



Annual Report

2022 – 2023

Acknowledgement of country

WorkCover Queensland deeply acknowledges and pays respect to all Aboriginal and Torres Strait Islander peoples, and their Elders past and present.

We thank the Traditional Custodians of Country throughout Australia for their ongoing custodianship of land, waters, culture and community.

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About this report

Under the *Workers' Compensation and Rehabilitation Act 2003* (the Act), WorkCover Queensland is required to produce an annual report. This report has been prepared to meet the needs of stakeholders and the accountability requirements under the *Financial Accountability Act 2009*.



WorkCover is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on 1300 362 128 and we will arrange an interpreter to effectively communicate the report to you.

To view previous reports, please visit our website:
<https://www.worksafe.qld.gov.au/resources/publications/annual-reports>

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Attribution

Content from this annual report should be attributed as: WorkCover Queensland 2022–2023 Annual Report.

Letter of compliance

29 August 2023

The Honourable Grace Grace MP
Minister for Education, Minister for Industrial Relations and Minister for Racing
1 William Street
BRISBANE QLD 4000

Dear Minister

I am pleased to submit for presentation to the Parliament the WorkCover Queensland 2022–2023 Annual Report and Financial Statements.

I certify that this Annual Report complies with:

- the requirements under the *Workers' Compensation and Rehabilitation Act 2003*
- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

I would like to thank the Board for their contribution, as well as our people for their demonstrated commitment to providing excellent service to Queensland employers and workers.

A checklist outlining the annual reporting requirements is provided at page 95 of this annual report.

Yours sincerely,



The Honourable Dr Anthony Lynham
Chair
WorkCover Queensland

About WorkCover Queensland

WorkCover Queensland has been providing workers' compensation insurance in Queensland for more than 25 years to more than 170,000 businesses.

Supporting Queensland workers and businesses is at the heart of everything we do, from customer service and managing claims, to accessing rehabilitation, and making sure employers have insurance in place to protect their workers.

The most important thing for us is keeping Queenslanders working and we understand everyone's needs are different. We work with each individual to make sure they get the best outcome for their situation.

We are committed to balancing employer and worker needs. We aim to keep premiums low for employers, while also supporting injured workers with their recovery and return to work.

Working together

WorkCover partners with various government agencies and key stakeholders to give Queensland businesses and the broader community efficient access to specialist advice on workers' compensation matters, rehabilitation, and return to work.

**Minister for Education,
Minister for Industrial Relations and
Minister for Racing**

Develops workers' compensation and workplace health and safety legislation.

Office of Industrial Relations

Workplace Health and Safety Queensland (WHSQ)

Enforces workplace health and safety laws and educates stakeholders on their legal obligations.

Workers' Compensation Regulatory Services (WCRS)

Regulates the Queensland workers' compensation scheme, including self-insurers and is a facilitator of legal and medical resolutions, and an educator and promotor of the scheme on behalf of all stakeholders.

The Electrical Safety Office

Develops and enforces legislative and compliance standards to improve electrical safety.

WorkCover Queensland

Provides and manages workers' compensation insurance for Queensland employers and workers.

Customer service commitment

Our Customer Strategy Principles are the cornerstone of our interactions with customers and are designed to enable positive experiences. Our customer survey research shows that when customers are empowered and feel valued, and when they encounter an easy, fair, transparent, and consistent process, they are three times more likely to achieve positive outcomes.

Below we outline how these principles apply to our employers and workers and what this means for our people.

Customer Strategy Principle	What this means for Employers	What this means for Workers	What this means for our People
Empowered	After every interaction with us, employers are clear about what positive actions they can take to move forward, and they feel confident to do so.	Workers are engaged and enabled to achieve the right outcome for them. They know what they need to do, and they know we'll support them however we can.	We inspire confidence in customers and guide them to take positive action towards achieving their goals, offering the right support at the right time.
Valued	Employers know that we appreciate them, their involvement, and their business, and feel we deliver a valuable service.	Workers feel seen and heard. They know that they matter to us as a person and are more than just a claim.	We engage with our customers in a way that conveys appreciation and recognises their importance.
Easy	Employers can quickly do what they need to or find what they're looking for with minimal effort, regardless of how they engage with us.	Workers can focus on their recovery rather than their claim, knowing that WorkCover will guide them through the paperwork and process.	We anticipate customer needs and wants, ensuring their effort is directed towards actions that drive the right outcomes.
Fair and Transparent	Employers know that their interests are balanced with those of the worker, and decisions made are unbiased. Employers feel that their insurance policy and premiums reflect their business.	Workers feel we are open and honest, and decisions made throughout their claim are unbiased. Workers are kept well informed throughout the process.	We are open, honest and accountable, enabling all parties to have their say, and listening so that everyone feels they have been heard and considered.
Consistent	Employers get the same knowledge, communications, support and outcome no matter who they talk to or how they engage with us.	Workers get the same communications, experience and outcome regardless of how they interact with us, or with whom, throughout their claim.	We provide the same valued experience and outcome regardless of how our customers choose to interact with us.

Corporate plan 2022-2026

Our vision is to be the best workers' compensation insurer and make a positive difference to people's lives.

Our purpose

We partner with and support our customers to keep Queenslanders working, through:

- Trusted partnerships which underpin our focus on return to work outcomes
- Tailored quality experiences for workers and employers
- Creating value for business through innovative and sustainable outcomes
- Influencing and investing in injury risk reduction.

Our values

Excellence: To deliver outcomes that are highly valued by our customers.

Integrity: To always do the right thing.

Responsiveness: To provide an experience that meets the individual needs of our customers.

Respect: To be considerate of the rights and dignity of everyone.

Our customers

Our customers are employers and injured workers, supported by various stakeholder groups.

Challenges

- Balance return to work rates, costs and support for injured workers and employers to maintain a financially sustainable fund in the face of rising claim costs and durations
- Respond to claims growth in mental injuries, COVID, silicosis and other respiratory conditions
- Identify and respond to emerging trends including the future of work
- Continue development of our digital, data, cybersecurity and technology architecture and supporting capabilities in the face of the rapid pace of change and customer expectations
- Attract and retain an engaged, skilled, diverse and capable workforce aligned to our culture
- Engage and influence customers and stakeholders to minimise the risk of workplace injuries and improve the management of return to work outcomes
- Retain and grow our employer customer base.

Prepared by the WorkCover Queensland Board of Directors for the Minister for Education, Minister for Industrial Relations and Minister for Racing. Agreed by the Minister for Education, Minister for Industrial Relations, and Minister for Racing on 7 June 2022.

Our goals and performance indicators

Purpose-driven culture

Inspire our people to be open to learning and growing to achieve our strategy

- Together, we ensure our community is empowered and strongly connected to our purpose
- We collaborate and seek to engage others, working together as One Team
- We embrace diversity and value people who bring energy and authenticity to everything they do
- Our behaviours are aligned with our values.

Operational excellence

Improve how we work to maximise value for our customers and our stakeholders

- Being efficient and responsive allows us to deliver claim outcomes, while keeping premiums low and creating financial sustainability
- This is our best way to deliver our purpose.

Digitally innovative

Modernise and simplify our technology to serve our customers and our people

- We use meaningful insights from our customers and our people to create a digital environment for the future and improve existing processes and practices
- We incorporate innovation practices and tools to be adaptable to disruption and be future-fit.

Valued experiences

Care for and support injured workers and employers by engaging collaboratively

- We are proud of the experiences we deliver in line with our customer strategy principles
- These experiences allow us to achieve positive return to work outcomes at a reasonable cost.

Performance indicators

- Average statutory claim duration (paid days)
- Average cost of a statutory claim
- Final return to work (RTW) rate
- Average cost of a common law claim
- Funding ratio
- Average net premium rate, after discounts
- Customer experience measure – injured workers and employers.

Statement of Corporate Intent 2022-2023

Introduction

This Statement of Corporate Intent has been prepared under the direction of, and is submitted by, the WorkCover Queensland Board of Directors (WorkCover), in accordance with the *Workers' Compensation and Rehabilitation Act 2003* (the Act).

This Statement of Corporate Intent should be read in conjunction with the 2022-2026 WorkCover Queensland Corporate Plan.

Goals

- Care for injured workers and understand and support our customers
- Improve how we work to maximise value for our customers and stakeholders
- Empower our people to be open to learning and growing to achieve our strategy
- Modernise and simplify our technology to better serve our customers and our people.

- Management of compensation claims by WorkCover
- Injury management, focusing on rehabilitation of workers particularly for return to work.

It is intended that WorkCover will:

- Maintain a balance between:
 - o Providing fair and appropriate benefits for injured workers or dependents, and
 - o Ensuring reasonable cost levels for employers
- Ensure that injured workers or dependents are treated fairly
- Provide for the protection of employers' interests in relation to claims for damages for workers' injuries
- Provide for employers and injured workers to participate in effective return to work (RTW) programs
- Provide for flexible insurance arrangements suited to the particular needs of industry.

Main undertakings

WorkCover is a government-owned statutory body and is the main provider of workers' compensation insurance in Queensland. A WorkCover accident insurance policy covers injured workers for their lost wages and medical and rehabilitation costs after a workplace accident and covers employers against these costs and possible common law claims.

The main provisions of the Act provide the following for workers and employers:

- Compensation
- Access to damages
- Employers' liability for compensation
- Employers' obligation to be covered against liability for compensation and damages

Nature and scope of activities during 2022–2023

GOAL		STRATEGIES
Purpose-driven culture	Inspire our people to be open to learning and growing to achieve our strategy	<ul style="list-style-type: none"> – Develop our people to meet the future demands of work – Enhance our talent attraction and retention strategy – Champion our commitment to diversity through inclusive and flexible work practices and community engagement – Improve organisational culture aligned to our values.
Operational excellence	Improve how we work to maximise value for our customers and our stakeholders	<ul style="list-style-type: none"> – Optimise statutory and common law claims management to improve claims outcomes – Strengthen relationships with stakeholders to influence outcomes – Ensure financial sustainability through appropriate premium and investment strategies.
Digitally innovative	Modernise and simplify our technology to serve our customers and our people	<ul style="list-style-type: none"> – Align our digital transformation with our strategic priorities delivering value to customers and our people – Ensure our cyber maturity protects our people, information and assets – Improve our existing digital, data and supporting capabilities.
Valued experience	Care for and support injured workers and employers by engaging collaboratively	<ul style="list-style-type: none"> – Refine our customer strategy to better support claims optimisation – Innovative solutions and ongoing improvements to our customers' experience – Refine and implement our regional engagement strategy – Partner with Office of Industrial Relations, Workplace Health and Safety, and other stakeholders to educate and help customers focus on improving safety, injury risk education and return to work.

Financial and non-financial performance indicators

Performance indicators are focused at the corporate level. As part of WorkCover's performance management system, leaders and their people have operational indicators specifically directed to their business units.

INDICATOR	2022-2023 TARGET	2022-2023 ACHIEVED
Operations		
Average weekly compensation paid days	54 days	52.6 days
Average annual statutory claim cost	<\$12,000	\$11,629
Final return to work (RTW) %	93.0%	91.0%
Average common law claim cost	<\$205,000	\$205,032
Financial		
Funding ratio	>120%	>120%
Average premium rate (target)	\$1.23	\$1.23
Experience		
Customer experience measure (injured workers and employers)	7.5 / 10	7.1 / 10

Capital structure and payments to the consolidated fund

In accordance with the Act, WorkCover is taken to be fully funded if it is able to meet its liabilities for compensation and damages payable from its funds and accounts and maintain capital adequacy as required under the *Workers' Compensation and Rehabilitation Regulation 2014* (the Regulation). The Regulation states that in order to maintain capital adequacy, WorkCover's total assets must at least be equal to total liabilities (this correlates to a funding ratio of 100%).

The Act allows for payments to be made to the consolidated fund. The WorkCover Board will make a recommendation to the Minister with respect to such a payment (if any) following certification of the 2022-2023 financial statements.

Each year the Workers' Compensation Regulator levy and the Workplace Health and Safety Queensland grant are payments made in accordance with the Minister's instruction (as approved by the Governor-in-Council by gazette notice) for the prevention,

recognition and alleviation of injury to workers, making employers and workers aware of their rights and obligations, and scheme-wide rehabilitation and return to work programs for workers.

Borrowings made, proposed to be made

WorkCover currently has no borrowings and there are none planned for the immediate future. Investment funds are used to manage all cash flow requirements. WorkCover's borrowing policy is outlined below.

Investment risk

WorkCover has a robust investment management program, maintaining a balanced investment profile with a long-term outlook commensurate with being a long-term insurance operation. WorkCover engages the Queensland Investment Corporation (QIC) as investment manager, and Mercer to assist with independent investment portfolio oversight and governance.

A strong Investment Management Agreement governs WorkCover's arrangement with QIC. In addition, the WorkCover Board monitors investments at each meeting and receives regular presentations from QIC. The Board reviews the investment strategy annually, and an independent review framework exists to continuously monitor the investments management program through focused quarterly reviews, including a holistic external strategy review every two years.

Derivative instruments are used as part of the investment strategy to hedge foreign exchange risks, rebalance asset classes and to help achieve particular exposures by taking advantage of, and to protect against, market conditions.

Business risk

WorkCover has a risk management program in place. Risk registers are maintained and monitored by each business group. Strategies to manage risk are incorporated into each group's business planning process. WorkCover's Board approves the risk management framework and sets the risk appetite. The WorkCover Risk and Audit Committee is responsible for overseeing the risk management program, including reviewing and monitoring WorkCover's top strategic risks on a quarterly basis.

Borrowing risk

The Act provides the framework for WorkCover's procedures for borrowing. WorkCover may enter into such arrangements to procure equipment up to an amount and on such terms as it considers appropriate. All financing arrangements will be made in conjunction with Queensland Treasury Corporation (QTC) in order to establish that applicable rates are competitive and that conditions are appropriate. Board approval will be required for all financing arrangements over pre-defined expenditure limits. All limits are as stated in the WorkCover delegation manual.

Policies and procedures relating to acquisition and disposal of significant assets

In acquiring or disposing of significant assets, WorkCover complies with the *Financial and Performance Management Standard 2019* and Queensland Treasury guideline—Non-Current Asset Policies for the Queensland Public Sector.

Significant assets may be acquired via purchase, finance lease agreement, donations, or transfer from other government entities. A business case must be submitted to the CEO and/or Deputy CEO seeking approval. The CEO will present any major initiatives to the Board for approval. Approval limits are as stated in the WorkCover delegation manual.

When disposing of significant assets, approval must be sought from the appropriate delegated authority. Approval limits are as stated in the WorkCover delegation manual.

Accounting policies applying to preparation of accounts

WorkCover's accounting policies are outlined each year in the Annual Report and are reviewed as part of the financial statements audit process. More information on accounting policies is provided in WorkCover's Financial Management Practice Manual (FMPM).

Community service obligations

It is not envisaged that the government will require WorkCover to perform any specific community service obligations.

Employment and industrial relations plan

WorkCover prepares an employment and industrial relations plan annually in accordance with the Act.

Information to be reported to the Minister

Quarterly reporting

A quarterly report will be provided to the Minister within one month of the end of the relevant quarter as required by the Act. The report contains information regarding WorkCover's performance against the Statement of Corporate Intent.

Annual reporting

A full annual report will be provided to the Minister in accordance with the Act and in compliance with the *Financial and Performance Management Standard 2019*, which requires WorkCover to give the annual report to the Minister to allow the report to be tabled in the Legislative Assembly within three months after the conclusion of each financial year.

Our Board of Directors – as at 30 June 2023

Flavia Gobbo BA/LLB, GAICD **Chair**

Flavia is an experienced Chair and non-executive director. She is a Solicitor of the High Court of Australia and the Supreme Court of Queensland and has extensive experience in both government and non-government organisations in strategy, finance, risk people and transformation programs. She is the Chair of the Emergency Services Telecommunications Authority in Victoria, a Director of WorkSafe Victoria, and a Trustee of SecondBite, a not-for-profit national food rescue organisation. Flavia was a previous Chair of QCOMP (the former Queensland workers' compensation regulatory authority) and a director of EML. She was formerly a senior corporate lawyer with one of Australia's top publicly listed companies.

Flavia has now left the Board, effective 30 June 2023.

Michael Clifford BA **Deputy Chair**

Michael is the General Secretary of the Queensland Council of Unions. He has represented the interests of working people for over 25 years in a variety of roles including as National Industrial Officer of the Finance Sector Union, Queensland Secretary of the Finance Sector Union, Coordinator at United Voice (now United Workers Union) and Assistant General Secretary of the Queensland Council of Unions. Michael is the former Deputy Chair of Sunsuper, and now serves as a Director for the Australian Retirement Trust. He is a former Director of Intrust Super. Michael was the inaugural Chairperson of the Australian Labor Party's Queensland Policy Coordination Council.

Michael has now left the Board, effective 30 June 2023.

Judy Bertram B Sc, Dip Ed, GAICD **Director**

Judy has extensive experience at senior levels in government leading the strategy, policy and operational management of workplace health and safety and in strategic policy and planning roles in the vocational education and training system and child safety. Judy has been employed by the Queensland Resources Council since 2012 and is currently the Deputy Chief Executive and oversees the Community and Safety policy areas. She is also a Trustee Board Director of MineSuper and served for nine years as a Director on the Board of Deaf Services Queensland.

John Crittall BEcon (Hons), MAdmin (IR) **Director**

John has extensive experience providing strategic guidance in the key areas of industrial relations, workplace health and safety and legislative compliance. He is currently the Chair of the Building Employees Redundancy Trust, Director of Mates in Construction, Chair of Construction Income Protection Limited and Chair of Electro Group. John was formerly a Director at Master Builders, a role he held for over 10 years.

John has now left the Board, effective 30 June 2023.

Kerriann Dear BSc, BSocWk (Hons) **Director**

Kerriann has worked in the field of industrial and mental health social work since 1999. She has overseen the development and operations at a number of industrial advisory programs for vulnerable people including Working Women Queensland, Young Workers Advisory Service and Domestic Violence Work Aware. Kerriann is a Branch Councillor with the Social and Community Services Division of The Services Union and works as a workplace consultant and educator in the public and not-for-profit sectors.

Ian Leavers APM
Director

Ian is the General President and CEO of the Queensland Police Union, a position he has held since 2009, as well as the President of the Police Federation of Australia. He has been involved with the Queensland Police Union as a union official since 1997. Since 2013, he has been a Director of QBank. Ian was formerly a member of the Domestic and Family Violence Implementation Council, former director on the Queensland Workplace Health and Safety Board and is now a Domestic and Family Violence Prevention Champion for the Queensland Government. Ian was awarded the Australian Police Medal (APM) in the 2020 Queen's Birthday Honours List for his outstanding police leadership, advocacy and improvement of wages and conditions for all police and being at the forefront of the creation of modern policing policy at both a state and national level, particularly with legislative reform.

Sarah Morris BEcon, GDip Applied Finance and Investment, GDip Applied Corporate Governance, CA, FGIA, GAICD
Director

Sarah Morris is Executive Manager – Strategy and Finance at TUH Health Fund. Sarah has held senior and executive positions with several organisations across defence services, finance, insurance, resources and professional services industries. She is a former state and national councillor of the Governance Institute of Australia and is the current WorkCover Risk and Audit Committee Chair.

Stacey Schinnerl BBus
Director

Stacey is the Secretary of The Australian Workers' Union of Employees, Queensland and the Branch Secretary of The Australian Workers' Union (Queensland Branch). In both industrial advocacy and elected union positions, Stacey has represented the interests of Queensland workers for nearly 20 years. Stacey has previously served on the Executive of the Australian Council of Trade Unions and is a current Director on the Board of Chifley Services Pty Ltd. She holds a Bachelor of Business degree majoring in Human Resource Management and Employment Relations.

Sandra McCullagh B Sc, B Arts, MBA, GAICD
Director

Sandra is an experienced non-executive director, with skills in finance, investments, ESG and energy. She is currently a non-executive director and chair of the Investment Committee at Australian Ethical (ASX:AEF), a non-executive director at Sydney Dance Company, and chair of the Clayfield College Foundation. Sandra is also a Corporate Governance Committee member of the New Zealand Stock Exchange. Sandra was previously a trustee of QSuper, including chairing its Investment Committee, in the lead-up to its merger with SunSuper to create Australian Retirement Trust. In her executive career, Sandra worked for several energy companies including Energex, before moving into roles in investment banking including Head of Utilities Equities Research and ESG Research at Credit Suisse. Sandra is a member of Chief Executive Women and is on their Membership Committee.

Executive Leadership Team

Bruce Watson MOL, Dip Fin Services, FAICD, FASFA

Chief Executive Officer

Prior to joining WorkCover in 2017, Bruce was CEO of Mine Wealth and Wellbeing Super Fund for 11 years and was awarded “Executive of the Year” in 2010 by the Fund Executive Association for his contributions to business and industry. Bruce is a highly experienced and proven CEO, recognised by industry for delivering sustainable financial performance and customer service excellence in the financial services sector. Bruce is committed to achieving WorkCover's vision of being Australia's leading workers' compensation insurer by driving the delivery of technologically advanced claims management platforms and outstanding customer experience.

David Heley BAdmin, FCPA, DFP, AGIA, GAICD

Deputy Chief Executive Officer

David has more than 20 years' experience in the finance and insurance sector. As Deputy CEO and CFO, David's focus is on ensuring a strong financial position now and into the future. His group provides corporate and financial strategies to secure WorkCover as Australia's best workers' compensation insurer. David is responsible for all of the company's financial functions, including accounting, audit, treasury, corporate finance, governance, risk, data and analytics functions that support the business.

Janine Reid BLaws, MBA, GIA (Cert), GAICD

Chief Legal Officer

Janine has worked in personal injuries for over 20 years. Her knowledge and experience in personal injuries support her ability to manage our common law strategy and legal panel. She is also responsible for providing legal advice and strategy to the business and the WorkCover Board, as well as engaging with external stakeholders. Janine is also the company secretary.

Emma Wright BBusHRM, MOrgDevHRM

Chief People Officer

Emma is a trusted, authentic leader who displays personal commitment and inspires others, leading with a vision that values people. With over 14 years' experience in corporate services and human resources within the utilities and insurance industries, she builds and leads high-performing and diverse teams with a strong focus on culture and employee experience. As Chief People Officer, Emma leads the People Group, a team that is driven to transform WorkCover into a contemporary organisation that is highly adaptive for the future of work.

Barbara Martin BBehSc, MRehabCounsel

Chief New Claims Officer

Barb is an accomplished Executive Leader and industry expert with over 20 years' experience in claims management. As Chief New Claims Officer, Barb's focus is on improving the registration, determination and onboarding of customers as they start their claims journey with us. She is dedicated to supporting innovative ideas and streamlining processes to allow her teams to deliver high-quality and efficient services. Barb is passionate about supporting people to develop and achieve their best in a performance and customer-focused culture.

Leah Plimmer

Chief Claims Management Officer

Leah is a highly regarded insurance executive with extensive experience in life insurance and superannuation claims spanning more than 30 years. Leah has previously held roles at Commonwealth Bank's CommInsure division and with Australian Retirement Trust. Leah brings to her role of Chief Claims Management Officer a broad skillset in claims management, underwriting, operations, and risk management and is committed to making a positive difference to our customers. A passionate leader, Leah loves to create stimulating, innovative and dynamic environments and drive positive culture and engagement with her team and the broader organisation.

