



ACCS

Accident Compensation
Conciliation Service

ANNUAL REPORT 2015/16

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 2015-2016 Annual Report of the Accident Compensation
Conciliation Service in accordance with section 46 of the
Financial Management Act 1994.

Yours sincerely



Anita Kaminski
Acting Senior Conciliation Officer



CERTIFIED
CO₂
NEUTRAL

Summary Report from the Senior Conciliation Officer

I am pleased to report that during 2015/16 the ACCS continued to perform at the highest level as measured by the results of our client satisfaction survey, which is a credit to all involved in delivering our service.

Incoming requests for conciliation were 16120 which is 5% down from 16982 in 2014-2015. Time to disposal has been reduced with 84.2% of all disputes finalised within 90 days compared with 81.2% in 2014-2015. Our resolution rate was steady at 63.4% compared to 62.3% in 2014-2015.

The Annual Client Survey, carried out by an independent research firm, seeks feedback from workers, employers and agents and acts as a 'pulse check' for the ACCS. The survey's overarching metrics in service and value results are the highest ever achieved which is particularly pleasing as we are demonstrating consistent incremental improvements from a very strong base. The ACCS achieved these results within a demanding internal environment.

The successful Early Resolution Program (ERP) is now in its third year and continues to provide early resolution where appropriate to ensure that our statutory objectives are achieved expeditiously.

The ACCS has further reduced time to disposal with 84.2% of disputes being finalised within 90 days.

The ACCS operating budget for 2015-2016 was \$15.565 million compared to \$15.140 million in the prior year. The increase of 2.8% reflects programmed increases in staffing costs and professional services to support reviews, governance and IT.

Other highlights in the past financial year include:

- The ACCS has been awarded a Statement of Accessibility from Vision Australia for creating a website that is accessible to people with a vision impairment. Meeting this standard demonstrates ongoing commitment to providing a fair, economical and accessible service to all Victorians.
- We have also recently been awarded a Custom Bronze electronic badge from Mental Health First Aid Australia which may be displayed on our website and publications. The Mental Health First Aid Skilled Workplaces Initiative recognises and rewards workplaces across Australia that are doing work in increasing mental health literacy by rolling out MHFA .
- Another significant achievement is that the ACCS has won the Australian Business Award for Employer of Choice which recognises organisations which have developed leading workplaces that maximise the full potential of their workforce through practices that demonstrate effective employee recruitment, engagement and retention.
- ACCS engaged Colmar Brunton to consult stakeholders on their expectations on how technology may be used to improve service experience. This is a first step in becoming more citizen centric in the design of future service improvements.

Our professional development program continues to provide relevant and quality training for Conciliation Officers and administration staff in our organisation.

While the details around our future governance structures are still not known we continue to look to the future to position the ACCS as Australia's leading dispute resolution body. We are well into the process of developing a well-articulated strategic plan and IT strategy to guide us over the next 3-5 years.

I wish to acknowledge that our achievements this year are directly related to the work of everyone at the ACCS and I congratulate Conciliation Officers and staff on this result. We work in a highly emotive and challenging environment and so to achieve such excellent results is truly commendable. I also want to acknowledge the significant contribution of Mr Patrick Holt as Senior Conciliation Officer over the last 3 years.

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 Act)*.

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 Act*. 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, WorkSafe 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 Act* 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. Many 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 in 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 Panels, 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.*

	2015/2016	2014/2015
New Requests	16120	16982
Re-opened Matters	2912	2215
Disposals	19183	19980
Cases in Progress	2700	2842

The number of requests for conciliation and re-opened matters decreased by 0.9%. The number of disposals decreased by 4% and there was a decrease in cases in progress of 5%.

* 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 2016 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)	2015/2016		2014/2015	
	No.	%	No.	%
Medical and like expenses	7980	41.9%	7845	40.9%
Payment of weekly payments	976	5.1%	928	4.8%
Rejection of claim	2945	15.5%	2944	15.3%
Terminations at 130 weeks of compensation	1968	10.3%	2234	11.6%
Other terminations	3088	16.2%	3121	16.3%
Permanent impairment	1086	5.7%	1194	6.2%
Other	989	5.2%	931	4.8%
Total	19032	100	19197	100

There has been a decrease of 0.9% 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 worker receiving the decision they wish to contest. In the past year 2114 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, 2701 requests were referred to the Senior Conciliation Officer for review and in that period 426 matters were not lodged for conciliation. In 2014-2015, 2883 requests were referred to the Senior Conciliation Officer and 371 were not lodged for conciliation.

