



annual report 2014/15

The Hon Robin Scott MP
Minister for Finance
1 Macarthur Street
EAST MELBOURNE VIC 3002

Dear Minister

I am pleased to submit for your presentation to Parliament,
the 2014-2015 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 dark ink, appearing to read 'Patrick Holt', with a long horizontal flourish extending to the right.

Patrick Holt
Senior Conciliation Officer



CERTIFIED
CO₂
NEUTRAL

Summary Report from the Senior Conciliation Officer

This past year has continued to be very busy for ACCS. Our incoming Requests for Conciliation were down slightly from the previous year. However, we still registered nearly 17000 new disputes and disposed of 19980 matters during the year.

Some of the highlights for the past financial year were:

- ACCS expanded its Early Resolution Program (ERP) which resolves incoming disputes early and removes the need to have a conference. A total of 1,778 disputes (representing 10.5% of total lodgements) were processed with a resolution rate of 83% and a file disposal time of 44 days. This compares favourably with an average resolution rate of 62% and average file disposal time of 72 days.
- ACCS has further reduced waiting times for regional conferences by 10% to an average of 8.7 weeks (61 days). Average waiting times in regional conferences peaked at 12.7 weeks in 2012-13 and reduced to 9.7 weeks in 2013-14.
- The annual Client Survey's overarching metrics in service and value are trending toward historic highs. Stakeholder satisfaction with the service received from ACCS climbed to 86%, up from 83% in 2013-14. Stakeholder satisfaction with the value of the service provided rose to 87%, up from 84% in 2013-14. The annual Client survey seeks feedback from Workers, Employers and Agents and is carried out by an independent research firm.
- ACCS conducted an internal satisfaction survey of administration staff and Conciliation Officers and achieved an advocacy score of 48.3 (the benchmark best practice score across multiple industries is 47.6). The survey was conducted by an independent research firm.
- ACCS delivered a total of 529 staff days of internal training for staff and Conciliation Officers; 167 days were for Conciliation Officer Professional Development and 65 days for OH&S.
- An OH&S audit was conducted on all regional conference venues. One high risk venue was identified and replaced with an improved conference provider.
- Governance and risk management were significantly strengthened. ACCS worked with VAGO and DTF to become compliant with the *Financial Management Act* and the Victorian Government Risk Management Framework.
- ACCS worked closely with the Public Records Office Victoria (PROV) to develop a Retention and Disposal Authority (RDA) for Victorian alternate dispute resolution (ADR) organisations. This will guide ACCS in future decisions related to disposal of old files.
- ACCS significantly developed its operational reporting capabilities and is now able to monitor caseload performance, while applying trend analysis to statistics.

Our staff and Conciliation Officers address complex disputes on a daily basis and deal with them in a highly professional manner. From an operational standpoint, ACCS has a program of continuous improvement in seeking to deliver the best quality conciliation services available. We have modified our case intake procedures to more effectively allocate our professional resources and give early attention to matters that can be dealt with more quickly. Those matters that require longer discussions and conferences of the parties are dealt with appropriately and we continue to seek the most optimal timelines for scheduling and holding the face to face conferences.

Looking to the future, ACCS is continuously modifying and improving its internal and external reporting capabilities in an ongoing effort to monitor and improve our performance and service delivery. Additionally, ACCS has actively encouraged and delivered professional development for the Conciliation Officers and staff in our organisation. That is a program that is under continuous development and we are on the constant look out for quality training sessions for the organisation and seek input from our staff on those topics.

Moving forward, ACCS is looking to streamline the handling of paper files and minimise our storage of paper documentation. Part of that process will be an ongoing study of electronic data storage. Our current workloads and projections indicate that we may likely experience a level, to slightly increasing workload over the coming year and we continuously monitor external factors in order to plan for the future.

About the ACCS

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

The function of the ACCS is to provide conciliation services to assist the parties to resolve disputes for the purposes of the *ACA* and the *WIRC*. 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 WorkSafe 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 *ACA* and the *WIRC* 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 worker in relation to a dispute with the employer, WorkSafe agent or self insurer.

The ACCS offers a non-adversarial environment that brings all parties involved with a workplace compensation dispute together to try to resolve the dispute. Conciliation assists those parties to:

- identify the issues relevant to the dispute;
- develop potential resolution 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 by ACCS, 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 an Outcome Certificate allowing the parties to proceed to court.

