



Overview

Executive Summary

Chair and CEO report

WorkCover WA's overarching vision is "A workers' compensation scheme that is valued by all". It is a vision that is strongly instilled within our organisation and it underpins everything we do.

We have a strong belief in the capacity of our staff and our organisational values – collaboration, customer service, innovation, integrity and respect – to help secure this vision.

Through the dedication and skills of our people, we delivered an ambitious, integrated program of work over the past financial year that saw our organisation strengthen its strategic and operational capacity and we continued working with our stakeholders to ensure the highest possible standards for our workers' compensation scheme.

In particular, the *Workers' Compensation and Injury Management Amendment Bill 2011* introduced in Parliament this financial year, as a result of our 2009 legislative review, marks a transformative change for our scheme. Injured workers in Western Australia will now benefit from a range of scheme enhancements, including:

- the removal of age limits on workers' compensation entitlements
- the creation of a common law safety net to ensure seriously injured workers have a common law remedy in the event their employer is uninsured
- improvements to dispute resolution services.

In an environment as fluid and contested as workers' compensation, we believe the broad support for this Bill is testament to the leadership WorkCover WA has shown, as well as the strength and quality of our relationships with our stakeholders.

Another milestone this year was the completion of an Injured Workers' Survey. The independent survey was commissioned by WorkCover WA in order to assess return to work outcomes and gauge user satisfaction with the services provided under our scheme. Of the 774 workers invited to participate, 704 chose to take part, representing a 91 per cent response rate. It is a pleasure to record the survey results were very positive, with most injured workers identified as being satisfied with their overall experience of the WA workers' compensation scheme.

WA's privately underwritten scheme is unique compared to many other Australian jurisdictions. However, the results of this survey show our model is not only viable, but it is a high performing one, with positive return to work outcomes and an unequivocally strong endorsement from those whom the scheme is designed to protect.

The 2010/11 financial year saw two changes to the WorkCover WA Board with Ms Lisa Biglin and Mr Steve Burns leaving us after six and three years' service respectively. We would like to thank Ms Biglin and Mr Burns for their exemplary service and know they will continue to be strong supporters of our scheme. In their place, we welcome Mr Ian Williams and Ms Karin Lee who have been appointed for three-year terms.

Our Regulatory Services Division, which ensures the workers' compensation and injury management scheme runs effectively, underwent significant reform in 2010/11. This was done to enhance our regulatory credentials, our capacity, and our ability to better report on our compliance activity. The Division is now poised to go from strength to strength.

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Governance was also a major focus for 2010/11. At a procedural level, WorkCover WA achieved the following results:

- 100 per cent of staff completed their performance development agreements
- 92 per cent of staff attended accountability training
- 71 per cent of staff attended misconduct resistance training.

WorkCover WA has a strong emphasis on proactively engaging with external stakeholders to garner their opinions on 'what we do', 'how well we do it' and 'how we can do it better'. During the year, we reviewed our *Customer First Feedback* system. This system invites stakeholders to compliment, complain or suggest improvements based on the level of service they received from WorkCover WA. This feedback is invaluable to WorkCover WA's commitment to continually working harder to provide our stakeholders with the best possible customer service.

In addition to our first Injured Workers' Survey, we conducted surveys regarding our Advisory Services and the Dispute Resolution Directorate (DRD). The results of the Advisory Services survey show stakeholders value the assistance and information WorkCover WA provides with very high levels of satisfaction recorded. The DRD survey results, while still relatively pleasing, highlighted several areas we need to work on. Changes to the dispute resolution process (as a result of legislative changes) should result in improvements in timeliness and accessibility.

We are now approaching the final stages of our three-year strategic planning cycle. The first two years were about developing and maintaining an agency-wide strategic focus, organisational alignment, consolidation and building foundations that will continue to serve us into the future.

We are seeing several benefits of this approach already. For example, our project management has been strengthened by a coherent, coordinated, organisational methodology underpinned by WorkCover WA's strategic goals. The aforementioned legislative reforms, internal reforms and enhanced organisational capacity are likewise milestones from the journey we have undertaken. Our challenge now is to keep achieving and extending ourselves beyond our collective comfort zones. Therefore, organisational 'stretch' will be a key focus for 2011/12.

WorkCover WA is a relatively small organisation with much responsibility. We work in a complex field with many varied expert streams. The dynamics of the scheme we seek to influence are constantly changing and the effects of our activities can be far reaching and in some cases, life changing.

Maintaining our momentum in 2011/12 will revolve around further building the capacity of our people. Certainly a workforce that is keen to learn and challenge themselves is vital if we want to set ourselves apart and make a positive difference for our stakeholders – all the while striving for excellence in our business, in our relationships and in our workplace.

We are ready for the challenge!

Greg Joyce
Chair
WorkCover Western Australia Authority

2 September 2011

Michelle Reynolds
Chief Executive Officer
WorkCover Western Australia Authority

2 September 2011



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Role of WorkCover WA

WorkCover WA is the government agency responsible for overseeing the workers' compensation and injury management system in Western Australia.

This includes monitoring compliance with the *Workers' Compensation and Injury Management Act 1981*, informing and educating workers, employers and other stakeholders about workers' compensation and injury management as well as providing an independent dispute resolution system.

Vision

A workers' compensation scheme valued by all.

Mission

To lead a contemporary, healthy and integrated workers' compensation scheme that is fair, accessible and cost effective for all participants, through:

- providing advice and guidance on workers' injury management and return to work practices
- active, responsive and transparent management of the scheme
- focused information, education and compliance activities
- fair and speedy dispute resolution
- a strong customer service focus.



▲ Regulatory Services Principal Consultant Murray Champion.

