



annual report 2005/2006



The Hon. John Lenders MP
Minister for WorkCover
1 Macarthur Street
East Melbourne VIC 3002

Dear Minister

I am pleased to submit for your presentation to Parliament,
the 2005/06 Annual Report of the Accident Compensation
Conciliation Service in accordance with section 46 of the
Financial Management Act 1994.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony McMahon', with a long horizontal flourish extending to the right.

Tony McMahon
Senior Conciliation Officer



About the ACCS

The Accident Compensation Conciliation Service (ACCS) is an independent body corporate under the *Accident Compensation Act 1985*.

The function of the ACCS is to provide conciliation services to resolve disputes for the purposes of the *Accident Compensation Act 1985*. It is a key part of the Victorian workers compensation scheme and, in most disputes, is a compulsory step before proceedings can be taken in court.

The ACCS operates independently of the Victorian WorkCover Authority, WorkCover agents, self-insurers, workers, employers, solicitors and unions.

Conciliation facilitates the resolution of disputes by involving all parties - workers, employers and WorkCover agents or self-insurers - in an informal, non-adversarial process to achieve an agreement that is fair and mutually acceptable. No fee is charged.

The Ministerial Guidelines under the *Accident Compensation Act 1985* state in part that conciliation should:

- Assist the parties to achieve durable resolutions and agreements wherever possible;
- Be even handed and fair, and address matters on their merits;
- Maximise flexibility and informality;
- Facilitate early return to work opportunities;
- Enhance on-going worker/employer employment relationships;
- Be prompt and timely in the conduct of conciliation processes and in dealings with the parties; and
- Reduce cost implications for the parties and the scheme and ensure that matters do not unnecessarily proceed to the Courts.

The ACCS continues to be effective in resolving disputes, with tables on page 5 setting out details of outcomes. In addition to matters resolved at conciliation, some of the unresolved matters do not proceed further because the conciliation process allows each party to fully appreciate the other's position. While this may not produce agreement, it allows a party to assess more accurately their prospects of success if they were to proceed to court. However, there will be other constraints which limit the disputes that proceed to court.

The ACCS is committed to dealing with disputes in an economical and prompt manner. While most matters are dealt with at a conference, early intervention by the ACCS assists parties to address the matters in dispute, and approximately one third of disputes are disposed of without the need for a conference.

The ACCS values ongoing and constructive communication with stakeholders and maintains a focus on stakeholder consultation.

How does the ACCS work?

Requests for conciliation are usually brought to the ACCS by the worker in relation to a dispute with the employer, WorkCover agent or self insurer.

The ACCS creates a non-adversarial environment that allows all parties to a workers compensation dispute to work together to resolve the dispute. Conciliation assists parties to a dispute to:

- Identify the issues relevant to the dispute;
- Develop options;
- Consider alternatives and consequences; and
- Endeavour to reach an agreement.

Some examples of the types of disputes dealt with by the ACCS are:

- Claims that are rejected;
- Claims in which weekly payments are reduced, altered or terminated;
- Lump sum compensation;
- Payment of medical and like expenses; and
- Return to work and rehabilitation matters.

Each matter is assigned to a Conciliation Officer who acts as an independent third party in the dispute. In the majority of matters, the parties attend a conference and workers and employers are entitled to have an assistant with them. Legal practitioners can only attend if all parties consent. Professional interpreters are provided if required.

The ACCS facilitates the exchange of relevant information between the parties to assist in the conciliation of the dispute.

In the main, Conciliation Officers play an advisory rather than a determinative role in relation to the dispute and its resolution. They facilitate the conciliation, provide information about workers compensation legislation, may make suggestions for the terms and any associated consequences of agreement, and may actively encourage the participants to reach an agreement.

However, where a matter cannot be resolved by agreement between the parties, Conciliation Officers have the power to make recommendations or directions, refer medical questions to the Medical Panel, or issue a certificate allowing the parties to proceed to court.

As well as having powers and responsibilities under the *Accident Compensation Act 1985*, Conciliation Officers work under Ministerial Guidelines and a Code of Conduct and Protocols developed by the Conciliation Service.

Statistical overview

Statistics are used by the ACCS as guides to identify trends, rather than as definitive indicators of performance. The ACCS monitors the nature and flow of requests for conciliation to determine resource requirements.

The table below summarises the work of the ACCS during the past year compared to the previous year.*

	2005/2006			2004/2005		
	Weekly payments and medical & like expenses	Lump sum compensation (S98 & 98A)	Total	Weekly payments and medical & like expenses	Lump sum compensation (S98 & 98A)	Total
New requests	13878	328	14206	16255	536	16791
Re-opened matters	787	54	841	961	100	1061
Disposals	14987	502	15489	17480	783	18263
Cases in progress	2707	118	2825	3028	240	3268

The number of requests for conciliation and re-opened matters decreased by 15.7%. The number of disposals similarly decreased by 15.2% and there was a reduction in cases in progress of 13.6%.

