

# Annual Report



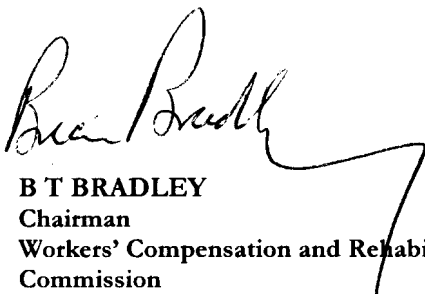
Hon Cheryl Edwardes (Mrs)  
Minister for Labour Relations



The Hon Cheryl Edwardes (Mrs) MLA  
**Minister for Labour Relations**

In accordance with section 66 of the Financial Administration and Audit Act 1985, We hereby submit for your information and presentation to Parliament the Annual Report of the Workers' Compensation and Rehabilitation Commission (WorkCover) for the financial year ended 30 June 2000.

The report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.



**B T BRADLEY**  
Chairman  
Workers' Compensation and Rehabilitation  
Commission

28/08/2000



**H T NEESHAM**  
Member  
Workers' Compensation and Rehabilitation  
Commission

28/08/2000

In accordance with a resolution of the Workers' Compensation and Rehabilitation Commission on 28 August, 2000.





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# Highlights of the Year

## Significant Issues

### Premium Rates

Following the implementation of the October 1999 legislative amendments, the Premium Rates Committee announced a 10% decrease to the recommended premium rates effective from 1 November 2000. In June, 2000 the Premium Rates Committee announced a further 3.9% decrease to the 2000/2001 recommended premium rates.

Overall, employers were provided with a combined reduction of 13.9% against the recommended premium rates gazetted in June 1999.

The estimated average premium rate reduced from the initial 3.436% for 1999/2000 to 3.092 in November 1999 after the 10% reduction for the Act amendments, and then to 2.972 for 2000/01.

### Pearson Review Recommendations Implemented.

In October 1999 Parliament agreed to a package of legislative changes recommended by the reference group which reviewed the Western Australian workers' compensation system (Pearson Review). The changes were intended to arrest, in part, the escalating workers' compensation claims costs, particularly through the unintended use of Section 93D of the legislation.

In line with the Government's commitment to reduce the cost of workers' compensation for employers while providing fair benefits to injured workers, the Hon Minister for Labour Relations continues to implement the remaining recommendations of the Pearson Review. She has announced two independent reviews of insurance arrangements and the cost of medical and allied services respectively.

### Review of Insurance Arrangements

In response to a recommendation of the Pearson Review, the Hon Minister for Labour Relations appointed Mr Campbell Ansell as the Chairman of a reference group to review workers' compensation insurance arrangements in Western Australia. The reference group, consisting of Mr Kim Mettam and Mr Frank Michell, was required to examine:

- the current insurance structure in Western Australia;
- the regulatory framework supporting the insurance structure; and
- opportunities available to stimulate competition in the insurance market.

The Review findings and recommendations will be released for public comment early in July 2000.





## Review of the Cost of Medical & Allied Services

In response to a recommendation of the Pearson Review, the Hon Minister for Labour Relations appointed Mr John Knowles, Chief Executive Officer of the Cerebral Palsy Association (Inc.), to chair a review of the cost of medical and allied services in the Western Australian workers' compensation system. The review group also included Mr Nigel Glass Chief Executive Officer of the Paraplegic Quadriplegic Association (Inc.) and Dr Trevor Lord, General Practitioner.

The Review considered:

- the role of medical and allied health practitioners in the workers' compensation system;
- the process of determining work-relatedness;
- fee structures;
- the benefit of treatment protocols; and
- to what extent the nature and requirements of the workers' compensation system contributes to increased treatment costs.

The intended outcome of the Review was to provide options to Government to ensure that efficient and effective medical and other treatment services are provided to injured workers within an injury management framework.

The recommendations were formulated to balance the entitlements of workers, injured as a result of their employment, with the costs of the scheme to employers and the community as a whole, while maintaining a focus on achieving the outcome of a return to work.

The Review findings and recommendations will be released for public comment early in July 2000.

## Injury Management

Recognition of the importance of a workplace based approach to effectively manage injury or disease, and the need to contain costs, resulted in the introduction of a new injury management system in May 1999. This was in line with national and international trends focusing on early intervention and appropriately managed care of injured workers.

Major educational initiatives and administrative changes were introduced to facilitate a fundamental change in the way work related injury and disease is managed. The changes clearly identify the treating medical practitioner, employer and injured worker as the primary decision makers in this process.

## National Uniformity

At a national level, data collection is being refined to assist in benchmarking performance across schemes and to facilitate best practice initiatives. In addition to performance monitoring initiatives, legislation is under consideration aimed at achieving consistency in specific areas across workers' compensation schemes.





## Our Major Achievements

During 1999/2000 WorkCover:

- **Policy - Legislation**

Drafted a significant number of changes to workers' compensation legislation primarily aimed at implementing the recommendations of the Review of the Western Australian Workers' Compensation System (Pearson Review);

- **Dispute Resolution**

Resolved 4,560 workers' compensation disputes, an increase of 7% over last year, with 84% of matters resolved at conciliation;

- **Registration of Agreements**

Developed and implemented systems and procedures for accepting referrals and recording agreements for workers to take civil proceedings for damages under amended workers' compensation legislation. Overall 1,797 referrals were processed and 522 agreements registered;

- **Enquiries**

Responded to 29,872 individual requests for information, providing answers to customers questions by telephone, letter or in person. This is an increase of 30% on the number of individual responses provided last year;

- **Small Business**

Assisted small business to better manage workers' compensation matters and respond to work related injuries and disease by:

- Developing an information session specifically targeted at small to medium business. The session is provided monthly and is available free of charge to any interested employer; and
- Publishing "A Small Business Guide to Injury Management and Workers' Compensation" which provides a quick reference for use when a workers' compensation claim is identified. The publication is available free of charge from WorkCover;

- **On-line Service Delivery**

Implemented stage one of the scheme service provider, on-line service delivery program. Approved audiometric officers, vocational rehabilitation providers and insurers now have access to essential information and can provide data through the Internet.

Critical operational reporting is also provided on-line for use by service providers; and

- **Injury Management Week**

Coordinated an extremely successful "Injury Management Week" aimed at increasing community awareness of workers' compensation and injury management. An estimated 1,400 people attended various events hosted by public and private sector sponsors.



# Chairman's Review

## The Hon Cheryl Edwardes (Mrs) MLA Minister for Labour Relations

I am pleased to present the Workers' Compensation and Rehabilitation Commission (Commission) Annual Report and audited Performance Indicators and financial statements for the year ended 30 June 2000.

### Strategic Management

Since 1994 the Commission has adopted a strategic management approach focused on improving the effectiveness of the workers' compensation system. The year 2000 sees the completion of the Commission's latest three year strategic planning cycle.

Over the last three years the Commission has endeavored to achieve the vision it set in September, 1997;

*by 2000 increase the proportion of claim payments going to workers by 10% and achieve a 20% reduction in the cost of premiums to industry.*

The Commission has sought to focus its efforts on directing payments in the system toward workers and away from excessive administrative costs, while at the same time reducing the cost of premiums to industry.

Achievement of the Commission's strategic vision was actively pursued against a background of rising system costs, particularly those related to common law. The inability of the legislative framework to deal with escalating system costs proved a major impediment to the Commission's achievement of its vision.

The structural changes to the workers' compensation and rehabilitation scheme brought about by legislative amendments flowing from the Pearson Review have alleviated cost pressures on the scheme and allowed the Commission scope to implement initiatives aimed at achieving its vision.

Latest results in relation to the targets set in the Commission's vision show that the proportion of claim payments going to workers (66.93%) is at a similar level to 1996/97 and the cost of premiums to industry increased by 25% between 1996/97 and 1998/99.

Although the proportion of claim payments going to workers is approximately the same today as it was in 1996/97 there has been a dramatic reversal of the downward trend which became apparent during the intervening years. Since 1996/97 the proportion of claim payments actually paid to workers has decreased each year to a low of 61.6% in 1998/99. In the last year this figure has increased by 5%. Although this does not achieve the result projected in the vision statement, it is pleasing to see a reversal of the downward trend.

The last two years have been characterised by increasing premium rates brought about primarily by rising common law costs. Despite the recommendations of the Commission, effective action to address this issue has only recently been taken with legislative amendments passing both houses of Parliament in October 1999.

The aim of the legislative amendments is to bring a balance to the workers' compensation system and reduce the cost of premiums to industry. Although it is too early to gauge the long term effects of the changes, early indications are positive with recommended premium rates being reduced by almost 14% from those gazetted in June 1999.

### Performance of the System

In analysing the performance of the workers' compensation system it is useful to review longer term trends in various key scheme indicators. The following trends are identified:

- the number of work related lost time claims has decreased by 9.3% over the period from 1995/96 to 1998/99.
- the frequency rate of lost time claims has decreased by 16.6% from 1995/96 to 1998/99.
- the incidence rate for lost time claims has decreased by 17.2% from 1995/96 to 1998/99.
- the duration of lost time claims has decreased by 0.1% between 1995/96 and 1997/98.







- the number of long duration claims (claims of 60 days or more) has increased by 21.1% between 1995/96 and 1998/99.
- long duration claims represented 15.3% of lost time claims and 75.8% of costs in 1998/99.
- claims payments have shown an overall increase of 6% between 1998/99 and 1999/2000. More than 51% of claims payments made in 1998/99 were for accidents that occurred in 1996/97 or earlier.
- the proportion of lost time work related stress claims to all lost time claims has increased in each successive year since 1994/95. While only accounting for 2.2% of all claims they are more than double the average cost of all lost time claims because of their extended duration.

### **Pearson Review Recommendations**

Implementation of the various recommendations of the Pearson Review into workers' compensation and rehabilitation in this State have been a major feature of 1999/2000 with comprehensive legislative amendments to the Workers' Compensation & Rehabilitation Act and Regulations progressed during the year.

As a result of these legislative changes, the Premium Rates Committee reassessed its June 1999 decision to increase recommended premium rates by 35.3% and implemented an immediate 10% reduction effective from November 1999. A subsequent review in May 2000 resulted in a further 3.9% reduction.

The Government appointed Mr Campbell Ansell along with Mr Frank Michell and Mr Kim Mettam to conduct a review of insurance arrangements as proposed by the Pearson Report. The Commission has made a submission to confirm the need for transparent performance indicators, which effectively reflect the value added to the overall system performance by insurers and self-insurers.

A review of medical and associated costs in the WA workers' compensation system was also initiated under the Chairmanship of Mr John Knowles. Other members are Mr Nigel Glass and Dr Trevor Lord. Again the Commission submitted its strong view that service providers to the system should be accountable for the outcomes achieved and injured workers should proceed through the system as if they were private patients.

The Commission anticipates both reviews will report to you early in 2000/2001 and is keen to provide advice about the implementation of resulting recommendations.

### **Injury Management**

Building on the successful launch last year of the team approach to injury management, the Commission continued to promote the need for a cultural change on the part of the three key participants, injured worker, employer and doctor. Excellent progress has been achieved particularly with medical practitioners and this is reflected in the significant increase in referral for vocational rehabilitation initiated from this source.

Injury Management Week which is central to achieving this outcome attracted an audience of about 1400 people to eight programmed events. In addition a series of seminars conducted for employers and workers attracted 2600 participants, more than twice the number that attended last year.

### **Conclusion**

The 1997 to 2000 strategic planning period has been characterised by increasing pressure on premium rates brought about primarily through escalating common law costs. This can be seen as the primary contributing factor to instability in the Western Australian workers' compensation scheme.

Action to address the structural deficiencies in the scheme was taken during 1999/2000 with significant legislative amendment occurring in 1999 based on the recommendations of the Pearson Review.

The results of the legislative changes are only now beginning to impact the system. However, the immediate decrease in recommended premium rates is encouraging.

Other Pearson Review recommendations which will have a positive impact on workers' compensation costs in this State include the review of workers' compensation insurance arrangements in Western Australia and the review of medical and associated costs mentioned earlier.

It is in this environment of change that the newly appointed Commission will soon be developing a strategic plan covering its term of appointment.



I would like to take this opportunity to express my appreciation for the contribution of my fellow Commission members during 1999/2000. I would also like to acknowledge, on behalf of the Commission, the valuable contribution of Mr Harry Neesham who acted as Chairman of the Commission during 1999/2000 until my appointment in May 2000.

The Commission has continued to enjoy the professional support and contributions of the staff of WorkCover.

A handwritten signature in cursive script that reads "B T Bradley".

**B T BRADLEY**  
**Chairman**  
**Workers' Compensation and Rehabilitation**  
**Commission**

28/08/2000





# WorkCover Organisation

## Establishment and Enabling Legislation

The Workers' Compensation and Rehabilitation Commission was established in May 1982 upon proclamation of the Workers' Compensation and Rehabilitation Act 1981. The Commission is constituted under section 94 (1) of the Act.

Under an amendment to the *Workers' Compensation and Rehabilitation Act 1981* which came into effect on 24 December 1993, the Commission is authorised to use and operate under the trading name WorkCover Western Australia (WorkCover WA or WorkCover).

## Legislation Administered by WorkCover

WorkCover administers:

- the *Workers' Compensation and Rehabilitation Act 1981*;
- the *Employers' Indemnity Supplementation Fund Act 1980*;
- the *Waterfront Workers' (Compensation for Asbestos Related Diseases) Act 1986*; and
- the *Employers' Indemnity Policies (Premium Rates) Act 1990*.

## Authority and Funding

Funding for WorkCover's activities is provided by an annual levy on premiums paid by employers to insurers approved to underwrite workers' compensation insurance in Western Australia and by self insurers.

## Role

The primary role of WorkCover is to administer the Workers' Compensation and Rehabilitation Act 1981, the purposes of which are:

- 1) to make provision for the compensation of:
  - i. Workers who suffer a disability; and
  - ii. Certain dependants of those workers where the death of the worker results from such a disability;
- 2) to promote the rehabilitation of injured workers with a view to restoring them to the fullest capacity for gainful employment of which they are capable;
- 3) to promote safety measures in and in respect of employment aimed at preventing or minimising occurrences of disabilities; and
- 4) to make provision for the hearing and determination of disputes between parties involved in workers' compensation matters in a manner that is fair, just, economical, informal and quick.

## Functions

WorkCover's functions are outlined under section 100 of the *Workers' Compensation and Rehabilitation Act 1981*:

To administer this Act and without limiting the generality of the foregoing -

- (a) to control and administer the General Fund and the Trust Fund;
- (b) where necessary or desirable, to participate in research into the causes, incidence, and methods of prevention of accidents, injuries, losses of functions, and diseases in respect of which compensation may be payable under this Act;
- (c) where necessary or desirable, to assist in encouraging the prevention or minimising of accidents, injuries, losses of functions, and diseases in respect of which compensation may be payable under this Act;



(d) to make available upon request to employers such services or other assistance as it considers appropriate to facilitate the arranging of rehabilitation and to act as a rehabilitation provider;

(da) to promote the rehabilitation of workers suffering a disability in respect of which compensation is or may be payable under this Act and to disseminate to workers and others information concerning rehabilitation;

(e) to coordinate arrangements generally to secure the care, supervision, and assistance of workers suffering injury, loss of function, or disease in respect of which compensation is or may be payable under this Act;

(f) to obtain from all insurers and self-insurers information and returns enabling the Commission to compile and record such statistics, records, and reports as it considers desirable for the better administration of this Act;

(fa) to keep under review the sufficiency of the information provided to the Commission by insurers and self-insurers, and whether or not criteria developed by the Commission for assessing the performance of insurers and self-insurers are being met;

(g) where necessary or desirable, to assist in investigating all matters relating to accidents, injuries, losses of functions, or diseases in respect of which compensation is or may be payable under this Act, to study the causes and various methods of treatment and the results of treatment of such accidents, injuries, losses of functions, and diseases;

(h) formulating recommendations and preparing estimates for submission to Parliament of the cost of providing facilities for rehabilitation and re-employment of workers who have sustained permanent or temporary disablement from a compensable disability so as to minimise or remove any handicap suffered by the worker;

(i) to provide support services to any medical panel established under section 36 and to any medical assessment panel; and

(j) to provide the Committee with such statistics, records, reports, and other information as the Committee may reasonably require to enable it to perform its obligations under section 151(a).

## Mission

WorkCover's Mission describes the Government's aims in establishing the Agency and is couched in broad terms to include high level objectives:

*To effectively administer the Workers' Compensation and Rehabilitation Act for the benefit of injured workers at a reasonable cost to employers and the community and to advise government on appropriate policy for this purpose.*

## Injury Management Vision 2000

In 1998 WorkCover committed itself to a vision for the workers' compensation and rehabilitation system in Western Australia – Injury Management Vision 2000:

Injury Management Vision 2000 establishes targets to be achieved by the year 2000 in two critical areas: the proportion of claim payments going to workers, and the cost of premiums to industry, namely:

- Increase the proportion of claim payments going to workers by 10%
- Achieve a 20% reduction in the cost of premiums to industry.

## Organisation Structure

WorkCover's governing body is the Workers' Compensation and Rehabilitation Commission. This comprises a Chairman and six members. The Commission exercises the functions, powers and duties conferred under the *Workers' Compensation and Rehabilitation Act 1981*.

The day to day administration of WorkCover has been delegated by the Commission to the Executive Director who directs the operations of the Department.

The Executive Director, and all other personnel engaged by the Commission are engaged under the provisions of the *Public Sector Management Act 1994*.





## Workers' Compensation And Rehabilitation Commission

Section 95 of the Workers' Compensation and Rehabilitation Act 1981 states that the Commission is to consist of a Chairman recommended by the Hon Minister for Labour Relations and appointed by the Governor.

The Chairman is a public servant who, in the opinion of the Hon Minister, has had administrative experience at a senior level.

In accordance with the provisions of the Act the Executive Director of WorkCover shall be a member of the Commission.

In addition, the Commission is to consist of five other nominee members who shall be a persons respectively:

- experienced in management in commerce or industry, or both;
- experienced in trade union affairs;
- experienced in the insurance business but not employed in the Insurance Commission of Western Australia ;
- employed in the Insurance Commission of Western Australia; and
- a medical practitioner.

Under section 95 (4), deputy members to the members of the Workers' Compensation and Rehabilitation Commission may also be appointed.

Section 96 (1) of the Act states members of the Commission may hold office for a period not exceeding three (3) years, and are eligible for reappointment.

A new Commission was appointed from 3 May 2000 for a three year period to 3 May 2003. It consists of:

### Mr Brian Bradley (Chairman)

Mr Bradley is the WorkSafe Western Australia Commissioner and Chief Executive Officer of WorkSafe Western Australia. He was appointed chairman to the Workers' Compensation and Rehabilitation Commission on 3 May 2000 by the Minister for Labour Relations.

### Mr Harry Neesham (Acting Chairman to 3 May 2000 and Member)

Mr Neesham is the Executive Director of WorkCover. He has served as the Deputy Chairman and a Member of the Workers' Compensation and Rehabilitation Commission since it's inception in 1982.

### Mr Vic Evans (Member)

Mr Evans is the Managing Director of the Insurance Commission of Western Australian and the nominee of the Insurance Commission of Western Australia. He has served as a Member on the Workers' Compensation and Rehabilitation Commission since 1992.

Mr Evans has considerable experience in the area of insurance, is a member of the Road Safety Council, Chairman of the Workplace Road Safety Task Force and a Fellow of the Australian Institute of Management, WA.

### Mr Nigel Glass (Member)

Mr Glass was appointed as a member to the Workers' Compensation and Rehabilitation Commission in May 1997. He is the Chief Executive Officer of the Paraplegic Quadriplegic Association of WA (Inc) and is the Chamber of Commerce and Industry's (WA) nominee to the Commission.

Mr Glass has had an extensive and ongoing interest in occupational safety and health issues and workers' compensation. He is the chairperson of the Health and Community Services Council and the Workers' Compensation Committee as well as a Board Member of the Chamber of Commerce and Industry (WA). He is also a Fellow of the Australian Institute of Management and the Australian Society of Association Executives and a Member of the Safety Institute of Australia. Mr Glass is also a Member of the Review of Medical and Associated Costs.



### **Ms Miriam Angus (Member)**

Ms Angus was appointed as a member of the Workers' Compensation and Rehabilitation Commission in July 1999 as a nominee of Unions WA.

Ms Angus has experience in trade union affairs, particularly in the area of workers' compensation, and is currently employed by Chapmans, Barristers and Solicitors.

### **Dr Robert Gillett (Member)**

Dr Gillett is a practising medical practitioner and a nominee of the WorkSafe Western Australia Commissioner to the Workers' Compensation and Rehabilitation Commission.

He has served as a member on the Commission since 1991 and has extensive experience in the area of occupational medicine and workers' compensation.

### **Mr Daryl Cameron (Member)**

Mr Cameron is the Group Manager, WA & NT, of the Insurance Council of Australia and has 28 years of experience in the insurance industry.

An affiliate of the Australian Insurance Institute, he has served in senior positions for several national and international insurance and banking companies.

### **Ms Diane Munrowd (Acting Member to 3 May 2000)**

Ms Munrowd is the Director of Scheme Development and Operations for WorkCover. She has been acting member on the Workers' Compensation and Rehabilitation Commission since October 1998 and a deputy member for over 10 years.

### **Disclosure Of Interest In An Existing Or Proposed Contract**

Commission member Mr Nigel Glass is Chief Executive Officer of the Paraplegic Quadriplegic Association of WA (Inc) which, during 1999/2000, received payment under a contract for the maintenance of the grounds of the Commission's premises at 2 Bedbrook Place in Shenton Park.

Commission member Mr Vic Evans is managing director of the Insurance Commission of WA which, for a fee, during 1999/2000 managed claims which arise under the Supplementation and General funds.

Commission deputy member Mr Doug Pascoe is General Manager, Insurance of the Insurance Commission of WA which, for a fee, during 1999/2000 managed claims which arise under the Supplementation and General funds.

## **Functions and Powers of Delegation**

The functions of the Workers' Compensation and Rehabilitation Commission are outlined under section 100 of the Workers' Compensation and Rehabilitation Act (1981).

The power to delegate authorities, obligations and duties is conferred upon the Workers' Compensation and Rehabilitation Commission under section 101 (f) of the Workers' Compensation and Rehabilitation Act (1981).

## **Corporate Governance Committees of the Workers' Compensation and Rehabilitation Commission**

The corporate governance responsibilities of the Workers' Compensation and Rehabilitation Commission are discharged in part by several advisory committees constituted under section 100(A) of the Workers' Compensation and Rehabilitation Act 1981, namely the:

- Accreditation and Monitoring Committee;
- Audit Committee;
- Budget Advisory Committee;
- Grants Committee;
- Insurer / Self Insurer Committee;
- Legislative Review Committee; and
- Medical and Allied Services Committee.

Each Committee is chaired by a member of the Workers' Compensation and Rehabilitation Commission. Membership comprises members or deputy members of the Commission, or a nominee of the representative body on the Commission.





