



2023-2024

ANNUAL REPORT

Future Empowered

workcover.wa.gov.au

ACKNOWLEDGEMENT OF COUNTRY

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

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

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



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ACCESSIBILITY STATEMENT

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

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

CONTENTS

STATEMENT OF COMPLIANCE 4

| | |
|--------------------------|----------|
| SECTION 1: | |
| EXECUTIVE SUMMARY | 5 |
| ACTIVITY SNAPSHOT | 6 |
| SCORECARD | 12 |
| OPERATIONS | 20 |

| | |
|--------------------|-----------|
| SECTION 2: | |
| PERFORMANCE | 33 |
| SCHEME PERFORMANCE | 34 |
| SCHEME REGULATION | 36 |
| SCHEME SERVICES | 44 |

| | |
|---|-----------|
| SECTION 3: | |
| DISCLOSURES & LEGAL COMPLIANCE | 49 |
| KEY PERFORMANCE INDICATORS | 50 |
| OTHER DISCLOSURES | 66 |
| GOVERNMENT POLICY REQUIREMENTS | 74 |



| | |
|---------------------------------------|-----------|
| SECTION 4: | |
| FINANCIAL STATEMENTS | 83 |
| CERTIFICATION OF FINANCIAL STATEMENTS | 84 |
| NOTES TO THE FINANCIAL STATEMENTS | 92 |



STATEMENT OF COMPLIANCE

To the Hon. Simone McGurk MLA, Minister for Industrial Relations,

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of WorkCover WA for the reporting period ending 30 June 2024.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and where applicable,

a statement acknowledging the incorporation within the report of any special reporting requirements imposed upon WorkCover WA by any other written law.

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

Chris White

Chief Executive Officer
WorkCover WA
30 August 2024

Sharryn Jackson

Board Chair
WorkCover WA
30 August 2024

1



EXECUTIVE SUMMARY

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

We empower our stakeholders to be prepared for change, ensure continuity of service and build a sustainable future for the workers compensation and injury management scheme in Western Australia.

ACTIVITY SNAPSHOT



WORKERS

In 2023/24, our compliance inspections and voluntary compliance initiatives have led to an additional 25,946 workers being covered by a workers compensation insurance policy.

Every worker who was not covered represented a potential uninsured claim risk which has now been mitigated.

25,946

additional workers covered

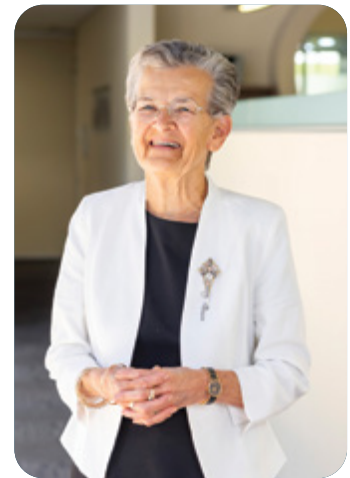
7,730

additional employers insured



EMPLOYERS

In 2023/24, our compliance inspections and voluntary compliance initiatives have led to an additional 7,730 employers obtaining a workers compensation insurance policy.



19,902

advice and assistance interactions logged

ADVICE & ASSISTANCE

Our Advice and Assistance Service provides assistance to stakeholders with workers compensation and injury management enquiries.

In 2023/24 we responded to 19,902 requests for advice and assistance, compared to 18,640 in 2022/23.

2,511

conciliations completed



CONCILIATION

If a dispute cannot be resolved through negotiation, parties can make an application to our Conciliation Service.

This year, 2,511 conciliations were completed, compared to 2,341 in 2022/23.



ARBITRATION

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

There were 553 arbitration matters completed in 2023/24, compared to 618 in 2022/23.

553

arbitration matters completed

ACTIVITY SNAPSHOT

1,408

service providers

SERVICE PROVIDERS

We approve and monitor a range of service providers within the Western Australian scheme. There are 1,408 service providers as at 30 June 2024, including 6 insurers and the Insurance Commission of Western Australia, and 23 self-insurers.

COMPLIANCE & ENFORCEMENT

We conducted 40,981 compliance activities. Subsequent investigations resulted in 1,300 enforcement actions for employers who did not have a policy of insurance, comprising of 704 caution notices, 500 infringement notices, 96 prosecutions completed and \$4,783,161 in fines and penalties ordered to be paid back into the scheme.



PROSECUTIONS

Our improved ability to detect non-compliance has led to a significant increase in prosecutions over recent years. As a result, WorkCover WA introduced a new in-house Prosecution Unit in October 2023.

1,300
enforcement actions

1
new in-house
Prosecution Unit

VOLUNTARY COMPLIANCE

We use data-matching processes to identify potential employers and send out targeted obligation notices to educate and encourage voluntary compliance with legal obligations.

In 2023/24 we sent out 134,473 notices to potential employers and 5,940 employers have taken out a policy as a result. This translates to a \$47,551,624 contribution to the WA premium pool.

\$47M
raised for the premium pool

DEPENDANTS

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

We received 14 applications related to dependency claims in 2023/24, compared to 22 in 2022/23.





CHAIR OVERVIEW

Throughout 2023/24, WorkCover WA has demonstrated a commitment to the future of our scheme while continuing to produce outstanding results for the Western Australian community.

With a new Act passing parliament, WorkCover WA is leading the Western Australian workers compensation scheme into the future.

In a year marked by significant transitions, the Board has been resolute in its commitment to a strategic focus on delivering a workers compensation and injury management scheme that works for all.

The community rightly has high expectations of WorkCover WA, and we recognise our responsibility to keep workers and employers at the heart of what we do.

Throughout this time of significant change, the Board continues to be guided by our *Strategic Plan 2022-2025*. Our priorities are to ensure the agency can lead a responsive and sustainable workers compensation scheme, modernise service delivery and build on the capability of people, culture and systems.

WorkCover WA continues to provide efficient and effective regulatory support for the scheme. Western Australia is close to the national average standardised premium rate in Australia sitting at 1.45% of wages.

I am pleased to note in a period of financial challenges, the scheme continues to maintain a financially strong position to support the Western Australian community.

I have witnessed the agency's operational performance continue its positive trajectory over the past year.

This results from having the right people and practices in place to ensure the workers and employers of Western Australia are supported through all agency operations. I encourage you to read more about the diligent work undertaken by WorkCover WA throughout this report.

While the legislative changes are significant, what will remain the same is WorkCover WA's purpose to ensure a fair and equitable scheme that works for all. To that end, it has been another big year for WorkCover WA.

WorkCover WA continues to develop and expand its regulatory capability by drawing on experience and data insights, combined with closely monitoring emerging trends.

"While the legislative changes are significant, what will remain the same is WorkCover WA's purpose to ensure a fair and equitable scheme that works for all."

WorkCover WA has honed in on areas of greatest risks to ensure efficient use of agency resources. In 2023/24 this has resulted in an additional 25,946 workers being covered by workers compensation insurance.

The Board recognises the important role of WorkCover WA's compliance and enforcement function. This year, we were pleased to see the continued focus on fairly holding to account employers who fail to exercise diligence and consequently expose their workers to risk. Over the year 96 prosecutions were completed with a conviction rate of 100%.

I am particularly proud that WorkCover WA recognises some sectors of the workforce are more vulnerable due to inexperience or language barriers. Communication to these stakeholders is a priority area for WorkCover WA with a range of dedicated initiatives rolled out over the last year.

A campaign was delivered to support our culturally and linguistically diverse stakeholders, with our vital tools and resources for employers and workers published in six additional languages. Since the start of the campaign there was a notable increase in the use of interpreter services and visits to the language pages on our website.

On behalf of the Board, I express my thanks to Hon. Bill Johnston MLA, former Minister for Industrial Relations. His steadfast support of the new legislation, and stewardship through the parliamentary process, has been invaluable in taking this monumental step forward.

I also welcome the new Minister for Industrial Relations, Hon. Simone McGurk MLA, and look forward to working with her to deliver positive outcomes for the community.

We recognise the importance of regular Board renewal to ensure independence and to further enhance the mix of skills and experience the Board possesses to drive continued improvement.

This financial year, I was also pleased to welcome then Acting WorkSafe WA Commissioner Sally North to the Board. Ms North has brought with her a wealth of knowledge of workplace health and safety, as well as experience in public sector management.

My sincere thanks to the CEO, Corporate Executive and all staff at WorkCover WA for their tireless efforts over the past year. Their professionalism and dedication continues to produce exceptional outcomes for the community, and I recognise their valuable contributions.

I also extend my appreciation to my fellow Board members for dedicating their time and expertise to WorkCover WA over the past year.

I look forward to continuing our collaborative efforts to support and guide the strategic direction of WorkCover WA into the future.

Sharryn Jackson
Board Chair
WorkCover WA

READ MORE

about our compliance and enforcement activities



CHIEF EXECUTIVE OFFICER OVERVIEW

The 2023/24 financial year will be remembered as a pivotal year in the history of WorkCover WA.

The passage of the *Workers Compensation and Injury Management Act 2023* (the new Act) through Parliament in October 2023 was an achievement close to 14 years in the making. The new Act is the culmination of extensive consultation and review and represents a comprehensive rewrite and modernisation of existing laws.

While delivering the new Act was a significant body of work, the development of extensive subsidiary legislation and administrative instruments was also noteworthy. The new legislative framework delivered in readiness for 1 July 2024 included the *Workers Compensation and Injury Management Regulations 2024* (the Regulations), guidelines, orders, approved forms, the Conciliation and Arbitration Rules and transitional directions.

WorkCover WA's focus has been on engaging with stakeholders to ensure they were supported and empowered through the journey towards implementation of the new Act on 1 July 2024.

"Throughout the year, the opportunities to engage with our stakeholders have been invaluable."

Our 2023 WorkCover WA Conference was the most successful insurance industry-based event held in our state. With 650 delegates in attendance, the Conference was a chance to come together and hear from exceptional speakers, share best practices and forecast a year of significant changes to come.

In April 2024 we launched our series of targeted *Future Empowered* workshops, designed to comprehensively educate each of our stakeholder groups on the details of the new Regulations and other administrative instruments. These workshops were designed to raise awareness of key processes and embed knowledge to support our stakeholders through the transition to the new Act.

In tandem with education sessions, we updated our existing resources and developed several new resources to optimise scheme performance. The newly released *Insurance Brokers Principles and Standards of Practice* (Brokers Principles and Standards) is a key example of a future-orientated product created in collaboration with our stakeholders.

EXECUTIVE SUMMARY

The development of the Brokers Principles and Standards reflects our commitment to an integrated approach where scheme participants come together to support injured workers and employers.

Education is a cornerstone of our regulatory approach. In 2023/24 we launched various social media campaigns to generate compliance, including a targeted campaign highlighting common employer misconceptions. Our communications approach continues to prioritise conveying vital information to all our stakeholders.

Our proactive compliance initiative, introduced in 2022/23, continues to thrive and record exceptional results by educating employers to promote voluntary compliance.

The past year has seen us refine our firm but fair approach to employers who do not meet their obligation to hold a policy of workers compensation insurance. With improved capacity to detect non-compliance, this year has also seen WorkCover WA introduce a new in-house prosecution function to further strengthen our regulatory capability.

Workers are at the heart of our scheme and central to WorkCover WA's focus. Every injured worker faces different circumstances and often requires individualised support. WorkCover WA's Advice and Assistance Service provides front-line support for workers on their journey to recovery.

Additionally, the team continued to promote the benefits to employers getting in touch as early as possible with injured workers, to support better return to work outcomes. Over the past year, the Advice and Assistance team responded to 19,902 requests for advice from our stakeholders.

We maintained our professional dispute resolution services and are well-positioned for the changes new legislation will bring. The Registry also processed a record number of settlements, applications and common law elections to minimise transitional matters that carried over to the new Act from 1 July 2024.

We continue to nurture development and build staff capability at all levels to ensure we perform our functions with an unwavering focus on respect, excellence, integrity, collaboration and service.

"The heart of our agency is our people and our values, and I am pleased to note our ongoing commitment to a diverse workforce that represents the community we serve."

A focus on developing and growing our leaders is shown in our strong employee engagement and positive culture measures. Our people have regular values-based conversations with their leaders, which is an important part of embedding integrity and accountability.

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

I am proud of the significant progress made through 2023/24, and I look forward to working with our stakeholders over the year ahead to embrace the new legislative framework and continuously improve our scheme.

I believe WorkCover WA is well-positioned to continue to lead the workers compensation scheme into the future.

Chris White
Chief Executive Officer
WorkCover WA

READ MORE

about the journey to legislative implementation

▶ PAGE 30

FINANCIAL SNAPSHOT

The majority of funding (66.46%) for our activities is derived from insurer contributions in the form of an annual levy on approved workers compensation insurers and approved self-insurers.

Table 1: WorkCover WA totals for 2023/24

| | |
|-------------|------------------|
| Revenue | \$30.684 million |
| Expenditure | \$29.125 million |

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

Table 2: WorkCover WA expenditure for 2023/24

| | |
|--|---------------------------|
| Employee benefits expenses | \$17.812 million (61.16%) |
| Supplies and services | \$4.274 million (14.68%) |
| Depreciation and amortisation expenses | \$0.906 million (3.11%) |
| Accommodation expenses | \$0.845 million (2.90%) |
| Grants and subsidies | Nil |
| Claims expenses | \$3.309 million (11.36%) |
| Other expenses | \$1.97 million (6.76%) |
| Loss on disposal of non-current assets | \$0.009 million (0.03%) |

REVENUE SNAPSHOT



PERFORMANCE SNAPSHOT

The outcomes of our activities and services are measured by Key Performance Indicators (KPIs) evaluating effectiveness and efficiency. The 2023/24 snapshot provides a scorecard of our performance for the year.

KEY EFFECTIVENESS PERFORMANCE

Effectiveness indicators measure our performance in achieving outcomes.

Table 3: Indicators of Effectiveness

| | | 2023/24 Target | 2023/24 Actual |
|-----|--|----------------|----------------|
| 1.1 | The number of non-compliance events identified as a result of a claim on the General Account | 5 | 10 |
| 1.2 | The proportion of conciliations completed within eight weeks | 97.0% | 92.2% |
| 1.3 | The proportion of disputes resolved within six months | 90.0% | 85.1% |

KEY EFFICIENCY PERFORMANCE

Efficiency indicators measure the overall efficiency of our service delivery.

Table 4: Indicators of Efficiency

| | | 2023/24 Target | 2023/24 Actual |
|-----|---|----------------|----------------|
| 1.1 | Average cost per employer compliance activity | \$258 | \$155 |
| 1.2 | Average cost per approved and monitored service provider | \$3,184 | \$2,595 |
| 1.3 | Average cost per client contact to provide information and advice | \$59 | \$76 |
| 2.1 | Average cost to complete a conciliation | \$2,305 | \$2,149 |
| 2.2 | Average cost to complete an arbitration | \$10,762 | \$11,944 |
| 2.3 | Average cost to process a Memorandum of Agreement | \$369 | \$386 |

ENABLING LEGISLATION

WorkCover WA is a statutory authority accountable to the Minister for Industrial Relations and is the government agency responsible for the regulation and administration of the workers compensation scheme in Western Australia.

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

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

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

The following subsidiary instruments support the enabling legislation:

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

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

From 1 July 2024, directly following the period of this annual report, the *Workers Compensation and Injury Management Act 2023* commenced operation and will be our primary enabling instrument going forward.

THE WESTERN AUSTRALIAN SCHEME

The scheme is designed to ensure workers suffering a work-related injury or illness are compensated for lost wages, medical expenses and other associated costs, and promotes active management of work-related injuries to achieve a safe and sustainable return to work.

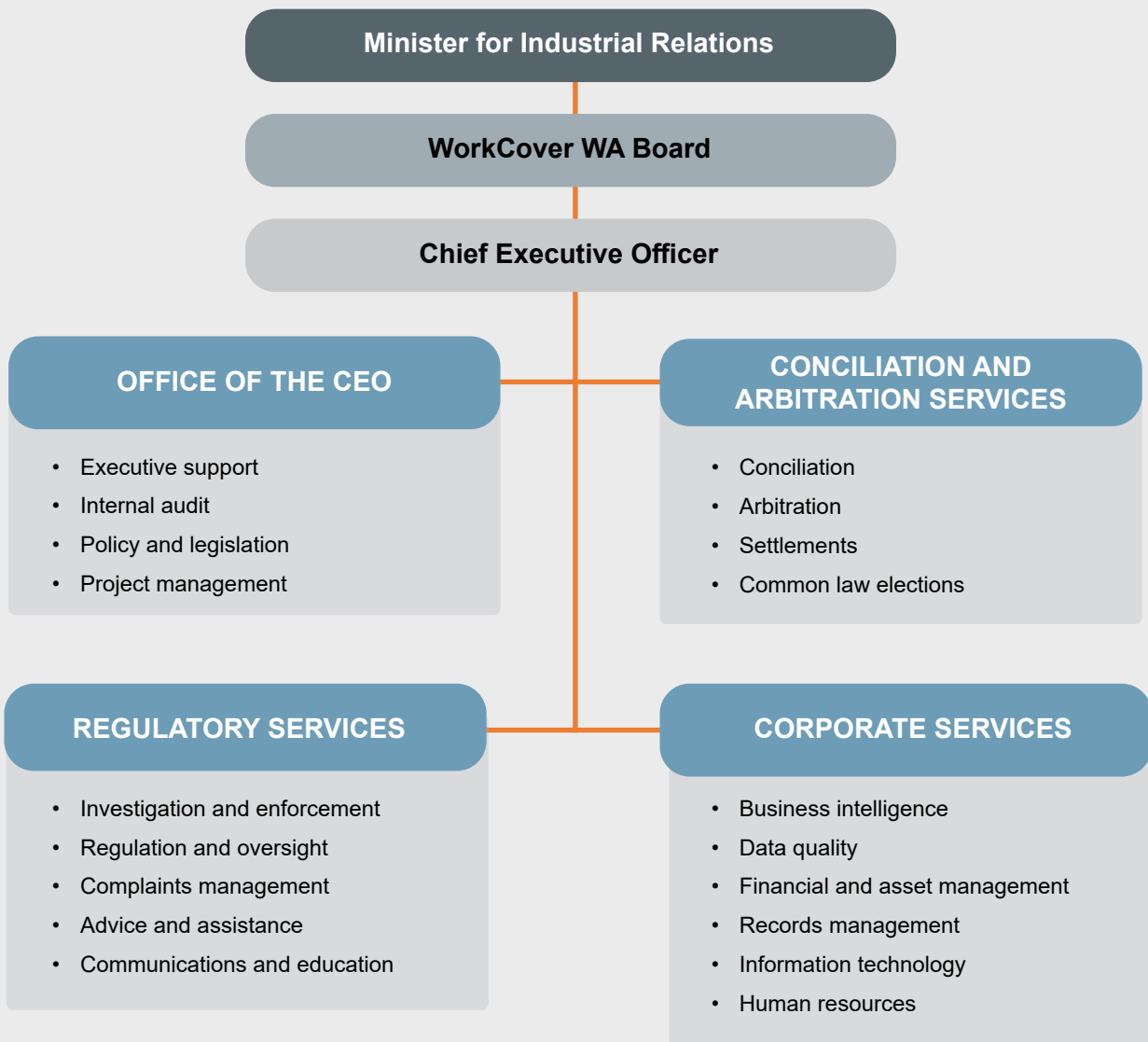
The scheme includes entitlements for injured workers and dependants of deceased workers, processes for noise induced hearing loss claims, assessment of permanent impairment and claims finalised through settlement by lump sum payment.

As the scheme is based on a 'no-fault' principle, an injured worker does not need to establish anyone was at fault or negligent to make a claim.

Employers are required to maintain current workers compensation insurance coverage for full-time, part-time and casual employees, and in some circumstances, contractors and subcontractors.

The Western Australian scheme is the largest privately underwritten workers compensation scheme in Australia.

ORGANISATIONAL STRUCTURE



AGENCY SNAPSHOT

FUNDING



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

RESOURCES



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

ADMINISTRATION



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

WORKCOVER WA BOARD

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



SHARRYN JACKSON

Chair, WorkCover WA Board

Meetings attended: 10/10

Sharryn Jackson was appointed Board Chair in January 2020.

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



CHRIS WHITE

Chief Executive Officer, WorkCover WA

Meetings attended: 10/10

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

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



DON CUNNINGHAME

Experienced in accounting and internal audit

Meetings attended: 10/10

Appointed to the Board in January 2023.

Don Cunninghame has 30 years' experience at the Office of the Auditor General, as well as extensive knowledge of internal auditing and accounting. Mr Cunninghame is a Fellow of CPA Australia and a Certified Information Systems Auditor (CISA).



LLEWELLYN JONES

Experienced in insurance matters

Meetings attended: 10/10

Appointed to the Board in January 2020.

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



OWEN WHITTLE

Experienced in workers' interests

Meetings attended: 10/10

Appointed to the Board in January 2014.

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



PETA LIBBY AM

Experienced in employers' interests

Meetings attended: 10/10

Appointed to the Board in December 2018.

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



SALLY NORTH

A/WorkSafe Commissioner of the Department of the Public Service of the State principally assisting the Minister charged with the administration of the Work Health and Safety Act 2020

Meetings attended: 6/7

Appointed to the Board in October 2023, replacing former WorkSafe Commissioner Darren Kavanagh. Meetings attended: 1/3

Sally North has over 23 years of experience in WA's work health and safety sector, and regulatory experience across a range of sectors. Ms North is actively involved in a number of state and national work health and safety committees.

Ms North became the acting WorkSafe Commissioner in September 2023 with oversight of WorkSafe's education, inspections, investigations, legal and regulatory teams. Ms North has been appointed WorkSafe Commissioner for a five-year term starting 1 July 2024.

CORPORATE EXECUTIVE

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



GARRY RUTHERFORD

Registrar Arbitration
Appointed 2023

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

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



KARIN LEE

General Manager
Conciliation and Arbitration
Services;
Director Conciliation
Appointed 2020

Karin Lee has extensive experience in workers compensation and injury management.

Ms Lee previously worked as a legal practitioner at the Chamber of Commerce and Industry WA and was formerly a member of the WorkCover WA Board and the Commission for Occupational Safety and Health.



REBECCA HARRIS

General Manager
Regulatory Services
Appointed 2023

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

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



JOHN HULL

Chief Finance Officer
Appointed 2010

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

Mr Hull is a Certified Practising Accountant.



BERNARD UNDERWOOD

A/General Manager
Corporate Services
Appointed 2023

Bernard Underwood has built a career in the public sector as a leading human resource practitioner.

Mr Underwood led multiple strategic initiatives and machinery of government changes in the education, training and development sectors.

OUR VALUES

Our values define what is important to us. These values underpin our interaction with Government, the community, stakeholders and each other.



Collaboration

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



Excellence

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



Integrity

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



Respect

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



Service

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

[READ MORE](#)

about our people

▶ PAGE 70

OUR STORIES 2023-2024

NEW ACT

The *Workers Compensation and Injury Management Act 2023* passed through the Parliament of Western Australia.



page 30



page 43

CONFERENCE 2023

We brought together stakeholders to move forward, together.



page 37

SUPPORTING BROKERS

We developed and released the *Insurance Brokers Principles and Standards of Practice*.



page 39

REGIONAL VISITS

We engaged with our stakeholders all over Western Australia.



page 37

PROSECUTION UNIT

We launched a new in-house prosecution unit to enhance our Compliance functions.



page 42

WORKSHOPS

We held in-depth workshops to support the transition to the new Act.

OUR STORIES 2023-2024

RESOURCES

We updated our website and publications to support our stakeholders.