* The ACCS's workload consists of *New Requests* for conciliation and a small number of previously conciliated matters which are *Re-opened*. *Disposals* are those matters finalised by the ACCS (as detailed in the tables of Outcomes on page 5). *Cases in Progress* includes matters that are awaiting finalisation, those that have been scheduled for conference and those that have only recently been received. In this and other tables, matters are divided into two substantive groupings – *Weekly Payments and Medical and Like Expenses* and *Lump Sum Compensation* – because of their different processes and participants.

Lump sum compensation claims (sections 98 and 98A of the *Accident Compensation Act 1985*), involve the specific requirements of Ministerial Directions and solicitors are actively involved in the process. 'Clustering' conferences in these matters (grouping according to parties' solicitors) encourages greater participation by solicitors and more effective dispute resolution. In light of the decreasing numbers of these disputes, they may not need to be separately reported next year.

Disputes lodged for conciliation

Requests for conciliation categorised by the nature of the dispute

Nature of dispute (new requests & re-opened matters)	2005/2006		2004/2005	
	No.	%	No.	%
Alterations and reductions to weekly payments	162	1.1	239	1.3
Lump sum payments (Sections 98 & 98A)	382	2.5	634	3.6
Medical and like expenses	5624	37.4	6495	36.4
Payment of weekly payments (Section 114D)	712	4.7	889	5.0
Rejection of claim	2267	15.1	2585	14.5
Terminations @ 104 weeks of compensation	1596	10.6	1905	10.7
Other terminations	1900	12.6	2061	11.5
Other	1016	6.8	1150	6.4
Non economic loss (Sections 98C, 98E & 104B)	1388	9.2	1894	10.6
Total	15047	100	17852	100

There was a decrease in all categories of disputes but the proportion of each dispute remained approximately the same with decreases in lump sum (S98/98A) and non-economic loss (S98C/E & 104B) matters.

Some Requests for Conciliation are referred to the Senior Conciliation Officer to consider whether they are able to be lodged. These include requests not signed by the person making the request; matters where there appears to be no current dispute; the dispute has been previously conciliated; the ACCS does not have jurisdiction; lump sum compensation (S98/98A) disputes where the S104A conference form required by the Ministerial Directions has not been provided; the request is outside the statutory period of 60 days of the worker receiving the decision they wish to contest (the Senior Conciliation Officer allows extensions of time where appropriate). If further information is required in these matters, it is requested of applicants before a decision on lodgement is made. During the past year, 2418 requests were referred to the Senior Conciliation Officer for review and in that period 351 matters were not lodged for conciliation (in 2004-2005, 2465 requests were referred to the Senior Conciliation Officer and 413 were not lodged for conciliation).

Outcomes

Weekly payments and medical and like expenses

Outcomes	2005/2006			2004/2005		
	No.	% of total completed	% of outcomes	No.	% of total completed	% of outcomes
Weekly payments and medical & like expenses						
Resolved by agreement – no variation to original decision	1167	8.3	7.8	1100	6.7	6.3
Resolved by agreement – variation to original decision	4894	34.9	32.7	6254	38.2	35.8
Resolved by agreement to a recommendation	2817	20.1	18.8	2723	16.6	15.6
Withdrawn	640	4.6	4.3	675	4.1	3.9
Direction	137	1.0	0.9	247	1.5	1.4
Resolved subtotal	9655	68.9	64.4	10999	67.1	63.0
Unresolved	4351	31.1	29.0	5389	32.9	30.8
Total completed	14006	100.0	93.5	16388	100	93.8
Not proceeding*	958		6.4	1073		6.1
No jurisdiction	23		0.2	19		0.1
Total	14987		100	17480		100

*The category of 'Not Proceeding' is used for matters that have been suspended and may be finalised in the future.

The resolution rate for disputes involving weekly payments and medical and like expenses increased to 68.9% of completed conciliations (64.4% of total outcomes).

The number of matters which can be resolved at conciliation will be affected by various factors outside the control of the ACCS (eg the quality of decisions of WorkCover agents and self-insurers, the attitudes of the parties to court proceedings, other disputes the claimant may have before the courts). The resolution rate by itself should not be taken as a measure of the quality of conciliation. No targets for this rate are set by the ACCS.

Lump sum compensation (S98 and 98A)

Outcomes	2005/2006			2004/2005		
	No.	% of total completed	% of outcomes	No.	% of total completed	% of outcomes
Lump sum compensation (S98 & 98A)						
Resolved	237	52.9	47.2	353	50.9	45.1
Unresolved	211	47.1	42.0	340	49.1	43.4
Total completed	448	100	89.2	693	100	88.5
Not proceeding*	54		10.8	89		11.4
No jurisdiction	0		0.0	1		0.1
Total	502		100	783		100

*The category of 'Not proceeding' is used for matters that have been suspended and may be finalised in the future.

The resolution rate for lump sum compensation matters increased this year to 52.9% of completed conciliations (47.2% of total outcomes).

Because each dispute should have been the subject of discussions between the parties prior to attending conciliation (in the S104A conference), those disputes that are lodged for conciliation are more difficult to resolve.

In light of the decreasing numbers of these disputes they may not need to be separately reported next year.

