

Corporate activities

Corporate activities support the delivery of the agency business objectives through the continued development of its people, resources and systems.

People and development activities

WorkCover WA undertook a range of people and development activities in 2008/09.

The development of a People Plan commenced in late 2008/09 focusing on building the capability of the organisation over the next two years. This plan will provide a transition from the Cultural Development Framework which commenced in 2007 and builds on the foundations created as a result of the subsequent cultural change. Aligning with the new WorkCover WA Strategic Plan, the goal of the WorkCover WA People Plan is to enhance operational flexibility and responsiveness to achieve organisational excellence.

A range of strategies were implemented, including a review of agency recruitment and selection guidelines, to enable a more effective and efficient approach to the recruitment and appointment of staff, based on the *Public Sector Commission's Rethinking Recruitment* report.

Following its commencement in June 2008, the Leadership and Management Development Program focused on the core capabilities and skills identified in the Department of the Premier and Cabinet's *Leadership Development Strategy*. The program enables participants to undertake practical learning activities that directly correlate with their duties and responsibilities as managers.

Key staff were selected to participate in the 2009 Frontline Management Program, with the aim of achieving a Certificate IV in Frontline Management. The program is designed to improve the confidence, skills, knowledge and practical experience of current or aspiring supervisors and managers.

The existing performance management system was reviewed and streamlined with the goal of increasing participation and improving individual and agency performance. Feedback to date indicates that the revised process better focuses the individual's contribution to agency goals and provides a valuable mechanism to monitor progress and accountability against strategic initiatives.

The organisation further developed its wellness program in 2008/09. The program incorporates a range of strategies aimed at supporting employees to gain control over their health and wellbeing, ultimately improving their work performance and general health.

The staff recognition program continued to recognise the valuable efforts made by and achievements of, WorkCover WA staff. In 2008/09, nine staff were recognised for their excellence.

A traineeship program was developed and two trainees were appointed. The traineeships will provide a pathway to permanent appointment in the agency. The framework also includes workplace mentors.

WorkCover WA is committed to improved and effective consultation in the workplace. Its consultative employee committees include:

Joint Consultative Committee (JCC)

The JCC consists of management and union representatives and provides a forum for both parties to work collaboratively to seek solutions to the workplace environment and issues affecting employee conditions of employment. The JCC meetings are scheduled monthly.

Occupational Safety and Health (OSH) Committee

The OSH Committee provides a forum for staff and management to examine issues affecting the health and wellbeing of staff and a mechanism to develop and implement strategies that prevent workplace accidents and injuries occurring. The OSH Committee meets on a quarterly basis or when situations demand the need to take preventive or corrective action.

Administrative activities

In 2008/09, WorkCover WA reviewed the management of corporate policies in the agency. Subsequent changes in the corporate policy management system improved the ongoing review and maintenance of corporate policies.

Information technology activities

A new five-year strategic information technology (IT) plan was developed in 2008/09. This plan will enable IT to support the business needs of the agency. Obsolete IT infrastructure will be replaced with contemporary solutions which will underpin the achievement of the agency's strategic plan goals.

Finance activities

Sound financial management and accounting services support the achievement of the agency's goals and objectives.

Information management ensures appropriate standards are maintained for the agency's departmental records and library materials, and for administering the 'freedom of information' function. Resource management supports the capital works program for WorkCover WA. The program provides for the replacement, maintenance and expansion of assets that support the delivery of the agency's services. Assets include property, hardware, software and office equipment.

Key initiatives and activities

- Updated and developed a range of resource management policies, including financial management manual, fleet management, purchasing delegation framework and recordkeeping plan.
- Developed a performance reporting process to report on core activities recognised through the 2008/09 Business Plan.
- Commenced an air conditioning replacement project.

Funds management

Workers' Compensation and Injury Management Trust Account

The Workers' Compensation and Injury Management Trust Account is maintained in accordance with section 110 of the Act. The agency seeks to optimise returns and security of funds invested for the benefit of the dependants of deceased workers.

Section 218 of the Act empowers the DRD to order compensation to be paid in trust to WorkCover WA 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. Investment strategies employed provided an average yield for the year of 5.71 per cent for all trust accounts.

