



# ANNUAL REPORT 2006-2007

*80<sup>th</sup>  
Anniversary*

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The Hon. John Della Bosca, MP  
Minister for Education and Training  
Minister for Industrial Relations  
Minister for the Central Coast  
Minister Assisting the Minister for Finance

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 June 2007 for presentation to Parliament.

The New South Wales Treasury has granted an extension of time for the submission of the Annual Report to 30 November 2007 in accordance with Section 13(3) of the Annual Reports (Statutory Bodies) Act 1984.

The financial statements for 2006-2007, which form part of the Annual Report, have been submitted to and certified by the Auditor-General of New South Wales. The financial statements reveal that the Board's finances are sound.

Yours sincerely

Jon Blackwell  
Chairperson

  
Sylvia Kidziak  
Board Member

# PROFILE OF THE DDB

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## 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 provide no-fault compensation and quality practical assistance and services to workers and their dependents.

## VISION

To become a world class compensating, screening, research and education body in occupational dust-related disease.

### **ANNUAL REPORT 2006-2007**

The DDB has prepared this Annual Report in accordance with the Annual Reports (Statutory Bodies) Act 1984 and the directions of the Minister Assisting the Minister for Finance. It provides details of the Board's objectives, initiatives and achievements for the financial year ended 30 June 2007. 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 2006-2007 Annual Report was \$17,648. The Annual Report is also available at our website [www.ddb.nsw.gov.au](http://www.ddb.nsw.gov.au)

**Design and Printing:**

Plan B Creative Support Group



# Legislation

Administer the Workers' Compensation (Dust Diseases) Act 1942-1967.

The DDB is subject to the direction of the Minister Assisting the Minister for Finance, 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 District Court of NSW.

Under the Act, the DDB is required to:

- Determine eligibility and awards compensation to workers and the dependants of deceased workers.
- Determine the classes of employment in any industry or process that may 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 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 their last known exposure to dust at least 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.

# CHAIRPERSON'S REPORT

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## Welcome to the Dust Diseases Board 2006 - 2007 Annual Report.



The history of the Dust Diseases Board (DDB) in relieving suffering through the provision of compensation is one of which we are rightly proud. Improving our ability to deliver this service, in more timely and effective ways, is a constant objective.

In presenting the 2006-2007 Annual Report I want to in particular acknowledge and thank the dedicated staff of the DDB. It is their day to day willingness to deliver service, in good spirit, which gives the DDB its organisational character.

We also could not have achieved what we have without the cooperation and support of our partners and stakeholder bodies. In particular I would like express my sincere appreciation of the work of the Medical Authority.

### DDB Corporate Plan

This report provides information of our 2007/2008 – 2009/2010 Corporate Plan. The plan has six main objectives:

- Statutory No Fault Compensation
- Medical & Occupational Screening, Assessment & Health Surveillance
- Research & Education
- Funds Management
- Stakeholder Engagement
- Organisational Capabilities

### Statutory No Fault Compensation

During the year 688 new applications were received: This is an increase from the 611 received in the previous financial year.

404 new Industrial Histories were completed to support an applicant's claim for workers' compensation benefits under the Workers' Compensation (Dust Diseases) Act 1942.

The Medical Authority considered 3,766 cases throughout the financial year. In some cases it was necessary for the Medical Authority to seek additional medical evidence and to review a case on more than one occasion. A total of 3,640 certificates of disablement were issued: 334 represent new claims certified as having a dust disease.





The number of Awards of Compensation approved in the financial year included 251 for workers and 195 for dependants: a total of 446 new awards. This is a slight decrease from the previous financial year where a total of 467 awards were made.

## **Medical Examinations**

A total of 2,652 applicants and workers were examined as a result of their claim for compensation in the 2006-2007 financial year. This is an increase of 98 compared to the previous year.

The DDB is also responsible for the management and administration of the Bureau of Medical Inspection, Broken Hill who throughout the financial year conducted 405 hearing tests.

## **Occupational Screening Service**

The DDB provided an occupational screening service that screened 4,237 employees from 46 different employers in the 2006-2007 financial year. This service is provided on-site at the employer's premises via the "Lung Bus" or through the DDB Medical Centre located at our Elizabeth St, Sydney premises and aids employers in meeting their obligations under Occupational Health and Safety legislation.

## **Assessment and Health Surveillance**

The DDB continued support for the New South Wales Surveillance of Australian Workplace Based Respiratory Events (SABRE) Scheme which received 4,381 notifications of newly diagnosed respiratory diseases from treating doctors.

The Research & Education Unit had three papers published in scientific journals or presented at scientific meetings.

## **Research & Education**

The DDB Research Grants Committee advertised in 2006-2007 for new applications for projects in each of the priority areas listed below:

- The conduct of clinical trials for the treatment of mesothelioma using new agents
- Pulmonary rehabilitation
- Improving methods of assessing diffuse pleural thickening and early detection of dust related diseases.

The Board will be awarding research grants to the successful applicants early in the 2007-2008 financial year.

## **Asbestos Diseases Research Institute**

Last year the Premier of New South Wales, the Hon. Morris Iemma and the Minister John Della Bosca announced the foundation of a dedicated research facility focussing on the study of asbestos and other related dust diseases.

The DDB has made a capital grant of \$6.9 million to construct the facility in the grounds of Concord Repatriation General Hospital. It will be known as the Asbestos Diseases Research Institute and we are optimistic that it will lead the world in the early detection and effective treatment of asbestos related cancers.



In July 2006 the Asbestos Diseases Research Foundation was established to oversee construction and operation of the Institute. The Board of the Dust Diseases Board was appointed as an initial (interim) Board whilst a permanent Board of the Asbestos Diseases Foundation was assembled. Accordingly, the Asbestos Diseases Research Foundation was deemed to be a controlled entity and additional information regarding its operations appears in the appendices of this report.

## Funds Management

The increase in numbers of workers seeking compensation has direct and obvious implications for the financial resources of the DDB. Over the last three financial years we have achieved consistently sound returns on invested funds. The asset allocation of the DDB is managed via the Investment Committee.

In 2006-2007 a satisfactory return of 12.6% on investments was achieved. As at 30 June 2007 total funds invested are \$651.7 million.

## Stakeholder Engagement

Throughout the year the DDB liaised with its many stakeholder organisations. In particular it maintained its commitment to jointly fund, along with the WorkCover Authority New South Wales, the position of an Outreach Worker employed by the Asbestos Diseases Foundation of Australia. The Outreach Worker plays an important role in increasing community awareness about asbestos in the built environment.

## Organisational Capabilities

The staff of the DDB are dedicated to providing an effective and efficient service to our client base. To this end the DDB Call Centre answered 28, 919 inbound calls throughout the year.

The DDB's Research & Education Unit developed the "Asbestos Exposure Matrix" as a tool to assist with the efficient and accurate compilation of Industrial Histories. To further enhance the work undertaken by Industrial History Services an Operational Guidelines and Procedures Manual was rolled out to relevant staff.

The refurbishment of the Medical Centre located at our Elizabeth St, Sydney premises has resulted in a professional and modern client service area. Included in the refurbishment was the implementation of new state of the art digital x-ray equipment. Digital x-rays not only provide a more accurate means of diagnosis but also improve occupational health and safety standards in the workplace and reduce wastage of harmful chemicals.

## The Future

The DDB will continue to provide a dedicated, compassionate and efficient service to our applicants, workers and dependants to ensure that we maintain an effective workers' compensation scheme to support those New South Wales workers who have been affected by exposure to toxic dusts in the workplace.

Jon Blackwell  
Chair of the Board





# OUR CORPORATE PLAN

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The 2007—2010 Corporate Plan was developed collaboratively by our staff under the guidance of the Board. It provides the strategic framework that shapes the services we provide and decisions that we make.

The Corporate Plan sets out the broad goals and objectives of the Board and the key strategies we intend to follow for the next three years to achieve our outcomes. It details the values which underpin our work and establishes the key performance measures we will use to determine how effective we have been.

The Corporate Plan will be reviewed annually to ensure we remain on track as conditions change and our data gives us better information about what is working well and what requires fine-tuning.

## Vision

What we aspire to

To become a world class compensating, screening, research and education body in occupational dust related disease

## Mission

The way we get there

To provide no-fault compensation and quality practical assistance and services to workers and their dependents

## Objectives

What we deliver

Statutory no fault compensation  
Medical and occupational screening, assessment & health surveillance  
Research and education  
Funds management

## Enablers

The critical success factors without which we will not achieve our objectives

**Stakeholder engagement**

**Organisational Capability**

## Our Values

The corporate values which underpin everything we do

**Commitment to Quality Client Services**  
**Teamwork, Trust & Accountability**  
**Commitment to making a difference**  
**Integrity, Respect and Compassion to our Clients**  
**Commitment to Our People**



## Corporate Objectives

Statutory No Fault Compensation	Medical & Occupational Screening, Assessment & Health Surveillance	Research & Education
<ul style="list-style-type: none"> <li>■ Effective preparation, submission &amp; assessment of applicant's cases to Medical Authority/Board.</li> <li>■ Consistent and effective Medical Authority and Board processes.</li> <li>■ Effective management and processing of beneficiary entitlements.</li> <li>■ Review Legislation in respect of juvenile dependant awards.</li> </ul>	<ul style="list-style-type: none"> <li>■ Effective screening &amp; assessment of workers.</li> <li>■ Effective monitoring / health surveillance of workers and beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>■ Establish the DDB as the pre-eminent source of research and education into dust diseases in Australia by:               <ul style="list-style-type: none"> <li>- Funding &amp; conducting research to improve quality of medical treatment, outcomes &amp; patient quality of life.</li> <li>- Effective data collection to support research &amp; actuarial valuations of dust disease liability.</li> </ul> </li> </ul>

### Key Performance Outcomes:

Increased quality and timeliness in identification, assessment & prioritisation of applicants & processing of applications.

Improved Medical Authority & Board satisfaction.

Accurate & timely delivery of entitlements & support services.

### Key Performance Outcomes:

Workers are screened and monitored in a timely manner through efficient quality service.

Improvements in client satisfaction.

### Key Performance Outcomes:

Establishment of the Asbestos Diseases Research Institute.

Improved research capacity in respiratory & dust diseases.

Greater awareness of the Research Grants Scheme.

External recognition of the DDB as a quality research and education organisation in dust diseases.

### Values

Commitment to Quality Client Services	Teamwork, Trust & Accountability	Commitment to Making a Difference	Integrity, Respect & Compassion to Our Clients	Commitment to our People.
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# Corporate Objectives

Funds Management	Stakeholder Engagement (What partnerships must we build to achieve our desired outcomes)	Organisational Capability (How will we develop, skill, train and motivate our staff)
<ul style="list-style-type: none"> <li>■ Responsible and effective administration of DDB finances.</li> <li>■ Sound trust fund administration.</li> <li>■ Maximise return on investment.</li> <li>■ Effective implementation of S8E recoveries</li> </ul>	<ul style="list-style-type: none"> <li>■ Achieve effective stakeholder relationships through:                             <ul style="list-style-type: none"> <li>- Establishing &amp; maintaining partnerships with our principal stakeholders—unions and employer groups.</li> <li>- Building productive links with medical/health associations.</li> <li>- Actively engaging with industry to promote occupational screening services.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Effective leadership and strategic direction.</li> <li>■ Support the development of capable, motivated and productive staff.</li> <li>■ Effective management of information assets &amp; technical infrastructure.</li> <li>■ Operational efficiency and effective financial management.</li> </ul>
<b>Key Performance Outcomes:</b> <p>Fund remains sustainably funded for known liabilities.</p> <p>Out perform the investment benchmarks.</p> <p>Accurate &amp; compliant reporting with statutory &amp; financial accounting requirements.</p> <p>S8E recovery maximised.</p>	<b>Key Performance Outcomes:</b> <p>Greater community and industry awareness of DDB roles and responsibilities.</p> <p>Effective and sustained partnerships with principal stakeholder groups, unions and employers.</p> <p>Effective and sustained partnerships with medical and allied health professionals.</p> <p>Improved linkages with relevant medical associations and community groups.</p>	<b>Key Performance Outcomes:</b> <p>Improved manager and workforce capabilities and performance.</p> <p>Improved linkages between corporate, business and individual plans.</p> <p>IM&amp;T Strategy and Framework implemented.</p> <p>Sustainable operating costs.</p> <p>Effective resource use.</p> <p>Improved operational efficiency.</p>

## Key Performance Measures

Average time taken from receipt of application to final decision.	No of complaints received: Applicants, Beneficiaries, Other Parties.	Total number of appeals lodged against the Medical Authority or Board vs number of successful appeals.	Total DDB Assets vs. known liabilities (+/-10% tolerance).	Number of presentations delivered: scientific conferences, industry forums.
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# OUR PRIORITIES FOR 2007-2008

Corporate Objectives		
Statutory No Fault Compensation	Medical & Occupational Screening, Assessment & Health Surveillance	Research & Education
<ul style="list-style-type: none"> <li>■ Review and improve the initial assessment of applications.</li> <li>■ Improve industrial history information management systems.</li> <li>■ Continue to improve the standard of all Medical Authority correspondence.</li> <li>■ Ensure all awards are processed within 2 weeks of Board meeting.</li> <li>■ Improve processing system for payment of medical benefit expenses.</li> </ul>	<ul style="list-style-type: none"> <li>■ Develop systems to monitor customer satisfaction and consumer complaints.</li> <li>■ Upgrade medical services accommodation and facilities.</li> <li>■ Improve system for payment of medical records and external medical examinations.</li> <li>■ Integrate Lung Bus information management system into the DDB system.</li> </ul>	<ul style="list-style-type: none"> <li>■ Undertake 15-20 case comparisons to determine the most effective method of assessing workers past asbestos exposure.</li> <li>■ Participate in treatment trials for dust diseases.</li> <li>■ Conduct cohort study of DDB workers measuring SMRP.</li> <li>■ Conduct study of DDB clients with ARPD to identify factors that determine disability.</li> <li>■ Fund research into Pulmonary rehabilitation, the treatment of mesothelioma using new agents and the assessment of diffuse pleural thickening and early detection of dust related diseases.</li> </ul>



## Corporate Objectives

Funds Management	Stakeholder Engagement	Organisational Capability
<ul style="list-style-type: none"> <li>■ Continue to outperform investment benchmarks.</li> <li>■ Process all trust fund requests within 14 days of receipt.</li> <li>■ Trust Fund interest payments distributed promptly every six months.</li> </ul>	<ul style="list-style-type: none"> <li>■ Strengthen our partnerships with unions and employer groups.</li> <li>■ Continue to build productive links with medical and health care associations.</li> <li>■ Engage with industry to promote the Mobile Occupational Respiratory Screening Service.</li> <li>■ Continue to improve our website and develop a series of fact sheets on DDB services.</li> </ul>	<ul style="list-style-type: none"> <li>■ Implement Management Development program.</li> <li>■ Achieve a 5% reduction in lost time injuries.</li> <li>■ Refine financial processes and systems to deliver greater operational efficiency.</li> <li>■ Continue to implement our IM&amp;T Strategic Plan to improve the governance, management and use of information.</li> </ul>



# ORGANISATION

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## Objectives

- To deliver statutory no fault compensation
- To provide medical and occupational screening, assessment and health surveillance
- To fund research and education to occupational dust diseases
- Sound administration of funds management responsibilities

The DDB provides a system of “no fault” compensation to workers who have been exposed to dusts as a result of their employment in New South Wales. The DDB is committed to ensuring that beneficiaries receive practical assistance and advice that is delivered with empathy and care.

## Role and Functions

The DDB has responsibility for the following functions:

- undertakes medical examinations of applicants for workers’ compensation benefits under the Workers’ Compensation (Dust Diseases) Act 1942 incorporating lung function tests, chest X-rays and examination and interview by a respiratory physician (applicants 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 Directors 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, medical, ambulance and other related expenses incurred as a result of a beneficiaries’ compensable dust disease to which they are entitled under the Act.
- manages, on behalf of dependent beneficiaries of deceased workers, lump sum 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 investments.
- 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 to sufferers of dust diseases and their families.
- provides advice and information to applicants about 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.



