Asbestos Compensation Commissioner

Annual Report
2024-2025

WorkSafe TASMANIA

Tasmanian Government

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Asbestos Compensation Commissioner, PO Box 56, Rosny Park Tasmania 7018
We welcome your feedback on this report
Send to: acc@justice.tas.gov.au

Asbestos Compensation Commissioner

PO Box 56, Rosny Park 7018
Phone 1300 366 322
Email acc@justice.tas.gov.au
Web www.worksafe.tas.gov.au

The Hon. Guy Barnett MP

Minister for Small Business, Trade and Consumer Affairs

Asbestos Compensation Commissioner Annual Report 2024-25

I am pleased to submit the Asbestos Compensation Commissioner Annual Report 2024-25 to you, for presentation to Parliament. The financial statements presented here have been prepared in compliance with the provisions of the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011*.

Brad Parker
Asbestos Compensation Commissioner

September 2025

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Glossary

- the Act: *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011*
- the Commissioner: Asbestos Compensation Commissioner
- the Scheme: Asbestos Compensation Scheme
- the year: reporting period from 1 July 2024 to 30 June 2025

Commissioner's Message

About the Asbestos Compensation Scheme

The Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011 **(the Act)** provides a statutory compensation framework for workers suffering from asbestos-related diseases attributable to exposure to asbestos at work.

The Asbestos Compensation Scheme (the Scheme) administers compensation benefits including lump sum compensation, weekly payments, payment of medical and other expenses, and funeral costs. The Scheme is non-adversarial and provides no-fault and timely compensation to eligible workers and certain family members of deceased workers.

To be eligible for compensation, a person must be or have been a worker in connection with the State, as defined by the legislation, at the time of exposure to asbestos. A person who has retired from work may still be eligible for compensation.

Workers and family members of deceased workers, who have been diagnosed with an asbestos-related disease may lodge an application with the Asbestos Compensation Commissioner, accompanied by the medical and occupational evidence necessary to facilitate a determination of their claim.

Asbestos compensation payments are paid out of the Asbestos Compensation Fund, which receives contributions from licensed insurers, self-insurers, and State Service Agencies, as a percentage of their workers compensation premiums.

Scheme objectives

The scheme ensures eligible workers and their families living with asbestos-related diseases can access statutory compensation to assist during a difficult period of their lives. The objectives of the Scheme are to:

- provide fair and appropriate compensation and pay certain expenses to workers with asbestos-related diseases, and family members of deceased workers
- ensure applications are resolved promptly and effectively
- provide an effective and economical mechanism for resolving disputes
- provide a mechanism in which medical determinations are made accurately, and are based on evidence.

The role and functions of the Commissioner

The Commissioner oversees the administration of the Scheme and exercises the decision-making powers provided by the legislation.

In determining applications for compensation, the Commissioner is not the sole decision maker. For cases involving imminently fatal disease, non-imminently fatal disease with 10% or more whole person impairment, and member of the family claims, the Commissioner refers all medical questions to a medical panel. Once the medical panel decides a medical question, the Commissioner is bound by the decision of the medical panel. Medical panels therefore provide a crucial role, and the success of the Scheme is very much dependent on the availability and expertise of a relatively small group of medical specialists.

Where a dispute arises in relation to asbestos compensation, certain matters may be referred to the Tasmanian Civil and Administrative Tribunal for resolution. There were three referrals to the Tribunal in 2024-25 in relation to one claim which was determined in 2023-24 and two claims which were determined in 2024-25.

The functions of the Commissioner include:

- managing and administering the investments of the Fund
- providing advice to the Minister on matters relating to asbestos compensation in Tasmania
- providing information to the Department of Justice for developing policy in relation to asbestos-related diseases and associated matters.

The Act provides the Commissioner with the capacity to do all things necessary for, in connection with, or incidental to, the performance of the Commissioner's functions. This includes issuing notices to applicants or other third parties requiring provision of information necessary to exercise the functions of the Commissioner.

This year, the Commissioner made three requests for information from applicants under section 41 of the Act, and twenty-one requests for information from third parties pursuant to section 180 of the Act.

The Commissioner also has the ability, in a court of competent jurisdiction, to recover amounts from culpable manufacturers, suppliers and employers responsible for contraction of asbestos-related diseases.

The Commissioner is supported by staff from the Department of Justice, in line with a Service Level Agreement.

Supporting workers and members of their families

Scheme staff work closely with applicants to ensure their applications are processed accurately and promptly. This often includes meeting with applicants to ensure accurate occupational and asbestos exposure history is recorded. In addition, staff liaise with employers, legal representatives, and other third parties to ensure the necessary information about each application is obtained.

In 2024-25, 8 applications were received by the Commissioner which did not constitute a claim under section 33 of the Act. In all those cases, Scheme staff were able to work with relevant parties to facilitate complete applications for determination by the Commissioner.

Scheme staff:

- provide advice to potential applicants on eligibility for compensation
- where necessary, collate evidence, and provide advice and assistance in completing applications
- keep applicants informed of the progress of their application
- ensure compensation entitlements and expenses are paid promptly.

In collecting medical and occupational evidence, staff liaise with medical and legal professionals, employers, and other relevant sources. This ensures that the medical panel and the Commissioner have all the necessary information to determine each claim.

Amendments to the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011*

Amendments to the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011* were passed by Parliament on 5 September 2024 to implement the recommendations arising from the 2022 independent review of the Act.

