


Accident Compensation Conciliation Service

Annual Report 2020-21



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

Ms Ingrid Stitt MP
Minister for Workplace Safety

Level 22
50 Lonsdale 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 2021.

Yours sincerely



Meriel O'Sullivan
Board Chair

25 August 2021

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**DELIVERING
SERVICE
EXCELLENCE
IN ALTERNATIVE
DISPUTE
RESOLUTION
FOR WORKPLACE
INJURIES.**



MERIEL O'SULLIVAN



ALYSSA DUFFY

CHAIR AND CEO REPORT

The focus for 2020-21 has been on enhancing conciliation services and strengthening our capacity to be flexible and responsive through change.

ACCS has continued to operate effectively through the COVID-19 pandemic, consolidating the provision of remote services and offering multiple options for accessing conciliation, in recognition of the value that dispute resolution can provide to people impacted by workplace injuries.

Through this period our focus has been on:

ensuring safe and timely access to conciliation conferences;

supporting the health and wellbeing of our staff and all those who access our services; and

adopting a people-centred approach to the redesign of systems and processes.

Changes in how we work have been enhanced by productive engagement and collaboration with staff, teams, stakeholders and government, that has ensured initiatives are relevant and beneficial. Examples of improvements, beyond operating services remotely, include the collaborative development of Guidelines for Conciliation, the redesign of our User Satisfaction Survey and the redevelopment of our complaints, feedback and compliments process.

At a time when government agencies across the globe are struggling with the pervasive impacts of COVID-19, it is pleasing to note that overall satisfaction with ACCS services in the conciliation process have remained strong and steady – 84% satisfaction for 2021 and 85% for 2020. These satisfaction levels continue to be higher than pre-COVID figures of 76% in 2019 and 81% in 2018.

The positive assessment of our services and initiatives is a testament to the professionalism, creativity and commitment of our wonderful staff, who continue to provide quality conciliation services through these unique and challenging times. It also highlights the great work of ACCS leadership, who have managed the transition to new ways of working in a way that prioritised engagement, connection and wellbeing.

It is opportune at this time to recognise the role of key leaders in ACCS. We acknowledge the thoughtful and insightful contribution of Board Director Adrian Fitzpatrick, who stepped down from the Board in October 2020, and welcome the recent appointment of Professor John Howe to the ACCS Board. We note the departure of the CEO Agata Jarbin at the end of 2020 and pay tribute to her tireless work in leading, supporting and strengthening the organisation. The Board is confident that our new CEO, Alyssa Duffy, and all the members of our hard-working executive team, will continue to guide ACCS wisely and effectively through this time of exciting and impactful change.

We welcome the passing by State Parliament of the *Workplace Injury Rehabilitation and Compensation Amendment (Arbitration) Act*, in May 2021, and congratulate Government on its ongoing commitment to providing faster, simpler, lower cost alternatives for the resolution of disputes. ACCS is committed to providing a high-quality arbitration service that upholds the objectives of the legislation and delivers impartial, merit-based decisions without unnecessary expense or delay.

Finally, we thank the entire ACCS team for a strong year. Despite the regularly changing goal posts that have eventuated as a result of COVID-19, the organisation has continued to demonstrate resilience, commitment and dedication to getting the job done and delivering an outstanding service to the Victorian community.



Meriel O'Sullivan
Board Chair



Alyssa Duffy
Chief Executive Officer & Senior Conciliation Officer

YEAR IN REVIEW

8,917

disputes referred
for conciliation



5,956

disputes resolved



user satisfaction
with ACCS



91%

satisfaction with
Conciliation Officers

67%

resolution rate with
authorised agents



63%

resolution rate
with self-insurers



People
Matter Survey
engagement
index

Net
Promoter
Score

+41



1,294

matters referred to
Medical Panels



disputes from
regional Victoria

ABOUT ACCS

Accident Compensation Conciliation Service (ACCS) is a vital part of the Victorian workers compensation scheme, providing conciliation services, at no cost to injured workers. As a statutory authority, ACCS operates independently of WorkSafe Victoria, WorkSafe agents, self-insurers, workers, employers, solicitors and unions.

The role of ACCS is to ensure independent conciliation services for the purposes of the *Workplace Injury Rehabilitation and Compensation Act 2013* (WIRC Act) and the *Accident Compensation Act 1985* (AC Act), and to ensure that conciliations are conducted in a prompt and consistent manner. 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 is responsible to the Minister for Workplace Safety and reports through the Department of Justice and Community Safety.

The Ministerial Guidelines made 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.

In 2021 Parliament passed the *Workplace Injury Rehabilitation and Compensation Amendment (Arbitration) Act 2021* which allows ACCS to hear and make binding determinations on disputes not resolved by conciliation, if the worker elects to proceed to arbitration. To bring this new service to life, ACCS has commenced planning for the introduction of an arbitration function in 2022/23.

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

ACCS has commenced planning for the introduction of an arbitration function in 2022/23

OUR PURPOSE

Achieving fair outcomes for workers 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 alternative 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 approach 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.

HOW CONCILIATION WORKS AND THE ROLE OF THE CONCILIATION OFFICER

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 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 conciliation conference. Employees and employers are entitled to have an assistant with them, but 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.

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ACCS ARBITRATION

DELIVERING FAIRER OUTCOMES FOR INJURED WORKERS

On 4 May 2021 the *Workplace Injury Rehabilitation and Compensation Amendment (Arbitration) Act 2021* ('the amending Act') was passed in Parliament. The amending Act allows ACCS to introduce an arbitration function to complement and enhance our existing conciliation service.

Once the arbitration service has commenced ACCS will be able to hear and make binding determinations on disputes not resolved by conciliation if the worker elects to proceed to arbitration, rather than proceeding to court. This will deliver fairer outcomes for injured workers, provide a simpler and cheaper alternative to court, and ultimately lead to faster resolution of disputes.

This is an important milestone for ACCS and we are proud to be the custodian of this service for the Victorian community. We are committed to delivering improved outcomes for injured workers, while providing a service that aligns closely with the ACCS values of integrity, respect, impartiality and accountability.

ACCS has commenced a significant program of work to implement arbitration. The body of work is supported by an expert project team and includes not only the design of the new arbitration system, but also the subsequent changes to our workforce, our premises and our systems and technology. Additionally, we are working closely with the Department of Justice and Community Safety to ensure arbitration meets legislative and community expectations, and will consult with key stakeholders throughout the implementation.

THE NEW LEGISLATION SUPPORTS FAIRER OUTCOMES, INCLUDING:

SIMPLER

and more accessible processes.

FASTER

and more efficient access to dispute resolution outside of the court system.

LOWER COST

option for progressing disputes.



OUR CONTINUED RESPONSE TO COVID-19

ADAPTING TO A NEW OPERATING ENVIRONMENT WITH FLEXIBILITY AND IMPROVED SERVICE PROVISION

Early 2020 saw the onset of COVID-19 and a rapid move to a new way of working and over the course of 2020-21 ACCS has continued to adapt and evolve in this changing environment, with the experience of our users and our employees at the forefront of key decision making.

