



2001- 2002

WORKERS
COMPENSATION
LEGISLATIVE REFORM

IMPLEMENTATION PLAN

(Outline for General
Purpose Standing
Committee No.1)

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INTRODUCTION

This 2001–02 Implementation Plan consolidates the projects that will be undertaken as part of the Workers Compensation Legislative Reform program. The Plan summarises the purpose and objectives of the reforms, the key activities, consultation with stakeholders and budgets that will be implemented by WorkCover to deliver improved services to its clients and stakeholders as part of the reform process. The Implementation Plan is a living document and as more information becomes available appropriate changes will be made.

The Implementation Plan is underpinned by, and should be used in conjunction with the **2001-2002 WorkCover Corporate Plan** –

The Plan articulates WorkCover’s Vision – *Safe secure workplaces* – Mission – *To work in partnership with the New South Wales community to achieve safe workplaces, effective return to work and security for injured workers* - and Values. The Corporate Plan details the four corporate goals – *Reform, Compliance, Communication and Influence and Performance* – and details the priority activities associated with each of these goals.

SECTION 1: LEGISLATIVE REFORM OVERVIEW

OBJECTIVES

The objectives of the WorkCover Scheme are:

- prompt and effective treatment and return to work of injured workers;
- income support for injured workers and their families;
- fair and affordable premiums for employers with incentive for improved performance; and
- efficient and cost-effective service delivery.

PURPOSE

In June 2000 the Minister outlined a package of reforms to the WorkCover Scheme. The reforms are aimed at delivering a WorkCover scheme that:

- reduces the risk of workplace injury, illness and disease;
- provides prompt treatment for injury, and necessary medical and vocational rehabilitation to promote an early return to work;
- provides injured workers with income support during incapacity, pays for medical costs, and compensates workers for permanent impairment;
- provides a simply designed benefits structure which provides equitable, adequate compensation to injured workers and which supports return to work;

- ensures that employer costs are commensurate with the inherent risks of their industry, taking into account their performance in injury prevention and management; and
- delivers these objectives efficiently and effectively while making sure that the scheme and all its participants get the best value for money.

In announcing the package of reforms to the Scheme in June 2000 it was recognised that while the past reforms to the Scheme had been effective, they were not sufficient to address all of the key problems facing the Scheme, including the increasing Scheme deficit.

Two important pieces of legislation have been passed by the NSW Parliament this year to reform workers compensation – *the Workers Compensation Legislation Amendment Act 2001* and the *Workers Compensation Legislation Further Amendment Act 2001*.

The *Workers Compensation Legislation Amendment Act 2001* was passed by Parliament in June 2001. Its primary objective was to put in place measures to prevent disputes arising and to provide a simpler, fairer and faster system for resolving disputes in the workers compensation system. The Act addresses these issues in the following ways.

Preventing Disputes

- prompt payment of benefits to injured workers through provisional liability arrangements, allowing workers to have their benefits paid and treatment commenced much more quickly;
- increasing incentives for insurers to improve their performance on claims management and penalising those who delay; and
- increasing advice to injured workers and employers through a Claims Assistance Service and funding to union and employer groups for claims assistance services.

Resolving Disputes

- a new Workers Compensation Commission that will provide an integrated dispute resolution service dealing with medical assessment, expedited assessment and general dispute resolution;
- clear consistent medical assessment through use of independent medical experts and guidelines; and
- arbitration of disputes by arbitrators who have legal qualifications or equivalent experience in a specialist field.

This legislation was a vital stage of the governments overall reform program for workers compensation in NSW however it did not significantly address claims for injured workers for damages at common law and concerns in relation to both the increasing numbers and costs of such claims.

An Inquiry headed by Justice Terry Sheahan considered outstanding matters from the original reform package, primarily those regarding common law and reported to the Government in August 2001. The *Workers Compensation Further Amendment Act 2001*, gives effect to the key recommendations of the Sheahan Inquiry and the outcome of a consultation process. The Act was passed by Parliament in November 2001. The Act contains measures that can be divided into three main areas as follows:

- measures relating to the appropriate threshold for common law claims and changes to statutory benefits;
- improved processes for accessing common law; and
- miscellaneous measures including restrictions on commutations, and repeal of private underwriting provisions of the *Workplace Injury Management and Workers Compensation Act 1998*.