The amendments include covering the costs of support services for claimants and family members, reimbursement of medical costs directly related to a successful claim, covering legal costs following an error of law being made by a medical panel and to avoid a party being required to repay the Commissioner an amount of compensation which was incorrectly calculated.

These amendments were developed in response to stakeholders who provided input into the review of the asbestos compensation scheme, including claimants and their families. The amendments ensure the scheme remains contemporary and improves support for injured workers and their families.

The Asbestos National Strategic Plan 2024-2030

The Tasmanian Government is committed to managing the legacy risk of asbestos in Tasmanian workplaces and homes as well as looking after Tasmanians who have been injured by being exposed to asbestos in the workplace. Tasmania has become a signatory to the Asbestos National Strategic Plan 2024-2030. The Plan provides a long-term phased approach to eliminate asbestos-related diseases in Australia through nationally consistent and coordinated actions.

The focus of this plan is to:

- prevent future generations from suffering asbestos-related disease
- support and improve the quality of life for individuals and their families affected by asbestos-related disease
- prevent further environmental contamination.

It also aims to maximise the significant health, environmental and cost saving benefits from prioritised removal. The development of this plan intends to allow Australia to emerge as an international leader in securing a worldwide ban on the production and trade of asbestos.

WorkSafe Tasmania will be the lead agency for this work, including undertaking consultation with key stakeholders during the formation of the asbestos coordination group that will develop Tasmania’s action plan.

The Minister has approved the expenditure of $275,000 (indexed annually) from the Asbestos Fund as project funding to enable WorkSafe Tasmania to lead the development, implementation and monitoring of the Asbestos National Strategic Plan 2024-2030 and for the promotion of workplace safety.

Annual review of the Asbestos Compensation Fund

An actuarial review of the operation of the fund was carried out to provide an estimate of the outstanding claims liabilities of the fund and enable the Commissioner to report on the ongoing performance and operation of the scheme.

The actuary, KPMG, conducted a liability valuation for the Asbestos Compensation Fund as at 30 June 2025. The estimate of the outstanding asbestos claims liabilities for both reported claims and incurred but not reported claims, including administration expenses is $64.2 million. The balance of the fund as at 30 June 2025 was $41,657,182.

Brad Parker
Asbestos Compensation Commissioner

Impairment assessment

Assessment of whole person impairment (WPI) forms an important part of the application process for workers who have been diagnosed with a non-imminently fatal asbestos-related disease.

The Commissioner refers the medical question as to the degree of impairment to assessors who are accredited by the WorkCover Tasmania Board. Impairment assessors provide the Commissioner with an assessment about the percentage of WPI due to asbestos-related disease. The degree of impairment helps inform the Commissioner's determination as to whether a person is entitled to compensation and the amount payable.

If an applicant is assessed as having 10% or more WPI due to an asbestos-related disease, the Commissioner refers medical questions in relation to the applicant to a medical panel. Where an applicant is assessed as having less than 10% WPI, they are not entitled to receive compensation.

Individuals with less than 51% WPI because of an asbestos-related disease are entitled to one paid impairment assessment each year to monitor their level of impairment. Once WPI reaches 51%, maximum lump sum compensation for non-imminently fatal disease is payable.

Impairment assessments are undertaken by accredited impairment assessors in accordance with the relevant guidelines issued by the WorkCover Tasmania Board under the *Workers Rehabilitation and Compensation Act 1988*. Other guides or methods may also be used in certain circumstances, as specified under section 46(3) of the Act. For a list of medical practitioners accredited to assess permanent impairment, or to read WorkCover Tasmania's guidelines for assessment of permanent impairment, go to worksafe.tas.gov.au and look under the compensation section.

Medical practitioner register

Section 50 of the Act requires the Commissioner to establish and maintain a register of medical practitioners who are specialists in a field of medicine in which asbestos-related diseases occur and who are willing to be selected for a medical panel. The current register comprises:

- Dr Emma Ball
- Professor David Bryant
- Dr Nick Harkness
- Associate Professor Graham Hart
- Dr Cameron Hunter
- Dr Gregory Kaufman
- Dr Gaurie Palnitkar
- Dr David Stock.

Medical panels

The Commissioner convenes three practitioners from the medical register to form a medical panel to assess certain applications for compensation.

The medical panel determines the medical questions specified under section 8 of the Act which include (but are not limited to):

- whether the person has an asbestos-related disease
- if contracting the asbestos-related disease is reasonably attributable to exposure to asbestos in the course of their employment as a worker
- whether or not the person with the asbestos-related disease is reasonably likely to die within two years
- the degree of impairment or incapacity of the person
- whether the person may recover or has recovered from the disease.

The Commissioner refers medical questions to the medical panel and provides all medical evidence and other information in the Commissioner's possession likely to assist the medical panel to make its decision. If further information is required, the Chair of the medical panel is to request this through the Commissioner.

Once the medical Panel decides a medical question, the Commissioner is bound by that decision.

In 2024-25, the Commissioner made 16 referrals to a medical panel to determine medical questions.

Asbestos Compensation Scheme Performance

Introduction

The Scheme administers no-fault and timely compensation to workers, and family members of deceased workers, who have been diagnosed with an asbestos-related disease. Compensation payments are calculated using the basic salary which is indexed each calendar year based on the consumer price index. The basic salary in 2024 was $1,038.34 and in 2025 is $1,097.01.

