

WorkSafe 2017




WorkSafe



Contents

| | |
|----|-------------------------|
| 02 | Introduction |
| 03 | WorkSafe 2017 |
| 04 | Strategic objectives |
| 05 | Operating context |
| 07 | Strategic priorities |
| 13 | Enablers |
| 15 | Year 1: 2012/13 |
| 17 | Initiatives for 2012/13 |



WorkSafe 2017

Introduction

We approach our new strategy, WorkSafe 2017, with a healthy confidence.

During the past five years, together with the Victorian community, we've achieved some strong results against our aspirational targets. Victorian workplaces are safer than they've ever been and are the safest in the country. We also run the lowest cost injury insurance scheme in Australia, providing affordable, quality protection for Victorian employers and workers. We have been able to reduce premiums while increasing benefits.

At the same time, jurisdictions across Australia have experienced significant financial pressure on scheme viability and in response have either increased premiums or reduced benefits to injured workers.

Our strong position and significant improvements over a number of years mean future gains will be hard fought. However, we have set challenging targets for the next five years and we are up for the task of delivering on them.

With the assistance of significant input from our stakeholders, our new strategy defines our five-year priorities as well as identifying some challenges requiring immediate action.

This document provides insight into our strategic direction and focus areas for the next five years. It also details our initiatives for 2012/13 – the first year of WorkSafe 2017.

While we're embarking on a new five-year strategy, our established vision and mission will continue to guide the way we operate and work to deliver services to the Victorian community.

Workplace health and safety is fundamental to our being. We are committed to reducing the frequency and severity of injuries and we aspire to fatality-free workplaces.

There is a growing recognition of the health benefits of safe work, which places even more importance on our ability to support injured workers to safely return to work.

We will continue our efforts to significantly improve our service delivery and reduce red tape, while administering a financially sustainable, low-cost scheme which delivers fair and just benefits to injured workers.

We will also continue to support and develop our people and our own working environment.

We are very proud of this strategy. It's a testament to our dedication and passion, and also to the support and challenge provided by our many stakeholders. WorkSafe 2017 is about ensuring we are a scheme in balance.

WorkSafe 2017

Our vision

Victorian workers returning home safe every day.

Our mission

Working with the community to deliver outstanding workplace safety, together with quality care and insurance protection to workers and employers.

Legislative mandate

To administer legislation that improves workplace health and safety, public safety, and delivers insurance protection and workers' compensation services for Victorian employers and workers.

Our values

Constructive

We are constructive in the way we provide information, advice and service.

Accountable

We are accountable for what we do and what we say. We live up to our promises.

Transparent

We work in a transparent way in an environment which is open and honest.

