

Reducing Harm.

Improving Outcomes.



343,568
workplaces covered by
WorkSafe in 2022-23

98,047
injured workers
supported in 2022-23
with treatment and/or
weekly income benefits

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To our Minister
The Honourable Danny Pearson MP

I am pleased to submit the 2022-23 WorkSafe Victoria Annual Report for presentation to Parliament, as required by section 46 of the *Financial Management Act 1994*.



Bob Cameron
Chair
October 2023

Acknowledgement of Country

WorkSafe Victoria acknowledges Aboriginal and Torres Strait Islander peoples as the custodians of the lands and waterways of Australia.

We pay respect to Elders past and present, and we recognise the cultural, spiritual and education practices of all First Nations peoples.

We acknowledge and accept historic wrongs and injustices and their abiding impact on indigenous Australians and Torres Strait Islander peoples; and aspire to a Victoria in which all workplaces – including our own – are inclusive, culturally safe, and enable all First Nations peoples to thrive.



Reducing workplace harm.

Improving outcomes for injured workers.

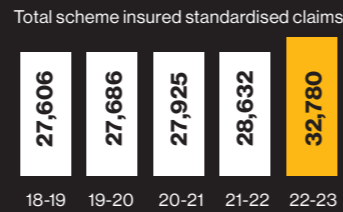
6.8 claims

per million hours worked -
up from 6.4 in 2021-22

17% increase
mental injury claims

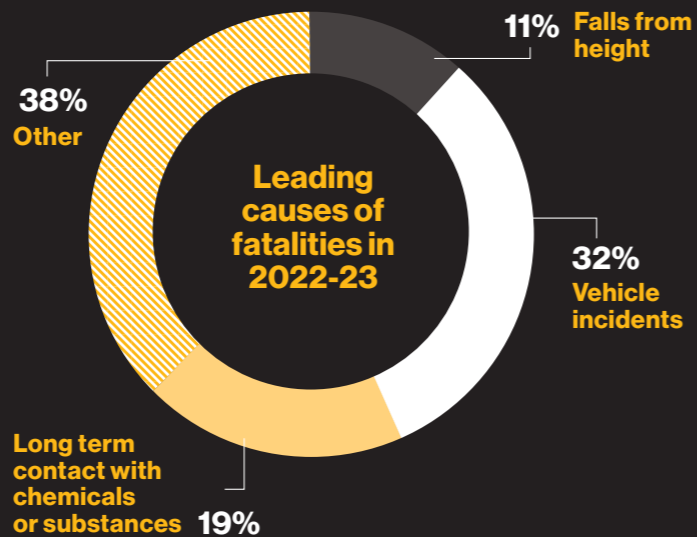
14% increase
physical injury claims

32,780
new claims
in 2022-23



69 lives lost

compared to 80 in 2021-22



- > 14 in transport
- > 11 in public administration and safety
- > 10 in manufacturing
- > 10 in construction

23,665 injured workers

supported to return to work

\$3.1 billion

total scheme payments
in support of injured workers

A permanent home for WorkWell after recognition
of its value in creating mentally healthy workplaces



44,438 workplace visits

up 17% on 2021-22 | with 10,873 improvement notices
issued (up 20% on 2021-22)

Insurance Funding Ratio
maintained within the preferred range

182 prosecutions
completed
combined OHS and
compensation matters

88%
success rate

Report from the Chair and Chief Executive Officer



Bob Cameron
Chair



Colin Radford
Chief Executive Officer

The 2022-23 financial year will be remembered as a pivotal 12 months in the history of WorkSafe.

The immense challenges facing WorkSafe have been building over time and we are proud of what we have achieved in recent years to address them.

The significance of the past year lies in the wide acknowledgement that our targeted efforts alone are no longer enough; broader change is required to rebalance the scheme so that it is both financially sustainable and fit for purpose for Victoria's contemporary workplace landscape.

A first step was the State Government's decision to raise the average premium rate to 1.8% from July 2023. This is the first premium increase in more than 20 years. Hindsight modelling shows that the premium charged has been below that required for a decade; resulting in an annual premium deficit of \$1.1 billion.

The growth of mental injury claims continues to be a contributor, with a 17% increase in the past 12 months alone. Claims growth overall and longer recovery times are also putting immense pressure on the scheme, with the cost of weekly income support growing to \$2.97 billion in 2022-23, up from \$1.88 billion just five years ago. Weekly benefits for mental injury claims have nearly doubled in that time.

Addressing these challenges is at the heart of scheme reforms announced in May 2023. With so many Victorians depending on the supports offered by our scheme, doing nothing was simply not an option.

And while the changes are significant, what won't change is WorkSafe's purpose: reducing workplace harm and improving outcomes for injured workers.

To that end, it has been another big year.

Improving outcomes

In 2022-23, WorkSafe supported 23,665 people to return to work after injury.

Most injured workers return to work within six months of their injury. When a return to work is not going to plan, we employ a range of programs that are not only delivering results but providing a positive experience for injured workers. Through these programs we are helping injured workers overcome personal barriers, gain confidence and explore new opportunities with retraining and job-seeking support.

Injured worker satisfaction with WorkSafe is evident in our service results. In 2022-23, we received a service score of 84.3% from injured workers.

Long-term injured workers, including those with severe injuries, require a more targeted approach for their recovery and return to work. In 2022-23, we continued to support long-term injured workers back into safe and sustainable employment – some of whom hadn't worked for 10 years. Changing the trajectory for many more in this cohort will remain a focus as we pilot and implement innovative new programs that provide more pathways for those with the capacity to work.

Reducing harm

Preventing injuries in the first place will always be a priority for WorkSafe.

In 2022-23, our approach to prevention was targeted and outcomes driven.

We conducted 44,438 workplace visits – an increase of 17% on last year. Proactive visits were up 17% as we continue to target those workplaces that our predictive modelling shows are causing the most harm. A total of 10,873 improvement notices were issued – up 20% on last year.

There were 151 prosecutions completed under the *Occupational Health and Safety Act 2004* (OHS Act), up from 137 last year, with a success rate of 89.4%. A significant outcome during the year was the \$2.9 million fine issued in the County Court to the company responsible for the 2019 Campbellfield warehouse fire – one of the incidents that sparked a review of the Dangerous Goods Act.

Strong stakeholder engagement was also a feature of prevention activity in 2022-23. This included tripartite forums focusing on the safety of Victoria's major infrastructure projects and close collaboration with other regulators to enhance oversight of major hazard facilities and the rapidly growing renewable energy sector.

We worked with government and unions on the safety challenges in youth justice; we engaged peak industry bodies to develop programs for young workers, including apprentices; and we continued our highly collaborative large employer assessment program across a range of industries to drive systemic improvements in injury prevention processes.

A significant piece of work launched this year was the strategic approach to preventing fatalities in the transport industry, which was developed in consultation with industry stakeholders. Tragically, 14 people lost their lives in work-related transport incidents in 2022-23 – the most of any sector – with a further 2,418 injured. Through this targeted approach we want – and need – to see change for the thousands of workers who rely on the industry to support their families.

We cannot reflect on efforts to reduce workplace harm without calling out the work of Victoria's network of health and safety representatives (HSRs). HSRs occupy a unique position in that they're able to see and experience first-hand potential health and safety risks and then make a case for change before there is any harm to workers. Victoria's HSRs, including those represented in this Annual Report, are nothing short of inspiring.

 Our approach to prevention was targeted and outcomes driven.

Mental health

Mental injury claims growth has had a profound effect on the WorkSafe scheme and every other workplace injury scheme in Australia.

Our WorkWell program is now recognised as a trusted and central source for employers seeking to create mentally healthy workplaces. Over six years the program has achieved extensive reach and engagement, with research and evaluation showing it has shifted views on the importance of primary prevention in workplace mental health.

At the same time, WorkSafe continues to play a leadership role in progressing a number of recommendations from the Royal Commission into Victoria's Mental Health System and the Ministerial Taskforce on Workplace Sexual Harassment. In 2022-23, this included expanding the WorkWell program to include a dedicated project stream for preventing work-related gendered violence and workplace sexual harassment.

WorkSafe has also invested in its own workforce, building employees' knowledge and skills to recognise the underlying causes of mental injury and how to identify, prevent and respond to psychosocial hazards in the workplace.

Financial performance

A key driver of financial sustainability is how well WorkSafe reduces workplace harm and improves outcomes for injured workers.

But the impact of factors outside of our control – an outdated scheme and rising claims costs associated with mental injury growth – has created an environment that is not financially sustainable.

WorkSafe's financial performance for 2022-23 reflects these pressures.

Performance from insurance operations was a deficit of \$1.76 billion, against a \$1.6 billion deficit in 2021-22.

Our net financial result was a deficit of \$180 million. This was \$1.2 billion better than forecast due to higher-than-expected investment returns and a \$300 million operating grant from the Victorian Government.

WorkSafe's Insurance Funding Ratio was 105% at 30 June 2023 – within the preferred range of 100-140%.



There's no denying or escaping the challenges we face, but we are confident that with decisive action and the support of our stakeholders and the Victorian Government, the scheme can and will return to a sustainable footing.

Thank you

In this challenging environment, our people have remained focused on what they're here to do for the Victorian community. We would like to thank each and every one of them for their professionalism, compassion and dedication.

Thank you to our Minister, the Hon. Danny Pearson, and the WorkSafe Board. We would also like to recognise the valuable input and commitment of our many stakeholders.

Finally, we want to thank the Victorian community, which is at the heart of everything we do and every decision we make. You drive us to continually raise the bar and ensure our state remains the safest place to work in Australia, and one of the safest in the world.

Bob Cameron
Chair

Colin Radford
Chief Executive Officer

About WorkSafe

As Victoria's health and safety regulator and workplace injury insurer, WorkSafe Victoria's purpose is to reduce workplace harm and improve outcomes for injured workers.

WorkSafe strives to prevent workplace injuries, illness and fatalities and for more than 35 years has raised the standard of health and safety in Victorian workplaces.

WorkSafe also provides a range of benefits to injured workers, regardless of fault, and helps them get back to safe and sustainable work. Benefits include weekly payments, medical and allied health treatment, ambulance transport, hospital treatment, personal and household help and lump sums for permanent impairment and common law damages.

These benefits are funded by Victorian employers who purchase insurance cover by paying a percentage of their total employee remuneration to WorkSafe. In 2022-23 this totalled \$3.255 billion. This was augmented by investment income totalling \$1.949 billion.

WorkSafe uses the revenue raised from premiums and investment income to fund both claims and health and safety activities, which reduces the overall burden on Victorian businesses.

WorkSafe enforces Victoria's occupational health and safety, dangerous goods and accident compensation laws. Its statutory obligations are covered in the following Acts of Parliament:

- *Accident Compensation Act 1985* – workers compensation and the rehabilitation of injured workers
- *Dangerous Goods Act 1985* – explosives and other dangerous goods
- *Equipment (Public Safety) Act 1994* – high-risk equipment used in non-work-related situations
- *Occupational Health and Safety Act 2004* – health, safety and welfare in the workplace
- *Workers Compensation Act 1958* – workers compensation prior to 1985
- *Workplace Injury Rehabilitation and Compensation Act 2013* – workers compensation and the rehabilitation of injured workers.

AS AT 30 JUNE 2023

Board and Executive

Chair

Bob Cameron

Appointed September 2022

WorkSafe Board Members

Jane Brockington

Appointed August 2017
Reappointed August 2020

Flavia Gobbo

Appointed January 2020
Reappointed January 2023
and April 2023

Doug Kearsley

Appointed April 2017
Reappointed March 2020
and April 2023

Elizabeth Lukin

Appointed October 2019
Reappointed October 2022
and April 2023

Peter McMullin AM

Appointed February 2018
Reappointed February 2021

Julie Warren

Appointed October 2019
Reappointed October 2022
and April 2023

Chief Executive Officer

Colin Radford

Executive Leadership Team

Ashley West

Executive Director
Strategic Delivery

Narelle Beer

Executive Director
Health and Safety

Roger Arnold

Executive Director
Insurance

Fiona Schutt

Chief Financial Officer
Executive Director
Business Performance

Sam Jenkin

Executive Director
External Affairs

Mario Briffa

General Counsel
Executive Director
Legal and Governance

Andrew Keen

Executive Director
People, Culture and Corporate

Alicia Colley

Acting Chief Risk Officer

Andrew Holt

Acting Head of IT Shared Services



Year in Review

Work Safe VICTORIA

InfraBuild Steel Manufacturing

2022-23



"It's work that is worthwhile because the most important thing for workers is in fact being able to go home at the end of the day. All workers deserve that."

Renata
OHS Information Officer
Victorian Trades Hall Council

**2022 WorkSafe Award for
Outstanding Leadership and
Contribution to Health and Safety**

Reducing workplace harm

I FIGHT FOR



Drawing on experience and data insights, combined with closely monitoring emerging trends, we continue to make work safer for the Victorian community.

We want to ensure Victoria remains the safest place to work in Australia and one of the safest in the world.

Under our strategy, we are more targeted and highly focused in our work, honing in on areas where the most harm is predicted to occur – so that we can direct our efforts to addressing risks in these workplaces before they result in harm to workers.

We use every tool at our disposal to tailor prevention activities so that they achieve the best outcomes.

Just some of these prevention activities include inspector visits, grants and incentives, awareness and education programs, guidance, marketing campaigns, and where necessary, enforcement and prosecutions.

Through these activities we can educate, support and guide employers to provide a safe environment for their workers, and we won't hesitate to hold employers accountable if their workers are subjected to risk or harm.

In all areas of our prevention work, we place significant value on the input and insights from our stakeholders, industry partners and Victoria's network of health and safety representatives.

Targeting workplaces where most fatalities and serious injuries are occurring

Construction

The construction industry is a key force in the Victorian economy, employing more than 350,000 people across the state.

The work is often physically demanding and, if proper safety procedures and equipment are not in place, can be dangerous.

During the year, WorkSafe put employers on notice to address workplace fall hazards, with 41 workers killed and 7,395 workers seriously injured in workplace falls in the past five years.

Construction work poses the greatest risk of serious injury or death from falls. Almost half of the fatal falls since the start of 2018 involved construction workers, including four falls from or through roofs, three through stairwell voids, four from ladders and two from scaffolding.

About a third of the claims for fall injuries in the same period came from construction workers and almost half of those fell from ladders.

WorkSafe ran a targeted falls from height campaign during the year, supported by initiatives to educate Victorian construction employers about the risks associated with working from heights and the prevention controls that must be in place.



John's life changed forever in 2006 when he fell through the floor on the second storey of a building, rupturing his lower spine and fracturing his neck. WorkSafe spoke with John's wife Pat

"It happened in a matter of seconds. He ruptured the lower part of his spine. The bottom ones are pancaked and no surgery or anything can repair the damage ... a breakage in the neck as well.

John's accident turned our whole world upside down. It absolutely destroyed him. And it wasn't long after that he actually had a mental breakdown.

I've been with John since I was 16 years old. I know his work ethic and that was just phenomenal. Unreal. Whatever he had to have done, he got it done. For him, not being able to work – it affects him to this day.

John would have loved to tell his story because he's the one with the injury but unfortunately the anxiety takes over. It's overwhelming. Mentally he's not the same person. How can you be when you go through trauma like that?"

Pat

John and Pat

Construction Priority Harms Program

WorkSafe's Construction Priority Harms Program played a significant role in 2022-23 in addressing the leading causes of death and serious injury in the sector.

Victoria's major infrastructure projects, including the Metro Tunnel, the West Gate Tunnel and the Level Crossing Removal Project, continued to be in the program's scope of work. Inspectors primarily focused on hazards that have historically resulted in serious harm, including work from height, plant-pedestrian interface, falling objects, contact with electricity and structural collapse.

In addition to workplace visits, stakeholder consultation has played a significant role in improving health and safety outcomes. This has included convening quarterly meetings of Victoria's peak construction industry safety forum (Foundations for Safety Victoria) and the Victorian Major Infrastructure Consultative Committee (VMICC). Both forums are 'tripartite', in that they comprise trade union and employer association representatives along with senior safety managers involved in the delivery of construction projects.

Targeted activity in the construction sector also included:

- strategic interventions in the renewable energy sector on grid-scale wind and solar construction projects throughout Victoria to improve safety standards and ensure OHS compliance within the rapidly growing sector
- further bursts of the trenching campaign, 'Are you responsible for digging a trench or a death trap?', warning employers and workers to take trenching safety seriously
- the ongoing Cross Border Construction Program – a joint operation with SafeWork NSW – aimed at highlighting workplace health and safety issues in regional centres along the Victoria-NSW border

- the continuation of Build Aware – an enforcement, engagement and awareness operation conducted in partnership with Energy Safe Victoria (ESV), the Environment Protection Authority (EPA), the Victorian Building Authority (VBA) and WorkSafe Victoria, with activity including inspections, industry trade breakfasts and educational presentations to apprentices at local tertiary and further education colleges
- production of a guidebook by WorkSafe and ESV to provide practical guidance on the principles and requirements for safely undertaking work that involves penetrating or excavating the ground where underground services such as electricity and telecommunications distribution cables, gas and water pipelines may exist
- updating the industry standard for using elevated work platforms (EWP) to improve understanding of obligations when using an EWP in the workplace, in particular in relation to the use of secondary guarding, safety observers, training and competency, emergency procedures and inspections and maintenance
- publishing a 'Safe Elements of Electrical Isolation' video and flowchart. Contact with electricity remains one of the biggest sources of injury in construction, with electricians more likely to receive an electric shock due to poor isolation practices than any other construction worker
- developing a 'Safe Erection of Roof Trusses' checklist for employers, including contractors, aimed at keeping employees safe when erecting timber or lightweight steel roof trusses in domestic housing construction.

Healthcare and social assistance

The healthcare and social assistance sector now accounts for 14% of jobs, which means there are more than 465,000 Victorians employed in the provision of health care, aged care, child care and disability services, among other allied services.

WorkSafe's Healthcare and Social Assistance Industry Strategy continued to be implemented in 2022-23 to ensure a focus on driving systemic change for a measurable reduction in hazardous manual handling, occupational violence and aggression and fatigue.

Fatigue is a recognised hazard putting employees at an increased risk of both mental and physical injuries. Within the healthcare industry, controlling the risk remains challenging due to ongoing workforce pressures and shortages.


WorkSafe inspectors undertook more complex enquiries, including the use of roster analysis to predict workers at higher risk due to fatigue. The visits increased knowledge of how to effectively manage this risk in the healthcare industry and sets a standard of compliance.

Insights from the enforcement and compliance work will be used to inform WorkSafe's ongoing focus on this sector, which aims to develop fatigue risk management resources specific to healthcare, informed by the proposed psychological health regulations and relevant industry data.

WorkSafe continues to engage with major healthcare providers through the Large Employer Assessment Program. The program is highly collaborative and aims to better understand system-level issues and concerns. The information is then used to improve long-term health and safety outcomes.

Other activity included:

- the Residential Care Sector Occupational Health Capability and Safety Pilot, addressing occupational violence and aggression, involving six large employers, about 170 frontline staff, health and safety representatives, supervisors and 40 executive and senior leaders
- the Manual Handling Grants Program focusing on manual handling improvements in the healthcare and social assistance and manufacturing industries. Employers including Austin Health, Barwon Health, Mercy Health, Mildura Hospital, Monash Health, St Vincent's Hospital and the Alfred were among the grant recipients
- the conclusion of the Thriving in Health WorkWell project. Taking a prevention-led approach, Thriving in Health has drawn on the knowledge, wisdom and experience of the sector to design and trial four workplace strategies that reduce the risk of mental health injury and create safe and mentally healthy environments for Victorian healthcare workers. This work is being continued by Safer Care Victoria.



Fatigue is a recognised hazard putting employees at an increased risk of both mental and physical injuries.

Transport

Consistent with WorkSafe's strategy to focus on workplaces where most harm is occurring, a new strategic approach was launched in 2022-23 to address issues leading to fatalities and serious injuries in the transport industry.

The transport industry is pivotal to Victoria's economy and vital to thousands of workers who rely on the industry to support their families.

The industry also has some of the most challenging and dangerous workplaces in the state. In the past five years, 79 lives were lost due to transport-related incidents.

In 2022-23, 14 people lost their lives in the sector, the most of any sector, while a further 2,439 people were injured.

WorkSafe's strategic approach is aimed at improving the industry's understanding of, and compliance with, its health and safety legal obligations.

Developed in consultation with industry partners and stakeholders, the approach seeks to motivate employers and employees to prioritise health and safety, ensuring they have the knowledge, tools and support measures in place to improve performance and create a safer workplace – even when that workplace is mobile.

The strategic approach addresses issues directly related to fatality prevention, including vehicle maintenance, vehicle loading and unloading and human factors in heavy vehicle operation.

A lack of vehicle maintenance is a known industry concern and inspectors are visiting transport employers to make enquiries around systems of work in place for vehicle maintenance.

A crash investigation tool is also in development to support a systems approach to incident investigation.

One major initiative in 2022-23 was the Livestock Transport Project to address concerns raised by Livestock and Rural Transporters Association of Victoria (LRTAV).

As part of the project, a letter was sent to all livestock exchanges and abattoirs, alerting them to the growing number of incidents relating to the loading and unloading of stock.

The letter also informed the industry of targeted WorkSafe inspections and drew attention to guidance material and the new Australian Standard for best practice in livestock loading and unloading ramps and forcing pens.

The project also involved:

- an inspection program developed in consultation with the LRTAV to ensure visits targeted livestock workplaces with known infrastructure concerns. As a result, 28 improvement notices directly relating to ramp infrastructure were issued
- a presentation to the 2022 LRTAV conference on the inspection program and the focus of WorkSafe's strategic approach to preventing harm in the transport industry.

The strategic approach addresses issues directly related to fatality prevention.

Gary was left a quadriplegic in 2000 after a tyre blew out on the truck he was driving – tragically 20 years later his son AJ is wheelchair-bound after surviving a truck incident of his own.



Who's going to know that you're going to get out of bed today, go to work and end up disabled in one way, shape or form. You don't plan these things.

It doesn't need to be a truck and it doesn't need to be heavy machinery. Anyone in any workplace just needs to be vigilant about what they're doing."

Gary



"Whenever a worker is on the road as part of their role, that vehicle is considered to be their workplace. This means employers must ensure the vehicle being used is safe and without risks to health and that drivers are appropriately licensed and trained, while workers must take reasonable care for their own health and safety."

Narelle Beer

WorkSafe's Executive Director of Health and Safety



Public administration and safety

Around 210,000 workers are employed in the public administration and safety sector across government, justice, defence and emergency management.

In 2022-23, 11 people lost their lives, with nine relating to diseases resulting from exposure to toxic chemicals/fumes/smoke throughout the course of their employment.

More than 60% of claims came from three key employers in the sector – Victoria Police, the Department of Justice and Community Safety and Fire Rescue Victoria.

Mental injuries continue to be a challenge, and a focus for WorkSafe, including in this sector.

In response to mental health challenges, a Vicarious Trauma Prevention and Awareness Toolkit was created as part of a collaborative WorkWell project, led by the Community and Public Sector Union (CPSU) and involving six public sector workplaces. The toolkit provides workplaces with evidence-based tools and resources to help with conversations about the impact of exposure to trauma and to assist with changes to policies and procedures.

Strategic engagement with key employer and government leaders continued across 2022-23, addressing the ongoing challenge of mental injury and return to work.

Other activity included:

- ongoing implementation of a priority employer program to identify, select and assign the right suite of interventions for each individual priority employer
- a workshop with the Department of Justice and Community Safety, the CPSU and the Commission for Children and Young People on strategic safety challenges in youth justice
- a facilitated site tour prior to the opening of the new Cherry Creek Youth Justice facility.

Manufacturing

The manufacturing sector employs more than 260,000 people in Victoria. While activity in the sector increased in range and diversity in 2022-23, claims were maintained at a similar level to 2021-22.

During the year, 10 workers lost their lives in the manufacturing sector, with six due to long-term contact with chemicals and dust.

Manufacturing is often a complex environment involving significant interactions between people, plant, and equipment. More than 31% of claims in the manufacturing sector were related to machinery, plant and tools and equipment.

Work-related musculoskeletal disorders (MSDs) continue to be the most prevalent type of injury experienced in manufacturing and remains the focus of inspection activity in this sector. More than a third of all targeted visits to manufacturing workplaces were for the purpose of identifying work-related MSD risks.

The Manual Handling Grant Program was initiated with the aim of preventing MSDs as a result of hazardous manual handling by improving risk management practices and risk controls in high-risk industries, with a specific focus on manufacturing.

During 2022-23, other key activity in the sector included:

- delivery of the Manual Handling Basics educational program, designed to address gaps in knowledge and capability on hazardous manual handling specific to small to medium workplaces, with strong uptake in the manufacturing sector

- piloting, in partnership with Latrobe University, a hazard identification and risk management toolkit to manage the physical and psychosocial risks associated with MSD injuries
- three WorkWell Mental Health Funded projects, aimed at preventing mental injury through building trust within workplaces, reducing fatigue-related stress and promoting workplace wellbeing
- continuing the Large Employer Assessment Program to drive systemic improvement in employers' injury prevention processes
- sponsorship of a Geelong Manufacturing Council event focused on preventing harm from hazardous manual handling
- targeted inspector visits to small to medium businesses with a focus on worker interaction with plant and equipment
- refreshed training for all multidisciplinary inspectors around hazardous manual handling risks and controls.

Small business

In 2022-23, WorkSafe supported more than 1,000 small businesses through its Occupational Health and Safety Essentials Program – an increase of 12% on last year.

The program supports small business to understand and comply with their occupational health and safety obligations through personalised advice and consultations with independent health and safety professionals.

During the year, WorkSafe also piloted a WorkWell Essentials Program with 70 small to medium businesses to help them identify and address workplace psychosocial hazards. The pilot used existing resources from the WorkWell Toolkit as well as direct and tailored assistance to help increase the confidence and capacity of business owners to create mentally healthy workplaces.

In other activity, small stonemason businesses were supported through the process of applying for engineered stone licences.

Many of those supported were from culturally and linguistically diverse backgrounds and needed a customised, one-on-one service.

Agriculture

Despite a reduction in fatalities compared to 2021-22, WorkSafe maintains all deaths and injuries on farms are preventable.

Farming and associated activities present an unusual challenge as the risks, like the work, are seasonal. In addition, workers are often on their own for long periods of time.

During the year, WorkSafe focused its prevention activity on high-risk areas such as tractors, quad bikes, livestock and transport.

WorkSafe also addressed industry challenges and emerging issues such as recent outbreaks of Japanese Encephalitis and other zoonotic diseases that impact farmers and communities.

Engaging farmers and farming communities to influence changes in culture and behaviour in the sector is another focus area for WorkSafe.

Through strengthening these connections, WorkSafe inspectors and the dedicated agriculture program team can ensure effective systems and practices are in place to prevent fatalities and serious injuries.

One of the many ways WorkSafe engages farming communities is through its sponsorship of country football and netball.

In 2022-23, to mark 21 years as a sponsor, WorkSafe launched Footy's Favourite Farmer, recognising the valuable role local farmers play in community sport while promoting the importance of workplace safety on farms.

Community members were asked to nominate their favourite footy farmer, with Ricky Allan the inaugural annual winner. Mr Allan, who runs a mixed farming operation in Wycheproof, received \$10,000 worth of safety improvements tailored to his business, while his club, Wycheproof Narraport Football Netball Club, received \$10,000 to make its facilities safer.

Mr Allan, who is also the president of the club, said he was privileged to win the award from a field of 155 nominations.

"It's very humbling and I'm very proud of that honour," he said.

He also highlighted some on-field lessons that have helped him on the farm, including the importance of teamwork and not fighting fatigue.

"It's okay to delegate. Some jobs are just too big to do on your own."

Other activities in 2022-23 aimed at making the agriculture sector safer included:

- re-running the - 'It's never you, until it is' farm safety campaign to challenge a common mindset among farmers and agriculture workers that a serious incident won't happen to them. The campaign has seen a significant shift in farmer attitudes towards safety and perceptions around WorkSafe's ability to support the industry. The campaign was also awarded a Bronze Effie internationally in the government category for most outstanding marketing campaign
- piloting two Safety Learning Networks to expand safety knowledge across the grains and horticulture industries and improve safety practices on farms
- presentations on farm safety initiatives and support for industry-led events at several locations including Warracknabeal (550 farmers in attendance) and Inverleigh (40 farmers in attendance) where the focus was on the risks associated with retrieving bogged machinery
- the conclusion of the WorkWell funded Primary Producer Knowledge Network project, led by Western District Health Service. Via an online platform, the project used story-based content to facilitate connection among remote workplaces and start conversations about real experiences.

Agriculture will continue to be a key focus for WorkSafe. In 2022-23, six agricultural workers lost their lives and 691 people working in the sector were injured seriously enough to make a workers compensation claim.



The program supports small business to understand and comply with their occupational health and safety obligations.



“It’s a mixed farming operation - predominantly wheat and sheep. You’re dealing with powerful machinery and also livestock - you don’t know how they’re going to act or react so you do have to take a lot of precautionary steps. We have young kids around the farm so we’ve got to be on our toes in terms of safety.

I think once the kids see that you’re working safely, you’re starting to educate the future on how to farm as well.”

Ricky - President of the Wycheproof-Narraport Football Club and Footy’s Favourite Farmer

Deterrence

As a regulator, WorkSafe recognises the important role that compliance and enforcement plays in reducing workplace deaths, illness and injury.

During 2022-23, WorkSafe completed 151 prosecutions with a success rate of 89%. Six enforceable undertakings were entered into pursuant to the OHS Act and a total of \$12,727,550 in fines was imposed. The following are some significant 2022-23 OHS prosecutions:

- The offender is a company that operates an oil refinery in Geelong and produces alkylate for use in the manufacture of avgas and petrol. Hydrofluoric acid (HF) is a catalyst for the creation of alkylate. HF acid is hazardous and acutely toxic. Employees were required to take a sample of the HF acid twice a week from a sampling cabinet to test the water content and strength of the HF acid. In November and December 2017, two employees were exposed to HF acid when they allowed HF acid to flow into the lines of the sample cabinet and the HF acid leaked. At the time each employee was wearing A Class personal protective equipment. It was deemed that there was a risk of serious injury or death to employees while sampling the HF acid, due to their possible exposure to leaked HF acid. The offender failed to notify WorkSafe in relation to the incident in November 2017. The offender pleaded guilty and was convicted and fined \$110,000 and ordered to pay costs of \$11,458.
- The offender is a company operating as a builder in the residential construction industry. In January 2019, WorkSafe inspectors observed there was no fall protection on the first level or internal stair void. The inspectors issued five improvement notices, including an improvement notice in relation to a failure to control the risk of a fall from height.

The inspectors noted that unassembled scaffolding was available at the workplace. Over the next five months, WorkSafe inspectors re-attended the workplace regularly to follow up on all of the improvement notices issued. It was not until an inspection in June 2019 that an inspector deemed the January 2019 notice complied with. Inspectors attended the workplace in September 2019 and June 2020 issuing further improvement notices in relation to fall protection and electrical safety. The power leads were hanging off structures and laying in water. The offender pleaded guilty and was fined \$100,000 without conviction.

- The offender operates and manages a brown coal mine. The workplace contained a number of conveyor belts involved in transporting the brown coal. A belt control device, which specifically functioned to detect belt slip and stop the conveyor in the event of belt slip being detected, had been disconnected because it had been tripping falsely. On the day of the incident, belt slip was occurring and the conveyor tripped and continued to trip on certain faults, including a general fault and belt slip. The occurrence of an actual belt slip condition was undetectable to the control system monitoring the conveyor. As there was no indication on the system that the general faults were symptomatic of belt slips occurring, the conveyor was subsequently reset and permitted to restart. This allowed the conveyor to continue to run while experiencing belt slippage. This belt slippage generated frictional heat and ultimately caused a fire which was extinguished by several employees. The offender pleaded guilty and without conviction fined \$50,000 and ordered to pay costs of \$9,124.

- The offender is a landscaping company dealing in domestic and commercial landscaping projects. In July 2020, three employees of the offender, the injured worker, supervisor and another employee were working on a backyard at a property. They were to build a retaining wall on the rear boundary of the property. However, due to rock in the ground preventing the drilling of holes for the supports of the retaining wall, the supervisor on site commenced digging what was like a trench with an excavator, which was a change in the original plans. He dug to a depth of about 500-600mm along the width of the property, with the excavation resulting in a wall of soil measuring approximately two metres from the bottom of the excavation to the top of the retaining wall. The injured person and another employee got into the excavated area to commence marking positions for the holes when the face wall collapsed. The injured person was engulfed up to his chest, and was taken to hospital with a fractured pelvis, three fractured ribs and a fractured tailbone. The other employee was able to move out of the way. The offender pleaded guilty and without conviction was fined \$15,000 with costs of \$5,251.
- The offender is a company involved in the import and supply of cranes. The offender was engaged by the principal contractor to provide a tower crane for use at the workplace. In September 2018, a concrete pour was occurring at the workplace. The crane was carrying a kibble with wet concrete, weighing several tonnes. The crane was used to move the kibble over the workplace and lower the kibble to a point just above the hole.

At about midday, after a number of loads were carried by the crane, the hoist rope termination assembly failed when the castellated nut progressively loosened due to the split pin being absent or improperly installed which led to the hoist ropes breaking, and the kibble falling into the basement work area. As a result, a worker died, another worker sustained serious injuries and another worker received minor injuries. The offender pleaded guilty and was convicted and fined \$400,000.

- The offender is an energy supplier and retailer. In November 2018, an electrical arc flash (or fault) event occurred at a 6.6kV high voltage circuit breaker in a unit of the workplace that was being returned to service after a planned major outage. The evidence suggested the arc flash occurred when the control cable the employee was required to connect to the circuit breaker as part of the 'racking in' process made contact with live components of the circuit breaker because of a defectively attached infill panel. An employee died after sustaining serious burns to a large proportion of his body. The offender pleaded guilty and was convicted and fined \$1.5 million.
- The offender was charged in relation to vehicle servicing and maintenance performed between August 2013 and August 2014, resulting in a road incident. On the day, the prime mover of a petrol tanker became detached from the trailer. The trailer crossed the road, out of the driver's control, and collided with two cars travelling in the opposite direction. The collision resulted in all occupants of both cars losing their lives. At the time of the incident, the tow-eye coupling that connected the prime mover and the trailer was worn to excess and had failed under load. The offender had serviced the truck only days prior to the incident, conducting testing of the tow-eye coupling. The offender pleaded guilty and was convicted and fined \$350,000.

- The offender designs, manufactures and installs truck bodies for rigid trucks. As part of the offender's production processes, shipping containers loaded with fibreglass and particle board panels arrived at the workplace once or twice a year. The offender would manufacture those panels into truck body parts. In January 2020 when the containers arrived, a number of employees were tasked with unloading them. There was no pre-planned system of work for the task. The employees loosened the straps in order to move the first panels that were stacked vertically. This resulted in the sudden and uncontrolled fall of several panels. Two employees were hit. The injured person was hit around his chest area and died of crushing asphyxia. Another worker suffered a fracture to his elbow. The offender pleaded guilty and was convicted and fined \$225,000.
- The offender operates a quarry and manufacturing plant which processes quarried rock into aggregate and other construction materials. In September 2019, WorkSafe inspectors visited the offender's workplace. The inspectors observed potential respirable crystalline silica exposure hazards. A subsequent investigation confirmed that some employees had been exposed to respirable crystalline silica above the exposure standard on the three dates alleged. The offender pleaded guilty and was convicted and fined \$180,000.
- The offender conducts horse training services for thoroughbred racehorses and employs jockeys and track riders. Track riders who were employed by the offender were routinely directed to commence riding horses shortly after 4am in dark conditions. In August 2019, an apprentice jockey and a track rider employed by the offender were riding on the track when both horses became spooked by something and stopped suddenly. The riders were thrown forward over the front of their respective horses. The track rider landed on her knees. The apprentice jockey died at the scene. The offender pleaded guilty and was convicted and fined \$350,000.
- A significant prosecution is also featured on page 34.

