

South Australia

WorkCover Corporation (Claims Management— Contractual Arrangements) Regulations 1995

under the *WorkCover Corporation Act 1994*

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Legislative history

1—Short title

These regulations may be cited as the *WorkCover Corporation (Claims Management—Contractual Arrangements) Regulations 1995*.

2—Commencement

These regulations will come into operation on the day immediately following the day on which the time for the disallowance of these regulations passes (see section 14(4)(b) of the *WorkCover Corporation Act 1994*).

3—Authorisation of contracts

The Corporation is authorised to enter into contracts with private sector bodies that involve the conferral of the powers referred to in section 14(3) of the *WorkCover Corporation Act 1994*, other than the power to collect levies, in the form, or substantially in the form, of the contract contained in the Schedule.

4—Effect of authorisation

A contract that is entered into by the Corporation in accordance with the authorisation provided by these regulations will remain in full force and effect as between the parties to the contract even if these regulations are varied or revoked so that the contract would otherwise cease to be a contract that is authorised by these regulations.

Schedule—Claims Management Agreement

PARTIES

WorkCover Corporation of South Australia ("the Corporation")

AND

of
("the Agent")

PURPOSE OF THIS AGREEMENT

- (a) The Corporation's functions which are relevant to this Agreement include:
- (i) administering the WRCA particularly so as to achieve the objectives set out in Section 2(1) of the WRCA; and
 - (ii) ensuring the efficient and economic operation of the workers' rehabilitation and compensation scheme under the WRCA.
- (b) The Corporation has the power to enter into any form of contract which is necessary for or incidental to the performance of its functions including (but subject to authorisation by regulation) a contract with a private sector body involving the conferral of power on that body to manage claims.
- (c) It is the express intention of the Corporation and the Agent to achieve the Corporation's statutory functions by a partnering approach which is focussed on outcomes that ensure the fair and efficient performance of the Corporation's responsibilities. Specifically the Corporation and the Agent have agreed, and will conduct themselves in the course of this Agreement consistently with, the following desirable characteristics of the workers' rehabilitation and compensation scheme:

Economic/Financial

1. Maintain an effective insurance premium pool
2. Provide financial security of assets
3. Provide long term certainty to employers re rates
4. Minimise loss of employer contributions

Underlying Philosophy

5. Support greater employment responsibility
6. Require total coverage
7. Allow comprehensive Statewide information integrity
8. Have long term focus
9. Support state economic and social policy initiatives

Customer Service

10. Maximise benefits from competition
11. Require adoption of OH&S management systems and standards
12. Align easily with national OH&S/Workers compensation framework

13. Efficiently and effectively deliver all services
14. Protect workers' rights
15. Provide equitable treatment to all employers

TERMS OF THIS AGREEMENT

The Corporation and the Agent agree to be bound by the terms and conditions set out in this Agreement and the annexed conditions ("the Conditions").

PERIOD OF THIS AGREEMENT

This Agreement shall be in force for the period specified in the Conditions.

EARLY TERMINATION OF THIS AGREEMENT

- (a) This Agreement may be terminated prior to its expiration in the circumstances prescribed for that purpose in the Conditions.
- (b) This Agreement shall automatically terminate, without either party having any claim or entitlement against the other party (other than that they have already accrued), if this Agreement ceases to be authorised in the manner required by Section 14(3) of the WCA.

NATURE OF THE RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

It is expressly agreed that the rights, entitlements, duties and obligations of the Corporation and the Agent are to be found entirely in the terms of this Agreement and that no right, interest or expectation shall arise other than that expressly provided for herein.

PROHIBITION AGAINST ASSIGNMENT

It is expressly agreed that this Agreement is personal as between the Corporation and the Agent and is not capable of being assigned or transferred by the Agent or the Corporation.

NO GOODWILL

The Agent acknowledges that it will neither create or acquire any goodwill in the undertaking of the Claims Management Function or in respect of the Nominated Employers on the basis that it is expressly agreed that:

- (a) the Agent has no right, claim or entitlement to a renewal of this Agreement; and
- (b) the Corporation retains the right to enter into further Claims Management Agreements from time to time with respect to the receipt of claims management services.

FORCE MAJEURE

If for any reason:

- (a) the Corporation ceases to perform the functions under the WCA and the WRCA which it performs at the commencement of this Agreement; or

- (b) the Commonwealth of Australia or any statutory body established by the Commonwealth of Australia offers a form of workers compensation indemnity to entities to which it does not currently offer the same so as to materially affect the extent of the application of the WorkCover Scheme in South Australia; or
- (c) there is any other like adverse change to the circumstances currently applicable to the WorkCover Scheme in South Australia which is beyond the control of either the Agent or the Corporation,

then either party may bring this Agreement to an end by giving three (3) months' notice in writing of its intention so to do in which event neither the Corporation nor the Agent shall have a claim against the other in respect of any matter other than an entitlement that arose prior to the effective date of such termination.

DATED 1995.

THE COMMON SEAL of THE WORKCOVER CORPORATION OF SOUTH AUSTRALIA was hereto affixed in the presence of: }

.....
.....

THE COMMON SEAL of was hereto affixed in the presence of: }

.....
Director

.....
Secretary

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1. CORPORATE REQUIREMENTS AND ARRANGEMENTS

- 1.1 The Agent shall not carry on any business other than the provision of the Agent's Services in South Australia.
- 1.2 The Agent cannot, under any circumstances, utilise the name "WorkCover" in either its legal or trading name.
- 1.3 The Agent shall promptly advise the Corporation in writing of any change to the composition of the Board of Directors of either the Agent or its immediate or ultimate holding company or of any change to the direct or indirect ownership or control in the shareholdings of those companies.
- 1.4 The Agent will notify the Corporation of:
 - (a) a change in the effective control of the Agent and its immediate or ultimate holding company; or
 - (b) a change in the direct or indirect ownership of the Agent; or
 - (c) a change exceeding 20% of the shareholding in any period of twelve months in the Agent's holding company.

For the purposes of this condition, a change in effective control means a change in the shareholding of the Agent, or its immediate or ultimate holding company whereby the voting rights attaching to the shares the subject of that change is sufficient to alter the degree of control exercised in the authorised Agent or its immediate or ultimate holding company by the owners of those shares.

- 1.5 No person or entity having a direct or indirect interest in the Agent or any person or entity in a position to control, whether directly or indirectly, the Agent or its immediate or ultimate holding company shall without the approval of the Corporation have any interest, directly or indirectly or be in a position to control, whether directly or indirectly any of the other Agents.
- 1.6 The Agent shall, at the commencement of this Agreement and thereafter annually, provide a statement to the Corporation of:
- (a) the resources of the Agent which are applied in the performance of the Agent's Services; and
 - (b) a statement of what resources are provided by any other organisation or entity to the Agent in or in connection with the performance of the Agent's Services; and
 - (c) a statement of the commercial arrangements for the supply of the resources referred to in (b) including details of any charges which the Agent is obliged to pay in respect of the supply of those resources.
- 1.7 The Agent agrees that, given the arrangements that exist for the review of the remuneration payable to the Agent, the Agent will provide full and unrestricted access to the Corporation of its accounts to the extent that the same describe the costs and charges incurred by the Agent in the performance of the Agent's Services and will, whenever reasonably required to do so by the Corporation, allow the Corporation's auditors to have access to the same with a view to undertaking a review relevant to any matter arising under this Agreement.

2. PERIOD OF AGREEMENT

This Agreement shall be in force for a period of three years commencing from the 1st July 1995 and ending on the 30th June 1998. Subject to the circumstances applicable at the time the parties will discuss renewal of the Agreement not less than six months prior to its expiry, provided that it has not been terminated or surrendered in the manner contemplated by Schedule G.

3. RESPONSIBILITIES OF THE AGENT

- 3.1 The Agent shall provide the Agent's Services for the period of the Agreement and at the discretion of the Corporation for such longer period thereafter as may be necessary in order to effect either an orderly transfer of the Claims of the Nominated Employers to another of the Agents or a return to the Corporation.
- 3.2 In providing the Agent's Services the Agent shall:
- (a) act in a manner consistent with the Relevant Law, including acting in a manner that ensures that the performance of the Claims Management Function by the Agents on behalf of the Corporation satisfies the Corporation's obligations under the Relevant Law without breach of the same; and
 - (b) comply with any guidelines, directions, procedural manuals or any schedules to these Conditions issued by the Corporation from time to time for the purpose of executing its functions referred to in Section 13 of the WCA.

- 3.3 The Agent shall ensure that the Agent's Services are carried out to the highest possible standard and, at least, to the Standards of Service. The Standards of Service outline a minimum level of service that may be used by the Agent as a benchmark. The Standards of Service are not in any way a restriction as to the level of service expected.
- 3.4 The Agent shall observe the Code of Conduct.
- 3.5 While the Agent may allow a Nominated Employer to participate in managing Claims in respect of that Nominated Employer in accordance with guidelines issued by the Corporation, the Agent may not sub-contract, assign or delegate any of its responsibilities for the Claims Management Function.
- 3.6 The Agent shall pay the Claims by drawing cheques from a nominated WorkCover sub-account of the Reserve Bank of Australia which is specific to the Agent in accordance with the Corporation's written procedures for the same as reviewed from time to time and specifically:
- (a) information for drawing cheques to pay Claims shall be entered into WISE either on line or batch;
 - (b) the Corporation will generate such cheques in a form incorporating the Agent's name or other designation and debit the Agent's sub-account directly.
4. **AUDIT**
- 4.1 The Corporation will, at its own cost for the first 6 months of this Agreement, audit the Agent's performance in such a manner as the Corporation determines appropriate.
- 4.2 The Corporation reserves the right to amend or discontinue the Audit Program referred to in clause 4.1 and, after six months or earlier if that Audit Programme is discontinued, the Agent is required to instigate an audit programme that satisfies the Audit Standards at the Agent's expense. In these cases, the Corporation shall give the Agent three months' notice of the decision.
- 4.3 The Agent shall, at its own cost, in addition to its obligations under the Audit Standards provide a report to the Corporation by its auditors on matters notified in writing by the Corporation from time to time.
- 4.4 The Agent will be required to have and implement an internal audit and quality assurance programme developed and implemented in a manner which, firstly, satisfies the requirements of the Audit Standards and, secondly, complements the Agent's external audit reports. The Agent must supply a report on a quarterly basis (or more often if reasonably required by the Corporation) which identifies both the extent that the Agent has achieved the Standards of Service and highlights any failure to do the same.
- 4.5 The Corporation shall be entitled to undertake a selective audit of the Agent based on a combination of assessing compliance with this Agreement using a risk based approach or, either as an alternative or in addition to such assessment, using an analysis of the information provided to the Corporation by the Agent as compared with the centralised database for all Agents or any other comparable information.

5. ACCOUNTING AND OTHER INFORMATION

- 5.1 The Agent shall keep such accounting records as correctly record and explain the transactions concerning the financial position of the Claims which are the subject of the Claims Management Function and maintain such records in accordance with the requirements of the Claims Recording and Reporting Function and otherwise in accordance with standards of the relevant accounting.
- 5.2 The Agent shall ensure the accounting returns and any information, data or reports required by the Authority are accurate and are lodged with the Corporation within the time specified by the Corporation.
- 5.3 The Agent shall, at its own cost and at such intervals as the Corporation or a Nominated Employer determines, disclose by declaration to the Corporation or that Nominated Employer, the nature and amount of any payments made to the following classes of persons (including corporations) in respect of Claims in respect of that Nominated Employer (or generally in the case of the Corporation):
- (a) Workers;
 - (b) Service providers not remunerated directly by the Corporation.
- 5.4 The Agent agrees that all information that it receives from the Corporation, the Nominated Employers or which it receives or creates in or in the course of providing the Agent's Services shall be and remain the property of the Corporation and that:
- (a) the Corporation shall be entitled, upon the giving of reasonable notice, to enter upon the premises of the Agent and inspect and review the same including the taking of copies and other extracts of such documents or to provide access to a nominated third party for that purpose; and
 - (b) the Corporation shall be entitled to have possession and control of the same at the expiration or sooner termination of this Agreement;
 - (c) all documents concerning completed or finalised Claims shall be delivered to the Corporation when so required by the Corporation.

6. MARKET SHARE

- 6.1 By 30 June 1996, the Agent must demonstrate to the Corporation's satisfaction a capacity to maintain at least such market share that is consistent with the ability of the Agent and the Corporation to meet the requirements of this Agreement and for the Corporation to efficiently and economically supervise the same. The maximum market share which the Agent will be permitted to attain is 40%.

7. REMUNERATION

- 7.1 The Agent will be entitled to the remuneration specified in SCHEDULE D.
- 7.2 If during the term of the Agreement there is significant alteration in the Agent's functions and obligations to warrant adjustment of the Agent's remuneration, the Corporation and the Agent will negotiate an appropriate adjustment.
- 7.3 After each twelve months' operation of this Agreement, the Corporation, in consultation with the Agent, will review the amount and composition of remuneration payable to the Agent in the manner referred to in SCHEDULE D.

7.4 —

- (a) Where the Corporation and the Agent are unable to agree the amount of the remuneration specified in SCHEDULE D in respect of the Annual Service Fee then either the Corporation or the Agent may request the Minister having the administration of the WCA to review that remuneration having regard to the relevant circumstances.
- (b) The Minister shall after receiving advice from an independent expert selected for that purpose by the Minister make a determination of the matter in dispute on the basis consistent with the terms of this Agreement and the agreed objectives of the Corporation and the Agent as referred to in this Agreement.
- (c) The Minister's determination shall be binding upon both the Corporation and the Agent as to the remuneration thereafter payable in respect of the Agent's Services provided that if the Agent is dissatisfied with the determination the Agent may surrender this Agreement by notice in writing to that effect given to the Corporation within thirty (30) days of the Minister's determination which surrender shall come into effect six (6) months after the date of the giving of the same to the Corporation and, until the effective date of the surrender, the Agent shall be remunerated on the basis that existed prior to the determination of the Minister.
- (d) The Corporation and the Agents with whom the Corporation is in dispute shall each bear one half of the costs of the independent expert with those Agents contributing their one share in the same proportions as their market share.

8. **COMPUTER SYSTEMS**

- 8.1 The Agent will meet the Corporation's requirements as are initially specified in SCHEDULE F but also including any amendments or additions to the same that may be made by the Corporation from time to time in the manner contemplated by these Conditions.

