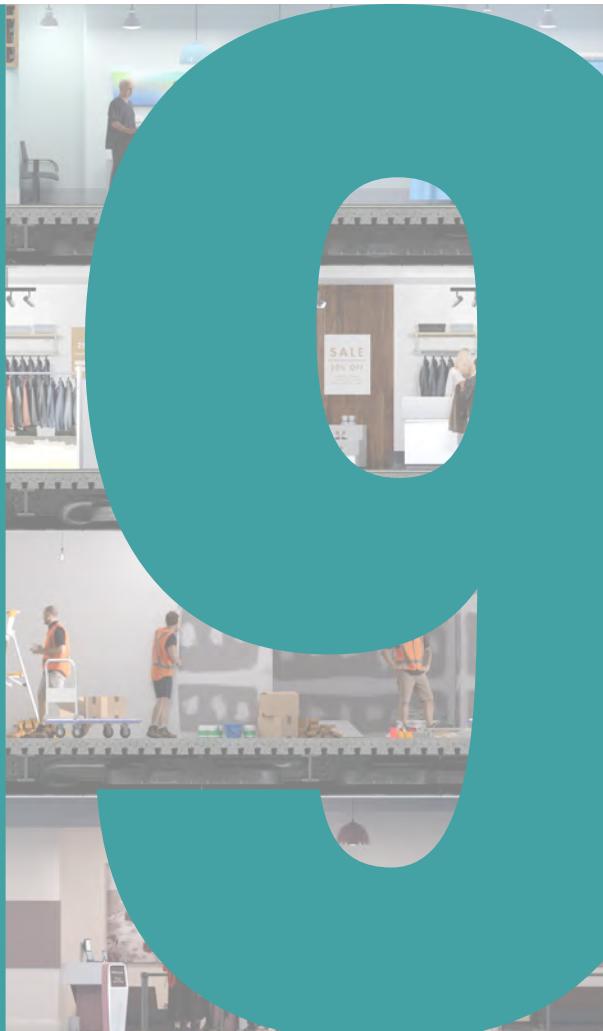


# Annual Report

2018 -



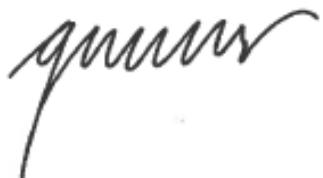


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The Hon. Elise Archer MP

### **WorkCover Tasmania Board Annual Report for 2018–2019**

I am pleased to submit the WorkCover Tasmania Board's Annual Report 2018–19 to you, for presentation to Parliament. The financial statements presented here have been prepared in accordance with the provisions of the *Financial Management and Audit Act 1990*.



Ginna Webster  
Chair, WorkCover Tasmania Board

# CONTENTS

|   |    |
|---|----|
| Chair's Message.....                        | 5  |
| About the Board.....                        | 6  |
| Board Functions.....                        | 8  |
| Board Committees.....                       | 10 |
| Board Achievements .....                    | 11 |
| Ministerial Requests and Directions .....   | 16 |
| Appendices .....                            | 18 |
| 1. Contracts.....                           | 19 |
| 2. Right to information.....                | 19 |
| 3. Scheme Performance.....                  | 20 |
| 4. Financial Statements.....                | 24 |
| 5. Ministerial Requests and Directions..... | 50 |

WorkCover Tasmania Board  
Annual Report 2018–19

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We welcome your feedback on this report.  
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# CHAIR'S MESSAGE

The role of the WorkCover Tasmania Board is to promote the prevention of injuries and disease in workplaces, including the development of healthy and safe workplaces, and promote effective injury management and improved return to work rates. To fulfil these legislative functions, the Board has committed to supporting a number of initiatives, which are detailed throughout this annual report.

Building on the success of previous media campaigns, this year's community awareness campaign focused on increasing awareness of mental health issues in the workplace. Mental health is one of the priority issues for WorkSafe Tasmania and the Board. Whilst the total number of workplace injuries in Tasmania has declined since 2012, the number of mental health conditions has increased.

WorkSafe Month in 2018 culminated in the highly successful WorkSafe Conference, which featured a number of high-profile speakers and focused on emerging workplace technologies and the impact these will have on workplace safety and workers compensation. Presentations, workshops and networking opportunities focused on 'megatrends' such as robotics, sedentary behaviour, ageing workforce, and increasing workplace stress and mental health conditions. Participants were provided with the tools and resources to build the capacity of their business to respond to the challenges, risks and opportunities expected to impact on workplaces over the next 20 years.

The 2018 WorkSafe Awards celebrated the outstanding achievements of workplaces and individuals who lead the way in raising the standards of work health and safety, wellbeing, and return to work. We congratulate St Vincent Industries Incorporated, who won the ultimate award, the Leadership Excellence Award.

Several Board initiatives prioritise working directly with our stakeholders. Better Work Tasmania is an innovative and collaborative program that facilitates work health and safety improvements. It connects workplaces so that they can share ideas and learnings, and provides networking events and online resources for businesses. This year, Better Work Tasmania's networking sessions covered the forestry and transport sectors and mental health awareness in the public sector. It also worked with Employer of Choice to cover mentally healthy workplaces.

In September 2019, I was appointed Secretary of the Department of Justice, returning to an Agency that I have had a long and positive connection with. I also take on the role of Chair of the WorkCover Tasmania Board. I thank the outgoing Chair, Kathrine Morgan-Wicks, for her leadership and guiding role within the Board, and for her support during the handover period. I wish her well in her future role as Secretary of the Department of Health.

This Annual Report captures many Board initiatives that I look forward to continuing to support. Promoting safer and healthier workplaces, effective injury management and improved return to work rates are key to creating better workplaces and industries, and a more successful and sustainable Tasmanian economy and safer community for us all. The Board's role in this is significant.

Legislative reviews are an important part of the Board's function, helping to ensure that our laws create safer workplaces and fairer outcomes for our workers. We are currently undertaking a review for the Minister's consideration, on whether presumptive provisions in relation to post-traumatic stress disorder (PTSD) could most appropriately be applied to people not employed or appointed by the State. This is subsequent to a review the Board conducted as to whether the *Workers Rehabilitation and Compensation Act 1988* ought to be amended to include presumptive provisions for certain workers in relation to PTSD within the public sector.

As part of the Board's commitment to ensuring fairer workplaces for all Tasmanian workers, we have also undertaken a review of section 87 of the *Workers Rehabilitation and Compensation Act 1988*. The review aims to address concerns that the Act currently discriminates against older workers, who lose entitlements to workers compensation when they reach pension age or soon after.

The first review of the Work Health and Safety Regulator was also conducted, with the independent consultant providing a report to the Board. At the time of preparing this annual report, the Board is considering a number of findings and recommendations identified in the review report.

As I will be finishing in the role of Chair on 1 September 2019, I would like to express my gratitude to the members of the Board for their dedicated work and ongoing collaboration in supporting the important work to improve the health, safety and wellbeing of all Tasmanian workplaces. I would also like to extend my thanks to the Secretariat for the Board and our WorkSafe Tasmania team, who are working hard each day to ensure Tasmanians remain safe and well at work each day.

I look forward to learning of the Board's future achievements in progressing its agenda in support of the WorkSafe and WorkCover 2018-2023 Strategic Plan.

Kathrine Morgan-Wicks  
Chair, Sept 2017-Sept 2019

I look forward to working with Board members and the Board's stakeholders, including WorkSafe Tasmania, to achieve these goals.

Ginna Webster  
Current Chair, Sept 2019

# ABOUT THE BOARD

## Overview

The WorkCover Tasmania Board works with employers, workers, licensed and self-insurers, medical professionals and others to reduce work-related injury and illness in Tasmania, and aid the early return to work of injured workers.

To achieve this it:

- promotes prompt and effective injury management.
- promotes safer and healthier workplaces, through providing health and safety information and practical guidance.
- manages Tasmania's workers compensation scheme and monitors the performance of scheme participants.

The Board provides advice to the Minister for Building and Construction on work health and safety, and workers rehabilitation and compensation matters.

The Board's functions and responsibilities are set out in:

- Part II of the *Workers Rehabilitation and Compensation Act 1988*
- Schedule 2, Part 2 of the *Work Health and Safety Act 2012*
- Part 16 of the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011*.

For details, see 'Board Functions' in this report.

## Strategic Plan

The 2018–2023 Strategic Plan is a joint initiative between the WorkCover Tasmania Board and WorkSafe Tasmania. It provides organisational focus and priorities for the Board and WorkSafe over the next five years, and:

- provides a framework for sustainable harm reduction, improved return to work outcomes and enhanced scheme regulation.
- identifies four strategies that, together, aim to achieve healthier, safer and productive workplaces.

See 'Board Achievements' in this annual report for details on some of the work done to achieve these priorities.

## Stakeholders

The Board's stakeholders include:

- employer and industry bodies
- workers and unions representing worker groups
- workers compensation licensed insurers and self insurers
- medical professionals, including those accredited to assess impairment
- providers such as rehabilitation providers, injury management coordinators and other health professionals
- the wider community.

## Relationship with WorkSafe Tasmania

There is a strong relationship between the Department of Justice and the Board, with the Secretary of the Department filling the position of Chair of the Board.

The Board monitors and reviews the performance of functions and exercise of powers of the Work Health and Safety Regulator.

Additionally, WorkSafe Tasmania supports the board perform its functions in workers compensation and injury management. WorkSafe informs the Board of emerging national issues and developments in other jurisdictions.

For details of WorkSafe's activities, see the Department of Justice annual report at [www.justice.tas.gov.au](http://www.justice.tas.gov.au).

## Risk Profile

Risk management is an important consideration in being able to define key risks within Tasmania's workers compensation scheme and the Board's management of the scheme. This allows the opportunity for the Board to mitigate any negative consequences from those risks, align accountability for managing risks, and ensure consistency between risk management strategies and controls.

The Governance and Audit Committee has a three-year internal audit plan which monitors the identified risks of scheme management, work health and safety, Board operation, strategy and governance, and effective monitoring and reporting.





# BOARD MEMBERSHIP 2018-19

## Kathrine Morgan-Wicks

*Secretary of the Department of Justice, appointed ex-officio pursuant to Section 9(1)(a) of the Act*

Kathrine is the Secretary of the Department of Justice up until 1 September 2019 when she will take on the appointment of Secretary of Health and Commissioner for Ambulance.

Prior to this, she was Deputy Secretary – Budget and Finance at the Department of Treasury and Finance.

Kathrine is a barrister and solicitor, with over 20 years of corporate and commercial legal experience working in the private sector and in senior executive roles at the Australian Securities and Investments Commission and in the Tasmanian State Service. She has extensive corporate governance, strategic risk and financial experience, having chaired or participated as a member or director of various Commonwealth and State boards and committees and not-for-profit organisations.

Kathrine has a masters in law and has completed graduate courses in business and leadership with the Melbourne Business School and Harvard Leadership Program.



## Graham Wood

*Appointed pursuant to Section 9(1)(b)(ii) of the Act ('an Australian lawyer with experience in workers rehabilitation and compensation matters')*

Graham was admitted as a barrister and solicitor of the Supreme Court of Tasmania in August 1984, and has been partner/consultant with a Hobart law firm since 1990. He specialises in all aspects of litigious work, including the conduct and carriage of matters representing the interest of plaintiffs and defendants.

He has extensive experience in the conduct of workers compensation and personal injury matters, at trial level and on appeal. He is a panel solicitor for numerous major insurance companies; and for over 20 years has been the principal solicitor providing advice to the Police Association of Tasmania on legal issues including administrative law, workers compensation and industrial issues.

Graham has a joint Bachelor of Economics and Law Honours degree.



## Julieann Buchanan

*Appointed pursuant to Section 9(1)(b)(v) of the Act ('a person with expertise in the evidence base related to management of work-related injuries and who advocates for, or has experience in respect of, the interests of employers')*

Julieann is currently employed as the Tasmanian manager of a large self-insurer

She is an occupational therapist with extensive employer-based experience in safety, occupational rehabilitation and workers compensation insurance at a strategic and operational level. She is a member of the Australian Institute of Company Directors (AICD)

Julieann has post-graduate qualifications in occupational rehabilitation, ergonomics and management.



## Sofia Mavratzas

*Appointed pursuant to Section 9(1)(b)(iii) of the Act ('a person with extensive experience in the workers compensation insurance industry')*

Sofia is based in Adelaide and has extensive experience in the management of underwritten and statutory workers compensation claims in Tasmania and South Australia; compulsory third party claims in the Australian Capital Territory; and South Australia's privatised compulsory third party scheme claims.

She has 24 years of personal injury claims experience across insurers, the South Australian workers compensation regulator and South Australia's largest self-insurer. She has held executive positions overseeing legal, medical and allied health provider management, fraud and investigations, recoveries and injury and case management for various national and state public and private sector organisations.

Sofia has post graduate qualifications in business management. She has completed the Company Directors course and other professional development courses focused on strategic thinking and leadership.



## Dr Robert Walters

*Appointed pursuant to Section 9(1)(b)(i) of the Act ('a medical practitioner; or a registered nurse, with expertise in evidence-based management of work-related injuries')*

Robert has been a practising GP in Hobart for 33 years.

