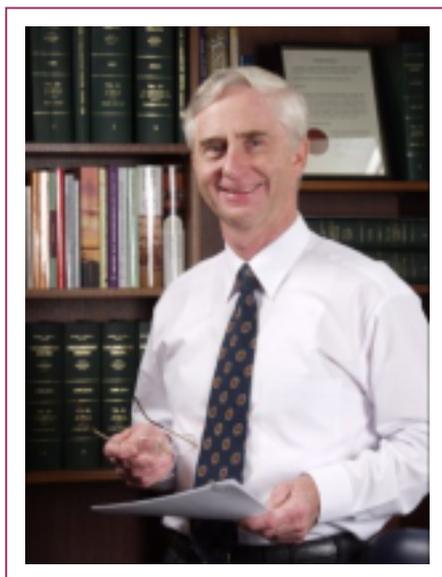


Annual Report

2004

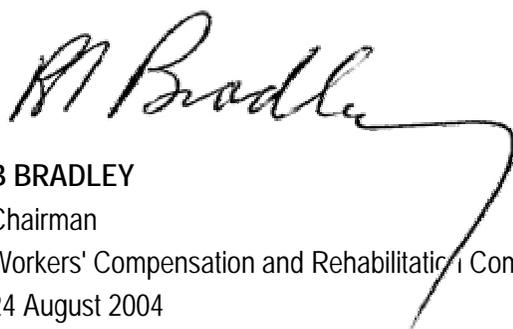
To the Hon John Kobelke MLA
Minister for Consumer and Employment Protection



Hon John Kobelke MLA

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 2004.

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



B BRADLEY
Chairman
Workers' Compensation and Rehabilitation Commission
24 August 2004



D MUNROWD
Member
Workers' Compensation and Rehabilitation Commission
24 August 2004

In accordance with a resolution of the Workers' Compensation and Rehabilitation Commission on 24 August 2004.

Contents and Contact Details

Contents

	<i>Page</i>
OVERVIEW AND THE ENVIRONMENT	
Letter to the Hon Minister	1
At a Glance 2003/04	4
Chairman's Review	5
Significant Issues and Trends	7
The Workers' Compensation Environment	8
Average Recommended Premium Rate	8
Premium Income	8
Claim Payments	9
Claim Statistics	12
CORPORATE GOVERNANCE AND COMPLIANCE REQUIREMENTS	
Our Vision and Mission	14
Our Structure and Management	14
History and Enabling Legislation	14
Legislation Administered	14
Authority and Funding	14
Changes to Written Laws	14
Role	15
Organisational Structure	15
Operating Structure	17
Government Strategic Framework	19
Performance Measurement	20
Summary of Outcomes and Outputs	20
Performance Measurement Programme	20
Our Employees	26
Staffing Profile	26
Workers' Compensation and Rehabilitation for Agency Officers	26
Equal Employment Opportunity	26
Employee Development and Training	27
Industrial Relations Environment	27
Occupational Health and Safety Initiatives	27
Compliance Requirements	27
Certification of Public Sector Standards, Code of Ethics, Code of Conduct	27
Freedom of Information	28
Record Keeping Plan	28
Statement of Expenditure – Electoral Act 1907	29
Waste Paper Recycling	29
Public Interest Disclosure	29
Energy	29
Annual Estimates	30
Access, Equity and Customer Focus	31
Customer Focus	31
Disability Services Plan	32
Language and Cultural Diversity	33
Regional Services	33
Indian Ocean Territories	33
Youth	33

	<i>Page</i>
REPORT ON OPERATIONS	
Strategic Policy and Planning	34
Policy	34
Legislation	35
Research Projects	35
National Committees	35
Operations and Support	36
Information, Education, Injury Management Review Unit and Prevention	36
Regulation	40
Corporate Services	41
Conciliation and Review	45
Statutory Dispute Resolution	45
Registration of Agreements	45
Civil Proceedings for Damages	47
Compensation Magistrate's Court	47
Medical Assessment Panels	47
Notification under section 57A and 57B	48
Premium Rates Committee	49
Industrial Diseases Medical Panel	51
PERFORMANCE AND FINANCIAL REPORTING	
Performance Indicators	52
Financial Statements	64
APPENDICES	
Publications	88
Senior Staff	90
List of Tables and Figures	91
WorkCover Annual Report Feedback Form	92

Our Contact Details

Workers' Compensation and Rehabilitation Commission

WorkCover

2 Bedbrook Place
Shenton Park WA 6008
Telephone: 08 9388 5555
Toll free Infoline: 1300 794 744
Facsimile: 08 9388 5550
TTY (hearing impaired) : 08 9388 5537

Conciliation and Review Directorate of WorkCover

15 Rheola Street
West Perth WA 6005
Telephone: 08 9324 6666
Facsimile: 08 9324 6600
WA Regional: 1800 633 108

E-mail postmaster@workcover.wa.gov.au

Internet: www.workcover.wa.gov.au

Overview and the Environment

At A Glance 2003/04

Organisational Information

	2002/03	2003/04
Expenditure:	\$13.5 Million	\$14.1 Million
Number of Employees at 30 June:	136	140

Summary of Operations

	2002/03	2003/04
Enquiries Answered:	22,947	23,425
Attendees at Seminars:	1,645	2,037
Inspections Conducted:	27,891	29,943
Service Providers Monitored:	418	343
Disputes Resolved:	3,544	3,092
Agreements Registered:	4,726	3,942

The Workers' Compensation Environment

Overall Average Recommended Premium Rate for 2004/05 reduced to:	2.25%
The Average Recommended Premium Rate from 2003/04 to 2004/05 reduced by:	3.8%
Employers' Indemnity Supplementation Fund Levy for 2004/05 maintained at:	1.0%
Claim Payments from June 2003 to June 2004 decreased by:	1.7%
Claim Payments for Common Law from June 2003 to June 2004 decreased by:	39.5%
Frequency Rate of Lost Time Claims from July 1999 to June 2003 reduced by:	23.2%
The Number of Lost Time Claims from July 1999 to June 2003 reduced by:	18.8%
The Number of Long Duration Claims from July 1999 to June 2003 increased by:	38.1%

Chairman's Review

The Hon John Kobelke MLA

Minister for Consumer and Employment Protection

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 2004.

Western Australia continues to enjoy a stable workers' compensation environment characterised by decreasing costs and claims. The scheme average recommended premium rate decreased from 2.342% for 2003/04 to 2.252% for 2004/05. Meanwhile, the supplementation fund levy paid by all employers to protect workers from the collapse of an insurer, remained at 1% of an employer's payroll for 2004/05.

Latest statistics indicate that total payments from workers' compensation claims were 2% less than 2002/03. Over 60% of payments made during 2003/04 continued to go directly to injured workers in the form of weekly benefits, redemptions, 2nd Schedule, payments for fatalities and common law. The most notable reduction this year was the amount paid for common law, which was 40% lower than the same time last year. The total amount paid for redemptions was also less than the previous year which reflects a reduction in the number of redemptions registered.

Lost time claim statistics revealed a drop in the number of claims lodged in 2002/03 (the latest year for which claim statistics are available). Long duration claims and their associated costs continue to be of concern to the Commission and the scheme. The proportion of long duration claims (60 days and greater in duration) to all lost time claims increased by 38.1% from 1999/00 (15.6%) to 2002/03 (21.6%). In 2002/03, long duration claims accounted for 21.6% of the total number of lost time claims and 78.3% of total claim costs. The Commission is undertaking further research in this area to develop strategies to address this increasing trend. On a positive note, the incidence rate of lost time claims decreased by 24.0% from 3.0 lost time claims per hundred workers in 1999/00 to 2.3 lost time claims per hundred workers in 2002/03. During the same period, the incidence rates for males and females reduced by 26.4% and 17.4%, respectively. The overall reduction in the number of claims, scheme payments and recommended premium rates continues to illustrate a stabilisation of the Western Australian workers' compensation scheme.

On a National front, significant in-roads were made towards achieving a consistent national approach to workers' compensation insurance arrangements for employers whose workers are employed interstate. The Workers' Compensation and Rehabilitation Amendment (Cross Border) Bill 2004, introduced into State Parliament in May 2004, will reduce the need for employers to take out workers' compensation insurance for their workers in more than one State or Territory where these workers are working temporarily in another jurisdiction. In addition, employers will be able to determine with certainty the jurisdiction in which they are required to obtain insurance.

The past financial year has seen the Commission focus its attention on locating all WorkCover employees in one location. Planning has commenced for the sale of the Commission's West Perth property and the re-location of staff to our Shenton Park premises. A major capital works project is planned for Shenton Park to house all WorkCover employees in one building.

The year was also highlighted by the successful implementation of our new data capture system which provides real time access to scheme trends through policy and claims data. Data produced from this system allows the Commission to monitor current trends in the workers' compensation scheme, providing vital information that assists in identifying and responding to issues in a timely manner. In addition, this information will also be critical in advising Government on the trends in the system enabling the detection of areas where legislative reform may be necessary. The data collected will also be invaluable for our stakeholders, providing them with information to assist in the prevention of workplace injury and disease and to minimise the social and economic cost of claims through the injury management process. The information produced from this system will continue to be monitored, but the early outcomes look promising.

Significant progress has been made towards the development of scheme health indicators for the Western Australian workers' compensation system. This will ensure up to date information on outcomes and trends is available to the Commission on how the scheme is changing and important cost drivers affecting the overall performance of the scheme.

The year commenced with the Partnerships Injury Management Conference 2003, a two day conference attended by over 250 people. The conference achieved its aim to increase the knowledge of stakeholders on workers' compensation and injury management with 96% of participants agreeing so. For the second year the number of compliance inspections increased, with 7% more inspections being conducted than last year. Monitoring of approved insurers and self insurers remained a key focus of the Commission's activities during the year with the development of a performance monitoring program for self insurers. This is a significant achievement for the Commission.

Overview and the Environment

On a positive note, operational statistics show a downward trend in the number of workers' compensation disputes lodged at the Conciliation and Review Directorate. In 2003/04 there were 816 less disputes lodged when compared with the previous year. Moreover, in 2003/04 82% of disputes were resolved at conciliation compared with 75% in 2002/03. Thirty-eight percent of disputes were resolved within 4 weeks from the date they were lodged. This is an improvement on the previous year where only 30% were resolved within 4 weeks.

The strategic policy and planning division was particularly busy during 2003/03 providing support to Government in the drafting of the legislative reform package and the cross border legislation. The corporate services areas of the agency continued to provide support the Commission and operations of the agency in areas such as finance, human resources and information technology. The implementation of the Commission's new data specification was a noteworthy highlight.

The Commission recognises the need to constantly improve practices and develop new ways of working to support our customers. The key focus areas of legislative reform, regulation, consultation and information quality will remain fundamental to many activities into 2004/05. The agency will also continue to embrace technology and management programs providing faster, more flexible and more efficient services that deliver better information to meet the needs of Government and customers.

There were two changes to the Commission's membership during the year with the expiry of the term of office for deputy members, Dr Brian Dare and Ms Stephanie Mayman. I welcome replacement deputy members, Dr Evelyn Lee and Mr Dave Robinson respectively.

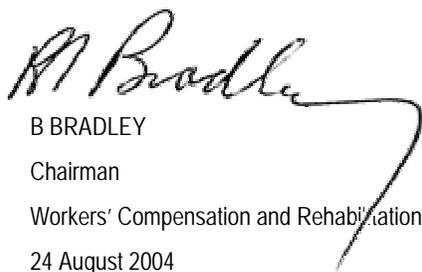
Mr Harry Neesham, WorkCover's Executive Director, announced his retirement in June 2004. Mr Neesham has been the Executive Director of WorkCover and a Member of the Commission since its inception in 1982. Mr Neesham was also a founding member of the National workers' compensation body, the Heads of Workers' Compensation Authorities. A long time public servant, Mr Neesham has dedicated over 40 years to serving the Western Australian community. I wish to acknowledge and thank him for his contribution and service to the Commission, WorkCover and the Western Australian workers' compensation scheme. His knowledge and experience will be greatly missed by all.

Finally, I would like to thank the current Commission Members and their deputies for their thoughtful deliberations and commitment over the past 12 months in ensuring sound long term decisions are made for the good of the scheme and in the interests of the accountable authority. I would also like to extend my appreciation to the Chairs and Members of our Advisory Committees, working parties and the staff of WorkCover for their contribution to the work of the Commission.

The Commission recognises the role of the Executive Director in being responsible for implementation of Commission policy and all operational issues. Mr Harry Neesham, Executive Director and his staff have performed their activities during 2003/04 with professionalism and commitment.

The year ahead promises to be as challenging as the one just concluded. The Commission is clearly focused on providing input and direction on matters of strategy and policy for the agency, in addition to meeting our objectives and statutory obligations. The Commission has continued to fulfil its role as an open, accountable authority that is focussed on working together with employers, workers and service providers to achieve a workers' compensation scheme that is fair, accessible to injured workers and affordable to employers and the community.

I look forward to your ongoing support in 2004/05.



B BRADLEY

Chairman

Workers' Compensation and Rehabilitation Commission

24 August 2004

Significant Issues and Trends

This section includes information on:

- Scheme Performance
 - Employers' Indemnity Supplementation Fund
-

Scheme Performance

Premium Rates

Recommended premium rates for the 2004/05 financial year were reduced overall by 3.8% based on the expected claims experience. The average recommended premium rate reduced from 2.342% for 2003/04 to 2.252% for 2004/05. The average recommended premium rate was 2.469% for 2002/03 and 2.625% for 2001/02. This is the sixth consecutive year recommended premium rates have reduced since the October 1999 legislative amendments. Over this period recommended premium rates have reduced in total by 40.4%.

Scheme Benefits

The 2003/04 year saw a decrease in claim payments on the previous year. The 2003/04 claims payment data indicates weekly payments equate to 32% of all payments a 5% increase on 2002/03. Common law experienced a 40% decrease on last year and accounts for 11% of claims payments, compared with 32% five years ago. The remaining claims experience is credited to medical practitioners and specialists (11%), legal expenses (7%), all other treatment (7%), schedule 2 (4%), vocational rehabilitation (4%), miscellaneous (5%), hospital (5%) and fatalities (0.5%).

Claims

The number of lost-time claims in the Western Australian workers' compensation system continued to decline. In 2002/03 the total number of claims lodged was 41,838, of which 18,827 were lost-time claims. This is an 18.8% decrease in lost time claims since 1999/2000. In 2002/03, long duration claims (60 or more working days lost-time) accounted for 21.6% of the total number of lost-time claims and 78.3% of total claim costs. The percentage of long duration claims increased by 38.1% from 1999/00 to 2002/03. The frequency rate (number of claims per million hours worked) of lost-time claims for all persons decreased by 23.2% from 17.6 lost-time claims per million hours worked in 1999/00 to 13.5 lost-time claims per million hours worked in 2002/03.

Employers' Indemnity Supplementation Fund – HIH Insurance

The Employers' Indemnity Supplementation Fund is in place to protect workers from the collapse of an insurer. The fund ensures no worker is materially disadvantaged because of the collapse of an insurer, including HIH Insurance. Based on an actuarial assessment of outstanding claims for HIH Insurance, the Supplementation Fund surcharge rate for the 2004/05 year was maintained at 1% of premium on an employer's indemnity policy. Over the past years, the surcharge rate has dropped from 5% to 1%. This rate is reviewed annually in order to minimise the financial impact on employers. The surcharge is required in order to raise sufficient funds to cover the cost of claims paid by employers who had current employers' indemnity policies with HIH Insurance up to and including the 14 March 2001. In August 2001, HIH Insurance was officially placed in liquidation. At the commencement of HIH Insurance's provisional liquidation, in March 2001 there were 3,381 accepted claims, whilst by 30 June 2004 there only remains 254 open claims. As at 30 June 2004, outstanding claims in Western Australia were estimated at \$24.09 million (which includes an allowance for asbestos related diseases for current known claims, but does not allow for incurred but not reported claims), with \$9.76 million paid in relation to claims for HIH Insurance during the year.

Overview and the Environment

The Workers' Compensation Environment

In this section an overview of the Western Australian workers' compensation environment is given including:

- Average Recommended Premium Rate
- Premium Income
- Claims Payments
- Claim Statistics

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

Average Recommended Premium Rate

The average recommended premium rate provides an indication of the average rate for the scheme based on the gazetted recommended premium rates. Recommended premium rates are set for the privately underwritten market, inclusive of State Government experience.

Recommended premium rates in Western Australia are gazetted for all 480 industry based classifications. In 2004/05, recommended premium rates for classifications range from 0.40% to 12.53%.

Figure 1 demonstrates the trend in the average recommended premium rate over the past twelve years.

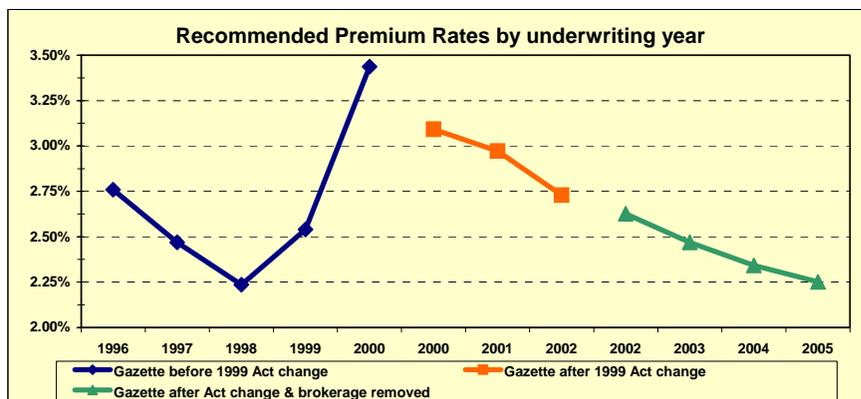


Figure 1: Average Recommended Premium Rates by Underwriting Year

Premium Income

The Western Australian workers' compensation scheme is primarily underwritten by the private insurance companies. Insurers are approved by the Workers' Compensation and Rehabilitation Commission to underwrite workers' compensation.

The Workers' Compensation and Rehabilitation Act 1981 also provides the Workers' Compensation and Rehabilitation Commission with the ability to approve exemption from insuring for employers who wish to self insure. As at the 30 June 2004, there were 11 insurers and 28 self insurers in the State.

The statutory obligations of the State Government as an employer are managed through a self insurance scheme managed by the Insurance Commission of Western Australia under the name of RiskCover.

In assessing the workers' compensation scheme performance it is important to note that workers' compensation claims are long tail in nature which means it may take up to five to seven years for serious claims to reach finalisation.

Consequently, premium collected by insurers in any given underwriting year is required for the payment of all claims incurred during that year for the life of these claims.

Premium Income 2003/04

In the annual determination of the recommended premium rates, the Premium Rates Committee includes an allowance for the:

- Target loss ratio which is the expected cost of all claims for each respective underwriting year;
- Claims administration expenses;
- Inflation and interest earned on premium collected;
- Statutory charges; and
- Profit.

The premium dollar collected by insurers (as reported in this section) incorporates all these expenses. It does not represent the premium dollar collected solely for the purpose of paying for the cost of claims.

The premium income of the scheme, for the year ending 30 June 2004, as reported in the contribution returns lodged by insurers, the Insurance Commission of Western Australian and self insurers, is identified in table 1.

Table 1: Premium Income of the Scheme 2003/04

	\$Million
Insurers ⁽¹⁾	\$556.597
Self Insurers (notional)	\$73.522
Total	\$ 630.119

⁽¹⁾ The premium income for the Insurance Commission of WA is included in the category for insurers.

Funds required for the Commission to carry out their functions is derived from contribution returns provided by insurers and self insurers under section 109 of the Workers' Compensation and Rehabilitation Act 1981. Insurers declare actual premiums received whilst self insurers declare a notional premium based on the gross wages paid and the industry premium rate.

Premium Income History

Table 2 shows a history of premium income and notional premium income for the scheme from 1993/94 to 2003/04.

Table 2: Premium Income by Year

Financial Year	Insurers (Premium Income) \$M	Self Insurers (Notional Income) \$M	Scheme Total \$M
2003/04	556.597	73.522	630.119
2002/03	574.823	76.909	651.732
2001/02	593.951	67.702	661.653
2000/01	636.475	62.519	698.994
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

Notes:

1. The term 'insurers' for premium income comprises 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).
2. 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.
3. Claims payments represent the actual payments for all accident years and do not reflect liabilities incurred but not yet paid.
4. The notional premium income of self insurers is calculated by applying recommended premium rates to declared wages. The premium income statistics of insurers are actual and account for surcharges and discounting.
5. 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.
6. From 1998/99 onwards the Insurance Commission of Western Australia's claim payments data is included under Self Insurers.

Claim Payments

Claim payments information includes expenses for all workers' compensation claims reported by approved and former insurers under section 161 of the Workers' Compensation and Rehabilitation Act 1981, by the Insurance Commission of Western Australia in relation to insurance arrangements for State Government workers and industrial diseases, and by self insurers.

Claim payments are the actual expenses incurred during each financial year regardless of the claim's date of accident for the cost of unfinalised claims.

Overview and the Environment

Claim payments do not include the cost of claims not yet incurred or other expenses which are allowed within the determination of recommended premium rates.

Claim Payments by Category 2003/04

In 2003/04 the total cost of claims incurred against all accident years was \$385,033,476 million, 1.7% lower than the total payments made in 2002/03.

Table 3: Claims Payments made in 2003/04

Payment Category	Scheme Total \$	% of Scheme Total
By Weekly Payments	\$124,328,872	32.3%
Redemptions	\$55,991,961	14.5%
For Specific Injuries (2nd Schedule)	\$16,907,425	4.4%
Fatal (including funeral expenses)	\$1,768,763	0.5%
Medical Practitioners and Specialists	\$41,582,470	10.8%
Hospital Expenses	\$18,183,688	4.7%
All Other Treatment (a)	\$26,280,165	6.8%
Vocational Rehabilitation (b)	\$16,817,993	4.4%
Miscellaneous (eg. transport, maintenance)	\$17,330,803	4.5%
Legal Expenses (c)	\$24,911,782	6.5%
Common Law and Other Acts	\$40,929,554	10.6%
Scheme Total	\$385,033,476	100.0%

Notes:

- (a) 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.
 - (b) Comprised of payments made under Clause 17(1a) of Schedule 1 of the Act in respect of counselling, occupational training, work assessment, aids and appliances.
 - (c) 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.
- (1) These are costs reported as at 30 June each year and may be subject to change due to payment variations subsequently reported by approved, former approved insurers and self insurers.
- (2) Claim payments represents the actual payments and do not reflect liabilities incurred but not yet paid.

In 2003/04 weekly payments accounted for 32% and common law and other Acts for 11% of the total claim payments. In 2002/03, these payments accounted for 30% and 15% respectively of the total claim payments. These two categories of payments accounted for 43% of the total scheme payments in 2003/04, 45% in 2002/03, and 44% in 2001/02.

The category relating to redemptions continues represent 15% of total payments. This has been a consistent trend over the past 3 years. This payment pattern indicates payments are correctly being made within the provisions of the statutory scheme.

Equally, medical practitioner and specialist payments have remained steady over the past 3 years accounting for 11% of the total payments. Legal expenses have reduced by 15% but still account for 7% of the total cost of claims, compared with in 7% in 2002/03 and 8% in 2001/02.

Claim Payment History

Claim payments represent the actual compensation payments for all accident years but do not reflect liabilities incurred but not yet paid or administrative costs. Actual claim payments amounts (with no adjustment for inflation) are provided in table 4 for all years.

Table 4: Claim Payment by Year Paid

Financial Year	Insurers \$M	Self Insurers \$M	Scheme Total \$M
2003/04	301.738	83.295	385.033
2002/03	313.900	77.842	391.742
2001/02	314.929	73.423	388.352
2000/01	323.898	76.475	400.373
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

Notes:

1. The term 'insurers' for premium income comprises 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).
2. 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.
3. Claims payments represent the actual payments for all accident years and do not reflect liabilities incurred but not yet paid.
4. The notional premium income of self insurers is calculated by applying recommended premium rates to declared wages. The premium income statistics of insurers are actual and account for surcharges and discounting.
5. 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.
6. From 1998/99 onwards the Insurance Commission of Western Australia's claim payments data is included under Self Insurers.

Overview and the Environment

The financial health of the Western Australian workers' compensation system is illustrated in table 5 commencing with the 1996/97 financial year. The table provides an outline of the precise state of the workers' compensation system.

