



# ANNUAL REPORT 2021/22

*Reflecting on the past, focusing on the future*

## ACKNOWLEDGEMENT OF COUNTRY

WorkCover WA acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community.

We pay our respects to all Aboriginal communities and their cultures, to Elders past, present and emerging.



2 Bedbrook Place  
Shenton Park  
Western Australia 6008

[workcover.wa.gov.au](http://workcover.wa.gov.au)

telephone 08 9388 5555  
advisory services 1300 794 744  
TTY 08 9388 5537



@WorkCoverWA

## ACCESSIBILITY STATEMENT

WorkCover WA strives to achieve online accessibility to be inclusive of a wide range of people, including people with disability.

This annual report can be viewed in PDF format on the WorkCover WA website. It may be copied in whole or part with acknowledgement of WorkCover WA.

## CONTENTS

2	Statement of Compliance		
<b>3</b>	<b>SECTION 1: EXECUTIVE SUMMARY</b>	<b>43</b>	<b>SECTION 3: DISCLOSURES AND LEGAL COMPLIANCE</b>
4	Overview	45	Key Performance Indicators
8	Scorecard	60	Other Disclosures
10	Operations	66	Government Policy Requirements
<b>27</b>	<b>SECTION 2: PERFORMANCE</b>	<b>75</b>	<b>SECTION 4: FINANCIAL STATEMENTS</b>
28	Scheme Performance	76	Certification of Financial Statements
30	Service One: Scheme Regulation	82	Notes to the Financial Statements
38	Service Two: Scheme Services		



## COVER ARTWORK

**Title:** Gathering Place

**Artist:** Luke “Joordah” Riches.

The artwork elements illustrate WorkCover WA as a location where people from all walks of life can gather to discuss events, share stories and find solutions for individuals and communities. It is backdropped by the desert sands of Western Australia and highlights the five WorkCover WA values.



## STATEMENT OF COMPLIANCE

To the Hon. Bill Johnston MLA, Minister for Industrial Relations,

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament the Annual Report of WorkCover Western Australia Authority for the reporting period ending 30 June 2022.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*, and where applicable, a statement acknowledging the incorporation within the report of any special reporting requirements imposed upon WorkCover Western Australia Authority by any other written law.

The financial statements comply with Australian Accounting Standards – Simplified Disclosure Requirements issued by the Australian Accounting Standards Board.

**Victoria Wilmot**  
Board Member  
WorkCover Western Australia Authority  
30 August 2022

**Chris White**  
Chief Executive Officer  
WorkCover Western Australia Authority  
30 August 2022

## Section One

# Executive Summary

WorkCover WA contributes to the Government Goal 'Sustainable Finances' by delivering services aimed at minimising the social and economic impact of work-related injury and disease on workers, employers and the community.



## EXECUTIVE SUMMARY

## ACTIVITY OVERVIEW

## Workers

Following compliance investigations by WorkCover WA, an additional 1,001 workers are now covered by a workers' compensation policy.

The impact of any potential uninsured claims has now been mitigated for these workers.

## Employers

WorkCover WA ensured an additional 554 employers obtained a workers' compensation policy after compliance investigations commenced.

The increase in voluntary compliance initiatives led to fewer employers requiring compliance investigations.

## Dependants

When a worker has died as a result of a work-related injury, a claim for compensation can be made by the worker's dependant(s).

WorkCover WA received 17 applications related to dependancy claims, compared to 18 in 2020/21.

## Insurers

Performance indicators outlined in the *Insurer and Self-insurer Principles and Standards of Practice* were applied to seven insurers and 23 self-insurers.

An increase in oversight by WorkCover WA resulted in an immediate decrease of 33% in long-term pended claims across the scheme.

## Workplace Rehabilitation

WorkCover WA applied a new regulatory framework, the *Workplace Rehabilitation Providers Principles and Standards of Practice* to 43 approved providers.

New standards articulated six priority areas which have the greatest potential to positively impact workers and employers.

## Assistance

WorkCover WA provides clear and consistent advice and assistance to stakeholders.

During the year 17,587 requests for advice and assistance were received through multiple channels with a service result of 98%, demonstrating a high level of satisfaction.

### Safety Net

WorkCover WA oversees claims by injured workers when employers are uninsured.

In 2021/22, 39 potential uninsured claims were investigated, a decrease from 49 in 2020/21. Of these, 24 were accepted uninsured claims in 2021/22 compared to four in 2020/21. WorkCover WA made payments to five workers of uninsured employers.

### Enforcement

WorkCover WA investigated 783 employers who potentially did not have a policy of insurance. This was an increase of 4% from 2020/21.

During the year, 92 prosecutions were completed. There was a 100% conviction rate.

### Conciliation

If a dispute cannot be resolved through negotiation, parties can make an application to WorkCover WA's Conciliation Service. Conciliation aims to resolve disputes between parties by agreement.

There was an increase in conciliations completed in 2021/22 with 2,240 compared to 2,001 in 2020/21.

### Arbitration

If disputes cannot be resolved through conciliation, an application can be made to WorkCover WA's Arbitration Service.

There were 532 matters resolved in the Arbitration Service.





## EXECUTIVE SUMMARY

## BOARD OVERVIEW

**It has been heartening to watch the continued resilience of the Western Australian community.**

In what was a challenging year, dominated by efforts to prevent the spread of COVID-19, the Board drew inspiration from our frontline staff who continued to provide the Western Australian community with uninterrupted access to WorkCover WA's services.

In support of Government efforts to keep frontline workers safe WorkCover WA implemented a 2021 election commitment which established a presumption of work related injury for ambulance workers suffering post-traumatic stress disorder.

We are pleased these workers will not be required to go through lengthy and costly claim investigations to provide evidence for their claim.

We also continued to work with stakeholders to ensure COVID-19 related claims were resolved and injured workers could return to work. The challenges of the past 12 months have only served to strengthen our resolve to improve outcomes for workers and employers.

The Board is committed to understanding examples of best practice from across the scheme and within other jurisdictions. We used this knowledge to engage in a strategic planning process. With the launch of the *Strategic Plan 2022-2025: Building on Strength*, we are well positioned to work collaboratively to deliver more effective solutions and outcomes for the community.

We acknowledge the former Minister for Industrial Relations, Hon. Stephen Dawson MLC for his support of the scheme during his tenure as Minister. The Board was pleased to recommence working with the Hon. Bill Johnston MLA in December 2021.

We take this opportunity to thank Chris White and the WorkCover WA executive for their contributions and leadership through the challenges of the last year.

On behalf of the Board, thank you to Chris and all the staff of WorkCover WA for their dedication to the scheme and the people of Western Australia.

What we have accomplished is a reminder of the importance of our work in the community and our enduring commitment to improving outcomes for injured workers and employers.

Our goals for the upcoming year are clearly defined. Each of us on the Board are committed to supporting the delivery of a world-class workers' compensation scheme.

**WorkCover WA Board**



## EXECUTIVE SUMMARY

## CHIEF EXECUTIVE OFFICER OVERVIEW



**In navigating and responding to COVID-19 over the last year, WorkCover WA has adapted quickly to maintain continuity of services during the pandemic. My sincere thanks to the team at WorkCover WA for their resilience and flexibility, and for bringing their best to work during these challenging times.**

The wellbeing of our staff is a high priority and the reason we have been able to provide a high level of service to stakeholders throughout the pandemic. COVID-19 safe plans and information were regularly reviewed and updated, ensuring our employees had the latest information on maintaining a safe work environment, whether working from home or in the office.

Recognising and celebrating the diversity of our workforce and stakeholders was also a focus during 2021/22. Understanding where skill shortages exist and where talent management is required is a part of our role as a regulator. During the year, we launched *Foundations of Workers' Compensation: Claims Managers* and the *Claims Managers Capability Framework* to build the capacity of our external stakeholders.

This online course is a foundational training tool to support insurers and self-insurers to develop and retain a responsive and capable claims management workforce.

WorkCover WA was pleased to support the Government to deliver a 2021 election commitment to progress a Bill to redraft workers' compensation laws in Western Australia. The release of the draft Bill is a milestone in our journey to modernise workers' compensation in Western Australia.

A widespread public consultation process has ensured stakeholders were able to provide feedback on the Bill prior to its anticipated introduction into State Parliament in 2022/23.

The Bill also implements the Government's commitment to increase the cap on medical and health expenses and extend the point at which a worker's income compensation payments step down, from 13 to 26 weeks. Importantly, lifetime care and support arrangements for catastrophically injured workers delivers on a commitment between the Commonwealth and State Governments.

With legislative and policy foundations almost in place, a significant body of work has commenced in preparation for implementation. A new Act will provide us all with an opportunity to challenge the way we work, both within the agency and across the scheme.

Over the past 12 months the Board has supported us every step of the way. I take this opportunity to express my appreciation to every member of the Board. The Board ensures WorkCover WA remains contemporary, fit for purpose and sustainable.

Finally, thank you to the staff across the agency. Everyone at WorkCover WA should be proud of what was achieved in 2021/22. I am optimistic for the year ahead and look forward to continuing to deliver excellent service to the community of Western Australia.

**Chris White**  
Chief Executive Officer  
WorkCover WA

## WORKCOVER WA SCORE CARD

## FINANCIAL SNAPSHOT

The majority of funding (83.73%) for WorkCover WA's activities is derived from insurer contributions in the form of an annual levy on approved workers' compensation insurers and employers who are approved by WorkCover WA to self-insure.

Table 1: WorkCover WA totals for 2021/22

Revenue	\$23.875 million
Expenditure	\$22.359 million

Employee benefits (wages, salaries and superannuation) account for most of agency expenditure. The remaining funds were expended on supplies and services, accommodation, grants, uninsured claims and other expenses.

Table 2: WorkCover WA expenditure for 2021/22

Employee benefits expenses	\$14.998 million (67.08%)
Supplies and services	\$2.997 million (13.40%)
Depreciation and amortisation expenses	\$1.188 million (5.31%)
Accommodation expenses	\$0.729 million (3.26%)
Grants and subsidies	\$0.070 million (0.31%)
Claims expenses	\$0.994 million (4.45%)
Other expenses	\$1.375 million (6.15%)
Loss on disposal of non-current assets	\$0.008 million (0.04%)

## Revenue Snapshot

**\$19.990 M**

Insurer and self-insurer  
contributions

**\$2.024 M**

*Employers' Indemnity  
Supplementations  
Fund recoveries*

**\$0.468 M**

Interest revenue

**\$1.393 M**

Other revenue

## WORKCOVER WA SCORE CARD

## PERFORMANCE SNAPSHOT

The outcomes of WorkCover WA's activities and services are measured by Key Performance Indicators (KPIs) evaluating effectiveness and efficiency. The 2021/22 snapshot provides a scorecard of our performance for the year.

## Key Effectiveness Performance

Effectiveness indicators measure WorkCover WA's performance in achieving outcomes.

Table 3: Indicators of Effectiveness Snapshot

No.	Description	2021/22 Target	2021/22 Result
1.1	The number of non-compliance events identified as a result of a claim on the General Account	5	5
1.2	The proportion of conciliations completed within eight weeks	97.0%	90.8%
1.3	The proportion of disputes resolved within six months	90.0%	83.6%

## Key Efficiency Performance

Efficiency indicators measure the overall efficiency in delivering WorkCover WA's services.

Table 4: Indicators of Efficiency Snapshot

No.	Description	2021/22 Target	2021/22 Result
1.1	Average cost per employer compliance activity	\$318	\$211
1.2	Average cost per approved and monitored service provider	\$3,374	\$3,015
1.3	Average cost per client contact to provide information and advice	\$86	\$77
2.1	Average cost to complete a conciliation	\$1,958	\$1,980
2.2	Average cost to complete an arbitration	\$9,029	\$10,739
2.3	Average cost to process a Memorandum of Agreement	\$472	\$525

## WORKCOVER WA OPERATIONS

## ENABLING LEGISLATION

**WorkCover WA is a statutory authority accountable to the Minister for Industrial Relations and is the government agency responsible for regulating and administering the workers' compensation scheme in Western Australia.**

WorkCover WA is constituted under the *Workers' Compensation and Injury Management Act 1981* (the Act).

The following legislation enables WorkCover WA in the performance of its functions:

- *Workers' Compensation and Injury Management Act 1981*
- *Employers' Indemnity Supplementation Fund Act 1980*
- *Workers' Compensation and Injury Management (Acts of Terrorism) Act 2001*
- *Waterfront Workers (Compensation for Asbestos Related Diseases) Act 1986*
- *Employers Indemnity Policies (Premium Rates) Act 1990.*

The following subsidiary instruments support the enabling legislation:

- *Workers' Compensation and Injury Management Regulations 1982*
- *Workers' Compensation Code of Practice (Injury Management) 2005*
- *Workers' Compensation and Injury Management (Scales of Fees) Regulations 1998*
- *Workers' Compensation (Legal Profession and Registered Agents) Costs Determination 2018*
- *Workers' Compensation and Rehabilitation (Acts of Terrorism) (Final Day) Regulations 2002*
- *WorkCover Western Australia Guides for the Evaluation of Permanent Impairment – Fourth Edition*
- *Workers' Compensation and Injury Management Conciliation Rules 2011*
- *Workers' Compensation and Injury Management Arbitration Rules 2011.*

WorkCover WA complies with all state and federal legislation impacting on its activities.

### The Western Australian Scheme

The scheme is designed to ensure workers suffering a work-related injury or illness are compensated for lost wages, medical expenses and other associated costs.

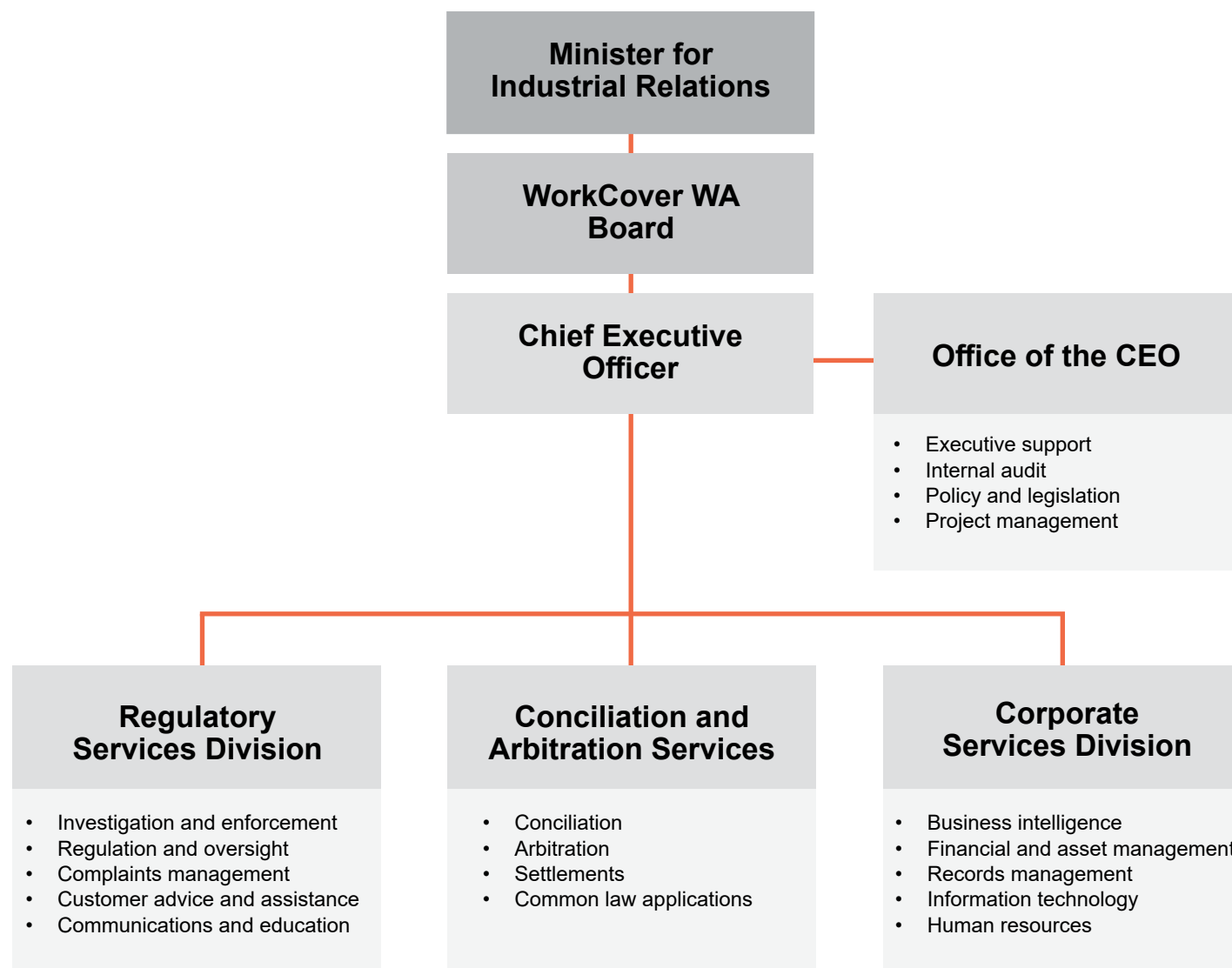
WorkCover WA regulates the scheme under the Act, with the primary objective to ensure work-related injuries are actively managed to assist injured workers to achieve a safe and sustained return to work.

The scheme is based on a 'no-fault' principle, meaning an injured worker does not need to establish anyone was at fault or negligent to make a claim. The Western Australian scheme is the largest privately underwritten workers' compensation scheme in Australia.

The Act requires employers to maintain current workers' compensation insurance coverage for full-time, part-time and casual employees, and in some circumstances, contractors and subcontractors.

The scheme includes entitlements for injured workers and dependants of deceased workers, as well as processes for noise induced hearing loss, assessment of permanent impairment and claims finalised through settlement by lump sum payment.

## WORKCOVER WA OPERATIONS

**ORGANISATIONAL STRUCTURE****Agency Snapshot****Funding**

Funding is derived via a direct annual levy on approved workers' compensation insurers and on employers who are approved to self-insure.

**Resources**

WorkCover WA commits resources to achieve initiatives aligned with the Board's strategic priorities and Annual Business Plan.

**Administration**

The day-to-day administration of WorkCover WA is delegated by the Board to the CEO who directs the agency's operations.

## WORKCOVER WA OPERATIONS

### AGENCY OUTCOME

Ensure a workers' compensation and injury management scheme that is financially viable, contemporary and integrated, whilst providing services that are fair, accessible, timely and cost effective for all participants.

#### LEADERSHIP

### WORKCOVER WA BOARD

The WorkCover Western Australia Authority Board (the Board) consists of a Chair and members appointed by the Governor of Western Australia on the advice of the Minister for Industrial Relations.

#### The Board is responsible for:

- setting strategic direction
- establishing goals and monitoring achievements to optimise performance
- ensuring compliance with statutory requirements
- approving service providers
- making recommendations to the Minister for Industrial Relations
- giving effect to Ministerial directives
- managing strategic risk.

The Board met eight times in 2021/22.

All responsibilities were carried out under the Act and in line with WorkCover WA's *Code of Conduct*.

The Minister approved a leave of absence for the Board Chair for part of 2021/22.



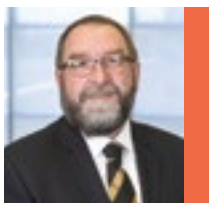
#### Chair

WorkCover WA Board

Meetings attended: 5/8

**Sharryn Jackson** was appointed Chair of the Board in January 2020.

Ms Jackson has extensive board governance and strategy experience relevant to industrial relations, workplace health and safety and workers' compensation.

**Member**

*Chief Executive Officer  
WorkCover WA*

Meetings attended: 8/8

**Chris White** has been a member of the Board since January 2017. He was appointed CEO of WorkCover WA in November 2019.

Mr White has 40 years experience in workers' compensation and occupational safety and health policy. Mr White has held senior policy and management roles at both WorkCover WA and WorkSafe WA.

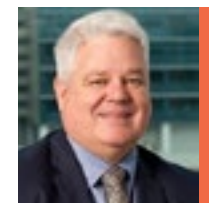
**Member**

*Experienced in accounting  
and financial management*

Meetings attended: 8/8

**Victoria Wilmot** was appointed to the Board in January 2005.

Mrs Wilmot has extensive experience in financial management and reporting. Mrs Wilmot is a member of the Institute of Chartered Accountants Australia and New Zealand, a Fellow of the Financial Services Institute of Australasia and a Graduate of the Australian Institute of Company Directors.

**Member**

*Chief Executive Officer  
Department of the Public Service of the  
State principally assisting the Minister  
charged with the administration of the  
Occupational Safety and Health Act 1984*

Meetings attended: 7/8

**Richard Sellers** was appointed to the Board on 31 May 2021.

Mr Sellers has an extensive background in the public sector. He has held a number of Chief Executive Officer roles in the tourism, transport and mining sectors. Mr Sellers is the Director General of the Department of Mines, Industry Regulation and Safety.

**Member**

*Experienced in insurance matters*

Meetings attended: 8/8

**Llewellyn Jones** was appointed to the Board in January 2020.

Mr Jones has over 30 years of experience in the general insurance industry, including 10 years in workers' compensation in underwritten schemes. Mr Jones is the Executive Manager (Western Region) Workers' Compensation at Suncorp Group (GIO).

**Member**

*Experienced in employers' interests*

Meetings attended: 7/8

**Peta Libby** was appointed to the Board in December 2018.

Ms Libby has extensive experience in business as the managing director of Digirock. Ms Libby sits on the Safety Committee of the Association of Mining and Exploration Companies, is a member of the board of the Australian Prospectors & Miners' Hall of Fame and is a member of the Australian Institute of Mining and Metallurgy.

**Member**

*Experienced in workers' interests*

Meetings attended: 7/8

**Owen Whittle** was appointed to the Board in January 2014.

Mr Whittle is the Secretary of UnionsWA and has extensive experience in workers' compensation and occupational health and safety matters. Mr Whittle is a member of the Australian Council of Trade Unions' Occupational Health and Safety Committee.



## WORKCOVER WA OPERATIONS

## CORPORATE EXECUTIVE

The Corporate Executive is WorkCover WA's senior management team working with the CEO, Chris White, to lead the corporate and business operations. The Corporate Executive met on 11 occasions in 2021/22.

**Chief Finance Officer**

*Appointed 2010*

**John Hull** has wide-ranging public sector experience and has undertaken senior finance, compliance and corporate management roles across a range of agencies, including the Department of Treasury, Department of Finance and the Office of the Auditor General. Mr Hull is a Certified Practising Accountant.

**Registrar Arbitration**

*Appointed 2018*

**Sam Nunn** has extensive experience as a legal practitioner in the public sector and has held senior roles at the State Solicitor's Office, WorkSafe WA and WorkCover WA.

**General Manager Corporate Services**

*Appointed 2021*

**Leona Glasby** has an extensive career in public sector business intelligence, data analysis and information technology.

**General Manager Conciliation and Arbitration Services; Director, Conciliation**

*Appointed 2020*

**Karin Lee** has extensive experience in workers' compensation and injury management. Ms Lee previously worked at the Chamber of Commerce and Industry WA and was formerly a member of the WorkCover WA Board and the Commission for Occupational Safety and Health.

**A/General Manager Regulatory Services**

*Appointed 2021*

**Rebecca Harris** has wide-ranging experience as a senior executive officer at the Department of Education and the Public Sector Commission, in policy, governance, compliance and regulation.

Ms Harris acted for Stephen Psaila-Savona.

## FUTURE FOCUS

**Delivering Results**

WorkCover WA's Corporate Executive is in a strong position to address the opportunities and challenges before the agency.

An important executive responsibility over the last year has been to evaluate the effectiveness of programs and policies to ensure they are achieving the intended impact and, if not, to make the adjustments that are required.

A key focus of the Corporate Executive in 2021/22 was the collective use of data. Large amounts of data are currently gathered by WorkCover WA. An important consideration for the Corporate Executive was not so much what further data should be collected but rather how the currently collected data is analysed.

Over the year ahead the Corporate Executive will lead a new data strategy focusing on pinpointing data issues, understanding challenges, assessing impact and redirecting effort.

The Corporate Executive is always striving to deliver results. In 2022/23 the intention of the Corporate Executive is to build on the strength of strategies, systems and the scheme.

## WORKCOVER WA OPERATIONS

## RESPONSE TO THE STATE OF EMERGENCY

Throughout 2021/22 WorkCover WA responded effectively to the COVID-19 pandemic. WorkCover WA was well prepared to respond quickly to COVID-19 restrictions. Our response was multi-faceted, with stakeholder input playing a significant role. Services were strengthened and adapted throughout the year.

**Makuru***Winter***July 2021**

- Transitioned the agency out of lockdown
- Recommenced in-person Conciliation and Arbitration Services
- Ensured workplace COVID-19 prevention measures were fit for purpose

**Djilba***First Spring***August – September 2021**

- Released one employee to the State of Emergency Coordination Unit
- Engaged with contingency planning for business continuity impacts
- Focused on sustaining a mentally healthy workplace

**Kambarang***Second Spring***October – November 2021**

- Applied the Government's COVID-19 vaccination policy
- Implemented the State's *Safe Transition Plan* to minimise COVID-19 impacts
- Trained new Work, Health and Safety officers

**Birak***First Summer***December 2021 – January 2022**

- Reinforced the Government's call for third dose vaccinations
- Released six employees to the Public Health Emergency Operations Centre
- Engaged union delegates to consult on workforce arrangements

**Bunuru***Second Summer***February – March 2022**

- Introduced PTSD presumption for ambulance workers
- Implemented *Circular 7/2020 Workforce Arrangements Impacted by COVID-19*
- Initiated response to Level 2 public health measures

**Djeran***Autumn***April – June 2022**

- Applied *Circular 6/2020 Leave Arrangements Impacted by COVID-19*
- Surveyed staff who accessed leave under *Circular 6/2020*, or were impacted by COVID-19
- Reported COVID-19 impacts on the workforce to the Public Sector Commission

## WORKCOVER WA OPERATIONS

## FUTURE FOCUS

Over the past four years, the WorkCover WA *Strategic Plan 2018 – 2022* has guided the agency to deliver on the vision of "A workers' compensation and injury management scheme that works for all."