# BOARD OF DIRECTORS

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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 Directors 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 and 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. Where 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 Directors 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 Directors; and
  - Are prudent in their management to organisational resources.



# PROFILES OF DIRECTORS

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## 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 HonFSIA OFIEAust MICOH MRMIA MNELA JP**

Ms Kidziak is Managing Director of SL Engineering and has been the Principal Consultant, Occupational Health, Safety and Environment Policy at Australian Business Ltd for 24 years. She is also Chair of the ARPANSA Radiation Health and Safety Advisory Council, Commissioner of the Australian Safety and Compensation Council, Member of the NSW Workers Compensation and Workplace Occupational Health and Safety Advisory Council and Member of the NICNAS Industry, Government Consultative Committee. She was Chair of the Occupational Health, Safety and Rehabilitation Council of NSW for 8 years and Chair of various other Councils and Committees concerned with occupational health and safety.

In addition Ms Kidziak Chairs the Board's Research Grants and Corporate Governance Committees. She is also a member of the Board's Audit Committee and Board Member of the Asbestos Diseases Research Foundation.

Ms Kidziak has received several awards for her work which has included extensive advice on policy and technical issues relating to workplace health, safety and specifically asbestos. Previously her work was on power stations and construction sites in Australia and overseas. Her qualifications are in management, engineering and occupational health and safety.





## Brian Eichhorn

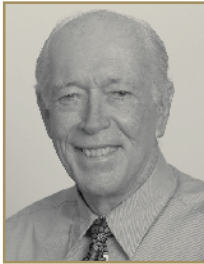
Mr Eichhorn is the representative of Employers First. Brian has worked in manufacturing industries all his working life. For the past 30 years he has held senior positions in Human Resources Management. Mr Eichhorn has qualifications in Human Resources and Occupational Health and Safety. He is a trustee 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 and is Group General Manager – Toyo Tyre & Rubber Australia Limited. Prior to 2005 he was a Business Development Consultant to Industry in Manufacturing having 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 eight 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 8 years and is a member of the Board's Corporate Governance Committee and Audit Committee of which he is Chairperson.



## 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 has been a Dust Diseases Board member for 33 years. Mr Davies is Chairman of the Board's Investment Committee.





## 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 Union, its officials and members of CFMEU in many matters including workers compensation and industrial issues. Ms Mallia also represents the CFMEU on the Construction Industry Reference Group and the Vocational Training Appeal Panel.



## Dave Henry

Mr Henry is the Occupational Health and Safety Officer for the NSW Branch of the Australian Manufacturing Workers Union (AMWU). He has been in this role since early 2003. This position entails him representing workers in relation to both OH&S and workers' compensation matters. He is responsible for developing and implementing AMWU policy and representing the union at all levels of industry and government within his role. Prior to this he was an industrial organiser with the union from early 2001.

As part of his position he is director of a number of Boards including the NSW Dust Diseases Board. He is the current Chairperson of the Industrial Health and Research Foundation (t/a Workers Health Centre) and an interim-Director & Deputy Chair of the Asbestos Diseases Research Foundation based at the Concord Hospital Campus.

Mr Henry is a member of the WorkCover Manufacturing Industry Reference Group and has worked on many of the Minister's Workers' Compensation and Occupational Health & Safety Advisory Council working parties. Mr Henry currently sits on the NSW Workplace Health and Safety Strategy Review Committee and heads the Manufacturing Industry Action Plan Working Group.

Since 2003, Mr Henry has sat on a number of Australian Standards committees and is at the forefront in developing health and safety policy and standards throughout industry both in this forum and others. Mr Henry has co-ordinated a number of WorkCover grants since 2003 and is a WorkCover accredited trainer.





# Meetings

Meetings of the Board of Directors are generally held monthly, usually on a Thursday. Eleven (11) meetings were held during the year. Attendance is indicated below (the number next to the name indicates the number of meetings attended):

<b>Chairperson</b>	
J. Blackwell (Chairperson)	9
G. Lansley (Alt Chairperson)	11
<b>Employer Representatives</b>	
S.W.S Kidziak (Member)	11
B. Eichhorn (Member)	11
R. Petty (Member)	9
A. Garner (Alt. Member)	0
A. Thomas (Alt. Member)	2
<b>Employee Representatives</b>	
R. Davies (Member)	8
R. Mallia (Member)	10
D. Henry (Member)	11
S. Robinson (Alt. Member)	0
A. Sawtschuk (Alt. Member)	1
N. Allen (Alt. Member)	3

## Board Committees

The Board has four committees whose roles and functions are detailed below.

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, Dave Henry and Rita Mallia which meets four times a year.

## **Investment Committee**

The Investment Committee meets 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.

During 2006/2007 the Committee was comprised of Robert Davies (Chairperson), Brian Eichhorn and Nick Allen.

The Investment Committee met on four occasions in the 2006/2007 financial year.

## **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 2006/2007 the Committee comprised Ray Petty (Chairperson), Sylvia Kidziak, Brian Eichhorn and Rita Mallia. The Audit Committee met once throughout the financial year.

## **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 was comprised of Sylvia Kidziak (Chairperson), Ray Petty, Dave Henry and Rita Mallia.

From February 2007, the Corporate Governance Committee has been comprised of Sylvia Kidziak (Chairperson), Ray Petty, Dave Henry and Nick Allen.

The Corporate Governance Committee met on three occasions in the 2006/2007 financial year.



# 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 Directors 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.

## Meetings

Medical Authority meetings are usually held on Thursdays. 45 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	19
Dr P. Corte (Alt. Chairperson) MBChb, FCP (SA)	14
Dr I.T. Gardiner (Member) MBBS (NSW), FRACP	11
Employer Representatives	
Dr J. Lee (Member) MBBS (Syd), FRACP, FCCP (USA)*	0
Dr J.S. Mann (Alt Member) MBBS (Syd), MD (Syd), FRACP	28
Dr E. Clark (Alt. Member) MBBS, MRCP (Lond)	15
Employee Representatives	
Dr C Clarke (Member)	21
Dr G Hart (Alt. Member) MBBS, MRCP (Lond), FRACP	11
Dr M. Burns (Alt. Member) PHD, FRCP, FRACP	13

\*Dr Lee was unable to attend meeting due to ill health

## Activities

The Medical 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 determines the appropriate level of disability. The Medical Authority regularly reviews the level of disability of workers already in receipt of workers' compensation benefits and issues certificates accordingly.

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

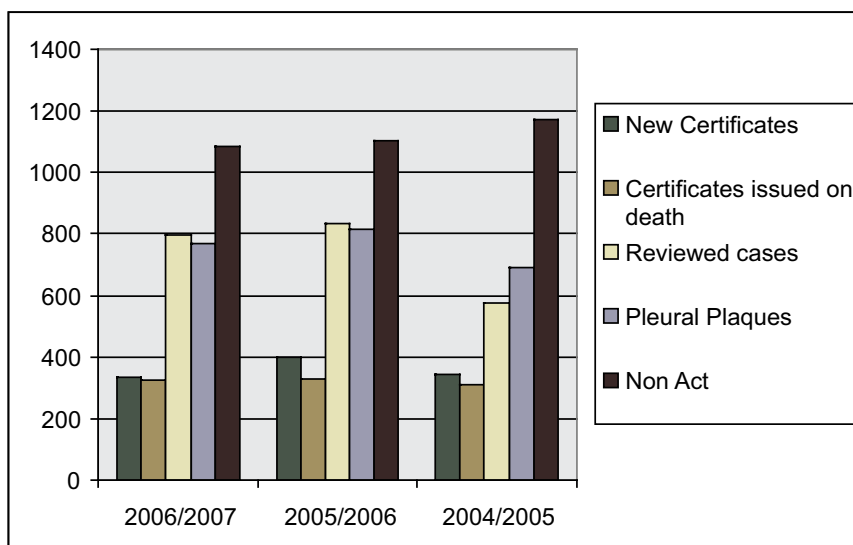
It is DDB policy that there is a periodic review of all workers considered to be at risk from exposure to dust as well as a follow-up of workers who have been diagnosed as having a dust disease.

The Medical Authority considered a total of 3,766 claims during the year, including 126 cases that were considered by the Medical Authority on more than one occasion. 3,640 certificates of disability were issued in the year consisting of:

- 334 new applicants certified with a dust disease
- 796 reviews of workers already in receipt of workers' compensation benefits
- 1,083 certifications where there is no disablement from a dust disease or the applicant does not fall under the jurisdiction of the Workers' Compensation (Dust Diseases) Act 1942
- 769 certifications for pleural plaques, a non compensable condition under the Workers' Compensation (Dust Diseases) Act 1942
- 324 certificates certifying cause of death for deceased workers

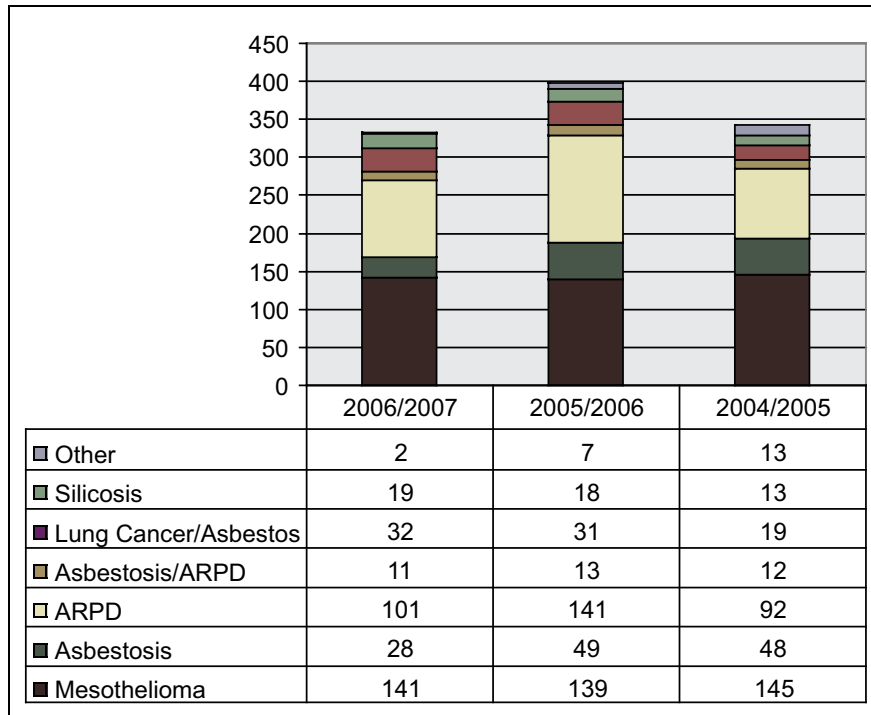
Details of certificates issued are provided in the following graphs and charts.

### Graph One: Medical Authority Decisions



## Graph Two: New Certificates of Disablement issued by Disease Type

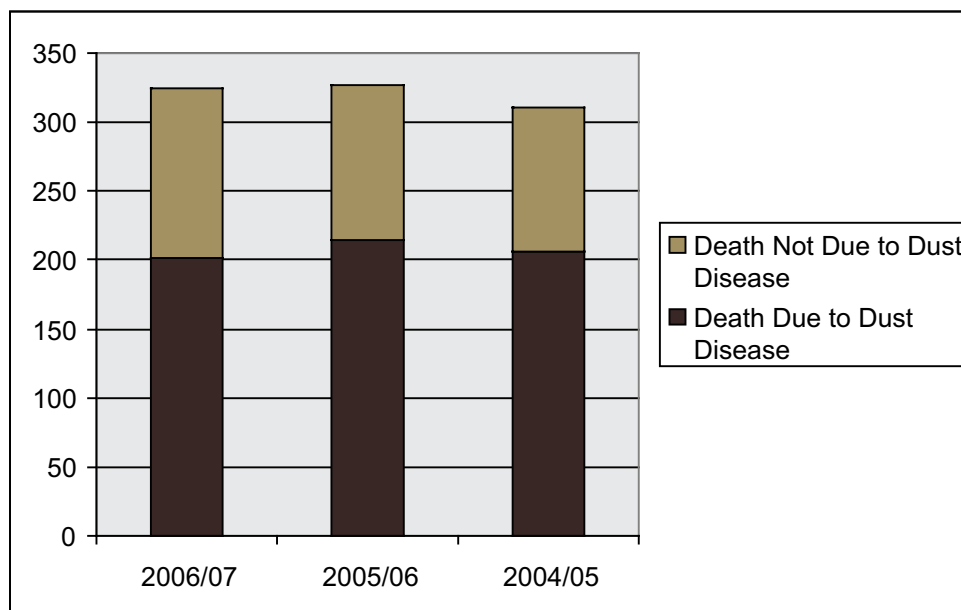
The Medical Authority issued a total of 334 new certificates of disablement in the 2006-2007 financial year.



## Graph Three: Certificates in Respect of Death

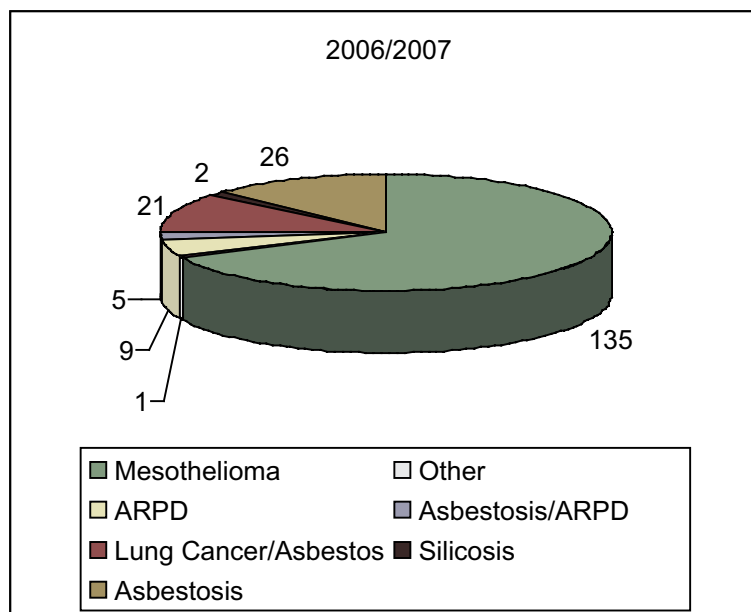
The Medical Authority issued 324 certificates in respect of death of workers in the 2006-07 financial year.

Of these 196 certificates were issued for death being due to a dust disease.



## Graph Four: Certificates in Respect of Death by Disease where Death Due to Dust Disease

The Medical Authority issued 202 certificates in 2006-07 certifying that a worker's death was directly attributable to his/her dust disease. The pie chart below specifies the number of deaths per dust disease





# MANAGEMENT

## Profiles of Senior Executive Management Team



### Mr Geoff Lansley

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

Master of Management Degree (UTS), and Associate Fellow of the Australian Institute of Management (AFAIM). Mr Lansley has extensive managerial experience in the public sector since 1985. 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 a Member of the Institute of Public Administration Australia, Member Australian and New Zealand Society of Occupational Medicine, Associate Member Thoracic Society of Australia and New Zealand and Affiliate Member of the European Respiratory Society.



### Mr Terrence Zachariah

#### **Director, Finance and Compensation Services**

Mr Zachariah holds a Bachelor of Business and is currently completing an MBA in Finance from Charles Sturt University. Mr Zachariah has been Director, Finance & Compensation Services since 1999 and is responsible for managing finance, treasury, investments and audit functions at the DDB. Mr Zachariah manages the administration of compensation to DDB workers and dependants, patient services, facilities management, fleet management, procurement and payment of accounts. Prior to commencing his employment with the DDB Mr Zachariah obtained a broad range of domestic and international experience in the insurance and brokering industries. In early 2007 Mr Zachariah assumed responsibility for the DDB's Information Technology functions.



