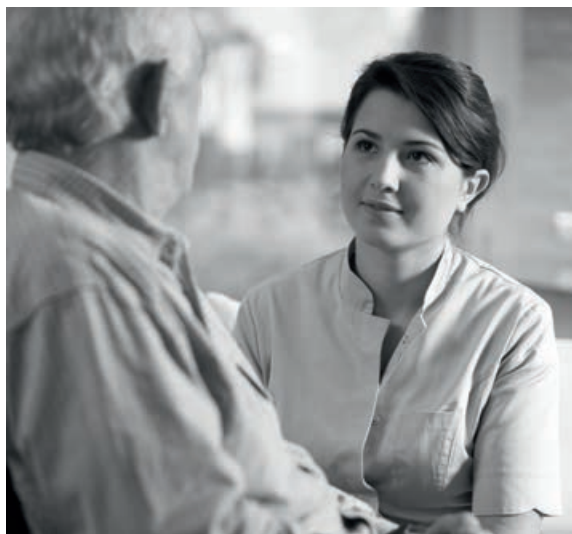




Dust Diseases  
Board



**REVIEW** PLAN ACT

# ANNUAL REPORT 2014/15

---

# LETTER TO THE MINISTER

---

22 October 2015

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

Dear Minister

In accordance with the *Annual Reports (Statutory Bodies) Act 1984*, I have pleasure in submitting for your information and presentation to Parliament, the Annual Report of the Workers Compensation (Dust Diseases) Board NSW (DDB) for the financial year ended 30 June 2015.

In 2014/15 the DDB continued to provide ongoing support to NSW workers with a dust disease. This year saw 345 new cases of occupational exposure to a dust disease.

During its 88th year, the DDB provided person-centred care and support for workers and their families living with the effects of dust diseases. We administered compensation benefits to 4,013 customers, improved accessibility to the Scheme, and shortened our payment processing times. We also improved services and access to services to ensure our customers receive the best support possible.

We are proud to say that for the second consecutive year, every new applicant was offered a medical examination within 30 days of their application.

The DDB provides the nation's only mobile respiratory screening service through its Lung Bus that travels to towns across the State. This year the service screened more than 4,000 people in 38 locations, including two in Queensland.

The Board of the DDB was pleased to continue its work with stakeholders. As well as being a key sponsor of National Asbestos Awareness Week, the DDB was involved in raising community awareness of the risks associated with asbestos.

Four research grants were awarded to continue critical studies into the prevention, diagnosis and treatment of occupational dust disease.

The DDB also participated in the first Parliamentary Review of the exercise of the functions of the Workers' Compensation (Dust Diseases) Board which determined the Scheme meets the needs of workers with a dust disease and their dependants. The Board was commended by the Parliamentary Review Committee for undertaking its work in an exemplary manner and we will ensure that we continue to deliver the best services and support possible to our customers into the future.

Yours Sincerely



Vivek Bhatia  
Chief Executive  
Dust Diseases Authority

Letter to the Minister	2
Our Focus	4
Our Purpose	6
CEO Review	10
Dust Diseases Board and Senior Management	12
Safety, Return to Work and Support Executive	16
Insure	20
Care	22
Protect	28
Our People	30
Internal Audit and Risk Management Statement	38
Digital Information Security Attestation Statement	39
Financial Statements for the year ended 30 June 2015	40
Budget and Estimates for 2015/16	82
Appendices	85
Index	109

NSW Government publication  
Department of Finance,  
Services and Innovation  
October 2015  
ISBN 978 1 74341 632 7

Workers' Compensation (Dust  
Diseases) Board 2014/15 Annual  
Report has been prepared in  
accordance with the *Annual Reports  
(Statutory Bodies) Act 1984* for the  
Hon. Dominic Francis Perrottet MP

Workers Compensation  
Dust Diseases Authority (DDA)  
Level 2, 82 Elizabeth Street,  
Sydney, NSW 2000

Postal address  
GPO Box 5323, Sydney, NSW 2001

Hours of operation:  
9:00am – 5:00pm Monday to Friday  
(except public holidays)

Ph: (02) 8223 6600  
or toll free on 1800 550 027

[ddb.nsw.gov.au](http://ddb.nsw.gov.au)

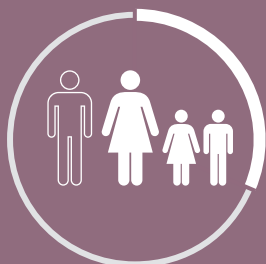
[enquiries@ddb.nsw.gov.au](mailto:enquiries@ddb.nsw.gov.au)

A copy of this report is available at  
[ddb.nsw.gov.au](http://ddb.nsw.gov.au)

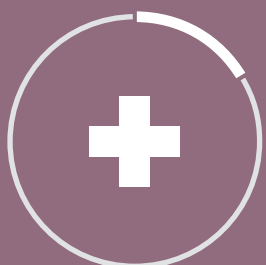
## APPLICATIONS TO DDB IN 2014/15



345  
people who had been  
exposed to dust as a worker



210  
dependants of a  
deceased worker



110  
medical screenings

672 total number  
of applications  
7 applications did not proceed

75 the average age  
of workers  
applying for  
compensation



In the last 14 years more than  
57,000  
respiratory health monitoring exams  
have been conducted in the Lung Bus



67% of  
industrial  
history reports  
completed in  
45 days

## COMPENSATION BENEFITS PAID TO:



4,013 customers

1,088  
workers



2,925  
dependants

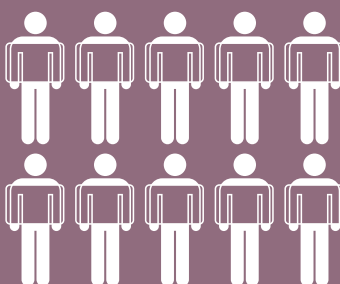
100%

of customers offered a medical examination  
within 30 days of their application\*

\*Customers attending our Sydney medical centre



1,255  
people received a  
medical examination



The Lung Bus  
can screen up to  
50  
workers per day



# 4,082

health monitoring exams conducted in 2014/15

# \$100/



subsidised cost to NSW employers of a health monitoring examination

## 161 core training programs delivered



# 98%

of employees said they would apply what they learnt in the workplace

# \$90.269 MILLION

in compensation benefits paid during 2014/15 including \$9.050 million in healthcare and funeral benefits



# 12,731

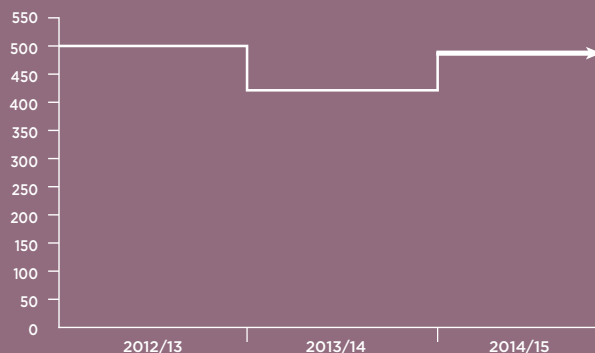
calls to our call centre

99.1% of benefits and substantiated expenses paid within



# 14 days

### TOTAL NUMBER OF WORKERS COMPENSATION BENEFITS AWARDED BY THE DDB

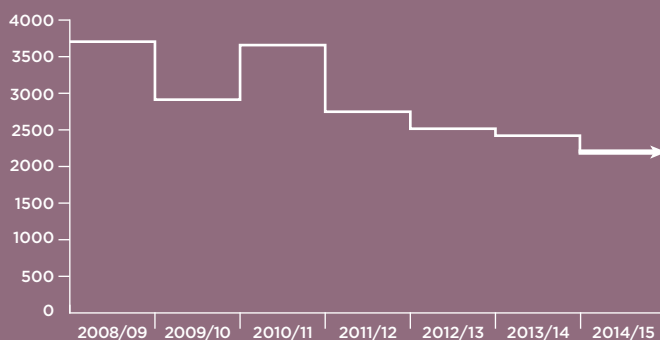


210 new worker awards  
12 new medical expense awards  
199 new dependant awards

# 100%

of complaints resolved within 28 days

### COMPARISON OF CASES PRESENTED TO THE MEDICAL AUTHORITY BY YEAR



# 537

participants live interstate



# 55

participants live overseas

---

# OUR PURPOSE

---

## MISSION AND VALUES

The DDB aims to provide every person affected by an occupational dust disease with timely, accurate and effective services delivered with empathy and integrity.

Our values underpin our interactions 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 employ these values to inform, and perform, our day to day work.

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

## ROLE

The DDB delivers a sustainable compensation scheme for NSW workers with a dust disease and their dependants.

## WHO WE ARE - WHAT WE DO

The 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 DDB's 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 ('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 Workers Compensation (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 to determine the amount of an award to be made in accordance with the Act.

- Paying compensation benefits to all beneficiaries under the Dust Diseases Scheme (the 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 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. This research 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 about the benefits available under the Scheme and the method of application. The 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 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.



## THE HISTORY OF THE DUST DISEASES BOARD

- 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 DDB.
- 
- 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 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 Board to recover monies from negligent third party occupiers and suppliers against whom damages had been claimed in the Dust Diseases Tribunal.
- 
- 2012** The DDB becomes part of the Safety, Return to Work and Support Division under the *Safety, Return to Work and Support Act 2012*.
- 
- 2014** Safety, Return to Work and Support Division becomes Safety, Return to Work and Support and forms part of the Office of Finance and Services within the Treasury and Finance cluster.
- 
- 2015** The Office of Finance and Services becomes the Department of Finance, Services and Innovation.

---

# OUR PURPOSE

---

## LEGISLATION

The Dust Diseases Board's operations are regulated by:

- *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
- Bagassosis
- Berylliosis
- Byssinosis
- Coal dust pneumoconiosis
- Farmer's lung
- Hard metal pneumoconiosis
- Mesothelioma
- Silicosis
- Silico-tuberculosis
- Talcosis.

## 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.

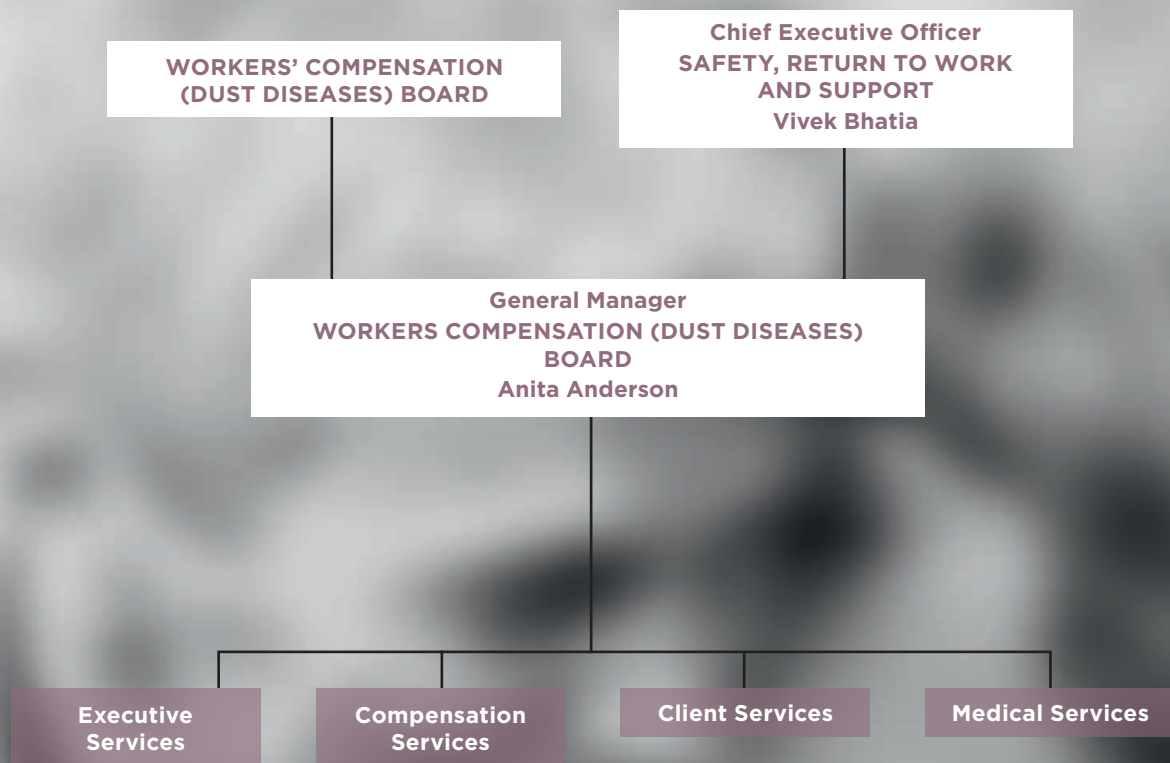
The DDB provides workers with financial assistance in the form of fortnightly workers compensation benefits, and health care support in the form of provision and payment of medical treatment and expenses related to the treatment of their dust disease. The DDB pays compensation payments to an injured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





---

## CEO REVIEW

---

In 2014/15  
we were  
committed to  
ensuring our  
customers  
were our  
primary focus.

### ACHIEVEMENTS

- streamlined and automated services to ensure improved efficiency and increased access for our customers and stakeholders
- provided respiratory health monitoring to more than 4,000 workers
- found 93 per cent of customers were satisfied with compensation services
- achieved a rate of 100 per cent of compensation estate payment amounts settled within 28 days of death
- awarded \$751,556 to four research projects into asbestos related and mesothelioma illnesses
- redesigned our website to meet accessibility requirements for our customers
- improved communication with customers being advised within 24 hours regarding the outcome of Medical Authority decisions
- developed a new dedicated telephone service to assist dependents of deceased workers when making an application for benefits
- implemented procedures to undertake internal reviews of new medical information provided by workers and their legal representatives to minimise unnecessary appeal proceedings in the District Court of NSW
- awarded two scholarships under the DDB Occupational Physicians Scholarship Program, designed to raise awareness of dust diseases among medical practitioners, and to improve knowledge around the prevention, diagnosis and treatment of occupational dust diseases
- participated in the first Parliamentary Review of the exercise of the functions of the Workers' Compensation (Dust Diseases) Board, which determined that the Scheme meets the needs of workers with a dust disease and their dependents and services are delivered by the DDB in an exemplary manner.

---

## THE YEAR AHEAD

On September 1 the Workers Compensation (Dust Diseases) Board became the NSW Dust Diseases Authority (DDA). The DDA now forms part of a new organisation, Insurance and Care NSW (icare).

icare will deliver the State's insurance and care schemes. It will be a centre of excellence for providing person-centric insurance services, return to work solutions, and care for people who have been severely injured in the workplace or on the road.

icare's distinct service lines will include builders warranty, dust diseases care, lifetime care, and workers insurance.

The compensation payments and services we currently provide to workers with a dust disease and their dependants will not stop and will not be reduced. Our customers will continue to receive the same high level of service, care and support we currently provide.

## CHALLENGES

- continued implementation of the new case management system within extended timeframes
- ongoing review of internal processes to improve time standards for the finalisation of compensation applications
- realigning business support roles to underpin a new operational environment following implementation of new systems and structure
- improving our business reporting and analysis to better understand cost drivers and future demand for services.

## OUR TEAM...OUR COMMUNITY

We would like to thank our employees, management team, customers and stakeholders for their continued support throughout the year.

We look forward to building on our achievements, achieving new successes and delivering positive outcomes for the NSW community.



Vivek Bhatia  
Former Chief Executive Officer  
Safety, Return to Work and Support  
Chief Executive  
Dust Diseases Authority

# DUST DISEASES BOARD AND SENIOR MANAGEMENT

## ABOUT 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, Services and Innovation for a period of up to three years.

Members have a wide range of experience including engineering, workers compensation, work health 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 questions 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

### 1. Vivek Bhatia, MBA, B.Engg, CFA — Chair, Dust Diseases Board (DDB) and CEO, Safety, Return to Work and Support (SRWS) (From 1 January 2015)

Mr Bhatia was appointed as CEO of SRWS and became a member of the Safety, Return to Work and Support Board in August 2014. He was appointed Chair of the DDB Board on 1 January 2015 and is Chair of the Heads of Asbestos Coordination Authority. Mr Bhatia joined SRWS following his role as CEO at Wesfarmers Insurance, where he led the multi-brand, multi-channel insurer through a significant transformation journey.

Mr Bhatia has also held several other prominent leadership roles in strategy, operations and technology over the past 15 years both domestically and abroad at McKinsey & Company, Wesfarmers Insurance and QBE. 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.

### 2. 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 has chaired the ARPANSA Radiation Health and Safety Advisory Council for 12 years. She was formerly a Commissioner on the Australian 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. Ms Kidziak has received a number of awards for her work.

### 3. Brian Eichhorn

Mr Eichhorn is the representative of Australian Federation of Employers and Industries. He has worked in manufacturing industries all his working life. For the past 35 years Mr Eichhorn has held senior positions in Human Resources Management. He has qualifications in Human Resources and Occupational Health and Safety and is a trustee of his company's superannuation fund and a member of the Board's Research Grants.

### 4. 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. Ray 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 Mr Petty was registered to the NSW Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members.

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.

### 5. 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, she represents the CFMEU on the Vocational Training Appeal Panel and the Dust Diseases Board on the Asbestos Diseases Research Foundation. She is also a director on the Board of the Schizophrenia Research Institute and director of United Super Pty Ltd (CBUS), Uplus Pty Ltd and the Australian Construction Industry Redundancy Trust (ACIRT). In addition, Ms Mallia is a member of the Board's Research Grants Committee.

### 6. Dave Henry

Mr Henry is the Work Health and Safety Officer for the NSW Branch of the Australian Manufacturing Workers' Union (AMWU). He has occupied this position since early 2003. In this position Mr Henry represents 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 also a member of the Board's Corporate Governance and Research Grants Committees.

### 7. 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.





---

# DUST DISEASES BOARD AND SENIOR MANAGEMENT

---

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.

## **8. Julie Newman PSM, FCPA BHSMgt, MAICD — Chair** (until December 2014)

Ms Newman was appointed as the Chair of the DDB Board 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.



## **DUST DISEASES BOARD SENIOR MANAGEMENT**

### **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



# SAFETY, RETURN TO WORK AND SUPPORT EXECUTIVE

The SRWS Executive team has 15 members, six general managers leading regulatory, care and insurance lines, eight functional leads providing shared services across SRWS, and a 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.



**Vivek Bhatia**  
CEO  
Safety Return to Work  
and Support



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



**Anita Anderson, PSM**  
Dip-Gov-Policy  
General Manager  
Dust Diseases



**John Nagle**  
Executive Director  
WorkCover Insurance



**Caroline Walsh**  
BA (Government),  
LLB(Hons)  
Executive Director  
Workers Compensation  
Regulation



**Peter Dunphy, PSM**  
BS, MA (Hons)  
Executive Director  
Work Health and Safety  
Division



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



**Megan Hancock**  
CA, Grad Dip, AFI,  
GAICD  
Chief Financial Officer



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



**Stuart Bremner**  
MBA, CPA, ACIS  
Chief Information Officer



**Michael Saad**  
BEC  
Director  
Corporate Governance



**Catherine Morgan**  
BA (Hons), LLB (Hons),  
LLM  
Director  
Legal Services



**Greg Barnier**

MBusCoach (Dist),  
AdvDipGovt, (Mgmt),  
DipFinServ (FinPlan),  
Chief Human Resources  
Officer



**Carmel Donnelly**

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



**Samantha Lawrence**

BA (Hons), MBA  
Director and Company  
Secretary  
Office of the CEO

## SAFETY, RETURN TO WORK AND SUPPORT

Chief Executive Officer - Vivek Bhatia

### CARE & INSURANCE

#### LIFETIME CARE AND SUPPORT

General Manager  
Don Ferguson

#### DUST DISEASES BOARD

General Manager  
Anita Anderson

#### WORKCOVER INSURANCE

Executive Director  
John Nagle

### REGULATION

#### WORKCOVER WORKERS COMPENSATION REGULATION

Executive Director  
Caroline Walsh

#### WORKCOVER WORK HEALTH AND SAFETY

Executive Director  
Peter Dunphy

#### MOTOR ACCIDENTS AUTHORITY

General Manager  
Andrew Nicholls

### SHARED SERVICES

#### FINANCE AND SERVICES

Chief Financial Officer  
Megan Hancock

#### INVESTMENT

General Manager  
Steve McKenna

#### PEOPLE AND CULTURE

Chief Human Resources Officer  
Greg Barnier

#### STRATEGY AND PERFORMANCE

General Manager  
Carmel Donnelly

#### CORPORATE GOVERNANCE

Director  
Michael Saad

#### INFORMATION SERVICES

Chief Information Officer  
Stuart Bremner

#### LEGAL SERVICES

Director  
Catherine Morgan

#### OFFICE OF CEO

Director and Company Secretary  
Samantha Lawrence



---

# WORKERS' COMPENSATION (DUST DISEASES) BOARD

---

## OUR VISION

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

---

## OUR MISSION

We protect, insure, care

**Protect** from harm

**Insure** for when things go wrong

**Care** for people when they are injured

---

## OUR VALUES

Accountability

Service

Trust

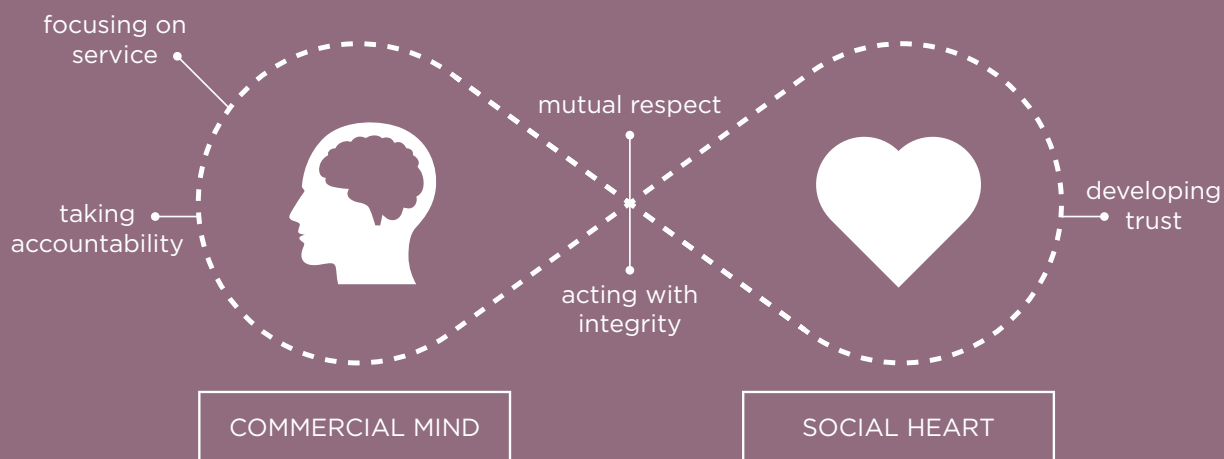
Integrity

Respect



## OUR STRATEGY

Our customers are at the centre of everything we do.  
We invest in the strengths of our people.  
We build great partnerships.  
We create new ways of doing things.