 Some employees had been exposed to respirable crystalline silica above the exposure standard.

Preventing large-scale industrial incidents

To keep the Victorian community safe from the potential significant danger of large-scale industrial incidents, WorkSafe uses its regulatory powers, safety expertise, prevention systems and, in some cases, prosecution.

Dangerous goods

In 2022-23, WorkSafe continued to support the Independent Review of the Dangerous Goods Act 1985, which made 49 recommendations aimed at modernising, streamlining and enhancing the regulatory framework to be more risk-based and prevention-focused.


The review, conducted by Andrew Palmer KC, was commissioned in response to high-profile incidents associated with illegal chemical stockpiling at several sites across Melbourne.

In October 2022, the Victorian Government released its response to the review's final report, supporting key recommendations which address identified areas of concern, the current limitations of Victoria's dangerous goods regulatory framework, and provide a pathway to reform the regulation of dangerous goods in Victoria.

Implementation of the recommendations aim to:

- modernise the dangerous goods regulatory framework to improve duty holder compliance
- remove factors contributing to non-compliance and illegal activity by strengthening regulation and regulatory oversight
- give WorkSafe the regulatory tools it needs to support and improve duty holder compliance
- improve navigation of dangerous goods legislation through consistency with other regulatory frameworks
- substantially minimise the risks of further costly industrial fires as a result of the illegal stockpiling of dangerous goods.

WorkSafe has since undertaken extensive engagement with key industry stakeholders, including impacted government departments and agencies, to further assess the recommendations and determine possible pathways for implementation. This work will see a multi-year reform program that will be considered in phases with further targeted consultation required into the future.



The April 2019 Campbellfield warehouse fire that sent thick dark smoke across Melbourne, closing schools and injuring two workers. The company responsible was fined \$2.9 million in the County Court in June 2023.

Chemical stockpiling conviction

The company responsible for the 2019 Campbellfield fire that burned for four days, closed nearby schools and injured two workers was fined \$2.9 million in a County Court sentencing in June 2023.

The company, now in liquidation, earlier pleaded guilty to a single charge under the OHS Act and five charges under the Dangerous Goods Act.

In relation to the chemical blaze, the company was convicted and fined \$500,000 for failing to provide a safe workplace.

The company was also convicted and fined \$2.4 million for failing to take reasonable precautions to prevent a fire or explosion in relation to chemical stockpiles uncovered at five other sites in Craigieburn and Campbellfield.


The court heard that on 5 April 2019 at the company's warehouse in Thornycroft Street, Campbellfield, a worker was decanting highly flammable toluene from a bulk container, held by a forklift, into a drum when there was a large flash and a fire ignited.

The fire quickly spread throughout the building and took four days to extinguish. It caused burns to the worker's face and throat that left him in hospital for three days. A second worker was also taken to hospital.

The court heard that toluene is a Class 3 Dangerous Good that can build up electrostatic charge as it flows through pipes.

A WorkSafe investigation found the company failed to control the risk of serious injury or death by providing the training, information, instruction and supervision necessary for employees to work safely with dangerous goods, which included ensuring workers understood the risk of fire and/or explosion from electrostatic charge.

WorkSafe inspections of five other warehouses operated by the same company found deficiencies in the storage of more than 10 million litres of chemicals – including bulk containers stacked up to four-high, incompatible dangerous goods stored in close proximity and swollen, damaged and leaking containers.


The fire quickly spread throughout the building and took four days to extinguish.

Major hazard facilities

In 2022-23, nine major hazard facilities had their licences renewed. There were two remaining licence renewals to be determined as at 30 June 2023. Additionally, one licence was transferred, one facility was deregistered, and as at the end of the financial year, one facility was going through the deregistration process.

Major hazard facility licences are assessed by WorkSafe for renewal at least every five years. To renew a major hazard facility licence, an operator must review and revise the safety case and resubmit it to WorkSafe.

There are currently 38 licensed major hazard facilities in Victoria, with an additional two registered sites that are yet to submit applications for a licence to operate.

Defective chlorine tankers

The strong prevention systems and processes employed by WorkSafe's Major Hazards Program were instrumental in the suspension of a fleet of defective chlorine tankers operated by a chemical distribution business.

A requirement to inspect and maintain truck running gear had been identified as a risk control measure to prevent a major incident. During an annual inspection by WorkSafe, it was found that this control measure was not fully implemented or functional.

WorkSafe sought expert assistance from the National Heavy Vehicle Regulator (NHVR) as approximately half of the fleet operated out of Sydney. The NHVR issued defect notices for five tankers. Four of the tankers required significant repair work to rectify issues including rust, king pin damage, bushes and suspension damage.

Since this intervention the company has rectified the defects on some tankers, with others requiring additional work.

WorkSafe will continue to follow up on the company's maintenance and contractor management processes, with a focus on tankers, as part of the ongoing major hazards oversight program.



Major hazard facility licences are assessed by WorkSafe Victoria for renewal at least every five years.

Strengthening oversight of occupational illness

With a growing awareness of the dangers and long-term health consequences of occupational disease and illness, WorkSafe further strengthened its focus on the protection and promotion of occupational health with the launch of a targeted strategic approach.

This strategic approach is supported by an action plan for implementation.

Silica

WorkSafe has passed the mid-point in the major task of implementing Victoria's engineered stone licensing scheme.

The licensing scheme – a first in Australia – enforces strict silica handling standards and was introduced under Crystalline Silica Regulations aimed at protecting workers from silicosis and other diseases including lung cancer.

WorkSafe has completed more than 500 visits to conduct technical assessments, with most sites requiring more than one visit to ensure licence applicants are complying with Crystalline Silica Regulations and other applicable provisions identified under the OHS Act and OHS Regulations.

As at the end of the 2022-23 financial year, more than 240 engineered stone licences had been granted. During the year, 324 improvement notices were issued to engineered stone businesses, while two instances of unlicensed engineered stone work were detected, with one referred for prosecution.

Victoria continues to lead the nation in its focus on the stonemason sector and is actively supporting the SafeWork Australia review into a ban on engineered stone.

The Crystalline Silica Regulations also apply to other industries that work with silica-containing products, in particular the construction, earth resources and manufacturing industries. The new requirement for a Crystalline Silica Hazard Control Statement for high-risk crystalline silica work requires duty holders to identify risks related to silica, the controls required and how they will be implemented.

WorkSafe continues to conduct silica-related visits to industries outside the stonemason industry, issuing improvement notices where necessary to control silica-related risks and to ensure health monitoring for employees.

Lead

In 2022-23, WorkSafe inspectors completed a strategic visit program to assess industry compliance with the recently issued lead compliance code.

During some visits it was found that employees had not been provided with lead blood testing as per the regulatory requirement. Improvement notices were issued for the testing to be conducted.

Health and safety partnerships are being explored to build a more collaborative approach to prevention and compliance in this area.

Asbestos

In 2022-23, WorkSafe reminded employers to play it safe when dealing with material that contains asbestos and to ensure they are meeting their legal obligations.

Employers are legally required to identify any asbestos-containing material in a workplace. Asbestos removal licence holders are required to notify WorkSafe prior to any removal works, display appropriate signage, and ensure workers are wearing personal protective equipment during its removal.

Employers must also arrange medical examinations for all workers engaged in ongoing asbestos-related activities where there is a risk of exposure to airborne asbestos fibres in excess of the exposure standard.

Licensed asbestos removalists must arrange medical checks for all workers tasked with asbestos removal.

Other activity included:

- asbestos-related visits by inspectors and, where necessary, the issuing of improvement notices relating to identifying asbestos in the workplace, controlling the risk of exposure to asbestos and ensuring a safe system of work associated with asbestos removal
- ongoing membership of the Victorian Asbestos Forum – the group coordinating Victoria's actions to implement the National Strategic Plan for Asbestos Awareness and Management 2019-23
- running the campaign 'Asbestos – Lurks in more places than you'd think' to remind tradespeople about asbestos-containing materials and the fact that asbestos can be found in unexpected places. An educational video and case study was also developed to complement and amplify the campaign. As a result, the campaign generated a 512% increase in visits to the WorkSafe Asbestos web page and the videos received more than 2,000 views.



Neil Woolard died from mesothelioma in October 2021 after being exposed to asbestos in the course of his work as a plumber. His partner Monica spoke with WorkSafe.

"A few months prior to being diagnosed, Neil developed a really severe cough. And in hindsight, that was the mesothelioma – that was all the fluid in his lungs. Prior to that, he was really tired. He had a sore shoulder that triggered an x-ray, and from that x-ray they saw a shadow on his lungs.

I think the first thing is shock and numbness. You just don't want to believe it. We were extremely devastated. And when we were given a timeframe, we ignored it because Neil was going to live forever. This wasn't going to beat Neil. Reality soon set in – probably a year later – that it was a bit more serious than we wanted to believe. He had chemotherapy. I think for a month, before he passed.

He worked as a plumber until he was 62. He worked with asbestos from a very young age. It can sit dormant for 20 years in your body before it manifests and develops into cancer. One little fibre can cause you to have cancer. It's more common than people think.

You need to go and get yourself checked."

Monica



Victorian Asbestos Eradication Agency

In 2022-23, the Victorian Asbestos Eradication Agency (VAEA) continued work on the prioritised removal of asbestos from government-owned buildings. This included:

- continuing to coordinate and monitor the removal of the most hazardous asbestos containing materials (ACMs) from priority buildings, including libraries, town halls, offices, local museums, caravan park amenities, grandstands, kiosks and sheds
- finalising 15 removal projects, accounting for a total of 10.3 metric tonnes of ACMs and an overall removal of 40.3 metric tonnes since the program was established
- establishing the VAEA stakeholder forum and commencing development of a health and safety representative strategy
- continuing to gather data for the Schedule of prioritised asbestos removal held in AIRSystem – the consolidated register containing data on the location and condition of ACMs
- supporting Victorian Government agencies to better understand and manage asbestos hazards
- further progressing the adoption of AIRSystem across Victorian Government agencies, with a total of 54 Victorian Government agencies now using AIRSystem to manage ACM records in their buildings

- launching an occupational hygiene interface application for AIRSystem (AIRTracker) – an app that supports the direct entry of asbestos survey results into AIRSystem
- establishing a Memorandum of Understanding with the National Association (MOU) of Testing Authorities (NATA)
- coordinating and providing secretariat support for the Victorian Asbestos Forum, the group coordinating Victoria's actions to implement the National Strategic Plan for Asbestos Awareness and Management 2019-23
- co-commissioning and reviewing a report on the economic burden of asbestos-related disease in Victoria.

The VAEA continued to share its expertise by:

- publishing an ACM dictionary – a resource to promote consistency in terminology usage for workplace asbestos registers and asbestos surveys
- developing and testing a platform for external users to access the VAEA risk model
- working closely with the Federal Government's Asbestos Safety and Eradication Agency on the development of national best practice guidance for asbestos surveys
- working with the Department of Treasury and Finance to finalise the establishment of two new prequalification categories on the construction supplier register.

Supporting workplaces to be mentally healthy

Strategic approach and action plan

WorkSafe continues to strengthen its approach to creating mentally healthy workplaces.

Through a targeted strategic approach and action plan, WorkSafe provides an evidence-based framework, along with a range of initiatives, interventions and partnerships that support both employers and workers.

WorkSafe has also invested in its own workforce, building employees' knowledge and skills to recognise the underlying causes of mental injury and how to identify, prevent and respond to psychosocial hazards in the workplace.

Broader leadership role

WorkSafe continued to play a leadership role in progressing a number of recommendations from the Royal Commission into Victoria's Mental Health System (2021) and the Ministerial Taskforce on Workplace Sexual Harassment (2022).

WorkSafe activity in 2022-23 to deliver on the recommendations of the Royal Commission into Victoria's Mental Health System included:

- co-chairing, with the Department of Health, the Mental Health Workforce Safety and Wellbeing Committee, tasked with identifying, monitoring and addressing existing and emerging physical safety and wellbeing risks particularly in relation to staff in the mental health and wellbeing workforce. Work to date has included engaging with senior mental health nurses to understand their concerns about occupational violence and aggression in acute mental health workplaces. WorkSafe is to conduct a systematic review into work-related violence and aggression in acute mental health settings, with the committee overseeing the work, with lived experience explicitly incorporated

- participating in consultations for the development of a Mentally Healthy Workplaces Framework
- participating in the consultation and engagement process for the development of a state-wide wellbeing plan, emphasising the need for workplaces to be considered as key settings for the fostering of mental health and wellbeing.

WorkSafe activity in 2022-23 to deliver on the recommendations of the Ministerial Taskforce on Workplace Sexual Harassment included:

- developing a strategic action plan to address work-related gendered violence targeting high-risk industries and population groups. The action plan has been informed by consultation with stakeholders, including advocacy groups, to ensure the voices of groups that are disproportionately affected by work-related gendered violence, including sexual harassment, are heard
- conducting a joint review, with the Victorian Equal Opportunity and Human Rights Commission, of prevention activities in relation to work-related gendered violence
- delivering a range of strategies to improve WorkSafe's response to psychosocial hazards including establishing a dedicated Psychosocial Advisory Team, expanding the Psychosocial Inspectorate and Psychosocial Health and Safety Specialist Team and improving systems for optimal customer experience
- working to improve data collection on work-related gendered violence, including sexual harassment, to inform targeted prevention and strategic activities. See pages 173-174 in Appendix 4 for data summary.

Public education campaigns

During the year, WorkSafe ran two public education campaigns to promote safer behaviours in relation to some of the drivers of workplace mental injury.

Those campaigns were:

- **Work-related violence – Too many workers face this every day. It's never OK.** Work-related violence involves incidents in which a person is abused, threatened or assaulted in circumstances relating to their work. Most of us understand that extreme acts of violence are unacceptable, but there is a spectrum of violence and aggression affecting workers. This campaign aims to raise awareness within the community about the prevalence of work-related violence; shift attitudes so that these behaviours are seen as unacceptable and ensure that employers are aware of their obligations. The campaign has delivered a 50% increase in employers saying they had implemented strategies and/or safety procedures to prevent violence and aggression in the workplace, and a significant shift in community attitudes towards work-related violence.
- **Gendered violence – It comes in many forms.** This campaign aims to increase the understanding of work-related gendered violence, including sexual harassment, and raise awareness among Victorian employers and workers that it is an OHS issue. To date, the campaign has driven a significant increase in guidance downloads, with post-campaign surveys showing a 30% increase in understanding about what constitutes gendered violence in the workplace and an 11% increase in employers feeling more confident in how to respond to incidents.

WorkWell

The WorkWell program is a key component of WorkSafe's strategic approach to creating mentally healthy Victorian workplaces.

WorkWell was initially established in 2018 as a six-year program for delivery in partnership with the Department of Health. It is now being embedded at WorkSafe due to the positive response from employers who are using the program to identify risk factors and drive sustainable mentally healthy workplaces.

The program has also been recognised by Victoria's Royal Commission into Mental Health as a trusted and central source for employers, and by the Ministerial Taskforce on Workplace Sexual Harassment in Victoria. In response to a recommendation from the Ministerial Taskforce, WorkSafe expanded the WorkWell program to include a dedicated project stream for preventing work-related gendered violence and workplace sexual harassment.

In April 2023, WorkSafe announced the WorkWell Respect Fund, which will provide eligible organisations with grants to support projects aimed at preventing work-related gendered violence and sexual harassment. It also launched the WorkWell Respect Network, which will bring workplaces together through events and learning opportunities to share knowledge to better prevent and respond to gendered violence at work.

Achievements

WorkWell provides employers with access to knowledge sharing, funding opportunities and WorkWell toolkit resources to drive culture change and prevent mental injuries among Victorian workers.

Over six years WorkWell has achieved extensive reach and engagement across the Victorian workforce, with research and evaluation showing it has shifted views on the importance of primary prevention in workplace mental health.

Achievements to date include:

- engagement with 15,000 workplaces, with 34,000 leaders participating in WorkWell programs
- 30 funded projects across 13 different industries
- more than 1,000 partnerships
- 2,000+ WorkWell Toolkit users every month
- participating workplaces maintaining a low-risk psychosocial climate safety score, which is highly predictive of reduced mental injury and reduced workers compensation claims
- strengthening the evidence base to show that a poor psychosocial safety climate is the strongest driver of productivity loss due to a work-related mental health problem
- national and global interest in adopting the program.

Mind Your Head

Mind Your Head is among the initiatives brought to life as a result of the Mental Health Improvement Fund.

The joint initiative between WorkSafe, unions and 12 employers ran over two years with significant success.

Mind Your Head comprised a multi-stage plan to address mental health hazards specific to the organisations involved.

Activity included:

- briefings for health and safety representatives and workplace leaders on managing psychosocial hazards
- training on hazard identification, risk assessment and intervention planning
- the development and implementation of a tailored prevention plan
- check-in sessions and networking opportunities
- a digital media presence throughout the duration of the program that provided resources and education.

A Coles employee and Mind Your Head participant said she and her colleagues got a lot out of the program.

"Mind Your Head has made us more aware of mental health in the workplace and basically just how to have conversations with people that we weren't comfortable with having before," she said.



WorkWell has shifted views on the importance of primary prevention in workplace mental health.

Empowering vulnerable workers

WorkSafe recognises that some sectors of the workforce are more vulnerable due to inexperience or language barriers. The safety of these workers is a priority area for WorkSafe, with a range of dedicated initiatives rolled out in 2022-23.

Young workers

In support of young workers, WorkSafe reviewed its young worker web pages to ensure information was up to date and accessible.

Specific updates were made to several sections including 'safety basics' and 'talking to young workers about health and safety'.

Apprentices

- In response to the growing number of young workers in the construction industry, WorkSafe developed a pilot program specifically for apprentices.

The SafeStart: for apprentices pilot provides construction employers and apprentices with resources about OHS hazards and risks. They are also given information on who to go to for support. Employers are prompted to deliver the information to the apprentice each week at their own convenience. Information is broken into five-minute sections so employers can tailor the delivery to their business needs.

Consultation with unions and peak industry bodies throughout the development of the program confirmed the direction of the pilot and need for support for both employers and workers during the initial phase of an apprenticeship.

The pilot is currently being tested with 10 employers and 34 apprentices.

- WorkSafe also participated in Melbourne Polytechnic Trade Apprentices Day in March 2023. The event was well attended by apprentices in construction trades including carpentry, plumbing, electro-technology, brick laying, joinery, cabinet making, lock-smithing and metal fabrication as well as VCE Vocational Major students. The event provided educational material on safety and gave apprentices the opportunity to speak directly with WorkSafe inspectors.

High school students

- A new WorkSafe program is giving Victorian students the skills to stay safe in their first jobs.

WorkSafe 101 for high schools is a free, interactive program to help prepare students in Years 9 to 12 to enter the workforce safely.

Designed with input from teachers and career practitioners, the program includes e-learning modules, videos with examples from workplaces where young people are commonly employed and teacher-led activities that cover OHS basics, identifying hazards and the importance of speaking up.

The most common injuries among teen workers were cuts and amputations, traumatic tendon, muscle and ligament injuries, fractures, musculoskeletal injuries, burns and mental injuries.

Nearly 900 students have completed the program, which will continue to be promoted and monitored to ensure Victorian teachers and career educators know about it and how to access it.

Targeted campaign

- WorkSafe continued to run the marketing campaign UMM ... a social media campaign developed for young people by young people. The campaign utilises a character called UMM to promote confidence among young people to identify and question unsafe working conditions and speak up.

Culturally and linguistically diverse workers

In 2022-23, WorkSafe released updated guidance to help employers effectively communicate health and safety messages in workplaces where multiple languages are spoken.

The Communicating Occupational Health and Safety Across Languages Compliance Code applies to workplaces where the use of languages other than English is required for employees to understand health and safety information, receive training and participate in consultation.

It replaces the 2008 compliance code, with updates to more clearly describe the duties and obligations employers have under the OHS Act and OHS Regulations for communicating health and safety information in appropriate languages.

The compliance code provides practical guidance and advice to employers on:

- the duties for employers in culturally and linguistically diverse (CALD) workplaces
- how to understand and plan for workforce information needs, including how to build a language profile by identifying language groups within their workforce
- techniques for communicating health and safety across languages
- providing language support to employees, such as using translators, interpreters and multilingual employees
- effective ways to provide information, instruction and training in culturally and linguistically diverse workplaces
- suitable approaches to undertaking consultation.

The updated compliance code includes revised definitions and terminology to reflect current approaches, and renewed information about best practices in translation and interpreting services.

Duty holders are also provided with new examples of cultural barriers that may impact effective communication in workplaces, and further clarity on the role and the limitations of employees acting as multilingual facilitators.

While not mandatory, employers that comply with the compliance code will be considered to have complied with their duties and obligations under the OHS Act and OHS Regulations.

Also in 2022-23, WorkSafe re-ran the successful 'Workplace safety is our common language' campaign.

The campaign was created to ensure CALD workers understood their rights at work and where to seek advice, with tools and resources published in 19 languages other than English.

Since the start of the campaign there has been a significant increase in calls to WorkSafe's interpreter service and visits to the languages pages on WorkSafe's website.

Sex workers

The Victorian Government is decriminalising sex work and, in response, WorkSafe has consulted with industry stakeholders to build an understanding of how best to approach strengthening OHS practices within the industry.

With decriminalisation, sex workers will have the same recognition and protections as any other worker in Victoria.

WorkSafe initiatives to date include:

- building industry awareness among WorkSafe frontline staff
- creating foundational guidance to improve OHS awareness industry-wide
- developing tailored OHS resources for sex workers
- providing comprehensive OHS advice for sex industry workplaces.

The decriminalisation process is being delivered in two phases. Phase 1 took effect in May 2022, removing criminal aspects of how work is conducted, while Phase 2, effective in December 2023, will cease the licensed brothel scheme and permit workers to work from their homes.

Labour hire workers

WorkSafe continues to publish safety information for labour hire workers so that they're equipped with the information they need on how to ensure their workplace is healthy and safe.

WorkSafe's landing page links to the Victorian Government's support service which was launched in May 2023, providing support to labour hire workers and directing them on where to seek specific support for regulation in their industry.

Supporting the work of health and safety representatives

WorkSafe continues to support the valuable contribution health and safety representatives (HSRs) make to the health and safety of Victorian workplaces.

A key initiative in 2022-23 was the development and launch of a one-day refresher course for HSR training providers on work-related gendered violence including sexual harassment.

The content was developed to provide participants with a clear understanding of what constitutes gendered violence, its impacts in the workplace and the ways OHS legislation and risks controls can be applied. WorkSafe worked closely with the Victorian Trades Hall Council to develop the course.

Also in 2022-23, WorkSafe launched a new campaign 'Is your workplace missing an important piece?', to raise awareness of the value and benefits of HSRs in the workplace.

Visits to WorkSafe's dedicated webpages on the work of health and safety representatives increased 124% during the campaign period.

During the same period, the campaign also received considerable attention on the business social media platform LinkedIn.



“Our workload was pretty huge. Our caseloads were too big. The majority of Advocate Guardians were just feeling that it was a completely untenable situation. So I issued a PIN (provisional improvement notice). The focus used to be on numbers – that’s not the focus anymore. The focus is more on what we do and the quality of what we’re doing. And I think that’s had a really positive effect on people.”

Sheila

Office of the Public Advocate
Health and Safety Representative of the Year
2022 WorkSafe Awards

Sheila

Health and Safety Representative of the Year **WorkSafe Awards Finalists**



"I've been an HSR for five years. My biggest challenge is getting my message across in a respectful manner but sometimes you've just got to be like a dog with a bone until you get the safety control in place that's going to suit everyone long term. There are too many fatalities and too many injuries in our industry for us not to be playing a part."

Adrian
DP World



"When I was younger I used to be bullied a lot and I don't like that. I put my hand up to be an HSR to stop that sort of behaviour. I like the challenges. I like seeing the DWG (designated work group) safe and happy. I'm very proud to support every single worker on the site to be honest with you – regardless of whether they're full-time, casual. We're all workers. All workers matter."

Bruce
TOLL Global Logistics



"I wanted to be an HSR because I think occupational health and safety is critical. Everybody knows Victoria has been through a pandemic. We had a really good COVID-safe plan but it had been developed without consulting staff. We needed to have better controls in place. I issued the PIN (provisional improvement notice) because I didn't think staff had been consulted properly. We got the consultation and we got the safeguards that were becoming more necessary."

Michelle
Monash University



"In the past we've had three people take their lives that worked here and one was on my crew at the time. I saw the devastation it caused his family. It's something I don't want to see any other family go through. The thing that I'm most proud of as an HSR is the wellbeing office that I set up and just the cultural shift around the stigma of mental health – a culture of 'nobody talks about mental health' to people having open discussions."

Sean
InfraBuild



There are too many fatalities
and too many injuries in our industry
for us not to be playing a part.

Engaging stakeholders and the community

Working closely with stakeholders

WorkSafe's efforts to reduce workplace harm and improve outcomes for injured workers are strengthened through input from stakeholders.

Stakeholders include employee and employer representatives, medical and allied health providers, legal practitioners and industry bodies. They inform strategy, policies, program development and other initiatives to help deliver the best outcomes for Victorians. WorkSafe's Stakeholder Engagement Framework supports these important interactions.

In 2022-23 activity included:

- Occupational Health and Safety Advisory (OSHAC) meetings. Matters considered included training for health and safety representatives, the safety challenges and opportunities in the transport industry and the approach to occupational disease. (more information in appendices on page 170)
- WorkCover Advisory Committee (WAC) meetings. Matters considered included the impact and effectiveness of WorkSafe's Recovery and Return to Work Program, WorkSafe's response to recommendations from the Independent Review into complex claims and government reforms to the Victorian workers compensation scheme. (more information in appendices on page 171)
- The Workplace Incidents Consultative Committee (WICC). In 2022-23, the WICC:
 - engaged on the progress of implementing the recommendations of the Independent Review into Complex Workers Compensation Claims Management
 - provided advice to WorkSafe on the design of a new online feedback platform
 - observed WorkSafe's OHSAC and WAC, providing valuable lived experience perspectives to these committees.

Joint regulatory activity

WorkSafe is committed to working collaboratively and efficiently with other regulators and government agencies to achieve better health and safety outcomes in Victoria.

OHS compliance and enforcement activity sometimes requires operating in partnership with other agencies. Where this occurs, WorkSafe may develop a formal MOU to establish protocols and remove duplication. WorkSafe has a number of MOUs in place, including the following:

- Australian Bureau of Statistics
- Australian Maritime Safety Authority
- Department of Environment, Land, Water and Planning
- Department of Health and Human Services
- Department of Energy, Environment and Climate Action
- Energy Safe Victoria
- Environment Protection Authority
- Essential Services Commission
- Heads of Workplace Safety Authorities
- National Offshore Petroleum Safety and Environmental Management Authority
- Office of the National Rail Safety Regulator
- Office of Public Prosecutions
- Return to Work Corporation of South Australia
- Royal Australasian College of Surgeons
- State Revenue Office
- Transport Safety Victoria
- Victorian Building Authority
- Victorian Equal Opportunity and Human Rights Commission
- Victoria Police
- Victorian Registration and Qualifications Authority.

More information is available on the WorkSafe website [worksafe.vic.gov.au/memorandum-understanding-between-worksafe-and-other-parties](https://www.worksafe.vic.gov.au/memorandum-understanding-between-worksafe-and-other-parties).

Health and Safety Month

In October 2022, WorkSafe marked Health and Safety Month with a program of events held in 14 regional centres, including Shepparton, Mildura, Ballarat, Horsham, Portland, Bairnsdale, Bendigo, Warrnambool and Geelong.

The regional roadshow featured sessions on how to create mentally healthy workplaces, prevent work-related gendered violence and support injured workers to recover and return to work.

The value of HSRs was also highlighted, while young workers, tradies and the agricultural sector were the focus at some events.

More topics were covered in 15 free webinars, including how WorkSafe can help culturally and linguistically diverse communities to understand OHS obligations, regulating exposure to crystalline silica and WorkSafe's role in the evolving energy sector.

WorkSafe Awards

An unwavering commitment to improving health and safety outcomes in the workplace was a shared quality among the finalists in the 2022-23 WorkSafe Awards.

Nineteen finalists across six categories were shortlisted for the awards.

The awards recognise those who have made a significant contribution to improving health and safety within a workplace.

Workers from a diverse range of industries were represented in categories that highlighted the efforts of HSRs and the resolve of injured workers in returning to work.

Also among the finalists were organisations that had shown leadership in OHS issues, implemented significant safety solutions, helped injured workers return to employment, and made a commitment to help prevent mental injury in the workplace.

Industries represented included construction, education, health, maritime, retail, racing and agriculture.



Workers from a diverse range of industries were represented.



Community programs and events

WorkSafe's corporate and community sponsorships are used to promote workplace safety and connect WorkSafe with the Victorian community.

In 2022-23, WorkSafe's key sponsorships included the long-term partnership with AFL Victoria, which has been in place since 2022; the Western Bulldogs Community Foundation, which has been in place since 2019; and the Netball Victoria partnership, which has been in place since 2005.

This year WorkSafe expanded the Netball Victoria partnership, becoming a principal partner of the Melbourne Vixens. This expansion means WorkSafe has an opportunity to connect and engage with the entire Victorian netball community.

Each of WorkSafe's sponsorships focuses on key target audiences. It's about keeping communities safe at work so they can do what they love outside of work.

In 2022-23, WorkSafe also delivered six WorkSafe Country Club Weeks across Victoria in South Colac, Stawell, Karingal, Rochester, Laharum and Marong.

In addition, WorkSafe's Community Sponsorship Program partnered with 15 organisations to reach audiences such as multicultural Victorians, First Nations, manufacturing, small business, arts, and construction. Some of the partnerships this year included: Give Where You Live, the Geelong Arts Centre, Surfing Victoria, PakoFesta, the Geelong Chamber of Commerce, Disability Sport and Recreation Victoria and more.

Funding to improve workplace health and safety

In 2022-23, WorkSafe provided funding for programs designed to reduce workplace harm and improve outcomes for injured workers, including funding for:

- the development, delivery and promotion of Certificate IV in Work Health and Safety specifically for health industry employees
 - training and support for HSRs in regional and remote workforces in Victoria
 - a senior project officer within the CPSU to provide employers with standards, guidance and support to prevent and respond to race-based bullying and discrimination in the workplace
 - education, support and advocacy for people and their families across Victoria affected by asbestos
 - a targeted suicide awareness and prevention program for construction industry employees
 - the development of a series of workshops on OHS inductions for agricultural industry employees
 - interactive OHS learning modules in six languages other than English to employees in the horticulture industry
 - the management of psychological hazard risks to reduce musculoskeletal and mental health injury in the transport industry
 - a tailored mental health program to reduce and prevent mental injury in the veterinarian industry
 - a health and safety training course in the cemetery and crematoria industry for the volunteer workforce
- resources and education materials to simplify OHS compliance for domestic builders and subcontractors
 - tailored OHS management and compliance materials for employees in the smaller quarrying industry
 - guidance to improve OHS risk management in the rail construction industry
 - Victorian Trades Hall Council (VTHC) activities including:
 - the OHSReps@Work website, which provides online information to HSRs
 - a Safe at Work Organiser to provide information, education and support for HSRs
 - an Occupational Health and Safety Coordinator as the key conduit between WorkSafe and VTHC and affiliated unions
 - the Women@Work project to address workplace issues that affect women such as bullying and harassment, occupational violence and discrimination
 - young worker support programs to provide advice and support and to deliver training on bullying laws and workplace safety.



David, a stable hand, had a quad bike accident in February 2022 that resulted in a serious spinal cord injury. He spent almost a month in hospital and a further two months in a rehabilitation centre. David was extremely driven to return to work and is now doing light duties that have been incorporated into his ongoing rehabilitation program.

“During my recovery my work colleagues were constantly either texting me or Facebook messaging me. I’m really appreciative of everything that was done by everybody to get me back here.”

David
Grampians Racing

Improving outcomes for injured workers



WorkSafe aspires to be a world leader in return to work after a workplace injury by focusing on the key drivers of recovery and rehabilitation.

About 70% of injured workers are able to recover and return to work within six months of their injury, with WorkSafe providing a range of supports including medical expenses and income compensation.

The other 30% - including workers with more severe injuries - face a slower recovery and return to work and require significant support from WorkSafe.

These workers often require a targeted and tailored approach - and early intervention is key.

WorkSafe uses its extensive data, knowledge and experience to identify workers most at risk of a slow recovery or delayed return to work, so that tailored solutions can be put in place as quickly as possible.

Every injured worker is an individual, with unique circumstances. WorkSafe’s service model recognises and works with this reality.

Actively helping those most in need

Every injured worker faces different circumstances. WorkSafe recognises this through the concept of 'person-centred care', focusing support activities on the needs of the injured worker and the challenges facing them in their recovery and return to work.

Approaches include:

- Multidisciplinary case management - when there are multiple medical professionals and stakeholders involved in an injured worker's recovery, additional case management support is deployed to coordinate the activities, ensuring everyone is working on a coordinated plan to support the injured worker.
- Clinical panel support - WorkSafe has a panel of clinicians, specialising in workplace injury and return to work, who can advise and coordinate the medical professionals working with the injured worker.
- Original employer services - where a worker needs help to build confidence and to understand how they can best return to work with their existing employer. An expert occupational rehabilitation partner supports the worker and employer.

- Support from a specialist WorkSafe team - this team provides direct, person-centred support and services to Victorian workers recovering from long-term work-related injuries. The team supports injured workers who have been on the workers compensation scheme for more than 130 weeks, and whose employers have ceased operating.

The complexity of a long-term injury and the absence of employer support means that these workers face significant challenges to their recovery and return to work. WorkSafe's support approach is specifically designed for these workers.

The focus of the team is in line with the recommendations of the Independent Review into the Agent Model and Administration of Complex Workers Compensation Claims.

As part of its work, the team develops individual recovery plans to support workers in identifying what's important to them, the goals they would like to achieve and what supports and steps need to occur to improve their outcomes.

In 2022-23 these plans helped 26 injured workers to return to work, six of whom hadn't worked for more than 10 years. Additionally, this planning approach has supported injured workers to increase their independence, increase community participation, access appropriate treatment and reduce dependence on medication.


Every injured worker faces different circumstances.



Nicole loved 'every aspect' of her job as a carer. She was heartbroken when she had to stop doing what she loved after tripping up the front step of a client's house, shattering her shoulder. She underwent five surgeries and didn't work for seven years. With the support of an occupational therapist, Nicole has now made a return to work.

"I was looking through the jobs and it came up with catering and I saw that it was in a nursing home. I look forward to coming to work. I could be here forever. My advice to people struggling to return to work is to keep trying - you'll get there."

Nicole
Catering assistant
East Grampians Health Service

NIKKI

Supporting injured workers to overcome barriers

WorkSafe programs designed to assist workers who face barriers returning to work are paying dividends for workers and employers alike. These programs include the WorkSafe Incentive Scheme for Employers and the New Employer Service.

The WorkSafe Incentive Scheme for Employers (WISE) gives employers financial support to hire people who can't return to work with their previous employer due to a work-related injury or illness.

Through WISE, creative agency Taboo was introduced to new employee Ella.

Ella was a circus performer but after a shoulder injury wasn't able to continue on that career path.

"One of the biggest things when you're transitioning careers or moving into a new industry is that you have to be a bit flexible, and the fact that I had so much support from the WISE program meant that I was able to take some risks and opportunities that I just wouldn't have been able to otherwise," she said.

Taboo Managing Director James McKinnon couldn't be happier with how things turned out for both Ella and the agency.

"Ella came in and very quickly started showing us how valuable she was," he said.

"Her role has evolved significantly over the two years she has been with us. It's been a meteoric rise, not just in competence but confidence as well.

