

ANNUAL REPORT 2011/12

Accident
Compensation
Conciliation
Service

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 2011-2012 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
CO₂
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.*

	2011/2012	2010/2011
New requests	14867	14135
Re-opened matters	1161	1121
Disposals	15490	15560
Cases in progress	3571	3036

The number of requests for conciliation and re-opened matters increased by 5.1%. The number of disposals decreased by 0.4% and there was an increase in cases in progress of 17.6%.

* 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)	2011/2012		2010/2011	
	No.	%	No.	%
Alterations and reductions to weekly payments	54	0.3	48	0.3
Lump sum payments (Sections 98 & 98A)	72	0.5	105	0.7
Medical and like expenses	6269	39.1	6024	39.5
Payment of weekly payments (Section 114D)	983	6.1	944	6.2
Rejection of claim	2673	16.7	2903	19
Terminations at 104/130 weeks of compensation	1640	10.2	1504	9.9
Other Terminations	2066	12.9	1597	10.5
Other	934	5.8	770	5
Non Economic Loss (Sections 98C, 98E & 104B)	1337	8.4	1361	8.9
Total	16028	100	15256	100

There has been an increase of 5.1% 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 1890 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, 2458 requests were referred to the Senior Conciliation Officer for review and in that period 384 matters were not lodged for conciliation. In 2010-2011, 2123 requests were referred to the Senior Conciliation Officer and 299 were not lodged for conciliation.

Requests for medical reports

In the past year, pursuant to section 56(5A), the ACCS requested 1521 reports and received 1051.

Outcomes

Outcomes	2011/2012			2010/2011		
	No.	% of total completed	% of outcomes	No.	% of total completed	% of outcomes
Resolved by agreement – no variation to original decision	767	5.4	4.9	828	5.9	5.3
Resolved by agreement – variation to original decision	5062	35.9	32.7	4625	33.2	29.7
Resolved by agreement to a recommendation	2274	16.1	14.7	2220	15.9	14.3
Withdrawn	929	6.6	6.0	1188	8.5	7.6
Direction	103	0.7	0.7	102	0.7	0.7
Resolved Subtotal	9135	64.7	59.0	8963	64.3	57.6
Unresolved	4991	35.3	32.2	4982	35.7	32
Total Completed	14126	100.0	91.2	13945	100.0	89.6
Not Proceeding *	1357		8.7	1589		10.2
No Jurisdiction	7		0.1	26		0.2
Total	15490		100.0	15560		100.0

*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 64.7% compared with 64.3% last year.

The number of matters which can be resolved at conciliation will be affected by various factors outside the control of the ACCS 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.

"All parties were listened to, everyone was given the opportunity to state their point. The conciliator invited each party to put forth their points; in a fair, professional and courteous manner." Source: ACCS 2011/2012 Client Survey of WorkSafe Agents/Self-Insurers."

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, 42.4% 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	2011/2012		2010/2011	
	No	%	No	%
40 days or less	4460	28.8	3829	24.6
Between 41 & 60 days	3796	24.5	3586	23.1
Between 61 & 80 days	2477	16	2837	18.2
Between 81 & 100 days	1341	8.7	1575	10.1
Over 100 days	3416	22	3733	24
Total	15490	100.0	15560	100.0

Conciliation Officers referred 1314 matters to the Medical Panel in 2011-2012 (1278 in 2010-2011). 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.

