

conciliation  
outcome  
informal  
agreement  
resolution  
fairness

annual report 2013/14

The Hon Gordon Rich-Phillips MP  
Assistant Treasurer  
1 Macarthur Street  
EAST MELBOURNE VIC 3002

Dear Minister

I am pleased to submit for your presentation to Parliament,  
the 2013-2014 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, reading "Patrick Holt", with a long horizontal flourish extending to the right.

Patrick Holt  
Senior Conciliation Officer



CERTIFIED  
CO<sub>2</sub>  
NEUTRAL

## Summary Report from the Senior Conciliation Officer

Following is the annual report for the Accident Compensation Conciliation Service for the financial year commencing 1 July 2013 and ending on 30 June 2014. This past financial year presented many opportunities, challenges and milestones for the ACCS.

Some of the highlights for the past financial year were:

- ACCS celebrated its 21 years birthday with a function hosted by the Assistant Treasurer, the Hon. Gordon Rich-Phillips MLC. The Minister spoke of the history of the organisation, acknowledged the contribution of the staff and conciliation officers who had been a part of the WorkCover scheme and ACCS for 20 years or more and outlined his visions for the future of the conciliation service.
- ACCS launched a new website with the aim to be more user friendly, provide clear information to all participants at conciliation and make the process more accessible for remote parties.
- Incoming requests for conciliation in the last financial year exceeded 18,000 matters which was 5% more than in the previous financial year.
- ACCS staff and Conciliation Officers dealt with and disposed of more than 20,000 matters last year. With file disposals exceeding the number of incoming matters, we were able to reduce our outstanding "live" files by more than 1,000 matters.
- A special initiative was created to focus on regional conferences and improve the scheduling of conferences and reduce the time to conference.
- The Early Resolution Program was created to assess and deal with matters that may not necessarily require a conference. It met with great success and has become a permanent part of the conciliation process. In the last financial year the Early Resolution Program resolved approximately 79% of all matters with an average time span of around 40 days.
- The professional development program for Conciliation Officers and staff was expanded and improved.
- ACCS rolled out a project to improve operational reporting.
- A new Service Charter was introduced and displayed on the premises and available on the ACCS website.
- The annual client survey was reviewed, modified and improved.

From a personal standpoint it was my first year as the Senior Conciliation Officer. My appointment at ACCS commenced on 1 June 2013 and I moved right into the end of year activities and financial reporting for the organisation. It was an intense learning experience as I became familiar with all aspects of the ACCS and, at the same time, learning and getting to know all of the people who make the organisation function so well. Many new faces came to ACCS last year. Ten new Conciliation Officers were appointed a couple of months before I came to the role, which necessitated the appointment of additional ACCS staff.

With the appointment of the new Conciliation Officers in the preceding year our overall numbers of staff has remained relatively unchanged. As the financial year commenced, we were finalising a large refurbishment of the offices and conference rooms that substantially expanded our capabilities for hosting conciliation conferences on site, as well as accommodating the additional staff.

ACCS continues to deliver conciliation services at our head offices in Melbourne, as well as various locations in regional Victoria. We provide a fast, fair and cost effective service that allows the parties reasonable and realistic opportunities to openly discuss issues in dispute, with the goal to identify agreeable options for resolution.

## About the ACCS

The Accident Compensation Conciliation Service (ACCS) is an independent body corporate under the *Accident Compensation Act 1985* (from 1 July 2014 the *Workplace Injury Rehabilitation and Compensation Act 2013*).

The function of the ACCS is to provide conciliation services to assist the parties to resolve disputes for the purposes of the *Accident Compensation Act 1985*. It is a key part of the Victorian workplace 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, employees, employers, solicitors and unions.

Conciliation facilitates the resolution of disputes by involving all parties - employees, employers and WorkCover agents or self-insurers - in an informal, non-adversarial process to pursue 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 employee/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 assisting parties to resolve disputes, with the table on page 5 setting out details of outcomes. In addition to matters resolved at conciliation, some unresolved matters do not proceed further because the conciliation process allows each party to fully appreciate the other's position. Most matters which are unresolved at conciliation will not proceed to court.

The ACCS is committed to conciliation of 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. More than 40% of disputes are disposed of without the need for a conference.

The ACCS values ongoing and constructive communication with stakeholders.

## How does the ACCS work?

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

The ACCS offers a non-adversarial environment that brings all parties to a workplace compensation dispute together to try 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. Employees 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 a facilitative rather than a determinative role in relation to the dispute and its resolution. They facilitate the conciliation, provide information about workplace compensation legislation, may make recommendations for the terms and any associated consequences of agreement, and may actively encourage the participants to reach an agreement.

Where a matter cannot be resolved by agreement between the parties, Conciliation Officers have the power, in limited circumstances, 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.\*

	2013/2014	2012/2013
New requests	18039	17144
Re-opened matters	1120	1070
Disposals	20076	17212
Cases in progress	3641	4571

The number of requests for conciliation and re-opened matters increased by 5.2%. The number of disposals increased by 16.6% and there was a decrease in cases in progress of 20.3%.

\* 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 table 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.