He has been medical director of the Board since 1997. He has extensive experience on boards and councils, including those for the Australian Divisions of General Practice, the Cancer Council of Tasmania, the Asbestos Safety and Eradication Agency, Headspace and beyondblue. He was a national Men's Health Ambassador, advising the Australian Government on policy relating to male health matters.

Robert has served in the Australian Defence Force since 1972, most recently as Senior Medical Officer for the ADF, Tasmanian region in an Army Reserve capacity, holding the rank of Colonel.



## Jessica Munday

*Appointed pursuant to Section 9(1)(b)(iv) of the Act ('a person with expertise in the evidence base related to management of work-related injuries and who advocates for, or has experience in respect of, the interests of injured workers')*

Jessica is the current Secretary of Unions Tasmania, the peak body representing trade unions in the state.

She is an experienced industrial relations practitioner. Before leading Unions Tasmania, she worked with the Community and Public Sector Union for 12 years, including three years leading the branch as the Regional Secretary. She is also a trustee director of an industry superannuation fund, and president and treasurer of the community legal centre Worker Assist.

Jessica has a degree in political science and public policy.



# BOARD FUNCTIONS



The Board oversees the operation of Tasmania's workers compensation scheme and provides advice to the Minister on the effectiveness of the scheme and associated legislation.

## Under the workers compensation laws

The Board establishes, implements and monitors the standards required of scheme participants that the Board has control of: licensed and self insurers, accredited medical practitioners, and workplace rehabilitation providers. Regulatory activities relating to these groups continued in 2018–19.

### Insurers

The Board licenses insurers to cover employers for workers compensation claims made by their workers; and grants permits to employers to self-insure against workers compensation claims made by their workers.

As part of the Board's regulatory framework, licensed insurers and self insurers are audited to assess compliance with licence or permit conditions and legislation, including their claims management and approved injury management programs. Nine audits were conducted this year.

There are 7 licensed insurers and 11 self insurers as at 30 June 2019. To see these, go to [www.worksafe.tas.gov.au](http://www.worksafe.tas.gov.au) and search for 'insurers'.

### Medical practitioners

Medical practitioners who wish to assess the permanent impairment of an injured worker need to be accredited by the Board.

There were 369 medical practitioners accredited as at 30 June 2019. During the year, 16 new applications were approved and 19 accreditations were revoked. To see these, go to [www.worksafe.tas.gov.au](http://www.worksafe.tas.gov.au) and search for 'medical provider'.

### Workplace rehabilitation providers

The Board accredits workplace rehabilitation providers to deliver workplace rehabilitation services in Tasmania. To be accredited, applicants must demonstrate that they meet the requirements of the Nationally Consistent Framework for Rehabilitation Providers.

There are 47 accredited workplace rehabilitation providers as at 30 June 2019. During the year, three new applications were approved and three were revoked. To see these, go to [www.worksafe.tas.gov.au](http://www.worksafe.tas.gov.au) and search for 'rehab providers'.

### Approved injury management programs

The Board approves the injury management programs of licensed insurers and self insurers, the Tasmanian State Service agencies and employers.

There are 34 approved programs as at 30 June 2019: seven for licensed insurers, 11 for self insurers, and 16 for Tasmanian State Service agencies.

## Performance and monitoring

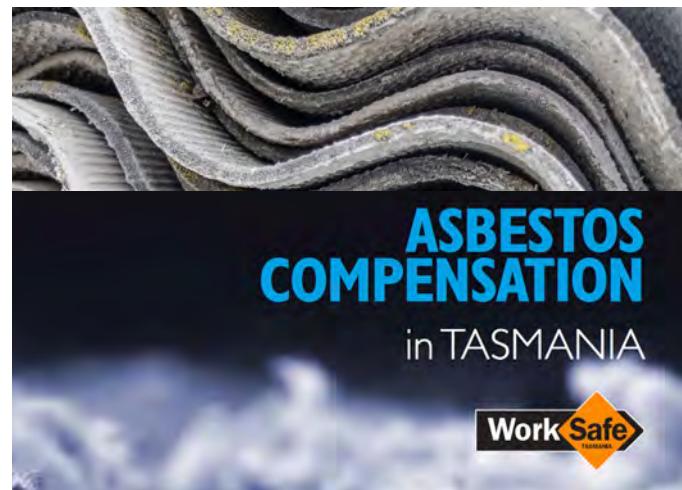
The Board monitors, analyses and evaluates the performance of Tasmania's workers compensation scheme; and identifies emerging trends and problem areas. The Board:

- produced reports including the Suggested Industry Premium Rates 2019–20 Report, Scheme Review, Notional Premiums and the Premium Industry Analysis Report
- reviewed specific sections of the *Workers Rehabilitation and Compensation Act 1988* where the legislation required a review to be done.

The performance of the scheme is reported later in this annual report.

## Under the asbestos compensation laws

The Board has responsibilities under the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011*, including:



## Reporting on the effectiveness of the scheme

The Board receives periodic performance reports detailing the operation and effectiveness of the asbestos compensation scheme, plus other qualitative information.

### Collecting data

Work is progressing to integrate asbestos compensation data into WorkSafe's information management system. This will provide a more streamlined claims management process, managed through a dedicated user interface within the system; and regular migration of all payment transactions made to claimants from the Department of Justice's finance systems.



Manufacturing and Construction industries historically have the highest level of exposure within Tasmania

## Under the work health and safety laws

The Board supports WorkSafe Tasmania's Strategic Plan (available at [www.worksafe.tas.gov.au](http://www.worksafe.tas.gov.au)). This sets out priorities to achieve healthier, safer and productive workplaces, including working with employers and workers to influence their attitudes towards safety and empower change toward positive behaviours.

Board-funded initiatives supporting these goals included WorkSafe Tasmania Awards (in October 2018).

Other important engagement tools supported by the Board include the quarterly Workplace Issues magazine and WorkSafe Tasmania's social media presence with Facebook and LinkedIn. These social media platforms were used to promote many Board and WorkSafe initiatives, events and campaigns.

### WorkSafe Tasmania

10 July at 17:15 ·

Risk assessments are the basis of a safe workplace. Check out the practical guidance in this code of practice.

<https://www.worksafe.tas.gov.au/.../how-to-manage-work-health...>



# BOARD COMMITTEES



## Governance and Audit Committee



Purpose: To monitor and advise the Board on matters relating to governance, audit and risk management.

This year, the committee reviewed the Board's:

- delegations
- annual financial statements
- expenditure
- common seal usage
- grants framework
- risk profile.

Membership: Graham Wood (Chair), Sofia Mavratzas, Jessica Munday.

## Legislative Review Advisory Committee



Purpose: To advise the Board on the legislative and legal aspects of the Board's roles and functions.

Membership: Kathrine Morgan-Wicks (Chair), Graham Wood.

## Rehabilitation and Compensation Committee



Purpose: To monitor and advise the Board on matters relating to the efficient and effective operation of Tasmania's workers compensation scheme.

This year, the Committee considered:

- the review of licence and permit conditions
- the provision of legal advice and support services through a grants program
- the review of injury management program guidelines
- the development of an independent medical examination guideline
- progress on the electronic claim form and medical certificate project
- specifications for required actuarial work
- the development of a communication plan for MDGuidelines
- changes to injury management co-ordinator training.

Membership: Julieann Buchanan (Chair), Sofia Mavratzas, Robert Walters.

## Work Health and Safety Committee



Purpose: To monitor and advise the Board on matters relating to Tasmania's work health and safety performance and opportunities for work health and safety improvement.

This year, the Committee considered:

- the Community Awareness Campaign ('Safe Bodies, Safe Minds')
- WorkSafe Month 2019
- service delivery grants
- Scheme Monitoring Report
- Healthier, Safer and Productive Workplaces Grant Program 2019–20.

Membership: Robert Walters (Chair), Julieann Buchanan, Jessica Munday.

# BOARD ACHIEVEMENTS



## Strategic Plan 2018–2023

The Strategic Plan 2018–2023 is a joint initiative between the WorkCover Tasmania Board and WorkSafe Tasmania. The plan provides a framework for targeted harm reduction, improved return to work outcomes and enhanced scheme regulation. It identifies four strategies that, together, aim to achieve healthier, safer and productive workplaces. The Strategic Plan provides organisational focus and priorities for the Board over the next five years.

### Our Objective: Healthier, Safer and Productive Workplaces.

### Our Plan:

#### 1 Targeted Harm Reduction



Reducing harm in Tasmanian workplaces

#### 2 Building Culture and Capability



Responding to current and emerging WHS issues

#### 3 Regulatory Frameworks



Ensuring regulatory frameworks are contemporary and effective

#### 4 Exemplar Regulator



Striving for excellence as a regulator

The following projects are listed alphabetically.

### Better Work Tasmania

Better Work Tasmania is an innovative, collaborative approach to improving work health and safety. It hosts networking events and online resources for employers and managers to share work health and safety ideas and resources.

This year Better Work networking sessions covered the forestry and transport sectors and mental health awareness in the public sector. It worked with Employer of Choice to cover mentally healthy workplaces.

Better Work also facilitated meetings between the Tasmanian Automobile Chamber of Commerce and WorkSafe Tasmania's Advisory Service to develop an approach to deliver work health and safety advice with motor vehicle retailing businesses.

### Health and Safety Advisory Service

The Advisory Service has continued to successfully help small to medium sized businesses make their workplaces safer and healthier through practical, individual support and guidance by:

- providing businesses with practical tools and resources to help identify hazards in their workplace
- helping businesses implement solutions that are relevant, practical and affordable
- checking that business's current safety plans and policies are 'on track'
- providing free ongoing work health and safety support to its clients.

This year, the Advisors made 364 visits to 318 businesses around the state, 125 school presentations, and took part in regional and community events and shows.

### Helpline

The Helpline is the telephone and email information centre for WorkSafe, and is the first point of contact for the public.

Queries to the Helpline cover workers compensation, work health and safety, and other legislation administered by WorkSafe. Stakeholders are provided with relevant information, and matters requiring further research are directed to other parts of WorkSafe.

**This year, over 11,660 phone calls were answered, on:**

|                     |     |  |       |
|---------------------|-----|--|-------|
| Dangerous goods:    | 420 | Work health and safety:                  | 7,803 |
| Long service leave: | 779 | Workers rehabilitation and compensation: | 1,877 |
| Statutory holidays: | 109 | Other:                                   | 672   |

The Helpline also received over 650 emails and provided more than 5,940 publications.

# IDEA GRANT SUCCESS



## Healthier, Safer and Productive Workplaces Grant Program 2019–20

In the 2018-19 financial year, the Board approved the Healthier, Safer and Productive Workplaces Grant Program 2019-20. This grant program aims to reduce workplace injuries, improve workers' wellbeing and promote healthy and safer workplaces in Tasmania. It is targeted at eligible organisations, including individuals, not-for-profit, private, educational and community organisations.

It is funded by the Board and managed by WorkSafe Tasmania. There are two funding levels, up to \$10,000 and up to \$50,000. There are three categories: Research; Education and Training; and Innovation.

### Independent Medical Examination (IME) Guidelines

To ensure best practice around the conduct of an IME and consistency of information provided to workers, the Board produced two new documents:

- guidelines for medical practitioners conducting IMEs, to explain their role and responsibilities in the Tasmanian workers compensation scheme
- an information sheet for injured workers, to explain why an IME may be required by an employer or their insurer, and the obligations of everyone involved in the process.

To see these, go to [www.worksafe.tas.gov.au](http://www.worksafe.tas.gov.au) and search for 'IME'.

### Industry Snapshots

These reports and posters cover the work health and safety performance of each industry group across Tasmania. Incorporating infographics, these snapshots:

- identify and focus on emerging or existing work health and safety issues for evaluation and action
- compare work health and safety performance relative to previous years and, where applicable, to other industries across Tasmania.

To view these, go to [www.worksafe.tas.gov.au](http://www.worksafe.tas.gov.au) and search for 'snapshots'.

## Industry Performance

### Statewide Snapshot 2018

There are approximately 250,000 people employed in Tasmania, spread across 19 industry divisions. In recent years, hours worked have increased at a state level, and on average 63% of Tasmanians work full time.



- There were 7,520 injuries across the state in 2018
- Serious injury frequency rate decreased 16% over the last ten years
- 55-64 year olds reported the highest serious injury frequency rate
- Health Care and Social Assistance is the largest employing industry



Residential Care Services workers accounted for

12%  
of all injuries



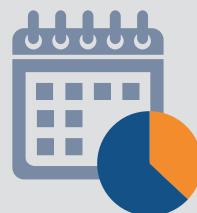
Residential Care workers  
12% of all injuries

Agriculture, Forestry and Fishing has seen the largest decrease in hours worked

### Most common causes of injury across the state



### Occupations with the highest percentage of serious injuries





The 'Safety is Everything' campaign was developed to raise awareness around mental health hazards that exist at work.

The campaign's focal point was three television advertisements that asked the viewer to spot the unsafe person. The ads portrayed that we are used to looking out for traditional safety hazards, but are not as familiar with spotting mental health hazards. The TV ads ran in May, June and July 2019, and were supported by print ads, posters, web content, and social media.