## **Mr Simon Bowden, LLB (Hons)**

### **Director, Legal & Industrial History Services**

Mr Simon Bowden joined the DDB in January 2005 in the role of Legal Officer. Mr Bowden is responsible for providing legal advice to the Board of Directors and DDB Senior Management on the Workers' Compensation Dust Diseases Act 1942 and related legislation, and the management of recoveries under Section 8E of the Act. Mr Bowden has managerial responsibility of the Industrial History Services Section and the Bureau of Medical Inspection at Broken Hill. Mr Bowden's role expanded to include managerial responsibility for the DDB's Records Management Unit and Call Centre in early 2007.



## **Dr Giles Yates, PhD**

### **Director, Medical Services**

Dr Giles Yates has a PhD Bioethics (Monash University), Graduate Diploma in Public Administration (University of Sydney), MA Counselling (Macquarie University), BA Philosophy/Psychology (Macquarie University), registered psychologist in NSW. Dr Yates started at the DDB in June 2006. He has experience in health administration in the public, private and community sectors as well as academia. As Director of the Medical Services Division he is part of the Executive team and is responsible for the management of Screening Services including the Lung Bus and the Medical Authority Support Team.



# MAKING A DIFFERENCE

## Obituary: Dr Julian Lee (1933 – 2006)

### Medical Authority Member 1971-2006



He saved my life. It was June 1967 and unseasonably hot, or so it seemed to me. The Six Day War was raging between Egypt and Israel, and I was a GP in Epping. I treated two young women for a serious illness marked by high fever, terrible headaches and a strange mental state. My patients made a full recovery, but I went down. Nine days in hospital and Julian's unrelenting care saw me recover from this meningoencephalitis (brain fever). Of course he never sent me a bill; we remained friends.

Julian was the third son of Morris and Esther Lee. He had a happy childhood despite certain strictness in the home where he rebelled against the conformity to orthodox Judaism. He was naturally bright and at Sydney Grammar found he could succeed without too much study.

Sport was his passion. If there was a ball or a bat involved he was good at it. This devotion lasted a lifetime, with tennis and golf high on his list of favourites.

At Sydney University he met Judy Rheuben. They found a common interest in language and would argue about the usage and meaning of words. It was an argument that ran for 53 years. They married after he graduated in medicine in 1958. Four children followed – Mindy, Bruce, Debbie and Jonathon – and then seven grandchildren who loved him dearly. All survived him.

He did his intern years at Manly Hospital. In 1959 he became registrar at Concord Repatriation Hospital where he studied internal medicine and gained membership of the Royal Australasian College of Physicians. It was here that I met him. At Concord Julian was responsible for ex-servicemen suffering from chest disease as a consequence of war service. (It might be said tobacco made more inroads into men's health than any other enemy.)

Many patients were desperately ill and severe tuberculosis was common. That was not without its risks but Julian, like the rest of the staff, took all precautions and then treated his charges with no thought for his own health.

In 1964 he took up the impecunious position of national heart research fellow in the Department of Medicine at Sydney University, where the late Professor John Reed stimulated his interest in respiratory medicine. He veered from research in favour of the appointment as honorary assistant physician at Royal Prince Alfred Hospital and clinical practice, due in part to the need to support his growing family. He was also a visiting medical officer at Concord Hospital.



In clinical medicine, Julian pioneered the use of fibrescopes and became one of the leaders in the field of asbestosis, histoplasmosis and bird fanciers' disease. He quickly climbed the ladders of academic and clinical advancement and impressed all with his deep devotion to excellence, coupled with a serious but kindly manner expressed in unwavering concern for those who sought his help, professionally or otherwise.

He became a fellow of the Royal Australian College of Physicians in 1970. He was appointed senior thoracic physician at Prince Alfred, aged only 36, at the time the youngest person by a generation to hold that office.

He became president of the Australian Thoracic Society, secretary-general of the World Congress on the Diseases of the Chest in Sydney in 1985, and an office holder in the American College of Chest Physicians. He was senior vice-president of the Asthma Foundation of NSW and chairman of its research advisory committee. From 1971 he was a member of the Medical Authority of the Dust Diseases Board of NSW, responsible for determining the risk of thoracic conditions for employees. He was also a lecturer in occupational lung disease for Worksafe Australia.

As a teacher in the faculty of medicine at Sydney University he influenced young students, registrars and nurses by his encyclopaedic knowledge, warm bedside manner, high principles and humour. Like many doctors he found the changes in hospital clinical practice in the 1970's to be antithetical to patients' interest, but he maintained his high principles. His interest in medical politics led him to be actively involved in the AMA, of which he was president in 1996. He joined the Medico-Legal Society and was elected vice-president.

As an expert witness in medico-legal matters he abhorred "junk science in the courtroom". He did not accept that the original evidence proved that passive smoking caused irreversible harm, angering the anti-smoking lobby. His was a politically incorrect, soundly based intellectual attitude which some found hard to comprehend, and he took some flak.

In 1997 Julian was appointed to the Medical Board where he combined his unwavering respect for excellence with a degree of understanding for those colleagues who might have been misled by human frailty. In 1998 he became a member of the Independent Committee of Review for the NSW Health Care Complaints Commission.

As for politics, Julian described himself as a Groucho Marxist. He had a superb palate for wine and loved good food, books, music – jazz and classical – and intelligent conversation on (mostly) intelligent topics, although he was not averse to some ribaldry.

His final illness was as unexpected as it was tragic. He was diagnosed with a primary brain tumour (glioblastoma) which, despite two craniotomy operations, radiotherapy and chemotherapy, pursued its relentless course.

His genius and his kindly nature left a deep impression and we are the poorer for his passing.

David Edmund Cooke

*The Dust Diseases Board would like to extend its gratitude to Dr Cooke who has kindly allowed us to reproduce his obituary of Dr Julian Lee. This article was first published in the Sydney Morning Herald in December 2006.*



# SERVICES

## Board's Services Include:

- Free of charge medical examinations
- Occupational screening services
- Industrial History 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 Screening Leaflet
- A Guide to Compensation Occupational Lung Diseases in NSW
- Various Brochures on the DDB

## Guarantee of Service

The DDB is committed to ensuring those 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 and responded to within one working day
- 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

## 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.

A number of applicant workers are personally interviewed by our Industrial History Officers. They also receive reimbursement for their dust disease related medical, hospital and ambulance expenses oversights by our Patient Management Services staff and contracted nursing staff for their medical requirements.

## Industrial History Services

The Industrial History Services Section is the first point of contact for an applicant who is believed to have a dust disease and wishes to test their eligibility to receive workers' compensation benefits under the Workers' Compensation (Dust Diseases) Act 1942.

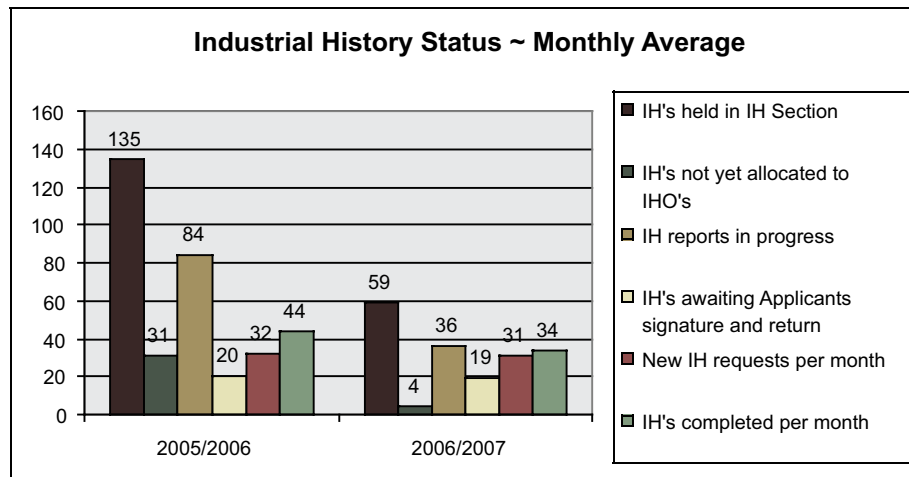
The Industrial History Officers visit workers either in their homes or hospital and compile an industrial history of the workers employment. In some circumstances it may be necessary for the Industrial History officer to conduct an interview via a telephone call.

The Industrial History Officers prepare 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.

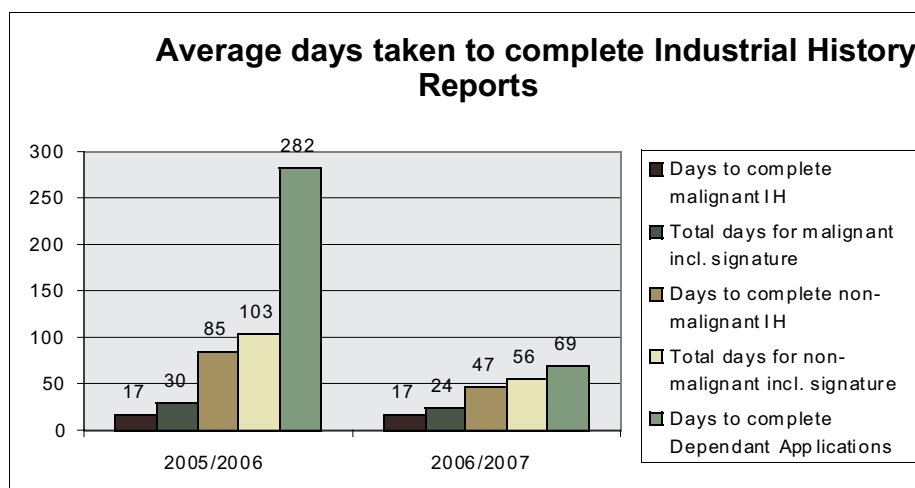




In September 2005 a new Industrial History tracker was implemented to assist Industrial History Services in managing their workload more effectively via the generation of management reports. The use of the Industrial History tracker, along with a new management structure and more efficient workflows, has contributed to a substantial reduction in the number of industry histories per month awaiting allocation.

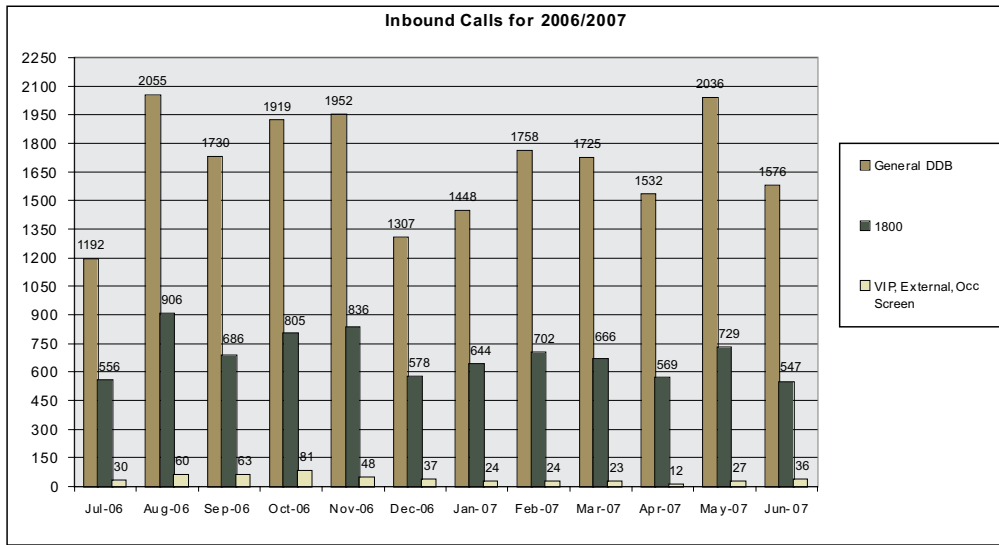


When allocating industrial histories priority is given to those applicants who may be suffering from a malignant disease such as mesothelioma. After completion the industrial history report is returned to the applicant to allow them to make any amendments, deletions or additions as necessary prior to providing their signature. The Workers' Compensation (Dust Diseases) Act 1942 allows a dependant spouse to lodge a claim for compensation after the worker's death. Industrial history reports compiled after the death of a worker take considerably more time to complete as the industrial history requires secondary sources to obtain details of work conditions and exposure.

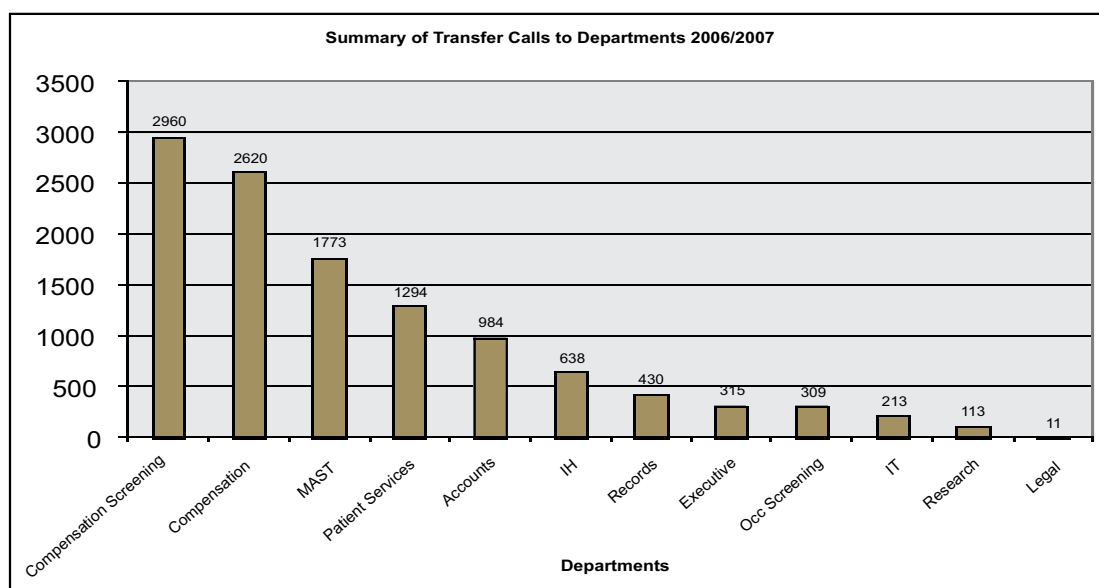


# Call Centre

The Call Centre is normally the first point of contact with the DDB and our staff are trained to answer all questions that an applicant might have in regard to the application process and functions of the DDB. The Dust Diseases board received a total of 28, 919 incoming calls throughout the year. The majority of calls were made to the Dust Diseases Board general phone number (70%) followed by calls made to the Dust Diseases Board 1800 free call number (28.4%). The average waiting time for a call to be answered by the Call Centre is 44 seconds.



During the year 11, 600 calls were transferred to DDB internal departments. This represents 40.32% of calls. A total of 17, 259 calls or 59.68% of total inbound calls were handled end to end by our dedicated Call Centre Operators. The largest percentages of calls to be transferred were in relation to compensation screening bookings (25.5%) followed by compensation payment enquiries (22.5%) and Medical Authority Support Team calls (15.28%).

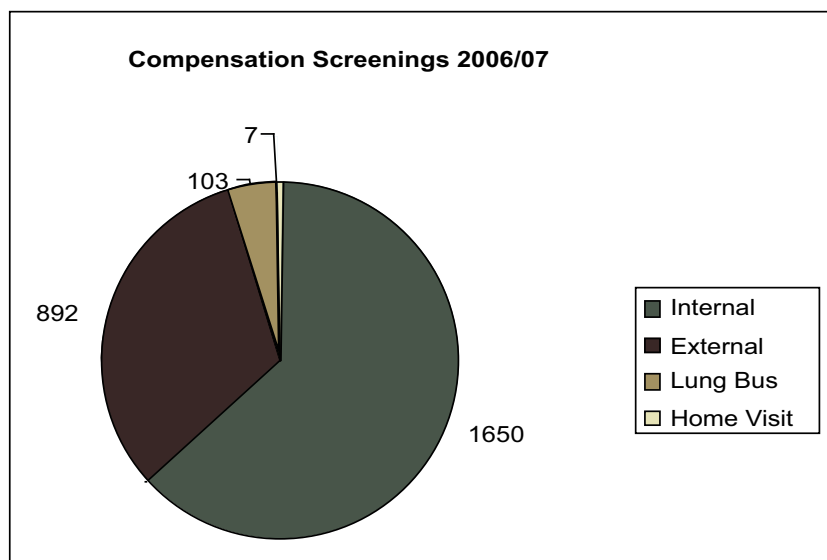


## Medical Examinations

The Dust Diseases Board has a team of respiratory physicians who examine applicants for compensation at the Dust Diseases Board's Sydney premises. The examinations include detailed pulmonary function tests and chest x-rays. Applicants who reside in a regional or country locality are examined on behalf of the Dust Diseases Board by a respiratory physician in their local area or by the DDB's Lung Bus. In situations where an applicant is unable to leave their home due to illness the DDB's consultant Respiratory Physician will conduct an examination in the applicant's home.