The focus areas and strategic goals within this plan ensured WorkCover WA was well positioned to respond and adapt to a rapidly evolving environment, while keeping the focus on workers, employers and stakeholders.

The new WorkCover WA *Strategic Plan 2022 – 2025: Building on Strength* does not foreshadow a major departure from the direction and strategic priorities that are familiar to staff and stakeholders.

Importantly, the new *Strategic Plan* builds on initiatives which have been successfully implemented in recent years. WorkCover WA will build on the strong position established by the Board and staff.

The *Strategic Plan* re-affirms the need for greater organisational flexibility to respond to current and future challenges, while keeping workers, employers and scheme participants at the centre of our efforts and forefront of our minds.

The *Strategic Plan* took effect on 1 July 2022.



Read our *Strategic Plan*  
[workcover.wa.gov.au](http://workcover.wa.gov.au)

## Values

WorkCover WA strives to build a values based culture to support the delivery of services.

Together we demonstrate a commitment to **service** when we:



SERVICE

- are clear about what we will deliver
- consider our customers and their needs
- commit, act and deliver

Together we seek to **collaborate** and partner when we:



COLLABORATION

- work as a team
- value the contribution of others
- embrace a culture of open communication

Together we show **respect** when we:



RESPECT

- embrace diversity and individual differences
- seek to understand and recognise people's interests and rights
- are fair and prompt in our actions and dealings with others

Together we operate with **integrity** when we:



INTEGRITY

- are trustworthy and accountable
- act in a consistent and impartial manner
- are transparent in our decision making

Together we achieve **excellence** when we:



EXCELLENCE

- are proactive, positive, flexible and act strategically
- recognise change is constant and can bring opportunity
- build on opportunities



# STRATEGIC PLAN 2022 - 2025

*Building on Strength*

## Vision

A workers' compensation and injury management scheme that works for all

## Purpose

To lead a contemporary, sustainable and integrated workers' compensation scheme that is fair, accessible and cost effective for all stakeholders

## Strategic Priorities

### Delivering Strategic Scheme Management

We will lead a responsive and sustainable workers' compensation scheme

### Modernising Workers' Compensation

We will work with scheme stakeholders to implement and embed a new workers' compensation Act

### Building People, Culture and Systems

We will build on the capability and adaptability of our people, culture and systems

## Focus Areas

### Scheme Management

Implement a new workers' compensation Act and contemporary practices

Improve scheme services through stakeholder engagement and community collaboration

### Regulatory Services

Provide trusted advice, information, and education to stakeholders

Set clear service delivery expectations and monitor service provider performance

### Dispute Resolution

Deliver effective and timely dispute resolution services

Embed innovative approaches to dispute resolution and registry services

### Capable Culture

Develop a diverse, agile and future ready workforce

Leverage technology to improve productivity and accessible service delivery

Integrate the use of data across focus areas to pinpoint issues, understand challenges and assess impact

## Impact

- 1 Injured workers receive adequate financial and other support
- 2 Employers understand their rights and obligations
- 3 Service providers reflect our expectations in their operations
- 4 The workers' compensation scheme remains financially stable

## WORKCOVER WA OPERATIONS

## COMMITTEES

**Advisory**

The corporate governance responsibilities of the Board can be discharged by advisory committees.

**Consultative**

Consultative committees, chaired by a member of the Corporate Executive, offer avenues for staff to engage with senior management about policy and operational matters.

**Audit and Risk Management**

The committee provides independent assurance and assistance to the Board on WorkCover WA's risk, control and compliance framework and its external accountability responsibilities.

A review of strategic and annual audit plans and the outcomes of internal audits was progressed, while monitoring the progress of recommendations, committee KPIs and risk reports.

The committee comprises:

**Victoria Wilmot (Chair)** | Meetings attended: 3

**Sharryn Jackson** | Meetings attended: 1

**Owen Whittle** | Meetings attended: 2

*Convened: 3*

**Crisis Management Team**

The team ensures systems are in place to enable a coordinated response, including resources and internal and external communication during a crisis.

Potential risks and impacts of a range of scenarios were considered and planned ahead of time. As a result, appropriate action was taken and business continuity was maintained during the State of Emergency.

The team is chaired by the CEO and comprises members of the Corporate Executive, Manager Human Resources and Manager Program Management Office.

*Convened: Regularly during the State of Emergency*

**KPI Performance Reporting**

The committee reviews and manages WorkCover WA's *Outcome Based Management Structure*. They ensure compliance with government directives, guidelines and legislation in developing, implementing and monitoring organisational performance outcomes.

The committee has integrated KPIs with operational processes to ensure KPIs are regarded as integral to the corporate reporting framework.

Chaired by the CEO, the committee comprises senior staff.

*Convened: 3*

### Joint Consultative Committee

The committee ensures consultation occurs between staff and management on major issues which may affect working conditions.

The impacts of COVID-19 on staff, working from home arrangements and the response to the pandemic continued to be a focus.

The committee is chaired by the General Manager Corporate Services and comprises the CEO, WorkCover WA's elected union delegates and senior management representatives.

*Convened: 3*

### Information Technology

The committee coordinates information technology investments and digital services.

A program of work focused on progressing various cloud transition activities.

The committee is chaired by the CEO and comprises Corporate Executive and information technology staff.

*Convened: 3*

### Emergency Planning

The committee is responsible for developing, implementing and maintaining emergency plans, response procedures and training. There were no unplanned evacuations in 2021/22.

A planned evacuation was conducted in a timely and efficient manner in accordance with the *Emergency Response Procedure and Guide*.

The committee is chaired by the General Manager Corporate Services and comprises wardens and senior staff.

*Convened: 2*

### Diversity and Inclusion

The committee aims to improve inclusivity in the workplace and is responsible for cultural and inclusion initiatives.

Initiatives were delivered to support the employment of young professionals and people from historic areas of disadvantage.

The committee is chaired by the A/General Manager Regulatory Services and comprises a cross-section of staff.

*Convened: 4*

### Work Health and Safety

The committee oversees improvements to and promotion of positive safety, health and wellness outcomes.

Activities promoting safety and wellbeing were featured during National Safe Work month. The committee supported the communication of COVID-19 risk controls.

The committee is chaired by the General Manager Conciliation and Arbitration Services and includes four elected representatives.

*Convened: 4*

### Risk Management Review

The committee oversees WorkCover WA's risk management processes and maintains the agency's risk management framework.

A program of work facilitated the growth of risk management knowledge, awareness and adoption across WorkCover WA.

The committee is chaired by the CEO and comprises the Corporate Executive and senior staff.

*Convened: 2*



## WORKCOVER WA OPERATIONS

## NATIONAL COLLABORATION

## CASE STUDY

**WorkCover WA collaborates with external parties on workers' compensation policy developments and research. This collaboration is aimed at ensuring ongoing improvement of workers' compensation outcomes at a national level.**

### Heads of Workers' Compensation Authorities (HWCA)

HWCA is a high-level forum for discussion, promotion and implementation of best practice workers' compensation arrangements.

Composed of Chief Executives, or their representatives, of the peak bodies responsible for the regulation of workers' compensation in Australia and New Zealand, the forum includes Australia's 10 workers' compensation authorities and the New Zealand Accident Compensation Corporation.

WorkCover WA is an active participant in HWCA forums and national initiatives.

*Attended: 3/3*

### Personal Injury Education Foundation (PIEF)

WorkCover WA's CEO is a member of the PIEF Board.

PIEF develops industry training requirements and best practice professional development initiatives. This included the delivery of a series of online interactive workshops.

*Attended: Board: 4/4 | Audit and Risk: 5/5*

### Safe Work Australia Strategic Issues Group

Senior officials from workers' compensation jurisdictions, union and employer representatives collaborated to assist Safe Work Australia in performing its workers' compensation functions.

WorkCover WA participated in the National Return to Work Survey and contributed to the *Comparison of Workers' Compensation Arrangements in New Zealand and Australia Report* and the implementation of the *National Return to Work Strategy*.

*Attended: 6/6*

### Indian Ocean Territories

WorkCover WA has an agreement with the Commonwealth Government to provide workers' compensation education, dispute resolution and compliance activities to the Indian Ocean Territories.

WorkCover WA undertook a number of proactive activities to support the agreement, including an education visit to Cocos (Keeling) Islands.

*Attended: 2/2*

### Australian Taxation Office (ATO)

Data matching is a powerful administrative and compliance enforcement tool. WorkCover WA continued to collaborate with the ATO to identify potential employer non-compliance through data matching.

#### Data matching has enabled WorkCover WA to:

- increase compliance activities and enforcement outcomes
- detect 554 employers operating without a workers' compensation policy
- provide advanced notice of policy end dates to employers.

#### WorkCover WA conducts integrity checks on all data received, including:

- checking for duplicate reports
- matching reported data to valid records in our systems
- ensuring overall integrity by identifying quality issues in the data collecting and matching process.



## WORKCOVER WA OPERATIONS

## STATE COLLABORATION

**WorkCover WA consults and collaborates with stakeholders and other external parties. Collaboration promotes open and transparent communication, early identification and management of systemic issues and mutually beneficial activities.**

**Insurance Council Australia WA (ICA WA)**

As the representative body of the general insurance industry in the state, members of the ICA WA represent 95% of total premium income. WorkCover WA and the ICA WA meet regularly to discuss scheme developments, service issues, policy matters and education requirements.

*Attended: 2/2*

**Claims Managers Advisory Group**

To ensure ongoing compliance under the scheme, the group engages and consults with senior managers responsible for workers' compensation claims in Western Australia. WorkCover WA attends these meetings to provide updates, direction and discuss front line service issues.

*Attended: 6/6*

**Injury Management Advisors Group**

To provide the highest standard of injury management support for injured workers within Western Australia, injury management advisors from across the scheme collaborate on scheme issues and initiatives. WorkCover WA attends these meetings to provide updates and relevant information.

*Attended: 4/4*

**Work Health and Safety Commission**

The Commission consists of employers, employees, government and people with expertise and knowledge in occupational safety and health matters. WorkCover WA supports the Commission with data and statistical information on workplace injury and illness.

*Attended: 10/10*

**Public Sector Safety and Injury Management Steering Committee**

The committee helps to achieve the Government's vision for workplace health, safety and injury management in the public sector. Representatives from WorkCover WA, the Department of Mines, Industry Regulation and Safety, the Insurance Commission of Western Australia, the Public Sector Commission and relevant unions collaborate.

*Attended: 1/1*

**Dispute Services Users Group**

The group engages and consults with key stakeholders involved in dispute resolution. Members include representatives of worker, employer and insurer interests, the Director Conciliation and Registrar Arbitration.

*Convened: 3*

**Supporting the State Government's COVID-19 response**

WorkCover WA supported the Government's COVID-19 response by seconding six staff from across the agency to assist with contact tracing.

When the State moved to a high case load environment, WorkCover WA staff relocated to the Public Health Emergency Operations Centre, which had responsibility for managing the COVID-19 contact tracing process. WorkCover WA staff gathered information and data to identify close contacts of infected people to prevent the virus spreading further through the community.

## WORKCOVER WA OPERATIONS

## SPONSORSHIP

**Sponsorships enable WorkCover WA to strengthen relationships with key stakeholders and communicate strategic messages.**

### Monash University

Since 2019 WorkCover WA has invested in the development of *GP Mental Health Guidelines* as part of the IMPROVE Partnership Project.

In 2021/22 the implementation of the *Clinical Guidelines for the Diagnosis and Management of Work-Related Mental Health Conditions in General Practice* was supported through a funded partnership with Monash University.

### Edith Cowan University

The Bachelor of Health Sciences Workers' Compensation and Injury Management unit is supported by WorkCover WA.

WorkCover WA sponsored the *Undergraduate Workers' Compensation Award* and presented to students enrolled in allied health, business and law courses.

### Australian Rehabilitation Providers Association

The *Excellence in Workplace Rehabilitation Awards* is supported by WorkCover WA.

WorkCover WA sponsored the:

- Outstanding consultant award - same employer
- Outstanding consultant award - new employer.

### Workplace Giving Program

Staff participated in a workplace giving program, choosing to divide their contributions equally between the:

- Pancreatic Cancer Research Foundation
- Orange Sky Australia
- Indigenous Literacy Foundation.

### Workplace Volunteer Program

Staff volunteered with the Salvation Army and Foodbank WA. This included raising funds for a lunch service and meal distribution.

Staff also collaborated beyond their everyday work teams to make a difference to the lives of women and girls experiencing domestic violence as part of the #itsinthebag campaign.



**Start your learning here**  
*Foundations of Workers' Compensation: Claims Managers.*

## FUTURE FOCUS

### Personal Injury Education Foundation

WorkCover WA has been a corporate member of the Personal Injury Education Foundation (PIEF) since its establishment in 2006 and CEO Chris White has been a member of the PIEF Board since 2017.

PIEF delivers education and training programs for people working in the personal injury and disability management industries in Australia.

As a not-for-profit member-based organisation and registered training organisation, PIEF works towards improving the professionalism and capability of the personal injury and disability management industries.

### WorkCover WA promotes a variety of programs including:

- Diploma of Personal Injury and Disability Insurance Management
- Certificate IV in Personal Injury Management
- Certificate IV in Customer Engagement.

In 2021/22 WorkCover WA collaborated with PIEF to develop the online learning program *Foundations of Workers' Compensation: Claims Managers*.

## PERFORMANCE MANAGEMENT FRAMEWORK

## PROJECTS

WorkCover WA commits resources to achieve initiatives aligned with Government goals and the agency's *Strategic Plan*. As part of the performance management framework, the following projects relate to state government objectives embedded within the Government Goal: 'Sustainable Finances' and agency goals within WorkCover WA's *Strategic Plan 2018 - 2022*.

Table 5: Projects

Project	Description	Strategic Priority
Development and Consultation - New Act	Coordinating the draft Bill to modernise workers' compensation legislation	Strategic Scheme Management
CAS Review Stage 2	Delivering Stage 2 of the Conciliation and Arbitration Services Review	Strategic Scheme Management
Azure Cloud Transition Phase 2	Transitioning production systems to the Azure Cloud	People, Culture & Systems
Service Provider Audit Program	Scoping the auditing and monitoring approach	Strategic Scheme Management
Claims Managers Online Training Program	Developing an online training program for claims managers	Strategic Scheme Management
Intranet Replacement Project	Developing WorkCover WA's new intranet	People, Culture & Systems
Ticketing System Replacement	Planning the Service Console replacement	People, Culture & Systems
Historical Dispute Records Review	Undertaking a disposal and retention review of historical records	People, Culture & Systems
WorkCover WA Conference	Planning the 2022 WorkCover WA Conference	Strategic Scheme Management

## PERFORMANCE MANAGEMENT FRAMEWORK

## MODERNISING WORKERS COMPENSATION

### The Journey so Far

The journey to modernise Western Australia's workers' compensation laws commenced in 2009 as WorkCover WA entered the first stage of a review to rewrite the Act.

The goal was to deliver a modern Act which is clear, accessible and workable. It also sought to address a range of issues relating to the structure and clarity of fundamental scheme concepts and processes.

### A Major Milestone

A major milestone was achieved in 2021/22 with the Government's commitment to modernise the State's workers' compensation laws with the public release of the *Workers Compensation and Injury Management Bill 2021 (Consultation Draft)*.

The Government made a public commitment to consult stakeholders on the Bill before it is finalised and introduced into the Parliament.

WorkCover WA oversaw an open and transparent public consultation process providing user friendly information resources, delivering public information sessions and meeting stakeholders to answer questions.

### A Blueprint for a Modern Act

The draft Bill is a blueprint for a modern Act which provides clarity, flexibility and accessibility. It implements:

- the balance of WorkCover WA's 2014 legislative review report recommendations, building on the priority amendments implemented in 2018 and 2020
- lifetime care and support arrangements for catastrophically injured workers, delivering on a commitment between the Commonwealth, State and Territory governments
- the 2021 Government election commitments to double the medical and health expenses cap and extend the point at which a worker's weekly compensation payments step down from 13 to 26 weeks.

### Public Consultation

The draft Bill was released on 11 August 2021 with a call for public submissions through various channels.

To inform stakeholders and assist them to understand the Bill and prepare submissions, WorkCover WA published information resources including a guide to the Bill and 58 information sheets on topical issues.

WorkCover WA met with union, employer and industry bodies over the course of the public consultation process.

### Submissions

WorkCover WA received 86 submissions from a broad range of stakeholders including all representative groups. Based on the submissions there is strong support for the Bill, with stakeholders identifying a number of specific technical and policy related changes for the Government to consider.



**View submissions here**

[workcover.wa.gov.au/submissions](https://workcover.wa.gov.au/submissions)

### Bill Drafted

The Government delivered on its 2021 election commitments to progress a Bill to modernise workers' compensation laws.

### Bill Released

The Minister for Industrial Relations announced the major restructure and rewrite of the Act would be released for public consultation.

### Public Consulted

WorkCover WA hosted public information sessions and released explanatory materials to help the public understand headline amendments.

### Stakeholders Consulted

Key stakeholder groups were engaged and consulted to identify specific issues and forecast unintended consequences.

### Consultation Closed

At the close of the consultation process, 86 submissions were received.

WorkCover WA reviewed all written submissions and prepared a consultation report to the Minister for Industrial Relations.

### Submissions Released

Public submissions were made available on the WorkCover WA website.

### Future Focus

WorkCover WA has reviewed all submissions and submitted a consultation report to the Minister for Industrial Relations.

The Minister will decide on what further amendments should be made to finalise the Bill.

The work does not end with the Bill.

WorkCover WA has already commenced implementation planning including:

- new regulations
- administrative arrangements
- system changes
- operational readiness.

## REFLECTING ON THE PAST, FOCUSING ON THE FUTURE

**40 YEARS OF WORKCOVER WA**

For over four decades WorkCover WA has played a critical role in returning injured workers to work and ensuring they are compensated for lost wages, medical expenses and other associated costs.

The agency's efforts over the last 40 years have included building and sustaining a knowledgeable workforce, engaging and collaborating with stakeholders and creating innovative systems and solutions.

The WorkCover WA Conference 2022 *Reflecting on the past, Focusing on the future*, will celebrate the agency's history and showcase some of the significant milestones which have shaped the Western Australian scheme.

Importantly, after 40 years WorkCover WA continues to evolve to reflect Government direction, the agency's values and strategic priorities.

WorkCover WA's contributions to the Western Australian community would not have been possible without dedicated staff, committed stakeholders and Government support.



**Harry Neesham**  
Inaugral Manager  
Workers' Assistance Commission

**"The most economical way of rectifying issues would be with the introduction of an accounting machine"**

---

Minutes of the inaugural meeting of the Workers' Assistance Commission, May 1982



**Alina-Che Roberts**  
Aboriginal Trainee  
WorkCover WA

**"Having an inclusive and diverse workforce, brings innovation to problem solving now and into the future"**

---

National Reconciliation Week Video, *Be Brave, Make Change*, May 2022

## Section Two

# Performance

The services provided to ensure WorkCover WA achieves its desired outcomes are:

## SCHEME REGULATION

Regulation of workers' compensation scheme participants for compliance with legislative requirements.

## SCHEME SERVICES

Provision of effective and equitable dispute resolution and other services to scheme participants.





## PERFORMANCE

## SCHEME PERFORMANCE TRENDS

## Average Recommended Premium Rates

Each year recommended premium rates are reviewed to ensure sufficient premium is collected to meet the costs of workers' compensation claims.

WorkCover WA publishes annual recommended premium rates for workers' compensation insurance for each industry. The average recommended premium rate for 2022/23 will increase to 1.822% of total wages, up 6.9% from 1.704% of total wages for 2021/22.

Insurers can discount recommended premium rates by any amount or load by up to 75%.

Insurers seeking to charge a loading of more than 75% on a recommended premium rate are required to obtain approval from the WorkCover WA Board. In 2021/22 loading applications increased by 89.8%, from 480 to 911.

Where employers do not consent to the premium loading, appeals can be made to WorkCover WA. In 2021/22 appeal applications increased by 259%, from 133 to 478.

## Scheme Payments

During 2021/22, \$1.07 billion was paid for claims.

\$960 million (89.9%) of payments were made to the benefit of workers:

- 68.4% of payments were paid directly to workers in the form of income payments and common law and lump sum settlements
- 21.5% of payments were made for treatment services, such as medical, allied health and workplace rehabilitation services
- the remaining 10.1% of payments were related to legal and other services.

Western Australia's proportion of scheme expenditure on services and payments to workers is on par with the national average.

Comprehensive information on the performance of the Western Australian workers' compensation scheme is available on the WorkCover WA website.

## FUTURE FOCUS

## Indexation of Workers' Compensation Payments for 2022/23

Injured workers have a range of statutory entitlements available to assist them in their recovery from a workplace injury and return them to suitable and sustainable employment.

The *Indexation of Workers' Compensation Payments 2022/23 Schedule* provides the list of indexed entitlements to apply from 1 July 2022.

The Schedule includes indexation of the Prescribed Amount. This is the maximum amount an injured worker can receive in terms of weekly payments for loss of earnings during the life of their claim.

The Prescribed Amount is indexed annually based on changes in the Wage Price Index.

The Prescribed Amount for the 2022/23 financial year increased from \$239,179 to \$243,991.

Over the last 5 years the Prescribed Amount has increased by 6.9%.

## Claims

From 2017/18 to 2021/22 the annual number of claims lodged in the scheme decreased by 10% from 26,784 to 24,079. This is largely due to a reduction in short duration claims.

In 2021/22, 24,079 claims were lodged. Of these, 37% had no lost-time and 63% involved at least one day or shift off work (lost-time claims).

Of all lost-time claims lodged in 2021/22, 44% had 60 or more days or shifts lost, representing 28% of all claims lodged. The claim statistics show the proportion of workers returning to work decreases as the number of days away from work increases.

Increased scrutiny and compulsory monthly reporting of pended claims has resulted in a reduction of pended claims greater than 90 days by 33% in 2021/22.

Monthly regulatory reviews found that in 96% of insurer claims and 100% of self-insurer claims, regular and responsive communication was provided through the claims management process.

## Return to Work

The impacts of work-related injury and disease on affected workers can be devastating and often reverberates more widely through families, communities and workplaces.

In addition to the immediate personal toll, work-related injury and illness imposes significant costs on the Australian health system and economy through loss of productivity and income.

Returning to work promptly and safely has positive health benefits for workers who have been injured at work. For claims lodged in 2021/22 the three month return to work rate was 80%.



**Start your reading here**  
[workcover.wa.gov.au](http://workcover.wa.gov.au)

## Performance Snapshot

**1.70%**

Recommended premium rate

**24,079**

Claims lodged

**\$1.07b**

Claim payments

**80%**

Return to work within 3 months

**28%**

60+ days lost claims

## SCHEME REGULATION COMPLIANCE

### Strengthening Compliance

As a regulator WorkCover WA recognises the important roles compliance and enforcement play in ensuring employers have a policy of insurance.

Compliance initiatives are focused on areas of highest risk, while enforcement is informed by the severity of harm or potential harm, the degree of negligence or the need for deterrence.

In addition to targeted proactive compliance campaigns, a significant increase in enforcement outcomes in 2021/22 make it clear WorkCover WA is becoming increasingly effective in identifying employers who disregard their responsibility to have a workers' compensation policy.

Enforcement activities increased by 21% from 17,185 actions in 2020/21 to 20,810 actions in 2021/22.

### Monitoring Compliance

New investigative techniques were trialled to cross-reference data from several regulatory sources. The trial involved analysing external data sources to identify potential employing entities and matching them with a current policy of insurance.

Data matching led to increased investigations of potential non-compliant employers.

An initiative is currently being piloted to fully automate and refine the analytical process, to identify employing entities without insurance and maximise compliance outcomes.

### New Initiatives

A series of initiatives designed to strengthen compliance activities were introduced in 2021/22.

Obligation notices came into effect on 1 July 2021 and inform new employers of the requirement to hold a workers' compensation policy. A total of 3,437 obligation notices were distributed to first-time PAYG employers during 2021/22.

## FUTURE FOCUS

### Encouraging Voluntary Compliance

A review was undertaken of the intelligence data used by WorkCover WA to perform compliance and education activities.

The review identified an opportunity to implement more effective activities which would increase the number of employers supported to understand their duty to insure and take action to comply with their legal obligations.

A new targeted compliance and education initiative was developed and implemented. Multiple channels were used to communicate with potential and current employers, with key messages framed, phrased and presented in a manner which increases knowledge and encourages action.

The new initiative is expected to decrease the number of uninsured employers in Western Australia.

## Prosecuting Non-Compliance

Prosecution is an enforcement response WorkCover WA reserves for the most serious offences.

Most employers learn about their obligations and are diligent in protecting their workers and paying their insurance premiums. Those who fail to exercise the same diligence, who put their workers at risk and benefit financially in the process, are the target of prosecution proceedings.

The use of ATO data to monitor employer compliance with insurance obligations allows WorkCover WA to first identify employers and then match them with a policy. The matching process prioritises the more serious offences, according to size of the workforce, time without a policy and industry risk.

Implementation of the new process has seen a 390% increase in prosecutions in 2021/22. WorkCover WA completed 92 prosecutions with a 100% success rate. Compliant employers can be assured those who are not will be held to account and will not unfairly benefit from negligent business practices.

## Ensuring Coverage in Regional Industries

The agriculture industry includes farming, viticulture, horticulture and forestry. The status of workers within this industry is unique with higher proportions of sole traders and unpaid family workers.

Owner operators who operate as sole traders are excluded from workers' compensation coverage.

Rates of injury within the agriculture industry resulted in a compliance and education campaign to ensure adequate support for workers in the industry.

