



Financial Statements

Certification of Financial Statements

For the financial year ended 30 June 2025.

The accompanying financial statements of WorkCover WA 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 financial year ended 30 June 2025 and the financial position as at 30 June 2025.

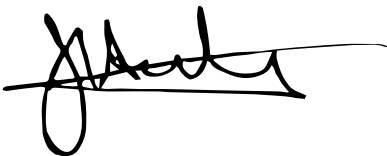
At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



Sharryn Jackson
Board Chair
WorkCover WA
29 August 2025



Chris White
Chief Executive Officer
WorkCover WA
29 August 2025



John Hull
Chief Finance Officer
WorkCover WA
29 August 2025

Independent audit opinion



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

WorkCover WA

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of WorkCover WA which comprise:

- the statement of financial position as at 30 June 2025, 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 material accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of Workcover WA for the year ended 30 June 2025 and the financial position as 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.

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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

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

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

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by Workcover WA. The controls exercised by Workcover WA 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 Workcover WA are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2025, and the controls were implemented as designed as at 30 June 2025.

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.

Independent audit opinion

Auditor General's responsibilities

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

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

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

Limitations of controls

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

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of Workcover WA for the year ended 30 June 2025 reported in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions (legislative requirements). 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 report of Workcover WA for the year ended 30 June 2025 is in accordance with the legislative requirements, and the key performance indicators are relevant and appropriate to assist users to assess Workcover WA's performance and fairly represent indicated performance for the year ended 30 June 2025.

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 Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

Independent audit opinion

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 3 Financial Sustainability – Requirement 5: 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 3 - Requirement 5 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

The Board is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, 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.

Independent audit opinion

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the WorkCover WA for the year ended 30 June 2025 included in the annual report on its website. Workcover WA management is responsible for the integrity of its website. This audit does not provide assurance on the integrity of Workcover WA'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.



Jordan Langford-Smith
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
29 August 2025

Financial Statements

Statement of comprehensive income for the year ended 30 June 2025

	Notes	2025 \$000	2024 \$000
INCOME			
Revenue			
Insurer contributions	3.1	20,903	20,393
Interest revenue	3.2	5,548	4,910
Other revenue	3.3	4,716	5,229
Default Insurance Fund recoveries	3.4	146	152
Total Revenue		31,313	30,684
Gains			
Decrease in claims liability	3.6	13,253	-
Total Gains		13,253	-
Total Income		44,566	30,684
EXPENSES			
Employee benefits expenses	4.1(a)	18,564	17,812
Supplies and services	4.4	4,096	4,274
Depreciation and amortisation expenses	5.1 5.2 5.3	795	906
Accommodation expenses	4.4	1,063	845
Claims expenses	4.2(a)	8,100	3,309
Loss on disposal of non-current assets	4.3	-	9
Other expenses	4.4	2,306	1,970
Total Expenses		34,924	29,125
Profit/(Loss) before grants and subsidies from State Government		9,642	1,559
Resources received	3.5	250	259
PROFIT/(LOSS) FOR THE PERIOD		9,892	1,818
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability	4.1(d)	3	239
Changes in asset revaluation surplus	5.1	282	1,110
Total other comprehensive income		285	1,349
Total comprehensive income for the period		10,177	3,167

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

Statement of financial position as at 30 June 2025

	Notes	2025 \$000	2024 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	7.1	24,402	32,444
Restricted cash and cash equivalents	7.1	94,107	88,875
Receivables	6.1	4,756	4,037
Other assets	6.2	492	770
Total Current Assets		123,757	126,126
Non-Current Assets			
Property, plant, equipment & vehicles	5.1	17,291	17,386
Intangible assets	5.2	234	552
Right-of-use assets	5.3	58	83
Total Non-Current Assets		17,583	18,021
Total Assets		141,340	144,147
LIABILITIES			
Current Liabilities			
Payables	6.3	852	1,006
Lease liabilities	7.2	25	24
Employee related provisions	4.1(b)	4,237	3,876
Claims provisions	4.2(b)	4,577	4,859
Total Current Liabilities		9,691	9,765
Non-Current Liabilities			
Payables	6.3	49	-
Lease liabilities	7.2	36	61
Employee related provisions	4.1(b)	4,190	4,153
Claims provisions	4.2(b)	13,999	26,970
Total Non-Current Liabilities		18,274	31,184
Total Liabilities		27,965	40,949
NET ASSETS		113,375	103,198
EQUITY			
Reserves		16,689	16,407
Retained earnings		96,686	86,791
Total Equity		113,375	103,198

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 2025

	Notes	Reserves	Retained earnings	Total equity
		\$000	\$000	\$000
Balance at 1 July 2023		15,297	84,734	100,031
Profit/(Loss)		-	1,818	1,818
Other comprehensive income		1,110	239	1,349
Total comprehensive income for the period		1,110	2,057	3,167
Balance at 30 June 2024		16,407	86,791	103,198
Balance at 1 July 2024		16,407	86,791	103,198
Profit/(Loss)		-	9,892	9,982
Other comprehensive income		282	3	285
Total comprehensive income for the period		282	9,895	10,177
Balance at 30 June 2025		16,689	96,686	113,375

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 2025

	Notes	2025 \$000	2024 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Default Insurance Fund receipts		122	264
Insurer contributions		20,895	20,401
Interest received		5,407	4,625
GST receipts on sales		1	9
GST receipts from taxation authority		454	413
Other receipts		30,902	4,060
Payments			
Workers Compensation claim payments		(8,116)	(1,972)
Employee benefits		(18,220)	(17,511)
Supplies and services		(3,740)	(4,081)
Accommodation		(1,098)	(881)
GST payments on purchases		(422)	(413)
Other payments		(28,890)	(1,626)
Net cash provided by/(used in) operating activities		(2,705)	3,288
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(75)	(230)
Net cash used in investing activities		(75)	(230)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(30)	(28)
Net cash used in Financing activities		(30)	(28)
Net increase/(decrease) in cash and cash equivalents		(2,810)	3,030
Cash and cash equivalents at the beginning of the period		121,319	118,289
Cash and cash equivalents at the end of the period	7.1	118,509	121,319

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

1. Basis of Preparation

WorkCover WA 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 General Account, established under Section 488, and the Default Insurance Fund, established under Section 256 of the *Workers Compensation and Injury Management Act 2023* (the Act).

