

MAV WorkCare Annual Report 2018



Twenty five years have passed since Parliament amended the *Accident Compensation Act* to enable the MAV to establish a local government workers compensation self-insurance scheme for local government.

The MAV WorkCare self-insurance scheme was approved by WorkSafe Victoria on 3 May 2017 for an initial three-year period which commenced on 1 November 2017. As the licence holder, the MAV holds overall accountability and responsibility for achieving improved performance and delivering safety outcomes for all member councils and their employees.

The principles, shared responsibilities and benefits of the new scheme are consistent with recommendations contained in the 2005 report by the Victorian Auditor-General into the management of occupational health and safety in the local government sector.

The MAV WorkCare scheme is similar in structure to local government workers compensation self-insurance schemes operating successfully in other Australian states. Over time their scheme members have significantly improved their workplace safety, leading to sustained reductions in workplace injuries and to reduced costs.

Another advantage of the new scheme is that members are relieved from any requirement to pay additional premiums in the event of a call to fund any shortfall in the superannuation-defined benefit scheme fund.

Establishment of the new scheme required intensive planning between MAV WorkCare, WorkSafe and JLT, our new claims agent. A comprehensive implementation plan ensured the smooth transition of a large number of active claims from the five WorkSafe Victoria scheme agents, with no disruption to injured workers. The transition occurred with relatively few issues, and provided a solid platform to embed the scheme throughout 2018.

The scheme will provide the support structures and resources to members to ensure an improved performance in both workplace health and safety and in achieving effective rehabilitation and return to work outcomes for injured workers. Prevention underpins successful workers compensation schemes as it directly impacts on other key disciplines of the scheme – such as claims management, rehabilitation and return to work.

The financial performance of the new scheme throughout the eight months to 30 June 2018 was substantially in line with budget expectations. The scheme has not been in operation long enough to identify any significant trends.

The MAV has joined the Self Insurers Association Victoria executive team, which provides many opportunities to share the experiences of other self-insurers and to actively participate in discussions with WorkSafe around alternative and innovative approaches to improving safety in the workplace.

I extend a warm welcome to the 31 members of the new scheme. I look forward to working with the MAV WorkCare Board to help deliver innovation and best practice in local government by providing opportunities to share knowledge, experiences, improvement initiatives and strategies aimed at achieving safer workplaces across the sector.

Marilyn Duncan
MAV WorkCare Chair

Performance Highlights



In our first eight months of operations, the MAV WorkCare self-insurance scheme paid more than \$6.6 million in benefits to injured workers.