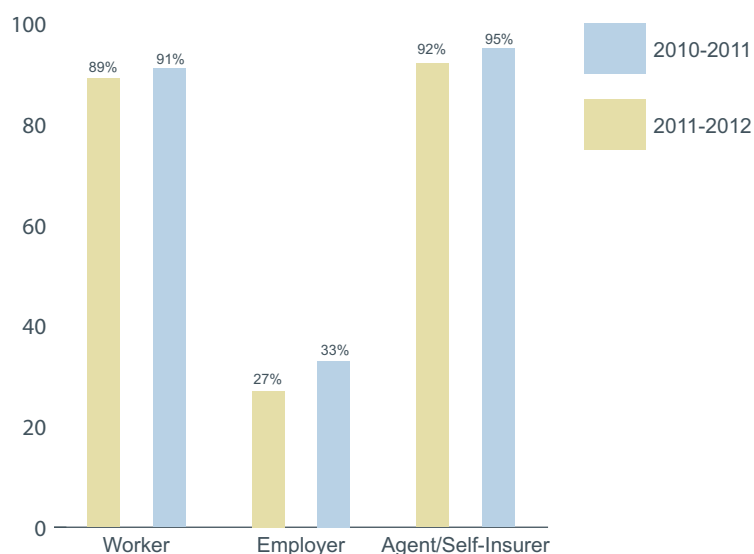
Regional disputes

While the majority of disputes originate within the Melbourne metropolitan region a significant number come from regional Victoria. 21% of disputes dealt with over 2011/2012 came from outside the Melbourne metropolitan area. In order to make the process of conciliation more accessible to those parties, Conciliation Officers undertake significant travel each month conducting conferences in country regions.

The ACCS holds conferences in the following country regions:
Ballarat, Bendigo, Colac, Geelong, Gippsland, Mildura, Portland, Shepparton, Warrnambool and Wangaratta

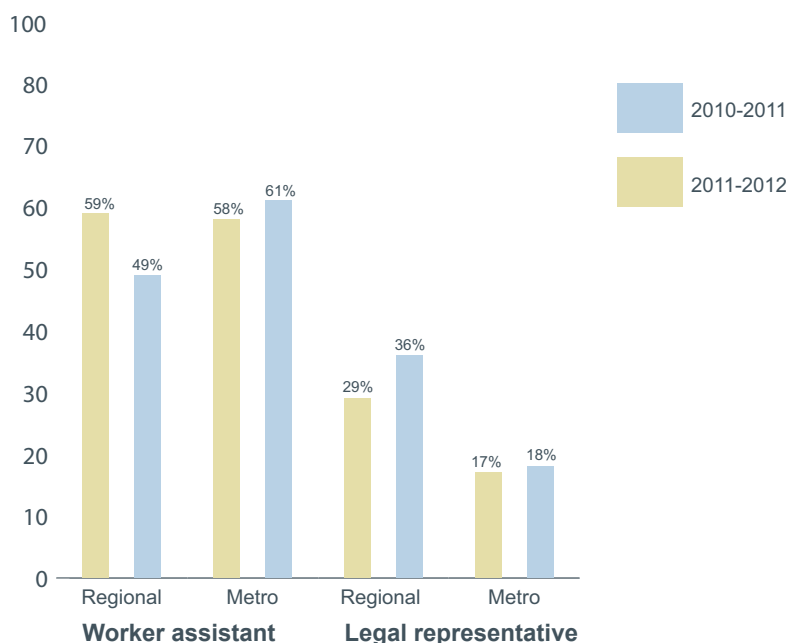
Attendance at conferences

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 direction

The following strategic direction has been agreed across the organisation:

- 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 2011-2012:

Conciliation Officer	Organisation
Susan Martin	Australian Society of Occupational Rehabilitation Counsellors
Penny Webster	IAWBA SIG (Special interest group) Practitioners

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 2011-2012, the ACCS registered 21 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.

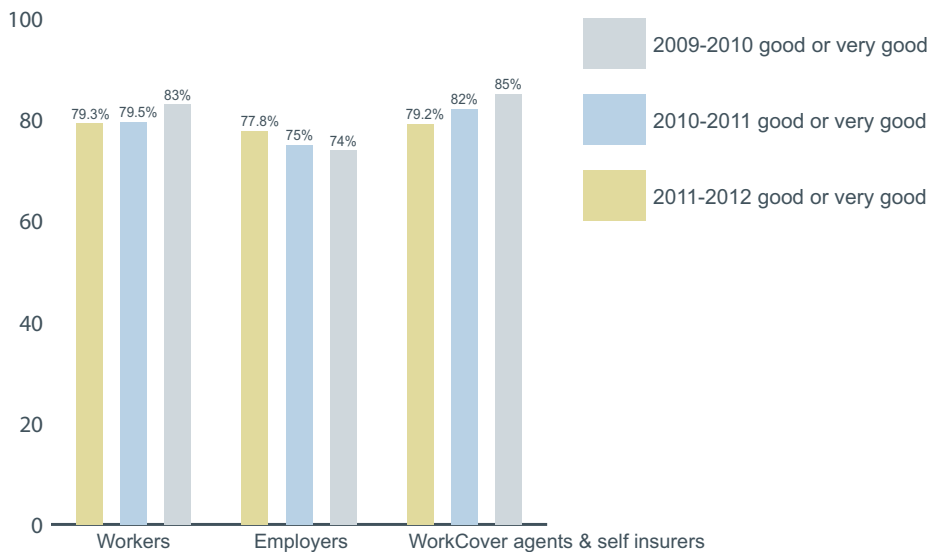
This has proved a useful tool to help monitor and improve our performance in service delivery to clients.