"Two years ago she was in a completely different industry with a different career and here she is working with global clients."

James' brother and business partner Andrew also praised the program.

"The greatest lesson out of this is that great talent can be found in different industries, and not the most obvious ones," he said.

"The WISE program lowered the barriers, removing a huge amount of financial risk around bringing on new talent that didn't have the experience that we are used to.

"The program is incredibly well considered and it made the road into an employment arrangement really easy."

The New Employer Service (NES) is a program designed to support injured workers who can't return to work with their pre-injury employer.

The NES supports a worker with the job-seeking process and is delivered by a WorkSafe-approved panel of occupational rehabilitation providers.

An injured worker's return to work with their pre-injury employer may not be possible due to physical and/or psychological reasons or where the employer has ceased to operate.

In 2022-23, of the 3,000 participants in the NES program, 1,300 were successful in finding a new role.

To further enhance the NES, WorkSafe has partnered with the Department of Education to pilot a program that gives injured workers the opportunity to become vocational education trainers.

The program is aimed at injured workers who can't return to the trade or industry in

which they were injured and has the potential to provide an alternative employment pathway for about a quarter of injured workers who join the NES.

The main group of workers who will be supported by the program are those with a trade background, such as an electrician or a plumber, who cannot return to their pre-injury employer and have an interest in engaging with students in a teaching environment as a vocational education trainer.

WorkSafe will fund a six-month Certificate IV in Training and Assessment. During the training phase, the Department of Education will provide the worker with the opportunity to spend time as an Education Aide.

Both WorkSafe and the Department of Education will support the job placement process when the training has been completed.

Providing tailored support

WorkSafe continues to increase the tailored support it can provide to injured workers by improving processes, making the most of technology and ensuring the right resources are in place.

In 2022-23 WorkSafe has:

- recruited a further 120 frontline case management staff to provide more support for injured workers
- used digital technologies to create a more reliable and efficient way to pay medical practitioners, while reducing the administration load for case managers so that they can focus more on worker recovery

- piloted a new online claims form, giving injured workers and employers the option to submit and manage claims through myWorkSafe. This new process has been tested with a small number of employers through WorkSafe agents Allianz and EML, with around 140 claims lodged digitally so far. Benefits have included faster lodgment and acceptance of claims. Initial feedback has shown claims submitted online are being received by agents about five days earlier than those manually processed, leading to earlier treatment. The online claims process will be further refined following feedback, with a second pilot to run later in 2023.

Promoting early contact with employers

Research shows that when early contact is made with an injured worker, a return to work outcome is much more likely - by up to 63% for psychological injury, and up to 26% for physical injury.

In 2022-23, WorkSafe continued to run the campaign 'The sooner, the better', which promotes the benefits of employers getting in touch as early as possible with injured workers. The campaign has delivered a significant shift in employers' understanding of the need to engage early and resulted in more than 3,000 downloads of a new return to work conversation starter toolkit.

The strategic facilitated discussions initiative also continued in 2022-23. A facilitated discussion brings injured workers and colleagues together in a neutral location, with a qualified mediator, to resolve issues where interpersonal conflict has prevented a return to work.

The facilitated discussion service helped Dennis, an injured Housing Support Worker, get back to work. He and his employer, Peter, were supported through the process by accredited mediator, Andrew.

"The best meetings are the ones where we can step back and not say a whole lot. It means that both parties are starting to acknowledge each other's concerns," said Andrew.

Injured worker Dennis said being heard was paramount for him on a personal level, and to have people supporting him through that process was crucial to his return to work.

"It's good to be back. It's taken some work but so far it's been brilliant."

Manager Peter was also supportive of the process and pleased with the outcome.

"If you engage in this process, the outcome could be an even better relationship and better outcome than what it was prior to things falling down," he said.



Alan had spinal fusion surgery after severely injuring his back driving a truck as part of his work as a maintenance fitter for GrainCorp. According to his occupational therapist, Alan was happy to 'give anything a crack' to recover and get back to his work.

"I came back to work on modified duties. They've made it easier, giving me jobs to do that I can do. The best part about returning back to work is feeling like you're part of a team again. I like the blokes I work with. I like the work I do."

Alan

Maintenance Fitter
GrainCorp Ltd



Strong return to work regulation

WorkSafe's innovative and strategic approach to return to work is complemented by its role under the *Workplace Injury Rehabilitation and Compensation Act 2013*, which provides a legal framework to ensure employers and workers are working towards a return to work after injury.

WorkSafe's Return to Work Inspectorate (RTWI) targets employers with poor return to work outcomes and emerging return to work barriers and trends.

In 2022-23, the team focused on high-risk claims with large employers, including the labour hire, manufacturing sectors and major government employers.

The team issued a record number of enforcement notices and also achieved a record number of voluntary employer compliance agreements, demonstrating that effort is being focused where the risk is greatest.

	2021-22	2022-23
Measure		
Visits	1,308	2,480
Claims interventions	2,768	3,076
Improvement notices	282	478
Voluntary compliances	316	675

Supporting workers with complex injuries

Mental injury claims continue to grow and in 2022-23 they accounted for 16% of new claims – up from 15% in 2021-22 and 13% in 2020-21.

Workers with mental injuries often take longer to return to work than workers with a physical injury.

In addition, many workers with a physical injury develop a secondary mental injury during their recovery. These workers also take longer to get back to work.

High demand for medical professionals is contributing to delays in the provision of treatment and support. This is not just a workplace issue. As a society we are still developing ways to help people get the expert mental health treatment they need.

The long recovery times and rising costs in treatment are inflating the average cost of claims and putting financial pressure on the scheme.

In 2022-23, return to work outcomes improved for workers with a physical injury. For injured workers with a primary mental injury, return to work outcomes stabilised after a protracted period of decline, with 42% of workers now back at work within 26 weeks.

A top priority for WorkSafe is identifying those injured workers whose recovery isn't going to plan and then providing them with tailored support. A program established to focus on this work has supported more than 14,000 workers since 2020.

The challenge for WorkSafe is that, with the continued growth of mental injury, there is a need to develop and deliver new and effective supports for workers with a workplace mental injury. WorkSafe is committed to improving and delivering more, and better, interventions.



WorkSafe is committed to improving and delivering more, and better, interventions.

Strengthening service to improve the experience and outcomes for injured workers

Over the past two years, WorkSafe has been working to improve its service approach so that it better drives outcomes for injured workers and enhances their experience with the scheme.

The work to redesign how people, processes and technology interact to improve the experience and outcomes of injured workers is an ongoing strategic focus for WorkSafe.

Elements of the new model continue to be tested to ensure changes are delivering benefits to workers.

A new customer online experience survey was piloted in 2022-23, with 1,975 injured workers providing feedback in a timely manner on their experience with WorkSafe and their WorkSafe agent.

Insights from the pilot are being used to further improve service, with full deployment of the survey planned for next financial year.

Measuring the quality of service

WorkSafe now directly manages close to 2,000 injured workers that require specialised support to recover from longer-term injuries.

This follows the exit of CGU – one of WorkSafe’s agents – and a recommendation of the Independent Review into the Agent Model and Administration of complex Workers Compensation Claims.

In response, WorkSafe has evolved how it monitors and measures quality of service, with two key measures introduced in 2022-23.

Service from both WorkSafe and agents to long-term injured workers – those who have been receiving compensation for 670 days or more – was 76.7%.

For injured workers requiring support for shorter periods (less than 670 days) the service score was 84.3%.

Advisory service

WorkSafe provides services through multiple channels and in 2022-23 interactions included:

- 3.9 million website visits
- 176,000+ phone calls, with 46% of incoming calls answered within 40 seconds
- 37,000+ emails/digital enquiries

Agent service

WorkSafe’s agents recorded strong results for their level of service.

The injured worker service rating for those receiving compensation for less than 670 days was 84.31%, while the employer service rating was 85.6%.

In 2022-23, WorkSafe conducted 2,180 reviews of agent decisions affecting injured workers across different junctures, including initial claim decisions, medical decisions and second entitlement review (130 weeks) matters.

A sample of adverse decisions is examined each month and reviewed against the legislative requirements and the prescribed principles of decision making to determine if a good quality decision has been made.

The reviews found 96.2% of decisions were ‘good quality’ decisions (compared to 96.6% in 2021-22). The outcome of the reviews and key insights are provided to agents to enhance future decision making.

	SERVICE TO INJURED WORKERS	SERVICE TO EMPLOYERS
Agent		
Allianz	84.3%	86.4%
DXC Claims Management	82.9%	81.6%
EML	86.9%	89.0%
Gallagher Bassett Services	83.4%	85.0%
Scheme	84.3%	85.6%

The reviews found 96.2% of decisions were ‘good quality’ decisions.



Financial sustainability



A financially sustainable WorkSafe scheme is central to the working lives of all Victorians.

A key driver of financial sustainability is WorkSafe's ability to reduce workplace harm and improve outcomes for injured workers. However, the rising costs associated with the prevalence of mental injury and a longer reliance on the scheme for recovery have put considerable strain on the scheme. This has been compounded by the gap between the cost of claims and the premium collected, which has grown to a deficit of more than a billion dollars.

In 2022-23, the decision was made to increase the average premium rate to 1.8% for 2023-24 to address this long-standing shortfall.

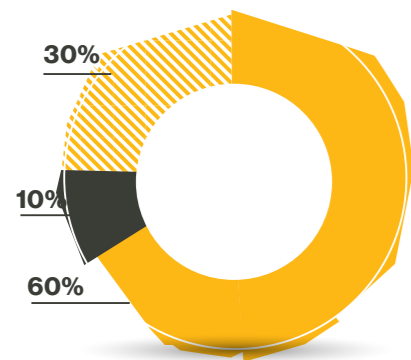
The ongoing pressures on the scheme have resulted in a \$1.76 billion deficit in Performance from Insurance Operations for 2022-23.

WorkSafe's net financial result was a deficit of \$180 million, \$1.2 billion better than target. Contributing factors included favourable movements in net economic drivers, higher-than-expected investment returns and \$300 million in funding from the Victorian Government.

WorkSafe's Insurance Funding Ratio was 105%, within the preferred target range of 100%-140%.

Summary 2022-23

Financial results	2022-23 (\$m)	2021-22 (\$m)	2020-21 (\$m)	2019-20 (\$m)	2018-19 (\$m)
Impact on result from internal factors					
Performance from Insurance Operations	(1,764.0)	(1,585.0)	(3,869.8)	(3,542.6)	68.0
Result from internal factors	(1,764.0)	(1,585.0)	(3,869.8)	(3,542.6)	68.0
Impact on result from external factors					
Difference between actual returns and long-term expected returns	564.0	(1,832.0)	1,651.9	(1,065.0)	109.4
Change in inflation assumptions and discount rates	490.0	2,847.10	650.4	304.4	(1,372.5)
Impact from legislative changes	-	(48.1)	(2.7)	(32.4)	(14.2)
State funding	300.0	450.0	550.0	-	-
Tax	234.0	211.0	480.4	1,314.7	386.2
Net result	(176.0)	43.0	(539.7)	(3,021.0)	(823.1)



Operational expenditure by core activities

Core activity	2022-23	%	2021-22	%
Occupational health and safety	347,819	60%	343,835	59%
Insurance and claims management	169,304	30%	186,496	32%
Dispute resolution	58,909	10%	50,945	9%
Total Operating Expense	576,032	100%	581,276	100%

Assets and liabilities

As of 30 June 2023, WorkSafe's total assets were \$26.2 billion, compared to \$24.5 billion on 30 June 2022. Total liabilities were \$27.5 billion, compared to \$25.5 billion at 30 June 2022.

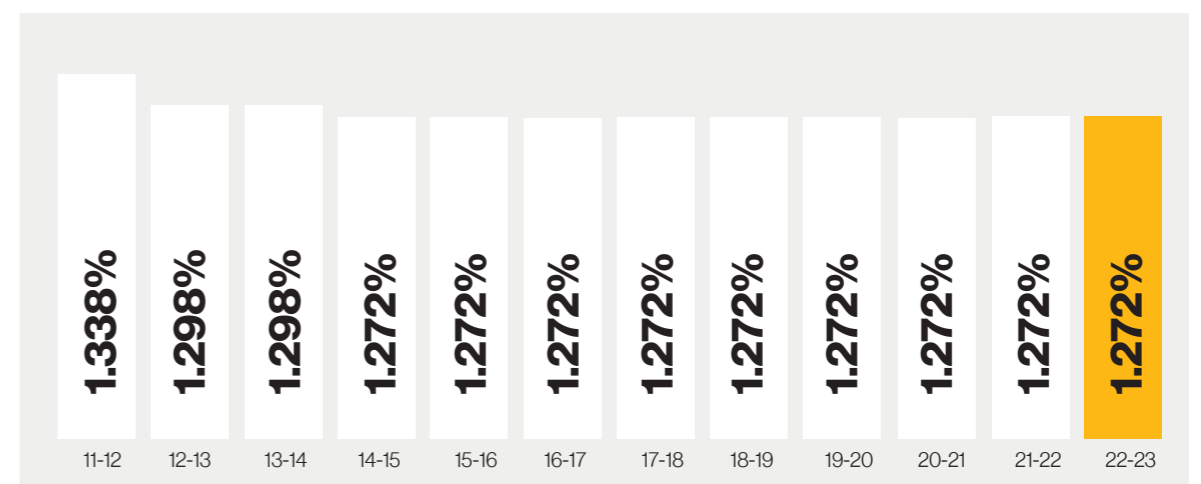
WorkSafe scorecard	Average premium rate	Net result (\$m)	PFIO (\$m)	Actuarial release (\$m)	Dividend paid (\$m)
2022-23	1.272%	(176)	(1,764)	(184)	-
2021-22	1.272%	43	(1,585)	(204)	-
2020-21	1.272%	(540)	(3,870)	(2,844)	-
2019-20	1.272%	(3,021)	(3,543)	(2,905)	-
2018-19	1.272%	(823)	68	(190)	-
2017-18	1.272%	484	73	(141)	-
2016-17	1.272%	694	233	(169)	-
2015-16	1.272%	(475)	280	(135)	-
2014-15	1.272%	454	211	(60)	242
2013-14	1.298%	824	483	303	59
2012-13	1.298%	1,084	119	179	193
2011-12	1.338%	(676)	385	182	147
2010-11	1.338%	521	294	136	-

Managing the cost of insurance

WorkSafe maintained an average premium rate of 1.272% of payroll in 2022-23.

Employers can take advantage of discount options for early payment. In 2022-23, 37% of employers took up the 5% discount by paying their premium by 15 August, and a further 8% took up the 3% discount by paying their premium in full by 1 October.

WorkSafe injury insurance average premium rates



Self-insurance

Self-insurers are approved by WorkSafe to manage their own workers compensation claims and WorkSafe continues to work with them to promote best practice in safety and return to work. As at 30 June 2023, there were 34 self-insurers operating in Victoria, representing about 5% of total scheme remuneration.

In 2022-23, seven organisations were granted renewals of approval to self-insure. The Injured Workers Survey includes injured workers covered by self-insurers. In 2022-23, the service score was 63% for all self-insurers, compared to 69% in 2021-22. Further information can be found in Appendix 3.



There were
31 prosecutions
under the
WIRC Act.

Protecting scheme integrity

To maintain the integrity and sustainability of the WorkSafe scheme, it is important employers and workers comply with their legal obligations under the Workplace Injury Rehabilitation and Compensation Act (WIRC Act). WorkSafe ensures that employers pay their insurance premiums and detects and takes action against fraud by health professionals and workers.

In 2022-23, there were 31 prosecutions under the WIRC Act. A total of \$966,986.51 in restitution and \$22,500 in fines was imposed.

The following are examples of some of the prosecutions conducted under the WIRC Act:

- The offender had forwarded 25 payslips and one PAYG Summary to the WorkSafe insurer in connection with a claim for compensation by an injured worker. These documents purported that the worker was an employee of their own company and had been paid \$68,304.

The documents were sent to the insurer by the offender after the insurer had initially assessed the worker's PIAWE (pre-injury average weekly earnings) as \$nil on the basis that they were not an employee of the company but as a director had received director's fees, which are not taken into account in assessing a worker's PIAWE. The offender advised the insurer that the worker had changed their employee status prior to the injury. WorkSafe's investigation established that this was not the case.

- The offender injured their back while working as a carpenter with a caravan manufacturer in November 2019. Their claim was accepted and they commenced receiving weekly payments. When the offender attended the workplace to hand in their certificates of capacity or attended their general practitioner or independent medical examiner, they would be in a wheelchair because they could not walk or stand for long periods of time. In February 2021 the agent arranged for surveillance to be conducted. The offender was observed walking and moving freely. In addition to this, they were also observed on three occasions to be working in a pizza shop for several hours. The offender pleaded guilty and was ordered to pay \$15,848 in restitution.
- The offender was employed as a tractor and truck driver. In March 2019 the worker submitted a Worker's Injury Claim Form for injuries to their neck, shoulders and lower back sustained from pushing heavy hay bales off a truck. The insurer accepted liability and the worker commenced receiving weekly payments. An investigation established that the offender had been working for an earthmoving contractor and records showed that between October 2020 and June 2021 they had received over \$15,000 in wages and had worked regular full-time hours between October 2020 and March 2021. The offender failed to disclose this employment to their GP or to the insurer, as well as two independent medical examiners. The offender pleaded guilty and without conviction was fined \$3,000 and ordered to pay restitution of \$47,509.
- The offender suffered an injury to their arm and shoulder while working as a dishwasher at a winery in March 2018. They were certified unfit for work by their GP and commenced receiving weekly compensation payments. The offender continued to submit certificates certifying unfit for duties until October 2018 when the offender resigned from their position. Upon investigation it was revealed that the offender during the period in which they were receiving compensation payments was working as an accounts payable/administration officer. The offender pleaded guilty and without conviction was ordered to pay \$19,255 in restitution.
- The offender was employed as a truck driver. In January 2015 they lodged a claim for a back injury which they stated had occurred at a workplace in November 2014 when stepping down from a truck. The offender was taken by ambulance to hospital. On the claim form they stated that there were no previous related injuries. The claim was accepted and the offender commenced receiving weekly payments. In 2017 the offender lodged a serious injury application. WorkSafe's legal panel firm requested documents from Ambulance Victoria relating to the attendance in November 2014. Included in the documents were records of two separate Ambulance Victoria attendances in November 2014 – both for severe back/hip pain. At no stage during their claim did they mention these events to any medical practitioner, employer or the WorkSafe agent. The offender's payments were terminated in August 2017 following the investigation. The offender pleaded guilty and with conviction was given a community-based order and ordered to pay \$143,982 in restitution.

- The offender was employed as an electrician. In March 2020 they injured their right shoulder. A claim for compensation was lodged which was accepted and they commenced receiving weekly payments. Following surgery in June 2020 the offender was certified fit for suitable employment in October and commenced an online course. They did not complete the course and in April 2021 they were again certified unfit for any duties and weekly payments resumed. An investigation established that the offender had registered a business name in February 2019. Examination of their bank statements revealed several deposits totalling just over \$10,000. Subsequent enquiries established that the offender had been carrying out electrical work for several customers between December 2020 and February 2021. Their payments were then terminated. The offender pleaded guilty and without conviction was fined \$1,000 and ordered to pay \$13,141 in restitution.

Termination Review Panels

Where there is sufficient evidence to substantiate fraud, a Termination Review Panel is convened to review the relevant evidence and recommend the agent immediately terminate a worker's weekly payments under s183(4) of the WIRC Act, on the basis that the payments were obtained fraudulently.

In 2022-23, there were 37 Termination Review Panels convened, which saved the scheme \$20,635,747.

Common law

Common law benefits provide important support for workers with serious and permanent consequences from work-related injuries, where there is fault by the employer or another person. WorkSafe also provides important common law support for employers.

In 2022-23, WorkSafe received 3,111 common law applications, compared to 2,752 in 2021-22 and 2,665 in 2020-21. Any substantial increase in the rate of lodgement of common law applications can pose a risk to the financial viability of the WorkSafe scheme.

At 30 June 2023, common law accounted for 21% of WorkSafe's total scheme liability (including recoveries, excluding claims handling expenses and risk margin), with damages payments accounting for 16% and legal costs 5%.

In 2022-23, 71% of serious injury cases were settled without litigation, with only 5% resulting from a court judgement. In the same period, 82% of damages claims were settled without litigation, with 1% resulting from a court judgment.

WorkSafe continues to focus on delivering common law benefits efficiently and cost effectively where it is satisfied a worker has an entitlement to common law damages. During the year, 92% of common law applicants established a serious injury and about 91% of workers with an accepted serious injury established an entitlement to damages from their employer.

 In 2022-23, there were 37 Termination Review Panels convened, which saved the scheme \$20,635,747.

WorkSafe employees participating in the Midsumma Festival at St Kilda in February 2023, demonstrating their support for diversity, equality and inclusion in the workplace.

WorkSafe's people



WorkSafe's commitment to reducing workplace harm and improving outcomes for injured workers is driven by a passionate workforce that prides itself on delivering excellence for the community every day.

For that to happen, it is important employees experience a culturally safe workplace where diversity, new ideas, perspectives and skills are valued and celebrated.

In 2022-23, as part of a commitment to diversity, equity and inclusion, WorkSafe focused on reviewing and measuring the success and impact of the organisation's Diversity and Inclusion Strategy and Action Plan 2020-2023. A refreshed strategy and action plan will be delivered by the end of 2023.

First Nations cultural safety remained a key focus in 2022-23, with 91% of WorkSafe people leaders completing Aboriginal and Torres Strait Islander culture awareness training.

WorkSafe has released its Vision for Reconciliation, which was co-created by WorkSafe's CEO and First Nations employees.

Culture

Three organisational values – being connected, persistent and dynamic – underpin WorkSafe’s culture. These values drive the way employees deliver for, and interact with, the Victorian community.

It is important to WorkSafe that every employee feels connected, safe and valued in their team; for teams to feel valued in the workplace; and for WorkSafe to be valued in the community.

In 2022-23, a review of WorkSafe’s Diversity and Inclusion Strategy and Action Plan 2020–2023 commenced and this will inform the development of a refreshed strategy and plan. A focus of the year has been building education and learning programs to enhance awareness and understanding of unconscious bias. There has also been a focus on sustaining and supporting the needs of employee-led networks, including Women@WorkSafe, WorkPride and Accessibility and Inclusion.

A highlight of the year was the progression of WorkSafe’s First Nations cultural safety program. In addition to training and the release of WorkSafe’s Vision for Reconciliation, work continued on the development of WorkSafe’s first Reflect Reconciliation Action Plan.

WorkSafe also actively participated in the Geelong Aboriginal Employment Taskforce, while three employees graduated from the Barring Djinang Leadership program.

In 2022-23, WorkSafe embarked on the redesign of the organisation’s Employee Value Proposition to ensure a clear and consistent message about the employment experience at WorkSafe. Diversity, equity and inclusion will form a key component of the Employee Value Proposition to further strengthen WorkSafe’s reputation as an inclusive workplace.

WorkSafe’s Vision for Reconciliation

Our vision for reconciliation is an Australia united in its resolve to strengthen the bonds between our First Nations peoples and non-Indigenous Australians through earned respect, trust and understanding.

We will deepen our awareness and understanding of First Nations’ cultures, histories, and knowledge, by connecting to Community, to Country and to each other. We will create space for storytelling and truth telling. We will learn through listening.

We acknowledge and accept historic wrongs and injustices and their abiding impact on Indigenous Australians and Torres Strait Islander peoples; and aspire to a Victoria in which all workplaces – including our own – are inclusive, culturally safe, and enable all First Nations peoples to thrive.

Health, safety and wellbeing

The health, safety and wellbeing of employees is a priority for WorkSafe.

In 2022-23, WorkSafe continued to improve its prevention systems to address physical and mental health at work. This included the development of frameworks for managing workload and maturing the existing wellbeing framework through an increased understanding of the individual, environment and work-related factors that impact wellbeing.

Wellbeing initiatives included:

- enhanced critical incident response with psychological checks-ins
- expansion of early intervention psychological support to identified high-risk teams, addressing the prevention of trauma related health issues
- re-launching face-to-face physical exercise programs to address the decline in physical activity levels during COVID-19, while also providing opportunities for social networking
- flu vaccination and skin check programs
- internal launch of the WorkWell Toolkit to assist leaders to develop strategies to mitigate the risk of psychosocial hazards
- development of guidance material to assist leaders in identifying and addressing work-related factors that impact mental health and wellbeing
- redesign of the Mental Health and Wellbeing in the Workplace training program, with enhanced content for leaders on building psychologically safe team environments, and identifying and controlling psychosocial hazards

- recruitment of an additional 14 Wellbeing Champions across WorkSafe, taking numbers to 41, with a further 41 Peer Supporters
- the launch of the Geelong Build Financial Inclusion Action Plan for the ongoing development of financial literacy among employees to prevent late life financial issues.

Health and safety initiatives included:

- ongoing maintenance of, and consultation on, WorkSafe’s COVID-safe plans and field work guidance
- reviewing and adapting WorkSafe’s COVID-19 Vaccinations Policy to respond to environmental conditions
- increased engagement with HSRs
- upskilling health and safety committee management representatives under the OHS Act
- further improvements in incident reporting in the areas of psychosocial hazards including modes of exposure
- achieving ISO45001 re-certification
- increasing one-on-one supports available to employees through the expansion of the health advisory service
- improving systems to respond, consider and implement workplace adjustments for employees with identified needs.

During the year, WorkSafe continued active participation in the Victorian Government’s Leading the Way Strategy, designed to improve health and safety in the public sector. WorkSafe contributed best practice initiatives associated with work-related violence, trauma prevention and workload management.

WorkSafe Victoria Financial Report



Reducing
workplace
harm.

Improving
outcomes for
injured workers.

How this report is structured

The Victorian WorkCover Authority has presented its audited general purpose financial statements for the financial year ended 30 June 2023 in the following structure to provide users with the information about WorkSafe's stewardship of resources entrusted to it.

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Financial Statements

Comprehensive Operating Statement

For the financial year ended 30 June 2023

	Note	2023 \$000s	2022 \$000s
Revenue and Income			
Premium revenue	2.2.1	3,255,044	2,918,060
Investment income / (loss)	3.1	2,004,626	(328,572)
Recoveries revenue	2.3.3	410,889	237,717
Other income	4.1	32,895	25,515
State funding	4.2	300,000	450,000
Total revenue and income		6,003,454	3,302,720
Expenses			
Claims expense	2.3.1	(5,496,140)	(2,552,751)
Authorised agent fees and internal claims management costs	2.4	(335,889)	(322,015)
Investment expenses	3.1	(55,629)	(53,884)
Other operating costs	4.3	(525,640)	(542,138)
Total expenses		(6,413,298)	(3,470,788)
Result before income tax		(409,844)	(168,068)
Income tax benefit	6.1	233,654	210,769
Net result for the year		(176,190)	42,701
Total comprehensive result for the year		(176,190)	42,701

The above comprehensive operating statement should be read in conjunction with the accompanying notes to the financial statements.

Balance Sheet

At 30 June 2023

	Note	2023 \$000s	2022 \$000s
Current assets			
Cash at bank	3.3	130,909	120,956
Premium receivables	2.2.2	166,120	148,114
Investment assets	3.2	2,557,397	3,966,122
Recoveries receivable	2.3.4	85,066	67,475
Prepayments		19,069	18,758
Other receivables		6,200	7,247
Total current assets		2,964,761	4,328,672
Non-current assets			
Investment assets	3.2	19,930,643	17,098,473
Recoveries receivable	2.3.4	406,115	306,528
Property, plant and equipment		25,259	30,571
Right-of-use assets		97,597	100,913
Intangibles		76,731	98,914
Deferred tax assets	6.2	2,735,436	2,501,782
Total non-current assets		23,271,781	20,137,181
Total assets		26,236,542	24,465,853
Current liabilities			
Premium creditors	2.2.3	125,779	102,158
Other payables		177,507	192,699
Outstanding claims	2.3.2	3,804,619	3,499,121
Lease liabilities		15,674	14,147
Investment related liabilities	3.2	337,243	584,607
Employee related provisions		45,830	42,493
Other provision		838	1,468
Total current liabilities		4,507,490	4,436,693
Non-current liabilities			
Outstanding claims	2.3.2	22,841,317	20,813,455
Lease liabilities		95,694	98,833
Investment related liabilities	3.2	41,353	193,132
Employee related provisions		9,100	6,013
Other provision		613	562
Total non-current liabilities		22,988,077	21,111,995
Total liabilities		27,495,567	25,548,688
Net assets		(1,259,025)	(1,082,835)
Equity			
Retained earnings / (accumulated losses)		(1,259,025)	(1,082,835)
Total equity / (deficit)		(1,259,025)	(1,082,835)

The above balance sheet should be read in conjunction with the accompanying notes to the financial statements.

Statement of Changes in Equity

For the financial year ended 30 June 2023

	Total \$000s
Balance at 1 July 2021	(1,125,536)
Net result for the year	42,701
Other comprehensive income	-
Total comprehensive income for the year	42,701
Balance at 30 June 2022	(1,082,835)
Net result for the year	(176,190)
Other comprehensive income	-
Total comprehensive income for the year	(176,190)
Balance at 30 June 2023	(1,259,025)

The above statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Cash Flow Statement

For the financial year ended 30 June 2023

	Note	2023 \$000s	2022 \$000s
Cash flows from operating activities			
Premium received		3,585,134	3,207,608
Claims paid		(3,182,413)	(2,869,060)
Recoveries received		293,712	221,733
Authorised agent fees and internal claims management costs		(380,354)	(319,524)
Self insurer exit settlement		162	86,197
Dividends and distributions received		364,347	562,637
Interest received		46,201	1,296
State funding		300,000	450,000
Sundry receipts		23,598	18,512
Health and safety licence fees received		9,298	7,004
Payments to suppliers and employees		(506,641)	(416,824)
Goods and services tax paid to the ATO		(234,127)	(206,050)
Total cash outflow for leases		(18,588)	(17,449)
Contribution to DTF Consolidated Fund for court use		-	(8,859)
Net cash from/(used in) operating activities	3.3	300,329	717,221
Cash flows from investing activities			
Sale of investments		3,826,566	3,913,334
Purchase of investments		(5,101,226)	(5,140,006)
Payments for intangibles		(2,975)	(114,025)
Purchase of property, plant and equipment		(241)	(181)
Net cash from/(used in) investing activities		(1,277,876)	(1,340,878)
Net (decrease) in cash and cash equivalents		(977,547)	(623,657)
Cash and cash equivalents at beginning of the period		2,157,166	2,780,871
Effects of exchange rate changes on cash held in foreign currencies		(66)	(48)
Cash and cash equivalents at end of year	3.3	1,179,553	2,157,166

The above cash flow statement should be read in conjunction with the accompanying notes to the financial statements.

1. About this report

WorkCover Authority Fund

The WorkCover Authority Fund was established on 1 December 1992 under the Accident Compensation Act 1985 and is maintained by the Victorian WorkCover Authority. The Victorian WorkCover Authority is a statutory authority established by statute enacted by the Victorian State Parliament and domiciled in Australia. The Victorian WorkCover Authority trades under the name of WorkSafe Victoria (WorkSafe).

Basis of preparation

These financial statements cover WorkSafe as an individual reporting entity and include the Victorian Asbestos Eradication Agency (VAEA), which has been consolidated into WorkSafe's financial statements pursuant to a determination made by the Assistant Treasurer under section 53(1)(b) of the Financial Management Act 1994. The VAEA is not controlled by WorkSafe. All transactions and balances between consolidated entities are eliminated.

The financial statements have been prepared on a going concern basis. WorkSafe recorded an operating loss after tax of \$176 million (2022: \$42 million profit), but delivered positive cash flows from operating activities of \$300 million (2022: \$717 million), including an operating grant from the State Government of \$300 million (2021: \$450 million).

In addition, WorkSafe maintains ready access to financial resources via the WorkCover Scheme (the Scheme), which as at 30 June 2023 was valued at \$22.5 billion.

The Victorian Government also announced plans in May 2023 to modernise the Scheme and improve its financial sustainability through key reforms, including an increase to the target average premium rate. From 1 July 2023, the target average premium rate for WorkCover will move to 1.8%, up from the previous average rate of 1.27%.

Based on WorkSafe's positive cash flows from operating activities, access to financial resources via the Scheme, and the premium rate increase from 1 July 2023, the Directors have concluded that the going concern assumption of WorkSafe remains appropriate.

The financial statements have been prepared on an accrual basis, and are based on historical costs and do not take into account changing money values, except for outstanding claims liability, recoveries receivable, employee benefits liabilities and leasehold restoration provision which are included at present value. Investments and property, plant and equipment are included at fair value.

Amounts have been rounded to the nearest thousand dollars, unless otherwise stated. The presentation currency of WorkSafe is the Australian dollar, which is also its functional currency.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Unless otherwise stated, accounting policies selected have been consistently applied to all periods presented in the financial statements.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods if the revisions affect both current and future periods. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements have been disclosed in Notes 2.3.4, 2.3.5, 6.2 and 7.3. Critical estimates and assumptions for the year ended 30 June 2023 include consideration of the COVID-19 pandemic.

Compliance information

These general purpose financial statements have been prepared in accordance with the Financial Management Act 1994 and applicable Australian Accounting Standards which include Interpretations issued by the Australian Accounting Standards Board. For the purposes of preparing the financial statements, the Victorian Government has determined that WorkSafe is a not-for-profit entity. Where appropriate, those paragraphs in the Australian Accounting Standards applicable to not-for-profit entities have been applied.

The audited annual financial statements were authorised for issue in accordance with a resolution of the Board on 29 August 2023.

Regulatory context

WorkSafe administers the following legislation:

- Occupational Health and Safety Act 2004 - health, safety and welfare in the workplace
- Workplace Injury Rehabilitation and Compensation Act 2013 - workers compensation and the rehabilitation of injured workers, where the injury occurred after 1 July 2014
- Accident Compensation Act 1985 - workers compensation and the rehabilitation of injured workers, where the injury occurred prior to 1 July 2014
- Workers Compensation Act 1958 - workers compensation prior to 1985.
- Dangerous Goods Act 1985 - explosives and other dangerous goods
- Equipment (Public Safety) Act 1994 - high-risk equipment used in non-work-related situations

WorkSafe also administers regulations made under these Acts.

2. Results from Insurance Operations

Introduction to this section

WorkSafe has two important functions from its Strategy 2021-24 - reducing workplace harm and improving outcomes for injured workers.

WorkSafe provides workplace injury insurance for employers and manages the workers compensation scheme in Victoria.

The funding required to support WorkSafe's functions is sourced from insurance premiums collected from employers within Victoria, and investment income (Section 3).

This section provides details of premium collected by WorkSafe and expenditure incurred to perform its functions.

Structure

- 2.1 Underwriting result
- 2.2 Premiums
 - 2.2.1 Premium revenue
 - 2.2.2 Premium receivables
 - 2.2.3 Premium creditors
- 2.3 Claims
 - 2.3.1 Claims expense
 - 2.3.2 Outstanding claims
 - 2.3.3 Recoveries revenue
 - 2.3.4 Recoveries receivable
 - 2.3.5 Actuarial assumptions and methods
- 2.4 Authorised agent fees and internal claims management costs
- 2.5 Insurance contacts – risk management policies and procedures

2.1 Underwriting result

	Note	2023 \$000s	2022 \$000s
Premium revenue	2.2.1	3,255,044	2,918,060
Underwriting expenses			
Gross claims incurred	2.3.1	(5,453,052)	(2,513,139)
Recoveries revenue	2.3.3	410,889	237,717
Net claims incurred		(5,042,163)	(2,275,422)
Dispute resolution expenses	2.3.1	(43,088)	(39,612)
Authorised agent fees and internal claims management costs	2.4	(335,889)	(322,015)
Total underwriting expenses		(5,421,140)	(2,637,049)
Underwriting result		(2,166,096)	281,011

2.2 Premiums

2.2.1 Premium revenue

	2023 \$000s	2022 \$000s
Gross premium	3,275,513	2,967,294
Reassessment of prior years' premium	93,196	67,426
Premium discount allowed	(102,764)	(96,492)
Premium fines and penalties	18,460	14,259
(Increase)/decrease in provision for impairment of premium debts	(17,511)	(22,678)
Premium bad debts written-off	(11,850)	(11,749)
	3,255,044	2,918,060

Premium revenue comprises amounts charged to employers by WorkSafe for WorkCover insurance. The earned portion of premiums received and receivable is recognised as revenue. Premium is treated as earned from the effective registration date and is recognised as revenue over the period.