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 will then obtain all medical, clinical and radiological evidence from the patient and/or his or her physicians for submission to the Medical Authority.

A total of 2,652 applicants were examined as a result of their claim for compensation in the 2006-2007 financial year. A breakdown of where medical examinations occurred appears in the graph below:



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 405 workers were also assessed for hearing tests.

## 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. A detailed fact sheet "Medical & Hospital Expenses" for beneficiaries has been developed to keep them informed of the various entitlements to medical, hospital and ambulance services.

## 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.

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.

## Complaints

The DDB believes that all members of the public have the right to expect courtesy, promptness, an understanding of the various services offered by the DDB and the right to make a complaint or offer feedback on how the DDB can improve service quality. To this effect the DDB has developed a comprehensive Complaints Handling Policy and Procedures for the handling and resolving of complaints. Complaints made to the DDB were of a minor nature and resolved with individual complainants.

In the 2006-2007 financial year the DDB received a total of four complaints. There was one complaint each in the following categories: compensation payments, medical services, occupational screening and the call centre. All complaints were resolved to the satisfaction of the complainant and where appropriate, letters of apology were issued.

## Release of Information

During the year a total of two requests were received by the DDB under F.O.I. legislation. Both requests were granted in full and no personal records were amended.

The Board received 540 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 authorising the solicitor to receive the information.

## 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 developed a Privacy Policy and Procedures to provide DDB staff with guidance on incorporating the information privacy principles and health privacy principles into their everyday work practices.

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 proximity access control for each floor.
- Privacy induction program developed for new staff members.
- Privacy Policy & Procedures issued to all staff

In the financial year ending 30 June 2007, the DDB had not received any complaints concerning alleged breaches of the Privacy and Personal Information Protection Act 1998 or the Health Records and Information Act 2000.

## 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
  - Australian and New Zealand Society of Occupational Medicine (ANZSOM), August 2006
  - Thoracic Society of Australia and New Zealand Annual Scientific Meeting, Auckland, March 2007

## Information and Education

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's Research & Education Unit produced a publication "A Guide to Compensated Occupational Lung Disease in NSW, 2005 Edition."

## Information Technology

Over the last 12 months, IT services have provided a stable platform to enable the organisation to manage and process its core business activities even though there have been considerable changes and upgrades to infrastructure and systems. The DDB has become considerably dependant on IT to operate.

To that effect, considerable effort has focussed on improving the management of this key function of the organisation, from improved security management to upgrading business systems. A focus on improving the security and safeguarding of information managed by DDB has been a priority.

Some of the key improvements include:

- Infrastructure upgrades to two refurbished floors. This improved the stability and performance
- Upgrades to the financial systems
- Introduction of strong governance framework
- Commencement of developing and implementing a Business Continuity Strategy and Plan
- Improved Internet security
- Commencement of implementation of a Disaster Recovery Site at state co-owned AC3 Data Centre facility
- Implementation and integration of the new medical scanning equipment.

## 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



## Dust Diseases Board on the Web

During the 2006/2007 financial year the Dust Diseases Board developed a new website. This project was undertaken due to the NSW Government's Website Style Directive. The DDB's website is at [www.ddb.nsw.gov.au](http://www.ddb.nsw.gov.au). The 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
- Medical Authority forms enabling the DDB to obtain vital health information from other doctors and health service providers
- Form of special endorsements
- Annual Reports
- Publications
- Research Information
- Search function

## Business Continuity Plan

The DDB, with the assistance of Phoenix Continuity Services Pty Ltd, has developed a thorough and comprehensive Business Continuity Plan that details the policy and business procedures that have been implemented to protect the DDB from the effects of a major failure or disaster and to minimise any damage or loss caused by such events. The plan incorporates strategies, personnel requirements, procedures and resources required to respond to any short or long-term business interruption.

Continuous monitoring of the Business Continuity Plan will be undertaken to ensure that any changes to business process and/or technical infrastructure are captured in a timely way and reflected in the Business Continuity Plan.

## Risk Management

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

The DDB commissioned a comprehensive Fraud and Risk Management Plan in the 2005/2006 financial year and has adopted and implemented many of the reports recommendations.

The Board's internal auditors will also be conducting a review and updating the Board's risk management framework in January-March 2008.

The DDB reviewed the policy and procedures in place for administration of the Board's trust fund maintained on behalf of dependants. Following the review, the Board agreed to introduce a set of more stringent procedures designed to ensure that the DDB continues to manage trust funds on behalf of dependants with their best interests in mind.



# 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 and annual DEUS reporting requirements.

The DDB manages its motor vehicle fleet in line with the Cleaner NSW Government Fleet initiative to:

- Procure smaller, cleaner and less polluting cars
- Reduce fuel consumption and greenhouse gas emissions
- Save both on vehicle purchase and running costs

# Government Waste Reduction and Purchasing Policy

The DDB is committed to reducing the impact of its business activities on the environment and to this end has implemented the following:

- Recycling of confidential waste paper via a reputable service provider
- Recycling of old mobile phones in an environmentally friendly manner
- Recycling of used toner cartridges in an environmentally friendly manner
- Policies, procedures, guidelines, Corporate Plan and Business Plans available electronically on the DDB intranet
- Pay advices transmitted to employees electronically via email
- Application forms, brochures and annual reports available on the DDB website for members of the public to download
- Use of email to distribute minutes of meetings, staff newsletters and other reports

The DDB is intending on implementing more measures in the 2007-2008 financial year to improve compliance with the NSW Government Waste Reduction and Purchasing Policy (WRAPP).

# Policies, Procedures and Guidelines

Following is a list of policies, procedures and guidelines available on the DDB intranet:

- Assessment and Approval of Expenses Related to Attendance of a Medical Examination
- Asset Disposal Policy
- Staff Code of Conduct and Acceptable Behaviours
- Complaints Policy and Procedures
- Computer Password Policy
- Board of Directors Statement of Corporate Conduct
- DDB Corporate Plan 2007-2010
- Corporate Uniform Policy
- Delegations Manual
- Employee Use of the Internet
- Expenses Policy
- Flexible Working Hours Policy
- Gifts and Benefits Policy





- Gifts and Benefits Policy – Board Members and Members of the Medical Authority
- Grievance Management Policy
- Induction Program Policy & Procedures
- Industrial History Officers Guidelines and Procedures
- Internet and Email Policy and Guidelines
- Creating, Reviewing and Evaluating Positions Policy and Procedures
- Leave Policy
- Mobile Phone Policy
- Motor Vehicle Policy
- Occupational Health and Safety Policy and Procedures
- Call Centre Occupational Health and Safety Policy and Procedures
- Overtime Policy – OHS Provisions
- Privacy Policy and Procedures
- Protected Disclosures Policy and Procedures
- Records Management Policy
- Recruitment and Selection Policy and Procedures
- Study Leave and Study Time Assistance Guidelines
- Travel and Other Related Allowances Policy & Procedures
- Working From Home Policy

## PEOPLE

### Organisational Changes

During 2006-2007 the DDB made some minor structural changes within the organisation. The Patient Services function was transferred to the Finance and Compensation Services Division and the Bureau of Medical Inspection at Broken Hill transferred to Legal and Industrial History Services Division. The Board also approved the transfer of the Information Management Technology function from Executive Services to Finance and Compensation Services Branch.

### Employment Relations

During the year Department Heads held regular meetings with their staff to bring them up to date on strategies, achievements and events and the Executive Officer holds Executive Group Meetings from time to time.

A Joint Consultative Committee was established with the PSA to consult with staff at the DDB and it met twice during the year.

### Equal Employment Opportunity

During 2006/2007 the proportion of women employed by the DDB represented 62.5% of the workforce compared with 55% the previous year. The highest female salary level is \$81,479.00.



## Ethnic Affairs Priority Statement (EAPS)

The Dust Diseases Board is committed to providing equitable access to our services by ensuring that the planning, development and delivery of our services recognizes the different linguistic, religious, racial and ethnic backgrounds of our beneficiaries, their families and community stakeholders.

In the 2007-2008 financial year the Dust Diseases Board will continue to consolidate our earlier initiatives to EAPs by implementing the following initiatives:

- Provision of training on “Working with Interpreters” to staff working in Medical Services and Compensation Services;
- Translation of additional fact sheets into languages other than English;
- Providing support to Dust Diseases Board staff members who wish to sit for a language examination administered by the Community Relations Commission or gain accreditation from NAATI in order to participate in the Community Language Allowance Scheme.

## Health and Safety

A total of 3 Workers’ Compensation Claims were accepted during 2006-2007, compared with 5 claims lodged in the previous financial year. These claims comprised of one repetitive strain injury, one broken bone and one soft tissue injury.

The DDB has continued to improve its commitment to Occupational Health and Safety and during 2006-2007 introduced a new OH&S Policy Framework including policies for overtime and Call Centre staff. There was extensive education on these and the management of workplace injuries across the DDB.

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

The Occupational Health and Safety Committee meets on a quarterly basis and is an open forum for all employees of the Board where 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 2006-2007 financial year:

- Implementation of the DDB OH&S Policy Framework
- Regular workplace inspections to identify, isolate and eliminate hazards and risks
- 12 monthly Fire Evacuation Drills, Warden Training and Fire Equipment inspections
- Staff Training in OHS Consultation
- Staff Training Manual Handling
- First Aid Officer Training
- OHS Committee Chairperson Training
- OHS Responsibilities – Supervisors and Managers

## Training and Development

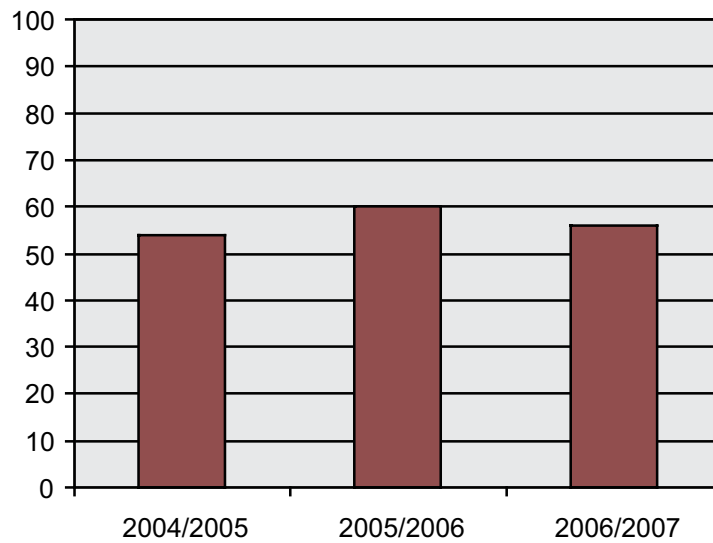
During 2006-2007 staff members attended courses in the following:

- Privacy
- Management and Supervision Techniques
- Project Management
- CED Job Evaluation
- Assertiveness Techniques
- Records Management
- Practical and Effective Feedback Conversations
- Protected Disclosures Policy Education
- Manual Handling
- OH&S Consultation
- First Aid

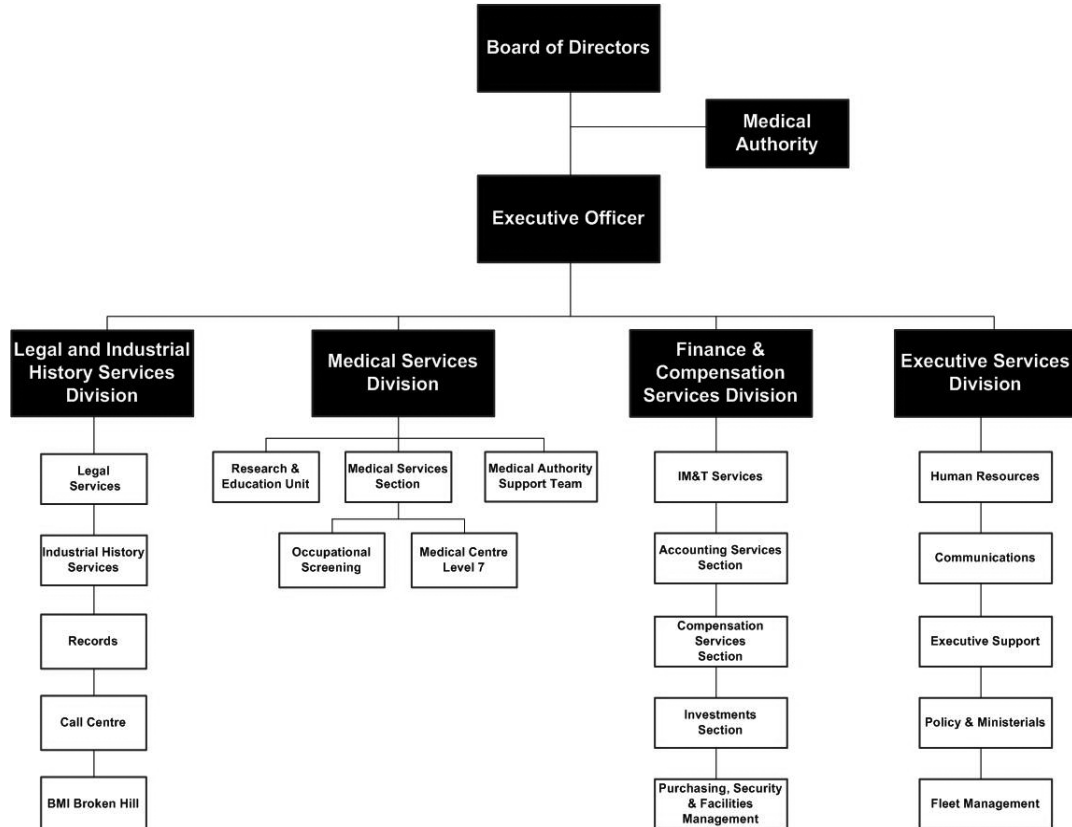
## Staffing

Division	Permanent		Temporary		Contract		TOTAL
	Female	Male	Female	Male	Female	Male	
Executive Services	2	1	1	0	0	0	4
Medical Services	9	3	4	0	3	4	23
Legal & Industrial History Services	5	6	1	0	1	0	13
Finance & Compensation Services	7	5	1	0	1	2	16
<b>Total</b>	<b>23</b>	<b>15</b>	<b>7</b>	<b>0</b>	<b>5</b>	<b>6</b>	<b>56</b>

## Comparison of DDB staffing in previous years



## Organisation Chart



# RESEARCH SCHEME

## Purpose and Objectives

1. To fund research into improved medical treatment available to victims of dust diseases.
2. To fund research into advancing the understanding of the origins and development of occupational lung diseases.
3. To provide funding to clinical/medical or other research which may support the achievement of 1) and 2) above.
4. To provide funding into research to identify occupational exposures with the potential to cause occupational lung diseases.
5. 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.
6. To fund research which may assist the Medical Authority in assessing and validating claims for compensation.
7. To fund research which may increase the efficiency & effectiveness of the DDB in discharging its statutory responsibilities.
8. 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 seventh year of operation and to date has approved research grants in excess of a total of \$11 million.



# INVESTMENT REPORT

The Board manages its investments through the Investment Committee and its Investment Consultants.

The Investment Committee meets on a regular basis and at least on a quarterly basis to review manager's performance and to determine appropriate investment strategies. The Board has Treasury approval to invest up to 65% of total funds in growth assets. As at 30 June growth assets comprised 64.5% of total funds in growth assets. Exposure to growth assets has increased during the fourth quarter from previous levels of approximately 55%. The return on investments for the year was 12.60%. This is considered satisfactory with contrasts to other similar portfolios and noting poorer returns from fixed interest investments.