Non-imminently fatal asbestos-related disease

A person with an asbestos-related disease and more than two years life expectancy may be entitled to lump sum compensation based on their level of impairment, as set out in the table below.

Level of impairment	Number of compensation units*
Less than 10%	NIL
10% - 25%	120
26% - 50%	240
51% or more	360

*as at 30 June 2025 one compensation unit was equal to $1,097.01

If a person is later assessed with an increased impairment, they may apply for an additional amount of compensation under sections 74 or 76 of the Act. This year, no applications to vary lump sum compensation were received.

The maximum amount of lump sum compensation payable for non-imminently fatal disease as at 30 June 2025 was $394,923.60.

In addition, reasonable medical expenses in connection with a person's compensable disease are payable by the Commissioner. Weekly payments may be provided where there is incapacity to work because of a non-imminently fatal asbestos-related disease. There were no weekly payments made in 2024-25.

The Commissioner pays for one impairment assessment per calendar year for individuals with a whole person impairment below 51% who elect to undergo an assessment. This financial year, the Commissioner paid impairment assessment costs totalling $41,950.

Imminently fatal asbestos-related disease

A worker with less than two years life expectancy due to an asbestos-related disease, such as mesothelioma, is entitled to lump sum compensation of $394,923.60. If the worker is less than 80 years of age, they are entitled to an additional age-related benefit up to a maximum of $394,923.60.

A person with an imminently fatal disease is also entitled to the payment of all reasonable medical expenses in connection with their compensable disease, up to a maximum amount. In 2025 this amount is $137,126.25. Beyond this amount, the Commissioner is required to review the case.

Figures are current at 30 June 2025.

Scheme Performance Contd...

Members of the family

Lump sum compensation for family members of a worker who has died in connection with an asbestos-related disease is for the same amount the worker would have received if they were alive.

Member of the family claims are to be made jointly by all eligible family members.

Applications received

In 2024-25, 17 new applications were received by the Commissioner. Application types included imminently fatal (9), non-imminently fatal (5) and member of the family claims (3).

At 30 June 2025, of the 17 applications:

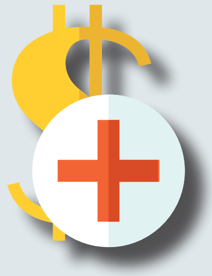
- eight were accepted for imminently fatal asbestos-related diseases and one was withdrawn
- two were accepted for non-imminently fatal asbestos-related disease and three were rejected
- two were accepted as member of family applications and one was rejected.

Other claimant activity in 2024-25:

- 168 claims were processed for medical, rehabilitation, travel and funeral expenses
- no notices of dispute were issued rejecting liability to pay expenses
- three matters were referred to the Tasmanian Civil and Administrative Tribunal by claimants with one being in relation to a claim from the previous financial year.

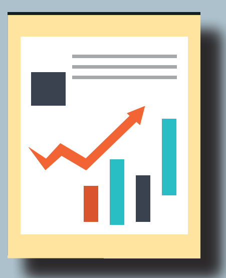
Since the Scheme began in 2011, 242 applications have been received by the Commissioner.

$5,952,905
in lump sum claim payments in 2024-25



17
new claims received in 2024-25

The estimated outstanding claim liability is $64.2 million



Asbestos Compensation Fund expenditure

In 2024-25, lump sum payments from the Asbestos Compensation Fund totalled $5,952,905. A further $70,355 was paid for funeral expenses.

A total of $31,590 was paid in medical expenses and $5,882 was paid in travelling expenses for applicants to obtain medical services and treatments.

Medical Panel costs for the year totalled $32,375. Impairment assessment costs were paid to the value of $41,950. A further $284 was paid for services relating to obtaining information.

$587,920 was paid in administrative costs, including actuarial, audit, and Service Level Agreement services.

Total expenditure from the Fund was $6,723,263.

At 30 June 2025, the balance of the Fund was $41,657,182 compared with $38,012,690 at 30 June 2024.

For exact costs, see the Audited Financial Statements in this annual report.

Asbestos levy

Levy amounts received by the Fund in 2024-25 totalled $8,628,400.

The legislation imposes a levy on workers compensation premiums, including those paid by policyholders, self-insurers and State Service Agencies. The levy is charged as a percentage of the premiums payable by licensed insurers and the notional premiums of self-insurers. The levy is paid into the Fund, which ensures that the scheme is self-funded.

The levy is set annually by the relevant Minister, this year, based on an actuarial assessment of the Fund, the Minister for Small Business, Trade and Consumer Affairs determined that the levy for 2025-26 will be set at 1.75%. This is unchanged from 2024-25.

Occupation of worker when exposed

Asbestos exposure at work has an impact on a diverse range of industries and occupations across the community.

Of the 12 accepted claims in 2024-25, reported occupations of exposure were plumber, tradesman, labourer, carpenter, administration and electrician.

Overall, the number of asbestos compensation claims received by the scheme to date continues to be highest for workers exposed in manufacturing and construction industries.

Right to information

The Asbestos Compensation Commissioner may receive right to information applications under the *Right to Information Act 2009*. There were two right to Information applications received by the Commissioner in 2023-24.