Time to disposal

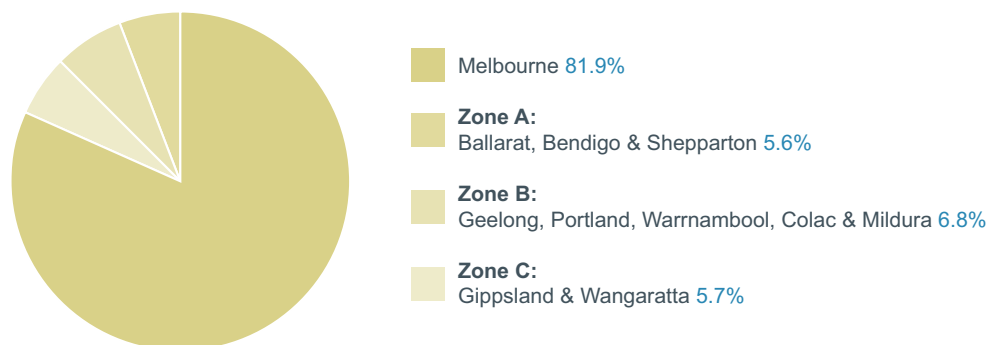
During the time that a request is active at conciliation, work takes place at many stages – before the conference (34% of disputes were disposed of without the need for a conference), at the conference, and after the conference. In many matters, the conciliation process is not completed until after the conference has been held, allowing for further investigation following the conference, additional information, or time for either party to confer with their assistants.

Time to disposal	Weekly payment and medical and like expenses				Lump sum compensation			
	05/06		04/05		05/06		04/05	
	No	%	No	%	No	%	No	%
40 days or less	6367	42.5	4512	25.8	82	16.3	91	11.6
between 41 & 60 days	3529	23.5	5934	33.9	39	7.8	59	7.5
between 61 & 80 days	1292	8.6	2614	15.0	50	10.0	67	8.6
between 81 & 100 days	759	5.1	1094	6.3	55	11.0	63	8.0
over 100 days	3040	20.3	3326	19.0	276	55.0	503	64.2
Total	14987	100	17480	100	502	100	783	100

Lump sum compensation disputes (S98 and 98A) take longer to complete due to the need to arrange cluster conferencing and the time to disposal of any matter may be increased when it is referred to the Medical Panel. Conciliation Officers referred 1291 matters to the Medical Panel in 2005-2006 (1329 in 2004-2005).

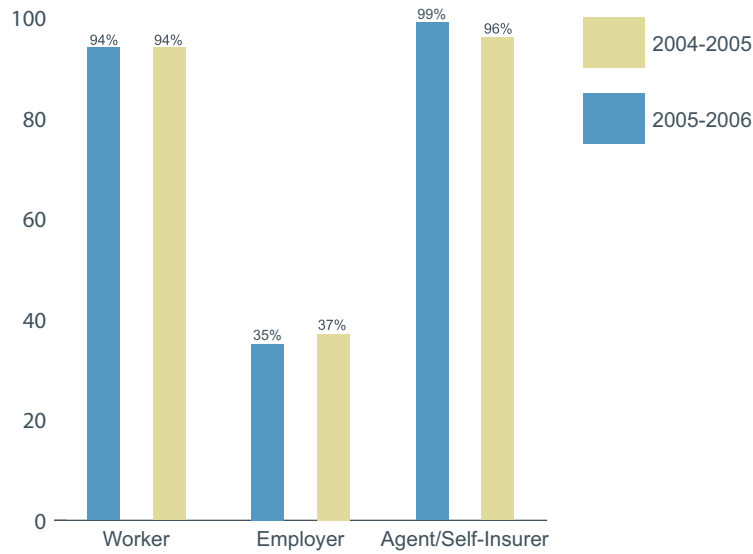
Regional conferences

The chart below shows the distribution of conferences in the four regions into which the ACCS divides the State. While the majority of conferences continue to be held in the Melbourne metropolitan area, significant travel is undertaken each month by Conciliation Officers in an attempt to make the process of conciliation more accessible to those living and working outside the Melbourne metropolitan area. The spread of conferences between regions remains approximately the same as last year.



Attendance at conferences

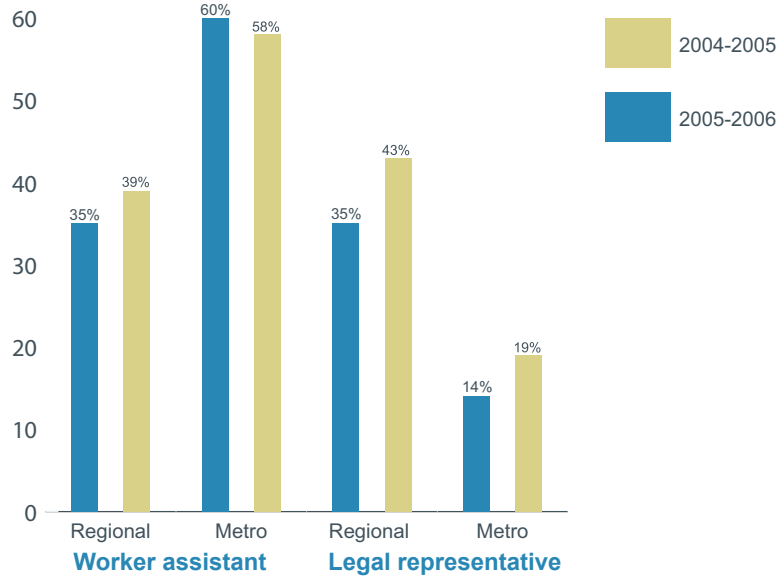
Percentage of conferences* attended by various parties



* For Weekly Payment and Medical and Like Expenses disputes disposed in 2005–2006.

