

Self Insurers of South Australia Inc

EMPLOYERS MANAGING THEIR OWN RISK



**Annual Report
2007-08**





About SISA

The Self Insurers of South Australia (SISA) is an incorporated association that represents South Australia's largest private and public sector employers that are self insured under the *Workers Rehabilitation & Compensation Act*.

Our membership represents about 36% of the State's employment by remuneration. SISA was first incorporated on 3rd August 1984 as the Employer Managed Workers Compensation Association (EMWCA). Although it was known as SISA for many years beforehand, the name was officially changed from EMWCA to SISA in November 2005.

SISA is recognised as the sole representative organisation for self insured employers. It provides its member organisations with assistance and support in their interactions with the workers compensation scheme and promotes best practice in the prevention and management of workplace injuries.

SISA's objectives are to promote, develop and support the interests of its members by communication and liaison with WorkCover, Government, unions and other organisations in regard to self insurance.

Self insurers in South Australia cover a diverse range of industries, including pillars of the State economy such as winemaking, ship building, mining, steelmaking, automotive manufacturing, aged care, banking and utilities. The State public sector is also self insured.

SISA proudly represents the common interests of over one third of the employment of South Australia's working people. It remains a respected and authoritative voice in the governance of occupational health and safety and injury management in South Australia and beyond.

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Chairman's Report

Steve Standen

Safety, Health & Environment Manager, ABB Grain Ltd

The 2007-08 year has seen challenges and change...

I distinctly recall commencing my report to you last year with those very same words. However, last year, those words were primarily directed towards the challenges and changes faced by SISA as an organisation.

In 2007-08, the challenges and changes have been external. During the year we saw an unusually large number of major initiatives:

- A review of elements of the OHS&W regulations.
- The release of the Clayton Walsh Report on the workers compensation scheme, followed quickly by:
- The amendments to the *Workers Rehabilitation & Compensation Act*, the *WorkCover Corporation Act* and the publication of some of the regulations and other things that go with such extensive changes.
- The Statutory Authorities Review Committee inquiry into aspects of the WorkCover Corporation.
- The Federal Review of OH&S Laws.
- The Review of Comcare.
- Reviews of various aspects of the *Occupational Health, Safety and Welfare Act*.

It is fair to say that SISA has played a major role in both representing its members in these matters and maintaining a steady flow of timely and relevant information to the members. As Chair of SISA I lead you in recognising and applauding the untiring efforts of our SISA staff, Robin Shaw and Ngaire Henham, in keeping up with this extraordinary workload while maintaining the flow of normal member services, scheduled events and the maintenance of SISA as a functioning business, not to mention the move to a new office location, in itself a major undertaking.

“...the credibility of, and respect for, SISA...has grown...”

And through it all, I believe that the credibility of, and respect for, SISA as an organisation has grown substantially during the year. This has been reflected in the reporting and discussion of self insurance in Parliament and the media during the recent legislative debate.

As ever, I have enjoyed serving as SISA Chair. The association remains robust and ready for further growth in member services in the coming year.

My thanks to the Executive Committee and others who have been so generous with their time and expertise in guiding SISA through such a challenging year.

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Manager's Report

**Robin Shaw, Manager
Self Insurers of SA Inc**

Your Chairman has already touched on the unusually large number of things that have challenged SISA's expertise and resources in 2007-08. Without question, it has been a busy and rewarding year for SISA.

The office move to Hutt St has been very successful, in that it has provided enhanced facilities for members and has placed SISA in a more accessible location for many people.

The Clayton Walsh Review and the subsequent legislative reforms have of course dominated our attention in 2007-08. While most of the amendments hold few concerns for self insurers, the devil is in the detail, and as I write this, the implementation process is getting under way.

“...the legislative process has had beneficial effects for the cause of self insurance generally ...”

During the Parliamentary process, SISA was very active in seeking a few changes to the Bill against sometimes major resistance. Although we did not succeed in this endeavour, it was a major learning experience, and has identified opportunities to upgrade our capacity to project the views of self insurers into the decision-making centres.