Public interest disclosures

In accordance with the requirements of section 86 of the *Public Interest Disclosures Act 2002*, in 2022-23:

- the Commissioner continued to adopt the Department of Justice's procedures, which are made available on the Department of Justice website
- no disclosures of public interest were made to the Commissioner

- no public interest disclosures were investigated by the Commissioner
- no disclosure matters were referred to the Commissioner by the Ombudsman
- no disclosure matters were referred by the Commissioner to the Ombudsman to investigate
- no investigations of disclosed matters were taken over by the Ombudsman from the Commissioner
- there were no disclosed matters that the Commissioner decided not to investigate
- there were no disclosed matters that were substantiated on investigation as there were no disclosed matters
- the Ombudsman made no recommendations under the Act that relate to the Commissioner.

Asbestos Compensation Fund Actuarial Valuation Report

KPMG was appointed to conduct an Asbestos Compensation Fund Actuarial Valuation

Fund Report Card

	2023/24[1] Actual[3]	2024/25[2] Actual[4]	2024/25 Expected[5]	2025/26 Projected[6]
Number of new claims accepted by the Fund				
Mesothelioma	1	9	6.9	6.5
Lung cancer + other imminently fatal conditions	0	2	2.0	2.0
Non-imminently fatal > 10% Whole Person Impairment	2	1	2.4	2.0
Sub-total	3	12	11.3	10.5
Number of new claims that are currently not accepted or are pending				
Non-imminently fatal < 10% WPI	1	3	n/a	n/a
Pending claim	0	0	n/a	n/a
Sub-total	1	3	n/a	n/a
Number of new claims not entitled to compensation	3	2	n/a	n/a
Number of new claims not eligible to apply	0	0	n/a	n/a
Total	**7**	**17**	**11.3**	**10.5**
Claim payments[4] ($000)				
Lump sum compensation	1,608	5,953	5,224	4,409
Medical expenses	53	32	643	458
Travel expenses	1	6	44	32
Funeral expenses	113	70	304	268
Weekly payment expenses	0	0	35	10
Total	**1,775**	**6,061**	**6,250**	**5,177**
Claims costs ($000)				
Medical panel	12	32	118	35
Impairment assessments	30	42	149	113
Medical report	0	0	0	0
Total	**42**	**74**	**268**	**148**
Scheme adminstration costs[4] ($000)	558	588	932	762

[1] Claim numbers and payment experience of 2023/24 reflects actual experience between 1 July 2023 and 30 June 2024.

[2] Claim numbers and payment experience of 2024/25 reflects actual experience between 1 July 2024 and 30 June 2025.

[3] Actual claim numbers reflect new claims reported over the financial year. This does not include previously reported claims that have been reassessed over the financial year and is therefore not directly comparable to projected numbers. Further details on claims that have been reassessed over 2024/25 can be found in Section 4.1 of the main report.

[4] Actual claims payments, costs and expenses are extracted from the 2023/24 and 2024/25 Trust Fund Reports. Note that in 2023/24, there was a -$655k repayment of compensation amounts due to a common law settlement that a claimant had with another state. This amount has been excluded from the actual 2023/24 claim payments.

[5] Expected costs as previously estimated by Scyne have been restated to include payments that relate to both IBNR and reported claims (based on KPMG allocation). Note that this is different from the previous valuation where Scyne displayed these figures exclusive of the reported claim allowance. Expected claim payments comprise $5,765k for IBNR and $753k for reported claims, making a total of $6,518k. Expected claims handling expenses comprise $824k for IBNR and $108k for reported claims, making a total of $932k.

[6] Projected costs relate to both IBNR and reported claims. Note that this is different from the previous valuation where Scyne displayed these figures exclusive of the reported claim allowance (i.e. including only the IBNR allowances).

Asbestos Compensation Fund Financial Statements **2024-25**

Audit Tasmania

Independent Auditor's Report

To the Members of Parliament

Asbestos Compensation Fund

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Asbestos Compensation Fund (the Fund), which comprises the statement of financial position as at 30 June 2025 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification signed by the Asbestos Compensation Commissioner (the Commissioner).

In my opinion, the accompanying financial statements:

(a) present fairly, in all material respects, the Fund's financial position as at 30 June 2025 and its financial performance and its cash flows for the year then ended

(b) are in accordance with the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011* and Australian Accounting Standards.

Basis for Opinion

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

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

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Fund's financial statements.

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Valuation of provision for compensation payable	
The provision for compensation payable of $64.24 million as at 30 June 2025, was measured as the present value of the expected future payments to persons who had an accepted claim for compensation, or who were estimated by the actuary to be entitled to compensation in the future. The provision for compensation payable is calculated by estimating the incidence of future asbestos claims based on the Fund's historical claims experience and a selected claims incidence pattern (the expected pattern of the emergence of future claim reports). These claim numbers are then multiplied by the expected future claims severity (cost of claims). The future cash flows projected are then inflated to the expected date of payment based on an assumption about future rates of inflation and then discounted by 'risk-free' investment return rates back to the valuation date. There is considerable uncertainty associated with the number of future claims, their reporting pattern, and the costs associated with those claims. Changes in economic assumptions have a significant impact on the estimation of the provision for compensation payable.	• Engaging an expert to undertake a peer review of actuary report. • Assessing the scope, expertise and independence of the Fund's actuary engaged to calculate the provision for compensation payable. • Reviewing the source data provided to the actuary to source records of the Fund. • Assessing the reasonableness of expected claim numbers, costs of claims and economic assumptions used by the actuary in the calculation of the provision for compensation payable. • Evaluating the actuary's calculation of the provision for compensation payable. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the Commissioner for the Financial Statements