As well as having powers and responsibilities under the *Accident Compensation Act 1985* and the *Workplace Injury Rehabilitation and Compensation Act 2013*, Conciliation Officers work under Ministerial Guidelines and a Code of Conduct and Protocols developed by the Conciliation Service and approved by the Minister.

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, coupled with current workloads to determine resource requirements.

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

	2014/2015	2013/2014
New Requests	16982	18039
Re-opened Matters	2215	1120
Disposals	19980	20076
Cases in Progress	2842	3641

The number of requests for conciliation and re-opened matters increased by 0.2%. The number of disposals decreased by 0.5% and there was a decrease in cases in progress of 21.9%.

* The ACCS's workload consists of New Requests for conciliation and Re-opened Matters. Disposals are those matters finalised by the ACCS (as detailed in the table of Outcomes on page 5). Cases in Progress includes matters up to 30 June 2015 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)	2014/2015		2013/2014	
	No.	%	No.	%
Medical and like expenses	7845	40.9%	8175	42.6%
Payment of weekly payments	928	4.8%	1057	5.5%
Rejection of claim	2944	15.3%	2645	13.8%
Terminations at 130 weeks of compensation	2234	11.6%	2055	10.7%
Other terminations	3121	16.3%	3005	15.7%
Permanent impairment	1194	6.2%	1276	6.6%
Other	931	4.8%	946	4.9%
Total	19197	100	19159	100

There has been a decrease of 0.5% 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 2334 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, 2883 requests were referred to the Senior Conciliation Officer for review and in that period 371 matters were not lodged for conciliation. In 2013-2014, 3200 requests were referred to the Senior Conciliation Officer and 408 were not lodged for conciliation.

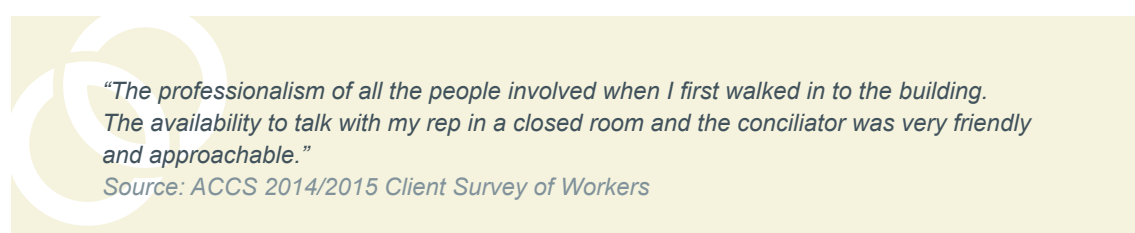
Outcomes

Outcomes	2014/2015			2013/2014		
	No.	% of total completed	% of outcomes	No.	% of total completed	% of outcomes
Resolved by agreement – no variation to original decision	746	4.3	3.7	777	4.1	3.9
Resolved by agreement – variation to original decision	6251	35.8	31.3	6875	36.0	34.2
Resolved by agreement to a recommendation	2804	16.1	14.0	3071	16.1	15.3
Withdrawn	1021	5.8	5.1	1153	6.0	5.7
Direction	59	0.3	0.3	91	0.5	0.5
Resolved Subtotal	10881	62.3	54.5	11967	62.6	59.6
Unresolved	6585	37.7	33.0	7142	37.4	35.6
Total Completed	17466	100.0	87.4	19109	100.0	95.2
Not Proceeding *	2478		12.4	923		4.6
No Jurisdiction	36		0.2	44		0.2
Total	19980		100.0	20076		100.0

*The category of 'Not Proceeding' is used for matters that have been suspended and may be finalised in the future. This year it includes matters referred to the Medical Panels with files being reopened after receipt of the Medical Panel Opinion.

