



# Workers' Compensation Dust Diseases Board Annual Report

# 2010-11



# Letter to the Minister



**Workers' Compensation Dust Disease Board**  
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20 October 2011

The Honourable Greg Pearce, MLC  
Minister for Finance and Services  
Minister for the Illawarra  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Minister

**Workers' Compensation Dust Diseases Board – 2010/11 Annual Report**

I am pleased to submit the Annual Report for the Workers' Compensation Dust Diseases Board for the year ended 30 June 2011 for presentation to Parliament in accordance with the *Annual Reports (Statutory Bodies) Act 1984*.

The Board's financial statements for the 2010/11 year form part of the Annual Report. The statements have been submitted to and certified by the Auditor General of New South Wales. The Auditor General has found the Board's finances sound.

Yours sincerely

Lisa Hunt  
Chair  
Workers' Compensation Dust Diseases Board



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# Year in review

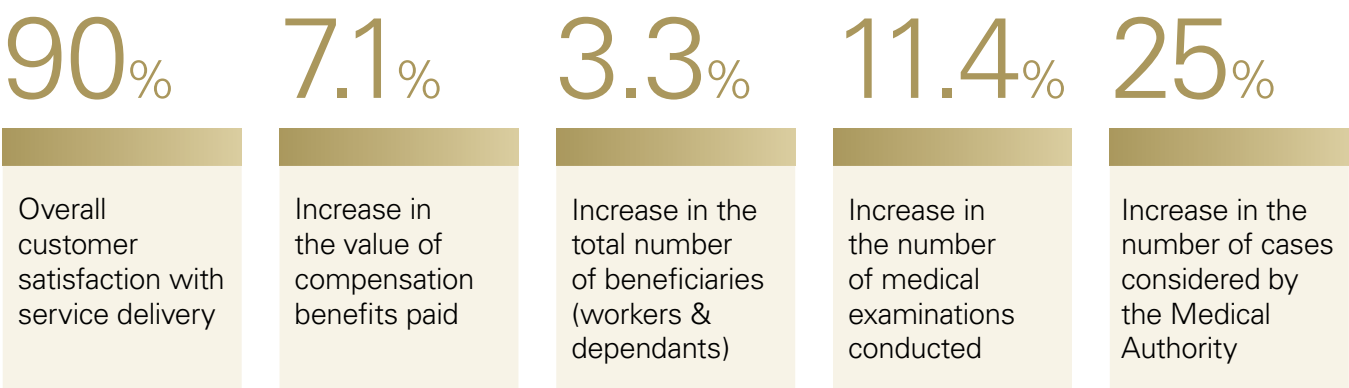
The work of the Dust Diseases Board continued at a busy pace throughout the year. There was a small increase in the total number of workers receiving benefits (2 per cent) and an increase in customers seeking respiratory medical examinations (11.4 per cent). These were in line with expected growth in these areas. The number of dependants of deceased workers in receipt of benefits increased by 3.8 per cent.

Throughout the year the agency focused on improving corporate governance particularly in relation to understanding risk, investments, asset management, and changing demographics (including younger claimants and increased life expectancies) and their impact on future liabilities.

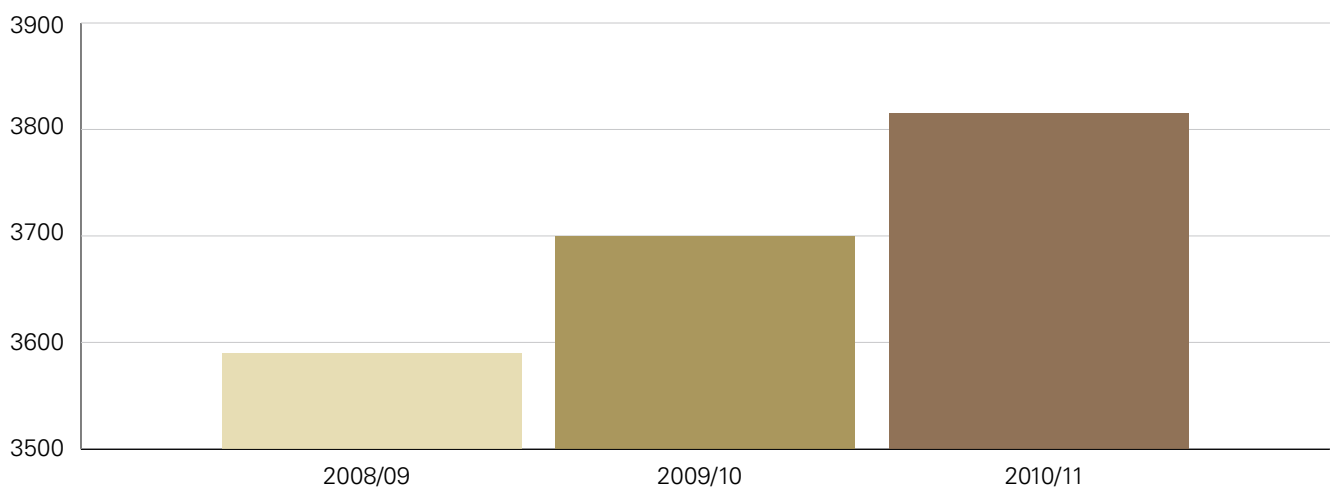
The total of compensation benefits paid out by the Board increased by 7.1 per cent to \$80,065 million. \$7.167 million was paid to over 867 workers for medical and treatment expenses relating to their dust diseases.

The Agency's first externally conducted customer satisfaction survey revealed a high level of satisfaction with our services and was used to identify further opportunities to improve service delivery.

The Board's ability to meet the costs of the 7.1 per cent increase in benefits paid out to customers was managed by achieving an 8.5 per cent increase in the value of our invested funds during the year, despite the volatile global market conditions.



## Total beneficiaries





## ► Vision

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



## Chairperson's report

On behalf of the Board I am pleased to introduce the Dust Diseases Board's Annual Report for 2010/11.

The DDB is one of the longest serving compensation bodies of its type in the world. For just over 80 years, the DDB has been involved in caring for workers who have contracted a dust disease as result of their employment.

During the year, the Board has undertaken a strategic review of the DDB's capacity to meet customer service delivery needs and maintain a sustainable compensation scheme. The outcomes of that review together with the findings of the customer satisfaction survey were reflected in a new three-year Corporate Plan and new corporate values issued in February 2011.

The Board also identified the key drivers to achieving a sustainable compensation scheme for New South Wales workers with a dust disease and their dependants. With this in mind, the Board set a number of new key performance indicators to drive organisational performance across the DDB. These were supported by new higher standards for service delivery and incorporated into an amended Customer Service Charter.

I am pleased to note that the new plan has been embraced by staff of the Dust Diseases Board and considerable efforts are being made to reduce the time taken to determine compensation applications. We have set ourselves strong targets and we will need to make improvements to the way we do business. Our Board and staff are focused on delivery against our Corporate Plan.

It was gratifying to receive the results of the Board's first externally administered customer satisfaction survey, and to note the high scores given to the Board's staff across all areas of service delivery.

While the number of awards granted to workers and their dependants remained static, the annual increase in the total number of customers receiving benefits from the Dust Diseases Board continued to grow at just over 3 per cent. In December 2010 the NSW Government, on the recommendation of the Dust Diseases Board, increased the amount of the lump sum benefits paid to dependants of deceased workers. The legislative amendment provides for the amount to be further increased in 2011 and 2012.

The significant increase in occupational respiratory screening examinations provided to workers first identified in the 2009/10 reporting period was repeated this year with the agency conducting 3205 respiratory health surveillance examinations.



The DDB continued to consolidate its role within the Compensation Authorities Staff Division (CASD) throughout the year. This included moving into a shared services arrangement for the provision of financial, human resource and information technology services and contributing to the corporate governance of CASD through membership of a number of executive steering committees. This increased the agency's focus on people and culture, improving business systems and processes, strengthening corporate governance and service delivery.

The Board's record in helping workers with dust diseases through compensation and assistance services is one of which we are proud. The DDB has extended its involvement within government to improve the focus on understanding the risks of handling asbestos. Through sharing the experience of our scheme and the industrial history that has sadly documented the exposure to our clients, we can focus other stakeholders on the importance of understanding the impact on workers and their families. The coming year will continue to deliver both opportunities and challenges for the Dust Diseases Board. I am confident that with the ongoing dedication of staff, we will continue to deliver a robust compensation system for workers and their families suffering from the effects of dust diseases.

I would like to thank the Board for their contribution to the business strategy and direction of the DDB. I also thank our staff for their commitment and drive to providing a quality service to our customers and stakeholders.

**Lisa Hunt**  
Chairperson

The Board's record in helping workers with dust diseases through compensation and assistance services is one of which we are proud.

## Corporate plan 2011–2015

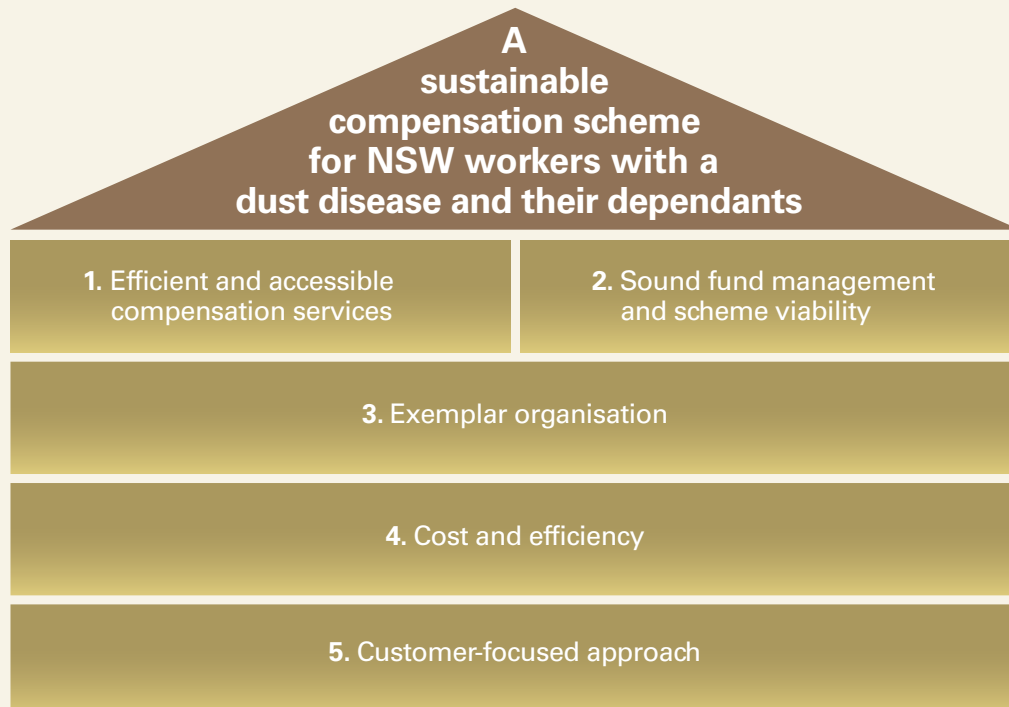
This Corporate Plan provides the framework for the Dust Diseases Board to deliver its services in accordance with the State Government's priorities as set out in the State Plan.

The Plan will guide our work to ensure our customers, the community and our stakeholders understand our priorities.

With the dedication of the Board and its staff, we will continue to deliver a socially just compensation system for workers and their families suffering from the effects of dust diseases.

### ► Our values

<i>Integrity</i>	I do what I say I will do
<i>Respect</i>	I value people
<i>Ethical Behaviour</i>	I am honest and fair
<i>Accountability</i>	I take responsibility
<i>Excellence</i>	I aim to deliver my best





Key result area	Key performance indicators	Target	2010/11 Results %
<b>1. Efficient compensation services</b>	1. Medical examinations undertaken within 30 days	75% by 2013 80% by 2015	50
▶ Quality and timely services			
▶ Simple application processes	2. Compensation applications determined within 42 days	70% by 2013 (85% by 2015)	51.8
▶ Sound decision making			
▶ Clear communication about our services, processes and decisions	3. Benefits and expenses paid within 14 days	80% by 2012 95% by 2013	80
	4. Accurate payment of entitlements	100%	100
<b>2. Sound fund management and scheme viability</b>	5. Accurate levy setting	98%	N/A*
▶ Effective governance, audit and risk management	6. Levies collected by due date	98% by 2012	N/A*
▶ Appropriate investment strategies	7. Average % return above like Fund	1% pa	N/A*
▶ Accurate actuarial assessments	8. Funding ratio	(90–110%)	106
▶ Proactive assessment of key cost drivers and trends			
<b>3. Exemplar organisation</b>	9. Staff satisfaction survey outcomes	>80% by 2013	N/A*
▶ Clear direction and support			
▶ Organisational capability to deliver our services	10. All DDB staff engaged in workplace safety and injury management	100%	100
▶ Effective performance management	11. All injured staff have sustainable return to work	100%	100
▶ A safe, supportive and productive workplace	12. All staff have a Development Plan	100% by 2012	N/A*
	13. Online performance management system in place	2012	N/A*
<b>4. Cost and efficiency</b>	14. Actual expenditure varies less than 2% from operating budget	100% compliance by 2012	100
▶ Evidence used to direct and prioritise our services			
▶ Operate within budget	15. Actual expenditure varies less than 2% from operating forecast	100% compliance by 2012	100
▶ Benchmark the cost of service delivery	16. Cost of service delivery is less than Treasury benchmark	<Treasury benchmark	N/A*
▶ Measure our outcomes			
▶ Manage our risks	17. Close out of action items raised in audit reports by due date	>80%	90
<b>5. Customer focused approach</b>	18. Fair and transparent decisions	<1% decisions varied by internal review or appeal	<1
▶ Customer Service Charter and service standards that are linked to our values			
▶ A consistent and seamless customer experience	19. Customer satisfaction with compensation services	>85% by 2013	>90
▶ Accessible, timely and accurate information	20. Application enquiries answered within 48 hours	100% by 2013	100
▶ Effective applicant referral pathways	21. Compliance with Service Standards	>90% by 2012	90
	22. Complaints resolved within 28 days	100%	100
	23. Compensation estate payment settled within 28 days of death notification	100%	100

\* No result is required in the 2010/11 financial year.



# About the Dust Diseases Board

## Vision

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

## Our purpose

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

## Who we are

The Dust Diseases Board provides a no-fault workers' compensation scheme to past and present workers who have developed a compensable dust disease from occupational exposure to dust as a worker in New South Wales.

## Our history

The New South Wales Parliament enacted the *Workmen's Compensation (Silicosis) Act* in 1920. Under that statute, two schemes of compensation were promulgated. A joint committee, with wide-ranging responsibilities, operated from 1927–38, later becoming Committee No. 1. In 1938, Committee No. 2 was set up, with particular responsibility for compensation issues arising out of the atmospheric dust content in specified industries. Access to the scheme was limited to stonemasons, quarrymen, rock choppers and sewer miners employed in the County of Cumberland. The Act and both Schemes were repealed, when a more comprehensive Act, referred to as the *Workers' Compensation (Silicosis) Act 1942* was introduced on 1 July 1942. Major amendments to the 1942 legislation followed in 1945, 1953, 1957 and 1958.

The 1942 legislation extended coverage of the scheme to allow for the payment of compensation to workers disabled by their exposure to silica dust from employment anywhere in New South Wales and to their dependants. The Workers' Compensation (Silicosis) Committee determined workers' eligibility and awarded compensation, managed the Workers' Compensation (Silicosis) Fund, from which payments and costs were provided, and controlled the Trust Funds held on behalf of dependants of deceased workers. The Committee consisted of two representatives of employers, two of employees and an independent chairman, all appointed by the Minister for Labour and Industry for an initial three year term. The Committee had exclusive jurisdiction to inquire into, hear and determine all matters and questions arising out of compensation claims, and depended upon medical certificates and findings of the Silicosis Medical Authority, consisting of three legally qualified medical practitioners appointed by the Minister.

Amending legislation referred to as the *Workers' Compensation (Dust Diseases) Amendment Act 1967* became effective from 29 February 1968. The Workers' Compensation (Silicosis) Committee was replaced by the Workers' Compensation (Dust Diseases) Board. The range of diseases for which workers and their dependants could be compensated was widened to cover 24 dust diseases including those caused by asbestos. The Act became known as the *Workers' Compensation (Dust Diseases) Act 1942*. Workers employed and exposed to dust in coal mines and Broken Hill mines were not covered by this scheme.

In 1977 the *Workers' Compensation (Dust Diseases) Act 1942* was further amended to provide for the twice yearly adjustment to the rate of compensation benefits.



## A Brief History of the use of Asbestos Products in New South Wales.

Asbestos was often referred to as the 'wonder mineral'. It had properties that made it durable and resistant to a wide range of conditions including heat, corrosive chemicals, electricity, noise and vibration. It is estimated that asbestos was used in over 3000 products, with the majority being building materials made from asbestos cement for use in the construction industry.

In New South Wales during the post war building boom of the 1950's, over 50% of new houses (some 70, 000) were built with asbestos cement sheet products, commonly known as "fibro". Not surprisingly, trades such as electricians, carpenters, plumbers and builders labourers continue to be the occupations with the highest numbers of compensated cases in New South Wales. Cutting, sanding and drilling into asbestos containing materials were tasks that were frequently performed, and with the use of power tools generated large amounts of dust. Other occupations such as fitters, ladders and boilermakers were exposed to asbestos because they were often involved in the repair and maintenance of asbestos insulated equipment for e.g. electrical equipment, steam pipes and boilers.

The industry group from which the highest numbers of cases arise is the building industry. This is followed by the transport equipment manufacturing industry which includes shipbuilding and railway locomotive building and maintenance where much asbestos material was used for the lagging of steam engines. Many cases came from the asbestos manufacturing industry where occupational exposures were to raw asbestos and asbestos containing products. Steelworks and power stations were also places where many asbestos products were commonly used. In NSW, the addition of asbestos in newly manufactured products stopped in the mid 1980's.

Additional amendments in 1983 included an extension of the definition of the phrase 'dust disease' and the provision of an avenue of appeal against decisions of the Medical Authority. In 1989 amendments to the Act allowed for the establishment and funding of the Dust Diseases Tribunal of New South Wales.

The *Workers' Compensation (Dust Diseases) Act 1942* was amended in February 1996 by the provisions of the *WorkCover Legislation Amendment Act 1995* repealing the *Workmen's Compensation (Broken Hill) Act 1920* and transferring the balance of the Broken Hill Compensation Fund to the Dust Diseases Fund. The Workers' Compensation Dust Diseases Board was then provided with the legislative authority to administer all existing compensation awards made by the Broken Hill Scheme prior to its Act being repealed.

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

### What we do

The Dust Diseases Board provides a no fault compensation scheme to people who have developed a dust disease from occupational exposure to dust as a worker in New South Wales. Our services include:

- ▶ Undertaking medical examinations of applicants for workers' compensation benefits and for occupational screening. Examinations include lung function tests, chest x-rays and examination and interview by a respiratory physician. Examinations are conducted at our Sydney office, on our mobile respiratory screening unit and through a network of medical practitioners in NSW and interstate.
- ▶ Facilitating the decision making process of the Medical Authority. The Medical Authority has legislative responsibility for determining whether an applicant for compensation has a dust disease under the Act, the extent of any disability caused by the dust disease and the level of occupational exposure as a worker in NSW that contributed to the causation of the disease.
- ▶ Facilitating the decision making process of the members of the Board of the Dust Diseases Board. The Board has the legislative responsibility for determining whether a person is a worker under the Act (involving a review of the applicant's industrial history and preparation of detailed reports for Board consideration), and determines the amount of an award to be made in accordance with the Act.
- ▶ Paying compensation benefit payments to all beneficiaries under the Dust Diseases Scheme and the payment of hospital, medical, ambulance and other related expenses incurred as a result of a beneficiary's compensable dust disease.
- ▶ Managing, on behalf of dependent beneficiaries of deceased workers, lump sum compensation payments awarded by the Board and held in the Dust Diseases Trust Fund.

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

The Portfolio Minister is the New South Wales Minister for Finance and Services. The Board is subject to the direction and control of the Minister and reports on its performance to the Minister. The Board is responsible to the Minister through the Chair of the Board. The current Minister for Finance and Services is the Hon. Greg Pearce, MLC.

### Our compensation process

Past and present workers wanting to apply for compensation to the Dust Diseases Board are required to:

1. Complete an application for medical assessment and an application for compensation.
2. Undertake a medical assessment which includes a breathing test, chest x-ray and a medical examination.
3. Attend an interview with one of our Industrial History Officers, who will assist the applicant to identify their dust exposure in the workplace.

The Board's Medical Authority reviews an applicant's medical information and dust exposure assessment and certifies:

- ▶ the existence of a dust disease
- ▶ the extent of any disability resulting from the dust disease
- ▶ whether the dust disease resulted from exposure to dust in NSW and the extent of that exposure.

Once the Medical Authority has issued its certificate, the application is considered by the DDB's Board. The Board determines whether the applicant was a worker during any periods of occupational exposure to dust in New South Wales and, if so, the applicant's compensation entitlements.

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

## Our legislation

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

- ▶ *Workers' Compensation (Dust Diseases) Act 1942*
- ▶ *Workers' Compensation (Dust Diseases) Regulation 2008*
- ▶ *Workers Compensation Act 1987*
- ▶ *Workers Compensation Regulation 2003*
- ▶ *Workplace injury Management and Workers Compensation Act 1998*

## Our corporate direction and reporting

The 2010/11 Annual Report is structured to provide information using the key result areas and organisational outcomes identified in the 2010/11 Corporate Plan. The key result areas are:

- ▶ efficient and effective compensation services
- ▶ sound fund management and scheme viability
- ▶ exemplar organisation
- ▶ cost and efficiency
- ▶ customer focused approach

The financial statements contain the audited financial statements for the year ended 30 June 2011.

The appendices to this report provide additional information required under the *Annual Reports (Statutory Bodies) Act 1984* and its regulations, the *Government Information (Public Access) Act 2009*, Treasury Circulars and Premier's memoranda.