Following the re-appointment of the Commission on the 3 May 2000 members agreed to re-constitute its advisory committees as follows:

- Accreditation and Monitoring Committee;
- Audit and Budget Committee;
- Grants Committee;
- Insurer / Self Insurer Committee;
- Legislative Review Committee; and
- Medical and Allied Services Committee.

### **Accreditation and Monitoring Committee**

Under section 156A (2) of the legislation the Commission is responsible for the approval or otherwise of a person as a rehabilitation provider.

In order to effectively discharge these responsibilities the Commission requires the Accreditation and Monitoring Advisory Committee to establish performance criteria against which it reviews new applications and existing approvals. It advises the Commission on whether each approved rehabilitation provider complies with the provisions of the legislation and approval guidelines.

### **Audit Committee**

In 1999/2000, the Audit Committee appointed Stanton Partners to undertake the internal audit requirements of the Commission for a three year contract with two additional options of 12 months each.

The Committee addressed the areas of risk to WorkCover by conducting audits of specific functions within the agency.

The Committee is pleased to report internal management controls are satisfactory and adequately address areas of risk exposure to the Commission.

### **Budget Advisory Committee**

The Budget Advisory Committee reviewed the 2000/2001 Budget. This was duly considered and formally endorsed by the Commission.

### **Grants Committee**

The Grants Advisory Committee advises the Commission on the allocation of funds for research into prevention and workers' compensation activities.

### **Medical and Allied Services Committee**

The Medical & Allied Services Advisory Committee provides the Commission with recommendations for fee structures and service schedules for the delivery of services.

### **Legislative Review Advisory Committee**

The Legislative Review Advisory Committee reviews and recommends appropriate action to the Commission on issues relating to the provisions and consequential amendments to the Workers' Compensation and Rehabilitation Act 1981 and related legislation and regulations.

### **Insurer/Self Insurer Advisory Committee**

The Commission relies on this forum as an opportunity to provide feedback and consult with approved insurers and self-insurers in Western Australia on their performance within the workers' compensation system.

## **Corporate Structure**

### **Corporate Executive**

The administration of WorkCover has been delegated by the Commission to the Executive Director who directs the day to day operations of the Department. The Executive Director, Mr Harry Neesham, heads a corporate executive team responsible for overseeing the administration of the Department and establishing Department policy.

The Corporate Executive comprises:

- Mr Harry Neesham – Executive Director
- Ms Diane Munrowd - Director, Scheme Development and Operations;
- Mr Ross Monger - Director, Conciliation and Review;
- Mr Phil Scales – Director, Corporate and On-line Services;
- Ms Gianna Cammarano - Executive Officer; and
- Mr Robert Erickson - Corporate Development Officer.





## Divisions

WorkCover's outputs are delivered and operations conducted within an administrative structure consisting of three divisions and Executive Support:

### Executive Support

Executive Support provides direct support to the Executive Director, the Premium Rates Committee, the Commission and various committees of the Commission. It is also responsible for all corporate and strategic planning and performance evaluation.

### Scheme Development & Operations

Director: Ms Diane Munrowd

This division provides a policy development and statistical/research function for the Commission and the Department and is involved in the development of all legislation.

In addition, the division is responsible for ensuring compliance with legislation, the accreditation and monitoring of service providers, and administration of noise induced hearing loss legislation.

The Scheme Development and Operations Division also delivers information, education and training to our customers and is responsible for all promotional activities of the department.

### Conciliation & Review

Director: Mr Ross Monger

This division provides a service for the resolution of disputed workers' compensation claims and the registration of agreements between parties in the workers' compensation scheme.

This includes the recording of agreements and the resolution of disputes regarding the degree of workers' disabilities in cases where workers seek to take civil proceedings for damages against employers, independently of the Workers' Compensation & Rehabilitation Act.

### Corporate & On-line Services

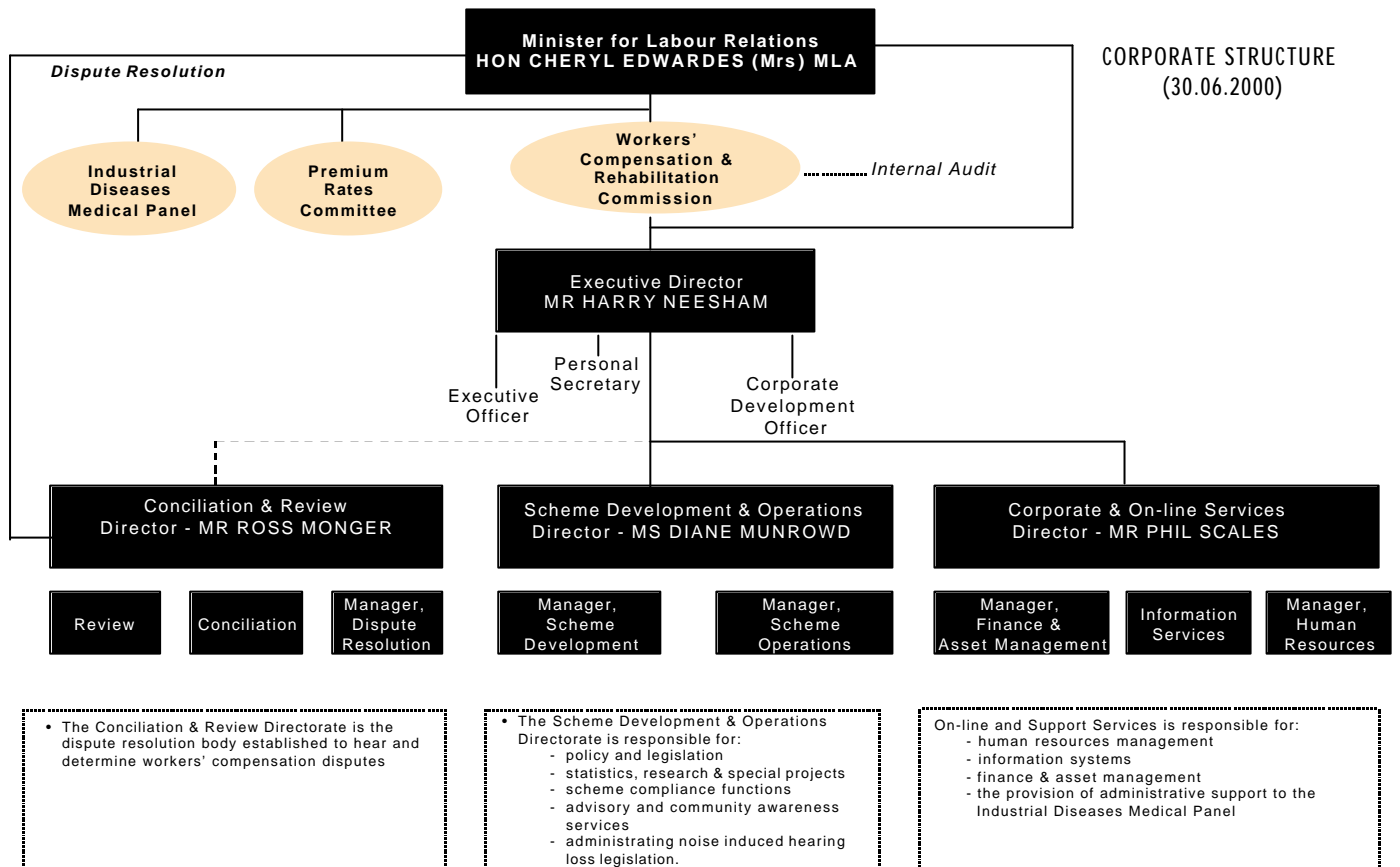
Director: Mr Phil Scales

This division ensures the human, financial and physical resources are available to support the operations of the Department and the delivery of outputs.

The Corporate and On-Line Services division is also responsible for the Department's on-line service delivery environment as well as managing various trust funds and providing support to the Industrial Diseases Medical Panel.









# Annual Estimates

In accordance with the Treasurer's Instruction 953, statutory authorities not operating as divisions of the Consolidated Fund are required to include annual estimates for the current financial year in the Annual Report of the preceding year.

The following estimates of expenditure and revenue have been submitted and approved by the Minister for 2000/2001.

<b>EXPENDITURE</b>	<b>\$</b>
Information, Education & Advice	1,442,417
Scheme Regulation	1,111,158
Dispute Resolution	5,185,419
<b>Support Services</b>	<b>4,453,462</b>
Non Program Items	719,556
Rollovers	98,124
<b>TOTAL</b>	<b>13,010,136</b>
<b>REVENUE</b>	
Information, Education & Advice	37,300
Scheme Regulation	45,400
Dispute Resolution	12,400
Support Services	533,760
<b>Non Program Items</b>	<b>70,000</b>
Contributions	11,284,078
Prior Year Surplus	1,027,198
<b>TOTAL</b>	<b>13,010,136</b>





# Outcomes and Outputs

## Outcomes

To fulfill its mission and the Injury Management Vision 2000 targets, WorkCover seeks to achieve three outcomes:

### Information, Education & Advice

Workers' compensation and rehabilitation scheme participants are aware of their rights and responsibilities and Government receives accurate, timely policy advice regarding workers' compensation and injury management;

### Scheme Regulation

Workers' compensation and rehabilitation scheme participants comply with legislative requirements and standards; and

### Dispute Resolution

Workers' compensation and rehabilitation disputes are resolved and agreements registered expeditiously.

## Outputs

To achieve the Scheme Regulation, Dispute Resolution, and Information, Education and Advice, outcomes, WorkCover delivers the following outputs:

### Information and Education

Information and education provided to workers' compensation and rehabilitation scheme participants and the general community to increase their knowledge of their rights and responsibilities with respect to the scheme, and workers' compensation and injury management.

### Policy Advice

The identification, review, development and implementation of policy and legislative options designed to maintain and improve the efficiency and effectiveness of the workers' compensation and rehabilitation scheme.

## Compliance

Inspections and investigations conducted to ensure compliance with workers' compensation and rehabilitation legislation and prosecution of non complying parties.

## Accreditation and Licensing

Monitoring and accreditation/licensing of key workers' compensation and rehabilitation scheme service providers to ensure compliance with workers' compensation and rehabilitation legislation and the delivery of an appropriate standard of service.

## Dispute Resolution

Effective resolution of worker's compensation and rehabilitation disputes in a manner that is equitable, accessible and independent.

## Registration of Agreements

Registration of memoranda of agreement in those cases whereby parties agree to settle a claim for compensation in accordance with the Act, and the recording of agreements and the resolution of disputes regarding the degree of workers' disabilities in those cases where workers seek to take civil proceedings for damages against employers independent of the Act.

# Performance Measurement

WorkCover evaluates its performance at three levels:

- Strategic;
- Corporate; and
- Operational

## Strategic Performance Measurement

At the strategic level WorkCover tracks progress toward achievement of the targets set in the Injury Management Vision 2000 and a number of global, scheme related performance measures.



## **Corporate Performance Measurement**

At the Corporate level, performance is measured via Key Performance Indicators which show the extent to which the agency has achieved its Outcomes (effectiveness) and the efficiency with which services are delivered.

## **Operational Performance Measurement**

Treasurer's Instruction 904 requires agencies to report output performance measures of quantity, quality, timeliness and cost. These measures are reported as WorkCover's operational performance measures.





# 1999/2000 Performance

## Strategic

### Achieving the Injury Management 2000 Vision

Progress toward achievement of the Injury Management Vision 2000 targets is measured by

performance indicators reported annually. The performance indicators track changes in the percentage of claim payments that go to workers and the cost of workers' compensation premiums to industry over the period 1997/98 - 1999/2000. The year 1996/97 is taken as a base year to determine rates of change.

The results for 1999/2000 show that since 1998/99 the cost of premiums has risen by 25% and the proportion of claims payments going to workers has remained static.

## Injury Management Vision 2000 – Performance Indicators

	1994/95 (2)	1995/96 (2)	1996/97	1997/98	1998/99	1999/2000	% Change	Vision 2000 Target
The extent to which the scheme as a whole is cost effective (the cost of premiums to industry).								
<b>Premium income of insurers aggregated with notional premiums of self-insurers as a percentage of gross remuneration paid to workers.</b>	(1) (2) (4) 1.783 %	(1) (2) (4) 1.563 %	(1)(4) 1.699 %	(1)(4) 1.909 %	(1)(4) 2.128 %	(1)(3)(4) unavailable	25% (1996/97 - 1998/99)	- (20 %)
The proportion of claim payments going to workers.								
<b>The total cost of weekly payments, redemptions, schedule 2 payments, and common law awards made to workers as a percentage of total claim costs reported by insurers in Summaries of Claims Payments (WC101 Returns).</b>	(2) 68.67%	(2) 66.25%	67.16%	66.85%	61.58%	66.93%	- (0.3%) (1996/97 - 1999/2000)	10%

- (1) Gross remuneration is derived from returns by insurers, self-insurers and the Insurance Commission of Western Australia unfunded fund. The returns show the actual wages of workers for the year.
- (2) Although not falling within the scope of the Vision 2000 objective, the results for 1994/95 and 1995/96 have been provided in order to put the more recent figures in context.
- (3) 1999/2000 data is unavailable as collection of wages data will occur in the following year.
- (4) Revised figure based on current data.



## Global

As in the past, further, *global* performance indicators provide an indication of the overall performance of the workers' compensation scheme. These indicators relate to the equitable distribution of the cost of

maintaining the scheme, administrative cost effectiveness and the effectiveness of vocational rehabilitation services.

In order to highlight longer term outcomes the global performance indicators are reported on a rolling four year basis.

## Global Performance Indicators

	1996/97	1997/98	1998/99	1999/2000	% Change
COMPENSATION – The extent to which the scheme is equitable to all contributors.					
<b>Percentage of employers inspected who hold a current workers' compensation policy for their full liability under the Workers' Compensation and Rehabilitation Act 1981.</b>	(1) <b>84%</b>	(1) <b>83%</b>	(1) <b>79%</b>	(1) <b>79%</b>	- (6%) (1996/97 - 1999/2000)
The extent to which WorkCover's administration is cost effective.					
<b>Contributions to the General Fund by insurers and self-insurers as a percentage of gross remuneration paid to workers.</b>	(2)(4) <b>0.040%</b>	(2)(4) <b>0.040%</b>	(2)(4) <b>0.048 %</b>	(10) <b>unavailable</b>	20% (1996/97 - 1998/99)
REHABILITATION – The extent to which effective vocational rehabilitation services are provided.					
<b>Percentage of persons receiving compensation for 12 weeks requiring vocational rehabilitation who received services. (4)</b>	(3) (5) <b>80.5%</b>	(3) (5) <b>85.1%</b>	(3) (5) <b>82.4%</b>	(6) <b>60.8% *</b>	- (24.5%) ** (1996/97-1999/2000)
<b>Percentage of persons who receive vocational rehabilitation services and successfully return to work. (7) (8)</b>	(3) <b>62.1%</b>	(3) <b>63.4%</b>	(3) <b>62%</b>	(6) <b>59.8%</b>	- (3.7%) (1996/97-1999/2000)
<b>Average cost per return to work. (7) (8) (9)</b>	(3) (5) <b>\$2,023</b>	(3) (5) <b>\$2,259</b>	(3) (5) <b>\$2,159</b>	(6) <b>\$2,627</b>	30% 1996/97-1999/2000

- (1) Results based on the status of businesses inspected by WorkCover compliance staff.  
 (2) Gross remuneration is derived from returns by insurers, self-insurers and the Insurance Commission of Western Australia unfunded fund. The returns show the actual wages of workers for the year.  
 (3) Revised figure based on current data.  
 (4) Based on the date the claim was received by the insurer.  
 (5) Year is from 1 May to 30 April 1999.  
 (6) Period is from 1 May to 30 November 1999 (Data for December, 1999 – June, 2000 is not comparable due to a change in data processing systems)  
 (7) Agency and Single Vocational Rehabilitation Providers only, relating to both approved insurers and self-insurers.  
 (8) Based on date of closure.  
 (9) Average costs based only on cases with costs incurred.  
 (10) 1999/2000 data is unavailable as collection of wages data will occur in the following year.  
 \* This figure is artificially low as it is based on only 7 month's data.  
 Any long duration claims (greater than 12 weeks) lodged between May and November 1999 where vocational rehabilitation commenced after the end of November, 1999 would appear as claims with no vocational rehabilitation when, in fact, vocational rehabilitation service was actually received.  
 \*\* This figure is artificially inflated due to the shortened data collection period for the 1999/2000 figure.





## Corporate Performance Indicators

### Achieving Outcomes – Key Effectiveness Indicators

At the corporate level WorkCover tracks progress toward achievement of outcomes through its key effectiveness indicators. These indicators show the extent to which the agency has achieved the outcomes set by Government.

#### Outcome 1: Information, Education & Advice

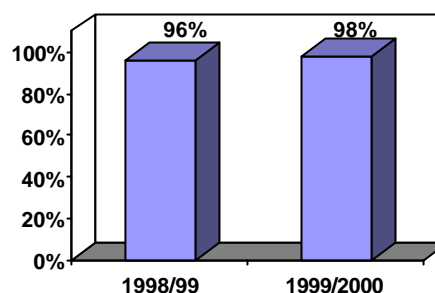
*Workers' compensation and rehabilitation scheme participants are aware of their rights and responsibilities and Government receives accurate, timely policy advice regarding workers' compensation and injury management.*

People who receive information from WorkCover by way of attendance at information seminars and via the agency's telephone information service are surveyed to determine if the information provided to them increased their knowledge of their rights and responsibilities in regard to the workers' compensation scheme. The results of these surveys demonstrate WorkCover's effectiveness.

As the primary customer for policy advice provided by WorkCover, the Minister for Labour Relations is surveyed annually to determine the agency's effectiveness in the area of the provision of policy advice.

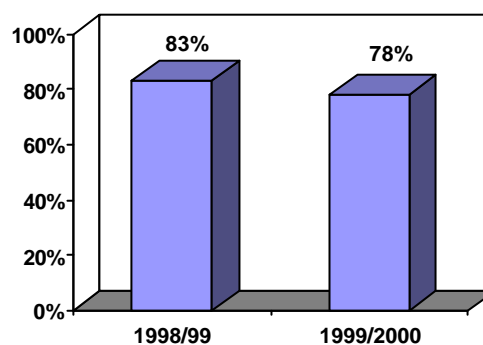
#### Effectiveness Indicator 1.1 – Seminar Attendees

*The percentage of attendees at WorkCover information and education seminars who reported an increase in their level of knowledge of the workers' compensation and rehabilitation scheme as a result of the information/education provided to them:*



#### Effectiveness Indicator 1.2 – Enquiries

*Percentage of Info-line callers responding to a survey who indicated their level of knowledge of the workers' compensation and rehabilitation scheme increased as a result of the information provided to them during their Info-line call:*



The percentage of people who increased their knowledge as a result of information provided by WorkCover remained similar to that reported last year.

Overall, the result is most pleasing with the vast majority of people who receive information from WorkCover (98% of seminar attendees and 78% of Info-line callers) increasing their knowledge as a result of their interaction with the agency.



**Effectiveness Indicator 1.3 – Policy Advice**

The Minister for Labour Relations rated policy advice provided by WorkCover as:

1998/99	1999/2000
Very Effective	Very Effective

On a 4 point scale ranging from ineffective to extremely effective, the Minister for Labour Relations rated policy advice provided by WorkCover during 1999/2000 as Very Effective. This result maintains the high standard achieved last year.

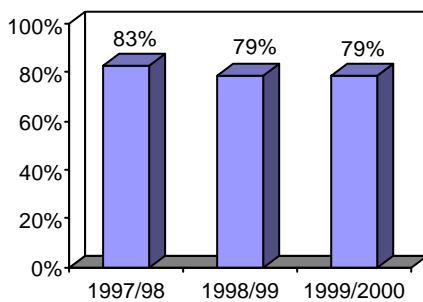
**Outcome 2: Scheme Regulation**

Workers’ compensation and rehabilitation scheme participants comply with legislative requirements and standards.

WorkCover staff inspect businesses to determine whether employers comply with the legislative requirement to hold adequate workers’ compensation insurance coverage. The agency also monitors the performance of key workers’ compensation scheme service providers to ensure they comply with legislation and deliver services to an agreed standard.

**Effectiveness indicator 2.1 - Compliance**

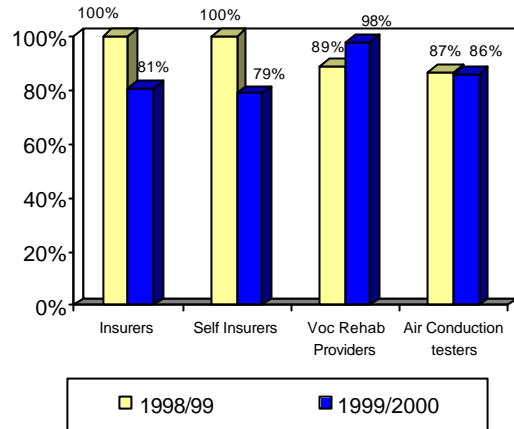
Percentage of employers found to hold workers’ compensation insurance at the time of inspection:



Results in the area of employer compliance remain the same as that reported last year.

**Effectiveness indicator 2.2 – Accreditation & Licensing**

Percentage of service providers which met accreditation/licensing standards:



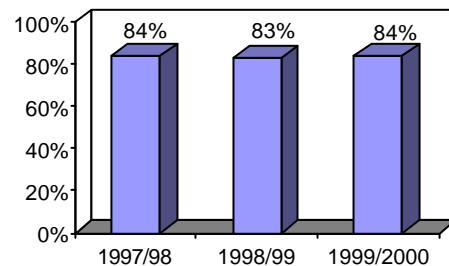
**Outcome 3: Dispute Resolution**

Workers’ compensation and rehabilitation disputes are resolved and agreements registered expeditiously.

WorkCover’s Conciliation and Review Directorate seeks to resolve disputes between parties in the workers’ compensation system through a system of conciliation and review hearings. As parties to a dispute must agree before a dispute is resolved at conciliation, conciliated resolutions are seen as the most equitable outcome to a dispute. Timeliness of dispute resolution is also a key objective of the process.

**Effectiveness Indicator 3.1 – Dispute Resolution**

Percentage of workers’ compensation and rehabilitation disputes lodged with WorkCover’s Conciliation and Review Directorate resolved at conciliation:

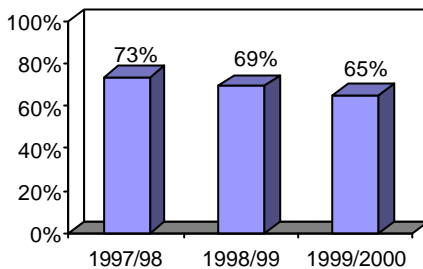






### Effectiveness Indicator 3.2 – Dispute Resolution (Timeliness)

Percentage of workers' compensation and rehabilitation scheme disputes lodged with WorkCover's Conciliation and Review Directorate resolved within 12 weeks of lodgement.