These significant reforms will be closely monitored, reviewed and evaluated to address any risks to which the Government and stakeholders are exposed . The Independent Pricing and Regulatory Tribunal and Legislative Council General Purpose Standing Committee No.1 will report separately on the implementation of the reforms.

Section 2 of the Implementation Plan details the specific projects to implement the legislative and associated administrative reforms.

SECTION 2: PROJECT DETAIL & SPECIFIC ACCOUNTABILITIES

This section details the specific 2001-02 projects and activities that will progress the Workers Compensation Legislative Reform program.

PROJECT 1: WORKERS COMPENSATION COMMISSION

The Workers Compensation Commission will be established on 1 January 2002. It will be located in the existing premises of the Workers Compensation Resolution Service in Darlinghurst, Sydney.

The aim of the Commission is to ensure that disputes are resolved in a timely, fair manner. To this end, the Commission will be resourced to ensure that disputes are referred promptly to the appropriate part or parts of the Commission, for assessment and determination.

Activity	Timing	Performance Measure	Progress
1. Establishment of Workers Compensation Commission	Jan-02	<ul style="list-style-type: none"> Commission deals with disputes on new claims from 1 January 02 	Targets met on time. <ul style="list-style-type: none"> Commission commenced 1 Jan 02 Presidential members appointed. 34 arbitrators appointed to date (sufficient to deal with current case load) Further recruitment action for arbitrators and mediators (work injury damages claims) underway
2. Development of rules & procedures <ul style="list-style-type: none"> to Advisory Council consultation with stakeholders 	Nov-01 10 Oct-01 Oct-01	<ul style="list-style-type: none"> Rules approved by Minister 	Targets met on time. <ul style="list-style-type: none"> Interim rules gazetted 21 Dec 01. Review of rules underway but no substantial changes anticipated
3. WCRS ceases operating	31 Dec-01	<ul style="list-style-type: none"> Seamless transition of dispute resolution process 	<ul style="list-style-type: none"> Targets met on time.

Activity	Timing	Performance Measure	Progress
4. Forms, brochures, web-site, stakeholder information developed <ul style="list-style-type: none"> consultation with stakeholders 	Nov/Dec -01 Oct/Nov-01	<ul style="list-style-type: none"> Stakeholder information widely available pre Jan 02 	<ul style="list-style-type: none"> Targets met on time.

PROJECT 2: CLAIMS ASSISTANCE SERVICE

The role of the Claims Assistance Service is to provide assistance to injured workers and employers in connection with a claim for workers compensation or work injury damages. The objectives are to:

- Reduce the opportunity for disputes to arise by providing specialised assistance to injured workers and employers regarding the workers compensation system.
- Provide an interface between injured workers, employers and insurer's concerning claims for workers compensation.
- Promote the prompt processing of workers compensation claims and entitlements.
- Provide a fair, impartial and timely service to injured workers and employers.

The WorkCover Assistance Service, to be established in January next year, will incorporate the Claims Assistance Service (CAS) as well as the existing Information Centre. The WorkCover Assistance Service will provide two (2) main services:-

- Provide a central point of contact for workplace safety, injury management and workers compensation enquiries.
- Specialised assistance to injured workers and employers about claims for workers compensation.

Activity	Timing	Performance Measure	Progress
1. Consultation with key stakeholders concerning role and functions of Claims Assistance Service	Sep-01 and ongoing	<ul style="list-style-type: none"> Stakeholder support for proposed model 	Targets met on time.
2. Recruitment action finalised	Nov-01	<ul style="list-style-type: none"> Staff recruited 	Targets met Dec 01.
3. Procedures and guidance material developed	Dec-01	<ul style="list-style-type: none"> Procedure manuals completed 	Targets met on time.
4. Enhancements to information technology systems	Dec-01	<ul style="list-style-type: none"> System enhancements complete 	Targets met on time.
5. Training program developed	Dec-01	<ul style="list-style-type: none"> Key staff trained 	Targets met on time.

