

ACCIDENT  
COMPENSATION  
CONCILIATION  
SERVICE

# Annual Report 2010/11

The Hon Gordon Rich-Phillips MP  
Assistant Treasurer  
1 Macarthur Street  
EAST MELBOURNE VIC 3002

Dear Minister

I am pleased to submit for your presentation to Parliament,  
the 2010-2011 Annual Report of the Accident Compensation  
Conciliation Service in accordance with section 46 of the  
*Financial Management Act 1994*.

Yours sincerely



Susan Cibau  
Senior Conciliation Officer



CERTIFIED  
CO<sub>2</sub>  
NEUTRAL

## About the ACCS

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

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

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

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

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

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

The ACCS continues to be effective in resolving disputes, with the table on page 4 setting out details of outcomes. In addition to matters resolved at conciliation, some of the unresolved matters do not proceed further because the conciliation process allows each party to fully appreciate the other's position. Not all matters which are not resolved at conciliation will proceed to court. There will be a number of constraints which limit the disputes that proceed to court.

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

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

## How does the ACCS work?

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

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

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

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

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

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

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

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

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

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

## Statistical overview

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

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

	2010/2011	2009/2010
New requests	14135	12942
Re-opened matters	1121	926
Disposals	15560	13302
Cases in progress	3036	3342

The number of requests for conciliation and re-opened matters increased by 10%. The number of disposals increased by 17% and there was a decrease in cases in progress of 10%.

\* The ACCS's workload consists of New Requests for conciliation and a small number of previously conciliated matters which are "Re-opened". Disposals are those matters finalised by the ACCS (as detailed in the table of Outcomes on page 4). Cases in Progress includes matters that are awaiting finalisation, those that have been scheduled for conference and those that have only recently been received.

## Disputes lodged for conciliation

### Requests for conciliation categorised by the nature of the dispute

Nature of Dispute (New Requests & Re-opened Matters)	2010/2011		2009/2010	
	No.	%	No.	%
Alterations and reductions to weekly payments	48	0.3	82	0.6
Lump sum payments (Sections 98 & 98A)	105	0.7	124	0.9
Medical and like expenses	6024	39.5	5387	38.9
Payment of weekly payments (Section 114D)	944	6.2	763	5.5
Rejection of claim	2903	19	2567	18.5
Terminations at 104/130 weeks of compensation	1504	9.9	1342	9.7
Other Terminations	1597	10.5	1671	12
Other	770	5	736	5.3
Non Economic Loss (Sections 98C, 98E & 104B)	1361	8.9	1196	8.6
<b>Total</b>	<b>15256</b>	<b>100</b>	<b>13868</b>	<b>100</b>

There has been an increase of 10% in overall disputes this year compared to last year.

Some Requests for Conciliation are referred to the Senior Conciliation Officer to consider whether they are able to be lodged. These include

- requests not signed by the person making the request;
- matters where there appears to be no current dispute;
- the dispute has been previously conciliated;
- the ACCS does not have jurisdiction;
- lump sum compensation (S98/98A) disputes where the S104A conference form required by the Ministerial Directions has not been provided;
- the request is outside the statutory period of 60 days of the worker receiving the decision they wish to contest. In the past year 1765 applications for late lodgement were allowed.

If further information is required in these matters, it is requested of applicants before a decision on lodgement is made. During the past year, 2123 requests were referred to the Senior Conciliation Officer for review and in that period 299 matters were not lodged for conciliation. In 2009-2010, 2034 requests were referred to the Senior Conciliation Officer and 367 were not lodged for conciliation.

## Requests for medical reports

In the past year, pursuant to section 56(5A), the ACCS requested 1604 reports and received 1087.

## Outcomes

Outcomes	2010/2011			2009/2010		
	No.	% of total completed	% of outcomes	No.	% of total completed	% of outcomes
Resolved by agreement – no variation to original decision	828	5.9	5.3	811	6.7	6.1
Resolved by agreement – variation to original decision	4625	33.2	29.7	4314	35.6	32.4
Resolved by agreement to a recommendation	2220	15.9	14.3	1994	16.4	15
Withdrawn	1188	8.5	7.6	792	6.5	6
Direction	102	0.7	0.7	98	0.8	0.7
<b>Resolved Subtotal</b>	<b>8963</b>	<b>64.3</b>	<b>57.6</b>	<b>8009</b>	<b>66</b>	<b>60.2</b>
Unresolved	4982	35.7	32	4121	34	31
<b>Total Completed</b>	<b>13945</b>	<b>100.0</b>	<b>89.6</b>	<b>12130</b>	<b>100.0</b>	<b>91.2</b>
Not Proceeding *	1589		10.2	1161		8.7
No Jurisdiction	26		0.2	11		0.1
<b>Total</b>	<b>15560</b>		<b>100.0</b>	<b>13302</b>		<b>100.0</b>

\*The category of 'Not Proceeding' is used for matters that have been suspended and may be finalised in the future.

