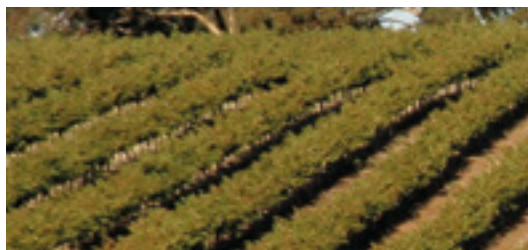
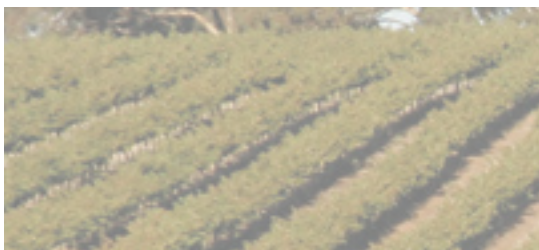
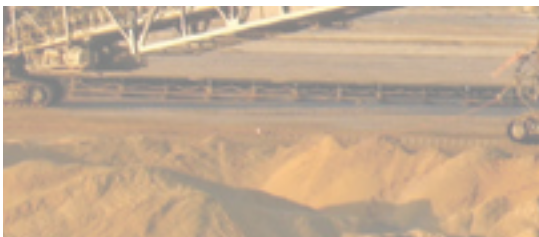


Section 5: Disclosures and Legal Compliance



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Report on funds management

Uninsured claims management

The Workers' Compensation and Injury Management Trust Account is maintained in accordance with section 110 of the *Workers' Compensation and Injury Management Act 1981* (the Act). WorkCover WA seeks to optimise returns and security of funds invested for the benefit of the dependants of deceased workers.

Section 218 of the Act empowers an arbitrator 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 the 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 3.20 per cent for all trust accounts.

Uninsured claims management

WorkCover WA manages specific funds to provide a source of compensation for workers of uninsured employers, pursuant to section 174 of the Act. Funds paid to workers from the General Account are recovered from uninsured employers by WorkCover WA.

As part of its operations, the compliance activity establishes an employer's insurance status to ensure monies released from the General Account are in accordance with the provisions of the Act. This year, the compliance activity investigated 23 potential claims on the General Account pursuant to section 174, compared with 25 last year. There were four new claims this year and 26 continuing claims from previous financial years. The cost of new claims was \$158,352.73 and ongoing claims amounted to \$1,457,956.06.

At 30 June 2014, the total outstanding debt from uninsured employers was approximately \$1,616,308.79. Recovery action against these employers is ongoing.

Employer's 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.

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 2013/14 were nil. Since its inception (February 1987), a total of \$2,800,507 has been paid.

Payments for claims under the *Workers' Compensation and Injury Management (Acts of Terrorism) Act 2001* for 2013/14 were nil. The Acts of Terrorism came into effect in 2001, but the first claim payment was not received until December 2005.

Debts and investments

Table 13: Claim payments and receipts for insurers

Item	HIH Insurance (\$)	National Employers' Mutual General Insurance Co. (\$)
Value of outstanding claims in Western Australia	1,250,848	153,989
Received from liquidators in 2013/14	9,992,639	Nil
Claim payments for 2013/14	377,128	420,359
Claim payments since liquidation commenced	75,565,197	6,453,477

At 30 June 2014, there were 95 outstanding debtors resulting from fines and penalties awarded under section 170 of the Act, with debts outstanding of \$547,795. In 2013/14, the weighted average rate of return on General Account investments was 3.77 per cent.

Table 14: Actual results vs budget results

Item	2013/14 Target \$000	2013/14 Actual \$000	Variation \$000
Total Revenue (sourced from Statement of Comprehensive Income)	22,058	34,721	12,663 ^(a)
Total Expenses (sourced from Statement of Comprehensive Income)	21,538	27,787	6,249 ^(b)
Total Equity (sourced from Statement of Financial Position)	73,516	77,862	4,346 ^(c)
Net increase/(decrease) in cash held (sourced from Statement of Cash Flows)	1,799	8,846	7,047 ^(d)
Item	2013/14 Target	2013/14 Actual	Variation
Approved full-time equivalent (FTE) staff level	137.44	134.20	3.24

Further explanations are also contained in Note 34 'Explanatory statement' to the financial statements.

