 underwriting year).

The suggested rate for Division A had increased from 3.14% for 2024/25 to 3.29% for 2025/26, and remained consistent for 2026/27.

Figure 31: Suggested versus Achieved Rates, Division H (Accommodation and Food Services)



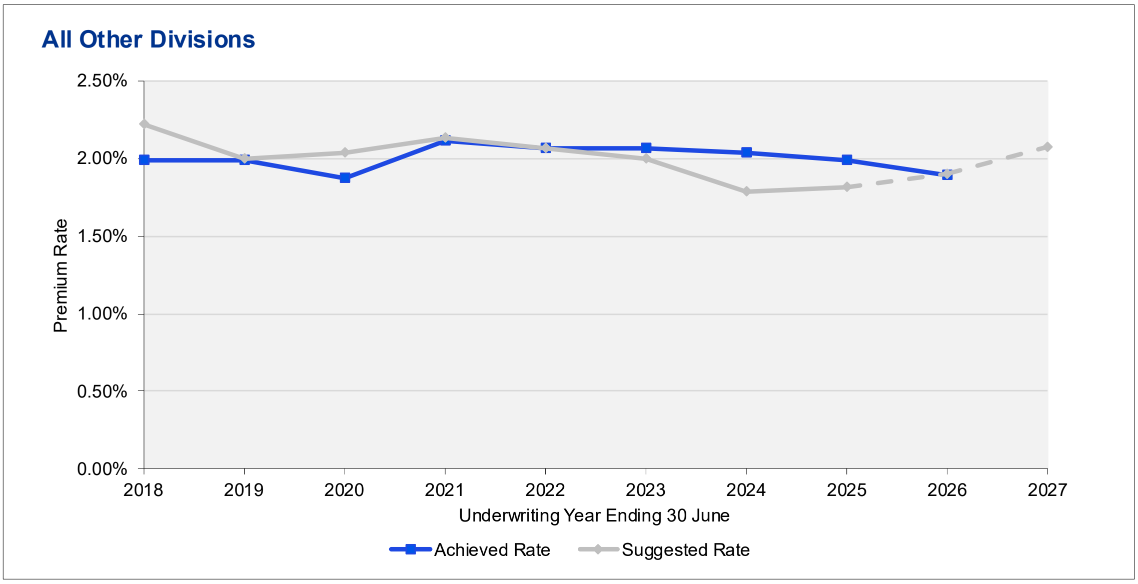
The achieved rates for Division H (Accommodation and Food Services) have been trending downwards gradually, while suggested rates have been trending downwards more sharply over the last six years.

The suggested rates have been higher than the achieved rates, albeit the gap has narrowed recently.

The achieved rate reported to date for the 2024/25 underwriting year is equivalent to 101% of the suggested rate (a slight reduction from 102% for the 2023/24 underwriting year).

The suggested rate for Division H has increased from 1.50% for 2024/25 to 1.70% for 2025/26, then increased to 1.89% for 2026/27.

Figure 32: Suggested versus Achieved Rates, All Other Divisions



For ‘All Other’ divisions (which encompasses the remaining 11 divisions or approximately 32% of wages), achieved rates have been very similar to suggested rates for many years.

The achieved rate reported to date for the 2024/25 underwriting year is equivalent to 109% of the suggested rate (a reduction from 114% for the 2023/24 underwriting year).

The suggested rate for ‘All Other’ divisions had increased from 1.81% for 2024/25 to 1.91% for 2025/26, and increased to 2.08% for 2026/27.

5.5 ANZSIC Classes with Large Changes in Suggested Premium Rates

The table below summarises ANZSIC classes with the largest proportional **increases** in suggested premium rates, between the Previous and Current Pricing Review.

Table 18: ANZSIC Classes with the Largest Proportional Increases in Suggested Premium Rates

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
133	4530	Clubs (Hospitality)	3.19%	2.47%	+29.20%
	8921	Zoological and Botanical Gardens Operation			
	9002	Creative Artists, Musicians, Writers and Performers			

This wages for these ANZSIC classes for the 2026/27 year are expected to be $25.6 million. This class was previously part of the relativity group 63, which included three other ANZSIC classes – Nature Reserves and Conservation Parks Operation (8922), Performing Arts Operation (9001) and Performing Arts Venue Operation (9003).

- Clubs (Hospitality), with wages of $15.0 million, its claim experience relativity as identified as significantly *higher* than the remaining ANZSIC classes in the relativity group 63, both in terms of relativity for claim frequency (1.3 times higher) and claim size (1.9 times higher).
- The Zoological and Botanical Gardens Operation, with wages of $6.5 million, its claim experience relativity as identified as significantly *higher* than the remaining ANZSIC classes in the relativity group 63, both in terms of relativity for claim frequency (1.8 times higher) and claim size (1.3 times higher).
- The Creative Artists, Musicians, Writers and Performers, with wages of $4.1 million, its claim frequency relativity was identified as significantly *higher* than the remaining ANZSIC classes in the relativity group 63, (1.9 times higher), while its claim size relativity was somewhat lower than the remaining ANZSIC classes in the relativity group 63 (0.5 times lower).

We have moved these classes to a new relativity group, being relativity group 133. As a result, the adopted relativity has increased from 120 to 145 (+21%). The resulting increase in the suggested premium rate of 29.20 reflects the net effect of the overall premium rate increase and the adopted relativity increase.

In relation to the remaining ANZSIC classes within relativity group 63, with expected wages of $46.0 million, its adopted relativity has decreased from 120 to 110 (-9%). The suggested rate has decreased from 2.47% in 2025/26 to 2.41% in 2026/27, a decrease of 2.52%.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
127	0159	Other Crop Growing n.e.c.	5.25%	4.12%	+28.31%

The wages for Other Crop Growing n.e.c. for the 2026/27 year are expected to be $13.6 million. This class was previously part of the relativity group 2, which included other horticulture ANZSIC classes - Mushroom Growing (0121), Grape Growing (0131), Rice Growing (0146), Other Grain Growing (0149), Sugar Cane Growing (0151), Cotton Growing (0152) and Forestry (0301).

The claim experience relativity of this class was identified as materially *higher* than the remaining ANZSIC classes in the relativity group 2, both in terms of relativity for claim frequency (3.3 times higher) and claim size (2.0 times higher). We have moved this class to a new relativity group, being relativity group 127.

As a result, the adopted relativity has increased from 200 to 240 (+20%). The resulting increase in the suggested premium rate of 28.31% reflects the net effect of the overall premium rate increase and the adopted relativity increase.

In relation to the remaining ANZSIC classes within relativity group 2, with expected wages of $37.6 million, its adopted relativity has decreased from 200 to 180 (-10%). The suggested rate has decreased from 4.12% in 2025/26 to 3.94% in 2026/27, a decrease of 4.30%.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
129	1413	Timber Resawing and Dressing	4.62%	3.60%	+28.31%
	1499	Other Wood Product Manufacturing			

Rel Group	ANZSIC	Description	2026/27	2025/26	Change

The wages for this group for the 2026/27 year are expected to be $43.1 million, comprises of $36.2m for Timber Resawing and Dressing and $7.0m million for Other Wood Product Manufacturing. These classes were previously part of the relativity group 19, which included four other wood manufacturing related ANZSIC classes – Wood Chipping (1412), Prefabricated Wooden Building Manufacturing (1491), Wooden Structural Fitting and Component Manufacturing (1492) and Reconstituted Wood Product Manufacturing (1494).

