

# Accident Compensation Conciliation Service

## Annual Report 2019-20

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 2020.

Yours sincerely



Meriel O'Sullivan  
Board Chair

26 August 2020

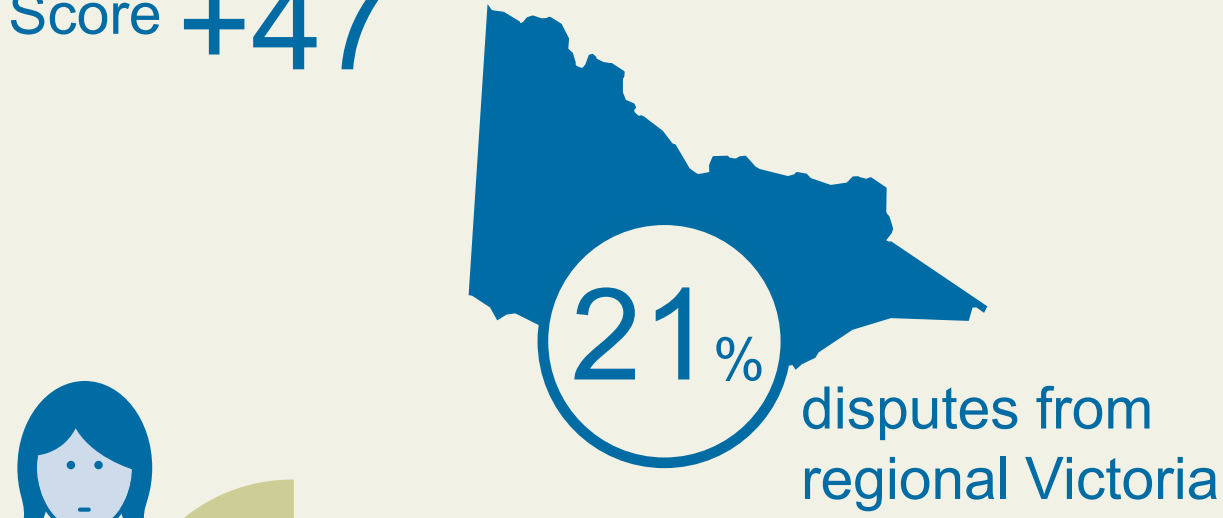
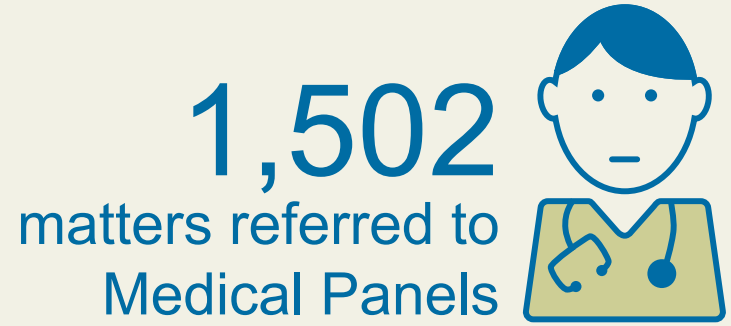
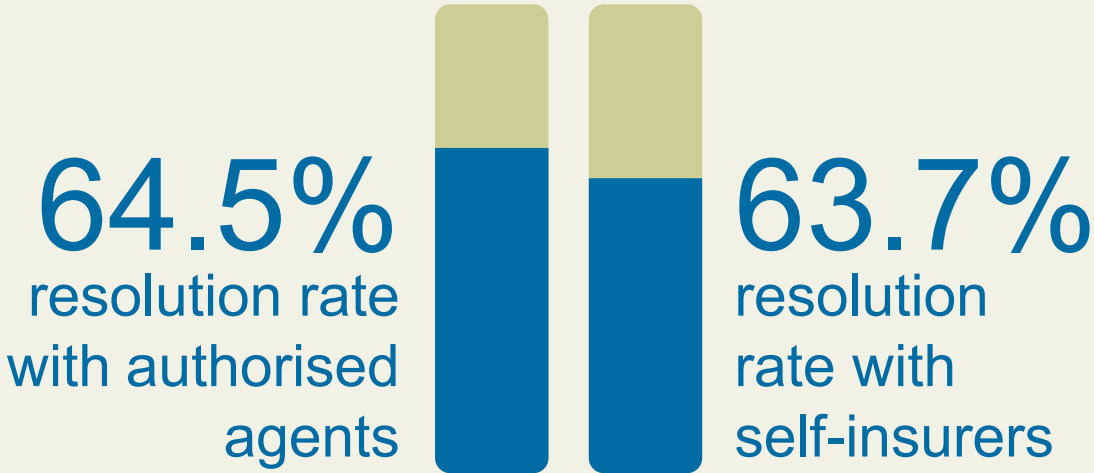
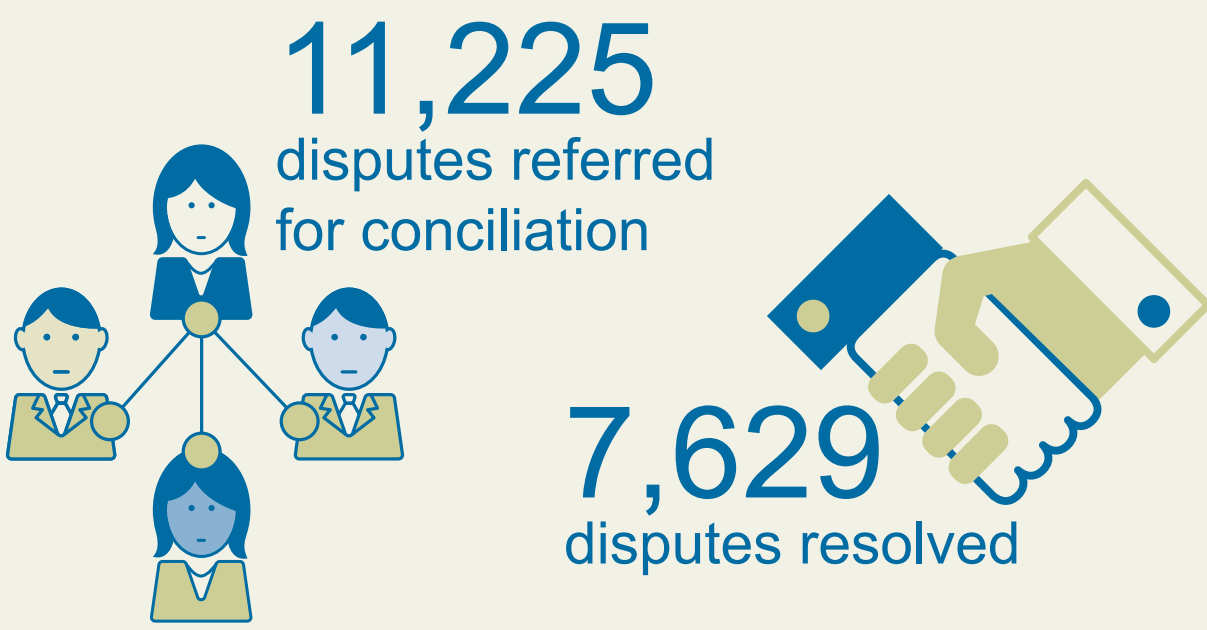


Delivering service  
excellence in  
alternate dispute  
resolution for  
workplace injuries.

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# HIGHLIGHTS



# CHAIR AND CEO REPORT



MERIEL O'SULLIVAN



AGATA JARBIN

2019-20 has been a unique year, with significant and unexpected challenges requiring a cohesive, flexible and innovative response from the organisation. The effectiveness of the response highlights the commitment, professionalism and dedication of our staff, and the value of project and governance initiatives implemented over a number of years.