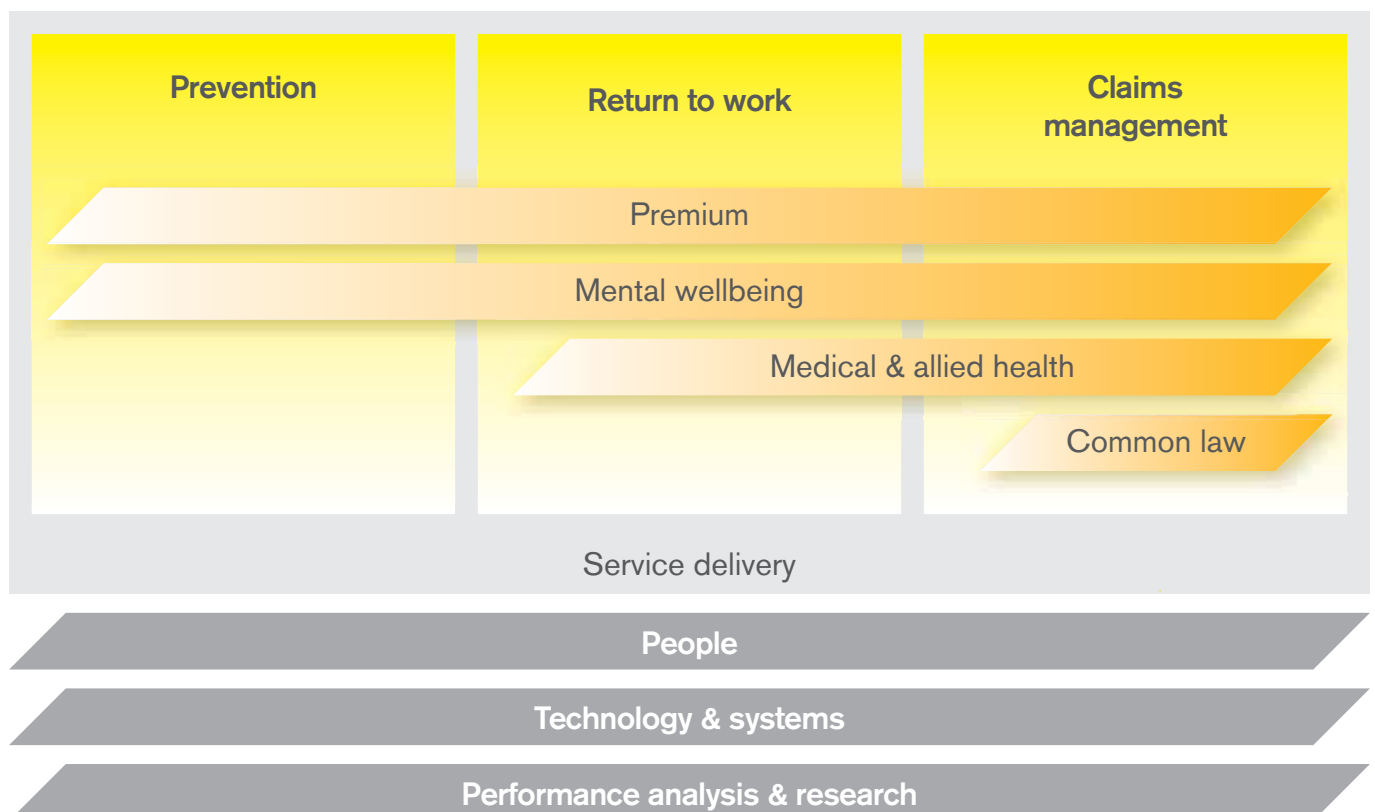
Effective

We are effective by working collaboratively to deliver high quality services.

Caring

We demonstrate care by showing empathy in our dealings with everyone we work with.

Strategic Priorities



Strategic Objectives

Our five year goals

Safety

Measurable improvement in workplace safety and risk control ensuring Victoria remains the safest state in which to work.

10-15%

improvement in claims per million hours worked

Return to work

Measurable improvement in return to work to ensure Victoria sets the national benchmark.

10-15%

improvement in the % of people remaining off work at 6 months

Service

Significant improvement in service delivery, including operational performance, client experience and contribution to scheme objectives.

87-90%

employer service

85-90%

worker service

71-75%

community service

Sustainability

Remain the lowest cost state for employers to insure workers, always striving to improve.

Invest in technology and systems that enable current and future productivity and delivery.

Make WorkSafe an even better place to work.