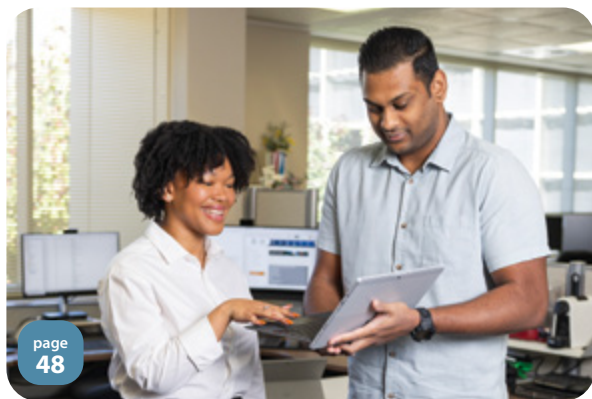
STAFF TRAINING

We continued our focus on staff training, building our capability to help our stakeholders in the Western Australian community.



INCLUSION

We continued to build a supportive and nurturing environment for all staff.



CYBER SECURITY

We implemented cyber security measures to protect our systems and data.



EDUCATION

We provided high quality advice and assistance all year round.



DISPUTE RESOLUTION

We provided a fair, timely and cost-effective system for resolving disputes.

WORKPLACE COMMITTEES

CONSULTATIVE

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

PERFORMANCE MANAGEMENT

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

The committee reviews integrated Key Performance Indicators (KPIs) and associated operational processes to ensure KPIs are integral to the corporate reporting framework.

Chaired by the CEO, the committee comprises KPI owners and senior staff.

Convened: 4

ACT IMPLEMENTATION

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

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

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

Convened: 23

JOINT CONSULTATIVE

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

Initiatives considered included flexible working arrangements and perception survey results.

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

Convened: 2

INFORMATION TECHNOLOGY COORDINATION

The committee coordinates information technology investments and digital services.

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

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

Convened: 8



The Diversity & Inclusion Committee at the 16 Days in WA March Against Domestic and Family Violence



WorkCover WA staff with Kendall Whyte, founder and CEO of Blue Tree Project

DIVERSITY AND INCLUSION

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

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

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

Convened: 4

WORK HEALTH AND SAFETY

The committee promotes positive safety, health and wellness outcomes.

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

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

Convened: 4

ADVISORY

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

AUDIT AND RISK MANAGEMENT

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

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

The committee comprises:

- Don Cunninghame (Chair)
Meetings attended: 5
- Sharryn Jackson
Meetings attended: 4
- Owen Whittle
Meetings attended: 4

Convened: 5

RISK MANAGEMENT

The committee oversees risk management processes, maintains our risk management framework and considers quarterly key risk indicator reports for escalation as necessary.

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

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

Convened: 4

NATIONAL COLLABORATION

In 2023/24 we collaborated with stakeholders and other external parties on policy development and research to ensure workers compensation and injury management outcomes continue to improve at all levels.

INDIAN OCEAN TERRITORIES (IOT) WORKING GROUP

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

We regularly take action to support the agreement, including a compliance and education visit to the Cocos (Keeling) Islands in January 2024.

WorkCover WA services in the IOT are funded by the Australian Government.

Attended: 2/2

SAFE WORK AUSTRALIA STRATEGIC ISSUES GROUP

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

Attended: 2/2

HEADS OF WORKERS' COMPENSATION AUTHORITIES (HWCA)

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

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

Attended: 2/2

PERSONAL INJURY EDUCATION FOUNDATION (PIEF)

PIEF develops industry training requirements and best practice professional development initiatives. Our CEO, Chris White, is a member of the PIEF Board.

We have collaborated with PIEF through 2023/24 to review training programs and ensure they have been updated to reflect legislative changes.

WorkCover WA is also pleased to be partnering with the Insurance Commission of WA to host the PIEF National Conference in Perth in October 2024.

Attended: Board: 4/4 | Audit and Risk: 2/2

WORKERS' VOICE STUDY

The Workers' Voice research study aims to re-imagine workers compensation in Australia by designing and modelling a system that builds on the voice of individuals who have lived experiences of making a claim. Led by Monash University, the study involves researchers worldwide, and is funded by the Australian Research Council.

WorkCover WA has supported the study by sharing information about the study on our website and social media to generate reach and ensure WA voices are heard.

WORKCOVER WA OPERATIONS

IT PAYS TO CARE

It Pays to Care is a call for change and action to improve health and recovery outcomes, and reduce barriers to care for people experiencing work injuries.

WorkCover WA has been pleased to work with It Pays to Care project leads to spread awareness of this valuable message, including at the WorkCover WA Conference 2023.

AUSTRALIA AND NEW ZEALAND SCHOOL OF GOVERNMENT (ANZSOG) - NATIONAL REGULATORS COMMUNITY OF PRACTICE (NRCOP)

WorkCover WA is a corporate member of the NRCOP – an active network of public sector regulators from all levels of government.

Membership provides an opportunity to connect with a community of regulators throughout Australia and New Zealand through training courses and networking events to enhance regulatory practice.

AUSTRALIAN TAXATION OFFICE (ATO)

WorkCover WA has collaborated with the ATO since 2020 to enhance compliance outcomes via data sharing arrangements. With exceptional outcomes recorded in 2022/23, this partnership continued in 2023/24.

WorkCover WA has also liaised with other workers compensation jurisdictions to maximise outcomes Australia-wide.

WorkCover WA was also pleased to work alongside other regulators to combat non-compliance as part of the ATO Shadow Economy Taskforce.

INTERNATIONAL COLLABORATION

WorkCover WA participated in an international knowledge sharing session with the Indonesian Fiscal Policy Agency in September 2023.

The workshop was led by the Centre for Financial Sector Policy, to investigate the role of compulsory insurance in outside jurisdictions as a benchmarking exercise that will work to inform their own industry reforms.

Ongoing communication and collaboration has occurred throughout the year with the Indonesian Fiscal Policy Agency and the Centre for Financial Sector Policy.



FUTURE EMPOWERED

STATE COLLABORATION

We regularly engage and collaborate with our stakeholders at a state level to promote open and transparent communication and early identification and management of systemic issues.

INSURANCE COUNCIL OF AUSTRALIA WA (ICA WA)

As the representative body of the general insurance industry in the state, members of the ICA WA represent 95% of total premium income within the scheme.

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

Attended: 3/3

CLAIMS MANAGERS ADVISORY GROUP

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

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

Attended: 4/4

INJURY MANAGEMENT ADVISORS GROUP

To provide the highest standard of injury management support for injured workers within Western Australia, insurer injury management advisors from across the scheme collaborate on scheme issues and initiatives.

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

Attended: 4/4

WORK HEALTH AND SAFETY COMMISSION

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

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

Attended: 8/9

NATIONAL INSURANCE BROKERS ASSOCIATION (NIBA) WA

WorkCover WA has worked closely with NIBA WA to develop and promote the contents of the newly released *Insurance Brokers Principles and Standards of Practice*.

READ MORE

about the *Insurance Brokers Principles and Standards of Practice*

▶ PAGE 39



Insurance Brokers Principles and Standards of Practice working group

WORKCOVER WA OPERATIONS

PUBLIC SECTOR SAFETY AND INJURY MANAGEMENT STEERING COMMITTEE

The committee comprises representatives from WorkCover WA, the Department of Energy, Mines, Industry Regulation and Safety, the Insurance Commission of Western Australia, the Mental Health Commission, the Public Sector Commission and relevant unions.

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

Attended: 3/3

DISPUTE SERVICES USERS GROUP

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

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

Convened: 2

SELF INSURERS ASSOCIATION WA

WorkCover WA recommenced regulatory meetings with the Self Insurers Association WA in the lead up to implementation of the new Act.

We have met and provided education and training opportunities for members of the association throughout the year.

REVENUE WA PHOENIXING TASKFORCE

As part of WorkCover WA's efforts to combat non-compliance at every level, we are pleased to have been part of Revenue WA's Phoenixing Taskforce.

AUSTRALIAN REHABILITATION PROVIDERS ASSOCIATION (ARPA) WA

WorkCover WA continued our collaborative relationship with ARPA WA.

We collaborated with ARPA WA throughout the year. Notably, the ARPA WA Excellence in Rehabilitation Awards were held in conjunction with the WorkCover WA Conference 2023.



Celebrating the workplace rehabilitation industry with ARPA WA President Robb Moffat

SPONSORSHIP

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

MONASH UNIVERSITY

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

Since 2019 WorkCover WA has provided annual funding and participated as a member of the Project Steering Group and Intervention Advisory Group. The project was completed in December 2023.

PERSONAL INJURY EDUCATION FOUNDATION (PIEF)

Our agency has been a corporate member of PIEF since its establishment in 2006. PIEF delivers education and training programs for people working in the personal injury and disability management industries in Australia.

WorkCover WA is pleased to collaborate with PIEF on a suite of national products, and will be partnering with the Insurance Commission of Western Australia to host PIEF's National Conference in October 2024.

Celebrating the ECU awards with lecturer Gregory Ho



AUSTRALIAN REHABILITATION PROVIDERS ASSOCIATION (ARPA) WA

WorkCover WA was a platinum sponsor of the ARPA WA Excellence in Rehabilitation Awards and sponsored the awards for Outstanding Achievement in Return to Work.

WORKPLACE GIVING PROGRAM

Staff have the opportunity to participate in the workplace giving program through fortnightly contributions. The contributions from staff were equally divided between community organisations Manna, RUAH, Wheels for Hope and Cat Haven.

FUTURE EMPOWERED

EDITH COWAN UNIVERSITY (ECU)

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

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

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

Our agency proudly supports two Workplace and Injury Management awards for ECU Health Sciences students.

Winners received a sponsored delegate ticket to the PIEF Conference 2024, giving them the opportunity to learn from expert presenters and form strong professional connections within the industry.

PROJECTS

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

WorkCover WA maintains a project management framework to develop and deliver projects from start to finish. Projects are overseen by the Program Management Office (PMO) to uphold project governance, ensure transparency and reusability for our projects and provide delivery support to project managers and team members.

We have three types of projects within our framework:

- **Strategic projects** are identified through the strategic planning cycle and involve a major change to the scheme or operations
- **Divisional projects** align with the strategic or operational priorities in our Business Plan
- **Tactical initiatives** provide a level of project governance and oversight to shorter discrete bodies of work which are not ‘business as usual’.

WorkCover WA’s annual Business Plan sets the agency’s strategic and operational context and provides information on the projects to be delivered. We identify and develop projects through an agency wide planning process in which opportunities and challenges for the agency and scheme are reviewed.

In 2023/24 our focus was on the implementation of the new Act, both within the agency and across the scheme. To ensure key milestones were achieved and internal readiness to implement the changes, our work centred on two strategic projects:

PHASE ONE

Regulations and Administrative Instruments Development and Implementation Consultation

This strategic project focused on the development of new regulations, administrative instruments and key approved forms.

A core component was significant internal and external consultation to ensure operational requirements were clearly articulated and practical in context of the scheme and the new Act.



PHASE TWO

New Act Implementation

This strategic project coordinated all the underlying projects and activities required to support and facilitate the effective implementation of the legislation.

This included key initiatives relating to communications, education, core system changes, divisional operations and Board arrangements.

The required outcomes for these initiatives were delivered through 61 product focused tactical initiatives.

PROJECT SNAPSHOT

3

Strategic projects

69

Tactical initiatives

11

Divisional projects

THE IMPLEMENTATION JOURNEY

A MODERNISED ACT

In October 2023 we celebrated a milestone for workers compensation and injury management in WA, with the passage of the *Workers Compensation and Injury Management Bill 2023* through Parliament.

While the 1981 Act has served the State well, over time it became increasingly complex and failed to keep up with new developments in the way people work.

The *Workers Compensation and Injury Management Act 2023* (the Act) represents a comprehensive rewrite of existing laws, while preserving fundamental aspects of the scheme which have served the WA community well.

PROCLAMATION

In March 2024 the commencement date of 1 July 2024 was proclaimed by the Governor in Executive Council.

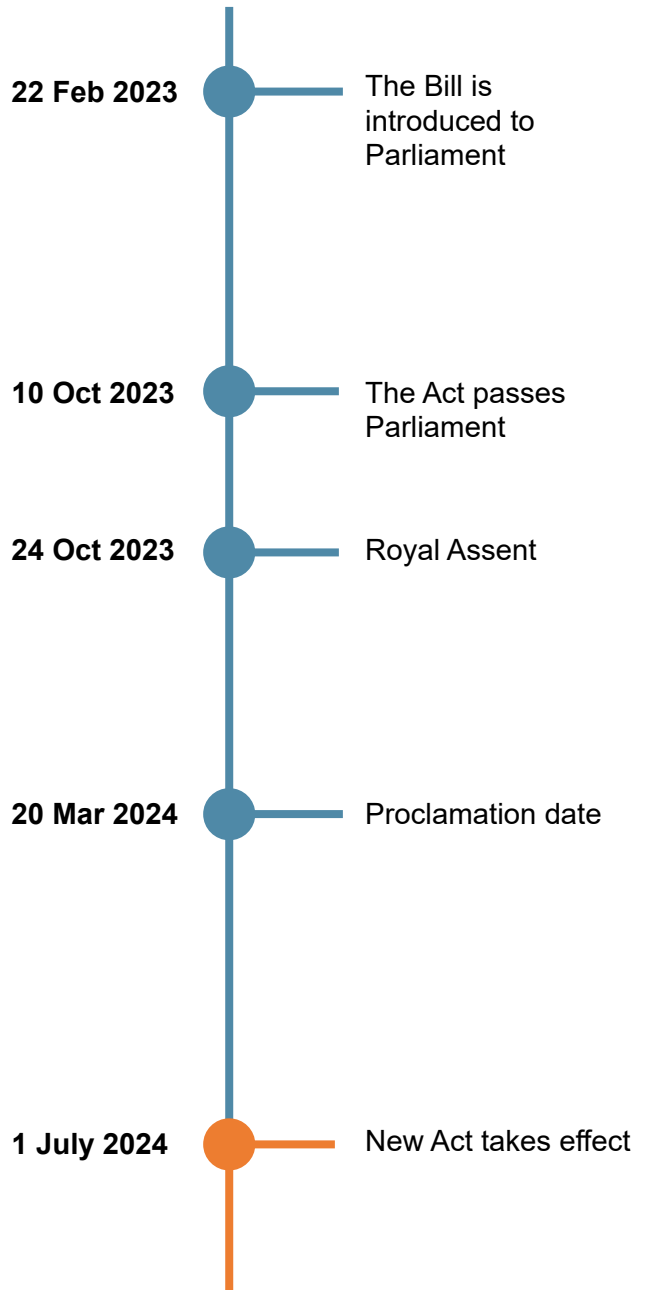
REGULATIONS

Regulations supporting the Act were developed following extensive public consultation.

Written submissions were invited from stakeholders and the public on key proposals for the regulations and other administrative instruments to support the Act.

The *Workers Compensation and Injury Management Regulations 2024* were enacted in March 2024.

TIMELINE



THE ARCHITECT OF CHANGE

Kevin Gillingham, Manager Policy and Legislation, has been on this journey from the beginning and continues to be heavily involved in consultation and stakeholder education. We acknowledge his significant contribution to building a sustainable future for the Western Australian scheme.



IMPLEMENTATION APPROACH

Through 2023/24 WorkCover WA's main focus was on supporting our stakeholders and staff on the journey towards implementation of the new legislation on 1 July 2024.

This included a comprehensive refresh of all resources including our website content, publications and educational videos. We also held 14 targeted *Future Empowered* workshops for our stakeholders to provide comprehensive information about the new framework to support the transition to the new Act.

Our four-stage implementation approach:



Engage

We consulted stakeholders on aspects of legislative and regulatory change.



Educate

We provided, and continue to provide, opportunities for deeper understanding and interactive learning.



Explain

We informed stakeholders of active and key changes.



Embed

We strengthened and scaled resources to ensure sustainable practices.

IMPLEMENTATION SNAPSHOT

5,886

stakeholders engaged with

101 presentations and workshops

Future Empowered workshops 14

74 submissions received on implementation consultation papers

information sheets produced 56

one updated and improved website



The four stage implementation approach in action

FUTURE EMPOWERED

'Future empowered' encapsulates the theme of moving forward and empowering our stakeholders and our staff to embrace major legislative change and lead the WA workers compensation scheme into the future.

WorkCover WA's ongoing focus is to support a smooth transition to the *Workers Compensation and Injury Management Act 2023*.

We are committed to building a responsive and sustainable scheme that serves all scheme participants and is fit to address the future needs of the state.

Our priority is to empower our stakeholders through ongoing collaboration and engagement, ensuring scheme participants are prepared for the changes which lie ahead.

While we look to the future, we continue to prioritise the delivery of key services and outcomes for scheme participants, to ensure:

- injured workers receive adequate financial and other support
- employers understand their rights and obligations
- service providers reflect our expectations in their operations
- the scheme remains financially viable
- disputes are resolved efficiently and professionally.

DIGITAL CAPABILITY

Developments in technology are increasing both innovation and disruption throughout the public sector and the workers compensation scheme. This new horizon provides WorkCover WA with enormous opportunities as well as challenges to harness new capabilities and navigate the implications of digitisation for our services and workforce.

New models of digital collaboration and the rise of automation, machine learning and artificial intelligence are demanding a better balance between opportunities for increased productivity and performance, and the significant risks for security and privacy. Accordingly, WorkCover WA's strategic priorities for 2024/25 are below:

CYBERSECURITY MATURITY

This project will continue our progression towards compliance with the WA Government Cybersecurity Policy, including meeting the required maturity level and implementing the Essential Eight measures.

ROADMAP FOR CASE MANAGEMENT SYSTEMS

This initiative will establish a future strategy for the replacement of all our core case management systems, including assessing whether off-the-shelf systems are a viable alternative.

[READ MORE](#)

[about our cybersecurity approach](#)

▶ [PAGE 48](#)

2

PERFORMANCE

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

SCHEME REGULATION

Regulation of scheme participants for compliance with legislative requirements

SCHEME SERVICES

Provision of dispute resolution and other services to scheme participants

SCHEME PERFORMANCE TRENDS

As regulator and administrator of the workers compensation scheme, WorkCover WA continued to monitor key performance trends in 2023/2024.

RECOMMENDING PREMIUM RATES

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

We publish annual recommended premium rates for workers compensation insurance for each industry. The average recommended premium rate for 2024/25 will increase to 1.732% of total wages, up from 1.727% of total wages for 2023/24.

Insurers can discount recommended premium rates by any amount or load by up to 75%. Under the 1981 Act, insurers seeking to charge a loading of more than 75% on a recommended premium rate required approval from the WorkCover WA Board. In 2023/24 loading applications decreased by 21.2%, from 862 to 679. Under the new Act the requirement for Board approval has been removed.

When an employer does not consent to the premium loading, they can appeal to WorkCover WA. In 2023/24 appeal applications decreased by 23.7%, from 304 to 232.

OVERSEEING SCHEME PAYMENTS

During 2023/24, \$1.40 billion was paid for claims. A total of \$1.25 billion was paid for the benefit of workers, comprising:

- 68.4% of payments were paid directly to workers in the form of income payments and common law and lump sum settlements
- 20.9% of payments were made for treatment services, such as medical, allied health and workplace rehabilitation services
- the remaining 10.7% of payments were related to legal and other services.

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

Comprehensive information on scheme performance is available on our website. Injured workers have a range of statutory entitlements available to assist them in their recovery from a workplace injury and return them to suitable and sustainable employment.

FUTURE EMPOWERED

WORKERS COMPENSATION PAYMENTS FOR 2024/25

The Indexation of Workers Compensation Payments 2024/25 Schedule (Schedule) provides the list of indexed entitlements to apply from 1 July 2024.

The Schedule includes indexation of the general maximum amount for income compensation (formerly the Prescribed Amount). This is the maximum amount an injured worker can receive for weekly payments for loss of earnings and permanent impairment during the life of the claim.

Some workers may be entitled to extensions to the maximum amount for income compensation, medical and other expenses.

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

The general maximum amount for income compensation for 2024/25 increased from \$252,724 to \$264,487. Over the last five years the general maximum amount has increased by 14%.

SCHEME PERFORMANCE

CLAIMS

From 2019/20 to 2023/24 the annual number of claims lodged in the scheme increased by 11.0%, from 26,014 to 28,871.

Of the 28,871 claims in 2023/24, 37.2% had no lost-time and 62.8% involved at least one day or shift off work (lost-time claims).

Of the lost-time claims lodged in 2023/24, 46.3% had 60 or more days or shifts lost, representing 29.1% of all claims lodged. The claim statistics show the proportion of workers returning to work decreases as the number of days away from work increases.

Increased scrutiny and compulsory monthly reporting of pended claims has resulted in a 75% reduction in pended claims greater than 90 days since 2022/23.

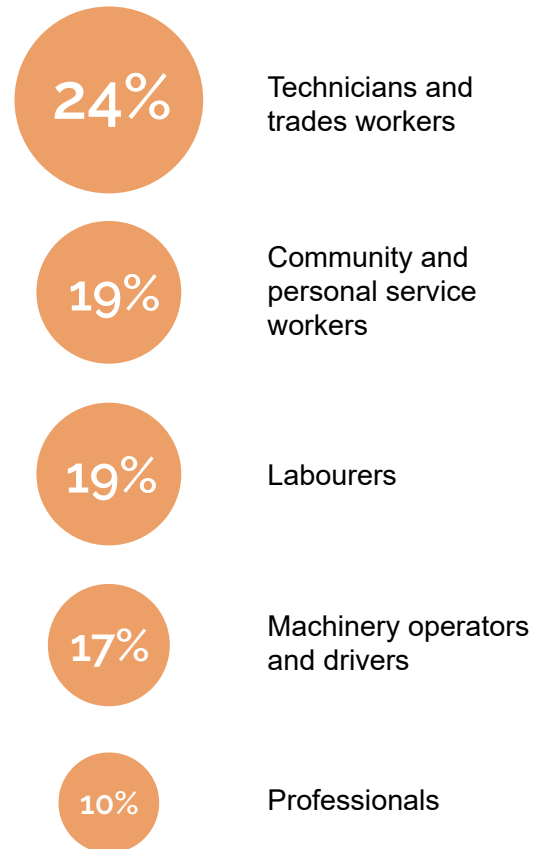
RETURN TO WORK

The impacts of work-related injury and illness on affected workers can be devastating, and can often reverberate through families, communities and workplaces.

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

Returning to work promptly and safely has positive health benefits for workers who have been injured at work. For claims lodged in 2023/24 the three month return to work rate was 84.5%.

TOP FIVE OCCUPATIONS FOR LOST-TIME CLAIMS



▶ Read more in our Annual Statistical Report

PERFORMANCE SNAPSHOT

| | | | | |
|----------------------------------|---------------|----------------|------------------------------------|-------------------------------------|
| 1.73% | 28,871 | \$1.40b | 84.5% | 46.3% |
| Average recommended premium rate | Claims lodged | Claim payments | Return to work within three months | Lost-time claims with 60+ days lost |

COMPLIANCE

The focus of compliance at WorkCover WA is to identify suspected breaches of statutory obligations, to investigate breaches and pursue appropriate enforcement action when required. We have also increased our capacity to proactively educate stakeholders on their legal obligations.

STRENGTHENING COMPLIANCE

In 2023/24 we conducted 40,981 compliance activities, an increase from 28,656 in 2022/23.

As a regulator, we recognise the important role our compliance and enforcement activities play in ensuring employers have a policy of workers compensation insurance.

Most employers learn about their obligations and are diligent in protecting their workers and paying their insurance premiums. Those who fail to exercise this diligence, benefitting financially while putting their workers at risk, face enforcement action.

