

# Accident Compensation Conciliation Service

## Annual Report 2018-19

This is an interactive PDF with navigation buttons at the bottom of each page which advance through the document and link to the contents page.

# DECLARATION BY THE CHAIR OF THE RESPONSIBLE BODY

The Hon. Jill Hennessy MP  
Attorney General and Minister for Workplace Safety

Level 26  
121 Exhibition Street  
MELBOURNE VIC 3000

Dear Minister

In accordance with the *Financial Management Act 1994*,  
I am pleased to present the Accident Compensation  
Conciliation Service Annual Report for the year ending  
30 June 2019.

Yours sincerely



Meriel O'Sullivan  
Board Chair

14 August 2019



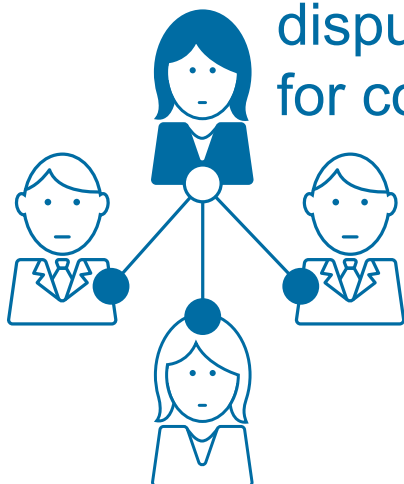
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# 2018-19 HIGHLIGHTS

12,482

disputes referred  
for conciliation



7,471

disputes resolved

62%

resolution rate  
with authorised  
agents



58%

resolution  
rate with  
self-insurers

24,747

visits to our website





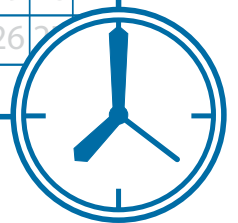
1,548

matters referred to  
Medical Panels

633

files resolved by Early  
Resolution Project  
within 14 days

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

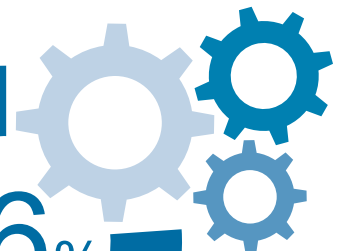


Satisfaction with  
Conciliation  
Officers work

87%

Satisfaction rates with  
conciliation process

76%



# CHAIR AND CEO REPORT



MERIEL O'SULLIVAN



AGATA JARBIN

ACCS commenced the 2019 financial year with the appointment of Agata Jarbin as the Chief Executive Officer and Senior Conciliation Officer. In conjunction with a new and dynamic leadership team, Agata led the development of the 3-year Strategic Plan for FY2020 – FY2022, which focuses on service excellence in alternative dispute resolution for workplace injuries.

The key focus over the past 12 months has been on working with staff to develop a shared understanding of our three strategic pillars: Deliver excellence in conciliation services; Build culture, capability and governance; and Support and influence the system. We have worked with employees to revisit our vision, purpose and values and develop our strategic plan. The employee insights and contributions have been invaluable and reflect the unfaltering passion and commitment of employees to the provision of timely, fair and cost-effective conciliation services.

We are committed to enhancing our culture, capability and governance, and will continue to work together to identify opportunities to optimise our service and processes. As part of our commitment to excellence in conciliation, we have initiated the User Experience Project to work with employees and users of the service to review our processes from end-to-end. Where needed, we will design new ways of working to provide improvements and enhance satisfaction.

We are working to set up ACCS for the future, not just for today. We are excited about the next 12 months. With the first part of the User Experience Project due for completion shortly, there is much opportunity to make a difference for the users of our system, our employees and our stakeholders as we commence implementation of the recommendations of the Project. We will also be trialling a restorative engagement option that assists parties to a dispute to develop a shared understanding of complex matters beyond worker entitlements, to support more lasting and effective resolutions.

Over the 2019-2020 financial year, we will continue our focus on culture, capability and governance, ensuring that we build on the foundations put in place this year. We will prioritise our key focus areas, implementing initiatives to enhance our culture and improve organisational performance.

We will also work with employees to provide the skills and knowledge required to underpin our success as a learning organisation.

In closing, we would like to acknowledge our recent transition to the portfolio of the Attorney-General and the Minister for Workplace Safety and we look forward to a close working relationship with the Department of Justice and Community Safety. We would also like to thank everyone who has supported ACCS over the past 12 months. In particular, special thanks to Julie Ligeti who has been on the Board from its commencement as a Statutory Authority, providing vision and passion to ACCS and ensuring our focus of delivering excellence to the Victorian community. We thank the Board and the leadership team for their energy and collaboration, working to develop an organisational strategy that will deliver service excellence in alternative dispute resolution. We also thank Anita Kaminski for her contribution as Senior Conciliation Officer, and Alyssa Duffy and Kate Spillane who both fulfilled the role of Acting Senior Conciliation Officer prior to Agata commencing.

Finally, and most importantly, we thank our employees. We are grateful for their passion, expertise and ongoing commitment to strengthen the quality of conciliation services, which continues to inspire us all.

**Meriel O'Sullivan**  
Board Chair

**Agata Jarbin**  
Chief Executive Officer & Senior Conciliation Officer

# ABOUT ACCS

ACCS is an independent statutory authority that came into effect on 11 October 2017 after the Victorian Government introduced legislative amendments to the *Workplace Injury Rehabilitation and Compensation Act 2013* (WIRC Act). A key driver for the change was to cement the independence of ACCS through the establishment of an independent Board of Directors and explicitly allowing ACCS to engage its own staff, including conciliation officers as employees. ACCS was previously an independent body corporate under the *Accident Compensation Act 1985* (AC Act) and the WIRC Act. ACCS is a key part of the Victorian workers compensation scheme, providing conciliation services, at no cost to injured workers, to assist the parties to resolve disputes.

Conciliation facilitates the resolution of disputes by involving all parties in an informal, non-adversarial process to pursue an agreement that is mutually acceptable. ACCS operates independently of WorkSafe Victoria, WorkSafe agents, self-insurers, workers, employers, solicitors and unions.

The functions of ACCS are to provide independent conciliation services for the purposes of the WIRC Act and the AC Act, and to ensure that conciliations are conducted by ACCS in an expeditious and consistent manner.

Up to 28 November 2018 ACCS reported to the Minister for Finance. Following a machinery of Government change leading to a shift in portfolio functions and responsibilities on 29 November 2018, ACCS's responsible Minister is the Attorney General and Minister for Workplace Safety.

The Ministerial Guidelines under the AC Act and the WIRC Act include statements that the purpose of conciliation is to:

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Assist the parties to achieve durable resolutions and agreements wherever possible;

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Be even handed and fair, and address matters on their merits;

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Maximise flexibility and informality;

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Facilitate early return to work opportunities;

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Enhance ongoing worker/employer employment relationships;

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Be prompt and timely in the conduct of conciliation processes and in dealings with the parties; and

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Reduce cost implications for the parties and the scheme and ensure that matters do not unnecessarily proceed to the courts.

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ACCS is committed to the conciliation of disputes in an economical and prompt manner. While most matters are dealt with at a conference, early intervention by ACCS assists parties to address the matters in dispute.

## How conciliation works

Requests for conciliation are usually lodged with ACCS by workers in relation to disputes with their employers, WorkSafe agents or self-insurers.

Disputes dealt with by ACCS typically involve issues such as:

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Claims that are rejected;

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Claims in which weekly payments are reduced, altered or terminated;

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Lump sum compensation;

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Payment of medical and like expenses; and

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Return to work and rehabilitation matters.

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ACCS offers a non-adversarial environment that brings together all parties to a workplace compensation dispute to try to achieve a resolution. Conciliation assists those parties to:

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Identify the issues relevant to the dispute;

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Develop potential resolution options;

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Consider alternatives and consequences; and

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Endeavour to reach an agreement.

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Each matter is assigned to a Conciliation Officer who acts as an independent third party in the dispute. In around half of the 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.

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 assist with 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 to make recommendations to the parties, refer medical questions to the Medical Panel, or issue an Outcome Certificate allowing the parties to proceed to court. In limited circumstances, Conciliation Officers also have the power to make a direction.

As well as having powers and responsibilities under the WIRC Act 2013, Conciliation Officers work under Ministerial Guidelines and a Code of Conduct and Protocols developed by ACCS and approved by the Minister for Finance.

## Our Purpose

Achieving fair outcomes for workers' compensation disputes in a respectful and inclusive manner to enhance the social and economic welfare of people impacted by workplace injuries.

## Our Vision

Delivering service excellence in alternate dispute resolution for workplace injuries.

## Our Values

We are guided by an ethos of service to the community and are committed to applying Public Sector Values as outlined in the *Public Administration Act 2004*, and associated codes of conduct. We also uphold the values in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Given the role of ACCS within the Victorian workers compensation system, the following values are highlighted:

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**INTEGRITY** – being honest, open and transparent; striving to earn and sustain trust by doing what you say you will.

