



annual report 2006/2007

The Hon. Tim Holding MLA  
Minister for WorkCover  
Level 26  
121 Exhibition Street  
Melbourne VIC 3000

Dear Minister

I am pleased to submit for your presentation to Parliament,  
the 2006/07 Annual Report of the Accident Compensation  
Conciliation Service in accordance with section 46 of the  
*Financial Management Act 1994*.

Yours sincerely



Susan Cibau  
Senior Conciliation Officer

## About the ACCS

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

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

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

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


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

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

The ACCS continues to be effective in resolving disputes, with the table on page 4 setting out details of outcomes. In addition to matters resolved at conciliation, some of the unresolved matters do not proceed further because the conciliation process allows each party to fully appreciate the other's position. While this may not produce agreement, it allows a party to assess more accurately their prospects of success if they were to proceed to court. However, there will be other constraints which limit the disputes that proceed to court.

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

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



*"Appropriate and cost effective way of dealing with some complex problems. More pleasant than going to Court. Maintains relationships..." Source: ACCS 06/07 Client Survey of Employers. See Client Survey section of this report for more information.*

## How does the ACCS work?

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

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

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

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

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

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

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

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

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

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



## Statistical overview

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

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

	2006/2007	2005/2006
New requests	12874	14206
Re-opened matters	859	841
Disposals	13682	15489
Cases in progress	2873	2825

The number of requests for conciliation and re-opened matters decreased by 8.7%. The number of disposals decreased by 11.7% and there was a slight increase in cases in progress of 1.7%. In light of decreasing numbers of Lump Sum Compensation (Section 98) disputes they have been incorporated into these figures and not separately reported as in previous years.

\* 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 4). 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)	2006/2007		2005/2006	
	No.	%	No.	%
Alterations and reductions to weekly payments	84	0.6	162	1.1
Lump sum payments (Sections 98 & 98A)	271	2.0	382	2.5
Medical and like expenses	5148	37.5	5624	37.4
Payment of weekly payments (Section 114D)	686	5.0	712	4.7
Rejection of claim	2374	17.3	2267	15.1
Terminations @ 104/130 weeks of compensation	1260	9.2	1596	10.6
Other terminations	1705	12.4	1900	12.6
Other	843	6.1	1016	6.8
Non economic loss (Sections 98C, 98E & 104B)	1362	9.9	1388	9.2
<b>Total</b>	<b>13733</b>	<b>100</b>	<b>15047</b>	<b>100</b>

There was a decrease in all categories of disputes except for "Rejection of claim" but the proportion of each dispute remained approximately the same. The number of disputes received has been declining in the past two years, with a drop of 8.7% from last year and 15.7% between 2005/2006 and 2004/2005 (17852 disputes were received in 2004/2005).

Some Requests for Conciliation are referred to the Senior Conciliation Officer to consider whether they are able to be lodged. These include requests not signed by the person making the request; matters where there appears to be no current dispute; the dispute has been previously conciliated; the ACCS does not have jurisdiction; lump sum compensation (S98/98A) disputes where the S104A conference form required by the Ministerial Directions has not been provided; the request is outside the statutory period of 60 days of the worker receiving the decision they wish to contest (the Senior Conciliation Officer allows extensions of time where appropriate). If further information is required in these matters, it is requested of applicants before a decision on lodgement is made. During the past year, 1931 requests were referred to the Senior Conciliation Officer for review and in that period 234 matters were not lodged for conciliation (in 2005-2006, 2418 requests were referred to the Senior Conciliation Officer and 351 were not lodged for conciliation).

## Outcomes

Outcomes	2006/2007			2005/2006		
	No.	% of total completed	% of outcomes	No.	% of total completed	% of outcomes
Resolved by agreement – no variation to original decision	1135	9.0	8.3	1192	8.2	7.7
Resolved by agreement – variation to original decision	4408	34.8	32.2	5095	35.2	32.9
Resolved by agreement to a recommendation	2535	20.0	18.5	2817	19.5	18.2
Withdrawn	633	5.0	4.6	651	4.5	4.2
Direction	166	1.3	1.2	137	0.9	0.9
<b>Resolved subtotal</b>	<b>8877</b>	<b>70.1</b>	<b>64.9</b>	<b>9892</b>	<b>68.4</b>	<b>63.9</b>
Unresolved	3793	29.9	27.7	4562	31.6	29.5
<b>Total completed</b>	<b>12670</b>	<b>100.0</b>	<b>92.6</b>	<b>14454</b>	<b>100.0</b>	<b>93.3</b>
Not proceeding *	1006		7.4	1012		6.5
No jurisdiction	6		0.0	23		0.1
<b>Total</b>	<b>13682</b>		<b>100.0</b>	<b>15489</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 has increased to 70.1% compared with 68.4% last year.

