

ANNUAL REVIEW 2004

ABOUT THE COMMISSION

The Workers Compensation Commission is an independent statutory tribunal within the justice system of New South Wales, which began operating on 1 January 2002.

Established under the *Workplace Injury Management and Workers Compensation Act 1998*, the Commission aims to provide a just, timely and cost effective forum for the resolution of workers compensation disputes. The Commission's non-adversarial dispute resolution process directly involves the parties in an accessible and accountable process that ensures injured workers obtain a fair and quick resolution to disputes about their workers compensation entitlements.

Under legislation, the Commission is required to try to bring the parties in a workers compensation dispute, to an agreed resolution where possible. The Commission's independent Arbitrators, who have expertise in conciliation and mediation, work with the parties to reach agreement where possible through a series of conference style meetings (by telephone and in person). Where parties are unable to reach agreement about their workers compensation dispute, the Arbitrator makes a determination on their behalf.

The Commission makes decisions on a wide range of workers compensation disputes, including permanent impairment/pain and suffering, medical and related expenses, weekly benefits paid as compensation for loss of earnings, as well as registration of certain agreements.

PUBLICATION OF ANNUAL REVIEW

Each year the Commission publishes an online summary of its operations during the preceding calendar year. This is the third annual review published by the Commission and covers the 12-month period from January to December 2004.

2004 AT A GLANCE

- 13,142 applications to resolve disputes were registered, with the number of new disputes stabilising at around 3,300 per quarter
- 11,741 disputes were resolved with 26% settled by agreement between the parties, 15% determined by an Arbitrator and 27% discontinued by the applicant
- 3,649 Medical Assessment Certificates were issued by independent Approved Medical Specialists
- 1% of Arbitrator determinations were overturned on appeal, and 3% of Medical Assessment Certificates were revised on appeal
- 70% of disputes were resolved within 26 weeks and 85% within 39 weeks
- 613 applications for Interim Payment Directions were registered, with numbers of applications stabilising at around 50 per month
- 588 applications for Interim Payment Directions were resolved during 2004, with directions for payment issued in about 52% of applications
- 122 applications for expedited assessment of workplace injury management disputes were registered
- 189 applications to register redemption agreements, 39 applications to register commutation agreements and 6,469 applications to register section 66A agreements were received
- 71% of workers, 65% of employers, and 94% of self-insurers rated the service provided by the Commission as adequate, good or very good in an independent customer survey

KEY INITIATIVES IN 2004

COMPENSATION COURT CLOSURE

On 31 December 2003, the Compensation Court closed, transferring 600 of its remaining files to the Workers Compensation Commission.

REGISTRY MOVED

The Commission's Registry moved to level 19, 1 Oxford Street in June 2004.

EXTENDED NOTICE OF TELECONFERENCE DATES

The Commission responded to parties' suggestions to provide more notice of teleconference proceedings. The proceedings timetable issued when applications are registered now includes the teleconference date. The date/time for the conciliation/arbitration hearing, should this be necessary following the teleconference, is agreed by parties at the teleconference.

IMPROVED WEBSITE SEARCH ENGINE

An upgraded search engine was installed on the website to facilitate the searching of Commission decisions.

ARBITRATOR PROFESSIONAL DEVELOPMENT

The Commission provides a comprehensive professional development program for Arbitrators, involving a range of mandatory and voluntary programs. Three days of mandatory professional development training were held during 2004.

In addition, all Arbitrators participated in two performance review programs to ensure they continue to meet the Commission's objectives of professionalism, independence and fairness.