Claudia Lajeunesse MA (Honours),

MOrgLdrship, FinTech SBS, GAICD

Chief Digital Information Officer

Claudia has extensive experience leading digital teams in Australia and Europe, with a strong focus on transforming organisations and creating exceptional digital experiences for customers. Claudia leads the Digital and Technology Group at WorkCover Queensland, focusing on uplifting capability of both technology systems and people, and ensuring a culture of connection through tools and processes that support and produce great work.

Claudia left WorkCover at the end of June 2023. We thank her for her service.

Marc Dennett MBA, GradDipMgt, GradCertBus

Chief Partnerships and Relationships Officer

Marc has more than 20 years' experience in injury management and prevention. He has previously held senior roles at WorkCover Queensland, the Office of Industrial Relations and was previously the Queensland member of the Heads of WorkSafe Authorities. Marc leads the Partnerships and Relationships Group, focusing on building trusted networks, engaging our stakeholders and industry associations to help support and deliver strategic and sustainable outcomes for our customers.

Highlights

Our organisation

\$1.23

average premium rate per \$100 of wages

\$5.73B

funds under management

333,585

customer calls to our contact centre

86%

people survey response rate

7.1 / 10

combined customer experience measure

68%

employee engagement score

Our employers

177,209

employers insured

\$85.9M

premium savings for employers (including apprentice and 3% early payment discounts)

115,807

customers renewed their policy online

462

customers helped onsite by our compliance advisors

218

employers engaged with Injury Prevention and Management Program (IPaM)

7.4 / 10

average customer experience rating by employers

Our workers

\$1.25B

statutory benefits and entitlements paid to workers

91%

injured workers returned to work

68,642

injured workers assisted

3,207

new common law claims

7.0 / 10

average customer experience rating by workers

Chair and CEO report

Throughout 2022-2023, we have continued to support Queensland employers and workers proactively and sustainably within a challenging environment and an uncertain economic climate.

Rising claims costs and increasing mental injury and complex injury claim numbers are being felt across the insurance industry and our scheme is not immune.

Despite this, we have continued to fulfill our role in providing insurance and support for Queensland workers and employers when an injury or illness happens at work, through our strong financial management, positive working relationships with our stakeholders and proactive claims management.

WorkCover Queensland is in a secure financial position and is well-positioned to weather external pressures and trends affecting our scheme in 2023-2024 and beyond.

We have maintained:

- One of Australia's lowest average premium rates and a superior funding ratio, while offering exceptional service and value for money
- A financially sustainable fund, with low operational costs and a high proportion of funds supporting people injured at work
- Support for Queensland workers, with 91% of workers getting back to work after an injury or illness.

Our financial investment and performance

WorkCover's final comprehensive result for 2022-2023 was a \$26 million surplus, primarily due to improved investment returns and the achievement of our internal savings goals.

Our disciplined approach to financial management over many years has allowed us to build our reserves and maintain a strong financial position. This, along with small but continuous improvements in how we

work, has ultimately aided our recovery from a \$318 million loss last financial year.

While claims costs continue to rise, we have made consistent improvements to our internal processes to achieve our savings goals. We've also reduced our timeframe for determining claims and have some of the lowest claim disputation rates in the country.

We will continue to strike the delicate balance between our careful financial approach and meeting the needs of Queensland employers and workers into 2023-2024.

Premium rate

In 2023-2024, WorkCover's average net premium rate will move to \$1.29 per \$100 of wages after discounts, from \$1.23 in 2022-2023. It's only our second premium rate increase in over a decade.

This premium rate rise was a careful decision, and one not taken lightly given cost-of-living pressures, but one that was necessary to protect the scheme's viability into the future, due to rising claims costs and growing numbers of mental injury and complex injury claims.

Despite a modest increase, we still offer one of the lowest average premium rates in Australia and one of the best return to work rates for a workers' compensation scheme in the country, supporting more than nine in 10 Queenslanders to get back to work after a work-related injury.

Partnering with stakeholders

We have continued to partner and connect with stakeholders across Queensland.

In 2022-2023, it has been heartening to see face-to-face events and interactions with our customers resume in earnest after two years of the COVID-19 pandemic and travel restrictions.

Whether it is meeting employers face-to-face during a workplace visit, or taking part in events to reach

high-risk industries, our in-person interactions are instrumental to the work we do.

Queensland is a large state, and we are honoured to serve such a diverse customer base. It's important for us to connect with our stakeholders so we can understand the issues affecting workers and businesses in all corners of the state.

Key achievements in connecting with our customers and stakeholders in 2022-2023 include:

- In June 2023, we hosted our regional board meeting in Gladstone, and were joined by local businesses and leaders from across the region at our stakeholder event
- Thousands of customers from across Queensland joined our webinars on topics including how premium is calculated, common law, mental injuries and managing workplace injuries
- We undertook research with WorkCover's health and medical providers to understand how they interact with us, and how we can better partner with them to meet the needs of workers
- The Injury Prevention and Management program underwent a 10-year review, and we look forward to launching a refreshed program with Workplace Health and Safety Queensland in 2023-2024.

Investing in our technology

We have embarked on a multi-year digital transformation journey to ensure we continue to meet the digital needs of our business and deliver secure, flexible and more responsive experiences for our customers, stakeholders and people.

This program includes transitioning to the cloud, development of new digital, information and technology architectures and an ongoing focus on cyber security.

This year, the Cyber Program has built a high level of awareness across the organisation, significantly uplifting our skills and implementing several technology solutions that enhance our overall cyber capability.

We initiated enterprise integration activities with customers and the first successful integration with one large employer improved the accuracy of their reported wages data and significantly reduced processing times, helping workers receive their compensation sooner.

Outlook for the next financial year

With claims management at the core of the work we do at WorkCover, we need to ensure our people continue to have the tools, processes and support in place to do it well and efficiently.

A multi-year program of work is planned for 2023-2024 and beyond to improve claim lodgement and claim decision processes, harness insights and data to optimise the claims process for workers and improve treatment and recovery, particularly for workers with mental injuries.

We will continue our focus on cyber maturity to protect our customers, our people, information and assets as well as transformation projects to expand our existing digital, data and supporting capabilities, launching new tools to make lodging a claim easier and integrating with more businesses.

Thanks and acknowledgements

We wish to acknowledge the work of our board members – including our outgoing Chair, Flavia Gobbo, outgoing Deputy Chair, Michael Clifford, and Director, John Crittall.

We express our thanks to Flavia, Michael and John for their service and knowledge over many years and for providing strategic guidance to the organisation through periods of significant change.

We also wish to thank our executive management team, and all our people at WorkCover who have supported Queensland workers and employers throughout the 2022-2023 financial year.

Our thanks are extended to the Minister for Education, Minister for Industrial Relations and Minister for Racing, the Honourable Grace Grace MP, and the Queensland Government for their ongoing support.



**The Honourable
Dr Anthony Lynham**
Chair
WorkCover Queensland



Bruce Watson
Chief Executive Officer
WorkCover Queensland

Claims costs and claims management

Statutory claims trends

Early, safe and sustainable return to work is key to meeting the needs of employers and injured workers and ensuring ongoing scheme sustainability.

Continued trends experienced across all workers' compensation jurisdictions in Australia include delays in achieving successful return to work outcomes and rising statutory claims costs. WorkCover has focused on managing key issues that are placing pressure on our scheme, including longer statutory claim durations and an increasing number of mental injury claims.

We are pleased to report that our strategies to address this upward trend in statutory claim durations, while continuing to support workers to safely return to work, have started to be reflected in our claim outcomes. Average claim durations (measured as 'paid days') improved from 57 days in 2021–2022 to 52.6 days in 2022–2023. This will remain a dedicated focus in the next financial year.

Mental injuries

In 2022–2023, we have continued to see an increase in the number of primary and secondary mental injury claims. Primary mental injuries can be caused by trauma or other events at work. Secondary mental injuries can arise as a direct result of the event which caused their physical injury or as a consequence of a physical injury.

In 2022–2023, 2,532 primary mental injury claims were accepted which is a 28% increase from 2021–2022. Workers with mental injuries typically have longer claim durations, higher costs and lower return to work outcomes than physical injuries and they remain a key challenge experienced by the scheme. We anticipate the upward trend will remain into the next financial year and continue to put pressure on the scheme. Addressing this upward trend is a key focus for our strategic activities.

Since 2019, in recognition of the rising trends, there have been a number of legislative changes and

initiatives implemented to enhance support available for workers with mental injuries. These include early intervention treatment for workers prior to a decision being made about their primary mental injury, proactive determination for trauma-related primary mental injury claims for first responders, and presumptive legislation for particular workers with post-traumatic stress disorder (PTSD). The *Managing the risk of psychosocial hazards at work Code of Practice 2022* was also introduced in April 2023 and is a practical guide on how to prevent harm from psychosocial hazards at work.

Our data has shown that primary mental injury claims:

- Currently represent 12% of total statutory payments (\$156M for 2022–2023)
- Have an average annual claim cost of \$20,680 (\$20,392 in 2021–2022). This cost is almost double the average annual claim cost of physical injuries (\$10,900 for 2022–2023)
- Take four times longer to decide (around 31.6 working days) than physical injuries (8.7 working days)
- Have higher periods of time lost (116 average annual paid days) than for physical claims (48 average annual paid days)
- Were less likely to have a final return to work outcome, at 72.1% in 2022–2023 compared to workers with a primary physical injury at 92%.

WorkCover is also experiencing a significant growth in secondary mental injury claims that is impacting the duration and cost of statutory claims and the conversion rate to common law. Approximately 2,800 statutory claims had an accepted secondary mental injury. This is an upward trend that is consistent across other jurisdictions.

There are several factors influencing the growth in secondary mental injuries, including reduced stigma and increased awareness of mental ill health in society. There is also a greater understanding of the psychosocial impacts on mental health in the workplace and a greater awareness of the rights and responsibilities surrounding mental injuries.

Return to work outcomes

There are many factors that contribute to successful return to work outcomes. Our claims management approach is focused on early intervention and understanding and addressing the impacts that psychosocial factors have on recovery. We continue to have a positive impact with more than nine in 10 workers safely returning to work. Where a worker cannot return to their pre-injury role, we work with the worker, their employer, providers and, in some cases, alternative employers, to help find other roles or employment.

Through our return to work services provider panel, we have engaged the expertise of workplace rehabilitation providers to support our people in identifying psychosocial risks and offering guidance on complex claims. This proactive approach has helped to ensure that any identified risk factors are promptly addressed, and that appropriate interventions are in place within 12 weeks of injury.

In 2022-2023, the average time to the first return to work after injury and the number of workers who had returned to work at 12 weeks remained stable. This was despite an increase in claims mix complexity and challenging external factors including delays in accessing treatment and accommodating suitable duties. We have maintained our focus on early intervention for those workers at risk of poor outcomes, as evidence confirms that being off work for long periods of time following injury reduces the likelihood of workers ever returning to work.

Our Employment Connect program, part of WorkCover's accredited rehabilitation and return to work program, provides support to workers who have been unable to return to work because of their injury at the time their statutory claim ends. In 2022-2023, this program assisted more than 300 workers.

WorkCover measures the final return to work outcome at the end of a statutory claim. In 2021-2022 we identified inconsistencies with data recording that impacted the reliability of this measure. Due to a comprehensive training and compliance program, supported by system and process changes, this error rate has reduced and in 2022-2023 it has not significantly impacted the reported result.

Queensland recorded positive results in comparison to other jurisdictions in the biannual Safe Work

Australia's 2021 National Return to Work Survey. In Queensland, 84% of workers independently surveyed reported they had returned to work since injury and were currently in paid employment, compared to the national average of 81%.

Statutory claims management strategies

Through our in-house claims management, we adopt an end-to-end perspective of the claims process, enabling us to identify opportunities to enhance customer outcomes. The following strategies have been implemented based on this perspective.

Earlier claims decisions

Last year we centralised the decision making for claims into a dedicated group, New Claims. This allowed us to focus on reducing the number of days to decide claims and help workers sooner after their injury. This change has delivered several key improvements, including an increase in the number of claims determined within five days and a decrease in our average decision timeframe.

Early risk identification and data insights

We continue to draw insights from our data to enable early and accurate decisions and targeted triaging. This helps us to ensure customers get the tailored care and support they need to help their recovery and return to work. This flows across the lifecycle of a claim, with ongoing access to evidence-based tools for our Customer Advisors to identify and manage risk factors, help workers overcome barriers to returning to work and optimise recovery outcomes.

Automatic wage population

A number of key Queensland Government agencies are now utilising our automatic wage population technology significantly reducing time spent on data entry and helping us to ensure payments are made to workers as soon as possible.

Better education and support for employers

The insights provided by our risk assessment tools show that a worker's ability to cope with their injury and a lack of employer support are the two risk factors that have the strongest correlation with poor outcomes. In response to these findings, we support employers through a suite of resources promoting the benefits of supporting injured workers back to work and helping employers to understand their obligations in providing suitable duties. We have also hosted face-to-face and online events with our employers to discuss secondary mental injuries and how employers can work to mitigate their risks and help workers safely return to work.

More access to medical and allied health care

We have improved guidance and support available for workers, following the acceptance of their claim, to support them to access treatment sooner and begin their road to recovery. Medical and allied health providers are experiencing high demand for their services, particularly for mental injury. We remain focused on our Allied Health Table of Costs to allow greater access to an extended group of providers to deliver these services to our workers. We have also expanded our expert medical opinion capacity by undertaking a targeted supplementary independent medical examiner (IME) panel tender on key specialties.

Technology upgrades

We continue to invest in technology upgrades that help us reduce administrative tasks and dedicate more time to serving our customers.

A focus on better support for mental injury

In response to the increase in mental injury claims, we have been evolving our decision-making process to support timely decisions for these workers. In addition, our mental injury treatment guidelines support our people and health providers in managing these claims. These guidelines have been developed with input from providers and professional associations and the second edition is due for release in late 2023.

Referrals to return to work providers

We have worked closely with our existing provider panel, including undertaking a formal panel refresh to update available locations, services, and referral capacity to ensure timely access to services. We have continued to evolve our individual provider discussions supported by our tailored scorecard, with detailed claims data to identify opportunities to improve outcomes.

Common law trends

The number of new common law claims continues to increase and has exceeded expectations in 2022-2023. We continue to monitor this trend as longer duration statutory claims and secondary mental injury claims have higher rates of conversion to common law.

In 2022-2023, more than half of common law claims involved either a primary or secondary mental injury. This continues to put upward pressure on average damages, legal costs, the duration of common law claims and the outstanding claims provision. Despite this change in the claims mix, we continue to effectively control the cost of common law claims through strong oversight and quality control of our external legal partners. We worked with our legal partners to refine claims protocols and quality assurance processes to manage emerging risks in our common law claims portfolio.

Controlling the duration of our common law claims and improving resolution rates was a challenge in 2022-2023, and this, together with the growth in new common law claim lodgements, has had an adverse impact on our outstanding claims provision.

The statutory and common law payments for 2022-2023 are outlined on page 27.

Silicosis and Occupational Diseases

We continue to work closely with the Office of Industrial Relations (OIR) and Resources Safety and Health Queensland (RSHQ) to support workers with mine dust lung diseases.

As at 30 June 2023, WorkCover had completed the health screening of 1,054 stonemasons exposed to crystalline silica dust from engineered stone.

259 people were diagnosed with a work-related condition. We're helping them with their recovery and rehabilitation and providing compensation for their loss of wages.

Some of these people were diagnosed through other health screening options and they've lodged claims with us.

Of these workers:

- 36 have a diagnosis of progressive massive fibrosis
- 16 have a respiratory condition that is not silicosis
- 207 have silicosis.

During 2022–2023, a small number of new silicosis claims relating to manufactured stone were received. Silicosis diagnosis, treatment and claims costs have added \$39.8M to scheme costs in 2022–2023.

Statistics

For more detailed statistics, including breakdowns by injury type and industry, refer to the *Workers' Compensation scheme statistics reports*.

You can access these at <https://www.worksafe.qld.gov.au/resources/statistics/reports/workers-compensation-regulator-statistics-reports>.

STATUTORY AND COMMON LAW PAYMENTS				
PAYMENT TYPE	2023		2022	
	\$M	% on gross	\$M	% on gross
STATUTORY CLAIMS				
Weekly compensation	576.7	32.2%	558.5	32.2%
Medical/Rehabilitation	302.7	16.9%	293.7	17.0%
Lump sum				
Permanent impairment	150.2	8.4%	138.6	8.0%
Fatal lump sum	22.3	1.2%	20.6	1.2%
Latent onset lump sum	79.9	4.5%	142.9	8.3%
Hospital	108.4	6.1%	100.9	5.8%
Other	13.5	0.8%	13.1	0.8%
GROSS STATUTORY PAYMENTS	1,253.7	70.1%	1,268.3	73.3%
COMMON LAW CLAIMS				
Settlements	459.7	25.7%	397.5	23.0%
Legal and investigations				
Defendant	71.8	4.0%	60.0	3.5%
Plaintiff	3.5	0.2%	3.7	0.2%
GROSS COMMON LAW PAYMENTS	535.0	29.9%	461.2	26.7%
TOTAL GROSS PAYMENTS	1,788.7	100.0%	1,729.5	100.0%

Working together with our customers and stakeholders to improve outcomes

Education and engagement activities

WorkCover met with our customers and stakeholders at both in-person and online events in 2022–2023, including:

July 2022

- Australian Rehabilitation Providers Association (ARPA) virtual National Conference, which we sponsored.

October 2022

- Open Minds Queensland Mental Health Week Achievement Awards where we sponsored the Large Workplace Award (200+ employees) category
- Work Well Conference in Brisbane, where we had an exhibition stand
- Apprentice Employment Network Qld & NT Field Officer Forum meeting where we presented to employers on return to work and injury prevention and management best practices for young workers in blue collar industries
- Port of Brisbane "Here for the Future" Safety Forum where we had an exhibition stand.

November 2022

- Queensland Hand Surgery Society (QHSS) Annual Scientific Meeting, where we presented on the Gold Coast
- North Queensland Orthopaedic CRAFT meeting in Cairns to establish better working relationships
- National and Queensland 2022 Excellence in Workplace Rehabilitation Awards held in Brisbane.

January 2023

- Granite Belt Backpacker and Seasonal Worker welcome event in Stanthorpe to help inform Pacific Australia Labour Mobility (PALM) workers and employers of workers' compensation obligations under labour hire arrangements.

March 2023

- Australian Medical Association Queensland (AMAQ) HR Professionals event, where we presented on mental injuries, the *Managing the risk of psychosocial hazards at work Code of Practice 2022* and the AMAQ Private Practice conference
- An employer education event, which we hosted to uplift employer awareness of secondary mental injuries and applying best practice principles for return to work
- Australian Sugar Milling Council Safety Conference in Townsville, where we presented on claims management and return to work best practice specific to the manufacturing and sugar industry. This included assisting in the judging of their Safety Award.

April 2023

- Group Training Organisation Safety Collaboration meeting, where we presented to influence employers on return to work and best practices for injury prevention and management.

May 2023

- Work Well Conference in Townsville, where we engaged with customers and stakeholders at our exhibition stand
- An expert panel session that we sponsored at the virtual Australian Society of Rehabilitation Counsellors national conference.

June 2023

- Our regional Board meeting and stakeholder event in Gladstone for 60 local employers and providers, which focused on mental injuries, the *Managing the risk of psychosocial hazards at work Code of Practice 2022*, and legal obligations for employers
- Open Minds/Multicap Direct Support Workers Conference, where we had an exhibition stand to help inform workers and employers of workers' compensation under personal carer arrangements in the NDIS
- Australian Orthopaedic Association (AOA) Annual Scientific Meeting (including Queensland Orthopaedic Research Foundation QORF), where we presented on our approach to managing claims and opportunities to partner on research.

Throughout the year

- Training sessions we delivered to medical and allied health providers, including in-person Royal Australian College of General Practitioners Registrar training in Gympie, Sunshine Coast and Brisbane, online to James Cook University medical students and final year Australian Catholic University physiotherapy students
- Multiple online education sessions and webinars which we delivered with our key allied health associations, including the Australian Rehabilitation Providers Association (ARPA) and the Australian Physiotherapy Association (APA), and legal partners.

Expansion of WorkCover's Injury Risk Reduction Initiatives (IRRI) program

With the support of occupational injury experts and our allied health return to work panel, we partnered with our key stakeholder groups (including unions and industry bodies) to develop and implement pilots with selected employer groups.

New pilots rolled out in 2022–2023 included:

- Partnering with Master Plumbers Association to identify musculoskeletal hazards at plumbing worksites and develop risk reduction toolbox talk resources for the industry
- Implementing a mental health program to support community clubs in collaboration with Clubs Queensland.

In addition to new pilots, previously implemented pilots were expanded:

- Longer-term outcomes from our trial of innovative technological solutions to minimise forklift injuries in Far North Queensland workplaces (with rural sites also added) were evaluated with many positive findings reported
- *Steering Healthy Minds*, an industry collaboration which delivers a mental health peer support network for transport industry workers, expanded to Western Australia through the Transport Workers' Union. It is also now supported by Employers Mutual Limited which is coordinating the rollout to employers in other states.

We will look to expand previously successful pilots in 2023–2024 for the benefit of our customers and stakeholders to reduce the incidence and cost of workplace injuries.

Improving customer experience through research insights and co-design

In 2022-2023, we heard from approximately 12,000 customers and stakeholders through surveys, one-on-one interviews, and ideation sessions. We have continued to improve our data collection approaches and to leverage insights across all stakeholders in the WorkCover ecosystem. We found opportunities to provide a more valued customer experience, operate more efficiently, and empower our people to provide greater assistance to our customers at key moments.

We have conducted many research and design initiatives over the last 12 months, including:

- Addressing barriers with our current digital registration process, which streamlines the beginning of the claim experience for Queensland workers, increasing trust and advocacy
- Better understanding the communication provided to workers at the start of a claim, focusing on engaging workers from the outset to create better understanding of what to expect during a claim journey
- Identifying opportunities to provide a more culturally sensitive and safe experience for Aboriginal and Torres Strait Islander customers who lodge a claim with us
- Working to provide research and insights into how employers understand their accident insurance premium and how it is calculated, and how medical and allied health providers are currently working with WorkCover and opportunities to improve this.

Our people

Workforce profile

1025

Full-time equivalent employees

**as at 30 June 2023, excluding Directors, Contractors and Temporary Agency Staff*

69%

of our workforce is female

15.8%

employee 12-month rolling turnover rate

Workforce planning and performance

Our focus on attracting, developing and retaining an engaged, skilled and diverse workforce is key to ensuring we can continue to support our customers and achieve our strategies now and into the future.

A diverse workforce

Our commitment to support those under-represented in the workforce continued throughout 2022-2023 with many initiatives and activities. Our diversity, inclusion and belonging strategy was reviewed and expanded in alignment with the Queensland Public Sector Commission.

In 2022-2023, we:

- Expanded our acknowledgment of events and faith days to reflect Queensland's cultural and linguistic diversity
- Rolled out Inclusive Leadership Training to all leaders in the business
- Developed and published a comprehensive Diversity and Inclusion Calendar to provide greater visibility of significant dates and drive inclusive action across the business.