As at 30 June 2007, funds were invested in the following asset classes:

	\$m Cash Plus	\$m Fixed Interest	\$m O/Seas Fixed Interest	\$m Aust. Equities	\$m O/Seas Equities	\$m Property	\$m Absolute Return	\$m Total	% Total
Ausbil Dexia				41.0				41.0	6.3
Capital National					78.3			78.3	12.0
Legg Mason Asset		51.0						51.0	7.8
Colonial First State	27.2							27.2	4.2
ING Funds Mgt	41.9							41.9	6.4
Macquarie Fund Mgt						20.7		20.7	3.2
Perennial Investments		53.3						53.3	8.2
BT Financial Group			30.7				10.4	41.1	6.3
PIMCO Bonds			20.0					20.0	3.1
Treasury Corp	7.7			69.4				77.1	11.8
Warakirri Asset Mgt							11.2	11.2	1.7
Barclays Global				78.6	88.0			166.6	25.6
AMP						22.3		22.3	3.4
<b>Total</b>	<b>76.8</b>	<b>104.3</b>	<b>50.7</b>	<b>189.0</b>	<b>166.3</b>	<b>43.0</b>	<b>21.6</b>	<b>651.7</b>	<b>100.0</b>



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

Duration of underlying liabilities	Investments \$m	Consolidation Return %	T.Corp Benchmarks
0-2y Cash Plus	76.8	6.49	6.42
2-7y Bond Market	155.0	4.12	3.99
7 + y Long Term	419.9	18.71	14.76

## 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. No interest or penalty charges were incurred in the 2006-2007 financial year for late payment of accounts for goods and services received.

## 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 2006-2007 3 new appeals were lodged against Medical Authority decisions.

During the year the Board incurred legal costs for appeal matters and legal advice on various matters pertaining to the operations of the Board amounting to a total of \$407, 963.31.

## Internal Audits Undertaken During 2006-2007

- Review of Trust Fund management processes and controls
- Review of non-current asset management process and controls (including owned and leased assets – acquisitions and disposals)
- Review of effectiveness of payment processes for medical compensation and funeral payments
- Review the integrity of the budget formulation process

## Internal Audits Planned for 2007-2008

- Review of WorkCover levying process and the preparation of a business case for a possible transfer to DDB
- Review and update of risk registers
- Review of investments, collections and banking
- Review of Workers' Compensation payments system

## Consulting Costs

During the year the Board expended \$468, 836 on consultants. The increase in consulting costs is primarily attributable to the upgrading of the Information Technology infrastructure.

Major consultancy costs are listed as follows:

Consultants	Purpose	\$
Finity Consulting	Actuarial evaluation of liabilities of Dust Diseases Scheme	\$70, 376
PricewaterhouseCoopers Actuarial P/L	Actuarial evaluation of liabilities of Dust Diseases Scheme	\$90, 002
Frame Group	IT systems development	\$98, 000
ISG Consulting P/L	Information security consultancy	\$30, 000
Candle Australia The One Umbrella	IT systems development	\$96, 202
Others	Human resources, business continuity planning, investment management and financial services	\$84, 256
TOTAL		\$468,836





# Expenditure and Budget Estimates

The estimated expenditure for 2007 / 2008 is \$90.9m an increase of \$1.7m over the estimates for 2006 / 2007.

	Budget Estimates 2006 / 2007	Actual 2006 / 2007	Budget Estimates 2007 / 2008
<b>Income</b>	<b>\$,000</b>	<b>\$,000</b>	<b>\$,000</b>
Levies / contributions income	83,064	85,572	90,489
Investment Income	69,057	77,760	69,807
Bank Interest	210	412	240
Motor Vehicle Sales	45	91	-
Solicitors and Production Fees	30	30	30
Occupational Respiratory Health Assessment Fees	350	501	485
Recoveries under Section 8E	760	737	600
Miscellaneous	89	61	54
GST Credit	645	838	-
<b>TOTAL INCOME</b>	<b>154,250</b>	<b>166,002</b>	<b>161,705</b>
<b>Expenditure</b>			
<b>Compensation</b>			
Workers-weekly payments	16,797	14,677	20,209
Hospital and Ambulance	1,270	1,383	1,520
Medical	5,564	5,091	5,996
Dependants-weekly payments	19,595	21,172	19,610
Lump sum awards to dependants	21,974	20,783	23,524
Funeral Expenses	1,319	1,475	1,411
	<b>66,519</b>	<b>64,581</b>	<b>72,270</b>
<b>Costs Associated with Medical Examinations and Medical Authority</b>			
Specialist Medical Officer fees	400	563	650
Medical Authority fees and supplies	150	154	185
Medical Investigation and clinical notes	80	30	33
Radiology fees, lung function testing fees and supplies	455	497	451
Workers travelling expenses	60	57	65
	<b>1,145</b>	<b>1,301</b>	<b>1,384</b>
<b>Personnel services and related costs</b>			
Personnel services costs	4,066	3,578	4,677
	<b>4,066</b>	<b>3,578</b>	<b>4,677</b>
<b>Administration Expenses</b>			
Alterations and repairs to buildings	350	20	60
Officers travelling expenses	80	88	99
Administration, Office & General Expenses	3,318	2,917	3,602
	<b>3,748</b>	<b>3,025</b>	<b>3,761</b>
<b>Capital Expenditure</b>			
Purchase of fixed assets	2,176	2,861	2,677
	<b>2,176</b>	<b>2,861</b>	<b>2,677</b>
<b>Other Expenses</b>			
Management fees payable to insurers	1,662	2,368	-
Grants for Occupational Lung Disease Research	4,750	8,157	1,300
Dust Diseases Tribunal Operating Expenses	5,155	4,519	4,922
	<b>11,567</b>	<b>15,044</b>	<b>6,222</b>
<b>TOTAL EXPENDITURE</b>	<b>89,221</b>	<b>90,390</b>	<b>90,991</b>



# FINANCIAL STATEMENTS

- Statement by Members of the Board
- Independent Audit Report
- Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement
- Notes to the Cash Flow Statement
- Notes to the Financial Statements




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

**Financial Report for the year ended 30 June 2007**


**Statement by the Members of the Board**

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

1. The accompanying Financial Report exhibits a true and fair view of the financial position as at 30 June 2007 and financial performance for the year ended 30 June 2007 of the Workers' Compensation (Dust Diseases) Board.
2. The Financial Report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the Public Finance and Audit Act and Audit Regulation, and relevant Treasury Circulars; and
3. We are not aware of any circumstances at the date of this declaration which would render any particulars in the Financial Report to be misleading or inaccurate to any material extent.



Jon Blackwell  
Chairman



Ray Petty  
Board Member

25 October 2007



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Workers' Compensation (Dust Diseases) Board

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Workers' Compensation (Dust Diseases) Board (the Board), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

#### *Auditor's Opinion*

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Board as of 30 June 2007, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

#### *Board's Responsibility for the Financial Report*

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial report.

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



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.

*Independence*

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A 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.



C J Giumelli, CPA  
Director, Financial Audit Services

29 October 2007  
SYDNEY

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

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

	<b>Note</b>	<b>2007</b>	<b>2006</b>
		<b>\$,000</b>	<b>\$,000</b>
<b>Revenues:</b>			
Contributions	5	85,572	77,807
Investment income	6	77,760	63,903
Bank interest		412	277
Compensation recoveries - Section 8E		737	885
Profit / (loss) on sale of motor vehicles		7	(1)
Other income	7	593	579
<b>Total revenues</b>		<b>165,081</b>	<b>143,450</b>
<b>Expenses:</b>			
Movement in outstanding contributions	12	112,340	21,267
Outstanding claims movement	8, 15	(52,181)	35,889
Depreciation and amortisation		377	336
Finance cost	8, 15	94,020	83,600
Levy management fees		2,368	1,492
Research grants	9	8,157	443
<b>Total expenses</b>		<b>165,081</b>	<b>143,027</b>
<b>Profit for the year</b>		<b>-</b>	<b>423</b>

The accompanying notes form an integral part of these financial statements.



**Workers' Compensation (Dust Diseases) Board****BALANCE SHEET AS AT 30 JUNE 2007**

	Note	2007 \$,000	2006 \$,000
<b>Current assets</b>			
Cash and bank balances		1,146	517
Trade and other receivables	10	17,452	13,511
Other financial assets	11	202,721	230,625
<b>Total current assets</b>		<b>221,319</b>	<b>244,653</b>
<b>Non-current assets</b>			
Other financial assets	11	448,951	351,318
Outstanding contributions	12	843,873	956,213
Property, plant and equipment	13	6,625	4,711
Intangible assets	14	558	71
<b>Total non-current assets</b>		<b>1,300,007</b>	<b>1,312,313</b>
<b>TOTAL ASSETS</b>		<b>1,521,326</b>	<b>1,556,966</b>
<b>Current liabilities</b>			
Outstanding claims	15	81,643	76,855
Provisions	16	990	866
Trade and other payables		2,404	2,852
<b>Total current liabilities</b>		<b>85,037</b>	<b>80,573</b>
<b>Non-current liabilities</b>			
Outstanding claims	15	1,434,631	1,474,584
Provisions	17	32	183
<b>Total non-current liabilities</b>		<b>1,434,663</b>	<b>1,474,767</b>
<b>TOTAL LIABILITIES</b>		<b>1,519,700</b>	<b>1,555,340</b>
<b>NET ASSETS</b>		<b>1,626</b>	<b>1,626</b>
<b>Equity</b>			
Reserves		1,626	1,626
Accumulated funds		-	-
<b>TOTAL EQUITY</b>		<b>1,626</b>	<b>1,626</b>

The accompanying notes form an integral part of these financial statements.

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

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007**

	Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2007	2006	2007	2006	2007	2006
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Opening Equity	-	(34,408)	1,626	34,678	1,626	270
Valuation of Investments at						
fair value - AASB 139	-	33,985	-	(33,985)	-	-
Revaluation surplus - buildings	-	-	-	933	-	933
Profit for the year	-	423	-	-	-	423
<b>Closing Equity</b>	<b>-</b>	<b>-</b>	<b>1,626</b>	<b>1,626</b>	<b>1,626</b>	<b>1,626</b>





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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

	2007 (Outflows) / Inflows \$,000	2006 (Outflows) / Inflows \$,000
<b>Cash flows from operating activities:</b>		
<b>Payments</b>		
Compensation payments	(56,632)	(55,956)
Medical examination of workers	(1,302)	(1,283)
Payments to suppliers	(15,893)	(15,824)
Levy management fees	(2,368)	(1,492)
Research grants	(8,157)	(443)
Dust Diseases Tribunal operating expenses	(4,519)	(4,355)
<b>Total payments</b>	<b>(88,871)</b>	<b>(79,353)</b>
<b>Receipts</b>		
Contributions - levies	81,465	76,699
Investment distributions	65,499	42,082
Compensation recoveries	737	885
Interest received	412	277
Occupational respiratory health assessment fees	501	479
Other receipts	1,124	1,076
<b>Total receipts</b>	<b>149,738</b>	<b>121,498</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (A)</b>	<b>60,867</b>	<b>42,145</b>
<b>Cash flows from investing activities:</b>		
Payments for purchase of plant and equipment	(2,331)	(331)
Payments for purchase of intangible assets - software	(530)	(21)
Proceeds from sale of plant and equipment	91	15
Purchase of investments (excluding cash equivalents)	(219,017)	(90,072)
Redemption of investments (excluding cash equivalents)	125,639	58,719
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(96,148)</b>	<b>(31,690)</b>
<b>Net (decrease) / increase in cash held</b>	<b>(35,281)</b>	<b>10,455</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>113,208</b>	<b>102,753</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (B)</b>	<b>77,927</b>	<b>113,208</b>

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

**NOTE TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

**(A) Reconciliation of profit for the year to net cash provided by operating activities**

	<b>2007</b>	<b>2006</b>
	<b>\$,000</b>	<b>\$,000</b>
Profit for the year	-	423
Depreciation and amortisation	377	336
Bad debts written off	6	5
(Decrease) in personnel services provisions / superannuation liability	(119)	(711)
(Decrease) / increase in outstanding claims	(35,165)	42,039
Decrease in outstanding contributions	112,340	21,267
(Profit) / loss on sale of motor vehicles	(7)	1
Investment income - market movements	(12,261)	(21,821)
(Decrease) / increase in payables	(435)	1,766
(Increase) in receivables	(3,869)	(1,160)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>60,867</b>	<b>42,145</b>

**(B) Reconciliation of cash and cash equivalents**

For the purpose of the Cash Flow Statement, cash includes cash on hand and balances with banks and highly liquid investments. Cash at the end of the year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	<b>2007</b>	<b>2006</b>
	<b>\$,000</b>	<b>\$,000</b>
Cash on hand and balances with banks	1,146	517
Short-term investments (included under - Current assets - Other financial assets):		
NSW T Corp Hour Glass - Cash Facility Trust	7,680	25,178
ANZ Investment (ING) - Cash Plus Fund	41,868	39,326
Colonial First State Investments - Enhanced Cash	27,233	48,187
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>77,927</b>	<b>113,208</b>



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

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

#### **1. Reporting Entity**

The Workers Compensation (Dust Diseases) Board of NSW (DDB) is a not-for-profit reporting entity (as profit is not its principal objective) and is consolidated as part of the NSW Total State Sector Accounts.

#### **2. Date of Authorisation for Issue**

The Financial Report for the year ended 30 June 2007 was authorised for issue by the Members of the Workers Compensation (Dust Diseases) Board on the 25th day of October 2007.

#### **3. Summary of Significant Accounting Policies**

##### **a) Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with:

- Australian Accounting Standards including Australian Accounting Interpretations; and
- the requirements of the Public Finance and Audit Act and Regulation and relevant Treasury Circulars.

Property, plant and equipment, investments and other financial assets are measured at fair value. Other financial statements items are measured in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

##### **b) Statement of Compliance**

The financial statements and notes comply with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards.

##### **c) Revenue Recognition**

- i) 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.
- ii) Investment income and contributions from insurers are recognised as they accrue.

##### **d) Insurance**

The Agency's insurance activities for personnel provided by Office of WorkCover Authority are conducted through the NSW Self Insurers Corporation (formerly Treasury Managed Fund Scheme) of self insurance for Government Agencies. The expense (premium) is determined by the Fund Manager based on past experience. All other risks are covered through appropriate policies obtained through AON Risk Services Pty Limited who carry out annual reviews of values to be covered and revise cover values accordingly.

##### **e) Accounting for the Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where:

- the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

##### **f) Acquisitions of Assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Agency. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

##### **g) Capitalisation Thresholds**

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

3. *Summary of Significant Accounting Policies - continued*

**h) *Revaluation of Property, Plant and Equipment***

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Agency revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation of buildings was completed on 26 June 2006 and was based on an independent assessment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the Income Statement, the increment is recognised immediately as revenue in the profit / loss. Revaluation decrements are recognised immediately as expenses in the Income Statement, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

**i) *Impairment of Property, Plant and Equipment***

As a not-for-profit entity with no cash generating units, the Agency is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

**j) *Depreciation of Property Plant and Equipment***

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the agency.

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 equipment 20%, furniture and fittings 10% and motor vehicles 20%. The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Agency. Property, plant and equipment are held at fair value less accumulated depreciation.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

**k) *Maintenance***

The day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

**l) *Leased Assets***

Operating lease payments are charged to the Income Statement in the period in which they are incurred.

**m) *Intangible Assets***

The Agency recognises intangible assets only if it is probable that future economic benefits will flow to the Agency and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Agency's intangible assets, the assets are carried at cost subject to an assessment for impairment at the date of transition, less any accumulated amortisation. Amortisation is provided at the rate of 25% on a straight line basis over the estimated useful lives.

**n) *Loans and Receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any impairment is accounted for in the Income Statement.