## Our contact details

### Workers' Compensation Dust Diseases Board

Level 2, 82 Elizabeth Street Sydney NSW 2000  
GPO Box 5323, Sydney NSW 2001  
Ph: (02) 8223 6600 or toll free on 1800 550 027  
Email: [enquiries@ddb.nsw.gov.au](mailto:enquiries@ddb.nsw.gov.au)  
Website: [www.ddb.nsw.gov.au](http://www.ddb.nsw.gov.au)

Hours of Business: 9:00am–5:00pm Monday–Friday  
(public holidays excepted)

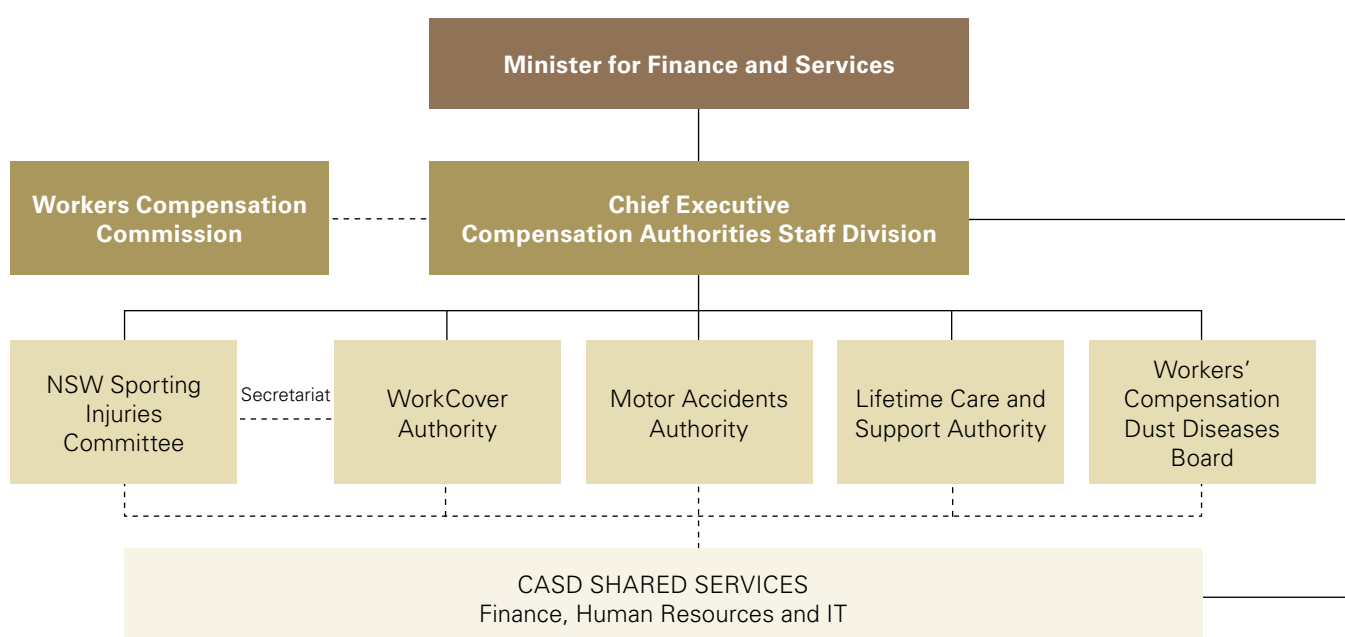
### Bureau of Medical Inspection

Suite G01, 32 Sulphide Street,  
Broken Hill NSW 2880  
Ph: (08) 8087 2405

Hours of Business: 9:00am–1:00pm Monday–Friday  
(public holidays excepted)

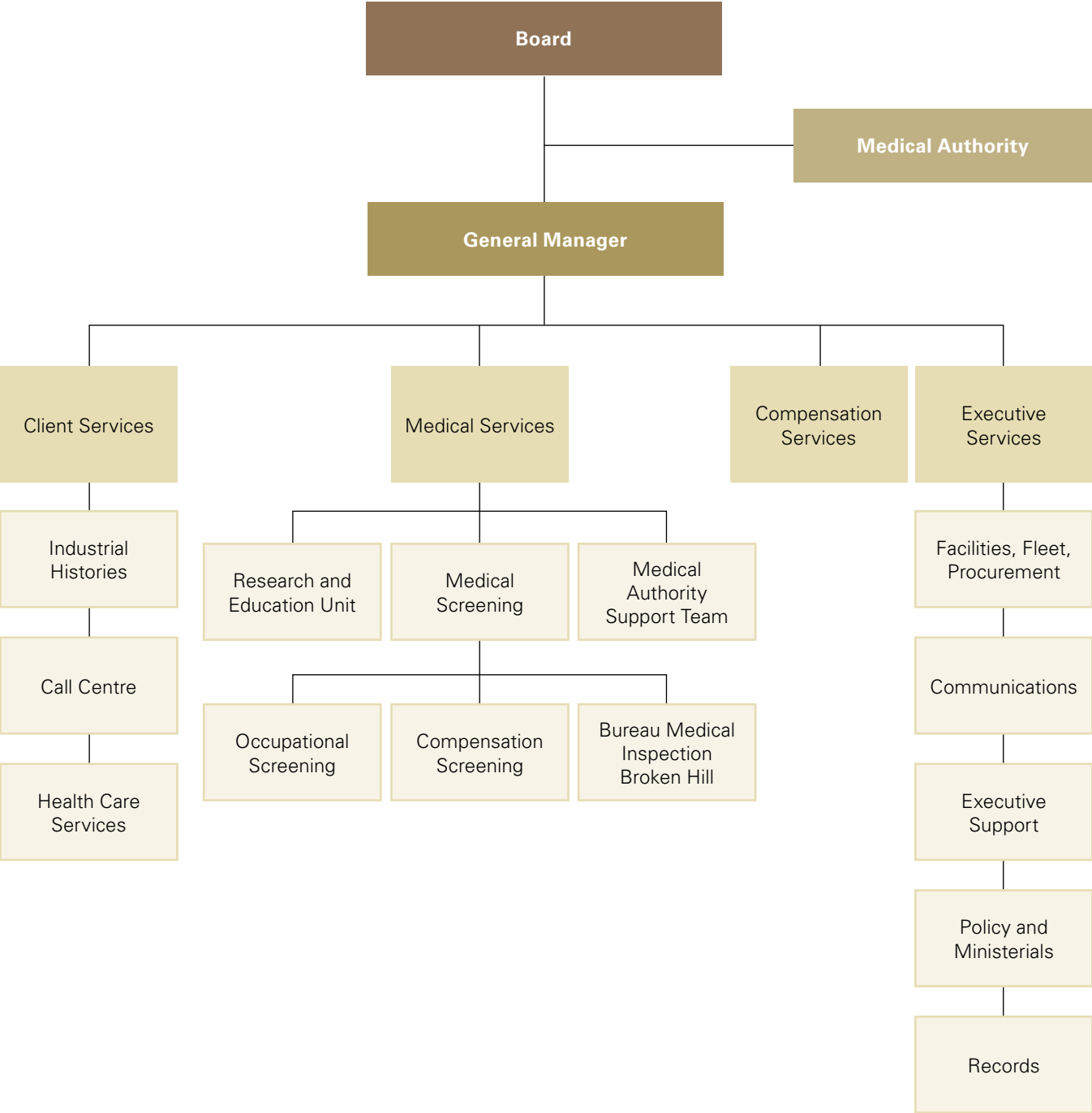
# Organisational charts

## Compensation Authorities Staff Division





Dust Diseases Board



Note: The DDB has a shared services arrangement with other CASD agencies for the provision of information technology, financial and human resource services.

# The Board, Medical Authority and senior management

## The Board

The Board is constituted under the *Workers' Compensation (Dust Diseases) Act 1942*.

The Board has seven members: an independent chairperson, three representatives of employers and three representatives of employees. All Board members are appointed by the Minister for Finance and Services for a period of three years.

The composition of the Board is designed to reflect the widest possible spread of industrial, managerial and occupational health and safety skills in the dusty trades. Members have a wide range of experience including engineering and workers' compensation through to extensive shop floor and employee relations experience.

The Board approves awards of compensation. The Board's decision making is supported by a membership with relevant and practical understanding of the processes, methods and materials in the industries where workers have been exposed.

The work of the Board is supported by a number of sub-committees being:

- ▶ Corporate Governance Committee
- ▶ Compensation Authorities Staff Division Audit
- ▶ Investment Committee
- ▶ Research Grants Committee.

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

- ▶ determine claims for compensation made under the Act (s5(2))
- ▶ make determinations as to the classes of employment where there is a risk of contracting a dust disease (s6(3))

- ▶ administer the Workers Compensation Dust Diseases Fund (the Fund) (s6(2))
- ▶ estimate the amount to be expended from the Fund for each year (s6(4))
- ▶ make payments from the Fund for compensation payments, fees payable to members of the Board and the Medical Authority and for remuneration of the Board's staff (s6(2))
- ▶ make grants from the fund for research and to victims support groups (s6(2A))
- ▶ pay the costs involved in the operation of the Dust Diseases Tribunal of New South Wales including the remuneration of its staff.

The Board is responsible for the corporate governance of the organisation and as far as practicable, for ensuring that the Board's activities are carried out properly and efficiently. The Board:

- ▶ endorses the Strategic and Corporate Plans in conjunction with management
- ▶ oversees the claims determination ensuring it is operating in accordance with its vision statement and purpose
- ▶ sets policies for the business operation of the Board
- ▶ manages organisational risk ensuring risk assessments are regularly undertaken, putting in place a risk management plan and policies to control and minimise risk
- ▶ ensures compliance with laws, ethical standards and government directions
- ▶ provides independent guidance to the management of the Board
- ▶ sets performance criteria for the organisation
- ▶ monitors and reports on organisational performance
- ▶ finalises budgets, allocates funds, monitors and reports on financial performance
- ▶ evaluates services and programs
- ▶ evaluates board performance.

### The Board's Charter and Statement of Conduct

In 2010, the Board developed a new Charter to assist the Board in carrying out its functions. The Charter includes this public statement on how it intends to discharge its responsibilities.

The Board members agree to:

- ▶ Comply with the laws of New South Wales and the Commonwealth of Australia and with the provisions of this Code of Conduct. Where there is no relevant legislation, then the directors are committed to complying with the appropriate recognised Australian or International Standard of best practice
- ▶ Endorse the principles of Corporate Governance as a way of providing stewardship to the organisation. The members recognise that Corporate Governance goes beyond legal standards and focuses on the effective management of relationships to produce enhanced corporate performance
- ▶ In accordance with the principles of Corporate Governance members of the Board ensure that they:
  - ▶ are scrupulous in the use of their position
  - ▶ act conscientiously and with due care and skill, honestly, impartially and disinterestedly and be seen to do so
  - ▶ act fairly and with due regard to the rights and interests of the people of New South Wales and workers affected by dust diseases
  - ▶ ensure that they have or acquire a thorough working knowledge of the Dust Diseases Board's policies, procedures and operations
  - ▶ will disclose to the Board any matter which might lead to a potential or actual conflict of interest and will not participate in any decision-making affected by such conflict of interest
  - ▶ will treat all information to which they have access with utmost security and confidentiality and will not disclose such information to anyone without the authorisation of the Board
  - ▶ are prudent in their management to organisational resources.

### Key achievements

During the year the Board undertook a strategic review of the current operating model and the DDB's capacity to meet its customer service delivery needs and maintain a sustainable compensation scheme. The outcomes of that review together with the findings of the customer satisfaction survey were reflected in a new three-year Corporate Plan.

The Board also undertook a number of key activities to better understand the drivers impacting on the Board's performance; improving benefits for customers and corporate governance. The Board:

- ▶ undertook a demographic assessment of the location of its customer base to better inform service delivery, particularly in regional areas
- ▶ worked with the NSW government to increase the lump sum benefits payable to the dependants of deceased workers
- ▶ worked with the Board's actuaries to improve the assessment of future claims incidences and costs to the Board
- ▶ developed a new corporate plan and new corporate values to drive organisational performance over the coming years
- ▶ reviewed its formula redeeming benefits payable to dependants of deceased workers with a view to achieving a more equitable outcome for dependants of all ages
- ▶ made submissions to Worksafe Australia on the draft model health and safety regulations and the asbestos code
- ▶ developed a policy for the investment of funds in emerging markets
- ▶ developed a new Board Charter and updated its Conflict of Interest policy and procedures
- ▶ approved a training program for Board members.

One of the Board members, Sylvia Kidziak, AM, was appointed a member of the National Asbestos Review.

### The year ahead

In the coming year, the Board will concentrate on continuing to improve the quality and timeliness of customer services and the Board's financial performance, particularly in relation to the management of its invested funds.



## Members of the Dust Diseases Board



**Lisa Hunt – Chairperson**

BA LLB

In January 2010, Lisa Hunt was appointed Chief Executive Officer, WorkCover NSW and Chief Executive, Compensation Authorities Staff Division, which oversees the offices of WorkCover Authority, Dust Diseases Board, Motor Accidents Authority, Lifetime Care and Support Authority and the Sporting Injuries Committee. Lisa is a former senior executive at infrastructure owner, operator and developer Transurban Limited. Lisa also has significant experience on private and public sector boards.

Lisa commenced her career in law before working in government in a range of sectors including: immigration, regulatory systems, transport and infrastructure development.



**Sylvia Kidziak**

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

Ms Kidziak is Managing Director of SL Engineering, a Councillor on the NSW Business Chamber Sydney North Regional Council and held the position of Principal Consultant, Occupational Health, Safety and Environment Policy at Australian Business Ltd for 26 years. Ms Kidziak is Chair of the ARPANSA Radiation Health and Safety Advisory Council and Member of the NSW Workers Compensation and Workplace Occupational Health and Safety Advisory Council. She was formerly a Commissioner on the Australian Safety and Compensation Council and the National Occupational Health and Safety Commission, Chair of the Occupational Health, Safety and Rehabilitation Council of NSW, Board Member of the NSW Cancer Council, Director on the NICNAS Industry Government Consultative Committee and Chair or member of various other Councils and Committees at the state and federal level concerned with occupational health and safety, workers compensation, radiation protection and nuclear safety.

In addition Ms Kidziak is a Board member of the Asbestos Diseases Research Foundation at ADRI and Chair of the Executive Committee. Ms Kidziak Chairs the Board's Research Grants and Corporate Governance Committees. She is also a member of the Australian Government Asbestos Management Review expert advisory group.

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



**Brian Eichhorn**

Mr Eichhorn is the representative of Australian Federation of

Employers & Industries. Brian has worked in manufacturing industries all his working life. For the past thirty-five years he has held senior positions in Human Resources Management. Mr Eichhorn has qualifications in Human Resources and Occupational Health and Safety. He is a trustee of his company's superannuation fund and is a member of the Board's Research Grants and is Chair of the Investment Committees. Mr Eichhorn also represents the Dust Diseases Board on the Asbestos Diseases Research Foundation.



**Ray Petty**

FCCA FCIS AICD AAIM CPIM JP

Mr Petty was first appointed Board Member of the NSW Dust Diseases Board in 1999 representing the Australian Industry Group. He is also a Committee Member of the NSW Compensation Authorities Staff Division, Audit and Risk Committee. He has a career in Finance, Administration and Business Management spanning some 40 years.

Mr Petty holds professional affiliations in finance and administration, for Accounting, Company Secretarial, Company Directors and Management and is a practising Justice of the Peace. In 2010 he was registered to the NSW Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members.

His background covers Manufacturing Industry in the Rubber and Iron Casting Industries in New South Wales, Victoria and South Australia, specifically spanning the Australian Automotive Industry. He held the position of Manufacturing Group General Manager – Toyo Tyre & Rubber Australia to 2009, consulted to Fidax Foundry and PBR Automotive both in Australia and its China venture. Prior to this he held wide spread positions in the Interplast & Forge and BTR Nylex Groups in Finance and General Management over a 30-year period.

This automotive industry background resulted in him holding the position of President, Northern Region, Federation of Automotive Product Manufacturers (FAPM) for 11 years and as a Director and Vice President of its National Executive Council.

This diverse background has led Mr Petty to have liaised extensively with both State and Federal Governments, large and small businesses, employer and employee organisations across the business spectrum.



**Rita Mallia**

Ms Mallia has been the Senior Legal Officer for the

Construction, Forestry, Mining and Energy Union NSW, Construction and General Division, since February 2000. From 1996 to February 2000 Ms Mallia was the Union's Workers' Compensation Officer. In her role Ms Mallia provides legal assistance to the union, its officials and members of CFMEU in many matters including workers compensation and industrial issues. Ms Mallia also represents the CFMEU on the Construction Industry Reference Group, the Vocational Training Appeal Panel and the NSW Occupational Health & Safety and Workers Compensation Advisory Council. Ms Mallia also represents the Dust Diseases Board on the Asbestos Diseases Research Foundation. Ms Mallia is also a director on the Board of the Schizophrenia Research Institute. Ms Mallia is a director of United Super Pty Ltd (CBUS). Ms Mallia is a member of the Board's Research Grants Committee.



**Dave Henry**

Mr Henry is the Occupational Health and Safety Officer for

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

He is the current Chairperson of the Industrial Health and Research Foundation (t/a Workers Health Centre) and Acting Chair of the Asbestos Diseases Research Foundation based at the Burnie Banton Centre Concord.

Mr Henry is a member of the NSW Workers' Compensation and Occupational Health and Safety Advisory Council. Since 2003, Mr Henry has sat on a number of Australian Standards committees and is at the forefront in developing health and safety policy and standards throughout industry both in this forum and others. Mr Henry is also a WorkCover accredited trainer. Mr Henry is a member of the Board's Corporate Governance and Research Grants Committees.

**Nick Allen**

Mr Nick Allen was appointed to the Board as a member representing employees for a term covering the period July 2008 to September 2011.

**Stephen Bali**

Mr Stephen Bali was appointed to the Board as a member representing employees for a term covering the period November 2010 to June 2011.

## Meetings of the Board

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

	Meetings attended
<b>Chairperson</b>	
L. Hunt	11
<b>Employer Representatives</b>	
S.W.S Kidziak, AM (Member)	10
B. Eichhorn (Member)	10
R. Petty (Member)	11
A. Garner (Alt. Member)	0
A. Thomas (Alt. Member)	0
<b>Employee Representatives</b>	
R. Mallia (Member)	10
D. Henry (Member)	9
S. Bali (Member – appointed November 2010)	0
N. Allen (Member – appointment ended September 2010)	1
S. Robinson (Alt. Member)	8
A. Sawtschuk (Alt. Member)	1
D. Belan (Alt. Member)	0

## Dust Diseases Board senior managers

### Ms Anita Anderson

Diploma of Government (Policy Development)  
General Manager

### Dr Giles Yates

BA, MA, PhD, Grad Dip Public Administration

### Ms Michele Daley

BA/SocSci MTD  
Director, Client Services

## The Medical Authority

The Medical Authority is one of the two essential elements required for the granting of an award of compensation for a dust disease. While the Board is required to approve the award after certifying that the applicant was a worker, the Medical Authority has responsibility to declare that the applicant has a dust disease as a result of exposure as a New South Wales worker and assesses the degree of disability resulting from the dust disease.

The Medical Authority consists of three senior respiratory physicians, appointed by the Minister, one nominated and appointed as chairperson by the Minister, one nominated by and representing employers and the other nominated by and representing employees.

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

## Meetings of the Medical Authority

A total of 39 meetings were held during the year. Attendances are indicated below:

	Meetings attended
<b>Chairpersons</b>	
Associate Professor D. Bryant (Chairperson) MBBS (Syd), MRACP, FRACP	18
Dr P. Corte (Alt. Chairperson) MBChb, FCP (SA)	12
Dr I.T. Gardiner (Alt. Chairperson) MBBS (NSW), FRACP	8
<b>Employer Representatives</b>	
Dr G. Kauffman (Member) MBBS (Hons) BSC(MED) (Hons) FRACP	15
Dr J.S. Mann (Alt Member) MBBS (Syd), MD (Syd), FRACP	13
Dr E. Clark (Alt. Member) MBBS, MRCP (Lond)	10
<b>Employee Representatives</b>	
Dr C. Clarke (Member) MB, PhD (Lond), LLM, FRACP	23
Dr G. Hart (Alt. Member) MBBS, MRCP (Lond), FRACP	12
Dr M. Burns (Alt. Member) MBBS, PhD (Lond), FRACP, FRCP (Lond)	0



# Customer services

Our Customers include past and present workers exposed to hazardous dusts in the workplace, their dependants and families.

As at 30 June 2011 the Dust Diseases Board provided compensation benefits to 3822 customers, being 1100 workers and 2722 dependants of deceased workers.

The Board's services include:

- ▶ payment of compensation benefits to eligible workers and dependants
- ▶ co-ordination and payment of medical and related expenses for affected workers
- ▶ free medical examinations to workers exposed to dust in the workplace
- ▶ occupational screening service for employers including our mobile screening vehicle the 'Lung Bus'
- ▶ information and education
- ▶ pre-employment hearing tests at our Bureau of Medical Inspection, Broken Hill.

## Key achievements

The Board, in line with the objectives of the new Corporate Plan, undertook a number of activities to improve the range, quality and timeliness of its customer services. We:

- ▶ improved waiting time for medical examination appointments at our Sydney office to less than 21 days
- ▶ entered into a contract with Coal Services Health to provide medical examinations on behalf of the Board in the Hunter, Illawarra and Lithgow areas
- ▶ introduced a telephone service to advise applicants of the outcome of applications and answer questions about benefits within two days of awards being made
- ▶ improved the content of letters advising applicants of award decisions and developed an accompanying information sheet to better explain the award determination process and the basis of the award decision
- ▶ expanded the range of customer information sheets explaining the Board's services and processes
- ▶ expanded the number of disabled workers assisted by our Health Care services team to access medical and related treatment for their dust disease.

## Our Customer Service Charter

During the year, the Board reviewed and updated our Customer Service Charter. The Charter sets out how the Dust Diseases Board will make sure our customers receive a high standard of service from us.

The Dust Diseases Board will provide to its customers:

- ▶ information on the services offered and customer rights and responsibilities
- ▶ a respectful, courteous and professional service
- ▶ responses to enquiries and requests for information in an accurate and timely manner
- ▶ access to services between 9:00am and 5:00pm Monday to Friday (except public holidays)
- ▶ qualified interpreters to customers who do not speak English
- ▶ access to the National Relay Service if a customer is hearing and/or speech impaired
- ▶ a referral to an alternative contact point if the Dust Diseases Board is unable to provide the service required.

Customers of the Dust Diseases Board can expect:

- ▶ to be treated with courtesy and respect
- ▶ to receive the same level of service as all other Dust Disease Board customers
- ▶ Dust Diseases Board staff to observe the highest standards of ethical and professional behaviour
- ▶ Dust Diseases Board staff to be impartial and open with customers when dealing with their enquiry or application
- ▶ their privacy to be protected
- ▶ to be advised of the progress of their application or enquiry
- ▶ Dust Diseases Board staff to communicate with customers clearly and concisely
- ▶ to have a decision about their application for compensation reviewed if they disagree with that decision.

## Some messages received from our customers and their families

We thought we would share some of the thoughtful messages that we received from our clients and their families throughout the year:

‘Thank you so much for the speed with which you responded to my various needs. I found it encouraging to know that such a response was possible.’

‘You made us feel so comfortable during my interview that it almost felt like a social occasion!’

‘The handling of my industrial history report and its accuracy must be commended.’

‘I would like to take a few minutes of your time to let you know how efficient, courteous and caring the staff of the Dust Diseases Board are.’

‘Thank you for your prompt response and I thank the Lord for the Dust Diseases Board.’

‘I would like to express my gratitude for the attention and compassion shown to me by the DDB throughout this ordeal.’

## Customer satisfaction survey

In December 2010 Marketing Metrics was engaged to undertake a customer satisfaction survey for the Dust Diseases Board.

A total of 214 customers, covering both workers and dependants, were surveyed.

Customers were asked to rate the importance of the 12 factors relevant to Dust Diseases Board service delivery in terms of importance to them and their satisfaction with that aspect of service delivery.

Customers were also asked a number of supplementary questions about how they found out about the Dust Diseases Board, the application process and their use of the Dust Diseases Board’s website.

The relative importance of all key factors was tested on respondents. The survey found no one factor stood out as statistically more important than any other. However, qualitatively the higher importance factors were found, for respondents overall as well as for workers and dependants separately, to be:

- ▶ the clarity of the Dust Diseases Board’s communication about services provided to the customer
- ▶ the willingness of staff to listen to the customer
- ▶ the dignity and respect shown by staff
- ▶ the knowledge and experience of the staff the customer dealt with.

Overall interviewees rated the overall performance of the Dust Diseases Board very favourably (97 per cent of respondents), while 2 per cent rated their overall performance unfavourably.

All respondents rated the Dust Diseases Board favourably, with nearly all factors being rated in excess of 90 per cent favourably, with the only exception being the customer factor with the issue – *The timely handling of your application for compensation* (88 per cent).

The report found no significant variance between responses given by workers or dependants.

The highest customer ratings were recorded against the following factors:

- ▶ the dignity and respect shown by staff (98 per cent)
- ▶ the courteousness and helpfulness of staff (98 per cent)
- ▶ the willingness of staff to listen to you (98 per cent)
- ▶ the knowledge and experience of the staff you dealt with (96 per cent).

Conversely, the factor, the clarity of *Dust Diseases Board communication about services provided to customers*, had the highest unfavourable factor at 6 per cent.

A small proportion of respondents (17 per cent) wanted service improvement. The factor customers identified most frequently for improvement was the *clarity of the communication about services provided to you* (32 per cent).

The survey identified doctors as the primary information source about the Dust Diseases Board with 65 per cent of respondents indicating their doctors as the contact point, followed by a Solicitor (12 per cent) and Work Colleague (9 per cent).

The information provided by our customers was used to help develop the new Corporate Plan and time standards for key services.