9. **SECURITY**

- 9.1 The Agent is to ensure that it has in place at all times during the period of this Agreement an appropriate security system which ensures the confidentiality of all information obtained under the WRCA in its custody and possession.
- 9.2 The Agent must satisfy the Corporation that its security system meets the requirements of sub-clause 9.1 before commencement of operations.
- 9.3 The Agent indemnifies the Corporation against any claims, suits proceedings, damages or losses arising from, or as a result of, any breach of the Agent's security system.

10. **WARRANTIES AND COVENANTS**

- 10.1 The Agent represents, warrants and covenants:
 - (a) that it has the skill, facilities, capacity and staff necessary to perform the Agent's Services effectively, efficiently and economically;
 - (b) that it will ensure that:

- (i) only staff that have the appropriate accreditation will have charge or, and maintain close supervision of, each Claim which is the subject of the Claims Management Function; and
- (ii) such staff in aggregate are able and are available to perform all of the functions to be performed by the Agent under this Agreement in compliance with the terms of the same.

10.2 Staff will be considered to have the appropriate accreditation:

- (a) as at the commencement of this Agreement either:
 - (i) if they are staff that have transferred from the Corporation to the Agent in the manner contemplated by Schedule E; or
 - (ii) if they have previously worked for at least two (2) years in Claims Management and have the appropriate accreditation from the Corporation; and
- (b) after the 1st day of July 1996 - if they hold the relevant accreditation determined for that purpose by the Corporation.

10.3 The Agent cannot commence business as an Agent until a "Certificate of Readiness" as detailed in Schedule H has been completed.

11. **DELEGATIONS**

The Corporation delegates the Delegated Powers to the Agent to exercise during the period of this Agreement subject to the provisions of the WCA and the WRCA and subject to the exceptions and conditions referred to in Schedule J on the basis that the making of this delegation shall not exclude or limit the Corporation's power to exercise any power or function so delegated.

12. **SUSPENSION, CANCELLATION OR SURRENDER OF AGREEMENT**

The Corporation and the Agent agree to follow the procedures contained in SCHEDULE G.

13. **CONSULTATION**

13.1 The Corporation and the Agent agree that they will engage in consultative processes which are to be used to develop policy, procedures and to provide mechanisms for early intervention and quick resolution of any matters of concern.

13.2 As an example of the process referred to in clause 13.1 the Corporation and the Agent agree that the process by which the nature, extent and quality of the Agent's Services to be provided by the Agent under this Agreement are to be determined will include consultation between the Corporation and the Agent.

14. **CONFIDENTIALITY**

The Agent agrees on its behalf and on behalf of its employees and agents that it shall act in a manner consistent with the provisions of Section 112(1) of the WRCA as if references therein to "the Corporation" were references to "the Agent" and shall not divulge information in a manner which is inconsistent with the operation of that provision, as if applicable to the Agent within the manner referred to above, except to the extent that the same is authorised by Section 112(2) of the Act as if that subsection were applicable to the Agent.

15. BROKERS

- 15.1 A person acting as an agent or intermediary as between the Agent and Employer shall, in this clause, be called a "Broker".
- 15.2 An Agent may not make a payment to a Broker in respect of anything done in or in connection with the Claims Management Function.
- 15.3 Nothing paid by an Agent to a Broker under any circumstances will be treated as expenses of the Agent which are relevant to any consideration as to whether there should be an adjustment of the remuneration payable to the Agent in the manner referred to in clause 7 of these Conditions.

SCHEDULE A

STANDARDS OF SERVICE

INTRODUCTION

Agent service standards are to be maintained in accordance with the Relevant Law and any policies, procedures and service requirements issued by the Corporation as to the administration of the Relevant Law.

The purpose of this Schedule (including the Performance Standards which are an Appendix to this Schedule) is to set out specified operational standards of service delivery to be met by an Agent. These standards should be complementary to internal control standards that are set by the Agent.

The General Principles and the Performance Standards mainly emphasise criteria for the delivery of services to Employers, workers and other key groups that are based on best practice principles and consistent with the statutory objectives.

The Performance Standards detail the standards of service required to be delivered by the Agent to Employers, workers and others with the aim of achieving the objective as specified. Although these standards aim to achieve the stated objective, **where in any particular circumstance it is clear they do not do so the Agent should adopt an alternate practice to ensure the objective is achieved. Where the standards are departed from, the Agent must disclose the same to the Corporation and clearly demonstrate that the standards were inappropriate and support this with appropriate file notation.**

Where the Performance Standards indicate three levels of performance the Agent must, as a minimum, meet Element 1.

GENERAL PRINCIPLES

1. SERVICES

1.1 Worker and Employer Services

The Agent must demonstrate a commitment to providing the Claims Management Function in a form which satisfies the specified objects of the WRCA being more particularly contained in section 2 as being:

"(1) The objects of this Act are -

- (a) to establish a workers rehabilitation and compensation scheme -

- (i) that achieves a reasonable balance between the interests of employers and the interests of workers; and
 - (ii) that provides for the effective rehabilitation of disabled workers and their early return to work; and
 - (iii) that provides fair compensation for employment-related disabilities; and
 - (iv) that reduces the overall social and economic cost to the community of employment-related disabilities; and
 - (v) that ensures that Employers' costs are contained within reasonable limits so that the impact of employment-related disabilities on South Australian businesses is minimised; and
- (b) to provide for the efficient and effective administration of the scheme; and
 - (c) to establish incentives to encourage efficiency and discourage abuses; and
 - (d) to ensure that the scheme is fully funded on a fair basis; and
 - (e) to reduce the incidence of employment-related accidents and disabilities; and
 - (f) to reduce litigation and adversarial contests to the greatest possible extent.
- (2) A person exercising judicial or quasi-judicial powers must interpret this Act in the light of its objects without bias towards the interests of Employers on the one hand, or workers on the other."

1.2 **Worker Services**

Without limiting paragraph 1.1 the Agent must provide the Claims management Function so as to:

- (a) provide for the effective rehabilitation of disabled workers and their early return to work;
- (b) provide fair compensation for employment-related disabilities;
- (c) reduce the incidence of employment-related accidents and disabilities;
- (d) reduce litigation and adversarial contests to the greatest possible extent.

1.3 **Employer Services**

Without limiting paragraph 1.1, the Agent must:

- (a) demonstrate a commitment to servicing Nominated Employers' needs in the area of management information, advice and support;
- (b) provide interpretation and analysis of claims in order to assist in identification of trends and costs control;

- (c) provide quality, timely advice in response to Nominated Employers' queries on WorkCover claims management policy requirements.

1.4 **Employer Compliance and Service Requirements**

- (a) Where:

- (i) the Agent becomes aware that a Nominated Employer has failed to meet its obligations under the Relevant Law;
- (ii) meeting the Standards of Service is dependant upon the Employer meeting those obligations,

the Agent's responsibility is to take whatever steps it considers necessary to make the Nominated Employer fully aware of, and encourage the Nominated Employer to meet, its obligations.

- (b) Where, having been advised by the Agent under clause 1.2 of its failure to meet its obligations, a Nominated Employer fails to comply with those obligations, the Agent must advise the Corporation within ten (10) working days and provide full details.

2. **CLAIMS**

2.1 **New Claims**

Nominated Employers are to be:

- (a) advised that a claim has been duly received and is being processed; and
- (b) informed of any significant matters affecting the accept/reject decision.

2.2 **Case Estimates**

Nominated Employers are entitled to expect accurate and realistic case estimates which reflect the future expected costs of a claim, including prompt review of the current estimate where there are significant changes to the claim circumstances.

2.3 **Payment of Claims**

Workers are entitled to expect fair and reasonable determinations of their Claims and to payments being processed and made within the timeframes prescribed by the Relevant Law.

2.4 **Reimbursement of Expenses (Weekly Compensation Payments and Other Expenses)**

Nominated Employers and workers should be confident that a reimbursement request will be expeditiously processed and that the Agent will contact the Nominated Employer or the worker if there are any impediments to timely processing.

2.5 **Rehabilitation Referrals**

Nominated Employers and workers must be confident that new rehabilitation referrals are logged on WISE and any changes to existing rehabilitation services are processed in a timely and accurate manner.

2.6 Medical Processes (including Section 107 and Section 108 requests)

Nominated Employers and workers are entitled to be kept informed on the progress of medical matters and their outcomes. The Nominated Employer should be able to expect that the Agent will do everything possible to facilitate cooperation between the Treating Practitioner, Nominated Employer and Worker to ensure speedy return to work.

2.7 Claims Management Review

Regular claims management reviews should be conducted with Nominated Employers on a mutually agreed schedule.

2.8 Dispute Resolution Matters

The Nominated Employer and the worker are to be kept informed on progress of matters before Review, the Workers Compensation Appeals Tribunals or the Supreme Court.

2.9 Settlements (Lump Sum Payments)

Settlements pursuant to this section will sometimes involve substantial payments.

Accordingly, the Agent will contact the Nominated Employer prior to a settlement under section 42, 42a or 43 in order to explain the terms and amount of the proposed payment.

2.10 Return to Work

The Agent is to have a strategy for delivery of the Agent's Services which focuses on the worker's return to work. The strategy must include consideration of rehabilitation requirements, participation in employment incentive schemes and job placement strategies etc. The Agent must recognise and the strategy must take into account that a worker in these circumstances is particularly dependent on the Agent for advice on benefit entitlement, resolution of issues and assistance in return to work.

The Agent must develop and administer a different strategy for workers whose Nominated Employer is unable to provide suitable employment and who satisfy the requirements of Section 58b of the Workers Rehabilitation and Compensation Act 1986.

APPENDIX TO SCHEDULE A

PERFORMANCE STANDARDS

Notes:

- The Agent is required to manage Claims in a way which complies with the Relevant Law, the Agreement, these Performance Standards and the Corporation's policy guidelines.
- Compliance with a particular element requires compliance with any preceding element(s). Points are accumulative.
- Maximum points are 135 points
 - A Level 1 assessment requires at least 80 points to be achieved
 - A Level 2 assessment requires at least 100 points to be achieved
 - A Level 3 assessment requires at least 120 points to be achieved

- Compliance with certain standards is mandatory for successful Level 3 assessment: these are shown by **.

PERFORMANCE STANDARDS

Standard		Measurement		Points
1. Advice to employers and workers				
1.1	Employers, workers and their associations receive information on the injury management process, their rights and responsibilities under the Act, and the OH&S Act and the claims management approach used by agents.	1.1	Element 1: Information is supplied to all client employers initially and on an annual basis	1
			Element 2: Information updates are supplied at least quarterly	1
			Element 3: Evidence that information is made available to workers	1
				3
2. Early reporting of claims and contact				
2.1	Employers are encouraged to advise their agent promptly of a workplace injury to decrease the length of time between an accident and the first contact with an injured worker.	2.1	Evidence that claims are received by an agent within 5 working days of receipt by an employer and that an agent actively encourages early lodgement of claims.	1
2.2	Early contact is made on all high risk cases with the worker, employer and treating doctor to clarify the nature of the claim, any disputed issues, current capacity, rights and responsibilities and expectations of the process.	2.2	Element 1: contact made on at least 90% of cases within 3 working days of the receipt of the claim	1
			Element 2: contact made on at least 95% of cases within 3 working days of the receipt of the claim**	1
			Element 3: contact made on 100% of cases within 3 working days of the receipt of the claim	2
				5
3. Early assessment and intervention				
3.1	Claims are determined promptly, after appropriate investigation and with appropriate advice to employers and workers.	3.1.1	Claims are determined within 10 working days of receipt	
			Element 1: 80%	1
			Element 2: 85%	1
			Element 3: at least 90%**	2

expired—6.4.1995 to 1.9.2006—WorkCover Corporation (Claims Management—Contractual Arrangements) Regulations 1995
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Standard	Measurement	Points
	3.1.2 Workers and employers are advised of claim determination and their review rights within 2 working days of decision.	
	Element 1: 80%	1
	Element 2: 85%	1
3.2 High risk claims are referred for appropriate rehabilitation as early as is necessary in each case.	Element 3: at least 95%**	1
	3.2.1 Evidence of a rehabilitation policy for managing employers' claims.	1
	3.2.2 All approved claims are assessed and if necessary referred for appropriate rehabilitation when a worker has been or is likely to be incapacitated for 21 working days.**	2
3.3 A full or graduated and safe return to work is effected as quickly as possible, consistent with the nature of the injury and the workplace.	3.3.1 Percentage of claims being paid income maintenance more than 12/24/60 months after injury:	
	Element 1: greater than 4.0% / 3.0% / 1.0%	1,1,1
	Element 2: greater than or equal to 3.3% / 2.6% / 0.9%	1,1,1
	Element 3: less than 3.3% / 2.5% / 0.8%	2,2,2
	3.3.2 Income maintenance on claims from an injury year paid in second 12 months compared with first 12 months:	
	Element 1: greater than 60%	1
	Element 2: greater than or equal to 53%	1
	Element 3: less than 53%	2
	3.3.3 Return to work within 3 months of receipt of claim:	
	Element 1: at least 75%	1
Element 2: at least 80%	1	
Element 3: at least 85%	1	
3.3.4 A worker shall be referred for placement under the RISE scheme where the worker is unable to return to the pre-injury employer and as soon as practicable after capacity is identified.		