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

*"Because both parties had opportunities to present their views, the Conciliator came across as independent and not favouring either side and she worked as hard as she could to achieve a resolution, albeit a resolution was not achieved by the end of the day."*

*Source: ACCS 06/07 Client Survey of Employers. See Client Survey section of this report for more information.*



## Time to disposal

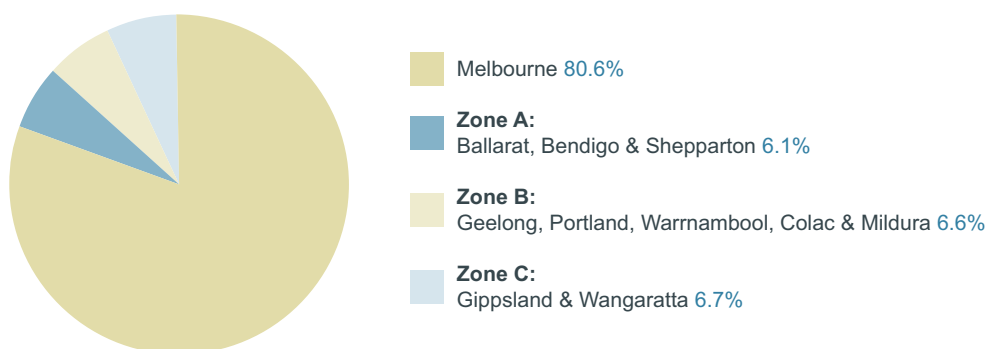
During the time that a request is active at conciliation, work takes place at many stages – before the conference (34% of disputes were disposed of without the need for a conference, which is the same figure as last year), at the conference, and after the conference. In many matters, the conciliation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

Time to disposal	2006/2007		2005/2006	
	No.	%	No.	%
40 days or less	4666	34.1	6449	41.6
Between 41 & 60 days	3508	25.6	3568	23.0
Between 61 & 80 days	1614	11.8	1342	8.7
Between 81 & 100 days	844	6.2	814	5.3
Over 100 days	3050	22.3	3316	21.4
<b>Total</b>	<b>13682</b>	<b>100.0</b>	<b>15489</b>	<b>100.0</b>

Conciliation Officers referred 1363 matters to the Medical Panel in 2006-2007 (1291 in 2005-2006). 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 55 days from when the ACCS made the referral until an opinion was provided.

## Regional conferences

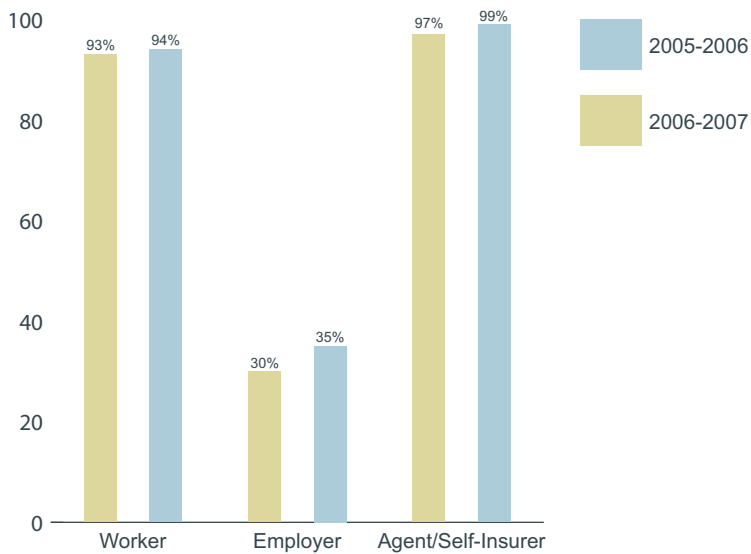
The chart below shows the distribution of conferences in the four regions into which the ACCS divides the State. While the majority of conferences continue to be held in the Melbourne metropolitan area, significant travel is undertaken each month by Conciliation Officers in an attempt to make the process of conciliation more accessible to those living and working outside the Melbourne metropolitan area. The spread of conferences between regions has not altered significantly from last year.



