



QUESTIONS PRIOR TO HEARING FOR THE 2015/16 BUDGET ESTIMATES HEARING

WORKCOVER (NO HEARING)

TUESDAY, 23 JUNE 2015

HON NICK GOIRAN MLC ASKED –

1. Noting that the then Minister for Commerce, Hon Troy Buswell MLA, in announcing the legislative review referred to it being undertaken in two phases, what was the cost of phase 1?

The first stage of the *Review of the Workers' Compensation and Injury Management Act 1981* commenced in 2009 and was undertaken by WorkCover WA from within existing resources.

Additional costs of \$114,258.11 were incurred for actuarial assessments, expert advice, printing and other on costs.

2. Further to 1, what have been the costs to-date for phase 2?

The second stage of the *Review of the Workers' Compensation and Injury Management Act 1981* is being undertaken by WorkCover WA from within existing resources.

Additional costs of \$21,149.45 have been incurred to date for actuarial services and printing associated with phase 2 of the legislative review.

3. What provision has been made for the further costs of phase 2 in the Budget?

WorkCover WA operations are independently funded by a levy on approved workers' compensation insurers and self insurers. The agency does not receive appropriations from consolidated revenue.

No specific provision has been made in the 2015/16 budget for phase 2 of the legislative review.

4. Further to 3, when is the review expected to be completed?

The Government approved the drafting of a bill in October 2014 and has agreed to release a draft of the bill for public consultation before it is introduced into Parliament. It is expected to be introduced into Parliament by the end of 2015.

Supporting regulations and a comprehensive communication approach to support education and implementation of the new bill should be finalised by late 2016.

These timeframes are dependent on Government and parliamentary priorities.

- 5. Noting that as part of the review a call was made for submissions from the public, how many were received?**

There were 66 written submissions on WorkCover WA's discussion paper and a further 28 on the final report.

- 6. Further to 5, are those submissions available to be accessed by the public?**

No.

- 7. If no to 6, why not?**

Undertakings were given by WorkCover WA that submissions received would remain confidential. This was intended to facilitate input from stakeholders and foster candour which is important for the success of the legislative review. The confidentiality undertakings protect the identity of individuals and organisations in relation to any personal or sensitive information.

The *Review of the Workers' Compensation and Injury Management Act 1981: Final Report* was tabled in the Legislative Council on 26 June 2014. This report is the outcome of consultation with stakeholders and provides a transparent account of the views of submitters without disclosing their identity.

Any interested party may make an application for access to the submissions under the *Freedom of Information Act 1992* and each application would be treated on its merits.

- 8. In regards to the Conciliation Service, what has been the cost of the Service for the past 3 financial years?**

Year	Cost
2013/14	\$4,306,736
2012/13	\$4,526,297
2011/12	\$2,748,172 (Note: Service commenced 1 December 2011)

- 9. Further to 8, what is the expected cost for 2014/15?**

\$4,653,880

- 10. Further to 8, what allocation has been made for 2015/16?**

\$4,584,449

- 11. What are the key performance indicators for the Conciliation Service?**

- a) *The proportion of conciliations completed within eight weeks.* The eight week timeframe for resolving a dispute through conciliation is a statutory requirement in the Workers' Compensation and Injury Management Conciliation Rules 2011.

- b) *The average cost to complete a conciliation.* This is measured by dividing the full costs of providing the conciliation process, including the determined WorkCover WA overhead allocation, by the total number of conciliations completed.

12. Further to 11, which of those indicators are not being met by the Service?

- a) *The proportion of conciliations completed within eight weeks.* The 2014/15 target is 97%.

Year	Actual	Target
2014/15	96.6% (estimated)	97%
2013/14	96.8%	97%
2012/13	97.8%	97%

- b) *The average cost to complete a conciliation.* The 2014/15 target is \$2,023.

Year	Actual	Target
2014/15	\$1,931 (estimated)	\$2,023
2013/14	\$2,268	\$2,895
2012/13	\$2,579	\$3,334

13. In regards to the Arbitration Service, what has been the cost of the Service for the past 3 financial years?

Year	Cost
2013/14	\$4,706,660
2012/13	\$4,068,907
2011/12	\$2,142,275 (Note: Service commenced 1 December 2011)

14. Further to 13, what is the expected cost for 2014/15?

\$4,736,196

15. Further to 13, what allocation has been made for 2015/16?

\$5,454,099

16. What are the key performance indicators for the Arbitration Service?

- a) *The proportion of disputes resolved within a six month timeframe from the day they are registered for conciliation through to the day they are resolved either via conciliation or arbitration.* For those disputes progressing to arbitration the 28 day statutory gap (or portion of) allowed to register for arbitration is not included in the timeframe.
- b) *The average cost to complete an arbitration application.* This is measured by dividing the full costs of providing the arbitration process, including the determined WorkCover WA overhead allocation, by the total number of arbitrations completed.

17. Further to 16, which of those indicators are not being met by the Service?

- a) *The proportion of disputes resolved within a six month timeframe from the day they are registered for conciliation through to the day they are resolved either via conciliation or arbitration.* The 2014/15 target is 90 per cent.

Year	Actual*	Target*
2014/15	89.6% (estimated)	90%
2013/14	89.5%	N/A
2012/13	92.3%	N/A

*This is a new indicator in 2014/15 applied retrospectively to prior years. Hence there is no target for prior years.

These results are well above the national average of 73.3 per cent as published in 2012/13 in the Comparative Performance Monitoring Report, Sixteenth Edition, October 2014 (the most recent year available).

- b) *The average cost to complete an arbitration application.* The 2014/15 target is \$8611.

Year	Actual	Target
2014/15	\$9,919 (estimated)	\$8,611
2013/14	\$11,153	\$11,658
2012/13	\$13,014	\$17,083

18. How many permanent Arbitrators are in the Service and how many sessional Arbitrators?

There are six Arbitrator positions in Arbitration Services. This total includes one Registrar and three part time Arbitrator positions.

There are seven sessional Arbitrators.

19. What has been the cost of sessional Arbitrators for 2014/15?

\$328,583

20. Further to 19, what provision for sessional Arbitrators has been made for 2015/16?

\$300,000

21. Is there any intention to appoint more permanent Arbitrators in 2015/16?

No.

22. If yes to 19, how many and at what cost?

Not applicable (it is assumed this question is referring to question 21).

A handwritten signature in black ink, appearing to read "M. Hirsch". The signature is written in a cursive style with a large initial "M" and a long, sweeping underline.