WorkCover Corporation (Claims Management—Contractual Arrangements) Regulations 1995—6.4.1995 to 1.9.2006—expired
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Standard	Measurement	Points
	Element 1: in at least 70% of cases Element 2: in at least 80% of cases Element 3: in at least 90% of cases	1 1 1 32
4. Ongoing Management and Review of Claims 4.1 The direction and progress of a case towards return to work is actively planned, monitored and regularly reviewed by appropriate persons, including the worker, employer, doctor and the agent, with a view to maximising suitable return to work possibilities.	4.1 Case Management plans are prepared, used and reviewed at least quarterly for all high risk claims. Element 1: in 90% of cases Element 2: in 95% of cases** Element 3: in 100% of cases	1 2 2 5
5. Employer involvement 5.1 Active employer involvement in the management of their workers' compensation claims is encouraged, including an appropriate non-adversarial, supportive attitude towards the injured worker and the provision of suitable duties to facilitate an early return to work.	5.1.1 Employers participate in the development and management of return to work plans for all high risk cases. 5.1.2 WorkCover is advised within 5 working days of a decision of an employer to terminate an injured worker. 5.1.3 Employers are aware of major developments in claims and are consulted before key decisions are taken.	2 1 2 5
6. Employee Involvement 6.1 Regular contact with the employee is maintained to ensure that they are aware of the current status of a claim and are actively participating in its future direction.	6.1 Workers are aware of major decisions on their claims and are consulted before those decisions are made.	2

expired—6.4.1995 to 1.9.2006—WorkCover Corporation (Claims Management—Contractual Arrangements) Regulations 1995
Claims Management Agreement—Schedule

Standard		Measurement		Points
6.2	Active employee involvement in the management of their compensation claims is encouraged.	6.2	Employees participate in the development and management of their return to work plans in high risk cases.	3
				5
7. Reasonable Medical Treatment				
7.1	Injured workers have access to reasonable medical treatment to restore them as much as possible to their pre-injury condition.	7.1.1	Medical advice and care is provided within the criteria of reasonable cost and reasonable treatment consistent with the nature and extent of the injury.	2
		7.1.2	A systematic review of medical accounts and services and follow up process is in place.	
			Element 1: evidence of process in place	1
			Element 2: evidence of active querying of medical bills and services with providers.	1
7.2	Medical providers are assisted in understanding the nature of the work performed by the injured worker as well as possible alternative duties available, to allow providers to clarify issues and knowledgeably and proactively recommend suitable duties.	7.2	Contact is made with the treating doctor to clarify a worker's capacity for work and potential duties on high risk claims.	
			Element 1: in 80% of claims	1
			Element 2: in 85% of claims	1
			Element 3: in 90% of claims	1
7.3	Best practice medical treatment protocols for specific injuries and medical services are applied to appropriate claims.	7.3	Return to work and medical management plans in appropriate cases are in accordance with relevant medical treatment/service protocols.	
			Element 1: in 80% of cases	1
			Element 2: in 85% of cases	1
			Element 3: in 90% of cases	1
				10

WorkCover Corporation (Claims Management—Contractual Arrangements) Regulations 1995—6.4.1995 to 1.9.2006—expired
 Schedule—Claims Management Agreement

Standard	Measurement	Points
<p>8. Timely and accurate payment of weekly benefits</p> <p>8.1 Weekly payments are calculated and adjusted in accordance with the Act and are paid regularly with no undue delay.</p> <p>8.2 Income maintenance payments made by employers are promptly reimbursed.</p> <p>8.3 Interim payments are offered to workers in all appropriate cases.</p>	<p>8.1.1 Calculations and payment of weekly payments are correct and timely</p> <p>Element 1: at least 85% of cases</p> <p>Element 2: at least 90% of cases</p> <p>Element 3: at least 95% of cases**</p> <p>8.1.2 Weekly payments are reduced to 80% after 12 months of incapacity.</p> <p>Element 1: by 20 working days after the due date</p> <p>Element 2: by 10 working days after the due date</p> <p>Element 3: by the due date**</p> <p>8.2 Element 1: 80% reimbursed within 15 working days</p> <p>Element 2: 90% reimbursed within 15 working days</p> <p>Element 3: 100% reimbursed within 15 working days</p> <p>8.3 Policy requirements are adhered to, including advice to the worker of recovery potential.</p>	<p></p> <p>1</p> <p>1</p> <p>2</p> <p></p> <p>1</p> <p>1</p> <p>2</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>
<p>9. Timely and accurate determination and payment of other entitlements.</p> <p>9.1 Entitlements are assessed and determined in accordance with the Act and paid with no undue delay.</p>	<p>9.1.1 Calculation of entitlements to lump sums and other payments are correct.</p> <p>9.1.2 Written information is provided to the employer and worker on the basis of and reasons for the decision and any calculations and time periods involved.</p>	<p></p> <p>3</p> <p>2</p> <p>5</p>

expired—6.4.1995 to 1.9.2006—WorkCover Corporation (Claims Management—Contractual Arrangements) Regulations 1995
Claims Management Agreement—Schedule

Standard	Measurement	Points	
10. Timely and accurate claims support administration			
10.1 Timely and accurate payment of accounts.	10.1 Accounts for services provided are correctly assessed and paid for within 30 working days of receipt by the agent.	2	
10.2 Timely referral of any allegation or suspicion of fraud by service providers, workers and employers.	10.2.1 Agent to have a systematic fraud identification process in place.	2	
	10.2.2 Where there is a substantial allegation or suspicion of fraud, the matter is referred to WorkCover within 2 working days.	1	
10.3 Timely and accurate identification of overpayments or other recovery potential and referral to WorkCover.	10.3.1 Agents to have a systematic recovery identification process in place.	2	
	10.3.2 Referral of all potential recoveries to WorkCover		
	Element 1: 90% of potential recoveries referred	1	
	Element 2: 95% of potential recoveries referred	1	
	Element 3: 100% of potential recoveries referred	1	
		10	
11. Disputes are resolved promptly and effectively			
11.1 Disputes are resolved promptly and effectively.	11.1.1 Early contact is made with the parties to clarify and resolve disputed issues once identified.	Element 1: within 10 working days	1
		Element 2: within 5 working days	1
		Element 3: within 2 working days	1
	11.1.2 Genuine attempts are made to resolve formal disputes within 14 days of receipt of an application for review.	2	
	11.1.3 The legal process is only used by an agent where it is necessary for the satisfactory resolution of a matter or to clarify a precedent.**	1	
	11.1.4 Parties affected by a decision are advised of their review rights in accordance with the Act.	2	
		8	

WorkCover Corporation (Claims Management—Contractual Arrangements) Regulations 1995—6.4.1995 to 1.9.2006—expired
 Schedule—Claims Management Agreement

Standard	Measurement	Points
<p>12. Customer service</p> <p>12.1 A high standard of service is provided to employers and workers.</p>	<p>12.1 Customer service surveys show overall satisfaction results:</p> <p>Element 1: 75%</p> <p>Element 2: 82.5%</p> <p>Element 3: at least 90%**</p> <p>12.2 Complaints upheld.</p> <p>Element 1: 5%</p> <p>Element 2: 0%</p>	<p>1</p> <p>1</p> <p>3</p> <p>1</p> <p>2</p> <p>8</p>
<p>13. Accurate and recorded decision making</p> <p>15.1 The decision making process is timely and effective.</p>	<p>13.1 Decisions are timely, substantiated, well documented and in accordance with the Act.</p> <p>13.2 Decisions are made by agent staff with an appropriate and approved level of delegation and authority.</p>	<p>2</p> <p>2</p> <p>4</p>
<p>14. Data reporting and evaluation</p> <p>14.1 A systematic and accurate data base is maintained to assist in audit, monitoring and analysis purposes.</p>	<p>14.1 Agents ensure that accurate and timely claims and OH&S data is entered into the computer system and other data is recorded and reported in accordance with Corporation requirements.**</p>	<p>3</p> <p>3</p>
<p>15. Equality of access and opportunity.</p>	<p>15.1 Compliance with section 15 of the WorkCover Corporation Act and Section 16 of the Workers Rehabilitation and Compensation Act, 1986 in particular</p> <p>— information materials distributed to employers appropriate for NESB workers</p>	<p>2</p>

expired—6.4.1995 to 1.9.2006—WorkCover Corporation (Claims Management—Contractual Arrangements) Regulations 1995
Claims Management Agreement—Schedule

Standard	Measurement	Points
	— training programs in place addressing the needs of NESB workers.	2
16. Staff competency	16.1 Agents staff are accredited to perform case management functions and a program is in place to maintain and update skills and knowledge	1
		1
17. Security and confidentiality of information.	17.1 Evidence that agent has a policy and systematic program in place to ensure information in relating to claims is treated confidentially.	2
		2
18. OHS Prevention	18.1 Systems are in place and are effective. Element 1: 50% of employers have appropriate systems and practices in place Element 2: 65% of employers have appropriate systems and practices in place Element 3: 80% of employers have appropriate systems and practices in place	1
		1
		2
		2
18.1 Agents have an OH&S system in place which encourages Employers to implement appropriate OHS systems and practices, and in particular		
— Hazard management (the identification assessment and control of hazards)		
— Health and Safety Representatives and OHS Committees		
— Workplace recording systems in accordance with state legislative requirements		
— information and training on OH&S matters.		

WorkCover Corporation (Claims Management—Contractual Arrangements) Regulations 1995—6.4.1995 to 1.9.2006—expired
 Schedule—Claims Management Agreement

Standard		Measurement		Points
18.2	Agents work with employers to increase their awareness of their claims experience (including claim costs and causes) and provide advice on how to prevent similar claims occurring.	18.2	Element 1: Agents provide a report to employers on their claims experience.	1
			Element 2: Agents follow up report with employer and provides advice on appropriate action.	1
			Element 3: Employer demonstrates action taken which improves claims experience.	2
18.3	Agents work with employers to identify, develop and implement OHS targeted programs for high risk injuries and illness.	18.3.1	Agents have managed programs and plans in place with actions and annual targets for appropriate employers.	2
		18.3.2	Evidence that targeted programs have been implemented in last 12 months with an improvement in claims experience.	
			Element 1: By 50% of targeted employers	1
			Element 2: By 80% of targeted employers	1
			Element 3: By 90% of targeted employers	1
18.4	Agents will reinforce and support employer duty to provide OHS information and training to their employees, including appropriate forms for NESB workers. Agents have a particular responsibility to ensure small and regional businesses receive appropriate OHS information and training.	18.4	Element 1: Employers are aware of their responsibilities and are providing information to employees in appropriate forms.	1
			Element 2: Agents actively participate in strategies for the promotion and distribution of OHS information for workplaces.	1
				15
TOTAL				135

SCHEDULE B

CODE OF CONDUCT

The code of conduct outlines:

- (a) the policies and practices by which Agents will inter-relate to each other; and
- (b) important legislative requirements that Agents are to especially note in servicing Nominated Employers and workers.

1. Confidentiality

Except to the extent permitted by the Act or to the extent which may be directed by the Corporation from time to time or be necessary to perform the Agent's Services the Agent shall not, either directly or indirectly -

- 1.1 divulge or communicate to any person, any information that is or was acquired by it by reason of its appointment as an Agent; or
- 1.2 make use of that information for any purpose other than the performance of the Agent's Services,

and is to ensure that its officers, employees and agents do not, except as necessary for the Agent to perform the Agent's Services, either directly or indirectly -

- 1.3 divulge or communicate to any person, and information that is or was acquired by them; or
- 1.4 make use of that information for any purpose other than is necessary for the Agent to perform the Agent's Services.

2. Marketing

The following "Code of Conduct" is to be observed by the Agent when marketing for Employers:

- 2.1 the Agent may market any service(s) it can provide (eg Claim and Levy impact information and management reports; regular visits to Employer to discuss claims; preventative and educative programmes; tailored service; quality of service employed by the Agent; etc);
- 2.2 the Agent may market any additional service(s) its organisation or group as a whole can provide;
- 2.3 the Agent is **not** under any circumstances, to market itself in any way, in a manner which may:
 - (a) bring the Corporation into disrepute;
 - (b) be directly or indirectly derogatory of another of the Agents;
- 2.4 the Agent shall not use any information obtained from the Corporation's central database or any source within the Corporation for the purpose of:
 - (a) promoting the Agent or any form of insurance, or any other business provided by the Agent or by any body corporate, entity, business or person related to or associated with the Agent; and/or

- (b) soliciting business, whether provided by itself or by any body corporate, entity, business or person related to or associated with the Agent from any Employer who is insured with another of the Agents, **UNLESS** the consent in writing of the Corporation has first been obtained.

SCHEDULE C

AUDIT STANDARDS

1. GENERAL

- 1.1 The Agent Audit Programme (AAP) contained in the Appendix to this Schedule tests "audit standards" and the Agent's compliance with key requirements of the Relevant Law this Agreement and the Corporation's procedures, manuals and guidelines. The AAP tests the Agent's performance against minimum requirements for the quality of the Agent's Services provided for in this Agreement.
- 1.2 The Standards of Service detailed in Schedule A sets objectives for each of the relevant functions described therein.

The requirements of this Schedule are designed to specify the process by which the Corporation may verify the outcomes the Corporation expects Agents to achieve and not how the Agents implement procedures.

2. PROGRAMME FRAMEWORK

- 2.1 The AAP must be seen in the total context of the quality procedures all Agents are expected to maintain at all times. The audits (however conducted) are the confirmation that the total quality procedures are operating effectively. Audits will be conducted by:
- (a) Agents, in accordance with their Corporation approved programme ("approved programme"), through one or more of the following methods:
 - (i) contracting out the audit;
 - (ii) conducting a self-audit; or
 - (iii) by the Agent's own internal auditors;
 - (b) the Corporation through the Corporation's internal auditors and any other review procedures that the Corporation considers will identify breaches in the Agent's quality procedures.
- 2.2 The Agent's approved programme:
- (a) must focus on:
 - (i) Agent compliance with the Relevant Law, this Agreement and the Corporation's procedures, manuals and guidelines; and
 - (ii) achievement of agreed objectives,
- across each category of the various functions specified in the Standards of Service;

- (b) must ensure that the required Standards of Service are maintained on a continuous basis, and the certification of compliance with those standards will be submitted to the Corporation on a quarterly basis in line with the approved programme timetable and confirming compliance for the Agent for the financial year to date;
 - (c) must be certified on behalf of the Agent by a Director of the Agent as being considered appropriate by the Director to address the AAP requirements and be approved by the Corporation;
 - (d) must cover all categories of each function specified in the Standards of Service in depth at least once per annum, however Agents must have management controls in place to ensure the requirement for each function continues to be met all all times and not only for the period audited;
 - (e) must be flexible so as to facilitate Special Purpose Audits required to be undertaken at the direction of the Corporation;
 - (f) should enhance the Agent's other quality control processes.
- 2.3 The Agent will remain accountable to the Corporation for ensuring its approved programme is implemented in accordance with this Schedule and is fully supported by detailed documentation so that it will withstand scrutiny by the Corporation's auditors.
- 2.4 The Agent will provide written Certification to the Corporation of the results of its audit. The Agent Certification will:
- (a) confirm that the Agent has ensured compliance for the financial year to date;
 - (b) be made in respect of the audits conducted each quarter;
 - (c) be in the form approved by the Corporation;
 - (d) be personally signed by a Director of the Agent;
 - (e) be forwarded to be received by the Corporation no later than the last working day of the second month following the end of the quarter during which the audit is conducted.
- 2.5 The Corporation, through its own internal auditors:
- (a) reserves the right to conduct an audit of the Agent's certifications of audit results, either of the Agent's initial audit or follow-up audit on deficiencies;
 - (b) may conduct more detailed audits should the Agent's audit be found to be deficient or not in accordance with its approved programme;
 - (c) may conduct Agent specific audits;
 - (d) may conduct Special Purpose Audits (no earlier than the quarter following the date the Corporation advises the Agent in writing).
- 2.6 Where the Agent identifies an area that does not meet the agreed objectives or does not comply with the Standards of Service detailed in Schedule A such that it does not achieve Element 1 or other relevant Performance Standards the Agent will:
- (a) have a maximum period of one (1) month from when its audit identifies the deficiency in which to overcome and remedy those areas;

- (b) provide written Certification, personally signed by a Director of the Agent, that the deficiencies have been overcome, or specific processes or quality control mechanisms are in place to satisfy the Corporation that the deficiencies will be overcome, to be received by the Corporation by the last working day of the quarter following the quarter in which the initial audit is conducted;
- (c) support the Certification with results of the procedures completed by the Agent (whether additional audit procedures or otherwise) for that category, unless the Authority determines otherwise. This further audit must be consistent with the objectives of the initial audit and not simply an increase in the size of the sample population such that the results indicate the Authority's standards are met.