Activity	Timing	Performance Measure	Progress
6. Marketing and communication program commenced	Dec-01	<ul style="list-style-type: none"> Guidance material distributed to key stakeholders 	Targets met on time but ongoing.
7. Systems and processes tested	Dec-01	<ul style="list-style-type: none"> Modifications made if required 	Targets met on time but ongoing.
8. Claims Assistance Service operational	Jan-02	<ul style="list-style-type: none"> Service fully operational 	Targets met on time.

PROJECT 3: INSURER REMUNERATION

WorkCover has commenced a new insurer remuneration package which will better align insurer incentives to scheme objectives. The new model provides insurers with a stronger incentive for improved performance especially in injury and claims management. A maximum of \$93 million in specific performance fees is available to the licensed insurers for achieving premium administration, claims and injury management performance targets.

The WorkCover Board approved the new remuneration package for insurers covering the 12 month period between 1 July 2001 and 30 June 2002. The Board also decided that insurers should submit a statement of their existing operations and business plans with quarterly milestones for this year. An external independent auditor will verify insurer performance and delivery to business plans. The new package commenced on 1 July 2001 with the payment of base fees. Performance measures are progressively being finalised in consultation with insurers.

The Board also noted that WorkCover is reviewing fees paid for management of Statutory Fund investments and a proposal for this will be submitted separately to the Board. A discussion paper on performance fees was released for consultation with investment managers in April 2001. The WorkCover Board approved a new Scheme investment strategy in August 2001.

Activity	Timing	Performance Measure	Progress
1. Insurers lodge statement of existing operations and business plans with quarterly milestones to WorkCover	10 Sep-01	<ul style="list-style-type: none"> Submission to Schedule 	Targets met on time.
2. Report on Insurers' Business Plans submitted to Board	Sept Board Meeting	<ul style="list-style-type: none"> Report submitted to Board 	Targets met on time.
3. Insurer progress reports for the 1 st Quarter (September)	31 Oct-01	<ul style="list-style-type: none"> Report submitted by due date 	Targets met Sep 01.

Activity	Timing	Performance Measure	Progress
4. September Quarter Progress reports presented to Board	Nov Board Meeting	<ul style="list-style-type: none"> Report submitted to Board 	Targets met ahead of time (Sep 01).
5. Appointment of a single firm of external independent auditor to verify insurer performance	Dec-01	<ul style="list-style-type: none"> External independent audit firm appointed on schedule 	In progress.
6. Insurer progress reports for 2 nd Quarter (December)	Jan-02	<ul style="list-style-type: none"> Reports submitted by due date 	Targets met on time.
7. December Quarter progress report presented to Board	Feb-02	<ul style="list-style-type: none"> Report submitted to Board 	Targets met on time.
8. Independent external auditor to verify progress reports	Following submissions	<ul style="list-style-type: none"> Audited to schedule 	To commence following appointment of auditor (as per 5 above).
9. Insurer progress reports for 3 rd Quarter (March)	30 Apr-02	<ul style="list-style-type: none"> Reports submitted by due date 	In progress.
10. March Quarter progress report presented to Board	May-02 Board Meeting	<ul style="list-style-type: none"> Report submitted to Board 	In progress.
11. Insurer progress reports for 4 th Quarter (June)	31 Jul-02	<ul style="list-style-type: none"> Reports submitted by due date 	In progress.
12. June Quarter progress report presented to Board	Aug-02 Board Meeting	<ul style="list-style-type: none"> Report submitted to Board 	In progress.
13. 2001/2002 Insurance remuneration package ends	30 Jun-02		In progress.
14. Discussion paper on Performance Based Fees for investment management released for consultation with insurers' investment managers	Apr-01	<ul style="list-style-type: none"> Discussion paper released 	Targets met on time.
15. Towers Perrin to develop proposed performance based investment fee structure	Nov-01	<ul style="list-style-type: none"> Proposed fee structure developed 	Targets met on time.
16. Proposed performance based investment fee package consulted with investment and insurance managers	Dec/Jan-02	<ul style="list-style-type: none"> Consultation with Insurers and investment managers as scheduled 	Targets met Feb 02.