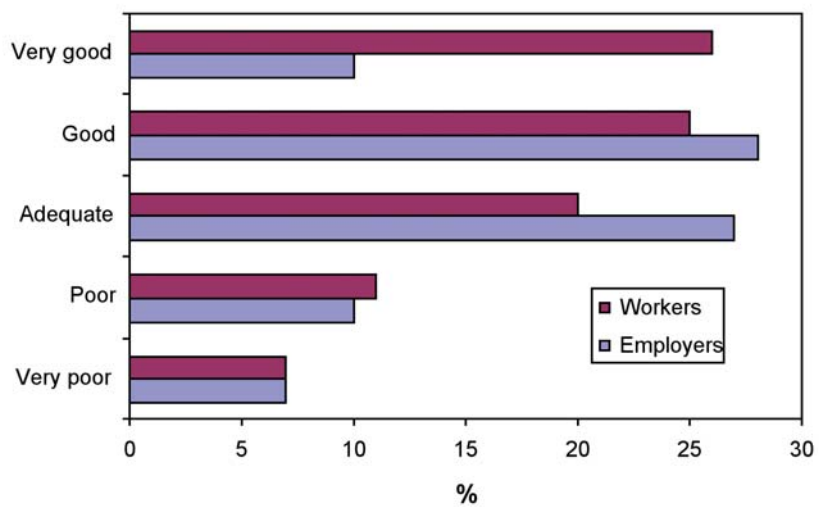
CUSTOMER SATISFACTION SURVEY

In 2004 Urbis JHD conducted the second year of the independent customer research project to assess our performance from the perspective of employers, workers and insurers who have been parties in Commission dispute resolution proceedings.

The research involved confidential telephone surveys with recent users of the Commission's dispute resolution services. Participants were asked a range of questions regarding the quality and usefulness of information and correspondence they received, and their experience of the teleconference, conciliation and arbitration processes. As well, specific suggestions for change and improvements were sought.

Repeat customers (self-insurers and insurers) observed improvements in the service provided by the Commission during 2004. Respondents generally, felt the Commission provides prompt and timely service, has simple processes and gives clear information. From the survey, the Commission has identified further scope for improvements in its services and will continue to adopt initiatives to improve its service delivery to all customers.

Figure 1 – Ratings of WCC Services



COMMISSION PUBLICATIONS

The Commission published four E-bulletin newsletters in 2004, available on the Commission's website.

Amendments were made to:

- Practice Direction No. 6 *Appeal Against a Decision of the Commission Constituted by an Arbitrator*
- *Registrar's Guideline for the Standard of Conduct During Proceedings.*

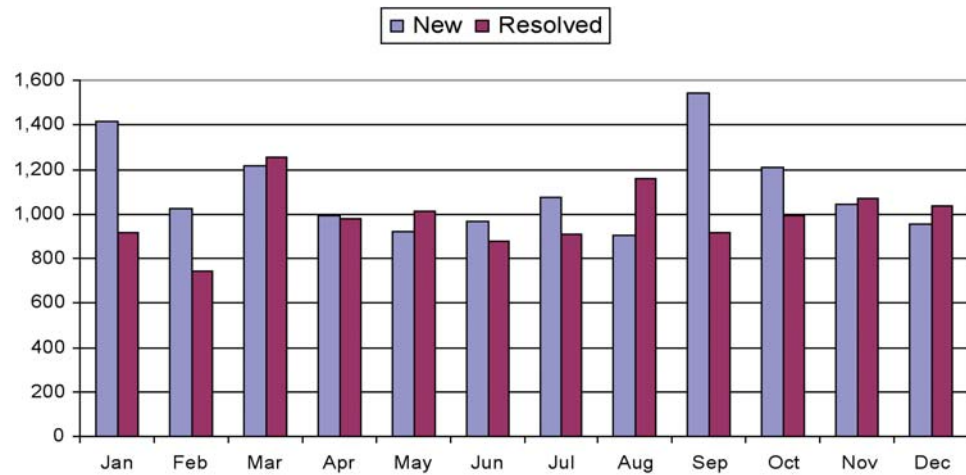
DISPUTE RESOLUTION

A total 13,142 Applications to Resolve a Dispute were registered with the Commission during 2004, including 600 matters transferred from the Compensation Court.

This is a very substantial increase (42%) over the 9,282 disputes lodged with the Commission in 2003.

The number of new disputes per month has stabilised at around 1,100 per month.

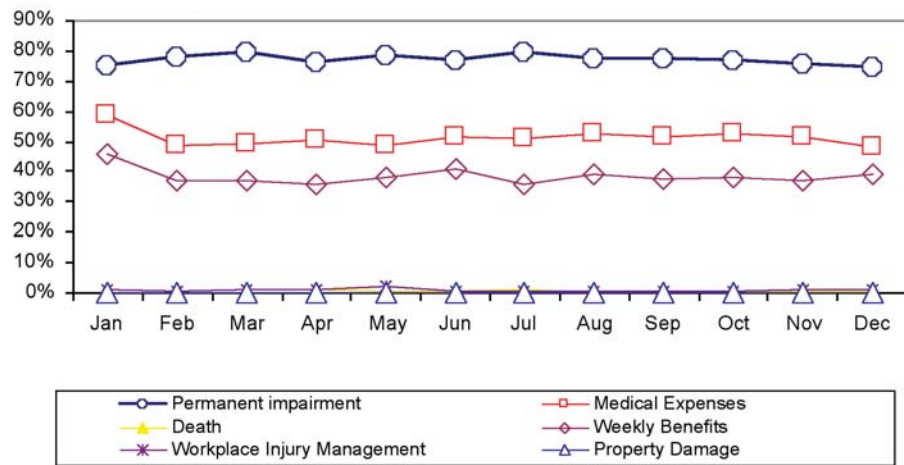
Figure 2 - New and Resolved Disputes, 2004, by month



An Application to Resolve a Dispute may identify one or more disputed issues about an injured worker’s claim for compensation. On average, there were 1.7 disputes per application during 2004.