APPENDIX TO SCHEDULE C

AGENT AUDIT PROGRAMME

1. STANDARDS OF SERVICE

The Standards of Service are not all encompassing and are there to provide the Agent with some focus when testing for compliance. The Agent must comply with all aspects of the Relevant Law and this Agreement, the Corporation's procedures, guidelines, manuals and directives.

A claim/case being tested must satisfy ALL aspects of compliance (ie Relevant Law, this Agreement etc) before that claim/case is considered to have "passed" the test for compliance.

2. PERFORMANCE STANDARDS - LEVELS

The performance that is required to be achieved by the Agent to meet the relevant standard or to achieve a nominated level is as specified in the Performance Standards.

3. COMPLIANCE CERTIFICATION (ATTACHMENT 1)

For the purpose of clause 4.4 of the Conditions, Compliance Certifications must be provided by the Agent in respect of audits conducted. This certification is to be made on or in accordance with the form at Attachment 1.

4. COMPLIANCE CERTIFICATION TIMETABLE (ATTACHMENT 2)

For the purpose of clause 4.4 Conditions, Compliance Certifications must be provided by the Agent in respect of audits conducted in accordance with the timetable at Attachment 2.

5. SAMPLING METHODOLOGY (ATTACHMENT 3)

The sampling methodology the Agent must use is detailed in the table at Attachment 3.

This table specifies the:

- sample size to be tested for various population ranges;

- maximum number of claims/cases in the sample permitted to "fail" the compliance test when establishing if the required levels have been achieved,

based upon:

- a 95% confidence level;
- a sample size of 20% of the population but subject to a:
 - a minimum sample of 20;
 - maximum sample of 400.

6. DETERMINING POPULATIONS FOR AUDIT TESTING

When selecting the sample to be used for audit testing, the Agent must ensure that the population from which the sample is to be selected represents the relevant population for the objectives of the audit test.

For example:

- for the element of the Performance Standards dealing with resolution of disputes (refer paragraph 11), the population should be all Claims where there has been any dispute during the period under review;
- for the element of the Performance Standards dealing with the payment of entitlements to workers (refer paragraphs 8 and 9), the population should encompass major categories - eg Weekly Payments, Lump Sum payments etc. - and the sample sizes selected must be commensurate with their risk potential to determine if the required levels of performance have been achieved in each major category.

The Corporation will provide advice should the Agent be uncertain of the appropriate population for any audit testing. Where the Agent has used an inappropriate population definition for an audit, the Corporation can require the audit testing to be reperformed.

7. RANDOM SAMPLING

In all auditing, unless otherwise directed by the Corporation, the Agent must use a random sampling approach. Random sampling is defined as follows:

"Random selection is the selection of a sample in such a way that, for a given sample size, every possible combination of sampling units (claims, payments, employers, etc.) in that population has an equal chance of being selected. Random selection eliminates subjective factors from the selection, including any conscious or unconscious bias that might affect the likelihood of certain sampling units not being selected.

There are several ways to select random samples, including:

- *random selection software routines;*
- *random number tables;*
- *computerised random number generators.*

Random selection methods do not include the auditor haphazardly selecting files manually from filing cabinets or manually selecting every "nth" file from a filing system."

8. **AUDIT DOCUMENTATION**

The Agent will maintain appropriate documentation to provide a clear trail detailing the audit work performed. The documentation should be adequate to enable the Corporation to reperform any of the audit testing performed by the Agent's auditors. The documentation will also comply with the standards set by the Corporation in line with normal claims management practices.

ATTACHMENT 1
CERTIFICATION

Certification required in accordance with Schedule C of the Claims Management Agreement.

Agent:

Audit Period:

Relevant element of the Performance Standard:

.....

Sample Success Rate Required:

Sample Size Selected:

Sample Success Rate Achieved:

Additional Information:

The Directors of [Agent name] certify that in respect of the audit described above:

- 1 the audit was completed in accordance with both the programme submitted by [Agent name] on [date] and with all requirements of Schedule C of the Claims Management Agreement;
- 2 based on the testing performed, the information described above completely and accurately reflect the results of the audit procedures completed; and
- 3 there have been no other matters identified during the quarter ended [date] that demonstrate that the Standards of Service described in Schedule A have not been achieved that the Directors consider should be brought to the attention of the Corporation.

.....
[Director's Name]

[Agent's Name]

[Date certification signed]

ATTACHMENT 2
COMPLIANCE CERTIFICATION TIMETABLE

QUARTER Conducted In (For 95/6 YTD Activity)	Agent CERTIFICATION Due	CLAIMS
October-December 1995	February 1996	Paragraphs 1 to 6 (inclusive) of the Performance Standards
January-March 1996	May 1996	Paragraphs 7 to 12 (inclusive) of the Performance Standards
April-June 1996	August 1996	Paragraphs 13 to 14 (inclusive) of the Performance Standards
July-September 1996	November 1996	Paragraphs 15 to 18 (inclusive) of the Performance Standards

ATTACHMENT 3
INSURER AUDIT PROGRAMME - SAMPLING METHODOLOGY

POPULATION	NUMBER TO BE SAMPLED
2 - 8	ALL
9 - 15	ALL
16 - 25	20
26 - 50	20
51 - 90	20
91 - 150	30
151 - 280	56
281 - 500	100
501 - 1200	150
1201 - 3200	200
3201 - 10000	300
10001 - 35000	300

SCHEDULE D

REMUNERATION

The remuneration payable to Agents during the period of this Agreement will be a share of the amount annually set aside by the Corporation for the remuneration for all Agents providing Claims Management Services during the following twelve (12) month period ("the Annual Allowance"). The Annual Allowance shall be divided by the Corporation into two elements being the Service Fee Pool and the Performance Fee Pool. The Annual Service Fee is intended to cover the administration costs of an efficient and moderate sized agent and is not intended to include a margin for profit.

In respect of the twelve (12) month period commencing on 1 July 1995 the Annual Allowance is \$14,000,000 of which the Service Fee is \$12,000,000 and the Performance Fee is \$2,000,000.

The Agent's remuneration will be determined as follows:

1. Annual Service Fee

This fee is a proportion of the Service Fee Pool which is based on the Agent's market share determined in accordance with the following formula:

$$A = \frac{B}{C}$$

where:

"A" is the Agent's market share:

"B" is the aggregate of D + E + F

where:

"D" is the average of the number of Nominated Employers at the end of each calendar month falling during the relevant financial year multiplied by 30;

"E" is the aggregate of the amount of levy (excluding the operation of any remission of or supplementary levy) paid by the Nominated Employers in the relevant financial year at the industry rate or rates determined under Division IV of Part V of the WRCA divided by 20; and

"F" is the average of the number of Claims which have been made against the Nominated Employers as at the end of each calendar month falling during the relevant financial year where:

- (i) the worker making the Claim has received, not more than three (3) months prior to the expiration of the relevant calendar month, a payment by way of compensation for income maintenance under Division IV of Part IV of the WRCA or a payment by way of compensation for loss of earning capacity under Division IVA of Part IV of the WRCA; and
- (ii) that worker has suffered a compensable disability that results in an incapacity for work of not less than ten (10) days on which the worker would otherwise have worked,

multiplied by four hundred.

"C" is the total "B" for all Agents in the relevant financial year and, if the Corporation has not allocated all of the Employers to the Agents on or before 1 July 1995 the Corporation shall be treated as an agent for the purposes of the determination of the Agent's market share for each calendar month until all of the Employers have been allocated to the Agents; and

Subject to satisfying the requirements of this Agreement the Agent will receive an annual fee being of that percentage of the Service Fee Pool which is equal to the Agent's market share expressed as a percentage. However, if after the expiration of three (3) calendar months from the operative date of the selection or allocation of an Employer to the Agent the Agent is not providing the Claims Management Function in respect of all existing and new Claims against that Nominated Employer then the fee (both estimated and final) payable to the Agent until that situation comes to an end shall be seventy five per cent (75%) of the fee that would otherwise have been payable to the Agent.

The Corporation shall make an estimate of the Annual Service Fee at the beginning of each financial year in respect of the Agent and, on the basis of that estimate, make payment of the same by twelve (12) equal monthly payments payable in advance. Within six (6) months of the end of the relevant financial year (or sooner if the Corporation is in a position to effect a revision of the estimate) the Corporation will make a recalculation of the Annual Service Fee payable to the Agent on the basis of the application of the abovementioned formula to the actual amount of the relevant criteria referred to above and an appropriate adjustment will either be paid to or be payable by the Agent as the case may be.

2. **Performance Fee**

The Agent will have access to a proportion of the Performance Fee Pool which is based on the Agent's market share (ie an agent with a 10% market share will have access to 10% of the Performance Fee Pool).

Assessment of performance will be undertaken by the Corporation based on a rating system which is outlined below.

Rating Performance Fee

0 (non compliance)	Agent is in breach of this Agreement.
Level 1 (minimal compliance)	No performance fee.
Level 2 (part compliance)	50% of the Agent's market share of the Performance Fee.
Level 3 (full compliance)	100% of the Agent's market share of Performance Fee.

The Levels require compliance with the elements specified in the Performance Standards.

3. **Incentive Scheme**

It is the Corporation's desire to implement an additional element to the fee by way of a bonus arrangement. The Corporation's intention is to incorporate an incentive scheme within the fee structure, based upon the achievement of improved return to work rates which result in a reduction of Scheme liability. The Corporation will consider the development of that Scheme in consultation with the Agents.

SCHEDULE E

TRANSITIONAL ARRANGEMENTS

1. STAFFING

1.1 Transfer of Corporation Staff to Agents

- (a) South Australian Government's "Outsourcing - Human Resource Management Principles" will provide the minimum conditions applicable to the transfer of Corporation staff to Agents, subject to any Cabinet variation or union agreement of these principles.
- (b) These principles will only apply to Corporation staff accepting a position with the Agent after the appointment of Agents in February 1995.
- (c) The Corporation and the Agent are committed to the principle that all staff employed by the Corporation will get equal and fair access to the positions offered by Agents. To this end the following selection processes are envisaged:
 - (i) a forum will be established where Agents will be able to present to interested staff in the Corporation ie to sell themselves and what they intend to do and offer;
 - (ii) recruitment of Corporation staff should be based on three components:
 - a brief application and resumé addressing the selection criteria or criteria for the position;
 - written reference reports from Supervisors of the staff concerned;
 - an interview process for short-listed candidates in a process determined by the Agents, conducted off site from 100 Waymouth Street with one week's notice to WorkCover of when the interviews will take place;
 - (iii) the Corporation will actively support its staff in this process by allowing time for preparation for the selection processes and providing training and support in the areas of career guidance and direction, interview techniques, application and resumé writing, etc.

1.2 Accreditation of Claims Administration Staff

Competencies required for accreditation in claims administration.

- (a) **Knowledge/Skills**
 - (i) Skill and knowledge in all aspects of workers rehabilitation and compensation claims management;
 - (ii) Thorough knowledge of the Relevant Law;
 - (iii) Knowledge of all aspects of the Claims Management process;
 - (iv) Knowledge of, and skills in, Claims processing to handle Claims in a timely, efficient and effective manner;

- (v) Knowledge of legal issues, unusual or precedential aspects of Claims made and appropriate action to be taken in such circumstances;
- (vi) Skills in negotiations with a range of parties (including rehabilitation counsellors, trade union officials, workers, solicitors) with regard to investigation and determination of Claims, and matters of review and appeal;
- (vii) Skills in advocacy involving case preparation and presentation, witness interviewing and cross-examination etc in administrative settings;
- (viii) Knowledge of the principles of administrative law that are relevant to Claims Management, such as natural justice, fairness and provision of reasons for decisions, including the basis upon which decisions are made;
- (ix) Knowledge of company/agent structures and communication lines to ensure that relevant information goes to management and interfaces with other areas of the organisation involved in workers rehabilitation and compensation matters;
- (x) Knowledge of workers rehabilitation and compensation matters in the context of membership of, and relationship with, professional bodies in order to represent the company/agent views.

(b) **Abilities**

- (i) Ability to negotiate with respect to settlements.
- (ii) knowledge of legal obligations with respect to the Commonwealth Department of Social Security.
- (iii) Apply skills and knowledge of effective and efficient systems of workers rehabilitation and compensation claims management with a view to developing existing systems to be more effective and efficient where possible.
- (iv) Where relevant to Claims Management, knowledge of occupational health, safety and welfare legislation and policy, industrial awards and agreements and legal opinions arising from these to matters of injury management.

1.3 Competencies required for Accreditation of Coding Staff

An appropriate set of competencies will be developed against which staff will be accredited.

1.4 Accreditation Process

- (a) By the 1st day of July 1995 the Agent will have selected accredited staff, or have a process to ensure that accredited staff are to be appointed in order to meet the requirements under Schedule H - Certificate of Readiness.
- (b) The Corporation will make available a list of all persons accredited in accordance with an assessment of competencies for high risk claims, low risk claims and coding. Employees of Agents will have an opportunity to be assessed for accreditation using a process that includes:

- (i) recognition of prior learning in accordance with TAFE principles;
- (ii) knowledge of the relevant provisions of the WRCA;
- (iii) application of the WRCA in practice;
- (iv) knowledge of the structure and functions of the WorkCover scheme.

Persons who satisfy an assessment under all of the criteria specified in Section 1. Staffing of this Schedule will be accredited.

- (c) The Corporation will provide training, at cost, for persons who need further training before sitting or resitting the assessment before 30 June 1996.
- (d) The Corporation, in conjunction with the Agents, will develop a training and assessment process for future appointments which will apply from no earlier than 1 July 1996. Up to 30 June 1996 the Corporation will deliver the training and administer the assessments. The aim will be that training delivery and assessment will be open to other parties from no earlier than 1 July 1996 but that the Corporation will overview external providers on the basis of maintenance of standards.

