

Annual Report 2019-2020

30 November
2020

Contents

| | |
|--------------------------------------------------------------------------------------------------|-----------|
| Letter to the Minister | 6 |
| Message from Chair..... | 7 |
| Chief Executive's foreword..... | 8 |
| 1. About SIRA | 9 |
| 2. SIRA Governance | 9 |
| 2.1 SIRA Board..... | 9 |
| 2.2. Related Information..... | 13 |
| 3. SIRA's structure and leadership team | 14 |
| 3.1. Strategy, Governance and Customer Experience (SG&CX) | 14 |
| 3.2. Motor Accidents Insurance Regulation (MAIR)..... | 15 |
| 3.3. Workers and Home Building Compensation Regulation (WHBCR) | 15 |
| 3.4. Dispute Resolution Services (DRS) | 15 |
| 3.5. Health Policy, Prevention and Supervision (HPPS)..... | 15 |
| 3.6. SIRA Executive..... | 16 |
| 4. Highlights and achievements..... | 18 |
| 4.1. Healthcare review | 18 |
| 4.2. Compliance and enforcement activity..... | 18 |
| 4.3. More affordable CTP premiums..... | 18 |
| 4.4. Green Slip refund | 18 |
| 4.5. Customer service conduct principles..... | 18 |
| 4.6. Open data portals..... | 19 |
| 4.7. Mentally healthy workplaces programs..... | 19 |
| 4.8. Financial incentives to support recovery at work..... | 19 |
| 5. SIRA's response to COVID-19..... | 20 |
| 6. SIRA's Regulatory Approach | 21 |
| 6.1. Separation of policy and regulatory roles, and more focus on governance and culture..... | 21 |
| 6.2. More visibility of regulatory action..... | 21 |
| 6.3. Better access to scheme data | 21 |
| 6.4. Making expectations, ways of working and priorities clear..... | 21 |
| 6.5. Holding insurers to account for customer service standards..... | 22 |
| 6.6. NSW Government Customer Commitments..... | 23 |
| 7. Workers Compensation..... | 24 |
| 7.1. Scheme snapshot | 24 |
| 7.2. Legislative amendments..... | 24 |
| 7.3. Compliance and Performance Review of the Nominal Insurer..... | 25 |
| 7.4. PIAWE weekly payments audit..... | 25 |
| 7.5. PIAWE reforms..... | 25 |

| | | |
|-----------|---------------------------------------------------|-----------|
| 7.6. | Compliance and enforcement..... | 26 |
| 7.7. | Insurer supervision..... | 26 |
| 7.8. | Return to work..... | 27 |
| 7.9. | Commutations..... | 28 |
| 7.10. | Health provider approvals..... | 29 |
| 7.11. | Customer enquiries and complaints..... | 30 |
| 7.12. | Claims data..... | 30 |
| 8. | Home Building Compensation | 31 |
| 8.1. | Scheme snapshot..... | 31 |
| 8.2. | Review of home building compensation in NSW..... | 31 |
| 8.3. | Compliance and enforcement..... | 32 |
| 8.4. | Insurer supervision..... | 32 |
| 8.5. | Insurance premiums..... | 32 |
| 8.6. | Insurance exemptions..... | 32 |
| 8.7. | Customer enquiries..... | 32 |
| 8.8. | HBC Check..... | 33 |
| 9. | Motor Accidents Insurance..... | 34 |
| 9.1. | Scheme snapshot..... | 34 |
| 9.2. | The 1999 scheme | 34 |
| 9.3. | The 2017 scheme..... | 35 |
| 9.4. | Legislative amendments..... | 35 |
| 9.4.1. | Motor Accidents Compensation Regulation 2015..... | 35 |
| 9.4.2. | Motor Accident Injuries Act 2017..... | 35 |
| 9.5. | Reduced Green Slip premiums..... | 35 |
| 9.6. | Review of CTP premium parameters..... | 36 |
| 9.7. | Green Slip Check | 36 |
| 9.8. | Minor injury review..... | 36 |
| 9.9. | Automated vehicles | 37 |
| 9.10. | Managing costs and insurer profits | 37 |
| 9.11. | Review of the Risk Equalisation Mechanism | 37 |
| 9.12. | Compliance and enforcement..... | 37 |
| 9.13. | Insurer supervision..... | 38 |
| 9.14. | Performance reporting..... | 39 |
| 9.15. | Lifetime Care – CTP Care | 39 |
| 9.16. | Legal Advisory Service..... | 40 |
| 9.17. | Authorised Health Practitioners..... | 40 |
| 9.18. | Award of Damages | 40 |
| 9.19. | Claims cost disclosure | 40 |
| 9.20. | Improving customer experience..... | 41 |

| | |
|------------------------------------------------------------------------------------------|-----------|
| 9.21. Educational resources and online engagement..... | 41 |
| 9.22. Net Promoter Score | 42 |
| 9.23. Customer Effort Score..... | 42 |
| 9.24. Centralised complaints and compliments framework..... | 43 |
| 9.25. Consultation..... | 44 |
| 10. Dispute Resolution Services..... | 45 |
| 10.1. Dispute applications..... | 45 |
| 10.2. Disputes resolved..... | 46 |
| 10.3. 1999 CTP Scheme – Motor Accidents Medical Assessment Service | 47 |
| 10.4. 1999 CTP Scheme – Motor Accidents Claims Assessment and Resolution Service..... | 47 |
| 10.5. 2017 CTP Scheme – Motor Accident Dispute Resolution Service..... | 47 |
| 10.6. Customer satisfaction and complaints..... | 47 |
| 10.7. Significant judicial decisions | 48 |
| 11. Our People..... | 50 |
| 11.1. Human resources statistics | 50 |
| 11.2. Staff by classification | 50 |
| 11.3. Work health and safety and workers compensation | 50 |
| 11.4. COVID-19..... | 51 |
| 11.5. Employee Safety & Wellbeing | 51 |
| 11.6. Our culture | 52 |
| 11.7. Flexible working..... | 52 |
| 11.8. Employee Surveys | 52 |
| 11.9. Realignment | 53 |
| 11.10. Diversity..... | 53 |
| 11.11. Disability Inclusion Action Plan..... | 53 |
| 11.12. Workplace Adjustment Passport..... | 53 |
| 11.13. Trends in representation and distribution of workforce diversity groups..... | 54 |
| 11.14. Diversity and Inclusion Advisory Council | 55 |
| 11.15. Employee Resource Groups..... | 55 |
| 11.16. Multicultural plan..... | 56 |
| 12. Training and development | 57 |
| 12.1. Mandatory learning..... | 57 |
| 12.2. Leadership training | 57 |
| 12.3. Non-mandatory training | 58 |
| 12.4. Other SIRA training and development..... | 58 |
| 13. Public interest disclosures..... | 59 |
| 13.1. Public Interest Disclosures Act 1994..... | 59 |
| 13.2. Disclosures | 59 |

| | |
|----------------------------------------------------------------------------------------------|------------|
| 14. Our Finances..... | 60 |
| Statement by the Chief Executive..... | 60 |
| Financial statements for the year ended 30 June 2020 | 61 |
| Appendices | 110 |
| Appendix 1: Legislation..... | 111 |
| Appendix 2: Policy Attestations..... | 112 |
| Appendix 3: Ministerial Directions..... | 119 |
| Appendix 4: Numbers and remuneration of senior executives..... | 120 |
| Appendix 5: Obligations under <i>Government Information (Public Access) Act</i> 2009..... | 121 |
| Appendix 6: Privacy and personal information | 128 |
| Appendix 7: Response to Audit..... | 129 |
| Appendix 8: Accounts Payable Information | 130 |
| Appendix 9: Overseas Travel | 132 |
| Appendix 10: Consultants..... | 133 |
| Appendix 11: Land disposal..... | 134 |
| Appendix 12: Board composition and meetings..... | 135 |
| Appendix 13: Research funding | 136 |
| Appendix 14: Statement as required by the <i>Carers (Recognition) Act 2010</i> | 140 |
| Appendix 15: Publication notes..... | 141 |
| Contact SIRA..... | 142 |
| Acronyms..... | 143 |

Letter to the Minister

3 November 2020

The Hon Victor Dominello MP
Minister for Customer Service
52 Martin Place
SYDNEY NSW 2000

Dear Minister

We are pleased to submit for your information and presentation to Parliament, the Annual Report of the NSW State Insurance Regulatory Authority (SIRA), for the financial year ending 30 June 2020.

