

# ANNUAL REPORT 2004/2005

**DDB**   
Workers' Compensation Dust Diseases Board of NSW  
Making A Difference®

The Workers' Compensation Dust Diseases Board of NSW Annual Report 2004 – 2005



# MAKING A DIFFERENCE

**DDB**   
Workers' Compensation Dust Diseases Board of NSW  
Making A Difference®

Level 2  
82 Elizabeth Street  
Sydney NSW 2000

Telephone: (02) 8223 6600  
Facsimile: (02) 8223 6699  
Toll Free: 1800 550 027

Email: [enquiries@ddb.nsw.gov.au](mailto:enquiries@ddb.nsw.gov.au)  
Web: [www.ddb.nsw.gov.au](http://www.ddb.nsw.gov.au)

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## PROFILE OF THE DDB

### CHARTER

The Workers' Compensation Dust Diseases Board (hereafter referred to as the DDB) provides statutory compensation to NSW workers disabled by dust diseases resulting from exposure to dusts such as Asbestos and Silica. The Board was established as the Workmen's Compensation (Silicosis) Scheme No 1 in 1927 by legislation that was enacted in the NSW parliament in 1920. In 1942 it was amended and renamed the Workers' Compensation (Silicosis) Act 1942. In 1967 the Act was further amended to become the Workers' Compensation (Dust Diseases) Act, 1942-67.

### MISSION

To ensure that workers and their dependants who are eligible under the Act are appropriately identified, assessed and compensated according to the spirit and meaning of the Act and to position the DDB as the leading organisation in occupational respiratory health in the world.

### VISION

The DDB is committed to the provision of specialist statutory no-fault compensation through the delivery of quality services to workers and their dependants.



### Annual Report 2004/2005

The DDB has prepared this Annual Report in accordance with the Annual Reports (Statutory Bodies) Act 1984 and the directions of the Minister for Commerce. It provides details of the Board's objectives, initiatives and achievements for the financial year ended 30 June 2005. This report also details the DDB's performance and future directions. In accordance with statutory requirements, the DDB notes that the total external production cost for the 2004/05 Annual Report was \$4,852. The Annual Report is also available at our website [www.ddb.nsw.gov.au](http://www.ddb.nsw.gov.au)

### Production Team

Project Management: Liza Tinker, Executive Services Manager, Dust Diseases Board  
Design and Printing: Plan B Creative Support Group

## Legislation

The DDB's statutory function is to administer the Workers' Compensation (Dust Diseases) Act 1942-1967.

The DDB is subject to the direction of the Minister for Commerce, through whom it reports annually to the New South Wales Parliament.

The DDB has exclusive jurisdiction to determine all matters in respect of a claim for compensation including questions of identity, dependency, the fact of disablement and whether an award should be made. The Act does not allow legal representation before the Board.

A worker or a dependant of a deceased worker affected by a decision of the DDB in relation to a claim for compensation under the Act may appeal against the decision to the Compensation Court of New South Wales. As of 1 January 2004, appeals would be made to the District Court of NSW.

Under the Act, the DDB is required to:

- Determine eligibility and award compensation to workers and dependants of deceased workers.
- Determine the classes of employment in any industry or process that are of such a nature as to expose workers to the risk of contracting a specified dust disease.
- Administer the Workers' Compensation (Dust Diseases) Fund and pay all monies for compensation awards, research grants, fees, salaries and all other costs of administration of the Act including the operating expenses of the Dust Diseases Tribunal.
- Make an estimate before or during May in each year of the amount to be expended from the Fund for the following year commencing 1 July and also make an estimate of the liability outstanding under awards made in favour of workers and dependants of deceased workers.

- Administer the trust funds held on behalf of the dependants of deceased workers.

## Services

The DDB provides a compensation screening service for workers who have had long term or extensive exposure to dusts such as asbestos or silica. As a general rule, because dust diseases are diseases of slow onset, applicants need to have had exposure to dust for a minimum of fifteen years prior to their application. This ensures that there are X-ray signs that will enable a proper diagnosis of a dust disease. No legal representation is required and there is no fee.

# ORGANISATION

## Objectives

- To be a world class compensating body in occupational respiratory disease
- To understand and respond to the particular needs and requirements of workers and their families who are affected by these diseases
- To deliver compensation entitlements to our clients in a sensitive and efficient manner
- To facilitate community understanding of issues relating to dust diseases
- To encourage staff development and provide an environment in which their skills are recognised and enhanced

The DDB provides a system of “no fault” compensation to workers who have been exposed to dusts as a result of their employment. The DDB is committed to ensuring that beneficiaries receive practical assistance and advice that is delivered in a sympathetic and caring manner.

## Role and Functions

The DDB has responsibility for the following functions:

- undertakes medical examinations of claimants for workers’ compensation benefits under the Dust Diseases Act incorporating lung function tests, chest X-rays and examination and interview by a respiratory physician (claimants for benefits unable to attend in person for examination provide reports and other relevant information through a network of respiratory physicians in NSW and interstate).
- facilitates the decision making process of the Medical Authority which has legislative responsibility for determining whether an applicant has a disease under the Act and the extent of disability.
- facilitates the decision making process of the members of the Board of the DDB which has the legislative responsibility for determining whether a dust disease is attributable to an applicant’s employment in NSW (involving a review of the applicant’s industrial history and preparation of detailed reports for Board consideration), whether that person is a worker under the Act and determines the quantum of the award to be made in accordance with the Act.
- processes benefit payments to all beneficiaries under the Dust Diseases Scheme and the payment of hospital and medical expenses incurred by beneficiaries to which they are entitled under the Act.
- manages on behalf of dependent beneficiaries of deceased workers compensation payments awarded by the Board and held in the Dust Diseases Trust Fund.
- manages the Dust Diseases Fund raised through a levy on employers to meet the liabilities of the Dust Diseases Scheme, recommends levy rates, collects levy revenue and develops & implements investment strategies & policies.
- Manages the DDB Research and Community Support Grants Scheme established to encourage research into dust diseases and to provide funding to community organisations providing support generally to sufferers of dust diseases and their families.
- provides advice and information to applicants on benefits available under the Dust Diseases Scheme and the method of application. The DDB also provides ongoing advice and assistance to sufferers and their families on a range of matters including the benefit entitlements of dependents on the death of a worker.
- maintains all necessary statistical and related data to facilitate actuarial valuations of the liabilities of the Dust Diseases Scheme and research into dust diseases.
- initiates and develops policy and legislative proposals in relation to the Dust Diseases Act and the Board’s administrative responsibilities.

# SUMMARY OF OPERATIONS

## Claims

During the year there were 928 new applications received of which 767 were non-malignant, 140 malignant and 21 applications by widows of deceased workers who did not make an application in life.

The number of cases considered by the Medical Authority was 3,090. The Authority certified a total of 342 new claims of applicants that have contracted a dust disease compared with 353 last year. These included claims made after the death of the worker.

The overall number of approved claims for malignant diseases (such as mesothelioma and dust-induced lung cancer) showed a decrease during this financial year. New mesothelioma claims of 145 decreased from 154 the previous year and dust-induced lung cancer claims were decreased from 21 to 19.

The number of awards approved by the Board of Directors for the full financial year was 268 for workers and 183 for dependants with a total of 451 awards.

## Medical Examinations

A total of 2,370 applicants were examined as a result of their claim for compensation during the year. This represents an increase of 95 medical examinations that took place compared to the previous financial year.

## Financial

The liability for outstanding claims as at 30 June 2005 has been determined by the Board's actuaries to be \$1,510 million compared to \$1,307 million in the previous year. The Board's overall expenditure in the year was \$69,695 million.

## Statistical Highlights at a Glance

Item	2004/2005	2003/2004	2002/2003
Certifications by a Medical Authority	3,090	3,540	3003
Number of New Diseases Certified	342	353	422
Deaths Due to Dust Disease	206	185	154
Deaths Not Due to Dust Disease	105	138	105
	<b>\$,000</b>	<b>\$,000</b>	<b>\$,000</b>
Research Grants Awarded*	721,948	400	1,117
Compensation to Workers	13,180	13,172	12,607
Compensation to Dependants	17,163	16,627	16,297
Lump Sum Awards to Dependants	18,057	20,039	16,486
Medical, Hospital & Ambulance Expenses, Funeral Expenses	6,246	5,300	3,814
Trust Fund	70,160	64,063	57,817
Investments	483,965	466,958	428,332
Administration Costs	7,810	6,552	4,513



Special Minister of State  
Minister for Commerce  
Minister for Industrial Relations  
Minister for Ageing  
Minister for Disability Services  
Assistant Treasurer  
Vice President of the Executive Council

Dear Minister,

**RE: Workers' Compensation Dust Diseases Board – Annual Report**

In accordance with the Annual Reports (Statutory Bodies) Act 1984, it gives us much pleasure to submit the Workers' Compensation Dust Diseases Board's Annual Report, covering the year ending 30 June 2005 for presentation to Parliament.

The financial statements for 2004/2005, which form part of the Report, have been submitted to and certified by the Auditor-General of New South Wales. The Statements reveal that the Board's finances are sound.

Yours faithfully,



Jon Blackwell  
Chairperson



Ray Petty  
Board Member

# BOARD OF DIRECTORS

The Board of Directors of the DDB are constituted under the Workers' Compensation (Dust Diseases) Act, 1942, which also defines the function of the DDB.

## Functions

The Board of Director's Functions include:

- Approval of awards of compensation
- Determination of policy
- Approval and monitoring of budgets

The Board of Directors' ensure the organisation is managed and operated in an efficient and effective manner in accordance with its plans and policies.

## Representation

The Board's Directors, consist of an independent chairperson, three representatives of employers and three representatives of employees, all of whom are appointed by the Minister for a period of three years.

The composition of the Board of Directors has always been designed to reflect the widest possible spread of industrial, managerial and occupational health and safety skills in the dusty trades. Members have a very wide range of experience including engineering, workers' compensation through to extensive shop floor and employee relations experience.

The Board of Directors is the final essential element of the compensation process with the sole responsibility to approve awards. It is a body whose deliberations are reinforced by a relevant and practical understanding of the processes, methods and materials in the industries where workers have been exposed.

## Statement of Conduct

The Board of Directors of the DDB have endorsed this public statement of how they intend to discharge their responsibilities:

- Comply with the laws of New South Wales and the Commonwealth of Australia and with the provisions of this Code of Conduct. When there is no relevant legislation, then the directors are committed to complying with the appropriate recognised Australian or International Standard of best practice.
- Endorse the principles of Corporate Governance as a way of providing stewardship to the organisation. The members recognise that Corporate Governance goes beyond legal standards and focuses on the effective management of relationships to produce enhanced corporate performance.
- In accordance with the principles of Corporate Governance members of the Board ensure that they:-
  - Are scrupulous in the use of their position;
  - Act conscientiously and with due care and skill, honestly, impartially and disinterestedly and be seen to do so;
  - Act fairly and with due regard to the rights and interests of the people of New South Wales and workers affected by dust diseases;
  - Ensure that they have or acquire a thorough working knowledge of the DDB's policies, procedures and operations;



- Will disclose to the Board of Director's any matter which might lead to a potential or actual conflict of interest and will not participate in any decision-making affected by such conflict of interest;
- Will treat all information to which they have access with utmost security and confidentiality and will not disclose such information to anyone without the authorisation of the Board of Director's; and
- Are prudent in their management to organisational resources.

## Profiles of Directors

### Jon Blackwell—Chairperson

Mr Jon Blackwell was appointed as Chairperson of the Board in August 2003. Mr Blackwell attended the University of Nottingham, UK and graduated in Social Administration (BA) in 1975. Mr Blackwell then completed the Certificate of Qualification in Social Work (MA) in 1978. Mr Blackwell emigrated to Australia in the early 1980's and has held various positions in Social Work and Health fields. Prior to his appointment with WorkCover NSW Mr Blackwell was employed as CEO, Central Coast Area Health.

### Sylvia Kidziak AM FAICD FAIM FISA MICOH MRMIA MNELA JP

Ms Kidziak has been the Principal Consultant, Occupational Health Safety and Environment Policy at Australian Business Ltd for the past 22 years. She is also Managing Director of SL Engineering, Chair of the ARPANSA Radiation Health and Safety Advisory Council, Commissioner National Occupational Health and Safety Commission, member of the NSW Workers Compensation and Workplace Occupational Health and Safety Advisory Council, the Federal Government Chemical and Plastics Leadership Group and the NICNAS Industry, Government Consultative Committee. She was also chair of the Occupational Health and Safety and Rehabilitation Council of NSW for 8 years.

In addition Ms Kidziak chairs the Board's Research Grants, Audit and Corporate Governance Committees.

Ms Kidziak has received several awards for her work and has qualifications in management, engineering and occupational health and safety. Previously her work was on power stations and construction sites in Australia and overseas.

### Brian Eichhorn

Mr Eichhorn is the representative of the Employers First. Brian has worked in manufacturing industries all his working life. For the past thirty (30) years he has held senior positions in Human Resources Management. Mr Eichhorn has qualifications in Human Resources and Occupational Health and Safety. He is a trustee of his company's superannuation fund and is a member of the Board's Research Grants Committee and Investment Committee.

### Ray Petty FCPA FCIS AAIM CPIM JP

Mr Petty represents the Australian Industry Group. He is a Business Development Consultant to Industry in Manufacturing. Mr Petty has worked in Manufacturing Industry for 35 years with a background in Finance and Administration. He managed Intercast & Forge P/L businesses in both Sydney and Adelaide. In addition to his professional affiliations, Mr Petty is the President, Northern Region, of the Federation of Automotive Product Manufacturers (FAPM) for the past seven years, and is a Director and Vice President of its National Executive Council. In 2000 Mr Petty was elected to the Australian Industry Group NSW Council as a General Councillor. Mr Petty has been a Director of the Dust Diseases Board for 6 years and is a member of the Boards Investment and Corporate Governance Committees.



Left to right: Mr Jon Blackwell, Ms Sylvia Kidziak, Mr Brian Eichhorn and Mr Ray Petty

## **Robert Davies**

**AM JP**

Mr Davies is a Justice of the Peace, an Australian Workers' Union Representative and has been a full time union official for 35 years. Mr Davies held various union positions at branch and national levels. He has represented the Labor Council of NSW on various tri-partite committees. He was a Trustee of three superannuation funds for 10 years and a Dust Diseases Board member for 32 years.

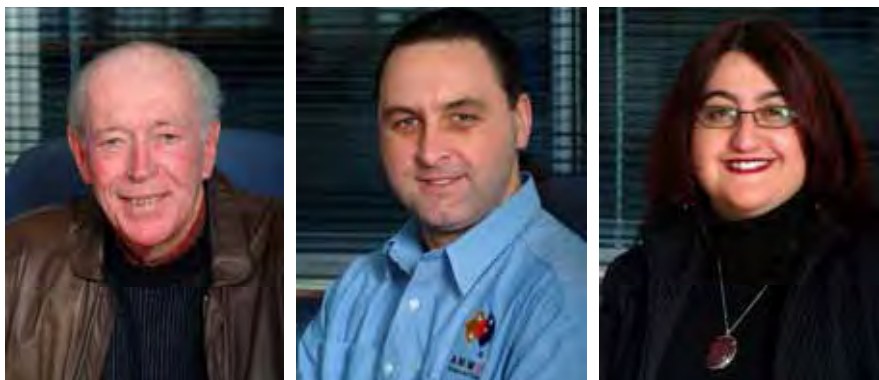
## **Rita Mallia**

Ms Mallia has been the Senior Legal Officer for the Construction, Forestry, Mining and Energy Union NSW, Construction and General Division, since February 2000. From 1996 to February 2000 Ms Mallia was the Union's Workers' Compensation Officer. In her role Ms Mallia provides legal assistance to the members of CFMEU in many matters including workers compensation and industrial issues.

## **Dave Henry**

Mr Henry is the Occupational Health and Safety Officer for the New South Wales Branch of the Australian Manufacturing Workers Union (AMWU), he has held this position since early 2003. Prior to this Mr Henry was an industrial organiser working in the metal division from early 2001. He became a member of the Board of Director's of the DDB in 2003 and currently is a member of the Boards Corporate Governance and Research Grants Committees as well as the Awards Formulas Workgroup.

Mr Henry is a fitter and machinist by trade and completed his apprenticeship and worked for the State Rail Authority of New South Wales at the inter-urban depot at Flemington. Mr Henry represents workers on a number of Boards and is a member on WorkCovers Manufacturing Industry Reference Group (IRG); he also sits on a number of Standards Australia committee's. Mr Henry is also a WorkCover accredited trainer.



Left to right: Mr Robert Davies, Mr Dave Henry and Ms Rita Mallia

## Meetings

Meetings of the Board of Directors are generally held monthly, usually on a Thursday. Eleven meetings were held during the year. Attendance is indicated below (the number next to the name indicates the number of meetings attended):

### Chairperson

J. Blackwell (Chairperson)	10
G. Lansley (Alt Chairperson)	1

### Employer Representatives

S.W.S Kidziak (Member)	9
B. Eichhorn (Member)	11
R. Petty (Member)	9
A. Garner (Alt. Member)	2
A. Thomas (Alt. Member)	1

### Employee Representatives

R. Davies (Member)	10
R. Mallia (Member)	9
D. Henry (Member)	9
W. Woodridge (Alt. Member)	1
A. Sawtschuk (Alt. Member)	2
N. Allen (Alt. Member)	1

## Board Committees

The Board has four committees.

The work of these committees is supported by the Board's Executive Officer and Senior Management.

### Research and Community Support Grants Scheme Committee

Responsible for developing DDB Research Grants funding policy, identifying priority funding areas and procedures for evaluating applications and developing funding recommendations for the Board of Directors.

The Committee is comprised of Sylvia Kidziak (Chairperson), Brian Eichhorn, Geoff Lansley (Alternate Chairperson of the Board of Directors and Executive Officer) and Rita Mallia, which meets four times a year.

### Investment Committee

The Investment Committee meets at least quarterly to consider all aspects of its investment policies and strategies as well as closely monitoring and assessing the performance of Fund Managers. It makes appropriate recommendations to the full Board of Directors for further consideration and implementation.