The overall resolution rate was 64.3% compared with 66% last year.

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

*"Great job (Conciliator) in explaining what was going to happen, both parties given clear idea of process, clear independent process." Source: ACCS 2010/2011 Client Survey of Employers. See Client Survey section of this report for more information.*

## Time to disposal

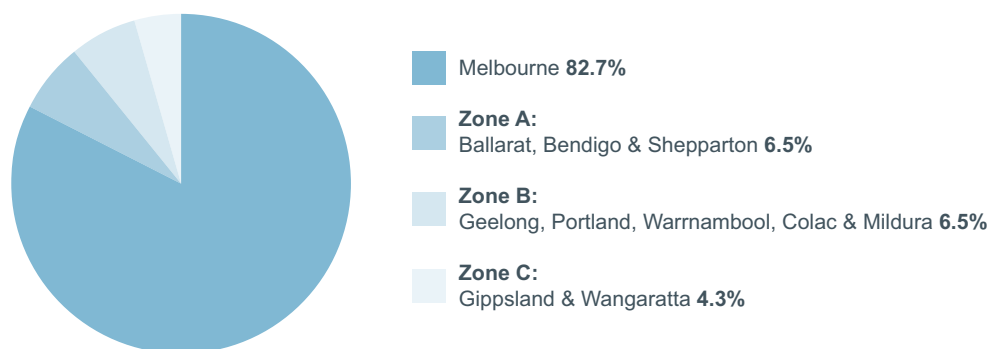
During the time that a request is active at conciliation, work takes place before the conference, at the conference, and after the conference. As a result, 40.8% of disputes were disposed of without the need for a conference. In many matters, the conciliation process is not completed until after the conference has been held, allowing for further investigation following the conference, additional information, or time for either party to confer with their assistants or obtain legal advice.

Time to disposal	2010/2011		2009/2010	
	No	%	No	%
40 days or less	3829	24.6	2845	21.4
Between 41 & 60 days	3586	23.1	3625	27.2
Between 61 & 80 days	2837	18.2	2656	20
Between 81 & 100 days	1575	10.1	1238	9.3
Over 100 days	3733	24	2938	22.1
<b>Total</b>	<b>15560</b>	<b>100.0</b>	<b>13302</b>	<b>100.0</b>

Conciliation Officers referred 1278 matters to the Medical Panel in 2010-2011 (1057 in 2009-2010). Matters referred to the Medical Panel generally have a longer time to disposal due to the time required for the Medical Panel to arrange assessments and provide their opinion. Matters referred to the Medical Panel took on average 54 days from when the ACCS made the referral until an opinion was provided.

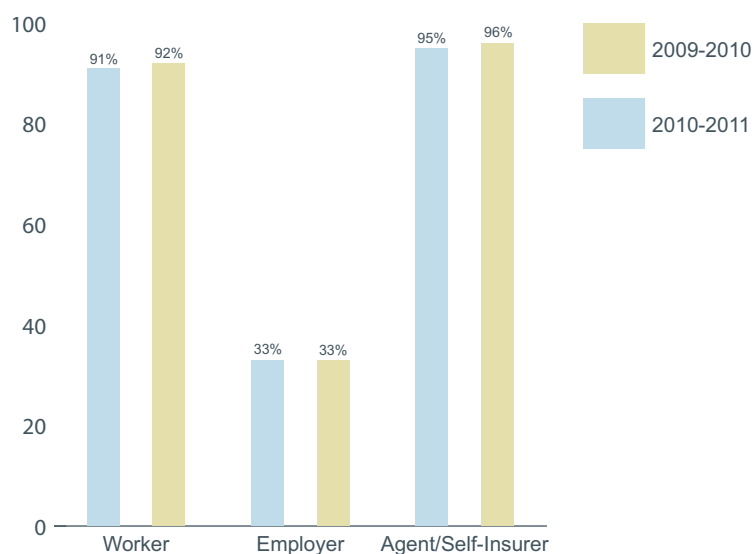
## Regional conferences

The chart below shows the distribution of conferences in the four regions into which the ACCS divides the State. While the majority of conferences continue to be held in the Melbourne metropolitan area, significant travel is undertaken each month by Conciliation Officers in an attempt to make the process of conciliation more accessible to those living and working outside the Melbourne metropolitan area.