SIRA prepared this report in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Annual Reports (Statutory Bodies) Regulation 2015*, and other relevant legislation.

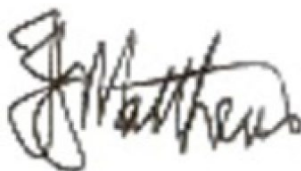
The report details our major activities and achievements for the financial year as the regulator of the State's workers compensation, motor accidents compulsory third party, and home building compensation insurance schemes in NSW and as a provider of dispute resolution services.

Yours sincerely



Carmel Donnelly

Chief Executive
SIRA



Trevor Matthews

Chair
SIRA

Message from Chair

On behalf of the SIRA Board, I am pleased to introduce SIRA's fifth annual report.

SIRA continued to respond to the changing regulatory environment and community expectations by increasing transparency and accountability during the financial year. SIRA provided regular updates on the performance of regulated schemes and of regulated insurers, service providers and other regulated organisations.

Publishing the Independent Compliance and Performance Review of the Nominal Insurer (managed by icare) was a key milestone for SIRA. The review highlighted a range of issues to be addressed in the interests of current and future customers and stakeholders of the Nominal Insurer workers compensation scheme. SIRA responded to the review with its 21-Point Action Plan and has worked to drive fact-based and steady improvements in the Nominal Insurer.

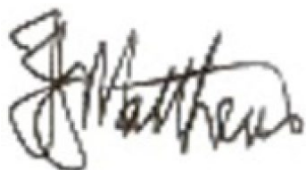
This year customer experience was a major priority for SIRA, and insurers were advised of SIRA's expectations through the publication of new Customer Service Conduct Principles. The five principles ensure all insurers in the SIRA-regulated schemes are accountable for high standards of customer service.

Another highlight for SIRA was delivering more affordable Compulsory Third Party (CTP) premiums for most NSW motorists. The CTP Greenslip refund program concluded on 30 September 2019, returning over \$215 million in refunds to NSW policy holders. The unclaimed refunds and administrative savings remaining are being returned to motorists through a lower CTP levy.

Despite our many achievements, this year has not been without its challenges with the COVID-19 pandemic affecting our ways of life and work. SIRA's immediate priority was ensuring the safety of its staff and I am very proud of how SIRA adapted rapidly to the immediate impacts of COVID-19 while continuing to serve the community productively.

I would like to acknowledge SIRA staff for their outstanding contribution and hard work throughout the year. I would also like to thank the SIRA Board members for their valuable contributions.

The Board is excited about SIRA's future, as we continue to lead the way in rapidly evolving the insurance and regulatory landscape.



Trevor Matthews

Chair, SIRA Board

Chief Executive's foreword

It has been a year of significant challenge and the team at SIRA have worked hard to deliver for NSW.

We rapidly adapted SIRA policies and services in response to the COVID-19 pandemic. We implemented amendments to legislation, accelerated the delivery of telehealth services and prepared the workers compensation system to respond to COVID-19 claims. The SIRA team adapted to remote working, and their agile approach minimised the impact of COVID-19 on customers and the schemes.

During the year, we increased our focus on the supervision and performance of regulated individuals and organisations. We have taken significant steps to drive improved performance of the workers compensation system with a particular focus on the Nominal Insurer and we will continue to work on this in the year ahead. Our regular compliance and enforcement updates and the publication of performance data have helped improve accountability and public trust in the schemes we regulate.

A key milestone for SIRA was launching a comprehensive review of health care services and costs in the NSW workers compensation and motor accidents CTP schemes. The review will inform changes over 2021 to ensure that injured people receive the right health care at the right time for optimal health and social outcomes and in a cost-effective way.

Looking ahead, we remain committed to improving recovery at work and workforce participation for people who experience injury and disability. Not only does early safe return to work lead to better recovery and health outcomes for injured people, it also helps improve scheme cost effectiveness.

We also remain focused on monitoring and enforcing insurance legislation in NSW and ensuring that the insurance schemes meet public outcomes and community expectations.

I would like to acknowledge and thank the entire SIRA team for their dedication and commitment throughout the year. Our achievements would not have been possible without their efforts.

I look forward to the challenges ahead as we continue to steward the schemes to ensure that people who make a claim now, or in the future, get the support they need.



Carmel Donnelly

Chief Executive

1. About SIRA

SIRA regulates three statutory insurance schemes in NSW - workers compensation, compulsory third party (CTP), and home building compensation. It also has some regulatory functions in other schemes, including the Lifetime Care and Support and Dust Diseases schemes.

SIRA was created under section 17 of the *State Insurance and Care Governance Act 2015* (SICG Act). In establishing SIRA, the Government intended to '*create a consistent and robust framework to monitor and enforce insurance and compensation legislation in NSW, and to ensure that public outcomes are achieved in relation to injured people, policy affordability and scheme sustainability*' (from the second reading speech of the SICG Act).

SIRA's objectives and regulatory role are set out in section 23 of the SICG Act as follows:

- to promote the efficiency and viability of the insurance and compensation schemes established under the workers compensation and motor accidents legislation and the *Home Building Act 1989* (HBA 1989) and the other Acts under which SIRA exercises functions
- to minimise the cost to the community of workplace injuries and injuries arising from motor accidents and to minimise the risks associated with such injuries
- to promote workplace injury prevention, effective injury management and return to work measures and programs
- to ensure that persons injured in the workplace or in motor accidents have access to treatment that will assist with their recovery
- to provide for the effective supervision of claims handling and disputes under the workers compensation and motor accidents legislation and the HBA 1989
- to promote compliance with the workers compensation and motor accidents legislation and the HBA 1989.

2. SIRA Governance

SIRA is an independent agency within the Customer Service cluster.

The affairs of SIRA are managed and controlled by the Chief Executive in accordance with the general policies and strategic direction determined by the SIRA Board. Anything done by the Chief Executive on behalf of SIRA is taken to have been done by SIRA (section 19(3) of the SICG Act).

While SIRA is not, in the exercise of its functions, subject to the control and direction of the Minister, the Minister may give SIRA a written direction with respect to its functions if the Minister is satisfied that it is necessary to do so in the public interest. Any such written direction is required, under the SICG Act, to be published in the SIRA Annual Report.

2.1 SIRA Board

The functions of the SIRA Board are set out in section 18(5) of the SICG Act and include:

- determining the general policies and strategic direction of SIRA;
- overseeing the performance of SIRA;
- giving the Minister any information relating to the activities of SIRA that the Minister requests; and
- keeping the Minister informed of the general conduct of SIRA's activities and any significant development in activities.

The SIRA Board is comprised of seven members who have extensive professional experience both within Australia and internationally.



Trevor Matthews (Chair)

Mr Matthews has extensive insurance and financial services experience in Australia, Canada, Japan and the United Kingdom (UK).

Presently, he is Chairman of FNZ Asia Pacific Group and CMC Markets Australia Group and a Non-executive Director of AMP Life Limited and associated companies, Bupa Australia and New Zealand Group and Edelweiss Tokio Life Insurance.

Previously he was Chairman and a Director of 1st Group, a Director of AMP Limited, AMP Bank, CoverMore Limited and Tokio Marine Asia and prior to that, Executive Director and Chairman, Developed Markets Aviva and Chief Executive Officer (CEO) of Aviva UK. Mr. Matthews has also held CEO

positions with Friends Provident and Standard Life UK, both based in the UK, as well as Manulife Financial in Japan. Prior to that he had senior roles with Manulife in Canada and with National Australia Bank and Legal & General in Australia.

He has a Master of Arts (Actuarial Studies) from Macquarie University, is a Fellow of the Institute of Actuaries in both Australia and the UK, and a Fellow of the Australian Institute of Company Directors.



Nancy Milne OAM (Deputy Chair)

Ms Milne is a former lawyer with over 30 years' experience primarily in insurance and reinsurance, risk management, corporate governance and professional negligence.

Currently Chair of the Accounting Professional and Ethical Standards Board, Securities Exchange Guarantee Corporation, and the SIRA CTP Premium Committee, Ms Milne is also an Independent Member of the SIRA Audit and Risk Committee, a Director of FBR Limited, ALE Property Group, and a member of the Asbestos Safety and Eradication Council and the NSW Council of the Australian Institute of Company Directors.