Intensive education and compliance operations were conducted across high density regional areas using online communication platforms.

Where required, inspections were conducted by investigators and were focused in the Gascoyne, Mid-West and Wheatbelt regions.

## Compliance Snapshot

**20,810**

Compliance investigations

**429**

Cautions

**197**

Infringements

**92**

Prosecutions

**100%**

Conviction rate

## SCHEME REGULATION

## REGULATION

## Approving Service Providers

To ensure workers and employers have a positive workers' compensation experience, scheme service providers must be approved by WorkCover WA.

In 2021/22 there were 1,186 approved service providers, comprising:

- Insurance Commission of Western Australia
- 7 Insurers
- 23 Self-insurers
- 43 Workplace Rehabilitation Providers
- 234 Registered Agents
- 264 Approved Medical Specialists
- 614 Audiometric Officers, Audiologists and Audiometrists.



Find a full list of  
**'Approved Service Providers'**  
[workcover.wa.gov.au](http://workcover.wa.gov.au)

## Supporting Service Providers

The foundation of regulating service providers is supporting practitioners to better understand their legal and regulatory obligations.

To achieve this, WorkCover WA delivered a variety of training and professional development opportunities to service providers. This ranged from engaging online discussion around key challenges and experiences, to face-to-face opportunities to learn from other service providers' responses to common issues.

Sixty six sessions were delivered to service providers on:

- implementing WorkCover WA's expectations
- sharing innovative processes and practices
- discussing approaches to solving problems
- meeting performance indicators.

Key learnings, innovations and insights around the topics were captured and considered in the context of service provider performance reviews.

## Managing Service Provider Complaints

Where there is a complaint against a service provider, WorkCover WA requires this to be addressed in the first instance through the service provider's internal dispute resolution processes.

Where there is no resolution through the internal dispute process, complaints are investigated by WorkCover WA.

Of the 42 complaints against approved service providers received, 19 were substantiated. Most complaints related to insurers were substantiated and improvement notices issued.

**Table 6: Complaints Against Service Providers**

	2020/21	2021/22
Insurers	30	34
Self-insurers	0	4
Registered agents	0	1
Workplace rehabilitation providers	0	2
Audiometric officers, audiologists and audiometrists	0	0
Approved medical specialists	0	1
<b>Total</b>	<b>30</b>	<b>42</b>



## FUTURE FOCUS

### Reviewing Insurer Performance

Insurers are approved for a period of five years by the Minister for Industrial Relations. WorkCover WA also annually assesses the performance of insurers against the *Insurer and Self-Insurer Principles and Standards of Practice*. The 2021/22 process consolidated the annual review and the five yearly renewal.

Key findings from the reviews revealed improvements associated with the implementation of the *Principles and Standards*:

- long-term claims related enquiries to WorkCover WA's Advice and Assistance Service decreased as a result of more effective claims management processes
- pending claims significantly decreased in response to monthly pending claims audits
- senior oversight and regular contact by claims managers for pending claims increased in frequency, as a result of monthly portfolio contact by WorkCover WA.

A range of opportunities for insurers to improve service delivery were identified. These included providing client-centred services and applying risk-based strategies to claims management.

### Reviewing Self-insurer Performance

The performance of self-insurers is reviewed quarterly to assess performance against the *Principles and Standards*. The quarterly review provides an opportunity for self-insurers to compare their claims management performance across the scheme.

Key findings from the reviews were:

- median claim duration for income claims increased from 6.2 months to 6.6 months
- the average time to make a liability decision for income claims decreased from 16 days to 14 days
- the settlement rate increased from 21% in 2020/21 to 22% in 2021/22.

WorkCover WA reported quarterly through the *Self-insurer Claims Management Report*. This companion report to the monthly pending claims review provided self-insurers with evidence based claims characteristics and trends.

A series of customised workshops were delivered to all self-insurers to increase understanding of WorkCover WA's expectations for improved performance.

### Reviewing Workplace Rehabilitation Providers

Following the release of the *Workplace Rehabilitation Providers Principles and Standards of Practice* on 1 July 2021, WorkCover WA allowed stakeholders a grace period for implementation, understanding changes to existing practice and policy take time.

An audit of compliance with the *Workplace Rehabilitation Providers Principles and Standards of Practice*, using an educative approach of self-assessment, was conducted after the implementation phase.

The audit identified compliance levels for particular standards were significantly impacted by a provider's interpretation of the standards. Additionally, WorkCover WA saw a degree of non-compliance connected to third-party timeliness.

WorkCover WA has encouraged pre-emptive discussions with providers regarding timely administration and services, particularly where findings may be made against the provider due to the actions of a third-party.



## SCHEME REGULATION

## COMMUNICATION &amp; EDUCATION

## Advising and Assisting

WorkCover WA's Advice and Assistance Service provides direct support to anyone seeking immediate guidance on workers' compensation and injury management matters.

The service responded to enquiries via email, letter, phone, website chat-line and in person.

Requests for assistance were received from a broad cross-section of scheme participants including workers, employers, insurers, general practitioners, and workplace rehabilitation providers.

Key information requests include:

- claims and injury management process
- return to work programs
- weekly compensation rates and entitlements
- workplace rehabilitation entitlements
- dispute resolution processes.

The service responded to 17,587 requests for advice and assistance.

## Educating and Engaging

An effective education program designed to increase engagement and raise awareness of workers' compensation and injury management was delivered.

The program consisted of:

- online education seminars offering an overview of the Scheme
- on-site information sessions to insurers regarding the *Principles and Standards*
- off-site information sessions to workplace rehabilitation providers regarding the *Principles and Standards*
- training of WorkCover WA approved audiometric officers to assist with noise induced hearing loss claims
- training of medical practitioners to become WorkCover WA approved medical specialists.

## Communicating with Purpose

Communications are guided by an internal strategy '*Communicating with Purpose*' – *Strategic Communication and Education Plan*.

This Plan outlines the approach to effective communication and education services, which are integral for a contemporary and sustainable workers' compensation and injury management scheme.

*Communicating with Purpose* supports the continuous development of communication and education services at WorkCover WA and provides clarity on priorities for WorkCover WA.

Strategic priorities include:

- planned engagement
- informed and educated stakeholders
- digital innovation.





## CASE STUDY

### Providing Resources

A range of resources to provide relevant and comprehensive information about workers' compensation and injury management was published. These publications were made available in both printed and digital formats.

During 2021/22 a publication review schedule ensured content was correct, relevant and accessible.

The *Workers' Compensation and Injury Management: A Guide for Workers* was the most downloaded publication and the most requested publication for mailout, comprising 1,513 unique downloads and 3,104 copies ordered.

There was also an increase in the number of culturally and linguistically diverse stakeholders who accessed translated materials.



Visit our YouTube Channel  
*YouTube - WorkCover WA*

### Engaging Through Social Media

The influence and importance of social media in regulatory engagement campaigns is widely acknowledged.

WorkCover WA explored opportunities for greater social media reach by promoting education and training, publications and resources, and changes in policy directions.

Significant interest and exposure across a range of social media channels, including Facebook, Twitter and YouTube occurred with the release of WorkCover WA's *Workplace Rehabilitation Providers Principles and Standards of Practice Conversation Series*.

High profile initiatives, such as the launch of the *Workplace Rehabilitation Providers Principles and Standards of Practice* resulted in considerable industry engagement via social media.

### Reaching the Regions Virtually

Engagement with regional stakeholders is an integral part of agency business and is undertaken to provide all stakeholders, regardless of location, with information and advice on the workers' compensation and injury management scheme.

Traditionally, this has occurred through regional visits and face-to-face engagement. WorkCover WA responded to COVID-19 public health advice and moved to virtual methods of engagement to ensure the safety of stakeholders and staff.

A virtual regional engagement plan was drafted, identifying stakeholders and locations to target monthly. All engagement activities were designed to be:

- service focused
- purposeful and genuine
- inclusive and diverse
- tailored and targeted.

Stakeholders were satisfied with the interaction and appreciated the opportunity to engage in a conversation with WorkCover WA.

## SCHEME REGULATION

## FOUNDATIONS OF WORKERS' COMPENSATION: CLAIMS MANAGERS

**In the Western Australian workers' compensation and injury management scheme, the term 'claims manager' refers to a person employed by an insurer or self-insurer to:**

- make accurate and timely decisions on compensation claims
- approve compensation payments and treatment
- liaise with the injured worker, their doctor, their employer and other parties as required.

Hundreds of people work as claims managers across Western Australia, sharing their knowledge and skills to benefit the community.

They play a critical role in assisting injured workers to focus on their return to work and health by managing the claim effectively and efficiently and working collaboratively with all parties.

WorkCover WA supports claims managers with resources and learning tools so they are equipped with the information and skills they require to secure the best possible outcome for injured workers.

### Learning Online

WorkCover WA designed and developed *Foundations of Workers' Compensation: Claims Managers*, an online learning program for claims managers working within the workers' compensation and injury management scheme.

This innovative platform supports a culture of learning by providing practical and relevant education on the role claims managers play, and the responsibilities they have to their clients.

This online course is designed to assist claims managers to develop or improve their knowledge of workers' compensation and the skills required to optimise their performance and client service delivery.

*Foundations of Workers' Compensation: Claims Managers* aligns with WorkCover WA's commitment to providing leadership in the scheme, strengthening its regulatory activities, and building stakeholder engagement.

### Designing Content

The course consists of two core modules which provide the learner with the practical tools, knowledge and skills needed to succeed in a workers' compensation claims manager role.

#### Module one:

- Workers' compensation in Western Australia
- Insurance in the WA scheme
- Employer rights and obligations
- Worker rights and obligations
- Service Providers

#### Module two:

- Worker and employer experience
- Claims management
- Injury management
- Scheme regulation and administration
- Records management

Upon completion, learners have a foundational understanding of the workers' compensation claims process and how to confidently apply this knowledge to assist their clients in making a workers' compensation claim.

## FUTURE FOCUS

### Collaborating with Stakeholders

WorkCover WA aims to engage with stakeholders in ways which will sustain and improve the scheme. WorkCover WA understands by involving insurers and self-insurers in issues which impact them they will be more receptive to learning and acting on the actions and outcomes.

Accordingly, the development of the claims managers online learning program involved collaboration with insurers and self-insurers who were involved in user testing, and providing feedback on content and functionality.

Importantly, WorkCover WA partnered with PIEF to guide the online learning suite. As an industry leader, PIEF promotes skills development in claims management to improve the professionalism and capacity of the industry.

Engaging with stakeholders during the development of new resources allowed WorkCover WA to identify stakeholder needs and seek meaningful feedback which ultimately improves the quality of service delivery.

### Communicating Expectations

It is important for insurers and self-insurers to understand the role they play within the workers' compensation and injury management scheme, as well as WorkCover WA's priorities and expectations for delivering a quality service to injured workers and employers.

To communicate and promote the release of the online learning program and encourage claims managers to undertake the training, communications were delivered to insurers and self-insurers through a variety of channels, including:

- eNewsletters
- targeted emails
- social media
- corporate website
- industry event.

It is anticipated all new claims managers will undertake the training as part of their induction process.

### Claims Managers Capability Framework

WorkCover WA developed and released the *Claims Managers Capability Framework*, designed to guide and develop the skills and knowledge of claims manager professionals.

The *Capability Framework* translates the *Principles and Standards* into observable practices and behaviours which claims managers should demonstrate when delivering scheme services, and enables claims managers to evaluate the competencies required for their role.

The *Capability Framework* is organised around the essential characteristics of the role of claims managers in the workers' compensation scheme which include:

- display resilience
- act with integrity
- value inclusion
- communicate effectively
- commit to customer service.

The *Capability Framework* aims to drive and support positive engagement in a culture of mutual respect and quality service delivery.



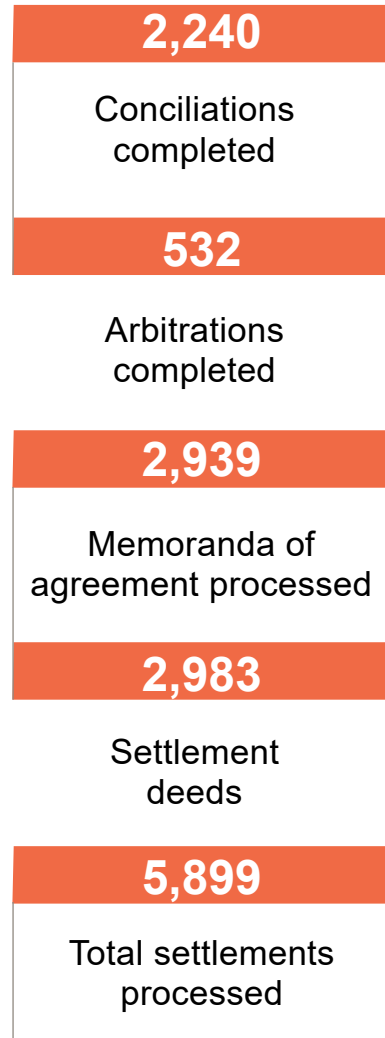
**Register for our online training program**

[workcoverwa.learnupon.com](http://workcoverwa.learnupon.com)

## SCHEME SERVICES

## EFFECTIVE AND EQUITABLE DISPUTE RESOLUTION

## Performance Snapshot



## Managing Disputes

Disputes can occur in the workers' compensation process when parties disagree about a decision and are unable to resolve the issue. If the dispute is not resolved through negotiation, parties can make an application to the WorkCover WA Conciliation Service.

The objective of the Conciliation Service is to assist parties to resolve their dispute by agreement. The Director, Conciliation is also responsible for recording settlement agreements and processing documents submitted in relation to common law claims.

If there are matters remaining in dispute, an application can be made to the Arbitration Service. The objective of the Arbitration Service is to make legally binding determinations regarding workers' compensation disputes.

## Managing Services Through COVID-19

Despite the impact of COVID-19 restrictions on WorkCover WA and stakeholders, services were successfully maintained without impacting the performance and stability of the Western Australian workers' compensation scheme.

Conciliation and Arbitration Services were able to operate largely uninterrupted throughout the year due to the digital service capability of WorkCover WA's digital platform, WorkCover WA Online.

Conciliation and Arbitration Services were successfully maintained with minimal impact on performance and stability.

▶ **90.8%** of conciliations were completed within the eight week statutory timeframe.

▶ **83.6%** of all disputes were resolved within six months.

## FUTURE FOCUS

### Developing Conciliation Officers

The Conciliation Officer Development Program is designed to develop a pool of suitably skilled WorkCover WA staff to perform the role of a Conciliation Officer.

The Program builds skills and knowledge over a 13-week period as a result of practical involvement in the management of disputes.

In 2021/22 participants observed conciliation conferences, learnt statutory interpretation and application, undertook case management activities, liaised with the parties to a dispute and conducted supervised conciliation conferences.

### Supporting Dependency Claims

When a worker has died as a result of a work related injury, a claim for compensation can be made by the worker's dependant(s).

An application must be lodged with WorkCover WA's Arbitration Service for an order to pay compensation.

In 2021/22, 17 dependency claims were lodged. New functionality to lodge applications online has facilitated a smoother dependency claim process.



View our 'Workplace Fatality Fact Sheet'  
[workcover.wa.gov.au](http://workcover.wa.gov.au)

### Transitioning to e-Files

Conciliation and Arbitration Services have traditionally been paper-based and delivered in a face-to-face environment. The onset of the COVID-19 pandemic in early 2020 caused many systems and processes to shift to digital solutions.

For external stakeholders, online lodgement for conciliation and arbitration via the WorkCover WA Online portal is now in place. Internally, most case management administration is undertaken electronically using the Dispute Case Management System.

The transition from paper-based files to e-files commenced in the Conciliation Service in the first quarter of 2021/22.

Moving to an e-file only system created efficiencies by reducing double handling and use of paper, giving staff flexibility to securely access case files simultaneously or remotely.

## SCHEME SERVICES

## SERVICES TO SCHEME PARTICIPANTS

## Industrial Diseases Medical Panels

Industrial Diseases Medical Panels are convened to determine prescribed questions for claims related to asbestos and other mineral dusts.

An Industrial Diseases Medical Panel comprises physicians who specialise in diseases of the chest or occupational diseases.

Claims for industrial diseases compensation in relation to pneumoconiosis (including silicosis), mesothelioma, lung cancer and diffuse pleural fibrosis are referred to panels to determine:

- whether the worker is or was suffering from the prescribed disease(s)
- the worker's degree of permanent whole of person impairment.

The panels operate independently with WorkCover WA providing administrative support and funding.

Industrial Diseases Medical Panel Chairs comprised:

- Professor E Gabbay
- Dr E Lee
- Dr J Sim
- Dr K Chan Wan

Industrial Diseases Medical Panel members comprised:

- Dr D Bucens
- Professor B Robinson
- Dr M Prichard

Industrial Diseases Medical Panels increasingly used teleconferencing to assess the worker. Teleconferences offered increased access and improved choice for individuals and medical practitioners, particularly those in regional or remote Western Australia.

Industrial Diseases Medical Panels convened on 33 occasions and made 56 determinations. Of those determinations five were related to silicosis from the engineered stone industry.

**Table 7: Number of Diseases Determinations**

Disease	20/21	21/22
Pneumoconiosis	18	17
Pneumoconiosis and Diffuse Pleural Fibrosis	4	0
Pneumoconiosis and Lung Cancer	0	0
Pneumoconiosis, Diffuse Pleural Fibrosis & Lung Cancer	0	0
Diffuse Pleural Fibrosis	3	2
Mesothelioma	17	25
Lung Cancer	8	4
Determinations where disease not present or disease present but a 0% level of impairment	6	8
<b>Total</b>	<b>56</b>	<b>56</b>



### Managing Uninsured Claims

WorkCover WA oversees claims by injured workers when their employer is uninsured, and manages specific funds to provide a source of compensation for these workers. In 2021/22, 39 potential uninsured claims were investigated compared with 49 in 2020/21.

An uninsured employer is expected to make a decision on the claim, cover all costs associated with the claim, and take a lead role in planning for a worker's return to work.

Where an employer does not meet its responsibilities, WorkCover WA may make payments on behalf of the employer to ensure the injured worker is not disadvantaged, and later seek to recover these payments from the employer.

There were 24 accepted uninsured claims this financial year including five for which WorkCover WA made payments to the worker. The estimated cost of new uninsured claims including common law claims was \$3,668,733.

### Approved Medical Specialists

Approved medical specialists undertake permanent impairment assessments in accordance with the WorkCover WA *Guidelines for the Evaluation of Permanent Impairment*.

In order to become an approved medical specialist, a medical practitioner must meet specific criteria and complete formal training on the fifth edition of the American Medical Association's *Guides to the Evaluation of Permanent Impairment* and the *WorkCover WA Guidelines for the Evaluation of Permanent Impairment*.

WorkCover WA designated 22 new approved medical specialists. As at 30 June 2022 there were 262 operating in the scheme.



## SCHEME SERVICES

## SERVICES TO SCHEME PARTICIPANTS

## Noise Induced Hearing Loss

It is compulsory under the Act for employers to arrange and pay for baseline and subsequent hearing tests for all workers in a prescribed workplace.

Hearing test results are maintained and monitored by WorkCover WA.

There were 23,624 hearing tests conducted under the Act and lodged with WorkCover WA.



**Read our new fact sheet**  
Noise Induced Hearing Loss  
[workcover.wa.gov.au](http://workcover.wa.gov.au)

Table 8: Hearing Assessments

Assessments	20/21	21/22
Workers identified with potential noise induced hearing loss claims	1,084	904
Full audiological assessments arranged	308	224
Otorhinolaryngology (ear, nose and throat) assessments of occupational hearing loss arranged	131	137
Successful claims for work-related gradual onset noise induced hearing loss	83	94
First election claims (10% permanent hearing loss)	77	88
Subsequent election claims (additional 5% permanent hearing loss).	6	6

## Auditing Approved Testers

WorkCover WA audited approved testers for compliance with the Act for the first time in recent years.

Audit activities focused on testers fulfilling the requirements of the Act, with a particular focus on reporting timeframes, privacy obligations and tests only being conducted by approved personnel.

Findings included:

- test results moving between clinics without proper authorisation
- unauthorised personnel conducting hearing assessments
- outstanding notifications of employment not being appropriately followed up, leading to non-reporting of valid test results.

Overall, audit participants saw the assessment as both educative and informative. Audit results will be used as an opportunity to review practices and ensure appropriate governance is in place.

## Section Three

# Disclosures and Legal Compliance

## KEY PERFORMANCE INDICATORS

Key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess WorkCover WA's performance.

## GOVERNANCE DISCLOSURES

WorkCover WA complies with all governance and legal disclosures required by the State Government.



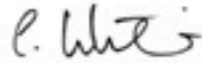
## DISCLOSURES AND LEGAL COMPLIANCE

**CERTIFICATION OF KEY PERFORMANCE INDICATORS**

We hereby certify the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess WorkCover WA's performance, and fairly represent the performance of WorkCover WA for the reporting period ended 30 June 2022.



**Victoria Wilmot**  
Board Member  
WorkCover Western Australia Authority  
30 August 2022



**Chris White**  
Chief Executive Officer  
WorkCover Western Australia Authority  
30 August 2022



## DISCLOSURES AND LEGAL COMPLIANCE

## INFORMATION IN SUPPORT OF KEY PERFORMANCE INDICATORS

Government Goals provide the high level basis of the Government's vision to improve the quality of life for all Western Australians and are supported at departmental level by agency specific desired outcomes.

Outcomes are defined as the effects, impacts, results on or consequences for the community, environment or target clients of Government services and clarify the contributions each agency makes towards achieving these Government policies and priorities.

*Agency Level Desired Outcomes* are intended to bring about behavioural change or satisfy a community or client need and link to the Government Goals.

Agencies deliver services to achieve these desired outcomes and contribute to meeting the Government Goals. This linkage creates a hierarchy in which the purpose of each service provided by an agency can be traced to a Government Goal and is referred to as Outcome Based Management (OBM).

Key Performance Indicators (KPIs) are part of the OBM and provide an overview of the critical or material aspects of outcome achievement (effectiveness indicators) and service delivery (efficiency indicators).

Government Goals introduced from 2017/18 are:

- **Sustainable Finances:** Responsible financial management and better service delivery
- **Future Jobs and Skills:** Grow and diversify the economy, create jobs and support skills development
- **Strong Communities:** Safe communities and supported families
- **Better Places:** A quality environment with liveable and affordable communities and vibrant regions.

WorkCover WA contributes to Government Goal 1, '**Sustainable Finances**' by delivering services aimed at minimising the social and economic impact of work-related injury and disease on workers, employers and the Western Australian community.

WorkCover WA's vision is to have a workers' compensation and injury management scheme that works for all and our purpose is to lead a contemporary, sustainable and integrated workers' compensation scheme that is fair, accessible and cost effective for all participants, through:

- delivering advice and guidance about workers' compensation, injury management and return to work practices

- providing active, responsive and transparent management of the scheme
- undertaking focused information, education and compliance activities
- facilitating fair and timely dispute resolution
- applying a strong service focus.

WorkCover WA strives to achieve its outcomes through the effective administration of the *Workers' Compensation and Injury Management Act 1981* (the Act), the provision of quality policy advice to Government and excellent stakeholder relationships.

The *Agency Level Desired Outcome* relates directly to the vision and purpose: *to ensure a workers' compensation and injury management scheme that is financially viable, contemporary and integrated whilst providing services that are fair, accessible, timely and cost effective for all participants.*

The services provided to ensure WorkCover WA achieves its desired outcomes are:

- **Scheme Regulation** - regulation of workers' compensation scheme participants for compliance with legislative requirements
- **Scheme Services** - provision of effective and equitable dispute resolution and other services to scheme participants.

## DISCLOSURES AND LEGAL COMPLIANCE

## OUTCOME BASED MANAGEMENT STRUCTURE

**Review of the Outcome Based Management Structure**

WorkCover WA undertakes regular reviews of its OBM Structure and KPI framework to ensure it provides the most suitable measures to indicate the agency's performance.

The agency did not make any changes to its OBM Structure in 2021/22 as the *Agency Level Desired Outcomes*, Services and KPIs remain relevant and appropriate.

**Independent Audit Opinion**

KPIs are audited annually by the Auditor General and the audit opinion is included in the Independent Auditor's Report published in the financial statements and notes in section four.

**Government Goal**

Sustainable Finances – Responsible financial management and better service delivery

**Desired Outcome**

To ensure a workers' compensation and injury management scheme that is financially viable, contemporary and integrated, whilst providing services that are fair, accessible, timely and cost effective for all participants.

**Key Effectiveness Indicators**

- The number of non-compliance events identified as a result of a claim on the General Account
- The proportion of conciliations completed within eight weeks
- The proportion of disputes resolved within six months

**Service 1: Scheme Regulation**

Regulation of workers' compensation scheme participants for compliance with legislative requirements.

**Key Efficiency Indicators**

- Average cost per employer compliance activity
- Average cost per approved and monitored service provider
- Average cost per client contact to provide information and advice

**Service 2: Scheme Services**

Provision of effective and equitable dispute resolution and other services to scheme participants.