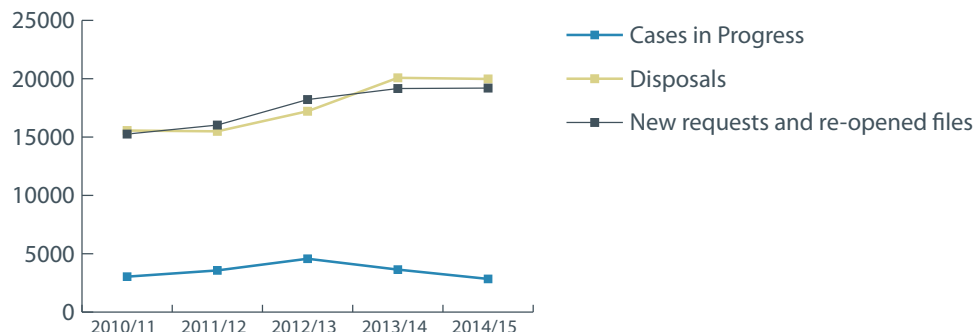
The overall resolution rate was 62.3% compared with 62.6% last year.

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 WorkSafe agent 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.



Five year trend

The graph below shows the upward trend in the number of disputes over the past 5 years. 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 2014/2015 the average days to conciliate a dispute have been reduced to 71 days compared with 85 days in 2013/2014.



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, 40.9% of disputes were disposed of without the need for a conference in 2014-2015. 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. Over the past year, 81.2% of all disputes were concluded in 90 days or less, which is an improvement over the previous year where 72.5% of all matters were concluded in 90 days or less.

Time to disposal	2014/2015		2013/2014	
	No	%	No	%
28 days or less	4928	24.7	3352	16.7
Between 29 & 60 days	7950	39.8	6848	34.1
Between 61 & 90 days	3344	16.7	4356	21.7
Over 90 days	3758	18.8	5520	27.5
Total	19980	100.0	20076	100.0

Conciliation Officers referred 1630 matters to the Medical Panel in 2014-2015 (1550 in 2013-2014). 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. The average number of days from the Medical Panel being convened to opinion being released was 54 days for referrals under the *Accident Compensation Act 1985* and 46 days for referrals under *WorkPlace Injury Rehabilitation and Compensation Act 2013*.

"Everything works well within their office, their paperwork is timely. I can always reach conciliators and they are always polite."

Source: ACCS 2014/2015 Client Survey of Agents

Early resolution project

The Early Resolution Project (ERP) was introduced in 2013 and deals with disputes that appear to be easily resolved without the need for a conciliation conference to be held. The object of ERP is to reduce the number of disputes being listed for conference unnecessarily and to reduce time to conference for disputes overall.

	2014/2015	2013/2014
Disputes referred to ERP	1778	1450
Average days in conciliation	44	64
Resolution Rate	83%	79%

Requests for medical reports


In the past year, pursuant to Section 289 of the *Workplace Injury Rehabilitation and Compensation Act 2013*, the ACCS requested 1757 medical reports and received 1096.

Regional disputes

While the majority of disputes originate within the Melbourne metropolitan region, 21% of disputes dealt with over 2014-2015 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.

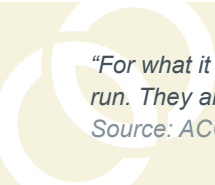
The ACCS holds conferences in the following locations:

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



"They were excellent couldn't have asked for a better person. Very impressed, very professional and took away my nerves and made it comfortable for everyone."

Source: ACCS 2014/2015 Client Survey of Workers.

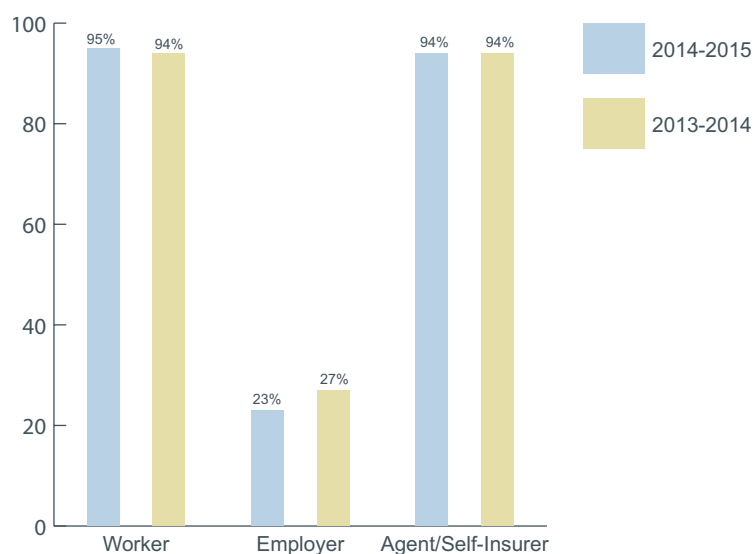


"For what it is it was done well. The communication and the way the actual conciliation was run. They are good at what they do."