\$350M

cumulative actuarial release

1.2%

break even premium

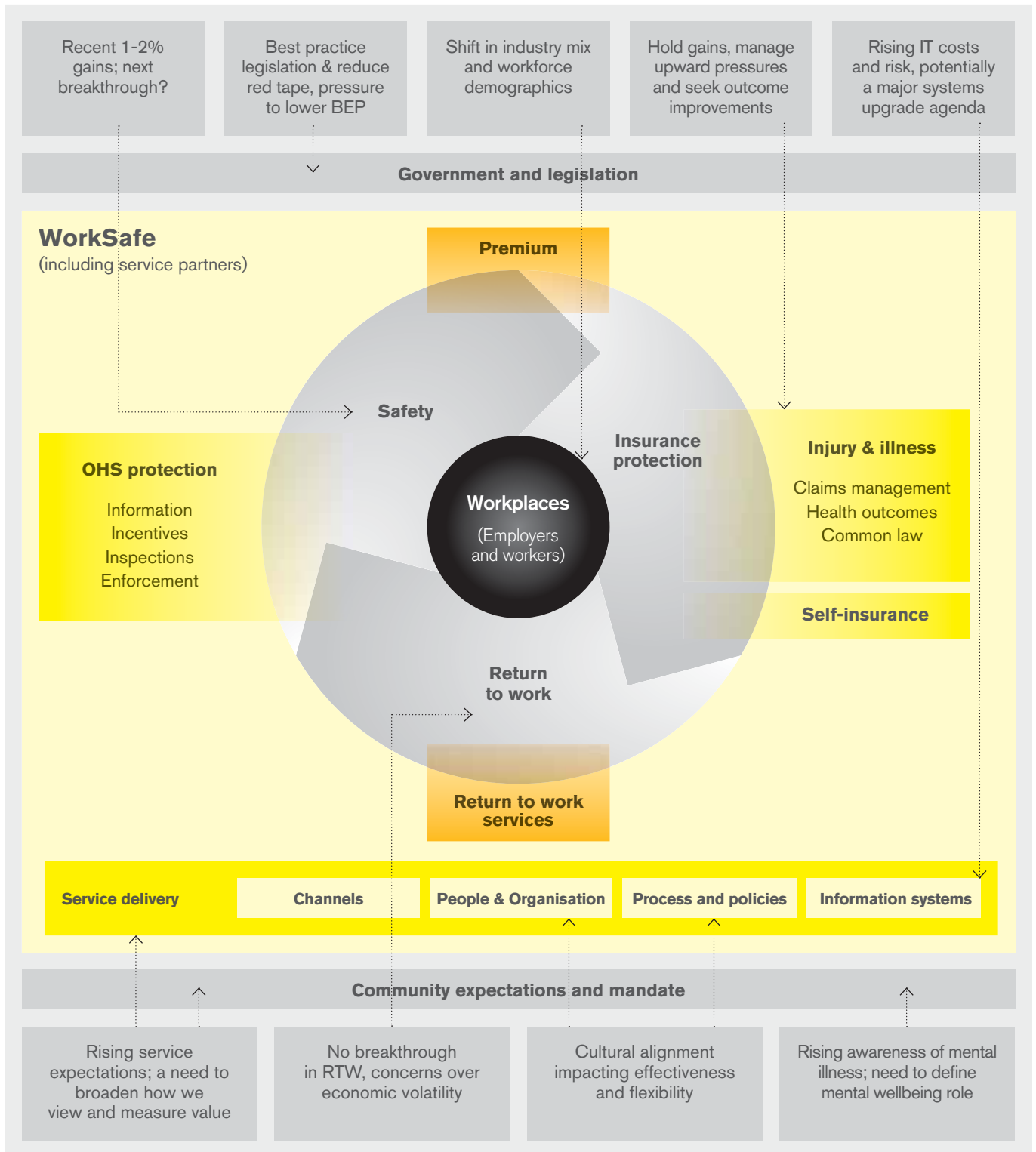
Top quartile

employee engagement results against an Australian national norm

Operating Context

As part of WorkSafe 2017 development, we looked at our external environment to inform our strategy. We undertook an environmental scan and risk analysis to shape our strategic priorities for the next five years.

How the external environment impacts us:



A series of emerging challenges will be responded to over the coming years

The community's **service expectations** have increased.

We are looking for the next **breakthrough in safety** improvement rates.

Work patterns are changing, with more people working from home, and increasingly fragmented working hours.

Victorian industry is continuing to shift from manufacturing to service, which impacts our injury **claims mix**.

Our scheme faces constant pressure on claims liabilities and break even premium. We will remain focused on keeping liabilities at manageable levels while seeking **improvements**.

The **ageing population** has increased demand on the aged-care industry which has associated OHS issues, including outreach work. In addition, older workers tend to have higher injury claims rates and more complex claims.

An uncertain economic environment in Victoria has had a negative impact on **return to work rates**.