The Trust Account, established pursuant to Section 494 of the Act, is administered separately and is not consolidated with the General Account and Default Insurance Fund. For details of transactions relating to the Trust Account, refer to Note 9.8 'Workers Compensation & Injury Management 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 on 29 August 2025.

Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, the Conceptual Framework and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) as modified by Treasurer's instructions. Some of these pronouncements are modified to vary their application and disclosure.

The *Financial Management Act 2006* and Treasurer's instructions, which are legislative provisions governing the preparation of financial statements for agencies, take precedence over AASB pronouncements. Where an AASB pronouncement is modified and has had a significant financial effect on the reported results, details of the 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. WorkCover WA Objectives

Accounting for Goods and Services Tax (GST)

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

(a) amount of GST incurred by WorkCover WA as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and

(b) receivables and payables are stated with the amount of GST included.

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

Comparative information

Except when an Australian Accounting Standard 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 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.

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

WorkCover WA's objectives are stated in the Strategic Plan 2025 - 2028, available on WorkCover WA's website.

3. Our Funding Sources

How we obtain our funding

This section provides additional information about how WorkCover WA obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by WorkCover WA and the relevant notes are:

	Notes	2025 \$000	2024 \$000
Insurer contributions	3.1	20,903	20,393
Interest revenue	3.2	5,548	4,910
Other revenue	3.3	4,716	5,229
Default Insurance Fund	3.4	146	152
Resources received	3.5	250	259
Decrease in claims liability	3.6	13,253	-

3.1 Insurer contributions

	2025 \$000	2024 \$000
Insurer contributions	20,903	20,393

WorkCover WA 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 489 of the Act, WorkCover WA 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 491 of the Act.

Revenue is recognised when the amount becomes payable by insurers and self-insurers.

3.2 Interest revenue

	2025 \$000	2024 \$000
General Account	1,125	1,355
Default Insurance Fund	4,423	3,555
	5,548	4,910

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

	2025	2024
	\$000	\$000
General Account		
Recoveries, recoups and other ^(a)	63	444
Avoided premiums, fines and infringements	4,653	4,785
	4,716	5,229

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

WorkCover WA regulates employers' compliance with their obligations under the 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**).

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 Default Insurance Fund

	2025	2024
	\$000	\$000
Recoveries	146	152
	146	152

The Default Insurance Fund is managed in accordance with the Act, and operates to administer workers compensation claims for uninsured employers and 'Failed' insurance companies such as HIH Insurance Group.

Revenue is recognised on the receipt of monies for the recoveries.

3.5 Resources received

	2025	2024
	\$000	\$000
Resources received from other public sector entities during the period		
Services received free of charge from:		
State Solicitor's Office	250	259
Total resources received	250	259

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.

WorkCover WA received legal services from the State Solicitor's Office free of charge.

WorkCover WA relies upon advice from other agencies to recognise the fair value of services provided.

3.6 Decrease in claims liability

	2025	2024
	\$000	\$000
Decrease of claims liability from Actuarial assessment	13,253	-
	13,253	-

The effect of an actuarially assessed decrease in the outstanding claims liability for Default Insurance Fund has been included in the Statement of Comprehensive Income under 'Gains'.

4. Use of our Funding

Expenses incurred in the delivery of services

This section provides additional information about how WorkCover WA'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 WorkCover WA in achieving its objectives and the relevant notes are:

	Notes	2025 \$000	2024 \$000
Expenses			
Employee benefits expenses	4.1(a)	18,564	17,812
Claims expense	4.2(a)	8,100	3,309
Gains/(loss) on disposal of non-current assets	4.3	-	(9)
Other expenditure	4.4	7,465	7,089
Provisions			
Employee related provisions	4.1(b)	8,427	8,029
Claim provisions	4.2(b)	18,576	31,829

4.1(a) Employee benefits expenses

	2025 \$000	2024 \$000
Employee benefits	16,528	15,048
Termination benefits	-	642
Superannuation - defined contribution plans	1,868	1,670
Superannuation - defined benefit plans	168	452
Employee benefits expenses	18,564	17,812
Add: AASB 16 Non-monetary benefits	31	30
Less: Employee Contributions	(13)	(14)
Total employee benefits provided	18,582	17,828

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 WorkCover WA 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. WorkCover WA 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 WorkCover WA'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 benefits are non-monetary employee benefits expenses, predominantly relating to the provision of vehicle benefits that are recognised under AASB 16 and are excluded from the employee benefits expense.

Employee Contributions

Employee Contributions are contributions made to WorkCover WA by employees towards employee benefits that have been provided by WorkCover WA. 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.

	2025 \$000	2024 \$000
CURRENT		
Employee benefits provisions		
Annual leave ^(a)	769	744
Long service leave ^(b)	2,974	2,614
Superannuation ^(d)	274	320
	4,017	3,678
Other provisions		
Employment on-costs ^(c)	220	198
	220	198
Total current employee related provisions	4,237	3,876
NON-CURRENT		
Employee benefits provisions		
Long service leave ^(b)	733	634
Superannuation ^(d)	3,414	3,481
	4,147	4,115
Other provisions		
Employment on-costs ^(c)	43	38
	43	38
Total non-current employee related provisions	4,190	4,153
Total employee related provisions	8,427	8,029

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

(a) Annual leave liabilities

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) Long service leave liabilities

Unconditional long service leave provisions are classified as current liabilities as WorkCover WA 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 WorkCover WA 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 WorkCover WA 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 4.4 (apart from the unwinding of the discount (finance cost))' and are not included as part of WorkCover WA's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2025	2024
	\$000	\$000
Employment on-costs provision		
Carrying amount at start of period	236	234
Additional/(reversal of) provisions recognised	96	89
Payments/other sacrifices of economic benefits	(82)	(96)
Unwinding of the discount	13	9
Carrying amount at end of period	263	236

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 WorkCover WA'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 WorkCover WA purposes because the concurrent contributions (defined contributions) made by WorkCover WA to GESB extinguishes the WorkCover WA'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 provided by Mercer as required by the Australian Accounting Standard AASB119 "Employee Benefits".