2. EMPLOYER SELECTION OF AGENT

- 2.1 Employers will nominate which Agent will manage their claims through a process determined and undertaken by the Corporation to commence as soon as possible after Claims Agency Agreements have been entered into but not later than May 1995. An Employer making such a nomination in favour of the Agent will become a Nominated Employer.
- 2.2 Once the Employers have completed the nomination process WorkCover will undertake an analysis of the Employers that have not made a nomination with a view to adopting an appropriate method by which those remaining Employers can be allocated to the Agents. For this purpose the Corporation may, but shall not be obliged to:
 - (a) call for tenders for a specified percentage of the total of the remaining Employers; or
 - (b) call for tenders allowing for all successful tenderers, subject to the limit as to market share, having an equal but random distribution of the remaining Employers; or
 - (c) call for tenders which accommodate the types of tenders referred to above but which also allow the Agents to tender on the basis of a specific group of Employers referable to the industry in which those Employers are found; or
 - (d) the Corporation may apply a pre-qualification fee for participation in either a limited or general tender referred to above which fee may be determined by the Corporation to be reasonable in the circumstances having regard to:
 - (i) the cost to the Corporation of the administration of the allocation process; and
 - (ii) the cost benefit to the Agents of such an allocation without the requirement to expend moneys on marketing or advertising their services to the remaining Employers; and

- (iii) any other matter the Board of the Corporation considers relevant in the circumstances;
- 2.3 An Employer allocated in the manner referred to in clause 2.2 will become a Nominated Employer in respect of the relevant one of the Agents to whom that Employer has been allocated.
- 2.4 An Employer will be able to elect to change to another of the Agents via a structured process determined by the Corporation that will occur no more frequently than annually.

SCHEDULE F

COMPUTER SYSTEMS

1. PROCESSING OPTIONS AND TERM

- 1.1 Agents must use the Corporation's systems for claims management for the first twenty-four (24) months from 1 July 1995. All of the Corporation's application systems, together with relevant hardware, other required third party software and support, will be sourced by the Corporation or their authorised Agents.
- 1.2 By the end of the first twelve (12) months (1 July 1996) the Corporation will have developed a specification of the interfacing requirements for Agents, which will be provided to Agents. Any Agent wishing to use their own processing system from 1 July 1997 must comply with the requirements of this specification and the implementation schedule to be provided by the Corporation.
- 1.3 At the same time, costing information will be provided for continuing use of the Corporation processing systems, which will be provided to Agents.
- 1.4 During the next six (6) months (1 July 1996 to 31 December 1996) the Corporation will consult as necessary with Agents to assist them with their decision regarding their ongoing processing beyond 30 June 1997.
- 1.5 An Agent which wishes to discontinue processing on the Corporation's system from 1 July 1997 must notify the Corporation in writing on or before 31 December 1996 of their intention.

2. STANDARDS

Agents will comply with the Corporation's standards as regards data quality, coding and processing procedures.

3. COPYRIGHT AND INTELLECTUAL PROPERTY

- 3.1 Agents must comply with the copyright requirements and limitations of all the Corporation's products (software and documentation) as well as the copyright requirements of any third party software which is used in conjunction with the Corporation's systems. Further, the Agent will indemnify the Corporation against any copyright breach by them.
- 3.2 Agents must comply with the Intellectual Property ownership of all software developed by the Corporation which is provided for use by the Agents.

4. **CONFIDENTIALITY AND SECURITY**

- 4.1 Agents will comply with the Corporation's Security Policy and Procedures as it relates to their use of the Corporation's information processing systems and any other relevant legislation and statutory requirements.
- 4.2 Agents are subject to the confidentiality conditions contained in this Agreement. Those obligations apply to data obtained on behalf of the Corporation or provided by the Corporation to the Agent.

5. **STAFF TRAINING REQUIREMENTS**

Staff using the Corporation's information processing systems must be fully trained in all appropriate aspects of the same.

6. **SERVICE LEVELS**

Agents will be provided with the following:

- 6.1 access to the Corporation's information processing systems between the hours of 8.00 am and 6.00 pm Monday to Friday (excluding Public Holidays);
- 6.2 access at times outside the above may be available in special circumstances and by prior arrangement with the Corporation;
- 6.3 availability of the Corporation's information processing systems during the times above will, subject to any force majeure event, be maintained at a level of 90% continuous availability, or better provided that if the Corporation does not, over a period of one (1) week or longer, maintain that level of availability and such unavailability adversely impacts upon the performance of the Agent's Services, then the Agent shall be entitled to be relieved from the obligation to provide the Agent's Services to the extent that the same are unable to be provided consistently with this Agreement but shall provide the same as soon as the availability of the Corporation's information processing systems so allows and the Agent shall have no other claim against the Corporation in respect of a failure to maintain the specified level of continuous availability.

7. **CHARGING**

7.1 Charging to the Agents will be on the following basis:

- (a) Network equipment required to be installed at the Agent will be paid for by the Agent at the cost to the Corporation, including the cost of installation. This equipment will become the property of the Agent.
- (b) The Agent may nominate to enter into a lease arrangement directly with the vendor of the relevant equipment for the twenty-four (24) month period.
- (c) Rental costs for communication lines as between the Corporation and the Agent will be the responsibility of the Agent.
- (d) An amount of Four Thousand Dollars (\$4,000.00) per network device per annum attached will be payable by the Agent to the Corporation for that twenty-four (24) months from 1 July 1995 to 30 June 1997.
- (e) The above amounts will be due and payable as at 1 July each year.

(f) The Agent may not require the installation of equipment to an extent which, relative to the comparable work and usage ratios previously experienced by the Corporation, is substantially in excess of the Agent's requirements.

7.2 All other computing services will be provided by the Corporation at no charge to the Agent during the period 1 July 1995 to 30 June 1997.

8. EQUIPMENT

8.1 During the period 1 July 1995 to 30 June 1997 the Corporation will provide appropriate equipment for use by the Agent's staff at the Agent's premises. This equipment will be configured by the Corporation to suit their system and network requirements, and this configuration cannot be amended by the Agent in any way during the two year period.

8.2 All equipment installed at the Agents (other than network equipment paid for by the Agent) will remain the property of the Corporation.

8.3 Following is a guideline of the anticipated network costings, based on the number of users who will be connected to the Corporation's information system:

	Equipment	Maintenance & Connection Per Annum
Up to 30 users	\$20,000	\$6,000
From 30-75 users	\$30,000	\$12,000
Over 75 users	\$40,000 (plus \$150 per user)	\$20,000

9. GEOGRAPHIC LOCATION

All support and equipment to be sourced, installed and supported by the Corporation is on the basis of the Agent location being within the Adelaide CBD. If an Agent has a requirement outside the Adelaide CBD, this must be negotiated with the Corporation.

10. FORCE MAJEURE

The Corporation shall have no liabilities with the Agent in respect of any failure to observe or comply with the terms of this Schedule F to the extent that the same arises directly or indirectly as a result of the act or omission of a third party or the occurrence or non-occurrence of an event where, in either case, the same was outside of the reasonable control of the Corporation.

SCHEDULE G

CANCELLATION/SUSPENSION/SURRENDER OF AGREEMENT

1. A breach of the Agreement shall entitle the Corporation to issue to the Agent a warning, suspension or cancellation notice. The Corporation in its sole discretion will determine whether or not the seriousness of the breach warrants a warning, suspension or cancellation notice. In making its decision, the Corporation may take into account:

(a) any previous breaches by the Agent in respect of which a warning, suspension or rescinded cancellation notice was issued;

- (b) deficiencies in the Agent's operations identified through the Audit Program detailed in clause 4 of these Conditions.
2. Where the Corporation issues a warning notice to the Agent, such notice shall:
 - (a) be clearly headed "**WARNING NOTICE**";
 - (b) be addressed to and delivered by certified mail to the Chief Executive or equivalent officer of the Agent;
 - (c) state the reasons for the warning; and
 - (d) give the Agent 30 days from the date of the notice in which to make representations on the matter to the Corporation.
3. Where the Corporation issues a suspension notice to the Agent the notice shall:
 - (a) be clearly titled "**NOTICE OF SUSPENSION OF AGREEMENT**";
 - (b) be addressed to and delivered by certified mail to the Chief Executive or equivalent officer of the Agent;
 - (c) state the period of suspension of the Agreement; and
 - (d) give the Agent 14 days from the date of the notice in which to make representations on the matter to the Corporation.
4. Where this Agreement is suspended in the manner contemplated in clause 3 of this Schedule the rights, entitlements and obligations of the Corporation and the Agent shall remain the same save that the Agent shall not thereafter be entitled to receive any amount by way of Remuneration until the Agent has:
 - (a) disclosed all the circumstances surrounding the breach of these Conditions and remedied the same to the Corporation's requirements; and
 - (b) made good any loss or damage that may have been suffered by the Corporation or any worker or Nominated Employer as a result of such breach.
5. Where the Corporation issues a cancellation notice to the Agent the notice shall:
 - (a) be clearly titled "**NOTICE OF CANCELLATION OF AGREEMENT**";
 - (b) be addressed to and delivered by certified mail to the Chief Executive or equivalent officer of the Agent;
 - (c) state the effective date of cancellation of this Agreement; and
 - (d) give the Agent 14 days from the date of the notice in which to make representation in the matter to the Corporation.
6. The Agent may surrender this Agreement after giving 30 days notice in writing to the Chief Executive or equivalent of the Corporation and after obtaining the written approval of the Corporation. The surrender will take effect if and when the Corporation approves of the surrender.

7. Where this Agreement is either surrendered by the Agent or cancelled by the Corporation in accordance with this SCHEDULE G then the Agent shall pay to the Corporation, by way of compensation for the costs incurred or to be incurred by the Corporation in transferring the Claims Management Function of that Agent to another of the Agents, an amount equal to the amount of the remuneration previously paid to that Agent by way of the annual service fee in the preceding two (2) quarters in respect of which payment has been made under this Agreement or, if two (2) quarters have not yet expired, an amount equal to two times the one quarterly annual service fee paid or payable to the Agent.

SCHEDULE H

CERTIFICATE OF READINESS

The Corporation will require a certificate of readiness as a condition of the Claims Management Agreement in which the Agent expressly certifies that as at the date of the certificate it has satisfied the requirement in the following areas:

1. **ACCOMMODATION**

Documentation of the Agent's proposed accommodation which must cover, as a minimum:

- Location (centralised/branch offices), signage
- Accessibility (employers/workers/pedestrian/vehicular/disabled persons)
- Customer service facilities
- Standard, presentation, office layout, furniture
- Security/Confidentiality
- Integration/Segregation of other functions

2. **STRUCTURE**

The Agent's internal structure which must address at least the following:

- Operations Manager (name, employment status)
- Functional separation of Claims Management
- Specialist operations of multiskilling within either Claims Management or other operations
- Documented delegated authority levels and how this will operate
- Preparation for post 1 July 1995 staff numbers
- Interaction with other Agents

3. **PERSONNEL**

The Agent must supply the Corporation with details of:

- Staff numbers, relevant experience for claims etc
- Staff to client/claims ratio
- Training, future training programmes

4. WORK PRACTICES

The Agent's Claims Management practices across areas such as:

- Client service approach including NESB
- Monitoring of Agreement obligations, Performance Standards etc
- Internal performance monitoring
- Knowledge of WorkCover scheme, legislation etc
- Knowledge of all of the Corporation's information processing systems, including training in WISE and the relevant application and supporting software
- Rehabilitation programme services proposals
- Banking arrangements
- Record storage
- Value added services
- Confidentiality/Freedom of Information

SCHEDULE I

DEFINITIONS

In the Agreement

"**Agent's services**" means the aggregate of:

- the Claims Management Function;
- the Claims Recording and Reporting Function;
- the Claims Analysis Function;
- the Risk Management Function;
- the Value Added Functions.

"**the Agents**" means the aggregate (including where the context requires or admits the Agent) of the parties from whom the Corporation is, at the relevant time, receiving Claims Management services pursuant to an agreement on the same or substantially the same terms as this Agreement.

"**this Agreement**" or "**the Agreement**" means the aggregate of the Claims Management Agreement, the Conditions and the Schedules and any amendment or addition thereto contemplated by this Agreement.

"**Audit Standards**" means the audit standards against which the Agent's compliance with the Relevant Law, this Agreement and any procedures, manuals or guidelines issued by the Corporation in the manner contemplated by this Agreement can be assessed and determined as initially detailed in Schedule C but also including any amendments or additions to the same that may be made by the Corporation from time to time.

"**Claim**" means any form of assertion by a person to an entitlement to receive:

- money from an Employer which, if payable by that Employer, would be a liability which is insured by the Corporation pursuant to Section 105(1) of the WRCA; or

- compensation from the Corporation,

and includes:

- such an assertion even if it is not successful;
- anything which is consequential upon such an assertion being successful;
- the entire amount that the person is or may become entitled to receive from the Employer or the Corporation whether or not a separate or further assertion of an entitlement to receive the same is made by the person.

"**Claims Analysis Function**" means the preparation of such qualitative or quantitative analysis of the data required to be recorded and retained by the Agent pursuant to these Conditions as the Corporation may reasonably require from time to time.

"**Claims Management**" means the entirety of the functions which are necessary for or incidental to the receipt, assessment, determination, payment, administration, review, finalisation and recording of a Claim on the basis that:

- the same includes:
 - all the things that the Corporation has done, prior to entering into agreements of this type in respect of the receipt, assessment, determination, payment, administration, review, finalisation and recording of a Claim;
 - all the things that are necessary for or incidental to the efficient and economic administration of the Relevant Law with respect to a Claim;
 - all the things which might become necessary for or incidental to the receipt, assessment, determination, payment, administration, review, finalisation and recording of a Claim by reason of any change in the Relevant Law;
 - all the things specified in or contemplated by the Standards of Service;
 - the giving effect to of such procedures, measures and actions as the Corporation reasonably considers necessary in order to investigate, determine, restrict and prevent fraud or excessive or dishonest claims or to take such other actions, for or in relation to claims or payments of compensation pursuant to the WRCA and to obtain information, particulars and statistics from such sources as the Corporation may consider necessary or desirable;
- the same does not include the recovery of moneys due or claimable by the Corporation under the provisions referred to in paragraph 5 of the Appendix to Schedule J except to the extent that the Corporation may authorise the Agent to use those powers generally or in respect of any particular case;
- it is the agreed objective of the Agent and the Corporation that, except to the extent expressly provided for in these Conditions, the Corporation shall be entirely freed of any aspect of the receipt, assessment, determination, payment, administration, review, finalisation and recording of Claims against or in respect of a Nominated Employer as a result of the performance of the Claims Management Function by the Agent;
- nothing expressly or impliedly contained in these Conditions imposes upon a Nominated Employer any function or duty in excess of that previously performed by such a Nominated Employer;

- the only exclusions from Claims Management are those matters expressly provided for in these Conditions;
- where any question arises as to extent, quality or nature of anything to be done as an element of Claims Management then the same is to be determined by the Corporation acting consistently with the objectives referred to in the Agreement and these Conditions.