- a) Greater than anticipated revenue was the result of additional recoveries in the Supplementation Fund, due to the liquidation of HIH Insurance.
- b) The variance is the result of an increase in claims expense, due to an increase in the actuarial assessed claims liability for the Uninsured and Employer's Indemnity Supplementation Fund.
- c) The variation is a result of a combination of factors including increased cash reserves from higher than expected HIH Insurance liquidation recoveries for the Supplementation Fund, higher than expected cash surplus from operational savings, and the capitalisation of intangible assets. This was offset by an increase in claims expense as noted above.
- d) The variance is due to increased cash receipts resulting from higher than expected HIH Insurance liquidation recoveries for the Supplementation Fund and a higher than expected cash surplus from operational savings.

Other financial disclosures

Employment and industrial relations

Employees at WorkCover WA are employed under the provisions of the *Public Service Award 1992* and the *Public Service and Government Officers General Agreement 2011*.

Table 15: WorkCover WA FTE Status			
Employment type	2012	2013	2014
Full-time permanent	115	109	109
Full-time contract	14	15	14
Part-time measured on an FTE basis	10.79	12.09	11.2
Total	139.79	136.09	134.2
Staff on secondment	6	7	5
Staff on traineeship	2	2	2
Staff in Graduate Program	0	1	0

Internal workers' compensation

There was one workers' compensation claim made by a WorkCover WA staff member in 2013/14.

Board remuneration

In accordance with section 99(2) of the Act, the Chairman and Board members are paid such fees and allowances as may be fixed by the Minister on the recommendation of the Minister for Public Sector Management. On 11 January 2012, the Minister fixed the remuneration at \$29,650 per annum for the Chairman and \$15,500 per annum for Board members. In accordance with government policy, Board members who are public service officers are not entitled to payment.

Directors' and officers' liability insurance

Directors' and officers' liability insurance covers the personal liability for damages and defence costs of insured persons in the event action is taken against them for breaches of duty. WorkCover WA holds a directors' and officers' liability insurance policy covering the members of the former Workers' Compensation and Rehabilitation Commission and WorkCover WA Board members. The policy is placed through the State Government's insurer and is renewed annually. The limit of liability on the policy is \$20 million, which is in line with the accepted industry standard.

The total premium for the insurance policy, effective from 16 May 2013 to 16 May 2014, was \$20,091.50 and, in accordance with the Board's policy, members of the Board and Corporate Executive made individual contributions towards the total premium.

Capital works projects

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

Table 16: 2013/14 Expenditures

Capital works project	Total spent \$000'	YTD \$000'
Scheme Information Management System	1,359	789
Air Conditioner Upgrade	149	149
Financial Management Information System (SAP) upgrade	99	99
Electronic Document Records Management System Implementation	83	83
External Website Upgrade	35	35

Ministerial directives

No Ministerial directives were received during the financial year.



Governance disclosures

Board responsibilities

WorkCover WA's corporate governance arrangements ensure transparency in decision making and operation, as well as accountability to stakeholders, by promoting strong leadership, sound management and effective planning and review.

WorkCover WA aims to achieve high standards in corporate governance to assure the State Government, stakeholders and the community, it is fulfilling its' responsibilities and meeting expectations with due diligence and accountability.

The Board's governance responsibilities include:

- the setting of strategic direction
- establishment of goals for the Agency and monitoring achievement against those goals to optimise the Agency's performance
- ensuring compliance with statutory requirements
- approving Corporate Executive recommendations
- making recommendations to the Minister (where appropriate)
- giving effect to Ministerial directives
- managing strategic risk.

Conflicts of interest

In accordance with Treasurer's Instruction 903 (14) (iii), senior officers and members of the WorkCover WA Board declared any interest held in existing or proposed contracts with WorkCover WA.

In 2013/14, Board member Brian Bradley declared he is the Director General of the Department of Commerce which includes WorkSafe. During 2013/14, WorkCover WA part-funded the ThinkSafe prevention program managed by WorkSafe.

Board member Karin Lee is the Manager Safety and Risk Services at the WA Chamber of Commerce and Industry. In 2013/14, Ms Lee declared her employer has a tender contract to deliver services under the ThinkSafe program, and she is listed as a consultant/supervisor of consultants under this arrangement.