## Compensation Services

The Compensation Services team is responsible for the administration of workers' compensation benefits awarded to workers and their dependants.

### Compensation awards granted

	2008/09	2009/10	2010/11
New worker awards	288	262	286
New medical expense awards	25	26	42
Dependants awards	192	213	197
<b>Total awards</b>	<b>505</b>	<b>501</b>	<b>525</b>

A total of 767 applications for compensation were received over the 2010/11 financial year; 563 applications were made by people who had been exposed as a worker while 204 applications were made by the dependants of a deceased worker.

The Board approved 286 new awards of compensation to workers who had been certified by the Medical Authority as being disabled for work as a result of their dust disease. The award consists of a weekly compensation benefit, payment of all medical and related treatment expenses and payment of funeral expenses. Allowances are paid for a dependant spouse and any dependant children aged up to 16 years or until 21 years if enrolled as a full time student.

An additional 197 new awards of compensation were made to dependants of deceased workers. Awards to the dependants of a deceased worker consist of a lump sum payment together with weekly benefits.

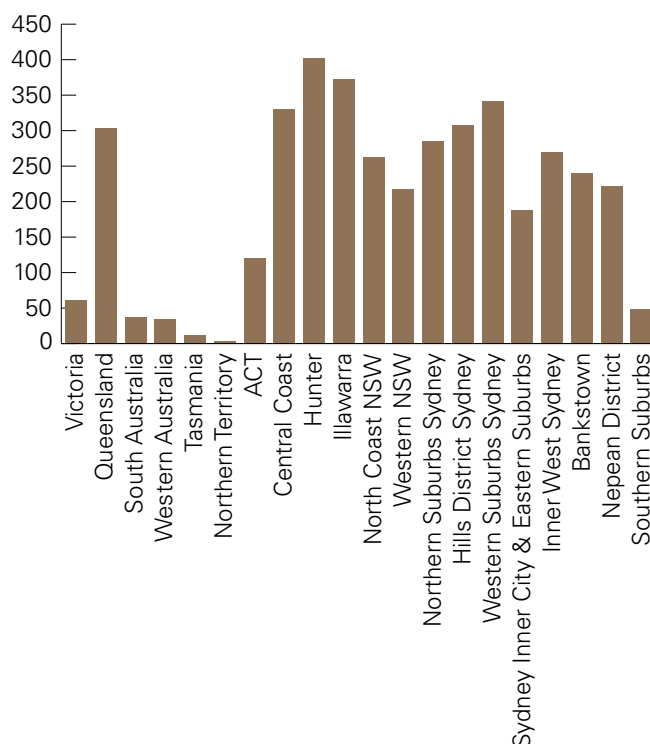
The Board approved 42 new awards for the reimbursement of medical expenses for workers who were still in paid employment and ineligible to receive weekly benefits.

As at 30 June 2011 the Dust Diseases Board provided compensation benefits to 3822 customers being 1100 workers and 2722 dependants of deceased workers.

The total amount of compensation benefits paid out by the Board increased by 7.1 per cent to \$80.065m of which \$7.167m was paid out to over 867 workers for medical and treatment expenses relating to their dust disease.

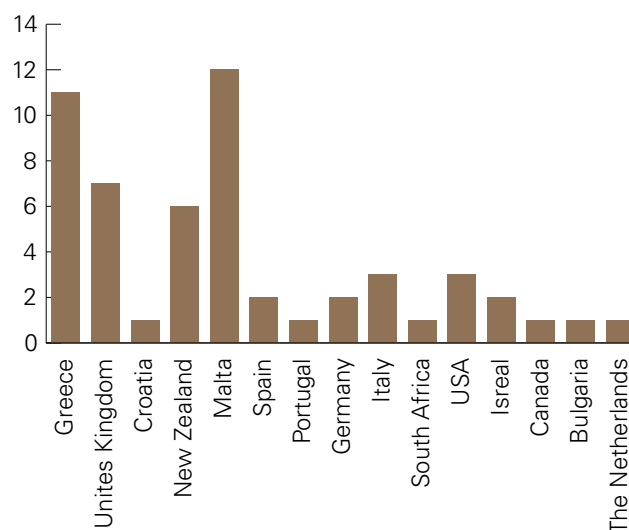
The majority of our beneficiaries (44.7 per cent) reside in the Sydney area. A further 40.5 per cent live in regional New South Wales, while 14.8 per cent live in other states and territories and 1.4 per cent (54 beneficiaries) live overseas.

### Beneficiaries by region 2010/11



\* The above figures include beneficiaries in receipt of compensation in the 2010/11 financial year but who were deceased as at 30 June 2010.

### Beneficiaries residing overseas 2010/11





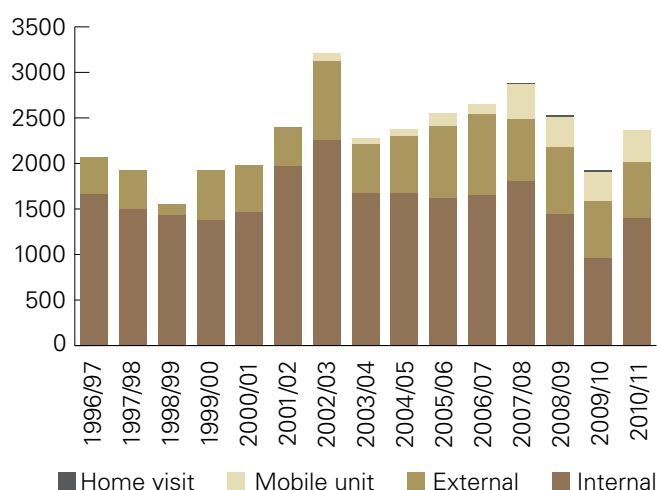
## Medical screening

Past and present workers exposed to hazardous dusts in the workplace may apply to the Dust Diseases Board for a free medical examination to determine if they have a compensable dust disease. The Dust Diseases Board provides a team of respiratory physicians, radiographers and lung function scientists who examine applicants at the Dust Diseases Board's Sydney premises. The examinations include a pulmonary function test and chest x-rays. Applicants residing interstate or in regional locations, are examined on behalf of the Dust Diseases Board by a medical practitioner in their local area or on the Dust Diseases Board's mobile respiratory screening unit. If an applicant is unable to leave their home due to illness the Dust Diseases Board will arrange for a respiratory physician to visit the applicant at home.

Applicants who are found not to have a dust disease are invited to make appointments for ongoing DDB screening examinations to ensure that they receive any compensation entitlements if they develop a dust disease. Similarly applicants who have a dust disease in the future are invited to return for regular DDB screening examinations to monitor disease progress and to ensure that they receive their full entitlements.

A total of 2365 applicants were examined in the 2010/11 financial year. This is a significant 25 per cent increase from the previous financial year when 1925 applicants were examined. A graph of the number of medical screenings examinations each financial year appears below.

Comparison of medical screenings by year



## Industrial history services

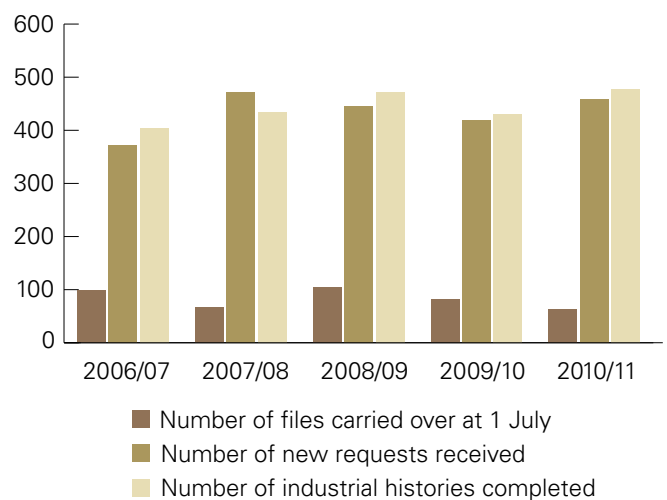
The Dust Diseases Board's Industrial History Officers (IHO's) conduct interviews to compile an applicant's industrial history in support of their claim for benefits. Some interviews are carried out over the telephone and some at the applicant's home, or in hospital. The Board provides a timely service to all its customers, but is able to respond quickly where an applicant is suffering serious health issues and a report needs to be prepared urgently.

Industrial Histories are detailed reports that provide a description of an applicant's employment history, including details as to the location, nature and conditions of each employment, any areas or processes where dust was encountered and the frequency and duration of those exposures.

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

The number of Industrial History reports completed by the DDB rose by 15.7 per cent in 2010/11 from 413 in 2009/10 to 478. The DDB completed 63.6 per cent of those reports within 42 days.

Industrial history reports





### Appreciation for a job well done!

Most of us at some point will have had the experience of struggling to recall details, partially when the incident in question may have occurred several decades ago.

However, this task is even more onerous when you are trying to remember the stories heard from your late husband as he reminisced about his previous working life in Australia.

This happened to Mrs B when her late husband passed away as result of his asbestos related dust disease. Mr B had immigrated to Sydney, NSW as a young man on a £10 fare and had quickly obtained employment in his regular trade.

After a few years living and working in Sydney, Mr B grew homesick and decided to return to the United Kingdom where he met and married Mrs B.

Mrs B was initially in two minds about making an application for compensation benefits as the dependant of a deceased worker. Mrs B felt that she did not know enough about her late husband's work to make a valid application and also found the paperwork overwhelming.

That was until one of the Dust Diseases Board's dedicated Industrial History Officers, Rob Newham contacted Mrs B

by phone to discuss her application with her. Rob explained that his primary role was to collect as much information that she could recall about her late husband's work in Sydney.

'I really enjoyed this job from the start,' Rob advises. 'It did involve a couple of nights working back late due to the time differences between Australia and the United Kingdom. However, Mrs B was so nice and extremely grateful that we were going to so much effort to assist her.'

During the course of three phone calls Rob was able to coax enough bits and pieces of information from Mrs B to provide a basic framework to construct an employment history for her late husband. Rob also made contact with Mr B's brother-in-law who was able to provide some additional valuable information about Mr B's employment in NSW.

'With the information that I was able to get from Mrs B and her brother-in-law I was able to get stuck into the research, which of course, is one of the most interesting aspects of this job. I found out some stuff about Brown's Wharf, which used to be located near Woolloomooloo, and hadn't been researched by our team before. I also tracked down and interviewed Mr B's cousin and finally put together an accurate picture of what Mr B's job would've been like.

'A few weeks ago I received a phone call advising that a lady was waiting in our Medical Centre and had asked to see me. You could not imagine my surprise when I realised it was Mrs B. She was visiting friends in Australia and decided to visit the Dust Diseases Board office to personally thank me.'

## Medical Authority Support Team

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

Some applicants apply to the Dust Diseases Board after they have been diagnosed with a dust disease by their own doctor. The Medical Authority Support Team obtains all relevant medical reports and x-rays from these applicants or from their treating doctors.

If the Medical Authority decides that further medical information is required to determine an applicant's claim, the Medical Authority Support Team will obtain the information or arrange for additional diagnostic tests to be performed.

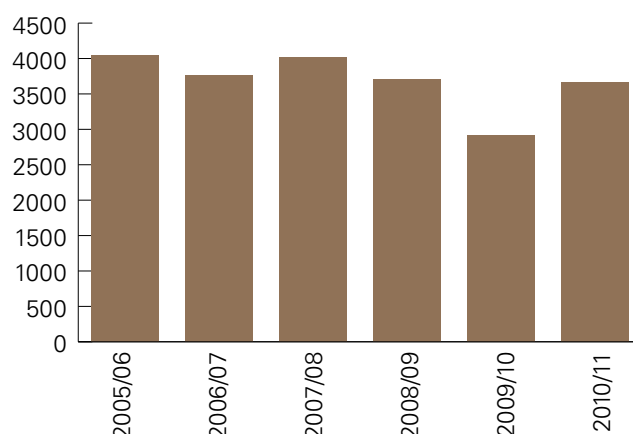
The Team records the decisions of the Medical Authority and advises applicants of decisions made by the Medical Authority. The Team also provides copies of DDB medical results to an applicant's treating doctors as required.

When the DDB is notified that a worker in receipt of benefits with one or more dependants has died, the Medical Authority Support Team liaises with the bereaved family to obtain the relevant information for the Medical Authority to make a decision about whether the death was due to a dust disease. This information is required to determine the dependant's compensation entitlements.

The Medical Authority considered 3658 cases in the year; a 25 per cent increase over the number of cases considered in 2009/10. The Medical Authority certified:

- ▶ 348 new cases of a dust disease
- ▶ 1787 cases where there was no dust disease or where a dust disease was not reasonably attributable to occupational exposure as a worker under the Act.
- ▶ 706 reviews of applicants who have previously been certified with a dust disease
- ▶ 220 deaths certified as resulting from a dust disease
- ▶ 473 cases were deferred pending more information.

### Comparison of cases presented to the Medical Authority by year





### Information and education

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

During the 2010/11 financial year the Dust Diseases Board developed the following new fact sheets:

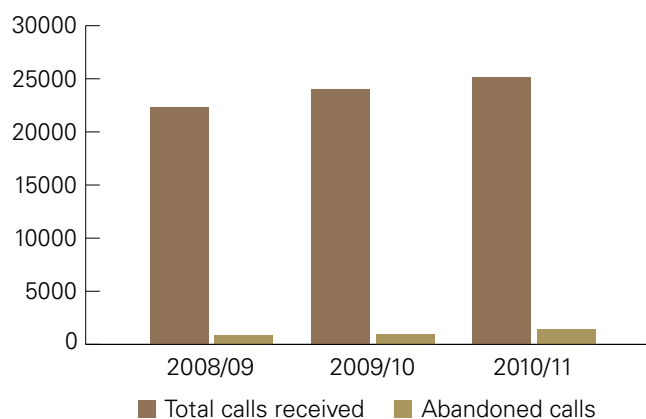
- ▶ Applying for workers compensation benefits
- ▶ Respiratory medical examinations
- ▶ Industrial history interview and report
- ▶ Workers' compensation benefit for dependant spouse/partner.

The Dust Diseases Board will be focusing on redesigning its internet webpage in the 2011/12 financial year to better reflect the needs of its customers and the community.

### Call Centre

The Call Centre is the first point of contact with the DDB and our staff are trained to answer all questions that an applicant might have in regard to the application process and functions of the DDB.

#### Comparison of incoming calls by year



The Call Centre received approximately 25,148 inbound calls in the 2010/11 financial year; a slight increase on the 24,000 approximate calls received in the previous financial year.

The average waiting time for a call to be answered was 38 seconds which is consistent with last year's reported average waiting time. The maximum waiting time for a call to be answered was 10.16 minutes.

Approximately 1430 (5.7 per cent) calls were abandoned prior to a Call Centre Officer answering the call. Abandoned calls occurred on average after 56 seconds spent on the incoming line queue. The minimum time spent on the queue before abandoning a call was 37.33 seconds while the maximum was 10.12 minutes.

### Bureau of Medical Inspection

In Broken Hill, the Bureau of Medical Inspection performs pre-employment audiometry tests for Broken Hill mine workers. During the year the Bureau performed a total of 473 audiometry tests, an increase on last year's figure of 385.

### Research and education

The Research and Education Unit has four primary functions:

1. Responding to requests for scientific information.
2. Research data management.
3. Administration of the research grants scheme.
4. Performing asbestos fibre counts on samples of lung tissue.

During 2010/11 the Unit completed six fibre count reports for the Medical Authority. At 30 June 2011 the Unit was monitoring 10 ongoing research grants. During the year the database was kept up-to-date with the addition of new cases of dust diseases and it was audited by cross-referencing against administration records. The Unit responded to seven requests for scientific information. These requests were complex and time consuming in their nature and involved providing summary information to research institutes, industry groups, actuaries, the DDB Executive and Medical Authority on various dust diseases such as silicosis, asbestosis, lung cancer, and occupational and industrial dust exposures.

#### Research Grant scheme

The Dust Diseases Board is committed to improving services and access for workers who have contracted dust diseases. Our Research Grants scheme has been developed to deliver a range of positive outcomes for these workers.

The Dust Diseases Board awards funding for research programs in six key areas:

- ▶ innovative approaches to preventing occupational lung diseases
- ▶ developing/evaluating improved treatments for dust diseases
- ▶ developing/evaluating new treatments and services to improve quality of life for workers suffering from dust diseases
- ▶ improving techniques for screening and diagnosis of dust diseases for assessing disability
- ▶ evaluating existing treatments and services for dust diseases
- ▶ research into epidemiology of dust diseases including data mining of Dust Diseases Board data sets.

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



## Current research grants

The Dust Diseases Board did not advertise for or grant funding for new research projects in the 2010/11 financial year. The Research and Education Unit monitored 10 ongoing research grants throughout year.

The following projects were approved for funding in the 2009/10 financial year and were ongoing throughout the year:

- ▶ Dr Bahareh Badian 'MicroRNA as Novel Diagnostic and Therapeutic Targets in Malignant Mesothelioma'
- ▶ Professor David Currow 'The Efficacy of Sustained-Release Low Dose Morphine in the Subjective Sensation of Dyspnoea from Mesothelioma, Asbestosis or Other Interstitial Lung Diseases'
- ▶ Drs Scott Fisher and Amander Cleaver 'Combining Prime-Boost Anti-Tumour Vaccination with debulking Surgery for the Treatment of Malignant Mesothelioma'
- ▶ Dr Glen Reid 'Molecular Manipulation of Malignant Mesothelioma'
- ▶ Associate Professor Jenny Alison 'Long Term effects of exercise training on Exercised Capacity and Quality of Life in People with Dust Related Lung Disease.'

The following projects were approved for funding in the 2008/09 financial year. Three of these projects were ongoing as at 30 June 2011:

- ▶ A/Prof Raylene Bowman 'Fast Track testing of existing drugs for malignant mesothelioma chemoprevention'
- ▶ Dr Manfred Beilharz 'The development and evaluation of an improved combined immunotherapy for mesothelioma' (study now completed)
- ▶ Dr Delia Nelson 'Modifying the mesothelioma tumour microenvironment: preparing for immune attack'
- ▶ Prof Bill Musk 'Effect of N-acetylcysteine supplementation on oxidation status and alveolar inflammation in people exposed to asbestos: a double-blind randomised clinical trial'
- ▶ Prof Nico Van Zanwijk 'A quantitative analysis of the DDB data set of applicants with a diagnosis of malignant mesothelioma (MM) from 2006/07 (study now completed).'

## Stakeholder involvement

During the 2010/11 financial year the Dust Diseases Board participated in the following stakeholder involvement:

We sponsored:

- ▶ National Asbestos Awareness Week 2010 hosted by the Asbestos Diseases Foundation of Australia.

We attended:

- ▶ PSA Women's Conference, Sydney, 2010
- ▶ Thoracic Society of Australia and New Zealand (TSANZ) and the Australian and New Zealand Society of Respiratory Science Annual Meeting – Perth.

We are members of:

- ▶ Asbestos Co-Regulators Working Group



'A man's medical history and the traces of his habits and his trade are often inscribed upon the lungs – for him who can read.'<sup>1</sup>

The lung is a major point of entry for many toxic agents into the body. Dusts can easily be breathed into the lungs, but are then normally removed by the lung's natural defence mechanisms. These defence mechanisms may not be able to remove dusts such as asbestos completely, which can result in inflammation of the lung and diseases may develop later. Factors that affect asbestos being breathed in and cleared or retained within the lung include the fibre type and length, and the quantity and duration of exposure.

One way of determining if a person has been exposed to asbestos is by looking for asbestos fibres in a sample of their lung tissue. Using an electron microscope, with the ability to analyse minerals, scientists can identify the fibre type and can estimate how many fibres are present in an individual's lungs. The information gathered by this analysis, in conjunction with an individual's medical and occupational history, can be very useful in confirming their exposure to asbestos.



Phillips CM20BioTWIN Transmission electron microscope

1. Liebow AA. Foreword. In: Spencer H. Pathology of the lung. 3rd edn. Oxford: Pergamon Press, 1977.

### Complaints and appeals

The Dust Diseases Board is committed to providing a courteous, timely and professional service to every customer. The Dust Diseases Board believes that all members of the public have the right to expect courtesy, professionalism and promptness in their dealings with the Dust Diseases Board. All members of the public have the right to make a complaint or offer feedback on how the DDB can improve its service standards. All complaints are managed in a way that is consistent with the principles of natural justice. All complaints are assessed in terms of their type, and seriousness before any action is taken. To this effect the Dust Diseases Board has in place a comprehensive Complaints Handling Policy and Guidelines for the resolution of complaints. The Dust Diseases Board's complaints and feedback procedures help to identify and ensure systemic problems or service shortfalls are identified and resolved.

In the 2010/11 financial year the Dust Diseases Board did not receive any formal complaints. This is a reduction on the four formal complaints received in the previous financial year.

Ministerial representations were made by or on behalf of eight (8) applicants or customers regarding a number of issues including:

- ▶ applications declined for an award on the basis that the applicant is not disabled for work with a dust disease
- ▶ the medical examination process
- ▶ delays in communication and service delivery.

A worker or a dependant of a deceased worker affected by a decision of the Board or its Medical Authority in relation to a claim for compensation under the Act may appeal against the decision to the District Court of New South Wales.

During the year, two appeals against decisions of the Medical Authority were lodged in the District Court. Both appeals are yet to be finalised.

### The year ahead

In the coming year, the Dust Diseases Board will focus on continuing to improve its customer services:

- ▶ a new case management system for handling applications for compensation will be introduced to provide end to end processing of claims and a single point of contact for our applicants
- ▶ new applications forms in a simple to complete format will be published and supplemented by new applicant information packages
- ▶ the Board's internet will be enhanced to be an information portal for customers and service providers
- ▶ information packages for key stakeholders including doctors and lawyers will be published
- ▶ the content and language of all client template letters will be reviewed and updated.

## Our organisation

### Key Focus Areas:

- ▶ Sound fund management and scheme viability
- ▶ Exemplar organisation
- ▶ Cost and efficiency

### Our achievements

During the year, the Board undertook a number of activities aimed at improving its organisational performance and corporate governance. The Board:

- ▶ entered into a shared services arrangements with CASD for delivery of human resource, financial and information technology services
- ▶ introduced time standards for core activities
- ▶ updated our business continuity and crisis management plans
- ▶ undertook a fraud control health check of the agency
- ▶ consolidated and updated procedural manuals
- ▶ improved procedures for medical examination appointments
- ▶ automated award notification letter production
- ▶ improved procedures and timeframes for processing accounts payable.

### Compensation Authorities Staff Division

The Workers' Compensation Dust Diseases Board is part of the Compensation Authorities Staff Division (CASD). Member agencies of CASD also include the WorkCover Authority of NSW, Motor Accidents Authority, Lifetime Care and Support Authority, the NSW Sporting Injuries Committee and the Long Service Payments Corporation.

The Compensation Staff Authorities Division provides staff to undertake the work of the Board.

During the year the Dust Diseases Board entered into shared service arrangements with CASD for the provision of human resource, finance and information technology services. The new arrangements provide the Board with a consistent standard of service to staff and improved service delivery outcomes.

As part of this arrangement six DDB staff were re-located to new CASD Shared Services units. The DDB continued to pay the salary of transferred staff for the remainder of the financial year. A steering committee comprising the General Managers of the CASD agencies and other senior staff was established to guide the transition to shared services.

A number of committees were established within CASD to provide enhanced corporate governance and planning across CASD.

## CASD Audit and Risk Committee

The Dust Diseases Board, together with the other CASD agencies, established the Audit and Risk Committee ('the Committee') in compliance with Treasury Circular NSW TC 09/08 August 2009.

The Committee provides independent assistance to the Dust Diseases Board by overseeing and monitoring the Board's governance, risk and control frameworks, and its external accountability requirements. The Committee also develops the annual Internal Audit Plan for CASD agencies and oversees the implementation of recommendations made in internal audits.

Board member, Mr Ray Petty, is a member of the CASD Audit and Risk Committee and represents the Board's interests on the Committee.