Over 77% of new disputes concerned statutory compensation for permanent impairment (section 66 claims). Other common disputed issues included medical expenses (51% of all disputes) and weekly benefits (38%).

Figure 3 - Disputed Issues as % of New Disputes, by month, 2004



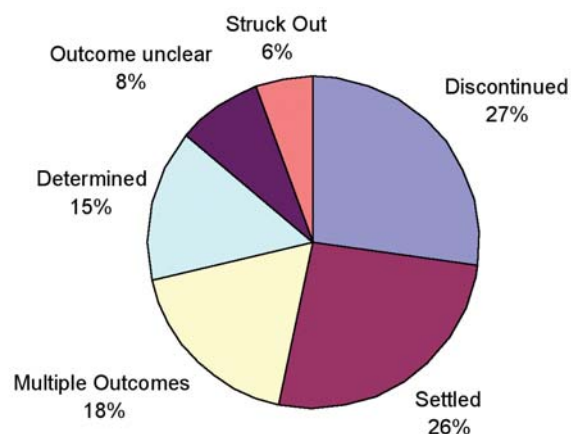
A large proportion of disputes are discontinued or withdrawn by the parties (27%). About 22% of these applications were discontinued before the teleconference, and 71% after the teleconference.

11,741 disputes were resolved during 2004. About 15% were determined.

Disputes which involved more than one disputed issue are recorded as 'multiple outcomes' if there were different outcomes for different issues. These accounted for 18% of disputes resolved during 2004.

A further 6% of disputes were struck out by the Registrar for failure to comply with procedural requirements.

Figure 4 - Dispute Outcomes, 2004

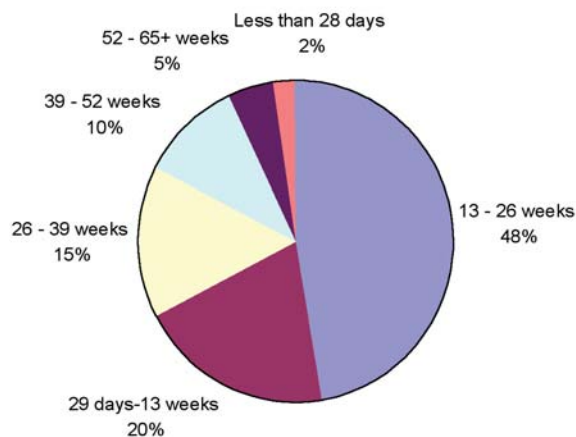


The time taken to resolve disputes may vary considerably due to a number of factors. These include:

- whether an assessment by an Approved Medical Specialist is required
- whether an appeal is lodged in relation to a medical assessment
- whether the application is resolved during or after the teleconference or requires a hearing before an Arbitrator
- delays in the information exchange process – during 2004, 82% of disputes involved at least one application to seek access to documents under Direction.

Of the disputes resolved in 2004, 70% were resolved within 26 weeks and 85% were resolved within 39 weeks.