The OHS Regulations 2007 will be reviewed and replaced ahead of their expiry in 2017. The review will be an opportunity to update Victoria's regulations to ensure that they remain best practice and to **reduce red tape** where this can be achieved without reducing safety standards.

We will build on our cultural attributes and develop strategies to grow **our people**.

We need significant IT investment in **new and refreshed business initiatives** required to meet WorkSafe 2017 objectives.

Strategic Priorities

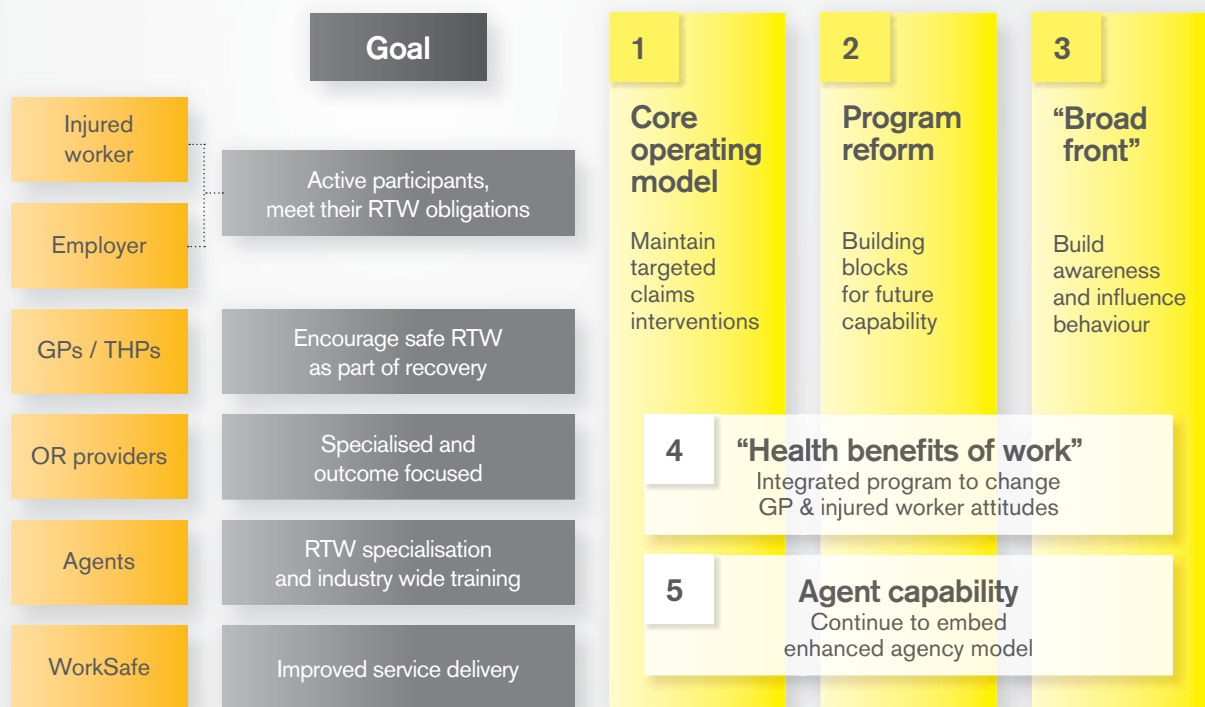
| Prevention | |
|--|--|
| Objective | Measurable improvement in workplace safety and risk control [ensuring Victoria remains the safest state in which to work. |
| Measures | <ul style="list-style-type: none"> ▪ Claims per million hours worked (MHW) ▪ 4 week claims per MHW |
| Challenges | Understanding the effectiveness of specific safety interventions and distinguishing them from external environmental factors. |
| Our constructive compliance model | Our 'modern regulator' and constructive compliance approach seeks the right balance of encouragement for effective workplace safety and deterrence for poor performance. This involves prioritising risks, working with industry, stakeholders and the community, and providing people at work with clear advice on how to comply with the law before taking enforcement action. |
| | |
| Applying our model | We will improve the use of our tools in the constructive compliance model and seek the next breakthrough in safety improvement in Victoria. |