Source: ACCS 2014/2015 Client Survey of Employers

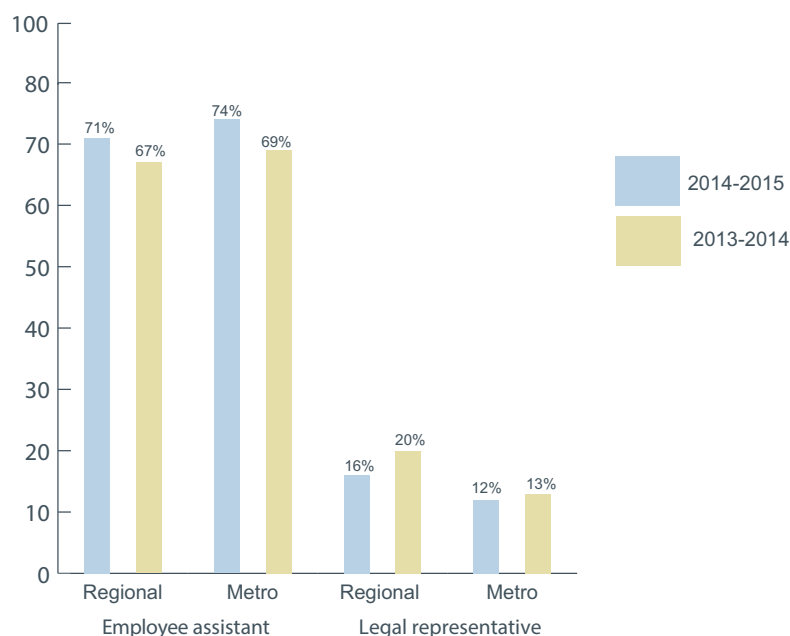
Attendance at conferences

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 WorkSafe 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 included in the ACCS strategic plans 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 2014-2015:

Conciliation Officer	Organisation/Presentation
Patrick Holt	<ul style="list-style-type: none">• WorkSafe and WorkSafe Authorised Agents• LIV Workers Compensation Committee
David Bryson	<ul style="list-style-type: none">• Two Dispute Resolution Officer training sessions for Worksafe• Conciliation: Theory and Practice (5 days) Graduate course, La Trobe University• ACCS conciliation hypothetical presentation, National Mediation Conference, Melbourne• Presented a paper on "Conciliation Ethics", Symposium, La Trobe University
Sharon Brennan	<ul style="list-style-type: none">• Two CGU Case manager training sessions• Two programmes for CIV in Personal Injury Management (Claims Management).
Greg Enticott	<ul style="list-style-type: none">• Two programmes for CIV in Personal Injury Management (Claims Management)
Michael Mitchell	<ul style="list-style-type: none">• Conciliation: Theory and Practice (5 days) Graduate course, La Trobe University• Lecture at La Trobe University - ACCS for the Law School
Pamela Gilbert	<ul style="list-style-type: none">• Committee member on the Statutory Dispute Resolution SIG committee within LEADR/IAMA.

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 2014-2015, the ACCS registered 38 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
- WorkSafe Agents and Self Insurer's Group
- Law Institute of Victoria Workers Compensation Sub Committee
- WorkCover Assist and Union Assist
- Medical Panels

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, WorkSafe agents and self-insurers. This annual client survey is conducted by an independent third party organization.