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**IMPARTIALITY** – making decisions on merit without bias; ensuring independence, understanding and respect; acting fairly by objectively considering all relevant facts.

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**ACCOUNTABILITY** – accepting responsibility for decisions and actions; delivering on commitments; working to clear objectives in a transparent manner.

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**RESPECT** – treating others as you wish to be treated; and ensuring freedom from discrimination, harassment and bullying.

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## Reporting progress on achieving objectives

To prepare ACCS for a 3-year Strategic Plan, three broad Strategic Pillars were developed which define how our strategic objectives will be achieved. Financial Year 2019 focused on connecting with employees to create a shared understanding of the strategy in preparation for Financial Year 2020 and beyond. The implementation plan was broken into four financial years, with initiatives for Financial Year 2019 focussed on the Building Culture, Capability and Governance, and Deliver Excellence in Conciliation Services. Each year acts as a building block to deliver improved organisational performance and a better workplace injury system.

The strategic plan for Financial Year 2019 focused on the following:

### **Deliver Excellence in Conciliation Services**

As part of our commitment at ACCS to deliver excellence in conciliation services we have commenced reviewing our end to end service offering and processes and, where appropriate, designing new ways of working. This project uses a human-centred design methodology to develop an effective service model, organisation methods.

We have also created a professional development framework that continues to build on the required skills and knowledge for success in the Conciliation Officer role, assisting in the underpinning of our success as a learning organisation.

### **Build Culture, Capability and Governance**

We worked closely with our employees to facilitate a conversation around our strategy for now and the future to ensure an understanding of and commitment to our vision and to gain input into and refinement our strategy.

We have begun to develop best practice policies, procedures and training to protect the mental and physical health and wellbeing of our employees, as well as adhere to our OHS obligations. We are implementing initiatives to make ACCS a healthier place to work.

We conducted an Organisational Culture Inventory® (OCI). The OCI provides employees with the opportunity to identify the ideal organisational culture (i.e. the shared values, norms and expectations that govern the way people approach their work and interact with each other) and to tell us how we are performing currently with regard to our organisational culture and effectiveness. We will then work together to close the gap, making ACCS a better place to work, and in turn improving the user experience.

In conjunction with employees, a 3-Year Strategic Plan Financial Years 2020 to 2022, has been developed that continues to focus on the three Strategic Pillars; Deliver Excellence in Conciliation Services, Build Culture, Capability and Governance, and Support and Influence the System.

**Deliver Excellence in Conciliation Services**, places users at the centre of all that we do through the delivery of best-practice dispute resolution. The initiatives that we plan to implement include: optimising our processes from the perspective of users, providing a digital user experience, reviewing the conciliation model considering best practice, and identifying and trialling Alternative Dispute Resolution models for conciliation services.

**Build Culture, Capability and Governance**, supports employee wellbeing and development with adaptive leadership and good governance. The initiatives that we plan to implement include: engaging and developing our people, enhancing our people and culture framework, developing a stronger workplace culture, producing sound financial and business management, and implementing a robust governance framework.

**Support and Influence the System**, develops an innovative service that drives collaboration and outcome improvement. The initiatives that we plan to implement include: engaging with stakeholders, and improving the WorkCover System.

Deliver  
Excellence in  
Conciliation Services.

Build Culture,  
Capability and  
Governance.

# PERFORMANCE 2018-19

## Overview

The work of ACCS consists of new requests for conciliation and reopened matters. Disposals are those matters finalised by ACCS (as detailed in the Outcomes table). Cases in progress include matters that are awaiting finalisation, those that have been scheduled for conference and those that have been recently received.

New requests over the 2018-19 financial year were 6.3% lower than in 2017-18. Reopened matters during 2018-19 were 55% lower than the previous year. The number of reopened cases can fluctuate significantly depending upon circumstances of cases. Disposals were lower by 2.8% and cases in progress (based on a snapshot at a point in time) have increased by 5.7%, with both reflecting the increased complexity of cases.

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 and review their own claim in light of the conciliation process. Matters that are unresolved at conciliation may proceed to litigation but can still settle prior to any hearing. ACCS plans to work with stakeholders to focus on unresolved matters that settle prior to litigation with a view to improving resolution rates at conciliation.

The following tables demonstrate how ACCS continues to be effective in assisting parties to resolve disputes.

	2017-2018	2018-2019
<b>New Requests</b>	13,316	12,482
<b>Re-opened Matters<sup>1</sup></b>	589	265
<b>Disposals</b>	14,831	14,357
<b>Cases in Progress</b>	2,702	2,857

<sup>1</sup> Reopened matters do not include files suspended while awaiting a Medical Panel outcome.

## Client satisfaction

The results of the Client Satisfaction Survey 2018-19 show client satisfaction with our services remain high and the quality work of Conciliation Officers is well regarded.

Overall satisfaction with ACCS' services dropped in 2018-19. Perceived value of conciliation is 82% compared to 89% in 2017-18, while satisfaction is at 76% compared to 81% in 2017-18. The reduction is largely attributed to the short-term impact of once-off organisation and staffing changes that occurred in early 2018-19. A range of initiatives, including the restorative engagement project and user experience project are being implemented in 2019-20 to continue to improve our service and address feedback regarding customer satisfaction.

Overall, 73% of all clients were satisfied with the conference (73% 2017-18). The areas of greatest satisfaction were being given time to prepare (95% satisfied or very satisfied), scheduled a conference at the time it suited clients (86%) and being well structured (85%).

Most clients were satisfied overall with the Conciliation Officers during the conference (87%). They felt most positively toward the way they explained their role, their politeness and professionalism, and how organised and prepared they were.

## Summary of new lodgements

	2017-2018		2018-2019	
Medical and like expenses	5,166	38.8%	4,734	37.9%
Payment of weekly payments <sup>2</sup>	862	6.5%	806	6.5%
Rejection of claim	2,495	18.7%	2,624	21.0%
Terminations at 130 weeks of compensation	1,393	10.5%	1,373	11.0%
Other Terminations <sup>3</sup>	1,895	14.2%	1,594	12.8%
Permanent impairment	807	6.1%	687	5.5%
Other <sup>4</sup>	698	5.2%	664	5.3%
<b>Total</b>	<b>13,316</b>	<b>100%</b>	<b>12,482</b>	<b>100%</b>

The nature of disputes as a percentage of total disputes has remained largely constant across the two periods.

## Outcomes

	2017-2018			2018-2019		
	No.	% of total completed	% of outcomes	No.	% of outcomes	% of outcomes
Resolved by agreement – no variation to original decision	618	4.8%	4.2%	817	6.8%	5.7%
Resolved by agreement – variation to original decision	4,457	34.9%	30.2%	3,942	32.6%	27.5%
Resolved by agreement to a recommendation	2,028	15.9%	13.7%	2,031	16.8%	14.1%
Withdrawn	677	5.3%	4.6%	661	5.5%	4.6%
Direction	12	0.1%	0.1%	20	0.2%	0.1%
<b>Resolved Subtotal</b>	<b>7,792</b>	<b>60.9%</b>	<b>52.8%</b>	<b>7,471</b>	<b>61.8%</b>	<b>52.0%</b>
Unresolved	4,994	39.1%	33.8%	4,626	38.2%	32.2%
<b>Total Completed</b>	<b>12,786</b>	<b>100.0%</b>	<b>86.6%</b>	<b>12,097</b>	<b>100.0%</b>	<b>84.3%</b>
Not Proceeding <sup>5</sup>	1,987		13.4%	2,256		
No Jurisdiction	4		0.03%	4		
<b>Total</b>	<b>14,777</b>		<b>100.0%</b>	<b>14,357</b>		

The number of matters that can be resolved at conciliation will be affected by various factors outside the control of ACCS. These include 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. The client satisfaction survey provides positive feedback on the value of conciliation for parties.

<sup>2</sup> Payment of weekly payments – Relates to situations where there has been non-payment of weekly payments to a worker, no provision of a medical certificate, provision of an invalid medical certificate, or the worker ceases to reside in or is temporarily absent from Australia.

<sup>3</sup> Other terminations – Relates to termination of weekly payments other than by expiration of the second entitlement period (104/130 weeks), suspension of weekly payments, injury after retirement, termination having attained retirement age, imprisonment, no entitlement, termination of entitlement to weekly payments based on absence from Australia on a temporary or permanent basis unless able to satisfy the Authority or self-insurer the worker has no current work capacity and is likely to continue indefinitely to have no current work capacity.

<sup>4</sup> Other – Covers a variety of different disputes ranging from, but not exclusive to, return to work issues, calculation of pre-injury average weekly earnings, provision of certificates of capacity, indexation, access to information, recovery of payments, interest on weekly payments, fraud, indexation, FOI, lump sum settlements, failure to pay outstanding weekly payments.