*"I asked for the conference to be nearer to where I live, I asked for it to be in Ballarat... they did hold a conference in Ballarat." Source: ACCS 06/07 Client Survey of Workers. See Client Survey section of this report for more information.*

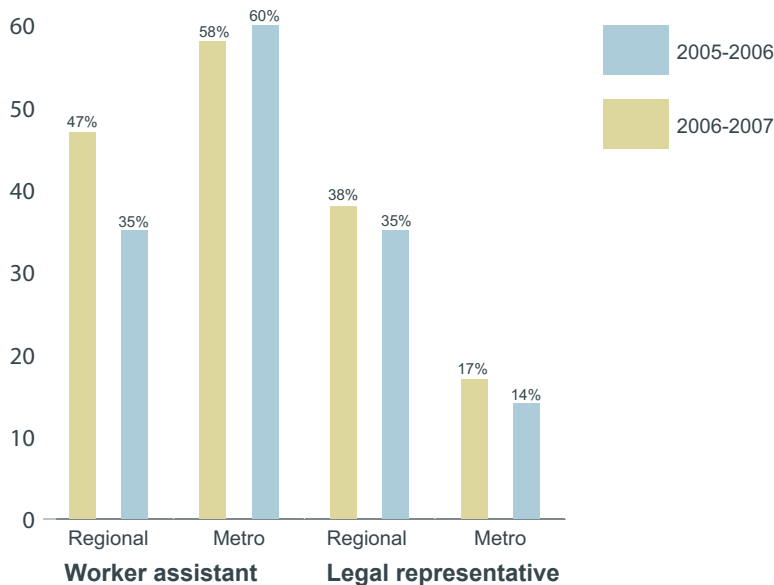
## Attendance at conferences

### Percentage of conferences attended by various parties



Attendance by parties at conferences is affected by a number of factors. In most cases each separate party is sent a request to attend the conference and it is usually considered beneficial to attend the conference in person. However, in some matters, particularly those involving payment of expenses for medical reports by the WorkCover agent or self-insurer, the worker and/or employer may not be requested to attend the conference. Attendance by employers appears also to depend on the nature of the dispute, for example, they attend more conferences about decisions to reject claims compared to other decisions. The above figures for 2006-2007 include Lump Sum Compensation (Section 98) matters whereas the figures for 2005-2006 do not.

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



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



## Client and stakeholder service

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### Feedback

The ACCS exists to respond to the needs of its clients and stakeholders by providing relevant and effective dispute resolution services. Assessment and analysis of the quality of the service provided by the ACCS is observed and measured in a variety of ways.

Internally, the ACCS monitors its quality of service through statistical indicators, file reviews and through performance review and feedback to staff. Regular staff and business meetings discuss and address ongoing business activities and processes. Occasionally, the ACCS receives verbal or written feedback from clients and stakeholders about specific cases. Both the compliments and the criticisms challenge us about how we can continue to provide high quality services and also enhance what we do.

From outside of the organisation the ACCS is provided with information about its quality of service on an overall and case specific basis and this comes from a variety of sources. Periodic and issue-specific meetings are held with individual and groups of stakeholders. These meetings address issues which have broad as well as case specific concerns. As required, the ACCS provides information sessions and presentations to stakeholders and interested groups. A major contribution to the ACCS' understanding of the quality of service it provides is through the ACCS Annual Client Survey, reported on the following page.

### ACCS User Group

During the past year the ACCS User Group was established at the request of the Minister for WorkCover. The User Group's primary roles are to provide a forum to:

- Raise ongoing and operational issues of concern to stakeholders and the ACCS.
- Build a shared understanding of the current issues facing the ACCS and stakeholders and the environment in which they operate.
- Investigate and advise on service performance standards and KPIs for the ACCS that do not undermine the independence of the Conciliation Service, to facilitate continuous improvement in the organisation.

