

2013-14

the facts

the figures

the future

LETTER TO THE MINISTER

30 October 2014

The Hon. Dominic Perrottet, MP
Minister for Finance and Services
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Minister

In accordance with the *Annual Reports (Statutory Bodies) Act 1984*, we have pleasure in submitting for your information and presentation to Parliament, the Annual Report of the Workers' Compensation (Dust Diseases) Board (DDB) for the financial year ended 30 June 2014.

During 2013-14, the DDB continued its support of workers with a dust disease and their dependants, and administered compensation for a range of dust diseases caused by exposure to hazardous dusts. Diseases related to asbestos dust are now the most common compensated by the DDB.

In the past 12 months, the DDB remained true to its vision, ensuring every person affected by a dust disease received timely, accurate and effective services delivered with empathy and integrity.

This included offering medical examinations to applicants within 30 days of application, issuing notification letters within 24 hours of Medical Authority decisions, and notifying customers within 48 hours of a decision in awarding of compensation.

The DDB also cut red tape in processing claims, reducing the number of documents required in support of applications. A Palliative Care Policy has been introduced to cut waiting times for services, reduce service costs and improve the customer experience for claimants and their families.

In March 2014, the DDB was subject to its first Parliamentary review of its performance, and the customer satisfaction of claimants and applicants who rely on its services.

The DDB achieved an overall satisfaction rating of 93 per cent across all its services in its 2013 customer satisfaction survey.

The next 12 months will be busy for the DDB as it focuses its efforts on implementing a new case management system to improve the quality and timeliness of services, and establishing a new customer centred service plan that will introduce end to end management of cases.

The DDB will also introduce electronic lodgement of compensation applications and supplier invoices, making it easier for applicants and claimants to access services.

Importantly, the DDB continues to develop the leadership and customer service capabilities of its staff, and review its customer feedback systems and processes to ensure it is delivering the best service it can for the people of NSW.

Yours sincerely



Julie Newman *PSM*
Chair
Workers' Compensation (Dust
Diseases) Board



Vivek Bhatia
Chief Executive Officer
Safety, Return to Work
and Support

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Workers' Compensation (Dust Diseases) Board 2013-14 Annual Report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* for the Hon. Dominic Francis Perrottet MP

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A copy of this report is available at www.ddb.nsw.gov.au

2013-14 AT A GLANCE

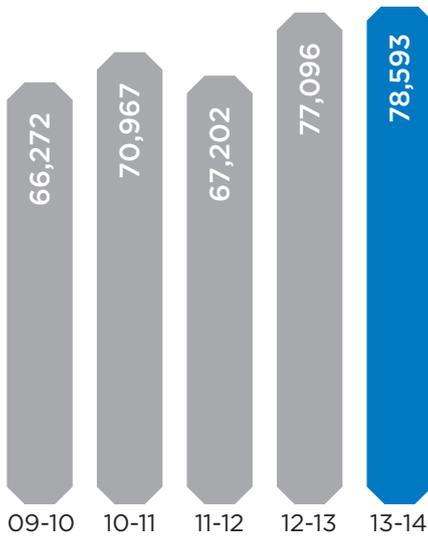
Sustainable scheme

\$87.675m paid in compensation benefits

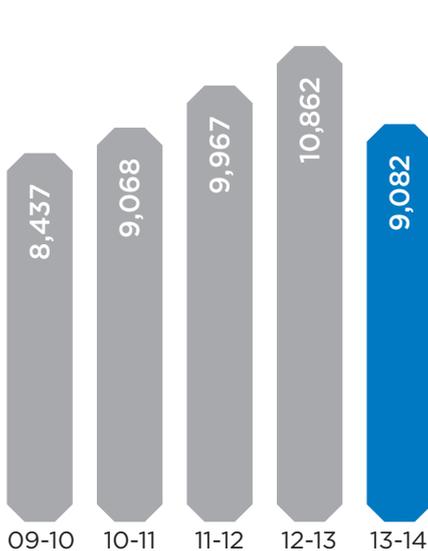
\$9.082m paid in health care and funeral expenses

Investment overall return 15%

AMOUNT PAID IN COMPENSATION \$'000



AMOUNT PAID IN HEALTH CARE AND FUNERAL EXPENSES \$'000



Support for injured workers and their families

717 applications for medical screening and compensation

3957 customers receiving compensation benefits

422 new awards of compensation made

NEW AWARDS OF COMPENSATION MADE



NUMBER OF MEDICAL SCREENING EXAMINATIONS CONDUCTED



Our customers

93 per cent customer satisfaction rating

19,946 inbound calls

1025 workers assisted with health care support

1529 medical screening examinations conducted

4838 respiratory health monitoring examinations conducted

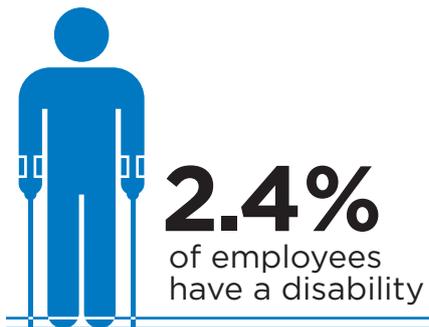
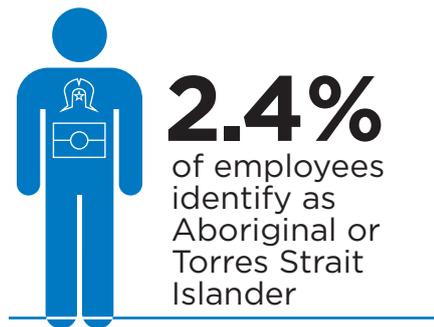
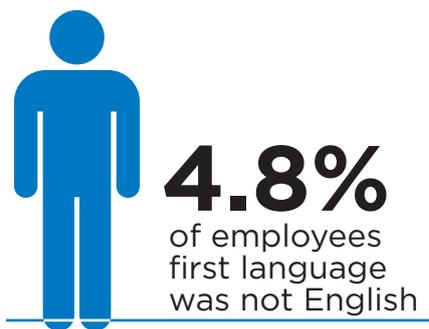
- Across 42 companies, government departments and local councils at 60 different sites.

Our people

42 staff (full-time equivalent)

95 per cent of employees have performance objectives in place

WORKFORCE DIVERSITY*



WORKPLACE SAFETY



No lost time due to injury

Staff are supported by SRWS Shared Services who are responsible for the provision of business services within Safety, Return to Work and Support, in the areas of Information Services, Financial Services, Human Resources, Legal, Strategy and Performance, Facilities and Support, and Corporate Governance Services.

* Results are based on 38.1 per cent of respondents to the non-mandatory workforce diversity survey

ABOUT THE WORKERS' COMPENSATION (DUST DISEASES) BOARD

The history of the DDB

1920

The NSW Parliament enacted the *Workman's Compensation (Silicosis) Act* to provide workers compensation entitlements to stonemasons, quarrymen, rock choppers and sewer miners employed by the County of Cumberland.

1927

The first members of the Silicosis Joint Committee No. 1 were appointed on 25 November 1927 to administer the Workmen's Compensation (Silicosis) Scheme No 1.

1938

The Workmen's Compensation (Silicosis) Scheme No. 2, gazetted on 25 March 1938, extended the scope of the scheme to include workers in the iron, steel, glass making, ore milling, brick, tile and pottery industries where the dust content of the air constituted a health hazard.

1942

On 1 July 1942, the more comprehensive *Workers' Compensation (Silicosis) Act 1942* was enacted and extended the scheme further to allow for the payment of compensation to workers disabled by their exposure to silica dust from employment anywhere in NSW and their dependents.

1967

Amending legislation referred to as the *Workers' Compensation (Dust Diseases) Amendment Act 1967* became effective from 29 February 1968, along with a newly appointed Workers' Compensation (Dust Diseases) Board. The range of diseases covered by the scheme was widened to cover 24 diseases including those caused by asbestos. The Act became known as the *Workers' Compensation (Dust Diseases) Act 1942*.

1977

The *Workers' Compensation (Dust Diseases) Act 1942* was further amended to provide for the twice yearly adjustment to the rate of compensation benefits.

1983

Additional amendments to the Act included an extension of the definition of a "dust disease" and the provision of an appeal against a decision of the Medical Authority.

1989

The Act was amended to allow for the establishment and funding of the Dust Diseases Tribunal of NSW. The Tribunal is a specialist court established to expedite common-law claims of dust disease sufferers and is funded by the Dust Diseases Board.

1996

The provisions of the *WorkCover Legislation Amendment Act 1995* repealing the *Workmen's Compensation (Broken Hill) Act 1920* transferred the balance of the Broken Hill Compensation Fund to the Dust Diseases Fund. The Dust Diseases Board was then provided with the authority to administer all existing compensation awards made by the Broken Hill Scheme prior to its Act being repealed.

1998

A new section, 8E, was inserted into the Act in 1998 to enable the Dust Diseases Board to recover monies from negligent third party occupiers and suppliers against whom damages had been claimed in the Dust Diseases Tribunal.

2012

DDB becomes part of the Safety, Return to Work and Support Division (SRWSD) under the *Safety, Return to Work and Support Act 2012*.

2014

SRWSD becomes SRWS and forms part of the Office of Finance and Services within the Treasury and Finance cluster.

Mission and values

Every person affected by an occupational dust disease receives timely, accurate and effective services delivered with empathy and integrity.

Our values underpin our interaction with each other, our stakeholders and our customers, and as such are an important part of our planning process. As a NSW Government agency, trusted with public money and safety, we adhere to a strong set of values in the performance of our day to day work.

Our values are integrity, trust, service, accountability and respect.

Role

To deliver a sustainable compensation scheme for NSW workers with a dust disease and their dependants

Who we are – what we do

The Workers' Compensation (Dust Diseases) Board (DDB) provides a no fault workers compensation scheme to past and present workers who have developed a compensable dust disease from occupational exposure to dust as a worker in NSW and to their families.

The Dust Diseases Board services include:

- Undertaking medical examinations of applicants for workers compensation benefits and for health monitoring. Examinations include lung function tests, chest x-rays and examination and interview by a respiratory physician. Examinations are conducted at our Sydney office, on our mobile respiratory screening unit (AKA "The Lung Bus") and through a network of health practitioners in NSW and interstate.
- Facilitating the decision making process of the Medical Authority. The Medical Authority has the legislative responsibility for determining whether an applicant for compensation has a dust disease under the Act, the extent of any disability caused by the dust disease and the level of occupational exposure as a worker in NSW.
- Facilitating the decision making process of the members of the Board of the Dust Diseases Board (the Board). The Board has the legislative responsibility for determining whether a person is a worker under the Act (involving a review of the applicant's industrial history and preparation of detailed reports for the Board's consideration), and determining the amount of an award to be made in accordance with the Act.
- Paying compensation benefits to all beneficiaries under the Dust Diseases Scheme and paying hospital, medical, ambulance and other related expenses incurred

as a result of a beneficiary's compensable disease.

- Administering the Dust Diseases Fund (the Fund). The Fund is raised through a levy on employers to meet the liabilities of the Dust Diseases Scheme. The Board recommends levy rates, collects levy revenue and makes payments of compensation benefits and costs of administering the scheme from the Fund.
- Managing the Dust Diseases Board Research and Community Grants Scheme. The Scheme was established to encourage research into dust diseases and to provide funding to community organisations that provide support to sufferers of dust diseases and their families.
- Providing advice and information to applicants on benefits available under the Dust Diseases Scheme and the method of application. The Dust Diseases Board also provides ongoing advice and assistance to customers and their families on a range of matters including the benefit entitlements of dependants on the death of a worker.
- Collating and maintaining all statistical and related data to facilitate actuarial valuations of the liabilities of the Dust Diseases Scheme and research into dust diseases.

The Board is subject to the direction and control of the Minister for Finance and Services and reports on its performance to the Minister. The Board is responsible to the Minister through the Chair of the Board.

Legislation

The Dust Diseases Board's operations are regulated principally by the provisions of the:

- *Workers' Compensation (Dust Diseases) Act 1942*
- *Workers' Compensation (Dust Diseases) Regulation 2013*
- *Workers' Compensation Act 1987*
- *Workers' Compensation Regulation 2010*
- *Workplace Injury Management and Workers' Compensation Act 1998*
- *Safety, Return to Work and Support Board Act 2012*

Dust Diseases covered by the Workers' Compensation (Dust Diseases) Act 1942

The following diseases are listed under Schedule 1 of the *Workers' Compensation (Dust Diseases) Act 1942*:

- Aluminosis
- Asbestosis
- Asbestos induced carcinoma
- Asbestos related pleural disease (ARPD)
- Bagassosis
- Berylliosis
- Byssinosis
- Coal dust pneumoconiosis
- Farmer's lung
- Hard metal pneumoconiosis
- Mesothelioma
- Silicosis
- Silico-tuberculosis
- Talcosis

ABOUT THE WORKERS' COMPENSATION (DUST DISEASES) BOARD

Our customers/participants

The DDB customers are injured workers and their families, including the dependant spouse and children of deceased workers, employers and the general community.

Our services include:

- payment of compensation benefits to eligible workers and their dependants
- coordination and payment of medical and related expenses for affected workers
- free medical examinations to workers exposed to dust in the workplace
- health monitoring screening for employers, including our mobile screening vehicle the "Lung Bus"
- information and education.

Both past and present NSW workers can apply to the DDB for workers compensation, even if they have passed retirement age.

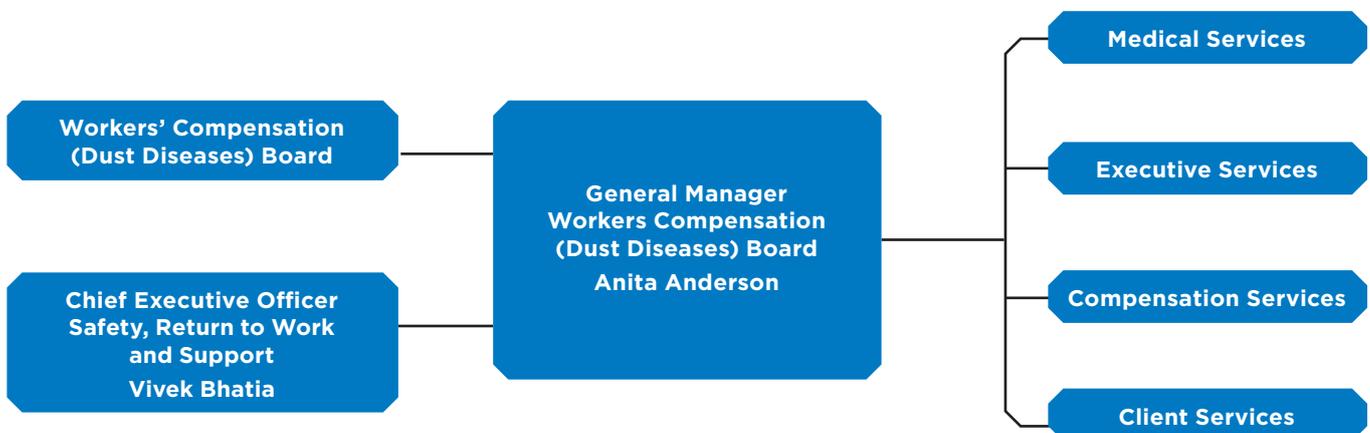
The DDB provides workers with financial assistance in the form of fortnightly workers compensation benefits, and health care support in the form of provision and payment of medical treatment and expenses related to the treatment of their dust disease. The DDB pays compensation payments to an injured worker for the remainder of their life, and their funeral expenses.

The dependants of a deceased worker who were dependent for support on the worker may also apply to the DDB to receive compensation benefits following the worker's death.

The dependant spouses and partners of deceased workers receive an initial lump sum payment of compensation together with a fortnightly compensation benefit payment.

The DDB also provides respiratory health monitoring services to past and present workers whose employment exposed them to hazardous dusts.

DDB organisational chart



DUST DISEASES BOARD AND SENIOR MANAGEMENT

About the Dust Diseases Board

The Dust Diseases Board (the Board) is constituted under the *Workers' Compensation (Dust Diseases) Act 1942* (the Act). The Board has seven members; an independent chair; three representatives of employers and three representatives of employees. All Board members are appointed by the Minister for Finance and Services for a period of up to three years.

Members have a wide range of experience including engineering, workers compensation, work, healthy and safety, shop floor and employee relations.

The Board has the exclusive jurisdiction to determine all matters in respect of a claim for compensation under the Act, including the question of identity, dependency, fact of disablement and whether an award of compensation should be made.

The Board has the exclusive jurisdiction to:

- Determine claims for compensation made under the Act (s5(2)).
- Make determinations as to the classes of employment where there is a risk of contracting a dust disease (s6(3)).
- Administer the Workers Compensation Dust Diseases Fund (the Fund) (s6(2)).
- Estimate the amount to be expended from the Fund for each year (s6(4)).
- Make payments from the Fund for compensation payments, fees payable to members of the Board and the Medical Authority and for remuneration of the Board's staff (s6(2)).
- Make grants from the Fund for research and to victims support groups (s6(2A)).
- Pay the costs involved in the operation of the Dust Diseases Tribunal of NSW including the remuneration of its staff from the Fund.

Members of the Board of the Dust Diseases Board

Julie Newman PSM, FCPA BHMgt, MAICD – Chair

Ms Newman was appointed as the Chair of the Workers' Compensation (Dust Diseases) Board (DDB) and Chief Executive Officer of SRWS in 2012, having acted in the role since late 2011. Prior to this appointment Julie was the Chief Financial Officer for SRWS.

In 2013, Ms Newman was awarded the Public Service Medal in the Australia Day Honors. Ms Newman has a Bachelor in Health Science Management from Charles Sturt University and is a qualified CPA.

On 1 August 2014, Ms Newman retired as CEO of SRWS, but continues as Chair of DDB. Ms Newman has more than 40 years' service in the public service, including 26 years in senior management and leadership roles, in NSW Health.

Sylvia Kidziak, AM FAICD FAIM FISA FSIA (Hon) OFIEAust MICOH MRMIA MNELA MNSA JP

Ms Kidziak is Managing Director of SL Engineering, a Councillor on the NSW Business Chamber Sydney North Regional Council and held the position of Principal Consultant, Occupational Health, Safety and Environment Policy at Australian Business Ltd for 26 years. Ms Kidziak is Chair of the ARPANSA Radiation Health and Safety Advisory Council. She was formerly a Commissioner on the Australian



Julie Newman

Sylvia Kidziak

DUST DISEASES BOARD AND SENIOR MANAGEMENT

Safety and Compensation Council and the National Occupational Health and Safety Commission, Chair of the Occupational Health, Safety and Rehabilitation Council of NSW, Board Member of the NSW Cancer Council, Director on the NICNAS Industry Government Consultative Committee and Chair or member of various other Councils and Committees at the State and Federal level concerned with occupational health and safety, workers compensation, radiation protection and nuclear safety.

In addition Ms Kidziak is Deputy Chair of the Board of the Asbestos Diseases Research Foundation and Chair of the Executive Committee. Ms Kidziak chairs the Board's Research Grants and Corporate Governance Committees. She was also a member of the recent Australian Government Asbestos Management Review Expert Advisory Panel.

Brian Eichhorn

Mr Eichhorn is the representative of Australian Federation of Employers and Industries. Mr Eichhorn has worked in manufacturing industries all his working life. For the past 35 years he has held senior positions in Human Resources Management. Brian 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.

Ray Petty, FCPA FCIS AICD AAIM CPIM JP

Mr Petty was first appointed Board Member of the Dust Diseases Board in 1999 representing the Australian Industry Group. He is also an Independent Member of the Safety Return to Work and Support Division and Independent Chair of Health Care Complaints Commission Audit and Risk Committees. Presently he is Director FIFO Capital. He has a career in finance, administration and business management spanning some 40 years.

Mr Petty holds professional affiliations in finance and administration, for accounting, company secretarial, company directors and management and is a practising Justice of the Peace. In 2010, he was registered to the NSW Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members.

Rita Mallia, LLB/BEC (Hons).

Ms Mallia is the President of the Construction Forestry Mining and Energy Union (NSW Branch) Construction and General Division, having 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, Rita was the Union's workers compensation officer. Ms Mallia is a qualified solicitor. Ms Mallia also represents the CFMEU on the Vocational Training Appeal Panel.

Ms Mallia also represents the Dust Diseases Board on the Asbestos Diseases Research Foundation. Ms Mallia is also a director on the Board of the Schizophrenia Research Institute. Ms Mallia is a director of United Super Pty Ltd (CBUS), Uplus Pty Ltd and the Australian Construction Industry Redundancy Trust (ACIRT). Ms Mallia is a member of the Board's Research Grants Committee.

Dave Henry

Mr Henry is the Work Health and Safety Officer for the NSW Branch of the Australian Manufacturing Workers Union (AMWU) and has occupied this position since early 2003. This position entails him representing workers in relation to both work health and safety 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.

He is the current Chairman of the Industrial Health and Research Foundation (t/a Workers Health Centre). Mr Henry is a member of the Board's Corporate Governance and Research Grants Committees.



Brian Eichhorn

Ray Petty

Rita Mallia

Dave Henry

Paul Noack

Paul Noack

Mr Noack is a Branch Organiser for the Australian Workers Union, Greater NSW Branch. Mr Noack has been active in the trade union movement for 40 years and is currently AWU delegate to Unions NSW and ACTU Congress and a State and National Executive Officer of the Union. Mr Noack's areas of responsibility include the States National Parks, State Forests, Roads and Maritime Service and the Chemical Industry.

Mr Noack is a member of the NSW Mining and Extractives Industry Health Management Advisory Committee.

Mr Noack has held previous appointments on company health and safety committees in the automotive industry, and has been actively involved in health and safety and workers compensation issues for over the past 40 years.

Safety, Return to Work and Support (SRWS)**Vivek Bhatia, MBA, B.Engg, CFA**

Mr Bhatia was appointed as CEO of SRWS in August 2014. Mr Bhatia joins SRWS from previously being the CEO at Wesfarmers Insurance, where he led the multi-brand, multi-channel insurer through a significant transformation journey. He has also held several other prominent leadership roles in strategy, operations and technology at McKinsey & Company, Wesfarmers Insurance and QBE, both domestically and abroad over the past 15 years. Prior to joining SRWS, Mr Bhatia co-led the business restructuring and transformation practice at McKinsey & Company across Asia Pacific, where he worked across resources, industrials, telecommunications, financial services and, oil and gas.

Mr Bhatia has an undergraduate degree in Engineering and has completed his MBA in strategy. He is a qualified Chartered Financial Analyst.

As CEO of SRWS and WorkCover, Mr Bhatia has responsibility for overseeing the operation of the Dust Disease Scheme and reporting to the Minister on its performance.

Dust Diseases Board Senior Managers**General Manager**

Ms Anita Anderson, Dip of Government (Policy Development)

Director, Medical Services

Dr Giles Yates, PhD

Director, Client Services

Ms Michele Daley, BA/BsocSc, MTD

ABOUT SAFETY, RETURN TO WORK AND SUPPORT

About Safety, Return to Work and Support

Safety Return to Work and Support (SRWS) is part of the Office of Finance and Services and the NSW Government's Treasury and Finance Cluster. The SRWS Board determines the strategic direction and oversees the performance of the WorkCover Authority of NSW, the Motor Accidents Authority (MAA) and the Lifetime Care and Support Authority. The SRWS Chief Executive Officer is a member of the SRWS Board.

SRWS agencies are supported by shared services functions in the areas of finance, information and technology services, investment, procurement, human resources, strategy and performance, communications, and legal and policy. The agencies also share governance mechanisms including the SRWS Executive, SRWS Board and its audit and risk committee, investment committee and human resource committee.

SRWS contributes to the economic growth, productivity and wellbeing of NSW by:

- enhancing business and driver confidence
- increasing competitiveness of the NSW economy
- improving workforce and community participation and
- ensuring high quality, accessible and efficient services.

The Safety, Return to Work and Support Board

The SRWS Board was appointed under the *Safety, Return to Work and Support Board Act 2012* for a three year period to 31 July 2015. Under the Act, the SRWS Board:

- determines the investment policies and administers investment funds for the Workers' Compensation (Dust Diseases) Board.
- reports to the Minister on the investment performance of the fund.

The Board consists of seven members, including the SRWS CEO. The Board is appointed by the Governor of NSW on the recommendations of the Minister for Finance and Services. Both the Board and the CEO are subject to ministerial control and direction.

SAFETY RETURN TO WORK AND SUPPORT EXECUTIVE

The SRWS Executive team has 13 members – seven general managers, a chief financial officer, chief human resources officer, a director of legal services, corporate governance director, company secretary and the CEO. The team is responsible for operational management of the organisation and the implementation of policies and strategic priorities determined by the SRWS Board. The Executive also makes recommendations on matters of strategic direction and policy to the CEO.