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 - CONTINUED

#### 3. *Summary of Significant Accounting Policies - continued*

##### **o) Investments**

Investments are initially recognised at fair value. The Board determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end. Investments are currently designated at fair value through profit or loss. Gains or losses on these assets are recognised in the Income Statement.

##### **p) Other Assets**

Other assets are recognised on a cost basis.

##### **q) Payables**

These amounts represent liabilities for goods and services provided to the Agency and other amounts, including interest. Payables are initially recognised at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method.

##### **r) Outstanding Claims Liability**

Outstanding claims include claims incurred but not yet paid (Known Claims) and incurred but not yet reported (IBNR Claims).

An actuarial valuation is undertaken to determine a best or central estimate for these liabilities.

The outstanding amounts on known claims are calculated using a combination of actuarial functions called annuity and assurance functions.

IBNR claims are estimated using an extension of the methodology used for known claims however assumptions are required regarding both the number of future claims and the characteristics of the claims to enable annuity and assurance functions to be used.

The costs incurred in administering the compensation payments were disclosed as expenses in the Income Statement in prior periods instead of being shown as amounts used during the year and included in the movement of claims liability. This prior period disclosure methodology has been changed and the comparative figures adjusted accordingly.

This prior period disclosure methodology has no impact on the profit or loss or equity of the current or prior reporting periods.

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.

##### **s) Trust Funds**

The agency receives monies in a trustee capacity for lump sum awards and disbursements made to beneficiaries of deceased workers. The transactions relating to these funds for the reporting period is set out in Note 23. As the agency performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the agency's own objectives, these funds are not recognised in the financial statements. The Board does not charge any fee for providing this service.

##### **t) Basis of Consolidation**

Subsidiaries are entities controlled by Workers' Compensation (Dust Diseases) Board. Control exists when Workers' Compensation (Dust Diseases) Board has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The Asbestos Diseases Research Foundation was incorporated as a company limited by guarantee on 10 August 2006. Its Initial Board comprises the same Board members as those of Workers' Compensation (Dust Diseases) Board. However its financial statements have not been included in consolidated financial statements from the date that control was obtained. Reasons for this are that before 30 June 2008 the Foundation intends to establish a Board that is autonomous from that of Workers' Compensation (Dust Diseases) Board. In addition, the size of the Foundation is immaterial within the definition of *Accounting Standard AASB 1031: Materiality*, when compared with the size of the Workers' Compensation (Dust Diseases) Board.

The Foundation's total revenue for the period 10 August 2006 to 30 June 2007 was \$10,647,000 of which \$7,300,000 comprised contributions from the Board and \$430,000 represented interest from the Board. Expenses of the Foundation during the same period totalled \$32,000, of which \$12,000 represented the cost of financial services provided by the Board to the Foundation. Assets of the Foundation as at 30 June 2007 totalled \$10,621,683, comprising cash and cash equivalents \$2,842,150, receivables \$43,392, other financial assets \$7,116,621, property, plant and equipment (capital works in progress) \$620,220 and trade payables of \$7,700 as at 30 June 2007. The Foundation's Income Statement for the period 10 August 2006 to 30 June 2007 and its Balance Sheet as at 30 June 2007 are set out in Note 24.

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 - CONTINUED

#### 4. Financial Instruments

The Board's principal financial instruments are outlined below. These financial instruments arise directly from the Board's operations. The Board does not enter into or trade financial instruments for speculative purposes.

##### **a) Cash on hand and balances with banks**

Cash comprises cash on hand and balances with banks.

##### **b) 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. The credit risk is the carrying amount. No interest is earned on trade debtors. The carrying amount approximates net fair value.

##### **c) 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 listed in note 11.

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, based on the market value.

##### **d) Credit risk exposures**

The credit risk of the Board is limited to the carrying amount of the financial assets included in the Balance Sheet.

##### **e) 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 Treasurer's 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.

##### **f) 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.

##### **g) 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	Over 1 year to 5 years	More than 5 years	Non-interest bearing	Total carrying amount
2007	%	\$'000	\$,000	\$'000	\$'000	\$'000
<b>Financial Assets</b>						
Cash assets	6.25	1,146	-	-	-	1,146
Receivables	N/A	-	-	-	17,452	17,452
Investments	12.76	651,672	-	-	-	651,672
<b>Total</b>		<b>652,818</b>	<b>-</b>	<b>-</b>	<b>17,452</b>	<b>670,270</b>

##### **Financial Liabilities**

Payables	N/A	-	-	-	2,404	2,404
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,404</b>	<b>2,404</b>

	Weighted average interest rate	1 year or less	Over 1 year to 5 years	More than 5 years	Non-interest bearing	Total carrying amount
2006	%	\$'000	\$,000	\$'000	\$'000	\$'000
<b>Financial Assets</b>						
Cash assets	5.75	517	-	-	-	517
Receivables	N/A	-	-	-	13,511	13,511
Investments	11.68	581,943	-	-	-	581,943
<b>Total</b>		<b>582,460</b>	<b>-</b>	<b>-</b>	<b>13,511</b>	<b>595,971</b>

##### **Financial Liabilities**

Payables	N/A	-	-	-	2,852	2,852
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,852</b>	<b>2,852</b>



**Workers' Compensation (Dust Diseases) Board****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 - CONTINUED****5. Contributions**

Effective 12 January 1997, Workers' Compensation (Dust Diseases) Act 1942 was amended to allow the DDB to collect levies from Insurers. Levies are principally derived from Licensed and Self-insurers and the amount recognised for the year is as follows:

	<b>2007</b>	<b>2006</b>
	<b>\$,000</b>	<b>\$,000</b>
Licensed Insurers	67,136	57,429
Special insurer - New South Wales Self Insurers Corporation	4,634	6,854
Self and Special Insurers	13,802	13,524
	<b>85,572</b>	<b>77,807</b>

**6. Investment income**

Distributions	65,499	42,082
Movement in market values	12,261	21,821
	<b>77,760</b>	<b>63,903</b>

**7. Other income**

Occupational respiratory health assessment fees	501	479
Solicitors production fees	30	28
Miscellaneous income	12	16
Rent received on office premises	-	6
Research contributions	50	50
	<b>593</b>	<b>579</b>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 - CONTINUED**

	<b>2007</b>	<b>2006</b>
	<b>\$,000</b>	<b>\$,000</b>
<b>8. Outstanding claims movement</b>		
<b>Known claims:</b>		
Outstanding known claims at beginning of the year	558,441	515,600
Outstanding known claims at end of the year	573,729	558,441
<b>Net movement in outstanding known claims</b>	<b>15,288</b>	<b>42,841</b>
<b>Incurred but not reported claims (IBNR):</b>		
IBNR Claims at beginning of the year	992,998	993,800
IBNR Claims at end of the year	942,545	992,998
<b>Net movement in outstanding IBNR claims</b>	<b>(50,453)</b>	<b>(802)</b>
<b>Total net movement in outstanding claims</b>	<b>(35,165)</b>	<b>42,039</b>
Less: Finance cost reported separately in Income Statement	(94,020)	(83,600)
<b>Outstanding claims movement - gross</b>	<b>(129,185)</b>	<b>(41,561)</b>
<b>Less: Amounts used during the year</b>		
<b>Compensation and awards:</b>		
Compensation to workers	14,677	15,186
Compensation to dependants	21,172	19,824
Lump sum awards to dependants	20,783	20,947
Hospital and ambulance	1,383	1,657
Medical	5,091	5,314
Funeral expenses	1,475	1,465
	<b>64,581</b>	<b>64,393</b>
<b>Medical examination of workers:</b>		
Medical Authority fees and supplies	154	165
Medical investigation and clinical notes	30	129
X-rays and supplies	497	507
Workers travelling expenses	57	50
Special medical officer fees	563	432
	<b>1,301</b>	<b>1,283</b>
	<b>65,882</b>	<b>65,676</b>
<b>Administration and office expenses paid during the year</b>		
Audit fees - audit of the financial report	54	61
Audit fees - internal audits	108	255
Board Members fees and allowances	81	97
Building maintenance, repairs and management	136	661
Consultants	469	507
Debts written off	6	5
Legal fees	408	421
Other expenses	1,763	1,595
	<b>3,025</b>	<b>3,602</b>
<b>Personnel services paid to Office of WorkCover Authority during the year</b>		
Salaries and allowances	2,862	3,121
Payroll tax	222	192
Fringe benefits tax	55	111
Annual leave expense	224	240
Long service leave expense	105	67
Workers compensation insurance	22	23
Superannuation	88	(188)
	<b>3,578</b>	<b>3,566</b>
<b>Dust Diseases Tribunal costs paid during the year</b>	<b>4,519</b>	<b>4,606</b>
<b>Total amounts used during the year</b>	<b>77,004</b>	<b>77,450</b>
<b>Outstanding claims movement reported in Income Statement</b>	<b>(52,181)</b>	<b>35,889</b>





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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 - CONTINUED**

	2007 \$,000	2006 \$,000
<b>9. Research grants</b>		
Asbestos Diseases Research Foundation Ltd - capital funding	7,330	-
Asbestos Diseases Research Foundation Ltd - operations funding	400	-
Research and education division costs	190	285
Research funding paid to hospitals	147	344
Asbestos Diseases Foundation of Australia - operations funding	61	8
ANZOM sponsorship and travelling fellowship for nurses and other funding	29	8
Reversal of prior year accruals not required to be carried forward	-	(202)
	<b>8,157</b>	<b>443</b>
<b>10. Trade and other receivables</b>		
Accrued levy income	17,091	12,983
Trade receivables	122	215
Prepayments and other assets	104	272
Office of WorkCover Authority - Superannuation reserve - SASS	82	41
Office of WorkCover Authority - Superannuation reserve - SANCS and SSS	53	-
	<b>17,452</b>	<b>13,511</b>
<b>11. Other financial assets - Investments</b>		
<b>Current:</b>		
T Corp Hour Glass - Cash Facility Trust	7,680	25,178
Colonial First State Investments - Enhanced Cash	27,233	48,187
ANZ Investments (ING) - Cash Plus Fund	41,868	39,326
Perennial Investment Partners Ltd - Australian Fixed Interest	53,307	68,977
Legg Mason - Australian Fixed Interest	50,953	48,957
BT Financial Group - Absolute return funds	10,466	-
Warrakiri Asset Management - Absolute return funds	11,214	-
<b>Total current portion</b>	<b>202,721</b>	<b>230,625</b>
<b>Non-current:</b>		
T Corp Hour Glass Facility - Australian Equities	69,408	82,420
Barclays Global Investors Aust Ltd - Australian Equities	78,568	55,823
AUSBIL - Australian Equities	41,036	-
Barclays Global Investors Aust Ltd - International Equities	39,915	32,633
Barclays Global Investors Aust Ltd - Hedged International Equities	48,089	26,134
National Corporate Investment Trust - International Equities	78,251	57,933
BT Financial Group - International Fixed Interest	30,649	63,772
PIMCO - International Fixed Interest	20,026	-
Macquarie Investment Management Ltd - Property	20,677	16,478
AMP Capital - Property	22,332	-
Legg mason - Property	-	16,125
<b>Total Non-current portion</b>	<b>448,951</b>	<b>351,318</b>
<b>TOTAL INVESTMENTS</b>	<b>651,672</b>	<b>581,943</b>
<b>12. Outstanding contributions</b>		
Outstanding contributions at the beginning of the year	956,213	977,480
Movement in outstanding contributions as per Income Statement	112,340	(21,267)
<b>Outstanding contributions at the end of the year</b>	<b>843,873</b>	<b>956,213</b>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 - CONTINUED**

**13. Property, plant and equipment**

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2007	2006	2007	2006	2007	2006
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Buildings	5,986	4,120	(124)	-	5,862	4,120
Furniture and fittings	36	21	(14)	(12)	22	9
Motor vehicles	363	388	(220)	(231)	143	157
Computer equipment	495	477	(279)	(191)	216	286
Office equipment	58	58	(28)	(18)	30	40
Science & med. Equipment	742	433	(390)	(334)	352	99
	<b>7,680</b>	<b>5,497</b>	<b>(1,055)</b>	<b>(786)</b>	<b>6,625</b>	<b>4,711</b>

a) Buildings consists of five strata floors at 82, Elizabeth Street, Sydney. These buildings (except level 14) were valued at \$4,120,000 as at 26 June 2006, on the basis of an open market valuation, by an independent valuer Colliers International Consultancy and Valuation Pty Ltd.

b) Additions to buildings consists of acquisition of Level 14, 82 Elizabeth Street, Sydney and renovations to level 2 and level 7.

c) The Board has determined that the fair value of assets (other than buildings) equates to their net carrying amount.

**Reconciliation of net carrying amount:**

	Net carrying amount 30 Jun. 2006	Additions	Disposals	Depreciation on disposals	Net revaluation movements	Depreciation charge	Net carrying amount 30 Jun. 2007
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
<b>2007</b>							
Buildings	4,120	1,866	-	-	-	124	5,862
Furniture and fittings	9	15	-	-	-	2	22
Motor vehicles	157	124	149	65	-	54	143
Computer equipment	286	18	-	-	-	88	216
Office equipment	40	-	-	-	-	10	30
Science & med. Equipment	99	309	-	-	-	56	352
	<b>4,711</b>	<b>2,332</b>	<b>149</b>	<b>65</b>	<b>-</b>	<b>334</b>	<b>6,625</b>

	Net carrying amount 30 Jun. 2005	Additions	Disposals	Depreciation on disposals	Net revaluation movements	Depreciation charge	Net carrying amount 30 Jun. 2006
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
<b>2006</b>							
Buildings	3,273	-	-	-	933	86	4,120
Furniture and fittings	11	-	-	-	-	2	9
Motor vehicles	230	21	27	11	-	78	157
Computer equipment	115	228	-	-	-	57	286
Office equipment	-	50	-	-	-	10	40
Science & med. Equipment	130	32	-	-	-	63	99
	<b>3,759</b>	<b>331</b>	<b>27</b>	<b>11</b>	<b>933</b>	<b>296</b>	<b>4,711</b>

## 14. Intangible assets

	Gross carrying amount		Accumulated amortisation		Net carrying amount	
	2007	2006	2007	2006	2007	2006
2007	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Computer software	794	264	(236)	(193)	558	71
	794	264	(236)	(193)	558	71

a) The Board has determined that the fair value of the computer software equates to their net carrying amount.

## Reconciliation of net carrying amount:

	Net carrying amount	Additions	Disposals	Amortisation	Net carrying amount
	30 Jun. 2006			charge	30 Jun. 2007
2007	\$,000	\$,000	\$,000	\$,000	\$,000
Computer software	71	530	-	43	558
	71	530	-	43	558

	Net carrying amount	Additions	Disposals	Amortisation	Net carrying amount
	30 June 2005			charge	30 Jun. 2006
2006	\$,000	\$,000	\$,000	\$,000	\$,000
Computer software	89	21	-	39	71
	89	21	-	39	71

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 - CONTINUED

#### 15. 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 valuation contains numerous assumptions regarding the future numbers of claims and regarding the characteristics of the workers and their dependants particularly in respect to their age at time of report and their life expectancy.