All data items in this table are adjusted annually to reflect all transactions and subsequent developments relating to each specific financial year, whereas the premium income and claims payment information (previous) reflect the actual outcome as of 30 June each year.

The data in the table is the combined experience of insurers, past insurers and the Insurance Commission of Western Australia.

Table 5: Financial Performance of the WA Workers' Compensation System by Accident Year

	Estimated Profit and Loss in the WA Workers' Compensation System							
	Accident Year ending 30 June							Estimated
	1997	1998	1999	2000	2001	2002	2003	2004
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Gross earned premium (a)	372.646	384.935	458.610	592.553	621.614	585.164	587.328	583.693
Cumulative claim payments (b)	399.626	383.822	335.812	303.082	246.155	176.689	75.848	93.667
Outstanding estimate (c)	31.531	42.001	53.658	113.461	182.332	263.159	406.214	426.706
Net claims incurred (d)	431.157	425.824	389.470	416.544	428.487	439.847	482.063	520.373
Underwriting profit/loss (e)	(58.511)	(40.889)	69.140	176.009	193.127	145.317	105.265	63.320
Commission (f)	11.179	11.548	13.758	17.777	18.648	17.555	17.620	17.511
Other expenses (g)	60.741	61.590	62.830	66.366	78.323	76.071	88.148	87.603
Estimated investment income (h)	67.778	66.940	57.090	51.620	53.718	55.148	66.840	72.152
Estimated profit/loss - \$ (i)	(62.654)	(47.087)	49.643	143.486	149.874	106.838	66.337	30.359
- % of gross EP (i)	-17%	-12%	11%	24%	24%	18%	11%	5%
Loss ratio (j)	116%	111%	85%	70%	69%	75%	82%	89%
						340.100	406.437	436.796
						11%	11%	10%
GWP on Gazette Rates (m)	486.678	487.260	566.946	686.736	660.082	623.871	621.821	611.239
Est EP on Gazette Rates (n)	486.678	487.085	543.040	650.799	668.078	634.734	622.436	614.414
Difference in EP (o)	114.033	102.150	84.430	58.246	46.464	49.570	35.108	30.721
Estimated profit/loss on Gazette rates (p)	51.379	55.063	134.072	201.732	196.338	156.408	101.445	61.079
	11%	11%	25%	31%	29%	25%	16%	10%
						794.993	896.438	957.517
						23%	22%	20%
Number of active claims by accident year (s)	325	550	701	997	1687	3494	12103	

- Notes :
- (a), (b) from section 5.5 of this report, estimated for the 2004 accident year. Assumed a 5% discount on Gazette rates in 2004.
 - (c) = PwC reserves from section 3.3.1 of this report. The 2004 accident year estimated as inflated average claim size x number incurred with 18% assumed paid in DY0. Excludes 5% claim management expense allowance and risk margins.
 - (d) = (b) + (c)
 - (e) = (a) - (d)
 - (f) = 0.03 x (a) estimated
 - (g) = (total expense % from B2.4 in this report x (a)) - (f)
 - (h) = upto 1998, (1 - 0.8428) x (d) estimated using a range of Commonwealth bond yield curves over the period, actual rates applied for 1999 onwards. This is a theoretical allowance. Current market conditions indicate that most Australian long tail insurance classes are achieving much lower investment returns, in some cases negative returns.
 - (i) = (e) - (f) - (g) + (h), where the % in the row below is of (a). Estimated profit/loss includes allowance for superimposed inflation, the rate change on previous years and the 8% profit margin agreed by the Committee. It does not include the risk margins on outstanding claim reserves.
 - (j) = (d) / (a) %
 - (k) = sum of (i) in \$M
 - (l) = (k) / sum of (a) %
 - (m) = gross written premium on the Gazette rates which applied for the year
 - (n) = estimated earned premium on Gazette rates allowing for 30% of GWP to be unearned at each 30 June. (n) = (m) for 1997
 - (o) = (n) - (a) ie Gazette earned premium minus insurer earned premium
 - (p) = (o) + (i) ie estimated profit on Gazette rates, where % in row below is of (n)
 - (q), (r) = defined as for (k) and (l) with reference to (p) and (n)
 - (s) = the number of open claims from the consolidated Form WC20s supplied by returning entities.

Source: PricewaterhouseCoopers; Premium Rates Committee of Western Australia – Actuarial Assessment of the Recommended Premium Rates for 2004/05– March 2004, Page 14.

Overview and the Environment

Claim Statistics

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

WorkCover continuously updates its lost-time 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 of the workers' compensation system in Western Australia. The claims data was extracted in December 2003.

It should also be noted that over time a greater proportion of lost-time claims become finalised and subsequent snapshots of the system provide more up-to-date claims information. For example, when data was extracted 83.7% of lost-time claims lodged in 2001/02 and 60.6% of lost-time claims lodged in 2002/03 were finalised.

To maintain consistency, the following claims were excluded from the analysis of lost-time claims (for claims data only):

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

Number of Claims Lodged

Statistical Report 1999/00 - 2002/03

NUMBER OF LOST-TIME CLAIMS LODGED

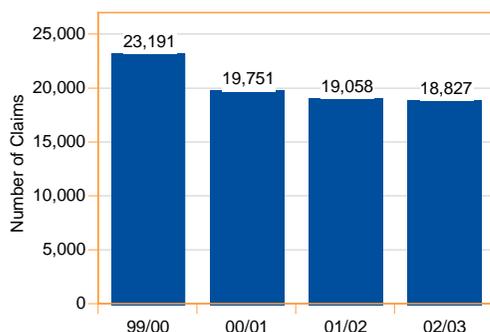


Figure 2: Number of Lost Time Claims Lodged 1999/00-2002/03

In 2002/03 the total number of claims lodged was 41,838, of which 18,827 were lost-time claims. It is pleasing to note that over the last 4 years the number of lost-time claims has also steadily decreased.

Proportion of Claims and Cost: 2002/03

Statistical Report 1999/00 - 2002/03

PERCENTAGE OF LOST-TIME CLAIMS BY DURATION AND COST: 2002/03

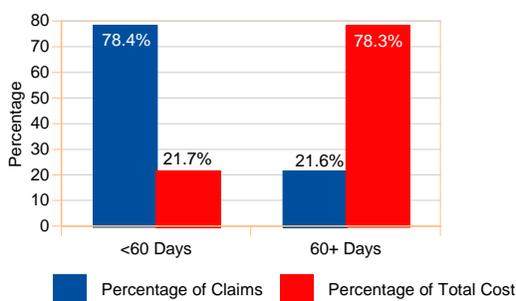


Figure 3: Lost Time Claims by Duration and Cost: 2002/03

In 2002/03 there was a disproportionate relationship between the numbers of long duration claims (claims of 60 or more working days lost) to the total cost of claims. Long duration claims accounted for only 21.6% of all lost-time claims however they contributed to 78.3% of claim costs.

Note: The cost information includes actual payments for long duration claims and estimated costs (as indicated by insurers) for long duration claims that were not finalised when the data was compiled. Fatalities are each assigned 220 working days lost.

Frequency Rate by Gender

Statistical Report 1999/00 - 2002/03
FREQUENCY RATE BY GENDER

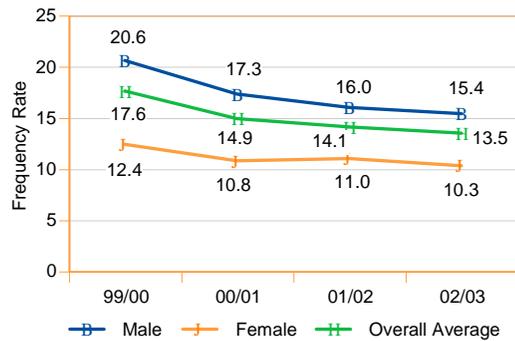


Figure 4: Frequency Rate by Gender: 1999/00-2002/03

In 2002/03, male workers reported 71.5% of all lost-time claims and female workers reported 28.5% of all lost-time claims. Over the four years from 1999/00 to 2002/03, lost-time claims for males decreased by 21.3% and lost-time claims for females decreased by 11.8%.

The frequency rate represents the number of lost-time claims per million hours worked. Over the four-year period, the frequency rate for male workers decreased by 25.3% and the frequency rate for female workers decreased by 17.2%. In the year from 2001/02 to 2002/03, the frequency rate for male workers decreased by 3.8% from 16 to 15.4 lost-time claims per million hours worked and the frequency rate for female workers decreased by 6.5% from 11 to 10.3 lost-time claims per million hours worked.

Active Claims as at 30 June 2003

Statistical Report 1999/00 - 2002/03
YEAR OF LODGEMENT FOR CLAIMS ACTIVE IN 2002/03

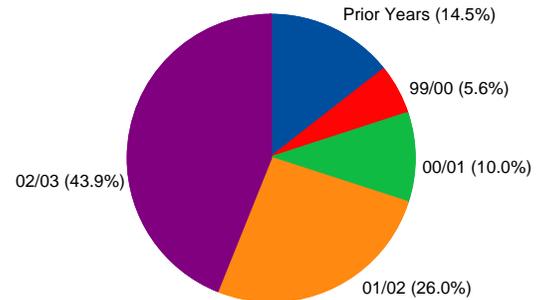


Figure 5: Year of Lodgement for Claims Active as at 30 June 2003

In 2002/03, of the 42,891 active lost-time claims, 18,827 (43.9%) were lodged in 2002/03, 11,170 (26.0%) were lodged in 2001/02, 4,273 (10.0%) were lodged in 2000/01, 2,403 (5.6%) were lodged in 1999/00 and the remaining 6,218 (14.5%) were lodged in prior years (Only claims lodged after 1991/92 have been included in the figure).

Corporate Governance and Compliance Requirements

Our Vision and Mission

Vision

Workers, employers, service providers and WorkCover working together to achieve a workers' compensation scheme that is fair, accessible to injured workers and affordable to employers and the community.

Mission

To minimise the social and economic impact on workers of work-related injury and disease and achieve cost effectiveness for employers and the community.

Our Structure and Management

The structure and management of WorkCover is outlined in this section including:

- History and Enabling Legislation
- Legislation Administered
- Authority and Funding
- Role
- Organisational Structure
- Operating Structure

History and Enabling Legislation

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

Legislation Administered

The Commission administers:

- the Workers' Compensation and Rehabilitation Act 1981;
- the Employers' Indemnity Supplementation Fund Act 1980;
- the Workers' Compensation and Rehabilitation (Acts of Terrorism) Act 2001;
- the Waterfront Workers' (Compensation for Asbestos Related Diseases) Act 1986; and
- the Employers' Indemnity Policies (Premium Rates) Act 1990.

Authority and Funding

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

Changes to Written Laws

During 2003/04, the following changes to written laws occurred:

- Gazetted the Workers' Compensation and Rehabilitation (Scales of Fees) Amendment Regulations (No. 4) 2003.
- Gazetted the Workers' Compensation and Rehabilitation (Scales of Fees) Amendment Regulations (No. 5) 2003.
- Gazetted the Workers' Compensation and Rehabilitation (Scales of Fees) Amendment Regulations (No. 6) 2003.
- Gazetted the Workers' Compensation and Rehabilitation (Acts of Terrorism) (Final Day) Amendment Regulations 2003.
- Gazetted the Workers' Compensation and Rehabilitation (Scales of Fees) Amendment Regulations (No. 1) 2004.
- Gazetted the Workers' Compensation and Rehabilitation Amendment Regulations 2004 which provided for an increase from 29 to 33 cents in the current rate prescribed by Regulation 17AA (Prescribed rate for vehicle running expenses).

Corporate Governance and Compliance Requirements

Role

The primary role of the Commission 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
- (3) 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.

Organisational Structure

Workers' Compensation and Rehabilitation Commission

The Workers' Compensation and Rehabilitation Commission is a statutory authority that comprises of 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 has been delegated by the Commission to the Executive Director who directs the operations of the agency. The Executive Director and all other personnel engaged by the Commission are employed under the provisions of the Public Sector Management Act 1994.

For the purposes of this report, when referring to the Commission as an organisation, the name WorkCover will be used. The names Commission or Workers' Compensation and Rehabilitation Commission will be used to refer to WorkCover's governing body. The Commission, with legislative authority to perform the functions, determines and monitors the agency's budget; approves performance targets; approves and reviews service providers; and determines policy. The Commission monitors operating, financial and scheme performance through monthly reports. The Executive Director then implements the resolutions of the Commission via the responsible division within the agency.

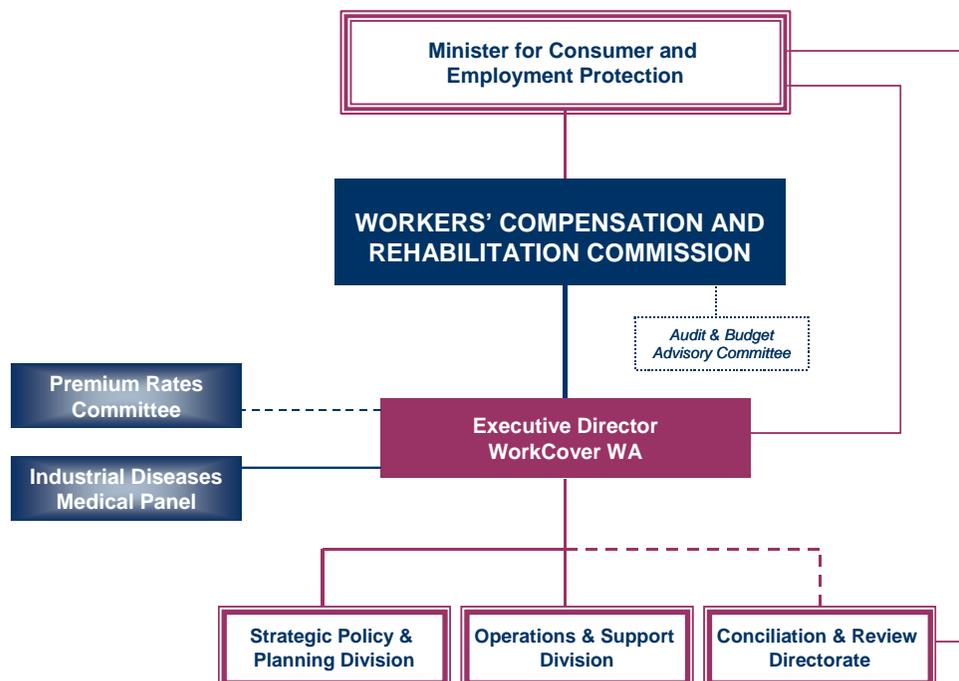


Figure 6: Organisational Structure as at 30 June 2004

Corporate Governance and Compliance Requirements

Membership to the 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 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 Workers' Compensation and Rehabilitation Act 1981 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 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.

Membership to the Commission was from the date of approval of 11 May 2004, for a maximum of one year from 3 May 2004 or such sooner period as the law provides (due to current proposal to reform the Workers' Compensation and Rehabilitation Act via the Workers' Compensation Reform Bill 2004). Government places significant trust in the Commission to perform its obligations and responsibilities. As such Commission Members perform their duties honestly, openly, in good faith and with a high order of care and diligence.

Members

Members of the Commission are as follows:

Mr Brian Bradley, PSM (Chairman)

Mr Bradley is the Director General of the Department of Consumer and Employment Protection and has been Chairman of the Workers' Compensation and Rehabilitation Commission since 3 May 2000. He is the Western Australian representative on the National Occupational Health and Safety Commission and is one of the Government's nominees to the Western Australian Commission for Occupational Safety and Health.

Mr Harry Neesham

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 its inception in 1982.

Mr Vic Evans

Mr Evans is the Managing Director of the Insurance Commission of Western Australia 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 extensive experience in insurance and is a member of the Road Safety Council.

Mr Nigel Glass, AM

Mr Glass was appointed as a Member to the Workers' Compensation and Rehabilitation Commission in May 1997 and is the nominee of the Chamber of Commerce and Industry (WA). He is the Chief Executive Officer of the Paraplegic Quadriplegic Association of WA (Inc) and the Civilian Maimed and Limbless Association of WA Inc. Mr Glass has an extensive and ongoing interest in rehabilitation, occupational safety and health issues and workers' compensation. He is the Chairperson of the Health and Community Services Council and the Occupational Health, Safety and Workers' Compensation Committees, as well as a board member of the Chamber of Commerce and Industry (WA).

Mr Daryl Cameron

Mr Cameron is the Group Manager, WA & NT, of the Insurance Council of Australia and has 29 years of experience in the insurance industry. Mr Cameron has been a member of the Commission since April 1996. He is also an affiliate of the Australian Insurance Institute and has served in senior positions for several national and international insurance and banking companies.

Ms Miriam Angus

Ms Angus has been a Member of the Workers' Compensation and Rehabilitation Commission since July 1999 and is a nominee of Unions WA. The Executive Officer for the Labour Movement Work Experience Programme, Ms Angus is legally qualified and has extensive experience in trade union affairs, particularly in the area of workers' compensation.

Dr Robert Gillett

Dr Gillett is a specialist 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 medicine.

Deputy Members

Deputy Members as at 30 June 2004 are as follows:

- Ms Diane Munrowd, Deputy Member for Mr Harry Neesham;
- Mr Lew Watts, Deputy Member for Mr Vic Evans;
- Ms Anne Bellamy, Deputy Member for Mr Nigel Glass;
- Mr Garry Moore, Deputy Member for Mr Daryl Cameron;
- Mr David Robinson, Deputy Member for Ms Miriam Angus; and
- Dr Evelyn Lee, Deputy Member for Dr Robert Gillett.

Corporate Governance and Compliance Requirements

Expiry of Membership Term

During 2003/04, Dr Brian Dare and Ms Stephanie Mayman's term as Deputy Members expired and their contribution to the Commission is acknowledged.

Powers of Delegation

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

Disclosure of Interest in an Existing or Proposed Contract

In accordance with Treasurers Instruction 903, the following Senior Officers have declared interests in existing or proposed contracts with WorkCover.

Commission Chairman Mr Brian Bradley is the Director General of Department of Consumer and Employment Protection and the WorkSafe Western Australia Commissioner. WorkCover provides funding to support preventative activities relative to the ThinkSafe Campaign run by WorkSafe and the forums undertaken by WorkSafe in conjunction with WorkCover and the Department of Industry and Resources.

Commission Member Mr Nigel Glass is the Chief Executive Officer of the Paraplegic Quadriplegic Association of WA (Inc). The Paraplegic Quadriplegic Industries has a garden maintenance contract with WorkCover for its Shenton Park site.

Commission Member Mr Vic Evans is Managing Director of the Insurance Commission of Western Australia which, for an agreed administration fee, during 2003/04 provided a claims management service for workers' compensation insurance claims lodged against the Employers' Indemnity Supplementation Fund and the Workers' Compensation and Rehabilitation General Fund.

Commission Deputy Member Mr Lew Watts is General Manager of Insurance for the Insurance Commission of Western Australia which, for an agreed administration fee, during 2003/04 provided a claims management service for workers' compensation insurance claims lodged against the Employers' Indemnity Supplementation Fund and the Workers' Compensation and Rehabilitation General Fund.

Commission Deputy Member Dr Evelyn Lee is a Member of the Industrial Diseases Medical Panel and the Medical Assessment Panel, which is established under the Act. Dr Lee is remunerated at an hourly rate for this service.

Code of Conduct for the Commission and its Advisory Committees

The Commission maintains a Code of Conduct, which promotes good practice, identifying the obligations of Members and provides guidance on ethical conduct.

Commission Advisory Committees

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. The following are the advisory committees of the Commission:

- Audit and Budget Advisory Committee;
- Legislative Review Advisory Committee; and
- Medical and Allied Services Advisory Committee.

A Member of the Workers' Compensation and Rehabilitation Commission chairs each Committee. Membership comprises Members or Deputy Members of the Commission or a nominee of the representative body on the Commission.

Audit and Budget Advisory Committee

The Audit and Budget Advisory Committee undertakes the functions of audit and budget on behalf of the Commission. The Audit function relates to advising the Commission on the audit measures to achieve the effective and efficient administrative performance of the Commission. The budget function relates to the review of WorkCover's budget and recommendation to the full Commission.

Legislative Review Advisory Committee

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

Medical and Allied Services Advisory Committee

The Medical and Allied Services Advisory Committee provides the Commission with recommendations for fee structures and service schedules for the delivery of medical/allied health and vocational rehabilitation services; and matters relating to the effective delivery of these services.

Operating Structure

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

Corporate Governance and Compliance Requirements

Corporate Executive

The Corporate Executive comprises of the Executive Director and Directors. Corporate Executive's primary role is to develop criteria for determining the appropriateness of Commission matters and supports the Commission in setting strategic direction. The Executive Director through the Corporate Executive implements the resolutions of the Commission via the responsible division within the agency.

Corporate Group

The Corporate Group comprises of the Corporate Executive, Managers and senior staff. Corporate Group provides a forum for communication of corporate information, general information sharing and to attend to administrative matters of the agency. The activities of Corporate Group include a review of Commission resolutions, division and branch reports on current/future activity and whole agency information dissemination.

Divisions

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

- Executive Office;
- Strategic Policy and Planning;
- Operations and Support; and
- Conciliation and Review.

Executive Office

Executive Office provides direct support to the Executive Director; the Insurers Advisory Committee established under the Employers' Indemnity Supplementation Fund Act 1980; co-ordination of activities for the Premium Rates Committee and support to the Audit and Budget Advisory Committee of the Commission.

Strategic Policy and Planning

The division has a strategic focus to assist the Commission and Government in effectively managing the workers' compensation system in Western Australia. The division undertakes a strategic policy and planning role to ensure WorkCover is meeting Commission and Government objectives. Emphasis is placed on strategic development, research and data analysis, policy advice and drafting legislation, coordination of ministerial requirements relating to policy and legislative change, ministerial briefings, media responses and participation in Commission and National workers' compensation committees.

Operations and Support

The division is responsible for both the operational and support services of WorkCover.

The division:

- Delivers information, education and training to customers and is responsible for all promotional activities of the agency.
- Ensures compliance with legislation by the accreditation/licensing and monitoring of service providers; inspection of employers to ensure they hold a current policy of insurance and administration of noise induced hearing loss legislation.
- Undertakes corporate policy development, performance evaluation and corporate reporting.
- Provides support to the Industrial Diseases Medical Panel; Commission; Premium Rates Committee; and a number of Advisory Committees of the Commission.
- Ensures the human, financial and physical resources are available to support the operations of the agency and the delivery of outputs.
- Supports the trust, general and supplementation funds established under legislation. Supports the on-line service delivery environment.

Conciliation and Review

The 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 and Rehabilitation Act 1981.

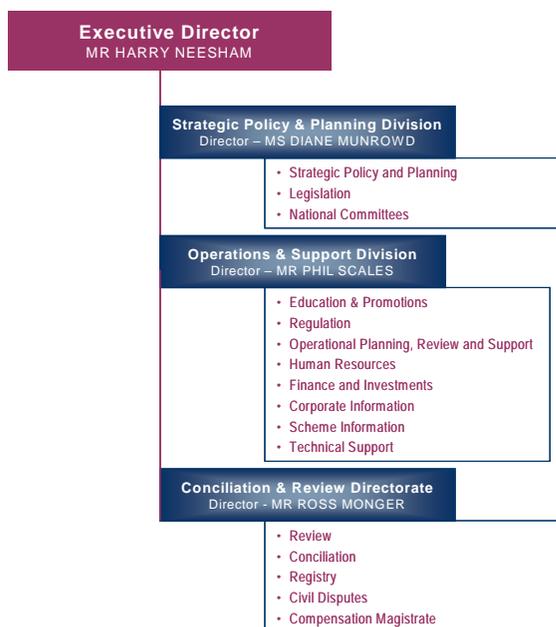


Figure 7: Operating Structure as at 30 June 2004

Corporate Governance and Compliance Requirements

Senior Officers

Mr Harry Neesham – Executive Director

Mr Neesham has been the Executive Director of WorkCover since its inception in 1982 and is a founding Member and current Convenor of the Heads of Workers' Compensation Authorities of Australia.



Left to Right: Phil Scales, Harry Neesham, Diane Munrowd, and Ross Monger

Ms Diane Munrowd - Director, Strategic Policy and Planning

Ms Diane Munrowd has been the Director of Strategic Policy and Planning Division since March 2002. Ms Munrowd has a Masters Degree in Rehabilitation and has extensive experience in workers' compensation and injury management at a State and National level.