Included above is an estimated increase of \$77.5 million (2022: \$65.7 million increase) in relation to confirmed premium. The confirmed premium estimate makes allowance for employers who have not yet certified their remuneration. The premium increase or decrease that may result from the reassessment of prior year's premium estimate (i.e. the difference between the actuarial estimation and actual certification) is taken up as a part of current year's premium.

The rateable remuneration estimate on which the confirmed premium estimate is based, is obtained through an independent actuary.

Bad debts written-off during the year include unpaid premium for prior years.

2.2.2 Premium receivables

	2023 \$000s	2022 \$000s
Premium receivables	171,284	147,497
Provision for impairment	(82,619)	(65,108)
	88,665	82,389
Confirmed premium estimate	77,455	65,725
	166,120	148,114

Premium receivable amounts due from employers (being the amounts due excluding the provision for confirmed premium) are initially recognised at fair value. They are subsequently measured at amortised cost which is approximated by taking the initially recognised amounts and reducing them for impairment as appropriate. The confirmed premium estimate at 30 June 2023 represents an increase in premium receivables of \$77.5 million (2022: \$65.7 million increase) based on the actuarial assessment. The average credit period for premium receivables is 30 days.

Included within premium receivables at the reporting date are \$98.8 million (2022: \$93.3 million) of past due receivables and WorkSafe has partially provided for impairment of these receivables. WorkSafe does not hold any collateral over these balances. The average age of those receivables that are past due but not impaired is 91 days (2022: 92 days).

	2023 \$000s	2022 \$000s
Ageing of past due premium receivable		
30 days past due	5,372	5,770
31 - 60 days past due	692	1,247
61 - 90 days past due	1,063	565
91 - 180 days past due	6,411	7,550
More than 180 days past due	85,230	78,217
	98,768	93,349

WorkSafe applies the AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. WorkSafe has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on past history, existing market conditions and forward-looking estimates at the end of the reporting period. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The impairment charge is recognised in the comprehensive operating statement.

WorkSafe provides fully for uncollected debts of the employers who are in administration, receivership, liquidation or bankruptcy, and those debts where events have occurred and/or historical experience exists, which indicates that recovery of the debt is considered unlikely. A provision is also made for other past due debts based on historical loss experience as well as an overlay for the expected impact of COVID-19 on the ability of businesses to pay outstanding amounts.

	2023 \$000s	2022 \$000s
Movement in provision for impairment		
Balance at beginning of the year	65,108	42,430
Receivables written off during the year as uncollectible	(81)	(21)
(Decrease) Increase in allowance recognised in comprehensive operating statement	17,592	22,699
Balance at end of the year	82,619	65,108

Unexpired risk liability

All WorkCover insurance expires on 30 June and hence no unearned premium exists at the year end reporting date.

Given no unearned premium exists at the year end reporting date a liability adequacy test is not undertaken at 30 June. A liability adequacy test assesses whether the unearned premium liability is sufficient to cover all expected future cash flows relating to future claims against current insurance contracts.

2.2.3 Premium creditors

Premium creditors represent amounts owing to employers as a result of premium being in credit at the reporting date.

	2023 \$000s	2022 \$000s
Premium creditors	125,779	102,158
	125,779	102,158

2.3 Claims

2.3.1 Claims expense

	2023			2022		
	Current year \$000s	Prior years \$000s	Total \$000s	Current year \$000s	Prior years \$000s	Total \$000s
Gross claims paid	346,339	2,773,353	3,119,692	286,963	2,440,036	2,726,999
Movement in outstanding claims	8,029,402	(3,142,954)	4,886,448	6,320,057	(2,224,582)	4,095,475
Gross claims incurred - undiscounted	8,375,741	(369,601)	8,006,140	6,607,020	215,454	6,822,474
Discount and discount movement	(2,494,078)	(59,010)	(2,553,088)	(1,650,674)	(2,658,661)	(4,309,335)
Gross claims incurred	5,881,663	(428,611)	5,453,052	4,956,346	(2,443,207)	2,513,139

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

The claim payments and movement in outstanding claims liability during the year by payment type are as follows:

	2023			2022		
	Claims paid \$000s	Liability movement \$000s	Total \$000s	Claims paid \$000s	Liability movement \$000s	Total \$000s
Weekly compensation	1,399,134	1,635,999	3,035,133	1,306,224	(480,028)	826,196
Medical including medico-legal	591,269	383,175	974,444	527,503	63,015	590,518
Impairment benefits	174,429	95,284	269,713	154,844	34,685	189,529
Common law	741,689	74,891	816,580	671,085	132,869	803,954
Other payment types	213,333	(131,383)	81,950	153,670	(46,845)	106,825
Claims handling expenses	-	77,510	77,510	-	113,026	113,026
Risk margin	-	197,884	197,884	-	(30,582)	(30,582)
Self-insurer (re-entry) exit settlement	(162)	-	(162)	(86,327)	-	(86,327)
Gross claims incurred	3,119,692	2,333,360	5,453,052	2,726,999	(213,860)	2,513,139

Claims handling expenses are an allowance made for the expenses to be incurred in settling claims. The risk margin provides for the inherent uncertainty in the central estimate of the outstanding claims.

	2023 \$000s	2022 \$000s
Gross claims incurred	5,453,052	2,513,139
Dispute resolution expenses		
Certified payments to Workplace Injury Commission (WIC)	24,728	20,805
Contribution to DTF Consolidated Fund for court use	9,521	9,330
Medical Panels costs	5,125	5,872
WorkCover Assist costs	2,521	2,463
Union Assist costs	1,193	1,142
	43,088	39,612
Total claims expense recognised in the comprehensive operating statement	5,496,140	2,552,751

The estimated cost of claims includes expenses to be incurred in settling claims gross of the expected value of recoveries. Claims expense which includes the movement in outstanding claims liability, is recognised in respect of insurance business and uninsured employers.

2.3.2 Outstanding claims

	2023 \$000s	2022 \$000s
Summary of valuation		
Expected future claim payments (undiscounted)	33,012,450	28,401,396
Discount to present value	(10,731,476)	(8,178,388)
	22,280,974	20,223,008
Claims handling expenses	1,952,377	1,874,867
	24,233,351	22,097,875
Risk margin	2,412,585	2,214,701
Gross outstanding claims liability	26,645,936	24,312,576
Current	3,804,619	3,499,121
Non-current	22,841,317	20,813,455
	26,645,936	24,312,576

Refer to Note 2.3.5 for detailed disclosures of how the claim liability is estimated and actuarial assumptions applied.

	2023 Liability \$000s	2023 Movement \$000s	2022 Liability \$000s	2022 Movement \$000s	2021 Liability \$000s
Movement in gross outstanding claims liability					
Weekly compensation	11,706,675	1,635,999	10,070,676	(480,028)	10,550,704
Medical including medico-legal	4,320,888	383,175	3,937,713	63,015	3,874,698
Impairment benefits	707,785	95,284	612,501	34,685	577,816
Common law	4,642,628	74,891	4,567,737	132,869	4,434,868
Other payment types	902,998	(131,383)	1,034,381	(46,845)	1,081,226
Claims handling expenses	1,952,377	77,510	1,874,867	113,026	1,761,841
Risk margin	2,412,585	197,884	2,214,701	(30,582)	2,245,283
	26,645,936	2,333,360	24,312,576	(213,860)	24,526,436

Reconciliation of movement in discounted net outstanding claims liability

	2023			2022		
	Gross \$000s	Recoveries \$000s	Net \$000s	Gross \$000s	Recoveries \$000s	Net \$000s
Balance at beginning of the year	24,312,576	(374,003)	23,938,573	24,526,436	(358,018)	24,168,418
Effect of change in economic assumptions	(421,988)	4,723	(417,265)	(2,490,631)	18,903	(2,471,728)
Effect of past inflation rate different to assumptions	22,773	-	22,773	146,226	(3,002)	143,224
Effect of changes in other assumptions	(203,269)	(118,274)	(321,543)	191,909	(30,782)	161,127
Increase in claims incurred in current accident year	5,882,465	(258,225)	5,624,240	4,959,209	(210,476)	4,748,733
Release of risk margin and claims handling expenses	(673,874)	-	(673,874)	(601,407)	-	(601,407)
Cost of prior period claims moving closer to payment	846,945	(39,113)	807,832	307,833	(12,360)	295,473
Inurred claims recognised in the comprehensive operating statement	5,453,052	(410,889)	5,042,163	2,513,139	(237,717)	2,275,422
Claim (payments) recoveries during the year	(3,119,692)	293,711	(2,825,981)	(2,726,999)	221,732	(2,505,267)
Balance at end of the year	26,645,936	(491,181)	26,154,755	24,312,576	(374,003)	23,938,573

The following tables show the development of gross and net undiscounted outstanding claims relative to the ultimate expected claims for the ten most recent accident years.

Gross

Accident year	2014 \$000s	2015 \$000s	2016 \$000s	2017 \$000s	2018 \$000s	2019 \$000s	2020 \$000s	2021 \$000s	2022 \$000s	2023 \$000s	Total \$000s
Estimate of ultimate claims cost:											
- At end of - accident year	2,118,630	2,235,807	2,314,811	2,529,716	2,693,267	3,019,924	3,914,471	4,797,714	5,538,079	7,064,312	
- One year later	2,107,834	2,228,919	2,409,244	2,554,784	2,860,342	3,663,806	5,157,572	5,513,922	6,091,877		
- Two years later	2,056,635	2,287,387	2,426,400	2,630,835	3,364,006	4,777,479	5,274,077	5,639,474			
- Three years later	2,084,681	2,309,455	2,468,873	2,896,925	3,599,011	4,496,527	5,148,809				
- Four years later	2,062,883	2,307,049	2,639,646	2,959,864	3,533,344	4,330,895					
- Five years later	2,021,488	2,458,677	2,736,903	3,130,861	3,594,117						
- Six years later	2,053,782	2,472,912	2,748,942	3,091,133							
- Seven years later	2,067,096	2,526,865	2,771,518								
- Eight years later	2,129,519	2,558,779									
- Nine years later	2,159,629										
Current estimate of cumulative claims cost	2,159,629	2,558,779	2,771,518	3,091,133	3,594,117	4,330,895	5,148,809	5,639,474	6,091,877	7,064,312	42,450,543
Cumulative payments	(1,582,436)	(1,753,617)	(1,731,723)	(1,699,927)	(1,700,228)	(1,662,550)	(1,501,277)	(1,177,507)	(827,238)	(347,141)	(13,983,644)
Outstanding claims - undiscounted	577,193	805,162	1,039,795	1,391,206	1,893,889	2,668,345	3,647,532	4,461,967	5,264,639	6,717,171	28,466,899
2013 and prior years											4,545,551
Total outstanding claims - undiscounted											33,012,450
Discount											(10,731,476)
Claims handling expenses											1,952,377
Risk margin											2,412,585
Total gross outstanding claims per balance sheet											26,645,936

Net

Accident year	2014 \$000s	2015 \$000s	2016 \$000s	2017 \$000s	2018 \$000s	2019 \$000s	2020 \$000s	2021 \$000s	2022 \$000s	2023 \$000s	Total \$000s
Estimate of ultimate claims cost:											
- At end of - accident year	1,996,268	2,101,986	2,182,305	2,393,970	2,549,701	2,862,337	3,744,125	4,605,522	5,314,054	6,783,617	
- One year later	1,983,244	2,096,658	2,276,919	2,422,012	2,714,346	3,507,927	4,979,351	5,314,804	5,851,447		
- Two years later	1,931,906	2,155,537	2,296,213	2,497,064	3,219,348	4,613,309	5,090,146	5,437,862			
- Three years later	1,958,459	2,181,619	2,336,053	2,763,530	3,446,257	4,325,887	4,942,821				
- Four years later	1,939,257	2,179,877	2,507,738	2,818,875	3,375,074	4,145,583					
- Five years later	1,897,791	2,332,567	2,600,786	2,986,818	3,418,166						
- Six years later	1,928,290	2,344,499	2,609,754	2,939,408							
- Seven years later	1,938,750	2,396,468	2,622,745								
- Eight years later	2,001,726	2,420,716									
- Nine years later	2,028,369										
Current estimate of cumulative claims cost	2,028,369	2,420,716	2,622,745	2,939,408	3,418,166	4,145,583	4,942,821	5,437,862	5,851,447	6,783,617	40,590,734
Cumulative payments	(1,458,532)	(1,627,544)	(1,601,269)	(1,575,938)	(1,565,944)	(1,537,929)	(1,371,890)	(1,066,273)	(684,502)	(185,044)	(12,674,865)
Outstanding claims - undiscounted	569,837	793,172	1,021,476	1,363,470	1,852,222	2,607,654	3,570,931	4,371,589	5,166,945	6,598,573	27,915,869
2013 and prior years											4,526,540
Total outstanding claims - undiscounted											32,442,409
Discount											(10,652,616)
Claims handling expenses											1,952,377
Risk margin											2,412,585
Total outstanding claims net of recoveries per the balance sheet											26,154,755

2.3.3 Recoveries revenue

	2023			2022		
	Current year \$000s	Prior years \$000s	Total \$000s	Current year \$000s	Prior years \$000s	Total \$000s
Recoveries received	162,097	131,614	293,711	139,513	82,219	221,732
Movement in recoveries receivable	118,598	30,015	148,613	84,514	(32,742)	51,772
Recoveries revenue - undiscounted	280,695	161,629	442,324	224,027	49,477	273,504
Discount and discount movement	(22,471)	(8,964)	(31,435)	(13,550)	(22,237)	(35,787)
Recoveries revenue	258,224	152,665	410,889	210,477	27,240	237,717

Recoveries from the Transport Accident Commission (TAC), prior insurers and other third parties are recognised as revenue.

2.3.4 Recoveries receivable

	2023 \$000s	2022 \$000s
Expected future recoveries (undiscounted)	570,141	421,528
Discount to present value	(78,960)	(47,525)
Recoveries receivable on incurred claims	491,181	374,003
Current	85,066	67,475
Non-current	406,115	306,528
	491,181	374,003

Recoveries receivable are reported as assets and measured as the present value of the expected future receipts. The actuarial assessment of the recoveries receivable is in a manner similar to the assessment of outstanding claims (see Note 2.3.2). A provision for impairment is established when there is objective evidence that WorkSafe will not be able to collect all the recovery amounts.

2.3.5 Actuarial assumptions and methods

WorkSafe provides WorkCover insurance which is long-tail in nature, meaning that claims may not be reported until many years after the injury and are typically settled more than one year after being reported.

Significant estimates and judgements are made by WorkSafe's independent valuation actuary in respect of outstanding claims liability amounts disclosed in the financial statements. These estimates and judgements are continually being evaluated and are based on historical experience, as well as enhancements to actuarial modelling techniques. The key areas of significant estimates and judgements and the methodologies used to determine key assumptions are set out below.

Provision is made for the estimated cost of claims incurred but not settled at the reporting date, including the cost of claims incurred but not reported to WorkSafe.

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

The estimation of outstanding claims liabilities is based largely on the assumption that past developments are an appropriate predictor of the future and involves a variety of actuarial techniques that analyse experience, trends and other relevant factors. Various types of payments made by WorkSafe are grouped into a number of benefit categories and are analysed separately. It is then followed by calculations that take account of inflation, discount rates and various assumptions, etc.

This is illustrated below:



Actuarial assumptions

The following assumptions have been made in determining the outstanding claims liabilities:

	2023	2022
Average claim frequency (claims per worker)	0.96%	0.89%
Average claim size	\$145,179	\$131,315
• Average weekly size	\$85,027	\$70,655
• Average common law size	\$26,795	\$27,494
• Average all other payments size	\$33,357	\$33,167
Expense rate	8.8%	9.3%
Discount rate		
• Weighted average discount rate (0 – 20 years)	4.21%	3.69%
• Long-term discount rate (21+ years)	4.61%	4.24%
Inflation rate		
• Weighted average AWE inflation rate (0 – 20 years)	3.58%	3.20%
• Long-term AWE inflation rate (21+ years)	3.55%	3.37%
• Weighted average CPI inflation rate (0 – 20 years)	2.71%	2.72%
• Long-term CPI inflation rate (21+ years)	2.55%	2.37%
Average weighted term to settlement from balance date	7.5 years	7.4 years
Risk margin	10.0%	10.0%

Process used to determine assumptions

A description of the processes used to determine these assumptions is provided below:

Average claim frequency

Claim frequency for the current underwriting year is estimated by projecting the number of claims incurred and dividing this by the number of workers for the year. The average claim frequency is not used directly in the valuation models but provides a high level indicator of claim experience.

Average claim size

The average claim size is in respect of the current underwriting year and takes into account the expected payments for each payment type (e.g. weekly, medical, impairment benefits, common law, other), as well as the proportion of total injured workers who receive each benefit. The figures shown in the above table are in current values, i.e. in dollars at the respective balance date before the impact of inflation to the time of payment and discounting the resultant payments back to the valuation date.

The average claim size is further broken down into two key components; the costs of weekly compensation and common law compensation (including legal costs) per claim. This takes into account the number of injured workers expected to access the particular compensation as well as the amount of compensation expected to be paid. For completeness, the average sizes of other compensations are also shown.

Expense rate

The claims handling expense allowance is calculated as a proportion of total projected claim payments of the scheme at the balance date based on recent historical experience.

Discount rate

Discount rates are based on observed bond yields where these are available (the longest duration Australian Government bond will mature in June 2051). Beyond this point, an extrapolation approach is used to blend to the long term discount rate assumption.

Inflation rate

Short term economic inflation assumptions are set by reference to DTF forecasts. The long term CPI inflation rate assumption is based on the Reserve Bank target. The long term AWE inflation rate assumption has been set by maintaining a fixed gap with the CPI, based on the historic gap between CPI and AWE.

Average weighted term to settlement

The average weighted term to settlement is calculated separately by benefit type based on historical settlement patterns. It is an outworking of the models rather than an explicit assumption and represents the average inflated and discounted term of payments in the outstanding liability from the balance date to payment.

Risk margin

The risk margin provides for the inherent uncertainty in the central estimate of the outstanding claims.

An overall risk margin is determined allowing for the relative uncertainty of the outstanding claims estimate. Uncertainty is analysed for each benefit type taking into account potential uncertainties relating to the actuarial models and assumptions, the quality of the underlying data used in the models, the general insurance environment, and the impact of legislative reform.

The estimate of uncertainty is greater for long-tail business when compared to short-tail business due to the longer time until settlement of outstanding claims. The assumptions regarding uncertainty are applied to the net central estimates in order to arrive at an overall provision which is intended to have a 75% probability of adequacy.

Sensitivity analysis - insurance contracts

WorkSafe's valuation actuary conducts sensitivity analyses to quantify the exposure to risk of changes in the key underlying variables. The valuations included in the reported results are calculated using certain assumptions about these variables as disclosed above. The movement in any key variable will impact the financial performance and equity of WorkSafe. The table below describes how a change in each assumption will affect the insurance liabilities and shows an analysis of the sensitivity of the net result and equity to changes in these assumptions.

Variable	Impact of movement in variable
Average weekly size	The average weekly size per claim will vary with the number of injured workers receiving weekly compensation and the amount of that compensation. The amount of compensation depends not only on the amount paid per week but more significantly on the durations for which injured workers receive this compensation. Increases or decreases in any of these components will result in a corresponding impact on claims expense. The ± 1% movement shown in the impact table below represents a 1% increase or decrease in all future estimated weekly payments included in the outstanding claims liability.
Average common law size	The average common law size per claim will vary with the number of injured workers receiving common law compensation and the amount of that compensation (including legal costs). Increases or decreases in any of these components will result in a corresponding impact on claims expense. The ± 1% movement shown in the impact table below represents a 1% increase or decrease in all future estimated common law payments included in the outstanding claims liability.
Expense rate	An estimate for the internal costs of handling claims is included in the outstanding claims liability. An increase or decrease in the expense rate assumption would have a corresponding impact on claims expense.
Discount rates	The outstanding claims liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. An increase or decrease in the assumed discount rate will have an opposing impact on claims expense.
Inflation rates	Expected future payments are inflated to take account of expected future cost increases. An increase or decrease in the assumed levels of future inflation would have a corresponding impact on claims expense.

The impact on net result and equity, had changes in the key variables occurred at the end of the reporting period, is summarised in the table below:

Recognised amounts per the financial statements	Variable	Movement	2023		2022	
			Net result \$000s	Equity \$000s	Net result \$000s	Equity \$000s
			(\$176,190)	(\$1,259,025)	\$42,701	(\$1,082,835)
	Average weekly size	+1%	(\$266,331)	(\$1,349,167)	(\$34,844)	(\$1,160,380)
		-1%	(\$86,049)	(\$1,168,884)	\$120,244	(\$1,005,291)
	Average common law size	+1%	(\$211,938)	(\$1,294,774)	\$7,529	(\$1,118,007)
		-1%	(\$140,442)	(\$1,223,277)	\$77,872	(\$1,047,664)
	Expense rate	+1%	(\$346,434)	(\$1,429,269)	(\$111,290)	(\$1,236,826)
		-1%	(\$5,946)	(\$1,088,781)	\$196,691	(\$928,845)
	Weighted average discount rate (0-20 years)	+0.5%	\$416,121	(\$666,714)	\$572,514	(\$553,022)
		-0.5%	(\$808,558)	(\$1,891,394)	(\$522,563)	(\$1,648,099)
	Long-term discount rate (21+ years)	+0.5%	(\$125,736)	(\$1,208,571)	\$89,490	(\$1,036,045)
		-0.5%	(\$230,139)	(\$1,312,975)	(\$7,637)	(\$1,133,173)
	Weighted average AWE & CPI inflation rate (0-20 years)	+0.5%	(\$810,352)	(\$1,893,187)	(\$523,713)	(\$1,649,249)
		-0.5%	\$423,128	(\$659,707)	\$578,439	(\$547,097)
	Long-term AWE & CPI inflation rate (21+ years)	+0.5%	(\$231,499)	(\$1,314,335)	(\$8,881)	(\$1,134,416)
		-0.5%	(\$124,022)	(\$1,206,857)	\$91,055	(\$1,034,480)

The impact of changes in the key variables on net result and equity represents the impact on the net outstanding claims liability inclusive of risk margin.

2.4 Authorised agent fees and internal claims management costs

	2023 \$000s	2022 \$000s
Authorised agent fees and internal claims management costs	326,145	317,372
Claims and Recovery Support (CaRS)	8,912	2,539
Management agent fees	832	2,104
	335,889	322,015

Authorised agents operating under an instrument of appointment issued pursuant to the *Workplace Injury Rehabilitation and Compensation Act 2013* are paid fees for acting on behalf of WorkSafe in the issuing of WorkCover insurance, collection of premiums and the administration of claims. The agent remuneration includes performance based components. In March 2022, the Victorian Government released its response to the Independent Review into the Agent Model and the Administration and Management of Complex Workers Compensation Claims. In line with the review's recommendations, the CaRS Division of WorkSafe took direct responsibility for claims management activities for Victorian workers who have been on the workers compensation scheme for more than 130 weeks, and whose employers had ceased to operate. Under section 494 of the *Workplace Injury Rehabilitation and Compensation Act 2013*, WorkSafe is empowered to administer the Workers Compensation Act 1958. Management agent fees represent amounts paid for managing liabilities under the 1958 Act, and the payments made to the TAC for the management of WorkSafe claims of injured workers with catastrophic injuries.

2.5 Insurance contracts – risk management policies and procedures

The financial condition and operation of WorkSafe is affected by a number of key risks including insurance, interest rate, credit, market, liquidity, financial and operational risks. WorkSafe's policies and procedures in respect of managing these risks are set out below.

Objectives in managing risks arising from insurance contracts and policies mitigating those risks

WorkSafe has an objective to manage insurance risk thus reducing the volatility of insurance premiums and performance from insurance operations. In addition to the inherent uncertainty of insurance risk, which can lead to significant variability in the loss experience, the net result for WorkSafe is significantly affected by short-term market and economic factors external to the organisation as explained in Note 3.4.

WorkSafe has developed, implemented and maintained a sound and prudent risk management strategy that encompasses all aspects of its operations.

The strategy sets out WorkSafe's policies and procedures, processes and controls in relation to the management of likely financial and non-financial risks.

Key aspects of the processes in place to mitigate risks include:

- the use of sophisticated management information systems, which provide reliable and up-to-date data on the risks to which the business is exposed at any point in time
- the use of detailed internal monitoring tools which link actuarial valuation projections with the management information systems to monitor claim patterns
- adherence to reliable procedures for pricing risk
- an investment allocation strategy which seeks to optimise returns within the balance sheet risk parameters adopted by WorkSafe.

Terms and conditions of insurance business

The terms and conditions of the WorkCover insurance scheme administered by WorkSafe were established under the Accident Compensation Act 1985 and have continued operation under the Workplace Injury Rehabilitation and Compensation Act 2013. Cover is for annual periods ending 30 June each year. The terms and conditions of the scheme are the same for all insured employers.

Concentration of insurance risk

WorkSafe underwrites WorkCover insurance for Victorian employers. The employers are diversified by sector, industry, size and geographic location. Concentration of insurance risk principally arises from major sites or centres of employment such as the Melbourne CBD. Such issues are considered when determining scheme financing strategies.

Interest rate risk

Assets and liabilities arising from insurance contracts entered into are directly exposed to interest rate risk. Changes in interest rates affect the valuation of WorkSafe's assets and liabilities.

Credit risk

Assets and liabilities arising from insurance contracts are stated in the balance sheet at the amounts that best represent the maximum credit risk exposure at the reporting date. There are no significant concentrations of credit risk.

3. Investment Portfolio and Performance

Introduction to this section

This section includes the investments that are held by WorkSafe as well as the associated returns outlined in Section 2, that are utilised to fund its functions.

Structure

- 3.1 Investment income and investment expenses
- 3.2 Investments
- 3.3 Cash and cash equivalents
- 3.4 Explanation of volatility of financial results

3.1 Investment income and investment expenses

	2023 \$000s	2022 \$000s
Gross investment income		
Dividends and distributions	1,163,755	1,524,415
Interest	44,862	6,348
Change in fair value of investments at fair value through the comprehensive operating statement	796,009	(1,859,335)
Total investment income	2,004,626	(328,572)
Investment expenses	(55,629)	(53,884)
Net investment income	1,948,997	(382,456)

Change in fair value of investments is the difference between the fair value of the investments at 30 June 2022 or the cost of acquisition (for investments purchased during the year), and sales proceeds or their fair value at 30 June 2023.

Dividend income is recognised when WorkSafe's right to receive payment has been established, whilst interest revenue is recognised on an accrual basis. Trust distribution income is recognised when the market prices are quoted ex-distribution for listed trusts. Unlisted trust distribution income is recognised when the trustee declares distributions.

Interest represents interest earned on deposits and money market securities, together with coupon interest.

Investment expenses are fees paid to the Victorian Funds Management Corporation (VFMC) under the Client Funds Management Service Agreement and other sundry professional fees incurred by WorkSafe in relation to management of the investment portfolio.

The net return on the investment portfolio for the year was 9.38% (2022: -1.83%).

3.2 Investments

Summary of investments integral to general insurance activities carried at fair value through the comprehensive operating statement

WorkSafe's investment activity is undertaken pursuant to the Workplace Injury Rehabilitation and Compensation Act 2013, the Borrowing and Investment Powers Act 1987 and formal approvals issued by the Treasurer of Victoria.

WorkSafe's investment portfolio is managed by the VFMC in accordance with the Prudential Standard covering Victorian insurance agencies. All WorkSafe investments must be placed with the VFMC.

WorkSafe's responsibility is to set investment objectives for the VFMC after considering such matters as WorkSafe's capital needs, pricing and the Government's risk preferences. The WorkSafe Board is not responsible for the management or prudential supervision of the investments - the management responsibility rests with the VFMC and the prudential supervision responsibility rests with the Department of Treasury and Finance (DTF).

The investment approach that is determined by the VFMC for WorkSafe is documented in a detailed Investment Risk Management Plan (IRMP) which is approved by the Treasurer. The IRMP is prepared by the VFMC and addresses issues concerning strategy, portfolio construction, benchmarks and risk management.

Investment performance, including comparisons to market benchmarks, is reported to the WorkSafe Board. The Board's standing Risk and the Finance and Audit Committee review strategic financial risks and balance sheet matters, including the examination of investment objectives and portfolio performance. Each six months, the VFMC Board certifies that the investment portfolio has been managed in accordance with the approved IRMP and WorkSafe's investment objectives. A certification is also provided to the DTF annually.

The investment portfolio consists of a range of asset exposures including: cash and nominal bonds to cover short-term risk and liquidity needs; inflation linked assets that more closely match WorkSafe's liability characteristics; equities to provide for long-term growth; and other assets that provide diversification benefits across the general portfolio.

As a part of the VFMC's investment strategy, contracts are entered into which require WorkSafe to contribute additional future capital. These future investment commitments are not recognised in the balance sheet and amount to \$3,860.3 million (2022: \$2,924.3 million).

WorkSafe's investments at the reporting date comprises:

	2023 \$000s	2022 \$000s
Investment assets		
Cash and cash equivalents	1,048,644	2,036,210
Cash collateral and margin accounts	35,111	106,176
Receivables	1,434,662	1,508,840
Derivative assets	42,106	318,480
Equity and managed investments schemes	19,927,517	17,094,889
	22,488,040	21,064,595
Investment related liabilities		
Cash collateral and margin accounts	(7,430)	(187,312)
Payables	-	(10)
Derivative liabilities	(371,166)	(590,417)
	(378,596)	(777,739)
	22,109,444	20,286,856
Current		
Investment assets	2,557,397	3,966,122
Investment related liabilities	(337,243)	(584,607)
	2,220,154	3,381,515
Non-current		
Investment assets	19,930,643	17,098,473
Investment related liabilities	(41,353)	(193,132)
	19,889,290	16,905,341
	22,109,444	20,286,856

WorkSafe has determined that all investments are held to back WorkCover insurance liabilities.

Investments are designated at fair value through the comprehensive operating statement on the basis that the investments are managed as a portfolio based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies. Initial recognition is at cost in the balance sheet, with attributable transaction costs expensed as incurred. Subsequent measurement is at fair value with any resultant realised and unrealised gains or losses recognised in the comprehensive operating statement.

The details of categories of financial instruments and the methods and assumptions used to estimate fair value are included in Note 7.3.

Investments that are due to mature, expire or be realised within twelve months of reporting date are classified as current investments for the purposes of classification in the balance sheet. While this classification policy may result in a reported working capital deficit, included in non-current investments is a large proportion of liquid securities which the VFMC can use to ensure sufficient liquidity is available to meet WorkSafe's operating requirements.

Investments are derecognised when the rights to receive future cash flows from the assets have expired, or have been transferred, and WorkSafe has transferred substantially all the risks and rewards of ownership.

The details on how WorkSafe manages its exposure to financial risks are included in Note 7.1.

3.3 Cash and cash equivalents

Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand and highly liquid investments that have short periods to maturity and are readily convertible to cash at the option of WorkSafe. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement are reconciled to the related items in the balance sheet as follows:

	2023 \$000s	2022 \$000s
Cash in hand	130,909	120,956
Investment - Cash and cash equivalents ¹	1,048,644	2,036,210
	1,179,553	2,157,166

Note:

¹ Included in cash and cash equivalents at 30 June 2023 is the net amount of \$15.3 million (2022: \$130.9 million), representing cash received as collateral and cash held with brokers against future repayment obligations under derivative contracts.

	2023 \$000s	2023 \$000s
Reconciliation of net result to net cash flows from operating activities		
Net result for the year	(176,190)	42,701
Change in fair value of investments at fair value through the comprehensive operating statement, net of reinvested dividends and distributions	(1,537,857)	955,519
Depreciation on property, plant and equipment	5,552	6,136
Amortisation intangibles	23,669	19,619
(Profit) loss on disposal of plant and equipment	(7)	-
Amortisation - Right-of-use assets	17,123	16,492
Interest expense on lease liabilities	3,169	3,326
Right-of-use benefit	(18,588)	(17,449)
Movements in provisions due to changes in discount rates	(1,251)	(2,376)
Changes in assets and liabilities:		
(Increase) decrease in premium receivables	(17,849)	3,145
(Increase) decrease in investment income receivable	2,364	(6,646)
(Increase) decrease in recoveries receivable	(117,178)	(15,985)
(Increase) decrease in sundry receivable	891	(609)
(Increase) decrease in prepayments	(311)	148,270
(Increase) decrease in net deferred tax assets	(233,654)	(210,769)
(Decrease) increase in premium creditors	23,621	(5,282)
(Decrease) increase in other payables	(11,255)	30,168
(Decrease) increase in outstanding claims	2,333,360	(213,860)
(Decrease) increase in provisions	4,720	(35,179)
Total adjustments	476,519	674,520
Net cash flows from operating activities	300,329	717,221

3.4 Explanation of volatility of financial results

This note provides additional analysis of the result before income tax of -\$409.8 million (2022: -\$168.1 million).

Given the long-term nature of the WorkSafe scheme both from investment and outstanding claims perspectives, the net result for WorkSafe is significantly affected by short-term market and economic factors external to the organisation. External factors contribute to the difference between actual returns and the long-term estimated returns established by management, and also include major changes in economic assumptions and legislative changes.

External factors can cause significant variations in reported results from year to year as illustrated below.

Accordingly for internal management reporting purposes, WorkSafe monitors and measures its financial performance based on performance from insurance operations (PFIO) without the impact of external factors. This approach is considered a more appropriate indicator for measuring financial performance and is adopted for reporting to the Victorian State Government.

The impact of external factors on the financial result is explained below:

	2023 \$000s	2022 \$000s
Impact on result from internal factors		
Performance from insurance operations	(1,763,852)	(1,584,610)
Impact on result from external factors		
Difference between actual investment returns and long-term expected returns	563,676	(1,832,270)
Changes in inflation assumptions and discount rates	490,332	2,846,905
Legislative changes	-	(48,093)
Operating grant	300,000	450,000
Result before income tax	(409,844)	(168,068)

The investment portfolio recorded a 9.38% net return after fees for the 12 months to June.

Over the 2022/23 financial year the scheme recorded an actuarial increase of \$211m (including risk margin). The key driver for the increase was higher weekly costs (Non-Mental injuries). This increase was partially offset by higher than expected recoveries, lower Common Law costs (average Common Law settlement sizes below expected), lower Silicosis costs (average claim size down and slower than expected payment pattern), and lower Hospital costs (payments for recent injury years and as a result of Covid-19 lower than expected).

Funding of \$300m was received from the State Government in October 2022.

4. Cost of operations

Introduction to this section

This section details WorkSafe's other income earned, together with its operating costs incurred, in its day-to-day operating activities.

Structure

- 4.1 Other income
- 4.2 State funding
- 4.3 Other operating costs

4.1 Other income

	2023 \$000s	2022 \$000s
Self-insurer receipts	15,792	13,423
Health & safety licensing income	9,296	7,003
Fines and penalties	4,261	3,057
Grant income - VAEA	1,617	87
Asset rental income - WIC	342	309
Property rental income - TAC	344	414
Sundry receipts	1,243	1,222
	32,895	25,515

Fines and penalties income is recognised upon receipt of the payment. All other income is recognised when earned.

