

Statement of Corporate Intent

2020–2021

Introduction

This Statement of Corporate Intent has been prepared under the direction of, and is submitted by, the WorkCover Queensland Board of Directors (WorkCover), in accordance with the *Workers' Compensation and Rehabilitation Act 2003* (the Act).

This Statement of Corporate Intent should be read in conjunction with the [2020–2024 WorkCover Queensland Corporate Plan](#).

Goals

- Our customers are at the heart of everything we do
- Our people are remarkable
- We work smart and innovate
- We are financially secure.

Main undertakings

WorkCover is a government owned statutory body and is the main provider of workers' compensation insurance in Queensland. A WorkCover accident insurance policy covers injured workers for their lost wages and medical and rehabilitation costs after a workplace accident, covers employers against these costs, and possible common law claims.

The main provisions of the Act provide the following for workers and employers:

- Compensation
- Access to damages
- Employers' liability for compensation
- Employers' obligation to be covered against liability for compensation and damages
- Management of compensation claims by WorkCover
- Injury management, emphasising rehabilitation and early return to suitable duties.

It is intended that WorkCover will:

- maintain a balance between:
 - providing the best possible benefits and RTW programs for injured workers, and
 - ensuring the lowest possible sustainable premiums for employers
- ensure that injured workers (and/or their dependents) and employers are treated fairly
- provide for injured workers and employers to participate in effective return to work (RTW) programs, and
- allow flexible, tailored and innovative insurance arrangements suited to the particular needs of industry.

Nature and scope of activities during 2020–2021

	GOAL	STRATEGIES
Claims management	We work smart and innovate	<ul style="list-style-type: none"> – Evaluate and implement our tailored care and support claims management model – Engage with key stakeholders and providers to review and develop options to optimise treating services and outcomes to realise improvements in quality, price, outcomes, and timely access to services – Implement key data analytics initiatives to support our people, customers and providers – Modernise our information management and digital technology to ensure they continue to provide cutting edge solutions for our people and our customers – Enhance our specialist claims management models to address <ul style="list-style-type: none"> ○ emerging trends and risks including COVID-19 ○ mental injuries and post-traumatic stress disorder (PTSD) ○ silicosis and other latent onset conditions ○ catastrophic injuries – Continue to evolve our common law panel management strategy – Research, test and implement intervention strategies to improve return to work outcomes and common law claims management.
Customer	Our customers are at the heart of everything we do	<p>Engage with customers, stakeholders, and our people to understand our customers' needs and deliver an excellent end-to-end customer experience:</p> <ul style="list-style-type: none"> – Continue to implement our regional engagement program – Continue to explore and offer tailored solutions for employers and workers – Enhance our customer research and insight program – Research, design and implement improvements to our customer segmentation, customers' end-to-end experience for claims, premium and relationship management

		<ul style="list-style-type: none"> – Improve common law experiences for injured workers and employers – Redesign our customer channels including the website to achieve better alignment to our customers' needs – Partner with the Office of Industrial Relations and other key stakeholders to educate and influence customers on improved safety, and return to work – Partner with customers and stakeholders (including Workplace Health and Safety) to pilot injury risk reduction initiatives.
People	Our people are remarkable	<ul style="list-style-type: none"> – Continue to develop our people including leadership performance and specialist knowledge through our learning and capability framework – Continue our commitment to diversity through inclusive and flexible work practices and community engagement – Prioritise our employee engagement, workplace safety and wellbeing initiatives – Implement graduate and emerging leaders programs.
Corporate	We are financially secure	<ul style="list-style-type: none"> – Appropriately price and collect premium, considering emerging trends in claims, workforce and employment arrangements including legislation changes and COVID 19 – Review and design innovative products that meet changing customer needs, focused on increasing choice and incentives for improved safety and claims experience – Retain and grow our customer base – Continue our focus on education and compliance activities so that Queensland businesses have the right level of insurance coverage – Manage and monitor the investment strategy – Modernise our technology base and digital operating model to enhance customer experience and support our current business operations ensuring we are capable of leveraging emerging opportunities – Monitor outcomes of recent legislative amendments.

Financial, non-performance targets and results

Performance indicators are focused at the corporate level. As part of WorkCover’s performance management system, managers and their people have indicators specifically directed to their business units.