Activity	Timing	Performance Measure	Progress
17. Proposed performance based investment fee packaged submitted for Board approval	Mar-02	<ul style="list-style-type: none"> Proposed performance based fee packaged approved by Board 	In progress. Awaiting feedback from insurers.
18. Proposed performance based investment fee package implemented with Cogent	Apr-02	<ul style="list-style-type: none"> Performance based investment fee arrangement implemented 	In progress.

PROJECT 4: PROVISIONAL LIABILITY

Provisional liability is a dispute prevention initiative and is an integral component of the reforms being implemented from 1 January 2002.

The project involves developing WorkCover Guidelines that support the intention of the legislative reform and integrate with existing claims management requirements.

A review of existing “scheme systems and mechanisms” effected by the introduction of provisional liability is required to ensure congruency within the scheme including remuneration arrangements, claims estimation guidelines and data capture requirements.

Activity	Timing	Performance Measure	Progress
1. Draft Guidelines complete	Oct 01	<ul style="list-style-type: none"> Draft Guidelines completed 	Targets met on time.
2. Insurer Working Party - Operations	Sept 01	<ul style="list-style-type: none"> Initial work completed 	Targets met Oct 01.
3. Consultation with Council	Oct 01	<ul style="list-style-type: none"> Feedback received for review 	Targets met on time but consultation ongoing
4. Amend Guidelines to incorporate stakeholder feedback	Oct 01	<ul style="list-style-type: none"> Circulate for comment after approval 	Targets met Nov 01.
5. Additional guideline review to finalise Guidelines	Nov 01	<ul style="list-style-type: none"> Final Guidelines established 	Targets met Dec 01.
6. Specify data requirements	Oct 01	<ul style="list-style-type: none"> Finalised 	Targets met Nov 01.
7. Claims Estimation Manual Changes	Nov 01	<ul style="list-style-type: none"> Target completion date 30/11/01 	Targets met Dec 01.

Activity	Timing	Performance Measure	Progress
8. Performance monitoring system established	Jan 02 Feb 02	<ul style="list-style-type: none"> • Evaluation & feedback mechanism specified • Operational 	Monitoring and evaluation of Provisional Liability Project commenced Feb 02 & includes qualitative & quantitative performance evaluations.
9. Training of Stakeholders	Dec 01	<ul style="list-style-type: none"> • Training modules developed and delivered to insurers and self-insurers. 	Targets met on time.

PROJECT 5: SELF INSURERS

Current licensing policy for self-insurers was implemented in 1991. It has remained largely unchanged with the exception of minor amendments in 1995. One of the principles in the Minister's Scheme reform package announced in June 2000 was to assess the use of self-insurance as a means of achieving better outcomes for employers and their employees.

In reviewing existing policy WorkCover has examined existing entry criteria and prudential requirements. Consistency with other workers compensation jurisdictions has also been examined. It is also an opportunity for the new draft policy to reflect the 1998 legislative requirements for injury management and current OHS performance expectations.

The WorkCover Board approved a draft licensing policy and conditions for consultation with Self-insurers and other interested parties at its July Board Meeting. Comments received by WorkCover will be submitted to the WorkCover Board for its consideration in finalising the Policy. Existing self-insurers and interested parties may forward their comments directly to WorkCover or to the NSW Workers Compensation Self-Insurers Association who will be providing an industry response.

The current licensing policy will remain in force pending finalisation of the new policy and conditions. Potential applicants for new licences should use the draft policy as a guide to WorkCover's intentions.

Activity	Timing	Performance Measure	Progress
1. Draft Policy approved by Board for consultation	Jul-01	<ul style="list-style-type: none"> Approved by Board 	Targets met on time.
2. Draft Policy released for consultation	Aug-01	<ul style="list-style-type: none"> Draft Policy released for consultation 	Targets met on time.
3. Meeting held with Self-Insurers Association	Sep-01	<ul style="list-style-type: none"> Meeting held 	Targets met on time.
4. Feedback received and reviewed	Sept/Oct- 01	<ul style="list-style-type: none"> Feedback reviewed 	Targets met on time.
5. Final Policy submitted for Board approval	Oct-01	<ul style="list-style-type: none"> Policy finalised for Board approval at October Board meeting 	Targets met on time.
6. Final policy advised to Self Insurer	Nov-01	<ul style="list-style-type: none"> Final Policy Issued to Self Insurers 	Targets met on time.
7. Transition Plan developed for implementation of new Policy	Dec/Jan-02	<ul style="list-style-type: none"> Transition Plan developed 	Targets met on time.