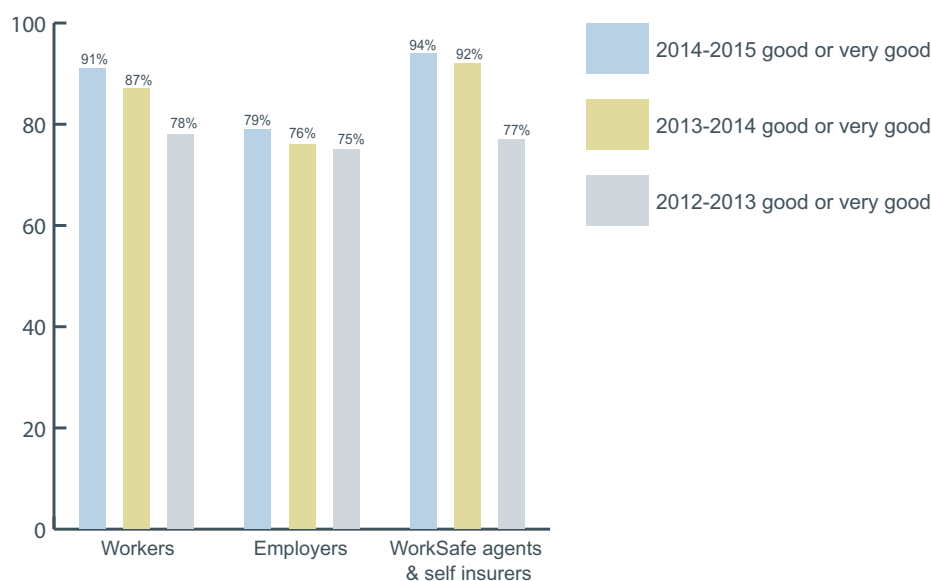
This has proved a useful tool to help monitor and improve our performance in service delivery to clients.

In 2014-2015 the survey obtained feedback from 200 employees, 200 employers and 50 WorkSafe 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, WorkSafe agents and self-insurers:

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

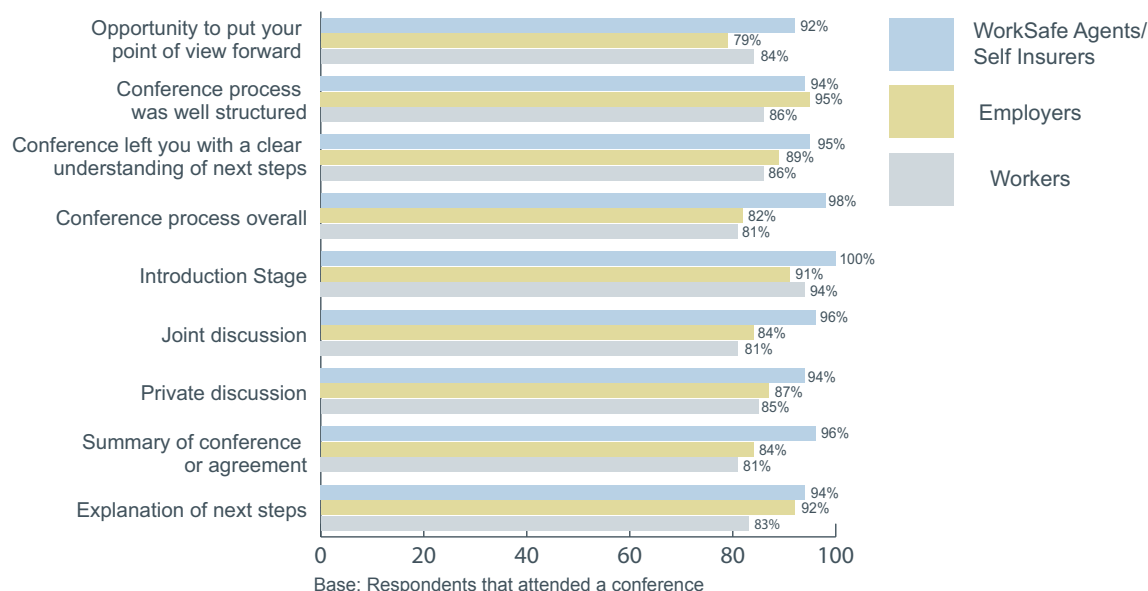
The percentage of each group rating the service as "good" or "very good" were:



This shows that the percentage of all parties rating the service received as "good" or "very good" increasing during this survey period.

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: 89% of Workers (84% in 2013-2014 and 85% in 2012-2013), 84% of Employers (84% in 2013-2014 and 88% in 2012-2013) and 94% of WorkSafe Agents/Self-Insurers (86% in 2013-2014 and 86% in 2012-2013).