The claim experience relativity of these two classes was identified as significantly *higher* than the remaining ANZSIC classes in the relativity group 19, both in terms of claim frequency (1.4 times and 1.9 times higher than the group average respectively) and claim size (1.2 times and 1.6 times higher than the group average respectively). We have moved these two classes into a new relativity group together, being relativity group 129. As a result, the adopted relativity has increased from 175 to 210 (+20%). The resulting increase in the suggested premium rate of 28.31% reflects the net effect of the overall premium rate increase and the adopted relativity increase.

In relation to the remaining ANZSIC classes within relativity group 19, with expected wages of $42.9 million, its adopted relativity has decreased from 175 to 160 (-9%). The suggested rate has decreased from 3.60% in 2025/26 to 3.52% in 2026/27, a decrease of 2.24%.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
135	8710	Child Care Services	3.30%	2.57%	+28.31%

This wages for this class for the 2026/27 year are expected to be $161.5 million. These classes were previously part of the relativity group 105, which included two other healthcare related ANZSIC classes – Other Allied Health Services (8539) and Other Health Care Services n.e.c. (8599).

The claim experience relativity of this class was identified as *higher* than the remaining ANZSIC classes in the relativity group 105, both in terms of claim frequency (1.6 times higher than the group average) and claim size (1.6 times higher than the group average). We have moved this class into a new relativity group, being relativity group 135. As a result, the adopted relativity has increased from 125 to 150 (+20%). The resulting increase in the suggested premium rate of 28.31% reflects the net effect of the overall premium rate increase and the adopted relativity increase.

In relation to the remaining ANZSIC classes within relativity group 105, with expected wages of $183.3 million, its adopted relativity has decreased from 125 to 115 (-8%). The suggested rate has decreased from 2.57% in 2025/26 to 2.53% in 2026/27, a decrease of 1.63%.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
131	3606	Liquor and Tobacco Product Wholesaling	2.20%	1.75%	+25.80%
	3711	Textile Produce Wholesaling			
	3731	Furniture and Floor Covering Wholesaling			

This wages for these three classes for the 2026/27 year are expected to be $18.9 million, comprising of $12.4 million for Liquor and Tobacco Product Wholesaling, $2.7 million for Textile Produce Wholesaling and $3.8 million for Furniture and Floor Covering Wholesaling. These classes were previously part of the relativity group 50, which included seven other wholesaling related ANZSIC classes – Clothing and Footwear Wholesaling (3712), Pharmaceutical and Toiletry Goods Wholesaling (3720), Jewellery and Watch Wholesaling (3732), Kitchen and Diningware Wholesaling (3733), Toy and Sporting Goods Wholesaling (3734), Book and Magazine Wholesaling (3735) and Commission-Based Wholesaling (3800).

The claim experience relativity of these three classes was identified as *higher* than the remaining ANZSIC classes in the relativity group 50, both in terms of claim frequency (2.2 times higher than the group average) and claim size (2.1 times higher than the group average). We have moved these three classes into a new relativity group together, being relativity group 131. As a result, the adopted relativity has increased from 85 to 100 (+18%). The resulting increase in the suggested premium rate of 25.80% reflects the net effect of the overall premium rate increase and the adopted relativity increase.

In relation to the remaining ANZSIC classes within relativity group 50, with expected wages of $53.6 million, its adopted relativity has decreased from 85 to 75 (-12%). The suggested rate has decreased from 1.75% in 2025/26 to 1.65% in 2026/27, a decrease of 2.24%.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
31	2462	Mining and Construction Machinery Manufacturing	0.77%	0.62%	+24.75%

The wages for this class is expected to be $33.6 million in 2026/27. The implied technical relativity based on the emerged claims experience for this relativity group is *higher* than the adopted relativity from the Previous Pricing Review for both the claims frequency and severity, thus the adopted relativity at the Current Pricing Review has increased from 30 to 35 (+17%).

The increase of 24.75% in the suggested premium rate reflects both the overall premium rate increase and adopted relativity increase.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
76	5511	Motion Picture and Video Production	0.77%	0.62%	+24.75%
	5512	Motion Picture and Video Distribution			
	5513	Motion Picture Exhibition			
	5514	Post-production Services and Other Motion Picture and Video Activities			
	5521	Music Publishing			
	5522	Music and Other Sound Recording Activities			
	5610	Radio Broadcasting			
	5621	Free-to-Air Television Broadcasting			
	5622	Cable and Other Subscription Broadcasting			
	6020	Other Information Services			
	6632	Video and Other Electronic Media Rental and Hiring			

For 2026/27, the wages for these 11 classes are expected to be $33.5 million The largest two ANZSIC classes in this group are Free-to-Air Television Broadcasting (wages of $12.9 million) and Post-production Services and Other Motion Picture and Video Activities (wages of $7.3 million). The implied technical relativity based on the emerged claims experience for this relativity group is *higher* than the adopted relativity from the Previous Pricing Review, thus the adopted relativity at the Current Previous Review has increased from 30 to 35 (+17%).

The increase of 24.75% in the suggested premium rate reflects both the overall premium rate increase and adopted relativity increase.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
53	4110	Supermarket and Grocery Stores	1.87%	1.54%	+21.18%
	4123	Liquor Retailing			

This group, with wages for the 2026/27 year expected to be $99.7 million, comprises of $73.5 million for Supermarket and Grocery Stores and $26.2 million for Liquor Retailing. They have an implied technical relativity that is *higher* than the Previous Pricing Review based on recent claims experience.

There was a strengthening in the claim frequency relativity for this group, while the claim size relativity has remained broadly similar. This has resulted in an adopted relativity at the Current Pricing Review of 85, which is an increase from 75 at the Previous Pricing Review (+13%).

The increase of 21.18% in the suggested premium rate reflects both the overall premium rate increase and adopted relativity increase.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
83	6619	Other Motor Vehicle and Transport Equipment Rental and Hiring	1.87%	1.54%	+21.18%
	6631	Heavy Machinery and Scaffolding Rental and Hiring			

This group, with wages for the 2026/27 year expected to be $26.1 million, comprising of $8.8 million for Other Motor Vehicle and Transport Equipment Rental and Hiring and $17.3 million for Heavy Machinery and Scaffolding

Rel Group	ANZSIC	Description	2026/27	2025/26	Change

Rental and Hiring. This relativity group has an implied technical relativity that is *higher* than the Previous Pricing Review based on recent claims experience.

This led to a material strengthening in the claim severity relativity and minor strengthening in the claims frequency relativity for this relativity group. This has resulted in an adopted relativity at the Current Pricing Review of 85, which is an increase from 75 at the Previous Pricing Review (+13%).

The increase of 21.18% in the suggested premium rate reflects both the overall premium rate increase and adopted relativity increase.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
84	6711	Residential Property Operators	1.87%	1.54%	+21.18%
	6712	Non-Residential Property Operators			

This group, with wages for the 2026/27 year expected to be $28.0 million, comprises of $18.0 million for Residential Property Operators and $10.0 million for Non-Residential Property Operators. This relativity group has an implied technical relativity that is *higher* than the Previous Pricing Review based on recent claims experience.

There was a strengthening in both the claims frequency and severity relativity for this group. This has resulted in an adopted relativity at the Current Pricing Review of 85, which is an increase from 75 at the Previous Pricing Review (+13%).