We take great pride in the way we have continued to deliver our vital service to the Victorian community throughout the pandemic, focusing on the delivery of outstanding outcomes to the users of our service. We are gratified that this has again been reflected in our annual user satisfaction ratings for 2020-21. We have maintained strong results across a range of measures, achieving a satisfaction rating of 84% and a Net Promoter Score of +41, in the face of what seems to be declining trends in public sentiment globally.

Our service delivery

The past year has seen ACCS continue to deliver its conciliation service remotely, with employees primarily working from home. While we were limited to telephone conferencing when we first transitioned to remote service delivery in 2019-20, we now offer workers the option to participate in their conference by either telephone or Zoom video conferencing. This followed a pilot where we worked with representatives from key stakeholders to ensure that injured workers, agents, workers assistants, self-insurers and employers could all participate in our video conferencing service in a supported and effective way.

Internally we have used this opportunity to improve key processes and look at better and smarter ways of working. This has created efficiencies that have been incorporated whether we are working remotely or in our office environment. Our primary focus has been introducing further electronic ways of working, extending to the lodgement of forms with ACCS. Throughout this process improvement we have prioritised flexibility in order to support workers who cannot access electronic devices. We have also made gains in the ways we exchange documents with stakeholders that have benefited all parties and have made these interactions simpler and more efficient.

When restrictions ease, ACCS is planning for a safe and considered return to face-to-face conferencing. Our priority is to progress at a pace that provides peace of mind that we have the necessary health and safety measures in place to support conferencing, whilst ensuring a positive experience for all users.

Of course we could not have delivered these results without our wonderful team, who have continued to upskill, adapt and find solutions to ensure the continuity of our conciliation service.

Supporting our employees

While we have made gains in our service delivery, our priority has continued to be our people, and to ensure that we are providing the necessary support to assist with their engagement and motivation in a remote working environment. Following on from the initiatives that were implemented in the last financial year, ACCS has continued to deliver a range of supports to employees to make working from home easier and to assist with a phased return to the office in a safe and sustainable way.

All employees have also been offered guidance, training and support to improve health, safety and wellbeing outcomes. In addition we have implemented strategies to achieve a safe, simple and sustainable return to the workplace. These include:

Undertaking an internal Pulse Survey in December, to obtain employee feedback and gauge attitudes to transitioning back to the office environment.

Engaging an Occupational Hygienist to assess our working environment and provide guidance on protocols and procedures.

Maintaining an up-to-date COVIDSafe Plan and ensuring that the appropriate hygiene and cleaning measures are in place.

Making changes to the office layout to ensure social distancing can be maintained.

Looking at work practices into the future to support a hybrid working environment for employees that meets the needs of our service delivery.

ACCS has closely monitored all Government directives and guidance and has been steered by these in the provision of service through this period.


2020 PEOPLE MATTER SURVEY WELLBEING CHECK

It is also pleasing to see that despite the fact that we have been operating in a remote and hybrid environment across the entire year, we have seen increased engagement levels across our workforce – which can in part be attributed to the measures that have been put in place to manage and support each employee. This is also reflected in the annual People Matter results.

The People Matter Survey is the Victorian public sector's annual employee opinion survey. In 2020 the survey was delayed due to the impacts of COVID-19, and incorporated more questions around wellbeing and the impacts of the pandemic on employees.

Through the survey, ACCS recorded an engagement index of 71, which is a significant and welcome improvement on the previous period (62) and is aligned to the public sector average of 70. Looking at the impacts of a changed work environment on our workforce, the survey revealed that 92% of employees felt they received adequate support during this period, and 92% received sufficient information on how as a result of COVID-19 would impact them. Furthermore, 81% of employees believed that senior leaders showed support for stress prevention through involvement and commitment.

We are pleased with the gains achieved in this years result, and look forward to building on these outcomes next year.



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OUR STRATEGIC FOCUS

This year ACCS has worked towards a clear and purposeful strategic agenda, that not only enhances our service delivery to the Victorian community but advances our role as a collaborative and responsive organisation.

Over 2020-21 we updated our strategy in response to emerging opportunities and risks, including the far-reaching and continued impact of COVID-19 on our operations. We also looked to the future, anticipating and planning for changes to the Workers Compensation Scheme, such as the introduction of arbitration to ACCS.

Our focus for the year was concentrated on the critical priorities of:

Paving the way for the implementation of an arbitration function in 2022-23.

Delivering a fast-tracked conciliation service to effectively address Provisional Payments disputes from July 2021.

Upgrading the outdated conciliation case management system with a Salesforce based system to support service provision and more modern ways of working.

Enhancing key conciliation processes and our focus on continuous improvement.

Prioritising our organisational culture and employee experience.

The updated Strategic Plan outlined the desire to drive change that will deliver:

A more supportive, cohesive and collaborative culture;

A people focus in the design of systems and processes; and

An organisation that is flexible, reliable, and trusted.

Delivering on our commitments

In 2020-21 ACCS prioritised initiatives and business-critical projects that would create the greatest benefits to the users of our service and to our employees. The following provides a summary of our progress in delivering our three strategic pillars.

Pillar 1:

Effectively developed a new service to support Provisional Payment disputes through conciliation, launched on 1 July 2021.

Enhanced our remote service offering to include a choice of telephone or Zoom video conferencing for all workers.

Developing a staged approach to reintroducing face-to-face conferencing in conjunction with key conference participants, focussing on improved user experience, and supported by COVIDSafe procedures.

Introducing guidelines in targeted work areas to provide greater support in the delivery of our service.

Pillar 2:

Developing a People and Culture Strategy and Implementation Plan, including launching a Leadership Development Program for all people managers.

Negotiated for a new Enterprise Agreement to come into effect in 2021-22.

Introduction of Conciliation Officer (CO) Lead roles to ensure that our conciliation teams have access to the right support at the right time.

Continuing to review resourcing and strengthening support for the organisation by employing more corporate specialists, particularly in the areas of project management and delivery.

Improving financial forecasting models to guide strategic planning and decision making.

Working with our IT provider to maintain critical systems performance and reliability, ensuring IT remains serviceable whilst we implement new systems that will come online in 2021-22.

Pillar 3:

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

Adopting a consultative approach when introducing initiatives into the conciliation service and seeking feedback and support throughout implementation from stakeholders.

Contributing to Government preparations and consultations for the introduction of arbitration, including modelling of the potential service and budgetary considerations.

Enhancing conciliation services with modern and efficient IT systems

During 2020-21 ACCS commenced the implementation of a transformational technology project to replace our ageing conciliation management

system (eCAM). The entire solution consists of a number of applications including Salesforce, Outlook, SharePoint and RecordsPoint which together will provide ACCS with a reliable and supported solution that will meet our current and future needs.

The delivery of this project will bring a vast range of benefits to ACCS which will include:

Replacing ageing technology with a reliable and modern technology solution that will provide day-to-day benefits to our workforce, and will lay a foundation for our new arbitration service.

Reduced manual effort for employees and users of our service.

Improved document and records management capability and compliance.

The new systems are due to go-live later this calendar year, and the implementation team are supporting the technological aspects of the project with a comprehensive training and change management program. We also acknowledge and thank WorkSafe for funding this project and collaborating on implementation.