Investigations are conducted when available data, including external data from the ATO, indicates an entity is employing workers without the required insurance in place. The data matching process prioritises more serious offences according to the size of the workforce, time without a policy and industry risk.

Enforcement outcomes are informed by the severity of harm or potential harm, the degree of negligence and the need for deterrence. Investigations resulted in a total of 1,300 enforcement actions comprising caution notices, infringement notices and prosecutions.

PROMOTING VOLUNTARY COMPLIANCE

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

We continued to refine our initiative launched in 2022/23 to proactively promote voluntary compliance. Targeted educational information about employer obligations was sent to the following priority groups:

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

Over 134,000 interactions via text, email and registered mail resulted in 5,940 employers taking out a policy of workers compensation insurance, and \$47,551,624 raised for the premium pool.

COMPLIANCE SNAPSHOT

| | | | | |
|-----------------------|-----------------|----------------------|------------------------|------------------------|
| 40,981 | 704 | 500 | 96 | \$4.78M |
| Compliance activities | Caution notices | Infringement notices | Prosecutions completed | In fines and penalties |

SCHEME PERFORMANCE

REACHING EMPLOYERS

In some circumstances, an investigation requires an in-person visit in order to be resolved. WorkCover WA inspectors regularly attend workplaces and residential addresses to progress investigations.

In 2023/24 WorkCover WA inspectors had 263 in-person interactions with parties to an investigation.

REGIONAL ENGAGEMENT

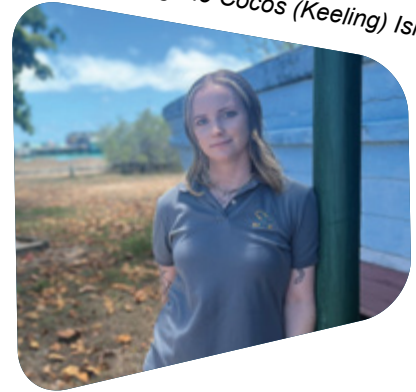
Engaging with regional stakeholders is a high priority for WorkCover WA. This promotes compliance throughout Western Australia so that all workers, regardless of location, are covered by a policy.

WorkCover WA regularly conducts education and compliance activities in high density regional areas and conducts site inspections and educational visits as required.

In January 2024 WorkCover WA inspectors visited the Indian Ocean Territories (IOT) on a compliance and education visit. WorkCover WA activities in the IOT are funded by the Australian Government.



Inspectors visiting the Cocos (Keeling) Islands



FUTURE EMPOWERED

NEW PROSECUTION UNIT

Enforcement action ensures that non-compliant employers are held to account and do not unfairly benefit from negligent business practices. Prosecution is an enforcement response reserved for the most serious offences.

Optimisation of data matching processes has led to significant increases in our capacity to detect non-compliance and a subsequent increase in prosecutions over recent years.

As a result, WorkCover WA introduced an in-house Prosecution Unit in October 2023. Our new unit has significantly decreased the time taken to progress a case from the preparation of the brief to the hearing date.

The Prosecution Unit made their first court appearance on 1 December 2023.

We thank the State Solicitor's Office, who previously managed all WorkCover WA prosecution matters, for their ongoing assistance and advice.

SUPPORTING COMPLIANCE

Compliance activities are supported by educational initiatives and resources, adapted to meet evolving stakeholder needs.

SUPPORTING OUR CULTURALLY AND LINGUISTICALLY DIVERSE STAKEHOLDERS

Culturally and linguistically diverse employers have been represented at a disproportionately high rate in enforcement actions.

As a result, in 2023/24 WorkCover WA translated our key employer publication, *Workers Compensation Essentials: Employer Fact Sheet*, into six additional languages:

- Mandarin
- Cantonese
- Arabic
- Tagalog
- Vietnamese
- Punjabi.

Many of our publications and educational videos for workers and employers are available in languages other than English.

In addition to translated resources, we also encourage use of an interpreter service when required to ensure high quality service delivery and outcomes. This service is free and assists in answering enquiries, managing investigations and resolving disputes.

Working with our culturally and linguistically diverse stakeholders to optimise access to up-to-date resources and information is an ongoing priority for WorkCover WA, and we will continue this engagement in 2024/25.

EDUCATIONAL INITIATIVES

With a high volume of enforcement actions, WorkCover WA has also invested in educating employers on common misconceptions about workers compensation insurance.

Our targeted series of social media advertisements aimed to dispel some of the most common myths around workers compensation insurance to improve voluntary compliance.

The social media campaign resulted in increased engagement with our educational resources for employers and our Advice and Assistance Service.



Social Media *Let's talk: Misinformation* campaign

REGULATING SERVICE PROVIDERS

Introducing the *Insurance Brokers Principles and Standards of Practice*

Insurance brokers are a key stakeholder in the Western Australian scheme, playing an increasingly important role in supporting insurers, employers and workers. While the performance of most service providers in our scheme is regulated, brokers have never been directly regulated by WorkCover WA.

In 2023/24 WorkCover WA finalised the development of our new product, the *Insurance Brokers Principles and Standards of Practice* (Principles and Standards). The Principles and Standards are effective from 1 July 2024.

The Principles and Standards provide a comprehensive set of service expectations to support insurance brokers in the performance of their functions.

WORKING GROUP

The Principles and Standards were developed in collaboration with a working group of insurance brokers and other key industry stakeholders.

We thank our working group for their time, expertise and commitment to creating this product.

LAUNCH

The Principles and Standards were launched to a full house of insurance brokers, insurers and other stakeholders on 1 February 2024.

The launch was followed by a series of information sessions for broking firms to explore the Principles and Standards in detail.

ONLINE TRAINING

WorkCover WA is developing an online training program in collaboration with the Personal Injury Education Foundation to support insurance broker learning.

The program will provide an overview of the WA scheme and will include in-depth information about the Principles and Standards to support brokers with putting them into practice.

The training program is set to launch in 2024/25.

▶ [Read the Principles and Standards on our website now](#)



Insurance Brokers Principles and Standards of Practice launch event

REGULATION

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

APPROVING SERVICE PROVIDERS

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

During 2023/24 there were 1,408 approved service providers, comprising:

1

INSURANCE COMMISSION OF WESTERN AUSTRALIA

6

INSURERS

23

SELF-INSURERS

53

WORKPLACE REHABILITATION PROVIDERS

317

REGISTERED AGENTS

285

APPROVED MEDICAL SPECIALISTS

723

NOISE PRACTITIONERS

MANAGING SERVICE PROVIDER COMPLAINTS

Where a complaint is made against a service provider, we require this to be addressed in the first instance through the service provider’s Internal Dispute Resolution Process (IDRP).

Where there is no resolution through the IDRP, complaints are investigated by WorkCover WA. Of the 37 complaints against approved service providers received, 15 were substantiated.

Where complaints about insurers were substantiated, improvement notices were issued.

Table 5: Substantiated Complaints Against Service Providers

| | 2023/24 |
|------------------------------------|---------|
| Insurers | 15 |
| Self-insurers | 0 |
| Registered agents | 0 |
| Workplace rehabilitation providers | 0 |
| Hearing practitioners | 0 |
| Approved medical specialists | 0 |

REVIEWING INSURER PERFORMANCE

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

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

Through face-to-face meetings with individual insurers, we came together to discuss performance, highlight areas for improvement and identify systemic issues.

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

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

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

REVIEWING SELF-INSURER PERFORMANCE

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

The performance of self-insurers is reviewed every six months against the Principles and Standards. These reviews provide an opportunity for self-insurers to compare their claims management performance with others across the scheme.

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

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

LICENSING SERVICE PROVIDERS

In readiness for implementation of the new Act, a new licensing framework for service providers was rolled out during the fourth quarter of 2023/24.

Licenses are one of the most well-established and enduring regulatory tools available, and are a crucial way WorkCover WA will continue to regulate service providers within our scheme.

All current approved service providers were granted a licence under the new Act. The licences commenced on 1 July 2024 for an indefinite period. The new licence certificate sets out the conditions which must be complied with by service providers to maintain their licence.

FUTURE EMPOWERED

COMMUNICATIONS AND EDUCATION

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

ADVICE AND ASSISTANCE

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

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

Topics regularly raised with our team include:

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

BRAND REFRESH

After 17 years WorkCover WA has refreshed our branding and corporate colours to a new and modern look.

Coinciding with the new Act, we have updated our website and publications to reflect this new branding.

Practically, this update means that our stakeholders will be able to visually identify our current publications and content by their clean, modern look and feel.



BEFORE



AFTER

COMMUNICATIONS AND EDUCATION SNAPSHOT

19,902

Queries logged by the advice and assistance team

2,267

Subscribers to our monthly eNewsletter

101

Presentations delivered to our stakeholders

3,375

Publications sent to our stakeholders

92%

Increase in LinkedIn followers



HIGHLIGHTS



OPENING REMARKS

The Hon. Bill Johnston, former Minister for Industrial Relations opened the Conference to a packed crowd of 650 delegates, announcing the passage of the *Workers Compensation and Injury Management Bill 2023* through parliament earlier that same week.

CAPTIVATING KEYNOTES

Opening keynote speaker Dr Catriona Wallace’s engaging presentation explored how Artificial Intelligence will shape the future of work.

Kurt Fearnley AO closed our Conference with a moving and inspiring presentation about the importance of perseverance and embracing a world of diversity.



POWERFUL PANELS

Multiple panel discussions provided insights into different aspects of the scheme – with panellists from the National Insurance Brokers Association and It Pays to Care providing expert insights.

FORECASTING CHANGES

Our CEO Chris White provided an update on the state of the scheme and WorkCover WA’s approach to supporting stakeholders through upcoming legislative reform.

MARKETPLACE MAGIC

Our vibrant marketplace was teeming with exhibitors and attractions throughout the day, providing a platform for delegates to network and engage in discussions with colleagues and service providers in our industry.



ARPA AWARDS NIGHT

The ARPA WA Excellence in Workplace Rehabilitation Awards, held on the evening of the Conference, provided the perfect end to an incredible day. The Awards celebrated excellence in workplace rehabilitation, showcasing the initiatives and achievements of providers across the scheme.



COMING UP

While there is no WorkCover WA Conference in 2024, we are proudly a major sponsor of the PIEF National Conference 2024, and look forward to working with PIEF to bring this unmissable event to Perth for the first time.

SERVICES TO SCHEME PARTICIPANTS

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

INDUSTRIAL DISEASES MEDICAL PANEL

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

The IDMP comprises physicians who specialise in diseases of the chest or occupational diseases.

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

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

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

The IDMP Chairs comprised:

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

The IDMP members comprised:

- Dr David Bucens
- Professor Bruce Robinson

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

The IDMP convened on 20 occasions and made 45 determinations. Of those determinations, two were related to silicosis, with one from the engineered stone industry and one from the mining industry.

From 1 July 2024 the Industrial Diseases Medical Panel is known as the Dust Diseases Medical Panel (DDMP).

Table 6: Number of Disease Determinations

| | 2023/24 |
|--|---------|
| Pneumoconiosis | 10 |
| Silicosis | 2 |
| Pneumoconiosis and Diffuse Pleural Fibrosis | 0 |
| Pneumoconiosis, Mesothelioma, Diffuse Pleural Fibrosis and Lung Cancer | 0 |
| Diffuse Pleural Fibrosis | 3 |
| Mesothelioma | 24 |
| Lung Cancer | 2 |
| Determinations where disease present but a 0% level of impairment | 3 |
| Determinations where disease not present | 1 |

APPROVED MEDICAL SPECIALISTS

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

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

WorkCover WA designated 28 new approved medical specialists in 2023/24. As at 30 June 2024, there are 285 approved medical specialists in the scheme.

From 1 July 2024 approved medical specialists (AMS) are referred to as Approved Permanent Impairment Assessors (APIA).

NOISE INDUCED HEARING LOSS (NIHL)

It is compulsory under the 1981 Act for employers to arrange and pay for baseline and subsequent hearing tests for all workers in a prescribed workplace. WorkCover WA maintains and monitors hearing test results.

Table 7: Number of hearing assessments

| | 2023/24 |
|--|---------|
| Workers identified with potential noise induced hearing loss claims | 1,152 |
| Full audiological assessments arranged | 195 |
| Otorhinolaryngology (ear, nose and throat) assessments of occupational hearing loss arranged | 160 |
| Successful claims for work-related gradual onset NIHL | 47 |
| First election claims (10% permanent hearing loss) | 45 |
| Subsequent election claims (additional 5% permanent hearing loss) | 2 |

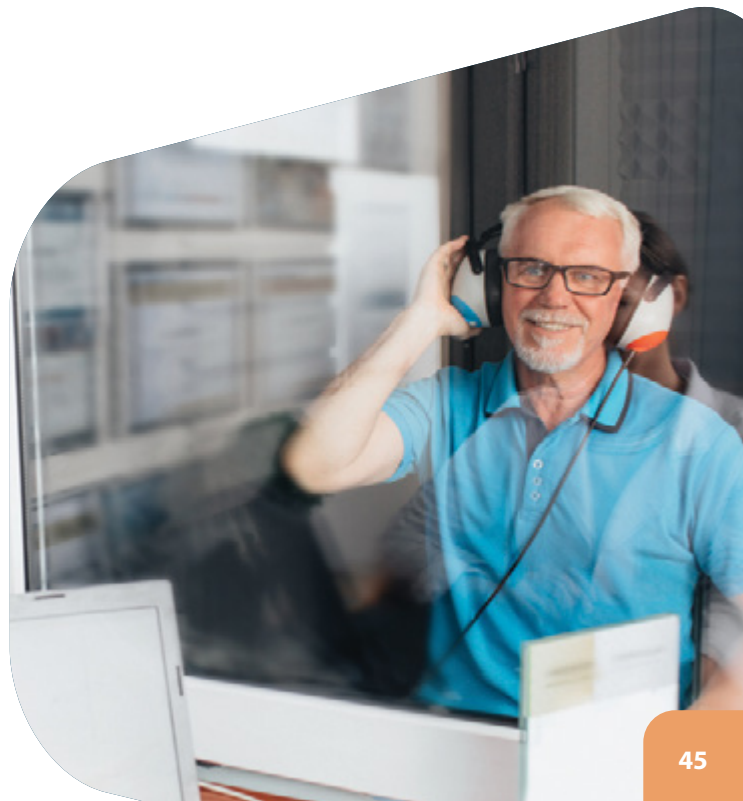
FUTURE EMPOWERED

NEW NIHL FRAMEWORK

With the introduction of the new legislative framework, there will be changes to how WorkCover WA’s authorised audiologists and Ear, Nose and Throat (ENT) specialists will operate as service providers within the workers compensation scheme.

From 1 July 2024 audiologists will be required to complete audiological tests, to determine percentage hearing loss. Authorised audiologists will be expected to conduct audiological tests for workers compensation purposes in accordance with the standards approved by the WorkCover WA CEO.

ENT specialists will be required to complete NIHL assessments to determine percentage NIHL where the audiological assessment shows requisite hearing loss, using the approved form.



DISPUTE RESOLUTION

The Conciliation and Arbitration Services Division at WorkCover WA is responsible for resolving disputes, handling settlements and recording common law elections.

MANAGING DISPUTES

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

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

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

CASE MANAGEMENT

Case management is the process of handling a dispute from lodgement to completion and includes administrative tasks, maintenance of dispute files and collecting necessary evidence.

The dispute resolution case management model is continuously reviewed to identify practical improvements and increase efficiency. The case management model in the Arbitration Service was updated in 2023/24. This follows the successful implementation of proactive case management support in the Conciliation Service with the introduction of Senior Case Management Officers and new electronic case management functionality in 2022/23.

The updated case management model promotes earlier document lodgement, improves compliance with arbitration orders, minimises the need for directions hearings and increases administrative support for Case Management Arbitrators.

As a result of this initiative, there was a reduction in the number of late adjournments of directions hearings and fewer unused listing slots as parties were better prepared. Further, around 20% of cases with proactive case management were resolved without the need for a pre-arbitration conference or formal hearing.

DISPUTE RESOLUTION SNAPSHOT

| | | | | |
|-------------------------|------------------------|----------------------------------|----------------------------|--------------------------------|
| 2,511 | 553 | 3,199 | 4,224 | 276 |
| Conciliations completed | Arbitrations completed | Memoranda of Agreement processed | Settlement deeds processed | Common law elections processed |

SCHEME SERVICES

JOURNEY TO SMART SETTLEMENTS

The Director Conciliation is responsible for registering settlement agreements and continually aims to improve handling processes in relation to settlements. In 2023/24 we implemented several process improvements to alleviate the need for settlements to be referred to an Arbitrator due to minor administrative issues, and improve efficiency by transitioning away from paper-based activities.

The smart settlements project commenced in 2021/22 as a full review of the settlements process, to identify potential improvements and optimise use of technological solutions.

In 2023/24 we progressed to developing system upgrades and more online compliance check functionality in line with implementation of the new Act. This work will ensure the settlements team is well-placed to continue delivering timely and high-quality services to stakeholders after 1 July 2024.

System and procedural changes will continue to be progressed with the aim of facilitating increased online negotiation and execution of settlements.

COMMON LAW ELECTIONS

Workers with a permanent whole of person impairment or at least 15% impairment can elect to retain their right to pursue common law damages. To make the election, it must be lodged with the Director Conciliation for recording.

In 2023/24, 276 common law elections were recorded.

SUPPORTING DEPENDENCY CLAIMS

When a worker has died because of a work-related injury or illness, a claim for compensation can be made by the worker's dependants.

Compensation may include a lump sum payment, a regular allowance for dependent children and funeral expenses.

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

In 2023/24 there were 14 dependency claims made, compared to 22 in 2022/23.



WorkCover WA staff at our Future Empowered event for Conciliation and Arbitration users

FUTURE EMPOWERED

LOOKING AHEAD

In 2023/24 a key focus for Conciliation and Arbitration Services was preparing for the transition to new Workers Compensation and Injury Management Conciliation Rules and Arbitration Rules.

The changes reflect new terminology and improved practices in dispute resolution and online lodgement of documents.

To support a smooth transition for users of Conciliation and Arbitration Services, internal and external training and workshops were provided to staff and stakeholders about the content of the new legislation and practical effects of the changes.

CYBER SECURITY

In an environment of ever-increasing cybersecurity threats, we have been proactively implementing measures to manage the security of critical systems and stakeholder information.

Our approach is guided by the Western Australian Government’s Cyber Security Policy. All state government agencies are required to implement a baseline set of technical controls to ensure compliance with the Australian Cyber Security Centre (ACSC) Essential Eight security controls.

During 2023/24 we completed a substantial body of work that has resulted in significant progress towards meeting Essential Eight requirements.

In October 2023 WorkCover WA engaged an external consultant through the Office of Digital Government (DGov) to assess the agency’s progress against the Essential Eight. The assessment highlighted where WorkCover WA had met requirements, and recommended actions to achieve maturity targets.

In their assessment report, DGov commented:

“WorkCover WA is to be commended for their excellent work to improve the security of their systems and implement the ACSC Essential Eight mitigation strategies. Their approach has been effective and should result in a high level of cyber resilience for the agency.”

Progress towards achieving the highest maturity levels for all Essential Eight controls and maintenance of existing cyber security strategies will continue to remain a priority for WorkCover WA under current and future strategic plans.

FUTURE EMPOWERED

CYBER SECURITY TRAINING

In the first half of 2024 all staff participated in a comprehensive training program to promote vigilance and understanding around cyber security practices.

The training sessions highlighted potential risks through relevant examples and provided practical guidance on how to identify and respond to cyber security threats.



3

DISCLOSURES AND LEGAL COMPLIANCE

KEY PERFORMANCE INDICATORS

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

GOVERNANCE DISCLOSURES

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

INDICATORS AT A GLANCE



INDICATOR OF EFFECTIVENESS

1.1 The number of non-compliance events identified as a result of a claim on the General Account



1.2 Proportion of Conciliations Completed within Eight Weeks



1.3 Proportion of Disputes Resolved within Six Months



INDICATOR OF EFFICIENCY

1.1 Average cost per employer compliance activity



1.2 Average cost per approved and monitored service provider



1.3 Average Cost Per Client Contact to Provide Information and Advice



2.1 Average Cost to Complete a Conciliation



2.2 Average Cost to Complete an Arbitration



2.3 Average Cost to Process a Memorandum of Agreement



CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess WorkCover WA's performance, and fairly represent the performance of WorkCover WA for the reporting period ended 30 June 2024.



Sharryn Jackson
Board Chair
WorkCover WA
30 August 2024



Chris White
Chief Executive Officer
WorkCover WA
30 August 2024

INFORMATION IN SUPPORT OF KEY PERFORMANCE INDICATORS

Government Goals provide an expression of high level policies and/or priorities that support the Government’s vision to improve the quality of life for all Western Australians and are supported at departmental level by agency specific desired outcomes.

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

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

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

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

Government Goals introduced from 2022/23 are:

- 

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

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

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

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

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

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

- delivering advice and guidance about workers compensation, injury management and return to work practices
- providing active, responsive and transparent management of the scheme
- undertaking focused information, education and compliance activities
- facilitating fair and timely dispute resolution
- applying a strong service focus.

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

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

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

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

OUTCOME BASED MANAGEMENT STRUCTURE

GOVERNMENT GOAL

STRONG AND SUSTAINABLE FINANCES

– RESPONSIBLE, ACHIEVABLE, AFFORDABLE BUDGET MANAGEMENT.

Desired Outcome

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



Key Effectiveness Indicators

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

Service 1: Scheme Regulation

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



Key Efficiency Indicators

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

Service 2: Scheme Services

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



Key Efficiency Indicators

- Average cost to complete a conciliation
- Average cost to complete an arbitration
- Average cost to process a Memorandum of Agreement

REVIEW OF THE OUTCOME BASED MANAGEMENT STRUCTURE

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

The agency did not make any changes to its OBM Structure in 2023/24 as the *Agency Level Desired Outcomes*, Services and KPIs remain relevant and appropriate.