The increase of 21.18% in the suggested premium rate reflects both the overall premium rate increase and adopted relativity increase.

The table below summarises ANZSIC classes with the largest proportional **decreases** in suggested premium rates, between the Previous and Current Pricing Review.

Table 19: ANZSIC Classes with the Largest Proportional Decreases in Suggested Premium Rates

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
130	2640	On Selling Electricity and Electricity Market Operation	0.66%	0.82%	-20.25%

The wages for On Selling Electricity and Electricity Market Operation for the 2026/27 year are expected to be $37.2 million. This class was previously part of the relativity group 32, which included five other power related ANZSIC classes - Fossil Fuel Electricity Generation (2611), Hydro-Electricity Generation (2612), Other Electricity Generation (2619), Electricity Transmission (2620) and Electricity Distribution (2630).

The claim experience relativity of this class was identified as significantly *lower* than the remaining ANZSIC classes in the relativity group 32, both in terms of relativity for claim frequency (0.5 times lower) and claim size (0.25 times lower). We have moved this class to a new relativity group, being relativity group 130. As a result, the adopted relativity has decreased from 40 to 30 (-25%). The resulting decrease in the suggested premium rate of 20.25% reflects the net effect of the overall premium rate increase and the adopted relativity decrease.

In relation to the remaining ANZSIC classes within relativity group 32, with expected wages of $343.3 million, its adopted relativity has increased from 40 to 45 (+13%). The suggested rate has increased from 0.82% in 2025/26 to 0.99% in 2026/27, an increase of 19.63%.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
137	8531	Dental Services	0.77%	0.93%	-16.83%

The wages for this class for the 2026/27 year are expected to be $32.5 million. This class was previously part of the relativity group 102, which included one other health related ANZSIC class - Pathology and Diagnostic Imaging Services (8520).

The claim experience relativity of this class was identified as significantly *lower* than the remaining ANZSIC classes in the relativity group 41, particularly in terms of relativity for claim severity (65% lower than the other class in relativity group 102). We have moved this class to a new relativity group, being relativity group 137. As a result, the adopted relativity has decreased from 45 to 35 (-22%). The resulting decrease in the suggested premium rate of 16.83% reflects the net effect of the overall premium rate increase and the adopted relativity decrease.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change

In relation to the remaining ANZSIC classes within relativity group 102, with expected wages of $115.0 million, its adopted relativity has increased from 45 to 50 (+10%). The suggested rate has increased from 0.93% in 2025/26 to 1.10% in 2026/27, an increase of 18.81%.

Rel Group	ANZSIC	Description	2026/27	2025/26	Change
136	3233	Air Conditioning and Heating Services	2.53%	2.98%	-15.20%

The wages for this class for the 2026/27 year are expected to be $65.3 million. This class was previously part of the relativity group 41, which included four other trade ANZSIC classes - Plumbing Services (3231), Carpentry Services (3242), Tiling and Carpeting Services (3242) and Painting and Decorating Services (3244).

The claim experience relativity of this class was identified as significantly *lower* than the remaining ANZSIC classes in the relativity group 41, particularly in terms of relativity for claim severity (31% lower) but also marginally for claim frequency (5% lower). We have moved this class to a new relativity group, being relativity group 136. As a result, the adopted relativity has decreased from 145 to 115 (-21%). The resulting decrease in the suggested premium rate of 15.20% reflects the net effect of the overall premium rate increase and the adopted relativity decrease.

In relation to the remaining ANZSIC classes within relativity group 41, with expected wages of $156.6 million, its adopted relativity has increased from 145 to 160 (+10%). The suggested rate has increased from 2.98% in 2025/26 to 3.52% in 2026/27, an increase of 17.99%.

6. Our Approach

There is a two-step approach to developing the premium rates for each ANZSIC level,

- First, an overall average premium rate for the scheme is estimated;
- Second, a relativity for each ANZSIC level is determined, based on the relative risk level of each ANZSIC to the scheme.

6.1 Overall Average Premium Rate

The estimate of the expected future claims cost is based on our analysis of wages, claim counts and payments for licensed insurers to 31 December 2025. The estimate is discounted for the time value of money.

There is allowance for future economic and superimposed inflation.

Expenses and a profit margin are also added to derive an average overall premium rate. In short, the overall average premium rate reflects a ‘central estimate’ view of the level of premium required for the scheme to be in a fully funded position.

We have projected the expected claims cost for the 2026/27 underwriting year based on:

- our projection of written wages (see Section 2.1);
- our adopted claim frequency assumption (see Section 2.2);
- our adopted average claim size assumption (see Section 2.4); and
- allowances for inflation and the time value of money (see Sections 3.2 and 3.1, respectively).

Insurer expenses have been estimated based on our analysis of expenses figures reported by insurers each financial year to WorkSafe as part of the End of the Financial Year Reconciliations. See Section 3.4 for further details.

The profit margin is set at a level that is anticipated to provide a reasonable return on the insurers’ capital. See Section 3.5 for further details.

6.2 Premiums for Individual ANZSIC Classes

The premium rate for each individual ANZSIC class is calculated based on a relativity factor (associated with the “relativity group” that each ANZSIC class has been allocated to), multiplied by the suggested average premium rate.

The relativity factor is in essence a measure of the risk of the ANZSIC class(es) that belong to that relativity group, relative to the overall licensed insurer sector.

Details of the process for determining premium rates by ANZSIC class are outlined in the following sections.

6.2.1 Relativity Groups

There are 506 individual ANZSIC classes, with the volume of wages written for some classes being relatively small. As such, it is necessary to adopt an approach of allocating classes to “relativity groups”, in order to:

- reduce the claims and payments volatility that would otherwise affect our calculation of relativity factors at an individual ANZSIC class level; and thereby
- improve premium rate stability for individual ANZSIC classes.

At each pricing review, we consider the appropriateness of the assigned relativity group for each ANZSIC class. In particular, we consider whether there is merit in changing the relativity group allocation for classes that meet the following criteria:

- the class's relativity is more than +/-20% different to the overall relativity for the remaining classes in its current relativity group; and
- the class is of sufficient size and, hence, the different relativity experience is likely to be credible (a class is deemed to meet this criterion, if written wages have been averaging more than $25 million p.a. and/or the average number of claims reported has been greater than 15 p.a.).

The 506 ANZSIC classes have been allocated to 128 different relativity groups at the Current Pricing Review, considering the claim frequency and payments relativities, nature of activities and volume of wages of each class.

Accordingly, these factors are also considered when determining which classes to reassign relativity group and which relativity group is it appropriate for the class to be recategorized to.

We note that there were 119 different relativity groups at the Previous Pricing Review. Table SEQ Table * ARABIC lists the ANZSIC classes that were regrouped, as well as their relativity groups at the Previous Pricing Review ("Previous") and the Current Pricing Review ("Current"). The regrouping resulted in the creation of eleven new relativity groups (127 to 137). Table 18 and Table 19 in Section 5.5 provide context regarding the rationale for regrouping these ANZSIC classes.