Outcomes

Outcomes	2015/2016			2014/2015		
	No.	% of total completed	% of outcomes	No.	% of total completed	% of outcomes
Resolved by agreement – no variation to original decision	827	5.0	4.3	746	4.3	3.7
Resolved by agreement – variation to original decision	6098	36.9	31.8	6251	35.8	31.3
Resolved by agreement to a recommendation	2699	16.3	14.1	2804	16.1	14.0
Withdrawn	826	5.0	4.3	1021	5.8	5.1
Direction	45	0.3	0.2	59	0.3	0.3
Resolved Subtotal	10495	63.4	54.7	10881	62.3	54.5
Unresolved	6050	36.6	31.5	6585	37.7	33.0
Total Completed	16545	100.00	86.2	17466	100.0	87.4
Not Proceeding *	2614		13.6	2478		12.4
No Jurisdiction	24		0.1	36		0.2
Total	19183		100	19980		100.0

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

The overall resolution rate was 63.4% compared with 62.3% last year.

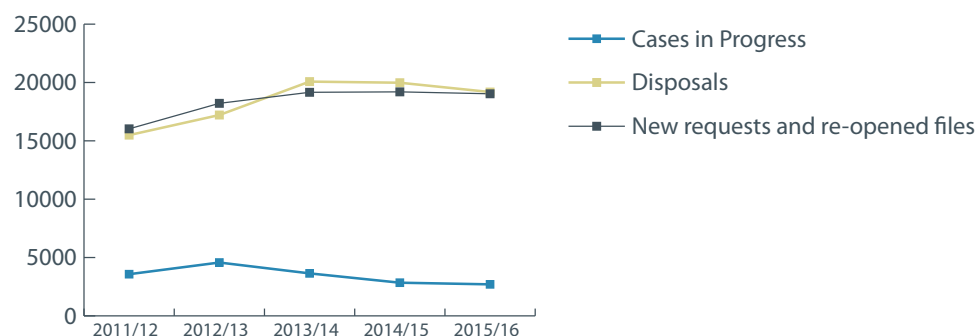
The number of matters which can be resolved at conciliation will be affected by various factors outside the control of the ACCS, e.g. the quality of decisions of WorkSafe agents and self-insurers, the attitudes of the parties to court proceedings and other disputes the claimant may have before the courts.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

*The conciliator has been good, fair and reasonable.
Source: ACCS Client Survey 2015/2016*

*I was very surprised at how calm, up front, clear and professional it was. The meeting was facilitated so well and professionally, it struck me and reminded me of how meetings, especially of this nature can and should be run at critical times in people's lives.
Source: Email from a worker to a Conciliation Officer*

Five year trend

The graph below shows a slight reduction in numbers over the past two years.



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, 45.5% of disputes were disposed of without the need for a conference in 2015-2016. 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, 84.2% of all disputes were concluded in 90 days or less, which is an improvement over the previous year where 81.2% of all matters were concluded in 90 days or less.

Time to disposal	2015/2016		2014/2015	
	No	%	No	%
28 days or less	5644	29.4	4928	24.7
Between 29 & 60 days	7105	37.0	7950	39.8
Between 61 & 90 days	3408	17.8	3344	16.7
Over 90 days	3026	15.8	3758	18.8
Total	19183	100.0	19980	100.0

Conciliation Officers referred 1390 matters to the Medical Panel in 2015-2016 (1630 in 2014-2015). Matters referred the Medical Panel are suspended from the day that they are referred to the Medical Panel and reopened once the Opinion is received, this period is not counted as active time at conciliation. The average number of days from the Medical Panel being convened to opinion being released was 37 days for referrals under the *Accident Compensation Act 1985* and 48 days for referrals under *WorkPlace Injury Rehabilitation and Compensation Act 2013*.

I can't thank you enough for your due diligence and follow up. You have really helped me through this period.