In 2011-2012 the survey obtained feedback from 401 workers, 400 employers and 96 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 were extremely helpful and they kept me informed about the whole process, it made me feel really supported." Source: ACCS 2011/2012 Client Survey of Workers.

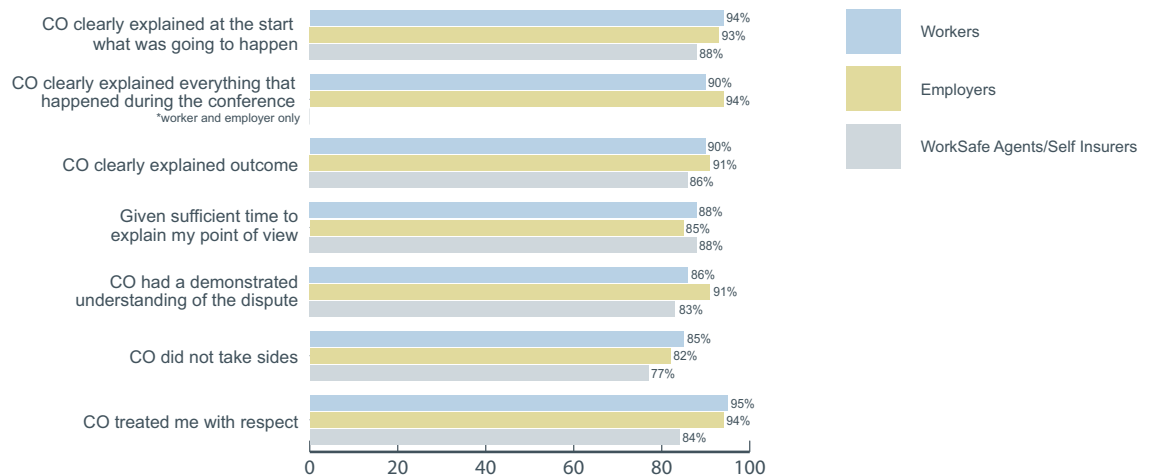
"I thought she (conciliator) was completely impartial and she was willing to hear both sides." Source: ACCS 2011/2012 Client Survey of Employers."

"There was lots of communication before, during and after conference. The Conciliation Officer was very approachable." Source: ACCS 2011/2012 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: 83% of Workers (84% in 2010-2011 and 88.5% in 2009-2010), 88% of Employers (88% in 2010-2011 and 87.5% in 2009-2010) and 80% of WorkSafe Agents/Self-Insurers (91% in 2010-2011 and 85% in 2009-2010).

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 82% of respondents, with the lowest percentage of agreement being 77%.

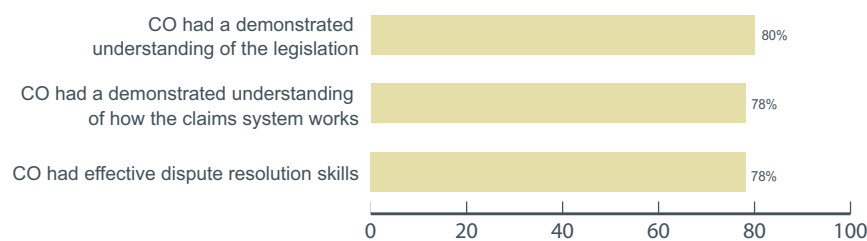
The percentage of each client group that agreed with statements about the conduct of the conference was:



Base: Respondents that attended a conference

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:



Base: Total Sample of WorkSafe Agents & Self Insurers

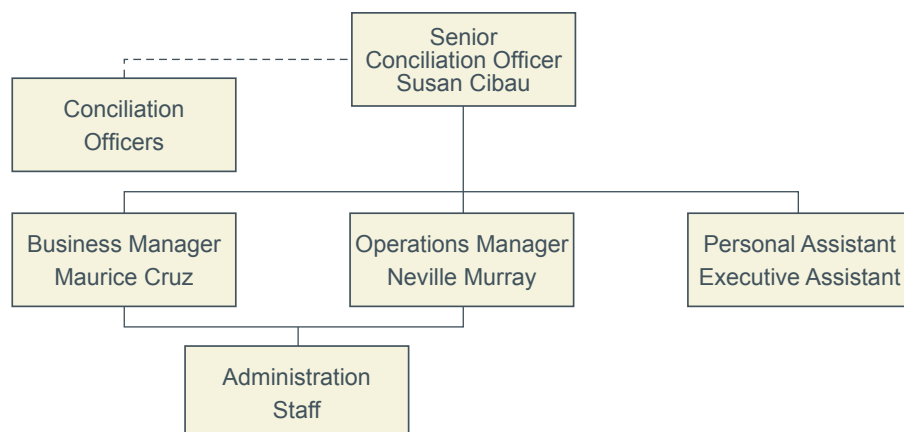
A report that provides an overview of responses to the 2011-2012 Client Survey is available upon request from the ACCS.

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. He is responsible for the financial administration and the management of the corporate services of the organisation. The Operations Manager is responsible for the management of the administrative support staff of the Service.



Workforce data

Position	2011/2012			2010/2011		
	Male	Female	Total	Male	Female	Total
Conciliation officer	16	20	36	17	19	36
Administrative staff	12	33	45	12	31	43
Total	28	53	81	29	50	79

Position	2011/2012			2010/2011		
	Full time	Part time	FTE*	Full time	Part time	FTE*
Conciliation officer	27	9	33.2	25	11	32.8
Administrative staff	37	8	41.2	38	5	40.6
Total	64	17	74.4	63	16	72.4

*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, Innovation, & Leadership skills.

A number of internal information sessions were provided to administration staff, covering areas such as medical panel processes, return to work, payment systems and privacy refresher training

In 2011-2012, approximately 220 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 65 days were invested in OHS related training in 2011-2012.

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.

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 2011-2012, 10.5% 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 2011-2012 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 are 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 2011-2012, the booklet was available in 12 languages and the DVD was available in eight languages.

Extensive work was undertaken during 2011-2012 on the production and filming of a new DVD which will be released in the second half of 2012.

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

2011-12 FINANCIAL REPORT

Comprehensive Operating Statement

Balance Sheet

Cash Flow Statement

Statement of Changes in Equity

Notes to and forming part of the Financial Statements:

- 1 Accident Compensation Conciliation Service
- 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
- 9 Contingent Assets and Contingent Liabilities

Statement by Senior Conciliation Officer and Business Manager

Auditor-General's Report

Comprehensive Operating Statement for the Year Ended 30 June 2012

	Note	2012 \$000s	2011 \$000s
Revenue			
Funding from Victorian WorkCover Authority	2(b)	13,028	12,189
TOTAL REVENUE AND INCOME		13, 028	12,189
Expenses			
Operating costs	3	(13,028)	(12,189)
TOTAL EXPENSES		(13,028)	(12,189)
Net result before other comprehensive income		—	—
Other comprehensive income		—	—
TOTAL COMPREHENSIVE INCOME		—	—

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

Balance Sheet as at 30 June 2012

	2012 \$000s	2011 \$000s
Current assets	—	—
Non-current assets	—	—
TOTAL ASSETS	—	—
Current liabilities	—	—
Non-current liabilities	—	—
TOTAL LIABILITIES	—	—
NET ASSETS	—	—
Equity		
Accumulated Surplus	—	—
TOTAL EQUITY	—	—

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

Cash Flow Statement for the Year Ended 30 June 2012

	2012 \$000s	2011 \$000s
Cash Flows From Operating Activities	—	—
Cash Flows From Investing Activities	—	—
Cash Flows From Financing Activities	—	—
Net increase in cash held	—	—
Cash at the beginning of the financial year	—	—
CASH AT THE END OF THE FINANCIAL YEAR	—	—

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 2012

	2012 \$000s	2011 \$000s
Total equity at beginning of the year	—	—
Net result for the year	—	—
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR	—	—
TOTAL EQUITY AT END OF THE YEAR	—	—

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

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2012

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 Senior Conciliation Officer on 2 August 2012.