Mr Phil Scales – Director, Operations and Support

Mr Scales has been the Director of Operations and Support since March 2002 and has worked in the public sector since 1976. Mr Scales has a background in information technology and more recently corporate services.

Mr Ross Monger - Director, Conciliation and Review

Mr Monger has been the Director, Conciliation and Review since the inception of the Directorate in March 1994. He has extensive experience of some 25 years in Courts and Court Administration.

Government Strategic Framework

In April 2004, the Western Australian Government released its "Better Planning: Better Services -A Strategic Planning Framework for the Western Australian Public Sector". During 2003/04, WorkCover analysed the requirements of the framework with a view to identifying those goals and strategic outcomes which it would contribute towards. Table 6 identifies under each goal, the strategic outcomes that WorkCover has contributed towards during 2003/04. It should be noted that this is the first year of the requirement and as amendments to the legislation are pending in Parliament, the Strategic Plan has not yet been reviewed to ensure it compliments the Government's strategic direction.

Table 6: Agency reporting against the Government's Strategic Framework 2003/04

GOALS	Obligatory Reporting	Reference Page
1. PEOPLE AND COMMUNITIES		
To enhance the quality of life and wellbeing of all people throughout Western Australia.	Cultural Diversity and Language Service Outcomes Disability Services Plan Outcomes Youth Outcomes	33 32 33
2. THE ECONOMY		
To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.	Annual Estimates Financial Reporting	30 64
3. THE ENVIRONMENT		
To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.	Energy Smarty Government Policy Waste Paper Recycling	29 29
4. THE REGIONS		
To ensure that regional Western Australia is strong and vibrant.	Regional Policy Development	32
5. GOVERNANCE		
To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.	Advertising and Sponsorship (Statement of Expenditure – Electoral Act 1907) Compliance with Public Sector Standards and Ethical Codes Equal Employment Opportunity Outcomes Information Statement Performance Indicators Public Interest Disclosure Record Keeping Plan	29 27 26 28 52 29 28

Corporate Governance and Compliance Requirements

Performance Measurement

This section provides the following information:

- Summary of Outcomes and Outputs
- Performance Measurement Programme

Summary of Outcomes and Outputs

To fulfil its mission, WorkCover seeks to achieve the three **Outcomes** of *Information and Education*, *Scheme Regulation* and *Dispute Resolution* through delivering the **Outputs** of *Information & Education*, *Compliance*, *Accreditation & Licensing*, *Dispute Resolution* and *Registration of Agreements*.

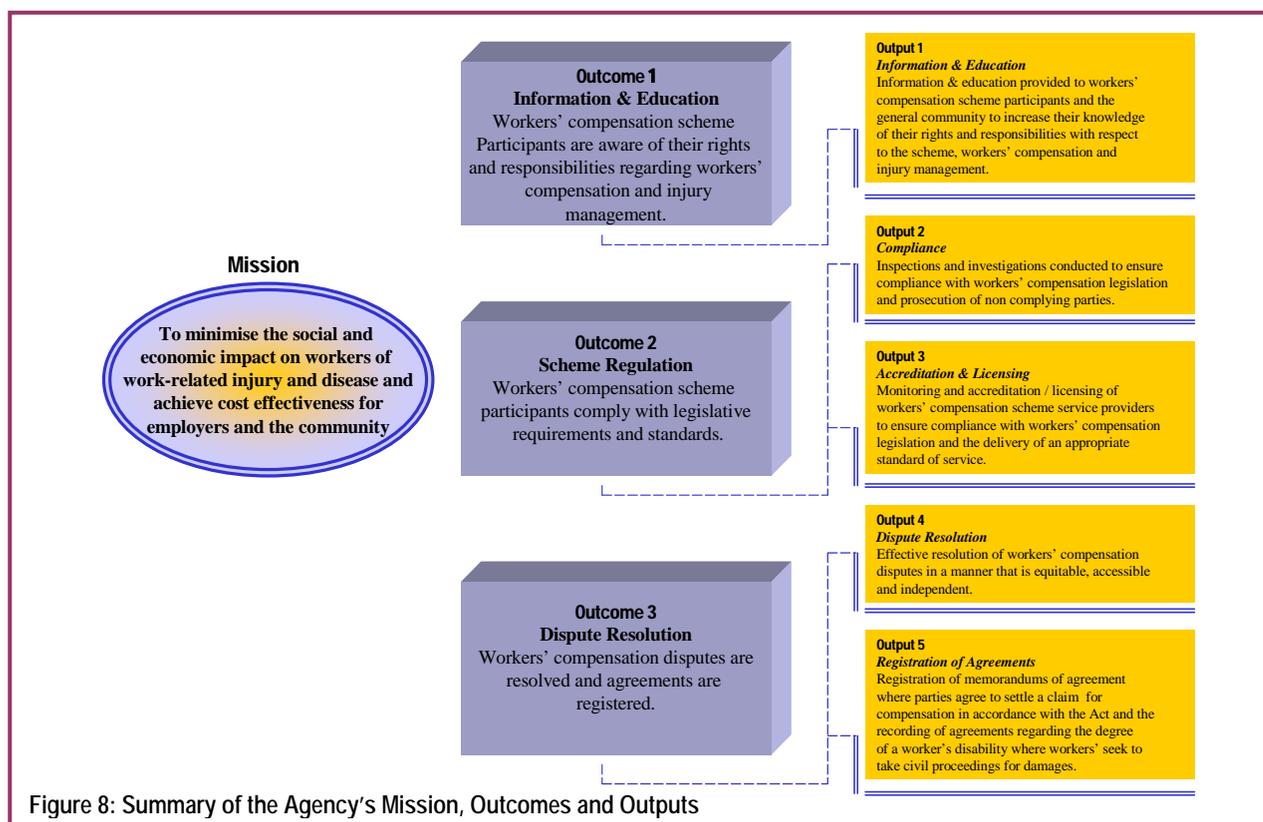


Figure 8: Summary of the Agency's Mission, Outcomes and Outputs

Performance Measurement Programme

WorkCover evaluates its performance at two levels:

1. Corporate – *Key Performance Indicators*; and
2. Operational – *Output Performance Measures*

Corporate Performance Measure

Key Performance Indicators

At the corporate level, performance is measured through **Key Performance Indicators (KPIs)**. The KPIs comprise of Key Effectiveness and Efficiency Indicators. Key Effectiveness Indicators denote the extent to which the Agency has achieved its Outcomes and Key Efficiency Indicators represent the cost of services delivered. The audited Key Performance Indicators are included under the Performance and Financial Reporting section of this report.

Corporate Governance and Compliance Requirements

Operational Performance Measures

In addition to the Key Performance Indicators, *Treasurer's Instruction 904* requires that Agencies report **Output Performance Measures** of quantity, quality, timeliness and cost. These measures are reported as WorkCover's operational measures.

Delivering Outputs

The following are WorkCover's performance measures of quantity, quality, timeliness and cost in relation to each of its five Outputs of Information and Education; Compliance; Accreditation and Licensing; Dispute Resolution and Registration of Agreements.

Output 1 Information and Education

Information and Education	2003/04 Estimate	2003/04 Actual
Information and education is provided to workers' compensation scheme participants and the general community to increase their knowledge of their rights and responsibilities in relation to the scheme and workers' compensation and injury management generally.		
Quantity Number of :		
• General enquiry contacts	27,500	23,425 ⁽¹⁾
• Information session attendees	1,600	2,038 ⁽²⁾
Quality Percentage of callers/attendees who have increased their knowledge of the workers' compensation system as a result of information provided by WorkCover:		
• Infoline callers	80%	84%
• Information session attendees	94%	97%
Timeliness		
• Infoline callers who reported satisfaction with the time taken to respond to their information request	90%	96%
• Information sessions held on time in accordance with planned session dates.	100%	95% ⁽³⁾
Cost		
• General enquiry contact	\$38	\$42 ⁽⁴⁾
• Information session attendee	\$658	\$486 ⁽⁵⁾
Total Output Cost	\$2,104,608	\$1,980,358

Significant Variances

- (1) *The number of General Enquiry Contacts is 15% lower than the budget estimates. The budget forecast included an allowance for the increase in the number of calls expected following the announcement of the Government's Reform Package progressing through Parliament. This process was commenced but not finalized during 2003/04.*
- (2) *The number of Seminar Attendees is 27% higher than the budget estimates. The increase can be attributed to the number of participants who attended the 2003 Injury Management Conference and an increase in the number of information seminars and training courses conducted by WorkCover WA to meet customer demand.*
- (3) *The Timeliness measurement for Information sessions held is 5% lower than the budget estimates because one Employer Information Seminar was cancelled due to the Western Power power failure; two courses were requested by outside agencies who cancelled due to insufficient attendance numbers; and two courses were cancelled by WorkCover WA due to resourcing difficulties.*
- (4) *The cost per General Enquiry contact is 10% higher than the budget estimates. The increase in cost is a combined result of an increased salary costs and an escalation in direct and indirect costs.*
- (5) *The cost per Information Session attendee is 26% lower than the budget estimates. The increase in the number of information seminars and training courses conducted by WorkCover WA is being undertaken with no increase in resources.*

Corporate Governance and Compliance Requirements

Output 2 Compliance

Compliance	2003/04 Estimate	2003/04 Actual
Inspections and investigations to ensure compliance with workers' compensation legislation and prosecution of non complying parties.		
Quantity Number of inspections conducted	28,000	29,943 ⁽¹⁾
Quality Percentage of identified breaches resolved following intervention by WorkCover	100%	100%
Timeliness The length of time between WorkCover identifying the General Fund as being on risk and the rectification of the breach <ul style="list-style-type: none"> ▪ Less than 31 days ▪ 31 to 60 days ▪ 61 to 90 days ▪ Greater than 90 days 	N/A	27% 31% 20% 23%
Cost Cost per inspection	\$59	\$51 ⁽²⁾
Total Output Cost	\$1,640,688	\$1,541,599

Significant Variance

- (1) *The number of Inspections conducted is 7% higher than the budget estimates. This is a result of an increased emphasis of this activity and additional resourcing.*
- (2) *The cost per Inspection is 12% lower than the budget estimates is due to the increase in the number of inspections conducted.*

Corporate Governance and Compliance Requirements

Output 3 Accreditation and Licensing

Accreditation and 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.	2003/04 Estimate	2003/04 Actual
Quantity Number of providers subject to monitoring:		
• Insurers	11	11
• Self insurers	33	29 ⁽¹⁾
• Vocational rehabilitation providers	45	44
• Approved testers	290	298
Quality Percentage of providers which met minimum standards:		
• Insurers	100%	91% ⁽²⁾
• Self insurers	100%	100%
• Vocational rehabilitation providers	100%	90% ⁽³⁾
• Approved testers	85%	88%
Timeliness Percentage of providers reviewed in accordance with terms of accreditation/licensing:		
• Insurers	100%	100%
• Self insurers	100%	100%
• Vocational rehabilitation providers	100%	100%
• Approved testers	100%	100%
Cost Cost per service provider		
• Insurers	\$20,312	\$19,962
• Self insurers	\$6,771	\$7,572 ⁽⁴⁾
• Vocational rehabilitation providers	\$5,697	\$5,726
• Approved testers	\$422	\$677 ⁽⁵⁾
Total Output Cost	\$825,651	\$892,788

Significant Variances

- (1) The number of Self Insurers is **12%** lower than the budget estimates as the number of Self Insurers applying and/or receiving exemption under the Act did not increase as anticipated.
- (2) The percentage of Insurers meeting minimum standards is **9%** lower than the budget estimates due to one insurer not meeting the performance criteria.
- (3) The percentage of Vocational Rehabilitation Providers meeting minimum standards is **10%** lower than the budget estimates due to 2 providers not meeting the performance criteria.
- (4) The cost per Self Insurer monitored is **12%** higher than the budget estimates due to a lower than anticipated number of Self Insurers being monitored.
- (5) The cost per Approved Tester monitored is **60%** higher than the budget estimates. An organisational restructure of the section changed the basis for calculating indirect cost. Therefore the actual figure is higher than the estimate.

Corporate Governance and Compliance Requirements

Output 4 Dispute Resolution

Dispute Resolution The resolution of workers' compensation disputes in a manner that is equitable, accessible and independent.	2003/04 Estimate	2003/04 Actual
Quantity Number of:		
• Disputes resolved	3,200	3,092
Quality Percentage of:		
• Disputes resolved at conciliation	75%	82% ⁽¹⁾
Timeliness Percentage of disputes resolved:		
• Within 4 weeks of lodgement	30%	38% ⁽²⁾
• Within 4-8 weeks of lodgement	20%	14% ⁽³⁾
• Within 8-12 weeks of lodgement	10%	10%
Cost Cost per:		
• Dispute resolved	\$2,003	\$1,996
Total Output Cost	\$6,410,379	\$6,172,899

Significant Variances

- (1) The percentage of disputes resolved at conciliation is **7% higher** than the budget estimates. However the 82% resolution rate by conciliation is consistent with the percentage resolved in the seven years prior to the 2001/2002 financial year.
- (2) The percentage of disputes resolved within 4 weeks of lodgement is **8% higher** than the budget estimates. This is mainly due to the increase in the percentage of disputes being resolved at the first stage of the process which is conciliation.
- (3) The percentage of disputes resolved within 4-8 weeks of lodgement is **6% lower** than the budget estimates. This came about as a larger percentage were resolved within 4 weeks.

Corporate Governance and Compliance Requirements

Output 5 Registration of Agreements

Registration of Agreements	2003/04 Estimate	2003/04 Actual
Registration of memorandums 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.		
Quantity		
Number of Memorandums of Agreements finalised	4,000	3,487 ⁽¹⁾
Number of degree of disability agreements/determinations	600	455 ⁽²⁾
Quality		
Percentage of finalised memorandums of agreements that are registered	95%	96%
Percentage of degree of disability agreements/determinations recorded	100%	100%
Timeliness		
Percentage of memorandums of agreements finalised within 4 weeks	90%	94%
Percentage of degree of disability agreements registered within seven days	100%	100%
Cost		
<ul style="list-style-type: none"> Cost per Memorandum of Agreement registered Cost per Agreement/determination registered 	\$121 \$3,044	\$133 ⁽³⁾ \$4,199 ⁽⁴⁾
Total Output Costs	\$2,309,012	\$2,375,296

Significant Variances

- (1) The number of Memorandums of Agreement finalized is **13%** lower than the budget estimates. It is difficult to estimate the number of Memorandum of Agreements lodged as it is outside the control of the Agency.
- (2) The number of Degree of disability agreements/determinations is **24%** lower than the budget estimates. The number of agreements made after referral is dependent on the activities of parties within the workers' compensation system and outside the control of the agency. The number of determinations reduced mainly due to the requirement for review officers to address preliminary points necessary following Superior Court decisions.
- (3) The cost per Memorandum of Agreement registered is **10%** higher than the budget estimates. This came about due to less agreements being registered with similar resources.
- (4) The cost per Agreement / Determination registered is **38%** higher than the budget estimates. The increased cost per agreement/determination registered came as a result of less determinations being made by review officers. The reasons for the reduced determinations is indicated in (2) above.

Corporate Governance and Compliance Requirements

Our Employees

This section provides information on the agency's strategies and programs to support employees:

- Staffing Profile
- Workers' Compensation and Rehabilitation for Agency Officers
- Employee Development and Training
- Equal Employment Opportunity
- Industrial Relations Environment
- Occupational Health and Safety Initiatives

Staffing Profile

WorkCover consists of 140 dedicated staff who are committed to providing high quality, timely services to workers, employers and the community of Western Australia. Employees are located on premises in Shenton Park and West Perth. WorkCover's approved average staffing level (FTE) for the 2003/04 financial year was 131.4. The following table provides details of WorkCover's employees categorised by gender and level with comparative totals for 2003.

Table 7: Number of Employees by Gender as at 30 June 2004

Employees by Gender – at 30 June 2004			
(comparative figures for 2003 are in parenthesis)			
Level	Male	Female	Total
Level 1	7 (8)	31 (30)	38 (38)
Level 2	5 (5)	21 (18)	26 (23)
Level 3	6 (7)	9 (10)	15 (17)
Level 4	7 (7)	6 (6)	13 (13)
Level 5	12 (10)	8 (7)	20 (17)
Level 6	5 (5)	1 (0)	6 (5)
Level 7	7 (7)	3 (3)	10 (10)
Level 8	1 (1)	0 (1)	1 (2)
Level 9	5 (5)	4 (4)	9 (9)
Above Level 9	2 (2)	0 (0)	2 (2)
TOTAL	57 (57)	83 (79)	140 (136)

1. The average employment figure (FTE) for 2003/04 was 127.49. This was below the AASL of 131.4.
2. The total employee figure at 30 June 2004 is higher than the FTE figure due to part time staff.

The number of employees has remained stable over the past two years, with a greater percentage of female to male employees.

Workers' Compensation and Rehabilitation for Agency Officers

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

Table 8: Workers' Compensation and Rehabilitation for Agency Officers

	1999/00	2000/01	2001/02	2002/03	2003/04
Number of lost time injuries	0	1	0	2	1
Frequency rate (per million hours worked)	0.00	3.74	0.00	7.61	4.02
Incidence rate (per 100 workers)	0.00	0.73	0.00	1.46	0.71
Estimate cost of claims incurred per \$100 wage roll	0.613	0.099	0.00	0.448	0.003
Premium rate (%)	0.93%	0.88%	0.50%	0.58%	0.46%
Rehabilitation success rate:					
- Finalised	Nil	Nil	Nil	Nil	Nil
- Ongoing	1	1	2	2	2

Equal Employment Opportunity

Progress has been made toward achieving priorities and performance objectives in the Equity and Diversity Plan for 2003 and 2005 with the youth and indigenous Australian objectives currently at the 2004 target levels. In addition, there has also been an increase in the number of female staff in levels 1, 2, 5 and 6.

In addition during the year, WorkCover provided a young person with an intellectual disability with a work trial, which has now resulted in a part time employment contract providing administrative support.

Corporate Governance and Compliance Requirements

Employee Development and Training

The agency maintains a professional workforce through recruitment of employees with relevant skills and qualifications. To assist employees in maintaining and developing their skill base the agency provided opportunities for professional and personal development through appropriately targeted training. Membership to relevant professional associations is also encouraged. In addition, agency employees attended a range of conferences, courses and seminars during the year.

Areas of training undertaken in 2003/04 include:

- computer skills;
- communication skills;
- Telephone/Typewriting training (TTY);
- Noise Officer accreditation course;
- leadership skills for women;
- Driver/Roadsafe training course;
- Procurement course;
- Time management skills;
- Mentoring co-workers with disabilities;
- Certificate in Assessment and Workplace training;
- The Royal Australian College of General Practitioners Quality Assurance & Professional Development Program – Foundation Training workshop;
- Risk management; and
- A range of training needs identified through the performance management process.

Industrial Relations Environment

Staff at WorkCover are employed under the wages and conditions of the Public Service Award, Government General Agreement and WorkCover Agency Specific Agreement. In addition, in May 2004, salary and condition matters were heard at the Western Australian Industrial Relations Commission and remain unresolved at the end of the financial year.

Occupational Health and Safety Initiatives

In accordance with the agency's focus on a safe and healthy workplace, the following activities were undertaken in 2003/04:

- training for the new Occupational Health and Safety Representatives;
- training for building wardens and building evacuation trial;
- upgrade of building security;
- continued workplace inspection was carried out by new Occupational Health and Safety Representatives; and
- upgrade of ergonomic furniture and aids for staff as required.

The agency also continued to provide an assistance program for employees and their immediate family, including a confidential counselling service. The existing wellness activities, to promote well being in the workplace, were well attended by employees during the year. Wellness initiatives of the agency included a yoga and gym program for staff.

Compliance Requirements

This section relates to WorkCover's compliance requirements including:

- Certification of Public Sector Standards, Code of Ethics and Code of Conduct
- Freedom of Information
- Record Keeping Plan
- Statement of Expenditure – Electoral Act 1907
- Waste Paper Recycling
- Public Interest Disclosure
- Energy
- Annual Estimates

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

Corporate Governance and Compliance Requirements

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. During 2003/04, human resource activities included a review of all processes that were subject to the standards to ensure compliance. In addition, as part of the internal audit program, a review of WorkCover's compliance with the public sector standards in human resource management was conducted in 2004. There were no matters raised regarding compliance with the Code of Ethics or WorkCover's Code of Conduct.

Compliance with Public Sector Management Act Section 31(1)

1. In the administration of WorkCover, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.
2. I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made in 1 is correct.
2. The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

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



H T NEESHAM

Executive Director, WorkCover

Date: 10 August 2004

Freedom of Information

The agency's Freedom of Information function was performed in accordance with the requirements of the Freedom of Information Act 1992. The majority of documents on workers' compensation and injury management are accessible to the general public through the WorkCover internet site at www.workcover.wa.gov.au. Documents freely downloadable from the internet include information brochures, research reports, statistical information, ministerial reviews, rates, fees, payments and corporate reports.

For the 2003/04 financial year, ten freedom of information applications were received.

Table 9: Freedom of Information Statistics 2003/04

Type of request	Fees Charged	Outcome	Time taken
Personal	-	Full access provided.	8 days
Non-personal	\$30 application fee	Edited access provided. Schedule 1, Clause 3 and 4 applied.	27 days
Non-personal	Waived	Access not provided. Schedule 1, Clause 3 and 4 applied.	23 days
Non-personal	Waived	Access not provided. Schedule 1, Clause 3, 4 and 6 applied.	57 days
Non-personal	\$30 application fee	Access not provided. Schedule 1, Clause 3 applied.	18 days
Personal	-	Edited access provided. Schedule 1, Clause 7 applied.	69 days
Non-personal	Application fee waived	Partial access provided. Cost estimate provided for full access.	43 days
Non-personal	Waived	Full access provided.	32 days
Personal	Personal	Full access provided.	7 days
Personal	Personal	Full access provided.	27 days

The average time to complete an application is 31 days. Two requests were taken to the level of external review, with the Information Commissioner recommending that WorkCover provide edited access to the document in dispute on the first (Decision Ref: D0052004), whilst the second request was deemed to not be a valid application.

Parties seeking information from WorkCover are not restricted to the Freedom of Information process and where appropriate requests for information are handled outside of the Act. The agency has an appointed Freedom of Information Co-ordinator to facilitate the handling of all requests.

WorkCover's Freedom of Information Statement outlines what information is available and how to access it; this is also available on the website. Parties unsure of how to access information from WorkCover should contact the Freedom of Information Coordinator for advice.

If assistance is required in completing a request or inquiring on its progress, the Freedom of Information Co-ordinator can be contacted at 2 Bedbrook Place, Shenton Park WA 6008 or via telephone on 08 9388 5555.

Record Keeping Plan

In accordance with the State Records Act 2000, a record keeping plan was developed and approved during the 2002/03 financial year. The plan for WorkCover outlines commitments for certain documentation to meet the requirements of Standard 2 (Record Keeping Plans). This is to be provided to the State Records Commission prior to January 2005.

Corporate Governance and Compliance Requirements

Activities for 2003/04 included:

- Review of policies and/or procedures for website management, metadata management and data migration.
- Formal endorsement of the agency's corporate information procedures manual for the Executive Director.
- Progress towards the development of a Disaster Recovery Plan.
- Details of an induction presentation for WorkCover staff.
- Review of Online Ministerial System and customer satisfaction survey.

A number of these activities have already been completed and work on the others commenced.

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 an agency's annual report. Table 10 is a statement of expenditure in accordance with Section 175 (Z)(e) of the Electoral Act, 1907.

Table 10: Statement of Expenditure: Electoral Act 1907 for 2003/04

CLASS OF EXPENDITURE	AMOUNT	ORGANISATION
Advertising Agencies		
Direct Mail Organisations	\$1,921	Northside Distributors and Finishers
Market Research Organisations		
Media Advertising Organisations	\$47,267	Marketforce Production and Media Decisions WA
Polling Organisations		
TOTAL	\$49,188	

Waste Paper Recycling

WorkCover has a policy for waste paper recycling, which encourages employees to recycle both paper and other materials (ie. printer toner cartridges). This program is assisted by the provision of paper collection bins in strategic locations. The agency utilises an accredited contractor for recycling. Where possible, alternate means such as the electronic communication of documents (eg. Email) is encouraged instead of hard paper copies. For example, since 1999, the Commission has been viewing their agendas electronically on laptops instead of using paper hard copy agendas. In 2003/04 the Corporate Group of WorkCover commenced the viewing of their agendas at meetings on a central screen. Members were encouraged not to print hard copies, instead view it electronically.