Board Member Steven Burns is the Manager Underwritten States of QBE Insurance (Australia) Ltd. Mr Burns declared an employment with a licensed insurer, QBE Australia Pty Ltd.

Committees

Audit Committee

The Audit Committee provides independent assurance and assistance to the Board on WorkCover WA's risk, control and compliance framework and its external accountability responsibilities. The committee reviews strategic and annual internal audit plans, monitors the progress of audit recommendations, and provides stewardship by promoting discussion with internal and external auditors to ensure effective systems and policies are in place. In 2013/14, two external and nine internal audits took place.

Table 17: Audit Committee attendance

Audit Committee Member	No. of meetings eligible to attend	No. of meetings attended
Victoria Wilmot (Chair)	5	5
Greg Joyce	5	5
Brian Bradley	5	4

Costs Committee

The Costs Committee is an independent committee established under section 269 of the Act, reporting directly to the Minister of Commerce. The committee is empowered under section 271 of the Act to make, amend or revoke a determination fixing maximum costs for legal services and registered agent services provided in WorkCover WA's Conciliation and Arbitration Services.

The Costs Committee met in September 2013 to consider a review of the Costs Determination. In October 2013 the Committee circulated a discussion paper to key stakeholders with proposals to amend part of the scale of costs.

The proposals were considered and the Costs Committee amended the Costs Determination. The *Workers' Compensation (Legal Practitioners and Registered Agents) Costs Determination 2014* came into effect on 28 February 2014.

Table 18: Costs Committee attendance

Costs Committee Member	No. of meetings eligible to attend	No. of meetings attended
Chris White (A/Chair)	1	1
Karin Lee	1	1
Marcus Cocker	1	1
David Bruns	1	1

Medical Committee

The Medical Committee is an advisory committee established under section 100A of the Act. The Committee provides guidance on matters of a medical nature within the Western Australian workers' compensation scheme and advises the Board on medical matters, such as:

- the *WorkCover WA Guides for the Evaluation of Permanent Impairment*
- the criteria for designation and monitoring of Approved Medical Specialists (AMS) providing impairment assessments
- the role of AMS within the scheme.

In 2013/14, the Medical Committee endorsed 16 applicants for designation as an AMS. The applicants were subsequently added to the AMS register.

The Committee also provided advice on several key WorkCover WA initiatives and offered opinions on the Legislative Review, as well as the review of medical certificates and guidance material for General Practitioners.

Table 19: Medical Committee attendance

Medical Committee Member	No. of meetings eligible to attend	No. of meetings attended
Chris White (A/Chair)	3	3
Dr Marcus Adonis	3	3
Dr Heather Campbell	3	3
Dr Alan Home	3	3
Barrie Slinger	1	0
Dr Neil Ozanne	3	3
David Colvin	3	2
Paul Taylor	2	2

Industrial Diseases Medical Panel

The Industrial Diseases Medical Panel (IDMP) was established to determine prescribed questions in relation to asbestos-related diseases. All claims for compensation in relation to pneumoconiosis, mesothelioma, lung cancer and diffuse pleural fibrosis are referred to the IDMP for determination as to whether:

- the worker is or was suffering from the prescribed diseases.
- the worker's degree of permanent whole person impairment.

The IDMP comprises of physicians who specialise in diseases of the chest or occupational diseases. IDMPs operate independently. WorkCover WA provides administrative support and funding.

In 2013/14, the panel convened on 29 occasions and made 48 determinations.

Table 20: Industrial Diseases Medical Panel Members

2013/14 Industrial Diseases Medical Panel Chairman (Rotating)	Members
Dr E Gabbay	Dr D Bucens
Dr M K Tandon	Dr M Musk
Dr K C Wan	Dr A Tribe*
Dr Q Summers	Dr P Psaila-Savona
	Dr J Wrobel

*membership concluded in September 2013

Table 21: Number of IDMP applications

Applications	2010/11	2011/12	2012/13	2013/14
New	38	42	38	42
Reviewed	6	7	2	11
Total	44	49	4	53

Table 22: Number of diseases determination

Disease	2010/11	2011/12	2012/13	2013/14
Pneumoconiosis	9	12	12	18
Pneumoconiosis & Diffuse Pleural Fibrosis	N/A	5	3	4
Pneumoconiosis & Lung Cancer	0	1	0	0
Diffuse Pleural Fibrosis	N/A	1	2	5
Mesothelioma	21	20	13	12
Lung Cancer	5	5	6	9
Sub total	35	44	36	48
Determinations where disease not present or disease present but a 0% level of impairment	9	5	4	5
Total	44	49	40	53