Gender equity

Our gender pay gap as at 30 June 2023 is 9.64% and WorkCover continued to conduct targeted gender pay parity reviews as part of our annual Remuneration Strategy. Furthering our work in this area, we developed an action plan to support the United Nations Women's Empowerment Principles and promoted education through live streams and attendance at the UN International Women's Day

event. Other ways we have tackled gender equity in 2022-2023 were by:

- Partnering with Work180 as an endorsed employer for women
- Refreshing WorkCover's parental leave program
- Promoting Equal Pay Day to raise awareness.

We continue to drive representation of women in leadership with a 57% female representation at an executive level, and a 63% female representation at a senior leader level.

First Nations

To build and nourish a culturally safe space for all, WorkCover has continued to deliver on our Reconciliation Action Plan, developing and implementing our Aboriginal and Torres Strait Islander Peoples employment strategy. We again acknowledged important events such as National Reconciliation Week and celebrated First Nations cultures during NAIDOC Week. Our commitment to First Nations peoples was further realised with the introduction of Acknowledgement of Country plaques in all meeting rooms and in our office foyer.

Other key initiatives across 2022-2023 included:

- Launching the First Nations cultural awareness training to all employees
- Introducing the First Nations Voices Program, run by a project team comprised of First Nations people, to develop strategies that support our employees to better serve our First Nations customers

- Partnering with Career Pathways, an organisation offering employment and education opportunities to First Nations people within the Queensland Public Sector.

Talent acquisition

To attract and retain talent in a highly competitive market, we continue to use inclusive recruitment practices supported by consistent, transparent, and merit-based processes that align with public sector directives. Throughout the year, we enhanced our candidate experience by launching a referral program, continuing to foster our Employee Value Proposition statement (EVP) and highlighting collateral to promote and attract new talent to WorkCover. From this, we had:

- 3,518 applications for vacant positions
- 399 external new starters welcomed to WorkCover as part of our permanent and fixed term workforce
- 137 internal movements to a new role.

Growing the capability of our people

Enabling lifelong learning

Encouraging lifelong learning remains a priority for WorkCover to build the capability of our people to address the growing complexity of claims and needs of our customers, as well as to deliver future strategy. We support and empower our people through a blended learning approach to develop new skills and knowledge with accessible, on-demand learning tools and on-the-job training.

We continue to invest in the future with the organisation-wide transition to a new micro-learning platform, by using the latest in neuroscience and learning technology and focusing on tailored reinforcement and measuring competence and confidence.

Personal Injury Education Foundation (PIEF)

WorkCover continues to maintain a corporate membership with PIEF, to support the industry and to acknowledge the value the foundation provides through high-quality and nationally recognised training programs and improved capability of our industry. In 2022-2023, some of our employees

engaged in vocational studies with PIEF ranging from:

- Certificate IV in Personal Injury Management
- Diploma in Personal Injury and Disability Insurance Management, and
- Graduate Certificate in Personal Injury.

WorkCover's relationship and collaboration with PIEF has enabled development of the Claims Capability Framework, which is underpinned by our ongoing commitment to the professional development of our people and focus on growing our people's claims capability. This framework will be implemented in the upcoming financial year.

Managing mental health in the workplace

The safety of our people is our highest priority.

In 2022-23 we implemented the *Managing the risk of psychosocial hazards at work Code of Practice 2022*.

WorkCover's mental health framework takes an integrated approach by drawing on the principles of prevent, promote, protect and support. The framework built strong foundations through effective organisational culture and leadership capability that proactively supports mental illness. WorkCover partnered with a rehabilitation provider to deliver mentally healthy workplace workshops that focused on empowering leaders to promote mental health and wellbeing conversations with their teams. In addition, we worked with the MATES Connector network to continue to promote peer-to-peer mental health support and ongoing training from Mental Health First Aid Australia.

Other areas of focus for maintaining a mentally healthy workplace include:

- A comprehensive review of our Customer Aggression Policy that aligns to our zero-tolerance approach and preventative measures to mitigate the risk of potential harm from aggression
- Encouraging access to our Employee Assistance and Early Intervention Programs (EAP and EIP) in addition to the Worker's

Psychological Support Service (WPSS) for any employees experiencing a work-related mental injury

- Our dedicated support work with specific highly impacted teams
- Initiatives to support the overall growth of our people's resilience.

Our work will continue into the next financial year and beyond with the advancement of WorkCover's Risk Management Framework as part of our implementation of the *Managing the risk of psychosocial hazards at work Code of Practice 2022*.

Graduate program

WorkCover's graduate program has proven to be a wellspring of new talent, continuing to bring motivated and accomplished young people into the organisation and enabling the development of future skills for WorkCover and the broader workforce.

In 2021, our eight graduates completed our inaugural program with all eight successful in obtaining either ongoing or fixed-term roles at WorkCover. Six of those graduates remain with WorkCover in 2023, and a number have progressed into more senior or permanent roles.

Since our inaugural program, we have welcomed an additional eight graduates who are working in various areas of the business.

Leadership development

Emerging Leaders program

In the second half of 2022, 10 people completed the 10-month Emerging Leaders program. The program involved coaching, workshops and modules developing self-leading teams, growing the business and on-the-job experience. Six participants were successful in obtaining leadership roles at the end of the program.

In 2023, we started our new program in a format that uses a self-directed approach, incorporating more coaching and networking to support our emerging leaders' growth.

People survey

We measure our employees' engagement at work as we know engaged people expend more discretionary effort, drive stronger performance, and increase safety and productivity outcomes, leading to better outcomes for our customers. To this end, each year we run our annual People Survey, and a shorter Pulse Survey as part of our Voice of Employee strategy. These allow us to assess how our people align with our purpose and values, and how supported they feel by the business, with insights benchmarked against external organisations and used as a catalyst for action.

In February 2023, our People Survey had an 86% response rate, and a 68% employee engagement score, which remained steady from previous years. Our people told us they are strongly aligned with WorkCover's goals and objectives and feel strongly supported within their teams and from their immediate managers. They further reported having a high understanding of their roles and responsibilities. We are focusing on identified areas of opportunity to improve career mobility for staff, accountability, communicating our vision for success, and continuing to drive a sense of belonging.

Health and wellbeing

WorkCover is committed to the health, safety and wellbeing of our people and to promoting a safe working environment. WorkCover's health, safety and wellbeing strategy is underpinned by 3 key principles: healthy people, healthy systems and healthy workplaces. A biopsychosocial approach is applied to our annual wellbeing program that encourages a diverse range of initiatives including:

- Training facilitated by Challenge Domestic Violence for 25 leaders across the organisation to promote better support for team members experiencing domestic and family violence
- Continued strengthening of Health and Safety Committees including the First Aid Group, MATES Connectors, Contact Officers and Workplace Health and Safety Committees that continue drive WorkCover's safety culture

- The introduction of the personalised safety and wellbeing plan as a resource for employees. This will help them to identify stressors and strategies that can assist leaders and peers to provide tailored support to them during an adverse situation in the workplace.
- The *Managing the risk of psychosocial hazards at work Code of Practice 2022* that came into effect in April 2023, which led to a robust review of psychosocial hazards in the workplace and on uplifting existing programs of work, will remain the ongoing focus in 2023 to maintain a mentally healthy workplace.

Flexible working

How we work in the future will be different to how we worked in the past and we are continuing to explore and understand what this looks like through our dedicated Future of Work Program. We support flexible work arrangements to help our people balance work, family, and lifestyle and to create a culture where people can excel, both at home and at work.

Early retirement, redundancy, and retrenchment

In 2022-2023, three employees received redundancy packages at a cost of \$210,376 (excluding leave entitlements). Employees who did not accept an offer of redundancy were offered case management and reasonable attempts were made to find alternative employment placements.

Industrial and employee actions

WorkCover continually reviews workplace practices to ensure our people can contribute to the role WorkCover plays in the Queensland community. We want our people to have a voice, feel supported in raising employment concerns, seek advice and make suggestions for improvement.

We continue to engage in purposeful consultation with Together Queensland (union) on workplace matters. Through the WorkCover Consultative Committee, our leadership team, Together Queensland, and internal delegates are provided a forum to actively raise and quickly resolve matters, including organisational change, policy, wellbeing and safety initiatives.

The current certified agreement applying to WorkCover award-covered employees is the *WorkCover Employing Office - Certified Agreement 2018*, which nominally expired on 30 September 2022 and covers more than 700 employees.

Working in close partnership with Together Queensland, delegates and the Office of Industrial Relations, on 31 October 2022 the settlement proposal that was put to Together Queensland was accepted. The Agreement was certified by the Queensland Industrial Relations Commission on 5 July 2023. The key elements of the Certified Agreement included the following changes:

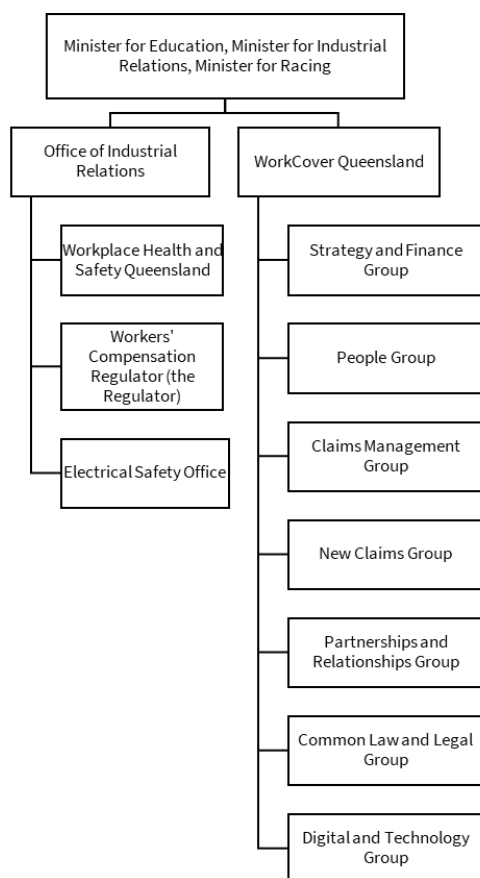
- Grade 4 classification and pay rates within the Certified Agreement
- Creation of new positions to facilitate greater career progression, within the current establishment, in areas of New Claims and Claims Management, and Business Support portfolios
- Critical emergency services leave, up to five paid days per annum non-cumulative
- Preservation of the 1 October 2022 operative date for wage increases on the basis that the parties agreed to the settlement proposal by 31 October 2022.

WorkCover looks forward to continuing to work with Together Queensland to implement these changes in 2023-2024.

Governance management and structure

WorkCover Queensland is a statutory authority established under the *Workers' Compensation and Rehabilitation Act 2003* (the Act). The WorkCover Board is accountable to the Minister for Education, Minister for Industrial Relations and Minister for Racing, the Honourable Grace Grace MP.

Organisational structure



Board of Directors

WorkCover's powers and functions are outlined in Chapter 8 of the Act. Section 424(1) provides for the establishment of the WorkCover Board. The Board's role is set out in section 427 of the Act and reflected in the Board Charter which specifies the individual and collective responsibilities of the Board. The Charter is reviewed and approved annually by the Board and made available on our [website](#).

The Board has delegated operational management of WorkCover to the CEO, including the delivery of the Strategic Plan and direction with the support of the Executive Leadership Team.

The Board is comprised of a maximum of nine independent non-executive directors appointed by the Governor-in-Council, based on their experience and knowledge, for a term of no more than five years. The Governor-in-Council also appoints the Board Chair and Deputy Chair and determines the terms of appointment including remuneration which is paid in accordance with the *Remuneration Procedures for Part-Time Chairs and Government Boards*. As at 30 June 2023, WorkCover's Board has 67% female representation among the directors.

Newly appointed Directors receive a formal induction providing them with an overview of WorkCover's operations, objectives and board and committee information. Upon induction, Directors are provided with relevant board and committee documents, including charters and policies and an induction manual outlining key governance arrangements. During 2022-2023, one new Director was appointed.

The Board undertakes biennial performance evaluations. The last review was conducted in November 2022.

The Board has two established Committees, including the Risk and Audit Committee (refer to Risk Management and Accountability section for details) and the People Committee.

DIRECTORS (AS AT 30 JUNE 2023)*	FIRST APPOINTED	END DATE
Flavia Gobbo, Chair*	01/07/2014	30/06/2023
Michael Clifford, Deputy Chair*	01/07/2020	30/06/2023
Sarah Morris, Risk and Audit Committee Chair	16/02/2018	30/06/2023
John Crittall*	01/07/2012	30/06/2023
Kerriann Dear	01/07/2017	30/06/2023
Ian Leavers	01/07/2012	30/06/2023
Judy Bertram	01/07/2020	30/06/2023
Stacey Schinnerl	02/10/2020	30/06/2023
Sandra McCullagh	01/09/2022	30/06/2023

*ceased 30 June 2023

People Committee

The People Committee's role is to assist the Board in fulfilling its statutory and regulatory responsibilities, which are outlined in the People Committee Charter. The Committee reports directly to the Board on WorkCover's people matters and strategies relating to:

- Remuneration practices
- Success planning
- Industrial relations
- Talent and capability
- Attraction and retention
- Training and development
- Culture
- Diversity and inclusion.

The Committee consists of a minimum of three and maximum of five independent non-executive directors, comprised from the Board, that meet quarterly. The Chair of the Committee is appointed by the Chair of the Board. The People Committee members are not paid any additional remuneration for serving on the Committee. A summary of

committee membership (as at 30 June 2023) is outlined below.

COMMITTEE MEMBER	COMMITTEE ROLE
Sandra McCullagh	Chair
Flavia Gobbo*	Independent non-executive member
Ian Leavers	Independent non-executive member
Judy Bertram	Independent non-executive member

*ceased 30 June 2023

Directors' meetings

During the year, WorkCover held seven Board meetings, one of which was a dedicated strategy session, as well as one additional deep dive on risk appetite and strategic program initiatives. There were four Risk and Audit Committee meetings held and four People Committee meetings scheduled, one of which was cancelled due to no quorum.

The CEO, Deputy CEO and Chief Legal Officer (Company Secretary) attend all Board meetings, and other members of the Executive Leadership Team and senior management are invited to present and discuss relevant topics. A register of Directors' interests is updated at each Board meeting and Directors declare their Key Management Personnel related parties annually. Directors also advise the Company Secretary, on an ongoing basis, of any changes to their interests or related parties that may conflict with their role at WorkCover.

Board minutes are recorded and maintained in accordance with best practice.

Directors may seek independent, professional advice at WorkCover's expense, with prior approval of the Chair. Directors have access to assistance to support their professional development, through learning and development participation in industry events and conferences.

All Directors have a standing invitation to attend all Committee meetings. Director attendance at 2022-2023 Board and Committee meetings is outlined below:

NUMBER OF MEETINGS HELD IN THE YEAR	BOARD	RISK AND AUDIT COMMITTEE	PEOPLE COMMITTEE
Directors	Number of meetings attended		
	7	4	3
Flavia Gobbo, Chair	7 (7)	4 (4)	3 (3)
Michael Clifford, Deputy Chair	5 (7)	4 (4)	-
Judy Bertram	6 (7)	-	3 (3)
John Crittall	7 (7)	4 (4)	-
Kerriann Dear	7 (7)	-	2 (3)
Ian Leavers	4 (7)	-	3 (3)
Sandra McCullagh, People Committee Chair*	6 (7)	-	3 (3)
Sarah Morris, Risk and Audit Committee Chair	6 (7)	4 (4)	-
Stacey Schinnerl	7 (7)	-	-

*Sandra McCullagh appointed 1 September 2022.

Public Sector Ethics

All WorkCover employees, including our Board, are required to maintain the highest level of ethical standards and act in accordance with our Code of Conduct when performing their duties. It is expected that all employees meet these standards of conduct and support the vision and values of WorkCover. Our Code of Conduct is based on the four ethics principles contained in the *Public Sector Ethics Act 1994* (Qld) (PSE Act).

The ethics considered essential for the performance of public administration in Queensland are:

- Integrity and impartiality
- Promoting the public good
- Commitment to the system of government
- Accountability and transparency.

The principles have been incorporated into WorkCover's Code of Conduct. A Code of Conduct agreement is signed upon a new employee's appointment, acknowledging they are committing to upholding these principles and standards of behaviour. The Code of Conduct is communicated to our people through the corporate induction program and is available on our internal intranet and external website. Our people, including the Board, receive annual compliance training on the Code and the PSE Act in general. All relevant internal policies and practices align with the Code, including the ethical principles and values. Non-compliance with the code may result in disciplinary action, which could include termination of employment.

The Board members are also required to act honestly, disclose interests, exercise diligence, and not use information or their position inappropriately. Additionally, they follow guidelines set out in *Welcome Aboard: A Guide for Members of Queensland Government Boards, Committees and Statutory Authorities*, as issued by the Department of Premier and Cabinet.

WorkCover's values of excellence, integrity, responsiveness and respect align with the PSE Act values and principles and these are integrated into everything we do.

Human Rights

WorkCover support the objectives of the *Human Rights Act 2019* (Qld)(HRA), to protect, promote and build a culture that respects human rights. During the year, WorkCover undertook a range of activities to further the objectives of the HRA:

- Reporting of WorkCover's obligations
- Reviewed annual compliance training materials and induction program training which include references to the HRA and obligations
- Building mutually beneficial relationships with local Indigenous stakeholders and organisations
- Developing an Aboriginal and Torres Strait Islander employment strategy
- Promoting reconciliation through National Reconciliation Week and NAIDOC week to build relationships and respect for culture
- Rolled out Cultural Awareness training for all staff
- Promoting diversity, inclusion and belonging strategies throughout the year
- Progressed Reconciliation Action Plan (RAP) initiatives including establishment of the First Nations Voices Program to explore and understand the experiences and needs of First Nations people engaging with WorkCover.

WorkCover received one human rights complaint between 1 July 2022 – 30 June 2023 in relation to WorkCover's actions or activities. The matter was conciliated in the Human Rights Commission and referred to the Queensland Civil and Administrative Tribunal (QCAT), after which the complainant withdrew the QCAT claim.

Governance risk management and accountability

Risk management

WorkCover is committed to the implementation of our risk management program throughout the organisation, including setting the risk appetite, periodic review and monitoring the treatment of the top strategic and corporate risks. Our executive risk management framework and risk management policy are consistent with the principles in *ISO 31000:2018 Risk Management - Guidelines* and meets the requirements of the *Financial Performance Management Standard 2019*.

Our approach to risk management is aimed at embedding a risk-aware culture throughout the organisation. This includes establishing an appropriate structure and clear lines of responsibility to systematically identify, evaluate and manage risks associated with our business activities. Emerging trends are identified, assessed, monitored and reported on through a dedicated framework to support timely understanding and escalation of the trends identified. We publish our risk management statement on our [website](#).

WorkCover's risk management policy was endorsed through the year by the Risk and Audit Committee and approved by the Board. During the year, the Board also participated in an annual risk workshop to review WorkCover's risk profile performance and revise risk appetite statements in line with WorkCover's objectives.

WorkCover's three-lines-of-defence model outlines the structure, oversight, and responsibility of each assurance function within the organisation to provide assurance that WorkCover's control environment is designed and operating effectively. The Board, including the Risk and Audit Committee (RAC), oversees the assurance activities undertaken across WorkCover's three lines of defence.

WorkCover's quality assurance programs form part of our compliance and risk management frameworks. These programs emphasise continuous improvement, are aligned to *ISO 37301: 2021*

Compliance management systems and are designed to assess the effectiveness of internal controls in place, to manage risks and identify areas for improvement. Compliance and quality assurance program reporting is provided quarterly to the Risk and Audit Committee.

As part of WorkCover's ongoing commitment to proactively manage our business continuity risks, during the year our crisis control team (and backup staff) completed crisis scenario exercise training. WorkCover's business continuity management plans have been developed to minimise the impact of a crisis on our customers, stakeholders and employees, and were reviewed and tested during the year.

Risk and Audit Committee

The Risk and Audit Committee consists of a minimum of three, and a maximum of six independent non-executive directors comprised from the Board. Remuneration of the Committee is noted in E3 of the Financial Statements and paid in accordance with the [Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies](#).

A summary of committee membership (as at 30 June 2023) is outlined below.

COMMITTEE MEMBER	COMMITTEE ROLE
Sarah Morris	Committee Chair
Flavia Gobbo *	Independent non-executive member
Michael Clifford *	Independent non-executive member
John Crittall *	Independent non-executive member

**ceased term of appointment on 30 June 2023.*

The CEO, Deputy CEO, Chief Legal Officer (Company Secretary), internal audit, external audit and Head of Risk and Assurance all have a standing invitation to attend Risk and Audit Committee meetings. Members of senior management are invited where required.

The Committee meets quarterly and during 2022-2023 met four times, fulfilling its responsibilities as per the Risk and Audit Committee Charter. Key achievements included:

- Endorsing the 2021-2022 Financial Statements for WorkCover Queensland and the WorkCover Employing Office
- Approving the 2022-2023 Internal Audit Plan
- Approving the Internal Audit Charter
- Endorsing the Risk and Audit Committee Charter
- Reviewing the Risk Appetite Statements
- Approving the Risk Management Policy, Environmental Policy, Ethics Policy, PID Policy and Compliance Policy.

Employer compliance

WorkCover has a dedicated customer audit and intelligence team that works with Queensland employers, to ensure they are aware of their obligations to maintain adequate cover when engaging workers. The team is both responsible for auditing Queensland businesses, as well as managing WorkCover's uninsured employer compliance. The team maintains a balanced compliance strategy by providing targeted education and monitoring of employer compliance across the state.

Audit targets and site visit selection occurs using detailed data analysis and data sharing to highlight non-compliant businesses throughout Queensland. This involves strong working relationships with the Australian Taxation Office, the Queensland Office of State Revenue, and the Labour Hire Licensing Compliance Unit to ensure a uniform compliance approach across Queensland.

Compliance audits

Desktop wage reviews were undertaken for 528 Queensland employers. These targeted employers had an 85% non-compliance rate. The total amount of premium and penalties raised from desktop audit activities was \$11.91M.

Site visits and uninsured employers

Industry trend information and data mining on business information, locations and growth were used to select 462 employer site visits and 336 provisional coverage and industry classification reviews. These visits and reviews recouped \$4.24M of additional premium and penalties from uninsured and under-insured employers.

Proactive steps were taken to educate new businesses, with ABN registrants contacted by WorkCover to help employers understand and comply with their obligation to hold compulsory accident insurance. This project saw 738 new policies established with provisional premium raised of \$1.75M.

Additionally, 294 new uninsured claims were identified, which resulted in \$4.76M in uninsured claims costs and penalties being raised against employers who failed to hold their compulsory accident insurance policy at the time a claim for compensation was lodged.

Internal audit

The internal audit function supports the Risk and Audit Committee, by providing independent and objective risk-based assurance advice. The purpose of the Committee is to evaluate and improve the effectiveness of WorkCover's risk management, control and governance processes.

The internal audit function is currently outsourced to a third-party internal audit contractor, appointed by the Board. The internal audit function operates independently from management and WorkCover's external auditor. The internal audit function operates under an approved internal audit charter which formalises the role, authority, responsibility, scope

and operational framework of WorkCover's internal audit function, consistent with relevant assurance and professional ethical standards.