CLIENT SATISFACTION

For 2020-2021, ACCS moved to surveying users on a twice-yearly basis. The comprehensive surveys which are undertaken independently and on behalf of ACCS, seek the views of participants in the conciliation process including injured workers, employers, agents, worker representatives and union representatives.

Highlights of the combined surveys for this year include:

Overall satisfaction with ACCS' services in the conciliation process remains high and generally consistent – 84% for 2021 and 85% for 2020.

There is a reduction in participants viewing the conciliation process as valuable – 79% in 2021, as compared to 87% previously. This may reflect that remote conferencing could be less impactful for participants in comparison to face-to-face conferencing. Our data certainly demonstrates that, whilst resolution rates remain relatively consistent, there has been a reduction in the number of matters that settle at conference and our Conciliation Officers have had to increase engagement with parties following a conference to achieve resolution. To this end, it is pleasing to note that overall satisfaction with our Conciliation Officers increased to 91% this year (up from 89%).

The challenges of operating in a COVID-19 environment may also be reflected the variation to the Net Promoter Score (NPS) for this year - down from +47 to +41. For context:

- ACCS received an NPS score of +13 in 2019. We view the gaining and maintaining of a significantly higher NPS over the last two years as indication of the success of the range of initiatives introduced to enhance conciliation services.
- ACCS is advised that global studies are estimating a general drop of around 25 points across government agencies during the pandemic.

Overall
satisfaction with
Conciliation Officers
increased to
91%
this year

OPERATIONAL PERFORMANCE

A review of service delivery
over 2021-21, focusing
on lodgments with ACCS
and outcomes.

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 over the past two years is detailed in the table, below.

	2019-20	2020-21
New requests	11,225	8,917
Re-opened matters¹	318	277
Disposals	14,420	11,463
Cases in progress	2,136	1,991

Comparing data to last year, new requests for conciliation were 20% lower and there are various reasons for this shift. Primarily, the pandemic has changed what is happening in workplaces and the incidence of workplace injury claims has declined. Additionally, changes introduced in response to the 2020 Ombudsman's report into complex workers compensation claims and the establishment of the 'Workers Compensation Independent Review Service' (WCIRS), have seen an improvement in the quality of agent decisions. As a result, more complex and robust matters are coming to ACCS to be conciliated.

There has also been several factors that have increased the time it takes to resolve a matter that have counteracted the decline in lodgements. These include:

Parties are more likely to want to explore the issues in dispute, which means that whether a conference takes place or not – resolving a dispute is a lengthier process.

As a result of moving to phone and video conferencing over the year, the time spent in conference has increased significantly, reducing the number of conferences each Conciliation Officer can participate in each day.

An increasing number of mental health injuries, that require a sensitive and sophisticated approach which inherently involves additional time and support during the conciliation process.

Even if the outcome of conciliation is that a dispute is unresolved, the process itself is an opportunity for a full exchange of relevant information and distillation of the issues, providing crucial insight for parties about whether the next stage (through Court) will be viable. If proceedings are issued, the majority of disputes settle without need for a formal hearing.

THE PANDEMIC HAS CHANGED WHAT IS HAPPENING IN WORKPLACES AND THE INCIDENCES OF WORKPLACE INJURY CLAIMS HAVE DECLINED

¹ Reopened matters do not include files suspended while awaiting a Medical Panel outcome.

SUMMARY OF NEW LODGEMENTS

	2019-20		2020-21	
Medical and like expenses	4,242	37.8%	3,511	39.37%
Payment of weekly payments ²	817	7.3%	733	8.22%
Rejection of claim	2,668	23.8%	2,071	23.23%
Terminations at 130 weeks of compensation (106 weeks 2019-20)	1,061	9.4%	821	9.21%
Other terminations ³	1,192	10.6%	705	7.91%
Permanent impairment	606	5.4%	466	5.23%
Other ⁴	639	5.7%	610	6.84%
Total	11,225	100%	8,917	100%

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

OUTCOMES

	2019-20			2020-21		
	No.	% of total completed	% of outcomes	No.	% of total completed	% of outcomes
Resolved by agreement – no variation to original decision	713	6.01%	4.94%	624	6.67%	6.30%
Resolved by agreement – variation to original decision	4,314	36.39%	29.92%	3,704	39.59%	32.31%
Resolved by agreement to a recommendation	1,731	14.60%	12.00%	1,130	12.08%	9.86%
Withdrawn	668	5.64%	4.63%	494	5.28%	4.31%
Direction	8	0.07%	0.06%	4	0.04%	0.03%
Resolved subtotal	7,434	62.71%	51.55%	5,956	63.65%	51.96%
Unresolved	4,065	34.29%	28.19%	3,005	32.11%	26.21%
Direct Court Proceedings⁵	355	2.99%	2.46%	396	4.23%	3.45%
Total completed	11,854	100.00%	82.21%	9,357	100.00%	81.63%
Not proceeding ⁶	2,565		17.79%	2,106		18.37%
No jurisdiction	1		0.01%	0		0.00%
Total	14,420		100.00%	11,463		100.00%

Note : Permanent impairment = non-economic loss + Maims

Other = Other + Alterations and Reductions

- 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.
- 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.
- 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.
- In 2020-21 ACCS changed the way it reports on 'Resolution Rate'. We have removed one cohort from the results, but as this work still requires time and effort by ACCS, it will continue to be captured and will be reported as 'Direct Court Proceedings'. This change is also reflected in the 2019-20 data within this report.
- 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.

2019-20	2020-21
1,502	1,294

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.

2019-21		2020-21	
Requests	Allowed	Requests	Allowed
1,626	1,626	1,455	1,455

REQUESTS FOR MEDICAL REPORTS

In 2020-21, pursuant to Section 289 of the WIRC Act 2013, ACCS requested 1,316 medical reports, and received 912 reports related 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 matters involving self-insurers.

REGIONAL DISPUTES

While the majority of disputes originate within the Melbourne metropolitan region, 22% of disputes dealt with over 2020-21 came from regional Victoria. This is similar to last year, whereby 21% of our matters came from regional Victoria.

As a part of our response to COVID-19, ACCS has temporarily ceased in-person regional conferences in 2020-21. The move to telephone and video conferencing has delivered some benefits in this area, as it has significantly reduced the disparity in time-to-conference statistics between metropolitan and regional disputes. As we resume face-to-face conferencing it is a priority to explore how this benefit can be retained into the future.