| Premium | |
|---------------------------|--|
| Objective | Improve safety and return to work sustainability through the premium system. |
| Measures | <ul style="list-style-type: none"> ▪ Online service uptake ▪ Premium compliance ▪ Billed premium collected |
| Challenges | Making the premium experience quick and easy and making employers' obligations clear. |
| Our model | We collect a fair and equitable premium from employers to enable us to fund the operation and long-term viability of the scheme. |
| Applying our model | We will evolve our online service for employers so that they can self-service their premium obligation. We will use the premium incentive system to encourage employers to improve their OHS and return to work performance. |

| Claims management | |
|---------------------------|--|
| Objective | We provide injured workers with fair and equitable compensation and rehabilitation, balanced with the ongoing viability of the scheme. We persistently look for ways to improve benefit delivery. |
| Measures | <ul style="list-style-type: none"> ▪ Timeliness of benefit delivery ▪ Break even premium |
| Challenges | The ability of long tail weekly programs to deliver further returns, price pressures in medical and like costs, and rising common law lodgements, grant rates and legal costs. |
| Our model | Our system of work operates in a 'cycle of evolution' driven by six-monthly actuarial valuations, the annual agent incentive program, the annual agent audit cycle and injured worker surveys. |
| Applying our model | We will continue to apply targeted strategies to improve adverse trends. We will manage our agents through the Enhanced Agency Model to drive improvements by applying competitive pressures and incentives. |

Strategic Priorities

| Return to work | |
|-------------------|--|
| Objective | Measurable improvement in return to work with Victoria working towards setting the national benchmark. |
| Measure | <ul style="list-style-type: none"> ▪ Not yet at work 6 months after injury claim. |
| Challenges | Economic uncertainty continues to impact employment rates and working hours, making it even more difficult for injured workers to return to work. |
| Our model | Early sustainable return to work is achieved through the successful efforts of the injured worker and employer, with timely support from treating health practitioners (THP), their agent and occupational rehabilitation providers. |



| | |
|---------------------------|---|
| Applying our model | <p>We will invest in raising the visibility of return to work, increasing the scale of our employer networks and expanding the training options for return to work coordinators.</p> <p>We will pilot a program that triages claims and intervenes early with occupational rehabilitation treatment on those claims that are at higher risk of not returning to work.</p> |
|---------------------------|---|

| Medical and allied health | |
|---------------------------|--|
| Objective | We work with providers to improve appropriate treatment for injure workers while managing medical and like liabilities. |
| Measures | <ul style="list-style-type: none"> ▪ Improved return to work rates ▪ Actuarial release |
| Challenges | We are experiencing medical cost pressures across a range of provider markets and containing medical and like liability is increasingly difficult. |
| Our model | We respond to cost pressures and influence clinical behaviours to support safe and sustainable return to work. |
| Applying our model | We will work with providers to reinforce the health benefits of work and refine our clinical interventions. We will invest in improving the efficiency of provider transactions and will explore provider performance models that incentivise measurable and functional return to work. Our core operating model will continue to provide prudent management of liabilities. |

| Mental wellbeing | |
|---------------------------|--|
| Objective | Work within our legislative mandate to help employers and workers understand the conditions for a safe and healthy workplace, their obligations in maintaining these conditions, and our role in supporting them. |
| Measures | <ul style="list-style-type: none"> ▪ Mental injury claim rates ▪ Return to work rate for workers with mental injuries |
| Challenges | There is an increased awareness in the community about mental health, and things that can affect it. In turn this has led to increased expectations of employers, and how they manage and respond to issues at work that have an impact on the mental wellbeing of their employees. |
| Our model | We support employers and workers so that they're better able to manage and respond to issues that may pose a risk to the health and safety of people at work. We also support workers who have suffered a mental injury as a result of something at work by helping them and their employer secure return to work. |
| Applying our model | We will focus on strengthening our core roles by better defining our scope, providing tools and information to employers, and by strengthening monitoring, reporting and controls. |