The Committee is comprised of Robert Davies (Chairperson), Brian Eichhorn, Ray Petty and Geoff Lansley and meets quarterly.

## **Audit Committee**

The Audit Committee meets twice a year and oversees the DDB's compliance with its statutory financial and other responsibilities, and to review internal and external audits and implementation of recommendations.

During 2004/2005 the Committee comprised Sylvia Kidziak (Chairperson), Brian Eichhorn, Rita Mallia and Geoff Lansley.

## **Corporate Governance Committee**

The Corporate Governance Committee meets at least three times per year and is empowered to oversee the DDB's compliance with its governance responsibilities. The committee during 2004/2005 comprised Sylvia Kidziak (Chairperson), Rita Mallia, Ray Petty and Geoff Lansley.

## Executive Officer's Report

### Welcome to the Dust Diseases Board's Annual Report for 2004/2005.

The Dust Diseases Board is one of the oldest, continuous compensating authorities in the world. Australians tend to see institutions like the Dust Diseases Board as a measure of ourselves and the strength of our culture.

Perhaps this is because the principles behind the Dust Diseases Board:

- Equity
- Justice
- Responsibility
- Respect



*Geoff Lansley  
Executive Officer*

Are the essential principles of a good society – our traditional aspirations as Australians.

The Dust Diseases Board delivers statutory no fault compensation to workers in NSW who develop a dust disease as a consequence of exposure to harmful dusts through their work. The Board provides state of the art facilities, as well as medical and industry expertise, to assess dust disease and determine the degree of disablement for compensation.

A highly experienced Medical Authority of respiratory physicians and Board members with relevant industry knowledge and experience support this process. Their work, in turn, is supported by a dedicated team of specialists.

The Dust Diseases Board is not just a compensating authority. Over the last 75 years, it has evolved into something much more. It's now an organisation as much about creating a better future for workers as it is about making amends for the past. The Dust Diseases Board supports pioneering scientific and medical research into the development of effective treatments and prevention measures for dust diseases.

The Dust Diseases Board's Research Grants Scheme is currently in its fourth year of operation and has approved research grants of the value of \$4.7m.

It is the only organisation in Australia, actively committed to a strategy and plan of funding research to improve treatments and outcomes for the victims of dust diseases.

Among the several research grants the Board is currently funding, three projects of a particular importance are:

- Establishing a gold standard of treatment for mesothelioma through the thalidomide drug by Dr Nick Pavlakis, Royal North Shore Hospital.
- Molecular Aspects of asbestos related malignancy by Dr Kwun Fong of the University of Queensland.
- A major epidemiology study into Mesothelioma by Dr Anthony Johnson, Dr Deborah Yates, Prof Berry and Prof Marks.

The Dust Diseases Board's Research Unit is also managing The SABRE scheme - Surveillance of Australian Workplace Based Respiratory Events which aims to determine the number of cases of work related respiratory diseases and inhalational injuries occurring in NSW.

The Unit is also working on a trial of treatment for mesothelioma that is being conducted through Sydney's St Vincent's Hospital. The Dust Diseases Board's Education and Research Unit is one of a number of research centres around the world participating in this important project. Supervised by the British Thoracic Society, the trial involves comparing two different types of chemotherapy with having no chemotherapy.



There are hundreds of people around the world participating in the study and we look forward to the results.

The Unit is also conducting ongoing research into what a person's exhaled breath can tell us about their state of health.

Another project being undertaken by the Education and Research Unit addresses the issue of asbestos exposure levels. The aim of the project is to improve the accuracy with which we estimate an individual's exposure. The Unit is developing a method where we can ask specific, targeted questions about every job that has involved exposure to asbestos.



*Geoff Lansley and Executive Services Manager -  
Ms Liza Tinker*

It is also investigating a technique of determining levels of exposure that relates to fibre counts in lung tissue. This method will give us a good indication of how much exposure an individual has had. The Dust Diseases Board now has the technology to undertake this work in its research centre in collaboration with Westmead hospital.

As part of the NSW Government's overall commitment to workers affected by dust diseases, the Board now includes, as part of its services:

- state-of-the-art diagnostic equipment at its headquarters in Sydney;
- a mobile occupational respiratory screening service for industry that visits more than 3,000 workers a year for medical testing at their workplace;
- educational programs in occupational diseases for trainee thoracic physicians;
- a Corporate Video for the use of unions; employers and doctors in local and international forums;

Important as the research work of the Board is, the NSW Government has also recognised that there is still a need for a dedicated research centre, located within a hospital and university environment, to investigate dust diseases.

For this reason, the Government established the **Asbestos Diseases Research Centre**.

The Asbestos Diseases Research Centre will be a centre of excellence in asbestos disease research. The centre has a particular emphasis on the identification of new screening, prevention and treatment strategies

The Centre is designed to cover existing gaps in the management of asbestos related diseases in NSW.

As a centre of excellence, the Asbestos Diseases Research Centre, with its clinical affiliations at Concord Hospital, will lead in the multidisciplinary treatment of mesothelioma.

The Board understands we cannot cure diseases or make scientific breakthroughs but we can certainly create the conditions in which vital answers might be discovered.

We're optimistic that this new research Centre, together with the important work of the Dust Diseases Board Research Scheme, will be a major step forward in developing early detection methods, improved treatments and ultimately, better outcomes for sufferers of dust diseases.

We know that we will improve the lives of those suffering from dust diseases neither by a miracle nor mere luck nor wishful thinking. We will improve them through continuing to work hard, by making the most of our scientific and medical talent and by providing funding to support that talent.

Last November during National Asbestos Awareness Week, the Minister for Commerce the Hon John Della Bosca announced the creation and funding of an outreach program to educate the community on the dangers of asbestos.



The Hon John Della Bosca  
Minister for Commerce

The \$100,000 program is jointly funded by WorkCover, the NSW Dust Diseases Board and administered by the Asbestos Diseases Foundation of Australia. The outreach program employs a full-time worker to travel throughout the state of NSW, raising awareness of the dangers of asbestos in the community through local councils, hospitals, libraries, shopping centres and the news media.

The outreach worker will develop local support groups and raise awareness of services available through the Dust Diseases Board and the Asbestos Diseases Foundation of Australia. The initiative is part of the Government's plan to prevent another generation falling victim to asbestos through careless renovations and demolition of older buildings.

**Geoff Lansley**  
**Executive Officer**

## MEDICAL AUTHORITY

The Medical Authority is one of the two essential elements required for the granting of an award of compensation for a dust disease. Whereas the Board of Director's is required to approve the award after certifying that the applicant is a worker, the Medical Authority has the sole responsibility to declare that the applicant has a dust disease and assesses the degree of disability.

The Medical Authority was appointed for a three-year term commencing 1 January 2005 and ending December 2007. The Authority consists of three medical practitioners appointed by the Minister, one nominated and appointed as chairperson by the Minister, one nominated by and representing employers and the other nominated by and representing employees. Each member of the Medical Authority has two alternates.

The Authority sits as an expert medical panel and will, as the Act requires, issue a certificate of disablement or death for the purpose of a claim for compensation.

A worker or a dependant of a deceased worker affected by a decision of the Medical Authority in relation to a claim for compensation under the Act may appeal against the Medical Authority's decision to the District Court of NSW or the NSW Appeals Court.

## Meetings

Medical Authority meetings are usually held on Thursdays. Thirty-eight meetings were held during the year. Attendance is indicated below (the number next to the name indicates the number of meetings attended):

### Chairpersons

Professor D. Bryant (Chairperson) MBBS (Syd), MRACP, FRACP	12
Dr P. Corte (Alt. Chairperson) MBChb, FCP (SA)	15
Dr I.T. Gardiner (Member) MBBS (NSW), FRACP	4
Dr D. Yates (Alt. Chairperson) MBChb (Cambridge), MD (Cambridge) MRCP (Lond), FRACP, AFOM	6

### Employer Representatives

Dr J. Lee (Member) MBBS (Syd), FRACP, FCCP (USA)	15
Dr J.S. Mann (Alt Member) MBBS (Syd), MD (Syd), FRACP	12
Dr E. Clark (Alt. Member) MBBS, MRCP (Lond)	11

### Employee Representatives

Dr C Clarke (Member)	4
Dr G Hart (Alt. Member) MBBS, MRCP (Lond), FRACP	11
Dr M. Burns (Alt. Member) PHD, FRCP, FRACP	15
Dr I.T. Gardiner (Member) MBBS (NSW), FRACP	8

## Activities

The Authority reviews the results of all medical examinations relating to an application for compensation and issues a certificate if the applicant is suffering from a dust disease and the appropriate level of disability.

The Medical Authority also reviews the cause of death in relation to claimants and certifies death was the result of exposure to dust.

It is DDB policy that there is a periodic review of all workers considered to be at risk from exposure to dust as well as a follow-up of workers who have been diagnosed as having a dust disease.

The Medical Authority considered a total of 3,555 claims during the year. 3,090 certificates were issued compared with 3,540 the previous year. Details of certificates issued are given below.

### Certificates of Disablement

Disease	2004/2005	2003/2004	2002/2003
Asbestosis	48	51	57
Asbestos Related Pleural Disease (ARPD)	92	108	148
Mesothelioma	145	154	156
Asbestosis/Lung Cancer	3	7	19
Silicosis/Lung Cancer	4	1	1
Hexavalent Induced Lung Cancer	0	1	1
Silicosis	13	4	15
Lung Cancer in Association with Asbestos exposure	12	11	9
Silicosis/Asbestosis	0	1	2
ARPD/Asbestosis	12	12	9
Other	13	3	12
Workers found suffering increased disablement	100	78	44
Workers found suffering decreased disablement	2	3	44
Workers found suffering the same degree of disablement as previously certified	472	515	424
Workers certified to have plural plaques	690	753	754
Workers certified not to have contracted a dust disease under the Act	1,173	1,515	1,095
<b>TOTAL</b>	<b>2,779</b>	<b>3,217</b>	<b>2,790</b>

### Certificates in Respect of Deaths

Disease	2004/2005	2003/2004	2002/2003
Asbestosis	23	13	16
Asbestos Related Pleural Disease	13	2	3
Mesothelioma	131	145	94
Silicosis	4	2	1
ARPD/Asbestosis	3	1	0
Silicosis Carcinoma of the Lung	2	2	1
Lung Cancer in association with Asbestos Exposure	6	8	7
Asbestos Carcinoma of the Lung	16	8	18
Other	8	4	10
Workers' death not due to dust disease	105	138	105
<b>TOTAL</b>	<b>311</b>	<b>323</b>	<b>255</b>

# DDB ANNUAL PERFORMANCE

## Corporate Objective

To strategically position the DDB in Australia as the leading organisation in occupational respiratory health in the following priority or key result areas:

- Compensation
- Client management and service delivery
- Information, research and education
- Knowledge and skills
- Stakeholder involvement

## Compensation

- Applications from claimants suffering mesothelioma processed on a priority basis
- Publication "Guidelines to Compensation" updated
- Medical Authority reviewed over 3,000 cases

## Client Management and Service Delivery

- Funding of the new position of Outreach Worker jointly with WorkCover to raise community awareness of asbestos in the built environment.

## Information, Research & Education

- Important studies of methods for early detection of lung conditions from asbestos completed.
- Studies of treatment for mesothelioma underway.
- Studies to accurately estimate number of cases of mesothelioma occurring currently and in the future underway.
- Asbestos fibre counting in tissue able to be done by the DDB.

## Knowledge and Skills

- Performance Development Plans for all DDB Staff
- Performance reviews for all staff held on a six monthly basis
- Management and Leadership training for new Managers
- Various in-house seminars on DDB policies and procedures

## Stakeholder Involvement

- Regular meetings held with Executive of Asbestos Diseases Foundation of Australia (adfa)
- Sponsorship of:
  - The Australian and New Zealand Society of Occupational Medicine (ANZSOM)
  - Asbestos Diseases Awareness Week
- Presentations on dust diseases at scientific conferences
  - ANZSOM Scientific Conference, August 2004
  - TSANZ Annual Scientific Meeting, March 2005
  - Asian Conference of Occupational Health, May 2005

## Electronic Service Delivery

The NSW Government has made a commitment to make all appropriate government services available online.

As a result the DDB has a website at [www.ddb.nsw.gov.au](http://www.ddb.nsw.gov.au) where our clients are able to download information on the following:

- The role of the DDB
- Information on compensable diseases
- The compensation process
- Benefit structures
- Publications
- All forms needed to apply for compensation

## Government Energy Management Policy

The DDB is committed to achieving savings in energy use and sustainable energy management principles. The DDB is compliant with this policy.



# MANAGEMENT

## Profiles of Senior Management

### **Mr Geoff Lansley**

### **Executive Officer and Alternate Chairperson of the Board**

Master of Management Degree (UTS), Associate Fellow of the Australian Institute of Management (AFAIM). Mr Lansley has extensive managerial experience in the public sector. As Executive Officer he is responsible for the management of the DDB, implementing the statutory responsibilities of the Dust Diseases Act and other related legislation, developing and implementing policies of the Board and for the administration of the Dust Diseases Compensation Scheme. This position reports to the Chairperson and part time members of the Board of Directors. Mr Lansley is also a Member of the Institute of Public Administration Australia; Member Australian and New Zealand Society of Occupational Medicine and Associate Member Thoracic Society of Australia and New Zealand.

### **Mr Terrence Zachariah**

### **Manager Financial Services**

Mr Zachariah has been Manager, Finance and Compensation Services since 1999, and is responsible for managing finance, treasury, taxation, investments and audit at the DDB. He holds a Bachelor of Business and is currently completing an MBA in finance from Charles Sturt University. He has a broad range of domestic and international experience gained through leadership roles in finance within the insurance and broking industry. Prior to joining the Board, he held senior roles in fund management with National Mutual Insurance and Bowring Barclays and Associates. He has also managed investment portfolios for the Prudential Insurance group.

### **Mrs Wendy Parr**

### **Nurse Manager**

Mrs Wendy Parr has been in the role of Nurse Manager at the DDB for 18 months. She has more than 20 years experience as a registered nurse in managerial, research and clinical roles primarily within NSW Health. She holds a Bachelor of Social Science from the UNSW and a Graduate Diploma in Nursing Management. Wendy has been instrumental in the establishment of a 'virtual' hospital for DDB patients and ensures that each patient receives quality patient specific care that remains cost effective and congruent with the DDB's Legislation.

### **Ms Denise Farlow**

### **Manager, Policy, Projects & Ministerial Services**

Ms Denise Farlow has been employed at the DDB since January 2001. She currently holds the position of Manager, Policy, Projects & Ministerial Services and is responsible for developing and implementing a range of projects, policies, Ministerial Services and Corporate activities on behalf of the Executive Officer. She also assesses and resolves complex cases, processes and situations which can involve issues raised by clients and their family members.



*Mr Geoff Lansley, Mr Terrence Zachariah, Mrs Wendy Parr, and Ms Denise Farlow*

**Mr Simon Bowden                      Legal Officer**

Mr Simon Bowden joined the DDB in January 2005 in the role of Legal Officer. Simon is responsible for providing legal advice to DDB Senior Management and the Board on the Dust Diseases Act and related legislation and the management of recoveries under S8E of the Act.

**Mr Geoff Sharpe                      Manager, Operations and Client Services**

Mr Sharpe is the Manager, Operations and Client Services. He had management responsibilities for Advisory, Medical Services, MAST and the Call Centre

**Peter Reid                              Management Accountant**

Mr Peter Reid joined the DDB in November 2004 in the newly created position of Management Accountant. He holds a Bachelor of Business degree from Charles Sturt University and has acquired a wide range of experience in financial, management and investment accounting since joining the Public Service in 1990.

# Making a Difference

## Research Unit

### Mesothelioma Epidemiology Study

In 2002 the Dust Disease Board Research Unit began a study to determine the current number of mesothelioma cases in NSW and to predict the numbers that would be occurring in the future. The research team for the project comprised of Dr Anthony Johnson, Dr Deborah Yates, Professor Geoffrey Berry, Professor Guy Marks, Dr Mark Clements and Sandra Ware, as research assistant.

Dr Anthony Johnson spoke to journalist Rosey Golds about the project.

#### **How was this research project different from ones that had been undertaken previously?**

There have been a number of predictions made on the number of mesothelioma cases that will occur in NSW in the future. However, these predictions were based on the workers at Wittenoom, an asbestos mine in Western Australia. The miners in Wittenoom were exposed to blue asbestos at unusually high levels. Blue asbestos is the type of asbestos most likely to cause mesothelioma. People in NSW were exposed to different types of asbestos with different risks associated with them and at different levels. Therefore, there is good reason to believe that the numbers will be different.

#### **Why is it so important to obtain accurate numbers on future sufferers of mesothelioma?**

We need this data for a number of reasons. Firstly, we need to be able to calculate the number of people that the Board will need to compensate so that this process can be managed efficiently and effectively. Secondly, from a population health point of view, our research findings will assist governments in knowing how much money to put into research and medical expenses.

#### **How will this research assist people who have been exposed to asbestos but have no signs of illness yet?**

It might be possible to reassure people by giving them an accurate picture of what the true risk is. It's much more helpful to give people the facts on what happened in NSW rather than elsewhere.

#### **How was the research undertaken?**

Our study was done in co-operation with the cancer registry. The cancer registry maintains a record of all cancer cases diagnosed in NSW. We put together the number of cases that had been collected by the Dust Diseases Board and the number of cases collected from the cancer registry and investigated whether there were any cases we had that had been missed.

#### **What was the research method used?**

We used a method called capture/recapture. It's a method that was recently described by people who were researching bird populations. In order to discover how many birds were living in a particular area, the researchers would capture fifty birds and tag them. They would then release the fifty tagged birds into the environment and allow them to mingle with the other birds. The researchers would then capture another fifty birds and see what proportion of those birds had been tagged the second time. This method gives you a good idea of what the real population is. To explain in practical terms, If you capture ten birds and you let them go, and you capture another ten and if the ten you capture have all been tagged then maybe there are only ten birds in the forest. But if in the next ten you capture there are none tagged or only one tagged, then there is obviously many more birds. There have been a number of mathematical models that have been devised to work out what that number is. We applied this research method to the cancer registry data. This was the first time this method had been applied to this kind of project and our research assistant, Sandra Ware, has converted the material into the beginnings of a PhD.