## OUR OBJECTIVES

A sustainable compensation scheme for NSW workers with a dust disease and their dependants  
Efficient and accessible compensation services | Sound fund management and scheme viability  
Exemplar organisations | Cost and efficiency | Customer-focused approach

# INSURE

The DDB undertook a number of key activities throughout the year to strengthen the sustainability of the Scheme, including:

- working with 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	2014/15 Results
Sound fund management and Scheme viability <ul style="list-style-type: none"> <li>• Effective governance, audit and risk management</li> <li>• Accurate actuarial assessments</li> <li>• Proactive assessment of key cost drivers and trends</li> </ul>	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%)	135%
Cost and Efficiency	Actual operating expenditure (excluding finance and compensation costs) varies less than 5% from budget	100%	94%
<ul style="list-style-type: none"> <li>• Evidence used to direct and prioritise our services</li> <li>• Operate within budget</li> <li>• Benchmark the cost of service delivery</li> <li>• Measure our outcomes</li> <li>• Manage our risks</li> </ul>			

## INVESTMENT PERFORMANCE

The SRWS investment portfolios are managed to achieve return and risk outcomes that are appropriate to the schemes they support. Performance for all SRWS investment portfolios was strong over the 2014/15 financial years with the majority of funds comfortably exceeding their asset-weighted market benchmark and liability-related measures. A range of structural changes have been implemented to target lower volatility of investment returns and stability of scheme funding ratios.

## GOVERNANCE ARRANGEMENTS

The Board is responsible for administering the Fund and for authorising all payments from the fund.

The Board's responsibilities include:

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

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

- Corporate Governance Committee
- Research and Community Grants Committee
- SRWS Audit and Risk Committee.

The SRWS Board is responsible for setting investment

objectives, risk management, strategic asset allocation and for reporting to the Minister on performance of the Fund. In June 2015 the amalgamation of the funds management activities of SRWS, SAS Trustee Corporation and New South Wales Treasury Corporation (TCorp) within TCorp was completed. This initiative allows SRWS to pool investment management expertise and streamline the delivery of long-term financial and non-financial benefits to government agencies. An assessment process to improve overall cost efficiency and risk management is ongoing.

## STRATEGIC ASSET ALLOCATIONS AND INVESTMENT RETURNS

The following table lists the strategic asset allocations and investment returns for the statutory funds that the Board oversees.

### Dust Diseases Board Fund Strategic Asset Allocation 30 June 2015

Australian equities	18.0%
International equities	20.0%
International equities – emerging markets	4.0%
Australian unlisted property	10.0%
Listed property	5.0%
Australian fixed interest	15.0%
Australian inflation-linked bonds	27.0%
Cash	1.0%
<b>Total fund</b>	<b>100.0%</b>
Diversified growth assets	57.0%
Defensive assets	43.0%
<b>Total fund</b>	<b>100.0%</b>

### Dust Diseases Board Fund 2014/15 Returns

		3 Year	5 Year	Since
Performance	1 Year (%)	(% p.a.)	(% p.a.)	Inception* (% p.a.)
Fund	10.83	14.36	10.41	5.06
Benchmark**	9.70	12.58	10.10	5.16
Excess	1.13	1.78	0.31	-0.10

\* Performance data for the fund commence on 30 June 2007.

\*\* Benchmark is a composite benchmark based on the fund's strategic asset allocation.

## 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 our corporate policies and guidelines can be found on our website or by contacting the Right to Information Officer at [gipa@ddb.nsw.gov.au](mailto:gipa@ddb.nsw.gov.au) or by phone (02) 8223 6600.

During the year, we simplified our application process to support workers with dust diseases and their dependants and improved the timeliness of our communications by:

- developing a new telephone service to assist dependants of deceased workers when making an application for compensation benefits
- 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, 240 payments were processed each week.

## KEY PERFORMANCE INDICATORS

Key result area	Key performance indicators	Target	2014/15 results
Efficient compensation services <ul style="list-style-type: none"> <li>• Quality and timely services</li> <li>• Simple application processes</li> <li>• Sound decision making</li> <li>• Clear, communication about our services, processes and decisions</li> </ul>	Medical examinations undertaken at DDB within 30 days	75% by 2013 80% by 2015	100%
	Compensation applications determined within 60 days	70% by 2013 85% by 2015	49.9%
	Benefits and substantiated expenses paid to beneficiaries within 14 days	95%	99.1%
	Accurate payment of entitlements paid to beneficiaries within 14 days	100%	100%

## COMPENSATION SERVICES

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

## COMPENSATION AWARDS GRANTED

	2012/13	2013/14	2014/15
New worker awards	295	220	276
New medical expenses awards	22	26	12
New dependant awards	183	176	199
<b>Total awards granted</b>	<b>500</b>	<b>422</b>	<b>487</b>

A total of 672 applications were received in 2014/15 - 345 applications were made by people who had been exposed as a worker, while 210 applications were made by the dependants of a deceased worker. A further 110 applications were for medical screening, while the remainder of applications did not proceed.

The Board approved 276 new awards of compensation to workers who had been certified by the Medical Authority as having a disability 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 12 new awards for the payment of medical expenses for workers who were in paid employment and ineligible to receive weekly compensation benefits.

An additional 199 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.

At 30 June 2015, we provided compensation benefits to 4,013 customers; 1,088 workers and 2,925 dependants. We paid \$81.219 million in compensation benefits during 2014/15 and \$9.050 million in health care and funeral benefits.





## INDUSTRIAL HISTORY SERVICES

DDB industrial history officers conduct interviews to compile an applicant's employment and dust exposure history to support a claim for benefits. Most interviews are conducted by telephone. Interviews with very ill clients are conducted at the applicant's home, or in hospital. We are 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 completed history reports increased by 12 per cent, to a total of 415 in 2014/15. At 30 June 2015, 67 per cent of industrial history reports were completed in under 45 days. The remaining 26.7 per cent of reports were completed in 56 to 90 days, while 6.3 per cent of reports took more than 90 days to complete.

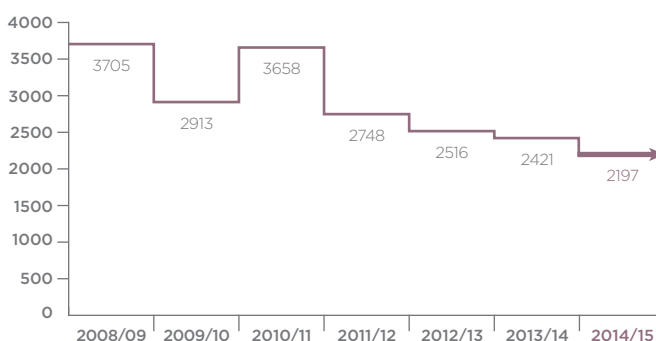
## MEDICAL AUTHORITY SUPPORT TEAM

The Medical Authority support team collects and collates all the necessary medical information required by the Medical Authority to assess an application for compensation. The team records the decisions of the Medical Authority and advises applicants of decisions made by the Medical Authority.

The Medical Authority considered 2,197 cases in the year (10.1 per cent less than the previous year's 2,420), including:

- 342 new cases of a dust disease
- 754 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
- 565 reviews of customers who have previously been certified with a dust disease
- 167 deaths certified as resulting from a dust disease in cases where the deceased worker had dependants
- 56 deaths were certified as not being a result of the worker's dust disease
- 313 cases were deferred by the Medical Authority pending further medical information and reports.

## COMPARISON OF CASES PRESENTED TO THE MEDICAL AUTHORITY BY YEAR



## HEALTH CARE SERVICES

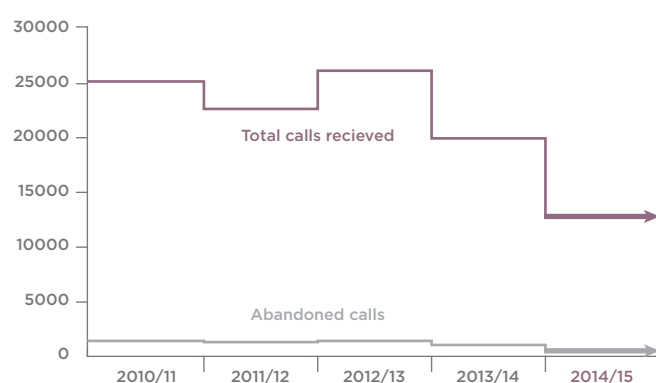
The DDB pays medical and other treatment expenses related to and reasonably necessary for the treatment of a worker's dust disease. This includes expenses such as home oxygen, hospital fees, doctor/specialist fees, home nursing, ambulance fees, pharmaceuticals, aids and equipment, domestic assistance,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

In 2014/15, the health care services team provided services to 1,013 workers, a one per cent decrease on the 1,025 workers assisted in the previous year. The health care services team processed 12,622 invoices for medical and related treatments throughout the year. The team continually reviews processes to improve the quality and timeliness of service provision and reimbursements of medical expenses to workers.

## CALL CENTRE

For DDB customers, the call centre is their first point of contact. Staff are trained to answer all questions an applicant may have in regard to the application process and the DDB's functions. In 2014/15 the call centre received 12,731 inbound phone calls, a 36.2 per cent decrease on the 19,946 calls received in the previous year. The reduction in the number of incoming calls is attributed to workers and dependants now being able to contact Client Service Officers directly rather than through the main DDB telephone number.

## COMPARISON OF INCOMING CALLS BY YEAR



Our customers include workers with a dust disease and their families, including the dependent spouse and children of deceased workers, employers, and the general community.

During 2014/15 we:

- resolved 100 per cent of complaints received within 30 days
- redesigned our website
- developed a new research grant application form and guidelines to streamline the application process and reduce red tape
- sponsored two occupational physicians to undertake an education program including a visit the DDB to develop their understanding of the DDB, diagnosis, medical screening and management of dust diseases
- provided respiratory health monitoring to more than 4,000 workers.

Key performance indicators	Target	2014/15 results
Fair and transparent decisions	<1% decisions varied by internal review or appeal	<1%
Customer satisfaction with compensation services	>85%	93%*
Compliance with service standards	>90%	90%
Complaints resolved within 28 days	100%	100%
Compensation estate payment amounts settled within 28 days of death	100%	100%

\*2013/14 result. The DDB conducts a customer satisfaction survey on a bi-annual basis.

## CUSTOMER SERVICE

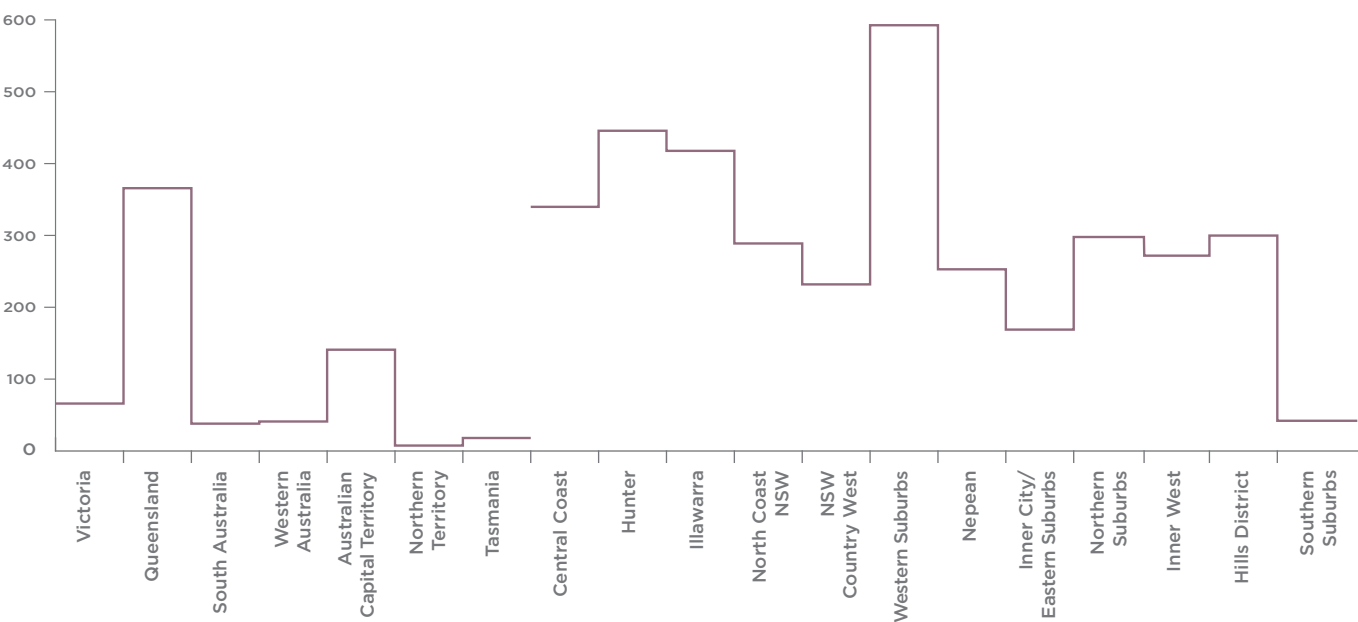
In 2014/15, we received 345 applications for compensation from past and present workers. The average age of workers applying to the DDB for compensation was 75 years. Forty three per cent of new awards made during the year were for workers with a dependant spouse or partner, and 1.6 per cent of new worker beneficiaries also had dependent children.

The DDB is currently assisting 1,088 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.

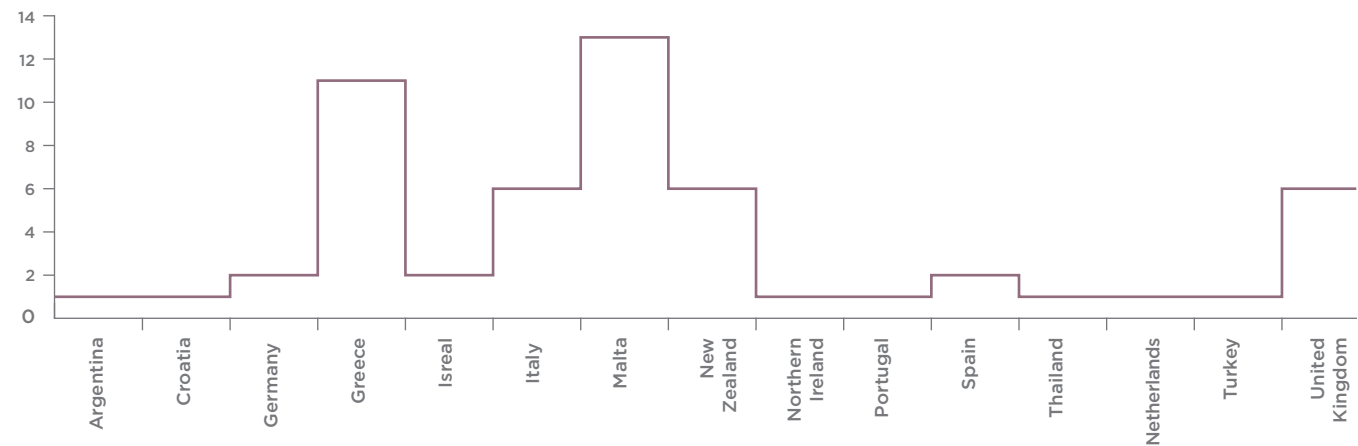
The dependent spouses and partners of deceased workers receive an initial lump sum payment of compensation together with a fortnightly compensation benefit payment.

In 2014/15, the DDB received 210 applications for compensation from the dependants of deceased workers. Currently, 2,925 dependants are receiving fortnightly compensation benefits from the DDB.

BENEFICIARIES CATEGORISED BY STATE, TERRITORY AND NSW REGION OF RESIDENCE 2014/15



BENEFICIARIES CATEGORISED BY COUNTRY OF RESIDENCE 2014/15 (EXCLUDING AUSTRALIA)



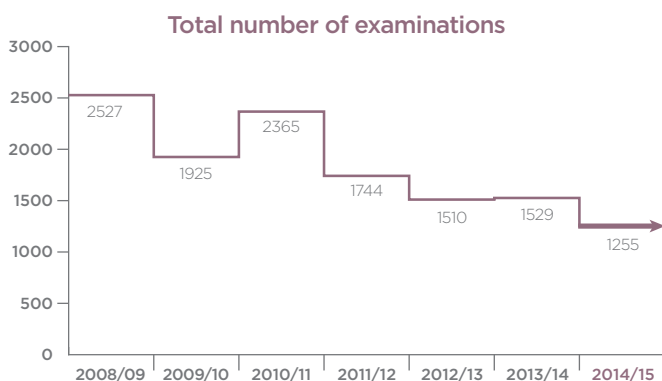
### MEDICAL SCREENING SERVICE

If a past or present worker thinks they may have a dust disease, the DDB can help them find out by arranging a free medical examination, which includes a chest x-ray, a lung function test and a medical examination by a doctor.

In 2014/15, we provided medical examinations to 1,255 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 2014/15, we were able to offer 100 per cent of customers attending our Sydney medical centre a medical examination within 30 days of application.

## MEDICAL SCREENING SERVICE EXAMINATIONS (BY FINANCIAL YEAR)



## 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 57,074 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.

## HEALTH MONITORING MEDICAL EXAMINATIONS (BY FINANCIAL YEAR)

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, we also provide a health monitoring report to the employer. The Regulation requires that a health monitoring report contains 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 should continue in their normal employment.

In 2014/15, we conducted 4,082 health monitoring examinations. This represents a 15.5 per cent decrease 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 several years.



# PROTECT

## RESEARCH AND EDUCATION

The DDB facilitates research to help us identify dust disease, assist sufferers and prevent cases of occupational lung disease in the future. The DDB research and education unit has four primary functions:

1. administering the DDB Research and Community Grants Scheme.
2. maintaining the research database.
3. responding to requests for scientific information.
4. performing asbestos fibre counts on samples of lung tissue.

New cases of dust diseases were added to the research database in the past 12 months.

The unit responded to 26 cases for scientific information, 11 fewer than the previous year. Requests for information ranged in complexity from providing literature or simple statistics, to detailed analysis examples including assisting the WorkCover Authority of NSW with information and data for the loose-fill asbestos investigation. Other requests for information were received from research institutes, industry groups, actuaries, the DDB executive and Medical Authority. The Research Unit assisted with 26 requests for information received under the *Government Information (Public Access) Act 2002*.

## 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 affected workers. We award funding for research programs in five key areas:

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

At 30 June 2015, the unit was monitoring two ongoing research grants, with four completed. The unit was also helping to establish grants for a further four research studies approved by the Board. Further information about the research projects funded by the DDB in 2014/15 can be found under Appendix 10.

Research funded by the DDB provides significant support towards developing early detection methods, improved treatments and, ultimately, better outcomes for all dust diseases sufferers.

We also fund 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 provide up to \$6000 to meet the costs of travel, accommodation and living expenses associated with visiting the DDB in Sydney for one week.

In March 2015 the Board awarded funding to the following researchers:

Applicant Name	Institution	Project Short Name	Duration	Budget
Professor Jenette Creaney	Lung Institute of Western Australia	Establishing the biological activity of malignant effusions in malignant pleural mesothelioma	2 years	\$239,432.00
Dr Nicholas de Klerk	University of Western Australia	Lung cancer risk and screening guidelines after asbestos exposure	2 years	\$191,000.00
Professor Richard Lake	University of Western Australia	Exploiting immune checkpoint blockade to generate effective therapy for malignant mesothelioma	2 years	\$243,147.00
Professor YC Gary Lee	Lung Institute of Western Australia	Phase II of a novel FGF-Receptor Antagonist in mesothelioma	2 years	\$249,877.40



---

## COMPLAINTS AND APPEALS

All members of the public have a right to make a complaint or offer feedback on how the DDB can improve its service standards.