Strategic Priorities

| Common law | |
|---------------------------|--|
| Objective | Maintain the entitlement to common law at a sustainable level so that it remains available for future injured workers. |
| Measures | <ul style="list-style-type: none">▪ Lodgements▪ Grant rates▪ Average payments▪ Average legal costs |
| Challenges | Less serious injuries are increasingly being litigated, leading to increased lodgements, flow-on legal costs and increased pressure on scheme sustainability. |
| Our model | Lead a panel of law firms to decide cases quickly, fairly and consistently based on their level of severity and links to employment. Extensive engagement with the courts, the bar and plaintiff firms to ensure they understand scheme challenges and strategies to address them. |
| Applying our model | We monitor and evolve our strategic framework of streaming, panel firm management, peer review, market partnership and develop contingency options to ensure a sustainable common law model for the future. |

Service delivery

Objective

Achieve a significant improvement in service delivery including operational performance and client experience.

Measures

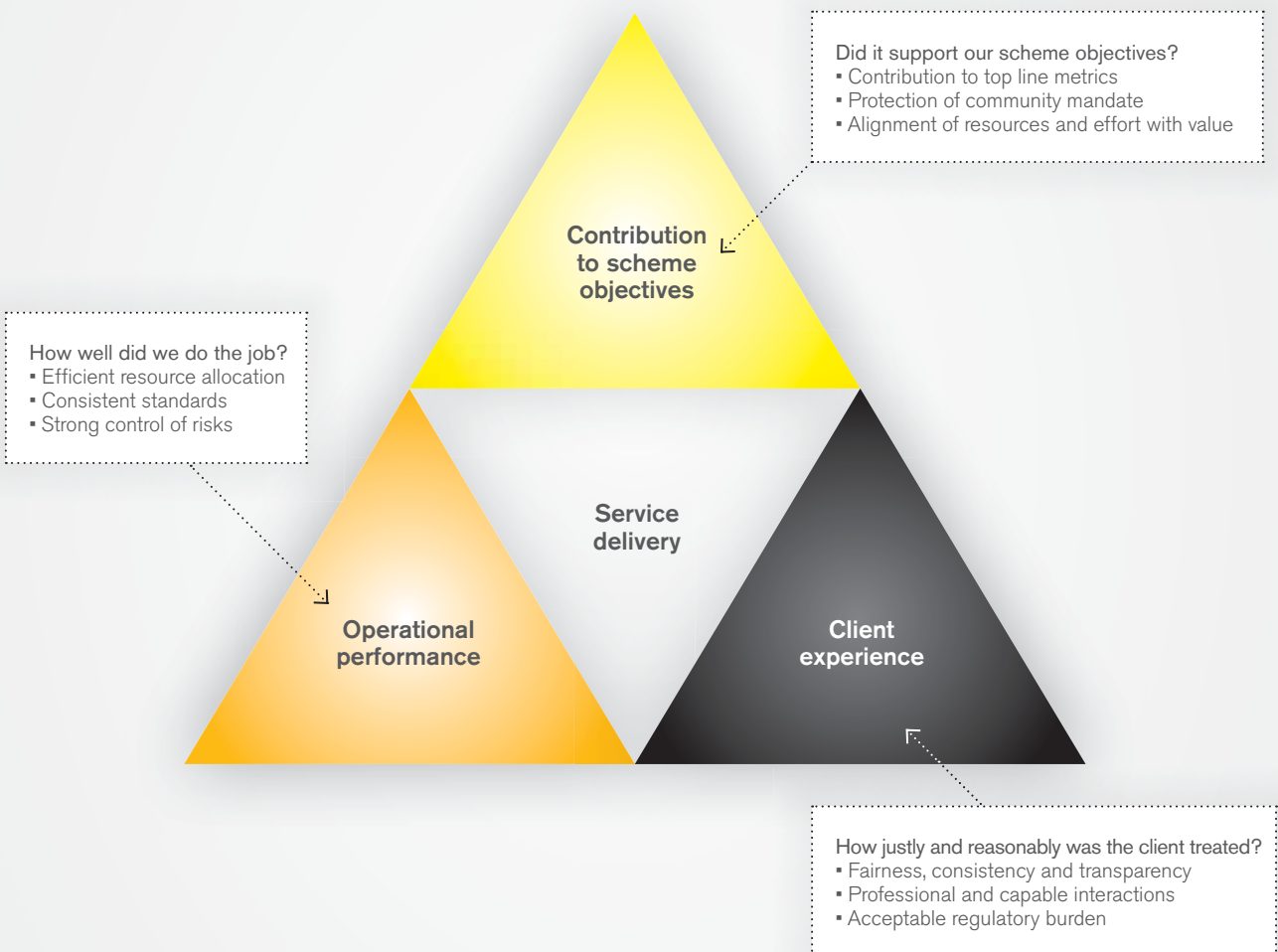
- Employer service
- Worker service
- Community service