## Disputes lodged for conciliation

### Requests for conciliation categorised by the nature of the dispute

Nature of Dispute (New Requests & Re-opened Matters)	2013/2014		2012/2013	
	No.	%	No.	%
Alterations and reductions to weekly payments	61	0.3%	66	0.4%
Lump sum payments (Sections 98 & 98A)	54	0.3%	86	0.5%
Medical and like expenses	8175	42.7%	7488	41.1%
Payment of weekly payments (Section 114D)	1057	5.5%	1045	5.7%
Rejection of claim	2645	13.8%	2590	14.2%
Terminations at 104/130 weeks of compensation	2055	10.7%	1970	10.8%
Other terminations	2944	15.4%	2756	15.1%
Other	946	4.9%	982	5.4%
Non economic loss (Sections 98C, 98E & 104B)	1222	6.4%	1231	6.8%
<b>Total</b>	<b>19159</b>	<b>100</b>	<b>18214</b>	<b>100</b>

There has been an increase of 5.2% in overall disputes this year compared to last year.

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 employee receiving the decision they wish to contest. In the past year 2638 applications for late lodgement were allowed.

If further information is required in these matters, it is requested of applicants before a decision on lodgement is made. During the past year, 3200 requests were referred to the Senior Conciliation Officer for review and in that period 408 matters were not lodged for conciliation. In 2012-2013, 2929 requests were referred to the Senior Conciliation Officer and 346 were not lodged for conciliation.

## Outcomes

Outcomes	2013/2014			2012/2013		
	No.	% of total completed	% of outcomes	No.	% of total completed	% of outcomes
Resolved by agreement – no variation to original decision	777	4.1	3.9	742	4.7	4.3
Resolved by agreement – variation to original decision	6875	36.0	34.2	5739	36.4	33.4
Resolved by agreement to a recommendation	3071	16.1	15.3	2379	15.1	13.8
Withdrawn	1153	6.0	5.7	997	6.3	5.8
Direction	91	0.5	0.5	121	0.8	0.7
<b>Resolved Subtotal</b>	<b>11967</b>	<b>62.6</b>	<b>59.6</b>	<b>9978</b>	<b>63.3</b>	<b>58.0</b>
Unresolved	7142	37.4	35.6	5781	36.7	33.6
<b>Total Completed</b>	<b>19109</b>	<b>100.0</b>	<b>95.2</b>	<b>15759</b>	<b>100.0</b>	<b>91.6</b>
Not Proceeding *	923		4.6	1433		8.3
No Jurisdiction	44		0.2	20		0.1
<b>Total</b>	<b>20076</b>		<b>100.0</b>	<b>17212</b>		<b>100.0</b>

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

The overall resolution rate was 62.6% compared with 63.3% last year.

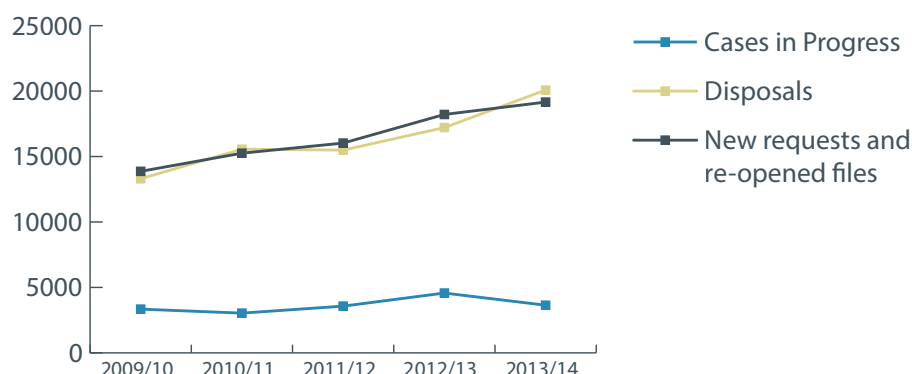
The number of matters which can be resolved at conciliation will be affected by various factors outside the control of the ACCS, e.g. the quality of decisions of WorkCover agents and self-insurers, the attitudes of the parties to court proceedings and other disputes the claimant may have before the courts. 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.

*"In my role as National WorkCover Manager I regularly attend conciliations. I wanted to pass on my praise of the Conciliation Officer's approach to both the employee & employer. She made all parties feel as if they were heard and considered, she was quick to ascertain and address the "real" underlying issues of the case. In managing WorkCover claims the injury becomes secondary to the "real" underlying issues. She was able to resolve concerns in a sensitive and dignified way, so much so that all parties shook hands and travelled down in the same lift together."*

*Source: Email comment from employer participant in conciliation*

## Five year trend

The graph below shows the number of disputes steadily rising each year. The challenge to the ACCS is to continue to deal with these disputes in a timely fashion. In the past 12 months the ACCS has been able to deal with more disputes and at the same time reduce the number cases in progress. In 2013/2014 the average days to conciliate a dispute have been reduced to 85 days compared with 89 days in 2012/2013.

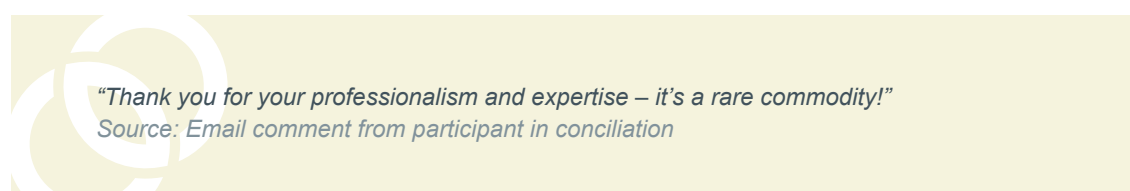


## Time to disposal

During the time that a request is active at conciliation, work takes place before the conference, at the conference, and after the conference. As a result, 40.4% of disputes were disposed of without the need for a conference. In many matters, the conciliation process is not completed until after the conference has been held, allowing for further activity following the conference, additional information, or time for either party to confer with their assistants or obtain legal advice.