PROJECT 6: IMPAIRMENT GUIDELINES

The purpose of the Impairment Guidelines project is to develop:

- WorkCover Guides for the measurement of permanent impairment;
- criteria for the appointment of Approved Medical Specialists (AMS) to hear disputes within the Workers Compensation Commission; and
- training programs for the appointed AMS.

Activity	Timing	Performance Measure	Performance Measure
1. Set up working groups for all body systems	Oct - 01 Dec - 01 Jun - 02	<ul style="list-style-type: none"> • Guides developed • Training program developed • Training program conducted 	<ul style="list-style-type: none"> • Targets met on time. • Targets met on time. • Training program development on track.
2. Complete chapters for WorkCover Guides	Nov - 01	<ul style="list-style-type: none"> • All chapters completed 	Targets met on time.
3. Draft WorkCover Guide for Cabinet	Oct - 01	<ul style="list-style-type: none"> • Draft WorkCover Guides 	Targets met Nov 01.
4. Advisory Council agreement to AMS selection criteria	Oct - 01	<ul style="list-style-type: none"> • Ministerial approval of AC agreed selection criteria 	Targets met on time.
5. Advertise for AMS	Oct - 01	<ul style="list-style-type: none"> • Applications received 	Targets met Dec 01.
6. Select AMS	Dec - 01	<ul style="list-style-type: none"> • AMS's recommended to President WCC 	Targets met on time. 38 (Permanent Impairment) and 44 (General Medical) AMS appointed (sufficient to deal with current case load). Further selection of AMS's ongoing.

Activity	Timing	Performance Measure	Progress
7. Finalise WorkCover Guides for permanent impairment	Dec -01	<ul style="list-style-type: none"> Guides available for printing 	Targets met on time.
8. Develop training program and identify trainers for AMS	Dec - 01	<ul style="list-style-type: none"> Training schedule developed by training organisations 	Targets met on time. EOI for training (scheduled for Jun 02) undertaken 23 March 02.

PROJECT 7: INJURY MANAGEMENT PILOTS

The purpose of the injury management pilots is to trial different approaches to injury management with two external contractors within an industry (private hospitals and nursing homes) and a region (central western NSW) and with two insurers (QBE and EML).

Activity	Timing	Performance Measure	Progress
1. Industry pilot completed	Nov-01	<ul style="list-style-type: none"> Pilot claims handed back to insurer 	Targets met on time.
2. Qualitative Evaluation	Nov 01	<ul style="list-style-type: none"> Evaluation completed 	Ongoing.
3. Quantitative Evaluation	Oct-01	<ul style="list-style-type: none"> First evaluation report 	Targets met on time.
4. Recommendation on continuation/wind down of regional pilot	Dec-01	<ul style="list-style-type: none"> Ministerial approval of continuation of pilot 	Targets met on time.
5. Evaluation of pilots	Mar-02	<ul style="list-style-type: none"> Report to Minister 	In progress. Final report by Monash University due Apr 02.
6. Report and make recommendations to Minister	Mar-02	<ul style="list-style-type: none"> Report and recommendations on outcome of pilots submitted to Minister 	In progress. Final report by Monash University due Apr 02.

PROJECT 8: MEDICAL MANAGEMENT

The purpose of the Medical Management project is to develop:

- an educational program for general practitioners on the management of low back injury; and
- resources for workers, employers and insurers that reflect the messages contained in the educational program.

Activity	Timing	Performance Measure	Progress
1. Trial and evaluate medical education program	Oct-01	<ul style="list-style-type: none"> • Pilot completed & report to Minister 	Targets met Nov 01.