**General Manager,
Workers'
Compensation
(Dust Diseases)
Board**
Anita Anderson,
Dip-Gov-Policy

**A/General
Manager, Workers
Compensation
Insurance Division
(8 October 2013 –
30 June 2014)**
Gary Jeffery

**A/General
Manager, Work
Health and Safety
Division (29 May –
30 June 2014)**
Peter Dunphy *PSM*,
MPP (Hons), MURP,
BSc

**General Manager,
Investment**
Steve McKenna,
MA, CIMA

**Chief Executive
Officer of Safety,
Return to Work
and Support**
Vivek Bhatia,
MBA, B.Engg, CFA



**A/Chief Financial
Officer, Finance and
Services**
Megan Hancock, BBus,
Grad Dip AFI, CA

**Director,
Corporate
Governance**
Michael Saad BEC

**Company
Secretary**
Samantha
Lawrence
BA(Hons), MBA

**A/Director
Legal
Services**
Catherine
Morgan, BA
Hons LLM

**General Manager,
Strategy and
Performance**
Carmel Donnelly,
BA (Hons), MBA
(Exec), MPH,
GAICD

**Chief Human
Resources Officer**
Greg Barnier,
MBusCoach (Dist),
AdvDipGovt (Mgmt),
DipHRM, DipMgmt,
DipFinServ (FinPlan),
AssocDipBus (Bank&Fin),
SF Fin, FAIM, CAHRI,
MIPAA, AlnstIB

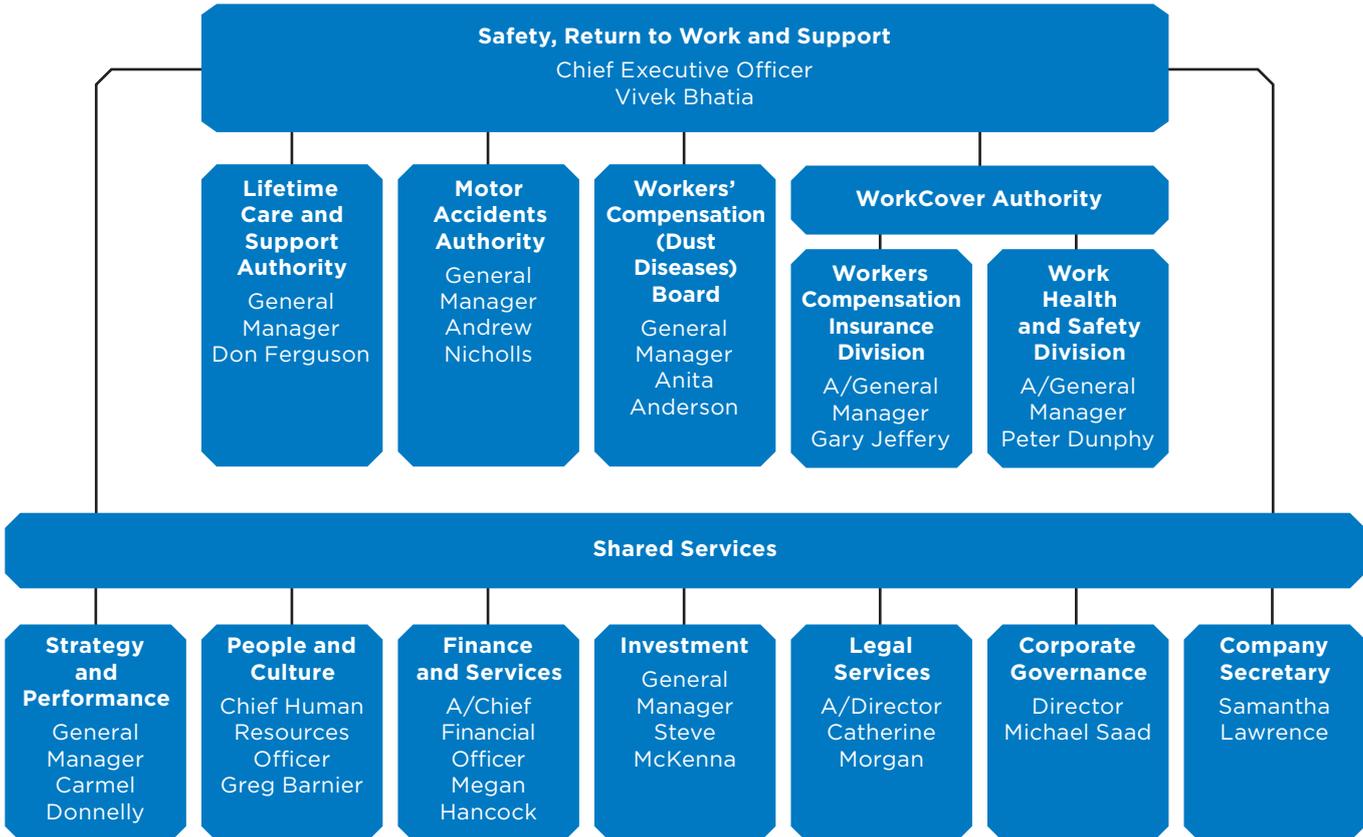
**General Manager,
Motor Accidents
Authority**
Andrew Nicholls,
BA (Hons), MMgt,
EMPA, JP

**General Manager,
Lifetime Care and
Support Authority**
Don Ferguson, MA, BA

Geniere Aplin, MBA (Exec), LLB General Manager, Workers Compensation Insurance Division – on leave 8 October 2013 to 9 November 2014
Julie Newman *PSM*, FCPA BHSMT, MAICD Chief Executive Officer of Safety, Return to Work and Support – retired 1 August 2014
John Watson *PSM*, Assoc Dip OHS, HFSIA.NSW General Manager, Work Health and Safety Division – retired 3 July 2014

SAFETY RETURN TO WORK AND SUPPORT EXECUTIVE

Organisational structure



CHAIR/CEO REVIEW

2013-14 was a year of achievements, challenges, and programs for continued success



Julie Newman PSM,
Chair



Vivek Bhatia,
CEO

DDB continued to focus on improving its client services throughout 2013-14

Achievements/Highlights

During the year, we:

- Achieved an overall satisfaction rating of 93 per cent across all services in our 2013 client satisfaction survey, with high scores for helpfulness, willingness to listen, respect and timeliness.
- Offered timely access to services, with medical examinations provided within 30 days of application and 100 per cent of workers attending the DDB Sydney medical centre.
- Provided fast notification of compensation decisions, with applicants advised of Medical Authority decisions within 24 hours and awards of compensation within 48 hours.
- Strengthened our risk management framework, with the implementation of an enterprise risk management policy and risk management strategy.
- Removed red tape by reducing the number and range of documents required to prove identity, and simplifying the process for approval of palliative care.
- Provided respiratory health monitoring services to over 4800 workers.
- Introduced an Occupational Physicians Scholarship Program to raise awareness of dust diseases among medical practitioners and to further knowledge and experience in the prevention, diagnosis and treatment of occupational dust diseases.

Challenges

The DDB faced a number of challenges throughout the year. These included:

- Ensuring we were able to adequately resource the development of a new case management system, while maintaining business as usual activities.
- Preparing for the first parliamentary review of the DDB.
- Reviewing our processes to improve our achievement of time standards for the finalisation of compensation applications.

The Year Ahead

The year ahead will be busy for the Dust Diseases Board with our efforts focused on:

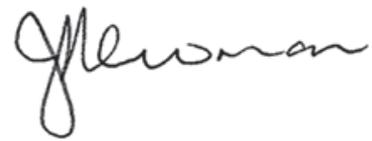
- Implementing a new case management system to improve the quality and timeliness of our services.
- Implementing a new customer centred service plan that will introduce end-to-end management of cases.
- Continuing to develop the leadership and customer service capabilities of our staff.
- Reviewing our customer feedback systems and processes.
- Introducing electronic lodgement of compensation applications and supplier invoices.
- Responding to the report of the Parliamentary Standing Committee on Law and Justice Committee review of the Dust Diseases Board.

The Dust Diseases Board will face a number of challenges next year, including:

- Realigning our operating structure to support a case management approach to the management of compensation applications.
- Learning to use our new computer system.
- Improving our understanding and management of strategic and operational risks.
- Improving our business reporting and analysis to better understand cost drivers and future demand for services.
- Redesigning our website to better reflect the needs of our customers and the community, and to ensure compliance and standards are met with accessing our service.

Our team...Our community

We take this opportunity to thank our employees, management team, customers and stakeholders for your continued support throughout the year, and look forward to building on our achievements, as we continue to serve the people of NSW.



Julie Newman *PSM*
Chair
Workers' Compensation (Dust Diseases) Board



Vivek Bhatia
Chief Executive Officer
Safety, Return to Work and Support

SUSTAINABLE SCHEME



SUSTAINABLE SCHEME

The Dust Diseases Board (DDB) undertook a number of key activities throughout the year to strengthen the sustainability of the scheme, including:

- Working with the DDB actuaries to continue refining the scheme's actuarial assessments.

- Strengthening risk management with the implementation of an enterprise risk management and risk appetite policy, and establishing both strategic and high level operation risk registers for the DDB.
- Achieving an overall investment performance of 15 per cent for fund monies under investment.

KEY PERFORMANCE INDICATORS

Key result area	Key performance indicators	Target	2013-14 Results
Sound fund management and scheme viability	Accurate levy setting	98%	100%
	Levies collected by due date	90%	89%
	Funding ratio - Actuarial target ratio based on net assets adjusted for future claims and contributions receivable over total known claim liabilities	(90 - 110%)	109%
<ul style="list-style-type: none"> • Effective governance, audit and risk management • Accurate actuarial assessments • Proactive assessment of key cost drivers and trends 			
Cost and Efficiency	Actual operating expenditure (excluding finance and compensation costs) varies less than 5% from budget	100%	95%
<ul style="list-style-type: none"> • Evidence used to direct and prioritise our services • Operate within budget • Benchmark the cost of service delivery • Measure our outcomes • Manage our risks 			

Investment performance

The SRWS Investment Division manages the SRWS fund investment portfolios and continuously assesses ways to reduce risk and improve overall efficiency.

In March 2014, the NSW Treasurer announced the amalgamation of the funds management activities of SRWS, SAS Trustee Corporation (STC) and Treasury Corporation (TCorp) within TCorp. This initiative allows for the pooling of investment management expertise and a streamlined approach to the delivery of long-term financial and non-financial benefits to Government agencies.

Responsibility for the investment objectives, risk management and strategic asset allocation of SRWS funds will remain with the SRWS Board.

Governance arrangements

The SRWS Board is responsible for setting investment strategy and reporting to the Minister on performance. The Board is advised by an Investment Committee.

During 2013-14, the SRWS Board has implemented its foundation governance documents, including its Investment Beliefs Statement, Investment Policy Statement and Risk Appetite Statement.

The SRWS Board's corporate governance responsibilities encompass:

- setting the strategic direction of the board in conjunction with management;
- ensuring the board's operations accord with its stated vision and purpose; and
- monitoring risk, financial and operational performance.

The work of the SRWS Board is supported by the following committees:

- Corporate Governance Committee
- Research Grants Committee

- SRWS Audit and Risk Committee
- SRWS Board Investment Committee

Operational due diligence

During 2013-14 the Investment Division continued to conduct operational and risk reviews of its investment managers and products. Nine products and eight managers were reviewed in this period.

Custody arrangements

Following the introduction of the *Safety, Return to Work and Support Act 2012*, the new governance structure and the oversight of other Statutory Funds, the Investment Division sought and was granted an extension to the existing Custody and Related Services Agreement with State Street Bank and Trust. The renegotiated agreement includes an extension of up to two years and ongoing cost savings for the Funds. All Funds were transitioned into custody in August 2013.

STRATEGIC ASSET ALLOCATION - DDB FUND

Australian equities	20.0%
International equities	21.0%
International equities - emerging markets	6.0%
Australian unlisted property	10.0%
Listed property	5.0%
Australian fixed interest	10.0%
Australian inflation-linked bonds	27.0%
Cash	1.0%
Total fund	100.0%

Diversified growth assets	62.0%
Defensive assets	38.0%
Total fund	100.0%

Market review

The global economy delivered a mixed performance during 2013-14. Centred on the Eurozone economic challenges, global investment markets continue to face heightened levels of uncertainty. The importance of maintaining a diversified investment portfolio is paramount. The Investment Division maintains a prudent approach to managing the investment portfolios.

The Australian economy grew at around trend rates, with unemployment remaining stable and inflation pressures within target. Concerns remain regarding the drivers of growth in Australia as the mining investment boom recedes and the consumer remains fairly subdued.

The Reserve Bank of Australia (RBA) eased official rates early in 2013-14 to 2.5 per cent and subsequently maintained a stable policy in the face of offsetting growth and inflationary signals. The Australian dollar traded below parity with the US dollar throughout the period, ranging between US\$0.88 and US\$0.95 for the most part.

Domestic and global market equities had a strong year, producing returns of 17 per cent and 20 per cent respectively. This level of outperformance reflects the continued unwinding of the fear of systemic financial collapse and is not considered to be sustainable over the medium term.

DDB FUND 2013-14 RETURNS

Performance	1 Year (%)	5 Year (% p.a.)	Since Inception* (% p.a.)
Fund	14.98%	10.26%	4.26%
Benchmark	12.98%	10.36%	4.53%
Excess	2.00%	(0.10%)	(0.17%)

*Since inception date is 1 July 2007.

Emerging market equities were held back by economic concerns in some markets, but still delivered a healthy 11 per cent return in Australian dollar terms.

Policies, guidelines and procedures

The DDB reviews its policies on a bi-annual basis to ensure that all corporate policies remain relevant to the work of the DDB and comply with current government policy and directions.

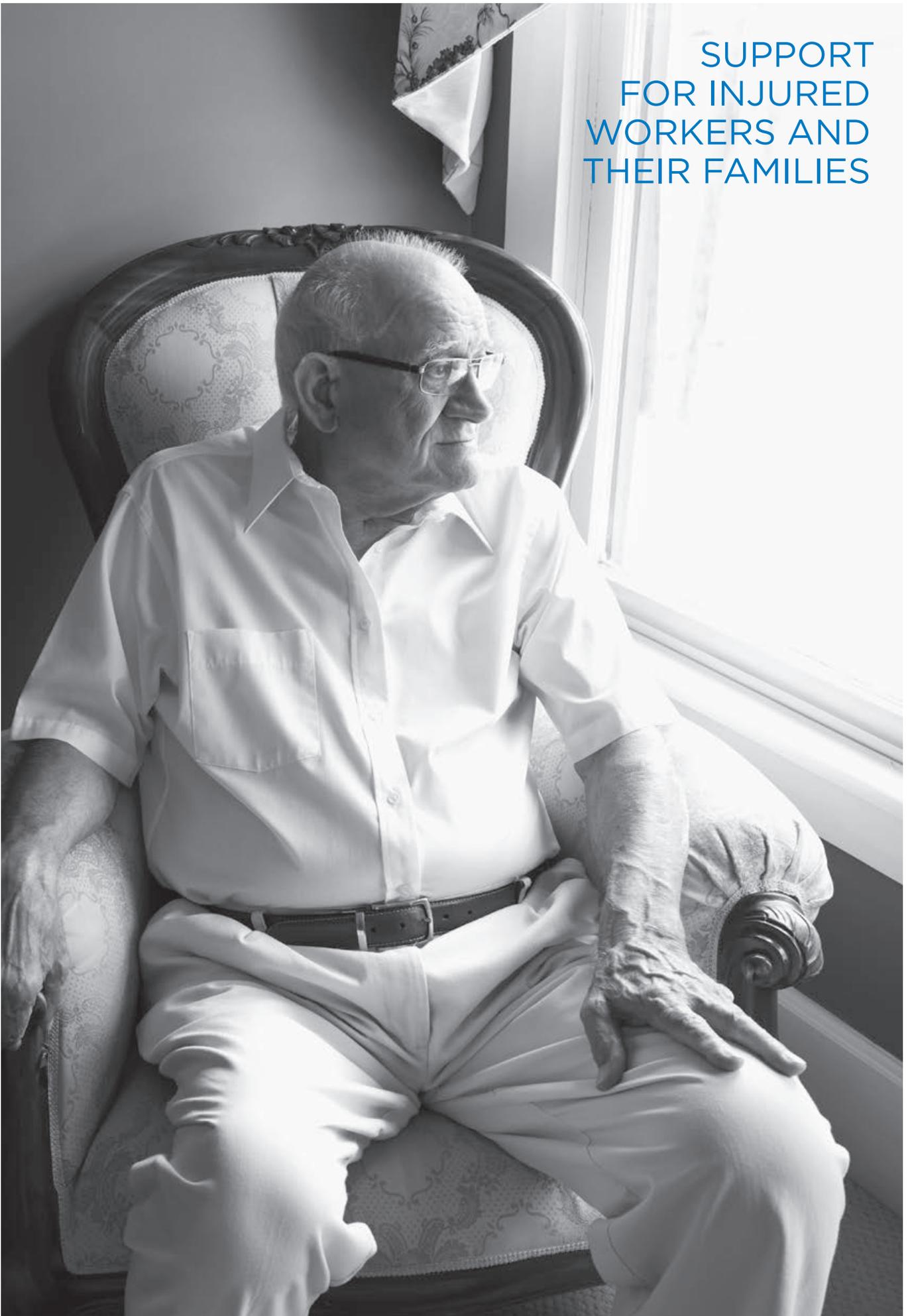
A list of the DDB's corporate policies and guidelines can be found on our website www.ddb.nsw.gov.au or by contacting the Right to Information Officer at gipa@ddb.nsw.gov.au or by phone (02) 8223 6600.

Business continuity

The DDB reviewed its business continuity plan and crisis management plans first developed and implemented in the 2011-12 financial year. The DDB worked with SRWS Information Services Branch to ensure disaster recovery plans are operating effectively in relation to the DDB key business management systems.

The business continuity plan and crisis management plans assist 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 plans incorporate strategies, personnel requirements, procedures and resources required to respond to any short or long-term business interruption.

SUPPORT
FOR INJURED
WORKERS AND
THEIR FAMILIES



Supporting injured workers and their families is the primary focus of the DDB. During the year, we focused our efforts on simplifying our application process and improving the timeliness of our communications, including:

- Revising the proof of identity requirements to reduce the number of necessary documents and remove the need for certification.
- Implementing a palliative care policy to reduce waiting times for services, reduce service costs and improve the customer experience for injured workers and their families.

- Offering medical examinations within 30 days of application to 100 per cent of workers attending Sydney Medical Centre.
- Issuing customer notification letters advising the outcome of Medical Authority decisions within 24 hours of the decision.
- Advising customers of an award of compensation within 48 hours of the decision.
- Paying medical invoices and other personal services for clients with a dust disease within 14 days. On average, 300 payments were processed each week.

The 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. The Medical Authority is responsible for determining if a worker has a dust disease resulting from occupational exposure to dust in NSW. The Medical Authority assesses the degree of disability resulting from the dust disease and the proportion of exposure in NSW that is attributable to the disease.

The Medical Authority consists of three senior respiratory physicians 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. A certificate of disability must be signed by a least two of the three members of the Medical Authority following consideration of the case.

KEY PERFORMANCE INDICATORS

Key result area	Key performance indicators	Target	2013-14 Results
Efficient compensation services	Medical examinations undertaken at DDB within 30 days	75% by 2013 80% by 2015	100%
	• Quality and timely services	70% by 2013 85% by 2015	44%
• Simple application processes	Compensation applications determined within 60 days		
• Sound decision making	Benefits and substantiated expenses paid to beneficiaries within 14 days	95%	98%
• Clear, communication about our services, processes and decisions	Accurate payment of entitlements paid to beneficiaries within 14 days	100%	100%

SUPPORT FOR INJURED WORKERS AND THEIR FAMILIES

Compensation services

The DDB compensation services team administers the workers compensation benefits awarded to workers and their dependants.

COMPENSATION AWARDS GRANTED

	2011-12	2012-13	2013-14
New worker awards	274	295	220
New medical expenses awards	23	22	26
New dependant awards	181	183	176
Total awards granted	478	500	422

A total of 717 applications were received in 2013-14. Three hundred and fifteen applications were made by people who had been exposed as a worker, while 201 applications were made by the dependants of a deceased worker. A further 201 applications were for medical screening, while the remainder of applications did not proceed.

The Board approved 220 new awards of compensation to workers who had been certified by the Medical Authority as being disabled as a result of their dust disease. The award consists of a fortnightly compensation benefit, payment of all medical and related treatment expenses, and payment of funeral expenses. Allowances are paid for a dependent spouse and any dependent children aged up to 16 years, or until 21 years if enrolled as a full time student.

The Board also made 26 new awards for the payment of medical expenses for workers who were in paid employment and ineligible to receive weekly compensation benefits.

An additional 176 awards were made to dependants of deceased workers. Awards to dependants of a deceased worker generally consist of a lump sum payment together with fortnightly compensation benefits.

As at 30 June 2014, the DDB provided compensation benefits to 3957 customers; 1081 workers and 2876 dependants. The DDB paid out \$87.675m in compensation benefits during 2013-14 including \$9.082m in health care and funeral benefits.

Industrial History Services

The DDB industrial history officers conduct interviews to compile an applicant's employment and dust exposure histories in support of their claim for benefits. Most interviews are conducted by telephone. Interviews with very ill clients are conducted at the applicant's home, or in hospital. The DDB provides a timely service to its customers, but is able to respond quickly where an applicant is suffering serious health issues and a report needs to be prepared urgently.

Industrial history reports detail an applicant's employment history, including details of the location, nature and conditions of each employment, any areas or processes where dust was encountered and the frequency and duration of those exposures.

The Medical Authority uses the industrial history report to assess the extent of an applicant's exposure to dust in the workplace. The employment details within each industrial history enable the Board to determine if the applicant was exposed to dust as a worker within the meaning of the *Workers' Compensation (Dust Diseases) Act 1942* and has any entitlement to an award of compensation.

During the year, the industrial history team undertook a review of current procedures to identify opportunities to improve the timeliness of its reporting process.

The number of industrial history reports completed by the DDB decreased by 13.7 per cent, from 423 in 2012-13 to 365 in 2013-14. As at 30 June 2014, 55 per cent of industrial history reports were completed in 45 days, with 81 per cent completed within 90 days.

Medical Authority support team

The Medical Authority support team collects and collates all the necessary medical information required by the Medical Authority to assess an application for compensation.

Medical reports and x-rays are obtained from applicants, their treating doctors, hospitals and other relevant medical providers.

If the Medical Authority decides that further information is required to determine an applicant's claim, the Medical Authority support team will arrange for additional diagnostic tests to be performed.

The team records the decisions of the Medical Authority and advises applicants of decisions made by the Medical Authority. The team also provides copies of the DDB medical results to an applicant's treating doctor as required.

The Medical Authority considers both the medical evidence in applications for compensation benefits and

the results of medical screening examinations conducted by the DDB. The Medical Authority considered 2420 cases in the year (3.8 per cent less than the previous year of 2516), including:

- 273 new cases of a dust disease
- 1000 cases where there was no dust disease or where a dust disease was not reasonably attributable to occupational exposure as a worker under the Act
- 522 reviews of customers who have previously been certified with a dust disease
- 182 deaths certified as resulting from a dust disease in cases where the deceased worker had dependants
- 84 deaths were certified as not being a result of the worker's dust disease
- 359 cases were deferred by the Medical Authority pending further medical information and reports.

Health care services

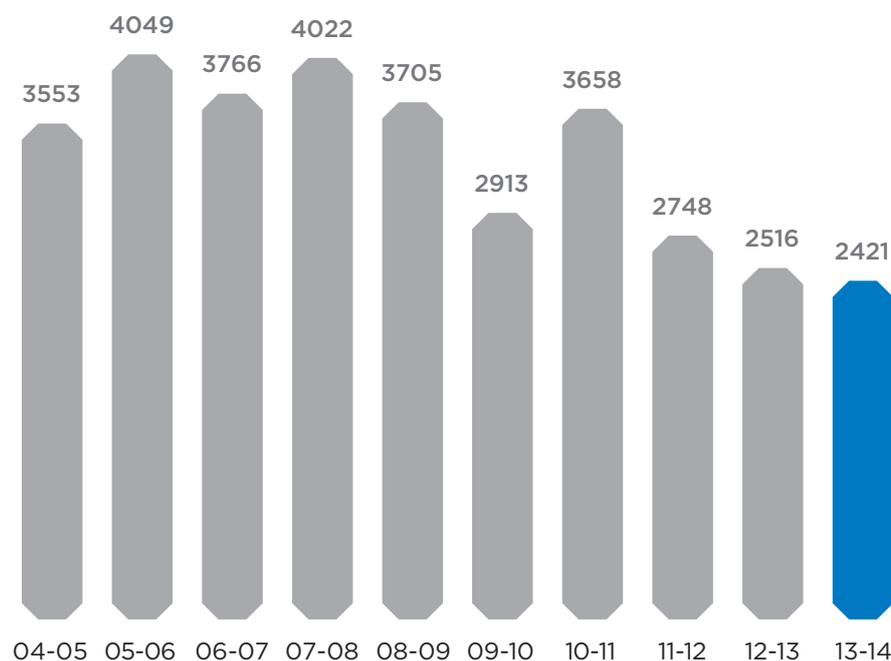
The DDB pays medical, hospital, ambulance and other related treatment expenses related to and reasonably necessary for the treatment of a worker's dust disease. This includes expenses such as home oxygen, hospital fees, doctor/specialist fees, home nursing, ambulance fees, pharmaceuticals, aids and equipment, domestic assistance, nursing home and respite fees and minor home modifications.

The DDB's health care services team coordinates the provision of a range of health care services to treat the worker's dust disease. A health care services officer contacts the worker to discuss their individual needs and at times may also liaise with their family, carer, treating doctor, treating specialist and a range of allied health professionals to arrange assessments and coordinate medical and related treatment services.

In 2013-14, the health care services team developed a palliative care policy, which has contributed to reducing waiting times for the provision of palliative care services, saving on administration costs and improving customer service experience for workers, their families and relevant service providers.

In 2013-14, the health care services team provided services to 1025 workers, representing a 4.2 per cent increase on the 982 workers assisted in the previous year. The health care services team paid out \$9.082m in medical and treatment expenses (a decrease from \$9.992m paid in 2012-13) and processed 13,891 invoices for medical and related treatments throughout the year. The health care services team continually reviews its processes to improve the quality and timeliness of service provision and reimbursement of medical expenses to workers.

COMPARISON OF CASES PRESENTED TO THE MEDICAL AUTHORITY BY YEAR



SUPPORT FOR INJURED WORKERS AND THEIR FAMILIES

Information and education

A comprehensive information kit for customers has been developed that includes information in plain language on the benefits and services available from the DDB and the procedures for accessing these services.

The DDB has developed a number of fact sheets explaining the range of services available for our customers, including:

- respiratory medical examinations
- compensation payments for workers and their dependants
- domestic assistance
- home nursing assistance
- alternative therapies
- funeral benefits.

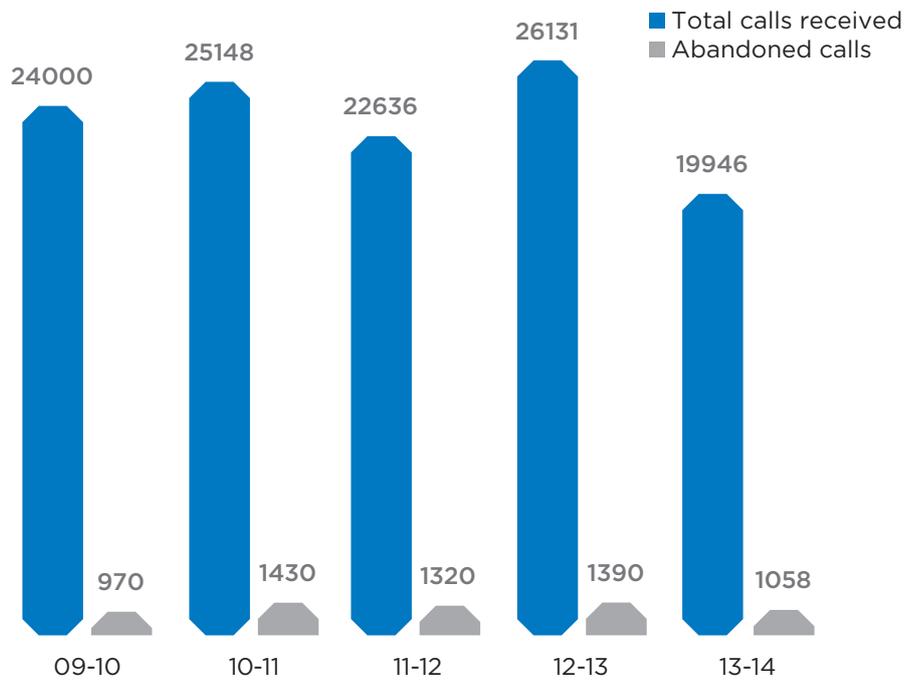
The DDB will continue to focus on redesigning its website in 2014-15 to better reflect the needs of our customers and the community, and to ensure compliance with the NSW Government website directive style.

Call centre

The call centre is the first point of contact with the DDB. Our staff are trained to answer all questions that an applicant may have in regard to the application process and the functions of the DDB.

The call centre received 19,946 inbound phone calls in 2013-14; this represents a 23.6 per cent decrease on the 26,131 calls received in the previous year. Approximately 5.3 per cent of these calls were abandoned after waiting an average of more than 58 seconds.

COMPARISON OF INCOMING CALLS BY YEAR



OUR CUSTOMERS



OUR CUSTOMERS

Our customers include injured workers and their families, including the dependent spouse and children of deceased workers, employers and the general community.

During the year, the DDB:

- Achieved an overall satisfaction rating of 93 per cent across all its services.
- Commenced the development of a customer service plan to improve our client services.

- Reviewed its complaint handling processes.
- Provided respiratory health monitoring services to over 4800 workers.
- Sponsored two occupational physicians to visit the DDB to develop their understanding of the DDB, medical screening and management of dust diseases.

Key result area	Key performance indicators	Target	2013-14 results
Customer focused approach	Fair and transparent decisions	<1% decisions varied by internal review or appeal	<1%
• Customer Service Charter and service standards are linked to our values	Customer satisfaction with compensation services	>85% by 2014	93%
• A consistent and seamless customer experience	Compliance with service standards	>90%	90%
• Accessible, timely and accurate information	Complaints resolved within 28 days	100%	100%
• Effective applicant referral pathways	Compensation estate payment amounts settled within 28 days of death	100%	98%

Customer service

In 2013-14, the DDB received 315 applications for compensation from past and present workers. The average age of workers applying to the DDB for compensation was approximately 75 years. Forty eight per cent of new awards made during the year were for workers with a dependant spouse or partner. One per cent of new worker beneficiaries also had dependent children.