However, the legislative process has had beneficial effects for the cause of self insurance generally. In most places where the amendments were discussed, there was general acknowledgement that self insurers did not have the liability concerns of the

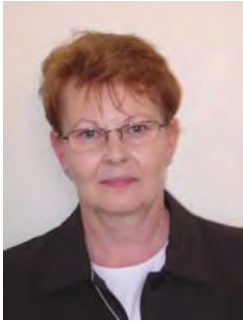
insured side of the scheme, and were performing well under the pre-amendment legislation. This served to heighten public awareness of self insurance and the very real advantages it offers to large employers and their employees as a model for OH&S management and return to work.

“2007-08 also saw SISA further expand and improve its services to members”.

2007-08 also saw SISA further expand and improve its services to members. In particular, our training services, delivered in partnership with ITR and NRS, expanded to include a Certificate IV course in injury claims administration, internal auditing and a range of other products delivered at discounted prices for SISA members. Our thanks go to ITR and NRS for their hard work in developing and delivering these products.

I must at this point also recognise the energy and enthusiasm of our Office Manager, Ngaire Henham. Being able to focus on the strategic direction and development of SISA in the sure knowledge that the smooth functioning of the association is in good hands has been of inestimable value to me and, I am sure, to the Executive Committee.

Finally, I must effusively thank our associate members for their advice, assistance and support in 2007-08. Your contributions have been essential to the association's progress.



Treasurer's Report

Di Routledge
Insurance & Workers Compensation Manager
Hills Industries Pty Ltd

“2007-08 has been a time of consolidation and reinforcement...”

From the financial perspective, 2007-08 has been a time of consolidation and reinforcement of SISA's finances and asset base.

Although we are a not-for-profit association, the maintenance of a sound asset base is essential for the sustainability of the association and the services it provides to its members.

The key event during the year from this perspective was the sale of the property at Torrensville, which realised a most satisfying return on the original investment. Since then, the SISA Executive Committee has been discussing future strategies aimed at putting those funds to work for SISA members in the form of:

- Enhanced organisational capability
- Improved facilities for members
- More sophisticated resources, and
- The professional representation of self insurers

The move to our new premises at Hutt St in the city in April 2008 saw a major upgrade in the association's accommodation and equipment, and I am confident that those who have visited the new office will agree that the investment was well worthwhile in terms of the quality and professionalism of SISA's public face.

As ever, the support of our sponsors and supporters has been of immeasurable value to SISA. Without their assistance, many of our events and services would not be deliverable to the extent that they are.

In this cost-sensitive world, the SISA Executive Committee was pleased to be able to advise members that SISA membership fees would not be increased for the 2008-09 year. In my view, that alone speaks volumes for the soundness of our financial position.

“...I can repose a high level of confidence in the reliability and accountability of the SISA financial systems”.

I must also acknowledge the efforts of the SISA Office Manager, Ngaire Henham. Her energetic work throughout the year to upgrade and improve all aspects of financial management has paid visible dividends. As Treasurer, I can repose a high level of confidence in the reliability and accountability of the SISA financial systems. SISA members can be confident that their funds are diligently and prudently administered.

SISA is well placed to make the 2008-09 year another successful time for our growing organisation.

The SISA Executive Committee 2007-08



Chairman
Steve Standen
Corporate OHS Manager
ABB Grain Ltd



Member
Mandy Rees-Peach
Manager, Workers
Compensation
Carter Holt Harvey Ltd



Deputy Chairman
Andrew Antony
Manager Environmental Health
Safety & Sustainability
Santos Ltd



Member
Steve Griffiths
Corporate Safety Manager
Audit & Governance
OneSteel Ltd



Treasurer
Di Routledge
Insurance/Workers
Compensation Manager
Hills Industries Ltd



Member
Simon Williams
Corporate Manager OHS
Bridgestone Australia Ltd



Member
Rob Edwards
Manager, Workers
Compensation Services
Local Government Association
Workers Compensation Scheme



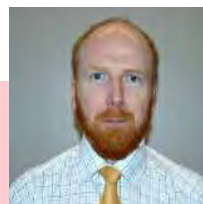
Member
Trish Bowe
Manager, Public Sector
Workforce Wellbeing, Public
Sector Workforce Division.



