



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2016-17 FINANCIAL AND PERFORMANCE OUTCOMES
GENERAL QUESTIONNAIRE

VICTORIAN WORKCOVER AUTHORITY
(WorkSafe Victoria)

Your responses should be filled in the tables/text boxes under each question in the MS Word document only.

Additional responses to questions can be provided in MS Word or MS Excel documents if required.

The completed MS Word document, including any additional documents, should be emailed to paec@parliament.vic.gov.au

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SECTION A: Output variances and program outcomes

Question 1 (all departments) Completed initiatives from past budgets

This question does not apply to your agency.

Question 2 (departments only) Treasurer's advances and other budget supplementation

This question does not apply to your agency.

Question 3 (DTF only) Revenue certification

This question does not apply to your agency.

SECTION B: Asset investment

Question 4 (all departments) Details of actual investment and variance against budget – current projects

This question does not apply to your agency.

Question 5 (all departments) Details of actual investment and variance against budget – projects completed (or expected to be completed)

This question does not apply to your agency.

Question 6 (all departments) Major Projects Victoria / Development Victoria

This question does not apply to your agency.

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Question 7 (all departments) High-value high-risk projects and gateway reviews

This question does not apply to your agency.

Question 8 (all departments) PPP expenditure and line items

This question does not apply to your agency.

Question 9 (all departments) PPP projects in procurement

This question does not apply to your agency.

Question 10 (all departments) PPP projects under construction

This question does not apply to your agency.

Question 11 (all departments) PPP projects commissioned during 2016-17

This question does not apply to your agency.

Question 12 (DTF only) Net cash flows from investments in financial assets for policy purposes – GGS

This question does not apply to your agency.

Question 13 (DTF only) Purchases of non-financial assets – government purpose classification

This question does not apply to your agency.

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SECTION C: Revenue and appropriations

Question 14 (all departments and entities) Changes from previous year by revenue/income category

Please explain any changes greater than ± 10 per cent or \$100 million between the actual result for 2015-16 and the actual result for 2016-17 for each revenue/income category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue affected service delivery.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no revenue/income categories for your department/agency for which the 2016-17 expenditure changed from the prior year's expenditure by more than ± 10 per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Revenue category	2015-16 actual (\$ million)	2016-17 actual (\$ million)	Explanations for changes greater than ± 10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Premium revenue	2,071	2,214	The variance of \$143 million or 7% was due mainly to the higher employer remuneration base at observed rates and the higher confirmed premium provided at year end.	No significant impact.
Investment income	430	1,661	The increase in investment income (before fees) of \$1,231M or 286% was due mainly to the higher net investment return of 11.57% compared to 3.04% in the prior year, as a result of the favourable conditions experienced in the investment markets.	The higher investment return had a favourable impact on WorkSafe's investment portfolio, which is held to back WorkCover insurance liabilities. The investments are managed by the Victorian Funds Management Corporation to meet objectives set by WorkSafe. The funding ratio of 119%, compared to 112% at 30.6.16, reflected WorkSafe's stronger financial position at 30.6.17. The funding ratio at 30.6.17 was above the preferred range of 82.5% - 117.5% but consistent with the Capital Management Plan provided to and accepted by the Minister for Finance.

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Recoveries revenue	152	132	N/A – Variance less than $\pm 10\%$ or \$100 million.	N/A
Other income	25	21	N/A – Variance less than $\pm 10\%$ or \$100 million.	N/A

Question 15 (all departments and entities) Variances from budget/target by revenue/income category

Please explain any variances greater than ± 10 per cent or \$100 million between the initial budget estimate (**not** the revised estimate) and the actual result for 2016-17 for each revenue/income category detailed in your operating statement. Please also identify any actions taken in response to the variations, either to mitigate or take advantage of the impact.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no revenue/income categories for your department/agency for which the 2016-17 expenditure varied from the initial budget estimate by more than ± 10 per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate ‘no relevant line items’ in the table(s) below.