ORGANISATIONAL STRUCTURE AND GOVERNANCE

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

The ACCS Board consists of up to seven Directors, each of whom is appointed by the Governor in Council. The Board reports to the Minister for Workplace Safety, and its 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 *Workplace Injury Rehabilitation and Compensation 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:

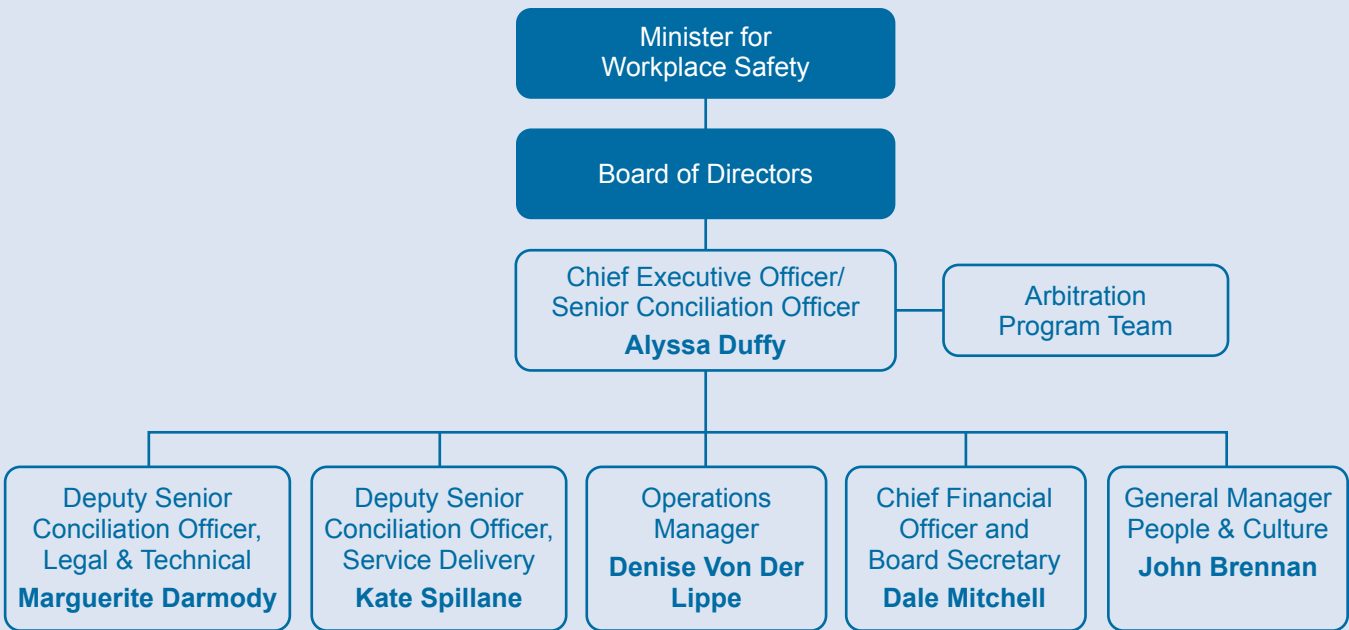
Two Deputy Senior Conciliation Officer (DSCO) roles. The first DSCO role holds accountability for the day-to-day management of our team of Conciliation Officers, including professional support and the consistent application of legislation across the organisation. The second DSCO role is focussed on the future direction of ACCS, the optimisation of our services and the delivery of key strategic projects.

Operations Manager who 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 and support to users of the service.

Chief Financial Officer who is responsible for financial management, information technology and management of Corporate Services. This role is also responsible for the Board Secretariat function.

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

**Accident Compensation Conciliation Service
Organisational Structure**



BOARD DIRECTORS

Chair

The Chair is responsible for leading the Board, ensuring Board 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

Board Directors must keep the Board advised, on an ongoing basis, of any interests that might potentially conflict with those of ACCS. Board 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 Board 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 Board 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 2021 Financial Year were:

Risk, Audit and Finance

Remuneration and Culture

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

Risk, Audit and Finance Committee

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

The integrity of ACCS' financial reporting and financial statements;

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

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

The appointment of auditors and their performance.

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

Remuneration and Culture Committee

The Remuneration and Culture Committee 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

Detailed below is the attendance at meetings by each Board Director, based on eligibility over 2020-21.

Board Director	Board Meetings	Risk, Audit and Finance Committee	Remuneration and Culture Committee
Meriel O'Sullivan <i>Chair</i> ^(a)	6/6	NA	2/2
Tali Bernard <i>Deputy Chair</i>	6/6	NA	5/5
Kelly Humphreys	6/6	5/5	NA
Adrian Fitzpatrick <i>Resigned</i> 7 October 2020	2/2	2/2	NA
Iain Findlay	4/6	NA	3/4
Karen Cusack	6/6	4/5	NA
Helga Svendsen	6/6	3/3 ^(b)	3/3 ^(d)
John Howe <i>Appointed</i> 27 January 2021	3/3	1 ^(c)	1 ^(e)

(a) The Board Chair is not a member of either the Risk, Audit and Finance Committee or the Remuneration and Culture Committee, but has a standing invitation to attend all meetings.

(b) Helga Svendsen was appointed to the Risk, Audit and Finance Committee in November 2020

(c) John Howe attended a meeting as an observer.

(d) Helga Svendsen was replaced by John Howe in May 2021

(e) John Howe attended a meeting as an observer. John was appointed to the Committee in May 2021.

BOARD DIRECTORS

Meriel O'Sullivan

Appointed: 11 October 2017, Deputy Chair
(appointed Board Chair: 1 May 2018)

Experience: Meriel O'Sullivan is an experienced leadership consultant and Director of Redd Consultancy, which specialises in people, culture, change and the resolution of workplace conflict. Meriel has over 25 years' experience in HR and employee relations, working across private, public and not-for-profit sectors. Meriel has Masters of Dispute Resolution, is an Executive Coach and a Nationally Accredited Mediator.

Tali Bernard

Appointed: 11 October 2017
(appointed Deputy Board Chair: 1 May 2018)

Chair, Remuneration and Culture Committee

Experience: Tali Bernard has over 18 years of experience in family law and personal injury litigation. 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 also a member of the Australian Institute of Company Directors and has 18 years' experience as a Board member in the Not-for-Profit and Public sectors. Tali is a Nationally Accredited Mediator and a professional member of the Resolution Institute.

Kelly Humphreys

Appointed: 11 October 2017

Chair, Risk, Audit and Finance Committee

Experience: Kelly 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:NSX), 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.

Iain Findlay

Appointed: 11 October 2017

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

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

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

Professor John Howe

Appointed: 27 January 2021

Experience: Professor John Howe is Director of the Melbourne School of Government and the Centre for Employment and Labour Relations Law at the University of Melbourne. John's research interests include labour market policy and regulation, regulatory design, and social procurement. He has written extensively on the role of the state in regulating employment and labour markets, and on the intersection between state-based regulation and corporate governance. John is presently engaged in research concerning regulatory enforcement of minimum employment standards and labour dispute resolution in Australia and the Asia-Pacific region. Prior to commencing an academic career, John worked in private legal practice, and also as a researcher for public policy and advocacy organisations in Washington DC. John was Secretary of the Australian Labour Law Association between 2005 and 2009, and Chair of the Labour Law Research Network from 2015-2019. He was Deputy Dean of the Melbourne Law School from 2013-2016.

EXECUTIVE OFFICERS

Alyssa Duffy

Chief Executive Officer/ Senior Conciliation Officer

Appointed: 1 January 2021

Alyssa was appointed to the role of Chief Executive Officer in January 2021, to lead ACCS at an exciting time of change and opportunity. She commenced with the organisation in 2010 as a Conciliation Officer and was promoted to the role of Deputy Senior Conciliation Officer in 2018.

