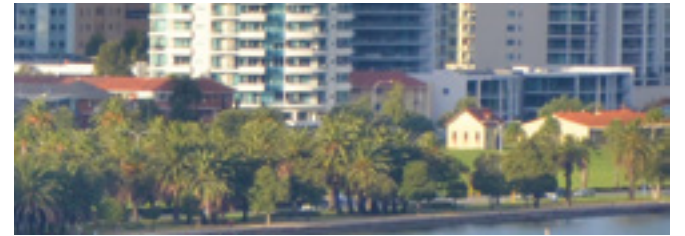
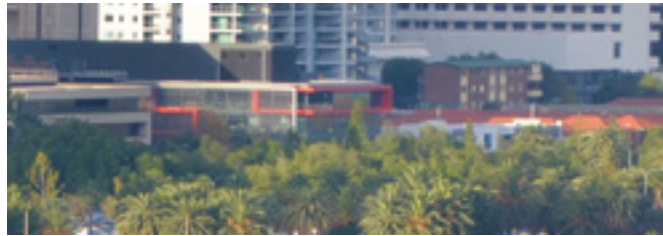
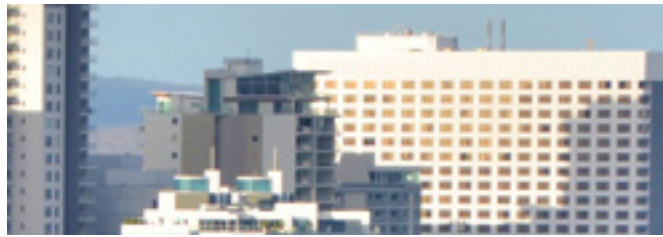
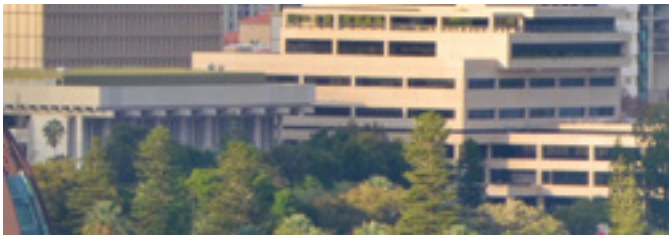


Annual Report 2013 - 2014



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About this report

Welcome to our 2013/14 Annual Report

This report delivers a comprehensive analysis of our oversight and regulation of Western Australia's workers' compensation and injury management scheme over the past year. An introduction to WorkCover WA (the Agency) and our year in review begins on page 6. For a more comprehensive analysis of aspects of the year refer to section(s):

1. Agency in Focus » p. 11
2. Scheme Performance » p. 33
3. Report on Operations p. » 39
4. Opportunities and Challenges » p. 69
5. Disclosures and Legal Compliance » p. 77
6. Key Performance Indicators » p. 91
7. Financial Statements and Notes » p. 109

This report was developed in line with the Public Sector Commission's Western Australian Public Sector Annual Reporting Framework for the 2013–2014 Reporting Year and the Department of Treasury's Model Annual Report for Net Cost of Service Statutory Authorities. In compliance with these guidelines costs were minimised for production and printing. As printed copies of each annual report are limited, this report is also published on the Agency's website www.workcover.wa.gov.au in the 'Resources' section. It adheres to State Government requirements for accessibility and readability, and can be viewed in PDF format as a whole or in sections. Alternative formats are available on request.

This publication may be copied in whole or part, with acknowledgement of WorkCover WA.

Statement of compliance



**To the Honourable Michael Mischin MLC
Minister for Commerce**

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament the report of the WorkCover Western Australia Authority for the financial year ended 30 June 2014.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*, and where applicable, a statement acknowledging the incorporation within the Report of any special reporting requirements imposed upon WorkCover Western Australia Authority by any other written law.

Greg Joyce
Chairman
WorkCover WA

21 August 2014

Chris White
Acting Chief Executive Officer
WorkCover WA

21 August 2014

About us

Our profile

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

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

Our purpose

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' compensation and injury management
- active, responsive and transparent management of the scheme
- focused information, education and compliance activities
- fair and timely dispute resolution
- a strong customer service focus.

Our strategic direction

The Agency's *Strategic Plan 2012-2015* (see page 31) defines four strategic goals that direct the delivery of WorkCover WA's purpose:

- 1. Goal 1: Strategic scheme management**
Maintain the integrity and stability of the scheme
- 2. Goal 2: Stakeholder confidence and engagement**
Promote stakeholder confidence and engagement in the sustainability of the scheme
- 3. Goal 3: Regulatory compliance**
Ensure compliance with the regulatory requirements of the scheme
- 4. Goal 4: Organisational excellence**
Ensure WorkCover WA has the right culture, people, systems and processes to deliver high quality outcomes

“Our vision is for a workers' compensation and injury management scheme that works for all.”