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Figure 1: Our Values





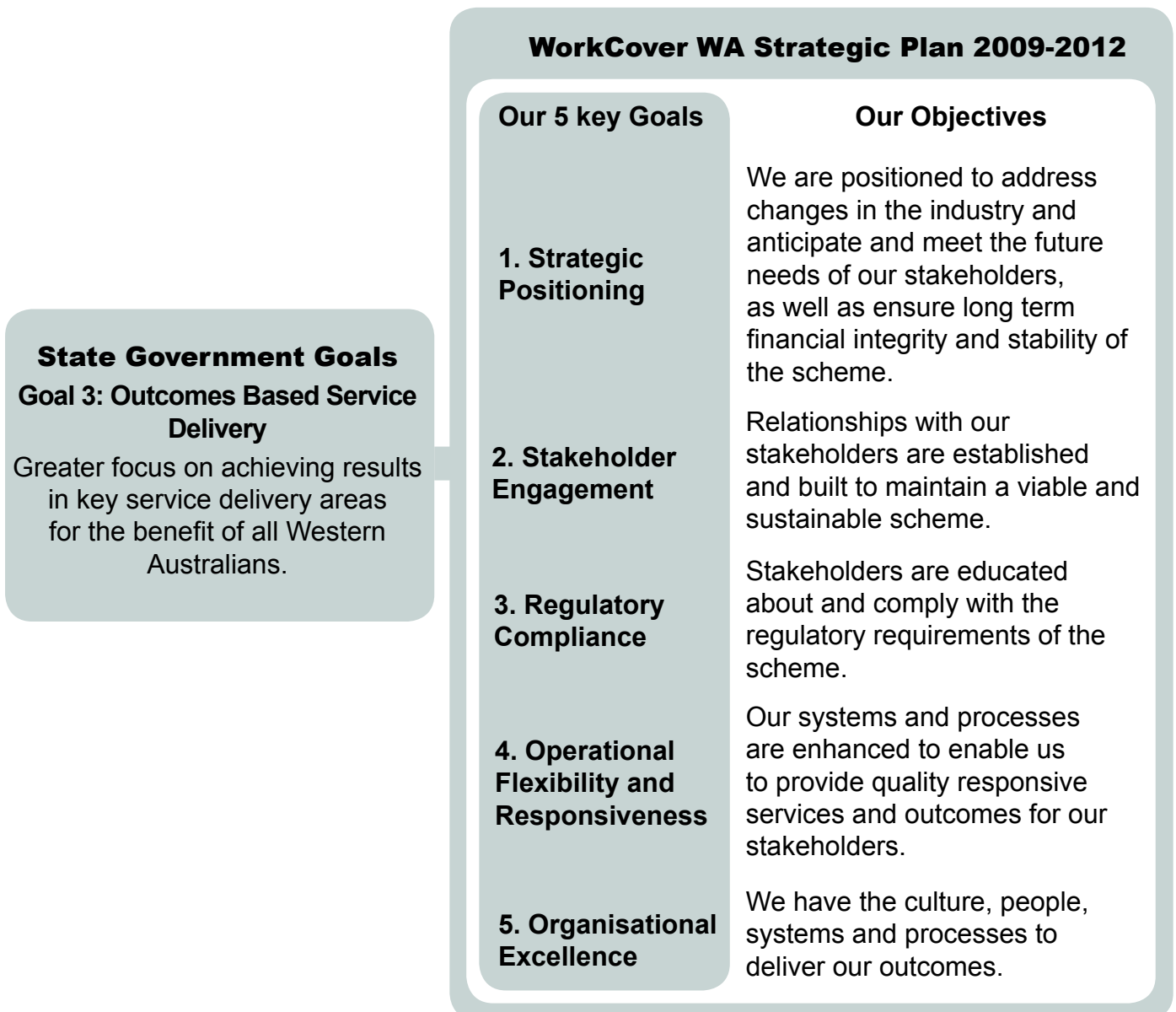
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Performance Management Framework

WorkCover WA delivers services aimed at minimising the social and economic impact of work-related injury and disease on workers, employers and the Western Australian community. In doing this, WorkCover WA contributes to a range of State Government objectives related to **Goal 3: 'Outcomes Based Service Delivery'**.

WorkCover WA does this by implementing projects and initiatives aligned with the goals and objectives of its Strategic Plan 2009-2012 as outlined below. For detailed information on how WorkCover WA achieved these objectives in 2010/11, read the [Performance Highlights \(p.11\)](#) and [Report on Operations \(p.31\)](#) sections.

Figure 2: Alignment of WorkCover Strategic Plan with State Government Goal 3.



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In addition, WorkCover WA also contributes to State Government:

- **Goal 2: 'Financial and Economic Responsibility'** through its work in maintaining a cost/benefit balance as part of managing a viable workers' compensation system
- **Goal 4: 'Stronger Focus on the Regions'** through an ongoing program of providing information, education and services to employers and injured workers in regional areas
- **Goal 5: 'Social and Environmental Responsibility'** by ensuring that the workers' compensation system is managed in a socially responsible manner for the long-term benefit of the State.

WorkCover WA measures its performance through the delivery of two services:

- Service Level 1: Scheme Regulation (regulation of workers' compensation scheme participants for compliance with legislative requirements)
- Service Level 2: Scheme Services (provision of effective and equitable dispute resolution and other services to scheme participants).

These services are linked to key performance indicators (KPIs), which aim to achieve the agency level outcome of *"a cost-effective worker's compensation system that provides workers with financial compensation for, and effective management of, injuries arising out of, or in the course of their employment"*. The KPIs comprise:

- effectiveness indicators which show the extent to which WorkCover WA achieved its agency level outcome
 - **Key Effectiveness Indicator 1.1** – the number of non-compliance events identified as a result of a claim on the General Account
 - **Key Effectiveness Indicator 1.2** – the percentage of lost-time injuries with an appropriate injury management response
 - **Key Effectiveness Indicator 1.3** – the percentage of user satisfaction with the dispute resolution system
 - **Key Effectiveness Indicator 1.4** – the timeframes for resolving disputes
- efficiency indicators which represent the cost of the services delivered
 - **Key Efficiency Indicator 2.1** – the average weighted cost per regulation activity
 - **Key Efficiency Indicator 2.2** – the average weighted cost to resolve a dispute and process a Memorandum of Agreement.

For 2010/11 KPI results, read the [Summary of Key Performance Indicators \(p.46\)](#) and [Additional Key Performance Indicator Information \(p.94\)](#) sections.



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Changes to Outcomes Based Management Framework

During the 2010/11 reporting period, the WorkCover WA Board approved a change to the Key Effectiveness Indicator 1.4 (3) description and its target from a percentage figure to an absolute number. The description is now “*Number of common law applications relating to an injury occurring prior to 14 November 2005 resolved within 52 weeks from date an application is received*”.

This change is mainly due to a downward trend in new lodgement claims and, as a result, reporting using a percentage figure no longer provides meaningful information.

The [Summary of Key Performance Indicators \(p.46\)](#) and [Additional Key Performance Indicator Information \(p.94\)](#) sections of this report include the new indicator and target, accompanied by the retrospective provision of actual numbers of disputes resolved in 52 weeks or less for the previous years’ reporting, to enable a comparison.



▲ Claims Coding Staff Colleen Allanson and Glenis White.

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Performance Highlights

In 2010/11, WorkCover WA continued to implement its Strategic Plan 2009-2012, completing 17 key initiatives throughout the year. Performance highlights grouped under the Strategic Plan's five goals are as follows:

Goal 1: Strategic Positioning

WorkCover WA is positioned to address changes in the industry and anticipate and meet the future needs of its stakeholders as well as ensure long-term financial integrity and stability for the scheme.

During 2010/11, WorkCover WA:

- continued its active participation in the Safe Work Australia Strategic Issues Group – Workers' Compensation and the Heads of Workers' Compensation Authorities, progressing efforts towards consistent and improved responses to, and management of, work-related injuries
- developed an improved framework to monitor the health of Western Australia's workers' compensation scheme, increasing the use of business intelligence to manage risks.

Goal 2: Stakeholder Engagement

Relationships with WorkCover WA's stakeholders are established and built to maintain a viable and sustainable scheme.

During 2010/11, WorkCover WA:

- completed an Injured Workers' Survey to gather data on return to work outcomes, as well as worker satisfaction with claim and injury management services. Approximately 704 workers took part and their satisfaction levels were generally high
- reviewed the information and education it provides to stakeholders on injury management, resulting in a new, easy-to-follow injury management guide for employers
- increased its engagement with insurance brokers by introducing accredited training.



“I think that there seems to be a general consensus between workers, employers and workers comp to get people back to work as soon as possible.”

INJURED WORKERS' SURVEY COMMENT



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Goal 3: Regulatory Compliance

WorkCover WA's stakeholders are educated about and comply with the regulatory scheme.

During 2010/11, WorkCover WA:

- reviewed and consolidated the hundreds of bulletins provided to insurers and self-insurers to provide information about WorkCover WA administrative requirements and to clarify legislative matters
- continued to monitor employers' compliance with their obligations under the workers' compensation and injury management legislation, conducting more than 9,000 enquiries into lapsed policies, cancellations, new business and new owner checks
- implemented alternative enforcement options to improve voluntary compliance.



▲ **Legislation and Scheme Information**
General Manager Chris White and Principal Legislation Officer Harley White headed the legislative review.