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 assessment is \$3K for 2024-25 (2023-24: \$239K).

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 WorkCover WA on their retirement. Funding requirements are based on invoices provided to WorkCover WA by GESB that represent the cost of benefits paid to members during the reporting period.

4.2(a) Claims expense

	2025	2024
	\$000	\$000
Default Insurance Fund		
Workers compensation claims - Insolvent Insurers	985	1,121
Workers compensation claims - Uninsured Employers	7,115	858
	8,100	1,979
Net increase in claims liability		
Uninsured Employers claims liability increase/ (decrease)	-	(407)
Insolvent Insurers claims liability increase/(decrease)	-	1,737
	-	1,330
	8,100	3,309

Default Insurance Fund

The Default Insurance Fund (DIF) is established by the Act.

The scope of DIF replaces the Employers Indemnity Supplementation Fund (EISF) and uninsured claim payments from the WorkCover WA General Account as a consolidated, efficient, and fit for purpose framework to manage and fund the following liabilities:

- liabilities of insolvent insurers and insolvent self-insurers ("Insolvent Insurers").
- liabilities of the scheme previously established under the *Waterfront Workers' (Compensation for Asbestos Related Diseases) Act 1986* ("Waterfront Workers").
- liabilities for claims relating to uninsured employers ("Uninsured Employers").
- initial liabilities relating to acts of terrorism previously provided for under the EISF ("Acts of terrorism").

4.2(b) Claims provisions

	2025 \$000	2024 \$000
Default Insurance Fund		
Liability for estimated future claim payments		
Current		
Workers compensation claims - Insolvent Insurers(i)	583	1,039
Workers compensation claims - Uninsured Employers(ii)	3,994	3,820
Total current provisions	4,577	4,859
Non-current		
Workers compensation claims - Insolvent Insurers(i)	7,921	8,403
Workers compensation claims - Uninsured Employers(ii)	6,078	18,567
Total non-current provisions	13,999	26,970

Claims provisions – Default Insurance Fund

Liability for future claims

The large movement in Non-Current Uninsured Employers provision is due to the settlement of a very large claim, which decreases provisions relating to the case estimates of the settled claim and prudential margin on the case estimates. There is a corresponding partial decrease in fund assets due to large payments made in settling the claim.

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 expense in note 4.2(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.

4.2(b)(i) Workers compensation claims - Insolvent Insurers (including Waterfront Workers)

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 DIF.

Liability for Waterfront Workers are grouped in this category, due to historical coverage previously provided under the EISF (which is now part of DIF).

WorkCover WA's claim costs for Insolvent Insurers (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.

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 for Insolvent Insurers 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:

Insolvent Insurers: Asbestos-Related Claims

		2025		2024
Inflation Rate	2026	3.50%	2025	3.75%
	2027	3.00%	2026	3.50%
	2028	3.00%	2027	3.00%
	2029	3.00%	2028	3.00%
	2030	3.01%	2029	3.01%
	2031	3.02%	2030	3.02%
	2032	3.03%	2031	3.03%
	2033	3.04%	2032	3.04%
	2034	3.05%	2033	3.05%
	2035	3.06%	2034	3.06%
	2036	3.07%	2035	3.07%
	2037	3.08%	2036	3.08%
	2038	3.09%	2037	3.09%
	2039	3.10%	2038	3.10%
	2040	3.11%	2039	3.11%
	2041	3.12%	2040	3.12%
	Onwards		Onwards	
Discount Rate	2026	3.36%	2025	4.42%
	2027	3.06%	2026	3.97%
	2028	3.35%	2027	3.88%
	2029	3.79%	2028	4.08%
	2030	4.18%	2029	4.27%
	2031	4.52%	2030	4.43%
	2032	4.82%	2031	4.58%
	2033	5.06%	2032	4.70%
	2034	5.26%	2033	4.81%
	2035	5.41%	2034	4.90%
	2036	5.51%	2035	4.97%
	2037	5.56%	2036	5.02%
	2038	5.56%	2037	5.05%
	2039	5.53%	2038	5.06%
	2040	5.50%	2039	5.06%
	2041	5.47%	2040	5.06%
	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 Insolvent Insurers ARD valuation does not include an explicit allowance for the Act. The changes to the weekly benefit and medical expenses are unlikely to impact ARD claims.

Insolvent Insurers: Non Asbestos-Related Claims

		2025		2024
Inflation Rate	2026	3.50%	2025	3.75%
	2027	3.00%	2026	3.50%
	2028	3.00%	2027	3.00%
	2029	3.00%	2028	3.00%
	2030	3.01%	2029	3.01%
	2031	3.02%	2030	3.02%
	2032	3.03%	2031	3.03%
	2033	3.04%	2032	3.04%
	2034	3.05%	2033	3.05%
	2035	3.06%	2034	3.06%
	2036	3.07%	2035	3.07%
	2037	3.08%	2036	3.08%
	2038	3.09%	2037	3.09%
	2039	3.10%	2038	3.10%
	2040	3.11%	2039	3.11%
	2041	3.12%	2040	3.12%
	Onwards		Onwards	
Discount Rate	2026	3.36%	2025	4.42%
	2027	3.06%	2026	3.97%
	2028	3.35%	2027	3.88%
	2029	3.79%	2028	4.08%
	2030	4.18%	2029	4.27%
	2031	4.52%	2030	4.43%
	2032	4.82%	2031	4.58%
	2033	5.06%	2032	4.70%
	2034	5.26%	2033	4.81%
	2035	5.41%	2034	4.90%
	2036	5.51%	2035	4.97%
	2037	5.56%	2036	5.02%
	2038	5.56%	2037	5.05%
	2039	5.53%	2038	5.06%
	2040	5.50%	2039	5.06%
	2041	5.47%	2040	5.06%
	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 Insolvent Insurers non-ARD valuation includes an explicit allowance for the Act for long term open claims only. No allowance is included for future lodgements as these are mostly deafness claims so no impact is expected. For long term open claims we have included the 0.91% allowance for the increase in medical and allied health cap and 2.5% allowance for the increase in medical and allied health fees after reviewing the type of payments for the past five years and what percentage of payments would increase.