This year no formal complaints were received, however, a person affected by a Board or the Medical Authority decision 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 2014/15.

## STAKEHOLDER INVOLVEMENT

During 2014/15, we sponsored the National Asbestos Awareness Week event hosted by the Asbestos Diseases Foundation of Australia.

In late 2014 we invited stakeholders to attend focus groups to assist in the development and testing of the DDB's new website. These focus groups were invaluable in helping redesign our website in a way that reflects the needs of customers and the NSW community.

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

In 2014/15, development continued on our new case management system, due for implementation in 2015/16. The system will cut red tape and provide greater public interaction with the DDB via a web portal. This will mean reduced response times and make our services more accessible to people requiring our assistance. The web portal will allow customers to lodge applications and contact DDB staff electronically, and enable suppliers to lodge and track payment of their invoices. Automating these functions allows staff to devote more time to the delivery of client services.

### CASE STUDY – MEDICAL SCHOLARSHIPS

In 2014/15, two medical scholarships were offered to assist occupational physicians to visit the DDB to learn more about occupational dust diseases. The 2015 medical scholars, Dr Ben Uchenna, an occupational medicine trainee from Melbourne, and Dr Peter Jezukaitis, an experienced occupational physician from Adelaide, visited Sydney from 20-24 April 2015.

Scholarship activities included:

- visiting the WorkCover Chemical Analysis Laboratory
- visiting the Electron Microscope and the Department of Anatomical Pathology, Westmead Hospital.
- attending a Medical Authority meeting
- meetings with DDB managers and Board member, Ms Sylvia Kidziak
- visiting the Asbestos Diseases Research Institute
- meeting with the WorkCover work, health and safety team.

Feedback from the two scholars was positive, leading the Research Grants Committee to consider recommending two additional scholarships in 2015/16, for a third year of the scholarship program.

---

# OUR PEOPLE

---

## CULTURE OF ACHIEVEMENT AND LEADERSHIP

Culture of Achievement is an initiative that aims to shape the culture of SRWS, encouraging a customer-centric, high-performance operating model. This initiative aims to build a culture that supports and drives the organisation's vision, mission and values.

Another initiative, the GROW Leadership Development Program, is targeted at three leadership levels and includes a self-leadership program that has continued to build and enhance capabilities related to people management and self-awareness. This tiered approach caters for a progressive development pathway. All programs are highly interactive and centred around real workplace challenges.

In 2014/15, SRWS senior executives initiated the co-design of a clear, responsive, and adaptable action plan for the future direction of its agencies. This culminated in the development of the SRWS Corporate Plan vision, mission and strategy.

The past 12 months also saw a significant shift to CEO and executive visibility and communications, which contributed to increased staff engagement. The CEO established an open Q&A communication channel and a weekly blog, providing updates on key projects and achievements. In addition, the senior executive team led the implementation of four key priorities from the 2014 People Matters employee survey: organisational culture; values based leadership; decision making and empowerment; and organisational direction.

## PERFORMANCE MANAGEMENT

SRWS continues to use an online performance management system to support clarity of individual performance expectations for the year. At 30 June 2015, all eligible DDB staff had set performance objectives.

## MANDATORY TRAINING PROGRAMS COMPLETED IN 2014/15:

In financial year 2014/15 three e-learning modules were launched:

- Maintaining a positive and respectful workplace
- Information security awareness
- WHS due diligence.

A one day workshop, Manager as a Coach, was also delivered to build and enhance the coaching skills of people leaders by providing them with the tools they need to lead and inspire an effective team.

## TRAINING AND DEVELOPMENT

In 2014/15, 161 core training programs were delivered, aligned to the NSW Public Sector Capability Framework. Satisfaction was rated at 96 per cent with 98 per cent of employees indicating they would apply what they had learnt in the workplace.

## INTRANET REDEVELOPMENT

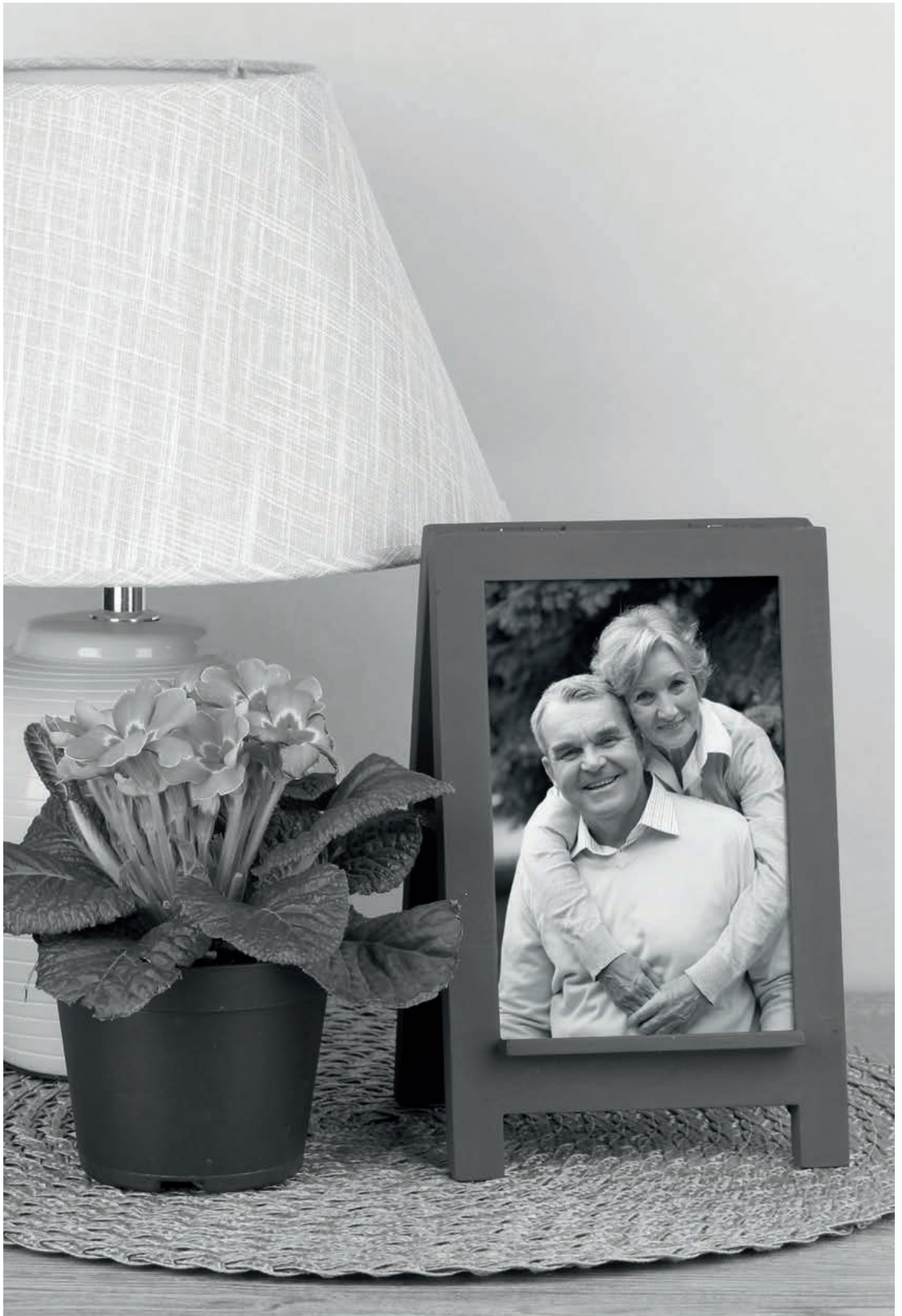
To improve internal communications and information accessibility for our employees, a large scale review of the existing intranet was completed and implementation is due to commence in 2015/16.

## REWARDS AND RECOGNITION

In 2014/15 the SRWS recognition strategy was enhanced, which helped produce a 30 per cent increase in nominations for the 2015 awards. The awards cover seven focus areas directly aligned to the organisation's values. The formal SRWS awards ceremony was held at NSW Parliament House this year.

In 2015, SRWS launched the 'I recognise' cards. These cards allow SRWS staff to acknowledge one another for demonstrating organisational values of respect; integrity; trust; service; innovation and accountability.

In 2014/15, nine DDB staff members (one individual and three teams) were nominated for awards. Awards 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.



---

# OUR PEOPLE

---

## CAPABILITY BASED ROLE DESCRIPTIONS

As part of the Government Sector Employment Act, role descriptions must align with the 2013 Public Sector Capability Framework. The capability framework provides a basis for creating and recruiting roles and helps make sure SRWS gets the right people into the right roles. This year SRWS made progress on the implementation of capability based role descriptions. Role descriptions focussed on the underpinning knowledge, skills and abilities required for a role and have facilitated greater agility and mobility across the organisation.

## WORK HEALTH AND SAFETY PERFORMANCE AND EMPLOYEE WELLBEING

SRWS performance in the area of work health safety and employee wellbeing continued to focus on prevention and early intervention. The wellness strategy across SRWS covers four core areas; physical, social, emotional and financial and has included prevention initiatives such as:

- Get Healthy at Work
- early detection
- flu vaccinations
- blood donor
- nutrition seminars
- International Day of People with a Disability seminar
- Dragon Boat Races
- Movember
- RU OK Day.

An overarching SRWS health and safety committee enables consultation on matters of health and safety. This year SRWS focused on improvement across its health and safety management system, including the adoption of revised health and safety policies and procedures, and mandatory work health and safety-related training across the four agencies.

SRWS has 22 workgroups represented by 27 Health and Safety Representatives, a SRWS Health and Safety Committee, and other agreed consultation arrangements consistent with the work health and safety legislation.

In 2014/15, no claims were lodged by DDB staff.

SRWS continues to support staff through non-work related illness and injury concerns, and to work on early intervention, pro-active case management, and timely return to work strategies.

## RECRUITMENT

During 2014/15, SRWS transitioned to the new employment practices introduced in the *Government Sector Employment (GSE) Act 2013*.

During the year SRWS updated its recruitment framework to align with the changes introduced by the GSE Act and with DFSI corporate recruitment policy/practice. A number of new GSE compliant recruitment practices were developed and introduced and a number of key actions were progressed. A robust hiring manager coaching program was developed and implemented incorporating one-on-one support for all hiring managers during their first recruitment action under the GSE provisions.



---

## WORKFORCE DIVERSITY AND INCLUSION

SRWS committed to building a workplace culture that values, understands and promotes the benefits of a diverse and inclusive workforce reflective of the wider community.

A diversity statement is included in all job advertisements on Jobs.NSW, encouraging people from diverse backgrounds to apply for roles in the organisation. The job application process also provides options for candidates to discuss flexible work arrangements and to access information packages in different formats.

In late 2013 SRWS Equal Employment Opportunity (EEO) Plan introduced a recruitment strategy to improve access to employment for diversity groups. The strategy focussed on providing opportunities at entry level for young workers, people with a disability and/or Aboriginal or Torres Strait Islanders. Through continued targeted employment programs, and partnering with an employment service provider specialising in these areas, SRWS has this year been able to offer a further eight employment/engagement opportunities to individuals identifying from a disadvantaged group (one Indigenous person, one disabled person, and six young workers under 25). In addition, eight other applicants were successfully placed in a talent pool for future opportunities.

### DISABILITY

SRWS 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 2014/15 SRWS:

- participated in International Day of People with a Disability events, which included organising guest speakers with a disability
- sponsored a university student, providing six weeks paid work experience through the Australian Network on Disability
- expanded targeted recruitment
- implemented a job application process that provides the option for candidates to discuss reasonable adjustment requirements in the application and/or assessment process
- provided support to employees requiring reasonable accommodation in the workplace
- designed e-learning programs that meet accessibility standards
- implemented alternate learning methods for online learning.

## INDIGENOUS EMPLOYEES

In 2014/15 SRWS:

- participated in NAIDOC Week celebrations
- implemented targeted recruitment
- created an Aboriginal programs unit focussed on external service delivery
- advertised new inspector roles in Indigenous publications
- supported employees to participate in Aboriginal and Torres Strait Islander network meetings and events
- supported the Aboriginal Career and Leadership Development Program Scholarship.

## WOMEN

In 2014/15 SRWS:

- participated in the Lifeline Steel Magnolia Awards and sponsored the Young Achiever Award
- attended the United Nations women's breakfast
- participated in the My Mentor personal and career development program
- sponsored two places to attend, the Australian Women in Leadership Conference.

## YOUNG WORKERS

In 2014/15 SRWS:

- implemented targeted recruitment
- continued the SRWS Scholarship Scheme with the Universities of NSW, Newcastle and Western Sydney.

# OUR PEOPLE

## MULTICULTURAL POLICIES AND SERVICES PROGRAM

In 2015, the SRWS Multicultural Plan 2015/17 was developed as a fundamental tool for planning and implementing policies and services. As an agency of SRWS, the DDB recognises and supports multiculturalism in NSW. The plan includes strategies aligning with our corporate objectives to ensure that workplaces and services are inclusive and non-discriminatory. Embracing a multicultural focus, the plan was integrated into our business plans for 2014/15.

Initiatives in 2014/15 included:

- maintaining and updating a diversity and inclusion intranet page along with a diversity events calendar
- raising multicultural awareness in recruitment and induction packs
- celebrating Harmony Day in March 2015 by hosting morning teas, wearing orange, decorating workstations and promoting local cultural activities
- celebrating NAIDOC Week in July 2014 including holding morning teas and screening cultural documentaries.

Collaborating with others, the DDB also:

- sponsored three prizes for the Reconciliation 2015 Art Competition and Exhibition award ceremony, in conjunction with NSW Fair Trading
- adopted the DFSI 'Practical Actions Guide - Building Diversity and Inclusion' as part of the People Leaders' Toolkit used within SRWS
- participated in a Bulgandry cultural site trip that included a guided tour of local Aboriginal rock carvings, artefacts and insight into indigenous history on the Central Coast.

## WORKFORCE DIVERSITY AND INCLUSION 2015/16

In 2015/16 DDB will participate in a number of activities across all diversity groups as well as young workers including:

- the expansion of targeted recruitment and support for managers to remove unconscious bias
- targeted learning and development programs
- participation in targeted events and celebrations such as NAIDOC, Harmony Day, International Women's Day and the International Day of People with Disability
- increase regularity of advertising roles through culturally specific media and networks (e.g. ethnic/ Aboriginal/LGBTI)

- sponsorship programs
- enhancements to recruitment advertising to include imagery in advertising that reflects employee diversity and work of organisation.

## 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 double 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.

In 2014/15 the DDB's employee response rate for providing diversity information was below 65 per cent (38.5%). Although providing diversity information is not mandatory, the DDB is continuing to encourage our employees to provide this data. Information about workplace diversity and confidentiality of personal information is included in the induction process and all new employees are encouraged to provide diversity information.

## TRENDS IN THE REPRESENTATION OF WORKFORCE DIVERSITY GROUPS\*

Workforce diversity group	Benchmark/Target	2014	2015
Women	50%	64.3%	61.5%
Aboriginal People and Torres Strait Islanders	2.6%	2.4%	2.6%
People whose first language spoken as a child was not English	19.0%	4.8%	5.1%
People with a disability	N/A	2.4%	2.6%
People with a disability requiring work-related adjustment	1.5%	0.0%	0.0%

\* Based on a response rate 38.5%

## TRENDS IN THE REPRESENTATION OF WORKFORCE DIVERSITY GROUPS\*

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



## KEY PERFORMANCE INDICATORS

Key result area	Key performance indicator	Target	2013/14 results	2014/15 result
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)	0%
Effective performance management	All staff have a development plan	100%	95%	97.4%
A safe, supportive and productive workplace				

## HUMAN RESOURCES STATISTICS

	2014/15		2013/14		2012/13		2011/12		2010/11	
	SRWS	DDB	SRWS <sup>3</sup>	DDB	SRWSD <sup>2</sup>	DDB	CASD	DDB	CASD <sup>1</sup>	DDB <sup>1</sup>
Administration and clerical	947	30	920	32	965	31	1046	33	1061	41
Associates/ Ministerial	-	-	-	-	-	-	-	-	-	-
Cadets	-	-	-	-	-	-	-	-	8	-
Departmental professional officers	26	9	25	9	29	9	32	9	34	9
Engineers	9	-	10	-	13	-	11	-	12	-
General division	-	-	-	-	-	-	-	-	-	-
Graduates	-	-	-	-	-	-	-	-	-	-
Legal officers	24	-	24	-	42	-	37	-	38	-
Safety inspectors	284	-	290	-	281	-	280	-	293	-
Senior management (Senior Executive Service)	28	-	34	-	33	-	11	-	13	-
Senior officers	24	-	29	1	37	1	56	1	55	1
Technical officers	8	-	7	-	10	-	7	-	8	-
Trainees	-	-	-	-	-	-	-	-	-	-
Statutory and other officers including arbitrators	1	-	1	-	23	-	24	-	24	-
<b>Total</b>	<b>1351</b>	<b>39</b>	<b>1340</b>	<b>42</b>	<b>1433</b>	<b>41</b>	<b>1504</b>	<b>43</b>	<b>1546</b>	<b>51</b>

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. DDB headcount is as at 22 July 2010, due to DDB not being on the WorkCover NSW HR System until July 2010

2. Compensation Authorities Staff Division (CASD) retitled to Safety Return to Work and Support Division (SRWSD) in August 2012.

3. 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

---

# OUR PEOPLE

---

## CORPORATE GOVERNANCE

### PARLIAMENTARY OVERSIGHT

In September 2014 the NSW Parliament Standing Committee on Law and Justice published its findings from the first ever review of the Workers' Compensation (Dust Diseases) Board.

The committee observed in their final report published 13 September 2014, "The overwhelming view of review participants is that the Dust Diseases Board and its compensation scheme are performing in an exemplary manner. It is a rare feat for a government agency to receive such uniform praise from stakeholders. The committee commends the board for performing its functions to such a high standard."

The committee also commented, "The evidence presented during this review demonstrates that the board has a person-centred approach to service delivery that allows it to execute its statutory functions and corporate governance responsibilities in an exemplary manner. The committee acknowledges the excellent overall satisfaction rating the DDB achieved in its 2013 customer satisfaction survey. The Board's staff have worked diligently to provide empathic and courteous service for their clients and should be commended for their efforts."

### 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 (TPP09-05)*.

The risk strategy informs corporate and business planning, governance and assurance activities. Through good governance, robust business practices and consistent monitoring the ERM framework aids to build an agile, capable and sustainable environment, underpinned by a risk aware culture.

The Board has an established and ongoing process for identifying, evaluating and managing the significant risks faced by SRWS and is assisted by a suite of tools available to staff. The management of each agency level and divisional / business unit is responsible for identifying, evaluating, and rating (in terms of probability of occurrence and likely impact) key risks. Ownership is assigned, which entails taking responsibility for managing and mitigating key risks, including the design and operation of appropriate internal controls and consistent reporting. A key feature of the ERM framework is that everyone takes responsibility for the management of risk. Both strategic and operational risk reviews have continued and the next phase of further enhancing risk maturity across SRWS has begun.

The governance structures for risk management are based on the 'three lines of defence' model. Primary responsibility for risk management lies with the business units and specialist operational process functions. A second line of defence is provided by specialist functions that undertake monitoring, challenge and policy setting, such as the independent strategic risk and corporate compliance function. The third line of defence is provided by Internal Audit Unit (IAU) which provides process assurance, supplemented by external audit.

### INTERNAL AUDIT UNIT

The SRWS IAU is an independent review function that manages, through two outsourced service providers, an annual plan of risk-based audits across all the SRWS Agencies including the DDB. In 2014/15, six reviews were finalised in DDB (or SRWS-wide including DDB). These reviews raised 25 audit issues and made 44 audit recommendations to strengthen the organisation's internal controls.

The following internal audit reports were finalised in 2014/15:

- SRWS Complaints Management\*
- SRWS Asset Management
- SRWS Accounts Payable
- SRWS Physical Security
- SRWS IT Security
- SRWS Annual Reporting.

In addition to the above, the following internal audit review, from the 2014/15 audit plan, was in progress as at 30 June 2015:

- DDB Case Management System - Segregation of Duties.

During 2014/15 SRWS commissioned an independent quality assessment by the industry peak body, the Institute of Internal Auditors (IIA), of the entire spectrum of assurance and consulting work performed by the IAU. The IAU was assessed as fully conforming with all 51 IIA Standards and the NSW Government Internal Audit Policy. The IIA rated SRWS Internal Audit as 'beyond conforming' - the top category in its maturity model - and highlights many examples of good practice in its final quality assessment report.

The IAU also undertakes a range of fraud and corruption prevention activities. 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

\* Internal audit reviews from the 2013/14 audit plan completed during the 2014/15 year.

Audit and Risk Committee for strategic direction and accountability purposes, and reports administratively to the CEO to facilitate day to day operations.

## ENERGY PERFORMANCE AND WASTE REDUCTION

SRWS continued to achieve savings in energy usage, sustainable energy management principles and targets set in the Government Resource Efficiency Policy (GREP). During 2014/15, SRWS occupied 23 sites that purchased electricity through State contracts and generated six per cent of their power from renewable energy sources.