Table 20: ANZSIC Classes Regrouped Between Previous and Current Pricing Review

Class Code	Class Description	Previous	Current
0159	Other Crop Growing n.e.c.	2	127*
0804	Gold Ore Mining	10	128*
1413	Timber Resawing and Dressing	19	129*
1499	Other Wood Product Manufacturing n.e.c.	19	129*
2640	On Selling Electricity and Electricity Market Operation	32	130*
3221	Concreting Services	37	24
3233	Air Conditioning and Heating Services	41	136*
3606	Liquor and Tobacco Product Wholesaling	50	131*
3711	Textile Product Wholesaling	50	131*
3731	Furniture and Floor Covering Wholesaling	50	131*
4231	Hardware and Building Supplies Retailing	58	132*
4232	Garden Supplies Retailing	58	132*
4530	Clubs (Hospitality)	63	133*
4622	Urban Bus Transport (Including Tramway)	66	69
8101	Technical and Vocational Education and Training	96	134*
8220	Educational Support Services	96	134*
8921	Zoological and Botanical Gardens Operation	63	133*
8531	Dental Services	102	137*
8710	Child Care Services	105	135*
9002	Creative Artists, Musicians, Writers and Performers	63	133*
9421	Domestic Appliance Repair and Maintenance	113	14
9429	Other Machinery and Equipment Repair and Maintenance	113	121
9499	Other Repair and Maintenance n.e.c.	113	14

* ANZSIC classes were reallocated to new relativity groups that did not exist in the Previous Pricing Review.

6.2.2 Calculation of Group Relativities

Analysis of the relative risk level includes consideration of recent claim frequency and payment experience of each ANZSIC.

The relativity of claim frequency is based on the experience in the last 3 years; while the relativity of payment relativity is based on experience in the last 5 years. The payment relativity includes a large claims loading.

The initial relativity factor for each relativity group is calculated as a weighted average of the claim frequency relativity and the payments relativity.

Weightings are provided to each component, with 25% weighting is given to the claim frequency relativity and 75% weighting is given to the payment relativity. The greater weight on payment relativity reflects the allowance for the underlying risk being more heavily associated with the cost of each relativity group.

Large Claims Loading

Our methodology continues to allow for the risk (and cost) of large claims by ANZSIC division (rather than at an ANZSIC class level). This approach acknowledges the infrequent occurrence of large claims at the ANZSIC class level, while also acknowledging certain divisions represent a higher share of large claims costs.

Large claim costs are defined as the portion of each claim's cost that falls between $432,904 and $721,507 in 31 December 2025 values (i.e. $300,000 and $500,000 in 31 December 2015 values).

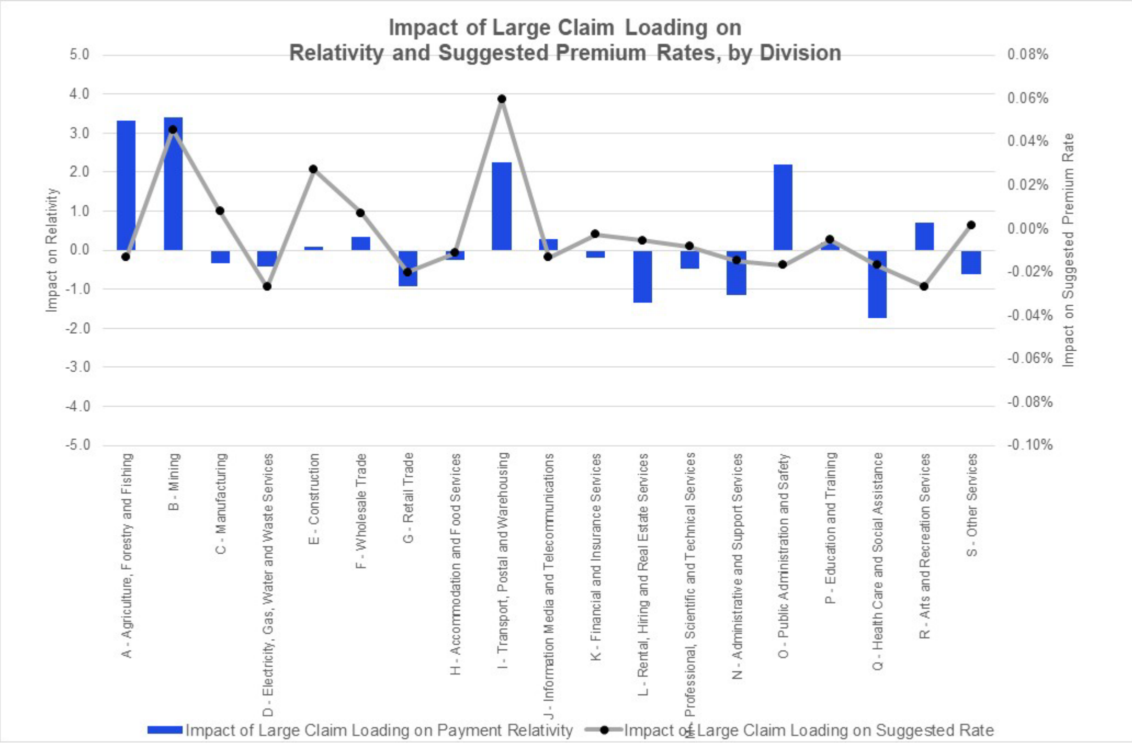
The large claim loading is calculated for each relativity group as follows:

- First, a "major division" is assigned for each relativity group, being the ANZSIC division identified as the dominant division amongst the individual ANZSIC classes the make up the relativity group.
- The large claim loading is then calculated for each relativity group as:
  - o the average annual large claim cost over the ten underwriting years prior to the four most recent underwriting years (as large claims often take time to develop) for the major division associated with the relativity group; multiplied by
  - o projected 2026/27 wages of the relativity group as a proportion of all wages for relativity groups that have been assigned the same major division.

The large claim loading for each relativity group is then added to the attritional relativity for the relevant group. Our approach implies that claims costs above $721,507 for each claim are spread proportionally across all ANZSIC classes.

Figure 33 below shows the impact of the large claim loading by ANZSIC division on the overall relativity of the division, as well as the impact on the suggested premium rate for the division.

Figure 33: Impact of Large Claim Loading on Relativity and Suggested Premium Rates, by Division



The inclusion of the large claim loading has led to mixed impacts on each division's relativity and, hence, their suggested premium rate.

Of the 19 ANZSIC divisions, five experienced an increase in the selected relativity following the inclusion of the large claims loading, four experienced a reduction and the rest had very minimal impact.

Generally, the directional impact on suggested premium rates are either consistent with the impact on relativity (e.g. both positive movements or both negative movements), or neutral (i.e. no impact from the inclusion of the large claim loading) which tends to occur for divisions with smaller volumes of wages (e.g. Divisions K and P).

Various factors such as claim frequency relativities being given 25% weight in our selected relativities, capping/cupping adjustments (as will be discussed in Section 6.2.3) and selected relativities being rounded to the nearest 5%, will lead to differences in the quantum of the impact of the relativity and suggested rates.

6.2.3 Capping and Cupping of Relativities

Once the relativities (including large claim loading) have been determined for each relativity group, a capping and cupping process is performed to facilitate an element of stability of the selected relativities over time. This involves an adjustment to the selected relativity, if the difference between the selected relativity at the Previous Pricing Review and the calculated relativity at the Current Pricing Review exceeds a certain threshold.