Public Interest Disclosure

WorkCover is committed to the aims and objectives of the Public Interest Disclosure Act 2003 which came into effect on 1 July 2003. The Act facilitates the disclosure of public interest information by providing protection for those who make disclosures and those who are the subject of disclosures. It provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

WorkCover recognises the value and importance of the public interest disclosure policy and legislation to eliminate improper and unlawful conduct, substantial mismanagement of public resources and substantial risks to the environment, public health and safety. WorkCover does not tolerate corrupt or other improper conduct, including mismanagement of public resources, in the exercise of the public functions or its officers, employees and contractors.

WorkCover will take all reasonable steps to provide protection to those who make such disclosures from any detrimental action in reprisal for the making of a public interest disclosure. WorkCover Western Australia does not tolerate any of its officers, employees or contractors engaging in acts of victimisation or reprisal against those who make public interest disclosures.

In September 2003, the agency's guidelines on internal procedures were endorsed and an education campaign commenced with staff. An intranet page was developed which provides WorkCover staff with all the information on Public Interest Disclosure, while an internet page was also developed to provide our external customers with relevant information.

WorkCover Western Australia's Public Interest Disclosure Officer, who can deal with disclosures under the sphere of WorkCover's responsibility, is the Director of Operations and Support, Mr Phil Scales. Mr Scales can be contacted by telephone on (08) 9388 5555 or by email at disclosure@workcover.wa.gov.au. All contact with the Public Interest Disclosure Officer is treated with the strictest confidence.

Energy

In accordance with the Energy Smart Government policy, WorkCover has committed to achieving a 12% reduction in non-transport related energy use by 2006/07 with a 6% cumulative reduction targeted for 2003/04. WorkCover has achieved a 13.1% cumulative reduction for the year ending 30 June 2004. The agency has an appointed energy executive and a working group which was established to implement ongoing education and saving initiatives.

Corporate Governance and Compliance Requirements

During the year the following energy saving initiatives were taken:

- An energy audit was conducted in both the West Perth and Shenton Park buildings in the first quarter of 2003/04.
- A number of software upgrades and changes to the air conditioning system were effected to achieve operational optimisation and reduce consumption in the Shenton Park building. These included optimised start and stop programmes and an additional chiller control to provide dedicated fault control for each chiller and compressor.

The results of WorkCover's energy program for 2003/04 are identified in table 11.

Table 11: Energy Smart Government Program for WorkCover in 2003/04

	Baseline	2003/04	Variation %
Energy Consumption (MJ)	4,070,574	3,538,088	13.1
Energy Cost (\$)	172,586	159,157	
Greenhouse Gas Emissions (tonnes of CO ₂)	1,040.4	934.0	
Performance indicators:			
MJ/sqm	654.03		
MJ/FTE	25,272.06		

Note: An audit of WorkCover's energy consumption since 2002/03 revealed that the baseline consumption previously reported was based on incorrect information. In consultation with Sustainable Energy Development Office, WorkCover has re-calculated the baseline to reflect accurate energy consumption results.

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 Hon Minister for 2004/05.

	\$
EXPENDITURE	
Executive	544,218
Conciliation & Review	4,428,605
Strategic Policy Planning	1,112,834
Operation & Support	6,059,209
Non Program Items	1,431,134
Other	511,000
Rollovers/Purchase Orders	154,507
TOTAL	14,241,507

REVENUE	
Conciliation & Review	7,150
Operation & Support	695,868
Non Program Items	53,000
Contributions	12,864,286
Prior Year Surplus	621,203
TOTAL	14,241,507

Access, Equity and Customer Focus

This section details information on WorkCover's access, equity and customer focus programs:

- Customer Focus
- Disability Services Plan
- Language and Cultural Diversity
- Regional Services
- Indian Ocean Territories
- Youth

WorkCover has maintained its use of customer feedback to determine our success in delivering outputs and achieving our outcomes. Our focus on customer needs assists the agency in better aligning services and products. WorkCover has a commitment to providing access and support to customers and employees, with the goal of developing programs that target identified groups. The agency aims to ensure customers and employees with special needs have access to appropriate and necessary services.

Ongoing research, analysis and planning in relation to this area will enable WorkCover to deliver focussed marketing initiatives and identify areas of service delivery that can be improved or enhanced.

Customer Focus

Customer Services Charter

The agency's Customer Service Charter reflects WorkCover's current operations and delivery of services to our customers. The charter identifies the agency's commitment to providing high quality, timely services to workers, employers and the community of Western Australia. In support of this commitment, WorkCover will:

- actively consult with customers to understand their needs;
- provide accurate information to customers on their rights and responsibilities under the legislation;
- provide policy advice to Government that is consistent and based on proper analysis; and
- maintain the highest ethical standards.

Our Customer Service Charter is available on the WorkCover website at www.workcover.wa.gov.au. The charter also identifies the procedure for complaints about services provided.

Customer Feedback

Feedback from customers is the most immediate and effective way an agency can obtain information about how it is seen to be performing. A customer feedback system forms part of the agency's commitment to continuously improving services to customers and the community.

The system is intended to provide external customers with a means to complain, compliment or make suggestions to us on our decisions, procedures, policies or services.

WorkCover's new customer feedback system is planned for implementation in 2004/05. The customer feedback system will be a consolidation of existing procedures and refinements to the complaints handling process to ensure compliance with the Australian Standard on Complaint Handling.

Infoline Customer Survey

A customer survey of the Infoline Service is conducted twice a year to ensure it meets customer needs. Services are adjusted to ensure they continually achieve the needs of customers.

During 2003/04, WorkCover undertook two surveys of users of the agency's telephone information service, Infoline. The purpose of the surveys 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. These survey results form the basis of reporting in our key performance indicators.

In 2003/04, WorkCover received positive feedback regarding Infoline and education services with one negative comment received in writing. This is the fifth year the survey has been conducted and the results for 2003/04 are shown in table 12 along with those for the past two years.

Corporate Governance and Compliance Requirements

Table 12: Customer Survey for Infoline

SURVEY QUESTIONS	% of Yes Responses		
	01/02	02/03	03/04
No. 1 Do you know more about the workers' compensation system as a result of the information provided during your call to Infoline?	88%	93%	84%
No. 2 Did the information provided to you answer your query.?	91%	96%	90%
No. 3 Do you feel the time taken to respond to your call was reasonable?	90%	95%	96%

Information and Training Sessions

In addition to the Infoline survey, WorkCover also regularly surveys attendees at information and training sessions delivered to key customer groups. The information and training 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.

This is the fifth year the survey has been conducted and 96% of respondents either agreed or strongly agreed that the information provided to them increased their knowledge in relation to the seminar objectives. These results are used as primary indicators of the agency's performance.

Disability Services Plan

The agency's disability services plan is aimed at improving access to services and facilities for our customers with disabilities. It is acknowledged that better access not only benefits people with disabilities but also their families, carers and the community in general. The agency continues to build on access improvements as a means to remove or limit the barriers which remain and impact on people with disabilities.

WorkCover's Disability Services Plan has five outcomes and during the year, the agency continued to review existing services to ensure they meet the needs of people with disabilities.

A summary of the five outcomes and our achievements during 2003/04 is identified.

1. Existing services are adapted to ensure they meet the needs of people with disabilities.

Achievement:

Customer feedback on WorkCover's services is sought through various publications, training sessions and telephone surveys. The implementation of the Customer Feedback system in the coming year will add further value by ensuring our services are adapted to meet the needs of people with disabilities.

2. Access to buildings and facilities is improved.

Achievement:

During 2003/04, access to buildings and facilities were maintained.

3. Information about services and programs is provided in formats that meet the communication needs of people with disabilities.

Achievement:

Information is made available in alternate formats for people with disabilities upon request. Additionally, the majority of WorkCover publications are produced in formats which allow for electronic enhancement of documents for visually impaired customers.

Specifically, WorkCover provides services for hearing impaired persons by advertising its TTY service in brochures, on the Internet, in the press and via presentations. A telephone service is available to the hearing impaired TTY (08) 9388 5537 located in the Infoline Service facility. An audio loop is also available on 48 hours notice.

4. Advice and services are delivered by staff who are aware of and understand the needs of people with disabilities.

Achievement:

During 2003/04 staff attended training on telephone/typewriting (TTY) training and mentoring co-workers with disabilities. This training assists staff in better understanding the needs of people with disabilities with a view to delivering quality services to our customers.

5. Opportunities are provided for people with disabilities to participate in public consultation, grievance mechanisms and decision making processes.

Achievement:

WorkCover promoted and publicised its grievance mechanism which is designed to address issues of inequity. In addition, the new customer feedback system, to be implemented in 2004/05, will provide a mechanism to complain, compliment and make suggestions about WorkCover's services, facilities, policies, procedures or decisions.

Corporate Governance and Compliance Requirements

Language and Cultural Diversity

WorkCover is committed to ensuring differing language or cultural backgrounds are not a barrier to the provision of services to our customers. 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's Infoline Service, 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; and
- service providers are aware of and encouraged to use interpreter services on behalf of their clients.

As part of its commitment to providing information in a variety of languages, WorkCover has developed publications in Chinese and Malay. These have been published on WorkCover's website in the publications section. There are two brochures outlining the scheme for employers and workers and a third explaining the dispute resolution process.

During 2003/04 interpreter services were primarily used at the Conciliation and Review Directorate and counter enquiries. In total, interpreters arranged through the Translating and Interpreting Service and On-Call Interpreters & Translators Agency were utilised on 291 occasions. This was a reduction in the need for interpreters by our customers, compared to 2002/03, when they were used on 369 occasions.

Regional Services

WorkCover is committed to providing services to regional communities. Activities undertaken to support this commitment during 2003/04 include:

- Promoting our 1300 freecall number for regional customers via brochures, the internet, advertising and presentations.
- Providing WorkCover publications to Department of Consumer and Employment Protection regional offices for dissemination in the regions.
- Conducting a number of regional based presentations at the request of stakeholders and service providers in the scheme. Seminars and courses were held at locations such as Kalgoorlie/Boulder and Bunbury. Our educational strategy aims to reach participants through a variety of targeted strategies. This included targeting people who hold positions of influence within their own communities, potentially influencing the long-term health of their local business economy in terms of network/partnership strength and/or stakeholder volume. Community members targeted in regional areas include medical practitioners, allied health and vocational rehabilitation providers, business advisor and Government personnel. WorkCover has reached the remaining population through its advertising and promotional activities in support of the regional visits.
- Undertaking two regional compliance trips in the Geraldton and South West region of the State. These trips ensured a

presence for WorkCover in the regional area and made employers and other parties aware of their rights and obligations under the Act as well as improving our regional customers' understanding of the scheme.

- Convening three review hearings at country locations by the Conciliation and Review Directorate. 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.

Indian Ocean Territories

WorkCover has a Service Delivery Agreement with the Commonwealth Department of Transport and Regional Services in relation to Christmas and Cocos (Keeling) Islands. During 2003/04, WorkCover provided services including the regulation of the workers' compensation scheme to ensure an appropriate level of service delivery by scheme service providers and appropriate workers' compensation scheme outcomes. Activities undertaken during 2003/04 include:

- A visit to Cocos Island was undertaken to perform audiometric tests for workers employed in prescribed workplaces. A total of sixty workers were tested from four workplaces.
- A compliance visit to the Indian Ocean Territories to conduct inspections and provide information on rights and obligations under the legislation was completed. Over one hundred employers were visited as part of the field inspection program undertaken.
- Registration of six Memorandums of Agreements. Memorandum of Agreements are registered when parties agree to settle a claim for compensation.
- Resolution of one dispute involving parties from the Indian Ocean Territories.
- Promoting the Infoline Service to Indian Ocean Territories employers and workers. These services are supported by information on the WorkCover website which has brochures available in the languages of Malay and Chinese. Interpreter services are offered to people with culturally and linguistically diverse backgrounds who require one to one assistance.

Youth

WorkCover recognises the needs of young people. Products and services delivered by WorkCover are available to all customer groups including young people. The Workers' Compensation Statistical Report includes analysis of claims by young workers, examines trends in workers' compensation lodged by young workers that result in time off work. A copy of this report is available under the Publications section of our website at www.workcover.wa.gov.au. WorkCover plans to develop and implement strategies targeting youth in 2004/05 in response to accident rates affecting this group of workers.

Strategic Policy and Planning

This section includes information on the strategic policy and planning activities of:

- Policy
- Legislation
- Research Projects
- National Committees

Key Achievements for 2003/04

- Prepared drafting instructions in relation to:
 - (i) the Workers' Compensation Reform Bill 2004;
 - (ii) the Workers' Compensation (Common Law Proceedings) Bill 2004; and
 - (iii) the Workers' Compensation and Rehabilitation Amendment Cross Border Bill 2004.
- Gazetted the Workers' Compensation and Rehabilitation (Scales of Fees) Amendment Regulations (No. 4) 2003, which adjusted the scales of fees paid to chiropractors.
- Gazetted the Workers' Compensation and Rehabilitation (Scales of Fees) Amendment Regulations (No. 5) 2003, which adjusted the scales of fees paid to medical specialists and other medical practitioners, occupational therapists and vocational rehabilitation providers. The Amendment Regulations also prescribed fees for the provision of exercise based programs.
- Gazetted the Workers' Compensation and Rehabilitation (Scales of Fees) Amendment Regulations (No. 6) 2003, which adjusted the scales of fees paid to clinical psychologists, osteopaths, vocational rehabilitation providers, chiropractors, occupational therapists and speech pathologists.
- Gazetted the Workers' Compensation and Rehabilitation (Acts of Terrorism) (Final Day) Amendment Regulations 2003, adjusting the "final day", or sunset clause, as prescribed in Regulation 2 of the Workers' Compensation and Rehabilitation (Acts of Terrorism) (Final Day) Regulations 2002, from 31 December 2004 to 31 December 2006.
- Gazetted the Workers' Compensation and Rehabilitation (Scales of Fees) Amendment Regulations (No. 1) 2004, which adjusted the scales of fees paid to medical specialists and other medical practitioners.
- Gazetted the Workers' Compensation and Rehabilitation Amendment Regulations 2004, which provided for an increase from 29 to 33 cents in the current rate prescribed by Regulation 17AA (Prescribed rate for vehicle running expenses). The increase from 29 to 33 cents was based on the accumulative indexation of Regulation 17AA since its insertion into Regulations.
- Participated in national projects including the Comparative

Performance Monitoring Report for the Workplace Relations Ministers' Council and on a national technical officers working group to resolve technical issues relating to the development of amendments to State and Territory legislation concerning coverage of workers employed temporarily in another jurisdiction.

- Completed Research Notes on: Manual Handling Injuries, Claim for Work-Related Stress, Long Duration Claims, and Claims for Lower Back Injuries.
- Updated the Workers' Compensation Statistical Report 1999/00 – 2002/03.
- Completed various research projects and reports including for example the development of methodologies; for Western Australia specific scheme health indicators, to analyse legislative reform processes, to inform WorkCover of developments and trends (information collection strategy) and to analyse medical and allied health data.
- Developed information brochures based on research into occupational stress, for key stakeholders highlighting methods to better manage workers' compensation claims for work-related stress.

Policy

The provision of policy advice is a major activity of the agency. This includes research, development and review to provide strategic policy advice to the Commission and Government. Reports and briefings on workers' compensation policy issues are provided at agency, State and National levels. Ministerial requirements relating to policy and legislative change as well as ministerial speeches, briefings, Cabinet minutes and submissions, second reading speeches, explanatory memorandums, Committee notes and correspondence are also co-ordinated via this function. Other activities include data analysis and publication of statistical reports and research notes, management of internal and external research projects, and participation in various State and National workers' compensation committees.

Legislation

The activities of the agency assist with the drafting of legislation in support of the Western Australian workers' compensation system.

In October 2002, the Government released a position paper outlining reforms to the workers' compensation system. The Workers' Compensation Reform Bill 2004 is currently in Parliament. The agency also provided assistance in relation to the Workers' Compensation (Common Law Proceedings) Bill 2004.

In conjunction with other jurisdictions WorkCover provided input regarding to the preparation of workers' compensation cross border legislation to be enacted by all States and Territories. The new legislation will reduce the burden currently being placed on Western Australian employers of having to obtain workers' compensation insurance coverage for a worker in more than one jurisdiction, thereby reducing the premiums of employers who are currently required to take out multiple workers' compensation policies. This in turn ensures each worker is connected to one State or Territory which provides workers with increased certainty about their workers' compensation entitlements and common law rights.

Research Projects

Other activities of the agency include data analysis and publication of statistical reports, and management of internal and external research projects.

The Time Delay to Claim Lodgement Research Project was completed in December 2003. The goal was to identify reasons for delays in claim lodgement from those parties directly responsible for lodging claims. This was achieved through the development and distribution of two questionnaires directed separately at workers and employers. Overall, the results of the survey indicated many workers and employers were not fully aware of their rights and responsibilities with respect to the timely reporting and lodgement of a workers' compensation claim. Delays in lodgement were also the result of lags in the onset of symptoms associated with certain injury types and delays in seeking medical advice.

The second stage of the Long Duration Claims Research Project commenced in October 2003. The aim of the overall project was to investigate the nature of Long Duration Claims in the Western Australian Workers' Compensation System. This included determining whether factors such as, but not limited to, claimant demographics, type of injury, delays in referral, regularity of treatment, delays in liability acceptance, surveillance and litigation contribute to the length of workers' compensation claims. Data collection from insurers was successfully completed in January 2004 and a model that predicts the likelihood of a long duration claim, claim management factors that contribute to claim duration, as well as potential cost savings if early intervention is initiated, was developed.

In 2003/04, a substantial review was carried out on appropriate methods to monitor workers' compensation scheme health and a suitable set of key scheme health indicators were developed for Western Australia. These indicators will be further refined in 2004/05 and used to identify changes in the scheme over time.

The Workers' Compensation Statistical Report 1999/00 – 2002/03, and comprehensive research notes reporting claim trends for Manual-Handling Injuries, Work-Related Stress and Long Duration Claims were all finalised during 2003/04. These reports provide valuable information on workers' compensation claims in Western Australia and are available in hard copy or can be down-loaded from WorkCover's internet site.

The Griffith Occupational Stress Research Project was finalised and the dissemination strategy implemented included the presentation of seminars to the WorkSafe Commission, WorkCover staff, approved insurers and other stakeholders. The reports have been made available on the WorkCover website. The project to develop information for stakeholders on management of stress based on the Griffith Occupational Stress Research Project and consultation with stakeholders was completed.

The year also saw the completion of a number of projects including:

- A project to develop a technology to undertake the collection of information on developments, trends and research in workers' compensation in Australia and internationally.
- A project to develop a methodology to analyse medical and allied health data, which has recently been captured on WorkCover's database.

National Committees

During the year, WorkCover participated on various State and National workers' compensation committees. Statistical and technical information was provided for the following projects:

- The Workplace Relations Ministers' Council Comparative Performance Monitoring Report compares trends in workers' compensation and occupational health and safety across Australian jurisdictions and New Zealand. WorkCover continued to provide various forms of data for the report and assist with refining the methodology to improve the comparability of schemes.
- Participation in the Heads of Workplace Safety and Compensation Authorities National consistency projects relating to workers' compensation and injury management including mutual recognition of workers employed temporarily in another workers' compensation jurisdiction.
- Productivity Commission Inquiry into National Workers' Compensation and Occupational Health and Safety Frameworks.

Operations and Support

This section includes information on the operations and support activities of:

- Information, Education, Injury Management Review Unit and Prevention
- Regulation
- Corporate Services

Information, Education, Injury Management Review Unit and Prevention

Highlights for 2003/04

- Evaluated current services offered to stakeholders and identified their ongoing information needs:
- Increased attendance numbers to the standard training seminars offered. Together with an increase in seminars provided, participant numbers have increased this year from 1,645 to 2,038 people (an increase of approximately 24 %). Per head costs have decreased (from \$554 in 2002/03 to \$483 at the end of this financial year). In addition, 567 participants have received information from the agency at conferences, events, and expositions, during the reported year.
- Piloted a seminar aimed specifically for business advisors during the Bunbury regional visit. The results of this, and individual accountant practice visits, appeared to suggest this is an appropriate target audience to add to the range already reached – particularly to assist in reaching the small business sector proactively and within the ‘business planning’ context.
- Launched and distributed over 4,000 Guidance Note publications to medical practitioners which were developed in partnership with the Royal Australian College of General Practitioners (WA), the General Practice Divisions of Western Australia, the Australian Medical Association (WA Inc), and the Australasian Faculty of Occupational Medicine.
- WorkCover has continued its involvement providing training seminars to general practice registrars through the Faculty of Medicine & Dentistry's Department of General Practice Vocational Education Centre at the University of Western Australia. Training seminars/functions for medical practitioners and medical practice staff have been held in both Kalgoorlie/Boulder and Bunbury with the assistance of the local Divisions of General Practice.
- A comprehensive education and information strategy was adopted by WorkCover.

- Gap and needs analyses for further publications, including publications for people with culturally and linguistically diverse backgrounds, are in the initial stages and development will be continued in 2004/05. Implemented strategies to target specific industries and locations on the basis of high claim frequency and cost, and long duration costs, including a range of seminars and activities were delivered in the Bunbury region in May directly reaching at least 220 people.
- Dealt with 138 formal issues and 358 telephone enquiries referred to the Injury Management Review Unit.
- Identified 2,623 injured workers through the injury management review system who were reviewed by insurers to establish their need for injury management services.

Information and education is provided to workers' compensation scheme participants and the general community, to increase their knowledge of their rights and responsibilities with respect to the scheme, workers' compensation legislation and injury management processes. Information and education strategies aim to assist with minimising the social and economic impact of work related injuries.

Information

The information service (Infoline) provides responses to enquiries on all aspects of the workers' compensation and rehabilitation system. Infoline provides an information service to workers, employers and other interested parties, regarding their rights and responsibilities under the Workers' Compensation and Rehabilitation Act 1981 (the Act). The Infoline Service does not provide legal advice. Enquiries are received by telephone, written correspondence, the internet and in person.

Each year WorkCover undertakes a customer survey to determine if customers know more about the workers' compensation system as a result of the information provided. During the year 84% of respondents indicated their knowledge had increased.

The Infoline Service has increased its service delivery as a consequence of its changed targeting methodology. This includes:

- The introduction of a 1300 number for easier access to WorkCover's Infoline.

- Increasing the amount of seminars offered, to meet the escalating demand resulting from changes to the invitation system.
- Developing brochures in other languages which will be available on the website to meet the information needs of people from culturally and linguistically diverse backgrounds.
- Placing brochures in Department of Consumer and Employment Protection regional offices around Western Australia as part of WorkCover's partnership and networking initiative.
- Increasing enquiries via WorkCover's website.

Customers have forwarded 15 letters of appreciation concerning the standard of services provided by officers of WorkCover indicating an appreciation:

- Of the understanding and patience officers provided towards customers;
- For the delivery of seminars and information; and
- Of the information provided by WorkCover officers.

During the year, one formal complaint was received concerning the failure by the agency to return a customer's call within the customer's timeframe.

Education

Provision of information and education to injured workers, employers, insurers, and medical and allied health professionals continued to be a priority for WorkCover. Education strategies and activities offered in 2003/04 continued the focus and intent of the agency's Business Plan/Education Strategy. Again, emphasis was placed on targeting the education needs of the key parties in injury management: injured workers, employers and medical practitioners. In addition to this, new target audience 'market sectors' have been identified, or have increased in significance in reaching our stakeholder groups – particularly, union representatives, business advisors, and human resource and payroll specialists.

The agency improved its service delivery by offering 87 information or training sessions, an increase of approximately 6% on the previous year's achievements (last year's delivery was 82 sessions/programs). In addition to this, the information and education area was integrally involved in the preparation and delivery of the Injury Management Conference in August 2003. Planning for an injury management event in August 2005 has already commenced.

Stakeholder Education Programs

As a result of the seminars and activities conducted throughout the year, and strategic modifications to referral and registration methodologies involved in the administration of these, the agency's education activities have directly reached the category and numbers of participants as noted in Table 13.