SRWS initiatives in 2014/15 included:

- using energy-efficient automated lighting and motion-detection lighting
- installing infra-red security cameras to reduce external lighting

- timed air conditioning
- continued use of UniFLOW print management system to reduce paper and toner usage
- recycling 100 per cent of used toner cartridges
- recycling IT equipment through approved providers
- procuring environmentally friendly vehicles
- increasing publication of online materials
- separating waste into recyclable and general categories.

## PUBLIC INTEREST DISCLOSURES (PIDS)

The DDB has an Internal Reporting Policy available to all staff on the intranet.

We make staff aware of their rights and responsibilities under the *Public Interest Disclosure Act 1994*. Awareness activities within the current PID reporting period (1 July 2014 to 30 June 2015) include induction training, intranet communications, and fact sheets.

## STATISTICAL INFORMATION ON 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		

## INFORMATION SERVICES

SRWS Information Services is responsible for the support and maintenance of existing infrastructure and applications within the SRWS technology system. 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 Information Communication Technology (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 and cost effectiveness of ICT infrastructure. The ICT strategy ensures that SRWS progresses data from its raw form to accessible and useable information.

---

# INTERNAL AUDIT AND RISK MANAGEMENT STATEMENT

---

## **Internal Audit and Risk Management Statement for the 2014-2015 Financial Year for the Workers' Compensation (Dust Diseases) Board**

I, Vivek Bhatia, 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, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Vivek Bhatia, 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.



Vivek Bhatia  
Chair

Dated this twenty fourth day of August 2015

---

# DIGITAL INFORMATION SECURITY ATTESTATION STATEMENT

---

## **DIGITAL INFORMATION SECURITY ANNUAL ATTESTATION STATEMENT FOR THE 2014-2015 FINANCIAL YEAR FOR THE WORKERS' COMPENSATION (DUST DISEASES) BOARD.**

I, Vivek Bhatia, Chief Executive Officer of the Workers' Compensation (Dust Diseases) Board, am of the opinion that the Workers' Compensation (Dust Diseases) Board had an Information Security Management System in place during the 2014-2015 financial year that is consistent with the Core Requirements set out in the *NSW Government Digital Information Security Policy*.

The controls in place to mitigate identified risks to the digital information and digital information systems of the Workers' Compensation (Dust Diseases) Board are adequate.

Risks to the digital information and digital information system of Workers' Compensation (Dust Diseases) Board been assessed with an independent ISMS being developed in accordance with the *NSW Government Digital Information Security Policy*.

The Workers' Compensation (Dust Diseases) Board has maintained compliance with *ISO 27001 Information technology – Security techniques – Information security management systems – Requirements* and independently reviewed by Shearwater Solutions Pty Ltd during the 2014-2015 financial years.



# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## WORKERS' COMPENSATION (DUST DISEASES) BOARD

Actuarial Certificate	41
Statement by the Chief Executive Officer	43
Independent Auditor's Report	44
Statement of Comprehensive Income for the year ended 30 June 2015	46
Statement of Financial Position as at 30 June 2015	47
Statement of Changes in Equity for the year ended 30 June 2015	48
Statement of Cash Flows for the year ended 30 June 2015	49
Notes to the Financial Statements	50
1. Summary of significant accounting policies	50
2. Expenses excluding losses	59
3. Revenue	61
4. Loss on Disposal	61
5. Other gains/(losses)	61
6. Current assets – cash and cash equivalents	62
7. Current/non-current assets – receivables	62
8. Current/non-current assets – financial assets at fair value	63
9. Non-current assets – property, plant and equipment	64
10. Intangible assets	65
11. Fair value measurement of non-financial assets	66
12. Current liabilities – payables	66
13. Current liabilities – borrowings	66
14. Current/non-current liabilities – provisions	67
15. Commitments for expenditure	70
16. Contingent liabilities and contingent assets	70
17. Budget review	70
18. Reconciliation of cash flows from operating activities to net result	70
19. Restricted assets	71
20. Financial instruments	72
21. Post balance date events	81

---

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### ACTUARIAL CERTIFICATE

---

#### WORKERS COMPENSATION DUST DISEASES BOARD of NSW

##### Actuarial Certificate

##### Outstanding Claims Liabilities as at 30 June 2015

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 2015.

#### Data

The valuation of outstanding claims liabilities as at 30 June 2015 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 2015 is **\$1,854.4m**. The breakdown of the result between known and future claims is as follows:

Component	Net central estimate (\$m)
Known claims	773.2
Future claims	1,072.2
<b>Total liability</b>	<b>1,854.4</b>

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 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.

---

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### ACTUARIAL CERTIFICATE

---

#### Report

The valuation of outstanding claims as at 30 June 2015 has been documented in our final report dated 31 July 2015. 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*.



Sharanjit Paddam



Milton Lim

Fellows of the Institute of Actuaries of Australia

---

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

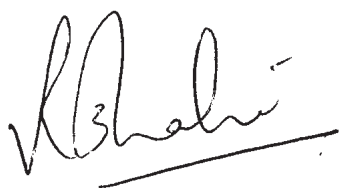
### STATEMENT BY THE CHIEF EXECUTIVE OFFICER

---

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 2015 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 2015*, 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.



Vivek Bhatia  
Chief Executive Officer  
Dust Diseases Authority  
14 September 2015

---

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 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 2015, 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 2015, 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* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### The Chief Executives' Responsibility for the Financial Statements

The Chief Executive Officer is responsible for preparing 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 Chief Executive Officer determines is necessary to enable the preparation of financial statements that give a true and fair view and 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 an 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 2015

## Workers' Compensation (Dust Diseases) Board

### INDEPENDENT AUDITOR'S REPORT

---

My opinion does *not* provide assurance:

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

16 September 2015  
SYDNEY

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
<b>EXPENSES EXCLUDING LOSSES</b>				
Operating expenses				
Personnel services	2(a)	4,016	4,586	4,006
Other operating expenses	2(b)	4,675	3,675	3,618
Depreciation and amortisation	2(c)	249	347	302
Grants and subsidies	2(d)	5,332	6,565	5,769
Finance costs	2(e)	40,800	96,521	97,200
Other expenses	2(f),3(d)	301,678	(7,291)	368,824
<b>Total expenses excluding losses</b>		<b>356,750</b>	<b>104,403</b>	<b>479,719</b>
<b>REVENUE</b>				
Sale of goods and services	3(a)	496	521	557
Investment revenue	3(b)	99,262	63,417	119,640
Retained taxes, fees and fines	3(c)	105,303	105,227	98,531
Other revenue	2(f),3(d)	154,096	(64,512)	259,920
<b>Total Revenue</b>		<b>359,157</b>	<b>104,653</b>	<b>478,648</b>
Loss on disposal	4	(26)	-	-
Other gains / (losses)	5	(62)	(250)	160
<b>Net result</b>		<b>2,319</b>	<b>-</b>	<b>(911)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be reclassified to net result		-	-	-
Net increase / (decrease) in property, plant and equipment revaluation surplus		-	-	(943)
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>(943)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,319</b>	<b>-</b>	<b>(1,854)</b>

The accompanying notes form part of these financial statements.

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	6	66,751	22,945	90,082
Receivables	7	95,980	112,537	111,643
Financial assets at fair value	8	962,520	101,475	93,195
<b>Total Current Assets</b>		<b>1,125,251</b>	<b>236,957</b>	<b>294,920</b>
<b>Non-Current Assets</b>				
Receivables	7	740,649	790,624	1,024,389
Financial assets at fair value	8	-	853,809	793,996
Property, plant and equipment	9			
Land and buildings		4,271	4,236	4,408
Plant and equipment		399	387	527
Total property, plant and equipment		4,670	4,623	4,935
Intangible assets	10	1,705	-	-
<b>Total Non-Current Assets</b>		<b>747,024</b>	<b>1,649,056</b>	<b>1,823,320</b>
<b>TOTAL ASSETS</b>		<b>1,872,275</b>	<b>1,886,013</b>	<b>2,118,240</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	12	14,713	5,538	58,604
Borrowings	13	135	-	-
Provisions	14	105,325	106,216	104,484
<b>Total Current Liabilities</b>		<b>120,173</b>	<b>111,754</b>	<b>163,088</b>
<b>Non-Current Liabilities</b>				
Provisions	14	1,742,533	1,765,969	1,947,902
<b>Total Non-Current Liabilities</b>		<b>1,742,533</b>	<b>1,765,969</b>	<b>1,947,902</b>
<b>Total Liabilities</b>		<b>1,862,706</b>	<b>1,877,723</b>	<b>2,110,990</b>
<b>NET ASSETS</b>		<b>9,569</b>	<b>8,290</b>	<b>7,250</b>
<b>EQUITY</b>				
Reserves		1,265	1,265	1,265
Accumulated funds		8,304	7,025	5,985
<b>TOTAL EQUITY</b>		<b>9,569</b>	<b>8,290</b>	<b>7,250</b>

The accompanying notes form part of these financial statements.

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2014	5,985	1,265	7,250
Changes in accounting policy		-	-
<b>Restated total equity at 1 July 2014</b>	<b>5,985</b>	<b>1,265</b>	<b>7,250</b>
Net result for the year	2,319	-	2,319
Other comprehensive income	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>2,319</b>	<b>-</b>	<b>2,319</b>
Transactions with owners in their capacity as owners	-	-	-
<b>BALANCE AT 30 JUNE 2015</b>	<b>8,304</b>	<b>1,265</b>	<b>9,569</b>
Balance at 1 July 2013	7,025	2,208	9,233
Changes in accounting policy	(129)	-	(129)
<b>Restated total equity at 1 July 2013</b>	<b>6,896</b>	<b>2,208</b>	<b>9,104</b>
Net result for the year	(911)	-	(911)
Other comprehensive income:			
Net (decrease) in property, plant and equipment	-	(943)	(943)
<b>Total other comprehensive income</b>	<b>-</b>	<b>(943)</b>	<b>(943)</b>
<b>Total comprehensive income for the year</b>	<b>(911)</b>	<b>(943)</b>	<b>(1,854)</b>
Transactions with owners in their capacity as owners	-	-	-
<b>BALANCE AT 30 JUNE 2014</b>	<b>5,985</b>	<b>1,265</b>	<b>7,250</b>

The accompanying notes form part of these financial statements.

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Actual 2015 \$'000	Budget 2015 \$'000	Actual 2014 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Personnel services		(3,798)	(4,586)	(3,884)
Grants and subsidies		(5,274)	(6,565)	(5,660)
Other		(148,825)	(104,129)	(105,708)
<b>Total Payments</b>		<b>(157,897)</b>	<b>(115,280)</b>	<b>(115,252)</b>
<b>Receipts</b>				
Sale of goods and services		439	521	557
Interest received		11,212	36,422	123,304
Retained taxes, fees and fines		106,178	42,936	99,709
Other		(855)	67,840	1,602
<b>Total Receipts</b>		<b>116,974</b>	<b>147,719</b>	<b>225,172</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>18</b>	<b>(40,923)</b>	<b>32,439</b>	<b>109,920</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of investments		393,506	5,932	24,200
Purchases of plant and equipment		(10)	(40)	(94)
Purchases of intangible assets		(1,705)	-	-
Purchases of investments		(374,334)	(26,994)	(120,383)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>17,457</b>	<b>(21,102)</b>	<b>(96,277)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>(23,466)</b>	<b>11,337</b>	<b>13,643</b>
Opening cash and cash equivalents		90,082	11,608	76,439
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>6</b>	<b>66,616</b>	<b>22,945</b>	<b>90,082</b>

The accompanying notes form part of these financial statements.



---

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 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 2015 have been authorised for issue by the Board on 14 September 2015.

##### 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 2015* and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW 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.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 14 – Outstanding claims
- Note 20 – Financial instruments

Where the fair values of financial assets and financial liabilities recorded on the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

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 14 for more details).

##### e. 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.

##### f. 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 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

---

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### g. Income/Expense 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 is brought to account on an accruals basis. Dividends on quoted shares are deemed to accrue when the relevant shareholding becomes ex-dividend. Differences between the net market values of investments at the end of the reporting period and their net market values at the end of the previous reporting period (or cost of acquisition, if acquired during the reporting period) are recognised as revenue in the Statement of Comprehensive Income. 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*.

##### v. Other gains/(losses)

Gains represent other items that meet the definition of income and may, or may not, arise in the course of the ordinary activities of the Board. Gains represent increases in economic benefits and as such are no different in nature from revenue. Gains include, for example, those arising on the disposal of non-current assets.

Losses represent decreases in economic benefits and as such are no different in nature from expenses.

##### vi. Fund manager remuneration includes base fees which are generally paid quarterly.

##### h. 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). For intangible assets it is \$100,000 and above (including 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 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 building was completed on 2 April 2014 and Scientific and Medical Equipment on 6 February 2015. Both valuations were 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 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### h. 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, or an amount that approximates fair value, impairment can only arise in the rare circumstances such as 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
Motor vehicles: passenger cars	20
Motor vehicles: mobile respiratory unit	10
Office equipment	20
Science and medical equipment	5-12.5%

##### 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 rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

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

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

##### 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.

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

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

---

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

---

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### h. Assets (continued)

##### ix. Intangible assets (continued)

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 and impairment losses.

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.

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

##### xi. Investments

In mid-2014 the investment approach of the Board changed to adopt a more active trading approach to better match the liabilities of the Board with its investments. As part of this the types of investments used was expanded.

As a result of this change the investment portfolio is viewed as held for trading. Accordingly all investments are now viewed as current assets whereas in the prior year the assets were classified into current or non-current based on the maturity profile of the investment and when it was likely to be converted into cash. This change is viewed as a change in investment strategy rather than a change in accounting policy. Accordingly prior year comparatives have not been adjusted.

The change in the nature of the investments has also meant that disclosures are now based on the investment type rather than the entity that the funds are invested in. Prior year's comparatives which outlined the particular entity that funds were invested in have been adjusted to better reflect the type of investment which is considered to better meet the needs of users of the financial statements.

Investments are initially recognised at fair value. Investments are subsequently measured "at fair value through profit or loss". Gains or losses on these assets are recognised in the Statement of Comprehensive Income.

This treatment is adopted as investments and other financial assets are held primarily for the purpose of being traded and accordingly are classified as current assets. All of the Board's financial assets and financial liabilities are at fair value through profit or loss – classified as held for trading.

Purchases and sales of investments are recognised on trade date – the date on which the Board commits to purchase or sell the asset.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Board establishes fair value by using various valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models: making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets held by the Board is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price without any deduction for transaction costs.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Board uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the Statement of Financial Position date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Board for similar financial instruments.

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### h. Assets (continued)

##### xi. Investments (continued)

###### Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

###### Derivatives recorded at fair value through profit or loss

Derivatives include interest rate swaps and futures, credit default swaps, cross currency swaps and forward foreign currency contracts, and options on interest rates, foreign currencies and equities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative financial instruments are subsequently re-measured at fair value.

Financial assets or financial liabilities designated at fair value through profit and loss

Financial assets and financial liabilities classified in this category are designated by management on initial recognition when the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis;
- or,
- The asset and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy;
- or,
- The financial instrument contains an embedded derivative that would otherwise need to be separately recorded.

###### Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently marked to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Board designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

Hedging strategies are determined by the Investment Committee, within the investment strategy for the Board. The Board documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Board also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of any derivative financial instruments used for hedging purposes, if any, are disclosed in Note 20.

###### Investments in unlisted property trusts

The fair value of units in unlisted property trusts is the price at which the unit could be exchanged between knowledgeable, willing parties in an arms length transaction. A "willing seller" is not a forced seller prepared to sell at any price.

The fair values of investments in unlisted property trusts are based on valuations of the underlying properties in each Trust. The properties are valued in accordance with the valuation policies of the relevant managers.

These financial statements set out the fair value as at the end of the reporting period.

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.

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'.

##### 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.

---

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

---

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### h. Assets (continued)

###### 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.

##### i. 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. Subsequent measurement is at amortised cost using the effective interest method. 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 receives personnel services from the Office of Finance and Services (OFS)

###### 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 NSW Treasury has confirmed that the use of an approach using nominal annual leave plus annual leave on the nominal 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 on its annual leave liability.

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 3.0% (2014: 3.50%).

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.

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.



---

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

---

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### i. Liabilities (continued)

###### 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.

##### j. Fair value hierarchy

A number of the Board'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 Board 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 Board 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 20 for further disclosures regarding fair value measurements of financial and non-financial assets.

##### k. Equity and reserves

###### Asset 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(h)(iii).

###### Accumulated funds

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

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### l. Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustments for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements is explained in Note 17.

##### m. 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. Comparative data has been reclassified when necessary to enhance comparability in respect of changes in the current year.

##### n. Application of new and revised Accounting Standards

###### i. Effective for the first time in 2014/15.

The accounting policies applied in 2014/15 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2014/15. The impact of these Standards in the period of initial application on the Board's financial statements is detailed below.

###### AASB 10 Consolidated Financial Statements

The Board has adopted the revised AASB 10 'Consolidated Financial Statements' which has an application date of 1 January 2014 for not for profit entities.

The Board has determined that in accordance with the principles contained in AASB 10 *Consolidated Financial Statements* that it controls the DDB Trust Fund. As such the Trust is now required to be consolidated in to the Board's financial statements. Previously the Trust did not form part of the Board's financial statements but its activities were reported in the notes to the Board's financial statements.

In accordance with the transition provisions of AASB 10 *Consolidated Financial Statements* the Board is required to measure the assets and liabilities of the Trust from the date when the Board obtained control of the Trust. The Board is required to adjust retrospectively the annual reporting period immediately preceeding the date of initial application. Accordingly the 2013/14 financial report has been adjusted as detailed below.

###### Impact on total comprehensive income for the year ended 30 June 2014 as a result of AASB 10

	30 June 2014 previously reported \$'000	Adjustments \$'000	30 June 2014 as restated \$'000
Net result	(911)	-	(911)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(1,854)</b>	<b>-</b>	<b>(1,854)</b>

###### Impact on total comprehensive income for the year ended 30 June 2015 as a result of AASB 10

	Adjustments \$'000
Net result	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-</b>

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### n. Application of new and revised Accounting Standards (continued)

Impact on assets, liabilities and equity as at 30 June 2014 as a result of AASB 10

	As at 30 June 2014 as previously reported \$'000	Adjustments \$'000	As at 30 June 2014 as restated \$'000
<b>Current assets</b>			
Cash and cash equivalents	38,845	51,237	90,082
<b>Total Current assets</b>	<b>243,683</b>	<b>51,237</b>	<b>294,920</b>
<b>Total assets</b>	<b>2,067,003</b>	<b>51,237</b>	<b>2,118,240</b>
<b>Current liabilities</b>			
Payable to beneficiaries	-	51,237	51,237
<b>Total Current liabilities</b>	<b>111,851</b>	<b>51,237</b>	<b>163,088</b>
<b>TOTAL LIABILITIES</b>	<b>2,059,753</b>	<b>51,237</b>	<b>2,110,990</b>
<b>NET ASSETS</b>	<b>7,250</b>	<b>-</b>	<b>7,250</b>
<b>EQUITY</b>			
Accumulated funds	5,985	-	5,985
<b>TOTAL EQUITY</b>	<b>7,250</b>	<b>-</b>	<b>7,250</b>

Impact on assets, liabilities and equity as at 30 June 2015 as a result of AASB 10

	Adjustments \$'000
<b>Current assets</b>	
Cash and cash equivalents	-
<b>Total Current assets</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>-</b>
<b>Current liabilities</b>	
Payable to beneficiaries	-
<b>Total Current liabilities</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>
<b>NET ASSETS</b>	<b>-</b>
<b>EQUITY</b>	
Accumulated funds	-
<b>TOTAL EQUITY</b>	<b>-</b>

The amounts previously held in the Trust were paid in full to the beneficiaries during 2014/15. Accordingly there is no impact on the 30 June 2015 financial statements. Refer note 19.

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### n. 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:

- AASB 9, AASB 2010-7, AASB 213-9 (Part C), AASB 2014-1 (Part E), AASB 2014-7 and AASB 2014-8 regarding financial instruments
- AASB 15 and AASB 2014-5 regarding Revenue from Contracts with Customers
- AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle
- AASB 2015-2 regarding amendments to AASB 101 disclosure initiatives
- AASB 2015-3 regarding materiality.

These new Standards will not have any direct impact on the financial performance or position of the Board.

AASB 9 Financial Instruments and its associated amending standards specify new recognition and measurement requirements for financial assets and financial liabilities within the scope of AASB 139 Financial Instruments: Recognition and Measurement.

The Board already values its financial assets and financial liabilities at fair value through profit or loss. Therefore when applied, the only material impact of these standards will be on the presentation of the financial statements and disclosures in the notes.

The remaining standards are concerned with disclosures and will have no direct impact on the Board's financial results.

