



FORWARD. TOGETHER

ANNUAL REPORT **2022-2023**

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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.

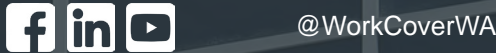
We acknowledge our Aboriginal employees who are an integral part of our diverse workforce, and recognise their knowledge of Country and cultures.



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Shenton Park
Western Australia 6008

workcover.wa.gov.au

Telephone 08 9388 5555
Advisory services 1300 794 744



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.

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STATEMENT OF COMPLIANCE



SECTION ONE



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 the WorkCover Western Australia Authority for the reporting period ending 30 June 2023.

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 the 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.

Chris White
Chief Executive Officer
WorkCover Western Australia Authority
30 August 2023

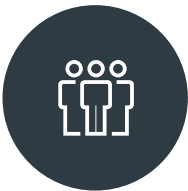
Sharryn Jackson
Board Chair
WorkCover Western Australia Authority
30 August 2023

EXECUTIVE SUMMARY

WorkCover WA contributes to the Government Goal 'Sustainable Finances'.

Together, we move **forward** by delivering services aimed at minimising the social and economic impact of work-related injury and disease on workers, employers and the community.

ACTIVITY SNAPSHOT



WORKERS

Our compliance activities have led to an additional **18,775** workers being covered by a workers' compensation policy.

These workers represent a potential uninsured claim risk which has now been mitigated.

18,775
ADDITIONAL
WORKERS
COVERED



EMPLOYERS

We ensured an additional **695** employers obtained a workers' compensation policy after compliance activities commenced.

Due to an increase in voluntary compliance activities, more employers proactively sourced a policy of insurance.

695
ADDITIONAL
EMPLOYERS
COVERED



DEPENDANTS

When a worker dies as a result of a work-related injury, a claim for compensation can be made by their dependant(s).

This year we received **22** applications related to dependency claims, compared to **17** in 2021/22.

22
DEPENDENCY
APPLICATIONS
MADE



CONCILIATION

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

2,341 conciliations were completed in 2022/23, compared to **2,240** in 2021/22.

2,341
CONCILIATIONS
COMPLETED



ARBITRATION

If a dispute cannot be resolved through conciliation, an application can be made to our Arbitration Service.

618 arbitration matters were completed in 2022/23, compared to **532** in 2021/22.

618
ARBITRATION
MATTERS
COMPLETED



INSURERS

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

Sound regulatory activity resulted in an increase of **16%** in senior oversight on long-term pending claims management.

16%
INCREASE



WORKPLACE REHABILITATION

We implemented a capability framework and online training program for the **49** approved workplace rehabilitation providers.

The new framework articulated **25** capabilities and supported one new online education platform.

1
EDUCATION
PLATFORM



SERVICE PROVIDERS

We approve and monitor a range of service providers within the Western Australian scheme.

There were 1,309 service providers as at 30 June 2023. The number of service providers increased by **16%** primarily due to more medical specialists and registered agents.

1,309
SERVICE
PROVIDERS



ENFORCEMENT

We investigated **12,354** employers who potentially did not have a policy of insurance, an increase of **31.5%** from 2021/22.

During the year, **134** prosecutions were completed as part of **28,674** enforcement actions.

28,674
ENFORCEMENT
ACTIONS



UNINSURED

We oversee claims made by injured workers when employers are uninsured.

There were **47** potential uninsured claims investigated, an increase from **39** in 2021/22. Of these, **22** claims were accepted.

22
CLAIMS
ACCEPTED

CHAIR OVERVIEW

The last year has seen excellent results for WorkCover WA.

The agency has performed well against all strategic priorities, and delivered outstanding benefits for workers, employers and other scheme participants.



Having been in the role of WorkCover WA Board Chair for over three years I take great pride in reflecting on the contribution the agency has made and how together we continue to lead a responsive and sustainable workers' compensation scheme.

Earlier this year the Board met for a strategic planning session, focusing on priorities, directions and how we move forward together. The Board and I are committed to ensuring WorkCover WA maintains its clarity of purpose and a single-minded focus on delivering a workers' compensation and injury management scheme which works for all. Maintaining a fully funded, sustainable workers' compensation scheme underpins our ability to fulfil legislative responsibilities and meet government and community expectations. It is pleasing to report the agency continues to perform well in this regard.

Over the last financial year WorkCover WA has continued to build on its strengths to provide successful and strategic scheme management. Western Australia has the fourth lowest standardised premium rate of all Australian jurisdictions at 1.26% of wages and sits just below the national average. Despite challenges and changes within the scheme environment, WorkCover WA has consistently provided service and excellence to the community.

Trust and transparency are key tenets of the Board. During 2022/23 we reviewed our approach to premium loadings and appeal processes. In consultation with industry, the process has been refreshed to ensure it is contemporary, fit for purpose, and responsive to changing community expectations. This practical piece of work is intended to support employers, insurers, and brokers in their practices.

At the beginning of the last financial year the Board launched WorkCover WA's new *Strategic Plan for 2022 - 2025*. The plan sets the scene for guiding the agency over the next three years in leading a responsive and sustainable workers' compensation scheme, modernising service delivery, and building on the capability of people, culture, and systems. As we look to the future, these remain at the forefront as key priorities to strengthen the agency and the scheme.

We know beyond question when people feel valued and experience a sense of belonging, they do their best work. WorkCover WA continues to advance initiatives to create an inclusive and innovative workplace reflective of the community we serve. I have been pleased to witness this firsthand as the keynote speaker at WorkCover WA's women in leadership forum.

The membership of the Board has changed over the course of the year. I would like to take this opportunity to thank Victoria Wilmot, whose term with the Board concluded at the end of 2022. Mrs Wilmot has been a member of the Board since 2005, and over that period has made significant contributions with her accounting and financial management expertise.

In January we welcomed Don Cunninghame to the vacant position on the Board. Mr Cunninghame brings 29 years of valuable experience from his work at the Office of the Auditor General, as well as extensive knowledge of internal auditing and accounting.

On behalf of the Board I acknowledge the ongoing support of the Minister for Industrial Relations, the Hon. Bill Johnston MLA. During 2022/23 Minister Johnston provided invaluable support for the new legislation during its progression through the Parliament.

A sincere note of thanks to the CEO, Corporate Executive and all agency staff for their tireless work this year. Their efforts to deliver and maintain the highest standards in accordance with our values of service, excellence, respect, integrity and collaboration are acknowledged and appreciated.

Finally, I would like to express gratitude to my fellow Board members for their enthusiasm, insight and interest. My colleagues and I look forward to continuing our close working relationship, and I look forward to what we can achieve together over the year ahead.

Sharryn Jackson
Board Chair
WorkCover WA



CHIEF EXECUTIVE OFFICER OVERVIEW

I am pleased to present WorkCover WA's annual report showcasing our achievements and the impact of our work in the 2022/23 financial year.

A highlight for this year was the 2022 Employee Perception Survey which showed our people are highly engaged at work. Our staff satisfaction score of 83.7% is the highest in the history of the agency. We have a strong emphasis on strengthening culture through leadership capability uplift and initiatives to bring us together. Good culture within the agency delivers flow-on benefits to our stakeholders, helping us serve the community more effectively.

During the year we achieved a major milestone on our legislative reform journey to modernise workers compensation. On 22 February 2023, the Hon. Bill Johnston MLA, Minister for Industrial Relations introduced the *Workers Compensation and Injury Management Bill 2023* (Bill) in Parliament, to modernise Western Australia's workers' compensation laws. The Bill passed through the Legislative Assembly on 16 May 2023 and is currently before the Legislative Council.

Working with our stakeholders to design and deliver our programs allows us to meet the high standards we set for ourselves. From the regulatory tool *Foundations of Workers' Compensation: Workplace Rehabilitation Providers* to the *Workplace Rehabilitation Providers Capability Framework*, these resources build key knowledge and capabilities.

Perhaps the most significant opportunity for engagement was the 2022 WorkCover WA Conference. Attended by just under 500 delegates, the event provided a vibrant forum for stakeholders to share innovative approaches to workers' compensation and injury management. Throughout the day attendees heard from a range of speakers and shared contemporary practice methods, all while celebrating 40 years of WorkCover WA.

We continued our firm and fair actions relating to employers resistant to having a workers' compensation policy. In 2022/23 we undertook our highest ever number of enforcement actions (28,674), including prosecutions (134). Our approach continues to be one of transparency, ensuring employers are aware of their obligations, the assistance available to them and the actions we may take.

Of course, at the heart of everything we do is our people. Our graduate program continues to be an important talent pipeline for attracting diverse skills to the agency. Investing in talent acquisition is increasingly important as the labour market becomes more constrained and staff seek new challenges.

This year we farewelled three long-term members of the executive team, Leona Glasby, Sam Nunn and Stephen Psaila-Savona. I thank them for their service to WorkCover WA and acknowledge the current leadership group, who have stepped up to empower our people and provide excellent continuity of values-driven governance for the agency.

We have a strong sense of what we can, and must, achieve in the next year. Recalibrating the agency to focus on implementing the legislative reform program ensures we are investing resources in our highest-priority work. Our strong working relationships with stakeholders is a key driver behind our success, and will stand us in good stead to implement the new legislation.

Data underpins our stakeholder service, our early intervention activities and our goal of prevention rather than correction.

We are simplifying our data interactions and embedding what we can into our systems. The collaborative spirit and commitment of all scheme participants will maximise our endeavors.

I am extremely proud of the efforts and achievements of all who work at WorkCover WA. We have proven we can achieve much when we work together, united by our desire for positive outcomes for the Western Australian community.

I extend my thanks to Ms Sharryn Jackson and the WorkCover WA Board for their strategic guidance and leadership over the past year.

I am confident the agency is in a strong position, ready to engage with the challenges and opportunities of the new financial year.

Chris White
Chief Executive Officer
WorkCover WA

FINANCIAL SNAPSHOT

The majority of funding (72.68%) for our activities is derived from insurer contributions in the form of an annual levy on approved workers' compensation insurers and approved self-insurers.

Table 1: WorkCover WA totals for 2022/23

Revenue	\$29.408 million
Expenditure	\$31.092 million

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

Table 2: WorkCover WA expenditure for 2022/23

Employee benefits expenses	\$16.918 million (54.41%)
Supplies and services	\$3.827 million (12.31%)
Depreciation and amortisation expenses	\$1.028 million (3.30%)
Accommodation expenses	\$0.821 million (2.64%)
Grants and subsidies	Nil
Claims expenses	\$6.817 million (21.93%)
Other expenses	\$1.681 million (5.41%)
Loss on disposal of non-current assets	Nil

REVENUE SNAPSHOT

\$21.375 M	\$5.0 K	\$3.043 M	\$4.985 M
Insurer and self-insurer contributions	Employers' Indemnity Supplementation Fund recoveries	Interest revenue	Other revenue

PERFORMANCE SNAPSHOT

The outcomes of our activities and services are measured by Key Performance Indicators (KPIs) evaluating effectiveness and efficiency. The 2022/23 snapshot provides a scorecard of our performance for the year.

KEY EFFECTIVENESS PERFORMANCE

Effectiveness indicators measure our performance in achieving outcomes.

Table 3: Indicators of Effectiveness

		2022/23 Target	2022/23 Actual
1.1	The number of non-compliance events identified as a result of a claim on the General Account	5	7
1.2	The proportion of conciliations completed within eight weeks	97.0%	89.1%
1.3	The proportion of disputes resolved within six months	90.0%	82.3%

KEY EFFICIENCY PERFORMANCE

Efficiency indicators measure the overall efficiency of our service delivery.

Table 4: Indicators of Efficiency

		2022/23 Target	2022/23 Actual
1.1	Average cost per employer compliance activity	\$287	\$210
1.2	Average cost per approved and monitored service provider	\$3,509	\$3,026
1.3	Average cost per client contact to provide information and advice	\$57	\$71
2.1	Average cost to complete a conciliation	\$2,433	\$2,075
2.2	Average cost to complete an arbitration	\$9,688	\$9,911
2.3	Average cost to process a Memorandum of Agreement	\$525	\$415

ENABLING LEGISLATION

WorkCover WA is a statutory authority accountable to the Minister for Industrial Relations, and is the government agency responsible for the regulation and administration of 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 WA Guidelines 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 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.

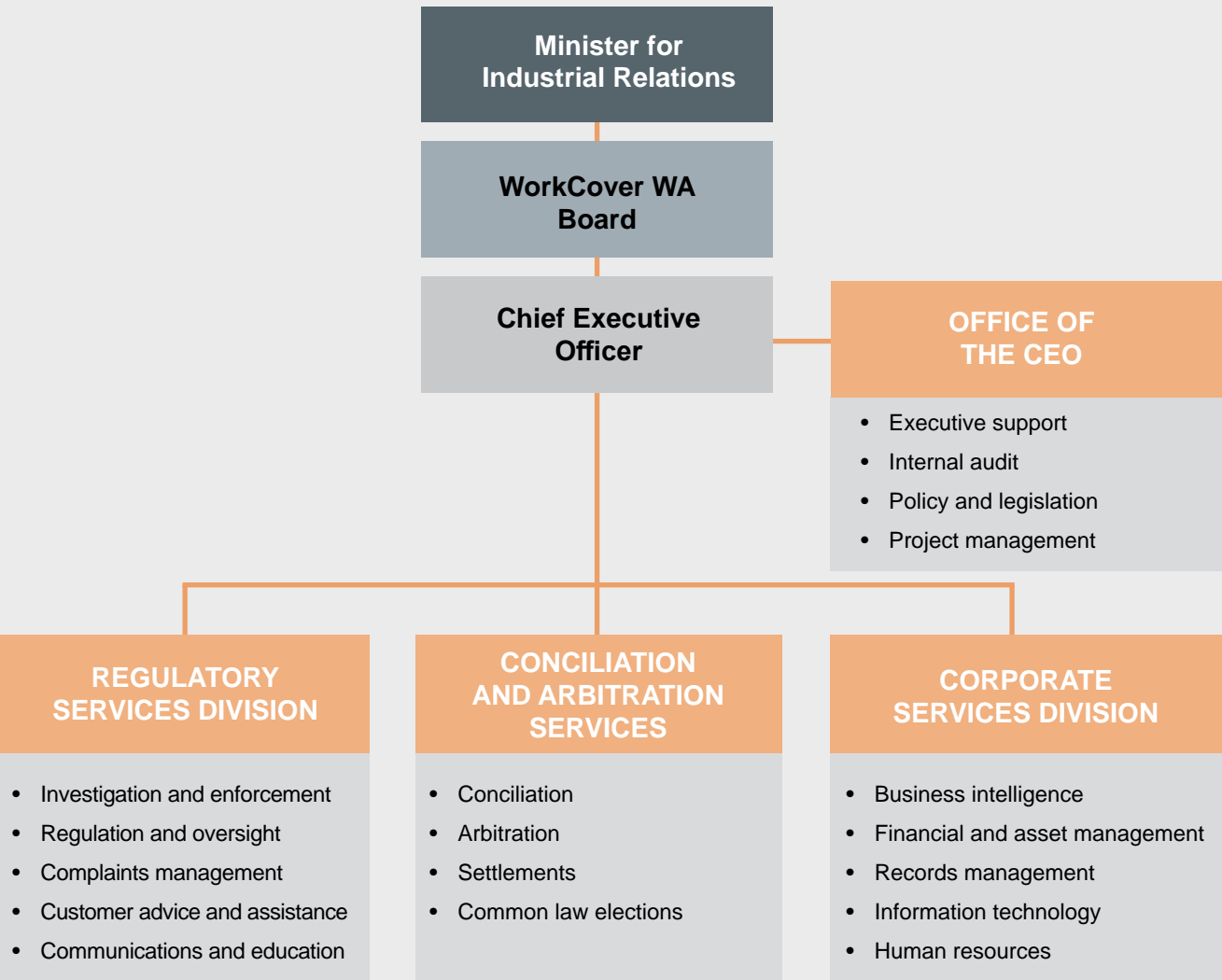
As the scheme regulator, our primary objective is to ensure work-related injuries are actively managed while assisting injured workers to achieve a safe and sustainable return to work.

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.

ORGANISATIONAL STRUCTURE



AGENCY SNAPSHOT



FUNDING

Funding is derived via a direct annual levy on approved workers' compensation insurers and self-insurers.



RESOURCES

We commit resources to achieve initiatives aligned with the Board's strategic priorities and the *Strategic Plan 2022-25*.



ADMINISTRATION

Day-to-day administration is delegated by the Board to the CEO, who directs agency operations.

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.



Llewellyn Jones, Don Cunninghame, Chris White, Sharryn Jackson, Peta Libby, Richard Sellers, Owen Whittle.