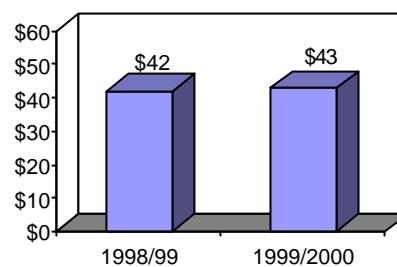
Despite a 12% increase in the number of disputes lodged with WorkCover, the Agency has maintained its rate of conciliated reviews at 83%. As a result of a committed effort, the impact of the increase in disputes lodged on the timeliness of dispute resolution has been limited to a 4% reduction in the percentage of disputes resolved within 12 weeks.

## Achieving Outcomes - Key Efficiency Indicators

WorkCover's efficiency is measured by way of Key Efficiency Indicators which measure the cost of services by cost per quantity unit delivered. Each efficiency indicator shows the cost per output unit for a particular output.

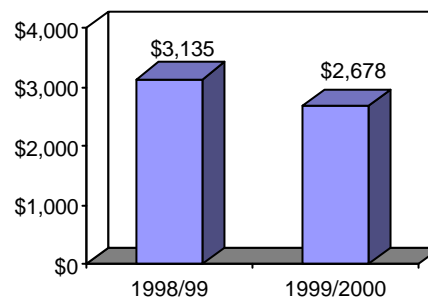
### Output 1

The cost per contact to provide information, education and training services:



### Output 2

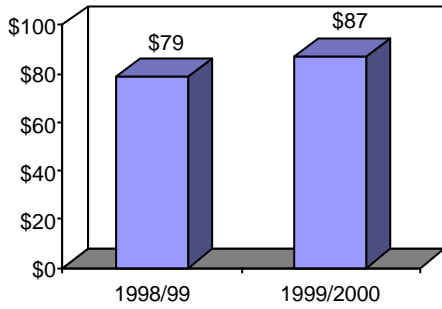
The cost per item of advice to provide policy advice to Government:





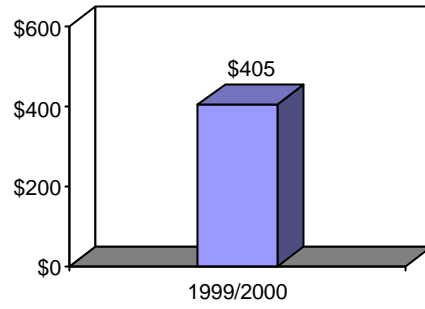
**Output 3**

*The cost per inspection to ensure compliance with the Workers' Compensation and Rehabilitation Act:*



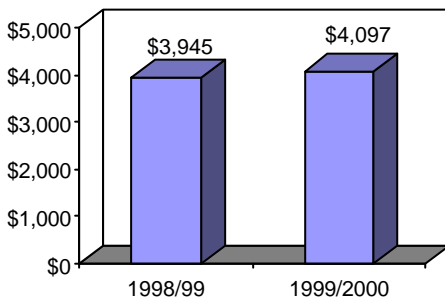
**Output 6**

*The cost per agreement to register agreements/determinations.*



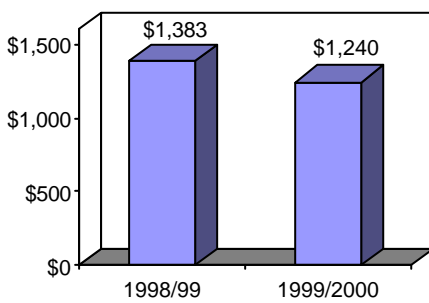
**Output 4**

*The average weighted cost per service provider to monitor accredited/licensed service providers:*



**Output 5**

*The cost per dispute to resolve disputes:*





## Operational Performance Indicators

### Delivering Outputs

Treasurer's instruction 904 requires that output performance measures are reported against the year's budget estimates. The following are WorkCover's performance measures of quantity, quality, timeliness and cost in relation to each of its six outputs.

The cost estimates which formed part of the 1999/2000 budget have been revised to reflect the new output costing methodology implemented during the year. The revised cost targets still represent the total costs in the 1999/2000 budget, the only difference being that the proportion of the budget attributed to each output has changed slightly.

<b>Output 1: Information and Education</b>	<b>1999/2000 Target</b>	<b>1999/2000 Actual</b>
Information & education is provided to workers' compensation scheme participants and the general community to increase their knowledge of their rights & responsibilities in relation to the scheme and workers' compensation and injury management generally.		
<b>Quantity</b> Number of : <ul style="list-style-type: none"> <li>General enquiry contacts</li> <li>Information session attendees</li> </ul>	22,000 1,700	29,872 <sup>(1)</sup> 2732 <sup>(1)</sup>
<b>Quality</b> Percentage of callers/attendees who have increased their knowledge of the workers' compensation and rehabilitation system as a result of information provided by WorkCover : <ul style="list-style-type: none"> <li>Infoline callers</li> <li>Information session attendees</li> </ul>	80% 96%	78% 98%
<b>Timeliness</b> <ul style="list-style-type: none"> <li>Infoline callers who reported satisfaction with the time taken to respond to their information request</li> <li>Information sessions held on time in accordance with planned session dates.</li> </ul>	90% 100%	54% <sup>(2)</sup> 100%
<b>Cost</b> <ul style="list-style-type: none"> <li>General enquiry contact</li> <li>Information session attendee</li> </ul>	\$35 \$454	\$25 <sup>(3)</sup> \$277 <sup>(3)</sup>
<b>Total Output Cost</b>	<b>\$1,543,656</b>	<b>\$1,512,222<sup>(3)</sup></b>

### Significant Variations

- (1) The greater than anticipated number of general enquiry contacts (+ 36%) and attendees at information sessions (+ 60%) was primarily due to community concern over increasing premium rates, interest in the introduction of injury management (May 1999) and legislative changes (October 1999).
- (2) The reduction in timeliness of responses to Info-line calls is attributable to an increased volume and complexity of calls as a result of community concern over increasing premium rates and interest in the introduction of injury management (May 1999) and legislative changes (October 1999).
- (3) The cost per general enquiry contact and information session attendee were less than estimated due to a greater than anticipated demand for information services during 1999/2000. The increased number of responses to individual enquiries and attendees at information sessions were delivered within the 1999/2000 budget allocation.



## Output 2: Policy Advice

The identification, review, development and implementation of policy and legislative options designed to improve the efficiency and effectiveness of the workers' compensation scheme.

	1999/2000 Target	1999/2000 Actual
<b>Quantity</b>		
Number of items of policy advice	145	165 <sup>(1)</sup>
<b>Quality</b>		
Minister's degree of satisfaction with policy advice provided by WorkCover	Very Effective	Very Effective
<b>Timeliness</b>		
Minister's degree of satisfaction with timeliness of policy advice provided by WorkCover	Very Effective	Very Effective
<b>Cost</b>		
Cost per item of policy advice	\$4019	\$2678 <sup>(2)</sup>
<b>Total Output Cost</b>	\$582,820	\$441,915

### Significant Variations

- (1) The number of items of policy advice provided to government was greater than anticipated due to support provided for the package of legislative amendments resulting from the Pearson Review.
- (2) The cost per item of policy advice was less than estimated. This was due to a greater than anticipated demand brought about by the need to provide support for the package of legislative amendments resulting from the Pearson Review. The increased number of items of policy advice were delivered within the 1999/2000 budget allocation.

## Output 3: Compliance

Inspections and investigations to ensure compliance with workers' compensation legislation and prosecution of non complying parties.

	1999/2000 Target	1999/2000 Actual
<b>Quantity</b>		
Number of inspections conducted	20,000	17,233 <sup>(1)</sup>
<b>Quality</b>		
Percentage of inspections which resulted in remedying a breach of legislation	10%	9%
<b>Timeliness</b>		
To be developed		
<b>Cost</b>		
Cost per inspection	\$78	\$87
<b>Total Output Cost</b>	\$1,560,628	\$1,503,352

### Significant Variations

- (1) The number of inspections of employers was less than anticipated because the original estimate included lapsed policy inspections which did not involve contact with an employer. These have been excluded for 1999/2000 and only those inspections which involve contact with an employer have been counted.





### Output 4: Accreditation & Licensing

Monitoring and accreditation of key workers' compensation scheme service providers to ensure compliance with workers' compensation legislation and the delivery of an appropriate standard of service.

	1999/2000 Target	1999/2000 Actual
<b>Quantity</b>		
Number of providers subject to monitoring:		
• Insurers	17	16
• Self insurers	13	15
• Vocational rehabilitation providers	51	46
• Air conduction testers	242	284
<b>Quality</b>		
Percentage of providers which met minimum standards:		
• Insurers	100%	81%
• Self insurers	100%	79%
• Vocational rehabilitation providers	100%	98%
• Air conduction testers	87%	86%
<b>Timeliness</b>		
Percentage of providers reviewed in accordance with terms of accreditation/licensing:		
• Insurers	100%	100%
• Self insurers	100%	79%
• Vocational rehabilitation providers	100%	98%
• Air conduction testers	100%	100%
<b>Cost (revised)</b>		
Cost per service provider		
• Insurers	Not available*	\$6461
• Self insurers	Not available*	\$6892
• Vocational rehabilitation providers	Not available*	\$4513
• Air conduction testers	Not available*	\$719
<b>Total Output Cost</b>	<b>\$653,049</b>	<b>\$618,560</b>

#### Significant Variations

- \* Output unit costs are not available for individual service provider types due to recalculation of the 1999/2000 budget to align it with the revised output based management costing methodology implemented during 1999/2000.



### Output 5: Dispute Resolution

The resolution of workers' compensation disputes in a manner that is equitable, accessible and independent.

	1998/99 Target	1999/2000 Actual
<b>Quantity</b> Number of:		
• Disputes resolved	4,200	4,560
<b>Quality</b> Percentage of:		
• Disputes resolved at conciliation	80%	84%
<b>Timeliness</b> Percentage of disputes resolved:		
• Within 4 weeks of lodgement	40%	28% <sup>(1)</sup>
• Within 4-8 weeks of lodgement	20%	26%
• Within 8-12 weeks of lodgement	10%	11%
<b>Cost</b> Cost per:		
• Dispute resolved	\$1315	\$1240
<b>Total Output Cost</b>	<b>\$5,524,247</b>	<b>\$5,654,920</b>

### Significant Variances

- <sup>(1)</sup> The percentage of disputes resolved within 4 weeks was 30% less than anticipated due to a 12% increase in the number of new disputes referred to WorkCover's Conciliation and Review Directorate.





## Output 6: Registration of Agreements

Registration of memoranda of agreements where parties agree to settle a claim for compensation in accordance with the Act and recording of agreements regarding the degree of a worker's disability where workers seek to take civil proceedings for damages.

	1998/99 Target	1999/2000 Actual
<b>Quantity</b>		
Number of Memoranda of Agreements registered	1,800	2,344 <sup>(1)</sup>
Degree of disability agreements/determinations – referrals	N/A*	1,797
Degree of disability agreements/determinations – agreements	N/A*	522
<b>Quality</b>		
Percentage of finalised memoranda of agreements that are registered	90%	93%
Degree of disability agreements/determinations – % referrals recorded	N/A*	100%
Degree of disability agreements/determinations – % agreements recorded	N/A*	100%
<b>Timeliness</b>		
Percentage of memoranda of agreements finalised within 4 weeks	90%	88%
Degree of disability agreements/determinations		
Percentage of referrals referred to employer within seven days	N/A*	14%
Percentage of agreements registered within seven days	N/A*	90%
<b>Cost</b>		
• Cost per Memorandum of Agreement registered	\$341	\$181*
• Cost per Agreement/determination registered	N/A*	\$1409*
<b>Total Output Costs</b>	<b>\$613,805**</b>	<b>\$1,161,227**</b>

\* Output cost comparisons are not available as the output unit "Degree of disability agreements/determinations" did not form part of the 1999/2000 budget process. The output has been modified to include the new output unit since the output budget targets were prepared.

\*\* The total output cost estimate does not include estimated expenditure for "Degree of disability agreements/determinations" as the output unit only came into existence during 1999/2000.

### Significant Variances

(1) The higher than anticipated number of memoranda of agreement registered is due largely to legislative changes allowing redemptions to be lodged for partial incapacity.



# Report on Operations

WorkCover's operations revolve around the delivery of the Agency's six key outputs: Information and Education, Policy Advice, Compliance, Accreditation and Licensing, Dispute Resolution and Registration of Agreements.

The report on operations describes the activities and achievements in these output areas.

## 1. Information and Education

*Information and education is provided to workers' compensation and rehabilitation scheme participants and the general community, to increase their knowledge of their rights and responsibilities with respect to the scheme, and workers' compensation and injury management.*

### KEY ACHIEVEMENTS 1999 – 2000

- **Delivered information and training seminars addressing workers' compensation matters to 2,611 people.**
- **Developed and implemented injury management information on WorkCover's Website.**
- **Produced a new publication advertising WorkCover services for employers, and arranged distribution via insurers, approved vocational rehabilitation providers and professional associations.**
- **Revised the "Complete Guide to Workers' Compensation" to incorporate legislative changes.**
- **Coordinated and implemented "Injury Management Week 2000", with an estimated attendance of 1,400.**

- **Promoted WorkCover's services and workers' compensation and injury management information in 18 professional association and trade journals and publications, with an estimated circulation of 234,207**
- **Responded to 26,580 individual requests for workers' compensation and rehabilitation related information, an increase of 15% over last year.**

### Stakeholder Education Programs

Provision of information and education to injured workers, employers, insurers, and medical and allied health professionals continues to be a priority for WorkCover. Initiatives focused on dissemination of information regarding legislative amendments introduced in October 1999. They continued to focus on injury management principles and processes to facilitate sound management of work related disabilities from the various perspectives of parties involved.

### WorkCover's Education and Enquiries Section:

- delivered information seminars addressing workers' compensation legislation (including recent amendments), vocational rehabilitation and injury management to 435 injured workers, 244 health professionals, 101 medical practitioners and 728 employers, supervisors and managers.
- provided training in workers' compensation, injury management and vocational rehabilitation to 870 participants from business organisations, insurers, tertiary institutions, employer groups and professional associations.
- provided seminars for 141 medical practice administrative staff through direct participation in sessions of the Medical Receptionist Course run by the Australian Medical Association (AMA).
- provided training in workers' compensation and injury management to 92 employer based injury management co-ordinators.







This year also saw an increasing interest by small to medium organisations in education of staff and employees in workers' compensation. To meet this need, an "Employers Information Seminar" was developed, implemented and held monthly.

WorkCover continued to assist organisations, such as the Chamber of Commerce and Industry of Western Australia (CCI), the Industrial Foundation for Accident Prevention (IFAP), the Australian Mines and Metals Association (AMMA), and the Australian Medical Association (WA Branch) (AMA) in the delivery of occupational safety and health training initiatives.

WorkCover has developed the WorkCover On-line Campus to utilise the Internet for training purposes. Currently there are two programs, the first covering the workers' compensation legislation, and the second covering the injury management process. The injury management self paced module, introduced in December 1999, covers the injury management process and relevant forms. During 1999/2000 WorkCover's On-Line Campus registered 557 new students. This is a 112% increase from the previous year.

WorkCover's website continues to be expanded to ensure ongoing dissemination of information related to workers' compensation and injury management topics.

## Community Awareness Programs

### • Injury Management Week

Injury Management Week is an annual event coordinated by WorkCover to increase community and scheme awareness of workers' compensation and injury management in Western Australia. This year the week was launched by the Hon Minister Cheryl Edwardes (MLA) at a breakfast held at Scitech Discovery Centre. Forty one events were held by a variety of convenors throughout the metropolitan area. WorkCover convened eight events including a hypothetical on workers' compensation and seminars on noise induced hearing loss, women in the work force, injury management in practice, recent research in workers' compensation, and the medical specialist's interface with general practitioners. Estimated attendance at events during the Week was 1,400. Evaluations showed that 71% of attendees rated the Week as beneficial or very beneficial.

### • Promotional Activities

Comprehensive advertising of the injury management process was targeted towards medical practitioners, employers and workers. This occurred with 32 articles and advertisements published in 18 professional journals and business or trade magazines such as Farm Weekly, Medicus, Medical Forum, Business Advocate, Post Newspapers and journals of the Master Builders and Retail Traders Association. Total circulation of these publications is estimated at 234,207.

## Provision Of General Enquiry Service

The enquiry service provides responses to people in the workers' compensation system on all aspects of the workers' compensation and rehabilitation scheme. Enquiries are received via WorkCover's Infoline, written correspondence, the Internet and counter enquiries.

The Infoline responded to public enquiries concerning specific matters regarding workers' compensation claims, definition of "worker" and "wages", vocational rehabilitation, the dispute resolution process, working directors and claims procedure. Queries also covered areas such as the 1999 amendments to the workers' compensation legislation, premium rates, injury management, contractors and sub-contractors, lump sum entitlements and noise induced hearing loss.

Four hundred and seventy-seven written enquiries were answered during the year. They ranged from requests for brochures to complex enquiries concerning the progress and/or outcome of the correspondent's workers' compensation claim, the injury management process and the 1999 legislative changes.



Counter enquiries increased by 21% compared to the previous year. These included provision of information specific to the individual's needs and general information on the workers' compensation and rehabilitation system. This service is of particular assistance to workers who are not fluent in English as interpreter services are provided when required.

WorkCover's website provides customers with access to a range of information. Nearly 73,300 user sessions were recorded on WorkCover's website. This is an increase of more than 100% compared to last year (35,157).

## Rehabilitation Review Unit

The Rehabilitation Review Unit's main role is to mediate on issues relating to injury management and vocational rehabilitation. The Unit has been operational for 12 months as part of the Injury Management System.

During the last 12 months, 335 disputes and 534 general queries were lodged with the Unit. All parties within the system, including medical practitioners, employers, injured workers, insurers and the Conciliation and Review Directorate made referrals to the Unit.

Issues included pre-rehabilitation or referral issues, return to work and retraining, choice of provider and changing provider, key party contact, service delivery plan agreement and participation in rehabilitation.

The Unit assumed responsibility for investigating complaints lodged against approved vocational rehabilitation providers. This has resulted in new procedures being developed to streamline and enhance this role.

A major task of the Unit has been the management of the Injury Management Review System. All claims are monitored monthly and the Unit reviews those claimants triggered as not having returned to work or being referred to rehabilitation. Insurers are required to submit monthly reports on claims downloaded. If claims require intervention, insurers are advised to instigate the injury management process.

To ensure the new injury management process is operating efficiently and providing injured workers with relevant information, all injured workers referred to vocational rehabilitation after 3rd May 1999 are sent a feedback questionnaire.

The aim of the questionnaire is to ensure injured workers receive timely and appropriate information about workers' compensation and rehabilitation, for example, that medical practitioners are providing them with an injury management brochure.

Contact is made with medical practitioners and employers who have not fully participated in the referral process to provide them with information on the injury management system. Between May 1999 to May 2000 3,471 feedback questionnaires were sent to injured workers. 33% of the questionnaires were completed and returned.

## Injury Management Review

The Pearson Review recommended that after the six-month implementation period, a review be conducted to determine appropriate outcome measures and targets by which to evaluate the injury management process following its two-year operation.

The objectives and scope of the internal review were to request that parties in the system provide comment on the administrative changes underpinning the injury management approach and whether these are functioning effectively. Specific emphasis is placed on the communication processes between the doctor and employer to manage injury.

A telephone survey of employers and medical practitioners was also undertaken to gauge their understanding and satisfaction with the new system. The report is due for release late this year.





## Major Planned Activities For 2000 – 2001

- Develop and implement training programs for approved vocational rehabilitation providers and approved insurers on legislation and injury management issues.
- Develop and implement on-line training courses and educational initiatives for medical practitioners in consultation with medical associations.
- Reprint and disseminate the “Medical Practitioners Guide to the Western Australian Workers’ Compensation and Rehabilitation System”.
- Plan and coordinate Injury Management Week 2001.
- Develop and implement an Injury Management Certificate program for employers.
- Broaden the advertising media used for workers’ compensation and injury management, and target specific industries to increase awareness of workers’ compensation and injury management in Western Australia.
- Conduct Infoline customer surveys to gauge the efficiency and effectiveness of the service.

## 2. Policy Advice

*The identification, review, development and implementation of policy and legislative options designed to maintain and improve the efficiency and effectiveness of the workers’ compensation and rehabilitation scheme.*

### Key Achievements for 1999/2000

- Prepared the consolidated Workers’ Compensation and Rehabilitation Amendment Act 1999 to reflect key recommendations of the Pearson Review.
- Prepared the Workers’ Compensation and Rehabilitation Amendment Act (No 2) 1999 which broadened redemptions.
- Prepared the Workers’ Compensation and Rehabilitation Amendment Act (No 3) 1999 which ensured workers with transitional claims were able to access common law damages.
- Prepared regulations to support these Amendment Acts.
- Completed negotiations for fees with medical and allied health provider representative bodies. A revised schedule of fees for compensable medical and allied services was subsequently published in the Western Australian Government Gazette.
- Updated the Workers’ Compensation Statistical Report 1995/95 to 1998/99 and the report on Work-Related Stress 1995/96 to 1998/99.
- Research proposals submitted by the Research Grants Advisory Committee and approved for funding for 2000/2001.



## Policy and Legislation

During the reporting period the Workers' Compensation and Rehabilitation Amendment Bill 1997 was adjusted to include amendments to common law and statutory benefits, which closely reflected key recommendations of the Pearson Review. These adjustments resulted in the consolidated Workers' Compensation and Rehabilitation Amendment Act 1999.

The Workers' Compensation and Rehabilitation Act (No 2) 1999 was prepared to further broaden redemptions to include workers with a permanent partial incapacity.

The Workers' Compensation and Rehabilitation Amendment Act (No 3) 1999 was prepared to ensure workers with transitional claims were able to access common law damages by clarifying the period within which workers whose weekly payments commenced before the assent day of the 1999 Amendment Act must make an election.

As recommended by the Pearson Review, reviews were undertaken of medical and associated costs and insurance arrangements in Western Australia. The reports of these reviews will be finalised early in the new financial year. Other recommendations of the Pearson Review were referred to the Commission for costing and consideration.

In conjunction with the other jurisdictions, WorkCover assisted in the resolution of policy and technical issues relating to implementation of amendments to State and Territory legislation concerning coverage of workers employed temporarily in another jurisdiction.

## Research and Projects

A Small Business Guide to Injury Management and Workers' Compensation was developed with representatives of small businesses to assist them to effectively respond to work related injuries and disease. The Guide provides a quick reference for use when a workers' compensation claim is identified and contains step by step procedures to manage injuries at the workplace.

The Workers' Compensation Statistical Report 1995/96 to 1998/99 and the report on Work-Related Stress 1995/96 to 1998/99 were finalised for wide dissemination. These reports provide valuable information on workers' compensation claims in Western Australia to assist organisations and parties

in their activities to prevent workplace injuries and diseases.