WorkSafe Tasmania data reveals that the total number of workplace injuries has declined since 2012, but the number of mental health conditions has increased. The campaign's message highlights that our mental health is just as important as our physical health.

Campaign research showed that 47% of all Tasmanian workers recognised the 'Safety is Everything' campaign. More importantly, 87% of those aware of the campaign could accurately recall the key message of mental health and wellbeing at work.

Pleasingly, the campaign has also improved knowledge of workplace mental health and wellbeing amongst its viewers, with 73% reporting an increase in their personal awareness.

The positive effects of the campaign are already evident: 44% of those who were aware of the campaign took action towards mental health and wellness in the workplace. The biggest impact of the campaign has been starting the conversation about mental health and wellbeing at work; giving the campaign far broader reach than only those exposed to the campaign.

With 94% of Tasmanian workers rating workplace mental health and wellbeing as important/very important, the long term goal of the campaign remains. WorkSafe Tasmania will continue to encourage Tasmanian workers to break down the stigma associated with mental health conditions and create workplaces where it is acceptable to speak up and seek help; starting with creating work cultures where mental health is supported and discussed as openly as physical health.

\*Myriad Research was engaged by Red Jelly to evaluate the awareness and effectiveness of the 'Safety is Everything' campaign.

**94% of Tasmanian workers rate mental health and wellbeing of high importance**



**73% reported an increase in awareness about mental health following the campaign**



**43% of those aware of the campaign took action regarding mental health**





## Review of Injury Management Program Guidelines

The Injury Management Program Guidelines for insurers and self insurers were reviewed to ensure they aligned with the *Workers Rehabilitation and Compensation Act 1988* following recent legislative changes.

An injury management program is an insurer's or self insurer's documented process for effectively managing workplace injuries, in order to achieve the best results for timely, safe and durable return to work for injured workers.

The revised Guidelines come into effect on 1 September 2019.

## Review of presumptive provisions for certain workers in relation to post-traumatic stress disorder

The Board oversaw a Statutory Review (in accordance with 162A) of presumptive provisions for certain workers in relation to post-traumatic stress disorder (PTSD). It looked at whether the *Workers Rehabilitation and Compensation Act 1988* should be amended to include presumptive provisions for certain workers in relation to PTSD.

The resulting report, Ministerial Review Relating to Establishing Entitlements under the *Workers Rehabilitation and Compensation Act 1988* for Workers Suffering Post Traumatic Stress Disorder, made a number of recommendations relating to:

- how presumptive provisions could most appropriately be applied to private sector workers
- the financial and economic impact of applying a presumption for PTSD for these workers
- whether presumptive provisions for PTSD should be introduced for private sector workers.

At the time of preparing this annual report, the Board was developing advice to address selected recommendations. See Ministerial Requests and Directions later in this report for further information.

## Review of the regulator

Under Schedule 2, Part 2 of the *Work Health and Safety Act 2012*, the WorkCover Tasmania Board has a function to monitor and review the Regulator in connection with the exercise of powers and the performance of functions under the Act.

Accordingly, in 2018, the Board appointed Sherriff Consulting to conduct an independent Review of the Work Health and Safety Regulator.

In December 2018, Sherriff Consulting finalised the Report to the WorkCover Tasmania Board: Review of the Work Health and Safety Regulator (the Report).

The Report makes 46 recommendations in the following areas:

1. Enabling factors – capability and capacity (recommendations 1 – 26);
2. Board monitoring and review (e.g. regulator reporting) (recommendations 27 and 28);
3. Regulator strategy and plans (recommendations 29 and 30);
4. Regulator activities not involving Inspectorate activities (recommendations 31 – 37); and
5. Specific areas;
6. Licensing and Accreditation (recommendations 38 and 39); and
7. Mine's Inspectorate (recommendations 40 – 46).

On 23 August 2019, the Board released the Report.

Of the 46 recommendations, the Board support 21; notes 23 are operational matters for the Regulator; and notes that two are matters for Government.

Importantly, the Board is aware that many of the recommendations identified in the Report concern matters that the current Regulator had advanced prior to the review.

Whilst many of the recommendations have been actioned by the Regulator or are currently being actioned, the full implementation of the Report will require action in the short, medium and long term.

A copy of the Report and the Board's response to each recommendation is published on the WorkSafe Tasmania website.

## Review of section 87 of the *Workers Rehabilitation and Compensation Act 1988*

The Board is currently undertaking a review of Section 87 of the *Workers Rehabilitation and Compensation Act 1988*.

Section 87 provides an age-restriction for weekly workers compensation payments. Currently, a worker who is injured at work 12 months before reaching the pension age is entitled to receive compensation for no longer than 12 months from the date of the injury. If a worker is injured more than 12 months before reaching the pension age, then that worker is entitled to receive compensation until they reach the pension age. Section 87 of the Act has been criticised as being age-discriminatory.

The Board invited submissions from members of the public and interested groups, and work on this review continues.

## Service Delivery Grants

The Board awards two grants for the provision of legal information and advisory services, and education and information services relating to workers compensation matters:

- Worker Assist Inc
- Tasmanian Chamber of Commerce and Industry.

Worker Assist Inc provides free, independent and confidential advice to injured workers about workers compensation, rehabilitation and return to work. This support is both over the phone and face to face.

It provides support and guidance and explains workers' legal rights. It provides resources on lodging a workers compensation claim, workers compensation entitlements, and returning to work.

It also provides information, support and advice to claimants under the asbestos compensation scheme.

For more information go to [www.workerassist.org.au](http://www.workerassist.org.au).

The Tasmanian Chamber of Commerce and Industry offers over the phone and onsite support and services to help businesses comply with work health and safety laws.

These services include providing information and education on employer's roles, rights and responsibilities under the laws; and support to employers to innovate work practices to promote the prevention of workplace injuries and the development of healthy and safe workplaces.

It also supports employers to undertake workplace assessments and identify hazards in their workplace; educate their workers on workplace health and safety issues; develop safety plans; and improve workplace mental health.

For more information go to [www.tcci.com.au](http://www.tcci.com.au).

See 'Contracts' in this annual report for financial details.

## Website Redevelopment

This project will merge the existing websites of the Board, WorkSafe Tasmania and Better Work Tasmania into a single site. Existing content has been reviewed and updated, new content has been identified and written, and design and construction work is underway.

## WorkSafe Awards and Month

The WorkSafe Awards are conducted every two years to promote, encourage and publicly recognise innovation and excellence; influence the community's attitudes and values towards work health, safety,



wellbeing, rehabilitation and return to work; and encourage a change to positive behaviours and broader workplace engagement.

The 2018 Awards celebrated the outstanding achievements of small and large business, private industry, local council and state government departments, individuals and entire workplaces. Entrants worked in fields ranging from education and mining to forestry and health care services. The ultimate award, the Leadership Excellence Award, went to St Vincent Industries Incorporated.

At the time of preparing this annual report, work was underway on the 2019 WorkSafe Month. The theme is 'Safe Bodies, Safe Minds' and the program of events builds on the 'Safety is Everything' mental health awareness campaign; events cover mental health, PTSD, and positive work culture.

**WORKSAFE MONTH**  
**'SAFE BODIES, SAFE MINDS'**

**This October join us as we focus on physical and mental health, and wellbeing at work.**

**See what the month has to offer you by visiting [www.worksafetasmouth.com.au](http://www.worksafetasmouth.com.au)**

# MINISTERIAL REQUESTS AND DIRECTIONS

## Review of Presumption in Respect of PTSD

In April 2018, the then Minister for Building and Construction the Hon Guy Barnett MP referred a statutory review of presumption for post-traumatic stress disorder (PTSD) for certain workers to the WorkCover Tasmania Board. This statutory review was in accordance with section 162A of the *Workers Rehabilitation and Compensation Act 1988*. Specifically, the Board were requested to consider whether the Act should be amended to include presumptive provisions for certain workers for PTSD disorder and make recommendations on potential amendments to the Act, as and if required.

The Board consequently appointed retired past Chief Commissioner of the Workers Rehabilitation and Compensation Tribunal Stephen Carey and clinical psychologist Dr Jacqueline Triffitt to undertake the review.

The review considered:

- which persons covered by the Act, employed or appointed under the Act of the State, are placed at significant risk of contracting PTSD in the course of their employment
- whether there are persons covered by the Act but not employed or appointed under an Act of the State, that are placed at significant risk of contracting PTSD in the course of their employment in activities covered by the Act
- whether the Act should be amended to include provisions ('presumptive provisions') to the effect that, for the purposes of the Act, a person's employment, appointment or other activity covered by the Act is, in the absence of evidence to the contrary, taken to have contributed to a substantial degree to the contraction of that person of PTSD
- the qualifications that ought to be applied to the presumptive provisions (if any)
- the persons for whom presumptive provisions (if any) ought to apply.

The report *Ministerial Review relating to establishing entitlements under the Workers Rehabilitation and Compensation Act 1988 for workers suffering post-traumatic stress disorder (PTSD) and Board advice* were provided to the Minister on 24 August 2018. This report made 11 recommendations for the Government's consideration, with the Board providing advice to the Minister on each of the recommendations.

While the report recommended that the Act not be amended; it also made a recommendation highlighting the social benefits that presumptive provisions would achieve.

The report was tabled in both Houses of Parliament on 25 September 2018.

In June 2019, the *Workers Rehabilitation and Compensation Amendment (Presumption as to Cause of Disease) Act 2019* came into effect. It established a rebuttable presumption that PTSD suffered by public sector worker is work-related for the purpose of workers compensation.

Subsequent to the review of section 162A of the Act, on 3 October 2018, the Board received a Ministerial directive (in accordance with section 11A of the Act) to undertake robust analysis on recommendations 2, 3, 4, 5, 6, 8 and 10 of the Report, including consultation as appropriate, and advise on actions to address or progress the matters raised, specifically:

- a. actions that will be undertaken by the Board, with associated timeframes; and
- b. the Board's recommendations for Government action.

A further Ministerial directive (in accordance with section 11A of the Act) was also provided to the Board on 3 October 2018.

Analysis of the Report's recommendations as provided above is currently underway, with advice due to be provided to the Minister by 20 December 2019.

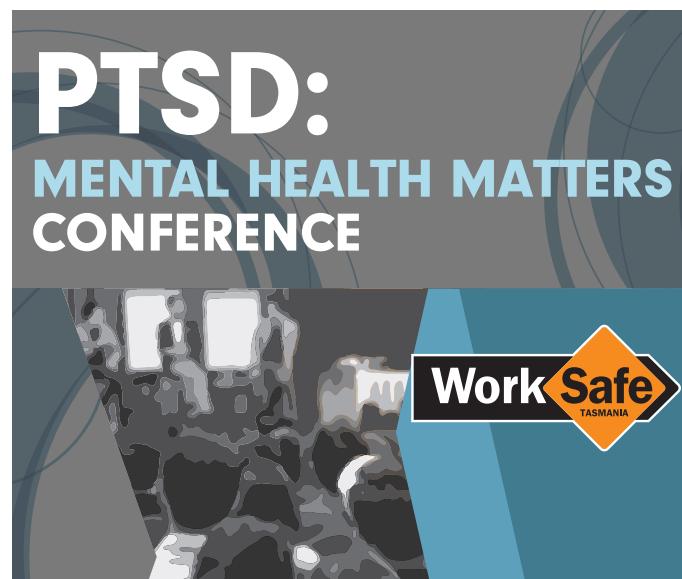
The Board was also directed to undertake further analysis and community consultation, and make a recommendation to Government on:

- c. how presumptive provisions in relation to PTSD could most appropriately be applied to persons not employed or appointed by the State, including:
  - i. the persons whom it would be appropriate to apply the presumption, for example, by occupation or exposure; and
  - ii. the qualifications or limitations (if any) that ought to apply to such provisions, for example, to ensure presumption is applied specifically to persons placed at significant risk of contracting post-traumatic stress disorder in the course of their employment or involvement in activities covered by the Act;
- d. the financial and economic impact of the application of a presumption for post-traumatic stress disorder as defined in point a. (above); and
- e. whether presumptive provisions, as defined at point a. (above), ought to be introduced.

Following a Request for Quotation process, the Board appointed ACIL Allen Consulting Pty Ltd to undertake the review of the Act in relation to presumptive provisions for PTSD in private sector workers. This review is currently underway.

The Board's advice and recommendations is to be provided to the Minister by 20 December 2019.

The full direction is provided in Appendix 5 of this report.





## **Review of Provisions with Respect to Older Workers – Section 87 of the Workers Rehabilitation and Compensation Act 1988**

Section 87 of the Act provides an age-restriction for weekly workers compensation payments. Currently, a worker who is injured at work 12 months before reaching the pension age is entitled to receive compensation for no longer than 12 months from the date of the injury. If a worker is injured more than 12 months before reaching the pension age, however, then that worker is entitled to receive compensation until they reach the pension age. Section 87 of the Act has been criticised as being age-discriminatory.