Goal 4: Operational Flexibility and Responsiveness

WorkCover WA's systems and processes are enhanced to enable it to provide quality, responsive services and outcomes for stakeholders.

During 2010/11, WorkCover WA:

- progressed the findings of 2009/10 legislative review of the WA workers' compensation scheme to create fairer, more equitable arrangements that will better protect injured workers. As a result, the *Workers' Compensation and Injury Management Amendment Bill 2011* was introduced into Parliament on 17 March 2011
- undertook the first phase of the Review of Workers' Compensation Safety Net Funds to ensure these funds are optimally structured to best assist injured workers. The 'safety net' applies to asbestos-related disease claimants, liabilities associated with an insolvent insurer, and workers of uninsured employers who are seeking statutory or common law damages
- investigated options to improve efficiencies in the dispute resolution system, introducing a practice direction to finalise cases that have been inactive for long periods of time.

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Goal 5: Organisational Excellence

WorkCover WA has the culture, people, systems and processes to deliver outcomes.

During 2010/11, WorkCover WA:

- implemented a new Financial Management Information System to enhance procurement, budgeting and financial reporting capabilities
- introduced a Workforce Capability Framework, covering succession management, leadership and mentoring, to better ensure staff have the knowledge, skills and expertise that are critical for the agency or for individual roles
- conducted a Staff Climate Survey which received a high response rate (70 per cent staff participation) and identified a number of positive outcomes and opportunities for further improvement
- developed and implemented an online staff induction program to assist new staff and ensure their awareness of our culture, policies and procedures
- completed a major IT infrastructure upgrade resulting in better hosting, storage and back-up of electronic information
- was acknowledged at the annual WS Lonnie Awards for Excellence in Annual Reporting for its 2009/10 Annual Report. WorkCover WA received the Department of Treasury and Finance's Special Award for Performance Reporting and won the Bronze Award in the 100-1000 FTE category.



“While dealing with WorkCover both over the phone and in person, I found everyone to be friendly and helpful. You made a very stressful process so much easier to deal with.”

CUSTOMER FEEDBACK 2010/11



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Outlook for the Future

The 2011/12 financial year will see WorkCover WA focus on several new initiatives as we continue implementing the Strategic Plan 2009-2012.

Goal 1: Strategic Positioning

In 2011/12, WorkCover WA will:

- assess optimum structures for workers' compensation safety net funding
- continue our work with the Safe Work Australia Strategic Issue Group – Workers' Compensation and the Heads of Workers' Compensation Authorities.

Goal 2: Stakeholder Engagement

In 2011/12, WorkCover WA will:

- conduct a survey of WA employers so we can evaluate their knowledge of, views on and experiences with WorkCover WA and the WA workers' compensation system.

Goal 3: Regulatory Compliance

In 2011/12, WorkCover WA will:

- develop a code of practice for insurance brokers with a view to setting out guidelines for the operation of brokers within the WA workers' compensation scheme
- evaluate and improve the processes, systems and controls we use for the monitoring of approved medical specialists (AMS) and impairment assessments.

Goal 4: Operational Flexibility and Responsiveness

In 2011/12, WorkCover WA will:

- manage changes associated with the implementation of the *Workers' Compensation and Injury Management Amendment Bill 2011*. This includes the transition from the Dispute Resolution Directorate (DRD) to the new conciliation and arbitration services
- implement a new Dispute Case Management system that will be designed to accommodate a new conciliation and arbitration services model
- develop a noise induced hearing loss (NIHL) and audio testing framework to streamline processes related to NIHL claims.

Goal 5: Organisational Excellence

In 2011/12, WorkCover WA will:

- enhance online training for staff. The first online module to be developed will focus on Occupational Safety and Health responsibilities for staff, including managers and supervisors
- continue to progress projects identified in the IT Strategic Plan.

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WorkCover WA Operational Structure

Enabling Legislation

The WorkCover WA Authority is constituted under section 94(1) of the *Workers' Compensation and Injury Management Act 1981* (the Act). WorkCover WA's functions and powers are detailed in sections 100 and 101 of the Act. The objectives and constitution of the Dispute Resolution Directorate are detailed in sections 279 and 280 of the Act.

For more information, read the [Legislation Administered \(p.22\)](#) section.

Responsible Minister

The Hon Simon O'Brien MLC, Minister for Commerce.

Agency Funding

Funding for WorkCover WA's activities is provided via an annual levy on workers' compensation premiums paid by employers and by a direct levy on employers who are approved by WorkCover WA to self-insure.

WorkCover WA Board

The day-to-day administration of WorkCover WA is delegated by the Board to the Chief Executive Officer who directs the agency's operations.

Organisational Structure

WorkCover WA comprises four divisions and a directorate.



▲ WorkCover WA office in Shenton Park.



Overview

WorkCover WA Board

WorkCover WA's Board is responsible for governance of the agency, for providing independent advice to the State Government and for approving certain service providers.

The WorkCover WA Board is constituted under section 94(1) of the *Workers' Compensation and Injury Management Act 1981*. It is authorised to use, and operate under the trading name WorkCover WA.

The Chief Executive Officer, who is a member of the Board, directs the operations and day-to-day administration of WorkCover WA in the implementation of the Board's strategic direction. The Chief Executive Officer and all other staff of WorkCover WA are employed under the provisions of the *Public Sector Management Act 1994*.



Chairman – appointed by the Governor on the recommendation of the Minister

Mr Greg Joyce has been a member and Chair of WorkCover WA's Board since 1 May 2005, and was reappointed for a further three years from 4 January 2008 and again for a three-year term commencing 4 January 2011. Mr Joyce was the Director General of the Department of Housing and Works from July 2001 until his retirement in January 2005. Mr Joyce is currently a Member of the Liquor Commission of Western Australia, has a law degree from the University of Western Australia and is qualified to practise as a barrister and solicitor in Western Australia.



Member – Chief Executive Officer of the Department of the Public Service of the State principally assisting the Minister charged with the administration of the *Occupational Safety and Health Act 1984*

Mr Brian Bradley, PSM is the Director General of the Department of Commerce. He served as Chairman of the former Workers' Compensation and Rehabilitation Commission from 2000 to 2005, and was the Western Australian member of the Australian Safety and Compensation Council from 2005 to April 2009. Mr Bradley is currently the Deputy Chair of the Western Australian Commission for Occupational Safety and Health and a member of the Legal Aid Commission.



Member – Experienced in workers' interests

Ms Linda Morich was appointed to the WorkCover WA Board for a three-year term commencing 30 December 2008. She is currently an Occupational Health and Safety Officer at Unions WA. Ms Morich has a Bachelor of Science (Occupational Health and Safety) from Curtin University. Ms Morich is a member of the WorkSafe WA Commission for Occupational Safety and Health.

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Member – Experienced in employers' interests

Ms Karin Lee was appointed a member of the WorkCover WA Board on 22 February 2011, for a term ending on 3 January 2014. Since 2005, Ms Lee has been employed at the WA Chamber of Commerce and Industry as the Principal Consultant Safety and Risk Services. Prior to this, Ms Lee worked as a Workers' Compensation Case Coordinator for Allianz Australia and a Statutory Claims and Rehabilitation Case Manager for WorkCover Queensland. Ms Lee holds a Bachelor of Laws from James Cook University of North Queensland and a Graduate Certificate in Case Management (Rehabilitation).



Member – Experienced in insurance matters

Mr Ian Williams was appointed a member of the WorkCover WA Board on 1 August 2010, for a term ending 31 July 2013. Mr Williams brings to the Board a wealth of insurance industry experience and an extensive knowledge of workers' compensation, having held senior management positions in Western Australia, Victoria and New South Wales during his 30-year insurance career.