As a result of work with the Swan Hills Divisions of General Practice, a working party of stakeholders developed three Injury Management Bulletins providing practical information and handy hints for employers and medical practitioners subsequent to the introduction of the injury management process in May 1999.

Priority areas for research grants were developed based on an analysis of scheme data.

WorkCover closely cooperated with research teams at the University of Western Australia and Murdoch University in the analysis of statistical data to predict characteristics that identify long-duration claims.

A presentation of recent research in workers' compensation and occupational safety and health issues was coordinated as part of Injury Management Week 2000.

A compendium of United States and Canadian workers' compensation jurisdictions was developed to assist the Commission in strategic planning activities.

As part of the Review of Medical and Associated Costs workers' compensation statistical information was provided to assist the Reference Group.

Support and guidance has been provided to assist in the completion of the following research grant projects:

- Stress, Compensation and the General Practitioner.
- Infrastructure Support for Work-Related Stress.

## National Projects

During the reporting period, statistical and technical information was provided for the following:

- publication of the Heads of Workers' Compensation Authorities' National Compendium of Medical Costs in Australian Workers' Compensation;
- development of a Compendium of Rehabilitation Data on Workers' Compensation as part of the National Medical Service Group of the Heads of Workers' Compensation Authorities. This project includes the development of performance indicators for return to work;





- development of a national comparative performance monitoring system for Australia's workers' compensation and occupational safety and health systems. This resulted in a Workplace Relations Ministers' Council's Comparative Performance Monitoring: The Second Report into Australian and New Zealand Occupational Health and Safety and Workers' Compensation Programs; and
- participation in a Heads of Workers' Compensation Authorities national consistency project regarding mutual recognition of workers employed temporarily in another workers' compensation jurisdiction.

### Major Planned Activities for 2000/2001

- **Prepare a Workers' Compensation and Rehabilitation Amendment Bill for the 2001 autumn session of Parliament. This will include amendments to implement the recommendations of the Pearson Review in relation to medical and associated costs and the review of insurance arrangements in Western Australia.**
- **Finalise policy and technical issues relating to implementation of amendments to State and Territory legislation concerning coverage of workers employed temporarily in another jurisdiction and implement legislative amendments.**
- **Update the Workers' Compensation Statistical Report and other related reports.**
- **Provide ongoing executive support to the Grants Advisory Committee, the Medical and Allied Services Committee and the Legislative Review Advisory Committee of the Workers' Compensation and Rehabilitation Commission.**
- **Provide research and statistical information for strategic planning and policy development purposes.**
- **Survey injured workers' to determine the outcome of workers' compensation claims and the durability of their return to work.**

- **Participate in the development of a national comparative performance monitoring system.**
- **Complete the *Compendium of Rehabilitation Data in Workers' Compensation* which includes information on rehabilitation and return to work from Australian workers' compensation jurisdictions.**



### 3. Compliance

*The unit undertakes inspections and investigations to ensure compliance with workers' compensation and rehabilitation legislation and prosecution of non-compliant parties.*

#### Key Achievements 1999 – 2000

- **17,233 businesses were inspected for compliance with the requirement to hold workers' compensation insurance.**
- **Completed the targeted inspection of the Security Industry.**
- **Successfully prosecuted seven employers for failing to insure.**
- **Contacted 5,038 businesses to determine compliance with the Act as a result of an inspection program targeted towards new business owners.**
- **Conducted two country trips to ensure compliance with the Act and provided workers' compensation information to the communities of Broome and Bunbury.**

During this year the Compliance Section:

- Continued to review internal operations in order to maximise efficiency when identifying non compliant parties;
- In accordance with the Service Delivery Agreement with the Commonwealth of Australia undertook a visit to Cocos and Christmas Islands.
- Identified two major employer groups to run pilot programs with a view to fostering self regulation.
- Completed the development and implementation of the core functions of the WorkCover Investigator, a computerised case management system for compliance functions.
- Addressed underlying concerns encountered by specific industries in ensuring compliance with the Act.

### Inspections

The Compliance Section adopted the following strategies in order to identify businesses employing workers:

- geographical inspections;
- lapsed policy inspections;
- targeted industry inspections (based on an improved method of identifying industries at risk)
- processing of cancellations; and
- new business inspections.

Only businesses that did not appear on WorkCover's database as having a current policy were targeted for inspection. Of those inspected and identified as employing workers, 21% (1,537 employers) failed to maintain a current policy of insurance. This proportion is unchanged from 1998 – 1999.

More than \$400,000 was collected in additional premiums as a result of these detections. Of those uninsured employers, 90% were detected through inspections resulting from lapsed policies.

WorkCover processed 3,202 requests from insurers to cancel an employer's workers' compensation policy.

### Workcover Investigator

A computerised case management system was implemented for the core compliance functions of tracking lapsed policies and processing cancellation of policies. The system allows the Compliance Section to track and monitor individual cases. The system, and the associated functions, will be subject to ongoing review.

### Operational Audit

An operational audit of the Compliance Section was undertaken during the year. Recommendations emanating from the operational audit will be assessed and implemented in 2000 – 2001.





## Prosecutions

During the year seven employers were prosecuted for failing to have a current workers' compensation policy. Total fines awarded during the year amounted to \$10,550. A further \$12,837 in avoided premium was ordered to be reimbursed to the General Fund.

One prosecution is ongoing and the outcome will be recorded next financial year.

## Major Planned Activities For 2000 – 2001

- Implement recommendations from the operational audit of the Compliance Section.
- Review operations in relation to lapsed policies and cancellations to increase efficiency and ensure the full benefits of the WorkCover Investigator are obtained.
- Conduct a pilot program with the major employer groups identified with a view to fostering self-regulation.

## 4. Accreditation and Licensing

*Monitoring and accreditation and licensing of key workers' compensation and rehabilitation scheme service providers to ensure compliance with workers' compensation and rehabilitation legislation and the delivery of an appropriate standard of service.*

*WorkCover monitors the performance of approved insurers, self insurers, approved vocational rehabilitation providers and air conduction testers.*

### Key Achievements 1999 – 2000

- Published competency based standards for vocational rehabilitation practitioners.
- Finalised the revised performance monitoring methodology for approved vocational rehabilitation providers.
- Revised the service delivery guidelines for approved vocational rehabilitation providers.
- Reviewed approved insurer and self insurer performance in accordance with the Workers' Compensation and Rehabilitation Act.
- Reviewed the approval criteria for audiometers, the procedure for audiometric booth assessment and the reporting requirements for full audiological assessment. Minimum requirements for full audiological testing were developed.

### Insurers and Self Insurers

WorkCover is responsible for monitoring the performance of approved insurers and self insurers against the provisions of the Act, and with the requirements of the Performance Criteria Guidelines as prescribed by the Commission.

Approved insurer performance was reviewed against the Insurer Compliance Monitoring Program of the Guidelines by 30 June 2000. Thirteen of the 16 approved insurers achieved the required compliance target set by the Commission. The areas of non compliance (i.e. overdue returns from insurers) do not have a significant impact on the scheme's operations.



As required by section 165 of the Act, the performance of 11 approved self insurers was reviewed and in all cases self insurance approval was extended for a further 12 months. Three self insurers were not reviewed, but will be reviewed during the first half of 2000/2001.

The Commission approved the application of two group employers for self insurance status and the incorporation for a number of self insurers within their self insurance exemption.

## Noise Induced Hearing Loss

The number of audiometric testers fluctuated during the year as a result of performance evaluations and accreditation of new testers into the system. At the year end, there were 238 approved testers. A total of 63 new testers were approved and 40 testers cancelled because they did not meet performance criteria. Currently 168 booths and 207 audiometers are approved.

A total of 266 workers were identified as showing a 10% or greater loss of hearing (PLH) following comparison of their baseline and subsequent hearing tests. Of these workers, three have had claims finalised by a Memorandum of Agreement Notification issued by the Conciliation and Review Directorate.

The NIHL claims process continues to be streamlined. Revision of the current legislation commenced in late June 1999. WorkCover continues to provide a full day's training in the on-line application and legislative requirements of the Act for potential Audiometric Officers as part of the Australian Hearing Services Audiometric Officers course.

The Noise Induced Hearing Loss Section participated in Injury Management Week by providing a seminar on Noise Induced Hearing Loss.

## Rehabilitation Providers

In March 2000, following training of all Approved Vocational Rehabilitation Providers, online transfer of data to WorkCover's "Rehabilitation Online" application commenced. The application enables mutual exchange of information between providers and WorkCover. All guideline and standards documents are now been made available through the online facility.

The Application Package Vocational Rehabilitation Provider Accreditation has been revised and development of the new Rehabilitation (RPC) database is underway.

As at 30 June 2000, 41 vocational rehabilitation providers were accredited, comprising 21 agency, eight single providers and 12 employer based providers.

Across all categories of providers, three applications for agency status were made. Five providers advised their intention to withdraw their accreditation.

In the 1999/00 financial year, 4165 referrals were made for vocational rehabilitation, 88% to agency providers, 2% to single providers and 4% to employer based providers. A further 6% were made to interstate providers.

Since the introduction of the injury management process there has been an increase in the percentage of referrals to vocational rehabilitation providers made by the key parties. Employers were responsible for 38% of referrals, medical practitioners 31%, and insurers authorised to act on an employer's behalf referred 31%.

## Major Planned Activities For 2000 – 2001

- **Develop new performance monitoring guidelines for approved insurers and self insurers in accordance with the recommendations of the Review of Insurance Arrangements in Western Australia.**
- **Implement the new performance monitoring methodology for Approved Vocational Rehabilitation providers.**
- **Conduct a review of noise induced hearing loss legislation and regulations to further streamline the claims process.**
- **Develop a standard methodology for Otorhinolaryngological determination of occupational NIHL percentage.**







## 5. Dispute Resolution

*WorkCover seeks to resolve worker's compensation and rehabilitation disputes in a manner that is equitable, accessible and independent. This is done initially by a process of conciliation to help parties to resolve disputes by agreement. Where agreement cannot be reached, disputes are heard and determined by a review officer. Appeals from decisions of review officers (on matters of law) are heard in the compensation magistrate's court.*

### Statutory Dispute Resolution Proceedings

#### Key Achievements 1999 – 2000

- **The number of disputes resolved increased by 7%.**
- **Maintained a resolution rate in excess of 80% of matters resolved by conciliation.**
- **Resolved 65% of matters within 12 weeks of lodgment.**

The Conciliation & Review Directorate facilitates the resolution of disputes regarding statutory workers' compensation claims. The dispute resolution system provides procedures based on a conciliation and review process that is fair, economical, informal and quick in reaching agreement.

#### Conciliation and Review

The conciliation process is non-adversarial and seeks to bring parties to agreement rather than arbitrating the merits of a dispute. The process is informal, largely administrative and relatively free of regulation. Conciliation officers try to identify the real issues between the parties and use their skills to define the differences with a view to securing a mutually satisfactory agreement.

The review process is the more formal step in the system. Matters are referred to review when conciliation concludes without a satisfactory solution to the issues being reached or a party requests a matter to go to review. A review officer determines the issues after considering the evidence.

For the 12 months to 30 June 2000, 4,744 new disputes were referred to the Directorate, compared to 4,247 for the previous twelve month period. This is an increase of 12%. During the year: 4,560 matters were resolved; 3,834 (84%) by conciliation, 726 (16%) following review and 11 by the Compensation Magistrate's Court.

The percentage of matters resolved at each stage was approximately the same as for the previous three years.

Conciliation has maintained a rapid turnover of disputes. About 33% of disputes were resolved within four weeks of lodgment with a further 30% between four and eight weeks. However, the percentage of matters resolved within four weeks fell during the year due to the increased workload.

Of disputes resolved at review, 12% were resolved within four weeks of referral and a further 27% between four and eight weeks.

#### Compensation Magistrate's Court

Matters may be referred to the Compensation Magistrate's Court by a review officer for determination if a question of law arises or because of the complexity of issues. Review officers deal with all but the most complex of matters.

An appeal against a review officer's decision to the Compensation Magistrate's Court must involve a question of law. The magistrate also has jurisdiction to hear offences under the Act as well as applications for enforcement and stays of orders made by conciliation and review officers.

For the period to 30 June 2000, 12 matters were referred for hearing to the compensation magistrate. In the same period, 94 appeals were made to the compensation magistrate against decisions of review officers. Thirty four other applications were made to the Court.

#### Medical Assessment Panels

When there is a conflict of medical opinion, a conciliation officer, review officer, or the compensation magistrate may refer a question about the nature, extent or permanence of a disability, or of a worker's capacity for work, to a medical assessment panel.



A register of medical practitioners who are prepared to participate in panels for the purpose of conducting medical examinations of workers is kept by the Directorate. The register was created following consultation with the Western Australian Branch of the Australian Medical Association.

The medical assessment panel register comprises 281 medical practitioners from various specialties. During the year 106 workers were referred to a medical assessment panel.

### Notifications under Section 57A and 57B

Sections 57A and 57B of the Act require both insurers and self-insurers to notify the Directorate within a period of 14 days when they are unable to accept liability for a claim.

The following table lists annual notifications lodged by approved insurers and self-insurers.

	1993/ 1994	1994/ 1995	1995/ 1996	1996/ 1997	1997/ 1998	1998/ 1999	1999/ 2000
Self-insurers	36	33	188	156	212	1434	1469
Approved Insurers	6095	5297	5283	5654	6306	5635	6860
<b>Total</b>	<b>6131</b>	<b>5330</b>	<b>5471</b>	<b>5810</b>	<b>6518</b>	<b>7069</b>	<b>8329</b>

RiskCover has been included in the category of self-insurers since 1 July 1998. Hence the increase in notifications for self-insurers.

### Regional Hearings

During this reporting period 13 hearings were convened at country locations. Conciliation conferences involving country workers are usually convened via telephone conference, but in appropriate cases review officers conduct hearings in country locations. Review officers have also used video conferencing where evidence has been taken from people outside Western Australia.

### Non English Speakers

Official interpreters arranged through the Translating and Interpreting Service were used at 375 conferences or hearings. In addition the Deaf Society of WA Inc. provided sign language interpreting for hearing impaired on seven occasions. The use of interpreters has increased year by year.

Included on the next page are some workload indicators for the statutory dispute resolution system. Those indicators also contain comparisons for previous financial years.





1997/98	1998/99	WORKLOAD INDICATORS – STATUTORY SYSTEM	1999/2000
3951	4272	<b>No disputes resolved</b>	<b>4560</b>
3310 = 84%	3548 = 83%	at conciliation	3834 = 84%
641 = 16%	724 = 17%	at review	726 = 16%
		<b>Timeframe: % disputes resolved at conciliation</b>	
52%	42%	<4 weeks	33%
19%	26%	between 4 weeks and 8 weeks	30%
9%	9%	between 8 weeks and 12 weeks	10%
20%	23%	>12 weeks	27%
		<b>Timeframe: % disputes resolved from date of referral</b>	
22%	18%	<4 weeks	12%
30%	29%	between 4 weeks and 8 weeks	27%
12%	12%	between 8 weeks and 12 weeks	19%
36%	41%	>12 weeks	42%
		<b>Timeframe: % disputes resolved from date lodged</b>	
45%	35%	<4 weeks	28%
18%	23%	between 4 weeks and 8 weeks	26%
10%	11%	between 8 weeks and 12 weeks	11%
27%	31%	>12 weeks	35%
		<b>Workload:</b>	
4015	4247	Referrals for conciliation filed	4744
3310	3543	Number finalised: - at conciliation	3834
641	722	Number finalised: - at review	726
8	5	Number finalised: - by Compensation Magistrate	11
		<b>General</b>	
4724	5440	Number of conciliation conferences	5915
324	362	Number of preliminary reviews	421
748	831	Number of reviews	841
9	4	Matters referred to Compensation Magistrate	12
85	89	Number of appeals to Compensation Magistrate	94
9	35	Other matters heard by Compensation Magistrate	34
60	62	Matters referred to a Medical Assessment Panel	106





## 6. Registration of Agreements and Civil Proceedings

*Registration of memoranda of agreement in those cases whereby parties agree to settle a claim for compensation in accordance with the Act and the recording of agreements and the resolution of disputes regarding the degree of workers' disabilities in those cases where workers seek to take civil proceedings for damages against employers independent of the Act.*

### KEY ACHIEVEMENTS 1999 – 2000

- Began processing referrals and agreements for workers who seek to take civil proceedings for damages.
- Established an interim case management system for civil proceedings.
- 88% of memoranda of agreement were registered within 14 days of lodgment.

### Memoranda of Agreement

Where parties agree to settle a claim formally under the Act, a Memorandum of Agreement is registered in accordance with section 76.

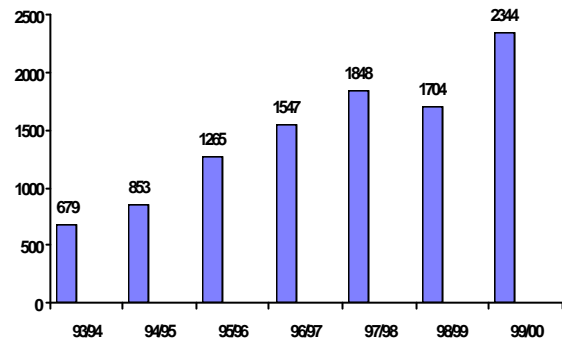
An amendment to section 67 of the Act effective from October 1999 enables workers with a permanent partial incapacity to redeem their weekly payments of compensation for a lump sum, subject to certain conditions. This section previously applied only to workers with permanent total incapacity. As a result, there was a significant increase in redemptions, as shown below. Redemptions can only be made where both the worker and the employer agree to the redemption and to the amount of the lump sum.

Agreements registered in accordance with section 76 comprised the following categories:

	1997/98	1998/99	1999/2000
Schedule 2	1810	1663	1765
Schedule 5	18	24	19
Redemption	20	17	560
<b>Total</b>	<b>1848</b>	<b>1704</b>	<b>2344</b>

Of the 560 redemptions, 552 were agreed after the amendment coming into force.

The following graph shows the number of Memoranda of Agreement registered since 1993/94:



**Memoranda of Agreements Registered 1993/94 – 1999/2000**

### Civil Proceedings for Damages

Part IV of the Act provides that in certain circumstances a worker may take civil proceedings for damages against their employers in place of the statutory workers' compensation options.

The provisions of Division 2 of Part IV were significantly amended by the Workers' Compensation & Rehabilitation Amendment Act 1999. The amendment removed the rights of workers to claim damages stemming from future pecuniary loss and established a requirement that a specified degree of disability must be attained before a worker may seek damages at common law.

In broad terms, damages can only be awarded against a worker's employer for a disability suffered by a worker: if the worker's disability is not less than 30%; or is not less than 16% and the worker elects to retain the right to seek damages; and the election is registered in accordance with the regulations.





The Director, Conciliation & Review Directorate records agreements regarding a worker's degree of disability. Where the worker and employer cannot agree that the degree of disability is not less than the relevant level, the question may be referred to the Director. If the dispute is not then resolved the question is referred to a review officer for resolution.

In those cases where a worker has a significant disability, i.e. the degree of disability is not less than 16% but is not 30% or more, the worker is required to elect to retain the right to seek damages. Subject to certain exceptions, elections must be lodged within six months after weekly payments for the disability began. The Director is responsible for the registration of elections.

The amendments resulted in a number of transitional matters being lodged. For the purposes of workers with a significant disability (i.e. not less than 16%) the termination day for the purposes of elections for the transitional matters was 5 January 2000. By that date 1,382 referrals of question of degree of disability had been accepted.

In order to cope with the extra workload, additional staff were employed on a contract basis to process the applications. Additional review officers and support staff were subsequently employed to progress disputes through the review procedure.

Eighteen workers were referred by a review officer to a medical assessment panel for an assessment of the degree of disability in accordance with section 93D(2) of the Act.

Included on the following pages are some workload indicators for the registration of agreements and civil proceedings.

## **MAJOR PLANNED ACTIVITIES FOR 2000 – 2001**

- **Develop the computer case management system for the Civil Disputes.**



1997/98	1998/99	WORKLOAD INDICATORS - AGREEMENTS & CIVIL PROCEEDINGS	1999/2000
		<b>Agreements Registered – Section 76</b>	
1810	1663	Schedule 2	1765
18	24	Schedule 5	19
20	17	Redemption	560
1848	1704	TOTAL	2344
N/A	N/A	Referral of Question of Degree of Disability to Employers	1612
N/A	N/A	Disputes Referred to Review	1469
N/A	N/A	<b>Agreements Recorded</b>	
N/A	N/A	Without Referral	202
N/A	N/A	After Referral	300
N/A	N/A	Elections Registered	378
N/A	N/A	Determinations Made	20
N/A	N/A	Referred to Compensation Magistrate	3
N/A	N/A	Appeals to Compensation Magistrate	15
N/A	N/A	Referred to Medical Assessment Panel	18





## Corporate and On-line Services

The Corporate and On-line Services Division ensures that the human, financial and physical resources needed are available to support the operations of the Department and the delivery of outputs.

The Division is also responsible for WorkCover's on-line service delivery environment as well as managing various trust funds and providing support to the Industrial Diseases Medical Panel.

### Key Achievements for 1999/2000

- **Upgraded the Oracle financial management information system for year 2000 purposes;**
- **Implemented on-line financial management reporting system;**
- **Developed management systems, guidelines and procedures for the introduction of GST;**
- **Implemented Internet applications for approved vocational rehabilitation providers and approved insurers;**
- **Developed and implemented an in-house, on-line training module on WorkCover processes and functions;**
- **Completed the migration of application systems from the Wang environment to the personal computer-based LAN environment;**
- **Implemented Internet applications for data collection, correction and dissemination between WorkCover and scheme participants (insurers and vocational rehabilitation providers);**
- **Implemented Intranet based staff training on WorkCover processes and functions; and**
- **Managed the testing and upgrading of all department computing applications and hardware for Y2K compliance.**

## Finance and Asset Management Objectives

*To provide finance and accounting services which support the Department's program objectives.*

*To manage assets and procurement policies and practices in line with Government policies and to provide the best value for money.*

## Risk Management - Treasurer's Instruction 109

A register of high or significant risks has been developed. Risks in a number of branches have been re-assessed and controls determined. Risk treatment options have been evaluated and risk treatments have been developed and implemented.

## Finance & Asset Management

Reviewed and implemented the accounting policy on capitalisation of non-current assets greater than \$1,000 with a useful life of more than one year.

## Debtors

The number of outstanding debtors resulting from fines and penalties awarded under section 170, decreased from 29 to 26. Debts worth \$21,455 were written-off during the year. As at 30 June 2000, \$68,245 remained outstanding.

## Funds Management

### Objective

*To manage specified funds for the protection of workers from failures in the scheme and for the benefit of dependants of deceased workers.*

## Employers' Indemnity Supplementation Fund

### Objectives

*To maintain a fund which protects workers from the collapse of approved insurers.*

*To meet payment of claims lodged under the Waterfront Workers' (Compensation For Asbestos Related Diseases) Act.*



The Employer's Indemnity Supplementation Fund was established by Act of Parliament and exists to guard against the collapse of any approved insurer. Claims payments and receipts during the year for those insurers in liquidation are as follows.