#### **What did your research reveal?**

We found that the cancer registry wasn't missing a significant number of cases. In the cancer registry there are about a hundred and fifty new cases a year and we found that that to be the right number.

**How do you calculate the number of people who can be expected to develop mesothelioma in the future?**

The number of people who can be expected to develop mesothelioma in the future is related to the number of people who were exposed to asbestos in the past. The time between exposure and development of mesothelioma is about forty years so we're trying to work out how many people were exposed forty years ago. The way we are attempting to do this is through the census data with the help of the Australian Bureau of Statistics (ABS). The ABS can tell us how many people were working in each industry at the time of each census. We use various estimates of how many of those people could be expected to have had exposure and then we add them all together.

**What method did you use for these predictions?**

We divided the NSW populations into five year age groups from when they were born. So, for instance one group comprised of those men who were born between 1920 and 1924, and another group comprised of those men born between 1924 and 1929. In each of the groups of men born in those years, using the data from the Dust Board and the cancer registry, we worked out what their rate of mesothelioma was for each year. We also took into account exposure levels. For instance, individuals who were born in 1920 and worked in the fifties and sixties, probably were exposed to higher levels of asbestos than those who were born later because asbestos was progressively phased out.

**What did your research reveal?**

We worked out that the peak will be in about ten years time.

**How was this different than methods that had been used before?**

What researchers have done in the past is to look at the *whole* population. So, for example, they've looked at the population that was born in 1920 and estimated what an individual's risk of developing mesothelioma was during their life-time and then compared that with all the people who were born in 1925 and 1930 and so on. The problem with this method is that it doesn't take into account how industries change. We're looked at individual industry levels as opposed to the overall population.

**Where is the project up to now?**

We are just finalising the draft for the medical literature.

## The Lung Bus

***On the four year anniversary of the Lung Bus, Rosey Golds spoke to the team about this impressive operation.***

In launching the Dust Diseases Board's Lung Bus, just on four years ago, the Minister for Industrial Relations, Mr John Della Bosca said:

"We are launching a program today which will save lives and this gives me tremendous satisfaction."

Even those most optimistic about the bus's potential could not have predicted what an outstanding public health measure it would turn out to be.

At one level, the most important feature of the lung bus is that it can travel to the very doorstep of a work place. This makes the procedure not only remarkably convenient but efficient and cost effective, as well.

But the lung bus has achieved something even more important than this, something much more difficult to measure.

The project has generated goodwill and a sense of renewed responsibility among government, industry and unions for the health of their workforce.

Since the launch of the lung bus, there have been several important improvements to the service.

The bus has new digital equipment and there are three permanent staff members – a manager, a respiratory scientist and an occupational doctor.

"We use the bus out in the field three days a week from Tuesday to Thursday," says Bert Plamondon, Manager of the Bus.

"This is so that we have time to correlate the results on Mondays and Fridays in the Office. The sites we visit are far and wide across the state. We've travelled to Broken Hill, for instance, every year since the bus started.

The Lung Bus screens about three and a half thousand workers per year.



*Lung Bus Screening in Tweed Heads*



*The DDB Lung Bus Team - Mr Bert Plamondon, Dr Boon Lee and Mr Ewan Wylie*

"We all try and instil a sense of continued responsibility in management around the issue of getting their workers tested.

The Lung Bus team works together closely, offering ideas on all aspects of the operation.

"Being a part of arguably the best mobile occupational respiratory screening unit in the country is a real privilege," says Dr Boon Lee, the Doctor on the Lung Bus.

"Working with a team of highly trained professionals, and being supported by proactive management, makes the screening process very rewarding work.

"Even though most of the results of the screenings are normal, these findings are highly significant to both the workers and employers.

"The occasional finding that actually saves lives, make those early hours, long days and travelling all worthwhile knowing that we are genuinely making a difference."

Dr Lee is very active in our marketing and the presentations we give to companies," says Bert.

We're all deeply committed to the project and because of this shared passion, I think we've managed, as a team, to make the notion of risk management more prevalent in companies throughout NSW.

"The screening procedure on the Lung Bus aims to be of the highest quality and to identify disease symptoms as early as possible, explains Ewan Wylie, respiratory scientist with the Bus.

"Since I started in November 2004, we've screened almost 3500 workers.

"At the end of the day, the aspect of my work that I find most satisfying is being able to answer people's questions and provide a better understanding of occupational dust diseases. I really enjoy the personal contact.



## The 18<sup>th</sup> Triennial Asian Conference of Occupational Health – Wellington, New Zealand 2005

The 18<sup>th</sup> Triennial Asian Conference of Occupational Health was held in Wellington, New Zealand from 11 - 13 May 2005.

The conference was of international significance and is held only once every three years in the Asia Pacific region.

Ms Sylvia Kidziak, Board Member and Chairperson of the Research Grants Committee gave a paper representing the Dust Diseases Board. The following is an edited version of her speech.



*Sylvia Kidziak*

I'm delighted to have the opportunity to introduce the research session of this conference specifically dedicated to dust diseases.

The Dust Diseases Board is the only organisation in Australia actively committed to a funding strategy for research into treatments for dust diseases. Those of us who are involved with the Dust Diseases Board witness the devastating effects of these diseases on the lives of persons suffering from them everyday.

This awareness provides the strongest motivation to do everything possible to improve the care, dignity and hope of our clients. Our mission, corporate values and objectives guide us in promotion of research to improve the quality of medical treatment and the level of assistance available to victims of dust diseases. Our Research Grants Policy commits us to fund high quality research, encourage collaboration within the research community and investigate local and international developments that show promise in our search for better outcomes in treatment.

The Dust Diseases Board's Research Grants Scheme is currently in its fourth year of operation and has approved research grants in excess of four million dollars. We are pleased to have attracted leading researchers from within Australia and internationally.

Today we will see three presentations outlining the work of research teams funded by the Dust Diseases Board's Research Scheme.

These projects are challenging and ambitious. They require substantial personal commitment and energy.

We expect the results of the groundbreaking research we are funding to have major clinical and public health implications, for the prevention and treatment of lung disease in NSW workers and indeed workers throughout the world.

Today's research session has a number of important aims.

It will increase the international profile and understanding of occupationally related respiratory research with industry, unions, the general public and the media.

The knowledge presented at this session will also reach professionals working with individuals suffering from dust diseases and allow them to inform their clients of the latest developments in research. It will let them know that important, ongoing studies are being undertaken aimed at helping them.

Among the several research grants the Board is currently funding, three projects will be outlined today;

Our first presentation is titled:

**“Establishing a gold standard of treatment for mesothelioma through the thalidomide drug” by Dr Nick Pavlakis.**

Dr Pavlakis is a leading Australian Medical Oncologist.

His clinical research skills lie in translational studies of new drugs, particularly anti-angiogenic agents. He has a strong background in industry collaboration demonstrated by his role in the pre-clinical and clinical development of PI-88, a novel anti-angiogenic agent discovered in Australia by Professor Christopher Parish of the Australian National University.

Dr Pavlakis is a recent member of the International Mesothelioma Interest Group (2002) and was invited to participate in the First International Symposium on Malignant Mesothelioma in the United States in 2004. He was a member of the faculty for the inaugural Australia & Asia Pacific Clinical Oncology Research Development (ACORD) Workshop, held in Queensland in August 2004.

The next presentation is titled **“Molecular aspects of asbestos related malignancy” by Dr Kwun Fong and Dr Raylene Bowman of the University of Queensland.**

Dr Bowman is a Lecturer in the Department of Medicine at the University of Queensland in Australia. She is also a thoracic physician with the Department of Thoracic Medicine, affiliated with the Royal Brisbane and Women's Hospital in Brisbane.

Dr Bowman is a current member of the Thoracic Medical Tribunal of the Workers' Compensation Board of Queensland and a member of the Collaborative Research into Asbestos related Malignancy (CRAM) team of investigators lead by Professor Kwun Fong in the Thoracic Oncology Research Laboratory of the Prince Charles Hospital.

Our final presentation is titled an **“Analysis of current and future trends in the incidence of mesothelioma and predictions of mortality and morbidity in New South Wales” by Dr Anthony Johnson, Dr Deborah Yates, Professor Geoffrey Berry and Professor Guy Marks.**

Dr Johnson is one of Australia's leading researchers in the field of dust diseases.

He is currently staff specialist with the Department of Respiratory Medicine at Liverpool Hospital and Consultant Thoracic Physician with the Workers Compensation (Dust Diseases Board) of NSW

He is also Director of the Research and Education Unit at the Workers Compensation (Dust Diseases) Board and has established an occupational respiratory disease centre dedicated to research into occupational respiratory disease in Australia. This includes health screening and provision of information and education about occupational lung disease for patients, health professionals and the public.

In conclusion, I would like to thank the organisers of this Conference, the Australia and New Zealand Society of Occupational Medicine and the Australian Faculty of Occupational Medicine for providing the opportunity for professionals to meet and discuss important and emerging occupational issues.

I particularly thank Dr Edwin Whiteside, President of the Asian Association of Occupational and Environmental Health who was instrumental in bringing together the NSW Dust Diseases Board's participation in this conference.

The Dust Diseases Board and the Research grants Committee will continue to facilitate ambitious research projects by well recognized and dedicated research teams, aimed at finding answers to assist in improving outcomes for work related respiratory illness. I personally will continue to encourage ongoing dialogue and collaboration between researchers. This research session is part of that dialogue and the Boards present and on going commitment.

## Achievements in 2004/2005

- Medical Authority reviewed over 3090 dust diseases cases during the year.
- Implementation of consultative arrangements with community group Asbestos Disease Foundation of Australia (adfa) on dust disease related matters and victim support.
- Participation with adfa in Asbestos Awareness Week providing information to the public on the risk of asbestos and services provided by the Dust Diseases Board.
- Three year Business Plan for 2005/2006 – 2007/2008 developed and approved by the Board.
- Board approved funding of \$100,000 pa jointly with WorkCover NSW to fund an outreach worker employed by the Asbestos Diseases Foundation of Australia to raise community awareness of asbestos in the built environment.
- Board achieved an investment return of 11.74% or \$56.3m on its Investment Funds.
- Conduct of Corporate Planning Seminar attended by the DDB's Corporate Planning Group in March 2005.
- Update of Dust Diseases Board publication "A Guide to Compensation".
- Review of Finance and Compensation Services completed and recommendations implemented and resources upgraded.

## SERVICES

### Board's Services Include:

- Free of charge medical examinations
- Commercial screening services
- Advisory & Client Services
- Emergency response to beneficiary requirements for medical care and services eg. Oxygen
- Information and education
- Website access
- The DDB's services are able to be accessed at its website [www.ddb.nsw.gov.au](http://www.ddb.nsw.gov.au)

## PUBLICATIONS

- Annual Reports
- DDB Guide to Compensation
- DDB Privacy Leaflet
- Occupational Respiratory Health Report
- Various Brochures on the DDB

## Medical Examinations

A total of 2,370 applicants were examined as a result of their claim for compensation during the year. Of this number 696 were arranged through country or regional chest physicians on behalf of the Board and 1,674 were examined at the board's premises. Also, 315 workers were assessed at the Board's premises for Occupational Screening Services.

Respiratory physicians examine most applicants for compensation at the DDB's premises. The examinations include detailed pulmonary function tests and chest x-rays.

In Broken Hill the Bureau of Medical Inspection undertakes the medical examination of Broken Hill mineworkers who are covered under the Act. During the year a total of 247 workers were also assessed for hearing tests.

Physicians also refer patients to the DDB following examination and diagnosis. In these cases the workers are often suffering a malignant condition and the physician considers that the patient is suffering from a compensable condition. The DDB then obtains all medical, clinical and radiological evidence from the patient and/or his or her physicians.

## Client Focus

Client feedback to DDB's staff is consistently positive and particular mention is made of the courteous, efficient and helpful manner in which clients are dealt with.

The majority of our beneficiaries are personally interviewed by our Advisory Officers. They also receive personal ongoing care from our Nurse Manager and contracted nursing staff for their medical requirements.

## Occupational Hygienist Reports

There were no Occupational Hygienist reports requested during 2004/2005. This was a significant decrease on last year as during 2003/2004 a total of 15 reports were requested.

## Patient Management Services

The Patient Management Services section handles all requests for healthcare services and equipment. This includes the hiring of equipment, home modifications and various types of care.

## Call Centre

The Call Centre is the first point of contact with the DDB and staff are trained to answer all questions that an applicant might have in regard to the application process and functions of the DDB.



*X-ray Facilities*



*Lung Function Testing*

## Advisory and Client Services

The Advisory and Client Services Section is the first point of contact for a client who is believed to have a dust disease.

The Advisory staff of the section visit workers either in their homes or hospital and compile an industrial history of the workers.

The Advisory Officers provide a comprehensive report on the employee's work practices and identify areas and processes where dust was encountered. This Industrial History aids in the proper diagnosis of a dust disease and helps to determine if the applicant is eligible for compensation.

## Dust Diseases Board on the Web

The DDB's website is at [www.ddb.nsw.gov.au](http://www.ddb.nsw.gov.au). The DDB website provides the public with access to our services and information about our organisation.

Our website now features:

- Information on the application process
- Application forms for compensation
- Annual Reports
- Research information

## Release of Information

During the year there was one request received by the DDB under F.O.I. legislation.

The Board received 472 requests for information other than F.O.I. with most being requested from solicitors.

The Board obtains signed authority forms from applicants for the release of information relating to their dust condition.

Documents including compensation claim files, medical reports and x-rays are available through an administrative release of information procedure.

When a solicitor makes a request for information on behalf of an applicant, it will only be provided if the applicant has signed a release for the solicitor to receive the information.



*Call Centre*



*Medical Centre*

## Information and Education

During the 2004/2005 financial year, presentations on the DDB and its operations were presented to the following groups:

- CSR Board
- Bluescope Steel
- Asbestos Diseases Foundation Central Coast Meeting
- Orange City Council
- Joint Venture – Epping to Chatswood Rail Link

These presentations focussed on the role of the Dust Diseases Board as a compensating body for occupational respiratory diseases in NSW.

The Dust Diseases Board's 20 minute corporate video called "Making a Difference" has been distributed to various community groups. The aim of the video is to produce an effective communication tool to be used in local and international presentations. The Corporate Video is shown to employers, workers and worker representatives, health professionals and representatives of community groups. It is envisioned that audiences viewing the video will gain a clearer appreciation of the compensation scheme administered by the DDB.

The DDB also produces Occupational Respiratory Health Reports as well as other publications on all aspects of our business.

## Information Technology

During 2004/2005 a major upgrade and replacement was completed for the DDB's phone system. This involved replacing the PABX to accommodate more functionality, capacity, versatility and expandability.

DDB Intranet Xpress was conceived and developed by IT Services In October 2004. The Intranet has now become the information/communication hub and an important resource for DDB management and staff.

A Digital X-ray Screen was trialled for viewing of digital x-ray's and CT's during Medical Authority Meetings.

The Broken Hill office was fully integrated with the DDB Sydney office. Network integration was achieved using a Virtual Private Network over ADSL. The computer hardware was also upgraded in line with the DDB Sydney Office.

IT Staff received training in Information Technology Infrastructure Library (ITIL) and as a result are implementing industry best practice across IT Service and Support processes. This implementation will be based on the ITIL framework.

## Privacy Act Compliance

The DDB, in 2001, commissioned IAB Management Services to develop a Privacy Management Plan in compliance with Section 33 of the Privacy and Personal Information Act 1998.

The Privacy Management Plan sets out the DDB's commitment to adhere to the Information Privacy Principles governing the collection, retention, accuracy, use and disclosure of access to personal information and corrections. The Privacy Management Plan has been submitted to the NSW Privacy Commissioner and has also been circulated amongst all staff and Board members.

The DDB has also undertaken the following measures in relation to privacy:

- Inclusion on the Privacy Commissioner's database to receive updates and newsletters on privacy issues to be distributed to all staff.
- All forms completed by workers and dependants include a privacy notification.
- Website includes a privacy statement.
- The provision of proper disposal facilities for confidential material.



- Introduction of photo ID security passes and proximity access control for each floor.
- Privacy induction program developed for new staff members.

In the financial year ending 30 June 2005, the DDB had not received any complaints concerning alleged breaches of the Privacy and Personal Information Protection Act 1998.

In the financial year ended 30 June 2005 the DDB received no requests for copies of personal files to be provided under the Freedom of Information Act compared to 3 requests the previous year.

## Commercial Screening Service

The DDB operates an integrated and comprehensive Occupational Respiratory Screening Service for industry on Level 7 of its Elizabeth Street premises.

This Screening Service operates as a one stop shop providing radiological facilities, lung function testing facilities and clinical examination in one location. The DDB retains each workers individual record to enable continuity of data. If a worker leaves industry or retires, the retained records will then be able to be utilised by the DDB in accordance with compensation protocol.

The DDB also operates a mobile screening service for industry using the Lung Bus. The Lung Bus is a fully equipped, purpose built respiratory clinic based on a coach chassis that is capable of screening up to 10 workers per hour. The Lung Bus enables the DDB to provide an outreach program “on-site” through the Mobile Respiratory Screening Service in addition to the Occupational Screening Service conducted on Level 7 at the DDB’s premises.

Once the screening process has taken place, the DDB provides a report to both the worker and the employer, on their respiratory health. If a worker is certified as having evidence of asbestos (or any other dust exposure relevant to the DDB’s coverage) he/she will be immediately catered for under the compensation protocol.

The DDB provides this service at competitive rates for industry however, no fee is charged for workers who fall under the compensation protocol.

## Guarantee of Service

The DDB is committed to ensuring that workers and their dependants eligible under the Workers’ Compensation (Dust Diseases) Act, 1942 are appropriately identified, assessed and compensated according to the spirit and meaning of the Act.

### Our Guarantee to you

- We are committed to providing you with high quality service, which is relevant to your needs
- We use our resources responsibly to provide fair and equitable service
- We deliver services in a friendly, courteous and culturally sensitive manner

### Our Service Standards

- Information you receive from us is accurate, consistent and up to date
- Telephone enquiries are answered promptly
- Written requests for information are responded to within 10 days
- All claimants and beneficiaries receive their entitlements on time
- All applications for benefits are processed promptly
- Complaints are investigated promptly and fairly
- All telephone enquiries are responded to within one working day

## **Risk Management**

The DDB maintains insurance cover for a range of risks. These are reviewed annually.