The year has been overshadowed by the global onset of COVID-19. Despite the wide-reaching and transformative impacts of the pandemic, ACCS has continued to deliver conciliation services to the Victorian community, in acknowledgment of the value that effective dispute resolution provides people impacted by workplace injuries. Our response to the pandemic has prioritised the continued provision of timely and fair conciliation services, the health, safety and wellbeing of our staff and the people who use our services, and compliance with Government directives.

Continuing to deliver services in this environment has seen a major shift in our operations and necessitated an incredible effort from all parts of the organisation. Our Leadership Team has continued to lead by example, and employees have gone above and beyond to ensure that we not only maintain, but in some cases improve, our service. In practical terms, we had to move rapidly away from face-to-face conferencing to telephone conferencing, dedicate more time to resolving disputes, and rely on our support services to swiftly implement revised processes, procedures and systems to support a new way of working.

In terms of impacts to our service, the number of conciliation disputes lodged with ACCS understandably dropped marginally over the year. Noting the challenges experienced over the year, and that remote conferencing has required more time investment in the resolution of disputes, it is pleasing to report that resolution rates have on the whole remained consistent over 2019-2020. It is also positive to report that satisfaction levels with our services, as reported through our annual Satisfaction Survey, have increased. These positive results are a testament to the work of our team and the effort put in to delivering a seamless service as much as possible.

Given COVID-19 has required a comprehensive response, we have taken time throughout the year to reevaluate our strategic priorities, to ensure we are focussing our efforts on the right areas for the current climate. This resulted in an ongoing focus on our culture and also on technologies that support enhanced service delivery, along with the deferment of a number of planned strategic projects.

Through the work commenced and delivered this year ACCS remains well positioned to continue to adjust and respond to challenges we may encounter in 2020-21, and also to move forward with our strategic priorities. This will be important for responding to the potential outcomes of the Department of Justice and Community Safety's consultation into Arbitration Powers for ACCS. Contributing to this consultation was a significant piece of work for ACCS over the year and we look forward to continuing to support the Government in consideration of the proposal. The initiative has the potential to have very positive and far reaching implications for our organisation, our service delivery model and all the people seeking to utilise accessible, affordable, timely and fair resolution services to address disputes relating to workers compensation.

As we close off this year, we wish to thank the entire team at ACCS for their tremendous contributions throughout these extraordinary times and in the face of their own personal challenges experienced through the COVID-19 pandemic. We recognise the incredible efforts of our staff in setting up home offices and maintaining effective services, whilst also juggling isolation and care for children, family and community. Our thanks extend to the ACCS Board and the Leadership Team for their continued efforts to support our workforce in every way possible, while maintaining a focus on what moves us closer to achieving our strategic vision.

**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). ACCS is a key part of the Victorian workers compensation scheme, providing conciliation services, at no cost to injured.

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 ensure independent conciliation services for the purposes of the WIRC Act and the *Accident Compensation Act 1985* (AC Act), and to ensure that conciliations are conducted in an expeditious and consistent manner.

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

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

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

Maximise flexibility and informality;

Facilitate early return to work opportunities;

Enhance ongoing worker/employer employment relationships;

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

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

ACCS is responsible to the Attorney General and Minister for Workplace Safety, and it reports through the Department of Justice and Community Safety.

# 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:

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

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

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

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 the 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 uphold the values in the Victorian Charter of Human Rights and Responsibilities Act 2006.

ACCS also has a strong set of values that we look to every day to guide our behaviour in the Conciliation environment and in the workplace. Our organisational Values are:

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

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

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

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

# Our response to COVID-19

COVID-19 continues to have an immense impact on the global community and from the onset ACCS has focussed on the continuity of service delivery.

It has been our priority to ensure that conciliation remains available throughout this extended period, especially for those Victorians that find themselves in a vulnerable position during this uncertain time. Our focus has placed the health, safety and wellbeing of our employees, injured workers and stakeholders who visit our office at the forefront of a wide-ranging and swift response.

The response commenced with the activation of our Business Continuity Plan, which provided the framework for moving operations to a remote delivery model and commencing conciliation conferences via telephone. It has evolved to include a range of additional initiatives to manage and minimise the impact on our employees and service delivery. We have also ensured that decisions align with Government guidance and mandated requirements.

The contribution of the entire ACCS team has been essential to successfully maintaining operations throughout this period and together we have been able to deliver a largely uninterrupted service to the same high standard. This outcome is reflected in our annual satisfaction ratings for 2020, which were gathered throughout the COVID-impacted time. Across the board our results have exceeded that of the past year, which is a testament to the dedication and hard work demonstrated across the organisation.

We are continuing to work with our employees and our stakeholders to develop solutions and introduce new ways of working that allow us to meet the ongoing challenges that the pandemic presents.

## Our Employees

Delivering our services remotely and supporting employees to work from home in a safe and connected environment.

Focussing on health and wellbeing and encouraging employees (and their family members) to access our Employee Assistance Program and participate in wellbeing sessions offered through external providers.

Providing guidance and support to set up a home office and commencing additional office cleaning for those visiting the ACCS office when required.

Encouraging flexibility to manage the competing priorities of working from home, and introducing COVID-19 special paid leave for employees with children and home-schooling responsibilities.

Increasing communications from the ACCS Board, Executive Team and Managers, helping to create connections to colleagues and organisational priorities.

Making it easier for essential work to be delivered remotely by redesigning paper-based processes and enabling online delivery.

Planning for a return to our office, when it is safe to do so, involving a cross-functional employee working group.

## Our Service

Closing the ACCS office to the public, ensuring the safety of all people involved in the conciliation process.

Shifting conciliation conferences to telephone enabling our service to continue without interruption.

Trialling technology to support video conferencing, providing injured workers with options for participating in a conciliation conference remotely.

Undertaking regular meetings with stakeholders and users of the service, ensuring greater collaboration in resolving issues and in developing new ways of working.

Enhancing online services to increase access to information and to support the continuity of our service.

Ensuring there is greater flexibility throughout the COVID period, and making it easier for workers to lodge a Request for Conciliation.



Reporting progress and achieving objectives

This year has seen ACCS embark on the delivery of the first phase of our three-year strategic plan, which is broken down into three key areas of focus, or our Strategic Pillars. These are:

Deliver Excellence in Conciliation Services: places users at the centre of all that we do through the delivery of best-practice dispute resolution.

Build Culture, Capability and Governance: supports employee wellbeing and development with adaptive leadership and good governance.

Support and Influence the System: develops an innovative service that drives collaboration and outcome improvement

The delivery of the strategic plan has been impacted by the onset of COVID-19 and the significant work that has been undertaken by the entire organisation to deliver a consistent service, while shifting to remote operations. This has included deferring some items, so that we could focus on our business continuity planning activities as a priority. Notwithstanding this impact, ACCS has continued to deliver excellent outcomes for both our employees and our clients, and progress key strategic initiatives. Some highlights from this year include:

Deliver Excellence in Conciliation Services

Reviewing our end-to-end service offering and processes, including looking at new ways of working. Through this process, we have been identifying areas of immediate focus, including activities that were put in place to build and strengthen our foundations. For example, focusing on the development of guidelines to support our service delivery.

Progressing work looking at Restorative Engagement in conjunction with users of our service, and looking at various options for implementation next year.

Developing and commencing a new annual satisfaction survey, to ensure that feedback is collected at timely intervals throughout the year, providing insights into our service delivery. Data will be used to identify trends and to inform continuous improvement activities.

Introducing a Code of Behaviour for Conciliation to ensure that we are continuing to provide a safe environment for all people participating in the conciliation process, as per the requirements of Occupational Health and Safety Act 2004.

Launching a new online process for lodging and tracking complaints and compliments, including the development of a new reporting suite to analyse data.