Our values



Customer Service

- We are clear about what we will deliver
- We consider our customers and their needs
- We take responsibility for delivering effective and appropriate services



Innovation

- We are proactive, positive, flexible and act strategically
- We recognise that change is constant and that it can bring opportunity
- We build on opportunities



Respect

- We embrace diversity and individual differences
- We seek to understand and recognise peoples' interests and rights
- We are fair and prompt in our actions and dealings with others



Integrity

- We are trustworthy and accountable
- We act in a consistent and impartial manner
- We are transparent in our decision making



Collaboration

- We work as a team
- We value the contribution of others
- We embrace a culture of open communication

Our stakeholders

Stakeholders in the workers' compensation scheme include every worker and employer who employs workers (including contractors and subcontractors), as well as the health and service providers they utilise in a workers' compensation and injury management context.

“WorkCover WA is committed to working collaboratively with all participants in the workers' compensation scheme. During 2013/14 an extensive consultation process was undertaken as part of the review of the Workers' Compensation and Injury Management Act 1981. We plan to continue to work with stakeholders in the development of a new workers' compensation statute.”

Chris White

A/Chief Executive Officer
WorkCover WA

Year in review

Year in numbers



14,329 Enquiries	into expired policies, cancellations, new businesses and new owner checks	422 Arbitrations	completed
422 Investigations	into complaints, enquiries and reporting	14,693 Publications	mailed to workers, employers, health providers and service providers
70 Prosecutions	completed against non-compliant employers	256,529 Visits	to the WorkCover WA website
3,996 Registrations	of memoranda of agreement for the finalisation of workers' compensation claims via settlement	23,289 Calls	for advice and assistance handled by the Advice and Assistance Unit
1,899 Conciliations	completed	2,266 Hours	of staff training completed



Year in brief

WorkCover WA has an important role in ensuring the Western Australian workers' compensation and injury management scheme operates fairly and efficiently for all stakeholders, from injured workers to employers, insurers, health professionals and legal representatives.

As detailed in *Section 1: Agency in Focus*, WorkCover WA's contribution to Government **Goal 3, 'Results-Based Service Delivery'** is achieved through the delivery of two services: regulation of scheme participants for compliance with legislative requirements; and the provision of effective and equitable dispute resolution and other services to scheme participants. The Agency's delivery of these services are analysed in *Section 3: Report on Operations*. WorkCover WA's success in delivering these services is measured against key performance indicators (KPIs) outlined in *Section 6: Key Performance Indicators*.

The overall workers' compensation environment in the State remained healthy in 2013/14. *Section 2: Scheme Performance* analyses the WA workers' compensation and injury management scheme, using the most recent data available. It reflects a stable picture in regards to the number and cost of claims.

A focus in this year's report is the WorkCover WA *Strategic Plan 2012–2015*. The four key goals of the Strategic Plan (page 31) refocused the Agency's approach to strategic scheme management, stakeholder engagement, regulatory compliance and organisational excellence. In 2013/14, 5 initiatives were delivered against this plan. The Agency's successful delivery of these strategic initiatives is described in detail in *Section 3: Report on Operations*.

Internally, the Agency remained committed to the health and wellbeing of its staff through a variety of developmental and occupational safety and health related initiatives, as outlined in *Section 4: Opportunities and Challenges*. The Agency's compliance with State Government policies and its financial performance and activities for 2013/14 are disclosed in *Section 5: Disclosures and Legal Compliance* and *Section 7: Financial Statements and Notes* respectively.

Year in dollars

The majority of funding (62%) for WorkCover WA's activities is derived from insurer contributions in the form of 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.

The below snapshot represents a consolidation of both the General and Supplementation Funds. Please refer *Section 7: Financial Statements and Notes* on page 109 for more detailed analysis and disclosure.

Table 1: WorkCover WA totals for 2013/14	
Revenue	\$34.721 million
Expenditure	\$27.787 million

Staff costs account for 51 per cent of agency expenditure. The remaining funds were expended on claims, supplies and services, accommodation and other expenses.

Full financial analysis and disclosures available at:

- Report on Funds Management » p. 78 - 79
- Financial Statements and Notes » p. 109 - 150