<sup>5</sup> 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 medical panels with files reopened after receipt of the Medical Panel Opinion.

## Disputes referred to Medical Panels

Disputes are referred to Medical Panels for a final and binding determination on medical questions, which usually resolves the issue in dispute.

2017-2018	2018-2019
1,404	1,548

## Late lodgements

If the request is outside the statutory period of 60 days of the employee receiving the decision they wish to contest, they can request a late lodgement. Requests for conciliation are referred to the Deputy Senior Conciliation Officer to consider whether they will be lodged.

2017-2018		2018-2019	
Late lodgements		Late lodgements	
Requests	Allowed	Requests	Allowed
1,801	1,790	1,807	1,806

## Regional disputes

While the majority of disputes originate within the Melbourne metropolitan region, 21% of disputes dealt with over 2018-19 came from regional Victoria. In order to make the process of conciliation more accessible to parties outside Melbourne, Conciliation Officers undertake significant travel each month to conduct conferences in regional Victoria.

ACCS holds conferences in the following locations: Ballarat, Bendigo, Geelong, Traralgon, Mildura, Shepparton, Warrnambool and Wangaratta. We routinely review the available local venues to ensure that we are providing the best available facilities for conferencing. We are currently conducting a review of all regional conference venues to ensure the venues are appropriate and occupation, health and safety compliant.

# ORGANISATION STRUCTURE AND GOVERNANCE

ACCS is an independent statutory authority governed by a Board of directors, established under the *Accident Compensation Act 1985*, the *WIRC Act 2013*, and the *Compensation Legislation Amendment Act 2016*.

The ACCS Board consists of up to seven Directors, each of whom is appointed by the Governor in Council. The Board reports to the Attorney General and Minister for Workplace Safety. The Board's role is to provide strategic guidance within a framework of prudent and effective controls that enables risks to be assessed and managed.

The Chief Executive Officer/ Senior Conciliation Officer exercises powers and duties as set out in the WIRC Act 2013 and observes guidelines issued by the Minister.

The Chief Executive Officer/ Senior Conciliation Officer implements ACCS' Strategic Plan and is accountable to ACCS Board for expenditure, operations and administration in accordance with ACCS strategy, policies and legal requirements. The Chief Executive Officer and Executive Leadership Team's authority to act is described in a formal instrument of delegated authority, approved by the Board.

The Executive Leadership Team comprises the following:

Two Deputy Senior Conciliation Officer (DSCO) roles to provide line management, and professional support for Conciliation Officers. One DSCO has service improvement responsibilities; the other has a focus on legal and technical advice to ensure consistency in the application of legislation across the organisation.

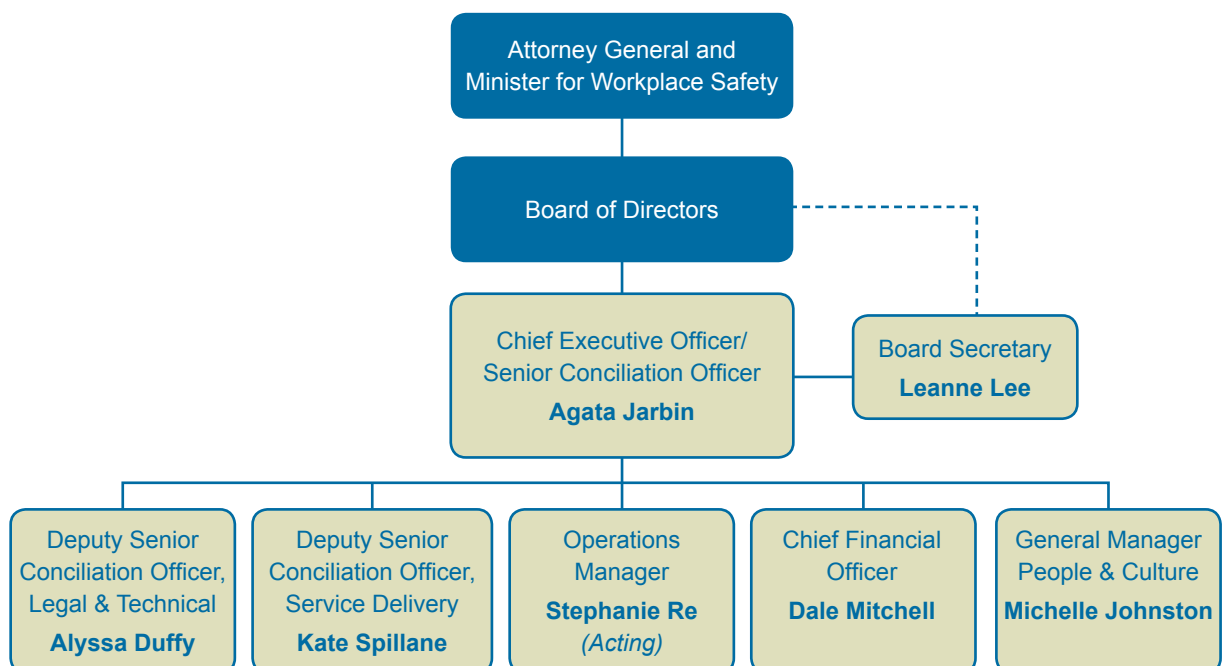
The Operations Manager is accountable for the management and leadership of the Operations area of ACCS, with a focus on delivery of efficient and effective administrative support to the Conciliation Officers.

The Chief Financial Officer is responsible for financial management, information technology and management of Corporate Services.

The General Manager, People & Culture is responsible for supporting the strategic success of ACCS through the design, delivery and implementation of the ACCS People Strategy.

The Board Secretary is responsible for corporate governance and company secretariat duties.

## Accident Compensation Conciliation Service (ACCS) Organisational Structure



## Board of Directors

### Chair

The Chair is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions, and managing the Board's relationship with the organisation's senior executives.

### The Board's role

The Board's role is to provide strategic guidance within a framework of prudent and effective controls that enables risk to be assessed and managed.

### Conflict of interest

Directors must keep the Board advised, on an ongoing basis, of any interests that might potentially conflict with those of ACCS. Directors are guided in this area by Board developed procedures on disclosing potential conflicts of interest. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the meeting while the relevant matter is considered.

## Board Committees

The Board has established committees to help it perform its duties and discharge its responsibilities.

The standing Committees during the Financial Year were:

Risk, Audit and Finance

Remuneration and Culture

Each committee has its own written charter setting out its roles and responsibilities, composition, structure, membership requirements and the manner in which the committee operates.

### Risk, Audit and Finance Committee

The Risk, Audit and Finance Committee assists the Board in carrying out its accounting, auditing, compliance, risk and financial reporting obligations including oversight of:

The integrity of ACCS' financial reporting and financial statements;

ACCS' compliance with the *Financial Management Act 1993* (Vic.) (FMA) and Standing Directions of the Minister for Finance;

The effectiveness of ACCS' system of risk management and internal controls; and

The appointment of auditors and their performance.

The Auditor-General is the organisation's official external auditor, but they have contracted ACCS' external audit to RSM. ACCS outsources the internal audit function to Grant Thornton.

### Remuneration and Culture Committee

The Remuneration and Culture Committee<sup>6</sup> assists and advises the Board in relation to ACCS' remuneration, retention, and procedures for senior management, including reviewing relevant organisational policies; and undertaking any other activities consistent with the Charter that the Board considers appropriate.

### Board and Committee Meetings

Number of meetings attended/eligible to attend:

Directors	Board	Risk, Audit and Finance	Remuneration and Culture
Meriel O'Sullivan	7/7	1(b)	3/3(c)
Tali Bernard	7/7	-	4/4
Kelly Humphreys	7/7	4/4	-
Adrian Fitzpatrick	7/7	4/4	-
Iain Findlay	7/7	4/4	-
Julie Ligeti	5/5(a)	-	2/2(d)
Karen Cusack	7/7	-	4/4

Note:

(a) Julie Ligeti resigned from the ACCS Board effective, 12 March 2019.

(b) Meriel O'Sullivan is not a member of the Risk, Audit and Finance Committee, but has a standing invitation to attend all meetings.

(c) Meriel O'Sullivan was appointed as a member of the Remuneration and Culture Committee, effective 6 February 2019.

(d) Julie Ligeti resigned from the Remuneration and Culture Committee, effective 6 February 2019.

<sup>6</sup> Before 30 April 2019, the Remuneration and Culture Committee was called the Remuneration Committee



## Board Directors

### **Meriel O'Sullivan**

Appointed: 11 October 2017

Board Chair: 1 May 2018

Committees: Member, Remuneration and Culture Committee

Experience: Meriel O'Sullivan is the Director of Redd Consultancy, a firm that specialises in employee relations and the resolution of workplace conflict. She has over 25 years' experience in industrial relations and human resource management and has worked across the private, public and not-for-profit sectors. She also tutors Alternative Dispute Resolution at the La Trobe University Law School. Meriel has a Masters of Dispute Resolution and a Graduate Diploma in Employment Law.