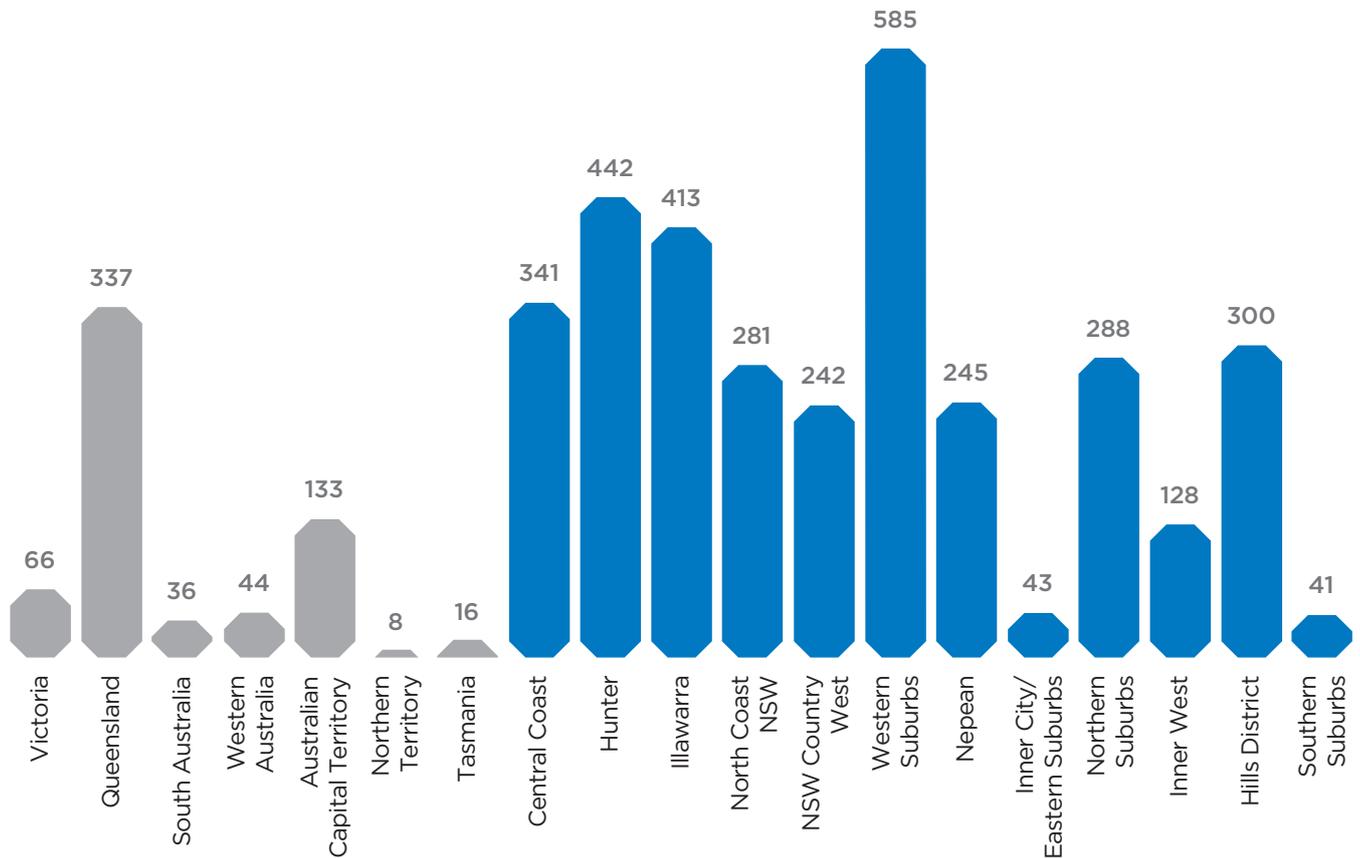
The DDB is currently assisting 1081 workers with financial assistance in the form of fortnightly workers compensation benefits, and health care support in the form of provision and payment of medical treatment and expenses related to the treatment of their dust disease.

The dependent spouses and partners of deceased workers receive an initial lump sum payment of compensation together with a fortnightly compensation benefit payment.

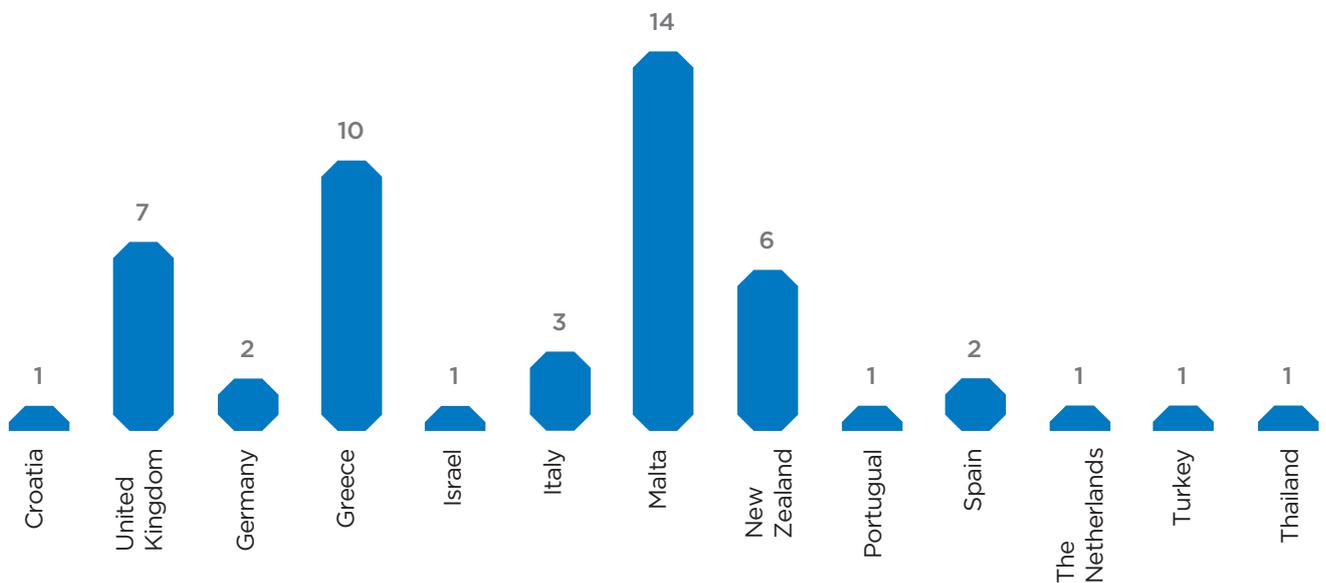
In 2013-14, the DDB received 201 applications for compensation from the dependants of deceased workers. Currently, 2876 dependants are receiving fortnightly compensation benefits from the DDB.

The majority of our beneficiaries (42.6 per cent) reside in regional NSW, predominately in the Hunter, Illawarra and Central Coast regions. A further 40.4 per cent live in the Sydney area, while 15.9 per cent reside in other states and territories and 1.2 per cent (50 beneficiaries) reside overseas.

BENEFICIARIES CATEGORISED BY STATE, TERRITORY AND NSW REGION OF RESIDENCE 2013-14



BENEFICIARIES CATEGORISED BY COUNTRY OF RESIDENCE 2013-14 (EXCLUDING AUSTRALIA)



Please note that the graphs above indicate the place of residence for all beneficiaries, including those who died in 2013-14.

OUR CUSTOMERS

DDB client satisfaction survey results

In August 2013, the DDB undertook a telephone survey of 209 clients and spouses of deceased clients. Respondents were asked to rate the relative importance of a range of key factors and to rate the performance of the DDB. In addition, respondents were asked to provide feedback as to how the DDB could improve its customer service.

Overall, the performance of the DDB was rated very highly by 93 per cent of respondents, with the following areas showing the highest levels of customer satisfaction:

- courteousness and helpfulness of DDB staff

- willingness of DDB staff to listen to their clients
- dignity and respect shown by DDB staff
- timeliness of DDB services.

A small proportion of customers (9 per cent) indicated that they would like to see improved clarity in communication about the services we provide.

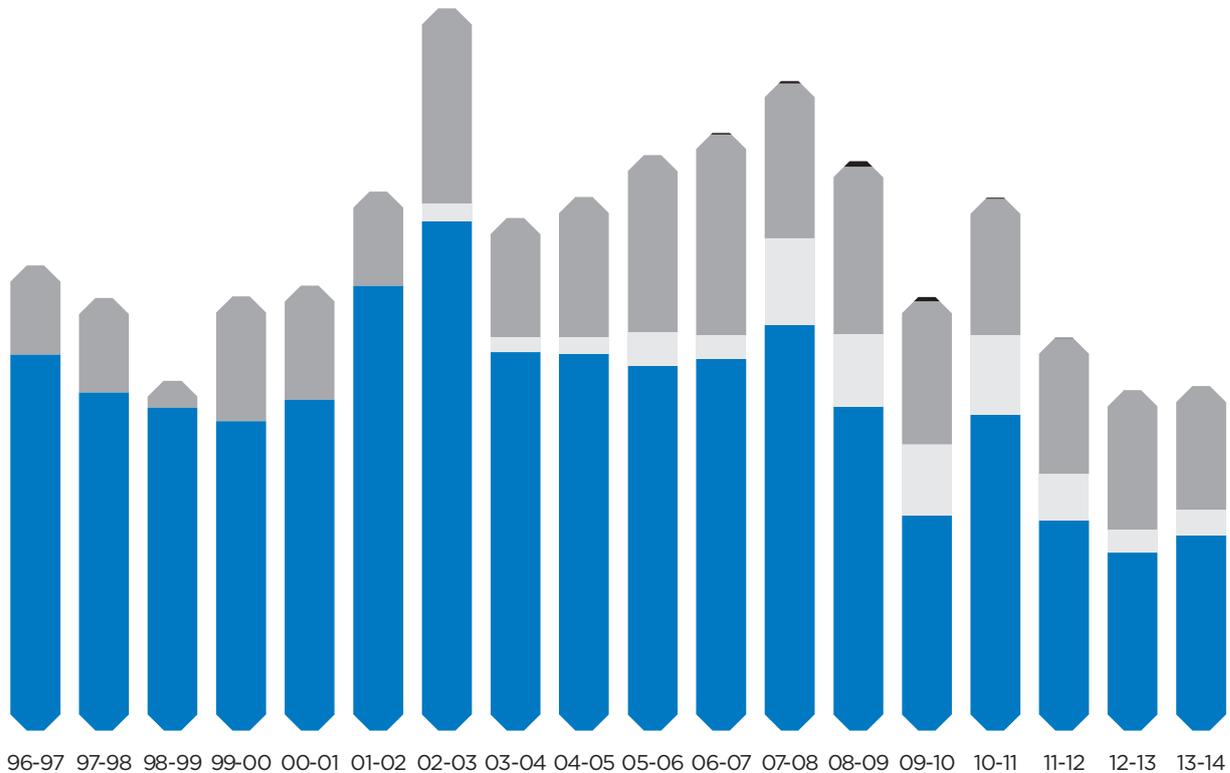
Medical screening service

If a past or present worker thinks they may have a dust disease and they are no longer employed in the place where they were exposed to the dust, the DDB can help them find out by arranging

a free medical examination. The examination includes a chest x-ray, a lung function test and a medical examination by a doctor.

In 2013-14, the DDB provided medical examinations to 1529 people. Examinations are provided at our Sydney Medical Centre for customers residing in the greater Sydney metropolitan region, and through a network of local doctors for our regional and rural customers. During 2013-14, the DDB was able to offer 100 per cent of customers attending our Sydney Medical centre a medical examination within 30 days of application.

COMPENSATION MEDICAL EXAMINATIONS (BY FINANCIAL YEAR)



	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
■ Home Visit											7	11	26	21	6	4	0	0
■ External	1669	1501	1434	1374	1469	1974	2260	1680	1674	1619	1650	1801	1441	957	1403	933	791	867
■ Mobile Unit							78	63	71	150	103	384	319	314	352	207	99	114
■ Elizabeth St	396	420	119	554	506	418	867	532	625	785	892	686	741	633	604	600	620	548

Respiratory health monitoring for workers

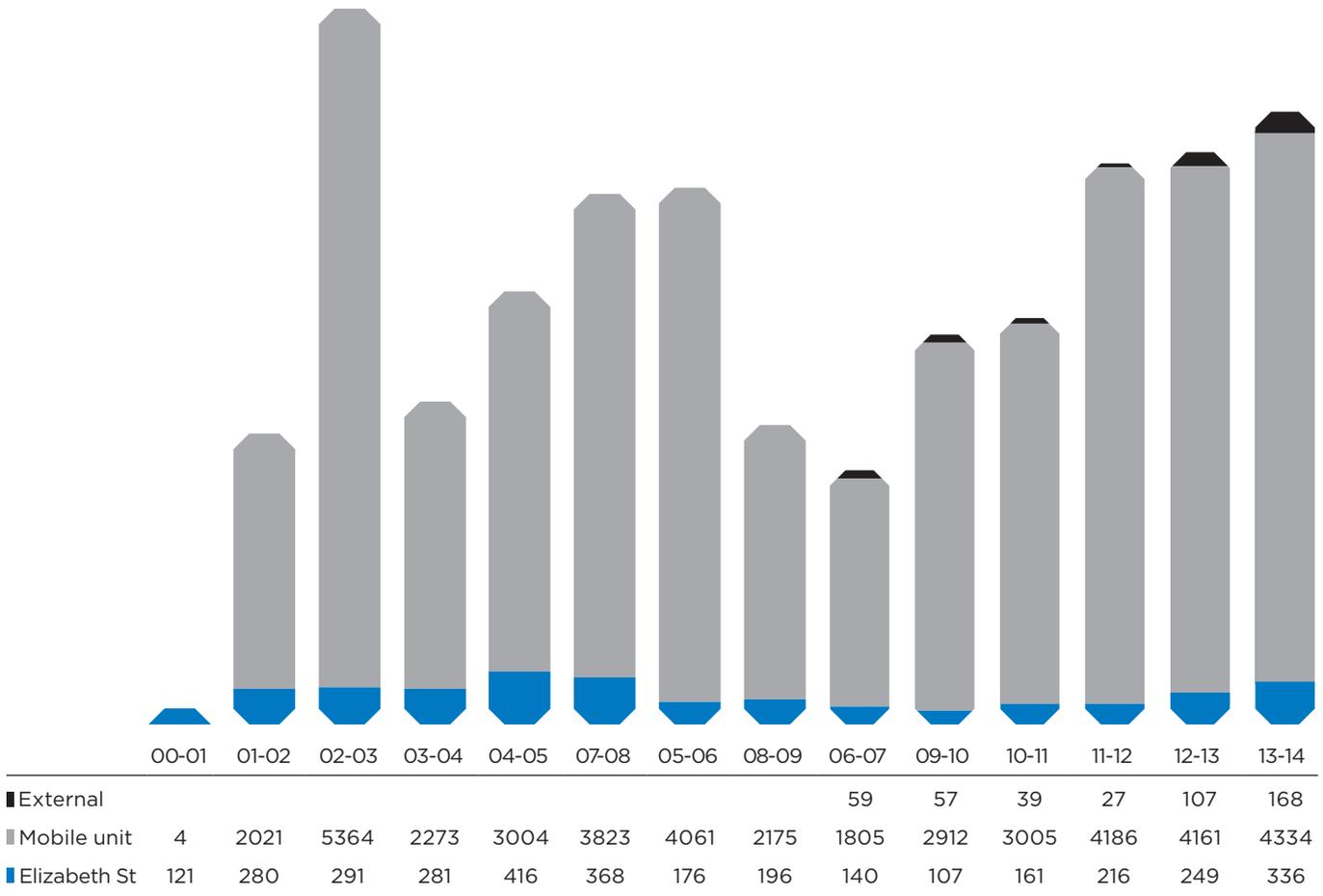
For 14 years the DDB has operated a mobile respiratory health monitoring service to assist NSW employers to meet their statutory obligations and screen workers who are at risk of occupational dust disease. In that time, the DDB has conducted more than 46,992 respiratory health monitoring examinations.

Our mobile unit, the “Lung Bus”, is equipped with a chest x-ray room, a lung function laboratory, a doctor’s consulting room and a customer waiting room. A respiratory screening examination takes about 10 minutes and the mobile unit can screen up to 50 workers per day.



The “Lung Bus”

HEALTH MONITORING MEDICAL EXAMINATIONS (BY FINANCIAL YEAR)



OUR CUSTOMERS

The DDB provides a health monitoring report to each worker who has been screened. In accordance with the requirements of the *Work Health and Safety Regulation 2011*, the DDB also provides a health monitoring report to the employer. The Regulation requires that a health monitoring report contain specific information, including the name and date of birth of the worker, whether or not the worker has been exposed to a hazardous chemical or contracted a disease, injury or illness as a result of their employment, a recommendation to the employer regarding remedial measures, and whether the worker can continue in their normal employment.

In 2013-14, the DDB conducted 4838 health monitoring examinations. This represents a 6.6 per cent increase on the number of examinations undertaken in the previous financial year.

The subsidised cost to NSW employers has remained at \$100 per worker (plus GST) for a number of years.

Research and education

The DDB research and education unit has five primary functions:

- Performing asbestos fibre counts on samples of lung tissue.
- Administering the DDB Research and Community Grants Scheme.
- Maintaining the research database.
- Responding to requests for scientific information.
- Providing secretariat support to the research and community grants committee.

During the year, the research database was kept up to date with the addition of new cases of dust diseases.

The unit responded to 37 cases for scientific information, five more requests than received in the previous year. Requests for information were received from a number of sources, including research institutes, industry groups, actuaries, the DDB executive and the Medical Authority, and involved detailed analysis of DDB data, including investigations into various industrial and occupational dust exposures, and medical literature searches into dust diseases.

Research and Community Grants Scheme

The DDB is committed to improving services and access for workers who have contracted dust diseases. Our Research and Community Grants Scheme has been developed to deliver a range of positive outcomes for these workers. The DDB awards funding for research programs in six key areas:

- Innovative approaches to preventing occupational lung diseases.
- Developing/evaluating new treatments and services to improve quality of life for workers suffering from dust diseases.
- Developing/evaluating new treatments and service to improve quality of life for workers suffering from dust diseases.
- Improving techniques for screening and diagnosing of dust diseases when assessing disability.
- Evaluating existing treatments and services for dust diseases.
- Researching epidemiology of dust diseases including data mining of DDB data sets.

As at 30 June 2014, the unit was monitoring five ongoing research grants, with one completed. Further information about the research projects funded by the DDB in 2013-14 can be found under Appendix 10.

It is envisioned that the research funded by the DDB will be a significant step towards developing early detection methods, improved treatments and, ultimately, better outcomes for all sufferers of dust diseases.

The DDB also funds a Medical Practitioner Occupational Dust Diseases Scholarship designed to assist medical practitioners to further their knowledge and experience in the prevention, diagnosis and treatment of occupational dust disease. The scholarships are for a maximum of \$6000 to meet the costs of travel, accommodation and living expenses associated with attending the DDB in Sydney for one week.

The DDB did not advertise a new funding round for research grants in 2013-14, but will be issuing requests for research grants in 2014-15. The DDB will also be advertising a further two Medical Practitioner Dust Diseases Scholarships in 2014-15.

Our customer service charter

In May 2013, SRWS introduced a new customer service charter. It sets out how SRWS agencies, including the DDB, will make sure that our customers receive a high level of service.

What you can expect from us

- We will identify ourselves when dealing with you.
- We will listen to you and be responsive.
- We will treat you fairly, courteously and consistently.
- Our information and advice will be:
 - accessible
 - accurate
 - consistent
 - timely.

- We will provide open, flexible communication options that take into account our diverse customer groups.
- We will respect your privacy and ensure that personal data remains confidential.
- Our actions will be completed within agreed timeframes.
- We will follow through on commitments we make.
- Our services will generally be free of charge and, where costs are involved, we will inform you in advance.
- We will apologise when we get it wrong.
- We will value and encourage your feedback.
- We will have a policy and procedure for managing complaints and feedback, and it will be accessible to you.
- We will avoid any contact that is unlawful or discriminatory.
- In accordance with legislative provision and NSW policies, we will take all necessary steps to provide information and services that are accessible.
- We will use feedback to continuously review and improve our services.

Complaints and appeals

The DDB is committed to providing a courteous, timely and professional service to every customer. We believe that all members of the public have the right to expect courtesy, professionalism and promptness in their dealings with us. All members of the public have a right to make a complaint or offer feedback on how we can improve our service standards. All complaints are managed in a way that is consistent

with the principles of natural justice. All complaints are assessed in terms of their type and seriousness before any action is taken.

The DDB has a comprehensive complaints handling policy and guidelines for the resolution of complaints. In 2013-14, the DDB, in collaboration with other SRWS agencies, developed a new customer feedback policy that will be rolled out in the early months of 2014-15. The policy will introduce a three level model of complaint handling that will bring all SRSW agencies in line with the NSW Ombudsman guidance and the Australian Standard for complaint handling.

The complaints framework will provide support for DDB staff, and will enable:

- consistent handling of complaints across the organisation
- formal recognition of the complaints that staff handle on a daily basis
- tracking complaint trends to inform the business how to improve processes.

While a number of minor customer service issues were resolved at the first point of contact, the DDB did not receive any formal serious complaints.

A person affected by a decision of the Board or the Medical Authority in relation to a claim for compensation under the *Workers' Compensation (Dust Diseases) Act 1942* may appeal against the decision to the District Court of NSW. The DDB received five District Court appeals in 2013-14.

Stakeholder involvement

During 2013-14, the DDB sponsored National Asbestos Awareness Week hosted by the Asbestos Diseases Foundation of Australia.

On 1 November 2013, DDB staff participated in the "lighting of the sails" candlelight tribute at Circular Quay, demonstrating our commitment and support to our clients.

The DDB General Manager is also a member of the following inter-departmental committees:

- Heads of Asbestos Co-ordinating Authorities
- Asbestos co-regulators working group
- Australian mesothelioma register steering committee.

NSW Government red tape reduction policy

The NSW Government is committed to reducing regulatory costs for business and the community by 20 per cent by 30 June 2015, which has been estimated as requiring reductions in regulatory burden of \$750 million in annual terms by June 2015. The target took effect on 1 September 2011.

The target is a measure of savings from implemented and announced red tape reduction initiatives. Both regulatory and non-regulatory (administrative) reforms will be counted towards the target.

In 2013-14, the DDB increased the number of invoices paid by electronic funds transfer (EFT). The DDB receives approximately 16,000 invoices each year from a range of vendors, including small businesses and sole traders. The increase in EFT payments for properly rendered invoices has allowed the DDB to reduce the administrative timeframe for processing invoices

OUR CUSTOMERS

by approximately seven working days. This initiative also assists the DDB in complying with NSW Government policy to pay small businesses within 30 days of receipt of a correctly rendered invoice.

In 2014-15, the DDB will be implementing its new case management system. The system will contribute to a reduction in red tape enabling the public to interact with the DDB via a web portal. This will lead to reduced response times and also make our services more accessible to people requiring our assistance. The web portal will enable our customers to lodge applications and contact our staff electronically, while vendors will be able to submit and track payment of their invoices electronically. This not only assists the users of our services but automating much of these functions will free up the time our staff to focus on the delivery of client services and needs.

CASE STUDY 1

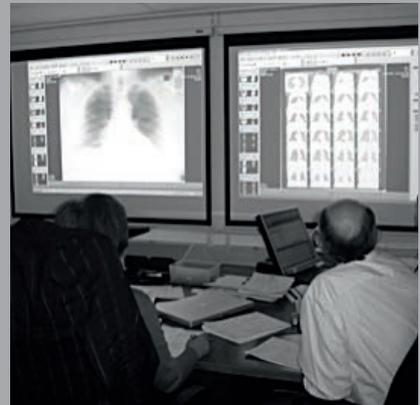
In December 2012, the DDB proudly awarded the first Medical Practitioner Occupational Dust Disease Scholarships to Dr June Sim and Dr Neil Ozanne, both from Perth, Western Australia. The scholarships are open to doctors across Australia and have been designed to assist medical practitioners further their knowledge and experience of prevention, diagnosis and treatment of occupational dust diseases. Each scholarship is worth up to \$6000 to pay for travel and accommodation expenses associated with attending the DDB in Sydney for one week.

The doctors undertook their scholarship activities at the DDB in September and November 2013 respectively. The activity program included:

- an overview of respiratory medical examinations
- a day spent on the "Lung Bus" to observe the DDB health monitoring service for employers
- attendance at a meeting of the Medical Authority as an observer

- briefings with senior staff to discuss the role and responsibilities of the DDB
- a tour of the Asbestos Diseases Research Institute and discussions with researchers currently working on projects into asbestos related diseases.

The feedback received from both participants regarding the program was positive. During the meeting chest x-rays and CT scans were projected onto large screens and members of the Medical Authority provided an overview of their decision making procedures, while answering questions from both doctors.



OUR PEOPLE



OUR PEOPLE

As part of SRWS, DDB participated in ongoing actions and initiatives aligned with the GROWing Our Culture Framework (GROW), which is designed to support sustainable cultural change and improved capability across SRWS through the creation of a constructive, empowered, productive and safe workplace. GROW includes seven key focus areas: wellness, safety, achievement, capability, leadership, customer experience and innovation. The major GROW activities for 2013-14 included:

- Implementation of the leadership development strategy designed to build both leadership and management capability. The program includes strategic leadership forums, development centres, an executive development program, continuous leadership development points scheme, SRWS management practices training (mandatory for all managers), and targeted leadership training programs.
- Implementation of the Public Service Commission Performance Management Framework and introducing a single online performance management system across all SRWS agencies. This is supported by ongoing coaching and advice to managers about having authentic performance discussions and understanding how progress and performance is measured to enable a constructive and productive workplace. At 30 June 2014, 95 per cent of eligible SRWS employees had agreed performance objectives in place.
- Completion of four new mandatory training programs related to compliance and health, safety and wellbeing, with 97 per cent of DDB employees completing assessments for all four modules.
- 165 core voluntary training programs aligned to the Public

Sector Capability Framework offered to DDB staff. Satisfaction was rated at 96 per cent, with 97 per cent of employees indicating they would apply what they had learnt in the workplace.

- Development and implementation of the Wellness Program to provide staff with education, skills and experiences aligned to physical, social, emotional and financial wellness. The Early Detection Program resulted in a number of staff reporting successful early detection of chronic illness and health conditions. These initiatives complement the range of support services already available to employees.
- Creation of a single SRWS intranet platform, with improved visibility, clarity and access to SRWS policies, corporate systems and information, employee communications and shared services resources.
- Enhancements to the rigour and transparency of recruitment and selection processes, with a focus on building the capability of hiring managers and employing the best person for a role.
- Development of a recruitment strategy, to improve access to employment for diversity groups.
- Early intervention and support for SRWS employees, who have concerns in the workplace with working relationships and personal issues.

Work health and safety performance and employee wellbeing

DDB's performance in the area of work health safety and employee wellbeing continued to focus on early intervention approaches. There is an overarching SRWS Health and Safety Committee providing strategic direction on

matters of health and safety. DDB has one workgroup represented by two Health and Safety Representatives, consistent with the work health and safety legislation. There has been an ongoing focus on continuous improvement across the SRWS health and safety management system, including the adoption of revised health and safety policies and procedures across all SRWS agencies.

In 2013-14, there were no workers compensation claims lodged by DDB staff, a decrease in the number of claims for the previous two years (one in 2012-13 and one in 2011-12). DDB continues to support staff through non-work related illness and injury concerns, and there is a continued focus on early intervention, pro-active case management, timely return to work strategies and wellbeing strategies in the workplace.