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



A 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	28 October 2014	30 June 2015	\$24,000	\$12,338	-

*excluding GST

In 2014-15, the Accident Compensation Conciliation Service engaged 3 consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$12,291 (excl. GST).

"Very unbiased to both sides equally and gave each side time to discuss, decide and come to an agreement. Also, the procedures, if we did not come to a conclusion, were explained and where to go next was discussed."

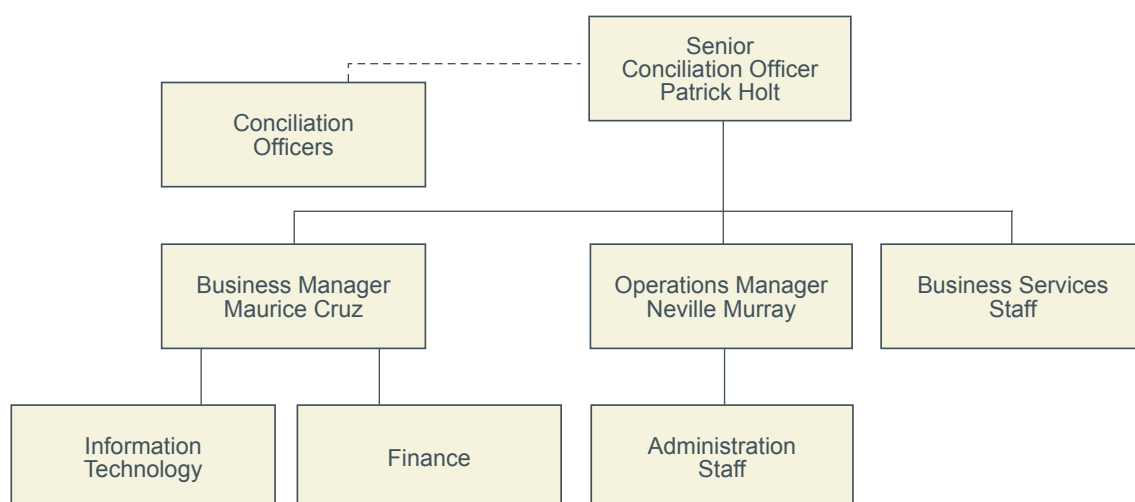
Source: ACCS 2014/2015 Client Survey of workers

The Organisation

The ACCS is an independent body corporate established under the *Accident Compensation Act 1985* and the *Workplace Injury Rehabilitation and Compensation Act 2013*. The funding of the ACCS annual budget, as approved by the Minister, 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 and duties in accordance with the *Accident Compensation Act 1985* and the *Workplace Injury Rehabilitation and Compensation Act 2013* and observes guidelines issued by the Minister. The Service consists of one member, the Senior Conciliation Officer. The Service engages such staff and Conciliation Officers as are necessary 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	2014/2015			2013/2014		
	Male	Female	Total	Male	Female	Total
Conciliation officer	15	26	41	15	25	40
Administrative staff	14	35	49	14	36	50
Total	29	61	90	29	61	90
Position	Full time	Part time	FTE*	Full time	Part time	FTE*
Conciliation officer	28	13	36.6	29	11	36.4
Administrative staff	43	6	46.6	45	5	47.6
Total	71	19	83.2	74	16	84

*Full time equivalent

"The conciliator was very good. He explained everything clearly and showed no favouritism to anybody."

Source: ACCS 2014/2015 Client Survey of Workers

Developing our staff

The ACCS promotes opportunities for self improvement by way of professional development to all.

Conciliation Officers have attended workshops, courses, conferences and participated in regular internal professional development programs. Particular areas of focus included conflict management and negotiation coaching, ethics of alternative dispute resolution and legislative issues.

Administration staff have participated in formal sessions focusing on difficult conversations and behaviours, building resilience, reducing the stigma of mental health and the awareness of mental health within the workplace. Further professional development sessions have been held in house dealing with legislation changes and issues in relation to alternative dispute resolution.

Selected administration staff members have undertaken training in regard to advanced First Aid, defibrillation, Chief Fire Wardens and Health & Safety Representative.

In 2014-2015, approximately 529 staff 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 representatives, fire wardens and first aid officers. Approximately 65 staff days were invested in OHS related training in 2014-2015.