Table 13: Number and Category of Participants Attending WorkCover Education Seminars and Activities

<i>Participant Categories</i>	<i>2002/03</i>	<i>2003/04</i>
Injured Workers	377	508
Employers (Including managers and supervisors)	492	608
Employer- based injury management coordinators & personnel responsible for Workers' Compensation activities in their organisation (In an applied format through the 2-day Injury Management Coordinator's Course)	121	118
Medical Practitioners, medical students, and medical practice staff	150	191
Allied health and Vocational Rehabilitation Providers	99	71
Insurers	13	34
Participants representing associations, students and mixed groups (including unions)	294	395
Audiometric Testers and Noise Officers	99	113
TOTAL	1,645	2,038

In addition, where resources permit, the agency continues to provide at no cost, assistance to employers through offering materials and ideas to support their own events concerning workers' compensation and injury management, and in reviewing employer injury management policies and procedures where requested.

In 2003/04, the agency provided 567 conference and expo participants with information or education activities.

Injury Management Conference 2003: 7th and 8th August

The "Partnerships in Injury Management Conference 2003" was held on the 7th and 8th August 2003 at the Sheraton Perth Hotel. The aim of the conference was to increase the knowledge of stakeholders, in particular employer representatives, on workers' compensation and injury management. This conference was a two-day conference program, rather than the previous weekly format. This occurred following a comprehensive analysis of evaluations from injury management events held between 1998 and 2002.

The conference program presented national and local professionals addressing a number of topic areas including: work related stress, communication skills, fatigue, proposed legislative changes, empowerment in teams, occupational health and safety and case management/risk management strategies and models.

A total of 256 participants registered from a variety of backgrounds, including employers (supervisors, claims managers, safety officers, injury management co-ordinators), allied health professionals, and approved insurers.

Report on Operations

The evaluation of the conference revealed that almost 96% of respondents agreed/strongly agreed the conference increased their knowledge of workers' compensation and injury management and 97.4% agreed/strongly agreed the conference provided information, which would benefit them in the workplace.

Small Business Opportunities Expo 25-27 June 2004

WorkCover staff provided information to at least 235 people over three days. This expo was targeted towards people who either owned a small business or were considering commencing one, consequently many enquiries received were related to the process of taking out workers' compensation insurance, the definition of a worker, and the use of contractors and sub-contractors. At the expo, WorkCover's information stand was awarded 2nd prize.

Cabinet Maker's Association Trade Night 2003 – 16 and 17 September 2003

Invited by the Cabinet Makers' Association, WorkCover staff directly reached the information needs of 67 people over 2 evenings.

Targeted Stakeholder Education Programs

Other streams of education activities in 2003/04 comprised of the following:

Medical Practitioner Education

Education activities targeting this specific audience comprised of seminars at the Injury Management Conference 2003, Kalgoorlie and Bunbury regional visits as well as continued participation in the general practitioner registrar training, and general practice surgery visits.

In addition during the year five WorkCover staff members completed the course component of the Royal Australian College of General Practitioners Foundation Course accreditation which will enable WorkCover to offer courses with continuing professional development points (CPD) to medical practitioners.

Service Provider Education

Allied health clinicians attended generic or targeted seminars assisting their awareness and knowledge of the workers' compensation system and their role within injury management. Seminars regarding the workers' compensation legislation have been offered to approved vocational rehabilitation providers. Seminars have also been available to insurance claims staff regarding the role of WorkCover, and applied legislation and injury management matters.

Partnerships

During the year, WorkCover contributed to the education programmes of the WorkSafe Division of the Department of Consumer and Employment Protection (WorkSafe Division), the Chamber of Commerce and Industry of Western Australia, the Industrial Foundation for Accident Prevention, RiskCover, and

the Association of Payroll Specialists. The WorkSafe Division provided assistance with the Injury Management Coordinator's Course, and were integrally involved with the Bunbury regional visit. The agency has received assistance from the Department of Consumer and Employment Protection, particularly its regional offices in making available our publications for distribution and directing enquiries through to our Infoline Service.

WorkCover is involved with the Government Business Information Network which shares strategies for satisfying the information needs of their target audiences and stakeholders. WorkCover staff has also developed links with the University of Western Australia, Edith Cowan University, Curtin University of Technology, and the University of Notre Dame, in either formal or informal capacities.

Specific Interactions with other Workers' Compensation Authorities

Information was provided to other jurisdictions to assist those States with specific projects they are undertaking. Tasmania has been provided with information regarding education activities for Medical Practitioners, and South Australia regarding call centre systems.

Advertising

The advertising in 2003/04 worked in conjunction with the 'spatial targeting project, focusing on areas where concentrations of injured workers live and where accidents occur. Along with print advertising in various workplace safety oriented publications and, advertisements in community newspapers; billboard advertising was used in targeted areas in the metropolitan area and also in Bunbury, which was the site of a WorkCover educational visit. Radio advertising was also utilised as part of the Bunbury campaign.

Regional Visits

Kalgoorlie/Boulder Region

WorkCover visited the Kalgoorlie region in November 2003, providing education seminars and information directly reaching a total of 83 people.

Bunbury Region

The Bunbury education visit in May 2004 was arranged as a direct result of claims data compiled, which highlighted certain State locations as injury 'hotspots'. This claims data identified areas where accidents occurred and where injured workers lived, with Bunbury registering as a prominent area of concern.

In all WorkCover reached approximately 220 people, with the target market being; employers, injured workers, medical practitioners and allied health (including hospital staff), business advisors, union representatives and local government employees.

Kununurra & Derby

Mr Harry Neesham, Executive Director, and WorkCover staff visited Kununurra and Derby to assist injured workers with information regarding their potential claims arising from long-term chemical exposure while working for the Agricultural Protection Board (now the Department of Agriculture, Government of Western Australia) in the Kimberley Region.

Outlook for 2004/05

The environment affecting the workers' compensation scheme in 2004/05 sees a time of potential legislative change and a continued emphasis on targeting the information and education needs of injured workers and the business economy.

Continuous improvement

WorkCover continues to utilise regular Infoline telephone surveys, seminar and course evaluations, and other feedback mechanisms to review and improve its performance in all areas. In addition, the education and information area of the agency has participated in a review of its business processes and recommendations are being implemented or planned.

The implementation of the 2004/05 Business Plan will consolidate and expand the activities of this area of the organisation to improve the delivery of information and education services to the key stakeholders in the workers' compensation and injury management systems (injured workers, employers and medical practitioners) both in metropolitan and regional Western Australia.

This agency will also continue to build connections with the community to ensure injured workers and employers know where to access objective information about their rights and obligations.

Injury Management Review Unit

The Injury Management Review Unit's (Unit) main function is to provide informal resolution and mediation of issues and concerns relating to injury management (including vocational rehabilitation). The Unit provides specialist advice, education and information on injury management matters to the Conciliation and Review Directorate, approved vocational rehabilitation providers, insurers, doctors, employers and injured workers. It is also responsible for the injury management review system, which acts as a "safety net" for injured workers, and the monitoring of the injury management process.

The main issues referred to the Unit included participation in vocational rehabilitation, return to work and retraining, key party contact, service delivery plans and referral matters.

The Unit is also responsible for investigating complaints lodged against approved vocational rehabilitation providers. Over the 12 month period there were 8 formal complaints lodged. The majority of complaints are from injured workers relating to the cost of rehabilitation programs where no return to work outcome was achieved.

The Injury Management Review System has been operational for five years. In 2003/04 approved self insurers were incorporated into the Injury Management Review System. All claims continue to be monitored monthly and the Unit reviews those claims identified as not having returned to work and being referred to rehabilitation. Approved insurers are required to submit monthly reports on the status of these claims. The Unit reviews these responses and follows up claims identified as requiring further investigation and/or injury management assistance. In 2003/04, 2,623 injured workers were identified by the Injury Management Review System and reviewed by insurers to establish their need for injury management services.

Cases identified as requiring injury management are forwarded back to the insurer, who is then responsible for contacting the employer regarding injury management activities. Evidence that vocational rehabilitation referrals have taken place if appropriate are confirmed via on-line data submitted to WorkCover.

During 2003/04, 138 formal issues and 358 telephone enquiries were referred to the Unit. Of the formal issues, 81 were referred by the Conciliation and Review Directorate, 22 by injured workers, 14 by insurers, 11 by others, 5 by employers, 4 by approved vocational rehabilitation providers and 1 by medical practitioners. Of the telephone contacts, 131 were from injured workers, 79 from approved vocational rehabilitation providers, 55 from employers, 46 from insurers, 29 from others, and 18 from medical practitioners.

A total of 1,082 questionnaires seeking feedback on the injury management scheme were sent to injured workers who had been referred to an approved vocational rehabilitation provider, 264 were completed and returned.

Prevention Activities

During 2003/04, the Commission jointly funded the ThinkSafe Campaign with the WorkSafe Division of the Department of Consumer and Employment Protection (WorkSafe Division). The ThinkSafe Campaign is a community education campaign developed by the Department of Consumer and Employment Protection, WorkSafe Division, and WorkCover Western Australia.

The campaign successfully raised the awareness of safety and health in the workplace by promoting it as an issue for community concern. Ultimately, the campaign is designed to reduce workplace related injury and disease in Western Australian workplaces.

During 2003/04 the campaign continued to encourage the practical implementation of hazard management in high-risk workplaces to reduce workplace fatalities, injuries and disease, in particular those related to six of WorkSafe Division's priority areas for reducing workplace injuries and disease. These priority areas are:

- Chemicals and harmful substances
- Electricity
- Manual handling – lifting
- New and young workers

Report on Operations

- Slips and trips
- Working at heights.

The priority areas are part of the WorkSafe Division's operational strategy and involve a focus on fundamental safety aspects of key occupational safety and health issues.

The primary audience of the 2003/04 ThinkSafe Campaign was employers, workplace safety and health decision-makers and anyone who has control over small to medium sized businesses in five specific industry sectors, these being aged care, agriculture, construction, retail and transport and storage.

The objectives of the 2003/04 campaign were to:

- motivate small business employers and other decision-makers who can influence occupational safety and health in the workplace to actively manage priority hazards in their workplaces; and
- increase the level of knowledge about the role of WorkSafe and occupational safety and health legislative requirements.

The campaign targeted both metropolitan and non-metropolitan areas through state wide television advertising, supported by radio advertising, information products, direct mail out to the 5 targeted industry sectors, WorkSafe Division's website, a 1800 Hazard hotline and media and public relations activities. Advertising for the 2003/04 campaign commenced on 30 May and ends on 21 August.

Regulation

Highlights for 2003/04

- Completed two regional inspection visits to the Wheatbelt and the Bunbury region of the State.
- Undertook 29,943 inspections and prosecuted 5 employers for failing to hold current a workers' compensation policy.
- Completed a targeted inspection of the plastering industry and commenced a targeted activity of the panel beating industry.
- Identified issues pertaining to coverage of subcontractors in the carpet laying industry and undertook inspections to ensure compliance with the Act.
- Assisted self insurers prepare and develop for the introduction of outcome based performance indicators.
- Reviewed benchmarks for the monitoring and approval of approved vocational rehabilitation providers.

Compliance

The compliance activity involves inspection and investigation to ensure employers comply with the workers' compensation legislation and to prosecute employers and other parties where necessary.

Inspection

WorkCover's compliance activities were focused on contacting businesses that are potentially in breach of the Workers' Compensation and Rehabilitation Act 1981. During the year, the compliance program implemented initiatives to identify non-compliant employers and targeted industries to address compliance concerns through various inspection activities to identify employers. Activities undertaken included:

- New business inspections;
- Targeted industry inspections;
- Regional inspections (Wheatbelt and the Bunbury region of WA);
- Lapsed policy inspections;
- Processing of cancellations; and
- Locality inspections within the metropolitan area.

The monitoring of new business registrations with the assistance of the Department of Consumer and Employment Protection has resulted in a successful inspection program that enables identification of new employers who have been in business. WorkCover inspectors advise these employers and potential employers of their obligations to hold current a workers' compensation policy of insurance and ensure compliance where necessary.

During 2003/04 a total 29,943 inspections were undertaken. Of these 25,102 related to lapsed workers' compensation policies and new business, targeted and field inspections accounted for 4,841.

Also during 2003/04, 140 file investigations and 2,134 requests from insurers to cancel an employer's workers' compensation policy of insurance were processed with 47 of these being processed by inspectors in the field.

Prosecution

The compliance program is primarily focused on business proprietors who are potentially in breach of the provisions of the Workers' Compensation and Rehabilitation Act 1981. In 2003/04, 5 employers were prosecuted for failing to hold current a workers' compensation policy of insurance. Total fines awarded during the year amounted to \$6,950 and a further \$6,313 in avoided premiums was ordered to be reimbursed to the General Fund. Six prosecutions are ongoing and will be carried over the next financial year.

Accreditation and Licensing

The accreditation and licensing activity involves the monitoring of the performance of insurers, self insurers, approved vocational rehabilitation providers and air conduction testers (and the equipment used) to ensure compliance with workers' compensation legislation and the delivery of an appropriate standard of service.

Insurers and Self Insurers

During 2003/04 insurer outcome based performance indicators, were introduced in the Performance Monitoring Methodology for Approved Insurers 2003 (Guidelines). Approved insurer reviews were undertaken. Consultation was undertaken with the Self Insurer Association to assist Self Insurers prepare for the introduction of new guidelines based on the Insurer Guidelines.

The Commission reviewed the performance of 11 approved insurers (including the Insurance Commission of Western Australia) and recommended that all the underwriting licences be maintained. As required by section 165 of the Worker's Compensation and Rehabilitation Act 1981, the performance of 29 self insurers was reviewed. Twenty nine self insurers had their approval extended. One self insurer requested to have its self insurance approval be revoked which occurred in June 2004.

Under Section 152 of the Act, there were 33 applications by approved insurers to load the recommended premium rate by more than 100% considered during 2003/04. Under Section 154 of the Act, three employers appealed their industry classification but were denied by the Commission on the basis that they were appropriately classified.

Approved Vocational Rehabilitation Providers

During 2003/04, 44 approved vocational rehabilitation providers were accredited, which comprised of 20 agency providers, 14 single providers and 10 employer based providers. The performance of agency and single providers was assessed against the benchmarks in the October 2003 annual review.

In the 2003/04 financial year, 4,243 referrals were made for vocational rehabilitation services, 92% to Agency providers, 6% to Single providers and 2% to Employer Based providers. Medical practitioners were responsible for 26% of all referrals, and employers referred 30%. Insurers authorised to act on an employers behalf referred 44%. Agency and Single providers closed 3,805 cases, with a 61% return to work rate. Employer based providers closed 81 cases, and 83% of these cases were returned to work.

Audiometric Testers

The number of audiometric testers fluctuated during the year as a result of performance evaluations and accreditation of new testers into the system. At 30 June 2004 there were 263 testers (audiometric officers and audiologists) approved to conduct hearing tests for the purposes of the legislation. A total of 50 new testers were approved and 36 testers cancelled as a result of not meeting performance criteria. There are currently 160 booths and 176 audiometers approved within the system.

A total of 387 workers were identified as showing a 10% or greater increase in Percentage Loss of Hearing (PLH) following comparison of their baseline and subsequent hearing tests. Fifty six (56) had claims finalised by a Memorandum of Agreement Notification issued by the WorkCover Conciliation and Review Directorate.

Corporate Services

The corporate services activity of the agency supports operational areas and ensures human, financial, technical and other resources are used efficiently and effectively to provide services responsive to the needs of employees and stakeholders.

Highlights for 2003/04

- Implemented and tested the agency's business continuity plan.
- Developed and implemented incident management policy and procedures.
- Implemented public interest disclosure policy and procedures.
- Conducted continuous improvement exercises for operational areas.
- Conducted WorkCover's productivity measurement through an analysis of productivity versus cost from 2000 to 2003.
- Reviewed operational risks in accordance with the agency's policy.
- Commission approved consolidation of WorkCover's operations at its Shenton Park premise and for the sale of the West Perth property.
- Developed a strategy for upgrading security at the Shenton Park premises.
- Developed specifications and sought tenders for a new internal communication system to replace the existing PABX.
- Refined application systems after the implementation of the Q1 data specification.
- All insurers and self-insurers in production with the Q1 system.
- Developed the facility for approved insurers and self insurers to lodge premium rating returns online.
- Completed WorkCover's record-keeping plan in November 2003. The plan was approved by the State Records Commission in February 2004.
- Completed a review of the record keeping activities at WorkCover's West Perth office and a project plan developed. The process of recording, organising and registering their records is underway.
- Disaster recovery actions for WorkCover's records have been implemented as part of an agency-wide business continuity plan.
- A records management training plan has been developed.

Report on Operations

Corporate Planning and Support Services

The corporate planning function is responsible for the development, management and consultancy services on corporate management strategies for the agency. An important role of the function is to coordinate annual statutory reporting activities including the annual report and performance indicator report. It is also responsible for operational review, corporate development, corporate performance evaluation and reporting.

The corporate support activity provides administrative support to the Commission, Advisory Committees, the Premium Rates Committee and the Industrial Diseases Medical Panel. Internal working groups are also supported under this function.

The corporate support function also undertakes asset management activities, is responsible for contract and supply management and risk management. Procurement policies and practices are developed and implemented in line with Government requirements to ensure best value for money.

During 2003/04, the agency implemented and tested its business continuity plan, developed and implemented the agency's incident management policy and procedures and implemented policy and guidelines to comply with the Public Interest Disclosure Act 2003.

WorkCover also maintains and periodically reviews the processes, guidelines and documentation used in the purchasing and contract management functions. A customised course in Procurement was conducted for staff involved in the procurement process.

During 2003/04 new maintenance contracts were awarded for air conditioning in both the Shenton Park and West Perth buildings. Also during the year, specifications were written and the tender let for a new internal communication system to replace the existing PABX.

The Shenton Park office was subjected to a series of break-ins during the course of the year. The value of the damage and stolen items was calculated in excess of \$20,000. As a consequence of break-ins in 2003/04, a strategy has been developed for a substantial security upgrade with the installation of security lighting, additional fencing and closed circuit television cameras.

As part of the on-going monitoring process of risk management, a review of all operational risks was conducted across the agency. This was done in accordance with WorkCover's Policy and Procedures and Australian/New Zealand Standard 4360:1999.

The outlook for 2004/05 will see the corporate planning and support functions assisting in the implementation of legislative change, a review of the customer service charter and implementation of the agency's policies and procedures for customer feedback, including complaint handling. The business continuity plan will continue to be tested and a review conducted,

while training will be held for staff on the new electronic incident management reporting system.

In addition, the agency will commence progress towards additions to the Shenton Park premise to accommodate staff from West Perth and the sale of the West Perth building.

Information Technology and Telecommunications

Online Services

During the year there was ongoing review and enhancement of the WorkCover internet site to ensure relevant information was accessible to customers. The year saw further enhancements to WorkCover's interactive facilities, which allow service providers to undertake online data transactions. Transactions with service providers occur in a secure online environment via applications for insurer and self insurer data, approved vocational rehabilitation data and noise induced hearing loss data. The enhancements allow for faster transacting of business and improved service delivery.

Scheme Information

The scheme information activity has a primary role in data collection, capture and quality assurance. Data collection activities included claims and policy data, monitoring of lapsed policies, data capture and administration of premium rating returns.

During the year all approved insurers and self insurers moved into production with the new data specification (Q1) for policy and claim data. Internet, intranet and internal applications were maintained to also capture vocational rehabilitation case data, noise induced hearing test results and full audiological results and the coding of claims. Investigations were carried out on lapsed policy cases and the administration of premium rating data continued including the annual audit.

As a result of user feedback and the commitment to continuous improvements to our internet applications, new facilities were added and enhancements made to the Insurer Online application, which included an enhanced 'Help' facility and the facility to enable approved insurers and self insurers register their lodgements on line, automating lodgement processing, and sending emails to nominated users on completion of lodgement processing, when lodgements are error free and when the prescribed timeframe has not been met.

Next financial year, the focus will be on the analysis of the Q1 data and development of quality assurance reports. Further enhancements to the Insurer Online application and WorkCover systems will also be considered by the agency.

Technical and Information Services

The technical services activity has responsibility for computing infrastructure, computing hardware, applications development, maintenance and data administration and application systems within WorkCover.

In the year 2003/04, the technical and information services area implemented the Active Server Directory service on the WorkCover computer network. It now offers centralised and secure management of the entire network. In addition, amalgamated all the application servers into mountable racks. The application documentation was updated and the databases were tuned to operate more efficiently after the implementation of Q1.

The outlook for 2004/05 sees the implementation of anti-spam solution; the rollout Windows 2003; implementation of more robust application servers and security servers; and implementation of Content Management Solution to WorkCover WebPages.

Finance and Investments

The finance and investments activity provides financial and accounting services which support the agency's program objectives.

Debtors

As at 30 June 2004, there were 18 outstanding debtors resulting from fines and penalties awarded under section 170 of the Act. Debts worth \$18,645 were written-off during the year and \$42,957 remained outstanding.

Investments

During the 2003/04 year the rate of return on investments ranged from 4.4% to 5.45% with an average of 4.93% for the financial year.

Funds Management

Trust Fund

The Workers' Compensation and Rehabilitation Trust Fund is maintained in accordance with section 110 of the Worker's Compensation and Rehabilitation Act 1981. The agency seeks to maximise returns and security of funds invested for the benefit of the dependants of deceased workers.

Section 84F 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.

Investment strategies employed provided an average yield for the year of 4.92% for all trust accounts. This is a favourable rate of return compared to returns offered by other financial institutions.

In June 2004, Electronic Funds Transfer was implemented enabling the electronic payment of money to WorkCover's Trust Fund clients. The accessibility to funds that this improvement provides, has been welcomed by a number of clients who quickly adopted this option.

Uninsured Claims Management (General Fund)

The agency manages specific funds for the protection of 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; to recover from uninsured employers funds paid to workers from the General Fund; and 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 activity establishes the employer's insurance status to ensure that monies released from the General Fund are in accordance with the provisions of the Workers' Compensation and Rehabilitation Act 1981. This year the compliance activity investigated 37 claims made on the Fund pursuant to section 174, compared to 36 last year. There were 10 new claims from the fund this year and 29 continuing claims from previous financial years. Cost of new claims is \$346,431 and for ongoing claims the amount is \$466,472. On the 30 June 2004, the total outstanding debt being recovered through the courts from uninsured employers is approximately \$1,483,981.

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 5% surcharge on employers' indemnity policies was introduced on 25 June 2001. Subsequently, by Regulation in June 2002 the surcharge reduced to 3%, then 1% in June 2003. The surcharge rate remained at 1% in June 2004.

In relation to the liquidation of HIH Insurance, outstanding claims in Western Australia are estimated at \$24.09 million as at 30 June 2004 (which includes an allowance for asbestos related diseases for current known claims, but does not allow for incurred by not reported claims). This represents projected outstanding liabilities that are inflated and discounted values, claim administration expenses and a prudential margin. The Employers' Indemnity Supplementation Fund also paid claims under the Waterfront Workers' (Compensation for Asbestos Related Disease) Act. Payments for claims amounted to \$42,747 and there were no receipts for the year. In total \$2.40 million has been paid for claims under the Act.

No dividend was paid by the United Kingdom liquidator for National Employers' Mutual Insurance Company, in liquidation. Funds recovered to date are \$1.98 million and payments to date exceed \$4.60 million.

Report on Operations

Claims payments and receipts during the year for those insurers in liquidation were as follows:

Insurers	Payments	Receipts
Palmdale/AGCI Insurance Co.	\$51,269	-
Bishopsgate	\$54	-
National Employers' Mutual Insurance Co.	\$6,307	-
Standard Insurance Co	\$11,307	-
HIH Insurance	\$7,331,993	-
Northumberland	\$24,794	-

Corporate Information

The corporate information activity is responsible for the management of the agency's information resource, including agency records and library materials.

In accordance with the State Records Act 2000, a record keeping plan was developed and approved during the 2002/03 financial year. As a consequence, a project plan outlining what tasks need to be completed during the next financial year has been developed, which will ensure the agency's compliance with State Records Office requirements. Already policies regarding disposal of records and website management have been developed.

A records management training plan has been developed, which outlines the training requirements of Corporate Information staff and all WorkCover staff in general. Corporate Information staff have provided training to WorkCover staff on the agency's Ministerial Online system and on records management in general. An extensive education campaign, including brochures on the responsibilities of staff and searching for records online, posters and an online presentation as part of the induction process is in development.

Next financial year, the focus will be on completing tasks relating to the agency's recordkeeping plan and educating WorkCover staff on the records management responsibilities. The agency will also continue the process of registering all records at the West Perth office, and ensuring appropriate records management policies and procedures are implemented.