SHARRYN JACKSON

Chair, WorkCover WA Board
Meetings attended: 7/10

Sharryn Jackson was appointed Board Chair in January 2020.

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

CHRIS WHITE

Chief Executive Officer, WorkCover WA
Meetings attended: 10/10

Chris White has been a Board member 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.

DON CUNNINGHAME

Experienced in accounting and internal audit
Meetings attended: 4/4

Don Cunninghame was appointed to the Board in January 2023.

Mr Cunninghame has 29 years of experience at the Office of the Auditor General, as well as extensive knowledge of internal auditing and accounting. He is a Fellow of CPA Australia and a Certified Information Systems Auditor (CISA).

Mr Cunninghame replaces Victoria Wilmot who attended five meetings during the year.

LLEWELLYN JONES

Experienced in insurance matters
Meetings attended: 9/10

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).

PETA LIBBY

Experienced in employers' interests
Meetings attended: 9/10

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.

RICHARD SELLERS

Chief Executive Officer, Department of the Public Service of the State principally assisting the Minister charged with the administration of the Work Health and Safety Act 2020
Meetings attended: 7/10

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

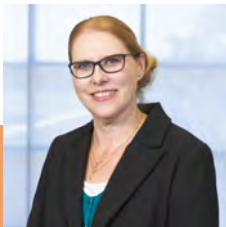
Mr Sellers has an extensive background in the public sector. He has held a number of Chief Executive Officer roles in the tourism, transport and mining sectors. Mr Sellers is the Director General of the Department of Mines, Industry Regulation and Safety.

OWEN WHITTLE

Experienced in workers' interests
Meetings attended: 9/10

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.



THANK YOU

A broad definition of a Board member is one who is responsible for ensuring an organisation meets its legal requirements and remains accountable to its stakeholders.

But, what makes a GREAT Board member?
We believe dedication, passion and an innate desire to do good is what makes a Board member great.

Thank you **Victoria Wilmot** for being a GREAT Board member for 17 years.

CORPORATE EXECUTIVE

**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.

We acknowledge Adam Quinn, who acted in the role while Ms Lee was on extended leave in 2022/23.

**GENERAL MANAGER
REGULATORY SERVICES**
Appointed 2023

Rebecca Harris has wide-ranging experience as a senior executive officer at the Department of Education, Office of the Public Sector Standards Commissioner and Public Sector Commission.

Ms Harris led a comprehensive regulatory reform and has experience in enforcement, compliance, policy, and governance.

We acknowledge Stephen Psaila-Savona for his service in the role from 2016 to 2022.

**A/GENERAL MANAGER
CORPORATE SERVICES**
Appointed 2023

Bernard Underwood has built a career in the public sector as a leading human resource practitioner. Mr Underwood led multiple strategic initiatives and machinery of government changes in the education, training and development sectors.

We acknowledge Leona Glasby for her service in the role from 2018 to 2023.

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.

A/REGISTRAR ARBITRATION
Appointed 2022

Garry Rutherford has extensive experience as a legal practitioner predominately in resolving disputes in proceedings in the courts and tribunals of Western Australia.

Mr Rutherford has been an arbitrator at WorkCover WA since 2010.

We acknowledge Sam Nunn for his service in the role from 2018 to 2022.

Our senior management team, the Corporate Executive, work with the CEO to lead corporate and business operations.



Garry Rutherford, Bernard Underwood, Rebecca Harris, Chris White, Karin Lee, John Hull.

FORWARD. TOGETHER

BUILDING LEADERSHIP IMPACT

The Corporate Executive operates within a unique environment, responsible for delivering WorkCover WA's strategic initiatives as well as being aware of the wider context and the public value of our work.

The conditions for positive leadership set by the Public Sector Commissioner have informed the executive team and all aspiring leaders in the agency on what "good" leadership looks like in every context.

For developing leaders, demonstrated behaviours are evolving and starting to add value. For proficient leaders, demonstrated behaviours are appropriate for the leadership context and have room to grow.

For experienced leaders, demonstrated behaviours are those expected of someone who is fully developed in the context and can stretch.

The Corporate Executive is committed to developing the talent pipeline and nurturing emerging leaders.

Opportunities to build leadership capability are supported by the Corporate Executive and are available to staff across the agency.

OUR STORIES



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Receiving our best ever employee perception survey results



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Providing clarity and direction through policy redevelopment

WORKPLACE COMMITTEES

ADVISORY

Advisory committees discharge some of the Board’s corporate governance responsibilities.

AUDIT AND RISK MANAGEMENT

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

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

The committee comprises:

- Don Cunninghame (Chair)
Meetings attended: 2
- Victoria Wilmot (Former Chair)
Meetings attended: 2
- Sharryn Jackson
Meetings attended: 3
- Owen Whittle
Meetings attended: 4

Convened: 4

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.

PERFORMANCE MANAGEMENT

The committee reviews and manages WorkCover WA’s Outcome Based Management (OBM) structure. OMB ensures compliance with government directives, guidelines and legislation in developing, implementing and monitoring organisational performance outcomes.

The committee reviews integrated KPIs and associated operational processes to ensure KPIs are integral to the corporate reporting framework.

Chaired by the CEO, the committee comprises senior staff.

Convened: 3

ACT IMPLEMENTATION

The committee ensures processes and systems are in place to enable a seamless implementation of the new legislative framework.

Key priorities included, developing strategies for managing resourcing requirements, risk mitigation and internal and external communication.

The committee is chaired by the CEO and comprises members of the Corporate Executive, the Manager Policy and Legislation and the Manager Program Management Office.

Convened: 1

JOINT CONSULTATIVE

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

Initiatives considered included flexible working arrangements and perception survey results.

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

Convened: 2

INFORMATION TECHNOLOGY

The committee coordinates information technology investments and digital services.

Over the past year, a program of work focused on progressing various cloud transition and cyber security activities.

The committee is chaired by the CEO and comprises the General Manager Corporate Services, Manager Project Management Office and information technology staff.

Convened: 8

EMERGENCY PLANNING

The committee is responsible for developing, implementing and maintaining emergency plans, response procedures and training. There were no unplanned evacuations in 2022/23.

Key initiatives included a planned evacuation 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: 1

DIVERSITY AND INCLUSION

The committee aims to enhance inclusivity in the workplace and is responsible for cultural and inclusion strategies.

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

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

Convened: 6

WORK HEALTH AND SAFETY

The committee promotes positive safety, health and wellness outcomes.

Over the past year initiatives were delivered to support health and safety in the workplace.

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

Convened: 4

RISK MANAGEMENT

The committee oversees risk management processes and maintains our risk management framework.

Key priorities included a program of work to grow risk management knowledge and awareness across WorkCover WA.

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

Convened: 3

NATIONAL COLLABORATION

We collaborate with external parties on policy developments and research to ensure workers' compensation and injury management outcomes continue to improve at a national level.

INDIAN OCEAN TERRITORIES WORKING GROUP

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

We regularly take action to support the agreement, including a compliance and education visit to Christmas Island in December 2022.

Attended: 2/2

SAFE WORK AUSTRALIA STRATEGIC ISSUES GROUP

Workers' compensation officials, union members and employer representatives from across Australia collaborate to assist Safe Work Australia in performing its workers' compensation functions.

Attended: 3/3

PERSONAL INJURY EDUCATION FOUNDATION (PIEF)

PIEF develops industry training requirements and best practice professional development initiatives. In 2022/23 we were proud to partner with PIEF to develop *Foundations of Workers' Compensation: Workplace Rehabilitation Providers*.

Our CEO, Chris White, is a member of the PIEF Board.

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

HEADS OF WORKERS' COMPENSATION AUTHORITIES (HWCA)

HWCA is a high-level forum for discussion, promotion and implementation of best practice workers' compensation arrangements. The group comprises Chief Executives or their representatives from 11 workers' compensation authorities across Australia and New Zealand.

We are an active participant in HWCA forums and national initiatives.

Attended: 2/2

FORWARD. TOGETHER

AUSTRALIAN TAXATION OFFICE (ATO) WORKERS' COMPENSATION JURISDICTIONS

WorkCover WA collaborates with the ATO and other workers' compensation jurisdictions regarding data sharing arrangements as they relate to employer compliance initiatives.

Monthly meetings are convened by the ATO to ensure agencies comply with the Office of the Australian Information Commissioner's *Guidelines for the Conduct of the Data-Matching Program* which includes the completion and publishing of data matching protocols where the circumstances warrant.

In 2022/23 we continued collaborating with the ATO to identify if:

- employers are paying the correct premium based on salaries and wages and other forms of remuneration.
- employers are required to have a workers' compensation policy to meet their legal obligations.

STATE COLLABORATION

We consult and collaborate 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.

We meet regularly with ICA WA to discuss scheme developments, service issues, policy matters and education requirements.

Attended: 3/3

CLAIMS MANAGERS ADVISORY GROUP

To ensure ongoing compliance under the scheme, the group engages and consults with case managers responsible for workers' compensation claims in Western Australia.

We attend these meetings to provide updates, direction and discuss front line service issues.

Attended: 1/1

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.

We attend these meetings to provide updates, direction and discuss front-line service issues.

Attended: 3/3

WORK HEALTH AND SAFETY COMMISSION

The Commission comprises organisations and individuals with expertise in occupational safety and health matters.

The CEO attends commission meetings and we support the Commission with data and statistical information on workplace injury and illness.

Attended: 8/8

PUBLIC SECTOR SAFETY AND INJURY MANAGEMENT STEERING COMMITTEE

The committee comprises 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.

Collaboration between these entities helps achieve the Government's vision for workplace health, safety and injury management in the public sector.

Attended: 3/3

DISPUTE SERVICES USERS GROUP

The group engages and consults with key stakeholders involved in dispute resolution.

Members include the Director Conciliation, Registrar Arbitration and representatives of worker, employer and insurer interests.

Convened: 3

SPONSORSHIP

Sponsorships enable us to strengthen our relationships with key stakeholders and communicate strategic messages.

MONASH UNIVERSITY

WorkCover WA is supporting the implementation of the Clinical Guidelines for the Diagnosis and Management of Work-Related Health Conditions in General Practice by providing funding and project oversight to Monash’s IMPROvE: Implementing work-related mental health guidelines in general practice trial.

WorkCover WA has provided annual funding and participated as a member of the Project Steering Group and Intervention Advisory Group. Our partnership commenced in 2019 and the projected will be completed in 2023/24.

PERSONAL INJURY EDUCATION FOUNDATION (PIEF)

Our agency has been a corporate member of PIEF since its establishment in 2006. Our CEO 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. In 2022/23 we were a sponsor of PIEF’s national conference and a collaborator on a suite of national products.

AUSTRALIAN REHABILITATION PROVIDERS ASSOCIATION (ARPA)

Our agency supports ARPA’s annual *Excellence in Workplace Rehabilitation Awards*.

This year we sponsored the awards for:

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

WORKPLACE VOLUNTEER PROGRAM

At WorkCover WA we understand volunteering offers many benefits and opportunities. We acted on our corporate values and participated in community-based activities to strengthen this commitment. This included volunteering with the Salvation Army, Foodbank and DEBRA.

WORKPLACE GIVING PROGRAM

Staff have the opportunity to participate in the workplace giving program, through fortnightly contributions. The contributions from staff were equally divided between community organisations Lifeline WA, Starick and Redkite.

PROJECTS

We commit to projects aligned with our *Strategic Plan 2022-2025* and the Government Goal ‘Sustainable Finances’.

Project	Description	Strategic Priority
New Act	Coordinating the Bill to modernise workers' compensation legislation	Modernising Workers' Compensation Laws
Principles and Standards	Developing Principles and Standards of Practice to assist brokers to deliver compliant services	Delivering Strategic Scheme Management
Unified Communications	Replacing the agency's telephony and PABX infrastructure with a full cloud solution	Building People, Culture and Systems
Automated Reception	Introducing an automated reception check-in system for conciliation and arbitration	Building People, Culture and Systems
Perception Survey	Planning and completing the 2022 Perception Survey	Building People, Culture and Systems
E-Files	Implementing electronic case files for use in the Conciliation Service	Building People, Culture and Systems
Online Education	Developing an online training program for Workplace Rehabilitation Providers	Delivering Strategic Scheme Management
Conference	Planning and delivering the WorkCover WA Conference	Delivering Strategic Scheme Management
Digital Recording System	Replacing the current audio recording system with a cloud solution	Building People, Culture and Systems
Printer replacement	Replacing the existing global scan printing solutions with a cloud solution	Building People, Culture and Systems
Media Files Pilot	Undertaking a pilot for accepting media files via WorkCover WA Online	Delivering Strategic Scheme Management and Building People, Culture and Systems
Settlement Review	Evaluating the settlement process in CAS to identify opportunities to increase efficiencies	Delivering Strategic Scheme Management and Building People, Culture and Systems

FORWARD. TOGETHER

EDITH COWAN UNIVERSITY

We have supported ECU’s Workplace Compensation and Injury Management undergraduate and postgraduate units over many years.

The units make up core competencies within the university’s Health Sciences courses, with future graduates forming the next cohort of rehabilitation providers, claims managers and workplace health and safety specialists.

Leveraging our partnership with the university allows us to deliver purposeful, meaningful and targeted engagement, whilst building awareness of the scheme.

Workplace Compensation and Injury Management Awards

Our agency is the proud supporter of two awards for high-achieving ECU Health Sciences students.

Winners receive a sponsored delegate ticket to the WorkCover WA Conference, giving them the opportunity to learn from expert presenters and form strong professional connections within the industry.

MODERNISING WORKERS' COMPENSATION

Following the introduction of the Bill, the Minister for Industrial Relations stated in his second reading speech, *"The Workers Compensation and Injury Management Act 2023, when enacted and proclaimed, will modernise Western Australia's workers' compensation laws and become the only Act providing for the workers' compensation and injury management scheme in Western Australia"*.

LOOKING BACK

The current Act provides a framework for every aspect of the workers' compensation and injury management scheme in Western Australia.

This includes:

- workers and employers covered by the scheme
- forms of compensation
- how the claim process works
- injury management and returning injured workers to work
- dispute resolution
- mandatory insurance by employers and self-insurance
- constraints on common law damages for negligence
- scheme administration by WorkCover WA
- licensing, approval and regulation of service providers.

The current Act has served the State well, however over time it has become complex, unwieldy and now fails to provide sufficient clarity on fundamental concepts and processes.

Some provisions can be traced back to well before the current Act and many subsequent amendments have made the current Act disjointed.

In some cases the rigidity of the Act has failed to respond to industrial, technological and commercial developments, including changes to the way workers are engaged and the way we communicate in a digital world.

The Bill modernises the State's workers' compensation laws while preserving the fundamental aspects of the scheme which have served Western Australians well.

APPROACH TO A MODERN ACT

As the Bill is a complete rewrite of the workers' compensation legislation, the following principles have guided the drafting process and the journey to a modern Act:



restructure and reorder parts in a logical sequence



renumber all sections with no gaps between numbers or letter references



group related concepts together by Part or Division



improve readability with the use of a modernised drafting style



provide clarity in wording of provisions to ensure they are legally sound and easily understood



use notes to convey important information about a provision



provide clarity and consistency in usage of fundamental terms



provide an appropriate balance of matters provided for in the Act and regulations

LOOKING FORWARD

The Bill modernises the Act in a way which provides clarity and certainty for stakeholders within the workers' compensation system.

The Bill preserves the fundamental aspects of the scheme and implements some important improvements, including:

- **Compensation entitlements**
Doubling the medical and health expenses cap and extending the point at which workers' weekly compensation payments step down from 13 to 26 weeks. This will ensure injured workers receive an appropriate level of financial support for medical expenses and loss of income.
- **Catastrophic injuries**
Covering workers catastrophically injured in workplace accidents under the Catastrophic Injuries Support Scheme on the same footing as any person catastrophically injured as a result of a motor vehicle accident.
- **Legislative review**
Implementing the balance of WorkCover WA's 2014 legislative review report recommendations building on priority amendments implemented in 2018 and 2020.

FORWARD. TOGETHER

LEGISLATIVE REFORM

In February 2023 the Bill to implement a new workers' compensation Act was introduced into Parliament. In May 2023 the Bill completed passage through the Legislative Assembly and was introduced into the Legislative Council by Hon. Matthew Swinbourn MLC, Parliamentary Secretary representing the Minister for Industrial Relations.

While debate has been adjourned WorkCover WA is progressing work on regulations, approved instruments and supporting information to facilitate the operation of the workers' compensation scheme when the new Act comes into operation.

A unified stakeholder engagement strategy, taking advantage of existing communication

channels as well as developing new ones, is planned to keep all scheme participants informed of the legislative reform program.