Member
Julianne Flower
Manager, Injury Prevention &
Management
Dept of Health



Member
Lee Anne Folkers
Manager, OH&S SA & NT
St George Bank Limited



Member
Paul Farmer
Manager Risk Management
Mitsubishi Motors Australia
Ltd

Executive Committee meeting attendance 2007-08

	Meetings ¹	Attended
Andrew Antony	9	6
Trish Bowe	9	7
Rob Edwards	9	8
Paul Farmer	9	6
Julianne Flower	9	7
Lee-Anne Folkers	9	5
Steve Griffiths	9	4
Mandy Rees-Peach	9	3
Di Routledge	9	7
Steve Standen	9	6
Simon Williams	9	6
Darrin Wright ²	2	1

1. Meetings held for which the member was eligible to attend. The August 2007 and February 2008 meetings were cancelled. There was no meeting scheduled for January 2008.
2. Membership ceased November 2007 due to change of employment.

Self Insurance

Safer work and better workplace injury outcomes in South Australia

Getting the message out

In 2007-08, SISA published a poster emphasising the merits of self insurance as a business model for large employers. The poster is A2 size and is available at no charge to members.

Contact the SISA office to obtain copies for your noticeboards and corporate displays.



A better OH&S and workers compensation business solution for large employers and their employees

Safer work at South Australian self insured workplaces means:

- Continuously improving OH&S systems consistent with national standards
- Corporate ownership of OH&S
- Systematic employee consultation
- Easy access to training, services and information
- Focus on OH&S legislative compliance
- Regular review by WorkCover
- Fewer lost time injuries than other employers
- Regular reviews of management systems
- Integration of OH&S in all management systems and practices

Better workplace injury outcomes at South Australian self insured workplaces means:

- Flexible, workplace based injury management
- Open, clear communication
- Injured workers treated as individuals
- Easy access to services and information
- Swift claim decisions and prompt payments
- Earlier return to safe and rewarding work
- Systematic employee consultation
- Better results with lower cost
- Regular review by WorkCover
- Regular reviews of management systems

Report on progress against our constitutional objectives

To promote and support the role of self insurer practitioners in performing their functions within the workers' rehabilitation and compensation system, and the occupational health, safety and welfare system.

To provide education and training to full members in regard to occupational health and safety and injury management

Progress in 2007-08:

- Through most of the year, SISA regularly briefed members on the content of the Clayton Walsh Report shortly after that document was published.
- We informed members of the content and implications of the *Workers Rehabilitation & Compensation (Scheme Review) Amendment Bill* as it progressed through Parliament.
- We provided extensive advice, documentation and regular updates to all SISA members on the effects and implementation of the legislative amendments stemming from the Clayton Walsh Review.
- In partnership with Innovative Training & Recruitment, SISA continues to deliver of the Certificate IV in Government (Injury Claims Administration) and the Claims Essentials course to its members in a form tailored to the needs of self insurance.
- In partnership with National Risk Solutions and ITR, a wider range of other training such as internal auditing and the Certificate IV in OH&S has been made available at a very competitive price.
- Responsible officer and OH&S committee representatives training will also be offered when the regulatory arrangements are settled.
- The annual SISA Awards recognise the achievements of practitioners and employees in the industry.
- SISA joins forces with associate members to regularly visit the south-east and iron triangle regions to keep the regionally-based members informed of developments.

Report on progress against our constitutional objectives

To provide a united voice for Self Insurers, and to promote and develop strategies which support the interests of Full Members.