INDEPENDENT AUDIT OPINION

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

KEY PERFORMANCE INDICATORS SNAPSHOT

Table 8: Key Performance Indicators of Effectiveness

| # | Indicator | 2019/20 Actual | 2020/21 Actual | 2021/22 Actual | 2022/23 Actual | 2023/24 Actual | 2023/24 Target |
|-----|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1.1 | The number of non-compliance events identified as a result of a claim on the General Account | 0 | 5 | 5 | 7 | 10 | 5 |
| 1.2 | The proportion of conciliations completed within eight weeks | 96.6% | 94.8% | 90.8% | 89.1% | 92.2% | 97.0% |
| 1.3 | The proportion of disputes resolved within six months | 85.6% | 83.0% | 83.6% | 82.3% | 85.1% | 90% |

Table 9: Key Performance Indicators of Efficiency¹

| # | Indicator | 2019/20 Actual | 2020/21 Actual | 2021/22 Actual | 2022/23 Actual | 2023/24 Actual | 2023/24 Target |
|-----|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1.1 | Average cost per employer compliance activity | \$350 | \$270 | \$211 | \$210 | \$155 | \$258 |
| 1.2 | Average cost per approved and monitored service provider | \$2,614 | \$2,882 | \$3,015 | \$3,026 | \$ 2,595 | \$3,184 |
| 1.3 | Average cost per client contact to provide information and advice | \$85 | \$94 | \$77 | \$71 | \$76 | \$59 |
| 2.1 | Average cost to complete a conciliation | \$2,202 | \$2,055 | \$1,980 | \$2,075 | \$2,149 | \$2,305 |
| 2.2 | Average cost to complete an arbitration | \$9,162 | \$9,495 | \$10,739 | \$9,911 | \$11,944 | \$10,762 |
| 2.3 | Average cost to process a Memorandum of Agreement | \$505 | \$497 | \$525 | \$415 | \$386 | \$369 |

¹ Efficiency Indicators have not been adjusted for inflation

KEY PERFORMANCE INDICATORS OF EFFECTIVENESS

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

WorkCover WA's Agency Level Desired Outcome is: *To ensure a workers compensation and injury management scheme that is financially viable, contemporary, and integrated whilst providing services that are fair, accessible, timely and cost effective for all participants.*

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

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

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

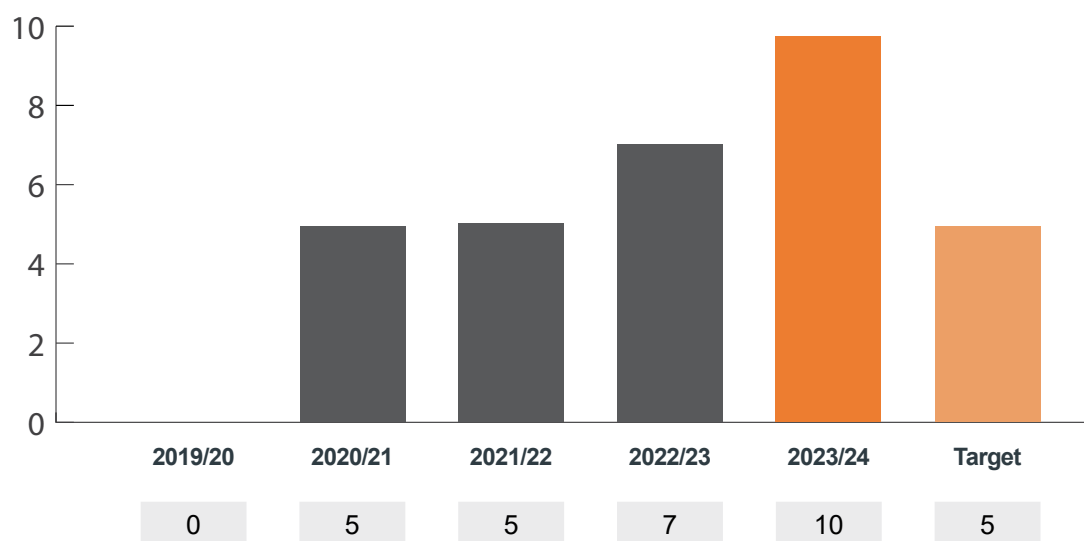
The indicators relate directly to the two services provided by WorkCover WA:

- **Scheme Regulation**
- **Scheme Services.**

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

INDICATOR OF EFFECTIVENESS 1.1

The number of non-compliance events identified as a result of a claim on the General Account



INDICATOR OF EFFECTIVENESS 1.1 (CONTINUED)

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

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

A non-compliance event is defined as:
A health and safety incident involving a worker or workers of an uninsured employer, which has a financial impact on WorkCover WA's General Account by way of an uninsured claim payment.

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

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

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

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

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

To determine the target for this KPI, a benchmark of one uninsured claim per 5,000 insured claims has been set based on figures two years in arrears, due to the lag nature of the data. Therefore, the target for 2023/24 uses the 2021/22 year figure of 26,444² and sets the target figure as 5.

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

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

² The figure quoted is that available at the time of setting the target in April 2023 and the figures for the two years previous is used, due to this being lag data. The number of insured claims is based on the insurer received date and excludes asbestos and industrial disease, journey and invalid claims. The number of claims quoted may vary from those previously published due to delays in claim reports to WorkCover WA from insurers.

ANALYSIS

In 2023/24 there were ten non-compliance events resulting in a claim paid from the General Account. This is five more than both the target and the 2022/23 result.

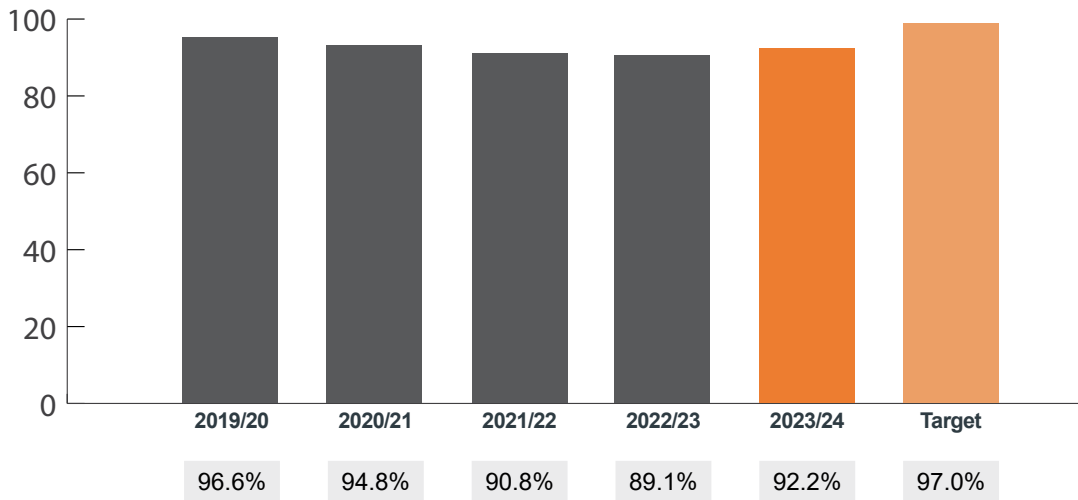
The number of uninsured claims against the General Account continues to remain low in the context of approximately 28,000 lost time insured claims for the year.

Given there can be a significant time lag between an injury at a non-compliant workplace and the first payment by WorkCover WA relating to that injury, it is possible that the increase in this indicator is partially due to financial and other effects of the COVID-19 pandemic on non-compliant workplaces.

WorkCover WA has implemented effective data matching measures and proactive voluntary compliance campaigns to identify uninsured employers, and it is anticipated that reduced incidence of these non-compliant events will be seen in coming years.

INDICATOR OF EFFECTIVENESS 1.2

Proportion of Conciliations Completed within Eight Weeks



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

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

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

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

The target for this KPI has been set based on the previous year's target and performance of years prior to the COVID 19 pandemic.

ANALYSIS

In 2023/24 92.2 percent of conciliations were completed within the eight-week statutory timeframe. This is 4.8 percentage points less than the target and 3.1 percentage points more than in 2022/23.

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

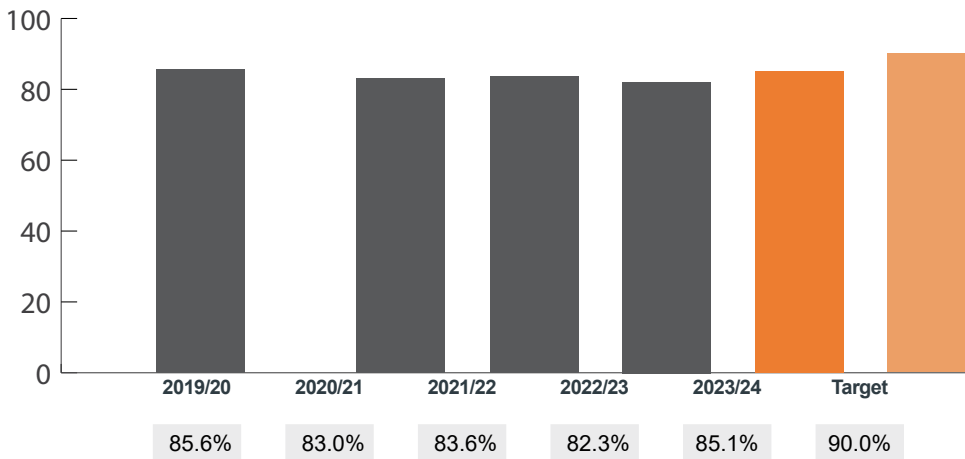
The turnaround in the performance of this KPI appears to indicate that previous effects of the COVID-19 pandemic are reducing.

Where a conciliation cannot reasonably be resolved within the initial eight-week period the Director may grant an extension for a further (maximum) eight-week period. In 2023/24 the number of cases extended beyond the initial timeframe decreased from 255 in 2022/23 to 196 in 2023/24 (23 percent).

Of the matters granted an extension, all were completed within the extended timeframe

INDICATOR OF EFFECTIVENESS 1.3

Proportion of Disputes Resolved within Six Months



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

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

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

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

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

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

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

The target for this KPI has been set based on the previous year's target and performance of years prior to the COVID 19 pandemic.

ANALYSIS

In 2023/24, 85.1 percent of all disputes were resolved within six months. This is 4.9 percentage points less than the target of 90.0 percent and 2.8 percentage points more than the 2022/23 result.

The number of active and resolved disputes increased significantly in 2023/24 in anticipation of the commencement of the *Workers Compensation and Injury Management Act 2023* on 1 July 2024 and the associated transitional impacts on claims, settlement options and disputes.

Dispute resolution performance indicators are published in the Comparative Performance Monitoring Report produced by Safe Work Australia which compares work health and safety and workers compensation schemes in Australia. This report shows that dispute resolution within the Western Australian workers compensation scheme performs well compared with other jurisdictions. The latest available national data shows the 2021/22 national average for disputes resolved within six months was 80.0 percent.

KEY PERFORMANCE INDICATORS OF EFFICIENCY

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

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

ALLOCATION OF AGENCY COSTS

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

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

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

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

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

Certain expenditure and revenue in relation to the payment and subsequent recovery of workers compensation claims are not incorporated into the KPI calculation data. This is due to the nature of these transactions and the fact that WorkCover WA has no control over General Account and Supplementation Fund claims, which if included, would unduly skew key KPI data (for 2023/24 this represents 16.1 percent of the total expenditure).

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

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

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

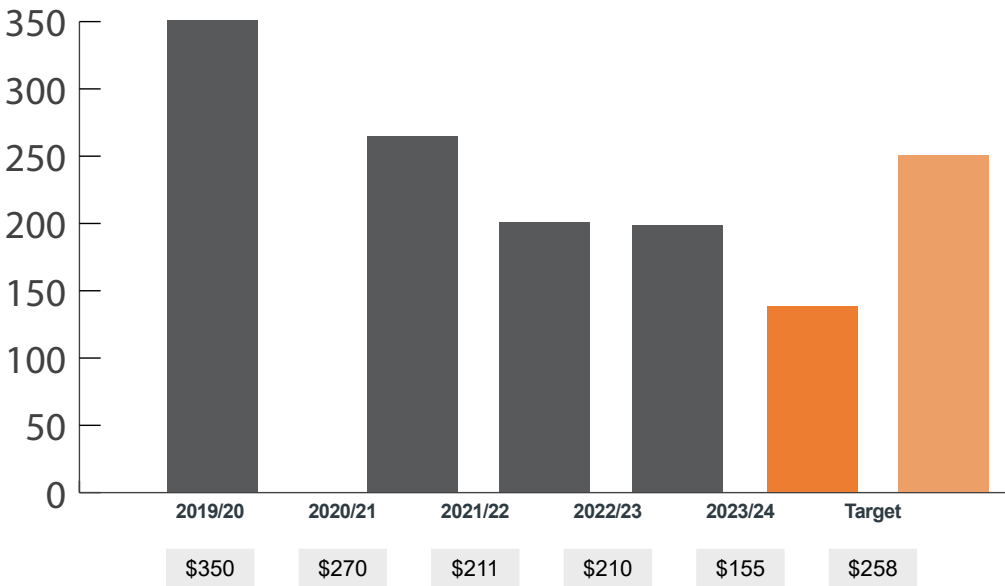
Service 2: Scheme Services - provision of effective and equitable dispute resolution and other services to scheme participants.

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

The agency is also responsible for recording the finalisation of a workers compensation claim through the registration of a Memorandum of Agreement and the processing of documents submitted in relation to common law elections, extensions and settlements by Deed.

DISCLOSURES AND LEGAL COMPLIANCE
INDICATOR OF EFFICIENCY 1.1

Average cost per employer compliance activity



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

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

The Act has 34 penalty provisions relating to employers' obligations. Following identification of a possible breach, an investigation follows that may result in a caution, infringement notice or prosecution.

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

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

The target for this indicator was determined using the full year approved budget figures for the compliance activity divided by the estimated full year total number of compliance activity units. It was expected that compliance activity for the year would continue to increase due to enhanced data matching initiatives and the target figures reflect a 23.5 percent increase on the previous year.

ANALYSIS

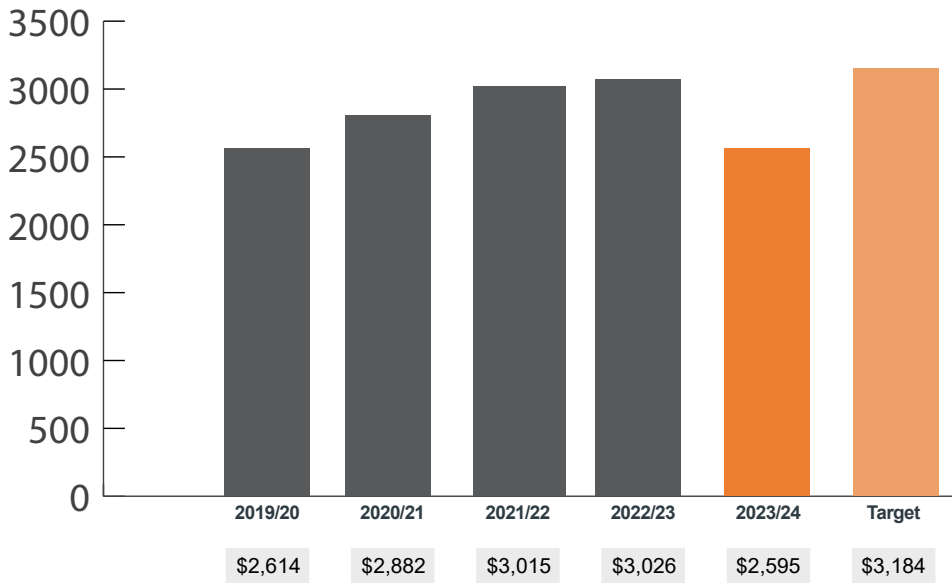
In 2023/24 the average cost per employer compliance activity was \$155. This is 39.8 percent less than the target of \$258 and 35.3 percent less than in 2022/23.

The variance of the outcome against the target is due to the strengthening of the Employer Contact Team to now include proactive voluntary compliance campaigns and the introduction of the inhouse prosecution function which expedites the enforcement process.

In addition, enhanced administrative investigative techniques have resulted in significant increases in compliance activity, investigations and enforcement outcomes.

DISCLOSURES AND LEGAL COMPLIANCE
INDICATOR OF EFFICIENCY 1.2

Average Cost Per Approved and Monitored Service Provider



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

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

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

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

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

The predicted number of service providers for 2023/24 was increased to 1,200 which is an increase of 13.7 percent on the previous year. The number of service providers is measured as of 30 June each year.

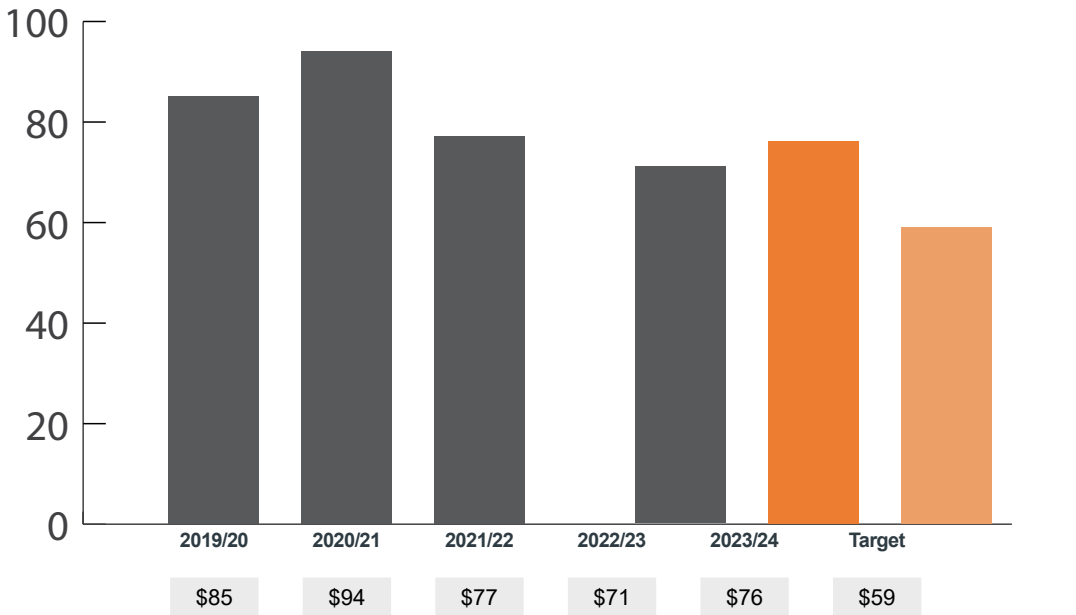
ANALYSIS

In 2023/24 the average cost per approved and monitored service provider was \$2,595. This is 18.5 percent less than the target of \$3,184 and 16.6 percent less than in 2022/23.

The variance to target and the previous year is due to an increase in the number of service providers registered on 30 June 2024, streamlined regulatory processes and a reduction in regulation staff for part of the 2023/24 year.

DISCLOSURES AND LEGAL COMPLIANCE
INDICATOR OF EFFICIENCY 1.3

Average Cost Per Client Contact to Provide Information and Advice



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

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

All written advice notifications and verbal consultations including in-person enquiries, consultation via appointments, emails, written enquiries and notifications sent via electronic news alerts are captured in the Regulatory Services Management System.

Over the last 12 months, WorkCover WA compliance initiatives have utilised electronic news alerts or campaigns to combine SMS and email functionality to connect with new business employers. Accordingly, to

track the effectiveness of the ‘campaign,’ the advisory contact categories have been upgraded to reflect if the genesis of the call has been through WorkCover WA’s proactive compliance initiatives or ‘campaigns.’

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

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

The predicted number of activities was based on the previous four years performance and current trends.

ANALYSIS

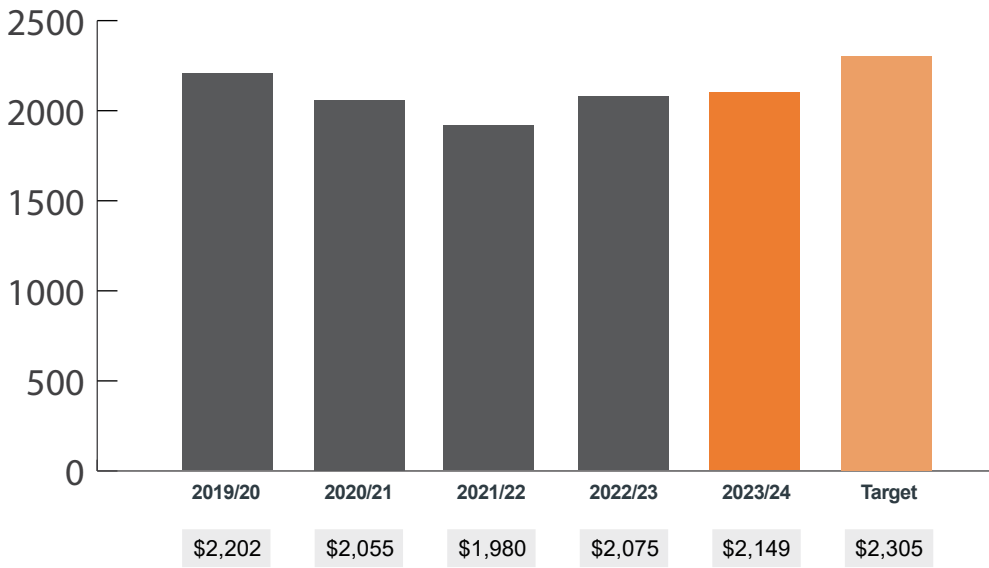
In 2023/24 the average cost per client contact to provide information and advice was \$76. This is 28.8 percent higher than the target of \$59 and 7.0 percent higher than in 2022/23.

The higher than target outcome for this indicator is due to a lower-than-expected number of client contacts and the inclusion of an additional role to triage complaints and undertake investigations, which was not included in the budget.

Overall, in 2023/24 the Advice and Assistance Unit responded to 19,902 requests. The lower-than-expected number of client contacts for the year are a continued flow on from strengthened regulatory activities.

DISCLOSURES AND LEGAL COMPLIANCE INDICATOR OF EFFICIENCY 2.1

Average Cost to Complete a Conciliation



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

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

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

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

The estimated number of conciliations for 2023/24 is based on outcomes for the previous four years and current trends

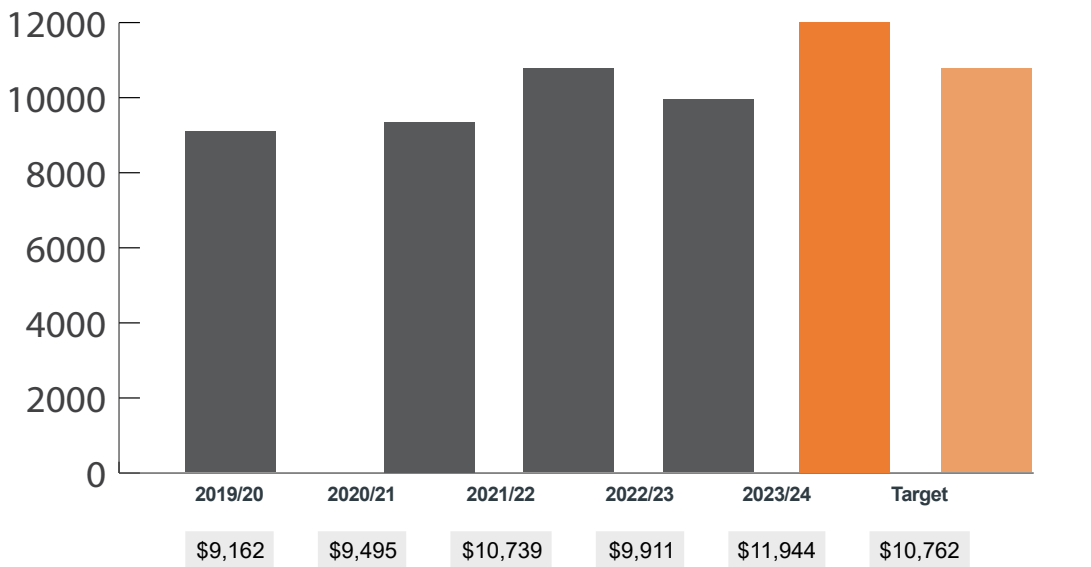
ANALYSIS

In 2023/24 the average cost to complete a conciliation was \$2,149. This is 6.8 percent less than the target of \$2,305 and 3.4 percent more than in 2022/23.

The number of disputes increased significantly in 2023/24 in anticipation of the commencement of the *Workers Compensation and Injury Management Act 2023* on 1 July 2024 and the associated transitional impacts on claims, settlement options and disputes.

The number of conciliations completed for the year increased by 19.6 percent on the target and 7.3 percent on the previous year. A further increase in resource levels and responsibilities was required to successfully manage this increasing trend.

