

**Erratum to WorkCover New South Wales
Annual Financial Report for Year Ending 30 June 2005**

Error in Note 28 of the Notes to the Financial Statements for the year ended 30 June 2005. An amendment is required to the table appearing under Statement of Financial Performance on page 70, as follows:

“Recoveries” refers to note 5, should refer to note 2: and

“Claims incurred” refers to note 5, should refer to note 2.

Note 28, Statement of financial performance should read:

**Statement of Financial Performance
For the year ended 30 June 2005**

	Note	2005 \$'000	2004 \$'000
Revenues			
Net earned premiums	2	2,703,347	2,103,984
Recoveries	2	156,026	128,251
Investment income	3	925,133	692,852
Other income		37,404	26,605
Total revenues from ordinary activities		3,821,910	2,951,692
Expenses			
Claims incurred	4		
	2	3,040,439	2,093,511
Insurers' management fees		331,538	172,392
Audit fees paid to auditors of insurers		965	980
Bad debts written-off		30,250	17,435
Doubtful debts provision		25,509	11,877
Wage audit fees		19,200	12,739
Debt collection fees		10,116	6,625
Bank charges		850	718
Other operating expenses		8,038	6,731
Total expenses from ordinary activities		3,466,905	2,323,008
Surplus from ordinary activities		355,005	628,684
Total Changes in Equity - other than those resulting from transactions with owners as owners		355,005	628,684

Error in Note 28 (2) of the Notes to the Financial Statements for the year ended 30 June 2005. An amendment is required to the table appearing under (2), Surplus from ordinary activities appearing on page 72, as follows:

“Claims incurred” should refer to (note 5).

Note 28 (2), Surplus from ordinary activities should read:

2. Surplus from ordinary activities

	2005 \$'000	2004 \$'000
Premiums written	2,943,543	2,281,536
Less : Statutory levies		
WorkCover Authority fund	158,150	117,796
Dust diseases contributions	54,390	50,495
Less : Increase in unearned premiums provision	<u>27,656</u>	<u>9,261</u>
Net earned premiums	<u>2,703,347</u>	<u>2,103,984</u>
Claims incurred (Note 5)	3,040,439	2,093,511
Recoveries revenue	<u>156,026</u>	<u>128,251</u>
Net claims incurred	<u>2,884,413</u>	<u>1,965,260</u>
Underwriting result	(181,066)	138,724
Investment income	925,133	692,852
Other income	37,404	26,605
Other operating expenses	<u>426,466</u>	<u>229,497</u>
Surplus from ordinary activities	<u>355,005</u>	<u>628,684</u>

Error in Note 28 (11) of the Notes to the Financial Statements for the year ended 30 June 2005 appearing on page 76.

Delete the current table and replace with:

11. Licensed Insurers

The insurers licensed to operate under the WorkCover Scheme Statutory Funds system during the year ended 30 June 2005 were as follows:

Allianz Australia Workers' Compensation (NSW) Limited
CGU Workers Compensation (NSW) Limited
Employers' Mutual Indemnity (Workers Compensation) Limited
GIO Workers Compensation (NSW) Limited
QBE Workers Compensation (NSW) Limited
Vero Workers Compensation (NSW) Limited

Error in Note 28 (15) of the Notes to the Financial Statements for the year ended 30 June 2005 appearing on page 77.

Delete Note 28 (15), Conditions after reporting date, and replace with:

15. Conditions after Reporting Date

The Workers Compensation Amendment (Insurance Reform) Act 2003 was proclaimed with effect from 18 February 2005. This Act created two new entities, the Nominal Insurer and the Workers Compensation Insurance Fund. The Nominal Insurer operates as a licensed insurer in place of the Scheme licensed insurers and the Workers Compensation Insurance Fund will replace the statutory funds of licensed insurers.

A Workers Compensation Insurance Fund Investment Board was also established by legislation to determine investment policies and to report to the Minister on the investment performance of the Insurance Fund.

Effective operation of the Nominal Insurer and the Insurance Fund did not commence until 1 July 2005.

On 1 July 2005 the statutory funds of licensed insurers listed in note 11 were closed and the assets and liabilities of the funds were transferred to, and became the assets and liabilities of, the Workers Compensation Insurance Fund. The Workers Compensation Insurance Fund is managed by the Nominal Insurer.

The financial effect of these transfers have not been recognised in the WorkCover Scheme Statutory Funds Financial Statements for the year ended 30 June 2005 as they occurred after 30 June 2005.

On 1 July 2005 the licences of the insurers listed in Note 11 were cancelled. However these insurers act as temporary agents for the Nominal Insurer as provided by clause 3 (1) (g) of Part 19A of Schedule 6 to the 1987 Act during the transition to the new contractual arrangements for scheme agents.

A financial report consolidating the new entities will be prepared for the year ended 30 June 2006. The consolidated report will not be included as part of WorkCover Authority's financial report.