Revenue category	2016-17 budget estimate (\$ million)	2016-17 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Actions taken in response
Premium revenue	2,129	2,214	N/A – Variance less than $\pm 10\%$ or \$100 million.	N/A
Investment income	1,387	1,661	The variance of \$274 million or 20% against budget was due mainly to actual return for 16-17 (11.57%) being higher than budget (9.80%) as a result of favourable conditions experienced in the investment markets.	No significant impact.
Recoveries revenue	130	132	N/A – Variance less than $\pm 10\%$ or \$100 million.	N/A
Other income	24	21	N/A – Variance less than $\pm 10\%$ or \$100 million.	N/A

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Question 16 (DTF only) Revenue initiatives

This question does not apply to your agency.

SECTION D: Expenses

Question 17 (all departments and entities) Expenses changed from previous year

Please explain any changes greater than ± 10 per cent or \$100 million between the prior year's actual result and the actual result for 2016-17 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community¹ achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no categories of expenses for your department/agency for which the 2015-16 expenditure differed from the prior year's expenditure by more than ± 10 per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Expenses category	2015-16 actual (\$ million)	2016-17 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Claims expense	2,838	2,512	The variance of \$326 million or 11% was due mainly to: <ul style="list-style-type: none"> external factors – higher discount rates assumed in the independent actuarial valuation at 30.6.17; partially off-set by higher than expected inflation in the 12 months to 30.6.17, and legislative changes; 	No significant impact.

¹ That is, the impact of service delivery on the community rather than a description of the services delivered.

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			<ul style="list-style-type: none"> internal factors – changes in actuarial assumptions reflecting the favourable claims experience. 	
Authorised agent fees	245	228	N/A – Variance less than $\pm 10\%$ or \$100 million.	N/A
Investment expenses	46	49	N/A – Variance less than $\pm 10\%$ or \$100 million.	No significant impact.
Other operating costs	256	280	N/A – Variance less than $\pm 10\%$ or \$100 million.	No significant impact.
Tax (income) expense	(232)	265	The variance was driven mainly by the improved before tax operating result in 2016/17.	No significant impact.

Question 18 (all departments and entities) Expenses varying from budget

Please explain any variances greater than ± 10 per cent or \$100 million between the initial budget estimate (**not** the revised budget) and the actual result for 2016-17 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community² achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no categories of expenses for your department/agency for which the 2016-17 expenditure varied from the initial budget estimate by more than ± 10 per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate ‘no relevant line items’ in the table(s) below.

² That is, the impact of service delivery on the community rather than a description of the services delivered.

Expenses category	2016-17 budget estimate (\$ million)	2016-17 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Claims expense	2,110	2,512	The variance of \$402 million or 19% was due mainly to: <ul style="list-style-type: none"> external factors – less favourable impact of claims economic factors (i.e. discount and inflation rates assumed in the independent actuarial valuation at 30.6.17) , and legislative changes; internal factors – less favourable actuarial release compared to budget. 	No significant impact.
Authorised agent fees	249	228	N/A – Variance less than ±10% or \$100 million.	N/A
Investment expenses	41	49	N/A – Variance less than ±10% or \$100 million.	No significant impact.
Other operating costs	295	280	N/A – Variance less than ±10% or \$100 million.	No significant impact.
Tax (income) expense	294	265	The variance was driven mainly by the lower before tax operating result in 2016/17 compared to budget.	No significant impact.

Question 19 (departments only) Expenditure reduction targets

This question does not apply to your agency.

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Question 20 (all departments and entities) Changes to service delivery from expenditure reduction initiatives

- (a) Please detail any changes to your department's/agency's service delivery as a result of expenditure reduction initiatives, e.g. changes to the timing and scope of specific programs or discontinued programs in 2016-17.

Nil.

- (b) As a result of the expenditure reduction initiative 'Reduce the use of labour hire firms' for 2016-17 (2015-16 BP3 p.105), please detail any changes to your department's/agency's service delivery.

Nil.

- (c) Please indicate how much the Department spent on 'on hire' arrangements with labour recruitment firms during 2015-16 and 2016-17. On hire arrangements includes the cost of engaging the labour recruiting firm, plus additional costs paid to the labour recruiting firm for the provision of the services of the contractor. Please also indicate reasons for and difference greater than 10 per cent between the two years.

Expenditure on hire arrangements (\$ million)		Explanation for change greater than ±10 per cent
2015-16	2016-17	
6.25	7.47	Resulting from need to resource limited term projects and initiatives including the relocation of WorkSafe to Geelong.

