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**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*](https://www.legislation.qld.gov.au/view/html/inforce/current/act-2003-027)(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*.](https://www.legislation.qld.gov.au/view/html/inforce/current/act-2009-009)



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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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*](https://www.legislation.qld.gov.au/view/html/inforce/current/act-2003-027)
* the prescribed requirements of the[*Financial Accountability Act 2009*](https://www.legislation.qld.gov.au/view/html/inforce/current/act-2009-009)and the [*Financial and Performance Management Standard 2019*](https://www.legislation.qld.gov.au/view/pdf/asmade/sl-2019-0182), and
* the detailed requirements set out in the [*Annual report requirements for Queensland Government agencies*](https://www.qld.gov.au/about/how-government-works/managing-government-performance#prepare-annual-reports).

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 OfficeDevelops 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 cultureInspire 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 excellenceImprove 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 innovativeModernise 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 experiencesCare 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*](https://www.worksafe.qld.gov.au/resources/publications/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.

### 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
* 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:
	+ Providing fair and appropriate benefits for injured workers or dependents, and
	+ 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.

### 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 | * 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 | * 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 | * 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  | * 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*](https://www.legislation.qld.gov.au/view/pdf/asmade/sl-2019-0182), 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

|  |  |  |
| --- | --- | --- |
| $1.23average 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 / 10combined customer experience measure | 68% employee engagement score |

### Our employers

|  |  |  |
| --- | --- | --- |
| **177,209**employers insured | $85.9Mpremium savings for employers (including apprentice and 3% early payment discounts) | 115,807customers renewed their policy online |
| 462customers helped onsite by our compliance advisors | 218 employers engaged with Injury Prevention and Management Program (IPaM) | 7.4 / 10average customer experience rating by employers |

### Our workers

|  |  |  |
| --- | --- | --- |
| $1.25Bstatutory benefits and entitlements paid to workers | 91%injured workers returned to work | 68,642injured workers assisted |
| 3,207new common law claims | 7.0 / 10average 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.

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|  | *A close up of a sign  Description automatically generated* |
| **The Honourable****Dr Anthony Lynham** | **Bruce Watson** |
| ChairWorkCover Queensland | Chief Executive OfficerWorkCover 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](https://www.safeworkaustralia.gov.au/doc/2021-national-return-work-survey-summary-report). 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 haveimproved 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*](https://www.worksafe.qld.gov.au/resources/statistics/reports/workers-compensation-regulator-statistics-reports)*.*

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

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| --- |
| **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 Townville, 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*](https://www.steeringhealthyminds.com.au/)*,* 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

|  |  |  |
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| 1025Full-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 Renumeration 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*](https://www.worksafe.qld.gov.au/about/who-we-are/workcover-queensland/board-of-directors/board-charter)*.*

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*](https://www.qld.gov.au/__data/assets/pdf_file/0025/39481/remuneration-procedures.pdf). 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.*](https://www.worksafe.qld.gov.au/about/publication-scheme/our-policies/workcover-queensland-policies/risk-management)

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.*](https://www.qld.gov.au/__data/assets/pdf_file/0025/39481/remuneration-procedures.pdf)

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.*](https://s3.treasury.qld.gov.au/files/Audit-Committee-Guidelines-July-2020-.pdf) 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](https://www.legislation.qld.gov.au/view/html/asmade/act-2009-014) 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*](https://www.legislation.qld.gov.au/view/html/asmade/act-2009-013)[*Information Act 2009*](https://www.legislation.qld.gov.au/view/html/asmade/act-2009-013) (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

Available as separate PDF.

Compliance checklist

| **Summary of requirement** | **Basis for requirement** | **Annual report reference** |
| --- | --- | --- |
| **Letter of compliance** | * A letter of compliance from the accountable officer or statutory body to the relevant Minister/s
 | ARRs *–* section 7 | Letter of compliance |
| **Accessibility** | * Table of contents
* Glossary
 | ARRs – section 9.1 | ContentsGlossary |
| * Public availability
 | ARRs – section 9.2 | About this report |
| * Interpreter service statement
 | *Queensland Government Language Services Policy*ARRs – section 9.3 | About this report |
| * Copyright notice
 | *Copyright Act 1968*ARRs – section 9.4 | About this report |
| * Information Licensing
 | *QGEA – Information Licensing*ARRs – section 9.5 | About this report |
| **General information** | * Introductory Information
 | ARRs – section 10 | About WorkCover QueenslandChair and CEO report |
| **Non-financial performance** | * Government’s objectives for the community and whole-of-government plans/specific initiatives
 | ARRs – section 11.1 | Chair and CEO report |
| * Agency objectives and performance indicators
 | ARRs – section 11.2 | Corporate PlanStatement of Corporate Intent |
| * Agency service areas and service standards
 | ARRs – section 11.3 | Highlights |
| **Financial performance** | * Summary of financial performance
 | ARRs – section 12.1 | Financial performance |
| **Governance – management and structure** | * Organisational structure
 | ARRs – section 13.1 | Governance management and structure |
| * Executive management
 | ARRs – section 13.2 | Governance management and structure |
| * Government bodies (statutory bodies and other entities)
 | ARRs – section 13.3 | Governance management and structure |
| * Public Sector Ethics
 | *Public Sector Ethics Act 1994*ARRs – section 13.4 | Governance management and structure |
| * Human Rights
 | *Human Rights Act 2019*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
 | Directive No.04/18 *Early Retirement, Redundancy and Retrenchment* 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 |
| * Queensland Language Services Policy
 | ARRs – sections 16 and 31.3 | https://data.qld.gov.au |
| **Financial statements** | * Certification of financial statements
 | FAA – section 62FPMS – sections 38, 39 and 46ARRs – section 17.1 | Consolidated financial statementsActuarial certificate on net outstanding claim liabilitiesManagement certificate |
| * Independent Auditor’s Report
 | FAA – section 62FPMS – section 46ARRs – section 17.2 | Consolidated financial statementsIndependent 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 | 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.Examples are:* general damages (compensation for pain and suffering)
* economic loss (compensation for loss of past earnings or future earning capacity).
 |
| **I** |
| Injury | An injury, as defined by the [*Workers’ Compensation and Rehabilitation Act 2003*](https://www.legislation.qld.gov.au/view/html/inforce/current/act-2003-027) 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:* 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 [*Workers’ Compensation and Rehabilitation Act 2003*](https://www.legislation.qld.gov.au/view/html/inforce/current/act-2003-027). 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 [*Workers’ Compensation and Rehabilitation Act 2003*](https://www.legislation.qld.gov.au/view/html/inforce/current/act-2003-027). |
| 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 [*Workers’ Compensation and Rehabilitation Act 2003*](https://www.legislation.qld.gov.au/view/html/inforce/current/act-2003-027) 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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