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 2025 was assessed at \$8.504 million and a provision for this amount has been included in the financial statements.

The actuary's assessment of outstanding claims liability does not recognise that money may be recovered from HIH's liquidator.

For the purpose of addressing the outstanding claims liability, a surcharge was imposed on employers' insurance policies on previous years.

From the 25 June 2008 the surcharge was discontinued. The revenue collected previously from the surcharge will be used to pay this liability.

Movements in provisions

	2025	2024
	\$000	\$000
Insolvent Insurers		
Liability for estimated future claim payments		
Carrying amount at start of period	9,442	7,705
Additional increase/(decrease) in provisions recognised	(281)	2,440
Unwinding of the discount	398	319
Payments/other sacrifices of economic benefits	(1,055)	(1,022)
Carrying amount at end of period	8,504	9,442

4.2(b)(ii) Workers compensation claims - Uninsured Employers

Provision is made to meet payments required under Sections 266-268 of the Act where payments are required to be paid from the DIF for Uninsured Employers.

Uninsured Employers may arise when the injured worker's current or former employer has failed to maintain compulsory workers compensation insurance or if the former employer no longer exists and cannot 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 Uninsured Employers and make projections of future claim payments based on actuarial assumptions, knowledge and experience of similar portfolios.

ARD Actuarial methods and assumptions

As most of the asbestos-related disease liability is for future lodgement of latent claims, projected future claim notifications are combined with average claim sizes and the assumed payment patterns 'to produce':

- (a) total projected cost of claims for each future year
- (b) claim payments
- (c) gross and net provisions.

The future lodgement patterns are calibrated to closely follow recent claim experience and the future patterns use the research of Professor Berry (University of Sydney) combined with actuarial research and examination of the reports of the Institute of Actuaries of Australia Asbestos Taskforce and the independent advice to the James Hardie Special Commission of Inquiry.

Average weighted term to settlement

The average term to settlement is calculated separately by class of business based on historic payment patterns.

Future claim lodgements

Future claim lodgements are calculated from the recent lodgement experience and calibrated according to the relevant research studies on latency claims.

Average claim size

Average claim size is based on current actuarial research taking the WA mining experience into account.

Assumptions

Uninsured Employers: Asbestos-Related Claims (ARD)

		2025		2024
Inflation Rate	2026	3.50%	2025	3.75%
	2027	3.00%	2026	3.50%
	2028	3.00%	2027	3.00%
	2029	3.00%	2028	3.00%
	2030	3.01%	2029	3.01%
	2031	3.02%	2030	3.02%
	2032	3.03%	2031	3.03%
	2033	3.04%	2032	3.04%
	2034	3.05%	2033	3.05%
	2035	3.06%	2034	3.06%
	2036	3.07%	2035	3.07%
	2037	3.08%	2036	3.08%
	2038	3.09%	2037	3.09%
	2039	3.10%	2038	3.10%
	2040	3.11%	2039	3.11%
	2041	3.12%	2040	3.12%
	Onwards		Onwards	
Discount Rate	2026	3.36%	2025	4.42%
	2027	3.06%	2026	3.97%
	2028	3.35%	2027	3.88%
	2029	3.79%	2028	4.08%
	2030	4.18%	2029	4.27%
	2031	4.52%	2030	4.43%
	2032	4.82%	2031	4.58%
	2033	5.06%	2032	4.70%
	2034	5.26%	2033	4.81%
	2035	5.41%	2034	4.90%
	2036	5.51%	2035	4.97%
	2037	5.56%	2036	5.02%
	2038	5.56%	2037	5.05%
	2039	5.53%	2038	5.06%
	2040	5.50%	2039	5.06%
	2041	5.47%	2040	5.06%
	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 Uninsured Employers.

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 Uninsured Employers ARD valuation does not include an explicit allowance for the Act. The changes to the weekly benefit and medical expenses are unlikely to impact ARD claims.

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.

Assumptions

Uninsured Employers:

Non Asbestos-Related Claims (Non-ARD)

		2025		2024
Inflation Rate	2026	3.50%	2025	3.75%
	2027	3.00%	2026	3.50%
	2028	3.00%	2027	3.00%
	2029	3.00%	2028	3.00%
	2030	3.01%	2029	3.01%
	2031	3.02%	2030	3.02%
	2032	3.03%	2031	3.03%
	2033	3.04%	2032	3.04%
	2034	3.05%	2033	3.05%
	2035	3.06%	2034	3.06%
	2036	3.07%	2035	3.07%
	2037	3.08%	2036	3.08%
	2038	3.09%	2037	3.09%
	2039	3.10%	2038	3.10%
	2040	3.11%	2039	3.11%
	2041	3.12%	2040	3.12%
	Onwards		Onwards	
Discount Rate	2026	3.36%	2025	4.42%
	2027	3.06%	2026	3.97%
	2028	3.35%	2027	3.88%
	2029	3.79%	2028	4.08%
	2030	4.18%	2029	4.27%
	2031	4.52%	2030	4.43%
	2032	4.82%	2031	4.58%
	2033	5.06%	2032	4.70%
	2034	5.26%	2033	4.81%
	2035	5.41%	2034	4.90%
	2036	5.51%	2035	4.97%
	2037	5.56%	2036	5.02%
	2038	5.56%	2037	5.05%
	2039	5.53%	2038	5.06%
	2040	5.50%	2039	5.06%
	2041	5.47%	2040	5.06%
	Onwards		Onwards	
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	

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.