Attendance by parties at conferences is affected by a number of factors. In most cases each separate party is sent a request to attend the conference and it is usually considered beneficial to attend the conference in person. However, in some matters, particularly those involving payment of expenses for medical reports by the WorkCover agent or self-insurer, the worker and/or employer may not be requested to attend the conference. Attendance by employers appears also to depend on the nature of the dispute, for example, they attend more conferences about decisions to reject claims compared to other decisions.

Percentage of conferences* where a worker was accompanied by an assistant or legal representative.



* For Weekly Payment and Medical and Like Expenses disputes disposed in 2005–2006.

The above graph shows the percentage of conferences where a worker was accompanied by an assistant or representative and provides a comparison between metropolitan and country conferences.

Client Survey

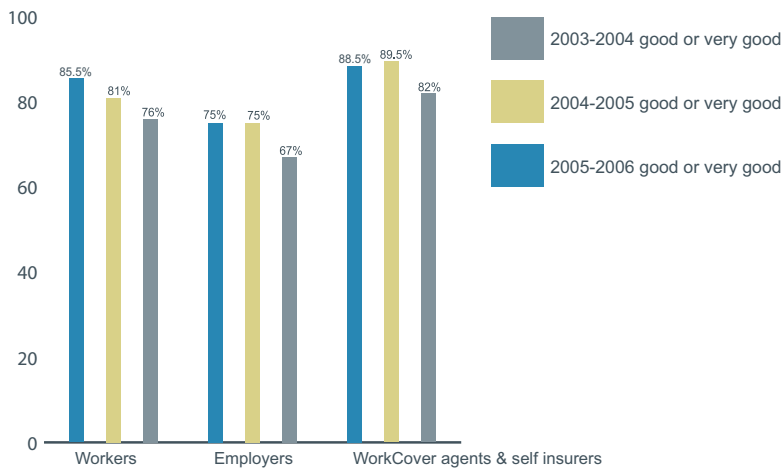
In support of our aim to deliver outstanding service to parties involved in the conciliation process, the ACCS has since 1994 regularly surveyed workers, employers, WorkCover agents and self-insurers.

This has proved a useful tool to help monitor and improve our performance in service delivery to clients.

As part of the survey, the following question about overall perceptions of the service provided throughout the conciliation process is asked of workers, employers, WorkCover agents and self-insurers:

"Thinking about all of your dealings with the ACCS (involving this dispute), regardless of the outcome how would you rate the service you received?"

The percentage of each group rating the service good or very good were:



This shows a higher percentage of workers and a similar percentage of employers, WorkCover agents and self insurers rating the service received as good or very good compared with responses provided in 2004-2005.

Each client group was also asked whether they agreed or disagreed that Conciliation was a valuable process. The percentage of each group who agreed was: 86% of workers (88% in 04-05; 81% in 03-04), 87.5% of employers (88% in 04-05; 88% in 03-04) and 92% of WorkCover agents/self-insurers (89.5% in 04-05; 86% in 03-04).

Another key section of the survey asks whether the respondent agrees or disagrees with a number of statements as to the conduct of the conference. The statements are:

- "At the start of the conference the Conciliation Officer (CO) clearly explained what was going to happen."
- "The CO had a good understanding of the dispute."
- "The CO did not take sides."
- "The CO treated me with respect."
- "I was given sufficient time to explain my point of view."
- "The CO made sure that everything that happened during the conference was explained to me."
- "The outcome of the conference and what was to happen next was clearly explained by the CO."

As well as the above statements, WorkCover agents and self-insurers were also asked if they agreed or disagreed with three additional statements:

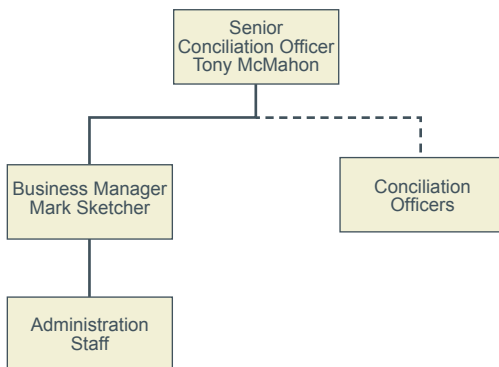
- "The CO had a good understanding of the legislation."
- "The CO had a good understanding of how the claims system works."
- "The CO had effective dispute resolution skills."

Most statements were agreed to by over 90% of respondents, with the lowest percentage of agreement being 79%.

A report that provides an overview of responses to the 2005-2006 Client Survey is available upon request from the ACCS.

The organisation

The ACCS is an independent body corporate established under the *Accident Compensation Act 1985*. The funding of the ACCS, as approved by the Minister for WorkCover, is provided by the Victorian WorkCover Authority.