Figure 5 – Time Taken to Resolve Disputes, 2004

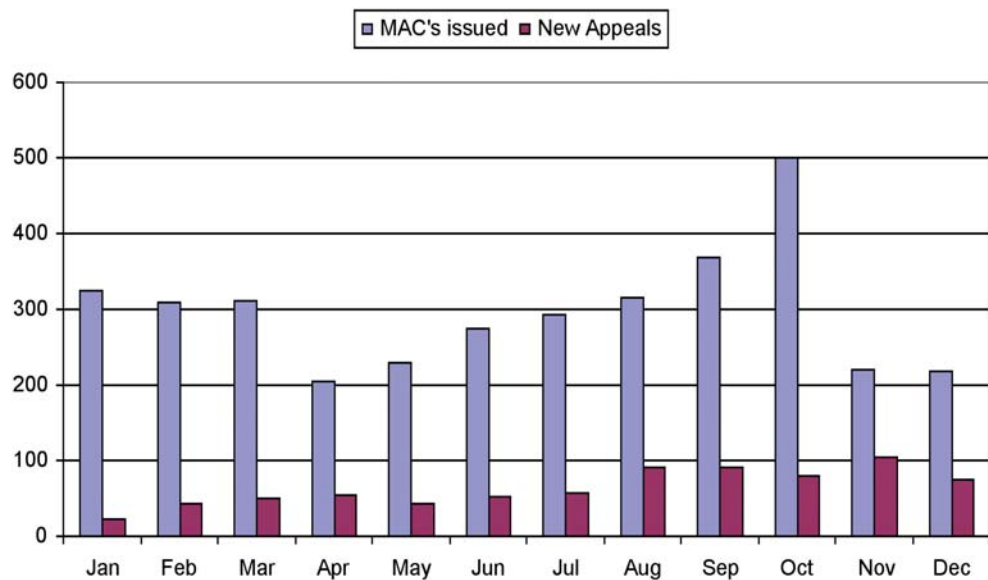


APPEALS AGAINST APPROVED MEDICAL ASSESSMENTS

During 2004, 3,649 Medical Assessment Certificates were issued and 763 appeals against Medical Assessment Certificates were lodged, an appeal rate of 21%.

438 medical appeals were resolved during 2004. Of these, 87 (or 2% of all Medical Assessment Certificates issued) resulted in the original Medical Assessment Certificate being revoked and replaced.

Figure 6 - New Medical Assessments Issued and MAC Appeals, by month, 2004



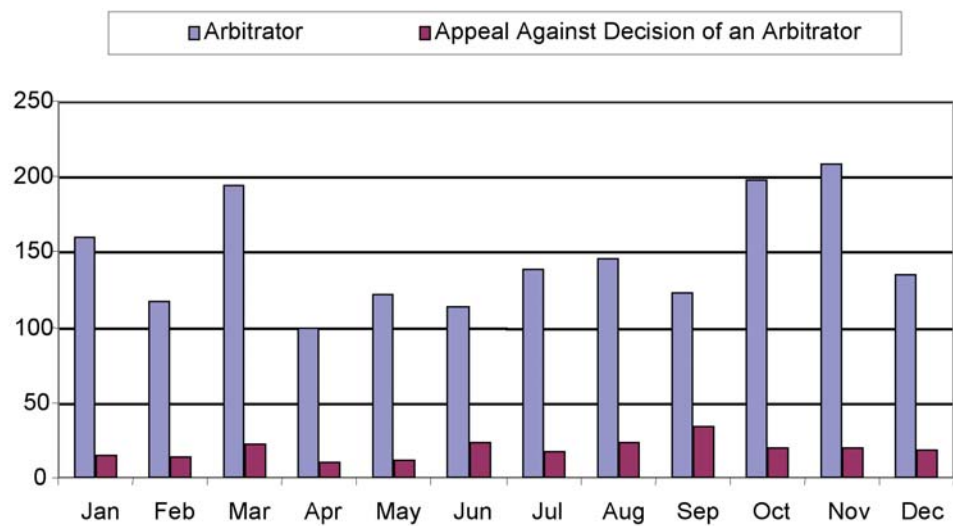
APPEALS AGAINST ARBITRATOR DECISIONS

During 2004, 1757 disputes were resolved by determination by an Arbitrator.

233 appeals against decisions of Arbitrators were lodged during 2004, an appeal rate of 13%.

127 arbitral appeals were resolved during 2004 of which only 25 (or 1% of all Arbitrator determinations) resulted in the Arbitrator's decision being overturned.