In October 2018, the then Minister for Building and Construction the Hon Guy Barnett MP referred this matter to the Board for analysis and consultation, with advice to be provided to the Minister by the end of August 2019.

An Issues Paper outlining the current situation and seeking the public's views to ensure that any potential changes to section 87 of the Act reflect the needs and priorities of Tasmanians was released on 25 March 2019. The Board received 14 written submissions.

As part of the review, PricewaterhouseCoopers was engaged to conduct an actuarial analysis of potential options for amendments to the Act.

Options papers with analysis of submissions, actuarial analysis, jurisdictional comparisons, and potential options for consideration were presented to the Board.

At the time of writing this annual report, the Board is preparing advice for the Minister's consideration, with advice due to the Minister by the end of August 2019.

## **Review of Step-Down Provisions to the Workers Rehabilitation and Compensation Act 1988**

In accordance with the Act, all workers who are incapacitated by a work injury have their workers compensation payments reduced to 90 per cent of their salary after 26 weeks of incapacity, and this is reduced further to 80 per cent after 78 weeks of incapacity.

In May 2019, the Board received a ministerial direction (in accordance with section 11A of the Act). The Board was directed to undertake appropriate analysis and consultation, and make a recommendation to the Minister, on:

- a. the operation of section 69B of the Act, concerning the step-down provisions, as applied to occupational groups within the public sector; and
- b. whether or not the Act ought to be amended in light of the Board's recommendations and advice.

The Board has begun its review. Recommendations and advice are to be provided to the Minister by the last Parliamentary sitting day in 2020.

The full direction is provided in the appendix 5 of this report.



# APPENDICES

|    |  |    |
|----|--|----|
| 1. | Contracts.....                           | 19 |
| 2. | Right to information.....                | 19 |
| 3. | Scheme Performance.....                  | 20 |
| 4. | Financial Statements.....                | 24 |
| 5. | Ministerial Requests and Directions..... | 50 |

## Appendix 1 & 2



### Appendix 1 - Contracts

Information required under the *Financial Management Act 2016* for contracts awarded in 2018-19.

| Contracts   |   |                             |             |
|---|---|-----------------------------|-------------|
| Total number of contracts awarded   | nil                                     |                             |             |
| Total number of contracts awarded to Tasmanian businesses                         | nil                                     |                             |             |
| Value of contracts awarded  | nil                                     |                             |             |
| Value of contracts awarded to Tasmanian businesses                                | nil                                     |                             |             |
| Total number of tenders called and/or quotation processes run                     | nil                                     |                             |             |
| Total number of bids and/or written quotations received                           | nil                                     |                             |             |
| Total number of bids and/or written quotations received from Tasmanian businesses | nil                                     |                             |             |
| <b>Contracts with a value of \$50,000 or over (ex GST)</b>                        |   |                             |             |
| Nil   |   |                             |             |
| <b>Grants</b>   |   |                             |             |
| All based in Tasmania   |   |                             |             |
| Name  | Description                             | Period                      | Total value |
| Tasmanian Chamber of Commerce and Industry  | Work Health and Safety Advisory Service | 1 July 2018 to 30 June 2019 | \$252,960   |
| Worker Assist Inc   | Worker Assist Service                   | 1 July 2018 to 30 June 2019 | \$462,060   |

### Appendix 2 - Right to information

WorkCover Tasmania receives a number of right to information applications each year from applicants seeking disclosure of workers compensation claims history under the *Right to Information Act 2009*.

This financial year, 21 applications were received; all required assessment as an assessed disclosure under the *Right to Information Act 2009*.

No applications were refused.

Two applications related to information that was partially exempt under section 36 of the *Right to Information Act 2009* (Personal information of person).

No applications for review were made to the Ombudsman.

#### Number and source of requests

| Source of application | Number of applications |
|-----------------------|------------------------|
| Accountant            | 1                      |
| Insurer               | 3                      |
| Medical Practitioner  | 1                      |
| Solicitor             | 13                     |
| Worker                | 3                      |
| <b>Total</b>          | <b>21</b>              |

#### Decision time (working days)

|                                |   |
|--------------------------------|---|
| 1-20                           | 9 |
| 20 or more                     | 5 |
| Ongoing                        | 4 |
| Information no longer required | 3 |

Applications relating to exempt information

| Provision of Right to Information Act 2009  | Number of applications |
|---|------------------------|
| Section 36 (personal information of person) | 2                      |

# SCHEME PERFORMANCE



## Introduction

The Tasmanian workers compensation scheme is a privately underwritten scheme, operating on a no-fault basis under the *Workers Rehabilitation and Compensation Act 1988*.

Under the Act, employers are required to take out a workers compensation insurance policy with a licensed insurer. A licensed insurer is licensed by the WorkCover Tasmania Board to insure Tasmanian employers' workers compensation liabilities.

Alternatively, employers may apply to the Board to be granted a permit to self-insure their workers compensation liabilities.

The Tasmanian Government established the Tasmanian Risk Management Fund (TRMF) in 1989 to, amongst other things, meet the cost of workers compensation claims of employees of government agencies, and in effect operates as a self-insurer.

The Scheme Performance Report 2018-19 is a statistical report providing details of the performance of various aspects of the workers compensation scheme.

The assessed performance of the scheme detailed in the scheme report card is calculated by the scheme actuary.

### Total Claims Reported

There were 7,823 new claims reported in 2018-19. This is 652 more claims than at the end of June 2018 (7,171). The number of claims reported to the end of June 2019 is 356 (5%) fewer than the scheme actuary projection of 7,467 reported claims for 2018-19.

### Total Payments Reported

Claim payments in 2018-19 totalled \$173.1m. This is 6% (\$10.3m) more than for the same time in 2017-18 (\$162.8m). The \$173.1m paid to the end of June 2019 is in line with the scheme actuary projection (\$173.2m).

### Payment Types

Of the total \$173.1m reported in claim payments in 2018-19, the largest proportion was in weekly compensation payments which accounted for around \$57.8m, or 33% of the total value of payments. Lump sum payments accounted for \$53.7m or 31% of the total; medical and related payments for \$47.2m or 27% of the total; and legal and investigation payments made up 8% of the total or \$14.3m.

### Written Premium Received

\$177.2m in written premiums have been collected in 2018-19. This is 1% more than the \$175.4m in premiums for 2017-18. The written premium pool is 5% lower than the suggested premium pool of \$186.3m.

### Written Premium Rate

The written premium rate for 2018-19 is 1.9% of wages. This is 10% lower than the suggested rate of 2.1% and 2% lower than the 2017-18 rate of 1.87%.

### Workers Compensation Fund Levy as a Percentage of Premium

Earned premiums of licensed insurers and the notional premiums of self insurers and the Tasmanian State Service incur a levy, the monies from which are used to fund the WorkCover Tasmania Board's activities and the administration of the *Workers Rehabilitation and Compensation Act 1988* for the year. The most recent workers compensation fund levy approved is for the 2017-18 financial year and was set at 3.39% of premiums. The preliminary rate for the 2018-19 financial year has been calculated at 3.29% of premiums which is subject to Minister approval. The adjacent chart shows the trend in workers compensation fund levy as a percentage of premiums over the previous five years.

### Return to Work Rates

The latest National Return to Work Survey, released in September 2018, reported that 79% of surveyed injured workers were currently working at the time of the survey.



**7823 claims reported**



**5% more claims reported than in 2017/18**



**\$173.1 million in claim payments**



**Claim payments 6% higher than in 2017-18**



**1.9% earned premium rate**



**Premium rate .03% lower than in 2017-18**



**Workers Compensation Fund Levy expected to be 3.29% of premiums**



**Current Return to Work Rate was 79% at time of 2018 survey**



**Health Care and Social Assistance reported the highest number of injuries**



**The most common type of injuries were Traumatic Strains**



**Mental stress was the cause of around 8% of all claims**



**State Service reported 19% of claims**



# SCHEME METRICS

## Workers Compensation Scheme Metrics

### Insurers Report Card

The Insurers Report Card provides a snapshot of key metrics for licensed insurers, self insurers, and the Tasmanian State Service (TSS) for 2018-19.

| Insurer Type | Number of Insurers | Number of claims reported <sup>2</sup> | Claim payments (\$m) | Covered wages <sup>1</sup> (\$m) |
|--------------|--------------------|--|----------------------|----------------------------------|
| Licensed     | 7                  | 6,028                                  | 117.5                | 9,349.3                          |
| Self         | 11                 | 276                                    | 6.5                  | 463.3                            |
| TSS          | 1                  | 1,519                                  | 49.1                 | 2,510.8                          |
| <b>Total</b> |                    | <b>7,823</b>                           | <b>173.1</b>         | <b>12,323.3</b>                  |

<sup>1</sup> Adjusted for the movement from estimated initial to final

<sup>2</sup> Including below excess

### Workers Compensation Scheme Report Card

The following table provides details of the claims experience in 2018-19 and compares it to 2017-18.

A detailed review of the operation and performance of the Tasmanian workers compensation scheme to 30 June 2019 will be available on the WorkSafe Tasmania website in late 2019.

|                                   | 2017/18 Actual | 2018/19 Expected | 2018/19 Actual | 2018/19 Actual - Exp |
|-----------------------------------|----------------|------------------|----------------|----------------------|
| <b>Earned Wages (\$m)</b>         |                |                  |                |                      |
| Insurer <sup>1</sup>              | 8,907.4        | 9,115.4          | 9,349.3        | 234.0                |
| Self Insurer                      | 430.05         | 440.6            | 463.3          | 22.7                 |
| TSS                               | 2,381.2        | 2,447.2          | 2,510.8        | 63.6                 |
| Scheme                            | 11,719.1       | 12,003.1         | 12,323.3       | 320.2                |
| <b>Number of Claims Reported</b>  |                |                  |                |                      |
| Insurer <sup>2</sup>              | 5,512          | 5,777            | 6,028          | 251                  |
| Self Insurer                      | 279            | 275              | 276            | 1                    |
| TSS                               | 1,380          | 1,414            | 1,519          | 105                  |
| Scheme                            | 7,171          | 7,467            | 7,823          | 356                  |
| <b>Total Claim Payments (\$m)</b> |                |                  |                |                      |
| Insurer <sup>2</sup>              | 111.3          | 125.1            | 117.5          | -7.6                 |
| Self Insurer                      | 6.0            | 5.6              | 6.5            | 0.9                  |
| TSS                               | 45.5           | 42.5             | 49.1           | 6.6                  |
| Scheme                            | 162.8          | 173.2            | 173.1          | -0.1                 |

### Weekly Benefits

#### *Lost Time Claims Reported*

|                      |       |       |       |     |
|----------------------|-------|-------|-------|-----|
| Insurer <sup>2</sup> | 2,838 | 3,289 | 3,805 | 516 |
| Self Insurer         | 182   | 165   | 172   | 7   |
| TSS                  | 879   | 887   | 984   | 97  |
| Scheme               | 3,899 | 4,341 | 4,961 | 620 |

|                                      | 2017/18<br>Actual | 2018/19<br>Expected | 2018/19<br>Actual | 2018/19<br>Actual - Exp |
|--------------------------------------|-------------------|---------------------|-------------------|-------------------------|
| <b>Weekly Benefit Payments (\$m)</b> |                   |                     |                   |                         |
| Insurer <sup>2</sup>                 | 29.3              | 31.2                | 35.4              | 4.1                     |
| Self Insurer                         | 1.7               | 1.4                 | 1.9               | 0.5                     |
| TSS                                  | 18.8              | 19.6                | 20.6              | 1.0                     |
| Scheme                               | 49.9              | 52.2                | 57.8              | 5.6                     |

| <b>Lump Sum Benefits</b> |     |     |     |      |
|--------------------------|-----|-----|-----|------|
| <b>Lump Sum Claims</b>   |     |     |     |      |
| Insurer                  | 390 | 443 | 324 | -119 |
| Self Insurer             | 20  | 16  | 24  | 8    |
| TSS                      | 59  | 56  | 64  | 8    |
| Scheme                   | 469 | 516 | 412 | -104 |

| <b>Lump Sum Benefit Payments (\$m)</b> |      |      |      |       |
|--|------|------|------|-------|
| Insurer <sup>3</sup>                   | 39.6 | 51.3 | 37.2 | -14.1 |
| Self Insurer                           | 1.9  | 1.8  | 2.0  | 0.2   |
| TSS                                    | 14.6 | 9.9  | 14.5 | 4.6   |
| Scheme                                 | 56.2 | 63   | 53.7 | -9.3  |

| <b>Medical &amp; Related Benefit</b> |      |      |      |      |
|--------------------------------------|------|------|------|------|
| Insurer <sup>2</sup>                 | 32.5 | 31.0 | 34.6 | 3.6  |
| Self Insurer                         | 1.6  | 1.7  | 1.8  | 0.1  |
| TSS                                  | 9.6  | 10.9 | 10.8 | -0.1 |
| Scheme                               | 43.7 | 43.6 | 47.2 | 3.7  |

| <b>Legal and Investigation Payments</b> |      |      |      |      |
|---|------|------|------|------|
| Insurer <sup>2</sup>                    | 9.8  | 11.5 | 10.3 | -1.2 |
| Self Insurer                            | 0.9  | 0.7  | 0.7  | 0.0  |
| TSS                                     | 2.4  | 2.2  | 3.2  | 1.1  |
| Scheme                                  | 13.1 | 14.4 | 14.3 | -0.1 |

| <b>Insurer Earned Premium Rate<sup>1</sup></b> | 1.87% | 1.90% |
|--|-------|-------|
|--|-------|-------|

Note: all payments are shown in original values in the above table.