The DDB explored the risk factors involved in DDB staff examining and interviewing clients with potential infectious diseases and found the risk factor to be low.

## **Complaints**

Complaints made to the DDB were of a minor nature and resolved with individual complainants.

# PEOPLE

## Organisational Changes

During the course of the year a number of positions were evaluated and appointments made.

The DDB's Executive Officer initiated a program of organisational assessment that has been completed and implemented, and which included a review of the Operations and Client Services Branch.

## Employment Relations

At least once a year staff meet for a full day seminar to review our corporate plan.

During the year Department Heads hold regular meetings with their staff to bring them up to date on strategies, achievements and events.

## Equal Employment Opportunity

During 2004/2005 the proportion of women employed by the DDB represented 56% of the workforce compared with 59% the previous year. Of these the highest female salary level is \$79,899.00.

## Ethnic Affairs Priority Statement (EAPS)

The DDB supports the principles of cultural diversity by ensuring that the planning, development and delivery of our service are sensitive to the cultural, ethnic and religious needs of our beneficiaries and other community stakeholders. The main initiatives of 2004/2005 were:

- Providing a screening service free of charge to the remote Aboriginal community, Baryugil, which is situated in close proximity to a former James Hardie asbestos mine.
- Improving community knowledge about the DDB's ability to assist workers who are disabled as a result of an occupational lung disease with the distribution of the publication "DDB: A Guide to Compensation" in plain English and 9 other languages.
- Jointly funding the position with WorkCover for an Outreach Worker to travel around regional NSW to educate the general community about asbestos in the build environment.

Projects to be undertaken in the 2005/2006 financial year are:

- Provide training for all DDB staff on cultural awareness and sensitivity.

## Health and Safety

A total of 4 Workers' Compensation Claims were accepted during 2004/2005, compared with 3 claims lodged in the previous financial year. One claim was as a result of a repetitive strain injury and two claims were due to manual handling incidents causing soft tissue injuries.

The Health and Safety Committee has continued its commitment to improving workplace health and safety. The Committee and the DDB's Executive, work together in encouraging all staff members and management representatives to participate in practical solutions to workplace Occupational Health and Safety problems.

The Occupational Health and Safety committee meetings are an open forum for all employees of the Board where permanent revisions of policy and staff concerns relating to policy, work practices and training are addressed and resolved. Through a consultation process the OH&S Committee recommends actions to improve health and safety at Head Office, the Lung Bus and the Broken Hill Branch for its employers, employees, patients and visitors.

The DDB has undertaken the following measures in relation to OH&S during the 2004/2005 financial year:

- Implementation of an Occupational Health and Safety Policy across the DDB
- Regular workplace inspections to identify, isolate and eliminate hazards and risks
- 12 monthly Fire Evacuation Drills, Warden Training and Fire Equipment inspections
- Training of 85% of staff in OH&S consultation
- Occupational Health and Safety Greencard training
- Return to Work Coordination Training
- First Aid Officer Training

## Training and Development

During 2004/2005 staff members at the Dust Diseases Board attended courses in the following:

- OH&S Consultation – 85% of staff now trained
- Return to Work Coordination
- OH&S Greencard Training
- First Aid Training
- Infection Control
- Lung Function Testing Training
- Records Management
- Information Technology Infrastructure Library (ITIL)
- Computer training in Microsoft Outlook, Microsoft Excel and Microsoft Word
- Management and Supervision Training
- Annual Report Development
- Project Management

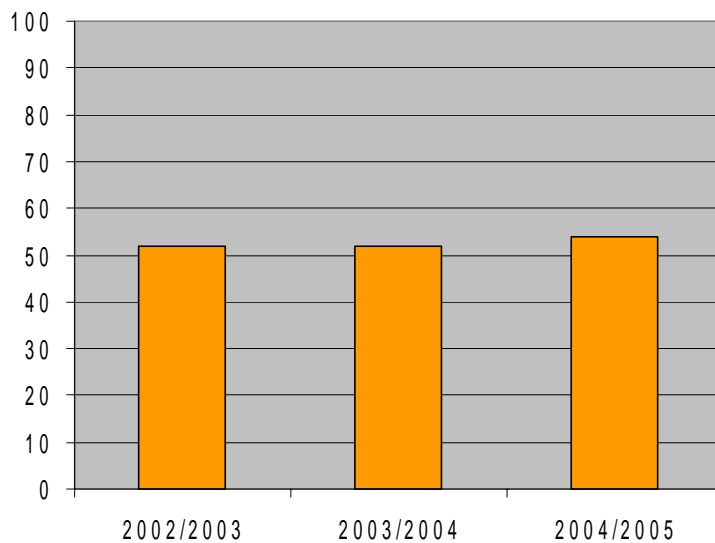
## Staffing

At 30 June 2005, there were 33 permanent and 8 temporary staff. In addition there were 13 contractors involved in our Patient Services, Medical Services, Commercial Services and Education and Research Unit.

During the year 247 days were lost due to unplanned absences.

Division	Permanent		Temporary		Contract		TOTAL
	Female	Male	Female	Male	Female	Male	
Executive Services	3	3	1	0	0	0	7
Operations & Client Services	1	1	0	0	0	0	2
Communications & Records Management	1	2	0	0	0	0	3
Patient Services	2	0	0	0	0	1	3
Advisory	2	5	0	1	0	0	8
Commercial Services	0	1	0	1	0	2	4
Medical Services	4	0	2	1	1	3	11
Education & Research Unit	0	0	2	0	3	1	6
Financial Services	5	3	0	0	2	0	10
<b>TOTAL</b>	<b>18</b>	<b>15</b>	<b>5</b>	<b>3</b>	<b>6</b>	<b>7</b>	<b>54</b>

## Comparison of DDB staffing in previous years:



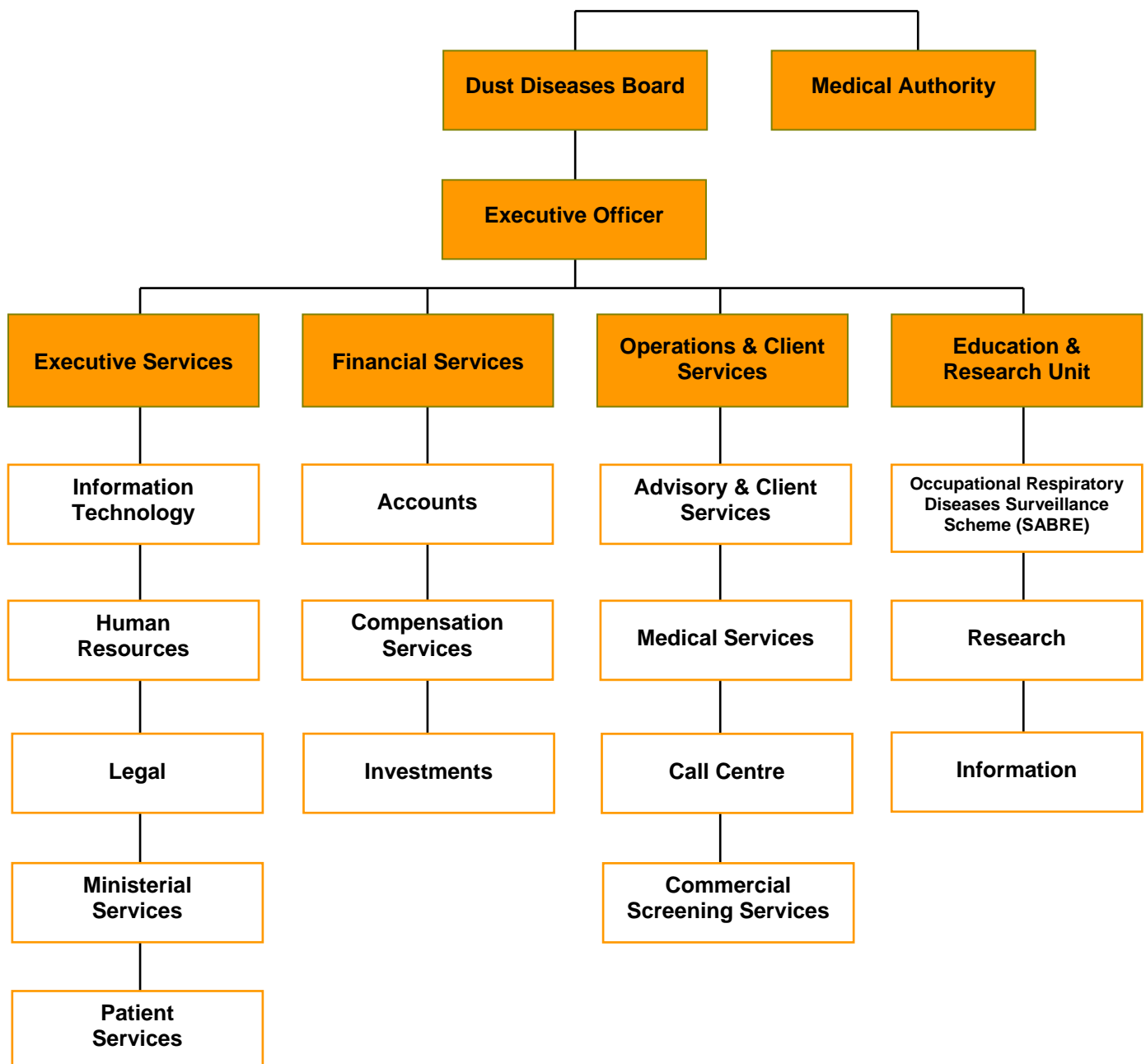
## Personnel Policies and Practices

During the 2004/2005 financial year DDB Management held regular information sessions with staff to educate them on various policies.

Following is a list of personnel policies and practices for all staff at the DDB:

- |  |   |
|--|---|
| ■ Staff Code of Conduct                      | ■ Internet and Email Policy                                     |
| ■ Corporate Conduct                          | ■ Mobile Phone Policy   |
| ■ Corruption Fraud Policy                    | ■ Occupational Health and Safety Policy                         |
| ■ Corporate Wardrobe Policy                  | ■ Premier's Dept – Alcohol and Other Drugs Policy               |
| ■ DDB Flexible Working Hours Policy          | ■ Protected Disclosures Internal Reporting Policy               |
| ■ Expenses Policy                            | ■ Records Management Policy                                     |
| ■ Employee use of the Internet Policy        | ■ Travel and Other Associated Allowances: Policy and Procedures |
| ■ Grievance Management Policy and Procedures | ■ Working from Home Policy                                      |
| ■ Infection Control Policy                   |   |

## Organisation Chart



# RESEARCH SCHEME

## Purpose and Objectives

- To fund research into improved medical treatment available to victims of dust diseases.
- To fund research into advancing the understanding of the origins and development of occupational lung diseases.
- To provide funding to clinical/medical or other research which may support the achievement of 1) and 2) above.
- To provide funding into research to identify occupational exposures with the potential to cause occupational lung diseases.
- To provide funding to assist in assessing the extent of lung diseases in the workforce and potential claimants to improve the DDB's capacity to forecast future liabilities.
- To fund research which may assist the Medical Authority in assessing and validating claims for compensation.
- To fund research which may increase the efficiency & effectiveness of the DDB in discharging its statutory responsibilities.
- To fund projects, programs and initiatives that contribute to prevention and education in respect of occupational lung diseases.

The DDB has developed a comprehensive research strategy to improve outcomes for sufferers of Dust Diseases in New South Wales.

The DDB's Research Grants Scheme is currently in its fifth year of operation and to date has approved research grants in excess of a total of \$3 million.

## Established Research Projects

Established Research Projects are as follows:

- 1) Thalidomide: establishing gold standard of treatment for mesothelioma. Granted to Dr Helen Wheeler and Dr Nick Pavlakis;
- 2) Understanding the way tumours behave in the lung and in the laboratory. Granted to Professor Judith Black;
- 3) New, non-invasive techniques for diagnosis and treatment – studying the patterns of inflammatory markers in exhaled breath. Granted to Dr Deborah Yates and Dr Anthony Johnson;
- 4) Advancing our understanding of the harmful effects of silica: developing new treatment options for silicosis. Granted to Dr He Wang;
- 5) Gene Therapy – approaching the problem at a molecular level. Granted to Professor Bruce Robinson.
- 6) The SABRE Scheme aims to determine the number of cases of worker-related respiratory diseases and inhalational injuries occurring in New South Wales. Currently the incidence of occupational lung disease in New South Wales is unknown. Granted to Dr Deborah Yates and Dr Anthony Johnson;
- 7) Meso-1 Trial: Treatment of Mesothelioma: An International Collaborative Trial: St Vincent's Hospital and Liverpool Hospital;
- 8) Analysis of current and future trends in the incidence of mesothelioma and predictions of mortality and morbidity in New South Wales: Dust Diseases Board Research Centre;
- 9) Developing strategies to meet the needs of patients with Malignant Mesothelioma, family carers and health care professionals involved with their care: The University of Sydney.
- 10) Molecular Aspects of Asbestos Related Malignancy. Granted to Dr Kwun Fong of the University of Queensland.
- 11) Apoptosis in meso cell. Granted to Dr Juri Neuzil.



This research will be a major step forward in developing early detection methods, improved treatments and ultimately, better outcomes for sufferers of dust diseases.

It is expected that the results of the ground breaking research funded by the DDB Research Grants Scheme will have major clinical and public health implications for the prevention and treatment of lung disease in New South Wales workers.

## **New Research Grants for 2004/2005**

The Board did not advertise for research submissions in 2004/2005.

## Investment Report

The Board manages the asset allocation of its funds through the Investment Committee and an Investment Consultant.

This Committee meets regularly and at least quarterly to determine appropriate investment strategies and evaluate managers' performance. The Board has obtained the Treasurer's approval to invest in growth assets comprising up to 50% of total funds available. During the year, a decision was taken to recommend to the Treasurer that the Board be authorised to invest up to 65% in growth assets.

The return on invested funds for the full year was 11.74% which is considered very satisfactory having in mind that exposure to growth assets was increased from 40% to 50% mid way through the year. In addition, the return was superior to that obtained by most "balanced" funds, noting the poor performance of international shares when contrasted to Listed Property and Australian Shares.

The Committee has adopted a long term view in respect of its risk management of growth assets but is also mindful of the need to ensure that passive re-balancing takes place on a regular basis to maintain growth assets within the approved guidelines of 50%.

As at 30 June 2005, funds were invested in the following asset classes:

Type of Asset	\$m	%
Cash	67.9	14.0
Bonds	179.1	37.0
Equities	211.2	43.6
Property	25.8	5.3
<b>TOTAL</b>	<b>484.0</b>	<b>100</b>

Total Funds are invested with the following managers:

Investment Fund	%
AMP Capital Investors	1.3
Barclays Global Investors	19.4
BT Funds Management	12.6
Capital National Alliance	9.9
Citigroup Asset Management	11.9
Colonial First State	9.4
ING Funds Management	9.1
Macquarie Funds Management	1.9
Perennial Investment Management	10.1
Treasury Corporation	14.4
	<b>100.0</b>

	\$m Cash Plus	\$m Fixed Interest	\$m O/Seas Fixed Int	\$m Aust. Equities	\$m O/Seas Equities	\$m Property	\$m Total	% Total
Barclays Global				39.6	54.1		93.7	19.4
Capital National					48.1		48.1	9.9
Citigroup Asset		47.2				10.3	57.5	11.9
Colonial First State	23.7	21.9					45.6	9.4
ING Funds Mgt	44.1						44.1	9.1
Macquarie Fund Mgt						9.3	9.3	1.9
Perennial Investments		49.1					49.1	10.1
BT Financial Group			60.9				60.9	12.6
Treasury Corp	0.1			69.4			69.5	14.4
AMP Capital Investors						6.2	6.2	1.3
<b>Total</b>	<b>67.91</b>	<b>118.2</b>	<b>60.9</b>	<b>109.0</b>	<b>102.2</b>	<b>25.81</b>	<b>484.0</b>	

A comparison of returns and liability management performance is as follows:

<b>Duration of underlying liabilities</b>	<b>Investments \$m</b>	<b>Consolidated Return %</b>	<b>T.Corp Benchmarks</b>
0-2y Cash Plus	67.9	5.90	5.64
2-7y Bond Market	179.1	9.10	7.79
4 – 7y Medium Term	-	-	-
7 + y Long Term	237.0	17.83	12.95

\* UBS Composite Bond Index

## Payment of accounts

Supplier accounts are paid within vendor terms. At the end of the financial year amounts outstanding to vendors are accrued and reflected appropriately in the financial statements.

## Credit Card Usage

The Executive Officer certifies that credit card usage in the Workers' Compensation Dust Diseases Board has been conducted in accordance with relevant Premier's Memorandums and Treasury Directions.

## Legal Costs

During 2004/2005 5 appeals were lodged against a Medical Authority decision compared with 12 appeals the previous year.

During the year the Board incurred legal costs amounting to \$1,095,461. This is an increase of \$503,140 compared to the previous year.

## Internal Audits Undertaken During 2004/2005

- Workers Compensation Payment Systems
- Investments, Collections, Banking
- Budgetary & Financial Reporting Systems

## Internal Audits Planned for 2005/2006

- Processing of compensation applications, medical reports and claims (including medical and hospital payments-follow up review of these areas)
- Review of research grants
- Medical Authority decision making/governance processes
- Medical Services – operational processes
- Corruption and fraud prevention risk assessment
- Taxation – composite review (all types including superannuation)
- Review of Bureau of Medical Inspections (Broken Hill)

## Consulting Costs

During the year the Board expended \$439,000 on consultants compared with \$458,000 in the previous year. The increase in consulting costs is primarily attributable to the upgrading of the information Technology infrastructure.