Basis of preparation

The financial statements cover the Accident Compensation Conciliation Service (ACCS) as an individual entity. The ACCS is a statutory body 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 with effect from 1 January 2013:

AASB	Title
119	Employee Benefits
2011-10	Amendments to Australian Accounting Standards arising from AASB 119

These amendments are not effective for the annual reporting period ended 30 June 2012 and have not been applied in preparing the ACCS's financial report. The ACCS will apply these standards for the annual reporting periods beginning on or after the operative date set out above. The application of these standards is not expected to have a significant impact on the financial statements of ACCS.

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 operating costs of the ACCS including employee and related costs are met through this funding arrangement.

Funding from the Victorian WorkCover Authority, which matches the operating expenses incurred by the ACCS, is recognised as revenue.

(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 and capital 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

3 OPERATING COSTS

	2012	2011
	\$000s	\$000s
Staff and related	8,280	8,107
Occupancy and utilities	1,905	1,943
Asset rental expenses	1,084	432
Information technology	746	808
Marketing and communication	192	118
Professional services	178	198
Other expenses	643	584
	13,028	12,189

Operating costs include the following:	2012	2011
Operating lease rentals	\$000s	\$000s
Premises	945	930
Motor vehicles	185	199
Office equipment	36	39
	1,166	1,168

Employee benefit expense		
Salaries and other employee benefits	7,309	7,233
Post employment benefits:		
Defined contribution plans	792	732
Defined benefit plans	38	31
	8,139	7,997

4 REMUNERATION OF AUDITORS

	2012	2011
	\$000s	\$000s
Auditor of the entity:		
Audit of the financial report - Victorian Auditor-General's Office	13	12
	13	12

5 COMMITMENTS

Operating Leases

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

	2012	2011
	\$000s	\$000s
Due within one year	2,087	1,411
Due later than one year and less than five years	8,106	164
	10,193	1,575

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, and Ms Susan Cibau, Senior Conciliation Officer.

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

The remuneration of the responsible Minister is reported in the financial statements of the Department of Premier and Cabinet.

7 REMUNERATION OF RESPONSIBLE PERSONS

Income Band	2012	2011
\$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

	2012 \$000s	2011 \$000s
Total remuneration of all executive officers received or receivable in connection with their employment.	-	-

9 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The ACCS has no contingent assets or contingent liabilities at the reporting date.

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 2012 and the financial position of the Accident Compensation Conciliation Service as at 30 June 2012.

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



Maurice Cruz
Business Manager

Dated at Melbourne this 2nd Day of August 2012



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INDEPENDENT AUDITOR'S REPORT

To the Members of Accident Compensation Conciliation Service

The Financial Report

The accompanying financial report for the year ended 30 June 2012 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, 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.

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Accident Compensation Conciliation Service as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

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 2012 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
2 August 2012



D D R Pearson
Auditor-General

Compliance Index To Disclosure Requirements 2011/12

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
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22C	Manner of establishment and the relevant Minister	1,15,17
FRD 22C	Objectives, functions, powers and duties	1,2,10
FRD 22C	Nature and range of services provided	1,2
Management and structure		
FRD 22C	Organisational structure	10
Financial and other information		
FRD 22C	Statement of workforce data and merit and equity	10
FRD 22C	Operational and budgetary objectives and performance against objectives	N/A
FRD 22C	<i>Application and operation of Freedom of Information Act 1982</i>	21
FRD 22C	<i>Compliance with building and maintenance provisions of Building Act 1993</i>	21
FRD 22C	<i>Application and operation of the Whistleblowers Protection Act 2001</i>	21
FRD 22C	Statement of availability of other information	21
FRD 22C	Occupational health and safety policy	11
FRD 22C	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
Financial Statements		
Financial statements required under Part 7 of the FMA		
SD 4.2(a)	Statement of changes in equity	14
SD 4.2(b)	Operating statement	14
SD 4.2(b)	Balance sheet	14
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Other requirements under Standing Directions 4.2		
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
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Other disclosures as required by FRDs in notes to the financial statements		
FRD 21B	Responsible person and executive officer disclosures	17
FRD 110	Cash flow statements	15
FRD 112C	Defined benefit superannuation obligations	16
FRD 120F	Accounting and reporting pronouncements applicable to the 2011-12 reporting period	15
Legislation		
<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 22C 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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