A nationally accredited mediator, conciliator and qualified lawyer, Alyssa has a long-standing interest in workers compensation, alternative dispute resolution and supporting access to justice. Furthering this passion, she completed a Professional Certificate of Arbitration at the University of Adelaide in 2020, for which she was awarded a Dean's Award for Outstanding Academic Achievement.

Alyssa commenced her career as a lawyer and has held positions at Slater & Gordon Solicitors as a personal injury lawyer, and at WorkSafe Victoria as Legal Counsel, before joining the Accident Compensation Act Review and working in legislative reform and implementation.

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, Board Secretary

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 Practising Accountant and has a strong understanding of the Victorian governance and financial management framework. Dale is a graduate of the Australian Institute of Company Directors.

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 and is a Member of the Resolution Institute.

Marguerite Darmody

Deputy Senior Conciliation Officer

Appointed: 1 January 2021

Marguerite commenced with ACCS in 2010 as a Conciliation Officer, and was appointed to the Executive Leadership Team in December 2020. She is a values driven leader, and is a strong advocate for fairness and ethical practice. As a lawyer in past roles, Marguerite has had extensive experience in Victoria's statutory compensation schemes through her time with the Transport Accident Commission (TAC) and WorkSafe Victoria's Panel firms.

Marguerite holds a Bachelor of Arts/Bachelor of Laws and a Master in Counselling from Monash University, along with an Australian National Mediator Standards Accreditation from Resolution Institute.

John Brennan

General Manager People and Culture

Appointed: 25 January 2021

John is an accomplished executive with a career spanning public, private and professional services in areas of strategy, risk, program management and human resources management.

He commenced with ACCS in 2020 and has been a Victorian Public Sector senior executive since 2005, in various roles with the Victorian Managed Insurance Authority and State Trustees Limited. He is passionate about the importance of public purpose leadership and the role public sector businesses play in the lives of Victorians.

John holds a Masters of Business (Human Resources Management) from Swinburne University, a Graduate Diploma, Psychology of Risk from the Australian Catholic University and is a graduate of the Australian Institute of Company Directors (GAICD), the Harvard Business School's Authentic Leadership Development (ALD) and is a Leadership Victoria alumnus (Folio, 2013).

ACCS EMPLOYMENT PRACTICES

ACCS values and employment principles

On commencement of employment, ACCS provides all employees with the ACCS Code of Conduct to promote adherence to organisational values and employment principles as an underpinning reference to the Victorian Public Sector values. ACCS has introduced new policies, procedures, and practices that are consistent with the Victorian Public Sector employment principles.

Employee and conduct principles

ACCS is committed to applying merit and equity principles when appointing employees. The selection processes ensure that applicants are assessed and

evaluated fairly and equitably on the basis of key selection criteria and other accountabilities without discrimination. Employees are treated fairly and reasonably and, if required, have avenues of redress through the ACCS grievance policy.

Diversity and inclusion commitment

ACCS is 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.

Workforce information

The workforce information included below is a reflection of total employment at ACCS, including those who may be on parental leave, long service leave or on other working arrangements. It is noted that the 2021 information for Conciliation Officers (CO) also incorporates the three new 'CO Lead' roles, that we introduced during the year.

Over the course of the year, and as a result of the decline in lodgements, we were able to use existing staff from the CO and Operations Teams (reflected in 'Other Employees') to support the significant project work we have embarked on the areas of: implementing Zoom for conferencing; implementing a fast-tracked Provisional Payments service; developing conciliation guidelines; and the replacement of core IT systems through project NEO. The equivalent of 3 FTE Conciliation Officers and 3 FTE Operations employees were utilised to support project delivery in 2020-21, in addition to specialist project staff employed solely to deliver projects.

Position	As at 30 June 2020			As at 30 June 2021		
	Female	Male	Total	Female	Male	Total
Conciliation Officer	20	12	32	21	13	34
Other Employees	46	14	60	50	15	65
Total	66	26	92	71	28	99

Position	Full-time	Part-time	Full-time Equivalent	Full-time	Part-time	Full-time Equivalent
Conciliation Officer	23	9	29.6	24	10	31.5
Other Employees	47	13	55.5	54	11	62.0
Total	70	22	85.1	78	21	93.5

As at 30 June 2021, 21% of employees work part-time compared to 24% in the previous year.

Of the total workforce of 99 employees, 71 employees identified as female equating to 72% of the workforce. This is consistent with what was reported last year.

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 2006* 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 three-year Strategic Plan incorporates an initiative dedicated to focusing on diversity and inclusion.

Health, Safety and Wellbeing

ACCS is committed to protecting and enhancing 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 in 2020-21, particularly since the onset of COVID-19, 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

	1 July 2019 – 30 June 2020	1 July 2020 – 30 June 2021
Incidents Reported	26	11
Lost Time Injuries	0	1
New WorkCover Claims	0	1

ACCS IS COMMITTED TO PROTECTING AND ENHANCING THE HEALTH, SAFETY AND WELLBEING OF ALL OUR EMPLOYEES, CONTRACTORS, USERS, STAKEHOLDERS AND VISITORS.

FINANCIAL PERFORMANCE

Overview of 2021-21
financial performance.

FINANCIAL PERFORMANCE AGAINST BUDGET OBJECTIVES

The following is summary of the budget and actual results for 2020-21:

Operating statement	Budget (\$000)	Actual (\$000)
Funding received from WorkSafe	\$20,097	\$18,105
Operating expenses	(\$20,097)	(\$18,105)
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 \$20.1m. In addition ACCS was provided with \$0.8m budgeted of special purpose funding to undertake preliminary work for preparatory work for establishing the arbitration function from mid-late 2022.

The actual total funding recorded in the financial statements was \$18.1m, comprising \$17.6m in core funding and \$0.5m in special purpose funding. As part of the WorkSafe and ACCS Services Agreement, ACCS is obligated to return unspent funding of \$2.8m to WorkSafe Victoria.

Expenses were \$18.1m which was \$2.0m lower than budget. Unbudgeted expenditure of \$0.5m was incurred in for the planning and preparation for establishing the arbitration funding. This was offset by net a underspend of \$2.3m on core operations.

Consistent with Government COVID-19 advice, ACCS employees have been working remotely during the majority of the financial year, with a progressive return to the office occurring in early 2021, although this has been placed on hold given recent lockdowns. This included substituting in person conciliation conferences with phone and video conciliation conferences. Some technology investment was required to support this new working model, and expenditure on implementing and managing a COVIDSafe plan was incurred. Overall, this resulted in net savings on expenditure of \$0.8m in areas such as security, regional travel and venue hire, security printing and postage. ACCS will aim to continue with certain costs savings and new ways of working as it transitions to a COVID-normal environment in the future and providing face-to-face conciliation conferences.

There were net wage savings of \$0.6m due to alignment of staff resources with the decline in conciliation conferences, the Government wage freeze on non-enterprise agreement wage rate, and staff vacancies, which were partially offset by non-budgeted employment of arbitration establishment team staff.

The planned implementation of our new conciliation management system is scheduled to occur in November 2021 rather than during late 2020-21, which has resulted in the deferral of certain licencing and usage costs of \$0.6m.