Uninsured claims management (General Account)

The agency manages specific funds to protect workers from failures in the scheme. The agency provides protection for injured workers by providing a source of compensation for workers of uninsured employers, pursuant to section 174 of the Act. The agency also recovers funds paid to workers from the General Account from uninsured employers.

As part of its operations, the compliance activity establishes an employer's insurance status to ensure that monies released from the General Account are in accordance with the provisions of the Act. This year, the compliance activity investigated 16 claims made on the General Account pursuant to section 174, compared to 21 last year. There were seven new claims this year and 18 continuing claims from previous financial years. The cost of new claims was \$114,426 and ongoing claims amounted to \$312,698. At 30 June 2009, the total outstanding debt from uninsured employers was approximately \$1.503 million. Recovery action against these employers is ongoing and during the year WorkCover WA successfully finalised recovery against one employer.

During the year, the WorkCover WA Board approved the write-off of approximately \$684,000 of uninsured outstanding claims and approximately a further \$796,000 of claims were approved for write-off by the Minister.

Following a review of the outstanding claims liabilities for all uninsured claims, liabilities of \$4.984 million were identified for current and future claims. This liability has been recognised in the 2009 financial statements and prior year comparatives have been restated to account for the omission. A full explanation can be found in note 3 of the financial statements. The immediate cash position of WorkCover WA will not be materially impacted by the correction of the omission.

Employers' Indemnity Supplementation Fund

The Employers' Indemnity Supplementation Fund was established under the provisions of the *Employers' Indemnity Supplementation Fund Act 1980* and exists to guard against the collapse of an insurer. Due to the collapse of HIH Insurance in March 2001, a five per cent surcharge on employers' indemnity policies was introduced on 25 June 2001. The surcharge rate was removed effective 25 June 2008.

In relation to the liquidation of HIH Insurance, outstanding claims in Western Australia are estimated at \$17.778 million as at 30 June 2009 (which includes an allowance for asbestos related diseases). This represents projected outstanding liabilities in inflated and discounted values, claim administration expenses and a prudential margin. During 2008/09, \$1.475 million was received from the liquidators of HIH Insurance. Claim payments during the year were \$715,000. Since the liquidation process commenced in June 2001, claim payments have totalled \$69.727 million.

During the year, a full review was undertaken to assess the outstanding claims liabilities for all failed insurers in the Supplementation Fund. As a result of the review, further liabilities of \$11.641 million were identified for non-HIH failed insurers. This liability has been recognised in the 2009 financial statements and prior year comparatives have been restated to account for the omission. A full explanation can be found in note 3 of the financial statements.

The Employers' Indemnity Supplementation Fund also pays claims under the *Waterfront Workers' (Compensation for Asbestos Related Disease) Act 1986* and the *Workers' Compensation and Injury Management (Acts of Terrorism) Act 2001*. Payments for claims under the *Waterfront Workers' (Compensation for Asbestos Related Disease) Act 1986* for 2008/09 were nil. Since its inception (February 1987), a total of \$2.801 million has been paid. Payments for claims under the *Workers' Compensation and Injury Management (Acts of Terrorism) Act 2001* for 2008/09 were nil. The *Workers' Compensation and Injury Management (Acts of Terrorism) Act 2001* came into effect in 2001, but the first claim payment was not received until December 2005.

Claim payments and receipts for insurers in liquidation

Insurer (in liquidation)	Payments	Receipts
National Employers' Mutual General Insurance Co.	\$336,032	nil
HIH Insurance	\$715,004	\$1,474,778

Debts and investments

At 30 June 2009, there were 16 outstanding debtors resulting from fines and penalties awarded under section 170 of the Act. During the year, debts of \$48,593 remained outstanding. During 2008/09, the weighted average rate of return on General Account investments was 5.57 per cent (after consideration of Commonwealth Government Deposits Guarantee Levies paid).

Following the introduction of the Government Deposits Guarantee Scheme on 28 November 2008 for deposits held with authorised deposit-taking institutions (ADIs), WorkCover WA secured all deposits in excess of the \$1 million threshold by paying the recommended guarantee fee. The fee is optional and applies to deposit balances over the \$1 million threshold with any ADI. The WorkCover WA Board has approved the guarantee of all cash deposits in ADIs that have exposure above the nominated threshold.