The User Group advises the Minister on, and provides the Minister with sufficient information in regard to its role.

The User Group membership includes major stakeholders and DTF and is chaired by the Senior Conciliation Officer. Current membership includes:

- A representative from the Victorian Trades Hall Council.
- A WorkCover Agents' representative.
- A representative from the Victorian WorkCover Authority.
- A representative from an employer association.

The User Group is a vital forum for regular and formal discussion about strategic and significant issues facing the ACCS and its users.

## Client survey

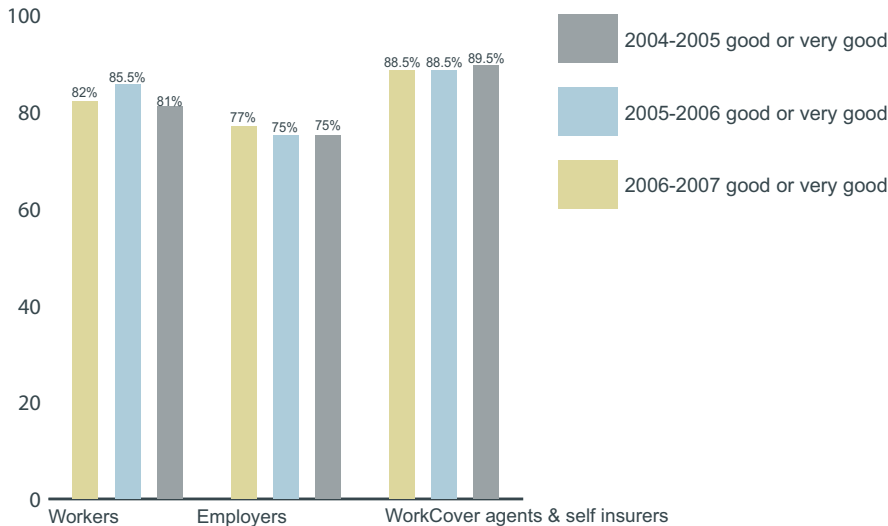
In support of our aim to deliver outstanding service to parties involved in the conciliation process, the ACCS has since 1994 regularly surveyed workers, employers, WorkCover agents and self-insurers.

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

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

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

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



This shows that overall, there has been no significant change in the percentage of workers, employers and WorkCover agents and self insurers rating the service received as good or very good compared with responses provided in 2005-2006.

*“Thought it professional. I thought it wasn’t overpowering... it was very fair... didn’t put you in a position where you felt intimidated in any means and the way they conducted themselves was in an orderly fashion...”* Source: ACCS 06/07 Client Survey of Workers.

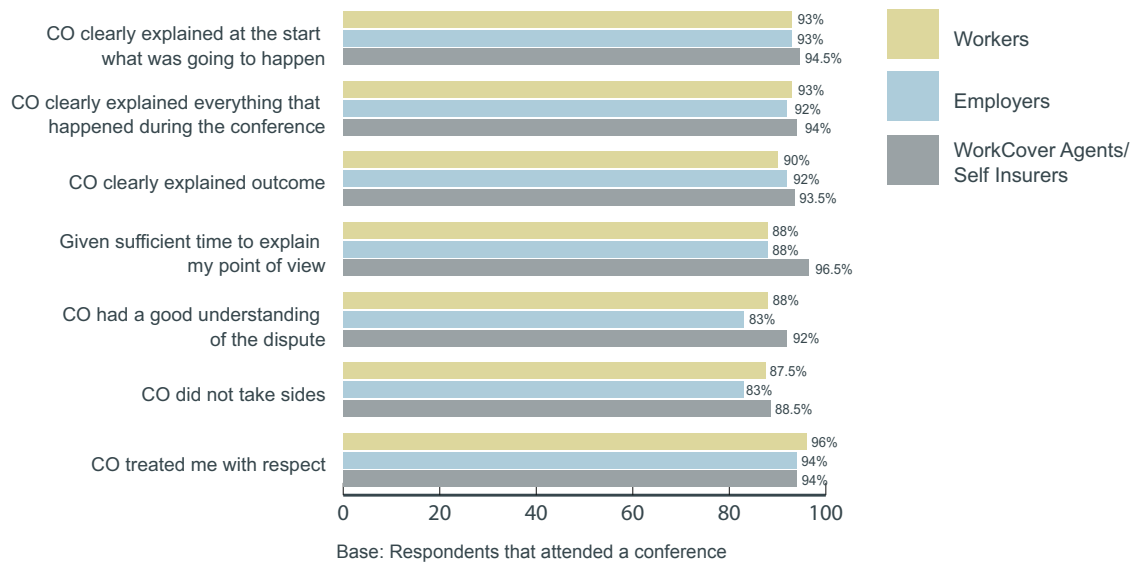
*“The service is fair and open. The person who holds the service is unbiased and willing to listen and offers a fair assessment of what’s been discussed. Proactive in that they assess the facts accurately and show no pre-conceived ideas.”* Source: ACCS 06/07 Client Survey of Employers.