She was a partner with Clayton Utz until 2003 and a consultant until 2012. In 2008 she was awarded the Order of Australia Medal for services to the legal sector particularly as an insurance lawyer and to the community. She was also previously a Director of the Australand Group (now Frasers Property Group), Greenstone Limited, and the Superannuation Administration Corporation (Pillar Administration).

Ms Milne has a Bachelor of Law from the University of Sydney and is a fellow of the Australian Institute of Company Directors.



Prof. Abby Bloom (Board member)

Prof. Bloom MPH PhD FAICD is an experienced company director and tech founder and CEO. In addition to SIRA, she is a Director of Sydney Water Corporation and the Sydney Children's Hospitals Network. She is also a member of the Advisory Boards of Griffith University Enterprise and the digital company ID Exchange, and is a Board Observer for Cadenza Innovation, a leading US-based energy storage company.

Prof. Bloom is the Chair of the SIRA Audit and Risk Committee, and an Independent Member of the Audit and Risk Committees for the NSW Department of Communities and Justice, Rookwood Cemetery, Southern NSW Local

Health District and Luminesce Alliance. Her previous directorships include Western Sydney Local Health District, Recovre Holdings and Gymnastics NSW.

Following a successful career as a senior executive and corporate advisor in health and health care, utilities, infrastructure, education, insurance and ageing, Prof. Bloom has been a company director for over 20 years. She has been involved as founder of and advisor to numerous tech start-ups over more than two decades. She is active as a mentor of women innovators, and as an angel investor in disruptive start-ups.

Prof. Bloom is a graduate of Yale and Sydney universities, and is an Adjunct Professor in the Sydney University Medical School, Menzies Centre for Health Policy and an Adjunct Professor in the UTS School of Business. Prof. Bloom is respected for her insights and guidance, which incorporate her expertise in digital transformation, big data and innovation. She has worked in over 20 countries, and has provided advice on public-private partnerships, health, and project finance to the World Bank, International Finance Corporation, Asian Development Bank, AusAid, US State Department, Australian Government and UNICEF. Yale University named Prof. Bloom one of its 100 top leading public health graduates since its founding over a century ago.



Dr Graeme Innes AM (Board member nominated by the Secretary, DCS)

Dr Innes has been involved in numerous human rights reform initiatives that have resulted in ground-breaking change, perhaps most significantly as the Human Rights Commissioner for Australia. He was involved in drafting the United Nations Convention to the Rights of Persons with Disabilities, and has also served as Australia's Race Discrimination Commissioner.

Dr Innes was Chair of the Disability Advisory Council of Australia, and the first Chair of Australia's national blindness agency, Vision Australia. He also played a key role in developing the National Disability Strategy and the Disability

(Access to Premises – buildings) Standards 2010, and the establishment of Liveable Housing Australia.

In 1995, Dr Innes was entered into the Order of Australia as a Member (AM) for his contribution to the rights of people with a disability in Australia. In 2003, he was a finalist for Australian of the Year. Since 2015, he has been awarded four honorary doctorates by Australian universities for his human rights and advocacy work.



The Hon Greg Keating (Board member)

The Hon Greg Keating was appointed a Judge of the NSW District Court and President of the NSW Workers Compensation Commission in 2007. He retired from these roles in 2018 after 11 years of service to people impacted by work-related injury. Mr Keating is now practising as a Nationally Accredited Mediator.

Mr Keating was admitted as a solicitor on 11 November 1980. He has practiced extensively in insurance law, defamation and industrial law. Mr Keating was an accredited personal injury practitioner. He was Managing Partner of McClellands Lawyers until its amalgamation with Slater and Gordon in August 2007.

Mr Keating was a Director of the WorkCover Authority from 1998 to 2007. He has held honorary appointments with the Cancer Council of New South Wales and to the Paraplegic and Quadriplegic Association. From 1992 to 2007, he was a member of the Law Society Personal Injury Committee.



Rod Stowe PSM (Board member)

Mr Stowe stepped down as the NSW Fair Trading Commissioner in July 2017 in order to proceed on long service leave, pending his formal retirement from the NSW Public Service in November 2018.

Mr Stowe's six-year term as Commissioner was part of a distinguished 29-year career in the Fair Trading/Consumer Affairs portfolio. Some of his more significant achievements over this period include successful implementation of the consumer protection strategy for the Sydney 2000 Olympic Games, development of the Australian Consumer Law, and introduction of the ground-breaking NSW Complaints Register.

During his 41 years of service with the NSW Government, Mr Stowe also had postings in portfolios covering environmental protection, education and youth affairs, local government and state superannuation.

Mr Stowe has extensive board governance experience having previously been Chair of the NSW Rental Bond Board and NSW Financial Counselling Trust Fund and a member of the Cemeteries and Crematoria Board of NSW and the Travel Compensation Fund. In November 2017, he was appointed Chair of the Board of the Superannuation Consumers' Centre. Recently, Mr Stowe was appointed as Chair of the Board of The Consumer Advocacy Trust.

Mr Stowe was awarded the Public Service Medal for services to consumer protection in the 2011 Queen's Birthday Honours List. He is also the recipient of the Society of Consumer Affairs Professionals Life Achievement Award (2016), the Choice Consumer Champion Award (2017) and the NSW Government Meritorious Service Medallion (2018). Mr Stowe was made a Fellow of the Royal Society of NSW in 2017.



Carmel Donnelly (Board member and SIRA Chief Executive)

Ms Donnelly has been the Chief Executive of SIRA and a Board member in an ex-officio capacity since March 2017.

Ms Donnelly has extensive experience as a senior executive in NSW Government including as an Executive Director in SIRA, General Manager of the Motor Accidents Authority of NSW and Director of Strategy and Planning with Fire and Rescue NSW. She has also been a Review Director in the NSW Department of Premier and Cabinet and an Associate Director in NSW Health.

Ms Donnelly holds an Executive Master of Business Administration from the Australian Graduate School of

Management, a Master of Public Health from the Faculty of Medicine at Sydney University, and a Bachelor of Arts (Honours Psychology) from Sydney University. She is a Graduate Member of the Australian Institute of Company Directors and an Associate Fellow of the Australasian College of Health Service Management.

2.2. Related Information

Dr Bloom chairs the SIRA Audit and Risk Committee and Mr Matthews, Ms Milne and Dr Innes are Independent Members of the SIRA Audit and Risk Committee.

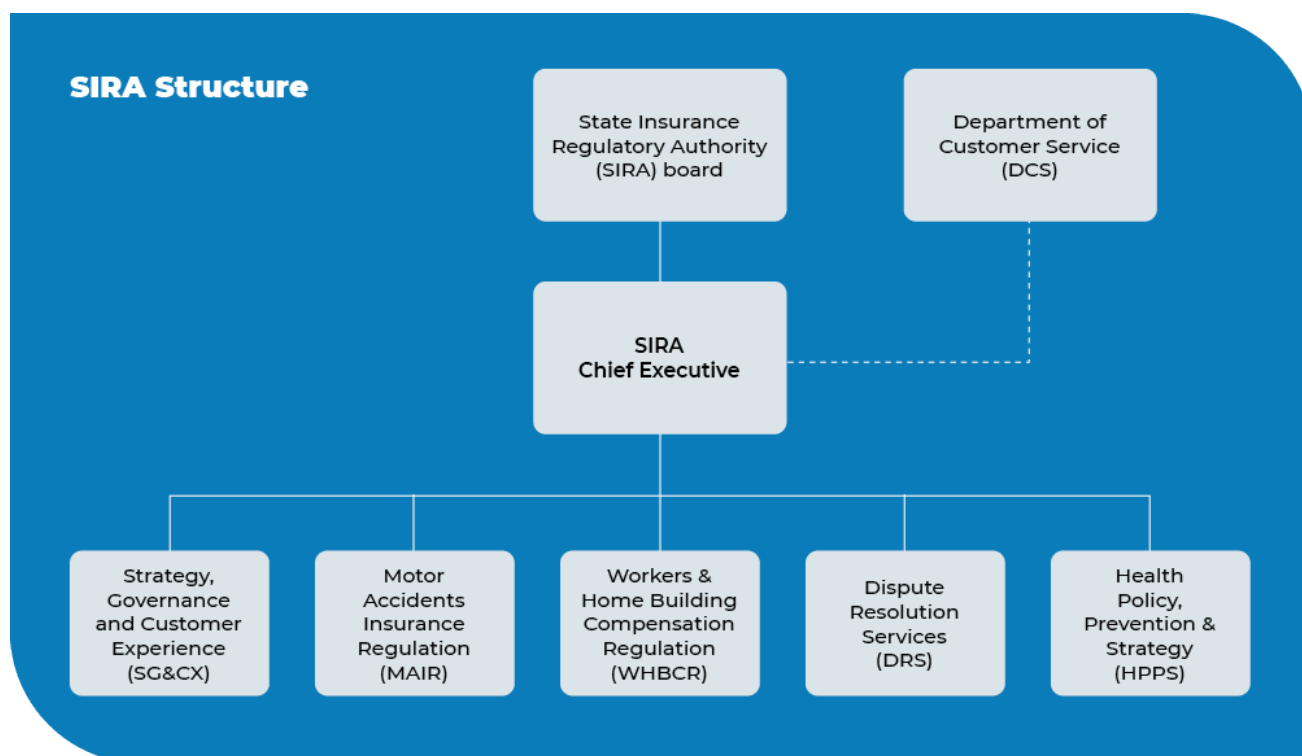
Ms Milne chairs the SIRA Board's CTP Premium Committee.