Given the uncertainty of this portfolio a range of assumptions may be plausible which reflect the current environment in which claims are managed and settled. The main assumptions are:

- Inflation and discount rates
- Mortality
- Average disability
- Age distribution
- Dependant - Spouses

The actuaries, PricewaterhouseCoopers Actuarial Pty Limited, in the valuation of liability report dated 17 August 2007 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>Claims expected to be paid:</b>	<b>2007</b>	<b>2006</b>
Not later than one year		
- Inflation rate	4.25%	4.00%
- Discount rate	6.25%	6.00%
Later than one year		
- Inflation rate	4.25%	4.00%
- Discount rate	6.25%	6.00%

<b>Known claims:</b>	<b>2007 \$,000</b>	<b>2006 \$,000</b>
Outstanding claims at beginning of the year	558,441	515,600
Net movement in outstanding known claims	15,288	42,841
<b>Outstanding known claims at end of the year</b>	<b>573,729</b>	<b>558,441</b>

<b>Incurred but not reported claims:</b>		
IBNR claims at beginning of the year	992,998	993,800
Net movement in outstanding IBNR claims	(50,453)	(802)
<b>IBNR claims at end of the year</b>	<b>942,545</b>	<b>992,998</b>

Outstanding Known Claims	573,729	558,441
Incurred but not reported claims (IBNR claims)	942,545	992,998
<b>TOTAL OUTSTANDING CLAIMS</b>	<b>1,516,274</b>	<b>1,551,439</b>

<b>Movement in Outstanding Claims:</b>		
Carrying amount at beginning of the year	1,551,439	1,509,400
(Reduction in) / Additional provision - gross	(52,181)	76,889
Change in discount rate	-	(41,000)
(Reduction in) / Additional provision - net as reported in Income Statement	(52,181)	35,889
Amounts used during the year - see note 8 for details	(77,004)	(77,450)
Unwinding of discount - reported as finance cost in Income Statement	94,020	83,600
<b>Carrying amount at end of the year</b>	<b>1,516,274</b>	<b>1,551,439</b>

<b>Breakdown of total liability as shown in the Balance Sheet:</b>		
Current liability	81,643	76,855
Non-current liability	1,434,631	1,474,584
	<b>1,516,274</b>	<b>1,551,439</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 \$942.5m (2006 - \$992.9m). This figure is shown in the Balance Sheet as a liability with the corresponding asset receivable representing the right to levy employers for these outstanding claims.



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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 - CONTINUED**

	2007	2006
	\$,000	\$,000
<b>16. Provisions - current</b>		
<b>Provisions for Personnel Services payable to Office of WorkCover Authority</b>		
Accrued personnel services	11	18
Long service leave	599	491
Annual leave	380	357
	<b>990</b>	<b>866</b>

<b>17. Provisions - non-current</b>		
<b>Provisions for Personnel Services payable to Office of WorkCover Authority</b>		
Long service leave	32	26
Superannuation liability	-	157
	<b>32</b>	<b>183</b>

<b>18. Commitments for expenditure</b>		
<b>a) Operating lease commitments</b>		
At the reporting date the Agency had the following non-cancellable operating leases not provided for and payable:		
Not later than one year	66	167
Later than one year and not later than five years	21	32
Later than five years	-	-
<b>Total</b>	<b>87</b>	<b>199</b>

Operating leases consist of lease of offices at 427 Argent Street, Broken Hill and lease of three motor vehicles.

The operating lease commitments include GST of \$7,605 (2006 - \$18,090).

**b) Commitments for capital expenditure**

At the reporting date the Agency had no capital commitments approved by the Board which were not provided for in these financial statements.

The operating lease commitments are expected to be financed from internally generated funding from future levy income and investment income (2006 - \$8,910,000).

- 19. Contingent liabilities**  
 The Board's solicitors, McLaughlin & Riordan and Goldrick Farrell Mullan Solicitors, have provided an estimate of future legal costs totalling \$678,000 (2006—\$726,000) on cases where appeals have been lodged relating to compensation claims.  
 The contingent liabilities include GST of \$62,000 (2006 - \$66,000).

- 20. Related party transactions**  
 The Board utilises resources provided by WorkCover Authority to assist in the billing and collection of the dust diseases levy. WorkCover Authority charges an administration fee for provision of these services.  
 The Board procures personnel services from the Office of WorkCover Authority since 18 March 2006.

- 21. Events occurring after the balance sheet date**  
 There has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the board, the results of those operations, or the state of affairs of the board in future financial years.

- 22. Comparative figures**  
 Comparative figures have been restated where necessary to afford a better comparison.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 - CONTINUED**

**23. Trust Fund**

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

	<b>2007</b>	<b>2006</b>
	<b>\$,000</b>	<b>\$,000</b>
<b>Operations for the year to 30 June:</b>		
<b>Receipts and Income</b>		
Lump Sum awards received for dependants	20,783	20,947
Investment income (A)	4,813	4,134
	<b>25,596</b>	<b>25,081</b>
<b>Payments</b>		
Payments made to dependants (B)	25,092	18,304
<b>Net Increase in Trust Fund</b>	<b>504</b>	<b>6,777</b>
<b>Trust Funds at beginning of the year</b>	<b>76,936</b>	<b>70,159</b>
<b>Trust Funds at end of the year</b>	<b>77,440</b>	<b>76,936</b>

**Financial Position as at 30 June:**

<b>Trust assets:</b>		
Cash at bank	3,068	5,095
Investments (C)	74,372	71,841
	<b>77,440</b>	<b>76,936</b>
<b>Trust liabilities:</b>		
Owing to dependants	77,074	76,584
Undistributed return on investments	366	352
	<b>77,440</b>	<b>76,936</b>

**(A) Investment Income**

Investment income and bank interest - distribution in November 2006	1,960	1,654
Investment income and bank interest - distribution in May 2007	2,482	2,128
Investment income and bank interest in June 2007	371	352
	<b>4,813</b>	<b>4,134</b>
Simple average return on investments for the year	6.24%	5.62%

**(B) Payments made to dependants**

Payments made to dependants consists of withdrawals made by the Beneficiaries during the year. The Board does not charge any fee for providing this service.

**(C) Investments**

The investments held on behalf of the Trust Funds consists of:

BT Financial Group - Enhanced Cash Fund	28,659	40,646
Colonial First State - Wholesale Premium Cash Enhanced Fund	20,586	31,195
ING Investment Management - Premium Treasury Fund	25,127	-
	<b>74,372</b>	<b>71,841</b>

These investments are generally able to be redeemed with seven days notice. The value of the investments held can decrease as well as increase depending upon market conditions. The value of the above investments which represents the Trust's share of the value of the underlying assets of the facility and those assets are stated at net fair value, based on the market value.



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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 - CONTINUED**

**24. Asbestos Diseases Research Foundation Limited**

The operating results and the financial position of the Asbestos Diseases Research Foundation Limited for the reporting period 10 August 2006 to 30 June 2007 are as follows:

**(A) INCOME STATEMENT FOR THE PERIOD 10 AUGUST 2006 TO 30 JUNE 2007**

	<b>General \$,000</b>	<b>Research \$,000</b>	<b>Total \$,000</b>
<b>REVENUE</b>			
Contributions from Workers' Compensation (Dust Diseases) Board	7,300	-	7,300
Contributions from Medical Research Compensation Fund	-	2,750	2,750
Interest from DDB	430	-	430
Interest from Bank	11	39	50
Investment income	116	-	116
<b>Total revenue</b>	<b>7,857</b>	<b>2,789</b>	<b>10,646</b>
<b>EXPENDITURE</b>			
Audit fees	7	-	7
Bank charges	-	-	-
Consultancy fees	1	-	1
Financial services	12	-	12
Legal expenses	1	-	1
Printing and stationery	10	-	10
<b>Total expenditure</b>	<b>31</b>	<b>-</b>	<b>31</b>
<b>PROFIT FOR THE PERIOD</b>	<b>7,826</b>	<b>2,789</b>	<b>10,615</b>

**(B) Balance Sheet as at 30 June 2007**

	<b>30 June 2007 \$,000</b>
<b>Current assets</b>	
Cash and cash equivalents	2,842
Receivables	51
Other financial assets	7,116
<b>Total current assets</b>	<b>10,009</b>
<b>Non-current assets</b>	
Property, plant and equipment	694
<b>Total non-current assets</b>	<b>694</b>
<b>TOTAL ASSETS</b>	<b>10,703</b>
<b>Current liabilities</b>	
Trade and other payables	88
<b>Total current liabilities</b>	<b>88</b>
<b>Non-current liabilities</b>	
Provisions	-
<b>Total non-current liabilities</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>88</b>
<b>NET ASSETS</b>	<b>10,615</b>
<b>Equity</b>	
<b>Retained surplus</b>	
Research	2,789
General	7,826
<b>TOTAL EQUITY</b>	<b>10,615</b>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 - CONTINUED**

**25. Recently issued or revised Accounting Standards / Interpretations**

In this reporting period, the following recent Australian Accounting Standards / Interpretations have not been early adopted. According to reasonably estimable information available at date of this balance sheet, the possible financial impact that application of the new Standards / Interpretations will have on the Board's financial report in the period of initial application is regarded to be immaterial.

<b>AASB Amendment / Interpretation</b>	<b>Area of impact of the new Standard / Amended Standard / Interpretation</b>
AASB 7 & 2005 - 10	Financial instruments disclosure
AASB 101 (Oct. 2006)	Presentation of financial statements
AASB 2007 - 4	Australian additions to and deletions from International Financial Reporting Standards
Interpretation 4 (Feb. 2007)	Determining whether an arrangement contains a lease
Interpretation 11 & AASB 2007 - 1	Group and treasury share transactions

End of audited financial statements.





# APPENDICES

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## Appendix 1

### Services Provided

The Dust Diseases Board provides screening services to all persons whose employment as a worker exposed them to the inhalation of a 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 Commonwealth 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:

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

An award of compensation is granted in a two part inter-dependent 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

#### Application for extension of time

The New South Wales Treasury has granted an extension of time for submission of the Dust Diseases Board's Annual Report to 30 November 2007 in accordance with Section 13(3) of the Annual Reports (Statutory Bodies Act 1984.

#### 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

Board approved funding of \$100,000pa 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.

#### Legal Change

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

#### Overseas Visits

Two staff members travelled to Queenstown, New Zealand in August 2006 to attend the Australian and New Zealand Society of Occupational Medicine (ANZSOM) Annual Conference.

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

Awards made since the inception of the original scheme of 1927

Name	Awards to Disabled Workers	Awards to Dependants of deceased workers	Total
No. 1 Scheme – September 1927 to 30 June 1942 (approx. 15 years)	245	64	309
No. 2 Scheme – March 1938 to June 1942 (approx. 4 years)	7	3	10
Silicosis Act – 1 July 1942 to 28 February 1968 (approx. 26 years)	1,761	841	2,602
Dust Diseases Act – 29 February 1968 to 30 June 2007	4,986	4,013	8,999
Total	6,999	4,921	11,920



## Appendix 4

### Deaths according to disease

Table below represents deaths by causation and average age since the inception of the Workers' Compensation (Dust Diseases) Act 1942-1967 on 29 February 1968.

DISEASE	DEATH DUE TO DUST	DEATH NOT DUE TO DUST	TOTAL	AVERAGE AGE OF DEATH DUE TO DUST
Asbestosis	460	241	701	73.43
Silicosis	450	943	1,393	71.35
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	70.33
Bagassosis	0	1	1	67.00
ARPD	242	91	333	77.27
Silico-Tuberculosis	8	12	20	62.80
Asbestosis/ARPD	42	25	67	77.70
Emery Pneumoconiosis	0	1	1	60.33
Talcosis	1	2	3	65.74
Silico-asbestosis	11	4	15	68.44
Mesothelioma	1,987	9	1,996	68.32
Peritoneal Mesothelioma	1	0	1	65.10
Carcinoma of the Lung*	231	2	233	70.35
Silicosis/Lung Cancer	29	0	29	70.79
Silicosis/Mixed Dust Fibrosis	3	0	3	72.60
Mixed Dust Pneumoconiosis	1	0	1	61.47
Lung Cancer in Association with Asbestos Exposure	125	4	129	69.00
<b>TOTAL</b>	<b>3,606</b>	<b>1,360</b>	<b>4,966</b>	<b>68.42</b>



## Appendix 5

Beneficiaries who received compensation payments during 2006/2007 by disease.

DISEASE	WORKERS	DEPENDANTS	TOTAL
Asbestosis	246	348	594
Silicosis	177	253	430
Byssinosis	2	6	8
Hard Metal Pneumoconiosis	4	2	6
Farmer's Lung	1	1	2
Aluminosis	2	1	3
Occupational Asthma	1	0	1
ARPD	513	164	677
Silico-Tuberculosis	1	6	7
Asbestosis/ARPD	58	29	87
Talcosis	0	1	1
Silico-asbestosis	3	2	5
Mesothelioma	231	1,379	1,610
Lung Cancer in Association with Silica Exposure	1	0	1
Silicosis/ARPD	2	1	3
Carcinoma of the Lung*	17	95	112
Silicosis/Lung Cancer	5	19	24
Silicosis/Mixed Dust Fibrosis	0	1	1
Mixed Dust Pneumoconiosis	0	1	1
<b>Pleural Plaques and Pain</b>	<b>2</b>	<b>0</b>	<b>2</b>
<b>Lung Cancer in Association with Asbestos Exposure</b>	<b>23</b>	<b>107</b>	<b>130</b>
<b>Peritoneal Mesothelioma</b>	<b>25</b>	<b>63</b>	<b>88</b>
<b>TOTAL</b>	<b>1,314</b>	<b>2,479</b>	<b>3,793</b>

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



## Appendix 6

### Dust Diseases Fund Contribution Rates

## WORKERS' COMPENSATION (DUST DISEASES) ACT 1942

### CONTRIBUTIONS UNDER SECTION 6 FOR 2007-2008 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 2007, determined the contribution to be paid under section 6 of the Dust Diseases Act by **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 2007, 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 classification) adopted by the WorkCover Authority for the purpose of determining the contribution payable under the self-insurer to the WorkCover Authority Fund for the financial year commencing 1 July 2007,

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

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 (2007-2008).
3	Employment in respect of which, for the purpose of calculating the relevant premium under the insurance Premiums Order (2007-2008), 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 (2007-2008), 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 (2007-2008), 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 (2007-2008), 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 (2007-2008), 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 (2007-2008), 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 (2007-2008), 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 (2007-2008), 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 (2007-2008), 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 (2007-2008) 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 (2007-2008) 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 2007-2008.

Dated this 22nd day of May 2007

Jon Blackwell  
**Chief Executive Officer**  
WorkCover Authority



# 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  
262200 Ceramic Product 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-Zinc 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  
233100 Pulp, Paper and Paperboard Mfg  
233200 Solid Paperboard container Mfg  
233300 Corrugated Paperboard Container Mfg  
233400 Paper Bag and Sack Mfg  
233900 Other Paper Product Mfg nec  
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  
261000 Glass and Glass Product Mfg  
263220 Plaster Product Mfg  
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  
275900 Sheet 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  
294100 Jewellery and Silverware Mfg  
294200 Toy and Sporting Good Mfg  
294900 Manufacturing 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
425910	Scaffolding Services
425920	Exterior/Interiors Blind and Awning Installation Services
425930	Building Exterior Cleaning and Maintenance Services
523300	Domestic Hardware and Houseware Retailing
620000	Rail Transport
650100	Pipeline Transport
650900	Transport nec
662200	Water Transport Terminals
662300	Port Operators
662920	Services to Water Transport nec
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
211110	Abattoirs
211120	Meat Packing and Freezing
211130	Meat Processing
211140	Animal By-product Processing nec
211210	Poultry Abattoirs
211220	Poultry Meat Processing
211300	Bacon, Ham and Smallgoods Mfg
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
219000	Tobacco Product Mfg
222110	Made-up Textile Product Mfg
222120	Furniture Upholstery and Cover Mfg
222130	Non-canvas Textile Blind and Awning Mfg
222200	Textile Floor Covering Mfg

222300	Rope Cordage and Twine Mfg
222900	Other Textile Product Mfg nec
232100	Plywood and Veneer Mfg
232200	Fabricated Wood Mfg
232300	Wooden Structural Component Mfg
232910	Wooden Blind Mfg
232920	Other Wood Product Mfg nec
241100	Paper Stationery Mfg
241210	Printing
241310	Printing Trade Services
281100	Motor Vehicle Mfg
281200	Motor Vehicle Body Mfg
281300	Automotive Electrical and Instrument Mfg
281900	Automotive Component Mfg nec
286100	Agricultural Machinery Mfg
286200	Mining and Construction Machinery Mfg
286300	Food Processing Machinery Mfg
286410	Machine Tool and Part Mfg
286420	Metal Dies, Cutting, Sinking, Mfg and Repair
286500	Lifting and Material Handling Equipment Mfg
286600	Pump and Compressor Mfg
286700	Commercial Space Heating and Cooling Equipment Mfg
286900	Industrial Machinery and Equipment Mfg nec
532100	Automotive Fuel Retailing
532200	Automotive Electrical Services
532300	Smash Repairing
532400	Tyre Retailing
532900	Automotive Repair and Services nec
611010	Road Freight Transport – Bulk Freight
611020	Road Freight Transport – Short Distance
611030	Road Freight Transport – Long Distance
611040	Furniture Delivery and Removal Service
663000	Services to Air Transport
843200	Technical and Further Education
963100	Police Services
963200	Corrective Services
963300	Fire Brigade and Civil Emergency Services
963400	Waste Disposal Services

