

**INQUIRY INTO FOLLOW UP OF AUDITOR-GENERAL'S
PERFORMANCE AUDIT REPORTS OCTOBER 2009 TO
SEPTEMBER 2010**

Organisation: WorkCover NSW
Name: Ms Julie Newman
Position: Acting Chief Executive Officer
Telephone: 131050
Date Received: 8/08/2011

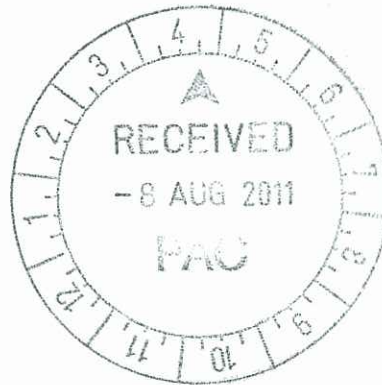
Theme:

Summary



Ref: WC 01138/11

Mr Jonathan O'Dea MP
Chair
Suite 8A
Legislative Assembly
Public Accounts Committee
Parliament of NSW
Macquarie Street
SYDNEY NSW 2000



Dear Chair

Thank you for your correspondence dated 6 July 2011 inviting WorkCover to provide a submission with regard to the Auditor-General's report on 'Injury management in the NSW public sector' tabled in Parliament on 31 March 2010.

WorkCover accepts all recommendations contained in the report. Please see the attached table for confirmation of acceptance and comments on actions.

Yours Sincerely

JULIE NEWMAN
A/CHIEF EXECUTIVE OFFICER
4 August 2011



Performance Audit – Injury Management in the NSW Public Sector

Recommendation	Accepted/ Rejected	Comment Actions taken / proposed to be taken	Status	Responsibility
<p>Recommendation 1: It is recommended that the Department of Premier and Cabinet, NSW Treasury and WorkCover NSW release the proposed new <i>Working Together Strategy 2009-2012</i> by April 2010 (page 14).</p>	Accepted	<p><i>Working Together 2010 – 2012</i> was released on 30 March 2010.</p>	Completed.	WorkCover NSW
<p>Recommendation 2: It is recommended that individual agencies set specific targets to reduce the:</p> <ul style="list-style-type: none"> • average cost of claims and incidence rate of claims in line with relevant industry benchmarks (pages 14, 18) • number of psychological injuries where appropriate (page 14) • cost of premiums (page 16). 	Accepted	<p>Comment: This recommendation is consistent with <i>Working Together 2010 – 2012</i>.</p> <p><i>Working Together 2010 – 2012</i> sets targets around the incidence (target 2) and average cost of claims (target 4). Reports show agency results as well as industry performance.</p> <p>Target 8 of the <i>Working Together 2010 – 2012</i> strategy tasks agencies to pick at least two priority issues in consultation with employees and unions. This may be psychological injury if their risk management processes show this. Feedback during the development process for the strategy indicated that while psychological injury was an issue sector wide, it was not always a priority issue within the smaller agencies. This target encourages agencies to adopt a consultative risk management approach in order to examine and focus on their greatest risks.</p> <p>The <i>Working Together 2010 – 2012</i> strategy does not specifically require a target related to premiums as not all of the public sector pays premiums, some agencies are self insured. In addition, the premium process itself is incentive based with built in 'targets'. Finally, the main factors affecting premium cost are incidence, costs and duration of claims and these are the subject of three current targets under the strategy (targets 2, 4 and 5). However, under target 8, agencies may choose to set a target relating to the cost of premiums if analysis reveals this to be one of their priority issues.</p> <p>Proposed action: continue active implementation of <i>Working Together 2010 – 2012</i>.</p>	On-track.	WorkCover NSW

Recommendation	Accepted/ Rejected	Comment Actions taken / proposed to be taken	Status	Responsibility
<p>Recommendation 3: It is recommended that the Department of Premier and Cabinet require <i>Working Together</i> targets be included in chief executive performance agreements (page 20).</p>	Accepted	<p>Comment: This recommendation is consistent with <i>Working Together 2010 – 2012</i>.</p> <p>Under <i>Working Together</i> action 1.3, agencies are tasked to ensure workplace health and safety and injury management responsibilities and performance measures are included in all Senior Executive Service performance contracts, not just that of the Chief Executive.</p>	On-tack.	WorkCover NSW
<p>Recommendation 4: It is recommended that commencing in 2009-10, NSW Treasury require public sector agencies to:</p> <ul style="list-style-type: none"> • refer all alleged frauds to WorkCover NSW (page 21) • report performance against the <i>Working Together</i> targets in their Annual Reports (page 21). 	Accepted	<p>Proposed action: continue active implementation of <i>Working Together 2010 – 2012</i>.</p> <p>Proposed action: WorkCover is continuing to accept and address referrals of alleged fraud in the NSW workers compensation system.</p> <p>Proposed action: continue active implementation of <i>Working Together 2010 – 2012</i>.</p>	Underway.	WorkCover NSW