- (d) Please indicate how much the Department spent on job search assignments where the department has engaged a labour recruitment firm to hire an employee for the department.

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Expenditure on job search assignments (\$ million)		Explanation for change greater than ±10 per cent
2015-16	2016-17	
0.78	0.33	External recruitment costs reduced following strengthening of the internal talent acquisition function in 2016/17 in preparation for the Geelong relocation.

Question 21 (departments only) Achievement of reprioritisation of existing resources

This question does not apply to your agency.

Question 22 (DTF only) Expenses by government purpose classifications

This question does not apply to your agency.

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Question 23 (PNFC and PFC entities only) Dividends and other amounts paid to the general government sector

Please detail the value of dividends, non-dividend grants,³ and capital repatriations paid by your agency to the general government sector over the last three years, explaining the reasons for any significant changes over that period and the impact of any changes on the agency. Please also explain the basis on which these figures were set.

	Total amount paid in 2014-15 (\$ million)	Total amount paid in 2015-16 (\$ million)	Total amount paid in 2016-17 (\$ million)	Explanation for any variance greater than ±10 per cent or \$100 million	Impact of changes to dividends on the agency	Basis on which the figure was set
Dividends	242	-	-	Consistent with The Governments previous commitment, no dividend was payable by WorkSafe.	N/A	N/A
Non-dividend grants	-	-	-	N/A	N/A	N/A
Capital repatriation payments	-	-	-	N/A	N/A	N/A

³ This is an amount paid to the general government sector which is unable to be paid as a dividend due to AASB 1023 or FRD 119A.

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SECTION E: Public sector workforce

Question 24 (all departments and entities) Full-time equivalent staff by level

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2015, at 30 June 2016 and 30 June 2017 (broken down by the categories listed below) for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

Previous EA Structure	30-Jun-15*	30-Jun-16*	New EA Structure**	30-Jun-17
Band 1	5	7	Band 1	0
Band 2	52	55	Band 2	5
Band 3	109	120	Band 3	0
Band 4	318	344	Band 4	52
Band 5	354	369	Band 5	54
Band 6	84	89	Band 6	85
			Band 7	0
			Band 8	107
			Band 9	165
			Band 10	116
			Band 11	84
			Band AO1	110
			Band AO2	49
			Band AO3	60
			Band AO4	46
			Band AO5	14
Exec	78	77	Exec	94
Total (headcount)	1000	1061		
TOTAL (FTE)	964	1023		1040

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- * The previous years' figures represent headcount (as reported in WorkSafe's annual report). The current year's figures are FTE, and the previous years' total FTE have been included as comparators.
- ** The new enterprise agreement introduced a new pay structure (General Bands and Appointed Officer Bands), backdated to 1 December 2016.

Question 25 (all departments and entities) FTE staff numbers by employment type

In the table below, please detail the salary costs for 2014-15, 2015-16 and 2016-17, broken down by ongoing, fixed-term and casual, and explain any variances greater than ±10 per cent or \$100 million between the years for each category.

Employment category	Gross salary 2014-15 (\$ million)	Gross salary 2015-16 (\$ million)	Gross salary 2016-17 (\$ million)	Explanation for any year-on-year variances greater than ±10 per cent or \$100 million
Ongoing	125.8	126.6	129.1	
Fixed-term	3.2	4.9	8.1	Increase due to additional project-specific employees as part of the Geelong Relocation Project.
Casual	-	-	-	
Total	129.0	131.5	137.2	

Question 26 (all departments and entities) Executive salary increases and other bonuses

Please detail the number of executives who received increases in their base remuneration in 2016-17, breaking that information down according to what proportion of their salary the increase was, and explaining the reasons for executives' salaries increasing in each bracket.

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Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2016-17, apart from normal increases due to employment agreements.	Reasons for these increases
0-3 per cent	Nil	
3-5 per cent	Nil	
5-10 per cent	Nil	
10-15 per cent	Nil	
greater than 15 per cent	Nil	

* Note: Bonuses of 5% have been recorded in the 3-5% range, and bonuses of 10% have been recorded in the 5-10% range

Question 27 (DTF only) Enterprise bargain agreements (EBA)

This question does not apply to your agency.