We are well placed to implement the changes internally and look forward to achieving key milestones on this legislative reform journey with our external stakeholders.

Forward. Together explains the thinking and rationale behind the commitments made in our Strategic Plan 2022 - 2025: Building on Strength.

It does not foreshadow a radical departure from the direction and strategies our stakeholders are familiar with which have been successfully implemented in recent years. Rather, it describes how we can build on the strong position already established by the excellent work of all scheme participants.

The commitment to modernise workers' compensation laws made over a decade ago has quite rightly kept the focus where it needs to be: on workers and employers. We will maintain momentum for improvement seen in the spirit of the new legislation and regulations by taking further action to strengthen regulatory activity and dispute resolution services.

Over the year ahead strategic scheme management will be the centre of our efforts. This supports our purpose to lead a responsive and sustainable workers' compensation scheme, while continuing to ensure:

- injured workers receive adequate financial and other support
- employers understand their rights and obligations
- service providers reflect our expectations in their operations
- the scheme remains financially stable.

Based on all the available evidence, Western Australia is one of the best performing schemes in the country and has taken great strides forward year after year.

However, we are always striving to be better - continually looking for ways to improve so we can maintain a workers' compensation scheme that is fair, accessible and cost effective for all stakeholders.

Through a focused approach and knowing numbers, names and needs of our stakeholders, we are confident in our capacity to deliver service excellence.

We have comprehensive data to monitor scheme progress and achievement each year. This data currently tells a story, and this story will be key to our system achievement target.

As we move forward our focus over the year ahead is to:

- implement the new Act across the scheme
- design contemporary practices to support the Act
- deliver targeted education to build knowledge of the Act
- build capability of stakeholders to utilise the Act.

SECTION TWO



PERFORMANCE

The services provided to ensure we work together to achieve our desired outcomes are:

SCHEME REGULATION

Regulation of scheme participants for compliance with legislative requirements

SCHEME SERVICES

Provision of dispute resolution and other services to scheme participants

SCHEME PERFORMANCE TRENDS

As regulator and administrator of the workers' compensation scheme, WorkCover WA recognised several key performance trends in 2022/2023.

RECOMMENDING PREMIUM RATES

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

We publish annual recommended premium rates for workers' compensation insurance for each industry. The average recommended premium rate for 2023/24 will decrease to 1.727% of total wages, down from 1.822% of total wages for 2022/23.

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 WorkCover WA. In 2022/23, loading applications decreased by 5.4%, from 911 to 862.

When an employer does not consent to a premium loading, they can appeal to WorkCover WA. In the last year, appeal applications decreased by 36.4%, from 478 to 304.

OVERSEEING SCHEME PAYMENTS

During 2022/23 close to \$1.11 billion was paid for claims. \$989 million (89.2%) was paid to the benefit of workers:

- 68.8% of payments were paid directly to workers in the form of income payments and common law and lump sum settlements
- 20.4% of payments were made for treatment services, such as medical, allied health and workplace rehabilitation services
- the remaining 10.8% 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 scheme performance is available on our website.

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.

CLAIMS

Comparing 2018/19 to 2022/23 the number of claims lodged in the scheme decreased by 11.3% from 27,688 to 24,550. This decrease is largely due to a reduction in no lost-time claims.

Of the 24,550 claims in 2022/23, 35.8% had no lost-time and 64.2% involved at least one day or shift off work (lost-time claims).

Of the lost-time claims lodged in 2022/23 nearly 45.2% had 60 or more days or shifts lost, representing 29.0% 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 33% reduction in pended claims greater than 90 days in 2022/23.

Monthly regulatory reviews found regular and responsive communication was provided throughout the claims management process on 97% of insurer claims and 100% of self-insurer claims.

RETURN TO WORK

The impacts of work-related injury and disease on workers can be devastating and often reverberate 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 2022/23, the three-month return to work rate was 88.7%

FORWARD. TOGETHER

WORKERS' COMPENSATION PAYMENTS FOR 2023/24

The *Indexation of Workers' Compensation Payments 2023/24 Schedule* (Schedule) provides the list of indexed entitlements to apply from 1 July 2023.

The Schedule includes indexation of the Prescribed Amount. This is the maximum amount an injured worker can receive for weekly payments for loss of earnings and permanent impairment during the life of their claim. Some workers may be entitled to extensions of the prescribed amount for weekly payments, medical and other expenses.

The prescribed amount is indexed annually based on changes in the Wage Price Index.

The prescribed amount for 2023/24 increased from \$243,991 to \$252,724. Over the last 5 years the prescribed amount has increased by 10.7%.

PERFORMANCE SNAPSHOT

1.822%	24,550	\$1.11b	88.7%	45.2%
Average recommended premium rate	Claims lodged	Claim payments	Return to work within 3 months	60+ days lost time claims

COMPLIANCE

The role of compliance at WorkCover WA is to identify suspected breaches of statutory obligations, to investigate and pursue appropriate enforcement action where required.

STRENGTHENING COMPLIANCE

As a regulator, we recognise the important role our compliance and enforcement activities 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 and/or the need for deterrence.

A significant increase in enforcement outcomes from 20,810 in 2021/22 to 28,674 in 2022/23 is a sign of our improved effectiveness identifying employers who fail to hold a workers' compensation policy.

PROMOTING VOLUNTARY COMPLIANCE

For several years, we have used data-matching processes to identify instances of non-compliance by employers who are obligated to hold a workers' compensation policy.

In 2022/23 a new initiative was introduced to proactively promote voluntary compliance. Targeted educational information about employer obligations was sent to the following priority employer groups:

- New business registrations**
Information was distributed fortnightly to newly registered businesses
- Industry enforcement frequency**
Enforcement actions were analysed to identify industries with the highest rates of non-compliance and enforcement action. Information was distributed monthly to registered businesses in these industries
- ATO first-time PAYG withholders**
Information was distributed quarterly to identified employing entities with no matching policy.

Close to 40,000 interactions via text, email and registered mail resulted in 2,563 employers taking out a workers' compensation policy.

PROSECUTING NON-COMPLIANCE

Prosecution is an enforcement response reserved for the most serious offenses.

Most employers learn about their obligations and are diligent in protecting their workers and paying their insurance premiums. Those who fail to exercise this 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 employers to be matched with workers' compensation policies. The use of this data led to a significant increase from 92 prosecutions in 2021/22 to 134 in 2022/23. The matching process prioritises more serious offences according to the size of the workforce, time without a policy and industry risk.

Compliant employers can be assured those who are uninsured will be held to account and will not unfairly benefit from negligent business practices.

MANAGING UNINSURED CLAIMS

We manage claims by injured workers when their employer is uninsured. In 2022/23, 47 potential uninsured claims were investigated compared with 39 in 2021/22.

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 their responsibilities, payments may be made on behalf of the employer to ensure the injured worker is not disadvantaged. We later seek to recover these payments from the employer.

There were 22 uninsured claims accepted this financial year, including seven for which we made payments on the employer's behalf.

The estimated cost of new uninsured claims including common law claims was \$10,456,034.

COMPLIANCE SNAPSHOT

28,674	619	462	134	100%
Compliance investigations	Caution notices	Infringement notices	Prosecutions	Conviction rate
↑ 37.8%	↑ 44.2%	↑ 235%	↑ 46.7%	no change

FORWARD. TOGETHER

DEVELOPING PRINCIPLES AND STANDARDS FOR BROKERS

While the performance of most service providers is regulated in the Western Australian scheme, brokers are not directly regulated. Nevertheless, brokers play an important role in supporting insurers, employers and workers.

To promote a high standard of service to safeguard the viability of the scheme, we commence work with industry representatives to develop the *Brokers: Principles and Standards of Practice (Principles and Standards)*.

The *Principles and Standards* will be a combination of overarching principles, standards of practice, priority areas and performance indicators for insurance brokers.

The *Principles and Standards* will provide a cohesive set of service expectations and will support insurance brokers in the performance of their functions.

We anticipate this publication and associated products will be launched during 2023/24.

REGULATION

The role of regulation at WorkCover WA is to ensure approved service providers operate in the workers' compensation scheme in WA, and to establish and monitor performance standards for all service providers.

APPROVING SERVICE PROVIDERS

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

During 2022/23 there were 1,405 approved service providers, comprising:

1
INSURANCE COMMISSION OF
WESTERN AUSTRALIA

7
INSURERS

23
SELF-INSURERS

49
WORKPLACE
REHABILITATION PROVIDERS

298
REGISTERED AGENTS

284
APPROVED MEDICAL SPECIALISTS

743
NOISE PRACTITIONERS

LEAVING THE SCHEME

During 2022/23 Catholic Church Insurance (CCI), one of Western Australia's oldest approved insurers, confirmed it will run off and wind down operations.

CCI informed WorkCover WA it will cease writing new insurance business and renewing policies except in limited circumstances, from 30 June 2023.

CCI has provided a commitment to honour contractual agreements and legislative obligations for all workers' compensation claims arising from policies that were written or renewed prior to 29 June 2023.

MANAGING SERVICE PROVIDER COMPLAINTS

Where a complaint is made against a service provider, we require this to be addressed in the first instance through the service provider's internal dispute resolution process.

Where there is no resolution through the internal dispute process, complaints are investigated by WorkCover WA. Of the 28 complaints against approved service providers received, 16 were substantiated.

All complaints related to insurers, and where complaints were substantiated, improvement notices were issued.

Table 5: Substantiated Complaints Against Service Providers

	2022/23
Insurers	16
Self-insurers	0
Registered agents	0
Workplace rehabilitation providers	0
Hearing practitioners	0
Approved medical specialists	0

REVIEWING INSURER PERFORMANCE

Insurers are approved by the Minister for Industrial Relations to operate within the scheme for a period of five years.

We annually assess the performance of insurers against the *Insurer and Self-insurer Principles and Standards of Practice (Principles and Standards)*.

Key findings from the reviews indicated improvements have followed the implementation of the *Principles and Standards* including:

- enhanced communication practices to meet community and regulatory expectations
- greater claims performance to avoid worker and employer disadvantage, particularly for claims pending greater than 90 days
- better resourcing levels and enhanced capability.

Reviews were conducted during a period where there was considerable demand for certain roles, in particular claims managers and underwriters. In this context insurers have continued to identify staff resourcing as a challenge, however they have made significant progress to address this issue at a local level.

REVIEWING SELF-INSURER PERFORMANCE

As part of a self-insurer's licence, an independent assessment of outstanding claims liability is undertaken annually. Over the last year all self-insurers were reviewed, and their bank guarantee requirements recalculated in accordance with Professional Standard 302, Institute of Actuaries of Australia.

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

Core outcomes of these reviews were reported in the *Self-Insurer Claims Management Report*. This report provides self-insurers with evidence-based claims characteristics and trends.

A series of customised workshops were delivered to all self-insurers to increase their understanding of expectations and improve performance.

FORWARD. TOGETHER

REVIEWING LOADINGS AND APPEALS

Following industry engagement, the WorkCover WA Board approved several changes to the assessment methodology which is used in the premium appeal process for workers' compensation policies.

These changes will apply to insurers seeking WorkCover WA Board approval to apply a loading on a recommended premium rate greater than 75%. Key elements introduced include:

- the Board assesses appeals on a case-by-case basis, applying either a capped or uncapped assessment methodology as recommended by WorkCover WA's actuarial model

- where an employer's appeal is upheld, the Board will set a rate for the employer for the identified policy period. This rate will be referred to as the "assessed rate"
- the "assessed rate" is final and no resubmissions will be accepted
- the Board will shift to assessing labour hire entities at a total policy level, replacing the current assessment practice based on individual ANZSIC/Premium Rate Classifications.

A suite of supporting products and services have been refreshed with effect from 1 July 2023.

FOUNDATIONS OF WORKERS' COMPENSATION: WORKPLACE REHABILITATION PROVIDERS



Many people are engaged in workplace rehabilitation across Western Australia, delivering rehabilitation services to workers and employers to assist in the return to work process.

In the Western Australian scheme, the term 'workplace rehabilitation provider' (WRP) refers to an approved organisation which can assist the employer and injured worker with the return to work process.

Hundreds of people work for WRPs across Western Australia, sharing their knowledge and skills to benefit the community.

They play a critical role in assisting injured workers to address the physical, psychological and/or workplace barriers preventing a return to work.

Professionals employed with WRPs are required to have appropriate qualifications, experience and expertise to provide relevant services based on the assessed need of the worker and the workplace.

We provide resources and learning tools to ensure practitioners have the information and skills required to secure the best possible outcome for injured workers.

LEARNING ONLINE

WorkCover WA designed and developed *Foundations of Workers' Compensation: Workplace Rehabilitation Providers*, an online learning program for practitioners working for WRPs 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 WRPs play, and the responsibilities they have to their clients.

This online course is designed to assist those working in the WRP space to improve their knowledge of workers' compensation and develop the skills they require to optimise their performance and client service delivery.

Foundations of Workers' Compensation: Workplace Rehabilitation Providers aligns with our commitment to providing leadership in the scheme, strengthening our 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 role with a WRP.

Module one:

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

Module two:

- Introduction to WRPs
- Worker and employer experience
- Case management
- Injury management
- Accountable performance
- Regulation, administration and recordkeeping

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

COLLABORATING WITH STAKEHOLDERS

We aim to engage with stakeholders in ways which will sustain and improve the scheme. Involving workplace rehabilitation providers in issues which impact them, promotes learning and identifies emerging issues.

We developed the online learning program in collaboration with workplace rehabilitation providers, who were involved with user testing and provided feedback on content and functionality.

We also partnered with the Personal Injury Education Foundation (PIEF) to deliver the online learning suite. PIEF is a leader in personal injury education and promotes skills development to improve the professionalism and capacity of the broad personal injury industry.

Engaging with stakeholders during the development of these new resources allowed us to identify stakeholder needs and seek meaningful feedback, which ultimately improved the quality of service delivery.

FORWARD. TOGETHER

WORKPLACE REHABILITATION PROVIDERS CAPABILITY FRAMEWORK

This year we developed and released the *Workplace Rehabilitation Providers Capability Framework*, designed to guide and develop the skills and knowledge of practitioners working for approved workplace rehabilitation providers.

The *Capability Framework* translates the *Workplace Rehabilitation Providers Principles and Standards of Practice* into observable practices and behaviours which practitioners should demonstrate when delivering scheme services.

The *Capability Framework* is organised around the essential characteristics of the role of WRPs in the workers' compensation scheme:

- Display resilience
- Act with integrity
- Value inclusion
- Communicate effectively
- Commit to clinical expertise

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

COMMUNICATIONS & EDUCATION

The role of communications and education at WorkCover WA is to provide education, advice and assistance to all stakeholders to increase engagement and optimise scheme performance.

ADVISING AND ASSISTING

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

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 topics 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 18,640 requests for advice and assistance.

EDUCATING AND ENGAGING

We delivered a program of educational activities designed to increase engagement and raise awareness of workers' compensation and injury management.

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.

REACHING THE REGIONS

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

- Over the last year we have focused on educating those who work in the agriculture industry, which includes farming, viticulture, horticulture and forestry. The working arrangements in this industry are unique with higher proportions of sole traders and family workers.

High rates of injury within the agriculture industry resulted in an education and compliance campaign to ensure adequate support for workers in the industry.

- Intensive education and compliance operations were conducted across high density regional areas. Where required, inspections were conducted by investigators and were focused on the Goldfields, Mid-West and South-West regions.

SUPPORTING CULTURALLY AND LINGUISTICALLY DIVERSE STAKEHOLDERS

We have a range of translated resources available for our stakeholders.

Publications and educational videos are available in languages spoken by our culturally and linguistically diverse (CALD) stakeholders, including Vietnamese, Bahasa Malaysia and Mandarin.

This year we released our Silicosis Fact Sheet in Pashto, Simplified Chinese and Tagalog.

In addition to translated resources, we provide an interpreter service when required to ensure high quality service delivery for advice and assistance queries and conciliation and arbitration matters.

AGENCY HIGHLIGHT

REFLECTING ON THE PAST, FOCUSING ON THE FUTURE

In November 2022 we proudly hosted the WorkCover WA Conference to 'reflect on the past and focus on the future' as we celebrated 40 years of WorkCover WA.

Just under 500 delegates from a range of workers' compensation and injury management organisations were in attendance as The Hon. Bill Johnston MLA, Minister for Industrial Relations officially opened the event.

Delegates participated in concurrent sessions which discussed key issues such as the impact of psychological claims in the workplace as well as how digital led solutions can make a difference to the claims process.

Additionally, delegates enjoyed hearing thought-provoking stories from keynote speakers whilst panel members discussed contemporary issues surrounding the workers compensation landscape.

Throughout the day the marketplace exhibition allowed delegates to hold discussions with key players in the workers' compensation and injury management industry.