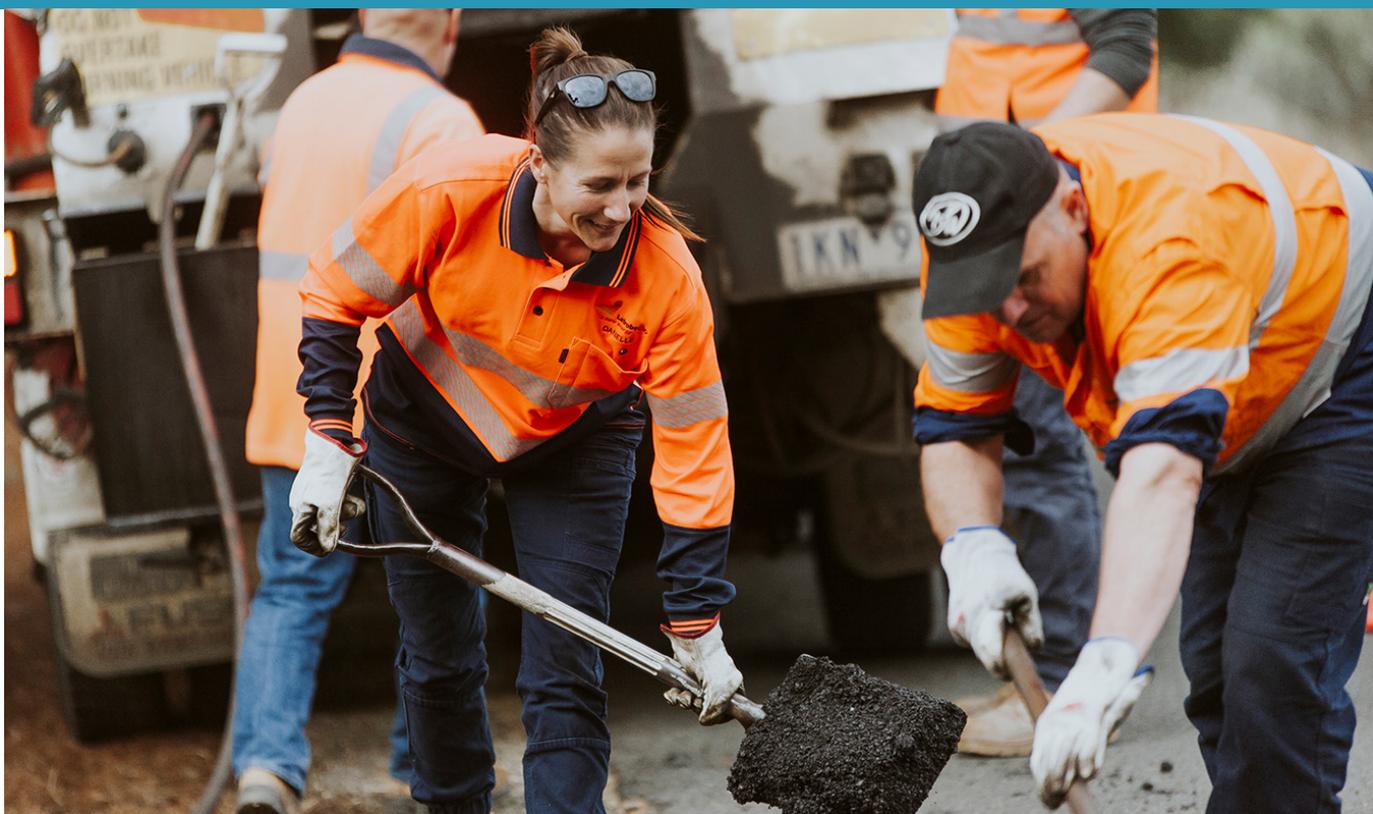
The new scheme provides full workers compensation coverage to more than 8,000 employees from our 31 members including medical expenses, lost earnings, home and vehicle modifications, home help and lump sum impairment benefits. We also pay common law benefits to workers who have serious injuries in circumstances where there is some fault on their employer's part.

With effect from 1 November 2017, all previous workers compensation claims for our 31 members were transferred across to the scheme. Since that time, the MAV WorkCare scheme has paid more than \$6.6 million in benefits to injured workers and their families, with \$1.49 million relating to claims received since operations commenced. Together with WorkSafe Victoria, we were also able to transition more than 400 active "tail" claims from the previous agents into direct management by JLT as the scheme's appointed agent.

The MAV has appointed a preferred provider panel to optimise rehabilitation outcomes for

injured workers, and to work with workers, medical practitioners and our members to help in their return to work. Of the 260 new claims received since the scheme commenced, 218 workers have been able to achieve a full or partial return to work. Following an extensive procurement process, we have also established a legal service provider panel, involving providers who not only are experts in workers compensation, but who also understand the local government sector while providing a local presence for our members.

In early-June 2018 we delivered the first full year's premiums for our members, representing a real reduction in the total cost of the member premium pool. In addition, the scheme delivered the first tranche of premium discounts based upon each member's previous premium for the 2017/18 financial year. We have been able to achieve this while still providing extensive coverage for our members and our benefits include meeting the cost of "minor" claims which have traditionally been paid by our members directly.