Time to disposal	2013/2014		2012/2013	
	No	%	No	%
40 days or less	5996	29.9	4646	27.0
Between 41 & 60 days	4204	20.9	3198	18.6
Between 61 & 80 days	3102	15.5	2562	14.9
Between 81 & 100 days	2120	10.6	2169	12.6
Over 100 days	4654	23.2	4637	26.9
<b>Total</b>	<b>20076</b>	<b>100.0</b>	<b>17212</b>	<b>100.0</b>

Conciliation Officers referred 1550 matters to the Medical Panel in 2013-2014 (1452 in 2012-2013). Matters referred to the Medical Panel generally have a longer time to disposal due to the time required for the Medical Panel to arrange assessments and provide their opinion. Matters referred to the Medical Panel took on average 59 days from when the ACCS made the referral until an opinion was provided.





## Early Resolution Project

A new initiative was introduced in August 2013 to identify and deal with disputes that appear to be easily resolved without the need for a conciliation conference to be held. The object of this was to reduce the number of disputes being listed for conference unnecessarily and to reduce time to conference for disputes overall. 1441 files were reviewed under the early resolution project (ERP) with 79% of the disputes being resolved. Time to disposal for these disputes averaged 41 days.

## Requests for medical reports

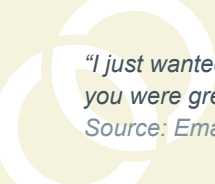
In the past year, pursuant to section 56(5A), the ACCS requested 1700 medical reports and received 1163.

## Regional disputes

While the majority of disputes originate within the Melbourne metropolitan region, 21% of disputes dealt with over 2013-2014 came from regional Victoria. In order to make the process of conciliation more accessible to those parties, Conciliation Officers undertake significant travel each month conducting conferences in regional Victoria.

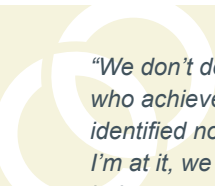
The ACCS holds conferences in the following locations:

- Ballarat
- Bendigo
- Geelong
- Gippsland
- Mildura
- Shepparton
- Warrnambool
- Wangaratta



*"I just wanted to thank you both for your assistance yesterday with Conciliation, you were great."*

*Source: Email comment from participant in conciliation*

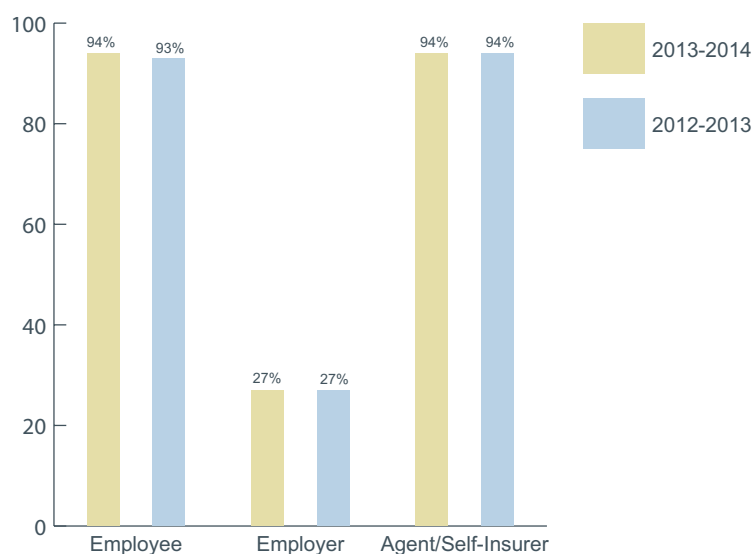


*"We don't do this often enough, but I wanted to sing the praises of your Conciliation Officer who achieved an excellent and objective outcome for my psychologically injured . She identified not only the current dispute issues, but also its ongoing ramifications... and while I'm at it, we have a very high opinion of your conciliators who consistently deliver insight, balance and high level knowledge. "*

*Source: Email comment from worker's assistant at conciliation conference*

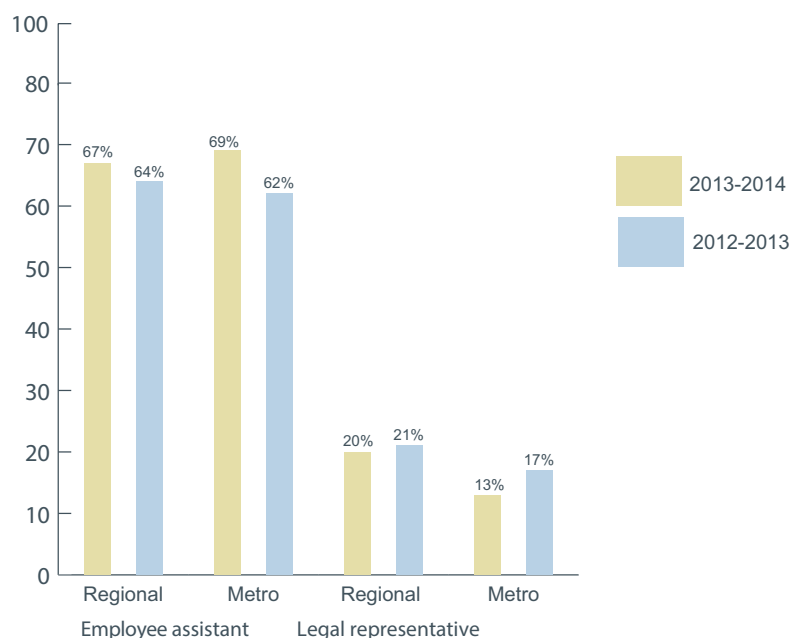
## Attendance at conferences

### Percentage of conferences attended by various parties



Attendance by parties at conferences is affected by a number of factors. Each party is sent a notice to attend the conference and it is considered beneficial to attend the conference in person. In some matters, particularly those involving payment of expenses for medical reports by the WorkCover agent or self-insurer, the employee and/or employer may not be needed 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 an employee was accompanied by an assistant or legal representative.