The event concluded by reflecting on the past 40 years of WorkCover WA and highlighting the contribution the agency has made to the Western Australian scheme.

Moving forward, we will deliver our next conference in October 2023.

AGENCY HIGHLIGHT

REDESIGNING THE INTRANET

After eight months of planning, consulting, designing and negotiation, the agency-wide project to replace our 14-year-old intranet was completed.

A modern, well-designed intranet was developed to facilitate more effective communication and collaboration across the agency. The project was completed with input from stakeholders from across WorkCover WA to deliver a modern intranet to meet staff and business needs.

The new design aligns with the strategic priority - Building People, Culture and Systems.

Key initiatives included:

- centralised location for all key documents and policies, creating one source of truth
- 'behind the scenes' peeks into the inner workings of business areas, communicating the role and value of each area
- a values ambassador campaign promoting diversity and inclusion across the agency.

We are pleased with the impact the intranet has had on connecting our people and our work.

SERVICES TO SCHEME PARTICIPANTS

WorkCover WA continues to support scheme participants by providing administrative support and regulating activities of several key services and service providers.

INDUSTRIAL DISEASES MEDICAL PANEL

The Industrial Diseases Medical Panel (IDMP) is convened to determine prescribed questions for claims related to asbestos and other mineral dusts.

The IDMP 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 panel operates independently, with WorkCover WA providing administrative support and funding.

The IDMP Chairs comprised:

- Professor Eli Gabbay
- Dr Evelyn Lee
- Dr June Sim
- Dr Kar Chan Wan
- Dr Michael Prichard

The IDMP members comprised:

- Dr David Bucens
- Professor Bruce Robinson

In recent years, the IDMP have increasingly used teleconferencing to assess the worker. Teleconferences improve accessibility for individuals and medical practitioners, particularly those in regional or remote Western Australia and workers with a terminal illness.

The IDMP convened on 33 occasions and made 66 determinations. Of those determinations five were related to silicosis, four of which were from the engineered stone industry and one from the quarrying industry.

Table 6: Number of Disease Determinations

	2022/23
Pneumoconiosis	15
Silicosis	5
Pneumoconiosis and Diffuse Pleural Fibrosis	2
Pneumoconiosis, Mesothelioma, Diffuse Pleural Fibrosis and Lung Cancer	0
Diffuse Pleural Fibrosis	4
Mesothelioma	27
Lung Cancer	5
Determinations where disease not present or disease present but a 0% level of impairment	8

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*.

In 2022/23 WorkCover WA designated 23 new approved medical specialists. As at 30 June 2023 there are 271 approved medical specialists in the scheme.

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.

WorkCover WA maintains and monitors hearing test results.

As at 30 June 2023 there are 674 hearing practitioners in the scheme.

Table 7: Hearing Assessments

	2022/23
Workers identified with potential noise induced hearing loss claims	1,050
Full audiological assessments arranged	183
Otorhinolaryngology (ear, nose and throat) assessments of occupational hearing loss arranged	141
Successful claims for work-related gradual onset noise induced hearing loss	99
First election claims (10% permanent hearing loss)	94
Subsequent election claims (additional 5% permanent hearing loss)	5

FORWARD. TOGETHER

MODERN AUDIOMETRIC EQUIPMENT APPROVAL STANDARDS

In January 2023 we began approving audiometric equipment using the latest version of the criteria set within the *Australian/New Zealand Standard – Occupational Noise Management Part 4: Auditory Assessment, AS/NZS 1269:4:2014* (the Standard).

The Standard reflects the latest developments in audiometric technology and will ensure workers receive high quality test results to facilitate accurate assessment of hearing loss.

Our adoption of the new Standard reflects our adaptable approach to emerging developments in science, technology and systems.

DISPUTE RESOLUTION

The Conciliation and Arbitration Services Division at WorkCover WA is responsible for resolving disputes in the Western Australian scheme.

MANAGING DISPUTES

Disputes can occur in the workers' compensation process when parties disagree about the progress of a claim. When reasonable attempts have been made to resolve the dispute through informal negotiation and the parties remain in dispute, WorkCover WA provides a dedicated dispute resolution service to progress the dispute to an outcome.

In the first instance, a party can make an application to the Conciliation Service. The objective of the Conciliation Service is to assist parties in coming to their own agreement with the assistance of an independent Conciliation Officer.

If matters remain in dispute, an application can be made to the Arbitration Service. The objective of the Arbitration Service is to provide a formal process for evidence to be heard, with a Arbitrator making a legally binding determination regarding the issues in dispute.

The Director Conciliation is also responsible for registering settlement agreements and processing documents submitted in relation to common law elections.

PROACTIVE CASE MANAGEMENT SUPPORT

As part of Stage 3 of the Conciliation and Arbitration Service Review, which commenced in 2020 to identify efficiency and practice improvements, the case management model in the Conciliation Service was updated in 2022/23 to minimise inactive time.

Senior case management officers expedited assessment of new applications in the Registry, prompted parties to lodge information and documents and assisted Conciliation Officers with preparation for the first conciliation conference.

Following introduction of this initiative, an additional 390 disputes resolved without the need for a conciliation conference. This enabled the Conciliation Service to manage the increased number of applications lodged and demand for second conferences without compromising the listing times for first conferences.

Proactive case management support will be rolled out in the Arbitration Service in 2023/24.

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 2022/23 new Conciliation Officers observed conciliation conferences, applied statutory interpretation, 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. Compensation may include a lump sum payment, a regular allowance for dependent children and funeral expenses.

To receive compensation, an application must be lodged with WorkCover WA's Arbitration Service for an order to pay compensation after the claim has been made on the employer and their insurer.

In 2022/23 there were 22 dependency applications made.



PERFORMANCE SNAPSHOT

2,341	618	3,144	3,544	265
Conciliations completed	Arbitrations completed	Memoranda of agreement processed	Settlement deeds processed	Common law elections processed

FORWARD. TOGETHER

STREAMLINING SERVICES - DIGITAL CHECK-IN

In 2022/23 the Conciliation and Arbitration Service implemented a new digital check-in system to simplify conference and hearing attendance for workers, employers, legal representatives, insurers and others.

Following extensive market research and evaluation of user requirements, a program was developed in-house by our IT team.

Effective collaboration between the project and technology teams ensured the delivery of a integrated, stable and secure product to meet stakeholder needs.

The system has provided significant administrative benefits, improving the efficiency of the attendance-taking process and ensuring appropriate records are available in the event of an emergency evacuation.

Feedback from stakeholders has been overwhelmingly positive, focusing on the system's simple and user-friendly design.

We look for ways to improve our service delivery by building the capability and adaptability of our systems, and leveraging technology to improve productivity.

CYBER SECURITY



In an environment of ever-increasing cybersecurity threats, our agency has been proactively implementing measures to ensure the safety of critical systems and stakeholder information.

The whole of sector *Cyber Security Policy* supports Western Australian government agencies to manage their cyber security risks. An important measure within the policy is the implementation of a baseline set of technical controls called the Australian Cyber Security Centre's Essential Eight Controls.

Over the past year, we have been implementing and extending controls to safeguard the agency against cyber security threats. This included the introduction of multifactor authentication (MFA) on internal and external systems to ensure only authorised personnel can have access.

One of the important aspects of cyber security is ensuring data and information are backed up in a secure and reliable manner. Even if there is a cyber-attack or other incidents which affect our systems, we can restore our data from a backup and continue our operations with minimal disruption.

We implemented additional security measures to prevent unauthorised access to our backup systems and protect against malicious or accidental backup deletions. By securing this, we can ensure the availability and integrity of our critical data and information.

A training program for staff was developed and implemented to promote vigilance and understanding of cyber security practices. Everyone at WorkCover WA has a part to play in keeping our systems and data safe.

In 2023/24 we will continue to strengthen our implementation of the Essential Eight Controls. This will include ensuring all unknown applications are prevented from running on our systems. Applications will be reviewed to ensure they meet our security standards.

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

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 2023.



Sharryn Jackson
Board Chair
WorkCover Western Australia Authority
30 August 2023



Chris White
Chief Executive Officer
WorkCover Western Australia Authority
30 August 2023

IN SUPPORT OF KEY PERFORMANCE INDICATORS

Government Goals provide an expression of high level policies and/or priorities that support 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 in 2022/23 are:



Strong and Sustainable Finances:
Responsible, achievable, affordable budget management.



WA Jobs Plan:
Diversifying the WA economy, creating local jobs for the future.



Safe, Strong and Fair Communities:
Supporting our local and regional communities to thrive.



Investing in WA's Future:
Taking climate action and supporting the arts, culture and sporting sectors to promote vibrant communities.

WorkCover WA contributes to the Government Goal, '**Strong and 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 stakeholders, 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 our 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 agency services provided to ensure WorkCover WA achieves its desired outcome 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.

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 2022/23 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 Section 4.

GOVERNMENT GOAL

STRONG AND SUSTAINABLE FINANCES
– RESPONSIBLE, ACHIEVABLE, AFFORDABLE BUDGET MANAGEMENT.

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

KEY PERFORMANCE INDICATORS SNAPSHOT

Table 8: Key Performance Indicators of Effectiveness

#	Indicator	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Target
1.1	The number of non-compliance events identified as a result of a claim on the General Account	8	0	5	5	7	5
1.2	The proportion of conciliations completed within eight weeks	96.9%	96.6%	94.8%	90.8%	89.1%	97.0%
1.3	The proportion of disputes resolved within six months	84.1%	85.6%	83.0%	83.6%	82.3%	90.0%

Table 9: Key Performance Indicators of Efficiency¹

#	Indicator	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Target
1.1	Average cost per employer compliance activity	\$277	\$350	\$270	\$211	\$210	\$287
1.2	Average cost per approved and monitored service provider	\$2,634	\$2,614	\$2,882	\$3,015	\$3,026	\$3,509
1.3	Average cost per client contact to provide information and advice	\$56	\$85	\$94	\$77	\$71	\$57
2.1	Average cost to complete a conciliation	\$2,084	\$2,202	\$2,055	\$1,980	\$2,075	\$2,433
2.2	Average cost to complete an arbitration	\$8,319	\$9,162	\$9,495	\$10,739	\$9,911	\$9,688
2.3	Average cost to process a Memorandum of Agreement	\$424	\$505	\$497	\$525	\$415	\$525

¹ Efficiency Indicators have not been adjusted for inflation

KEY PERFORMANCE INDICATORS OF EFFECTIVENESS

The Agency Level Government 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 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.

INDICATOR OF EFFECTIVENESS 1.1

Table 10: Number of Non-compliance Events Identified as a Result of a Claim on the General Account

Indicator 1.1	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Target
The number of non-compliance events identified as a result of a claim on the General Account	8	0	5	5	7	5

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).

INDICATOR OF EFFECTIVENESS 1.1 (CONTINUED)

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 based on figures two years in arrears, due to the lag nature of the data.

Therefore, the target for 2022/23 uses the 2020/21 year figure of 26,721² and sets the target figure as 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.

² The figure quoted is that available at the time of setting the target in April 2022 and the figures for the two years previous is used, due to this being lag data. The number of insured claims is based on the insurer received date and excludes asbestos and industrial disease, journey and invalid claims. The number of claims quoted may vary from those previously published due to delays in claim reports to WorkCover WA from insurers.

ANALYSIS

In 2022/23 there were seven non-compliance events resulting in a claim paid from the General Account. This is two more than both the target and the 2021/22 result.

The number of uninsured claims against the General Account continues to remain low in the context of approximately 25,800 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.

INDICATOR OF EFFECTIVENESS 1.2

Table 11: The Proportion of Conciliations Completed within Eight Weeks

Indicator 1.2	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Target
The proportion of conciliations completed within eight weeks	96.9%	96.6%	94.8%	90.8%	89.1%	97.0%

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 of years prior to the COVID 19 pandemic.

ANALYSIS

In 2022/23 89.1 percent of conciliations were completed within the eight-week statutory timeframe.

This is 7.9 percentage points less than the target and 1.7 percentage points less than in 2021/22.

This KPI performed consistently against the target since its inception in 2011/12 until the COVID 19 pandemic. While COVID response measures such as telephone conferencing and working from home arrangements have been maintained, regulatory timeframes have been affected by constraints on access to medical and other service providers.

Where a conciliation cannot reasonably be resolved within the initial eight-week period the Director may grant an extension for a further (maximum) eight-week period. In 2022/23 the number of cases extended beyond eight weeks increased significantly from 206 in 2021/22 to 255 (24 percent), primarily due to the continued pressure on the medical profession and other service providers and delays experienced in obtaining appointments and receipt of the subsequent medical reports in a timely manner.

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

INDICATOR OF EFFECTIVENESS 1.3

Table 12: The Proportion of Disputes Resolved within Six Months

Indicator 1.3	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Target
The proportion of disputes resolved within six months	84.1%	85.6%	83.0%	83.6%	82.3%	90.0%

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 of years prior to the COVID 19 pandemic.

ANALYSIS

In 2022/23, 82.3 percent of all disputes were resolved within six months. This is 7.7 percentage points less than the target of 90.0 percent and 1.3 percentage points less than the 2021/22 result.

The increased number of conciliation cases extended beyond eight weeks, and the increased complexity of a growing number of arbitration cases has continued to impact 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 that dispute resolution within the Western Australian workers' compensation scheme performs well compared with other jurisdictions. The latest available national data shows the 2020/21 national average for disputes resolved within six months was 77.3 percent.

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 below 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 that WorkCover WA has no control over General Account and Supplementation Fund claims, which if included, would unduly skew key KPI data (for 2022/23 this represents 24.2 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 the processing of documents submitted in relation to common law elections, extensions and settlements by Deed.

INDICATOR OF EFFICIENCY 1.1

Table 13: Average Cost per Employer Compliance Activity

Indicator 1.1	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Target
Average cost per employer compliance activity	\$277	\$350	\$270	\$211	\$210	\$287

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. It was expected that compliance activity for the year would continue to increase due to enhanced data matching initiatives and therefore the target figures reflect a twelve percent increase on the previous year.

ANALYSIS

In 2022/23 the average cost per employer compliance activity was \$210. This is 26.8 percent less than the target of \$287 and 0.5 percent less than in 2021/22.

The variance of the outcome against the target is due to a new Employer Contact Team with additional FTE applied throughout the year. This team was supported by new investigative techniques which resulted in a significant increase in compliance activity and investigations.

INDICATOR OF EFFICIENCY 1.2

Table 14: Average Cost Per Approved and Monitored Service Provider

Indicator 1.2	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Target
Average cost per approved and monitored service provider	\$2,634	\$2,614	\$2,882	\$3,015	\$3,026	\$3,509

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 was expected to remain relatively stable and therefore the figure used for the target is the same as in the past three years. The number of service providers is measured as of 30 June each year.

ANALYSIS

In 2022/23 the average cost per approved and monitored service provider was \$3,026. This is 13.8 percent less than the target of \$3,509 and 0.4 percent more than in 2021/22.

The variance to target is due to an increase in the number of service providers registered on 30 June 2023.

INDICATOR OF EFFICIENCY 1.3

Table 15: Average Cost Per Client Contact to Provide Information and Advice

Indicator 1.3	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Target
Average cost per client contact to provide information and advice	\$56	\$85	\$94	\$77	\$71	\$57

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 Agency 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 previous three years performance and current trends.

ANALYSIS

In 2022/23 the average cost per client contact to provide information and advice was \$71. This is 24.6 percent higher than the target of \$57 and 7.8 percent lower than in 2021/22.

The higher than target outcome for this indicator is due to internal restructuring and the introduction of a supervisor position to the Team. The reduced outcome on the previous year is due in part to the increase in activity and a reallocation of the Business Services Branch which was partially costed to this KPI.

Overall, in 2022/23 the Advice and Assistance Unit responded to 18,640 requests. The lower than expected number of client contacts for the year are a flow on from strengthened regulatory activities.

INDICATOR OF EFFICIENCY 2.1

Table 16: Average Cost to Complete a Conciliation

Indicator 2.1	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Target
Average cost to complete a conciliation	\$2,084	\$2,202	\$2,055	\$1,980	\$2,075	\$2,433

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 2022/23 is based on the performance for the previous three years and current trends.

ANALYSIS

In 2022/23 the average cost to complete a conciliation was \$2,075. This is 14.7 percent less than the target of \$2,433 and 4.8 percent more than in 2021/22.

The number of conciliations completed for the year has increased by 11.5 percent on the target and 4.5 percent on the previous year. An increase in resource levels and responsibilities was required to successfully manage this increasing trend.