Member – Experienced in accounting and financial management

Mrs Victoria Wilmot was first appointed to WorkCover WA's Board on 4 January 2005, and reappointed again on 4 January 2008 and 4 January 2011. Mrs Wilmot is currently Associate Director, Treasury and Investments at the University of Western Australia, as well as a member of the Institute of Chartered Accountants (CA) in Australia, a Fellow of the Financial Services Institute of Australasia and is on the Board of the University Credit Society Ltd.



Member – Chief Executive Officer of WorkCover WA

Ms Michelle Reynolds has been a member of the Board since December 2008 as the WorkCover WA Chief Executive Officer. She has 25 years' experience in the Western Australian public sector. Ms Reynolds' full profile is available in the [Senior Officers \(p.20\)](#) section.





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Table 1: Board meetings and attendance

Member	No. of meetings eligible to attend	No. of meetings attended
Mr Greg Joyce (Chairman)	13	12
Mr Brian Bradley	13	13
Ms Linda Morich	13	11
Ms Karin Lee*	5	4
Mr Ian Williams*	12	10
Mrs Victoria Wilmot	13	13
Ms Michelle Reynolds	13	12
Mr Steve Burns*	1	1
Ms Lisa Biglin*	7	6

* During 2010/11, Mr Steve Burns and Ms Lisa Biglin stepped down from the Board. Ms Karin Lee and Mr Ian Williams were subsequently appointed.

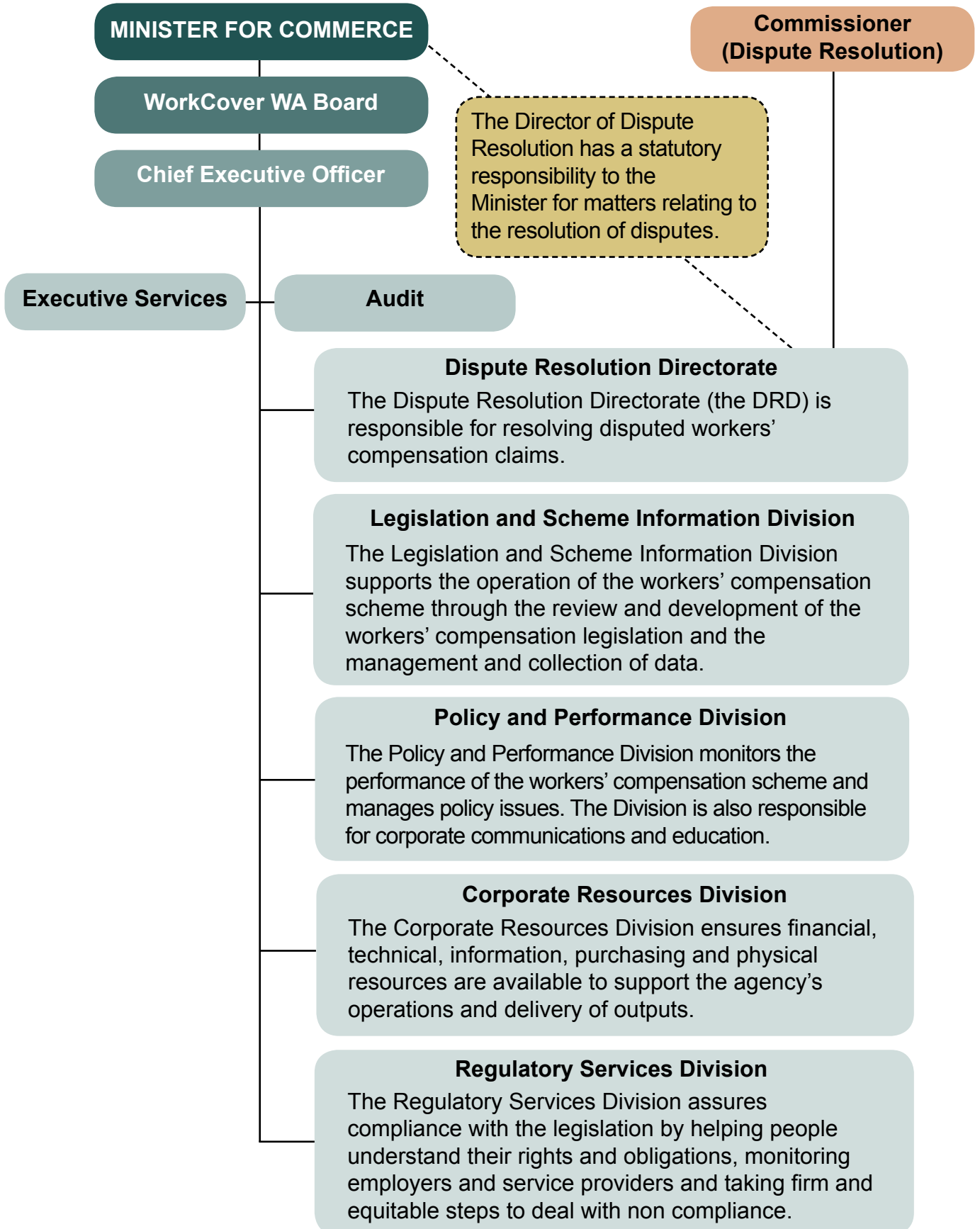


▲ WorkCover WA publications.

Overview



Figure 3: Organisational Structure





Overview



“I required information relating to legislation for workers’ compensation and access to records. Your Advisory team was very helpful and assisted me to navigate the WorkCover WA website to find the information quickly.”

CUSTOMER FEEDBACK 2010/11

Senior Officers

The Corporate Executive is WorkCover WA’s senior management team. It comprises the Chief Executive Officer and divisional heads.

Chief Executive Officer

Ms Michelle Reynolds was appointed as Chief Executive Officer on 22 September 2009 after acting in the role from 25 December 2008. Prior to WorkCover WA, Ms Reynolds spent 12 years in senior management with the Department of the Premier and Cabinet, reaching the level of Assistant Director General heading the Public Sector Management Division. She has more than 25 years’ experience in the Western Australian public sector and has played a key role in shaping public sector management policy. Ms Reynolds has a Bachelor of Arts and a Masters of Business Administration from the University of Western Australia.

Director, Legislation and Scheme Information

Mr Chris White has been the Director of Legislation and Scheme Information at WorkCover WA since May 2009. He has more than 30 years’ experience in WA’s workers’ compensation and occupational safety and health policy. Mr White has held senior policy and management roles at both WorkCover WA and WorkSafe and has represented WA on many national policy development forums. Mr White holds a Master of Arts (Public Policy) from Murdoch University.

General Manager, Policy and Performance

Ms Wendy Attenborough joined WorkCover WA in July 2008 as General Manager Scheme Development. Prior to joining WorkCover WA, she was employed in a number of senior policy roles within the Western Australian Department of the Premier and Cabinet, including the Inter-governmental Relations Unit. Ms Attenborough holds a Bachelor of Arts from the University of Western Australia.

General Manager, Corporate Resources

Mr Jeff McDonough joined WorkCover WA in October 2007 as General Manager Corporate Resources. Prior to joining WorkCover WA, Mr McDonough worked for a number of years in the TAFE sector. He has extensive experience in human resources management, organisational development and quality assurance, and holds a Diploma in Management Studies.