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

## Client and stakeholder service

### Strategic direction

The following areas are being targeted across the organisation for the future:

- To deliver consistent, fair, accessible and cost effective conciliations
- To increase organisational effectiveness through operational efficiency, prudential financial management and sound governance
- To foster a corporate culture that is engaged, collaborative, service focused and professional
- To improve relations with and external perceptions of stakeholders toward ACCS
- To develop the ACCS brand and make it synonymous with excellence in and innovative conciliation in dispute resolution

### Training for stakeholders and other presentations

The ACCS provides information sessions and presentations to stakeholders and interested groups.

The following presentations were delivered in 2013-2014:

Conciliation Officer	Organisation/Presentation
Patrick Holt	<ul style="list-style-type: none"><li>• COAT (Council of Australasian Tribunals)</li><li>• SIAV (Self Insurers Association of Victoria)</li><li>• VWA and VWA Authorized agents</li><li>• LIV Workers Compensation Committee</li></ul>
David Bryson	<ul style="list-style-type: none"><li>• Woolworths (Self Insurer)</li><li>• LEADR (Association of Dispute Resolvers)</li><li>• COAT (Council of Australasian Tribunals)</li></ul>
Sharon Brennan	<ul style="list-style-type: none"><li>• CGU</li></ul>
Anita Kaminski	<ul style="list-style-type: none"><li>• Certificate IV in Personal Injury Management</li><li>• SA Workers Compensation Tribunal</li><li>• Motor Vehicles Accidents Authority NSW</li></ul>
Ross MacInnes	<ul style="list-style-type: none"><li>• SA Workers Compensation Tribunal</li></ul>
Susan Martin	<ul style="list-style-type: none"><li>• Australian Association of Rehabilitation Counsellors</li></ul>
Kevin O'Neill	<ul style="list-style-type: none"><li>• Woolworths (Self Insurer)</li><li>• La Trobe Law School Conciliation vs Mediation</li></ul>

### Feedback

In addition to the Annual Client Survey, the ACCS uses a variety of other measures to assess and analyse the quality of the service it provides.

### Complaints and compliments

Complaints and compliments are monitored to ensure that there are no systemic issues raised. In 2013-2014, the ACCS registered 32 complaints. These were generally complaints about individual matters. No systemic problems were identified.

Compliments are regularly received following a conference.

## Regular meetings with key stakeholders

- ACCS Users' Group
- Employer groups
- Victorian WorkCover Authority
- WorkCover Agents and Self Insurer's Group
- Law Institute of Victoria Workers Compensation Sub Committee
- WorkCover Assist and Union Assist
- Medical Panels
- Assistant Treasurer

## Client survey

In support of our aim to deliver quality professional services to participants involved in the conciliation process, the ACCS has since 1994 regularly surveyed employees, employers, WorkCover agents and self-insurers.

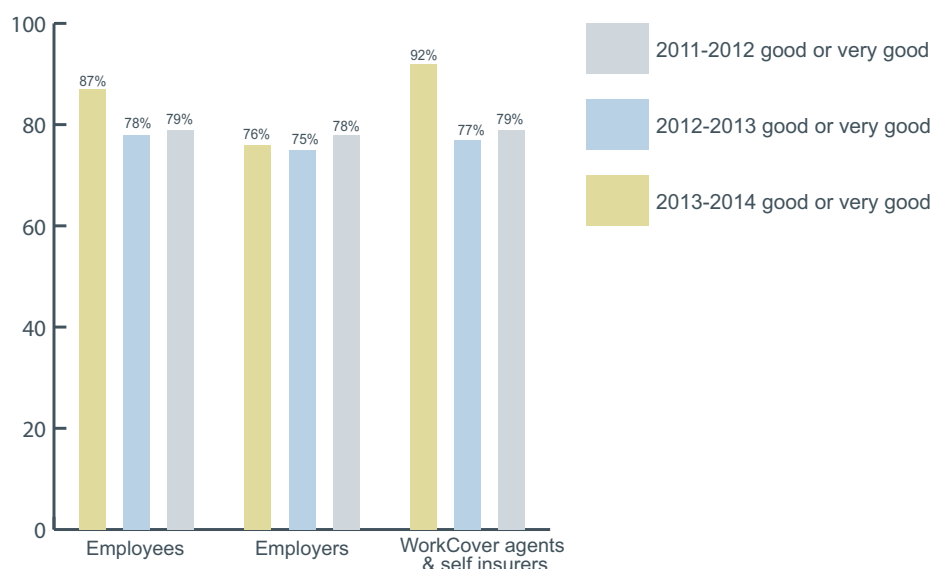
This has proved a useful tool to help monitor and improve our performance in service delivery to clients.