*“There were a number of issues to consider and they were all considered properly and fairly, the conciliator handled it very well for something that was not straight forward but was fair to all parties.”* Source: ACCS 06/07 Client Survey of WorkCover agents/self-insurers.

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: 90% of workers (86% in 05-06, 88% in 04-05), 89% of employers (87.5% in 05-06, 88% in 04-05) and 94% of WorkCover agents/self-insurers (92% in 05-06, 89.5% in 04-05).

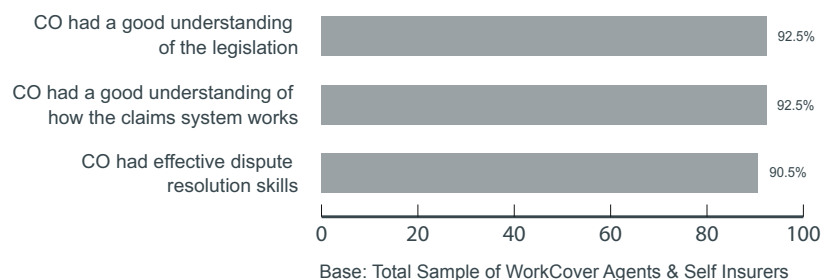
Another key section of the survey asks whether the respondent agrees or disagrees with a number of statements as to the conduct of the conference. Most statements were agreed to by over 90% of respondents, with the lowest percentage of agreement being 83%.

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



As well as the above statements, WorkCover agents and self-insurers were also asked if they agreed or disagreed with three additional statements regarding Conciliation Officer (CO) understanding of the legislation and how the claims management system works, as well as whether or not the CO had good dispute resolution skills.

**The percentage of WorkCover Agents and self-insurers that agreed with these statements were:**



A report that provides an overview of responses to the 2006-2007 Client Survey is available upon request from the ACCS.

*"Basically, it was quite a complex claim, but the conciliator conducted the conference in a very impartial way. It was a stress claim so it was highly sensitive. He just stuck to the facts of the matter." Source: ACCS 06/07 Client Survey of WorkCover agents/self-insurers.*

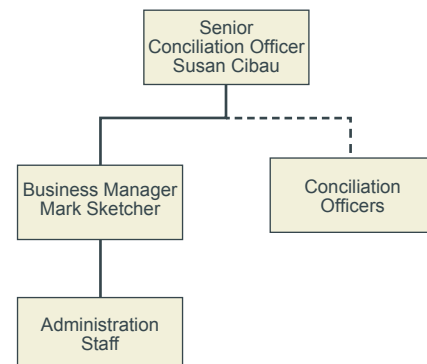
## The organisation

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

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

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

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



### Senior Conciliation Officer changes

Tony McMahon concluded his role as Senior Conciliation Officer on 2 February 2007 having led the organisation for almost six years. His contribution to the organisation, its staff, clients and stakeholders is greatly valued and respected by those who worked with him and those who used the services of the ACCS.

Greg Enticott fulfilled the role of Acting Senior Conciliation Officer for a period of four months.

Susan Cibau was appointed as Senior Conciliation Officer from 1 June 2007. Prior to being appointed to the Senior Conciliation Officer role she fulfilled the role of the Dispute Resolution Coordinator at the Federal Magistrates Court of Australia, where she managed the Dispute Resolution program and implemented the court's dispute resolution policy. Prior to that she was the Alternative Dispute Resolution (ADR) Coordinator at Legal Aid Queensland. She has also practised as a mediator.