"Claims Management Function" means the undertaking of Claims Management in respect of Claims received by a Nominated Employer:

- whilst that Nominated Employer was a Nominated Employer in respect of this Agreement irrespective of whether the Nominated Employer subsequently ceases to be a Nominated Employer in respect of the Agreement; or
- prior to the commencement of this Agreement as and when they are transferred by the Corporation to the Agent.

"Claims Recording and Reporting Function" means the recording and retention of all material data concurring any Claim which is the subject of the Claims Management Function and the making of reports and the provision of access to that data in such manner as the Corporation may reasonably require from time to time including:

- the provision of monthly budget forecasts for all Claims the subject of the Claims Management Services including a commentary supporting variations to the forecasts;
- the entry of all Claims the subject of the Claims Management Services on WISE;
- the processing via WISE of the audit of approved payments of Claims;
- an ongoing analysis of Claims by payment type sufficient to monitor relevant trends;
- a daily update in the general ledger;
- quarterly performance reports;
- any information required to be supplied in order to meet the Board of the Corporation's reporting requirements;
- any information that may be required by the Statutory Advisory Committees; and
- any information required to be supplied to a House of Parliament or any committee of the Parliament or to respond to any question concerning the operation of the Corporation which has been asked in Parliament.

"Code of Conduct" means the code of conduct to be followed by the Agent in performing its functions under these Conditions as initially detailed in Schedule B but also including any amendments or additions to the same that may be made by the Corporation from time to time in the manner contemplated by these Conditions.

"Delegated Powers" means all of the functions or powers of the Corporation referred to in Schedule J.

"Employer" means an employer who is entitled to be insured by the Corporation against Claims under Section 105(1) of the WRCA other than an exempt employer or group of exempt employers or at the discretion of the Corporation an employer designated by the Corporation as a "self-managed employer" or a designation having the same or a similar purpose.

"Market Share" means:

- (a) for so long as the remuneration payable to the Agents is configured in the form described in Schedule D, the percentage which the Agent's Annual Service Fee is of the cost of the Annual Service Fee payable to all Agents; or
- (b) if the same, in the opinion of the Corporation, ceases to be an appropriate measure of market share, such other analysis of market share as the Corporation may determine from time to time.

"Nominated Employer" means an Employer who has selected or been allocated to the Agent in the manner referred to in Schedule E.

"Relevant Law" means:

- the WRCA and the WCA;
- any statutory instrument (within the meaning of the Acts Interpretation Act 1915) made under either the WRCA or the WCA;
- any Act or statutory instrument which is a "substitute" Act or statutory instrument within the meaning of the Acts Interpretation Act, of the foregoing Acts or statutory instruments;
- any other law capable of application to a Claim;
- the interpretation of any of the foregoing by a review authority or by a court.

"Risk Management Function" means the function of satisfying the minimum standards for injury prevention, risk management and other occupational health and safety services described in the Standards of Service.

"Standards of Service" means the standards to be applied by the Agent when providing the Claims Management Function as initially detailed in Schedule A but also including any amendments or additions to the same that may be made by the Corporation from time to time in the manner contemplated by these Conditions.

"Value Added Functions" means any additional functions, duties or activities which the Agent offered to perform in excess of the other elements of the Agent's Services in its successful tender to the Corporation evidence of which shall be the Agent's successful tender as modified, if at all, by any correspondence or other documentation evidencing an agreement as to the provision of such additional functions, duties or activities.

"WISE" means the Corporation's computer system for claims management and includes any redesignation of that system or any system introduced as a supplement to or replacement of the system existing as at the commencement of this Agreement and includes WISE DESKTOP.

"WRCA" means the Workers Rehabilitation and Compensation Act 1985 as amended.

"WCA" means the Workers Compensation Act 1994 as amended.

Any word or term that has a defined meaning in the WRCA or the WCA shall, unless the contrary appears, have the same meaning in these Conditions.

SCHEDULE J

DELEGATED POWERS

1. Grant of Delegation

Pursuant to Section 17 of the WorkCover Corporation Act 1994 the Corporation delegates to the Agent all of the powers of the Corporation as may be necessary for or incidental to the performance of the Claims Management Function:

- (a) save and except the exceptions referred to in the Appendix to this Schedule; and
- (b) subject to the conditions and limitations specified in:
 - (i) the Appendix to this Schedule; and
 - (ii) any policies enunciated by the Corporation and communicated to the Agent in writing;
 - (iii) any directions given by the Corporation to the Agent under its common seal or through an authorised officer.

2. Revocation and Variation

The Corporation may revoke the delegation of all or any of the Delegated Powers of the Agent at anytime by an instrument in writing either in whole or in part and in particular, and without limiting the foregoing, by addition of any exception, condition or limitation contained in the Appendix to this Schedule.

3. Compliance with Directions

The Agent shall in the exercise of the delegated powers of the Agent comply with conditions of the delegation and with directions of the Corporation given from time to time in accordance with the Relevant Law and this Agreement.

4. Policies of Corporation

The powers delegated to the Agent shall be exercised in accordance with any policies enunciated by the Corporation and advised to the Agent by notice in writing by an authorised officer.

5. No Sub-Delegation

The Agent may not sub-delegate or otherwise assign any of the Delegated Powers.

6. Further Delegation

The Corporation may delegate to the Agent further powers of the Corporation as it considers necessary for or incidental to the performance of the Claims Management Function in which event the Corporation shall forward to the Agent a further written instrument of delegation which further delegation shall be subject to the operation of this Agreement.

APPENDIX TO SCHEDULE J

EXCEPTIONS, CONDITIONS AND LIMITATIONS

1. **Reservation of Definitions**

The Agent shall not make any determination for or in relation to the following definitions contained in Section 3(i) of the WRCA, that is:

- (a) the approval of an apprentice training scheme for the purposes of the definition "apprentice";
- (b) the approval of an educational or training institution for the purpose of "educational institution"; and shall refer the matter or issue relating to the above definitions to the Corporation for determination;
- (c) the authorisation of a person to exercise the powers of an authorised officer under the WRCA.

2. **Determination of Claims Function**

- (a) If a Claim has not been determined within twenty-one (21) days of receipt of the Claim by an Employer then the Agent must inform the Corporation of the same and the Corporation may determine the Claim.
- (b) If the Corporation does not determine the Claim in accordance with paragraph (a) then the Agent shall, at the expiration of every seven (7) days after the expiration of the twenty-one (21) day period referred to in (a) above notify the Corporation if the Claim has still not been determined and, at each such notification, the Corporation may determine the Claim.

3. **Appeal and Judicial Process Function**

If, in the course of the Claims Management Function any legal process occurs as a result of which the relevant Claim or any matter incidental thereto is to be determined by any appeal or other judicial process (excluding any determination by a Review Officer) then:

- (a) the Agent shall inform the Corporation promptly as to that matter and the legal process concerned;
- (b) the Corporation may give an instruction to the Agent as to the conduct of that appeal or other judicial process which shall be binding upon the Agent; and
- (c) the Corporation may take over and have the conduct of the appeal or other judicial process.

4. Regulation Functions

The Agent shall not without the consent in writing of the Corporation exercise any of the following powers, that are:

- (a) the power to recommend or approve the making of regulations pursuant to Section 31 of the WRCA provided that the Corporation shall give to the Agent particulars of recommendations for and approvals of regulations pursuant to Section 31 of the WRCA;
- (b) the power to recommend or approve the making of regulations pursuant to Section 43 of the WRCA provided that the Corporation shall give to the Agent particulars of recommendations for and approvals of regulations pursuant to Section 43 of the WRCA.

5. Medical and Rehabilitation Expenses (Section 32 of the WRCA)

- (a) Only the Corporation may determine limits in respect of the payment of medical services in respect of particular categories of medical services.
- (b) Payments of medical accounts may be limited to accounts by a recognised medical expert or a medical expert or other person of facility if the service in respect of which the account is rendered was performed on a reference from a recognised medical expert or if the account is approved by a recognised medical expert as approved under Section 32(2)(i) by the Corporation.
- (c) Only the Corporation may determine limits in respect of the payment of accounts for approved rehabilitation services.

6. Employer Functions

The Agent shall not without the consent in writing of the Corporation fix the amount payable by an Employer to the Corporation pursuant to Section 49 of the WRCA.

7. Recovery Functions

The Agent shall not, without the consent in writing of the Corporation, recover liabilities or otherwise exercise the powers provided in the following provisions of the WRCA, namely:

- Section 32
- Section 33
- Section 36(5), (6) and (7)
- Section 37(5)
- Section 42(b)(10)
- Section 46(7) and (8)
- Section 48(2)
- Section 54(5), (6) and (7)
- Section 55
- Section 92(a)
- Section 106
- Section 113
- Section 120
- First Schedule.

8. **Exempt Employer**

The Agent shall not without the consent in writing of the Corporation exercise any of the powers of the Corporation pursuant to Division II of Part V of the WRCA.

9. **Miscellaneous Exceptions and Limitations**

The Agent shall not, without the consent in writing of the Corporation, which may be given either generally or specifically, exercise the following powers contained in the WRCA:

Section 105

Section 110

Section 115

Section 119

Section 120

Section 122

Section 123

WorkCover Corporation
INFORMATION SYSTEMS
SECURITY POLICY

Date:	11 August 1993	WorkCover Corporation
Version:	01	100 Waymouth Street
Release:	01	Adelaide SA 5000
		Tel: (08) 233 2222
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FOREWARD

The WorkCover Corporation, the Executive and Senior Management are committed to ensuring the privacy and confidentiality of all information collected, processed, manipulated and stored within our information systems and supporting documentation and records. For this objective to be achieved and maintained, it is critical that appropriate security controls are established and applied not only within the Information Systems Department but also within each Division, Department and business unit.

Information systems security controls comprise a wide range of techniques adopted to ensure the confidentiality, privacy, accuracy, integrity, reliability and timeliness of information for decision making, records management and conformance to legislative provisions. The Workers Rehabilitation and Compensation Act requires the Corporation (and its officers) to maintain the confidentiality of information.

In order to achieve a secure and reliable information systems environment, the Corporation has appointed an Information Systems Security Officer. This position is responsible for ensuring that a secure environment is maintained through the regular control and monitoring of control procedures and the security environment within the Corporation. The Information Systems Security Officer is responsible to the Manager, Client Services for all information system platforms within the Corporation (microcomputing, network, corporate reporting and WISE).

The Information Systems Security Policy has been developed to clearly establish the Corporation's commitment to security and to identify the procedures to be followed to achieve the required level of security. The contents of the Manual have been structured in a series of thirteen (13) discrete policy statements to promote ease of understanding within the Corporation. The Policy Manual is to be subject to regular review to reflect changes brought about by developments within the Corporation or to promulgate specific procedures and requirements at a more detailed level than presently described.

The Information Systems Security Policy has been approved by the Chief Executive Officer after due consideration by the Information Systems Steering Committee and advice to the Finance and Audit Committee.

Whilst the Information Systems Security Policy specifically relates to the security standards and methodology by which the security objectives will be achieved in the Information Systems environment, the basic principles apply to manual record, correspondence and other information within the Corporation.

Corporation staff are encouraged to advise the Manager, Client Services of any areas where the policies, procedures or instructions in this manual are unclear or impractical to apply. These cases will be examined, and, if appropriate, suitable amendments made.

I draw your attention to the policy and ask you to familiarise yourself with the contents and principles involved.

[signed]
Lewis Owens
Chief Executive Officer
12 August 1993

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1 PHILOSOPHY

The Workers Rehabilitation and Compensation Corporation (WorkCover) is committed to providing excellent service to the community of South Australia in the management of workers rehabilitation and compensation. WorkCover relies on information systems to provide an effective service to employers and workers in claims administration, injury management and other workers compensation-related areas. It is important that the security of the WorkCover's information systems is preserved so that

- they are available to provide the services when required;
- sensitive information remains confidential; and
- the integrity of the information systems and data is maintained.

The WorkCover Corporate Security Policy commits WorkCover and all staff to ensuring that the information and corporate assets are secure, and staff and public safety is protected. As part of the overall policy, the Information Systems Security Policy defines the policies and practices to be followed for the security of all information systems operated by WorkCover.

The continued credibility of the organisation is also dependent on the availability of its information systems and ensuring the security of its systems is not compromised.

2 DEFINITIONS

<i>Information</i>	This term refers to all WorkCover data held and derived in common application systems, user developed systems, office automation systems, operating systems, communication and network systems and other systems capable of operation within WorkCover. It also extends to reports, documentation and records produced by the information systems.
<i>Information systems</i>	This term refers to all systems used to operate and manipulate data contained in WorkCover's computer systems and extends to operating systems, office automation, records management systems, facsimile and telephony.
<i>Security</i>	The concept of information security can be described as the protection of three properties of information: <i>Integrity</i> Systems and information should represent authorised business activities, be relied upon to be complete, accurate and valid, and should not be subject to loss, modification or corruption. <i>Confidentiality</i> Sensitive information should be disclosed only to authorised individuals, in an authorised manner and at authorised times. <i>Availability</i> Information and systems must be accessible and useable when needed to satisfy business requirements.
<i>Staff</i>	This term refers to all permanent and temporary employees and all contractors or consultants engaged by WorkCover.

3 SCOPE

This policy applies to all board members, managers, employees, consultants, contractors, and temporary staff engaged by WorkCover. The policies relating to confidentiality of information and appropriate use of information systems apply to all persons or organisations provided with access to any of WorkCover's information systems.

The policies of non-disclosure and confidentiality apply to permanent or temporary employees, contractors, and consultants, who subsequently have resigned or terminated their engagement with WorkCover, in relation to all confidential or proprietary WorkCover information obtained during their engagement.