To be a representative Association on behalf of Full Members' interests with relevant Government Agencies and other Bodies

To initiate and provide advocacy for change in terms of legislation and best practice

Progress in 2007-08:

- In the second half of the year, SISA energetically lobbied Members of Parliament to propose key changes to the *Workers Rehabilitation & Compensation (Scheme Review) Amendment Bill*. While we succeeded in having motions put and questions asked in Parliament, these were ultimately unsuccessful. However, these efforts brought widespread recognition in Parliament and the media of the excellence of self insurer practices in OH&S and return to work.
- SISA through the National Council of Self Insurers has also provided submissions to the Federal Review of Comcare and is participating in a consultative group dealing with aspects of the replacement of the Australian Safety & Compensation Commission.
- In April 2008, SISA gave evidence to the Statutory Authorities Review Committee inquiry into certain aspects of the workers compensation scheme.
- In June 2008, the SISA Manager was appointed to the Workers Rehabilitation & Compensation Advisory Committee.
- SISA is also represented on:
 - The National Council of Self Insurers (Chair)
 - The Business SA OH&S & Workers Compensation Group
 - The WorkCover stakeholder consultation system
 - TRACsa Best Practice Task Force
 - WorkCover Multi-Disciplinary Steering Group
 - Working parties and consultative groups dealing with legislative changes
 - The Dept of Recreation & Sport 'be active' workplace fitness project
- During the year, SISA visited many of its members to provide one-on-one briefings about developments, collect information, provide advice and address issues of concern.

Report on progress against our constitutional objectives

To promote occupational health and safety and injury management best practice

Progress in 2007-08:

- SISA maintains its presence on the TRACsa State Best Practice Task Force to contribute to the process of identifying best practice in injury and medical management.
- SISA is also represented on the WorkCover Multi-Disciplinary Steering Group, which seeks to:
 - Provide WorkCover with feedback, advice and recommendations about relevant projects and initiatives.
 - Assist with the development of various tools and initiatives to support improved recovery rates and health outcomes.
 - Participate in pilots as required by relevant projects and initiatives.
 - Review initiatives which have a multidisciplinary approach.
 - Gain support for the release of best practice guidelines or initiatives.
- In 2008, the SISA Manager was appointed to the Workers Rehabilitation & Compensation Advisory Committee.
- The annual SISA awards encourage and recognise best practice and include an award for best practice in managing contractor and supplier occupational health and safety.
- Working in collaboration with WorkCover, SISA sponsors a Self Insured Employer Excellence Award as part of the annual Recovery and Return to Work Awards.
- A variety of presenters at general meetings have provided members with a broad range of information including workplace fitness, allied health, psychological and social factors and return to work strategies.
- In January 2008, SISA completed and submitted a business case to WorkCover advocating the optional use of 3rd party auditors. (At the time of writing this report, this project was in abeyance while legislative changes were being addressed).

- **Report on progress against our constitutional objectives**

To provide support to associate members seeking exempt status.

To provide a resource of information to associate members where consistent with the interests of self insurers

To provide a resource of information and support to full members.

Progress in 2007-08:

- In 2007-08, SISA provided active support and advice to those associate members that are in various stages of preparation for self insurance
- All full and associate members have been kept informed of developments regarding self insurance, and in turn, the support and advice of the associate members has been of great value to SISA and the full members.
- SISA has alerted its members from time to time to matters of interest such as regulatory and legislative developments, product offerings, training and seminars. The associate members have played a crucial role in our ability to do this, and SISA is please to be able to facilitate their communication to the other members.
- SISA has also responded to numerous requests by members for direct support, advice and problem solving with regard to issues as diverse as audit issues, financial and prudential criteria, renewal processes, SafeWork SA programs, exit fees and the interpretation of elements of legislation.
- The new SISA website has proved to be an invaluable source of advice to all members as well as non-members.
- Associate members have been involved in the sponsorship and support of meetings, the annual seminar and the awards dinner, and their generous support is much appreciated.
- The SISA website continues to provide an important hub of communication and information for associate members, and their ongoing contributions to, and support for, the site is a key to SISA's success.