Insurers	Payments	Receipts
	\$	\$
Palmdale\AGCI Insurance Co.	6,257	-
National Employers' Mutual Insurance Co.	80,950	476,270
Bishopsgate Insurance Co	38	-

The United Kingdom liquidator paid a dividend for National Employers' Mutual Insurance Company, in liquidation, in December 1999. Funds recovered to date are \$1.66 million and payments to date exceed \$4.32 million.

The Fund also paid claims under the Waterfront Workers' (Compensation for Asbestos Related Disease) Act. Payments for claims amounted to \$151,364 this year. In total \$2,061,110 has been paid for claims under the Act.

## Trust Fund

### Objective

*To maximise returns and security of funds invested for the benefit of the dependants of deceased workers.*

The Workers' Compensation and Rehabilitation Trust Fund is maintained in accordance with section 110 of the Act. Section 84F of the Act empowers the Conciliation and Review Directorate to order compensation to be paid in trust to WorkCover when it cannot immediately be paid to a person under a legal disability, or which is payable to dependants of a deceased worker. These funds are invested in accordance with Treasurer's guidelines.

The number of beneficiaries increased from 245 to 262 during this financial year.

Investment strategies employed provided an average yield for the year of 4.43% for all trust accounts. This is a favourable rate of return compared to returns offered by other financial institutions.

## Uninsured Claims Management

### Objectives

*To provide protection for injured workers by providing a source of compensation for workers of uninsured employers pursuant to section 174.*

*To recover from uninsured employers funds paid to workers from the General Fund.*

*To provide evidence to the Conciliation and Review Directorate which enables them to verify a worker's entitlement to compensation.*

As part of its operations, the Compliance Section establishes the employer's insurance status to ensure that monies released from the General Fund are in accordance with the provisions of the Act.

On the 30 June 2000, the total outstanding debt being recovered through the courts from uninsured employers is approximately \$881,000.

## Information Services

### Objectives

*To increase awareness of the benefits of information technology when applied to the business needs of the organisation.*

*To manage and undertake (where required) the development and maintenance of information systems that support organisational objectives.*

*To develop and implement procurement policies for information system related products that provide WorkCover with the best value for money.*

*To provide a secure computing environment.*

*To develop and implement information management related policies that contribute to the best use of information.*

*To provide an accurate, timely database of employers, their workers' compensation policy history and current policy status – for both legal and analytical purposes.*







*To provide an accurate, timely database of the claims made on the Western Australian workers' compensation scheme.*

*To provide accurate, timely data for use in:*

- *rehabilitation client contact activities;*
- *insurer performance monitoring;*
- *monitoring and analysing the state of the Western Australian workers' compensation scheme; and*
- *occupational health and other research by both internal and external parties.*

*To ensure the Department meets its legislative obligations in relation to the Freedom of Information Act.*

*To ensure the effective management of information, in accordance with Departmental and legislative standards and guidelines.*

*To ensure the delivery of timely and accurate corporate information within WorkCover.*

*To ensure information is available by improving access to Departmental information resources.*

## **On-Line Services**

WorkCover has continued to develop its on-line based services, utilising Internet technologies. The initial phases dealt with licensed service providers and the provision of scheme data. These developments will be enhanced to provide better inter-service provider data sharing.

WorkCover will also further develop its provision of information to the general public and provide specific or categorised information to interested parties based on their customised requirements.

## **Technical Services**

The Technical Services Unit is responsible for the computing infrastructure, application development, maintenance and data administration and access.

The 1999 – 2000 year was characterised by extension of the coverage of the WorkCover online services. The outlook for the 2000 – 2001 financial year is one of consolidation and preparation for a major system redevelopment to implement the revised insurer or self-insurer data specification.

## **Scheme Information**

Scheme Information's primary role is data collection and quality assurance.

This year Scheme Information focussed on the implementation of the remaining processing systems. This included testing, preparation and training of staff in the use of the new applications.

The Internet applications that deal with data collection, error correction and dissemination between WorkCover and approved vocational rehabilitation providers and approved insurers are now in service. All aspects of training have been completed. This includes the training of officers responsible for the creation and maintenance of accounts and of officers responsible for the data entry and error correction of scheme data. Internet training for new approved audiometric officers to the Scheme continues on a regular basis.

## **Corporate Information**

Migration of application systems from the Wang environment to the personal computer LAN environment was successfully completed during the 1999 – 2000 financial year. The new Records Management System encourages all staff to participate online through the intranet, allows retrieval of performance reporting statistics and improves the overall efficiency and accuracy of our service.

Corporate Information completed transfer of archival records to the State Records Office and conducted a review of the current retention and disposal schedule. Changes to the schedule will be implemented once approval is received from the Commission and the State Records Office.

The area continues to focus on increasing on-line access to information via the Department's intranet, particularly in the area of ministerial correspondence.

Implementation of internet applications dealing with data collection and dissemination between WorkCover and scheme participants was completed.

## **Freedom of Information**

The Freedom of Information Act 1992 provides for public access to Departmental records held by State and local government agencies.

Parties seeking information from WorkCover are not restricted to the FOI process and the majority of requests for information are handled outside the Act.



The branch processed nine Freedom of Information applications. After consultation with the third parties, edited or full access was provided for five of the applications within the 45 day timeframe and one application was transferred to another government department.

Three of the applications remain ongoing for the 2000/2001 financial year.

### Year 2000

WorkCover contingency plans for Year 2000 compliance were successful in preventing any system or equipment failure.

## Human Resources

### Objectives

*To facilitate the application of approved Human Resource practices, procedures and policies by the management and staff of WorkCover, in achieving agency goals and objectives.*

*To ensure WorkCover performance management system continues to:*

1. *provide constructive feedback on work performance;*
2. *assist in the planning of staffing or expertise requirements throughout WorkCover;*
3. *manage poor performance; and*
4. *establish career development needs and training priorities.*

*To ensure compliance with statutory, legal and other authorised work practices.*

*To provide a discrimination free work environment.*

*To provide effective staff management and the establishment of classification procedures.*

## Training

Areas of training covered for 1999/2000 include:

- interview skills;
- computer skills;
- communication skills;
- workplace training and assessment;
- contract management;
- intellectual property
- project management;
- e-commerce strategies;
- introduction to freedom of information seminars and workshops and
- a range of training needs identified through the performance management process.

## Staffing Levels

WorkCover's approved average staffing level (FTE) for the 1999/2000 financial year was 119. The following table provides details of WorkCover's employees categorised by gender and level with comparative totals for 1999.

Level	30 Jun 2000			30 June '99
	Male	Female	Total	Total
Level 1	12	31	43	34
Level 2	7	13	20	23
Level 3	12	15	27	25
Level 2/4	0	1	1	1
Level 4	5	2	7	6
Level 5	7	4	11	12
Level 6	2	1	3	3
Level 7	7	2	9	10
Level 8	1	0	1	0
Level 9	5	3	8	6
Above Level 9	2	0	2	2
	60	72	132	122

1. The average employment figure (FTE) for 1999/2000 was 121.32. This was above the AASL of 119 due to additional workload created by legislative changes.
2. The total employee figure at 30 June 2000 is higher than the FTE figure due to part time staff.





## Workers' Compensation and Rehabilitation for Departmental Officers

The following table provides details on workers' compensation and rehabilitation for Departmental officers.

	1995/96	1996/97	1997/98	1998/99	1999/2000
Number of lost time injuries	1	0	6	2	0
Frequency rate (per million hours worked)	3.86	0	24	8.51	0
Incident rate (per 100 workers)	0.75	0	4.2	1.72	0
Estimate cost of claims incurred per \$100 wage roll	0.05	0.01	5.8	1.08	0.613
Premium rate (%)	0.6.25%	0.500%	0.54%	0.56%	0.932%
Rehabilitation success rate:					
Finalised	Nil 1	Nil 1	Nil 1	Nil 2	Nil 1
Ongoing					

## MAJOR PLANNED ACTIVITIES FOR 2000/2001

- Provide financial support for claimants of two collapsed insurers.
- Commence processing payments using electronic funds transfer.
- Finalise revision of the insurer or self-insurer data specification.
- Develop and register third round Enterprise and Workplace Agreements.
- Implement electronic funds transfer for salaries.



## Certificate of Public Sector Standards, Codes of Ethics and Code of Conduct

WorkCover has adopted guidelines and processes supporting the public sector standards in human resource management.

Policies and supporting guidelines and a code of conduct are included in the human resource section of WorkCover's intranet site which is accessible to all staff.

Directors are responsible for compliance with public sector standards and ethical codes. A monitoring and advisory role is played by the Manager Human Resources and staff in the human resources area. Transactions are checked for compliance with the standards.

During the induction process new staff are introduced to the public sector standards in human resource management and code of conduct.

### Breach of Standard Applications 1999/2000

Number lodged	nil
Breaches found	nil
Multiple breaches	nil
Applications under review	nil
Material breaches	nil
Non-material breaches	nil

Date 1/08/2000

**H T NEESHAM**  
Executive Director  
WorkCover





## Industrial Diseases Medical Panel

### Objective

*To provide administrative support to the Panel and implementation of its determinations.*

Panel Members are:

- Dr F Heyworth (Chairman)

#### Members

- Dr A L James
- Dr G F Ryan
- Dr E Lee
- Dr M K Tandon
- Dr A W Musk
- Dr R Tarala
- Dr S C Pang
- Dr A W Tribe
- Dr M G Prichard
- Dr K C Wan
- Dr P Psaila-Savona

Industrial Diseases Medical Panels are established to determine the questions prescribed in section 38 and section 93 of the Act. Panels operate independently with WorkCover providing administrative support and funding only.

Positive determinations for pneumoconiosis, mesothelioma or lung cancer were made for 63 claimants out of 66. Of these 54 were new referrals. The Panel has previously considered the other 12 on at least one occasion.

The majority of claims were associated with asbestos exposure at work. The determinations were mainly in the categories of pneumoconiosis and mesothelioma with a small number of claims for lung cancer.

Pneumoconiosis incidence is leveling out and may well decrease in the next few years, because of the impact of improved safety procedures particularly in underground mining. Mesothelioma claims are however still increasing in numbers. The peak occurrence of this condition does not appear to have been reached.

STATISTICAL ANALYSIS					
	Number				
	1995/ 1996	1996/ 1997	1997/ 1998	1998/ 1999	1999/ 2000
<b>Determinations</b>					
Pneumoconiosis	23	17	25	22	17
Mesothelioma	20	32	36	29	34
Lung Cancer	5	4	5	6	6
Pneumoconiosis/lung Cancer	2	6	2	2	5
Pneumoconiosis/Mesothelioma	0	0	1	2	1
<b>Total</b>	<b>50</b>	<b>59</b>	<b>69</b>	<b>61</b>	<b>63</b>
<b>Claimant</b>					
Successful Claims	50	59	69	61	63
Unsuccessful Claims	23	11	1	18	3
<b>Total</b>	<b>73</b>	<b>70</b>	<b>70</b>	<b>79</b>	<b>66</b>
<b>Applications</b>					
Review Claims	13	17	5	12	12
New Claims	60	53	65	67	54
<b>Total</b>	<b>73</b>	<b>70</b>	<b>70</b>	<b>79</b>	<b>66</b>



## Other Reporting Requirements

### Customer Focus Program

#### Objective

*To improve service delivery and ensure customers' needs are met through evaluation of objective feedback.*

WorkCover has maintained its use of customer feedback to determine the Department's success in delivering outputs and achieving its outcomes. The results of customer surveys in critical areas of service delivery are included in our corporate performance measurement system at both output performance measure and key performance indicator level.

#### Info-line Customer Survey

During 1999/2000 WorkCover undertook a survey of users of the Department's telephone information service, Info-line. The purpose of the survey was to determine whether this key avenue for providing information to our customers is achieving its objective of providing timely, information which increased callers' knowledge of their rights and responsibilities whilst meeting their individual needs.

This is the second year the survey has been conducted and the results for 1999/2000 and last year are shown below.

### Summary of responses to Info-line customer survey:

SURVEY QUESTIONS	% of Yes Responses	
	1998/99	1999/2000
Do you know more about the workers' compensation and rehabilitation system as a result of the information provided during your call to Info-line?	83%	78%
Was the information provided to you helpful?	89%	N/A *
Did the information provided to you answer your query.	N/A	90%
Do you feel the time taken to respond to your call was reasonable?	93%	54%

\*Question 2 was modified in 1999/2000 to more accurately reflect the objective of meeting the individual callers' needs.

This year 415 callers were surveyed and 347 responses were obtained. This represents a response rate of 84% with sampling error rate of  $\pm 5.23\%$  at a 95% confidence level assuming 0.5 as the proportion of incidence in the population. The total number of Info-line calls received during 1998/99 was 25,719.

Whilst the results for questions 1 to 3 remained relatively stable, and show a high level of customer satisfaction, customers' responses to question 4 regarding timeliness showed a significant deterioration.

An analysis of the Info-line service in 1999/2000 showed that the timeliness of responses to customers queries was adversely affected by a 16% increase in the number of calls answered and an increase in the average time taken to deal with each call. It is likely that both of these contributing factors resulted from major legislative change during the year.

The impact of significant increases in call numbers and complexity resulting in a decrease in service standards has highlighted the need for greater flexibility in meeting changing customer demands. Strategies to upgrade the Department's telecommunications to minimise future similar events are being investigated.





## Information Sessions

In addition to the Info-line survey WorkCover also regularly surveys attendees at information sessions delivered to key customer groups by the Department. The information session attendee surveys are intended to determine the extent to which the information provided by WorkCover meets customer needs by increasing their knowledge of their rights and responsibilities.

In 1999/2000 of the 2611 persons who attended seminars 1011 were surveyed and 840 provided useable responses. This represents a response rate of 83% with a sampling error rate of  $\pm 2.76\%$  at a 95% confidence level, assuming 0.5 as the proportion of incidence in the population.

This is the second year the survey has been conducted. Some 98% of respondents either agreed or strongly agreed that the information provided to them increased their knowledge in relation to the seminar objectives compared to 96% last year.

The results of the Information Session Attendee survey continue to show a high level of success.

## Language Services Strategy

*To ensure that language is not a barrier to service for clients of this agency with limited English fluency or hearing impairments.*

WorkCover strongly supports the Government's commitment to encouraging the provision of services so that language difficulties are not a barrier to services for people who are either hearing impaired or from non-english speaking (NES) background.

Since the development of the Language Services Strategy in 1992, WorkCover has addressed the needs of its customers by ensuring:

- customers are aware through WorkCover publications and information seminars of the availability of interpreter services and their right to use them;
- where necessary WorkCover instigates the use of an interpreter and promotes the appropriate use of providers of accredited interpreting services;
- service providers are aware of and encouraged to use interpreter services on behalf of their clients;

- we monitor the effectiveness of the use of accredited interpreting services through service providers;
- a telephone service is available to the hearing impaired TTY (08) 9388 5537 located in the Infoline Service facility.

Actions carried out to address issues identified include the translation of information into Vietnamese and the development of posters for use in the workplace.

## Regional Services

In accordance with government policy, WorkCover WA is committed to providing services to regional communities.

As part of this commitment WorkCover is a key member of the Regional Co-ordination Committee which comprises representatives from agencies within the Labour Relation's portfolio. The objective of this committee has been to develop proposals for the better coordination, and possible expansion of regional service delivery across and between agencies.

In March 2000 an Implementation Plan for Improved Service Delivery in the Regions was presented to the Chief Executive Officers of the representative agencies. Following are a number of the key initiatives that have been progressed;

- WorkCover WA pamphlets and brochures are being distributed through portfolio agencies' regional offices. Regional office facilities are available to WorkCover staff if required.
- A self-help "assessment tool checklist" is being developed for reproduction and use by representatives of all agencies in the regions.
- A draft "signpost brochure" is under development designed to promote the services of all agencies in the regions. A "workplace information/services hotline" is also under consideration.
- A cross agency Promotional Sub-Committee has been formed to co-ordinate where possible regional initiatives progressed by agencies.

In addition to the above, two regional trips to Broome and Bunbury and their regions were conducted.



The primary focus of these trips was to ensure compliance on the part of employers with their responsibilities under the Act and to disseminate information on the workers' compensation and rehabilitation system to all relevant parties. This was achieved via field visits to businesses, distribution of WorkCover brochures and pamphlets and advertising in regional newspapers.

WorkCover's 1800 free call number is promoted in all literature produced by the department. This service is accessed on a daily basis by our regional customers. Information outlining services available and current issues in the system were placed in trade and professional association journals and magazines which are distributed statewide.

## Two Year Plan For Women

### Government Boards and Committees

The policy of appointing more women to Government Boards and Committees has continued with the recent re-appointment of the Workers' Compensation and Rehabilitation Commission and Premium Rates Committee.

Two women are appointed to the Commission, one as a member and the other as a deputy member.

Two women were appointed as deputy members to the Premium Rates Committee.

### Promotion of Economic Independence and Participation in Decision making

During the development of WorkCover's Workplace and Enterprise Agreements a number of "family friendly" initiatives were inserted.

An annual leave purchasing scheme was introduced in both the Enterprise and Workplace Agreement. Under the scheme up to four weeks additional leave can be purchased by the employee. This provides extra flexibility which is particularly valuable to employees with school age children.

Since the introduction of this initiative, six staff have joined the annual leave purchasing scheme.

The number of staff participating in part time employment increased. Ten staff members now work on a part time basis.

WorkCover's selection and recruitment policy encourages the constitution of interview panels with at least one woman, regardless of the gender of applicants.

## Disability Services

### Objective

*To ensure people with disabilities are able to fully access the Department's services and facilities.*

WorkCover seeks, through its disability services plan, to ensure that:

- our functions and services meet the needs of people with disabilities;
- access to buildings and facilities is improved;
- information is made available in formats that enhance communication;
- advice and services are delivered by staff who are aware of the needs of people with disabilities and
- opportunities are provided to people to participate in public consultation, grievance procedures and decision making processes.

This year WorkCover undertook a review of signage at its Shenton Park office. Access to public areas and facilities such as toilets, meeting rooms etc was improved through the placement of clearly visible signs.

WorkCover also made filtered water available to the public at its Shenton park office by installing a water dispenser in the main foyer. The dispenser is at a height which makes it accessible to people in wheelchairs.







## Statement Of Expenditure – Electoral Act, 1907

Section 175 (Z)(e) of the Electoral Act, 1907 requires the publication of the details of certain classes of expenditure in agencies' annual reports.

The following is a statement of expenditure in accordance with Section 175 (Z)(e) of the Electoral Act, 1907:

CLASS OF EXPENDITURE	AMOUNT	ORGANISATION
Advertising Agencies	\$3,602*	Ministry of Premier & Cabinet
Direct Mail Organisations	\$1,541	Northside Distributors
Market Research Organisations	\$9,104	Link Telecommunications
Media Advertising Organisations	\$32,697	Media Decisions WA & Marketforce Production
<b>TOTAL</b>	<b>\$46,926*</b>	

\* Includes the cost of advertising vacant positions.



## The Premium Rates Committee

The Premium Rates Committee is an independent body established under section 147 of the Workers' Compensation and Rehabilitation Act 1981. It is responsible for the determination of recommended premium rates for Employer Indemnity Policies.

The Premium Rates Committee operates independently of WorkCover, which provides administrative support only. The committee consists of three *ex officio* and three nominee members. The *ex officio* members are the Auditor General of Western Australia as Chairman, the Executive Director of WorkCover and the Managing Director of the Insurance Commission of Western Australia (formerly the State Government Insurance Commission).

The three nominee members shall be:

- a person experienced in management affairs in commerce or industry, or both;
- a person experienced in trade union affairs; and
- a person experienced in the insurance business but not employed by the Insurance Commission of Western Australia.

### Membership

Membership to the Premium Rates Committee expired on the 3 May 2000. The following members were re-appointed for a three year period ending on 3 May 2003:

#### Mr Des Pearson (Chairman)

Mr Pearson has been the Auditor General for Western Australia since 1991. He holds a Bachelor of Business degree and a Graduate Diploma in Management, and is the President of the WA Division of the Australian Society of Certified Practising Accountants and Past President of the Australian Institute of Management, Western Australia Inc.

He is also currently a member of the Auditing Standards Board and Convenor of the Australasian Council of Auditors General.

#### Mr Harry Neesham

The Executive Director of WorkCover, Mr Neesham has extensive experience in the area of workers' compensation and premium rates. He has served on the committee for over 18 years.

#### Mr Vic Evans

As the Managing Director of the Insurance Commission of Western Australia, Mr Evans has served on the committee for over seven years.

#### Mr Tony Cooke

The Secretary of Unions: WA, Mr Cooke has been a member of the committee representing worker's interests since 1987 and has had a continuous involvement in the workers' compensation area since 1978.

#### Mr Brendan McCarthy

Mr McCarthy is the Chamber of Commerce and Industry (WA) nominee to the Committee. He is the Director, Operations, for the Chamber and has had a direct involvement in the workers' compensation arena for over 20 years. Mr McCarthy has been a member of the committee for three years and a deputy member for 15 years.

#### Mr Garry Moore

Mr Moore was appointed Member to the Premium Rates Committee in March 1998. Mr Moore is the General Manager, Commercial, of SGIO Insurance Ltd and has worked in the insurance industry for over 30 years.

## 1999 – 2000 Recommended Premium Rates

The Premium Rates Committee announced the revised gazetted recommended premium rates for the 1999 – 2000 financial year for employer indemnity policies under the Employers' Indemnity Policies (Premium Rates) Act 1990 and for workers' compensation policies under the Workers' Compensation and Rehabilitation Act 1981.

The Committee reduced premiums by 10% across all industries from the previously gazetted recommended premium rates. This resulted from the Committee's review of the impact of the October 1999 amendments to the workers' compensation legislation, which were aimed at arresting the escalating costs of common law.





The initial rates for 1999 – 2000 had assumed no legislative change and included a significant allowance for inflation in common law claims.

## 2000 – 2001 Recommended Premium Rates

On the 21 June 2000 the Premium Rates Committee gazetted recommended premium rates for the 2000 – 2001 financial year for employer indemnity policies under the Employers' Indemnity Policies (Premium Rates) Act 1990 and for workers' compensation policies under the Workers' Compensation and Rehabilitation Act 1981.

This followed an actuarial analysis of the claims experience of the system over the last five underwriting years, including nine months of claims data for the year to 31 March 2000.

Additionally, the Committee considered a detailed analysis of the projected experience, based on the available experience, which is still considered immature, resulting from the October 1999 amendments.

The effect of these deliberations is an overall reduction of 3.9% to the recommended premium rates for the 2000 – 2001 financial year.

The objectives of the actuarial analysis conducted on behalf of the Premium Rates Committee are to:

- calculate the total amount of premium income required to meet the cost of claims plus expenses and margins, taking into account anticipated investment income;
- recommend rates that are broadly equitable across different industry classes with no intentional cross subsidy;
- suggest an appropriate overall increase or decrease in relative premium rates; and
- use methods which give relative stability to the rate structure.