The Commissioner is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the financial reporting requirements of *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011.* This responsibility includes such internal control as determined necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.
- Conclude on the appropriateness of the Commissioner'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 Fund'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 statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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

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

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

Stephen Morrison
Assistant Auditor-General
Delegate of the Auditor-General

2 September 2025
Hobart

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Statement by Asbestos Compensation Commissioner

The accompanying Financial Statements of the Asbestos Compensation Fund are in agreement with the relevant accounts and records and have been prepared in compliance with the provisions of the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011* to present fairly the financial transactions for the year ended 30 June 2025 and the financial position as at the end of the year.

At the date of signing, I am not aware of any circumstances, which would render the particulars included in the financial statements misleading or inaccurate.

Brad Parker

Asbestos Compensation Commissioner

01 September 2025

Statement of Comprehensive Income for the year ended 30 June 2025

	Notes	2025 Actual $'000	2024 Actual $'000
Income from continuing operations			
Levies	1.1	8 628	8 768
Reimbursements	1.2	-	655
Interest	1.3	1 740	1 426
Increase/(decrease) in Future levies receivable	3.1	(5 032)	(15 024)
Total income from continuing operations		**5 336**	**(4 176)**
Expenses from continuing operations			
Compensation expense	2.1	4 644	(4 828)
Medical expenses	2.2	107	93
Administration expenses	2.3	585	559
Total expenses from continuing operations		**5 336**	**(4 176)**
Net result		**-**	**-**
Comprehensive result		**-**	**-**

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

Statement of Financial Position as at 30 June 2025

	Notes	2025 Actual $'000	2024 Actual $'000
Assets			
Cash and deposits	5.1	41 657	38 013
Receivables	3.1	22 606	27 639
Total assets		**64 263**	**65 652**
Liabilities			
Payables	4.1	19	14
Provision for Compensation Payable	4.2	64 244	65 638
Total liabilities		**64 263**	**65 652**
Net assets		**-**	**-**
Equity			
Accumulated funds		-	-
Total equity		**-**	**-**

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

Statement of Cash Flows for the year ended 30 June 2025

	Notes	2025 Actual $'000	2024 Actual $'000
		Inflows	Inflows
Cash flows from operating activities		(Outflows)	(Outflows)
Cash inflows			
Levies		8 628	8 768
Interest		1 739	1 426
Reimbursements		-	655
Total cash inflows		**10 367**	**10 849**
Cash outflows			
Compensation awarded		(6 023)	(1 723)
Medical expenses		(106)	(95)
Administration expenses		(594)	(558)
Total cash outflows		**(6 723)**	**(2 376)**
Net cash from/(used by) operating activities	5.2	**3 644**	**8 473**
Net increase/(decrease) in cash held and cash equivalents		**3 644**	**8 473**
Cash and cash equivalents at the beginning of the reporting period		**38 013**	**29 540**
Cash and cash equivalents at the end of the reporting period	5.1	**41 657**	**38 013**

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

Statement of Changes in Equity for the year ended 30 June 2025

	Notes	Accumulated Funds $'000	Total equity $'000
Balance as at 1 July 2024		**-**	**-**
Total comprehensive result		-	-
Total		-	-
Balance as at 30 June 2025		**-**	**-**

	Notes	Accumulated Funds $'000	Total equity $'000
Balance as at 1 July 2023		**-**	**-**
Total comprehensive result		-	-
Total		-	-
Balance as at 30 June 2024		**-**	**-**

This Statement of Changes in Equity should be read in conjunction with the accompanying notes. Further details on the calculation of equity are included in Note 3.1.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1 Revenue

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

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15.

1.1 Levies

The levy is set by the Minister for Housing, Planning and Consumer Affairs (the Minister) each year. In setting the levy, the Minister is to take in to account:

- the expected degree of payments and other expenses the Commissioner will be required to pay in the financial year; and
- the amount of any other money that is expected to be received by the Commissioner in the financial year; and
- the period during which payment of the levy is likely to be required; and
- any deficit or surplus projected to occur at the end of the financial year; and
- any other matters that are prescribed.

The levy is the rate levied on the premiums of licensed insurers and the notional premiums of self-insurers. The rate for the 2024-25 financial year was 2.0 per cent, compared with the 2023-24 rate of 2.0 per cent.

The total expenses required by the Fund over its entire life are able to be recouped under the levy. Therefore, the Fund retains a Future levies receivable for all estimated future expenditure from the Fund. For this reason, the Fund does not accumulate any equity.

	2025 $'000	2024 $'000
Levies relating to the 2022-23 financial year	-	879
Levies relating to the 2023-24 financial year	767	7 889
Levies relating to the 2024-25 financial year	7 861	-
Total	**8 628**	**8 768**

1.2 Reimbursements

If a person receives compensation under other laws after receiving compensation under the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011*, they may be required to re-imburse an amount to the Asbestos Compensation Commissioner. There were no reimbursements in 2024-25.

1.3 Interest

Interest on funds invested is recognised as it accrues using the effective interest rate method.

Note 2 Expenses

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

2.1 Compensation Expense

Compensation related expenditure represents compensation approved by the Commissioner and the net movement in the Provision for Compensation Payable.