Building on existing induction to develop comprehensive training program for new Conciliation Officers.

Commencing a project to replace our conciliation management system, and email/ calendar system and upgrade other associated systems and programs. This is the primary tool used by our employees to manage the end-to-end conciliation process, and the upgrade will create efficiencies both internally and for our users. This is due to be delivered in the next financial year.

Build Culture, Capability and Governance

Continuing 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. For example, the Victorian Equal Opportunity and Human Rights Commission conducted training with all employees, and we introduced distress pendants for Conciliation Officers.

Developing action plans to address the results of the Organisational Culture Inventory® (OCI) undertaken last year. The OCI provides employees with the opportunity to identify the culture that they want at ACCS and to tell us how we are performing currently. The plans aim to address the gap between the two positions, and implementation will continue into the next financial year.

Our employee engagement rose significantly over the past year, from an indexed score of 62 to 73.

Cementing a coordinated approach to internal communications, focussing on understanding our strategy and organisational priorities. Communications activities have evolved across the year, especially in the remote working environment where regular communication has been a critical element of continued employee engagement and motivation levels.

Developing a framework for personal development across the organisation, including Leadership Development Program and establishing organisation-wide Performance and Development Plans.

Initiating planning for Enterprise Bargaining Agreement negotiations which will commence in the first half of 2020-21.

Developing key governance frameworks in areas such as risk management and project management, and updating and expanding the ACCS Business Continuity Plan.

Support and Influence the System

Participating in the consultation into providing ACCS with additional powers, conducted by the Department of Justice and Community Safety. ACCS adopted a collaborative approach internally, considering views from all parts of the organisation.

Collaborating with WorkSafe Victoria in undertaking an exploration activity looking at medical reports and identifying improvements to this process. This work will be progressed in 2020-21.

Establishing regular stakeholder engagement activities with key users of the conciliation service, to work through issues and share insights and learnings.



# OPERATIONAL PERFORMANCE

## Overview

The conciliation work of ACCS is made up of:

New requests for conciliation

Reopened matters

Disposals (matters finalised by ACCS)

Cases in progress (matters that are awaiting finalisation, those that have been scheduled for conference and those that have been recently received)

A breakdown of these matters is detailed in the table, below.

	2018-19	2019-20
<b>New requests</b>	12,482	11, 225
<b>Re-opened matters<sup>1</sup></b>	265	318
<b>Disposals</b>	14,357	14,420
<b>Cases in progress</b>	2,857	2,136

Comparing this data further, new requests over the full financial year (1 July 2019 – 30 June 2020) were 10% lower than in 2018-19, which in part can be attributed to the onset of COVID-19 in March 2020.

The number of reopened cases can fluctuate significantly depending upon circumstances of cases, and over the course of the year reopened matters were 39% lower than the previous year. Furthermore, we have seen disposals increase by 0.5% and cases in progress decrease by 25%.

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.

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

## Client satisfaction

Over the past year ACCS has initiated many improvement initiatives to enhance our service delivery, and to establish a pathway for ongoing continuous improvement. In addition, during the onset of COVID-19, ACCS was able to deliver a consistent level of service to all clients by moving to a remote delivery model, which will remain in place until a time when the pandemic has eased.

The results of the ACCS Satisfaction Survey 2019-20 reflects this effort, and shows that client satisfaction with our services not only remains high, but it has improved over the course of the year.

Overall satisfaction with ACCS' services increased significantly in 2019-20 to 85% compared to 76% in the previous year, which is a pleasing result, particularly as it incorporates the period in which we responded to COVID-19. The positive trend was also reflected in our Net Promoter Score, which was +47 (+13 in 2018-19), and in the perceived value of conciliation which is 85% (82% in 2018-19).

Additionally, satisfaction with the Conciliation Officer also increased this year to 90%, compared to 87% in the previous year, and a new survey question indicated that 73% of clients were satisfied with the conciliation outcome.

Over this year, ACCS embarked on a new surveying methodology, and as a result has gathered data in some new areas while maintaining consistent areas of questioning to allow for year-on-year data comparisons.

## Summary of new lodgements

	2018-19		2019-20	
Medical and like expenses	4,734	37.9%	4,242	37.8%
Payment of weekly payments <sup>2</sup>	806	6.5%	817	7.3%
Rejection of claim	2,624	21.0%	2,668	23.8%
Terminations at 130 weeks of compensation (106 weeks 2019/20)	1,373	11.0%	1,061	9.4%
Other terminations <sup>3</sup>	1,594	12.8%	1,192	10.6%
Permanent impairment	687	5.5%	606	5.4%
Other <sup>4</sup>	664	5.3%	639	5.7%
<b>Total</b>	<b>12,482</b>	<b>100%</b>	<b>11,225</b>	<b>100%</b>

The table above shows that the nature of disputes has remained largely constant across the two periods.

## Outcomes

	2018-19			2019-20		
	No.	% of total completed	% of outcomes	No.	% of outcomes	% of outcomes
Resolved by agreement – no variation to original decision	817	6.8%	5.7%	908	7.66%	6.30%
Resolved by agreement – variation to original decision	3,942	32.6%	27.5%	4,314	36.40%	29.92%
Resolved by agreement to a recommendation	2,031	16.8%	14.1%	1,731	14.60%	12.00%
Withdrawn	661	5.5%	4.6%	668	5.64%	4.63%
Direction	20	0.2%	0.1%	8	0.07%	0.06%
<b>Resolved subtotal</b>	<b>7,471</b>	<b>61.8%</b>	<b>52.0%</b>	<b>7,629</b>	<b>64.36%</b>	<b>52.91%</b>
Unresolved	4,626	38.2%	32.2%	4,224	35.64%	29.29%
<b>Total completed</b>	<b>12,097</b>	<b>100.0%</b>	<b>84.3%</b>	<b>11,853</b>	<b>100.00%</b>	<b>82.20%</b>
Not proceeding <sup>5</sup>	2,256			2,566		17.79%
No jurisdiction	4			1		0.01%
<b>Total</b>	<b>14,357</b>			<b>14,420</b>		<b>100.00%</b>

Note : Permanent impairment = Non eco loss + Maims

Other = Other + Alterations and Reductions

<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. 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 ACCS Satisfaction Survey provides positive feedback on the value of conciliation for parties.



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.

2018-19	2019-20
1,548	1,502

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. Such requests for conciliation are referred to the Deputy Senior Conciliation Officer to consider whether they will be lodged.

2018-19		2019-20	
Late lodgements		Late lodgements	
Requests	Requests	Requests	Allowed
1,807	1,807	1,626	1,626

Requests for medical reports

In 2019-20, pursuant to Section 289 of the WIRC Act 2013, ACCS requested 1544 medical reports and received 991, in relation to matters involving self-insurers. Medical reports can play a key role in the resolution of disputes by providing objective information in relation to the injured worker’s medical condition, work capacity and treatment required.

Regional disputes

While the majority of disputes originate within the Melbourne metropolitan region, 21% of disputes dealt with over 2019-20 came from regional Victoria. In order to make the process of conciliation more accessible to parties outside Melbourne, Conciliation Officers undertake 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. As a part of our response to COVID-19, we temporarily ceased in-person regional conferences in March 2020. The move to telephone conciliation has significantly reduced the disparity in time-to-conference statistics between metro and regional disputes and we will continue to explore how this benefit can be retained into the future, when we return to face-to-face conferencing.

ORGANISATION STRUCTURE AND GOVERNANCE

ACCS is an independent statutory authority governed by a Board of Directors, originally formed under the *Accident Compensation Act 1985*, and our current structure was established under the *Compensation Legislation Amendment Act 2016*.