## CASD IT Steering Committee

The CASD IT Steering Committee is the Executive decision making body responsible for overseeing and reviewing all CASD IT strategy and projects from proposal to successful delivery and maintenance. The CASD IT Steering Committee is accountable for implementing the recommended approval of IT projects, IT projects review and prioritising of IT projects across CASD. The CASD IT Steering Committee is responsible for reporting to various CASD related Boards on the progress and status of major projects as required.

## CASD Budget Committee

The CASD Budget Committee aims to share expertise and enable the forming of strategic partnerships where relevant across CASD agencies; ensure the budget, forecast and forward estimate assumptions are consistent across CASD agencies; ensure each CASD agency budget is aligned with their strategic plan, government priorities and whole of government initiatives; approve or endorse budgets, forecasts and forward estimates as required; ensure procurement activities across the CASD agencies achieve value for money in support of service delivery; monitor financial performance; and direct the undertaking of specific financial analysis as and when required.

## CASD Executive Team

The CASD Executive Team was established to provide a forum for CASD agencies to oversee the development of CASD and to discuss and address issues of common application to CASD agencies.

The General Manager of the Dust Diseases Board is a member of the CASD Shared Services Group, CASD IT Steering Committee, CASD Budget Committee and CASD Executive Team.

## Health and safety

In the 2010/11 financial year five injury notifications and three compensation claims were lodged. Two of these claims have been finalised. A total of 5.27 work days were lost due to the new compensation claims.

Two workers compensation claims for 2009/10 and one long standing claim from previous years were closed during the year.

Four of the claims and notifications related to external slips, trips and falls; each occurring during travel to and from the workplace or in the workplace. During the reporting period an Ergonomic Assessment was conducted for one staff member to ensure that the chair, desk, keyboard and computerised equipment was correctly aligned to minimise the risk of a RSI injury.

As at 30 June 2011 the DDB has three open workers compensation claims.

Comparison of injury notifications for the last three years:

	Notifications	Claims	Hours lost
2008/09	3	1	N/A
2009/10	8	4	412.25*
2010/11	5	3	36.75

\* 409.0 hours relate to a single claim.

## OH&S Committee

The OH&S Committee continued its commitment to improving workplace health and safety. The Committee and the Dust Diseases Board Management Team work together by encouraging all staff members and management representatives to participate in finding practical solutions to workplace occupational health and safety problems.

The OH&S Committee meets on a quarterly basis and is an open forum for all employees of the Dust Diseases Board where issues relating to OH&S policy, work practices and training are addressed. Through a consultation process, the OH&S Committee recommends actions to improve health and safety at Head Office, the Lung Bus and the Broken Hill Branch for its employers, employees, customers and visitors.

The Dust Diseases Board undertook the following measures in relation to OH&S during the 2010/11 financial year:

- ▶ the DDB OHS Charter was reviewed and re-drafted
- ▶ elections for the OHS Committee were conducted
- ▶ four (4) OHS Committee member attended training on OHS Committee duties and responsibilities
- ▶ the Chair of the OHS Committee and another staff member attended a two day OHS conference conducted by the Public Service Association of NSW
- ▶ the DDB's two First Aid officers were re-engaged
- ▶ warden and staff training on evacuation procedures were completed and one evacuation exercise was undertaken
- ▶ OHS assessments of all work floors (including the Mobile Respiratory Screening Unit) were carried out by the OHS Committee and recommendations implemented
- ▶ ergonomic assessments of work stations to ensure that the chair, desk, keyboard and computerised equipment was correctly aligned to minimise risk of RSI injury were offered to all DDB staff
- ▶ evacuation signs and exist signage were upgraded
- ▶ a standing agenda item for OHS issues was included on the agenda for manager and staff meetings
- ▶ all OHS issues raised at committee level were satisfactorily resolved
- ▶ OHS information on the DDB's intranet was reviewed and updated
- ▶ infection control guidelines for the Medical Screening Unit on Level 7 were implemented
- ▶ maintenance checks of all DDB fire extinguishers were carried out and certified as meeting requirements
- ▶ DDB staff participated in office exercises tutorial
- ▶ regular workplace inspections to identify, isolate and eliminate hazards and risk were provided
- ▶ flu-vax immunisation was provided to staff at no cost
- ▶ the Chair of the OHS Committee attended the Unions NSW Occupational Health and Safety Conference.

## Training and development

Fifty per cent of DDB staff participated in training in the reporting period (ie. 24 staff) attending a combined total of 423 hours, or 60.42 days of formal training.

Ninety per cent of those who participated in training attended three or more days training in the reporting period.

Training courses attended by staff in 2010/11 included:

- ▶ The NSW Respiratory Education Meeting
- ▶ Access 02/03 Advanced
- ▶ Excel 01/03 Intermediate
- ▶ OH&S Risk Management for Supervisors and Managers
- ▶ DDB Warden Refresher Training
- ▶ GIPA Case Management Reporting Tool Session
- ▶ Coaching and Teambuilding
- ▶ A Short Course in Respiratory Physiology
- ▶ Interstitial Lung Disease Lecture
- ▶ PSA Unions NSW Course
- ▶ Resume and Interview Skills Workshop
- ▶ OH&S Consultative Course
- ▶ Respiratory Physiology PT 111 Diffusing Capacity Gas Exchange session
- ▶ OH&S Committee Refresher Course
- ▶ OH&S Committee Chairperson Course
- ▶ IPAA Executive Women's Luncheon
- ▶ First Aid Recertification Course
- ▶ Working Smart with Meetings
- ▶ Young Aboriginal Women's Workshop.

In addition, eight staff attended approved study leave programs throughout the reporting period in relation to:

- ▶ Diploma of Management
- ▶ Diploma of Record Keeping
- ▶ Diploma of Government (Investigations)
- ▶ Master of Business Administration (MBA) (Newcastle)
- ▶ Graduate Diploma of Occupational Hygiene (Deakin University)
- ▶ Graduate Certificate in Respiratory Science (Charles Sturt University).



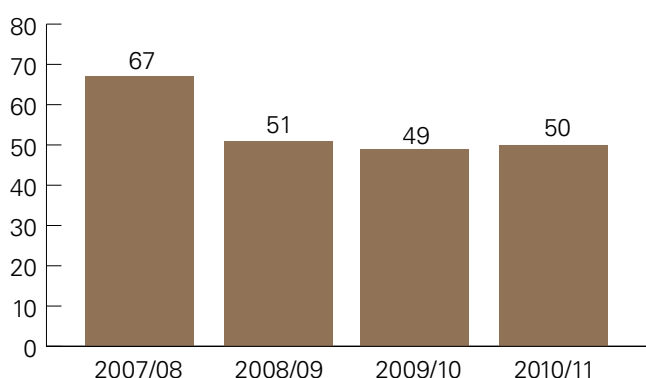
## Staffing of the Dust Diseases Board

Division	Permanent		Temporary		Contract		Total
	Female	Male	Female	Male	Female	Male	
Executive Services	5	2	0	0	0	0	7
Medical Services	14	3	1	0	0	0	18
Client Services	8	5	0	2	0	0	15
Finance and Compensation Services	3	7	0	0	0	0	10
<b>Total</b>	<b>30</b>	<b>17</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>50</b>

Changes showed from last years report:

1. Decrease of one full time officer employed in the Client Services Division and an increase of one temporary staff member to fill this vacancy.
2. Increase of one temporary staff member to fill a maternity leave vacancy in the Client Services Division.

### Comparison of Dust Diseases Board staffing in previous years



## Employment relations

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

Staff participated in charity fund raisers including the Cancer Council's Australia's biggest Morning Tea and Stay in your PJs For Asthma Campaign which raises funds for the Asthma Foundation of NSW.

During 2010, a CASD Joint Consultative Committee was established to provide a forum for employees and management to discuss any organisational change, policy issues, and/or industrial issues affecting employees of CASD in part or as a whole and allowing for the exchanging of views and the opportunity for the parties to influence decisions before they are made.

Regular consultation meetings with union representatives and managers of the DDB were also held on a quarterly basis to discuss issues of relevance to the DDB.

## Policies, guidelines and procedures

The Dust Diseases Board reviews its policies on a bi-annual basis to ensure they remain relevant to the work of the Dust Diseases Board and comply with Government policy and directions.

A full list of the Dust Diseases Board's statutory policies, procedures and guidelines can be found on our website [www.ddb.nsw.gov.au](http://www.ddb.nsw.gov.au) or by contacting the Right for Information officer at [gipa@ddb.nsw.gov.au](mailto:gipa@ddb.nsw.gov.au) or by phone (02) 8223 6600.

## Information technology

During the year the Dust Diseases Board established an IT Steering Committee to oversight the future development of information technology within the DDB and a Project Management Committee to guide the development of a replacement case management system to manage the DDB's workload.

In 2010, the DDB upgraded its internal intranet website for staff; finalised the specifications for a new case management system; undertook a review of current case management application across both domestic and international markets and commenced the tender process to procure a new case management system.

## Business continuity

In April 2011 the Dust Diseases Board engaged Cliff Reece & Associates Pty Limited to undertake a vigorous review of the DDB's Business Continuity Plan. As a result of this review a new, easy to follow Business Continuity Plan and Crisis Management Plans were developed for implementation in the 2011/12 financial year.

The new plans will assist to protect the Dust Diseases Board from the effects of a major failure or disaster and to minimise any damage or loss caused by such events. The plan incorporates strategies, personnel requirements, procedures and resources required to respond to any short- or long-term business interruption.

### Risk management and internal audit

The Board meets its internal audit responsibilities with the assistance of the CASD Audit and Risk Committee and the CASD Internal Audit Unit (IAU). The IAU manages, through an outsourced service provider, an annual plan of risk-based audits across all CASD Agencies including the Dust Diseases Board. In 2010/11, six reviews relevant to the operations of the Dust Diseases Board were undertaken. In addition, one review carried over from the 2009/10 audit plan was completed by the previous audit service provider. In total, 133 audit recommendations were made to strengthen the organisation's internal controls.

The following internal audit reviews were completed in 2010/11:

- ▶ CASD Leave Management
- ▶ CASD Board & Treasury Financial Reporting
- ▶ CASD Contractor Management
- ▶ CASD Records Management
- ▶ CASD Asset Management
- ▶ CASD Data Centres
- ▶ DDB Industrial and Employment History Management.

The IAU also undertakes a range of fraud and corruption prevention activities. In 2010/11, the IAU undertook a Fraud Control Health check survey of all CASD agencies including the DDB.

The survey found that staff had a strong understanding of the following issues:

- ▶ aware of what to do if offered a gift (99.32 per cent)
- ▶ understand behaviour expected in Code of Conduct (98.63 per cent)
- ▶ aware of what to do if offered a bribe (97.95 per cent).

The survey confirmed the need to provide regular training on fraud prevention; undertake regular operational risk assessments and improve the level of staff confidence in internal investigations.

The survey results were used to identify elements of fraud control needing attention across CASD.

During the year, the IAU drafted CASD-wide policies for Fraud and Corruption Control and Internal Reporting respectively. IAU staff act as Protected Disclosure Officers to whom staff can report allegations of corrupt conduct in accordance with the *Public Interest Disclosure Act 1994*. IAU also manages investigations into corrupt conduct liaising, where appropriate, with the Independent Commission Against Corruption (ICAC).

The Director of Internal Audit and Corruption Prevention is required to report directly to the CASD Audit and Risk Committee for strategic direction and accountability purposes.

### CASD Audit and Risk Committee attendance 2010/11

Member	Number eligible to attend	Number attended
Doug Wright	8	7
Carolyn Walsh	8	8
Sue Clark	8	6
Robert Ingui	8	7
Ray Petty	8	8
Cass O'Conner*	7	7
Lisa Hunt**	8	6
Julie Newman***	2	2

\* Cass O'Conner appointed 25 August 2010.

\*\* Lisa Hunt as Chief Executive Officer is a standing invitee of the CASD Audit and Risk Committee.

\*\*\* Julie Newman attended as Acting Chief Executive.

### DDB Audit Committee (disbanded)

The former DDB Audit Committee was comprised of four members of the Board; Ray Petty, Sylvia Kidziak, Brian Eichhorn and Rita Mallia.

The Committee met once during the 2010/11 financial year on 9 August 2011 to formally conclude the business of the Committee and to transfer responsibility for monitoring the Board's future financial accounts, risk management and internal audit responsibilities to the new CASD Audit and Risk Committee.

## Invested funds management

The Board's investments have grown by \$55.6 million (2010 – \$51.4 million) or 8.5 per cent in the 2010/2011 financial year.

During the year the Board and its Investment Advisor Mercers reviewed the Strategic Asset Allocation of its investments. The Board has approval to invest in growth assets up to 65 per cent of the value of its portfolio, currently 59.5 percent (2010 – 54.7 percent). The investment portfolio of the Board is valued at \$676.9 million (2010 – \$631.5 million) as at 30 June 2011.

## Market commentary

The global economic recovery has been sustained at a moderate pace. Growth assets performed well in the first six months of the 2010/2011 financial year. European policy makers agreed to support Greece and other highly indebted nations within the Eurozone with the creation of European Financial Stability Facility. The US Federal Reserve also implemented its second programme of quantitative easing that sat alongside a stimulatory fiscal policy in the US. These events served to support improved sentiment in markets and may have led to an improved economic outlook for 2011, especially in the US.

The rally in growth assets was shaken by the Japanese earthquake disaster in March 2011. Many legacies of the 2008 Recession re-surfaced in the second quarter of 2011. European debt concerns, high levels of US deficit and fear of a hard landing for the Chinese economy dampened investor sentiment. A flight to safety caused bond yields to fall and growth asset to lose some of the gains made in the first half of the financial year.

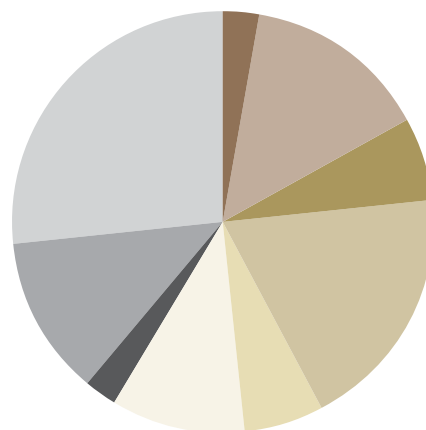
The Australian economy faced its own challenges despite its resilience during the global downturn. The Queensland floods and cyclones in early 2011 caused temporary disruption to economic growth and upward pressure on inflation. The two-speed economy has become increasingly evident this year. The mining sector benefited from increasing emerging market demand and the resulting rising commodity prices. Industrials and retailers suffered from weak domestic demand and a strong Australian dollar.

The Australian dollar which rose sharply against most major global currencies, ended the financial year at US \$1.07 compared to US 84 cents in June 2010. This served to moderate the returns from unhedged global equities to 2.6% in the financial year to date, compared to a return of 30.1% on a fully hedged basis. Defensive assets delivered reasonable performance, with Australian government bonds returned 4.5% for the period.

The table below show the break up of the Board's Investment Portfolio by sector indicating the percentage of holdings as compared to the Strategic Asset Allocation.

Type of investment funds	\$m	Holding %	SAA %
Cash Plus	80.2	11.8	6.7
Australian Fixed Interest	151.4	22.4	22.0
Overseas Fixed Interest	42.8	6.3	6.3
Australian Shares	192.1	28.4	30.0
International Shares	174.9	25.8	30.3
Listed Property	35.5	5.2	5.0
	<b>676.9</b>	<b>100.0</b>	<b>100.0</b>

Funds are invested with the following managers:



AMP Capital Investors	2.9%
Ausbil Dexia	14.3%
Banker Trust	6.3%
Capital National Alliance	18.9%
Colonial First State	6.2%
Legg Mason	10.2%
Macquarie Investments	2.4%
Perennial	12.2%
Treasury Corp	26.5%

The table below illustrates asset allocation across fund managers as at 30 June 2011

	Cash Plus \$m	Aust Fixed Interest \$m	O/Seas Interest \$m	Aust Shares \$m	O/Seas Shares \$m	Property \$m	Total \$m
AMP Capital Investors						19.3	19.3
Ausbil Dexia				96.9			96.9
Banker Trust			42.8				42.8
Capital National Alliance					128.4		128.4
Colonial First State	41.8						41.8
Legg Mason		68.7					68.7
Macquarie Investments						16.2	16.2
Perennial		82.7					82.7
Treasury Corp	38.4			95.2	46.5		180.1
	<b>80.2</b>	<b>151.4</b>	<b>42.8</b>	<b>192.1</b>	<b>174.9</b>	<b>35.5</b>	<b>679.9</b>

The Board's strategy is to invest for the long term with fluctuation in the investment market being accepted as a normal occurrence. However, the Investment Committee and the Board monitors the financial markets and events that affect the Board's Investments and modifies its strategy for shorter term events.

The comparisons of funds invested by the Board with fund managers other than Treasury Corporation (TCorp) are as follows:

Investment	Investment horizon years	Investment return %	TCorp comparison %
<b>Cash</b>	<b>0–1.5</b>		
Colonial First Investments		5.89	5.37
<b>Strategic Cash/Bonds</b>	<b>1.5–3</b>		
Legg Mason		7.29	7.59
Perennial		6.82	7.59
BT Financial Group		7.77	–
<b>Long Term Growth – Australian Equity</b>	<b>7+</b>		
Ausbil Dexia		10.15	11.38
<b>Long Term Growth – International Equity</b>	<b>7+</b>		
Capital National – Unhedged		1.64	2.76
Capital National – Hedged		25.32	–
<b>Long Term Growth – Property</b>	<b>7+</b>		
Macquarie True Index Listed		5.84	23.63
AMP Property Secured Fund		33.3	23.63



## Payment of accounts

The Dust Diseases Board is responsible for the payment of accounts for the reimbursement of medical and related expenses incurred by our workers as well as accounts for our administration costs. Supplier accounts are paid within vendor terms. At the end of the financial year amounts outstanding to vendors are accrued and reflected appropriately in the financial statements. No interest or penalty charges were incurred in the 2009/10 financial year for late payment for goods and services received.

The following tables have been prepared in accordance with Treasury Circular NSW TC 06/26:

### Aged analysis at the end of each quarter

Quarter	Current (ie within due date) \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 60 and 90 days overdue \$'000	More than 90 days overdue \$'000
September	134				
December	209				
March	214				
June	183				

### Account paid on time within each quarter

Quarter	Total accounts paid on time			Total amount paid \$'000
	Target %	Actual %	\$'000	
September	100	100	134	134
December	100	100	209	209
March	100	100	214	214
June	100	100	183	183

## Government waste reduction and purchasing policy

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

- ▶ recycling of confidential waste paper via a reputable service provider
- ▶ recycling of used toner cartridges in an environmentally friendly manner
- ▶ use of carbon neutral paper
- ▶ policies, procedures, guidelines and Corporate Plan available electronically on the Dust Diseases Board intranet
- ▶ pay advices transmitted to employees electronically via email
- ▶ application forms, brochures and annual reports available on the Dust Diseases Board website for members of the public to download
- ▶ use of email to distribute minutes of meetings, staff newsletters and other reports
- ▶ standardisation to a common letterhead for the organisation
- ▶ office lights are switched off when not in use.

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

## The year ahead

Over the coming year, the Board will focus on increasing the effectiveness of its governance, audit and risk management and its investment management capacity. The Board will:

- ▶ conduct a gap analysis of business practices related to the management of invested funds and financial reporting and examiner options for obtaining investment advice and service
- ▶ review its investment management policies
- ▶ implement a performance planning and development program for staff and provide the program as an online tool
- ▶ undertake a further operational risk assessment
- ▶ implement a new case management system
- ▶ review procurement practices.

## Internal Audit and Risk Management Statement

### Internal Audit and Risk Management Statement for the 2010-2011 Financial Year for the Workers' Compensation (Dust Diseases) Board

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

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

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
<ul style="list-style-type: none"> <li>3.1.4 - The Audit and Risk Committee must have no fewer than three (3) members, and no more than five (5) members, of whom a majority must be independent.</li> </ul>	<ul style="list-style-type: none"> <li>Committee membership numbers to allow for each member to provide their respective Compensation Authorities Staff Division (CASD) agency Board with information from the Committee and advise each board of the discharging of its duty.</li> <li>Exemption granted to allow the CASD Audit and Risk Committee to have an independent membership of six (6) full time members and one (1) alternate member.</li> </ul>

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

I, Lisa Hunt, Chair of the Workers' Compensation (Dust Diseases) Board, am of the opinion that the Compensation Authorities Staff Division Audit and Risk Committee for the Workers' Compensation (Dust Diseases) Board is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Douglas Wright, independent Chair
- Carolyn Walsh, independent Member
- Susan Clark, independent Member
- Robert Ingui, independent Member
- Raymond Petty, independent Member
- Cass O'Connor, independent Member
- Geniere Aplin, independent Member (Alternate)

As required by the policy, I have submitted an Attestation Statement outlining compliance with the policy to Treasury.

Lisa Hunt  
Chair

Dated this 18 day of August 2011

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## Statement by Members of the Board



Workers' Compensation Dust Diseases Board  
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GPO Box 5323  
T: 02 8223 6600 F: 02 8223 6899  
Toll free: 1800 550 027  
[www.ddb.nsw.gov.au](http://www.ddb.nsw.gov.au)

### STATEMENT BY THE MEMBERS OF THE BOARD FOR THE YEAR ENDED 30 JUNE 2011

Under section 41C of the Public Finance and Audit Act 1983:

- We certify that the financial statements for Workers' Compensation Dust Diseases Board have been prepared in compliance with the *Public Finance and Audit Act 1983*, Treasurer's Directions and the *Public Finance and Audit Regulation 2010* and in compliance with Australian Accounting Standards, which include UIG Interpretations.
- In our opinion the financial statements exhibit a true and fair view of the financial performance and position of the Workers' Compensation Dust Diseases Board.
- At the date of signing these financial statements, we are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

RAY PETTY  
Board Member

ANITA ANDERSON  
General Manager

LISA HUNT  
Chairperson and Chief Executive  
Compensation Authorities Staff Division

Dated at Sydney this 11th day of October 2011

## Actuarial Certificate



### WORKERS COMPENSATION DUST DISEASES BOARD of NSW

#### Actuarial Certificate

#### Outstanding Claims Liabilities as at 30 June 2011

PricewaterhouseCoopers has been requested by the Dust Diseases Board of NSW ("the Board") and the WorkCover Authority of NSW to estimate the outstanding claims liabilities of the Board under the Workers Compensation (Dust Diseases) Act as at 30 June 2011.

#### Data

The valuation of outstanding claims liabilities as at 30 June 2011 is based on data provided to us by the Board. We have not independently verified the data provided to us but we have reviewed it for reasonableness and internal consistency and we are of the opinion that it is suitable for the purpose of estimating the claims liabilities.

#### Basis of our estimates

The outstanding claims liabilities summarised below are central estimates in that they contain no deliberate bias towards either over or under estimation. The estimate is in inflated and discounted dollar terms meaning that expected claim payments have first been inflated to the expected time of payment before being discounted to allow for the time value of money. We have also included in our estimate an allowance for the expected future expenses associated with paying the claims liabilities. Our valuation has separately considered expected payments for claims which have already been reported to the Board ("Known Claims") and for claims which have not yet been reported but for which the exposure to dust has already occurred and a disease will eventually emerge ("IBNR Claims").

#### Valuation results

Our central estimate of the outstanding claims liability as at 30 June 2011 is \$1,681.7m which can be broken down between Known and IBNR Claims as follows:

Item	\$000's
Known claims	645,984
IBNR claims	1,035,695
Total	1,681,678

#### Uncertainty

Estimating the outstanding claims liabilities for dust diseases which will continue to emerge, and be paid, for decades to come is an inherently uncertain exercise. This is particularly true for the IBNR claims where the numbers of claims are not yet known and the characteristics of those claims may emerge to be different to our expectations.