### Workforce data

Position	2006/2007			2005/2006		
	Male	Female	Total	Male	Female	Total
Conciliation officer	21	18	39	22	17	39
Administrative staff	14	34	48	14	34	48
<b>Total</b>	<b>35</b>	<b>52</b>	<b>87</b>	<b>36</b>	<b>51</b>	<b>87</b>

Position	Full time	Part time	FTE*	Full time	Part time	FTE*
Conciliation officer	27	12	34.5	24	15	33.8
Administrative staff	42	6	45	42	6	45
<b>Total</b>	<b>69</b>	<b>18</b>	<b>79.5</b>	<b>66</b>	<b>21</b>	<b>78.8</b>

\*Full time equivalent

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

In 2006-2007, approximately 255 days were invested in employee and professional development activities.

## Health and safety

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The ACCS continues to focus on maintaining a safe and healthy working environment for staff and visitors and promoting continued awareness amongst staff. The ACCS operates within the Victorian WorkCover Authority's SafetyMAP system which was re-certified by external auditors in July 2007.

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 11 days were invested in OHS related training in 2006-2007.

In response to changes in computer technology utilised by staff, specific OHS training was provided to Conciliation Officers regarding vehicle safety, file transportation and the transportation and use of laptop computers when working in external locations.

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

## Publications and information

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

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

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

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

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

Through Annual Client Survey data, the ACCS has monitored client preferences regarding provision of the DVD/Video titled "Resolving Worker's Compensation Disputes – the Conciliation Process". This is a key component of our information service, designed to familiarise workers and employers with the conciliation process and to help these parties prepare for and participate in conciliation. Responses indicate that almost all clients prefer this information to be provided in DVD format. In response to this, the ACCS will provide all clients with the DVD and have appropriate quantities of the video in all languages to be provided to clients upon request.

## Culturally diverse clients

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The clients of the ACCS are culturally and linguistically diverse. For example in 2006-2007, 16% of people who requested conciliation indicated that they would need an interpreter.

Consequently, the ACCS seeks to maintain awareness of clients with culturally diverse backgrounds and their experiences of conciliation. In 2006-2007 we attended to the needs of such clients in a range of ways, including:

### Through our publications

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

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

In 2006-2007, the booklet was available in 12 languages and the video/DVD was available in eight languages.

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

### Through language services

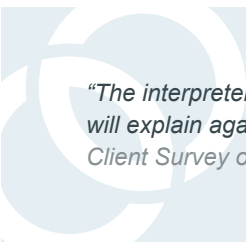
To help ensure that people from diverse language backgrounds have appropriate access to conciliation, a free interpreter service is available to our clients. This is available through the provision of professional interpreter services at conciliation conferences as well as through telephone communications.

Recently, issues regarding the availability and qualifications of interpreters from new and emerging languages have been identified in relation to providing interpreting services to our clients. The ACCS is currently assessing what is required in order to ensure that effective interpreting services are provided to clients from new and emerging language groups, comparable to that provided to clients from major language groups.

### 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.



*"The interpreter was a very good person, she say [sic] that if I don't understand anything she will explain again and again till I understand... very approachable." Source: ACCS 06/07 Client Survey of Workers. See Client Survey section of this report for more information.*



## ACCIDENT COMPENSATION CONCILIATION SERVICE

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### 2006-07 FINANCIAL REPORT

Operating Statement

Balance Sheet

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Statement of Changes in Equity

Notes to and forming part of the Financial Statements:

- 1 Accident Compensation Conciliation Service
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- 3 Operating Costs
- 4 Remuneration of Auditors
- 5 Commitments
- 6 Related Party Disclosures
- 7 Remuneration of Responsible Persons
- 8 Remuneration of Executive Officers

Statement by Senior Conciliation Officer and Chief Finance & Accounting Officer

Auditor-General's Report

## Operating Statement for the year ended 30 June 2007

	Note	2007 \$000s	2006 \$000s
<b>Revenue and Income</b>			
Funding from Victorian WorkCover Authority	2(b)	11,358	11,510
<b>Total revenue and income</b>		<b>11,358</b>	<b>11,510</b>
<b>Expenses</b>			
Operating costs	3	11,358	11,510
<b>Total expenses</b>		<b>11,358</b>	<b>11,510</b>
<b>Net result for the year</b>		<b>—</b>	<b>—</b>

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

## Balance Sheet as at 30 June 2007

	2007 \$000s	2006 \$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.