PROJECT 9: COMMUNICATION & EDUCATION PROGRAM

The purpose of this program is to ensure that injured workers, employers and other key stakeholders are aware of the changed workers compensation system and have access to information about the changed system when they need it (for example, when a claim is made) including their obligations and entitlements. The program will also develop resources to assist insurers to train their staff and convey information to their clients.

Activity	Timing	Performance Measure	Performance Measure
1. Integrated approach to communication of reforms <ul style="list-style-type: none"> • 1st phase of the “WorkCover, Watching out for you” campaign • 2nd phase planning 	30 Nov-01 1 Jan-02	<ul style="list-style-type: none"> • Quantitative record completed for 1st phase • 2nd phase commenced on time 	Targets met on time. Targets met on time.

Activity	Timing	Performance Measure	Progress
<p>2. Develop information for employers, employees & service providers on obligations & entitlements</p> <ul style="list-style-type: none"> • Develop information products for reforms • Employer education program regarding obligations & entitlements • Training seminar for union officials 	<p>Ongoing from Oct-01</p> <p>Ongoing from Oct -01</p> <p>Ongoing from Oct-01</p>	<ul style="list-style-type: none"> • Brochures developed to schedule • Employer education seminars conducted • Seminar conducted to schedule 	<p>Targets met on time.</p> <p>Targets met on time but ongoing.</p> <p>Targets met on time but ongoing.</p>
<p>3. Work with insurers on information/education strategies for insurer staff and provision of information by insurers to their clients</p> <ul style="list-style-type: none"> • Insurer staff training 	<p>Ongoing from Oct-01</p>	<p>Insurer staff training sessions conducted</p>	<p>Targets met on time.</p>

PROJECT 10: PERFORMANCE MONITORING DISPUTE RESOLUTION

PROJECT 10: PERFORMANCE MONITORING DISPUTE RESOLUTION

The primary purpose of the performance monitoring project is to ascertain if the reforms have achieved their objectives of reducing scheme cost and providing a better service to claimants. In particular the project will:

1. Provide an outline of the expected work flows through new services.
2. Identify the targets in a “mature” scheme, necessary to ascertain if the reforms have succeeded.
3. Establish regular monitoring, evaluation and reporting processes to ensure all relevant reporting demands are met.

Activity	Timing	Performance Measure	Progress
1. Finalise performance monitoring and reporting plan	Jan-01	<ul style="list-style-type: none"> • Plan completed 	Targets met on time.
2. Identify data items required for reporting	Dec-01	<ul style="list-style-type: none"> • List provided to insurers 	Targets met on time.
3. Production of quarterly reports	May – 02, Aug – 02, Oct – 02, Feb-03	<ul style="list-style-type: none"> • Reports provided 	In progress.

PROJECT 11: WORKCOVER ASSISTANCE PROGRAM

WORKCOVER ASSIST is a Statewide program developed to support registered NSW trade unions and employer associations to help their members implement the *Occupational Health and Safety Act 2000*; the *Occupational Health and Safety Regulation 2001*; and the *Workers Compensation Legislation Amendment Act 2001* (as it applies to dispute resolution and claims assistance).

WorkCover Assist grantees will use the funding to assist their members in understanding and adopting new requirements arising from the new legislation. The funding provided by WorkCover can be used in a variety of ways but in the main it is expected that the grant will be used to employ additional resources or develop particular products that can be used by the organisation to help its members understand and comply with new legislative requirements. An expected outcome of the program is improved awareness of and compliance with the new legislation. This will ultimately translate into a reduction in the incidence of occupational illness and injury and the costs of workers compensation claims in NSW.

Activity	Timing	Performance Measure	Progress
1. Call for expressions of interest (EOI)	Sep 01	<ul style="list-style-type: none"> EOIs called for 	Targets met on time.
2. Review EOI	Oct – Nov 01	<ul style="list-style-type: none"> Reviews completed 	Targets met on time.
3. Commit funding for successful groups (both employee & employer)	15 Dec 01	<ul style="list-style-type: none"> Funding commitment completed 	Targets met on time.
4. Announce funding via Gazette	15 Dec 01	<ul style="list-style-type: none"> Gazettal completed on time 	Targets met on time.
5. Enter into agreements with successful groups including milestones and reporting requirements	1 Jan 02	<ul style="list-style-type: none"> Agreements entered into 	Targets met Feb 02.