Rewards and recognition

SRWS holds an annual Employee Awards Program to recognise individuals and teams delivering services to the NSW community that are meeting the goals in the corporate plan to reward employees who display the values of integrity, trust, service and accountability. In 2013-14, there were eight DDB staff members and one DDB team who were nominated for awards, with one staff among the finalists for pursuit of excellence. Rewards are given for: customer experience, values in action, pursuit of excellence, outstanding achievement by a team or individual, commitment to wellness and safety, leadership excellence and the CEO commendation.

Workforce diversity and inclusion

DDB is committed to building a workplace culture that values and understands the benefits of a diverse workforce, reflective of the wider community. In 2013-14, a 'diversity and inclusion' intranet page was published with a diversity events calendar and the Diversity Council of Australia provided the keynote address at the Annual SRWS Employee Awards.

Disability

DDB is committed to reducing barriers for people with disabilities to access services and, facilities, obtain and maintain employment, and engage, work and participate with our organisation. In 2013-14, SRWS:

- attended events and discussion on disability issues and employment, and sponsored a university student with six weeks paid work experience. SRWS is a gold-level member of the Australian Network on Disability (AND)
- developed pre-screening questions in recruitment advertisements, to ensure necessary adjustments were identified and offered for all workers as required
- conducted a pilot program on disability confidence for people leaders
- implemented targeted recruitment.

Indigenous employees

In 2013-14, SRWS:

- participated in NAIDOC Week celebrations
- sponsored an indigenous student through the University of Newcastle's IBIS Scholarship Program.

Employees from a multicultural background

In 2013-14, SRWS:

- participated in Harmony Day events
- encouraged applicants from diverse cultural backgrounds in all SRWS job advertisements and provided multicultural awareness information in induction packs
- included information on diversity in leadership, recruitment and development programs.

Women

In 2013-14, SRWS:

- had representation at the United Nations Women's breakfast
- sponsored women across all SRWS agencies to attend the Australian Women in Leadership Conference, the Committee for Economic Development of Australia (CEDA) Women in Leadership Conference, the Drive Your Career Program and the Public Sector Women in Leadership NSW Summit.

Young workers

In 2013-14, SRWS:

- continued the Scholarship Scheme with the Universities of NSW, Newcastle and Western Sydney which included work experience for students.

FAST FACTS

SRWS was recognised for best practice approaches to health, safety and injury management and rewarded as finalists for the TMF Risk Management Awards for Leadership Excellence and two employees were finalists in the Individual Achievement in Return to Work.

There was a continued focus on early intervention, effective case management and increasing manager capability facilitating recovery-at-work resulting in an annual lost time injury frequency rate (LTIFR) of zero significantly below the (4.8) public sector average*. There was also a 15 per cent reduction in the cost of deposit premiums for the next financial year.

84 per cent of people leaders across SRWS completed one or more modules of the SRWS Leadership Development Program.

* Published by Safework Australia Sept 2014 for the 2011-12 lodgement period

OUR PEOPLE

MANDATORY TRAINING AND PERFORMANCE MANAGEMENT PROGRAMS

Item	Target	Completion rates
Mandatory training		
Code of conduct and ethics	95%	97%
Public interest disclosures and reporting corrupt conduct	95%	97%
Safety in our workplaces	95%	100%
Hazardous manual tasks	95%	100%
Performance management		
Employees with performance objectives in place	95%	100%

Employees in DDB met all targets for the completion of mandatory training and having a performance management agreement in place as outlined above.

Workforce diversity and inclusion - 2014-15 financial year

The DDB is committed to building a workplace culture which values and understands the benefits of a diverse workforce, reflective of the wider community.

In 2014-15, DDB will participate in a number of activities across all diversity groups as well as young workers, including:

- targeted recruitment and support for managers to remove unconscious bias
- targeted learning and development programs
- targeted events and celebrations such as NAIDOC, Harmony Day and International Women's Day

- sponsorship programs
- enhancements to recruitment advertising to encourage applications from people from all diverse backgrounds
- embedding diversity into induction, as well as leadership and recruitment learning and development programs.

Workforce diversity statistics

Prior to June 2014, diversity statistics for the DDB were an estimate for the whole of the organisation based on the results for those who provided diversity information. For example, if 50 per cent of the workforce provided diversity information, the result would be doubled to estimate the results if all employees had responded.

From June 2014, this method for determining diversity group statistics will continue if an organisation has at least 65 per cent of employees providing diversity information. If the response rate is below this, the Public Service Commission will only report actual results as a ratio of the organisation's total number of 'non-casual' employees.

As DDB's response rate was below 65 per cent (38.1 per cent), actual results have been reported for 2014. As a result, diversity data from 2012 and 2013 has been adjusted to also reflect actual results where results previously reported were based on the ratio of actual respondents only.

Although providing diversity information is not mandatory, DDB is continuing to encourage our employees to provide this data.

TRENDS IN THE REPRESENTATION OF WORKFORCE DIVERSITY GROUPS*

Workforce diversity group	Benchmark/Target	2012	2013	2014
Women	50%	62.8%	61.0%	64.3%
Aboriginal People and Torres Strait Islanders	2.6%	2.3%	2.4%	2.4%
People whose first language spoken as a child was not English	19.0%	2.3%	2.4%	4.8%
People with a disability	N/A	2.3%	2.4%	2.4%
People with a disability requiring work-related adjustment	1.5%	0.0%	0.0%	0.0%

* Based on a response rate 38.1%

TRENDS IN THE DISTRIBUTION OF WORKFORCE DIVERSITY GROUPS

Not reported by Public Service Commission as Workforce Diversity group or non-Workforce Diversity group numbers are less than 20.

Multicultural Policies and Services Program

The DDB recognises and supports multiculturalism in NSW. We are committed to supporting our multicultural society by ensuring that all our services are easily accessible to people from diverse linguistic, religious and cultural backgrounds. The DDB aims to support the NSW Government's principles of multiculturalism by integrating a multicultural focus into our business plan and corporate objectives.

The DDB has continued to embrace and support multiculturalism in the development and introduction of

services across our organisation and the community. With a focus on improving our services, we have continued to raise awareness by embedding diversity through our leadership, recruitment and development programs.

Initiatives undertaken during 2013-14 included:

- launching a diversity and inclusion intranet page, along with a diversity events calendar
- raising multicultural awareness in recruitment and induction packs
- celebrating Harmony Day 21 March 2014, with employees

participating in 'a taste of harmony' (sharing cultural food) or wearing orange in support for Australia's diverse community.

Collaborating with others, we also:

- engaged the Diversity Council of Australia to provide keynote address for the 2013-14 Annual SRWS Employee Awards
- participated in the Office of Finance and Services (OFS) working group contributing to the development of the OFS Diversity and Inclusion Strategy.

An SRWS Multicultural Plan is currently under development.

KEY PERFORMANCE INDICATORS

Key result area	Key performance indicator	Target	2013-14 results
<ul style="list-style-type: none"> • Organisation capability to deliver our services 	Lost time injury frequency rate not to exceed public sector average	100%	100% (due to no reported lost time injuries in reporting period)
<ul style="list-style-type: none"> • Effective performance management 	All staff have a development plan	100%	95%
<ul style="list-style-type: none"> • A safe, supportive and productive workplace 			

CASE STUDY 2

Clinton Jarman was a finalist in the SRWS 2013-14 Annual Employee Awards for the pursuit of excellence category. Candidates in this category had to demonstrate that they:

- consistently exceeded targets and performed at levels beyond the requirements of their role
- questioned the status quo and actively sought solutions in a well informed and engaging manner.

Specifically, Clinton was nominated

in relation to his responsibilities for testing lung function for clients at the DDB, and for developing a client pre-testing checklist to mitigate risks associated with testing, and proactively ensuring that testing at the DDB conforms to best practice within the broader discipline of pulmonary function testing.

Clinton was surprised and humbled to receive a nomination and said "dealing with clients on a daily basis, who are often anxious and stressed at the prospect of being diagnosed with having a dust disease following their many years of dust exposure,

gives me an enormous amount of strength and motivation which I use to provide an individualised, empathetic and supportive environment". Clinton also said "it is a rewarding experience to be able to provide some comfort to these workers whilst obtaining objective lung function results to determine their level of impairment and at the same time hearing their diverse life and work stories."

Congratulations to Clinton and a number of other DDB staff who received a nomination for their valuable service.

OUR PEOPLE

Employee relations

During the year, the General Manager held meetings with staff on a regular basis to bring them up to date on strategies, achievements, events and to share ideas and thoughts. The General Manager also meets monthly with the executive and management teams.

The DDB participated in the SRWS Joint Consultative Committee, which provides a forum for employees and management to discuss any organisation change,

policy issues, and/or industrial issues affecting employees of SRWS in part or as a whole, and allows for the exchange of views and the opportunity for parties to influence decisions before they are made.

Consultation meetings with union representatives and managers of the DDB were also held as required to discuss issues of relevance only to the DDB.

Throughout 2013-14, the DDB Health and Safety Representative consulted with staff on a range of

SRWS WHS policies and initiatives, including:

- workplace grievance and dispute resolution policy
- bullying, harassment and discrimination policy
- first aid policy
- employee support services information sheet
- safe driving policy and vehicle ergonomics procedures.

HUMAN RESOURCES STATISTICS

	2013-14		2012-13		2011-12		2010-11		2009-10	
	SRWS ⁴	DDB	SRWSD ³	DDB	CASD	DDB	CASD	DDB ²	CASD ¹	DDB
Administration and clerical	920	32	965	31	1046	33	1061	41	1094	40
Associates/Ministerial	-	-	0	-	-	-	-	-	-	-
Cadets	-	-	0	-	-	-	8	-	17	-
Departmental professional officers	25	9	29	9	32	9	34	9	32	9
Engineers	10	-	13	0	11	-	12	-	12	-
General division	-	-	0	-	-	-	-	-	-	-
Graduates	-	-	0	-	-	-	-	-	15	-
Legal officers	24	-	42	0	37	-	38	-	37	-
Safety inspectors	290	-	281	0	280	-	293	-	310	-
Senior management (Senior Executive Service)	34	-	33	0	11	-	13	-	15	-
Senior officers	29	1	37	1	56	1	55	1	59	1
Technical officers	7	-	10	0	7	-	8	-	11	-
Trainees	-	-	0	-	-	-	-	-	-	-
Statutory and other officers including arbitrators	1	-	23	0	24	-	24	-	5	-
Total	1340	42	1433	41	1504	43	1546	51	1607	50

Note: The HR Statistics quoted for 2013-14 are headcount figures as at 19 June 2014 (being the census date for the PSC Annual Workforce profile data-collection)

1. From 1 July 2009, employees from WorkCover NSW (WCA), the Building and Construction Industry Long Service Payments Corporation (LSPC), the Dust Diseases Board (DDB), the Sporting Injuries Committee (SIC), the Motor Accidents Authority (MAA), the Lifetime Care and Support Authority (LTCSA) and the Workers Compensation Commission (WCC) have become employees of the Compensation Authorities Staff Division (CASD)
2. DDB headcount is as at 22 July 2010, due to DDB not being on the WorkCover NSW HR System until July 2010
3. Compensation Authorities Staff Division (CASD) retitled to Safety Return to Work and Support Division (SRWSD) in August 2012.
4. From 24 February 2014, the Safety Return to Work and Support Division was retitled to Safety Return to Work and Support (SRWS). SRWS figures for 2013-14 include DDB, LTCSA, MAA and WCA

Corporate governance

Risk management

The DDB has an integrated whole-of-SRWS risk management strategy that incorporates the SRWS Enterprise Risk Management (ERM) Framework. The ERM Framework is consistent with AS/NZS standards (31000) and the NSW Treasury *Internal Audit and Risk Management Policy for the NSW Public Sector (TPPO9-05)*. Further, the framework is appropriate for the Workers' Compensation (Dust Diseases) Board as it reflects how the Board's responsibilities across SRWS resides with the Safety, Return to Work and Support Board and the Workers' Compensation (Dust Diseases) Board, following the formation of SRWS under the *Safety, Return to Work and Support Board Act 2012* in August 2012.

During 2013-14, the DDB approved the:

- Risk Management Policy, which provides the mandate and commitment for implementing the risk strategy across the Workers' Compensation (Dust Diseases) Board; and for aligning the roles and responsibilities of all staff in respect of addressing risk.
- Risk Appetite Statement, which provides staff at all levels of the DDB business operations with a clear understanding of the risks limits that apply to various categories of risk.

SRWS continued with the program of strategic risk reviews and operational risk reviews at the agency and division levels. The information obtained through applying the risk strategy is used to inform corporate and business planning, governance and assurance activities. In addition, there are a suite of tools available to staff and an ongoing program of work will continue to enhance the risk maturity across SRWS.

Internal Audit Unit

The SRWS Internal Audit Unit (IAU) is an independent review function that manages, through an outsourced service provider, an annual plan of risk-based audits across all the SRWS agencies, including DDB. In 2013-14, there were 13 reviews completed across SRWS that affected the DDB. These reviews raised 39 audit issues and made 55 audit recommendations to strengthen the organisation's internal controls.

The following internal audit reports were finalised in 2013-14:

- SRWS Shared Service Delivery*
- SRWS Project Management*
- SRWS Board and Treasury Reporting
- SRWS Payroll
- SRWS Fleet Management
- SRWS IT Security
- SRWS Litigation Branch
- SRWS Organisational and Staff Development
- SRWS Purchasing and Credit Card Compliance
- DDB Case Management System (interim and final reports)*
- DDB Compensation Entitlements Payments
- Investment Division Performance Reporting to Management and Stakeholders*
- Investment Division Investment Management.

* Internal audit reviews from 2012-13 audit plan completed during the 2013-14 year

The following internal audits were in progress as at 30 June 2014:

- SRWS complaints management process.

The IAU also undertakes a range of fraud and corruption prevention activities. In 2013-14, a SRWS wide fraud health check survey was undertaken. IAU staff act as public interest disclosure officers to whom staff can report allegations of corrupt conduct within the *Public Interest Disclosure Act 1994*. IAU also manages investigations into alleged corrupt conduct liaising, where appropriate, with the Independent Commission Against Corruption (ICAC).

The Director of Corporate Governance acts as the Chief Audit Executive and reports directly to the SRWS audit and risk committee for strategic direction and accountability purposes, and reports administratively to the Chief Executive Officer to facilitate day to day operations.

Public interest disclosures (PIDs)

The DDB has an internal reporting policy that was updated and re-issued by the Chief Executive Officer to all DDB staff in September 2013.

Department heads make staff aware of their rights and responsibilities under the *Public Interest Disclosure Act 1994*. Induction training, intranet communications, posters, fact sheets, and staff meetings were completed in 2013-14.

OUR PEOPLE

STATISTICAL INFORMATION ON PUBLIC INTEREST DISCLOSURES (PIDS)

	Made by public officials performing their day to day functions	Under a statutory or other legal obligation	All other PIDs
Number of public officials who made PIDs directly	0	0	0
Number of PIDs received	0	0	0
Of PIDs received, number primarily about:			
Corrupt conduct	0	0	0
Maladministration	0	0	0
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0
Number of PIDs finalised	0		

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 initiatives:

- recycling confidential waste paper via a reputable service provider
- recycling used toner cartridges in an environmentally friendly manner
- using of carbon neutral paper
- making policies, procedures, guidelines and the corporate plan available electronically on the DDB intranet
- pay advices are transmitted to employees electronically via email
- providing application forms, brochures and annual reports available on the DDB website for members of the public to download
- using of email to distribute minutes of meetings, staff newsletters and other reports

- switching office lights off when not in use.

The DDB is constantly seeking ways to further reduce wastage and improve purchasing power in compliance with the NSW Government Waste Reduction and Purchasing Policy (WRAPP).

Information services

SRWS Information Services is responsible for the support and maintenance of existing infrastructure and applications within the SRWS technology stack. It is also tasked with planning and implementing the SRWS Information and Communications Technology (ICT) Strategic Plan which sets the direction for use of technology by SRWS between 2013 and 2018. The ICT strategy benefits include consolidation, standardisation, improved connectivity, reliability and availability of business systems and business continuity, value-driven sourcing and overall alignment with the NSW Government direction for information technology.

Information Services works across SRWS to ensure IT planning across all modes of health and safety are fully integrated. This allows the operational agencies to focus solely on delivering quality service to customers and not on duplicating their efforts in IT planning and purchasing. The strategy enables SRWS to operate as a coordinated set of brands with each brand maintaining some autonomy while utilising cross-agency synergy in information, services and infrastructure.

Delivery of the ICT Strategic Plan

The ICT strategy delivers the objectives of the enterprise architecture and establishes a platform for the future that is responsive to changing business demands. It also balances the functionality, maintainability and cost effectiveness of the ICT infrastructure. The ICT strategy provides SRWS the capability to be an organisation that ensures that SRWS uses information to achieve its outcomes, enabling the progression from data in its raw form to information that has reached its full potential.

New case management system

The DDB continued work on the implementation of a new case management system to cover all aspects of customer and case management. The system will deliver a number of benefits including:

- enhanced focus on delivery of client services
- reduced client application processing times
- improved accuracy of compensation payment calculations
- improved audit reporting and data security
- enhanced monitoring of compliance issues
- reduced application maintenance and support costs
- improved reporting and actuarial forecasting
- improved organisational efficiency as a result of improved forecasting
- greater clarity of workflow and processes
- improved status monitoring of individual clients, applications and providers.

The new case management system will also provide enhanced customer services and reduced red tape through:

- enabling our vendors to access online invoicing
- enabling our Medical Authority and board members to log in remotely to their files
- allowing doctors to remotely upload medical appointment outcomes

- assisting the management of detailed health care plans for each client
- streamlining the work required to manage screening appointments and the mobile respiratory health monitoring service.

It is anticipated that the system will be fully operation in the first half of 2015.

FAST FACTS

Desktop, Collaboration, Incident Management and Support

In 2013-14, the SRWS support desk managed 20,000 faults and 13,500 service requests. There were 18,229 telephone calls received, with a first-call resolution of 70 per cent and a customer satisfaction rate of 94 per cent. Over 350 hardware installations were completed, with over 300 hardware relocations and over 1000 software installations.

INTERNAL AUDIT AND RISK MANAGEMENT STATEMENT

Internal Audit and Risk Management Statement for the 2013-2014 Financial Year for the Workers' Compensation (Dust Diseases) Board

I, Julie Newman, Chair of the Workers' Compensation (Dust Diseases) Board, am of the opinion that the Workers' Compensation (Dust Diseases) Board has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Julie Newman, Chair of the Workers' Compensation (Dust Diseases) Board, am of the opinion that the internal audit and risk management processes for Workers' Compensation (Dust Diseases) Board depart from the following core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Portfolio Minister and (b) the Workers' Compensation (Dust Diseases) Board is implementing the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
<p>Core Requirement 3: The Audit and Risk Committee has an independent chair and a majority of independent members. The Audit and Risk Committee has at least three members, and no more than five members.</p> <p>3.3.2 The department head or governing board of the statutory body must select all independent chairs and members of the Audit and Risk Committee from the panel of pre-qualified individuals maintained by the Department of Finance and Services through the <i>Pre-qualification Scheme: Audit and Risk Committee Independent Chairs and Members</i>. The panel of pre-qualified individuals, and the scheme conditions, are available at the NSW Procurement website.</p>	<ul style="list-style-type: none"> • One of the members was not prequalified at the time of appointment and it was a condition of appointment to become prequalified. • The Member has now completed an application form and this is being processed.

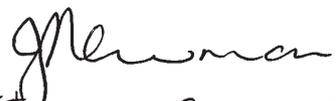
I, Julie Newman, Chair of the Workers' Compensation (Dust Diseases) Board, am of the opinion that the Safety, Return to Work and Support Audit and Risk Committee for the Workers' Compensation (Dust Diseases) Board is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Independent Chair, Raymond Whitten, 31 October 2012, 30 October 2016
- Independent Member, Raymond Petty, 31 October 2012, 30 October 2015
- Independent Member, Elizabeth Carr, 31 October 2012, 30 October 2016
- Independent Member, Mark Lennon, 31 October 2012, 30 October 2016

These processes, including the practicable alternative measures being implemented, provide a level of assurance that will enable the senior management of the Workers' Compensation (Dust Diseases) Board to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with exceptions with the policy to the Treasury on behalf of the Treasurer.

Julie Newman
Chair



Dated this 21st day of August 2014

DIGITAL INFORMATION SECURITY ATTESTATION STATEMENT

Digital Information Security Annual Attestation Statement for the 2013-4 Financial Year for the Workers' Compensation (Dust Diseases) Board

I, Julie Newman, Chairperson of the Workers' Compensation (Dust Diseases) Board, am of the opinion that the Workers' Compensation (Dust Diseases) Board have implemented an Information Security Management System during the financial year being reported on which is compliant with the Core Requirements set out in the Digital Information Security Policy for the NSW Public Sector.

I, Julie Newman, Chairperson of the Workers' Compensation (Dust Diseases) Board, am of the opinion that the security controls in place, to mitigate identified risks to the digital information and digital information systems of the Workers' Compensation (Dust Diseases) Board are adequate for the foreseeable future.

I, Julie Newman, Chairperson of the Workers' Compensation (Dust Diseases) Board, am of the opinion that all Public Sector Agencies, or part thereof, under the control of the Workers' Compensation (Dust Diseases) Board with a risk profile sufficient to warrant an independent Information Security Management System have developed an Information Security Management System in accordance with Core Requirements of the Digital Information Security Policy for the NSW Public Sector.

I, Julie Newman am of the opinion that, in accordance with the *Digital Information Security Policy for the NSW Public Sector*, certified compliance with *AS/NZS ISO/IEC 27001 Information technology - Security techniques - Information security management systems - Requirements*, is not required by Safety, Return to Work and Support.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Statement by Chair and Board

Pursuant to Section 41C of the *Public Finance and Audit Act 1983* I state that in my opinion:

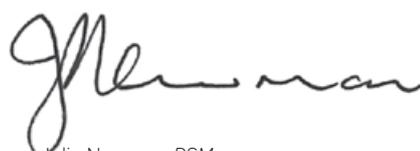
1. the accompanying financial statements exhibit a true and fair view of the financial position of the Workers' Compensation Dust Diseases Board as at 30 June 2014 and transactions for the year then ended; and
2. these statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010*, Australian Accounting Standards and the Treasurer's Directions.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Ray Petty
Board Member
Workers' Compensation Dust Diseases Board

16 September 2014



Julie Newman PSM
Chairperson
Workers' Compensation Dust Diseases Board

16 September 2014

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Actuarial Certificate

WORKERS COMPENSATION DUST DISEASES BOARD of NSW Actuarial Certificate Outstanding Claims Liabilities as at 30 June 2014

Taylor Fry Consulting Actuaries has been engaged by the WorkCover Authority of NSW and the Workers' Compensation Dust Diseases Board of NSW ("the Board") to estimate the outstanding claims liabilities of the Board under the *Workers Compensation (Dust Diseases) Act* as at 30 June 2014.

Data

The valuation of outstanding claims liabilities as at 30 June 2014 is based on data provided to us by the Board. We have not independently verified the data provided to us but have reviewed it for reasonableness and internal consistency. We are of the opinion that it is adequate for the purpose of estimating the claims liabilities.

Basis of our estimates

The outstanding claims liabilities below are central estimates in that they contain no deliberate bias towards either over or under estimation. The estimate is inflated and discounted, and includes an allowance for future expenses associated with paying the claims liabilities. Our valuation has separately considered expected payments for claims which have already been reported ("known claims") and for claims which have not yet been reported but for which the exposure to dust has already occurred and a disease will eventually emerge ("future claims").

Valuation results

Our central estimate of the outstanding claims liability for known and future claims as at 30 June 2014 is **\$2,049.9m**. The breakdown of the result between known and future claims is as follows:

Component	Net central estimate (\$m)
Known claims	852.7
Future claims	1,197.2
Total liability	2,049.9

There is a significant degree of uncertainty associated with estimation of future claim payments. In the case of estimating dust disease claims, this is further exacerbated by the long latency periods, difficulties in obtaining reliable data relating to timing and exposure of potential claimants, and the general lack of knowledge and understanding as to the most appropriate models to use to project future claims.

In our opinion, we have used models and assumptions which are appropriate, and the conclusions presented in this report are reasonable, given the information currently

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Actuarial Certificate

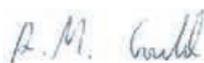
available and based on the current claims environment. To the extent that these trends vary due to changes in the emergence of dust diseases, advancements in medical technology, changes in legislation and so forth, the claims outcomes can be expected to differ, perhaps materially, from our estimates of claims liability.

Report

The valuation of outstanding claims as at 30 June 2014 has been documented in our report dated 4 August 2014. This report contains details on data, methodology, assumptions, results and sensitivities to key assumptions. This report constitutes Actuarial Advice as defined in the Code of Professional Conduct (the Code) issued by the Institute of Actuaries of Australia and our advice complies with the Code in this respect.

Relevant Standards

Our report complies with the Actuaries Institute's Professional Standard PS300 titled *Valuations of General Insurance Claims* dated March 2013. The central estimate of the liabilities documented in our report has been prepared in accordance with the requirements of Accounting Standard AASB137 titled *Provisions, Contingent Liabilities and Contingent Assets*.



Adrian Gould



Sharanjit Paddam

Fellows of the Institute of Actuaries of Australia

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Workers' Compensation (Dust Diseases) Board

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Workers' Compensation (Dust Diseases) Board (the Board), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board'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 statements.

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Independent Auditor's Report

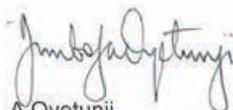
My opinion does *not* provide assurance:

- about the future viability of the Board
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- 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 of New South Wales are not compromised in their roles by the possibility of losing clients or income.