**Key Efficiency Indicators**

- Average cost to complete a conciliation
- Average cost to complete an arbitration
- Average cost to process a memorandum of agreement

## DISCLOSURES AND LEGAL COMPLIANCE

## KEY PERFORMANCE INDICATORS SNAPSHOT

Table 9: Key Performance Indicators of Effectiveness

No.	Description	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2021/22 Target
1.1	The number of non-compliance events identified as a result of a claim on the General Account	4	8	0	5	5	5
1.2	The proportion of conciliations completed within eight weeks	96.7%	96.9%	96.6%	94.8%	90.8%	97.0%
1.3	The proportion of disputes resolved within six months	84.1%	84.1%	85.6%	83.0%	83.6%	90.0%

Table 10: Key Performance Indicators of Efficiency<sup>1</sup>

No.	Description	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2021/22 Target
1.1	Average cost per employer compliance activity	\$261	\$277	\$350	\$270	\$211	\$318
1.2	Average cost per approved and monitored service provider	\$3,522	\$2,634	\$2,614	\$2,882	\$3,015	\$3,374
1.3	Average cost per client contact to provide information and advice	\$75	\$56	\$85	\$94	\$77	\$86
2.1	Average cost to complete a conciliation	\$2,353	\$2,084	\$2,202	\$2,055	\$1,980	\$1,958
2.2	Average cost to complete an arbitration	\$8,579	\$8,319	\$9,162	\$9,495	\$10,739	\$9,029
2.3	Average cost to process a Memorandum of Agreement	\$348	\$424	\$505	\$497	\$525	\$472

<sup>1</sup> Efficiency Indicators have not been adjusted for inflation

## DISCLOSURES AND LEGAL COMPLIANCE

## KEY PERFORMANCE INDICATORS OF EFFECTIVENESS

**The Agency Level Desired Outcome** reflects the purpose of WorkCover WA.

WorkCover WA's *Agency Level Desired Outcome* is:

*To ensure a workers' compensation and injury management scheme that is financially viable, contemporary and integrated, whilst providing services that are fair, accessible, timely and cost effective for all participants.*

WorkCover WA measures its success in achieving its outcome through effectiveness indicators.

Effectiveness indicators provide information on the extent to which the *Agency Level Desired Outcome* has been achieved or contributed to, through the delivery of services.

The effectiveness indicators chosen by WorkCover WA provide information in relation to workers' compensation compliance activities and timeframes for managing conciliation and arbitration processes.

The indicators relate directly to the two services provided by WorkCover WA:

- Scheme Regulation
- Scheme Services.

The following commentary explains the rationale behind each effectiveness indicator and how it measures success in achieving our outcome.



## DISCLOSURES AND LEGAL COMPLIANCE

## INDICATOR OF EFFECTIVENESS 1.1

Table 11: Number of Non-compliance Events Identified as a Result of a Claim on the General Account

Indicator 1.1	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2021/22 Target
The number of non-compliance events identified as a result of a claim on the General Account	4	8	0	5	5	5

## Description

WorkCover WA is responsible under the Act, to oversee the requirement of employers to hold workers' compensation insurance.

This indicator shows the number of new claims with payments made from WorkCover WA's General Account (as a safety net payment) to workers, due to employers not having the required insurance to cover such payments (non-compliance).

A non-compliance event is defined as:

*An occupational safety and health incident to a worker or workers of an uninsured employer, which has a financial impact on WorkCover WA's General Account by way of an uninsured claim payment.*

While there is ongoing claims activity against the General Account, for the purpose of this indicator, claims are only counted in the year the first payment is made to a worker.

Claims involving asbestos and industrial disease are made years after the causal exposure.

For example, the four main diseases associated with the inhalation of asbestos fibres (i.e. asbestosis, mesothelioma, asbestos-related lung cancer and diffuse pleural fibrosis) generally take years, if not decades, to develop after a worker has been exposed to asbestos. Accordingly, these are excluded from the definition of an 'event' as they bear no reflection on the current insurance levels of employers.

Common law damage claims paid from the General Account due to insurers declining to indemnify the claim are also excluded.

This exclusion is limited to claims where a court finds the insured employer breached its insurance policy by recklessly disregarding the risk to the worker.

To determine the target for this KPI a benchmark of one uninsured claim per 5,000 insured claims has been set.

Insured claims were for many years consistently in the vicinity of 40,000 per annum, however, in more recent years, these numbers have continued to decline with 29,522 in 2016/17, 28,227 in 2017/18, 27,612 in 2018/19 and 25,929 in 2019/20.<sup>2</sup>

<sup>2</sup> The figures quoted are those available at the time of setting the target in April 2021 and the figures for the two years previous is used, due to this being lag data. The number of insured claims per year is based on the insurer received date and excludes asbestos and industrial disease, journey and invalid claims. The number of claims may vary from those previously published for some years due to delays in claim reports to WorkCover WA from insurers.

## DISCLOSURES AND LEGAL COMPLIANCE

## INDICATOR OF EFFECTIVENESS 1.1

Using this methodology of one uninsured claim per 5,000 claims, the target for 2021/22 has been set at five.

Information for this indicator is derived from two agency information systems. Claim numbers are reported from a central database which captures details of all claims as reported by approved insurers and self-insurers.

Uninsured claim payments are derived from the agency Financial Management Information System (FMIS) which reports the commencement of any payments to a worker or service provider made from the General Account.

## ANALYSIS

In 2021/22 there were five non-compliance events resulting in a claim paid from the General Account. This is consistent with both the target and the 2020/21 result.

The number of uninsured claims against the General Account continues to remain low in the context of approximately 26,500 insured claims for the year.

The continued low number of uninsured claims paid from the General Account can be attributed to WorkCover WA's targeted approach to compliance investigations, increased educative campaigns and proactive management of uninsured claims portfolio.

This indicator was not impacted by the COVID-19 pandemic as the agency's hybrid working model enabled continuity of service delivery.



## DISCLOSURES AND LEGAL COMPLIANCE

## INDICATOR OF EFFECTIVENESS 1.2

Table 12: The Proportion of Conciliations Completed within Eight Weeks

Indicator 1.2	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2021/22 Target
The proportion of conciliations completed within eight weeks	96.7%	96.9%	96.6%	94.8%	90.8%	97.0%

## Description

The *Workers' Compensation and Injury Management Conciliation Rules 2011* set the time limit for conciliation at 56 days (eight weeks) from the day on which the Director accepts an application, unless an extension is granted by the Director for a period not exceeding a further eight weeks.

This timeframe is reflected in this KPI which reports the percentage of conciliation applications completed within the initial eight weeks.

Time taken to complete an application for conciliation is measured from the date an application for conciliation is accepted to the date a *Certificate of Outcome* is issued by the conciliation officer.

This indicator is produced directly from data extracted from the Dispute Case Management System which supports the business needs of the Conciliation and Arbitration Services.

The target for this KPI has been set based on the previous year's target and performance.

## ANALYSIS

In 2021/22, 90.8 percent of conciliations were completed within the eight-week statutory timeframe.

This is 6.2 percentage points less than the target and 4.0 percentage points less than in 2020/21.

This KPI has performed consistently against the target since its inception in 2011/12 and while measures such as telephone conferencing and working from home arrangements were introduced to ensure conciliation services were maintained, these regulatory timeframes have been affected by the impact of the COVID 19 pandemic. This has resulted in additional requests to extend the period for conciliation.

There will always be some cases in the normal course of business that cannot reasonably be resolved within the initial eight-week period in which case the Director may grant an extension for a further (maximum) eight-week period. In 2021/22 the number of extensions increased significantly from 104 in 2020/21 to 206 in 2021/22 (98 percent) primarily due to the COVID-19 pandemic.

Of the matters not completed within the initial eight weeks, all except one were completed within the extended timeframe.

## DISCLOSURES AND LEGAL COMPLIANCE

## INDICATOR OF EFFECTIVENESS 1.3

Table 13: The Proportion of Disputes Resolved within Six Months

Indicator 1.3	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2021/22 Target
The proportion of disputes resolved within six months	84.1%	84.1%	85.6%	83.0%	83.6%	90.0%

## Description

This KPI reports the time taken to resolve a dispute and is consistent with Part XI, section 177 of the Act, which states:

*The main objectives of the conciliation and arbitration functions are to provide a fair and cost-effective system for the resolution of disputes under the Act that:*

- a. is timely*
- b. is accessible, approachable and professional*
- c. minimises costs to parties to disputes*
- d. in the case of conciliation, leads to final and appropriate agreements between parties in relation to disputes*
- e. in the case of arbitration, enables disputes not resolved by conciliation to be determined according to their substantial merits with as little formality and technicality as practicable.*

This KPI measures the proportion of disputes resolved within a six-month timeframe from the day an application for conciliation is accepted through to the day it is completed, either via conciliation or arbitration.

For those disputes progressing to arbitration the 28-day statutory gap (or portion of) in which an application for arbitration can be made, and the time between lodgement and acceptance of an application, is not included in the timeframe.

Where a case is referred to a medical panel, the time taken to obtain additional information is also excluded from the calculation. Acceptance of an application (after lodgement) can be delayed due to the provision of incomplete or inadequate documentation.

Data for this KPI is drawn from the Dispute Case Management System and establishes the timeframe by counting disputes from the day a dispute is registered as accepted for conciliation through to the day the dispute is either recorded as completed (for conciliation) or closed and/or final orders issued, where the matter has proceeded to arbitration.

The target for this KPI has been set based on the previous year's target and performance.

## ANALYSIS

In 2021/22, 83.6 percent of all disputes were resolved within six months. This is 6.4 percentage points less than the target of 90.0 percent and 0.6 percentage points more than the 2020/21 result.

This indicator has remained relatively stable throughout the COVID-19 pandemic. The agency maintained service delivery by continuing with telephone hearings, working from home arrangements where required and the reintroduction of face to face hearings, however, the increased number of conciliation extensions granted, and the increased complexity of a growing number of arbitration cases has also impacted this KPI.

These results are published in the *Comparative Performance Monitoring Report* produced by Safe Work Australia which compares work health and safety and workers' compensation schemes in Australia. This report shows dispute resolution within the Western Australian workers' compensation scheme performs well compared with other jurisdictions. The latest available data shows the 2019/20 national average for disputes resolved was 78.3 percent.

## DISCLOSURES AND LEGAL COMPLIANCE

**KEY PERFORMANCE INDICATORS OF EFFICIENCY**

Efficiency indicators relate agency services to the level of resource inputs required to deliver them. The efficiency indicators for WorkCover WA are focused on financial resources and provide a per-unit cost.

There are three efficiency indicators chosen for each of the two agency services. These indicators measure the overall unit costs of delivering the core services of dispute resolution and regulation of scheme participants.

**Allocation of agency Costs**

To ensure accurate allocations of costs to the KPIs across the agency, a formal agency cost mapping model is used. The cost allocation model determines overheads and allocates costs across the agency's divisions and six efficiency KPIs and is reviewed for accuracy at least every two years. Budget figures used in the costing model are consistent with the agency's approved budget.

Direct costs for each activity are allocated to individual cost centres within the relevant business units in the first instance.

To account for all agency costs, expenditure from cost centres not attributed directly to a KPI is allocated across all KPIs on an FTE basis.

Other indirect costs (overheads) such as rates, water, electricity, and depreciation of buildings are allocated according to the floor space specifically allocated to an area.

Calculation methodologies referred to for both target and actual figures include allocated overheads through the cost mapping model.

Certain expenditure and revenue in relation to the payment and subsequent recovery of workers' compensation claims are not incorporated into the KPI calculation data. This is due to the nature of these transactions and the fact WorkCover WA has no control over General Account and Supplementation Fund claims, which if included, would unduly skew key KPI data (for 2021/22 this represents 6.0 percent of the total expenditure).

The KPIs listed on the following pages measure the costs of providing these activities.

**Service 1: Scheme Regulation - regulation of workers' compensation scheme participants for compliance with legislative requirements.**

As part of its responsibilities in administering the Act, WorkCover WA has responsibility to ensure the efficient and effective operation of the workers' compensation scheme by monitoring compliance of employers, insurers and others participating in or affected by the scheme

**Service 2: Scheme Services - provision of effective and equitable dispute resolution and other services to scheme participants.**

The Conciliation and Arbitration Services provide a fair and cost-effective system for the resolution of disputes that is timely, accessible, approachable and professional, and minimises costs to parties to disputes through either conciliation or arbitration.

The agency is also responsible for recording the finalisation of a workers' compensation claim through the registration of a Memorandum of Agreement and processing common law elections, extensions and settlements by deed.

## DISCLOSURES AND LEGAL COMPLIANCE

## INDICATOR OF EFFICIENCY 1.1

Table 14: Average Cost per Employer Compliance Activity

Indicator 1.1	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2021/22 Target
Average cost per employer compliance activity	\$261	\$277	\$350	\$270	\$211	\$318

## Description

WorkCover WA seeks to ensure every employer maintains a policy of insurance for the full amount of any liability to pay compensation under the Act to any worker employed and complies with other obligations under the Act.

Authorised inspectors conduct investigations and inspections to ensure compliance with the Act and to issue cautions or infringement notices or prosecute where non-compliance is identified. Insurers are not able to cancel workers' compensation insurance policies without the approval of WorkCover WA. This is to ensure employers are not operating a business without insurance.

The Act has 34 penalty provisions relating to employers' obligations. Following notification of a possible breach, an investigation or prosecution may result.

This indicator reports the average cost of these employer compliance activities and is measured by dividing the full cost of the agency's Compliance Branch for the reference period as determined by the Cost Allocation Model by the total number of employer compliance activities.

Each employer compliance activity is recorded in the Regulatory Services Management System which tracks activity for each case. The total number of employer compliance activities is extracted directly from this system.

The target for this indicator was determined using the full year approved budget figures for the compliance activity divided by the estimated full year total number of compliance activity units. While there was an increase in compliance activity during 2020/21 due to the finalising 2019/20 activities delayed due to COVID-19 impacts and policy changes and practice improvements, the activity was expected to return to pre-2019/20 levels. Therefore, the predicted number of compliance units used was consistent with those used for 2019/20.

## ANALYSIS

In 2021/22 the average cost per employer compliance activity was \$211. This is 33.6 percent less than the target of \$318 and 21.8 percent less than in 2020/21.

The variance of the outcome against both the target and the previous year is due to new investigative techniques resulting in a significant increase in compliance investigations.

This KPI was not impacted by the COVID-19 pandemic as the agency's hybrid working model enabled continuity of compliance investigations.



## DISCLOSURES AND LEGAL COMPLIANCE

## INDICATOR OF EFFICIENCY 1.2

Table 15: Average Cost Per Approved and Monitored Service Provider

Indicator 1.2	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2021/22 Target
Average cost per approved and monitored service provider	\$3,522	\$2,634	\$2,614	\$2,882	\$3,015	\$3,374

## Description

WorkCover WA is responsible for approving, monitoring and reviewing the performance of scheme service providers against established standards which can include performance criteria relating to legislative compliance, codes of conduct, codes of practice and guidelines.

Through its standards and review activities, WorkCover WA approves and/or monitors the performance of the following service providers: insurers, self-insurers, workplace rehabilitation providers, approved medical specialists, registered agents, audiologists, audiometrists and audiometric officers.

This indicator reports the average cost per approved and monitored service provider and is measured by dividing the full costs of providing this regulation service by the total number of approved and monitored service providers.

All information relevant to these service providers is captured in the Regulatory Services Management System as the single data source and the data for this indicator is extracted directly from the system. The total cost of the monitoring services operational activity for the reference period is provided by the Cost Allocation Model.

The target for this indicator was determined by dividing the approved budget for these activities by the estimated total number of approved and monitored service providers.

The predicted number of service providers is expected to remain relatively stable and therefore the figure used for the target is the same as in 2019/20 and 2020/21. The number of service providers is measured as of 30 June each year.

## ANALYSIS

In 2021/22 the average cost per approved and monitored service provider was \$3,015. This is 10.6 percent less than the target of \$3,374 and 4.6 percent more than in 2020/21.

This indicator was not impacted by the COVID-19 pandemic as the agency's hybrid working model enabled continuity of service provider approval and monitoring.

The variance to target is due to a marginal increase in the number of service providers registered on 30 June 2022, and an increase in staff resources to develop new service standards for service providers and to monitor changes to the regulatory environment.



## DISCLOSURES AND LEGAL COMPLIANCE

## INDICATOR OF EFFICIENCY 1.3

Table 16: Average Cost Per Client Contact to Provide Information and Advice

Indicator 1.3	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2021/22 Target
Average cost per client contact to provide information and advice	\$75	\$56	\$85	\$94	\$77	\$86

## Description

WorkCover WA has responsibility under the Act to promote awareness and disseminate information about the workers' compensation scheme.

This indicator reports the average cost of providing information and advice in relation to all aspects of the scheme. It is measured by dividing the full costs of providing the Advice and Assistance service by the total number of advice and assistance activities (written advice notifications prepared and verbal consultations conducted).

All written advice notifications and verbal consultations including in-person enquiries, consultation via the website chat-line, appointments, emails and written enquiries are captured in the Regulatory Services Management System.

Inward telephone calls made to the Advisory Line (1300 794 744) are recorded by the agency's phone system. Other enquiries such as Ministerial correspondence are recorded in the Ministerial tracking system. The total number of matters conducted is then extracted directly from the respective systems and included in a monthly activity report.

The target for this indicator was determined by dividing the approved budget for this activity by the estimated total number of written advice notifications prepared and verbal consultations conducted for the year.

The predicted number of activities was based on the 2019/20 and 2020/21 performance and previous financial year trends.

## ANALYSIS

In 2021/22 the average cost per client contact to provide information and advice was \$77. This is 10.5 percent lower than the target of \$86 and 18.1 percent lower than in 2020/21.

The reduced outcome for this indicator is due to internal restructuring and a reduction in the number of staff resources. The reduced number of client contacts for the year are a flow on from strengthened regulatory activities and effects of the COVID-19 pandemic.

Overall, in 2021/22 the Advice and Assistance Service responded to 17,587 requests. This is consistent with the previous year and a 17.8 percent reduction on the estimated target figure.

## DISCLOSURES AND LEGAL COMPLIANCE

## INDICATOR OF EFFICIENCY 2.1

Table 17: Average Cost to Complete a Conciliation

Indicator 2.1	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2021/22 Target
Average cost to complete a conciliation	\$2,353	\$2,084	\$2,202	\$2,055	\$1,980	\$1,958

## Description

This KPI measures the average cost to complete a conciliation. It is measured by dividing the full costs of providing the conciliation process by the total number of conciliations completed.

All conciliations are recorded in the Dispute Case Management System along with dates completed. 'Completed' is measured as the date that a conciliation officer records a Certificate of Outcome at the end of a conciliation process.

The data for this indicator is extracted directly from the Dispute Case Management System.

The target for this indicator is based on current and previous performance and was determined by dividing the approved budget for this activity by the estimated total number of conciliations completed for the year.

The estimated number of conciliations for 2021/22 is based on the performance for both 2019/20 and 2020/21 and current trends.

## ANALYSIS

In 2021/22 the average cost to complete a conciliation was \$1,980. This is 1.1 percent more than the target of \$1,958 and 3.7 percent less than in 2020/21.

This indicator was not impacted by the COVID-19 pandemic as the agency's service delivery model ensured conciliation services were maintained.

The number of conciliations completed for the year has increased by 6.7 percent on the target and 11.9 percent on the previous year. An increase in resource allocations was required to successfully manage this increasing trend.

## DISCLOSURES AND LEGAL COMPLIANCE

## INDICATOR OF EFFICIENCY 2.2

Table 18: Average Cost to Complete an Arbitration

Indicator 2.2	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2021/22 Target
Average cost to complete an arbitration	\$8,579	\$8,319	\$9,162	\$9,495	\$10,739	\$9,029

## Description

This KPI measures the average cost to complete an arbitration. It is measured by dividing the full costs of providing the arbitration process by the total number of arbitrations completed.

All arbitration applications are recorded in the Dispute Case Management System, including the dates the matters are completed. 'Completion of an arbitration' can mean a matter is discontinued or final orders are issued by an arbitrator. The data for this indicator is extracted directly from the Dispute Case Management System.

The target for this indicator is based on current and previous performance and was determined by dividing the approved budget for this activity by the estimated total number of arbitrations completed for the year. The estimated number of arbitrations used is consistent with current upward trends.

## ANALYSIS

In 2021/22 the average cost to complete an arbitration was \$10,739. This is 18.9 percent higher than the target of \$9,029 and 13.1 percent higher than the outcome for 2020/21.

This indicator was not impacted by the COVID-19 pandemic as the agency's service delivery model ensured arbitration services were maintained.

The increased cost of providing this service in 2021/22 is contributed to by the lower than anticipated number of arbitration applications completed whilst maintaining existing levels of staff resourcing.



## DISCLOSURES AND LEGAL COMPLIANCE

## INDICATOR OF EFFICIENCY 2.3

Table 19: Average Cost to Process a Memorandum of Agreement

Indicator 2.3	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2021/22 Target
Average cost to process a Memorandum of Agreement	\$348	\$424	\$505	\$497	\$525	\$472

## Description

WorkCover WA is responsible under the Act for registering each Memorandum of Agreement, where parties agree to settle a claim in the workers' compensation scheme, either through redemption of weekly entitlements and medical expenses, and/or through an assessment of a worker's permanent impairment.

Registering a Memorandum of Agreement involves an assessment of the accuracy of the documentation provided by the parties, as well as of compliance with the Act.

This KPI provides the average cost to complete a Memorandum of Agreement and is measured by dividing the full costs of providing the Memorandum of Agreement process by the total number of Memorandum of Agreements completed. Each Memorandum of Agreement registered is recorded in the Memorandum of Agreement database which forms part of the Dispute Case Management System. The data for this KPI is extracted directly from this system.

The target for this KPI was set based on 2020/21 performance and a continuing downward trend in recent years in the number of Memorandum of Agreements presented.

## ANALYSIS

The average cost to process a Memorandum of Agreement for 2021/22 was \$525. This is 11.1 percent more than the target of \$472 and 5.6 percent more than the outcome in 2020/21. This indicator was not impacted by the COVID-19 pandemic as the agency's service delivery model ensured registry services were maintained.

The number of Memorandum of Agreements processed in 2021/22 is 6.7 percent less than the predicted target and 1.4 percent less than the number processed in 2020/21.

The higher individual Memorandum of Agreement processing costs compared to the expected target and the previous year are a direct result of the lower number of Memorandum of Agreements being lodged and an increase in resource allocations through overheads.

## DISCLOSURES AND LEGAL COMPLIANCE

## OTHER DISCLOSURES

## Governance Framework

WorkCover WA's *Governance Framework* ensures strategies, stakeholder relationships and culture are in place to achieve objectives and comply with good governance principles.

The *Governance Framework* is aligned to the Public Sector Commission's *Good Governance Guide* and provides the foundation for planning, reporting and governance needs.

Ongoing monitoring is provided through:

- risk management and audit processes
- quarterly and annual reporting
- oversight by the Corporate Executive and the Board
- annual governance performance review
- biennial review of the framework.

To facilitate oversight of governance requirements a *Corporate Governance Task List* is maintained for all key planning, budgeting, reporting and governance activities.

## CEO Performance Agreement

Performance is monitored by the Board and the Minister for Industrial Relations through deliverables determined in an annual *CEO Performance Agreement*.

The *Performance Agreement* is developed between the CEO, Board Chair, the Minister for Industrial Relations and the Public Sector Commissioner.

An evaluation against agreed deliverables is assessed by the Board Chair annually and endorsed by the Minister for Industrial Relations and the Public Sector Commissioner.

## Conflicts of Interest

Senior officers and members of the Board declare actual, perceived or potential conflict of interest in performing their duties.

A centrally maintained *Conflict of Interests Register* is also completed by staff and Board members where required.

## CASE STUDY

## Risk Management Framework

WorkCover WA anticipates and mitigates risks to the agency and the sustainability of the scheme through an Enterprise Risk Management Framework.

The framework guides our approach to managing risk.

In 2021/22 our internal auditors conducted a review of the framework which highlighted significant improvements in maturity levels across all seven layers of the Risk Maturity Model.

Ongoing training, risk system upgrades and monitoring and reporting of performance against Key Risk Indicators to the Corporate Executive through the Risk Management Review Group and the Board through the Audit and Risk Management Committee ensure good risk management practices are maintained, timely identification and mitigation of significant risks and compliance with Treasurer's Instruction 825.

### Strategic Audit Plan

Audit activities are determined by a three year *Strategic Audit Plan*, with the corresponding annual schedule review prior to the commencement of each audit year.

Internal audit at WorkCover WA is risk-based and encompasses both the financial and non-financial operations of the agency. Internal audit aims to work with and support external audit as required and reduce duplication of effort as appropriate.

Commencing in 2021/22 WorkCover WA increased audit hours for information technology security testing and added cybersecurity audits to our audit program in line with Office of Digital Government requirements.

WorkCover WA conducted eight internal audits and four external audits. The eight internal audits identified ten audit findings and five process improvement opportunities. There was one finding identified by the four external audits. The agency received a clear audit opinion on its Financial Statements and Key Performance Indicators were presented to Parliament.

All findings have agreed action plans and are reported to and monitored by the Audit and Risk Management Committee of the WorkCover WA Board.

### Internal Audit Function

In line with the *Financial Management Act 2006* and *Treasurer's Instructions*, WorkCover WA has an Internal Audit function. This provides independent and objective assurance and consulting services aimed at continuously improving the operations of the agency.

Tasks undertaken by the Internal Audit function assist the agency to accomplish its objectives by bringing a systematic, disciplined approach to improve the effectiveness of risk management, control and governance processes.

The Internal Audit function at WorkCover WA includes consultants and contractors engaged on behalf of the agency through a co-sourced arrangement managed by the Internal Audit Manager.

An Audit and Risk Management Committee is appointed by the Board. To maintain independence, the Internal Audit Manager reports directly to the Audit and Risk Management Committee for the audit function and to the CEO for administrative matters.

### Ministerial Correspondence

Under section 74 of the *Public Sector Management Act 1994*, WorkCover WA has a communications protocol which outlines how the CEO and agency staff interact with the Minister for Industrial Relations' Office.

To ensure precise and timely information to the Minister for Industrial Relations and accurate recordkeeping, WorkCover WA actively manages all Ministerial communications as matters of priority.

Detailed procedures exist to assist all officers involved in Ministerial communication.

Statistical information regarding Ministerial communication is regularly reviewed by the Board and Corporate Executive.

### Ministerial Directives

Under section 111(2) of the Act, WorkCover WA is required to record written directives from the Minister in the Annual Report.

WorkCover WA did not receive any Ministerial directives in 2021/22.