The Governor in Council appoints a Senior Conciliation Officer and other Conciliation Officers. The Service consists of one member, the Senior Conciliation Officer. The Service engages Conciliation Officers to carry out its functions.

Under the *Financial Management Act 1994* the Senior Conciliation Officer is the Accountable Officer and is the Chief Executive Officer, by whatever name called, of the public body.

The Business Manager has been appointed by the Service as the Chief Finance and Accounting Officer and is responsible for the financial administration of the Service. The Business Manager is also responsible for the corporate services and the administrative support staff of the Service.

Workforce data

Position	Male	Female	Total
Conciliation Officer	22	17	39
Administrative staff	14	34	48
Total	36	51	87

Developing our staff

The ACCS continues to maintain a strong focus on supporting and encouraging professional development.

Conciliation Officers have attended workshops, conferences and courses and participated in regular internal professional development programs. Particular areas focussed on during the year included legislation issues.

Administration staff attended a range of external courses that focussed on role specific skills and knowledge including computer applications, specialist IT aspects and management skills. Staff also participated in regular internal information sessions relating primarily to dispute resolution and aspects of the Victorian workers compensation system.

In 2005-2006, approximately 173 days were invested in employee and professional development activities.

Health and safety

The ACCS continues to focus on maintaining a safe and healthy working environment for staff and visitors and promoting continued awareness amongst staff. The ACCS operates within the Victorian WorkCover Authority's SafetyMAP system which was re-certified by external auditors in June 2004.

Areas that continue to receive particular attention include:

- Security;
- Working environment; and
- Staff awareness of health and safety policies and procedures.

Health and safety activities included general occupational health and safety training for new staff and specific training for the health and safety representative, fire wardens and first aiders. Approximately 15 days were invested in OHS related training in 2005-2006.

Staff are consulted and are engaged in the development of occupational health and safety policies and procedures.

Publications and information

The ACCS publishes information to assist our clients in effectively preparing for and participating in the conciliation process. All publications are available free of charge and can be obtained by contacting the ACCS. Much of this information is also available via the ACCS website: www.conciliation.vic.gov.au.

The following publications and information about the ACCS are available to the public:

- Request for Conciliation form
- Resolving workers compensation disputes – the conciliation process booklet*
- Resolving workers compensation disputes – the conciliation process video/DVD**
- Annual Report
- Client Survey Report
- Code of Conduct and Protocols
- Privacy Policy
- Procedures under the Whistleblowers Protection Act
- Complaints Process

* Available in the following 12 languages: English, Arabic, Croatian, Greek, Italian, Macedonian, Mandarin, Polish, Serbian, Spanish, Turkish and Vietnamese

** Available in the following 8 languages: English, Arabic, Croatian, Greek, Italian, Macedonian, Serbian, and Vietnamese. The English version includes closed captions for use by hearing impaired people.

The DVD version of our information video '*Resolving Workers Compensation Disputes – the Conciliation Process*' was released (in addition to our information video) in 2005-2006 which serves to ensure that relevant information remains easily accessible to our clients. This is a key component of our information service, designed to familiarise workers and employers with the conciliation process and to help these parties prepare for and participate in conciliation.

Culturally diverse clients

The clients of the ACCS are culturally and linguistically diverse. For example in 2005-2006, 16% of people who requested conciliation indicated that they would need an interpreter.

Consequently, the ACCS seeks to maintain awareness of clients with culturally diverse backgrounds and their experiences of conciliation. In 2005-2006 we attended to the needs of such clients in a range of ways, including:

Through our publications

Our Request for Conciliation form is often the first contact point between the ACCS and our clients. This form includes a section asking the client to nominate whether an interpreter is needed.

Once a Request for Conciliation form has been received, we provide a video/DVD and booklet that is designed to familiarise workers and employers with the conciliation process and to help these parties prepare for and participate in this. Both are produced in multiple languages and highlight the availability of free interpreter services.

In 2005-2006, the booklet was available in 12 languages and the video/DVD was available in eight languages.

In addition, both the form and booklet advise clients in numerous languages how to contact the ACCS through a telephone interpreter service.

Through language services

To help ensure that people from diverse language backgrounds have appropriate access to conciliation, a free interpreter service is available to our clients. This is available through the provision of professional interpreter services at conciliation conferences as well as through telephone communications.

Through client surveying

The independent research company who were engaged to carry out the Annual Client Survey employ multi-lingual survey staff to ensure that people from diverse language backgrounds have their say.

The ACCS will continue to maintain its focus on providing appropriate service in relation to our diverse client base.

ACCIDENT COMPENSATION CONCILIATION SERVICE

2005-06 Financial Report

Operating Statement

Balance Sheet

Cash Flow Statement

Statement of Changes in Equity

Notes to and forming part of the Financial Statements:

- 1 Accident Compensation Conciliation Service
- 2 Summary of Significant Accounting Policies
- 3 Operating Costs
- 4 Remuneration of Auditors
- 5 Commitments
- 6 Related Party Disclosures
- 7 Remuneration of Responsible Persons
- 8 Remuneration of Executive Officers
- 9 Impacts of Adopting Australian Equivalents to International Financial Reporting Standards (A-IFRS)

Statement by Senior Conciliation Officer and Chief Finance & Accounting Officer

Auditor-General's Report

Operating Statement for the year ended 30 June 2006

	Note	2006 \$000s	2005 \$000s
Revenue and Income			
Funding from Victorian WorkCover Authority	2(b)	11,510	10,651
Total Revenue		11,510	10,651
Expenses			
Operating costs	3	11,510	10,651
Total expenses		11,510	10,651
Profit from ordinary activities		-	-
Net profit		-	-

The operating statement should be read in conjunction with the accompanying notes to the financial statements.