Human Resources

The human resource activity has the responsibility to facilitate the application of public sector human resource practices, procedures and policies by the management and staff of WorkCover, in achieving agency goals and objectives.

This activity also ensures compliance with statutory, legal and other authorised work practices; provides for a discrimination free work environment; provides effective staff management and the establishment of classification procedures; and ensures the

WorkCover performance management system continues to:

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

The agency's continues to maintain a watching brief on Government activities relating to the Functional Review Implementation Team and its impact on operations.

One of the main projects for the human resources area in 2003/04 was the testing and implementation of a new human resource information system. The new facilities provide staff with the ability to change personal details and view pay details. This facility will be rolled out to staff in the coming year. In addition, expansion of this online facility is planned which will include checking leave balances, viewing leave history and submitting leave applications online.

Conciliation and Review

This section includes information on the conciliation and review activities of:

- Statutory Disputes
- Registration of Agreements
- Civil Proceedings for Damages
- Compensation Magistrate's Court
- Medical Assessment Panels
- Notifications under Section 57A and 57B

This activity provides a service for the resolution of disputed workers' compensation claims and the registration of agreements between parties in the workers' compensation scheme. The Conciliation and Review Directorate has two distinct operational output areas:

- Statutory Dispute Resolution; and
- Registration of Agreements and Civil Proceedings

Highlights for 2003/04

- 2,739 new disputes were referred to the Directorate.
- Resolved 3,092 disputes; 2,530 (82%) by conciliation, 562 (18%) following review.
- Of disputes resolved at conciliation 46% were resolved within four weeks of lodgement with a further 17% between four to eight weeks.
- Of disputes resolved at review, 11% were resolved within four weeks of referral and a further 16% between four and eight weeks.
- Registered 3,914 Memorandum of Agreements for Schedule 2, Schedule 5 and Redemptions.
- During 2003/04, 78 workers were referred to a medical assessment panel.
- There were 799 common law Form 23 referrals made to employers in 2003/04 compared with 555 in 2000/01, 541 in 2001/02 and 647 in 2002/03.

Statutory Dispute Resolution

The Conciliation and Review Directorate (Directorate) seeks to resolve workers' compensation disputes in a manner that is fair, economical, informal and quick in reaching agreement. This is achieved initially by a process of conciliation to assist 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.

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 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 2004, 2,739 new disputes were referred to the Directorate, compared to 3,117 for the previous twelve-month period. During the year: 3,092 matters were resolved; 2,530 (82%) by conciliation, 562 (18%) following review.

Conciliation has maintained a rapid turnover of disputes. Approximately 46% of disputes were resolved within four weeks of lodgement with a further 17% between four and eight weeks. Accordingly more than 62% are resolved within 8 weeks.

Of disputes resolved at review, 11% were resolved within four weeks of referral and a further 16% between four and eight weeks. For information on the workload statistics for the statutory dispute resolution proceedings refer to table 14.

Throughout the year officers from the Directorate have been involved in and conducted numerous training seminars for stakeholders in the workers' compensation system. Information on the Directorate's policies and procedures and overall functioning of the Conciliation and Review Directorate is provided at the seminars.

Report on Operations

Table 14: Workload Indicators for Statutory Dispute Resolution Proceedings

2001/02	2002/03	WORKLOAD INDICATORS – STATUTORY DISPUTE RESOLUTION PROCEEDINGS	2003/04
4,042 3,125 = 77% 917 = 23%	3,544 2,671 = 75% 873 = 25%	No disputes resolved at conciliation at review	3,092 2,530 = 82% 562 = 18%
Timeframe			
% disputes resolved at conciliation			
43%	40%	<4 weeks	46%
21%	25%	between 4 weeks and 8 weeks	17%
11%	11%	between 8 weeks and 12 weeks	10%
25%	24%	>12 weeks	27%
% disputes resolved from date of referral to review			
6%	9%	<4 weeks	11%
9%	11%	between 4 weeks and 8 weeks	16%
15%	12%	between 8 weeks and 12 weeks	15%
70%	69%	>12 weeks	58%
% disputes resolved from date lodged			
34%	30%	<4 weeks	38%
17%	20%	between 4 weeks and 8 weeks	15%
10%	9%	between 8 weeks and 12 weeks	10%
40%	41%	>12 weeks	37%
Workload			
3,654	3,117	Referrals for conciliation filed	2,739
3,125	2,671	Number finalised- at conciliation	2,530
917	873	Number finalised- at review	562
Nil	Nil	Number finalised- by Compensation Magistrate	Nil
General			
5,240	4,513	Number of conciliation conferences	3,933
807	709	Number of preliminary reviews	634
918	892	Number of reviews	603
10	6	Matters referred to Compensation Magistrate	Nil
118	106	Number of appeals to Compensation Magistrate	72
84	49	Other matters heard by Compensation Magistrate	26
91	88	Matters referred to a Medical Assessment Panel	67

Registration of Agreements

Memorandum of agreements are registered in those cases whereby parties agree to settle a claim for compensation in accordance with the Workers' Compensation and Rehabilitation Act 1981.

Degree of disability agreements are recorded in those cases where workers seek to take common law action, for damages against employers, independent of the Workers' Compensation and Rehabilitation Act 1981.

Where parties agree to settle a claim formally under the Act, a Memorandum of Agreement is registered in accordance with section 76. Agreements registered in accordance with section 76 comprises the categories identified in table 15, while figure 9 shows the number of Memorandum of Agreements registered since 1993/94.

Table 15: Number Agreements Registered by Category and Year

	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Schedule 2	1,663	1,765	2,208	2,430	2,562	2,381
Schedule 5	24	19	13	16	20	22
Redemption	17	560	1,299	1,681	1,570	1,511
Total	1,704	2,344	3,520	4,127	4,152	3,914

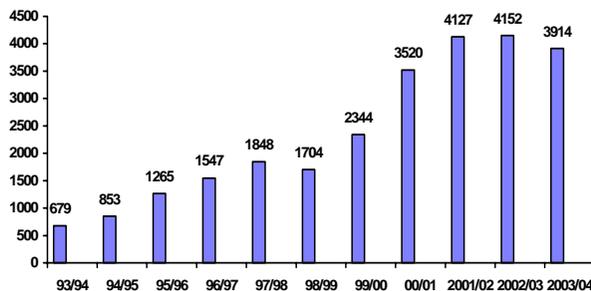


Figure 9: Number of Agreements Registered by Year

Civil Proceedings for Damages

Part IV of the Act provides that in certain circumstances a worker may initiate civil proceedings, for damages against their employers. Following legislative Amendments in 1999, damages can only be awarded against a worker's employer for a disability suffered by a worker where it has been agreed or determined the worker's degree of disability is not less than one of the relevant levels.

There are two relevant levels (1) where the degree of disability is not less than 30%; and (2) where the degree of disability is not less than 16%.

The Director, Conciliation and Review Directorate records agreements regarding a worker's degree of disability. Where the worker and the employer cannot agree on whether the worker's degree of disability is not less than the relevant level claimed, the worker may refer that question to the Director. If the dispute is then not resolved the question is referred to a review officer for resolution. A review officer determines whether the worker has a degree of disability of not less than the relevant level claimed. Appeals from decisions of review officers are heard in the Compensation Magistrate's Court.

In those cases where a worker has a degree of disability, which is not less than 16%, 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 the commencement of weekly payments. The Director is responsible for the registration of elections. Once the Director registers an election the worker is able to initiate civil proceedings for damages against their employer. Once an election is registered a worker's entitlement to statutory workers' compensation ceases. The number of civil proceedings has increased over the past three years. Since 2001/02 the number of civil proceedings referrals to employers has increased by 48%. For information on the workload statistics for agreements and civil proceedings refer to table 17.

Compensation Magistrate's Court

Matters before Review Officers 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.

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 Review Officer or the Compensation Magistrate may refer a question as to the degree of a worker's disability to a medical assessment panel for the purposes of an assessment in accordance with section 93D(2) of the Act.

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.

Report on Operations

The medical assessment panel register comprises 289 medical practitioners from various specialities. During the year 78 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. Table 16 lists annual notifications lodged by approved insurers and self insurers.

Table 16: Number of Section 57A and 57B Notifications by Year

	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04
Self-Insurers	188	156	212	1,434	1,469	1,612	1,825	1,944	2,110
Approved Insurers	5,283	5,654	6,306	5,635	6,860	6,125	4,763	6,519	4,369
Total	5,471	5,810	6,518	7,069	8,329	7,737	6,585	8,463	6,479

Table 17: Workload Indicators for Agreements and Civil Proceedings

2001/02	2002/03	WORKLOAD INDICATORS - AGREEMENTS & CIVIL PROCEEDINGS	2003/04
		Agreements Registered – Section 76	
2,430	2,562	Schedule 2	2,381
16	20	Schedule 5	22
1,681	1,570	Redemption	1,511
4,127	4,152	TOTAL	3,914
537	648	Referral of Question of Degree of Disability to Employers	799
493	567	Disputes Referred to Review	705
476	552	Disputes finalised after Referral to Review	599
		Agreements Recorded	
59	32	Without Referral	47
150	133	After Referral	111
145	104	Elections Registered	93
346	396	Determinations Made	297
-	-	Referred to Compensation Magistrate	-
94	83	Appeals to Compensation Magistrate	71
13	11	Other Matters Heard by Compensation Magistrate	5
15	10	Referred to Medical Assessment Panel	11

Premium Rates Committee

The Premium Rates Committee (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 and determination of appeals against premium assessment under section 154 of the Workers' Compensation and Rehabilitation Act 1981.

Membership to the Premium Rates Committee

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.

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.

Under section 147 (5), Deputy Members to the Members of the Premium Rates Committee may also be appointed.

Section 148 of the Workers' Compensation and Rehabilitation Act 1981 states Members of the Committee may hold office for a period not exceeding three (3) years, and are eligible for reappointment. Membership to the Premium Rates Committee was from the date of approval of 11 May 2004, for a maximum of one year from 3 May 2004 or such sooner period as the law provides (due to current proposal to reform the Workers' Compensation and Rehabilitation Act via the Workers' Compensation Reform Bill 2004).

Members

Members of the Committee are as follows:

Mr Des Pearson (Chairman)

Mr Pearson has been the Auditor General for Western Australia since 1991 and is also a Commissioner and inaugural Chair of the State Records Commission of WA. He holds a Bachelor of Business degree and a Graduate Diploma in Management, and is a Fellow of CPA Australia, a Fellow of the Australian Institute of Management, a National Fellow of the Institute of Public Administration Australia and an Associate of the Institute of Chartered Accountants in Australia.

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 20 years.

Mr Vic Evans

As the Managing Director of the Insurance Commission of Western Australia, Mr Evans has served on the Committee for over 11 years.

Mr Garry Moore

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

Ms Anne Bellamy

Ms Bellamy is the Chamber of Commerce and Industry (WA)'s Director of Health, Safety and Workers' Compensation and has extensive experience in both workers' compensation and occupational safety and health matters. Ms Bellamy is also a member of the Commission for Occupational Safety and Health and the National Occupational Health and Safety Commission.

Ms Stephanie Mayman

Ms Mayman is the Secretary of Unions WA and was appointed as a Member of the Committee on 5 February 2002 following her nomination by Unions WA. For 20 years Ms Mayman has been employed directly in the trade union movement gaining a broad range and variety of experience. Ms Mayman's trade union experience is complemented by her active involvement in a wide range of community based organisations.

Deputy Members

Deputy Members of the Committee are as at 30 June 2004 is as follows:

- Ms Diane Munrowd, Deputy Member for Mr Harry Neesham;
- Mr Lew Watts, Deputy Member for Mr Vic Evans;
- Mr John Snowball, Deputy Member for Mr Garry Moore; and
- Mr David Robinson, Deputy Member for Ms Stephanie Mayman.

Expiry of Membership Term

During 2003/04, Mr Kerry O'Neil's term as Deputy Member expired and his contribution to the Premium Rates Committee is acknowledged.

Premium Rates Committee Code of Conduct

The Committee maintains a Code of Conduct, which promotes good practice, identifying the obligations of Members and provides guidance on ethical conduct.

Appeals under Section 154 of the Act

During 2003/04, the Committee determined one appeal under section 154(1)(b) of the *Workers' Compensation and Rehabilitation Act 1981* where an employer is dissatisfied with the amount of the premium, which an insurer assesses as required to insure them under the Act.

Determination of the 2004/05 Recommended Premium Rates

The Premium Rates Committee arranged and considered an *Actuarial Assessment of the Recommended Premium Rates for 2004/05* as part of its annual process.

In considering the actuarial assessment and based on the performance of the Western Australia workers' compensation system, the Committee agreed to reduce the recommended premium rates by an overall 3.8%. The Committee has continued to determine the rates exclusive of a brokerage allowance.

The recommended premium rates were gazetted on 31 March 2004 and effective from 4.00pm 30 June 2004. No allowance was made for the State Government's proposed changes to workers' compensation. The Government expects the proposed reform package to move the cost of the Western Australian workers' compensation system into an average premium rate range of 2.4% to 2.7%.

The average recommended premium rate reduced from 2.342% for 2003/04 to 2.252% for 2004/05. The average recommended premium rate was 2.469% for 2002/03 and 2.625% for 2001/02.

In real terms, figure 10 illustrates the effect the overall 3.8% decrease will have on the 480 industry rates. The actual change in individual industry rates is dependent on the performance of each industry and the experience rating method adopted and allotted to each industry based on the size of the class.

The 2004/05 recommended premium rates were influenced by:

- increasing election option lodgements to 31/01/2004;
- stable and close to expected claims experience for 2002/03 and slightly favourable for the half-year to 31/12/2003;
- the stability of the estimated claim numbers incurred at 37,928 for 2003 and 37,983 for 2002 (both excluding WALGA). This has a neutral impact on overall costs;
- the assumption that claim numbers remain stable in future, based on the stable number of 2003/04 claims reported to 31/12/2003;
- an average claim size from our actuarial projection models (projected separately for statutory and common law costs);
- the 2.1% increase in total management expenses and excluding brokerage leading to a 2.5% higher loading including contingency and interest;
- a 3.7% increase in common law numbers increases costs by around 1.0%;
- a 2.6% decrease in premium rates due to the increase in the real market rates of interest used to obtain the present value of projected future claim payments;
- a 5.3% increase in adjusted wages which is 0.8% more than the 4.5% wage inflation rate for 2002/03;
- future wage inflation unchanged at 3.5%;
- inflated average claim size reduces by 3.4% in real claims before change in common law frequency; and
- the combination of these assumptions imply an overall 3.8% real decrease in premium rates made up as follows:

expenses plus other loadings	+ 2.5%
common law frequency	+ 1.0%
market interest rates	- 2.6%
wages declared	- 0.8%
real average claim size	- 3.4%
Sub-total	- 3.3%
balance due to all other sources	- 0.5%
<i>Total</i>	<i>- 3.8%</i>

Table of movement in Recommended Premium Rates				
Movement in Recommended Premium Rates	Number of Recommended Rates which :			Total
	Decrease	Increase	Unchanged	
5% or less	135	110	18	263
more than 5% but 10% or less	60	61	0	121
more than 10% but 15% or less	25	33	0	58
more than 15% but 20% or less	9	7	0	16
more than 20%	6	16	0	22
Total	235	227	18	480

Figure 10: Movement in Recommended Premium Rate Classifications for 2004/05

The objectives of the Premium Rates Committee in determining recommended premium rates is to:

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

A further objective of the Premium Rates Committee is to examine the adequacy of outstanding claims reserves both in aggregate and by insurer.

The actuarial assessment includes the calculation of the amount of premium income required to meet the projected cost of claims including expenses and margins with anticipated investment income.

Industrial Diseases Medical Panel

The Industrial Diseases Medical Panel was established to determine the questions prescribed in sections 38 and 93D of the Act. All claims for compensation in relation to pneumoconiosis, mesothelioma and lung cancer are referred to the Industrial Diseases Medical Panel for determination as to whether the worker is or was suffering from the prescribed diseases, the extent of the disability caused by the disease and a number of other related questions.

The Panel is made up of physicians who specialise in diseases of the chest or occupational disease. Panels operate independently, with WorkCover providing administrative support and funding only.

Membership of the Industrial Disease Medical Panel

Panel Members during 2003/04 were:

Chairman	Dr E Lee (July 2003)	
	Dr K C Wan (August 2003 to July 2004)	
Alternative Chairman	Dr G Ryan (July 2003)	
	Dr M K Tandon (August 2003 to July 2004)	
Members	Dr D Bucens	Dr Q Summers
	Dr E Gabbay	Dr M K Tandon
	Dr E Lee	Dr R Tarala
	Dr A W Musk	Dr A E Tribe
	Dr J Philpott	Dr K C Wan
	Dr M Prichard	Dr J Waring
	Dr B Robinson	Dr S C Pang
	Dr G F Ryan	

Industrial Disease Statistics

The majority of determinations were associated with asbestos exposure at work. The number of claims and confirmed pneumoconiosis, mesothelioma, pneumoconiosis and lung cancer determinations has increased in comparison to the previous year.

Table 18: Industrial Disease Statistics by Category

	2001/02	2002/03	2003/04
Number of Determinations – Disease present with a level of impairment >0%			
Pneumoconiosis	18	19	27
Mesothelioma	29	20	29
Lung Cancer	9	6	11
Pneumoconiosis and Lung Cancer	0	0	1
Pneumoconiosis and Mesothelioma	1	1	0
<i>Sub-Total</i>	<i>57</i>	<i>46</i>	<i>68</i>
Determinations – Disease not present or Disease present but a 0% level of impairment	18	25	11
Total	75	71	79

Number of Applications	2001/02	2002/03	2003/04
Reviewed	12	9	7
New	63	62	72
Total	75	71	79

Number of Determinations under Section 93D	2001/02	2002/03	2003/04
Pneumoconiosis	2	0	1
Pneumoconiosis and Lung Cancer	1	0	1
Lung Cancer	1	0	0
Mesothelioma	1	0	0
Total	5	0	2

Performance Indicators

Audit Opinion



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

WORKERS' COMPENSATION AND REHABILITATION COMMISSION PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2004

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Workers' Compensation and Rehabilitation Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended June 30, 2004.

Scope

The Commission's Role

The Commission is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
August 27, 2004

Certification of Performance Indicators

We hereby certify that the accompanying Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Workers' Compensation and Rehabilitation Commission's performance, and fairly represent the performance of the Commission for the financial year ended 30 June 2004.



B BRADLEY

Chairman

Workers' Compensation and Rehabilitation Commission

24 August 2004



D MUNROWD

Member

Workers' Compensation and Rehabilitation Commission

24 August 2004

Audited Performance Indicators

PERFORMANCE INDICATOR REPORT

For the year ended 30.06.2004

Rationale

Mission

WorkCover WA's Mission is:

"To minimise the social and economic impact on workers of work related injury and disease and achieve cost effectiveness for employers and the community."

WorkCover strives to achieve its mission through effective administration of the *Workers' Compensation and Rehabilitation Act 1981* (the Act), the provision of quality policy advice to government and excellent stakeholder relationships.

Outcomes & Outputs

To achieve the broad aims embodied in the Mission statement, WorkCover delivers three primary Outcomes: *Information and Education*, *Scheme Regulation* and *Dispute Resolution*.

The Outputs that are produced by the Agency directly support the achievement of these Outcomes. The achievement of the 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 and Education

Workers' compensation scheme participants are aware of their rights and responsibilities regarding workers' compensation and injury management;

2. Scheme Regulation

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

3. Dispute Resolution

Workers' compensation disputes are resolved and agreements registered.

Outputs

To achieve the Outcomes of *Information and Education*, *Scheme Regulation*, and *Dispute Resolution*, WorkCover delivers the following Outputs:

1. Information and Education

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

WorkCover targets specific groups of participants to maximise the impact on the scheme. Information and education are delivered:

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

2. Compliance

WorkCover is responsible for assisting the Minister for Consumer and Employment Protection in the administration of the *Workers' Compensation and Rehabilitation Act 1981*. In line with this responsibility, the Agency seeks to secure compliance with the provisions of the Act. Inspections and investigations are conducted to ensure compliance with workers' compensation legislation and prosecution of non-complying parties.

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

3. Accreditation and Licensing

Key service providers ie. insurers and self-insurers, vocational rehabilitation providers and approved (hearing) testers, are subject to accreditation or licensing standards and their activities are monitored. Sanctions are imposed on service providers that do not consistently deliver services to the agreed standard.

4. Dispute Resolution

WorkCover acts to resolve disputes between scheme participants through a system of conciliation and review. The initial process assists 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.

5. Registration of Agreements

WorkCover registers agreements between scheme participants where:

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

Performance and Financial Reporting

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 (\$345,241), uninsured claims payments (\$1,096,582), strategic initiatives (\$260,317), the management of trust funds (\$33,635), tenant costs for the agency's West Perth property (\$117,490), funding of joint initiatives with the WorkSafe division of the Department of Consumer and Employment Protection (\$250,000) and fulfillment of WorkCover's obligations under the Service Delivery Agreement with the Commonwealth for delivery of services to Cocos and Christmas islands (\$12,627). 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*.

Key Effectiveness Indicators

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

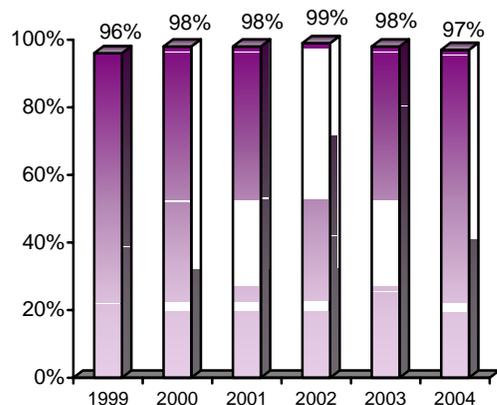
Outcome 1. Information And Education

Workers' compensation scheme participants are aware of their rights and responsibilities regarding workers' compensation and injury management.

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 scheme as a result of the seminar:

The content of information seminars and training courses continues to achieve the learning needs of customers.



Outcome 2. Scheme Regulation

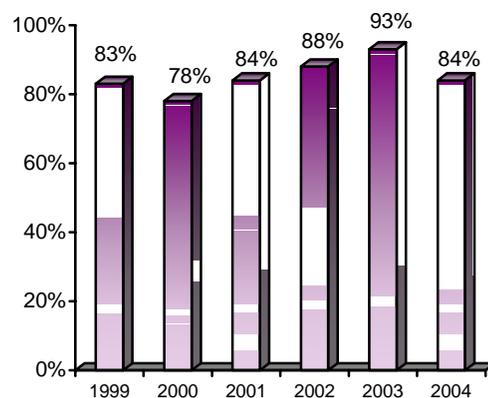
Workers' compensation scheme participants comply with legislative requirements and standards.

Effectiveness Indicator 1.2 – Enquiries

The percentage of Infoline callers who said their level of knowledge of the workers' compensation scheme increased as a result of their call:

For 2003/04, an increased number of Infoline callers surveyed responded negatively primarily because:

- *Callers expected to increase their knowledge after receiving documentation from WorkCover; and*
- *The information requested was specific to an individual claim and available only from an insurer.*

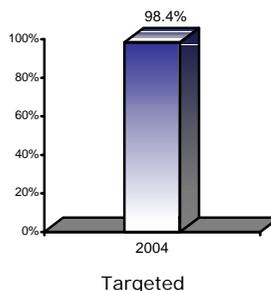
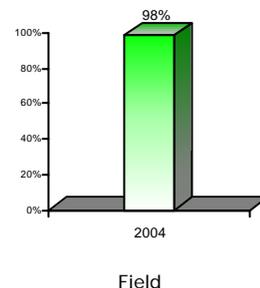
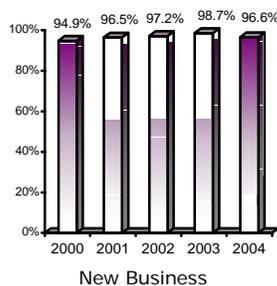


Effectiveness indicator 2.1 - Compliance

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

The New Business compliance rate remains fairly constant for 2003/04.

This year, WorkCover WA has introduced two inspection categories of Field and Targeted to better represent the range of inspection the Agency performs.



Performance and Financial Reporting

Effectiveness indicator 2.2 – Accreditation and Licensing

Percentage of service providers that met accreditation or licensing standards:

Insurer

WorkCover's greater focus on Insurer performance through review at the unit level, the application of further resources to the function and the Insurer having a greater understanding of the performance monitoring guidelines has resulted in improved performance.