A Oyetunji
Director, Financial Audit Services

17 September 2014
SYDNEY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Statement of Comprehensive Income for the year ended 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
Expenses excluding losses				
Operating expenses				
Personnel services	2(a)	4,006	4,445	3,395
Other operating expenses	2(b)	3,618	3,284	3,075
Depreciation and amortisation	2(c)	302	323	298
Grants and subsidies	2(d)	5,769	6,404	5,718
Finance costs	2(e)	97,200	96,351	103,045
Other expenses	2(f)	368,824	(4,975)	(6,271)
Total expenses excluding losses		479,719	105,832	109,260
Revenue				
Sale of goods and services	3(a)	557	521	544
Investment revenue	3(b)	119,640	52,417	119,633
Retained taxes, fees and fines	3(c)	98,531	101,440	100,825
Other revenue	3(d)	259,920	(48,290)	(110,534)
Total Revenue		478,648	106,088	110,468
Loss on disposal	4	-	-	(44)
Other gains/(losses)	5	160	(256)	(442)
Net result		(911)	-	722
Other comprehensive income		-	-	-
Items that will not be reclassified to net result				
Net increase/(decrease) in property, plant and equipment revaluation surplus		(943)	-	-
Total other comprehensive income		(943)	-	-
Total comprehensive income		(1,854)	-	722

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Statement of Financial Position as at 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000	1 July 2012 \$'000
Assets					
Current assets					
Cash and cash equivalents	6	38,845	58,483	11,934	68,243
Receivables	7	111,643	109,441	106,556	107,044
Financial assets at fair value	8	93,195	227,971	107,414	209,235
Total Current Assets		243,683	395,895	225,904	384,522
Non-current assets					
Receivables	7	1,024,389	543,137	772,249	889,290
Financial assets at fair value	8	793,996	721,074	685,404	401,720
Property, plant and equipment	9				
Land and buildings		4,408	5,330	5,513	5,680
Plant and equipment		527	648	573	671
Total property, plant and equipment		4,935	5,978	6,086	6,351
Intangible assets	10	-	-	-	-
Total non-current assets		1,823,320	1,270,189	1,463,739	1,297,361
Total assets		2,067,003	1,666,084	1,689,643	1,681,883
Liabilities					
Current liabilities					
Payables	12	7,367	4,019	5,538	5,812
Provisions	13	104,484	101,207	106,625	104,479
Total Current Liabilities		111,851	105,226	112,163	110,291
Non-current liabilities					
Provisions	13	1,947,902	1,552,299	1,568,376	1,563,210
Total non-current liabilities		1,947,902	1,552,299	1,568,376	1,563,210
Total liabilities		2,059,753	1,657,525	1,680,539	1,673,501
Net assets		7,250	8,559	9,104	8,382
Equity					
Reserves		1,265	2,208	2,208	2,208
Accumulated funds		5,985	6,351	6,896	6,174
Total equity		7,250	8,559	9,104	8,382

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Statement of Changes in Equity for the year ended 30 June 2014

	Accumulated funds	Asset revaluation surplus	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2013	7,025	2,208	9,233
Changes in accounting policy	(129)	-	(129)
Restated total equity at 1 July 2013	6,896	2,208	9,104
Net result for the year	(911)	-	(911)
Other comprehensive income			
Net (decrease) in property, plant and equipment	-	(943)	(943)
Total other comprehensive income	-	(943)	(943)
Total comprehensive income for the year	(911)	(943)	(1,854)
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2014	5,985	1,265	7,250
Balance at 1 July 2012	6,351	2,208	8,559
Changes in accounting policy	(177)	-	(177)
Restated total equity at 1 July 2012	6,174	2,208	8,382
Net result for the year	722	-	722
Total other comprehensive income	-	-	-
Total comprehensive income for the year	722	-	722
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2013	6,896	2,208	9,104

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Statement of Cash Flows for the year ended 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
Cash flows from operating activities				
Payments				
Personnel services		(3,884)	(4,445)	(3,687)
Grants and subsidies		(5,660)	(6,404)	(5,594)
Other		(90,584)	(99,859)	(91,809)
Total payments		(100,128)	(110,708)	(101,090)
Receipts				
Sale of goods and services		557	521	907
Interest received		121,448	27,512	23,473
Retained taxes, fees and fines		99,709	101,440	102,734
Other		1,602	118,826	1,298
Total receipts		223,316	248,299	128,412
Net cash flows from operating activities	17	123,188	137,591	27,322
Cash flows from investing activities				
Proceeds from sale of plant and equipment		-	-	9
Proceeds from sale of investments		24,200	-	138,000
Purchases of plant and equipment		(94)	(110)	(86)
Purchases of investments		(120,383)	(95,825)	(221,554)
Net cash flows from investing activities		(96,277)	(95,935)	(83,631)
Net increase/(decrease) in cash		26,911	41,656	(56,309)
Opening cash and cash equivalents		11,934	16,827	68,243
Closing cash and cash equivalents	6	38,845	58,483	11,934

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

1. Summary of significant accounting policies

a. Reporting entity

The Workers' Compensation Dust Diseases Board (the Board) is a NSW government entity. The Board is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

These financial statements for the year ended 30 June 2014 have been authorised for issue by the Board on 16 September 2014.

b. Basis of preparation

The Board's financial statements are general purpose financial statements which have been prepared using the accrual basis of accounting and are in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010* and
- the Financial Reporting Directions published in the Financial Reporting Code for General Government Sector Entities or issued by the Treasurer.

Property, plant and equipment and financial assets at 'fair value through profit or loss' are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention unless otherwise stated.

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.

c. Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

d. Finance costs

Finance costs are recognised as expenses in the period in which they are incurred, in accordance with NSW Treasury's mandate to not-for-profit general government sector entities. (Refer to Note 2 (e) and Note 13 for more details)

e. Trust fund

The Board receives and holds, on behalf of beneficiaries, lump sum awards and disbursements made to beneficiaries of deceased workers. The investment of funds is in cash with investment earnings passed through to recipient accounts. As the Board performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Board's own objectives, these funds are not recognised in the financial statements. The Board does not charge any fee for providing this facility. Refer to Note 18 for further information.

f. Insurance

The Board's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

g. Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

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

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

h. Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

i. Levy contributions

The Board's funds are generated from dust diseases levies collected from Nominal, Specialised and Self-insurers, under the *Workers' Compensation (Dust Diseases) Act 1942* (the Act). The levy revenue is recognised when it falls due and receivable by the Board.

ii. Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

iii. Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

iv. Other revenue

Solicitor's production fees revenue is recognised in accordance with AASB 118 *Revenue*.

i. Assets

i. Acquisitions of assets

Assets acquired are initially recognised at cost. 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 requirements of other Australian Accounting Standards.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

ii. Capitalisation thresholds

The capitalisation threshold for property, plant and equipment is \$5,000 and above individually (or forming part of a network costing more than \$5,000) while that for intangible assets is \$100,000 and above (including the direct allocation of personnel service costs).

iii. 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 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 9 and Note 11 for further information regarding fair value.

The Board 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 the Board's building was completed on 2 April 2014 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.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

For other assets valued using other valuation techniques, 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.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

i Assets (continued)

iii. Revaluation of property, plant and equipment (continued)

Revaluation increments are credited directly to revaluation surplus, 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 net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are debited directly to the revaluation surplus.

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 revaluation surplus in respect of that asset is transferred to accumulated funds.

iv. Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

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

The following depreciation rates were used:

Categories	%
Buildings	3
Computer hardware	25
Furniture and fittings	10
Motor vehicles: passenger cars	20
Motor vehicles: mobile respiratory unit	10
Office equipment	20
Science and medical equipment	20

vi. Restoration costs

The estimated cost of dismantling and removing an asset and restoring the office sites is included in the cost of an asset, to the extent it is recognised as a liability.

vii. Maintenance

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.

viii. Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Statement of Comprehensive Income in the periods in which they are incurred.

ix. Intangible assets

The Board recognises intangible assets only if it is probable that future economic benefits will flow to the Board 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 at the date of acquisition.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

i Assets (continued)

ix. Intangible assets (continued)

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

Intangible assets are computer software and recorded at cost less accumulated amortisation and impairments, if any. Amortisation has not been charged against assets that are still at work-in-progress status because they are not ready for utilisation.

The useful lives of intangible assets are assessed to be finite. The Board charges amortisation on intangible assets using the straight-line method over a period of 4 years.

The Board reviews its amortisation rate and method on an annual basis.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Board's intangible assets, the assets are carried at cost less any accumulated amortisation.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

x. Receivables

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 changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

The Outstanding contributions receivable asset represents the future contributions receivable to pay total costs relating to outstanding claims. Reimbursements receivable are recognised as a separate asset when it is virtually certain that the reimbursement will be received if the Board settles the obligation and shall not exceed the amount of the related provision.

The cost of compensation claims and other costs of the Board are recovered from insurers who pass this cost on to employers through a levy included in their workers' compensation insurance premiums in accordance with sections 6(6) and 6(7D) of the *Workers' Compensation (Dust Diseases) Act 1942*. The levies are assessed each year to ensure that the Board has sufficient funding for the coming year. This assessment gives the Board certainty that Outstanding contributions receivable will be recovered through future levies. Accrued levy comprises adjustment for Specialised insurers, if applicable.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

xi. Investments

Investments are initially recognised at fair value. The Board determines the classification of financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Fair value through profit or loss:

The Hour-Glass Investment Facilities are designated at fair value through profit or loss using the second leg of the fair value option i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Board's key management personnel.

The movement in the fair value of the investments incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the statement of financial position date. If the market for a financial asset is not active (and for unlisted securities), the Board establishes fair value by using various valuation techniques. All of the Board's financial assets are at fair value through profit or loss - designated as such upon initial recognition.

The Board seeks to manage exposure to investment risk so that it can generate sufficient returns to meet the scheme's current and future liabilities and mitigate the risk that the assets will be insufficient to meet their liabilities. Designation of investments at fair value through profit or loss is consistent with this risk management strategy as it allows for these investments to be recorded at fair value and for any gains or losses in the movement in their fair value to be recognised in the net result for the year.

xii. Impairment of financial assets

All financial assets, except those measured at fair value through profit or loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Board will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

i Assets (continued)

xii. Impairment of financial assets (continued)

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

xiii. Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire, or if the Board transfers the financial asset:

- where substantially all the risks and rewards have been transferred or
- where the Board has not transferred substantially all the risks and rewards, if the Board has not retained control.

Where the Board has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Board's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

xiv. Other assets

Other assets are recognised on a historic cost basis.

j. Liabilities

i. Payables

These amounts represent liabilities for goods and services provided to the Board and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

ii. Personnel services and other provisions

The Board received personnel services from the Safety, Return to Work and Support Division (SRWSD) up until 23 February 2014. Under the Administrative Arrangements Order 2014 SRWSD was abolished from 23 February 2014 and all staff transferred to the Office of Finance and Services (OFS). From 24 February 2014 OFS has been responsible for providing staff to the Board.

In the Board's financial statements, any on-going obligations related to OFS's staff providing personnel services to the Board are shown as Payable to service entity under the heading of Provisions in the Statement of Financial Position.

a. Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Board has assessed the actuarial advice based on its circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

b. Long service leave and superannuation

The Board's liability for long service leave is recognised in the provision for personnel services and measured as the present value of expected future payments to be made in respect of personnel services received up to the reporting date. Consideration is given to salary levels, long service leave balance, assumed rates of taking leave in service, rates of death, disablement, retirement, and resignation, and rates of salary escalation.

Expected future payments (over twelve months) are discounted using markets yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The calculation is performed by a qualified actuary. The discount rate used is 3.5% (2013: 3.75%).

Superannuation is actuarially assessed prior to each reporting date and is measured at the present value of the estimated future payments. The amount recognised is the net total of the present value of the defined benefit obligation at the reporting date, minus the fair value at that date of any plan assets out of which the obligation is to be settled directly.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

j Liabilities (continued)

ii. Personnel services and other provisions (continued)

The actuarial assessment of superannuation uses the Projected Unit Credit Method and reflects estimated future salary increases and the benefits set out in the terms of the plan. The liabilities are discounted using the market yield rate on government bonds of similar maturity to those obligations. Actuarial assumptions are unbiased and mutually compatible and financial assumptions are based on market experience for the period over which the obligations are to be settled.

c. Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

iii. Restoration provision (building leases)

Restoration provision is recognised for the estimate of future payments for restoration upon the termination of the lease of its office premises in Broken Hill.

iv. Provision for compensation payable

Provision for compensation payable includes actuarially assessed costs of claims made and an actuarially assessed estimate for claims yet to be made.

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

The estimate for claims yet to be made uses 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 actuarial valuation of the Outstanding claims liability consists of current and future costs relating to administering the Act as stated under section 6(2), which specifically include:

- compensation payable
- fees payable to the members of the Board
- cost of personnel services obtained by the Board from Office of Financial Services
- fees payable to the Medical Board
- costs involved in reimbursing workers under section 9A - travel expenses associated with medical examinations
- costs of operation of the District Court relating to appeals under section 8I
- costs of administering the Act and any other money that the Board is required to pay under the Act
- costs relating to medical or related treatment or hospital treatment or occupational rehabilitation service or ambulance service as under section 8.2(d) and reasonable funeral expenses under section 8(2A)
- compensation recoveries under section 8E.

The total actual costs incurred on the above payments net of section 8E recoveries during each year is offset against the provision for compensation payable. The resulting movement in provision is taken to the Statement of Comprehensive Income. Refer to Note 2(f) and Note 3 (d) for more details.

k. Fair value hierarchy

A number of the entity's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets/liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

The entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Refer Note 11 and Note 19(e) for further disclosures regarding fair value measurements of financial and non-financial assets.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

I. Equity and reserves

Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Board's policy on the revaluation of property, plant and equipment as discussed in note 1(i)(iii).

Accumulated funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

m. Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

n. Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

o. Reclassifications in prior period

Compensation recoveries under Section 8E has been reclassified from other expenses to other revenue to better reflect the nature of the transaction that occurred which resulted in an economic inflow of resources to the Board. The amount reclassified was \$1.4M in 2013.

p. Application of new and revised accounting standards

- i. Except for the changes described below, the Board has consistently applied the accounting policies set out at Note 1 to all periods presented in these financial statements.

AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119.

The Office of Finance and Services which provides personnel services to the Board, has adopted the revised AASB 119 'Employee Benefits' with an application date of 1 July 2013.

The superannuation payable to OFS provision in the Board's Statement of Financial position has been restated for prior years. This adjustment reflects a change in value of the superannuation payable to OFS provision as a result of retrospective changes to accounting for defined benefit plans under AASB 119 Employee Benefits (applicable from 1 July 2013) by OFS. The impact of the restatement of prior year superannuation payable to OFS and personnel Service Expense, as well as the impact of the change in accounting standard on current year are summarised below.

Impact on total comprehensive income for the year ended 30 June 2013 as a result of AASB 119

	30 June 2013 previously reported \$'000	Adjustments \$'000	30 June 2013 as restated \$'000
Expenses excluding losses			
Personnel services	3,443	(48)	3,395
Total expenses excluding losses	109,308	(48)	109,260
Net result	674	48	722
Total comprehensive income	674	48	722

Impact on total comprehensive income for the year ended 30 June 2014 as a result of AASB 119

	Adjustments \$'000
Expenses excluding losses	
Personnel Services	(4)
Total expenses excluding losses	(4)
Net result	4
Total comprehensive income	4

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

p Application of new and revised accounting standards (continued)

Impact on assets, liabilities and equity as at 1 July 2012 as a result of AASB 119

	As at 1 July 2012 as previously reported \$'000	Adjustments \$'000	As at 1 July 2012 as restated \$'000
Non-current liabilities			
Provisions	1,563,033	177	1,563,210
Total non-current liabilities	1,563,033	177	1,563,210
Total liabilities	1,673,324	177	1,673,501
Net Assets	8,559	(177)	8,382
Equity			
Accumulated funds	6,351	(177)	6,174
Total equity	8,559	(177)	8,382

Impact on assets, liabilities and equity as at 30 June 2013 as a result of AASB 119

	As at 30 June 2013 as previously reported \$'000	Adjustments \$'000	As at 30 June 2013 as restated \$'000
Non-Current Liabilities			
Provisions	1,568,247	129	1,568,376
Total non-current liabilities	1,568,247	129	1,568,376
Total liabilities	1,680,410	129	1,680,539
Net assets	9,233	(129)	9,104
Equity			
Accumulated funds	7,025	(129)	6,896
Total equity	9,233	(129)	9,104

Impact on assets, liabilities and equity as at 30 June 2014 as a result of AASB 119

	Adjustments \$'000
Non-current liabilities	
Provisions	125
Total non-current liabilities	125
Total liabilities	125
Net assets	(125)
Equity	
Accumulated funds	(125)
Total Equity	(125)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

p Application of new and revised accounting standards (continued)

ii. Application of new and revised Accounting Standards issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective. These new Standards will not have any direct impact on the financial performance or position of the Board:

- AASB 9 *Financial Instruments*
- AASB 1031 *Materiality*
- AASB 1055 *Budgetary Reporting*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9*
- AASB 2012-6 *Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transitional Disclosures*
- AASB 2013-9 *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Parts B and C)*

2. Expenses excluding losses

	2014 \$'000	2013 \$'000
a. Personnel services		
Salaries and wages (including annual leave)	3,251	3,180
Superannuation - defined contribution plans	273	277
Superannuation - defined benefit plans (including actuarial (gains)/losses)	(28)	(318)
Long service leave	265	77
Workers' compensation insurance	26	22
Payroll tax and fringe benefits tax	156	157
Agency short-term staff	63	-
	4,006	3,395
b. Other operating expenses		
Administration and office expenses		
Auditor's remuneration - audit of the financial statements	84	47
Auditor's remuneration - internal audit and reviews	38	40
Bad debts	4	4
Board members' fees and allowances	90	80
Buildings maintenance, repairs and management	153	132
Consultants - actuarial	242	117
Consultants - other	107	88
Contractors	284	163
Insurance	28	25
Investment management fees	764	119
Legal fees	37	260
Operating lease: minimum lease payments	18	19
Service partnership agreement fees	1,008	1,104
Other	761	877
	3,618	3,075

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

2. Expenses excluding losses (continued)

	2014 \$'000	2013 \$'000
c. Depreciation and amortisation		
Depreciation		
Buildings	162	167
Computer hardware	-	3
Motor vehicles	66	66
Office equipment	-	10
Science and medical equipment	74	52
	302	298
Amortisation		
Computer software	-	-
	302	298
d. Grants and subsidies		
Dust Diseases Tribunal funding	5,356	4,821
Research projects and provision of advice	413	711
Other research funding	-	186
	5,769	5,718
e. Finance costs		
Unwinding of discount rate	97,200	103,045
Finance costs relate to movement in the carrying amount of the outstanding liability that reflects the passage of time associated with the use of discount rate determining the value of the outstanding claims liability (Refer Note 13).		
f. Other expenses		
i. Compensation payments made during the year		
• Compensation to workers	17,867	19,280
• Compensation to dependants	33,738	32,732
• Lump sum awards to dependants	26,988	25,084
• Healthcare services and funeral benefits	9,082	10,862
	87,675	87,958
ii. Medical examination of workers		
• Medical fees and other related supplies	1,116	1,178
• Workers travelling expenses	26	28
	1,142	1,206
iii. Movement in provision for compensation excluding finance cost (Refer note 13)		
• Movement in provision for compensation - known claims	109,590	(29,830)
• Movement in provision for compensation - estimated future claims	170,417	(65,605)
Total net movement during the year excluding finance cost	280,007	(95,435)
Total other expenses	368,824	(6,271)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

3. Revenue

	2014 \$'000	2013 \$'000
a. Sale of goods and services		
Rendering of services - Occupational respiratory health assessment	557	544
Total sale of goods and services	557	544
b. Investment revenue		
Interest revenue from financial assets not at fair value through profit or loss	295	189
TCorp Hour-Glass investment facilities designated at fair value through profit or loss	49,021	42,651
TCorp Fixed Interest discrete portfolio	6,605	(6,212)
Other financial assets designated at fair value through profit or loss	63,719	83,005
Total investment revenue	119,640	119,633
c. Retained taxes, fees and fines		
Levy contributions		
Self-insurer - NSW Self Insurance Corporation	8,944	8,674
Specialised insurer and other self insurers	11,505	14,181
Workers Compensation Nominal Insurer	78,082	77,970
Total levy contributions	98,531	100,825
Total retained taxes, fees and fines	98,531	100,825
d. Other revenue		
Compensation recoveries under Section 8E	2,323	1,446
Movement in outstanding contributions	257,567	(112,023)
Solicitors' production fees	30	43
Total other revenue	259,920	(110,534)
4. Loss on disposal		
Loss on disposal of property, plant and equipment	-	(44)
5. Other gains/(losses)		
Decrease/(Increase) of allowance for impairment of receivables	160	(442)
6. Current assets - cash and cash equivalents		
Cash at bank and on hand	11,860	2,882
Short-term deposits:		
TCorp Hour-Glass investment - Cash facility	7,878	9,052
Cash facility - other	19,107	-
	38,845	11,934

For the purposes of the Statement of cash flows, cash includes cash at bank and on hand and highly liquid investments.

Cash and cash equivalent assets recognised in the Statement of financial position are reconciled at the end of the financial year to the Statement of cash flows as follows:

Cash and cash equivalent assets (per Statement of financial position)	38,845	11,934
Closing cash and cash equivalents (per Statement of cash flows)	38,845	11,934

Refer to Note 19 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

7. Current/non-current assets – receivables

	2014 \$'000	2013 \$'000
Current		
Sale of goods and services	157	160
Other receivables	3,677	2,874
less: Allowance for impairment	(282)	(442)
Retained taxes, fees and fines	793	1,985
Prepayments	32	-
GST receivable	61	92
Debtors – workers and dependants	72	181
Contributions from insurers	107,133	101,707
	111,643	106,556
Non-current		
Contributions from insurers yet to be levied	1,024,389	772,249
Total Receivables	1,136,032	878,805

Movement in the allowance for impairment

Balance at 1 July	442	-
Increase/(decrease) in allowance recognised in profit or loss	(160)	442
Balance at 30 June	282	442

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 19.

8. Current/non-current assets – financial assets at fair value

Current

TCorp Hour-Glass investment – Strategic cash facility	3,981	27,551
Unit Trust - Other (Non Tcorp)	89,214	79,863
	93,195	107,414

Non-current

TCorp Fixed Interest discrete portfolio	238,971	189,488
TCorp Hour-Glass investment – Long-term growth facility	288,591	190,802
Unit Trust/Equity – Other (Non Tcorp)	266,434	305,114
	793,996	685,404
Total Financial Assets at Fair Value	887,191	792,818

Refer to Note 19 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

9. Non-current assets – property, plant and equipment

	Buildings \$'000	Computer hardware \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Office equipment \$'000	Scientific and medical equipment \$'000	Total \$'000
At 1 July 2013 – fair value							
Gross carrying amount	5,847	-	-	661	10	885	7,403
Accumulated depreciation and impairment	(334)	-	-	(231)	(10)	(742)	(1,317)
Net carrying amount	5,513	-	-	430	-	143	6,086
At 30 June 2014 – fair value							
Gross carrying amount	4,432	-	-	661	10	972	6,075
Accumulated depreciation and impairment	(24)	-	-	(297)	(10)	(809)	(1,140)
Net carrying amount	4,408	-	-	364	-	163	4,935

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

Year ended 30 June 2014

Net carrying amount at start of financial year	5,513	-	-	430	-	143	6,086
Additions	-	-	-	-	-	94	94
Disposals	-	-	-	-	-	-	-
Net revaluation decrement	(943)	-	-	-	-	-	(943)
Depreciation expense	(162)	-	-	(66)	-	(74)	(302)
Write-back of depreciation on disposal	-	-	-	-	-	-	-
Net carrying amount at end of financial year	4,408	-	-	364	-	163	4,935

At 1 July 2012 – fair value

Gross carrying amount	5,847	404	15	661	53	801	7,781
Accumulated depreciation and impairment	(167)	(365)	(8)	(165)	(34)	(691)	(1,430)
Net carrying amount	5,680	39	7	496	19	110	6,351

At 30 June 2013 – fair value

Gross carrying amount	5,847	-	-	661	10	885	7,403
Accumulated depreciation and impairment	(334)	-	-	(231)	(10)	(742)	(1,317)
Net carrying amount	5,513	-	-	430	-	143	6,086

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting period is set out below:

Year ended 30 June 2013

Net carrying amount at start of financial year	5,680	39	7	496	19	110	6,351
Additions	-	-	-	-	-	86	86
Disposals	-	(404)	(15)	-	(43)	(3)	(465)
Depreciation expense	(167)	(3)	-	(66)	(10)	(52)	(298)
Write back of depreciation on disposal	-	368	8	-	34	2	412
Net carrying amount at end of financial year	5,513	-	-	430	-	143	6,086

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 11.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

10. Intangible Assets

	Computer software \$'000	Total \$'000
At 1 July 2013		
Cost (gross carrying amount)	617	617
Accumulated amortisation and impairment	(617)	(617)
Net carrying amount	-	-

At 30 June 2014

Cost (gross carrying amount)	516	516
Accumulated amortisation and impairment	(516)	(516)
Net carrying amount	-	-

Reconciliation

A reconciliation of the carrying amount of the intangible assets at the beginning and end of the current reporting period is set out below:

Year ended 30 June 2014

Net carrying amount at start of financial year	-	-
Additions	-	-
Disposals	(101)	(101)
Amortisation expense	-	-
Write back of amortisation on disposal	101	101
Net carrying amount at end of financial year	-	-

At 1 July 2012

Cost (gross carrying amount)	745	745
Accumulated amortisation and impairment	(745)	(745)
Net carrying amount	-	-

At 30 June 2013

Cost (gross carrying amount)	617	617
Accumulated amortisation and impairment	(617)	(617)
Net carrying amount	-	-

Reconciliation

A reconciliation of the carrying amount of the intangible assets at the beginning and end of the prior reporting period is set out below:

Year ended 30 June 2013

Net carrying amount at start of financial year	-	-
Additions	-	-
Disposals	(128)	(128)
Amortisation expense	-	-
Write back of amortisation on disposal	128	128
Net carrying amount at end of financial year	-	-

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

11. Fair value measurement of non-financial assets

a. Fair value hierarchy

2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment (Note 9)				
Buildings	-	4,408	-	4,408
	-	4,408	-	4,408

There were no transfers between Level 1 or 2 during the period.

b. Valuation techniques, inputs and processes

Buildings are measured using the market approach. The valuation model is based on market data of similar assets.

All of the Board's other assets are non specialised and are also measured using the market approach. NSW Treasury Policy paper 14-01 *Valuation of Physical Non-Current Assets at Fair Value* allows non-specialised assets with short useful lives to be recognised at depreciated historical cost as a surrogate for fair value. Depreciated historical cost is an appropriate surrogate for fair value because any difference between fair value and depreciated historical cost is unlikely to be material and the benefit of ascertaining a more accurate fair value does not justify the additional cost of obtaining it.

NSW Treasury have advised that assets measured using depreciated historical cost as a surrogate for fair value do not require fair value hierarchy disclosures under AASB 13 *Fair Value Measurement*.

12. Current liabilities – payables

	2014 \$'000	2013 \$'000
Creditors	79	108
Dust Diseases levy creditors	-	-
Accrued expenses and other creditors	7,199	5,350
Accrued salaries, wages and on-costs	89	80
	7,367	5,538

Refer to Note 19 for further information regarding credit risk, liquidity risk, and market risk, including a maturity analysis of the above payables.

13. Current/non-current liabilities – provisions

Current

Personnel services and related on-costs

Annual leave	350	345
Long service leave	1,234	1,046
	1,584	1,391

Other provisions

Provision for compensation – known claims	81,400	83,165
Provision for compensation – estimated future claims	21,500	22,069
	102,900	105,234
Total current provisions	104,484	106,625

It is expected that the current leave provisions and related on-costs will be settled over the following period:

Expected to be settled no more than twelve months

Annual leave and related on-costs	350	345
Long service leave and related on-costs	52	15
	402	360

Expected to be settled after more than twelve months

Long service leave and related on-costs	1,182	1,031
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

13. Current/non-current liabilities - provisions (continued)

	2014 \$'000	2013 \$'000
Non-current		
Personnel services and related on-costs		
Long service leave	47	30
Superannuation	853	885
	900	915
Other provisions		
Restoration cost	2	2
Provision for compensation – known claims	771,300	620,245
Provision for compensation – estimated future claims	1,175,700	947,214
	1,947,002	1,567,461
Total non-current provisions	1,947,902	1,568,376
Total Provisions		
	2,052,386	1,675,001
Aggregate employee benefits and related on-costs		
Provisions – Current	1,584	1,391
Provisions - Non-Current	900	915
Accrued salaries, wages and on-costs (Note 12)	89	80
	2,573	2,386

Provision for compensation payments and estimated compensation for future claims

Under the *Workers' Compensation (Dust Diseases) Act 1942*, the Board provides a no-fault compensation scheme to people who have developed a dust disease from occupational exposure to dust as a worker in NSW. The scheme covers a variety of workers such as stonemasons, quarrymen, rock choppers, sewer miners as well as those caused by exposure to asbestos. At 30 June 2014, liabilities for compensation payments and estimated compensation for future claims were valued by the actuaries Taylor Fry Proprietary Limited.

The liability for compensation payments and estimated compensation for future claims are measured as the present value of the expected future payments. The present values after discounting are as follow:

Not later than one year	102,900	105,234
Later than one year but not later than five years	386,800	365,900
Later than five years	1,560,200	1,201,559
Total	2,049,900	1,672,693

Compensation will be funded by funds held in investments and by future levies. The financial target for the 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 on NSW Workers Compensation insurers each year to meet annual cash outflows.