Balance Sheet as at 30 June 2006

	2006 \$000s	2005 \$000s
Current assets	-	-
Non-current assets	-	-
TOTAL ASSETS	-	-
Current liabilities	-	-
Non-current liabilities	-	-
TOTAL LIABILITIES	-	-
Equity		
Accumulated Surplus	-	-
TOTAL EQUITY	-	-

The balance sheet should be read in conjunction with the accompanying notes to the financial statements.

Cash Flow Statement for the year ended 30 June 2006

	2006 \$000s	2005 \$000s
Cash Flows From Operating Activities	-	-
Cash Flows From Investing Activities	-	-
Cash Flows From Financing Activities	-	-
Net increase in cash held	-	-
Cash at the beginning of the financial year	-	-
Cash at the end of the financial year	-	-

The cash flow statement should be read in conjunction with the accompanying notes to the financial statements.

Statement of Changes in Equity for the year ended 30 June 2006

	2006 \$000s	2005 \$000s
Accumulated surplus at beginning of the year	-	-
Net profit for the year	-	-
Total recognised income and expense for the year	-	-
Accumulated surplus at end of the year	-	-

The statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

1 ACCIDENT COMPENSATION CONCILIATION SERVICE

The Accident Compensation Conciliation Service (ACCS) was established on 1 July 2002 under Section 52A of the *Accident Compensation Act 1985* (the 'Act').

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Financial Management Act 1994*. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). For the purposes of A-IFRS, the Victorian State Government has determined that the ACCS is a not-for-profit entity.

The financial statements were authorised for issue by the Chief Finance and Accounting Officer on 6 September 2006.

Basis of preparation

The financial report is for the Accident Compensation Conciliation Service (ACCS) as an individual entity. The ACCS is a statutory authority established by statute enacted by the Victorian State Parliament and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The ACCS changed its accounting policies on 1 July 2004 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition.

An explanation of how the transition from superseded policies to A-IFRS has affected the ACCS's financial position and financial performance is discussed in Note 9.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash Flow

The ACCS does not maintain bank accounts. Under funding arrangements made with the Victorian WorkCover Authority the ACCS utilises the Authority's banking arrangements to facilitate its payments.

(b) Funding from Victorian WorkCover Authority

The ACCS is funded by the Victorian WorkCover Authority in accordance with Section 52L of the Act. All employee and related costs are met through this funding arrangement, including annual leave and long service leave entitlements.

(c) Operating leases

The ACCS has continuing obligations under operating lease agreements for certain buildings, motor vehicles and office equipment. Operating lease payments are charged as an expense in the operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(d) Comparative information

Where necessary, comparative information has been adjusted to achieve consistency in presentation with the current financial year.

(e) Rounding

Amounts have been rounded to the nearest thousand dollars, unless otherwise stated.

(f) Presentation and functional currencies

The presentation currency of the ACCS is the Australian dollar, which is also the functional currency of the ACCS.

3 OPERATING COSTS

	2006 \$000s	2005 \$000s
Staff and related	7,384	6,937
Occupancy and utilities	1,648	1,447
Information technology	1,016	693
Asset rental expenses	444	467
Marketing and communication	157	169
Professional services	178	192
Other expenses	683	746
	11,510	10,651

Operating costs include the following:

	2006 \$000s	2005 \$000s
Operating lease rentals		
Premises	1,187	986
Motor vehicles	208	258
Office equipment	33	34
	1,428	1,278

Employee benefit expense

- Post employment benefits:

 Defined contribution plans

 Defined benefit expense

	721	633
	-	-
	721	633
- Termination benefits	-	-
- Other employee benefits	6,577	6,248
	7,298	6,881

4 REMUNERATION OF AUDITORS

Auditor of the entity:

Audit of the financial report - Victorian Auditor-General

	5	6
	5	6

5 COMMITMENTS

Operating Leases

Future minimum lease payments under non-cancellable operating lease arrangements:

	2006 \$000s	2005 \$000s
Due within one year	1,586	1,329
Due later than one year and less than five years	6,835	5,961
Due later than five years	1,686	3,118
	10,107	10,408

6 RELATED PARTY DISCLOSURES

Responsible Persons

In accordance with the Directions of the Minister for Finance under the *Financial Management Act 1994*, the responsible persons who held office during the financial year were Mr. John Lenders MP, Minister for WorkCover, and the Senior Conciliation Officer, Mr. Tony McMahon.

7 REMUNERATION OF RESPONSIBLE PERSONS

Income Band

\$160,001 - \$170,000

	2006	2005
	1	1

Remuneration of responsible persons includes income from fees, salaries, bonuses, other benefits (including non-cash benefits) and superannuation contributions.