SISA membership as at 30 June 2008 - Full members

ABB Grain Ltd
Aged Care & Housing Group
Adelaide Brighton Cement
Advertiser Newspapers Pty Ltd
AGL Torrens Island Pty Ltd
ANZ Banking Group Ltd
Arnotts Biscuits Ltd
Arrowcrest Group Pty Ltd
Australian Submarine Corp Pty Ltd
Auspine Ltd
Balfours Pty Ltd
BHP Billiton Ltd
Bluescope Steel Ltd
Boral Ltd
Bridgestone Australia Ltd
Bridgestone TG Australia Pty Ltd
Carl Zeiss Vision Australia Pty Ltd
Carter Holt Harvey Ltd
Catholic Church Insurances Ltd
Clipsal Australia Pty Ltd
Coca Cola Amatil Pty Ltd
Coles Group Ltd
Commonwealth Bank of Australia Ltd
Cooper Standard Automotive Pty Ltd
David Jones Pty Ltd
Dept of Education & Childrens Services
Department for Families & Communities
Department of Health
Detmold Packaging Ltd
Drake Foodmarkets Ltd
Elderly Citizens Homes Inc
ElectraNet SA Ltd
Electrolux Home Products Ltd
Exacto Plastics Pty Ltd
Flinders Ports South Australia
Flinders Power
Flinders University
Foster's Group Limited Ltd
General Motors Holden Ltd
Hardy Wine Company Ltd
Healthscope Ltd
Hills Industries Ltd
Inghams Enterprises Pty Ltd
Intercast & Forge Pty Ltd
Justice Portfolio Services Division
Kimberly-Clark Australia Ltd
Local Government Association Workers
Compensation Scheme
Mitsubishi Motors Australia Ltd
National Foods Ltd
Nyrstar Port Pirie Pty Ltd
OneSteel Ltd
Origin Energy Ltd
Pernod Ricard Pacific Ltd
Philmac Pty Ltd
Public Sector Workforce Relations
Resthaven Inc
Rinker Group Ltd
Royal Automobile Association of SA Inc
SA Brewing Company Ltd
SA Water Corporation
Samuel Smith & Son Pty Ltd
Santos Ltd
Skilled Group Ltd
Southern Cross Care (SA) Inc
St George Bank Ltd
Stamford Hotels & Resorts Pty Ltd
Symbion Health Ltd
Tenneco Automotive
The Smiths Snackfood Company Ltd
The University of Adelaide
TransAdelaide
Transfield Services (Aust) Pty Ltd
United Water International Pty Ltd
Uniting Care Wesley Port Adelaide Inc
University of South Australia
Utilities Management Pty Ltd
Vedior Asia Pacific Pty Ltd
Visiocorp Australia Pty. Ltd.
Westpac Banking Corporation Ltd
Woolworths Ltd