To date the Premium Rates Committee has used a methodology for the calculation of the recommended premium rates which includes an allowance for:

- The risk associated with each rate;
- Brokerage;
- Insurer expenses; and
- Statutory charges.

The Committee continued to use this methodology for the determination of the 2000 – 2001 recommended rates, but agreed to remove the 3% brokerage allowance from the rates in future determinations.

Not all insurers make use of services provided by insurance brokers' services. Inclusion of the brokerage allowance in the recommended premium rates has the potential to increase costs for employers particularly at the lower end of the market where there is a reduced ability to negotiate lower premiums.

The Committee took the view that making the cost of brokerage transparent will assist in clarifying the role of the brokers in the system, namely that brokers are agents for employers and not insurers.

The estimated average premium rate was reduced from 3.436% of payroll for 1999 – 2000 to 3.092% in November 1999 following the Act amendments, and then reduced again to 2.972% for 2000 – 2001. This compares with an average premium rate of 2.540% in 1998 – 1999 prior to a 35.3% increase in that year.

The Premium Rates Committee emphasised that the success of the October 1999 legislative amendments depends upon the scheme participants operating within the boundaries intended by the legislation. Any behaviour outside those boundaries has the potential to erode the expected cost savings. This will then result in increased premium costs for employers.

## Forthcoming Initiatives

In line with the Premium Rates Committee's commitment to continuous improvement, the Committee will be examining a number of areas to assist in achieving best practice in the determination of recommended premium rates in Western Australia.



These initiatives include:

- a review of the Australian and New Zealand Industrial Classification System (ANZSIC) to ensure the risks rated for all employers remains equitable;
- a review of a sample of employers to determine the significance of alleged under-declaration of wages for the purpose of premium assessment; and
- monitoring claims costs and in particular the performance of the 1999 legislative amendments.





# Workers' Compensation Scheme – Statistical Information

In the following section, statistics should be interpreted in conjunction with the explanatory notes which accompany the data.

## Premium Income and Claim Payments

Premium income of the scheme is derived from contribution returns provided by approved insurers and self insurers under section 109 of the *Workers' Compensation and Rehabilitation Act*. Approved insurers declare actual premiums received whilst self insurers declare a notional premium based on the gross wages paid and the industry premium rate.

Claims payments information comprises expenses attributed to the financial year of payment. The information is collected for the purpose of setting recommended premium rates for workers' compensation insurance and for strategic planning purposes. Claims payments information includes the expenses for all workers' compensation claims reported by approved and formerly approved insurers under section 161 of the Act, by the Insurance Commission of Western Australia in relation to insurance arrangements for State Government workers and industrial diseases, and by self-insurers.

## Premium Income 1999/2000

The premium income of the scheme, for the year ending 30 June 2000, as reported in the contribution returns lodged by approved insurers and self insurers were as follows:

Premium Income of the Scheme 1999/2000	
Approved Insurers	\$610,733,000
Approved Self Insurers (notional)	\$56,937,000
<b>Total</b>	<b>\$667,670,000</b>

In 1999/2000, a total of 15 approved insurers (including Insurance Commission of Western Australia) had a combined premium income of \$610.733 million, while 14 approved self insurers had a combined notional premium of \$56.937 million. The total combined premium income of the scheme was \$667.670 million.

## Premium Income History

The following table shows a history of premium income and notional premium income for the scheme from 1980/81 to 1999/2000.

	Insurers	Self Insurers	Scheme Total
	(Premium Income)	(Notional Premium)	
	\$M	\$M	\$M
1999/00	610.733	56.937	667.670
1998/99	463.286	48.344	511.630
1997/98	401.007	37.026	438.033
1996/97	374.289	34.435	408.725
1995/96	346.531	25.840	372.371
1994/95	347.325	18.130	365.328
1993/94	323.500	24.494	347.994
1992/93	276.001	23.025	299.026
1991/92	258.734	26.302	285.036
1990/91	278.032	27.042	305.074
1989/90	297.525	27.459	324.984
1988/89	298.506	24.683	323.189
1987/88	280.125	19.054	299.179
1986/87	247.813	16.942	264.755
1985/86	228.437	16.634	245.071
1984/85	185.908	13.638	199.546
1983/84	160.936	12.420	173.356
1982/83	131.650	8.571	140.221
1981/82	90.951	12.572	103.523
1980/81	75.645	11.936	87.581





## Claims Payments

For the 1999/2000 year, claims payments for the scheme was \$475.510 million, whereby approved insurers accounted for \$393.857 million and self insurers \$81.653 million.

### 1999/2000 Claim Payments by Category

In 1999/00, weekly payments accounted for 28.5% and common law and other acts for 32.0% of the total claims payments. Moreover, these 2 categories of payments accounted for 60.5% of the scheme payments.

Type of Claim Payment	1999/2000 Scheme	
	Total	% of Scheme Total
Weekly Payments	\$ 135,664,593	28.5%
Redemptions	\$ 14,025,426	2.9%
Specific Injuries (Schedule 2)	\$ 16,531,892	3.5%
Fatal (including Funeral Expenses)	\$ 1,485,962	0.3%
Medical Practitioners & Specialists	\$ 48,068,746	10.1%
Hospital Expenses	\$ 13,876,587	2.9%
All Other Treatment	\$ 22,940,141	4.8%
Vocational Rehabilitation	\$ 17,621,948	3.7%
Miscellaneous (eg. Transport, maintenance)	\$ 20,132,687	4.2%
Legal Expenses	\$ 33,117,781	7.0%
Common Law and Other Acts	\$ 152,044,812	32.0%
<b>SCHEME TOTAL</b>	<b>\$ 475,510,575</b>	<b>100.0%</b>

- Comprised of payments made under Clauses 17(1), (3), (4), (5) and (6) of Schedule 1 of the Workers' Compensation and Rehabilitation Act 1981 ('Act') other than medical and hospital expenses.
  - Comprised of payments made under Clause 17(1a) of Schedule 1 of the Act in respect of counseling, occupational training, work assessment, aids and appliances.
  - Comprised of insurers' and self insurers' cost of legal advice and representation, witness fees and the costs of these services incurred by the worker where the insurer or self insurer is ordered to meet these costs.
- Figures do not include rise or fall in outstanding claims provisions.
  - These are costs reported as at 30 June 2000 and may be subject to change due to payment variations subsequently reported by approved, former approved and self insurers.
  - Claims payments represents the actual payments and do not reflect liabilities incurred but not yet paid.

## Claim Payments History

Claims payments represent the actual payments and do not reflect liabilities incurred but not yet paid. Actual claims payments amounts (with no adjustment for inflation) are provided in the following table.

	Insurers	Self Insurers	Scheme Total
	\$M	\$M	\$M
1999/00	393.857	81.653	475.510
1998/99	367.232	81.200	448.433
1997/98	389.451	17.487	406.938
1996/97	359.924	14.425	374.349
1995/96	312.127	13.938	326.065
1994/95	309.494	15.289	324.783
1993/94	304.451	13.653	318.104
1992/93	278.553	11.745	290.298
1991/92	242.977	10.636	253.613
1990/91	221.733	10.459	232.192
1989/90	211.565	8.329	219.894
1988/89	204.860	7.485	212.345
1987/88	192.770	6.368	199.138
1986/87	170.530	6.241	176.771
1985/86	154.131	4.845	158.976
1984/85	137.901	4.600	142.501
1983/84	113.734	3.609	117.343
1982/83	108.12	3.286	111.406
1981/82	77.669	2.814	80.483
1980/81	61.734	2.026	63.760

- The term 'Insurers' for premium income comprises of those approved and formerly approved under section 161 of the Workers' Compensation and Rehabilitation Act 1981 and the Insurance Commission of Western Australian (formerly the State Government Insurance Commission) in relation to insurance arrangements for Government workers and industrial diseases (ie. mining).
- Actual premium income received in the year shown does not necessarily reflect the premium earned in the year ie. it may include premium outstanding from the previous year or pre paid for the following year.
- Claims payments represent the actual payments and do not reflect liabilities incurred but not yet paid.
- The notional premium income of self insurers is calculated by applying recommended premium rates to wages figures. The premium income statistics of insurers are actual and account for surcharges and discounting.
- Actual premium income and claim payments represent returns as at 30 June each year and may be subject to change due to income and payment variations subsequently reported by approved, former approved insurers and self insurers.
- From 1998/99 onwards the Insurance Commission of Western Australia's claims payments data is included under Self Insurers.





## Claims Data

Claims data represents information on workers' compensation claims by the financial year in which the claim was lodged. This is in contrast to claims payments, which reflect actual payments during a financial year. Claims data was analysed based on average costs, with costs attributed to the financial year the claim was lodged. It should be noted that no adjustments have been made to costs to account for inflation, as costs are grouped according to the year the claim was lodged, and expenses may span more than one year.

While claims payments represent the total cost, claims data includes many other claim details, such as worker demographics and details of the incident (arranged by year of lodgment), enabling detailed analysis.

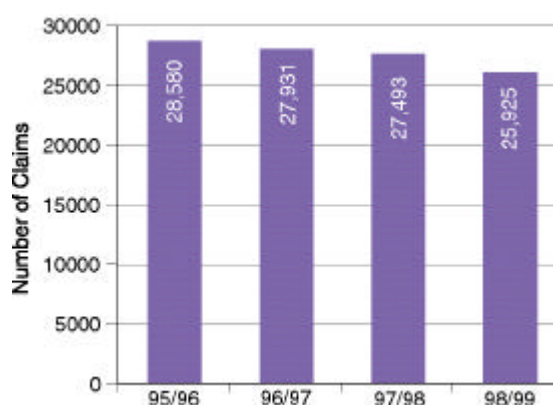
WorkCover continuously updates its claims database as information is received from approved insurers and self-insurers. As claims information is **dynamic in nature**, this data should be considered as a snapshot in time of the workers' compensation system in WA. The claims data shown here was extracted at the end of December 1999.

It should be noted that over time a greater proportion of claims become finalised and subsequent snapshots of the system provide more up-to-date claims information. For example, when data used for the present report was extracted, 73.6% of lost-time claims lodged in 1997/98 were finalised, and 89.1% of lost-time claims lodged in 1996/97 were finalised.

To maintain consistency the following claim types were excluded from descriptions of lost-time claims (for claims data only):

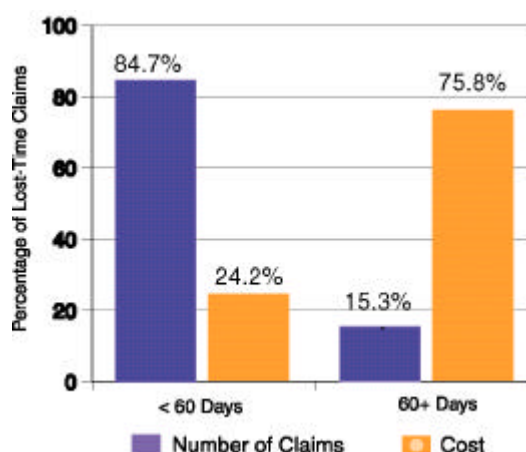
- Journey claims between home and work
- Asbestos-related diseases, including mesothelioma and pneumoconiosis
- Duplicated or disallowed claims
- Claims with less than one working day absence from work
- Claims with less than one whole shift absence from work

### Total Claims



In 1998/99 there were 25,925 lost-time workers' compensation claims lodged. The number of lost-time claims lodged between 1995/96 and 1998/99 has decreased each successive year, showing an overall decrease of 9.3%.

### Long Duration Claims

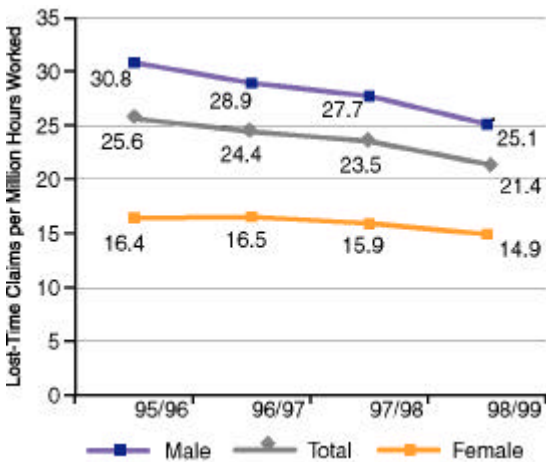


Long-duration claims (claims of 60 days or greater duration) represented 15.3% of all lost-time claims, and 75.8%\* of the cost of lost-time claims in 1998/99.

\*This percentage of total claim costs may increase as claims lodged in 1998/99 mature.

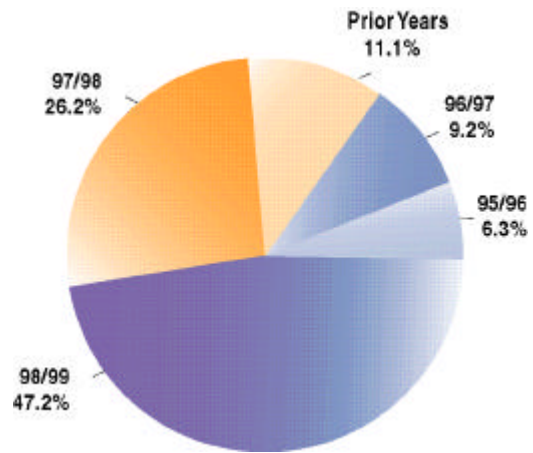


### Frequency



Frequency rate represents the number of workers' compensation claims per million hours worked. From 1995/96 onwards the frequency rate for male workers has been consistently higher than for female workers. Across the four-year period there has been an overall decrease of 16.6% in the frequency rate of claims for both genders. For the period between 1995/96 and 1997/98 the frequency rate for females decreased by 3.2%, while in the same period the frequency rate for males decreased by 10.1%. Between 1997/98 and 1998/99, the frequency rate for female workers decreased by a further 6.1% and by a further 9.5% for male workers, with an overall decrease of 9.0% in the frequency rate for both genders.

### Year Lodged



In 1998/99 there were 54,863 active lost-time claims: 25,925 lodged in 1998/99 and 28,938 claims lodged prior to 1998/99 and after 1991/92 (and not finalised at 1 July 1998). Of claims active in 1998/99, 26.6% were lodged in, or prior to, 1996/97 and after 1991/92. Generally, the longer a claim is active, the greater the associated costs.







# Corporate Performance Indicators

## Audit Opinion



**Auditor General**

**To the Parliament of Western Australia**

### **WORKERS' COMPENSATION AND REHABILITATION COMMISSION PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2000**

#### **Scope**

I have audited the key effectiveness and efficiency performance indicators of the Workers' Compensation and Rehabilitation Commission for the year ended June 30, 2000 under the provisions of the Financial Administration and Audit Act 1985.

The Commission is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Commission's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

#### **Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Workers' Compensation and Rehabilitation Commission are relevant and appropriate for assisting users to assess the Commission's performance and fairly represent the indicated performance for the year ended June 30, 2000.

**D D R PEARSON**  
AUDITOR GENERAL  
August 29, 2000





## Certification of Performance Indicators

We hereby certify that the accompanying Performance Indicators are based on proper records and they fairly represent the performance of the Workers' Compensation and Rehabilitation Commission for the period July 1, 1999 to June 30, 2000.

A handwritten signature in cursive script, appearing to read "B T Bradley", written over a horizontal line.

B T BRADLEY  
CHAIRMAN  
WORKERS' COMPENSATION AND REHABILITATION COMMISSION  
**28.08.2000**

A handwritten signature in cursive script, appearing to read "H T Neesham", written over a horizontal line.

H T NEESHAM  
MEMBER  
WORKERS' COMPENSATION AND REHABILITATION COMMISSION  
**28.08.2000**



# Performance Indicator Report

For the year ended 30.06.2000.

## Rationale

WorkCover's Mission is:

*To effectively administer the Workers' Compensation and Rehabilitation Act 1981 for the benefit of injured workers at a reasonable cost to employers and the community and to advise Government on appropriate policy for that purpose.*

Due to the far reaching nature of the aims embodied in the Mission Statement, it is difficult to isolate and measure the direct impact of the agency's operations on the achievement of the mission. Therefore, WorkCover's performance is measured against outcomes more directly related to the outputs produced by the agency. Achievement of these outcomes in turn influences the broader aims of our Mission.

## Outcomes

The outcomes WorkCover seeks to achieve, and against which the agency's effectiveness is measured, are:

### 1. Information, Education & Advice

Workers' compensation and rehabilitation scheme participants are aware of their rights and responsibilities and Government receives accurate, timely policy advice regarding workers' compensation and rehabilitation matters;

### 2. Scheme Regulation

Workers' compensation and rehabilitation scheme participants comply with legislative requirements and standards;

### 3. Dispute Resolution

Workers' compensation and rehabilitation disputes are resolved and agreements registered expeditiously.

## Outputs

To achieve the outcomes of scheme regulation, dispute resolution, and information, education and advice, WorkCover delivers the following outputs:

### 1 Information and Education

Information and education is provided to targeted workers' compensation scheme participants. This aims to increase their knowledge of their rights and responsibilities regarding the scheme and workers' compensation and injury management matters.

WorkCover targets specific groups of participants to maximise the impact on the scheme.

Information and education is delivered:

- through seminar style sessions tailored to meet the needs of targeted groups and
- by way of a general enquiry service which provides answers to relevant questions from individual scheme participants.

### 2 Policy Advice

The overall performance of the workers' compensation scheme depends on the legislative and policy framework within which it operates. WorkCover assists the Minister for Labour Relations; the Minister responsible for administration of the Workers' Compensation and Rehabilitation Act, to maintain and enhance this framework by providing policy advice.

Policy advice provided to the Minister is designed to meet the needs of the Minister and includes briefing papers, Executive Council papers, Cabinet submissions, policy position papers and drafting instructions.





### 3 Compliance

Inspections and investigations are conducted to ensure compliance with workers' compensation and legislation and prosecution of non-complying parties.

WorkCover is responsible for assisting the Minister for Labour Relations in the administration of the Workers' Compensation and Rehabilitation Act. In line with this responsibility the agency seeks to secure compliance with the provisions of the Act.

It is fundamental to the operation of the scheme that employers hold a workers' compensation insurance policy. Large-scale non-compliance would result in increased premium rates and pressure on the Uninsured Fund. WorkCover seeks to ensure employers hold appropriate workers' compensation insurance cover through workplace visits and contact with employers by letter and telephone.

### 4 Accreditation and Licensing

Key service providers i.e. insurers and self-insurers, vocational rehabilitation providers and air conduction (hearing) testers, are subject to accreditation or licensing and their activities are monitored. Service providers that do not consistently deliver services to the agreed standard have sanctions imposed upon them.

### 5 Dispute Resolution

WorkCover acts to resolve disputes between scheme participants through a system of conciliation and review. The initial process seeks to assist parties to resolve disputes by agreement through a system of conciliation conferences. Where the parties cannot reach agreement, disputes are heard and determined by a review officer. Appeals from decisions of review officers are heard in the Compensation Magistrate's Court.

### 6 Registration of Agreements

WorkCover registers agreements between scheme participants where:

- parties agree to settle a claim for compensation in accordance with legislation or;
- there is agreement or a determination of the degree of disability of an injured worker prior to proceeding to civil action for common law damages.

### Key Effectiveness Indicators

Key Effectiveness Indicators measure the extent to which WorkCover has achieved its Outcomes during the preceding year.

### Key Efficiency Indicators

Key Efficiency Indicators measure the cost of producing outputs. Output costs include all expenditure of the agency with the exception of costs associated with the Employers' Indemnity Supplementation Fund (\$353,490), uninsured claims payments (\$243,346), research grants (\$68,765), the management of trust funds (\$38,112), tenant costs for the agency's West Perth property (\$92,659) and fulfillment of WorkCover's obligations under the Service Delivery Agreement with the Commonwealth for delivery of services to Cocos and Christmas islands (\$8,675). These costs do not contribute to the delivery of outputs.

### Notes to the Performance Indicators

The following Performance Indicators should be read in conjunction with the accompanying Notes to the Performance Indicators.





## EFFECTIVENESS

Key Effectiveness Indicators measure the extent to which WorkCover has achieved its Outcomes during the preceding year.

### OUTCOME 1 INFORMATION, EDUCATION AND ADVICE

*Workers' compensation and rehabilitation scheme participants are aware of their rights and responsibilities and Government receives accurate, timely policy advice regarding workers' compensation and rehabilitation matters.*

WorkCover has adopted a two pronged approach to its delivery of information and education.

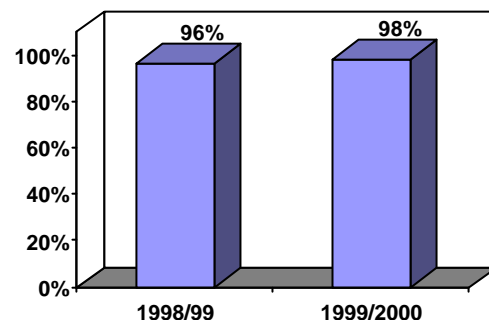
Firstly, key groups of scheme participants are targeted for delivery of information and education in seminar style sessions. This approach directs specific information to those most in need.

Secondly, answers are provided to individual scheme participant's enquiries on a one-to-one basis through WorkCover's general enquiry service.

WorkCover also provides policy advice to the Minister for Labour Relations. This is varied in form. Examples include briefing papers, executive council papers, cabinet submissions, policy position papers and drafting instructions.

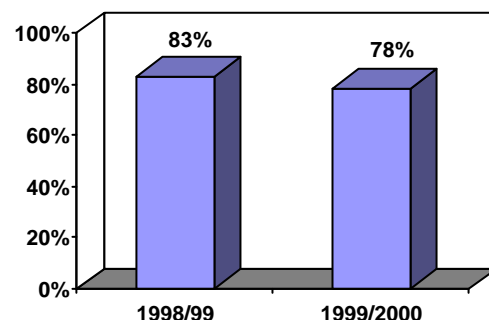
#### Effectiveness Indicator 1.1 – Seminar Attendees

The percentage of people attending WorkCover information and education seminars who reported an increase in their level of knowledge of the workers' compensation and rehabilitation scheme as a result of seminar.



#### Effectiveness Indicator 1.2 – Enquiries

The percentage of Info-line callers who said their level of knowledge of the workers' compensation and rehabilitation scheme increased as a result of their call:



#### Effectiveness Indicator 1.3 – Policy Advice

The Minister for Labour Relations rated policy advice provided by WorkCover as:

1998 – 1999 Very Effective	1999 – 2000 Very Effective
-------------------------------	-------------------------------



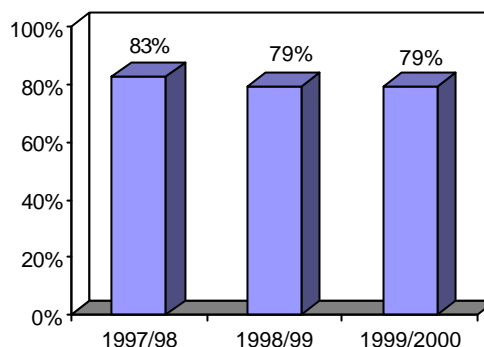
**OUTCOME 2. SCHEME REGULATION**

*Workers' compensation and rehabilitation scheme participants comply with legislative requirements and standards.*

WorkCover seeks to secure compliance with the provisions of Workers' Compensation and Rehabilitation legislation and monitors service providers within the workers' compensation scheme to ensure they deliver an appropriate standard of service.