In 2013-2014 the survey obtained feedback from 200 employees, 200 employers and 50 WorkCover Agents/Self-Insurers. The research was conducted employing a combination of CATI (computer aided telephone interviewing) and online surveying techniques.

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

*"Weighing up your entire conciliation experience and regardless of the outcome, how would you rate the service you received?"*

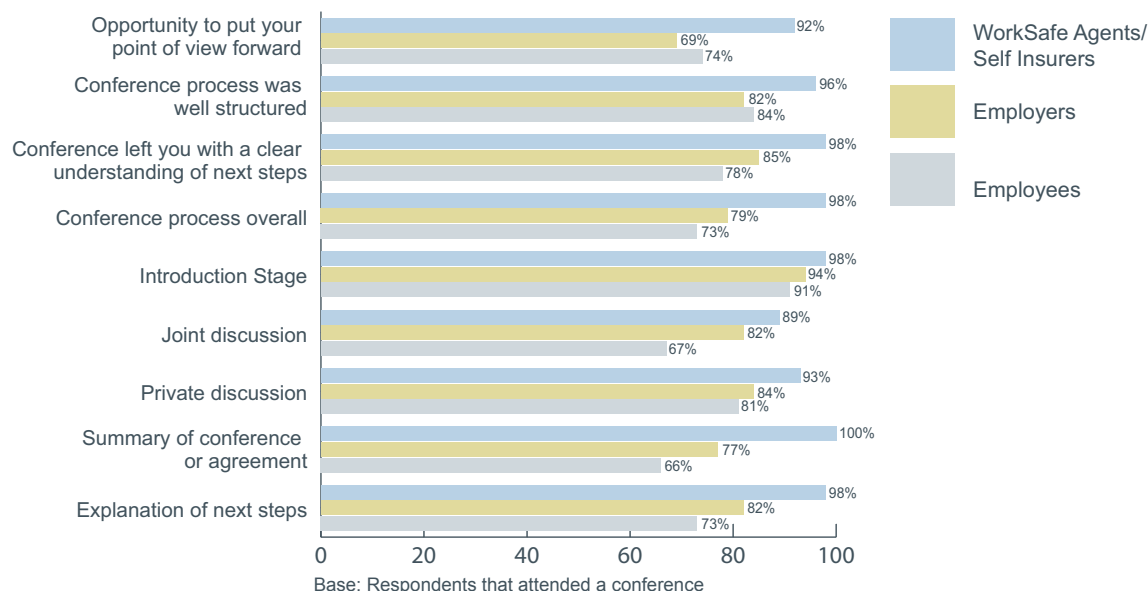
### The percentage of each group rating the service as "good" or "very good" were:



This shows that the percentage of Employees and WorkCover Agent/Self-Insurers rating the service received as good or very good has increased during this survey period and the Employers rating has remained steady. This shows a significant improvement in the Employees and Agents rating compared to previous years. Further attention will be required to strengthen the employer results in the future.

Each client group was also asked whether they agreed or disagreed that Conciliation was a valuable process. The percentage of each group that agreed was: 84% of Employees (85% in 2012-2013 and 84% in 2011-2012), 84% of Employers (88% in 2012-2013 and 88% in 2011-2012) and 86% of WorkCover Agents/Self-Insurers (86% in 2012-2013 and 80% in 2011-2012).

**The percentage of each client group that agreed with statements about the conduct of the conference was:**



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. On average 76% of Employees, 82% of Employers and 96% of WorkCover Agents/Self Insurers were either satisfied or very satisfied.

A full copy of the Client Survey is available on the ACCS website.

**Details of individual consultancies valued at \$10,000 or greater**

Consultant	Purpose of consultancy	Start date	End date	*Total approved project fee	*Expenditure 2013-14	*Future expenditure
Transformation Management Services Pty Ltd	ACCS Strategic Planning	23 September 2013	30 June 2014	\$43,600	\$43,600	-

\*excluding GST

In 2013-14, the Accident Compensation Conciliation Service engaged 6 consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$33,392 (excl. GST).

*"Thank you for your role in facilitating the meeting with the insurer today. I feel abundant gratitude to you for your role in facilitating a balanced discussion between myself and the insurer. It was fair and I felt like for the first time I was heard."*

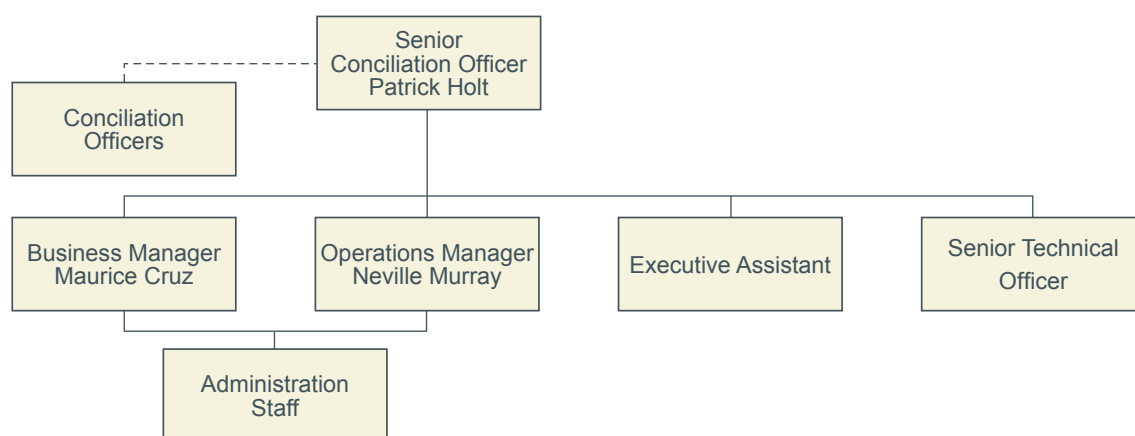
*Source: Email comment from participant in conciliation*

## 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 Assistant Treasurer, is provided by the Victorian WorkCover Authority.