Self Insurer

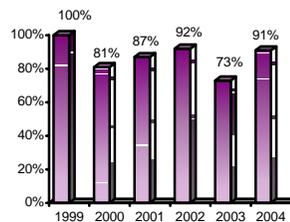
No change, 100% compliance.

Vocational Rehabilitation Provider

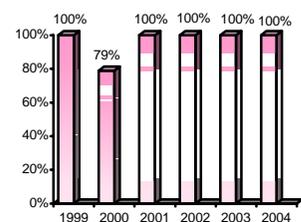
One provider had their accreditation revoked and two had their approval deferred until a further review was undertaken. These two providers didn't meet the standards.

Approved Tester

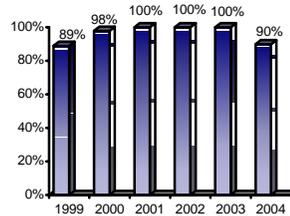
In 2003/04, 24 audiologists that were not actively testing withdrew from the system. This accounted for approximately 28% of testers who did not meet performance criteria.



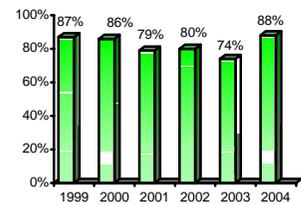
Insurer



Self Insurer



Vocational Rehabilitation Provider



Approved Tester

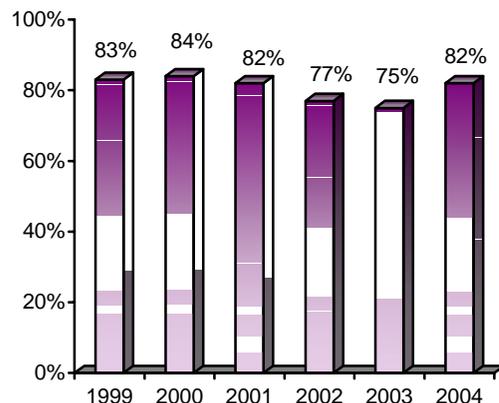
Outcome 3. Dispute Resolution

Workers' compensation disputes are resolved and agreements registered.

Effectiveness Indicator 3.1 – Dispute Resolution

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

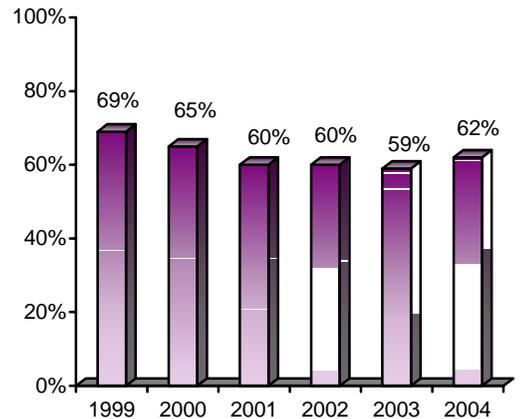
The percentage of disputes resolved at conciliation has increased to a level above 80%, which is consistent with the percentage resolved in the seven years prior to the 2001-2002 financial year.



Effectiveness Indicator 3.2 – Dispute Resolution (Timeliness)

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

The percentage of disputes resolved within 12 weeks has increased to its highest level in 4 years, which is in part due to the increased percentage of disputes resolved at conciliation as in Table 3.1 above.



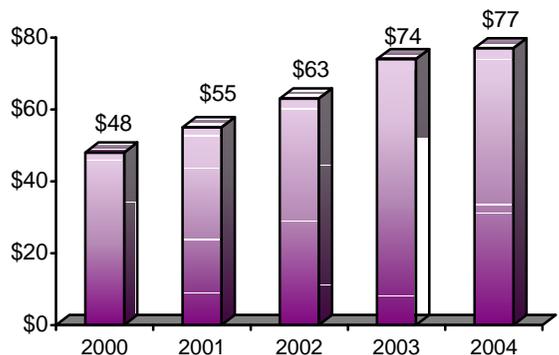
Key Efficiency Indicators

Key Efficiency Indicators measure the average cost of producing outputs.

Output 1

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

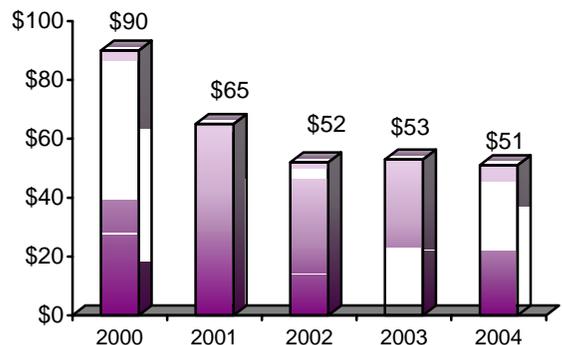
WorkCover WA staged the biannual Injury Management Conference in August 2003 which increased the cost of information, education and training.



Output 2

The cost per inspection to ensure compliance with the Workers' Compensation and Rehabilitation Act 1981:

The inspection function has been reviewed and Agency resources have been shifted to provide further support. This has resulted in an increase in the number of inspections.

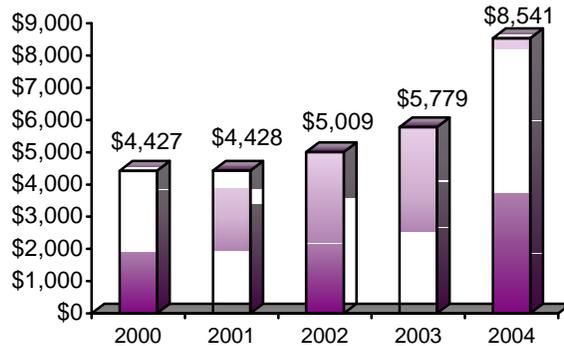


Performance and Financial Reporting

Output 3

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

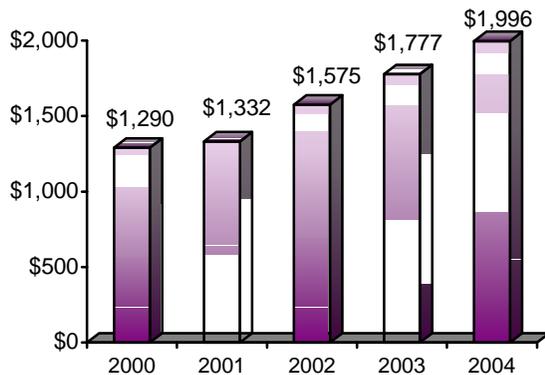
WorkCover has reviewed the Accreditation & Licensing function in line with the Commission's direction of seeking to have greater influence over service providers' performance. Performance monitoring of service providers has been modified and now includes auditing at the unit level. This has required the allocation of more resources to the area.



Output 4

The average cost to resolve each dispute:

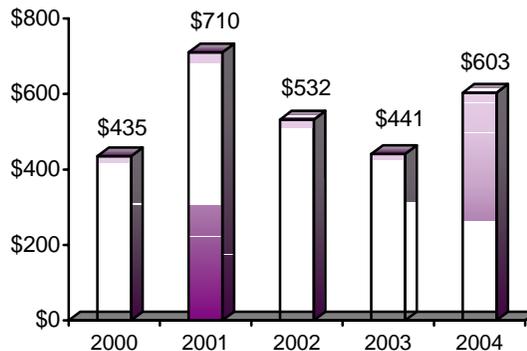
The cost per dispute resolved has increased over previous years primarily due to the reduced number of applications received and resolved.



Output 5

The cost per agreement to register agreements or determinations:

The number of agreements processed reduced and the number of determinations made reduced. This resulted in an increase in the cost per agreement/determination. The cost is similar to the average over the previous 4 years.



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) with a statement indicating they had increased their knowledge of workers' compensation as a result of their attendance at the seminar.

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 1410 persons who attended information or education sessions, 914 were surveyed and provided useable responses. This is a response rate of 65% with a sampling error rate of $\pm 1.92\%$ at a 95% confidence level assuming 0.5 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 requesting workers' compensation related information 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 2003/2004, 563 Info-line callers were surveyed out of 19,502 calls received. 511 of those surveyed provided useable responses. This is a response rate of 93% with a sampling error rate of $\pm 4.28\%$ at a 95% confidence level assuming 0.5 as the proportion of incidence in the population.

Effectiveness Indicator 2.1 – Compliance

The indicator is derived from the results of monitoring carried out by WorkCover. WorkCover inspects businesses to determine their compliance with the requirement to hold workers' compensation insurance. The three categories of inspections that WorkCover conducts are new business inspection; targeted inspection; and field inspection.

New business inspection is based on new business registration listings from the Department of Consumer and Employment Protection (DOCEP). The listings obtained are followed up by WorkCover to determine whether they are meeting their obligations under the Act. This category also includes the inspection of new owners of businesses when they are sold.

Targeted inspection includes inspections undertaken in regional area or specific identified industries.

Field inspection is a general inspection undertaken by WorkCover's Compliance Officers within their designated area.

An inspection may consist of an on site visit or other contact such as a letter or telephone call.

The indicator shows the percentage of field, targeted, and new businesses inspected, which had workers' compensation insurance at the time checks were made.

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 approved (hearing) testers. Only air conduction testers were monitored for their performances in the previous years. In 2002/2003, audiologists were included in the category of approved testers together with air conduction testers.

The Accreditation & Licensing effectiveness indicator is derived from internal records of the results of service provider monitoring for compliance with legislation and standards. All results of accredited/licenced service providers are included in the performance indicator.

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?

There is a slight change in Effectiveness Indicator 2.1. The indicator remained fundamentally the same – "Percentage of employers found to hold workers' compensation insurance at the time of inspection." However, other categories of inspections conducted by WorkCover are now included in the measurement of the indicator – New Business, Field, and Targeted.

Why are the indicators relevant to the outcomes and outputs?

WorkCover's outcomes for 2003/2004 were:

- **Outcome 1 – Information and Education**

Workers' compensation scheme participants are aware of their rights and responsibilities regarding workers' compensation and injury management.

- **Outcome 2 – Scheme Regulation**

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

- **Outcome 3 – Dispute Resolution**

Workers' compensation disputes are resolved and agreements are registered.

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 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 1981* 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 1981* 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 scheme;
- Key workers' compensation scheme participants complied with legislative and other standards and
- Disputes between parties in the workers' compensation scheme 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

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

WORKERS' COMPENSATION AND REHABILITATION COMMISSION FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

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, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commission at June 30, 2004 and its financial performance and cash flows for the year ended on that date.

Scope

The Commission's Role

The Commission is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

D D R PEARSON
AUDITOR GENERAL
August 27, 2004

Certification of Financial Statements

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 financial year ending 30 June 2004 and the financial position as at 30 June 2004.

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



B BRADLEY

Chairman

Workers' Compensation and Rehabilitation Commission

24 August 2004

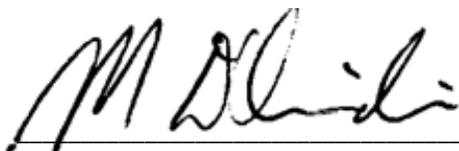


D MUNROWD

Member

Workers' Compensation and Rehabilitation Commission

24 August 2004



M D'OVIDIO

Principal Accounting Officer

Workers' Compensation and Rehabilitation Commission

24 August 2004

Performance and Financial Reporting

Audited Financial Statements

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Statement of Financial Performance

For the year ended 30 June 2004

	Note	2004 \$	2003 \$
REVENUE			
Revenues from ordinary activities			
<i>Revenue from operating activities</i>			
Insurer contributions		13,151,674	12,845,923
Goods and services	2	461,630	472,043
Commonwealth grants and contributions	3	50,853	-
Fines and penalties		38,705	25,793
Other revenues from ordinary activities	4	7,552,812	18,412,622
<i>Revenue from non-operating activities</i>			
Interest revenue	5	1,059,845	687,324
Proceeds on disposal of non-current assets	6	163,409	114,982
Reduction in the charge to provision	12, 24	-	8,606,899
Total revenues from ordinary activities		22,478,928	41,165,586
EXPENSES			
Expenses from ordinary activities			
Employee expenses	7	7,845,655	7,582,215
Supplies and services	8	1,719,750	1,486,276
Depreciation and amortisation expense	9	788,355	719,537
Doubtful debts expense		7,289	769
Administration expenses	10	1,084,473	1,072,416
Accommodation expenses	11	610,942	714,129
Charge to provisions	12	1,028,690	1,003,824
Uninsured claims		878,952	782,214
Costs of disposal of non-current assets		174,270	103,418
Other expenses from ordinary activities	13	507,450	479,857
Increase in the charge to provision	12, 24	173,450	-
Total expenses from ordinary activities		14,819,276	13,944,655
Profit from ordinary activities before grants and subsidies from State Government		7,659,652	27,220,931
Resources received free of charge		83,933	89,390
NET PROFIT		7,743,585	27,310,321
Net increase in asset revaluation reserve		4,633,243	-
Total revenues, expenses and valuation adjustments recognised directly in equity		4,633,243	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		12,376,828	27,310,321

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

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION
Statement of Financial Position
As at 30 June 2004

	Note	2004 \$	2003 \$
Current Assets			
Cash assets	14	402,354	222,114
Restricted cash assets	15	14,623,276	13,443,333
Receivables	16	189,028	366,475
Investments	17	5,849,154	5,734,696
Other assets	18	566,086	997,976
Total Current Assets		21,629,898	20,764,594
Non-Current Assets			
Property, plant, equipment & vehicles	19	11,776,739	7,684,408
Total Non-Current Assets		11,776,739	7,684,408
Total Assets		33,406,637	28,449,002
Current Liabilities			
Payables	20	1,609,940	1,528,421
Provisions	21	6,151,640	8,826,998
Total Current Liabilities		7,761,580	10,355,419
Non-Current Liabilities			
Provisions	21	24,245,559	29,070,913
Total Non-Current Liabilities		24,245,559	29,070,913
Total Liabilities		32,007,139	39,426,332
NET ASSETS		1,399,498	(10,977,330)
Equity			
Reserves	22	5,091,178	522,368
Retained profits/(accumulated losses)		(3,691,680)	(11,499,698)
TOTAL EQUITY/(DEFICIT)		1,399,498	(10,977,330)

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

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Statement of Cash Flows

For the year ended 30 June 2004

	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Supplementation Fund levy collected		7,908,022	19,025,715
Insurer contributions		13,151,674	12,845,923
Goods and services		461,630	472,043
Commonwealth grants and contributions		50,853	-
Interest Received		1,030,448	687,324
GST Receipts on sale		74,214	57,082
GST Receipts from taxation authority		508,310	281,413
Other receipts		224,078	212,745
Payments			
Supplementation Fund claim payments		(7,362,830)	(9,599,101)
Employee entitlements		(8,551,009)	(8,629,386)
Supplies and services		(2,139,755)	(3,024,717)
GST Payments on purchases		(520,389)	(396,083)
Other payments		(3,102,301)	(1,343,896)
Net cash provided by/(used in) operating activities	23	1,732,945	10,589,062
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets	6	163,409	114,982
Purchase of non-current physical assets		(421,713)	(347,588)
Net cash provided by/(used in) investing activities		(258,304)	(232,606)
Net increase (decrease) in cash held		1,474,641	10,356,456
Cash at the beginning of the financial year		19,400,143	9,043,687
Cash assets at the end of the financial year	23	20,874,784	19,400,143

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

WORKERS' COMPENSATION & REHABILITATION COMMISSION
Notes to the Financial Statements
For the year ended 30 June 2004

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 Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, 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 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 Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, 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, are disclosed in individual notes to these financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets which, as noted, are measured at fair value.

- (a) **Workers' Compensation and Rehabilitation General Fund and the Employers' Indemnity Supplementation Fund**

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

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2004

(b) Grants and Other Contributions Revenue

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

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

(c) Revenue Recognition

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

(d) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets costing less than \$1,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

(e) Depreciation of non-current assets

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

Depreciation is calculated on the straight-line basis, using rates which are reviewed annually. Expected useful lives for each class of depreciable asset are:

Buildings	13 to 16 years
Office furniture & equipment	10 to 15 years
Information technology	5 years
Motor vehicles	2 years

(f) Revaluation of Land & Buildings

The Authority has a policy of valuing land and buildings at fair value. The revaluation of the Authority's land and building undertaken by the Valuer General's Office are recognised in the financial statements. (See Note 19).

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2004

(g) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets net of outstanding bank overdrafts. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

(h) Receivables

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

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

(i) Investments

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

Interest revenues are recognised as they are accrued.

(j) Web site costs

Costs in relation to web sites controlled by the Authority are charged as expenses in the period in which they are incurred.

(k) It software application development costs

The Authority does not capitalise internally developed software application costs. Rather it is expensed in the year of development.

(l) Payables

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

(m) Employee benefits

Annual leave

This benefit is recognised at the reporting date in respect of employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2004

Long service leave

Leave benefits are calculated at remuneration rates expected to be paid when the liabilities are settled. A liability for long service leave is recognised after an employee has completed four years of service. An actuarial assessment of long service leave undertaken by Actuaries in 2003 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

This method of measurement of the liability is consistent with the requirements of Accounting Standard AASB 1028 "Employee Benefits".

Superannuation

Staff may contribute to the Pension 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. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The Pension Scheme and the pre-transfer benefit for employees who transferred to the Gold State Superannuation Scheme are partially unfunded and the liability for future payments are provided for at 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 GESB.

The note disclosure required by paragraph 6.10 of AASB 1028 (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 GESB's records are not structured to provide the information for the Authority. Accordingly, deriving the information for the Authority is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses. See notes 7 and 21.

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2004

(n) **Accrued Salaries**

Accrued salaries (refer note 20) 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 Authority considers the carrying amount approximates net fair value.

(o) **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.

(p) **Segment Information**

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 1 and the segment reporting Accounting Standard AASB 1005 "Segment Reporting".

Segment revenues and expenses are allocated on the basis of direct attribution and reasonable estimates of usage.

Segment information has been disclosed by output. See note 32.

(q) **Comparative Figures**

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

(r) **Rounding of Amounts**

Amounts in the financial statements have been rounded to the nearest dollar.

(s) **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 2004.

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2004

(t) Asset Replacement Reserve

The Commission set up the reserve to address the specific area associated with computing technology because of the cost and high rate of change in technology applications. Funds are set aside in the reserve for the following assets:

PC's
IT hardware and software
PABX
Printers

The parameters for inclusion in the reserve is if the asset costs more than \$5,000 and there is an ongoing need for it.

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION
Notes to the Financial Statements
For the year ended 30 June 2004

	2004 \$	2003 \$
REVENUE		
2 Goods and Services		
Revenue from tenant	335,124	334,538
Sale of software	-	62,983
Seminars	87,632	24,789
Transcripts	13,903	8,694
Other	24,971	41,039
	<u>461,630</u>	<u>472,043</u>
3 Commonwealth grants and contributions		
The Commonwealth Government has a Service Delivery Arrangement with the Authority for the provision of services to Christmas Island and Cocos-Keeling Island.		
Opening balance	31,814	48,615
Funding received from the Commonwealth	50,853	-
	<u>82,667</u>	<u>48,615</u>
Payments by Program		
Statistical Database	2,268	5,105
Policy & Legislation	-	111
Noise Induced Hearing loss	6,016	245
Dispute Resolution	289	96
Community Awareness	274	-
Compliance	6,677	8,422
Support	4,976	2,822
Total Payments	<u>20,500</u>	<u>16,801</u>
Balance carried forward	<u>62,167</u>	<u>31,814</u>
4 Other revenues from ordinary activities		
<u>General Fund</u>		
Recoveries from uninsured employers	97,714	24,907
Correction of premium rating data	-	29,960
Other	19,546	24,713
<u>Employers' Indemnity Supplementation Fund (See note 24)</u>		
Surcharge	7,420,552	18,331,414
Recovery	15,000	-
Other	-	1,628
	<u>7,552,812</u>	<u>18,412,622</u>
5 Interest revenue		
<u>General Fund</u>		
	293,416	226,854
<u>Employers' Indemnity Supplementation Fund (See note 24)</u>		
	766,429	460,470
	<u>1,059,845</u>	<u>687,324</u>
6 Proceeds on disposal of non-current assets		
Net profit/(loss) on disposal of non-current assets		
Motor Vehicles	(4,643)	15,575
Information Technology	(4,932)	(2,269)
Furniture & Equipment	(1,286)	(1,742)
Net profit/(loss)	<u>(10,861)</u>	<u>11,564</u>

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2004

	2004	2003
	\$	\$
EXPENSES		
7 Employee expenses		
Wages and salaries	6,712,194	6,486,626
Superannuation	694,464	611,822
Other related expenses(I)	438,997	483,767
	<u>7,845,655</u>	<u>7,582,215</u>
(I) These employee expenses include superannuation, payroll tax, workers' compensation premiums and other employment on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee benefit liabilities at Note 21.		
8 Supplies and services		
Actuarial Fees	141,881	156,287
Advertising	52,668	34,159
Air Fares	31,115	19,823
Audit - External	29,500	25,000
Audit - Internal	62,151	61,614
Court Recording & Transcribing	114,971	103,332
Legal	224,880	160,994
Library	41,386	42,186
Medical Panels	399,227	498,232
Motor Vehicle	58,145	61,396
Office Furniture and Equipment	35,520	93,902
Printing	109,273	65,343
Professional Fees	378,091	127,047
Other expenses	40,942	36,961
	<u>1,719,750</u>	<u>1,486,276</u>
9 Depreciation and amortisation expense		
Depreciation		
Buildings	541,281	456,183
Information Technology	165,483	184,410
Furniture & Equipment	33,885	31,585
Motor Vehicles	47,706	47,359
Total depreciation	<u>788,355</u>	<u>719,537</u>
10 Administration expenses		
Information Technology	630,439	616,386
Insurance	78,449	116,042
Photocopy & Fax Running Costs	46,807	43,238
Postage	101,988	81,776
Staff Training	42,361	42,056
Stationery	26,250	28,311
Telephone	121,715	130,705
Other expenses	36,464	13,902
	<u>1,084,473</u>	<u>1,072,416</u>

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
11 Accommodation expenses		
Accommodation expenses - West Perth	310,259	310,049
Accommodation expenses - Shenton Park	300,683	404,080
	<u>610,942</u>	<u>714,129</u>
12 Charge to provisions		
<u>General Fund</u>		
Annual Leave	479,460	433,002
Long Service leave	329,461	316,723
Superannuation	219,769	254,099
	<u>1,028,690</u>	<u>1,003,824</u>
<u>Employers' Indemnity Supplementation Fund (See note 24)</u>		
Increase/(Reduction) in the charge to provision	173,450	(8,606,899)
	<u>173,450</u>	<u>(8,606,899)</u>
13 Other expenses from ordinary activities		
<u>General Fund</u>		
Joint Initiative with WorkSafe	250,000	250,000
Research Grants	-	10,317
Seminars	54,035	34,937
Other expenses	31,618	45,496
<u>Employers' Indemnity Supplementation Fund (See note 24)</u>		
Claim Payments	105,911	104,305
Insurance Commission of WA expenses in recovery	14,083	10,944
Other	51,803	23,858
	<u>507,450</u>	<u>479,857</u>
14 Cash assets		
Bank account	400,354	220,114
Cash on hand	2,000	2,000
	<u>402,354</u>	<u>222,114</u>
15 Restricted Cash Assets		
<u>Employers' Indemnity Supplementation Fund (See note 24)</u>		
Supplementation Fund cash balance at Treasury	14,561,109	13,411,519
<u>Commonwealth Funding - Christmas & Cocos Keeling Island</u>		
The Commonwealth Government provides funding in accordance with the Service Delivery Arrangement. Under the arrangement the Authority provides a range of workers' compensation related services.		
Unspent funds for Christmas & Cocos-Keeling Island	62,167	31,814
	<u>14,623,276</u>	<u>13,443,333</u>

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION
Notes to the Financial Statements
For the year ended 30 June 2004

	2004 \$	2003 \$
16 Receivables		
Current		
<u>General Fund</u>		
Trade debtors	495,207	591,008
Provision for doubtful debts	(428,500)	(439,856)
Fines and penalties	42,957	65,889
GST receivable	79,364	145,632
<u>Employers' Indemnity Supplementation Fund (See note 24)</u>		
Trade debtors	-	2,749
GST receivable	-	1,053
	189,028	366,475
17 Investments		
Current		
At cost:		
-Term Deposit	5,230,075	-
-Short Term Money Market	619,079	1,769,250
-Funds held at Treasury	-	3,965,446
	5,849,154	5,734,696
18 Other assets		
<u>General Fund</u>		
Administration fee - Trust Fund	961	1,237
Interest	96,106	26,664
Prepayment - Injury management week	-	23,541
<u>Employers' Indemnity Supplementation Fund (See note 24)</u>		
Interest	64,457	54,502
Surcharge	404,562	892,032
	566,086	997,976
19 Property, plant, equipment & vehicles		
Freehold land		
At cost	-	1,588,828
At fair value (I)	3,870,000	-
	3,870,000	1,588,828
Buildings		
At cost	-	11,442,757
At fair value (I)	7,620,261	-
Accumulated depreciation	(541,281)	(6,184,827)
	7,078,980	5,257,930
Plant, equipment & vehicles		
At cost	1,539,040	1,721,814
Accumulated depreciation	(896,676)	(1,089,150)
	642,364	632,664
Office furniture & equipment		
At cost	449,639	441,605
Accumulated depreciation	(264,244)	(236,619)
	185,395	204,986
	11,776,739	7,684,408

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2004

2004 **2003**
\$ \$

(I) The revaluation of freehold land and buildings was performed in July 2003 in accordance with an independent valuation by the Valuer General's Office. Fair value has been determined on the basis of current market buying values. The valuation was made in accordance with a regular policy of triennial revaluation.