The ACCS Board consists of up to seven directors, each of whom is appointed by the Attorney General and Minister for Workplace Safety. The Board also reports to the Minister. 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 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 provide leadership, line management, and professional support for Conciliation Officers. One DSCO has service delivery responsibilities; the other has a focus on legal and technical advice to ensure consistency in the application of legislation across the organisation.

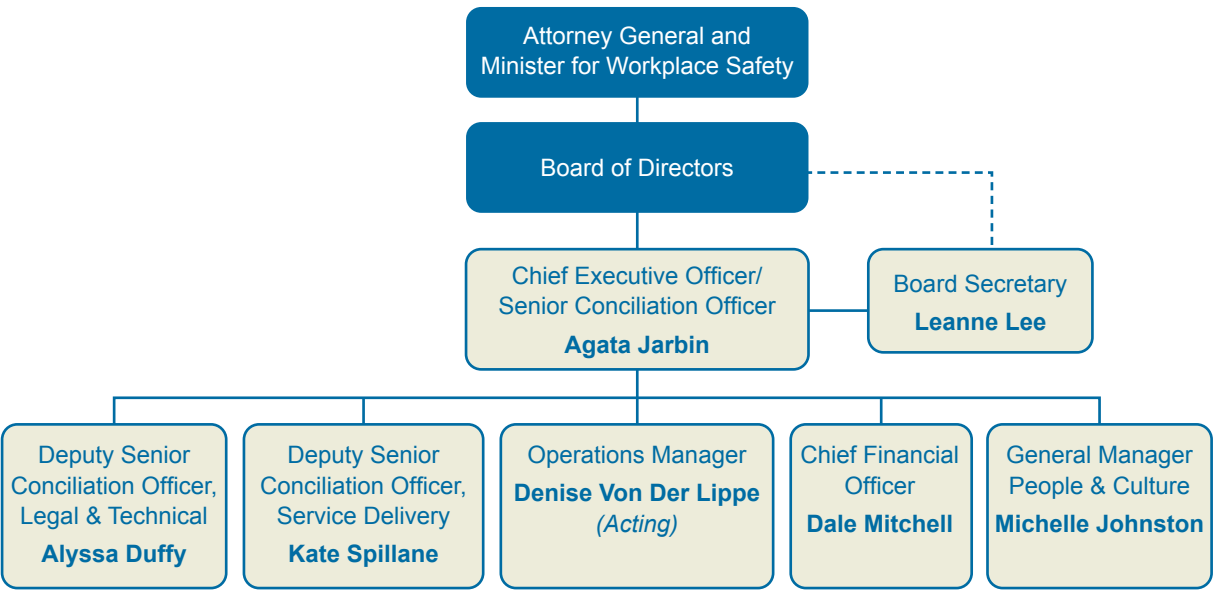
Operations Manager is accountable for the management and leadership of the Operations area of ACCS, with a focus on delivery of efficient and effective administrative support to the Conciliation Officers.

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

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

Board Secretary is responsible for supporting the Board and Chief Executive Officer along with establishing and maintaining protocols for Board secretariat functions, maintenance of governance practices, procedures and standards.

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.

Continuing professional development

The Board has a policy on continuing professional development to encourage Directors to further develop their skills and expertise through high-quality learning and professional development opportunities.

Board Committees

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

The standing Committees during the 2020 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* (Victoria) (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 it has contracted ACCS’ external audit to RSM. ACCS outsources the internal audit function to Grant Thornton.

Remuneration and Culture Committee

The Remuneration and Culture Committee 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 during 2019-20 were:

Directors	Board	Risk, Audit and Finance Committee	Remuneration and Culture Committee
Meriel O’Sullivan <sup>(a)</sup> <sup>(b)</sup>	10/10	3/4	5/5
Tali Bernard	10/10	N/A	5/5
Kelly Humphreys	10/10	4/4	N/A
Adrian Fitzpatrick	8/10	3/4	N/A
Iain Findlay <sup>(c)</sup>	10/10	2/2	2/2
Karen Cusack <sup>(d)</sup>	9/10	1/2	3/3
Helga Svendsen <sup>(e)</sup>	7/7	N/A	3/3

Note:

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

(b) Meriel O’Sullivan was a member of the Remuneration and Culture Committee until December 2019. After that date, she has a standing invitation to attend all meetings.

(c) Iain Findlay was a member of the Risk, Audit and Finance Committee from July 2019 to December 2019 and a member of the Remuneration and Culture Committee from January 2020 to June 2020.

(d) Karen Cusack was a member of the Remuneration and Culture Committee from July 2019 to December 2019 and a member of the Risk, Audit and Finance Committee from January 2020 to June 2020.

(e) Helga Svensden was appointed to the Board on 12 August 2019 and the Remuneration and Culture Committee from October 2019.

Board Directors

Meriel O’Sullivan

Appointed: 11 October 2017  
Board Chair: 1 May 2018  
Committees: Member, Remuneration and Culture Committee (July 2019 to December 2019)

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 working across private, public and not-for-profit sectors. Meriel has a Masters of Dispute Resolution and has tutored in Alternative Dispute Resolution at La Trobe University.

Tali Bernard

Appointed: 11 October 2017  
Deputy Board Chair: 1 May 2018  
Committees: Chair, Remuneration and Culture Committee

Experience: 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

Experience: Kelly Humphreys is an experienced non-executive director and accomplished financial services professional with current non-executive board roles with Raiz Invest Limited (ASX:RZI), NSX Limited (ASX:NXS), Latrobe Health Services and the Victorian Building Authority. Kelly has extensive senior executive experience in financial services and a depth of technical expertise in operations, risk management and governance. Kelly holds a Masters of Management, a Diploma of Financial Services and is a graduate member of the Australian Institute of Company Directors

Adrian Fitzpatrick

Appointed: 11 October 2017  
Committees: Member, Risk, Audit and Finance Committee

Experience: 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 a community based not for profit organisation and advises private group boards. Adrian holds a Bachelor of Commerce and is a fellow of the Institute of Chartered Accountants in Australia.

Iain Findlay

Appointed: 11 October 2017  
Committees: Member, Risk, Audit and Finance Committee (July 2019 to December 2019)  
Member, Remuneration and Culture Committee (January 2020 to June 2020)

Experience: Iain Findlay has more than 25 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.

Karen Cusack

Appointed: 30 April 2018  
Committees: Member, Remuneration and Culture Committee (July 2019 to December 2019)  
Member, Risk, Audit and Finance Committee (January 2020 to June 2020)

Experience: Karen Cusack was appointed as Victoria’s inaugural Health Complaints Commissioner in February 2017. The office is established under the *Health Complaints Act 2016* (Victoria). 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 University, Karen has undertaken various post-graduate studies, including a Master of Laws at Monash. She is also a Board member of the Disability Services Board.

Helga Svendsen

Appointed: 12 August 2019  
Committees: Member, Remuneration and Culture Committee

Experience: Helga is an experienced consultant, coach and facilitator specialising in leadership, strategy and planning, governance and stakeholder engagement, and the host of the Take on Board podcast. She is a Barrister and Solicitor of the Supreme Court of Victoria and holds a Bachelor of Arts/Laws from Monash University. Helga has extensive experience in leadership and Board roles in government, not-for-profit and membership organisations, and also currently sits on the Board of the Royal Women’s Hospital. She is a fellow of the Williamson Community Leadership Program and the Australian Institute of Company Directors (FAICD).

Executive Officers

**Agata Jarbin**  
Chief Executive Officer/Senior Conciliation Officer  
Appointed: 8 October 2018

Agata joined ACCS as Chief Executive Officer in October 2018. Prior to joining ACCS, she 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 also Chair of ERMHA, a not-for-profit organisation supporting people experiencing mental illness.