This policy shall not limit the reasonable use of information systems facilities for personal needs as long as that use does not compromise or impact the security of WorkCover information, information systems and information facilities and does not conflict with the Code of Conduct and the Internal Fraud policy.

4 CONSISTENCY

This policy shall be read in conjunction with the Workers Rehabilitation and Compensation Act 1986, Regulations under that Act, other applicable Acts noted in the policy document and the following WorkCover policies: Corporate Security Policy, Information Technology Policy, Microcomputer Policy, Code of Conduct, Internal Fraud Policy, Freedom of Information Policy and relevant personnel policies including the Occupational Health, Safety and Welfare policy.

5 APPLICATION

5.1 POLICY

The Information Systems Security Policy applies to all information, documentation and data processed, transmitted and stored within all information technology equipment, systems, and networks, or other equipment within or operated by WorkCover.

5.2 ELEMENTS

5.2.1 General

The Information Systems Security Policy and associated operational procedures cover all information systems and information handled in any way by information technology equipment, systems, peripherals and documentation where:-

- *computers* comprise mainframe, desktop, briefcase, lap-top, pen-based, workstation and super-micro equipment;
- *peripherals* refers to the equipment used to enhance and support the information systems and includes printers, communication facilities, disks, tapes optical storage devices etc;
- *information systems* comprise the operating systems, application and packaged systems, office automation facilities, network software and user-developed systems.

5.2.2 Extensions

The Information System Security Policy and associated procedures apply to all information held within application system documentation and manuals, operations manuals, system reports, output documents and other processing stationery, and off-site back-up storage media.

5.2.3 Exclusions

The areas of physical security and safety of staff addressed by the Corporate Security Policy are excluded from this policy except where they affect the security of WorkCover information systems.

This policy does not extend to security over other forms and documents, policy and procedure manuals held and used within WorkCover.

6 INTENT

6.1 POLICY

The intent of the Information Systems Security Policy is to ensure the confidentiality, integrity, and availability of all information systems and data, and compliance with statutory and legal requirements.

6.2 ELEMENTS

6.2.1 General

This Policy and the associated operational procedures are designed to ensure the security of WorkCover information and to reduce the risk of unauthorised, accidental or intentional modification, disclosure, unavailability or destruction of information.

6.2.2 Legal Compliance

WorkCover shall comply with all relevant legal and statutory security requirements over the collection, storage, use and disclosure of information in its possession.

6.2.3 WorkCover Responsibilities

WorkCover shall develop appropriate internal security control procedures and provide adequate information, training and assistance to employees on security issues, requirements and responsibilities.

6.2.4 Legislative Responsibilities

Employees of the WorkCover Corporation shall comply with the provisions of section 112 of the Workers Rehabilitation and Compensation Act 1986 as amended which requires the observance of confidentiality.

6.2.5 Staff Responsibilities

Every member of staff engaged by WorkCover is responsible for understanding and complying with the Information Systems Security Policy and all associated procedures.

6.2.6 Training

The Organisation Development Department is responsible for coordinating training in security awareness and staff responsibilities. Management is responsible for training employees in the internal control procedures implemented to provide adequate security over information systems and facilities.

6.2.7 Access

Managers shall approve access to information for which they are accountable using the principle of providing the least level of access privilege sufficient to perform the required tasks comprising a job. All staff are responsible for maintaining the security of information to which they have access.

6.2.8 Licences

WorkCover and all staff shall comply with the license conditions of any software acquired for use within WorkCover.

6.2.9 Documentation

The Information Systems Security Policy shall be adequately documented in WorkCover's Procedures Manuals and be made readily available to all staff.

6.2.10 Breaches

Unintentional or deliberate violations of the security procedures shall be subject to appropriate remedial advice and training, or disciplinary action according to the Code of Conduct, Disciplinary Policy, Internal Fraud Policy and other relevant WorkCover requirements.

6.2.11 Internal Audits

The Internal Audit Department is responsible for evaluating and testing controls, procedures and compliance with Information Systems Security Policy and for reporting to management on the adequacy of the controls.

7 CLASSIFICATION

7.1 POLICY

All WorkCover information, processes and data shall be systematically identified, classified and categorised to determine the level of cost-effective security to be applied and controlled to these resources.

7.2 ELEMENTS

7.2.1 Ownership

Departments in WorkCover (User Departments) are accountable for the application systems and production data within their area of responsibility. The Information Systems Department controls the operating systems, utilities and information systems facilities and is the custodian of the application systems and data on behalf of the User Departments.

7.2.2 Access

Access criteria shall be defined and applied for each information system resource and data consistent with the risks of disclosure, destruction, modification, or loss in a manner that provides an appropriate level of control over that item.

7.2.3 Strategic Information Schedule

A strategic information schedule shall exist, be documented and maintained by a Data Analysis function, and shall classify system information and data according to strategic importance, corporate dependence, sensitivity, confidentiality, custody, accountability, ownership and assessed monetary value.

7.2.4 Critical Information

Specific access and security criteria shall be developed and applied to highly sensitive, strategic and critical information according to confidentiality, access, legislative and other WorkCover requirements.

7.2.5 System Definition Controls

A data dictionary shall be maintained to record the system, program and data relationships, the classification applied to the data elements and the management and audit trail requirements for each information system.

7.2.6 Data Definition Review

The description of all data used in the information systems of WorkCover shall be rigorously maintained and reviewed to ensure its accuracy.

7.2.7 Tax File Numbers

The security and privacy requirements of the Australian Taxation Office and the Privacy Commissioner with respect to legislation and compliance notes on the Tax File Number shall be complied with by WorkCover and all staff.

7.2.8 Privacy Legislation

WorkCover and all staff shall comply with the requirements of all relevant legislation including the Workers Rehabilitation and Compensation Act, as amended, and the Commonwealth Privacy and Income Taxation Assessment Acts as amended.

7.2.9 External Requests for Information

All requests for WorkCover information from external bodies acting under Commonwealth and State legislative provisions, court order or independently must be in writing and shall be directed to the Chief Manager Strategic and External Services in the first instance for resolution, management and appropriate control.

7.2.10 Release of Information

All WorkCover decisions to release information to external parties e.g. auditors, actuaries, etc, engaged by WorkCover for specific purposes shall be approved, documented and controlled.

7.2.11 Freedom of Information

The Freedom of Information officer shall be consulted regarding requests for the release of information which are not covered by the normal operational procedures of WorkCover, legislative requirements, or the procedures stated in WorkCover's Freedom of Information Policy.

8 PHYSICAL SECURITY

8.1 POLICY

Security procedures and facilities shall exist to restrict access to the information technology environment, systems, facilities and equipment to authorise Information Systems Department and other approved staff.

8.2 ELEMENTS

8.2.1 General

WorkCover shall restrict physical access to the information technology environment and sensitive support areas to protect the confidentiality, integrity and availability of information systems, data, facilities and resources. Sensitive areas include the computer operations areas, air conditioning, power control panels and supply, network facilities and risers, tape and disc libraries, back-up sites, transport facilities and storerooms for stationery etc.

8.2.2 Physical Security

The physical work environment, all service areas and the building perimeter shall have adequate facilities and access controls to prevent unauthorised physical access at all times.

8.2.3 Physical Access

Physical access to sensitive areas shall be granted only to authorised personnel with the need to access those areas in accordance with their responsibilities.

8.2.4 Third Party Access

Access to sensitive areas by vendors, cleaners, visitors and maintenance personnel shall be authorised, strictly controlled, recorded and supervised.

8.2.5 Transport and Storage of Information

Adequate security shall be maintained over information during transport and storage whether in manuals, storage media or document form.

8.2.6 External Maintenance and Disposal of Equipment

The Information Systems Department shall ensure that all information and critical data is removed from all media and equipment through the most secure method available, before being taken from WorkCover premises for the purpose of maintenance, return, disposal or sale.

8.2.7 Resigned/Dismissed/Disciplined Employees

Staff, who have terminated their employment or contract, or who have been subject to serious disciplinary action or criminal charges which may compromise the security of information systems shall not be provided with access to the information systems environment, systems or facilities except with the express permission of the respective manager.

Where criminal offences are involved, the situation shall be dealt with according to the Internal Fraud policy.

Where privileged access to information systems exists, special procedures shall exist to control or remove access.

8.2.8 Disposal of Information

All output containing information related to the operations of WorkCover and personal data relating to employees or claimants is considered confidential and must be destroyed in a secure fashion.

8.2.9 Portable Facilities

Personal computers and other portable equipment shall be adequately protected from unauthorised access, manipulation, damage and theft. Personal computer users shall be responsible for the security of the personal computer, the media, the information and the documentation, both within and outside WorkCover premises, at all times.

8.2.10 Insurance of Portable Assets

WorkCover will not normally insure portable computer equipment loaned to staff to perform their duties during normal working hours and, in exceptional circumstances, when at home. Where an employee must have equipment at home continually, the employee shall be required to have an insurable interest in the equipment and to include the equipment on the household contents insurance policy. Consideration shall be given to reimbursing the employee for additional costs incurred if the insurance premium increases through this requirement.

In circumstances of serious negligence or wilful damage, the staff member may be liable for replacement of the equipment and the value of any lost data.

8.2.11 Theft/Loss

The theft or loss of information technology equipment, systems or information shall be immediately reported to management and referred to the Manager, Fraud Prevention, if criminal intent is reasonably suspected. All theft of WorkCover equipment or sale of information is to be reported to the police.

9 LOGICAL SECURITY

9.1 POLICY

Adequate access control comprising control systems and administration procedures for all WorkCover information systems shall be established and maintained to prevent and discover unauthorised access to, modifications of, or destruction of data and systems during processing, storage or transmission.

9.2 ELEMENTS

9.2.1 General

Adequate security shall be provided to ensure both the protection and the maintenance of system integrity over the system software and utilities, application systems and data and documentation during development, testing, production, maintenance and archiving.

9.2.2 Security Administration

The Information Systems Security function within the Information Systems Department is responsible for designing the security infrastructure, granting and revoking access privileges in accordance with user requests and providing appropriate management activity reports.

9.2.3 Access Control System Software

The Information Systems Department is accountable for the installation, administration, support, maintenance and operation of the access control system software on all systems operated by WorkCover.

9.2.4 System Software Security

The Information Systems Department shall provide an adequate level of security over the operating systems and utilities, the communications software and all other system software in both the development and production environments.

9.2.5 System Development and Maintenance

The Information Systems Department shall provide an adequate level of security over application systems and associated data under development, testing or maintenance in accord with the Information Systems Department and User Department requirements.

9.2.6 Application Systems Security

The Department owning an application system is responsible for ensuring that adequate security has been established and is maintained over the access to and operation of, the application system and its data when in production by reviewing access information and management summary information from the system.

9.2.7 Internal Applications Security

Adequate security, access control provisions and authorisation procedures to functions, transactions and processes shall be considered in the development of all application systems within WorkCover whether developed by Information Systems Department or any other Department.

9.2.8 Information Reports

Information and ad hoc reports shall be provided to WorkCover staff according to their position responsibility and shall not compromise the existing confidentiality and access restrictions to that information. Information security considerations shall be given to all ad hoc information requests.

9.2.9 Electronic Mail

All electronic mail shall be regarded as confidential and private within access restrictions determined by the sender. Information Systems access for maintenance or security investigations are permitted only with the express permission of the Manager Internal Audit, Manager Fraud Prevention or the Systems Administrator with regard to the information privacy principles.

9.2.10 Password Security

Password controls on all access shall be implemented for all information systems according to standard formats and current best practice for password assignment.

Regular changes of password shall be enforced and staff instructed that passwords shall not be disclosed to any other person. Under existing WorkCover policy, the disclosure of an individual's password to another person can result in dismissal from WorkCover employment.

All passwords for any system shall be stored in encrypted form. Systems under control of passwords must force the password to be changed after a defined period and must enforce rules about the form of acceptable passwords.

9.2.11 Network Security

The Information Systems Department shall provide an adequate level of security over the transmission and access to information both internally and externally.

9.2.12 Connection to External Networks

No connection of the WorkCover networks to an external network shall be established without appropriate auditing and a security barrier existing between the WorkCover networks and the external network.

9.2.13 External User Access

Where authorised access to information systems is provided to external organisations, terms and conditions of use shall be established between WorkCover and the organisation. The external organisation shall be required to ensure its staff are made aware of their responsibilities for security of information systems security.

9.2.14 External Use of Information

All information relating to the operations of WorkCover, employees of WorkCover, claimants and employers is confidential except for information permitted to be reported publicly as provided in legislation. Staff working from home are required to protect the confidentiality of all WorkCover information. Unauthorised release of this information shall be subject to disciplinary action.

9.2.15 External Maintenance

External organisations or individuals performing work on WorkCover information systems equipment at WorkCover premises or elsewhere shall enter into non-disclosure agreements with WorkCover.

9.2.16 Personal Computer Security

Personal computer users shall ensure that software and information contained on the personal computers are adequately protected against unauthorised use, access, manipulation and disclosure.

9.2.17 Data Encryption

Data encryption shall be used to provide security for critical or extremely sensitive information on systems depending on technical considerations and risk assessment.

9.2.18 Enforcement

The Information Systems Department is responsible for maintaining adequate security systems and providing management reports to enable management to monitor compliance to internal control procedures and security requirements.

9.2.19 Transmission of Information

Attention be given to the risks and consequences of unauthorised or accidental release of sensitive or confidential information when transmitting the information by facsimile or other insecure means. Alternate cost effective measures shall be considered for secure delivery in the case of significant risk to WorkCover.

9.2.20 Legislation

WorkCover and all staff shall comply with the requirements of all relevant legislation including the Commonwealth Privacy Act 1988, as amended, Income Taxation Assessment Act 1936, as amended, and the South Australian Workers Compensation and Rehabilitation Act 1986, as amended.

10 CHANGE MANAGEMENT

10.1 POLICY

A formal change management system shall be approved, implemented and enforced to ensure the controlled, secure and authorised installation, maintenance and upgrade of operating system, application software, application systems software and significant hardware and environmental components.

10.2 ELEMENTS

10.2.1 General

Formal change management procedures shall be used to install new or modified operating, application or hardware systems into production and to decommission system components. Changes shall be scheduled to minimise disruption to normal business except in emergencies.

10.2.2 System Development, Maintenance and Operation

The Information Systems Department shall provide an adequate level of security over operating systems and utilities, the applications systems and data and the hardware systems in development, testing, quality assurance and production environments.

10.2.3 System Changes

System changes shall be assigned a priority and classified according to an established set of priorities and the defined change categories.