**PwC Actuarial ACN 003 562 696**

Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171

DX 77 Sydney, Australia

T +61 2 8266 0000, F +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

## Actuarial Certificate



We have assumed a continuation of existing trends in our valuation which are based on the current claims environment. To the extent that these trends vary due to advancements in medical technology, changes in the emergence of dust diseases, legislative changes and so forth, the claims outcomes will also vary. This variation is normal and is to be expected.

### Report

We have documented our valuation in full in our report dated 15 July 2011. This report contains details on data, methodology, assumptions, results and sensitivities to key assumptions. This report constitutes Actuarial Advice as defined in the Code of Professional Conduct (the Code) issued by the Institute of Actuaries of Australia and our advice complies with the Code in this respect.

### Relevant Standards

Our central estimate of the liabilities has been prepared in accordance with the requirements of Australian Accounting Standard AASB137 and combined with our report is compliant with the Institute of Actuaries of Australia's Professional Standard PS300 which covers the estimation of general insurance technical liabilities and was issued in February 2010.

A handwritten signature in black ink, appearing to read 'A Smith', written over a light grey rectangular background.

Andrew Smith  
Fellow of the Institute of Actuaries of Australia

15 July 2011

### Independent Auditor's Report



GPO BOX 12  
Sydney NSW 2001

#### INDEPENDENT AUDITOR'S REPORT

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

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Workers' Compensation (Dust Diseases) Board (the Board), which comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 30 June 2011, and of its financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

#### The Board's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

## Independent Auditor's Report

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

My opinion does *not* provide assurance:

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

### Independence

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

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

A Oyetunji  
Director, Financial Audit Services

13 October 2011  
SYDNEY



## Expenditure and Budget Estimates

**This page only contains unaudited information.**

The estimated expenditure for 2011/12 is \$105,307m an increase of \$12.3m from the estimates for 2010/11.

	Budget Estimates 2011	Actual 2011	Budget Estimates 2012
	\$'000	\$'000	\$'000
<b>Income</b>			
Levy contributions	89,650	88,732	91,178
Investment revenue	51,698	55,744	67,882
Bank interest	150	144	150
Compensation recoveries – Section 8E	1,000	1,496	800
Occupational respiratory health assessment fees	360	336	410
Other revenue	101	58	66
<b>Total income</b>	<b>142,959</b>	<b>146,510</b>	<b>160,486</b>
<b>Expenditure</b>			
<b>Compensation</b>			
Compensation to workers	17,442	16,774	17,951
Compensation to dependants	27,083	28,925	29,918
Lump sum awards to dependants	21,000	25,298	29,266
Healthcare services costs	7,383	7,167	7,838
Funeral benefits	1,900	1,901	1,859
	<b>74,808</b>	<b>80,065</b>	<b>86,832</b>
<b>Costs associated with medical examinations and Medical Authority</b>			
Medical Authority fees and supplies	182	230	220
Medical investigation and clinical notes	42	63	42
X-rays and supplies	327	281	418
Workers travelling expenses	45	44	40
Special medical officer fees	392	396	455
	<b>988</b>	<b>1,014</b>	<b>1,175</b>
<b>Personnel services and related costs</b>			
Personnel services costs	4,593	4,306	4,164
	<b>4,593</b>	<b>4,306</b>	<b>4,164</b>
<b>Administration expenses</b>			
Administration, office and general expenses	3,761	3,081	3,804
	<b>3,761</b>	<b>3,081</b>	<b>3,804</b>
<b>Other expenses</b>			
Dust Diseases Tribunal funding	4,763	4,330	4,892
Levy collection costs	1,250	754	1,260
Research grants	1,250	982	1,250
	<b>7,263</b>	<b>6,066</b>	<b>7,402</b>
<b>Capital expenditure</b>			
Purchase of non-current assets	1,582	8	1,930
	<b>1,582</b>	<b>8</b>	<b>1,930</b>
<b>Total Expenditure</b>	<b>92,995</b>	<b>94,540</b>	<b>105,307</b>

## Statement of Comprehensive Income

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
<b>Revenues and other income</b>			
Levy contributions	2	88,732	84,445
Investment revenue	3	55,744	52,818
Bank interest		144	189
Other revenue	4	394	438
Movement in outstanding contributions	5	31,993	(59,770)
<b>Total revenues and other income</b>		<b>177,007</b>	<b>78,120</b>
<b>Expenses</b>			
Depreciation and amortisation	6	555	560
Dust Diseases Tribunal funding		4,330	4,366
Levy collection costs		754	1,364
Compensation expense	7	163,617	70,899
Research grants	8	982	931
<b>Total expenses</b>		<b>170,238</b>	<b>78,120</b>
<b>Operating results for the year</b>		<b>6,769</b>	<b>–</b>
<b>Other comprehensive income</b>			
Net increase in property, plant and equipment	9	582	–
<b>Total comprehensive income for the year</b>		<b>7,351</b>	<b>–</b>

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

## Statement of Financial Position

As at 30 June 2011

	Note	2011 \$'000	2010 \$'000
<b>Current assets</b>			
Cash and cash equivalents	10	60,937	90,997
Outstanding contributions	5	91,200	–
Trade and other receivables	11	1,930	3,066
Other financial assets	12	170,625	155,617
<b>Total current assets</b>		<b>324,692</b>	<b>249,680</b>
<b>Non-current assets</b>			
Other financial assets	12	445,379	384,852
Outstanding contributions	5	920,593	979,800
Property, plant and equipment	13	6,760	6,600
Intangible assets	14	8	147
<b>Total non-current assets</b>		<b>1,372,740</b>	<b>1,371,399</b>
<b>Total assets</b>		<b>1,697,432</b>	<b>1,621,079</b>
<b>Current liabilities</b>			
Provision for compensation payable	15	89,807	91,197
Other provisions	16	1,883	1,787
Trade and other payables	17	4,893	12,634
<b>Total current liabilities</b>		<b>96,583</b>	<b>105,618</b>
<b>Non-current liabilities</b>			
Provision for compensation payable	15	1,591,872	1,513,835
<b>Total non-current liabilities</b>		<b>1,591,872</b>	<b>1,513,835</b>
<b>Total liabilities</b>		<b>1,688,455</b>	<b>1,619,453</b>
<b>Net assets/(liabilities)</b>		<b>8,977</b>	<b>1,626</b>
<b>Equity</b>			
Reserves	9	2,208	1,626
Accumulated funds/(deficiency)		6,769	–
<b>Total equity</b>		<b>8,977</b>	<b>1,626</b>

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

## Statement of Changes in Equity

For the year ended 30 June 2011

	Note	Accumulated funds \$'000	Asset revaluation reserve \$'000	Total \$'000
Balance at 1 July 2010		–	1,626	1,626
Operating results for the year		6,769	–	6,769
<b>Other comprehensive income</b>				
Net increase in property, plant and equipment	9	–	582	582
<b>Total other comprehensive income for the year</b>		–	582	582
<b>Balance at 30 June 2011</b>		<b>6,769</b>	<b>2,208</b>	<b>8,977</b>
Balance at 1 July 2009		–	1,626	1,626
Operating results for the year		–	–	–
<b>Total other comprehensive income for the year</b>		–	–	–
<b>Balance at 30 June 2010</b>		<b>–</b>	<b>1,626</b>	<b>1,626</b>

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

## Statement of Cash Flows

For the year ended 30 June 2011

	Note	2011 \$'000 Inflows (outflows)	2010 \$'000 Inflows (outflows)
<b>Cash flows from operating activities</b>			
<b>Payments</b>			
Compensation payments		(70,730)	(66,505)
Medical examination of workers		(1,015)	(886)
Payments to suppliers		(14,184)	(18,405)
Levy collection costs		(754)	(1,364)
Research grants		(982)	(931)
Dust diseases tribunal funding		(4,848)	(2,810)
<b>Total payments</b>		<b>(92,513)</b>	<b>(90,901)</b>
<b>Receipts</b>			
Levy contributions		80,897	86,365
Investment distributions		30,301	31,528
Compensation recoveries		848	1,829
Interest received		144	189
Other receipts		316	476
<b>Total receipts</b>		<b>112,506</b>	<b>120,387</b>
<b>Net cash flows from operating activities</b>	21	<b>19,993</b>	<b>29,486</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of plant and equipment		(8)	(792)
Proceeds from sale of plant and equipment		47	25
Purchase of investments (excluding cash equivalents)		(101,522)	(214,820)
Redemption of investments (excluding cash equivalents)		51,430	125,868
<b>Net cash flows from investing activities</b>		<b>(50,053)</b>	<b>(89,719)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(30,060)</b>	<b>(60,233)</b>
Opening cash and cash equivalents		90,997	151,230
<b>Closing cash and cash equivalents</b>	21	<b>60,937</b>	<b>90,997</b>

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



## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 1. Summary of significant accounting policies

#### (a) Reporting entity

The Workers' Compensation Dust Diseases Board (the Board) is a statutory authority established by the *Workers Compensation (Dust Diseases) Act 1942* (the Act). The Board provides a no fault compensation scheme to people who have developed a dust disease from occupational exposure to dust as a worker in NSW.

The Board was originally established in 1927 to provide compensation for a variety of workers such as stonemasons, quarrymen, rock choppers and sewer miners employed in the Sydney area. However, over the years appropriate legislative changes have recognised the changes in the incidence and types of dust diseases to which NSW workers have been exposed to. Today, the most frequent dust diseases encountered by the Board are those caused by exposure to asbestos.

The Board is responsible for administering the Workers' Compensation (Dust Diseases) Fund. This includes payment of monies for compensation, awards, research grants, fees, salaries and all other costs of administering the Act, including the operating expenses of the Dust Diseases Tribunal.

The Board is a not-for-profit entity (as profit is not its principal objective) and has no cash generating units. The Board is consolidated as part of the NSW General Government Sector Accounts. It is domiciled in Australia and its principal office is at Level 2, 82 Elizabeth Street, Sydney NSW.

The financial statements for the year ended 30 June 2011 have been authorised for issue by the Board on 11 October 2011.

#### (b) Basis of preparation

The Board's financial statements are general purpose financial statements which have been prepared in accordance with:

- ▶ applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- ▶ the requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010*, and
- ▶ applicable Treasurer's Directions.

These financial statements have been prepared on the basis of historical cost, except for certain financial instruments, property plant and equipment and provisions.

#### Critical accounting estimates and assumptions

When preparing the financial statements, the management makes judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management reviews the estimates and underlying assumptions on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods that are affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 15 Provision of compensation payable.

The Board uses actuarial valuation measured as the present value of expected future payments and receipts. Detailed information about the key assumptions used in the valuation is further disclosed in Notes 1(h)(iii) and 15. Management believes that the chosen valuation techniques and assumptions used are appropriate in determining the valuation of the liability.

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

#### (c) Statement of compliance

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

#### (d) Insurance

The Board's insurance activities for personnel services provided by Compensation Authorities Staff Division are conducted through the NSW Treasury Managed Fund Scheme of self insurance for government agencies. The expense (premium) is determined by the fund manager based on past claim experience.

All other non-personnel activities are covered through appropriate policies obtained through AON Risk Services Proprietary Limited who carry out annual reviews of values to be covered and revise cover values accordingly.

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 1. Summary of significant accounting policies (continued)

#### (e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not receivable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis.

#### (f) Income recognition

Income encompasses both revenue and gains. Revenue arises in the course of the ordinary activities of the Board and is referred to levy contributions. Gains represent other items that meet the definition of income and may, or may not, arise in the course of the ordinary activities of the Board.

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

##### (i) Levy contributions

The Board's funds were generated from dust diseases levies collected from Nominal, Specialised and Self-insurers, under the Act. The levy revenue is recognised when it falls due and receivable by the Board.

The levies were used to meet the expenses of the Board's operations under the Act.

Funds are kept in interest bearing investment accounts in accordance with the *Act and the Public Authorities (Financial Arrangements) Act 1987*.

##### (ii) Investment revenue

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

##### (iii) Other gains/(losses)

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

Losses are the opposite of gains which represent decreases in economic benefits and as such are no different in nature from expenses.

#### (g) Assets

##### (i) Acquisitions of assets

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

Fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction.

##### (ii) Capitalisation threshold

Property, plant and equipment and intangible assets costing \$5000 and above individually (or forming part of a network costing more than \$5000) are capitalised.

##### (iii) Revaluation of property, plant and equipment

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

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial social-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest best use.

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

The Board revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. Refer to Note 9 for more details about the latest revaluation assignment.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 1. Summary of significant accounting policies (continued)

#### (g) Assets (continued)

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

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, the increment is recognised immediately as revenue in the Statement of Comprehensive Income.

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

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

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

#### (iv) Impairment of property, plant and equipment

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

#### (v) Depreciation of property plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Board. All material separately identifiable components of assets are depreciated over their shorter useful lives. The following depreciation rates were used:

Types of non-current assets	%
Buildings	2.5
Computer equipment	25
Furniture and fittings	10
Motor vehicles	10–20
Office equipment	20
Science and medical equipment	20

Passenger cars are depreciated at a rate of 20 per cent p.a. while the mobile respiratory unit is depreciated at a rate of 10 per cent p.a.

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

#### (vi) Maintenance

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

#### (vii) Leased assets

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

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

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

#### (viii) Intangible assets

The Board recognises intangible assets only if it is probable that future economic benefits will flow to the Board and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

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

The useful lives of intangible assets are assessed to be finite. No amortisation is charged on intangible assets until they are ready for use. The Board charges amortisation on intangible assets using the straight-line method over a period of four years.

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 1. Summary of significant accounting policies (continued)

#### (g) Assets (continued)

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

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

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

#### (ix) Investments

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

Gains or losses on these assets are recognised through surplus or deficit.

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

The movement in the fair value of the Hour-Glass Investment Facility and other private funds incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

#### (x) Derecognition of financial assets and financial liabilities

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

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

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

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

#### (xi) Receivables

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

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

The outstanding contributions receivable asset represents the future contributions receivable to pay total costs relating to outstanding claims.

The cost of compensation claims and other costs of the Board are recovered from employers through a levy included in their workers' compensation insurance premiums in accordance with sections 6(6) and 6(7D) of the Act. The levies are assessed each year to ensure that the Board has sufficient funding for the coming year. This assessment gives the Board certainty that Outstanding contributions receivable will be recovered through future levies.

#### (xii) Other assets

Other assets are recognised on a cost basis.

#### (h) Liabilities

##### (i) Payables

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

##### (ii) Personnel services

The Board receives personnel services from Compensation Authorities Staff Division (CASD). The Board is responsible for paying payroll tax and other employee benefits including on-costs while CASD is responsible for all other related administrative services. CASD is a not-for-profit entity with no net assets.

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

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 1. Summary of significant accounting policies (continued)

#### (h) Liabilities (continued)

##### Salaries and wages, annual leave, sick leave and on-costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

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

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

##### Long service leave and superannuation

The provision recognised is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of these cash flows.

The superannuation expense for the financial year is determined by using the formula specified in Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions. At the end of the financial year, the superannuation expenses and the related liabilities are further adjusted based on actuarial advice.

#### (iii) Provision for compensation payable

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

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

The estimate for claims yet to be made uses an extension of the methodology used for known claims. However assumptions are required regarding both the number of future claims and the characteristics of the claims to enable annuity and assurance functions to be used.

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

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

The total actual costs incurred on the above payments net of section 8E recoveries during each year is offset against the provision for compensation payable.

The resulting movement in provision is taken to the Statement of Comprehensive Income. Refer to Note 7 for more details.

#### (i) Beneficiary fund

Transactions relating to these funds for the financial year is set out in Note 22. The Board receives and holds, on behalf of beneficiaries, lump sum awards and disbursements made to beneficiaries of deceased workers. The investment of funds is in cash equivalent products with investment earnings passed through to recipient accounts. As the Board performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Board's own objectives, these funds are not recognised in the financial statements. The Board does not charge any fee for providing this facility.



## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 1. Summary of significant accounting policies (continued)

#### (j) Comparative information

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

#### (k) New Australian Accounting Standards issued but not yet effective

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

### Note 2. Levy contributions

	2011 \$'000	2010 \$'000
Workers Compensation Nominal Insurer	69,551	65,754
Self insurer – NSW Self Insurance Corporation	7,391	6,821
Specialised insurers and other self insurers	11,790	11,870
<b>Total</b>	<b>88,732</b>	<b>84,445</b>

The Board is allowed to collect levies from the Nominal Insurer, Specialised and Self Insurers under the Act. Levies recognised for the year is as above.

### Note 3. Investment revenue

	2011 \$'000	2010 \$'000
Distributions	33,690	31,528
Movement in market values	22,054	21,290
<b>Total</b>	<b>55,744</b>	<b>52,818</b>

### Note 4. Other revenue

	2011 \$'000	2010 \$'000
Occupational respiratory health assessment fees	336	389
Solicitors production fees	25	29
Miscellaneous income	–	16
Gain on sale of assets	33	4
<b>Total</b>	<b>394</b>	<b>438</b>

### Note 5. Movement in outstanding contributions

	2011 \$'000	2010 \$'000
Balance at beginning of year	979,800	1,039,570
Movement during the year	31,993	(59,770)
<b>Balance at end of year</b>	<b>1,011,793</b>	<b>979,800</b>
Current	91,200	–
Non-current	920,593	979,800
<b>Total</b>	<b>1,011,793</b>	<b>979,800</b>

Under Australian Accounting Standards the Outstanding Contributions Receivable asset cannot exceed the provision for estimated compensation for future claims. Additionally as the Board will only require levies to meet the cost of compensation, the amount of outstanding contributions cannot be more than the Board's liabilities less current assets and non-current financial assets.

### Note 6. Depreciation and amortisation

	2011 \$'000	2010 \$'000
Amortisation	139	153
Depreciation	416	407
<b>Total</b>	<b>555</b>	<b>560</b>

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 7. Movement in provision for compensation payable

	Note	2011 \$'000	2010 \$'000
<b>Provision – compensation payments</b>			
Outstanding at beginning of year		656,452	605,368
Outstanding at end of year		645,984	656,452
		(10,468)	51,084
<b>Provision – estimated compensation for future claims</b>			
Estimated at beginning of year		948,580	1,010,671
Estimated at end of year		1,035,695	948,580
		87,115	(62,091)
<b>Total net movement during the year</b>		<b>76,647</b>	<b>(11,007)</b>
<b>Add: Amounts used during the year</b>			
<b>Compensation and awards</b>			
Compensation to workers		16,774	16,958
Compensation to dependants		28,925	26,609
Lump sum awards to dependants		25,298	22,705
Healthcare services costs		7,167	7,163
Funeral benefits		1,901	1,771
		80,065	75,206
<b>Medical examination of workers</b>			
Medical Authority fees and supplies		230	137
Medical investigation and clinical notes		63	39
X-rays and supplies		281	339
Workers travelling expenses		44	34
Special medical officer fees		396	337
		1,014	886
<b>Administration and office expenses</b>			
Audit fees – external		83	64
Audit fees – internal		17	43
Actuarial fees		207	196
Bad debts written off		3	–
Board members fees and allowances		88	104
Building maintenance, repairs and management		132	115
Consultants		184	22
Legal fees		371	838
Other expenses		1,996	2,183
		3,081	3,565
<b>Personnel services paid to Compensation Authorities Staff Division</b>			
Salaries and allowances		3,451	3,158
Payroll tax		179	233
Annual leave expense		271	322
Long service leave expense		96	173
Workers compensation insurance		11	26
Superannuation expense		298	380
		4,306	4,292
<b>Compensation recoveries – Section 8E</b>		<b>(1,496)</b>	<b>(2,043)</b>
<b>Total amounts used during the year</b>		<b>86,970</b>	<b>81,906</b>
<b>Compensation expense as per Statement of Comprehensive Income</b>	(a)	<b>163,617</b>	<b>70,899</b>

(a) Also refer to Note 15 for other related details.

### Notes to and forming part of the financial statements

For the year ended 30 June 2011

#### Note 8. Research grants

	2011 \$'000	2010 \$'000
Research projects funding and provision of advice	973	925
Asbestos Diseases Foundation of Australia – operations funding	–	(11)
Sponsorships and other research funding	9	17
<b>Total</b>	<b>982</b>	<b>931</b>

#### Note 9. Net increase in property, plant and equipment

During the financial year, the Board engaged Land and Property Management Authority (Department of Finance and Services) to revalue its strata office properties on levels 2, 3, 4, 7 and 14 at 82 Elizabeth Street, Sydney NSW using 'fair value' principles in accordance with Treasury Policy TPP 07-1 *Valuation of Physical Non-current Assets at Fair Value*.

The valuation is based on highest and best use principles. The valuer made reference to observable recent market transactions on an arm's length assignment.

Refer to Note 13 for more details about financial effects and movements as a result of this valuation assignment.

#### Note 10. Cash and cash equivalents

	2011 \$'000	2010 \$'000
Cash at bank and on hand	(46)	723
Investments – TCorp Hour-Glass Cash Facility	19,203	34,515
Investments – Colonial First State Enhanced Cash	41,780	55,759
<b>Total</b>	<b>60,937</b>	<b>90,997</b>

#### Note 11. Trade and other receivables

	2011 \$'000	2010 \$'000
Accrued levy	–	86
Trade receivables	1,768	1,017
Prepayments and other assets	162	1,963
<b>Total</b>	<b>1,930</b>	<b>3,066</b>

Accrued levy revenue comprises hindsight adjustment for Special Insurers. There was nil for 2010/11 year (2010 – \$85,607).

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 12. Other financial assets

	2011 \$'000	2010 \$'000
<b>Investments – current</b>		
TCorp Hour-Glass Cash Facility – Strategic	19,216	14,303
Perennial Investment Partners Limited – Australian Fixed Interest	82,727	77,399
Legg Mason – Australian Fixed Interest	68,682	63,915
<b>Sub-total</b>	<b>170,625</b>	<b>155,617</b>
<b>Investments – Non-current</b>		
AMP Capital – Property	19,303	14,506
Ausbil Dexia Limited – Australian Equities	96,873	87,614
BT Financial Group – International Fixed Interest	42,843	39,739
Macquarie Investment Management Limited – Property	16,260	15,362
National Corporate Investment Trust – Global Equity Trust	95,179	45,351
National Corporate Investment Trust – Global Equity Trust Hedged	33,217	69,534
TCorp Hour-Glass Facility – Australian Equities	95,206	85,482
TCorp Hour Glass Facility – International Equities	37,100	27,264
TCorp Emerging Market Sector	9,398	–
<b>Sub-total</b>	<b>445,379</b>	<b>384,852</b>
<b>Total</b>	<b>616,004</b>	<b>540,469</b>

### Note 13. Property, plant and equipment

#### Schedule of non-current assets

	Gross carrying amount		Accumulated depreciation		Fair value	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Buildings	5,845	5,986	–	(573)	5,845	5,413
Computer equipment	577	595	(486)	(437)	91	158
Furniture and fittings	36	36	(27)	(25)	9	11
Motor vehicles	661	852	(99)	(224)	562	628
Office equipment	54	53	(24)	(12)	30	41
Science and medical equipment	992	985	(769)	(650)	223	335
Capital projects in progress	–	14	–	–	–	14
<b>Total</b>	<b>8,165</b>	<b>8,521</b>	<b>(1,405)</b>	<b>(1,921)</b>	<b>6,760</b>	<b>6,600</b>

Buildings consists of five strata levels at 82, Elizabeth Street, Sydney. All strata levels were independently revalued as at 30 June 2011, on the basis of an open market valuation by the Land and Property Management Authority (part of the Department of Finance and Services).