Board and committee remuneration

Costs Committee Remuneration

Table 23: Costs Committee Remuneration

Position/ member name	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Presiding Member	Chris White	Per meeting	Acting	N/A
Member	Karin Lee	Per meeting	01/07/11 - 01/05/14	\$270
Member	Marcus Cocker	Per meeting	01/03/09 - 01/10/16	\$370
Member	David Bruns	Per meeting	01/08/09 - 01/10-16	\$370
				Total \$1,010

WorkCover WA Board Remuneration

Table 24: WorkCover WA Board Remuneration				
Position/ member name	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chairman	Greg Joyce	Annual	04/01/14 - 03/01/17	\$29,650.00
Member	Chris White (**Michelle Reynolds on secondment to DPC)	N/A – Public Service	Virtue of office	N/A
Member	Brian Bradley	N/A – Public Service	Virtue of office	N/A
Member	Karin Lee	Annual	04/01/14 - 03/01/17	\$15,500.00
Member	Owen Whittle	Annual	04/01/2014 - 29/12/14	\$0 (Mr Whittle elected not to receive sitting fees)
Member	Steven Burns	Annual	01/10/13 - 30/09/16	\$11,625.03
Member	Victoria Wilmot	Annual	04/01/14 - 03/01/17	\$15,500.00
				Total \$72,275.03

Medical Committee Remuneration

Table 25: Medical Committee Remuneration				
Position/ member name	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Chris White (**Michelle Reynolds on secondment to DPC)	N/A – Public Service	Virtue of office	N/A
Member	Dr Marcus Adonis	Per meeting	15/10/2011- 14/10/2014	\$1,110
Member	Dr Heather Campbell	Per meeting	15/10/2011- 14/10/2014	\$1,110
Member	Dr Alan Home	Per meeting	15/10/2011- 14/10/2014	\$1,110
Member	Dr Neil Ozanne	Per meeting	15/10/2011- 14/10/2014	\$1,110
Member	David Colvin	Per meeting	15/10/2011- 14/10/2014	\$740
Member	Paul Taylor	Per meeting	5/2/2014 - 14/10/2014	\$740
Member	Barrie Slinger	Per meeting	15/10/2011- 9/10/2013	\$0
				Total \$76,150

Legal compliance

Public Sector standards and ethical codes

WorkCover WA has policies, procedures and guidelines in place to ensure Agency obligations are met with respect to the Public Sector Standards (Human Resource Management), the WA Public Sector Code of Ethics, and the WorkCover WA Code of Conduct.

These policies and supporting guidelines are available to all staff via the WorkCover WA intranet, the online induction and the online training system. To support knowledge of these Standards and Codes, training on accountable and ethical decision-making in the Western Australian Public Sector continued to be delivered to new staff via the online induction system in 2013/14.

Public Sector Code of Ethics

There were no claims lodged in 2013/14 relating to the Public Sector Code of Ethics.

WorkCover WA Code of Conduct

In 2013/14, the WorkCover WA Code of Conduct was reviewed, and minor amendments made to reflect current public sector and Agency policy.

There were no claims lodged in 2013/14 relating to the WorkCover WA Code of Conduct.

Public Sector Commissioner's Instruction Employment Standard

There were no breaches of standard claims against the Employment Standard in 2013/14.

Grievance Resolution Standard

There were no breaches of standard claims against the Grievance Resolution Standard in 2013/14.

Disability Access and Inclusion Plan

The Agency's Disability Access and Inclusion Plan is outlined on page 73 in *Section 4: Opportunities and Challenges*.

Recordkeeping Plan

Under the *State Records Act 2000* every government organisation is required to have a Recordkeeping Plan (RKP). The RKP is to provide an accurate reflection of the recordkeeping program within the organisation and must be complied with by the organisation and its officers. Under Part 3, Division 4 of the *State Records Act 2000*, the organisation must review its RKP every five years or when there is any significant change to the organisation's functions.

WorkCover WA demonstrates compliance with the RKP by providing evidence in the four key areas identified over the page.