Average Cost to Complete an Arbitration



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

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

The target for this indicator is based on current and previous performance and was determined by dividing the approved budget for this activity by the estimated total number of arbitrations completed for the year. The estimated number of arbitrations completed is consistent with the 2022/23 year and emerging downward trends

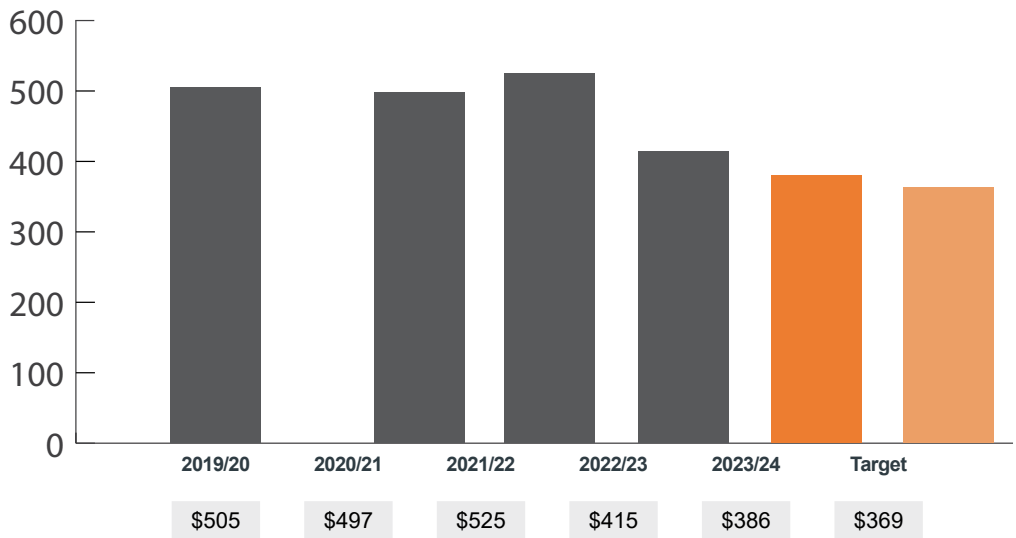
ANALYSIS

In 2023/24 the average cost to complete an arbitration was \$11,944. This is 11.0 percent higher than the target of \$10,762 and 17.0 percent higher than the outcome for 2022/23.

The increased cost of providing this service in 2023/24 compared with 2022/23 is predominantly due to the decrease (10.5 percent) in the number of arbitrations completed.

DISCLOSURES AND LEGAL COMPLIANCE
INDICATOR OF EFFICIENCY 2.3

Average Cost to Process a Memorandum of Agreement



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

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

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

The target for this KPI was set based on 2022/23 and performance over the past three years.

ANALYSIS

The average cost to process a Memorandum of Agreement for 2023/24 was \$386. This is 4.7 percent more than the target and 7.4 percent less than the 2022/23 outcome of \$415.

The number of Memorandum of Agreements processed in 2023/24 is consistent with the predicted target and the number processed in 2022/23, varying by only 1.6 and 1.7 percent respectively.

The increased average Memorandum of Agreement processing costs compared to the expected target is due to increased staff allocations to the whole Operations Branch.

The reduced average cost compared to 2022/23 is due to the increased number of MoAs completed with reduced resources.

OTHER DISCLOSURES

GOVERNANCE FRAMEWORK

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

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

Ongoing monitoring is provided through:

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

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

RISK MANAGEMENT FRAMEWORK

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

The framework guides our approach to managing risk.

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

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

The Board receives the key risk indicators report quarterly through its Audit and Risk Management Committee update as well as a full risk management report annually or on identification of significant movements in risk activity. This ensures good risk management practices are maintained, mitigation of significant risks and compliance with Treasurer's Instructions and Australian Standard 31000.

AGENCY HIGHLIGHT

INTEGRITY FRAMEWORK

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

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

WorkCover WA's practices are regularly reviewed, using tools provided by the PSC, with the next review using the *Integrity Framework Maturity Self Assessment Tool* planned for 2024-25.

In addition, in 2024 we undertook an audit of our fraud and corruption prevention activities to gauge our current performance. The audit resulted in two moderate and one minor finding related to the recording of conflicts of interest and management of positions of trust and one process improvement opportunity.

OTHER DISCLOSURES

FRAUD AND CORRUPTION CONTROL PLAN

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

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

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

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

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

INTERNAL AUDIT FUNCTION

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

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

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

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

STRATEGIC AUDIT PLAN

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

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

The agency conducted eight internal audits and two external audits in 2023/24. The eight internal audits identified two major, two medium and two low level audit findings. There was one minor finding identified by the two external audits. WorkCover WA received a clear audit opinion on our Financial Statements and Key Performance Indicators audited by the Auditor General and presented to Parliament.

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

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

OTHER DISCLOSURES

PUBLIC SECTOR STANDARDS AND ETHICAL CODES

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

- The Public Sector Code of Ethics
- The Principles of Conduct: Section 9 *Public Sector Management Act 1994*
- Commissioner's Instruction 40: Ethical Foundations.

WorkCover WA's Code of Conduct provides guidance to staff about expected standards of workplace behaviour. In 2023/24 our Code of Conduct and external reporting requirements were reviewed to reflect the changes within the integrity landscape and our own legislative and operating environment.

Induction for new staff includes training on our Code of Conduct. Existing staff and Board members complete refresher training every two years.

Suspected non-compliance with the Code of Conduct can be reported through internal pathways and to external bodies such as the Corruption and Crime Commission and Public Sector Commission.

No breaches occurred in 2023/24.

CONFLICTS OF INTEREST

All staff members are responsible for ensuring their personal, financial or other interests do not conflict with their ability to perform official duties in an impartial manner.

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

UNAUTHORISED USE OF CREDIT CARDS

We use corporate credit cards as a purchasing tool to reduce the cost of invoice payments. There is a strong control framework in place to support the use of purchasing cards, including supervisor approval of all staff transactions.

There were no unauthorised uses of a corporate credit card in 2023/24.

MINISTERIAL CORRESPONDENCE

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

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

MINISTERIAL DIRECTIVES

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

WorkCover WA did not receive any Ministerial directives in 2023/24.

CEO PERFORMANCE AGREEMENT

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

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

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

OUR PEOPLE

LOOKING BACK & LOOKING FORWARD

DAN, ADVICE AND ASSISTANCE OFFICER

Joined WorkCover WA in 1994

"When I started at WorkCover WA it was a different world – there were no computers and all our work was done on paper.

We've come a long way, and not just with technology. We have created an environment that is nurturing, understanding and mindful.

Our work is challenging but it's very rewarding to help workers, employers and other stakeholders.

Over the years I've never stopped learning and improving. I feel we are heading in the right direction under good leadership. There is focus, awareness and energy from the top and I know I will be listened to."



DEMI, TRAINEE

Joined WorkCover WA in 2023

"On my first day I was anxious to start working in a new environment, but everyone was so warm and welcoming.

Over my traineeship, I've worked in Corporate Services and Regulatory Services. I have gained experience and confidence with a variety of new tasks.

One of the highlights is working with other young professionals, learning from each other and attending training together.

I was very proud to give my first Acknowledgement of Country to the whole agency at our 2024 International Women's Day event."



OUR PEOPLE

Our values-based culture is reflected in all aspects of agency operations.

We are committed to delivering not only the highest level of public service, but also to maintaining a contemporary, respectful and inclusive workplace for all staff.

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

INCLUSIVENESS STATEMENT

We are committed to fostering and maintaining a diverse and inclusive workplace representative of the community we serve. We have considered ways to remove barriers to employment and improve our diversity profile, which is higher than or equal to the public sector average.

Our *Strategic Workforce and Diversity Plan 2022-2025* sets the direction for our most valuable resource: our people. A workforce planning process with a suite of supporting documents has also been developed and implemented across the agency. Our approach is aligned with the Public Sector Commission’s Building Leadership Impact approach.

As part of the 2023 WA Public Sector Census, our employees were asked about their diversity profiles, whether they had shared this information with our agency and, if not, why they had not shared it.

The confidence of staff to give voice to their identities, experiences and concerns is an indication of the level of workplace trust, psychological safety and inclusion.

We are pleased to note our results in the Census showed the majority of our employees have shared their diversity information across a range of diversity groups, including a 100% disclosure rate for Aboriginal and Torres Strait Islander employees.



STAFFING ARRANGEMENTS

| | | | | | |
|---------------------|--------------------|-----------|-------------|-----------|---------|
| 91 | 19 | 30 | 0 | 2 | 1 |
| Full-time permanent | Full-time contract | Part-time | Secondments | Graduates | Trainee |



GHIDAA

I feel WorkCover WA is a welcoming, supportive and inclusive environment where employees are valued and encouraged to contribute their ideas. The supportive environment ensures that everyone's voice is heard and respected.



AMOS

There is a strong sense of inclusion at WorkCover WA with events like the Spice Market that further promote unity and allow people to explore and indulge in other cultures within the organisation.

TARRYN

I feel WorkCover WA encourages staff to express themselves and I feel comfortable to wear my natural hair in many different styles. During Harmony Week I was pleased to celebrate my culture by cooking a traditional meal to share and wearing traditional clothing.



DIANNE

Over the eight years I've been working here, everyone has been so supportive and willing to 'give a hand' where needed. When I don't understand what is being asked of me, I simply ask my colleagues around me and they go through it step by step. They never judge me, and I get to learn different tasks on a daily basis!



BRETT

From my very first day, I have found the agency to be a very welcoming and inclusive place to work. I have always felt accepted and supported over the years in being able to be myself. I have also witnessed first-hand the freedom and comfort other staff have in expressing themselves in an open and friendly atmosphere.



DIVERSITY SNAPSHOT

2.1%

Aboriginal
Australians

6.16%

People with a
disability

2.74%

Under 25

25.52%

Culturally and
linguistically
diverse

33.56%

Over 55

OTHER DISCLOSURES

ENCOURAGING SUBSTANTIVE EQUALITY

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

PROMOTING DISABILITY AND ACCESS INCLUSION

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

WorkCover WA's *Disability Access and Inclusion Plan 2022-2027* was developed under the principles of the *Disability Services Act 1993*. It identifies specific actions which go towards the achievement of strategies and objectives, and timeframes for their implementation.

Our actions include:

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

SUPPORTING PEOPLE OF DIVERSE SEXUALITY AND GENDER

Through a positive agency culture and inclusion initiatives, we are committed to supporting and empowering employees with diverse sexual and gender identities.

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

YOUTH IN ACTION

Our Mandi Mart (Youth Action Group in Noongar) comprises WorkCover WA staff under 30 years and provides valuable opportunities for mentorship, professional development and community service for our younger staff.

In 2023/24 Mandi Mart members attended the IPAA WA Young Professionals Conference and came to understand their professional selves by completing a 360 Degree Feedback program.

PROGRESSING WOMEN IN LEADERSHIP

Our internal workforce strategies create opportunities for women to succeed, as demonstrated by female leaders comprising 47% of senior leadership (Tier 2 and 3) at WorkCover WA. We are proud to continue to support the development of current and future women in leadership.

One of the highlights of our 2023 Conference was our panel discussion highlighting achievements of accomplished women in the insurance industry.

In March 2024 we celebrated International Women's Day by welcoming WorkCover WA Board members Ms Peta Libby AM and Ms Sally North to share how they have successfully navigated male-dominated industries to become leaders in their fields.



COMMITTING TO RECONCILIATION

WorkCover WA has a long history of supporting reconciliation and we are pleased to continue our journey towards embedding the principles of reconciliation into our organisational culture.

In 2023/24 we published our updated *Reconciliation Strategy 2024-2027*. We drew upon learnings from previous plans to create new opportunities and increase the representation of Aboriginal and Torres Strait Islander peoples, and build an inclusive work environment free from discrimination.

To assist with our reconciliation journey, we maintain professional relationships with Reconciliation Australia, Reconciliation WA and Supply Nation, and we continue to celebrate and acknowledge significant events including NAIDOC Week, National Close the Gap Day and National Sorry Day.

We acknowledge the traditional custodians of the land on which we operate and were pleased to welcome Aboriginal Elder Barry McGuire to deliver the Welcome to Country at our 2023 Conference.

For National Reconciliation Week, our Diversity and Inclusion Committee participated in the Walk for Reconciliation to demonstrate support and solidarity toward the vision of a shared future which celebrates the place, culture and contribution of Aboriginal Peoples in Australia.

TRAINEESHIPS

An example of our commitment to reconciliation in action is our Indigenous Traineeship Program.

Trainees complete a 12-month employment-based training program for people aged under 25 years who wish to learn a range of skills and competencies to prepare themselves for a career in government.

RECRUITING GRADUATES

Our Graduate Program provides opportunities for university graduates to apply their skills in practice. We seek graduates from a range of academic fields including law, finance, information technology and human resources.

In 2023/24, our graduates participated in the Public Sector Commission's Launch Program.

CELEBRATING MULTICULTURALISM

WorkCover WA embraces multiculturalism and is committed to implementing and monitoring the policy priorities of the *Western Australian Multicultural Policy Framework*, as demonstrated in our *Multicultural Plan 2021-2024*.

We are committed to creating a diverse workforce with a range of skills, experiences and perspectives reflective of the Western Australian community. We strive to create a respectful and inclusive work environment where everyone belongs every day.

In March 2024 we celebrated Harmony Week with the return of our incredibly successful Spice Market, sampling delicious multicultural dishes generously prepared by our staff members.

Not only was the Spice Market an opportunity to connect across cultures, WorkCover WA also raised over \$400 for the Multicultural Services Centre of Western Australia.

Aboriginal Elder Barry McGuire delivering the Welcome to Country at our Conference



Our staff enjoying a meal at our Harmony Week Spice Market



GOVERNMENT POLICY REQUIREMENTS

DEVELOPING CAPABILITY

In 2023/24 there was a continued focus on building leadership capabilities, as well as staff upskilling. We encourage all staff to regularly consider their learning and development needs and request relevant external training to support their professional development.

All staff also participate in our Performance Pathway program to reflect on key activities and achievements and identify future development goals. This includes an annual formal review and assessment, and meaningful, future-oriented conversations about performance.

1,593 TOTAL CAPABILITY DEVELOPMENT HOURS

11.1 AVERAGE DEVELOPMENT HOURS PER STAFF MEMBER

49 STAFF COMPLETED MENTAL HEALTH FIRST AID TRAINING

EMPLOYEE ASSISTANCE

WorkCover WA prioritises mental health and wellbeing, and staff are encouraged and supported to use the Employee Assistance Program (EAP).

All staff and their immediate family members are entitled to a minimum of six free and confidential counselling sessions with a qualified clinician.

In 2023/24 there were 15 new referrals and 38.25 hours of EAP utilised.

We use de-identified information about trending and emerging wellbeing issues provided in EAP reports to inform aspects of our wellbeing program.

NATIONAL STRATEGIC PLAN FOR ASBESTOS AWARENESS AND MANAGEMENT 2019-2023

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

We operate from one location at 2 Bedbrook Place, Shenton Park, and independent assessment has established there have never been any asbestos products (including asbestos cement materials) on the premises.

RECRUITING AND SELECTING

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

In addition to our advertising initiatives, we also considered ways we could remove barriers to employment to promote substantive equality.

ENGAGING IN WELLBEING

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

We offer preventative and proactive health and wellbeing programs to staff including health assessments, wellbeing seminars, an on-site gym, ergonomic assessments and screen-based equipment subsidies.

We encourage staff to seek help when needed and regularly promote available tools, resources and supports to improve health and wellbeing at work via the staff intranet.

SUPPORTING FLEXIBILITY

We continued to provide a positive work environment which supports inclusive and flexible work options to assist staff in balancing their work and non-work commitments.

Our flexible work policy is regularly reviewed and updated in recognition of evidence showing flexible work options help to attract, retain and maintain a responsive and engaged workforce.

With an increase in the number of staff with regular work from home arrangements, we continue to monitor performance to confirm these arrangements are working effectively.

WORK HEALTH AND SAFETY (WHS) MANAGEMENT

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

We do this in alignment with our *Work Health and Safety (WHS) Commitment Statement*, through support and engagement from senior managers and via meaningful consultation with workers about work health and safety issues.

Training was provided to staff to create a pool of staff trained in first aid, CPR and evacuation procedures. Elected WHS representatives also complete required training and refresher courses to assist with carrying out their responsibilities.

AGENCY WORKERS COMPENSATION CLAIMS

The agency received no workers compensation claims in 2023/24.

Injury management services are provided for work-related and non-work-related injuries. This year, we actively assisted three employees in return to work processes following non-work related injuries.

WORKPLACE HARASSMENT POLICY

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

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

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

Table 10: Work Health and Safety Performance Statistics

| Work Health and Safety Indicator | 2021/22 Actual | 2022/23 Actual | 2023/24 Actual |
|--|----------------|----------------|----------------|
| Fatalities | 0 | 0 | 0 |
| Lost-time injury/disease incidence rate* | 0% | 0.76% | 0% |
| Lost-time injury/severity rate** | 0 | 0 | 0 |
| Return to work - 13 weeks | N/A | 100% | N/A |
| Return to work - 26 weeks | N/A | 100% | N/A |
| Trained managers | 100% | 100% | 100% |

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

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

GOVERNMENT POLICY REQUIREMENTS

Complaints are an opportunity for us to improve the service we provide to stakeholders. All complaints are dealt with promptly and without prejudice or bias and are recorded to form part of our continuous improvement process.

PUBLIC INTREST DISCLOSURE

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

There were no public interest disclosures in 2023/24.

CUSTOMER SERVICE CHARTER

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

The *Customer First Feedback Policy* outlines our process for managing and resolving complaints.

CUSTOMER FIRST FEEDBACK

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

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

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

COMPLAINT SNAPSHOT

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

| | | | | |
|------------|-------------|-------------|-----------|-------|
| 10 | 3 | 1 | 0 | 14 |
| Complaints | Compliments | Suggestions | Enquiries | Total |

GOVERNMENT POLICY REQUIREMENTS

RECORDS AND INFORMATION SERVICES

Maintaining high quality records in a heightened cyber security environment is a focus for our agency. We implement measures to identify risks and apply appropriate security controls to protect, store and share information in line with the Government's *Information Classification Policy*.

RECORDKEEPING PLAN

The State Records Commission's standards and principles govern best practice recordkeeping across the agency. Our *Recordkeeping Plan* (the Plan) is compliant with section 28 of the *State Records Act 2000* and is required to be reviewed every five years. Our next review is scheduled for 2026.

The Plan captures key information about our processes and systems that manage our records and information. The plan also sets out our key improvement initiatives for best practice information management across the reporting period.

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

Our key objectives within the next 12 months for information management will be:

- upgrading our records and information management system, Content Manager
- reviewing and updating existing controls to align with Privacy and Responsible Information Sharing legislation.

RECORDKEEPING TRAINING

We support good recordkeeping practices through our training programs, including a recordkeeping induction, online training courses and short courses.

Regular updates to internal policies, procedures, user and system training guides, FAQs, available services and contacts are distributed as required via the staff intranet.

Individual assistance is also available online and through our dedicated support help desk.

FREEDOM OF INFORMATION

The *Freedom of Information Act 1992* provides a general right of access to documents held by state and local Government agencies. For openness and transparency, an *Information Statement* outlining the freedom of information process is published on our website.

In 2023/24 there were 198 Freedom of Information (FOI) requests received and processed by our Information Management Team, compared to 186 in 2022/23.

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

198 FOI REQUESTS

1 EXTERNAL REVIEW

0 INTERNAL REVIEWS

REPORTS ON FUNDS MANAGEMENT

WORKERS' COMPENSATION AND INJURY MANAGEMENT TRUST ACCOUNT

The Workers' Compensation and Injury Management Trust Account is maintained under section 110 of the *Workers' Compensation and Injury Management Act 1981* (the Act). WorkCover WA seeks to optimise returns and security of funds invested for the benefit of dependants of deceased workers.

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

Investment strategies employed provided an average yield for the 2023/24 year of 4.20% for all trust accounts.

EMPLOYERS' INDEMNITY SUPPLEMENTATION FUND

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

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

Table 11: Report on Funds Management

| | HIH Insurance (\$) | Non-HIH Insurance (\$) |
|--|--------------------|------------------------|
| Value of outstanding claims in Western Australia | 948,025 | 100,000 |
| Recoveries in 2023/24 | Nil | 264,963 |
| Claim payments for 2023/24 | 1,014,598 | 95,026 |

DEBT AND INVESTMENTS

At 30 June 2024 there were 177 outstanding debtors resulting from fines and penalties awarded under the Act, with debts outstanding of \$3,454,054.

In 2023/24 the weighted average rate of return on General Account investments was 4.19%.

Table 12: Actual vs Budget Results

| | 2023/24 Target (\$000) | 2023/24 Actual (\$000) |
|---|------------------------|------------------------|
| Total Revenue (sourced from Statement of Comprehensive Income) | 24,505 | 30,684 |
| Total Expenses (sourced from Statement of Comprehensive Income) | 25,727 | 29,125 |
| Total Equity (sourced from Statement of Financial Position) | 100,777 | 103,198 |
| Net increase/(decrease) in cash held (sourced from Statement of Cash Flows) | (2,742) | 3,030 |
| Approved full-time equivalent (FTE) staff usage | 130.64 | 126.05 |

Please note the actual FTEs is based on average paid FTEs for the full Financial Year

REPORTS ON FUNDS MANAGEMENT

BOARD REMUNERATION

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

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

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

WorkCover WA holds a directors' and officers' liability insurance policy covering members of the Board and senior officers of the agency. The policy is placed through the Insurance Commission of Western Australia and is renewed annually.

Table 13: WorkCover WA Board Remuneration

| Position | Name | Remuneration Type | Period of Membership* | Gross/Actual Remuneration (Incl Superannuation) |
|----------|------------------|-------------------|-----------------------|---|
| Chair | Sharryn Jackson | Board Payment | 12 months | \$39,985 |
| Member | Peta Libby | Board Payment | 12 months | \$21,790 |
| Member | Llewellyn Jones | Board Payment | 12 months | \$21,790 |
| Member | Sally North | Nil | 8 months | Nil |
| Member | Don Cunninghame | Board Payment | 12 months | \$21,790 |
| Member | Chris White | Nil | 12 months | Nil |
| Member | Owen Whittle | Board Payment | 12 months | Nil |
| Member | Darren Kavanaugh | Nil | 2 months | Nil |
| Total | | | | \$105,356 |

* The period of membership column refers to the board member's membership during the 2023/24 period.

REPORTS ON FUNDS MANAGEMENT

ADVERTISING

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

Table 14: Advertising Expenditure

| Type | Organisation | 2023/24 (\$) |
|-------------------|------------------------------------|-----------------|
| Direct mail | Campaign Monitor | 3,856 |
| | Eric Preston Pty Ltd | 15,150 |
| Media advertising | Facebook | 133 |
| | Dowd Publications Pty Ltd | 1,200 |
| Job advertising | Initiative Media Australia Pty Ltd | 4,125 |
| | Career Hub Pty Ltd | 455 |
| | LinkedIn | 5,040 |
| Total | | 29,959 |

CAPITAL WORKS PROJECTS

Expenditure on capital works is outlined below.

Table 15: Capital Works Expenditure

| Capital Works Projects | 2023/24 (\$000) |
|------------------------------|--------------------|
| IT Hardware | 66 |
| Building Maintenance | 76 |
| Office Equipment | 46 |
| CAS digital recording system | 42 |
| Total | 230 |

REPORTS ON FUNDS MANAGEMENT

ANNUAL ESTIMATES

In accordance with *Treasurer's Instruction 953*, statutory authorities not operating as divisions of the Consolidated Account are required to include annual estimates for the current financial year in the annual report of the preceding year. The following estimates have been submitted and approved by the Minister for Industrial Relations.