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General Manager, Regulatory Services

Mr Tim Roach was appointed General Manager, Regulatory Services on 14 April 2010. He has worked in senior regulatory and business services roles in federal and state departments, including the Australian Taxation Office, the Department of Commerce and Department of Indigenous Affairs. Mr Roach is a CPA and has bachelor degrees in Communications and Accounting as well as a Master of Taxation.

Acting Director, Dispute Resolution

Mr Shane Melville has been the Acting Director, Dispute Resolution Directorate since January 2010, and had acted in the position for several separate periods prior. Mr Melville commenced at WorkCover WA as an Arbitrator in the Dispute Resolution Directorate in November 2005. He holds the degrees of Bachelor of Jurisprudence and Bachelor of Laws from the University of Western Australia, accreditation from the Institute of Arbitrators and Mediators Australia and has more than 25 years' experience as a legal practitioner in workers' compensation litigation.

The substantive occupant of this role, Ms Su Lloyd, was on secondment at another agency for the reporting period.

Chief Finance Officer

Mr John Hull commenced with WorkCover WA as the Chief Finance Officer in July 2010. He has extensive public sector experience and has undertaken senior finance, compliance and corporate management roles across a range of agencies within the public sector including the Department of Treasury and Finance and the Office of the Auditor General. Mr Hull is a Certified Practising Accountant and has a Bachelor of Business Degree in Finance and Accounting.



▲ Senior Officers (from left): Jeff McDonough, Wendy Attenborough, John Hull, Michelle Reynolds, Shane Melville, Chris White and Tim Roach.



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Legislation Administered

In the performance of its functions, WorkCover WA administers the following legislation:

- *Workers' Compensation and Injury Management Act 1981*
- *Employers' Indemnity Supplementation Fund Act 1980*
- *Workers' Compensation and Injury Management (Acts of Terrorism) Act 2001*
- *Workers' Compensation (Common Law Proceedings) Act 2004*
- *Waterfront Workers' (Compensation for Asbestos Related Diseases) Act 1986*
- *Employers' Indemnity Policies (Premium Rates) Act 1990*

Subsidiary Legislation

- *Workers' Compensation and Injury Management Regulations 1982*
- *Workers' Compensation Code of Practice (Injury Management) 2005*
- *Workers' Compensation and Injury Management (Scales of Fees) Regulations 1998*
- *Workers' Compensation (Legal Practitioners and Registered Agents) (DRD) Costs Determination 2005*
- *Workers' Compensation (Legal Practitioners and Registered Agents) Costs Determination 2007*
- *Workers' Compensation and Rehabilitation (Acts of Terrorism) (Final Day) Regulations 2002*
- *Workers' Compensation (DRD) Rules 2005*
- *WorkCover Western Australia Guides for the Evaluation of Permanent Impairment – Third Edition*

Key legislation impacting on WorkCover WA's activities

- *Auditor General Act 2006*
- *Corruption and Crime Commission Act 2003*
- *Disability Services Act 1993*
- *Electoral Act 1907*
- *Electronic Transactions Act 2003*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*

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- *Government Employees' Superannuation Act 1987*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1993*
- *A New Tax System (Fringe Benefits Reporting) Act 1999 (Commonwealth)*
- *A New Tax System (Goods and Services Tax) Act 1999 (Commonwealth)*
- *Occupational Safety and Health Act 1984*
- *Occupational Safety and Health Regulations 1996*
- *Occupiers' Liability Act 1985*
- *Public and Bank Holidays Act 1972*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *Public Sector Management (Redeployment and Redundancy) Regulations 1994*
- *Salaries and Allowances Act 1975*
- *Superannuation Act 2000*
- *State Supply Commission Act 1991*
- *State Records Act 2000*

The following written laws also impact on WorkCover WA's activities:

- *Competition Policy Reform (WA) Act 1996*
- *Constitution Act 1889*
- *Constitution Acts Amendment Act 1899*
- *Coroners' Act 1996*
- *Criminal Code Act Compilation Act 1913*
- *Defence Act 1903*
- *Evidence Act 1906*
- *Interpretation Act 1984*
- *State Administrative Tribunal Act 2004*
- *Statutory Corporations (Liability of Directors) Act 1996*
- *Trade Practices Act 1974*



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Shared Responsibilities with other Agencies

WorkCover WA did not share any responsibilities under the Act with other agencies in 2010/11.

Collaborations

WorkCover WA continued its collaboration with WorkSafe to encourage the prevention or minimising of accidents and injuries through co-funding of the ThinkSafe Small Business Program. The program aims to introduce small business to hazard identification, risk reduction, safety and health policies and safe work systems as well as to improve the capacity of small business operators in high-risk industries to manage occupational safety and health effectively. It also provides information regarding workers' compensation and injury management obligations for employers. The program is delivered through on-site safety assessments and group information seminars. In 2010/11 there were:

- 740 one-on-one visits to small businesses, 41 per cent in regional towns
- 101 follow-up visits to engage small business on injury management and return to work issues
- six seminars for groups of employers.

WorkCover WA attends the Commission for Occupational Safety and Health meetings as an observer. The Commission consists of representatives of employers, employees, government and people with expertise and knowledge in occupational safety and health matters. WorkCover WA provides ongoing support of the Commission's objectives in the form of statistical data about work-related injury and disease.

WorkCover WA is a member of the public sector Occupational Safety and Health and Injury Management Steering Committee, which consists of representatives from the Department of Commerce's WorkSafe and Office of the Director General divisions, RiskCover, Public Sector Commission and Unions WA.



▲ WorkCover WA reception.

Overview



WA workers' compensation scheme

The Western Australian workers' compensation scheme is designed to help injured workers return to work successfully. The WA scheme is based on a 'no-fault' principle. This means an injured worker does not need to establish the employer was at fault or negligent to make a claim.

In many cases, workers do not need time off work and simply claim for compensation of medical and related expenses. However, some claims may be complex, particularly if disputed or if the injury is significant.

As the workers' compensation scheme in WA is privately underwritten, insurance coverage is provided by a multi-insurer system. Employers are obliged to maintain current workers' compensation insurance coverage of all their workers, as defined by the Act. WorkCover WA provides advice and assistance to employers to help them understand who to cover and how to obtain cover, as well as how to comply with other obligations under the Act.

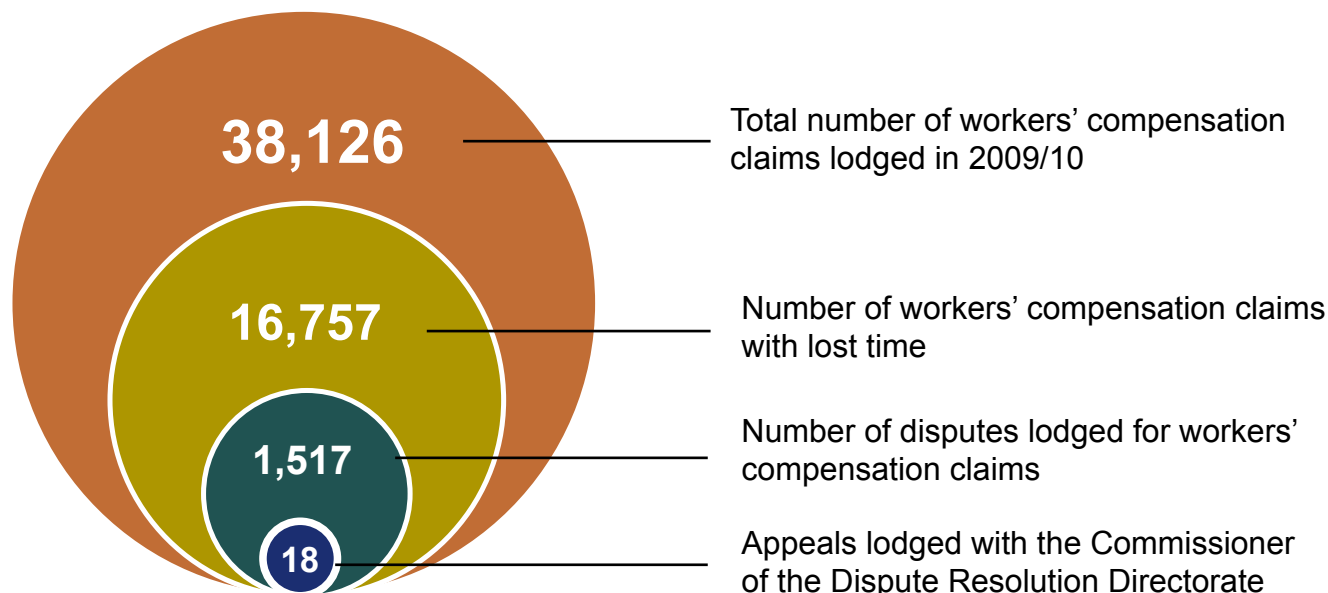
The workers' compensation scheme also covers a range of complex issues such as noise-induced hearing loss, assessment of permanent impairment, and finalising claims through settlements or by seeking common law damages. It also involves members of various professions such as general practitioners, allied health providers, insurance brokers, legal representatives and workplace rehabilitation providers.