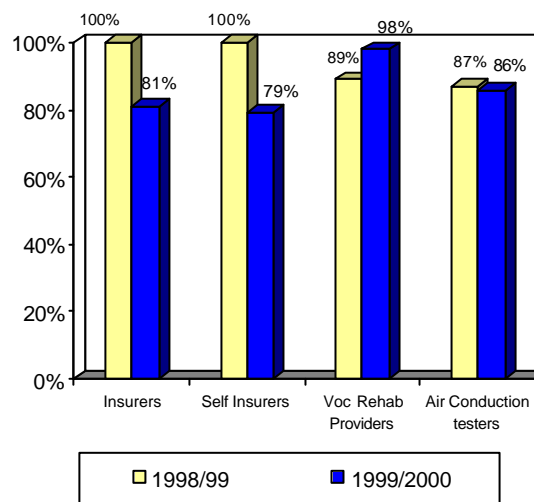
**Effectiveness indicator 2.1 - Compliance**

Percentage of employers found to hold workers' compensation insurance at the time of inspection:



**Effectiveness indicator 2.2 – Accreditation and Licensing**

Percentage of service providers that met accreditation or licensing standards:





### OUTCOME 3. DISPUTE RESOLUTION

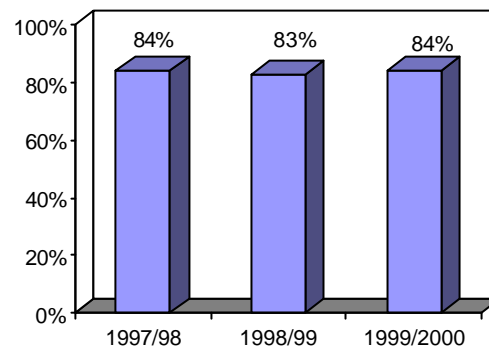
*Workers' compensation and rehabilitation disputes are resolved and agreements registered expeditiously.*

WorkCover seeks to resolve disputes between scheme participants through a system of conciliation and review.

This contributes to the achievement of WorkCover's Mission by protecting the rights of workers and employers in a cost effective manner whilst maintaining equity within the system through the use of an impartial conciliator or arbitrator.

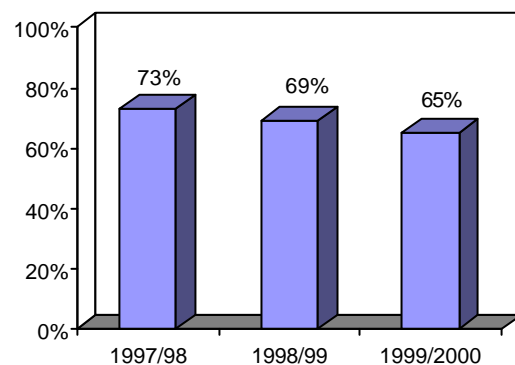
#### Effectiveness Indicator 3.1 – Dispute Resolution

Percentage of workers' compensation and rehabilitation disputes lodged with WorkCover's Conciliation and Review Directorate resolved at conciliation:



#### Effectiveness Indicator 3.2 – Dispute Resolution (Timeliness)

Percentage of workers' compensation and rehabilitation scheme disputes lodged with WorkCover's Conciliation and Review Directorate resolved within 12 weeks of lodgement.



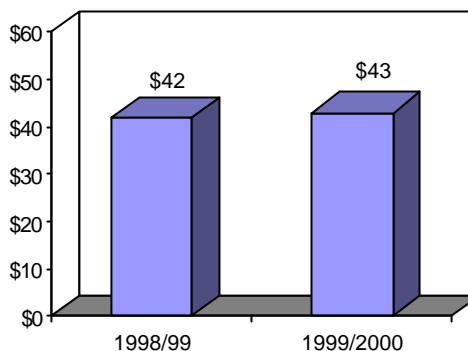


### EFFICIENCY

Key Efficiency Indicators measure the cost of producing outputs.

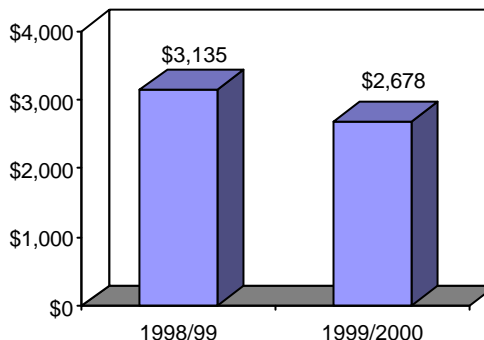
#### Output 1

The cost per contact to provide information, education and training services:



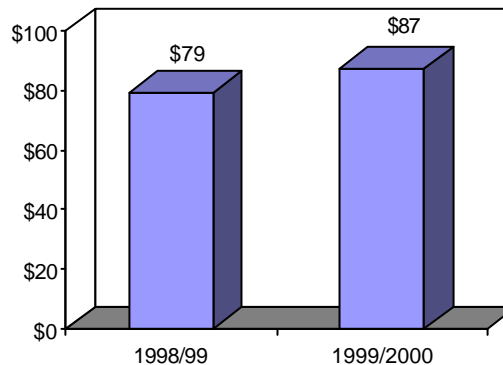
#### Output 2

The cost per item of advice to provide policy advice to Government:



#### Output 3

The cost per inspection to ensure compliance with the Workers' Compensation and Rehabilitation Act:

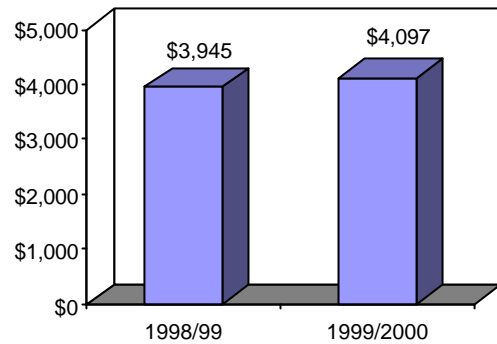






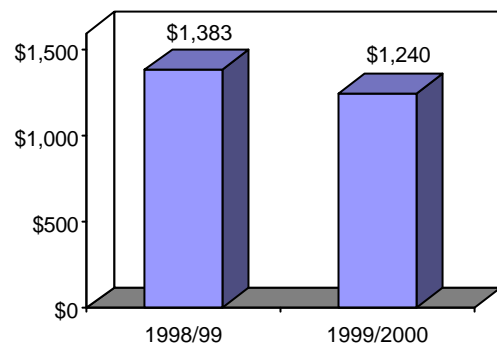
**Output 4**

The average weighted cost per service provider to monitor accredited or licensed service providers:



**Output 5**

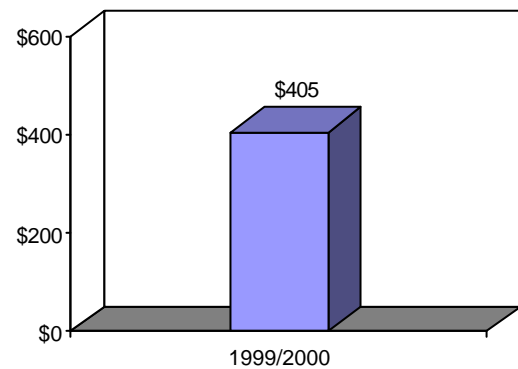
The cost to resolve each dispute:



**Output 6**

The cost per agreement to register agreements or determinations.

*Note: As this is the first year WorkCover has reported on the Registration of Agreements output no figures are available from previous years for comparison purposes.*





## Notes to the Performance Indicators

### *How were the performance indicators derived ?*

#### **Effectiveness Indicator 1.1 – Information Seminars**

The indicator was derived from a survey of information and education session attendees. At the conclusion of each session people who attended were requested to complete a survey form with a four point rating scale. The respondents rated their level of agreement (from strongly disagree through disagree and agree, to strongly agree).

The proportion of “agree” and “strongly agree” responses to total responses is reported as an indication of an increase in the attendees’ level of knowledge of the workers’ compensation scheme and their rights and responsibilities.

The information and education session attendees surveyed belong to targeted segments of WorkCover’s primary customer groups: workers, employers and service providers. Of the 2,611 persons who attended information or education sessions, 1011 were surveyed, with 840 providing useable responses. This represents response rate of 83% with a sampling error rate of  $\pm 2.76\%$  at a 95% confidence level assuming .5 as the proportion of incidence in the population.

#### **Effectiveness Indicator 1.2 – Enquiries**

The indicator is derived from a survey of Info-line callers. At the conclusion of their Info-line call a sample of callers was asked the question; *Do you know more about the workers’ compensation scheme as a result of the information provided to you during your call to Info-line?* The proportion of “yes” answers to total responses forms the basis of this indicator.

During 1999 – 2000 415 Info-line callers were surveyed out of a total of 25,719 calls received. 347 of those surveyed provided useable responses. This represents a response rate of 84% with a sampling error rate of  $\pm 5.23\%$  at a 95% confidence level assuming .5 as the proportion of incidence in the population.

#### **Effectiveness Indicator 1.3 – Policy Advice**

WorkCover’s effectiveness in providing policy advice to Government is measured by surveying the Minister for Labour Relations to assess her perception of how effectively WorkCover has provided Government with accurate, timely policy advice consistent with Government requirements.

The Minister for Labour Relations rated the policy advice provided by WorkCover by responding to the question *“How effectively has WorkCover provided the Minister with accurate, timely policy advice consistent with Government’s requirements”*. The rating was provided on a 4 point scale consisting of ineffectively, effectively, very effectively and extremely effectively.

#### **Effectiveness Indicator 2.1 – Compliance**

The compliance effectiveness indicator is derived from internal records of monitoring carried out by WorkCover. Certain industries are monitored to determine their ongoing insurance status. When a previously insured employer’s policy has lapsed or been cancelled, an inspection is conducted to determine whether the employer is still required to hold a policy. Similarly new businesses are routinely inspected to determine the status of workers’ compensation insurance cover and areas of known evasion of the requirement to insure are targeted for inspection.

The indicator shows the percentage of sampled employers with workers’ compensation insurance at the time checks were made. An inspection may consist of an on-site visit or other contact such as a letter or telephone call.





### **Effectiveness Indicator 2.2 – Accreditation & Licensing**

WorkCover accredits and licenses key service providers and monitors their activities to ensure services are being delivered to the agreed standard. Service providers subject to monitoring are insurers, self insurers, vocational rehabilitation providers and air conduction (hearing) testers.

The Accreditation & Licensing effectiveness indicator is derived from internal records of the results of service provider monitoring for compliance with legislation and standards.

### **Effectiveness Indicators 3.1 & 3.2 - Dispute Resolution**

The Dispute Resolution effectiveness indicators are derived from case records of all disputes held by WorkCover's Conciliation and Review Directorate.

### **Efficiency Indicators**

Efficiency indicators are formulated to measure the cost per output unit. Cost data is taken from the financial statements. Quantity measures are extracted from the agency's Output Based Management reporting system and agency files.

### ***What are the differences from previous performance indicators?***

With the exception of effectiveness indicator 2.2 (Accreditation & Licensing), the effectiveness indicators remain unchanged from those reported last year and continue to be key indicators of effectiveness.

The measurement process for effectiveness indicator 2.2 has been modified this year. The standard against which approved vocational rehabilitation providers' performance was reviewed to determine delivery of an appropriate level of service, is slightly altered from that used last year.

For 1998/99 providers were reviewed in accordance with performance monitoring guidelines which included a number of components ie. program outcome data, compliance with key quality assurance standards, staff training and development, professional conduct, staffing, insurance and financial practices.

During 1999/2000 WorkCover commenced a review of the performance monitoring guidelines and agreed providers would not be subject to the guideline criteria during 1999/2000. In its place WorkCover evaluated compliance with all relevant quality assurance standards, staffing and professional conduct and program outcomes based on data for the first 6 months of the period.

An additional efficiency indicator has been included in this year's report to cater for the introduction of a new output into WorkCover's Output Based Management Structure (output 6 – Registration of Agreements).

### ***Why are the indicators relevant to the outcomes and outputs?***

WorkCover's outcomes for 1999/2000 are:

- **Outcome 1: Information, Education & Advice**

Workers' compensation and rehabilitation scheme participants are aware of their rights and responsibilities and Government receives accurate, timely policy advice regarding workers' compensation and rehabilitation matters.

- **Outcome 2 – Scheme Regulation**

Workers' compensation and rehabilitation scheme participants comply with legislative requirements and standards.

- **Outcome 3**

Workers' compensation and rehabilitation disputes are resolved.



### **Effectiveness Indicators 1.1 and 1.2**

In order to maximise the impact on the workers' compensation scheme, WorkCover has adopted a two pronged approach to its delivery of information and education. Firstly, key groups of scheme participants are identified and targeted for delivery of information and education seminar style sessions. This approach directs specific information to those most in need.

Secondly, answers are provided to individual scheme participants' enquiries on a one-to-one basis through WorkCover's general enquiry service. The vast majority of enquiries are via WorkCover's Info-line telephone enquiry service.

Effectiveness indicators 1.1 and 1.2 are directly relevant to the information & education component of Outcome 1 in that they measure the increase in targeted scheme participants' level of knowledge of the workers' compensation scheme achieved as a result of outputs of the agency.

### **Effectiveness Indicator 1.3**

As the agency responsible for providing workers' compensation related policy advice to Government, WorkCover provides advice to the Minister for Labour Relations. The Minister's satisfaction with policy advice provided by the agency directly measures the extent to which WorkCover has achieved the policy advice component of Outcome 1.

### **Effectiveness Indicator 2.1**

The indicator shows the percentage of sampled employers with workers' compensation insurance at the time checks were made.

This indicator supports Outcome 2 in that it indicates the extent to which employers comply with the provisions of the Workers' Compensation and Rehabilitation Act relating to requirements to hold workers' compensation insurance policies.

### **Effectiveness Indicator 2.2**

The percentage of service providers that met agreed standards is directly relevant to Outcome 2 in that it measures the extent to which service providers complied with the provisions of the Workers' Compensation and Rehabilitation Act and agreed standards.

### **Effectiveness Indicator 3.1 and 3.2**

In 1993 the Government amended the Workers' Compensation and Rehabilitation Act 1981 to streamline the dispute resolution process. The amended process is aimed at resolving disputes in a manner that is fair, just, economical, informal and quick. These objectives are implicit in the Dispute Resolution Outcome.

As parties to a dispute must agree for a dispute to be resolved at conciliation, conciliated resolutions are the most equitable outcome to a dispute. Also, disputes resolved in a timely manner contain costs and promote an early return to work for injured workers.

Effectiveness indicators 3.1 and 3.2 directly measure these aspects of the dispute resolution process and are therefore directly relevant to the Outcome 3 – Dispute Resolution.

### **Efficiency Indicators**

The efficiency indicators are based on the cost and quantity measures for each Output and as such gauge the overall efficiency in achieving desired Outcomes.

### ***Why are they key indicators of performance***

The indicators reported directly measure WorkCover's effectiveness and efficiency in producing outputs and achieving Outcomes.



### *How can the indicators assist the reader to assess performance*

The effectiveness indicators inform the reader of the extent to which:

- Targeted workers' compensation scheme participants perceived the information and education provided by WorkCover increased their knowledge of the workers' compensation and rehabilitation scheme;
- WorkCover provided accurate, timely advice regarding workers' compensation and rehabilitation matters to the Government, as perceived by the Minister for Labour Relations;
- Key workers' compensation scheme participants complied with legislative and other standards and
- Disputes between parties in the workers' compensation and rehabilitation system were resolved in an equitable and timely manner.

Efficiency indicators show the cost of each output based on a measurable unit of quantity.

Performance indicator results are presented as simple percentages, ratios or plain English statements. In most cases results can be compared with previous years' performance.



# Financial Statements

## AUDIT OPINION



Auditor General

To the Parliament of Western Australia

### WORKERS' COMPENSATION AND REHABILITATION COMMISSION FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2000

#### Scope

I have audited the accounts and financial statements of the Workers' Compensation and Rehabilitation Commission for the year ended June 30, 2000 under the provisions of the Financial Administration and Audit Act 1985.

The Commission is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Commission.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Commission to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Commission's financial position, the results of its operations and its cash flows.

The audit opinion expressed below has been formed on the above basis.

#### Audit Opinion

In my opinion,

- (i) the controls exercised by the Workers' Compensation and Rehabilitation Commission provide reasonable assurance that the receipt, expenditure and investment of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Operating Statement, Statement of Financial Position and Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Commission at June 30, 2000 and the results of its operations and its cash flows for the year then ended.

D D R PEARSON  
AUDITOR GENERAL  
August 29, 2000





## CERTIFICATION OF FINANCIAL STATEMENTS

We hereby certify that the accompanying financial statements of the Workers' Compensation and Rehabilitation Commission have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the period July 1, 1999 to June 30, 2000 and the financial position as at June 30, 2000.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

\_\_\_\_\_  
 B T BRADLEY  
 CHAIRMAN  
 WORKERS' COMPENSATION AND REHABILITATION COMMISSION  
 28.08.2000

\_\_\_\_\_  
 H T NEESHAM  
 MEMBER  
 WORKERS' COMPENSATION AND REHABILITATION COMMISSION  
 28.08.2000

\_\_\_\_\_  
 M D'OVIDIO  
 ACTING PRINCIPAL ACCOUNTING OFFICER  
 WORKERS' COMPENSATION AND REHABILITATION COMMISSION  
 28.08.2000





## WORKERS' COMPENSATION &amp; REHABILITATION COMMISSION

**Operating Statement**

for the year ended 30 June 2000

	Note	2000 \$	1999 \$
<b>REVENUE</b>			
<b>Operating revenue</b>			
Insurer contributions		9,692,191	9,264,568
Goods and services	2	312,316	343,126
Commonwealth grants and contributions	3	31,000	21,500
Interest revenue		681,350	615,900
Fines and penalties		24,284	72,829
Other operating revenue	4	988,302	176,298
<b>Total operating revenue</b>		<b>11,729,443</b>	<b>10,494,221</b>
<b>EXPENSES</b>			
<b>Operating expenses</b>			
Employee costs	5	6,327,374	5,718,748
Supplies and services	6	1,269,146	1,171,016
Depreciation and amortisation	7	843,222	792,202
Charge to provision for doubtful debts		18,917	36,993
Administration expenses	8	1,082,798	1,111,357
Accommodation expenses	9	564,880	569,092
Charge to provisions	10	816,160	869,611
Uninsured claims		160,480	441,008
Net loss on sale of non-current assets	11	33,446	91,058
Other operating expenses	12	577,803	644,870
<b>Total operating expenses</b>		<b>11,694,226</b>	<b>11,445,955</b>
<b>Operating profit/(loss) before grants and subsidies from government</b>		35,217	(951,734)
Resources received free of charge		75,023	49,831
<b>Operating profit/(loss)</b>		<b>110,240</b>	<b>(901,903)</b>
<b>Opening balance unappropriated profits</b>		4,746,144	5,544,957
Transfer from reserves	22	115,649	276,090
Transfer to reserves	22	(104,000)	(173,000)
<b>Closing balance unappropriated profits</b>		<b>4,868,033</b>	<b>4,746,144</b>

The Operating Statement should be read in conjunction with the accompanying notes.







## WORKERS' COMPENSATION &amp; REHABILITATION COMMISSION

**Statement of Financial Position**

as at 30 June 2000

	Note	2000 \$	1999 \$
<b>Current Assets</b>			
Cash	13	1,300	5,443
Restricted cash resources	14	8,881,777	8,144,994
Accounts receivable	15	91,682	88,460
Investments	16	4,984,420	4,593,782
Other assets	17	70,340	60,273
<b>Total Current Assets</b>		<u>14,029,519</u>	<u>12,892,952</u>
<b>Non-Current Assets</b>			
Property, plant, equipment & vehicles	18	9,167,626	9,813,516
Relocation capitalisation	19	85,024	138,360
<b>Total Non-Current Assets</b>		<u>9,252,650</u>	<u>9,951,876</u>
<b>Total Assets</b>		<u>23,282,169</u>	<u>22,844,828</u>
<b>Current Liabilities</b>			
Accounts payable/Accrued expenses	20	688,955	517,344
Provisions	21	1,959,617	1,955,654
<b>Total Current Liabilities</b>		<u>2,648,572</u>	<u>2,472,998</u>
<b>Non-current liabilities</b>			
Provisions	21	2,785,323	2,633,796
<b>Total non-current liabilities</b>		<u>2,785,323</u>	<u>2,633,796</u>
<b>Total Liabilities</b>		<u>5,433,895</u>	<u>5,106,794</u>
<b>Net Assets</b>		<u>17,848,274</u>	<u>17,738,034</u>
<b>Equity</b>			
Capital	22	12,852,126	12,852,126
Reserves		128,115	139,764
Unappropriated profits		4,868,033	4,746,144
<b>Total Equity</b>		<u>17,848,274</u>	<u>17,738,034</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes.





## WORKERS ' COMPENSATION &amp; REHABILITATION COMMISSION

**Statement of Cash Flows**

for the year ended 30 June 2000

	<b>Note</b>	<b>2000</b>	<b>1999</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Insurer contributions		9,692,191	9,264,568
Goods and services		290,177	221,198
Interest Received		670,506	608,480
Other receipts		1,027,302	380,111
<b>Payments</b>			
Employee entitlements		(6,889,626)	(5,926,016)
Supplies and services		(3,044,618)	(3,713,768)
Other payments		(423,895)	(428,522)
<b>Net cash provided by/(used in) operating activities</b>	<b>23</b>	<u>1,322,037</u>	<u>406,051</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets	<b>11</b>	77,203	157,780
Purchase of non-current physical assets		(280,120)	(617,740)
<b>Net cash provided by/(used in) investing activities</b>		<u>(202,917)</u>	<u>(459,960)</u>
<b>Net increase in cash held</b>		1,119,120	(53,909)
Cash at the beginning of the financial year		<u>12,744,219</u>	<u>12,798,128</u>
<b>Cash at the end of the financial year</b>	<b>23</b>	<u>13,863,339</u>	<u>12,744,219</u>

The Statement of Cash Flow should be read in conjunction with the accompanying notes.





WORKERS' COMPENSATION & REHABILITATION COMMISSION  
**NOTES TO THE FINANCIAL STATEMENTS**  
 30 JUNE 2000

## 1 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the preceding year.

### General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary the application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect is disclosed in individual notes to these financial statements.