Dr Innes chairs the SIRA Board's Dispute Resolution Advisory Committee and Mr Keating serves as a member.

3. SIRA's structure and leadership team

During 2019-20, SIRA updated its operating model and organisational structure. The new structure enables SIRA to deliver high quality, consistent regulation and responds to shifts in community expectations about the role of the regulator, including strong supervision, compliance and enforcement, and a focus on customer experience.

The structure of SIRA is as follows:



3.1. Strategy, Governance and Customer Experience (SG&CX)

The SG&CX team leads the development and delivery of key corporate functions, including:

- customer experience – delivering services and assistance to customers, including complaints resolution, and gathering information to provide customer insights and to inform the evidence chain for regulatory responses
- governance – delivering appropriate and effective governance and support for the SIRA Board and executive
- strategy – determining SIRA's purpose and planning how to achieve it
- risk and compliance – identifying what SIRA must do, what threatens SIRA's purpose and how to respond
- corporate services – managing SIRA's cluster partnerships
- ministerial services – managing SIRA's ministerial, parliamentary and Cabinet responsibilities
- engagement – providing engaging and relevant communication for internal and external stakeholders
- corporate reporting – relevant and timely reporting to the SIRA Board, committees and executive
- privacy – monitoring and supporting SIRA's compliance with privacy legislation

- information access – facilitating the proactive release of SIRA information and responding to information requests under the GIPA Act, statutory requests and subpoenas.

3.2. Motor Accidents Insurance Regulation (MAIR)

The MAIR team oversees the NSW CTP insurance scheme, also known as Green Slip insurance. Insurers licensed to operate in the scheme protect vehicle owners from liability if their vehicle causes injury or death to other road users. The team works hard to reduce injuries and deaths on the roads by having a forward-thinking, proactive and collaborative approach with stakeholders. The team focuses on delivering better outcomes for policyholders and injured people, and encouraging innovation, quality performance and positive customer experiences.

3.3. Workers and Home Building Compensation Regulation (WHBCR)

The WHBCR team oversees the workers compensation and home building compensation schemes in NSW. It also has a small role in relation to dust diseases, sporting injuries, bush fire, and emergency and rescue services. The team focus on customers and delivering effective regulation that builds public trust and supports NSW in being a competitive, confident, and protected state.

3.4. Dispute Resolution Services (DRS)

The DRS team delivers dispute resolution services to injured people, and insurers involved in motor accident disputes across NSW. DRS is an independent dispute resolution service that is an alternative to Court. It aspires to provide a customer experience journey that minimises the impacts of, and prevents, disputes. The team also provides strategic and operational support on the design, development, monitoring, and improvement of dispute resolution models.

3.5. Health Policy, Prevention and Supervision (HPPS)

The HPPS team supports effective regulation of the NSW personal injury schemes and help customers receive optimal recovery and health outcomes. Its main focus is on enabling optimal health outcomes for injured people and value based sustainable healthcare expenditure. The HPPS team does this through:

- introducing a value-based healthcare approach across the personal injury schemes
- strategic initiatives supporting mental health and wellbeing, and safer roads and workplaces
- supervising and educating health providers
- enabling effective regulation of health care costs and fees.

3.6. SIRA Executive

3.6.1. Theresa Fairman – Executive Director, Strategy, Governance and Customer Experience

Ms Theresa Fairman was appointed as SIRA's Executive Director, Strategy, Governance and Customer Experience and Chief Customer Officer, in February 2019. She was the Executive Director, Corporate Affairs for the Department of Finance, Services and Innovation (DFSI) from 2015. In her time with DFSI, she also headed up the State Archives Authority and established a review of the State Records Act.

Theresa has held senior public affairs and governance roles in New South Wales and Commonwealth public sector agencies for more than 20 years, and has deep experience in issues management, research, media and behavioural marketing. Theresa holds a Bachelor of Arts and a Master of Public Administration from the University of Sydney.

3.6.2. Mary Maini - Executive Director, Motor Accidents Insurance Regulation

Ms Mary Maini was appointed as SIRA's Executive Director, Motor Accidents Insurance Regulation in December 2017. With a background in law and a graduate of the Australian Institute of Company Directors, Ms Maini has over 25 years of executive experience leading customer service, legal, health services, training, investigations, compliance and assurance, strategy, pricing, organisational change and accountability for business lines. Previously, Ms Maini held executive roles in the general insurance (workers compensation, CTP, liability, property) and life insurance sector.

3.6.3. Darren Parker - Executive Director, Workers and Home Building Compensation Regulation

Mr Darren Parker is the Executive Director for Workers and Home Building Compensation Regulation at SIRA. Darren joined SIRA in 2015 and has worked in several executive roles regulating the Workers Compensation, Home Building and Motor Accidents and Insurance Schemes (CTP). Recent achievements include forging respectful relationships with system stakeholders, building a high performing and visible insurance regulation capability and increasing transparency and accountability in the workers compensation scheme. Darren holds a master's degree in Business Administration from the International Graduate School of Management, University of South Australia. He has also received multiple Commissioner of Police commendations for excellence and bravery during his policing career. Darren has extensive senior executive experience across all tiers of Government and the insurance sector including Insurance Australia Group, Comcare, Centrelink, Australian Public Service Commission, Department of Defence, Attorney-General's Department and local government.

3.6.4. Ryan Williams - Acting Executive Director, Dispute Resolution Services

Mr Ryan Williams commenced in the role of Acting Executive Director, Dispute Resolution Services at SIRA in February 2019. Mr Williams has held senior roles in New South Wales public sector agencies for more than 20 years, including executive leadership roles across both the NSW workers compensation scheme and the motor accident CTP schemes for SIRA. Mr Williams studied Social Science (Habilitation) at the Australian Catholic University and holds a graduate certificate in Public Sector Management from Macquarie University.

3.6.5. Dr Petrina Casey - Director, Health Policy, Prevention and Supervision

Dr Petrina Casey joined SIRA in 2015 and has held senior roles across workers compensation, home building and healthcare strategy and supervision. Dr Casey is an experienced executive who has worked across the government, personal injury insurance, disability and life insurance sectors. Dr Casey holds a Master of Public Health and a Doctor of Philosophy from Sydney University Faculty of Medicine. Her research principally focused on the intersection between health, legal and claims outcomes in a personal injury compensation policy setting.

3.6.6. Ms Sharon Blake – Chief Financial Officer and Company Secretary

Ms Sharon Blake joined SIRA in March 2019 and was appointed Chief Financial Officer and Company Secretary in March 2020, after holding the Chief Financial Officer role from commencing with SIRA. Ms Blake has extensive private sector and public sector experience. Ms Blake is a Fellow of the Institute of Chartered Accountants Ireland, an Associate of the Institute of Chartered Accountants Australia and a Graduate Member of the Australian Institute of Company Directors. Ms Blake holds a Master of Accounting and a Bachelor of Arts (Honours) degree in Accounting and Human Resource Management.