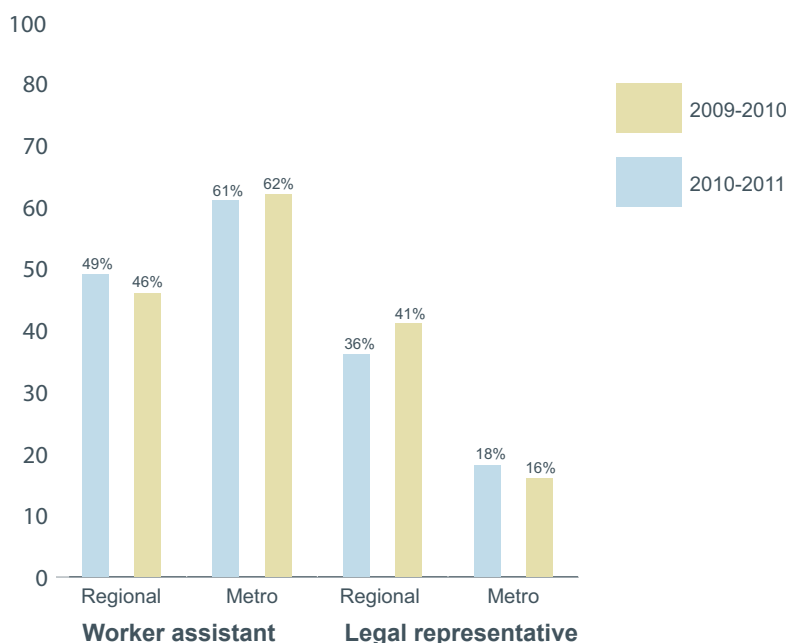
## Attendance at conferences

### Percentage of conferences attended by various parties



Attendance by parties at conferences is affected by a number of factors. In most cases each separate party is sent a request to attend the conference and it is usually considered beneficial to attend the conference in person. However, in some matters, particularly those involving payment of expenses for medical reports by the WorkSafe agent or self-insurer, the worker and/or employer may not be requested to attend the conference. Attendance by employers appears also to depend on the nature of the dispute, for example, they attend more conferences about decisions to reject claims compared to other decisions.

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



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



## Client and stakeholder service

### Strategic planning

A strategic planning session to set the direction for the ACCS for the years 2010-13 was held in August 2010. The following strategic objectives were agreed:

- Accessibility of services
- Effective response to stakeholder needs
- Timeliness of conciliation processes
- An empowered conciliation team.

### Training for stakeholders and other presentations

The ACCS provides information sessions and presentations to stakeholders and interested groups. The following presentations were delivered in 2010-2011:

Conciliation Officer	Organisation
Sharon Brennan	CGU Workers' Compensation AEU Certificate IV Accreditation in Insurance Management – WorkSafe
Greg Enticott	Certificate IV Accreditation in Insurance Management – WorkSafe AEU

### Feedback

In addition to statistical indicators, assessment and analysis of the quality of the service provided by the ACCS is measured in a variety of ways.

### Complaints and compliments

Complaints and compliments are monitored to ensure that there are no systemic issues raised. In 2010-2011, the ACCS registered 28 complaints. These were generally complaints about individual matters. No systemic problems were identified.

Compliments are regularly received following a conference.

### ACCS User Group

The ACCS User Group was established in 2006 at the request of the Minister for WorkCover. The User Group's primary roles are to provide a forum to:

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

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

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

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

The User Group meets quarterly.