### **Tali Bernard**

Appointed: 1 October 2017

Deputy Board Chair: 1 May 2018

Committees: Chair, Remuneration and Culture Committee

Tali Bernard has over 18 years of experience in family law and personal injury litigation, including within the Commonwealth's workers compensation scheme. She has a Bachelor of Laws and a Bachelor of Arts and has been admitted as a Barrister and Solicitor in the Supreme Court of Victoria and High Court of Australia. Tali is a legal practitioner within the Legal Profession Uniform Law (Victoria), is also a member of the Australian Institute of Company Directors and has more than 13 years experience as a Board member in the Community Legal Service sector. Tali is a Nationally Accredited Mediator and a professional member of the Resolution Institute.

### **Kelly Humphreys**

Appointed: 11 October 2017

Committees: Chair, Risk, Audit and Finance Committee

Kelly Humphreys has extensive senior executive experience in financial services, insurance and lending. She is an experienced non-executive director and holds current roles as Commissioner with the Victorian Building Authority, Director of private health insurer, Latrobe Health Services and Member of the College Council and Academic Board, ISN Psychology Pty Ltd. Kelly has a Masters of Management, Diploma of Financial Services and is a member of the Australian Institute of Company Directors.

### **Iain Findlay**

Appointed: 11 October 2017

Committees: Member, Risk, Audit and Finance Committee

Iain Findlay has more than 20 years of experience with the Victoria Police and 15 years in senior management roles in the construction, travel and conference event management industries. He has also been a players' advocate with the AFL/VFL Tribunal for 40 years and is a Board member for several charities, sports leagues and training organisations. Iain is a member of the Australian Institute of Company Directors.

### **Adrian Fitzpatrick**

Appointed: 11 October 2017

Committees: Member, Risk, Audit and Finance Committee

Adrian Fitzpatrick retired from Pitcher Partners in 2016 after 39 years in Professional Practice, including 29 years as a partner. Adrian has an extensive background across a broad range of industries and significant experience in business planning, corporate processes, strategy, and risk management. He is currently a non-executive Director of RXP Services Ltd, a Director of ARB Corporation Ltd, a Board Member of two community based not for profit organisations and advises private group boards. Adrian holds a Bachelor of Commerce and is a fellow of the Institute of Chartered Accountants in Australia.

### **Karen Cusack**

Appointed: 30 April 2018

Committees: Member, Remuneration and Culture Committee

Karen Cusack was appointed as Victoria's inaugural Health Complaints Commissioner in February 2017. The office is established under the Health Complaints Act 2016 (Vic.). Prior to leading the Office of the Health Complaints Commissioner, Karen was Corporate Counsel at The Royal Women's Hospital, Melbourne. She has over 20 years' experience as a senior lawyer and is passionate about the role she plays within the Victorian health sector. As well as completing her undergraduate degrees at Monash, Karen has undertaken various post-graduate study, including a Master of Laws at Monash.

### **Julie Ligeti**

Appointed: 11 October 2017

Committees: Member, Remuneration Committee  
Ceased: 12 March 2019

Julie is currently the Global Manager Public Advocacy for Cochlear Ltd. She is Chair of the Board of the Victorian Responsible Gambling Foundation and chairs its Executive Remuneration Committee and Research, Policy and Advocacy Committee and is also a Council Member of the Monash University Council. Julie has served on a number of community sector boards and has 30 years of work experience in legal practice and policy, management, government affairs, communications, public policy and advocacy. Julie has a Bachelor of Laws and a Bachelor of Arts from Monash University and certificates in Mediation Skills and Governance and Risk Management. She has been admitted as a Barrister and Solicitor in the Supreme Court of Victoria.

## Executive Officers

### **Agata Jarbin**

Chief Executive Officer/Senior Conciliation Officer  
Appointed: 8 October 2018

Prior to joining ACCS, Agata was the Acting Chief Executive Officer of State Trustees. She has extensive experience in various roles in the professional services sector, including having been a partner of King & Wood Mallesons.

Agata is an alumnus of Leadership Victoria's Folio Community Leadership Program and has a Diploma of International Arbitration, Graduate Diploma of Legal Practice, Bachelor of Law (Hons) and Bachelor of Economics. She is also a member of the Chartered Institute of Arbitrators. As a legal practitioner, Agata has participated in numerous mediations, conciliations and arbitrations.

Agata is Chair of ERMHA, a not-for-profit organisation supporting people experiencing mental illness.

### **Leanne Lee**

Board Secretary  
Appointed: 21 January 2019

Prior to joining ACCS Leanne was a Corporate Lawyer at State Trustees. Leanne is an Australian Legal Practitioner and holds a Bachelor of Law (Hons) and a Bachelor of Commerce. Leanne is currently undertaking a Graduate Diploma in Applied Corporate Governance through the Governance Institute of Australia.

### **Alyssa Duffy**

Deputy Senior Conciliation Officer (Legal and Technical)  
Appointed: 15 August 2018

Alyssa is a nationally accredited mediator, conciliator and qualified lawyer who commenced her career at Slater & Gordon Solicitors as a personal injury lawyer in 2003. She has also worked at WorkSafe as Legal Counsel before joining the Accident Compensation Act Review and working in legislative reform and implementation. Alyssa is a member of the Resolution Institute and Victorian Association of Restorative Justice.

### **Kate Spillane**

Deputy Senior Conciliation Officer (Service Delivery)  
Appointed: 16 April 2018

Kate has had over 24 years of experience in the Victorian Justice System and has worked in Courts across multiple jurisdictions in Melbourne and Regional Victoria. Kate joined ACCS having held the role of Principal Registrar of the County Court of Victoria. Kate holds a Diploma in Government Court Services from Victoria University.

### **Dale Mitchell**

Chief Financial Officer  
Appointed: 25 March 2019

Dale has held executive management positions including General Manager, Corporate Services and Chief Financial Officer with Victorian public sector agencies. Dale is a Certified Practising Accountant and has a strong understanding of the Victorian governance and financial management framework. Dale is a graduate of the Australian Institute of Company Directors.

### **Michelle Johnston**

General Manager People & Culture  
Appointed: 19 November 2018

Michelle is an experienced executive that has led human resource, leadership, communication, change and brand teams, strategically transforming organisations, enabling service excellence in client experiences.

Michelle is a Certified Professional of the Human Resource Institute of Australia, a Member of the Chartered Institute of Personnel and Development (UK), a member of the Corporate Executive Board Advisory Panel, and she is an alumnus of the Leadership Victoria Williamson Community Leadership Program, and holds a Diploma of Business.

### **Stephanie Re**

Acting Operations Manager  
Appointed: 25 March 2019

Stephanie's professional experience includes time at AXA in the UK, Coles Group and over ten years' at Australia and New Zealand Banking Group (ANZ). She is passionate about building diverse and engaged teams. Stephanie is a Graduate of the Australian Institute of Company Directors having successfully completed the Company Directors Course in 2018.



## ACCS Employment practices

### Public sector values and employment principles

ACCS provides all employees with the Victorian Public Sector Code of Conduct to promote adherence to public sector values and employment principles on commencement of employment. ACCS has introduced policies and practices that are consistent with the Victorian Public Sector employment principles.

### Employee and conduct principles

ACCS is committed to applying merit and equity principles when appointing employees. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of key selection criteria and other accountabilities without discrimination. Employees are treated fairly and reasonably and, if required, have avenues of redress through the ACCS grievance policy.

### Diversity and inclusion commitment

ACCS is working towards creating an inclusive workplace where diversity is valued. Strategies are being developed to help foster understanding and recognition of difference, and to allow flexibility for employees based on individual circumstances.

### Workforce information

As at 30 June 2018				As at 30 June 2019		
Position	Female	Male	Total	Female	Male	Total
Conciliation Officer	25	10	35	24	11	35
Other Employees	39	12	51	47	13	60
Total	64	22	86	71	24	95

Position	Full-time	Part-time	Full-time Equivalent	Full-time	Part-time	Full-time Equivalent
Conciliation Officer	13	22	31.2	22	13	31.6
Other Employees	11	40	46.5	53	7	57.5
Total	24	62	77.7	75	20	89.1

As at 30 June 2019, 21% of employees were part-time, and 79% identified as female.

## Compliance with the Disability Act 2006

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

The Disability Act requires that certain public sector bodies prepare a disability action plan and report on its implementation in their annual report. ACCS is not a department within the meaning of section 4(1) of the *Public Administration Act*, and Regulation 4A of the Disability Regulations prescribes a list of statutory authorities and statutory corporations to be public sector bodies for the purposes of section 38 of the Disability Act, it has been advised that ACCS is not required to implement a Disability Action Plan under the Disability Act.