Table 16: Annual Estimates - Statement of Comprehensive Income

| | 2025 |
|---|---------------|
| | \$000 |
| INCOME | |
| Revenue | |
| Insurer contributions | 20,902 |
| Interest revenue | 4,852 |
| Other revenue | 2,766 |
| Total Revenue | 28,520 |
| Gains | |
| Decrease in claims liability | 4,639 |
| Total Gains | 4,639 |
| Total Income | 33,159 |
| EXPENSES | |
| Employee benefits expenses | 19,174 |
| Supplies and services | 3,639 |
| Depreciation and amortisation expenses | 784 |
| Accommodation expenses | 661 |
| Grants and subsidies | - |
| Claims expenses | 6,070 |
| Loss on disposal of non-current assets | - |
| Other expenses | 2,287 |
| Total Expenses | 32,615 |
| Profit/(Loss) before grants and subsidies from State Government | 544 |
| Resources received | 250 |
| Profit/(Loss) for the period | 794 |

REPORTS ON FUNDS MANAGEMENT

**Table 17: Annual Estimates
- Statement of Financial Position**

| | 2025 |
|---------------------------------------|----------------|
| | \$000 |
| ASSETS | |
| Current Assets | |
| Cash and cash equivalents | 20,476 |
| Restricted cash and cash equivalents | 92,051 |
| Receivables | 2,765 |
| Other assets | 632 |
| Other financial assets | - |
| Total Current Assets | 115,924 |
| Non-Current Assets | |
| Property, plant, equipment & vehicles | 16,321 |
| Intangible assets | 1,023 |
| Right-of-use assets | 53 |
| Total Non-Current Assets | 17,397 |
| TOTAL ASSETS | 133,321 |
| LIABILITIES | |
| Current Liabilities | |
| Payables | 876 |
| Lease liabilities | 15 |
| Employee related provisions | 4,002 |
| Claims provisions | 4,690 |
| Total Current Liabilities | 9,583 |
| Non-Current Liabilities | |
| Lease liabilities | 45 |
| Employee related provisions | 3,858 |
| Claims provisions | 17,615 |
| Total Non-Current Liabilities | 21,518 |
| TOTAL LIABILITIES | 31,101 |
| NET ASSETS | 102,220 |
| EQUITY | |
| Reserves | 15,297 |
| Retained earnings | 86,923 |
| TOTAL EQUITY | 102,220 |

**Table 18: Annual Estimates
- Statement of Cash Flows**

| | 2025 |
|--|----------------|
| | \$000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts | |
| Insurer contributions | 20,902 |
| Interest received | 4,857 |
| GST receipts on sales | 1 |
| GST receipts from taxation authority | 470 |
| Other receipts | 2,766 |
| Payments | |
| Workers compensation claim payments | (6,070) |
| Employee benefits | (19,215) |
| Supplies and services | (3,389) |
| Accommodation | (661) |
| Grants and subsidies | - |
| GST payments on purchases | (471) |
| Other payments | (2,232) |
| Net cash used in operating activities | (3,042) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Payments | |
| Purchase of non-current physical assets | (741) |
| Net cash used in investing activities | (741) |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Payments | |
| Principal elements of lease payments | (30) |
| Net cash used in financing activities | (30) |
| Net decrease in cash and cash equivalents | (3,813) |
| Cash and cash equivalents at the beginning of the period | 116,340 |
| Cash and cash equivalent at the end of the period | 112,527 |

A close-up photograph of a person in a dark suit and striped tie, sitting at a desk. They are holding a silver pen in their right hand and writing on a document. The document has some text and a table with columns. The background is slightly blurred, showing another person's hand holding a black pen. A large white number '4' is overlaid on a dark blue rounded rectangle in the top right corner.

4

FINANCIAL STATEMENTS

CERTIFICATION OF FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes support the financial statements.

CERTIFICATION OF FINANCIAL STATEMENTS

For the financial year ended 30 June 2024.

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 2024 and the financial position as at 30 June 2024.

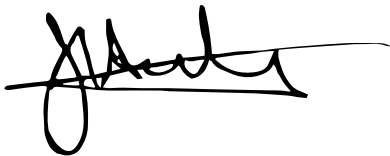
At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



Sharryn Jackson
Board Chair
WorkCover WA
30 August 2024



Chris White
Chief Executive Officer
WorkCover WA
30 August 2024



John Hull
Chief Finance Officer
WorkCover WA
30 August 2024

INDEPENDENT AUDIT OPINION



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

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 2024, 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 2024 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 WorkCover WA.

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 2024, and the controls were implemented as designed as at 30 June 2024.

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 2024 reported in accordance with *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 2024 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 2024.

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 904 Key Performance Indicators.

Auditor General's responsibilities

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

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

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

My independence and quality management relating to the report on financial statements, controls and key performance indicators

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

Other information

The Board are responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial statements, key performance indicators and my auditor's report.

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

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

INDEPENDENT AUDIT OPINION

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

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

This auditor's report relates to the financial statements and key performance indicators of WorkCover WA for the year ended 30 June 2024 included in the annual report on its website. WorkCover WA's 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
3 September 2024

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

| | Notes | 2024 \$000 | 2023 \$000 |
|--|-------------------|---------------|----------------|
| INCOME | | | |
| Revenue | | | |
| Insurer contributions | 3.1 | 20,393 | 21,375 |
| Interest revenue | 3.2 | 4,910 | 3,043 |
| Other revenue | 3.3 | 5,251 | 4,985 |
| Employers' Indemnity Supplementation Fund | 3.4 | 130 | 5 |
| Total Revenue | | 30,684 | 29,408 |
| Gains | | | |
| Gain on disposal of non-current assets | 4.3 | - | 10 |
| Total Gains | | - | 10 |
| Total Income | | 30,684 | 29,418 |
| EXPENSES | | | |
| Employee benefits expenses | 4.1(a) | 17,812 | 16,918 |
| Supplies and services | 4.4 | 4,274 | 3,827 |
| Depreciation and amortisation expenses | 5.1 5.2 5.3 | 906 | 1,028 |
| Accommodation expenses | 4.4 | 845 | 821 |
| Claims expenses | 4.2(a) | 3,309 | 6,817 |
| Loss on disposal of non-current assets | 4.3 | 9 | - |
| Other expenses | 4.4 | 1,970 | 1,681 |
| Total Expenses | | 29,125 | 31,092 |
| Profit/(Loss) before grants and subsidies from State Government | | 1,559 | (1,674) |
| Resources received | 3.5 | 259 | 530 |
| PROFIT/(LOSS) FOR THE PERIOD | | 1,818 | (1,144) |
| OTHER COMPREHENSIVE INCOME | | | |
| Items not reclassified subsequently to profit or loss | | | |
| Remeasurements of defined benefit liability | 4.1(d) | 239 | 51 |
| Changes in asset revaluation surplus | 5.1 | 1,110 | 280 |
| Total other comprehensive income | | 1,349 | 331 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 3,167 | (813) |

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

| | Notes | 2024 \$000 | 2023 \$000 |
|---------------------------------------|--------|----------------|----------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 7.1 | 32,444 | 31,814 |
| Restricted cash and cash equivalents | 7.1 | 88,875 | 86,475 |
| Receivables | 6.1 | 4,037 | 3,005 |
| Other assets | 6.2 | 770 | 632 |
| Total Current Assets | | 126,126 | 121,926 |
| Non-Current Assets | | | |
| Property, plant, equipment & vehicles | 5.1 | 17,386 | 16,435 |
| Intangible assets | 5.2 | 552 | 1,054 |
| Right-of-use assets | 5.3 | 83 | 60 |
| Total Non-Current Assets | | 18,021 | 17,549 |
| Total Assets | | 144,147 | 139,475 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables | 6.3 | 1,006 | 774 |
| Lease liabilities | 7.2 | 24 | 15 |
| Employee related provisions | 4.1(b) | 3,876 | 4,253 |
| Claims provisions | 4.2(b) | 4,859 | 6,893 |
| Total Current Liabilities | | 9,765 | 11,935 |
| Non-Current Liabilities | | | |
| Lease liabilities | 7.2 | 61 | 45 |
| Employee related provisions | 4.1(b) | 4,153 | 3,858 |
| Claims provisions | 4.2(b) | 26,970 | 23,606 |
| Total Non-Current Liabilities | | 31,184 | 27,509 |
| Total Liabilities | | 40,949 | 39,444 |
| Net Assets | | 103,198 | 100,031 |
| EQUITY | | | |
| Reserves | | 16,407 | 15,297 |
| Retained earnings | | 86,791 | 84,734 |
| Total Equity | | 103,198 | 100,031 |

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 2024**

| | Notes | Reserves | Retained earnings | Total equity |
|--|-------|---------------|-------------------|----------------|
| | | \$000 | \$000 | \$000 |
| Balance at 1 July 2022 | | 15,017 | 85,827 | 100,844 |
| Profit/(Loss) | | - | (1,144) | (1,144) |
| Other comprehensive income | | 280 | 51 | 331 |
| Total comprehensive income for the period | | 280 | (1,093) | (813) |
| Balance at 30 June 2023 | | 15,297 | 84,734 | 100,031 |
| 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 |

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 2024**

| | Notes | 2024 \$000 | 2023 \$000 |
|---|-------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | | |
| Supplementation Fund receipts | | 264 | 5 |
| Insurer contributions | | 20,401 | 21,375 |
| Interest received | | 4,625 | 2,484 |
| GST receipts on sales | | 9 | 12 |
| GST receipts from taxation authority | | 413 | 344 |
| Other receipts | | 4,060 | 3,688 |
| Payments | | | |
| Workers Compensation claim payments | | (1,972) | (2,565) |
| Employee benefits | | (17,511) | (16,680) |
| Supplies and services | | (4,081) | (3,668) |
| Accommodation | | (881) | (620) |
| Grants and subsidies | | - | - |
| GST payments on purchases | | (413) | (383) |
| Other payments | | (1,626) | (1,745) |
| Net cash provided by operating activities | | 3,288 | 2,247 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Receipts | | | |
| Proceeds from sale of non-current physical assets | | - | 14 |
| Payments | | | |
| Purchase of non-current physical assets | | (230) | (317) |
| Net cash used in investing activities | | (230) | (303) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Payments | | | |
| Principal elements of lease payments | | (28) | (15) |
| Net cash used in Financing activities | | (28) | (15) |
| Net increase in cash and cash equivalents | | 3,030 | 1,929 |
| Cash and cash equivalents at the beginning of the period | | 118,289 | 116,360 |
| Cash and cash equivalents at the end of the period | 7.1 | 121,319 | 118,289 |

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

1. BASIS OF PREPARATION

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

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

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

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

These annual financial statements were authorised for issue by the Board of WorkCover WA Authority on 30 August 2024.

STATEMENT OF COMPLIANCE

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by Treasurer's instructions. Several of these are modified by Treasurer's instructions to vary application, disclosure, format and wording.

The Act and Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

BASIS OF PREPARATION

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

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

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

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.

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

The Authority's objectives are stated in the *Strategic Plan 2022-2025*, available on WorkCover WA's website.

3. OUR FUNDING SOURCES

HOW WE OBTAIN OUR FUNDING

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

| | Notes | 2024 \$000 | 2023 \$000 |
|--|-------|---------------|---------------|
| Insurer contributions | 3.1 | 20,393 | 21,375 |
| Interest revenue | 3.2 | 4,910 | 3,043 |
| Other revenue | 3.3 | 5,251 | 4,985 |
| Employers' Indemnity Supplementation Fund | 3.4 | 130 | 5 |
| Resources received | 3.5 | 259 | 530 |
| Gains/(loss) on disposal of non-current assets | 4.3 | (9) | 10 |

3.1 INSURER CONTRIBUTIONS

| | 2024 \$000 | 2023 \$000 |
|-----------------------|---------------|---------------|
| Insurer contributions | 20,393 | 21,375 |

The Authority does not receive an appropriation as a Division of the Consolidated Account Expenditure Estimates as it is funded by a levy on insurers and self-insurers. In accordance with Section 107 of the *Workers' Compensation and Injury Management Act 1981* (the Act), the Authority collects levies and contributions from approved insurers and self-insurers to carry out its functions under the Act.

Insurers and Self Insurers are required to make annual contributions to the General Account in accordance with the provisions of Section 109 of the Act.

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

3.2 INTEREST REVENUE

| | 2024 \$000 | 2023 \$000 |
|---|---------------|---------------|
| General Account | 1,355 | 815 |
| Employers' Indemnity Supplementation Fund | 3,555 | 2,228 |
| | 4,910 | 3,043 |

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. OUR FUNDING SOURCES

3.3 OTHER REVENUE

| | 2024 | 2023 |
|--|--------------|--------------|
| | \$000 | \$000 |
| General Account | | |
| Recoveries, recoups and other ^(a) | 466 | 366 |
| Avoided premiums, fines and infringements | 4,785 | 4,619 |
| | 5,251 | 4,985 |

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

WorkCover WA regulates employers' compliance with their obligations under the *Workers' Compensation and Injury Management Act 1981* (the Act). Breaches of the Act are liable for a letter of caution, infringement notice or criminal prosecution. Infringement notices are issued with a modified penalty as specified in WorkCover WA regulations (Infringement). If an employer does not hold the required insurance cover it can be prosecuted through the Magistrates Court and penalised up to \$5,000 for each worker employed. Additionally, an amount equal to the total of any avoided insurance premium payments which would have been payable during the period of 5 years before the conviction may also be payable (Avoided Premiums and Fines).

Recoveries from uninsured employers are recognised as revenue on receipt of the monies.

Revenue from infringements are recognised on receipt of payment. The revenue from Avoided premiums and Fines are recognised when the court order is issued.

3.4 EMPLOYERS' INDEMNITY SUPPLEMENTATION FUND

| | 2024 | 2023 |
|------------|------------|----------|
| | \$000 | \$000 |
| Recoveries | 130 | 5 |
| | 130 | 5 |

The Supplementation Fund is managed in accordance with the *Employers' Indemnity Supplementation Fund Act 1980*, and operates to administer workers compensation claims relating to 'Failed' insurance companies such as HIH Insurance Group.

Liquidator recoveries received from the winding-up of the HIH Insurance Group reflect the pro-rata entitlement of WorkCover WA on the assets of the HIH Insurance Group.

Revenue is recognised on the receipt of monies for the recoveries from the Insurance companies.

3.5 RESOURCES RECEIVED

| | 2024 | 2023 |
|--|------------|------------|
| | \$000 | \$000 |
| Resources received from other public sector entities during the period | | |
| Services received free of charge from: | | |
| State Solicitor's Office | 259 | 530 |
| Total resources received | 259 | 530 |

Resources received from other public sector entities are recognised as income (and assets or expenses) equivalent to the fair value of the assets, or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

The Authority received legal services from the State Solicitor's Office free of charge.

The Authority relies upon advice from other agencies to recognise the fair value of services provided.

4. USE OF OUR FUNDING

EXPENSES INCURRED IN THE DELIVERY OF SERVICES

This section provides additional information about how the Authority's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Authority in achieving its objectives and the relevant notes are:

| | Notes | 2024 \$000 | 2023 \$000 |
|-----------------------------|--------|---------------|---------------|
| Expenses | | | |
| Employee benefits expenses | 4.1(a) | 17,812 | 16,918 |
| Claims expense | 4.2(a) | 3,309 | 6,817 |
| Other expenditure | 4.4 | 7,089 | 6,329 |
| Provisions | | | |
| Employee related provisions | 4.1(b) | 8,029 | 8,111 |
| Claim provisions | 4.2(b) | 31,829 | 30,499 |

4.1(a) EMPLOYEE BENEFITS EXPENSES

| | 2024 \$000 | 2023 \$000 |
|---|---------------|---------------|
| Employee benefits | 15,048 | 14,887 |
| Termination benefits | 642 | 325 |
| Superannuation - defined contribution plans | 1,670 | 1,568 |
| Superannuation - defined benefit plans | 452 | 138 |
| Employee benefits expenses | 17,812 | 16,918 |
| Add: AASB 16 Non-monetary benefits | 30 | 15 |
| Less: Employee Contributions | (14) | (11) |
| Total employee benefits provided | 17,828 | 16,922 |

EMPLOYEE BENEFITS

Include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave; and non-monetary benefits recognised under accounting standards other than AASB 16 such as cars for employees.

TERMINATION BENEFITS

Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Authority is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

SUPERANNUATION

The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the Gold State Superannuation Scheme (GSS) (concurrent contributions), the West State Superannuation Scheme (WSS), the GESB Super Scheme (GESBs) or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or to the GSS, a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the WSS.

Employees commencing employment on or after 16 April 2007 became members of the GESBs. From 30 March 2012, existing members of the WSS or GESBs and new employees became able to choose their preferred superannuation fund provider.

4. USE OF OUR FUNDING

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 employee benefits, that are employee benefits expenses, predominantly relate to the provision of car benefits that are recognised under AASB 16 and are excluded from the employee benefits expense.

EMPLOYEE CONTRIBUTIONS

Employee Contributions are contributions made to the Authority by employees towards employee benefits that have been provided by the Authority. This includes both AASB16 and non-AASB16 employee contributions.

4.1(b) EMPLOYEE RELATED PROVISIONS

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

| | 2024 | 2023 |
|--|--------------|--------------|
| | \$000 | \$000 |
| CURRENT | | |
| Employee benefits provisions | | |
| Annual leave ^(a) | 744 | 753 |
| Long service leave ^(b) | 2,614 | 2,784 |
| Superannuation ^(d) | 320 | 513 |
| | 3,678 | 4,050 |
| Other provisions | | |
| Employment on-costs ^(c) | 198 | 203 |
| | 198 | 203 |
| Total current employee related provisions | 3,876 | 4,253 |
| NON-CURRENT | | |
| Employee benefits provisions | | |
| Long service leave ^(b) | 634 | 516 |
| Superannuation ^(d) | 3,481 | 3,311 |
| | 4,115 | 3,827 |
| Other provisions | | |
| Employment on-costs ^(c) | 38 | 31 |
| | 38 | 31 |
| Total non-current employee related provisions | 4,153 | 3,858 |
| Total employee related provisions | 8,029 | 8,111 |

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

4. USE OF OUR FUNDING

(a) ANNUAL LEAVE LIABILITIES

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

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

(b) LONG SERVICE LEAVE LIABILITIES

Unconditional long service leave provisions are classified as current liabilities as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for the long service leave is calculated at present value as the Authority does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(c) EMPLOYMENT ON-COSTS

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers compensation insurance and payroll tax. The provision is the present value of expected future payments.

Employment on-costs, including workers compensation insurance and payroll tax, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 4.4 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Authority's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

| | 2024 | 2023 |
|--|------------|------------|
| | \$000 | \$000 |
| Employment on-costs provision | | |
| Carrying amount at start of period | 234 | 223 |
| Additional/(reversal of) provisions recognised | 89 | 82 |
| Payments/other sacrifices of economic benefits | (96) | (76) |
| Unwinding of the discount | 9 | 5 |
| Carrying amount at end of period | 236 | 234 |

KEY SOURCES OF ESTIMATION UNCERTAINTY - LONG SERVICE LEAVE

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Authority's long service leave provision. These include:

- Expected future salary rates;
- Discount rates;
- Employee retention rates; and
- Expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

4. USE OF OUR FUNDING

(d) DEFINED BENEFIT SUPERANNUATION PLANS

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for Authority purposes because the concurrent contributions (defined contributions) made by the Authority to GESB extinguishes the Authority's obligations to the related superannuation liability.

The Pension Scheme and the pre-transfer benefit for employees who transferred to the GSS Scheme are defined benefit schemes. These benefits are wholly unfunded and the liabilities for future payments are provided at the end of the reporting period. The liabilities under these schemes have been 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 \$239K for 2023-24 (2022-23: \$51K).

Employer funding arrangements for the defined benefit plans

The Pension Scheme and the pre-transfer benefit for the GSS in respect of individual plan participants are settled by the Authority on their retirement. Funding requirements are based on invoices provided to the Authority by GESB that represent the cost of benefits paid to members during the reporting period.

4.2(a) CLAIMS EXPENSE

| | 2024 | 2023 |
|---|--------------|--------------|
| | \$000 | \$000 |
| Workers compensation claims - Employers' Indemnity Supplementation Fund | 1,121 | 1,860 |
| Uninsured claims - General Account | 858 | 620 |
| | 1,979 | 2,480 |
| Net increase in claims liability | | |
| Uninsured claims liability increase/(decrease) | (407) | 6,681 |
| Supplementation Fund claims liability increase/(decrease) | 1,737 | (2,344) |
| | 1,330 | 4,337 |
| | 3,309 | 6,817 |

4.2(b) CLAIMS PROVISIONS

| | 2024 | 2023 |
|--|---------------|---------------|
| | \$000 | \$000 |
| CURRENT | | |
| Employers' Indemnity Supplementation Fund (i) | | |
| Liability for estimated future claim payments | 1,039 | 184 |
| General Account (ii) | | |
| Uninsured workers | 3,820 | 6,709 |
| Total current provisions | 4,859 | 6,893 |
| NON-CURRENT | | |
| Employers' Indemnity Supplementation Fund (i) | | |
| Liability for estimated future claim payments | 8,403 | 7,521 |
| General Account (ii) | | |
| Uninsured workers | 18,567 | 16,085 |
| Total non-current provisions | 26,970 | 23,606 |

Claims provisions – Employers' Indemnity Supplementation Fund and General Account

Liability for future claims

The effect of an actuarial assessed increase in the outstanding claims liability or changes in the discount rate are included in the Statement of Comprehensive Income under Claims expense in note 4.2(a).

4. USE OF OUR FUNDING

4.2(b)(i) EMPLOYERS' INDEMNITY SUPPLEMENTATION FUND (EISF)

The EISF was established by the *Employers' Indemnity Supplementation Fund Act 1980* (the Act) to provide for payment of workers compensation claims in Western Australia:

- in the event an approved insurer collapses.
- to waterfront workers suffering from asbestos related diseases under the *Waterfront Workers' (Compensation for Asbestos Related Diseases) Act 1986*.

The last insurer collapse was HIH Insurance, which was officially placed into provisional liquidation on 15 March 2001.

All claims up to and including that date are required to be paid from the EISF.

The Authority's claim costs for the EISF (including HIH Insurance) are actuarially assessed each financial year and the values are disclosed in the financial statements. The actuarial estimates are based on inflated and discounted values including a 75% prudential margin. The liability for outstanding claims is measured as the central estimate of the present value of expected future payments against claims incurred at the reporting date under general insurance contracts issued by the company, with an additional risk margin to allow for the inherent uncertainty in the central estimate.

The expected future payments include those in relation to claims reported but not yet paid, claims incurred but not reported (IBNR), claims incurred but not enough reported (IBNER) and anticipated claims handling costs.

Claims handling costs include costs that can be directly associated with individual claims such as legal and other professional fees, and costs that can only be indirectly associated with individual claims such as claims administration costs.

EISF ACT LIABILITIES

The outstanding liabilities for claims in run-off (including clients of the HIH Insurance Group) are assessed by an independent actuary using models applicable to the nature of the incident by which the liability under the fund has been incurred. Claims under the EISF Act are assessed under the categories of Asbestos-Related Claims (which includes incidents of mesothelioma, lung cancer and other diseases of the respiratory system) and Non Asbestos-Related Claims.

WORKERS COMPENSATION - ASBESTOS-RELATED CLAIMS

Asbestos-Related Claims are assessed using actuarial models based on those developed by Professor Geoffrey Berry utilising ICGF data. The models predict the total number of claims likely to emerge over time and also determine likely average cost per claim⁽¹⁾.

(1) Prediction of mesothelioma, lung cancer, and asbestosis in former Wittenoom asbestos workers, British Journal of Industrial Medicine: 48 793-802.