The Governor in Council appoints a Senior Conciliation Officer and other Conciliation Officers. The Senior Conciliation Officer exercises powers in accordance with the *Accident Compensation Act 1985* and observes guidelines issued by the Assistant Treasurer. The Service consists of one member, the Senior Conciliation Officer. The Service engages Conciliation Officers to carry out its functions.

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



### Workforce data

Position	2013/2014			2012/2013		
	Male	Female	Total	Male	Female	Total
Conciliation officer	15	25	40	15	26	41
Administrative staff	14	36	50	14	34	48
<b>Total</b>	<b>29</b>	<b>61</b>	<b>90</b>	<b>29</b>	<b>60</b>	<b>89</b>
Position	Full time	Part time	FTE*	Full time	Part time	FTE*
Conciliation officer	29	11	36.4	31	10	38
Administrative staff	45	5	47.6	40	8	44.6
<b>Total</b>	<b>74</b>	<b>16</b>	<b>84</b>	<b>71</b>	<b>18</b>	<b>82.6</b>

\*Full time equivalent

*"I would like to thank you for assisting me with resolving my case. Thank you for your patience and objectivity for which I am very grateful."*

*Source: Email comment from participant in conciliation*

## 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 as well as continued development in alternative dispute resolution.

Administration staff attended training and development in areas that were both role specific and designed to enhance career development. External sessions included topics such as information technology, computer and technical knowledge, communication skills, assertiveness, resilience and leadership.

Internal workshops conducted focussed on promoting a better understanding of security procedures, ergonomics and dealing with difficult conversations and behaviours.

In 2013-2014, approximately 189 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.

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 2013-2014.

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.

Most of this information is also available via the ACCS website ([www.conciliation.vic.gov.au](http://www.conciliation.vic.gov.au)) which was redesigned in 2013-2014 to deliver improved navigation and access experience for users.

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 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 languages: English, Arabic, Croatian, Greek, Italian, Macedonian, Mandarin, Polish, Serbian, Spanish, Turkish and Vietnamese

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

## Culturally diverse clients

The clients of the ACCS are culturally and linguistically diverse. For example in 2013-2014, 10.7% 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 2013-2014 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 DVD and booklet that is designed to familiarise employees 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.

The Request for Conciliation form and booklet advise clients in numerous languages how to contact the ACCS through a telephone interpreter service.

In 2013-2014, the booklet was available in 13 languages and the DVD was available in 11 languages.

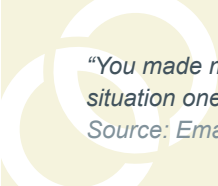
### Through language services

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

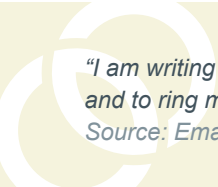
The independent research company who were engaged to carry out the Annual Client Survey employ multi-lingual survey staff to ensure that people from diverse language backgrounds can participate effectively in the survey.

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



*"You made myself feel calm and made to feel that I could have my say, without pushing the situation one way or another. You sure know your job well and it showed."*

*Source: Email comment from participant in conciliation*



*"I am writing to thank your staff who took time and efforts to arrange my conciliation date and to ring me informing the progress."*

*Source: Email comment from participant in conciliation*



# ACCIDENT COMPENSATION CONCILIATION SERVICE

## 2013-14 FINANCIAL REPORT

Comprehensive Operating Statement

Balance Sheet

Statement of Changes in Equity

Cash Flow Statement

Notes to 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 Contingent Assets and Contingent Liabilities

Statement by Senior Conciliation Officer and Business Manager

Auditor-General's Report

## Comprehensive Operating Statement for the Year Ended 30 June 2014

	Note	2014 \$000s	2013 \$000s
<b>Revenue</b>			
Funding from Victorian WorkCover Authority	2(b)	15,515	13,402
<b>TOTAL REVENUE AND INCOME</b>		<b>15,515</b>	<b>13,402</b>
<b>Expenses</b>			
Operating costs	3	(15,515)	(13,402)
<b>TOTAL EXPENSES</b>		<b>(15,515)</b>	<b>(13,402)</b>
<b>Net result before other comprehensive income</b>		<b>—</b>	<b>—</b>
Other comprehensive income		—	—
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>—</b>	<b>—</b>

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

## Balance Sheet as at 30 June 2014

	2014 \$000s	2013 \$000s
<b>Current assets</b>	—	—
<b>Non-current assets</b>	—	—
<b>TOTAL ASSETS</b>	<b>—</b>	<b>—</b>
<b>Current liabilities</b>	—	—
<b>Non-current liabilities</b>	—	—
<b>TOTAL LIABILITIES</b>	<b>—</b>	<b>—</b>
<b>NET ASSETS</b>	<b>—</b>	<b>—</b>
<b>Equity</b>		
Accumulated Surplus	—	—
<b>TOTAL EQUITY</b>	<b>—</b>	<b>—</b>