## Cash Flow Statement for the year ended 30 June 2007

	2007 \$000s	2006 \$000s
<b>Cash Flows From Operating Activities</b>	—	—
<b>Cash Flows From Investing Activities</b>	—	—
<b>Cash Flows From Financing Activities</b>	—	—
<b>NET INCREASE IN CASH HELD</b>	<b>—</b>	<b>—</b>
<b>Cash at the beginning of the financial year</b>	<b>—</b>	<b>—</b>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>—</b>	<b>—</b>

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

## Statement of Changes in Equity for the year ended 30 June 2007

	2007 \$000s	2006 \$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.



## Notes to and forming part of the Financial Statements for the Year Ended 30 June 2007

### 1. ACCIDENT COMPENSATION CONCILIATION SERVICE

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

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

The financial statements were authorised for issue by the Chief Finance and Accounting Officer on 3 September 2007.

#### Basis of preparation

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

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

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

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

#### (a) Cash Flow

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

#### (b) Funding from Victorian WorkCover Authority

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

#### (c) Operating leases

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

#### (d) Comparative information

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

#### (e) Rounding

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

#### (f) Presentation and functional currencies

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

### 3 OPERATING COSTS

	2007 \$000s	2006 \$000s
Staff and related	7,201	7,384
Occupancy and utilities	1,800	1,648
Information technology	1,000	1,016
Asset rental expenses	430	444
Marketing and communication	133	157
Professional services	142	178
Other expenses	652	683
	<b>11,358</b>	<b>11,510</b>

Operating costs include the following:

	2007 \$000s	2006 \$000s
Operating lease rentals		
Premises	1,301	1,187
Motor vehicles	239	208
Office equipment	23	33
	<b>1,563</b>	<b>1,428</b>

Employee benefit expense

- Post employment benefits:

Defined contribution plans	588	721
Defined benefit expense	-	-
	<b>588</b>	<b>721</b>
- Termination benefits	-	-
- Other employee benefits	6,572	6,577
	<b>7,160</b>	<b>7,298</b>

### 4 REMUNERATION OF AUDITORS

Auditor of the entity:

Audit of the financial report - Victorian Auditor-General	6	5
	<b>6</b>	<b>5</b>

### 5 COMMITMENTS

#### Operating Leases

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

	2007 \$000s	2006 \$000s
Due within one year	1,601	1,586
Due later than one year and less than five years	6,751	6,835
Due later than five years	-	1,686
	<b>8,352</b>	<b>10,107</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. Tim Holding, Minister for WorkCover from 1 December 2006; Mr. John Lenders MP, Minister for WorkCover up to 1 December 2006; Mr Tony. McMahon, Senior Conciliation Officer from 1 July 2006 to 2 February 2007; Mr. Greg Enticott, Acting Senior Conciliation Officer from 3 February 2007 to 30 May 2007; and Ms. Susan Cibau, Senior Conciliation Officer from 1 June 2007 to 30 June 2007.

## 7 REMUNERATION OF RESPONSIBLE PERSONS

Income Band	2007	2006
\$10,001 - \$20,000	1	-
\$40,001 - \$50,000	1	-
\$110,001 - \$120,000	1	-
\$160,001 - \$170,000	-	1

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

## 8 REMUNERATION OF EXECUTIVE OFFICERS

	2007 \$000s	2006 \$000s
Total remuneration of all executive officers received or receivable in connection with their employment.	151	111

The number of executive officers of the ACCS, excluding the Senior Conciliation Officer, whose total remuneration exceeded \$100,000 is shown in the table below. Base remuneration is exclusive of bonus, long-service leave and redundancy payments. Total remuneration for 2007 includes performance bonus relating to two years.