Each year, the internal audit contractor prepares an internal audit plan, which outlines the internal audit activities to be performed during a financial year. The Risk and Audit Committee approves the internal audit plan and monitors the performance of the internal audit function, with due regard to the *Audit committee guidelines: improving accountability and performance*. The 2022-2023 internal audit plan was approved during the May 2022 Risk and Audit Committee meeting.

During the 2022-2023 financial year, 11 internal audit engagements were completed as per the annual internal audit plan. At the completion of each engagement, the internal auditors report their findings and recommendations to the Risk and Audit Committee. All recommendations arising from the completed internal audit engagements have either been implemented or are on track to be implemented, within agreed timeframes. The internal audit plan's coverage over WorkCover's key risks is reviewed regularly through the use of an assurance map and discussions with key stakeholders.

External audit

The external audit function for WorkCover is performed by the Queensland Audit Office (QAO), with recommendations reported and monitored by the Risk and Audit Committee. The external audit plan is approved by the Risk and Audit Committee each year, with the current plan approved at the November 2022 Risk and Audit Committee meeting.

Key findings from the external auditor can be found in the external audit report with our financial statements.

External scrutiny

Under s584A of the *Workers' Compensation and Rehabilitation Act 2003* (WCRA), the Minister is required to ensure that a review of the workers' compensation scheme's operational effectiveness be undertaken at least once every five years. During the year, a review of the scheme was conducted to report on the performance of the scheme in meeting objectives of section 5 of the WCRA, emerging issues facing the scheme, effectiveness of current rehabilitation and return to work program and policy settings, including ways to increase the current return to work rate, management of mental injuries and other matters relevant to the scheme. A report with the key outcomes, findings and recommendations arising from the review is expected to be tabled in Parliament in 2023-2024. WorkCover will work with the Regulator to implement any required actions.

During the year, WorkCover was included as a part of the Office of the Information Commissioner's audit on *Mitigating the risks of privacy breach through staff education*. The report examined how WorkCover and other agencies educate and train employees on their obligations under the *Information Privacy Act 2009*. WorkCover has implemented the two findings recommended, which will be verified by the Office of Information Commissioner during 2023-2024.

WorkCover was also subject to an audit by the Queensland Audit Office (QAO) on *Managing Queensland's debt and investments 2022* which examined how the Queensland Government is managing its debts and investments, risks associated and how that relates to the work of the organisation. There were no findings or recommendations for WorkCover as a result of the audit.

The Chair and CEO meet with the Minister on a regular basis to discuss relevant matters, including the quarterly report which includes progress against our Statement of Corporate Intent objectives. The CEO and Deputy CEO also meet quarterly with representatives from the Office of Industrial Relations and Queensland Treasury to discuss WorkCover's financial and operational performance.

Privacy

WorkCover is committed to protecting the privacy of customers, employees and third parties in accordance with the *Information Privacy Act 2009* (IP Act), which governs how information is collected, used, stored and disclosed by Queensland Government agencies. All disclosures of personal information by WorkCover are managed under this IP Act, the *Right to Information Act 2009* (RTI Act) or the WCRA.

WorkCover has a Privacy Committee that meets quarterly and is responsible for the promotion of privacy principles and oversight to achieve compliance. Privacy awareness is encouraged through initiatives such as participation in Privacy Awareness Week. Additionally, employees undertake annual privacy training as part of their induction and refresher training. The Board and Risk and Audit Committee receive updates on privacy matters at each meeting.

Information systems and recordkeeping

WorkCover employees are responsible for keeping and maintaining records which are stored through WorkCover's claims and policy information system (claim and policy records) and through an integrated electronic records system for corporate records. Annual compliance training is completed to ensure all staff are aware of their obligations under the *Public Records Act 2002*.

Public records are being retained in line with WorkCover's Records Governance Policy, the Queensland State Archives' General Retention and Disposal Schedule and WorkCover's Queensland State Archives approved Retention and Disposal Schedule. No records were transferred to the Queensland State Archives during the 2022-2023 financial year. No breaches of the retention and disposal schedules have been reported during the year, with no records reported as missing or lost during the same period.

Open Data

WorkCover has published information through the Open Data online portal, in accordance with the mandatory open data reporting requirements.

Financial performance

WorkCover's final comprehensive result for 2022-2023 was a \$26 million profit (after tax), primarily due to improved premium income and investment returns and the achievement of our internal savings goals.

FINANCIAL RESULTS	2022-2023 \$M	2021-2022 \$M
Statement of comprehensive income		
Net premium revenue	2,151	1,820
Net claims incurred	(2,420)	(2,137)
Underwriting expenses (net of claims handling)	(43)	(28)
Net investment and other expenses	345	(134)
Income tax equivalents	(6)	153
Other comprehensive income/(loss)	(1)	8
Total comprehensive (loss)/income for the year	26	(318)
Statement of financial position		
Total assets	6,771	6,267
Total liabilities	4,874	4,397
Net assets	1,897	1,871
Statement of changes in equity		
Reserves	919	1,390
Contributed equity	3	3
Accumulated surplus	975	879
Total equity	1,897	1,871

Premium revenue

Our net premium revenue was \$2.151B for the year, an increase of 18% from 2021-2022. The target average premium rate for 2022-2023 increased to \$1.23. Rising claims costs are continuing to place pressure on our reserves. For the new financial year 2023-2024, WorkCover's average net premium rate will move to \$1.29 per \$100 of wages, after discounts, continuing to be one of the lowest average premium rates for workers' compensation insurance in Australia.

Net claims incurred

Net claims incurred were \$2.420B for 2022-2023 (2021-2022: \$2.137B).

The net claims costs increase in 2022-2023, was largely driven by an increase in the movement in the net outstanding claims provision compared to 2021-2022. The increase is primarily driven by higher common law claims experience, increasing interest rates, an increase in the statutory claims handling expense rate and an increase in National Injury Insurance Scheme Queensland (NIISQ) claims. The increases have been partially offset by positive statutory experience, lower-than-expected weekly

compensation provision movement, less-than-expected movement in permanent impairment, and recent changes to the economic assumptions.

Underwriting expenses

Underwriting expenses include WorkCover's management and operational expenses and the levy payable to the Workers' Compensation Regulatory Services (WCRS) and Workplace Health and Safety Queensland (WHSQ). To meet disclosure requirements under accounting standards, the claims handling expense portion of the underwriting expenses is added to gross claims expense to reflect the total cost of administering claims during the year.

Investment portfolio

WorkCover's investment portfolio is managed by Queensland Investment Corporation (QIC). The net market value in funds invested as at 30 June 2023 was \$5.730B (30 June 2022: \$5.466B). The net return on this investment portfolio for the year was 5.77% (2021–2022 : -2.48%). WorkCover has experienced a recovery in investment returns this financial year after significant shifts in the market value of the financial instruments as a result of global and economic factors . WorkCover will continue to work with QIC to effectively manage our investment risk to ensure our portfolio achieves its long-term objectives.

Capital adequacy

The Act outlines specific requirements that WorkCover must meet to be fully funded. WorkCover is fully funded if total assets are at least equal to its liabilities. WorkCover is currently achieving both our legislative requirements (100%) and the Board's aim of maintaining a funding ratio of at least 120%.

Looking to the future

WorkCover continues to use prudent financial management to ensure a balanced and financially viable scheme for all customers and stakeholders. Part of this continuing prudent financial management includes a focus by WorkCover on continuing to operate within budget, investing in technology upgrades, achieving value for money, and more generally, ensuring WorkCover continues to minimise its costs and risks in relation to its liabilities.

Premiums will be set and claims and operational expenses carefully managed in order to continue to deliver a balanced scheme and we will ensure our long term investment strategy is built around a balanced portfolio. Our in-house statutory claims management models allow us to continue to progress several claims management strategies to facilitate injured workers' return to work as quickly and safely as possible. It also allows us to optimise treating services to ensure workers get the right treatment at the right price.



Consolidated financial statements

2022-2023

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Consolidated statement of comprehensive income

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Net premium revenue	B1	2,151,418	1,820,416
Gross claims expense	C1	(2,537,815)	(2,288,827)
Claims recoveries revenue	C1	117,398	151,761
Net claims incurred	C1	(2,420,417)	(2,137,066)
Underwriting expenses	E1	(43,372)	(28,294)
Underwriting result		(312,371)	(344,944)
Investment income/(loss)	D1	380,412	(99,376)
Other income		1,458	1,167
Investment expenses	D1	(36,114)	(35,532)
Other expenses		(523)	(543)
Operating result for the year before income tax equivalent		32,862	(479,228)
Income tax equivalent (expense)/benefit	F1(a)	(6,032)	153,053
Operating result for the year		26,830	(326,175)
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to operating result:			
Revaluation of land and building	F4(b)	(903)	11,156
Income tax effect on revaluation of land and building	F1(a)	271	(3,347)
Other comprehensive (loss)/income for the year, net of income tax equivalent		(632)	7,809
Total comprehensive income/(loss) for the year		26,198	(318,366)

This statement is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	D2(a)	417,991	130,162
Recoveries receivable on outstanding claims	C2(b)	82,103	78,187
Receivables	D2	49,519	39,680
Investment assets	D2(d)	1,753,572	1,583,951
Other assets		3,083	2,410
Total current assets		2,306,268	1,834,390
Non-current assets			
Recoveries receivable on outstanding claims	C2(b)	194,941	180,255
Receivables	D2	2,404	2,507
Investment assets	D2(d)	4,008,770	3,982,758
Property, plant and equipment	E4	71,402	74,157
Deferred tax assets	F1(a)	186,622	192,383
Other assets		591	847
Total non-current assets		4,464,730	4,432,907
Total assets		6,770,998	6,267,297
Current liabilities			
Payables	D2(c)	36,310	19,446
Unearned premium liability	B2	22,233	19,737
Outstanding claims liability	C2(a)	1,806,223	1,590,266
Employee benefits liabilities	E2(b)	25,539	20,706
Investment related liabilities	D2(d)	29,452	71,872
Other liabilities		51	86
Total current liabilities		1,919,808	1,722,113
Non-current liabilities			
Unearned premium liability	B2	308	-
Outstanding claims liability	C2(a)	2,948,271	2,642,668
Employee benefits liabilities	E2(b)	2,507	2,594
Investment related liabilities	D2(d)	3,223	29,236
Other liabilities		19	22
Total non-current liabilities		2,954,328	2,674,520
Total liabilities		4,874,136	4,396,633
Net assets		1,896,862	1,870,664
Equity			
Contributed equity	F4(a)	2,500	2,500
Asset revaluation surplus	F4(b)	38,334	38,966
Investment fluctuation reserve	F4(c)	881,202	949,872
Accumulated surplus		974,826	879,326
Total equity		1,896,862	1,870,664

This statement is to be read in conjunction with the accompanying notes.

Consolidated statement of equity

For the year ended 30 June 2023

	Contributed equity	Asset revaluation surplus	Investment fluctuation reserve	Accumulated surplus	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	2,500	31,157	1,359,139	796,234	2,189,030
Operating result for the year	-	-	-	(326,175)	(326,175)
Other comprehensive income for the year	-	7,809	-	-	7,809
Total comprehensive loss for the year	-	7,809	-	(326,175)	(318,366)
Transfer from investment fluctuation reserve to accumulated surplus	-	-	(409,267)	409,267	-
Total transactions with owners, recorded directly in equity	-	-	(409,267)	409,267	-
Balance at 30 June 2022	2,500	38,966	949,872	879,326	1,870,664
Balance at 1 July 2022	2,500	38,966	949,872	879,326	1,870,664
Operating result for the year	-	-	-	26,830	26,830
Other comprehensive loss for the year	-	(632)	-	-	(632)
Total comprehensive income for the year	-	(632)	-	26,830	26,198
Transfer from investment fluctuation reserve to accumulated surplus	-	-	(68,670)	68,670	-
Total transactions with owners, recorded directly in equity	-	-	(68,670)	68,670	-
Balance at 30 June 2023	2,500	38,334	881,202	974,826	1,896,862

This statement is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Premiums received		2,139,107	1,811,752
Interest received		27,981	3,070
Managed unit trust distributions received		446,671	268,762
Investment management fees paid		(36,104)	(35,455)
GST collected on sales		214,389	181,665
Claims paid		(1,985,331)	(1,943,176)
Claims recoveries received		91,536	88,407
Other operating income received		1,578	1,195
Other operating expenses paid		(38,848)	(28,101)
GST paid on purchases		(32,429)	(30,543)
GST remitted to the ATO		(180,421)	(150,806)
Net cash provided by operating activities	<i>F2</i>	648,129	166,770
Cash flows from investing activities			
Acquisition of investments		(446,610)	(268,553)
Proceeds from sale of investments		86,598	137,937
Acquisition of property, plant and equipment		(284)	(381)
Proceeds from sale of property, plant and equipment		-	4
Net cash used in investing activities		(360,296)	(130,993)
Cash flows from financing activities			
Principal elements of lease payments		(4)	(2)
Net cash used in financing activities		(4)	(2)
Net increase in cash and cash equivalents		287,829	35,775
Cash and cash equivalents at 1 July		130,162	94,387
Cash and cash equivalents at 30 June	<i>D2(a)</i>	417,991	130,162

This statement is to be read in conjunction with the accompanying notes.

Basis of preparation

A1 General information

WorkCover Queensland is a not-for-profit statutory body established by the *Workers' Compensation and Rehabilitation Act 2003* (the Act). WorkCover Queensland is controlled by the Queensland State Government and is the main provider of workers' compensation insurance in Queensland.

WorkCover Queensland's principal place of business is 280 Adelaide Street, Brisbane, Queensland, Australia.

WorkCover Queensland's Chair, Dr Anthony Lynham, authorised this report at the date of signing the Management Certificate.

A2 Compliance with prescribed requirements

These general purpose consolidated financial statements are prepared on an accrual basis and in accordance with Australian Accounting Standards (AASBs) issued by the Australian Accounting Standards Board (AASB), other authoritative pronouncements of the AASB, the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019*, the Act and the *Workers' Compensation and Rehabilitation Regulation 2014* (the Regulations).

The significant accounting policies adopted in the preparation of these consolidated financial statements have been included in the relevant notes. These policies have been consistently applied for all years presented unless otherwise stated.

New accounting standards applied for the first time in these consolidated financial statements are outlined in note F8.

The preparation of consolidated financial statements also requires the use of accounting estimates and management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the consolidated financial statements are:

- outstanding claims liability and claims recoveries receivable (note C2(d)); and
- financial instruments (note D3).

A3 Presentation and measurement

The measurement basis is historical cost, unless the application of fair value, present value, or net realisable value is required by the relevant accounting standard or as nominated in the notes to the consolidated financial statements.

Assets and liabilities are classified as either 'current' or 'non-current' in the consolidated statement of financial position and the associated notes. Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or there is not an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

The presentation currency is Australian dollars. Amounts included in these consolidated financial statements have been rounded to the nearest \$1,000 or, where the amount is less than \$500, to zero, unless disclosure of the full amount is specifically required.

A4 The reporting entity

These consolidated financial statements represent the financial statements for the consolidated entity 'WorkCover', consisting of the parent entity, WorkCover Queensland, and its controlled entity, the WorkCover Employing Office (WEO). All transactions and balances internal to the consolidated entity have been eliminated in full.

WEO is a statutory body established under the Act. WEO is assessed as a structured entity under AASB 12 *Disclosure of Interests in Other Entities* that is controlled by WorkCover Queensland in accordance with AASB 10 *Consolidated Financial Statements* based on relevant factors including:

- WEO's work performance arrangement with WorkCover Queensland, which requires WEO to provide employees to perform work for WorkCover Queensland. WEO has only this agreement and is unlikely to make another; and
- WorkCover Queensland has been deemed to act as WEO's principal under the delegation of powers, due to the fact that WorkCover Queensland exercises its own discretion and is not subject to specific direction by the Minister regarding WEO.

These consolidated financial statements do not separately disclose the financial statements of the parent entity, WorkCover Queensland, due to the immaterial differences between the consolidated and parent entity's financial statements. These differences are disclosed in note F6.

A summary of WEO's financial statements is provided in note F7.

Premium

Premium received from policyholders is the key source of revenue for WorkCover. This section provides detail on the measurement of premium, its adequacy, and insurance risk.

B1 Net premium revenue

	Note	2023 \$'000	2022 \$'000
Gross written premiums		2,188,969	1,884,073
Discount on premiums		(41,002)	(60,935)
Premium penalties		6,255	4,339
		2,154,222	1,827,477
Movement in unearned premium	B2	(2,804)	(7,061)
		2,151,418	1,820,416

Premium revenue is earned from contracts when a policyholder transfers significant insurance risk to WorkCover. Gross written premiums are the amounts charged to the policyholder excluding stamp duty and goods and services tax (GST). A discount is offered to policyholders for early payment subject to certain conditions.

Premium revenue, including that on unclosed written business, is recognised in the consolidated statement of comprehensive income over the period of the contract from the date of attachment of risk. The pattern of recognition over the policy period is based on time, which is considered to closely approximate the pattern of risks underwritten.

The proportion of premium received but not earned in the consolidated statement of comprehensive income at the reporting date is recognised as an unearned premium liability in the consolidated statement of financial position. The carrying value reflects its fair value.

B2 Unearned premium liability

	Note	2023 \$'000	2022 \$'000
Balance at 1 July		19,737	12,676
Movement in unearned premium:			
Deferral of premiums on contracts written during the year		22,541	19,422
Earning of premiums written in previous years		(19,737)	(12,361)
	B1	2,804	7,061
Balance at 30 June	B3	22,541	19,737
<i>Represented by:</i>			
Current		22,233	19,737
Non-current		308	-
	B3	22,541	19,737

B3 Liability adequacy test

At the end of each reporting period WorkCover assesses whether the unearned premium liability is adequate to cover all expected future cash flows relating to future claims against current insurance contracts. This test is performed at a portfolio of contracts level using contracts that are subject to broadly similar risks and managed together as a single portfolio.

If the present value of the expected future cash flows relating to future claims and the additional risk margin reflecting the inherent uncertainty in the central estimate exceeds the unearned premium liability, the unearned premium liability is deemed to be deficient. If there is a deficiency, the entire deficiency is expensed immediately in the consolidated statement of comprehensive income.

	Note	2023 \$'000	2022 \$'000
Unearned premium liability	B2	22,541	19,737
Less present value of expected future cash flows for future claims:			
Discounted central estimate		19,876	16,972
Risk margin		2,651	2,193
		22,527	19,165
Surplus		14	572
Risk margin		13.3%	12.9%
Probability of adequacy		75%	75%

As the test has identified a surplus (2022: surplus), no further liability has been recognised.

B4 Insurance risk

(a) Terms and conditions of insurance contracts

WorkCover writes one class of business, workers' compensation. It provides two types of insurance contracts:

- accident insurance; and
- contracts of insurance.

Accident insurance

All employers in Queensland are required to have accident insurance coverage for all employees that meet the definition of a 'worker' under the Act.

Contracts of insurance

WorkCover provides optional insurance instruments that provide cover to individuals, employees, or members of associations who do not meet the definition of a 'worker' and are therefore not covered by the accident insurance policies.

The terms and conditions attaching to accident insurance contracts and contracts of insurance determine the level of insurance risk accepted by WorkCover. All insurance contracts entered into are in the same standard form and are subject to substantially the same terms and conditions under the Act.

The Act provides that all insurance policies issued by or on behalf of WorkCover are guaranteed by the Queensland State Government.

(b) Objectives in managing risks arising from insurance contracts and policies for mitigating those risks

WorkCover has an objective to manage insurance risk to reduce the volatility of insurance premiums and operating results so that the required funding ratio can be maintained. In addition to the inherent uncertainty of insurance risk, which can lead to significant variability in the loss experience, operating results are affected by market factors. Short-term variability is, to some extent, a feature of the insurance business.

Key aspects of processes established to mitigate insurance risks include:

- the maintenance and use of management information systems, which provide up-to-date, reliable data on the risks to which WorkCover is exposed to at any point in time;
- the use of actuarial models, using information from the management information systems, to monitor claims patterns and calculate premiums. Past experience and statistical methods are used as part of the process; and
- the mix of assets in which WorkCover invests being driven by the nature and term of insurance liabilities. The management of assets and liabilities is closely monitored to attempt to match maturity dates of assets with the expected pattern of claim payments.

(c) Concentration of insurance risk

WorkCover's exposure to concentration of insurance risk relates to injuries caused through an event or disaster that may have occurred during the reporting period. This risk is mitigated as WorkCover supplies compulsory workers' compensation insurance to most Queensland businesses who employ workers and as such, WorkCover's customers are geographically and occupationally diverse.

(d) Liquidity risk

WorkCover's exposure to liquidity risk is managed by ensuring that investments held to meet policyholder liabilities are matched to the expected duration of those liabilities and sufficient cash deposits are available to meet day-to-day operations. The liquidity risk associated with WorkCover's investment related liabilities is disclosed in note D5(b).

The liquidity risk of outstanding claims held by WorkCover, representing the maturity of outstanding claims liabilities calculated based on discounted cash flows relating to the liabilities, at reporting date is as follows:

	Note	2023	2022
		\$'000	\$'000
1 year or less	C2(a)	1,806,223	1,590,266
1 - 3 years		1,842,404	1,680,253
3 - 5 years		600,801	540,538
More than 5 years		505,066	421,877
	C2(a)	4,754,494	4,232,934

Claims

WorkCover's claimants are individuals injured at work who are covered by WorkCover's accident insurance policies and contracts of insurance. This section provides information on net claims costs incurred and the net outstanding claims provision, including the assumptions and estimates.

C1 Net claims incurred

	Note	2023 \$'000			2022 \$'000		
		Current year	Prior years	Total	Current year	Prior years	Total
Gross claims expense:							
Undiscounted claims expense		2,865,228	53,744	2,918,972	2,449,399	227,694	2,677,093
Discount		(333,813)	(47,344)	(381,157)	(197,764)	(190,502)	(388,266)
	C2(a)	2,531,415	6,400	2,537,815	2,251,635	37,192	2,288,827
Claims recoveries revenue:							
Undiscounted claims recoveries revenue		(104,836)	(20,425)	(125,261)	(92,020)	(74,669)	(166,689)
Discount		11,084	(3,221)	7,863	7,549	7,379	14,928
	C2(b)	(93,752)	(23,646)	(117,398)	(84,471)	(67,290)	(151,761)
		2,437,663	(17,246)	2,420,417	2,167,164	(30,098)	2,137,066

Current year claims relate to risks borne in the current financial year. Prior years claims relate to a reassessment of the expense for risks borne in all previous financial years.

There was a decrease in net claims incurred for injury years 2022 and prior over the past year. This was driven by an increase in the discount rates, resulting in lower net claims incurred, as well as higher than expected recoveries. This was partially offset by increases to future inflation assumptions as well as increases to the valuation assumptions for common law claims.