FINANCIAL PERFORMANCE AND POSITION

ACCS commenced operations as Statutory Authority from 11 October 2017 with a Ministerial appointed board. ACCS is the successor in law of the previous Conciliation Service. All property and rights of the Conciliation Service were vested in ACCS, and all liabilities of the Conciliation Service were assumed by ACCS on 11 October 2017. 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	2020-21 (\$000)	2019-20 (\$000)	2018-19 (\$000)	Oct 2017 to June 2018 (\$000)
Funding received from WorkSafe	\$18,105	\$18,761	\$17,027	\$12,202
Operating expenses	(\$18,252)	(\$18,748)	(\$16,856)	(\$12,572)
Net result before other economic flows	(\$147)	\$13	\$171	(\$370)
Other economic flows	\$147	(\$13)	(\$171)	\$370
Net result	\$0	\$0	\$0	\$0

As part of the WorkSafe and ACCS Services Agreement, ACCS is obligated to return any unspent funding to WorkSafe Victoria, resultantly ACCS revenue is adjusted to be equivalent to expenditure incurred and a nil operating result is reported. The funding level for this year included \$17.6m of core funding and \$0.5m of special purpose funding to undertake again, preliminary work for preparatory work for establishing the arbitration function.

ACCS operating expenditure of \$18.3m is a \$0.5m decline compared to the prior year, mainly due to ACCS operating predominately remotely for the entire year due to COVID-19 workplace restrictions. This resulted in savings in security, regional travel and venue hire, security printing and postage. The Government wage freeze on non enterprise agreement employees' wages meant wage costs didn't increase as anticipated.

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

Balance Sheet	June 2021 (\$000)	June 2020 (\$000)	June 2019 (\$000)	June 2018 (\$000)
Bank	\$6,290	\$3,881	\$18	\$0
Receivables	\$303	\$294	\$3,422	\$2,672
Other Assets	\$485	\$498	\$38	\$229
Right of Use Assets	\$9,203	\$10,804	\$0	\$0
Total Assets	\$16,281	\$15,578	\$3,460	\$2,901
Payables	(\$439)	(\$627)	(\$743)	(\$385)
Income Received in Advance	(\$2,833)	(\$685)	(\$0)	(\$0)
Employee related provisions	(\$3,239)	(\$3,023)	(\$2,717)	(\$2,516)
Lease Liabilities	(\$9,770)	(\$11,143)		
Total Liabilities	(\$16,281)	(\$15,478)	(\$3,460)	(\$2,901)
Equity	\$0	\$0	\$0	\$0

The cash balance has increased significantly to \$6.3m, although ACCS is obligated to return to WorkSafe any unspent funding (\$2.8m), resultantly the cash balance is, in substance, \$3.6m once this obligation is taken into consideration.

The major component of the Right of Use Assets (\$9.2m) and Lease Liabilities (\$9.8m) relates to the rental lease of office accommodation of ACCS's principal place of operation, 215 Spring Street, which expires in 2027. These balances reduced during the year representing the consumption of the asset and of monthly lease payments.

Unearned income (\$2.8m) is attributed to the requirement to return to WorkSafe any unspent funding as at June each year. The increase compared to last year is a reflection of a larger budget underspend than anticipated.

Employee provisions of \$3.2m has seen a net increase of \$0.2m, most due to increased annual leave balances largely due to COVID-19 restrictions resulting in employees revising their annual leave plans. Leave management plans, being commensurate with the COVID-19 environment, are being developed mitigate the growth in the leave liability.

INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

In 2020-21, 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)
\$1,473	\$458	\$1,931	\$1,931	\$0

ACCS in conjunction with WorkSafe are implementing a new conciliation management system. Development of the new system commenced during the year, with the system anticipated to be operational in late 2021. The capital costs associated the project are being recorded in the financial statements of WorkSafe and hence capital expenditure on this project in is not recorded in the table above. ACCS is responsible for the operating costs of the system and certain non-capitalised expenditure. These costs are included in the above table.

ADVERTISING EXPENDITURE

ACCS did not expend any monies on Government advertising during 2020-21.

EXPENDITURE ON CONSULTANTS

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

Consultant	Purpose of consultancy	Start date	End date	Expenditure 2020-21 \$'000	Expenditure in future reporting periods \$'000	Total Approved Expenditure \$'000
Capgemini Australia Pty Ltd	Victorian Protective Data Security Framework review and implementation assistance financial years 2019-20 and 2020-21.	21/7/20	30/6/21	35	-	35
Demand IT	IT strategic and governance advice - Project Neo implementation and arbitration establishment.	17/8/20	31/5/22	25	22	47
Risk Logic Pty Ltd	Review of crisis management and business continuity plan and facilitation of business continuity test.	19/1/21	30/6/21	18	-	18
KPMG	Financial modelling and implementation plan for the establishment of arbitration services. Preparation of business case for website and intranet upgrade. Data Migration Strategy.	21/9/20	30/6/21	65	-	65
Pixel Perfect Pty Ltd	Procurement probity services	3/5/21	31/12/21	9	16	25
Savills (Vic) Pty Limited	Tenant advocate services for identification and negotiation of additional office floor space for arbitration services.	18/6/21	30/6/21	38	-	38
Studio Tate	Concept design for planned office fit out of accommodation for arbitration services.	26/5/21	30/9/21	14	9	24
DXC Technology Australia Pty Limited	Conciliation management system replacement project pre-build design work.	29/9/20	26/11/20	40	-	40
Total				244	47	291

For the financial year ACCS engaged 4 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

Subsequent to balance date, ACCS entered into a contractual arrangement for a 10 year lease for an additional floor at 215 Spring Street Melbourne and to extend by four years the existing lease in the building.

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 2021.



Meriel O'Sullivan
Board Chair

Date signed: 25 August 2021

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.

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

FOI statistics

During 2020-21, ACCS received no new valid FOI applications from the public. ACCS made no formal FOI decisions. There were no FOI requests still open as at June 2021. However, ACCS did receive a number of requests for information, which ACCS was able to respond to the applicant outside of the formal FOI process.

ACCS received a request to amend records in accordance with section 39 of the FOI Act. This matter was considered by the Victorian Civil and Administrative Tribunal (VCAT) during the year. An agreement was reached by parties to make annotations to the relevant documents.

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, 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.

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
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 (VIPPP) 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 2020-21 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

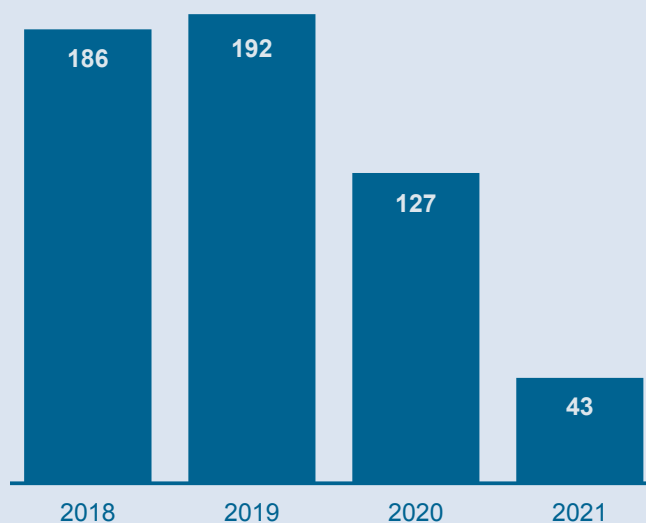
Compliance with the Carers Recognition Act

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

Environmental performance

ACCS is committed to reducing its environmental footprint across a range of measures. The past two years have seen a significant decline in electricity usage (pictured below), which has in-part been due to our workforce working remotely since March 2020, consistent the Government's COVID-19 directives. Additionally, ACCS transitioned to GreenPower in August 2019, through our energy provider Red Energy and as a result we have adopted the use of 100% renewable energy.