<sup>1</sup> Adjusted for the movement from estimated initial to final

<sup>2</sup> Including below excess

## Data

The data used in the preparation of this report is as at 8 August 2019 and provides relative information for the 2018-19 financial year unless otherwise stated. It is important to note that workers compensation data matures over time as claims progress. This results in dynamic costs and claim numbers; therefore if data extractions occur at different times, slight variation in numbers may result.

The data comes from the WorkSafe Information Management System. While every effort is taken to ensure the accuracy of this report, all data is provided by licensed insurers, self insurers and the Tasmanian State Service. WorkSafe Tasmania cannot ensure the accuracy of the data.



# FINANCIAL STATEMENTS



## **Independent Auditor's Report**

**To the Members of Parliament**

**WorkCover Tasmania Board**

**Report on the Audit of the Financial Report**

### **Opinion**

I have audited the financial report of WorkCover Tasmania Board (the Board), which comprises the statement of financial position as at 30 June 2019 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification by the Members of the Board (the Members).

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the financial position of the Board as at 30 June 2019 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the financial reporting provisions of the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

### **Basis for Opinion**

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Board in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

...1 of 3

## **Responsibilities of Members for the Financial Report**

The Members are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of *Financial Management and Audit Act 1990* and for such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Members are responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board is to be dissolved by an Act of Parliament, or Members intend to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members.
- Conclude on the appropriateness of the Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based



on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Rod Whitehead  
**Auditor-General**

**Tasmanian Audit Office**

17 September 2019  
Hobart



## Statement of Certification

The accompanying financial statements of WorkCover Tasmania are in agreement with the relevant accounts and records and have been prepared in compliance with Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2019 and the financial position as at end of the year. At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Kathrine Morgan-Wicks  
Chair, WorkCover Tasmania Board

13 August 2019



Graham Wood  
Member, WorkCover Tasmania Board  
Chair, Governance and Audit Committee

13 August 2019



## Statement of Comprehensive Income for the year ended 30 June 2019

|   | Notes | 2019<br>Actual<br>\$'000 | 2018<br>Actual<br>\$'000 |
|---|-------|--------------------------|--------------------------|
| <b>Continuing operations</b>  |       |                          |                          |
| <b>Revenue and other income from transactions</b>                     |       |                          |                          |
| Contributions   | 1.1   | 8 014                    | 7 419                    |
| Interest  | 1.2   | 39                       | 25                       |
| Other revenue   | 1.3   | 61                       | 33                       |
| <b>Total revenue and other income from transactions</b>               |       | <b>8 114</b>             | <b>7 477</b>             |
| <b>Expenses from transactions</b>                                     |       |                          |                          |
| Attributed employee benefits  | 2.1   | 3 302                    | 2 994                    |
| Amortisation  | 2.2   | 117                      | 117                      |
| Supplies and consumables  | 2.3   | 1 461                    | 955                      |
| Grants  | 2.4   | 824                      | 847                      |
| Administration costs paid to Department of Justice                    | 2.5   | 564                      | 585                      |
| Expenses incurred by Workers Rehabilitation and Compensation Tribunal | 2.6   | 1 328                    | 1 322                    |
| Other expenses  | 2.7   | 518                      | 657                      |
| <b>Total expenses from transactions</b>                               |       | <b>8 114</b>             | <b>7 477</b>             |
| <b>Other economic flows included in net result</b>                    |       | -                        | -                        |
| <b>Net result</b>   |       | -                        | -                        |
| <b>Comprehensive result</b>   |       | -                        | -                        |

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Statement of Financial Position as at 30 June 2019

|                              | Notes | 2019<br>Actual<br>\$'000 | 2018<br>Actual<br>\$'000 |
|------------------------------|-------|--------------------------|--------------------------|
| <b>Assets</b>                |       |                          |                          |
| <i>Financial assets</i>      |       |                          |                          |
| Cash and deposits            | 7.1   | 2 392                    | 2 952                    |
| Receivables                  | 4.1   | 21                       | 3                        |
| Non-financial assets         |       |                          |                          |
| <i>Intangible assets</i>     | 4.2   | 468                      | 584                      |
| <b>Total assets</b>          |       | <b>2 881</b>             | <b>3 539</b>             |
| <b>Liabilities</b>           |       |                          |                          |
| Payables                     | 5.1   | 2 026                    | 2 665                    |
| Attributed employee benefits | 5.2   | 855                      | 874                      |
| <b>Total liabilities</b>     |       | <b>2 881</b>             | <b>3 539</b>             |
| <b>Net assets</b>            |       | -                        | -                        |
| <b>Equity</b>                |       |                          |                          |
| Accumulated funds            |       | -                        | -                        |
| <b>Total equity</b>          |       | <b>-</b>                 | <b>-</b>                 |

This Statement of Financial Position should be read in conjunction with the accompanying notes.



## Statement of Cash Flows for the year ended 30 June 2019

|   | Notes | 2019<br>Actual<br>\$'000 | 2018<br>Actual<br>\$'000 |
|---|-------|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>                           |       | Inflows<br>(Outflows)    | Inflows<br>(Outflows)    |
| <b>Cash inflows</b>   |       |                          |                          |
| Industry Contributions  |       | 7 406                    | 7 807                    |
| Interest  |       | 39                       | 26                       |
| Other cash receipts   |       | 61                       | 33                       |
| <b>Total cash inflows</b>   |       | <b>7 506</b>             | <b>7 866</b>             |
| <b>Cash outflows</b>  |       |                          |                          |
| Attributed employee benefits  |       | (3 320)                  | (3 007)                  |
| Supplies and consumables  |       | (1 478)                  | (892)                    |
| Grants  |       | (830)                    | (890)                    |
| Administration costs paid to Department of Justice                    |       | (564)                    | (639)                    |
| Expenses incurred by Workers Rehabilitation and Compensation Tribunal |       | (1 328)                  | (1 322)                  |
| Other cash payments   |       | (546)                    | (671)                    |
| <b>Total cash outflows</b>  |       | <b>(8 066)</b>           | <b>(7 421)</b>           |
| <b>Net cash from (used by) operating activities</b>                   | 7.2   | <b>(560)</b>             | <b>445</b>               |
| <b>Cash flows from investing activities</b>                           |       |                          |                          |
| <b>Cash outflows</b>  |       |                          |                          |
| Payments for acquisition of non-financial assets                      |       | -                        | -                        |
| <b>Total cash outflows</b>  |       | -                        | -                        |
| <b>Net cash from (used by) investing activities</b>                   |       | -                        | -                        |
| <b>Net increase/(decrease) in cash held and cash equivalents</b>      |       | <b>(560)</b>             | <b>445</b>               |
| <b>Cash and deposits at the beginning of the reporting period</b>     |       | <b>2 952</b>             | <b>2 507</b>             |
| <b>Cash and deposits at the end of the reporting period</b>           | 7.1   | <b>2 392</b>             | <b>2 952</b>             |

This Statement of Cash Flows should be read in conjunction with the accompanying notes.



## Statement of Changes in Equity for the year ended 30 June 2019

|                                   | Notes | Accumulated Funds<br>\$'000 | Total equity<br>\$'000 |
|-----------------------------------|-------|-----------------------------|------------------------|
| <b>Balance as at 1 July 2018</b>  |       | -                           | -                      |
| Total comprehensive result        |       | -                           | -                      |
| <b>Total</b>                      |       | -                           | -                      |
| <b>Balance as at 30 June 2019</b> |       | -                           | -                      |

|                                   | Notes | Accumulated surplus / (deficit)<br>\$'000 | Total equity<br>\$'000 |
|-----------------------------------|-------|---|------------------------|
| <b>Balance as at 1 July 2017</b>  |       | -   | -                      |
| Total comprehensive result        |       | -   | -                      |
| <b>Total</b>                      |       | -   | -                      |
| <b>Balance as at 30 June 2018</b> |       | -   | -                      |

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Further details on the calculation of equity are included in Note 1.1.

# FINANCIAL STATEMENT NOTES



## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

|         |  |
|---------|--|
| Note 1  | Income from transactions.....  |
| 1.1     | Contributions.....   |
| 1.2     | Interest .....   |
| 1.3     | Other Revenue.....   |
| Note 2  | Expenses from transactions.....  |
| 2.1     | Attributed Employee Benefits.....  |
| 2.2     | Amortisation.....  |
| 2.3     | Supplies and Consumables.....  |
| 2.4     | Grants .....   |
| 2.5     | Administration costs paid to Department of Justice .....   |
| 2.6     | Expenses incurred by Workers Rehabilitation and Compensation Tribunal .....                      |
| 2.7     | Other operating expenses.....  |
| Note 3  | Other Economic Flows Included in Net Result.....   |
| Note 4  | Assets.....  |
| 4.1     | Receivables .....  |
| 4.2     | Intangible Assets .....  |
| Note 5  | Liabilities .....  |
| 5.1     | Payables .....   |
| 5.2     | Attributed Employee Benefits.....  |
| 5.3     | Superannuation .....   |
| Note 6  | Commitments and Contingencies.....   |
| 6.1     | Schedule of Operating Commitments.....   |
| 6.2     | Contingent Assets and Liabilities.....   |
| Note 7  | Cash Flow Reconciliation.....  |
| 7.1     | Cash and Deposits.....   |
| 7.2     | Reconciliation of Net Result to Net Cash from Operating Activities.....                          |
| 7.3     | Reconciliation of liabilities arising from financing activities .....                            |
| Note 8  | Financial Instruments.....   |
| 8.1     | Risk Exposures.....  |
| 8.2     | Categories of Financial Assets and Liabilities.....  |
| 8.3     | Comparison between Carrying Amount and Net Fair Values of Financial Assets and Liabilities ..... |
| Note 9  | Events Occurring After Balance Date .....  |
| Note 10 | Board Members' Compensation.....   |
| Note 11 | Related Party Disclosures .....  |
| Note 12 | Significant Accounting Policies .....  |
| 12.1    | Operations of the Board.....   |
| 12.2    | Statutory Matters .....  |
| 12.3    | Basis of Accounting .....  |
| 12.4    | Functional and Presentation Currency.....  |
| 12.5    | Changes in Accounting Policies.....  |
| 12.6    | Comparative Figures.....   |
| 12.7    | Rounding.....  |
| 12.8    | Taxation.....  |
| 12.9    | Goods and Services Tax.....  |

## Note 1. Revenue from transactions

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

### 1.1 Contributions

#### Funding of WorkCover Tasmania's Operations

As soon as it is practicable in respect of each financial year, the Board is obliged to estimate the amount of money required for the payment or discharge of expenses, charges and obligations of the Board and to estimate the amounts to be received by the Board. A recommendation is then made to the Minister of the rate to be levied on the premiums of licensed insurers and the notional premiums of self insurers. The Minister sets the final levy rate each year based upon the Board's financial position and estimated financial obligations for the upcoming year. Due to the levy being set each year the Board and the Board's administrative arrangement with the Department of Justice for a number of services, including corporate services, the Board should always have sufficient funds to perform its functions.

An advance contribution or levy payable by insurers is determined by calculating the percentage that the budget of the Board bears to the Total Premium Income Pool and applying this percentage to the premium of each insurer. The amounts used for the Total Premium Income Pool and the premium of each insurer refer to the immediately preceding financial year.

Subsequent to the end of the financial year, and once the expenses of the Board and the actual premiums of licensed insurers and the notional premiums of self-insurers are known, a final apportionment of the Board's expenses for the year is made.

#### 2018-19 Contributions Determination

Income for the financial year ending 30 June 2019 includes the final determination, under the terms of the *Workers Rehabilitation and Compensation Act 1988*, of contributions from Licensed Insurers and Self-Insurers for 2018-19.

As detailed, the Board is funded by contributions from licensed insurers and self-insurers with the contributions based on an estimate of the amount of money required for the payment or discharge of expenses, charges and obligations of the Board. The Board does not accumulate surpluses, with the necessary adjustment made to Contributions revenue to reflect this. The adjustment is recognised as an accrual refund in Note 5.1.

|  | 2019<br>\$'000 | 2018<br>\$'000 |
|--|----------------|----------------|
| Levies                                       | 7 419          | 7 810          |
| Transfer to Accrual Refund for Contributions | 595            | (391)          |
| <b>Total</b>                                 | <b>8 014</b>   | <b>7 419</b>   |

### 1.2 Interest

Interest is earned on the trust account balance and is credited to revenue as it accrues using the effective interest method.