## Client survey

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

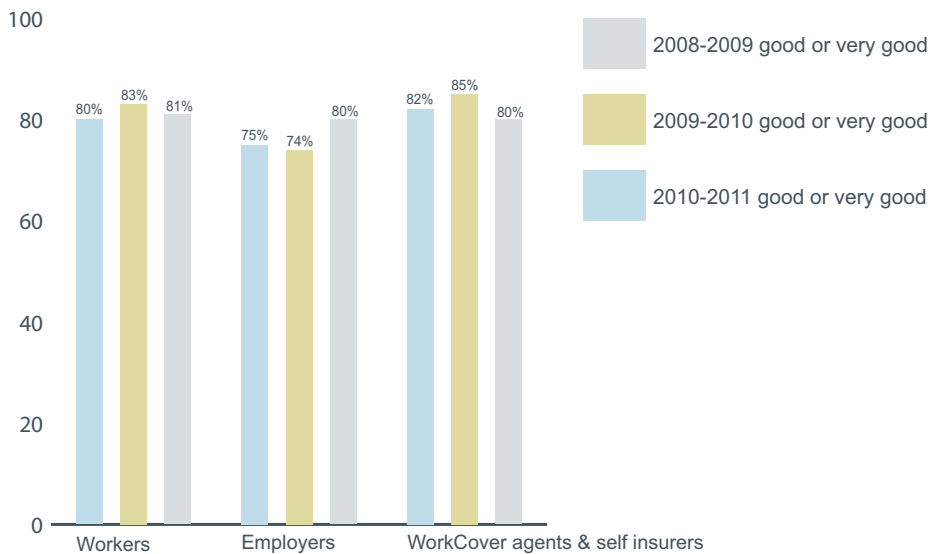
This has proved a useful tool to help monitor and improve our performance in service delivery to clients.

In 2010-2011 the survey obtained feedback from 400 workers, 399 employers and 113 WorkSafe Agents/Self-Insurers. The WorkSafe Agents/Self-Insurers component of the survey was again conducted via an online questionnaire emailed to respondents. In the second data collection period, follow up telephone interviews were conducted with Agents/Self-Insurers to improve the response rate.

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

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

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



This shows that the percentage of Workers and WorkSafe Agent/Self-Insurers rating the service received as good or very good has decreased during this survey period.

However, Employers' perception of service has remained steady from last year's results.

All areas will require further attention over the next year to strengthen future results.

*"They didn't take sides, listened, weren't judgmental and made me feel at ease."*

Source: ACCS 2010/2011 Client Survey of Workers

*"They ensure you're thoroughly informed, prior to and during the process."*

Source: ACCS 2010/2011 Client Survey of Employers.

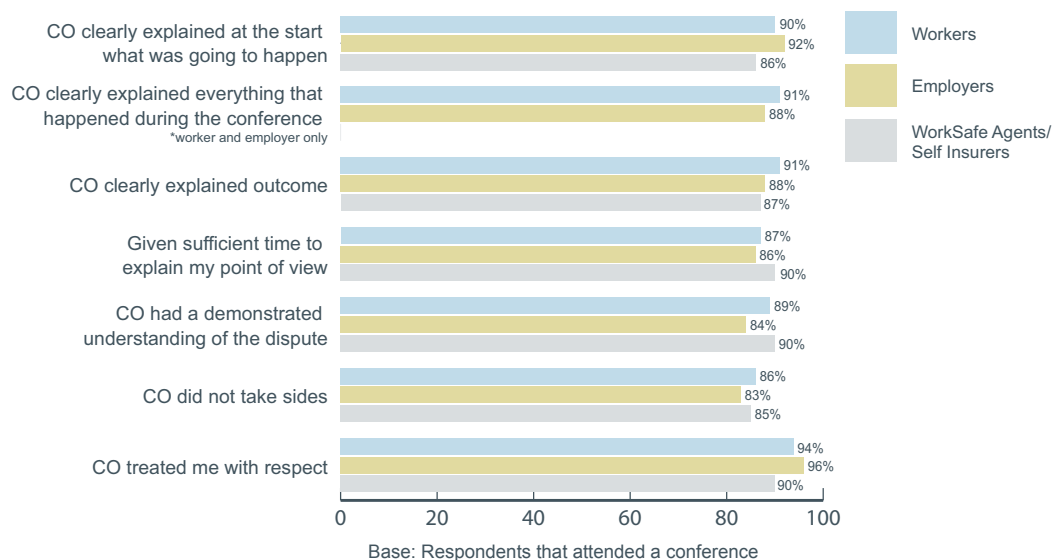
*"A forum allowing for frank discussion with a genuine commitment to reach agreement."*

Source: ACCS 2010/2011 Client Survey of WorkSafe Agents/Self-insurers.