ACCS does however work to remove barriers that prevent people with a disability from using the organisation's services and facilities, and from gaining and keeping employment. The ACCS 3-Year Strategic Plan has an initiative dedicated to focusing on diversity and inclusion.

## Health, Safety and Wellbeing

ACCS is committed to protecting the health, safety and wellbeing of all our employees, contractors, users, and visitors. We strive to achieve this through the development and support of a culture that embraces wellbeing, health and safety as a priority.

ACCS' Occupational Health and Safety Management System is in place to ensure we are reviewing and assessing risks, and where necessary, implementing changes to reduce the risk to ensure the safety of people.

There has been an increased focus in Financial Year 2019 on health, safety and wellbeing with an emphasis on enhancing ACCS' health and safety system. ACCS' Safety, Health and Environment Committee (SHEC) is one of our specific work health and safety programs which consists of health and safety representatives who are members of a designated work group and have been elected and hold office in accordance with the provisions of the *Occupational Health and Safety Act 2004*. The primary responsibility of the Committee is to facilitate cooperation between management and employees in developing and carrying out measures designed to ensure a safe and healthy working environment.

## Incident reports, notifications and claim costs

	11 Oct 2017 – 30 June 2018	1 July 2018 – 30 June 2019
Incidents Reported	7	17
Lost Time Injuries	0	0
New WorkCover Claims	0	1
Claim Costs	\$37,116	\$0



ACCS is committed to protecting the health, safety and wellbeing of all our employees, contractors, users, and visitors.

# FINANCIAL PERFORMANCE

## Financial Performance against Budget Objectives

The following is summary of the budget and actual results for 2018-19:

Operating Statement	Budget (\$000)	Actual (\$000)
Funding received	\$18,136	\$17,027
Operating expenses	(\$18,136)	(\$17,027)
Net Result	\$0	\$0

The ACCS 2018-19 budget was approved by the Minister for Finance, with ACCS receiving funding from the Victorian WorkCover Authority (trading as WorkSafe Victoria) in accordance with section 535 of the *Workplace Injury Rehabilitation and Compensation Act 2013*.

ACCS commenced operations as Statutory Authority from 11 October 2017 with a Ministerial appointed board. ACCS is the successor in law of the previous Conciliation Service. All property and rights of the Conciliation Service were vested in ACCS, and all liabilities of the Conciliation Service were assumed by ACCS on 11 October 2017.

During the year, ACCS did not operate a transactional bank account. All expenditure incurred by ACCS was paid by WorkSafe Victoria, hence funding is equivalent to the expenditure.

The approved budget funding for the financial year was \$18.1 million, which actual funding received being \$17.0 million. The funding and expenditure incurred included the costs incurred to establish various governance, structures, operational policies and processes to operate as statutory authority.

The funding received was \$1.1 million lower than the budget which is reflective of expenditure being likewise lower by this amount. Expenditure was lower than budget during the year due mainly to factors such as: staffing vacancies, sub-let of part of 215 Spring Street saving office rental and associated costs; the planned expenditure on the replacement of our ageing case management system starting in early 2019-20 rather than late 2018-19, and other cost saving initiatives identified by management.

## Financial Performance and Position

ACCS commenced operations as statutory authority on 11 October 2017. As a result the 2017-18 figures relate to the period 11 October 2017 to 30 June 2018 and no information is available for the prior years

A summary of ACCS financial performance is outlined in the following table:

Operating Statement	2017-2018 (\$000)	2018-2019 (\$000)
Funding received from WorkSafe	\$12,202	\$17,027
Operating expenses	(\$12,572)	(\$16,856)
Net result before other economic flows	(\$370)	\$171
Other economic flows	\$370	(\$171)
Net Result	\$0	\$0

ACCS operating expenditure for 2018-2019 was \$17.0 million, an increase of \$4.8 million, which is mostly reflective that ACCS operated for a full financial year, rather for less than nine months last financial year.

A summary of ACCS financial position is outlined in the following table:

Balance Sheet	June 2018 (\$000)	June 2019 (\$000)
Receivables	\$2,672	\$3,422
Other Assets	\$229	\$38
<b>Total Assets</b>	<b>\$2,901</b>	<b>\$3,460</b>
Payables	(\$385)	(\$743)
Employee related provisions	(\$2,516)	(\$2,717)
<b>Total Liabilities</b>	<b>(\$2,901)</b>	<b>(\$3,460)</b>
<b>Equity</b>	<b>\$0</b>	<b>\$0</b>

As outlined earlier in this report, ACCS does not have a transactional bank account with WorkSafe Victoria providing funding to ACCS. The receivables balance of \$3.4 million relates substantially to future funding of employee related provisions and payables as at 30 June 2019. The \$0.8 million increase in the receivables balance is a consequence of the change in the value both the employee provisions and payables balances at year end.

Employee provisions of \$2.7 million has seen a net increase of \$0.2 million, mostly due to increased annual leave balances and credit for previous service long service leave being recognised for employees joining ACCS from other Victorian Government authorities, partially offset by a decrease in the discount rates applied to long service leave. Payables increase of \$0.4 million to \$0.7 million is reflective of the timing of supplier payments.

## Information and communication technology expenditure

In 2018-19, ACCS had total information and communication technology expenditure as outlined in the following table:

Business as usual ICT expenditure (\$000)	Non-business as usual ICT expenditure (\$000)	(Total = operational expenditure and capital expenditure) (\$000)	Operational expenditure (\$000)	Capital expenditure (\$000)
\$1,063	\$0	\$0	\$0	\$0

## Advertising Expenditure

ACCS did not expend any monies on Government advertising during 2018-19.

## Subsequent Events

There were no subsequent events occurring after balance date which may significantly affect ACCS operations in subsequent reporting periods.

## Expenditure on Consultants

Expenditure on consultants greater than \$10,000 (ex GST) during the year is as follows:

Consultant	Purpose of Consultancy	Start Date	End Date	Expenditure in 2018-19 (\$000)	Expenditure Commitment in Future Reporting Periods (\$000)	Total Approved Project Fee (\$000)
CLE Consulting Australia	Executive coaching; organisational transformation plan; whole of workforce focus group; executive leadership development; transformation consulting and team liaison	21/12/2018	30/06/2019	\$66	\$0	\$66
CLE Consulting Australia	Strategic communications; executive coaching; scoping organisational development needs; project management and administration	4/09/2018	31/12/2018	\$23	\$0	\$23
CLE Consulting Australia	Executive coaching	17/09/2018	31/12/2018	\$18	\$0	\$18
CLE Consulting Australia	Board facilitation, DiSC workstyle profiles and facilitator report; Cultural change and communication workshop	24/10/2018	12/12/2018	\$20	\$0	\$20
David Preiss	Provide digital technology strategy services	11/02/2019	31/05/2019	\$30	\$8	\$38
Deloitte Risk Advisory	Review and develop procurement policy and supporting documents.	7/06/2019	31/07/2019	\$17	\$2	\$19
Deloitte Risk Advisory	Review and develop asset management accountability framework	7/06/2019	31/07/2019	\$14	\$3	\$17
Deloitte Risk Advisory	Review and develop contract management policy and supporting documents	17/06/2019	15/07/2019	\$11	\$2	\$13
FYB Pty Ltd	Review and development records management policy and business classification scheme	1/04/2019	30/06/2019	\$20	\$0	\$20
Global Public Safety	Security risk review	9/01/2019	12/04/2019	\$10	\$0	\$10
Nina McCarthy Consulting	Amend issue resolution procedure; research duress alarms; review of security procedures & employee and stakeholder training	2/07/2018	30/12/2018	\$15	\$9	\$23
NOUS Group	User experience project design	13/05/2019	2/08/2019	\$150	\$100	\$250
Positive Interaction Maintenance	Restorative engagement program pilot	1/05/2019	30/06/2019	\$20	\$2	\$23
The StyleWise Group	Leadership development	11/04/2019	30/06/2019	\$26	\$0	\$26
The StyleWise Group	Organisation culture project advice, design and delivery	06/05/2019	21/06/2019	\$23	\$0	\$23
The StyleWise Group	Preparation and delivery of organisational culture outcomes debriefs	01/06/2019	30/08/2019	\$22	\$0	\$22
Porter Novelli	Positioning papers and protocols project	24/06/2019	30/06/2019	\$17	\$0	\$17
Primed D B Moore	ACCS restorative engagement project	17/06/2019	30/06/19	\$12	\$0	\$12

During the 2018-19 financial year, ACCS engaged 21 consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$53,040 (excl.GST).

# COMPLIANCE STATEMENTS

## Financial Management Compliance Attestation Statement

I, Meriel O'Sullivan, on behalf of the Board, certify that the Accident Compensation Conciliation Service has complied with the applicable Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994* and Instructions for the year ended 30 June 2019.