INDICATOR	2020–2021 TARGET	WHAT DID WE ACHIEVE?
Claims management		
Final return to work (RTW)	94.0%	94.4%
Average cost of statutory claim	<\$11,000	\$11,108
Average cost of common law claim	<\$191,000	\$194,046
Customer		
Customer experience measure (Workers and employers)	7.6 / 10	7.5 / 10
People		
Employee engagement index	7.9 / 10	7.0 / 10
Financial		
Funding ratio	>120%	155%
Average premium rate	\$1.20	\$1.20

Capital structure and payments to the consolidated fund

In accordance with the Act, WorkCover is deemed to be fully funded if it is able to meet its liabilities for compensation and damages payable from its funds, accounts, and maintains capital adequacy as required under the *Workers’ Compensation and Rehabilitation Regulation 2014* (the Regulation). The Regulation states that in order to maintain capital adequacy, WorkCover’s total assets must at least be equal to total liabilities (this correlates to a funding ratio of 100%).

The Act allows for payments to be made to the consolidated fund. The WorkCover Board (the Board) will make a recommendation to the Minister with respect to such a payment (if any) following certification of the 2020–2021 financial statements.

WorkCover will also contribute to levies administered by the Regulator by way of an annual levy.

Borrowings made, proposed to be made

WorkCover currently has no borrowings and there are none planned for the immediate future. Investment funds are used to manage all cash flow requirements. WorkCover's borrowing policy is outlined below.

Policies adopted to minimise and manage risk of investments and borrowings that may adversely affect financial stability

Investment risk

WorkCover has a robust investment management program, maintaining a balanced investment profile with a long-term outlook commensurate with being a long-term insurance operation. WorkCover engages the Queensland Investment Corporation (QIC) as primary investment manager, with Mercer assisting with independent investment portfolio oversight and governance.

A strong investment management agreement governs WorkCover's arrangement with QIC. In addition, the Board monitors investments at each meeting and receives regular presentations from QIC. The Board reviews the investment strategy annually, and an independent review framework exists to continuously monitor the investment management program through focused quarterly reviews, including a holistic external strategy review every two years.

Derivative instruments are used as part of the investment strategy to hedge foreign exchange risks and rebalance asset classes.

Business risk

WorkCover has a risk management program in place. Risk registers are maintained and monitored by each business group. Strategies to manage risk are incorporated into each group's business planning process. The WorkCover Risk and Audit Committee is responsible for overseeing the risk management program, including reviewing and monitoring WorkCover's top strategic risks on a quarterly basis.

Borrowing risk

The Act provides the framework for WorkCover's procedures for borrowing. WorkCover may enter into such arrangements to procure equipment up to an amount and on such terms as it considers appropriate. All financing arrangements will be made in conjunction with the Queensland Treasury to establish that applicable rates are competitive, and conditions are appropriate. Board approval will be required for all financing arrangements over pre-defined expenditure limits. All limits are as stated in the WorkCover delegation manual.

Policies and procedures relating to acquisition and disposal of significant assets

In acquiring or disposing of significant assets, WorkCover complies with the *Financial and Performance Management Standard 2019* and Queensland Treasury guideline – *Non-Current Asset Policies for the Queensland Public Sector*.

Significant assets may be acquired via purchase, finance lease agreement, donations, or transfer from other government entities. A business case must be submitted to the Chief Executive Officer (CEO) and/or the Chief People and Financial Officer seeking approval. The CEO will present any major initiatives to the Board for approval.

Approval limits are as stated in the WorkCover delegation manual.

In disposing of significant assets, approval must be sought from the appropriate delegated authority. Approval limits are as stated in the WorkCover delegation manual.

Accounting policies applying to preparation of accounts

WorkCover's accounting policies are outlined each year in the Annual Report and are reviewed as part of the financial statements audit process. Further information on accounting policies is provided in WorkCover's Financial Management Practice Manual.

Community service obligations

It is not expected that the government will require WorkCover to perform any specific community service obligations.

Employment and industrial relations plan

WorkCover prepares an employment and industrial relations plan annually in accordance with the Act.

Information to be reported to the Minister

Quarterly reporting

A quarterly report is provided to the Minister within one month of the end of the relevant quarter, as required by the Act. The report contains information regarding WorkCover's performance against the Statement of Corporate Intent.

Annual reporting

A full annual report will be provided to the Minister in accordance with the Act and in compliance with the *Financial and Performance Management Standard 2019*, which requires WorkCover to give the annual report to the Minister to allow the report to be tabled in the Legislative Assembly within three months after the conclusion of each financial year.