Source: Email from a worker to a Conciliation Officer

Early Resolution Project

The Early Resolution Project (ERP) continues to deal with disputes that appear to be easily resolved without the need for a conciliation conference to be held. During 2015/2016 a total of 1376 files were disposed in ERP. A further 1079 files that had been referred to ERP where subsequently listed for conference.

Requests for medical reports

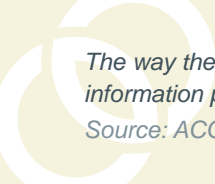
In the past year, pursuant to Section 289 of the *Workplace Injury Rehabilitation and Compensation Act 2013*, the ACCS requested 1567 medical reports and received 1073.

Regional disputes

While the majority of disputes originate within the Melbourne metropolitan region, 23% of disputes dealt with over 2015-2016 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.

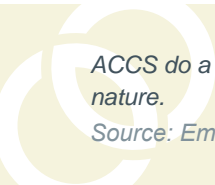
The ACCS holds conferences in the following regions:

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



The way they explain the steps so everyone is on the same page. They go through information prior and are quite reasonable.

Source: ACCS Client Survey 2015/2016

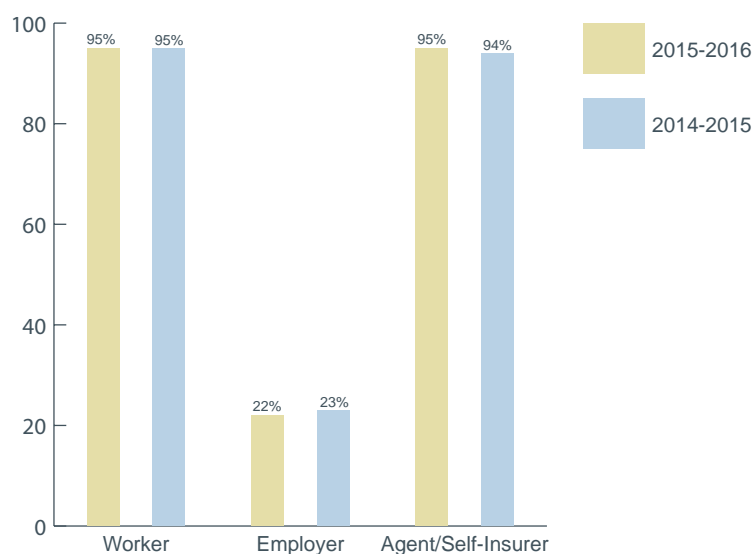


ACCS do a wonderful job and I cannot thank you enough for your calm and approachable nature.

Source: Email from a worker to a Conciliation Officer

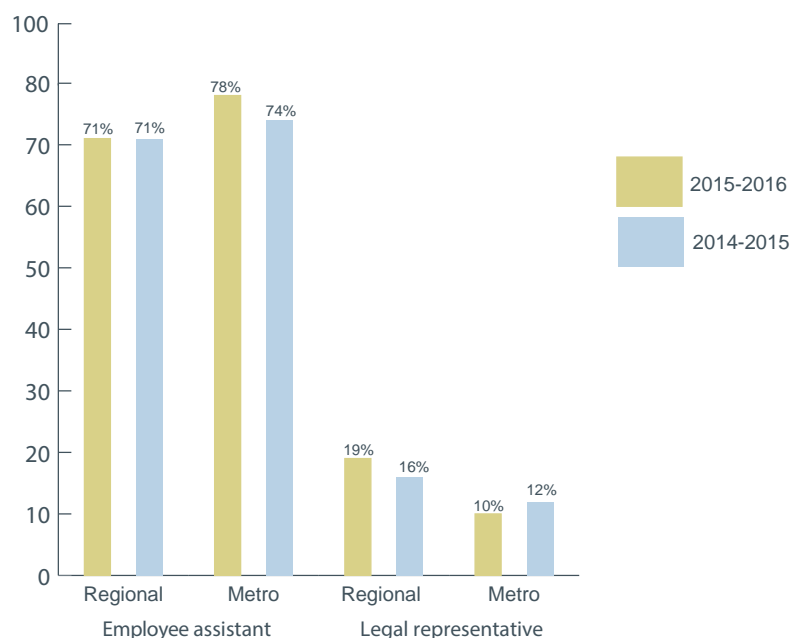
Attendance at conferences

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

A review of the ACCS governance structure was undertaken by the government in late 2015. To date the outcome of the review and how this may impact on our future governance structures are not known.