	2025 $'000	2024 $'000
Aged Based Lump Sum	1 847	156
Lump Sum	3 338	724
Whole Person Impairment	768	728
Funeral Expenses	78	102
Travel Expenses	6	1
Rehabilitation	-	-
Total compensation awarded	**6 037**	**1 711**
Net movement in Provision for Compensation Payable	(1 393)	(6 539)
Compensation expense	**4 644**	**(4 828)**

2.2 Medical Expenses

	2025 $'000	2024 $'000
Impairment Assessor	42	28
Medical expenses	31	53
Medical Panel	34	12
Total	**107**	**93**

2.3 Administration Expenses

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

	2025 $'000	2024 $'000
Administration costs paid to the Department of Justice	533	494
Actuarial costs	36	51
Audit fees	15	13
Other	1	1
Total	**585**	**559**

Audit fees paid or payable to the Tasmanian Audit Office for the audit of the Fund's financial statements were $15,000 ($12,600 for 2023-24).

Note 3 Assets

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

The Fund has an overdraft facility on its account to allow for the delay in receiving reimbursement for GST payments from the Australian Taxation Office.

3.1 Receivables

The calculation of the Future levies receivable is based on the fact that all expenditure incurred by the Scheme over its entire life can be off-set by licensed insurers and self-insurers through the levy. The Receivable is calculated as at 30 June 2025 and reflects the negative equity of the Fund, given the large number of claims that the Fund will be required to pay out over its life. The movement in equity for the period is not reported separately but part of the increase or decrease in Future levies receivable.

For future levies receivable, due to the long settlement period, the Fund discounts these receivables back to their present value.

	2025 $'000	2024 $'000
Future levies receivable	22 606	27 639
Receivables	-	-
Total	**22 606**	**27 639**
Settled within 12 months	5 979	7 314
Settled in more than 12 months	16 627	20 325
Total	**22 606**	**27 639**

The decrease in the Future levies receivable is due to the increase in cash held by the Fund as at 30 June 2025 and the decrease in the Provision for compensation payable (see Note 4.2) as a result of the actuarial review completed by the Fund's actuary, KPMG as at 30 June 2025.

Note 4 Liabilities

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

4.1 Payables

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

	2025 $'000	2024 $'000
Accrued Expenses	19	14
Total	**19**	**14**
Settled within 12 months	19	14
Total	**19**	**14**

Settlement is usually made within 30 days.

4.2 Provision

A provision arises if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any right to reimbursement relating to some or all of the provision is recognised as an asset when it is virtually certain that the reimbursement will be received.

Provision for Compensation Payable

The Fund only has one provision which is the Provision for Compensation Payable. The Provision for Compensation Payable is measured as the present value of the expected future payments to persons who have an accepted claim for compensation or who are estimated by the actuary to be entitled to compensation in the future. The Provision for Compensation Payable includes actuarially assessed costs of claims made and an actuarially assessed estimate for claims yet to be made.

Compensation will be funded by funds held in investments and by future levies. The *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011* gives the Minister authority to impose levies each year to meet annual operating costs.

The Fund includes in its provision an estimate for compensation payable for claims yet to be made of $64.244 million ($65.638 million as at 30 June 2024). This figure is shown in the Statement of Financial Position as a liability with the corresponding outstanding contributions receivable asset (net of cumulated surplus or deficit to date) representing the right to levy employers for these outstanding claims.

(a) Carrying amount

	2025 $'000	2024 $'000
Provision for Compensation Payable		
Provision – opening balance at 1 July	65 638	72 177
Less, Compensation awarded and paid	(6 023)	(1 723)
Add, Movement in provision due to changes in assumptions as to the number of future claims and their reporting pattern, claim costs associated with those claims, claims handling expenses and other economic assumptions	4 629	(4 816)
Provision – closing balance at 30 June	**64 244**	**65 638**
Provision – compensation payments for reported claims		
Outstanding at beginning of period	860	1 371
Net movement during the period	2	(511)
Outstanding at end of period	**862**	**860**
Provision – estimated compensation for future claims		
Estimated at beginning of period	64 778	70 806
Net movement during the period	(1 396)	(6 028)
Estimate at end of period	**63 382**	**64 778**
Total Provision for Compensation Payable as at 30 June	**64 244**	**65 638**
Breakdown of compensation payable		
Settled within 12 months	5 979	7 314
Settled in more than 12 months	58 266	58 324
Total	**64 244**	**65 638**

The actuarial valuation contains numerous assumptions regarding the future numbers of claims and the characteristics of the persons. Given the uncertainty of this portfolio of claims, a range of assumptions may be plausible which reflect the current environment in which claims are managed and settled.

The main assumptions are:

- The adopted average claim size at the current valuation is $588,324 for imminently fatal claims and $310,266 for non-imminently fatal claims.
- The adopted long-term base (wage) inflation is 3.5% per annum. No further allowance has been made for superimposed inflation.
- Future cashflows in respect of payments for claims are discounted to the current valuation balance date, 30 June 2025, using a yield curve derived from the Commonwealth Government bonds dated 30 June 2025, which is consistent with industry practice.
- The adopted claims handling expense rate is of 14.3% of outstanding claims.