For ANZSIC classes that belong to a relativity group that has been affected by regrouping (i.e. the relativity groups mentioned in Table 20), the threshold is a difference of +/- 20%. For all remaining ANZSIC classes, the threshold is a difference of +/- 10%. The higher threshold for ANZSIC classes impacted by regrouping is to allow for the more significant movement in selected relativity that is expected to accompany a regrouping decision.

For illustration, the relativity adopted for relativity group 75 was 95 at the Previous Pricing Review. The relativity factor (prior to capping, cupping and rounding) selected at the Current Pricing Review is 199. Since 199 is 109% higher than the relativity adopted at the Previous Pricing Review (and hence meets the relevant threshold), a capping adjustment is required. As such, the final relativity selected for this relativity group at the Current Pricing Review is 105 (95 x 1.1, noting that the selected relativities are rounded to the nearest multiple of five).

6.2.4 Calculation of Premium Rates

The suggested premium rate for each ANZSIC class is calculated by first multiplying the selected relativity (after capping/cupping) for the class's relativity group by the suggested average premium rate. The resultant suggested premium rates by ANZSIC class are then normalised to ensure that the suggested average premium rate of 2.18% is achieved.

Consistent with previous years, we have maintained a minimum premium rate of 0.40% per million dollars of wages.

There is no maximum cap on the premium rate.

7. Reliance and Limitations

The results presented in this report are subject to a number of limitations, reliances and assumptions as outlined in the following sections.

7.1 Distribution and Use

This report is being provided for the use of the Board 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 the Board for the purpose for which it is intended. This report should be considered as a whole.

We understand that WorkSafe will publish this report on their website. Permission is granted for such publication on the condition that the entire report (including appendices), rather than any excerpt, be distributed.

Third parties, including but not limited to parties who obtain this report from WorkSafe's website, should recognise that the use 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 KPMG to the third party.

KPMG 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.

This report should be considered in its entirety.

7.2 Professional standards

The report complies with the requirements of the current Code of Professional Conduct issued by the Institute of Actuaries of Australia.

While there are no specific Professional Standards that would apply to this exercise, there is a more general guideline (referred to as Practice Guideline 1 – General Actuarial Practice1) which is designed to cover professional advice which is not covered under a specific standard.

This guideline covers activities such as data analysis, assumption setting and communication of results. KPMG regards the approach taken as reasonable for the purpose and believe that it complies with PG1.

7.3 Data

The report relies on the completeness and accuracy of information compiled and provided by WorkSafe Tasmania. We have not verified that the data is accurate or complete, but we have checked it for internal consistency and for consistency with information provided for previous work performed.

We note that WorkSafe is reliant on the accuracy of the data supplied to them by licensed insurers. It should also be noted that if any data or other information is inaccurate or incomplete, we should be advised so that our advice could be revised, if warranted.

7.4 Uncertainty

There is a limitation to the accuracy of the results contained in this report because of the inherent uncertainty of the projection of the overall average premium rate and ANZSIC level relativities.

For the overall average premium rate, the estimates of future costs and cashflows are intended to be central estimates and, as such, are based on assumptions selected without deliberate bias towards either over-estimation or under-estimation. As the premium rate relate to a future underwriting year, it is not possible to put a value on future costs and cashflows with certainty.

Outcomes are dependent on future events, including legislative, social and economic factors. 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.

We have generally assumed that the development of claims and payments will occur in a similar pattern to that observed previously. We have not anticipated any extraordinary changes to the legal, social or economic environment (or to the interpretation of policy language) that might affect the cost, frequency or future reporting of claims. 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 claims and payments emergence will likely deviate, perhaps materially, from our estimates. As a result, there is a limitation to the accuracy of the results contained in this report because of the inherent uncertainty of the estimation of claims costs.

Furthermore, the volume of data and experience for the individual ANZSIC level, and their inherent volatility creates additional uncertainty in our analysis. We also note that suggested premium rates are a guide for licensed insurers and insurers should undertake their own analysis in determining premium rates.

Part III: Appendices

A Data

A.1 Approach to Use of Data

A.1.1 Data Supplied

We have received WIMS data for payments, claims, coverages, policies, and case estimates as at 31 December 2025, with the data being extracted during the month of February 2026.

The WIMS data we received was comprised of the following components:

- individual claim header file with information for each claim incurred since 30 June 1988;
- claim payment transaction file with payments made (by payment type);
- case estimate file showing the reported incurred cost, paid to date and case estimate, for each open claim;
- individual policy header file, with information for each policy written since 30 June 1988; and
- premium file (also known as coverage file), with the premium and wages information for each policy.

We also received the following reports, which were extracted/prepared outside of the WIMS environment:

- End of Financial Year Reconciliations for each financial year up to and including 2024/25 – this report includes data for each insurer/self-insurer (as well as for the Tasmanian State Service) regarding:
  - gross earned premiums and total claim payments made during the financial year;
  - expenses (which is split out into categories relating to items such as administrative expenses, commissions and brokerage, reinsurance costs, and levies); and
  - outstanding claims reserves (which includes items such as case estimates, allowances for IBNR/IBNER, recoveries, and the prudential margin).
- Data for silicosis claims reported to date (“Silicosis Cases updated 31 03 2026.xlsx”) which contained claim information, injury details, industry, insurer and employer information, payments to date, and total estimated payments.
- Board Budget information for 2025/26.

A.1.2 Data Adjustments

Based on previous discussions with WorkSafe, we understand that there have been instances where some insurers have miscoded null values as zeros. To account for this, we adopted the following approach:

The value selected for premium is as per the following hierarchy:

- the “Actual Final Premium” data field, if neither zero nor null;
- if not possible, then the “Adjusted Amount” data field, if neither zero nor null;
- if not possible, then the “Initial Deposit” data field, if not null; and
- if not possible, then set to be zero.

The value selected for wages is as per the following hierarchy:

- the “Actual Wages” data field, if neither zero nor null;
- if not possible, then the “Estimated Wages” data field, if not null; and
- if not possible, then set to be zero.

In addition to this, we have made the following adjustments, to the premium file:

- assigned coverages a underwriting year that is based on defining financial year as the year ending 29 June (this is consistent with how insurers prepare their statutory returns);
- removing coverages with zero or negative durations, as we were advised by WorkSafe that such data records do not represent valid coverages;
- allocating wages to separate coverage financial years, for coverages longer than 12 months (we have been advised that wages have already been pro-rated by insurers, for coverages shorter than 12 months – hence, no adjustment is required for these coverages); and
- where more than one coverage record exists with the same policy ID, ANZSIC class and effective date, we have consolidated these records into one record (this had minimal impact on the aggregate amount of wages/premiums).

A.1.3 Data Reconciliation

We have relied on information provided by WorkSafe, in relation to the interpretation of the data. We have not independently verified or audited the data, but we have reviewed it for general reasonableness and consistency (e.g. internal consistency and consistency with data provided for previous reports).

For the data up to 31 December 2025, we have cross-checked between the different datasets, as well as compared to the data documented in the Previous Pricing Review.

The following areas were particularly checked for consistency:

- claim counts and payments;
- written and earned wages; and
- written and earned premiums.

A.1.4 Goods and Services Tax (GST)

Data since the introduction of the GST is reported net of GST. No explicit adjustment has been made to the data to allow for the impact of GST.

A.1.5 Employer Excess Claims

The employer excess was removed for accidents occurring from 1 January 2018 onwards. Nevertheless, experience (and, hence, data) relating to accidents occurring before this date were impacted by the excess. Unless explicitly indicated otherwise, all figures in this report are inclusive of both below and above excess claims and payments.