The statements have been prepared on the accrual basis of accounting using the historical cost convention. Additions to non-current physical assets are stated at cost.

The statements are a consolidation of the transactions of the Workers' Compensation and Rehabilitation General Fund established under section 106 of the Workers' Compensation and Rehabilitation Act 1981, and the Employers' Indemnity Supplementation Fund established under section 5 of the Employers' Indemnity Supplementation Fund Act 1980.

#### (a) Depreciation of non current assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their future economic benefits

Depreciation is provided for on the straight line basis, using rates which are reviewed annually. Useful lives for each class of depreciable asset are:

Buildings	20 to 25 years
Office furniture & equipment	10 to 15 years
Information technology	5 years
Motor vehicles	2 years





**WORKERS' COMPENSATION & REHABILITATION COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 30 JUNE 2000

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(b) Workers' Compensation Board-relocation costs/Conciliation and Review  
 Directorate-office re fit

Costs for 15 Rheola Street West Perth are being amortised over 10 years using the straight-line method.

(c) Provisions

Annual

This entitlement is recognised at current remuneration rates and is measured at the amount unpaid at the reporting date in respect to employees' service to that date.

Long Service Leave

This method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AAS 30 "Accounting for Employee Entitlements".

An actuarial assessment of long service leave was carried out at 30 June 2000.

Superannuation

Staff may contribute to the Superannuation and Family Benefits Act scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992.

The liability for superannuation charges incurred under the Superannuation and Family Benefits Act pension scheme, together with the pre transfer service liability for employees who transferred to the Gold State Superannuation Scheme, are provided for at the reporting date.

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by regular payment of employer contributions to the Government Employee's Superannuation Board.



## WORKERS' COMPENSATION & REHABILITATION COMMISSION

### Notes to the Financial Statements

30 June 2000

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The note disclosure required by paragraph 51(e) of AAS 30 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The Government Employees Superannuation Board's records are not structured to provide the information for the Commission. Accordingly, deriving the information for the Commission is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

#### (d) Accounts Receivable

Accounts receivable are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of accounts receivable is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists.

#### (e) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The agency considers the carrying amount approximates net fair value.

#### (f) Accounts Payable

Accounts Payable, including accruals not yet billed, are recognised when the agency becomes obliged to make future payments as a result of a purchase of assets or services. Accounts Payable are generally settled within 30 days.

#### (g) Investments

Investments are brought to account at the lower of cost and recoverable amount.

Interest revenues are recognised as they are accrued.



**WORKERS' COMPENSATION & REHABILITATION COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**

30 June 2000

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(h) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(i) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the agency has passed control of the goods or other assets or delivery of the service to the customer.

(j) Commonwealth Grants and Contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the agency obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

(k) Provision for Uninsured Claims Pursuant to Section 174

Provision is made to meet payments required under section 174 of the Workers' Compensation and Rehabilitation Act 1981 where the Conciliation and Review Directorate have made an order and the worker has not received the compensation due from the General Fund by 30 June 1999.

(l) Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.





WORKERS' COMPENSATION & REHABILITATION COMMISSION  
**Notes to the Financial Statements**  
 30 June 2000

	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
<b>2 Goods and Services</b>		
Revenue from tenant	225,690	278,772
Transcripts	33,046	7,058
Other	53,580	57,296
	<u>312,316</u>	<u>343,126</u>

**3 Commonwealth grants and contributions**

The Commonwealth Government has a Service Delivery Arrangement with the Commission for the provision of services to Christmas Island and Cocos-Keeling Island.

Opening balance	93,847	84,060
Funding received from the Commonwealth	31,000	21,500
	<u>124,847</u>	<u>105,560</u>
Payments by Program		
Statistical Database	1,182	325
Policy & Legislation	140	955
Noise Induced Hearing loss	241	7,405
Dispute Resolution	133	347
Community Awareness	1,176	2,235
Compliance	9,141	105
Support	1,736	341
Total Payments	<u>13,749</u>	<u>11,713</u>
Balance carried forward	<u>111,098</u>	<u>93,847</u>

**4 Other operating revenue**

General Fund		
Recoveries from uninsured employers	348,477	126,720
Sale of software	40,000	-
Other	28,655	33,995
Supplementation Fund		
Recovery	571,170	12,266
Other	-	3,317
	<u>988,302</u>	<u>176,298</u>

**5 Employee costs**

Wages and salaries	5,448,215	4,896,908
Superannuation	495,291	470,281
Other related expenses	383,868	351,559
	<u>6,327,374</u>	<u>5,718,748</u>





## WORKERS' COMPENSATION &amp; REHABILITATION COMMISSION

**Notes to the Financial Statements**

30 June 2000

	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
<b>6 Supplies and services</b>		
General Fund		
Actuarial Fees	168,943	157,299
Advertising	53,383	119,899
Court Recording	90,243	62,242
Legal	110,993	86,376
Library	43,826	45,685
Medical Panels	339,198	290,978
Motor Vehicle	52,989	50,422
Office Equipment	36,905	17,405
Printing	144,899	104,106
Professional Fees	117,270	149,521
Other expenses	110,497	87,083
	<u>1,269,146</u>	<u>1,171,016</u>
<b>7 Depreciation and amortisation</b>		
Depreciation		
Fixtures and Fittings	290	348
Buildings	453,167	452,944
Information Technology	241,816	243,517
Furniture & Equipment	39,134	41,999
Motor Vehicles	55,421	-
Amortisation		
Relocation costs	53,394	53,394
	<u>843,222</u>	<u>792,202</u>
<b>8 Administration expenses</b>		
General Fund		
Insurance	97,586	69,124
Information Technology	699,192	763,510
Photocopy & Fax Running Costs	30,245	31,087
Postage	93,743	94,502
Telephone	149,985	147,311
Other expenses	12,047	5,823
	<u>1,082,798</u>	<u>1,111,357</u>
<b>9 Accommodation expenses</b>		
General Fund		
Accommodation expenses - West Perth	269,425	253,592
Accommodation expenses - Shenton Park	295,455	315,500
	<u>564,880</u>	<u>569,092</u>







WORKERS' COMPENSATION & REHABILITATION COMMISSION  
**Notes to the Financial Statements**  
 30 June 2000

	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
<b>10 Charge to provisions</b>		
Annual Leave	323,598	447,470
Long Service leave	44,381	267,067
Superannuation	448,181	155,074
	<u>816,160</u>	<u>869,611</u>
<b>11 Net profit/(loss) on sale of non-current assets</b>		
Profit		
Furniture & Equipment	-	497
Information Technology	-	61
Loss		
Furniture & Equipment	11,237	-
Motor Vehicles	15,160	58,480
Information Technology	7,049	33,136
Net Loss	<u>33,446</u>	<u>91,058</u>
Gross proceeds from disposal of assets	<u>77,203</u>	<u>157,780</u>
<b>12 Other operating expenses</b>		
General Fund		
Research Grants	68,765	15,000
Staff Training	37,242	42,653
Sitting Fees	30,428	7,227
Other expenses	87,878	47,721
	<u>224,313</u>	<u>112,601</u>
Supplementation Fund		
Claim Payments from Supplementation Fund	311,128	477,959
ICWA Expenses in Recovery	32,668	50,599
Other	9,694	3,711
	<u>353,490</u>	<u>532,269</u>
	<u>577,803</u>	<u>644,870</u>
<b>13 Cash</b>		
Bank account	-	4,143
Cash on hand	1,300	1,300
	<u>1,300</u>	<u>5,443</u>





## WORKERS' COMPENSATION &amp; REHABILITATION COMMISSION

**Notes to the Financial Statements**

30 June 2000

	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
<b>14 Restricted Cash Resources</b>		
<u>Employers' Indemnity Supplementation Fund</u>		
The Employers' Indemnity Supplementation Fund was established by the Employers' Indemnity Supplementation Fund Act to provide for payment of workers' compensation claims:		
-in the event an approved insurer collapses.		
-to waterfront workers suffering from asbestos related diseases under the Waterfront Workers' (Compensation for Asbestos Related Diseases) Act.		
Supplementation Fund cash balance at Treasury	8,770,679	8,051,147
<u>Commonwealth Funding - Christmas &amp; Cocos Keeling Island</u>		
The Commonwealth Government provide funding in accordance with the Service Level Agreement. Under the agreement the Commission provides a range of workers' compensation related services.		
Unspent funds for Christmas & Cocos-Keeling Island	111,098	93,847
	<u>8,881,777</u>	<u>8,144,994</u>
<b>15 Receivables</b>		
Current		
Input tax credit for GST	3,681	-
Fines and penalties	68,245	95,664
Debtors	46,756	22,334
Provision for doubtful debts	(27,000)	(29,538)
	<u>91,682</u>	<u>88,460</u>
<b>16 Investments</b>		
Current		
At cost:		
-Short Term Money Market	852,392	681,512
-Funds held at Treasury	251,865	3,912,270
-Bank Bills	3,880,163	-
	<u>4,984,420</u>	<u>4,593,782</u>
<b>17 Other assets</b>		
Current-Accrued income		
Administration fee - Trust Fund	5,108	5,885
Interest - General Fund	21,846	20,674
Interest - Supplementation Fund	43,386	33,714
	<u>70,340</u>	<u>60,273</u>





WORKERS' COMPENSATION & REHABILITATION COMMISSION  
**Notes to the Financial Statements**  
 30 June 2000

	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
<b>18 Property, plant, equipment &amp; vehicles</b>		
Plant, equipment & vehicles		
At cost	1,882,099	2,139,985
Accumulated depreciation	<u>(1,007,630)</u>	<u>(1,118,164)</u>
	<u>874,469</u>	<u>1,021,821</u>
Office furniture & equipment		
At cost	407,106	482,318
Accumulated depreciation	<u>(248,534)</u>	<u>(272,972)</u>
	<u>158,572</u>	<u>209,346</u>
Freehold land		
At cost(I)	<u>1,588,828</u>	<u>1,588,828</u>
	<u>1,588,828</u>	<u>1,588,828</u>
Buildings		
At cost(I)	11,365,283	11,359,955
Accumulated depreciation	<u>(4,819,526)</u>	<u>(4,366,434)</u>
	<u>6,545,757</u>	<u>6,993,521</u>
	<u>9,167,626</u>	<u>9,813,516</u>

(I) The valuations reported above are different from the Government Property Register managed by the Government Property Office. The Government Property Register shows land and buildings valued at \$10.3 million in the name of the Commission. The difference is due to the Commission values being based on the historical cost convention whereas the Government Property Register values are based on the Valuer General's assessment of current market values.

**19 Relocation Capitalisation**

Relocation Capitalisation		
At cost	533,941	533,941
Accumulated amortisation	<u>(448,917)</u>	<u>(395,581)</u>
	<u>85,024</u>	<u>138,360</u>





WORKERS ' COMPENSATION & REHABILITATION COMMISSION

**Notes to the Financial Statements**

30 June 2000

	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
<b>20 Accounts payable/Accrued expenses</b>		
Current		
General fund		
Trade payables	265,605	212,477
Salaries	161,094	82,159
Superannuation	90,719	98,476
Other creditors	36,149	49,465
Supplementation fund		
Claim Payments from Supplementation Fund	<u>135,388</u>	<u>74,767</u>
	<u>688,955</u>	<u>517,344</u>

**21 Provisions**

Current		
Annual leave	397,633	435,394
Long service leave	510,000	522,512
Superannuation(I)	1,051,984	970,264
Uninsured Claims	<u>-</u>	<u>27,484</u>
	<u>1,959,617</u>	<u>1,955,654</u>
Non-current		
Long service leave	491,908	587,142
Superannuation(I)	<u>2,293,415</u>	<u>2,046,654</u>
	<u>2,785,323</u>	<u>2,633,796</u>

**Employee Entitlements**

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

Provision for employee entitlements:

Current	1,959,617	1,928,170
Non-current	<u>2,785,323</u>	<u>2,633,796</u>
	<u>4,744,940</u>	<u>4,561,966</u>

- (1) The superannuation liability has been established from an actuarial assessment of the present value of the employer's unfunded liability for superannuation associated with the Commission, and the present value of the amounts of that liability that will be met by the Treasurer without recovery from the Commission. The assessment is dated 10 July 1998 and is based on salary/wage inflation of 5.0%, pension inflation of 3.0% and a discount rate of 7.0%.

For 30 June 2000 the superannuation liability was calculated based on a methodology provided by the Actuary. The superannuation liability will be reassessed on 30 June 2001.





WORKERS' COMPENSATION & REHABILITATION COMMISSION  
**Notes to the Financial Statements**  
 30 June 2000

	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
<b>22 Equity</b>		
Capital		
This represents equity in buildings.		
Rheola Street, West Perth	4,117,766	4,117,766
Bedbrook Place, Shenton Park	<u>8,734,360</u>	<u>8,734,360</u>
	<u>12,852,126</u>	<u>12,852,126</u>
Reserves		
Asset Replacement Reserve:		
Opening Balance	139,764	242,854
Transfers to reserve	104,000	173,000
Transfers from reserve	<u>(115,649)</u>	<u>(276,090)</u>
	<u>128,115</u>	<u>139,764</u>

**23 Notes to the Statement of Cash Flows**

(a) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash at bank, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash	1,300	5,443
Restricted cash resources	8,881,777	8,144,994
Investments	4,984,420	4,593,782
Bank overdraft	<u>(4,158)</u>	<u>-</u>
	<u>13,863,339</u>	<u>12,744,219</u>

(b) Non-cash financing and investing activities

During the financial year, there were no assets/liabilities transferred/assumed from other other government agencies not reflected in the Statement of Cash Flows.





WORKERS' COMPENSATION & REHABILITATION COMMISSION  
**Notes to the Financial Statements**  
 30 June 2000

	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
(c) Reconciliation of operating result to net cash flows provided by/(used in) operating activities		
Operating profit/(loss)	110,240	(901,903)
Non-cash items:		
Depreciation & Amortisation	843,222	792,202
Other Provisions	155,490	302,040
Loss on Sale of Assets	33,446	91,058
Asset write off & recoup asset cost from insurer	25,475	-
(Increase)/decrease in assets		
Current receivables	(3,222)	(25,591)
Other assets	(10,068)	(7,111)
Accounts payable/Accrued expenses	167,454	155,356
Net cash provided by/(used in) operating activities	<u>1,322,037</u>	<u>406,051</u>

**24 Remuneration and Retirement Benefits of Members of the Accountable Authority and Senior Officers**

Remuneration of Members of the Accountable Authority

The number of members of the Accountable Authority, whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, fall within the following bands are:

\$0 - \$10,000	6	6
\$130,000 - \$140,000	0	1
\$140,000 - \$150,000	1	0

The total remuneration of the members of the Accountable Authority is:

<u>152,883</u>	<u>139,292</u>
----------------	----------------

Retirement Benefits of Members of the Accountable Authority

The following amounts in respect of retirement benefits were paid or became payable for the financial year:

1) Total contributions to Gold State Superannuation Scheme and West State Superannuation Scheme	<u>14,820</u>	<u>12,325</u>
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No members of the Accountable Authority are members of the Superannuation and Family Benefits Act Scheme.





WORKERS ' COMPENSATION & REHABILITATION COMMISSION  
**Notes to the Financial Statements**  
 30 June 2000

	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
<b>Remuneration of Senior Officers</b>		
The number of Senior Officers other than the members of the Accountable Authority, whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, fall within the following bands are:		
\$70,000 - \$80,000	1	1
\$90,000 - \$100,000	1	2
\$100,000 - \$110,000	1	0
The total remuneration of senior officers is:	<u>275,374</u>	<u>262,702</u>

**Retirement Benefits of Senior Officers**

The following amounts in respect of retirement benefits were paid or became payable for the financial year:

1) Total contributions to Gold State Superannuation Scheme and West State Superannuation Scheme	<u>28,536</u>	<u>28,211</u>
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No Senior Officers are members of the Superannuation and Family Benefits Act Scheme.

**25 Remuneration of Auditor**

The total of fees paid to the Auditor General during the financial year is as follows:

Auditing the accounts and performance indicators	<u>20,000</u>	<u>18,000</u>
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**26 Supplementary Information**

Write-Offs

Debts written off by the agency during the financial year	<u>21,455</u>	<u>38,459</u>
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Losses Through Theft, Defaults And Other Causes

Losses of public moneys and public and other property through theft	19,538	-
Amount recovered through insurance	<u>19,538</u>	<u>-</u>
	-	-





## WORKERS' COMPENSATION &amp; REHABILITATION COMMISSION

**Notes to the Financial Statements**

30 June 2000

	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>
<b>27 Workers' Compensation &amp; Rehabilitation Trust Fund</b>		
The purpose of the Trust Fund is to hold funds paid into the custody of the Commission pursuant to section 110 of the Workers' Compensation and Rehabilitation Act 1981.		
<b>Income And Expenditure Statement</b>		
for the year ended June 30, 2000		
Income		
Amounts paid to the custody of the Commission	809,491	1,718,974
Interest on Investments	120,393	120,018
	<u>929,884</u>	<u>1,838,992</u>
Expenditure		
Payments by the Commission	1,113,267	2,022,220
Administration Fee	22,325	24,281
	<u>1,135,592</u>	<u>2,046,501</u>
Surplus/(Deficit)	(205,708)	(207,509)
Balance July 1,	2,319,890	2,527,399
Balance June 30	<u>2,114,182</u>	<u>2,319,890</u>
Balance of funds held represents:		
Bank	119,605	9,929
Investments	1,989,293	2,308,019
	2,108,898	2,317,948
Add Accrued Interest	10,392	7,827
Deduct Accrued Expenses	5,108	5,885
	<u>2,114,182</u>	<u>2,319,890</u>





WORKERS' COMPENSATION & REHABILITATION COMMISSION  
**Notes to the Financial Statements**  
 30 June 2000

**28 Explanatory Statement**

**(i) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year for the General and Supplementation Fund.**

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% and \$50,000.

	<b>2000</b>	<b>1999</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest revenue	681,350	615,900	65,450
Other operating revenue	988,302	176,298	812,004
Employee costs	6,327,374	5,718,748	608,626
Uninsured claims	160,480	441,008	(280,528)
Net loss on sale of non-current assets	33,446	91,058	(57,612)
Other operating expenses	577,803	644,870	(67,067)

**Interest revenue**

The variance is due to additional interest earned on various accounts during the financial year.

**Other operating revenue**

The variance is due to increased recovery from uninsured employers and dividends received from the liquidator.

**Employee costs**

The variance is due to additional resources required to manage transitional changes in legislation.

**Uninsured claims**

The variance is due to a reduction in payments to workers of uninsured employers during the financial year.

**Net loss on sale of non-current assets**

The variance is due to a reduction in loss on sale of motor vehicles. In previous years' motor vehicles were not depreciated causing a greater loss on sale.

**Other operating expenses**

The variance is due to a reduction in workers' compensation claim payments during the year.





## WORKERS' COMPENSATION &amp; REHABILITATION COMMISSION

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**(ii) Significant variations between estimates and actual results for the financial year for the General Fund.**

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% and \$50,000.

	<b>Estimate</b>	<b>Actual</b>	<b>Variance</b>
Goods and services	365,900	312,316	(53,584)
Other operating revenue	164,400	417,132	252,732
Uninsured claims	767,000	160,480	(606,520)

**Goods and services**

The variance is due to the tenant receiving a rent free period during the year.

**Other operating revenue**

The variance is due to a greater than expected recovery from uninsured employers.

**Uninsured claims**

The variance is due to a decrease in payments to workers of uninsured employers during the financial year.



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**29 Financial Instruments**

(a) Interest Rate Risk Exposure

The following table details the agency's exposure to interest rate risk as at the reporting date:

	Weighted Average Effective Interest Rate %	Floating Interest Rate	Non Interest Bearing	Total
<b>2000</b>				
<b>Financial Assets</b>				
Cash		-	1,300	1,300
Restricted cash resources	5.27	8,881,777	-	8,881,777
Accounts receivable		-	91,682	91,682
Investments	5.31	4,984,420	-	4,984,420
Other assets		-	70,340	70,340
		<b>13,866,197</b>	<b>163,322</b>	<b>14,029,519</b>
<b>Financial Liabilities</b>				
Accounts payable/Accrued expenses		-	688,955	688,955
Provisions		-	4,744,940	4,744,940
		-	<b>5,433,895</b>	<b>5,433,895</b>
<b>1999</b>				
Financial Assets	4.755	12,738,776	154,176	12,892,952
Financial Liabilities		-	5,106,794	5,106,794

(b) Credit Risk Exposure

Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the agency's maximum exposure to credit risk:

<b>Financial Assets</b>	<b>Maximum Credit Risk</b>	
	<b>2000</b>	<b>1999</b>
<b>Recognised Financial Assets</b>		
Cash	1,300	5,443
Restricted cash resources	8,881,777	8,144,994
Accounts receivable	91,682	88,460
Investments	4,984,420	4,593,782
Other assets	70,340	60,273
	<b>14,029,519</b>	<b>12,892,952</b>

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.





## WORKERS' COMPENSATION &amp; REHABILITATION COMMISSION

## Notes to the Financial Statements

30 June 2000

**30 Output Information**

The Commission operates within one industry segment as per AAS 16 however, for information purposes the following summary information is provided for each of the Commission's outcomes.

	<b>Information Education and Advice</b>		<b>Scheme Regulation</b>		<b>Dispute Resolution</b>		<b>Not Attributed</b>		<b>Total</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	1,667,287	1,735,015	1,870,100	1,867,690	5,848,680	4,790,525	2,343,376	2,100,991	11,729,443	10,494,221
Expenses	1,954,037	2,125,235	2,119,004	2,209,674	6,816,147	5,909,038	805,038	1,202,008	11,694,226	11,445,955
Grants and subsidies from Government	-	-	-	-	-	-	75,023	49,831	75,023	49,831
Operating result	(286,750)	(390,220)	(248,904)	(341,984)	(967,467)	(1,118,513)	1,613,361	948,814	110,240	(901,903)



# List of Publications

## General

- ◆ A Complete Guide To Workers' Compensation
- ◆ A Guide to Resolving Disputes
- ◆ Employers' Liabilities for Contractors and Sub-contractors
- ◆ List of Approved Insurance Companies

## Noise Induced Hearing Loss

- ◆ A Guide to Noise Induced Hearing Loss Legislation
- ◆ Noise Induced Hearing Loss Directory of Service Providers

## Injury management

- ◆ Injury Management and the Injured Worker
- ◆ Injury Management and the Employer
- ◆ Injury Management and the Medical Practitioner
- ◆ List of Approved Vocational Rehabilitation Providers
- ◆ Guidelines for Injury Management at the Workplace (cost \$15.00)
- ◆ Small Business Guide to Injury Management and Workers' Compensation

## Statistical Reports

- ◆ Work-Related Stress 1995/96-1998/99
- ◆ Workers' Compensation Statistical Report 1995/96-1998/99

## Medical

(only available to medical practitioners)

- ◆ A Medical Practitioner's Guide to the W A Workers' Compensation and Rehabilitation System