Large claims

This year the same approach was used in the valuation of Uninsured Employers 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. 25% of large claims are assumed to be common law based on claim experience to date (up from 20% last year) and they have assumed an average claim size of \$1.5m for common law claims (same as last year).

Expense rate

Claims handling expenses were calculated by analysis of actual expenses in administering Uninsured Employers liability 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.

Notes to the Financial Statements

For the Act, the 30 June 2025 provision has been adjusted as follows:

- 1.03% increase applied to injuries after 1 July 2024 only, due to delaying the weekly benefit step downs from 13 to 26 weeks
- 0.67% increase in the medical and allied health fee base rates based on analysis undertaken by WorkCover WA. This applies to any payments from 1 July 2024
- For the doubling of the cap on medical and allied health expenses, claims which are open and have yet to reach the threshold will be eligible for the higher cap. The table below shows the percentage of the 0.91% increase in costs allowed for each accident year. This is based on the percentage of claimants for the WA scheme who are estimated to be impacted as they reached the cap after the relevant development time period.

Accident Year	% of allowance included
2025	100%
2024	85%
2023	60%
2022	29%
2021	9%
2020	0%

Movements in provisions

	2025 \$000	2024 \$000
UNINSURED EMPLOYERS		
Carrying amount at start of period	22,387	22,794
Additional increase/(decrease) in provisions recognised	(5,299)	87
Unwinding of the discount	624	792
Payments/other sacrifices of economic benefits	(7,640)	(1,286)
Carrying amount at end of period	10,072	22,387

4.2(b)(iii) Acts of terrorism

There has been no declared act of terrorism under section 288 of the Act as at 30 June 2025. Thus, no workers compensation liability provision has been made for acts of terrorism.

4.3 Net gain/(loss) on disposal of non-current assets

	2025 \$000	2024 \$000
Net proceeds from Disposal of Non-Current Assets	-	-
Vehicles	-	-
	-	-
Carry Amount of Non-Current Assets		
Equipment	-	(4)
IT Software	-	(5)
Vehicles	-	-
	-	(9)
Net (loss) / gain	-	(9)

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).

4.4 Other Expenditure

	2025	2024
	\$000	\$000
SUPPLIES AND SERVICES		
Communications	211	189
Consultants and contractors	2,309	2,481
Consumables	1,094	1,155
Insurance	162	158
Training	224	179
Travel	44	19
Other	52	93
Total supplies and services expenses	4,096	4,274
ACCOMMODATION EXPENSES		
Outgoings	594	433
Repairs and maintenance	275	242
Other	194	170
Total accommodation expenses	1,063	845
OTHER EXPENSES		
Employment on-costs	1,073	980
Seminars	2	4
Expected credit losses expense	579	308
Sitting fees	111	115
Staff wellness programs	47	45
Audit Fees	152	213
Administration fee paid to Insurance Commission of WA	209	172
Other	133	133
Total other expenses	2,306	1,970
Total other expenditure	7,465	7,089

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

Expected credit losses is recognised for movement in allowance for impairment of trade receivables. Please refer to note 6.1 Receivables for more details.

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

Assets WorkCover WA utilises for economic benefit or service potential

This section includes information regarding the key assets WorkCover WA 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	2025 \$000	2024 \$000
Property, plant, equipment & vehicles	5.1	17,291	17,386
Intangible assets	5.2	234	552
Right-of-use assets	5.3	58	83
Total key assets		17,583	18,021

5.1 Property, plant, equipment and vehicles

Year ended 30 June 2025	Land \$000	Buildings \$000	Work in Progress \$000	Plant, equipment and vehicles \$000	Total \$000
At 1 July 2024					
Gross carrying amount	14,800	1,690	-	2,143	18,633
Accumulated depreciation	-	-	-	(1,247)	(1,247)
Carrying amount at start of period	14,800	1,690	-	896	17,386
Additions	-	-	-	75	75
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation increments/(decrements)	-	282	-	-	282
Depreciation	-	(272)	-	(180)	(452)
Carrying amount at 30 June 2025	14,800	1,700	-	791	17,291
Gross Carrying amount	14,800	1,700	-	2,139	18,639
Accumulated depreciation	-	-	-	(1,348)	(1,348)
Accumulated impairment					

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.

In addition, for buildings under the current replacement cost basis, estimated professional and project management fees are included in the valuation of current use assets as required by AASB 2022-10 *Amendment to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-For-Profit Public Sector Entities*.

Land and buildings were revalued as at 1 July 2024 by Landgate. The valuations were performed during the year ended 30 June 2025 and recognised at 30 June 2025. In undertaking the revaluation, fair value was determined by reference to market values for land: \$14,800,000 (2024: \$14,800,000) and buildings: \$1,700,000 (2024: \$1,690,000).

Fair value measurements

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair value at end of period
	\$000	\$000	\$000	\$000
2024-2025				
Land		14,800		14,800
Buildings		1,700		1,700
	-	16,500	-	16,500

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 exception 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 WorkCover WA 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 2025 there were no indications of impairment to property, plant and equipment and vehicles.

5.2 Intangible assets

Year ended 30 June 2025

	Computer Software	Licences	WIP	Website	Total
	\$000	\$000	\$000	\$000	\$000
1 July 2024					
Gross carrying amount	6,221	86	-	46	6,353
Accumulated amortisation	(5,705)	(50)	-	(46)	(5,801)
Carrying amount at start of period	516	36	-	-	552
Additions	-	-	-	-	-
Transfer	-	-	-	-	-
Impairment losses	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-
Amortisation expense	(289)	(29)	-	-	(318)
Carrying amount at end of period	227	7	-	-	234

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:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- An intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefit;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- 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 WorkCover WA 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 2025

	Vehicles	Total
	\$000	\$000
Carrying amount at start of period	83	83
Additions	-	-
Disposals	-	-
Impairment losses	-	-
Impairment losses reversed	-	-
Depreciation	(25)	(25)
Net carrying amount at end of period	58	58

WorkCover WA 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, WorkCover WA 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.