A.2 Detailed File Specifications

The following sets out detailed specifications of the files supplied for this review.

A.2.1 Individual Claim Header File

We received an individual claim listing ("claims extract no narrative at 10.02.2026.csv") for all claims incurred since 30 June 1988. This

includes the variables listed below:

- Claim number ("ClaimID", "Claim Number")
- Coverage identifier, which is used as unique identifier link to the policy file
- Accident date
- Report date, which is the date that the claim was notified to the insurer by the employer
- Lodgement date, which is the date that the claim was lodged with the employer
- Insurer code, which is used to identify the relevant insurer ("Insurer Number")
- Four-digit ANZSIC class (both ANZSIC93 and ANZSIC06)
- Type of injury ("Injury")
- Mechanism of injury ("Mechanism")
- Part of body injured ("Body Location")
- Agency of injury ("Agency")
- Claim finalised date.

A.2.2 Claim Payment Transaction File

We received an individual claim payment transaction file ("payments extract 10.02.2026.csv") for all payments made since 30 June 1989. This includes the following variables:

- Claim number ("ClaimID", "Claim Number")
- Insurer code ("Insurer Number")
- Unique payment record number ("PaymentID")
- Date of transaction
- Amount of payments by benefit type ("Payment Type Code")
- Indicator of payments as being under or above excess ("Payment Source Type Code")
- Number of minutes in lost time ("Time Lost in Minutes").

A.2.3 Coverage File

We received an individual premium file ("coverage extract 10.02.2026.csv") for all policies with exposure since 30 June 1988. The file includes the variables listed below:

- Policy number ("Policy Id", "Policy Number")
- Insurer code ("Insurer Number", "Insurer Name")
- Unique coverage transaction record number ("Coverage Id", "Coverage External Reference")
- Four-digit ANZSIC class (both ANZSIC93 and ANZSIC06)
- Start date of period of cover ("Effective Date")
- End date of period of cover ("Expiry Date")

- Number of workers (“Estimated Workers”/“Actual Workers”)
- Wages in dollars (“Estimated Wages”/“Actual Wages”)
- Premiums charged (“Initial Deposit”/“Adjusted Amount”/”Actual Final Premium”).

A.2.4 Individual Policy Header File

We received an individual policy listing (“policy extract 10.02.2026.csv”) for all policies written since 30 June 1988. The file includes the variables listed below:

- Policy number (“PolicyId”, “Policy Number”)
- Insurer code (“Insurer Number”, “Insurer Name”)
- Australian Business Number to which the record relates (“Employer ABN”)
- Name of employer (“Employer Name”)
- Employer postcode (“EMPLOYER ADDRESS POSTCODE”)

A.2.5 Case Estimate File

We received an individual case estimate file (“Case Estimates 10.02.2026.csv”) showing insurers’ estimates of amounts outstanding. The file includes the following variables:

- Claim number (“ClaimID”, “Claim Number”)
- Insurer code (“Insurer Number”, “Insurer Name”)
- Incurred claim cost (“Total Estimated Payments”)
- Payments to date (“Total Payment Amount”)
- Outstanding amount (“Outstanding Amount”)

B Legislative Reforms

This appendix summarises the various legislative reforms that have had an impact on the Tasmanian workers' compensation scheme. The reader should refer to the relevant legislation for full details of the changes. We have also included commentary on a number of other changes that have impacted the Scheme.

B.1 1995 Amendments

The amendments introduced on 15 August 1995 brought about the following changes to benefit payments:

- step-downs in the replacement ratio for weekly benefits (prior to this, the replacement ratio was always 100%);
- introduction of the employer excess for weekly benefits (one week's worth of benefits);
- introduction of the employer excess for medical and related payments ($200);
- abolishment of the ability to redeem statutory entitlements;
- removal of coverage for journey claims; and
- tightening of conditions for stress claims.

B.2 2001 Amendments

On 1 July 2001, the following changes were introduced:

- further reduction in the replacement ratio for weekly benefits, and replacement of the monetary cap on weekly benefits with instead a ten year time limit;
- ten year time limit for medical and related payments;
- a threshold of 30% WPI to access common law (previously, access was unrestricted);
- replacement of the Table of Maims benefits with benefits based on WPI, with a 5% threshold and an increase in the maximum benefit; and
- reinstatement of the ability to redeem statutory entitlements.

B.3 2004 Amendments

Following the Rutherford Review into the Tasmanian workers' compensation scheme, amendments were introduced to wind back some elements of the 2001 amendments. The key change introduced on 29 June 2004 was that the replacement ratios for weekly benefits would increase, although not to the level they were following the 1995 amendments. To counter some of the cost increase associated with this change, the ten year time limit was reduced to nine years. This amendment was applied retrospectively to 1 July 2001, with insurers able to recover from the Nominal Insurer their costs for claims retrospectively impacted.

B.4 2007 Amendments

The 2007 amendments were introduced on 31 October 2007, with the purpose of correcting a number of anomalies in the Act that were considered to result in undue harshness for some workers. The amendments included:

- making it easier to prove and assess industrial deafness claims;
- changes to the calculation of the weekly compensation benefit rate, for casual employers and employees with short employment histories;
- introduction of coverage for jockeys for race-riding work; and
- tightening of the "at work" and "in the course of work" tests for coverage of diseases.

These amendments were expected to have a minimal impact on the cost of the Scheme.

B.5 2009 Amendments

In October 2009, the Tasmanian government passed a set of amendments to the Act. These amendments were the outcome of the so-called “Clayton reforms” which followed the release of the September 2007 Clayton report. The Clayton report was the result of an investigation into the fairness and equity of current benefits, and the comparability of Scheme benefits (both statutory and common law) and premiums with those of other Australian jurisdictions.

These amendments to the Act only applied to injuries that occurred on or after the effective date of the legislation (which was 1 July 2010).

As part of the amendments, weekly benefit step-downs and replacement ratios were modified as follows:

Table 21: 2009 Amendment Changes

Duration	Pre-2009 Amendments	Post-2009 Amendments
First 13 weeks	100%	100%
14 to 26 weeks	85%	100%
27 to 78 weeks	85%	90%, or 95% if the injured worker is able to perform suitable alternative duties but the employer does not enable it
79 weeks to maximum duration	80%	80%, or 85% if the injured worker is able to perform suitable alternative duties but the employer does not enable it

In addition, the maximum period that weekly payments can be paid for was revised to be as follows:

- for WPI of less than 15%, maximum duration is nine years;
- for WPI of 15% or more but less than 20%, maximum duration is 12 years;
- for WPI of 20% or more but less than 30%, maximum duration is 20 years; and
- for WPI of 30% or more, maximum duration is to pension age.

The step downs shown in Table SEQ Table * ARABIC do not apply if the worker engages in work for more than 50% of their normal weekly hours in accordance with their return-to-work or injury management plan.