Each client group was also asked whether they agreed or disagreed that Conciliation was a valuable process. The percentage of each group that agreed was: 84% of Workers (88.5% in 2009-2010 and 86% in 2008-2009), 88% of Employers (87.5% in 2009-2010 and 88% in 2008-2009) and 91% of WorkSafe Agents/Self-Insurers (85% in 2009-2010 and 80% in 2008-2009).

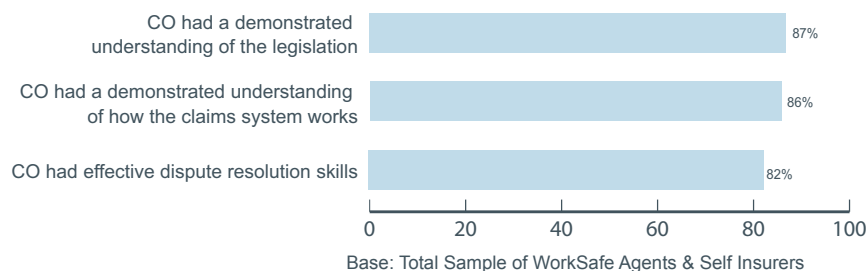
Another key section of the survey asks whether the respondent agrees or disagrees with a number of statements as to the conduct of the conference. Most statements were agreed to by over 84% of respondents, with the lowest percentage of agreement being 83%.

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



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

### The percentage of WorkSafe Agents and self-insurers that agreed with these statements were:



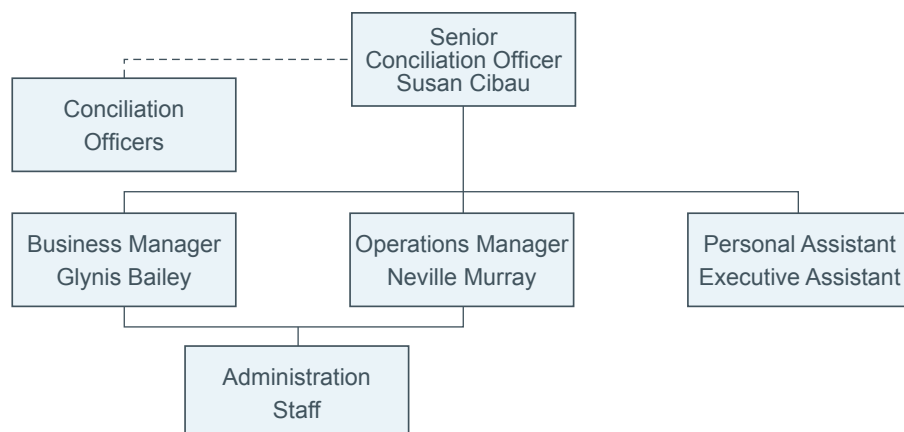
A report that provides an overview of responses to the 2010-2011 Client Survey is available upon request from the ACCS.

## The Organisation

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

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

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



### Workforce data

Position	2010/2011			2009/2010		
	Male	Female	Total	Male	Female	Total
Conciliation officer	17	19	36	17	18	35
Administrative staff	12	31	43	12	33	45
<b>Total</b>	29	50	79	29	51	80

Position	2010/2011			2009/2010		
	Full time	Part time	FTE*	Full time	Part time	FTE*
Conciliation officer	25	11	32.8	24	11	31.4
Administrative staff	38	5	40.6	39	6	42
<b>Total</b>	63	16	72.4	63	17	73.4

\*Full time equivalent

## Developing our staff

The ACCS continues to maintain a strong focus on supporting and encouraging professional development.

Conciliation Officers have attended workshops, conferences and courses and participated in regular internal professional development programs. Particular areas focussed on during the year included legislation issues as well as continued development in alternative dispute resolution.

Administration staff attended a number of external training programs to develop role specific skills such as computer, IT and technical skills. Other external training undertaken had a strong focus on career development with staff attending workshops and seminars in areas such as Communication, Management, Mental Health and Leadership skills.

A number of internal information sessions were provided to administration staff, covering areas such as legislation issues, equal employment opportunity, and return to work.