### 1.3 Other Revenue

Other revenue represents proceeds from fines issued under the *Work Health and Safety Act 2012* and *Workers Rehabilitation and Compensation Act 1988*, and other sundry sources of revenue. Revenue is recognised when the Board gains control of the funds.

|                | 2019<br>\$'000 | 2018<br>\$'000 |
|----------------|----------------|----------------|
| Fees and fines | 56             | 33             |
| Other          | 5              | -              |
| <b>Total</b>   | <b>61</b>      | <b>33</b>      |

## Note 2. Expenses from transactions

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

### 2.1 Attributed Employee Benefits

Attributed employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

|  | 2019<br>\$'000 | 2018<br>\$'000 |
|--|----------------|----------------|
| Wages and salaries                           | 2 848          | 2 579          |
| Superannuation – defined contribution scheme | 300            | 244            |
| Superannuation – defined benefit scheme      | 78             | 87             |
| Other employee expenses                      | 76             | 84             |
| <b>Total</b>                                 | <b>3 302</b>   | <b>2 994</b>   |

Superannuation expenses relating to defined benefits schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an employer contribution rate determined by the Minister, on the advice of the State Actuary. The current employer contribution is 12.95 per cent (2018: 12.85 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to the relevant superannuation fund at a rate of 9.5 per cent (2018: 9.5 per cent) of salary. In addition, the Board is required to pay to Treasury a “gap” payment equivalent to 3.45 per cent (2018: 3.35 per cent) of salary in respect of employees who are members of the contribution schemes.

### 2.2 Amortisation

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Board. Amortisation is provided for on a straight-line basis, using rates lives which are reviewed annually.

Major amortisation rates are:

Software      10 per cent

#### (a) Amortisation

|              | 2019<br>\$'000 | 2018<br>\$'000 |
|--------------|----------------|----------------|
| Intangibles  | 117            | 117            |
| <b>Total</b> | <b>117</b>     | <b>117</b>     |

## 2.3 Supplies and Consumables

|                                | 2019<br>\$'000 | 2018<br>\$'000 |
|--------------------------------|----------------|----------------|
| External Audit Fees            | 4              | 4              |
| Internal Audit Fees            | 11             | 14             |
| Advertising and promotion      | 600            | 344            |
| Operating lease costs          | 18             | 13             |
| Communications                 | 23             | 21             |
| Consultancies                  | 138            | 57             |
| Information technology         | 204            | 183            |
| Printing                       | 103            | 99             |
| Travel and transport           | 63             | 71             |
| Personnel expenses             | 50             | 85             |
| Plant and equipment            | 9              | 4              |
| Other supplies and consumables | 238            | 60             |
| <b>Total</b>                   | <b>1 461</b>   | <b>955</b>     |

The external audit fee for 2018-19 is \$4,210 (\$4,210 for 2017-18).

## 2.4 Grants

Grant expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied.

A liability is recorded when the Board has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

## 2.5 Service and administration costs paid to Department of Justice

The Department of Justice provides administrative services to the Board. These services include corporate services (shared administration, and web services) in addition to accommodation related costs (including lease, power and cleaning).

## 2.6 Expenses incurred by Workers Rehabilitation and Compensation Tribunal

The Workers Rehabilitation and Compensation Tribunal is funded from the Workers Rehabilitation and Compensation Fund and is a statutory entity under the *Workers Rehabilitation and Compensation Act 1988* independent of the WorkCover Tasmania Board.

## 2.7 Other Operating Expenses

Other expenses from ordinary activities are recognised when it is probable that the consumption or loss of future economic benefits resulting in a reduction in assets or an increase in liabilities has occurred and can be reliably measured.

|                          | 2019<br>\$'000 | 2018<br>\$'000 |
|--------------------------|----------------|----------------|
| Salary on-costs          | 76             | 91             |
| Professional Services    | 189            | 301            |
| Other operating expenses | 253            | 265            |
| <b>Total</b>             | <b>518</b>     | <b>657</b>     |

## Note 3. Other Economic Flows Included in Net Result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. The Board did not have any Other economic flows during 2018-19.

## Note 4. Assets

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Board and the asset has a cost or value that can be measured reliably.

### 4.1 Receivables

In 2017-18 receivables were recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables were not discounted back to their present value. In addition, receivables were subject to an annual review for impairment, where there was objective evidence that, as a result of one or more events that occurred after the initial recognition, the future cash flows have been affected.

From 2018-19, the Board recognises receivables at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. The Board recognises an allowance for expected credit losses for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, the Board applies a simplified approach in calculating expected credit losses. The Board recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Board has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

|                                | 2019<br>\$'000 | 2018<br>\$'000 |
|--------------------------------|----------------|----------------|
| Receivables                    | 22             | 4              |
| Less: Provision for impairment | (1)            | (1)            |
| <b>Total</b>                   | <b>21</b>      | <b>3</b>       |
| Consumed within 12 months      | 21             | 3              |
| <b>Total</b>                   | <b>21</b>      | <b>3</b>       |

| Reconciliation of movement in expected credit loss for Receivables | 2019<br>\$'000 |
|--|----------------|
| <b>Carrying amount at 30 June 2018 under AASB 139</b>              | (1)            |
| Amounts restated through Accumulated Funds                         |                |
| <b>Carrying amount at 1 July under AASB 9</b>                      |                |
| Amounts written off during the year                                |                |
| Amounts recovered during the year                                  |                |
| Increase/(decrease) in provision recognised in profit or loss      |                |
| <b>Carrying amount at 30 June</b>                                  | <b>(1)</b>     |

| Reconciliation of movement in provision for impairment of Receivables | 2018<br>\$'000 |
|---|----------------|
| <b>Carrying amount at 1 July</b>                                      |                |
| Amounts written off during the year                                   |                |
| Amounts recovered during the year                                     |                |
| Increase/(decrease) in provision recognised in profit or loss         | (1)            |
| <b>Carrying amount at 30 June</b>                                     |                |
|   | (1)            |

For ageing analysis of the financial assets past due but not impaired, refer to Note 8.1.

## 4.2 Intangible Assets

An intangible asset is recognised where:

- it is probable that an expected future benefit attributable to the asset will flow to the Board; and
- the cost of the asset can be reliably measured. Intangible assets held by the Board are valued at cost less any accumulated amortisation and any accumulated impairment losses.

### (a) Carrying amount

|  | 2019<br>\$'000 | 2018<br>\$'000 |
|--|----------------|----------------|
| <b>Intangibles with a finite useful life</b> |                |                |
| Software at cost                             | 1 120          | 1 120          |
| Accumulated amortisation                     | (653)          | (536)          |
| <b>Total Intangible assets</b>               | <b>467</b>     | <b>584</b>     |

### (b) Reconciliation of movements

| 2019                              | Intangible<br>Assets<br>\$'000 | Total<br>\$'000 |
|-----------------------------------|--------------------------------|-----------------|
| <b>Carrying amount at 1 July</b>  |                                |                 |
| Amortisation expense              | (117)                          | (117)           |
| <b>Carrying amount at 30 June</b> | <b>467</b>                     | <b>467</b>      |

| 2018                              | Intangible<br>Assets<br>\$'000 | Total<br>\$'000 |
|-----------------------------------|--------------------------------|-----------------|
| <b>Carrying amount at 1 July</b>  |                                |                 |
| Amortisation expense              | (117)                          | (117)           |
| <b>Carrying amount at 30 June</b> | <b>584</b>                     | <b>584</b>      |

## Note 5. Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

### 5.1 Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Board becomes obliged to make future payments as a result of a purchase of assets or services.

|   | 2019<br>\$'000 | 2018<br>\$'000 |
|---|----------------|----------------|
| Trade Payables                              | 3              | 36             |
| Accrued expenses                            | 21             | 32             |
| Accrual Refund for Contributions (Note 1.1) | 2 002          | 2 597          |
| <b>Total</b>                                | <b>2 026</b>   | <b>2 665</b>   |
| Settled within 12 months                    | 2 026          | 2 665          |
| <b>Total</b>                                | <b>2 026</b>   | <b>2 665</b>   |

Settlement of trade payables is usually made within 30 days.

### 5.2 Attributed Employee Benefits

Liabilities for wages and salaries and annual leave are recognised when the employee becomes entitled to receive the benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other attributed employee benefits are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material. The Board makes the assumption that all staff annual leave balances less than 20 days will be settled within 12 months, and therefore valued at nominal value, and balances in excess of 20 days will be settled in greater than 12 months and therefore calculated at present value.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The Board makes a number of assumptions regarding the probability that staff who have accrued long service leave, but are ineligible to take it will remain with the Board long enough to take it. For those staff eligible to take their long service leave, the Board assumes that they will utilise it evenly over the following ten years. All long service leave that will be settled within 12 months is calculated at nominal value and all long service leave that will be settled in greater than 12 months is calculated at present value.

|                                | 2019<br>\$'000 | 2018<br>\$'000 |
|--------------------------------|----------------|----------------|
| Accrued salaries               | 28             | 23             |
| Annual leave                   | 229            | 259            |
| Long service leave             | 599            | 592            |
| <b>Total</b>                   | <b>856</b>     | <b>874</b>     |
| Settled within 12 months       | 759            | 216            |
| Settled in more than 12 months | 97             | 658            |
| <b>Total</b>                   | <b>856</b>     | <b>874</b>     |

### 5.3 Superannuation

The Board does not recognise a liability for the accruing superannuation benefits of the Boards' employees. This liability is held centrally and is recognised within the Finance General Division of the Department of Treasury and Finance.

During the reporting period, the applicable percentage of salary in respect of contributory members of the Retirement Benefits Fund was paid to the Department of Treasury and Finance. The appropriate Superannuation Guarantee Charge was paid into the nominated superannuation fund in respect of non-contributors. Under these arrangements there is no further superannuation liability for the past service of employees.

## Note 6. Commitments and Contingencies

### 6.1 Schedule of Operating Commitments

|  | 2019<br>\$'000 | 2018<br>\$'000 |
|--|----------------|----------------|
| <b>By type</b>                           |                |                |
| <i>Lease Commitments</i>                 |                |                |
| Operating leases                         | 62             | 8              |
| <b>Total lease commitments</b>           | <b>62</b>      | <b>8</b>       |
| <i>Other commitments</i>                 |                |                |
| Grants                                   | -              | -              |
| Other                                    | 222            | 443            |
| <b>Total other commitments</b>           | <b>222</b>     | <b>443</b>     |
| <b>By maturity</b>                       |                |                |
| <i>Operating lease commitments</i>       |                |                |
| One year or less                         | 23             | 8              |
| From one to five years                   | 39             | -              |
| <b>Total operating lease commitments</b> | <b>62</b>      | <b>8</b>       |
| <i>Other commitments</i>                 |                |                |
| One year or less                         | 222            | 326            |
| From one to five years                   | -              | 117            |
| <b>Total other commitments</b>           | <b>222</b>     | <b>443</b>     |
| <b>Total</b>                             | <b>284</b>     | <b>451</b>     |

The Board lease commitments include motor vehicles and information technology equipment leases. All amounts are shown exclusive of GST. Other commitments relate to actuarial services, communication services, education services over the life of the respective contracts and grants.

### 6.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding the amount or timing of the underlying claim or obligation. The Board has no contingent assets or liabilities as at 30 June 2019.

## Note 7. Cash Flow Reconciliation

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund held by the Department of Treasury and Finance. Deposits are recognised at amortised cost, being their face value.

### 7.1 Cash and Deposits

Cash and Deposits includes the balance of the Trust Account, held by the Board, and any other cash held. The Board processes all transactions through a Trust Account entitled T435 *Workers' Rehabilitation and Compensation Act 1988* Compensation Fund Account.

|   | 2019<br>\$'000 | 2018<br>\$'000 |
|---|----------------|----------------|
| <b>Special Deposits and Trust Fund balance</b>                  |                |                |
| T435 - Workers' Compensation Act 1988 Compensation Fund Account | 2 392          | 2 952          |
| <b>Total cash and deposits</b>                                  | <b>2 392</b>   | <b>2 952</b>   |

### 7.2 Reconciliation of Net Result to Net Cash from Operating Activities

|  | 2019<br>\$'000 | 2018<br>\$'000 |
|--|----------------|----------------|
| Net result   | -              | -              |
| Amortisation   | 117            | 117            |
| (Increase) Decrease in Receivables                     | (18)           | 21             |
| Increase (Decrease) in Refunds to Contributors Accrual | (596)          | 391            |
| Increase (Decrease) in Creditors and Accrued Expenses  | (44)           | (72)           |
| Increase (Decrease) in Attributed employee Benefits    | (19)           | (13)           |
| <b>Net cash from (used by) operating activities</b>    | <b>(560)</b>   | <b>444</b>     |

### 7.3 Reconciliation of liabilities arising from financing activities

The Board does not have any liabilities arising from financing activities.

## Note 8. Financial Instruments

### 8.1 Risk Exposures

#### (a) Risk management policies

The Board has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The Board has overall responsibility for the establishment and oversight of its risk management framework. Risk management policies are established to identify and analyse risks faced by the Board, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

## (b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Exposure to credit risk is considered to be minimal.

| Financial Instrument    | Accounting and strategic policies (including recognition criteria and measurement basis)   | Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)                  |
|-------------------------|--|--|
| <b>Financial Assets</b> |  |  |
| Receivables             | Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value. | It is the Board's policy to issue invoices with 30 day terms of trade.   |
| Cash and deposits       | Deposits are recognised at amortised cost, being their face value.   | Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund. |

The Board does not have any concentration of credit risk. The Board monitors receivables on a monthly basis and follow up procedures are undertaken for all debts that are overdue. Action taken is dependent on the length of time the debt is overdue.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Boards maximum exposure to credit risk. The Board does not hold any collateral or other security over its receivables.