Other changes that were made as part of the 2009 amendments include:

- an increase to weekly benefits for dependent children;
- an increase to the lump sum death benefit and the maximum lump sum permanent impairment benefit (both increased from 369 units to 415 units);
- reduction in the threshold (from 30% WPI to 20% WPI) to access common law;
- introduction of requirements that the Tribunal needs to be satisfied of, for claims to be settled through agreement between parties within two years of the claim being made;
- expansion of benefits for medical and related services to include household services, road accident rescue services and counselling services to the worker’s family members (in the case of the death of the worker);
- setting the maximum payment period for medical and related services to be one year following the cessation of weekly benefits, or, if not entitled to weekly benefits, one year following the date the claim is made (this can be modified at the Tribunal’s discretion); and
- to encourage early reporting, the employer has up to three days to notify its insurer of a claim. If it fails to do so, the employer is liable for the cost of weekly benefit payments from day three until the claim is reported (this is effect
- vely an extension of the employer excess for employers who report claims late).

A number of procedural and other changes were also made to the Act (e.g. statement of Scheme goals, medical assessment procedures, injury management programs, etc.).

B.6 2013 Amendments

In 2013, amendments to the Act established a presumption that a certain class of cancers developed by fire-fighters were taken to be work-related unless proven otherwise, thus making the process of claiming compensation less onerous for this cohort of injured workers. In 2017, this presumptive clause was further strengthened by an additional amendment, which removed requirements for volunteer fire-fighters to have attended a specified number of exposure events before the presumption would apply.

B.7 January 2018 Amendments

Amendments to remove excessive ‘red tape’ associated with the Scheme were introduced on 1 January 2018. In particular, the amendments included the:

- removal of the employer excess and introduction of a requirement for employers to insure the full amount of their workers’ compensation liabilities; and
- removal of age restrictions for weekly benefits, with this being replaced by a link to the Social Securities Act1991 (Cth). This meant there was no gap between when a person’s entitlement to weekly compensation payments ceased (on account of age) and when any entitlement to the Age Pension may have begun (this amendment applied to all workers whether their injury occurred before or after the effective date of the amendment).

A number of other procedural and general changes were also made to the Act.

B.8 October 2018 Amendments

On 31 October 2018, the Tasmanian government issued an administrative employment direction to public sector agencies, introducing presumptive provisions for post-traumatic stress disorder (PTSD) claims. Similar to the earlier introduction of fire-fighter cancer presumption, these provisions required government agencies to accept diagnosed PTSD claims as work-related unless proven otherwise.

B.9 2019 Amendments

In September 2019, amendments were made to the Act to remove the step-down provisions relating to weekly benefit entitlements, but only for police officers.

B.10 2023 Amendments

Amendments to Sections 27 and 87 of the Workers Rehabilitation and Compensation Act 1988 (‘the Act’) came into effect from 1 March 2023.

The change to Section 27 granted employees of the Bushfire Risk Unit of the Tasmanian Fire Service entitlement to the presumptive cancer clause that other Tasmanian firefighters were already entitled to.

The changes to Section 87 (‘Section 87 amendments’) set the cessation date for receiving weekly benefits to be:

- the pension age, if the injury occurred two years or more before the pension date; and
- two years after the date of injury, if the injury occurred less than two years before the pension age or occurred after the pension age.

The changes to Section 87 were intended to further lessen any discriminatory impact of a worker's age, whereby workers injured after their pension age were not subject to cessation of weekly benefits, whilst workers injured before pension age were subject to cessation of weekly benefits.

B.11 Proposed Amendments

We are not aware of any proposed amendments.

B.12 Other Changes Impacting the Scheme

These include:

- Tasmania's current Work Health and Safety (WHS) laws commenced on 1 January 2013. These laws mirror the provisions of the national model developed by Safe Work Australia. During 2013, WorkSafe observed a decrease in claims from medium sized employers that we understand may be attributed to these WHS changes.
- The Primary Treating Medical Practitioner role, introduced on 1 July 2010, required medical professionals to spend more time with injured workers at the initial consultation phase. This meant there was
- an initial one-off increase in the numbers of claims exceeding the employer medical excess. We suspect that these were from claimants with more minor injuries.
- The Tasmanian Guidelines for Assessing Permanent Impairment (Version 2) came into effect 1 April 2011, applying to all assessments conducted after this date, regardless of when the injury occurred or was reported. Version 3 of the Guidelines was issued on 1 October 2011 to incorporate AMA5 for all respiratory assessments. The impact of the Guideline
- have now been reflected in the past 12 or so years of lump sum experience.

C Valuation Approaches Used

For each of these methods, a quarterly approach has been adopted. That is, claim experience is analysed across accident quarters and payment delay quarters.

C.1 Chain Ladder Method

The Chain Ladder Ratio (CLR) method is typically used for projecting claim numbers. It looks at patterns in the development of cumulative claim numbers from one development period to the next. The selected ratios of development (the chain ladder ratios) are multiplied with the current level of cumulative claim to project future numbers.

In the case of claim numbers, we have used the CLR method to project the ultimate number of claims for each accident period. The analysis was based on cumulative number of claims to reduce the volatility in the experience.

C.2 Payments per Claim Incurred Method

The Payments per Claim Incurred (PPCI) method considers the average amount paid per claim incurred at intervals subsequent to the injury.

Payments (expressed in valuation date values) are summarised by accident quarter and development quarter. Dividing these summarised payments by the corresponding claims exposure generates patterns of average Payments per Claim Incurred for each accident quarter up to the latest development quarter for which data is available. An adopted Payments per Claim Incurred is determined for each development quarter. Projected payments are derived by multiplying the claims exposure by the adopted PPCI for each future development quarter.

For medical and legal/investigation benefits, total claim numbers are used for claims exposure, while lump sum claim numbers are used for lump sum benefits.

C.3 Payments per Active Claim Method

The Payments per Active Claim (PPAC) method is particularly useful for modelling payment types where payments are made at regular intervals (i.e. periodic payment types). It considers the average amount paid to claims on benefits (the “active” claims) during intervals subsequent to injury. We have used the PPAC method for modelling weekly benefits.

A claim is defined as active when it has received at least one weekly payment in the development quarter. The number of active claims for the weekly payment type is then tabulated by accident quarter and development quarter.

Using the active claim tabulation, the number of active claims in future periods is projected using a Continuance Rate approach. In doing so, we consider historical experience regarding the ratio of active claims in each development quarter versus the preceding quarter, and set “continuance rate” assumptions in line with observed experience for these ratios.

The main driver in the PPAC modelling methodology is the number of active claims, and in particular the number of active claims in the latest diagonal

(i.e. the number of actives in the quarter of the valuation date), as the selected continuance rates assumptions are applied to the latest diagonal to project future active claims.

Payments (expressed in valuation date values) are summarised by accident quarter and development quarter. Dividing these payments by the active claim numbers generate patterns of average Payments per Active Claim, for each accident quarter up to the latest development quarter for which data is available. An adopted Payments per Active Claim is determined for each development quarter. Projected payments are derived by multiplying future active claims by the adopted PPAC for each future development quarter.

D Wages

Wages recorded in the coverage file can develop over time, due to wage audits, reporting delays and changes in the initial wage estimates for each policy. Changes in the initial wage estimate for conventional policies may occur at policy expiry; while burner policies may occur at policy settlement that is up to 5 years post policy expiry. To track the development of wages, we tabulate written wages by renewal quarter and delay quarter. We then use the Chain Ladder Ratio Method to produce estimates of ultimate written wages.

Table 22 shows reported to date written wages for licensed insurers by underwriting year and our estimates of ultimate written wages (in nominal values – “uninflated” – and 31 December 2025 values – “inflated”).

