

# WORKCOVER PERFORMANCE STATEMENT FOR 2013-14

## 1. Purpose

- 1.1. The WorkCover Performance Statement for 2013-14 (the Performance Statement) has been prepared pursuant to Part 3A, section 17B of the *WorkCover Corporation Act 1994* (the Corporation Act). As required by that legislation, the Minister and the Treasurer have consulted with WorkCover in the preparation of this Performance Statement.
- 1.2. This Performance Statement needs to be read in conjunction with the WorkCover Corporation Charter (the Charter) which sets out the expectations of the Minister and the Treasurer with respect to WorkCover.
- 1.3. The purpose of the Performance Statement is for the Minister and the Treasurer to convey to WorkCover their expectations of WorkCover's performance, including the performance expectations for the initiatives set out in the Charter.

## 2. Definitions

- 2.1. The definitions that apply under this Performance Statement are the same as those applying under section 2 of the Charter.

## 3. Performance Expectations

### 3.1. Performance Outcomes

- a. Remain at work or return to work

Injured workers remaining at work or returning to work to their maximum capacity is fundamental to the success of the Scheme. The success of this will be measured as follows:

| Indicators  | Target                   |
|---|--------------------------|
| Improvement in the return to work rate for the following claim durations* |                          |
| 26 weeks  | 5% improvement each year |
| 52 weeks  | 5% improvement each year |
| 104 weeks   | 5% improvement each year |

\*The Return to Work (RTW) measure tracks claims through successive milestones; the 26, 52 and 104 weeks. The average duration gives the average number of income maintenance-compensated days between milestones, relative to all claims that have lost more than 10 days off work. Reduction in average duration signifies improvement in claims discontinuance and return to work. (The baseline for RTW improvements relates to the 12-month period ending 30 June 2013.)

b. Employer, worker and provider obligations

The Corporation is committed to ensuring employers, workers and providers meet their obligations and work towards return to work outcomes. The success of this goal will be measured as follows:

| Indicators  | Target                  |
|---|-------------------------|
| Self-insured employers achieving 3 year renewal registrations | A 5% increase each year |

| Indicators                        | Monitoring  |
|-----------------------------------|---|
| Referral of section 58B/C matters | Report on the: <ul style="list-style-type: none"> <li>• number of referrals and number of proactive investigations undertaken under section 58B and 58C,</li> <li>• high level outcomes of those investigations and decisions, and</li> <li>• number and timing (in relation to the date of injury of the worker) of decisions made to refocus injured workers on retraining and/or jobseeking instead of employment with their pre-injury employer.</li> </ul> |

c. Financially sustainable Scheme

The Corporation has an obligation to all South Australians to manage the Scheme in a balanced and financially sound manner.

| Indicators           | Target  |
|----------------------|---|
| Scheme funding ratio | <ul style="list-style-type: none"> <li>• 100% funding ratio by 30 June 2020; to be achieved without relying on premium increases</li> </ul> |

d. Worker and employer satisfaction

| Indicators                       | Target                           |
|----------------------------------|----------------------------------|
| Worker and employer satisfaction | Improvement on previous result** |

\*\* This is an annual measure, measured through an independent survey of injured workers and employers indicating their satisfaction with services provided by WorkCover and its claims agents.

#### **4. Performance Expectations against the Charter**

This section establishes the performance expectations and timeframes for achieving the initiatives set out in section 3 of the Charter.

- 4.1. The free information and advisory service referred to in section 3.1(a) of the Charter must be established by 31 August 2013.
- 4.2. A procedure enabling the prompt reimbursement of costs in obtaining medical reports as referred to in section 3.1(b) of the Charter must be established by 31 August 2013.
- 4.3. The monitoring of the claims agents' key performance indicators and active management and evaluation of performance referred to in section 3.1(c) of the Charter must be ongoing and regular.
- 4.4. The improvements to the Work Capacity Assessment process referred to in section 3.1(d) of the Charter must be established by 31 December 2013.
- 4.5. The work to process outstanding Work Capacity Assessments referred to in section 3.1(e) of the Charter must commence by 31 August 2013.
- 4.6. A process to ensure decisions made by WorkCover's claims agents have all necessary supporting evidence as referred to in section 3.1(f) of the Charter must be in place by 31 November 2013.
- 4.7. The requirement for return to work plans to be in place within four weeks as referred to in section 3.1(g) of the Charter, must take effect from 31 December 2013.
- 4.8. Current activity to implement an outcome focused Return to Work (Rehabilitation) Services model as referred to in section 3.1(i) of the Charter, must continue.
- 4.9. A procedure to ensure that, as far as reasonably practicable, workers are returned to their pre-injury employer and decisions about refocussing workers on retraining and/or jobseeking are timely, as referred to in section 3.2(a) of the Charter, must be established by 31 December 2013.
- 4.10. WorkCover's Remissions and Supplementary Payments Scheme must include a supplementary payment to support the actions referred to in section 3.2(b) of the Charter, must be established within and be published in the South Australian Government Gazette under section 72C(5) of the Act and Regulation 16A by 31 October 2013.
- 4.11. The early intervention service (call centre) referred to in section 3.2(c)(i) of the Charter must be established by 31 October 2013.
- 4.12. The procedures and resources to facilitate the early intervention workplace visits referred to in section 3.2(c)(ii) of the Charter must be in place by 31 October 2013.
- 4.13. The required timeframe for undertaking the workplace visits referred to in the initiative in section 3.2(c)(ii) of the Charter is to be three business days from the decision being made to refer the case for a workplace

visit and such decisions must be made expeditiously following the initial triage contact.

- 4.14. WorkCover must ensure that the claims agents' KPIs compel them to focus on returning injured workers to pre-injury work or retraining as referred to in section 3.2(d) of the Charter by 31 August 2013.
- 4.15. The systems and procedures for the return to work activity referred to in section 3.2(e) of the Charter must be established by 31 October 2013.
- 4.16. A review of the claim form and consultation on changes, as referred to in section 3.2(f) of the Charter, must be undertaken by 30 June 2014.
- 4.17. Strategies for the improved engagement of the return to work co-ordinators appointed under section 28D of the Act, as referred to in section 3.2(g) of the Charter, must be established by 31 December 2013.
- 4.18. The advisory services for medium and large employers, as referred to in section 3.2(h) of the Charter, must continue to be provided.
- 4.19. A policy allowing workers to request a change of return to work provider, as referred to in section 3.2(i) of the Charter, must be established by 31 October 2013.
- 4.20. The activities to improve employer and worker engagement, as referred to in section 3.3 of the Charter, must commence immediately.
- 4.21. Development and consultation on a financial incentive for small employers, as referred to in section 3.4 of the Charter, must be completed by 30 June 2014.
- 4.22. The policy and procedures for recovery actions referred to in section 3.5(a) of the Charter must be established by 31 August 2013.
- 4.23. The redemption policy referred to in section 3.5(b) and (c) of the Charter must be established by 31 October 2013.

## **5. Prudential Risk Margin**

- 5.1. The Corporation must estimate its claims liabilities using a risk margin with at least 65% probability of sufficiency for the net liability.

## **6. Term**

- 6.1. This Performance Statement is intended to satisfy the requirements of section 17B of the Corporation Act for 2013-14.

**Jay Weatherill MP**  
Treasurer

August 2013

**John Rau MP**  
Minister for Industrial Relations

August 2013