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

The ACCS has been recognised for our commitment in working to create a healthy workplace as per the Victorian Government 'Healthy Together Achievement Program'.

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).

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 2014-2015, 11.1% 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 2014-2015 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 2014-2015, the booklet was available in 13 languages and the DVD was available in 11 languages.

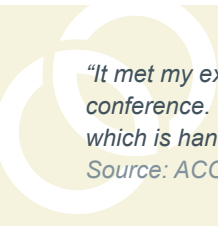
Through language services

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.



"It met my expectations and it was always clear, both in the conference and prior to conference. The conciliators in general are very fair and they run the conference on time which is handy."

Source: ACCS 2014/2015 Client Survey of Employers

Risk Management

Compliance with the Victorian Government Risk Management Framework

I, Patrick Holt, am the Senior Conciliation Officer of the Accident Compensation Conciliation Service. The Accident Compensation Conciliation Service is a body corporate with the Senior Conciliation Officer as its sole member. Under the Financial Management Act 1994, the Senior Conciliation Officer assumes the roles and responsibilities of the Responsible Body and the Accountable Officer.

On this basis, I certify that the Accident Compensation Conciliation Service has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes.

A handwritten signature in black ink, reading "Patrick Holt". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Patrick Holt
Senior Conciliation Officer
Accident Compensation Conciliation Service

Date signed: 18 August 2015

ACCIDENT COMPENSATION CONCILIATION SERVICE

2014-15 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 2015

	Note	2015 \$000s	2014 \$000s
Revenue			
Funding from WorkSafe Victoria	2(b)	15,140	15,515
TOTAL REVENUE AND INCOME		15,140	15,515
Expenses			
Operating costs	3	(15,140)	(15,515)
TOTAL EXPENSES		(15,140)	(15,515)
Net result before other comprehensive income		—	—
Other comprehensive income		—	—
TOTAL COMPREHENSIVE INCOME		—	—

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

Balance Sheet as at 30 June 2015

	2015 \$000s	2014 \$000s
Current assets	—	—
Non-current assets	—	—
TOTAL ASSETS	—	—
Current liabilities	—	—
Non-current liabilities	—	—
TOTAL LIABILITIES	—	—
NET ASSETS	—	—
Equity		
Accumulated Surplus	—	—
TOTAL EQUITY	—	—

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 2015

	2015 \$000s	2014 \$000s
Total equity at beginning of the year	—	—
Net result for the year	—	—
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR	—	—
TOTAL EQUITY AT END OF THE YEAR	—	—

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 2015

	2015 \$000s	2014 \$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 year	—	—
CASH AT THE END OF THE YEAR	—	—

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 2015

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 AAS 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 7 August 2015.

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.

Australian Accounting Standards issued but not yet effective

The AASB has issued the following new or revised Australian Accounting Standards, which are applicable to the ACCS:

AASB	Title	Operative Date
2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities	1 January 2016
9	Financial Instruments	1 January 2018

These standards are not effective for the reporting period ended 30 June 2015 and have not been applied in preparing the ACCS's financial statements. AASB 2015-6 may result in additional disclosure of the ACCS's key management personnel and related party transactions. While the preliminary assessment has not identified any material impact arising from the adoption of AASB 9, it will continue to be monitored and assessed. The ACCS will apply these standards for the annual reporting periods beginning on or after the operative date set out above.

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 (trading as WorkSafe Victoria) the ACCS utilises the Authority's banking arrangements to facilitate its payments.

(b) Funding from Victorian WorkCover Authority

The ACCS is funded by WorkSafe Victoria in accordance with Section 52L of the *Accident Compensation Act 1985* and Section 535 of the *Workplace Injury Rehabilitation and Compensation Act 2013*. 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.