The following scheme snapshot provides a brief overview of the workers' compensation environment in the State, using the most recent data available.

Scheme overview 2009/10

Due to the nature of capturing, verifying and analysing claims data, information on time lost for claims (involving one or more days or shifts off work) lodged in 2010/11 was not available at the time of publishing this report. In 2009/10 just over 38,000 claims were lodged in total, about 44 per cent of which had at least one day or shift off work. There were 1,517 disputes lodged (around four per cent of claims) and 18 appeals lodged with the Commissioner. Further information on scheme performance is available from the WorkCover WA website at www.workcover.wa.gov.au.

Figure 4: WA workers' compensation scheme overview 2009/10

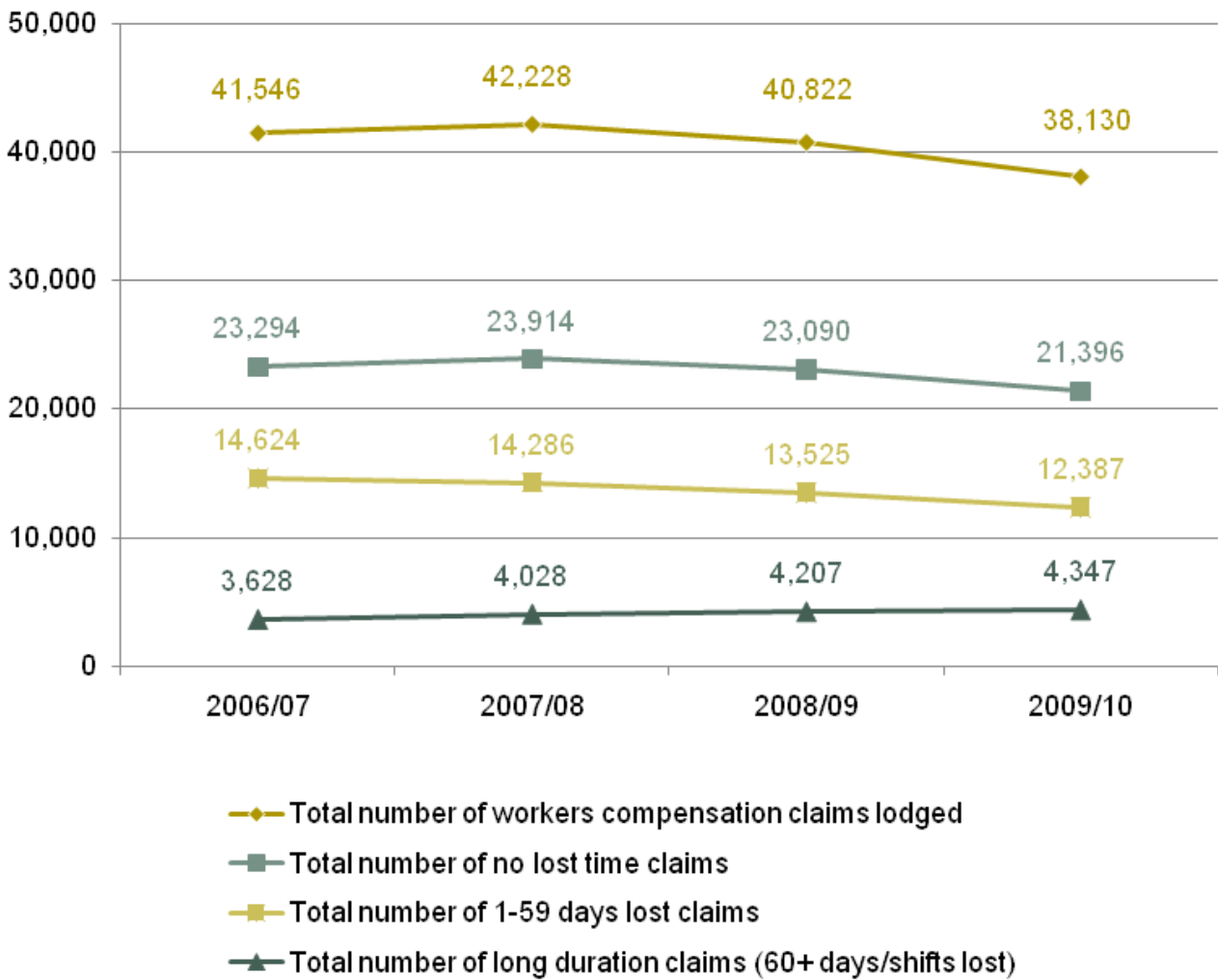




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Over the past four years, the total number of claims lodged in the WA workers' compensation scheme has been decreasing. Reductions have occurred in 'no time lost' and shorter duration claims (1 to 59 days/shifts off work), whereas long duration claims (defined as 60 or more days/shifts off work) have increased over time.