Major consultancy costs are listed as follows:

<b>Consultants</b>	<b>Purpose</b>	<b>\$</b>
IAB	Management consultancies	56,477
Finity	Actuary evaluation of liabilities of Dust Diseases Scheme	155,829
Doll Martin	Records Management Review	8,800
Alpha West	Risk Management	24,420
Others	Miscellaneous financial, administration, computer and medical consultancy costs	193,474
<b>TOTAL</b>		<b>\$439,000</b>

## Expenditure and Budget Estimates

The estimated expenditure for 2005/2006 is \$78m an increase of \$9m over the estimate for 2004/2005.

	Budget Estimate	Actual	Budget Estimate
	2004/2005	2004/2005	2005/2006
	\$,000	\$,000	\$,000
<b>Income</b>			
Levies Collected	77,255	63,993	63,300
Investment Income	27,389	37,181	46,350
Rent Received	75	70	30
Bank Interest	200	223	200
Motor Vehicle Sales	150	103	75
Solicitors and Production Fees	32	27	30
Occ Resp Health Assess Fees	350	324	300
Recoveries	215	1,359	525
Miscellaneous	20	2	4
GST Credit	330	759	847
<b>TOTAL INCOME</b>	<b>106,016</b>	<b>104,041</b>	<b>111,661</b>
<b>Expenditure</b>			
<b>Compensation</b>			
Workers—weekly payments	14,949	13,180	19,332
Hospital and Ambulance	1,015	1,203	1,196
Medical	3,619	4,469	3,969
Dependants—weekly payments	16,448	17,763	16,418
Lump sum awards to dependants	19,726	18,057	21,364
Funeral Expenses	158	574	410
	<b>55,915</b>	<b>55,246</b>	<b>62,689</b>
<b>Costs Associated with Medical Examinations and Medical Authority</b>			
Specialist Medical Officer fees	171	274	175
Medical Authority fees and supplies	196	179	170
Medical investigation and clinical notes	281	249	285
X-ray fees and supplies	165	314	320
Workers travelling expenses	47	51	50
	<b>860</b>	<b>1,067</b>	<b>1,000</b>
<b>Staff Salaries and on costs</b>			
Salaries	3,158	3,082	3,424
Superannuation	243	178	289
	<b>3,401</b>	<b>3,260</b>	<b>3,713</b>

<b>Administration Expenses</b>			
Alterations and repairs to building	100	122	150
Officers travelling expenses	85	57	70
Administration, Office & General Expenses	2,964	4,370	3,288
	<b>3,149</b>	<b>4,549</b>	<b>3,508</b>
<b>Capital Expenditure</b>			
Purchase of fixed assets	<b>550</b>	<b>215</b>	<b>560</b>
<b>Other Expenses</b>			
Grants for Occupational Lung Disease Research	1,300	1,122	1,300
Dust Diseases Tribunal Operating Expenses	3,848	4,234	5,015
	<b>5,148</b>	<b>5,356</b>	<b>6,315</b>
<b>TOTAL EXPENDITURE</b>	<b>69,023</b>	<b>69,693</b>	<b>77,785</b>

In May of each year the Board is required to estimate the liability outstanding under awards expected to be in force on 30 June.

During 2005 the Board received advice and actuarial assistance from Finity Consulting. They estimated that the present outstanding liability for known claims is \$516m.

This year the Board's actuaries calculated the outstanding claims liability to include incurred but not reported claims (IBNR) which amounted to \$994m. The total liability of the Board totalled \$1,510 million. The outstanding claims liability will be funded by funds held in investments and by future levies.

<b>Valuation Date</b>	<b>Current Liability \$m</b>	<b>Non-Current Liability \$m</b>	<b>Total Liability \$m</b>
30.06.2003	65.3	1,242.1	1,307.4
30.06.2004	68.4	1,441.0	1,509.4

The basic components, comprising the outstanding liability estimate as at 30 June 2005 and the previous year are as follows:-

	<b>2004/2005</b>	<b>2003/2004</b>
Benefits to Workers and Dependants	416.2	386.2
Hospital, ambulance, medical and funeral expenses	33.9	34.4
In respect of current worker beneficiaries		
Administration expenses	54.9	34.8
Dust Diseases Tribunal costs	10.7	9.8
IBNR Claim	993.7	842.2
<b>TOTAL</b>	<b>1,059.3</b>	<b>1,307.4</b>

## FINANCIAL STATEMENTS

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Cash Flows
- Notes to the Financial Statements for the year ended 30 June 2005



**Workers' Compensation (Dust Diseases) Board**

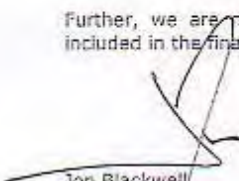
**FINANCIAL REPORT YEAR ENDED  
30 JUNE 2005**

**Statement by Board Directors**


Pursuant to Section 41C(1B) and 1(C) of the Public Finance and Audit Act 1983, and in accordance with a resolution of the members of the Workers' Compensation (Dust Diseases) Board, we declare on behalf of the Board that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Workers' Compensation (Dust Diseases) Board, as at 30 June 2005 and transactions for the year then ended.
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2000, and the Treasurer's Directions.

Further, we are not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate to any material extent.



Jon Blackwell  
Chairperson



Ray Petty  
Board Member

3 November 2005



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDIT REPORT

### Workers' Compensation (Dust Diseases) Board

To Members of the New South Wales Parliament

#### Audit Opinion

In my opinion, the financial report of the Workers' Compensation (Dust Diseases) Board:

- (a) presents fairly the Board's financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

My opinion should be read in conjunction with the rest of this report.

#### The Board's Role

The financial report is the responsibility of the members of the Board of the Workers' Compensation (Dust Diseases) Board. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

#### The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material misstatement*.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Board in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does not guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Board members had not fulfilled their reporting obligations.

My opinion does not provide assurance:

- about the future viability of the Board,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

10 Nov 2005

#### Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



G J Gibson FCPA  
Acting Assistant Auditor-General

SYDNEY  
14 November 2005

10 Nov 2005

## Workers' Compensation (Dust Diseases) Board

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$'000	2004 \$'000
<b>Revenues from Ordinary Activities</b>			
Investment Income	13	37,181	23,893
Contributions	11	69,578	65,293
Movement in Outstanding Contributions	14	143,473	(27,220)
Rent-Office premises		70	78
Bank Interest		223	188
Compensation Recoveries		1,360	322
Profit/Loss on Sales of Motor Vehicle		(10)	1
Miscellaneous Income		354	344
<b>Total Revenues</b>		<b>252,229</b>	<b>62,899</b>
<b>Expenses from Ordinary Activities</b>			
Claims Paid	5	56,313	56,028
Movement in Outstanding Claims	4	202,000	9,800
Administration and Office Expenses	3	7,631	7,545
Superannuation		178	294
Research Grant		1,122	601
Dust Diseases Tribunal Running Expenses		4,234	3,367
<b>Total Expenses</b>		<b>271,478</b>	<b>77,635</b>
<b>Surplus/(Deficit) from Ordinary Activities</b>		<b>(19,249)</b>	<b>(14,736)</b>
<b>Non-Owner transactions changes in equity</b>			
<b>Net increase (decrease) in asset revaluation reserve</b>	17	<b>19,249</b>	<b>14,736</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>0</b>	<b>0</b>

The accompanying notes form part of these financial statements.

## Workers' Compensation (Dust Diseases) Board

### STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$'000	2004 \$'000
<b>Current Assets</b>			
Cash		34,866	2
Receivables		12,122	4,700
Other		229	402
Other Financial Assets	12	186,107	180,310
<b>Total Current Assets</b>		<b>233,324</b>	<b>185,414</b>
<b>Non Current Assets</b>			
Other Financial Assets	12	297,858	286,649
Outstanding Contributions	14	977,480	834,007
Property, Plant & Equipment	6	3,848	4,057
<b>Total Non Current Assets</b>		<b>1,279,186</b>	<b>1,124,713</b>
<b>TOTAL ASSETS</b>		<b>1,512,510</b>	<b>1,310,127</b>
<b>Current Liabilities</b>			
Outstanding claims	4	68,437	65,331
Provisions	7	381	306
Payables		1,561	531
Interest Bearing Liabilities	9	0	722
<b>Total Current Liabilities</b>		<b>70,379</b>	<b>66,890</b>
<b>Non Current Liabilities</b>			
Outstanding claims	4	1,440,963	1,242,069
Provisions	7,8	475	475
<b>Total Non Current Liabilities</b>		<b>1,441,438</b>	<b>1,242,544</b>
<b>TOTAL LIABILITIES</b>		<b>1,511,817</b>	<b>1,309,434</b>
<b>NET ASSETS</b>		<b>693</b>	<b>693</b>
<b>EQUITY</b>			
Reserves	17	34,678	15,429
Accumulated Funds	17	(33,985)	(14,736)
<b>Total Equity</b>		<b>693</b>	<b>693</b>

The accompanying notes form part of these financial statements.

## Workers' Compensation (Dust Diseases) Board

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$'000	\$'000
Cash Flows from Operating Activities	Inflows (Outflows)	Inflows (Outflows)
<b>Payments</b>		
Compensation to workers	(13,248)	(13,352)
Hospital/Ambulance/Medical expenses	(5,632)	(5,389)
Compensation to dependants	(17,814)	(17,041)
Lump sum awards to dependants	(18,134)	(21,573)
Funeral expenses	(582)	(192)
Medical examination of workers	(1,063)	(871)
Administration and office expenses	(7,194)	(7,815)
Superannuation	(223)	(136)
Research Grant	(519)	(1,205)
Dust Diseases Tribunal operation expenses	(4,234)	(3,367)
<b>Total Payments</b>	<b>(68,643)</b>	<b>(70,941)</b>
<b>Receipts</b>		
Contributions—levies	62,231	67,465
Investment Income	29,931	21,454
Compensation recoveries	1,335	322
Rent	70	78
Interest	223	188
Occupational Respiratory Health Fee	324	303
Miscellaneous	31	40
GST Credits	707	365
<b>Total receipts</b>	<b>94,852</b>	<b>90,215</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (a)</b>	<b>26,209</b>	<b>19,274</b>
<b>Cash Flows from Investing Activities</b>		
Payments for Purchase of Plant & Equipment	(215)	(190)
Proceeds from Sale of Plant & Equipment	103	122
Purchase of Investments	(114,111)	(111,423)
Redemption of Investments	108,804	42,985
<b>NET CASH PROVIDED BY/USED IN INVESTING ACTIVITIES</b>	<b>(5,419)</b>	<b>(68,506)</b>
<b>Net (Decrease) Increase in Cash Held</b>	<b>20,790</b>	<b>(49,232)</b>
<b>Cash at the Beginning of the Reporting Period</b>	<b>81,963</b>	<b>131,195</b>
<b>CASH AT THE END OF THE REPORTING PERIOD (b)</b>	<b>102,753</b>	<b>81,963</b>

## Workers' Compensation (Dust Diseases) Board

### NOTE TO THE STATEMENT OF CASH FLOWS

#### (a) Reconciliation of Net Cash Provided by Operating Activities to Operating Result

	2005	2004
	\$'000	\$'000
Surplus/(Deficit)	(19,249)	(14,736)
Depreciation	311	328
Non-Current Assets written off	0	34
Bad Debt written off	4	3
Increase in Employee Leave provisions	146	125
Superannuation	(91)	17
Increase in Outstanding Claims	202,000	9,800
Movement in Outstanding Contributions	(143,473)	27,220
Profit/loss on Sale of Motor Vehicles	10	(1)
Unrealised Investment Income	(7,250)	(2,439)
Increase/(Decrease) in Payables	1,030	(3,039)
(Increase)/Decrease in Receivables	(7,422)	2,216
(Increase)/Decrease in Other	193	(254)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>26,209</b>	<b>19,274</b>

#### (b) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash at bank and on hand and highly liquid investments. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

	2005	2004
	\$'000	\$'000
Cash	34,866	2
Interest Bearing Liabilities (Note 9)	0	(722)
Investments:		
NSW T Corp Hour Glass (Cash Facility)	84	1,254
ING (ANZ Investment)	44,086	54,013
Colonial First State	23,717	27,416
<b>TOTAL</b>	<b>102,753</b>	<b>81,963</b>



## **Workers' Compensation (Dust Diseases) Board**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005**

#### **1. The Board's Financial Objective and Funding**

- (a) The Board's financial objective is to make payments to victims of dust diseases and their dependants, and to pay for the operation of the Dust Diseases Tribunal. Funding is by levy imposed on workers' compensation policies.
- (b) Lump sums awarded to dependants of deceased workers are transferred to a Trust Fund and disbursed as required by beneficiaries. Refer to Note 18 for the Trust Fund financial statements.
- (c) Liabilities for outstanding claims have been assessed by an independent actuary and are brought to account (refer Note 4). Funds to finance these outstanding claims are raised by levies against licensed, self and special insurers.

#### **2. Significant Accounting Policies**

- (a) The financial statements are a general purpose financial report and have been prepared using an accrual basis of accounting and the historical cost convention (except for buildings and investments), in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group (UIG) Consensus Views, the Public Finance and Audit Act, 1983 and related regulation, and Treasurer's Directions.
- (b) Investments are valued at net market values at the reporting date. Differences between the net market values of investments at the reporting date and their net market values at the previous reporting date (or cost of acquisition, if acquired during the reporting period) are recognised in the Statement of Financial Performance for current investments and in the Statement of Financial Position for non-current investments.

Investments comprise of floating and fixed interest securities authorised by the Public Authorities (Financial Arrangements) Act 1987.

Investments are classified as current on the basis of the amount expected to be consumed or converted to cash within 12 months of balance date as a result of the ordinary course of operations. All other investments are classified as non-current.

- (c) Property, plant and equipment are depreciated on a straight line basis over the estimated useful lives. The rates of depreciation are: buildings 2.5%, office equipment 20%, computer equipment 25%, science and medical 20%, furniture and fittings 10% and motor vehicles 25%. The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the agency. Plant and equipment costing \$5,000 and above are capitalised. Property, plant and equipment are held at fair value.
- (d) Liabilities for employee entitlements to recreation leave at balance date are calculated on the basis of salary rates expected to be paid. Liabilities for employee entitlements to long service leave (ie. staff with more than five years of service) at balance date have been assessed by the Board's Actuary and discounted to present value on salaries expected to be paid. The Actuary's have used probability factors to estimate future payments and have discounted these amounts at 5.4%. Current amounts represent those expected to be paid within 12 months based on the Actuary's analysis of the expected future long service leave cash flows. Sick leave is non-vesting and as sick leave taken is less than sick leave accruing in any reporting period, no liability is recognised.

Contributions are made to the State superannuation schemes. Each year's expense also includes movements in the net superannuation position. Any unfunded superannuation liability is recognised as a liability at year end and any amount representing prepaid superannuation contributions is recognised as an asset (refer Note 8).

- (e) Revenue is recognised when the Board has control of the good or right to receive, it is probable that the economic benefits will flow to the agency and the amount of revenue can be measured reliably. Investment income and contributions from insurers are recognised as they accrue.
- (f) Outstanding claims include claims incurred but not yet paid and incurred but not yet reported. An actuarial valuation is undertaken to determine a best or central estimate for these

liabilities.

(g) The cost of compensation claims and other costs of the Board are recovered from employers through a levy included in workers compensation insurance premiums. Because of the certainty of this source of funding an Outstanding Contributions asset representing future contributions receivable is recognised equivalent to claims and other liabilities.

(h) Comparative information has been reclassified where appropriate to enhance comparative ability.

### 3. Administration and Office Expenses

	2005	2004
	\$'000	\$'000
Salaries	2,508	2,715
Payroll Tax	165	127
FBT Tax	66	17
Board Members Fees	75	102
Consultants	439	458
Building Maintenance, Repairs & Management	122	245
Depreciation	311	328
Debts written off	4	3
Assets written off	0	35
Annual leave	198	41
Long service leave	86	80
Audit fees—internal	91	148
Audit fees—External Audit of financial report	41	36
Legal Fees	1,095	592
Management fee to insurers	1,347	1,388
Sundry Expenses	403	463
Other	680	767
<b>TOTAL</b>	<b>7,631</b>	<b>7,545</b>

#### 4. Outstanding Claims

The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all the claims do not have to be paid out in the immediate future.

The actuaries, Finity, in the valuation of liability report dated 30 July 2005 have used actuarial functions (known as annuity and assurance functions) to estimate the liability for known and incurred but unreported claims on an inflated and discounted basis, taking account of expected mortality and the known characteristics of each claimant.

The following inflation rates and discount rates were used in measuring the liability of outstanding claims:

<b><u>Claims expected to be paid</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
Not later than one year		
Inflation rate	3.5%	4.0%
Discount rate	5.25%	6.0%
Later than one year		
Inflation rate	3.5%	4.0%
Discount rate	5.25%	6.0%
	<b><u>2005</u></b>	<b><u>2004</u></b>
<b>Known Claims</b>	<b>\$'000</b>	<b>\$'000</b>
Outstanding Claims as at 30 June 2004	465,200	471,600
Movement in Outstanding Known Claims	50,400	(6,400)
<b>Outstanding Known Claims as at 30 June 2005</b>	<b>515,600</b>	<b>465,200</b>
<b>Incurred but not reported claims (IBNR)</b>		
IBNR Claims as at 1 July	842,200	826,000
Movement in Outstanding IBNR Claims	151,600	16,200
<b>IBNR Claims as at 30 June</b>	<b>993,800</b>	<b>842,200</b>
<b>Total Known and IBNR Claims as at 30 June</b>	<b>1,509,400</b>	<b>1,307,400</b>
These are shown in the Statement of Financial Performance as:		
Current Liabilities	68,437	65,331
Non Current Liabilities	1,440,963	1,242,069
<b>TOTAL OUTSTANDING CLAIMS</b>	<b>1,509,400</b>	<b>1,307,400</b>

The Outstanding Claims Liability will be funded by funds held in investments and by future levies. The financial target for the Workers' Compensation (Dust Diseases) Board is to be fully funded for known claims, i.e. to have sufficient funds to pay the lifetime entitlements in respect of claims with a Certificate of Disablement issued. The Workers' Compensation (Dust Diseases) Act 1942 gives the Board Authority to impose levies each year to meet annual operating costs.

The Board includes in its liability estimate Claims Incurred But Not Reported of \$993.8m. This figure is shown in the Statement of Financial Position as a liability with the corresponding asset receivable representing the right to levy employers for these outstanding claims.