Nevertheless we continue to look to the future to position the ACCS as Australia's leading dispute resolution body. We are well into the process of developing a well-articulated strategic plan and IT strategy to guide us over the next 3-5 years and bringing all our operations into line with the State Government's current focus on ensuring access to justice for vulnerable Victorians.

Underpinning any strategic plans for the ACCS is that we continue to:

- deliver consistent, fair and cost effective conciliations
- foster a corporate culture that is engaged, collaborative, service focused and professional
- maintain close and professional relations with ACCS stakeholders
- minimise costs of disputation in the compensation system for the Victorians

Training for stakeholders and other presentations

ACCS conducted a number of Workers Information Nights and one Employer Information Night. These sessions are designed to assist stakeholders to better understand the conciliation process and how to prepare for conciliation conference. In short surveys conducted after the Workers Information Nights participants provided positive feedback and noted that these sessions helped them to gain more knowledge regarding the role of Conciliation Officers and other parties involved in the conciliation process.

The ACCS provides information sessions and presentations to stakeholders and interested groups. The following presentations were delivered in 2015-2016:

Conciliation Officer	Organisation/Presentation
Kevin O'Neill	<ul style="list-style-type: none">• Conciliation training for EML• Lecture on Conciliation to Undergraduate Law Students
David Bryson	<ul style="list-style-type: none">• Conciliation and ADR, Monash University. Presentations to Law students
Sharon Brennan	<ul style="list-style-type: none">• Conciliation training sessions at CGU and Xchanging
Greg Enticott	<ul style="list-style-type: none">• CGU Case manager training session• CIV training programme Personal Injury Management (Claims Management)
Pamela Michie	<ul style="list-style-type: none">• LIV ACCS Liaison Committee

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 2015-2016, the ACCS registered 32 complaints. These were generally complaints about individual matters. No systemic problems were identified.

Compliments are regularly received following a conference.

Regular meetings with key stakeholders

- ACCS Users' Group
- Employer groups
- Victorian WorkCover Authority
- 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.

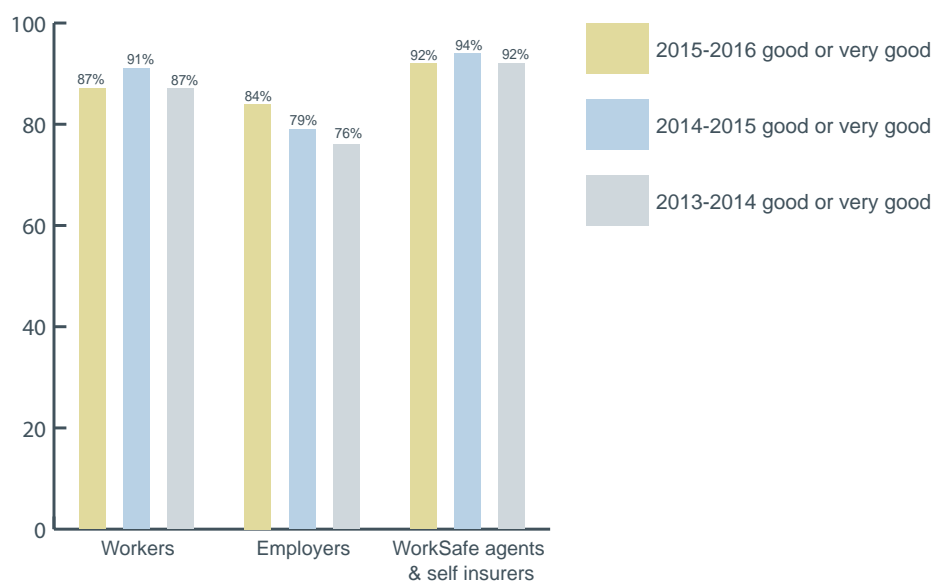
This has proved a useful tool to help monitor and improve our performance in service delivery to clients.

In 2015-2016 the survey obtained feedback from 203 employees, 200 employers and 50 WorkSafe Agents/Self-Insurers. The research was conducted employing programed questionnaires using Computer Assisted Telephone Interviewing (CATI) scripting software.

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?"