3.6.7. Mr Tom Green – Director, Strategy and Performance

Mr Tom Green joined SIRA in 2019, having held senior executive roles in corporate affairs and communications with multiple agencies over the four years prior. Mr Green's experience in state government since 2008 has had a strong focus on regulation, insights-based strategy and changing behaviour, particularly in the fields of harm prevention and personal injury – having previously worked with WorkCover, the Safety, Return to Work and Support Division, SafeWork NSW and also SIRA. Mr Green's experience spans the private, non-profit and public sectors in Australia and the UK, where he gained a Bachelor of Arts (Honours) degree in European Studies and Modern Languages.

4. Highlights and achievements

4.1. Healthcare review

SIRA initiated a comprehensive Review of Regulatory Requirements for Healthcare Arrangements within SIRA's personal injury schemes. The review commenced with Synapse Medical Services undertaking an initial study into healthcare services and utilisation, and SIRA publicly consulting on revised regulatory requirements for healthcare. The broader review into healthcare will ultimately result in improved regulatory and fee setting approaches to ensure injured people have access to the right healthcare at the right time for optimal recovery and return to work, and to ensure the schemes provide value-based care.

4.2. Compliance and enforcement activity

This year SIRA maintained a program of compliance and enforcement activity to hold regulated entities accountable and deliver on its strategic goals of improving customer experience and results, maintaining scheme and policy affordability, and building public trust. In December 2019, SIRA published the Independent Compliance and Performance Review of the Nominal Insurer (managed by icare) and responded with its 21-Point Action Plan to drive fact-based and steady improvements in the Nominal Insurer. SIRA has taken firm and fair enforcement action throughout the year and has published its compliance and enforcement activity to improve accountability and increase transparency into the schemes.

4.3. More affordable CTP premiums

The new CTP insurance scheme has delivered more affordable CTP premiums for most motorists in NSW during 2019-20. Before scheme reform, the average CTP premium was \$635. The average CTP premium for all vehicles was \$487 for the period 15 January 2019 to 30 June 2020. As at 30 June 2020, the average metropolitan taxi premium reduced from \$7,881 to \$3,521 (a saving of \$4,360), and the average motorcycle premium reduced from \$353 to \$318 (a saving of \$35).

4.4. Green Slip refund

A Green Slip refund program for premiums paid in the 12 months before the new scheme commenced ran from early 2018 to 30 September 2019. Over \$215 million in refunds was returned to around 3.45 million policy holders (business, individual and fleet) by 30 September 2019. There was approximately \$38 million in unclaimed refunds and administrative fee savings (as at 30 June 2020), which is now being returned to NSW motorists through a reduction in a levy that forms part of the price of a CTP Green Slip. This levy reduction commenced on 15 January 2020 and will continue over a 12-month period.

4.5. Customer service conduct principles

SIRA released its new Customer Service Conduct Principles for workers compensation, home building, and CTP insurers. The principles strengthen industry standards, so claimants are better supported in times of need. SIRA will measure insurer performance against the principles and publish the results. The five principles make all insurers in the SIRA-regulated schemes more accountable for high standards when it comes to customer service.

4.6. Open data portals

In September 2019, SIRA published its workers compensation open data portal on the SIRA website. The portal includes an interactive analysis capability for claims, payments and return to work data, and downloadable data tables. In November 2019, SIRA launched the CTP open data portal providing claims, payment and Green Slip check usage, and policy and premium information. These portals improve accountability and provide transparency into the performance of the workers compensation and CTP schemes.

4.7. Mentally healthy workplaces programs

This year SIRA continued its work supporting mental health recovery at work through its partnership in the NSW Mentally Healthy Workplaces Strategy. In 2019-20, SIRA introduced the Recovery Boost \$50,000 grants program. This program provides grants of up to \$50,000 for individuals and organisations that come up with innovative solutions to improve mental health at work. SIRA also launched the COVID-19 recovery@work toolkit as an evidence-informed toolkit to help workplaces maintain positive mental health.

4.8. Financial incentives to support recovery at work

SIRA introduced three new vocational programs to provide financial assistance to employers who help people injured at work, or on the roads, get back to work during COVID-19. The programs include:

- JobCover6 which offers up to \$10,400 to help offset employment costs for up to six months.
- Support4Work provides a \$4,000 grant to small businesses that can support their injured employee recovery at work.
- Connect2Work provides a weekly \$200 payment for up to 12 weeks to employers that can offer short-term work placements.

These programs, and a range of other new SIRA vocational programs, help ensure that injured people are supported to recover at work.

5. SIRA's response to COVID-19

On 11 March 2020, the World Health Organisation (WHO) declared the coronavirus (COVID-19) outbreak a global pandemic.

The impact of COVID-19 on the schemes may potentially be significant, including risks associated with changed return to work opportunities and patterns of work, insurer investment returns, wages and premiums, disruption to medical and care services, and claim impacts.

In response, SIRA rapidly adapted its policies and services and significantly focused its regulatory efforts to minimise impacts on scheme participants. SIRA implemented the following in response to the pandemic:

- Support for injured workers, road users, and employers through dedicated information hubs on the SIRA website.
- The free Recovery Advisory Service to help small businesses re-open and recover post-COVID.
- Financial incentives through SIRA's vocational programs for employers that help injured people to recover at work.
- Changes to enable greater use of telehealth so that consultations between injured people and providers can occur over the telephone.
- The *COVID-19 Legislative Amendment (Emergency Measures) Act 2020*, which amended the *Workers Compensation Act 1987* (WCA 1987) and the *Motor Accident Injuries Act 2017* (MAI 2017), enables more flexibility to issue second and subsequent certificates of capacity/fitness.
- The *COVID-19 Legislation Amendment (Emergency Measures – Miscellaneous) Act 2020*, which amended the WCA 1987, introduces a presumption that workers who contract COVID-19 while working in prescribed employment have contracted COVID-19 in the course of their employment.
- Public reporting on COVID-19 workers compensation claims on the SIRA website.
- Amendments to the workers compensation guidelines to reduce regulatory barriers and provide clarity on the approach to work capacity assessment appointments and independent medical examinations.
- Revisions to Workers Compensation Market Practice and Premium Guidelines (MPPGs) to address the impact of wage subsidy programs such as JobKeeper on wages for the purposes of calculating workers compensation premiums.
- Amendments to the motor accidents guidelines to provide regulatory relief to CTP insurers and measures to allow treating physiotherapists or psychologists to issue certificates of fitness.
- A new COVID-19 related Standard of Practice to set expectations for insurers about the handling of COVID-19 workers compensation claims and claims handling practices more generally throughout the pandemic.
- Guidance for referrers and examiners to consider for independent medical examinations and reports.
- New processes for claims, merit reviews and medical disputes to minimise social contact and prioritise the safety and wellbeing of customers.
- A risk-based approach to advisory, compliance, and enforcement activities to focus on matters that present potential or actual harm to injured people and policy holders or risks to scheme sustainability and integrity.

6. SIRA's Regulatory Approach

SIRA's role is to ensure that the schemes it regulates continue to be fair for people who make a claim for compensation today, or in the future, effective, sustainable and affordable for policy holders. SIRA's regulatory approach has matured and adapted to respond to new priorities and expectations, including learnings from the Hayne Banking and Finance Royal Commission and the Australia Prudential Regulatory Authority (APRA) Capability Review.

During 2019-20, SIRA made a range of changes to strengthen its effectiveness as a regulator and build trust in the organisation and the schemes it regulates. Some examples of the measures SIRA has taken to advance role clarity, accountability, transparency, and customer-centricity are outlined below.

6.1. Separation of policy and regulatory roles, and more focus on governance and culture

In 2019-20, SIRA made significant changes to its operating model and supervision approach to delineate policy, supervision, and enforcement functions more clearly, and increase focus on culture and governance. In addition, SIRA created a new team dedicated to in-depth audits and performance reviews.

6.2. More visibility of regulatory action

SIRA commenced publishing information about compliance and enforcement in July 2019. This decision followed close consideration of the Hayne Royal Commission's findings regarding the importance of transparency and visibility of regulatory action in maintaining public trust. While there will always be some limits to what information can be made available, SIRA believes that transparency is in the best interest of its customers, and will ultimately contribute to achieving sustainable, affordable, fair, and effective schemes.