WorkCover WA 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 WorkCover WA 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

This section sets out those assets and liabilities that arose from WorkCover WA's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2025 \$000	2024 \$000
Receivables	6.1	4,756	4,037
Other assets	6.2	492	770
Payables	6.3	(901)	(1,006)

6.1 Receivables

	2025 \$000	2024 \$000
Current		
General Account		
Trade receivables	4,617	3,467
Allowance for impairment of trade receivables	(1,168)	(625)
Accrued interest	96	120
GST receivable	105	134
	3,650	3,096
Default Insurance Fund (see note 4.2)		
Accrued interest	1,106	941
GST receivable	-	-
	1,106	941
Total current	4,756	4,037
Total receivables at end of the period	4,756	4,037

Trade receivables are initially recognised at their transaction price. WorkCover WA 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.

WorkCover WA 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 WorkCover WA has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, WorkCover WA recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. WorkCover WA 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 4.4 for the amount of ECLs expensed this reporting year.

6.2 Other assets

	2025 \$000	2024 \$000
Current		
Prepayments	492	770
Balance at end of period	492	770

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

	2025	2024
	\$000	\$000
Current		
General Account		
Trade payables	68	266
Accrued expenses	138	192
Accrued salaries	469	429
Other payables	99	19
Default Insurance Fund		
Claim payments	78	100
Total Current	852	1,006
Non-current		
General Account		
Other payables	49	-
Total Non-current	49	-

Payables are recognised at the amounts payable when WorkCover WA 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. WorkCover WA 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

This section sets out the material balances and disclosures associated with the financing and cashflows of WorkCover WA.

	Notes
Cash and cash equivalents	7.1
Leases liabilities	7.2
Capital commitments	7.3

7.1 Cash and cash equivalents

	2025	2024
	\$000	\$000
Cash and cash equivalents	24,402	32,444
Restricted cash and cash equivalents		
- Default Insurance Fund ^(a)	93,583	88,427
- Indian Ocean Territories (Note 9.7) ^(b)	14	8
- Paid Parental Leave ^(c)	-	-
- Accrued salaries suspense account ^(d)	510	440
Balance at end of period	118,509	121,319

^(a) Funds held for the claims related to insolvent insurers and uninsured employers.

^(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

	2025	2024
	\$000	\$000
Not later than one year	25	24
Later than one year and not later than five years	36	61
Later than five years	-	-
	61	85
Current	25	24
Non-current	36	61
	61	85

At the commencement date of the lease, WorkCover WA 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, WorkCover WA uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by WorkCover WA 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 WorkCover WA exercising an option to terminate the lease;
- Periods covered by extension or termination options are only included in the lease term by WorkCover WA 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 WorkCover WA 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

	2025	2024
	\$000	\$000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within one year	40	-
	40	-

The totals presented for capital expenditure commitments are GST inclusive.

8. Financial Instruments and Contingencies

	Notes
Financial instruments	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2

8.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2025 \$000	2024 \$000
Financial assets		
Cash and cash equivalents	24,402	32,444
Restricted cash and cash equivalents	94,107	88,875
Financial assets at amortised cost ^(a)	4,651	3,903
Total financial assets	123,160	125,222
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost ^(b)	901	1,006
Total financial liability	901	1,006

^(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

	2025 \$000	2024 \$000
There were no contingent assets in existence at 30 June 2025 and up to the date of this report.	-	-

8.2.2 Contingent liabilities

	2025 \$000	2024 \$000
There were no contingent liabilities in existence at 30 June 2025 and up to the date of this report.	-	-

9. Other Disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	9.1
Correction of period errors/changes in accounting policies	9.2
Key management personnel	9.3
Related party transactions	9.4
Related bodies	9.5
Affiliated bodies	9.6
Indian Ocean Territories	9.7
Workers Compensation & Injury Management Trust Account	9.8
Remuneration of auditors	9.9
Supplementary financial information	9.10

9.1 Events occurring after the end of the reporting period

There were no known events occurring after the end of the reporting period and up to the date of this report.

9.2 Correction of period errors/changes in accounting policies

WorkCover WA has reviewed the initial application of Australian Accounting Standards, there is no impact on WorkCover WA.

There is no correction of prior period errors/changes in accounting policy.

9.3 Key management personnel

WorkCover WA has determined that key management personnel include the Cabinet Ministers, board members and senior officers of WorkCover WA. WorkCover WA 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 WorkCover WA for the reporting period are presented within the following bands:

Compensation of members of the Accountable Authority

Compensation Band (\$)	2025	2024
\$		
0 - 10,000 ^(a)	3	3
20,001 - 30,000	3	3
30,001 - 40,000	1	1

	2025	2024
	\$000	\$000
Total compensation of members of the Accountable Authority	110	105

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

Compensation of senior officers other than the Accountable Authority

Compensation Band (\$)	2025	2024
\$		
140,001 - 190,000	2	2
200,001 - 250,000	2	2
300,001 - 350,000	1	1

	2025	2024
	\$000	\$000
Total compensation of senior officers	1,141	1,094

Total compensation includes superannuation expense incurred by WorkCover WA in respect of senior officers and members of the Accountable Authority.

9.4 Related party transactions

WorkCover WA is a wholly owned public sector entity that is controlled by of the State of Western Australia.

Related parties of WorkCover WA 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 WorkCover WA, 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

WorkCover WA does not have related bodies.

9.6 Affiliated bodies

WorkCover WA does not have affiliated bodies.

9.7 Indian Ocean Territories

The Commonwealth Government has a Service Delivery Arrangement with WorkCover WA for the provision of services to Indian Ocean Territories (Christmas Island and Cocos-Keeling Island).