The Board includes in its provision an estimate for compensation payable for claims yet to be made of \$1,197,200,000 (2013: \$969,283,000). This figure is shown in the Statement of Financial Position as a liability with the corresponding Outstanding contributions receivable asset (net of cumulative surplus or deficit to date) representing the right to levy employers for these outstanding claims.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

13. Current/non-current liabilities - provisions (continued)

Movements in the provision for compensation during the financial year are set out below:

	2014 \$'000	2013 \$'000
Carrying amount at start of financial year	1,672,693	1,665,084
Addition/(Reduction) in provision	168,229	(1,200)
Less: Personnel services – refer note 2(a)	(4,006)	(3,443)
Administration and office expenses – refer note 2(b)(i)	(3,618)	(3,075)
Compensation payments made during the year – refer note 2(f)(i)	(87,675)	(87,958)
Medical examination costs of workers – refer note 2(f)(ii)	(1,142)	(1,206)
Add: Compensation recoveries – refer note 3(d)	2,323	1,446
Change in discount rate	205,900	-
Finance cost (unwinding of discount – refer note 2(e))	97,200	103,045
Carrying amount at end of financial year	2,049,904	1,672,693

The liability brought to account is the amount recommended by the actuaries being their central estimate. The provision for compensation payable is measured at the present value of the expected future payments to persons who have accepted a claim for compensation or who are estimated by the actuaries to be entitled to compensation in the future.

The actuarial 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, Taylor Fry Proprietary Limited, in the valuation of liability report dated 9 July 2014 have used actuarial functions (known as annuity and assurance functions) to estimate the compensation payable for claims yet to be lodged 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 provision for compensation payable:

	2014 %	2013 %
Compensation expected to be paid		
Not later than one year		
Wages inflation rate	3.50	4.0
Discount rate	2.47	6.0
Later than one year		
Wages inflation rate	3.0 – 3.50	4.0
Discount rate	2.50 – 5.0	6.0

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

13. Current/non-current liabilities - provisions (continued)

Sensitivity analysis for the valuation as at 30 June 2014

The liability represents the best estimate and is based on standard actuarial assessment. The table below shows sensitivities to the valuation. If the Board was required to adopt a risk margin (similar to insurers) to increase the probability of adequacy of the outstanding claims valuation liability to 75% the outstanding claims liability would increase by \$476.9m to \$2,526.7m.

	30 June liability \$m	Effect on 30 June liability \$m	Percentage effect %
Central estimate of the Board's liability	2,049.9		
All valuation assumptions used			
Increase inflation/discounting gap by one per cent per annum	2,372.5	322.7	15.7%
Decrease inflation/discounting gap by one per cent per annum	2,372.6	322.8	15.7%
Increase superimposed inflation on medical benefits by one per cent per annum	2,069.9	20.1	1.0%
Decrease superimposed inflation on medical benefits by one per cent per annum	2,033.1	-16.7	-0.8%
Increase expected average lifetime disability by five per cent	2,058.5	8.6	0.4%
Decrease expected average lifetime disability by five per cent	2,031.9	-18.0	-0.9%
Previous age distribution method for future claims	1,860.3	-189.6	-9.2%
Increase the proportion of married workers by five per cent	2,121.4	71.5	3.5%
Decrease the proportion of married workers by five per cent	1,978.3	-71.5	-3.5%
Change expected lifetime improvements to be based on rate of improvement over last one hundred years	2,010.1	-39.8	-1.9%
Change Spouse mortality and withdrawn rate to be based on experience only	2,173.5	123.6	6.0%
Increase number of future asbestosis claims by twenty per cent	2,071.0	21.1	1.0%
Increase number of future mesothelioma claims by twenty per cent	2,258.0	208.2	10.2%
Increase number of future other dust diseases claims by twenty per cent	2,052.8	2.9	0.1%

14. Commitments for expenditure

	2014 \$'000	2013 \$'000
Operating lease commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	25	10
Later than one year and not later than five years	-	10
Later than five years	-	-
Total (including GST)	25	20

The Board leases office accommodation and motor vehicles under non-cancellable operating leases expiring within two years. The leases have varying terms, escalation clauses and renewal rights.

Expenditure commitments for the Board include input tax credits of \$2,000 (2013: \$2,000) which are expected to be recoverable from the Australian Taxation Office.

15. Contingent liabilities and contingent assets

The Board has no contingent assets.

The Board is currently involved in legal proceedings in respect of one matter regarding compensation entitlements that is yet to be finalised. The amount of the final settlement is not material to the assets of the Board or its annual income.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

16. Budget review

Net result

The net result is \$0.9m unfavourable and approximates budget.

Assets and liabilities

Total assets were \$400.9m favourable to budget while total liabilities were \$402.2m unfavourable to budget as the increase in outstanding contributions from insurers is offset by the change in actuarially determined future claims costs. These claims costs have increased as a result of a change in the assumed age of future claimants and changed economic assumptions.

Cash flows

Total cash flows were \$14.7m unfavourable to budget mainly due to more investment income being from unrealised rather than realised gains.

17. Reconciliation of cash flows from operating activities to net result

	2014 \$'000	2013 \$'000
Net cash used on operating activities	123,188	27,322
Assets written off	-	-
Depreciation and amortisation	(302)	(298)
Loss on disposal	-	(44)
Investment income - market movements	(1,810)	98,309
Change in assets and liabilities		
Increase/(Decrease) in receivables: Current	5,087	(488)
Increase/(Decrease) in receivables: Non-current	252,140	(117,041)
Decrease/(Increase) in payables: Current	(1,829)	274
Decrease/(Increase) in provisions: Current	2,141	(2,146)
Increase in provisions: Non-current	(379,526)	(5,166)
Net result	(911)	722

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

18. Trust fund

The Board holds cash at Westpac Banking Corporation in the Beneficiary Fund which consists of lump sum awards made to beneficiaries of deceased workers. These assets and the corresponding payable to beneficiaries are excluded from the financial statements as the Board cannot use them for the achievements of its objectives. The Board does not charge any fee for providing this service.

The following is a summary of the transactions in the beneficiary fund account:

	Notes	2014 \$'000	2013 \$'000
Fund balance at start of financial year		64,505	77,829
Add: Receipts			
Investment revenue and bank interest	18(a)	1,856	2,736
Lump sum awards received for dependants		-	(20)
Total Receipts		1,856	2,716
Less: Payments			
Withdrawals by beneficiaries		15,124	16,040
Total payments		15,124	16,040
Fund balance at end of financial year		51,237	64,505

Notes:

a. Investment revenue and bank interest			
Distribution in November		779	1,315
Distribution in May		931	1,286
Undistributed investment returns		146	135
Total		1,856	2,736
The simple average return on investments for the year		3.21%	3.84%

Trust fund assets and liabilities

Assets

Cash at bank		51,237	2,100
Financial assets	18(b)	-	62,405
Total assets		51,237	64,505

Liabilities

Payable to beneficiaries		51,091	64,370
Undistributed investment revenue		146	135
Total liabilities		51,237	64,505

Notes:

b. Financial assets			
Colonial First State – Wholesale premium cash enhanced fund		-	35,265
TCorp Cash Portfolio		-	1,930
TCorp Hour-Glass investment – Strategic cash facility		-	25,210
Total financial assets		-	62,405

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

19. Financial instruments

The Board's principle financial instruments are outlined below. These financial instruments arise directly from the Board's operations or are required to finance the Board's operations. The Board does not enter into or trade financial instruments, including derivative instruments, for speculative purposes.

The Board's main risks arising from financial instruments are outlined below, together with its objectives, policies and processes for measuring and managing the risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Safety Return to Work and Support Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Board, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee on a continual basis.

a. Financial instrument categories

Notes	Category	Carrying amount 2014 \$'000	Carrying amount 2013 \$'000
Financial assets			
Class:			
Cash and cash equivalents	6 N/A	38,845	11,934
Receivables ¹	7 Loans and receivables (at amortised cost)	157	160
Financial assets at fair value	8 At fair value through profit or loss - designated as such upon initial recognition	887,191	792,818
Financial liabilities			
Class:			
Payables ²	12 Financial liabilities (at amortised cost)	7,367	5,538

Notes:

- Excludes statutory receivables, prepayments and outstanding contributions receivable (i.e. not within scope of AASB 7).
- Excludes statutory payables, unearned revenue and claims liabilities (i.e. not within scope of AASB 7).

b. Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises for the financial assets of the Board, including cash, receivables and authority deposits. No collateral is held by the Board. The Board has not granted any financial guarantees.

Credit risk associated with the Board's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances held at private financial institutions. Interest is earned on daily bank balances in accordance with the NSW Treasury banking contract. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

Receivable - trade debtors

All trade debtors are recognised as amounts receivable as at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known as uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Board will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions. There is no independently assessed rating of the clients other than past experience and their compliance with credit terms, these credit terms are monitored by management on a monthly basis. No interest is earned on trade debtors.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

19 Financial instruments (continued)

b. Credit risk (continued)

The only financial assets that are past due are 'sale of goods and services' in the 'receivables' category of the Statement of financial position.

Receivables - trade debtors	Total ^{1,2} \$'000	Past Due but not Impaired ^{1,2} \$'000	Considered Impaired ^{1,2} \$'000
2014			
< 3 months overdue	-	-	-
3 months - 6 months overdue	28	28	-
> 6 months overdue	35	35	-
2013			
< 3 months overdue	20	20	-
3 months - 6 months overdue	16	16	-
> 6 months overdue	40	40	-

Notes:

- Each column in the table reports 'gross receivables'.
- The ageing analysis excludes statutory receivables, as these are not within scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the Statement of financial position.

Indexed and interest bearing investments

Majority of indexed and interest bearing investments held by the Board are held with investment grade counterparties rated by Standard and Poors, Moody's or Fitch. The ratings assigned to the Board's indexed and interest bearing investments at the end of the reporting period were as follows.

Rating	2014 %
AAA	85
AA	11
No Rating	4
Total	100

Authority deposits

The Board has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call'. The interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 2.88% (2013: 2.04%), while over the year, the weighted average interest rate was 2.92% (2013: 3.89%) on a weighted average balance during the year of \$8.5M (2013: \$9.05M). None of these assets are past due or impaired.

The Board also placed funds with Westpac Banking Corporation to meet its daily operating expense needs. The cash at bank earns interest at floating rates based on daily bank deposit rates. The weighted average interest rate on these funds was 3.35% (2013: 2.72%).

c. Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. The Board continuously manages risk through monitoring of future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances, if applicable.

The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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 NSW Treasury Circular NSWTC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid, automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of the Board (or a person appointed by the Head of the Board) may automatically pay the supplier simple interest. The rate of interest applied during the year was 10.63% (2013: 10.95%).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

19 Financial instruments (continued)

c. Liquidity risk (continued)

Maturity analysis and interest rate exposure of financial liabilities

	Weighted average effective interest rate %	Nominal amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000	< 1 year \$'000	1-5 years \$'000	>5 years \$'000
2014								
Payables	N/A	7,367	-	-	7,367	7,367	-	-
2013								
Payables	N/A	5,538	-	-	5,538	5,538	-	-

Notes:

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Board can be required to pay. The tables include both interest (if applicable) and principal cash flows and therefore may not reconcile to the Statement of financial position.

d. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors, affecting all similar financial instruments traded in the market.

Market price risk arises as a result of the Board holding and trading investments as part of its asset allocation.

The Board seeks to manage exposure to market risk so that it can generate sufficient returns to meet the Board's current and future liabilities and mitigate the risk that the Board's investments will be insufficient to meet such liabilities. The Board's portfolio of investments is invested in accordance with its strategic asset allocation. The goal of the strategic asset allocation is to construct a portfolio that achieves the Board's investment objectives, including a return in excess of the liability discount rate while limiting the probability of large declines in the Board's funding ratio.

The actual asset allocations can deviate from the benchmark asset allocation due to:

- Board cash flows
- Fluctuations in market prices; and
- Dynamic asset allocation decisions

Dynamic asset allocation refers to medium term shifts away from the strategic asset allocation which are designed to capture market opportunities or to mitigate risks.

The deviations in actual versus benchmark asset allocation at the end of the reporting period were within the agreed tolerance limits for all asset classes.

Based on the asset allocation the Investment Committee, typically with the advice from the Board's asset consultant, appoints investment managers in each asset class. Management of the Board's assets is allocated to the appointed investment manager. Each investment manager is subject to restrictions in relation to the types of assets in which it may invest, and in relation to the composition of investments within certain asset types. These restrictions are expressed in formalised mandates; typically contained in individually negotiated Investment Management Agreements or as described in Information Memoranda (or similar documents) issued by the relevant investment manager when the investment is via a pooled fund. The investment mandates are monitored on a daily basis to ensure that investment managers are compliant with their mandates and relevant agreements.

Each investment manager is responsible for managing security specific risk using its distinct management style. Each investment manager is also responsible for constructing a portfolio that aims to achieve its own investment objectives while complying with restrictions and guidelines contained in the mandate or Information Memorandum.

A risk budgeting framework is used to help determine an appropriate strategic asset allocation for the Board. This framework incorporates the risk and return characteristics of the different asset classes in the portfolio and additional factors such as inflation and interest rates. Within this framework, a number of risk measures are employed including the frequency of negative returns, the volatility of the investment portfolio relative to the value of the liability and Value-at-Risk (VaR) forecasts.

The Board's asset consultant conducts the risk budgeting analysis utilising:

- Assumptions regarding the expected level of return, risk and correlations between price and wage inflation, bond yields and returns from different asset classes (for example equities, bonds, property, alternative assets)
- Assumptions regarding the duration of inflation-linked and other liabilities consistent with those used by the Actuary.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

19 Financial Instruments (continued)

d. Market risk (continued)

The analysis incorporates scenario analysis to determine the risk and return of different investment strategies relative to the change in the liabilities over a period. The analysis is primarily used to compare different investment strategies, and then to determine the investment strategy that has the appropriate level of risk, given the risk and return objectives of the Board.

The risk budgeting analysis is based on certain simplifying assumptions such as statistical characteristics of investment returns, volatilities and correlations, that may not represent actual outcomes. It is also important to note that the analysis only allows for some economic factors such as inflation and bond yields, which affect the value of the Board liabilities. As such, the analysis may not be accurate in its assessment of the liability.

The VaR risk measure seeks to estimate the potential investment loss over a given holding period at a specified confidence level. The VaR methodology is a statistically-defined, probability-based approach to risk assessment that takes into account market volatilities as well as risk diversification by identifying offsetting positions and correlations between financial instruments and markets. The VaR methodology allows risks to be measured consistently across all markets and financial instruments and to be aggregated into a single risk number.

The risk budgeting framework assesses the Board's VaR at the 95th percentile confidence level over a 12 month time period. This represents the minimum expected reduction in the value of the Board's investment portfolio which has a 5 per cent chance of occurring over a one year period.

In addition to a VaR measure, the risk budgeting framework is also used to assess the following risk and return characteristics:

- Expected return on the investment portfolio
- Probability of meeting return targets that incorporate measures of wage inflation and
- The performance of the investment portfolio under different economic scenarios.

The most recent VaR analysis performed by asset consultant Mercer Investments (Australia) limited was conducted in July 2014 based on the June 2014 financial instruments and showed expected one year VaR of \$48.5 million based on a confidence interval of 95 per cent. This is equivalent to a portfolio loss of 5.3%.

The VaR analysis performed by the same consultant based on the June 2013 financial instruments showed an expected VaR of \$54.5 million based on a confidence interval of 95 per cent. This is equivalent to a portfolio loss of 6.8%.

Interest rate risk

Exposure to interest rate risk arises primarily through interest-bearing securities. A reasonably possible change of interest earnings (as in table below) is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Board's exposure to interest rate risk is set out below.

	Carrying amount \$'000	-1%		1%	
		Profit or loss \$'000	Equity \$'000	Profit or loss \$'000	Equity \$'000
2014					
Financial assets					
Cash and cash equivalents	38,845	(388)	(388)	388	388
Financial assets at fair value	887,191	(8,872)	(8,872)	8,872	8,872
Financial liabilities					
Payables	7,367	(74)	(74)	74	74
2013					
Cash and cash equivalents	11,934	(119)	(119)	119	119
Financial assets at fair value	792,818	(7,928)	(7,928)	7,928	7,928
Financial liabilities					
Payables	5,538	(55)	(55)	55	55

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

19. Financial Instruments (continued)

d. Market risk (continued)

Other price risk - TCorp Hour-Glass facilities and other private funds

Exposure to 'other pricing risk' primarily arises through the Investment portfolio which includes investments through TCorp. The Board holds no direct equity investments. All investments held are in unit trusts held by Treasury approved Fund Managers. All investments are held for strategic rather than trading purposes.

The Board holds units in the following investment facilities with TCorp and other various private fund managers:

Facility	Investment sectors	Investment horizon	2014 \$'000	2013 \$'000
TCorp				
Cash facility	Cash, money market instruments	Up to 1.5 years	7,878	9,052
Strategic cash facility	Cash, money market and other interest rate instruments	1.5 years to 3 years	3,981	27,551
Bond Portfolio	Cash, money market instruments	7 years and over	238,971	189,488
Long-term growth facility	Cash, money market instruments, Australian and international bonds, listed property, Australian shares	7 years and over	288,591	190,802
Other private funds				
Medium to long-term growth facilities	Cash, money market instruments, Australian and international bonds, listed property, Australian shares	3 years and over	355,648	384,977

The unit price for each facility is equal to the total fair value of the net investments held by the facility divided by the number of units issued for that facility. Unit prices are calculated daily and published daily.

Each fund manager as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. Each Fund Manager manages the performance and risk of facility in accordance with a mandate agreed by the parties. A significant portion of the administration of the facilities is outsourced to external custodians.

e. Fair value measurement

i. Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. The value of the Hour-Glass Investments is based on the Board's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using 'redemption' pricing.

ii. Fair value estimation

NSW Treasury has given the Board the approval to value all its investments held through external fund managers other than NSW Treasury Corporation (TCorp) at fair value through profit or loss. The fair value of all investment facilities, other than those with TCorp is based on the unit value using 'redemption' pricing provided by external fund managers.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

19. Financial Instruments (continued)

e. Fair value measurement (continued)

iii. Fair value recognised in the statement of financial position

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2014 Total \$'000
Financial assets at fair value				
AMP Capital - Property	-	28,327	-	28,327
Ausbil Dexia Limited - Australian Equities	82,291	-	-	82,291
Capital International - International equities	139,817	-	-	139,817
Capital International - FX overlay	-	554	-	554
Macquarie Investment Management Limited - Property	-	15,445	-	15,445
Perennial Investment Partners Limited - Australian Fixed Interest	-	89,214	-	89,214
TCorp Bond portfolio	238,971	-	-	238,971
TCorp Hour-Glass investment - Strategic cash facility	-	3,981	-	3,981
TCorp Hour-Glass investment - Australian equities	-	113,667	-	113,667
TCorp Hour-Glass investment - International equities	-	52,269	-	52,269
TCorp Hour-Glass investment - Unlisted properties	-	71,527	-	71,527
TCorp Hour-Glass investment - Emerging markets	-	51,128	-	51,128
	461,079	426,112	-	887,191

There were no transfers between level 1 and level 2 during the financial year ended 30 June 2014.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2013 Total \$'000
Financial assets at fair value				
AMP Capital - Property	24,212	-	-	24,212
Ausbil Dexia Limited - Australian Equities	88,532	-	-	88,532
Legg Mason - Australian Fixed Interest	-	1,262	-	1,262
Macquarie Investment Management Limited - Property	-	22,423	-	22,423
National Corporate Investment Trust - Global Equity Trust	169,947	-	-	169,947
Perennial Investment Partners Limited - Australian Fixed Interest	-	78,601	-	78,601
TCorp Bond portfolio	189,488	-	-	189,488
TCorp Hour-Glass investment - Strategic cash facility	-	27,551	-	27,551
TCorp Hour-Glass investment - Australian equities	-	109,695	-	109,695
TCorp Hour-Glass investment - International equities	-	47,633	-	47,633
TCorp Hour-Glass investment - Emerging markets	-	33,474	-	33,474
	472,179	320,639	-	792,818

There were no transfers between level 1 and level 2 during the financial year ended 30 June 2013.

f. Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Board is exposed to foreign exchange risk as a result of the foreign currency denominated investments held as part of its asset allocation.

Independent investment managers appointed by the Board manage foreign exchange risk. The investment grade credit (developed markets) managers fully hedge their exposures. An independent investment manager has been appointed to implement a currency hedge strategy for the developed markets' equity exposure. No hedging is undertaken on the value of assets invested in emerging markets.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Workers Compensation (Dust Diseases) Board

Notes to the Financial Statements

19. Financial Instruments (continued)

f. Foreign exchange risk (continued)

The primary instruments used to achieve the foreign currency overlay are forward foreign exchange contracts.

The positions are reported on an ongoing basis by the Board's custodian, State Street Bank and Trust Company, under a Service Level Agreement and reporting is provided both daily and monthly by the custodian to management for monitoring.

A summary of the Scheme's exposure to foreign exchange risk, including of foreign currency derivatives is shown in the table below:

	Australian Dollars AUD \$'000	US Dollars AUD \$'000	Euro AUD \$'000	Other foreign currencies AUD \$'000	2014 Total AUD \$'000
AMP Capital - Property	28,327	-	-	-	28,327
Ausbil Dexia Limited - Australian Equities	79,581	2,710	-	-	82,291
Capital International - International equities	1,360	72,885	22,054	43,518	139,817
Capital International - FX overlay	554	-	-	-	554
Macquarie Investment Management Limited - Property	15,445	-	-	-	15,445
Perennial Investment Partners Limited - Australian Fixed Interest	89,214	-	-	-	89,214
TCorp Bond portfolio	238,971	-	-	-	238,971
TCorp Hour-Glass investment - Strategic cash facility	3,981	-	-	-	3,981
TCorp Hour-Glass investment - Australian equities	113,667	-	-	-	113,667
TCorp Hour-Glass investment - International equities	52,269	-	-	-	52,269
TCorp Hour-Glass investment - Unlisted properties	71,527	-	-	-	71,527
TCorp Hour-Glass investment - Emerging markets	51,128	-	-	-	51,128
	746,024	75,595	22,054	43,518	887,191

	Australian Dollars AUD \$'000	US Dollars AUD \$'000	Euro AUD \$'000	Other foreign currencies AUD \$'000	2013 Total AUD \$'000
AMP Capital - Property	24,212	-	-	-	24,212
Ausbil Dexia Limited - Australian Equities	88,532	-	-	-	88,532
Legg Mason - Australian Fixed Interest	1,262	-	-	-	1,262
Macquarie Investment Management Limited - Property	22,423	-	-	-	22,423
National Corporate Investment Trust - Global Equity Trust	169,947	-	-	-	169,947
Perennial Investment Partners Limited - Australian Fixed Interest	78,601	-	-	-	78,601
TCorp Bond portfolio	189,488	-	-	-	189,488
TCorp Hour-Glass investment - Strategic cash facility	27,551	-	-	-	27,551
TCorp Hour-Glass investment - Australian equities	109,695	-	-	-	109,695
TCorp Hour-Glass investment - International equities	47,633	-	-	-	47,633
TCorp Hour-Glass investment - Emerging markets	33,474	-	-	-	33,474
	792,818	-	-	-	792,818

- End of audited financial statements -

WORKERS COMPENSATION (DUST DISEASES) BOARD 2013-14 BUDGET AND ESTIMATES FOR 2014-15

Workers' Compensation (Dust Diseases) Board

Financial Statements

Operating Statement

	2013-14		2014-15
	Budget	Revised	Budget
	\$000	\$000	\$000
Expenses Excluding Losses			
Operating Expenses -			
Employee related	105	170	107
Other operating expenses ^(a)	2,649	210,360	863
Depreciation and amortisation	323	316	347
Grants and subsidies	6,404	6,189	6,565
Finance costs	96,351	97,158	96,521
TOTAL EXPENSES EXCLUDING LOSSES	105,832	314,193	104,403
Revenue			
Sales of goods and services	521	559	521
Investment revenue	52,417	115,478	63,417
Retained taxes, fees and fines ^(a)	51,624	195,965	39,189
Other revenue	1,526	2,441	1,526
Total Revenue	106,088	314,443	104,653
Other gains/(losses)	(256)	(250)	(250)
Net Result

(a) The change in the 2013-14 Revised to 2013-14 Budget is due to the impact of an actuarial revision to the best estimate of the outstanding claims liabilities for the Board.

WORKERS COMPENSATION (DUST DISEASES) BOARD
2013-14 BUDGET AND ESTIMATES FOR 2014-15

Workers' Compensation (Dust Diseases) Board

Balance Sheet

	-----2013-14-----		2014-15
	Budget \$000	Revised \$000	Budget \$000
Assets			
Current Assets			
Cash assets	58,483	11,608	22,945
Receivables	109,441	110,076	112,537
Other financial assets	227,971	107,408	101,475
Total Current Assets	395,895	229,092	236,957
Non Current Assets			
Receivables	543,137	862,870	790,624
Other financial assets	721,074	799,819	853,809
Property, plant and equipment -			
Land and building	5,330	4,403	4,236
Plant and equipment	648	527	387
Total Non Current Assets	1,270,189	1,667,619	1,649,056
Total Assets	1,666,084	1,896,711	1,886,013
Liabilities			
Current Liabilities			
Payables	4,019	5,536	5,538
Provisions	101,207	105,533	106,216
Total Current Liabilities	105,226	111,069	111,754
Non Current Liabilities			
Provisions	1,551,139	1,776,566	1,765,183
Other	1,160	786	786
Total Non Current Liabilities	1,552,299	1,777,352	1,765,969
Total Liabilities	1,657,525	1,888,421	1,877,723
Net Assets	8,559	8,290	8,290
Equity			
Reserves	2,208	1,265	1,265
Accumulated funds	6,351	7,025	7,025
Total Equity	8,559	8,290	8,290

WORKERS COMPENSATION (DUST DISEASES) BOARD
2013-14 BUDGET AND ESTIMATES FOR 2014-15

Workers' Compensation (Dust Diseases) Board

Cash Flow Statement

	2013-14		2014-15
	Budget	Revised	Budget
	\$000	\$000	\$000
Cash Flows From Operating Activities			
Payments			
Employee related	105	170	107
Grants and subsidies	6,404	6,189	6,565
Other	104,199	100,033	108,608
Total Payments	110,708	106,392	115,280
Receipts			
Sale of goods and services	521	559	521
Interest received	27,512	93,606	36,422
Retained taxes, fees and fines	218,220	101,824	108,974
Other	2,046	2,717	1,802
Total Receipts	248,299	198,706	147,719
Net Cash Flows From Operating Activities	137,591	92,314	32,439
Cash Flows From Investing Activities			
Proceeds from sale of investments	...	4,048	5,932
Purchases of property, plant and equipment	(110)	(103)	(40)
Purchases of investments	(95,825)	(96,585)	(26,994)
Net Cash Flows From Investing Activities	(95,935)	(92,640)	(21,102)
Net Increase/(Decrease) in Cash	41,656	(326)	11,337
Opening Cash and Cash Equivalents	16,827	11,934	11,608
Closing Cash and Cash Equivalents	58,483	11,608	22,945
Cash Flow Reconciliation			
Non cash items added back	(24,582)	(21,556)	(26,648)
Change in operating assets and liabilities	162,173	113,870	59,087
Net Cash Flows From Operating Activities	137,591	92,314	32,439

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APPENDICES

Appendix 1: Legislation

The Dust Diseases Board is responsible for administering entitlements available under the *Workers' Compensation (Dust Diseases) Act 1942* and *Workers' Compensation (Dust Diseases) Regulation 2013*. Services provided by the Dust Diseases Board include:

- Occupational screening services for employers including our mobile screening vehicle the "Lung Bus"

- Payment of compensation benefits
- Payment of medial and related treatment expenses for workers in receipt of an award of compensation
- Information and Education
- Provision of grants for research into the diagnosis, treatment and prevention of dust diseases

- Grants for organisations providing assistance to victims of dust diseases or their families.