## DISCLOSURES AND LEGAL COMPLIANCE

## OTHER DISCLOSURES

## Integrity Framework

WorkCover WA has a strong approach to mitigating the risk of fraud and corruption by focusing on integrity and prevention through its *Integrity Framework*.

The *Integrity Framework* sets out the approach to effective fraud and corruption prevention underpinned by a healthy and strong culture.

The *Integrity Framework* aligns with the Public Sector Commission's (PSC) *Integrity Strategy for Public Authorities 2020/23*.

WorkCover WA's practices were reviewed against the four key areas of the PSC's *Integrity Strategy Snapshot Tools* to:

- plan and act to improve integrity
- model and embody a culture of integrity
- learn and develop integrity knowledge and skills
- be accountable for integrity.

The assessment showed WorkCover WA's practices were sound.

## Fraud and Corruption Control Plan

WorkCover WA is committed to the highest possible standards of openness, probity and accountability in all affairs and has zero tolerance for fraud, corruption and misconduct.

The *Fraud and Corruption Control Plan* documents the strategic and operational approach to controlling fraud and corruption.

The Plan provides an overview of how fraud and corruption risks are managed and outlines how WorkCover WA complies with the requirements of the *Australian Standard AS8001*.

The *Fraud and Corruption Control Plan* is an integral part of the agency's *Enterprise Risk Management Framework* and has been developed in line with the standard. It applies to all internal staff, the Board, contractors and external parties involved in providing goods and services to WorkCover WA.

Fraud and corruption risks are further monitored through the reporting of Key Risk Indicators to the Corporate Executive, the Audit and Risk Management Committee and the Board.

## Unauthorised Use of Credit Cards

Staff hold a corporate credit card where their functions warrant usage. Staff are made aware of their obligations annually under the agency's credit card policy. In 2021/22 there was one unauthorised use of a corporate credit card.

The matter was not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount and the nature of the expenditure was immaterial and characteristic of an honest mistake.

Table 20:

Unauthorised use of credit cards	2022 (\$)
Number of instances of unauthorised use of credit card for personal purposes	1
Aggregate amount of personal use expenditure for the reporting period	159.99
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	159.99
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	0
Aggregate amount of personal use expenditure remaining unpaid at the end of the reporting period	0
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	0



## FUTURE FOCUS

### Public Sector Standards and Ethical Codes

Under section 8 and section 9 of the *Public Sector Management Act 1994*, WorkCover WA ensures obligations are met for:

- *Western Australian Public Sector Code of Ethics*
- WorkCover WA's *Code of Conduct*
- *Public Sector Standards in Human Resource Management*.

'Values conversations' provided a refresher for all staff to reconnect with the broader public service ethos and the agency's values and codes.

The annual staff performance review process provides an opportunity for feedback and assessment against the *Code of Conduct*.

In 2021/22 the following breaches occurred:

- *Code of Conduct*: Two
- *Public Sector Code of Ethics*: Nil
- *Public Sector Commissioner's Instruction Employment Standard*: Nil
- *Grievance Resolution Standard*: Nil.

### Strategic Workforce and Diversity Plan

The *Strategic Workforce and Diversity Plan 2022-2025* (the Plan) sets the direction for WorkCover WA's most valuable resource, our people.

Technological advances, increasing customer expectations and demographic shifts are just some of the challenges facing agencies. Having a capable, agile and diverse workforce is critical to ensuring WorkCover WA is able to respond to those challenges and deliver the services the community of Western Australia expects from Government.

The Plan aligns with *WorkCover WA's Strategic Plan 2022-2025: Building on Strength* through the implementation of strategies which address the goal Building people, culture and systems.

Importantly, the Plan outlines four priorities and a practical, principles-based approach to implementing strategic workforce planning which can be easily adapted to meet the particular circumstances and workforce needs of each operational area.

A critical element, seen as a strategic imperative, is maintaining a diverse workforce with people who are capable, motivated, treated fairly and focused on delivering our services productively and accountably.

### Priority Areas

#### Priority 1



#### An inclusive workplace

- Reconciliation
- Multiculturalism
- People with disability
- Women in leadership
- Youth
- LGBTQIA+

#### Priority 2



#### A productive workplace

- Learning
- Attraction
- Retention
- Talent pipeline
- Capability development

#### Priority 3



#### A healthy workplace

- Flexible workplace
- Health and wellbeing
- Rights and responsibilities
- Employee consultation

#### Priority 4



#### A values driven workplace

- Values
- Conduct
- Support
- Behaviour
- Climate

## DISCLOSURES AND LEGAL COMPLIANCE

## OTHER DISCLOSURES

## People of Diverse Sexuality and Gender

WorkCover WA continued to support and empower employees with diverse sexual and gender identities.

The *Strategic Workforce and Diversity Plan 2022 - 2025* guides the agency's commitment to enabling individuals to realise their full potential, while working in an environment which is supportive, safe, and inclusive.

The agency is proud to be a diverse organisation which champions staff from a range of backgrounds.

## Women in Leadership

Over the past few years WorkCover WA has developed internal workforce strategies to create opportunities for women to succeed in leadership roles.

Female leaders comprised 63% of the senior leadership cohort (Tier 2 and 3) at WorkCover WA.

This representation is a testament to the agency's commitment to achieving gender parity.

WorkCover WA supports empowerment at all levels and aims to continue the development of current and future female leaders.

## Disability and Access Inclusion Plan

WorkCover WA has taken action to increase representation of people with disability in accordance with the *People with Disability: Action Plan to Improve WA Public Sector Employment Outcomes 2020 – 2025*.

The workforce includes 5.4% of employees with disability, well above the public sector average of 1.5%.

WorkCover WA's *Disability Access and Inclusion Plan 2017 - 2022* was developed under the principles of the *Disability Services Act 1993*, and has focused on:

- undertaking consultation to increase knowledge of and confidence in inclusive workers' compensation and injury management practices
- performing annual disability access audits of WorkCover WA facilities
- celebrating International Day of People with Disability
- acknowledging the individual achievements of staff with disabilities
- continuing an ongoing gardening maintenance contract with ParaQuad Industries.

## Workforce Snapshot

6.3%

Employees 25 years and under

3.5%

Aboriginal and Torres Strait Islander employees

5.4%

Employees with a disability

17%

Employees from culturally diverse backgrounds

63%

Women in leadership (Tier 2 and 3)



## CASE STUDY

### Commitment to Reconciliation

WorkCover WA recognises the need to provide culturally appropriate and responsive services to the Aboriginal and Torres Strait Islander community, whilst attracting, retaining and supporting our Aboriginal and Torres Strait Islander workforce.

The *Reconciliation Strategy* identifies priority actions to further develop ideas and programs for cultural education, promote employment of Aboriginal and Torres Strait Islander peoples and develop existing Aboriginal and Torres Strait Islander staff.

WorkCover WA has a current Aboriginal and Torres Strait Islander workforce representation of 3.5%, which is higher than the public sector average of 2.8%.

Two Aboriginal trainees were offered full-time employment and support towards the completion of a nationally recognised qualification. This entry-level employment strategy has been embraced by WorkCover WA, having supported three previous Aboriginal trainees into permanent employment.

A proactive commitment to reconciliation was demonstrated during Reconciliation Week, hosted by Noongar Elder Professor Len Collard.

### Multicultural Action Plan

WorkCover WA refined the *Multicultural Action Plan* consistent with the Office of Multicultural Interests' *Western Australian Multicultural Policy Framework*.

The *Multicultural Action Plan* reflects the *Western Australian Charter of Multiculturalism* including:

- building harmonious and inclusive communities
- developing culturally responsive services
- participating in cultural activities.

WorkCover WA's workforce includes 17% of employees from culturally and linguistically diverse backgrounds.

### Mandi Mart (Youth Action Group)

WorkCover WA is committed to increasing youth representation and supports the Public Sector Commission's *Workforce Diversification and Inclusion Strategy for WA Public Sector Employment 2020–2025*.

As part of Mandi Mart, young professionals at WorkCover WA are empowered to develop their skills and contribute their perspectives to agency decision-making.

The group supports members by providing an encouraging, collegiate environment and creating opportunities for professional development and community service.

Mandi Mart members have led the way in giving back to the community, organising fundraising and volunteering activities to benefit a range of not-for profit organisations and charitable causes.

WorkCover WA's workforce includes 6.3% of employees under 25 years of age, higher than the public sector average of 5.3%.

## DISCLOSURES AND LEGAL COMPLIANCE

## GOVERNMENT POLICY REQUIREMENTS

## Staffing Arrangements

Employees at WorkCover WA are employed under the *Public Service Award 1992* and the *Public Sector CSA Agreement 2021*.

At 30 June 2022, there were 141 staff representing 127.7 full time equivalents (FTE). The median age of staff was 48 years.

WorkCover WA is committed to sustaining an inclusive workforce with a range of skills, experience and perspectives reflective of the Western Australian community. A diverse workforce provides greater insight into the needs of the community and how the agency can better serve them.

Table 21: FTE on 30 June 2022

Employment type	2019	2020	2021	2022
Full-time permanent	102	102	98	94
Full-time contract	14	9	14	9
Part-time	10.8	11.5	12.3	15.7
Secondments	0	1	3	4
Traineeships	1	0	2	2
Graduates	1	1	0	3
<b>Total</b>	<b>126.8</b>	<b>122.5</b>	<b>124.3</b>	<b>127.7</b>

## Substantive Equality

WorkCover WA ensures policies, procedures and practices are consistent with the Government's *Policy Framework for Substantive Equality* which aims to address and eliminate systemic discrimination.

WorkCover WA strives to create an inclusive and harmonious workplace, where all staff members are treated equitably and fairly and can reach their full potential with dignity and respect.

Appropriate training was conducted for all managers and supervisors to promote a discrimination free workplace.

## Capability Development

In 2021/22 there was a continued focus on developing and building management and leadership capabilities, as well as the upskilling of staff. Managers and staff engaged in Crucial Conversations, PRINT, continuous improvement, and mental health first aid training.

Managers and staff participated in the performance management program which focused on having regular, meaningful and forward-thinking performance conversations. This included an annual formal review and assessment.

Table 22: Capability Development

Capability development hours in total	1,383
Capability development hours per staff member	9

## Employee Assistance

WorkCover WA provides an employee assistance program where staff and immediate family members can access up to six sessions of confidential and professional counselling services in a 12-month period.

In 2021/22 there were 8 new referrals and 12 hours utilised. This represents an annualised utilisation rate of 5.5%.

## Work Health and Safety (WHS) Management

Under the *Work Health and Safety Act 2020*, WorkCover WA continued to provide a safe and healthy environment for staff, visitors and contractors through the *Work Health and Safety Policy*.

A range of online training was provided to staff to create a pool of staff trained in first aid, CPR and evacuation procedures. This includes four formally elected WHS representatives.

The agency's performance in 2021/22 against targets established in the *Public Sector Commissioner's Circular 2018/03, Code of Practice: Occupation Safety and Health in the Western Australian Public Sector* is set out in Table 22.

## Workplace Harassment Policy

WorkCover WA is committed to maintaining a safe and respectful workplace which is free from all forms of harassment.

The Workplace Harassment Policy specifies the rights and responsibilities, and expected standards of behaviour, of WorkCover WA staff in relation to workplace harassment.

Contact officers have been established to support staff that may be experiencing workplace harassment.

**Table 23: Work Health and Safety Performance Statistics**

Work Health and Safety Indicator	2019/20 Actual	2020/21 Actual	2021/22 Target	2021/22 Actual
Fatalities	0	0	0	0
Lost-time injury/ disease incidence rate*	0.76%	0.78%	0	0
Lost-time injury/ severity rate**	0	0	0	0
Return to work - 13 weeks	100%	100%	>80%	NA
Return to work - 26 weeks	100%	100%	>80%	NA
Trained managers	100%	100%	100%	100%

\* The lost-time injury/disease rate is the number of lost-time injuries where one day/shift or more was lost in the financial year per 100 employees.

\*\* The proportion of lost-time injuries/diseases resulting in 60 or more days off work.

## Agency Workers' Compensation Claims

The agency received no workers' compensation claims in 2021/22.

## National Strategic Plan for Asbestos Awareness and Management 2019 - 2023

WorkCover WA operates from one location at 2 Bedbrook Place, Shenton Park.

Through independent assessment it has established there have never been any asbestos products (including asbestos cement materials) on its premises.

WorkCover WA supports the initiatives outlined in the *National Strategic Plan for Asbestos Awareness and Management*.

## DISCLOSURES AND LEGAL COMPLIANCE

## GOVERNMENT POLICY REQUIREMENTS

## CASE STUDY

## Customer Service Charter

The *Customer Service Charter* outlines WorkCover WA's commitment to customers and articulates the service they can expect to receive. The charter defines complaints as an 'expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint'.

The *Customer First Feedback Policy* outlines WorkCover WA's process for managing and resolving complaints.

## Customer First Feedback

WorkCover WA's Customer First Feedback System complies with the *Australian/New Zealand Standard Guidelines for Complaint Management in Organisations* (AS/NZ 10002:2014) and the *Ombudsman Western Australia Complaints Management Guidelines*. The system provides customers with an avenue to deliver feedback about the agency's services, decisions, procedures, policies and facilities.

Complaints and feedback can be made via telephone, email, the corporate website and in person. Stakeholders are encouraged to provide feedback via the Customer First Feedback System.

Customer feedback is reported regularly to the Corporate Executive to identify trends and implement positive change.

## Handling Complaints

Complaints are an opportunity for WorkCover WA to improve its service to stakeholders. All complaints are dealt with effectively, promptly and without prejudice or bias and are recorded to form part of the agency's continuous improvement process.

WorkCover WA's handling of complaints is focused on:

- enabling complaints in a physical and accessible manner
- responding to complaints promptly, objectively and confidentially
- providing mechanisms to prevent complaints escalating into major disputes
- identifying opportunities for organisational improvement.

## Public Interest Disclosure

The *Public Interest Disclosure Act 2003* facilitates the disclosure of sensitive, public interest information and provides protection for those who disclose and those who are the subject of disclosures. Information about public interest disclosure is available on the corporate website.

There were no public interest disclosures in 2021/22.

## Responding to Complaints

The formal complaints handling process includes registration, acknowledgement, investigation and resolution. The outcome is recorded in the Customer First Feedback Register to ensure it is captured in the continuous improvement process.

Verbal complaints are responded to within five days of receiving initial feedback, and written complaints are responded to within 10 working days, in the same format as the feedback was received. Complainants are regularly updated on the status of their complaint.

WorkCover WA reviewed its complaints processes to enable improved accessibility. Frontline staff were refamiliarised with the policies and processes, and contact details for all complaint handling officers were updated.

In 2021/22 the agency received ten compliments, seven complaints and one suggestion through the Customer First Feedback System.





### Freedom of Information

*The Freedom of Information Act 1992* provides a general right of access to documents held by state and local Government agencies.

For openness and transparency, WorkCover WA's *Information Statement* is published on the corporate website, outlining the freedom of information process.

In 2021/22, 110 Freedom of Information requests were received. As required by the Information Commissioner, WorkCover WA assisted applicants to obtain access to documents at the lowest reasonable cost.

### Recordkeeping Plan

WorkCover WA uses the State Records Commission's standards and principles to govern best practice recordkeeping across the agency.

The agency's *Recordkeeping Plan* was first approved in 2015 and is compliant with section 28 of the *State Records Act 2000*.

The purpose of the *Recordkeeping Plan* is to determine which records are to be created, and how they are stored.

The Plan provides an accurate reflection of the recordkeeping program within the agency, including information regarding the agency's recordkeeping system(s), disposal arrangements, policies, practices, and processes.

### Recordkeeping Practices

WorkCover WA reports on the recordkeeping plan every five years, or when there is a significant change to organisational functions.

A review of the agency's recordkeeping plan was undertaken in 2021:

- maintaining system infrastructure at latest release levels to ensure equivalence with required standards
- auditing use of the Content Manager recordkeeping system to ensure its effectiveness
- ensuring the internal induction program provided new employees with information
- providing ongoing assistance to users through information sessions and staff communication.



## DISCLOSURES AND LEGAL COMPLIANCE

## REPORTS ON FUNDS MANAGEMENT

**Workers' Compensation and Injury Management Trust Account**

The Workers' Compensation and Injury Management Trust Account is maintained under section 110 of the Act. WorkCover WA seeks to optimise returns and security of funds invested for the benefit of dependants of deceased workers.

Section 218 of the Act empowers an arbitrator to order compensation to be paid in trust to WorkCover WA when it cannot immediately be paid to a person under a legal disability or the dependants of a deceased worker. These funds are invested under the *Treasurer's Guidelines*.

Investment strategies employed provided an average yield for the 2021/22 year of 0.14% for all trust accounts.

**Employers' Indemnity Supplementation Fund**

The Employers' Indemnity Supplementation Fund is established under the provisions of the *Employers' Indemnity Supplementation Fund Act 1980* and exists to guard against the collapse of an insurer.

This fund also pays claims under the *Waterfront Workers (Compensation for Asbestos Related Disease) Act 1986* and the *Workers' Compensation and Injury Management (Acts of Terrorism) Act 2001*.

**Table 24: Report on Funds Management**

Item	HIH Insurance Group (\$)	Non-HIH Insurance (\$)
Value of outstanding claims in Western Australia	916,000	1,120,000
Received from liquidators in 2021/22	2,022,155	-
Claim payments for 2021/22	543,785	66,705

**Debt and Investments**

At 30 June 2022, there were 86 outstanding debtors resulting from fines and penalties awarded under the Act, with debts outstanding of \$1,041,461.

In 2021/22 the weighted average rate of return on General Account investments was 0.12%.

**Table 25: Actual vs Budget Results**

Item	2021/22 Target (\$000)	2021/22 Actual (\$000)
Total Revenue (sourced from Statement of Comprehensive Income)	21,046	23,875
Total Expenses (sourced from Statement of Comprehensive Income)	25,154	22,359
Total Equity (sourced from Statement of Financial Position)	96,942	100,844
Net increase/(decrease) in cash held (sourced from Statement of Cash Flows)	(3,670)	2,186
Approved full-time equivalent (FTE) staff usage	129.64*	125.5*

\* Average over the financial year

### Board Remuneration

The Chair and WorkCover WA Board members are paid fees and allowances as fixed by the Minister for Industrial Relations on the recommendation of the Minister for Public Sector Management.

Board members who are public service officers are not entitled to payment.

### Directors' and Officers' Liability Insurance

Directors' and officers' liability insurance covers the personal liability for damages and defence costs of insured persons in the event action is taken against them for a breach of duty.

WorkCover WA holds a directors' and officers' liability insurance policy covering members of the Board and senior officers of the agency. The policy is placed through the State Government's insurer and renewed annually.

**Table 26: WorkCover WA Board Remuneration**

Position	Name	Remuneration Type	Period of Membership*	Gross/Actual Remuneration (Incl Superannuation)
Chair	Sharryn Jackson	Board Payment	12 months	\$34,246
Member	Peta Libby	Board Payment	12 months	\$17,903
Member	Llewellyn Jones	Board Payment	12 months	\$17,903
Member	Richard Sellers	Nil	12 months	-
Member	Victoria Wilmot	Board Payment	12 months	\$17,903
Member	Chris White	Nil	12 months	-
Member	Owen Whittle	Board Payment	12 months	-
<b>Total</b>				<b>\$87,954</b>

\* The period of membership column refers to the board member's membership during the 2021/22 period.

## DISCLOSURES AND LEGAL COMPLIANCE

## REPORTS ON FUNDS MANAGEMENT

## Advertising

Under section 175ZE of the *Electoral Act 1907*, the agency incurred the following expenditure in relation to direct mail, media advertising and job advertising.

Table 27: Advertising Expenditure

Type	Organisation	2021/22 (\$)
Direct mail	Campaign Monitor	1,260
	Eric Preston Pty Ltd	1,581
Media advertising	Facebook	92
Job advertising	Initiative Media Australia Pty Ltd	5,907
	Career Hub Pty Ltd	182
<b>Total</b>		<b>9,022</b>

## Capital Works Projects

Expenditure on capital works is outlined below.

Table 28: Capital Works Expenditure

Capital Works Projects	2021/22 (\$000)
Azure cloud transition	287
Video conference system (IDMP room)	11
IDMP room upgrade	15
<b>Total</b>	<b>313</b>



## Annual Estimates

In accordance with *Treasurer's Instruction 953*, statutory authorities not operating as divisions of the Consolidated Account are required to include annual estimates for the current financial year in the annual report of the preceding year.

The following estimates have been submitted and approved by the Minister for Industrial Relations.

**Table 29: Annual Estimates - Statement of Comprehensive Income**

	2023
	\$000
<b>INCOME</b>	
<b>Revenue</b>	
Insurer contributions	21,375
Interest revenue	263
Other revenue	946
Employers' Indemnity Supplementation Fund	-
<b>Total Revenue</b>	<b>22,584</b>
<b>Gains</b>	
Decrease in claims liability	3,678
<b>Total Gains</b>	<b>3,678</b>
<b>Total Income</b>	<b>26,262</b>
<b>EXPENSES</b>	
Employee benefits expenses	17,099
Supplies and services	2,989
Depreciation and amortisation expenses	1,004
Accommodation expenses	535
Grants and subsidies	35
Claims expenses	4,319
Loss on disposal of non-current assets	-
Other expenses	1,787
<b>Total Expenses</b>	<b>27,768</b>
Profit/(Loss) before grants and subsidies from State Government	(1,506)
Resources received	200
<b>Profit/(Loss) for the period</b>	<b>(1306)</b>

## DISCLOSURES AND LEGAL COMPLIANCE

## REPORTS ON FUNDS MANAGEMENT

Table 30: Annual Estimates - Statement of Financial Position

	2023 \$000
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	22,069
Restricted cash and cash equivalents	83,685
Receivables	277
Other assets	302
Other financial assets	-
<b>Total Current Assets</b>	<b>106,333</b>
<b>Non-Current Assets</b>	
Property, plant, equipment & vehicles	16,644
Intangible assets	1,634
Right-of-use assets	30
<b>Total Non-Current Assets</b>	<b>18,308</b>
<b>Total Assets</b>	<b>124,641</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Payables	769
Lease liabilities	13
Employee related provisions	3,642
Claims provisions	4,647
<b>Total Current Liabilities</b>	<b>9,071</b>
<b>Non-Current Liabilities</b>	
Lease liabilities	9
Employee related provisions	4,839
Claims provisions	16,415
<b>Total Non-Current Liabilities</b>	<b>21,263</b>
<b>Total Liabilities</b>	<b>30,334</b>
<b>NET ASSETS</b>	<b>94,307</b>
<b>EQUITY</b>	
Reserves	14,856
Retained earnings	79,451
<b>Total Equity</b>	<b>94,307</b>

Table 31: Annual Estimates - Statement of Cash Flows

	2023 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
<b>Receipts</b>	
Supplementation Fund receipts	-
Insurer contributions	21,375
Provision of services	-
Interest received	263
GST receipts on sales	1
GST receipts from taxation authority	465
Other receipts	946
<b>Payments</b>	
Workers' Compensation claim payments	(4,319)
Employee benefits	(16,998)
Supplies and services	(2,791)
Accommodation	(535)
Grants and subsidies	(35)
GST payments on purchases	(466)
Other payments	(1,774)
<b>Net cash used in operating activities</b>	<b>(3,868)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
<b>Payments</b>	
Purchase of non-current physical assets	-
Investments in term deposits	(1,023)
<b>Net cash used in investing activities</b>	<b>(1,023)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
<b>Payments</b>	
Principal elements of lease payments	(20)
<b>Net cash used in financing activities</b>	<b>(20)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(4,911)</b>
Cash and cash equivalents at the beginning of the period	110,665
<b>Cash and cash equivalent at the end of the period</b>	<b>105,754</b>

## Section Four

# Financial Statements

## CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements were prepared in compliance with the *Financial Management Act 2006*.

## NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes support the financial statements.



## CERTIFICATION OF FINANCIAL STATEMENTS

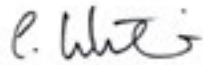
For the reporting period ended 30 June 2022.

The accompanying financial statements of WorkCover Western Australia Authority have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2022 and the financial position as at 30 June 2022.

At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



**Victoria Wilmot**  
Board Member  
WorkCover Western Australia Authority  
30 August 2022



**Chris White**  
Chief Executive Officer  
WorkCover Western Australia Authority  
30 August 2022



**John Hull**  
Chief Finance Officer  
WorkCover Western Australia Authority  
30 August 2022





# WORKCOVER WESTERN AUSTRALIA AUTHORITY

## INDEPENDENT AUDIT OPINION



### Auditor General

#### INDEPENDENT AUDITOR'S REPORT 2022

WorkCover Western Australia Authority

To the Parliament of Western Australia

### Report on the audit of the financial statements

#### Opinion

I have audited the financial statements of WorkCover Western Australia Authority (Authority) which comprise:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of WorkCover Western Australia Authority for the year ended 30 June 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

#### Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

#### Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

### Report on the audit of controls

#### Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by WorkCover Western Australia Authority. The controls exercised by the Authority are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

In my opinion, in all material respects, the controls exercised by WorkCover Western Australia Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2022.

#### The Board's responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

## WORKCOVER WESTERN AUSTRALIA AUTHORITY

## INDEPENDENT AUDIT OPINION

**Auditor General's responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Limitations of controls**

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

**Report on the audit of the key performance indicators****Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of WorkCover Western Australia Authority for the year ended 30 June 2022. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of WorkCover Western Australia Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2022.