The Fund's actuary, KPMG, in valuing the liabilities as at 30 June 2025, has estimated the compensation payable for claims yet to be lodged on an inflated and discounted basis.
The following inflation rates and discount rates were used in measuring the provision for compensation payable:

	2025 %	2024 %
Compensation Expected to be Paid		
Not later than one year		
Wages inflation rate	3.50	3.62
Discount rate	3.42	4.27
Later than one year		
Wages inflation rate	3.50	3.46
Discount rate	4.50	4.18

A wage inflation factor is used to inflate the estimated future compensation costs. This is primarily due to the bulk of the scheme benefits being linked to average weekly ordinary full-time earnings. Forecasts of wage inflation are adopted in the short term, then a long term gap between inflation and bond yields in the long term, with the inflation rates blended to the long term rate across the four to ten year range.

The estimate of the Provision is discounted to allow for the time value of money. The rate used to discount is based upon the current yield curve and expectations of longer term yield beyond the term of available Government bonds.

(b) Sensitivity analysis for the valuation

The Provision for Compensation Payable represents the best estimate and is based on standard actuarial assessment techniques. The table below shows the key sensitivities of the valuation.

30 June 2025

Assumptions	30 June Liability $'000	Effect on Liability $'000	Percentage effect %
Central estimate (including expenses)	64,244		
IBNR Claim Numbers			
Reduce claim numbers by 30%	45,230	(19,015)	(30.0)
Increase claim numbers by 30%	83,259	19,015	30.0
Average Claim Size			
Higher average medical costs, at the maximum level (compared with 30% assumption)	79,792	15,548	24.0
Inflation and discount rates			
'Gap' between inflation and discount increased by 1% for compensation paid later than 1 year	59,650	(4,594)	(7.0)
Age Distribution			
Larger proportion of young claimants	66,152	1,908	3.0

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

Note 5 Cash Flow Reconciliation

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Specific Purpose Accounts, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

5.1 Cash and deposits

Cash and cash equivalents includes the balance of the Specific Purpose Account and any other cash held. The Fund processes all transactions through a Specific Purpose Account entitled S741 *Asbestos Compensation Fund*.

	2025 $'000	2024 $'000
Specific Purpose Account balance		
S741 Asbestos Compensation Fund	41 657	38 013
Total cash and deposits	**41 657**	**38 013**

5.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2025 $'000	2024 $'000
Net result	-	-
Decrease (increase) in Receivables	5 032	15 024
Increase (decrease) in Provision for Compensation Payable	(1 393)	(6 539)
Increase (decrease) in Payables	5	(12)
Net cash from (used by) operating activities	**3 644**	**8 473**

5.3 Reconciliation of liabilities arising from financing activities

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

Note 6 Financial Instruments

6.1 Risk Exposures

(a) Risk management policies

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

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

The Commissioner has overall responsibility for the establishment and oversight of the Fund's risk management framework. The risk management policies utilised by the Department of Justice are used to identify and analyse risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Future levies receivable	Future levies receivable is recognised at fair value through profit & loss. The calculation of the future levies receivable is based on the fact that all expenditure incurred by the Scheme over its entire life can be off-set by licensed insurers and self-insurers through the levy. The movement in equity for the period is not reported separately but part of the increase or decrease in future levies receivable.	The levy is the rate levied on the premiums of licensed insurers and the notional premiums of self-insurers. The rate for the 2023-24 financial year was 2.0 per cent.
Cash and deposits	Deposits are recognised at amortised cost, being their face value.	Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

The Fund monitors receivables on a monthly basis and follow up procedures are undertaken for all debts that are overdue. Action taken is dependent on the length of time the debt is overdue.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Fund's maximum exposure to credit risk. The Fund does not hold any collateral or other security over its receivables. The Fund's credit risk is considered to be minimal.

(c) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Fund becomes obliged to make future payments as a result of a purchase of assets or services.	Payables, including goods received and services incurred but not yet invoiced arise when the Fund becomes obliged to make future payments as a result of a purchase of assets or services. The Fund's terms of trade are 14 days unless contracted otherwise.

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

2025

Maturity analysis for financial liabilities	1 Year	Undiscounted Total	Carrying Amount
	$'000	$'000	$'000
Financial liabilities			
Payables	19	19	**19**
Total	**19**	**19**	**19**

2024

Maturity analysis for financial liabilities	1 Year	Undiscounted Total	Carrying Amount
	$'000	$'000	$'000
Financial liabilities			
Payables	14	14	**14**
Total	**14**	**14**	**14**

(d) Market risk

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

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

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

	2025	2024
	$'000	$'000
Variable rate instruments		
Financial assets		
Cash in Specific Purpose Account	41 657	38 013
Total	**41 657**	**38 013**

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

Sensitivity Analysis of Fund's Exposure to Possible Changes in Interest Rates

	Statement of Comprehensive Income		Equity	
	100 basis points increase $'000	100 basis points decrease $'000	100 basis points increase $'000	100 basis points decrease $'000
30 June 2025				
Cash in Specific Purpose Account	417	(417)	417	(417)
Net sensitivity	**417**	**(417)**	**417**	**(417)**
30 June 2024				
Cash in Specific Purpose Account	380	(380)	380	(380)

Net sensitivity	**380**	**(380)**	**380**	**(380)**

This analysis assumes all other variables remain constant.