**Leanne Lee**  
Board Secretary  
Appointed: 21 January 2019

Leanne joined ACCS in January 2019 as Board Secretary. Prior to joining the business she was a Corporate Lawyer. 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 over 20 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 joined ACCS in March 2019. Dale has both public and private experience, having held executive management positions within a number of Victorian public sector agencies. Dale is a Certified Practicing 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 joined ACCS as General Manager, People and Culture in November 2018. Michelle is an experienced executive that has led human resource, leadership, communication, change and brand teams to strategically transform organisations, enabling service excellence in client experience. 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 is an alumnus of the Leadership Victoria Williamson Community Leadership Program, and holds a Diploma of Business.

**Denise von der Lippe**  
Acting Operations Manager  
Appointed: 16 September 2019

Denise commenced with ACCS as a Conciliation Officer in 2013, she was appointed to the Executive Leadership Team in the role of Acting Operations Manager in September 2019. Denise has over 20 years experience in the workers’ compensation industry, including senior roles with Woolworths and VicRoads. Denise holds a Bachelor of Business from Monash University.

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.

Workforce information

Position	As at 30 June 2019			As at 30 June 2020		
	Female	Male	Total	Female	Male	Total
Conciliation officer (HC)	23	11	34	20	12	32
Other employees (HC)	45	12	57	46	14	60
Total (HC)	68	23	91	66	26	92

Position	Full-time (HC)	Part-time (HC)	Full-time equivalent	Full-time (HC)	Part-time (HC)	Full-time equivalent
Conciliation officer	21	13	30.6	23	9	29.6
Other employees	50	7	54.5	47	13	55.5
Total	71	20	85.1	70	22	85.1

HC indicates headcount.

As at 30 June 2020, there were 24% of employees identified as working part-time.Of the total workforce of 92 employees, 66 employees identified as female equating to 72% of the workforce.

Diversity and inclusion commitment

ACCS is continually 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.



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. As 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, stakeholders 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 over 2019-2020 on health, safety and wellbeing with an emphasis on enhancing ACCS' health and safety system, policy and procedural materials. 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 designated work groups 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 along with supporting emotional wellbeing.

Incident reports, notifications and claim costs

	2018-19	2019-20
Incidents reported	17	26
Lost time injuries	0	0
New WorkCover claims	1	0
Claim costs	\$110,586	\$109,895

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

FINANCIAL PERFORMANCE

Financial performance against budget objectives

The following is summary of the budget and actual results for 2019-20:

Operating statement	Budget (\$000)	Actual (\$000)
Funding received from WorkSafe	\$19,436	\$18,807
Operating expenses	(\$19,436)	(\$18,807)
Net result	\$0	\$0

ACCS receives funding from the Victorian WorkCover Authority (trading as WorkSafe Victoria) in accordance with section 535 of the *Workplace Injury Rehabilitation and Compensation Act 2013*.

The approved budget funding for the financial year was \$19.4m, with actual funding received being \$18.8m. The funding received was \$0.7m lower than the budget which is reflective of expenditure being likewise lower by this amount. As part of the WorkSafe and ACCS Services Agreement, ACCS is obligated to return any unspent funding to WorkSafe Victoria.

Expenses were lower than budget during the year due mainly to factors such as: staffing vacancies, deferral of certain strategic initiatives, and amortisation of right of use lease assets being lower than initial predictions. Consistent with Government COVID-19 advice, since mid-March 2020, ACCS has been working remotely including substituting in person conciliation conferences with phone conciliation conferences. This resulted in savings on expenditure such as regional travel, security and office supplies

Financial performance and position

ACCS commenced operations as a 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. 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	2019-20 (\$000)	2018-19 (\$000)	Oct 2017 to June 2018 (\$000)
Funding received from WorkSafe	\$18,807	\$17,027	\$12,202
Operating expenses	(\$18,794)	(\$16,856)	(\$12,572)
Net result before other economic flows	\$13	\$171	(\$370)
Other economic flows	(\$13)	(\$171)	\$370
Net result	\$0	\$0	\$0

As part of the WorkSafe and ACCS Services Agreement, ACCS is obligated to return any unspent funding to WorkSafe Victoria, and, as a result, ACCS records a nil operating result.

ACCS operating expenditure for 2019-20 was \$18.8m, an increase of \$1.8m, which is mostly reflective of; introduction of the right of use of leased assets as per AASB16 Leases; additional employee positions, mandated wage rate increases; and preparatory costs incurred as part of planned replacement of ACCS' conciliation management system and potential implementation of additional powers. The increase in funding to \$18.8m from \$17.0m is directly attributable to the increase in expenses incurred.

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

Balance Sheet	June 2020 (\$000)	June 2019 (\$000)	June 2018 (\$000)
Bank	\$3,882	\$18	\$0
Receivables	\$294	\$3,422	\$2,672
Other assets	\$498	\$38	\$229
Right of use assets	\$10,804	\$0	\$0
<b>Total Assets</b>	<b>\$15,478</b>	<b>\$3,460</b>	<b>\$2,901</b>
Payables	(\$627)	(\$743)	(\$385)
Funding received in advance	(\$685)	(\$0)	(\$0)
Employee related provisions	(\$3,023)	(\$2,717)	(\$2,516)
Lease liabilities	(11,143)		
<b>Total liabilities</b>	<b>(\$15,478)</b>	<b>(\$3,460)</b>	<b>(\$2,901)</b>
<b>Equity</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Historically, ACCS did not have a transactional bank account, with all ACCS costs being paid for and/or funded by WorkSafe Victoria. From July 2019, all expenses and liabilities have been directly paid from the ACCS bank account. During the financial year, WorkSafe repaid the ACCS a net receivables balance of \$3.4m, related substantially to the future funding of employee related provisions and other payables as at June 2019. This is the key reason for the nearly \$3.9m increase in the cash balance and \$3.1m decrease in receivables.

The introduction of AASB16 Leases, with effect from July 2019, resulted in recording operating leases for office accommodation, motor vehicles and some IT equipment in the balance sheet for the first time, rather than being an off-balance sheet commitment. The major component of the Right of Use Assets and Lease Liabilities relates to the rental lease of office accommodation of ACCS’ principal place of operation, 215 Spring Street, which expires in 2027.

Funding received in advance (\$0.7m) is attributed to the requirement to return to WorkSafe Victoria any unspent budget funding as at June each year.

Employee provisions of \$3.0m has seen a net increase of \$0.3m, most 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, wage rate increases impacting the future balance; and increase in annual leave balances, partially due to COVID-19 restrictions resulting in employees cancelling leave plans.

Information and communication technology expenditure

In 2019-20, 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)
\$1,105	\$312	\$1,417	\$0	\$0

Advertising expenditure

ACCS did not expend any monies on Government advertising during 2019-20.

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 2019-20 \$000	Committed expenditure 2020-21 \$000	Total expenditure \$000
Demand IT	Advice on IT governance and projects	4/7/20	24/4/20	\$20	\$0	\$20
Capgemini	Victorian Protective Data Security Framework uplift project	15/5/20	20/7/20	\$40	\$13	\$53
Corrine Armour	Executive leadership program and facilitation of strategic planning	1/5/20	31/12/20	\$38	\$48	\$86
KPMG	Financial modeling for potential implemenation of arbitration powers and provisional payments; preparation of IT system request of tender documents	15/12/19	30/6/20	\$124	\$0	\$124
Nous Group	User experience project design	13/5/19	2/8/19	\$101	\$0	\$101
Opcumm Pty Ltd	Development of program management framework and associated services	5/8/19	31/10/19	\$128	\$0	\$128
Pitcher Partner Consulting	Updating compliance register and advice on payment of allowances	1/5/20	30/6/20	\$31	\$0	\$31
Risk Logic	Faciliation of crisis management and business continuity plans and tests	15/11/19	30/6/20	\$20	\$0	\$20
Shane Thomas and Associates	Review methodology for stakeholder survey	12/12/19	13/3/20	\$21	\$0	\$21
DXC Systems Partners	Documentation of business requirements for IT system replacement	26/8/19	8/11/19	\$171	\$0	\$171
The Stylewise Group Trust	Executive leadership program	1/7/19	15/12/19	\$10	\$0	\$10
<b>Total consultants</b>				<b>\$702</b>	<b>\$61</b>	<b>\$763</b>

From 01/07/2019 to 30/06/2020, ACCS engaged 5 consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$24,000 (excl.GST).