WORKERS COMPENSATION - NON ASBESTOS-RELATED CLAIMS

The valuation of non-asbestos related claims is separately into two components:

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

4. USE OF OUR FUNDING

ACTUARIAL ASSUMPTIONS

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

EISF ACT: ASBESTOS-RELATED CLAIMS

| | 2024 | | 2023 | |
|------------------------------------|---|-------|---|-------|
| Inflation Rate | 2025 | 3.75% | 2024 | 4.00% |
| | 2026 | 3.50% | 2025 | 3.75% |
| | 2027 | 3.00% | 2026 | 3.25% |
| | 2028 | 3.00% | 2027 | 3.00% |
| | 2029 | 3.01% | 2028 | 3.02% |
| | 2030 | 3.02% | 2029 | 3.04% |
| | 2031 | 3.03% | 2030 | 3.06% |
| | 2032 | 3.04% | 2031 | 3.08% |
| | 2033 | 3.05% | 2032 | 3.10% |
| | 2034 | 3.06% | 2033 | 3.12% |
| | 2035 | 3.07% | 2034 | 3.13% |
| | 2036 | 3.08% | 2035 | 3.15% |
| | 2037 | 3.09% | 2036 | 3.17% |
| | 2038 | 3.10% | 2037 | 3.19% |
| | 2039 | 3.11% | 2038 | 3.21% |
| | 2040 | 3.12% | 2039 | 3.23% |
| | Onwards | | Onwards | |
| Discount Rate | 2025 | 4.42% | 2024 | 4.42% |
| | 2026 | 3.97% | 2025 | 4.03% |
| | 2027 | 3.88% | 2026 | 3.70% |
| | 2028 | 4.08% | 2027 | 3.77% |
| | 2029 | 4.27% | 2028 | 3.92% |
| | 2030 | 4.43% | 2029 | 4.04% |
| | 2031 | 4.58% | 2030 | 4.16% |
| | 2032 | 4.70% | 2031 | 4.27% |
| | 2033 | 4.81% | 2032 | 4.36% |
| | 2034 | 4.90% | 2033 | 4.44% |
| | 2035 | 4.97% | 2034 | 4.51% |
| | 2036 | 5.02% | 2035 | 4.56% |
| | 2037 | 5.05% | 2036 | 4.61% |
| | 2038 | 5.05% | 2037 | 4.64% |
| | 2039 | 5.06% | 2038 | 4.65% |
| | 2040 | 5.06% | 2039 | 4.66% |
| | Onwards | | Onwards | |
| Claims Managements Expenses | 10.5% for claim payments except for HIH Insurance which is 0% | | 10.5% for claim payments except for HIH Insurance which is 0% | |
| Superimposed Inflation | 1.50% | | 1.50% | |
| Risk Margin | 27.5% risk margin at the 75% sufficiency level | | 27.5% risk margin at the 75% sufficiency level | |

The EISF ARD valuation no longer includes an explicit allowance for the 2011 Amendment Act. This is because this year's average claim size only includes lodgement years that are post the 2011 Amendment Act so the removal of age limits is assumed to be fully incorporated into the experience and no explicit allowance is required. This is the same as last year.

The EISF ARD valuation does not include an explicit allowance for *Workers Compensation and Injury Management Act 2023* (the new Act). The changes to the weekly benefit and medical expenses are unlikely to impact ARD claims.

4. USE OF OUR FUNDING

EISF ACT: NON ASBESTOS-RELATED CLAIMS

| | 2024 | | 2023 | |
|------------------------------------|---|-------|---|-------|
| Inflation Rate | 2025 | 3.75% | 2024 | 4.00% |
| | 2026 | 3.50% | 2025 | 3.75% |
| | 2027 | 3.00% | 2026 | 3.25% |
| | 2028 | 3.00% | 2027 | 3.00% |
| | 2029 | 3.01% | 2028 | 3.02% |
| | 2030 | 3.02% | 2029 | 3.04% |
| | 2031 | 3.03% | 2030 | 3.06% |
| | 2032 | 3.04% | 2031 | 3.08% |
| | 2033 | 3.05% | 2032 | 3.10% |
| | 2034 | 3.06% | 2033 | 3.12% |
| | 2035 | 3.07% | 2034 | 3.13% |
| | 2036 | 3.08% | 2035 | 3.15% |
| | 2037 | 3.09% | 2036 | 3.17% |
| | 2038 | 3.10% | 2037 | 3.19% |
| 2039 | 3.11% | 2038 | 3.21% | |
| 2040 | 3.12% | 2039 | 3.23% | |
| | Onwards | | Onwards | |
| Discount Rate | 2025 | 4.42% | 2024 | 4.42% |
| | 2026 | 3.97% | 2025 | 4.03% |
| | 2027 | 3.88% | 2026 | 3.70% |
| | 2028 | 4.08% | 2027 | 3.77% |
| | 2029 | 4.27% | 2028 | 3.92% |
| | 2030 | 4.43% | 2029 | 4.04% |
| | 2031 | 4.58% | 2030 | 4.16% |
| | 2032 | 4.70% | 2031 | 4.27% |
| | 2033 | 4.81% | 2032 | 4.36% |
| | 2034 | 4.90% | 2033 | 4.44% |
| | 2035 | 4.97% | 2034 | 4.51% |
| | 2036 | 5.02% | 2035 | 4.56% |
| | 2037 | 5.05% | 2036 | 4.61% |
| | 2038 | 5.06% | 2037 | 4.64% |
| 2039 | 5.06% | 2038 | 4.65% | |
| 2040 | 5.06% | 2039 | 4.66% | |
| | Onwards | | Onwards | |
| Claims Managements Expenses | 10.5% for claim payments except for HIH Insurance which is 0% | | 10.5% for claim payments except for HIH Insurance which is 0% | |
| Superimposed Inflation | 0.00% | | 0.00% | |
| Risk Margin | 16.76% risk margin at the 75% sufficiency level | | 16.76% risk margin at the 75% sufficiency level | |

The EISF non-ARD valuation no longer includes an explicit allowance for the 2011 Amendment Act. This is because the average claim size uses an average of 2017 to 2023 lodgement years. The removal of age limits is assumed to be fully incorporated into the experience therefore no explicit allowance is required. This is the same as last year.

The EISF non-ARD valuation includes an explicit allowance for the new 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 June 2001 are as follows:

| Year | \$000 |
|------|--------|
| 2002 | 49,923 |
| 2003 | 31,717 |
| 2004 | 24,090 |
| 2005 | 23,421 |
| 2006 | 17,239 |
| 2007 | 15,883 |
| 2008 | 16,647 |
| 2009 | 29,419 |
| 2010 | 23,866 |
| 2011 | 20,871 |
| 2012 | 18,526 |
| 2013 | 16,724 |
| 2014 | 21,274 |
| 2015 | 18,002 |
| 2016 | 16,945 |
| 2017 | 13,414 |
| 2018 | 12,649 |
| 2019 | 14,142 |
| 2020 | 11,690 |
| 2021 | 10,412 |
| 2022 | 10,049 |
| 2023 | 7,705 |
| 2024 | 9,442 |

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.

4. USE OF OUR FUNDING

In accordance with Accounting Standard AASB 1023 General Insurance Contracts the outstanding claims liability at 30 June 2024 was assessed at \$9.442 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

| | 2024 | 2023 |
|---|--------------|--------------|
| | \$000 | \$000 |
| EMPLOYERS' INDEMNITY SUPPLEMENTATION FUND | | |
| Liability for estimated future claim payments | | |
| Carrying amount at start of period | 7,705 | 10,049 |
| Additional increase/(decrease) in provisions recognised | 2,440 | (1,010) |
| Unwinding of the discount | 319 | 219 |
| Payments/other sacrifices of economic benefits | (1,022) | (1,553) |
| Carrying amount at end of period | 9,442 | 7,705 |

4.2(b)(ii) GENERAL ACCOUNT

UNINSURED WORKERS

Provision is made to meet payments required under Section 174 of the *Workers' Compensation and Injury Management Act 1981* where Conciliation and Arbitration Services has made an order and the worker has not received the compensation due from the General Account at the end of the reporting period.

Part of the General Account's obligations are for the provision of workers compensation benefits to injured employees whose current or former employer has failed to maintain compulsory workers compensation insurance or if the former employer no longer exists and

can not be found and therefore the insurer is unknown.

The actuarial assessed valuation includes both Asbestos Related Diseases (ARD) and non-Asbestos Related Diseases (non-ARD). The approach adopted is to analyse the claim and financial data for the General Account and make projections of future claim payments based on actuarial assumptions, knowledge and experience of similar portfolios.

ARD ACTUARIAL METHODS AND ASSUMPTIONS

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

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

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

Average weighted term to settlement

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

Future claim lodgements

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

Average claim size

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

4. USE OF OUR FUNDING

ASSUMPTIONS

UNINSURED WORKERS: ASBESTOS-RELATED CLAIMS (ARD)

| | 2024 | | 2023 | |
|------------------------------------|--|-------|--|-------|
| Inflation Rate | 2025 | 3.75% | 2024 | 4.00% |
| | 2026 | 3.50% | 2025 | 3.75% |
| | 2027 | 3.00% | 2026 | 3.25% |
| | 2028 | 3.00% | 2027 | 3.00% |
| | 2029 | 3.01% | 2028 | 3.02% |
| | 2030 | 3.02% | 2029 | 3.04% |
| | 2031 | 3.03% | 2030 | 3.06% |
| | 2032 | 3.04% | 2031 | 3.08% |
| | 2033 | 3.05% | 2032 | 3.10% |
| | 2034 | 3.06% | 2033 | 3.12% |
| | 2035 | 3.07% | 2034 | 3.13% |
| | 2036 | 3.08% | 2035 | 3.15% |
| | 2037 | 3.09% | 2036 | 3.17% |
| | 2038 | 3.10% | 2037 | 3.19% |
| | 2039 | 3.11% | 2038 | 3.21% |
| | 2040 | 3.12% | 2039 | 3.23% |
| | Onwards | | Onwards | |
| Discount Rate | 2025 | 4.42% | 2024 | 4.42% |
| | 2026 | 3.97% | 2025 | 4.03% |
| | 2027 | 3.88% | 2026 | 3.70% |
| | 2028 | 4.08% | 2027 | 3.77% |
| | 2029 | 4.27% | 2028 | 3.92% |
| | 2030 | 4.43% | 2029 | 4.04% |
| | 2031 | 4.58% | 2030 | 4.16% |
| | 2032 | 4.70% | 2031 | 4.27% |
| | 2033 | 4.81% | 2032 | 4.36% |
| | 2034 | 4.90% | 2033 | 4.44% |
| | 2035 | 4.97% | 2034 | 4.51% |
| | 2036 | 5.02% | 2035 | 4.56% |
| | 2037 | 5.05% | 2036 | 4.61% |
| | 2038 | 5.06% | 2037 | 4.64% |
| | 2039 | 5.06% | 2038 | 4.65% |
| | 2040 | 5.06% | 2039 | 4.66% |
| | Onwards | | Onwards | |
| Claims Managements Expenses | 10.5% for claim payments | | 10.5% for claim payments | |
| Superimposed Inflation | 1.5% | | 1.5% | |
| Risk Margin | 27.5% risk margin at the 75% sufficiency level | | 27.5% risk margin at the 75% sufficiency level | |

Expense rate

Claims handling expenses are based on the current arrangements in place with ICWA for claims management of the General Account.

Discount rates

Discount rates are derived as the one-year forward rates implied by the Commonwealth Government yield curve as at the balance date.

Inflation rates

Economic inflation assumptions have been set by reference to current economic indicators.

Superimposed inflation

Superimposed inflation being the real increase after adjusting for normal inflation, usually due to non-economic effects e.g. changes in legislation, court settlement precedents. The superimposed inflation rates assumed considered both the portfolio's own real cost increases and industry superimposed inflation trends.

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

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

4. USE OF OUR FUNDING

NON-ARD ACTUARIAL METHODS AND ASSUMPTIONS

Claims estimates for the workers compensation business are derived from an analysis of several different actuarial models. The valuation has been conducted separately for small and large claims, with large claims defined as those with a total estimate over \$200,000. Ultimate number of claims incurred are projected based on past reporting patterns. Payments experience is analysed based on average paid per claim incurred, average paid per claim finalised, projected case estimates and Bornheutter-Ferguson. Historic case estimates development is also used to form a model of future payments. The resulting projected payments from these models are analysed along with benchmarks for average claim size and ratio to case estimates and other statistics, in order to determine the final estimate of outstanding claims.

Claims inflation is built into the resulting projected payments, to allow for both general economic inflation and superimposed inflation detected in the modelling of payment experience. Superimposed inflation arises from non-economic factors such as developments of legal precedent and changes in claimant behaviour.

Projected payments are discounted to allow for the time value of money.

Average weighted term to settlement

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

Future claim reports (IBNR)

Future claim reports are analysed using the ratio of late reported claims to reported claims over future development periods.

Average claim size

Average claim size is a benchmark being the outcome of the accident year blend of actuarial methods described above.

4. USE OF OUR FUNDING

ASSUMPTIONS

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

| | 2024 | | 2023 | |
|------------------------------------|---|-------|---|-------|
| Inflation Rate | 2025 | 3.75% | 2024 | 4.00% |
| | 2026 | 3.50% | 2025 | 3.75% |
| | 2027 | 3.00% | 2026 | 3.25% |
| | 2028 | 3.00% | 2027 | 3.00% |
| | 2029 | 3.01% | 2028 | 3.02% |
| | 2030 | 3.02% | 2029 | 3.04% |
| | 2031 | 3.03% | 2030 | 3.06% |
| | 2032 | 3.04% | 2031 | 3.08% |
| | 2033 | 3.05% | 2032 | 3.10% |
| | 2034 | 3.06% | 2033 | 3.12% |
| | 2035 | 3.07% | 2034 | 3.13% |
| | 2036 | 3.08% | 2035 | 3.15% |
| | 2037 | 3.09% | 2036 | 3.17% |
| | 2038 | 3.10% | 2037 | 3.19% |
| | 2039 | 3.11% | 2038 | 3.21% |
| | 2040 | 3.12% | 2039 | 3.23% |
| | Onwards | | Onwards | |
| Discount Rate | 2025 | 4.42% | 2024 | 4.42% |
| | 2026 | 3.97% | 2025 | 4.03% |
| | 2027 | 3.88% | 2026 | 3.70% |
| | 2028 | 4.08% | 2027 | 3.77% |
| | 2029 | 4.27% | 2028 | 3.92% |
| | 2030 | 4.43% | 2029 | 4.04% |
| | 2031 | 4.58% | 2030 | 4.16% |
| | 2032 | 4.70% | 2031 | 4.27% |
| | 2033 | 4.81% | 2032 | 4.36% |
| | 2034 | 4.90% | 2033 | 4.44% |
| | 2035 | 4.97% | 2034 | 4.51% |
| | 2036 | 5.02% | 2035 | 4.56% |
| | 2037 | 5.05% | 2036 | 4.61% |
| | 2038 | 5.06% | 2037 | 4.64% |
| | 2039 | 5.06% | 2038 | 4.65% |
| | 2040 | 5.06% | 2039 | 4.66% |
| | 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 | |

Expense rate

Claims handling expenses were calculated by analysis of General Account actual expenses from the Statement of Comprehensive Income over the last 12 months.

Discount rates

Discount rates are derived as the one-year forward rates implied by the Commonwealth Government yield curve as at the balance date.

Inflation rates

Economic inflation assumptions have been set by reference to current economic indicators.

Superimposed inflation

Superimposed inflation being the real increase after adjusting for normal inflation, usually due to non-economic effects e.g. changes in legislation, court settlement precedents. The superimposed inflation rates assumed considered both the portfolio's own real cost increases and industry superimposed inflation trends.

4. USE OF OUR FUNDING

In addition to the above assumptions we have included the following prospective allowances for claims incurred from 1 October 2011 due to the 2011 Amendment Act, also changes due to the 2018 Amendment Act for claims incurred from 1 July 2018 and also the 2020 Amendment Act:

This year the same approach was used in the valuation of General Account non-ARD claims as last year. The actuary has conducted a separate valuation for large claims (claims with total estimates above \$200,000). Part of the large claims experience is common law claims. They have estimated the number of large claims per accident year based on historical experience. The average claim size for IBNR claims is based on a blend of the average claim size for common law claims and non-common law claims. 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).

For the new Act, the 30 June 2024 provision was increase by 1.2% due to:

- no change due to delaying the weekly benefit step downs from 13 to 26 weeks due to this only applying to claims that commence payments after 1 July 2024.
- 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 |
|------|-------------------------|
| 2024 | 85% |
| 2023 | 60% |
| 2022 | 29% |
| 2021 | 9% |
| 2020 | 0% |

MOVEMENTS IN PROVISIONS

| | 2024 \$000 | 2023 \$000 |
|--|---------------|---------------|
| Uninsured claims | | |
| Carrying amount at start of period | 22,794 | 16,113 |
| Additional increase in provisions recognised | 87 | 7,311 |
| Unwinding of the discount | 792 | 312 |
| Payments/other sacrifices of economic benefits | (1,286) | (942) |
| Carrying amount at end of period | 22,387 | 22,794 |

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

| | 2024 \$000 | 2023 \$000 |
|---|---------------|---------------|
| Net proceeds from Disposal of Non-Current Assets | | |
| Vehicles | - | 26 |
| | - | 26 |
| Carry Amount of Non-Current Assets | | |
| Equipment | (4) | |
| IT Software | (5) | |
| Vehicles | - | (16) |
| | (9) | (16) |
| Net (loss) / gain | (9) | 10 |

Realised and unrealised gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

4. USE OF OUR FUNDING

4.4 OTHER EXPENDITURE

| | 2024 | 2023 |
|---|--------------|--------------|
| | \$000 | \$000 |
| SUPPLIES AND SERVICES | | |
| Communications | 189 | 171 |
| Consultants and contractors | 2,481 | 2,192 |
| Consumables | 1,155 | 1,045 |
| Insurance | 158 | 147 |
| Training | 179 | 168 |
| Travel | 19 | 29 |
| Other | 93 | 75 |
| Total supplies and services expenses | 4,274 | 3,827 |
| ACCOMMODATION EXPENSES | | |
| Outgoings | 433 | 443 |
| Repairs and maintenance | 242 | 218 |
| Other | 170 | 160 |
| Total accommodation expenses | 845 | 821 |
| OTHER EXPENSES | | |
| General Account | | |
| Employment on-costs | 980 | 994 |
| Seminars | 4 | 26 |
| Expected credit losses expense | 308 | 48 |
| Sitting fees | 115 | 56 |
| Staff wellness programs | 45 | 44 |
| Audit Fees | 213 | 214 |
| Administration fee paid to Insurance Commission of WA for Uninsured General Fund Claims | 138 | 102 |
| Other | 133 | 76 |
| Employers' Indemnity Supplementation Fund (see note 4.2(b)(i)) | | |
| Administration fee paid to Insurance Commission of WA | 34 | 121 |
| Total other expenses | 1,970 | 1,681 |
| Total other expenditure | 7,089 | 6,329 |

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 the Authority utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

| | Notes | 2024 \$000 | 2023 \$000 |
|---------------------------------------|-------|---------------|---------------|
| Property, plant, equipment & vehicles | 5.1 | 17,386 | 16,435 |
| Intangible assets | 5.2 | 552 | 1,054 |
| Right-of-use assets | 5.3 | 83 | 60 |
| Total key assets | | 18,021 | 17,549 |

5.1 PROPERTY, PLANT, EQUIPMENT AND VEHICLES

| YEAR ENDED 30 JUNE 2024 | Land \$000 | Buildings \$000 | Work in Progress \$000 | Plant, equipment and vehicles \$000 | Total \$000 |
|---|---------------|--------------------|------------------------------|--|----------------|
| At 1 July 2023 | | | | | |
| Gross carrying amount | 14,000 | 1,600 | - | 2,168 | 17,768 |
| Accumulated depreciation | - | - | - | (1,333) | (1,333) |
| Carrying amount at start of period | 14,000 | 1,600 | - | 835 | 16,435 |
| Additions | - | - | 146 | 84 | 230 |
| Transfers | - | - | (146) | 146 | - |
| Disposals | - | - | - | (9) | (9) |
| Revaluation increments/(decrements) | 800 | 310 | - | - | 1,110 |
| Depreciation | - | (220) | - | (160) | (380) |
| Carrying amount at 30 June 2024 | 14,800 | 1,690 | - | 896 | 17,386 |
| Gross Carrying amount | 14,800 | 1,690 | - | 2,143 | 18,633 |
| Accumulated depreciation | - | - | - | (1,247) | (1,247) |
| Accumulated impairment | - | - | - | - | - |

5. KEY ASSETS

INITIAL RECOGNITION

Items of property, plant and equipment and vehicles, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and vehicles costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

SUBSEQUENT MEASUREMENT

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land, and
- buildings

Land is carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by Western Australian Land Information Authority (Landgate) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2023 by Landgate. The valuations were performed during the year ended 30 June 2024 and recognised at 30 June 2024. In undertaking the revaluation, fair value was determined by reference to market values for land: \$14,800,000 (2023: \$14,000,000) and buildings: \$1,690,000 (2023: \$1,600,000).

FAIR VALUE MEASUREMENTS

| Assets measured at fair value: | Level 1 | Level 2 | Level 3 | Fair value at end of period |
|--------------------------------|---------|---------------|---------|-----------------------------|
| | \$000 | \$000 | \$000 | \$000 |
| 2023-2024 | | | | |
| Land | | 14,800 | | 14,800 |
| Buildings | | 1,690 | | 1,690 |
| | - | 16,490 | - | 16,490 |

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.

5. KEY ASSETS

ASSET REVALUATION SURPLUS

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets on a class of assets basis.

USEFUL LIVES

All property, plant, equipment and vehicles having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule is land.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

| Asset | Useful life |
|--|---------------|
| Buildings | 25 years |
| Plant and equipment | 5 to 15 years |
| Information technology - Hardware | 3 to 5 years |
| Information technology - Software ^(a) | 3 to 10 years |
| Motor vehicles | 6 to 7 years |

^(a) Software that is integral to the operation of related hardware.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of this asset because its service potential has not, in any material sense, been consumed during the reporting period.

IMPAIRMENT

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Authority is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

As at 30 June 2024 there were no indications of impairment to property, plant and equipment and vehicles.

5.2 INTANGIBLE ASSETS

Year ended 30
June 2024

| | Computer Software | Licences | WIP | Website | Total |
|---|-------------------|-----------|----------|----------|--------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| 1 July 2023 | | | | | |
| Gross carrying amount | 6,627 | 86 | - | 46 | 6,759 |
| Accumulated amortisation | (5,638) | (21) | - | (46) | (5,705) |
| Carrying amount at start of period | 989 | 65 | - | - | 1,054 |
| Additions | - | - | - | - | - |
| Transfer | - | - | - | - | - |
| Impairment losses | - | - | - | - | - |
| Impairment losses reversed | - | - | - | - | - |
| Amortisation expense | (473) | (29) | - | - | (502) |
| Carrying amount at end of period | 516 | 36 | - | - | 552 |

5. KEY ASSETS

INITIAL RECOGNITION

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- a. The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b. An intention to complete the intangible asset and use or sell it;
- c. The ability to use or sell the intangible asset;
- d. The intangible asset will generate probable future economic benefit;
- e. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f. The ability to measure reliably the expenditure attributable to the intangible asset during its development

Costs incurred in the research phase of a project are immediately expensed.

SUBSEQUENT MEASUREMENT

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

USEFUL LIVES

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Authority have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

| Asset | Useful life |
|----------------------------------|----------------|
| Computer software ^(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.

5. KEY ASSETS

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 2024

| | Vehicles \$000 | Total \$000 |
|---|-------------------|----------------|
| Carrying amount at start of period | 60 | 60 |
| Additions | 52 | 52 |
| Disposals | (5) | (5) |
| Impairment losses | - | - |
| Impairment losses reversed | - | - |
| Depreciation | (24) | (24) |
| Net carrying amount at end of period | 83 | 83 |

The Authority has leases for vehicles. The lease contracts are typically made for fixed periods of 3-6 years with an option to renew the lease after that date.