**The Board's responsibilities for the key performance indicators**

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such internal control as the Authority determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

**Auditor General's responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**My independence and quality control relating to the reports on financial statements, controls and key performance indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Other information**

The Board is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

**Matters relating to the electronic publication of the audited financial statements and key performance indicators**

This auditor's report relates to the financial statements and key performance indicators of WorkCover Western Australia Authority for the year ended 30 June 2022 included in the annual report on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Grant Robinson  
Assistant Auditor General  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
31 August 2022



## WORKCOVER WESTERN AUSTRALIA AUTHORITY

## FINANCIAL STATEMENTS

Statement of comprehensive income  
for the year ended 30 June 2022

	Notes	2022 \$000	2021 \$000
<b>INCOME</b>			
<b>Revenue</b>			
Insurer contributions	3.1	19,990	19,519
Interest revenue	3.2	468	308
Other revenue	3.3	1,393	1,123
Employers' Indemnity Supplementation Fund	3.4	2,024	12
<b>Total Revenue</b>		<b>23,875</b>	<b>20,962</b>
<b>Gains</b>			
Decrease in claims liability	3.6	3,303	-
Gain on disposal of non-current assets	4.4	-	8
Decrease in impairment provision	3.7	237	-
<b>Total Gains</b>		<b>3,540</b>	<b>8</b>
<b>Total Income</b>		<b>27,415</b>	<b>20,970</b>
<b>EXPENSES</b>			
Employee benefits expenses	4.1(a)	14,998	14,847
Supplies and services	4.5	2,997	2,766
Depreciation and amortisation expense	5.1,5.2,5.3	1,188	1,280
Accommodation expenses	4.5	729	721
Grants and subsidies	4.2	70	35
Claims expenses	4.3(a)	994	7,589
Loss on disposal of non-current assets	4.4	8	-
Other expenses	4.5	1,375	2,062
<b>Total Expenses</b>		<b>22,359</b>	<b>29,300</b>
<b>Profit/(Loss) before grants and subsidies from State Government</b>		<b>5,056</b>	<b>(8,330)</b>
Resources received	3.5	346	194
<b>Profit/(Loss) for the period</b>		<b>5,402</b>	<b>(8,136)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Remeasurements of defined benefit liability	4.1(b)(d)	655	549
Changes in asset revaluation surplus	5.1	161	644
<b>Total other comprehensive income</b>		<b>816</b>	<b>1,193</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>6,218</b>	<b>(6,943)</b>

The statement of comprehensive income should be read in conjunction with the accompanying notes.

## Statement of financial position as at 30 June 2022

	Notes	2022 \$000	2021 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7.1	29,534	29,098
Restricted cash and cash equivalents	7.1	86,826	85,076
Receivables	6.1	991	287
Other assets	6.2	334	302
<b>Total Current Assets</b>		<b>117,685</b>	<b>114,763</b>
<b>Non-Current Assets</b>			
Property, plant, equipment & vehicles	5.1	16,261	16,392
Intangible assets	5.2	1,651	2,229
Right-of-use assets	5.3	28	42
<b>Total Non-Current Assets</b>		<b>17,940</b>	<b>18,663</b>
<b>Total Assets</b>		<b>135,625</b>	<b>133,426</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6.3	649	652
Lease liabilities	7.2	14	13
Employee related provisions	4.1(b)	3,853	3,642
Claims provisions	4.3(b)	6,612	6,676
<b>Total Current Liabilities</b>		<b>11,128</b>	<b>10,983</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	7.2	14	29
Employee related provisions	4.1(b)	4,089	4,999
Claims provisions	4.3(b)	19,550	22,789
<b>Total Non-Current Liabilities</b>		<b>23,653</b>	<b>27,817</b>
<b>Total Liabilities</b>		<b>34,781</b>	<b>38,800</b>
<b>Net Assets</b>		<b>100,844</b>	<b>94,626</b>
<b>EQUITY</b>			
Reserves		15,017	14,856
Retained earnings		85,827	79,770
<b>Total Equity</b>		<b>100,844</b>	<b>94,626</b>

The statement of financial position should be read in conjunction with the accompanying notes.

## Statement of changes in equity for the year ended 30 June 2022

	Notes	Reserves \$000	Retained earnings \$000	Total equity \$000
<b>Balance at 1 July 2020</b>		<b>14,212</b>	<b>87,357</b>	<b>101,569</b>
Changes in accounting policy or correction of prior period errors		-	-	-
<b>Restated balance at 1 July 2020</b>		<b>14,212</b>	<b>87,357</b>	<b>101,569</b>
<b>Profit/(Loss)</b>		<b>-</b>	<b>(8,136)</b>	<b>(8,136)</b>
Other comprehensive income		644	549	1,193
<b>Total comprehensive income for the period</b>		<b>644</b>	<b>(7,587)</b>	<b>(6,943)</b>
<b>Balance at 30 June 2021</b>		<b>14,856</b>	<b>79,770</b>	<b>94,626</b>
<b>Balance at 1 July 2021</b>		<b>14,856</b>	<b>79,770</b>	<b>94,626</b>
Profit/(Loss)		-	5,402	5,402
Other comprehensive income		161	655	816
<b>Total comprehensive income for the period</b>		<b>161</b>	<b>6,057</b>	<b>6,218</b>
<b>Balance at 30 June 2022</b>		<b>15,017</b>	<b>85,827</b>	<b>100,844</b>

The statement of changes in equity should be read in conjunction with the accompanying notes.

## Statement of cash flows for the year ended 30 June 2022

	Notes	2022 \$000	2021 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Supplementation Fund receipts		2,024	7
Insurer contributions		19,990	19,511
Interest received		322	404
GST receipts on sales		6	4
GST receipts from taxation authority		359	297
Other receipts		1,187	1,091
<b>Payments</b>			
Workers' Compensation claim payments		(981)	(713)
Employee benefits		(15,114)	(14,760)
Supplies and services		(2,831)	(2,793)
Accommodation		(728)	(724)
Grants and subsidies		(70)	(35)
GST payments on purchases		(360)	(271)
Other payments		(1,294)	(1,401)
<b>Net cash provided by operating activities</b>		<b>2,510</b>	<b>617</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from sale of non-current physical assets		14	45
Proceeds from the maturity of term deposits		-	6,419
<b>Payments</b>			
Purchase of non-current physical assets		(323)	(624)
<b>Net cash provided by/(used in) investing activities</b>		<b>(309)</b>	<b>5,840</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Principal elements of lease payments		(15)	(11)
<b>Net cash used in Financing activities</b>		<b>(15)</b>	<b>(11)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,186</b>	<b>6,446</b>
Cash and cash equivalents at the beginning of the period		114,174	107,728
<b>Cash and cash equivalents at the end of the period</b>	7.1	<b>116,360</b>	<b>114,174</b>

The statement of cash flows should be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION

WorkCover Western Australia Authority ("The Authority") is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) as applied by the *Treasurer's Instructions*.

The financial statements represent transactions of the Workers' Compensation and Injury Management General Account established under Section 106 of the *Workers' Compensation and Injury Management Act 1981*, and the Supplementation Fund established under Section 5 of the *Employers' Indemnity Supplementation Fund Act 1980*.

Trust Accounts under Section 110 of the *Workers' Compensation and Injury Management Act 1981* are administered independently of the General Account and Supplementation Fund. See note 9.8 'Workers' Compensation & Injury Management Trust Account' for transactions relating to the Trust Account.

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Board of WorkCover WA Authority on 30 August 2022.

## Statement of compliance

These general purpose financial statements are prepared in accordance with:

1. The *Financial Management Act 2006 (FMA)*
2. The *Treasurer's Instructions (TIs)*
3. Australian Accounting Standards (**AASs**) - Simplified Disclosures
4. Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The FMA and the TIs take precedence over AASs. Several AASs are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

## Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

## Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- A. amount of GST incurred by the Authority as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- B. receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## NOTES TO THE FINANCIAL STATEMENTS

**2. AUTHORITY OBJECTIVES****Comparative information**

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliations; and
- Right of Use Asset reconciliations.

**Judgements and estimates**

Judgements, estimates and assumptions are required to be made about the financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

The Authority is the government organisation responsible for managing the workers' compensation and injury management scheme in Western Australia (WA).

The Authority's objectives are stated in *Strategic Plan 2022 - 2025* on page 17.





## NOTES TO THE FINANCIAL STATEMENTS

## 3. OUR FUNDING SOURCES

## How we obtain our funding

This section provides additional information about how the Authority obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding.

The primary income received by the Authority and the relevant notes are:

	Notes	2022 \$000	2021 \$000
Insurer contributions	3.1	19,990	19,519
Interest revenue	3.2	468	308
Other revenue	3.3	1,393	1,123
Employers' Indemnity Supplementation Fund	3.4	2,024	12
Resources received	3.5	346	194
Decrease in claims liability and gains on disposal of non-current assets	3.6,4.4	3,295	8
Decrease in impairment provision	3.7	237	-

## 3.1 Insurer contributions

	2022 \$000	2021 \$000
Insurer contributions	19,990	19,519

The Authority does not receive an appropriation as a Division of the Consolidated Account Expenditure Estimates as it is funded by a levy on insurers and self-insurers. In accordance with Section 107 of the *Workers' Compensation and Injury Management Act 1981* (the Act), the Authority collects levies and contributions from approved insurers and self-insurers to carry out its functions under the Act.

Insurers and self-insurers are required to make annual contributions to the General Account in accordance with the provisions of Section 109 of the Act.

Revenue is recognised when the amount becomes payable by insurers and self-insurers.

## 3.2 Interest revenue

	2022 \$000	2021 \$000
General Account	33	35
Employers' Indemnity Supplementation Fund (see note 4.3(b)(i))	435	273
	<b>468</b>	<b>308</b>

Revenue is derived from the payment of interest on cash investments held at various financial institutions including Western Australian Treasury Corporation and Department of Treasury.

Revenue is recognised as the interest accrues.

## 3.3 Other revenue

	2022 \$000	2021 \$000
<b>General Account</b>		
Recoveries, recoups and other <sup>(a)</sup>	110	162
Avoided premiums, fines and infringements	1,283	961
	<b>1,393</b>	<b>1,123</b>

(a) Other is mainly comprised of contributions received for the Executive Vehicle Scheme, revenue for Indian Ocean Territories and recoveries from uninsured employers.

WorkCover WA regulates employers' compliance with their obligations under the *Workers' Compensation and Injury Management Act 1981* (the Act). Breaches of the Act are liable for a letter of caution, infringement notice or criminal prosecution. Infringement notices are issued with a modified penalty as specified in WorkCover WA regulations (Infringement).

If an employer does not hold the required insurance cover it can be prosecuted through the Magistrates Court and penalised up to \$5,000 for each worker employed. Additionally, an amount equal to the total of any avoided insurance premium payments which would have been payable during the period of five years before the conviction may also be payable (Avoided Premiums and Fines).

Recoveries from uninsured employers are recognised as revenue on receipt of the monies.

Revenue from infringements are recognised on receipt of payment. The revenue from Avoided Premiums and Fines are recognised when the court order is issued.



### 3.4 Employers' Indemnity Supplementation Fund

	2022	2021
	\$000	\$000
Recoveries	2,024	12
	<b>2,024</b>	<b>12</b>

The Supplementation Fund is managed in accordance with the *Employers' Indemnity Supplementation Fund Act 1980*, and operates to administer workers compensation claims relating to 'Failed' insurance companies such as HIH Insurance Group.

Liquidator recoveries received from the winding-up of the HIH Insurance Group reflect the pro-rata entitlement of WorkCover WA on the assets of the HIH Insurance Group.

Revenue is recognised on the receipt of monies from the liquidator of the HIH Insurance Group.

### 3.5 Resources received

	2022	2021
	\$000	\$000
Resources received from other public sector entities during the period		
Services received free of charge from:		
State Solicitor's Office	346	194
<b>Total resources received</b>	<b>346</b>	<b>194</b>

Resources received from other public sector entities are recognised as income (and assets or expenses) equivalent to the fair value of the assets, or the fair value of those services that can be reliably determined and which would have been purchased if not donated. The Authority received legal services from the State Solicitor's Office free of charge.

The Authority relies upon advice from other agencies to recognise the fair value of services provided.

### 3.6 Decrease in claims liability

	2022	2021
	\$000	\$000
Decrease of claims liability from Actuarial assessment	3,303	-
	<b>3,303</b>	<b>-</b>

The effect of an actuarially assessed decrease in the outstanding claims liability for the General and Supplementation Funds has been included in the Statement of Comprehensive Income under 'Gains'.

### 3.7 Decrease in impairment provision

	2022	2021
	\$000	\$000
Decrease in impairment provision	237	-
	<b>237</b>	<b>-</b>

Decrease in impairment provision is due to a reduction in the default rate as a result of fines and penalties written off in 2021/22 (refer to note 9.10 (a)).

## NOTES TO THE FINANCIAL STATEMENTS

## 4. USE OF OUR FUNDING

## Expenses incurred in the delivery of services

This section provides additional information about how the Authority's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Authority in achieving its objectives and the relevant notes are:

	Notes	2022 \$000	2021 \$000
<b>Expenses</b>			
Employee benefits expenses	4.1(a)	14,998	14,847
Grants and subsidies	4.2	70	35
Claims expense	4.3(a)	994	7,589
Other expenditure	4.5	5,101	5,549
<b>Provisions</b>			
Employee related provisions	4.1(b)	7,942	8,641
Claim provisions	4.3(b)	26,162	29,465

## 4.1(a) Employee benefits expense

	2022 \$000	2021 \$000
Employee benefits	13,515	13,477
Termination benefits	-	-
Superannuation - defined contribution plans	1,413	1,321
Superannuation - defined benefit plans	70	49
<b>Total employee benefits expenses</b>	<b>14,998</b>	<b>14,847</b>
Add: AASB 16 Non-monetary benefits	15	11
Less: Employee Contributions	(14)	(18)
<b>Net employee benefits</b>	<b>14,999</b>	<b>14,840</b>

## Employee Benefits

Include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave; and non-monetary benefits such as cars for employees.

## Termination benefits

Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment.

Termination benefits are recognised when the Authority is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

## Superannuation

The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the Gold State Superannuation Scheme (GSS) (concurrent contributions), the West State Superannuation Scheme (WSS), the GESB Super Scheme (GESBs), or other superannuation funds.

The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or to the GSS, a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the WSS. Employees commencing employment on or after 16 April 2007 became members of the GESBs.

From 30 March 2012, existing members of the WSS or GESBs and new employees became able to choose their preferred superannuation fund provider.

The Authority makes contributions to GESB or other funds providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*.

Contributions to these accumulation schemes extinguish the Authority's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

For defined benefit plans (the Pension Scheme and the pre-transfer component of the GSS), changes in the defined benefit obligation are recognised in the Statement of Comprehensive Income either in profit or loss, or, other comprehensive income as follows:

- Profit or loss:
  - current service cost
  - past service cost
  - interest cost.
- Other comprehensive income:
  - actuarial gains and losses

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

### AASB 16 Non-monetary benefits:

Non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of car benefits are measured at the cost incurred by the Authority.

### Employee Contributions

This line item includes contributions made to the Authority by employees towards employee benefits that have been provided by the Authority. This includes both AASB16 and non-AASB16 employee contributions.

### 4.1(b) Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2022	2021
	\$000	\$000
<b>CURRENT</b>		
<b>Employee benefits provisions</b>		
Annual leave <sup>(a)</sup>	723	689
Long service leave <sup>(b)</sup>	2,435	2,277
Superannuation <sup>(d)</sup>	508	499
	<b>3,666</b>	<b>3,465</b>
<b>Other provisions</b>		
Employment on-costs <sup>(c)</sup>	187	177
	<b>187</b>	<b>177</b>
<b>Total current employee related provisions</b>	<b>3,853</b>	<b>3,642</b>
<b>NON-CURRENT</b>		
<b>Employee benefits provisions</b>		
Long service leave <sup>(b)</sup>	602	683
Superannuation <sup>(d)</sup>	3,451	4,275
	<b>4,053</b>	<b>4,958</b>
<b>Other provisions</b>		
Employment on-costs <sup>(c)</sup>	36	41
	<b>36</b>	<b>41</b>
<b>Total non-current employee related provisions</b>	<b>4,089</b>	<b>4,999</b>
<b>Total employee related provisions</b>	<b>7,942</b>	<b>8,641</b>

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

### (a) Annual leave liabilities

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

### (b) Long service leave liabilities

Unconditional long service leave provisions are classified as **current** liabilities as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as **non-current** liabilities because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for the long service leave is calculated at present value as the Authority does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date.

These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national

## NOTES TO THE FINANCIAL STATEMENTS

**4. USE OF OUR FUNDING**

government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

**(c) Employment on-costs**

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance and payroll tax. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance and payroll tax, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred.

Employment on-costs are included as part of 'Other expenses, Note 4.5 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Authority's 'employee benefits expense'.

The related liability is included in 'Employment on-costs provision'.

	2022	2021
	\$000	\$000
<b>Employment on-costs provision</b>		
Carrying amount at start of period	218	198
Additional/(reversal of) provisions recognised	86	85
Payments/other sacrifices of economic benefits	(65)	(67)
Unwinding of the discount	(16)	2
<b>Carrying amount at end of period</b>	<b>223</b>	<b>218</b>

**Key sources of estimation uncertainty - long service leave**

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Authority's long service leave provision. These include:

- Expected future salary rates;
- Discount rates;
- Employee retention rates; and
- Expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

**(d) Defined benefit superannuation plans**

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for Authority purposes because the concurrent contributions (defined contributions) made by the Authority to GESB extinguishes the Authority's obligations to the related superannuation liability.

The Pension Scheme and the pre-transfer benefit for employees who transferred to the GSS Scheme are defined benefit schemes.

These benefits are wholly unfunded and the liabilities for future payments are provided at the end of the reporting period.

The liabilities under these schemes have been calculated separately for each scheme annually by PricewaterhouseCoopers Actuaries using the projected unit credit method.

The expected future payments are discounted to present value using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.



Movements in the present value of the defined benefit obligation in the reporting period were as follows:

	Pension Scheme		Pre-transfer benefit - Gold State Superannuation Scheme	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Liability at start of period	4,492	5,232	282	286
<b>INCLUDED IN PROFIT OR LOSS:</b>				
Current service cost	-	-	-	-
Past service cost	-	-	-	-
Interest cost	66	46	4	2
	<b>66</b>	<b>46</b>	<b>4</b>	<b>2</b>
<b>INCLUDED IN OTHER COMPREHENSIVE INCOME:</b>				
<b>Remeasurements loss (gain) recognised:</b>				
Actuarial losses/(gains) arising from:				
- demographic assumptions	27	-	-	-
- financial assumptions	(794)	(330)	(14)	(4)
- experience adjustments	129	(213)	(3)	(2)
	<b>(638)</b>	<b>(543)</b>	<b>(17)</b>	<b>(6)</b>
<b>Contributions:</b>				
Benefits Paid	(230)	(243)	-	-
	<b>(230)</b>	<b>(243)</b>	<b>-</b>	<b>-</b>
<b>Liability at end of period</b>	<b>3,690</b>	<b>4,492</b>	<b>269</b>	<b>282</b>

The Authority holds no plan assets, therefore the present value of the defined benefit obligation equals the net defined benefit liability.

Employer contributions, to the Pension Scheme and the pre-transfer benefit for employees who transferred to the GSS, equal the benefits paid.

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

	Pension Scheme		Pre-transfer benefit - Gold State Superannuation Scheme	
	2022	2021	2022	2021
Discount rate	3.60%	1.50%	3.60%	1.50%
Pension increases	5.2% for the first year and 2.5% thereafter	2.50%	N/A	N/A
Future salary increases	4.0% for the first year and 3.0% thereafter	2.75% for the first three years and 2.5% thereafter	4.0% for the first year and 3.0% thereafter	2.75% for the first three years and 2.5% thereafter
<b>Average longevity at retirement age (65) for current pensioners (years)</b>				
Male	24.70	24.40	N/A	N/A
Female	25.90	25.70	N/A	N/A
<b>Average longevity at retirement age (65) for current employees (years)</b>				
Male	24.70	24.40	N/A	N/A
Female	25.90	25.70	N/A	N/A

At 30 June 2022, the weighted-average duration of the defined benefit obligation was 10 years for Pension Scheme (2021:14 years) and 4 years for Gold State Superannuation Scheme (2021: 4 years).

The Pension Scheme and the pre-transfer benefit for the GSS expose the Authority to actuarial risks, such as salary risk, longevity risk and interest rate risk.

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, holding all other assumptions constant.

## NOTES TO THE FINANCIAL STATEMENTS

## 4. USE OF OUR FUNDING

## Defined Benefit Obligation

	Pension Scheme		Pre-transfer benefit Gold State Superannuation Scheme	
	2022	2021	2022	2021
	Increase	Increase	Increase	Increase
	\$000	\$000	\$000	\$000
Discount rate (0.5% for 2022 and 0.5% for 2021 movement)	(177)	(302)	(5)	(5)
Future salary growth (0.5% for 2022 and 0.5% for 2021 movement)	N/A	N/A	3	5
Pension increases (0.5% for 2022 and 0.5% for 2021 movement)	192	268	N/A	N/A
Future longevity (1 year movement)	122	170	N/A	N/A

## Employer funding arrangements for the defined benefit plans

The Pension Scheme and the pre-transfer benefit for the GSS in respect of individual plan participants are settled by the Authority on their retirement. Funding requirements are based on invoices provided to the Authority by GESB that represent the cost of benefits paid to members during the reporting period.

Employer contributions of \$236K (2021: \$243K) are expected to be paid to the Pension Scheme for the subsequent annual reporting period.

Employer contributions of \$158K (2021: \$169K) are expected to be paid to the Gold State Superannuation Scheme for the subsequent annual reporting period.

## 4.2 Grants and subsidies

	2022	2021
	\$000	\$000
<b>Recurrent</b>		
Monash University - Mental Health	70	35
	<b>70</b>	<b>35</b>

Transactions in which the Authority provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant or subsidy expenses'.

These payments or transfers are recognised at fair value at the time of the transaction and are recognised as an expense in the reporting period in which they are paid. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non government schools, and community groups.

The Authority is not responsible for administering a government subsidy scheme.



### 4.3(a) Claims expense

	2022	2021
	\$000	\$000
Workers' compensation claims - Employers' Indemnity Supplementation Fund	623	258
Uninsured claims - General Account	371	427
	994	685
Net increase in claims liability		
Uninsured claims liability (increase)	-	8,182
Supplementation Fund claims liability (decrease)	-	(1,278)
	-	6,904
	<b>994</b>	<b>7,589</b>

### 4.3(b) Claims provisions

	2022	2021
	\$000	\$000
<b>CURRENT</b>		
<b>Employers' Indemnity Supplementation Fund (i)</b>		
Liability for estimated future claim payments	1,924	1,221
<b>General Account (ii)</b>		
Uninsured workers	4,688	5,455
<b>Total current provisions</b>	<b>6,612</b>	<b>6,676</b>
<b>NON-CURRENT</b>		
<b>Employers' Indemnity Supplementation Fund (i)</b>		
Liability for estimated future claim payments	8,125	9,191
<b>General Account (ii)</b>		
Uninsured workers	11,425	13,598
<b>Total non-current provisions</b>	<b>19,550</b>	<b>22,789</b>

### Claims provisions – Employers' Indemnity Supplementation Fund and General Account

#### Liability for future claims

The effect of an actuarial assessed increase in the outstanding claims liability or changes in the discount rate are included in the Statement of Comprehensive Income under Claims in note 4.3(a). The effect of an actuarial assessed decrease in the outstanding claims liability is included in the Statement of Comprehensive Income under Gains in note 3.6.

#### 4.3(b)(i) Employers' Indemnity Supplementation Fund (EISF)

The EISF was established by the *Employers' Indemnity Supplementation Fund Act 1980* (the Act) to provide for payment of workers' compensation claims in Western Australia:

- in the event an approved insurer collapses
- to waterfront workers suffering from asbestos related diseases under the *Waterfront Workers (Compensation for Asbestos Related Diseases) Act 1986*.

The last insurer collapse was HIH Insurance, which was officially placed into provisional liquidation on 15 March 2001. All claims up to and including that date are required to be paid from the EISF.

The Authority's claim costs for the EISF (including

HIH Insurance) are actuarially assessed each financial year and the values are disclosed in the financial statements. The actuarial estimates are based on inflated and discounted values including a 75% prudential margin. The liability for outstanding claims is measured as the central estimate of the present value of expected future payments against claims incurred at the reporting date under general insurance contracts issued by the company, with an additional risk margin to allow for the inherent uncertainty in the central estimate.

The expected future payments include those in relation to claims reported but not yet paid, claims incurred but not reported (IBNR), claims incurred but not enough reported (IBNER) and anticipated claims handling costs.

Claims handling costs include costs that can be directly associated with individual claims such as legal and other professional fees, and costs that can only be indirectly associated with individual claims such as claims administration costs.

## NOTES TO THE FINANCIAL STATEMENTS

## 4. USE OF OUR FUNDING

## EISF Act Liabilities

The outstanding liabilities for claims in run-off (including clients of the HIH Insurance Group) are assessed by an independent actuary using models applicable to the nature of the incident by which the liability under the fund has been incurred. Claims under the EISF Act are assessed under the categories of Asbestos-Related Claims (which includes incidents of mesothelioma, lung cancer and other diseases of the respiratory system) and Non Asbestos-Related Claims.

## Workers' Compensation - Asbestos-Related Claims

Asbestos-Related Claims are assessed using actuarial models based on those developed by Professor Geoffrey Berry utilising ICGF data. The models predict the total number of claims likely to emerge over time and also determine likely average cost per claim<sup>(1)</sup>.

(1) Prediction of mesothelioma, lung cancer, and asbestosis in former Wittenoom asbestos workers, British Journal of Industrial Medicine; 48 793-802.

## Workers' Compensation - Non Asbestos-Related Claims

The majority of these claims are long tail in nature and the actuarial models rely heavily on the case estimates placed on each claim to determine the total outstanding liabilities.