Combined usage – Megawatt Hour (MWh)



Over 2020-21 we have also taken the opportunity to significantly reduce our reliance on paper based processes, transitioning to more online and electronic ways of working – internally and with the users of our service.

Our focus on environmental initiatives will continue in the coming year, as we return to the workplace and understand what opportunities may arise from introducing hybrid working arrangements.

FINANCIAL STATEMENTS

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 2021 and the financial position of the Accident Compensation Conciliation Service as at 30 June 2021.

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 25 August 2021.



Meriel O'Sullivan
Board Chair



Alyssa Duffy
Accountable Officer



Dale Mitchell
Chief Financial Officer

Dated at Melbourne on this 25th day of August 2021.

AUDITOR'S REPORT



Victorian Auditor-General's Office

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">• balance sheet as at 30 June 2021• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• Board Director, accountable officers and chief finance and accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2021 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 *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Senior Conciliation Officer
- 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.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the 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.

MELBOURNE
27 August 2021



Timothy Maxfield
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	30 June 2021 \$000s	30 June 2020 \$000s
Revenue			
Income from transactions	2	18,805	18,807
Total revenue		18,805	18,807
Expenses			
Expenses	3	(18,252)	(18,794)
Net result before other economic flows		(147)	13
Other economic flows			
Movement in provisions due to changes in discount rates		(147)	(13)
Net result		–	–
Other comprehensive income		–	–
Comprehensive result		–	–

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

BALANCE SHEET

AS AT 30 JUNE 2021

	Note	30 June 2021 \$000s	30 June 2020 \$000s
Cash at bank	4	6,290	3,882
Receivables	5	303	294
Prepayments		485	498
Current assets		7,078	4,674
Right-of-use assets	6	9,203	10,804
Non-current assets		9,203	10,804
TOTAL ASSETS		16,281	15,478
Payables	7	(439)	(627)
Funding received in advance		(2,833)	(685)
Employee related provisions	8	(3,003)	(2,805)
Lease liabilities	9	(1,405)	(1,352)
Current liabilities		(7,680)	(5,469)
Employee related provisions	8	(236)	(218)
Lease liabilities	9	(8,365)	(9,791)
Non-current liabilities		(8,601)	(10,009)
TOTAL LIABILITIES		(16,281)	(15,478)
NET ASSETS		–	–
Equity			
Accumulated Surplus		–	–
TOTAL EQUITY		–	–

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	30 June 2021 \$000s	30 June 2020 \$000s
Total equity at beginning of the year/period	–	–
Net result for the year/period	–	–
Total equity at the end of year/period	–	–

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 2021

	Note	30 June 2021 \$000s	30 June 2020 \$000s
Cash Flows From Operating Activities			
Receipts from WorkSafe Victoria		21,088	22,838
Interest income		18	32
Goods and services tax refunded from ATO		549	459
Payments to suppliers and employees		(17,631)	(17,472)
Net Cash Flows From Operating Activities	13	4,023	5,857
Cash Flows From Investing Activities			
		–	–
Total cash outflow for leases		(1,615)	(1,993)
Cash Flows From Financing Activities		(1,615)	(1,993)
Net increase in cash held			
		2,408	3,864
Cash at the beginning of the year/period	4	3,882	18
Cash at the end of the year/period	4	6,290	3,882

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 2021

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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 2021. The purpose of the report is to provide users with information about the ACCS' stewardship of resources entrusted to it.

COVID-19 impact on the financial statements

The financial impact on ACCS is summarised as follows:

- Consistent with Government COVID-19 advice, since mid-March 2020, ACCS has been working remotely including substituting in person conciliation with phone conciliation conferences.
- Funding revenue is based a budget approved by the Minister for Workplace Safety. The funding for 2020-21 was approved by the Minister in June 2020 has not been materially impacted due to the impact of COVID-19.
- During the year expenditure has been incurred to respond to COVID-19, 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 COVID-19 which cannot be funded from the 2021-22 budget, which was approved by the Minister for Workplace Safety in June 2021. 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 2021, and the comparative information presented in these financial statements for the period ended 30 June 2020.

Comparative information

The comparative figures have been disclosed in financial statements for the preceding financial year and reporting date.

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 2021 \$000s	30 June 2020 \$000s
Core funding from WorkSafe Victoria	17,533	18,774
Special purpose funding from WorkSafe Victoria	531	—
Interest Income	18	32
Other Income	23	—
	18,105	18,807

Funding from WorkSafe Victoria

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

The level of funding is subject to and in accordance with the budget approved by the Minister for Workplace Safety and any special purpose funding as agreed between ACCS and WorkSafe Victoria. During the year ACCS received special purpose funding for the preparation and planning for implement WIRC Act legislative reform to deliver an arbitration services from 2022-23.

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 2021 \$000s	30 June 2020 \$000s
Staff and related costs	13,120	12,810
Occupancy and utilities	696	1,048
Professional services	678	1,171
Information technology	1,483	1,050
Depreciation - Right-of-use assets	1,578	1,612
Interest expense on lease liabilities	265	295
Asset recharge expense	207	208
Regional venue hire / travel	15	189
Other expenses	209	411
	18,252	18,794

Remuneration of Auditors

Victorian Auditor-General's Office	15	15
	15	15

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.

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 2021 \$000s	30 June 2020 \$000s
Cash at bank	6,290	3,882
	6,290	3,882

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 2021 \$000s	30 June 2020 \$000s
Contractual		
Amount due from WorkSafe Victoria	137	60
Other receivables	4	28
Statutory		
GST	162	206
	303	294

Receivables comprise of contractual receivables in relates to:

- Funding receivable from WorkSafe Victoria in regards to cost recovery transactions (e.g. portion of office rental and cleaning costs, and wages)
- Other receivables relate to miscellaneous other services.