In 2010-2011, approximately 875 days were invested in employee and professional development activities.

## Health and safety

The ACCS continues to focus on maintaining a safe and healthy working environment for staff and visitors and promoting continued awareness amongst staff.

Areas that continue to receive particular attention include:

- Security;
- Working environment; and
- Staff awareness of health and safety policies and procedures.

Health and safety activities included general occupational health and safety training for new staff and specific training for the health and safety representative, fire wardens and first aiders. Approximately 62 days were invested in OHS related training in 2010-2011.

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

## Publications and information

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

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

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

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

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

## **Culturally diverse clients**

The clients of the ACCS are culturally and linguistically diverse. For example in 2010-2011, 12.8% of people who requested conciliation indicated that they would need an interpreter.

Consequently, the ACCS seeks to maintain awareness of clients with culturally diverse backgrounds and their experiences of conciliation. In 2010-2011 we attended to the needs of such clients in a range of ways, including:

### **Through our publications**

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

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

The Request for Conciliation form and booklet advise clients in numerous languages how to contact the ACCS through a telephone interpreter service.

In 2010-2011, the booklet was available in 12 languages and the DVD was available in eight languages.

### **Through language services**

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

### **Through client surveying**

The independent research company who were engaged to carry out the Annual Client Survey employ multi-lingual survey staff to ensure that people from diverse language backgrounds can participate effectively in the survey.

The ACCS will continue to maintain its focus on providing appropriate service in relation to our diverse client base.

# ACCIDENT COMPENSATION CONCILIATION SERVICE

## 2010-11 FINANCIAL REPORT

Comprehensive Operating Statement

Balance Sheet

Cash Flow Statement

Statement of Changes in Equity

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- 2 Summary of Significant Accounting Policies
- 3 Operating Costs
- 4 Remuneration of Auditors
- 5 Commitments
- 6 Related Party Disclosures
- 7 Remuneration of Responsible Persons
- 8 Remuneration of Executive Officers

Statement by Senior Conciliation Officer and Business Manager

Auditor-General's Report

## Comprehensive Operating Statement for the Year Ended 30 June 2011

	Note	2011 \$000s	2010 \$000s
<b>Revenue</b>			
Funding from Victorian WorkCover Authority	2(b)	12,189	11,815
<b>TOTAL REVENUE AND INCOME</b>		<b>12,189</b>	<b>11,815</b>
<b>Expenses</b>			
Operating costs	3	(12,189)	(11,815)
<b>TOTAL EXPENSES</b>		<b>(12,189)</b>	<b>(11,815)</b>
<b>Net result before other comprehensive income</b>		<b>—</b>	<b>—</b>
Other comprehensive income		—	—
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>—</b>	<b>—</b>

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

## Balance Sheet as at 30 June 2011

	2011 \$000s	2010 \$000s
<b>Current assets</b>	<b>—</b>	<b>—</b>
<b>Non-current assets</b>	<b>—</b>	<b>—</b>
<b>TOTAL ASSETS</b>	<b>—</b>	<b>—</b>
<b>Current liabilities</b>	<b>—</b>	<b>—</b>
<b>Non-current liabilities</b>	<b>—</b>	<b>—</b>
<b>TOTAL LIABILITIES</b>	<b>—</b>	<b>—</b>
<b>NET ASSETS</b>	<b>—</b>	<b>—</b>
<b>Equity</b>		
Accumulated Surplus	—	—
<b>TOTAL EQUITY</b>	<b>—</b>	<b>—</b>

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

## Cash Flow Statement for the Year Ended 30 June 2011

	2011 \$000s	2010 \$000s
<b>Cash Flows From Operating Activities</b>	<b>—</b>	<b>—</b>
<b>Cash Flows From Investing Activities</b>	<b>—</b>	<b>—</b>
<b>Cash Flows From Financing Activities</b>	<b>—</b>	<b>—</b>
<b>Net increase in cash held</b>	<b>—</b>	<b>—</b>
<b>Cash at the beginning of the financial year</b>	<b>—</b>	<b>—</b>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>—</b>	<b>—</b>

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

## Statement of Changes in Equity for the Year Ended 30 June 2011

	2011 \$000s	2010 \$000s
Total equity at beginning of the year	—	—
Net result for the year	—	—
<b>TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR</b>	<b>—</b>	<b>—</b>
<b>TOTAL EQUITY AT END OF THE YEAR</b>	<b>—</b>	<b>—</b>

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



# Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

## 1. ACCIDENT COMPENSATION CONCILIATION SERVICE

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). For the purposes of A-IFRS, the Victorian State Government has determined that the ACCS is a not-for-profit entity.