8 REMUNERATION OF EXECUTIVE OFFICERS

	2006 \$000s	2005 \$000s
Total remuneration of all executive officers received or receivable in connection with their employment.	111	112

The number of executive officers of the ACCS, excluding the Senior Conciliation Officer, whose total remuneration exceeded \$100,000 is shown in the table below. Base remuneration is exclusive of bonus, long-service leave and redundancy payments.

Income Band	Base Remuneration		Total Remuneration	
	2006	2005	2006	2005
\$100,001 - \$110,000	-	1	-	-
\$110,001 - \$120,000	1	-	1	1

9 IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

Following adoption of Australian equivalents to International Financial Reporting Standards (A-IFRS), the 30 June 2006 year end financial report is the first time the ACCS is reporting in compliance with A-IFRS. An A-IFRS compliant financial report comprises a new Statement of Changes in Equity in addition to the three previous financial statements which have been renamed as the Operating Statement, the Balance Sheet and the Cash Flow Statement.

An entity that has adopted A-IFRS must record transactions that are reported in the financial report as though A-IFRS had always applied, including restating the comparative amounts to reflect the application of A-IFRS to that comparative year. Accounting policy adjustments required on transition to A-IFRS are to be made retrospectively against opening accumulated surplus as at 1 July 2004 for the comparative year.

For the ACCS however, there are no differences between how transactions are recorded under A-IFRS as compared to how they were recorded under the superseded policies. Therefore there is no impact on the financial report for the year ended 30 June 2006.

Statement by Senior Conciliation Officer and Chief Finance and Accounting Officer

We certify that the financial report of the Accident Compensation Conciliation Service has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2006 and the financial position of the Accident Compensation Conciliation Service as at 30 June 2006.

We are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.



Tony McMahon
Senior Conciliation Officer



Mark Sketcher
Chief Finance and Accounting Officer

Dated at Melbourne this 6th Day of September 2006



AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

Accident Compensation Conciliation Service

To the Members of the Parliament of Victoria and the Senior Conciliation Officer of the Accident Compensation Conciliation Service

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report for the financial year ended 30 June 2006 relates to the financial report of the Accident Compensation Conciliation Service included on its web site. The Senior Conciliation Officer of the Accident Compensation Conciliation Service is responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Scope

The Financial Report

The accompanying financial report for the year ended 30 June 2006 of the Accident Compensation Conciliation Service consists of an operating statement, balance sheet, cash flow statement, statement of changes in equity, notes to and forming part of the financial report, and the statement by senior conciliation officer and chief finance and accounting officer.

Member's Responsibility

The Senior Conciliation Officer of Accident Compensation Conciliation Service is responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act* 1994, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

Auditor's Report

... from previous page



AUDITOR GENERAL VICTORIA

Independent Audit Report (continued)

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Statutory Body's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of the Accident Compensation Conciliation Service as at 30 June 2006 and its financial performance and cash flows for the year then ended.

MELBOURNE
6 September 2006

Mashelle Pamell
for JW CAMERON
Auditor-General

Disclosure Index

The Annual Report of the ACCS is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the ACCS's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22A	Manner of establishment and relevant Minister	1, 14
FRD 22A	Objectives, functions, powers and duties	1, 2
FRD 22A	Nature and range of services provided	1, 2
Management and structure		
FDR 22A	Organisational structure	9
Financial and other information		
FRD 22A	Statement of workforce data and merit and equity	9
FRD 22A	Summary of the financial results for the year	N/A
FRD 22A	Significant changes in financial position during the year	N/A
FRD 22A	Operational and budgetary objectives and performance against objectives	2, 3
FRD 22A	Major changes or factors affecting performance	N/A
FRD 22A	Subsequent events	N/A
FRD 22A	Application and operation of <i>Freedom of Information Act 1982</i>	20
FRD 22A	Compliance with building and maintenance provisions of Building Act 1993	20
FRD 22A	Statement on National Competition Policy	N/A
FRD 22A	Application and operation of the <i>Whistleblowers Protection Act 2001</i>	20
FRD 22A	Details of consultancies over \$100,000	N/A
FRD 22A	Details of consultancies under \$100,000	N/A
FRD 22A	Statement of availability of other information	20
FRD 22A	Occupational health and safety	9
FRD 10	Disclosure index	19
FRD 25	Victorian Industry Participation Policy disclosures	N/A
Financial Statements		
Financial statements required under Part 7 of the FMA		
SD 4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	14, 16
SD 4.2(c)	Compliance with Ministerial Directions	14, 15, 16
SD 4.2(d)	Rounding of amounts	14
SD 4.2(c)	Accountable officer's declaration	16
SD 4.2(b)	Operating Statement	13
SD 4.2(b)	Balance Sheet	13
SD 4.2(a)	Statement of Recognised Income and Expense	13
SD 4.2(b)	Cash Flow Statement	13
Other disclosures in notes to the financial statements		
FRD 11	Disclosure of ex-gratia payments	N/A
FRD 21A	Responsible person and executive officer disclosures	15, 16
Legislation		
Legislation		
Freedom of Information Act 1982		20
Building Act 1983		20
Whistleblowers Protection Act 2001		20
Financial Management Act 1994		14, 15, 16, 17, 18
Audit Act 1994		17

Corporate Compliance

Freedom of Information

The Accident Compensation Conciliation Service is subject to the *Freedom of Information Act 1982*. Particulars of the functions and the organisation of the ACCS and the publications and information available are set out on pages 1, 9 and 10 respectively of this Report.