SISA membership as at 30 June 2008 - Associate Members

Advanced Personnel Management
Anglicare SA
Applied Innovative Services
Bilfinger Berger Australia Pty Ltd
Beckmann & Associates
Bunnings Group Ltd
Cambridge Integrated Services Australia
CGU Safety & Risk Services
Chandler McLeod Ltd
Compass Group Australia Ltd
Corporate Health Group
CRS Australia
De Poi Consultancy Services Pty Ltd
Department for Correctional Services
Dept for Further Education, Employment,
Science & Technology
Department for Transport, Energy &
Infrastructure
Dept of Water, Land & Biodiversity
Conservation
DLA Phillips Fox
Donaldson Walsh Lawyers
Duddy Shopov Lawyers
Effective Consulting and Rehabilitation
Eldercare Incorporated
EMA Consulting
Employers Mutual Ltd
Enable Consultation Services
Finlaysons Lawyers
Forestry SA
Gallagher Bassett Services
Health by Design Pty Ltd
Health Safety Environment Australia Pty Ltd
Hungry Jack's Pty Ltd
IFB Integrity Group Pty Ltd
Intelligent People Management
Jardine Lloyd Thompson Pty Ltd
Jobfit Pty Ltd
Kingswood Investigations Pty Ltd
Konekt Pty Ltd
Lawson Risk Management Services Pty Ltd
Liberty International Underwriters
Marsh Pty Ltd
Medico Legal Consultants of Australia
Minter Ellison Lawyers
MPOT
MS Vocational Services
Myer Ltd
Natalie Bottroff & Associates
National Risk Solutions Pty Ltd
Nicholas Anthony & Associates Pty Ltd
Pinnacle Workplace Consultants Pty Ltd
Piper Alderman
QANTAS Airways Limited
QBE Insurance Australia Ltd
QPL Ltd
Ramsey Investigation Services
SAI Global Assurance Services
Scotford & Fennessy
Sparke Helmore Lawyers
T & R Murray Bridge Pty Ltd
Teys Bros (Naracoorte) Pty Ltd
Verifact
WCD Workers Compensation Solutions Pty Ltd
Wilson People Management
Work Solutions Australia

A winning year for self insurers - the inaugural WorkCover Rehabilitation & Return to Work Awards

The winners of WorkCover SA's inaugural Recovery and Return to Work Awards were announced on Wednesday 19 September 2007.

SISA was delighted to see ECH Inc win the Self Insurer Excellence Award, and also congratulated SA Ambulance Service and United Water on being declared finalists. Following up on ECH's success, Tricia Kaukas of Drake Foodmarkets won the Claims Manager Excellence Award, with Leeanne Wilmshurst from Queen Elizabeth Hospital being declared a finalist.

Self-insured employer excellence award 2007



Claims manager excellence award 2007



SISA also congratulated associate member Corporate Health Group on being declared joint winner of the Service Provider Excellence Award

A winning year for self insurers – the SISA Awards 2007

A highlight of 2007-08 was the SISA Awards Dinner on 17 August.



A full house of 240 members and guests heard Sir James Hardy (left) talk about a few of the many interesting experiences of his fascinating life.

SISA Chair Steve Standen and Master of Ceremonies, Mike Smithson of Channel 7, led the proceedings, during which awards were presented to the winners in a range of categories:

Injury Prevention Certificate of Commendation joint recipients:

- **Arnott's Biscuits Pty Ltd**
- **City of Port Adelaide Enfield**

Injury Prevention Award joint winners:

- **Coles Liquor Group Ltd**
- **Santos Ltd**

Injury Management Award winner - **South Australia Police**

Consolidated Approach Award joint winners:

- **Southern Cross Care (SA) Inc**
- **Santos Ltd**

Best Practitioner Certificate of Commendation - **Glyn Williams, Southern Cross Care Inc**

Best Practitioner Award winner - **John Sargaison, Santos Ltd**

Outstanding Employee Contribution Award winner - **David Tassotti, Coles Liquor Group Ltd**

Supplier & Subcontractor Management Certificate of Commendation - **Clipsal Australia Pty Ltd**

Supplier & Subcontractor Management Award winner - **Santos Ltd**



The head table at the SISA Awards Dinner 2007



Top (L to R) Peter Hampton, Director, SafeWork SA, Mitch Williams MP, Shadow Minister for Industrial Relations, Sir James Hardy, Steve Standen, Chair SISA, Mike Smithson, Channel 7, Robin Shaw, Manager SISA Front Liz Furler, Executive Director, TRACsa, Ngaire Henham, Office Manager SISA, Julia Davison, CEO WorkCover, Barbara Rajkowska, Board Member WorkCover

Some of the winners



A winning year for self insurers – the 2007 Safe Work Week Awards

Self insurers were strongly represented among the winners of the 2007 Safe Work Week Awards.