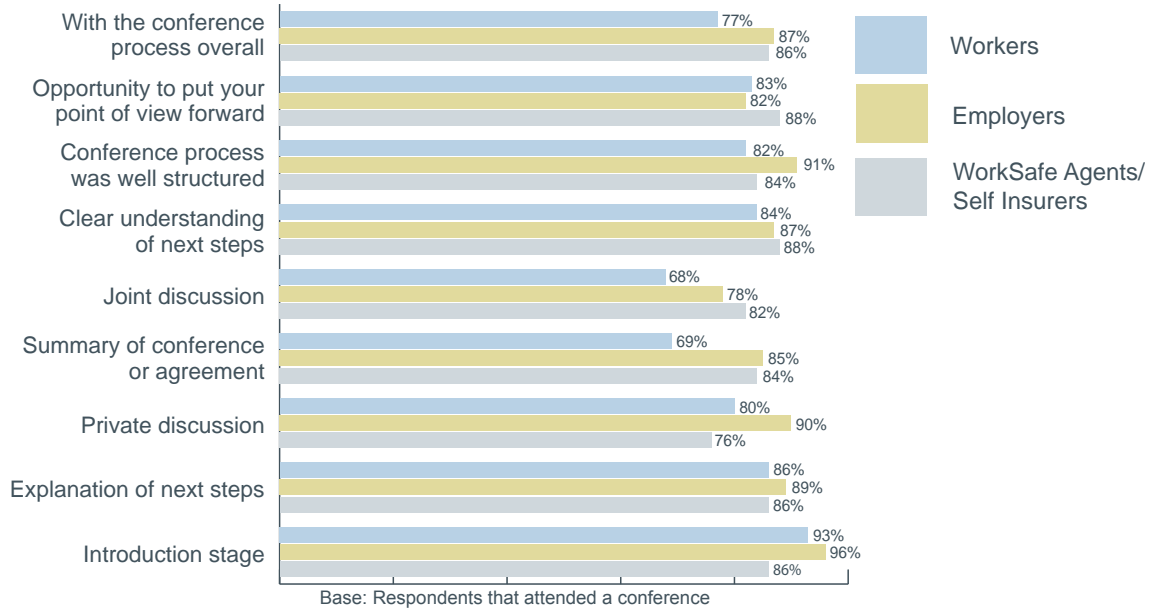
The percentage of each group rating the service as "good" or "very good" were:



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: 88% of Workers (89% in 2014-2015 and 84% in 2013-2014), 92% of Employers (84% in 2014-2015 and 84% in 2013-2014) and 96% of WorkSafe Agents/Self-Insurers (94% in 2014-2015 and 86% in 2013-2014).

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.

I just wanted to write and express my gratitude and appreciation for the stellar way that you have handled my father's conciliation. Thank you so much for being a consummate professional in every way.

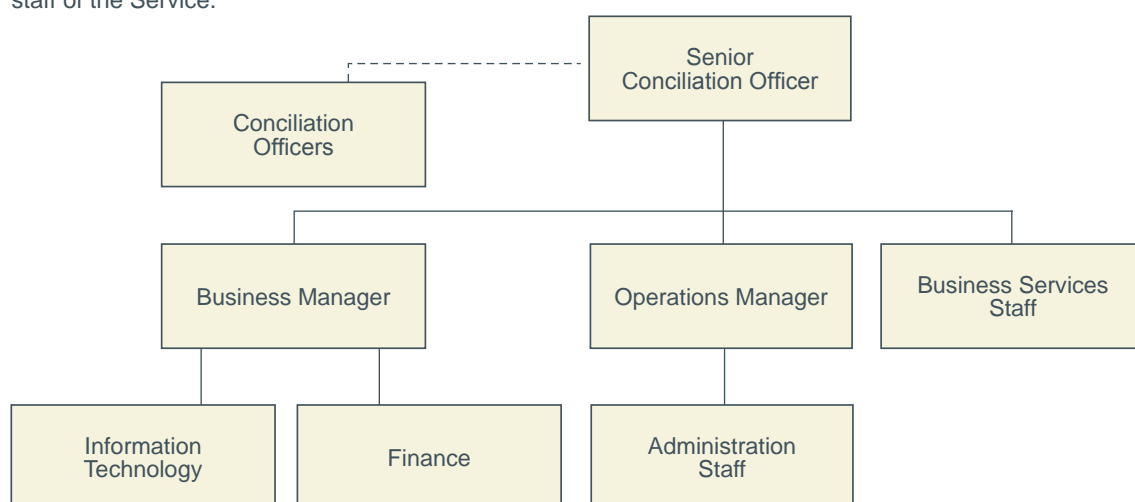
Source: Email received from the Worker's daughter