The financial statements were authorised for issue by the Business Manager on 29 August 2011.

### Basis of preparation

The financial statements cover the Accident Compensation Conciliation Service (ACCS) as an individual entity. The ACCS is a statutory authority established by statute enacted by the Victorian State Parliament and domiciled in Australia. The financial statements have been prepared on an accruals basis, and are based on historical costs and do not take into account changing money values. Historical cost is based on the fair values of the consideration given in exchange for assets.

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

The AASB has issued the following amendments to Australian Accounting Standards, which are applicable to the ACCS:

AASB	Title	Operative Date
124	Related Party Disclosures (Dec 2009)	1 Jan 2011

These amendments are not effective for the annual reporting period ended 30 June 2011 and have not been applied in preparing the ACCS's financial report. The nature of the impact of the application of these standards is disclosure only. The ACCS will apply these standards for the annual reporting periods beginning on or after the operative dates set out above.

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

### (a) Cash flow

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

### (b) Funding from Victorian WorkCover Authority

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

### (c) Operating leases

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

### (d) Employee benefits

Employee benefits comprise benefits accruing to employees in relation to salaries, annual leave and long service leave.

#### *Defined contribution superannuation plans*

Contributions to defined contribution superannuation plans are expensed when incurred.

#### *Defined benefit superannuation plans*

The amount charged to the comprehensive operating statement in respect of defined benefit plan superannuation represents the contributions made by the ACCS to the superannuation plans in respect of the current services of current ACCS employees. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The ACCS does not recognise any defined benefit liability in respect of the superannuation schemes because it has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial report.

#### **(e) Commitments**

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

#### **(f) Rounding**

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

#### **(g) Presentation and functional currencies**

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

<b>3 OPERATING COSTS</b>	<b>2011 \$000s</b>	<b>2010 \$000s</b>
Staff and related	8,107	7,944
Occupancy and utilities	1,943	1,766
Information technology	808	877
Asset rental expenses	432	392
Marketing and communication	118	80
Professional services	198	194
Other expenses	584	564
	<b>12,189</b>	<b>11,815</b>

Operating costs include the following:	<b>2011 \$000s</b>	<b>2010 \$000s</b>
Operating lease rentals		
Premises	930	768
Motor vehicles	199	240
Office equipment	39	26
	<b>1,168</b>	<b>1,034</b>

Employee benefit expense		
- Salaries and other employee benefits	7,233	7,011
- Post employment benefits:		
Defined contribution plans	732	803
Defined benefit plans	31	27
	<b>7,997</b>	<b>7,841</b>

<b>4 REMUNERATION OF AUDITORS</b>	<b>2011 \$000s</b>	<b>2010 \$000s</b>
Auditor of the entity:		
Audit of the financial report - Victorian Auditor-General	12	11
	<b>12</b>	<b>11</b>

#### **5 COMMITMENTS**

##### **Operating Leases**

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

	<b>2011 \$000s</b>	<b>2010 \$000s</b>
Due within one year	1,411	1,640
Due later than one year and less than five years	164	1,536
	<b>1,575</b>	<b>3,176</b>

*Prior year's balances have been restated to include lease commitments of \$359,000 relating to motor vehicles and office equipments.*

## 6 RELATED PARTY DISCLOSURES

### Responsible Persons

In accordance with the Directions of the Minister for Finance under the *Financial Management Act 1994*, the responsible persons who held office during the financial year were the Hon. Gordon Rich-Phillips MLC, Assistant Treasurer from 2 December 2010 and the Hon. Tim Holding MP, Minister for Finance, WorkCover and the Transport Accident Authority up to 2 December 2010, and Ms Susan Cibau, Senior Conciliation Officer.

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

## 7 REMUNERATION OF RESPONSIBLE PERSONS

Income Band	2011	2010
\$180,001 - \$190,000	1	1

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

## 8 REMUNERATION OF EXECUTIVE OFFICERS

	2011 \$000s	2010 \$000s
Total remuneration of all executive officers received or receivable in connection with their employment.	-	-

## Statement by Senior Conciliation Officer and Business Manager

The attached financial statements of the Accident Compensation Conciliation Service have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2011 and the financial position of the Accident Compensation Conciliation Service as at 30 June 2011.