6.2 Categories of Financial Assets and Liabilities

AASB 9 Carrying amount	2025 $'000	2024 $'000
Financial assets		
Cash and cash equivalents	41 657	38 013
Future levies receivable – measured at fair value through profit and loss	22 606	27 639
Total	**64 263**	**65 652**
Financial Liabilities		
Financial liabilities measured at amortised cost	19	14
Total	**19**	**14**

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

	Carrying Amount 2025 $'000	Net Fair Value 2025 $'000	Carrying Amount 2024 $'000	Net Fair Value 2024 $'000
Financial assets				
Cash in Special Deposits and Trust Fund	41 657	41 657	38 013	38 013
Future levies receivable	22 606	22 606	27 639	27 639
Total financial assets	**64 263**	**64 263**	**65 652**	**65 652**
Financial liabilities				
Payables	19	19	14	14
Total financial liabilities	**19**	**19**	**14**	**14**

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

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair value of receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

Financial Liabilities

The net fair values for trade creditors are approximated by their carrying amounts.

6.4 Net fair values of assets and liabilities

2025	Net Fair Value Level 1 $'000	Net Fair Value Level 2 $'000	Net fair Value Level 3 $'000	Net Fair Value Total $'000
Financial assets				
Receivables	41 657	-	-	41 657
Total financial assets	**41 657**	**-**	**22 606**	**64 263**
Financial liabilities				
Payables	19	-	-	19
Total financial liabilities	**19**	**-**	**-**	**19**

2024	Net Fair Value Level 1 $'000	Net Fair Value Level 2 $'000	Net fair Value Level 3 $'000	Net Fair Value Total $'000
Financial assets				
Cash and deposits	38 013	-	-	38 013
Receivables	-	-	27 639	27 639
Total financial assets	**30 013**	**-**	**27 639**	**65 652**
Financial liabilities				
Payables	14	-	-	14
Total financial liabilities	**14**	**-**	**-**	**14**

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The Fund uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 the fair value is calculated using quoted prices in active markets;

Level 2 the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Note 7 Employee Expenditure

The Fund does not incur any employee expenditure as part of its operations. The Commissioner has entered into a Service Level Agreement with the Department of Justice to provide the Commissioner with administrative support to enable the Commissioner to fulfil the Commissioner's responsibilities. As a result, the Fund pays a monthly fee to the Department of Justice for these services, rather than any direct employee expenses. All staff management and leave liabilities are managed by the Department of Justice.

Additionally, the Commissioner does not receive any remuneration for performing the role. The Commissioner is the only Key Management Person for the fund. There were no material related party transactions between the Commissioner and Fund requiring disclosure during 2024-25.

Note 8 Events Occurring After Balance Date

There have been no events subsequent to balance date which would have a material effect on the Fund's Financial Statements as at 30 June 2025.

Note 9 Significant Accounting Policies

9.1 Objectives and Funding

The *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011* (the Act) received Royal Assent on 4 October 2011 and was Proclaimed on 31 October 2011. The Act establishes the Asbestos Compensation Scheme (the Scheme) which provides for the payment of compensation, and certain expenses to workers who develop an asbestos-related disease as a result of exposure to asbestos during the course of their work in Tasmania. The Act requires that the Commissioner administer the Scheme through the Asbestos Compensation Fund (the Fund).

The *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011* has four main objectives:

- to ensure the provision of fair and appropriate compensation, and the payment of certain expenses in relation to the contraction by persons of asbestos-related diseases in the course of employment as workers in connection with this State;
- to provide for the prompt and effective resolution of applications under the Act for compensation or for the payment of certain expenses;
- to provide an effective and economical mechanism for resolving disputes relating to applications under this Act for compensation or for the payment of certain expenses; and
- to make provision in relation to certain judgements and agreements relating to the contraction by persons of asbestos-related diseases in the course of employment as workers.

The Commissioner has entered into a Service Level Agreement with the Department of Justice to provide the Commissioner with administrative support to enable the Commissioner to fulfil the Commissioner's responsibilities.

According to Section 160 of the Act, the Commissioner is required to prepare financial statements on the activity of the Fund and provide them to the Auditor-General.

The Fund is predominantly funded through a levy, set by the Minister for each year, payable by licensed insurers and self-insurers. Further details regarding the levy can be found in Note 1.1.

9.2 Basis of Accounting

The Act received Royal Assent on 4 October 2011 and commenced on 31 October 2011. The Fund has no retained earnings as the Commissioner has a right to levy employers for compensation claims payable.

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- the Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB); and
- the provisions of the *Asbestos-Related Diseases (Occupational Exposure) Compensation Act 2011.*

The Financial Statements were signed by the Asbestos Compensation Commissioner on 01 September 2025

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

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. Material accounting policy information is consistent with the previous year.

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

The Fund has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

9.3 Functional and Presentation Currency

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

9.4 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

There were no new or revised Standards and Interpretations issued by the Australian Accounting Standards Board that have a material impact on the Commission's operations for the current annual reporting period.

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

The impact of the future standards has not yet been assessed by the fund.

9.5 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

9.6 Rounding

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

9.7 Fund Taxation

The Fund is exempt from all forms of taxation except Fringe Benefits Tax and is registered for the Goods and Services Tax. All taxation issues are managed by the Department of Justice on the Commissioner's behalf.

9.8 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the ATO is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

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Asbestos Compensation Commissioner

Email: acc@justice.tas.gov.au

Website: worksafe.tas.gov.au

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