#### 2. EXPENSES EXCLUDING LOSSES

	2015 \$'000	2014 \$'000
<b>a. Personnel services</b>		
Salaries and wages (including annual leave)	3,176	3,251
Superannuation – defined contribution plans	298	273
Superannuation – defined benefit plans (including actuarial (gains)/losses)	50	(28)
Long service leave	78	265
Workers' compensation insurance	17	26
Payroll tax and fringe benefits tax	157	156
Agency short-term staff	240	63
	<b>4,016</b>	<b>4,006</b>
<b>b. Other operating expenses</b>		
<b>i. Administration and office expenses</b>		
Auditor's remuneration – audit of the financial statements	70	84
Auditor's remuneration – internal audit and reviews	7	38
Bad debts	31	4
Board members' fees and allowances	90	90
Buildings maintenance, repairs and management	118	153
Consultants – actuarial	153	242
Consultants – other	90	107
Contractors	227	284
Insurance	21	28
Investment management fees	1,578	764
Legal fees	87	37
Operating lease: minimum lease payments	18	18

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 2. EXPENSES EXCLUDING LOSSES (CONTINUED)

	2015 \$'000	2014 \$'000
<b>b. Other operating expenses (continued)</b>		
<b>1. Administration and office expenses (continued)</b>		
• Service partnership agreement fees	1,392	1,008
• Other	793	761
	<b>4,675</b>	<b>3,618</b>
<b>c. Depreciation and amortisation</b>		
Depreciation		
• Buildings	137	162
• Motor vehicles	67	66
• Office equipment	1	-
• Science and medical equipment	44	74
	<b>249</b>	<b>302</b>
Amortisation		
• Computer software	-	-
	<b>249</b>	<b>302</b>
<b>d. Grants and subsidies</b>		
Dust Diseases Tribunal funding	5,258	5,356
Research projects and provision of advice	74	413
	<b>5,332</b>	<b>5,769</b>
<b>e. Finance costs</b>		
Unwinding of discount rate	<b>40,800</b>	<b>97,200</b>
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 14).		
<b>f. Other expenses</b>		
<b>i. Compensation payments made during the year</b>		
• Compensation to workers	18,698	17,867
• Compensation to dependants	34,865	33,738
• Lump sum awards to dependants	27,656	26,988
• Healthcare services and funeral benefits	9,050	9,082
	<b>90,269</b>	<b>87,675</b>
<b>ii. Medical examination of workers</b>		
• Medical fees and other related supplies	912	1,116
• Workers travelling expenses	23	26
	<b>935</b>	<b>1,142</b>
<b>iii. Movement in provision for compensation excluding finance cost (Refer note 14)</b>		
• Movement in provision for compensation - known claims	(96,600)	109,590
• Movement in provision for compensation - estimated future claims	(148,700)	170,417
<b>Total net movement during the year excluding finance cost</b>	<b>(245,300)</b>	<b>280,007</b>
<b>TOTAL OTHER EXPENSES/(REVENUE)</b>	<b>(154,096)</b>	<b>368,824</b>

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 3. REVENUE

	2015 \$'000	2014 \$'000
<b>a. Sale of goods and services</b>		
Rendering of services – Occupational respiratory health assessment	496	557
<b>TOTAL SALE OF GOODS AND SERVICES</b>	<b>496</b>	<b>557</b>
<b>b. Investment revenue</b>		
Interest revenue from bank interest and TCorp Hour Glass cash facility	977	295
TCorp Hour-Glass investment facilities	43,553	49,021
TCorp Fixed/Variable Interest discrete portfolio	28,189	6,605
Other financial assets designated at fair value through profit or loss	26,543	63,719
<b>TOTAL INVESTMENT REVENUE</b>	<b>99,262</b>	<b>119,640</b>
<b>c. Retained taxes, fees and fines</b>		
Levy contributions		
Self-insurer – NSW Self Insurance Corporation	11,416	8,944
Specialised insurer and other self insurers	13,142	11,505
Workers Compensation Nominal Insurer	80,745	78,082
<b>Total levy contributions</b>	<b>105,303</b>	<b>98,531</b>
<b>TOTAL RETAINED TAXES, FEES AND FINES</b>	<b>105,303</b>	<b>98,531</b>
<b>d. Other revenue</b>		
Compensation recoveries under Section 8E	2,055	2,323
Movement in outstanding contributions	(303,763)	257,567
Solicitors' production fees	30	30
<b>TOTAL OTHER REVENUE/(EXPENSES)</b>	<b>(301,678)</b>	<b>259,920</b>
<b>4. LOSS ON DISPOSAL</b>		
Loss on disposal of property, plant and equipment	(26)	-
<b>5. OTHER GAINS/(LOSSES)</b>		
Decrease/(Increase) of allowance for impairment of receivables	(62)	160



# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2015 \$'000	2014 \$'000
Cash at bank and on hand	2	63,097
Short-term deposits:		
TCorp Hour-Glass investment – Cash facility	18,698	7,878
Cash – Other Deposits at TCorp	41,029	-
Cash – Other	7,022	19,107
	<b>66,751</b>	<b>90,082</b>

For the purposes of the Statement of cash flows, cash and cash equivalents includes cash at bank, cash on hand, term deposits of less than 12 months duration and bank overdraft.

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)	66,751	90,082
Bank Overdraft (per Statement of financial position)	(135)	-
	<b>66,616</b>	<b>90,082</b>
Closing cash and cash equivalents (per Statement of cash flows)	<b>66,616</b>	<b>90,082</b>

Refer to Note 20 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

#### 7. CURRENT/NON-CURRENT ASSETS – RECEIVABLES

##### Current

Sale of goods and services	114	157
Other receivables	4,309	3,677
less: Allowance for impairment	(344)	(282)
Retained taxes, fees and fines	-	793
Prepayments	213	32
GST receivable	107	61
Interest receivable	336	-
Investments receivable	4,075	-
Debtors – workers and dependants	60	72
Contributions from insurers	87,110	107,133
	<b>95,980</b>	<b>111,643</b>

##### Non-current

Contributions from insurers yet to be levied	<b>740,649</b>	<b>1,024,389</b>
<b>Total Receivables</b>	<b>836,629</b>	<b>1,136,032</b>
Movement in the allowance for impairment		
Balance at 1 July	282	442
Increase/(decrease) in allowance recognised in profit or loss	62	(160)
<b>BALANCE AT 30 JUNE</b>	<b>344</b>	<b>282</b>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 20.

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 8. CURRENT/NON-CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE

	2015 \$'000	2014 \$'000
<b>Current</b>		
TCorp Hour-Glass Facilities	278,768	3,981
TCorp Fixed/Variable Interest discrete portfolio	391,188	-
Australian and International Equities	241,861	-
Derivatives	8,198	-
Other Investments	42,505	89,214
	<b>962,520</b>	<b>93,195</b>
<b>Non-current</b>		
TCorp Fixed/Variable Interest discrete portfolio	-	238,971
TCorp Hour-Glass Facilities	-	288,591
Other Investments	-	266,434
	<b>-</b>	<b>793,996</b>
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE</b>	<b>962,520</b>	<b>887,191</b>

Refer to Note 20 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 9. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Buildings \$'000	Motor Vehicles \$'000	Office Equipment \$'000	Scientific and Medical Equipment \$'000	Total \$'000
<b>At 1 July 2014 – fair value</b>					
Gross carrying amount	4,432	661	10	972	6,075
Accumulated depreciation and impairment	(24)	(297)	(10)	(809)	(1,140)
Net carrying amount	<b>4,408</b>	<b>364</b>	<b>-</b>	<b>163</b>	<b>4,935</b>

#### At 30 June 2015 – fair value

Gross carrying amount	4,432	661	20	95	5,208
Accumulated depreciation and impairment	(161)	(364)	(11)	(2)	(538)
Net carrying amount	<b>4,271</b>	<b>297</b>	<b>9</b>	<b>93</b>	<b>4,670</b>

#### 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 2015

Net carrying amount at start of financial year	4,408	364	-	163	4,935
Additions	-	-	10	-	10
Net revaluation decrement	-	-	-	(26)	(26)
Depreciation expense	(137)	(67)	(1)	(44)	(249)
Net carrying amount at end of financial year	<b>4,271</b>	<b>297</b>	<b>9</b>	<b>93</b>	<b>4,670</b>

#### 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	<b>5,513</b>	<b>430</b>	<b>-</b>	<b>143</b>	<b>6,086</b>

#### 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	<b>4,408</b>	<b>364</b>	<b>-</b>	<b>163</b>	<b>4,935</b>

#### 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 2014

Net carrying amount at start of financial year	5,513	430	-	143	6,086
Additions	-	-	-	94	94
Net revaluation decrement	(943)	-	-	-	(943)
Depreciation expense	(162)	(66)	-	(74)	(302)
Net carrying amount at end of financial year	<b>4,408</b>	<b>364</b>	<b>-</b>	<b>163</b>	<b>4,935</b>

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 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 10. INTANGIBLE ASSETS

	Computer Software \$'000	Software WIP \$'000	Total \$'000
<b>At 1 July 2014</b>			
Cost (gross carrying amount)	516	-	516
Accumulated amortisation and impairment	(516)	-	(516)
Net carrying amount	-	-	-

#### At 30 June 2015

Cost (gross carrying amount)	516	1,705	2,221
Accumulated amortisation and impairment	(516)	-	(516)
Net carrying amount	-	1,705	1,705

#### 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 2015

Net carrying amount at start of financial year	-	-	-
Additions	-	1,705	1,705
Amortisation expense	-	-	-
Net carrying amount at end of financial year	-	1,705	1,705

#### 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 prior reporting period is set out below:

#### Year ended 30 June 2014

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

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 11. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

##### a. Fair value hierarchy

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair value \$'000
<b>2015</b>				
<b>Property, plant and equipment</b> (Note 9)				
Buildings	-	4,271	-	4,271
Scientific and medical equipment	-	93	-	93
	-	<b>4,364</b>	-	<b>4,364</b>
<b>2014</b>				
<b>Property, plant and equipment</b> (Note 9)				
Buildings	-	4,408	-	4,408
Scientific and medical equipment	-	163	-	163
	-	<b>4,571</b>	-	<b>4,571</b>

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

##### b. Valuation techniques, inputs and processes

Buildings and Scientific and Medical equipment 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

	2015 \$'000	2014 \$'000
Creditors	78	79
Beneficiaries benefits	-	51,237
Accrued expenses and other creditors	4,012	7,199
Accrued salaries, wages and on-costs	97	89
Investments payable	10,526	-
	<b>14,713</b>	<b>58,604</b>

Refer to Note 20 for further information regarding credit risk, liquidity risk, and market risk, including a maturity analysis of the above payables.

#### 13. CURRENT LIABILITIES – BORROWINGS

Bank Overdraft	135	-
	<b>135</b>	<b>-</b>

Refer to Note 20 for further information regarding credit risk, liquidity risk, and market risk, including a maturity analysis of the above payables.

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 14. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS

	2015 \$'000	2014 \$'000
<b>CURRENT</b>		
<b>Personnel services and related on-costs</b>		
Annual leave	257	350
Long service leave	1,268	1,234
	<b>1,525</b>	<b>1,584</b>
<b>Other provisions</b>		
Provision for compensation – known claims	82,800	81,400
Provision for compensation – estimated future claims	21,000	21,500
	<b>103,800</b>	<b>102,900</b>
<b>TOTAL CURRENT PROVISIONS</b>	<b>105,325</b>	<b>104,484</b>
It is expected that the current leave provisions and related on-costs will be settled over the following period:		
<b>Expected to be settled no more than twelve months</b>		
Annual leave and related on-costs	257	350
Long service leave and related on-costs	60	52
	<b>317</b>	<b>402</b>
<b>Expected to be settled after more than twelve months</b>		
Long service leave and related on-costs	1,208	1,182
<b>NON-CURRENT</b>		
<b>Personnel services and related on-costs</b>		
Long service leave	32	47
Superannuation	899	853
	<b>931</b>	<b>900</b>
<b>Other provisions</b>		
Restoration cost	2	2
Provision for compensation – known claims	690,400	771,300
Provision for compensation – estimated future claims	1,051,200	1,175,700
	<b>1,741,602</b>	<b>1,947,002</b>
<b>Total non-current provisions</b>	<b>1,742,533</b>	<b>1,947,902</b>
<b>TOTAL PROVISIONS</b>	<b>1,847,858</b>	<b>2,052,386</b>
<b>Aggregate employee benefits and related on-costs</b>		
Provisions - Current	1,525	1,584
Provisions - Non-Current	931	900
Accrued salaries, wages and on-costs (Note 12)	97	89
	<b>2,553</b>	<b>2,573</b>

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 2015, liabilities for compensation payments and estimated compensation for future claims were valued by the actuaries Taylor Fry Proprietary Limited.



# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 14. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS (CONTINUED)

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:

	2015 \$'000	2014 \$'000
Not later than one year	103,800	102,900
Later than one year but not later than five years	381,400	386,800
Later than five years	1,360,200	1,560,200
<b>TOTAL</b>	<b>1,845,400</b>	<b>2,049,900</b>

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 \$1,072,200 Thousand (2014: \$1,197,200 Thousand). 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.

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

Carrying amount at start of financial year	2,049,900	1,672,693
Addition/ (Reduction) in provision	(178,860)	168,225
Less: Personnel services - refer note 2(a)	(4,016)	(4,006)
Administration & office expenses - refer note 2(b)(i)	(4,675)	(3,618)
Compensation payments made during the year - refer note 2(f)(i)	(90,269)	(87,675)
Medical examination costs of workers - refer note 2(f)(ii)	(935)	(1,142)
Add: Compensation recoveries - refer note 3(d)	2,055	2,323
Change in discount rate	31,400	205,900
Finance cost (unwinding of discount - refer note 2(e))	40,800	97,200
<b>CARRYING AMOUNT AT END OF FINANCIAL YEAR</b>	<b>1,845,400</b>	<b>2,049,900</b>

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 31 July 2015 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.

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 14. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS (CONTINUED)

The following inflation rates and discount rates were used in measuring the provision for compensation payable:

	2015 %	2014 %
<b>Compensation expected to be paid</b>		
Not later than one year		
Wages inflation rate	3.00	3.50
Discount rate	1.96	2.47
Later than one year		
Wages inflation rate *	2.80	3.16
Discount rate *	3.45	4.07

Note: \* weighted average

#### Sensitivity analysis for the valuation as at 30 June 2015

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 \$428.2m to \$2,273.6m.

	30 June Liability \$m	Effect on 30 June Liability \$m	Percentage Effect %
Central estimate of the Board's liability	1,845.4		
All valuation assumptions used			
Increase inflation by 1% at each year	2,111.2	265.8	14.4
Decrease discount rate by 1% at each year	2,112.0	266.5	14.4
Decrease discount rate by 1% but with long-term gap of 1.8%	1,904.7	59.3	3.2
Increase discount rate by 1% but with long-term gap of 1.8%	1,711.0	-134.4	-7.3
Increase superimposed inflation on medical benefits by 1%	1,863.7	18.3	1.0
Reduce superimposed inflation on medical benefits by 1%	1,830.1	-15.3	-0.8
Increase expected average lifetime disability by 5%	1,854.2	8.8	0.5
Decrease expected average lifetime disability by 5%	1,827.6	-17.9	-1.0
Increase the proportion of married workers by 5%	1,909.4	64.0	3.5
Decrease the proportion of married workers by 5%	1,781.4	-64.0	-3.5
Change expected lifetime improvements to be based on rate of improvement over last 125 years	1,810.8	-34.6	-1.9
Change Spouse mortality & withdrawn rate to be based on experience only	1,803.0	-42.5	-2.3
Remove marriage and children decrements	1,858.0	12.6	0.7
Increase number of future asbestosis claims by 20%	1,863.5	18.1	1.0
Increase number of future mesothelioma claims by 20%	2,032.2	186.8	10.1
Increase number of future other dust diseases claims by 20%	1,848.5	3.1	0.2

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 15. COMMITMENTS FOR EXPENDITURE

	2015 \$'000	2014 \$'000
Operating lease commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	-	25
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>TOTAL (INCLUDING GST)</b>	<b>-</b>	<b>25</b>

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 \$Nil (2014: \$2,000) which are expected to be recoverable from the Australian Taxation Office.

#### 16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Board has no contingent assets or liabilities.

#### 17. BUDGET REVIEW

##### Net result

The net result is \$2.3m favourable because other operating costs and scheme payments were slightly lower than the levy collections and recoveries.

##### Assets and liabilities

Net assets are comparable to budget

##### Cash flows

Total cash flows are \$43.7m favourable to budget due to the reallocation of cash and investments under the strategic asset allocation

#### 18. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2015 \$'000	2014 \$'000
Net cash used on operating activities	(40,923)	109,920
Depreciation and amortisation	(249)	(302)
Loss on disposal	(26)	-
Investment income – market movements	88,050	(1,810)
Change in assets and liabilities		
Increase/(Decrease) in receivables: Current	(19,738)	5,087
Increase/(Decrease) in receivables: Non-current	(283,740)	252,140
Decrease/(Increase) in payables: Current	54,417	11,439
Decrease/(Increase) in provisions: Current	(841)	2,141
Decrease/(Increase) in provisions: Non-current	205,369	(379,526)
<b>Net result</b>	<b>2,319</b>	<b>(911)</b>

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 19. RESTRICTED ASSETS

Previously, the Board held cash at Westpac Banking Corporation which consists of lump sum awards made to beneficiaries of deceased workers. These assets and the corresponding payable to beneficiaries could not be used to meet the Board's operational requirements.

In May 2015 the Board determined that the risk free earnings on funds in the beneficiaries bank account was below the Commonwealth Governments deeming rate or social security benefits and to ensure that beneficiaries were not adversely impacted paid the remaining balances in the bank account to the beneficiaries. This was completed prior to the end of June 2015.

The following is a summary of the transactions in the beneficiaries bank account:

	2015 \$'000	2014 \$'000
<b>Expenses excluding losses</b>		
Withdrawals	52,339	15,124
	<b>52,339</b>	<b>15,124</b>
<b>Revenue</b>		
Investment revenue and bank interest	1,102	1,856
	<b>1,102</b>	<b>1,856</b>
<b>REDUCTION IN BENEFICIARY AWARDS TO BE PAID</b>	<b>(51,237)</b>	<b>(13,268)</b>
<b>Assets</b>		
Cash at bank	-	51,237
<b>TOTAL ASSETS</b>	<b>-</b>	<b>51,237</b>
<b>Liabilities</b>		
Payable to beneficiaries	-	51,091
Undistributed investment revenue	-	146
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>51,237</b>
<b>Reconciliation</b>		
Opening balance	51,237	64,505
Reduction in beneficiary awards to be paid	(51,237)	(13,268)
<b>CLOSING BALANCE</b>	<b>-</b>	<b>51,237</b>

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 20. 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.

#### Financial assets

The Board is ultimately responsible for identifying and controlling financial risks including the establishment of an overall financial risk management strategy and policy.

#### a. Financial instrument categories

	Notes	Category	Carrying Amount 2015 \$'000	Carrying Amount 2014 \$'000
<b>FINANCIAL ASSETS</b>				
<b>Class:</b>				
Cash and cash equivalents	6	N/A	66,751	90,082
Receivables <sup>1</sup>	7	Loans and receivables (at amortised cost)	4,525	157
Financial assets at fair value	8	Fair value through profit or loss	962,520	887,191
<b>FINANCIAL LIABILITIES</b>				
<b>Class:</b>				
Payables <sup>2</sup>	12	Financial liabilities (at amortised cost)	14,713	58,604
Borrowings	13	N/A	135	0

#### Notes:

1. Excludes statutory receivables, prepayments and outstanding contributions receivable (i.e. not within scope of AASB 7).

2. Excludes statutory payables, unearned revenue and claims liabilities (i.e. not within scope of AASB 7).

#### Credit risk

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

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

#### Cash and cash equivalents

Cash comprises cash on hand, balances held at private financial institutions, term deposits with a maturity of less than 12 months and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances on funds in the NSW Treasury Banking System at the Reserve Bank of Australia's prevailing cash rate.

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 20. FINANCIAL INSTRUMENTS (CONTINUED)

##### a. Financial instrument categories (continued)

##### 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. Sales are made on 30 day terms.

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 <sup>1,2</sup> \$'000	Past Due but not Impaired <sup>1,2</sup> \$'000	Considered Impaired <sup>1,2</sup> \$'000
<b>2015</b>			
< 3 months overdue	2	2	-
3 months - 6 months overdue	18	18	-
> 6 months overdue	31	31	-
<b>2014</b>			
< 3 months overdue	-	-	-
3 months - 6 months overdue	28	28	-
> 6 months overdue	35	35	-

##### 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.

There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

##### 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 does not have any loans payable and no assets have been pledged as collateral. 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 10.61% (2014: 10.63%).



# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 20. FINANCIAL INSTRUMENTS (CONTINUED)

##### a. Financial instrument categories (continued)

##### Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Interest Rate	Nominal Amount %	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-interest Bearing \$'000	< 1 year \$'000	1-5 years \$'000	>5 years \$'000
2015								
Payables	N/A	14,713	-	-	14,713	14,713	-	-
Borrowings	N/A	135	-	-	135	135	-	-
2014								
Payables	N/A	58,604	-	-	58,604	58,604	-	-

##### Notes:

1. 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.

##### b. 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 risk arises as a result of the Board holding cash and cash equivalents 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) analysis.

---

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

---

#### 20. FINANCIAL INSTRUMENTS (CONTINUED)

##### b. Market risk (continued)

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.

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. It does not allow for other factors such as the claim loss ratio, claims incidence and necessary rates, which also affect the value of the Board's 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 period. This represents the minimum expected reduction in the value of Workcover'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 Board uses a Value at Risk (VaR) model to measure the market risk exposures to its invested assets in the balance sheet. VaR is calculated using simulated forward looking expected returns at the 95th percentile confidence level over a 12 month time period.

The most recent VaR analysis performed by asset consultant Mercer Investments (Australia) limited was conducted in July 2015 based on the June 2015 financial instruments and is computed via forward looking simulation using a 95% confidence level and a 1 year holding period.