Figure 5: Lost-time claims trends between 2006/07 and 2009/10



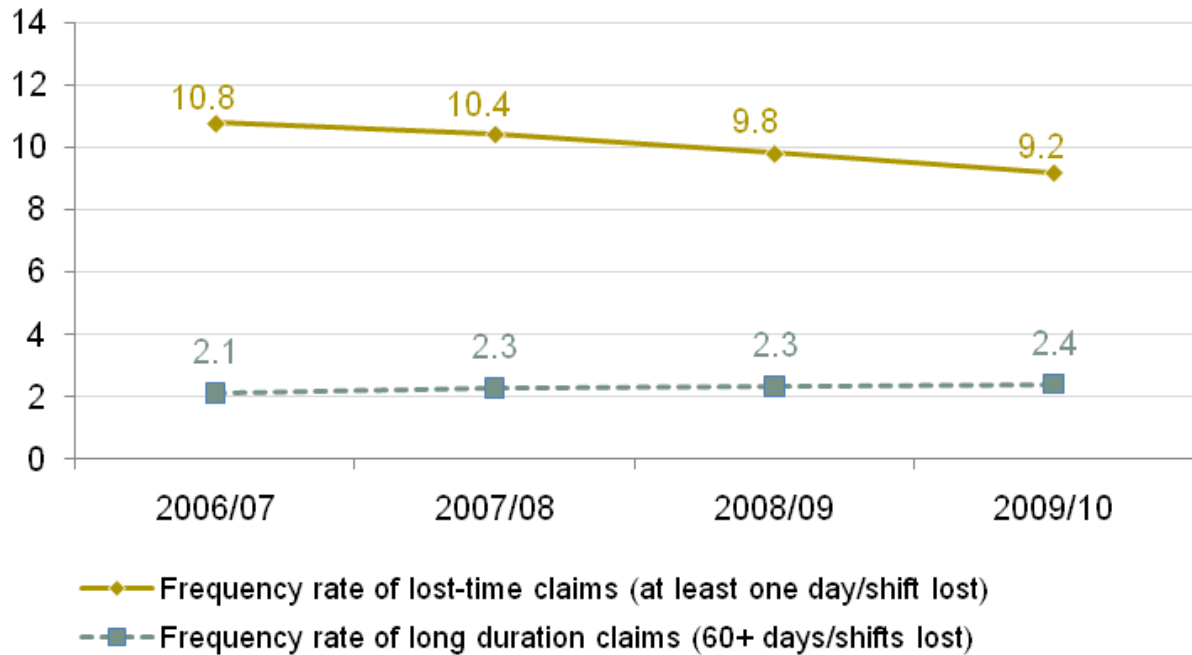
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Frequency rate

The number of lost-time claims per million hours worked (frequency rate) has decreased by 15 per cent between 2006/07 and 2009/10. In 2009/10 the industries with the highest lost-time claim frequencies were manufacturing, art and recreational services, and health care and social assistance.

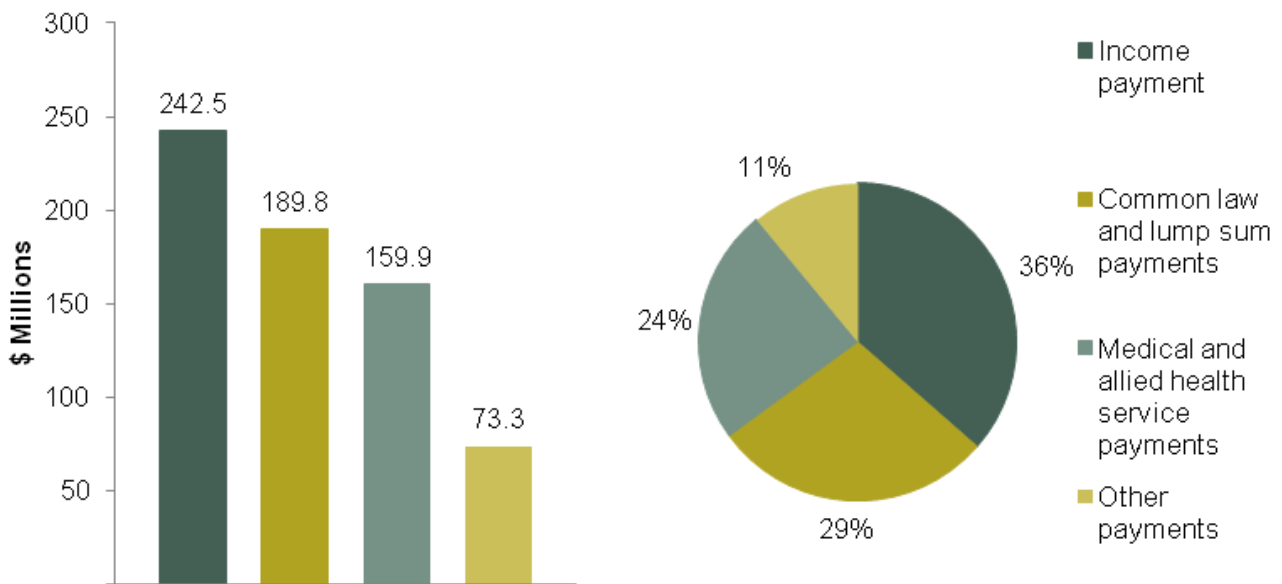
Figure 6: Frequency of lost-time claims 2006/07 to 2009/10



Scheme payments 2010/11

During 2010/11, around two-thirds of compensation payments were paid directly to workers in the form of weekly benefits, settlements and common law payouts, and just under one-quarter of payments were made for medical and allied health services.

Figure 7: WA workers' compensation scheme payments 2010/11



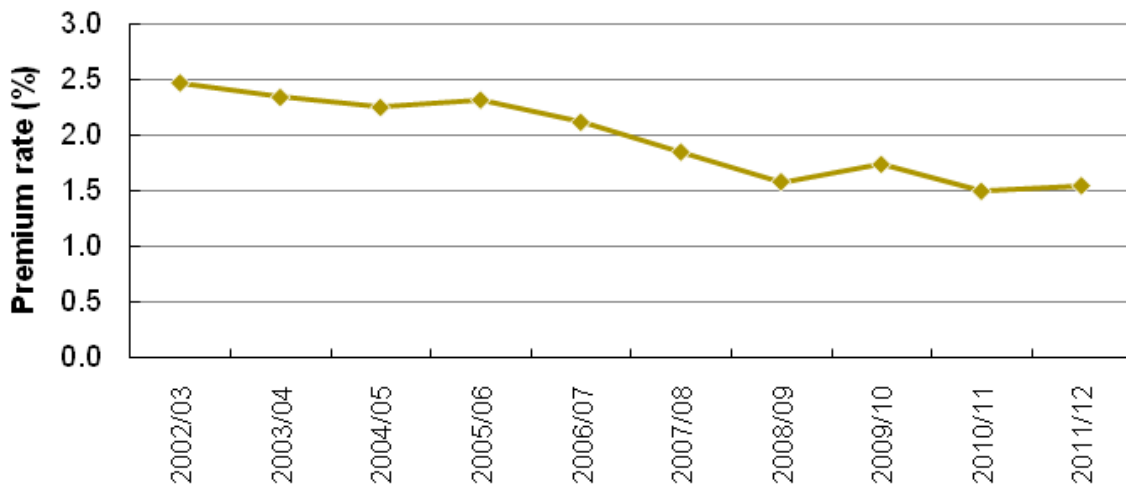


Overview

Average recommended premium rates

Each year, WorkCover WA publishes recommended premium rates for workers' compensation insurance for each industry. The overall average recommended premium rate has been relatively stable between 2008/09 and 2011/12. The 2011/12 average recommended premium rate increased by 3.3 per cent from 1.497 per cent to 1.547 per cent of wages. The key driver of the increase is increased claim costs. The average recommended rate has reduced by 37 per cent since 2002/03. Changes to the *Workers' Compensation and Injury Management Act 1981* in 1999 regarding access to common law and recent high wages growth are the main drivers of these reductions.