PROJECT 12: LEGISLATIVE COUNCIL GENERAL PURPOSE COMMITTEE

The Legislative Council of NSW has resolved that the General Purpose Standing Committee No. 1 will:

- Monitor, investigate and report on:
 - the financial position of the workers compensation scheme;
 - the implementation and operation of the *Workers Compensation Legislation Amendment Act 2001* and *Workers Compensation Legislation Further Amendment Bill 2001*;
 - efficiency of the operation of the workers compensation system and the administration of the WorkCover Authority;
 - the impact on premiums of the bills.
- Be authorised to engage the services of an actuary and accountant.

Activity	Timing	Performance Measure	Progress
1. Liaison with Parliamentary Committee	Ongoing	<ul style="list-style-type: none"> Liaison undertaken as required 	Ongoing.
2. Preparation of briefing papers for Committee	Sep-01 Nov-01	<ul style="list-style-type: none"> Seminar conducted, Briefing Paper on Outline of Scheme Operation prepared, Scheme Design Background Paper prepared. 	Targets met.

Activity	Timing	Performance Measure	Progress
3. Briefing General Manager for hearings	Ongoing	<ul style="list-style-type: none"> Briefings provided for hearing 	Targets met.
4. Coordinate response to reports	17 Oct, 17 Jan, 17 Apr, 30 June -02	<ul style="list-style-type: none"> Nil response required for interim reports. 	Await final report.
5. Coordinate answers to Committee questions	Subject to Committee deadlines	<ul style="list-style-type: none"> Answers provided 	Targets met subject to details concerning insurer performance. Requisite consent from all insurers not received until 4 Apr 02. Details provided 5 Apr 02.
6. Attendance at Committee hearings	24 Sept, 10 Oct, 21-22 Nov-01, 14 Feb, 6/7/15 Mar 02.	<ul style="list-style-type: none"> Attended hearings and addressed matters arising 	Targets met.

PROJECT 13: LEGISLATIVE & REGULATORY DEVELOPMENT

Prepare necessary legislation, regulations and guidelines to support the Workers Compensation Commission, including compliance with necessary procedural steps and requirements and consultation with key stakeholders.

Activity	Timing	Performance Measure	Progress
1. Workers Compensation Legislation Further Amendment Bill	Nov-01	<ul style="list-style-type: none"> Passage of legislation through Parliament 	Targets met on time.
2. Transitional Regulations	1 Jan-01	<ul style="list-style-type: none"> Making of regulations 	Targets met ahead of time (21 Dec 01).
3. Cost Regulations & Cost of Claims Regulations	1 Jan-01	<ul style="list-style-type: none"> Making of regulations 	Targets met ahead of time (21 Dec 01).
4. Claims making guidelines	1 Jan-01	<ul style="list-style-type: none"> Publication of guidelines 	Targets met ahead of time (21 Dec 01).
5. IPD Guidelines	1 Jan-01	<ul style="list-style-type: none"> Publication of guidelines 	Targets met ahead of time (21 Dec 01).
6. Medical Assessment Guidelines	1 Jan-01	<ul style="list-style-type: none"> Publication of guidelines 	Targets met ahead of time (21 Dec 01).
7. Workers Compensation Commission Rules	1 Jan-01	<ul style="list-style-type: none"> Publication of rules 	Targets met ahead of time (21 Dec 01).

PROJECT 14: COMMON LAW

Following introduction of the *Workers Compensation Legislation Amendment Bill 2001* into Parliament, a process of consultation was undertaken with the Labor Council and the Workers Compensation and Workplace Occupational Health and Safety Council. During this consultation it was agreed that an independent inquiry into common law would be carried out. The Hon Justice Terry Sheahan of the Land and Environment Court was appointed to conduct the Inquiry. The Terms of Reference for the Inquiry asked four questions - the appropriate threshold to access common law, two questions on increasing the efficiencies for common law claims processing, and ways to reduce the incentive for pursuing common law claims.