Figure 1: WorkCover WA income

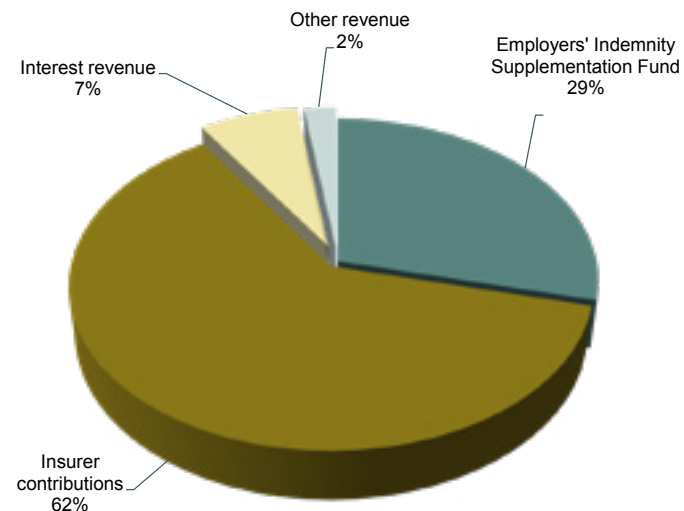
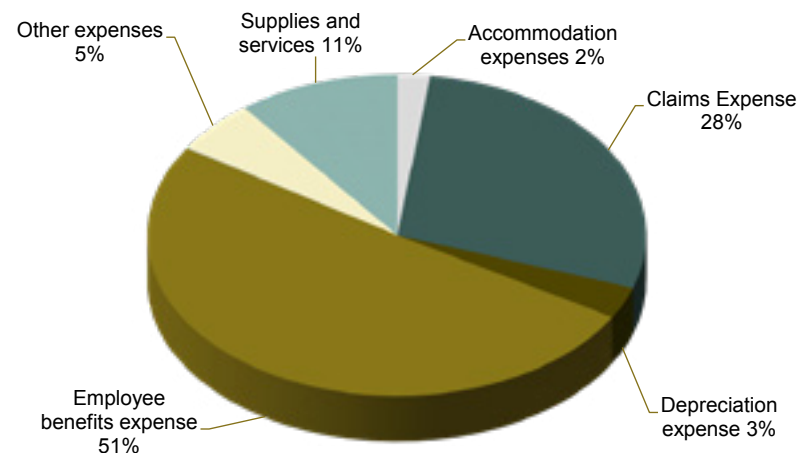


Figure 2: WorkCover WA expenditure



Year scorecard

2013/14 performance snapshot

The outcomes of WorkCover WA's activities and services are measured by KPIs comprised of effectiveness and efficiency indicators. The 2013/14 scorecard provides a snapshot view of our performance for the year.

Full explanations on all measures, analysed against previous years and set targets, are located on the page(s) referenced beside each indicator in table 2 and 3.

Table 4 provides a summary of the delivery of our 2013/14 Strategic Initiatives.

Table 2: Indicators of effectiveness snapshot				
#	Description	2013/14 Target/Result	Reference	
1.1	Number of non-compliance events identified as a result of a claim on the General Account	Target	8	p. 96
		Result		
1.2	Proportion of conciliations completed within 8 weeks of the date the application for conciliation was accepted	Target	97.0%	p. 98
		Result		
1.3	Average number of days to resolve a dispute	Target	126	p. 99
		Result		

Table 3: Indicators of efficiency snapshot

#	Description	2013/14 Target/Result	Reference	
1.1	Average cost per employer compliance activity	Target	\$271	p. 102
		Result		
1.2	Average cost per approved and monitored service provider	Target	\$3,284	p. 103
		Result		
1.3	Average cost per client contact to provide information and advice	Target	\$105	p. 104
		Result		
2.1	Average cost to complete a conciliation	Target	\$2,895	p. 106
		Result		
2.2	Average cost to complete an arbitration	Target	\$11,658	p. 107
		Result		
2.3	Average cost to process a Memorandum of Agreement	Target	\$428	p. 108
		Result		

Table 4: Delivery of 2013/14 Strategic Initiatives

Initiative	Commitment	Outcome
Legislative Review Stage 2	Complete redraft of the Act with the objectives of introducing contemporary language and drafting conventions and a logical and coherent structure whilst preserving the current intent of the legislation. This project continues from 2012/13.	Delivered ✓ Legislative review stage 2 progressed with the development of a discussion paper for consultation with stakeholders and the delivery of a Final Report with recommendations for a new statute.
Review of Medical Certificates	Deliver revised medical certificates for use in WA's workers' compensation scheme that are user-friendly and supported by explanatory material that guides its use in practice.	Delivered ✓ The review was completed and new medical certificates came into effect on 1 July 2014.
Guidance Material for Medical Practitioners	Develop useful and meaningful guidance material for General Practitioners (GPs) to support them in delivering injury management services. Clarify the role of the GP and strengthen engagement and partnerships between WorkCover WA and the medical profession.	Delivered ✓ Practical guidance material was developed for GPs to support them in delivering injury management services. A new website, WorkCover WA's <i>gpsupport</i> was launched for GPs on 8 May 2014.
Core Business System – Scheme Performance (continued)	Deliver the redevelopment of the Scheme Information System. This project continues from 2012/13.	Delivered ✓ As of March 2014 the systems are fully operational.
Development of WorkCover WA Compliance Program	Develop a compliance framework to outline all compliance and regulatory activities undertaken by WorkCover WA in accordance with the Act. In addition, create a Compliance Program for stakeholders, which will be made available each year.	Delivered ✓ The WorkCover WA compliance framework has been developed, approved by the WorkCover WA Board and promoted. In May WorkCover WA finalised a Compliance Plan for 2014/15 and made it available to stakeholders on the Agency website.