INDICATOR OF EFFICIENCY 2.2

Table 17: Average Cost to Complete an Arbitration

Indicator 2.2	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Target
Average cost to complete an arbitration	\$8,319	\$9,162	\$9,495	\$10,739	\$9,911	\$9,688

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 2021/22 and current upward trends.

ANALYSIS

In 2022/23 the average cost to complete an arbitration was \$9,911. This is 2.3 percent higher than the target of \$9,688 and 7.7 percent lower than the outcome for 2021/22.

The reduced cost of providing this service in 2022/23 compared with 2021/22 is predominantly due to the increase (16.2 percent) in the number of arbitrations completed.

INDICATOR OF EFFICIENCY 2.3

Table 18: Average Cost to Process a Memorandum of Agreement

Indicator 2.3	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Target
Average cost to process a Memorandum of Agreement	\$424	\$505	\$497	\$525	\$415	\$525

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 2021/22 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 2022/23 was \$415. This is 21.0 percent less than both the target and the 2021/22 outcome of \$525.

The number of Memorandum of Agreements processed in 2022/23 is consistent with the predicted target and 7.0 percent more than the number processed in 2021/22.

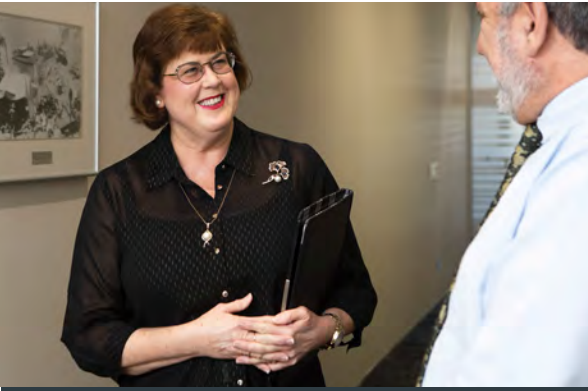
The reduced individual Memorandum of Agreement processing costs compared to the expected target and the previous year are a direct result of process improvements and reallocation of resources throughout the year.

OUR VALUES

Our values define what is important to WorkCover WA.

These values underpin our interaction with Government, community, stakeholders and each other.

Find out how our values shaped our work in 2022/23.



PAGE 64 INTEGRITY



PAGE 67 EXCELLENCE



PAGE 68 SERVICE



PAGE 71 COLLABORATION



PAGE 73 RESPECT

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.

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.

Ongoing training, risk system upgrades and monitoring and reporting of performance against Key Risk Indicators are provided to the Corporate Executive through the Risk Management Committee.

The Board receives reports through its Audit and Risk Management Committee. This ensures good risk management practices are maintained, mitigation of significant risks and compliance with Treasurer's Instruction 825 and Australian Standard 31000.

Risk management continued to be implemented throughout the agency through the Enterprise Risk Management Framework. The resultant operational risk registers are maintained in an online risk database and reported to both the agency's Risk Management Committee and the Board's Audit and Risk Management Committee.

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 (the 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 Standard).

The Plan is an integral part of the agency's Enterprise Risk Management and Integrity 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.

The 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.

STRATEGIC AUDIT PLAN

Audit activities are determined by a three year Strategic Audit Plan, with the corresponding annual schedule reviewed 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.

We conducted eight internal audits and two external audits in 2022/23. The eight internal audits identified one medium and 10 low level audit findings. There was one minor finding identified by the two external audits. We received a clear audit opinion on our Financial Statements and Key Performance Indicators audited by the Auditor General and presented to Parliament.

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

AGENCY HIGHLIGHT

INTEGRITY FRAMEWORK

WorkCover WA has an active approach to mitigating the risk of fraud and corruption by focusing on integrity and prevention through its *Integrity Framework* (Framework).

Our Framework sets out the approach to effective fraud and corruption prevention underpinned by a healthy and strong culture. It aligns with the Public Sector Commission's *Integrity Strategy for WA Public Authorities 2020-2023*.

WorkCover WA's practices are regularly reviewed against the four key areas of the 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 and be accountable for integrity.

The 2023 assessment showed our practices were sound and aligned with the Public Sector Commission's Integrity Framework strategy.

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 improving the effectiveness of risk management, control and governance processes.

The internal audit function includes consultants and contractors engaged on behalf of the agency through an arrangement managed by the Internal Audit Manager.

OFFICE OF THE AUDITOR GENERAL
CONFIRMED OUR STATUS AS A SMALL
AGENCY OF BETTER PRACTICE.

OTHER DISCLOSURES

PUBLIC SECTOR STANDARDS AND ETHICAL CODES

WorkCover WA is committed to maintaining an ethical, transparent and accountable workforce and actively encourages staff to uphold the highest standard of conduct and integrity in accordance with:

- Commissioner's Instruction No. 7: Code of Ethics
- Commissioner's Instruction No. 8: Code of Conduct
- Public Sector Standards in Human Resource Management

We are preparing for the introduction of the new Commissioner's Instruction 40: Ethical Foundations in 2023/24, including reviewing our current Code of Conduct and our external reporting requirements.

Induction training for new staff includes Accountable and Ethical Decision Making, with existing staff completing a refresher program every two years.

In 2022/23 no breaches occurred.

Table 19: Breaches of standards and codes

	2022/23
Code of Conduct	0
Public Sector Code of Ethics	0
Public Sector Commissioner's Instruction Employment Standard	0
Grievance Resolution Standard	0

CONFLICTS OF INTEREST

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

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

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 2022/23 there were no unauthorised uses of a corporate credit card.

Table 20: Unauthorised use of credit cards

	2022/23
Number of instances of unauthorised use of credit card for personal purposes	0
Aggregate amount of personal use expenditure for the reporting period	0
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	0
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

MINISTERIAL CORRESPONDENCE

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

To ensure precise and timely information is delivered to the Minister for Industrial Relations, we actively manage all Ministerial communications as matters of priority.

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 2022/23.

CEO PERFORMANCE AGREEMENT

The CEO's 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, Minister for Industrial Relations and 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.

FORWARD. TOGETHER

EXCELLENCE

WorkCover WA supports a culture of excellence and high-quality service.

Near the start of each financial year, we commit to performance pathway reviews for all staff to encourage open and honest communication, clarify expectations and provide an opportunity for development and extension.

We are committed to ongoing systems for managing individual and organisational performance which enhances our ability to meet the needs of the community.



OTHER DISCLOSURES

Our values-based culture is reflected in how we go about our business. We are committed to being a contemporary and diverse agency that delivers customer-focused outcomes, celebrates diversity, and strives to become the best place to work.

We are employed under the *Public Service Award 1992* and the *Public Sector CSA Agreement 2022*.

STAFFING ARRANGEMENTS

96
FULL-TIME PERMANENT

13
FULL-TIME CONTRACT

19
PART TIME

1
SECONDMENT

1
TRAINEESHIP

2
GRADUATES

DIVERSIFYING OUR WORKFORCE

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

In 2022/23 we initiated a humanitarian recruitment process, which resulted in the hiring of two recent refugees to Australia.

Maintaining a diverse workforce with people who are capable, motivated, treated fairly and focused on accountable service delivery is a key strategic priority for the agency.

PLANNING FOR THE WORKFORCE

A workforce planning process with a suite of supporting documents was developed and implemented across WorkCover WA.

Our workforce planning process has a strong focus on promoting diversity and is aligned with the Public Sector Commission's Building Leadership Impact approach.

AGENCY HIGHLIGHT

SERVICE

World Refugee Day is an international day designated by the United Nations to honour refugees around the globe. It falls each year on 20 June and celebrates the strength and courage of people who have been forced to flee their home country to escape conflict or persecution.

Our leadership team listened and leant from our staff with lived experienced of being a refugee. We are grateful to them for sharing their perspectives and their journey of strength and resilience.

The Red Cross Australia were recognised for their work in building an inclusive and welcoming Australia.

OUR PEOPLE

We are passionate about fostering a diverse and inclusive workplace. We have considered ways to remove barriers to employment and improve our diversity profile, which is higher or equal to the public sector average.

Below is the percentage of staff from diverse backgrounds:

4.11%	6.85%	4.11%	22.07%	37.67%
Aboriginal Australians	People with a disability	Under 25	Culturally diverse	Over 55

OUR PERCEPTIONS

A highlight of the year was the 2022 Employee Perception Survey which showed our people are highly engaged at work. It also indicated our people believe we are a diverse, inclusive, flexible, supportive and values based employer.

Below is the percentage of staff who believe WorkCover WA is a:

94%	92%	90%	90%	89%
Diverse and inclusive employer	Flexible employer	Supportive and consistent employer	Values based employer	Advocate for employee wellbeing

OTHER DISCLOSURES

ENCOURAGING SUBSTANTIVE EQUALITY

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

PROMOTING DISABILITY AND ACCESS INCLUSION

We have 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.

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 people 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.

PROGRESSING WOMEN IN LEADERSHIP

Over the past few years we have developed internal workforce strategies to create opportunities for women to succeed in leadership roles.

This representation is a testament to our commitment to achieving gender parity. The agency supports empowerment at all levels and aims to continue the development of current and future female leaders.

SUPPORTING PEOPLE OF DIVERSE SEXUALITY AND GENDER

Through agency culture and initiatives, we aim to support and empower employees with diverse sexual and gender identities.

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

We are proud to be a diverse organisation which champions staff from a range of backgrounds.

6 DIVERSITY & INCLUSION EVENTS HELD

RECRUITING GRADUATES

We offer graduates the opportunity to engage with and learn while working at WorkCover WA. The graduate program aligns with our support of initiatives for inclusion and community engagement across diverse segments of Western Australians.

We seek university graduates from a range of academic fields including law, economics, finance and human resources.

In 2022/23, our graduates participated in the Public Sector Commission Launch Program as well as receiving industry specific training, mentoring and networking opportunities.

PROGRESSING MULTICULTURALISM

We are committed to creating a diverse workforce with a range of skills, experiences and perspectives reflective of the Western Australian community.

To support our diverse workforce we strive to maintain an inclusive workplace culture where all staff are valued, respected and connected. The agency embraces multiculturalism and is committed to implementing and monitoring the policy priorities of the Western Australian Multicultural Policy Framework as demonstrated in our Multicultural Plan 2021–2024.

We continued to support the capacity and contribution of people from culturally and linguistically diverse backgrounds and were proud to partner with the Australian Red Cross on a humanitarian recruitment initiative.

COMMITTING TO RECONCILIATION

WorkCover WA has a long history of supporting reconciliation and we are very pleased to continue our journey towards building and integrating reconciliation into our values and culture.

To assist with our reconciliation journey we maintain professional relationships with Reconciliation Australia, Reconciliation WA and Supply Nation.

We continue to celebrate and acknowledge significant events including NAIDOC Week, National Reconciliation Week, National Close the Gap Day, Indigenous Literacy Day and National Sorry Day.

Work is currently underway to develop a new and innovative Reconciliation Action Plan. Our new plan will continue to focus on building mutually respectful relationships and generating opportunities for First Nations Australians through employment and procurement.

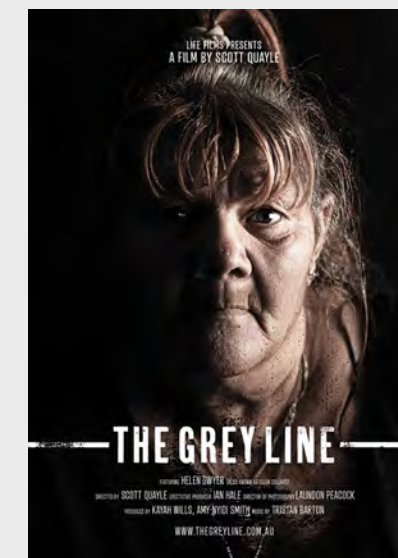
AGENCY HIGHLIGHT

COLLABORATION ON RECONCILIATION

In commemoration of National Reconciliation Week we were pleased to screen 'The Grey Line,' a powerful film by award-winning director Scott Quayle. This was a fitting initiative for this year's theme, 'Be a Voice for Generations.'

The short film depicts the story of Helen Dwyer, a member of the stolen generation. WorkCover WA thanks Helen and her daughter Kayah for having the courage to share their journey, and Scott for providing a respectful platform for this message.

Our staff continued the conversation around cultural awareness by learning and sharing histories, cultures, achievements, and discussing how each of us can contribute to achieving reconciliation in Australia.



GOVERNMENT POLICY REQUIREMENTS

DEVELOPING CAPABILITY

In 2022/23 there was a continued focus on developing and building management and leadership capabilities, as well as staff upskilling. Staff engaged in preventing sexual harassment training, crucial conversations, continuous improvement, and mental health first aid training.

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

1,132 CAPABILITY DEVELOPMENT HOURS IN TOTAL

8.5 CAPABILITY DEVELOPMENT HOURS PER STAFF MEMBER

EMPLOYEE ASSISTANCE

The agency 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 2022/23 there were 12 new referrals and 29 hours utilised.

NATIONAL STRATEGIC PLAN FOR ASBESTOS AWARENESS AND MANAGEMENT 2019 - 2023

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

Independent assessment established there has never been any asbestos products (including asbestos cement materials) on the premises.

We support the initiatives outlined in the National Strategic Plan for Asbestos Awareness and Management.

RECRUITING AND SELECTING

We actively promote ourselves as an inclusive employer and build diversity and inclusion into our brand across several social media platforms. This includes our LinkedIn page, which was an important recruitment tool over the past year to promote our use of the *Equal Opportunity Act 1994* in recruitment processes.

In addition to our advertising initiatives, we also considered ways we could remove barriers to employment and improve our diversity profile.

ENGAGING IN WELLBEING

Informed by the Future of Work Institute's Thrive at Work initiative we focused on assisting our staff to mitigate illness, prevent harm and promote thriving.

Over the last year we did this by ensuring staff have greater awareness of the tools, resources and supports available to improve their health and wellbeing at work and encouraging staff to seek help and share mental health concerns.

SUPPORTING FLEXIBILITY

We continued to provide a positive work environment which supports inclusive, mobile and flexible work options to assist staff in balancing their work and non-work commitments, where it is mutually beneficial.

Our flexible work policy was reviewed and updated in recognition that flexible work options help to attract and retain staff and enable a responsive and engaged workforce.

There has been an increase in the number of staff who have a regular work at home arrangement. We conducted an internal audit which confirmed working from home arrangements are working effectively.

Table 21: Work Health and Safety Performance Statistics

Work Health and Safety Indicator	2020/21 Actual	2021/22 Actual	2022/23 Actual
Fatalities	0	0	0
Lost-time injury/ disease incidence rate*	0.78%	0	0.76%
Lost-time injury/ severity rate**	0	0	0
Return to work - 13 weeks	100%	NA	100%
Return to work - 26 weeks	100%	NA	100%
Trained managers	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.

WORK HEALTH AND SAFETY (WHS) MANAGEMENT

Under the *Work Health and Safety Act 2020*, we 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.

AGENCY WORKERS' COMPENSATION CLAIMS

The agency received one workers' compensation claim in 2022/23.

WORKPLACE HARASSMENT POLICY

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

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

Designated contact officers are available to support staff experiencing workplace harassment.

AGENCY HIGHLIGHT

RESPECT

Over the last year we focused on one of our core values, respect, with a different lens. This was highlighted when we participated in a distinctive and engaging workplace training session on recognising and responding to sexual harassment.

Using a theatrical storytelling lens, we were able to observe, reflect and put into practice new ideas in a safe environment.

During the session we identified appropriate and inappropriate workplace interactions and reflected on our own attitudes and behaviours and how they impact others.



GOVERNMENT POLICY REQUIREMENTS

Complaints are an opportunity for us to improve the service we provide 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.

CUSTOMER SERVICE CHARTER
The *Customer Service Charter* outlines our 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 our process for managing and resolving complaints.

PUBLIC INTREST 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 2022/23.

CUSTOMER FIRST FEEDBACK
Our 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’s *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, 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.

COMPLAINT SNAPSHOT

Our complaint handling is focused on enabling complaints to be made in an accessible manner. We respond to complaints promptly, objectively and confidentially. Complaints, compliments and suggestions are made through our Customer First Feedback system.

11	1	3	14	29
complaints	compliment	suggestions	enquiries	total

We implemented measures to identify risks and apply appropriate security controls to protect, store and share information in line with the Government’s Information Classification Policy.

We have updated our information classification system by using sensitivity marking to protect privacy of all information held by WorkCover WA. By clearly and consistently communicating the sensitivity of information, we contribute to increasing the security literacy and awareness of the public sector workforce by building a culture of trust for information sharing based on clear and widely understood labels.

Maintaining high quality records in a heightened cyber security environment is a focus for our agency. We are proactively reviewing required records and strengthening our resilience to threats in a systematic and managed approach.

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 s.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 to be stored.