6.3. Better access to scheme data

In 2019-20, SIRA launched a self-service visual analytics tool to make it easy to view and compare workers compensation and CTP scheme data over time. This was an important step in improving transparency and accountability across the schemes. SIRA has also maintained its other bespoke scheme performance reports.

6.4. Making expectations, ways of working and priorities clear

As a regulator, one of SIRA's core responsibilities is to ensure compliance with the law. However, as stewards of compensation schemes, there are many other ways in which SIRA works to influence positive scheme outcomes. SIRA has developed 10 principles to guide its regulatory approach and inform stakeholders of SIRA's focus, how decisions are made, and how SIRA will engage on matters of scheme design and compliance.

SIRA's 10 regulatory approach principles are:

| | | |
|-----------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Customer focus | Everything SIRA does is guided by protecting the interests of customers. |
| 2 | Responsiveness | SIRA is responsive to changing community expectations and to public scrutiny. Maintaining trust in SIRA and regulated schemes is central to our role. |
| 3 | Accountability | SIRA will take strong enforcement action when needed, based on the severity of harm or potential harm, the degree of negligence, or the need for deterrence. |
| 4 | Stewardship | Administering the law is just part of SIRA's role. As a steward of statutory insurance schemes, SIRA also seeks to innovate, influence and engage others in support of scheme outcomes. |
| 5 | Information | SIRA actively publishes information about scheme and provider performance and prioritises making more data more accessible and more valuable. |
| 6 | Consultation | SIRA consults widely and often to make better decisions and deliver better solutions. |
| 7 | Evidence | SIRA relies on evidence to do what works – not just what's expected or easy. |
| 8 | Innovation | SIRA is always looking for innovative ways to improve outcomes. |
| 9 | Efficiency | SIRA seeks to maximise value across all outcomes, build future capability through current challenges, leverage others' work and apply areas of excellence across schemes. |
| 10 | Fairness | SIRA makes expectations clear and treats everyone fairly and with respect. |

6.5. Holding insurers to account for customer service standards

In 2019, SIRA released its Customer Service Conduct principles for people making a claim or taking out an insurance policy. The principles have strengthened insurance industry standards to ensure that customers of insurance schemes are better supported. SIRA measures and reports on the performance of each insurer against the Customer Service Conduct principles. Action will be taken against insurers found to be non-compliant.

The five Customer Service Conduct principles are published on the SIRA website, and include:

| | |
|---------------------|-----------------------------------------------------------------------------|
| Principle 1: | Be easy to engage and efficient |
| Principle 2: | Act fairly, with empathy and respect |
| Principle 3: | Resolve customer concerns quickly, respect customers' time and be proactive |
| Principle 4: | Have systems in place to identify and address customer concerns |
| Principle 5: | Be accountable for actions and honest in interactions with customers |

6.6. NSW Government Customer Commitments

In January 2020, as part of living the NSW Government Customer Commitments, SIRA established a dedicated SIRA Customer Experience team which brought together CTP Assist, complaint handling specialists, customer experience teams, and regulatory assessment and approach from across SIRA. We also brought into SIRA our frontline services for Workers Compensation and Home Building. The team is the first point of contact for our customers contacting SIRA in the Motor Accidents, Workers Compensation and Home Building Schemes.

The team's purpose is to design and deliver the best possible services to our customers and deliver timely, evidence-based decision and regulatory response. The team does this through:

- using customer insights and evidence to inform our work and continuous improvement
- managing regulatory complaints and identifying issues for regulatory response
- managing the evidence lifecycle of customer and business activities
- giving customers greater access to tools and information about schemes, systems, rules and benefits they are entitled to.

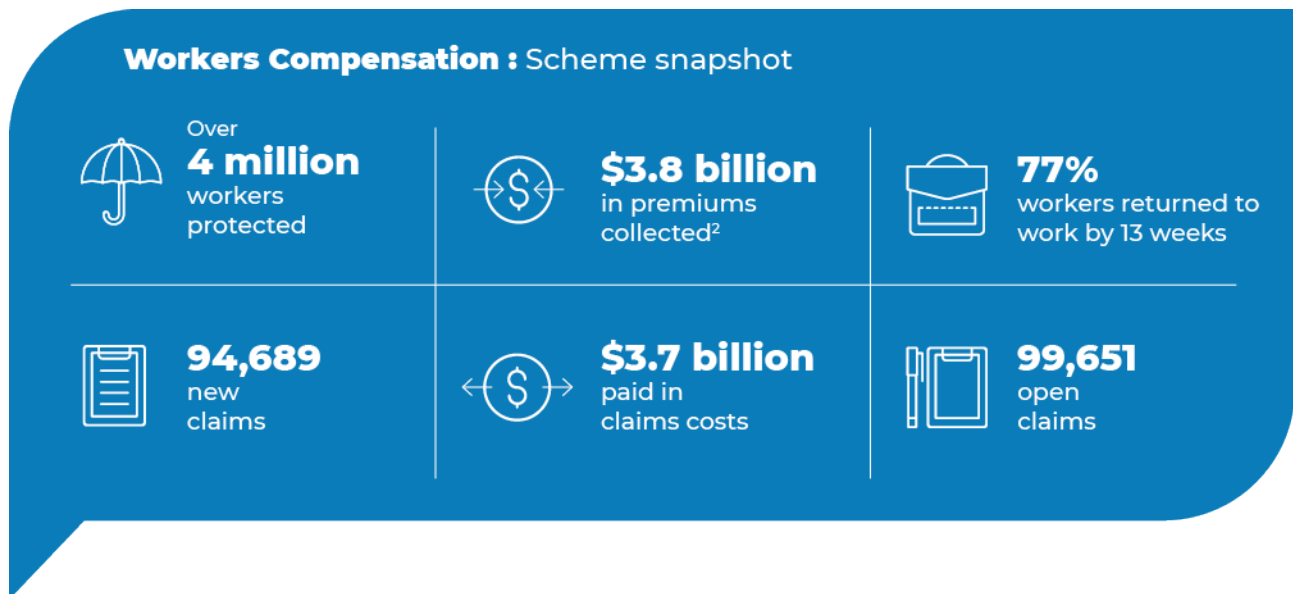


7. Workers Compensation

7.1. Scheme snapshot

The NSW workers compensation system is the largest defined benefit scheme in Australia. SIRA regulates the workers compensation system to ensure the system is sustainable, fair, affordable and supports workers with a work-related injury.

In 2019-20, the system protected in excess of four million workers¹, with a premium collection of \$3.8 billion² and claim costs of \$3.7 billion. This year there were 94,689 claims reported:



Insurers within the workers compensation system that SIRA regulates are:

- Nominal Insurer – a statutory insurer responsible for the Workers Compensation Insurance Fund (managed by Insurance and Care NSW (icare) and known as ‘workers insurance’)
- Specialised insurers – six insurers licensed to operate within particular industries
- Self-insurers – 61 large employers licensed to self-insure
- Treasury Managed Fund (TMF) – the NSW Government’s managed fund scheme is administered by the NSW Self-Insurance Corporation, managed by icare.

7.2. Legislative amendments

During 2019-20, NSW Parliament passed several amendments to the workers compensation legislation. These changes were designed to improve the experience and outcomes for workers, employers, and others in the NSW workers compensation system and address regulatory barriers in response to the COVID-19 pandemic.

¹ Actual plus estimate, where the estimated component is approximately 1.4 percent.

² Actual plus estimate, where the estimated component is approximately 3.3 percent.

7.3. Compliance and Performance Review of the Nominal Insurer

In December 2019, SIRA published the Independent Reviewer's final report into the Compliance and Performance of the Nominal Insurer (managed by icare). The review is part of SIRA's role as a regulator monitoring scheme performance and compliance and holding insurers accountable for the services and outcomes they deliver for scheme customers.

The review involved public consultation (during which more than 150 submissions were received), meetings with stakeholders, an audit of compliance with legislation and relevant guidelines, and a performance review (including claims management and return to work outcomes).

It also made findings on the operation and sustainability of the Nominal Insurer and recommended significant steps for improvement. Priorities for improvement included early and safe return to work outcomes, claims management, and improved premium transparency and volatility.