Given Board's financial instruments at 30 June 2015, the minimum potential loss expected over a one year period is \$46.3 million (June 2014: \$52.1 million), with a 5 per cent probability that this minimum may be exceeded.

##### Interest rate risk

Interest rate risk rate is the risk that the (fair) value of a financial instrument will fluctuate because of changes in market interest rates. The value of the Board's liabilities is also affected by interest rate fluctuations.

##### i. Exposure:

Interest rate risk arises as a result of the Board holding financial instruments which are subject directly or indirectly to changes in value as a result of interest rate fluctuations. Board liabilities are similarly subject directly or indirectly to changes in value as a result of interest rate fluctuations.

##### ii. Risk management objective, policies and processes:

The interest rate and inflation risk of the Board is managed primarily through its strategic asset allocation and mandate objective setting. At 30 June 2015 the Board had a 21 per cent (2014: 19 per cent) allocation to Australian Commonwealth and state government bonds to mitigate interest rate risk of Board liabilities.

##### iii. Quantitative analysis of exposure:

The table below summarises the Board's exposure to interest rate risks. It includes the Board's indexed and interest-bearing financial assets and liabilities at fair values, categorised by the earlier of their contractual re pricing or maturity dates.

The table does not show all assets and liabilities of the Board. Assets and liabilities not shown in the table below are NOT indexed and interest bearing and are therefore not directly exposed to interest rate risk.

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 20. FINANCIAL INSTRUMENTS (CONTINUED)

##### b. Market risk (continued)

	Floating interest rate \$'000	2015 Fixed interest rate maturing in				Total \$'000
		3 months or less \$'000	4 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	
<b>Class</b>						
Cash	66,751	-	-	-	-	66,751
Indexed and interest bearing securities	252,141	-	-	-	139,047	391,188
Unit Trusts	335,634	-	-	-	-	335,634
Derivatives		238	819	-	-	1,057
<b>Assets</b>	<b>654,526</b>	<b>238</b>	<b>819</b>	<b>-</b>	<b>139,047</b>	<b>794,630</b>

	Floating interest rate \$'000	2014 Fixed interest rate maturing in				Total \$'000
		3 months or less \$'000	4 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	
<b>Class</b>						
Cash	90,082	-	-	-	-	90,082
Unit Trusts	-	-	-	-	527,562	527,562
<b>Assets</b>	<b>90,082</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>527,562</b>	<b>617,644</b>

The Board's exposure to interest rate price risk is considered a component of market price risk and is quantified as part of the VaR analysis discussed under Market Price Risk.

##### c. Liquidity risk

The Board is also exposed to liquidity risk from holding financial assets that may not be readily convertible to cash to meet financial liabilities and claims costs.

###### i. Exposure:

The financial assets of the Board that may not be readily convertible to cash are largely receivables (refer Note 7) and investments in over-the-counter or thinly traded investments, principally unlisted property trusts.

###### ii. Risk management objective, policies and processes

The Board maintains adequate liquidity to meet the daily cash requirements for claims payments and other operating costs.

To assist in meeting its liquidity risk management objectives, the Board maintains a cash balance and invests most of its assets in investments that are traded in active markets that can be readily disposed of.

The Board invests a proportion of its assets in less liquid listed investments or investments that are not traded on active markets and this is strictly controlled in accordance with the asset allocation together with a policy which limits exposure to illiquid investments.

Each investment manager is responsible for cashflow management of the assets that have been mandated to them. That is, each investment manager is responsible for managing settlement liquidity risk. The custodian supplies daily reporting to each investment manager to assist them in this process.

###### iii. Quantitative analysis of exposure:

The financial liabilities of the Board comprise cash, interest and other payables. The types of financial liabilities of the Board were similar at 30 June 2014.

Cash due to brokers is payable on demand. Interest and other payables are typically settled within 30 days. If the derivative positions are closed out prior to maturity by entering into offsetting transactions, the Board settles its derivative obligations in cash rather than physical delivery.

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 20. FINANCIAL INSTRUMENTS (CONTINUED)

##### d. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk also arises from the Board's receivables. Disclosures relating to the Board's receivables are included in Note 7.

##### i. Exposure:

Credit risk arises from the Board's investments as a result of the investment manager trading with various counterparties and purchasing the debt of corporate and government borrowers. These activities could result in the Board not being able to receive obligations as a result of a failing counterparty. The Board's main credit risk concentration is spread between cash, indexed and interest bearing investments and over-the-counter, in-the-money derivatives.

##### ii. Risk management objective, policies and processes

Credit Guidelines have been determined to ensure the Board has controlled levels of credit concentration. These guidelines are at a total Board level, with further asset class specific restrictions in investment manager's mandates where applicable. In addition, where possible collateral arrangements may be implemented to reduce the Board's exposure.

The exposure is reported against set guidelines both from an individual managers' compliance and at a total Board level. Reporting is provided by the Board's custodian and delivered to management for monitoring.

Credit risk arising on financial instruments is mitigated by investing primarily in rated instruments as determined by Standard and Poor's, Moody's or Fitch. The Board minimises its credit risk by monitoring counterparty creditworthiness.

##### iii. Quantitative analysis of exposure:

The Board's maximum credit risk exposure at balance date in relation to each class of recognised financial asset, other than derivative financial instruments, is the carrying amount of those assets as indicated in the Statement of Financial Position.

In relation to over the counter derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement.

##### Derivatives

The use of derivative financial instruments is governed by the Board's policies. The Board enters into derivative contracts for the purpose of gaining market and/or duration exposure or offsetting existing risk exposures.

The table below shows the fair value of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of a derivative is measured. The notional amounts are indicative of the exposure of the Board to movements in the instrument underlying the derivatives. The notional amounts do not represent the credit risk of the derivative positions that is equal to the fair value.

The fair value amounts reported in the Statement of Financial Position, and the amounts reported in the following tables are the net value of individual swap positions where there is the ability to settle the swaps on a net basis and the Board intends to settle on this basis.

	\$'000 Assets	\$'000 Liabilities	\$'000 Notional amount
<b>2015</b>			
Options:			
Options on Fixed Income	1,055	-	1,055
	<b>1,055</b>	<b>-</b>	<b>1,055</b>
<b>2014</b>			
Options:			
Options on Fixed Income	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 20. FINANCIAL INSTRUMENTS (CONTINUED)

##### d. Credit risk (Continued)

##### iii. Quantitative analysis of exposure (Continued)

##### Indexed and interest bearing investments

The majority of the indexed and interest bearing investments held by the Board are held with issuers rated investment grade by Standard and Poor's, 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:

	2015 %	2014 %
<b>Rating</b>		
AAA/aaa	71	85
AA/Aa	27	11
A/A	2	-
No Rating	-	4
<b>Total</b>	<b>100</b>	<b>100</b>

##### e. 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.

##### i. Exposure:

The Board is exposed to foreign exchange risk as a result of the foreign currency denominated investments held as part of its asset allocation.

##### ii. Risk management objective, policies and processes:

Independent investment managers appointed by the SRWS 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.

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.

##### iii. Quantitative analysis of exposure:

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

	US Dollars AUD \$'000	Euro AUD \$'000	British Pounds AUD \$'000	Other currencies AUD \$'000	Total AUD \$'000
<b>2015</b>					
Cash	6,491	-	-	-	6,491
Indexed and interest bearing securities	-	-	-	-	-
Unit Trusts	2,027	-	-	634	2,661
Equities	85,779	19,974	5,280	38,471	149,504
<b>FOREIGN EXCHANGE EXPOSURE POSITION</b>	<b>94,297</b>	<b>19,974</b>	<b>5,280</b>	<b>39,105</b>	<b>158,656</b>
	US Dollars AUD \$'000	Euro AUD \$'000	British Pounds AUD \$'000	Other currencies AUD \$'000	Total AUD \$'000
<b>2014</b>					
Unit Trusts	75,595	22,054	-	43,518	141,167
<b>FOREIGN EXCHANGE EXPOSURE POSITION</b>	<b>75,595</b>	<b>22,054</b>	<b>-</b>	<b>43,518</b>	<b>141,167</b>

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 20. FINANCIAL INSTRUMENTS (CONTINUED)

##### f. Fair valuation estimation

The carrying amounts of the Board's financial assets and liabilities at the end of the reporting period approximated their fair values as all financial assets and liabilities held were either at fair value at the end of the reporting period ('marked to market') or were short term in nature.

The financial assets and liabilities are classified in accordance with the following fair value measurement hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
- Level 3 – inputs for the assets or liabilities that are not based on observable market data.

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets of the Board is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. A variety of methods are used which include assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for debt securities for disclosure purposes. Evaluations of such securities are based on market data. Vendors utilise evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information and for structured securities, cash flow and when available loan performance data. There were no transfers between levels in 2015 and 2014.

	2015			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets at fair value				
Indexed and interest bearing securities	280,152	111,036	-	391,188
Unit Trusts	7,220	328,414	-	335,634
Equities	234,641	-	-	234,641
Derivatives	2	1,055	-	1,057
	<b>522,015</b>	<b>440,505</b>	<b>-</b>	<b>962,520</b>
	2014			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets at fair value				
Indexed and interest bearing unit trusts	461,079	426,112	-	887,191
	<b>461,079</b>	<b>426,112</b>	<b>-</b>	<b>887,191</b>

Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise debt instruments and derivative financial instruments.

##### Transfer between levels

The Authority recognises transfers between levels of the fair value hierarchy at the end of the reporting report during which the transfer has occurred. There were no transfers during the the year ended 30 June 2015 (2014 \$nil).

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

#### 20. FINANCIAL INSTRUMENTS (CONTINUED)

##### g. Valuation framework

The Board has an established control framework with respect to the measurement of fair values. This framework has been outsourced to an external service provider which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls conducted by the outsourced service provider include:

- Verification of observable pricing;
- Re-performance of model valuations;
- A review and approval process for new models and changes to models;
- Quarterly calibration and back testing of models against observed market transactions;
- Analysis and investigation of significant daily valuation movements;
- Review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared to previous month.

Where third-party information, such as broker quotes or pricing services, are used to measure fair value, the outsourced service provider assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of accounting standards. This includes:

- Verifying that the broker or pricing service is approved by the Master Custodian of the Board for use in pricing the relevant type of financial instrument;
- Understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- When prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement;
- Where a number of quotes for the same financial instrument have been obtained, how fair value has been determined using those quotes.

Significant valuation issues are reported to the Safety, Return to Work and Support Board's Audit and Risk Committee.

##### Involvement with unconsolidated structured entities

The Board has concluded that unlisted investment funds in which it invests, but that it does not consolidate, meet the definition of structured entities because:

- The voting rights in the funds are not dominant rights in deciding who controls them as they relate to administrative tasks only;
- Each fund's activities are restricted by its prospectus; and
- The funds have narrow and well-defined objectives to provide investment opportunities to investors.

The table below describes the types of structured entities that the Fund does not consolidate but in which it holds an interest, set out by investment strategy.

##### Investment Strategy

	Net Market Value as at 30 June 2015	Exposure	Net Market Value as at 30 June 2014	Exposure
	\$'000	As at 30 June 2015	\$'000	As at 30 June 2014
Property	95,440	29%	70,398	24%
Shares	179,233	55%	218,193	76%
Strategic	4,094	1%	-	-
Other	49,646	15%	-	-
<b>Total</b>	<b>328,413</b>	<b>100%</b>	<b>288,591</b>	<b>100%</b>

The above table lists the net market value and the Board's percentage exposure to each investment strategy as at 30 June. These unconsolidated structured entities are included under unit trusts. The maximum exposure or loss is limited to the net market value of the investment strategy as at 30 June 2015. The net market value of the exposure will change on a daily basis throughout the period and in the subsequent periods will cease once the investments are disposed.

The investments of the Board are managed in accordance with the investment mandates with respective underlying investment managers. The investment decisions of the mandate are based on the analysis conducted by the investment manager. The return of the portfolio is exposed to the variability of the performance of the underlying management of these investments.



---

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## Workers' Compensation (Dust Diseases) Board

### NOTES TO THE FINANCIAL STATEMENTS

---

#### 21. POST BALANCE DATE EVENTS

##### Defined Benefit Superannuation Liability

The Department of Finance, Services and Innovation (DFSI) have advised the Board during the 2015/16 budget setting process that the defined benefit superannuation liability for the Board will be assumed by the NSW Treasury in 2015/16. As a result the Board has budgeted for an equity injection in 2015/16 that will eliminate its defined benefit superannuation liability in 2015/16. The impact of this on the Board's 2014/15 balance sheet would be to eliminate the defined benefit superannuation liability of \$0.9m (refer note 14) and turn accumulated funds from \$9.5m to \$10.4m.

The Board is awaiting advice from NSW Treasury as to whether this will occur in 2015/16.

##### State Insurance & Care Governance Act 2015

This Act was proclaimed effective 1 September 2015 to implement structural changes to the NSW workers compensation system and related compensation agencies. The Act establishes four discrete agencies:

- Insurance & Care NSW: a single insurance and care service provider
- State Insurance Regulatory Authority (SIRA): an independent insurance regulator
- SafeWork NSW: an independent workplace safety regulator
- Sporting Injuries Compensation Authority - an entity to manage the Sporting Injuries Compensation Scheme

In addition the Board was changed to a corporation titled the Workers Compensation (Dust Diseases) Authority.

These changes have no financial impact on the financial statements of the Board. The Authority will receive services from Insurance & Care NSW in the future.

**- END OF AUDITED FINANCIAL STATEMENTS -**

BUDGET AND ESTIMATES FOR 2015/16  
Workers' Compensation (Dust Diseases) Board 2014/15

## Financial Statements

### Operating Statement

	----- 2014-15 -----		2015-16
	Budget	Revised	Budget
	\$000	\$000	\$000
<b>Expenses Excluding Losses</b>			
Operating Expenses –			
Employee related	107	271	110
Other operating expenses	863	8,051	9,846
Depreciation and amortisation	347	302	327
Grants and subsidies	6,565	5,866	7,058
Other expenses	96,521	49,300	50,900
<b>Total Expenses Excluding Losses</b>	<b>104,403</b>	<b>63,790</b>	<b>68,241</b>
<b>Revenue</b>			
Sales of goods and services	521	541	480
Investment revenue	63,417	179,980	67,824
Retained taxes, fees and fines	39,189	(123,673)	(1,340)
Other revenue	1,526	2,077	1,527
<b>Total Revenue</b>	<b>104,653</b>	<b>58,925</b>	<b>68,491</b>
Other gains/(losses)	(250)	(250)	(250)
<b>Net Result</b>	<b>...</b>	<b>(5,115)</b>	<b>...</b>

# BUDGET AND ESTIMATES FOR 2015/16

## Workers' Compensation (Dust Diseases) Board 2014/15

### Balance Sheet

	----- 2014-15 ----- Budget \$000	Revised \$000	2015-16 Budget \$000
<b>Assets</b>			
<b>Current Assets</b>			
Cash assets	22,945	64,249	66,867
Receivables	112,537	112,228	109,686
Other financial assets	101,475	4,286	4,500
<b>Total Current Assets</b>	<b>236,957</b>	<b>180,763</b>	<b>181,053</b>
<b>Non Current Assets</b>			
Receivables	790,624	794,523	690,581
Other financial assets	853,809	1,037,642	1,089,524
Property, plant and equipment –			
Land and building	4,236	4,258	4,091
Plant and equipment	387	359	239
<b>Total Non Current Assets</b>	<b>1,649,056</b>	<b>1,836,782</b>	<b>1,784,435</b>
<b>Total Assets</b>	<b>1,886,013</b>	<b>2,017,545</b>	<b>1,965,488</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	5,538	7,367	7,367
Provisions	106,216	104,583	103,873
<b>Total Current Liabilities</b>	<b>111,754</b>	<b>111,950</b>	<b>111,240</b>
<b>Non Current Liabilities</b>			
Provisions	1,765,183	1,902,586	1,850,386
Other	786	900	900
<b>Total Non Current Liabilities</b>	<b>1,765,969</b>	<b>1,903,486</b>	<b>1,851,286</b>
<b>Total Liabilities</b>	<b>1,877,723</b>	<b>2,015,436</b>	<b>1,962,526</b>
<b>Net Assets</b>	<b>8,290</b>	<b>2,109</b>	<b>2,962</b>
<b>Equity</b>			
Reserves	1,265	1,239	1,239
Accumulated funds	7,025	870	1,723
<b>Total Equity</b>	<b>8,290</b>	<b>2,109</b>	<b>2,962</b>

BUDGET AND ESTIMATES FOR 2015/16  
Workers' Compensation (Dust Diseases) Board 2014/15

## Cash Flows Statement

	----- 2014-15 ----- Budget \$000	Revised \$000	2015-16 Budget \$000
<b>Cash Flows From Operating Activities</b>			
<b>Payments</b>			
Employee related	107	271	(743)
Grants and subsidies	6,565	5,866	7,058
Other	108,608	101,668	114,182
<b>Total Payments</b>	<b>115,280</b>	<b>107,805</b>	<b>120,497</b>
<b>Receipts</b>			
Sale of goods and services	521	540	480
Interest received	36,422	48,531	18,559
Retained taxes, fees and fines	108,974	105,609	105,144
Other	1,802	1,827	1,803
<b>Total Receipts</b>	<b>147,719</b>	<b>156,507</b>	<b>125,986</b>
<b>Net Cash Flows From Operating Activities</b>	<b>32,439</b>	<b>48,702</b>	<b>5,489</b>
<b>Cash Flows From Investing Activities</b>			
Proceeds from sale of investments	5,932	24,421	15,049
Purchases of property, plant and equipment	(40)	(10)	(40)
Purchases of investments	(26,994)	(47,709)	(17,880)
<b>Net Cash Flows From Investing Activities</b>	<b>(21,102)</b>	<b>(23,298)</b>	<b>(2,871)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>11,337</b>	<b>25,404</b>	<b>2,618</b>
Opening Cash and Cash Equivalents	11,608	38,845	64,249
<b>Closing Cash and Cash Equivalents</b>	<b>22,945</b>	<b>64,249</b>	<b>66,867</b>
<b>Cash Flow Reconciliation</b>			
Net result	...	(5,115)	...
Non cash items added back	(26,648)	(131,147)	(48,938)
Change in operating assets and liabilities	59,087	184,964	54,427
<b>Net Cash Flows From Operating Activities</b>	<b>32,439</b>	<b>48,702</b>	<b>5,489</b>

# APPENDICES

Appendix 1: Legislation	86
Appendix 2: Performance and numbers of senior executives	86
Appendix 3: Government Information (Public Access) applications	87
Appendix 4: Credit card certification	90
Appendix 5: Response to significant matters raised in the outgoing audit report	91
Appendix 6: Accounts payable performance	91
Appendix 7: Insurance activities	92
Appendix 8: Overseas travel 2014/15	92
Appendix 9: Consultants	92
Appendix 10: Grants	93
Appendix 11: Land disposal	94
Appendix 12: Liability management performance	94
Appendix 13: Awards made since the inception of the original scheme of 1927	94
Appendix 14: Cases certified by the Medical Authority	95
Appendix 15: Medical Authority Certificates – new dust diseases cases certified	96
Appendix 16: <i>Workers' Compensation (Dust Diseases) Act 1942</i> Contributions under section 6 for 2015/16 financial year	96
Appendix 17: Corporate plan objectives and results 2014/15	106
Appendix 18: Board and committee meetings	107
Appendix 19: Publication notes	108

# 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:

- Health monitoring screening services for employers including our mobile screening vehicle the "Lung Bus"
- Payment of compensation benefits
- Payment of medical 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*	Lifetime Care & Support Authority of NSW	Motor Accidents Authority of NSW	WorkCover Authority
<b>BAND 1</b>				
Male	0	1	3	27
Female	0	1	6	32
<b>Total</b>	<b>0</b>	<b>2</b>	<b>9</b>	<b>59</b>
Average Remuneration	0	175,342	151,051	157,644
<b>BAND 2</b>				
Male	0	1	2	6
Female	0	0	0	4
<b>Total</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>10</b>
Average Remuneration	0	245,968	234,993	230,603
<b>BAND 3</b>				
Male	0	0	0	2
Female	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
Average Remuneration	0	0	0	305,518
<b>Senior Executives Total</b>				
Male	0	2	5	35
Female	0	1	6	36
<b>Total</b>	<b>0</b>	<b>3</b>	<b>11</b>	<b>71</b>
<b>Employee Related Costs</b>				
Exec	4483	732,245	1,890,072	15,181,978
Non-Execs	3,160,702	6,919,306	7,053,757	94,917,807
<b>Total</b>	<b>3,165,186</b>	<b>7,651,550</b>	<b>8,943,828</b>	<b>110,099,785</b>
%	0.14%	9.57%	21.13%	13.79%

\* The General Manager Workers Compensation Dust Diseases Board was acting in another role at Census date in 2014/15

## 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 2014-15 year, the DDB received 40 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.

#### Mandatory release of government information

As per Section 6 of the GIPA Act, open access made publically available on our website, free of charge. This includes publication 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 for 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	2	1	0	0	0	0	0	0	3
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	16	9	1	9	0	0	0	0	35
Members of the public (other)	1	0	0	1	0	0	0	0	2
<b>Total</b>	<b>19</b>	<b>10</b>	<b>1</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>

\* 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.