Legal change

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

Appendix 2: Performance and numbers of senior executives

The DDB does not employ any officers under Division 4 of the *Government Sector Employment Act 2013*.

	Workers' Compensation (Dust Diseases) Board	WorkCover Authority	Motor Accidents Authority of NSW	Lifetime Care & Support Authority of NSW
Band 1				
Male	-	28	4	1
Female	1	30	5	1
Total	1	58	9	2
Average Remuneration	177,595	161,561	155,028	195,206
Band 2				
Male	-	7	2	1
Female	-	3	-	-
Total	-	10	2	1
Average Remuneration	-	232,798	234,993	245,968
Band 3				
Male	-	2	-	-
Female	-	2	-	-
Total	-	4	-	-
Average Remuneration	-	296,068	-	-
Senior Executives Total				
Male	-	37	6	2
Female	1	35	5	1
Total	1	72	11	3
Employee Related Costs				
Exec	251,146	13,348,429	1,911,982	670,461
Non-Execs	3,043,361	92,973,245	6,579,282	6,528,660
Total	3,294,506	106,321,674	8,491,265	7,199,121
%	7.62%	12.55%	22.52%	9.31%

APPENDICES

Appendix 3: Government Information (Public Access) applications

Government Information (Public Access) Act 2009

The DDB administers and fulfils its obligations under the *Government Information (Public Access) Act 2009* (GIPA Act) which focusses on making Government information more readily available.

Formal access applications received

In the 2013-14 year, the DDB received 21 formal access applications. The majority of these applications received related to requests made by legal practitioners requesting information on behalf of their clients. This includes withdrawn applications. From the total received only one application was not finalised during the reporting year.

Mandatory release of government information

As per Section 6 of the GIPA Act, open access is made publically available on our website, free of charge. This includes a list of our policy documents, publications guides and programs. The DDB provides copies of these documents to members of the public upon request.

Informal release of government information

As per Section 7 of the GIPA Act, the DDB adheres to releasing specific information where it is determined that a formal access application is not required.

Proactive release of government information

Section 7 of the GIPA Act details that agencies must review their programs for the release of government

Information to identify the kinds of information that can be made publically available. This review must be undertaken at least once every 12 months. Our agency's program for the proactive release of information involves a review of information available to our participants and publication of information on our internet site, including guidelines, policies and forms.

In addition to the information contained on our website, we will release as much information as possible and as governed by the GIPA Act.

TABLE A: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn	Total
Media	0	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	5	7	0	5	0	0	0	0	17
Members of the public (other)	0	0	0	0	0	0	0	0	0
Total	5	7	0	5	0	0	0	0	17

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

TABLE B: NUMBER OF APPLICATIONS BY TYPE OF APPLICATION AND OUTCOME

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn	Total
Personal information applications*	1	0	0	1	0	0	0	0	2
Access applications (other than personal information applications)	2	1	0	3	0	0	0	0	6
Access applications that are partly personal information applications and partly other	2	6	0	1	0	0	0	0	9
Total	5	7	0	5	0	0	0	0	17

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

The total number of decisions for Table B should be the same as Table A.

TABLE C: INVALID APPLICATIONS

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	4
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	4
Invalid applications that subsequently became valid applications	1

TABLE D: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 OF THE ACT

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

APPENDICES

TABLE E: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE: MATTERS LISTED IN TABLE TO SECTION 14 OF THE ACT

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	7
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0
Total	7

Note: More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies to Table D.

TABLE F: TIMELINES

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	17
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	17

TABLE G: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT (BY TYPE OF REVIEW AND OUTCOME)

	Decision varied	Decision upheld	Total
Internal review			
Review by Information Commissioner*			
Internal review following recommendation under section 93 of Act			
Review by ADT			
Total	0	0	0

TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT (BY TYPE OF APPLICANT)

	Number of applications
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Privacy and personal information

Privacy and Personal Information Protection Act 1998 (PIIP Act) and Health Records and Information Privacy Act 2002 (HRIP Act)

The PIIP Act and HRIP Act deal with how all NSW public sector agencies, including the DDB, must manage personal and health information.

All personal information held by the DDB is managed in accordance with NSW legislation. This includes all types of records in any format such as documents (paper and electronic), data in business information systems and verbal decisions and objects (e.g. Photographs, maps, evidence, samples).

Examples of personal details of

individuals with whom the DDB has contact includes names, dates of birth, residential address, drivers licence details, financial details, bank account details, wage records, work history, medical certificates and health details.

During the 2013-14 financial year the DDB received nil applications under Privacy legislation.

File access requests

The DDB receives requests from law firms for copies of files held in relation to individual workers who are pursuing common law action in the Dust Diseases Tribunal. These requests are made in accordance with the *Dust Diseases Tribunal Act 1989*. Requests in relation

to claims subject to claims resolution processes may also be received under the Dust Diseases Tribunal Regulation 2013.

A total of 622 requests for production of files were received in the financial year ending 30 June 2014, a slight 1 per cent decrease from the previous year.

Requests for files are subject to a \$55 production fee and radiology results provided on CD incur a fee of \$16.50.

The total value of production fees received in 2013-14 represented \$30,276.50.

Appendix 4: Credit card certification

Credit card use within DDB is certified in accordance with Premier's Memorandum and Treasurer's directions. DDB has a rigorous process in place to ensure full accountability for the use of credit cards.



**Safety, Return to Work
& Support**

Safety, Return to Work and Support
92-100 Donnison Street, Gosford, NSW 2250
Locked Bag 2906, Lisarow, NSW 2252
t 02 4321 5000 f 02 4325 4145

29 July 2014

Our Ref: WC01771/14

The Hon. Dominic Perrottet MP
Minister for Finance and Services
Member for Castle Hill
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister

The New South Wales Treasury Policy & Guidelines Paper on Credit Card use requires Chief Executive Officers to certify to their Minister that credit card use in their Department is in accordance with Premier's Memoranda and Treasurer's Directions.

On behalf of Safety, Return to Work and Support I certify that all card holders for the period 1st July 2013 to 30th June 2014, have used their cards in accordance with the SRWS Corporate and Purchasing Credit Card Policies and in accordance with Premier's Memoranda and Treasurer's Directions.

Yours sincerely

A handwritten signature in black ink that reads 'Julie Newman'.

Julie Newman PSM
Chief Executive Officer
Safety, Return to Work and Support

APPENDICES

Appendix 5: Response to significant matters raised in the outgoing audit report

There were no significant matters raised in the outgoing audit report.

Appendix 6: Accounts payable performance

Payments of accounts - all suppliers

Amounts outstanding to suppliers at the end of each quarter of the year were:

2013-14	June Quarter*	March Quarter	December Quarter	September Quarter
Current	\$0	\$0	\$0	\$0
<30 days overdue	\$737	\$32,901		\$76,130
>30 and <60 days overdue		\$11,602	\$304	\$1,414
>60 days and <90 days	\$429	\$1,292,331	\$8,866	\$5,136
90 days and over	\$462	\$21,959	\$9,741	(\$1,262)

* Note: Outstanding amounts to DDB Scheme suppliers will be disclosed from 2014-2015. Includes outstandings to estates and recoveries from deceased workers not classified as vendors taken up in the Finance system.

Amounts paid to suppliers at the end of each quarter of the year were:

2013-14	2013-2014 Total	June Quarter*	March Quarter	December Quarter	September Quarter
Number of accounts due for payment	14,885	3,738	4,114	3,518	3,515
Number of accounts paid on-time	12,962	3,614	3,667	2,926	2,755
% accounts paid on-time (based on number of accounts)	87%	97%	89%	83%	78%
Dollar amount of accounts due for payment	\$20,357,498	\$5,837,663	\$3,723,641	\$5,244,723	\$5,551,471
Dollar amount of accounts paid on-time	\$18,871,380	\$5,654,600	\$3,422,482	\$4,886,076	\$4,908,222
% of accounts paid on-time (based on \$)	93%	97%	92%	93%	88%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0	\$0

Payments of Accounts - small business suppliers

Amounts paid to identified small business suppliers at the end of each quarter of the year were:

2013-14	2013-2014 Total	June Quarter*	March Quarter	December Quarter	September Quarter
Number of accounts due for payment	439	75	131	89	144
Number of accounts paid on-time	439	75	131	89	144
% accounts paid on-time (based on number of accounts)	100%	100.00%	100.00%	100.00%	100.00%
Dollar amount of accounts due for payment	\$103,148	\$13,101	\$25,507	\$18,755	\$45,785
Dollar amount of accounts paid on-time	\$103,148	\$13,101	\$25,507	\$18,755	\$45,785
% of accounts paid on-time (based on \$)	100%	100.00%	100.00%	100.00%	100.00%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

The Dust Diseases Board (DDB) has a target of 95 per cent accounts paid on-time. In 2013-14 this target was achieved in only one of the four quarters with an average of 87 per cent achieved across the year. The number of accounts paid on time has steadily grown across the year due to the implementation of new measures across the Board. These will continue to be implemented in 2014-15 with an expectation that the target will be met in 2014-15.

To assist in ensuring suppliers are paid more promptly in future, purchase cards are being introduced across DDB for payment of suppliers under \$3,000.

Appendix 7: Insurance activities

Reporting period	2013-14	2012-13	2011-12	2010-11
Workers Compensation:				
No. of employees	42	41	68	61
No. of claims	Nil	1	1	3
No. of claims per employee	Nil	0.02	0.01	0.05
Total cost of claims	Nil	\$34,267	\$5,008	\$3,768
Average claim cost	Nil	\$34,267	\$5,008	\$1,256
Motor vehicles: (Total claims) 2013-14				
Vehicles	2			
Number of claims	1			
No. of claims per vehicle	0.5			
Total cost of claims	\$1,486			
Average cost per claim	\$1,486			
Average cost per vehicle	\$743			
Property: 2013-14				
Number of claims	Nil			
No. of claims per employee				
Total cost of claims				
Average cost per claim				
Average cost per employee				
Liability: 2013-14				
Number of claims	Nil			
Total cost of claims				
Average claim				
Miscellaneous: 2013-14				
Number of claims	Nil			
Total cost of claims				
Average claim				

Appendix 8: Overseas travel

The DDB did not incur any costs for overseas travel in the 2013-14 financial year.

Appendix 9: Consultants

Vendor	Description	Vendor total
Taylor Fry Consulting Actuaries	Actuarial services	\$242,098
Mercer Investments (Australia) Limited	Investment retainer services	\$95,472
Total greater than \$50,000		\$337,570
Plus 2 Consultants \$50,000 and under	Organisational Review	\$11,882
Total consultants		\$349,452

Note: Consultants for 2013-14 now include actuarial fees.

APPENDICES

Appendix 10: Grants

DDB grants awarded in 2013-14 to non-government community organisations

Nil

Funding expended in 2013-14

Research grants

Funds provided to Academic and Health Service Institutions.

Recipient organisation	Amount of funding expended in 2013-14	Nature and purpose (incl. aims, target clients and area of coverage)
Asbestos Diseases Research Foundation	\$63,461.00	Stage 3 payment for project: Chemotherapy utilisation for malignant mesothelioma patients - optimal rate, barriers to access and patient preferences. Project will take place over 2 years and is due for completion in December 2014. This project has the potential to determine the optimal chemotherapeutic utilisation rate in Australia which may provide direction for future improvements or restructuring of health care policies.
The University of Western Australia	\$115,178.50	Stage 3 and 4 payments for project: Releasing the "brakes" on anti-tumour immune responses using chemotherapy immunotherapy in the treatment of mesothelioma. Project will take place over 2 years and is due for completion in July 2014. This project may represent the new generation of treatments for mesothelioma patients. A better understanding of how certain treatments work together synergistically may inform better treatment regimes for malignant mesothelioma.
The University of Sydney	\$53,625.00	Stage 4 and 5 (final) payments for project: MicroRNAs as biomarkers for malignant mesothelioma. Project took place over two years and was completed in April 2014. This project has the potential to identify miRNAs candidates associated with malignant mesothelioma, including early and prognostic markers.
Asbestos Diseases Research Foundation	\$44,900.00	Stage 4 payment for project: Using proteomics to improve prognostication and prediction in malignant mesothelioma. Project took place over 2 years and was due for completion in April 2014. This project has the potential to identify bio-markers specifically linked to malignant mesothelioma (including prognosis and drug resistance).
Lung Institute of Western Australia	\$62,355.00	Stage 4 payment for project: Fibroblast growth factor 9: a novel therapeutic and biomarker target in mesothelioma. Project will take place over 2 years and is due for completion in July 2014. This data obtained from this project will potentially provide evidence for future pre-clinical testing for mesothelioma.
The Lung Institute of Western Australia	\$41,849.00	Stage 4 payment for project: A multicentre randomised study comparing indwelling pleural catheter vs. talc pleurodesis in patients with mesothelioma or other malignant pleural effusions. Project will take place over 2.5 years and is due for completion in October 2014. This project aims to improve palliative care provided to mesothelioma patients and potentially save money expended on medical treatments as a result of reduced hospital admissions for patients with malignant pleural effusions from malignant pleural mesothelioma or other metastatic cancers.

Appendix 11: Land disposal

The Board did not dispose of any land in the 2013-14 financial year.

Appendix 12: Liability management performance

CLAIMS LIABILITY

Year	Workers Compensation (Dust Diseases) Fund
2013-14	\$2.050b

These liabilities are assessed by actuaries.

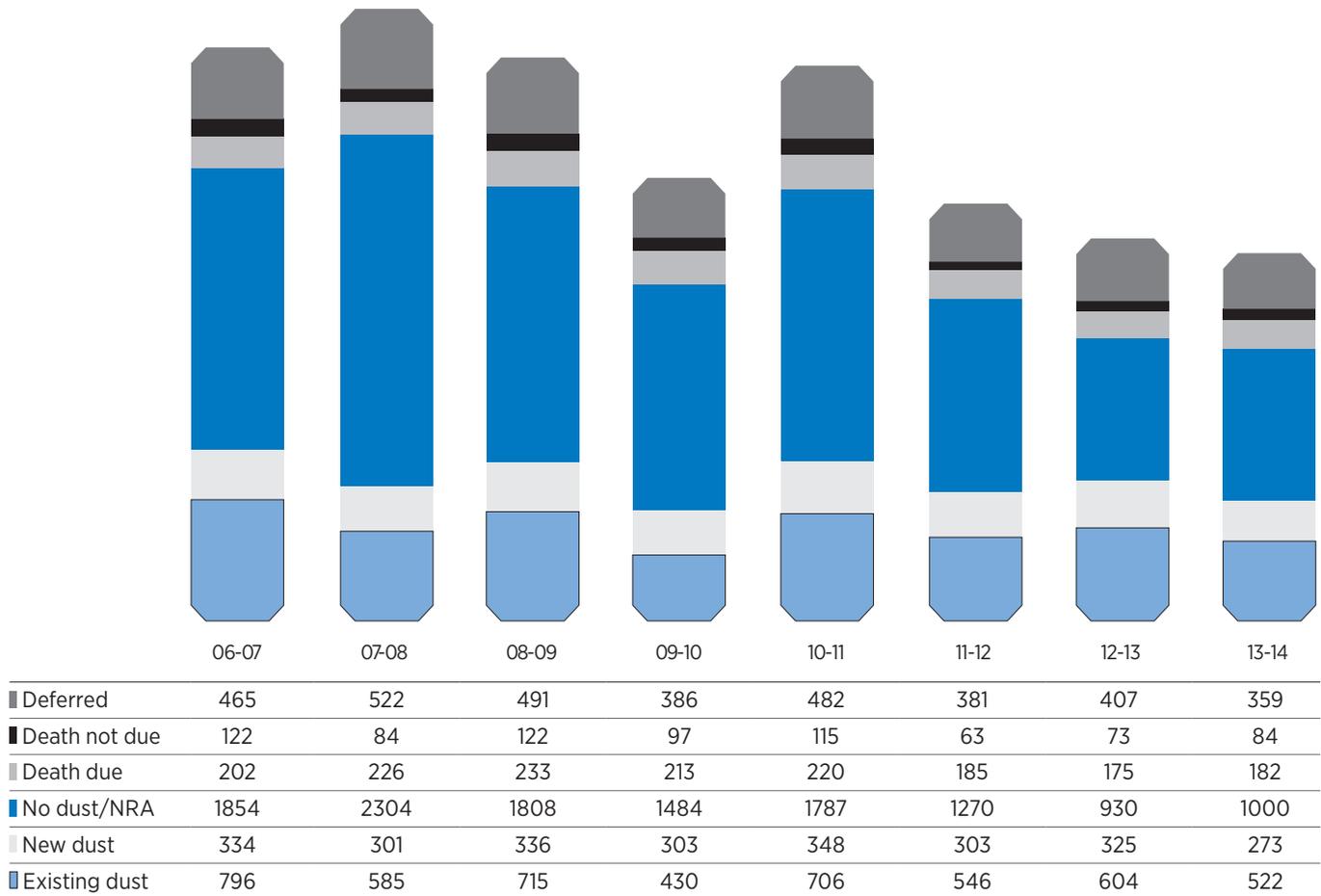
DDB does not have any borrowings.

Appendix 13: Awards made since the inception of the original scheme of 1927

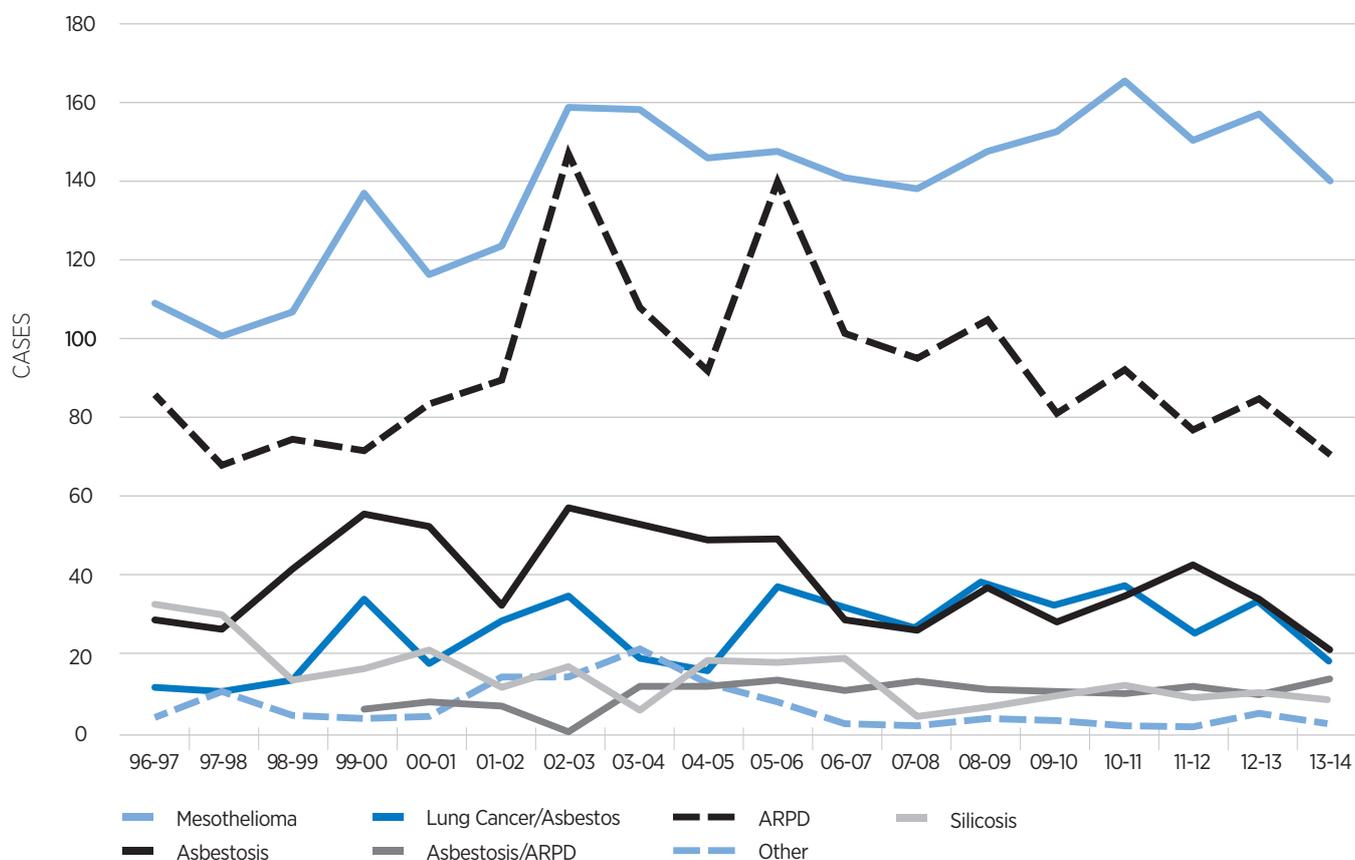
Name	Awards to disabled workers	Awards to dependants of deceased workers	Total
No. 1 Scheme – September 1927 to 30 June 1942 (approx. 15 years)	245	64	309
No. 2 Scheme – March 1938 to June 1942 (approx. 4 years)	7	3	10
Silicosis Act – 1 July 1942 to 28 February 1968 (approx. 26 years)	1,761	841	2,602
Dust Diseases Act – 29 February 1968 to 30 June 2014	6,627	5,136	11,763
Total	8,640	6,044	14,684

APPENDICES

Appendix 14: Cases certified by the Medical Authority



Appendix 15: Medical Authority Certificates – new dust diseases cases certified



Appendix 16: Workers' Compensation (Dust Diseases) Act 1942 Contributions under section 6 for 2013-2014 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 2014, determined the contribution to be paid under section 6 of the Dust Diseases Act by an insurer insuring or indemnifying an employer in respect of a class of employment specified in Column 1 of Table 1 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. determined that the 2014-2015 financial year interim contribution to be paid by an insurer to the Workers' Compensation

(Dust Diseases) Fund in twelve equal instalments by the fifteenth day of each month commencing 15 July 2014 will be as follows:

Insurer	Amount	Contribution
Catholic Church Insurances Limited		\$765,000
Guild Insurance Limited		\$156,000
Hotel Employers Mutual Limited		\$438,000
Racing NSW		\$30,000
StateCover Mutual Limited		\$723,000
Workers Compensation Nominal Insurer	\$81,000,000	

and

- c. determined that upon notification of an employer's actual wages paid for the financial year an insurer's 2014-2015 financial year contribution is

to be calculated in accordance with clause (a) and paid to the Workers' Compensation (Dust Diseases) Fund less previous contributions for the financial year 2014-2015 by 31 October each year; and

- d. in respect of the year commencing 1 July 2014, determined the contribution to be paid under section 6 of the Dust Diseases Act by each self-insurer is 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 Table 1 following;
- i. the class of employment specified in item 1 of Column 1 of Table 1 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

APPENDICES

Appendix 16: *Workers' Compensation (Dust Diseases) Act 1942* Contributions under section 6 for 2013-2014 financial year

- ii. the class of employment specified in Column 1 of Table 1 which corresponds to the business activity classification (or classifications) adopted by the WorkCover Authority for the purpose of determining the contribution payable by the self-insurer to the WorkCover Authority Fund for the financial year commencing 1 July 2014;
- and
- e. determined that the 2014-2015 interim contribution to be paid by each self-insurer to the Workers' Compensation (Dust Diseases) Fund is to be based on a reasonable estimate by the self-insurer of the wages to be paid during the financial year and calculated in accordance with clause (d) and paid in two equal instalments on 31 October 2014 and 31 March 2015;
- and
- f. determined that the 2014-2015 final contribution to be paid by each self-insurer to the Workers' Compensation (Dust Diseases) Fund is to be based on the actual wages paid by the self-insurer during the 2014-2015 financial year and calculated in accordance with clause (d) and is to be paid by 31 October 2015 less the interim contribution paid under clause (e),
- as the case may require (see note 1 below).

TABLE 1

Item no.	Column 1 – Class of Employment	Column 2 – Contribution (percentage of wages)
1.	The class of employment in paragraph D(12) of the determination made by the Workers' Compensation (Dust Diseases) Board under section 6(3) of the Dust Diseases Act and published in Gazette No. 64 of 11 May 1979.	4%
2.	Any other class of employment determined by the Workers' Compensation (Dust Diseases) Board under section 6(3) of the Dust Diseases Act.	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 2014-2015.
3.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order 2014-2015, a business classification listed in SCHEDULE 1 applies to the employer concerned.	1.25%
4.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order 2014-2015, a business classification listed in SCHEDULE 2 applies to the employer concerned.	0.50%
5.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order 2014-2015, a business classification listed in SCHEDULE 3 applies to the employer concerned.	0.28%
6.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order 2014-2015, a business classification listed in SCHEDULE 4 applies to the employer concerned.	0.165%
7.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order 2014-2015, a business classification listed in SCHEDULE 5 applies to the employer concerned.	0.11%
8.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order 2014-2015, a business classification listed in SCHEDULE 6 applies to the employer concerned.	0.075%
9.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order 2014-2015, a business classification listed in SCHEDULE 7 applies to the employer concerned.	0.05%
10.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order 2014-2015, a business classification listed in SCHEDULE 8 applies to the employer concerned.	0.025%

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 2014-2015, 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 2014-2015 does not apply to an employer's policy, the contribution to be paid by the insurer concerned under section 6 of the Dust Diseases Act is to be calculated as if that Order did apply to the policy.
4. See Table A to the Insurance Premiums Order 2014-2015 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 2014-2015.