Reconciliation of net claims incurred

	Note	2023 \$'000	2022 \$'000
Gross claims incurred:			
Statutory claims paid		1,253,710	1,268,341
Common law claims paid		535,022	461,172
Claims handling expenses	E1	257,511	224,044
Net self-insurance payments		(29,988)	536
	C2(a)	2,016,255	1,954,093
Claims recoveries:			
Statutory claims recovered		(94,255)	(84,212)
Common law claims recovered		(4,541)	(4,636)
	C2(b)	(98,796)	(88,848)
Movement in net outstanding claims liability:			
Gross claims liability		521,560	334,734
Recoveries receivable		(18,602)	(62,913)
		502,958	271,821
		2,420,417	2,137,066

Claims expenses are recognised in the consolidated statement of comprehensive income as the costs are incurred. Claims recoveries are recognised as revenue in the consolidated statement of comprehensive income once the amount to be recovered can be estimated and is likely to be recovered.

Self-insurance

Under the Act, an employer may provide their own accident insurance for their workers instead of insuring with WorkCover if they meet certain requirements. Upon separation or return, WorkCover will make a payment to or receive a payment from the self-insurer for the estimated liability of outstanding claims payments which relate to the period of insurance covered by WorkCover or the self-insurer.

As at 30 June 2022, WorkCover was in the process of transitioning a significant self-insurer to the fund. This process was finalised in the 2023 financial year. This is governed in entirety by the return to fund provisions under the Act and the Regulations, and involves the engagement of actuaries, with co-ordination by the Office of Industrial Relations, to determine the appropriate valuation of any liability transfer, and subsequent entry pricing for premium. As with all transfers, the provisions of the Act and the Regulations outline a robust process to ensure an equitable transfer of liability, and associated premium, to ensure a neutral overall impact on WorkCover of any return/entry to or exit from the fund.

Bank guarantees, financial guarantees given by an insurance company that is an approved security provider and cash deposits of \$471.312 million (2022: \$493.673 million) are held by the Workers' Compensation Regulator on behalf of self-insurers. If a self-insurer fails its obligations under the Act, WorkCover may recover from the guarantees for any debts owing from the self-insurer. As the likelihood of having to call on the guarantees has been assessed as low, no financial asset has been recognised in the consolidated statement of financial position.

C2 Outstanding claims liability and recoveries receivable

(a) Gross outstanding claims liability

	Note	2023 \$'000	2022 \$'000
Expected future claims payments		4,832,305	4,120,660
Claims handling expenses		464,219	347,683
		5,296,524	4,468,343
Less discount to present value		(934,603)	(584,917)
Discounted central estimate		4,361,921	3,883,426
Risk margin		392,573	349,508
	B4(d)	4,754,494	4,232,934
Represented by:			
Current	B4(d)	1,806,223	1,590,266
Non-current		2,948,271	2,642,668
	B4(d)	4,754,494	4,232,934
Reconciliation of movement during the year:			
Balance at 1 July		4,232,934	3,898,200
Provisions made	C1	2,531,415	2,251,635
Payments made	C1	(2,016,255)	(1,954,093)
Effect of changes in assumptions to prior year provisions	C1	6,400	37,192
Balance at 30 June	B4(d)	4,754,494	4,232,934

This liability is calculated by an independent actuary, PricewaterhouseCoopers Consulting (Australia) Pty Ltd (the Actuary), in accordance with the Act and AASB 1023 *General Insurance Contracts*.

The liability for outstanding claims is measured as the central estimate of the present value of expected future payments for claims incurred at the end of the reporting period plus an additional risk margin to allow for the inherent uncertainty in the central estimate. The expected future payments include those in relation to claims reported but not yet paid, claims incurred but not yet reported (IBNR), claims incurred but not enough reported (IBNER), and anticipated claims handling costs. The expected future payments are discounted to present value at the reporting date using a risk-free rate.

In respect of latent onset injuries, the Act states that the definition of the date of injury for a latent onset injury, is the date at which a medical practitioner diagnoses the injury. No liability is held for latent onset injuries where a medical practitioner has not yet diagnosed the injury.

(b) Recoveries receivable on outstanding claims

	Note	2023 \$'000	2022 \$'000
Expected future recoveries		276,604	252,324
Less discount to present value		(22,435)	(15,221)
Discounted central estimate		254,169	237,103
Risk margin		22,875	21,339
		277,044	258,442
<i>Represented by:</i>			
Current		82,103	78,187
Non-current		194,941	180,255
		277,044	258,442

Reconciliation of movement during the year:

Balance at 1 July		258,442	195,529
Recoveries recognised	C1	93,752	84,471
Recoveries received	C1	(98,796)	(88,848)
Effect of changes in assumptions to prior year provisions	C1	23,646	67,290
Balance at 30 June		277,044	258,442

Claims recoveries receivable is measured as the present value of the expected future receipts and is calculated by the Actuary on the same basis as the liability for gross outstanding claims in accordance with the Act and AASB 1023.

(c) Claims development

The development of net undiscounted outstanding claims for each underwriting year relative to the ultimate expected claims is as follows:

	Injury year										Total \$'000
	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	
Estimate of ultimate claims cost:											
At end of injury year	1,081,408	1,046,117	1,339,208	1,407,682	1,445,470	1,435,652	1,590,785	1,777,829	1,916,322	2,216,443	
One year later	1,079,142	1,119,682	1,206,767	1,268,765	1,302,500	1,512,595	1,615,787	1,812,027	1,942,779		
Two years later	1,036,739	1,025,004	1,084,722	1,186,315	1,325,147	1,560,243	1,667,786	1,837,296			
Three years later	992,802	972,577	1,064,268	1,213,882	1,316,980	1,605,536	1,717,310				
Four years later	993,291	958,846	1,063,510	1,251,196	1,329,801	1,639,267					
Five years later	990,576	961,472	1,078,682	1,264,390	1,335,893						
Six years later	992,872	965,637	1,075,879	1,264,037							
Seven years later	996,883	961,381	1,077,799								
Eight years later	994,250	961,436									
Nine years later	993,859										
Current estimate of cumulative claims cost											
	993,859	961,436	1,077,799	1,264,037	1,335,893	1,639,267	1,717,310	1,837,296	1,942,779	2,216,443	14,986,119
Cumulative payments	983,593	947,318	1,055,205	1,166,570	1,246,405	1,403,269	1,324,200	1,168,932	898,206	519,098	10,712,796
Undiscounted outstanding claims											
	10,266	14,118	22,594	97,467	89,488	235,998	393,110	668,364	1,044,573	1,697,345	4,273,323
Undiscounted outstanding claims for prior injury years											282,378
Claims handling expenses											464,219
Central estimate of outstanding claims											
Discount											(912,168)
Discounted central estimate											
											4,107,752
Risk margin											369,698
Net outstanding claims liability											
											4,477,450

The claims development table has been presented on a net of recoveries basis to give the most meaningful insight into the impact on the operating result. The net outstanding claims liability can be reconciled by taking the gross outstanding claims liability per note C2(a) and offsetting the recoveries receivable on outstanding claims as per note C2(b).

(d) Claims actuarial assumptions and methods

In calculating the gross outstanding claims liability, the Actuary uses a variety of estimation techniques based upon statistical analysis of historical experience. The projections given by the estimation techniques assist in setting the range of possible outcomes. The most appropriate technique is selected taking into account the characteristics of the insurance class and the extent of the development of each injury year. These techniques assume that the development pattern of the current claims will be consistent with past relevant experience.

In estimating the cost of settling claims already notified to WorkCover, the Actuary gives regard to the claim circumstances as reported and information on the cost of settling claims with similar characteristics in previous periods. These claims tend to display lower levels of estimation volatility as more information about the claims events is generally available.

The estimation of claims IBNR is generally subject to a greater degree of uncertainty as information is not yet available and these claims may often not be apparent until many years after the claim event.

Large claims are generally assessed separately, being projected or measured on a case by case basis in order to allow for the possible distortive effect of the development and incidence of these large claims.

Allowances are made for changes or uncertainties that may create distortions in the underlying statistics which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims, including:

- changes in WorkCover's processes, which might accelerate or slow down the development and/or recording of paid or incurred claims, compared with the statistics from previous periods;
- changes in the legal environment;
- the effects of inflation and discount rates;
- movements in industry benchmarks; and
- medical and technological developments.

Payments experience is analysed to obtain averages paid per claim incurred and averages paid per claim settled, active or finalised. Estimated claims payments are adjusted to allow for general economic inflation and are discounted to allow for the time value of money, being the investment return expected based on risk-free rates in the period to settlement. The resulting average claims payments together with the ultimate numbers of claims and anticipated claims handling costs are analysed to determine a final central estimate of gross outstanding claims. A risk margin is also added to allow for the inherent uncertainty in the central estimate.

In addition to the calculation of the gross outstanding claims liability, estimates for potential claims recoveries are analysed separately and derived using the same methods, based on past recovery experience and adjustments to assumptions where appropriate. In addition, the recoverability of the assets is assessed on a periodic basis to ensure that the balance is reflective of the amounts that will ultimately be received, taking into consideration factors such as credit risk. Impairment is recognised where there is objective evidence that WorkCover may not receive the amounts due and where these amounts can be reliably measured. Estimated outstanding recoveries are then subtracted from gross outstanding claims to arrive at the net outstanding claims estimate.

The Actuary takes all reasonable steps to ensure that it has appropriate information regarding WorkCover's claims exposures. However, given the uncertainty in establishing claims provisions, it is likely the final outcome will be different from the original liability established.

Key assumptions

The key actuarial assumptions made in determining the net outstanding claims liability and the processes used to determine the assumptions are as follows:

Variable	2023	2022	Variable	2023	2022
Ultimate claim numbers per annum			Inflation rates¹ (average weekly earnings)		
Statutory claims	73,075	66,412	Gross outstanding claims:		
NIIS	14	8	Not later than one year	4.0%	3.5%
Common law	3,282	3,064	Later than one year	3.5%	3.5%
Silicosis	5	5	Recoveries receivable on outstanding claims:		
Ultimate claims size			Not later than one year	4.0%	3.5%
Statutory claims	\$18,596	\$18,152	Later than one year	3.5%	3.5%
NIIS	\$4,158,410	\$3,896,591	Discount rates		
Common law	\$194,507	\$185,266	Gross outstanding claims:		
Silicosis	\$1,371,278	\$1,293,485	Not later than one year	4.4%	2.4%
Average weighted term to settlement from claims reporting date			Later than one year	4.5%	3.9%
Gross outstanding claims	2.8 years	2.6 years	Recoveries receivable on outstanding claims:		
Recoveries receivable on outstanding claims	2.1 years	2.0 years	Not later than one year	4.4%	2.4%
Claims handling expense rate			Later than one year	4.0%	3.2%
Statutory claims	22.0%	20.0%	Risk margin		
Common law and latent	1.0%	1.0%		9.0%	9.0%

¹ The inflation rate for later than one year is based on a weighted average of the uninflated and undiscounted gross outstanding cash flow.

Ultimate claim numbers per annum

Numbers of claims incurred are used in determining the estimates in respect of claims IBNR for statutory and common law claims and in respect of claims diagnosed but not reported (DBNR) for latent onset related claims. The incurred claims total for the current underwriting year has been estimated based on past reporting patterns for statutory and common law claims separately, taking into account trends or changes in reporting patterns. The ratio of numbers of common law to statutory claims is also examined for reasonableness. The incurred claims total for latent onset related claims for the current underwriting year is an estimate of all claims diagnosed in the current year. This is estimated using past reporting patterns and delays from diagnosis to report for latent onset related claims. Silicosis, a latent onset related claim, and claims related to the National Injury Insurance Scheme (NIIS) have been included into the key assumptions disclosure as these emerging classifications include assumptions that have a significant impact on the outstanding claims liability.

Ultimate claims size

The average ultimate claims size for the current underwriting year has been estimated based on past payment patterns for statutory, common law, and latent onset related claims separately, taking into account trends or changes in payment patterns.

Average weighted term to settlement from claims reporting date

The average weighted term to settlement is calculated separately based on historic settlement patterns. A decrease in the average term to settlement rates would lead to more claims being paid sooner than anticipated.

Claims handling expense rate

Claims handling expenses are calculated by reference to past experience of claims handling costs as a percentage of past payments. For the purposes of this calculation, latent comprises of silicosis and asbestos related claims costs.

Inflation rates (average weekly earnings)

Expected future payments are inflated to take into account inflationary increases. Economic inflation assumptions are set by reference to current economic indicators.

Discount rates

The outstanding claims liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. Discount rates derived from market yields on Commonwealth Government securities at reporting date have been adopted.

Risk margin

The risk margin is determined having regard to the inherent uncertainties in the actuarial models and economic assumptions, the quality of the underlying data used in the models, and industry and market conditions. The analysis of these inherent uncertainties is performed considering the statutory, common law, and latent onset related gross outstanding claims estimates separately. The assumptions regarding uncertainty are applied to the net central estimates in order to arrive at an overall provision which is intended to have a 75% (2022: 75%) probability of adequacy.



Sensitivity analysis

WorkCover conducts sensitivity analysis to quantify the exposure to risk of changes in the key underlying variables as disclosed above. The movement in any key variable will impact the operating result and equity of WorkCover as follows:

Variable	Movement	Impact on operating result and equity		Variable	Movement	Impact on operating result and equity	
		2023 \$'000	2022 \$'000			2023 \$'000	2022 \$'000
Ultimate claim numbers per annum - latest year	+10%	-126,068	-112,531	Inflation rates - net claims cost:			
	-10%	+126,068	+112,531	Not later than one year	+1%	-21,090	-18,580
					-1%	+21,110	+18,597
Ultimate claims size - latest year	+10%	-126,068	-112,531	Later than one year	+1%	-65,931	-54,153
	-10%	+126,068	+112,531		-1%	+57,753	+47,967
Average weighted term to settlement - years	+0.5	+16,044	+4,081	Discount rates - net claims cost:			
	-0.5	-16,275	-4,206	Not later than one year	+1%	+23,939	+21,880
					-1%	-24,374	-22,287
Claims handling expense rate	+1%	-28,682	-25,767	Later than one year	+1%	+59,337	+50,996
	-1%	+28,682	+25,767		-1%	-68,710	-58,471
				Risk margin	+1%	-28,668	-25,587
					-1%	+28,668	+25,587

Financial instruments

Financial instruments are held by WorkCover to fund future claims payments. Financial instruments include cash, contractual rights to deliver or receive cash or another type of financial instrument, or an equity instrument of another entity. This section provides information about the financial instruments held, the associated risks arising from holding these financial instruments, income derived, and fair value measurement methodology.

D1 Investment income/(loss)

	2023 \$'000	2022 \$'000
Financial assets at amortised cost:		
Interest income	27,734	3,397
	27,734	3,397
Financial assets or liabilities at fair value through profit or loss (FVPL):		
Designated upon initial recognition:		
Interest income/(expense)	1,943	(212)
Managed unit trust distributions	355,827	312,400
Gain/(loss) on financial instruments	87,621	(256,920)
Other income	-	111
	445,391	55,379
Mandatorily measured:		
Loss on financial instruments	(92,713)	(158,152)
	(92,713)	(158,152)
Total investment income/(loss)	380,412	(99,376)
Investment expenses	(36,114)	(35,532)
Net investment income/(loss)	344,298	(134,908)

Interest income and managed unit trust distributions are recognised in the consolidated statement of comprehensive income when earned. Changes in the fair value of investments are recognised as gains or losses in the consolidated statement of comprehensive income as they occur.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently becomes credit impaired. Refer to note D5(a) for credit risk disclosure.

WorkCover holds a diverse portfolio of investments with QIC Limited (QIC) and has experienced a recovery in returns this financial year after significant shifts in the market value of the financial instruments throughout the prior financial year, as a result of global and economic factors. The final rate of return net of fees for the QIC portfolio for this financial year is 5.77% (2022: -2.48%). Refer to note D5(c) for the cash and cash equivalents interest rates.

Investment management fees are recognised in the consolidated statement of comprehensive income when incurred.

Direct investment management expenses are calculated as a percentage of the balance under management which were 0.6% for QIC and 0.15% for Queensland Treasury Corporation (QTC) for 2023 (2022: 0.6% and 0.15% respectively). Other investment fees paid to QIC include custody fees and brokerage fees.

D2 Categories of financial instruments

	Note	2023 \$'000			2022 \$'000		
		Current	Non-current	Total	Current	Non-current	Total
Financial assets							
Financial assets at amortised cost:							
Cash and cash equivalents	D2(a)	417,991	-	417,991	130,162	-	130,162
Receivables	D2(b)	49,519	2,404	51,923	39,680	2,507	42,187
Financial assets at FVPL:							
Investment assets	D2(d)	1,753,572	4,008,770	5,762,342	1,583,951	3,982,758	5,566,709
		2,221,082	4,011,174	6,232,256	1,753,793	3,985,265	5,739,058
Financial liabilities							
Financial liabilities at amortised cost:							
Payables	D2(c)	36,310	-	36,310	19,446	-	19,446
Financial liabilities at FVPL:							
Investment related liabilities	D2(d)	29,452	3,223	32,675	71,872	29,236	101,108
		65,762	3,223	68,985	91,318	29,236	120,554

(a) Cash and cash equivalents

	2023 \$'000	2022 \$'000
Cash at bank	417,009	129,208
QTC Capital Guaranteed Cash Fund	982	954
	417,991	130,162

Cash and cash equivalents are measured at amortised cost and include cash deposits held with a financial institution, and a capital guaranteed investment held with QTC that is subject to a low risk of change in value and is readily convertible to cash on hand at WorkCover's option. Cash and cash equivalents exclude those classified and held as investments within the QIC investment portfolio. Further, the consolidated cashflow statement reflects actual cashflow movements by WorkCover for operational cashflow management and not the balance or short-term movements within the underlying investment portfolio with QIC. Refer to note D2(d) and note D3 for more information about cash and cash equivalents amounts held for the purpose of investment strategy.

(b) Receivables

	Note	2023 \$'000	2022 \$'000
Premiums and related penalties		23,518	20,390
Claims and related penalties		23,559	17,569
Unclosed business		13,561	12,101
Other debtors		3,185	1,627
		63,823	51,687
Less allowance for impairment	D5(a)	(11,900)	(9,500)
		51,923	42,187

Receivables are recognised initially at fair value and subsequently measured at amortised cost. Receivables are not discounted as the effect of discounting is immaterial. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. For the non-current receivables, the fair values are also not significantly different to their carrying amounts. Receivables exclude those classified and held as investments within the QIC investment portfolio. Refer to note D2(d) and note D3 for more information.

The allowance for impairment is the difference between the carrying amount of the receivables and the present value of estimated future cash flows. The amount of the allowance raised, used or derecognised is recognised in the consolidated statement of comprehensive income. Refer to note D5(a) for further information.

(c) Payables

	2023	2022
	\$'000	\$'000
Trade creditors	24,811	10,233
Premiums in credit	2,437	1,394
Claims creditors	4,226	3,644
	31,474	15,271
GST receivable	(3,566)	(2,891)
GST payable	8,402	7,066
Net GST payable	4,836	4,175
	36,310	19,446

Payables are carried at amortised cost and due to their short-term nature are not discounted. Trade creditors are recognised for unpaid goods or services for which WorkCover has a present obligation to make payment. Premiums in credit are recognised upon receipt for premiums received in advance and upon adjustment for policies in credit. Claims creditors are recognised for amounts related to claims payments or claims made. All amounts are unsecured and are paid as they fall due. Payables exclude those classified and held as investments within the QIC investment portfolio. Refer to note D2(d) and note D3 for more information.

The carrying amounts of payables are considered to be the same as their fair values due to their short-term nature.

(d) Investments

	2023			2022		
	\$'000			\$'000		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets at FVPL						
Designated upon initial recognition:						
Cash and cash equivalents	68,601	-	68,601	80,973	-	80,973
Cash collateral and margin accounts	20,050	3,269	23,319	27,905	20,140	48,045
Receivables	85,705	-	85,705	172,218	-	172,218
Managed unit trusts	1,567,550	3,987,444	5,554,994	1,283,036	3,962,618	5,245,654
Debt securities	-	1,120	1,120	-	-	-
Mandatorily measured:						
Derivatives held for trading	11,666	16,937	28,603	19,819	-	19,819
	1,753,572	4,008,770	5,762,342	1,583,951	3,982,758	5,566,709
Financial liabilities at FVPL						
Designated upon initial recognition:						
Cash and cash equivalents	4,945	-	4,945	2,645	-	2,645
Cash collateral and margin accounts	-	1,050	1,050	-	250	250
Payables	791	-	791	215	-	215
Mandatorily measured:						
Derivatives held for trading	23,716	2,173	25,889	69,012	28,986	97,998
	29,452	3,223	32,675	71,872	29,236	101,108

WorkCover classifies and designates all investments at FVPL on the basis that the investments are managed as a portfolio based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies. For all investments excluding derivatives, initial recognition is at cost in the consolidated statement of financial position, with attributable transaction costs expensed as incurred. Subsequent measurement is at fair value with any resultant realised and unrealised gains or losses recognised in the consolidated statement of comprehensive income. Purchases and sales of financial assets are recognised on the settlement date. Refer to note D3 for the policy relating to derivatives.

As part of its investment strategy, WorkCover engages QIC to actively manage its investment portfolio and to ensure that sufficient cash and liquid assets are on hand to meet the expected future cash flows arising from insurance contract liabilities. Investments that are required to meet current insurance contract liabilities and current investment related liabilities are classified as current investments in the consolidated statement of financial position. While this classification policy may result in a reported working capital deficit, included in non-current investments are liquid investments which can be called upon by WorkCover to ensure it is able to meet WorkCover's operating requirements.

There were no significant changes to the overall investment strategy and processes during the current financial year (2022: no significant changes). However, notwithstanding that some of WorkCover's investment instruments are complex and interrelated, for greater transparency, WorkCover has provided a breakdown of the investment instruments held by WorkCover's custodian. These instruments consist of cash and cash equivalents, cash collateral and margin accounts, receivables, payables and derivatives. Under the direction of QIC, WorkCover's custodian actively trades and holds investment assets and liabilities on behalf of WorkCover. Further details of financial instruments and the methods and assumptions used to estimate fair value are included in note D3.

D3 Fair value measurements

There are three levels of fair value:

- level 1: represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2: represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; or
- level 3: represents fair value measurements that are substantially derived from unobservable inputs.

The fair value levels of WorkCover's financial assets and liabilities are as follows:

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2023					
Financial assets					
QTC Capital Guaranteed Cash Fund	D2(a)	-	982	-	982
Investment assets:					
Cash and cash equivalents	D2(d)	68,601	-	-	68,601
Cash collateral and margin accounts	D2(d)	23,319	-	-	23,319
Receivables	D2(d)	438	83,636	1,631	85,705
Managed unit trusts	D2(d)	-	3,405,137	2,149,857	5,554,994
Debt securities	D2(d)	-	1,120	-	1,120
Derivatives	D2(d)	17,127	11,476	-	28,603
		109,485	3,502,351	2,151,488	5,763,324
Financial liabilities					
Investment related liabilities:					
Cash and cash equivalents	D2(d)	4,945	-	-	4,945
Cash collateral and margin accounts	D2(d)	1,050	-	-	1,050
Payables	D2(d)	791	-	-	791
Derivatives	D2(d)	2,173	23,716	-	25,889
	D2(d)	8,959	23,716	-	32,675
2022					
Financial assets					
QTC Capital Guaranteed Cash Fund	D2(a)	-	954	-	954
Investment assets:					
Cash and cash equivalents	D2(d)	80,973	-	-	80,973
Cash collateral and margin accounts	D2(d)	48,045	-	-	48,045
Receivables	D2(d)	335	55,490	116,393	172,218
Managed unit trusts	D2(d)	-	3,325,122	1,920,532	5,245,654
Derivatives	D2(d)	-	19,819	-	19,819
		129,353	3,401,385	2,036,925	5,567,663
Financial liabilities					
Investment related liabilities:					
Cash and cash equivalents	D2(d)	2,645	-	-	2,645
Cash collateral and margin accounts	D2(d)	250	-	-	250
Payables	D2(d)	215	-	-	215
Derivatives	D2(d)	28,986	69,012	-	97,998
	D2(d)	32,096	69,012	-	101,108

There have been no significant transfers in either direction between level 1, level 2 and level 3 during this financial year (2022: no significant transfers in either direction between level 1, level 2 and level 3).