Income Band	Base Remuneration		Total Remuneration	
	2007	2006	2007	2006
\$110,001 - \$120,000	1	1	-	1
\$150,001 - \$160,000	-	-	1	-

### Statement by Senior Conciliation Officer and Chief Finance and Accounting Officer

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

We further state that, in our opinion, the information set out in the operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2007 and the financial position of the Accident Compensation Conciliation Service as at 30 June 2007.

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



Susan Cibau  
Senior Conciliation Officer



Mark Sketcher  
Chief Finance and Accounting Officer

Dated at Melbourne this 3rd Day of September 2007

# VAGO

Victorian Auditor-General's Office

## INDEPENDENT AUDIT REPORT

### Accident Compensation Conciliation Service

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

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

This auditor's report for the financial year ended 30 June 2007 relates to the financial report of the Accident Compensation Conciliation Service (the Service) included on its web site. The Senior Conciliation Officer of the Accident Compensation Conciliation Service is responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2007 of the Accident Compensation Conciliation Service which comprises an operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the statement by senior conciliation officer and chief finance and accounting officer has been audited.

#### *The Responsibility of the Senior Conciliation Officer for the Financial Report*

The Senior Conciliation Officer of the Accident Compensation Conciliation Service is responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

#### *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. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance 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 judgment, 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 internal control relevant to the Senior Conciliation Officer'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 Service'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.

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## Independent Audit Report (continued)

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

### *Independence*

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

### *Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of Accident Compensation Conciliation Service as at 30 June 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act* 1994.

MELBOURNE  
3 September 2007

  
D.D.R. Pearson  
Auditor-General

## Disclosure index

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

Legislation	Requirement	Page reference
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### Ministerial Directions

#### Report of Operations

##### *Charter and purpose*

FRD 22B	Manner of establishment and relevant Minister	1, 15, 16
FRD 22B	Objectives, functions, powers and duties	1, 2, 10
FRD 22B	Nature and range of services provided	1, 2

##### *Management and structure*

FRD 22B	Organisational structure	10
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##### *Financial and other information*

FRD 22B	Employment and conduct principles	2, 10
FRD 22B	Summary of the financial results for the year	N/A
FRD 22B	Significant changes in financial position during the year	N/A
FRD 22B	Operational and budgetary objectives and performance against objectives	2, 3
FRD 22B	Major changes or factors affecting performance	N/A
FRD 22B	Subsequent events	N/A
FRD 22B	Application and operation of Freedom of Information Act 1982	21
FRD 22B	Compliance with building and maintenance provisions of Building Act 1993	21
FRD 22B	Statement on National Competition Policy	N/A
FRD 22B	Application and operation of the Whistleblowers Protection Act 2001	21
FRD 22B	Details of consultancies over \$100,000	N/A
FRD 22B	Details of consultancies under \$100,000	N/A
FRD 22B	Statement of availability of other information	21
FRD 22B	Occupational health and safety	11
FRD 10	Disclosure index	20
FRD 25	Victorian Industry Participation Policy disclosures	N/A

#### Financial Statements

##### *Financial statements required under Part 7 of the FMA*

SD 4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	15, 17
SD 4.2(c)	Compliance with Ministerial Directions	16, 17, 21
SD 4.2(d)	Rounding of amounts	15
SD 4.2(c)	Accountable officer's declaration	17
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SD 4.2(b)	Balance Sheet	14
SD 4.2(a)	Statement of Changes in Equity	14
SD 4.2(b)	Cash Flow Statement	14

##### *Other disclosures in notes to the financial statements*

FRD 11	Disclosure of ex-gratia payments	N/A
FRD 21A	Responsible person and executive officer disclosures	16, 17

### Legislation

Freedom of Information Act 1982	21
Building Act 1983	21
Whistleblowers Protection Act 2001	21
Victorian Industry Participation Policy Act 2003	N/A
Financial Management Act 1994	10, 15, 16, 17, 18, 19
Audit Act 1994	18

## Corporate compliance

### Freedom of Information

The Accident Compensation Conciliation Service is subject to the *Freedom of Information Act 1982*. Particulars of the functions and the organisation of the ACCS and the publications and information available are set out on pages 1, 10 and 11 respectively of this Report.

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

### Building Act

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

### Whistleblower Protection

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

### Availability of other information

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