## Actuarial Assumptions

The following tables provide key actuarial assumptions made in determining the outstanding claims liabilities:

## EISF Act: Asbestos-Related Claims

	2022		2021	
Inflation Rate	2023	2.75%	2022	1.75%
	2024	3.00%	2023	2.00%
	2025	3.00%	2024	2.25%
	2026	3.00%	2025	2.22%
	2027	3.02%	2026	2.19%
	2028	3.04%	2027	2.16%
	2029	3.06%	2028	2.14%
	2030	3.08%	2029	2.11%
	2031	3.10%	2030	2.08%
	2032	3.12%	2031	2.05%
	2033	3.13%	2032	2.02%
	2034	3.15%	2033	1.99%
	2035	3.17%	2034	1.97%
	2036	3.19%	2035	1.94%
	2037	3.21%	2036	1.91%
	2038 Onwards	3.23%	2037 Onwards	1.88%
Discount Rate	2023	2.38%	2022	0.03%
	2024	3.32%	2023	0.12%
	2025	3.75%	2024	0.48%
	2026	3.85%	2025	1.35%
	2027	3.90%	2026	2.01%
	2028	3.95%	2027	2.28%
	2029	3.99%	2028	2.42%
	2030	4.02%	2029	2.54%
	2031	4.05%	2030	2.64%
	2032	4.07%	2031	2.71%
	2033	4.09%	2032	2.75%
	2034	4.10%	2033	2.78%
	2035	4.11%	2034	2.78%
	2036	4.11%	2035	2.78%
	2037	4.11%	2036	2.78%
	2038 Onwards	4.11%	2037 Onwards	2.78%
Claims Managements Expenses	10.5% for claim payments except for HIH Insurance which is 0%		10.5% for claim payments except for HIH Insurance which is 0%	
Superimposed Inflation	1.50%		1.50%	
Risk Margin	27.5% risk margin at the 75% sufficiency level		27.5% risk margin at the 75% sufficiency level	

The EISF ARD valuation no longer includes an explicit allowance for the 2011 Amendment Act.

This is because this year's average claim size only includes lodgement years that are post the 2011 Amendment Act so the removal of age limits is assumed to be fully incorporated into the experience and no explicit allowance is required.

This is the same as last year.

### EISF Act: Non Asbestos-Related Claims

	2022		2021	
Inflation Rate	2023	2.75%	2022	1.75%
	2024	3.00%	2023	2.00%
	2025	3.00%	2024	2.25%
	2026	3.00%	2025	2.22%
	2027	3.02%	2026	2.19%
	2028	3.04%	2027	2.16%
	2029	3.06%	2028	2.14%
	2030	3.08%	2029	2.11%
	2031	3.10%	2030	2.08%
	2032	3.12%	2031	2.05%
	2033	3.13%	2032	2.02%
	2034	3.15%	2033	1.99%
	2035	3.17%	2034	1.97%
	2036	3.19%	2035	1.94%
	2037	3.21%	2036	1.91%
	2038 Onwards	3.23%	2037 Onwards	1.88%
Discount Rate	2023	2.38%	2022	0.03%
	2024	3.32%	2023	0.12%
	2025	3.75%	2024	0.48%
	2026	3.85%	2025	1.35%
	2027	3.90%	2026	2.01%
	2028	3.95%	2027	2.28%
	2029	3.99%	2028	2.42%
	2030	4.02%	2029	2.54%
	2031	4.05%	2030	2.64%
	2032	4.07%	2031	2.71%
	2033	4.09%	2032	2.75%
	2034	4.10%	2033	2.78%
	2035	4.11%	2034	2.78%
	2036	4.11%	2035	2.78%
	2037	4.11%	2036	2.78%
	2038 Onwards	4.11%	2037 Onwards	2.78%
Claims Managements Expenses	10.5% for claim payments except for HIH Insurance which is 0%		10.5% for claim payments except for HIH Insurance which is 0%	
Superimposed Inflation	0.00%		0.00%	
Risk Margin	16.76% risk margin at the 75% sufficiency level		16.76% risk margin at the 75% sufficiency level	

The EISF non-ARD valuation no longer includes an explicit allowance for the 2011 Amendment Act. This is because the average claim size uses an average of 2019 to 2022 lodgement years.

The removal of age limits is assumed to be fully incorporated into the experience therefore no explicit allowance is required. This is the same as last year.

The actuarial estimates from June 2001 are as follows:

Year	\$000
2001	122,312
2002	49,923
2003	31,717
2004	24,090
2005	23,421
2006	17,239
2007	15,883
2008	16,647
2009	29,419
2010	23,866
2011	20,871
2012	18,526
2013	16,724
2014	21,274
2015	18,002
2016	16,945
2017	13,414
2018	12,649
2019	14,142
2020	11,690
2021	10,412
2022	10,049

The actuarial estimates from 2001 to 2005 provide for current known asbestos related claims.

From 2005 the actuarial assessment makes allowance for current known asbestos related claims and for claims incurred but not reported.

Prior to 2007 the estimates did not include provision for Non-HIH liabilities.

In accordance with Accounting Standard *AASB 1023 General Insurance Contracts* the outstanding claims liability at 30 June 2022 was assessed at \$10.049 million and a provision for this amount has been included in the financial statements.

The actuary's assessment of outstanding claims liability does not recognise that money may be recovered from HIH's liquidator.

For the purpose of addressing the outstanding claims liability, a surcharge was imposed on employers' insurance policies on previous years.

From the 25 June 2008 the surcharge was discontinued. The revenue collected previously from the surcharge will be used to pay this liability.

## NOTES TO THE FINANCIAL STATEMENTS

## 4. USE OF OUR FUNDING

## Movements in provisions

	2022	2021
	\$000	\$000
<b>EMPLOYERS' INDEMNITY SUPPLEMENTATION FUND</b>		
<b>Liability for estimated future claim payments</b>		
Carrying amount at start of period	10,412	11,690
Additional increase/(decrease) in provisions recognised	246	(1,037)
Unwinding of the discount	3	25
Payments/other sacrifices of economic benefits	(612)	(266)
<b>Carrying amount at end of period</b>	<b>10,049</b>	<b>10,412</b>

## 4.3(b)(ii) General Account

## Uninsured Workers

Provision is made to meet payments required under Section 174 of the *Workers' Compensation and Injury Management Act 1981* where Conciliation and Arbitration Services has made an order and the worker has not received the compensation due from the General Account at the end of the reporting period.

Part of the General Account's obligations are for the provision of workers' compensation benefits to injured employees whose current or former employer has failed to maintain compulsory workers' compensation insurance or if the former employer no longer exists and can not be found and therefore the insurer is unknown.

The actuarial assessed valuation includes both Asbestos Related Diseases (ARD) and non-Asbestos Related Diseases (non-ARD).

The approach adopted is to analyse the claim and financial data for the General Account and make projections of future claim payments based on actuarial assumptions, knowledge and experience of similar portfolios.

## ARD Actuarial methods and assumptions

As most of the asbestos-related disease liability is for future lodgement of latent claims, projected future claim notifications are combined with average claim sizes and the assumed payment patterns 'to produce':

- (a) total projected cost of claims for each future year
- (b) claim payments
- (c) gross and net provisions.

The future lodgement patterns are calibrated to closely follow recent claim experience and the future patterns use the research of Professor Berry (University of Sydney) combined with actuarial research and examination of the reports of the Institute of Actuaries of Australia Asbestos Taskforce and the independent advice to the James Hardie Special Commission of Inquiry.

## Average weighted term to settlement

The average term to settlement is calculated separately by class of business based on historic payment patterns.

## Future claim lodgements

Future claim lodgements are calculated from the recent lodgement experience and calibrated according to the relevant research studies on latency claims.

## Average claim size

Average claim size is based on current actuarial research taking the WA mining experience into account.

## Assumptions

### Uninsured Workers: Asbestos-Related Claims (ARD)

	2022		2021	
Inflation Rate	2023	2.75%	2022	1.75%
	2024	3.00%	2023	2.00%
	2025	3.00%	2024	2.25%
	2026	3.00%	2025	2.22%
	2027	3.02%	2026	2.19%
	2028	3.04%	2027	2.16%
	2029	3.06%	2028	2.14%
	2030	3.08%	2029	2.11%
	2031	3.10%	2030	2.08%
	2032	3.12%	2031	2.05%
	2033	3.13%	2032	2.02%
	2034	3.15%	2033	1.99%
	2035	3.17%	2034	1.97%
	2036	3.19%	2035	1.94%
	2037	3.21%	2036	1.91%
	2038 Onwards	3.23%	2037 Onwards	1.88%
Discount Rate	2023	2.38%	2022	0.03%
	2024	3.32%	2023	0.12%
	2025	3.75%	2024	0.48%
	2026	3.85%	2025	1.35%
	2027	3.90%	2026	2.01%
	2028	3.95%	2027	2.28%
	2029	3.99%	2028	2.42%
	2030	4.02%	2029	2.54%
	2031	4.05%	2030	2.64%
	2032	4.07%	2031	2.71%
	2033	4.09%	2032	2.75%
	2034	4.10%	2033	2.78%
	2035	4.11%	2034	2.78%
	2036	4.11%	2035	2.78%
	2037	4.11%	2036	2.78%
	2038 Onwards	4.11%	2037 Onwards	2.78%
Claims Managements Expenses	10.5% for claim payments		10.5% for claim payments	
Superimposed Inflation	1.5%		1.5%	
Risk Margin	27.5% risk margin at the 75% sufficiency level		27.5% risk margin at the 75% sufficiency level	

### Expense rate

Claims handling expenses are based on the current arrangements in place with ICWA for claims management of the General Account.

### Discount rates

Discount rates are derived as the one-year forward rates implied by the Commonwealth Government yield curve as at the balance date.

### Inflation rates

Economic inflation assumptions have been set by reference to current economic indicators.

### Superimposed inflation

Superimposed inflation being the real increase after adjusting for normal inflation, usually due to non-economic effects e.g. changes in legislation, court settlement precedents. The superimposed inflation rates assumed considered both the portfolio's own real cost increases and industry superimposed inflation trends.

In addition to the above assumptions the following allowances have been made for the Act changes promulgated on 1 October 2011.

The following allowances were made due to the legislative changes:

- 15% of ARD claims will be lodged as common law claims, with an average claim size 406% greater than the statutory average claim size. This is the same as assumed last year.

## NOTES TO THE FINANCIAL STATEMENTS

## 4. USE OF OUR FUNDING

### Non-ARD Actuarial methods and assumptions

Claims estimates for the workers' compensation business are derived from an analysis of several different actuarial models. Ultimate number of claims incurred are projected based on past reporting patterns.

Payments experience is analysed based on average paid per claim incurred, average paid per claim finalised, projected case estimates and Bornheutter-Ferguson.

Historic case estimates development is also used to form a model of future payments. The resulting projected payments from these models are analysed along with benchmarks for average claim size and ratio to case estimates and other statistics, in order to determine the final estimate of outstanding claims.

Projected case estimates are subject to significant volatility with a number of settlement negotiations currently underway, the outcome of which remains uncertain.

Claims inflation is built into the resulting projected payments, to allow for both general economic inflation and superimposed inflation detected in the modelling of payment experience. Superimposed inflation arises from non-economic factors such as developments of legal precedent and changes in claimant behaviour.

Projected payments are discounted to allow for the time value of money.

### Average weighted term to settlement

The average term to settlement is calculated separately by class of business based on historic payment patterns.

### Future claim reports (IBNR)

Future claim reports are analysed using the ratio of late reported claims to reported claims over future development periods.

### Average claim size

Average claim size is a benchmark being the outcome of the accident year blend of actuarial methods described above.





## Assumptions

### Uninsured workers: Non Asbestos-Related Claims (Non-ARD)

	2022		2021	
Inflation Rate	2023	2.75%	2022	1.75%
	2024	3.00%	2023	2.00%
	2025	3.00%	2024	2.25%
	2026	3.00%	2025	2.22%
	2027	3.02%	2026	2.19%
	2028	3.04%	2027	2.16%
	2029	3.06%	2028	2.14%
	2030	3.08%	2029	2.11%
	2031	3.10%	2030	2.08%
	2032	3.12%	2031	2.05%
	2033	3.13%	2032	2.02%
	2034	3.15%	2033	1.99%
	2035	3.17%	2034	1.97%
	2036	3.19%	2035	1.94%
	2037	3.21%	2036	1.91%
	2038 Onwards	3.23%	2037 Onwards	1.88%
Discount Rate	2023	2.38%	2022	0.03%
	2024	3.32%	2023	0.12%
	2025	3.75%	2024	0.48%
	2026	3.85%	2025	1.35%
	2027	3.90%	2026	2.01%
	2028	3.95%	2027	2.28%
	2029	3.99%	2028	2.42%
	2030	4.02%	2029	2.54%
	2031	4.05%	2030	2.64%
	2032	4.07%	2031	2.71%
	2033	4.09%	2032	2.75%
	2034	4.10%	2033	2.78%
	2035	4.11%	2034	2.78%
	2036	4.11%	2035	2.78%
	2037	4.11%	2036	2.78%
	2038 Onwards	4.11%	2037 Onwards	2.78%
Claims Managements Expenses	10.5% for claim payments		10.5% for claim payments	
Superimposed Inflation	2.5% for Payment Per Claim Incurred (PPCI) and Payment Per Claim Finalised (PPCF) methods		2.5% for Payment Per Claim Incurred (PPCI) and Payment Per Claim Finalised (PPCF) methods	
Risk Margin	25.0% risk margin at the 75% sufficiency level		25.0% risk margin at the 75% sufficiency level	

## Expense rate

Claims handling expenses were calculated by analysis of General Account actual expenses from the Statement of Comprehensive Income over the last 12 months.

## Discount rates

Discount rates are derived as the one-year forward rates implied by the Commonwealth Government yield curve as at the balance date.

## Inflation rates

Economic inflation assumptions have been set by reference to current economic indicators.

## Superimposed inflation

Superimposed inflation being the real increase after adjusting for normal inflation, usually due to non-economic effects e.g. changes in legislation, court settlement precedents. The superimposed inflation rates assumed considered both the portfolio's own real cost increases and industry superimposed inflation trends.



## NOTES TO THE FINANCIAL STATEMENTS

## 4. USE OF OUR FUNDING

In addition to the above assumptions we have included the following prospective allowances for claims incurred from 1 October 2011 due to the *2011 Amendment Act*, also changes due to the *2018 Amendment Act* for claims incurred from 1 July 2018 and also the *2020 Amendment Act*:

- This year we changed the approach to allow for common law claims. We have conducted a separate valuation for large claims (claims with total estimates above \$200,000). Part of the large claims experience is common law claims. We have estimated the number of large claims per accident year based on historical experience. The average claim size for IBNR claims is based on a blend of the average claim size for common law claims and non-common law claims.

20% of large claims are assumed to be common law based on claim experience to date and we have assumed an average claim size of \$1.5m for common law claims.

Last year we assumed 3.4% of all non-ARD claims will be lodged as common law with an average claim size of \$0.7 million in 2021 dollars.

- 0% increase to allow for the increase in fatality benefits from 1 July 2018. This has reduced from 0.7% last year as the actual impact is assumed to be contained within the experience to date.

## MOVEMENTS IN PROVISIONS

	2022	2021
	\$000	\$000
<b>Uninsured claims</b>		
Carrying amount at start of period	19,053	10,871
Additional increase in provisions recognised	(2,383)	8,738
Unwinding of the discount	5	23
Payments/other sacrifices of economic benefits	(562)	(579)
<b>Carrying amount at end of period</b>	<b>16,113</b>	<b>19,053</b>

## 4.4 Net gain/(loss) on disposal of non-current assets

	2022	2021
	\$000	\$000
<b>Net proceeds from Disposal of Non-Current Assets</b>		
Vehicles	-	58
	-	<b>58</b>
<b>Carry Amount of Non-Current Assets</b>		
Equipment	(8)	(5)
Vehicles	-	(45)
	<b>(8)</b>	<b>(50)</b>
<b>Net gain/(loss)</b>	<b>(8)</b>	<b>8</b>

## Realised and unrealised gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

## 4.5 Other Expenditure

	2022	2021
	\$000	\$000
<b>SUPPLIES AND SERVICES</b>		
Communications	150	165
Consultants and contractors	1,461	1,490
Consumables	1,049	825
Insurance	127	121
Training	142	108
Travel	10	13
Other	58	44
<b>Total supplies and services expenses</b>	<b>2,997</b>	<b>2,766</b>
<b>ACCOMMODATION EXPENSES</b>		
Outgoings	448	457
Repairs and maintenance	132	119
Other	149	145
<b>Total accommodation expenses</b>	<b>729</b>	<b>721</b>
<b>OTHER EXPENSES</b>		
<b>General Account</b>		
Employment on-costs	887	860
Seminars	14	7
Expected credit losses expense	-	679
Sitting fees	115	115
Staff wellness programs	46	45
Audit Fees	185	216
Administration fee paid to Insurance Commission of WA for Uninsured General Fund Claims	61	62
Other	60	75
<b>Employers' Indemnity Supplementation Fund (see note 4.3(b)(i))</b>		
Administration fee paid to Insurance Commission of WA	7	3
<b>Total other expenses</b>	<b>1,375</b>	<b>2,062</b>
<b>Total other expenditure</b>	<b>5,101</b>	<b>5,549</b>

## NOTES TO THE FINANCIAL STATEMENTS

**4. USE OF OUR FUNDING****Supplies and services expenses**

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

**Repairs, maintenance and cleaning costs**

Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

**Other operating expenses**

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

**Building maintenance and equipment repairs and maintenance**

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

**Expected credit losses expense**

The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 6.1. Movement in the allowance for impairment of trade receivables.

**Employee on-cost**

Employee on-cost includes workers' compensation insurance, payroll tax and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 4.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.



## NOTES TO THE FINANCIAL STATEMENTS

## 5. KEY ASSETS

## Assets the Authority utilises for economic benefit or service potential

This section includes information regarding the key assets the Authority utilises to gain economic benefits or provide service potential.

The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2022 \$000	2021 \$000
Property, plant, equipment & vehicles	5.1	16,261	16,392
Intangible assets	5.2	1,651	2,229
Right-of-use assets	5.3	28	42
<b>Total key assets</b>		<b>17,940</b>	<b>18,663</b>

## 5.1 Property, plant, equipment and vehicles

## YEAR ENDED 30 JUNE 2022

## At 1 July 2021

Gross carrying amount

Accumulated depreciation

## Carrying amount at start of period

Additions

Transfers

Disposals

Revaluation increments/(decrements)

Impairment losses <sup>(a)</sup>

Impairment losses reversed <sup>(a)</sup>

Depreciation

## Carrying amount at 30 June 2022

Gross Carrying amount

Accumulated depreciation

Accumulated impairment

Land \$000	Buildings \$000	Work in Progress \$000	Plant, equipment and vehicles \$000	Total \$000
14,000	1,500	11	2,932	18,444
-	(1)	-	(2,050)	(2,052)
<b>14,000</b>	<b>1,499</b>	<b>11</b>	<b>882</b>	<b>16,392</b>
-	-	-	26	26
-	-	(11)	11	-
-	-	-	(8)	(8)
-	161	-	-	161
-	-	-	-	-
-	-	-	-	-
-	(160)	-	(150)	(310)
<b>14,000</b>	<b>1,500</b>	<b>-</b>	<b>761</b>	<b>16,261</b>
14,000	1,500	-	2,940	18,440
-	-	-	(2,179)	(2,179)
-	-	-	-	-

a) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

## 5. KEY ASSETS

## Initial recognition

Items of property, plant and equipment and vehicles, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and vehicles costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

## Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land, and
- buildings

Land is carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 30 June 2022 by Western Australian Land Information Authority. The valuations were performed during the year ended 30 June 2022 and recognised at 30 June 2022. In undertaking the revaluation, fair value was determined by reference to market values for land: \$14,000,000 (2021: \$14,000,000) and buildings: \$1,500,000 (2021: \$1,500,000).

## Fair value measurements

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair value at end of period
	\$000	\$000	\$000	\$000
<b>2021-2022</b>				
Land		14,000		14,000
Buildings		1,500		1,500
<b>period</b>	<b>-</b>	<b>15,500</b>	<b>-</b>	<b>15,500</b>

There were no transfers between Levels 1, 2 or 3 during the current and the previous periods.

## Valuation techniques to derive Level 2 fair values

Level 2 fair values of Land and Buildings (office accommodation) are derived using the market approach. Market evidence of sales prices/commercial rents of comparable land and buildings (office accommodation) in close proximity is used to determine price per square metre.

## Valuation Processes

There were no changes in valuation techniques during the period.

## Revaluation model

Fair Value where market-based evidence is available:

The fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

## Significant assumptions and judgements

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgment by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

## Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets on a class of assets basis.

## Useful lives

All property, plant, equipment and vehicles having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule is land.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life
Buildings	25 years
Plant and equipment	5 to 15 years
Information technology - Hardware	3 to 5 years
Information technology - Software <sup>(a)</sup>	3 to 10 years
Motor vehicles	6 to 7 years

<sup>(a)</sup> Software that is integral to the operation of related hardware.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of this asset because its service potential has not, in any material sense, been consumed during the reporting period.

## Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Authority is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

As at 30 June 2022 there were no indications of impairment to property, plant and equipment and vehicles.

## 5.2 Intangible assets

Year ended 30 June 2022

### 1 July 2021

Gross carrying amount

Accumulated amortisation

**Carrying amount at start of period**

Additions

Transfer

Impairment losses

Impairment losses reversed

Amortisation expense

**Carrying amount at end of period**

Computer Software	Licences	WIP	Website	Total
\$000	\$000	\$000	\$000	\$000
6,445	170	-	46	6,661
(4,217)	(169)	-	(46)	(4,432)
<b>2,228</b>	<b>1</b>	-	-	<b>2,229</b>
-	-	286	-	286
286	-	(286)	-	-
-	-	-	-	-
-	-	-	-	-
(863)	(1)	-	-	(864)
<b>1,651</b>	-	-	-	<b>1,651</b>

## NOTES TO THE FINANCIAL STATEMENTS

**5. KEY ASSETS****Initial recognition**

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- A. The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- B. An intention to complete the intangible asset and use or sell it;
- C. The ability to use or sell the intangible asset;
- D. The intangible asset will generate probable future economic benefit;

- E. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- F. The ability to measure reliably the expenditure attributable to the intangible asset during its development

Costs incurred in the research phase of a project are immediately expensed.

**Subsequent measurement**

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

**Useful lives**

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Authority have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Asset	Useful life
Computer software <sup>(a)</sup>	3 to 10 years
Licences	up to 10 years
Website	3 to 5 years

<sup>(a)</sup> Software that is integral to the operation of any related hardware.

**Impairment of intangible assets**

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1.

**Licences**

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

**Website**

Website costs are expensed when incurred unless they directly relate to the acquisition or development of an intangible asset. In this instance they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website that can be reliably measured, are capitalised to the extent that they represent probable future economic benefits.

**Development Costs**

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future economic benefits can be reasonably regarded as assured and the total project costs are likely to exceed \$50,000. Other development costs are expensed as incurred.



## Computer Software

Software that is an integral part of the related hardware is recognised as part of the plant, equipment and vehicles. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

## 5.3 Right-of-use assets

Year ended 30 June 2022

	Vehicles \$000	Total \$000
Carrying amount at start of period	42	42
Additions	-	-
Impairment losses	-	-
Impairment losses reversed	-	-
Depreciation	(14)	(14)
<b>Net carrying amount at end of period</b>	<b>28</b>	<b>28</b>

The Authority has leases for vehicles. The lease contracts are typically made for fixed periods of 3-6 years with an option to renew the lease after that date.

### Initial recognition

At the commencement date of the lease, the Authority recognises right-of-use assets and a corresponding lease liability for most leases. The right-of-use assets are measured at cost comprising of:

- the amount of the initial measurement of lease liability;

- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 7.2.

The Authority has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

### Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

## Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Authority at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right of use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing of impairment is outlined in note 5.1.

## NOTES TO THE FINANCIAL STATEMENTS

## 6. OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the Authority's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2022 \$000	2021 \$000
Receivables	6.1	991	287
Other assets	6.2	334	302
Payables	6.3	(649)	(652)

## 6.1 Receivables

	2022 \$000	2021 \$000
<b>CURRENT</b>		
<b>General Account</b>		
Trade receivables	1,133	1,276
Allowance for impairment of trade receivables	(429)	(1,131)
Accrued interest	16	1
GST receivable	70	72
	<b>790</b>	<b>218</b>
<b>Employers' Indemnity Supplementation Fund (see note 4.3)</b>		
Accrued interest	201	69
GST receivable	-	-
	<b>201</b>	<b>69</b>
<b>Total current</b>	<b>991</b>	<b>287</b>
<b>NON-CURRENT</b>		
<b>General Account</b>		
Trade receivables	-	-
Allowance for impairment of trade receivables	-	-
<b>Total non-current</b>	<b>-</b>	<b>-</b>
<b>Total receivables</b>	<b>991</b>	<b>287</b>

Trade receivables are initially recognised at their transaction price. The Authority holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The Authority recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit or loss. The ECLs based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. Individual receivables are written off when the Authority has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, the Authority recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. The Authority has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 4.5 for the amount of ECLs expensed in this financial year.

## 6.2 Other assets

	2022	2021
	\$000	\$000
<b>CURRENT</b>		
Prepayments	334	302
<b>Balance at end of period</b>	<b>334</b>	<b>302</b>

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

## 6.3 Payables

	2022	2021
	\$000	\$000
<b>CURRENT</b>		
<b>General Account</b>		
Trade payables	3	115
Accrued expenses	155	174
Accrued salaries	440	344
Other payables	37	18
<b>Employers' Indemnity Supplementation Fund (see note 4.3b)</b>		
Claim payments	14	1
<b>Total Current</b>	<b>649</b>	<b>652</b>

Payables are recognised at the amounts payable when the Authority becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 20 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Authority considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 7.1 'Restricted cash and cash equivalents') consists of amounts accrued annually to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26 pay days.

## NOTES TO THE FINANCIAL STATEMENTS

## 7. FINANCING

This section sets out the material balances and disclosures associated with the financing and cashflows of the Authority.