## 5. Claims Paid

Claim expenses for the year ended 30 June 2005 as follows:

	<b><u>2005</u></b>	<b><u>2004</u></b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Compensation and Awards</u></b>		
Compensation to Workers	13,180	13,172
Compensation to Dependants	17,763	16,627
Lump Sum Awards to dependants	18,057	20,039
Hospital and Ambulance	1,203	1,312
Medical	4,469	3,788
Funeral Expenses	574	200
	<b>55,246</b>	<b>55,138</b>
<b><u>Medical Examination of Workers</u></b>		
Medical Authority Fees and Supplies	179	155
Medical Investigation and Clinical Notes	249	299
X-rays and Supplies	314	215
Workers Travelling Expenses	51	51
Special Medical Officer Fees	274	170
	<b>1,067</b>	<b>890</b>
<b>TOTAL</b>	<b>56,313</b>	<b>56,028</b>

## 6. Property Plant and Equipment

	<b>Fair Value</b>	<b>Accumulated Depreciation</b>	<b>Written Down Value 30 June 2005</b>	<b>Written Down Value 30 June 2004</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Furniture and Fittings	21	10	11	13
Science & Medical Equipment	401	271	130	197
Office Equipment	144	30	114	44
Computer Equipment	355	265	90	132
Motor Vehicles	395	165	230	312
Property (A)	3,445	172	3,273	3,359
	<b>4,761</b>	<b>913</b>	<b>3,848</b>	<b>4,057</b>

- (a) Property consists of four strata floors at 82 Elizabeth Street, Sydney. This property was valued at \$3,445,000 as at 30 June 2004, on the basis of an open market valuation, by an independent valuer Colliers International Consultancy and Valuation Pty Ltd.
- (b) Assets that have been fully depreciated have been either sold or traded in against replacements. The Board has determined that the market value of assets (other than property) equates to their written down value.
- (c) Movements During Financial Year

Class of Assets	Balance as at 1.7.04	Additions	Disposals	Depn W/Back on Disposal	Net Revaln Movements	Recoverable Amount W/Downs	Depn Expense	Balance as 30.6.05
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Buildings	3,359	0	0	0	0	0	86	3273
Furniture & Fittings	13	0	0	0	0	0	2	11
Science & Medical Equipment	197	0	0	0	0	0	67	130
Office Equipment	44	82	0	0	0	0	12	114
Computer Hardware & Software	132	20	0	0	0	0	62	90
Motor Vehicles	312	113	163	50	0	0	82	230
<b>Total Property, Plant &amp; Equipment</b>	<b>4057</b>	<b>215</b>	<b>163</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>311</b>	<b>3,848</b>

## 7. Provisions

	2005 \$'000	2004 \$'000
Current		
Annual leave	287	232
Long service leave	94	74
	<b>381</b>	<b>306</b>
Non Current		
Long service leave	362	291
Superannuation (Note 8)	113	184
	<b>475</b>	<b>475</b>

## 8. Superannuation Contributions

Details of the Board's liabilities and reserves under superannuation schemes relating to employees as at 30 June 2005 are as follows:

			Remaining Asset/(Liability)	Remaining Asset/(Liability)
	Gross Liability	Reserve	2005	2004
	\$'000	\$'000	\$'000	\$'000
<b>Asset</b>				
State Authorities Superannuation Scheme	(372)	418	46	26
State Authorities Non-Contributory (Basic Benefit) Scheme	(125)	125	0	(5)
State Superannuation Fund	(987)	874	(113)	(179)
	<b>(1,484)</b>	<b>1,417</b>	<b>(67)</b>	<b>(158)</b>

Gross Superannuation Liabilities for employers within the defined benefit schemes administered by the SAS Trustee Corporation (STC) have been calculated by the STC actuary (William M Mercer) for the year ended 30 June 2005. The STC schemes include the State Superannuation Scheme (SSS), the State Authorities Superannuation Scheme (SASS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS).

The calculation of SSS, SASS and SANCS liabilities is based on the full requirements of AAS25. The financial assumptions that have been applied for the calculations are:

	2005/06	2006/07	2007/08 & thereafter
	%	%	%
Discount rate	7.0	7.0	7.0
Rate of salary increase	4.0	4.0	4.0
Rate of increase in CPI	2.5	2.5	2.5

## 9. Interest Bearing Liabilities

	2005 \$'000	2004 \$'000
	0	722

There was no overdraft with the Board's bank, however the balance of \$722,000 in 2003/04 appearing as a Current Liability in the Statement of Financial Position included cheques drawn but not yet presented.

## 10. Financial Instruments

### Cash

Cash comprises cash on hand and bank balances. Interest is paid on all accounts at a rate equivalent to the weekly average of the 30 days bank bill rate less 30 basis points, regardless of the balances held in each account.

### Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value.

### **Investments**

The Board has investments in TCorp's Hourglass Facility Trusts and with other fund managers. The investments are represented by a number of units of a managed investment pool, with each particular pool having different investment horizons and being comprised of a mix of asset classes appropriate to that investment horizon.

The Board's Investments are:	2005	2004
	\$'000	\$'000
NSW T Corp Hour Glass—Cash Facility Trust	84	1,254
NSW T Corp Hour Glass—Australian Shares Sector	69,402	52,942
NSW T Corp Hour Glass—International Shares Sector	0	8,009
NSW T Corp Hour Glass- Indexed International Shares Sector	0	2,636
UBS Brinson Ltd—Australian Shares Fund	0	23,549
AMP Capital Investors—Listed Property Trust Fund	6,213	5,226
BT Financial Group—Enhanced Global Fixed Interest	60,917	59,921
Colonial First State Investments—Wholesale Funds	21,936	21,426
Citigroup Asset Management Aust Ltd—Bond Trust	47,201	34,793
Citigroup Asset Management Aust Ltd—Property Securities	10,308	9,556
ING (ANZ Investments) - Cash Plus Fund	44,086	54,013
Macquarie Investment Management—Fixed Interest	0	37,706
Macquarie Investment Management—Property Securities	9,253	9,555
Colonial First State—Enhanced Cash	23,717	27,416
Barclay Global Investor Aust Ltd—Australia Alpha Equity	39,581	26,805
Barclay Global Investor Aust Ltd—Intl Alpha Equity	31,868	25,110
Barclay Global Investor Aust Ltd—Hedged Intl Alpha Equity	22,246	0
Capital National Alliance—Hedged Cap/Intl Global Share	48,070	26,036
Perennial Investment Partners Ltd—W/sale Trust	49,083	41,006
<b>TOTAL INVESTMENTS</b>	<b>483,965</b>	<b>466,959</b>

These investments are generally able to be redeemed with seven days notice (dependent upon the facility.) The value of the investments held can decrease as well as increase depending upon market conditions. The value that best represents the maximum credit risk exposure is the net fair value. The value of the above investments which represents the Board's share of the value of the underlying assets of the facility and those assets are stated at net fair value.

### **Credit risk exposures**

The credit risk of the Board is limited to the carrying amount of the financial assets included in the Statement of Financial Position.

### **Interest rate risk**

The Board's exposure to interest rate risk arises from assets and liabilities bearing variable interest rates

	Weighted average interest rate  %	1 year or less  \$'000	Over 1 to 5 years  \$'000	More than 5 years  \$'000	Non-interest bearing  \$'000	Total carrying amount  \$'000
<b>Financial Assets</b>						
Cash assets	5.27	34,866	-	-	-	34,866
Receivables	N/A	-	-	-	12,122	12,122
Investments	12.41	186,107	-	297,858	-	483,965
Total		220,973	-	297,858	12,122	530,953
<b>Financial Liabilities</b>						
Payables	N/A	-	-	-	1,561	1,561
Total		-	-	-	1,561	1,561

### **Payables**

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurers Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

### **Derivatives**

Fund managers use derivative instruments within an appropriate control environment. Derivative contracts are not used for speculative purposes and are not leveraged. The use of derivative instruments is undertaken within authorised and clearly defined limits.

## **11. Contributions**

Effective 12 January 1997, the Dust Diseases Act of 1942 was amended to allow the Dust Diseases Board to collect levies from Insurers. Levies were principally derived from licensed and self-insurers and the amount recognised as at 30 June 2005 is as follows:

	<b><u>2005</u></b> \$'000	<b><u>2004</u></b> \$'000
Licensed Insurers	54,685	50,587
Self and Special Insurers	14,893	14,706
TOTAL	65,578	65,293

## **12. Other Financial Assets—Investments**

	<b><u>2005</u></b> \$'000	<b><u>2004</u></b> \$'000
<b>Current</b>		
TCorp Hour Glass Facility Trusts	84	1,254
Colonial First State	45,653	27,416
ING (ANZ Investments)	44,086	54,013
Citigroup Asset Management Aust Ltd	47,201	0
Perrenial Investment Partners Ltd	49,083	0
BT Financial Group	0	59,921
Macquarie Investment Management Ltd	0	37,706
Total	186,107	180,310



**Non-Current**

TCorp Hour Glass Facility Trusts	69,402	63,587
UBS Brinson	0	23,549
BT Financial Group	60,917	0
AMP Asset Capital Investors	6,213	5,226
Citigroup Asset Management Aust Ltd	10,308	44,349
Colonial First State	0	21,426
Perrenial Investment Partners Ltd	0	41,006
Macquarie Investment Management Ltd	9,253	9,555
Barclay Global Invsestors Aust Ltd	93,695	51,915
Capital National Alliance	48,070	26,036
Total	297,858	286,649
<b>TOTAL INVESTMENTS</b>	<b>483,965</b>	<b>466,959</b>

**13. Investment Income**

	<b><u>2005</u></b>	<b><u>2004</u></b>
	<b>\$'000</b>	<b>\$'000</b>
Distributions	29,931	21,454
Movement in market values	7,250	2,439
	37,181	23,893

**14. Outstanding Contributions**

	<b><u>2005</u></b>	<b><u>2004</u></b>
	<b>\$'000</b>	<b>\$'000</b>
Outstanding Contributions at the beginning of the financial year	834,007	861,227
Movement in Outstanding Contributions	143,473	(27,220)
Outstanding Contributions at the end of financial year	<b>977,480</b>	<b>834,007</b>

**15. Contingent Liability**

The Board's solicitors, McLaughlin & Riordan and Goldrick Farrell Mullan Solicitors, have provided an estimate of future legal costs totalling \$550,000 (2004—\$980,332) on cases where an appeal had been lodged.

**16. Related Party Transactions**

The Board utilises resources provided by WorkCover to assist in the billing and collection of the dust diseases levy. WorkCover charges an administration fee for provision of these services.

## 17. Equity

	Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2005 \$000's	2004 \$000's	2005 \$000's	2004 \$000's	2005 \$000's	2004 \$000's
Opening Equity	(14,736)	0	15,429	693	693	693
Changes in equity—other than with owners as owners						
Revaluation of Non-Current Investment	0	0	19,249	14,736	19,249	14,736
Surplus (Deficit) from ordinary activities	(19,249)	(14,736)	0	0	(19,249)	(14,736)
<b>Total Equity</b>	<b>(33,985)</b>	<b>(14,736)</b>	<b>34,678</b>	<b>15,429</b>	<b>693</b>	<b>693</b>

## 18. Trust Fund

The Trust Fund consists of lump sum awards and disbursements made to beneficiaries of deceased workers.

### Operations for the Year Ended 30 June 2005

	2005 \$'000	2004 \$'000
<b><u>Income</u></b>		
Lump Sum awards received for dependants	18,134	21,573
Net return on Investments	3,802	3,237
	<b>21,936</b>	<b>24,810</b>
<b><u>Expenditure</u></b>		
Payments made to dependants	15,840	18,564
<b>Net Increase in Trust Funds</b>	<b>6,096</b>	<b>6,246</b>
<b>Trust Funds 1 July 2004</b>	<b>64,063</b>	<b>57,817</b>
<b>Trust Funds 30 June 2005</b>	<b>70,159</b>	<b>64,063</b>

### Financial Position as at 30 June 2005

	2005 \$'000	2004 \$'000
<b>Trust Assets</b>		
Cash at bank	6,105	3,630
Investments	64,054	60,433
	<b>70,159</b>	<b>64,063</b>
<b>Trust Liabilities</b>		
Owing to dependants	69,829	63,770
Undistributed return on investments	330	293
	<b>70,159</b>	<b>64,063</b>

## 19. Impacts of Adopting Australian Equivalents to International Financial Reporting Standards

The Board will apply the Australian Equivalents to International Financial Reporting Standards (AIFRS) from 2005 - 2006

The Board is managing the transition to the new standards by allocating internal resources and engaging consultants to analyse the pending standards and Urgent Issues Group Abstracts to identify key areas regarding policies, procedures, systems and financial impacts affected by the transition.

The Board has determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts are likely to arise from options in AEIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate for the NSW Public Sector. The impacts disclosed below reflect Treasury's likely mandates (referred to as "indicative mandates").

Shown below are management's best estimates as at the date of preparing the 30 June 2005 financial report of estimated financial impacts of AEIFRS on the Board's equity and profit/loss. The Board does not anticipate any material impacts on its cash flows. The actual effects of the transition may differ from the estimated figures below because of pending changes to the AEIFRS, including the UIG Interpretations and / or emerging accepted practice in their interpretation and application. The Board's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalized and whether it can be adopted in 2005-06.

### (a) Reconciliation of key aggregates

Reconciliation of equity under existing Standards (AGAAP) to equity under AEIFRS

	Note	30 June 2005** \$000	1 July 2004* \$000
Total equity under AGAAP		693	693
<b>Adjustment to accumulated funds</b>			
Defined benefit superannuation adjustment for change in discount rate	1	(423)	(205)
Total equity under AEIFRS		270	488

\* = adjustments as at date of transition

\*\* = cumulative adjustments as at date of transition plus the year ended 30 June 2005

## Reconciliation of profit/(loss) under AGAAP to profit/(loss) under AEIFRS

Year ended 30 June 2005	Note	\$000
Profit/(loss) under AGAAP		(19,249)
Defined benefit superannuation	1	(218)
Profit/(loss) under AEIFRS		(19,467)

Note to the tables above

- 1 AASB 119 *Employee Benefits* requires the defined benefit superannuation obligation to be discounted using the government bond rate at each reporting date, rather than the long-term expected rate of return on plan assets. Where the superannuation obligation is not assumed by the Crown, this will increase the defined benefit superannuation liability or decrease the asset where the scheme is in an overfunded position and change the quantum of the superannuation expense.

### (b) Financial Instruments

In accordance with NSW Treasury's indicative mandates, the Board will apply the exemption provided in AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* not to apply the requirements of AASB 132 *Financial Instruments: Presentation and Disclosures* and AASB 139 *Financial Instruments: Recognition and Measurement* for the financial year ended 30 June 2005. These Standards will apply from 1 July 2005. None of the information provided above includes any impacts for financial instruments. However, when these Standards are applied, they are likely to impact on retained earnings (on first adoption) and the amount and volatility of profit / loss. Further, the impact of these Standards will in part depend on whether the fair value option can or will be mandated consistent with Government Finance Statistics.

### (c) Grant Recognition for not-for profit entities

The Board will apply the requirements in AASB 1004 *Contributions* regarding contributions of assets (including grants) and forgiveness of liabilities. There are no differences in recognition requirements between the new AASB 1004 and the current AASB 1004. However, the new AASB 1004 may be amended by proposals in Exposure Draft (ED) 125 *Financial Reporting by Local Governments*. If the ED 125 approach is applied, revenue and / or expense recognition will not occur until either the Board supplies the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied. ED 125 may therefore delay revenue recognition compared with AASB 1004, where grants are recognised when controlled. However, at this stage, the timing and dollar impact of these amendments is uncertain.

# APPENDICES

## Appendix 1

### Services Provided

The Dust Diseases Board provides screening services to all persons whose employment as workers exposes them to the inhalation of dust, which may cause a dust disease, with the exception of the following persons:

- Workers in or about a mine to which the Coal Mines Regulation Act 1912, applies (these workers are covered by other State legislation)
- Employees of the Australian Government
- Persons whose exposure to the inhalation of dust occurred in the course of their employment outside New South Wales and
- Persons whose exposure to the inhalation of dust occurred whilst self-employed

### Dust Diseases covered by the Act are as follows:

- Aluminosis
- Asbestosis
- Asbestos Induced Carcinoma of the Lung
- Asbestos Related Pleural Disease (ARPD)
- Bagassosis
- Berylliosis
- Byssinosis
- Coal Dust Pneumoconiosis
- Farmer's Lung
- Hard Metal Pneumoconiosis
- Mesothelioma
- Silicosis
- Silico-tuberculosis
- Talcosis

To be eligible for compensation a worker has to demonstrate two things:

**Firstly**, that he/she has a dust disease and suffers impairment as a result and,

**Secondly**, that this disease was the result of his/her exposure to dust whilst employed as a worker in New South Wales.

The diagnosis of a dust disease depends on three elements:

A full size chest X-Ray and/or chest CT Scan  
A clinical examination and a lung function test  
An Industrial History for the applicant

An award of compensation is granted in a two part inter-dependant process:

**Part 1**, the Medical Authority must certify that the applicant has a disease of the lungs or pleura caused by exposure to dust under the Act.

**Part 2**, the Board then reviews the Medical Authority's findings, confirms the worker's employment and financial status and approves the award.

## Appendix 2

### Miscellaneous

#### **Chief and Senior Executive Officers:**

The Board has no officers employed under Division 3 of the Public Sector Employment and Management Act 2002.

#### **Funds granted to Non-Government Community Organisations:**

The Board granted \$9,000 to the Asbestos Diseases Foundation of Australia (adfa) for the conduct of Asbestos Awareness Week in November 2004 which is designed to raise public awareness of the risks of asbestos in the built environment. The Board participated during Asbestos Awareness Week and provided information to the public in relation to the DDB's functions and activities.

#### **Legal Change**

There were no changes during the year to the Workers' Compensation (Dust Diseases) Act 1942.

#### **Overseas Visits**

Mr Geoff Lansley, Executive Officer, and Alternate Chairperson together with Ms Sylvia Kidziak, Board Member and Chairperson, Research Grants Committee attended the Global Asbestos Congress in Tokyo in November 2004 (\$5,920) and the Triennial Asian Conference of Occupational Health in Wellington in May 2005 (\$1,504).