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 13. Property, plant and equipment (continued)

#### Reconciliation of fair value at beginning and end of 2010/11 financial year

	Fair value at beginning of year \$'000	Additions \$'000	Disposals/ transfers \$'000	Depreciation on disposals \$'000	Depreciation \$'000	Revaluation \$'000	Fair value at end of year \$'000
Buildings	5,413	–	–	–	(150)	582	5,845
Computer equipment	158	–	(17)	17	(67)	–	91
Furniture and fittings	11	–	–	–	(2)	–	9
Motor vehicles	628	–	(191)	191	(66)	–	562
Office equipment	41	–	–	–	(11)	–	30
Science and medical equipment	335	8	–	–	(120)	–	223
Capital projects in progress	14	–	(14)	–	–	–	–
<b>Total</b>	<b>6,600</b>	<b>8</b>	<b>(222)</b>	<b>208</b>	<b>(416)</b>	<b>582</b>	<b>6,760</b>

#### Reconciliation of fair value at beginning and end of 2009/10 financial year

	Fair value at beginning of year \$'000	Additions \$'000	Disposals/ transfers \$'000	Depreciation on disposals \$'000	Depreciation \$'000	Revaluation \$'000	Fair value at end of year \$'000
Buildings	5,562	–	–	–	(149)	–	5,413
Computer equipment	211	60	(66)	64	(111)	–	158
Furniture and fittings	15	–	–	–	(4)	–	11
Motor vehicles	23	661	(42)	21	(35)	–	628
Office equipment	18	30	–	–	(7)	–	41
Science and medical equipment	293	143	–	–	(101)	–	335
Capital projects in progress	116	(102)	–	–	–	–	14
<b>Total</b>	<b>6,238</b>	<b>792</b>	<b>(108)</b>	<b>85</b>	<b>(407)</b>	<b>–</b>	<b>6,600</b>



## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 14. Intangible assets

#### Schedule of non-current assets

	Gross carrying amount		Accumulated amortisation		Fair value	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Computer software	768	768	(760)	(621)	8	147
<b>Total</b>	<b>768</b>	<b>768</b>	<b>(760)</b>	<b>(621)</b>	<b>8</b>	<b>147</b>

#### Reconciliation of fair value at beginning and end of 2010/11 financial year

	Fair value at beginning of year \$'000	Additions \$'000	Disposals \$'000	Amortisation \$'000	Revaluation \$'000	Fair value at end of year \$'000
Computer software	147	–	–	(139)	–	8
<b>Total</b>	<b>147</b>	<b>–</b>	<b>–</b>	<b>(139)</b>	<b>–</b>	<b>8</b>

#### Reconciliation of fair value at beginning and end of 2009/10 financial year

	Fair value at beginning of year \$'000	Additions \$'000	Disposals \$'000	Amortisation \$'000	Revaluation \$'000	Fair value at end of year \$'000
Computer software	300	–	–	(153)	–	147
<b>Total</b>	<b>300</b>	<b>–</b>	<b>–</b>	<b>(153)</b>	<b>–</b>	<b>147</b>

### Notes to and forming part of the financial statements

For the year ended 30 June 2011

#### Note 15. Provision for compensation payable

The provision for compensation payable is measured as the present value of the expected future payments to persons who have an accepted claim for compensation or who are estimated by the actuaries to be entitled to compensation in the future.

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

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

The main assumptions are:

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

The actuaries, PricewaterhouseCoopers Actuarial Pty Limited, in the valuation of liability report dated 30 June 2011 have used actuarial functions (known as annuity and assurance functions) to estimate the compensation payable for claims yet to be lodged on an inflated and discounted basis, taking account of expected mortality and the known characteristics of each claimant.

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

	2011 %	2010 %
<b>Compensation expected to be paid</b>		
<b>Not later than one year</b>		
Wages inflation rate	4.0	3.8
Discount rate	6.0	5.8
<b>Later than one year</b>		
Wages inflation rate	4.0	3.8
Discount rate	6.0	5.8

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 15. Provision for compensation payable (continued)

#### Sensitivity analysis for the valuation as at 30 June 2011

The liability represents the best estimate and is based on standard actuarial assessment. The table below shows sensitivities to the valuation.

Assumptions	30 June Liability \$m	Effect on 30 June Liability \$m	Percentage effect %
<b>Central estimate</b>	1,035.7		
<b>Inflation and discount rates</b>			
Increase difference between inflation and discount by 1%	890.4	(145.3)	(14.0)
Decrease difference between inflation and discount by 1%	1,221.1	186.4	18.0
Increase superimposed inflation on medical benefits by 1% to a rate of 3.5%	1,051.0	15.3	1.5
Decrease superimposed inflation on medical benefits by 1% to a rate of 1.5%	1,023.4	(12.3)	(1.2)
<b>Mortality</b>			
Increase average mortality improvement of dependants to 90% of standard mortality	1,044.9	9.3	0.9
Assume zero mortality improvements for dependants	1,027.0	(8.7)	(0.8)
<b>Average disability</b>			
Increase expected average lifetime disability by 5%	1,043.8	8.1	0.8
Decrease expected average lifetime disability by 5%	1,027.6	(8.1)	(0.8)
<b>Age distribution</b>			
Increase current average age by 1 year	995.0	(40.7)	(3.9)
Decrease current average age by 1 year	1,077.2	41.5	4.0
<b>Dependants – Spouses</b>			
Increased expected marriage proportion by 5%	1,096.4	60.7	5.9
Decreased expected marriage proportion by 5%	975.0	(60.7)	(5.9)
<b>Nil disabled claims</b>			
Increase expected proportion of claims originally nil disabled by 10%	971.9	(63.7)	(6.2)
Decrease expected proportion of claims originally nil disabled by 10%	1,055.2	19.5	1.9
<b>IBNR claims</b>			
Increase starting Meso/Cancer claims by 10, Asb/RPD by 10, Sil/Other by 3	1,097.3	61.6	5.9
Decrease starting Meso/Cancer claims by 10, Asb/RPD by 10, Sil/Other by 3	974.1	(61.6)	(5.9)

#### Notes:

A change in the "gap" between inflation and discount rates (the current "gap" is 2 per cent i.e. 6 per cent p.a. less 4 per cent p.a.) has approximately a 14 per cent to 18 per cent impact per 1 per cent increase in the "gap".

It is assumed that 67.46 per cent of future worker claims are married. Changing this by 5 per cent has a corresponding 5.8 per cent change in the INBR claims liability.

It is assumed that claimants reported in the year ending 30 June 2011 will have an average age depending on their disease. Increasing this average age by only one year decreases the liability by 3.9 per cent. The model is very sensitive to age based assumptions as annuity and assurance functions vary by age.

An increase of ten claims in each of the Mesothelioma/Cancer (Meso/Cancer) and Asbestosis/ARPD (Asb/RPD) disease groups and an increase of three Silicosis/Other (Sil/Other) claims increases the liability by roughly 5.9 per cent. This assumes that the incidence pattern remains the same shape, adjusting only for a higher starting point of the curve.

The effect of each variation is made in isolation from the others. The combined effect of two or more changes may involve interactions and substitutions which are not considered in this valuation.

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 15. Provision for compensation payable (continued)

	2011 \$'000	2010 \$'000
<b>Provision – compensation payments</b>		
Outstanding at beginning of year	656,452	605,368
Net movement during the year	(10,468)	51,084
<b>Outstanding at end of year</b>	<b>645,984</b>	<b>656,452</b>
<b>Provision – estimated compensation for future claims</b>		
Estimated at beginning of year	948,580	1,010,671
Net movement during the year	87,115	(62,091)
<b>Estimated at end of year</b>	<b>1,035,695</b>	<b>948,580</b>
<b>Total provision for compensation payable at end of year</b>	<b>1,681,679</b>	<b>1,605,032</b>
<b>A reconciliation of the liabilities at beginning and end of the financial year is set out below:</b>		
Carrying amount at beginning of year	1,605,032	1,616,039
Increase/(reduction) in gross provision	30,144	(65,454)
Change in discount rate	44,281	41,993
	74,425	(23,461)
Amounts used during the year – refer Note 7 for more details	(86,970)	(81,906)
Unwinding of discount – finance costs	89,192	94,360
<b>Carrying amount at end of year</b>	<b>1,681,679</b>	<b>1,605,032</b>

The finance costs above represent the increase in the liability for outstanding claims from the end of the previous financial year to the end of the current financial year which is due to discounted claims not settled being one period closer to settlement. The winding of the discount should conceptually be recognised as finance costs of the current financial year. However, in line with principles in the Australian Accounting Standards in relation to outstanding claims liabilities, such increases have been more appropriately included in claims expenses for the current financial year.

#### Breakdown of compensation payable

Current	89,807	91,197
Non-current	1,591,872	1,513,835
<b>Total</b>	<b>1,681,679</b>	<b>1,605,032</b>

Compensation will be funded by funds held in investments and by future levies. The financial target for the Board is to be fully funded for known claims, i.e. to have sufficient funds to pay the lifetime entitlements in respect of claims with a Certificate of Disablement issued. The *Workers' Compensation (Dust Diseases) Act 1942* gives the Board Authority to impose levies each year to meet annual operating costs.

The Board includes in its provision an estimate compensation payable for claims yet to be made of \$1,035,694,795 (2010 – \$948,580,116). This figure is shown in the Statement of Financial Position as a liability with the corresponding Outstanding contributions receivable asset (net of cumulative surplus or deficit to date) representing the right to levy employers for these outstanding claims.

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 16. Other provisions

	2011 \$'000	2010 \$'000
Payable to service entity	76	61
Long service leave and oncosts	858	796
Annual leave and oncosts	448	396
Superannuation – SASS	121	114
Superannuation – SSS	338	380
Superannuation – SANCS	42	40
<b>Total</b>	<b>1,883</b>	<b>1,787</b>

Accounting Standard AASB 101 *Presentation of Financial Statements* stipulates that liabilities must be classified as current where the agency does not have an unconditional right to defer the settlement of a liability for at least 12 months after the reporting date. The entitlement to leave of CASD employees is unconditional and accordingly all leave and associated oncosts have been classified as current liabilities.

It is expected that the leave provisions and oncosts will be settled over the following period:

	2011 \$'000	2010 \$'000
<b>Expected to be settled within 12 months</b>		
Annual leave and long service leave	424	391
Oncosts on leave	67	45
	491	436
<b>Expected to be settled after 12 months</b>		
Long service leave	729	678
Oncosts on leave	86	78
	815	756
<b>Total</b>	<b>1,306</b>	<b>1,192</b>



## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 17. Trade and other payables

	2011 \$'000	2010 \$'000
Dust Diseases Levy creditors	1,203	9,100
Trade creditors	1,464	202
Accrued expenses and other creditors	2,226	3,332
<b>Total</b>	<b>4,893</b>	<b>12,634</b>

Dust Diseases Levy creditors consist of Workers' Compensation Nominal Insurer (WCNI) \$1,203,062 represents \$449,000 hindsight refund adjustment for over invoicing of Nominal Insurer levy contributions (2010 – \$7,444,916) and \$ 754,062 payable as levy collection costs (2010 – \$1,361,875) and refunds due to other specialised insurers nil (2010 – \$292,771).

### Note 18. Operating lease commitments

At the balance date the Board had the following non-cancellable operating leases not provided for and payable:

	2011 \$'000	2010 \$'000
Not later than one year	30	40
Later than one year and not later than five years	25	2
Later than five years	–	–
<b>Total</b>	<b>55</b>	<b>42</b>

The amount included GST of \$0.005 million (2010 – \$0.004 million) expected to be recoverable from the Australian Taxation Office.

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

### Note 19. Capital expense commitments

Capital commitments approved by the Board which were not provided for in these financial statements amounted to nil (2010 – nil), inclusive of GST. The capital commitments are expected to be settled not later than one year and will be financed from future revenue.

### Note 20. Contingent assets and liabilities

There were no known contingent assets as at balance date.

The Board's solicitors and the CASD Legal Unit have provided an estimate of future legal costs totalling \$60,000 (2010 – \$267,600), inclusive of GST (where applicable) on cases where appeals have been lodged with the District Courts related to compensation claims. There are no other claims upon the Board pending as at the balance date.

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 21. Notes to the Statement of Cash Flows

#### (a) Reconciliation of operating results for the year to net cash flows from operating activities

	2011 \$'000	2010 \$'000
Operating results for the year	6,769	–
Assets written off	–	2
Depreciation and amortisation	555	560
(Gain)/loss on sale of assets	(33)	(4)
Investment income – market movements	(25,443)	(21,290)
<b>Change in assets and liabilities</b>		
Increase in other provisions: current	96	289
Increase/(decrease) in provision for compensation payable: current and non-current	76,647	(11,007)
Decrease/(increase) in outstanding contributions: current and non-current	(31,993)	59,770
Increase/(decrease) in trade and other payables: current	(7,741)	1,418
Decrease/(increase) in receivables: current	1,136	(252)
<b>Net cash flows from operating activities</b>	<b>19,993</b>	<b>29,486</b>

#### (b) Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash includes cash at bank and on hand, and highly liquid investments. Cash at the end of the financial year as shown in the Statement is reconciled to the related items in the Statement of Financial Position:

	Note	2011 \$'000	2010 \$'000
Cash and cash equivalents	10	60,937	90,997
<b>Total</b>		<b>60,937</b>	<b>90,997</b>

### Note 22. Beneficiary fund

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

#### Operations for the year to 30 June

	Note	2011 \$'000	2010 \$'000
<b>Receipts and income</b>			
Lump sum awards received for dependants		25,299	22,705
Investment income and bank interest	(a)	4,581	3,804
<b>Total</b>		<b>29,880</b>	<b>26,509</b>
<b>Payments</b>			
Payments to dependants	(b)	28,993	23,868
<b>Net increase in funds</b>		<b>887</b>	<b>2,641</b>
<b>Balance at beginning of year</b>		<b>81,558</b>	<b>78,917</b>
<b>Balance at end of year</b>		<b>82,445</b>	<b>81,558</b>

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 22. Beneficiary fund (continued)

#### Financial position as at 30 June

	Note	2011 \$'000	2010 \$'000
<b>Assets</b>			
Cash at bank		1,044	4,525
Investments	(c)	81,401	77,033
<b>Total</b>		<b>82,445</b>	<b>81,558</b>
<b>Liabilities</b>			
Payable to beneficiaries		82,239	81,222
Undistributed amount		206	336
<b>Total</b>		<b>82,445</b>	<b>81,558</b>

#### (a) Investment income and bank interest

	2011 \$'000	2010 \$'000
Distribution in November	1,853	1,516
Distribution in May	2,512	1,952
Undistributed investment returns	216	336
<b>Total</b>	<b>4,581</b>	<b>3,804</b>
Simple average return on investments for the year	5.59%	4.74%

#### (b) Payments to dependants

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

#### (c) Investments

	2011 \$'000	2010 \$'000
Colonial First State – Wholesale Premium Cash Enhanced Fund	56,555	53,393
ING Investment Management – Premium Treasury Fund	9,575	11,131
TCorp Hour-Glass Cash Facility – Strategic	15,271	12,509
<b>Total</b>	<b>81,401</b>	<b>77,033</b>

These investments are redeemable with seven days notice. The value of the above investments are dependent upon market conditions. The values of the above investments represent the fund's share of the value of the underlying assets of the facility and those assets are stated at net fair value, based on market value.

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 23. Financial instruments

The Board's principle financial instruments are outlined below. These financial instruments arise directly from the Board's operations or are required to finance its operations. The Board does not enter into or trade financial instruments, including derivative instruments, for speculative purposes. The Board's main risks arising from financial instruments are outlined below, together with its objectives, policies and processes for measuring and managing the risk.

Further quantitative and qualitative disclosures are included throughout these financial statements.

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

#### (a) Financial instrument categories

			Carrying amount	
	Note	Category	2011 \$'000	2010 \$'000
<b>Financial assets<sup>1</sup></b>				
Cash and cash equivalents	10	N/A	60,937	90,997
Trade and other receivables	11	At amortised cost	1,768	1,017
Other financial assets	12	At fair value through profit and loss – designated as such upon initial recognition	616,004	540,469
<b>Financial liabilities<sup>2</sup></b>				
Provisions	16	At amortised cost	1,883	1,787
Trades and other payables	17	At amortised cost	4,893	12,634

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

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

#### (b) Credit risk

Credit Risk arises when there is the possibility of the Board's debtors defaulting on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment, if applicable).

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

The Board's deposits held with NSW Treasury Corporation (TCorp) are guaranteed by the State and are AAA-rated by Standard & Poor's.

#### Cash

Cash comprises cash on hand and bank balances with Westpac Banking Corporation Limited. Interest is earned on daily bank balances at the monthly average.

#### Receivable – trade debtors

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

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 23. Financial instruments (continued)

#### (b) Credit risk (continued)

The table below shows the amounts of trade debtor that were overdue as at balance date. These amounts exclude statutory receivable which outside the scope of AASB 7.

	Total \$'000	Past due but not impaired \$'000	Considered impaired \$'000
<b>2011</b>			
Less than three months overdue	908	908	–
Between three and six months overdue	20	20	–
More than six months overdue	755	755	–
<b>Total</b>	<b>1,683</b>	<b>1,683</b>	<b>–</b>
<b>2010</b>			
Less than three months overdue	149	149	–
Between three and six months overdue	47	47	–
More than six months overdue	471	471	–
<b>Total</b>	<b>667</b>	<b>667</b>	<b>–</b>

#### Other financial assets

Credit risk associated with the Board's financial assets, other than receivables is managed through the selection of counterparty fund managers with minimum credit rating standards as approved by NSW Treasury.

#### (c) Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. The Board continuously manages risk through monitoring of future cash flows and investments planning to ensure adequate holding of high quality liquid assets are available on an as needs basis.

During the current year and the preceding years, there have been no defaults or breaches of any payable obligations. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised as amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are set in accordance with the policy set out in Treasurer's direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's direction 219.01 allows the relevant Minister to award interest for late payment.

The contractual maturity dates of the Board's payables is less than one month.

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Board's exposure to market risk is limited to market fluctuations of each managed fund unit. Whilst it is understood that market risk is made up by currency risk, interest rate risk and other price risk the Board's approach is that all investments are placed through external fund managers, and that at least five fund managers are to be retained to ensure that the investment portfolio has an appropriate spread of investments to minimise the risk. Also that a fund manager will not have more than 20 per cent of the Boards' Investments at any time and that investments will have an appropriate divestment between growth investments and interest bearing investments.

The Board has placed investment funds with a number of fund managers as approved by NSW Treasury including NSW Treasury Corporation (TCorp).

In 1999 investment powers for the Board were gazetted under an amendment to the Part 4 of the Public Authorities (Financial Arrangements) (PAFA) Regulation 1999. Under specific conditions that all investments are to be with fund managers, and that all investments are to be of a long term nature with the objective that all investments on average be over a 12 month period. An allocation of the assets is to be split between growth assets and interest bearing investments, with the split ratio not to exceed the current approved asset allocation of 65:35.

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 23. Financial instruments (continued)

#### (d) Market risk (continued)

The following fund managers that the Board has used throughout the year have been approved by NSW Treasury under the Part 4 *PAFA Act 1987* are as follows:

Institution	Product class
AMP Capital	Property
BlackRock Asset Management	Australian and international equities (Hedged and Unhedged)
BT Financial Group	International bonds
Capital National Alliance	International equities (Hedged and Unhedged)
Colonial First State	Cash
IOOF/Perennial	Australian bonds
Legg Mason	Australian bonds
Macquarie Investment Management	Property
TCorp NSW Treasury Corporation	Cash, Australian and international equities (including Emerging Markets)

The above fund managers act as trustees for each of the asset classes that they have been allocated and are required to act in the best interests of the unit holders and to administer the trusts in accordance with the trust deeds.

#### Interest rate risk

The Board does not have any exposure to interest bearing liabilities. Its exposure to interest rate risk may arise from interest earning assets included in cash and cash equivalents and fixed interest investments as set out below:

#### Sensitivity analysis of effect on profit and loss from interest rate changes

	Change in interest rate %	Effect on profit and loss	
		2011 \$'000	2010 \$'000
Cash and cash equivalents	+/- 1	609	910
Investments – fixed interest	+/- 1	2,135	1,954

The effect of changes in interest rate on other components of equity is nil.

#### Other pricing risk

Exposure to 'other pricing risk' primarily arises through the Investment portfolio which includes investments through TCorp. The Board holds no direct equity investments. All investments held are in unit trusts held by Treasury approved Fund Managers. All investments are held for strategic rather than trading purposes. The Board invests financial assets to offset claims liability short fall currently \$1,011 million (2010 – \$979 million) refer to Note 5.

The Board holds units in the following investment facilities with various fund managers:

Facility	Investment sectors	Investment horizon	2011 \$'000	2010 \$'000
Cash	Cash	Up to 2 years	60,983	90,274
Bond markets	Cash, money market instruments, Australian and international bonds	2 to 7 years	170,625	155,617
Long term growth	Cash, money market instruments, Australian and international bonds, listed property, Australian and international equities	7 years and over	445,379	384,852



## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 23. Financial instruments (continued)

#### (d) Market risk (continued)

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

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

The investment portfolio that the Board currently maintains is diversified across a wide mix of investments with varying investment horizons. The following table is management's assessment of reasonably possible changes in unit prices at balance date, and their effect on profit and loss:

#### Sensitivity Analysis of effect on profit and loss from unit price changes

	Change in unit price		Effect on profit and loss	
	2011 %	2010 %	2011 \$'000	2010 \$'000
Cash	+/- 1	+/- 1	610	903
Equities	+/- 25	+/- 15	91,743	47,287
Fixed interest	+/- 6	+/- 5	12,808	9,768
Property	+/- 36	+/- 10	12,803	2,987

The effect of changes in unit prices on other components of equity is nil.

#### (e) Fair value estimation

The Board has sought and been approved by NSW Treasury to value all investments held through external fund managers other than NSW Treasury Corporation (TCorp) at fair value through profit and loss. The exception of TCorp from this approval is that TCorp investments are measured at fair value as per Treasury's Directions. The fair value of all other investment facilities is based on the unit value using 'redemption' pricing provided by external fund managers.

The carrying amount to fair value comparison of financial assets and the valuation technique applied in measuring fair value of cash equivalents and other financial assets are detailed below:

#### (i) Carrying amount to fair value comparison

	Carrying amount		Fair value	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Financial assets</b>				
Cash equivalents	60,983	90,274	60,983	90,274
Other financial assets	616,004	540,469	616,004	540,469
<b>Total financial assets</b>	<b>676,987</b>	<b>630,743</b>	<b>676,987</b>	<b>630,743</b>

## Notes to and forming part of the financial statements

For the year ended 30 June 2011

### Note 23. Financial instruments (continued)

#### (e) Fair value estimation (continued)

(ii) Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels

Financial assets at fair value	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>2011</b>			
AMP Capital – Property	19,303	–	–
Ausbil Dexia Limited – Australian Equities	96,873	–	–
BT Financial Group – International Fixed Interest	42,843	–	–
Colonial First State Investments – Enhanced Cash	–	41,780	–
Legg Mason – Australian Fixed Interest	–	68,682	–
Macquarie Investment Management Ltd – Property	–	16,260	–
National Corporate Investment Trust – Global Equity Trust	128,397	–	–
Perennial Investment Partners Ltd – Australian Fixed Interest	–	82,727	–
TCorp Hour-Glass Investments facilities – cash and equities	–	180,122	–
<b>Total</b>	<b>287,416</b>	<b>389,571</b>	<b>–</b>

There were no transfers between level 1 and level 2 during the financial year ended 30 June 2011.

Financial assets at fair value	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>2010</b>			
AMP Capital – Property	14,506	–	–
Ausbil Dexia Limited – Australian Equities	87,614	–	–
BT Financial Group – International Fixed Interest	39,739	–	–
Colonial First State Investments – Enhanced Cash	–	55,759	–
Legg Mason – Australian Fixed Interest	–	63,915	–
Macquarie Investment Management Ltd – Property	–	15,362	–
National Corporate Investment Trust – Global Equity Trust	114,885	–	–
Perennial Investment Partners Ltd – Australian Fixed Interest	–	77,399	–
TCorp Hour-Glass Investments facilities – cash and equities	–	161,564	–
<b>Total</b>	<b>256,744</b>	<b>373,999</b>	<b>–</b>

There were no transfers between level 1 and level 2 during the financial year ended 30 June 2010.