3 OPERATING COSTS	2015	2014
	\$000s	\$000s
Staff and related	10,193	10,325
Occupancy and utilities	2,144	2,238
Asset rental expenses	653	667
Information technology	1,109	1,119
Marketing and communication	77	121
Professional services	326	319
Other expenses	638	726
	15,140	15,515
Operating costs include the following:		
Operating lease rentals		
Premises	1,131	1,131
Motor vehicles	135	151
Office equipment	41	40
	1,307	1,322
Employee benefit expense		
- Salaries and other employee benefits	9,189	9,287
- Termination benefits		176
- Post employment benefits (i)		
Defined contribution plans	857	719
Defined benefit plans	36	32
	10,082	10,214

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

4 REMUNERATION OF AUDITORS	2015	2014
	\$000s	\$000s
Auditor of the entity:		
Audit of the financial report - Victorian Auditor-General's Office	14	13
	14	13

5 COMMITMENTS

Operating Leases

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

	2015	2014
	\$000s	\$000s
Due within one year	2,108	2,095
Due later than one year and less than five years	1,999	3,997
	4,107	6,092

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. Robin Scott MP, Minister for Finance from 4 December 2014, the Hon. Gordon Rich-Phillips MLC, Assistant Treasurer up to 4 December 2014 and Mr Patrick Holt, Senior Conciliation Officer.

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

7 REMUNERATION OF RESPONSIBLE PERSONS

Income Band \$	2015	2014
10,000 - 19,999	-	-
210,000 - 219,999	-	-
220,000 - 229,999	1	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

	2015 \$000s	2014 \$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 2015 and the financial position of the Accident Compensation Conciliation Service as at 30 June 2015.

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.

We authorise the attached financial statements for issue on 10 August 2015.



Patrick Holt
Senior Conciliation Officer



Maurice Cruz
Business Manager

Dated at Melbourne this 10th Day of August 2015



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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 2015 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 are 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.

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 2015 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*.

MELBOURNE
21 August 2015


John Doyle
Auditor-General

Compliance Index To Disclosure Requirements 2014/2015

Disclosure Index

The Annual Report of ACCS is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of ACCS's compliance with statutory disclosure requirements. The ACCS is an independent body corporate with the Senior Conciliation Officer as its sole member. The ACCS has not-for-profit status with the ATO and is not classified as a Controlled Entity in the Annual Financial Report of the State of Victoria.

Legislation	Requirement	Page reference
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Compliance Statements

Freedom of Information Act 1982

The Accident Compensation Conciliation Service complies with the *Freedom of Information Act 1982*. The Senior Conciliation Officer and the Business Manager fulfil the responsibilities of Principal FOI Officer and FOI Officer respectively.

Requests for access to documents under FOI should be made in writing to the Senior Conciliation Officer or the Business Manager. ACCS encourages the informal release of routine conference documentation to conference parties without making a formal FOI request. Potential applicants should therefore first request release of such documentation from the relevant staff member. Contact details are on the back cover of this Report.

In 2014-15, ACCS received three formal FOI requests compared with four formal requests in 2013-14. There were no appeals lodged at the FOI Commissioner or Victorian Civil and Administrative Tribunal (VCAT) during this period.

Building Act 1993

The Accident Compensation Conciliation Service complies with the *Building Act 1993* with respect to alterations and maintenance to its office accommodation which is subleased from WorkSafe. It is not aware of any material non-compliance with the building standards prescribed in the Act.

Protected Disclosure Act 2012

The Accident Compensation Conciliation Service encourages the reporting of known or suspected incidences of improper conduct or detrimental actions. Procedures have been established to ensure that any matters disclosed are properly investigated and persons making disclosures are protected from reprisals.

Since the *Protected Disclosure Act 2012* came into effect, there have been no disclosures made to the Independent Broad-based Anti-corruption Commission (IBAC).

Environmental Performance

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

Privacy and Data Protection Act 2014 and Health Records Act 2001

The *Privacy and Data Protection Act 2014* and the *Health Records Act 2001* govern the collection, use, disclosure and handling of personal and sensitive health information. The Accident Compensation Conciliation Service and Conciliation Officers are subject to these laws. A Privacy policy and Privacy committee have been established to review, monitor and address Privacy practices and breaches and to promote a Privacy aware culture. The Privacy policy is published on the company's website www.conciliation.vic.gov.au

Carers Recognition Act 2012

The ACCS has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012*. These include considering the carer relationships principles set out in the Act when adopting policies which affect staff in care relationships. WorkSafe administration staff who are seconded to ACCS adhere to WorkSafe policies on carers leave, flexible working hours, purchased leave and the ability to work from home which comply with the statement of principles in the Act.

Availability of Other Information

To the extent applicable, the information required under Financial Reporting Direction 22F 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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