	Notes
Cash and cash equivalents	7.1
Leases liabilities	7.2
Capital commitments	7.3

## 7.1 Cash and cash equivalents

	2022 \$000	2021 \$000
Cash and cash equivalents	29,534	29,098
<b>Restricted cash and cash equivalents</b>		
- Employers Indemnity Supplementation Fund <sup>(a)</sup>	86,466	84,791
- Indian Ocean Territories (Note 9.7) <sup>(b)</sup>	25	6
- Paid Parental Leave <sup>(c)</sup>	5	4
- Accrued salaries suspense account <sup>(d)</sup>	330	275
<b>Balance at end of period</b>	<b>116,360</b>	<b>114,174</b>

(a) Funds held for the claims from the collapse of HIH insurer and other non-HIH claims.

(b) Funds held to meet the requirement of Indian Ocean Territories Service Delivery Arrangement.

(c) Funds held for the Australian Government Paid Parental Leave Scheme.

(d) Funds held in the suspense account for the purpose of meeting the 27th pay that normally occurs every 11 years or 12 years when there is an extra leap year.

For the purpose of the statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

## 7.2 Lease liabilities

	2022 \$000	2021 \$000
Not later than one year	14	13
Later than one year and not later than five years	14	29
Later than five years	-	-
	<b>28</b>	<b>42</b>
Current	14	13
Non-current	14	29
	<b>28</b>	<b>42</b>

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Authority uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Authority as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the lessee under residual value guarantees

- The exercise price of purchase options (where these are reasonably certain to be exercised)
- Payments for penalties for terminating a lease, where the lease term reflects the Authority exercising an option to terminate the lease.
- Periods covered by extension or termination options are only included in the lease term by the Authority if the lease is reasonably certain to be extended (or not terminated).

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the Authority in profit or loss in the period in which the condition that triggers those payments occurs.

Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

This section should be read in conjunction with note 5.3.

7.3 Capital commitments

	2022	2021
	\$000	\$000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	126	34
	126	34

The totals presented for capital expenditure commitments are GST inclusive.



## NOTES TO THE FINANCIAL STATEMENTS

## 8. FINANCIAL INSTRUMENTS AND CONTINGENCIES

	Notes
Financial instruments	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2

## 8.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2022 \$000	2021 \$000
<b>Financial assets</b>		
Cash and cash equivalents	29,534	29,098
Restricted cash and cash equivalents	86,826	85,076
Financial assets at amortised cost <sup>(a)</sup>	921	215
<b>Total financial assets</b>	<b>117,281</b>	<b>114,389</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost <sup>(b)</sup>	649	652
<b>Total financial liability</b>	<b>649</b>	<b>652</b>

(a) The amount of Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(b) The amount of Financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

## 8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

## 8.2.1 Contingent assets

	2022 \$000	2021 \$000
There were no contingent assets in existence at 30 June 2022 and up to the date of this report.	-	-

## 8.2.2 Contingent liabilities

	2022 \$000	2021 \$000
There were no contingent liabilities in existence at 30 June 2022 and up to the date of this report.	-	-

## 9. OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	9.1
Correction of period errors/changes in accounting policies	9.2
Key management personnel	9.3
Related party transactions	9.4
Related bodies	9.5
Affiliated bodies	9.6
Indian Ocean Territories	9.7
Workers' Compensation & Injury Management Trust Account	9.8
Remuneration of auditors	9.9
Supplementary financial information	9.10

### 9.1 Events occurring after the end of the reporting period

There were no known events occurring after the end of the reporting period and up to the date of this report.

### 9.2 Correction of period errors/changes in accounting policies

The Authority has reviewed the initial application of Australian Accounting Standards, there is no impact on the Authority. There is no correction of prior period errors/changes in accounting policy.

### 9.3 Key management personnel

The Authority has determined that key management personnel to include the Cabinet Ministers, board members and senior officers of the Authority. The Authority does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Authority for the reporting period are presented within the following bands:

### Compensation of members of the Accountable Authority

#### COMPENSATION BAND (\$)

	2022	2021
\$		
0 - 10,000 <sup>(a)</sup>	1	2
10,001 - 20,000	4	4
30,001 - 40,000	1	1
	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Total compensation of members of the Accountable Authority</b>	<b>88</b>	<b>105</b>

(a) two members in the 2021 compensation band had part-year occupancy.

### Compensation of senior officers other than the Accountable Authority

#### COMPENSATION BAND (\$)

	2022	2021
\$		
60,001 - 70,000 <sup>(b)</sup>	-	1
160,001 - 170,000	1	2
180,001 - 190,000	1	1
200,001 - 210,000	1	-
220,001 - 230,000	1	1
270,001 - 280,000	-	-
290,001 - 300,000	-	1
300,001 - 310,000	1	-
	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Total compensation of senior officers</b>	<b>1084</b>	<b>1,091</b>

(b) one member in the 2021 compensation band had part-year occupancy. Total compensation includes superannuation expense incurred by the Authority in respect of senior officers and members of Accountable Authority.



## NOTES TO THE FINANCIAL STATEMENTS

## 9. OTHER DISCLOSURES

## 9.4 Related party transactions

The Authority is a wholly owned public sector entity that is controlled by of the State of Western Australia.

Related parties of the Authority include:

- all Cabinet Ministers and their close family members, and their controlled or jointly controlled entities
- all members of the Accountable Authority, senior officers and their close family members, and their controlled or jointly controlled entities
- other agencies and statutory authorities, including related bodies that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities)
- associates and joint ventures of a wholly-owned public sector entity
- the Government Employees Superannuation Board (GESB).

## Material transactions with related parties

Outside of normal citizen type transactions with the Authority, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

## 9.5 Related bodies

The Authority does not have related bodies.

## 9.6 Affiliated bodies

The Authority does not have affiliated bodies.

## 9.7 Indian Ocean Territories

The Commonwealth Government has a Service Delivery Arrangement with the Authority for the provision of services to Indian Ocean Territories (Christmas Island and Cocos-Keeling Island).

	2022 \$000	2021 \$000
Balance at start of period	6	10
Funding received from the Commonwealth	24	12
Revenue received from insurers	10	9
	<b>40</b>	<b>31</b>
<b>Payments by Program Area</b>		
Regulatory Services	13	19
Conciliation and Arbitration Services	2	2
Scheme and Corporate Services	0	4
<b>Total Payments</b>	<b>15</b>	<b>25</b>
<b>Balance at end of period</b>	<b>25</b>	<b>6</b>

## 9.8 Workers' Compensation &amp; Injury Management Trust Account

The purpose of the Trust Fund is to hold funds paid into the custody of the Authority pursuant to Section 110 of the *Workers' Compensation and Injury Management Act 1981*.

These funds are not consolidated as they are funds that are administered on behalf of dependants of deceased workers.

	2022 \$000	2021 \$000
<b>Income</b>		
Amounts paid to the custody of the Authority	1,786	1,901
Interest on investments	1	2
	<b>1,787</b>	<b>1,903</b>
<b>Expenditure</b>		
Payments by the Authority	1,150	675
Administration fee	-	-
	<b>1,150</b>	<b>675</b>
<b>Surplus/(Deficit)</b>		
Balance at start of period	2,899	1,671
<b>Balance at end of period</b>	<b>3,536</b>	<b>2,899</b>
<b>Balance of funds held represents:</b>		
Cash and cash equivalents	3,536	2,899
	<b>3,536</b>	<b>2,899</b>

## 9.9 Remuneration of auditors

Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2022 \$000	2021 \$000
Auditing the accounts, controls, financial statements and key performance indicators	92	90
	<b>92</b>	<b>90</b>

## 9.10 Supplementary financial information

### (a) Write-offs

During the financial year, \$879,738 (2021: \$834,000) was written off under the authority of:

	2022	2021
	\$000	\$000
The accountable authority	655	248
The Minister	225	586
The Treasurer	-	-
	<b>880</b>	<b>834</b>

In accordance with Section 48(2) of the Financial Management Act 2006, potential recoveries were written off from the following fund:

	2022	2021
	\$000	\$000
<b>Write-offs</b>		
General account uninsured claims <sup>(i)</sup>	414	684
Fines and penalties	466	150
	<b>880</b>	<b>834</b>

(i) In relation to the General Account, WorkCover WA may have a statutory obligation to pay a workers' compensation claim. For uninsured claims where the employer has not maintained a workers' compensation insurance policy, or the employer is not able to be identified or located or an employer is in breach of the insurance contract, WorkCover WA seeks to recover the costs of the claims from the employer.

Potential recoveries receivable are assessed with regard to the ability of the debtors to meet their obligation. These recoveries have not been recognised as income because the amount to be recovered could not be reliably measured and consequently the write-off of these debts have not been charged as an expense in the Statement of Comprehensive Income.

The General Account Uninsured debt write-offs outlined below are net of recoveries received from employers.

	2022	2021
Number of recoveries written off with values between:		
\$ 0 - 100,000	9	1
\$ 100,001 - 200,000	-	2
\$ 200,001 - 300,000	-	1
	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>(b) Losses through theft, defaults and other causes</b>		
Losses of public money and public and other property through theft, default and other causes	-	-
Amount recovered	-	-
	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>(c) Gifts of public property</b>		
No Gifts of public property provided by the Authority	-	-

## NOTES TO THE FINANCIAL STATEMENTS

## 10. EXPLANATORY STATEMENT

All variances between annual estimates (original budget) and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% (\$224K) of Total Expenses for the Statements of Comprehensive Income and Statement of Cash Flows, and more than 1% (\$1.263 million) of Total Assets for the Statement of Financial Position.

## 10.1 Statement of Comprehensive Income Variances

	Variance Note	Estimate 2022	Actual 2022	Actual 2021	Variance between Estimate and Actual	Variance between actual result for 2022 and 2021
		\$000	\$000	\$000	\$000	\$000
<b>INCOME</b>						
<b>Revenue</b>						
Insurer contributions		19,990	19,990	19,519	-	471
Interest revenue	1	110	468	308	358	160
Other revenue	2,A	946	1,393	1,123	447	270
Employers' Indemnity Supplementation Fund	3,B	-	2,024	12	2,024	2,012
<b>Total Revenue</b>		<b>21,046</b>	<b>23,875</b>	<b>20,962</b>	<b>2,829</b>	<b>2,913</b>
<b>Gains</b>						
Decrease in claims liability	4,C	1,650	3,303	-	1,653	3,303
Gain on disposal of non-current assets		-	-	8	-	(8)
Decrease in impairment provision	5,D	-	237	-	237	237
<b>Total Gains</b>		<b>1,650</b>	<b>3,540</b>	<b>8</b>	<b>1,890</b>	<b>3,532</b>
<b>Total Income</b>		<b>22,696</b>	<b>27,415</b>	<b>20,970</b>	<b>4,719</b>	<b>6,445</b>
<b>EXPENSES</b>						
Employee benefits expense		15,937	14,998	14,847	(939)	151
Supplies and services		2,977	2,997	2,766	20	231
Depreciation and amortisation expense		1,113	1,188	1,280	75	(92)
Accommodation expenses		530	729	721	199	8
Grants and subsidies		35	70	35	35	35
Claims expense	6,E	2,949	994	7,589	(1,955)	(6,595)
Loss on disposal of non-current assets		26	8	-	(18)	8
Other expenses	F	1,587	1,375	2,062	(212)	(687)
<b>Total Expenses</b>		<b>25,154</b>	<b>22,359</b>	<b>29,300</b>	<b>(2,795)</b>	<b>(6,941)</b>
Profit/(Loss) before grants and subsidies from State Government		(2,458)	5,056	(8,330)	7,514	13,386
Services received free of charge		200	346	194	146	152
<b>Profit/(Loss) for the period</b>		<b>(2,258)</b>	<b>5,402</b>	<b>(8,136)</b>	<b>7,660</b>	<b>13,538</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Remeasurements of defined benefit liability		-	655	549	655	106
Changes in asset revaluation surplus		-	161	644	161	(483)
<b>Total other comprehensive income</b>		<b>-</b>	<b>816</b>	<b>1,193</b>	<b>816</b>	<b>(377)</b>
<b>Total comprehensive income for the period</b>		<b>(2,258)</b>	<b>6,218</b>	<b>(6,943)</b>	<b>8,476</b>	<b>13,161</b>

### Major Estimate and Actual (2022) Variance Narratives

1. Interest Revenue is \$358K higher than budget estimates due to a higher than expected increase in interest rates for 2021/22.
2. Other Revenue is \$447K higher than budget estimates due to a higher than expected increase in avoided premiums and fine recoveries.
3. Revenue for Employers' Indemnity Supplementation Fund is \$2.0 million higher than budget estimates due to higher than expected recoveries received from the liquidator of the HIH Insurance Group.
4. The decrease in claims liability of \$1.7 million is due to a higher than anticipated reduction in the actuarially assessed claims liabilities valued at 30 June 2022.
5. The decrease in impairment provision of \$237K is due to a reduction in the provision for expected credit loss at 30 June 2022.
6. Claims Expense is \$2.0 million lower than budget estimates mainly due to a large General Account claim that was finalised in 2021/22.

### Major Actual (2022) and Comparative (2021) Variance Narratives

- A. Other Revenue increased by \$270K due to a higher than expected increase in avoided premiums and fine recoveries.
- B. Revenue for Employers' Indemnity Supplementation Fund increased by \$2.0 million due to higher than expected recoveries received from the liquidator of the HIH Insurance Group.
- C. The variation is due to the decrease in actuarially assessed claims liabilities valuation at 30 June 2022.
- D. The variance in impairment provision of \$237K is due to a reduction in the provision for expected credit loss at 30 June 2022.
- E. Claim expenses decreased by \$6.6 million compared to the prior year mainly due to lower claim payments combined with a reduction in the actuarially assessed claim liabilities at 30 June 2022.
- F. Other Expenses decreased by \$687K mainly due to a higher provision for expected credit loss in 2020/21.

## NOTES TO THE FINANCIAL STATEMENTS

## 10. EXPLANATORY STATEMENT

## 10.2 Statement of Financial Position Variances

	Variance Note	Estimate 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between Estimate and Actual \$000	Variance between actual result for 2022 and 2021 \$000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	7	23,821	29,534	29,098	5,713	436
Restricted cash and cash equivalents		83,419	86,826	85,076	3,407	1,750
Receivables		408	991	287	583	704
Other assets		189	334	302	145	32
Other financial assets		-	-	-	-	-
<b>Total Current Assets</b>		<b>107,837</b>	<b>117,685</b>	<b>114,763</b>	<b>9,848</b>	<b>2,922</b>
<b>Non-Current Assets</b>						
Property, plant, equipment & vehicles		16,365	16,261	16,392	(104)	(131)
Intangible assets		1,968	1,651	2,229	(317)	(578)
Right-of-use assets		81	28	42	(53)	(14)
<b>Total Non-Current Assets</b>		<b>18,414</b>	<b>17,940</b>	<b>18,663</b>	<b>(474)</b>	<b>(723)</b>
<b>Total Assets</b>		<b>126,251</b>	<b>135,625</b>	<b>133,426</b>	<b>9,374</b>	<b>2,199</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		953	649	652	(304)	(3)
Lease liabilities		3	14	13	11	1
Employee related provisions		3,349	3,853	3,642	504	211
Claims provisions	8	3,135	6,612	6,676	3,477	(64)
<b>Total Current Liabilities</b>		<b>7,440</b>	<b>11,128</b>	<b>10,983</b>	<b>3,688</b>	<b>145</b>
<b>Non-Current Liabilities</b>						
Lease liabilities		58	14	29	(44)	(15)
Employee related provisions	9	5,655	4,089	4,999	(1,566)	(910)
Claims provisions	8, G	16,156	19,550	22,789	3,394	(3,239)
<b>Total Non-Current Liabilities</b>		<b>21,869</b>	<b>23,653</b>	<b>27,817</b>	<b>1,784</b>	<b>(4,164)</b>
<b>Total Liabilities</b>		<b>29,309</b>	<b>34,781</b>	<b>38,800</b>	<b>5,472</b>	<b>(4,019)</b>
<b>Net Assets</b>		<b>96,942</b>	<b>100,844</b>	<b>94,626</b>	<b>3,902</b>	<b>6,218</b>
<b>EQUITY</b>						
Reserves		14,212	15,017	14,856	805	161
Retained earnings		82,730	85,827	79,770	3,097	6,057
<b>Total Equity</b>		<b>96,942</b>	<b>100,844</b>	<b>94,626</b>	<b>3,902</b>	<b>6,218</b>

### Major Estimate and Actual (2022) Variance Narratives

7. Cash and cash equivalents are \$5.7 million higher than budget estimates mainly due to less than expected claims expense payments, employee benefit expense payments and capital project payments.
8. Current claim provisions are \$3.5 million higher than budget estimates and Non-Current claim provisions are \$3.4 million higher than budget estimates mainly due to the increase in the actuarially assessed claim liabilities at 30 June 2021 subsequent to budget estimation.
9. Non-current employee related provisions are \$1.6 million lower than budget estimates due to a decrease in the actuarially assessed long service leave liabilities at June 30 2022.

### Major Actual (2022) and Comparative (2021) Variance Narratives

- G. Non-Current claim provisions decreased by \$3.2 million compared to the prior year due to a reduction in the actuarially assessed claim liabilities at 30 June 2022.



## NOTES TO THE FINANCIAL STATEMENTS

## 10. EXPLANATORY STATEMENT

## 10.3 Statement of Cash Flows Variances

	Variance Note	Estimate 2022	Actual 2022	Actual 2021	Variance between Estimate and Actual \$000	Variance between actual result for 2022 and 2021 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
		<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Receipts</b>						
Supplementation Fund receipts	10, H	-	2,024	7	2,024	2,017
Insurer contributions		19,990	19,990	19,511	-	479
Provision of services		-	-	-	-	-
Interest received		110	322	404	212	(82)
GST receipts on sales		1	6	4	5	2
GST receipts from taxation authority		447	359	297	(88)	62
Other receipts	11	946	1,187	1,091	241	96
<b>Payments</b>						
Workers' Compensation claim payments	12, I	(2,949)	(981)	(713)	1,968	(268)
Employee benefits		(15,877)	(15,114)	(14,760)	763	(354)
Supplies and services		(2,743)	(2,831)	(2,793)	(88)	(38)
Accommodation		(530)	(728)	(724)	(198)	(4)
Grants and subsidies		(35)	(70)	(35)	(35)	(35)
GST payments on purchases		(448)	(360)	(271)	88	(89)
Other payments	13	(1,559)	(1,294)	(1,401)	265	107
<b>Net cash provided by/(used in) operating activities</b>		<b>(2,647)</b>	<b>2,510</b>	<b>617</b>	<b>5,157</b>	<b>1,893</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds from sale of non-current physical assets		-	14	45	14	(31)
Proceeds from the maturity of term deposits	J	-	-	6,419	-	(6,419)
<b>Payments</b>						
Purchase of non-current physical assets	14, K	(1,000)	(323)	(624)	677	301
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,000)</b>	<b>(309)</b>	<b>5,840</b>	<b>691</b>	<b>(6,149)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Principal elements of lease payments		(23)	(15)	(11)	8	(4)
<b>Net cash provided by/(used in) Financing activities</b>		<b>(23)</b>	<b>(15)</b>	<b>(11)</b>	<b>8</b>	<b>(4)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(3,670)</b>	<b>2,186</b>	<b>6,446</b>	<b>5,856</b>	<b>(4,260)</b>
Cash and cash equivalents at the beginning of the period		110,910	114,174	107,728	(3,264)	6,446
<b>Cash and cash equivalent at the end of the period</b>		<b>107,240</b>	<b>116,360</b>	<b>114,174</b>	<b>(9,120)</b>	<b>2,186</b>



### Major Estimate and Actual (2022) Variance Narratives

10. Supplementation Fund receipts are \$2.0 million higher than budget estimates due to higher than expected recoveries received from the liquidator of HIH Insurance Group.
11. Other receipts are \$241K higher than budget estimates due to higher than expected receipts from avoided premiums and fines.
12. Workers' Compensation claim payments are \$2.0 million lower than estimated due to lower than projected claims payments in the General Fund.
13. Other payments are \$265K lower than budget estimates mainly due to less than expected payments on administration costs associated with uninsured claims.
14. Purchase of non-current physical assets are \$624K lower than budget estimates mainly due to the deferral of building and IT related works.

### Major Actual (2022) and Comparative (2021) Variance Narratives

- H. Supplementation Fund receipts increased by \$2.0 million due to recoveries received from the liquidator of HIH Insurance Group in 2021/22.
- I. Workers' Compensation claim payments increased by \$268K in line with the increased number and value of claims on the Supplementation Fund in 2021/22.
- J. Proceeds from the maturity of term deposits decreased by \$6.4 million due to closure of term deposits in 2020/21.
- K. Purchase of non-current physical assets decreased by \$301K mainly due to the deferral of building and IT related works.



## WORKCOVER WA ANNUAL REPORT

## APPENDIX

## Approved Self-Insurers

Alcoa of Australia Limited

BHP Group Limited

Bluescope Steel Limited

BP Australia Group Pty Ltd

Brambles Ltd

Brickworks Limited

Cockburn Cement Ltd

Coles Group Limited

CSR Limited

Healius Ltd

Holcim (Australia) Holdings Pty Ltd

Infrabuild Trading Pty Ltd

Inghams Enterprises Pty Ltd

ISS Facility Services Australia Limited

Metcash Trading Limited

Myer Holdings Pty Ltd

South32 Limited

St John of God Health Care Inc

Wesfarmers Limited

Western Australian Local  
Government Association

Westpac Banking Corporation

Woodside Energy Ltd

Woolworths Group Limited

## Approved Insurers

AAI Limited (GIO Insurance)

Allianz Australia Insurance

Catholic Church Insurance

Guild Insurance

Insurance Australia (CGU Workers'  
Compensation and WFI Insurance)

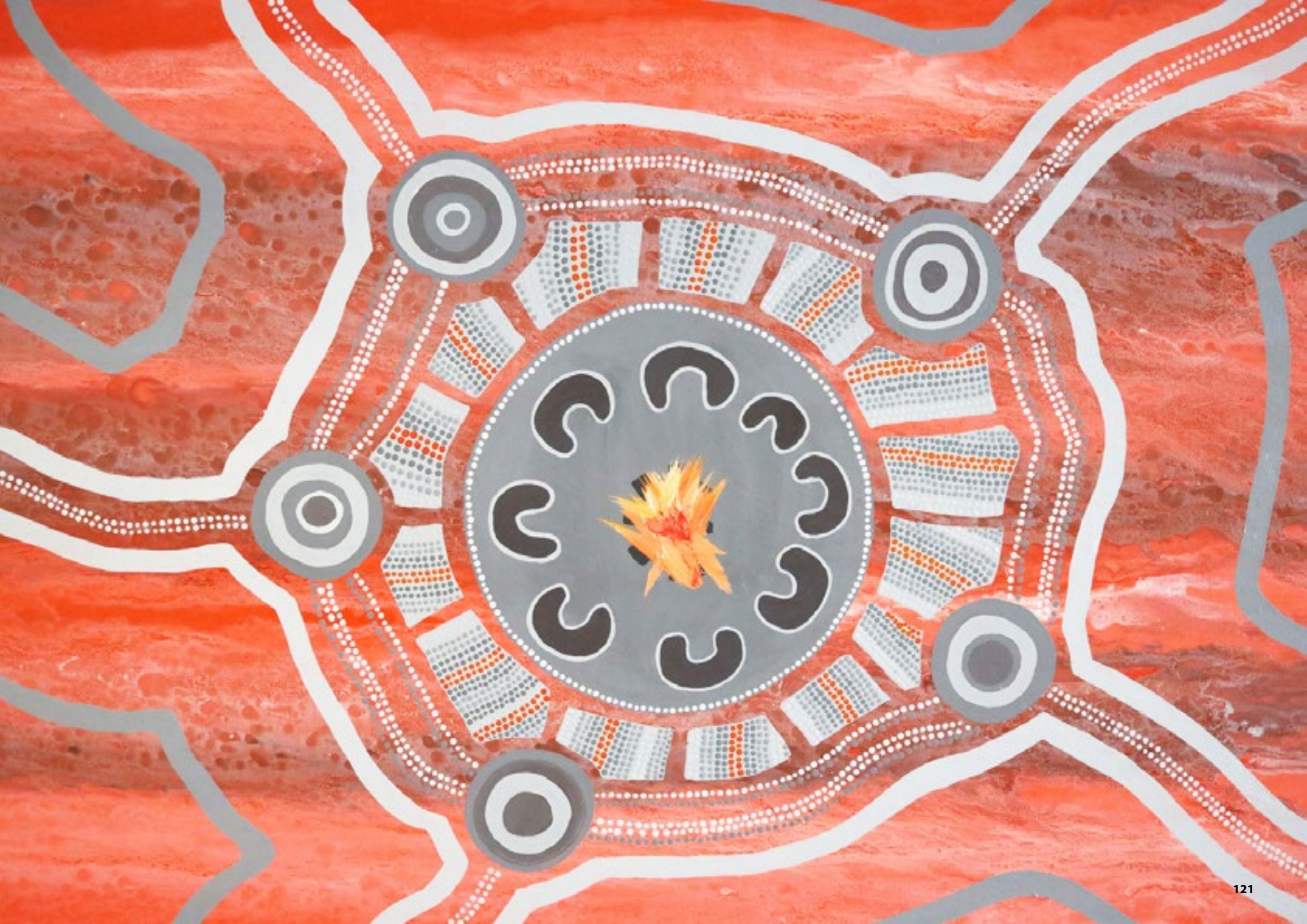
QBE Insurance

Zurich Australian Insurance

Insurance Commission of WA\*

\*Insurance covering WA State Government workers









2 Bedbrook Place  
Shenton Park  
Western Australia 6008

**workcover.WA.gov.au**

**telephone** 08 9388 5555  
**advisory services** 1300 794 744  
**TTY** 08 9388 5537



@WorkCoverWA