INITIAL RECOGNITION

At the commencement date of the lease, the Authority recognises right-of-use assets and a corresponding lease liability for most leases. The right-of-use assets are measured at cost comprising of:

- the amount of the initial measurement of lease liability;

- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 7.2.

The Authority has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

SUBSEQUENT MEASUREMENT

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

DEPRECIATION AND IMPAIRMENT OF RIGHT-OF-USE ASSETS

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Authority at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right of use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing of impairment is outlined in note 5.1.

6. OTHER ASSETS AND LIABILITIES

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

| | Notes | 2024 \$000 | 2023 \$000 |
|--------------|-------|---------------|---------------|
| Receivables | 6.1 | 4,037 | 3,005 |
| Other assets | 6.2 | 770 | 632 |
| Payables | 6.3 | (1,006) | (774) |

6.1 RECEIVABLES

| | 2024 \$000 | 2023 \$000 |
|---|---------------|---------------|
| CURRENT | | |
| General Account | | |
| Trade receivables | 3,467 | 2,382 |
| Allowance for impairment of trade receivables | (625) | (403) |
| Accrued interest | 120 | 102 |
| GST receivable | 134 | 115 |
| | 3,096 | 2,196 |
| Employers' Indemnity Supplementation Fund (see note 4.2) | | |
| Trade receivables | - | 135 |
| Accrued interest | 941 | 674 |
| | 941 | 809 |
| Total current | 4,037 | 3,005 |
| Total receivables at end of the period | 4,037 | 3,005 |

Trade receivables are initially recognised at their transaction price. The Authority holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The Authority recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit or loss. The ECLs based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. Individual receivables are written off when the Authority has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, the Authority recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. The Authority has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 4.4 for the amount of ECLs expensed this financial year.

6. OTHER ASSETS AND LIABILITIES

6.2 OTHER ASSETS

| | 2024 | 2023 |
|---------------------------------|------------|------------|
| | \$000 | \$000 |
| CURRENT | | |
| Prepayments | 770 | 632 |
| Balance at end of period | 770 | 632 |

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

| | 2024 | 2023 |
|--|--------------|------------|
| | \$000 | \$000 |
| CURRENT | | |
| General Account | | |
| Trade payables | 266 | 42 |
| Accrued expenses | 259 | 256 |
| Accrued salaries | 429 | 420 |
| Other payables | 19 | 35 |
| Employers' Indemnity Supplementation Fund | | |
| Claim payments | 33 | 21 |
| Total Current | 1,006 | 774 |

Payables are recognised at the amounts payable when the Authority becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 20 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Authority considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 7.1 'Restricted cash and cash equivalents') consists of amounts accrued annually to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26 pay days.

7. FINANCING

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

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

7.1 CASH AND CASH EQUIVALENTS

| | 2024 | 2023 |
|---|----------------|----------------|
| | \$000 | \$000 |
| Cash and cash equivalents | 32,444 | 31,814 |
| Restricted cash and cash equivalents | | |
| - Employers Indemnity Supplementation Fund ^(a) | 88,427 | 86,067 |
| - Indian Ocean Territories (Note 9.7) ^(b) | 8 | 23 |
| - Paid Parental Leave ^(c) | - | - |
| - Accrued salaries suspense account ^(d) | 440 | 385 |
| Balance at end of period | 121,319 | 118,289 |

(a) Funds held for the claims from the collapse of HIH insurer and other non-HIH claims.

(b) Funds held to meet the requirement of Indian Ocean Territories Service Delivery Arrangement.

(c) Funds held for the Australian Government Paid Parental Leave Scheme.

(d) Funds held in the suspense account for the purpose of meeting the 27th pay that normally occurs every 11 years or 12 years when there is an extra leap year.

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

7.2 LEASE LIABILITIES

| | 2024 | 2023 |
|---|-----------|-----------|
| | \$000 | \$000 |
| Not later than one year | 24 | 15 |
| Later than one year and not later than five years | 61 | 39 |
| Later than five years | - | 6 |
| | 85 | 60 |
| Current | 24 | 15 |
| Non-current | 61 | 45 |
| | 85 | 60 |

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Authority uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Authority as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options (where these are reasonably certain to be exercised).
- Payments for penalties for terminating a lease, where the lease term reflects WorkCover WA exercising an option to terminate the lease.
- Periods covered by extension or termination options are only included in the lease term by the Authority if the lease is reasonably certain to be extended (or not terminated).

7. FINANCING

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

| | 2024 | 2023 |
|---|-------|-------|
| | \$000 | \$000 |
| Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows: | | |
| Within 1 year | - | 27 |
| | - | 27 |

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:

| | 2024 | 2023 |
|--|----------------|----------------|
| | \$000 | \$000 |
| Financial assets | | |
| Cash and cash equivalents | 32,444 | 31,814 |
| Restricted cash and cash equivalents | 88,875 | 86,475 |
| Financial assets at amortised cost ^(a) | 3,903 | 2,890 |
| Total financial assets | 125,222 | 121,179 |
| Financial liabilities | | |
| Financial liabilities at amortised cost ^(b) | 1,006 | 774 |
| Total financial liability | 1,006 | 774 |

(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

| | 2024 | 2023 |
|---|-------|-------|
| | \$000 | \$000 |
| There were no contingent assets in existence at 30 June 2024 and up to the date of this report. | - | - |

8.2.2 CONTINGENT LIABILITIES

| | 2024 | 2023 |
|--|-------|-------|
| | \$000 | \$000 |
| There were no contingent liabilities in existence at 30 June 2024 and up to the date of this report. | - | - |

9. OTHER DISCLOSURES

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

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

9.1 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

9.2 CORRECTION OF PERIOD ERRORS/ CHANGES IN ACCOUNTING POLICIES

The Authority has reviewed the initial application of Australian Accounting Standards, there is no impact on the agency. There is no correction of prior period errors/changes in accounting policy.

9.3 KEY MANAGEMENT PERSONNEL

The Authority has determined that key management personnel to include the Cabinet Ministers, board members and senior officers of the Authority. The Authority does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the agency for the reporting period are presented within the following bands:

COMPENSATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY

| COMPENSATION BAND (\$) | 2024 | 2023 |
|---|--------------|--------------|
| \$ | | |
| 0 - 10,000 ^(a) | 3 | 4 |
| 10,001 - 20,000 | - | 2 |
| 20,000 - 30,000 | 3 | 1 |
| 30,000 - 40,000 | 1 | 1 |
| | 2024 | 2023 |
| | \$000 | \$000 |
| Total compensation of members of the Accountable Authority | 105 | 85 |

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

COMPENSATION OF SENIOR OFFICERS OTHER THAN THE ACCOUNTABLE AUTHORITY

| COMPENSATION BAND (\$) | 2024 | 2023 |
|--|--------------|--------------|
| \$ | | |
| 70,001 - 120,000 ^(b) | - | 2 |
| 140,001 - 190,000 ^(b) | 2 | 3 |
| 200,001 - 250,000 | 2 | 1 |
| 300,001 - 350,000 | 1 | 1 |
| | 2024 | 2023 |
| | \$000 | \$000 |
| Total compensation of senior officers | 1,094 | 1,225 |

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

9. OTHER DISCLOSURES

9.4 RELATED PARTY TRANSACTIONS

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

Related parties of the Authority include:

- all Cabinet Ministers and their close family members, and their controlled or jointly controlled entities
- all members of the Accountable Authority, senior officers and their close family members, and their controlled or jointly controlled entities
- other agencies and statutory authorities, including related bodies that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities)
- associates and joint ventures of a wholly-owned public sector entity, and
- the Government Employees Superannuation Board (GESB).

MATERIAL TRANSACTIONS WITH RELATED PARTIES

Outside of normal citizen type transactions with the Authority, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

9.5 RELATED BODIES

The Authority does not have related bodies.

9.6 AFFILIATED BODIES

The Authority does not have affiliated bodies.

9.7 INDIAN OCEAN TERRITORIES

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

| | 2024 | 2023 |
|--|-----------|-----------|
| | \$000 | \$000 |
| Balance at start of period | 23 | 25 |
| Funding received from the Commonwealth | - | - |
| Revenue received from insurers | 8 | 13 |
| | 31 | 38 |
| Payments by Program Area | | |
| Regulatory Services | 23 | 14 |
| Conciliation and Arbitration Services | 1 | 1 |
| Scheme and Corporate Services | - | 0 |
| Total Payments | 24 | 15 |
| Balance at end of period | 7 | 23 |

9.8 WORKERS' COMPENSATION & INJURY MANAGEMENT TRUST ACCOUNT

The purpose of the Trust Fund is to hold funds paid into the custody of the Authority pursuant to Section 110 of the *Workers' Compensation and Injury Management Act 1981*. These funds are not consolidated as they are funds that are administered on behalf of dependants of deceased workers.

| | 2024 | 2023 |
|--|--------------|--------------|
| | \$000 | \$000 |
| Income | | |
| Amounts paid to the custody of the Authority | 901 | 1,687 |
| Interest on investments | 155 | 83 |
| | 1,056 | 1,770 |
| Expenditure | | |
| Payments by the Authority | 694 | 1,539 |
| Administration fee | - | - |
| | 694 | 1,539 |
| Surplus/(Deficit) | | |
| Balance at start of period | 362 | 231 |
| | 3,767 | 3,536 |
| Balance at end of period | 4,129 | 3,767 |
| Balance of funds held represents: | | |
| Cash and cash equivalents | 4,129 | 3,767 |
| | 4,129 | 3,767 |

9. OTHER DISCLOSURES

9.9 REMUNERATION OF AUDITORS

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

| | 2024 | 2023 |
|--|------------|-----------|
| | \$000 | \$000 |
| Auditing the accounts, controls, financial statements and key performance indicators | 101 | 96 |
| | 101 | 96 |

9.10 SUPPLEMENTARY FINANCIAL INFORMATION

(a) Write-offs

During the financial year, \$85,594 (2023: \$1,647,962) was written off under the authority of:

| | 2024 | 2023 |
|---------------------------|-----------|--------------|
| | \$000 | \$000 |
| The accountable authority | 86 | 237 |
| The Minister | - | 378 |
| The Treasurer | - | 1,033 |
| | 86 | 1,648 |

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

| | 2024 | 2023 |
|---|-----------|--------------|
| | \$000 | \$000 |
| Write-offs | | |
| General account uninsured claims ⁽ⁱ⁾ | - | 1,573 |
| Fines and penalties | 86 | 75 |
| | 86 | 1,648 |

(i) In relation to the General Account, WorkCover WA may have a statutory obligation to pay a workers compensation claim. For uninsured claims where the employer has not maintained a workers compensation insurance policy, or the employer is not able to be identified or located or an employer is in breach of the insurance contract, WorkCover WA seeks to recover the costs of the claims from the employer.

Potential recoveries receivable are assessed with regard to the ability of the debtors to meet their obligation. These recoveries have not been recognised as income because the amount to be recovered could not be reliably measured and consequently the write-off of these debts have not been charged as an expense in the Statement of Comprehensive Income. The General Account Uninsured debt write-offs outlined below are net of recoveries received from employers.

| | 2024 | 2023 |
|---|------|------|
| Number of recoveries written off with values between: | | |
| \$ 0 - 100,000 | 3 | 9 |
| \$ 100,001 - 200,000 | - | 1 |
| \$ 200,001 - 300,000 | - | 2 |
| \$ 300,001 - 400,000 | - | 2 |

| | 2024 | 2023 |
|--|-------|-------|
| | \$000 | \$000 |
| (b) Losses through theft, defaults and other causes | | |
| Losses of public money and public and other property through theft, default and other causes | - | - |
| Amount recovered | - | - |

| | 2024 | 2023 |
|---|-------|-------|
| | \$000 | \$000 |
| (c) Gifts of public property | | |
| No gifts of public property provided by the Authority | - | - |

10. EXPLANATORY STATEMENT

All variances between annual estimates (original budget) and actual results for 2024, and between the actual results for 2024 and 2023 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the following variance analyses for the:

1. Estimate and actual results for the current year:

- Total Expenses of the estimate for the Statement of Comprehensive Income and Statement of Cash Flows (i.e. 1% of \$25,727,000); and
- Total Assets of the estimate for the Statement of Financial Position (i.e. 1% of \$129,721,000).

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 \$31,092,000); and
- Total Assets for the previous year for the Statement of Financial Position (i.e. 1% of \$139,475,000).

10.1 STATEMENT OF COMPREHENSIVE INCOME VARIANCES

| | Variance Note | Estimate 2024 | Actual 2024 | Actual 2023 | Variance between Estimate and Actual | Variance between actual result for 2024 and 2023 |
|--|---------------|---------------|---------------|---------------|--------------------------------------|--|
| | | \$000 | \$000 | \$000 | \$000 | \$000 |
| INCOME | | | | | | |
| Revenue | | | | | | |
| Insurer contributions | | 20,393 | 20,393 | 21,375 | - | (982) |
| Interest revenue | 1,A | 3,166 | 4,910 | 3,043 | 1,744 | 1,867 |
| Other revenue | 2 | 946 | 5,251 | 4,985 | 4,305 | 266 |
| Employers' Indemnity Supplementation Fund | | - | 130 | 5 | 130 | 125 |
| Total Revenue | | 24,505 | 30,684 | 29,408 | 6,179 | 1,276 |
| Gains | | | | | | |
| Gain on disposal of non-current assets | | - | - | 10 | - | (10) |
| Total Gains | | - | - | 10 | - | (10) |
| Total Income | | 24,505 | 30,684 | 29,418 | 6,179 | 1,266 |
| EXPENSES | | | | | | |
| Employee benefits expenses | | 17,308 | 17,812 | 16,918 | 504 | 894 |
| Supplies and services | 3,B | 3,215 | 4,274 | 3,827 | 1,059 | 447 |
| Depreciation and amortisation expenses | | 907 | 906 | 1,028 | (1) | (122) |
| Accommodation expenses | | 626 | 845 | 821 | 219 | 24 |
| Grants and subsidies | | 35 | - | - | (35) | - |
| Claims expenses | 4,C | 1,843 | 3,309 | 6,817 | 1,466 | (3,508) |
| Loss on disposal of non-current assets | | - | 9 | - | 9 | 9 |
| Other expenses | | 1,793 | 1,970 | 1,681 | 177 | 289 |
| Total Expenses | | 25,727 | 29,125 | 31,092 | 3,398 | (1,967) |
| Profit/(Loss) before grants and subsidies from State Government Resources received | | (1,222) | 1,559 | (1,674) | 2,781 | 3,233 |
| | | 250 | 259 | 530 | 9 | (271) |
| Profit/(Loss) for the period | | (972) | 1,818 | 1,144 | 2,790 | 2,962 |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Items not reclassified subsequently to profit or loss | | | | | | |
| Remeasurements of defined benefit liability | | - | 239 | 51 | 239 | 188 |
| Changes in asset revaluation surplus | | - | 1,110 | 280 | 1,110 | 830 |
| Total other comprehensive income | | - | 1,349 | 331 | 1,349 | 1,018 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | (972) | 3,167 | (813) | 4,139 | 3,980 |

10. EXPLANATORY STATEMENT

MAJOR ESTIMATE AND ACTUAL (2024) VARIANCE NARRATIVES

1. Interest Revenue is \$1.74 million higher than budget estimates due to higher than expected interest rates in 2023-24.
2. Other Revenue is \$4.3 million higher than budget estimates due to WorkCover WA Conference registration fees and higher than expected avoided premiums, fines and infringements.
3. Supplies and Services are \$1.06 million higher than budget expectations, mainly due to higher legal costs for uninsured claims and WorkCover WA conference expenses, which are offset by the registration fees collected.
4. Claims Expense is \$1.47 million higher than budget estimates, mainly due to an increase in the actuarially assessed Uninsured claim liabilities at 30 June 2024.

MAJOR ACTUAL (2024) AND COMPARATIVE (2023) VARIANCE NARRATIVES

- A. Interest Revenue increased by \$1.87 million due to higher interest rates in 2023-24.
- B. Supplies and services increased by \$447K, mainly due to WorkCover WA conference expenses offset by the registration fees.
- C. Claim expenses decreased by \$3.5 million compared to the prior year, mainly due to higher actuarially assessed claim liabilities at 30 June 2023.

10. EXPLANATORY STATEMENT

NOTES TO THE FINANCIAL STATEMENTS

10.2 STATEMENT OF FINANCIAL POSITION VARIANCES

| | Variance Note | Estimate 2024 \$000 | Actual 2024 \$000 | Actual 2023 \$000 | Variance between Estimate and Actual \$000 | Variance between actual result for 2024 and 2023 \$000 |
|---------------------------------------|---------------|------------------------|----------------------|----------------------|---|---|
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | | 21,400 | 32,444 | 31,814 | 11,044 | 630 |
| Restricted cash and cash equivalents | | 89,090 | 88,875 | 86,475 | (215) | 2,400 |
| Receivables | | 981 | 4,037 | 3,005 | 3,056 | 1,032 |
| Other assets | | 334 | 770 | 632 | 436 | 138 |
| Total Current Assets | | 111,805 | 126,126 | 121,926 | 14,321 | 4,200 |
| Non-Current Assets | | | | | | |
| Property, plant, equipment & vehicles | | 16,506 | 17,386 | 16,435 | 880 | 951 |
| Intangible assets | | 1,326 | 552 | 1,054 | (774) | (502) |
| Right-of-use assets | | 84 | 83 | 60 | (1) | 23 |
| Total Non-Current Assets | | 17,916 | 18,021 | 17,549 | 105 | 472 |
| Total Assets | | 129,721 | 144,147 | 139,475 | 14,426 | 4,672 |
| LIABILITIES | | | | | | |
| Current Liabilities | | | | | | |
| Payables | | 615 | 1,006 | 774 | 391 | 232 |
| Lease liabilities | | 10 | 24 | 15 | 14 | 9 |
| Employee related provisions | | 3,853 | 3,876 | 4,253 | 23 | (377) |
| Claims provisions | D | 5,203 | 4,859 | 6,893 | (344) | (2,034) |
| Total Current Liabilities | | 9,681 | 9,765 | 11,935 | 84 | (2,170) |
| Non-Current Liabilities | | | | | | |
| Lease liabilities | | 61 | 61 | 45 | - | 16 |
| Employee related provisions | | 3,994 | 4,153 | 3,858 | 159 | 295 |
| Claims provisions | 5, D | 15,208 | 26,970 | 23,606 | 11,762 | 3,364 |
| Total Non-Current Liabilities | | 19,263 | 31,184 | 27,509 | 11,921 | 3,675 |
| Total Liabilities | | 28,944 | 40,949 | 39,444 | 12,005 | 1,505 |
| NET ASSETS | | 100,777 | 103,198 | 100,031 | 2,421 | 3,167 |
| EQUITY | | | | | | |
| Reserves | | 15,017 | 16,407 | 15,297 | 1,390 | 1,110 |
| Retained earnings | | 85,760 | 86,791 | 84,734 | 1,031 | 2,057 |
| Total Equity | | 100,777 | 103,198 | 100,031 | 2,421 | 3,167 |

10. EXPLANATORY STATEMENT

MAJOR ESTIMATE AND ACTUAL (2024) VARIANCE NARRATIVES

5. Non-current Claims Provisions are \$11.8 million higher than budget estimates, mainly due to an increase in the claims experience and corresponding actuarially assessed Uninsured claim liabilities at 30 June 2024.

MAJOR ACTUAL (2024) AND COMPARATIVE (2023) VARIANCE NARRATIVES

- D. Claims Provisions are higher than the previous year, mainly due to increase in the claims experience and corresponding actuarially assessed Uninsured claim liabilities at 30 June 2024.

10. EXPLANATORY STATEMENT

NOTES TO THE FINANCIAL STATEMENTS

10.3 STATEMENT OF CASH FLOWS VARIANCES

| | Variance Note | Estimate 2024 | Actual 2024 | Actual 2023 | Variance between Estimate and Actual | Variance between actual result for 2024 and 2023 |
|--|------------------|------------------|----------------|----------------|---|---|
| | | \$000 | \$000 | \$000 | \$000 | \$000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| Supplementation Fund receipts | | - | 264 | 5 | 264 | 259 |
| Insurer contributions | | 20,393 | 20,401 | 21,375 | 8 | (974) |
| Interest received | 6, E | 3,166 | 4,625 | 2,484 | 1,459 | 2,141 |
| GST receipts on sales | | 1 | 9 | 12 | 8 | (3) |
| GST receipts from taxation authority | | 393 | 413 | 344 | 20 | 69 |
| Other receipts | 7, F | 946 | 4,060 | 3,688 | 3,114 | 372 |
| Payments | | | | | | |
| Workers Compensation claim payments | 8, G | (3,744) | (1,972) | (2,565) | 1,772 | 593 |
| Employee benefits | | (17,287) | (17,511) | (16,680) | (224) | (831) |
| Supplies and services | 9, H | (2,967) | (4,081) | (3,668) | (1,114) | (413) |
| Accommodation | | (626) | (881) | (620) | (255) | (261) |
| Grants and subsidies | | (35) | - | - | 35 | - |
| GST payments on purchases | | (394) | (413) | (383) | (19) | (30) |
| Other payments | | (1,776) | (1,626) | (1,745) | 150 | 119 |
| Net cash provided by/(used in) operating activities | | (1,930) | 3,288 | 2,247 | 5,218 | 1,041 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| Proceeds from sale of non-current physical assets | | - | - | 14 | - | (14) |
| Payments | | | | | | |
| Purchase of non-current physical assets | 10 | (782) | (230) | (317) | 552 | 87 |
| Net cash used in investing activities | | (782) | (230) | (303) | 552 | 73 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Payments | | | | | | |
| Principal elements of lease payments | | (30) | (28) | (15) | 2 | (13) |
| Net cash used in Financing activities | | (30) | (28) | (15) | 2 | (13) |
| Net increase/ (decrease) in cash and cash equivalents | | (2,742) | 3,030 | 1,929 | 5,772 | 1,101 |
| Cash and cash equivalents at the beginning of the period | | 113,232 | 118,289 | 116,360 | 5,057 | 1,929 |
| Cash and cash equivalent at the end of the period | | 110,490 | 121,319 | 118,289 | 10,829 | 3,030 |

10. EXPLANATORY STATEMENT

MAJOR ESTIMATE AND ACTUAL (2024) VARIANCE NARRATIVES

6. Interest received is \$1.5 million higher than budget estimates due to higher than expected interest rates in 2023-24.
7. Other receipts are \$3.1 million higher than budget estimates due to higher than expected receipts from avoided premiums, fines and infringements combined with revenue received for the WorkCover WA conference.
8. Workers Compensation claim payments are \$1.8 million under budget due to lower than expected claims payments from the General Account in 2023-24.
9. Supplies and services payments are \$1.1 million higher than budget estimates, mainly due to higher than expected payments on legal costs for uninsured claims and WorkCover WA conference.
10. Purchase of non-current physical assets are \$552K lower than budget estimates, mainly due to the deferral of capital works program.

MAJOR ACTUAL (2024) AND COMPARATIVE (2023) VARIANCE NARRATIVES

- E. Interest receipts increased by \$2.1 million due to higher interest rates in 2023/2024.
- F. Other receipts increased by \$372k due to higher than expected receipts from avoided premiums, fines and infringements, combined with the registration fees received from WorkCover WA conference.
- G. Workers Compensation claim payments decreased by \$593K in line with the decreased number and value of claims received in 2023-24.
- H. Supplies and Services payments increased by \$413K due to increased legal costs for uninsured claims and payments for WorkCover WA Conference expenditure.

APPENDIX

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





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