QTC Capital Guaranteed Cash Fund

The QTC Capital Guaranteed Cash Fund is assessed as level 2 as it is valued at the current redemption value of the fund.

Investment assets

Cash and cash equivalents

Investment related cash and cash equivalents held by WorkCover's custodian consist primarily of deposits with banks and highly liquid financial assets with maturity dates less than three months, however, exclude units held in cash fund unit trusts. Cash equivalents are assets that are subject to an insignificant risk in the change in fair value and are used to manage short term commitments. Amounts classified as cash and cash equivalents are recorded at face value and are categorised as Level 1.

Cash collateral and margin accounts

Cash collateral and margin accounts are held by the custodian on WorkCover's behalf, and under the direction of QIC.

Cash collateral refers to amounts held as security against future counterparty performance and in the event of a default or termination of derivative contracts. A collateral amount is usually made up of the net economic exposure of the parties to each other by calculating the market-to-market value of all derivatives transactions. More collateral may be required to be transferred as the value of the obligations and/or the value of the collateral fluctuates. Collateral may also be returned to the provider or released from the collateral arrangement in instances where the provider performs its obligations, excess collateral has been transferred, the value of the collateralised obligations changes or the collateral provider substitutes alternative eligible collateral. These instruments are recorded at face value and categorised as Level 1.

Margin accounts represent cash held with a broker or central counterparties against open derivative contracts.

Receivables/payables

Investment related receivables/payables include distributions receivable from unit trusts, interest income/expense, GST obligations, investment expenses, etc. Due to the short-term nature of receivables, their carrying value is taken to be their fair value. Where unable to be confirmed as level 1, the fair value level is categorised based on the underlying financial instrument.

Managed unit trusts

Managed unit trusts are unlisted managed unit trusts held with QIC. Fair value for managed unit trusts is based on the unit price of the relevant trust at the reporting date. While the units in the trusts have quoted prices and are able to be traded, the market would not be considered active for level 1 and therefore they are considered to be level 2. Some of the unlisted managed unit trusts are considered to be level 3 where the underlying assets held by the unit trusts are measured at fair value using significant unobservable inputs and the units held by WorkCover are not actively traded.

Derivatives

QIC utilises derivative financial instruments as part of WorkCover's approved investment strategy. Derivative instrument types used include equity futures, bond futures, forward currency contracts and swaps. The purpose of these derivatives is to ensure liquidity, as well as offset (hedge) movements in the managed unit trusts in identified risk areas (such as foreign exchange risks) and to help achieve particular exposures by taking advantage of, and protecting against, market conditions. Such derivatives are entered into with the intention to settle in the near future. WorkCover has hedging relationships between most derivatives and other financial instruments, but none that are subject to hedge accounting.

WorkCover's derivative financial instruments held for trading are initially recorded at fair value. Subsequent to initial recognition, these instruments are remeasured to fair value. Fair value for these instruments is based on settlement price. Gains and losses on fair value are recognised in the consolidated statement of comprehensive income. For derivative instruments that fall into level 2, the valuation technique used is a market comparison technique primarily based on exchange data for similar derivative instruments.

Reconciliation of level 3 fair value measurement

A reconciliation of the movement in the fair value of financial instruments categorised in level 3 between the beginning and end of this financial year is as follows:

	2023 \$'000	2022 \$'000
Balance at 1 July	2,036,925	1,623,039
Acquisitions	263,408	237,253
Disposals	-	(17,999)
(Losses)/gains recognised in operating result ¹	(148,845)	194,632
Balance at 30 June	2,151,488	2,036,925

¹Includes unrealised (losses)/gains recognised in operating result attributable to balances held at the end of the reporting period

(34,083)	80,519
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Significant inputs and assumptions and estimation uncertainty

The valuation of WorkCover's investments, including derivatives, is in accordance with QIC's Investment Valuations Policy. The significant unobservable valuation inputs and their potential impact on the valuation outcome for assets other than property, plant and equipment measured at fair value and classified as level 3 under the fair value hierarchy are as follows:

Description		Fair value \$'000	Valuation approach	Key unobservable inputs	Impact of alternative amounts for significant level 3 inputs
Managed unit trusts (including receivables)	2023:	2,151,488	Independent	Valuation of	An increase in the value of the
	2022:	2,036,925	valuation	underlying	underlying investments of the unit
				investments of the	trusts would result in higher fair values.
				unit trusts	Reductions would result in
					lower fair values.

The valuations of these unlisted managed unit trusts are inherently subject to estimation uncertainty as the units are not traded in an active market and their fair value at reporting date is based on the price advised by external fund managers or valuations determined by appropriately skilled independent third parties. The underlying inputs and assumptions are reviewed on an on-going basis to ensure the valuations reflect the best estimates of the economic conditions at financial year end.

D4 Offsetting financial assets and financial liabilities

WorkCover's agreements with derivative counterparties are consistent with the International Swaps and Derivatives Association (ISDA) Master Agreements. As such, financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As well as this, under the terms of ISDA Master Agreements, when certain credit events occur the net position owing or receivable to a single counterparty in the same currency will be taken as outstanding and all the relevant arrangements terminated. As WorkCover does not presently have a legally enforceable right of set-off of these amounts, they have not been offset in the consolidated statement of financial position.

The gross and net positions of financial assets and financial liabilities that have been offset in the consolidated statement of financial position and the amounts subject to master netting arrangements are as follows:

	Note	Effects of offsetting on the consolidated statement of financial position			Related amounts not offset		
		Gross amounts	Gross amounts	Net amounts of financial set-off instruments	Amounts subject to master netting agreements	Financial Instrument collateral	Net amounts
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023							
Derivative assets	D2(d)	3,738,088	(3,709,485)	28,603	(5,139)	(1,051)	22,413
Derivative liabilities	D2(d)	(3,735,374)	3,709,485	(25,889)	5,139	3,218	(17,532)
		2,714	-	2,714	-	2,167	4,881
2022							
Derivative assets	D2(d)	3,133,335	(3,113,516)	19,819	(8,301)	(250)	11,268
Derivative liabilities	D2(d)	(3,211,514)	3,113,516	(97,998)	8,301	20,148	(69,549)
		(78,179)	-	(78,179)	-	19,898	(58,281)

D5 Financial risk management

(a) Credit risk

Credit risk represents the extent of credit related losses that WorkCover may be subject to on amounts to be exchanged under financial instrument contracts or on amounts receivable from trade and other debtors.

The maximum exposure to credit risk at reporting date for each financial asset is measured as the carrying amount less any allowance for impairment. Credit risk exposure, including the identification of any significant concentrations of risk, is monitored on a regular basis.

Investments

While the managed unit trusts are unrated funds, the exposure to credit risk is minimal and is mitigated by holding a diverse portfolio of investment funds of which the composition is monitored regularly by the Board.

The utilisation of derivative financial instruments creates counterparty credit risk for WorkCover due to the risk that fulfilment of the contract may not occur in the future. QIC closely monitors and manages counterparty risk by ensuring that:

- the credit ratings of all counterparties are monitored very closely;
- the transactions are undertaken with a large number of counterparties;
- the majority of transactions are undertaken on recognised derivative trading exchanges where practical; and
- collateral arrangements are implemented, where possible, to reduce WorkCover's exposure in derivative financial instruments.

Cash and cash equivalents

Cash and cash equivalents are held with bank and financial institution counterparties. Impairment on cash and cash equivalents is measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The QTC Capital Guaranteed Cash Fund invests with a wide variety of high credit rated counterparties and all deposits made by WorkCover are capital guaranteed. WorkCover considers the credit risk in both the QTC Capital Guaranteed Cash Fund and cash at bank are low based on the credit ratings of the counterparties.

No impairment allowances were recognised for cash and cash equivalents as at 30 June 2023 (2022: no impairment allowance recognised).

Receivables

A large proportion of receivables at the end of the reporting period relates to compliance/enforcement activity which provides the most significant concentration of credit risk.

Receivables are closely monitored for collectability. WorkCover considers the probability of default upon initial recognition and on an ongoing basis throughout each reporting period. A debt is considered to be in default when the debtor fails to make contractual payments when they fall due. Policyholder accounts that fall overdue render an employer uninsured and liable for any claims costs should they incur a claim against their policy. Various actions including subsequent legal recovery may occur as debts begin to age.

WorkCover does not require collateral in respect of trade and other debtors. If collateral is held as part of a legal recovery, it is infrequent and the amounts immaterial. When appropriate, WorkCover renegotiates debt terms on outstanding debts. Receivables that have been renegotiated are accounted for based on the renegotiated terms and the credit risk is reassessed as required.

To assess whether there is a significant increase in credit risk, WorkCover compares the risk of a default occurring on the receivable as at the reporting date with the risk of default as at the date of initial recognition. A significant increase in credit risk occurs when a debtor is more than 30 days past due in making a contractual payment.

Receivables are considered for write-off throughout the reporting period based on their impairment. Receivables are considered impaired where there is objective evidence that WorkCover will not be able to collect all amounts due according to the original terms of the receivables. Evidence that a debt should be written-off includes the following observable data:

- significant financial difficulty of the debtor;
- it is probable that the debtor will enter bankruptcy, insolvency or other financial reorganisation; and
- all other reasonable action, including legal action and renegotiated debt terms where appropriate, to collect the outstanding amount has been undertaken and it is deemed unlikely that the amount will be recovered.

Amounts written off during this financial year that were outstanding at the beginning of this financial year are written off against the allowance. However, if the amount exceeds the loss allowance, the excess is recognised as an impairment loss in the consolidated statement of comprehensive income, along with amounts written off that were raised during the reporting period. For the total impairment loss, refer to bad debts expense in note E1.

Allowance for impairment

Impairment and provisioning for impairment of receivables is a continuous process that is regularly updated based on WorkCover's internal framework. WorkCover measures the expected credit losses using the lifetime expected loss model for all receivables except other debtors, which is determined as 12 months expected credit losses. Throughout and at the end of the reporting period, WorkCover assessed whether there was objective evidence that a receivable (individual) or group of receivables (collective basis depending on shared credit risk characteristics) was impaired or likely to be impaired. Factors considered during these reviews include historical loss experience, current economic conditions, performance trends within specific portfolio segments, and any other pertinent information.

WorkCover then uses provision matrices to evaluate and measure the expected credit losses on receivables. Loss rates are calculated separately for groupings of debt (debt types, stage of debt cycle and debt aging) and reflect historical observed default rates experienced during the last 6 years preceding 30 June 2023 for each group. The historical default rates are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables.

For WorkCover, a change in the economic growth, Queensland employment landscape and compliance/enforcement activity are determined to be the most relevant forward-looking indicators for receivables. No other significant changes to estimate assumptions or techniques were made during this financial year.

WorkCover's exposure to credit risk and expected credit losses of receivables are as follows:

	Note	2023			2022		
		Gross receivables ¹	Expected Loss rate	Expected credit losses	Gross receivables ¹	Expected Loss rate	Expected credit losses
		\$'000	%	\$'000	\$'000	%	\$'000
Ageing							
Current		42,555	9.90%	4,213	34,461	2.62%	903
1-30 days overdue		5,917	14.49%	857	6,090	21.75%	1,324
31-60 days overdue		1,755	29.29%	514	1,043	48.85%	509
61-90 days overdue		1,559	38.09%	593	698	57.41%	401
90+ days overdue		12,037	47.55%	5,723	9,395	67.73%	6,363
Total	<i>D2(b)</i>	63,823		11,900	51,687		9,500

¹Includes receivables of \$31.514 million (2022: \$23.288 million) with no loss allowance recorded (eg. claims recoveries, premiums and other receivables deemed to have immaterial credit risk).

The movement in the allowance for impairment in respect of receivables during the financial year is as follows:

	Note	2023 \$'000	2022 \$'000
Allowance for impairment of receivables during the year:			
Balance at 1 July		9,500	10,000
Net debts written off		(5,550)	(3,837)
Allowance made		7,950	3,337
Balance at 30 June	<i>D2(b)</i>	11,900	9,500
Individual impairment assessment		2,711	7,269
Collective impairment assessment		9,189	2,231
	<i>D2(b)</i>	11,900	9,500

Other debtors are subject to the impairment requirements and the identified impairment loss was immaterial.

(b) Liquidity risk

Liquidity risk is the risk that WorkCover will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. WorkCover manages liquidity risk through its diversified investment portfolio that provides for the sale of investments to meet both short-term and long-term cash flow requirements. WorkCover regularly reviews its investment strategy having regard to the expected future obligations.

WorkCover's liquidity risk is grouped by the contractual maturity of the financial liabilities. Liabilities with maturity dates exceeding 12 months are calculated based on discounted cash flows. Commitments that are payable on demand are included in the 0 to 3 months category. WorkCover's liquidity risk is as follows:

	Note	0 - 3 months \$'000	3 - 12 months \$'000	1 - 3 years \$'000	More than 3 years \$'000	Total \$'000
2023						
Financial liabilities						
Payables	D2(c)	36,310	-	-	-	36,310
Investment related liabilities:						
Cash and cash equivalents	D2(d)	4,945	-	-	-	4,945
Cash collateral and margin accounts	D2(d)	-	-	-	1,050	1,050
Payables	D2(d)	791	-	-	-	791
Derivatives	D2(d)	23,362	354	-	2,173	25,889
		65,408	354	-	3,223	68,985
2022						
Financial liabilities						
Payables	D2(c)	19,446	-	-	-	19,446
Investment related liabilities:						
Cash and cash equivalents	D2(d)	2,645	-	-	-	2,645
Cash collateral and margin accounts	D2(d)	-	-	-	250	250
Payables	D2(d)	215	-	-	-	215
Derivatives	D2(d)	69,012	-	5,854	23,132	97,998
		91,318	-	5,854	23,382	120,554

(c) 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 market prices. Market risk comprises three types of risk, being currency risk, interest rate risk and other price risk.

Due to the diverse nature of WorkCover's investments, the portfolio is subject to all of the risks and sensitivities outlined below. The investments are managed on a total portfolio basis.

Market risk is minimised by:

- regular review of investment strategy;
- set investment asset allocation ranges; and
- strict control over the use of derivatives and hedging instruments, which are only used to facilitate portfolio management or to reduce investment risk.

The methodology adopted for the purposes of sensitivity analysis involves forecasting a reasonably possible change in each of the risk variables and, where applicable, applying this change to the reporting date value of each investment to determine the impact caused by this change on the operating result after tax and equity for the financial year. This approach assumes that all variables remain constant and was performed on the same basis as in 2022.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. WorkCover holds a portfolio of mainly forward exchange contracts within the foreign currency overlay to help achieve particular exposures, as well as hedge the foreign exchange risks of the investments in managed unit trusts and other non-hedge derivatives held by WorkCover. The currency hedging policy is updated as required. The current target risk exposure to foreign currency is 18.0% (2022: 16.0%). WorkCover's exposure to foreign currency risk at financial year end was 18.4% (2022: 15.6%) and a breakdown is as follows:

	US dollar	Euro	British pound	Japanese yen	Other	Total
2023	Currency (AUD \$'000)					
International equities	774,352	120,718	50,393	78,972	267,417	1,291,852
Property	64,478	-	-	-	-	64,478
Infrastructure	54,142	-	8,699	-	16,749	79,590
Alternatives	397,644	70,534	1,122	-	-	469,300
Private equity	376,831	118,573	50,619	-	5,989	552,012
Fixed interest	28,469	23,339	-	-	-	51,808
Cash	3,116	854	6,276	3,319	4,237	17,802
Foreign currency derivatives	(1,042,369)	(254,570)	(77,540)	(22,184)	(78,472)	(1,475,135)
	656,663	79,448	39,569	60,107	215,920	1,051,707
2022	Currency (AUD \$'000)					
International equities	685,151	79,726	38,769	56,898	216,372	1,076,916
Property	38,384	-	-	-	-	38,384
Infrastructure	57,252	-	13,000	-	15,135	85,387
Alternatives	385,838	48,580	1,960	-	-	436,378
Private equity	347,986	89,363	32,513	-	7,275	477,137
Fixed interest	11,901	7,844	-	-	(949)	18,796
Cash	8,987	3,057	3,292	(621)	7,408	22,123
Foreign currency derivatives	(1,000,638)	(174,620)	(54,715)	(8,739)	(67,475)	(1,306,187)
	534,861	53,950	34,819	47,538	177,766	848,934



Sensitivity analysis

This sensitivity analysis has been determined based on the exposure to foreign exchange rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the financial year. All other variables remaining constant, a 10% strengthening or weakening of the Australian dollar against these currencies would have increased or decreased the operating result after tax and equity for the year as follows:

Variable	Movement in variable	Impact on operating result after tax and equity	
		2023 \$'000	2022 \$'000
Foreign currency derivatives	+10%	+93,872	+83,121
	-10%	-103,259	-91,433
Investments (excluding foreign currency derivatives)	+10%	-160,799	-137,144
	-10%	+176,879	+150,859
Total	+10%	-66,927	-54,023
	-10%	+73,620	+59,426

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

WorkCover's exposure to interest rate risk and the effective weighted average interest rates on financial instruments are as follows:

	Note	Interest rate %	Floating interest rate \$'000	Fixed interest maturing in			Non-interest bearing \$'000	Total \$'000
				1 year or less \$'000	1 - 5 years \$'000	More than 5 years \$'000		
2023								
Financial assets								
Cash and cash equivalents	D2(a)	Note ¹	417,991	-	-	-	-	417,991
Receivables	D2(b)	11.25 ²	-	-	-	-	51,923	51,923
Investments:		Note ³						
Cash and cash equivalents			68,601	-	-	-	-	68,601
Cash collateral and margin accounts			20,101	-	-	3,218	-	23,319
Receivables			-	-	-	-	85,705	85,705
Managed unit trusts			-	-	-	-	5,554,994	5,554,994
Debt securities			-	-	-	-	1,120	1,120
Derivatives			-	1,035	-	-	27,568	28,603
Total investments	D2(d)	Note ³	88,702	1,035	-	3,218	5,669,387	5,762,342
	D2		506,693	1,035	-	3,218	5,721,310	6,232,256
Financial liabilities								
Payables	D2(c)		-	-	-	-	36,310	36,310
Investment related liabilities								
Cash and cash equivalents			4,945	-	-	-	-	4,945
Cash collateral and margin accounts			-	-	-	1,050	-	1,050
Payables			-	-	-	-	791	791
Derivatives			-	7,428	-	-	18,461	25,889
Total investments	D2(d)	Note ³	4,945	7,428	-	1,050	19,252	32,675
	D2		4,945	7,428	-	1,050	55,562	68,985
2022								
Financial assets								
Cash and cash equivalents	D2(a)	Note ¹	130,162	-	-	-	-	130,162
Receivables	D2(b)	11.25 ²	-	-	-	-	42,187	42,187
Investments:		Note ³						
Cash and cash equivalents			80,973	-	-	-	-	80,973
Cash collateral and margin accounts			27,897	-	-	20,148	-	48,045
Receivables			-	-	-	-	172,218	172,218
Managed unit trusts			-	-	-	-	5,245,654	5,245,654
Derivatives			-	303	-	-	19,516	19,819
Total investments	D2(d)	Note ³	108,870	303	-	20,148	5,437,388	5,566,709
	D2		239,032	303	-	20,148	5,479,575	5,739,058
Financial liabilities								
Payables	D2(c)		-	-	-	-	19,446	19,446
Investment related liabilities								
Cash and cash equivalents			2,645	-	-	-	-	2,645
Cash collateral and margin accounts			-	-	-	250	-	250
Payables			-	-	-	-	215	215
Derivatives			-	10,522	-	-	87,476	97,998
Total investments	D2(d)	Note ³	2,645	10,522	-	250	87,691	101,108
	D2		2,645	10,522	-	250	107,137	120,554

¹ WorkCover has three transaction banking accounts and one capital guaranteed cash fund account. The weighted average interest rate of the transaction banking accounts, and cash fund account are 3.30% (2022: 0.60%) and 3.39% (2022: 0.62%) respectively.

² WorkCover is entitled to charge interest on instalment plans at the rate published in the Queensland Government Gazette.

³ The majority of securities in the derivative instruments are futures and although they are subject to interest rate risk they do not earn interest, except for a number of Australian cash accounts that earn minimal interest. Due to the number of buy and sell transactions it is impractical to obtain a weighted average interest rate for these investments.



Sensitivity analysis

All other variables remaining constant, a change of 100 basis points in interest rates at the reporting date would have increased or decreased the operating result after tax and equity for the year as follows:

Variable	Movement in variable	Impact on operating result after tax and equity	
		2023 \$'000	2022 \$'000
QTC Capital Guaranteed Cash Fund	+100	+7	+7
	-100	-7	-7
Investments	+100	+11,275	+11,132
	-100	-11,271	-11,132

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rates or currencies), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As a portfolio, WorkCover holds investments in managed unit trusts and derivative financial instruments. The managed unit trusts in turn hold investments in various instruments including equity, cash, property, infrastructure, private equity and alternative funds. The fair values of such financial instruments are affected by changes in the market price of the underlying instruments.

The market value exposure to other price risks for WorkCover is as follows:

Sector allocation	2023 \$'000	2022 \$'000
Australian equities	510,097	474,430
International equities	1,418,492	1,015,430
Private capital	600,997	559,980
Direct property	313,098	338,750
Direct infrastructure	476,597	457,700
Insurance	-	283,770
Alternatives	482,397	382,470
Global fixed interest	1,129,893	1,204,571
Cash	555,997	628,320
Private debt	242,099	120,180
	5,729,667	5,465,601



Sensitivity analysis

All other variables remaining constant, based on gross return received from the portfolio, a 1% strengthening or weakening of the equities prices would have increased or decreased the operating result after tax and equity for the year as follows:

Variable	Movement in variable	Impact on operating result after tax and equity	
		2023 \$'000	2022 \$'000
Equities prices	+1%	+27,729	+27,239
	-1%	-25,978	-24,506

Supporting our business

Being the main provider of workers' compensation in Queensland requires the support of our people and infrastructure. This section provides information about the operating expenses and assets of WorkCover.