The gross-up factor shown represents the multiplicative difference between our reported to date and ultimate estimates of wages. Gross-up factors for older years are one because no further development of wages is expected for these years.

Table 22: Reported to Date and Ultimate Written Wages for Licensed Insurers, by Underwriting Year ($m)

Underwriting Year	Reported (uninflated)	Reported (inflated)	Gross-up Factor	Ultimate (uninflated)	Ultimate (inflated)
2015/16	8,247.23	11,651.02	1	8,247.23	11,649.42
2016/17	8,588.20	11,888.23	1	8,588.20	11,856.50
2017/18	9,075.14	12,008.10	1	9,075.14	11,996.41
2018/19	9,757.90	12,653.73	1	9,757.90	12,644.01
2019/20	10,114.24	12,902.17	1	10,114.24	12,889.93
2020/21	10,977.44	13,637.62	1	10,977.44	13,611.61
2021/22	11,910.39	14,226.44	1	11,910.39	14,208.56
2022/23	13,077.69	14,877.05	1	13,077.69	14,853.91
2023/24	13,929.80	15,330.78	1.0001	13,930.98	15,306.95
2024/25	14,644.45	15,385.68	1.0012	14,661.72	15,381.70
2025/26	12,352.61	12,465.42	1.2330	15,230.90	15,453.63

E Claim Numbers

E.1 All Claims

E.2 Active Claims

E.3 Lump Sum Claims

F Claim Payments

F.1 Weekly Benefits

F.2 Medical Payments

F.3 Lump Sum Payments

F.4 Legal Payments

F.5 All Payments

G Expenses

G.1 Expenses (in dollars)

Table 23 shows expense figures for each financial year, as per what has been reported by licensed insurers to WorkSafe as part of the End of the Financial Year Reconciliations. We have also presented written premiums to provide context.

Table 23: Expenses for Licensed Insurers ($m, in nominal values)

Financial Year	Gross Reinsurance Cost	Other Administration Costs	Commission and Brokerage	Nominal Insurer Levy	WRCF Levy	Total Expenses	Written Premium
2016/17	2.33	21.65	5.83	-	6.98	36.79	162.04
2017/18	2.65	24.86	6.64	-	7.09	41.23	177.84
2018/19	2.38	26.77	7.16	-	5.58	41.89	195.99
2019/20	1.46	28.39	6.64	-	6.70	43.19	202.52
2020/21	1.87	29.58	7.74	-	6.65	45.84	228.05
2021/22	2.13	30.92	8.30	-	7.68	49.03	260.61
2022/23	2.04	33.78	10.62	-	8.39	54.83	286.50
2023/24	1.88	29.75	15.19	-	9.35	56.17	311.39
2024/25	1.89	42.91	12.01	-	9.61	66.42	337.06

G.2 Expenses (as a proportion of written premiums)

Table 24 shows the expense figures that were displayed in Table 23, as a proportion of written premiums for the relevant financial year.

Table 24: Expenses for License Insurers (as a proportion of written premiums)

Financial Year	Gross Reinsurance Cost	Other Administration Costs	Commission and Brokerage	Nominal Insurer Levy	WRCF Levy	Total Expenses
2016/17	1.44%	13.36%	3.60%	-	4.31%	22.70%
2017/18	1.49%	13.98%	3.73%	-	3.98%	23.18%
2018/19	1.21%	13.66%	3.65%	-	2.85%	21.37%
2019/20	0.72%	14.02%	3.28%	-	3.31%	21.33%
2020/21	0.82%	12.97%	3.39%	-	2.91%	20.10%
2021/22	0.82%	11.86%	3.18%	-	2.95%	18.81%
2022/23	0.71%	11.79%	3.71%	-	2.93%	19.14%
2023/24	0.61%	9.55%	4.88%	-	3.00%	18.04%
2024/25	0.56%	12.73%	3.56%	-	2.85%	19.71%

Contact Us

Neil Donlevy

Partner, KPMG

Financial Risk & Analytics

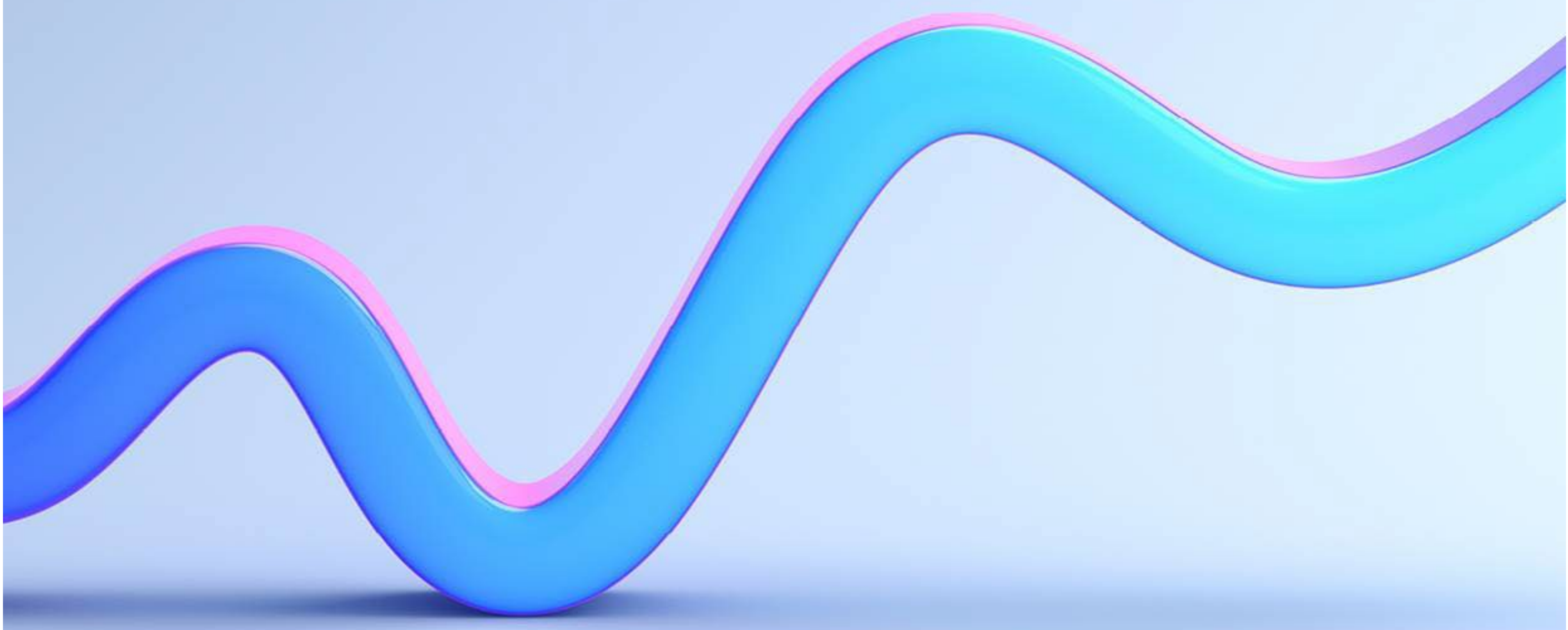
+ 61 488 211 343
+ 61 2 9335 8838
ndonlevy@kpmg.com.au

Cindy Lau

Director, KPMG

Financial Risk & Analytics

+ 61 411 158 779
+ 61 2 9202 2529
clau18@kpmg.com.aus



KPMG.com.au