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

## Statement of Changes in Equity for the Year Ended 30 June 2014

	2014 \$000s	2013 \$000s
Total equity at beginning of the year	—	—
Net result for the year	—	—
<b>TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR</b>	<b>—</b>	<b>—</b>
<b>TOTAL EQUITY AT END OF THE YEAR</b>	<b>—</b>	<b>—</b>

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

## Cash Flow Statement for the Year Ended 30 June 2014

	2014 \$000s	2013 \$000s
<b>Cash Flows From Operating Activities</b>	<b>—</b>	<b>—</b>
<b>Cash Flows From Investing Activities</b>	<b>—</b>	<b>—</b>
<b>Cash Flows From Financing Activities</b>	<b>—</b>	<b>—</b>
<b>Net increase in cash held</b>	<b>—</b>	<b>—</b>
<b>Cash at the beginning of the year</b>	<b>—</b>	<b>—</b>
<b>CASH AT THE END OF THE YEAR</b>	<b>—</b>	<b>—</b>

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

# Notes to the Financial Statements for the financial year ended 30 June 2014

## 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).

During the financial year, the *Accident Compensation Act 1985* and the *Accident Compensation (WorkCover Insurance) Act 1993* were recast into a single act, the *Workplace Injury Rehabilitation and Compensation Act 2013*. The new act, which became operational on 1 July 2014, has had no impact on the ACCS's financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). For the purposes of preparing the financial statements the Victorian State Government has determined that the ACCS is a not-for-profit entity. Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied.

The audited annual financial statements were authorised for issue by the Senior Conciliation Officer on 8 August 2014.

### Basis of accounting preparation and measurement

The financial statements cover the ACCS as an individual reporting entity. The ACCS is a statutory authority established by statute enacted by the Victorian State Parliament and domiciled in Australia.

The financial statements have been prepared on an accruals basis, and are based on historical costs and do not take into account changing money values. Historical 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.

### New and revised Australian Accounting Standards

The new and revised Standard adopted by the ACCS in the current period and its financial impact are outlined below:

#### AASB 119 Employee Benefits

The most significant change of the revised AASB 119 relates to the accounting for changes in defined benefit obligation and plan assets. However, the ACCS does not recognise any defined benefit liability as these are recognised by the Department of Treasury and Finance.

The revised standard also changes the definitions of short-term employee benefits and termination benefits. Short-term employee benefits are now defined as benefits expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. The revised AASB 119 has had no impact on the recognition and measurement of ACCS's employee benefits.

### Australian Accounting Standards issued but not yet effective

The ACCS has not been impacted by any AAS issued by the AASB but not yet effective as at 30 June 2014.

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 operating costs of the ACCS including employee and related costs are met through this funding arrangement.

Funding revenue is recognised to match the operating expenses as and when such expenses are incurred by the ACCS.

#### (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) Employee benefits

Employee benefits comprise benefits accruing to employees in relation to salaries, annual leave and long service leave.

##### *Defined contribution superannuation plans*

Contributions to defined contribution superannuation plans are expensed when incurred.

##### *Defined benefit superannuation plans*

The amount charged to the comprehensive operating statement in respect of defined benefit plan superannuation represents the contributions made by the ACCS to the superannuation plans in respect of the current services of current ACCS employees. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The ACCS does not recognise any defined benefit liability in respect of the superannuation schemes because it has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial report.

#### (e) Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual sources and are disclosed at their nominal value, inclusive of GST.

#### (f) Rounding

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

#### (g) Presentation and functional currencies

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

<b>3 OPERATING COSTS</b>	<b>2014</b>	<b>2013</b>
	<b>\$000s</b>	<b>\$000s</b>
Staff and related	10,325	8,965
Occupancy and utilities	2,238	2,204
Asset rental expenses	667	278
Information technology	1,119	897
Marketing and communication	121	86
Professional services	319	276
Other expenses	726	696
	<b>15,515</b>	<b>13,402</b>
Operating costs include the following:		
Operating lease rentals		
Premises	1,131	1,131
Motor vehicles	151	158
Office equipment	40	34
	<b>1,322</b>	<b>1,323</b>
Employee benefit expense		
- Salaries and other employee benefits	9,287	8,228
- Termination benefits	176	-
- Post employment benefits (i)		
Defined contribution plans	719	583
Defined benefit plans	32	32
	<b>10,214</b>	<b>8,843</b>

Note: (i) Employee superannuation includes contributions paid under salary sacrifice arrangements.

<b>4 REMUNERATION OF AUDITORS</b>	<b>2014</b>	<b>2013</b>
	<b>\$000s</b>	<b>\$000s</b>
Auditor of the entity:		
Audit of the financial report - Victorian Auditor-General's Office	13	13
	<b>13</b>	<b>13</b>

#### **5 COMMITMENTS**

##### **Operating Leases**

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

	<b>2014</b>	<b>2013</b>
	<b>\$000s</b>	<b>\$000s</b>
Due within one year	2,095	2,055
Due later than one year and less than five years	3,997	6,108
	<b>6,092</b>	<b>8,163</b>

## 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:

- The Hon. Gordon Rich-Phillips MLC, Assistant Treasurer
- Mr Patrick Holt, Senior Conciliation Officer

There were no responsible person-related party transactions during the year.

## 7 REMUNERATION OF RESPONSIBLE PERSONS

Income Band \$	2014	2013
10,000 - 19,999	-	1
210,000 - 219,999	-	1
220,000 - 229,999	1	-

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

The remuneration of the responsible Minister is reported in the financial statements of the Department of Premier and Cabinet.