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.



Susan Cibau  
Senior Conciliation Officer



Glynis Bailey  
Business Manager

Dated at Melbourne this 29th Day of August 2011



Victorian Auditor-General's Office

### INDEPENDENT AUDITOR'S REPORT

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

##### *The Financial Report*

The accompanying financial report for the year ended 30 June 2011 of the Accident Compensation Conciliation Service which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by senior conciliation officer and business manager, has been audited.

##### *The Senior Conciliation Officer's Responsibility for the Financial Report*

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

##### *Auditor's Responsibility*

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

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

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

##### *Independence*

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

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*Auditing in the Public Interest*

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Accident Compensation Conciliation Service as at 30 June 2011 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*.

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

This auditor's report relates to the financial report of the Accident Compensation Conciliation Service for the year ended 30 June 2011 included both in the Accident Compensation Conciliation Service's annual report and on the website. The Senior Conciliation Officer of the Accident Compensation Conciliation Service is responsible for the integrity of the Accident Compensation Conciliation Service's website. I have not been engaged to report on the integrity of the Accident Compensation Conciliation Service's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
30 August 2011



D D R Pearson  
Auditor-General

# Compliance Index To Disclosure Requirements 2010/11

## Disclosure Index

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

Legislation	Requirement	Page reference
<b>Ministerial Directions</b>		
<b>Report of Operations</b>		
<b>Charter and purpose</b>		
FRD 22B	Manner of establishment and the relevant Minister	1,15,17
FRD 22B	Objectives, functions, powers and duties	1,2,10
FRD 22B	Nature and range of services provided	1,2
<b>Management and structure</b>		
FRD 22B	Organisational structure	10
<b>Financial and other information</b>		
FRD 22B	Statement of workforce data and merit and equity	10
FRD 22B	Operational and budgetary objectives and performance against objectives	N/A
FRD 22B	Application and operation of <i>Freedom of Information Act 1982</i>	21
FRD 22B	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	21
FRD 22B	Application and operation of the <i>Whistleblowers Protection Act 2001</i>	21
FRD 22B	Statement of availability of other information	21
FRD 22B	Occupational health and safety policy	21
FRD 22B	Employment and conduct principles	2,10
FRD 10	Disclosure index	20
SD 4.2(g)	General information requirements	17
SD 4.2(j)	Sign-off requirements	17
<b>Financial Statements</b>		
<b>Financial statements required under Part 7 of the FMA</b>		
SD 4.2(a)	Statement of changes in equity	14
SD 4.2(b)	Operating statement	14
SD 4.2(b)	Balance sheet	14
SD 4.2(b)	Cash flow statement	14
<b>Other requirements under Standing Directions 4.2</b>		
SD 4.2(c)	Compliance with Australian Accounting Standards and other authoritative pronouncements	15,17
SD 4.2(c)	Compliance with Ministerial Directions	17,21
SD 4.2(c)	Accountable officer's declaration	17
SD 4.2(d)	Rounding of amounts	16
<b>Other disclosures as required by FRDs in notes to the financial statements</b>		
FRD 21A	Responsible person and executive officer disclosures	17
FRD 110	Cash flow statements	15
FRD 112B	Defined benefit superannuation obligations	16
<b>Legislation</b>		
<i>Freedom of Information Act 1982</i>		21
<i>Building Act 1983</i>		21
<i>Whistleblowers Protection Act 2001</i>		21
<i>Victorian Industry Participation Policy Act 2003</i>		N/A
<i>Financial Management Act 1994</i>		18

## Corporate compliance

### Freedom of Information

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

Requests for access to documents should be made in writing to the Senior Conciliation Officer. Further procedural information in relation to such requests can be obtained from the Senior Conciliation Officer. Contact details are on the back cover of this Report.

### Building Act

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

### Whistleblower Protection

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

### Availability of other information

To the extent applicable, the information required under Financial Reporting Direction 22B issued by the Minister for Finance under the *Financial Management Act 1994* has been prepared and is available on request (subject to the provisions of the Freedom of Information Act).



For information regarding this report, please contact the

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