E1 Underwriting expenses

	Note	2023 \$'000	2022 \$'000
Employee expenses	E2(a)	119,541	100,298
Contractors		21,331	9,723
Other administration expenses		21,076	15,317
Depreciation and amortisation	F2	2,343	2,356
Net gain on disposal of property, plant and equipment and intangible assets	F2	-	(4)
Transfer to allowance for impairment of receivables		7,950	3,337
Bad debts expense		9,986	7,130
Workers' Compensation Regulator expenses		44,253	41,769
Workplace Health and Safety Queensland grant		74,403	72,412
		300,883	252,338
Claims handling expenses allocated to gross claims expense	C1	(257,511)	(224,044)
		43,372	28,294

Total external audit fees quoted in relation to the 2023 consolidated financial statements are \$277,500 (2022: \$224,000). The Auditor-General of Queensland is the auditor for both WorkCover and WEO. No non-audit services were provided during this financial year (2022: no non-audit services).

The Workers' Compensation Regulator levy and the Workplace Health and Safety Queensland (WHSQ) grant are payments made in accordance with the Minister's instruction as approved by the Governor-in-Council by gazette notice for the prevention, recognition and alleviation of injury to workers, making employers and workers aware of their rights and obligations, and scheme-wide rehabilitation and return to work programs for workers.

Special payments are payments that WorkCover is not contractually or legally obligated to make to other parties. No special payments were made during this financial year (2022: no special payments made).

E2 Employee benefits

(a) Employee expenses

	Note	2023 \$'000	2022 \$'000
Salaries		99,743	85,020
Employer superannuation contributions		10,846	9,160
Other employee benefits		1,716	(391)
Payroll tax expense		5,476	4,669
Workers' compensation premium		572	770
Other employee related expenses		1,188	1,070
	E1	119,541	100,298

Post-employment benefits

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Government's defined benefit plan as determined by the employee's conditions of employment.

Defined contribution plans

Contributions are made to eligible complying superannuation funds including QSuper (part of Australian Retirement Trust). Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan

The liability for defined benefits is held on a whole-of-government basis and reported in the *Queensland General Government and Whole of Government Consolidated Financial Statements* in accordance with AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The required contributions for defined benefit plan obligations are based upon the rates determined by the Treasurer on the advice of the State Actuary. Contributions are paid by WorkCover at the specified rate following completion of the employee's service each pay period. WorkCover's obligation is limited to its contribution to QSuper (part of Australian Retirement Trust).

(b) Employee benefits liabilities

	2023 \$'000	2022 \$'000
Current		
Accrued salaries and other benefits	3,858	390
Provision for annual leave	8,090	7,727
Provision for long service leave	13,448	12,518
Provision for termination benefits	143	71
	25,539	20,706
Non-current		
Provision for long service leave	2,507	2,594
	28,046	23,300
Reconciliation of provision for employee benefits during the year:		
Balance at 1 July	23,300	24,061
Amounts allocated to provision	14,200	10,113
Reductions in provision as a result of payments	(9,626)	(8,026)
Unused provision reversed	-	(187)
Discount rate adjustments	172	(2,661)
Balance at 30 June	28,046	23,300

Short-term employee benefits

Accrued salaries and other benefits

Salaries due but unpaid at reporting date are recognised in the consolidated statement of financial position at current salary rates. As WorkCover expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts. Related on-costs of superannuation and payroll tax have been included in the liability.

Sick leave

Sick leave entitlements are non-vesting and are only paid upon valid claims for sick leave by employees. Sick leave expense is brought to account in the reporting period in which it occurs. No liability for unused sick leave has been recognised as experience indicates on average, sick leave taken each financial year is less than the entitlement accruing in that year. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees.

Other long-term employee benefits

Long service leave and annual leave

The liabilities for long service leave and annual leave which are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service are recognised and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future salary rates, experience of employee departures, and periods of service. Expected future payments are discounted using interest rates on Commonwealth Government securities with terms to maturity that match, as closely as possible, the estimated future cash outflows. Related on-costs of workers' compensation premiums, superannuation and payroll tax have been included in the liabilities.

(c) Expected settlement of employee benefits liabilities

Based on past experience, WorkCover does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Settlement expectations for annual leave and long service leave are as follows:

	2023 \$'000	2022 \$'000
No more than 12 months from reporting date:		
Annual leave	6,806	6,269
Long service leave	2,525	2,440
	9,331	8,709
More than 12 months from reporting date:		
Annual leave	1,284	1,458
Long service leave	13,430	12,672
	14,714	14,130

When WorkCover does not have an unconditional right to defer settlement of the obligation beyond 12 months, the entire amount is presented as current.

Key assumptions

The assumptions adopted to measure the present value of annual leave and long service leave are as follows:

	2023	2022
Discount rate	3.9%	4.1%
Settlement term for long service leave	5.9 years	6.0 years
Assumed annual leave days taken per year	20 days	20 days
Rate increase first year		
Assumed rate of increase for contract salaries - long service leave	7.0%	3.5%
Assumed rate of increase for non-contract salaries - long service leave	10.0%	4.7%
Assumed rate of increase for contract salaries - annual leave	7.0%	3.5%
Assumed rate of increase for non-contract salaries - annual leave	10.0%	4.7%
Rate increase thereafter		
Assumed rate of increase for contract salaries - long service leave	3.0%	3.5%
Assumed rate of increase for non-contract salaries - long service leave	3.1%	3.7%
Assumed rate of increase for contract salaries - annual leave	3.0%	3.5%
Assumed rate of increase for non-contract salaries - annual leave	3.1%	3.7%

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is 1,038 (2022: 924).

E3 Related parties

(a) Details of key management personnel and remuneration

WorkCover's responsible Minister is identified as part of WorkCover's key management personnel, consistent with Australian implementation guidance included in AASB 124 *Related Party Disclosures*. WorkCover's Minister is the *Minister for Education, Minister for Industrial Relations and Minister for Racing*.

Ministerial remuneration entitlements are outlined in the *Legislative Assembly of Queensland's Members' Remuneration Handbook*. WorkCover does not bear any cost of remuneration of the Minister. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by the Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as key management personnel of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the *Queensland General Government and Whole of Government Consolidated Financial Statements*, which are published as part of Queensland Treasury's *Report on State Finances*.

Details of the remuneration of the non-Ministerial key management personnel, being the Directors, the Chief Executive Officer (CEO), and the Senior Executives of WorkCover are as follows:

**Directors
(Non-executive)**

		Short-term Fees ¹ \$'000	Post employment Superannuation \$'000	Total \$'000
F Gobbo ² <i>Chair</i>	2023	78	8	86
	2022	78	8	86
M Clifford ² <i>Deputy Chair</i>	2023	51	5	56
	2022	51	5	56
J Bertram <i>Director</i>	2023	40	4	44
	2022	40	4	44
J Crittall ² <i>Director</i>	2023	43	5	48
	2022	43	4	47
K Dear <i>Director</i>	2023	40	4	44
	2022	40	4	44
I Leavers <i>Director</i>	2023	40	4	44
	2022	40	4	44
S McCullagh ³ <i>Director</i>	2023	33	4	37
	2022	-	-	-
S Morris <i>Director</i>	2023	44	5	49
	2022	44	4	48
S Schinnerl <i>Director</i>	2023	40	4	44
	2022	40	4	44
L Rowland ⁴ <i>Director</i>	2023	-	-	-
	2022	20	2	22
Total remuneration:	2023	409	43	452
Directors	2022	396	39	435

¹Fees represent amounts paid in cash during the financial year.

² The Board contracts for F Gobbo, M Clifford and J Crittall expired on 30 June 2023. The Governor-in-Council appointed new Board members effective from 1 July 2023. The new Board members are A Lynham (appointed Chair), J King (appointed Deputy Chair) and S Havas. All are non-executive Directors.

³ Commenced on 1 September 2022.

⁴ Ceased on 31 December 2021.

Responsibilities of Directors (Non-executive)

Chair

The Chair's principal responsibility is to lead and direct the activities of the Board and ensure the Board fulfils all its legal and statutory obligations in accordance with the Board charter.

Deputy Chair

The Deputy Chair, in addition to Director's responsibilities, assists the Chair in meeting their obligations as required. In the absence of the Chair at a meeting, the Deputy Chair will preside.

Director

The Directors are responsible for the strategic guidance, the monitoring of management, ensuring good governance and the successful operation of WorkCover Queensland.

CEO and Senior Executives

CEO and Senior Executives		Short-term		Post employment	Other long-term benefits		Termination benefits	Total	
		Salary ¹	Non-monetary ²		Superannuation	Annual leave accruals			Long service leave accruals
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
B Watson CEO	2023	467	10	28	38	23	-	566	
	2022	406	38	28	39	10	-	521	
B Martin ³ Chief New Claims Officer	2023	215	2	47	21	10	-	295	
	2022	96	3	16	8	2	-	125	
C Carras ⁴ Chief Claims Management Officer	2023	50	1	20	6	19	137	233	
	2022	267	9	27	26	(2)	-	327	
C Lajeunesse ⁵ Chief Digital and Information Officer	2023	223	1	66	22	4	-	316	
	2022	167	3	47	17	3	-	237	
D Heley Deputy CEO	2023	288	17	28	29	20	-	382	
	2022	276	19	28	28	9	-	360	
E Wright ³ Chief People Officer	2023	232	2	30	21	8	-	293	
	2022	99	2	12	8	2	-	123	
J Reid Chief Legal Officer	2023	241	5	29	22	12	-	309	
	2022	212	4	25	20	5	-	266	
L Plimmer ⁶ Chief Claims Management Officer	2023	137	3	12	12	1	-	165	
	2022	-	-	-	-	-	-	-	
M Dennett ³ Chief Partnerships and Relationships Officer	2023	233	9	25	20	5	-	292	
	2022	103	3	10	8	2	-	126	
N Wenck ⁷ Chief Strategic Development Officer	2023	-	-	-	-	-	-	-	
	2022	112	2	13	12	7	173	319	
Total remuneration:		2023	2,086	50	285	191	102	137	2,851
CEO and Senior Executives		2022	1,738	83	206	166	38	173	2,404

¹ Salary represents amounts paid in cash during the financial year and associated adjustments.

² Short-term non-monetary benefits relate to packaged amounts and fringe benefits provided to the CEO and Senior Executives.

³ Commenced on 31 January 2022.

⁴ Ceased on 9 September 2022.

⁵ Commenced on 5 October 2021 and ceased on 3 July 2023.

⁶ Commenced on 9 January 2023.

⁷ Ceased on 31 December 2021.

Responsibilities of the CEO and Senior Executives

CEO

The CEO is responsible to the Board for the overall performance and strategic management of WorkCover Queensland. The CEO is also the Executive Officer (EO) of WEO and is responsible for the management and direction of WEO. No remuneration is paid for the role of EO of WEO.

Deputy CEO

The Deputy CEO is responsible for the strategic leadership of the Strategy and Finance Group, ensuring all necessary corporate, and financial management processes and systems are in place to support the achievement of the organisation's commercially focused financial objectives. The Deputy CEO is also responsible for facilitating a collaborative process on the design, development and implementation of strategic initiatives to continue to deliver an outstanding customer experience. The Deputy CEO ceased to act as Company Secretary in December 2021.

Chief Claims Management Officer

The Chief Claims Management Officer is responsible for the strategic leadership of the Claims Management Group, ensuring that all statutory and common law claims are outcome managed balancing the interests of both injured workers and employers. They also ensure implementation of all key strategies to provide an exceptional customer experience.

Chief Digital and Information Officer

The Chief Digital and Information Officer is responsible for the delivery of technology solutions to maximise the efficiency and effectiveness of the business operations to meet WorkCover's business needs.

Chief Legal Officer

The Chief Legal Officer commenced acting as Company Secretary in December 2021 and oversees common law claims management, provides legal advice and strategy, and ensures effective management of legal and contractual risks.

Chief New Claims Officer

The Chief New Claims Officer is responsible for the strategic leadership of the registrations and claims determination functions to ensure the effective operation and performance of workers compensation liability decisions.

Chief Partnerships and Relationships Officer

The Chief Partnerships and Relationships Officer is responsible for the strategic leadership of the Partnerships and Relationships Group in creating trusted community and stakeholder engagement through interactions and relationships that are beneficial to WorkCover's business needs. The Chief Partnerships and Relationships Officer is also responsible for the management of stakeholder relationships business wide.

Chief People Officer

The Chief People Officer is responsible for the strategic leadership of the people experience function and to provide best practice contemporary workplace management, learning, change management and human resource related solutions to critical people issues.

Chief Strategic Development Officer

The Chief Strategic Development Officer is responsible for facilitating a collaborative process on the design, development and implementation of strategic initiatives to continue to deliver an outstanding customer experience.

Remuneration and appointment authority of key management personnel

Remuneration policy

Remuneration levels for key management personnel are competitively set to attract and retain appropriately qualified and experienced Directors, Senior Executives and the CEO. Remuneration is reviewed annually. No remuneration packages for key management personnel provide for any performance or bonus payments.

Payments to the CEO and the Directors are made by WorkCover Queensland. All other key management personnel are remunerated by WEO.

Directors

Director contracts are entered into in accordance with the Act. The remuneration of Directors is determined by the Governor-in-Council as part of terms of their appointment and is paid by way of annual fee in accordance with the Queensland Government Remuneration procedures for part-time Chairs and members of Queensland Government bodies.

CEO and Senior Executives

The CEO's executive employment contract is entered into in accordance with the Act, with the conditions of the contract decided by the Board and signed by the Chair. The CEO is appointed by the Governor in Council on the Board's recommendation. The CEO remuneration arrangements are made in alignment with the Queensland Government CEO remuneration framework.

The remuneration arrangements for the Senior Executives are determined by the CEO in consultation with the Chair of the Board. The Senior Executive contracts are entered into in accordance with the Act.

Remuneration and other terms of employment for each Senior Executive are formalised in executive employment contracts.

The CEO and Senior Executives are given the opportunity to receive their fixed remuneration in a variety of forms, including cash and fringe benefits.

(b) Transactions with key management personnel

No transactions, other than remuneration payments or the reimbursement of approved expenses, were entered into by WorkCover with key management personnel or related parties of such key management personnel during this financial year (2022: no transactions with key management personnel).

(c) Transactions with other related parties

WorkCover is required to pay contributions to WHSQ and the Workers' Compensation Regulator. See note E1 for details.

Queensland Health public hospitals are utilised by WorkCover in the treatment of injured workers. The total payments in this financial year are \$49.170 million (2022: \$45.863 million).

As the provider of compulsory workers' compensation insurance in Queensland, WorkCover provides insurance to all Queensland State Government controlled entities other than those who self-insure. Policies are issued on the same terms and conditions as to other policyholders. The total premium income received or receivable from Queensland State Government controlled entities in this financial year is \$358.957 million (2022: \$317.795 million).

WorkCover utilises the services of QIC and QTC to invest excess cash not immediately required to cover expenses. The use of QIC and QTC is approved by Queensland Treasury. The total management fees paid or payable in this financial year to QIC and QTC are \$34.108 million and \$0.001 million respectively (2022: \$35.423 million and \$0.001 million respectively). Refer to note D1 for further details.

From 1 July 2016, the *Workers' Compensation and Rehabilitation Amendment Act 2016* implemented the NIIS for workplace accidents connected with Queensland. The scheme provides eligible seriously injured workers with a lifetime statutory entitlement to treatment, care and support payments such as rehabilitation, medical services and hospital expenses. In accordance with the scheme, payments are made by WorkCover to reimburse NIIS Queensland (the external case managers for the seriously injured workers) for costs in relation to these claims. The total NIIS Queensland amounts paid or payable for this financial year are \$4.830 million (2022: \$5.509 million).

E4 Property, plant and equipment

Note	Land	Building	Plant and equipment	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	22,000	41,500	977	12	64,489
Acquisitions	-	89	79	254	422
Disposals	-	-	-	(5)	(5)
Transfers between asset classes	-	1	6	(7)	-
Depreciation	-	(1,746)	(159)	-	(1,905)
Revaluation increments	F4(b) 6,000	5,156	-	-	11,156
Balance at 30 June 2022	28,000	45,000	903	254	74,157
At 30 June 2022:					
Cost or fair value	28,000	53,265	7,423	254	88,942
Accumulated depreciation	-	(8,265)	(6,520)	-	(14,785)
Net carrying amount	28,000	45,000	903	254	74,157
Balance at 1 July 2022	28,000	45,000	903	254	74,157
Acquisitions	-	81	150	9	240
Disposals	-	-	-	(136)	(136)
Transfers between asset classes	-	118	-	(118)	-
Depreciation	-	(1,796)	(160)	-	(1,956)
Revaluation decrements	F4(b) -	(903)	-	-	(903)
Balance at 30 June 2023	28,000	42,500	893	9	71,402
At 30 June 2023:					
Cost or fair value	28,000	51,215	7,573	9	86,797
Accumulated depreciation	-	(8,715)	(6,680)	-	(15,395)
Net carrying amount	28,000	42,500	893	9	71,402

(a) Recognition and measurement

All items of property, plant and equipment are recognised at their cost of acquisition, being the fair value of the consideration provided and any incidental costs directly attributable to the acquisition.

With respect to plant and equipment, an asset recognition threshold of \$5,000 exists. With respect to property, an asset recognition threshold of \$10,000 exists for buildings and \$1 for land. Property, plant and equipment with a lesser cost are expensed.

Costs incurred subsequent to initial acquisition are added to an asset's carrying amount if they increase the service potential or useful life of that asset. Subsequent costs that do not meet these criteria are expensed as incurred.

Plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Plant and equipment with an original cost of \$3.352 million (2022: \$3.245 million) and a written down value of zero is still being used in the provision of services. There is currently no asset (2022: no asset) written down to an above zero residual value which is still being used in the provision of services.

(b) Valuation

Land and buildings are shown at fair value, based on annual valuations by an external independent valuer. On revaluation, accumulated depreciation of revalued assets in the class is eliminated against the gross carrying amount of those assets and the net amount restated to the revalued amount of the asset.

Any revaluation increase is credited, net of tax equivalents, to the asset revaluation surplus of the appropriate class, except to the extent that it reverses a revaluation decrease for the same asset class previously recognised as an expense, in which case the increase is recognised as income. A decrease in the carrying amount on the revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

The land and building is valued having regard to the highest and best use of the asset. An independent valuation of land and building was performed as at 30 June 2023 and fair value was determined by reference to market based evidence, being active market prices adjusted for any differences in the nature, location or condition of the specific property. The independent valuer used the discounted cash flow, capitalisation and direct comparison approaches to determine the fair value. The land and building has been categorised as level 3 based on sensitivity of fair value to change in the unobservable inputs.

(c) Depreciation

Land is not depreciated.

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the cost or revalued amount of each asset, less its estimated residual value, over the estimated useful life of the assets as follows:

ITEM	USEFUL LIFE
Building	3 to 56 years
Plant and equipment	
Computer equipment	5 to 14 years
Office equipment and furniture	5 to 23 years
Fixtures and fittings	12 to 25 years
Motor vehicles	5 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate on an annual basis.

(d) Impairment

All non-current assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, WorkCover determines the asset's recoverable amount. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised as an expense, unless the asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The asset's recoverable amount is determined as the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(e) Derecognition

Property, plant and equipment assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Derecognition of property, plant and equipment assets includes writing back accumulated depreciation and any accumulated impairment losses against the cost of acquisition. Any resulting gain or loss is represented by the difference between the proceeds, if any, and the carrying amount of the asset and is recognised in the consolidated statement of comprehensive income.

E5 Commitments

WorkCover has contractual commitments for expenditure as follows:

	Acquisition of property, plant and equipment	Support and maintenance expenditure	Other expenditure	Total
	\$'000	\$'000	\$'000	\$'000
2023				
Not later than 1 year	-	6,230	3,426	9,656
1 - 5 years	19	2,477	1,186	3,682
	19	8,707	4,612	13,338
2022				
Not later than 1 year	-	3,568	4,032	7,600
1 - 5 years	-	1,539	276	1,815
	-	5,107	4,308	9,415

This section includes other relevant information that must be disclosed to comply with AASBs and other requirements.

F1 Taxation

WorkCover Queensland and its controlled entity are State/Territory bodies as defined under the *Income Tax Assessment Act 1936* and are exempt from Commonwealth Government taxation with the exception of fringe benefits tax (FBT) and GST. As such, FBT and GST receivable from and payable to the Australian Taxation Office (ATO) are recognised and accrued.

WorkCover Queensland is the only entity in the consolidated group subject to the National Tax Equivalents Regime (NTER). Under the NTER, payments are made to the State Treasurer equivalent to the amount of Commonwealth Government income tax. The Taxation of Financial Arrangements (TOFA) legislation is applicable to WorkCover Queensland and the default realisation and accrual methods are used. In addition, QIC adopt the attribution managed investment trust (AMIT) regime in respect of eligible QIC managed investment trusts in which WorkCover invests in.

WorkCover Queensland and its controlled entity are also required to comply with pay as you go (PAYG) withholding requirements and Queensland State Government taxes including payroll tax, stamp duty and land tax.

Tax Risk Management

The Tax Risk Management Policy sets out WorkCover's approach to satisfying its obligations under the Risk Management Policy with respect to tax. WorkCover's tax strategy is focused on integrity in compliance and reporting. The strategy is implemented through WorkCover's Tax Risk Management Framework. This Framework is supported by governance processes which ensure it is implemented with continued effectiveness. WorkCover has effective policies and processes in place to manage tax risk.

(a) Income tax equivalent

Income tax equivalent expense/(benefit)

	2023	2022
	\$'000	\$'000
Deferred tax expense/(benefit)	6,032	(153,053)
Reconciliation of Income tax equivalent expense/(benefit):		
Operating result for the year before income tax equivalent	32,862	(479,228)
Income tax equivalent expense/(benefit) at the standard tax rate of 30% (2022: 30%)	9,859	(143,768)
Tax effect of adjustments to income tax equivalent expense/(benefit):		
Gross up of foreign income tax offset received	2,177	1,533
Gross up of franking tax offset received	2,539	4,603
Conversion of franking credit to tax loss	(8,464)	(15,342)
Other deductible expenses	(78)	(79)
Adjustments for income tax equivalent of prior years	(1)	-
Income tax equivalent expense/(benefit) attributable to operating result	6,032	(153,053)

Income tax equivalent expense/(benefit) comprises current and deferred tax. Current and deferred tax is recognised as an expense in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax assets and liabilities are measured at the amount expected to be receivable or payable on the taxable income or loss for the current year. The amount is calculated using tax rates and tax laws that are enacted or substantively enacted at the reporting date.