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SECTION F: Government decisions impacting on the finances

Question 28 (all departments and entities) Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2016-17 which had not been anticipated in the State budget but which impacted on your entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to funding levels). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact in 2016-17	
	on income (\$ million)	on expenses (\$ million)
Nil.		

Question 29 (all departments and entities) COAG decisions

Please identify any COAG decisions during 2016-17 which had not been anticipated in the State budget but which impacted on your entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to agreements). Please quantify the impact on income and expenses where possible.

COAG decision	Impact in 2016-17	
	on income (\$ million)	on expenses (\$ million)
Nil.		

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SECTION G: Economic environment

Question 30 (DTF only) Economic variables

This question does not apply to your agency.

Question 31 (DTF only) Actual impact on GGS of variances in economic variables

This question does not apply to your agency.

Question 32 (DTF only) Impact on PFC net result of variances in economic variables

This question does not apply to your agency.

Question 33 (DTF only) Impact on PNFC net result of variances in economic variables

This question does not apply to your agency.

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Question 34 (all departments and entities) Effects of variances in economic variables

Please identify any key economic variables for which there were variances in 2016-17 between what was estimated in the initial budget for each year (**not** the revised estimate) and what actually occurred which had a significant impact on your department’s/agency’s finances, service delivery or asset investment. For each variance, please indicate:

- (a) what had been expected at budget time
- (b) what actually occurred
- (c) how the variance impacted on the budget outcomes (quantifying the impact where possible)
- (d) what decisions were made in response (including changes to service delivery, asset investment, borrowings etc.).

Expected economic result in 2016-17	Actual result in 2016-17	Impact of the variance on budget outcomes	Impact of the variance on service delivery
Net investment return of 7.50% based on WorkSafe’s long-term investment return was used in the 16-17 budget.	Net investment return of 11.57% was achieved in 16-17 as a result of favourable conditions experienced in the investment markets.	The higher than budget investment return had a favourable impact on WorkSafe’s operating results and its investment portfolio at 30.6.17, which is held to back WorkCover insurance liabilities.	WorkSafe’s investments are managed by the Victorian Funds Management Corporation to meet objectives set by WorkSafe. No specific response was required in relation to investment objective setting as a result of the higher than budget investment return in 16-17.
Outstanding claims liabilities were projected based on the December 2016 actuarial valuation, i.e. discount rate of 3.14%.	Outstanding claims liabilities were reassessed to be higher based on the June 2017 actuarial valuation, i.e. discount rate of 2.89%.	Compared to budget, the lower than projected discount rate had an unfavourable impact on WorkSafe’s operating results and its outstanding claims liabilities at 30.6.17.	There were no significant flow-on impact on WorkSafe’s service delivery or asset management.

SECTION H: DataVic Access

Question 35 (All departments and entities) Department/agency data and research strategy

- a) How is ‘big data’ and/or the digital research component incorporated within the Department/Agency’s Strategic/Corporate Plan?

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WorkSafe's long-term strategy, Strategy 2030, proposes to transform WorkSafe into a streamlined service delivery organisation with a strengthened focus on preventing injuries and illness. The use of sophisticated data and analytics has been identified as a key theme and a primary enabler of the transformation. A specific data and analytics strategy will be developed and implemented as part of Strategy 2030.

The use of sophisticated data and analytics will enable WorkSafe to better identify and assess emerging risks and to understand the needs and expectations of the people we serve. That understanding will enable more proactive management of risks and the delivery of tailored services and support. The more effective use and capture of data will incorporate both structured and unstructured data as well as data collected by WorkSafe and that sourced externally. The strategy envisages improved sharing of data and information both within and outside WorkSafe, subject always to ensuring privacy protections for sensitive data.

b) Does the Department/Agency have a dedicated digital research strategy? If yes, please provide a copy of this to the Committee.

WorkSafe does not have a dedicated digital research strategy; it forms part of the broader research strategy which is currently being developed.

Question 36 (All departments and entities) Department/Agency use of the DataVic Access

a) What have been the challenges the Department/Agency has found in implementing the DataVic Access?

A lack of understanding within WorkSafe of the aims and processes of DataVic. WorkSafe has worked hard to familiarise itself with the process and in turn, inform and engage staff. WorkSafe encourages and welcomes the opportunity to provide information and data to the community.

b) What have been the key risks the Department/Agency has identified in relation to DataVic Access and how have these been managed?