**Meriel O'Sullivan**  
Board Chair

Date signed: 14 August 2019

## Freedom of Information Act 1982

The *Freedom of Information (FOI) Act* allows the public a right of access to documents held by ACCS. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by ACCS. This comprises documents either created by ACCS or supplied to ACCS by an external organisation

or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes.

The Act allows ACCS to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to ACCS in confidence.

If an applicant is not satisfied by a decision made by ACCS, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter

### Making a request

Access to documents can be requested by making a written request to ACCS.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify the types of material/documents being sought, including a conciliation case file number if relevant. An application fee applies and must be provided with the request. Access charges may also be payable if the document pool is large, and the search for material is time consuming.

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act, and [foi.vic.gov.au](http://foi.vic.gov.au).

Requests for documents in the possession of ACCS should be addressed to:

Freedom of Information Officer  
Accident Compensation and Conciliation Service  
GPO Box 251  
Melbourne VIC 3000  
Email: [foi@conciliation.vic.gov.au](mailto:foi@conciliation.vic.gov.au)

### FOI statistics

During 2018-19, ACCS received zero valid FOI applications from the general public.

ACCS made zero FOI decisions during the 12 months ended 30 June 2019.

There is one FOI request that was lodged in 2017-18 that is still open as at June 2019. This matter is being considered by the Victorian Civil and Administrative Tribunal (VCAT).

## Statement of availability of other information

In compliance with the requirements of the Standing Directions of the Minister for Finance, additional information has been retained by ACCS and is available to the relevant Ministers, Members of Parliament and the public on request (subject to Freedom of Information requirements).

This information includes:

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A statement that declarations of pecuniary interests have been duly completed by all relevant officers

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Publications produced by ACCS

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A list of major committee sponsored by ACCS

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Details about consultants and contractors engaged

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External reviews carried out by ACCS

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Details of major promotional

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Details of major promotional, public relations and marketing activities undertaken by ACCS to develop community awareness of ACCS and its services

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Details of assessments and measures undertaken to improve the occupational health and safety of employees and

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General statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;

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For further information please contact  
Chief Financial Officer  
Accident Compensation Conciliation Service  
GPO Box 251 Melbourne, 3001  
Email: [info@conciliation.vic.gov.au](mailto:info@conciliation.vic.gov.au)  
Ph: 1800 635 960.

## Compliance with the Building Act 1993

ACCS does not own or control any government buildings, and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

## Compliance with the Competitive Neutrality Policy

ACCS does not compete with the private sector nor charges fees for services it provides. Consideration of this policy is therefore not applicable.

## Victorian Industry Participation Policy (VIPP)

ACCS abides by the requirements of the VIPP within its procurement practices. VIPP requirements must be applied to tenders of \$3 million or more in metropolitan Victoria and \$1 million or more in rural Victoria.

During the 2018-19 financial reporting period no tenders or contracts fell with the scope of the application of the VIPP.

## Compliance with the Protected Disclosure Act 2012

ACCS does not tolerate improper conduct from its Directors, employees, contractors or service providers at any time, nor does it tolerate the taking of reprisals of any sort against those who come forward to disclose improper conduct.

ACCS' Protected Disclosure Policy is available on ACCS' website.

ACCS is not a body that can receive disclosures of improper conduct under the *Protected Disclosure Act 2012*. However, ACCS is a body in respect of which disclosures of improper conduct can be made. A person wanting to make a disclosure of improper conduct about ACCS, its Directors, employees, contractors or service providers must do so to the Independent Broad based Anti-corruption Commission (IBAC).

IBAC Contact Details:

Phone: 1300 735 135

Fax: (03) 8635 6444

Street Address: Level 1, North Tower, 459 Collins Street, Melbourne VIC 3000

Mail: IBAC, GPO Box 24234, Melbourne VIC 3000

Web: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

## Compliance with the Carers Recognition Act

The application of this Act is not applicable to ACCS operations.

## Environmental Performance

ACCS is currently developing a framework to monitor its environmental performance.

# 2018–19 FINANCIAL REPORT

## Declaration in the financial statements

The attached financial statements of the Accident Compensation Conciliation Service have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under 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 2019 and the financial position of the Accident Compensation Conciliation Service as at 30 June 2019.

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 14 August 2019.



**Meriel O'Sullivan**  
Board Chair



**Agata Jarbin**  
Accountable Officer



**Dale Mitchell**  
Chief Financial Officer

Dated at Melbourne on this 14th day of August 2019.



# AUDITOR'S REPORT



Victorian Auditor-General's Office

## Independent Auditor's Report

### *To the Board Members of the Accident Compensation Conciliation Service*

<b>Opinion</b>	<p>I have audited the financial report of the Accident Compensation Conciliation Service (the authority) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2019</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• declaration in the financial statements.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE  
16 August 2019



Timothy Maxfield  
*as delegate for the Auditor-General of Victoria*

# Comprehensive operating statement

For the financial year ended 30 June 2019

	Note	1 July 2018 – 30 June 2019 \$000s	11 October 2017 – 30 June 2018 \$000s
<b>Revenue</b>			
Income from transactions	2	17,027	12,202
<b>Total revenue</b>		<b>17,027</b>	<b>12,202</b>
<b>Expenses</b>			
Expenses	3	(16,856)	(12,572)
<b>Net result before other economic flows</b>		<b>171</b>	<b>(370)</b>
<b>Other economic flows</b>			
Movement in provisions due to changes in discount rates		(171)	370
<b>Net result</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Comprehensive result</b>		<b>-</b>	<b>-</b>

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

## Balance sheet

### As at 30 June 2019

	Note	30 June 2019 \$000s	30 June 2018 \$000s
<b>Current assets</b>			
Cash at bank	4	18	-
Receivables	5	3,422	2,672
Prepayments		20	229
		<b>3,460</b>	<b>2,901</b>
<b>Non-current assets</b>			
		-	-
<b>Total assets</b>		<b>3,460</b>	<b>2,901</b>
<b>Current liabilities</b>			
Payables	6	(743)	(385)
Employee related provisions	7	(2,476)	(2,308)
		<b>(3,219)</b>	<b>(2,693)</b>
<b>Non-current liabilities</b>			
Employee related provisions	7	(241)	(208)
<b>Total liabilities</b>		<b>(3,460)</b>	<b>(2,901)</b>
<b>Net assets</b>		<b>-</b>	<b>-</b>
<b>Equity</b>			
Accumulated Surplus		-	-
<b>Total equity</b>		<b>-</b>	<b>-</b>

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

## Statement of changes in equity

### For the financial year ended 30 June 2019

	1 July 2018 – 30 June 2019 \$000s	11 October 2017 – 30 June 2018 \$000s
Total equity at beginning of the year/period	-	-
Net result for the year/period	-	-
<b>Total equity at the end of year/period</b>	<b>-</b>	<b>-</b>

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

## Cash flow statement

### For the financial year ended 30 June 2019

	Note	1 July 2018 – 30 June 2019 \$000s	11 October 2017 – 30 June 2018 \$000s
<b>Cash Flows From Operating Activities</b>			
Receipts from WorkSafe Victoria		20	-
Payments to suppliers		(2)	-
<b>Net cash flows from operating activities</b>	<b>11</b>	<b>18</b>	<b>-</b>
<b>Cash flows from investing activities</b>			
		-	-
<b>Cash flows from financing activities</b>			
		-	-
<b>Net increase in cash held</b>		<b>18</b>	<b>-</b>
Cash at the beginning of the year/period	4	-	-
<b>Cash at the end of the year/period</b>	<b>4</b>	<b>18</b>	<b>-</b>

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

# Notes to the financial statements

For the year ended 30 June 2019

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## Note 1: About this Report

The annual financial statements represent the audited general purpose financial statements for the Accident Compensation Conciliation Service (ACCS) for the period ended 30 June 2019. The purpose of the report is to provide users with information about the ACCS' stewardship of resources entrusted to it.

### Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs) issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of *AASB 101 Presentation of Financial Statements*.

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance (DTF), and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

ACCS is a not-for-profit entity and therefore applies the additional Australian (AUS) paragraphs applicable to not-for-profit entities under the AASs.

The annual financial statements were authorised for issue by the Board of ACCS on 14 August 2019.

### Reporting entity

The financial statements relate to ACCS as an individual reporting entity. Its principal address is:

Accident Compensation Conciliation Service  
215 Spring Street  
Melbourne, VIC 3000

The Accident Compensation Conciliation Service (Conciliation Service) was established on 1 July 2002 under the *Accident Compensation Act 1985*, which together with the Accident Compensation (WorkCover Insurance) Act 1993, were recast into the Workplace Injury Rehabilitation and Compensation Act 2013 on 1 July 2014.