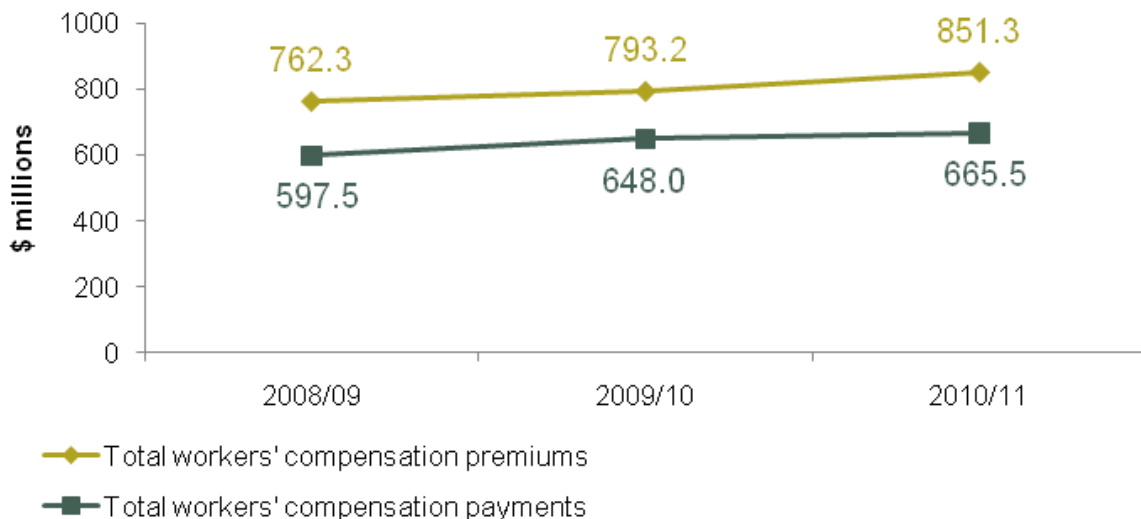
Figure 8: Average recommended premium rates 2002/03 to 2011/12



Scheme payments and premium income

This graph shows changes in premiums collected and compensation paid over the past three financial years. Increases in claim payments and premium income over time reflect increases in numbers of employees, wage growth and inflationary pressures.

Figure 9: Scheme premiums and payments 2008/09 to 2010/11



Note: the total payments in the graph are not adjusted for inflation.

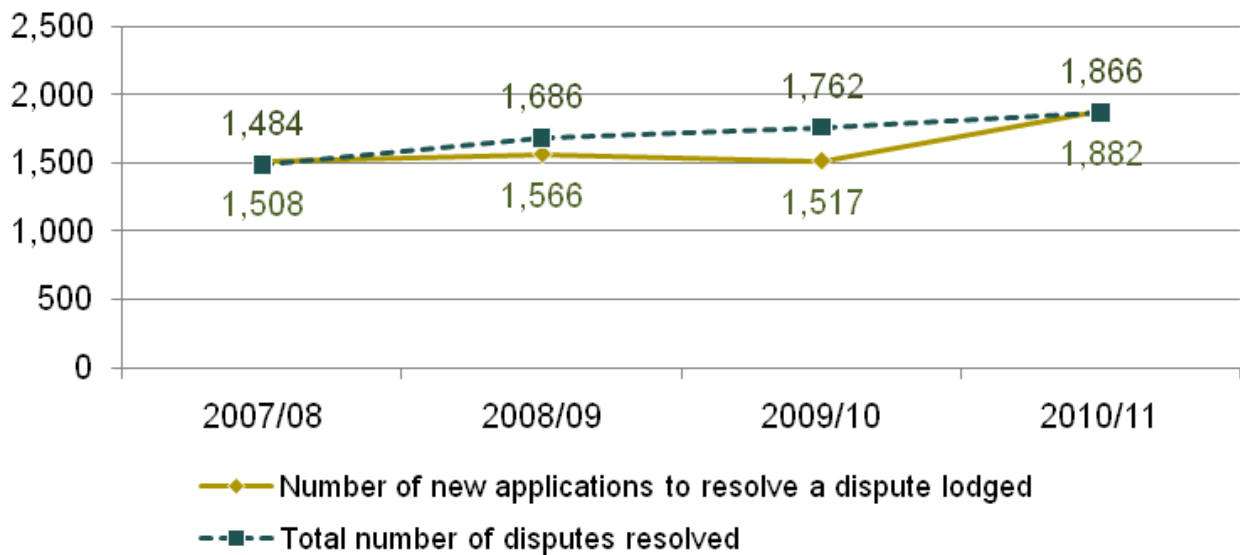
Overview



Disputes lodged and resolved

There were 1,882 dispute applications lodged in 2010/11, compared with 1,866 applications resolved. As an application can be lodged in one reporting year and not resolved until the following year, the number of applications finalised does not correspond with the number lodged. The number of applications lodged has increased by 20 per cent over the past two reporting years. WorkCover WA is currently developing a case management system, which should enable analysis of the drivers contributing to the increase.

Figure 10: Disputes lodged and resolved 2007/08 to 2010/11





Overview

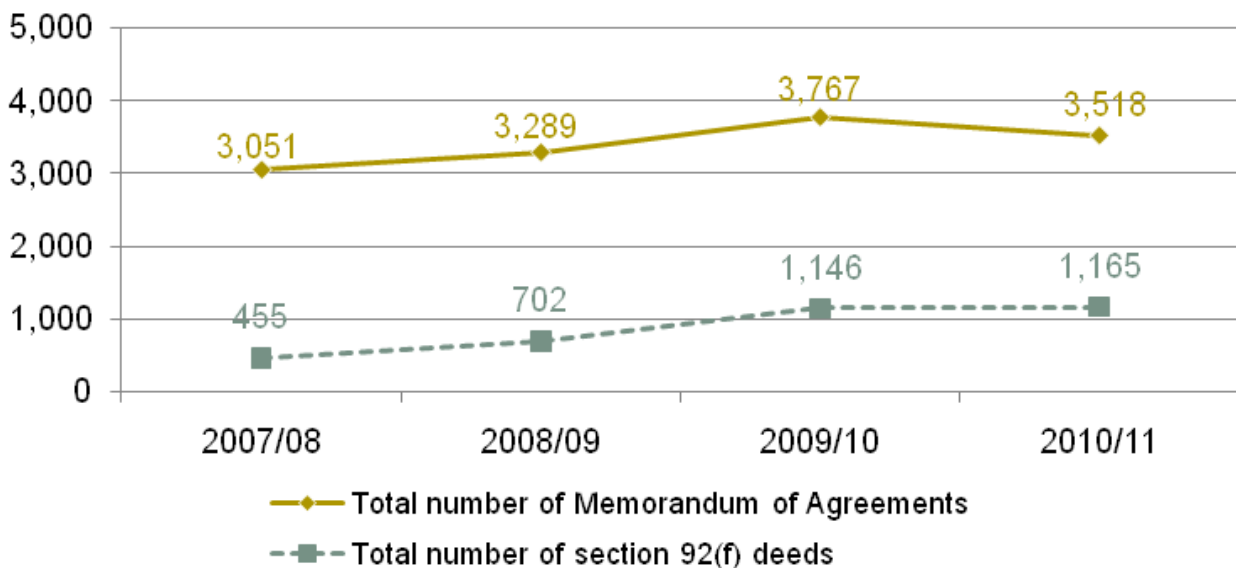
Settlements

Settlements of workers' compensation claims occur in a number of ways in the WA scheme. Memorandum of Agreements (MoAs) encompass redemption of future weekly payments and lump sum payments for specific injuries or impairments. Section 92(f) deeds (common law consent) arise from settlement of actions for common law damages that do not proceed to judgement in a court. Settlements also occur by way of consent judgement in the District Court.

The Dispute Resolution Directorate (DRD) has statutory responsibilities to register or refuse the recording of MoAs and examine section 92(f) deeds. While numbers of 92(f) deed settlements and MoAs increased between 2007/08 and 2009/10, the overall number of settlements decreased by 230 in 2010/11.

The graph below shows settlement trends for matters within the jurisdiction of the DRD.

Figure 11: Workers' compensation claims settlements 2007/08 to 2010/11



“I sincerely express my gratitude and appreciation to the Customer Assistance Unit for handling my case with high regard, understanding, speed and compassion.”

CUSTOMER FEEDBACK 2010/11