Low level risk in the interpretation of the data. However, all information provided via DataVic is in the public domain via WorkSafe's Annual Report, media releases, and website.

c) Who are the major beneficiaries of the data the Department/Agency has made available as a result of the DataVic Access policy?

The general public and broader government.

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d) The guidelines currently state that the benefits of the policy include:

- stimulating economic activity and driving innovation and new services to the community and business;
- increasing productivity and improving personal and business decision making based on improved access to data;
- improving research outcomes by enabling access to primary data to researchers in a range of disciplines; and
- improving the efficiency and effectiveness of government by encouraging better management practices and use of the data.⁴

Please provide three examples of how the Department/Agency have seen the benefits materialised.

As WorkSafe does not manage the DataVic website it has been difficult to assess how the data provided is utilised. However, as part of WorkSafe's broader external communications, there is consideration about what other data WorkSafe should be making available to the public consistent with material that is already available via other means i.e. Annual Report.

e) What are the main future opportunities regarding the Department/Agency's data that have not been realised to date?

Going forward an opportunity exists to consider and review the data and provide a consistent narrative of the work carried out by WorkSafe.

Question 37 (All departments and entities) Department/Agency arrangements for data access

a) What accountability arrangements are in place within the Department/Agency for implementing DataVic Access?

The publishing of data on DataVic currently sits with External Affairs. Data is sourced from WorkSafe's Finance Business Unit.

b) Has the Department/Agency established an Information Management Governance Committee (IMGC)?

⁴Department of Treasury and Finance, *DataVic Access Policy Guidelines for the Victorian Public Sector* (2015), p.1

An Information Security Governance Committee exists and incorporating an IMGC into this committee is under consideration.

c) Does the Department/Agency have an information asset register?

WorkSafe has completed a Data Discovery and Governance Framework activity and has created a register of data. This has been provided to the ISGC for incorporation into the IMGC. WorkSafe is currently working on a Strategy 2030 program and this output is a key input into the Strategy and will inform the information asset register.

d) How regularly is the information asset register reviewed and updated?

Under future consideration.

e) Please describe the main types of information assets that are logged on the Department/Agency's register.

WorkSafe uses TRIM for storage of key information assets.

Question 38 (All departments and entities) Use of DataVic website

a) How many and which data sets did the Department/Agency make available on the DataVic website in 2015-16 and 2016-17?

27 data sets including workplace fatalities, WorkCover Industry Class Remuneration and number of employees, Annual report data, enforcement data, claims and payments data, WorkHealth check data, WorkSafe Greater Geelong claims and costs, and enforcement activity. Data sets are in the process of being reviewed and updated.

b) To what extent does the Department/Agency comply with the format guidelines set out in DataVic Access?

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All data sets are supplied in one of the approved formats.

- c) Please list the datasets held by the Department/Agency that have been given approved commercialisation authorisation by the Minister for Finance. Please explain why they have been approved for commercialisation. What are the typical costs associated with accessing these datasets?

N/A

- d) How many requests has the Department/Agency received via the 'suggest a dataset' function on the DataVic website in 2015-16 and 2017-18?

Zero.

- e) How many of these requests were successfully actioned in 2015-16 and 2016-17?

One was received which is still under review.

- f) How many datasets that were compiled by the Department/Agency as a result of a successful FOI application were subsequently made available on the DataVic website in 2015-16 and 2016-17?

Zero.

- g) How many datasets that were compiled by the Department/Agency as a result of a successful FOI application were not made available on the DataVic website in 2015-16 and 2016-17 and what were the reasons for this?

The Freedom of Information applications that WorkSafe receive require it to identify documents about particular businesses or individuals which may be retrieved. The searches do not produce data sets suitable for the DataVic website.

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SECTION I: Treasury Corporation of Victoria

Question 39 (TCV only) Dividends

This question does not apply to your agency.

Question 40 (TCV only) Commodity risk management

This question does not apply to your agency.

Question 41 (TCV only) Foreign exchange risk management

This question does not apply to your agency.

Question 42 (TCV only) Public Private Partnership (PPP) projects

This question does not apply to your agency.

Question 43 (TCV only) Green Bonds

This question does not apply to your agency.

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