The Board extends 30 day credit terms for sundry receivables, and receives standard commercial credit terms for sundry creditors.

Except as detailed in the following table, the carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Boards maximum exposure to credit risk without taking into account of any collateral or other security:

|   | 2019<br>\$'000 | 2018<br>\$'000 |
|---|----------------|----------------|
| Special Deposits and Trust Fund balance                         |                |                |
| T435 - Workers' Compensation Act 1988 Compensation Fund Account | 22             | 3              |
| <b>Total cash and deposits</b>                                  | <b>22</b>      | <b>3</b>       |

Receivables age analysis - expected credit loss

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June 2019 and 1 July 2018 (adoption of AASB 9) are as follows.

### Expected credit loss analysis of receivables as at 30 June 2019

|                                 | Not past due<br>\$'000 | Past due<br>1-30 days<br>\$'000 | Past due 31-<br>60 days<br>\$'000 | Past due 61-<br>90 days<br>\$'000 | Total<br>\$'000 |
|---------------------------------|------------------------|---------------------------------|-----------------------------------|-----------------------------------|-----------------|
| Expected credit loss rate (A)   | 0%                     | 0%                              | 0%                                | 1%                                | 1%              |
| Total gross carrying amount (B) | -                      | 6                               | -                                 | 16                                | 21              |
| Expected credit loss (A x B)    | -                      | -                               | -                                 | -                                 | -               |

### Expected credit loss analysis of receivables as at 1 July 2018 (adoption date of AASB 9)

|                                 | Not past due<br>\$'000 | Past due<br>1-30 days<br>\$'000 | Past due 31-<br>60 days<br>\$'000 | Past due 61-<br>90 days<br>\$'000 | Total<br>\$'000 |
|---------------------------------|------------------------|---------------------------------|-----------------------------------|-----------------------------------|-----------------|
| Expected credit loss rate (A)   | 0%                     | 0%                              | 0%                                | 25%                               | 25%             |
| Total gross carrying amount (B) | -                      | -                               | -                                 | 4                                 | 4               |
| Expected credit loss (A x B)    | -                      | -                               | -                                 | 1                                 | 1               |

The following table is for comparative purposes only, and represents the age analysis that was published as part of the Board's 2017-18 financial statements under the previous accounting standards.

|                    | Past due 30 days<br>\$'000 | Past due 60 days<br>\$'000 | Past due 90 days<br>\$'000 | Total<br>\$'000 |
|--------------------|----------------------------|----------------------------|----------------------------|-----------------|
| <b>Receivables</b> | -                          | -                          | -                          | -               |

### (c) Liquidity risk

Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they fall due.

*The Workers Rehabilitation and Compensation Act 1988* provides for temporary advances to be made available from the Department of Justice and that more than one percentage may be determined by the Minister for different proportions of a financial year.

Monitoring of revenue and expenditure forecasts and current cash balances is undertaken by the Board at each Board meeting.

| Financial Instrument | Accounting and strategic policies (including recognition criteria and measurement basis) | Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows) |
|----------------------|--|---|
|----------------------|--|---|

#### Financial Liabilities

|          |   |  |
|----------|---|--|
| Payables | Payables are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Board becomes obliged to make future payments as a result of a purchase of assets or services. | Payables, including goods received and services incurred but not yet invoiced, arise when the Board becomes obliged to make future payments as a result of a purchase of assets or services. The Board's terms of trade are 30 days. |
|----------|---|--|

The following tables detail the undiscounted cash flows payable by the Board by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

| 2019  |                  |                              |                           |
|---|------------------|------------------------------|---------------------------|
| Maturity analysis for financial liabilities | 1 Year<br>\$'000 | Undiscounted Total<br>\$'000 | Carrying Amount<br>\$'000 |
| <b>Financial liabilities</b>                |                  |                              |                           |

|                                  |              |              |              |
|----------------------------------|--------------|--------------|--------------|
| Payables and Accrued Expenses    | 24           | 24           | 24           |
| Accrual Refund for Contributions | 2 002        | 2 002        | 2 002        |
| <b>Total</b>                     | <b>2 026</b> | <b>2 026</b> | <b>2 026</b> |

| 2018  |                  |                              |                           |
|---|------------------|------------------------------|---------------------------|
| Maturity analysis for financial liabilities | 1 Year<br>\$'000 | Undiscounted Total<br>\$'000 | Carrying Amount<br>\$'000 |
| <b>Financial liabilities</b>                |                  |                              |                           |

|                                  |              |              |              |
|----------------------------------|--------------|--------------|--------------|
| Payables and Accrued Expenses    | 68           | 68           | 68           |
| Accrual Refund for Contributions | 2 597        | 2 597        | 2 597        |
| <b>Total</b>                     | <b>2 665</b> | <b>2 665</b> | <b>2 665</b> |

#### (d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Board is exposed to is interest rate risk.

The Board's exposure to interest rate risk is considered to be minimal. The majority of the Board's interest bearing financial instruments are managed by the Department of Treasury and Finance.

At the reporting date the interest rate profile of the Board's interest bearing financial instruments was:

|  | 2019<br>\$'000 | 2018<br>\$'000 |
|--|----------------|----------------|
| <b>Variable rate instruments</b>         |                |                |
| <i>Financial assets</i>                  |                |                |
| Cash in Special Deposits and Trust Funds | 2 392          | 2 952          |
| <b>Total</b>                             | <b>2 392</b>   | <b>2 952</b>   |

Changes in variable rates of 100 basis points at reporting date would have the following effect on the Board's profit or loss:

| <b>Sensitivity Analysis of the Board's Exposure to Possible Changes in Interest Rates</b> | <b>100 basis point increase<br/>\$'000</b> | <b>100 basis point decrease<br/>\$'000</b> |
|---|--|--|
| <b>Statement of Comprehensive Income</b>  |  |  |
| <b>30 June 2019</b>   |  |  |
| Cash in Special Deposits and Trust Funds  | 24   | (24)                                       |
| <b>Net sensitivity</b>  | <b>24</b>                                  | <b>(24)</b>                                |
| <b>30 June 2018</b>   |  |  |
| Cash in Special Deposits and Trust Funds  | 29   | (29)                                       |
| <b>Net sensitivity</b>  | <b>29</b>                                  | <b>(29)</b>                                |

These analyses assume all other variables remain constant. These analyses were performed on the same basis for 2018.

## 8.2 Categories of Financial Assets and Liabilities

| <b>AASB 9 Carrying amount</b>                    | <b>2019<br/>\$'000</b> |
|--|------------------------|
| <b>Financial assets</b>                          |                        |
| Cash and deposits                                | 2 393                  |
| Receivables                                      | 21                     |
| <b>Total</b>                                     | <b>2 413</b>           |
| <b>Financial Liabilities</b>                     |                        |
| Financial liabilities measured at amortised cost | 2 026                  |
| <b>Total</b>                                     | <b>2 026</b>           |

| AASB 139 Carrying amount                         | 2018<br>\$'000 |
|--|----------------|
| <b>Financial assets</b>                          |                |
| Cash and deposits                                | 2 952          |
| Receivables                                      | 4              |
| <b>Total</b>                                     | <b>2 956</b>   |
| <b>Financial Liabilities</b>                     |                |
| Financial liabilities measured at amortised cost | 2 665          |
| <b>Total</b>                                     | <b>2 665</b>   |

### 8.3 Comparison between Carrying Amount and Net Fair Values of Financial Assets and Liabilities

|  | Carrying<br>Amount<br>2019<br>\$'000 | Net Fair<br>Value<br>2019<br>\$'000 | Carrying<br>Amount<br>2018<br>\$'000 | Net Fair<br>Value<br>2018<br>\$'000 |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| <b>Financial assets</b>                          |                                      |                                     |                                      |                                     |
| Cash and deposits                                | 2 392                                | 2 392                               | 2 952                                | 2 952                               |
| Receivables                                      | 21                                   | 21                                  | 4                                    | 4                                   |
| <b>Total financial assets</b>                    | <b>2 413</b>                         | <b>2 413</b>                        | <b>2 956</b>                         | <b>2 956</b>                        |
| <b>Financial liabilities</b>                     |                                      |                                     |                                      |                                     |
| Financial liabilities measured at amortised cost | 2 026                                | 2 026                               | 2 665                                | 2 665                               |
| <b>Total financial liabilities</b>               | <b>2 026</b>                         | <b>2 026</b>                        | <b>2 665</b>                         | <b>2 665</b>                        |

The Board does not have any financial assets or financial liabilities carried at fair value through the profit and loss or any available for sale financial assets.

### Note 9. Events Occurring After Balance Date

There have been no events subsequent to the balance date which would have a material effect on the Board's Financial Statements as at 30 June 2019.

### Note 10. Board Members' Compensation

The WorkCover Board consists of the following structure:

- Chair, Katherine Morgan-Wicks, Secretary of the Department of Justice, appointed ex-officio pursuant to Section 9(1)(a) of the Act; Commenced 19 August 2017.
- Ms Julieann Buchanan, appointed pursuant to Section 9(1)(b)(v) of the Act. Membership commenced 23 January 2018.
- Ms Sofia Mavratzas, appointed pursuant to Section 9(1)(b)(iii) of the Act. Membership commenced 23 January 2018.
- Ms Jessica Munday, appointed pursuant to Section 9(1)(b)(iv) of the Act. Membership commenced 23 January 2018.

- Dr Robert Walters, appointed pursuant to Section 9(1)(b)(i) of the Act. Membership commenced 23 January 2018.
- Mr Graham Wood, appointed pursuant to Section 9(1)(b)(ii) of the Act. Membership commenced 23 January 2018.

The WorkCover Board consists of the following structure:

- All non-government Members are paid a salary, which includes salary and superannuation, but no leave entitlements.
- A number of Members elected to devolve their entitlement to remuneration to be paid directly to other parties.
- The ex officio Member does not receive remuneration or recoveries of costs.

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the Board:

| 2019                                     | Payment made to | Salary<br>\$'000 | Super<br>\$'000 | Other<br>Benefits* | Total<br>\$'000 |
|--|-----------------|------------------|-----------------|--------------------|-----------------|
| <b>WorkCover Tasmania Board Members</b>  |                 |                  |                 |                    |                 |
| Robert Walters***                        |                 | 30               | 3               | -                  | 33              |
| Graham Wood (from 23 January 2018)       |                 | 30               | 3               | -                  | 33              |
| Julieann Buchanan (from 23 January 2018) |                 | 30               | 3               | -                  | 33              |
| Sofia Mavratzas (from 23 January 2018)   |                 | 30               | 3               | -                  | 33              |
| Jessica Munday (from 23 January 2018)    |                 | 30               | 3               | -                  | 33              |
| <b>Total</b>                             |                 | <b>150</b>       | <b>15</b>       | <b>-</b>           | <b>165</b>      |

\* Other Benefits include reimbursements in addition to additional services performed

| 2018                                     | Payment made to                          | Salary<br>\$'000 | Super<br>\$'000 | Other<br>Benefits* | Total<br>\$'000 |
|--|--|------------------|-----------------|--------------------|-----------------|
| <b>WorkCover Tasmania Board Members</b>  |  |                  |                 |                    |                 |
| Robert Walters***                        |  | 29               | 3               | 31                 | 63              |
| Richard Lowrie (to 24 January 2018)      |  | 15               | 1               | -                  | 16              |
| Paul Arnold (to 24 January 2018)         |  | 15               | 1               | -                  | 16              |
| Peter Donaldson (to 24 January 2018)     |  | 15               | 1               | 1                  | 18              |
| Graham Wood (from 23 January 2018)       |  | 12               | 1               | -                  | 14              |
| Julieann Buchanan (from 23 January 2018) |  | 12               | 1               | -                  | 14              |
| Sofia Mavratzas (from 23 January 2018)   |  | 12               | 1               | -                  | 14              |
| Jessica Munday (from 23 January 2018)    |  | 12               | 1               | -                  | 14              |
| Leigh Mackey** (to 21 September 2017)    | Ogilvie Jennings Barristers & Solicitors | 14               | -               | -                  | 14              |
| Peter Tullgren** (to 21 August 2017)     | Unions Tasmania                          | 14               | -               | -                  | 14              |
| Steve Walsh** (to 21 September 2017)     | Unions Tasmania                          | 14               | -               | -                  | 14              |
| <b>Total</b>                             |  | <b>167</b>       | <b>12</b>       | <b>33</b>          | <b>212</b>      |

\* Other Benefits include reimbursements in addition to additional services performed

\*\* These Board Members have their remuneration entitlements paid directly to other parties

\*\*\* includes consultancy fees and payment for Asbestos conference attended in USA

Note: where amounts are less than \$500, they have been rounded up to \$1,000.