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

RECORDKEEPING TRAINING
We support good recordkeeping practices through our training programs. We provide a suite of training courses, online and localised inductions, business process re-engineering and short courses in a range of delivery methods.

Regular updates to policies, procedures, user and system training guides, FAQs, news items, available services and contacts have been provided to users through our internal website and email distribution lists.

Individual assistance is also available through remote online support and a dedicated support helpdesk.

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 our website outlining the freedom of information process.

In 2022/23, 186 Freedom of Information requests were received, compared to 110 in 2021/22.

As required by the Information Commissioner, WorkCover WA assisted applicants to obtain access to documents at the lowest reasonable cost.

186 FOI REQUESTS

2 INTERNAL REVIEWS

1 EXTERNAL REVIEW

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 2022/23 year of 2.74% 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 22: Report on Funds Management

	HIH Insurance (\$)	Non-HIH Insurance (\$)
Value of outstanding claims in Western Australia	177,340	79,669
Received from liquidators in 2022/23	4,908	Nil
Claim payments for 2022/23	836,366	1,015,677

DEBT AND INVESTMENTS

At 30 June 2023, there were 120 outstanding debtors resulting from fines and penalties awarded under the Act, with debts outstanding of \$2,308,181.

In 2022/23 the weighted average rate of return on General Account investments was 2.72%.

Table 23: Actual vs Budget Results

	2022/23 Target (\$000)	2022/23 Actual (\$000)
Total Revenue (sourced from Statement of Comprehensive Income)	22,584	29,408
Total Expenses (sourced from Statement of Comprehensive Income)	27,768	31,092
Total Equity (sourced from Statement of Financial Position)	94,307	100,031
Net increase/(decrease) in cash held (sourced from Statement of Cash Flows)	(4,911)	1,929
Approved full-time equivalent (FTE) staff usage	137.64	126.95

Please note the actual FTEs is based on average paid FTEs for the full 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 Insurance Commission of Western Australia and is renewed annually.

Table 24: WorkCover WA Board Remuneration

Position	Name	Remuneration Type	Period of Membership*	Gross/Actual Remuneration (Incl Superannuation)
Chair	Sharryn Jackson	Board Payment	12 months	\$31,535
Member	Peta Libby	Board Payment	12 months	\$17,984
Member	Llewellyn Jones	Board Payment	12 months	\$17,984
Member	Richard Sellers	Nil	12 months	-
Member	Victoria Wilmot	Board Payment	6 months	\$8,992
Member	Don Cunninghame	Board Payment	6 months	\$8,992
Member	Chris White	Nil	12 months	-
Member	Owen Whittle	Board Payment	12 months	-
Total				\$85,487

* The period of membership column refers to the board member's membership during the 2022/23 period.

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 25: Advertising Expenditure

Type	Organisation	2022/23 (\$)
Direct mail	Campaign Monitor	3,617
	Eric Preston Pty Ltd	10,308
Media advertising	Facebook	45
Job advertising	Initiative Media Australia Pty Ltd	2,126
	Career Hub Pty Ltd	1,046
Total		17,142

CAPITAL WORKS PROJECTS

Expenditure on capital works is outlined below.

Table 26: Capital Works Expenditure

Capital Works Projects	2022/23 (\$000)
CAS Internal Staff Toilets	118
Regulatory Services Office Fitout	43
IP Telephony License	86
Total	247

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 27: Annual Estimates - Statement of Comprehensive Income

	2024 \$000
INCOME	
Revenue	
Insurer contributions	20,393
Interest revenue	3,166
Other revenue	946
Employers' Indemnity Supplementation Fund	-
Total Revenue	24,505
Gains	
Decrease in claims liability	1,901
Total Gains	1,901
Total Income	26,406
EXPENSES	
Employee benefits expenses	17,308
Supplies and services	3,215
Depreciation and amortisation expenses	907
Accommodation expenses	626
Grants and subsidies	35
Claims expenses	3,744
Loss on disposal of non-current assets	-
Other expenses	1,793
Total Expenses	27,628
Profit/(Loss) before grants and subsidies from State Government	(1,222)
Resources received	250
Profit/(Loss) for the period	(972)

REPORTS ON FUNDS MANAGEMENT

Table 28: Annual Estimates
- Statement of Financial Position

	2024 \$000
ASSETS	
Current Assets	
Cash and cash equivalents	21,400
Restricted cash and cash equivalents	89,090
Receivables	981
Other assets	334
Other financial assets	-
Total Current Assets	111,805
Non-Current Assets	
Property, plant, equipment & vehicles	16,506
Intangible assets	1,326
Right-of-use assets	84
Total Non-Current Assets	17,916
Total Assets	129,721
LIABILITIES	
Current Liabilities	
Payables	615
Lease liabilities	10
Employee related provisions	3,853
Claims provisions	5,203
Total Current Liabilities	9,681
Non-Current Liabilities	
Lease liabilities	61
Employee related provisions	3,994
Claims provisions	15,208
Total Non-Current Liabilities	19,263
Total Liabilities	28,944
NET ASSETS	100,777
EQUITY	
Reserves	15,017
Retained earnings	85,760
Total Equity	100,777

Table 29: Annual Estimates
- Statement of Cash Flows

	2024 \$000
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts	
Supplementation Fund receipts	-
Insurer contributions	20,393
Provision of services	-
Interest received	3,166
GST receipts on sales	1
GST receipts from taxation authority	393
Other receipts	946
Payments	
Workers' compensation claim payments	(3,744)
Employee benefits	(17,287)
Supplies and services	(2,967)
Accommodation	(626)
Grants and subsidies	(35)
GST payments on purchases	(394)
Other payments	(1,776)
Net cash used in operating activities	(1,930)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments	
Purchase of non-current physical assets	(782)
Investments in term deposits	-
Net cash used in investing activities	(782)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments	
Principal elements of lease payments	(30)
Net cash used in financing activities	(30)
Net increase/(decrease) in cash and cash equivalents	(2,742)
Cash and cash equivalents at the beginning of the period	113,232
Cash and cash equivalent at the end of the period	110,490

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 2023.

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 2023 and the financial position as at 30 June 2023.

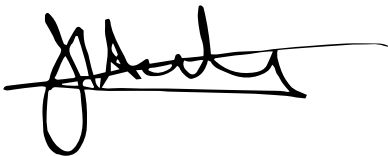
At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



Sharryn Jackson
Board Chair
WorkCover Western Australia Authority
30 August 2023



Chris White
Chief Executive Officer
WorkCover Western Australia Authority
30 August 2023



John Hull
Chief Finance Officer
WorkCover Western Australia Authority
30 August 2023



INDEPENDENT AUDIT OPINION



Auditor General

INDEPENDENT AUDITOR'S REPORT

2023

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 the WorkCover Western Australia Authority (Authority) which comprise:

- the Statement of Financial Position at 30 June 2023, 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 the WorkCover Western Australia Authority for the year ended 30 June 2023 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.

Page 1 of 5

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

INDEPENDENT AUDIT OPINION

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 misstatements, 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.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the WorkCover Western Australia Authority. The controls exercised by the Board 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 the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the 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 the State's financial reporting framework during the year ended 30 June 2023.

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.

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 Engagement 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 the WorkCover Western Australia Authority for the year ended 30 June 2023. 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 the 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 2023.

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 controls as the Authority determines necessary to enable the

INDEPENDENT AUDIT OPINION

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 Instructions 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 management relating to the report 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

Those charged with governance are responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, 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

The auditor's report relates to the financial statements and key performance indicators of the WorkCover Western Australia Authority for the year ended 30 June 2023 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
30 August 2023

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$000	2022 \$000
INCOME			
Revenue			
Insurer contributions	3.1	21,375	19,990
Interest revenue	3.2	3,043	468
Other revenue	3.3	4,985	1,393
Employers' Indemnity Supplementation Fund	3.4	5	2,024
Total Revenue		29,408	23,875
Gains			
Decrease in claims liability	3.6	-	3,303
Gain on disposal of non-current assets	4.4	10	-
Decrease in impairment provision	3.7	-	237
Total Gains		10	3,540
Total Income		29,418	27,415
EXPENSES			
Employee benefits expenses	4.1(a)	16,918	14,998
Supplies and services	4.5	3,827	2,997
Depreciation and amortisation expenses	5.1,5.2,5.3	1,028	1,188
Accommodation expenses	4.5	821	729
Grants and subsidies	4.2	-	70
Claims expenses	4.3(a)	6,817	994
Loss on disposal of non-current assets	4.4	-	8
Other expenses	4.5	1,681	1,375
Total Expenses		31,092	22,359
Profit/(Loss) before grants and subsidies from State Government		(1,674)	5,056
Resources received	3.5	530	346
Profit/(Loss) for the period		(1,144)	5,402
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability	4.1(d)	51	655
Changes in asset revaluation surplus	5.1	280	161
Total other comprehensive income		331	816
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(813)	6,218

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2023 \$000	2022 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	7.1	31,814	29,534
Restricted cash and cash equivalents	7.1	86,475	86,826
Receivables	6.1	3,005	991
Other assets	6.2	632	334
Total Current Assets		121,926	117,685
Non-Current Assets			
Property, plant, equipment & vehicles	5.1	16,435	16,261
Intangible assets	5.2	1,054	1,651
Right-of-use assets	5.3	60	28
Total Non-Current Assets		17,549	17,940
Total Assets		139,475	135,625
LIABILITIES			
Current Liabilities			
Payables	6.3	774	649
Lease liabilities	7.2	15	14
Employee related provisions	4.1(b)	4,253	3,853
Claims provisions	4.3(b)	6,893	6,612
Total Current Liabilities		11,935	11,128
Non-Current Liabilities			
Lease liabilities	7.2	45	14
Employee related provisions	4.1(b)	3,858	4,089
Claims provisions	4.3(b)	23,606	19,550
Total Non-Current Liabilities		27,509	23,653
Total Liabilities		39,444	34,781
Net Assets		100,031	100,844
EQUITY			
Reserves		15,297	15,017
Retained earnings		84,734	85,827
Total Equity		100,031	100,844

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 2023

	Notes	Reserves	Retained earnings	Total equity
		\$000	\$000	\$000
Balance at 1 July 2021		14,856	79,770	94,626
Profit/(Loss)		-	5,402	5,402
Other comprehensive income		161	655	816
Total comprehensive income for the period		161	6,057	6,218
Balance at 30 June 2022		15,017	85,827	100,844
Balance at 1 July 2022		15,017	85,827	100,844
Profit/(Loss)		-	(1,144)	(1,144)
Other comprehensive income		280	51	331
Total comprehensive income for the period		280	(1,093)	(813)
Balance at 30 June 2023		15,297	84,734	100,031

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 2023

	Notes	2023 \$000	2022 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Supplementation Fund receipts		5	2,024
Insurer contributions		21,375	19,990
Interest received		2,484	322
GST receipts on sales		12	6
GST receipts from taxation authority		344	359
Other receipts		3,688	1,187
Payments			
Workers' Compensation claim payments		(2,565)	(981)
Employee benefits		(16,680)	(15,114)
Supplies and services		(3,668)	(2,831)
Accommodation		(620)	(728)
Grants and subsidies		-	(70)
GST payments on purchases		(383)	(360)
Other payments		(1,745)	(1,294)
Net cash provided by operating activities		2,247	2,510
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of non-current physical assets		14	14
Proceeds from the maturity of term deposits		-	-
Payments			
Purchase of non-current physical assets		(317)	(323)
Net cash used in investing activities		(303)	(309)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(15)	(15)
Net cash used in Financing activities		(15)	(15)
Net increase in cash and cash equivalents		1,929	2,186
Cash and cash equivalents at the beginning of the period		116,360	114,174
Cash and cash equivalents at the end of the period	7.1	118,289	116,360

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

1. BASIS OF PREPARATION

NOTES TO THE FINANCIAL STATEMENTS

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 2023.

STATEMENT OF COMPLIANCE

These general purpose financial statements are prepared in accordance with:

- The *Financial Management Act 2006* (FMA)
- The *Treasurer's Instructions* (TIs)
- Australian Accounting Standards (AASs) - Simplified Disclosures
- 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).

2. AUTHORITY

OBJECTIVES

NOTES TO THE FINANCIAL STATEMENTS

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 30.

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:

- 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
- 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.

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.

3. OUR FUNDING SOURCES

NOTES TO THE FINANCIAL STATEMENTS

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	2023 \$000	2022 \$000
Insurer contributions	3.1	21,375	19,990
Interest revenue	3.2	3,043	468
Other revenue	3.3	4,985	1,393
Employers' Indemnity Supplementation Fund	3.4	5	2,024
Resources received	3.5	530	346
Decrease in claims liability and gains on disposal of non-current assets	3.6,4.4	10	3,295
Decrease in impairment provision	3.7	-	237

3.1 INSURER CONTRIBUTIONS

	2023 \$000	2022 \$000
Insurer contributions	21,375	19,990

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

	2023 \$000	2022 \$000
General Account	815	33
Employers' Indemnity Supplementation Fund (see note 4.3(b)(i))	2,228	435
	3,043	468

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

	2023 \$000	2022 \$000
General Account		
Recoveries, recoups and other (a)	366	110
Avoided premiums, fines and infringements	4,619	1,283
	4,985	1,393

(a) Other is mainly comprised of contributions received for the Executive Vehicle Scheme, revenue for Indian Ocean Territories, recoveries from uninsured employers and revenue from WCWA conference in November 2022.

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

	2023 \$000	2022 \$000
Recoveries	5	2,024
	5	2,024

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

	2023 \$000	2022 \$000
Resources received from other public sector entities during the period		
Services received free of charge from:		
State Solicitor's Office	530	346
Total resources received	530	346

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

	2023 \$000	2022 \$000
Decrease of claims liability from Actuarial assessment	-	3,303
	-	3,303

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

	2023 \$000	2022 \$000
Decrease in impairment provision	-	237
	-	237

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)).

4. USE OF OUR FUNDING

NOTES TO THE FINANCIAL STATEMENTS

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	2023 \$000	2022 \$000
Expenses			
Employee benefits expenses	4.1(a)	16,918	14,998
Grants and subsidies	4.2	-	70
Claims expense	4.3(a)	6,817	994
Other expenditure	4.5	6,329	5,101
Provisions			
Employee related provisions	4.1(b)	8,111	7,942
Claim provisions	4.3(b)	30,499	26,162

4.1(a) EMPLOYEE BENEFITS EXPENSE

	2023 \$000	2022 \$000
Employee benefits	14,887	13,515
Termination benefits	325	-
Superannuation - defined contribution plans	1,568	1,413
Superannuation - defined benefit plans	138	70
Employee benefits expenses	16,918	14,998
Add: AASB 16 Non-monetary benefits	15	15
Less: Employee Contributions	(11)	(14)
Total employee benefits provided	16,922	14,999

EMPLOYEE BENEFITS

Include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave; and non-monetary benefits recognised under accounting standards other than AASB 16 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 that are recognised under AASB 16 and are excluded from the employee benefits expense.

EMPLOYEE CONTRIBUTIONS

Employee Contributions are 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.

	2023 \$000	2022 \$000
CURRENT		
Employee benefits provisions		
Annual leave (a)	753	723
Long service leave (b)	2,784	2,435
Superannuation (d)	513	508
	4,050	3,666
Other provisions		
Employment on-costs (c)	203	187
	203	187
Total current employee related provisions	4,253	3,853
NON-CURRENT		
Employee benefits provisions		
Long service leave (b)	516	602
Superannuation (d)	3,311	3,451
	3,827	4,053
Other provisions		
Employment on-costs (c)	31	36
	31	36
Total non-current employee related provisions	3,858	4,089
Total employee related provisions	8,111	7,942

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.

4. USE OF OUR FUNDING

NOTES TO THE FINANCIAL STATEMENTS

(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 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'.

	2023 \$000	2022 \$000
Employment on-costs provision		
Carrying amount at start of period	223	218
Additional/(reversal of) provisions recognised	82	86
Payments/other sacrifices of economic benefits	(76)	(65)
Unwinding of the discount	5	(16)
Carrying amount at end of period	234	223

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.

The Remeasurements of defined benefit liability from the actuarial assessemnt is \$51K for 2022-23 (2021-22: \$655K).

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.