The SIRA response to the review included a 21-Point Action Plan to drive fact-based and steady improvements in the Nominal Insurer. SIRA continues to closely supervise the Nominal Insurer and report publicly on progress against the action plan.

7.4. PIAWE weekly payments audit

On 27 February 2020, icare notified SIRA of errors in weekly payment calculations in a sample of closed Nominal Insurer workers compensation claims. icare identified the errors during its risk discovery review in early 2019, which was designed to test the extent to which the initial pre-injury average weekly earnings (PIAWE) calculation was correct between 2012-2018.

The scope and results of the review, as advised by icare, are as follows:

- approximately 3,000 claim files were reviewed
- where there was sufficient information on file to recalculate PIAWE, approximately one quarter of the claims were potentially underpaid, at least initially, and a similar proportion were potentially overpaid
- in instances where weekly payments were incorrect, premium calculations for experience-rated medium to large businesses may also be incorrect.

In response to the notification of this matter to SIRA, SIRA directed icare to provide an urgent review and remediation plan that provided details on the full extent of the underpayment issue, and a proposed approach and timeframe for repaying workers.

SIRA has confirmed that icare is responsible for repaying workers impacted by the error in calculating weekly benefits and associated remediation costs.

SIRA has also commenced a broader review of other insurers' calculation of PIAWE and a review of CTP insurer weekly benefit calculations.

7.5. PIAWE reforms

In 2019, SIRA implemented legislative reforms that simplified and improved the calculation of PIAWE for workers injured on or after 21 October 2019 (excluding exempt workers).

The new simplified PIAWE method:

- is transparent and can be applied across a wide range of working arrangements
- will save time to allow workers, employers, and insurers to focus on return to work and improved outcomes for workers
- enables employers and workers to agree on the PIAWE amount, as an alternative to insurers making a work capacity decision regarding PIAWE
- will reduce disputes in relation to PIAWE.

The new PIawe method is supported by new Workers Compensation Guidelines and revised Standards of Practice. The changes did not impact other weekly payment arrangements and entitlements.

7.6. Compliance and enforcement

SIRA's compliance activities in 2019-20 resulted in 10,190 businesses purchasing a workers compensation policy after SIRA commenced non-insurance investigations. This reflected \$13.33 million in additional premium raised and 30,288 more employees now being covered by a workers compensation policy.

Compliance activities also saw \$408,000 in penalty notices issued under section 155 of the WCA 1987, businesses who were not insured, and 26 referrals to Revenue NSW to commence recovery action for over \$1.04 million of avoided premiums under section 156 of the WCA 1987.

SIRA completed four insurer audits examining insurer and self-insurer claim case management practices and six workplace rehabilitation provider audits and issued two caution letters on insurers.

In 2019-20, SIRA assessed or investigated 229 reported cases of alleged worker or service provider fraud and 438 reported cases of potential compliance breaches, relating mostly to insurers and employers.

SIRA's enforcement actions included issuing 97 penalty notices to non-compliant employers and 44 recoveries of avoided premiums from non-compliant employers.

In terms of return to work supervision, inspectors undertook the following actions with employers:

- 152 return to work requests for service by inspectors to assist with employer compliance with return to work obligations.
- 103 employer improvement notices issued under section 59B of the *Workplace Injury Management and Workers Compensation Act 1998* (WIMWCA 1998) for non-compliance with return to work obligations.
- 425 proactive return to work verification interactions by inspectors on behalf of SIRA.

In 2019-20, one conviction was obtained against an employer who failed to take out a workers compensation policy pursuant to section 155 of the WCA 1987. The employer was fined \$5,000.

SIRA also undertook the following regulatory reviews:

- 39 applications for SIRA to determine whether a person is a worker, deemed worker or contractor, for the purposes of workers compensation insurance calculation
- 39 requests for SIRA to review premium calculations of which:
 - 19 were within Regulatory Review's scope (e.g. relating to the cost of claims, wages and workers industry classification)
 - 20 matters were referred internally within SIRA for assistance by the appropriate Insurer Performance Division to address the concerns raised by employers regarding their insurers
- 52 internal review applications pursuant to the *Fines Act 1996*, arising from penalty notices SIRA issued to employers for breaches of workers compensation legislation.

7.7. Insurer supervision

This year SIRA increased its supervision of insurers and ran programs to target specific issues that presented risk or harm to injured workers or employers. SIRA launched its Insurer Accountability Portal as a tool to provide transparency and feedback to insurers on their performance against legislative requirements and SIRA's expectations of their conduct and performance.

Interest in self-insurance continued to grow, with SIRA issuing six new self-insurer licences. To allow businesses that self-insure to focus on sustainability during the COVID-19 crisis and reduce regulatory burden, SIRA extended 16 self-insurer licences due for renewal in 2020 for a 12-month period.

Some of the supervision activities during the reporting period included:

- The first quarterly claims audit conducted on the Nominal Insurer, managed by icare.
- Three performance audits conducted on self and specialised insurers.
- Two audits conducted with selected insurers to assist in testing a new claims management audit tool.
- A review of insurer compliance with liability timeframe decisions.
- A review of insurer compliance with claims data submission timeliness and accuracy.

As a result of these activities:

- SIRA issued 24 civil penalties of \$5,500 each (totalling \$132,000) against the Nominal Insurer for failure to commence weekly payments in line with section 267 of the WIMWCA 1998.
- SIRA issued five civil penalties of \$5,500 each (totalling \$27,500) and five civil penalties of \$11,000 (totalling \$55,000) on the Nominal Insurer for failure to apply the 30 percent cap to premium rate increases for employers.
- SIRA issued a letter of censure to icare following failure to comply with a direction requiring compliance with the provision of scheme data related to return to work data items.
- SIRA issued formal warnings to 12 self and specialised insurers for claims information licence breaches.
- One specialised insurer was issued with two penalty notices in the amount of \$500 each due to legislative breaches relating to timeliness.
- SIRA issued 86 notices under the WIMWCA 1998 to obtain information for suspected legislative breaches.
- Two insurers had special licence conditions imposed regarding the provision of claims information.
- One insurer had a shorter 12-month licence extension granted and special licence conditions imposed due to financial concerns and claims data performance issues.

7.8. Return to work

Recovery at work and return to work are key goals of the NSW workers compensation system. There is strong evidence that encouraging and accommodating people to remain in the workplace while recovering from illness or injury helps them recover faster and also reduces permanent disability.

Return to work rates are also the primary measure of the effectiveness of a workers compensation system. To be effective, the system must enable injured workers to receive the most appropriate care and medical treatment and support from their employer to return to work in a timely manner. This helps promote recovery at work and return to work as soon as possible.

In response to deteriorating return to work rates, SIRA released a discussion paper on the measurement of return to work. It received a total of 27 submissions, which included broad agreement that a standard return to work measure is necessary and that there are social and financial benefits of early return to work.

As a result, SIRA held 12 roundtable sessions with stakeholders to help finalise a multi-layered approach to return to work measurement. The analysis of this feedback is under review.

SIRA also completed a project focusing on improving return to work with large employers in the Community Services sector. The project used predictive data modelling to identify the employers and deployed interventions, including site visits to review return to work practices and procedures, and capability building through three community of practice events. This project provided SIRA with an opportunity to review the return to work systems and procedures of these employers that account for more than 50,000 workers across NSW and better understand the industry's challenges.

SIRA funded the following vocational programs that support recovery at work in 2019-20:

| Program | Description | Count of claims | Cost | Average cost per claim |
|-----------------------------------------------|------------------------------------------------|-----------------|-----------------------|------------------------|
| JobCover placement program | Incentive paid to new employer | 327 | \$3,738,157.91 | \$1,1431.68 |
| Work Trial** | Work experience | 28** | \$10,666 | \$380.93 |
| Training | Training & associated expenses | 1,329 | \$1,502,870.36 | \$1,130.83 |
| Equipment & workplace modification | Equipment for worker or workplace modification | 235 | \$225,921.30 | \$961.37 |
| Transition to work | To address barrier to RTW | 123 | \$94,293.98 | \$766.62 |
| Recover at work assist for small business *** | Paid to small business to assist managing RTW | 37 | \$110,255.88 | \$2,979.89 |
| Total | ... | 2,079 | \$5,682,165.43 | \$2,733.12 |

** does not reflect true utilisation of the Work trial program as many work trials do not attract any payment and are therefore not accurately recorded in the data reported to SIRA.