### Notes to and forming part of the financial statements

For the year ended 30 June 2011

#### **Note 23. Financial instruments (continued)**

##### **(e) Fair value estimation (continued)**

###### **(ii) (continued)**

The hierarchy used by the Board for disclosing the fair value of financial instruments by valuation technique are:

- ▶ **Level 1** – Derived from quoted prices in active markets for identical assets
- ▶ **Level 2** – Derived from inputs other than quoted prices that are observable directly or indirectly
- ▶ **Level 3** – Derived from valuation techniques that include inputs for the asset not observable market data

Investment held with external fund managers have been classified in the fair value hierarchy based on the underlying investments within each fund.

Investments in the TCorp Hour-Glass investment facilities have been classified as level 2 in the fair value hierarchy because, while prices are observable for these facilities, no active market exists as they are only accessible to government agencies.

**End of audited Financial Statements**

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### Appendix 1 – Legislation and services provided

The Dust Diseases Board is responsible for administering entitlements available under the *Workers' Compensation (Dust Diseases) Act 1942*.

Services provided by the Dust Diseases Board include:

- ▶ occupational screening services for employers including our mobile screening vehicle the 'Lung Bus'
- ▶ payment of compensation benefits
- ▶ payment of medical and related treatment expenses for beneficiaries
- ▶ information and education
- ▶ free pre-employment hearing tests at our Bureau of Medical Inspection, Broken Hill
- ▶ provision of grants for research into the diagnosis, treatment and prevention of dust diseases
- ▶ grants for organisations providing assistance to victims of dust disease or their families.

The Dust Diseases Board provides screening services to all persons whose employment as a worker exposed them to the inhalation of a dust, which may cause a dust disease, with the exception of the following persons:

- ▶ workers in or about a mine to which the *Coal Mines Regulation Act 1912*, applies (these workers are covered by other State legislation)
- ▶ employees of the Commonwealth Government
- ▶ persons whose exposure to the inhalation of dust occurred in the course of their employment outside of New South Wales
- ▶ persons whose exposure to the inhalation of dust occurred whilst self-employed.

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

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

- ▶ aluminosis
- ▶ asbestosis
- ▶ asbestos induced carcinoma of the lung
- ▶ asbestos related pleural disease (arpd)
- ▶ bagassosis
- ▶ berylliosis
- ▶ byssinosis

- ▶ coal dust pneumoconiosis
- ▶ farmer's lung
- ▶ hard metal pneumoconiosis
- ▶ mesothelioma
- ▶ silicosis
- ▶ silico-tuberculosis
- ▶ talcosis.

To be eligible for compensation a worker has to demonstrate two things:

- ▶ firstly, that he/she has a dust disease and suffers impairment for work as a result and;
- ▶ secondly, that this disease was the result of his/her exposure to dust whilst employed as a worker in New South Wales.

The certification of a dust disease depends on three elements:

1. a full size chest x-ray and/or chest CT scan
2. a clinical examination and a lung function test
3. an industrial history for the applicant.

An award for compensation is granted in a two part inter-dependent process:

**Part 1** – the Medical Authority must certify that the applicant has a dust disease specified by Schedule 1 of the *Workers' Compensation (Dust Diseases) Act 1942* or any other pathological condition of the lungs, pleura or peritoneum that is caused by dust that may also cause a disease listed under Schedule 1.

**Part 2** – the Board considers the Medical Authority's findings, determines the applicant's status as a worker under the Act and approves the Award.

#### Legal change

The *Workers' Compensation (Dust Diseases) Amendment Act 2010* amended the *Workers' Compensation (Dust Diseases) Act 1942* with respect to the maximum lump sum death benefit payable to dependants of deceased workers.

The Act was assented to on 7 December 2010 and commenced on assent.

### Appendix 2 – Chief and senior executive officers

The Dust Diseases Board does not employ any officers under Division 3 of the *Public Sector Employment and Management Act 2002*.

## Appendix 3 – Significant inter-departmental committees

Our General Manager is a member of:

- ▶ Asbestos Co-Regulators Working Group
- ▶ Australian Mesothelioma Register Steering Committee
- ▶ Compensating Authorities Staffing Division (CASD) Joint Consultative Committee
- ▶ CASD Executive Team Group
- ▶ CASD IT Steering Committee
- ▶ CASD Budget Committee
- ▶ CASD Shared Services Change Management Committee.

## Appendix 4 – Right to information

On 1 July 2010, the *Government Information (Public Access) Act 2009 (NSW)* replaced the *Freedom of Information Act 1989 (NSW)*. The new system is focussed on making government information more readily available.

Under the new Government information laws, there are four ways in which you can access information.

1. **Mandatory release:** We will disclose certain information on our website, free of charge. This includes our policy documents, current publication guide, disclosure log and register of government contracts.
2. **Proactive release:** In addition to the information contained on our website, we will also release as much government information as possible, in an appropriate way and free of charge (or at the lowest reasonable cost).
3. **Informal request:** You can request specific information be released. You will not need to make a formal application unless it is determined one is required.
4. **Formal application:** In limited circumstances you will need to lodge a formal request to access some types of information. You have a right to access information in this way unless the GIPA Act provides a reason to withhold the information.

The Dust Diseases Board's policy regarding fees for requests made under GIPA is that there is no requirement to submit an application fee to apply for access to information. There may be an application fee of \$30 pending the nature of your enquiry ie. repetitive or time-consuming requests. Should it be determined that your application will attract this fee, you will be contacted by a Right To Information Officer to organise payment via cheque or money order.

In the financial year ended 30 June 2011 the Dust Diseases Board received 32 requests for information under the *Government Information (Public Access) Act 2009*.

**Table A: Number of applications by type of application and outcome\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm /deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	1	0	0	0	0
Not-for-profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	12	6	0	13	0	0	0	0
Members of the public (other)	1	0	0	0	0	0	0	0

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



## Appendix 4 – Right to information (continued)

**Table B: Number of applications by type of application and outcome\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm /deny whether information is held	Application withdrawn
Personal Information applications*	1	1	0	0	0	0	0	0
Access applications (other than personal information applications)	12	6	0	16	0	0	0	0
Access applications that are partly personal information applications and partly other	0	2	0	0	0	0	0	0
Not-for-profit organisation or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	12	6	0	13	0	0	0	0
Members of the public (other)	1	0	0	0	0	0	0	0

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

**Table C: Invalid applications**

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
<b>Total number of invalid applications received</b>	<b>0</b>
Invalid applications that subsequently became valid applications	0

## Appendix 4 – Right to information (continued)

**Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act**

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

**Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act**

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information	0

**Table F: Timeliness**

	Number of applications
Decided within statutory timeframe (20 days plus any extensions)	32
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed) refusal	0
<b>Total</b>	<b>32</b>

## Appendix 4 – Right to information (continued)

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

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

\* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

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

### Privacy Act Compliance

The Privacy Management Plan sets out the Dust Diseases Board's commitment to adhere to the Information Privacy Principles governing the collection, retention, accuracy, use and disclosure of access to personal information and corrections. The Privacy Management Plan has been submitted to the NSW Privacy Commissioner and has been circulated amongst staff, the Board and Medical Authority. The Privacy Policy and Procedures was developed to provide staff with guidance on incorporating the information and health privacy principals into their everyday work practices.

The Dust Diseases Board has also undertaken the following measures in relation to privacy:

- ▶ Dust Diseases Board Privacy Policy and Procedures
- ▶ procedures to guide staff on how to manage requests for personal information in compliance with the *Privacy and Personal Information Protection Act 1998*
- ▶ the inclusion of a privacy notification on application forms
- ▶ the inclusion of a privacy statement on the Dust Disease's Board website
- ▶ proximity access control for each floor occupied by the Dust Diseases Board
- ▶ provision of disposal facilities for confidential material
- ▶ privacy induction program for new staff members.

In the financial year ending 30 June 2010 the Dust Diseases Board had not received any complaints concerning alleged breaches of the *Privacy and Personal Protection Act 1998*.

### Requests for Information made in accordance with the *Dust Diseases Tribunal Act 1989* and *Dust Diseases Tribunal Regulation 2007*

The Dust Diseases Board receives requests from law firms for copies of files held in relation to individual workers who are pursuing common law action in the Dust Diseases Tribunal. These requests are made in accordance with the *Dust Diseases Tribunal Act 1989*. Requests in relation to claims subject to claims resolution processes in the Dust Diseases Tribunal may also be received under the *Dust Diseases Tribunal Regulation 2007*.

A total of 553 requests for production of files were received in the financial year ending 30 June 2011.

Requests for files are subject to a \$55 production fee and radiology results provided on CD incur a fee of \$16.50. The total value of production fees received in the 2010/11 financial year represented \$27,428.50

## Appendix 5 – Staff Code of Conduct

The Dust Diseases Board Code of Conduct and Ethics sets out ethical principals and professional standards of conduct that all staff are expected to adopt in the course of their employment and in the performance of their duties.

The Code is not intended to be a comprehensive set of rules, but rather a set of principles that forms an ethical framework for staff conduct and behaviour in the workplace. It provides guidance for staff on how to carry out their duties in a lawful and ethical way, and on how to interact with other staff and the people they do business with including customers, members of the public, service providers and stakeholders.

The Staff Code of Conduct and Ethics policy was reviewed and updated within the 2009/10 financial year.

## Appendix 6 – Land disposal

The Board did not dispose of any properties in the 2009/10 financial year.

## Appendix 7 – Legal costs

The total legal costs incurred for appeal matters and legal advice on a range of matters pertaining to the operation of the Dust Diseases Board totalled \$370,946. This is a dramatic decrease on last year's expenditure of \$838,017.93, which was attributable to the finalisation of the four ongoing matters that were complex and lengthy.

## Appendix 8 – Consulting costs

During the year the Board expended \$184,349 on consultants, down from the \$218,154 expended in the previous year.

The Dust Diseases Board has entered into shared corporate service arrangements with the WorkCover Authority of NSW for the provision of IT, HR and payroll services allowing the Dust Diseases Board to reduce its reliance on external consultants.

Vendor	Description	Category	Vendor total (\$)
KPMG	Capability review	Organisational Review	130,000
9 Consultants \$50,000 and under		N/A	54,349
<b>Total consultants</b>			<b>184,349</b>

## Appendix 9 – Overseas travel

The Dust Diseases Board did not incur any costs for overseas travel in the 2010/11 financial year.

## Appendix 10 – Publications

The Dust Diseases Board produces a number of brochures and factsheets for our customers to inform them of their rights, responsibilities and workers' compensation entitlements.

Publications are distributed free of charge and most are available for downloading from our website at [www.ddb.nsw.gov.au/publications](http://www.ddb.nsw.gov.au/publications).

A list of our publications is as follows:

- ▶ Customer Service Charter
- ▶ Guide to compensation brochure
- ▶ Alternative therapies factsheet
- ▶ Domestic assistance factsheet
- ▶ Equipment (therapeutic aids) factsheet
- ▶ Health care services factsheet
- ▶ Nursing care factsheet
- ▶ Compensation payments factsheet
- ▶ Funeral benefits factsheet
- ▶ Compensation benefits for Dependant Spouse/Partner
- ▶ Respiratory medical examination factsheet
- ▶ Proof of identity factsheet
- ▶ Right to information factsheet
- ▶ Lung Bus brochure
- ▶ Information sheet for lawyers dealing with the Dust Diseases Board
- ▶ Annual Reports.

The Dust Diseases Board Staff Code of Conduct and Ethics is also freely available on our website for members of the public to download.

### Appendix 11 – Funds granted to non-government community organisations

The following funds were granted to the Asbestos Diseases Foundation of Australia (ADFA), a non-government community organisation that provides support to NSW asbestos victims and their families:

- ▶ \$12,700 was granted to fund activities for National Asbestos Awareness Day
- ▶ \$60,000 per annum was granted to fund a position of a help desk officer
- ▶ \$25,000 was granted to the Australia and New Zealand Society of Occupational medicine to raise awareness of dust diseases and compensation amongst occupational physicians.

### Appendix 12 – Credit card usage

The General Manager certifies that all credit card usage in the Dust Diseases Board has been conducted in accordance with relevant Department of Premier and Cabinet Memorandums and Treasury Directions.

### Appendix 13 – Fraud control policy

The Dust Diseases Board does not tolerate corrupt conduct, fraud, maladministration or serious and substantial waste of public money.

### Appendix 14 – Production notes

The Dust Diseases Board Annual Report is a publicly available document and can be accessed on our website [www.ddb.nsw.gov.au](http://www.ddb.nsw.gov.au) or by phoning (02) 8223 6600.

The total external production cost for the 2010/11 Annual Report was \$12,852 ex GST.

### Production Team

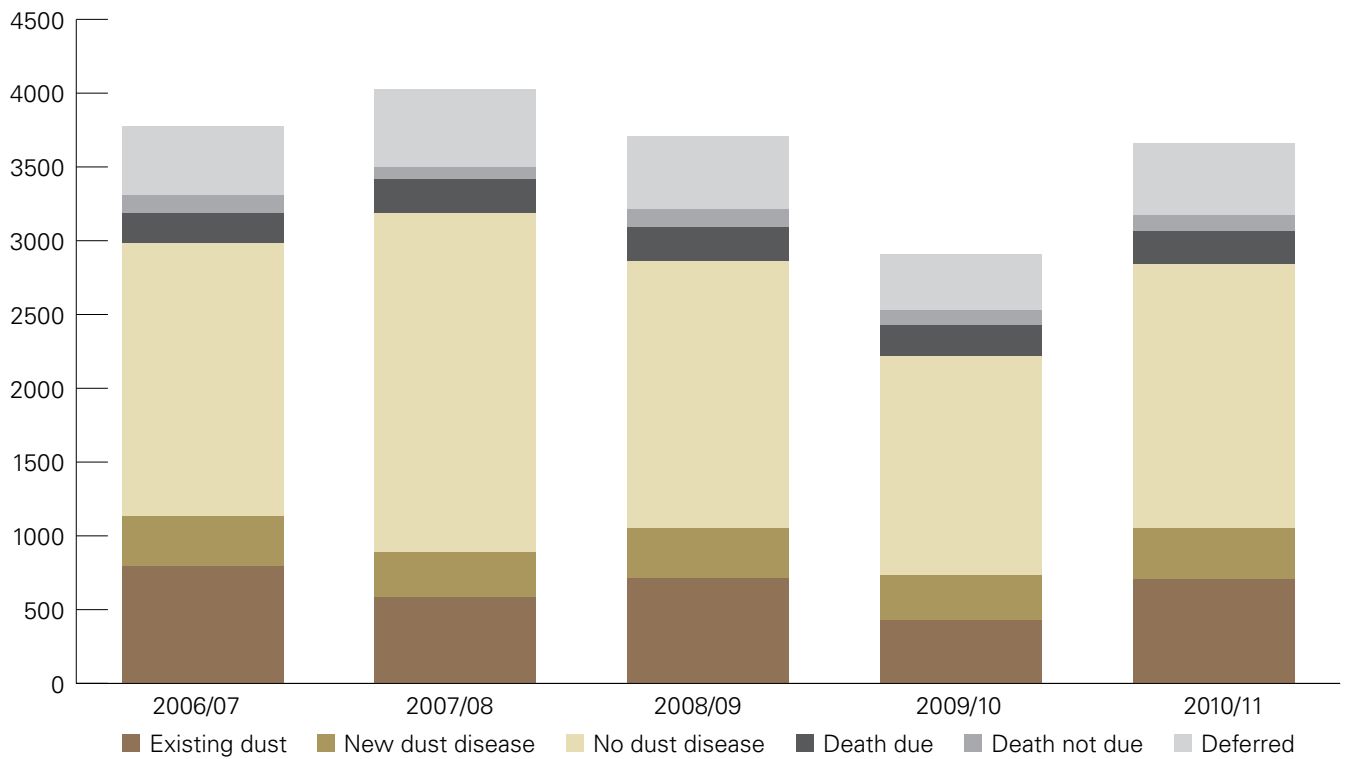
Project Management by Executive Division, Dust Diseases Board in collaboration with the WorkCover Authority Communication Group.

Design by Impress Design.

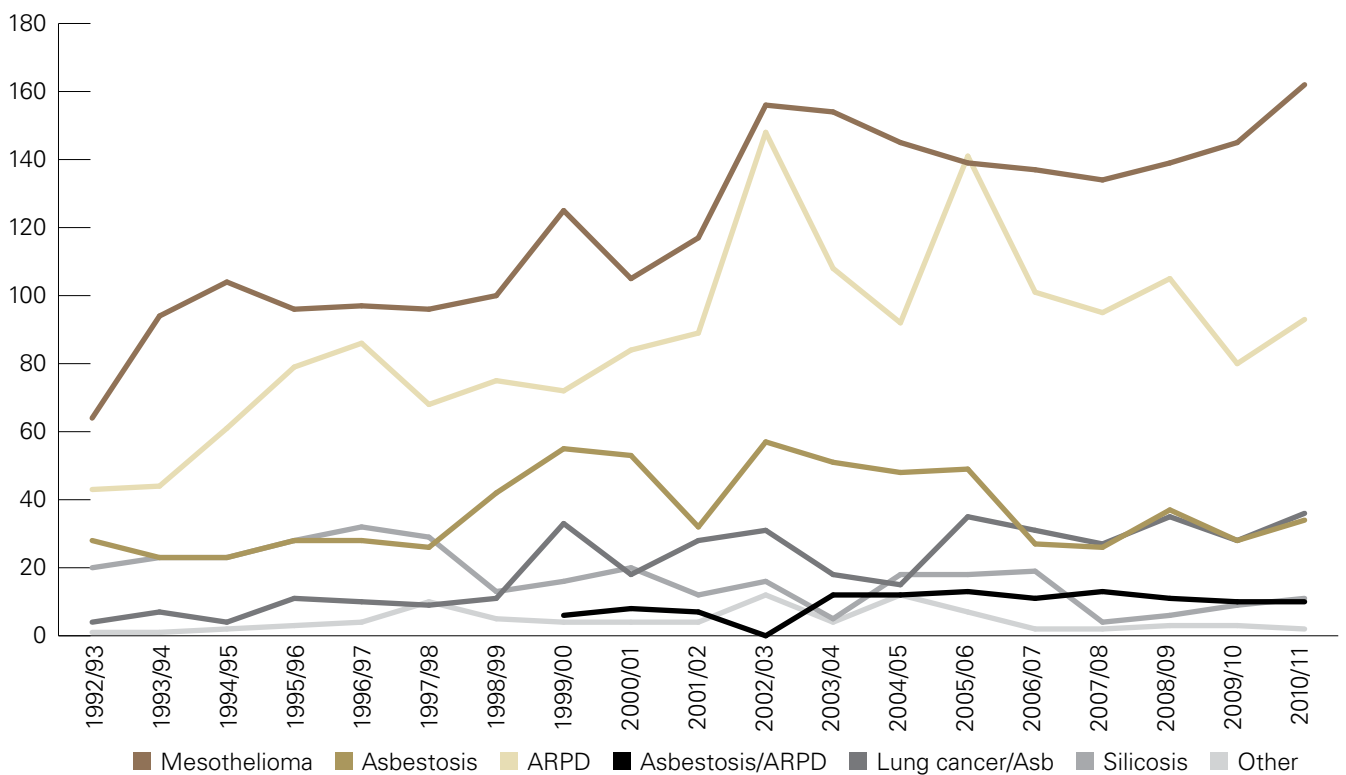
### Appendix 15 – Awards made since the inception of the original scheme of 1927

Name	Awards to disabled workers	Awards to dependants of deceased workers	Total
<b>No. 1 Scheme</b>			
September 1927 to 30 June 1942 (approx. 15 years)	245	64	309
<b>No. 2 Scheme</b>			
March 1938 to June 1942 (approx. 4 years)	7	3	10
<b>Silicosis Act</b>			
1 July 1942 to 28 February 1968 (approx. 26 years)	1,761	841	2,602
<b>Dust Diseases Act</b>			
29 February 1968 to 30 June 2010	5,790	4,596	10,386
<b>Total</b>	<b>8,131</b>	<b>5,701</b>	<b>13,832</b>

## Appendix 16 – Cases certified by the Medical Authority



## Appendix 17 – Medical Authority Certificates – New dust diseases certified





## Appendix 18 – Contributions under Section 6 for 2011/12 financial year

### Contributions under Section 6 for 2011/12 financial year

Notice is given that the WorkCover Authority, in pursuance of section 6 of the *Workers' Compensation (Dust Diseases) Act 1942* ('the Dust Diseases Act'), has:

- (a) in respect of policies issued or renewed to take effect in the year commencing 30 June 2011, determined the contribution to be paid under section 6 of the Dust Diseases Act by an **insurer** insuring or indemnifying an employer in respect of a class of employment specified in Column 1 of Table 1 to be an amount equal to the percentage of wages (being the total wages payable by the employer to workers in respect of the period of the policy) specified in Column 2 of the Table opposite that class
- (b) determined that the 2011/12 financial year interim contribution to be paid by an **insurer** to the Workers' Compensation (Dust Diseases) Fund in twelve equal instalments by the fifteenth day of each month commencing 15 July 2011 will be as follows:

Insurer	Contribution amount
Workers Compensation Nominal Insurer	\$71,000,000
Catholic Church Insurances Limited	\$680,000
StateCover Mutual Limited	\$575,000
Guild Insurance Limited	\$142,500
Hotel Employers Mutual Limited	\$100,000
Racing NSW	\$15,600

- (c) determined that upon notification of an employers actual wages paid for the financial year an **insurer's** 2011/12 financial year contribution is to be calculated in accordance with clause (a) and paid to the Workers' Compensation (Dust Diseases) Fund less previous contributions for the financial year 2011/12 by 31 October each year
- (d) in respect of the year commencing 1 July 2011, determined the contribution to be paid under section 6 of the Dust Diseases Act by each **self-insurer** is to be an amount equal to the percentage of wages (being the total wages payable by the self-insurer to workers in respect of that year) specified in Column 2 of Table 1 below:
  - (i) the class of employment specified in item 1 of Column 1 of Table 1 if, and to the extent that, wages are payable by the self-insurer to workers in respect of employment during that year and of that class
  - (ii) the class of employment specified in Column 1 of Table 1 which corresponds to the business activity classification (or classifications) adopted by the WorkCover Authority for the purpose of determining the contribution payable by the self-insurer to the WorkCover Authority Fund for the financial year commencing 1 July 2011
- (e) determined that the 2011/12 interim contribution to be paid by each **self-insurer** to the Workers' Compensation (Dust Diseases) Fund is to be based on a reasonable estimate by the **self-insurer** of the wages to be paid during the financial year and calculated in accordance with clause (d) and paid in two equal instalments on 31 October 2011 and 31 March 2012
- (f) determined that the 2011/12 final contribution to be paid by each **self-insurer** to the Workers' Compensation (Dust Diseases) Fund is to be based on the actual wages paid by the **self-insurer** during the 2011/12 financial year and calculated in accordance with clause (d) and is to be paid by 31 October 2012 less the interim contribution paid under clause (e), as the case may require (see note 1 page 80).