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)	16	0	0	7	0	0	0	0	23
Access applications that are partly personal information applications and partly other	1	10	1	3	0	0	0	0	15
<b>Total</b>	<b>18</b>	<b>10</b>	<b>1</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>

\* 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).



# APPENDICES

**TABLE C: INVALID APPLICATIONS**

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	1
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 of invalid applications received	1
Invalid applications that subsequently became valid applications	0

**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
<b>Total</b>	<b>0</b>

\* 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.

**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	11
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
<b>Total</b>	<b>11</b>

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)	40
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
<b>Total</b>	<b>40</b>

**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	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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
<b>Total</b>	<b>0</b>

## PRIVACY AND PERSONAL INFORMATION

### ***Privacy and Personal Information Protection Act 1998 (PPIP Act) and Health Records and Information Privacy Act 2002 (HRIP Act)***

The PPIP 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 2014-15 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 632 requests for production of files were received in the financial year ending 30 June 2014, a slight increase from the previous year's figure of 622.

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 \$27,644.

---

# APPENDICES

---

## 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

3 September 2015

Our Ref: WC01358/15

The Hon Dominic Perrottet MP  
Minister for Finance, Services and Property  
Member for Hawkesbury  
GPO Box 5341  
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/s is in accordance with the Premier's Memorandum and Treasurer Directions.

On Behalf of Safety, Return to Work and Support I certify that all cardholders for the period of 1 July 2014 to 30 June 2015 have used their cards in accordance with SRWS Corporate and Purchasing Credit Card Policy and in accordance with the Premier's Memorandum and Treasurer Directions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Vivek Bhatia', with a horizontal line underneath.

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

## 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:

2014/15	June Quarter	March Quarter	December Quarter	September Quarter
<b>Current</b>	<b>\$0</b>	<b>\$337</b>	<b>\$0</b>	<b>\$0</b>
<30 days overdue	\$0	\$30	\$301	\$0
>30 and <60 days overdue	\$0	\$0	1,084	\$0
>60 days and <90 days	\$0	\$0	\$120	\$0
90 days and over	\$0	\$50	\$341	\$50

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

2014/15	2014/15 Total	June Quarter*	March Quarter	December Quarter	September Quarter
Number of accounts due for payment	13,176	3,601	2,955	3,299	3,321
Number of accounts paid on-time	12,604	3,357	2,801	3,188	3,258
% accounts paid on-time (based on number of accounts)	96%	93%	95%	97%	98%
Dollar amount of accounts due for payment	\$13,613,909	\$6,264,930	\$2,595,714	\$2,404,684	\$2,348,581
Dollar amount of accounts paid on-time	\$12,715,734	\$5,879,201	\$2,271,223	\$2,308,417	\$2,256,893
% of accounts paid on-time (based on \$)	93%	94%	87%	96%	96%
Number of payments for interest on overdue accounts	1	0	1	0	0
Interest paid on overdue accounts	\$516	\$0	\$516	\$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:

2014/15	2014/15 Total	June Quarter*	March Quarter	December Quarter	September Quarter
Number of accounts due for payment	283	67	69	68	79
Number of accounts paid on-time	274	63	65	67	79
% accounts paid on-time (based on number of accounts)	97%	94%	94%	99%	100%
Dollar amount of accounts due for payment	\$59,886	\$13,913	\$14,990	\$14,313	\$16,670
Dollar amount of accounts paid on-time	\$55,396	\$10,641	\$14,072	\$14,013	\$16,670
% of accounts paid on-time (based on \$)	93%	76.48%	93.88%	97.90%	100%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0	\$0

The Dust Diseases Board has a target of 95 per cent of invoices paid on-time. This target is not able to be met at times mainly due to delays in medical payments to suppliers as medical investigations need to take place prior to release of payments. A daily payment run takes place for DDB to improve payment performance.

#### Interest on late payments:

The Dust Diseases Board paid \$516 in interest to one small business in 2014/15.

# APPENDICES

## APPENDIX 7: INSURANCE ACTIVITIES

	2014/15	2013/14	2012/13	2011/12	2010/11
<b>Workers Compensation:</b>					
No. of employees	39	42	41	68	61
No. of claims	0	0	1	1	3
No. of claims per employee	0	0	0.02	0.01	0.05
Total cost of claims	0	0	\$19,925	\$5,008	\$3,768
Average claim cost	0	0	\$19,925	\$5,008	\$1,256

Note: Information about workers compensation claims is current at reporting date 30 June 2015. For 2011 to 2014, data has changed accordingly.

### Motor vehicles: (Total claims)

Vehicles	2	2			
Number of claims	1	1	0	0	0
No. of claims per vehicle		0.5			
Total cost of claims	\$5226	\$1,486			
Average cost per claim	\$5226	\$1,486			
Average cost per vehicle	\$2613	\$743			

### Property:

Number of claims	0	0	0	0	0
No. of claims per employee					
Total cost of claims					
Average cost per claim					
Average cost per employee					

### Liability:

Number of claims	0	0	0	0	0
Total cost of claims					
Average claim					

### Miscellaneous:

Number of claims	0	0	0	0	0
Total cost of claims					
Average claim					

## APPENDIX 8: OVERSEAS TRAVEL 2014/15

No overseas travel by a staff member was undertaken during the reporting year.

## APPENDIX 9: CONSULTANTS

Vendor	Description	Vendor total
Taylor Fry Consulting Services	Actuarial services	152,818
Mercer Investments (Australia) Limited	Investment retainer services	90,251
<b>Total Greater than \$50,000</b>		<b>243,069</b>
<b>Plus Nil Consultants \$50,000 and under</b>		<b>0</b>
<b>Total consultants</b>		<b>243,069</b>

---

## APPENDIX 10: GRANTS

### DDB GRANTS AWARDED IN 2014/15 TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

Nil

### RESEARCH GRANTS

Recipient organisation	Amount of funding awarded	Nature and purpose (incl. aims, target clients and area of coverage)
The University of Western Australia	\$249,432.00	Prof Jenette Creaney, Project title: Establishing the biological activity of malignant effusions in malignant pleural mesothelioma. For completion by 30 January 2018.
The University of Western Australia	\$239,076.50	Prof Richard Lake, Project title: Exploiting immune checkpoint blockade to generate effective therapy for malignant mesothelioma. For completion by 30 July 2017.

### FUNDING EXPENDED IN 2014/15 FOR RESEARCH GRANTS

Funds provided to Academic and Health Service Institutions

Recipient organisation	Amount of funding expended in 2014/15	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.

# APPENDICES

Recipient organisation	Amount of funding expended in 2014/15	Nature and purpose (incl. aims, target clients and area of coverage)
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

DDB did not dispose of any land in the 2014/15 financial year.

## APPENDIX 12: LIABILITY MANAGEMENT PERFORMANCE

### CLAIMS LIABILITY

Year	Workers Compensation (Dust Diseases) Fund
2014/15	\$1.845b

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 2015	6,915	5,335	12,250
<b>Total</b>	<b>8,928</b>	<b>6,243</b>	<b>15,171</b>

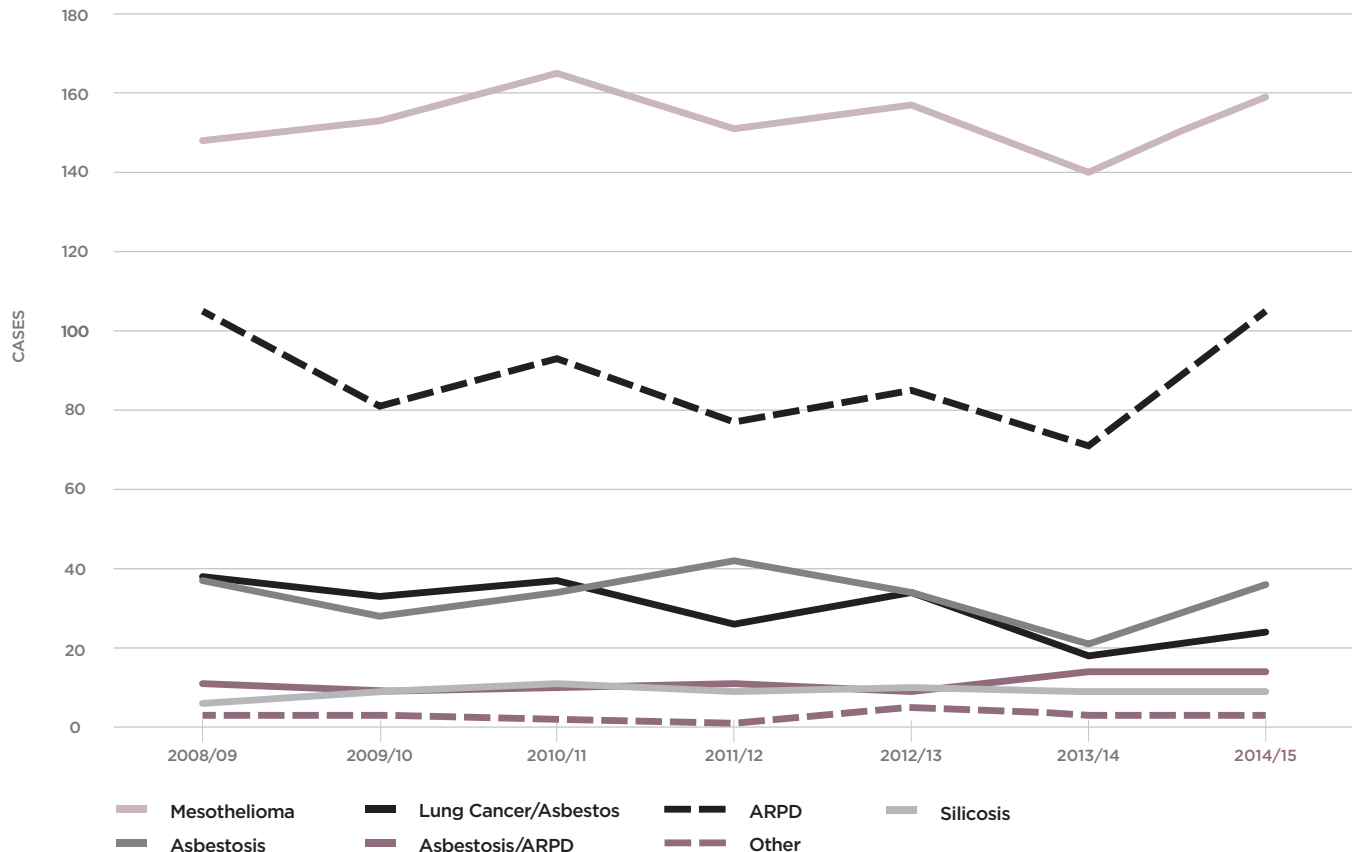


## APPENDIX 14: CASES CERTIFIED BY THE MEDICAL AUTHORITY



# APPENDICES

## APPENDIX 15: MEDICAL AUTHORITY CERTIFICATES – NEW DUST DISEASES CASES CERTIFIED



## APPENDIX 16: WORKERS' COMPENSATION (DUST DISEASES) ACT 1942 CONTRIBUTIONS UNDER SECTION 6 FOR 2015/16 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

- in respect of policies issued or renewed to take effect in the year commencing 30 June 2015, 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
- determined that the 2015/16 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 2015 will be as follows:

Insurer	Amount	Contribution
Catholic Church Insurances Limited		\$800,000
Guild Insurance Limited		\$150,000
Hotel Employers Mutual Limited		\$510,000
Racing NSW		\$20,000
StateCover Mutual Limited		\$630,000

and

- determined that the 2015/16 financial year interim contributions to be paid by the workers compensation nominal insurer to the Workers' Compensation (Dust Diseases) Fund in amounts and at times requested by the Workers' Compensation (Dust Diseases) Fund will be \$85,000,000; and
- determined that upon notification of an employer's actual wages paid for the financial year an insurer's 2015/16 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 2015/16 by 31 October each year; and
- In respect of the year commencing 1 July 2015, 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 wages payable by the self-insurer to workers in respect of that year) specified in Column 2 of Table 1 (opposite) –
- 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

- 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 2015;
- and
- f. determined that the 2015/16 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 2015 and 31 March 2016;
- and
- g. determined that the 2015/16 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 2015/16 financial year and calculated in accordance with clause (d) and is to be paid by 31 October 2016 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 2015/16.
3.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order 2015/16, 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 2015/16, 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 2015/16, 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 2015/16, 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 2015/16, 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 2015/16, 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 2015/16, 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 2015/16, a business classification listed in SCHEDULE 8 applies to the employer concerned.	0.025%

# APPENDICES

## 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 2015/16, 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 2015/16 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 B to the Insurance Premiums Order 2015/16 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 2015/16.

Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)
<b>Schedule 1</b>		<b>1.25%</b>
263210	Fibro-Cement Sheeting Manufacturing	
282100	Shipbuilding	
<b>Schedule 2</b>		<b>0.50%</b>
255100	Rubber Tyre Manufacturing	
424200	Carpentry Services	
425940	Construction Services nec	
<b>Schedule 3</b>		<b>0.28%</b>
041100	Rock Lobster Fishing	
041200	Prawn Fishing	
041300	Finfish Trawling	
041400	Squid Jigging	
041500	Line Fishing	
041900	Marine Fishing nec	
142010	Other Mining nec - Underground	
142020	Other Mining nec - Surface	
221300	Cotton Textile Manufacturing	
221400	Wool Textile Manufacturing	
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	
263510	Terrazzo Manufacturing	
271200	Iron and Steel Casting and Forging	
272300	Copper, Silver, Lead and Zinc Smelting, Refining	
281100	Motor Vehicle Manufacturing	
282900	Transport Equipment Manufacturing nec	
294900	Manufacturing nec	
421010	Demolition	
422200	Bricklaying Services	
422300	Roofing Services	
423100	Plumbing Services	
424110	Cement Rendering and Plastering	
424300	Tiling and Carpeting Services	
425930	Building Exterior Cleaning and Maintenance Services	

Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)
650100	Pipeline Transport	
650900	Transport nec	
662100	Stevedoring	
662920	Services to Water Transport nec	
<b>Schedule 4</b>		<b>0.165%</b>
131610	Nickel Ore Mining - Underground	
131620	Nickel Ore Mining - Surface	
131720	Silver-Lead-Zinc Ore Mining - Surface	
131910	Other Metal Ore Mining nec - Underground	
131920	Other Metal Ore Mining nec - Surface	
141100	Gravel and Sand Quarrying	
211130	Meat Processing	
218200	Beer and Malt Manufacturing	
221100	Wool Scouring	
221200	Synthetic Fibre Textile Manufacturing	
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	
224300	Sleepwear, Underwear and Baby Clothing Mfg	
224900	Other Clothing Manufacturing nec	
251000	Petroleum Refining	
253500	Inorganic Industrial Chemical Manufacturing nec	
254200	Paint Manufacturing	
254500	Soap and Other Detergent Manufacturing	
254900	Other Chemical Product Manufacturing nec	
261000	Glass and Glass Product Manufacturing	
262100	Clay Brick Manufacturing	
262200	Ceramic Product Manufacturing	
262900	Other Ceramic Product Manufacturing nec	
263220	Plaster Product Manufacturing	

Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)
263400	Concrete Pipe and Box Culvert Manufacturing	
263520	Concrete Product Manufacturing nec	
264010	Fibreglass Insulation Products Manufacturing	
264020	Non-Metallic Mineral Product Manufacturing nec	
271100	Basic Iron and Steel Manufacturing	
271300	Steel Pipe and Tube Manufacturing	
272100	Alumina Production	
272200	Aluminium Smelting	
272900	Basic Non-Ferrous Metal Manufacturing nec	
273100	Aluminium Rolling, Drawing, Extruding	
273200	Non-Ferrous Metal Rolling, Drawing, Extruding nec	
273300	Non-Ferrous Metal Casting	
274100	Structural Steel Fabricating	
274900	Structural Metal Product Manufacturing nec	
275100	Metal Container Manufacturing	
275900	Sheet Metal Product Manufacturing nec	
276100	Hand Tool and General Hardware Manufacturing	
276300	Nut, Bolt, Screw and Rivet Manufacturing	
276900	Fabricated Metal Product Manufacturing nec	
282210	Boatbuilding	
282220	Boat repairing	
285100	Household Appliance Manufacturing	
285200	Electrical Cable and Wire Manufacturing	
291900	Prefabricated Building Manufacturing nec	
294200	Toy and Sporting Good Manufacturing	
361000	Electricity Supply	
362000	Gas Supply	
370100	Water Supply	
370200	Sewerage and Drainage Services	
411100	House Construction	

# APPENDICES

Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)	Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)
411200	Residential Building Construction nec		222110	Made-up Textile Product Manufacturing	
422300	Roofing Services		231200	Wood Chipping	
423100	Plumbing Services		231300	Timber Resawing and Dressing	
423200	Electrical Services		232100	Plywood and Veneer Manufacturing	
423300	Air Conditioning and Heating Services		233400	Paper Bag and Sack Manufacturing	
424120	Plasterboard and Decorative Plaster Fixing		252000	Petroleum & Coal Product Manufacturing nec	
424400	Painting and Decorating Services		253100	Fertiliser Manufacturing	
424510	Aluminium Door and Window Installation		253400	Organic Industrial Chemical Manufacturing nec	
424520	Glazing Services		254100	Explosive Manufacturing	
425910	Scaffolding Services		254400	Pesticide Manufacturing	
425920	Exterior/Interior Blind and Awning Installation Services		254700	Ink Manufacturing	
462400	Motor Vehicle Dismantling		276400	Metal Coating and Finishing	
525900	Retailing nec		276500	Non-Ferrous Pipe Fitting Manufacturing	
620000	Rail Transport		281300	Automotive Electrical and Instrument Manufacturing	
630100	International Sea Transport		281900	Automotive Component Manufacturing nec	
630200	Coastal Water Transport		282300	Railway Equipment Manufacturing	
662200	Water Transport Terminals		282400	Aircraft Manufacturing	
662300	Port Operators		286410	Machine Tool and Part Manufacturing	
662910	Water Transport Agency Services		286420	Metal Dies, Cutting, Sinking, Manufacturing and Repairing	
952110	Laundry and Dry Cleaning Operations		286700	Commercial Space Heating and Cooling Equipment Manufacturing	
952120	Self-service Laundries and Dry Cleaning Agencies		286900	Industrial Machinery and Equipment Manufacturing nec	
963300	Fire Brigade and Civil Emergency Services		294100	Jewellery and Silverware Manufacturing	
<b>Schedule 5</b>		<b>0.110%</b>	422110	Concrete Construction Services	
012300	Sheep-Beef Cattle Farming		422400	Structural Steel Erection Services	
120000	Oil and Gas Extraction		452300	Chemical Wholesaling	
131100	Iron Ore Mining		453900	Building Supplies Wholesaling nec	
131200	Copper Ore Mining - Underground		472200	Clothing Wholesaling	
131300	Copper Ore Mining - Surface		523300	Domestic Hardware and Houseware Retailing	
131500	Mineral Sand Mining		532900	Automotive Repair and Services nec	
131710	Silver-Lead-Zinc Ore Mining - Underground		661900	Services to Road Transport nec	
152000	Other Mining Services		663000	Services to Air Transport	
211110	Abattoirs		963400	Waste Disposal Services	
211120	Meat Packing and Freezing				
211140	Animal By-product Processing nec				
216100	Bread Manufacturing				
217300	Seafood Processing				
218400	Spirit Manufacturing				
219000	Tobacco Product Manufacturing				

Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)	Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)
<b>Schedule 6</b>		<b>0.075</b>	263300	Concrete Slurry Manufacturing	
012400	Sheep Farming		276200	Spring and Wire Product Manufacturing	
013000	Dairy Cattle Farming		285300	Battery Manufacturing	
021100	Cotton Ginning		285400	Electric Light and Sign Manufacturing	
021300	Aerial Agricultural Services		286100	Agricultural Machinery Manufacturing	
021910	Services to Livestock Farming nec		286300	Food Processing Machinery Manufacturing	
021920	Services to Crop Farming nec		286500	Lifting and Material Handling Equipment Manufacturing	
021930	Services to Fruit & Vegetable Growing nec		291100	Prefabricated Metal Building Manufacturing	
021960	Pet Boarding and Kennels nec		292200	Sheet Metal Furniture Manufacturing	
030100	Forestry		421020	Site Preparation Services	
110100	Coal Mining - Underground		451900	Farm Produce and Supplies Wholesaling nec	
110200	Coal Mining - Surface		452100	Petroleum Product Wholesaling	
131410	Gold Ore Mining - Underground		453100	Timber Wholesaling	
131420	Gold Ore Mining - Surface		532400	Tyre Retailing	
211210	Poultry Abattoirs		661100	Parking Services	
211300	Bacon, Ham and Smallgood Manufacturing		664900	Services to Transport nec	
212100	Milk and Cream Processing		712000	Telecommunication Services	
212900	Dairy Product Manufacturing nec		786610	Cleaning Services : Non Government Contractors	
214000	Oil and Fat Manufacturing		786620	Cleaning Services : Government Contractors	
216200	Cake and Pastry Manufacturing		820000	Defence	
216300	Biscuit Manufacturing		861200	Psychiatric Hospitals	
217400	Prepared Animal and Bird Feed Manufacturing		923900	Recreational Parks and Gardens	
218100	Soft Drink, Cordial and Syrup Manufacturing				
218300	Wine Manufacturing		<b>Schedule 7</b>		<b>0.05 per cent</b>
222120	Furniture Upholstery and Covers Mfg		012100	Grain Growing	
222130	Non-canvas Textile Blind and Awning Manufacturing		012510	Beef Cattle Farming	
226100	Leather Tanning and Fur Dressing		021200	Shearing Services	
226200	Leather and Leather Substitute Product Mfg		021940	Agricultural Land Clearing & Fencing	
232200	Fabricated Wood Manufacturing		021950	Other Services to Agriculture nec	
233100	Pulp, Paper and Paperboard Manufacturing		030210	Softwood Timber Plantation Logging	
241100	Paper Stationery Manufacturing		030220	Hardwood and Other Timber Logging	
241210	Printing		030300	Services to Forestry	
241220	Newspaper Printing		211220	Poultry Meat Processing	
254300	Medicinal and Pharmaceutical Product Manufacturing		212200	Ice Cream Manufacturing	
254600	Cosmetic and Toiletry Preparation Manufacturing		231100	Log Sawmilling	
			232910	Wooden Blind Manufacturing	