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 2021 \$000s	30 June 2020 \$000s
Leasehold buildings	12,302	12,302
Accumulated depreciation	(3,108)	(1,554)
	9,194	10,748
Computer equipment	65	65
Accumulated depreciation	(65)	(34)
	—	31
Motor vehicles	28	49
Accumulated depreciation	(19)	(24)
	9	25
Total Right-of-use assets	12,395	12,416
Total Accumulated depreciation	(3,192)	(1,612)
Net carrying amount	9,203	10,804

	Leasehold Buildings	Computer Equipment	Motor Vehicles	Total
Opening Balance - 1 July 2020	10,784	41	15	10,804
Additions	—	—	—	—
Disposals	—	—	—	—
Depreciation	(1,554)	(41)	(6)	(1,601)
Balance at end of the year	9,194	—	9	9,203

	Leasehold Buildings	Computer Equipment	Motor Vehicles	Total
Opening Balance - 1 July 2020	12,302	65	51	12,418
Additions	—	—	—	—
Disposals	—	—	(2)	(2)
Depreciation	(1,554)	(24)	(34)	(1,612)
Balance at end of the year	10,748	41	15	10,804

Right-of-use asset acquired by lessees – 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 103I however as at 30 June 2021 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 2021 \$000s	30 June 2020 \$000s
Contractual		
Supplies and services	371	573
Statutory		
Fringe benefit tax payable	3	4
Other taxes payable	65	50
	439	627

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 measured 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 2021 \$000s	30 June 2020 \$000s
Current		
Annual leave		
Unconditional and expected to be settled within 12 months	538	448
Unconditional and expected to be settled after 12 months	354	320
	892	768
Long service leave		
Unconditional and expected to be settled within 12 months	261	213
Unconditional and expected to be settled after 12 months	1,420	1,434
	1,681	1,647
On-costs		
Unconditional and expected to be settled within 12 months	132	105
Unconditional and expected to be settled after 12 months	298	285
	430	390
Total current employee benefit provisions	3,003	2,805
Non-current		
Long service leave	202	187
On-costs	34	31
Total non-current provisions	236	218
Total employee benefit provisions	3,239	3,023
Reconciliation of movement in on-cost provisions		
Opening balance	421	376
Additional provision recognised	190	177
Reduction arising from payments	(126)	(138)
Unwinding of discount and effect of changes in discount rates	(21)	6
Closing balance	464	421

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 2021 \$000s	30 June 2020 \$000s
Defined contribution plans		
VicSuper	443	410
Australian Super	180	159
HostPlus	52	47
Legal Super	41	27
Other	287	240
Defined benefit plans		
Emergency Services Superannuation Scheme	84	78
	1,087	962

At 30 June 2021, contributions outstanding were \$40,991 (2020: \$26,865).

Note 9: Lease Liabilities

ACCS has 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 2021 \$000s	30 June 2020 \$000s
Leasehold buildings	9,760	11,086
Computer equipment	–	32
Motor vehicles	10	25
	9,771	11,143

Current	1,405	1,352
Non Current	8,365	9,791
Total lease liabilities	9,771	11,143

Maturity Analysis - undiscounted contractual cash flows

	30 June 2021 \$000s	30 June 2020 \$000s
Less than one year	1,615	1,615
One to five years	7,135	6,888
More than 5 years	1,786	3,669
Total undiscounted contractual cash flows	10,556	12,172
Lease liabilities recognised in the statement of financial position	9,771	11,143

The comprehensive operating includes the following amounts relating to leases:

Interest expense	265	295
Expenses relating to variable lease payments not included in lease liabilities	421	425

Total cash outflow for leases during the period ended:

- 30 June 2021 was \$2.04 million.
- 30 June 2020 was \$1.99 million.

For any new contracts entered into 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.

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.

	30 June 2021 \$000s	30 June 2020 \$000s
Other operating commitments		
Amounts payable under non-cancellable other operational contractual arrangements		
– Due within one year	893	1,330
– Due later than one year and less than five years	–	–
– Due later than five years	–	–
Total other operating commitments (inclusive of GST)	893	1,330

ACCS has entered into contractual agreements for the purchase of goods/services. Other operating commitments include those operating and capital commitments arising from non-cancellable contractual sources and are disclosed at their nominal value, inclusive of GST.

Note 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:

Ms Irigid Stitt MP

Minister for Workplace Safety: (29 September 2020 to 30 June 2021)

The Hon Jill Hennessy

Minister for Workplace Safety: (1 July 2020 to 29 September 2020)

Board Members

The following were Board members during the year:

Meriel O'Sullivan (Chair)

Tali Bernard (Deputy Chair)

Karen Cusack

Iain Findlay

Adrian Fitzpatrick (resigned 7 July 2020)

John Howe (appointed 27 January 2021)

Kelly Humphreys

Helga Svendsen

Accountable Officer

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

Agata Jarbin (resigned 31 December 2020)

Alyssa Duffy (appointed 1 January 2021)

Responsible person remuneration

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

\$	30 June 2021	30 June 2020
Up to 9,999	1	5
10,000 – 19,999	5	2
20,000 – 29,999	1	–
30,000 – 39,999	1	–
160,000 – 169,999	1	–
240,000 – 249,999	1	–
300,000 – 309,999	–	1
	10	8

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 2021 \$000s	30 June 2020 \$000s
Short-term employee benefits	1,497	1,286
Post-employment benefits	134	131
Other long-term benefits	98	63
Total remuneration	1,729	1,480

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 are employee benefits provided in exchange for the termination of an employee's employment as a result of either; (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

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 2021 and 30 June 2020 respectively.

Item	2021-20 \$000	2019-20 \$000
Funding received from WorkSafe Victoria	18,064	19,436
Repayment of contractual receivables by WorkSafe Victoria	427	3,402
Fees charged by WorkSafe Victoria to ACCS under a Shared Services Agreement for information technology, financial services, office accommodation facilities and other special projects.	1,612	1,448

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. The remuneration in the following table only relates to remuneration payable to persons employed as an Executive Officer. Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered.

	30 June 2021 \$000s	30 June 2020 \$000s
Short-term employee benefits	1,047	1,243
Post-employment benefits	96	127
Other long-term benefits	27	63
Total remuneration	1,170	1,433

	Number	Number
Total number of executives	8	7
Total annualised employee equivalent^{1,2}	5.6	6.3

(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).

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 2021 \$000s	30 June 2020 \$000s
Net result for the period		
Depreciation Right-of-use assets	1,578	1,612
Interest expenses – lease liabilities	265	295
Right-of-use benefit	(1,615)	(1,568)
Movements in provisions due to changes in discount rates	(147)	13
Movements in assets and liabilities		
(Increase)/Decrease in receivables	(9)	3,128
(Increase)/Decrease in prepayments	14	(478)
Increase/(Decrease) in payables	1,427	1,877
Increase/(Decrease) in funding in advance	2,147	685
Increase/(Decrease) in provisions	363	293
Net cash flows from operating activities	4,023	5,857

13.2 Ex-gratia Payments

Ex-gratia expenses incurred during the period were:

Item	2020-21 \$000	2019-20 \$000
Payment made on termination of employment	–	24

13.3 Contingencies

There were no contingent assets or contingent liabilities as at 30 June 2021 or 30 June 2020 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

Subsequent to balance date, and prior to issuing this report, ACCS entered into a 10 year lease for an additional office space and a four year extension to the existing office lease. The estimated financial impact as at a date of signing the lease is an increase in the Right of Use Asset by \$7.7 million and Lease Liability by \$8.2 million.

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 2021 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
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	<p>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.</p> <p>AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.</p>	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 2020-21 reporting period. In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

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).

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.

AASB 2020-7 Amendments to Australian Accounting Standards – COVID-19-Rent Related Concessions: Tier 2 Disclosures

AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform – Phase 2.

AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments.

AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.

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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