Working with JLT and WorkSafe Victoria, the MAV has rolled out a Three Year Occupational Health and Safety Improvement Plan which has led to 28 member forums held in Officer, Melbourne, Hamilton and Shepparton, focusing on developing OHS systems that comply with legislation and the National Audit Tool conformance program. These forums have also provided an opportunity to deliver training and education on process and documentation improvements, as well as claims management. We have also established an OHS Program Leadership Group, consisting of representatives from five member councils who are leading the development of bespoke policies and procedures for the local government sector. This has resulted in tangible progress towards exchanging resources and insights across our members, with a number sharing OHS personnel, systems and staff.

The MAV members centre is the new online platform for the MAV WorkCare Scheme and brings together a wide range of OHS, Return to Work as well as training and education-related resources. Our members' authorised staff are now able to access a wide range of claims-related information to assist them in understanding and mitigating risks and to provide access to accurate "real-time" claims data for internal reporting purposes. The members centre is a unique resource for the scheme, ensuring that wherever they are located, scheme members have immediate access to the best available information and assistance.



MAV WorkCare Board

For the year ended 30 June 2018



Marilyn Duncan

Appointed 2017

- Former CEO of the City of Brimbank
- An experienced leader, instrumental in the design and implementation of the MAV WorkCare scheme



Prue Digby

Appointed 2017

- Current Board member, Chisholm TAFE, Birrarung Council and Municipal Monitor Frankston City Council
- Former CEO of the Victorian Building Authority
- Former CEO of City of Yarra
- Former Deputy Secretary, Department Environment, Land, Water and Planning (formerly DPCD)



Rob Spence

Appointed 2017

- Chief Executive Officer, MAV
- Trustee, Vision Super
- Member, Victorian Children's Council
- Member, Ministerial Freight Advisory Council
- Member, State Crisis and Resilience Council



Janet Dore

Appointed 2017

- Former CEO at Cities of Ballarat and Newcastle
- Former CEO of Transport Accident Commission
- Former Non-Executive Director at nib Health Funds, Newcastle Airport and Institute for Safety Compensation and Recovery Research (ISCRR)
- Fellow Australian Institute of Company Directors (AICD)
- Municipal monitor to Ararat Rural City Council



Michael Ulbrick

Appointed 2017

- Former CEO of Darebin City Council and Surf Coast Shire Council
- Former Executive Director of WorkCover
- Independent member of a number of council and public sector audit and risk committees
- Independent member of the Victoria Grants Commission
- Founding Director of Regional Kitchen Pty Ltd

MAV WorkCare Board attendance

	Nov 15 2017	Dec 12 2017	Feb 21 2018	April 18 2018	May 9 2018 (special meeting)	June 4 2018 (special meeting)	June 20 2018	Aug 16 2018
Marilyn Duncan	✓	✓	✓	✓	✓	✓	✓	✓
Prue Digby	✓	✓	✓	✓	✓	✓	✓	✓
Janet Dore	✓	X	✓	✓	✓	✓	✓	✓
Rob Spence	✓	✓	✓	✓	✓	✓	✓	X
Michael Ulbrick	✓	✓	✓	✓	✓	✓	✓	✓

Board sitting fees

Independent Board members receive a sitting fee. In 2017-18 the sitting fee was:

Chair
\$1,039

Independent Board Member
\$730

In addition, a one-off sum of \$1,407 per independent member for meetings and other duties over and above the standard five meetings per year.

MAV WorkCare Members

Bass Coast Shire Council	Municipal Association of Victoria
Bayside City Council	Murrindindi Shire Council
Cardinia Shire Council	Northern Grampians Shire Council
City of Casey	City of Port Phillip
Corangamite Regional Library Service	Pyrenees Shire Council
East Gippsland Shire Council	Borough of Queenscliffe
Glenelg Shire Council	South Gippsland Shire Council
Golden Plains Shire Council	Southern Grampians Shire Council
City of Greater Dandenong	City of Stonnington
Hepburn Shire Council	Strathbogie Shire Council
Hindmarsh Shire Council	Swan Hill Rural City Council
Horsham Rural City Council	Wangaratta Rural City Council
Indigo Shire Council	Warrnambool City Council
City of Melton	West Wimmera Shire Council
Mildura Rural City Council	City of Wodonga
Moyne Shire Council	