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	2015/2016			2014/2015		
	Male	Female	Total	Male	Female	Total
Conciliation Officer	13	23	36	15	26	41
Administrative staff	13	33	46	14	35	49
Total	26	56	82	29	61	90
Position	2015/2016			2014/2015		
	Full time	Part time	FTE*	Full time	Part time	FTE*
Conciliation Officer	22	14	31.6	28	13	36.6
Administrative staff	41	5	43.8	43	6	46.6
Total	63	19	75.4	71	19	83.2

*Full time equivalent

Would just like to thank you again for your time and all the information you were able to provide us with. You were so helpful and it was much appreciated.

Source: Email from a worker to a Conciliation Officer

Developing our staff

The ACCS continues to seek opportunities for administration staff and Conciliation Officers to enhance their skills and to share their expertise with their peers.

Conciliation Officers have attended key industry workshops and conferences, as well as continuing to benefit from our Professional Development program. This program run internally at the ACCS concentrates on the unique challenges of Statutory Conciliation, workers' compensation and other professional and technical skills. Sessions have also included industry panels to spotlight experiences of the various stakeholders in the scheme.

The ACCS has been awarded a 2016 Employer of Choice award from the Australian Business Awards for practices that demonstrate effective employee recruitment, engagement and retention.

Administration staff have attended custom sessions on clarity in business writing and communication, stress management and workplace health and have opportunities to enhance their knowledge of the workers' compensation scheme and relevant legislation with on-demand e-learning. Selected staff have also attended courses and seminars in developing leadership and management skills.

In 2015-2016, approximately 245 days were invested in professional development and training activities.

Health and safety

The health, safety and wellbeing of both staff and visitors continues to be a priority for the ACCS. We seek to proactively identify and manage any potential hazards or stressors in the workplace and work to mitigate risks by upskilling and safe work systems.

Approximately 88 days were dedicated to OHS training in 2015-2016.

During 2015-2016, there are 22 reported incidents for the year per 100 full-time equivalent staff members and 'lost time' standard claims for the year per 100 full-time equivalent staff members is 2. The average cost per claim for the year is \$1,633. There has been no occurrence of any fatality during 2015-2016.

Publications and information

The ACCS continues to work to make information available in effective formats for the public. All publications are available free of charge either online on our website at www.conciliation.vic.gov.au, or by contacting the ACCS.

In 2016, the ACCS was awarded a Statement of Accessibility recognising our website meeting the Web Content Accessibility Guidelines 2.0 Level AA rating as set by the World Wide Web Consortium's Web Accessibility Initiative. These standards ensure information is more easily accessible to people with low vision, mobility challenges or who rely on assistive technologies for web browsing.

We have maintained currency of information about the ACCS in sector publications, such as the Everyday Law website, Fitzroy Legal Service's Law Handbook and referral material held by the Victoria Law Foundation.

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 Protected Disclosures 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 2015-2016, 10.8% 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 2015-2016 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 2015-2016, 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.

Information and Communication Technology Expenditure

Details of Information and Communication Technology (ICT) expenditure for the 2015-16 reporting period, ACCS had a total ICT expenditure of \$1,749,841 with the details shown below.

Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure (Total = Operational expenditure and Capital Expenditure)	Operational expenditure	Capital expenditure
\$1,722,893	\$26,948	\$26,948	-

I would like to thank you for the way that you conducted the conciliation a few weeks ago. As you know it was a very stressful thing for me to do, however, your professional approach allowed me to stay calm and speak up for myself.