Activity	Timing	Performance Measure	Progress
1. Sheahan Inquiry report	31 Aug-01	<ul style="list-style-type: none"> Report completed 	Targets met.
2. Implement approved recommendations of Common Law Inquiry	Jun-02	<ul style="list-style-type: none"> Complete implementation of Cabinet approved recommendations 	Targets met.

PROJECT 15: COMPLIANCE

To identify further strategies to address non-insurance, under-insurance and premium avoidance in the WorkCover Scheme. Options to address non-compliance are to be investigated and include:

- extension of WorkCover Scheme coverage over individual contractors, sole traders and partnerships;
- options to address under-insurance through monthly reporting; and
- options to address premium avoidance by related corporations and employers.

It is recognised that further consultation regarding these options is required. The Compliance Green Paper was released for public comment to consult on these options. The options identified by the Compliance Working Party form the basis of those canvassed in the Green Paper.

It is anticipated that any reforms would be implemented in line with the commencement of the 2002 -2003-policy year on 30 June 2002.

Activity	Timing	Performance Measure	Progress
1. Preparation and release of Compliance Green Paper 2. Presentation of Green Paper to IRG'S and insurer's 3. Collation and analysis of comments/proposals received on the green paper 4. Preparation of submission to Minister of recommendations for legislative, regulatory and administrative reforms 5. Implementation of approved recommendations	11 Sept-01 26-27 Sept-01 12 Oct-01 (public comment period completed) 26 Nov-01 30 Jun-02 approved recommendation adopted via 2001/02 Insurance Premiums Order and legislative & regulatory amendments (if required)	<ul style="list-style-type: none"> • Project milestones achieved on schedule. • Recommendations for legislative and administrative changes submitted to Minister by 26 November 2001 • Approved recommendations implemented by 30 June 2002 	Targets met on time. Targets met on time but stakeholder submissions were referred to Expert Review for further consideration in conjunction with OSR. Interim report of Expert review due to be released Apr 02.

PROJECT 16: PREMIUM DISCOUNT SCHEME (PDS)

The PDS provides incentives to employers to implement programs to improve workplace safety and return to work strategies for injured workers. The incentive the scheme provides is a discount on the employer's premium. Discounts will be verified by WorkCover appointed advisors who will audit employers against WorkCover benchmarks. Advisors and WorkCover guidance material may also assist employers to implement improved OHS and IM systems.

The scheme benefits are:

- for workers and the community - improving occupational health and safety in the workplace and having better return to work programs for injured workers will play a vital role in reducing the number of accidents and improving outcomes for injured workers.
- For employers – implementing improvements will assist employers to comply with OHS obligations under the law. Cost savings will accrue from fewer future and better managed claims.

The Small Business Strategy is a companion strategy for small businesses (less than 20 employees). WorkCover is funding a limited number of OHS and IM programs designed for the needs of small business. Sponsors are approved by WorkCover to administer the programs and verify the discounts for small employers.

Activity	Timing	Performance Measure	Progress
1. Appointment of PDAs	Monthly	<ul style="list-style-type: none"> Adviser briefings held and PDAs appointed 	Targets met on time but ongoing.
2. Appointment of SBS sponsors	Oct-01	<ul style="list-style-type: none"> Funding Agreements signed by all sponsors 	Targets met on time but ongoing.
3. Recalculation of PDA discounts	Dec-01 Jun-02 Jun-03	<ul style="list-style-type: none"> Discounts recalculated and complaints dealt with 	Targets met on time but ongoing.
4. Evaluation of PDS and report to parliamentary committee	To commence 30 Jun 02	<ul style="list-style-type: none"> Evaluation completed 	Ongoing.
5. Management of PDS	Ongoing	<ul style="list-style-type: none"> Information and updates provided to all stakeholders and PDAs, complaints handled 	Ongoing.
6. Management of SBS	Dec-01 Jun-02 Jun-03 Jun-04	<ul style="list-style-type: none"> Sponsors reporting received and satisfactory, ongoing payments made, complaints handled 	Targets met on time but ongoing.