4.2 GRANTS AND SUBSIDIES

	2023 \$000	2022 \$000
Recurrent		
Monash University - Mental Health	-	70
	-	70

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. USE OF OUR FUNDING

NOTES TO THE FINANCIAL STATEMENTS

4.3(a) CLAIMS EXPENSE

	2023	2022
	\$000	\$000
Workers' compensation claims - Employers' Indemnity Supplementation Fund	1,860	623
Uninsured claims - General Account	620	371
	2,480	994
Net increase in claims liability		
Uninsured claims liability (increase)	6,681	-
Supplementation Fund claims liability (decrease)	(2,344)	-
	4,337	-
	6,817	994

4.3(b) CLAIMS PROVISIONS

	2023	2022
	\$000	\$000
CURRENT		
Employers' Indemnity Supplementation Fund (i)		
Liability for estimated future claim payments	184	1,924
General Account (ii)		
Uninsured workers	6,709	4,688
Total current provisions	6,893	6,612
NON-CURRENT		
Employers' Indemnity Supplementation Fund (i)		
Liability for estimated future claim payments	7,521	8,125
General Account (ii)		
Uninsured workers	16,085	11,425
Total non-current provisions	23,606	19,550

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.

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⁽¹⁾.

(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 valuation of Non Asbestos-Related Claims is separately into two components:

- long term open claims where we rely heavily on the case estimates placed on each claim
- lodgement of new claims (mainly noise induced hearing loss) each year assuming a number of claims reported, decay rate and average claim size assumption.

ACTUARIAL ASSUMPTIONS

The following tables provide key actuarial assumptions made in determining the outstanding claims liabilities:

EISF ACT: ASBESTOS-RELATED CLAIMS

	2023		2022	
Inflation Rate	2024	4.00%	2023	2.75%
	2025	3.75%	2024	3.00%
	2026	3.25%	2025	3.00%
	2027	3.00%	2026	3.00%
	2028	3.02%	2027	3.02%
	2029	3.04%	2028	3.04%
	2030	3.06%	2029	3.06%
	2031	3.08%	2030	3.08%
	2032	3.10%	2031	3.10%
	2033	3.12%	2032	3.12%
	2034	3.13%	2033	3.13%
	2035	3.15%	2034	3.15%
	2036	3.17%	2035	3.17%
	2037	3.19%	2036	3.19%
	2038	3.21%	2037	3.21%
	2039	3.23%	2038	3.23%
	Onwards		Onwards	
Discount Rate	2024	4.42%	2022	2.38%
	2025	4.03%	2023	3.32%
	2026	3.70%	2024	3.75%
	2027	3.77%	2025	3.85%
	2028	3.92%	2026	3.90%
	2029	4.04%	2027	3.95%
	2030	4.16%	2028	3.99%
	2031	4.27%	2029	4.02%
	2032	4.36%	2030	4.05%
	2033	4.44%	2031	4.07%
	2034	4.51%	2032	4.09%
	2035	4.56%	2033	4.10%
	2036	4.61%	2034	4.11%
	2037	4.64%	2035	4.11%
	2038	4.65%	2036	4.11%
	2039	4.66%	2037	4.11%
	Onwards		Onwards	
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.

4. USE OF OUR FUNDING

NOTES TO THE FINANCIAL STATEMENTS

EISF ACT: NON ASBESTOS-RELATED CLAIMS

	2023		2022	
Inflation Rate	2024	4.00%	2023	2.75%
	2025	3.75%	2024	3.00%
	2026	3.25%	2025	3.00%
	2027	3.00%	2026	3.00%
	2028	3.02%	2027	3.02%
	2029	3.04%	2028	3.04%
	2030	3.06%	2029	3.06%
	2031	3.08%	2030	3.08%
	2032	3.10%	2031	3.10%
	2033	3.12%	2032	3.12%
	2034	3.13%	2033	3.13%
	2035	3.15%	2034	3.15%
	2036	3.17%	2035	3.17%
	2037	3.19%	2036	3.19%
	2038	3.21%	2037	3.21%
	2039	3.23%	2038	3.23%
	Onwards		Onwards	
Discount Rate	2024	4.42%	2023	2.38%
	2025	4.03%	2024	3.32%
	2026	3.70%	2025	3.75%
	2027	3.77%	2026	3.85%
	2028	3.92%	2027	3.90%
	2029	4.04%	2028	3.95%
	2030	4.16%	2029	3.99%
	2031	4.27%	2030	4.02%
	2032	4.36%	2031	4.05%
	2033	4.44%	2032	4.07%
	2034	4.51%	2033	4.09%
	2035	4.56%	2034	4.10%
	2036	4.61%	2035	4.11%
	2037	4.64%	2036	4.11%
	2038	4.65%	2037	4.11%
	2039	4.66%	2038	4.11%
	Onwards		Onwards	
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 2017 to 2023 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
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
2023	7,705

The actuarial estimates from 2002 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 2023 was assessed at \$7.705 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 25 June 2008 the surcharge was discontinued. The revenue collected previously from the surcharge will be used to pay this liability.

MOVEMENTS IN PROVISIONS

	2023 \$000	2022 \$000
EMPLOYERS' INDEMNITY SUPPLEMENTATION FUND		
Liability for estimated future claim payments		
Carrying amount at start of period	10,049	10,412
Additional increase/(decrease) in provisions recognised	(1,010)	246
Unwinding of the discount	219	3
Payments/other sacrifices of economic benefits	(1,553)	(612)
Carrying amount at end of period	7,705	10,049

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.

4. USE OF OUR FUNDING

NOTES TO THE FINANCIAL STATEMENTS

ASSUMPTIONS

UNINSURED WORKERS:
ASBESTOS-RELATED CLAIMS (ARD)

	2023		2022	
Inflation Rate	2024	4.00%	2023	2.75%
	2025	3.75%	2024	3.00%
	2026	3.25%	2025	3.00%
	2027	3.00%	2026	3.00%
	2028	3.02%	2027	3.02%
	2029	3.04%	2028	3.04%
	2030	3.06%	2029	3.06%
	2031	3.08%	2030	3.08%
	2032	3.10%	2031	3.10%
	2033	3.12%	2032	3.12%
	2034	3.13%	2033	3.13%
	2035	3.15%	2034	3.15%
	2036	3.17%	2035	3.17%
	2037	3.19%	2036	3.19%
	2038	3.21%	2037	3.21%
	2039	3.23%	2038	3.23%
	Onwards		Onwards	
Discount Rate	2024	4.42%	2023	2.38%
	2025	4.03%	2024	3.32%
	2026	3.70%	2025	3.75%
	2027	3.77%	2026	3.85%
	2028	3.92%	2027	3.90%
	2029	4.04%	2028	3.95%
	2030	4.16%	2029	3.99%
	2031	4.27%	2030	4.02%
	2032	4.36%	2031	4.05%
	2033	4.44%	2032	4.07%
	2034	4.51%	2033	4.09%
	2035	4.56%	2034	4.10%
	2036	4.61%	2035	4.11%
	2037	4.64%	2036	4.11%
	2038	4.65%	2037	4.11%
	2039	4.66%	2038	4.11%
	Onwards		Onwards	
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.

The General Account ARD valuation no longer includes an explicit allowance for the 2011 Amendment Act. The actuary felt that as the average claim size is based on a combination of the General Account and EISF experience there is sufficient experience post Act change so it is allowed implicitly and an explicit assumption is not required.

Last year 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.

NON-ARD ACTUARIAL METHODS AND ASSUMPTIONS

Claims estimates for the workers' compensation business are derived from an analysis of several different actuarial models. The valuation has been conducted separately for small and large claims, with large claims defined as those with a total estimate over \$200,000. 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.

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.

4. USE OF OUR FUNDING

NOTES TO THE FINANCIAL STATEMENTS

ASSUMPTIONS

UNINSURED WORKERS' NON ASBESTOS-RELATED CLAIMS (NON-ARD)

	2023		2022	
Inflation Rate	2024	4.00%	2023	2.75%
	2025	3.75%	2024	3.00%
	2026	3.25%	2025	3.00%
	2027	3.00%	2026	3.00%
	2028	3.02%	2027	3.02%
	2029	3.04%	2028	3.04%
	2030	3.06%	2029	3.06%
	2031	3.08%	2030	3.08%
	2032	3.10%	2031	3.10%
	2033	3.12%	2032	3.12%
	2034	3.13%	2033	3.13%
	2035	3.15%	2034	3.15%
	2036	3.17%	2035	3.17%
	2037	3.19%	2036	3.19%
	2038	3.21%	2037	3.21%
Discount Rate	2039 Onwards	3.23%	2038 Onwards	3.23%
	2024	4.42%	2023	2.38%
	2025	4.03%	2024	3.32%
	2026	3.70%	2025	3.75%
	2027	3.77%	2026	3.85%
	2028	3.92%	2027	3.90%
	2029	4.04%	2028	3.95%
	2030	4.16%	2029	3.99%
	2031	4.27%	2030	4.02%
	2032	4.36%	2031	4.05%
	2033	4.44%	2032	4.07%
	2034	4.51%	2033	4.09%
	2035	4.56%	2034	4.10%
	2036	4.61%	2035	4.11%
	2037	4.64%	2036	4.11%
	2038	4.65%	2037	4.11%
	2039 Onwards	4.66%	2038 Onwards	4.11%
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.

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 the same approach was used in the valuation of General Account non-ARD claims as last year. The actuary has conducted a separate valuation for large claims (claims with total estimates above \$200,000).

Part of the large claims experience is common law claims. They 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 they have assumed an average claim size of \$1.5m for common law claims. This is the same allowance as last year.

- 0% increase to allow for the increase in fatality benefits from 1 July 2018 as per last year.

MOVEMENTS IN PROVISIONS

	2023	2022
	\$000	\$000
Uninsured claims		
Carrying amount at start of period	16,113	19,053
Additional increase in provisions recognised	7,311	(2,383)
Unwinding of the discount	312	5
Payments/other sacrifices of economic benefits	(942)	(562)
Carrying amount at end of period	22,794	16,113

4.4 NET GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

	2023	2022
	\$000	\$000
Net proceeds from Disposal of Non-Current Assets		
Vehicles	26	-
	26	-
Carry Amount of Non-Current Assets		
Equipment		(8)
Vehicles	(16)	-
	(16)	(8)
Net gain/(loss)	10	(8)

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. USE OF OUR FUNDING

NOTES TO THE FINANCIAL STATEMENTS

4.5 OTHER EXPENDITURE

	2023 \$000	2022 \$000
SUPPLIES AND SERVICES		
Communications	171	150
Consultants and contractors	2,192	1,461
Consumables	1,045	1,049
Insurance	147	127
Training	168	142
Travel	29	10
Other	75	58
Total supplies and services expenses	3,827	2,997
ACCOMMODATION EXPENSES		
Outgoings	443	448
Repairs and maintenance	218	132
Other	160	149
Total accommodation expenses	821	729
OTHER EXPENSES		
General Account		
Employment on-costs	994	887
Seminars	26	14
Expected credit losses expense	48	-
Sitting fees	56	115
Staff wellness programs	44	46
Audit Fees	214	185
Administration fee paid to Insurance Commission of WA for Uninsured General Fund Claims	102	61
Other	76	60
Employers' Indemnity Supplementation Fund (see note 4.3(b)(i))		
Administration fee paid to Insurance Commission of WA	121	7
Total other expenses	1,681	1,375
Total other expenditure	6,329	5,101

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.

5. KEY ASSETS

NOTES TO THE FINANCIAL STATEMENTS

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	2023 \$000	2022 \$000
Property, plant, equipment & vehicles	5.1	16,435	16,261
Intangible assets	5.2	1,054	1,651
Right-of-use assets	5.3	60	28
Total key assets		17,549	17,940

5.1 PROPERTY, PLANT, EQUIPMENT AND VEHICLES

YEAR ENDED 30 JUNE 2023	Land \$000	Buildings \$000	Work in Progress \$000	Plant, equipment and vehicles \$000	Total \$000
At 1 July 2022					
Gross carrying amount	14,000	1,500	-	2,940	18,440
Accumulated depreciation	-	-	-	(2,179)	(2,179)
Carrying amount at start of period	14,000	1,500	-	761	16,261
Additions	-	-	132	99	231
Transfers	-	-	(132)	132	-
Disposals	-	-	-	(5)	(5)
Revaluation increments/(decrements)	-	280	-	-	280
Impairment losses ^(a)	-	-	-	-	-
Impairment losses reversed ^(a)	-	-	-	-	-
Depreciation	-	(180)	-	(152)	(332)
Carrying amount at 30 June 2023	14,000	1,600	-	835	16,435
Gross Carrying amount	14,000	1,600	-	2,168	17,768
Accumulated depreciation	-	-	-	(1,333)	(1,333)
Accumulated impairment	-	-	-	-	-

^(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.

5. KEY ASSETS

NOTES TO THE FINANCIAL STATEMENTS

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 (Landgate) 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 2023 by Landgate. The valuations were performed during the year ended 30 June 2023 and recognised at 30 June 2023. In undertaking the revaluation, fair value was determined by reference to market values for land: \$14,000,000 (2022: \$14,000,000) and buildings: \$1,600,000 (2022: \$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
2022-2023				
Land		14,000		14,000
Buildings		1,600		1,600
	-	15,600	-	15,600

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 ^(a)	3 to 10 years
Motor vehicles	6 to 7 years

^(a) 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 2023 there were no indications of impairment to property, plant and equipment and vehicles.

5.2 INTANGIBLE ASSETS

Year ended 30 June 2023

	Computer Software	Licences	WIP	Website	Total
	\$000	\$000	\$000	\$000	\$000
1 July 2022					
Gross carrying amount	6,627	-	-	46	6,673
Accumulated amortisation	(4,976)	-	-	(46)	(5,022)
Carrying amount at start of period	1,651	-	-	-	1,651
Additions	-	-	86	-	86
Transfer	-	86	(86)	-	-
Impairment losses	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-
Amortisation expense	(662)	(21)	-	-	(683)
Carrying amount at end of period	989	65	-	-	1,054

5. KEY ASSETS

NOTES TO THE FINANCIAL STATEMENTS

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 ^(a)	3 to 10 years
Licences	up to 10 years
Website	3 to 5 years

^(a) Software that is not 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 2023

	Vehicles \$000	Total \$000
At 1 July 2022		
Gross Carrying amount	54	54
Accumulated depreciation	(26)	(26)
Carrying amount at start of period	28	28
Additions	56	56
Disposals	(11)	(11)
Impairment losses	-	-
Impairment losses reversed	-	-
Depreciation	(13)	(13)
Net carrying amount at end of period	60	60

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.

6. OTHER ASSETS AND LIABILITIES

NOTES TO THE FINANCIAL STATEMENTS

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	2023 \$000	2022 \$000
Receivables	6.1	3,005	991
Other assets	6.2	632	334
Payables	6.3	(774)	(649)

6.1 RECEIVABLES

	2023 \$000	2022 \$000
CURRENT		
General Account		
Trade receivables	2,382	1,133
Allowance for impairment of trade receivables	(403)	(429)
Accrued interest	102	16
GST receivable	115	70
	2,196	790
Employers’ Indemnity Supplementation Fund (see note 4.3)		
Trade receivables	135	-
Accrued interest	674	201
GST receivable	-	-
	809	201
Total current	3,005	991
NON-CURRENT		
General Account		
Trade receivables	-	-
Allowance for impairment of trade receivables	-	-
Total non-current	-	-
Total receivables at end of the period	3,005	991

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 this financial year and note 3.7 for the amount written back last financial year.

6.2 OTHER ASSETS

	2023 \$000	2022 \$000
CURRENT		
Prepayments	632	334
Balance at end of period	632	334

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

	2023 \$000	2022 \$000
CURRENT		
General Account		
Trade payables	42	3
Accrued expenses	256	155
Accrued salaries	420	440
Other payables	35	37
Employers’ Indemnity Supplementation Fund (see note 4.3b)		
Claim payments	21	14
Total Current	774	649

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.

7. FINANCING

NOTES TO THE FINANCIAL STATEMENTS

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

	2023	2022
	\$000	\$000
Cash and cash equivalents	31,814	29,534
Restricted cash and cash equivalents		
- Employers Indemnity Supplementation Fund ^(a)	86,067	86,466
- Indian Ocean Territories (Note 9.7) ^(b)	23	25
- Paid Parental Leave ^(c)	-	5
- Accrued salaries suspense account ^(d)	385	330
Balance at end of period	118,289	116,360

(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

	2023	2022
	\$000	\$000
Not later than one year	15	14
Later than one year and not later than five years	39	14
Later than five years	6	-
	60	28
Current	15	14
Non-current	45	14
	60	28

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

	2023	2022
	\$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	27	126
	27	126

The totals presented for capital expenditure commitments are GST inclusive.