Challenges

There are ever higher service expectations, with the internet being an increasingly preferred channel of service delivery.

Our model

Improve the services we deliver directly and through our agents, to ensure they contribute to our strategic objectives, improve efficiency, and provide a just, fair, consistent and transparent client experience.



Applying our model

We will improve our service offering to meet the ever rising service expectations, including a regional model for our OHS inspectorate and technology enablement, and we will improve how we measure service delivery.

Enablers

We will ensure that there is a robust governance structure to oversee the implementation of the five-year strategy, with particular focus on program management.

We will also continue our strong collaboration with the TAC, including health services; technology and systems; and performance, analysis and research. Our people strategies and practices will be crucial.

People

Increase the capability and engagement of our people, making WorkSafe an even better place to work.

Our people strategy and practices will enable a more collaborative and flexible organisation focused on clients and continual improvement. This will support the development of the new capabilities required to achieve our WorkSafe 2017 targets.

We will develop capability with integrated talent management, succession planning and governance; identify critical roles, competency gaps and capability requirements; and apply work practices to share knowledge and increase accountability. Themes of collaboration, knowledge transfer, flexibility and accountability will be embedded in job design.

Our leaders, managers and team members are committed to making WorkSafe an even better place to work.

Technology and systems

Invest in technology and systems that enable future productivity and service improvements.

Information Technology Shared Solutions, our IT services model shared with the TAC, will become more service-centric. This will direct process improvements that provide better IT asset management.

In the short term, we will focus on replacing and upgrading our standard operating environment and removing unnecessary complexity and cost. We will embark on a new IT program to enable WorkSafe 2017.

To do this successfully we will require improved organisational capability, business leadership and ownership, and project management. A key foundation will be to co-invest with the TAC in a common IT infrastructure environment.

Performance analysis and research

Understand our data to identify and address emerging risks, opportunities and solutions.

We will use a suite of new and revised performance metrics and work to develop new measures across the business. These will enhance our ability to measure our service to clients and the community, the engagement and satisfaction of our people, and the level of workplace safety in the community.

The Institute for Safety, Compensation and Recovery Research undertakes research that will continue to support our own and the TAC's activities by establishing best practice in injury prevention, rehabilitation and benefit delivery.

WorkHealth

WorkHealth is a voluntary workplace health promotion program offering all Victorian workers a free, confidential health check at work. It also promotes participation in WorkHealth Coach and workplace health promotion grants, and provides healthy workplace tools and resources.

The WorkHealth program is funded until December 2013, at which time it will have run for its intended five years.

A full review of the delivery, impacts and results of the program will be conducted in 2012/13 and will inform recommendations for the future.

Measurable improvement in workplace safety and risk control ensuring Victoria remains the safest state in which to work.

3.11

4 week claims per million hours worked (MHW)

7.8

Measurable improvement in return to work to ensure Victoria sets the national benchmark.

21.5%

not yet at work 6 months after injury

Significant improvement in service delivery, including operational performance, client experience and contribution to scheme objectives.