#### **Schedule 6**

224900	Other Clothing Mfg nec
226100	Leather Tanning and Fur Dressing
226200	Leather and Tanning Substitute Product Mfg
241220	Newspaper Printing
241320	Services to Printing and Publishing nec
253100	Fertiliser Mfg
253200	Industrial Gas Mfg
253300	Synthetic Resin Mfg
253400	Organic Industrial Chemical Mfg nec
253500	Inorganic Industrial Chemical Mfg nec
256100	Plastic Blow Moulded Product Mfg
256200	Plastic Extruded Product Mfg
256300	Plastic Bag and Film Mfg
256400	Plastic Product, Rigid Fibre Reinforced, Mfg
256500	Plastic Foam Product Mfg
256600	Plastic Injection Moulded Product Mfg

264010	Fibreglass Insulation Products Mfg
264020	Non-Metallic Mineral Product Mfg nec
272100	Alumina Production
272200	Aluminium Smelting
272300	Copper, Silver, Lead and Zinc Smelting, Refining
272900	Basic Non-Ferrous Metal Mfg
282210	Boatbuilding
282220	Boat Repairing
282400	Aircraft Mfg
282900	Transport Equipment Mfg nec
285100	Household Appliance Mfg
285200	Electric Cable and Wire Mfg
285300	Battery Mfg
285400	Electric Light and Sign Mfg
285900	Other Electrical Equipment Mfg nec
412100	Road and Bridge Construction
412200	Non-Building Construction nec
422110	Concrete Construction Services
422120	Concrete Paving Services
422400	Structural Steel Erection Services
425100	Landscaping Services
453100	Timber Wholesaling
453900	Building Supplies Wholesale nec
662910	Water Transport Agency Services

#### **Schedule 7**

012100	Grain Growing
012200	Combined Grain Growing, Sheep Farming and Beef Cattle Farming
012300	Sheep-Beef Cattle Farming
012400	Sheep Farming
012510	Beef Cattle Farming
012520	Beef Cattle Feedlots
030100	Forestry
030210	Softwood Plantation Timber Logging
030220	Hardwood Timber Logging
030300	Services to Forestry
231100	Log Sawmilling
231200	Wood Chipping
231300	Timber Resawing and Dressing
284100	Computer and Business Machine Mfg
284200	Telecommunications, Broadcasting and Transceiving Equipment Mfg
284900	Other Electronic Equipment Mfg nec
423400	Telecommunications, Alarm and Security System Installation Services
473100	Household Appliance Wholesaling
473200	Furniture Wholesaling
473300	Floor Covering Wholesaling
473900	Household Good Wholesaling nec
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
523100	Furniture Retailing
523200	Floor Covering Retail
523400	Domestic Appliance Retailing
523500	Recorded Music Retailing
525100	Pharmaceutical, Cosmetic and Toiletry Retailing
525200	Antique and Used Good Retailing
525300	Garden Equipment Retailing
525400	Flower Retailing
525500	Watch Spectacles and Jewellery Retailing
525900	Retailing nec
734000	Financial Asset Investors
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**

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
013000	Dairy Cattle Farming
014100	Poultry Farming (Meat)
014200	Poultry Farming (Eggs)
015100	Pig Farming
015200	Horse Farming
015300	Deer Farming
015900	Other Livestock Farming nec
016100	Sugar Cane Growing
016200	Cotton Growing
016900	Other Crop and Plant Growing nec
021100	Cotton Ginning
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
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	479400	Book and Magazine Wholesaling
213000	Fruit and Vegetable Processing	479500	Paper Product Wholesaling
214000	Oil and Fat Mfg	479600	Pharmaceutical and Toiletary Wholesaling
215100	Flour Mill Product Mfg	479910	Wholesaling nec
215200	Cereal Food and Baking Mix Mfg	479920	Wholesale Trade Agent – No Goods Handling
223100	Hosiery Mfg	511000	Supermarket and Grocery Stores
223200	Cardigan and Pullover Mfg	521000	Department Stores
223900	Knitting Mill Product Mfg nec	522100	Clothing Retailing
225000	Footwear Manufacturing	522200	Footwear Retailing
242100	Newspaper Publishing	522300	Fabric and Other Soft Good Retailing
242200	Other Periodical Publishing	524100	Sport and Camping Equipment Retailing
242300	Book and Other Publishing	524200	Toy and Game Retailing
243000	Recorded Media Mfg and Publishing	524300	Newspaper, Book and Stationery Retailing
252000	Petroleum and Coal Product Mfg nec	524400	Photographic Equipment Retailing
275100	Metal Container Mfg	524500	Marine Equipment Retailing
283100	Photographic and Optical Good Mfg	526110	Household Equipment Repair Services (Electrical)
283200	Medical and Surgical Equipment Mfg	526120	Household Equipment Repair Services (Electronic)
283900	Professional and Scientific Equipment Mfg nec	526900	Household Equipment Repair Services nec
291100	Prefabricated Metal Building Mfg	531100	Car Retailing
291900	Prefabricated Building Manufacturing nec	531200	Motor Cycle Dealing
292100	Wooden Furniture and Upholstered Seat Mfg	531300	Trailer and Caravan Dealing
292200	Sheet Metal Furniture Mfg	571000	Accommodation
292300	Mattress Mfg (Except Rubber)	572000	Pubs, Taverns and Bars
292900	Furniture Mfg nec	573000	Cafes and Restaurants
424510	Aluminium Door and Window Installation	574000	Clubs (Hospitality)
424520	Glazing Services	612100	Long Distance Bus Transport
451100	Wool Wholesaling	612200	Short Distance Bus Transport (Including Tramway)
451200	Cereal Grain Wholesaling	612340	Other Road Passenger Transport nec
451900	Farm Produce and Supplies Wholesaling nec	640100	Scheduled International Air Transport
452100	Petroleum Product Wholesaling	640200	Scheduled Domestic Air Transport
452200	Metal and Mineral Wholesaling	640300	Non-Scheduled Air and Space Transport
452300	Chemical Wholesaling	661100	Parking Services
461100	Farm and Construction Machinery Wholesaling	661900	Services to Road Transport nec
461200	Professional Equipment Wholesaling	664100	Travel Agency Services
461300	Computer Wholesaling	664210	Freight Forwarding (Road) – Goods Handling
461400	Business Machine Wholesaling nec	664220	Freight Forwarding (Road) – No Goods Handling
461500	Electrical and Electronic Equipment Wholesaling nec	664310	Freight Forwarding (Other than Road) – Goods Handling
461900	Machinery and Equipment Wholesaling nec	664320	Freight Forwarding (Other than Road) – No Goods Handling
462100	Car Wholesaling	664410	Customs Agencies – Goods Handling
462200	Commercial Vehicle Wholesaling	664420	Customs Agencies – No Goods Handling
462300	Motor Vehicle New and Used Part Dealing	664900	Services to Transport nec
462400	Motor Vehicle Dismantling	670100	Grain Storage
471100	Meat Wholesaling	670900	Storage nec
471200	Poultry and Smallgoods Wholesaling	711110	Postal Delivery Services
471300	Dairy Produce Wholesaling	711120	Postal Agency Services
471400	Fish Wholesaling	711200	Courier Services
471500	Fruit and Vegetable Wholesaling	712000	Telecommunication Services
471600	Confectionary and Soft Drink Wholesaling	731000	Central Bank
471700	Liquor Wholesaling	732100	Banks
471800	Tobacco Product Wholesaling	732200	Building Societies
471900	Grocery Wholesaling nec	732300	Credit Unions
472100	Textile Product Wholesaling	732400	Money Market Dealers
472200	Clothing Wholesaling	732900	Deposit Taking Financiers nec
472300	Footwear Wholesaling	733000	Other Financiers
479100	Photographic Equipment Wholesaling	741100	Life Insurance
479200	Jewellery and Watch Wholesaling	741200	Superannuation Funds
479300	Toy and Sporting Good Wholesaling	742100	Health Insurance

742200	General Insurance	862300	Dental Services
751100	Financial Asset Broking Services	863100	Pathology Services
751900	Services to Finance and Investment nec	863200	Optometry and Optical Dispensing
752000	Services to Insurance	863300	Ambulance Services
771110	Residential Strata Schemes	863400	Community Health Centres
771120	Residential Property Operators	863500	Physiotherapy Services
771210	Commercial Property Strata Schemes	863600	Chiropractic Services
771220	Commercial Property Operators and Real Estate Developers	863900	Other Health Services nec
772000	Real Estate Agents	864000	Veterinary Services
773000	Non-Financial Asset Investors	871000	Child Care Services
774100	Motor Vehicle Hiring	872100	Accommodation for the Aged
774210	Boat and Ferry Hiring	872200	Residential Care Services nec
774220	Other Transport Equipment Leasing nec	872910	Home Care Services
774310	Plant and Machinery Hiring and Leasing Without Operator	872920	Non-Residential Care Services nec
774320	Plant and Machinery Hiring and Leasing with Operator	911100	Film and Video Production
774330	Office Equipment Hiring and Leasing	911200	Film and Video Distribution
781000	Scientific Research	911300	Motion Picture Exhibition
782100	Architectural Services	921000	Libraries
782200	Surveying Services	922000	Museums
782300	Consulting Engineering Services	923100	Zoological and Botanic Gardens
782910	Laboratory Services nec	923900	Recreational Parks and Gardens
782920	Technical Services nec	924110	Theatre and Orchestra Productions
783100	Data Processing Services	924120	Other Theatre and Musical Performance
783200	Information Storage and Retrieval Services	924200	Creative Arts
783300	Computer Maintenance Services	925100	Sound Recording Studios
783400	Computer Consultancy Services	925200	Performing Arts Venues
784100	Legal Services	925910	Agency Services to the Arts
784200	Accounting Services	925920	Services to the Arts nec
785100	Advertising Services	931110	Horse and Dog Racing Operations
785210	Sign Writing	931200	Sports Grounds and Facilities nec
785220	Commercial Art and Display Services	931911	Sports and Services to Sport nec
785300	Market Research Services	931912	Sports Administration Services
785400	Business Administration Services	932100	Lotteries
785500	Business Management Services	932200	Casinos
786100	Employment Placement Services	932900	Gambling Services nec
786300	Secretarial Services	933000	Other Recreation Services
786411	Investigative Services	951100	Video Hire Outlets
786412	Security Services	951900	Personal and Household Goods Hiring nec
786420	Building Caretaking Services	952130	Carpet Cleaners
786500	Pest Control Services	952200	Photographic Film Processing
786610	Cleaning Services (Non NSW Government Schools Contract)	952300	Photographic Studios
786620	Cleaning Services (NSW Government Schools and Sites Contracts)	952400	Funeral Directors, Crematoria and Cemeteries
786700	Contract Packing Services nec	952510	Gardening Services
786900	Business Services nec	952520	Amenity Tree Services
811100	Central Government Administration	952600	Hairdressing and Beauty Salons
811200	State Government Administration	952910	Adult Personal Services
812000	Justice	952920	Personal Services nec
813000	Foreign Government Representation	961000	Religious Organisations
820000	Defence	962100	Business and Professional Associations
841000	Preschools and Kindergartens	962200	Labour Associations
843100	Higher Education	962900	Interest Group nec
844010	Driving Schools		
844020	Other Education and Training nec		
861300	Nursing Homes		
862100	General Practice Medical Services		
862200	Specialist Medical Services		



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:

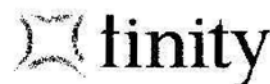
- (a) The loading, unloading, sorting, storing, handling, testing or analysing of asbestos or asbestos minerals;
- (b) The mixing, blowing, teasing or blending of asbestos minerals or asbestos or any substance containing asbestos;
- (c) The finishing, cutting, drilling, planning, sewing, sawing, grinding 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.



## Appendix 7

Actuarial Certificate of Outstanding Claims Liabilities at 30 June 2006.

Workers Compensation (Dust Diseases) Board



### 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 report dated 29 September 2006.

### Relevant Standards

Our estimates and report have been prepared in accordance with our understanding of the relevant Australian Accounting Standard AASB 137 and the Institute of Actuaries of Australia's Professional Standard 300 issued in April 2002.

A handwritten signature in black ink, appearing to read 'Bruce Watson'.

Bruce Watson

Date: 29 September 2006

A handwritten signature in black ink, appearing to read 'Brett Riley'.

Brett Riley

Date: 29 September 2006

**Fellows of the Institute of Actuaries of Australia**





## Appendix 8

# Disclosure of Controlled Entities

### Asbestos Diseases Research Foundation

Last year the Premier of New South Wales, The Hon. Morris Iemma, announced the establishment of a dedicated research facility focussing on the study of asbestos and other dust-related diseases.

The Workers' Compensation Dust Diseases Board of New South Wales has made a capital grant of \$6.9 million to construct the facility in the grounds of Concord Repatriation General Hospital. It will be known as the Asbestos Diseases Research Institute.

In July 2006, in order to advance the future work of the Institute, the Asbestos Diseases Research Foundation (ADRF) was established. The Foundation will oversee the construction and operation of the Institute.

The Foundation's objects, as described in article 4 of the Foundation's Constitution, are to:

1. Promote, sponsor and facilitate research and healthcare delivery among those individuals and communities exposed to asbestos or other dusts or suffering from asbestos-related or other dust-related diseases;
2. Provide leadership and excellence in asbestos-related and dust-related diseases research activities;
3. Promote awareness of the special circumstances experienced by those exposed to asbestos or other dusts which can lead to potential or actual asbestos-related or other dust-related diseases;
4. Promote, sponsor and facilitate asbestos-related and dust-related diseases education and training in relevant health disciplines;
5. Further knowledge of medicine and science by promoting the conduct of research in the field of asbestos-related and other dust-related diseases;
6. Achieve a better understanding of the nature and causes of asbestos-related and dust-related human diseases and afflictions;
7. Improve methods of preventing, diagnosing and treating those diseases and afflictions; and
8. Where possible, apply its research and other activities, either directly or indirectly, to the development of relevant products and treatments; preventative strategies and practices; and educational programs and materials for asbestos-related and other dust-related diseases.

The current Board members of the DDB have been appointed as the initial (interim) governing Board of the Foundation. This initial Board will oversee the progression of the Institute to ensure there are no delays to the capital project while the permanent Board of the Foundation is being assembled. The initial Board, which held its first meeting on 17th August 2006, is chaired by Mr Jon Blackwell, Chair of the DDB and Chief Executive of WorkCover NSW.



The permanent Board of the Foundation will consist of an independent Chairperson appointed by the Minister for Industrial Relations; four members of the DDB (two representing employer interests and two representing employee interests); the Chair of the DDB Medical Authority; nominees from the University of Sydney, Sydney South West Area Health Service, Unions NSW, ANZAC Health & Medical Research Foundation, Asbestos Diseases Foundation of Australia, and past and present manufacturers and suppliers of dust or dust-containing goods. In addition the Board will appoint one further member, normally being the Research Director of the Institute.

The Foundation is a public company, limited by guarantee, and has been endorsed by the Australian Tax Office as a tax concession charity and tax deductible gift recipient.

The Audit Office of New South Wales, the auditors for the Dust Diseases Board and, for 2006/2007, the auditors of the Foundation determined that the Foundation is a controlled entity of the Dust Diseases Board for so long as the Board is comprised of the current Directors of the Dust Diseases Board.

The major activities of the Foundation have been the progression of the Institute construction project, the recruitment of a Research Director (with an appointment expected by September 2007) and the operational establishment of the company.

The Foundation will cease to be a controlled entity of the Dust Diseases Board later in 2007 when the permanent Board is in place.



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