8. FINANCIAL INSTRUMENTS AND CONTINGENCIES

NOTES TO THE FINANCIAL STATEMENTS

	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:

	2023	2022
	\$000	\$000
Financial assets		
Cash and cash equivalents	31,814	29,534
Restricted cash and cash equivalents	86,475	86,826
Financial assets at amortised cost ^(a)	2,890	921
Total financial assets	121,179	117,281
Financial liabilities		
Financial liabilities at amortised cost ^(b)	774	649
Total financial liability	774	649

(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

	2023	2022
	\$000	\$000
There were no contingent assets in existence at 30 June 2023 and up to the date of this report.	-	-

8.2.2 CONTINGENT LIABILITIES

	2023	2022
	\$000	\$000
There were no contingent liabilities in existence at 30 June 2023 and up to the date of this report.	-	-

9. OTHER DISCLOSURES

NOTES TO THE FINANCIAL STATEMENTS

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 (\$)	2023	2022
	\$	
0 - 10,000 ^(a)	4	1
10,001 - 20,000	2	4
30,001 - 40,000	1	1
	2023	2022
	\$000	\$000
Total compensation of members of the Accountable Authority	85	88

(a) members in the compensation band had part-year occupancy.

COMPENSATION OF SENIOR OFFICERS OTHER THAN THE ACCOUNTABLE AUTHORITY

COMPENSATION BAND (\$)	2023	2022
	\$	
70,001 - 120,000 ^(b)	2	-
140,001 - 190,000 ^(b)	3	2
200,001 - 250,000	1	2
300,001 - 350,000	1	1
	2023	2022
	\$000	\$000
Total compensation of senior officers	1,225	1,084

(b) members in the compensation bands had part-year occupancy.
Total compensation includes superannuation expense incurred by the Authority in respect of senior officers and members of Accountable Authority.

9. OTHER DISCLOSURES

NOTES TO THE FINANCIAL STATEMENTS

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, and
- 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).

	2023	2022
	\$000	\$000
Balance at start of period	25	6
Funding received from the Commonwealth	-	24
Revenue received from insurers	13	10
	38	40
Payments by Program Area		
Regulatory Services	14	13
Conciliation and Arbitration Services	1	2
Scheme and Corporate Services	0	0
Total Payments	15	15
Balance at end of period	23	25

9.8 WORKERS' COMPENSATION & 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.

	2023	2022
	\$000	\$000
Income		
Amounts paid to the custody of the Authority	1,687	1,786
Interest on investments	83	1
	1,770	1,787
Expenditure		
Payments by the Authority	1,539	1,150
Administration fee	-	-
	1,539	1,150
Surplus/(Deficit)	231	637
Balance at start of period	3,536	2,899
Balance at end of period	3,767	3,536
Balance of funds held represents:		
Cash and cash equivalents	3,767	3,536
	3,767	3,536

9.9 REMUNERATION OF AUDITORS

Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2023	2022
	\$000	\$000
Auditing the accounts, controls, financial statements and key performance indicators	96	92
	96	92

9.10 SUPPLEMENTARY FINANCIAL INFORMATION

(a) Write-offs

During the financial year, \$1,647,962 (2022: \$879,738) was written off under the authority of:

	2023	2022
	\$000	\$000
The accountable authority	237	655
The Minister	378	225
The Treasurer	1,033	-
	1,648	880

In accordance with Section 48(2) of the Financial Management Act 2006, potential recoveries were written off from the following fund:

	2023	2022
	\$000	\$000
Write-offs		
General account uninsured claims ⁽ⁱ⁾	1,573	414
Fines and penalties	75	466
	1,648	880

(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.

	2023	2022
Number of recoveries written off with values between:		
\$ 0 - 100,000	9	9
\$ 100,001 - 200,000	1	-
\$ 200,001 - 300,000	2	-
\$ 300,001 - 400,000	2	-
	2023	2022
	\$000	\$000
(b) Losses through theft, defaults and other causes		
Losses of public money and public and other property through theft, default and other causes	-	-
Amount recovered	-	-
	2023	2022
	\$000	\$000
(c) Gifts of public property		
No Gifts of public property provided by the Authority	-	-

10. EXPLANATORY STATEMENT

NOTES TO THE FINANCIAL STATEMENTS

All variances between annual estimates (original budget) and actual results for 2023, and between the actual results for 2023 and 2022 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% of the following variance analyses for the:

1. Estimate and actual results for the current year:
- Total Expenses of the estimate for the Statement of Comprehensive Income and Statement of Cash Flows (i.e. 1% of \$27,768,000); and
 - Total Assets of the estimate for the Statement of Financial Position (i.e. 1% of \$124,641,000).
2. Actual results for the current year and the prior year actual:
- Total Expenses for the previous year for the Statement of Comprehensive Income and Statement of Cash Flows (i.e. 1% of \$22,359,000); and
 - Total Assets for the previous year for the Statement of Financial Position (i.e. 1% of \$135,625,000).

10.1 STATEMENT OF COMPREHENSIVE INCOME VARIANCES

	Variance Note	Estimate 2023	Actual 2023	Actual 2022	Variance between Estimate and Actual	Variance between actual result for 2023 and 2022
INCOME		\$000	\$000	\$000	\$000	\$000
Revenue						
Insurer contributions		21,375	21,375	19,990	-	1,385
Interest revenue	1,A	263	3,043	468	2,780	2,575
Other revenue	2,B	946	4,985	1,393	4,039	3,592
Employers' Indemnity Supplementation Fund	C	-	5	2,024	5	(2,019)
Total Revenue		22,584	29,408	23,875	6,824	5,533
Gains						
Decrease in claims liability	3,D	3,678	-	3,303	(3,678)	(3,303)
Gain on disposal of non-current assets		-	10	-	10	10
Decrease in impairment provision	E	-	-	237	-	(237)
Total Gains		3,678	10	3,540	(3,668)	(3,530)
Total Income		26,262	29,418	27,415	3,156	2,003
EXPENSES						
Employee benefits expenses	F	17,099	16,918	14,998	(181)	1,920
Supplies and services	4, G	2,989	3,827	2,997	838	830
Depreciation and amortisation expenses		1,004	1,028	1,188	24	(160)
Accommodation expenses	5	535	821	729	286	92
Grants and subsidies		35	-	70	(35)	(70)
Claims expenses	6,H	4,319	6,817	994	2,498	5,823
Loss on disposal of non-current assets		-	-	8	-	(8)
Other expenses	I	1,787	1,681	1,375	(106)	306
Total Expenses		27,768	31,092	22,359	3,324	8,733
Profit/(Loss) before grants and subsidies from State Government		(1,506)	(1,674)	5,056	(168)	(6,730)
Resources received	7	200	530	346	330	184
Profit/(Loss) for the period		(1,306)	(1,144)	5,402	162	(6,546)
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Remeasurements of defined benefit liability		-	51	655	51	(604)
Changes in asset revaluation surplus		-	280	161	280	119
Total other comprehensive income		-	331	816	331	(485)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,306)	(813)	6,218	493	(7,031)

MAJOR ESTIMATE AND ACTUAL (2023) VARIANCE NARRATIVES

1. Interest Revenue is \$2.8 million higher than budget estimates due to higher than expected interest rates in 2022/23.
2. Other Revenue is \$4 million higher than budget estimates due to improved data matching and investigative techniques resulting in higher than expected avoided premiums, fines and infringements.
3. The actuarially assessed claims liabilities have increased, instead of a forecast decrease due to a significantly higher claims experience in 2022/23.
4. Supplies and Services are \$838K higher than budget expectations mainly due to higher legal costs for uninsured claims and WorkCover WA conference expenses.
5. Accommodation expenses are \$286K higher than budget estimates mainly due to higher than expected buildings and air conditioning maintenance costs.
6. Claims Expense is \$2.5 million higher than budget estimates mainly due to an increase in the actuarially assessed Uninsured claim liabilities at 30 June 2023. This was predominantly due to a large increase in the value of claims lodged at 30 June 2023.
7. Resources provided free of charge by the State Solicitor's Office (SSO) are \$330K higher than budget estimates due to a significant increase in claims prosecutions.

MAJOR ACTUAL (2023) AND COMPARATIVE (2022) VARIANCE NARRATIVES

- A. Interest Revenue increased by \$2.6 million due to higher interest rates in 2022/23.
- B. Other Revenue increased by \$3.6 million due to improved data matching and investigative techniques resulting in higher than expected avoided premiums, fines and infringements.
- C. Revenue for the Employers' Indemnity Supplementation Fund decreased by \$2 million due to final recoveries received from the liquidator of the HIH Insurance Group in 2021/2022.
- D. The actuarially assessed claims liabilities have increased, instead of a forecast decrease due to a significantly higher claims experience in 2022/23.
- E. The variance in impairment provision of \$237K is due to a reduction in the provision for expected credit loss at 30 June 2022.
- F. Employee benefit expenses increased by \$1.9 million due to the *Public Sector Wages Policy* which included a one off \$3,000 cost of living payment, a minimum \$3,130 or 3% per annum wages increase and 0.5% superannuation increase in current financial year.
- G. Supplies and services increased by \$830K mainly due to higher legal costs for uninsured claims and WorkCover WA conference.
- H. Claim expenses increased by \$5.8 million compared to the prior year, mainly due to an increase in the actuarially assessed claim liabilities at 30 June 2023.
- I. Other expenses increased by \$306K mainly due to increased administration fees for supplementation fund claims, combined with higher payroll tax expenses.

10. EXPLANATORY STATEMENT

NOTES TO THE FINANCIAL STATEMENTS

10.2 STATEMENT OF FINANCIAL POSITION VARIANCES

	Variance Note	Estimate 2023 \$000	Actual 2023 \$000	Actual 2022 \$000	Variance between Estimate and Actual \$000	Variance between actual result for 2023 and 2022 \$000
ASSETS						
Current Assets						
Cash and cash equivalents	8	22,069	31,814	29,534	9,745	2,280
Restricted cash and cash equivalents		83,685	86,475	86,826	2,790	(351)
Receivables	9, J	277	3,005	991	2,728	2,014
Other assets		302	632	334	330	298
Total Current Assets		106,333	121,926	117,685	15,593	4,241
Non-Current Assets						
Property, plant, equipment & vehicles		16,644	16,435	16,261	(209)	174
Intangible assets		1,634	1,054	1,651	(580)	(596)
Right-of-use assets		30	60	28	30	32
Total Non-Current Assets		18,308	17,549	17,940	(759)	(391)
Total Assets		124,641	139,475	135,625	14,834	3,850
LIABILITIES						
Current Liabilities						
Payables		769	774	649	5	125
Lease liabilities		13	15	14	2	1
Employee related provisions		3,642	4,253	3,853	611	400
Claims provisions	10	4,647	6,893	6,612	2,246	281
Total Current Liabilities		9,071	11,935	11,128	2,864	807
Non-Current Liabilities						
Lease liabilities		9	45	14	36	31
Employee related provisions		4,839	3,858	4,089	(981)	(231)
Claims provisions	10, K	16,415	23,606	19,550	7,191	4,056
Total Non-Current Liabilities		21,263	27,509	23,653	6,246	3,856
Total Liabilities		30,334	39,444	34,781	9,110	4,663
NET ASSETS		94,307	100,031	100,844	5,724	(813)
EQUITY						
Reserves		14,856	15,297	15,017	441	280
Retained earnings		79,451	84,734	85,827	5,283	(1,093)
Total Equity		94,307	100,031	100,844	5,724	(813)

MAJOR ESTIMATE AND ACTUAL (2023) VARIANCE NARRATIVES

8. Cash and cash equivalents are \$9.7 million higher than budget estimates mainly due to higher than expected cash receipts from interest, avoided premiums, fines and infringements, combined with less than expected claims expense payments.
9. Receivables are \$2.7 million higher than budget estimates mainly due to higher than expected interest revenue and avoided premiums and fines.
10. Current Claims provisions are \$2.2 million higher than budget estimates and Non-current Claims Provisions are \$7.2 million higher than budget estimates mainly due to an increase in the claims experience and corresponding actuarially assessed Uninsured claim liabilities at 30 June 2023.

MAJOR ACTUAL (2023) AND COMPARATIVE (2022) VARIANCE NARRATIVES

- J. Receivables increased by \$2 million mainly due to the increase of receivables for interest revenue and avoided premiums and fines in 2022/23.
- K. Non-Current claims provisions increased by \$4.1 million compared to the prior year due to an increase in the claims experience and corresponding actuarially assessed Uninsured claim liabilities at 30 June 2023.

10. EXPLANATORY STATEMENT

NOTES TO THE FINANCIAL STATEMENTS

10.3 STATEMENT OF CASH FLOWS VARIANCES

	Variance Note	Estimate 2023	Actual 2023	Actual 2022	Variance between Estimate and Actual	Variance between actual result for 2023 and 2022
		\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
Supplementation Fund receipts	L	-	5	2,024	5	(2,019)
Insurer contributions		21,375	21,375	19,990	-	1,385
Interest received	11, M	263	2,484	322	2,221	2,162
GST receipts on sales		1	12	6	11	6
GST receipts from taxation authority		465	344	359	(121)	(15)
Other receipts	12, N	946	3,688	1,187	2,742	2,501
Payments						
Workers' Compensation claim payments	13, O	(4,319)	(2,565)	(981)	1,754	(1,584)
Employee benefits	P	(16,998)	(16,680)	(15,114)	318	(1,566)
Supplies and services	14, Q	(2,791)	(3,668)	(2,831)	(877)	(837)
Accommodation		(535)	(620)	(728)	(85)	108
Grants and subsidies		(35)	-	(70)	35	70
GST payments on purchases		(466)	(383)	(360)	83	(23)
Other payments	R	(1,774)	(1,745)	(1,294)	29	(451)
Net cash provided by/(used in) operating activities		(3,868)	2,247	2,510	6,115	(263)
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds from sale of non-current physical assets		-	14	14	14	-
Proceeds from the maturity of term deposits		-	-	-	-	-
Payments						
Purchase of non-current physical assets	15	(1,023)	(317)	(323)	706	6
Net cash used in investing activities		(1,023)	(303)	(309)	720	6
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Principal elements of lease payments		(20)	(15)	(15)	5	-
Net cash used in Financing activities		(20)	(15)	(15)	5	-
Net increase/ (decrease) in cash and cash equivalents		(4,911)	1,929	2,186	6,840	(257)
Cash and cash equivalents at the beginning of the period		110,665	116,360	114,174	5,695	2,186
Cash and cash equivalent at the end of the period		105,754	118,289	116,360	12,535	1,929

MAJOR ESTIMATE AND ACTUAL (2023) VARIANCE NARRATIVES

11. Interest received is \$2.2 million higher than budget estimates due to higher than expected interest rates in 2022/23.
12. Other receipts are \$2.7 million higher than budget estimates due to higher than expected receipts from avoided premiums, fines and infringements combined with revenue received for the WorkCover WA conference.
13. Workers' Compensation claim payments are \$1.8 million lower than forecast due to a decrease in actual claims payments made from the General Fund in 2022/23.
14. Supplies and services payments are \$877K higher than budget estimates mainly due to higher than expected payments on legal costs for uninsured claims and payment for WorkCover WA conference expenses.
15. Purchase of non-current physical assets are \$706K lower than budget estimates mainly due to the deferral of building and IT related capital works.

MAJOR ACTUAL (2023) AND COMPARATIVE (2022) VARIANCE NARRATIVES

- L. Supplementation Fund receipts decreased by \$2 million due to the winding-up of the HIH Insurance Group in 2021/22.
- M. Interest receipts increased by \$2.2 million due to higher interest rates in 2022/2023.
- N. Other receipts increased by \$2.5 million due to higher than expected receipts from avoided premiums, fines and infringements combined with revenue received for the WorkCover WA conference.
- O. Workers' Compensation claim payments increased by \$1.6 million in line with the increased number and value of claims received in 2022/23.
- P. Employee benefit expenses increased by \$1.6 million due to the *Public Sector Wages Policy* which included a one off \$3,000 cost of living payment per employee, combined with the increase in award rates.
- Q. Supplies and Services payments increased by \$837K due to increased legal costs for uninsured claims and payments for WorkCover WA Conference expenditure.
- R. Other payments increased by \$451K due to increased administration fees for Supplementation Fund claims and increased payroll tax payments.

APPENDIX

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)

APPROVED SELF-INSURERS

Alcoa of Australia Limited	Inghams Enterprises Pty Ltd
BHP Group Limited	ISS Facility Services Australia Limited
Bluescope Steel Limited	Metcash Trading Limited
BP Australia Group Pty Ltd	Myer Holdings Pty Ltd
Brambles Ltd	South32 Limited
Brickworks Limited	St John of God Health Care Inc
Cockburn Cement Ltd	Wesfarmers Limited
Coles Group Limited	Western Australian Local Government Association
CSR Limited	Westpac Banking Corporation
Healius Ltd	Woodside Energy Ltd
Holcim (Australia) Holdings Pty Ltd	Woolworths Group Limited
Infrabuild Trading Pty Ltd	





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