Best Workplace Health and Safety Management System
Santos Limited

Best Solution to an Identified Workplace Health and Safety Issue
BOS Shift 2 OneSteel

Employer of the Year – joint winners:
Hardy Wine Company and Santos Limited

Employee of the Year
Veronica Wilkey of tafeSA Regional

Health and Safety Representative of the Year
Wayne McCoy of GM Holden Ltd

Best Public Event Safety
City of Port Adelaide Enfield



*Congratulations to all of the winners of the
2007 Safe Work Week Awards*



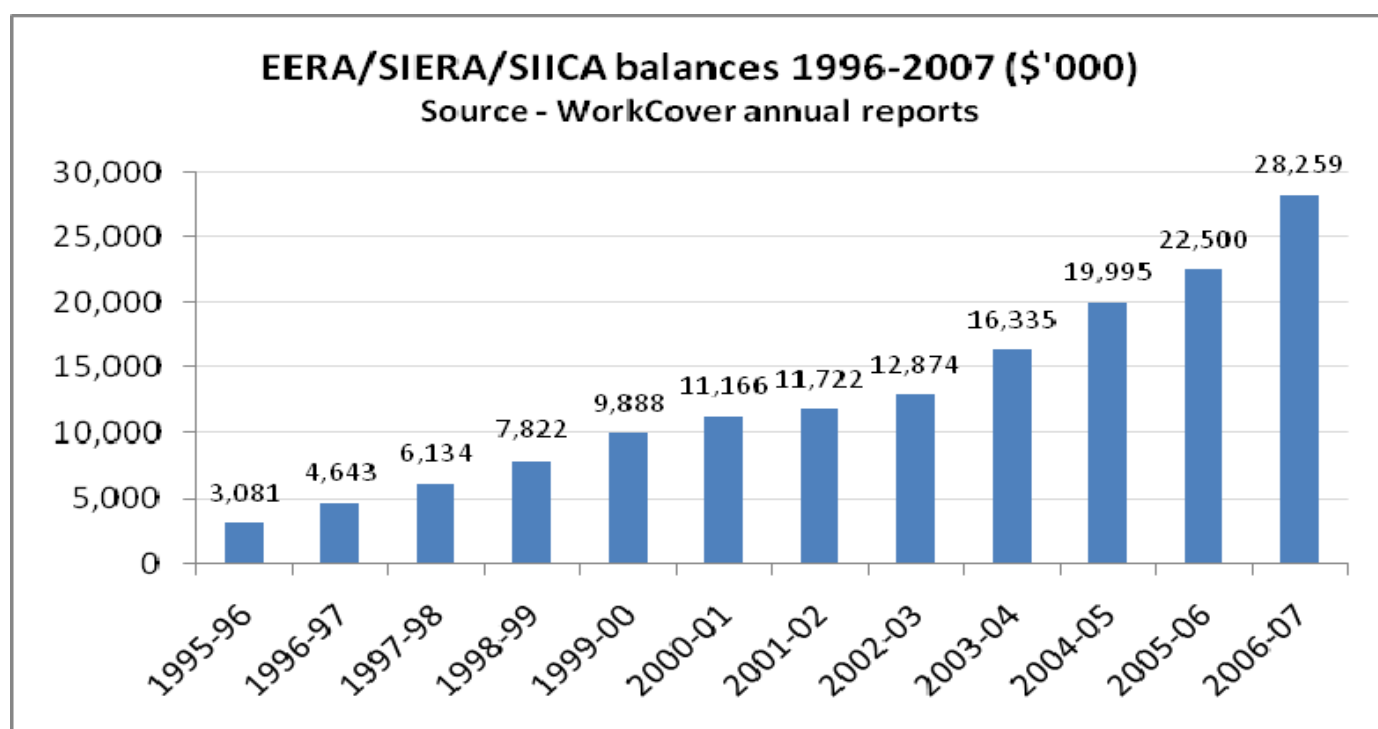
Self Insurer Insolvency Contribution Aggregate – Status Report

The Self Insurer Insolvency Contribution Aggregate (SIICA) was previously known as the Exempt Employer Reserve Account (EERA) and the Self Insured Employer Reserve Account (SIERA). The 2006-07 SISA Annual Report summarised the history of these arrangements.