Source: Email from a worker to a Conciliation Officer

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

Consultant	Purpose of consultancy	Start date	End date	Total approved project Fee (excl. GST)	Expenditure 2015-16 (excl. GST)	Expenditure 2014-15 (excl. GST)	Expenditure 2016-17 (excl. GST)
ERNST & YOUNG	Service Review Diagnostic	6/26/15	8/7/15	\$43,500	\$22,562	\$21,250	nil
ANNE ELIZABETH DALY	Cost Benefit Analysis of the ACCS	1/1/16	6/30/16	\$10,000	\$10,000	nil	nil
GREGORY KEVEN BARRETT	Cost Benefit Analysis of the ACCS	1/1/16	6/30/16	\$10,000	\$10,000	nil	nil
RHIAN WILLIAMS	Cost Benefit Analysis of the ACCS	1/1/16	6/30/16	\$10,000	\$10,000	nil	nil
KPMG	Change Management & Communication Strategy	4/1/16	6/30/16	\$28,668	\$28,668	nil	nil
PITCHER PARTNERS	IT Strategic Review	6/1/16	9/30/16	\$39,100	\$26,948	nil	\$12,152
RISK LOGIC	Business Continuity Planning Services	1/14/16	9/30/16	\$28,250	\$21,187	nil	\$7,062

*excluding GST

In 2015-16, the Accident Compensation Conciliation Service engaged 6 consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$26,153 (excl. GST).

Risk Management

Compliance with the Victorian Government Risk Management Framework

I, Anita Kaminski, am the Acting 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.



Anita Kaminski
Acting Senior Conciliation Officer
Accident Compensation Conciliation Service

Date signed: 27 June 2016

ACCIDENT COMPENSATION CONCILIATION SERVICE

2015-16 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
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- 6 Related Party Disclosures
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Statement by Acting Senior Conciliation Officer and Business Manager

Auditor-General's Report

Comprehensive Operating Statement for the Year Ended 30 June 2016

	Note	2016 \$000s	2015
Revenue			
Funding from WorkSafe Victoria	2(b)	15,565	15,140
TOTAL REVENUE AND INCOME		15,565	15,140
Expenses			
Operating costs	3	(15,565)	(15,140)
TOTAL EXPENSES		(15,565)	(15,140)
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 2016

	2016 \$000s	2015 \$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 2016

	2016 \$000s	2015 \$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 2016

	2016 \$000s	2015 \$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 2016

1. ACCIDENT COMPENSATION CONCILIATION SERVICE

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

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*, which became operational on 1 July 2014.

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 Acting Senior Conciliation Officer on 15 August 2016.

Basis of accounting preparation and measurement

The financial statements cover the ACCS as an individual reporting entity. The ACCS is a body corporate 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
16	Leases	1 January 2019

These standards are not effective for the reporting period ended 30 June 2016 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 key changes introduced by AASB 16 include the recognition of most operating leases on balance sheet. 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 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.

(h) Events after the reporting period

Income or expenses arise from past transactions or other past events. Where the transaction result from an agreement between the ACCS and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

3 OPERATING COSTS

	2016	2015
	\$000s	\$000s
Staff and related	10,472	10,193
Occupancy and utilities	2,120	2,144
Asset rental expenses	701	653
Information technology	1,130	1,109
Marketing and communication	88	77
Professional services	378	326
Other expenses	676	638
	15,565	15,140

Operating costs include the following:

Operating lease rentals		
Premises	1,132	1,131
Motor vehicles	118	135
Office equipment	41	41
	1,291	1,307

Employee benefit expense		
- Salaries and other employee benefits	9,445	9,189
- Post employment benefits (i)		
Defined contribution plans	788	857
Defined benefit plans	37	36
	10,270	10,082

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

4 REMUNERATION OF AUDITORS

	2016	2015
	\$000s	\$000s
Auditor of the entity:		
Audit of the financial report - Victorian Auditor-General's Office	14	14
	14	14

5 COMMITMENTS

Operating Leases

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

	2016	2015
	\$000s	\$000s
Due within one year	1,889	2,108
Due later than one year and less than five years	79	1,999
	1,968	4,107

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 and the Senior Conciliation Officers:

- Ms Anita Kaminski (appointed as Acting Senior Conciliation Officer on 12 April 2016)
- Mr Patrick Holt (ceased as Senior Conciliation Officer on 31 May 2016)

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

7 REMUNERATION OF RESPONSIBLE PERSONS

	2016	2015
	\$000s	\$000s
Total remuneration of all responsible persons received or receivable in connection with their employment ⁽ⁱ⁾	282	225

The number of responsible persons of the ACCS whose remuneration falls within the following income bands was:

Income Band \$	2016	2015
40,000 - 49,999	1	-
220,000 - 229,999	-	1
230,000 - 239,999	1	-

Note:

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

Amounts relating to ministers are reported in the financial statements of the Department of Premier and Cabinet. For information regarding related party transactions of ministers, the register of members' interests is publicly available from: www.parliament.vic.gov.au/publications/register-of-interests.