# APPENDICES

Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)	Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)
233200	Solid Paperboard Container Manufacturing		843200	Technical and Further Education	
233300	Corrugated Paperboard Container Manufacturing		844010	Driving Schools	
233900	Other Paper Product Manufacturing nec		844020	Other Education and Training nec	
241310	Printing Trade Services		861100	Hospitals (Except Psychiatric Hospitals)	
241320	Services to Printing and Publishing nec		911100	Film and Video Production	
256100	Plastic Blow Moulded Product Manufacturing		970000	Private Households Employing Staff	
256200	Plastic Extruded Product Manufacturing		<b>Schedule 8</b>		<b>0.025%</b>
256400	Plastic Product, Rigid Fibre Reinforced, Mfg		011100	Plant Nurseries	
281200	Motor Vehicle Body Manufacturing		011200	Cut Flower and Flower Seed Growing	
286200	Mining and Construction Machinery Manufacturing		011300	Vegetable Growing	
286600	Pump and Compressor Manufacturing		011400	Grape Growing	
292300	Mattress Manufacturing (Except Rubber)		011500	Apple and Pear Growing	
292900	Furniture Manufacturing nec		011600	Stone Fruit Growing	
412100	Road and Bridge Construction		011700	Kiwi Fruit Growing	
451100	Wool Wholesaling		011900	Fruit Growing nec	
451200	Cereal Grain Wholesaling		012200	Combined Grain Growing, Sheep Farming and Beef Cattle Farming	
452200	Metal and Mineral Wholesaling		012520	Beef Cattle Feedlots	
461500	Electrical and Electronic Equipment Wholesaling nec		014100	Poultry Farming (Meat)	
461900	Machinery & Equipment Wholesaling nec		014200	Poultry Farming (Eggs)	
523500	Recorded Music Retailing		015100	Pig Farming	
525400	Flower Retailing		015200	Horse Farming	
532200	Automotive Electrical Services		015300	Deer Farming	
532300	Smash Repairing		015900	Other Livestock Farming nec	
611010	Road Freight Transport - Bulk Freight		016100	Sugar Cane Growing	
611020	Road Freight Transport - Short Distance		016200	Cotton Growing	
611030	Road Freight Transport - Long Distance		016900	Other Crop and Plant Growing nec	
630300	Inland Water Transport		022000	Hunting and Trapping	
664100	Travel Agency Services		042000	Aquaculture	
664310	Freight Forwarding (Other Than Road) - Goods Handling		141900	Construction Material Mining nec	
664420	Customs Agencies - No Goods Handling		151100	Petroleum Exploration (Own Account)	
782300	Consulting Engineering Services		151200	Petroleum Exploration	
782920	Technical Services nec		151300	Mineral Exploration (Own Account)	
786420	Building Caretaking Services		151400	Mineral Exploration Services	
			213000	Fruit and Vegetable Processing	
			215100	Flour Mill Product Manufacturing	
			215200	Cereal Food and Baking Mix Manufacturing	
			223100	Hosiery Manufacturing	

Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)	Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)
223200	Cardigan and Pullover Manufacturing		461100	Farm and Construction Machinery Wholesaling	
223900	Knitting Mill Product Manufacturing nec		461200	Professional Equipment Wholesaling	
225000	Footwear Manufacturing		461300	Computer Wholesaling	
232300	Wooden Structural Component Manufacturing		461400	Business Machine Wholesaling nec	
232920	Other Wood Product Manufacturing nec		462100	Car Wholesaling	
242100	Newspaper Publishing		462200	Commercial Vehicle Wholesaling	
242200	Other Periodical Publishing		462300	Motor Vehicle New or Used Part Dealing	
242300	Book and Other Publishing		471100	Meat Wholesaling	
243000	Recorded Media Manufacturing and Publishing		471200	Poultry and Smallgood Wholesaling	
253200	Industrial Gas Manufacturing		471300	Dairy Produce Wholesaling	
253300	Synthetic Resin Manufacturing		471400	Fish Wholesaling	
256300	Plastic Bag and Film Manufacturing		471500	Fruit and Vegetable Wholesaling	
256500	Plastic Foam Product Manufacturing		471600	Confectionery and Soft Drink Wholesaling	
256600	Plastic Injection Moulded Product Manufacturing		471700	Liquor Wholesaling	
274200	Architectural Aluminium Product Manufacturing		471800	Tobacco Product Wholesaling	
283100	Photographic and Optical Good Manufacturing		471900	Grocery Wholesaling nec	
283200	Medical and Surgical Equipment Manufacturing		472100	Textile Product Wholesaling	
283900	Professional and Scientific Equipment Manufacturing nec		472300	Footwear Wholesaling	
284100	Computer and Business Machine Manufacturing		473100	Household Appliance Wholesaling	
284200	Telecommunication, Broadcasting and Transceiving Equipment Manufacturing		473200	Furniture Wholesaling	
284900	Other Electronic Equipment Manufacturing nec		473300	Floor Covering Wholesaling	
285900	Other Electrical Equipment Manufacturing nec		473900	Household Good Wholesaling nec	
292100	Wooden Furniture and Upholstered Seat Manufacturing		479100	Photographic Equipment Wholesaling	
411300	Non-Residential Building Construction		479200	Jewellery and Watch Wholesaling	
412200	Non-Building Construction nec		479300	Toy and Sporting Good Wholesaling	
422120	Concrete Paving Services		479400	Book and Magazine Wholesaling	
423400	Telecommunication, Alarm and Security System Installation Services		479500	Paper Product Wholesaling	
425100	Landscaping Services		479600	Pharmaceutical and Toiletry Wholesaling	
			479910	Wholesaling nec	
			479920	Wholesaling Trade Agent - No Goods Handling	
			511000	Supermarket and Grocery Stores	
			512100	Fresh Meat, Fish and Poultry Retailing	
			512200	Fruit and Vegetable Retailing	
			512300	Liquor Retailing	

# APPENDICES

Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)	Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)
512400	Bread and Cake Retailing		640200	Scheduled Domestic Air Transport	
512500	Takeaway Food Retailing		640300	Non-Scheduled Air and Space Transport	
512600	Milk Vending		664210	Freight Forwarding (Road) - Goods Handling	
512900	Specialised Food Retailing nec		664220	Freight Forwarding (Road) - No Goods Handling	
521000	Department Stores		664320	Freight Forwarding (Other than Road) - No Goods Handling	
522100	Clothing Retailing		664410	Customs Agencies - Goods Handling	
522200	Footwear Retailing		670100	Grain Storage	
522300	Fabric and Other Soft Good Retailing		670900	Storage nec	
523100	Furniture Retailing		711110	Postal Delivery Services	
523200	Floor Covering Retailing		711120	Postal Agency Services	
523400	Domestic Appliance Retailing		711200	Courier Services	
524100	Sport and Camping Equipment Retailing		731000	Central Bank	
524200	Toy and Game Retailing		732100	Banks	
524300	Newspaper, Book and Stationery Retailing		732200	Building Societies	
524400	Photographic Equipment Retailing		732300	Credit Unions	
524500	Marine Equipment Retailing		732400	Money Market Dealers	
525100	Pharmaceutical, Cosmetic and Toiletry Retailing		732900	Deposit Taking Financiers nec	
525200	Antique and Used Good Retailing		733000	Other Financiers	
525300	Garden Equipment Retailing		734000	Financial Asset Investors	
525500	Watch, Spectacles and Jewellery Retailing		741100	Life Insurance	
526110	Household Equipment Repair Services (Electrical)		741200	Superannuation Funds	
526120	Household Equipment Repair Services (Electronics)		742100	Health Insurance	
526900	Household Equipment Repair Services nec		742200	General Insurance	
531100	Car Retailing		751100	Financial Asset Broking Services	
531200	Motor Cycle Dealing		751900	Services to Finance and Investment nec	
531300	Trailer and Caravan Dealing		752000	Services to Insurance	
532100	Automotive Fuel Retailing		771110	Residential Strata Schemes	
571000	Accommodation		771120	Residential Property Operators	
572000	Pubs, Taverns and Bars		771210	Commercial Property Strata Schemes	
573000	Cafes and Restaurants		771220	Commercial Property Operators and Developers	
574000	Clubs (Hospitality)		772000	Real Estate Agents	
611040	Furniture Delivery and Removal Service		773000	Non-Financial Asset Investors	
612100	Long Distance Bus Transport		774100	Motor Vehicle Hiring	
612200	Short Distance Bus Transport (Including Tramway)		774210	Boat and Ferry Hiring	
612340	Other Road Passenger Transport nec		774220	Other Transport Equipment Leasing nec	
640100	Scheduled International Air Transport		774310	Plant and Machinery Hiring and Leasing Without Operator	

<b>Class No. in Insurance Premiums Order</b>	<b>Business classification</b>	<b>Contribution (% of wages)</b>
774320	Plant and Machinery Hiring and Leasing With Operator	
774330	Office Equipment Hiring and Leasing	
781000	Scientific Research	
782100	Architectural Services	
782200	Surveying Services	
782910	Laboratory Services nec	
783100	Data Processing Services	
783200	Information Storage and Retrieval Services	
783300	Computer Maintenance Services	
783400	Computer Consultancy Services	
784100	Legal Services	
784200	Accounting Services	
785100	Advertising Services	
785210	Sign Writing	
785220	Commercial Art and Display Services	
785300	Market Research Services	
785400	Business Administrative Services	
785410	Corporate Head Office	
785500	Business Management Services	
786100	Employment Placement Services	
786300	Secretarial Services	
786411	Investigative Services	
786412	Security Services	
786500	Pest Control Services	
786700	Contract Packing Services nec	
786900	Business Services nec	
811100	Central Government Administration	
811100	Central Government Administration	
811200	State Government Administration	
811300	Local Government Administration	
812000	Justice	
813000	Foreign Government Representation	
841000	Preschools and Kindergartens	
842100	Infants and Primary Schools	
842200	Secondary Education	
842300	Combined Primary and Secondary Education	

<b>Class No. in Insurance Premiums Order</b>	<b>Business classification</b>	<b>Contribution (% of wages)</b>
842400	Special School Education	
843100	Higher Education	
861300	Nursing Homes	
862100	General Practice Medical Services	
862200	Specialist Medical Services	
862300	Dental Services	
863100	Pathology Services	
863200	Optometry and Optical Dispensing	
863300	Ambulance Services	
863400	Community Health Centres	
863500	Physiotherapy Services	
863600	Chiropractic Services	
863900	Other Health Services nec	
864000	Veterinary Services	
871000	Child Care Services	
872100	Accommodation for the Aged	
872200	Residential Care Services nec	
872910	Home Care Services	
872920	Non-Residential Care Services nec	
911200	Film and Video Distribution	
911300	Motion Picture Exhibition	
912100	Radio Services	
912200	Television Services	
921000	Libraries	
922000	Museums	
923100	Zoological and Botanic Gardens	
924110	Theatre and Orchestra Productions	
924120	Other Theatre and Musical Performance	
924200	Creative Arts	
925100	Sound Recording Studios	
925200	Performing Arts Venues	
925910	Agency Services to the Arts	
925920	Services to the Arts nec	
931110	Horse and Dog Racing Operations	
931200	Sports Grounds and Facilities nec	
931911	Sports and Services to Sport nec	
931912	Sports Administrators Services	
931920	Professional Footballers	
932100	Lotteries	
932200	Casinos	
932900	Gambling Services nec	
933000	Other Recreation Services	

# APPENDICES

Class No. in Insurance Premiums Order	Business classification	Contribution (% of wages)
951100	Video Hire Outlets	
951900	Personal and Household Goods Hiring nec	
952130	Carpet Cleaners	
952200	Photographic Film Processing	
952300	Photographic Studios	
952400	Funeral Directors, Crematoria and Cemeteries	
952510	Gardening Services	
952520	Amenity Tree Services	
952600	Hairdressing and Beauty Salons	
952910	Adult Personal Services	
952920	Personal Services nec	
961000	Religious Organisations	
962100	Business and Professional Associations	
962200	Labour Associations	
962900	Interest Groups nec	
963100	Police Services	
963200	Corrective Centres	

## APPENDIX 17: CORPORATE PLAN OBJECTIVES AND RESULTS 2014/15

Key Result Area	Key Performance Indicators	Target	2014/15 Results
Efficient compensation services	1. Medical examinations undertaken at DDB within 30 days	75% by 2013 80% by 2015	100%
• Quality and timely services	2. Compensation applications determined within 60 days	70% by 2013 85% by 2015	50%
• Simple application processes	3. Benefits and substantiated expenses paid to beneficiaries within 30 days	95%	99%
• Sound decision making	4. Accurate payment of entitlements paid to beneficiaries within 14 days	100%	100%
• Clear, communication about our services, processes and decisions			
Sound fund management and scheme viability	5. Accurate levy setting	98%	100%
	6. Levies collected by due date	90%	82%
• Effective governance, audit and risk management	7. Funding ratio	90-110%	135%
• Accurate actuarial assessments			
• Proactive assessment of key cost drivers and trends			
Exemplar Organisation	8. Lost time injury frequency rate not to exceed public sector average	100%	
• Organisation capability to deliver our services	9. All staff have a Development Plan	100%	97%
• Effective performance management			
• A safe, supportive and productive workplace			

Key Result Area	Key Performance Indicators	Target	2014/15 Results
<b>Cost and Efficiency</b> <ul style="list-style-type: none"> <li>Evidence used to direct and prioritise our services</li> <li>Operate within budget</li> <li>Benchmark the cost of service delivery</li> <li>Measure our outcomes</li> <li>Manage our risks</li> </ul>	10. Actual operating expenditure (excluding finance and compensation costs) varies less than 5% from budget	100%	94%
	11. Close out of action items raised in audit reports by due date	>80%	57% <sup>1</sup>
<b>Customer Focus Approach</b> <ul style="list-style-type: none"> <li>Customer Service Charter and service standards are linked to our values</li> <li>A consistent and seamless customer experience</li> <li>Accessible, timely and accurate information</li> <li>Effective applicant referral pathways</li> </ul>	12. Fair and transparent decisions	<1% decisions varied by internal review or appeal	<1%
	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%	100%

\* 2013/14 result. The DDB conducts a customer satisfaction survey on a bi-annual basis.

1. The DDB Compensation Entitlements Report was issued in June 2014 with all recommendations due for completion during 2014/15. The report raised seven recommendations and there have been four of those completed by the due date with three recommendations still past due. Therefore, DDB's "Close out of action items raised in audit reports by due date" is 57%. There were no reviews for DDB completed during 2014/15, as the current CMS review is yet to be completed.

## 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
<b>Chair</b>	
J. Newman	7
V. Bhatia	5
<b>Employer representatives</b>	
S.W.S Kidziak (Member)	9
B Eichhorn (Member)	11
R Petty (Member)	11
B Seidler (Alternate Member)	0
G Choice (Alternate Member)	0
G Patterson (Alternate Member)	0
<b>Employee representatives</b>	
R Mallia (Member)	9
D Henry (Member)	9
P Noack (Member)	8
S Robinson (Alternate Member)	6
A Sawtschuk (Alternate Member)	0
M Morey (Alternate Member)	1

### MEETINGS OF THE MEDICAL AUTHORITY

A total of 30 meetings were held during the year. Member attendances are listed below:

	Meetings attended
<b>Chairs</b>	
Professor D Bryant (Chair) MBBS (Syd), MRACP, FRACP	17
Dr IT Gardiner (Alternate Chair) MBBS (NSW), FRACP	12
<b>Employer Representatives</b>	
Dr G Kauffman (Member) M.B.B.S (Hons) BSc(MED) (Hons) FRACP	9
Dr JS Mann (Alternate Member) MBBS (Syd), MD (Syd), FRACP	11
Dr E Clark (Alternate Member) MBBS, MRCP (Lond)	10
<b>Employee Representatives</b>	
Dr C Clarke (Member) MB, PhD (Lond), LLM, FRACP	12
Dr G Hart (Alternate Member) MBBS, MRCP (Lond), FRACP	10
Dr G Tyler (Alternate Member) Bachelor of Medicine, FRACP, ANZRS	8

# APPENDICES

## SRWS AUDIT AND RISK COMMITTEE

The role of the audit and risk committee is to provide independent assistance to the board and the Workers' Compensation (Dust Diseases) Board of 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.

### SRWS AUDIT AND RISK COMMITTEE ATTENDANCE

SRWS audit and risk committee	Number eligible to attend	Number attended
Raymond Whitten (Chair)	6	6
Elizabeth Carr	6	6
Mark Lennon	6	4
Ray Petty	6	5
Vivek Bhatia (CEO)*	5	5
Julie Newman (former CEO)	1	1

\* The CEO is a standing invitee. Mr Vivek Bhatia was appointed as CEO of SRWS in August 2014

## 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.

### INVESTMENT COMMITTEE ATTENDANCE

Investment committee	Number eligible to attend	Number attended
Peeyush Gupta (Chair)	10	9
Michael Carapiet	10	10
Gavin Bell	10	7
Raymond Whitten	10	9
Vivek Bhatia (CEO)*	9	9
Julie Newman (former CEO)	1	1

\* The CEO is a standing invitee. Mr Vivek Bhatia was appointed as CEO of SRWS in August 2014

## SRWS HUMAN RESOURCES COMMITTEE

The role of the human resources committee is to support the Board by reviewing and monitoring the 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.

### HUMAN RESOURCES COMMITTEE ATTENDANCE

Human resources committee	Number eligible to attend	Number attended
Gavin Bell (Chair)	4	4
Elizabeth Carr	4	4
Michael Carapiet	4	4
Vivek Bhatia	4	4

## ABOLISHED ENTITIES

There were no abolished entities during the reporting year

## APPENDIX 19: PUBLICATION NOTES

A copy of the Workers' Compensation (Dust Diseases) Board Annual Report 2014/15 can be downloaded from the Workers Compensation (Dust Diseases) Board website, at [www.ddb.nsw.gov.au](http://www.ddb.nsw.gov.au). The cost of the 2014/15 Annual Report was \$7805.00.



# INDEX

<b>A</b>		<b>L</b>		<b>T</b>	
About the Dust Diseases Board	12	Land disposal	94	Training and development	30
Accounts payable performance	91	Legislation	8, 86	<b>W</b>	
Actuarial Certificate	41	<b>M</b>		Women	33
Appendices	85	Medical Authority Certificates – new dust diseases cases certified	96	Workers' Compensation (Dust Diseases) Act 1942 Contributions under section 6 for 2015/16 financial year	96
Awards made since the inception of the original scheme of 1927	94	Medical authority support team	24	Workforce diversity and inclusion	33
<b>B</b>		Medical screening service	27	Work health and safety performance and employee wellbeing	32
Board and committee meetings	107	Meetings of the Board	107	<b>Y</b>	
Budget and Estimates for 2015/16	82	Meetings of the Medical Authority	107	Young workers	33
<b>C</b>		Mission and values	6		
Cases certified by the Medical Authority	95	Multicultural policies and services program	34		
CEO Review	10	<b>N</b>			
Compensation services	22	Notes to the Financial Statements	50		
Consultants	92	<b>O</b>			
Corporate governance	36	Overseas travel 2014/15	92		
Credit card certification	90	<b>P</b>			
Culture of achievement and leadership	30	Performance management	30		
<b>D</b>		Public interest disclosures	37		
Digital Information Security Attestation Statement	39	<b>R</b>			
Disability	33	Research and community grants scheme	28		
Dust Diseases Board and Senior Management	12	Research and education	28		
<b>E</b>		<b>S</b>			
Energy performance and waste reduction	37	Safety, Return to Work and Support Executive	16		
<b>F</b>		SRWS audit and risk committee	108		
Financial Statements	40	SRWS Human resources committee	108		
<b>G</b>		SRWS Investment committee	108		
Government Information (Public Access) applications	87	Statement by the Chief Executive Officer	43		
Grants	93	Statement of Cash Flows for the year ended 30 June 2015	49		
<b>I</b>		Statement of Changes in Equity for the year ended 30 June 2015	48		
Independent Auditor's Report	44	Statement of Comprehensive Income for the year ended 30 June 2015	46		
Indigenous employees	33	Statement of Financial Position as at 30 June 2015	47		
Industrial history services	24				
Internal Audit and Risk Management Statement	38				
Investment performance	20				

This page has been left blank intentionally.

This page has been left blank intentionally.