Dated this 22 day of May 2014

Julie Newman, *PSM*
Chief Executive Officer
WorkCover Authority of NSW

Class No. in Insurance			Class No. in Insurance		
Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)
Schedule 1			Schedule 1		
		1.25%	263510	Terrazzo Manufacturing	
263210	Fibro-Cement Sheeting Manufacturing		271200	Iron and Steel Casting and Forging	
282100	Shipbuilding		272300	Copper, Silver, Lead and Zinc Smelting, Refining	
Schedule 2			Schedule 2		
		0.50%	281100	Motor Vehicle Manufacturing	
255100	Rubber Tyre Manufacturing		282900	Transport Equipment Manufacturing nec	
424200	Carpentry Services		294900	Manufacturing nec	
425940	Construction Services nec		421010	Demolition	
Schedule 3			Schedule 3		
		0.28%	422200	Bricklaying Services	
041100	Rock Lobster Fishing		422300	Roofing Services	
041200	Prawn Fishing		423100	Plumbing Services	
041300	Finfish Trawling		424110	Cement Rendering and Plastering	
041400	Squid Jigging		424300	Tiling and Carpeting Services	
041500	Line Fishing		424400	Painting and Decorating Services	
041900	Marine Fishing nec		425930	Building Exterior Cleaning and Maintenance Services	
142010	Other Mining nec - Underground		650100	Pipeline Transport	
142020	Other Mining nec - Surface		650900	Transport nec	
221300	Cotton Textile Manufacturing		662100	Stevedoring	
221400	Wool Textile Manufacturing		662920	Services to Water Transport nec	
221500	Textile Finishing				
255900	Other Rubber Product Manufacturing nec				
262100	Clay Brick Manufacturing				
262300	Ceramic Tile and Pipe Manufacturing				
262900	Other Ceramic Product Manufacturing nec				
263100	Cement and Lime Manufacturing				
263400	Concrete Pipe and Box Culvert Manufacturing				

APPENDICES

Appendix 16: Workers' Compensation (Dust Diseases) Act 1942 Contributions under section 6 for 2013-2014 financial year

Class No. in Insurance			Class No. in Insurance			Class No. in Insurance		
Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)
Schedule 4								
		0.165%	224300	Sleepwear, Underwear and Baby Clothing Mfg		272900	Basic Non-Ferrous Metal Manufacturing nec	
131100	Iron Ore Mining		224900	Other Clothing Manufacturing nec		273100	Aluminium Rolling, Drawing, Extruding	
131610	Nickel Ore Mining - Underground		251000	Petroleum Refining		273200	Non-Ferrous Metal Rolling, Drawing, Extruding nec	
131620	Nickel Ore Mining - Surface		253500	Inorganic Industrial Chemical Manufacturing nec		273300	Non-Ferrous Metal Casting	
131720	Silver-Lead-Zinc Ore Mining - Surface		254200	Paint Manufacturing		274100	Structural Steel Fabricating	
131910	Other Metal Ore Mining nec - Underground		254500	Soap and Other Detergent Manufacturing		274900	Structural Metal Product Manufacturing nec	
131920	Other Metal Ore Mining nec - Surface		254900	Other Chemical Product Manufacturing nec		275100	Metal Container Manufacturing	
141100	Gravel and Sand Quarrying		261000	Glass and Glass Product Manufacturing		275900	Sheet Metal Product Manufacturing nec	
211110	Abattoirs		262200	Ceramic Product Manufacturing		276100	Hand Tool and General Hardware Manufacturing	
211130	Meat Processing		263220	Plaster Product Manufacturing		276300	Nut, Bolt, Screw and Rivet Manufacturing	
216100	Bread Manufacturing		263520	Concrete Product Manufacturing nec		276400	Metal Coating and Finishing	
217100	Sugar Manufacturing		264010	Fibreglass Insulation Products Manufacturing		276900	Fabricated Metal Product Manufacturing nec	
217200	Confectionery Manufacturing		264020	Non-Metallic Mineral Product Manufacturing nec		282210	Boatbuilding	
217900	Food Manufacturing nec		271100	Basic Iron and Steel Manufacturing		282220	Boat repairing	
218200	Beer and Malt Manufacturing		271300	Steel Pipe and Tube Manufacturing		282300	Railway Equipment Manufacturing	
221100	Wool Scouring		272100	Alumina Production		285200	Electrical Cable and Wire Manufacturing	
221200	Synthetic Fibre Textile Manufacturing		272200	Aluminium Smelting		286900	Industrial Machinery and Equipment Manufacturing nec	
222200	Textile Floor Covering Manufacturing							
222300	Rope, Cordage and Twine Manufacturing							
222900	Other Textile Product Manufacturing nec							
224100	Men's and Women's Clothing Manufacturing							
224200	Tailoring and Dress-making							

Class No. in Insurance			Class No. in Insurance			Class No. in Insurance		
Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)
291900	Prefabricated Building Manufacturing nec		662910	Water Transport Agency Services		231200	Wood Chipping	
294200	Toy and Sporting Good Manufacturing		952110	Laundry and Dry Cleaning Operations		231300	Timber Resawing and Dressing	
361000	Electricity Supply		952120	Self-service Laundries and Dry Cleaning Agencies		232100	Plywood and Veneer Manufacturing	
362000	Gas Supply		963300	Fire Brigade and Civil Emergency Services		233100	Pulp, Paper and Paperboard Manufacturing	
370100	Water Supply					233400	Paper Bag and Sack Manufacturing	
370200	Sewerage and Drainage Services					241220	Newspaper Printing	
411100	House Construction		Schedule 5		0.110%	252000	Petroleum and Coal Product Manufacturing nec	
411200	Residential Building Construction nec		120000	Oil and Gas Extraction		253400	Organic Industrial Chemical Manufacturing nec	
423200	Electrical Services		131200	Copper Ore Mining - Underground		254100	Explosive Manufacturing	
423300	Air Conditioning and Heating Services		131300	Copper Ore Mining - Surface		254400	Pesticide Manufacturing	
424120	Plasterboard and Decorative Plaster Fixing		131410	Gold Ore Mining - Underground		254700	Ink Manufacturing	
424510	Aluminium Door and Window Installation		131420	Gold Ore Mining - Surface		263300	Concrete Slurry Manufacturing	
424520	Glazing Services		131500	Mineral Sand Mining		276500	Non-Ferrous Pipe Fitting Manufacturing	
425910	Scaffolding Services		131710	Silver-Lead-Zinc Ore Mining - Underground		281300	Automotive Electrical and Instrument Manufacturing	
425920	Exterior/ Interior Blind and Awning Installation Services		152000	Other Mining Services		281900	Automotive Component Manufacturing nec	
453900	Building Supplies Wholesaling nec		211120	Meat Packing and Freezing		282400	Aircraft Manufacturing	
462400	Motor Vehicle Dismantling		211140	Animal By-product Processing nec		285100	Household Appliance Manufacturing	
525900	Retailing nec		217300	Seafood Processing		286100	Agricultural Machinery Manufacturing	
620000	Rail Transport		218400	Spirit Manufacturing		286410	Machine Tool and Part Manufacturing	
630100	International Sea Transport		219000	Tobacco Product Manufacturing				
630200	Coastal Water Transport		219000	Tobacco Product Manufacturing				
662200	Water Transport Terminals		222110	Made-up Textile Product Manufacturing				
662300	Port Operators		219000	Tobacco Product Manufacturing				
			222110	Made-up Textile Product Manufacturing				

APPENDICES

Appendix 16: Workers' Compensation (Dust Diseases) Act 1942 Contributions under section 6 for 2013-2014 financial year

Class No. in Insurance			Class No. in Insurance			Class No. in Insurance		
Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)
286420	Metal Dies, Cutting, Sinking, Manufacturing and Repairing		021910	Services to Livestock Farming nec		226200	Leather and Leather Substitute Product Mfg	
286700	Commercial Space Heating and Cooling Equipment Manufacturing		021920	Services to Crop Farming nec		232200	Fabricated Wood Manufacturing	
291100	Prefabricated Metal Building Manufacturing		021930	Services to Fruit and Vegetable Growing nec		232910	Wooden Blind Manufacturing	
292200	Sheet Metal Furniture Manufacturing		021960	Pet Boarding and Kennels nec		241100	Paper Stationery Manufacturing	
294100	Jewellery and Silverware Manufacturing		030100	Forestry		241210	Printing	
422400	Structural Steel Erection Services		030210	Softwood Timber Plantation Logging		253100	Fertiliser Manufacturing	
451900	Farm Produce and Supplies Wholesaling nec		030220	Hardwood and Other Timber Logging		254300	Medicinal and Pharmaceutical Product Manufacturing	
452300	Chemical Wholesaling		110100	Coal Mining - Underground		254600	Cosmetic and Toiletry Preparation Manufacturing	
472200	Clothing Wholesaling		110200	Coal Mining - Surface		276200	Spring and Wire Product Manufacturing	
523300	Domestic Hardware and Houseware Retailing		211210	Poultry Abattoirs		285300	Battery Manufacturing	
532900	Automotive Repair and Services nec		212100	Milk and Cream Processing		285400	Electric Light and Sign Manufacturing	
663000	Services to Air Transport		212900	Dairy Product Manufacturing nec		286300	Food Processing Machinery Manufacturing	
923900	Recreational Parks and Gardens		216200	Cake and Pastry Manufacturing		286500	Lifting and Material Handling Equipment Manufacturing	
963400	Waste Disposal Services		216300	Biscuit Manufacturing		421020	Site Preparation Services	
Schedule 6		0.075	217400	Prepared Animal and Bird Feed Manufacturing		422110	Concrete Construction Services	
012300	Sheep-Beef Cattle Farming		218100	Soft Drink, Cordial and Syrup Manufacturing		453100	Timber Wholesaling	
012400	Sheep Farming		218300	Wine Manufacturing		532200	Automotive Electrical Services	
013000	Dairy Cattle Farming		222120	Furniture Upholstery and Covers Mfg		532400	Tyre Retailing	
021100	Cotton Ginning		222130	Non-canvas Textile Blind and Awning Manufacturing		630300	Inland Water Transport	
021300	Aerial Agricultural Services		226100	Leather Tanning and Fur Dressing		661100	Parking Services	
						661900	Services to Road Transport nec	

Class No. in Insurance			Class No. in Insurance			Class No. in Insurance		
Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)
664900	Services to Transport nec		233900	Other Paper Product Manufacturing nec		611010	Road Freight Transport - Bulk Freight	
712000	Telecommunication Services		241310	Printing Trade Services		611020	Road Freight Transport - Short Distance	
782920	Technical Services nec		241320	Services to Printing and Publishing nec		611030	Road Freight Transport - Long Distance	
786610	Cleaning Services: Non Government Contractors		253200	Industrial Gas Manufacturing		611040	Furniture Delivery and Removal Service	
786620	Cleaning Services: Government Contractors		256200	Plastic Extruded Product Manufacturing		782300	Consulting Engineering Services	
820000	Defence		256400	Plastic Product, Rigid Fibre Reinforced, Mfg		786420	Building Caretaking Services	
861200	Psychiatric Hospitals		286200	Mining and Construction Machinery Manufacturing		843200	Technical and Further Education	
Schedule 7		0.05 per cent						
012100	Grain Growing		286600	Pump and Compressor Manufacturing		844010	Driving Schools	
012510	Beef Cattle Farming		292300	Mattress Manufacturing (Except Rubber)		844020	Other Education and Training nec	
021200	Shearing Services		292900	Furniture Manufacturing nec		861100	Hospitals (Except Psychiatric Hospitals)	
021940	Agricultural Land Clearing and Fencing		412100	Road and Bridge Construction		923100	Zoological and Botanic Gardens	
021950	Other Services to Agriculture nec		422120	Concrete Paving Services		970000	Private Households Employing Staff	
030300	Services to Forestry		451100	Wool Wholesaling		Schedule 8		0.025%
141900	Construction Material Mining nec		451200	Cereal Grain Wholesaling		011100	Plant Nurseries	
211220	Poultry Meat Processing		452100	Petroleum Product Wholesaling		011200	Cut Flower and Flower Seed Growing	
211300	Bacon, Ham and Smallgood Manufacturing		452200	Metal and Mineral Wholesaling		011300	Vegetable Growing	
212200	Ice Cream Manufacturing		472300	Footwear Wholesaling		011400	Grape Growing	
214000	Oil and Fat Manufacturing		473100	Household Appliance Wholesaling		011500	Apple and Pear Growing	
231100	Log Sawmilling		523500	Recorded Music Retailing		011600	Stone Fruit Growing	
233200	Solid Paperboard Container Manufacturing		525400	Flower Retailing		011700	Kiwi Fruit Growing	
233300	Corrugated Paperboard Container Manufacturing		532300	Smash Repairing		011900	Fruit Growing nec	

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Appendix 16: Workers' Compensation (Dust Diseases) Act 1942 Contributions under section 6 for 2013-2014 financial year

Class No. in Insurance			Class No. in Insurance			Class No. in Insurance		
Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)
012200	Combined Grain Growing, Sheep Farming and Beef Cattle Farming		223900	Knitting Mill Product Manufacturing nec		283900	Professional and Scientific Equipment Manufacturing nec	
012520	Beef Cattle Feedlots		225000	Footwear Manufacturing		284100	Computer and Business Machine Manufacturing	
014100	Poultry Farming (Meat)		232300	Wooden Structural Component Manufacturing		284200	Telecommunication, Broadcasting and Transceiving Equipment Manufacturing	
014200	Poultry Farming (Eggs)		232920	Other Wood Product Manufacturing nec		284900	Other Electronic Equipment Manufacturing nec	
015100	Pig Farming		242100	Newspaper Publishing		285900	Other Electrical Equipment Manufacturing nec	
015200	Horse Farming		242200	Other Periodical Publishing		292100	Wooden Furniture and Upholstered Seat Manufacturing	
015300	Deer Farming		242300	Book and Other Publishing		411300	Non-Residential Building Construction	
015900	Other Livestock Farming nec		243000	Recorded Media Manufacturing and Publishing		412200	Non-Building Construction nec	
016100	Sugar Cane Growing		253300	Synthetic Resin Manufacturing		423400	Telecommunication, Alarm and Security System Installation Services	
016200	Cotton Growing		256100	Plastic Blow Moulded Product Manufacturing		425100	Landscaping Services	
016900	Other Crop and Plant Growing nec		256300	Plastic Bag and Film Manufacturing		461100	Farm and Construction Machinery Wholesaling	
022000	Hunting and Trapping		256500	Plastic Foam Product Manufacturing		461200	Professional Equipment Wholesaling	
042000	Aquaculture		256600	Plastic Injection Moulded Product Manufacturing		461300	Computer Wholesaling	
151100	Petroleum Exploration (Own Account)		274200	Architectural Aluminium Product Manufacturing		461400	Business Machine Wholesaling nec	
151200	Petroleum Exploration		281200	Motor Vehicle Body Manufacturing				
151300	Mineral Exploration (Own Account)		283100	Photographic and Optical Good Manufacturing				
151400	Mineral Exploration Services		283200	Medical and Surgical Equipment Manufacturing				
213000	Fruit and Vegetable Processing							
215100	Flour Mill Product Manufacturing							
215200	Cereal Food and Baking Mix Manufacturing							
223100	Hosiery Manufacturing							
223200	Cardigan and Pullover Manufacturing							

Class No. in Insurance			Class No. in Insurance			Class No. in Insurance		
Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)
461500	Electrical and Electronic Equipment Wholesaling nec		479400	Book and Magazine Wholesaling		524300	Newspaper, Book and Stationery Retailing	
461900	Machinery and Equipment Wholesaling nec		479500	Paper Product Wholesaling		524400	Photographic Equipment Retailing	
462100	Car Wholesaling		479600	Pharmaceutical and Toiletry Wholesaling		524500	Marine Equipment Retailing	
462200	Commercial Vehicle Wholesaling		479910	Wholesaling nec		525100	Pharmaceutical, Cosmetic and Toiletry Retailing	
462300	Motor Vehicle New or Used Part Dealing		479920	Wholesaling Trade Agent - No Goods Handling		525200	Antique and Used Good Retailing	
471100	Meat Wholesaling		511000	Supermarket and Grocery Stores		525300	Garden Equipment Retailing	
471200	Poultry and Smallgood Wholesaling		512100	Fresh Meat, Fish and Poultry Retailing		525500	Watch, Spectacles and Jewellery Retailing	
471300	Dairy Produce Wholesaling		512200	Fruit and Vegetable Retailing		526110	Household Equipment Repair Services (Electrical)	
471400	Fish Wholesaling		512300	Liquor Retailing		526120	Household Equipment Repair Services (Electronics)	
471500	Fruit and Vegetable Wholesaling		512400	Bread and Cake Retailing		526900	Household Equipment Repair Services nec	
471600	Confectionery and Soft Drink Wholesaling		512500	Takeaway Food Retailing		531100	Car Retailing	
471700	Liquor Wholesaling		512600	Milk Vending		531200	Motor Cycle Dealing	
471800	Tobacco Product Wholesaling		512900	Specialised Food Retailing nec		531300	Trailer and Caravan Dealing	
471900	Grocery Wholesaling nec		521000	Department Stores		532100	Automotive Fuel Retailing	
472100	Textile Product Wholesaling		522100	Clothing Retailing		571000	Accommodation	
473200	Furniture Wholesaling		522200	Footwear Retailing		572000	Pubs, Taverns and Bars	
473300	Floor Covering Wholesaling		522300	Fabric and Other Soft Good Retailing		573000	Cafes and Restaurants	
473900	Household Good Wholesaling nec		523100	Furniture Retailing		574000	Clubs (Hospitality)	
479100	Photographic Equipment Wholesaling		523200	Floor Covering Retailing		612100	Long Distance Bus Transport	
479200	Jewellery and Watch Wholesaling		523400	Domestic Appliance Retailing				
479300	Toy and Sporting Good Wholesaling		524100	Sport and Camping Equipment Retailing				
			524200	Toy and Game Retailing				

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Appendix 16: Workers' Compensation (Dust Diseases) Act 1942 Contributions under section 6 for 2013-2014 financial year

Class No. in Insurance			Class No. in Insurance			Class No. in Insurance		
Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)
612200	Short Distance Bus Transport (Including Tramway)		732400	Money Market Dealers		774330	Office Equipment Hiring and Leasing	
612340	Other Road Passenger Transport nec		732900	Deposit Taking Financiers nec		781000	Scientific Research	
640100	Scheduled International Air Transport		733000	Other Financiers		782100	Architectural Services	
640200	Scheduled Domestic Air Transport		734000	Financial Asset Investors		782200	Surveying Services	
640300	Non-Scheduled Air and Space Transport		741100	Life Insurance		782910	Laboratory Services nec	
664100	Travel Agency Services		741200	Superannuation Funds		783100	Data Processing Services	
664210	Freight Forwarding (Road) - Goods Handling		742100	Health Insurance		783200	Information Storage and Retrieval Services	
664220	Freight Forwarding (Road) - No Goods Handling		742200	General Insurance		783300	Computer Maintenance Services	
664310	Freight Forwarding (Other Than Road) - Goods Handling		751100	Financial Asset Broking Services		783400	Computer Consultancy Services	
664320	Freight Forwarding (Other than Road) - No Goods Handling		751900	Services to Finance and Investment nec		784100	Legal Services	
664410	Customs Agencies - Goods Handling		752000	Services to Insurance		784200	Accounting Services	
664420	Customs Agencies - No Goods Handling		771110	Residential Strata Schemes		785100	Advertising Services	
670100	Grain Storage		771120	Residential Property Operators		785210	Sign Writing	
670900	Storage nec		771210	Commercial Property Strata Schemes		785220	Commercial Art and Display Services	
711110	Postal Delivery Services		771220	Commercial Property Operators and Developers		785300	Market Research Services	
711120	Postal Agency Services		772000	Real Estate Agents		785400	Business Administrative Services	
711200	Courier Services		773000	Non-Financial Asset Investors		785410	Corporate Head Office Administration	
731000	Central Bank		774100	Motor Vehicle Hiring		785500	Business Management Services	
732100	Banks		774210	Boat and Ferry Hiring		786100	Employment Placement Services	
732200	Building Societies		774220	Other Transport Equipment Leasing nec		786300	Secretarial Services	
732300	Credit Unions		774310	Plant and Machinery Hiring and Leasing Without Operator		786411	Investigative Services	
			774320	Plant and Machinery Hiring and Leasing With Operator		786412	Security Services	

Class No. in Insurance			Class No. in Insurance			Class No. in Insurance		
Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)	Premiums Order	Business classification	Contribution (% of wages)
786500	Pest Control Services		863900	Other Health Services nec		931912	Sports Administrators Services	
786700	Contract Packing Services nec		864000	Veterinary Services		932100	Lotteries	
786900	Business Services nec		871000	Child Care Services		932200	Casinos	
811100	Central Government Administration		872100	Accommodation for the Aged		932900	Gambling Services nec	
811200	State Government Administration		872200	Residential Care Services nec		933000	Other Recreation Services	
811300	Local Government Administration		872910	Home Care Services		951100	Video Hire Outlets	
812000	Justice		872920	Non-Residential Care Services nec		951900	Personal and Household Goods Hiring nec	
813000	Foreign Government Representation		911100	Film and Video Production		952130	Carpet Cleaners	
841000	Preschools and Kindergartens		911200	Film and Video Distribution		952200	Photographic Film Processing	
842100	Infants and Primary Schools		911300	Motion Picture Exhibition		952300	Photographic Studios	
842200	Secondary Education		912100	Radio Services		952400	Funeral Directors, Crematoria and Cemeteries	
842300	Combined Primary and Secondary Education		912200	Television Services		952510	Gardening Services	
842400	Special School Education		921000	Libraries		952520	Amenity Tree Services	
843100	Higher Education		922000	Museums		952600	Hairdressing and Beauty Salons	
861300	Nursing Homes		924110	Theatre and Orchestra Productions		952910	Adult Personal Services	
862100	General Practice Medical Services		924120	Other Theatre and Musical Performance		952920	Personal Services nec	
862200	Specialist Medical Services		924200	Creative Arts		961000	Religious Organisations	
862300	Dental Services		925100	Sound Recording Studios		962100	Business and Professional Associations	
863100	Pathology Services		925200	Performing Arts Venues		962200	Labour Associations	
863200	Optometry and Optical Dispensing		925910	Agency Services to the Arts		962900	Interest Groups nec	
863300	Ambulance Services		925920	Services to the Arts nec		963100	Police Services	
863400	Community Health Centres		931110	Horse and Dog Racing Operations		963200	Corrective Centres	
863500	Physiotherapy Services		931200	Sports Grounds and Facilities nec				
863600	Chiropractic Services		931911	Sports and Services to Sport nec				

APPENDICES

Appendix 17: Corporate plan objectives and results 2013-14

Key Result Area	Key Performance Indicators	Target	2013-14 Results
Efficient compensation services <ul style="list-style-type: none"> • Quality and timely services • Simple application processes • Sound decision making • Clear, communication about our services, processes and decisions 	1. Medical examinations undertaken at DDB within 30 days	75% by 2013 80% by 2015	100%
	2. Compensation applications determined within 60 days	70% by 2013 85% by 2015	44%
	3. Benefits and substantiated expenses paid to beneficiaries within 14 days	95%	98%
	4. Accurate payment of entitlements paid to beneficiaries within 14 days	100%	100%
Sound fund management and scheme viability <ul style="list-style-type: none"> • Effective governance, audit and risk management • Accurate actuarial assessments • Proactive assessment of key cost drivers and trends 	5. Accurate levy setting	98%	100%
	6. Levies collected by due date	90%	89%
	7. Funding ratio	(90 - 110%)	109%
Exemplar Organisation <ul style="list-style-type: none"> • Organisation capability to deliver our services • Effective performance management • A safe, supportive and productive workplace 	8. Lost time injury frequency rate not to exceed public sector average	100%	100% (due to no reported lost time injuries in reporting period)
	9. All staff have a Development Plan	100%	95%
Cost and Efficiency <ul style="list-style-type: none"> • Evidence used to direct and prioritise our services • Operate within budget • Benchmark the cost of service delivery • Measure our outcomes • Manage our risks 	10. Actual operating expenditure (excluding finance and compensation costs) varies less than 5% from budget	100%	95%
	11. Close out of action items raised in audit reports by due date	>80%	N/A
Customer Focussed Approach <ul style="list-style-type: none"> • Customer Service Charter and service standards are linked to our values • A consistent and seamless customer experience • Accessible, timely and accurate information • Effective applicant referral pathways 	12. Fair and transparent decisions	<1% decisions varied by internal review or appeal	
	13. Customer satisfaction with compensation services	>85% by 2014	93%
	14. Compliance with service standards	>90%	90%
	15. Complaints resolved within 28 days	100%	100%
	16. Compensation estate payment amounts settled within 28 days of death	100%	98%

Appendix 18: Board and committee meetings

Meetings of the Board

Meetings of the members of the Board are generally held monthly. Eleven meetings were held during the year. Member attendances are listed below:

	Meetings attended
Chair	
J. Newman	10
Employer representatives	
S.W.S Kidziak (Member)	10
B Eichhorn (Member)	10
R Petty (Member)	10
B Seidler (Alternate Member)	0
G Choice (Alternate Member)	0
G Patterson (Alternate Member)	0
Employee representatives	
R Mallia (Member)	6
D Henry (Member)	11
P Noack (Member)	8
S Robinson (Alternate Member)	4
A Sawtschuk (Alternate Member)	0
M Morey (Alternate Member)	0

Meetings of the Medical Authority

A total of 32 meetings were held during the year. Member attendances are listed below:

	Meetings attended
Chairs	
Professor D Bryant (Chair) MBBS (Syd), MRACP, FRACP	14
Dr IT Gardiner (Alternate Chair) MBBS (NSW), FRACP	13
Employer Representatives	
Dr G Kauffman (Member) M.B.B.S (Hons) BSc(MED) (Hons) FRACP	11
Dr JS Mann (Alternate Member) MBBS (Syd), MD (Syd), FRACP	13
Dr E Clark (Alternate Member) MBBS, MRCP (Lond)	7
Employee Representatives	
Dr C Clarke (Member) MB, PhD (Lond), LL.M, FRACP	15
Dr G Hart (Alternate Member) MBBS, MRCP (Lond), FRACP	15
Dr G Tyler (Alternate Member) Bachelor of Medicine, FRACP, ANZRS	2

APPENDICES

SRWS audit and risk committee

The role of the audit and risk committee is to provide independent assistance to the Workers' Compensation (Dust Diseases) Board and the SRWS Board on the administration and operation of governance, risk management and control frameworks.

The committee provides an integral role in supporting the Board to fulfil its corporate governance and oversight responsibilities, and to make decisions in relation to areas such as financial reporting, internal control and associated risk management systems, and internal and external audit functions.

The audit and risk committee also provides independent assistance to all SRWS agencies by overseeing and monitoring their governance, risk and control frameworks, and their external accountability requirements.

The members of the committee are listed in the following table:

SRWS audit and risk committee members	Date of appointment	Date of term end
Chair		
Raymond Whitten	31 October 2012	30 September 2016
Members		
Elizabeth Carr	31 October 2012	30 September 2016
Mark Lennon	31 October 2012	30 September 2016
Ray Petty*	31 October 2012	30 September 2016
Chief Executive Officer (invited)		
Julie Newman**	30 October 2012	Retired 1 August 2014 as SRWS CEO

* Ray Petty is the representative for the DDB.

** Julie Newman attended as SRWS Chief Executive Officer (CEO). The CEO is a standing invitee.

SRWS audit and risk committee attendance

SRWS audit and risk committee	Number eligible to attend	Number attended
Chair		
Raymond Whitten	7	6
Members		
Elizabeth Carr	7	7
Mark Lennon	7	5
Ray Petty	7	7
Chief Executive Officer (invited)		
Julie Newman*	7	6

* Julie Newman attended as SRWS Chief Executive Officer (CEO). The CEO is a standing invitee.

SRWS human resources committee

The role of the human resources committee is to support the reviewing, monitoring, development and implementation of relevant human resource strategies and initiatives to ensure as far as practicable, that the activities of the SRWS are carried out properly and efficiently. The members of the Committee are listed in the following table:

Human resources committee members	Date of appointment	Date of term end
Chair		
Gavin Bell	9 December 2013	31 July 2015
Members		
Michael Carapiet	9 December 2013	31 July 2015
Elizabeth Carr	9 December 2013	31 July 2015
Julie Newman	9 December 2013	Retired 1 August 2014 as SRWS CEO

SRWS human resources committee attendance

Human resources committee	Number eligible to attend	Number attended
Chair		
Gavin Bell	2	2
Members		
Elizabeth Carr	2	2
Michael Carapiet	2	2
Julie Newman	2	2

SRWS investment committee

The role of the investment committee is to determine the policies, practices and strategies for investments of the relevant SRWS funds. This includes monitoring the investment performance of the funds and reviewing investment compliance.

The investment committee provides an integral role in supporting the board to fulfil its investment responsibilities and to make decisions in relation to investment policies, investment objectives, strategic asset allocations and the risk profiles of the funds. The members of the committee are listed in the following table:

Investment committee members	Date of appointment	Date of term end
Chair		
Peeyush Gupta	31 October 2012	30 September 2015
Members		
Gavin Bell	31 October 2012	30 September 2015
Michael Carapiet	31 October 2012	30 September 2015
Raymond Whitten	31 October 2012	30 September 2015
Julie Newman	31 October 2012	Retired 1 August 2014 as SRWS CEO

SRWS Investment committee attendance

Investment committee	Number eligible to attend	Number attended
Chair		
Peeyush Gupta	10	10
Members		
Michael Carapiet	10	10
Gavin Bell	10	10
Raymond Whitten	10	10
Julie Newman	10	9

Members of the SRWS executive who resigned prior to 30 June

Nil

Abolished entities

There were no abolished entities during the reporting year

APPENDICES

Appendix 19: Publication notes

A copy of the Workers' Compensation (Dust Diseases) Board Annual Report 2013-14 can be downloaded from the Workers' Compensation (Dust Diseases) Board website, at www.ddb.nsw.gov.au. The cost of the 2013-14 Annual Report was \$14,095.23.

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