	2025 \$000	2024 \$000
Balance at start of period	7	23
Funding received from the Commonwealth	26	-
Revenue received from insurers	10	8
	43	31
Payments by Program Area		
Regulatory Services	16	23
Conciliation and Arbitration Services	13	1
Total Payments	29	24
Balance at end of period	14	7

9.8 Workers Compensation & Injury Management Trust Account

The Trust Account has been established in accordance with Section 494 of the Act to hold monies on behalf of the dependants of deceased workers. These funds are held in a fiduciary capacity and are therefore excluded from consolidation with WorkCover WA's general financial statements

	2025 \$000	2024 \$000
Income		
Amounts paid to the custody of the Authority	1,632	901
Interest on investments	130	155
	1,762	1,056
Expenditure		
Payments by the Authority	1,766	694
Administration fee	-	-
	1,766	694
Surplus/(Deficit)	(4)	362
Balance at start of period	4,129	3,767
Balance at end of period	4,125	4,129
Balance of funds held represents:		
Cash and cash equivalents	4,125	4,129
	4,125	4,129

9.9 Remuneration of auditors

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

	2025	2024
	\$000	\$000
Auditing the accounts, controls, financial statements and key performance indicators	110	101
	110	101

9.10 Supplementary financial information

(a) Write-offs

During the financial year, \$733,475 (2024: \$85,594) was written off under the Authority of:

	2025	2024
	\$000	\$000
The accountable authority	172	86
The Minister	219	-
The Treasurer	342	-
	733	86

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

	2025	2024
	\$000	\$000
Write-offs		
Default Insurance Fund - uninsured claims ⁽ⁱ⁾	698	-
Fines and penalties	35	86
	733	86

⁽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 Uninsured debt write-offs outlined below are net of recoveries received from employers.

	2025	2024
Number of recoveries written off with values between:		
\$ 0 - 100,000	5	3
\$ 100,001 - 200,000	-	-
\$ 200,001 - 300,000	1	-
\$ 300,001 - 400,000	1	-

(b) Losses through theft, defaults and other causes

	2025	2024
	\$000	\$000
Losses of public money and public and other property through theft, default and other causes	-	-
Amount recovered	-	-

(c) Gifts of public property

	2025	2024
	\$000	\$000
No gifts of public property provided by WorkCover WA	-	-

10. Explanatory Statement

All variances between annual estimates (original budget) and actual results for 2025, and between the actual results for 2025 and 2024 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and where 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 \$32,615,000); and
- Total Assets of the estimate for the Statement of Financial Position (i.e. 1% of \$133,321,000).

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 \$29,125,000); and
- Total Assets for the previous year for the Statement of Financial Position (i.e. 1% of \$144,147,000).

10.1 Statement of Comprehensive Income Variances

	Variance Note	Estimate 2025	Actual 2025	Actual 2024	Variance between Estimate and Actual	Variance between actual result for 2025 and 2024
		\$000	\$000	\$000	\$000	\$000
INCOME						
Revenue						
Insurer contributions		20,902	20,903	20,393	1	510
Interest revenue	1,A	4,852	5,548	4,910	696	638
Other revenue	2,B	2,766	4,716	5,229	1,950	(513)
Default Insurance Fund recoveries		-	146	152	146	(6)
Total Revenue		28,520	31,313	30,684	2,793	629
Gains						
Decrease in claims liability	3, C	4,639	13,253	-	8,614	13,253
Total Gains		4,639	13,253	-	8,614	13,253
Total Income		33,159	44,566	30,684	11,407	13,882
EXPENSES						
Employee benefits expenses		19,174	18,564	17,812	(610)	752
Supplies and services	4	3,639	4,096	4,274	457	(178)
Depreciation and amortisation expenses		784	795	906	11	(111)
Accommodation expenses	5	661	1,063	845	402	218
Claims expenses	6,D	6,070	8,100	3,309	2,030	4,791
Loss on disposal of non-current assets		-	-	9	-	(9)
Other expenses	E	2,287	2,306	1,970	19	336
Total Expenses		32,615	34,924	29,125	2,309	5,799
Profit/(Loss) before grants and subsidies from State Government		544	9,642	1,559	9,098	8,083
Resources received		250	250	259	-	(9)
Profit/(Loss) for the period		794	9,892	1,818	9,098	8,074
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Remeasurements of defined benefit liability		-	3	239	3	(236)
Changes in asset revaluation surplus		-	282	1,110	282	(828)
Total other comprehensive income		-	285	1,349	285	(1,064)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		794	10,177	3,167	9,383	7,010

Major Estimate and Actual (2025) Variance Narratives

1. Interest revenue exceeded budget projections by \$0.7 million, primarily due to higher than anticipated interest rates during the 2024/25 fiscal year.
2. Other revenue exceeded budget estimates by \$2 million, primarily attributable to higher-than-anticipated collections from avoided premiums, fines, and infringement penalties.
3. The significant decrease in claims liability is due to a reduction in the actuarially assessed uninsured claims as at 30 June 2025. This was a result of the finalisation and payout of a very large uninsured claim.
4. Supplies and services expenses are \$0.5 million above budget expectations, primarily due to increased legal costs associated with the finalisation of a number of large uninsured claims.
5. Accommodation expenses are \$0.4 million above budget estimates, primarily due to higher-than-anticipated building maintenance costs incurred during the period.
6. Claims expense is \$2 million above budget estimates, primarily due to higher-than-expected claims settlements associated with the finalisation of a number of large uninsured claims.

Major Actual (2025) and Comparative (2024) Variance Narratives

- A. Interest revenue increased by \$0.6 million in 2024/25 compared to the prior year, primarily due to higher-than-expected interest rates.
- B. Other revenue decreased by \$0.5 million compared to the prior year, primarily due to the collection of registration fees from the 2023 WorkCover WA Conference.
- C. Claims liability decreased by \$13.3 million compared to the prior year, due to a reduction in the actuarially assessed claims liabilities for the 2024/25 financial year. This was a result of the finalisation and payout of a very large uninsured claim.
- D. Claims expense increased by \$4.8 million compared to the prior year, primarily due to the finalisation of a number of large uninsured claims.
- E. Other Expenses increased by \$336k mainly due to a higher provision for expected credit loss in 2024/25.