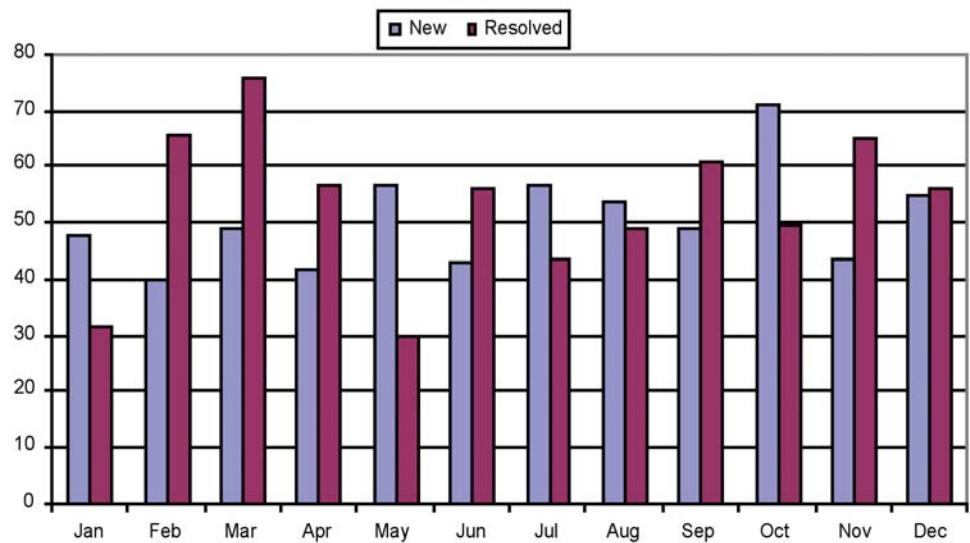
Figure 7 - Arbitrator determinations and Appeals, by month, 2004



INTERIM PAYMENT DIRECTIONS

A total of 613 applications for an Interim Payment Direction were registered in 2004, an increase of 63% over the 376 received in 2003.

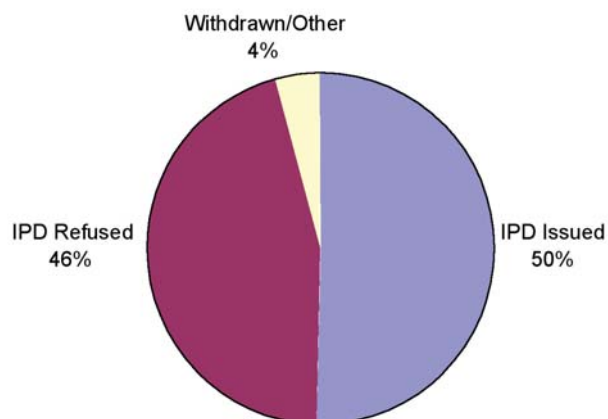
Figure 8 - New and Resolved Applications for Interim Payment Directions, 2004, by month



588 applications for Interim Payment Directions were resolved during 2004, with Interim Payment Directions being issued in about 52% of cases.

19 applications to Revoke an Interim Payment Direction were registered during 2004 and 4 were subsequently revoked.

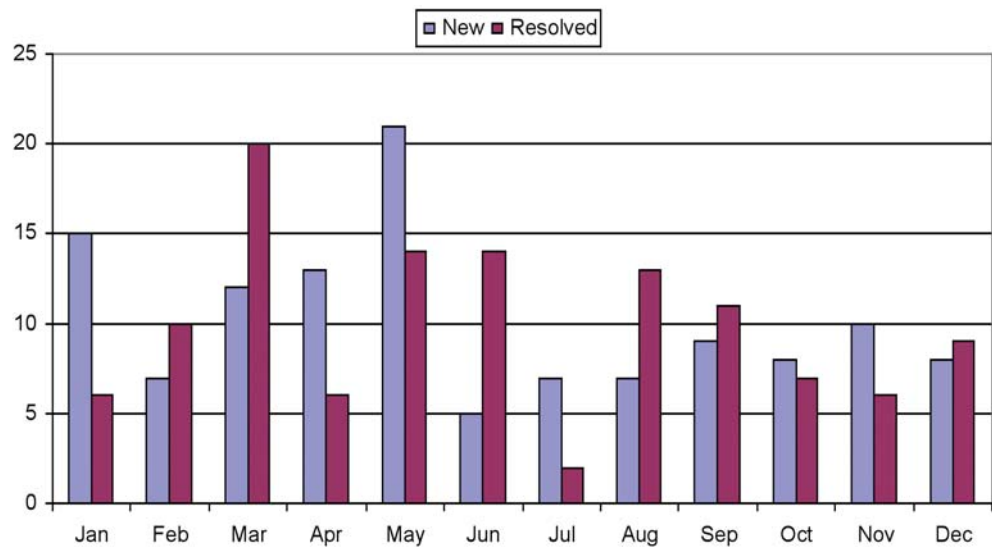
Figure 9 - Outcomes of Applications for Interim Payment Directions, 2004



WORKPLACE INJURY MANAGEMENT DISPUTES

122 applications to resolve workplace injury management disputes were subject to expedited assessment during 2004. This compares to 94 applications received during 2003, an increase of 30%.