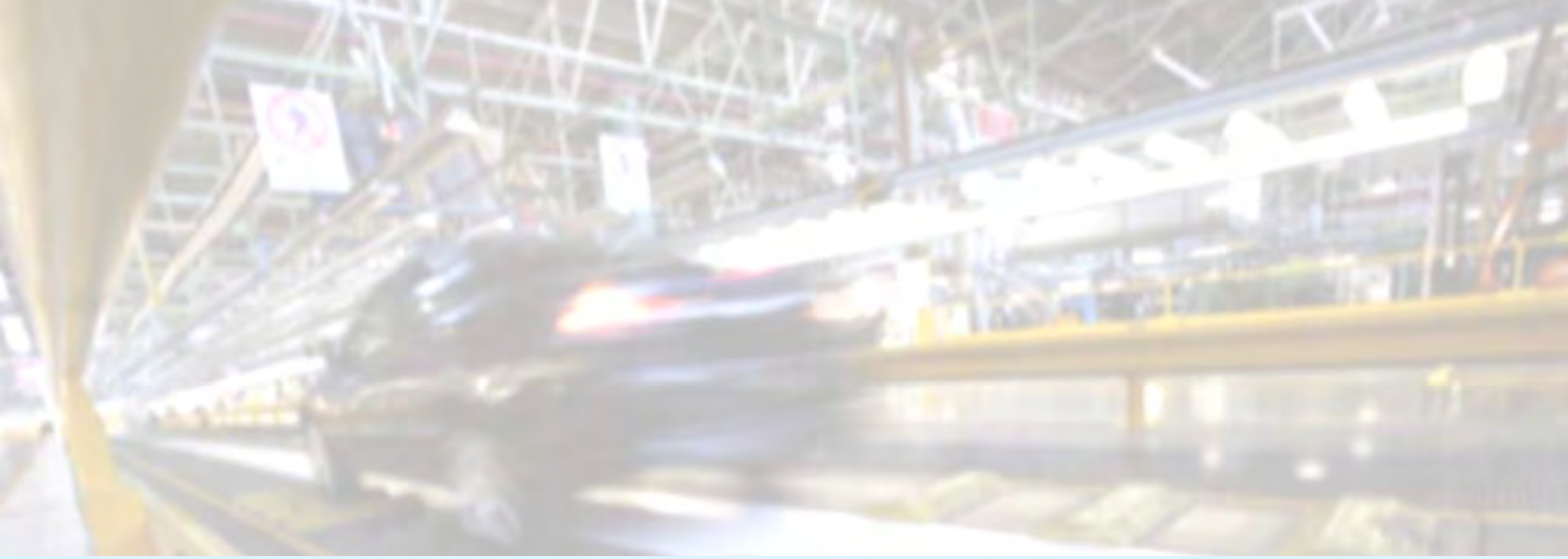
The Exempt Employer Reserve Account originally commenced on 1 January 1996. Its purpose is to protect the WorkCover Compensation Fund from losses stemming from shortfalls in financial guarantees in the event of a self insurer becoming insolvent. It was renamed the SIICA in 2007 after WorkCover revised the arrangements based on legal advice. The aggregate consists of \$2.5 million initially contributed by WorkCover, the accumulated contributions of self insurers and the investment earnings of those contributions.

All self insurers are required to contribute 1% of their notional levy to the SIICA for 10 years after their initial grant of self insurance.

The year on year growth of the SIICA is as follows:



The 2007-08 balance will not be known until WorkCover's accounts are available in September 2008.



SISA thanks Hills Industries Ltd for their assistance in the production of this report