10. Explanatory Statement

10.2 Statement of Financial Position Variances

	Variance Note	Estimate 2025	Actual 2025	Actual 2024	Variance between Estimate and Actual	Variance between actual result for 2025 and 2024
		\$000	\$000	\$000	\$000	\$000
ASSETS						
Current Assets						
Cash and cash equivalents		20,476	24,402	32,444	3,926	(8,042)
Restricted cash and cash equivalents		92,051	94,107	88,875	2,056	5,232
Receivables		2,765	4,756	4,037	1,991	719
Other assets		632	492	770	(140)	(278)
Total Current Assets		115,924	123,757	126,126	7,833	(2,369)
Non-Current Assets						
Property, plant, equipment & vehicles		16,321	17,291	17,386	970	(95)
Intangible assets		1,023	234	552	(789)	(318)
Right-of-use assets		53	58	83	5	(25)
Total Non-Current Assets		17,397	17,583	18,021	186	(438)
Total Assets		133,321	141,340	144,147	8,019	(2,807)
LIABILITIES						
Current Liabilities						
Payables		876	852	1,006	(24)	(154)
Lease liabilities		15	25	24	10	1
Employee related provisions		4,002	4,237	3,876	235	361
Claims provisions		4,690	4,577	4,859	(113)	(282)
Total Current Liabilities		9,583	9,691	9,765	108	(74)
Non-Current Liabilities						
Payables		-	49	-	49	49
Lease liabilities		45	36	61	(9)	(25)
Employee related provisions		3,858	4,190	4,153	332	37
Claims provisions	7, F	17,615	13,999	26,970	(3,616)	(12,971)
Total Non-Current Liabilities		21,518	18,274	31,184	(3,244)	(12,910)
Total Liabilities		31,101	27,965	40,949	(3,136)	(12,984)
NET ASSETS		102,220	113,375	103,198	11,155	10,177
EQUITY						
Reserves		15,297	16,689	16,407	1,392	282
Retained earnings		86,923	96,686	86,791	9,763	9,895
Total Equity		102,220	113,375	103,198	11,155	10,177

Major Estimate and Actual (2025) Variance Narratives

7. Claims provisions were \$3.6 million below budget estimates, primarily due to improved claims experience and a corresponding reduction in the actuarially assessed uninsured claim liabilities as at 30 June 2025.

Major Actual (2025) and Comparative (2024) Variance Narratives

F. Claim provisions were \$13 million lower than the prior year, primarily due to improved claims experience and a corresponding reduction in the actuarially assessed uninsured claim liabilities as at 30 June 2025, combined with the finalisation of a large uninsured claim.

10. Explanatory Statement

10.3 Statement of Cash Flow Variances

	Variance Note	Estimate 2025	Actual 2025	Actual 2024	Variance between Estimate and Actual	Variance between actual result for 2025 and 2024
		\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
Default Insurance Fund receipts		-	122	264	122	(142)
Insurer contributions		20,902	20,895	20,401	(7)	494
Interest received	8, G	4,857	5,407	4,625	550	782
GST receipts on sales		1	1	9	-	(8)
GST receipts from taxation authority		470	454	413	(16)	41
Other receipts	9, H	2,766	30,902	4,060	28,136	26,842
Payments						
Workers Compensation claim payments	10, I	(6,070)	(8,116)	(1,972)	(2,046)	(6,144)
Employee benefits		(19,215)	(18,220)	(17,511)	995	(709)
Supplies and services	11	(3,389)	(3,740)	(4,081)	(351)	341
Accommodation	12	(661)	(1,098)	(881)	(437)	(217)
GST payments on purchases		(471)	(422)	(413)	49	(9)
Other payments	13, J	(2,232)	(28,890)	(1,626)	(26,658)	(27,264)
Net cash provided by/(used in) operating activities		(3,042)	(2,705)	3,288	337	(5,993)
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current physical assets	14	(741)	(75)	(230)	666	155
Net cash used in investing activities		(741)	(75)	(230)	666	155
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Principal elements of lease payments		(30)	(30)	(28)	-	(2)
Net cash used in Financing activities		(30)	(30)	(28)	-	(2)
Net increase/ (decrease) in cash and cash equivalents		(3,813)	(2,810)	3,030	1,003	(5,840)
Cash and cash equivalents at the beginning of the period		116,340	121,319	118,289	4,979	3,030
Cash and cash equivalent at the end of the period		112,527	118,509	121,319	5,982	(2,810)

Major Estimate and Actual (2025) Variance Narratives

8. Interest received exceeded budget forecast by \$0.6 million, due to higher-than-anticipated interest rates in 2024/25
9. Other receipts exceeded budget estimates by \$28.1 million, primarily due to the receipt of the Catastrophic Injury Fund on behalf of ICWA, as well as higher-than-forecast collections from avoided premiums, fines, and infringements.
10. Workers Compensation claim payments exceeded budget estimates by \$2 million, primarily due to higher-than-anticipated disbursements from the Default Insurance Fund during the 2024/25 financial year.
11. Supplies and services payments are \$0.4 million higher than budget estimates, mainly due to higher-than-expected payments on legal costs for uninsured claims.
12. Accommodation expenses exceeded budget estimates by \$0.4 million, primarily due to higher-than-anticipated building maintenance costs.
13. Other payments exceeded budget estimates by \$26.7 million, primarily due to the Catastrophic Injury Fund payments made to ICWA.
14. Purchases of non-current physical assets are \$0.7 million below budget estimates, primarily due to the deferral of capital works.

Major Actual (2025) and Comparative (2024) Variance Narratives

- G. Interest receipts increased by \$0.8 million compared to the prior year, primarily due to higher than expected interest rates during the 2024/25 financial year.
- H. Other receipts increased by \$26.8 million compared to the prior year, primarily due to the receipt of the Catastrophic Injury Fund contributions on behalf of ICWA.
- I. Workers Compensation claim payments increased by \$6 million compared to the prior year, primarily due to a higher volume and value of claims processed during the 2024/25 financial year.
- J. Other payments increased by \$27.3 million compared to the prior year, primarily due to the Catastrophic Injury Fund payments made to ICWA.

Approved Insurers & Self-insurers

Approved Insurers

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