WorkSafe receives rental income from Workplace Injury Commission (WIC) for the use of its plant and equipment and Transport Accident Commission (TAC) for the use of its leased property.

4.2 State funding

	2023 \$000s	2022 \$000s
State funding	300,000	450,000
	300,000	450,000

Funding of \$300 million was received from the State Government in October 2022. This has been recognised as income upon receipt in accordance with AASB1058 Income of Not-for-Profit Entities (2022: \$450 million).

4.3 Other operating costs

	2023 \$000s	2022 \$000s
Staff and related	296,634	260,580
Software as a Service (SaaS) Adjustment	-	90,935
Information technology	75,856	62,177
Professional services ¹	50,779	8,163
Amortisation Intangibles	23,669	19,619
Other expenses	18,679	16,443
Amortisation - Right-of-use assets	17,123	16,492
Marketing and communication	14,605	21,253
Research and external funding	12,377	30,940
Occupancy and utilities	8,298	8,357
Depreciation	5,552	6,136
Interest expense on lease liabilities	3,169	3,326
Bad and doubtful debts written (back) off	157	93
Loss on disposal of plant and equipment	(7)	-
Movements in provisions due to changes in discount rates	(1,251)	(2,376)
	525,640	542,138

1. Professional services increased by \$42.6 million from 2022. Once taking into consideration a one-off expense reduction in the prior year, the comparative growth is \$3.6 million. The most significant driver of the reduction in prior year expense was the release of the provision for dangerous goods site clean-up costs. The provision was established in 2019 and when the on-site work was completed in 2022, the unused provision was released.

5. Commitments and contingencies

Introduction to this section

This section covers other commitments which may have a financial impact to WorkSafe, arising in the course of carrying out day-to-day operating activities.

Structure

5.1 Commitments and contingencies

5.1 Commitments & contingencies

	2023 \$000s	2022 \$000s
Other operating commitments		
Amounts payable under non-cancellable other operational contractual arrangements		
Due within one year	41,417	42,791
Due later than one year and less than five years	15,282	40,094
Total other operating commitments (inclusive of GST)	56,699	82,885
GST recoverable from the ATO	(5,154)	(7,535)
Total other operating commitments (exclusive of GST)	51,545	75,350

Other operating commitments include those operating and capital commitments arising from non-cancellable contractual sources and are disclosed at their nominal value, inclusive of GST.

Contingent assets and contingent liabilities

WorkSafe had no contingent assets or liabilities at the reporting date (2022: nil).

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value, inclusive of GST.

6. Taxation and transactions with the State

Introduction to this section

WorkSafe is required to pay income tax equivalent under the National Tax Equivalent Regime in accordance with Section 88 (3D) of the State Owned Enterprise Act 1992. This section provides tax related information and transactions with the State.

Structure

6.1 Income tax
6.2 Deferred tax
6.3 Dividends

6.1 Income tax

	2023 \$000s	2022 \$000s
Current income tax		
Current tax income (expense)	496,531	(429,386)
Adjustments in respect of current income tax of prior years	(118)	(1,021)
Deferred income tax		
Relating to origination and reversal of temporary differences	(262,759)	641,176
Tax benefit / (expense) reported in the comprehensive operating statement	233,654	210,769

The tax expense or income represents the tax payable on the current year's taxable income or tax loss based on the prevailing income tax rate, adjusted for changes in deferred tax assets and liabilities.

	2023 \$000s	2022 \$000s
Reconciliation of accounting result to tax income (expense)		
Result before income tax	(409,844)	(168,068)
At the statutory income tax rate of 30% (2022: 30%)	122,953	50,421
Adjustments in respect of current income tax of prior years	(118)	(1,021)
Franking credits and withholding tax on dividends received	37,339	41,937
Imputation gross-up on dividends received	(15,197)	(16,020)
Other	88,677	135,452
Tax expense reported in the comprehensive operating statement	233,654	210,769

6.2 Deferred tax

	2023 \$000s	2022 \$000s
Deferred tax assets		
Claims handling expense included in outstanding claims	644,048	618,802
Provisions not currently deductible	42,121	35,076
Accruals not currently deductible	1,635	2,854
Difference in depreciation of plant and equipment and amortisation of intangibles	3,704	-
Right-of-use assets and lease liabilities	3,474	2,963
Unrealised loss on investments	-	264,675
Unutilised tax losses	2,046,405	1,597,735
	2,741,387	2,522,105
Deferred tax liabilities		
Prepaid expenses currently deductible	-	(8)
Unrealised gain on investments	(5,951)	-
Difference in depreciation of plant and equipment and amortisation of intangibles	-	(20,315)
	(5,951)	(20,323)
Net deferred tax assets	2,735,436	2,501,782

Deferred tax is accounted for in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates that are expected to apply when the assets and liabilities are realised or settled, based on tax rates that have been enacted or substantially enacted by the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

WorkSafe recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that it is probable that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by WorkSafe. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affect neither taxable income nor accounting result.

6.3 Dividends

WorkSafe recognises \$2,046 million deferred tax assets for unused tax losses at 30 June 2023. Management considers the capital management requirements under The Prudential Insurance Standard, together with the reforms announced by the State Government in May 2023 as convincing evidence that enables the Scheme to generate sufficient taxable profits in the future. Reforms announced by the State Government to support the long-term financial sustainability of the Scheme include:

- WorkCover premium rate increases (effective from 01 July 2023)
- Eligibility changes to mental injury claims and claims lasting longer than two-and-a-half years

The combination of premium rate increases and planned scheme reforms are intended to enhance the viability of the Scheme which, if legislated, will improve the financial performance of WorkSafe and lead to full utilisation of existing carry forward tax losses. Eligibility changes require changes to WorkSafe's governing legislation. The State Government will move to introduce legislation later in 2023. Recoverability of deferred tax asset is contingent on legislative changes and implementation of planned scheme reform - eligibility changes. Management made a significant judgement in forecasting future taxable profits that the planned eligibility changes will be passed by Parliament as announced by the State Government. There is a risk that the carrying amount of deferred tax assets may not be fully recovered if the legislative changes do not proceed as planned.

Pursuant to section 516 of the Workplace Injury Rehabilitation and Compensation Act 2013, WorkSafe is required to pay to the State Government a dividend determined by the Treasurer. In determining the dividend policy applicable to WorkSafe, the Treasurer must have regard to the solvency margin determined to maintain the long-term financial viability of the scheme.

An obligation to pay a dividend only arises after a formal determination is made by the Treasurer following consultation between WorkSafe, the Minister and the Treasurer.

No dividends were paid during the year (2022: nil).

7. Financial instruments and valuation judgements

Introduction to this section

This section sets out WorkSafe's financial instrument specific information, including exposures to financial risks, and disclosures of those items that require a higher level of judgement to be applied in their fair value determination.

Structure

- 7.1 Financial instruments
- 7.2 Offsetting of financial assets and financial liabilities
- 7.3 Fair values

7.1 Financial instruments

WorkSafe's financial assets and liabilities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk.

Credit risk

Credit risk refers to the risk that an issuer or a counterparty will default on its contractual obligations resulting in financial loss to WorkSafe. The Victorian Funds Management Corporation (VFMC) manages counterparty credit risk by conducting due diligence on counterparties and will only deal with counterparties of high quality with substantial balance sheets. Agreements also contain provisions for the agreements to be reviewed or rescinded upon the occurrence of specified events relating to counterparty credit and liquidity.

The following analysis excludes premium receivables and non-trade receivables. The details of premium receivables that are past their due dates are included in Note 2.2.2.

WorkSafe's maximum exposure to credit risk at the reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the balance sheet.

Concentrations of credit risk

The VFMC manages credit risk by diversifying the exposure amounts with particular issuers and counterparties and operating in liquid markets. WorkSafe does not have any significant concentration of credit risk on an industry, regional or country basis. The investment strategy for WorkSafe is to ensure a diversified portfolio.

The table below provides information regarding the credit risk exposure of WorkSafe by classifying assets according to the VFMC's credit ratings of counterparties.

30 June 2023	Investment grade \$000s	Non-assessed \$000s	Total \$000s
Financial assets			
Cash in hand	130,909	-	130,909
Investments - Cash and cash equivalents	1,048,644	-	1,048,644
Derivative assets	-	42,106	42,106
Investments - Receivables	-	1,434,662	1,434,662
	1,179,553	1,476,768	2,656,321

30 June 2022	Investment grade \$000s	Non-assessed \$000s	Total \$000s
Financial assets			
Cash in hand	120,956	-	120,956
Investments - Cash and cash equivalents	2,036,210	-	2,036,210
Derivative assets	-	318,480	318,480
Investments - Receivables	-	1,508,840	1,508,840
	2,157,166	1,827,320	3,984,486

VFMC has established limits such that, at any time, less than 10% of the fair value of favourable contracts outstanding are with any individual counterparty and all contracts are with counterparties included in the Board's Approved Counterparties list. The Board also annually approves the exposure limits on derivatives for expected loss and the counterparty foreign exchange delta for uncollateralised trades.

VFMC also restricts its exposure to credit losses on the trading of certain Over The Counter (OTC) derivative instruments it holds by entering into master netting arrangements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low due to active credit risk management practices adopted by VFMC; the delivery versus payment settlement model exists across various securities trading markets, and increased use of collateral to cover market valuations on OTC derivatives.

Cash and cash equivalents consist primarily of deposits with banks and highly liquid financial assets with maturity dates less than three months from acquisition date. Cash equivalents are assets that are subject to an insignificant risk in the change in fair value and are used in the management of short term commitments.

Liquidity risk

Liquidity risk arises from WorkSafe being unable to meet financial obligations as they fall due. WorkSafe has a payment policy of settling financial obligations within 30 days.

The VFMC uses a combination of cash and futures portfolios plus a large proportion of listed securities to ensure sufficient liquidity is available at all times to meet WorkSafe's operating requirements.

The following table summarises the maturity profiles of WorkSafe's financial liabilities. The table includes the liquidity analysis in relation to contractual (as opposed to statutory) financial liabilities. While the liability for outstanding claims is the most significant liability for which payments will need to be made in the future, they are excluded from the definition of a financial instruments under AASB 9 Financial Instruments. Details on the average term to settlement for the claims liabilities portfolio are included in Note 2.3.5.

	Less than 3 months \$000s	4-12 months \$000s	1-5 years \$000s	5+ years \$000s	Total \$000s
30 June 2023					
Non-statutory payables	224,981	72,296	-	-	297,277
Derivative liabilities	55,589	274,224	41,348	5	371,166
	280,570	346,520	41,348	5	668,443
30 June 2022					
Non-statutory payables	215,435	74,255	-	-	289,690
Derivative liabilities	144,732	252,552	193,132	-	590,416
Investments - Payables	10	-	-	-	10
	360,177	326,807	193,132	-	880,116

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: market interest rates (interest rate risk), foreign exchange (currency risk) and market prices (price risk).

When establishing the investment asset allocation, the VFMC considers input from actuaries to ensure that the investment mix is appropriate to service future WorkSafe liabilities and that projected outcomes are in line with the overall investment objectives and remain within the risk parameters approved by the Treasurer.

Interest rate risk

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

The VFMC seeks to manage the interest rate risk through an asset allocation strategy for the investment portfolio, which acts as an economic hedge against the insurance liabilities of WorkSafe. To the extent that these assets and liabilities can be matched, unrealised gains and losses on the remeasurement of liabilities resulting from interest rate movements will be off-set by unrealised losses or gains on the remeasurement of investment assets.

The VFMC may use financial derivatives to manage the interest rate risk associated with the portfolio.

A summary of WorkSafe's exposure to interest rate risk on financial instruments is as follows:

	30 June 2023				30 June 2022			
	Variable rate \$000s	Fixed rate \$000s	Non-interest bearing \$000s	Total \$000s	Variable rate \$000s	Fixed rate \$000s	Non-interest bearing \$000s	Total \$000s
Financial assets								
Cash in hand	130,909	-	-	130,909	120,956	-	-	120,956
Premium receivables	-	-	171,284	171,284	-	-	147,497	147,497
Investments								
- Derivative assets	-	-	42,106	42,106	-	2,827	315,653	318,480
- Other investments	1,071,369	-	21,374,565	22,445,934	2,092,666	-	18,653,449	20,746,115
Sundry receivables	-	-	6,651	6,651	-	-	7,542	7,542
	1,202,278	-	21,594,606	22,796,884	2,213,622	2,827	19,124,141	21,340,590
Financial liabilities								
Non-statutory payables	-	-	297,277	297,277	-	-	289,690	289,690
Investments								
- Derivative liabilities	-	-	371,166	371,166	-	-	590,416	590,416
- Other investments	7,430	-	-	7,430	187,312	-	10	187,322
	7,430	-	668,443	675,873	187,312	-	880,116	1,067,428
Net financial assets	1,194,848	-	20,926,163	22,121,011	2,026,310	2,827	18,244,025	20,273,162

Interest rate sensitivity

A 0.5% movement in interest rates (or discount rates) is used by WorkSafe's actuaries to present the sensitivities of the actuarial claims liabilities to management to allow them to monitor interest rate risk on liabilities. This percentage has been used to present the impact on interest sensitive investments. These movements are attributable to WorkSafe's exposure to interest rates on its variable rate investments and its fair value movement on its fixed rate investments.

At the reporting date, if interest rates had moved 0.5% up or down and all other variables were held constant, WorkSafe's net result and equity would change as follows:

	2023 \$000	2022 \$000
Impact on net result and equity from a movement in interest rates		
Increase of 0.5%	-	5,731
Decrease of 0.5%	-	(5,731)

Foreign currency risk

All foreign currency transactions are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Investments held at reporting date in foreign currencies are converted to Australian currency using the exchange rate at balance sheet date. Gains or losses arising on foreign currency transactions are included in investment income in the period in which they arise.

Foreign currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. WorkSafe is exposed to foreign exchange risk through its investments which are denominated in foreign currency, and anticipated future transactions.

The VFMC manages foreign exchange risk in accordance with the approved IRMP and uses financial derivatives to control exposures.

The proportion of foreign exchange which is hedged is reviewed regularly to ensure that the net exposure is maintained at a level which is consistent with the overall investment objectives. WorkSafe's exposure is mainly via the major currencies such as United States dollar, Japanese yen, the Euro and British pound.

Foreign currency sensitivity

The foreign exchange sensitivity has been prepared on the basis of WorkSafe's direct investments and not on a look-through basis for investments held indirectly through unit trusts. Consequently the disclosure of currency risk may not represent the true currency risk profiles of WorkSafe where the unit trust has significant investments which have exposure to the currency markets.

The following table details WorkSafe's sensitivity to a 10% increase or decrease in the Australian Dollar against the relevant foreign currencies with all other variables held constant.

	2023 \$000s	2022 \$000s
Impact on net result and equity from a movement in foreign exchange rates		
Increase of 10%	649,426	181,622
Decrease of 10%	(793,743)	(221,983)

Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Such factors may include changes in the performance of the economies, markets and securities in which the VFMC invests.

WorkSafe is exposed to price risk through its investments in listed and unlisted shares and managed investment schemes.

The VFMC manages price risk through diversification and careful selection of securities within the strategic asset allocation for each class of asset.

WorkSafe's sensitivity to equity price risk is set out below.

Price risk sensitivity

At reporting date, if the value of WorkSafe's investment had been 10% higher or lower and all other variables held constant at year end, WorkSafe's net result and equity would change as follows:

	2023 \$000s	2022 \$000s
Impact on net result and equity from a movement in investment prices		
Increase of 10%	1,399,436	1,183,662
Decrease of 10%	(1,399,436)	(1,183,662)

7.2 Offsetting of financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 30 June 2023 and 30 June 2022. The column "net amount" shows the impact on the balance sheet if all set-off rights were exercised.

	Net amounts presented in the balance sheet \$000s	Amount not set-off in the balance sheet		
		Amounts subject to master netting agreements \$000s	Collateralised obligation \$000s	Net amount \$000s
30 June 2023				
Derivative assets	42,106	(31,930)	(6,334)	3,842
Derivative liabilities	(371,166)	31,930	-	(339,236)
Total	(329,060)	-	(6,334)	(335,394)
30 June 2022	\$000s	\$000s	\$000s	\$000s
Derivative assets	318,480	(183,357)	(134,040)	1,083
Derivative liabilities	(590,416)	183,357	22,076	(384,983)
Total	(271,936)	-	(111,964)	(383,900)

7.3. Fair values

This section sets out information on how WorkSafe determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, WorkSafe has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. In addition, WorkSafe determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

WorkSafe holds financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value due to their short-term nature. These financial instruments are measured at amortised cost and include:

- premium receivables,
- sundry receivables, and
- non-statutory payables.

The following table shows the fair values of financial assets and financial liabilities measured at fair value, including their fair value hierarchy:

30 June 2023	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s	Total \$000s
Financial assets				
Cash in hand	130,909	-	-	130,909
Investment assets				
Cash and cash equivalents	1,048,644	-	-	1,048,644
Cash collateral and margin accounts	35,111	-	-	35,111
Receivables	1,434,662	-	-	1,434,662
Derivative assets	963	41,143	-	42,106
Equity and managed investment schemes				
Australian bonds	-	876,594	-	876,594
Australian equity	-	2,550,471	-	2,550,471
Emerging market debt	-	591,730	-	591,730
Hedge funds	-	102,504	985,214	1,087,718
Inflation linked bond	-	1,244,679	-	1,244,679
Infrastructure	-	-	1,961,687	1,961,687
Insurance	-	-	212,763	212,763
International equity	-	6,609,103	-	6,609,103
Opportunistic	-	-	103,966	103,966
Private credit	-	71,023	1,916,208	1,987,231
Private equity	-	-	8,676	8,676
Property	-	-	2,231,456	2,231,456
US bonds	-	461,443	-	461,443
	-	12,507,547	7,419,970	19,927,517
	2,650,289	12,548,690	7,419,970	22,618,949
Financial liabilities				
Investment related liabilities				
Cash collateral and margin accounts	7,430	-	-	7,430
Derivative liabilities	629	370,537	-	371,166
	8,059	370,537	-	378,596
Net financial assets	2,642,230	12,178,153	7,419,970	22,240,353

30 June 2022	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s	Total \$000s
Financial assets				
Cash in hand	120,956	-	-	120,956
Investment assets				
Cash and cash equivalents	2,036,210	-	-	2,036,210
Cash collateral and margin accounts	106,176	-	-	106,176
Receivables	1,508,840	-	-	1,508,840
Derivative assets	2,827	315,653	-	318,480
Equity and managed investment schemes				
Australian bonds	-	927,178	-	927,178
Australian equity	-	2,102,545	-	2,102,545
Emerging market debt	-	530,136	-	530,136
Hedge funds	-	139,749	889,555	1,029,304
Inflation linked bond	-	1,403,986	-	1,403,986
Infrastructure	-	-	1,615,231	1,615,231
Insurance	-	-	225,224	225,224
International equity	-	4,856,316	-	4,856,316
Opportunistic	-	-	156,447	156,447
Private credit	-	7,155	1,517,015	1,524,170
Private equity	-	-	9,423	9,423
Property	-	6,634	2,155,216	2,161,850
US bonds	-	553,079	-	553,079
	-	10,526,778	6,568,111	17,094,889
	3,775,009	10,842,431	6,568,111	21,185,551
Financial liabilities				
Investment related liabilities				
Cash collateral and margin accounts	187,312	-	-	187,312
Payables	10	-	-	10
Derivative liabilities	1,744	588,672	-	590,416
	189,066	588,672	-	777,738
Net financial assets	3,585,943	10,253,759	6,568,111	20,407,813

Transfer between categories

There have been no transfers between levels during the year ended 30 June 2023 (2022: \$nil).

Fair value determination

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value.

Cash and cash equivalents (including discount securities):

Cash and cash equivalents consist primarily of deposits with banks and highly liquid financial assets with maturity dates less than three months, together with units held in cash funds/trusts. Cash equivalents are assets that are subject to an insignificant risk in the change in fair value and are used to manage short term commitments. Amounts classified as cash and cash equivalents are recorded at face value, except for discount securities which are recorded at market value. WorkSafe categorises these instruments as Level 1.

Cash collateral and margin accounts:

Cash collateral refers to amounts held as security against future counterparty performance. These assets are recorded at face value and categorised as Level 1. Margin accounts represent cash held with a broker or central counterparties against open futures contracts and/or other derivatives.

Receivables/payables:

Miscellaneous receivables/payables include interest income, GST obligations, investment expenses etc. and are carried at the full value of the entitlement. Amounts due to/from brokers represent outstanding settlement amounts arising from the purchase/sale of securities and are carried at the settlement amount pending. This is deemed fair value given the short term nature of these balances and the items are categorised as Level 1.

Derivative assets and liabilities:

Derivatives are originally recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date with any gain or loss recognised in the comprehensive operating statement.

Fair value is derived from the prices published by recognised exchanges or, for over-the-counter instruments, generally accepted valuation techniques. WorkSafe classifies these instruments as either Level 1 or Level 2.

Equity and managed investment schemes:

Holdings in unlisted funds/trusts are recorded at fair value as determined by the fund manager or valuations by other skilled independent third parties. WorkSafe reviews the level of valuation uncertainty typically associated with the assets managed by the fund/trust, whether there are redemption restrictions, the pricing frequency and whether there is an active market. Depending on the outcome of these reviews, the assets may be classified as either Level 2 or Level 3.

Reconciliation of Level 3 fair value movements

The following table presents the changes in Level 3 instruments (financial assets) for the years ended 30 June 2023 and 30 June 2022:

	2023 \$000s	2022 \$000s
Investments		
Balance at beginning of the year	6,568,111	4,891,254
Gains recognised in the comprehensive operating statement	(54,734)	250,178
Purchases	1,135,895	1,886,453
Sales	(229,302)	(459,774)
Balance at end of the year	7,419,970	6,568,111
Total gains (losses) for the year included in gains for assets held at end of the year	(71,905)	267,393

Estimation uncertainty

The Level 3 financial assets relate to private equities and managed investment schemes that are managed by the VFMC on behalf of WorkSafe.

A majority of these investments are held via third party pooled investment vehicles, and as such WorkSafe is not privy to the detailed assumptions or valuation techniques used to value the underlying investment assets. WorkSafe is reliant on third parties for these valuations and the quantitative information regarding significant unobservable inputs used in the fair value measurement cannot be assessed.

An example of the key inputs and assumptions typically considered is shown below.

Key inputs and assumptions subject to estimation uncertainty

Asset class	Valuation techniques	Key inputs and assumptions
Infrastructure investments	Discounted cash flows.	<ul style="list-style-type: none"> risk free discount rates risk premium asset utilisation rates capital expenditure forecasts operating costs other estimated future cash flows
Private equity investments	Multiples of earnings, discounted cash flow, market equivalents and other market accepted methodologies.	<ul style="list-style-type: none"> identification of appropriate comparables estimated future profits risk free rate, risk premium estimated future cash flows future economic and regulatory conditions
Property investments	Discounted cash flow, capitalisation and direct comparison methodologies.	<ul style="list-style-type: none"> future economic and regulatory conditions
Fixed interest investments and Non-traditional strategies investments	<p>Diversified fixed interest investments - Third party pricing servicers, which source prices from brokers and market makers.</p> <p>Non-traditional strategies investments - Prices quoted on an exchange or traded in a dealer market.</p> <p>Less liquid fixed interest and non-traditional strategies investments - Discounted cash flow, amortised cost, direct comparison and others.</p>	<ul style="list-style-type: none"> appropriate credit spread and other risk premium future risk free rate estimated future cash flows identification of appropriate comparable assets life expectancy estimates and mortality probabilities future economic and regulatory conditions

8. Other disclosures

Introduction to this section

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

- 8.1 Responsible persons
- 8.2 Remuneration of executives
- 8.3 Related parties
- 8.4 Entity consolidated pursuant to section 53 (1)(b) of the FMA
- 8.5 Remuneration of auditors
- 8.6 Events after reporting date
- 8.7 Australian Accounting Standards issued that are not yet effective

8.1 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994 (FMA)*, the responsible persons who held office during the financial year were:

Responsible Minister

The Honorable Danny Pearson, Minister for WorkSafe and the TAC

Board Members

Mr John Merritt, Chairman (term expired 13 September 2022)
 Mr Bob Cameron, Chairman (appointed 20 September 2022)
 Ms Jane Brockington (term expired 15 August 2023)
 Ms Flavia Gobbo
 Mr Doug Kearsley
 Ms Elizabeth Lukin
 Mr Peter McMullin
 Ms Julie Warren

Chief Executive Officer

Mr Colin Radford

The number of responsible persons of WorkSafe whose remuneration falls within the following bands was:

\$	2023	2022
30,000 - 39,999	1	-
50,000 - 59,999	-	2
60,000 - 69,999	6	5
110,000 - 119,999	1	-
140,000 - 149,999	-	1
580,000 - 589,999	-	1
600,000 - 609,999	1	-
Total remuneration received or receivable by responsible persons (\$000s)	1,132	1,166

The compensation detailed above excludes the salaries and benefits the Portfolio Ministers receive. The Ministers' remuneration and allowances are set by the Parliamentary Salaries and Superannuation Act 1968 and are reported within the Annual Financial Report of the State.

8.2 Remuneration of executives

Remuneration of executives

The number of executive officers, other than the responsible Minister, Chief Executive Officer and Board members, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

The number of executives may vary from year to year due to the timing of appointments, resignations and the composition of executives.

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

The remuneration of executives is as follows:

	2023 \$000s	2022 \$000s
Short-term employee benefits	2,651	2,883
Post-employment benefits	243	276
Other long-term benefits	58	112
Termination benefits	85	223
Total remuneration	3,037	3,494
Total number of executives	11	16
Total annualised employee equivalents¹	10.6	11.2

¹ Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.3 Related parties

WorkSafe is a controlled entity of the State of Victoria.

Related parties of WorkSafe and the VAEA include all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over).

The Victorian Asbestos Eradication Agency (VAEA) has been consolidated into WorkSafe's financial statements pursuant to the determination made by the Assistant Treasurer under section 53(1)(b) of the FMA.

Key management personnel of WorkSafe comprise the responsible Minister, Board members and members of the executive leadership team. Key management personnel of the VAEA comprise the responsible Minister and its Board members.

As both VAEA and WorkSafe share a common director (Jane Brockington), the relationship between the two entities comprises financial, governance and operational support.

The remuneration of key management personnel is as follows:

	2023 \$000s	2022 \$000s
Short-term employee benefits	3,686	3,940
Post-employment benefits	321	367
Other long-term benefits	78	130
Termination benefits	85	223
Total remuneration	4,170	4,660

The compensation detailed above excludes the salaries and benefits the Portfolio Ministers receive. The Ministers' remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Annual Financial Report of the State.

Transactions with key management personnel

There were no transactions with key management personnel during the year (2022: none), other than those disclosed above.

Transactions with other related parties

Transactions with other related parties are entered into on an arm's length basis. Conflicts of interest are overcome where warranted, by the key management personnel declaring their interests and abstaining from final decision making.

30 June 2023

Name of counterparty	Nature of relationship	Details of transactions	Total value of transactions \$000s	Outstanding balances at 30 June 2023 \$000s	Committed amount at 30 June 2023 \$000s	Terms and conditions
Board Members						
Department of Treasury & Finance (DTF)	Ms Jane Brockington is a member of Finance Audit & Risk Committee	Annual contribution to Victorian Courts Fund	(9,521)	(28,075)	-	Standard
		Ombudsman fund contribution	(453)	(1,332)	-	Standard
		Employee entitlements transfer	(69)	-	-	Standard
Department of Justice and Community Safety (DJCS)	Ms Jane Brockington is Audit & Risk Committee Chair	Enforcement legal costs	(1,877)	-	-	Standard
		Better Mental Health program salaries	(109)	-	-	Standard
		State funding	300,000	-	-	Standard
		Sex Work Decriminalisation funding	3,033	-	-	Standard
		Vicarious Trauma funding	250	-	-	Standard
		Workplace Sexual Harrassment funding	2,318	-	-	Standard
		Mental health - Wellbeing Committee Secretariat	154	-	-	Standard
		VAEA Prioritised Asbestos Removal program funding	10,017	-	-	Standard
Victorian Funds Management Corporation (VFMC)	Ms Flavia Gobbo's spouse (Mr James MacKenzie) is VFMC board chair	Service charge	(55,629)	(12,439)	-	Standard
Transport Accident Commission (TAC)	Ms Jane Brockington, Mr Bob Cameron and Mr John Merritt are TAC board members	Recovery of compensation paid	158,400	-	-	Based on independent actuarial valuation
		Management of catastrophic claims	(2,684)	-	-	Standard
		Cost reimbursement receivable	7,252	1,264	-	Standard
		Cost reimbursement payable	(5,597)	(2,459)	-	Standard
Emergency Services and State Super (ESSS)	Mr Doug Kearsley is a board member of ESSS	Pension contributions	(152)	-	(154)	Standard
Executives						
Personal Injury Education Foundation (PIEF)	Mr Roger Arnold is a PIEF board member	Membership fees	(51)	-	-	Standard
		Training and conferences	(261)	-	-	Standard
		Service charges	275	110	-	Standard
		Cost reimbursement receivable	2,505	1,556	-	Standard

30 June 2022

Name of counterparty	Nature of relationship	Details of transactions	Total value of transactions \$000s	Outstanding balances at 30 June 2022 \$000s	Committed amount at 30 June 2022 \$000s	Terms and conditions
Board Members						
Department of Treasury & Finance (DTF)	Ms Jane Brockington is a member of Finance Audit & Risk Committee	Annual contribution to Victorian Courts Fund (accrual for FY21 and FY22)	(9,330)	(18,544)	-	Standard
		Ombudsman fund contribution	(445)	(880)	-	Standard
		Employee entitlements transfer	29	-	-	Standard
Victorian Funds Management Corporation (VFMC) ⁽¹⁾	Ms Maria Wilton is a VFMC board member	Service charge	(51,491)	(11,681)	-	Standard
Transport Accident Commission (TAC)	Ms Jane Brockington and Mr John Merritt are TAC board members	Recovery of compensation paid	120,000	-	-	Based on independent actuarial valuation
		Management of catastrophic claims	(2,520)	-	-	Standard
		Cost reimbursement receivable	7,244	1,084	-	Standard
		Cost reimbursement payable	(5,282)	(490)	-	Standard
Emergency Services and State Super (ESSS)	Mr Doug Kearsley is a board member of ESSS	Pension contributions	(152)	-	-	Standard
Executives						
Personal Injury Education Foundation (PIEF) ⁽²⁾	Mr Shane O'Dea was a PIEF board member and Mr Roger Arnold is a PIEF board member	Membership fees	(51)	-	-	Standard
		Training and conferences	(841)	(216)	-	Standard
		Service charges	312	50	-	Standard
		Cost reimbursement receivable	2,132	781	-	Standard

1. Value of transactions with VMFC includes all transactions for the financial year, not only the period during which Maria Wilton was Non-Executive Director at WorkSafe (July-May 2022).
2. Value of transactions with PIEF includes all transactions for the financial year. Roger Arnold commenced as a PIEF board member at the same date as Shane O'Dea ceased as a PIEF board member (15/12/21).

8.4 Entity consolidated pursuant to section 53(1)(b) of the FMA

The financial effects of the VAEA, which has been consolidated into WorkSafe's financial statements, are as follows.

	WorkSafe		VAEA		Eliminations		Consolidated	
	2023 \$000s	2022 \$000s	2023 \$000s	2022 \$000s	2023 \$000s	2022 \$000s	2023 \$000s	2022 \$000s
Total income from transactions	5,997,572	3,298,896	5,882	3,824	-	-	6,003,454	3,302,720
Total expenses from transactions	(6,412,875)	(3,470,375)	(5,882)	(3,824)	5,458	3,411	(6,413,298)	(3,470,788)
Net result from transactions	(176,190)	42,701	-	-	-	-	(176,190)	42,701
Total assets	26,236,542	24,465,853	-	-	-	-	26,236,542	24,465,853
Total liabilities	(27,495,567)	(25,548,688)	-	-	-	-	(27,495,567)	(25,548,688)

8.5 Remuneration of auditors

	2023 \$000s	2022 \$000s
Victorian Auditor-General's Office - Audit of WorkSafe's financial statements	324	315
	324	315

8.6 Events after reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of WorkSafe, the results of those operations, or the state of affairs of WorkSafe in future financial years.

8.7 Australian Accounting Standards issued that are not yet effective

The Australian Accounting Standards Board (AASB) has issued the following new or revised Australian Accounting Standards, which are applicable to WorkSafe:

AASB	Title	Operative Date
17	Insurance contracts	1 July 2026

AASB 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It replaces AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts. The impact of adopting AASB 17 has not been fully assessed.

WorkSafe will apply this standard for the annual reporting periods beginning on or after the operative date set out above.

9. Statement by the Chair, Chief Executive Officer and Interim Chief Financial Officer

The attached financial statements of the Victorian WorkCover Authority have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and the financial position of the Victorian WorkCover Authority at 30 June 2023.

At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 29th August, 2023.



Bob Cameron
Chair



Colin Radford
Chief Executive Officer



Teaghan Osborn
Interim Chief Financial Officer

Independent Auditor's Report

To the Board of the Victorian WorkCover Authority

Opinion	<p>I have audited the financial report of the Victorian WorkCover Authority (the Authority) which comprises the:</p> <ul style="list-style-type: none"> balance sheet as at 30 June 2023 comprehensive operating statement for the year then ended statement of changes in equity for the year then ended cash flow statement for the year then ended notes to the financial statements, including significant accounting policies statement by the Chair, Chief Executive and Chief Financial Officer. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Key audit matters	<p>Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.</p>


Key audit matter	How I addressed the matter
<p>Valuation of investment assets and investment related liabilities</p> <p>Refer to Note 3.2 of the financial report for the accounting policy associated with the valuation of investment assets and related liabilities and Note 7.3 of the financial report for the methods and assumptions applied by management in valuing investment assets and related liabilities.</p>	
<p>Investment assets: \$22.5 billion</p> <p>Investment related liabilities: \$378.6 million</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> investment assets and related liabilities are financially significant there are several types of investment assets and related liabilities with varying observable and unobservable inputs impacting how and when they are valued sufficient and appropriate audit evidence may not be present for the valuation of some investment assets and related liabilities. This includes those with stale investment prices at reporting date and/or those which are subject to significant estimation uncertainty the performance of financial markets fluctuated over the period impacting the value of investment assets and related liabilities the management of investment assets and related liabilities is outsourced to a fund manager and a master custodian extensive disclosures are required by Australian Accounting Standards which are critical to the users understanding of the valuation of investment assets and related liabilities. <p>Management engaged an independent assurance auditor to report on the:</p> <ul style="list-style-type: none"> description, design and operating effectiveness of controls at the fund manager and master custodian existence, valuation and rights and obligations of investment assets and related liabilities as at 30 June. 	<p>My key procedures included:</p> <ul style="list-style-type: none"> gaining an understanding of key controls over the outsourced arrangement, and assessing and testing their operating effectiveness obtaining reports provided by the independent assurance auditor and: <ul style="list-style-type: none"> assessing the adequacy of the scope of work agreed between management and the assurance auditor assessing the professional competence and independence of the assurance auditor in the context of the engagement evaluating findings provided in the independent assurance reports relying on the assurance reports to confirm the description, design and operating effectiveness of controls at the fund manager and master custodian relying on the assurance reports to confirm the existence, valuation and rights and obligations of investment assets and related liabilities at 30 June assessing the impact of any limitations, disclaimers or exceptions noted in the assurance reports to the audit. reviewing and assessing the impact of other representations given by the fund manager and master custodian obtaining further audit evidence that the value of investment assets and related liabilities not covered in the independent assurance auditor's report were materially correct assessing the completeness and adequacy of financial report disclosures against the requirements of Australian Accounting Standards.