The DDB maintains a very high level of engagement with national and international organisations to ensure that it has access to all relevant information relating to developments in asbestos research across the world.

#### **Land Disposal:**

The Board did not dispose of any properties.

#### **Staff Code of Conduct:**

Staff are committed to providing quality service through the concept of total quality management and the code reflects the Board's vision, mission and values in the way we work and how we achieve results.

## Appendix 3

Payments according to type of dust disease

Year	Asbestosis & ARPD \$ ,000	Silicosis \$ ,000	Mesothelioma \$ ,000	Dust induced Lung Cancer \$ ,000	OTHER \$ ,000	TOTAL \$ ,000
<b>1990-91</b>	3,156	3,329	5,519	794	194	<b>12,992</b>
<b>1991-92</b>	2,946	3,237	8,127	1,108	203	<b>15,621</b>
<b>1992-93</b>	3,987	4,242	10,787	1,330	606	<b>20,952</b>
<b>1993-94</b>	3,408	3,724	11,813	1,402	227	<b>20,574</b>
<b>1994-95</b>	5,347	3,894	16,066	1,810	413	<b>27,530</b>
<b>1995-96</b>	4,676	4,307	18,386	2,386	215	<b>29,970</b>
<b>1996-97</b>	4,952	3,732	16,883	1,897	896	<b>28,360</b>
<b>1997-98</b>	6,531	3,900	20,050	2,283	774	<b>33,538</b>
<b>1998-99</b>	6,427	3,656	21,859	2,829	721	<b>35,492</b>
<b>1999-00</b>	7,049	4,238	22,435	3,906	731	<b>38,359</b>
<b>2000-01</b>	9,304	4,185	28,178	5,258	260	<b>47,185</b>
<b>2001-02</b>	10,459	4,431	26,640	5,011	283	<b>46,824</b>
<b>2002-03</b>	11,864	4,127	27,500	7,151	996	<b>51,638</b>
<b>2003-04</b>	15,996	5,330	25,682	6,544	1,586	<b>55,138</b>
<b>2004-05</b>	171,711	57,055	280,362	79,231	16,585	<b>604,944</b>
<b>TOTAL</b>	<b>267,813</b>	<b>113,387</b>	<b>540,287</b>	<b>122,940</b>	<b>24,690</b>	<b>1,069,117</b>

Note: Amendments made to the Workers' Compensation (Dust Diseases) Act 1942 in December 2004 increased the rate of funeral benefits from \$4, 400 to \$9,000 therefore these figures are larger than previous years.

## Appendix 4

Awards made since the inception of the original scheme of 1927

Name	Awards to Disabled Workers	Awards to Dependants of deceased workers	TOTAL
<b>No. 1 Scheme –</b> September 1927 to 30 June 1942 (approx. 15 years)	245	64	<b>309</b>
<b>No. 2 Scheme –</b> March 1938 to June 1942 (approx. 4 years)	7	3	<b>10</b>
<b>Silicosis Act –</b> 1 July 1942 to 28 February 1968 (approx. 26 years)	1,761	841	<b>2,602</b>
<b>Dust Diseases Act –</b> 29 February 1968 to 30 June 2005	4,462	3,624	<b>7,903</b>
<b>TOTAL</b>	<b>6,475</b>	<b>4,532</b>	<b>10,824</b>



## Appendix 5

### Deaths according to disease

Table below represents deaths by causation and average age since the inception of the Act on 29 February 1968

Disease	Death due to dust	Death not due to dust	TOTAL	Average age of death due to dust
Asbestosis	402	241	643	72.57
Silicosis	435	944	1,379	70.98
Byssinosis	11	19	30	71.83
Hard Metal Pneumoconiosis	2	3	5	63.43
Farmer's Lung	1	2	3	61.17
Aluminosis	0	1	1	-
Bagassosis	0	1	1	-
ARPD	168	89	257	75.70
Silico-Tuberculosis	8	12	20	62.80
Asbestosis/ARPD	32	25	57	76.83
Emery Pneumoconiosis	0	1	1	-
Talcosis	1	2	3	65.74
Silico-asbestosis	10	4	14	67.31
Mesothelioma	1,812	8	1,820	67.98
Peritoneal Mesothelioma	2	0	2	63.45
Carcinoma of the Lung*	213	2	215	68.69
Silicosis/Lung Cancer	25	0	25	71.41
Silicosis/Mixed Dust Fibrosis	3	0	3	72.60
Mixed Dust Pneumoconiosis	1	0	1	61.47
Lung Cancer in Association with Asbestos Exposure	109	4	113	68.35
<b>TOTAL</b>	<b>3,235</b>	<b>1,358</b>	<b>4,593</b>	<b>68.37</b>

\* includes Hexavalent Chromium Associated Lung Cancer, Asbestosis/Lung Cancer and ARPD/Lung Cancer

## Appendix 6

Beneficiaries who received compensation payments during 2004/2005 by disease.

Disease	Workers	Dependants	TOTAL
Asbestosis	230	308	538
Silicosis	188	276	464
Byssinosis	2	7	9
Hard Metal Pneumoconiosis	3	2	5
Farmer's Lung	0	1	1
Aluminosis	2	1	3
Bagassosis	0	0	0
ARPD	449	112	561
Silico-Tuberculosis	1	9	10
Asbestosis/ARPD	63	23	86
Talcosis	0	1	1
Silico-asbestosis	4	2	6
Mesothelioma	226	1,244	1,470
Lung Cancer in Association with Silica Exposure	1	0	1
Silicosis/ARPD	2	0	2
Carcinoma of the Lung*	20	85	105
Silicosis/Lung Cancer	5	16	21
Silicosis/Mixed Dust Fibrosis	0	1	1
Pleural Plaques and Pain	1	0	1
Mixed Dust Pneumoconiosis	1	1	2
Lung Cancer in Association with Asbestos Exposure	12	100	112
Peritoneal Mesothelioma	16	46	62
<b>TOTAL</b>	<b>1,226</b>	<b>2,235</b>	<b>3,461</b>

\* includes Hexavalent Chromium Associated Lung Cancer, Asbestosis/Lung Cancer and ARPD/Lung Cancer

## WORKERS' COMPENSATION (DUST DISEASES) ACT 1942

### CONTRIBUTIONS UNDER SECTION 6 FOR 2005-2006 FINANCIAL YEAR

NOTICE is given that the WorkCover Authority, in pursuance of section 6 of the Workers' Compensation (Dust Diseases) Act 1942 ("the Dust Diseases Act"), has

- (a) in respect of policies issued or renewed to take effect in the year commencing 30 June 2005, determined the contribution to be paid under section 6 of the Dust Diseases Act by each **insurer** insuring or indemnifying an employer in respect of a class of employment specified in Column 1 of the Table below to be an amount equal to the percentage of wages (being the total wages payable by the employer to workers in respect of the period of the policy) specified in Column 2 of the Table opposite that class; and
- (b) in respect of the year commencing 1 July 2005, determined the contribution to be paid under section 6 of the Dust Diseases Act by each self-insurer to be an amount equal to the percentage of wages (being the total wages payable by the self-insurer to workers in respect of that year) specified in Column 2 of the Table below opposite –
  - (i) the class of employment specified in item 1 of Column 1 of the Table below if, and to the extent that, wages are payable by the self-insurer to workers in respect of employment during that year and of that class; or
  - (ii) the class of employment specified in Column 1 of the Table which corresponds to the business activity classification (of classifications) adopted by the WorkCover Authority for the purpose of determining the contribution payable by the self-insurer to the WorkCover Authority Fund for the financial year commencing 1 July 2005,

as the case may require (see note 1 below).

#### Table of Contribution Rates

Item	Column 1 Class of Employment	Column 2 Contribution (percentage of wages)
1	The class of employment specified in paragraph D(12) of the determination made by the Workers' Compensation (Dust Diseases) Board under section 6(3) of the Workers' Compensation (Dust Diseases) Act 1942 and published in Gazette No. 64 of 11 May 1979.	4 per cent
2	Any other class of employment determined by the Workers' Compensation (Dust Diseases) Board under section 6(3) of the Workers' Compensation (Dust Diseases) Act 1942.	The percentage specified in this Column opposite the class of employment in Column 1 corresponding to the business classification that applies to the employer concerned in calculating the relevant premium under the Insurance Premiums Order (2005-2006).
3	Employment in respect of which, for the purpose of calculating the relevant premium under the insurance Premiums Order (2005/2006), a business classification listed in Schedule 1 applies to the employer concerned.	1.25 per cent.

4	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2005-2006), a business classification listed in Schedule 2 applies to the employer concerned.	0.50 per cent
5	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2005-2006), a business classification listed in Schedule 3 applies to the employer concerned.	0.28 per cent
6	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2005-2006), a business classification listed in Schedule 4 applies to the employer concerned.	0.165 per cent
7	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2005-2006), a business classification listed in Schedule 5 applies to the employer concerned.	0.11 per cent
8	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2005-2006), a business classification listed in Schedule 6 applies to the employer concerned.	0.075 per cent
9	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2005-2006), a business classification listed in Schedule 1 applies to the employer concerned.	0.05 per cent
10	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2005-2006), a business classification listed in Schedule 8 applies to the employer concerned.	0.025 per cent

**NOTE:**

1. If wages are payable by an employer (including a self-insurer) to workers in respect of employment during the relevant period, being employment of the class specified in item 1 of Column 1 of the above Table, the percentage of wages specified in Column 2 for that item applies to such part of the total wages payable to the employer's workers as relates to employment of that class, and items 2-10 of the Table (as the case may require) apply to the remainder of the wages.
2. If, in the calculation of an employer's premium under the Insurance Premiums Order (2005-2006), business classifications mentioned in two or more of Schedules 1-8 below properly apply to the employer, the dust diseases contribution rates in Column 2 of the Table are to apply to such part of the total wages payable by the employer as relates to the relevant classification. The same applies to calculation of a self-insurer's dust diseases contribution by reference to its WorkCover Authority Fund contribution.
3. If the Insurance Premiums Order (2005-2006) does not apply to an employer's policy, the contributions to be paid by the insurer concerned under section 6 of the Dust Diseases Act is to be calculated as if that Order did not apply to the policy.
4. See Table A to the Insurance Premiums Order (2005-2006) for full descriptions of relevant business classifications below.
5. The expressions "policy", and "workers" used above have the same meanings as in the Workers Compensation Act 1987 and the Workplace Injury Management and Workers Compensation Act 1998 and references to wages "payable" include references to wages paid.
6. The expression "wages" used above has the same meaning as in the Insurance Premiums Order 2004-2006.

Dated, this 23rd day of May 2005

## Industry Classifications

Listed below are Class Numbers (In Premiums Order) followed by their Business Classification Title.

### Schedule 1

263210 Fibro-Cement Sheeting Mfg

### Schedule 2

255100 Rubber Tyre Mfg  
255900 Other Rubber Product Mfg nec  
282100 Shipbuilding  
424200 Carpentry Services

### Schedule 3

221100 Wool Scouring  
221200 Synthetic Fibre Textile Mfg  
221300 Cotton Textile Mfg  
221400 Wool Textile Mfg  
221500 Textile Finishing  
251000 Petroleum Refining  
262100 Clay Brick Mfg  
262300 Ceramic Tile and Pipe Mfg  
262900 Other Ceramic Product Mfg nec  
263100 Cement and Lime Mfg  
271100 Basic Iron and Steel Mfg  
271200 Iron and Steel Casting & Forging  
271300 Steel Pipe and Tube mfg  
282300 Railway Equipment Mfg  
361000 Electricity Supply  
411100 House Construction  
411200 Residential Building Construction nec  
411300 Non-Residential Building Construction  
425940 Construction Services nec  
630100 International Sea Transport  
630200 Coastal Water Transport  
630300 Inland Water Transport  
662100 Stevedoring

### Schedule 4

131100 Iron Ore Mining  
131200 Copper Ore Mining – Underground  
131300 Copper Ore Mining – Surface  
131410 Gold Ore Mining – Underground  
131420 Gold Ore Mining – Surface  
131500 Mineral Sand Mining  
131610 Nickel Ore Mining – Underground  
131620 Nickel Ore Mining – Surface  
131710 Silver-Lead-Zinc Ore Mining – Underground  
131720 Silver-Lead Ore Mining – Surface  
131910 Other Metal Ore Mining nec – Underground  
131920 Other Metal Ore Mining nec – Surface  
142010 Other Mining nec – Underground  
142020 Other Mining nec – Surface  
217100 Sugar Mfg  
217200 Confectionery Mfg  
217300 Seafood Processing  
217400 Prepared Animal and Bird Feed Mfg  
217900 Food Mfg nec  
218100 Soft Drink, Cordial and Syrup Mfg  
218200 Beer and Malt Mfg

218300 Wine Mfg  
218400 Spirit Mfg  
224100 Men's and Women's Clothing Mfg  
224200 Tailoring and Dress-making  
224300 Sleepwear, Underwear and Baby Clothing Mfg  
254100 Explosive Mfg  
254200 Paint Mfg  
254300 Medicinal and Pharmaceutical Product Mfg  
254400 Pesticide Manufacturing  
254500 Soap and Other Detergent Mfg  
254600 Cosmetic and Toiletry Preparation Mfg  
254700 Ink Manufacturing  
254900 Other Chemical Product Mfg nec  
263300 Concrete Slurry Mfg  
263400 Concrete Pipe and Box Culvert Mfg  
263510 Terrazzo Mfg  
263520 Concrete Product Mfg nec  
273100 Aluminium Rolling, Drawing, Extruding  
273200 Non-Ferrous Metal Rolling, Drawing, Extruding nec  
273300 Non-Ferrous Metal Casting  
274100 Structural Steel Fabricating  
274200 Architectural Aluminium Product Mfg  
274900 Structural Metal Product Mfg nec  
276100 Hand Tool and General Hardware Mfg  
276200 Spring and Wire Product Mfg  
276300 Nut, Bolt, Screw and Rivet Mfg  
276400 Metal Coating and Finishing  
276500 Non-Ferrous Pipe Fitting Mfg  
276900 Fabricated Metal Product Mfg nec  
362000 Gas Supply  
370100 Water Supply  
370200 Sewerage and Drainage Services  
421010 Demolition  
421020 Site Preparation Services  
422200 Bricklaying Services  
422300 Roofing Services  
423100 Plumbing Services  
423200 Electrical Services  
423300 Air Conditioning & Heating Services  
424110 Cement Rendering & Plastering  
424120 Plasterboard & Decorative Plaster Fixing  
424300 Tiling and Carpeting Services  
424400 Painting & Decorating Services  
662200 Water Transport Terminals  
662300 Port Operators  
662920 Services to Water Transport  
861100 Hospitals (Except Psychiatric Hospitals)  
861200 Psychiatric Hospitals  
952110 Laundry and Dry Cleaning Operations  
952120 Self-service Laundries and Dry Cleaning Agencies

### Schedule 5

041100 Rock Lobster Fishing  
041200 Prawn Fishing  
041300 Finfish Trawling  
041400 Squid Jigging  
041500 Line Fishing  
041900 Marine Fishing nec  
141100 Gravel and Sand Quarrying  
141900 Construction Material Mining nec

152000	Other Mining Services	222130	Non-canvas Textile Blind and Awning Mfg
232100	Plywood and Veneer Mfg	222200	Textile Floor Covering Mfg
232200	Fabricated Wood Mfg	222300	Rope Cordage and Twine Mfg
232300	Wooden Structural Component Mfg	222900	Other Textile Product Mfg nec
232910	Wooden Blind Mfg	224900	Other Clothing Mfg nec
232920	Other Wood Product Mfg nec	226100	Leather Tanning and Fur Dressing
233100	Pulp, Paper and Paperboard Mfg	226200	Leather and Tanning Substitute Product Mfg
233200	Solid Paperboard Container Mfg	253100	Fertiliser Mfg
233300	Corrugated Paperboard Container Mfg	253200	Industrial Gas Mfg
233400	Paper Bag and Sack Mfg	253300	Synthetic Resin Mfg
233900	Other Paper Product Mfg nec	253400	Organic Industrial Chemical Mfg nec
241100	Paper Stationery Mfg	253500	Inorganic Industrial Chemical Mfg nec
241210	Printing	256100	Plastic Blow Moulded Product Mfg
241310	Printing Trade Services	256200	Plastic Extruded Product Mfg
261000	Glass and Glass Product Mfg	256300	Plastic Bag and Film Mfg
286100	Agricultural Machinery Mfg	256400	Plastic Product, Rigid Fibre Reinforced, Mfg
286200	Mining and Construction Machinery Mfg	256500	Plastic Foam Product Mfg
286300	Food Processing Machinery Mfg	256600	Plastic Injection Moulded Product Mfg
286410	Machine Tool and Part Mfg	264010	Fibreglass Insulation Products Mfg
286420	Metal Dies, Cutting, Sinking, Mfg and Repair	264020	Non-Metallic Mineral Product Mfg nec
286500	Lifting and Material Handling Equipment Mfg	275900	Sheet Metal Product Mfg nec
286600	Pump and Compressor Mfg	281100	Motor Vehicle Mfg
286700	Commercial Space Heating and Cooling Equipment Mfg	281200	Motor Vehicle Body Mfg
286900	Industrial Machinery and Equipment Mfg nec	281300	Automotive Electrical and Instrument Mfg
294100	Jewellery and Silverware Mfg	281900	Automotive Component Mfg nec
294200	Toy and Sporting Good Mfg	282210	Boatbuilding
294900	Manufacturing nec	282220	Boat Repairing
422110	Concrete Construction Services	282400	Aircraft Mfg
422120	Concrete Paving Services	282900	Transport Equipment Mfg nec
422400	Structural Steel Erection Services	285100	Household Appliance Mfg
523300	Domestic Hardware and Houseware Retailing	285200	Electric Cable and Wire Mfg
532100	Automotive Fuel Retailing	285300	Battery Mfg
532200	Automotive Electrical Services	285400	Electric Light and Sign Mfg
532300	Smash Repairing	285900	Other Electrical Mfg nec
532400	Tyre Retailing	412100	Road and Bridge Construction
532900	Automotive Repair and Services nec	412200	Non-Building Construction nec
611010	Road Freight Transport – Bulk Freight	423400	Telecommunications, Alarm and Security System Installation Services
611020	Road Freight Transport – Short Distance	425100	Landscaping Services
611030	Road Freight Transport – Long Distance	425910	Scaffolding Services
611040	Furniture Delivery and Removal Service	425920	Exterior/Interior Blind and Awning Installation Services
620000	Rail Transport	425930	Building Exterior Cleaning and Maintenance Services
650100	Pipeline Transport	453100	Timber Wholesaling
650900	Transport nec	453900	Building Supplies Wholesale nec
843200	Technical and Further Education	523100	Furniture Retailing
<b>Schedule 6</b>		523200	Floor Covering Retailing
211110	Abattoirs	523400	Domestic Appliance Retailing
211120	Meat Packing and Freezing	523500	Recorded Music Retailing
211130	Meat Processing	663000	Services to Air Transport
211140	Animal By-product Processing nec	963100	Police Services
211210	Poultry Abattoirs	963200	Corrective Services
211220	Poultry Meat Processing	963300	Fire Brigade and Civil Emergency Services
211300	Bacon, Ham and Smallgoods Mfg	963400	Waste Disposal Services
212100	Milk and Cream Processing		
212200	Ice Cream Mfg		
212900	Dairy Product Mfg nec		
216100	Bread Mfg		
216200	Cake and Pastry Mfg		
216300	Biscuit Mfg		
222110	Made-up Textile Product Mfg		
222120	Furniture Upholstery and Cover Mfg		
		<b>Schedule 7</b>	
		011100	Plant Nurseries
		011200	Cut Flower and Flower Seed Growing