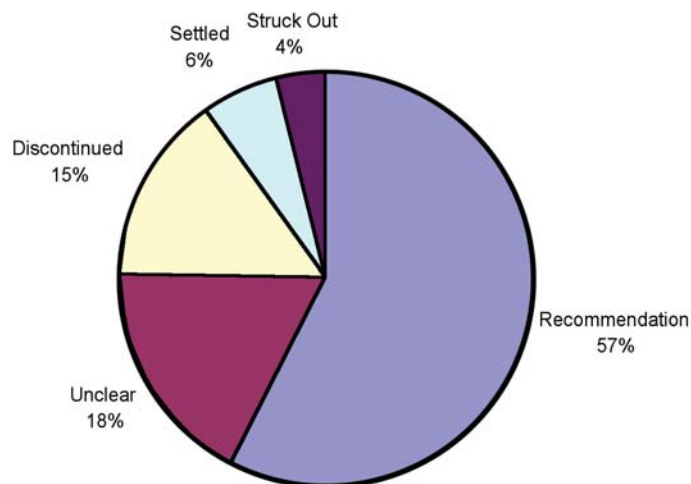
Figure 10 – New and Resolved Workplace Injury Management Disputes, 2004, by month



118 expedited assessments of workplace injury management disputes were finalised during 2004. 57% resulted in a recommended course of action and 21% were settled by agreement.

Following expedited assessment, parties to workplace injury management disputes can request a determination by an Arbitrator if they are dissatisfied with the Recommendation issued. During 2004 one application for Arbitrator determination was lodged following the issue of a Recommendation.

Figure 11 – Outcomes of Workplace Injury Management Disputes, 2004



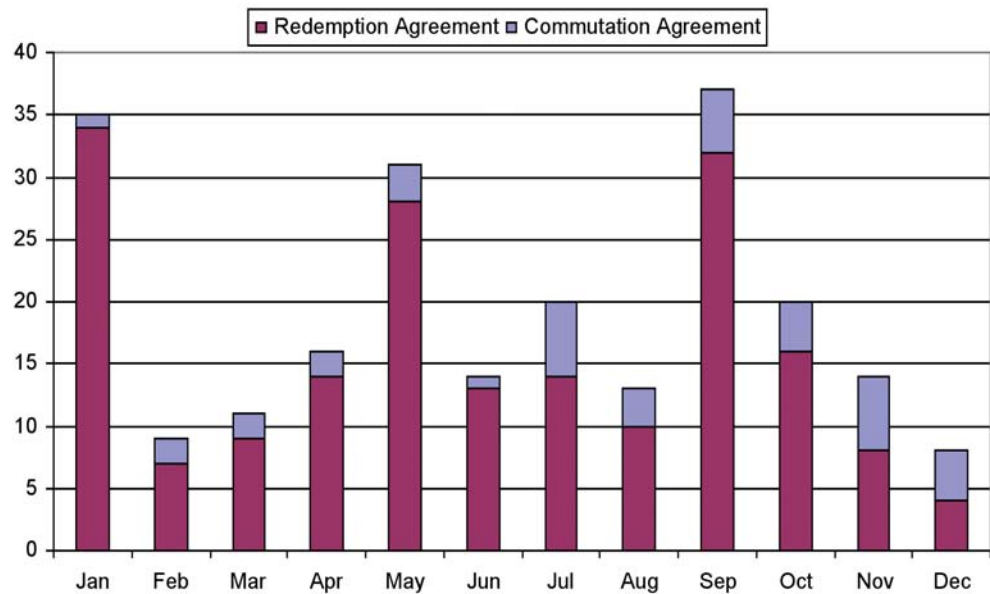
COMMUTATION AND REDEMPTION AGREEMENTS

In accordance with the legislation, agreements between insurers and injured workers for lump sum payments of future weekly benefit entitlements must be registered with the Commission. These agreements are referred to as redemptions for workers injured prior to July 1987 and commutations for workers injured after July 1987.

During 2004, the Commission received 189 applications to register a redemption agreement and 39 applications to register a commutation agreement.

The number of applications to register redemption agreements dropped significantly from the 400 applications received in 2003.

Figure 12 - Number of New Applications to Register Commutations and Redemption Agreements, 2004, by month



AGREEMENTS ON PERMANENT IMPAIRMENT COMPENSATION

The Commission also registers agreements between injured workers and insurers regarding lump sum payments for permanent impairment and pain and suffering under section 66A of the *Workers Compensation Act 1987*.

The Commission registered 6,469 agreements under section 66A of the *Workers Compensation Act 1987* in 2004.

Figure 13 - Number of New Applications to Register a Section 66A Agreement