Key audit matter	How I addressed the matter
<p>Valuation of outstanding claims liability</p> <p>Refer to Note 2.3.2 of the financial report for the value of the outstanding claims liability and Note 2.3.5 of the financial report for the actuarial assumptions and methods applied by management in valuing the liability.</p>	
<p>Outstanding claims liability: \$26.6 billion</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> the outstanding claims liability is financially significant the underlying model used to value the liability is complex the valuation of the liability is subject to significant management assumptions and estimation uncertainty a small adjustment to a key assumption may have a significant effect on the total value of the liability extensive disclosures are required by Australian accounting standards which are critical to the users understanding of the valuation of this liability Management engaged actuaries to value the liability as at 30 June. 	<p>My key procedures included:</p> <ul style="list-style-type: none"> assessing and testing the operating effectiveness of key controls supporting the underlying claims data used in the model assessing the completeness and accuracy of the claims data used in the model by reconciling this data to underlying claims data in the insurers systems assessing the professional competence and independence of management's actuary in the context of the engagement obtaining management's actuarial reports, and engaging an appropriately qualified independent actuary to: <ul style="list-style-type: none"> assess the appropriateness of management's selection and application of the methods, significant assumptions and data used in valuing the liability evaluate the appropriateness of the model used to value the liability challenge the reasonableness of key assumptions by comparing against claims history and accepted industry benchmarks assess the reasonableness of the reported liability value. assessing the adequacy of financial report disclosures against the requirements of applicable Australian Accounting Standards.
<p>The Board's responsibilities for the financial report</p>	<p>The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

<p>Auditor's responsibilities for the audit of the financial report</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. <p>I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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Auditor's responsibilities for the audit of the financial report (continued) From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

MELBOURNE
5 September 2023



Andrew Greaves
Auditor-General

WorkSafe Appendices 2022-23



Reducing
workplace
harm.

Improving
outcomes for
injured workers.

Appendix 1

Prosecutions

OHS Prosecution Outcomes 2022-23

Defendant Name	Date Prosecution Completed	Outcome	Fine	Cost Recovery
United Investments Group Pty Ltd	01-07-22	Pleaded guilty - fined without conviction	\$6,000	\$3,325
Kenneth Charles Jensen	06-07-22	Pleaded guilty - convicted and fined	\$30,000	\$3,752
Keyun Enterprises Pty Ltd	11-07-22	Pleaded guilty - fined without conviction	\$5,000	\$3,738
SC21 of 2022	13-07-22	Pleaded guilty - fined without conviction	\$10,000	\$4,525
Menard Oceania Pty Ltd	19-07-22	Charges withdrawn	-	-
Effective Electrical Pty Ltd	21-07-22	Pleaded guilty - fined without conviction	\$35,000	\$3,716
Mainmark Ground Engineering Pty Ltd	27-07-22	Pleaded guilty - fined without conviction	\$8,000	\$5,039
Tri-Tech Chemical Co Pty Ltd	28-07-22	Enforceable undertaking with conditions	-	-
Peter Bishara Hazinah	28-07-22	Pleaded guilty - without conviction, placed on an undertaking to be of good behaviour with a special condition	-	\$3,888
EnergyAustralia Yallourn Pty Ltd	01-08-22	Charges withdrawn	-	-
Vic Mesh Pty. Limited	04-08-22	Enforceable undertaking with conditions	-	-
Victorian Person Centred Services Ltd	05-08-22	Pleaded guilty - fined without conviction	\$55,000	-
The Crown in Right of the State of Victoria (Dept. of Families, Fairness and Housing) (previously DHHS)	05-08-22	Pleaded guilty - fined without conviction	\$55,000	-
Kilmore Constructions Pty Ltd	08-08-22	Pleaded guilty - fined without conviction	\$20,000	\$3,738
Centre Scrap Metal Pty Ltd	10-08-22	Pleaded guilty - convicted and fined	\$50,250	\$4,151
Hersheys Roofing & Maintenance Pty Limited	11-08-22	Pleaded guilty - fined without conviction	\$15,000	\$2,500
Weatherworld Heating & Cooling Pty Ltd	11-08-22	Pleaded guilty - fined without conviction	\$4,000	\$4,391
Melbourne Testing Services Pty Ltd	11-08-22	Pleaded not guilty - without conviction, placed on an undertaking to be of good behaviour with a special condition	-	\$5,233

OHS Prosecution Outcomes 2022-23

Defendant Name	Date Prosecution Completed	Outcome	Fine	Cost Recovery
The Crown in Right of the State of Victoria (Department of Families Fairness and Housing) previously DHHS	18-08-22	Enforceable undertaking with conditions	-	-
Mark Stephen Aldington	19-08-22	Pleaded guilty - convicted and fined	\$18,000	\$8,244
The Crown in Right of the State of Victoria (Dept. of Health & Human Services)	19-08-22	Notice of discontinuance filed by the DPP	-	-
Viva Energy Refining Pty Ltd	22-08-22	Pleaded guilty - convicted and fined	\$110,000	\$11,458
Makmur Enterprises Pty Ltd	24-08-22	Pleaded guilty - fined without conviction	-	-
Transdev Melbourne Pty Ltd	25-08-22	Pleaded guilty - fined without conviction	\$30,000	-
Tasmanian Freight Services Pty Ltd	29-08-22	Pleaded guilty - fined without conviction	\$25,000	\$4,391
Greska Homes Pty Ltd	31-08-22	Pleaded guilty - fined without conviction	\$10,000	\$2,527
Straightmark Nominees Pty Ltd	01-09-22	Pleaded guilty - fined without conviction	\$15,000	\$2,242
St Vincent's Care Services Ltd	02-09-22	Pleaded not guilty - acquitted (Supreme Court)	-	-
SC24 of 2022	05-09-22	Pleaded guilty - fined without conviction	\$2,000	\$4,088
Bendigo Health	06-09-22	Pleaded guilty - convicted and fined	\$100,000	\$5,062
Krueger Transport Equipment Pty Ltd	06-09-22	Notice of discontinuance filed by the DPP	-	-
AR Marble Pty Ltd	07-09-22	Pleaded guilty - fined without conviction	\$5,000	\$5,044
Beer Motor Car Traders Pty Ltd	08-09-22	Pleaded guilty - fined without conviction	\$40,000	\$5,635
Precast Civil Industries Pty Ltd	09-09-22	Pleaded guilty - convicted and fined	\$35,000	\$3,716
Pure Design Projects Pty Ltd	14-09-22	Pleaded guilty - fined without conviction	\$10,000	\$3,000
PGH Bricks & Pavers Pty Ltd	14-09-22	Pleaded guilty - convicted and fined	\$40,000	-
Bricks Australia Services Pty Ltd	14-09-22	Pleaded guilty - fined without conviction	\$10,000	\$3,140
Pearcedale Plant Hire Pty Ltd	15-09-22	Pleaded guilty - fined without conviction	\$20,000	\$3,704
Powercor Australia Pty Ltd	19-09-22	Pleaded guilty - fined without conviction	\$30,000	\$33,595
Prime Roofing Pty Ltd	20-09-22	Pleaded guilty - fined without conviction	\$10,000	\$4,409
Tarantino Investments Pty Ltd	28-09-22	Pleaded guilty - fined without conviction	\$35,000	\$7,500

OHS Prosecution Outcomes 2022-23

Defendant Name	Date Prosecution Completed	Outcome	Fine	Cost Recovery
Minh Hung Pty Ltd	29-09-22	Pleaded guilty - convicted and fined	\$20,000	\$3,756
Form 700 Pty Ltd	03-10-22	Charges withdrawn	-	-
Southern Cross Scaffold Hire Pty Ltd	11-10-22	Pleaded guilty - fined without conviction	\$2,000	\$5,000
P.R.E. Solar Pty Ltd	13-10-22	Pleaded guilty - fined without conviction	\$20,000	\$3,756
Lotte Giants Industry Pty Ltd	13-10-22	Pleaded guilty - fined without conviction	\$10,000	\$3,756
High-Fire Heating Pty Ltd	18-10-22	Pleaded guilty - fined without conviction	\$30,000	\$2,509
Peuker & Alexander Pty Ltd	18-10-22	Pleaded guilty - fined without conviction	\$20,000	\$2,527
K1Homes ID Pty Ltd	18-10-22	Pleaded guilty - convicted and fined	\$100,000	\$4,558
K1Homes ID Pty Ltd	18-10-22	Pleaded guilty - convicted and fined	-	-
Makmur Enterprises Pty Ltd	19-10-22	Pleaded guilty - convicted and fined	-	-
Carton Finishing Pty Ltd	24-10-22	Pleaded guilty - fined without conviction	\$40,000	\$4,319
Major Scaffolding Contractors Pty Ltd	24-10-22	Pleaded guilty - fined without conviction	\$15,000	\$4,517
Reinforced Concrete Pipes Australia (Vic) Pty Ltd	25-10-22	Pleaded guilty - fined without conviction	\$45,000	\$7,560
SC27 of 2022	26-10-22	Pleaded guilty - fined without conviction	\$25,000	-
Titan Australia Pty Ltd	27-10-22	Pleaded guilty - fined without conviction	\$25,000	\$3,756
Titan Australia Pty Ltd	27-10-22	refer to entry at row 276	-	-
Rapidcrete Pty Ltd	28-10-22	Pleaded guilty - fined without conviction	\$25,000	\$8,877
M.P.S. Paving Systems Australia Pty Ltd	28-10-22	Pleaded guilty - fined without conviction	\$12,000	\$3,716
Express Sheetmetal Pty Ltd	02-11-22	Pleaded guilty - fined without conviction	\$15,000	\$2,908
Wannon Region Water Corporation	02-11-22	Enforceable undertaking with conditions	-	-
SC28 of 2022	10-11-22	Pleaded guilty - without conviction, placed on an undertaking to be of good behaviour with a special condition	-	\$1,342
Miter Square Pty Ltd	10-11-22	Pleaded guilty - fined without conviction	\$7,000	\$3,756
SC25 of 2022	10-11-22	Pleaded guilty - fined without conviction	\$500	\$1,000
SC26 of 2022	14-11-22	Pleaded guilty - fined without conviction	\$4,000	\$3,811

OHS Prosecution Outcomes 2022-23

Defendant Name	Date Prosecution Completed	Outcome	Fine	Cost Recovery
Solar Engineering Pty Ltd	17-11-22	Pleaded guilty - fined without conviction	\$2,500	\$1,500
Tremic Pty Ltd	21-11-22	Pleaded guilty - fined without conviction	-	-
AGL Loy Lang Pty Ltd	21-11-22	Pleaded guilty - fined without conviction	\$50,000	\$9,124
Austin Health	23-11-22	Charges withdrawn	-	-
Zurma Building Group Pty Ltd	29-11-22	Pleaded guilty - fined without conviction	\$10,000	\$3,500
Lazo Paper Pty Ltd	01-12-22	Pleaded guilty - fined without conviction	\$28,000	\$2,117
Country Cart Pty Ltd	05-12-22	Pleaded guilty - convicted and fined	\$300,000	-
1186 Pty Ltd	06-12-22	Pleaded guilty - fined without conviction	\$10,000	\$3,801
Topline Carpentry South East Pty Ltd	08-12-22	Pleaded guilty - convicted and fined	\$130,000	\$5,715
Regent Paints Pty Ltd	09-12-22	Pleaded guilty - fined without conviction	\$20,000	\$4,409
L & R Khakh Pty Ltd	12-12-22	Pleaded guilty - fined without conviction	\$20,000	\$3,756
Tin Man Tucker Pty Ltd	14-12-22	Pleaded guilty - fined without conviction	\$11,500	\$4,391
Australia Rong Hua Fu Pty Ltd	14-12-22	Pleaded guilty - convicted and fined	\$475,000	-
Best Benchtop and Stone Pty Ltd	14-12-22	Pleaded guilty - convicted and fined	\$325,000	-
Star Care (Vic) Pty Ltd	16-12-22	Enforceable undertaking with conditions	-	-
We Wire Electrical Pty Ltd	20-12-22	Pleaded guilty - fined without conviction	\$4,000	\$2,509
Sanli Scaffolding Pty Ltd	23-01-23	Pleaded guilty - fined without conviction	\$12,000	\$7,681
Hallmark Landscape and Design Pty Ltd	30-01-23	Pleaded guilty - fined without conviction	\$15,000	\$5,251
Titan Plumbing Services (Vic) Pty Ltd	01-02-23	Pleaded guilty - fined without conviction	\$25,000	\$4,909
On Spot Bin Hire & Demolition Pty Ltd	01-02-23	Pleaded guilty - convicted and fined	-	-
Alliance CG Pty Ltd	03-02-23	Notice of discontinuance filed by the DPP	-	-
Diversion 1 of 2022-23	06-02-23	No plea taken - diversion	-	-
C & S Lightweight Building Specialist Pty Ltd	06-02-23	Charges withdrawn	-	-
Allied Pinnacle Pty Limited	07-02-23	Pleaded guilty - convicted and fined	\$20,000	\$4,151
Supplying Electrical Services Pty Ltd	09-02-23	Pleaded guilty - fined without conviction	\$20,000	\$4,409

OHS Prosecution Outcomes 2022-23

Defendant Name	Date Prosecution Completed	Outcome	Fine	Cost Recovery
ECA Energy Solutions Pty Ltd	09-02-23	Pleaded guilty - fined without conviction	\$20,000	\$3,098
EnergyAustralia Yallourn Pty Ltd	13-02-23	Pleaded guilty - convicted and fined	\$1,500,000	-
Modscape Residential Pty Ltd	13-02-23	Pleaded guilty - fined without conviction	\$20,000	\$6,853
Group Manufacturing Victoria Pty Ltd	13-02-23	Pleaded guilty - convicted and fined	\$85,000	\$4,606
Group Manufacturing Victoria Pty Ltd	13-02-23	Pleaded guilty - convicted and fined	-	-
Oris Australia Pty Ltd	13-02-23	Notice of discontinuance filed by the DPP	-	-
Supagas Pty Ltd	15-02-23	Pleaded guilty - fined without conviction	\$550,000	-
Gasweld Industries (Aust) Pty Ltd	16-02-23	Pleaded guilty - fined without conviction	-	-
Future Friendly Aust Pty Ltd	17-02-23	Pleaded guilty - fined without conviction	\$4,000	\$5,000
Malina Enterprises Pty Ltd	20-02-23	Pleaded guilty - convicted and fined	\$75,000	\$6,731
Svitzer Australia Pty Ltd	22-02-23	Enforceable undertaking with conditions	-	-
Quality Blow Moulders (Aust) Pty Ltd	22-02-23	Charges withdrawn	-	-
Clark Cranes Pty Ltd	28-02-23	Pleaded guilty - convicted and fined	\$400,000	-
Cranbourne Turf Club Inc	28-02-23	Pleaded guilty - convicted and fined	\$250,000	-
Nationwide Demolition Pty Ltd (in liquidation)	01-03-23	Pleaded not guilty - convicted and fined	\$9,000	\$4,904
Trustees of Edmund Rice Education Australia	02-03-23	Pleaded guilty - convicted and fined	\$23,800	\$5,825
Adrenquads Pty Ltd	06-03-23	Pleaded guilty - fined without conviction	\$14,500	-
LaManna Direct Pty Ltd	07-03-23	Pleaded guilty - fined without conviction	\$20,000	\$3,906
Vegco Pty Ltd	09-03-23	Pleaded guilty - convicted and fined	\$32,500	\$2,467
Country Cart Pty Ltd	10-03-23	Charges withdrawn	-	-
Hanso Construction Pty Ltd	15-03-23	Pleaded guilty - fined without conviction	\$5,000	\$5,000
Nu Tech Demolition & Asbestos Removal Pty Ltd	16-03-23	Pleaded guilty - convicted and fined	\$22,000	\$8,321
Nu Tech Demolition & Asbestos Removal Pty Ltd	16-03-23	Pleaded guilty - convicted and fined	\$17,000	\$8,321

OHS Prosecution Outcomes 2022-23

Defendant Name	Date Prosecution Completed	Outcome	Fine	Cost Recovery
Nu Tech Demolition & Asbestos Removal Pty Ltd	16-03-23	Pleaded guilty - convicted and fined	\$25,500	\$3,990
Makmur Enterprises Pty Ltd	20-03-23	Pleaded guilty - convicted and fined	\$45,000	\$4,331
Makmur Enterprises Pty Ltd	20-03-23	Pleaded guilty - convicted and fined	\$60,000	\$8,879
Barro Group Pty Ltd	20-03-23	Charges withdrawn	-	-
Hi-Grade Gypsum Pty Ltd	22-03-23	Pleaded guilty - fined without conviction	\$35,000	\$8,381
Morning Star Gold N.L.	22-03-23	Pleaded guilty - convicted and fined	\$30,000	\$4,098
M Lawrence Pty Ltd	27-03-23	Pleaded guilty - fined without conviction	\$5,000	\$4,000
Michael Bruce Lawrence	27-03-23	Pleaded guilty - without conviction, placed on an undertaking to be of good behaviour with a special condition	-	-
Victorian Petfood Processors (Vic) Pty Ltd	30-03-23	Pleaded guilty - fined without conviction	\$35,000	\$20,128
Sentenal Technologies Pty Ltd	30-03-23	Pleaded guilty - convicted and fined	\$30,000	\$7,890
Sentenal Technologies Pty Ltd	30-03-23	Pleaded guilty - fined without conviction	\$2,000	-
Heavy Mechanics Pty Ltd	03-04-23	Found guilty - convicted and fined	\$350,000	-
La Tosca Production Pty Ltd	05-04-23	Pleaded guilty - fined without conviction	\$25,000	\$13,425
Oricon Group Pty Ltd	05-04-23	Pleaded guilty - without conviction, placed on an undertaking to be of good behaviour with a special condition	-	\$6,000
Queenscliff Boatyard Pty Ltd	12-04-23	Pleaded guilty - fined without conviction	\$27,500	\$10,167
Australian Leisure and Hospitality Group Pty Ltd	12-04-23	Pleaded guilty - convicted and fined	\$35,000	\$4,409
MelbCon Pty Ltd	21-04-23	Charges withdrawn	-	-
Panda Development Group Pty Ltd	21-04-23	Pleaded guilty - fined without conviction	\$15,000	\$1,963
Prestige Truck Bodies (Aust) Pty. Ltd.	24-04-23	Pleaded guilty - convicted and fined	\$225,000	-
Collins Metal Fabrications Pty Ltd	27-04-23	No plea taken (ex parte) - convicted & fined	\$25,000	\$3,756
Tremic Pty Ltd	02-05-23	Pleaded guilty - fined without conviction	\$7,500	\$5,375
Trendgosa Pty Ltd	03-05-23	Pleaded guilty - fined without conviction	\$50,000	\$2,698

OHS Prosecution Outcomes 2022-23

Defendant Name	Date Prosecution Completed	Outcome	Fine	Cost Recovery
Lor & Le Pty Ltd	03-05-23	Pleaded guilty - without conviction, placed on an undertaking to be of good behaviour with a special condition	-	\$4,678
Goulburn Valley Region Water Corporation	03-05-23	Pleaded guilty - fined without conviction	\$50,000	\$3,906
Saloon Park Pty Ltd	05-05-23	Pleaded guilty - convicted and fined	\$350,000	-
Limitless Energy Group Pty Ltd	08-05-23	Pleaded guilty - fined without conviction	\$25,000	\$3,906
Boral Resources (Vic.) Pty Ltd	08-05-23	Pleaded guilty - convicted and fined	\$180,000	\$13,886
Charlie Camera Pty Ltd	09-05-23	Pleaded guilty - without conviction, placed on an undertaking to be of good behaviour with a special condition	-	\$1,936
Seascape Constructions Pty Ltd	10-05-23	Pleaded guilty - fined without conviction	\$420,000	-
On Spot Bin Hire & Demolition Pty Ltd	10-05-23	Pleaded guilty - convicted and fined	\$12,500	\$3,000
Midfield Meat International Pty Ltd	11-05-23	Appeal dismissed	\$400,000	-
Accent Management Services Pty Ltd	11-05-23	Pleaded guilty - fined without conviction	\$70,000	\$4,236
Daliho Pty Ltd	16-05-23	Charges withdrawn	-	-
Lidaho Pty Ltd	16-05-23	Pleaded guilty - fined without conviction	\$4,000	\$5,112
A1 Engineering (Vic) Pty Ltd	26-05-23	Pleaded guilty - convicted and fined	\$250,000	-
Ourarchi Pty Ltd	29-05-23	Pleaded guilty - convicted and fined	\$390,000	-
Demolition Man Geelong Pty Ltd	31-05-23	Pleaded guilty - fined without conviction	\$4,500	\$6,000
896 Fitzroy North Pty Ltd	02-06-23	No plea taken (ex parte) - fined without conviction	\$25,000	\$3,833
XE Concrete Constructions Pty Ltd	02-06-23	Pleaded guilty - fined without conviction	\$3,500	\$3,833
Spartan Steel Industries Pty Ltd	07-06-23	Pleaded guilty - fined without conviction	\$40,000	\$12,213
ACN Electrical Contractors Pty Ltd	06-06-23	Pleaded guilty - fined without conviction	\$10,000	\$3,985

OHS Prosecution Outcomes 2022-23

Defendant Name	Date Prosecution Completed	Outcome	Fine	Cost Recovery
Gasweld Industries (Aust) Pty Ltd	09-06-23	Pleaded guilty - fined without conviction	\$9,000	\$5,847
SC 8 of 2023	14-06-23	Pleaded guilty - fined without conviction	\$12,000	\$5,695
Underwater Inspection Services Pty Ltd	20-06-23	Pleaded guilty - convicted and fined	\$730,000	-
Kent Bedford	20-06-23	Pleaded guilty - without conviction, placed on an undertaking to be of good behaviour with a special condition	-	-
Blint Builders Pty Ltd (In Liquidation)	21-06-23	No plea taken (ex parte) - convicted and fined	\$20,000	-
Alpha Air Pty Ltd	21-06-23	Pleaded guilty - fined without conviction	\$12,000	\$2,358
Michael James	21-06-23	Pleaded guilty - fined without conviction	\$3,000	\$5,684
UPS Pty Ltd	21-06-23	Charges withdrawn	-	-
Bradbury Industrial Services Pty Ltd	23-06-23	Pleaded guilty - convicted and fined	\$600,000	-
Bradbury Industrial Services Pty Ltd	23-06-23	Pleaded guilty - convicted and fined	\$1,200,000	-
Bradbury Industrial Services Pty Ltd	23-06-23	Pleaded guilty - convicted and fined	\$600,000	-
Bradbury Industrial Services Pty Ltd	23-06-23	Pleaded guilty - convicted and fined	\$500,000	-
Fowlers Asphalt Pty Limited	26-06-23	Pleaded guilty - without conviction, placed on an undertaking to be of good behaviour with a special condition	-	-
Peter Borghouts	29-06-23	No plea taken - diversion	-	-

SC abbreviation refers to convictions made in accordance with The Spent Convictions Act 2021

Compensation Prosecution Outcomes 2022-23

Defendant Name	Date Prosecution Completed	Outcome	Fine	Cost Recovery
Adewale (Peter) Animasahun	28-07-22	Pleaded guilty - convicted and placed on an undertaking to be of good behaviour with a special condition.	-	\$40,000
Muhammad Hossain	03-08-22	Pleaded guilty - without conviction, placed on an undertaking to be of good behaviour with a special condition	-	\$17,500
Linda Thompson	17-08-22	Pleaded guilty - without conviction, placed on an undertaking to be of good behaviour with a special condition	-	-
Jana McKenzie (dec'd)	07-09-22	Charges withdrawn	-	-
Lawson Sideload Services Pty Ltd	09-09-22	No plea taken (ex parte) - fined without conviction	\$5,000	-
David Goodall	21-09-22	Pleaded guilty - convicted and fined	\$1,500	1,824.00
Candice Annells	10-11-22	Pleaded guilty - without conviction, placed on an undertaking to be of good behaviour	-	16,640
Mehdi Heydari Nasab	24-11-22	Pleaded guilty - convicted and a Community Correction Order	-	15,848
SC1 of 2023	17-01-23	Pleaded guilty - fined without conviction	\$3,000	47,509
TD Wright Plumbing & Maintenance Pty Ltd	20-01-23	Enforceable undertaking with conditions	-	-
Pauline Dover	15-02-23	Pleaded guilty - convicted and placed on an undertaking to be of good behaviour with a special condition.	-	\$19,255
Asko Appliances (Aust) Pty Ltd	01-03-23	Enforceable undertaking with conditions	-	-
Robert Rentsch	16-03-23	Pleaded guilty - convicted and a Community Correction Order	-	\$110,920
SC22 of 2023	20-03-23	Pleaded guilty - fined without conviction	\$1,000	\$24,774
Diversion 2 of 2022-2023	06-04-23	No plea taken - diversion	-	-
SC17 of 2023	06-04-23	Pleaded guilty - without conviction, placed on an undertaking to be of good behaviour with a special condition	-	\$3,206
SC2 of 2023	12-04-23	Pleaded guilty - convicted and a Community Correction Order	-	\$143,982
SC21 of 2023	27-04-23	Pleaded guilty - fined without conviction	\$1,000	\$10,744
Edward Keon-Cohen	04-05-23	Pleaded guilty - fined without conviction	-	-
Diversion 3 of 2022-2023	11-05-23	No plea taken - diversion	-	\$4,958

Compensation Prosecution Outcomes 2022-23

Defendant Name	Date Prosecution Completed	Outcome	Fine	Cost Recovery
SC24 of 2023	19-05-23	Pleaded guilty - fined without conviction	\$1,000	\$13,141
Khaled Haouchar	28-06-23	Pleaded guilty - convicted and a Community Correction Order	-	\$25,668
Khaled Haouchar	28-06-23	Charges withdrawn	-	-
Khaled Haouchar	28-06-23	Charges withdrawn	-	-
Khaled Haouchar	28-06-23	Pleaded guilty - convicted and a Community Correction Order	-	\$109,257
Khaled Haouchar	28-06-23	Charges withdrawn	-	-
Andy Tiet	29-06-23	Pleaded guilty - convicted and a Community Correction Order	-	\$124,322
Stephanie Carroll	01-06-23	Pleaded guilty - convicted and a Community Correction Order	-	\$59,001
Thirimamuni Mendis	01-06-23	Pleaded guilty - convicted and fined	\$10,000	\$93,767
Angus Andrew Dick	06-06-23	Pleaded guilty - convicted and a Community Correction Order	-	\$74,744
				\$17,062

2022-23 Statistics

2021-22	
OHS Prosecution success rate	89%
Number of OHS prosecutions commenced (counted by defendant)	148
Number of compensation prosecutions commenced (counted by defendant)	31
Number of completed OHS prosecutions (counted by defendant)	151
Number of completed ACA and WIRC prosecutions (counted by defendant)	29
Number of OHS Cautions	32
Number of Compensation Cautions	7
Number of PI Code of Conduct Cautions	5
Total Cautions	44
Number of matters withdrawn	15
Notice of Discontinuance Filed by the DPP	4
Number of matters discharged or acquitted	1

Statement pursuant to section 40A(6) of the Dangerous Goods Act 1985 (DG Act)

In 2022-23, the Authority: received no requests under section 40A(1) of the DG Act; gave no advice under subsections 2(b) or 2A(a)(ii); and did not fail to respond or report within the times set out in section 40A to a person making a request under subsection (1). The Director of Public Prosecutions gave no advice pursuant to subsection (4) that a prosecution should be brought or should not be brought with respect to a request made under subsection (1).

Statement pursuant to section 28A(6) of the Equipment (Public Safety) Act 1994 (EPS Act)

In 2022-23, the Authority: received no requests under section 28A(1) of the EPS Act; gave no advice under subsections 2(b) or 2A(a)(ii); and did not fail to respond or report within the times set out in section 28A to a person making a request under subsection (1). The Director of Public Prosecutions gave no advice pursuant to subsection (4) that a prosecution should be brought or should not be brought with respect to a request made under subsection (1).

Request for the authority to commence prosecutions

Pursuant to section 131 of the *Occupational Health and Safety Act 2004* OHS Act and sections 577 and 607 of the *Workplace Injury Rehabilitation and Compensation Act 2013* (WIRC Act), if a person considers that an act, matter or thing constitutes an offence and no prosecution has been brought in respect of the act, matter or thing within six months of its occurrence, the person may request in writing that the Authority bring a prosecution. The OHS Act and the WIRC Act require that the following information be published in the Authority's annual report and on its website.

Statement pursuant to section 131(6) of the OHS Act

Number of requests received by the Authority under subsection (1) in 2022-2023 33

How long it took to **commence** each investigation pursuant to a request under subsection (1) (number of days including weekends and public holidays)

	1	2	3	4	5	6	7	8	9	10	11	12
Days	3	11	1	13	*	2	0	2	1	13	1	5
	13	14	15	16	17	18	19	20	21	22	23	24
Days	*	2	1	3	4	8	*	3	0	7	2	8
	25	26	27	28	29	30	31	32	33			
Days	2	1	5	4	2	*	1	5	5			

Explanatory note: () denotes that the investigation commenced prior to receipt of a request under subsection (1).*

The number of cases in which the Authority has advised under subsection 2(b) or (2A)(a) that a prosecution has been or will be brought, or will not be brought in 2022/2023 29

Explanatory note: includes investigations commenced in prior years but concluded in 2022/2023

How long it took to **complete** each investigation pursuant to a request under subsection (1) (number of days including weekends and public holidays)

	1	2	3	4	5	6	7	8	9	10	11	12
Days	**	434	79	239	242	242	234	227	100	440	595	431
	13	14	15	16	17	18	19	20	21	22	23	24
Days	**	511	211	588	598	312	163	239	244	**	297	30
	25	26	27	28	29							
Days	14	125	83	287	353							

Explanatory notes:

Includes investigations commenced in prior years but concluded in 2022-23 and excludes investigations commenced in 2022-23 but not complete as at 30 June 2023.

(*) denotes that the investigation commenced, but was not completed prior to receipt of a request under subsection (1).

(**) denotes that the investigation was completed prior to receipt of the request under subsection (1) and referred to the Director of Public Prosecutions pursuant to subsection (3).

The number of times the Authority failed to report in accordance with subsection (2A) to a person making a request under subsection (1) and any reason for such failure in 2022-2023	0
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The number of cases in which the Director of Public Prosecutions has advised under subsection (4) that a prosecution should be brought or should not be brought in 2022-2023	20
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Statement pursuant to section 577(6) of the WIRC Act

Number of requests received by the Authority under subsection (1) in 2022/2023	0
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The number of cases in which the Authority has advised under subsection 2(b) that a prosecution has been or will be brought, or will not be brought in 2022/2023	0
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The number of cases in which the Director of Public Prosecutions has advised under subsection (4) that a prosecution should be brought or should not be brought in 2022/2023	0
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Statement pursuant to section 607(6) of the WIRC Act

Number of requests received by the Authority under subsection (1) in 2022/2023	1
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The number of cases in which the Authority has advised under subsection 2(b) that a prosecution has been or will be brought, or will not be brought in 2022/2023	0
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The number of cases in which the Director of Public Prosecutions has advised under subsection (4) that a prosecution should be brought or should not be brought in 2022/2023	0
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Appendix 2

Agent performance 2022-23

This appendix includes data on agent performance.

The information does not purport to be all-inclusive or contain all information which employers may require to make an informed assessment as to the selection of an agent. Agent performance on specific criteria is significantly impacted by the different sectors present within their employer portfolios.

Employers should make their own independent assessment of the capabilities of each agent and, where appropriate, seek professional advice.

The market allocation of agents may differ between years due to employers transferring agents and/or from entries or exits to self-insurance or other schemes.

These movements can impact the trend of performance indicated in this appendix.

Authorised agents

Agent name	Full description
Allianz	Allianz Australia Workers' Compensation (Victoria) Limited
DXC	DXC Integrated Services Victoria Pty Ltd
EML	EML Vic Pty Ltd
GB	Gallagher Bassett Services Workers Compensation Vic Pty Ltd

Market share

Market share year ended 30 June 2023

Agent	Percentage of Policies ¹ (excluding exempt employers)	Percentage of Remuneration ² (excluding exempt employers)	Percentage of Premium ³ (excludes base premium GST, buyout premium and its GST)
Allianz	37.57%	31.69%	28.29%
DXC	20.89%	20.25%	21.14%
EML	18.44%	22.91%	22.94%
GBS	23.09%	25.15%	27.64%
Scheme	100%	100%	100%

Notes

¹ Policies refers to the employers with WorkCover Insurance managed by each agent.

² Remuneration refers to the salaries and wages (including superannuation) paid by employers managed by each agent.

³ Premium refers to the premium payable for the 2022-23 year for employers managed by each agent.

Due to rounding, market share may not equate to 100%.

Return to work

Assesses the proportion of injured workers who, after lodging an accepted claim, have returned to work and achieved a sustainable return to work, after 26 weeks, 52 weeks and 104 weeks.

Year ended 30 June 2023

Agent	% returned to work within 26 weeks			% returned to work within 52 weeks			% returned to work within 104 weeks		
	Results			Results			Results		
	All Injuries	Mental	Physical	All Injuries	Mental	Physical	All Injuries	Mental	Physical
Allianz	67.7%	44.1%	71.4%	73.4%	54.1%	76.2%	77.3%	60.3%	79.4%
DXC	67.9%	45.1%	72.8%	74.1%	55.0%	78.0%	79.0%	63.4%	81.5%
EML	71.8%	44.0%	76.0%	78.1%	51.7%	81.2%	79.9%	61.5%	81.9%
GBS	65.9%	36.8%	74.4%	71.9%	44.0%	79.8%	76.3%	53.5%	81.5%
Scheme	68.2%	41.6%	73.6%	74.2%	49.9%	78.8%	78.0%	58.6%	81.0%

Duration for which injured workers remain in receipt of weekly payments

Assesses the proportion of injured workers who after lodging an accepted claim, remain in receipt of weekly payments after 13 weeks, 26 weeks, 52 weeks and 134 weeks.

This information is presented in the Annual Report for the first time in 2022-23, in order to provide more transparency around outcomes for injured workers and agent performance.

Year ended 30 June 2023

Agent	Duration - % of workers on weekly payments at:			
	13 weeks	26 weeks	52 weeks	134 weeks
	Result	Result	Result	Result
Allianz	53.9%	36.0%	14.5%	6.4%
DXC	52.5%	35.5%	14.9%	5.6%
EML	51.3%	33.6%	12.7%	5.8%
GBS	52.7%	36.7%	16.2%	6.5%
Scheme	52.7%	35.6%	14.7%	6.2%

Service

Assesses agent performance on service delivery, based on client feedback obtained by independently administered injured worker and employer surveys.

Information about service to long term injured workers is presented separately in the Annual Report for the first time in 2022/23, in order to provide more transparency around outcomes for injured workers and agent performance.

Year ended 30 June 2023

Agent	Service to Injured Workers*		Service to Long Term Injured Workers **		Service to Employers*	
	Result	Target	Result	Target	Result	Target
Allianz	84.3%	84.0%	72.2%	73.1%	86.4%	83.1%
DXC	82.9%	84.0%	77.1%	73.1%	81.6%	83.1%
EML	86.8%	84.0%	77.1%	73.1%	89.0%	83.1%
GBS	83.4%	84.0%	75.3%	73.1%	85.0%	83.1%
Scheme	84.3%	84.0%	75.3%	73.1%	85.6%	83.1%

* A change was made for 2023-23 surveying to modernise the communication channels utilised by agents for notifying workers and employers of receipt of claim and claim acceptance. This was expanded from just phone channel to include all communications channels (phone, email, letter, SMS, in person).

** Long term injured workers have been unable to work due to their workplace injury for more than 670 days.

^ Agent results shown against Service Delivery Corporate KPI

Conciliation complaints upheld and decision making quality

Sets out agent performance in relation to:

- the number of valid complaints made by injured workers in a financial year, where the agent has failed to comply with an outcome issued by the Accident Compensation Conciliation Service within a reasonable timeframe.