011300 Vegetable Growing  
 011400 Grape Growing  
 011500 Apple and Pear Growing  
 011600 Stone Fruit Growing  
 011700 Kiwi Fruit Growing  
 011900 Fruit Growing nec  
 012100 Grain Growing  
 012200 Combined Grain Growing, Sheep  
 Framing and Beef Cattle Farming  
 012300 Sheep-Beef Cattle Farming  
 012400 Sheep Farming  
 012510 Beef Cattle Farming  
 012520 Beef Cattle Feedlots  
 014100 Poultry Farming (Meat)  
 014200 Poultry Farming (Eggs)  
 219000 Tobacco Product Mfg  
 231100 Log Sawmilling  
 231200 Wood Chipping  
 231300 Timber Resawing and Dressing  
 241220 Newspaper Printing  
 241320 Services to Printing and Publishing  
 nec  
 272100 Alumina Production  
 272200 Aluminium Smelting  
 272300 Copper, Silver, Lead and Zinc  
 Smelting, Refining  
 272900 Basic Non-Ferrous Metal Mfg  
 284100 Computer and Business Machine  
 Mfg  
 284200 Telecommunications, Broadcasting  
 and Transceiving Equipment Mfg  
 284900 Other Electronic Equipment Mfg nec  
 291100 Prefabricated Metal Building Mfg  
 291900 Prefabricated Building  
 Manufacturing nec  
 424510 Aluminium Door and Window  
 Installation  
 424520 Glazing Services  
 451100 Wool Wholesaling  
 451200 Cereal Grain Wholesaling  
 451900 Farm Produce and Supplies  
 Wholesaling nec  
 511000 Supermarket and Grocery Stores  
 512100 Fresh Meat, Fish and Poultry  
 Retailing  
 512200 Fruit and Vegetable Retailing  
 512300 Liquor Retailing  
 512400 Bread and Cake Retailing  
 512500 Takeaway Food Retailing  
 512600 Milk Vending  
 512900 Specialised Food Retailing nec  
 525100 Pharmaceutical, Cosmetic and  
 Toiletry Retailing  
 525200 Antique and Used Good Retailing  
 525300 Garden Equipment Retailing  
 525400 Flower Retailing  
 525500 Watch and Jewellery Retailing  
 525900 Retailing nec  
 612100 Long Distance Bus Transport  
 612200 Short Distance Bus Transport  
 (Including Tramway)  
 612340 Other Road Passenger Transport  
 nec  
 640100 Scheduled International Air  
 Transport  
 640200 Scheduled Domestic Air Transport  
 640300 Non-Scheduled Air and Space  
 Transport  
 662910 Water Transport Agency Services  
 784100 Legal Services  
 784200 Accounting Services

811300 Local Government Administration  
 842100 Infants and Primary Schools  
 842200 Secondary Education  
 842300 Combined Primary and Secondary  
 Education  
 842400 Special School Education  
 912100 Radio Services  
 912200 Television

## Schedule 8

013000 Dairy Cattle Farming  
 015100 Pig Farming  
 015200 Horse Farming  
 015300 Deer Farming  
 015900 Other Livestock Framing nec  
 016100 Sugar Cane Growing  
 016200 Cotton Growing  
 021200 Shearing Services  
 021300 Aerial Agricultural Services  
 021910 Services to Livestock Farming nec  
 021920 Services to Crop Farming nec  
 021930 Services to Fruit and Vegetable  
 Growing nec  
 021940 Agricultural Land Clearing and  
 Fencing Services  
 021950 Other Services to Agriculture nec  
 021960 Pet Boarding and Kennels nec  
 022000 Hunting and Trapping  
 030100 Forestry  
 030210 Softwood Plantation Timber Logging  
 030220 Hardware Timber Logging  
 030300 Services to Forestry  
 042000 Aquaculture  
 110100 Coal Mining – Underground  
 110200 Coal Mining – Surface  
 120000 Oil and Gas Extraction  
 151100 Petroleum Exploration (Own  
 Account)  
 151200 Petroleum Exploration Services  
 151300 Mineral Exploration (Own Account)  
 151400 Mineral Exploration Services  
 213000 Fruit and Vegetable Processing  
 214000 Oil and Fat Mfg  
 215100 Flour Mill Product Mfg  
 215200 Cereal Food and Baking Mix Mfg  
 223100 Hosiery Mfg  
 223200 Cardigan and Pullover Mfg  
 223900 Knitting Mill Product Mfg nec  
 225000 Footwear Manufacturing  
 242100 Newspaper Publishing  
 242200 Other Periodical Publishing  
 242300 Book and Other Publishing  
 243000 Recorded Media Mfg and Publishing  
 252000 Petroleum and Coal Product Mfg nec  
 275100 Metal Container Mfg  
 283100 Photographic and Optical Good Mfg  
 283200 Medical and Surgical Equipment Mfg  
 283900 Professional and Scientific  
 Equipment Mfg nec  
 292100 Wooden Furniture and Upholstered  
 Seat Mfg  
 292200 Sheet Metal Furniture Mfg  
 292300 Mattress Mfg (Except Rubber)  
 292900 Furniture Mfg nec  
 452100 Petroleum Product Wholesaling  
 452200 Metal and Mineral Wholesaling  
 452300 Chemical Wholesaling  
 461100 Farm and Construction Machinery  
 Wholesaling  
 461200 Professional Equipment Wholesaling



461300	Computer Wholesaling		
461400	Business Machine Wholesaling nec	664320	Freight Forwarding (Other than Road) – Goods Handling
461500	Electrical and Electronic Equipment Wholesaling nec		
461900	Machinery and Equipment Wholesaling nec	664410	Customs Agencies – Goods Handling
462100	Car Wholesaling	664420	Customs Agencies – No Goods Handling
462200	Commercial Vehicle Wholesaling	664900	Services to Transport nec
462300	Motor Vehicle New and Used Part Dealing	670100	Grain Storage
462400	Motor Vehicle Dismantling	670900	Storage nec
471100	Meat Wholesaling	711110	Postal Delivery Services
471200	Poultry and Smallgoods Wholesaling	711120	Postal Agency Services
471300	Dairy Produce Wholesaling	144200	Courier Services
471400	Fish Wholesaling	712000	Telecommunication Services
471500	Fruit and Vegetable Wholesaling	731000	Central Bank
471600	Confectionary and Soft Drink Wholesaling	732100	Banks
471700	Liquor Wholesaling	732200	Building Societies
471800	Tobacco Product Wholesaling	732300	Credit Unions
471900	Grocery Wholesaling nec	732400	Money Market Dealers
472100	Textile Product Wholesaling	732900	Deposit Taking Financiers nec
472200	Clothing Wholesaling	733000	Other Financiers
472300	Footwear Wholesaling	734000	Financial Asset Investors
473100	Household Appliance Wholesaling	741100	Life Insurance
473200	Furniture Wholesaling	741200	Superannuation Funds
473300	Floor Covering Wholesaling	742100	Health Insurance
473900	Household Good Wholesaling nec	742200	General Insurance
479100	Photographic Equipment Wholesaling	751100	Financial Asset Broking Services
479200	Jewellery and Watch Wholesaling	751900	Services to Finance and Investment nec
479300	Toy and Sporting Good Wholesaling	752000	Services to Insurance
479400	Book and Magazine Wholesaling	771110	Residential Strata Schemes
479500	Paper Product Wholesaling	771120	Residential Property Operators
479600	Pharmaceutical and Toiletry Wholesaling	771210	Commercial Property Strata Schemes
479910	Wholesaling nec	771220	Commercial Property Operators and Real Estate Developers
479920	Wholesale Trade Agent – No Goods Handling	772000	Real Estate Agents
521000	Department Stores	773000	Non-Financial Asset Investors
522100	Clothing Retailing	774100	Motor Vehicle Hiring
522200	Footwear Retailing	774210	Boat and Ferry Hiring
522300	Fabric and Other Soft Good Retailing	774220	Other Transport Equipment Leasing nec
524100	Sport and Camping Equipment Retailing	774310	Plant and Machinery Hiring and Leasing Without Operator
524200	Toy and Game Retailing	774320	Plant and Machinery Hiring and Leasing with Operator
524300	Newspaper, Book and Stationery Retailing	774330	Office Equipment Hiring and Leasing
524400	Photographic Equipment Retailing	781000	Scientific Research
524500	Marine Equipment Retailing	782100	Architectural Services
526110	Household Equipment Repair Services (Electrical)	782200	Surveying Services
526120	Household Equipment Repair Services (Electronic)	782300	Consulting Engineering Services
526900	Household Equipment Repair Services nec	782910	Laboratory Services nec
531100	Car Retailing	782920	Technical Services nec
531200	Motor Cycle Dealing	783100	Data Processing Services
531300	Trailer and Caravan Dealing	783200	Information Storage and Retrieval Services
571000	Accommodation	783300	Computer Maintenance Services
572000	Pubs, Taverns and Bars	783400	Computer Consultancy Services
573000	Cafes and Restaurants	785100	Advertising Services
574000	Clubs (Hospitality)	785210	Sign Writing
661100	Parking Services	785220	Commercial Art and Display Services
661900	Services to Road Transport nec	785300	Market Research Services
664100	Travel Agency Services	785400	Business Administration Services
664210	Freight Forwarding (Road) – Goods Handling	785500	Business Management Services
664220	Freight Forwarding (Road) – No Goods Handling	786100	Employment Placement Services
664310	Freight Forwarding (Other than Road) – Goods Handling	786300	Secretarial Services
		786411	Investigative Services
		786412	Security Services
		786420	Building Caretaking Services
		786500	Pest Control Services
		786610	Cleaning Services (Non NSW Government Schools Contract)

786620	Cleaning Services (NSW Government Schools and Sites Contracts)	962900	Interest Group nec
786700	Contract Packing Services nec		
786900	Business Services nec		
811100	Central Government Administration		
811200	State Government Administration		
812000	Justice		
813000	Foreign Government Representation		
820000	Defence		
841000	Preschools and Kindergartens		
843100	Higher Education		
844010	Driving Schools		
844020	Other Education and Training nec		
861300	Nursing Homes		
862100	General Practice Medical Services		
862200	Specialist Medical Services		
862300	Dental Services		
863100	Pathology Services		
863200	Optometry and Optical Dispensing		
863300	Ambulance Services		
863400	Community Health Centres		
863500	Physiotherapy Services		
863600	Chiropractic Services		
863900	Other Health Services nec		
864000	Veterinary Services		
871000	Child Care Services		
872100	Accommodation for the Aged		
872200	Residential Care Services nec		
872910	Home Care Services		
872920	Non-Residential Care Services nec		
911100	Film and Video Production		
911200	Film and Video Distribution		
911300	Motion Picture Exhibition		
921000	Libraries		
922000	Museums		
923100	Zoological and Botanic Gardens		
923900	Recreational Parks and Gardens		
924110	Theatre and Orchestra Productions		
924120	Other Theatre and Musical Performance		
924200	Creative Arts		
925100	Sound Recording Studios		
925200	Performing Arts Venues		
925910	Agency Services to the Arts		
925920	Services to the Arts nec		
931110	Horse and Dog Racing Operations		
931200	Sports Grounds and Facilities nec		
931911	Sports and Services to Sport nec		
931912	Sports Administration Services		
932100	Lotteries		
932200	Casinos		
932900	Gambling Services nec		
933000	Other Recreation Services		
951100	Video Hire Outlets		
951900	Personal and Household Goods Hiring nec		
952130	Carpet Cleaners		
952200	Photographic Film Processing		
952300	Photographic Studios		
952400	Funeral Directors, Crematoria and Cemeteries		
952510	Gardening Services		
952520	Amenity Tree Services		
952600	Hairdressing and Beauty Salons		
952910	Adult Personal Services		
952920	Personal Services nec		
961000	Religious Organisations		
962100	Business and Professional Associations		
962200	Labour Associations		

The relevant sections of the determination made by the Board on 19 April 1979 and published in Government Gazette Number 64 of 11 May 1979 are reproduced below:

### **Determined Classes of Employment**

- A Pursuant to Section 6(3) of the Workers' Compensation (Dust Diseases) Act 1942, the Board hereby determines that the classes of employment referred to in paragraph D of this determination are the classes of employment which are of such a nature as to expose the worker to the risk of contracting a dust disease and that two or more of the sub-paragraph of that paragraph may apply to any one industry; such determination to have effect on and from the first day of June, 1979.
- B In paragraph D of this determination: .... "Asbestos material" or "asbestos product", when mentioned in reference to determined classes of employment, means any material or product, as the case may be, composed of asbestos, or asbestos mixed with any other material or substance.
- C For the purposes of paragraph D of this determination a process shall be deemed to be incidental to a Mfg or other operation if the process is carried on in an enclosed or partly enclosed areas in which that operation is carried on or performed.
- D The classes of employment referred to in paragraph A of this determination are all classes of employment in the following processes (other than processes carried on in or about Broken Hill mines or in or about mines to which the Coal Mines Regulation Act 1912, as amended by subsequent Acts, applies): .... (12) Handling or processing of asbestos and the manufacture of asbestos products.

Any process in or incidental to:

- (a) The loading, unloading, sorting, storing, handling, testing or analysing of asbestos or asbestos minerals;
- (b) The mixing, blowing, teasing or blending of asbestos minerals or asbestos or any substance containing asbestos;
- (c) The finishing, cutting, drilling, planning, sewing, sawing, grinding or weaving of asbestos, asbestos materials or asbestos products;
- (d) The cleaning of any bags, chambers or appliances for collection of asbestos dust;
- (e) Any lagging, insulating, demolishing or spraying operation in which asbestos or any substance containing asbestos is used, handled or dismantled;
- (f) The use of asbestos covered or asbestos coated welding rods;
- (g) The collection and cleaning of overalls contaminated by asbestos;
- (h) The wearing and use of any product made from woven asbestos.

## WORKERS COMPENSATION DUST DISEASES BOARD

### Actuarial Certificate

#### Outstanding Claims Liabilities at 30 June 2005

Finity Consulting Pty Limited has been requested by the Dust Diseases Board ("the Board") and the WorkCover Authority of NSW to estimate the outstanding claims liabilities of the Board under the Workers Compensation (Dust Diseases) Act.

#### Data

Our valuation of the Board's outstanding claims liabilities at 30 June 2005 relies on data provided to us by the Board. We have not independently verified the data supplied but we have, where possible, made checks for reasonableness and consistency. In our view there were no data deficiencies which would have a material effect on our estimates.

#### Basis of Our Estimates

Our estimates include allowance both for *known claims*, being claims for which the Board's Medical Authority had made a determination as at 30 June 2005, and for *IBNR claims*, which we have interpreted to mean future claims which will arise as a result of dust exposure that commenced prior to 30 June 2005.

We have made *central estimates* of the outstanding claims liabilities, which means that our assumptions have been selected to yield estimates which are not knowingly above or below the ultimate liabilities. Our estimates are *discounted*, ie. they allow for future investment income, and include allowance for future *expenses* incurred in the management of the outstanding claims.

#### Valuation Results

Our estimate of the Board's outstanding claims liabilities as at 30 June 2005 is \$1,509 million. This amount is made up as follows:

Outstanding Claims Liabilities	
	\$m
Known claims	516
IBNR claims	994
Total outstanding claims	1,509

Our understanding is that the Board has provided \$1,509 million in its financial statements as at 30 June 2005 for the outstanding claims liability.

### Uncertainty

It is not possible to put a value on outstanding claims liabilities with certainty. Actual outcomes for the Board will depend on claim trends, claimant behaviour, medical and legal precedents, legislative changes, economic and other factors which cannot be predicted accurately. This uncertainty is particularly great in the projection of the liability for IBNR claims, for reasons which include the very long latency period between dust exposure and incidence of disease.

While we have prepared estimates which we believe to be appropriate and reasonable based on the information currently available, variation from our estimates is normal and is to be expected.

Our report is based on a continuation of the current legislation and claims environment with allowance for known changes. It is quite possible that one or more changes to the environment could produce a financial outcome materially different from our estimates.

### Report

Full details of the data, methodology, assumptions and results of our valuation are set out in our reports dated 7 July 2005 and 3 November 2005.

### Relevant Standards

Our estimates and report have been prepared in accordance with our understanding of the relevant Australian Accounting Standards and the Institute of Actuaries of Australia's Professional Standard 300.



Bruce Watson  
Date: 3 November 2005



Mark Hurst  
Date: 3 November 2005

Fellows of the Institute of Actuaries of Australia

## COMPLIANCE INDEX

Requirements of Annual Report (Statutory Bodies) Act, 1984

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