10.2.4 Change Authority

The owners of the production systems and resources shall provide the necessary authority and approval to the custodian of the systems and resources to enable changes to be performed.

10.2.5 Change Process

The custodian of the production systems and resources can only initiate the change to production on the authority of the owner of the system after the required testing, acceptance and quality assurance approvals are obtained.

10.2.6 Cooperative Processing

Procedures shall exist which ensure that changes are coordinated across the components of the client-server architecture established in WorkCover and testing is conducted on all components involved.

10.2.7 Change Documentation

Documentation of the change processes applied to equipment, operating systems and information systems shall be maintained by Production Services for production systems and the project manager responsible for a system under development.

The records shall include the authorisation documents, library change logs, systems logs, and management acknowledgments and approvals as appropriate.

10.2.8 Change Review

Evidence of the review of changes and the change process shall be documented.

10.2.9 System Management

Copies of production systems and associated data, other than for authorised system modifications, can only be provided with the express permission of the owner of the system. This does not apply to public reporting of information permitted by legislation.

10.2.10 Emergency Changes

Where emergency changes to production systems and data are required, the event shall be recorded and appropriate documentation and approvals obtained as soon as possible after the event.

11 BUSINESS SYSTEMS CONTINUITY

11.1 POLICY

The production systems and associated information shall be accessible and useable when needed by authorised users.

11.2 ELEMENTS

11.2.1 General

The information processing installation and facilities shall be protected at all times from environmental threats which jeopardise the existence, functioning and availability of the information.

11.2.2 Threat Analysis

A threat analysis shall be conducted at least biennially and with any major processing strategy direction change to determine the potential exposure to WorkCover through the occurrence of a particular threat so that significant dangers can be identified and appropriate security measures implemented.

11.2.3 Environmental Controls

The information systems facilities, installation and environment shall be adequately protected from physical damage to, or loss of, the facilities, the equipment, the power supplies, the communication facilities, critical stationery supplies, staff resources or access approaches.

11.2.4 Recovery and Back-up

The frequency of back-up for operating system software, application system software, production data recovery procedures and critical documentation shall be identified and specified in production systems, operational schedules and emergency procedures.

11.2.5 Business Systems Recovery Planning

A contingency plan shall be prepared and reviewed on a regular basis to ensure that the information systems and associated data are protected from errors, destruction of data and other disasters such as fire, flood and earthquake.

11.2.6 Back-up and Recovery Testing

The back-ups and established contingency plans shall be tested at regular intervals to ensure that they are effective and provide the expected level of recovery.

11.2.7 Insurance

Where the risk is abnormal, the WorkCover Corporation shall carry appropriate insurance against the consequences arising from loss of information technology equipment and information systems owing to physical damage from disasters or other threats.

11.2.8 Alternative Facilities

The requirements for alternative processing facilities and arrangements for back-up storage facilities shall be determined, reviewed on a regular basis, contracted for as appropriate and regularly tested.

11.2.9 Human Resources Planning

Plans shall be established to ensure that the skills necessary to support and operate the information systems allow for normal staff turnover.

Contingency plans shall include appropriate provision for the loss of human resource capacity during emergencies.

11.2.10 Personal Computers

The Information Systems Department shall maintain back-up copies of the standard personal computer software configurations and corporate data stored on file servers. Staff are responsible for developing contingency procedures applicable to their individual applications and data where these are stored on individual personal computers.

12 ASSET MANAGEMENT

12.1 POLICY

A comprehensive program to monitor the location, use and value of all information technology equipment and facilities shall be established and maintained.

12.2 ELEMENTS

12.2.1 Assets Register

Each physical asset and information system resource above a defined value shall be individually identified and recorded in an asset register and reconciled to the General Ledger on a monthly basis by the Finance Department.

12.2.2 Review of Inventory and Assets

A stocktake of all WorkCover computer equipment shall be completed by the Finance or Administration Departments at least once annually.

12.2.3 Appropriate Use

Staff shall be conscientious in the use of WorkCover information systems and facilities, and shall only use them for business activities authorised by WorkCover.

As a general principle, information systems facilities shall only be used for authorised WorkCover purposes. However the reasonable use of information systems facilities for personal needs is permitted as long as that use does not compromise or impact the security of WorkCover information, information systems and information facilities and does not conflict with the Code of Conduct and the Internal Fraud policy.

12.2.4 Installation of Software

No unauthorised or unlicensed software shall be installed on any WorkCover equipment.

12.2.5 Personal Computer Inventory Control

The Information Systems Department is responsible, under appropriate financial control procedures, for the coordination of initial and upgrade software purchases, installation of software, recording of licensed software, monitoring loans of software, addition of equipment to personal computers, and disposal of equipment and software.

12.2.6 Audit of Installed Software

A regular review of the software installed on personal computers shall be conducted by Client Services to determine that only approved and licensed software is installed on WorkCover systems. Unapproved and unlicensed software shall be removed without warning.

12.2.7 Illegal Copying of Software

All staff engaged by WorkCover shall comply with the requirements of the Copyright Act 1986 as amended, and applicable patent law by not copying any software licensed by WorkCover in violation of the number of copies permitted to be held.

13 PERSONAL WORKSTATIONS

13.1 POLICY

Security shall be maintained over personal computing equipment and media, the communications network and the information processed or transmitted on those systems.

13.2 ELEMENTS

13.2.1 Physical Security

Personal computers and associated media shall be assigned to specific individuals who shall be responsible for adequately securing the personal computer and information from theft, access, misuse or damage at all times.

13.2.2 Software Security

Systems, programs and information maintained on the personal computers and associated media shall be protected, except where prescribed by WorkCover, from unauthorised access or corruption through password, encryption, network and back-up controls.

13.2.3 Network Security

The transfer of information within the network shall not affect the integrity of information within another system by avoiding the access controls established within the other system or within the system network.

13.2.4 Application Systems Security

Application systems on personal computers shall incorporate security and integrity controls to protect the applications systems and their data.

13.2.5 Dial-up Facilities

Except for prescribed systems, dial-up numbers shall require strict security, including use of approved methods, incorporation of verification features and regular change.

13.2.6 Virus Protection

Disks from personal, bulletin, public or other external sources shall not be loaded on to Corporate personal computers or the network without being virus checked by the Information Systems Department.

All workstations and personal computers shall be provided with access to virus checking software through connection to the WorkCover local area network or installation of approved detection software on the equipment.

13.2.7 Licence Provisions

WorkCover and staff shall comply with the licence provisions of all proprietary software acquired for WorkCover use and illegally copied software shall not be used on WorkCover facilities.

13.2.8 Monitoring

The Information Systems Department is responsible for the promotion and monitoring of compliance to, and the maintenance of, adequate security over personal computing systems and facilities.

14 DATA MANAGEMENT

14.1 POLICY

A comprehensive program to establish data integrity constraints and monitor the quality of data in production systems shall be established and maintained.

14.2 ELEMENTS

14.2.1 Data Audits

Where the quality of data is critical to the correct operation of a system or may significantly affect corporate business decisions, it is the responsibility of the person responsible for the data, to ensure a program of data audits is established and maintained, with due regard to cost effectiveness, to ensure that the range of the data is within established baseline tolerances.

14.2.2 Data Integrity

The Data Analysis function shall be responsible for establishing the constraints which shall ensure the integrity of the data in the system.

15 TRAINING

15.1 POLICY

All staff and authorised external users of WorkCover information systems and facilities shall be provided with adequate and continuing training in security awareness and the security requirements of WorkCover.

15.2 ELEMENTS

15.2.1 Induction of New Staff

All new permanent and temporary employees, consultants, and contractors engaged by the WorkCover Corporation shall be provided with training and appropriate documentation about the requirements of the Information Systems Security policy by the Personnel Operations Department.

15.2.2 User Training

WorkCover staff shall be provided with security awareness training consistent with the internal control procedures and individual application security provisions developed within each individual Department.

15.2.3 Technical Support

The Information Systems Department shall be provided with training in the operation and support of the access control system software and WorkCover policy and procedures that support the security function.

15.2.4 Training Responsibilities

The Organisation Development Department is responsible for coordinating training in security awareness and general responsibilities whereas management is responsible for training in the internal control procedures developed to provide adequate security over information systems and facilities.

15.2.5 Documentation

Comprehensive documentation shall be maintained and made available to all staff on the security requirements, responsibilities and procedures within WorkCover.

15.2.6 Legislation

All training in security provided to WorkCover staff shall be structured according to the requirements of the Training Guarantee Act, where appropriate.

16 MANAGEMENT REPORTING

16.1 POLICY

Appropriate management and audit reports shall be available for management and audit review of system security and the operation of the access control system.

16.2 ELEMENTS

16.2.1 System Access Review

All information systems shall be configured to provide the access and control information necessary to manage the structure of the security system and review access to the information systems.

16.2.2 Information Access and Modification Review

Information systems shall be configured when appropriate to provide control information about transactions performed on the information contained in these systems.

16.2.3 Standard Reports

Regular reports of changes to the security system, use of critical access privileges and user accesses shall be provided and reviewed by the appropriate management.

16.2.4 Retention Period

Reports or logs containing access information shall be retained for a minimum period of twelve months plus the preceding financial year for audit purposes.

16.2.5 Evidence Act

In determining the retention period for system logs and reports, consideration shall be given to the Evidence Act 1929 as amended, particularly with the provisions relating to the admissibility of computer evidence.

Consideration shall also be given to the retention of originating documents as well as system and transaction logs for situations, such as embezzlement, where production of original documents will be required in any legal proceedings.

17 DISCIPLINARY MEASURES

17.1 POLICY

All staff engaged by WorkCover are expected to act in accord with the published Code of Conduct and non-compliance with, or violation of, established security procedures may result in appropriate disciplinary action.

17.2 ELEMENTS

17.2.1 General

Managers of departments are responsible for administering the appropriate disciplinary action in their area of responsibility dependent upon the severity of the breach and the impact on WorkCover.

17.2.2 Unintentional Breaches

Upon the advice of the Information Systems Security Officer, the relevant manager shall take the appropriate advice and consulting action deemed appropriate with unintentional breaches of security.

17.2.3 Deliberate Violations

Staff who deliberately, or repeatedly violate security provisions shall have access privileges suspended until the appropriate remedial action has been determined.

17.2.4 Theft of Resources

The theft or suspected theft of any WorkCover resources, equipment or information shall be reported immediately to the manager of the department, the Fraud Prevention Department and the relevant authorities such as the police.

17.2.5 Internal Fraud

Where breaches of security have resulted in internal fraud or suspected fraud, the matter shall be referred to the Manager, Fraud Prevention for investigation and further action.

17.2.6 Privacy Requirements

Where breaches in security have resulted in non-compliance with statutory requirements regarding privacy of information in legislation such as the Workers Rehabilitation and Compensation Act 1986 as amended, Income Taxation Assessment Act 1936 as amended, or the Privacy Act 1988 as amended, the matter shall be referred to the Chief Manager to determine the appropriate action.

18 RESPONSIBILITIES

18.1 General

All employees of WorkCover, contractors to WorkCover, or external organisations and their employees with approved access, have the responsibility to use the WorkCover information systems, equipment and resources for authorised work-related purposes only and to use information for the purpose for which it is collected.

18.2 Information Systems Steering Committee

The Information Systems Steering Committee shall endorse the Information Systems Security Policy as an Information Systems policy of the WorkCover Corporation. The endorsed Information Systems Security Policy will be presented to the Finance and Audit Committee for information and comment.

18.3 Information Systems Manager

The Information Systems Manager has the responsibility to:-

- ensure that the Information Systems Security Policy is maintained;
- ensure procedures are established and maintained for all requirements of the policy;
- ensure that the established procedures for access to systems and information are followed at all times.

18.4 Client Services Manager

The Client Services Manager has the responsibility to:-

- ensure the efficient operation of access control mechanisms;
- conduct operational reviews of access mechanisms;
- continue the information security awareness program;
- review accesses made and privileges used by the Information Systems Security Officer;
- ensure staff in the area of responsibility comply with established procedures relating to access, confidentiality and availability of information systems.

18.5 Production Services Manager

The Production Services Manager has the responsibility to:-

- ensure the availability of information resources under the Information Systems Department control;
- ensure documented procedures exist for the operational areas under the manager's control;
- ensure staff in the area of responsibility comply with established procedures relating to access, confidentiality and availability of information systems.

18.6 Information Systems Security Officer

The Information Security Officer has the responsibility to:-

- develop new information security procedures in response to new or changing conditions having due regard for the effect on the operations of the affected areas;
- review procedures affecting information security to ensure that they are effective;
- review the security implications during application development and system modifications;
- prepare, schedule and conduct the continuing security awareness program for all staff in WorkCover in conjunction with the Organisation Development Department.

18.7 Applications Development Staff

All staff involved in specifying major application developments, or creating user-developed applications have the responsibility to:-

- consider the security provisions required for the protection of the system and information; and
- provide an analysis of the possible effects on the security of the system and the information used by it when implementing system modifications.

18.8 Internal Audit Department

The Internal Audit Department has the responsibility to:-

- review the controls on information systems as to their adequacy;
- review controls on financial and sensitive information; and
- be involved in new system developments to determine that proposed controls are adequate.

18.9 Fraud Prevention Manager

The Fraud Prevention Manager has the responsibility to:-

- propose fraud control measures for information systems;
- act on reports of theft of information systems equipment, or sensitive information; and
- investigate reports of fraud or suspected fraud occurring in the use of information systems.

18.10 Management

All managers have the responsibility to:-

- ensure that adequate security is maintained consistently over the information systems and associated data; and
- make all staff are aware of their responsibilities in relation to information systems security.

18.11 Staff

All staff have the responsibility to comply with the requirements of the Information Systems Security Policy.

19 EFFECTIVE DATE

This policy becomes effective on 1 August 1993.

20 REVISION

This policy must be reviewed on, or prior to, 31 July 1994 to ensure that the policy accurately reflects the security requirements for WorkCover's information systems.

APPROVED BY THE CHIEF EXECUTIVE OFFICER

Lewis Owens [signed]

Date: 11/8/93

Legislative history

Notes

- For further information relating to the Act and subordinate legislation made under the Act see the Index of South Australian Statutes or www.legislation.sa.gov.au.

Expiry of regulations

The *WorkCover Corporation (Claims Management—Contractual Arrangements) Regulations 1995* expired on 1.9.2006: see *Subordinate Legislation Act 1978*.

Principal regulations

Year	No	Reference	Commencement
1995	10	<i>Gazette 9.2.1995 p274</i>	6.4.1995: r 2