Pursuant to section 15 of the Compensation Legislation Amendment Act 2016, which came into operation on 11 October 2017, the Conciliation Service was wound up and the Accident Compensation Conciliation Service (ACCS) was established as a statutory authority with a ministerially appointed board. All property and rights of the Conciliation Service were vested in the ACCS, and all liabilities of the Conciliation Service were assumed by the ACCS from 11 October 2017. The ACCS is the successor in law of the Conciliation Service.

A description of ACCS operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

### Accounting policies

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

The accounting policies in this report have been applied in preparing the financial statements for the year ended 30 June 2019, and the comparative information presented in these financial statements for the period ended 30 June 2018.

During the 2018-19 reporting period there have been no new or revised Accounting Standards adopted by ACCS for the first time.

### Comparative information

ACCS commenced operations from 11 October 2017. Therefore the comparative information presented in this financial report covers the period 11 October 2017 to 30 June 2018.

Certain figures in the financial statements have been reclassified to better present the financial position and performance of ACCS. The following have been reclassified:

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Note 3: Expenses from transactions

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Note 6: Payables

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### Going concern

The going concern assumption has been applied in the preparation of these financial statements as all property and rights of the Conciliation Service were vested in the ACCS, and all liabilities of the Conciliation Service were assumed by the ACCS from 11 October 2017. ACCS is the successor in law of the Conciliation Service.

ACCS continues to be funded by the Victorian WorkCover Authority (trading as WorkSafe Victoria) in accordance with section 536D of the *Workplace Injury Rehabilitation and Compensation Act 2013* (refer to note 2).

### Currency

These financial statements are presented in Australian dollars, the functional and presentation currency of ACCS.

## Rounding

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

## Accrual basis of accounting

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items; that is, they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

## Accounting estimates

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision, and future periods, if the revision affects both current and future periods. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to: assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount (refer to note 7).

## Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as an operating cash flow.

Commitments for expenditure and contingent assets and liabilities are presented on a gross basis.

## Note 2: Income from Transactions

	1 July 2018 – 30 June 2019 \$000s	11 October 2017 – 30 June 2018 \$000s
Funding from WorkSafe	17,027	12,202
	<b>17,027</b>	<b>12,202</b>

### Funding from WorkSafe Victoria

ACCS is funded by WorkSafe Victoria in accordance with section 536D of the *Workplace Injury Rehabilitation and Compensation Act 2013*. Subject to and in accordance with the budget approved by the Minister for Finance, all operating costs of ACCS including obligations for employee provisions and other liabilities are met through this funding arrangement.

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



## Note 3: Expense from Transactions

	1 July 2018 – 30 June 2019 \$000s	11 October 2017 – 30 June 2018 \$000s
Staff and related costs	11,369	8,584
Occupancy and utilities	2,408	1,725
Asset rental expenses	209	153
Information technology	984	701
Marketing and communication	89	58
Professional services	1,015	825
Regional venue hire / travel	287	175
Other expenses	495	351
	<b>16,856</b>	<b>12,572</b>

Operating costs include the following:

### Operating lease rentals

Premises	1,990	1,468
Motor vehicles	33	58
Office equipment	38	26
	<b>2,061</b>	<b>1,552</b>

### Remuneration of Auditors

Victorian Auditor-General's Office	15	18
	<b>15</b>	<b>18</b>

Expenses represent the day to day running costs incurred in normal operations. Expenses are recognised as they are incurred and reported in the financial year to which they relate. The major categories of operating expenses are:

**Staff and related costs:** Employee expenses include all costs related to employment including: wages and salaries, termination payments, board and committee fees, leave entitlements, fringe benefits tax, work-cover premiums, payroll tax, superannuation expenses and temporary agency staff and contractors.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

ACCS does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the DTF discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

The name and details of the major employee superannuation funds and contributions made by ACCS are outlined in note 7.1.

**Occupancy and utilities:** Office rental, security, power, telephones, repairs and maintenance for office accommodation.

**Asset rental expenses:** Rental of assets such as multi-function units and furniture and fittings.

**Information technology:** Relates to provision of IT infrastructure and user-devices and associated services.

**Marketing and Communications:** Fees relating to market research, external communications and customer satisfaction survey.

**Regional Conciliation and travel:** Costs associated with hiring venues to provide conciliation services in regional location, travel costs and motor vehicles.

**Professional services:** Fees relating to legal services, interpreting/translation services, internal and external audit, and consultants

**Other expenses:** Costs include postage, mobile phone, office stationery and corporate fees.

**Operating lease payments** (including contingent rentals) are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

**Remuneration of auditors:** Fees paid or payable to the Victorian Auditor-General's office for the audit of these financial statements.

## Note 4: Cash and cash equivalents

	30 June 2019 \$000s	30 June 2018 \$000s
Cash at bank	18	-
	<b>18</b>	<b>-</b>

As outlined in note 2 WorkSafe Victoria fund ACCS, this includes payment of all operating costs and employee benefits incurred by ACCS. As a consequence ACCS did not operate a transactional bank for the majority of the reporting period. Monies in the bank account are held for settlement of corporate credit card facilities.

Cash at bank is highly liquid investments available at call. ACCS assesses at the end of the reporting period whether a financial asset or group of financial assets is impaired.

## Note 5: Receivables

	30 June 2019 \$000s	30 June 2018 \$000s
<b>Contractual</b>		
Amount due from WorkSafe Victoria	3,361	2,616
Other receivables	40	56
<b>Statutory</b>		
Fringe benefit tax receivable	21	-
	<b>3,422</b>	<b>2,672</b>

Receivables comprise of contractual receivables in relates to:

Funding receivable from the WorkSafe Victoria in regards to employee provisions, payables less bank balances and prepayments, and

Other receivables relate to miscellaneous other receivables.

Contractual receivables are classified as financial instruments and categorised as loans and receivables. Receivables are recognised initially at fair value and subsequently measured at amortised cost less any accumulated impairment.

Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract

## Note 6: Payables

	30 June 2019 \$000s	30 June 2018 \$000s
<b>Contractual</b>		
Supplies and services	691	352
<b>Statutory</b>		
Fringe benefit tax payable	5	15
Other taxes payable	47	18
	<b>743</b>	<b>385</b>

Contractual payables relate to liabilities for goods and services provided to ACCS prior to the end of the financial year that are unpaid. The normal credit terms for accounts payable are 30 days. Contractual payables are initially recognised at fair value and then subsequently carried at amortised cost.

Statutory payables are recognised and measure similarly to contractual payables, but a not classified as financial instruments and not included in the category of financial liabilities at amortised costs, because they do not arise from a contract. Statutory payables are paid by the relevant legislative due date.

## Note 7: Employee Related Provisions

	30 June 2019 \$000s	30 June 2018 \$000s
<b>Current</b>		
<i>Annual leave</i>		
Unconditional and expected to be settled within 12 months	488	430
Unconditional and expected to be settled after 12 months	204	179
	<b>692</b>	<b>609</b>
<i>Long service leave</i>		
Unconditional and expected to be settled within 12 months	166	111
Unconditional and expected to be settled after 12 months	1,276	1,264
	<b>1,442</b>	<b>1,375</b>
<i>On-costs</i>		
Unconditional and expected to be settled within 12 months	102	87
Unconditional and expected to be settled after 12 months	240	237
	<b>342</b>	<b>324</b>
<b>Total current employee benefit provisions</b>	<b>2,476</b>	<b>2,308</b>
<b>Non-current</b>		
Long service leave	207	178
On-costs	34	30
<b>Total non-current provisions</b>	<b>241</b>	<b>208</b>
<b>Total employee benefit provisions</b>	<b>2,717</b>	<b>2,516</b>
<b>Reconciliation of movement in on-cost provisions</b>		
<b>Opening balance</b>	<b>361</b>	<b>-</b>
Transfer from Victorian WorkCover Authority	-	<b>349</b>
Additional provision recognised	130	166
Reduction arising from payments	(138)	(103)
Unwinding of discount and effect of changes in discount rates	23	(51)
<b>Closing balance</b>	<b>376</b>	<b>361</b>
Current	342	342
Non-current	34	30

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

**Wages and salaries, annual leave and sick leave:**

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because ACCS does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As ACCS expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as ACCS does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

**Employment on-costs** such as payroll tax, workers compensation premium and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

**Unconditional LSL** is disclosed as a current liability; even where ACCS does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months or resign.

The components of this current LSL liability are measured at:

undiscounted value – if ACCS expects to wholly settle within 12 months; or

present value – if ACCS does not expect to wholly settle within 12 months.

**Conditional LSL** is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the Comprehensive Operating Statement.

**7.1 Superannuation Contributions**

Employees of ACCS are entitled to receive superannuation benefits and ACCS contributes to both defined benefit and defined contribution plans.