Subsequent events

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



# 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 Minister for Finance under the *Financial Management Act 1994* and Instructions for the year ended 30 June 2020.



**Meriel O’Sullivan**  
Board Chair

Date signed: 26 August 2020

## 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 2019-20 financial year, ACCS received three valid FOI applications from the public. ACCS made two FOI decisions during the financial year with one FOI request was still open as at June 2020.

There was one FOI request that was lodged in 2017-18 that was considered by the Victorian Civil and Administrative Tribunal (VCAT) during the year. VCAT upheld ACCS’ decision not to release information as the documents were correctly assessed as being exempt.

## 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:

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

Publications produced by ACCS

A list of major committees sponsored by ACCS

Details about consultants and contractors engaged

External reviews carried out by ACCS

Details of major promotional activities.

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

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

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

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.

## Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy and Major Project Skills

Guarantee (MPSG) policy which were previously administered separately. Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria. MPSG applies to all construction projects valued at \$20 million or more.

During the 2019-20 financial reporting period no tenders or contracts fell with the scope of the application of the *Local Jobs First Act*.

## 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, <https://conciliation.vic.gov.au/policies>.

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 aiming to reduce its impact on the environment. Two key measures are electricity and paper usage.

ACCS electricity usage has reduced from 186,496 kilowatt hours in 2018-19 to 168,228 in 2019-20. Additionally, from August 2019 ACCS has signed up to a 100% green power plan which has zero CO2 emissions.

ACCS paper usage during the 2019-20 year reduced by 1,105 reams of paper to 4,595 reams. ACCS paper is sourced from suppliers using certified by the Forest Stewardship Council .

# 2019–20 FINANCIAL REPORT

## Board Director, accountable officers and chief finance and accounting officer’s declaration

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 2020 and the financial position of the Accident Compensation Conciliation Service as at 30 June 2020.

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 26 August 2020.



Meriel O'Sullivan  
Board Chair



Agata Jarbin  
Accountable Officer



Dale Mitchell  
Chief Financial Officer

Dated at Melbourne on this 26th day of August 2020.

# AUDITOR’S REPORT



## Independent Auditor’s Report

To the Senior Conciliation Officer of the Accident Compensation Conciliation Service

Opinion	<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 2020</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>Board Director, accountable officers and chief finance and accounting officer's declaration.</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 2020 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>
Basis for opinion	<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>
Senior Conciliation Officer’s responsibilities for the financial report	<p>The Senior Conciliation Officer 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 Senior Conciliation Officer 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 Senior Conciliation Officer 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 <i>Audit Act 1994</i> , 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:
	<ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Senior Conciliation Officer</li> <li>conclude on the appropriateness of the Senior Conciliation Officer'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.</li> <li>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.</li> </ul> <p>I communicate with the Senior Conciliation Officer 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.</p>

MELBOURNE  
31 August 2020



Timothy Maxfield  
as delegate for the Auditor-General of Victoria

# COMPREHENSIVE OPERATING STATEMENT

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	1 July 2019 – 30 June 2020 \$000s	1 July 2018 – 30 June 2019 \$000s
<b>Revenue</b>			
Income from transactions	2	18,807	17,027
<b>Total revenue</b>		<b>18,807</b>	<b>17,027</b>
<b>Expenses</b>			
Expenses	3	(18,794)	(16,856)
<b>Net result before other economic flows</b>		<b>13</b>	<b>171</b>
<b>Other economic flows</b>			
Movement in provisions due to changes in discount rates		(13)	(171)
<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 2020

	Note	30 June 2020 \$000s	30 June 2019 \$000s
Cash at bank	4	3,882	18
Receivables	5	294	3,422
Prepayments		498	20
<b>Current assets</b>		<b>4,674</b>	<b>3,460</b>
Right-of-use assets	6	10,804	-
<b>Non-current assets</b>		<b>10,804</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>15,478</b>	<b>3,460</b>
Payables	7	(627)	(743)
Funding received in advance		(685)	-
Employee related provisions	8	(2,805)	(2,476)
Lease liabilities	9	(1,352)	-
<b>Current liabilities</b>		<b>(5,469)</b>	<b>(3,219)</b>
Employee related provisions	8	(218)	(241)
<b>Lease liabilities</b>	9	<b>(9,791)</b>	<b>-</b>
<b>Non-current liabilities</b>		<b>(10,009)</b>	<b>(241)</b>
<b>TOTAL LIABILITIES</b>		<b>(15,478)</b>	<b>(3,460)</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 2020

	30 June 2020 \$000s	30 June 2019 \$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 2020

	Note	30 June 2020 \$000s	30 June 2019 \$000s
<b>Cash Flows From Operating Activities</b>			
Receipts from WorkSafe Victoria		22,838	20
Interest income		32	-
Goods and services tax refunded from ATO		459	-
Payments to suppliers and employees		(17,472)	(2)
<b>Net Cash Flows From Operating Activities</b>	<b>13</b>	<b>5,857</b>	<b>18</b>
<b>Cash Flows From Investing Activities</b>		<b>-</b>	<b>-</b>
Total cash outflow for leases		(1,993)	-
<b>Cash Flows From Financing Activities</b>		<b>(1,993)</b>	<b>-</b>
<b>Net increase in cash held</b>		<b>3,864</b>	<b>18</b>
Cash at the beginning of the year/period	4	18	-
<b>Cash at the end of the year/period</b>	<b>4</b>	<b>3,882</b>	<b>18</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 2020

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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 year ended 30 June 2020. The purpose of the report is to provide users with information about the ACCS' stewardship of resources entrusted to it.

### COVID19 impact on the financial statements

Consistent with Government COVID-19 advice, since mid-March 2020, ACCS has been working remotely including substituting in person conciliation with phone conciliation conferences. The financial impact on ACCS is summarised as follows:

- Funding revenue is based a budget approved by the Attorney General and Minister for Workplace Safety. The funding for 2019-20 remains unchanged from the 2019-20 budget approved in June 2019.
- Expenditure has been incurred to respond to COVID19, however this additional expenditure has been offset by a reduction in security and travel/ accommodation costs as ACCS is providing phone, rather than in person conciliation conferences.
- The impact of COVID-19 does not have a material impact on estimates including calculations such as provisions, lease liabilities, impairment assessment of financial assets, etc
- ACCS does not anticipate, as at the date of authorisation of this report, any material future expenses, liabilities or commitments incurred as a direct result of COVID19 which cannot be funded from the 2020-21 budget, which was approved by the Attorney General and Minister for Workplace Safety in June 2020. Therefore ACCS going concern assumption remains valid.

### 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, and relevant Standing Directions (SDs) authorised by the Minister for Finance.

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

### 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 2020, and the comparative information presented in these financial statements for the period ended 30 June 2019.

During 2019-20 reporting period *AASB 15 Revenue from Contract with Customers* and *AASB 1058 Income for Not-for-Profit Entities* were adopted with an initial application date of 1 July 2019. The adoption of these accounting standards has not impacted the existing income accounting policies of ACCS.

During the 2019-20 reporting period ACCS has adopted *AASB 16 Leases*, with a date of initial application of 1 July 2019.