The quality of decisions which are reviewed/audited in relation to whether they:

- are supported by reasonable, appropriate and sufficient evidence
- afford injured workers procedural fairness in assessing entitlements
- have not wrongfully disentitled injured workers
- are communicated to the injured worker accurately, clearly and in a timely manner.

The table below records the proportion of the adverse decisions which pass the quality decision making review. Note that where a decision fails a review, the decision is reassessed.

Year ended 30 June 2023

Agent	Conciliation – non-compliance complaints	Quality decision making (QDM) ¹
	Number of valid complaints	% of decisions that passed QDM audits
Allianz	1	95.6%
DXC	4	95.7%
EML	2	97.8%
GBS	2	96.1%
Scheme	9	96.2%

¹ In 2022-23, WorkSafe audited 2,180 scheme decision across all Agents. The decisions reviewed encompassed initial eligibility, medical, second entitlement reviews (130 weeks) as well as Pre and Post 130 week decisions. A sample of adverse decisions from each of these areas is examined each month and reviewed against the legislative requirements and the prescribed principles of decision making to determine if a quality decision has been made.

The reviews found 96.2% of decisions were 'good quality' decisions. A slight reduction from 96.6% in 2021-22.

The outcome of the reviews and key learnings are provided to Agents to enhance future decision making.

Timeliness

Measures the proportion of agents' determinations of requests for reinstatement of weekly payments and for decisions regarding medical and like treatments that are completed within 28 days.

Year ended 30 June 2023

Agent	Timeliness of reinstatement decisions with 28 Days		Timeliness of medical and like decisions with 28 Days	
	Result	Target	Result	Target
Allianz	96.14%	95%	98.27%	95%
DXC	95.18%	95%	97.57%	95%
EML	100.00%	95%	98.41%	95%
GBS	95.09%	95%	95.22%	95%
Scheme	97.00%	95%	97.49%	95%

Agent timeliness

Measures the proportion of agent payments to injured workers, providers and employers made within specific timeframes.

Year ended 30 June 2023

Agent	Timeliness % of payments direct to injured workers				Timeliness of employer reimbursements	
	Weekly payments - % paid within 7 days		Medical reimbursements - % paid within 11 days		Calendar days to pay 75% of employer reimbursements	
	Result	Target	Result	Target	Result	Target
Allianz	98.80%	98%	87.00%	84%	10	11
DXC	98.80%	98%	87.60%	84%	10	11
EML	98.00%	98%	90.00%	84%	10	11
GBS	98.00%	98%	83.60%	84%	11	11
Scheme	98.40%	98%	86.70%	84%	10	11

Agent	Timeliness of processing provider accounts			
	% paid within 30 days of receipt of invoice		% paid within 70 days of service	
	Result	Target	Result	Target
Allianz	97.60%	95%	88.90%	75%
DXC	91.40%	95%	86.60%	75%
EML	97.40%	95%	88.80%	75%
GBS	96.80%	95%	88.50%	75%
Scheme	96.00%	95%	88.20%	75%

Agent fees

The agents operate under an Instrument of Appointment issued by WorkSafe pursuant to the Workplace Injury Rehabilitation and Compensation Act 2013. They are remunerated for acting on behalf of WorkSafe in the issuing of WorkCover insurance, collection of premium and the administration of claims.

The agent remuneration model includes performance-based components and also allows for the reduction of an agent's remuneration upon the occurrence of an event such as a failure to meet performance criteria.

Fees paid to agents are disclosed as authorised agent fees in the financial statements in the comprehensive operating statement and at note [2.4] to the comprehensive operating statement.

Agent performance metrics 2023-24

Each year, WorkSafe sets a number of performance measures for the agent panel. These measures are intended to align agent performance with WorkSafe's goals of delivering improved outcomes for injured workers including; improvements in return to work and service, while driving quality case management.

Agents can earn payments capped at a specified level for achieving the targets for the defined measures. The payments are measured as a percentage of the agent Premium Fee Base which agents are paid for the portfolio of WorkCover registrations they manage for the year.

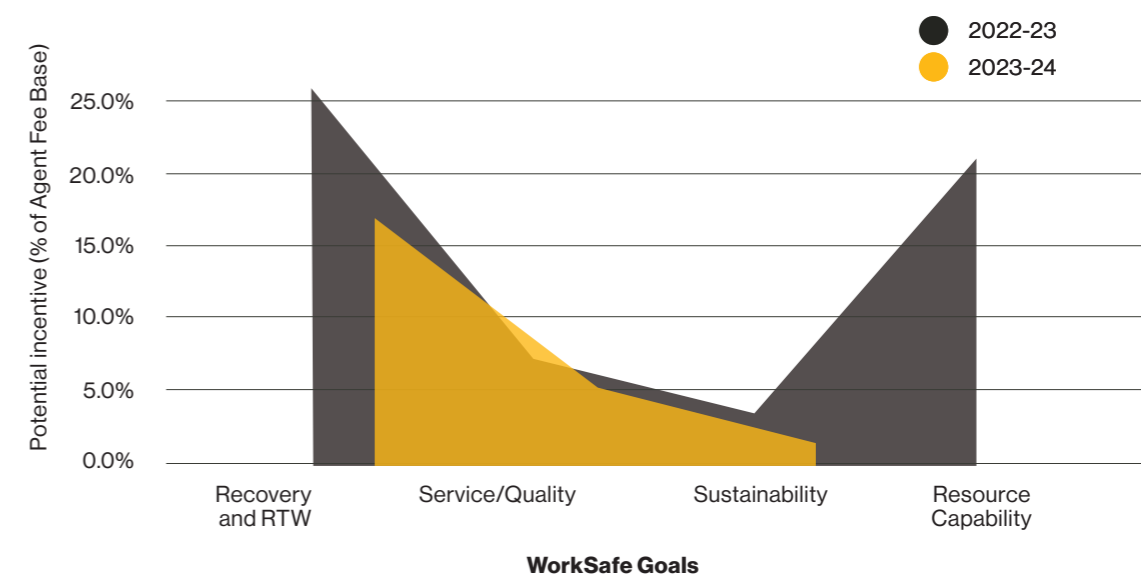
Where an agent does not meet the set targets they may incur a remuneration reduction. Conversely, where an agent exceeds the targets, they may receive an incentive payment.

As a guide, a one percent payment as set out in the table below equates to approximately \$2 million across all four agents collectively. The amount that agents will either earn in incentives or repay in remuneration reductions will depend on their agent Premium Fee Base and their performance.

Table 1 provides a comparison of how the measures from 2022-23 to 2023-24 are aligned to WorkSafe's goals around Recovery and Return to Work, Service Quality, Sustainability and Resource Capability. Resource capability was a specific focus in 2022-23, as WorkSafe and agents sought to add more case management resources to ensure that injured workers received the support that they required. For 2023-24, resource capability will be remunerated via a specific investment fee rather than the incentive pool. This will allow agents to achieve better outcomes across their specific portfolios, by focusing on resourcing and workforce planning tailored to their individual risk areas.

The horizontal axis shows each of WorkSafe's goals, comparing the weighting of incentives between 2022/23 and 2023/24. The vertical axis shows the maximum potential incentive an agent can receive in relation to each goal, as a percentage of the Agent Fee Base.

Table 1: Allocation of weightings proposed for 2023-24 compared to previous year.



Agent performance outcomes for 2022-23

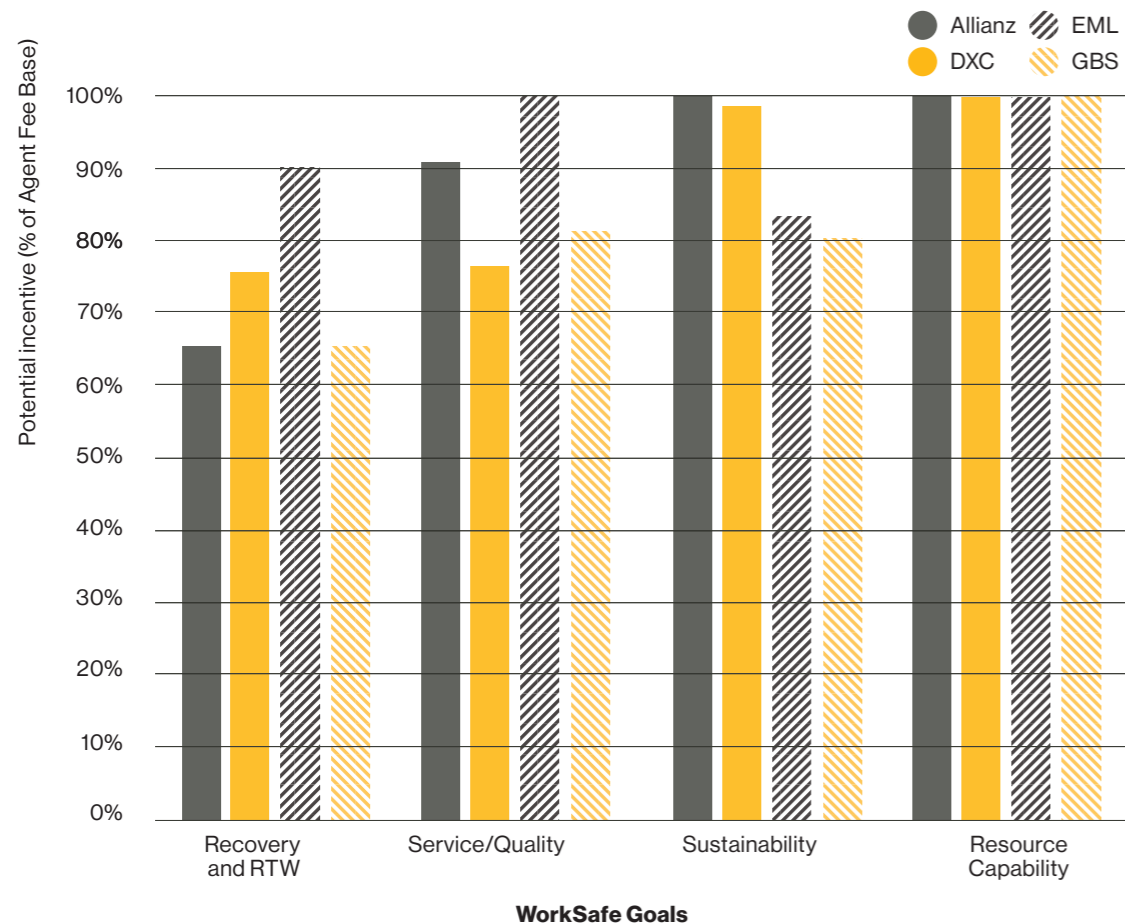
The following chart shows agent performance for 2022-23 for each of the WorkSafe Goals.

Readers should note that the outcome/final assessment of performance against the targets has not been completed at the time of presentation of the Annual Report, because a number of these measures have criteria requiring some time to assess. For example, return to work performance assesses the period of continued return to work of a worker, not just that return to work has occurred.

Table 2 provides indicative results for each agent for 2022-23 in relation to WorkSafe's goals around Recovery and Return to Work, Service Quality, Sustainability and Resource Capability. As noted, these results are indicative at this time and subject to change.

The horizontal axis shows each of WorkSafe's goals, with the performance of each agent per goal. The vertical axis shows the percentage of the maximum total bonus achieved by each agent for each of the goals.

Table 2: Agent performance for 2022-23 against each of WorkSafe's goals



Appendix 3

Self-insurance report

Overview

Self-insurers form part of the WorkSafe workers compensation scheme, being established under specific provisions of the *Workplace Injury Rehabilitation and Compensation Act 2013*.

As at 1 July 2023, there were 34 self-insurers operating in Victoria. These self-insurers pay about 5% of remuneration in Victoria.

This longer period of approval is designed to reward good performance in the area of health and safety, injury management and return to work.

In 2022-23, the following organisations were successful in their application for renewal of approval to self-insure:

- BHP Group Limited on 31 August 2022 for six years
- Westpac Banking Corporation on 31 August 2022 for six years
- Myer Holdings Limited on 31 October 2022 for six years
- Viva Energy Group Limited on 28 February 2023 for six years
- CSR Limited on 31 March 2023 for six years
- Paper Australia Ltd on 31 May 2023 for four years
- Amcor Plc on 30 June 2023 for six years

No self-insurers ceased to hold a self-insurance approval in 2022-23.

Applications and approvals during 2022-23

Applications for self-insurance are made to WorkSafe. WorkSafe has the power to approve or refuse any application.

In determining whether an applicant is suitable, WorkSafe must be satisfied that the appropriate corporate structure is in place, and that applicant is 'fit and proper' to be a self-insurer. In this regard, WorkSafe examines the applicant's:

- financial viability and whether the applicant meets the prescribed minimum requirements of financial strength
- capacity to administer claims for compensation
- incidence of injuries to workers and the cost of claims in respect of such injuries
- safety of working conditions
- compliance with the Act and Regulations
- compliance with any terms and conditions (where the application is for re-approval)
- any other matters that WorkSafe thinks fit.

Approval as a self-insurer is then subject to certain prescribed terms and conditions specified in Ministerial Orders, as well as any terms and conditions determined by WorkSafe.

Initial approval takes effect for a period of three years. Renewal of approval is for a period of four years, unless WorkSafe, in its discretion, determines that approval has effect for six years.

Service

WorkSafe's Injured Workers Survey includes injured workers covered by self-insurers. In 2022-23, the service score was 63% for all self-insurers. This is a decrease compared to the previous year (69%) and was lower than the equivalent service score for WorkSafe agents, which was 74% (which also decreased compared to the previous year – 78%).

Victorian Ombudsman Report

The Victorian Ombudsman commenced an own motion investigation into WorkSafe's self-insurance operations in May 2022, and published the 'Investigation into Victorian self-insurers' claims management and WorkSafe oversight' report in June 2023. There were four recommendations listed in the report - one for government and three for WorkSafe. WorkSafe has agreed to the recommendations in principle.

List of self-insurers as at 30 June 2023

Self-insurer in 2022-23	Employer
Alcoa of Australia Ltd	Alcoa of Australia Ltd Alcoa Portland Aluminium Pty Ltd
Amcor Plc	Amcor Flexibles (Australia) Pty Ltd Amcor Flexibles (Port Melbourne) Pty Ltd ¹ Amcor Pty Ltd
BHP Group Ltd	BHP Group Ltd
Bluescope Steel Ltd	Bluescope Distribution Pty Ltd Bluescope Steel (Ais) Pty Ltd Bluescope Steel Ltd Fielders Manufacturing Pty Ltd Lysaght Building Solutions Pty Ltd Orrcon Distribution Pty Ltd
BP Australia Group Pty Ltd	Air Refuel Pty Ltd BP Australia Pty Ltd Centrel Pty Ltd Elite Customer Solutions Pty Ltd No. 1 Riverside Quay Pty Ltd
Brambles Ltd	Brambles Industries Ltd Chep Australia Ltd
Brickworks Ltd	Austral Precast (Vic) Pty Ltd Austral Masonry Holdings Pty Ltd Auswest Timbers Pty Ltd Brickworks Ltd Bristle Roofing (East Coast) Pty Ltd Daniel Robertson Pty Ltd Nubrik Pty Ltd Nubrik Concrete Masonry Pty Ltd
Carter Holt Harvey Building Products Pty Ltd	Carter Holt Harvey Building Products Pty Ltd Carter Holt Harvey Lvl Pty Ltd Carter Holt Harvey Pinepanels Pty Ltd Carter Holt Harvey Plywood Pty Ltd
Coles Group Ltd	Coles Group Ltd Coles Supermarkets Australia Pty Ltd Eureka Operations Pty Ltd ² Chef Fresh Pty Ltd Coles Group Supply Chain Pty Ltd Liquorland (Australia) Pty Ltd
Crown Resorts Ltd	Capital Club Pty Ltd Betfair Pty Ltd Crown Melbourne Ltd Crown Resorts Ltd
CSRLtd	AFS Systems Pty Ltd Bricks Australia Services Pty Ltd CSRLtd CSR Martini Pty Ltd

List of self-insurers as at 30 June 2023

Self-insurer in 2022-23	Employer
Exxonmobil Australia Pty Ltd	Esso Australia Pty Ltd Mobil Exploration & Producing Australia Pty Ltd Mobil Oil Australia Pty Ltd Mobil Refining Australia Pty Ltd
Food Investments Pty Ltd	George Weston Foods Ltd CCD Animal Health Pty Ltd ³ Auspac Ingredients Pty Ltd ³
Hanson Australia (Holdings) Proprietary Ltd	Hanson Construction Materials Pty Ltd Hanson Landfill Services Pty Ltd Hymix Australia Pty Ltd
Healius Ltd	Agilex Biolabs Pty Ltd ⁴ Healthcare Imaging Services (Victoria) Pty Ltd Idameneo (No. 789) Pty Ltd Healius Pathology Pty Ltd Specialist Veterinary Services Pty Ltd
Inghams Group Ltd	Inghams Enterprises Pty Ltd
Liberty Holdings Australia Ltd	Infrabuild Manufacturing Ltd Infrabuild Trading Ltd OneSteel Recycling Ltd
Melbourne Water Corporation	Melbourne Water Corporation
Mondelez Holdings	Mondelez Australia Pty Ltd Fine Food Holdings Pty Ltd
Myer Holdings Ltd	Myer Pty Ltd Sass & Bide Pty Ltd Warehouse Solutions Pty Ltd Marcs David Lawrence Pty Ltd
Paper Australia Pty Ltd	Opal Packaging Australia Pty Ltd Opal Commercial Services Pty Ltd Paper Australia Pty Ltd Rota Die International Pty Ltd Specialty Packaging Group Pty Ltd
Philip Morris (Australia) Ltd	Philip Morris Ltd

List of self-insurers as at 30 June 2023

Self-insurer in 2022-23	Employer
Qantas Airways Ltd	A.C.N. 619 963 263 Pty Ltd Eastern Australia Airlines Pty Ltd Express Freighters Australia (Operations) Pty Ltd Jetstar Airways Pty Ltd Jetstar Group Pty Ltd Jetstar Services Pty Ltd Qantas Airways Ltd Qantas Domestic Pty Ltd Qantas Ground Services Pty Ltd Qantas Information Technology Ltd Qantas Road Express Pty Ltd Qf Cabin Crew Australia Pty Ltd Qantas Superannuation Pty Ltd
Robert Bosch (Australia) Proprietary Ltd	Robert Bosch (Australia) Pty Ltd
Royal Automobile Club Of Victoria (RACV) Ltd	RACV Finance Ltd RACV Insurance Services Pty Ltd Royal Automobile Club Of Victoria (RACV) Ltd RACV Solar Pty Ltd Gippsland Heating and Cooling Pty Ltd Nationwide Towing & Transport Pty Ltd Eastern Van Services Pty Ltd Bedlam Enterprises Pty Ltd Home Trade Hubs Pty Ltd ⁵ RACV Security Pty Ltd ⁵ Club Home Response Pty Ltd ⁵ Propertysafe Administration Pty Ltd ⁵
The University Of Melbourne	Australian Music Examinations Board (Vic) Ltd Melbourne Teaching Health Clinics (formerly Melbourne Dental Clinic Ltd) Melbourne University Publishing Ltd MU Student Union Ltd ⁶ Nossal Institute Ltd University Of Melbourne UOM Commercial Ltd Goulburn Valley Equine Hospital Pty Ltd Doherty Clinical Trials Ltd ⁷
TLC Aged Care Pty Ltd	TLC Aged Care Pty Ltd
Toll Holdings Ltd	Toll Holdings Ltd Toll Ipec Pty Ltd Toll North Pty Ltd Toll Transport Pty Ltd
Toyota Motor Corporation Australia Limited	Toyota Motor Corporation Australia Ltd OTS (Australia) Pty Ltd ⁸

List of self-insurers as at 30 June 2023

Self-insurer in 2022-23	Employer
Viva Energy Group Ltd	Viva Energy Australia Pty Ltd Viva Energy Refining Pty Ltd Liberty Oil Corporation Pty Ltd ZIP Airport Services Pty Ltd Viva Energy Polymers Pty Ltd John Duff & Co Pty Ltd ⁹ John Duff & Co (Transport) Pty Ltd ⁹ Viva Energy Retail P/L ¹⁰
Wesfarmers Ltd	Australian Vinyls Corporation Pty Ltd Australian Light Minerals Pty Ltd ¹¹ Blackwoods Training Pty Ltd Bullivants Pty Ltd Bunnings Group Ltd Catch Pty Ltd Clearskincare Clinics Payroll Pty Ltd Australian Pharmaceutical Industries Ltd Coregas Pty Ltd CSBP Limited Crosby Tiles Pty Ltd Geeks2U Pty L t ¹² Greencap Pty Ltd Kmart Australia Ltd Lawvale Pty Ltd Modwood Technologies Pty Ltd Officeworks Businessdirect Pty Ltd Officeworks Ltd Priceline Pty Ltd Target Australia Pty Ltd Tilers Plus Pty Ltd The Workwear Group Pty Ltd Trimevac Pty Ltd R.J. Beaumont & Co. Pty. Ltd. ¹³ Wesfarmers A Plus Wesfarmers Chemicals Energy & Fertilisers Ltd Wesfarmers Finance Pty Ltd Wesfarmers Ltd
Westpac Banking Corporation	Asgard Wealth Solutions Ltd BT Financial Group Pty Ltd Westpac Banking Corporation Westpac Financial Consultants Ltd
Mars Wrigley Australia Holdings Pty Ltd	The Wrigley Company Pty Ltd Mars Australia Pty Ltd
Woolworths Group Limited	Philip Leong Stores Pty Ltd Queensland Property Investments Pty Ltd Woolstar Pty Ltd Woolworths Ltd Shopper Media Group Ltd ¹⁴

1 Ceased employing 30 November 2021

2 Divested 30 April 2023

3 Acquired 31 July 2022

4 Acquired 1 September 2022

5 Acquired 31 March 2023

6 Ceased employing 1 April 2017

7 Acquired 19 December 2022

8 Acquired 1 April 2020

9 Acquired 1 March 2023

10 New employer 1 May 2023

11 Divested 8 September 2020

12 Acquired 1 July 2022

13 Acquired 1 June 2023

14 Acquired 30 September 2022

Appendix 4

Governance and compliance

Board of Management

The WorkSafe Board of Management is established under section 24 of the *Accident Compensation Act 1985* and continued under section 502 of the *Workplace Injury Rehabilitation and Compensation Act 2013*. The Board consists of eight directors, each of whom is appointed by the Governor in Council. The Board sets the framework for the achievement of WorkSafe's objectives and the execution of its functions. The Board does this by overseeing strategic planning, policy development, auditing and compliance, prudent financial management, fostering stakeholder relationships and reviewing management performance. Management of the operations and administration of WorkSafe is delegated by the Board to the Chief Executive Officer, who manages and controls the affairs of WorkSafe in accordance with the policies and practices set by the Board.

Directors

Bob Cameron (Chair)

Appointed: September 2022-2025

Jane Brockington

Appointed: August 2017

Reappointed August 2020 – 2023

Doug Kearsley

Appointed: April 2017

Reappointed: April 2023 - 2026

Peter McMullin AM

Appointed: February 2018

Reappointed: February 2021 - 2024

Julie Warren

Appointed: October 2019

Reappointed: April 2023 - 2025

Elizabeth Lukin

Appointed: October 2019

Reappointed: April 2023 - 2025

Flavia Gobbo

Appointed: January 2020

Reappointed: April 2023 - 2025

Further information relating to Board members can be found on the WorkSafe website.

Directors' access to independent legal advice

WorkSafe provides a budget for Directors to obtain independent legal advice in respect to their individual obligations as Directors.

Conflict of interest

Directors are governed in respect to conflicts of interest by the relevant provisions of the *Public Administration Act 2004* and binding codes issued by the Victorian Public Sector Commission.

The Directors are also required by section 31 of the *Accident Compensation Act 1985* (section 511 of the *Workplace Injury Rehabilitation and Compensation Act 2013*) to declare any pecuniary interest in any matter being considered by the Board or in any other matter in which WorkSafe is concerned.

The Board is provided at each of its meetings with a consolidated list of the personal interests disclosed by Directors. Directors are required to complete a declaration of private interests upon appointment and annually while remaining a Director, and since 1 July 2016 are required to provide a declaration of related party transactions.

Board committees

The Board is supported by four committees chaired by independent non-executive Directors.

Finance and Audit Committee

WorkSafe Board Directors of the Finance and Audit Committee as at 30 June 2023: Doug Kearsley (chair), Flavia Gobbo, Bob Cameron and Julie Warren.

The Finance and Audit Committee reviews and makes recommendations to assist the Board to fulfil its responsibilities in relation to:

- the effectiveness of WorkSafe's systems and controls for financial management, performance and sustainability, including financial risk management
- the integrity, effectiveness and quality of WorkSafe's financial management, financial reporting and disclosures
- the independence, work plan, and effectiveness of the Victorian Auditor General (WorkSafe's external auditor)

- the external auditor's annual audit of WorkSafe's financial statements
- the qualifications, engagement, fees, scope of work and effectiveness of WorkSafe's internal auditors
- internal audit reports relating to the internal control environment
- material financial risks, including but not limited to, management of liquidity and investment risks
- actuarial assessments, including outstanding claims valuation, pricing, peer reviews and financial sustainability reviews
- WorkSafe's compliance with relevant laws, regulations, standards and codes regarding the financial management, performance and sustainability of WorkSafe
- To assess whether there are appropriate management controls in place for major or unusual transactions.

Risk Committee

WorkSafe Board Directors of the Risk Committee as at 30 June 2023: Jane Brockington (Chair), Julie Warren, Peter McMullin and Elizabeth Lukin.

The Risk Committee reviews and makes recommendations to assist the Board to fulfil its responsibilities in relation to:

- the adequacy of WorkSafe's processes for managing risk
- the efficacy of the risk management framework and internal controls used to identify and manage material operational and strategic risks that impact business decision making, or which threaten the achievement of business objectives or critical business processes
- WorkSafe's compliance with relevant laws, regulations, standards and codes including the Victorian Government Risk Management Framework as mandated by Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes.

People and Culture Committee

WorkSafe Board Directors of the People and Culture Committee as at 30 June 2023: Julie Warren (chair), Bob Cameron, Peter McMullin and Elizabeth Lukin.

The People and Culture Committee reviews and makes recommendations to assist the Board to fulfil its responsibilities in relation to WorkSafe's:

- strategies and initiatives to support diversity and a positive workplace culture
- strategic workplace planning and workforce capability initiatives
- remuneration guidelines and practices with regard to government policies.

Board and committee meetings

Number of meetings attended/eligible to attend:

Directors	Board (8)	Finance & Audit (4)	Risk (5)	People & Culture (3)	Information & Tech (5)
Bob Cameron	7/7 : 100%	3/3 : 100%		2/3 : 66.6%	
Doug Kearsley	7/8 : 87.5%	4/4 : 100%			5/5 : 100%
Jane Brockington	8/8 : 100%		5/5 : 100%		
Peter McMullin	3/8 : 37.5%		5/5 : 100%	2/3 : 66.6%	
Flavia Gobbo	7/8 : 87.5%	4/4 : 100%			5/5 : 100%
Elizabeth Lukin	8/8 : 100%		3/3 : 100%	4/4 : 100%	
Julie Warren	8/8 : 100%	4/4 : 100%	5/5 : 100%	3/3 : 100%	

Information and Technology Committee

WorkSafe Board Directors of the Information and Technology Committee as at 30 June 2023: Flavia Gobbo (chair), Elizabeth Lukin and Doug Kearsley. Independent co-opted members: David Hart and Fiona Green.

The Information and Technology Committee reviews and make recommendations to assist the Board to fulfil its responsibilities in relation to WorkSafe's:

- Information technology performance
- Information technology major projects and associated costs
- Information technology strategy and plans

Board Advisory Committees

Occupational Health and Safety Advisory Committee

The Occupational Health and Safety Advisory Committee (OHSAC) was established under the *Occupational Health and Safety Act 2004* (OHS Act) to advise the WorkSafe Board about promoting healthy and safe working environments and the operation and administration of the OHS Act and regulations. The purpose of the OHSAC is to focus on strategic issues, providing an important interface between WorkSafe's operational activity and the Board.

In 2022-23 matters considered by the committee in achieving its purpose included:

- workplace fatalities and injury claims (sector, type and number)
- inspectorate visits, notices issued and prosecutions
- occupational disease – challenges, opportunities, regulatory interventions and educational approach including training, media campaigns, grants and key partnerships

- Health & Safety Representatives – training, communication channels, challenges and opportunities
- workplace mental health and wellbeing
- hazardous manual handling
- preventing fatalities – transport industry focus – challenges, opportunities and risk factors
- WorkSafe's quarterly progress report - reducing workplace harm
- *Workplace Injury Rehabilitation and Compensation Regulations 2014* (WIRC Regulations)
- independent review of Victoria's dangerous goods laws & the Victorian Government's response
- Workplace Incidents Consultative Committee – approach and performance
- WorkSafe's targeted campaigns e.g. gender violence, falls from heights and young workers
- legislative and regulatory changes to the operation of the OHS Act and regulations
- member insights and feedback.

OHSAC meeting attendance (membership as at 30 June 2023)

Member	Representing	Meetings attended/eligible to attend	
Bob Cameron (Chair)	WorkSafe	3/3	100%
Colin Radford	WorkSafe	4/4	100%
Narelle Beer	WorkSafe	3/4	75%
Malcolm Sim AM (Monash)	Independent	3/4	75%
Lisa Fitzpatrick (ANMF)	Independent	2/4	50%
Gerry Ayres (CFMEU)	Employees	4/4	100%
Michael Donovan (SDAEA)	Employees	2/4	50%
Karen Batt (CPSU)	Employees	4/4	100%
Wil Stracke (VTHC)	Employees	4/4	100%
Tim Gunstone (UWU)	Employees	3/4	75%
Tim Piper (AIG)	Employers	4/4	100%
Keith Ryan (VHIA)	Employers	1/1	100%
Samantha Reid (CA)	Employers	3/4	75%
Stuart McCullough (VHIA)	Employers	2/4	50%
Brendan Tatham (VFF)	Employers	1/1	100%
Michaela Lihou (MBAV)	Employers	0/1	0%
Lynda McAlary-Smith (SBC)	Crown	3/4	75%
Brigid Monagle (VPSC)	Crown	0/1	0%

WorkCover Advisory Committee

The WorkCover Advisory Committee (WAC) was established under the *Workplace Injury Rehabilitation and Compensation Act 2013* (WIRC Act) to advise the WorkSafe Board about workers' entitlement to compensation, return to work, rehabilitation, and the operation and administration of the WIRC Act and relevant regulations. The purpose of the WAC is to focus on strategic issues, providing an important interface between WorkSafe's operational activity and the Board.

In 2022-23 matters considered by the committee in achieving its purpose included:

- workplace fatalities and injury claims (sector, type and number)
- impact and effectiveness of WorkSafe's Recovery and Return to Work Program
- Royal Australian College of Physicians: It Pays to Care program
- Workers Compensation Independent Review Service – trends and approach
- occupational disease – challenges, opportunities, regulatory interventions and educational approach including training, media campaigns, grants and key partnerships.
- workplace mental health and wellbeing
- Workplace Incidents Consultative Committee – approach and performance
- Recovery and Return to Work experience and the role of occupational rehabilitation providers
- WorkSafe's mid-year results
- WorkSafe's response to recommendations from the Independent Review into Complex Claims
- Workers Compensation Independent Review Service – trends, challenges and opportunities
- Government reforms to the Victorian workers' compensation scheme
- hazardous manual handling
- *Workplace Injury Rehabilitation and Compensation Regulations 2014* (WIRC Regulations)
- WorkSafe's targeted campaigns e.g. gender violence, falls from heights and young workers
- legislative and regulatory changes to the operation of the WIRC Act and regulations
- member insights and feedback.

WAC Meeting Attendance (membership as at 30 June 2023)

Member	Representing	Meetings attended/eligible to attend	
Bob Cameron (Chair)	WorkSafe	3/3	100%
Wil Stracke (VTHC)	Employees	4/4	100%
Karen Batt (CPSU)	Employees	4/4	100%
Lisa Fitzpatrick (ANMF)	Employees	2/4	50%
Tim Piper (AiG)	Employers	4/4	100%
Paul Guerra (VECCI)	Employers	0/4	0%
Julie Mitchell (AAI)	Employers	0/1	0%
Stefan Delaney (SIAV)	Employers	4/4	100%
Ben Gilley (S&G)	Knowledge of applicable law	3/4	75%
Carolyn Ford (LIV)	Knowledge of applicable law	4/4	100%
Emma Hines (MBL)	Knowledge of applicable law	4/4	100%
Zena Burgess (APS)	Provision of hospital or medical services	0/4	0%

Financial Management Compliance Attestation

WorkSafe Victoria

I, Bob Cameron, on behalf of the Board, certify that the Victorian WorkCover Authority has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Bob Cameron

Chair
Victorian WorkCover Authority

Date signed: 29 August 2023

Victorian WorkCover Authority
trading as WorkSafe Victoria

Victorian Asbestos Eradication Agency

I, Helga Svendsen, on behalf of the Board, certify that the Victorian Asbestos Eradication Agency has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Helga Svendsen

Chair
Victorian Asbestos Eradication Agency

Date signed: 14 August 2023

Statement of expectations

WorkSafe has implemented a range of initiatives in response to the Victorian Government’s Statement of Expectations for the period ending 30 June 2023.

WorkSafe continues to focus on achieving greater efficiency and effectiveness in the administration and enforcement of regulation, while ensuring there is a sustained focus on reducing workplace harm and improving outcomes for injured workers. This has been done in a number of ways including through process improvements and improvements to the delivery of services.

In the areas of **effective risk-based regulation, timeliness and person-centred services and clear and consistent regulatory activity**, WorkSafe activity has included targeted visits to workplaces where most injuries and fatalities are predicted to occur, public awareness campaigns, the implementation of recommendations of the Ministerial Taskforce into Workplace Sexual Harassment and improved return to work programs and services.

Engagement and collaboration activity has included working closely with government on the Independent Review into the Agent Model and the Administration and Management of Complex Workers Compensation Claims and the independent review of the Dangerous goods Act 1985 and associated regulations. WorkSafe has also worked closely with Victoria Police on sex work decriminalisation reforms.

In the area of **incentivising effective workplace safety practice and enforcing non-compliance**, activity has included increased recruitment of specialist inspectors, greater inspectorate presence, investigations and prosecutions and improved public awareness of WorkSafe’s enforcement role while maintaining the existing legislative and regulatory framework to safeguard workers and the community.

Recommendation 19 – Ministerial Taskforce on Workplace Sexual Harassment

In response to Recommendation 19 of the Ministerial Taskforce on Workplace Sexual Harassment, WorkSafe is publishing workplace gendered violence and sexual harassment data and trend analysis in its Annual Report and on its website.

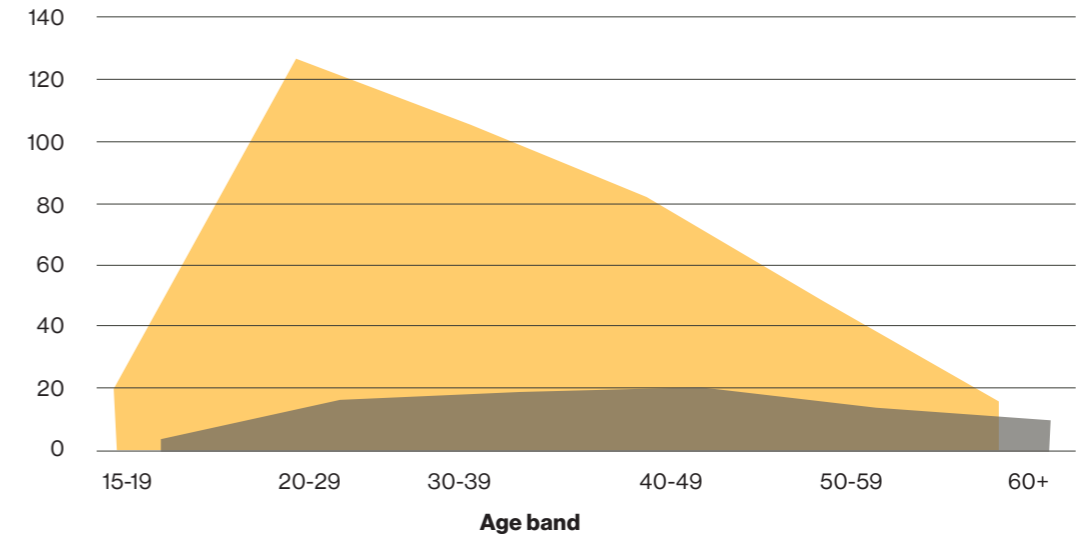
Publishing the data is designed to inform public engagement about the initiatives WorkSafe undertakes to address workplace sexual harassment based on the trends.