Reconciliations

Reconciliations of carrying amounts of property, plant, equipment and vehicles at the beginning and end of the current financial year are set out below.

	Plant, equipment & vehicles	Office furniture & equipment	Freehold land	Buildings	Total
Carrying amount at start of year	632,664	204,986	1,588,828	5,257,930	7,684,408
Additions	395,874	15,579	-	10,260	421,713
Revaluation increments	-	-	2,281,172	2,352,071	4,633,243
Disposals	(172,985)	(1,285)	-	-	(174,270)
Depreciation	(213,189)	(33,885)	-	(541,281)	(788,355)
Carrying amount at end of year	642,364	185,395	3,870,000	7,078,980	11,776,739

20 Payables

Current

General fund

Trade payables	304,158	829,492
Salaries	333,612	180,239
Superannuation	31,693	8,502
GST payable	7,713	13,819
Other creditors	23,052	25,197

Employers' Indemnity Supplementation Fund

Claim payments	908,792	471,172
GST payable	920	-
	1,609,940	1,528,421

21 Provisions

Current

General Fund

Annual leave	485,959	506,748
Long service leave	628,783	544,045
Superannuation(I)	416,898	422,721
Uninsured Claims	40,000	60,484

Employers' Indemnity Supplementation Fund (See note 24)

Liability for estimated future claim payments	4,580,000	7,293,000
	6,151,640	8,826,998

Non-current

General Fund

Long service leave	983,480	842,416
Superannuation(I)	3,752,079	3,804,497

Employers' Indemnity Supplementation Fund (See note 24)

Liability for estimated future claim payments	19,510,000	24,424,000
	24,245,559	29,070,913

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
(I) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation, payroll tax and workers' compensation premiums. The liability for such on-costs is included here. The associated expense is included under Other related expenses (under Employee expenses) at Note 7.		
(II) The superannuation liability has been established from data supplied by the Government Employees Superannuation Board.		

The Authority considers the carrying amount of employee benefits approximates the net fair value.

Employee Benefit Liabilities

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

Provision for employee benefits:

Current	1,531,640	1,473,514
Non-current	4,735,559	4,646,913
	6,267,199	6,120,427

Movements in Provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

	2004
Employers' Indemnity Supplementation Fund	
Carrying amount at the start of year	31,717,000
Increase in provisions recognised	173,449
Payments/other sacrifices of economic benefits	(7,800,449)
Carrying amount at the end of year	24,090,000
Uninsured Claims	
Carrying amount at the start of year	60,484
Additional provisions recognised	40,000
Payments/other sacrifices of economic benefits	(60,484)
Carrying amount at the end of year	40,000

22 Equity

Reserves

Asset Replacement(I):

Opening balance	522,368	336,858
Transfer to reserve	200,000	200,000
Transfer from reserve	(264,433)	(14,490)
Closing balance	457,935	522,368

Asset Revaluation(II):

Opening balance	-	-
Transfer to reserve	4,633,243	-
Transfer from reserve	-	-
Closing balance	4,633,243	-
	5,091,178	522,368

Retained profits/(accumulated losses)

Opening balance	(11,499,698)	(38,624,509)
Net profit/(loss)	7,743,585	27,310,321
Transfer (to reserve)/from reserve	64,433	(185,510)
Closing balance	(3,691,680)	(11,499,698)

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION
Notes to the Financial Statements
For the year ended 30 June 2004

	2004 \$	2003 \$
(I) The asset replacement reserve is used to replace/purchase non-current assets, as described in accounting policy note 1(t).		
(II) The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(f).		
23 Notes to the Statement of Cash Flows		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flow is reconciled to the related items in the Statement of Financial Position as follows:		
Cash assets	402,354	222,114
Restricted cash assets	14,623,276	13,443,333
Investments	5,849,154	5,734,696
Total Cash Assets (per Statement of Cashflows)	20,874,784	19,400,143
(b) Reconciliation of profit/loss from ordinary activities to net cash flows provided by/(used in) operating activities		
Profit from ordinary activities	7,743,585	27,310,321
Non-cash items:		
Depreciation & Amortisation expense	788,355	719,537
(Profit)/loss on sale of property, plant and equipment	10,861	(11,564)
(Increase)/decrease in assets:		
Current receivables(III)	110,126	101,156
Other assets	431,890	670,760
Increase/(decrease) in liabilities:		
Payables	86,705	59,948
Current provisions	(2,675,358)	(9,666,547)
Non-current provisions	(4,825,354)	(8,536,962)
Net GST receipts/(payments)(I)	(446,175)	(339,000)
Change in GST receivables/(payables)(II)	508,310	281,413
Net cash provided by/(used in) operating activities	1,732,945	10,589,062

(I) This is the net GST paid/received, ie. cash transactions.

(II) This reverses out the GST in receivables and payables.

(III) Note that ATO receivable/payable in respect of GST and receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they are not reconciling items.

(c) Non-cash financing and investing activities

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

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2004

24 Employers' Indemnity Supplementation Fund (EISF)

The EISF was established by the Employers' Indemnity Supplementation Fund Act (the Act) to provide for payment of workers' compensation claims in Western Australia:

- 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.

HIH Insurance was officially placed into liquidation on 27 August 2001. All claims up to and including 15 March 2001, the date HIH was placed into provisional liquidation, are required to be paid from the EISF.

In accordance with Accounting Standard AASB 1023 "Financial Reporting of General Insurance Activities" the outstanding claims liability at 30 June 2003 was assessed at \$31.717 million. The actuarial assessment at 30 June 2004 has estimated the liability to be \$24.090 million at inflated and discounted values including a 75% prudential margin. That assessment makes allowance for asbestos related claims for current known claims but does not allow for incurred but not reported claims. A provision of \$24.090 million has been included in the financial statements as at 30 June 2004 as a liability (See note 21). Consequently, the provision has been reduced.

The actuary's assessment of outstanding claims liability does not recognise that some money maybe recovered from HIH's liquidator.

For the purpose of addressing the outstanding claims liability, a 1% surcharge is imposed on employers' insurance policies for the 2003/04 year. For the 2004/05 financial year the surcharge rate remains unchanged at 1%. Revenue collected from the surcharge will be used to pay this liability.

25 Explanatory Statement

(i) 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.

	<u>Actual</u>	<u>Estimate</u>	<u>Variance</u>
Goods and services	461,630	394,492	(67,138)
Other revenues from ordinary activities	117,260	37,389	(79,871)
Interest revenue	293,417	191,000	(102,417)
Administration expenses	1,084,473	1,299,387	214,914
Charge to provisions	1,028,690	263,534	(765,156)
Uninsured claims	878,952	676,000	(202,952)

Goods and services

The additional revenue is due to the Injury Management Conference, when the budget for this activity was planned it was not envisaged that it would be undertaken as a two day conference.

Other revenues from ordinary activities

The variance is due to unbudgeted revenue from an uninsured employer.

Interest revenue

The authority has restructured its bank accounts to attract higher rates of return on investments and when the budget was developed it was not expected that interest rates would rise during the year.

Administration expenses

The variance is due to:

-The financial management information system upgrade not progressing, in light of the Government's corporate services reform.

-Savings in IT application development costs as the dispute resolution case management system did not progress and internal resources have been used to perform software development work in the financial year.

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2004

25 Explanatory Statement (cont'd)

Charge to provisions

The variance is due to the Authority not budgeting for charges to provisions for annual leave and superannuation.

Uninsured claims

The variance is due to an increase in the number of workers paid compensation from the General Fund where the employer was not insured for workers' compensation purposes.

(ii) 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.

	2004	2003	Variance
	\$	\$	\$
Commonwealth grants and contributions	50,853	-	50,853
Other revenues from ordinary activities	7,552,812	18,412,622	(10,859,810)
Interest revenue	1,059,845	687,324	372,521
Reduction in the charge to provision	-	8,606,899	(8,606,899)
Supplies and services	1,719,750	1,486,276	233,474
Uninsured claims	878,952	782,214	96,738
Costs of disposal of non-current assets	174,270	103,418	70,852
Increase in charge to provision	173,450	-	173,450

Commonwealth grants and contributions

Sufficient funds remained from the 2001/02 year to fund the Authority's activities in the 2002/03 financial year. For this reason no funding was requested from the Commonwealth Government for the 2002/03 year.

Other revenues from ordinary activities

A majority of the variance is due to a reduction in the surcharge on employers workers' compensation insurance policies. The surcharge is due to the collapse of HIH Insurance. For the 2003/04 year the surcharge rate was 1% compared to 3% for the previous financial year. Refer to note 4 and 24.

Interest revenue

The variance is mainly due to an increase in the level of funds in the EISF therefore, additional interest was earned in the 2003/04 period. Refer to note 5.

Reduction in the charge to provision

In 2003, there was a reduction in the outstanding provision for workers' compensation claim payments relating to the collapse of HIH Insurance. Refer to note 12 and 24. In 2004, no reduction was required to the outstanding provision.

Supplies and services

The variance is mainly due to the following:

- The services of a consultant was engaged to implement a new human resources/payroll system for the Authority.
- Increase in the number of projects co-ordinated that required the use of technical experts.

Uninsured claims

In the 2003/04 financial year there was an increase in the number of workers paid compensation where the employer was uninsured, compared to the previous year.

Costs of disposal of non-current assets

The variance is due to an increase in number of motor vehicles disposed of by the Authority in the 2003/04 year, compared to the previous year.

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION
Notes to the Financial Statements
For the year ended 30 June 2004

25 Explanatory Statement (cont'd)

Increase in charge to provision

This variance relates to the collapse of HIH Insurance and reflects a increase in the outstanding provision for workers' compensation claim payments in this State. Refer to note 12 and 24. In 2002/03, no increase was required to the outstanding claims provision.

26 Financial Instruments

(a) Interest Rate Risk Exposure

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

2004	Weighted Average Effective Interest Rate %	Variable Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total
Financial Assets					
Cash assets		-	-	402,354	402,354
Restricted cash assets	4.93	14,623,276	-	-	14,623,276
Receivables		-	-	189,028	189,028
Investments - Short term money market	4.93	619,079	-	-	619,079
Investments - Term deposits	5.45	-	5,230,075	-	5,230,075
Other assets		-	-	566,086	566,086
		15,242,355	5,230,075	1,157,468	21,629,898
Financial Liabilities					
Payables		-	-	1,609,940	1,609,940
Provisions		-	-	30,397,199	30,397,199
		-	-	32,007,139	32,007,139
2003					
Financial Assets	4.85	19,178,029	-	1,586,565	20,764,594
Financial Liabilities		-	-	39,426,332	39,426,332

(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 Authority's maximum exposure to credit risk.

Financial Assets	Maximum Credit Risk	
	2004	2003
Recognised Financial Assets		
Cash assets	402,354	222,114
Restricted cash assets	14,623,276	13,443,333
Receivables	189,028	366,475
Investments	5,849,154	5,734,696
Other assets	566,086	997,976
	21,629,898	20,764,594

(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.

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION
Notes to the Financial Statements
For the year ended 30 June 2004

	2004	2003
	\$	\$
27 Remuneration of Members of the Accountable Authority and Senior Officers		
<u>Remuneration of Members of the Accountable Authority</u>		
The number of members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:		
\$0 - \$10,000	6	6
\$170,001 - \$180,000	0	1
\$180,001 - \$190,000	1	0
The total remuneration of the members of the Accountable Authority is:	187,577	179,892
The superannuation included here represents the superannuation expense incurred by the Authority in respect of members of the Accountable Authority.		
No members of the Accountable Authority are members of the Pension Scheme.		
<u>Remuneration of Senior Officers</u>		
The number of Senior Officers other than senior officers reported as members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:		
\$100,001 - \$110,000	1	1
\$110,001 - \$120,000	2	1
\$120,001 - \$130,000	0	1
The total remuneration of senior officers is:	336,125	336,299
The superannuation included here represents the superannuation expense incurred by the Commission in respect of Senior Officers other than senior officers reported as members of the Accountable Authority.		
No Senior Officers are members of the Pension Scheme.		
28 Remuneration of Auditor		
Remuneration to the Auditor General for the financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	29,500	25,000

Performance and Financial Reporting

WORKERS' COMPENSATION & REHABILITATION COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2004

	2004 \$	2003 \$
29 Workers' Compensation & Rehabilitation Trust Fund		
The purpose of the Trust Fund is to hold funds paid into the custody of the Authority pursuant to section 110 of the Workers' Compensation and Rehabilitation Act 1981.		
Income and Expenditure Statement		
For the year ended 30 June 2004		
Income		
Amounts paid to the custody of the Commission	243,940	372,710
Interest on Investments	61,380	71,323
	305,320	444,033
Expenditure		
Payments by the Commission	487,280	538,793
Administration Fee	13,372	16,283
	500,652	555,076
Surplus/(Deficit)	(195,332)	(111,043)
Balance July 1	1,366,308	1,477,351
Balance June 30	1,170,976	1,366,308
Balance of funds held represents:		
Bank	12,066	7,723
Investments	1,155,157	1,354,796
	1,167,223	1,362,519
Add Accrued Interest	4,812	5,026
Less Accrued Expenses	(1,059)	(1,237)
	1,170,976	1,366,308
30 Supplementary Information		
<u>Write-Offs</u>		
Debts written off by the agency during the financial year		
-Uninsured Claims	271,595	1,005,703
-Fines and penalties	18,645	5,358
	290,240	1,011,061
<u>Losses Through Theft, Defaults And Other Causes</u>		
Losses of public moneys and public and other property though theft	15,911	-
Amount recovered through insurance	15,911	-
	-	-

31 The Impact of Adopting International Accounting Standards

The Australian Accounting Standards Board is adopting the Standards of the International Accounting Standards Board for application to reporting periods beginning on or after 1 January 2005. Pending Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' prescribes transitional provisions for first-time adopters.

AASB 1047 'Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards' requires financial reports to disclose information about the impacts of any changes in accounting policies in the transitional period leading up to the adoption date and will apply for June 2004 reporting.

The Authority has conducted a review and determined that it does not anticipate any material impact in accounting policies.

The review consisted of an analysis of information provided by the Department of Treasury and Finance and an actuary.

Performance and Financial Reporting

WORKERS COMPENSATION & REHABILITATION COMMISSION
 Notes to the Financial Statements
 For the year ended 30 June 2004

32 Output Information

The Commission operates within one industry segment as per AASB 1005 however, for information purposes the following summary information is provided for each of the Authority's outcomes.

	Information Education and Advice		Scheme Regulation		Dispute Resolution		Not Attributed		Total	
	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$
Revenues from ordinary activities	1,932,901	1,701,692	2,280,322	2,090,878	7,774,051	7,845,801	10,491,654	29,527,215	22,478,928	41,165,586
Expenses from ordinary activities	1,980,358	1,824,288	2,434,387	2,276,166	8,548,195	8,380,159	1,856,336	1,464,042	14,819,276	13,944,655
Grants and subsidies from Government							83,933	89,390	83,933	89,390
Profit/(loss) from ordinary activities	(47,457)	(122,596)	(154,065)	(185,288)	(774,144)	(534,358)	8,719,251	28,152,563	7,743,585	27,310,321

Publications

General

Employers' Liabilities for Contractors and Sub-contractors
Injury Management and the Medical Practitioner
Injury Management and the Services of the Rehabilitation Review Unit
Guide to Resolving Disputes
Guide to Noise Induced Hearing Loss Legislation
Guidelines for Injury Management at the Workplace
Learn How to Reduce your Workers' Compensation Costs
List of Approved Insurance Companies
List of Approved Self Insurance Companies
List of Approved Vocational Rehabilitation Providers
Protecting Your Hearing From Workplace Noise
Workers' Compensation and Injury Management in Western Australia: A Guide for Workers
Workers' Compensation and Injury Management in Western Australia: A Guide for Employers
Worker's Compensation and Injury Management in Western Australia: Guidance Notes for Medical Practitioner
Workers' Compensation and Injury Management – Important Information for Workers
Workers' Compensation and Injury Management – Important Information for Employers

Statistical Reports

Long Duration Claims Report 1996/97-2000/01
Statistical Report On Female Workers 1995/96 – 1998/99
Workers' Compensation Statistical Report 1998/99 - 2001/2002; 1997/98-2000/01; 1996/97 – 1999/00; 1995/96 – 1998/99; 1994/95 – 1997/98
Workers' Compensation Work Related Stress Report 1995/96 – 1998/99
Work Related Stress Report 1996/97 to 2000/01; 1994/95 - 1997/98

Actuarial Report

Actuarial Assessment of Recommended Premium Rates: Executive Summary and Full Report –2004/05; 2003/04; 2002/03; 2001/02; 2000/01; 1999/00
Consolidated WC11 (Statement of Wages and Claims) - 2002/03; 2001/02; 2000/01; 1999/00
Quarterly Overview of WA Workers' Compensation Experience: June 1999, 2000; 2001; 2002

Research Papers (funded by the Commission)

Does Workers' Compensation Influence Recovery Rates?

Needs Assessment Report on Workers' Compensation and Rehabilitation Education, Training and Research for General Practitioners in WA

Management Practices, Medical Interventions and Return to Work

Manual for an Australian Version of the SWS - Survey of Stress and Mental Health

Measurement of Occupational Stress among Australian Workers: Perceived Stressors and Supports

Occupational Stress A Qualitative Investigation of Effective Injury Management

Occupational Stress: A Review of Factors Influencing its Occurrence & Effective Injury Management

Report on Occupational Stress: Factors that Contribute to its Occurrence and Effective Management

Research Note: Manual-Handling Injuries in the Western Australian Workers' Compensation System 1998/99 - 2001/02

Research Note: Claims for Work Related Stress in the Western Australian Workers' Compensation System 1998/99 - 2001/02

Stress, Compensation and the General Practitioner

Requirements for Service Providers (Insurers, Self Insurers, Vocational Rehabilitation Providers)

Data Specification for E4 requirements

Data Specification for Q1 requirements

Performance Monitoring Methodology for Approved Insurers

Performance Criteria for the Approval and Review of Self Insurers

Quality Assurance Standards (Approved Vocational Rehabilitation Providers)

Corporate Information

Annual Reports

Customer Service Charter

Public Interest Disclosure

Strategic Plan 2001 – 2004

Ministerial Reviews

Report on the Review of the Western Australian Workers' Compensation System (Pearson 1999)

Report on the Review of Workers' Compensation Insurance Arrangements in Western Australia (Ansell 2000)

Report on the Review of Medical and Associated Costs (Knowles 2000)

Report on the Implementation of the Labor Party Direction Statement on Workers' Compensation (Guthrie 2001)

WorkCover's Senior Staff

WorkCover Western Australia

Executive Director, Mr Harry Neesham
Telephone: (08) 9388 5555
Facsimile: (08) 9388 5600

Strategic Policy and Planning Division

Director, Ms Diane Munrowd

Telephone: (08) 9388 5555 / Facsimile: (08) 9388 5600

Assistant Director, Mr Joseph Carrello (Acting)

Telephone: (08) 9388 5577 Facsimile: (08) 9388 5550

Operations and Support Division

Director, Mr Phil Scales

Telephone: (08) 9388 5555 / Facsimile: (08) 9388 5550

Regulation

Manager, Ms Jennifer White (Acting)

Telephone: (08) 9388 5566 Facsimile: (08) 9388 5550

Educations and Promotions

Manager, Ms Gianna Cammarano

Telephone: (08) 9388 5501 Facsimile: (08) 9388 5550

Operational Planning, Review and Support

Manager, Mr Robert Erickson

Telephone: (08) 9388 5503 Facsimile: (08) 9388 5550

Finance and Investments

Manager, Mr Mario D'Ovidio

Telephone: (08) 9388 5522 Facsimile: (08) 9388 5550

Human Resources

Manager, Mr Rocky Grasso

Telephone: (08) 9388 5513 Facsimile: (08) 9388 5550

Scheme Information/Corporate Information

Manager, Ms Maggie White

Telephone: (08) 9388 5564 Facsimile: (08) 9388 5550

Conciliation and Review Directorate

Director, Mr Ross Monger

Telephone: (08) 9324 6666 / Facsimile: (08) 9324 6677

Registry

Manager, Ms Kathy Willett (Acting)

Telephone: (08) 9324 6607 Facsimile: (08) 9324 6677

Civil Disputes

Manager, Mr Adam Quinn (Acting)

Telephone: (08) 9324 6659 Facsimile: (08) 9324 6677

As at 30 June 2004

List of Tables and Figures

Tables		
<i>No.</i>	<i>Title</i>	<i>Page</i>
1	Premium Income of the Scheme 2003/04	9
2	Premium Income by Year	9
3	Claim Payments made in 2003/04	10
4	Claim Payments by Year Paid	10
5	Financial Performance of the WA Workers' Compensation System by Year of Accident	11
6	Agency reporting against the Government's Strategic Framework 2003/04	19
7	Number of Employees by Gender as at 30 June 2004	26
8	Workers' Compensation and Rehabilitation for Agency Officers	26
9	Freedom of Information Statistics 2003/04	28
10	Statement of Expenditure: Electoral Act 1907 for 2003/04	29
11	Energy Smart Government Program for WorkCover in 2003/04	30
12	Customer Survey for Infoline	32
13	Number and Category of Participants Attending WorkCover Education Seminars and Activities	37
14	Workload Indicators for Statutory Dispute Resolution Proceedings	46
15	Number of Agreements Registered by Category and Year	47
16	Number of Section 57A and 57B Notifications by Year	48
17	Workload Indicators for Agreements and Civil Proceedings	48
18	Industrial Diseases Statistics by Category	51

Figures		
<i>No.</i>	<i>Title</i>	<i>Page</i>
1	Average Recommended Premium Rates by Underwriting Year	8
2	Number of Lost Time Claims Lodged 1999/00-2002/03	12
3	Lost Time Claims by Duration and Cost: 2002/03	12
4	Frequency Rate by Gender: 1999/00-2002/03	13
5	Year of Lodgement for Claims Active as at 30 June 2003	13
6	Organisational Structure as at 30 June 2004	15
7	Operating Structure as at 30 June 2004	18
8	Summary of the Agency's Mission, Outcomes and Outputs	20
9	Number of Agreements Registered by Year	47
10	Movement in Recommended Premium Rate Classifications for 2004/05	50

WorkCover Annual Report Feedback Form

WorkCover Western Australia is interested in your feedback and comments on the 2003/04 Annual Report. Your feedback will assist us in improving the content of future reports, ensuring it is more informative to readers.

In general terms, how would you rate the 2003/04 Annual Report?

Excellent

Good

Average

Poor

In what ways do you think the Annual Report could be improved?

Other comments

Please identify the type of the customer group to which you belong:

Worker

Medical Practitioner

Service Provider

Researcher

Employer

Government

Professional Association

Other

Please return this form to:

Commission Support and Planning Officer, WorkCover Western Australia

2 Bedbrook Place

OR FAX (08) 9388 5550

SHENTON PARK WA 6008

OR <http://www.workcover.wa.gov.au/Feedback/feedback.cfm>

Your feedback is valuable to us.

Thank you for taking the opportunity to complete this form.