**Appendix 18 – Contributions under Section 6 for 2011/12 financial year (continued)****Table 1**

Item	Column 1 Class of Employment	Column 2 Contribution (percentage of wages)
1.	The class of employment in paragraph D(12) of the determination made by the Workers' Compensation (Dust Diseases) Board under section 6(3) of the Dust Diseases Act and published in Gazette No. 64 of 11 May 1979.	4%
2.	Any other class of employment determined by the Workers' Compensation (Dust Diseases) Board under section 6(3) of the Dust Diseases Act.	The percentage specified in this Column opposite the class of employment in Column 1 corresponding to the business classification that applies to the employer concerned in calculating the relevant premium under the Insurance Premiums Order (2011/12).
3.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2011/12), a business classification listed in <b>SCHEDULE 1</b> applies to the employer concerned.	1.25%
4.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2011/12), a business classification listed in <b>SCHEDULE 2</b> applies to the employer concerned.	0.50%
5.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2011/12), a business classification listed in <b>SCHEDULE 3</b> applies to the employer concerned.	0.28%
6.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2011/12), a business classification listed in <b>SCHEDULE 4</b> applies to the employer concerned.	0.165%
7.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2011/12), a business classification listed in <b>SCHEDULE 5</b> applies to the employer concerned.	0.11%
8.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2011/12), a business classification listed in <b>SCHEDULE 6</b> applies to the employer concerned.	0.075%
9.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2011/12), a business classification listed in <b>SCHEDULE 7</b> applies to the employer concerned.	0.05%
10.	Employment in respect of which, for the purpose of calculating the relevant premium under the Insurance Premiums Order (2011/12), a business classification listed in <b>SCHEDULE 8</b> applies to the employer concerned.	0.025%

### Appendix 18 – Contributions under Section 6 for 2011/12 financial year (continued)

#### Note:

1. If wages are payable by an employer (including a self-insurer) to workers in respect of employment during the relevant period, being employment of the class specified in item 1 of Column 1 of the above Table, the percentage of wages specified in Column 2 for that item applies to such part of the total wages payable to the employer's workers as relates to employment of that class, and items 2-10 of the Table (as the case may require) apply to the remainder of the wages.
2. If, in the calculation of an employer's premium under the Insurance Premiums Order (2011/12), business classifications mentioned in two or more of Schedules 1–8 below properly apply to the employer, the dust diseases contribution rates in Column 2 of the Table are to apply to such part of the total wages payable by the employer as relates to the relevant classification. The same applies to calculation of a self-insurer's dust diseases contribution by reference to its WorkCover Authority Fund contribution.
3. If the Insurance Premiums Order (2011/12) does not apply to an employer's policy, the contribution to be paid by the insurer concerned under section 6 of the Dust Diseases Act is to be calculated as if that Order did apply to the policy.
4. See Table A to the Insurance Premiums Order (2011/12) for full descriptions of relevant business classifications below.
5. The expressions 'policy', and 'workers' used above have the same meanings as in the *Workers Compensation Act 1987* and the *Workplace Injury Management and Workers Compensation Act 1998* and references to wages 'payable' include references to wages paid.
6. The expression 'wages' used above has the same meaning as in the Insurance Premiums Order 2011/12.

Dated this day of May 2011

**Lisa Hunt**

Chief Executive Officer  
WorkCover Authority

**Appendix 18 – Contributions under Section 6 for 2011/12 financial year (continued)**

Class number (in premiums order)	Business classification title	Class number (in premiums order)	Business classification title
<b>Schedule 1</b>		422200	Bricklaying Services
263210	Fibro-Cement Sheeting Manufacturing	422300	Roofing Services
282100	Shipbuilding	423100	Plumbing Services
<b>Schedule 2</b>		424110	Cement Rendering and Plastering
255100	Rubber Tyre Manufacturing	424400	Painting and Decorating Services
424200	Carpentry Services	425930	Building Exterior Cleaning and Maintenance Services
425940	Construction Services nec	650100	Pipeline Transport
<b>Schedule 3</b>		650900	Transport nec
041100	Rock Lobster Fishing	662100	Stevedoring
041200	Prawn Fishing	<b>Schedule 4</b>	
041300	Finfish Trawling	131100	Iron Ore Mining
041400	Squid Jigging	131200	Copper Ore Mining – Underground
041500	Line Fishing	131910	Other Metal Ore Mining nec – Underground
041900	Marine Fishing nec	131920	Other Metal Ore Mining nec – Surface
142010	Other Mining nec – Underground	141100	Gravel and Sand Quarrying
142020	Other Mining nec – Surface	211110	Abattoirs
221200	Synthetic Fibre Textile Manufacturing	211130	Meat Processing
221300	Cotton Textile Manufacturing	216100	Bread Manufacturing
221400	Wool Textile Manufacturing	217100	Sugar Manufacturing
221500	Textile Finishing	217200	Confectionery Manufacturing
251000	Petroleum Refining	217300	Seafood Processing
255900	Other Rubber Product Manufacturing nec	217900	Food Manufacturing nec
261000	Glass and Glass Product Manufacturing	218200	Beer and Malt Manufacturing
262100	Clay Brick Manufacturing	221100	Wool Scouring
262300	Ceramic Tile and Pipe Manufacturing	222110	Made-up Textile Product Manufacturing
262900	Other Ceramic Product Manufacturing nec	222200	Textile Floor Covering Manufacturing
263100	Cement and Lime Manufacturing	222300	Rope, Cordage and Twine Manufacturing
263220	Plaster Product Manufacturing	222900	Other Textile Product Manufacturing nec
263400	Concrete Pipe and Box Culvert Manufacturing	224100	Men's and Women's Clothing Manufacturing
263510	Terrazzo Manufacturing	224200	Tailoring and Dress-making
263520	Concrete Product Manufacturing nec	224300	Sleepwear, Underwear and Baby Clothing Manufacturing
271100	Basic Iron and Steel Manufacturing	233100	Pulp, Paper and Paperboard Manufacturing
271200	Iron and Steel Casting and Forging	254200	Paint Manufacturing
272300	Copper, Silver, Lead and Zinc Smelting, Refining	254500	Soap and Other Detergent Manufacturing
282220	Boat repairing	254900	Other Chemical Product Manufacturing nec
282900	Transport Equipment Manufacturing nec	262200	Ceramic Product Manufacturing
294900	Manufacturing nec		
411100	House Construction		

## Appendix 18 – Contributions under Section 6 for 2011/12 financial year (continued)

Class number (in premiums order)	Business classification title	Class number (in premiums order)	Business classification title
<b>Schedule 4</b>	(continued)	425920	Exterior/Interior Blind and Awning Installation Services
263300	Concrete Slurry Manufacturing	532900	Automotive Repair and Services nec
264010	Fibreglass Insulation Products Manufacturing	620000	Rail Transport
264020	Non-Metallic Mineral Product Manufacturing nec	630100	International Sea Transport
271300	Steel Pipe and Tube Manufacturing	630200	Coastal Water Transport
272100	Alumina Production	662200	Water Transport Terminals
272200	Aluminium Smelting	662300	Port Operators
272900	Basic Non-Ferrous Metal Manufacturing nec	662910	Water Transport Agency Services
273100	Aluminium Rolling, Drawing, Extruding	662920	Services to Water Transport nec
273200	Non-Ferrous Metal Rolling, Drawing, Extruding nec	663000	Services to Air Transport
273300	Non-Ferrous Metal Casting	952110	Laundry and Dry Cleaning Operations
274100	Structural Steel Fabricating	<b>Schedule 5</b>	
274900	Structural Metal Product Manufacturing nec	131300	Copper Ore Mining – Surface
275900	Sheet Metal Product Manufacturing nec	131410	Gold Ore Mining – Underground
276100	Hand Tool and General Hardware Manufacturing	131420	Gold Ore Mining – Surface
276300	Nut, Bolt, Screw and Rivet Manufacturing	131500	Mineral Sand Mining
276400	Metal Coating and Finishing	131610	Nickel Ore Mining – Underground
276900	Fabricated Metal Product Manufacturing nec	131620	Nickel Ore Mining – Surface
281100	Motor Vehicle Manufacturing	131710	Silver-Lead-Zinc Ore Mining – Underground
282210	Boatbuilding	131720	Silver-Lead-Zinc Ore Mining – Surface
282300	Railway Equipment Manufacturing	152000	Other Mining Services
282400	Aircraft Manufacturing	216200	Cake and Pastry Manufacturing
294100	Jewellery and Silverware Manufacturing	253500	Inorganic Industrial Chemical Manufacturing nec
294200	Toy and Sporting Good Manufacturing	254100	Explosive Manufacturing
361000	Electricity Supply	254400	Pesticide Manufacturing
362000	Gas Supply	254700	Ink Manufacturing
370100	Water Supply	275100	Metal Container Manufacturing
411200	Residential Building Construction nec	276500	Non-Ferrous Pipe Fitting Manufacturing
421010	Demolition	281300	Automotive Electrical and Instrument Manufacturing
423200	Electrical Services	285200	Electrical Cable and Wire Manufacturing
423300	Air Conditioning and Heating Services	286100	Agricultural Machinery Manufacturing
424120	Plasterboard and Decorative Plaster Fixing	286410	Machine Tool and Part Manufacturing
424300	Tiling and Carpeting Services	286420	Metal Dies, Cutting, Sinking, Manufacturing and Repairing
425910	Scaffolding Services	286700	Commercial Space Heating and Cooling Equipment Manufacturing
		286900	Industrial Machinery and Equipment Manufacturing nec

**Appendix 18 – Contributions under Section 6 for 2011/12 financial year (continued)**

Class number (in premiums order)	Business classification title	Class number (in premiums order)	Business classification title
<b>Schedule 5</b>	(continued)	254300	Medicinal and Pharmaceutical Product Manufacturing
291900	Prefabricated Building Manufacturing nec	254600	Cosmetic and Toiletry Preparation Manufacturing
292200	Sheet Metal Furniture Manufacturing	256200	Plastic Extruded Product Manufacturing
370200	Sewerage and Drainage Services	276200	Spring and Wire Product Manufacturing
421020	Site Preparation Services	285100	Household Appliance Manufacturing
422110	Concrete Construction Services	286200	Mining and Construction Machinery Manufacturing
422400	Structural Steel Erection Services	286300	Food Processing Machinery Manufacturing
424510	Aluminium Door and Window Installation	286500	Lifting and Material Handling Equipment Manufacturing
424520	Glazing Services	291100	Prefabricated Metal Building Manufacturing
425100	Landscaping Services	411300	Non-Residential Building Construction
452300	Chemical Wholesaling	422120	Concrete Paving Services
453900	Building Supplies Wholesaling nec	453100	Timber Wholesaling
462400	Motor Vehicle Dismantling	472200	Clothing Wholesaling
523300	Domestic Hardware and Houseware Retailing	532200	Automotive Electrical Services
525900	Retailing nec	611020	Road Freight Transport – Short Distance
630300	Inland Water Transport	782920	Technical Services nec
952120	Self-service Laundries and Dry Cleaning Agencies	786610	Cleaning Services: Non Government Contractors
963300	Fire Brigade and Civil Emergency Services	861200	Psychiatric Hospitals
<b>Schedule 6</b>		<b>Schedule 7</b>	
110100	Coal Mining – Underground	030100	Forestry
110200	Coal Mining – Surface	030210	Softwood Timber Plantation Logging
211140	Animal By-product Processing nec	030220	Hardwood and Other Timber Logging
212100	Milk and Cream Processing	030300	Services to Forestry
212200	Ice Cream Manufacturing	141900	Construction Material Mining nec
212900	Dairy Product Manufacturing nec	211120	Meat Packing and Freezing
222130	Non-canvas Textile Blind and Awning Manufacturing	211210	Poultry Abattoirs
226100	Leather Tanning and Fur Dressing	211300	Bacon, Ham and Smallgoods Manufacturing
226200	Leather and Leather Substitute Product Manufacturing	218300	Wine Manufacturing
232200	Fabricated Wood Manufacturing	231100	Log Sawmilling
232910	Wooden Blind Manufacturing	231200	Wood Chipping
233200	Solid Paperboard Container Manufacturing	231300	Timber Resawing and Dressing
233300	Corrugated Paperboard Container Manufacturing	232300	Wooden Structural Component Manufacturing
233900	Other Paper Product Manufacturing nec	232920	Other Wood Product Manufacturing nec
241210	Printing	241100	Paper Stationery Manufacturing
253400	Organic Industrial Chemical Manufacturing nec	241310	Printing Trade Services



## Appendix 18 – Contributions under Section 6 for 2011/12 financial year (continued)

Class number (in premiums order)	Business classification title	Class number (in premiums order)	Business classification title
<b>Schedule 7</b>	(continued)	786620	Cleaning Services: Government Contractors
241320	Services to Printing and Publishing nec	820000	Defence
252000	Petroleum and Coal Product Manufacturing nec	843200	Technical and Further Education
253100	Fertiliser Manufacturing	844010	Driving Schools
253200	Industrial Gas Manufacturing	844020	Other Education and Training nec
253300	Synthetic Resin Manufacturing	912200	Television Services
256400	Plastic Product, Rigid Fibre Reinforced, Manufacturing	923100	Zoological and Botanic Gardens
274200	Architectural Aluminium Product Manufacturing	923900	Recreational Parks and Gardens
281200	Motor Vehicle Body Manufacturing	963400	Waste Disposal Services
281900	Automotive Component Manufacturing nec	970000	Private Households Employing Staff
285300	Battery Manufacturing	<b>Schedule 8</b>	
286600	Pump and Compressor Manufacturing	011100	Plant Nurseries
292300	Mattress Manufacturing (Except Rubber)	011200	Cut Flower and Flower Seed Growing
292900	Furniture Manufacturing nec	011300	Vegetable Growing
412100	Road and Bridge Construction	011400	Grape Growing
423400	Telecommunication, Alarm and Security System Installation Services	011600	Stone Fruit Growing
451100	Wool Wholesaling	011700	Kiwi Fruit Growing
451200	Cereal Grain Wholesaling	011900	Fruit Growing nec
451900	Farm Produce and Supplies Wholesaling nec	012100	Grain Growing
452100	Petroleum Product Wholesaling	012200	Combined Grain Growing, Sheep Farming and Beef Cattle Farming
461500	Electrical and Electronic Equipment Wholesaling nec	012300	Sheep-Beef Cattle Farming
462100	Car Wholesaling	012400	Sheep Farming
462200	Commercial Vehicle Wholesaling	012510	Beef Cattle Farming
462300	Motor Vehicle New or Used Part Dealing	012520	Beef Cattle Feedlots
472300	Footwear Wholesaling	013000	Dairy Cattle Farming
473100	Household Appliance Wholesaling	014100	Poultry Farming (Meat)
523200	Floor Covering Retailing	014200	Poultry Farming (Eggs)
523500	Recorded Music Retailing	015100	Pig Farming
525200	Antique and Used Good Retailing	015200	Horse Farming
525300	Garden Equipment Retailing	015300	Deer Farming
525400	Flower Retailing	015900	Other Livestock Farming nec
532400	Tyre Retailing	016100	Sugar Cane Growing
611010	Road Freight Transport – Bulk Freight	016200	Cotton Growing
611040	Furniture Delivery and Removal Service	016900	Other Crop and Plant Growing nec
664900	Services to Transport nec	021100	Cotton Ginning
712000	Telecommunication Services	021200	Shearing Services
		021300	Aerial Agricultural Services
		021910	Services to Livestock Farming nec
		021920	Services to Crop Farming nec

**Appendix 18 – Contributions under Section 6 for 2011/12 financial year (continued)**

Class number (in premiums order)	Business classification title	Class number (in premiums order)	Business classification title
<b>Schedule 8</b>	<i>(continued)</i>	284900	Other Electronic Equipment Manufacturing nec
021930	Services to Fruit and Vegetable Growing nec	285400	Electric Light and Sign Manufacturing
021940	Agricultural Land Clearing and Fencing	285900	Other Electrical Equipment Manufacturing nec
021950	Other Services to Agriculture nec	292100	Wooden Furniture and Upholstered Seat Manufacturing
021960	Pet Boarding and Kennels nec	412200	Non-Building Construction nec
022000	Hunting and Trapping	452200	Metal and Mineral Wholesaling
042000	Aquaculture	461100	Farm and Construction Machinery Wholesaling
120000	Oil and Gas Extraction	461200	Professional Equipment Wholesaling
151100	Petroleum Exploration (Own Account)	461300	Computer Wholesaling
151200	Petroleum Exploration	461400	Business Machine Wholesaling nec
151300	Mineral Exploration (Own Account)	461900	Machinery and Equipment Wholesaling nec
151400	Mineral Exploration Services	471100	Meat Wholesaling
211220	Poultry Meat Processing	471200	Poultry and Smallgood Wholesaling
213000	Fruit and Vegetable Processing	471300	Dairy Produce Wholesaling
214000	Oil and Fat Manufacturing	471400	Fish Wholesaling
215100	Flour Mill Product Manufacturing	471500	Fruit and Vegetable Wholesaling
215200	Cereal Food and Baking Mix Manufacturing	471600	Confectionery and Soft Drink Wholesaling
223100	Hosiery Manufacturing	471700	Liquor Wholesaling
223200	Cardigan and Pullover Manufacturing	471800	Tobacco Product Wholesaling
223900	Knitting Mill Product Manufacturing nec	471900	Grocery Wholesaling nec
225000	Footwear Manufacturing	472100	Textile Product Wholesaling
242100	Newspaper Publishing	473200	Furniture Wholesaling
242200	Other Periodical Publishing	473300	Floor Covering Wholesaling
242300	Book and Other Publishing	473900	Household Good Wholesaling nec
243000	Recorded Media Manufacturing and Publishing	479100	Photographic Equipment Wholesaling
256100	Plastic Blow Moulded Product Manufacturing	479200	Jewellery and Watch Wholesaling
256500	Plastic Foam Product Manufacturing	479300	Toy and Sporting Good Wholesaling
256600	Plastic Injection Moulded Product Manufacturing	479400	Book and Magazine Wholesaling
283100	Photographic and Optical Good Manufacturing	479500	Paper Product Wholesaling
283200	Medical and Surgical Equipment Manufacturing	479600	Pharmaceutical and Toiletry Wholesaling
283900	Professional and Scientific Equipment Manufacturing nec	479910	Wholesaling nec
284100	Computer and Business Machine Manufacturing	479920	Wholesaling Trade Agent – No Goods Handling
284200	Telecommunication, Broadcasting and Transceiving Equipment Manufacturing	511000	Supermarket and Grocery Stores
		512100	Fresh Meat, Fish and Poultry Retailing
		512200	Fruit and Vegetable Retailing

## Appendix 18 – Contributions under Section 6 for 2011/12 financial year (continued)

Class number (in premiums order)	Business classification title	Class number (in premiums order)	Business classification title
<b>Schedule 8</b>	(continued)	640300	Non-Scheduled Air and Space Transport
512300	Liquor Retailing	661100	Parking Services
512400	Bread and Cake Retailing	661900	Services to Road Transport nec
512500	Takeaway Food Retailing	664100	Travel Agency Services
512600	Milk Vending	664210	Freight Forwarding (Road) – Goods Handling
512900	Specialised Food Retailing nec	664220	Freight Forwarding (Road) – No Goods Handling
521000	Department Stores	664310	Freight Forwarding (Other Than Road) – Goods Handling
522300	Fabric and Other Soft Good Retailing	664320	Freight Forwarding (Other than Road) – No Goods Handling
523100	Furniture Retailing	664410	Customs Agencies – Goods Handling
523400	Domestic Appliance Retailing	664420	Customs Agencies – No Goods Handling
524100	Sport and Camping Equipment Retailing	670100	Grain Storage
524200	Toy and Game Retailing	670900	Storage nec
524300	Newspaper, Book and Stationery Retailing	711110	Postal Delivery Services
524400	Photographic Equipment Retailing	711120	Postal Agency Services
524500	Marine Equipment Retailing	711200	Courier Services
525100	Pharmaceutical, Cosmetic and Toiletry Retailing	731000	Central Bank
525500	Watch, Spectacles and Jewellery Retailing	732100	Banks
526110	Household Equipment Repair Services (Electrical)	732200	Building Societies
526120	Household Equipment Repair Services (Electronics)	732300	Credit Unions
526900	Household Equipment Repair Services nec	732400	Money Market Dealers
531100	Car Retailing	732900	Deposit Taking Financiers nec
531200	Motor Cycle Dealing	733000	Other Financiers
531300	Trailer and Caravan Dealing	734000	Financial Asset Investors
532100	Automotive Fuel Retailing	741100	Life Insurance
532300	Smash Repairing	741200	Superannuation Funds
571000	Accommodation	742100	Health Insurance
572000	Pubs, Taverns and Bars	742200	General Insurance
573000	Cafes and Restaurants	751100	Financial Asset Broking Services
574000	Clubs (Hospitality)	751900	Services to Finance and Investment nec
611030	Road Freight Transport – Long Distance	752000	Services to Insurance
612100	Long Distance Bus Transport	771110	Residential Strata Schemes
612200	Short Distance Bus Transport (Including Tramway)	771120	Residential Property Operators
612340	Other Road Passenger Transport nec	771210	Commercial Property Strata Schemes
640100	Scheduled International Air Transport	771220	Commercial Property Operators and Developers
640200	Scheduled Domestic Air Transport	772000	Real Estate Agents
		773000	Non-Financial Asset Investors

**Appendix 18 – Contributions under Section 6 for 2011/12 financial year (continued)**

Class number (in premiums order)	Business classification title	Class number (in premiums order)	Business classification title
<b>Schedule 8</b>	(continued)	842200	Secondary Education
774100	Motor Vehicle Hiring	842300	Combined Primary and Secondary Education
774210	Boat and Ferry Hiring	842400	Special School Education
774220	Other Transport Equipment Leasing nec	843100	Higher Education
774310	Plant and Machinery Hiring and Leasing Without Operator	861100	Hospitals (Except Psychiatric Hospitals)
774320	Plant and Machinery Hiring and Leasing With Operator	861300	Nursing Homes
774330	Office Equipment Hiring and Leasing	862100	General Practice Medical Services
781000	Scientific Research	862200	Specialist Medical Services
782100	Architectural Services	862300	Dental Services
782200	Surveying Services	863100	Pathology Services
782300	Consulting Engineering Services	863200	Optometry and Optical Dispensing
782910	Laboratory Services nec	863300	Ambulance Services
783100	Data Processing Services	863400	Community Health Centres
783200	Information Storage and Retrieval Services	863500	Physiotherapy Services
783300	Computer Maintenance Services	863600	Chiropractic Services
783400	Computer Consultancy Services	863900	Other Health Services nec
784100	Legal Services	864000	Veterinary Services
784200	Accounting Services	871000	Child Care Services
785100	Advertising Services	872100	Accommodation for the Aged
785210	Sign Writing	872200	Residential Care Services nec
785220	Commercial Art and Display Services	872910	Home Care Services
785300	Market Research Services	872920	Non-Residential Care Services nec
785400	Business Administrative Services	911100	Film and Video Production
785500	Business Management Services	911200	Film and Video Distribution
786100	Employment Placement Services	911300	Motion Picture Exhibition
786300	Secretarial Services	912100	Radio Services
786411	Investigative Services	921000	Libraries
786412	Security Services	922000	Museums
786420	Building Caretaking Services	924110	Theatre and Orchestra Productions
786500	Pest Control Services	924120	Other Theatre and Musical Performance
786700	Contract Packing Services nec	924200	Creative Arts
786900	Business Services nec	925100	Sound Recording Studios
811100	Central Government Administration	925200	Performing Arts Venues
811200	State Government Administration	925910	Agency Services to the Arts
812000	Justice	925920	Services to the Arts nec
813000	Foreign Government Representation	931110	Horse and Dog Racing Operations
841000	Preschools and Kindergartens	931200	Sports Grounds and Facilities nec
842100	Infants and Primary Schools	931911	Sports and Services to Sport nec
		931912	Sports Administrators Services

## Appendix 18 – Contributions under Section 6 for 2011/12 financial year (continued)

Class number (in premiums order)	Business classification title	Class number (in premiums order)	Business classification title
<b>Schedule 8</b>	(continued)	952510	Gardening Services
932100	Lotteries	952520	Amenity Tree Services
932200	Casinos	952600	Hairdressing and Beauty Salons
932900	Gambling Services nec	952910	Adult Personal Services
933000	Other Recreation Services	952920	Personal Services nec
951100	Video Hire Outlets	961000	Religious Organisations
951900	Personal and Household Goods Hiring nec	962100	Business and Professional Associations
952130	Carpet Cleaners	962200	Labour Associations
952200	Photographic Film Processing	962900	Interest Groups nec
952300	Photographic Studios	963100	Police Services
952400	Funeral Directors, Crematoria and Cemeteries	963200	Corrective Centres

## Appendix 19 – Compliance index

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\* Treasury circular 08/08 provides that small agencies of 200 or less employees are only required to report on equal employment opportunity and multi-cultural policy and service opportunity on a tri-annual basis

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