## 8 REMUNERATION OF EXECUTIVE OFFICERS

	2014 \$000s	2013 \$000s
Total remuneration of all executive officers received or receivable in connection with their employment.	-	-

## 9 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The ACCS has no contingent assets or contingent liabilities at the reporting date.

## Statement by Senior Conciliation Officer and Business Manager

The attached financial statements of the Accident Compensation Conciliation Service have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2014 and the financial position of the Accident Compensation Conciliation Service as at 30 June 2014.

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



Patrick Holt  
Senior Conciliation Officer



Maurice Cruz  
Business Manager

Dated at Melbourne this 8th Day of August 2014



Victorian Auditor-General's Office

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### INDEPENDENT AUDITOR'S REPORT

#### To the Senior Conciliation Officer, Accident Compensation Conciliation Service

##### *The Financial Report*

The accompanying financial report for the year ended 30 June 2014 of the Accident Compensation Conciliation Service which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by senior conciliation officer and business manager has been audited.

##### *The Senior Conciliation Officer's Responsibility for the Financial Report*

The Senior Conciliation Officer of the Accident Compensation Conciliation Service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Senior Conciliation Officer determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

##### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Senior Conciliation Officer, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Auditing in the Public Interest*

## Independent Auditor's Report (continued)

### *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. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

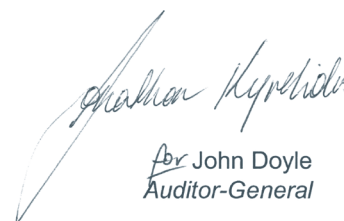
### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Accident Compensation Conciliation Service as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

### *Matters Relating to the Electronic Publication of the Audited Financial Report*

This auditor's report relates to the financial report of the Accident Compensation Conciliation Service for the year ended 30 June 2014 included both in the Accident Compensation Conciliation Service's annual report and on the website. The Senior Conciliation Officer of the Accident Compensation Conciliation Service is responsible for the integrity of the Accident Compensation Conciliation Service's website. I have not been engaged to report on the integrity of the Accident Compensation Conciliation Service's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
25 August 2014



for John Doyle  
Auditor-General



# Compliance Index To Disclosure Requirements 2013/14

## Disclosure Index

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

Legislation	Requirement	Page reference
<b>Ministerial Directions</b>		
<b>Report of Operations</b>		
<b>Charter and purpose</b>		
FRD 22E	Manner of establishment and the relevant Minister	2,17,19
FRD 22E	Objectives, functions, powers and duties	2,3,12
FRD 22E	Nature and range of services provided	2,3
<b>Management and structure</b>		
FRD 22E	Organisational structure	12
<b>Financial and other information</b>		
FRD 22E	Statement of workforce data and merit and equity	12
FRD 22E	Operational and budgetary objectives and performance against objectives	N/A
FRD 22E	Application and operation of <i>Freedom of Information Act 1982</i>	23
FRD 22E	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	23
FRD 22E	Application and operation of the <i>Protected Disclosure Act 2012</i>	23
FRD 22E	Statement of availability of other information	23
FRD 22E	Occupational health and safety policy	13
FRD 22E	Employment and conduct principles	12,13
FRD 22E	Details of individual consultancies	11
FRD 10	Disclosure index	22
SD 4.2(g)	Specific information requirements	19
SD 4.2(j)	Sign-off requirements	19
<b>Financial Report</b>		
<b>Financial statements required under Part 7 of the FMA</b>		
SD 4.2(a)	Statement of changes in equity	16
SD 4.2(b)	Operating statement	16
SD 4.2(b)	Balance sheet	16
SD 4.2(b)	Cash flow statement	16
SD 4.2(b)	Notes to the financial statements	17
<b>Other requirements under Standing Directions 4.2</b>		
SD 4.2(a)	Compliance with Australian Accounting Standards and other authoritative pronouncements	17,19
SD 4.2(c)	Compliance with Ministerial Directions	19,23
SD 4.2(c)	Accountable officer's declaration	19
SD 4.2(d)	Rounding of amounts	18
<b>Other disclosures as required by FRDs in notes to the financial statements</b>		
FRD 21B	Responsible person and executive officer disclosures	19
FRD 110	Cash flow statements	17
FRD 112D	Defined benefit superannuation obligations	18
FRD 120H	Accounting and reporting pronouncements applicable to the 2013-14 reporting period	17
<b>Legislation</b>		
<i>Freedom of Information Act 1982</i>		23
<i>Building Act 1993</i>		23
<i>Protected Disclosure Act 2012</i>		23
<i>Victorian Industry Participation Policy Act 2003</i>		N/A
<i>Financial Management Act 1994</i>		20



## 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 2, 12 and 13 respectively of this Report.

Requests for access to documents should be made in writing to the Senior Conciliation Officer. 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.

### Protected Disclosure

The Accident Compensation Conciliation Service complies with the *Protected Disclosure Act 2012* and makes available its published procedures. There have been no disclosures or disclosed matters made or referred to the Service.

### Environmental Performance

The Accident Compensation Conciliation Service has an environment policy focused on protecting the environment and supporting sustainable outcomes.

### Availability of Other Information

To the extent applicable, the information required under Financial Reporting Direction 22E issued by the Minister for Finance under the *Financial Management Act 1994* has been prepared and is available on request (subject to the provisions of the Freedom of Information Act).



For information regarding this report, please contact the

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