ACCS has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, ACCS determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 – ‘Determining whether an arrangement contains a Lease’. Under AASB 16, ACCS assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 9.

On transition to AASB 16, ACCS has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

**Leases classified as operating leases under AASB 117**

As a lessee, ACCS previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to ACCS. Under AASB 16, the Department recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, ACCS recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using ACCS incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

ACCS has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of leas term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

**Impacts on financial statements**

On transition to AASB 16, ACCS recognised \$12.4 million of right-of-use assets and \$12.3 million of lease liabilities.

When measuring lease liabilities, ACCS discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 2.52%.

**Measurement of lease liability**

	30 June 2020 \$000s	30 June 2019 \$000s
Operating lease commitments disclosed as at 30 June 2019 (excl GST)	19,592	-
Discounted using incremental borrowing rate as of the date of initial application	(1,324)	-
Adjustments relating to variable payments	(5,975)	-
Lease liability recognised as at 1 July 2019	12,293	-

In measuring lease liabilities as at 01 July 2019 in accordance with AASB16, GST has been excluded from operating commitments as at 30 June 2020 (note 10.1).

**Comparative information**

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

- Note: 3 Professional services
- Note 8.1 Superannuation contributions

**Going concern**

The going concern assumption has been applied in the preparation of these financial statements. 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 8).

**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 contingent liabilities are presented on a gross basis.

**Note 2: Income from Transactions**

	30 June 2020 \$000s	30 June 2019 \$000s
Funding from WorkSafe Victoria	18,774	17,027
Interest Income	32	-
	18,807	17,027

**Funding from WorkSafe Victoria**

ACCS is funded by WorkSafe Victoria in accordance with section 536D of the *Workplace Injury Rehabilitation and Compensation Act 2013* and the WorkSafe Victoria and ACCS Services Agreement.

The level of funding is subject to and in accordance with the budget approved by the Attorney General and Minister for Workplace Safety. ACCS is required to repay WorkSafe Victoria any unspent funding at the end of the financial year. Consequently, revenue is recognised to match expenses incurred. Any funding received in excess of expenses incurred is recognised as Funding Received in Advance in the statement of financial position.

## Note 3: Expense from Transactions

	30 June 2020 \$000s	30 June 2019 \$000s
Staff and related costs	12,810	11,369
Occupancy and utilities	1,048	2,408
Professional services	1,171	1,104
Information technology	1,050	984
Depreciation - Right-of-use assets	1,612	-
Interest expense on lease liabilities	295	-
Asset recharge expense	208	209
Regional venue hire / travel	189	287
Other expenses	411	495
	<b>18,794</b>	<b>16,856</b>

Operating costs include the following:

### Operating lease payments \*

Premises	412	1,990
Motor vehicles	6	33
Office equipment	7	38
	<b>425</b>	<b>2,061</b>

\* Following implementation of AASB16 at 01/07/19 relates to variable component of rental invoices only with fixed

### Remuneration of Auditors

Victorian Auditor-General's Office	15	15
	<b>15</b>	<b>15</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 Department of Treasury and Finance (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 8.1

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

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

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

### Depreciation Right-of-use assets and interest expense on lease liabilities

Depreciation and interest expenses arising out of the adoption of AASB16. The estimated useful life of assets is disclosed in note 6.

**Asset recharge expenses:** Costs for use of assets such as multi-function units and furniture and fittings provided by WorkSafe Victoria.

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

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

**Operating lease payments:** Following the adoption of *AASB16 Leases*, operating lease payments reflect variable costs paid under the leases only. For the comparative period, operating lease payments (including contingent rentals) were recognised on a straight line basis over the lease term, except where another systematic basis was 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 2020 \$000s	30 June 2019 \$000s
Cash at bank	3,882	18
	<b>3,882</b>	<b>18</b>

As outlined in note 2 WorkSafe Victoria fund ACCS. Prior to June 2019 ACCS did not have a transactional bank account, consequently WorkSafe Victoria made payment of all operating costs and employee benefits incurred by ACCS. From July 2019, ACCS bank account become operational and ACCS operating costs and employee benefits were paid directly from the ACCS bank account.

Cash at bank are 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 2020 \$000s	30 June 2019 \$000s
<b>Contractual</b>		
Amount due from WorkSafe Victoria	60	3,361
Other receivables	28	40
<b>Statutory</b>		
Fringe benefit tax receivable	-	21
GST	206	
	<b>294</b>	<b>3,422</b>

Receivables comprise of contractual receivables in relates to:

- Funding receivable from the WorkSafe Victoria in regards to cost recovery transactions, employee provisions, payables less bank balances and prepayments, and
- Other receivables relate to miscellaneous other receivables.

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

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

ACCS applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. ACCS has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Department's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, ACCS determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year to be nil based contract receivables with mainly Victorian Government entities.

## Note 6: Right-of-use assets

	30 June 2020 \$000s	30 June 2019 \$000s
Leasehold buildings	12,302	-
Accumulated depreciation	(1,554)	-
	<b>10,748</b>	<b>-</b>
Computer equipment	65	-
Accumulated depreciation	(34)	-
	<b>31</b>	<b>-</b>
Motor vehicles	49	-
Accumulated depreciation	(24)	-
	<b>25</b>	<b>-</b>
Total Right-of-use assets	12,416	-
Total Accumulated depreciation	(1,612)	-
<b>Net carrying amount</b>	<b>10,804</b>	<b>-</b>

	Leasehold Buildings	Computer Equipment	Motor Vehicles	Total
Opening Balance - 1 July 2019	12,302	65	51	12,418
Additions	-	-	-	-
Disposals	-	-	(2)	(2)
Depreciation	(1,554)	(24)	(34)	(1,612)
<b>Balance at end of the year</b>	<b>10,748</b>	<b>41</b>	<b>15</b>	<b>10,804</b>

### Right-of-use asset acquired by lessees (Under AASB 16 – Leases from 1 July 2019) – Initial measurement

ACCS recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

### Right-of-use asset – Subsequent measurement

ACCS depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment. The right-of-use assets are also subject to revaluation as required by FRD 1031 [pending] however as at 30 June 2020 right-of-use assets have not been revalued.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of the lease liability.

### Depreciation

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The depreciation rate applied to property assets is 10% and the depreciation rate applied to both computer equipment and motor vehicles is 33.33%.

## Note 7: Payables

	30 June 2020 \$000s	30 June 2019 \$000s
<b>Contractual</b>		
Supplies and services	573	691
<b>Statutory</b>		
Fringe benefit tax payable	4	5
Other taxes payable	50	47
	<b>627</b>	<b>743</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 are 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 8: Employee Related Provisions

	30 June 2020 \$000s	30 June 2019 \$000s
<b>Current</b>		
Annual leave		
Unconditional and expected to be settled within 12 months	448	488
Unconditional and expected to be settled after 12 months	320	204
	<b>768</b>	<b>692</b>
Long service leave		
Unconditional and expected to be settled within 12 months	213	166
Unconditional and expected to be settled after 12 months	1,434	1,276
	<b>1,647</b>	<b>1,442</b>
On-costs		
Unconditional and expected to be settled within 12 months	105	102
Unconditional and expected to be settled after 12 months	285	240
	<b>390</b>	<b>342</b>
<b>Total current employee benefit provisions</b>	<b>2,805</b>	<b>2,476</b>
<b>Non-current</b>		
Long service leave	187	207
On-costs	31	34
<b>Total non-current provisions</b>	<b>218</b>	<b>241</b>
<b>Total employee benefit provisions</b>	<b>3,023</b>	<b>2,717</b>
<b>Reconciliation of movement in on-cost provisions</b>		
<b>Opening balance</b>	<b>376</b>	<b>361</b>
Additional provision recognised	177	130
Reduction arising from payments	(138)	(138)
Unwinding of discount and effect of changes in discount rates	6	23
<b>Closing balance</b>	<b>421</b>	<b>376</b>

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.