Income tax equivalent expense/(benefit) recognised in other comprehensive income

	2023	2022
	\$'000	\$'000
Revaluation of land and building	(271)	3,347

Recognised deferred tax assets and liabilities

WorkCover is able to offset its deferred tax assets and liabilities and has disclosed the net balance in the consolidated statement of financial position. Deferred tax assets and liabilities are as follows:

	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income tax equivalent loss	316,891	247,893	-	-	316,891	247,893
Investment tax adjustments including unrealised (gain)/loss	-	-	(236,933)	(140,818)	(236,933)	(140,818)
Indirect claims handling expense	110,691	90,415	-	-	110,691	90,415
Employee expenses	43	28	-	-	43	28
Other provisions	3,570	2,850	-	-	3,570	2,850
Other items	1,012	1,135	(85)	(117)	927	1,018
Property, plant and equipment	-	-	(8,486)	(8,948)	(8,486)	(8,948)
Intangibles	-	-	(81)	(55)	(81)	(55)
Tax assets/(liabilities)	432,207	342,321	(245,585)	(149,938)	186,622	192,383

Movement in deferred tax balances during the year	Balance 1 July 2021	Recognised in operating result	Recognised in other comprehensive income	Balance 30 June 2022	Recognised in operating result	Recognised in other comprehensive income	Balance 30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income tax equivalent loss	181,191	66,702	-	247,893	68,998	-	316,891
Investment tax adjustments including unrealised (gain)/loss	(220,906)	80,088	-	(140,818)	(96,115)	-	(236,933)
Indirect claims handling expense	84,038	6,377	-	90,415	20,276	-	110,691
Employee expenses	21	7	-	28	15	-	43
Other provisions	3,000	(150)	-	2,850	720	-	3,570
Other items	1,161	(143)	-	1,018	(91)	-	927
Property, plant and equipment	(5,893)	292	(3,347)	(8,948)	191	271	(8,486)
Intangibles	65	(120)	-	(55)	(26)	-	(81)
	42,677	153,053	(3,347)	192,383	(6,032)	271	186,622

Deferred tax is accounted for using the comprehensive balance sheet liability method and is provided on all temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base of those items at the reporting date.

Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences. However, deferred tax liabilities and assets are not recognised if the temporary differences arise from the initial recognition of assets or liabilities which affects neither the accounting profit nor taxable profit or loss. Unused tax credits and unused tax losses are carried forward to the extent it is probable that future taxable profit will be available against which they can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply for the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be utilised and such reductions are reversed when it becomes probable that sufficient taxable profit will be available.

(b) Goods and services tax

Income, expenses, assets, and liabilities are recognised net of the amount of associated GST, unless the GST is not recoverable from or remittable to the ATO. In this case, the GST is recognised as part of the cost of acquisition of the asset or in the amount of the expense.

Receivables and payables are stated with the amount of GST included, where applicable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables, respectively, in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows net of the amount of GST. The GST component of cash flows arising from investing activities which is recoverable from or payable to the ATO is classified as part of operating cash flow.

Commitments and contingencies are disclosed net of the amount of GST, unless the GST incurred is not recoverable from the ATO.

F2 Reconciliation of operating result to net cash provided by operating activities

	Note	2023 \$'000	2022 \$'000
Operating result for the year		26,830	(326,175)
Non-cash items included in operating result			
Net loss on change in fair value of financial instruments		95,947	371,474
Net gain on disposal of property, plant and equipment and intangible assets	E1	-	(4)
Reclassification of work in progress		136	5
Depreciation and amortisation expense	E1	2,343	2,356
Income tax effect on revaluation of land and building	F4(b)	271	(3,347)
Change in operating assets and liabilities			
Increase in receivables		(28,338)	(70,164)
Increase in other assets		(805)	(53)
Decrease/(increase) in net deferred tax		5,761	(149,706)
(Decrease)/increase in other liabilities		(34)	8
Increase in payables and unearned premium liability		19,712	8,403
Increase in outstanding claims liability and employee benefits liabilities		526,306	333,973
Net cash provided by operating activities		648,129	166,770

F3 Leases

Leases as lessor

WorkCover has 6 lease agreements (2022: 7) with respect of the 280 Adelaide Street building. The building is leased to tenants under operating leases with rentals payable on a monthly basis. These non-cancellable leases have remaining terms of between 1 and 4 years and include clauses to enable upward revision of the rental charge on an annual basis according to a fixed percentage where applicable. There are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, WorkCover may obtain bank guarantees for the term of the lease. Minimum lease payments receivable on operating leases are as follows:

	2023 \$'000	2022 \$'000
Within 1 year	568	604
Between 1 and 2 years	422	512
Between 2 and 3 years	437	344
Between 3 and 4 years	368	356
Between 4 and 5 years	-	368
	1,795	2,184

The total lease income included in other income presented in the consolidated statement of comprehensive income is as follows:

	2023 \$'000	2022 \$'000
Lease income	1,345	1,100

F4 Equity and reserves

(a) Contributed equity

In 2017, arising from the funding arrangement for the Workers' Compensation Regulator, WorkCover recognised a non-reciprocal cash transfer of \$2.500 million from the Workers' Compensation Regulator as contributed equity.

(b) Asset revaluation surplus by asset class

	Note	Land \$'000	Building \$'000	Total \$'000
Balance at 1 July 2021		12,320	18,837	31,157
Revaluation increments	E4	6,000	5,156	11,156
Income tax effect on revaluation		(1,800)	(1,547)	(3,347)
Balance at 30 June 2022		16,520	22,446	38,966
Balance at 1 July 2022		16,520	22,446	38,966
Revaluation decrements	E4	-	(903)	(903)
Income tax effect on revaluation		-	271	271
Balance at 30 June 2023		16,520	21,814	38,334

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

(c) Investment fluctuation reserve

The investment fluctuation reserve is held to mitigate the effects of financial volatility in the investment markets, allowing WorkCover to maintain a stable premium rate and minimise the impact on businesses during a downturn. It represents the excess capital held by WorkCover over the minimum funding ratio of 120% as set within WorkCover's Statement of Corporate Intent.

F5 Contingent liabilities

In the normal course of business, WorkCover is exposed to legal issues, including litigation arising out of insurance policies. There are no known potential material litigation exposures at reporting date that may give rise to a contingent liability (2022: no contingent liabilities).

F6 Differences between WorkCover consolidated financial statements and WorkCover Queensland financial statements

(a) Reconciliation of differences between consolidated and parent entity statements of comprehensive income

	Note	2023 \$'000			2022 \$'000		
		WorkCover Queensland	WorkCover Employing Office	WorkCover Queensland	WorkCover Employing Office	WorkCover Queensland	WorkCover Employing Office
Underwriting expenses	i	(43,372)	(42,844)	(118,343)	(28,294)	(28,177)	(99,232)
Investment income/(loss)	ii	380,412	379,886	526	(99,376)	(99,493)	117
Other income	i	1,458	1,456	117,817	1,167	1,167	99,115

- The difference in underwriting expenses represents expenses incurred by WEO excluding GST. The difference in other income represents the service fees raised by WEO for services provided to WorkCover Queensland. The service fee income in WEO and the service fee expense in WorkCover Queensland are eliminated on consolidation.
- The difference represents the bank interest income of WEO.

(b) Reconciliation of differences between consolidated and parent entity statements of financial position

	Note	2023 \$'000			2022 \$'000		
		WorkCover Queensland	WorkCover Queensland	WorkCover Employing Office	WorkCover Queensland	WorkCover Queensland	WorkCover Employing Office
Current assets							
Cash and cash equivalents		417,991	389,670	28,321	130,162	106,860	23,302
Receivables	i	49,519	49,437	82	39,680	39,674	6
Other assets	ii	3,083	3,083	-	2,410	2,023	387
Current liabilities							
Payables	iii	36,310	35,810	500	19,446	18,959	487
Employee benefits	iv	25,539	143	25,396	20,706	45	20,661
Non-current liabilities							
Employee benefits	iv	2,507	-	2,507	2,594	47	2,547

- i. The difference represents the WEO other debtors balance.
- ii. The difference represents the WEO prepayments balance.
- iii. The difference represents the WEO salary related payables of \$0.491 million (2022: \$0.420 million) and other WEO payables of \$0.009 million (2022: \$0.067 million).
- iv. The liabilities for employee benefits in WorkCover Queensland is the CEO's employee benefits. All other employee benefit liabilities are part of WEO.

(c) Reconciliation of differences between consolidated and parent entity statements of changes in equity

There are no differences between the figures disclosed on the face of the WorkCover consolidated statement of changes in equity and WorkCover Queensland's statement of changes in equity.

(d) Reconciliation of differences between consolidated and parent entity statements of cash flows

	Note	2023 \$'000			2022 \$'000		
		WorkCover Queensland	WorkCover Queensland	WorkCover Employing Office	WorkCover Queensland	WorkCover Queensland	WorkCover Employing Office
Cash flows from operating activities							
Interest received		27,981	27,518	463	3,070	2,956	114
GST collected on sales		214,389	214,337	52	181,665	181,612	53
GST paid on purchases		(32,429)	(32,201)	(228)	(30,543)	(30,314)	(229)
Employee benefits expense paid	i	-	-	(113,125)	-	-	(99,580)
Employment services revenue received	i	-	-	117,893	-	-	99,185
Other operating income received	ii	1,578	1,578	2	1,195	1,195	1
Other operating expenses paid	iii	(38,848)	(43,580)	(38)	(28,101)	(27,662)	(45)

- i. The employee benefits expense paid by WEO and the employment services revenue received by WEO are categorised within other operating expenses paid for WorkCover. The employment services revenue is the amount paid by WorkCover Queensland to WEO for employment services provided.
- ii. Other operating income received by WEO is amounts received from salary packaging providers. These are categorised within other operating expenses paid for WorkCover.
- iii. The difference between the consolidated financial statements and WorkCover Queensland represents the net of WEO's employee benefits expenses paid, employment services revenue received, other operating income received, and other operating expenses paid. The other operating expenses paid in WEO are sundry administration payments.

F7 Controlled entity

Summary of WEO financial statements

	2023 \$'000	2022 \$'000
Statement of comprehensive income		
Revenue	118,343	99,232
Expenses	118,343	99,232
Operating result for the year	-	-
Statement of financial position		
Total assets	28,403	23,695
Total liabilities	28,403	23,695
Net assets	-	-

F8 Summary of additional significant accounting policies

(a) Changes in accounting policies and disclosures

There have been no changes in accounting policies, standards and amendments to standards relevant to WorkCover that have been applied for the first time in the presentation of these consolidated financial statements from 1 July 2022.

(b) New and revised Australian Accounting Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2022 and have not been early adopted in preparing these consolidated financial statements.

The nature and effects of the standard applicable to WorkCover that is not yet effective is as follows:

Insurance Contracts

AASB 17 *Insurance Contracts* is intended to combine all existing insurance standards (i.e. AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*) into one standard.

The mandatory application date of AASB 17 for public sector entities has been deferred to annual periods beginning on or after 1 July 2026 as a result of the following amendment standards issued by the AASB:

- AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* which permits public sector entities to continue to apply AASB 4 and AASB 1023 up until 30 June 2026; and
- AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* which amends AASB 17 to include modifications that apply to public sector entities from 1 July 2026.

The modifications under AASB 2022-9 relate to providing public sector entities with:

- pre-requisites, indicators and other considerations that need to be judged to identify arrangements that fall within the scope of AASB 17 in a public sector context;
- an exemption from sub-grouping onerous versus non-onerous contracts at initial recognition;
- an exemption from sub-grouping contracts issued no more than a year apart;
- an amendment to the initial recognition requirements so that they do not depend on when contracts become onerous;
- guidance on coverage periods in a public sector context, which has consequences for determining the cash flows used to measure insurance liabilities and the pattern of revenue recognition;
- an accounting policy choice to measure liabilities for remaining coverage applying the premium allocation approach; and
- a transition requirement grandfathering the existing classification of arrangements constituting a liability for settlement of claims incurred before the liability was acquired in a transfer as either a liability for incurred claims within the scope of AASB 17 or a provision within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

WorkCover is in the process of reviewing AASB 17 and AASB 2022-09 to determine the impact on the daily operations, record keeping and disclosure requirements in the consolidated financial statements.

Fair Value Measurement

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* applies from reporting periods beginning on or after 1 January 2024. AASB 2022-10 amends AASB 13 *Fair Value Measurement* to include authoritative implementation guidance and providing related illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

WorkCover does not expect any significant impact as a result of applying this amendment standard.

F9 Events after reporting date

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transactions or event of a material nature likely to affect significantly the operations of WorkCover, the results on those operations, or the state of affairs of WorkCover in future financial years.

Management certificate

These general purpose consolidated financial statements have been prepared pursuant to the provisions of the *Workers' Compensation and Rehabilitation Act 2003*, section 62(1) of the *Financial Accountability Act 2009*, section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the *Financial Accountability Act 2009* we certify that in our opinion:

- the prescribed requirements for establishing and keeping of accounts have been complied with in all material respects; and
- the consolidated financial statements have been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of WorkCover for the financial year ended 30 June 2023 and of the financial position at the end of that year; and

We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

22 August 2023



A Lynham
BDSC BMed (HONS), FRACDS (OMS) FRCS Ed
CHAIR



B Watson
MOL, Dip Financial Services, FAICD, FASFA
CHIEF EXECUTIVE OFFICER

INDEPENDENT AUDITOR'S REPORT

To the Board of WorkCover Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of WorkCover Queensland (WorkCover) and its controlled entity (the Group).

In my opinion, the financial report:

- a) gives a true and fair view of the Group's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies, other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of gross outstanding claims liability (\$4,754m)
Refer to Note C2 to the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>Valuation of outstanding claims liabilities</p> <p>The estimation of outstanding claims liabilities is a key audit matter due to the high degree of uncertainty that is inherent in estimating the expected future payments for claims incurred. It may take many years to finalise the cost of a claim and the ultimate cost may be influenced by factors unknown at 30 June 2023 or outside the control of WorkCover (refer Note C2(d) for key assumptions and judgements).</p>	<p>I engaged an auditor's actuarial expert to assist me in:</p> <ul style="list-style-type: none"> evaluating the actuarial models for changes made to the prior year's models. considering of the appropriateness of the assumptions adopted and methodologies applied for the individual benefit types. considering the reasonableness of movements in key claim experience and their impact on the calculation of the outstanding claims liability benchmarking key economic assumptions to observable market data. <p>In engaging an auditor's actuarial expert to assist me in addressing this key audit matter I have assessed:</p> <ul style="list-style-type: none"> their qualifications, competence, capabilities, objectivity and the nature, scope and objectives of the work completed for appropriateness. their findings and conclusions for relevance, reasonableness and consistency with the evidence obtained.

Other information

Other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report this fact. I have nothing to report in this regard.

Responsibilities of the Board for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the Group or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the Group.
- Conclude on the appropriateness of the Group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to form an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the Group. I remain solely responsible for my audit opinion.

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

From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.

mluwinga

22 August 2023

Martin Luwinga
as delegate of the Auditor-General

Queensland Audit Office
Brisbane



ACTUARIAL CERTIFICATE FOR OUTSTANDING CLAIMS LIABILITIES
AS AT 30 JUNE 2023

PricewaterhouseCoopers Consulting (Australia) Pty Ltd was requested by WorkCover Queensland to advise on its provisions for outstanding claims liabilities at 30 June 2023.

VALUATION REPORT

Full details of data, methodology and assumptions are set out in our report dated 1 August 2023. This report was prepared, to the best of our knowledge, in compliance with the requirements of Professional Standard 302 of the Institute of Actuaries of Australia.

BASIS OF ESTIMATES

The adopted provision as at 30 June 2023 is **\$4,477.4 million**, comprising our central estimate of the liability for outstanding claims, an allowance of claims handling expenses and a risk margin. The adopted provision is net of recoveries. In principle, all of the valuation assumptions have been selected so as to yield a central estimate which is not knowingly above or below the ultimate cost of claims.

The central estimate:

- is discounted - i.e. allows for the time value of money;
- allows for future claims inflation;
- includes a loading for claims handling expenses; and
- complies with the requirements of Australian Accounting Standard AASB1023.

A risk margin has been included to allow for the risk and uncertainties inherent in the estimation of outstanding claims liabilities. The margin is expressed as a percentage of the central estimate. In recognition of the overall uncertainty in the claims experience, the WorkCover Board have adopted a risk margin at 30 June 2023 of 9.0%. The adopted margin is intended to increase the probability of sufficiency of the provision to 75%.

QUALIFICATIONS

It is not possible to estimate the outstanding claims liabilities with certainty. Deviations from our estimates are normal and are to be expected. The outcome is dependent on events which are yet to occur and which are impossible to predict, including legislative, social and economic forces. The provisions we have recommended are based on assumptions which we consider to be reasonable in current circumstances.

Lisa Simpson
FIAA

Gavin Moore
FIAA

1 August 2023

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> – A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	Letter of compliance
Accessibility	<ul style="list-style-type: none"> – Table of contents – Glossary 	ARRs – section 9.1	Contents Glossary
	<ul style="list-style-type: none"> – Public availability 	ARRs – section 9.2	About this report
	<ul style="list-style-type: none"> – Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	About this report
	<ul style="list-style-type: none"> – Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	About this report
	<ul style="list-style-type: none"> – Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	About this report
General information	<ul style="list-style-type: none"> – Introductory Information 	ARRs – section 10	About WorkCover Queensland Chair and CEO report
Non-financial performance	<ul style="list-style-type: none"> – Government’s objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	Chair and CEO report
	<ul style="list-style-type: none"> – Agency objectives and performance indicators 	ARRs – section 11.2	Corporate Plan Statement of Corporate Intent
	<ul style="list-style-type: none"> – Agency service areas and service standards 	ARRs – section 11.3	Highlights
Financial performance	<ul style="list-style-type: none"> – Summary of financial performance 	ARRs – section 12.1	Financial performance
Governance – management and structure	<ul style="list-style-type: none"> – Organisational structure 	ARRs – section 13.1	Governance management and structure
	<ul style="list-style-type: none"> – Executive management 	ARRs – section 13.2	Governance management and structure
	<ul style="list-style-type: none"> – Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	Governance management and structure

Summary of requirement		Basis for requirement	Annual report reference
	– Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Governance management and structure
	– Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Governance management and structure
	– Queensland public service values	ARRs – section 13.6	Chair and CEO report
Governance – risk management and accountability	– Risk management	ARRs – section 14.1	Governance – Risk Management and Accountability
	– Audit committee	ARRs – section 14.2	Governance – Risk Management and Accountability
	– Internal audit	ARRs – section 14.3	Governance – Risk Management and Accountability
	– External scrutiny	ARRs – section 14.4	Governance – Risk Management and Accountability
	– Information systems and recordkeeping	ARRs – section 14.5	Governance – Risk Management and Accountability
	– Information Security attestation	ARRs – section 14.6	Not applicable
Governance – human resources	– Strategic workforce planning and performance	ARRs – section 15.1	Our People
	– Early retirement, redundancy and retrenchment	<i>Directive No.04/18 Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Our People
Open Data	– Statement advising publication of information	ARRs – section 16	Governance – Risk Management and Accountability ‘Open data’
	– Consultancies	ARRs – sections 16 and 31.1	https://data.qld.gov.au
	– Overseas travel	ARRs – sections 16 and 31.2	https://data.qld.gov.au

Summary of requirement		Basis for requirement	Annual report reference
	<ul style="list-style-type: none"> Queensland Language Services Policy 	ARRs – sections 16 and 31.3	https://data.qld.gov.au
Financial statements	<ul style="list-style-type: none"> Certification of financial statements 	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Consolidated financial statements Actuarial certificate on net outstanding claim liabilities Management certificate
	<ul style="list-style-type: none"> Independent Auditor's Report 	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Consolidated financial statements Independent auditor's report

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

Glossary

TERM	DEFINITION
A	
Accident insurance policy	An accident insurance policy is a workers' compensation insurance policy, compulsory for employers engaging workers. The policy covers the employer's liability for workers' compensation and damages arising out of a work-related injury sustained by their worker, no matter who or what caused it.
Allied health provider	Any medical or allied health provider (for example a doctor, medical specialist, physiotherapist, chiropractor or occupational therapist) who is registered with the relevant professional board (e.g., Physiotherapist Board of Queensland).
AS/ISO	Australian Standard/International Organisation for Standardisation
Average premium rate	The average premium rate is a rate per \$100 of wages, expressed as a percentage, calculated by averaging net premium assessed for the year as a proportion of total wages declared by all employers for that year.
C	
CEO	Chief Executive Officer
Claims experience	An employer's claims experience is used when calculating premium and is comprised of the statutory claims amounts paid under an employer's accident insurance policy for the preceding three years and the damages claims amounts paid under the policy for one year preceding that.
Common law claim	A common law claim is the claim made by an injured worker who commences common law action against their employer for negligence (they are 'suing' their employer). Common law damages can include payments for economic loss, pain and suffering, legal costs, and medical and hospital costs. WorkCover may pay all damages awarded to the injured worker, including legal and investigative costs as part of the employer's accident insurance policy.
Customer experience measure / metric	Measures customers' overall perception of WorkCover and performance against the five customer strategy principles.
Customer strategy principles	These principles are the benchmark for the experience WorkCover wants customers to have across all interactions. There are five principles: easy, fair and transparent, empowered, consistent and valued, and they are based on customer research that identified what customers expect from WorkCover.
D	
Damages	<p>Damages are payments made under a common law claim that are classified as 'heads of damage'. These are different types of damage that may be suffered by an injured worker.</p> <p>Examples are:</p> <ul style="list-style-type: none"> — general damages (compensation for pain and suffering) — economic loss (compensation for loss of past earnings or future earning capacity).

I	
Injury	<p>An injury, as defined by the <i>Workers' Compensation and Rehabilitation Act 2003</i> is, 'A personal injury arising out of, or in the course of, employment if the employment is a significant contributing factor to the injury'. Some examples of injuries include:</p> <ul style="list-style-type: none"> – a cut or fracture – a disease (example asbestos or Q fever) – industrial deafness – psychiatric or psychological disorders such as stress or depression – aggravation of a pre-existing condition – death from an injury, disease or aggravation of a disease.
Injury Prevention and Management program	WorkCover's program in partnership with Workplace Health and Safety Queensland, which helps employers who have a high frequency of claims, brings about a workplace culture change and achieves a better standard of workplace health and safety and injury management.
P	
PIEF	Personal Injury Education Foundation
Premium rate	The rate per \$100 of wages for an individual employer.
Q	
QIC	Queensland Investment Corporation
R	
Rehabilitation	Under workers' compensation legislation, the purpose of rehabilitation is to ensure the injured worker's earliest possible safe return to work or to maximise the worker's independent functioning. Rehabilitation for return to work (sometimes called occupational, vocational or workplace rehabilitation) can include treatment from a range of health providers, assessments of work capacity and suitable duties programs. Under legislation, workers and employers must take every reasonable step to participate in rehabilitation and return to work programs.
Return to work	The worker's timely, safe and medically structured return to pre-injury duties, or other employment, following a workplace injury.
S	
Self-insurer	An employer who meets certain criteria to manage and pay their own workers' compensation claims. Contact the Workers' Compensation Regulatory Services for more information.
Statutory (no-fault) claims	A statutory or no-fault claim is when a worker is compensated for a work-related injury with payments and benefits prescribed in the <i>Workers' Compensation and Rehabilitation Act 2003</i> . These payments and benefits are referred to as statutory compensation and may include weekly payments, lump sums to compensate for permanent impairment, and hospital and medical expenses. Statutory claims are administered on a 'no fault' basis. That is, it doesn't matter if it is the worker's or the employer's fault that the injury occurred, compensation is still paid.

W

Wages	Wages are the total amount an employer pays to a worker as defined by Schedule 6 of the <i>Workers' Compensation and Rehabilitation Act 2003</i> .
WCRS	Workers' Compensation Regulatory Services
WHSQ	Workplace Health and Safety Queensland
Work-related injury	An injury where employment was a significant contributing factor.
Worker	A 'worker' for the purposes of the <i>Workers' Compensation and Rehabilitation Act 2003</i> is an individual employed under a Contract of Service (sect 11) or specifically included under Schedule 2 Part 1, unless specifically excluded under Schedule 2 Part 2.

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