As data collection matures, more data will be made available to the public.

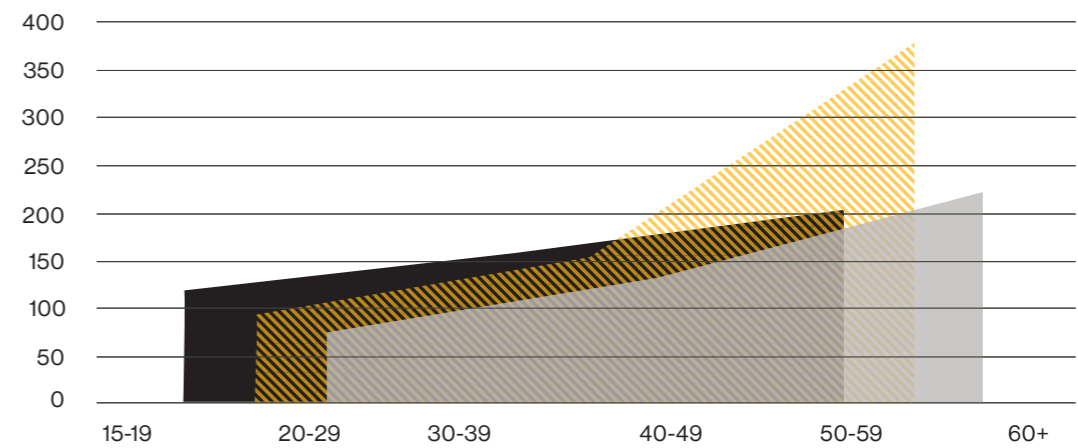
The 2022-23 financial year is summarised below.

- Text analysis of claims forms submitted to WorkSafe has been used to identify injuries relating to possible sexual harassment. Claims reported here are standardised claims.
- Possible sexual harassment standardised injury claims totalled 204, up from 159 in 2021-22 and 120 in 2020-21.
- The classification of calls received by WorkSafe’s Advisory relating to sexual harassment was adjusted in 2022-23 to ‘Gendered Violence including Sexual Harassment’.
- Service requests raised by the Psychosocial Inspectorate or an advisor relating to sexual harassment have increased over the past three years. There were 224 in 2022-23, up from 133 in 2021-22 and 77 in 2020-21.
- Possible sexual harassment claims over the last three years have been combined and broken down by gender and age band. Most claims are from females in the 20-29 age group.
- The injury claim numbers have been used to show the top 10 industry divisions over the last three years. These results show the health care and social assistance division with the most results in each year.

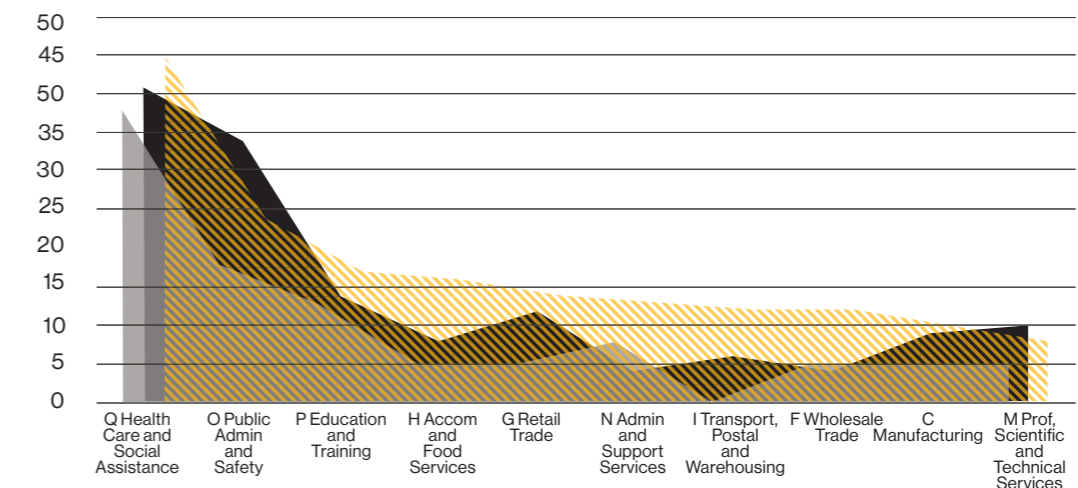
Possible sexual harassment injury claims last three years ● Female ● Male



Claims, calls and service requests ● Claims ● Calls ● Service Requests



Possible sexual harassment injury claims by industry ● 2020-21 ● 2021-22 ● 2022-23



Compliance

This section includes disclosures required by the *Financial Management Act 1994*, the *Accident Compensation Act 1985*, the *Workplace Injury Rehabilitation and Compensation Act 2013*, the *Public Interest Disclosure Act 2012*, the *Carers Recognition Act 2012* and the *Freedom of Information Act 1982*. It also includes voluntary disclosure of additional regulatory compliance information.

Manner of establishment and relevant Minister

WorkSafe was established by section 18 of the *Accident Compensation Act 1985* as in force immediately before 1 July 2014 as a body corporate with perpetual succession.

The responsible Minister is the Assistant Treasurer and Minister for WorkSafe and the TAC, Danny Pearson MP.

Accountability of WorkSafe

Pursuant to section 492 of the *Workplace Injury Rehabilitation and Compensation Act 2013*, WorkSafe is required to exercise its powers and perform its functions under the *Workplace Injury Rehabilitation and Compensation Act 2013*, the *Accident Compensation Act 1985*, the *Workers Compensation Act 1958*, the *Occupational Health and Safety Act 2004*, the *Equipment (Public Safety) Act 1994* and the *Dangerous Goods Act 1985*. Pursuant to section 495 of the *Workplace Injury Rehabilitation and Compensation Act 2013*, WorkSafe is subject to the general direction and control of the Minister and any specific written directions given by the Minister. The Minister cannot give a direction in relation to a specific person.

Ministerial Directions

No Ministerial Directions were given under section 495 of the WIRC Act during the financial year 2022-23..

WorkSafe's objectives, functions and powers

WorkSafe's primary objectives, functions and powers are found in sections 492, 493 and 494 of the *Workplace Injury Rehabilitation and Compensation Act 2013* and sections 2, 7 and 8 of the *Occupational Health and Safety Act 2004*. These Acts are available on WorkSafe's website.

WorkSafe's role in the community

WorkSafe is the regulator of occupational health and safety and the accident compensation scheme in Victoria and its objectives and functions include (among others):

- providing insurance to employers
- receiving, assessing and determining claims for payment of compensation to injured workers
- conducting and defending legal proceedings before courts and tribunals
- assisting employers and workers in achieving healthy and safe working environments
- promoting the effective occupational rehabilitation of injured workers and their early return to work
- developing and implementing programs to provide incentives for employers to implement measures to eliminate or reduce risks to health and safety and to otherwise improve occupational health, safety and welfare
- promoting public awareness and discussion of occupational health and safety and providing information services to workers, employers and the Victorian community.

Access to information

WorkSafe discloses a large volume of information online, via printed publications and through its metropolitan and regional offices. It also provides information services in person and/or by phone, through its advisory services, Annual Report, website, library at 1 Malop Street, Geelong, and any of its own or its authorised agents' offices across Victoria.

The Freedom of Information Act 1982

In addition to organisational structure, governance and compliance, this section shows how WorkSafe makes information readily available to workers and the public in accordance with Part II of the *Freedom of Information Act 1982*.

The *Freedom of Information Act 1982* gives members of the public the right, subject to certain exemptions, to apply for access to information held by WorkSafe and/or to correct their personal information if it is incomplete, incorrect or out of date.

The *Freedom of Information Act 1982* applies to documents created by WorkSafe, as well as those created by other organisations, which are in the possession of WorkSafe and its authorised agents.

For requests under the *Freedom of Information Act 1982*, applicants may use the online form provided at www.ovic.vic.gov.au.

In 2022-23, WorkSafe received 1,984 valid Freedom of Information (FOI) requests. The Office of the Victorian Information Commissioner (OVIC) received 10 applications for review and nine complaints in relation to WorkSafe FOI decisions. The Victorian Civil and Administrative Tribunal (VCAT) received four applications for review in relation to WorkSafe FOI decisions.

Details on the outcome of reviews by OVIC and appeals to VCAT are available on the OVIC website and annual report.

FOI is just one of the processes available to the public to access WorkSafe documents or information. WorkSafe has processes in place to provide information to workers and the public outside the formal FOI process. Most communication or exchange of information with third parties occurs in the normal course of our business and with injured workers directly, or through our authorised agents, or under the *Workplace Injury Rehabilitation and Compensation Act 2013*.

As part of normal claim management and administration, injured workers may access information in relation to their claim under Section 9 of the *Workplace Injury Rehabilitation and Compensation Act 2013* directly from agents or their employer (including a self-insurer) or in accordance with other provisions of the *Workplace Injury Rehabilitation and Compensation Act 2013*.

In 2022-23, 16,006 requests for information in relation to workers' injury claims were received by agents under the *Workplace Injury Rehabilitation and Compensation Act 2013*.

Organisation and functions

Information about WorkSafe and its structure, business units, authorised agents, objectives, functions, powers, the legislation it administers and requests for access to information made under the *Freedom of Information Act 1982* or the *Workplace Injury Rehabilitation and Compensation Act 2013* can be found in the annual report and/or on the WorkSafe website. Publications including policies, manuals, guidelines, codes of practice, brochures and other materials are available on the WorkSafe website. Legislation administered by WorkSafe is also available on the website.

Categories of records

Records are managed in accordance with the *Public Records Act (1973)* and categorised according to their business function and related activity. WorkSafe's current Business Classification encompasses the following categories:

- Corporate Governance
- Enforcement and Fraud
- Enterprise Portfolio Management
- External Relations
- Financial and Contract Management
- Human Resources
- Information Governance and Technology
- Injured Worker Management
- Insurance Scheme Management
- Legal Services and Advice
- Occupational Health and Safety
- Property and Infrastructure
- Research and Innovation
- Workplace Health and Safety Management

Health and Safety

WorkSafe is responsible for improving health, safety and welfare in Victorian workplaces under the *Occupational Health and Safety Act 2004* and associated legislation.

Information held by WorkSafe is primarily related to workplace visit entry reports, notices and licence applications. WorkSafe has an Informal Release of Information (IROI) Program, in addition to the more formal Freedom of Information process. Under the IROI Program, the type of information for release is limited and those who are seeking the information must meet specific eligibility criteria.

In the 2022-23 financial year, 332 IROI were received. 195 were accepted resulting in 350 total documents released.

The most common type of applications received were from employees/injured persons or representatives of injured persons, followed by authorised representatives of registered employee organisations (ARREOs)/union representatives.

Insurance

WorkSafe is responsible for the compensation and rehabilitation of injured workers and managing employer workplace injury insurance and premiums under the *Workplace Injury Rehabilitation and Compensation Act 2013*.

The rehabilitation and compensation scheme is administered by a number of authorised agents on behalf of WorkSafe. These agents are currently responsible for a range of functions including premium collection, claim lodgement and the delivery of benefits to, and rehabilitation of, workers. Therefore, personal or case files of workers are held by the agents who manage their claims. Other operational and policy files are stored at WorkSafe's offices at 1 Malop Street, Geelong.

Examples of the types of documents to which members of the public usually apply for access are:

- documents relating to their personal information, for example a particular worker's injury claim, or a workplace complaint made against an individual or company
- documents of a non-personal nature, for example details on WorkSafe's processes or decisions, or information on an incident at a workplace.

Making a Request

WORKERS' INJURY CLAIM FILES

If you are a worker who has claimed compensation and wishes to access documents in relation to your injury claim file you can contact the agent managing your claim to apply for documents under section 9 of the *Workplace Injury Rehabilitation and Compensation Act 2013*. Under this Act agents are required to process and respond to a request within 28 days from the date they receive the request. Information in relation to the injury claim access to information process is available on the WorkSafe website – Online Claims Manual.

WORKPLACE INJURY INSURANCE PREMIUM

Information documents relating to employer premiums are held by the agents. Certain documents can be released by the agents without the need to use the *Freedom of Information Act 1982* process. Employers should contact the agent managing their WorkCover insurance to request access to particular documents.

Other Information

For information not related to a worker's injury claim file or an employer's premium, requests must be made in writing and should be addressed to:

Freedom of Information
WorkSafe Victoria
PO Box 279
Geelong Victoria 3220

Requests under the Freedom of Information Act 1982 must be made in writing, or using the online form provided at www.ovic.vic.gov.au. A statutory fee of \$31.80 is payable for each request and must be paid by credit card online, or enclosed with the letter of request (cheques should be made payable to WorkSafe Victoria).

The fee may be waived if the applicant requests and provides evidence as to why payment of the fee would cause them financial hardship. Additional costs for access to documents may also be incurred, such as for photocopying and search time.

Decisions are made under the Freedom of Information Act 1982 by the Principal Officer or authorised FOI Officers in accordance with the requirements of section 26 of the Freedom of Information Act 1982.

Further Information

Further information and forms are available online at www.worksafe.vic.gov.au.

Online publications and library

WorkSafe produces a wide range of publications, many of which can be accessed at worksafe.vic.gov.au. For further information or enquiries, the contact number is (03) 4243 7375.

The library operates from WorkSafe's head office at 1 Malop Street, Geelong.

Protected disclosures

WorkSafe has established procedures in accordance with the *Public Interest Disclosures Act 2012*. The purpose of these procedures is to facilitate the making of disclosures and the protection of people who make disclosures from reprisals. The procedures are available at worksafe.vic.gov.au.

Independent Review Division

The Independent Review Division of WorkSafe's Legal and Governance Business Unit houses the Internal Review Unit (IRU) and the Workers Compensation Independent Review Service (WCIRS), the latter of which began operating from 30 April 2020.

The IRU conducts administrative law merits reviews of decisions made by WorkSafe's inspectors under the Occupational Health and Safety Act 2004 (OHS), Dangerous Goods Act 1985 (DG), Equipment (Public Safety) Act (EPS), Workplace Injury Rehabilitation and Compensation Act 2013 (WIRC) and associated Regulations relating to health and safety or return to work obligations of workplaces, together with procedural reviews of decisions made relating to the issuing of licenses. The IRU decision-makers have delegated powers under the relevant Acts to confirm, set aside or vary the decisions it reviews.

WCIRS is responsible for conducting independent reviews of decisions made by WorkSafe or its authorised agents under the WIRC Act at the request of an injured worker or their representative. In order to give effect to independent reviewing findings relating to reviews of WorkSafe or Agent decisions, the WCIRS decision-makers are duly authorised to give directions under section 501(2)(b) of the WIRC Act to agents or to require WorkSafe staff to change decisions.

Applications for internal review

Internal review outcomes	2019-20	2020-21	2021-22	2022-23
Health and safety				
Inspector's decision affirmed (no change)	31	35	23	19
Inspector's decision affirmed with variations (other than compliance date)	56	27	44	94
Inspector's decision set aside	67	94	52	58
Compliance date only changed	1352	812	1075	1354
Extension refused	0	5	1	2
Application invalid/ineligible/not reviewable	18	26	20	28
Application withdrawn	77	97	82	177
Inspector's decision set aside under s114 OHS/s17F DG /s19D EPS Acts)	232	223	141	198
Inspector decision varied under s114 OHS/s17F DG /s19D EPS Acts	152	54	24	28
Requests under s114 OHS/s17F DG/ s19D EPS Acts withdrawn	2	22	11	24
Total health and safety applications outcomes	1987	1395	1473	1982
Infringement				
Decision confirmed	-	-	-	2
Decision withdrawn	-	-	-	0
Application invalid	-	-	-	0
Application withdrawn	-	-	-	0
Inspector's decision set aside under S11/S18 Infringement Acts)	-	-	-	6
Requests under S11/S18 of Infringement Act withdrawn	-	-	-	0
Total Infringement outcomes	-	-	-	8
Licensing				
Decision affirmed	9	6	6	4
Decision set aside	9	4	1	0
Application invalid	5	5	7	6
Application withdrawn	4	20	4	5
Total licensing outcomes	27	35	18	15
Return to work				
Decisions set aside	0	1	1	1
Compliance date only changed	4	0	2	2
Decision affirmed	2	1	0	2
Varied	0	0	0	0
Invalid	1	1	0	2
Withdrawn	1	0	1	1
Inspector's decision set aside under s138 WIRC Act	1	0	2	3
Inspector's decision varied under s138 WIRC Act	0	0	0	0
Total return to work outcomes	9	3	6	11

Application for review of Agent Decisions by Workers Compensation Independent Review Service

Workers Compensation Independent Review Service outcomes	2019-20	2020-21	2021-22	2022-23
Decisions affirmed	1	142	234	317
Decisions overturned (by direction)	11	115	133	175
Decisions withdrawn (by agent)	1	35	20	4
Application withdrawn (by worker)	0	8	18	6
Ineligible decisions	12	49	54	74
Eligible decisions pending outcome	15	50	72	114
Total review applications	40	399	531	690

Victorian Civil and Administrative Tribunal applications

During 2022-23, there were eight applications lodged to the Victorian Civil and Administrative Tribunal (VCAT) for review of Internal Review Unit decisions. Of the active applications, three were concluded.

There are currently nine applications before the Tribunal: three have an administrative mention date scheduled; three have direction hearings scheduled; one has a compulsory conference scheduled; and one is on hold pending a Supreme Court ruling on an earlier VCAT decision.

During 2022-23, there were 12 applications lodged to the VCAT for review of planning decisions made by responsible authorities (usually local councils), in matters where WorkSafe provided advice at the planning stage to the responsible authority. In the same period, there was one additional matter where WorkSafe was not invited to provide advice at the planning stage to the responsible authority, but was later invited to make submissions once the matter came before VCAT. WorkSafe filed correspondence with the Tribunal for all 13 matters in its role as regulatory advisor, but has not been joined as a party to any of the 13 applications.

Environmental performance

WorkSafe is committed to reducing its environmental footprint and consistently manages sustainability through resource conservation, pollution prevention and promoting awareness among employees and stakeholders.

Initiatives include:

- proactively managing WorkSafe's environmental footprint through employee participation, e.g. a coffee cups recycling campaign
- bicycle and end-of-trip facilities (e.g. showers and lockers), which encourage employees to ride to work
- sensory lighting throughout the building is reducing electricity consumption
- maintaining a high-standard Green Star rating and also tenancy building WELL rating, specifically in relation to WorkSafe's offices at 1 Malop Street, Geelong, and 567 Collins Street, Melbourne.

The WELL rating is a performance-based system for measuring, certifying and monitoring features of the built environment that impact human health and wellbeing. WorkSafe is taking the best environmental practice approach on other tenancy fit-out projects.

- the introduction of electronic document management, which is reducing paper and storage
- donating redundant mobile phones and IT equipment to a range of charitable entities for recycling if they cannot be re-used within our offices
- being part of the Government State Purchasing Contract (SPC) which enables competitive pricing for utilities and green power where possible
- ongoing use of 100% recyclable paper where possible, while also monitoring and minimising usage by limiting printing.

	2021-22	2022-22	Change	Percentage
Electricity (kWH)	1,471,532	1,601,826	130,294	8.9%
Paper consumption (reams)	1,690	1,387	-303	-17.9%
Paper consumption (reams) per FTE	1.17	0.8	-0.37	-31.6%
Recycled papers (reams)	1,170	1,287	117	10%
Recycled papers (%)	69%	93%	24%	24%

The Building Act 1993

WorkSafe's policy with respect to new building works, and alterations to existing buildings, is to comply with the *Building Act 1993* as if WorkSafe is not exempt from compliance as a public authority (as provided in section 217(3) of the *Building Act 1993*).

Some buildings occupied by WorkSafe may have been constructed or altered under exemptions for public bodies which applied at the time. WorkSafe is unaware of any material non-compliance with the current building standards for buildings of their nature and age.

Local Jobs First – Victorian Industry Participation Policy

The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the Local Jobs First - Victorian Industry Participation Policy (LJF-VIPP). Departments and other public sector bodies are required to apply the LJF-VIPP to all procurement activities valued at \$3 million or more in metropolitan Melbourne and for state-wide projects, and \$1 million or more for procurement activities based in regional Victoria.

During 2022-23, WorkSafe commenced three procurement activities totalling \$18.4 million, which were lodged with the Industry Capability Network for Local Jobs First. Two of the three procurement activities were assessed by the Industry Capability Network as state-wide projects, and one was assessed as regional. All three procurement activities required Local Industry Development Plans (LIDPs).

There was one Local Jobs First applicable project completed

Social procurement

Participating departments and agencies are required to report on social procurement activity under the Social Procurement Framework (SPF). The SPF leverages the significant buying power of government to drive increased value for money from all purchased goods, services and construction.

WorkSafe continues to promote social procurement initiatives and increase its social procurement spend through performance targets and continuous improvement measures.

In 2022-23, there were a total of 36 social benefit suppliers engaged, totalling \$1,217,597 of direct social procurement expenditure. The total expenditure with social benefit suppliers below does not equate to the objectives and outcomes break down total, as the same supplier may relate to multiple objectives.

The following SPF objectives and outcomes were prioritised by WorkSafe in 2022-23:

- opportunities for Victorians with a disability through purchasing from Victorian Social Enterprises (VSEs), led by a mission for people with disability, and Australian Disability Enterprises (ADEs)
 - 12 Group 1 suppliers in this cohort were engaged with expenditure totalling \$483,25
 - two Group 2 suppliers in this cohort were engaged with expenditure totalling \$8,055
- opportunities for Victorian Aboriginal people through purchasing from Victorian Aboriginal Businesses (businesses operating in Victoria registered with Kinaway or Supply Nation):
 - three suppliers in this cohort were engaged, with expenditure totalling \$19,581
 - significant spend with one Victorian Aboriginal Business for services provided during the 2022-23 financial year was delayed due to supplier administration. This social procurement spend will be qualified for the 2023-24 financial year
- opportunities for disadvantaged Victorians through purchasing from VSEs, led by a social mission for one of the five disadvantaged cohorts
 - 13 Group 1 suppliers in this cohort were engaged with expenditure totalling \$313,626
 - five Group 2 suppliers in this cohort were engaged with expenditure totalling \$319,221
- achieving sustainable VSEs and Aboriginal Businesses Sectors through purchasing from VSEs and Aboriginal Businesses
 - 28 Group 1 suppliers were engaged in this cohort with expenditure totalling \$878,795
 - no Group 2 suppliers in this cohort were engaged.

Social Procurement Activities Undertaken

In addition to social procurement expenditure, WorkSafe continues to promote social procurement objectives through a number of initiatives, including:

- renewed membership and information workshops conducted with Social Traders
- new corporate membership initiated with Kinaway, and the Aboriginal Chamber of Commerce for Victoria
- reviewing and updating our Social Procurement Strategy
- completing two case studies and publishing one in the WorkSafe online newsletter, Connect.

National Competition Policy

Competitive neutrality

Under the Victorian Government's Competitive Neutrality Policy, WorkSafe is listed as a Public Financial Enterprise. Therefore, in accordance with the obligations set out in the Competition Principles Agreement, WorkSafe pays the full suite of Commonwealth and State taxes or tax equivalents where applicable. WorkSafe is not a borrower in its own right and therefore is not subject to the Financial Accommodation Levy.

Additional information available on request

To the extent applicable, the information listed in Financial Reporting Direction 22H, issued by the Minister for Finance, is available on request subject to provisions of the Freedom of Information Act 1982.

The Carers Recognition Act 2012

WorkSafe has taken all practical measures to comply with its obligations under the Carers Recognition Act 2012. These include considering the carer relationships principles set out in the Act when setting policies which affect employees in care relationships. WorkSafe has employment policies including the provision of carers leave, flexible working arrangements, which includes: hours and structures of work, flexible leave schemes and location of work – including remote work which comply with the statement of principles in the Act.

Merit and equity, and employment and conduct principles

WorkSafe is committed to the application of principles of merit and equity in the employment process. These principles ensure applicants are assessed and evaluated fairly and equitably on the basis of skills, experience and required competencies. All decision making recognises WorkSafe's code of conduct, organisation values and relevant policies and processes.

WorkSafe workforce data	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Total number of employees	1,385	1,548	1,595	1,847
Full time equivalent	1,351.56	1,505	1,553.15	1797.5
Males	639	701	697	787
Females	746	846	898	1,060
Self-described gender	0	1	0	0
Full time	1,265	1,394	1,436	1,647
Part time	120	154	159	200
Average age	43.9	44.3	44.5	44.5

WorkSafe's commitment to health, safety and wellbeing

In 2022-23, WorkSafe's Health, Safety and Wellbeing (HSW) Program recognised that new ways of working presented opportunities to further enhance worker creativity, innovation and productivity. The high level of engagement of our Health and Safety Representatives, Wellbeing Champions and Peer Support network has been critical to our success in all aspects of safety, ensuring the health and wellbeing of our workforce.

The following information reports our performance against HSW performance indicators.

Hazards	2019-20	2020-21	2021-22	2022-23
Total hazards	67	71	147	300*
Hazards per 100 FTE*	5.2	4.7	9.5	16.7
Number of incidents	247	203	171	269
Incidents per 100 FTE*	19.0	13.5	11.0	15.0
Incidents raised within 3 days of occurrence	83%	73%	77%	81%
Incidents investigated within 10 days of reporting	87%	89%	75%	63%

* The increase that we have seen over the last five years reflects the work to develop our culture of reporting hazards in order to inform an early intervention approach.

Safety management	2019-20	2020-21	2021-22	2022-23
Number of inspections	100%	N/A**	20	32
Resolution close out of inspections <3 months	98%	N/A**	N/A*	3
Number of provisional improvement notices	0	2	0	1
Number of improvement and prohibition notices	0	0	0	2
Non-conformances with ISO45001 certification	0	0	1	0

Claims and return to work	2019-20	2020-21	2021-22	2022-23
Number of claims (standardised)	20	17	10	30
Claims – rate per 100 FTEs	1.56	1.12	0.63	1.67
Number of time-loss claims	6	9	7	13
Time-loss claims – rate per 100 FTEs	0.47	0.60	0.44	0.72
Number of 13-week claims	5	3	3	8
13-week claims – rate per 100 FTEs	0.39	0.20	0.19	0.45
Number of fatality claims	0	0	0	0
Number of claims with return to work plans initiated	4	10	9	12
Percentage of 13-week claims with return to work plans initiated	0.80	1.00	1.00	0.92

* Inspections conducted in April / May 2022 action close out data not due

** Due to office closures inspections were not completed – COVID-19-specific office inspections were completed to check controls in place before returning to offices

Representation	2019-20	2020-21	2021-22	2022-23
Designated Work Groups	25	48***	48	45
Health and Safety Representatives	45	67***	66	85
First Aid Officers (Level 2)	44	41	52	58
Emergency Wardens	89	74	53	71
Peer Support Officers	40	38	44	47
Mental Health First Aiders	61	55	87	119
Designated Work Group Management Representatives	34	48	48	35
Committee meetings in total	12	13	14	16

Ergonomic assessments completed	2019-20	2020-21	2021-22	2022-23
Initial workstation set-up support sessions	260	662****	197	137
Office ergonomic assessments	43	53	27	31

*** Restructure of DWGs saw an increase in numbers of HSRs and DWGs – Deputy HSRs agreed no longer required as part of particulars

****increase due to proactive virtual ergonomic assessments run for home based office setups

Advertising expenditure

In 2022-23, there were five government advertising campaigns with total media spend of \$100,000 or greater (exclusive of GST). The details of each campaign are outlined below.

Details of government advertising expenditure (campaigns with a media spend of \$100,000 or greater)

Name of campaign	Campaign summary	Start/end dates	Advertising (media expenditure) \$000s	Creative and campaign development expenditure \$000s	Research and evaluation expenditure \$000s	Other campaign expenditure \$000s	Total \$000s
Gendered Violence	This campaign aims to educate Victorians that gendered violence is an OHS issue. The campaign educates the community on the many forms work-related gendered violence can take, and reinforces that all are unacceptable. Messaging highlights employers' obligations in line with OHS obligations. The campaign drives people to search WorkSafe Gendered Violence to find further information and support services targeted at employers and workers.	Aug 22 - Sep 22 and Apr 23	1,086	409	0	44	1,539
Work-related Violence Campaign	Work-related violence involves incidents in which a person is abused, threatened or assaulted in circumstances relating to their work. This campaign aims to raise awareness within the community about the prevalence of work-related violence; shift attitudes so that these behaviours are seen as unacceptable and ensure that employers are aware of their obligations.	Nov 22 - Jan 23	817	323	54	0	1,194
Return to Work Campaign	Getting in touch with injured workers soon after injury can have a significant impact on their return to work journey. This campaign is aimed at the general public, but with focussed messaging for employers and duty-holders in Victorian workplaces to reach out and start the conversation early with their injured workers.	Jan 23 - Feb 23	545	131	17	0	693
Agriculture Culture Change	This campaign was developed with the goal of promoting a safety mindset among farmers and embed the belief that fatalities on farms are preventable, not inevitable. The campaign aims to drive industry-wide change and promote a mindset that prioritises safety.	Sep 22 - Oct 22 and May 23 - Jun 23	221	1,000	107	0	1,327
CALD	The 'Safety is our Common Language' campaign targeting multicultural workers aims to raise awareness around workers' rights in relation to workplace health and safety, whilst educating the audience that they can access in-language resources.	May 23 - Jun 23	250	251	0	0	501
Total			2,919	2,113	178	44	5,254

*There were no campaigns below disclosure threshold of \$100 000.

Information and communication technology (ICT) expenditure

In 2022-23, WorkSafe had a total ICT expenditure of \$145.6 million, with the details shown below:

Business as usual ICT expenditure \$000s	Non-business as usual ICT expenditure \$000s		
	Total	Operating Exp	Capital Exp
71,435	74,222	68,176	6,046
Details: BAU Category	Total	Opex	Capex
ITSS BAU	68,589	68,565	24
Other BAU	2,845	2,845	0
Total	71,434	71,410	24
Details: Non-BAU Category	Total	Opex	Capex
Projects sponsored by ITSS	3,057	3,057	0
Business sponsored projects - IT costs	4,899	4,899	0
Government initiatives	2,102	2,102	0
Strategy delivery	64,164	58,118	6,046
Total	74,222	68,176	6,046
TOTAL	145,657	139,587	6,070

Consultancy expenditure

Consultancy expenditure over \$10,000

During the year, WorkSafe engaged consultants to assist in the planning and delivery of the Strategy program in addition to its ongoing operations.

In 2022-23, there were 24 different consultancies where the total fees payable to the consultant were \$10,000 or greater (excluding GST). The total expenditure during 2022-23 financial year in relation to these consultancies was \$3 million (excluding GST). Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Total approved expenditure (excl. GST) \$000s	Expenditure 2022/23 (excl. GST) \$000s	Future expenditure (excl. GST) \$000s
Strategy program				
Adiis Group	Advice on harm prevention strategies and recovery pathways for mental injury	56	56	-
AMF and Associates Pty Ltd	Advice on harm prevention strategies and recovery pathways for mental injury	50	38	13
Atlas Counsel Pty Ltd	Advice on harm prevention strategies and recovery pathways for mental injury	80	51	29
Australian Institute of Professional Intelligence Officers Inc.	Report with recommendations on agency approach to intelligence framework	91	91	-
Davidson Executive Boards Pty Ltd	Develop a proposed future state operating model for the Health and Safety business unit and identify opportunities for improvement	297	267	-
KPMG	Expert advice on the customer experience framework	152	152	-
KPMG	Develop a customer experience practice plan	386	281	105
KPMG	Develop report with recommendations and gap analysis to assess suitability of NSW workers compensation professional standards for implementation in Victoria and identify implementation approach	224	153	71
The Trustee for Beaker & Flint Unit Trust	Review of operating rhythm for intelligence management function and agile project implementation framework	230	230	-
The Trustee for Beaker & Flint Unit Trust	Refine and roll out benefits assessment and realisation framework across the organisation	45	23	-

Consultant	Purpose of consultancy	Total approved expenditure (excl. GST) \$000s	Expenditure 2022/23 (excl. GST) \$000s	Future expenditure (excl. GST) \$000s
Other				
Centre for Excellence in Child and Family Welfare	Expert advice on the Occupational Violence and Aggression prevention and response framework for frontline workers	233	158	-
Deakin University	Expert advice to eliminate or reduce hazardous manual handling risks in the construction industry	40	12	28
Deloitte Touche Tohmatsu	Report on current service model for conciliation with recommendations on future model for arbitration	180	180	-
Deloitte Touche Tohmatsu	Conduct a cost benefit analysis of the Occupational Health and Safety Regulations 2017	237	71	-
JC & Associates Consulting	Change facilitation advice on health and safety operating model	50	50	-
KPMG	Advice on lean agile centre of excellence for product based delivery approach	216	216	-
Mercer Consulting (Australia) Pty Ltd	Expert support and development of employee value proposition and total reward strategy	182	182	-
Metapm Pty Ltd	Recommendations for change and proposed roadmap to uplift scaled agile delivery and assurance	29	29	-
Monash University	Recommendations to inform future work programs specific to physical and psychological health and safety risks faced by home-based care workers	46	46	-
Monash University	Silica associated lung disease health screening research and recommendations	989	371	-
Project Management Partners Pty Limited	Expert advice on Project and Portfolio Management tools and recommendations on market products	65	65	-
The Trustee for Beaker & Flint Unit Trust	Recommendations for improvement on internal project governance committees	107	107	-
The University Of Melbourne	WorkWell evaluation & social network analysis	225	105	13
Workplace Edit	Audit, advice and recommended changes on diversity equity and inclusion strategy	42	42	1
Total			2,973	

Consultancy expenditure

Consultancy expenditure under \$10,000

In 2022-23, there were seven different consultancies engaged where the total fees payable were less than \$10,000 (excluding GST).

Consultant	Purpose of consultancy	Total approved expenditure (excl. GST) \$000s	Expenditure 2022-23 (excl. GST) \$000s	Future expenditure (excl. GST) \$000s
Artis Advisory Pty Ltd	Advice on addressing leader alignment with strategy and related communications	3	3	-
Pricewaterhousecoopers Consulting (Australia) Pty Limited	Separation of duties assessment	18	9	-
The Trustee For Rtk People Strategies Trust	Provide expert support in relation to coronial prevention recommendations	7	6	1
The Trustee For Rtk People Strategies Trust	Provide expert advice to develop protocol for distress and suicide risk management	8	8	-
The Trustee For Rtk People Strategies Trust	Development of work-related fatigue tools for high-risk industries	15	7	7
The Trustee For Rtk People Strategies Trust	Develop procedure for distress and suicide risk management	6	3	3
The Trustee For Rtk People Strategies Trust	Prepare a practical guide for school teachers on occupational health and safety	9	9	-
	Total		45	
	Grand Total		3,019	

Appendix 5

Disclosure Index

The annual report of WorkSafe Victoria is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of WorkSafe's compliance with statutory disclosure requirements.

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