### 8.1 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. ACCS recognises an expense when the contribution is paid or payable. The liabilities of defined benefit plans are recognised in the financial statements of the State of Victoria. Defined contribution plan contributions are paid in accordance with the superannuation guarantee legislation.

Superannuation contributions paid during the year:

	30 June 2020 \$000s	30 June 2019 \$000s
<b>Defined contribution plans</b>		
VicSuper	410	386
Australian Super	159	126
HostPlus	47	37
Legal Super	27	21
Other	240	190
<b>Defined benefit plans</b>		
Emergency Services Superannuation Scheme	78	61
	<b>962</b>	<b>821</b>

At 30 June 2020, contributions outstanding were \$26,865 (2019: \$16,202).

## Note 9: Lease Liabilities

ACCS currently has a total of 6 leases for property, computer equipment and motor vehicles. Computer equipment and motor vehicles are typically leased for 3 years, the property lease is for 10 years and is due to expire in 2027, with an option to renew.

	30 June 2020 \$000s	30 June 2019 \$000s
Leasehold buildings	11,086	-
Computer equipment	32	-
Motor vehicles	25	-
	<b>11,143</b>	<b>-</b>
Current	1,352	-
Non Current	9,791	-
<b>Total lease liabilities</b>	<b>11,143</b>	<b>-</b>

#### Maturity Analysis - undiscounted contractual cash flows

	30 June 2020 \$000s	30 June 2019 \$000s
Less than one year	1,615	-
One to five years	6,888	-
More than 5 years	3,669	-
<b>Total undiscounted contractual cash flows</b>	<b>12,172</b>	<b>-</b>
<b>Lease liabilities recognised in the statement of financial position</b>	<b>11,143</b>	<b>-</b>

Total cash outflow for leases during the period ended 30 June 2020 was \$1.99 million.

ACCS has adopted AASB 16, with a date of initial application of 1 July 2019. ACCS has elected to apply AASB 16 using the modified retrospective approach. Accordingly, the comparative information is not restated.

For any new contracts entered into on or after 1 July 2019, ACCS considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition ACCS assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to ACCS and for which the supplier does not have substantive substitution rights;
- ACCS has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the department has the right to direct the use of the identified asset throughout the period of use.
- ACCS has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

### Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

#### Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

#### Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or ACCS incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments);
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Short-term leases and leases of low value assets

ACCS has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

ACCS presents right-of-use assets as ‘property plant equipment’ unless they meet the definition of investment property, in which case they are disclosed as ‘investment property’ in the balance sheet. Lease liabilities are presented as ‘borrowings’ in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

Leases of property, plant and equipment where ACCS as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in ACCS balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Note 10: 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.

10.1 Operating Lease Commitments

	30 June 2020 \$000s	30 June 2019 \$000s
Operating Leases		
Future minimum lease payments under non-cancellable operating lease arrangements		
- Due within one year	-	2,437
- Due later than one year and less than five years	-	10,484
- Due later than five years	-	8,630
Total operating lease commitments (inclusive of GST)	-	21,551

Prior to the introduction of ASSB16 Leases, with effect from July 2019, operating lease agreements were disclosed as an expense in the Operating Statement on a straight line basis over the lease term and a commitment recorded in the notes to the financial statements for the remaining lease term. From July 2019, in accordance with AASB16 operating lease commitments, are in the statement of financial position as disclosed in notes 6 and 9.

10.2 Expenditure Commitments

	30 June 2020 \$000s	30 June 2019 \$000s
Other operating commitments		
Amounts payable under non-cancellable other operational contractual arrangements		
Due within one year	1,330	135
Due later than one year and less than five years	-	-
Due later than five years	-	-
Total operating lease commitments (inclusive of GST)	1,330	135

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 disclose at their nominal value, inclusive of GST.

Note 11: 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 Minister during the reporting period was:

The Hon Jill Hennessy  
Minister for Workplace Safety

Board Members

The following were Board members during the year:

Meriel O’Sullivan (Chair)

Tali Bernard

Karen Cusack

Iain Findlay

Adrian Fitzpatrick

Kelly Humphreys

Helga Svendsen (appointed 12 August 2019)

Accountable Officer

The following held the position of Senior Conciliation Officer during the year:

Agata Jarbin

Responsible person remuneration

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

\$	30 June 2020	30 June 2019
Up to 9,999	5	7
10,000 – 19,999	2	-
30,000 – 39,999	-	1
70,000 – 79,999	-	1
210,000 - 219,999	-	1
300,000 - 309,999	1	-
	8	10

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.



## Key management personnel remuneration

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

	30 June 2020 \$000s	30 June 2019 \$000s
Short-term employee benefits	1,286	1,197
Post-employment benefits	131	120
Other long-term benefits	63	41
Termination benefits	-	13
<b>Total remuneration</b>	<b>1,480</b>	<b>1,371</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 2020 and 30 June 2019 respectively.

Item	2019-20 \$000	2018-19 \$000
Funding received from WorkSafe Victoria	19,436	17,027
Repayment of contractual receivables outstanding at June 2019 by WorkSafe Victoria	3,402	-
Fees charged by WorkSafe Victoria to ACCS under a Shared Services Agreement for information technology, financial services and office accommodation facilities.	1,448	1,252

## 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 2020 \$000s	30 June 2019 \$000s
Short-term employee benefits	1,243	1,168
Post-employment benefits	127	117
Other long-term benefits	63	41
Termination benefits	-	13
<b>Total remuneration</b>	<b>1,433</b>	<b>1,339</b>

	Number	Number
<b>Total number of executives</b>	<b>7</b>	<b>12</b>
<b>Total annualised employee equivalent<sup>1,2</sup></b>	<b>6.3</b>	<b>6.0</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 11).

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

## Note 12: Financial Instruments

Exposure to credit and liquidity risks arises in the normal course of ACCS 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 13: Other Disclosures

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

	30 June 2020 \$000s	30 June 2019 \$000s
<b>Net result for the period</b>		
Depreciation Right-of-use assets	1,612	-
Interest expenses - lease liabilities	295	-
Right-of-use benefit	(1,568)	-
Movements in provisions due to changes in discount rates	13	171
<i>Movements in assets and liabilities</i>		
(Increase)/Decrease in receivables	3,128	(750)
(Increase)/Decrease in prepayments	(478)	209
Increase/(Decrease) in payables	1,877	358
Increase/(Decrease) in funding in advance	685	-
Increase/(Decrease) in provisions	293	30
<b>Net cash flows from operating activities</b>	<b>5,857</b>	<b>18</b>

## 13.2 Ex-gratia Payments

Ex-gratia payments made during the period were:

Item	2019-20 \$000	2018-19 \$000
Payment made on termination of employment	24	-

## 13.3 Contingencies

There were no contingent assets or contingent liabilities as at 30 June 2020 or 30 June 2019 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 contingent liabilities are presented inclusive of GST receivable or payable respectively.

## 13.4 Events Subsequent to Balance Date

There have been no events that have occurred subsequent to 30 June 2020 which would, in the absences of disclosure, cause the financial statements to become misleading.

## 13.5 Issued but not yet effective Australian accounting and reporting pronouncements

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2020 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 2018-7</b> <i>Amendments to Australian Accounting Standards – Definition of Material</i>	This Standard principally amends AASB 101 <i>Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	The standard is not expected to have a significant impact on the public sector.
<b>AASB 2020-1</b> <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2022. However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact on the public sector.

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 2019-20 reporting period. In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business.

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.

AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.

AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements.

AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).

Conceptual Framework for Financial 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' compliance with statutory disclosure requirements.

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