8 REMUNERATION OF EXECUTIVE OFFICERS

	2016	2015
	\$000s	\$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.

10 EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affect the operations of the ACCS, the results of those operations, or the state of affairs of the ACCS in future financial years.

Statement by Acting 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 2016 and the financial position of the Accident Compensation Conciliation Service as at 30 June 2016.

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 15 August 2016.



Anita Kaminski
Acting Senior Conciliation Officer



Maurice Cruz
Business Manager

Dated at Melbourne this 15th Day of August 2016



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INDEPENDENT AUDITOR'S REPORT

To the Senior Conciliation Officer, Accident Compensation Conciliation Service

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 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 acting senior conciliation officer and business manager.

The Senior Conciliation Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Auditing in the Public Interest

Independent Auditor's Report (continued)


Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my 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 2016 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
16 August 2016


Dr Peter Frost
Acting Auditor-General

Compliance Index To Disclosure Requirements 2015/2016

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
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22G	Manner of establishment and the relevant Ministers	2,18,21
FRD 22G	Purpose, functions, powers and duties	2,3,12
FRD 22G	Initiatives and key achievements	1,9
FRD 22G	Nature and range of services provided	2,3
Management and structure		
FRD 22G	Organisational structure	12
Financial and other information		
FRD 22G	Statement of workforce data and merit and equity	12
FRD 22G	Summary of the financial results for the year	1
FRD 22G	Significant changes in financial position during the year	17
FRD 22G	Operational and budgetary objectives and performance against objectives	N/A
FRD 22G	Major changes or factors affecting performance	1
FRD 22G	Subsequent events	19,20
FRD 22G	Details of consultancies over \$10 000	15
FRD 22G	Details of consultancies under \$10 000	15
FRD 22G	Disclosure of ICT expenditure	14
FRD 22G	Application and operation of <i>Freedom of Information Act 1982</i>	25
FRD 22G	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	25
FRD 22G	Application and operation of the <i>Protected Disclosure Act 2012</i>	25
FRD 22G	Application and operation of the <i>Carers Recognition Act 2012</i>	25
FRD 22F	Application and operation of the <i>Privacy and Data Protection Act 2014</i>	25
FRD 22F	Statement of availability of other information	25
FRD 22F	Occupational health and safety policy	13
FRD 22F	Employment and conduct principles	12,13
FRD 10	Disclosure index	24
SD 4.5.5	Risk management compliance attestation	15
SD 4.2(g)	Specific information requirements	21
SD 4.2(j)	Sign-off requirements	21
Financial Report		
Financial statements required under Part 7 of the FMA		
SD 4.2(b)	Operating statement	17
SD 4.2(b)	Balance sheet	17
SD 4.2(a)	Statement of changes in equity	17
SD 4.2(b)	Cash flow statement	17
SD 4.2(b)	Notes to the financial statements	18-20
Other requirements under Standing Directions 4.2		
SD 4.2(a)	Compliance with Australian Accounting Standards and other authoritative pronouncements	18-21
SD 4.2(c)	Compliance with Ministerial Directions	21
SD 4.2(c)	Accountable officer's declaration	21
SD 4.2(d)	Rounding of amounts	19
Other disclosures as required by FRDs in notes to the financial statements		
FRD 21B	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	20
FRD 110	Cash flow statement	17
FRD 112D	Defined benefit superannuation obligations	19
FRD 120I	Accounting and reporting pronouncements applicable to the 2015-16 reporting period	18
Legislation		
<i>Freedom of Information Act 1982</i>		25
<i>Building Act 1993</i>		25
<i>Protected Disclosure Act 2012</i>		25
<i>Carers Recognition Act 2012</i>		25
<i>Financial Management Act 1994</i>		21
<i>Privacy and Data Protection Act 2014</i>		25

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 2015-16, ACCS did not receive any valid FOI requests and 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. ACCS 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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