## Note 11. Events Occurring After Balance Date

AASB 124 *Related Party Disclosures* requires related party disclosures to ensure that the financial statements contain disclosures necessary to draw attention to the possibility that the Board's financial results may have been affected by the existence of related parties and by transactions with such parties.

This note is not intended to disclose conflicts of interest for which there are administrative procedures in place. The extent of information disclosed about related party transactions and balances is subject to the application of professional judgement by the Board. It is important to understand that the disclosures included in this note will vary depending on factors such as the nature of the transactions, the relationships between the parties to the transaction and the materiality of each transaction. Those transactions which are not materially significant by their nature, impact or value, in relation to the Board's normal activities, are not included in this note.

The WorkCover Board made payments to related parties for the following reasons:

|   | 2019<br>\$'000 | 2018<br>\$'000 |
|---|----------------|----------------|
| <b>Tasmanian Chamber of Commerce and Industry</b>   |                |                |
| Workplace Health and Safety Advisory Service        | -              | 253            |
| Advertising in Tasmanian Business Reporter          | -              | -              |
|   | <b>-</b>       | <b>253</b>     |
| <b>Unions Tasmania</b>                              |                |                |
| P Tullgren Sitting Fees                             | -              | 15             |
| S Walsh Sitting Fees                                | -              | 15             |
| Advertising in 2018 Directory                       | -              | 3              |
| Reimbursement of cost contributed to WorkSafe month | 6              | -              |
|   | <b>6</b>       | <b>33</b>      |
| <b>Worker Assist Inc</b>                            |                |                |
| Worker Assist Grant                                 | 462            | 453            |
|   | <b>462</b>     | <b>453</b>     |
| <b>Ogilvie Jennings Barristers &amp; Solicitors</b> |                |                |
| L Mackey Sitting Fees                               | -              | 15             |
|   | <b>-</b>       | <b>15</b>      |

All amounts are GST exclusive.

## Note 12. Significant Accounting Policies

### 12.1 Operations of the Board

The Board was established in July 2001 following amendments to the *Workers Rehabilitation and Compensation Act 1988* (the Act). The Board provides advice to the Minister on matters relating to work health and safety and workers rehabilitation and compensation. It also oversees the operation of Tasmania's workers rehabilitation and compensation scheme (the Scheme), reviews the incidence and cost of workplace injuries and provides advice to the Minister on the effectiveness of the Scheme and associated legislation.

Specifically, under the Act, the Board is responsible for:

- making recommendations to the Minister on the policy and objectives of the legislation relating to workers rehabilitation and compensation in Tasmania, and the amendment or replacement of that legislation;
- monitoring and reporting to the Minister on the operation and effectiveness of the Act and on the performance of the systems that the Act relates;
- monitoring and reviewing the Department of Justice's (the Department) exercise of powers and the performance of functions under the Act;
- controlling and administering the Workers' Compensation Act 1988 Compensation Fund Account;
- promoting and supporting the effective injury management of injured workers;
- monitoring and reviewing the performance of licensed insurers and self-insurers and the operation of the Nominal Insurer;
- monitoring and reviewing premium rates and, so far as is practicable, ensuring insurance arrangements are efficient and competitive;
- collecting and publishing statistics on any matter the Board considers necessary or relevant to the performance of its functions under, or the administration of, the Act;
- promoting an understanding of the Act through education and any other appropriate means;
- advising the Minister on matters relating to the Act that the Minister refers to the Board;
- issuing guidelines for the assessment of permanent impairment under the Act.

Under the *Work Health and Safety Act 2012* (the WH&S Act), the Board is responsible for:

- Inquiring into and reporting to the Minister on any matter relating to the WH&S Act referred to it by the Minister;
- monitoring and reporting to the Minister on the operation and effectiveness of the WH&S Act and on the performance of the systems to which the WH&S Act relates;
- making recommendations to the Minister with respect to such matters as it considers necessary for the purposes of the WH&S Act;
- promoting understanding of the WH&S Act through education and any other appropriate means;
- **promoting –**
- the prevention of injuries and disease in workplaces;
- the development of healthy and safe workplaces;
- developing and reviewing strategies and plans for improving work health and safety;
- monitoring and reviewing the regulator in connection with the exercise of powers and the performance of functions under the Act;
- collecting, analysing and publishing statistics relating to work health and safety;
- such other functions as may be prescribed

Under the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011*, the Board is responsible for:

- monitoring and reporting to the Minister on the operation and effectiveness of the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act* and of the performance of the systems to which this Act relates; and
- collecting and publishing statistics on any matter it considers necessary or relevant to the administration of the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act*.

## 12.2 Statutory Matters

Under the *State Service (Restructuring) Order 2006* the Department of Justice assumed responsibility for providing administrative support for the Board from 1 April 2006.

By virtue of Section 15 (1) of the *Workers Rehabilitation and Compensation Act 1988* the Board is required to report to the Minister on its operations.

## **12.3 Basis of Accounting**

The Board is a body corporate, established by the *Workers Rehabilitation and Compensation Act 1988*. The financial statements are a general purpose financial report and have been prepared in accordance with Australian Accounting Standards (AAS) issued by the Australian Accounting Standards Board (AASB) and Interpretations.

While the Board is not bound by the *Financial Management and Audit Act 1990*, it has elected to prepare these financial statements in accordance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The financial statements were signed by the Chair of the Board and the Chair of the Governance and Audit Committee on 13 August 2019.

Compliance with AAS may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Board is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The financial statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year, after having regard to the impact of new accounting standards as discussed below.

The Financial Statements have been prepared on the basis that the Board is a going concern.

## **12.4 Functional and Presentation Currency**

These Financial Statements are presented in Australian dollars, which is the Board's functional currency.

## **12.5 Changes in Accounting Policies**

### **(a) Impact of new and revised Accounting Standards**

In the current year, the Office adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- AASB 7 *Financial Instruments: Disclosures* – the objective of this Standard is to require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks. The amendments to this Standard have resulted in a reconciliation being required where there is a reclassification of financial assets or liabilities resulting from the adoption of AASB 9, as a result there are only presentation changes, there is no financial impact.
- AASB 9 *Financial Instruments* – the objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. AASB 9 has replaced accounting for impairment losses with a forward looking credit loss approach. The Board has applied AASB 9 retrospectively and has not restated comparative information which was reported under AASB 139. The Board's assessment for impairment of receivables at year end resulted in the recognition of \$1,000 expected credit losses. No expected credit losses was recognised with the assessment in the prior year and, as a result, no adjustment was required to opening equity. For further details of the Board's assessment for impairment of receivables refer to Note 4.1. The only change resulting from the introduction of AASB 9 was in the categorisation of receivables financial assets from loans and receivables under AASB 139, to amortised cost under AASB 9. Other categories remained unchanged. For further details on categories of financial assets and liabilities refer to Note 8.2.

### (b) Impact of new and revised Accounting Standards yet to be applied

- AASB 15 Revenue from Contracts with Customers – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15, this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. The future impact is to enhance disclosure in relation to revenue from contracts with customers. The financial impact is expected to be minimal.
- 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 Revenue from Contracts with Customers. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. The financial impact is expected to be minimal.
- AASB 16 Leases – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities. This Standard applied to annual reporting periods beginning on or after 1 January 2019. The standard will result in the Board's vehicle leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use of asset will be recognised, which will be amortised over the term of the lease. There are limited exceptions relating to low-value leases and short-term lease. Operating lease costs will no longer be shown. The Statement of Comprehensive Income impact of the leases will be through amortisation and interest charges. The Board's current operating lease cost is shown in notes 6.1. In the Statement of Cash Flows, lease payments will be shown as cash flows from financing activities instead of operating activities. The financial impact is estimated to impact the balance sheet in the order of \$60,000.

## 12.6 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

## 12.7 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

## 12.8 Taxation

The Board is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax.

## 12.9 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office.

The Board's obligations for the goods and services tax are included in grouping arrangements with the Department of Justice. Accordingly, no payments or receipts of goods and services tax are recorded directly against the Board's operations.

## Appendix 5

# MINISTERIAL REQUESTS AND DIRECTIONS



Minister for Resources  
Minister for Energy  
Minister for Building and Construction  
Minister for Veterans' Affairs

Level 5, 4 Salamanca Place HOBART TAS 7000 Australia  
76 Emu Bay Road, DELORAIN TAS 7304  
15 High Street, NEW NORFOLK TAS 7140  
GPO Box 123 HOBART TAS 7001 Australia  
Ph: +61 3 6165 7678  
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Website: [www.guybarnett.com.au](http://www.guybarnett.com.au)



- 3 OCT 2018

Mrs Kathrine Morgan-Wicks  
Chair  
WorkCover Tasmania Board  
C/- Department of Justice  
GPO Box 825  
HOBART TAS 7001

Dear Ms Morgan-Wicks *K.W*

### Review of presumption in respect of PTSD in relation to certain workers

I write to advise that the report: *Ministerial Review relating to establishing entitlements under the Workers Rehabilitation and Compensation Act 1988 for workers suffering post-traumatic stress disorder (PTSD)* ('the Report') was tabled in both Houses of Parliament on Tuesday, 25 September 2018.

The Report was prepared in relation to the statutory review required by section 162A of the Act, which I referred to the Board in April 2018 for coordination and advice on the recommendations.

In response to the findings of the review and in particular recognising recommendation 7 of the Report highlighting the social benefits that presumptive provisions will achieve, the Government has determined to progress legislative reform to the Act, to include a presumptive provision for PTSD for public sector workers.

The Government considers that, while the Report concludes that a range of occupational groups are exposed to traumatic events and are at risk of psychological injury, there is no clear direction indicated in the report as to how presumption would most appropriately be applied to private sector workers in Tasmania. Consequently, further work is required.

This work will then inform future decisions concerning whether such presumptive provisions will be introduced.

Section 11A of the Act provides that I may, as the relevant Minister, give a direction to the WorkCover Tasmania Board with respect to its functions and the performance of its powers.

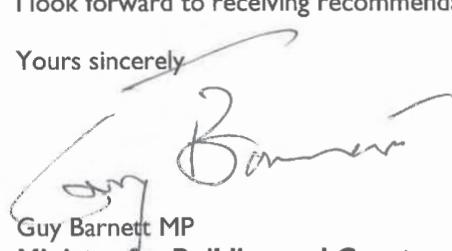
Accordingly, I direct the Board to:

1. undertake further analysis and broad community consultation, and make a recommendation to Government, on:
  - a. how presumptive provisions in relation to PTSD could most appropriately be applied to persons not employed or appointed by the State, including:
    - i. the persons whom it would be appropriate to apply the presumption, for example, by occupation or exposure; and
    - ii. the qualifications or limitations (if any) that ought to apply to such provisions, for example, to ensure presumption is applied specifically to persons placed at significant risk of contracting PTSD in the course of their employment or involvement in activities covered by the Act;
  - b. the financial and economic impact of the application of a presumption for PTSD as defined in point a. (above); and
  - c. whether presumptive provisions, as defined at point a. (above), ought to be introduced; and
2. undertake robust analysis on recommendations 2, 3, 4, 5, 6, 8 and 10 (inclusive) of the Report, including consultation as appropriate, and advise on actions to address or progress the matters raised, specifically:
  - a. actions that will be undertaken by the Board, with associated timeframes; and
  - b. the Board's recommendations for Government action.

Your recommendations and advice on the above must be provided to me by 30 June 2019.

I look forward to receiving recommendations from the Board consistent with this direction.

Yours sincerely,



Guy Barnett  
Minister for Building and Construction

**Minister for Resources  
Minister for Building and Construction**

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Ms Kathrine Morgan-Wicks  
Chair  
WorkCover Tasmania Board  
C/- Department of Justice  
GPO Box 825  
HOBART TAS 7001



Dear Ms Morgan-Wicks

**Review of step down provisions**

In accordance with the *Workers Rehabilitation and Compensation Act 1988*, all workers who are incapacitated by a work injury have their pay reduced to 90 per cent after 26 weeks of incapacity, and further reduced to 80 per cent after 78 weeks of incapacity.

As you may be aware, the *Workers Rehabilitation and Compensation Amendment Bill 2019* has been introduced into Parliament seeking to remove the wage step-down for officers of Tasmania Police whose incapacity results from an operational-related injury. During the legislative process, Members of Parliament indicated that a broader review of step-down provisions is warranted.

Section 11A of the Act provides that I may, as the relevant Minister, give a direction to the WorkCover Tasmania Board with respect to its functions and the performance of its powers.

Accordingly, I direct the Board to:

- I. undertake appropriate analysis and consultation, and make a recommendation to myself as Minister, on:
  - a. the operation of section 69B, concerning the step-down provisions, as applied to occupational groups within the public sector; and
  - b. whether or not the *Workers Rehabilitation and Compensation Act 1988* ought to be amended in light of the Boards' recommendations and advice.

Your recommendations and advice on the above must be provided to me to allow for tabling no later than the last Parliamentary sitting day in 2020.

Thank you for your assistance with this matter. I look forward to receiving recommendations from the Board consistent with this direction.

Yours sincerely



Sarah Courtney MP  
Minister for Building and Construction

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