87.3%

employer service

72.0

84.8%

worker service

Remain the lowest cost state for employers to insure workers, always striving to improve.

\$100M

actuarial release

68.0

Invest in technology and systems that enable current and future productivity and delivery.

Make WorkSafe an even better place to work.

1 266%

break even

Initiatives for 2012/13

| | |
|----------------------------------|--|
| Prevention | <ul style="list-style-type: none"> ▪ Improve the way we identify and prioritise hazards and deal with them at their source ▪ Better utilise our employer focused interventions and other tools ▪ Continuously improve the efficiency and effectiveness of our regulatory functions ▪ Implement and refine the regional operating model and focus on developing capability and succession planning within the inspectorate ▪ Raise awareness through public communications and by influencing community attitudes to safety ▪ Improve our case management and selection to produce high quality investigation briefs to ensure that our enforcement activity continues to support the field |
| Return to work | <ul style="list-style-type: none"> ▪ Build for the future through program reform including occupational rehabilitation and agent return to work capability ▪ Build awareness and influence behaviour using campaigns, inspectorate, communications and events ▪ Work with stakeholders to promote the health benefits of safe work ▪ Targeted return to work interventions within our core operating model |
| Claims management | <ul style="list-style-type: none"> ▪ Manage our agents to maximise value ▪ Ongoing monitoring and response to performance hotspots and liability trends ▪ Cycle of evolution informed by audit process and performance monitoring ▪ Service delivery reform through streamlined processes ▪ Commence the implementation of an electronic claims file and improved provider accounts processing (including electronic channels) ▪ Continue to ensure the appropriateness of payments made to workers, employers and service providers through compliance and enforcement activities |
| Premium | <ul style="list-style-type: none"> ▪ Develop and implement (pending approval) an enhanced premium incentives package for occupational health and safety and return to work ▪ Expand our online employer services to reduce red tape and improve functionality |
| Mental wellbeing | <ul style="list-style-type: none"> ▪ Refresh and consolidate mental wellbeing guidance material ▪ Fully utilise the tools available to our people in responding to work related mental wellbeing factors ▪ Build internal competencies and partnering models |
| Medical and allied health | <ul style="list-style-type: none"> ▪ Raise awareness of the health benefits of safe work ▪ Apply clinical interventions including independent medical exam and medical advisor reviews, and clinical panel refinement ▪ Reduce red tape by improving the efficiency of transactions with doctors and allied health ▪ Apply sustainable purchasing and innovative service models including medical practitioner fee review, mental health, pain management and hospitals ▪ Manage our core operating model focusing liability management on pharmacy and surgery |
| Common law | <ul style="list-style-type: none"> ▪ A variety of targeted initiatives to supplement existing approaches including leveraging opportunities in return to work and medical support to align with key risk areas ▪ Contingency planning for long-term sustainability of common law, including legislative reforms |
| Service delivery | <ul style="list-style-type: none"> ▪ Implement and evolve specialist roles via the enhanced agency model ▪ Streamline key claims processes for clients ▪ Improve online communication channels with our clients (self service for standard information) ▪ Invest in industry capability |

Advisory service

222 Exhibition Street
Melbourne VIC 3000

Phone
03 9641 1444
Toll-free
1800 136 089
Email
info@worksafe.vic.gov.au

Head office

222 Exhibition Street
Melbourne VIC 3000

Phone
03 9641 1555
Toll-free
1800 136 089
Website
worksafe.vic.gov.au
Twitter
[@WorkSafe_Vic](https://twitter.com/WorkSafe_Vic)
Facebook
facebook.com/worksafevictoria

Local offices

North

Essendon Fields
03 9223 6888

Shepparton
03 5831 8260

Wangaratta
03 5721 8588

West

Ballarat
03 5338 4444

Bendigo
03 5443 8866

Geelong
03 5226 1200

Mildura
03 5021 4001

Warrnambool
03 5564 3200

East

Dandenong
03 8792 9000

Mulgrave
03 9565 9444

Traralgon
03 5174 8900



Work Safe
VICTORIA