The defined benefit plan(s) provides benefits based on years of service and final average salary and amounts are paid by ACCS in accordance with the rules of each plan. Defined contribution plan contributions are paid in accordance with the superannuation guarantee legislation.

	1 July 2018 – 30 June 2019 \$000s	11 October 2017 – 30 June 2018 \$000s
<b>Defined contribution plans</b>		
VicSuper	386	225
Other	374	231
<b>Defined benefit plans</b>		
Emergency Services Superannuation Scheme	61	53
	<b>821</b>	<b>509</b>

At 30 June 2019, contributions outstanding were \$16,202 (2018: nil).

## Note 8: Commitments for Expenditure

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual sources and are disclosed at their nominal value. The future expenditure ceases to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

### 8.1 Lease Commitments

	30 June 2019 \$000s	30 June 2018 \$000s
<b>Operating Leases</b>		
<i>Future minimum lease payments under non-cancellable operating lease arrangements</i>		
Due within one year	2,437	2,125
Due later than one year and less than five years	10,484	9,193
Due later than five years	8,630	10,426
<b>Total operating lease commitments (inclusive of GST)</b>	<b>21,551</b>	<b>21,744</b>

ACCS has obligations under operating lease agreements for certain buildings, motor vehicles and office equipment. Operating lease payments are charged as an expense in the Comprehensive 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.

### 8.2 Expenditure Commitments

	30 June 2019 \$000s	30 June 2018 \$000s
<b>Other operating commitments</b>		
<i>Amounts payable under non-cancellable other operational contractual arrangements</i>		
Due within one year	135	-
Due later than one year and less than five years	-	-
Due later than five years	-	-
<b>Total operating lease commitments (inclusive of GST)</b>	<b>135</b>	<b>-</b>

ACCS has entered into contractual agreements for the purchase of goods/services.

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

## Note 9: Responsible Persons and Executive Remuneration

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

### Responsible Ministers

The Responsible Ministers during the reporting period were:

#### The Hon Jill Hennessy

Minister for Workplace Safety  
Appointed: 29 November 2018

#### Robin Scott MP

Minister for Finance  
Ceased: 28 November 2018

### Board Members

The following were Board members during the reporting period were:

#### Meriel O'Sullivan (Chair)

#### Tali Bernard

#### Karen Cusack

#### Iain Findlay

#### Adrian Fitzpatrick

#### Kelly Humphreys

Julie Ligeti (resigned 12 March 2019)

### Accountable Officer

The following held the position of Senior Conciliation Officer during the reporting period:

#### Agata Jarbin

Appointed: 8 October 2018

#### Anita Kaminski

Appointed: 1 July 2018

Ceased: 10 October 2018

#### Alyssa Duffy (Acting)

Appointed: 1 July 2018

Ceased: 14 August 2018

## Responsible person remuneration

The remuneration received or receivable by responsible persons is disclosed as follows:

\$	30 June 2019	30 June 2018
Up to 9,999	7	7
10,000 – 19,999	-	2
30,000 – 39,999	1	-
70,000 – 79,000	1	-
160,000 – 169,999	-	1
210,000 – 220,000	1	-
	<b>10</b>	<b>10</b>

Remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

The compensation detailed above excludes the salaries and benefits the Responsible Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported in the financial statements of the Parliamentary Services.

## Key management personnel

Key management personnel of ACCS comprise the responsible Minister, board members and members of the executive leadership team.

## Related parties remuneration

The remuneration of key management personnel, other than the Minister is as follows:

	30 June 2019 \$000s	30 June 2018 \$000s
Short-term employee benefits	1,197	801
Post-employment benefits	120	78
Other long-term benefits	41	18
Termination benefits	13	-
<b>Total remuneration</b>	<b>1,371</b>	<b>897</b>

Remuneration comprises benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:

Salaries and other short-term employee benefits include amounts such as salaries, performance incentives, leave taken, as well as non-monetary benefits such as allowances and car parking.

Post-employment benefits include amounts such as superannuation entitlements and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long-service benefits or deferred compensation.

Termination benefits include termination of employment payments including leave payments.

## Related party transactions

Related parties of ACCS include key management personnel and their close family members and personal business interests (controlled entities, joint ventures and others they have significant influence over).

Other than the transactions with WorkSafe Victoria disclosed in the following table, there were no related party transactions during the periods ended 30 June 2019 and 30 June 2018 respectively.

	2018-19 \$000	2017-18 \$000
Funding received from WorkSafe Victoria	17,027	12,202
Fees charged by WorkSafe Victoria to ACCS under a Shared Services Agreement for information technology, financial services and office accommodation facilities.	1,252	921

## Executive remuneration

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. During the reporting period a number of persons were appointed as Executive Officer positions but were engaged via an employment agency or independent contractors. The remuneration in the following table only relates to remuneration payable to persons employed as an Executive Officer.

	30 June 2019 \$000s	30 June 2018 \$000s
Short-term employee benefits	1,168	740
Post-employment benefits	117	72
Other long-term benefits	41	18
Termination benefits	13	-
<b>Total remuneration</b>	<b>1,339</b>	<b>831</b>

	Number	Number
<b>Total number of executives</b>	<b>12</b>	<b>8.0</b>
<b>Total annualised employee equivalent<sup>1,2</sup></b>	<b>6.0</b>	<b>4.2</b>

1 Annualised employee equivalent is based on the time fraction worked over the reporting period.

2 The total number and remuneration of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 9).

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, as described above.

## Note 10: Financial Instruments

Exposure to credit and liquidity risks arises in the normal course of ACC operations. ACCS maximum exposure is credit risk at reporting dates is the carrying amount of receivables as reported in note 5. ACCS is funded by WorkSafe Victoria in accordance with section 536D of the *Workplace Injury Rehabilitation and Compensation Act 2013*.

## Note 11: Other Disclosures

### 11.1 Reconciliation of Net Result for the Period to Net Cash Flows from Operating Activities

	30 June 2019 \$000s	30 June 2018 \$000s
<b>Net result for the period</b>		
<i>Movements in assets and liabilities</i>		
Increase in receivables	(750)	(2,672)
Increase in prepayments	209	(229)
Increase in payables	358	385
Increase in provisions	201	2,516
<b>Net cash flows from operating activities</b>	<b>18</b>	<b>-</b>

### 11.2 Ex-gratia Payments

There were no-gratia payments made during the periods ended 30 June 2019 and 30 June 2018 respectively.

### 11.3 Contingencies

There were no contingent assets or liabilities as at 30 June 2019 or 30 June 2018 respectively.

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

### 11.4 Events Subsequent to Balance Date

There have been no events that have occurred subsequent to 30 June 2019 which would, in the absences of disclosure, cause the financial statements to become misleading.

### 11.5 Issued but not yet effective Australian accounting pronouncements

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2019 reporting period. The following standards and interpretations have been issued by the AASB but are not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the following table. ACCS has not early adopted these standards.



Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<b>AASB 15</b> <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017 for Not-for-Profit entities.	1 Jan 2019	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements.
<b>AASB 2016-8</b> <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15.  This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 Jan 2019	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include:  <b>AASB 9</b> <ul style="list-style-type: none"><li>Statutory receivables are recognised and measured similarly to financial assets.</li></ul> <b>AASB 15</b> <ul style="list-style-type: none"><li>The 'customer' does not need to be the recipient of goods and/or services;</li><li>The "contract" could include an arrangement entered into under the direction of another party;</li><li>Contracts are enforceable if they are enforceable by legal or 'equivalent means';</li><li>Contracts do not have to have commercial substance, only economic substance; and</li><li>Performance obligations need to be 'sufficiently specific' to be able to apply AASB 15 to these transactions.</li></ul>
<b>AASB 16</b> <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability.  In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.  An impact assessment has been performed and the potential impact in the initial year of application has been estimated as follows: <ul style="list-style-type: none"><li>Increase in right of use assets of \$10.8 million;</li><li>Increase in related depreciation of \$1.6 million;</li><li>Increase in lease liability of \$11.3 million;</li><li>Increase in interest expense of \$0.3 million calculated using effective interest method; and</li><li>Decrease in rental expense of \$1.4 million.</li></ul>
<b>AASB 1058</b> <i>Income of Not-for-Profit Entities</i>	AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 <i>Contributions</i> .  The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context,  AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	1 Jan 2019	Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 <i>Contributions</i> .  The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed.  The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2018-19 reporting period. In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

# 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.

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For information regarding this report, please contact the

Accident Compensation Conciliation Service  
Level 1 215 Spring St  
Melbourne Vic 3000  
GPO Box 251  
Melbourne, VIC 3001

telephone: (03) 9940 1111  
fax: (03) 9940 1000  
freecall: 1800 635 960

email: [info@conciliation.vic.gov.au](mailto:info@conciliation.vic.gov.au)  
website: [www.conciliation.vic.gov.au](http://www.conciliation.vic.gov.au)