Report against WorkCover WA Recordkeeping Plan

1. The efficiency and effectiveness of the organisation's recordkeeping systems is evaluated no less than once every five years

WorkCover WA's RKP was due for review in 2014, but the State Records Commission has formally granted WorkCover WA an extension to June 2015. Significant changes in recordkeeping processes and procedures for all staff will be introduced as part of the EDRMS Whole-of-agency Project, therefore the RKP will be updated as part of that Project in line with the implementation of the resulting changes in practice.

WorkCover WA has fully revised and updated its Business Classification Scheme (BCS) as well as the Retention and Disposal (R&D) schedule. The R&D was approved by the State Records Office in November 2013 and both the new BCS and the new R&D have been implemented in TRIM. This provides improved accuracy and efficiency in classification, retention and disposal of records.

2. The organisation conducts a recordkeeping training program

At WorkCover WA, recordkeeping training is compulsory for all staff and associated statistics are reported quarterly to the Corporate Executive.

99 per cent of WorkCover WA staff have completed the recordkeeping training.

3. The efficiency and effectiveness of the organisation's recordkeeping training program is reviewed from time to time

The online Records Management training module within the Agency's induction program has been reviewed and was updated in September 2013. Training initiatives and materials are reviewed regularly to ensure information provided to WorkCover WA staff meets requirements and complies with relevant legislation and standards. It is envisaged the induction training relating to Records will again be revised when the EDRMS Whole-of-agency Project has been completed as recordkeeping processes and procedures will change for all staff.

4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's recordkeeping

Records management is a mandatory component of the WorkCover WA induction program.

Recordkeeping information, policies and procedures are also available on the intranet for staff use. The effectiveness of the induction program in addressing employee roles and responsibilities is regularly reviewed to ensure compliance with the Recordkeeping Plan and the *State Records Act 2000*.

Advertising

Section 175ZE of the *Electoral Act 1907* requires the publication of the details of certain classes of expenditure in an agency's annual report. Expenditure during 2013/14 included advertising for job vacancies, notification to employers for compliance matters, promotion of WorkCover WA industry related events and monitoring of WorkCover WA social media.

Below is a statement of expenditure for the 2013/14 financial year.

Table 26: 2013/14 Advertising Expenditure		
Type	Organisation	2013/14 Expenditure (\$)
Advertising agencies	AdCorp Australia Limited The West Australian Cambridge Group Pty Ltd	2,069 125 1,144
Direct mail organisations	Quickmail	6,370
Market research organisations	e-CBD Pty Ltd	3,894
Media advertising organisations	-	Nil
Polling organisations	-	Nil
Total		\$13,602

Government policy requirements

Substantive equality

WorkCover WA's compliance with Public Sector Standards and Ethical Codes is detailed under 'Opportunity and accessibility' in *Section 4: Opportunities and Challenges* from page 70 of this report.

Occupational safety, health and injury management

WorkCover WA's Occupational Safety, Health and Injury Management policies are detailed under 'Opportunity and accessibility' in *Section 4: Opportunities and Challenges* from page 74 of this report.

OSH and injury management performance

WorkCover WA's OSH and injury management data for this reporting period is disclosed over the page in table 27. Comparative data has been included where possible.

Table 27: 2013/14 OSH performance data

OSH indicator	2010/11	2011/12	2012/13 Actual	2013/14 Target	2013/14 Actual
Number of fatalities	0	0	0	0	0
Lost-time injury/disease incidence rate *	0.67%	0	0	0	0.75%
Lost-time injury/disease severity rate	0	0	0	0	0
% injured workers returned to work within 13 weeks	-	100%	N/A**	100%	100%
% injured workers returned to work within 26 weeks	-	100%	N/A**	100%	100%
% managers trained in occupational safety, health and injury management responsibilities	82%	92%	92%	100%	92%

OSH training for staff

All staff are required to undertake the WorkCover WA online OSH training module. The module comprises a number of sections, including:

- legislative framework and requirements
- WorkCover WA OSH Management System
- supervisor responsibilities
- OSH resources
- Hazard and Incident Management System.

Completion rates are monitored by Human Resources and reported to the Corporate Executive on a quarterly basis.

*The lost-time injury/disease incidence rate is the number of lost-time injuries/diseases where one day/shift or more was lost in the financial year per 100 employees.

** Not applicable – no claims were recorded in 2013/14