Requests for access to documents should be made in writing to the Senior Conciliation Officer. The application fee is \$21.50 but this may be waived if payment would cause hardship. Further procedural information in relation to such requests can be obtained from the Senior Conciliation Officer. Contact details are on the back cover of this Report.

Building Act

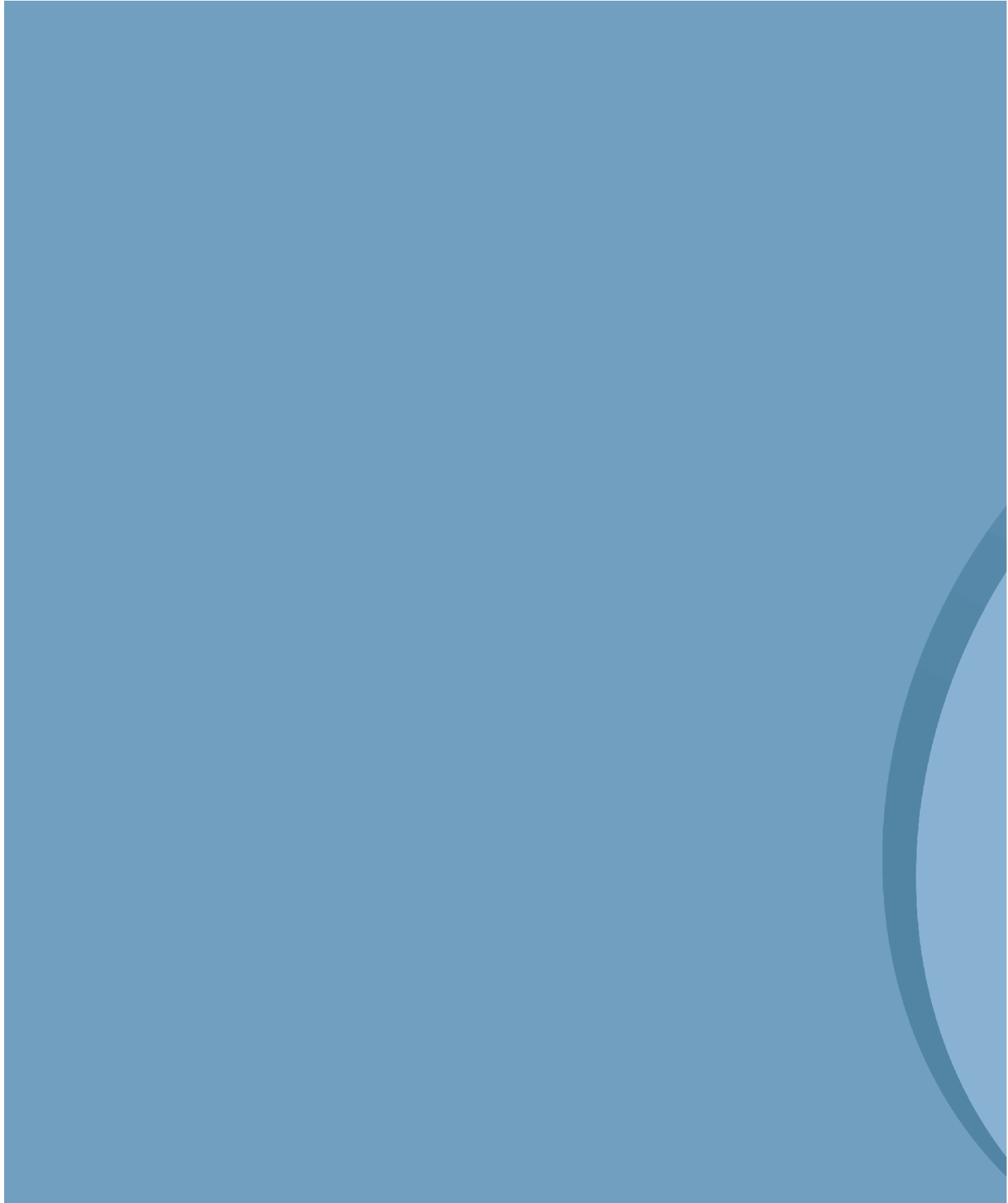
The Accident Compensation Conciliation Service complies with the *Building Act 1993* with respect to alterations and maintenance to its building. It is not aware of any material non-compliance with the current building standards.

Whistleblower Protection

The Accident Compensation Conciliation Service complies with the *Whistleblower Protection Act 2001* and makes available its published procedures. There have been no disclosures or disclosed matters made or referred to the Service and no requests to the Ombudsman.

Availability of other information

To the extent applicable, the information required under Financial Reporting Direction 22A issued by the Minister for Finance under the *Financial Management Act 1994* has been prepared and is available on request.



For information regarding this report, please contact the

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