*** includes RTW assist for micro employers program, now superseded by Recover at work assist for small business

7.9. Commutations

In 2019-20, SIRA certified 139 commutations (2018-19: 152). A 'commutation' is where the worker and insurer agree to a single lump sum payment as an alternative to receiving ongoing weekly payments and/or medical expenses for a workplace injury. This payment should be sufficient for a worker to manage all future payments and cease their respective claim within the workers compensation system.

7.10. Health provider approvals

SIRA must approve some health providers before they can provide services in the NSW workers compensation system. There is a searchable list of approved health providers on the SIRA website.

SIRA ensures service providers comply with legislation and guidelines and monitors their performance by data-gathering and analysis, audits and complaint and dispute monitoring.

Service provider compliance and enforcement activities from 1 July 2019 to 30 June 2020 included:

- 49 caution letters to medical practitioners/providers regarding compliance obligations.
- Two practitioner/provider compliance visits to obtain information under powers.
- Two providers subjected to SIRA's investigative powers due to suspected duplicate invoicing, overcharging and over servicing.
- One provider was revoked from operating in the NSW workers compensation system.
- 116 suspensions or revocations of treating allied health providers' SIRA approval.
- Warning letters were issued to three medical practitioners and specialists regarding non-compliance with Fees Orders, leading to two meetings conducted with two medical practitioners to discuss billing non-compliance.
- Article published in Australian Medical Association (AMA) members publication about SIRA's increased provider supervision focus.
- Two referrals to the Health Professional Councils Authority regarding conduct of health practitioners.
- 83 letters sent to allied health practitioners for anomalous billing of duplicate and overpayments above maximum fee orders.

In 2019-20 SIRA approved 1069 allied health providers, hearing providers, and workplace rehabilitation providers, as set out below:

| | 2019-20 | | | 2018-19 | | |
|-------------------------------------------------------|-------------------------|---------------------------|------------------------------------|-------------------------|---------------------------|------------------------------------|
| | Allied health providers | Hearing service providers | Workplace rehabilitation providers | Allied health providers | Hearing service providers | Workplace rehabilitation providers |
| Approval | 1,055 | 10 | 4 | 1,051 | 17 | 1 |
| Deactivation (both voluntary suspension & revocation) | 250 | ... | ... | 174 | ... | 3 |
| Reactivation | 44 | ... | ... | 21 | ... | ... |
| Total | 1,349 | 10 | 4 | 1,246 | 17 | 4 |

SIRA offers online and face-to-face training for various stakeholders to build capability in providing services within the workers compensation system.

The information below provides detail on training participation by health professionals and others working within the NSW workers compensation system:

| Topic | Method | Audience | Attendees |
|---------------------------------------------|---------------------------------|-----------------------------|-----------|
| Allied health practitioner training program | Competency based online program | Allied health practitioners | 1,186 |

7.11. Customer enquiries and complaints

In 2019-20, SIRA answered 13,309 enquiries from people calling the 13 10 50 customer service number about workers compensation. SIRA also received 3,447 enquiries via digital channels.

This year SIRA managed 1,099 workers compensation complaints, with 1,092 complaints resolved during the financial year. Most complaints related to outstanding medical payments (delays in payments to a provider from the insurer), complaints on insurer conduct/behaviour (e.g. communication issues), and provider fees/billing (charging more than the fees order)

SIRA operates an escalation panel for referral and regulatory assessment of more complex complaints or potential non-compliance. The panel received 44 individual escalations in 2019-20. The top three types of escalated complaints were:

- employer complaint about the insurer's management of the claim, including lack of communication on injury management and return to work.
- employer complaint about the increase in their premiums and lack of information from icare on how the premium was calculated
- solicitor and insurer complaints about overcharging by medical practitioners and providers.

The panel resolves issues on a case-by-case basis and identifies key trends and areas for improvement, which are considered in assessing insurer performance. Matters are assessed for regulatory action as appropriate. In 2019-20, the panel received 10 direct referrals from the Workers Compensation Insurance Review Officer (WIRO).

7.12. Claims data

SIRA receives details of all workers compensation claims reported in NSW. Accurate and timely collection of notification of injuries and claims data is essential to assist in the service delivery to people with a work-related injury, affordability, and the effective management and sustainability of the system. SIRA uses data to ensure stakeholders comply with legislation and guidelines, monitor performance, identify areas of high risk, and provide transparency to the community through the publication of reports.

In 2019-20, there were 94,689 new claims reported as at 30 June 2020. While there were fewer claims received in 2019-20 than in 2018-19 (99,298 new claims reported), the number of open claims with ongoing liability for weekly payments and medical costs has increased from 74,084 in 2018-19 to 90,762 in 2019-20.

8. Home Building Compensation

8.1. Scheme snapshot

Home building compensation, formerly known as home warranty insurance, is a mandatory product that covers residential building work in NSW.

Home building compensation cover helps homeowners as a last resort if their builder or tradesperson cannot complete building work or fix defects because they have become insolvent, died, disappeared or had their contractor licence suspended for failing to comply with a court or tribunal order to compensate a home owner.

Builders and tradespeople must buy this insurance before commencing work or accepting payment as a principal contractor for residential building work projects costing more than \$20,000, such as new home constructions (including multi-unit buildings of three storeys or less) or home renovations.

SIRA regulates the home building compensation scheme to promote efficiency and viability, provide for the effective supervision of claims handling and disputes, encourage and promote the carrying out of sound prudential practices by insurers and alternate indemnity providers, and evaluate the effectiveness and carrying out of those practices.

In 2019-20, the NSW Self Insurance Corporation trading as 'icare HBCF' was the sole insurer issuing insurance in the home building compensation scheme. Former approved insurers that issued policies up to 30 June 2010 continued to administer claims arising from those policies in 2019-20.

Home Building Compensation: Scheme snapshot



19,461

licensed contractors eligible to purchase cover under the scheme



68,598

home building and renovation projects were covered



\$15.2 billion

value of home building and renovation projects covered



1,184

new notifications or claims received

8.2. Review of home building compensation in NSW

In December 2019, the Minister for Customer Service asked the Independent Pricing and Regulatory Tribunal (IPART) to review the efficiency and effectiveness of the home building compensation fund and its ability to protect consumers who are currently covered under the scheme. SIRA is providing \$350,000 of funding to support IPART to undertake the review. SIRA has also provided data and information on the scheme to IPART to assist the review. IPART expects to deliver its final report to the Minister in November 2020.

8.3. Compliance and enforcement

SIRA and NSW Fair Trading work closely on the compliance and enforcement of insurance obligations under the HBA 1989, and to support the integrity of the insurance scheme. This includes SIRA producing 'certificate evidence' under section 131(2) of the HBA 1989, enabling a statement establishing certain factual matters about insurance to be admitted as evidence in court proceedings. SIRA issued 58 certificates of evidence in 2019-20.

In 2019-20, the Chief Executive of SIRA and the Commissioner for Fair Trading entered a Memorandum of Understanding and 'information sharing arrangement' within the meaning of section 9A of the *Fair Trading Act 1987* that authorises the disclosure, sharing or exchange of information between SIRA and Fair Trading for investigations and other purposes.

In 2019-20, SIRA began a project to work across multiple agencies to inform compliance and enforcement activity in the home building compensation scheme, such as proactively identifying home building projects that may be unlawfully uninsured.

8.4. Insurer supervision

SIRA monitors, regulates, and manages the performance of licence holders in the home building compensation system.

Supervision includes assessing performance by ongoing analysis of quantitative and qualitative data from insurers and other sources to identify risks and non-compliance with legislative and guideline requirements.

In 2019-20, SIRA held regular meetings with the sole insurer icare HBCF to report on performance and discuss risks and issues, both current and emerging.

SIRA completed 22 file audits on claims and eligibility. The audits checked icare's level of compliance with home building legislation and the relevant home building guidelines.

Since 1 July 2019, no new applications have been made to SIRA for the provision of building compensation cover. One application is in progress as at 30 June 2020.

8.5. Insurance premiums

Under SIRA's home building compensation (premium) insurance guidelines, a licensed insurer may only offer premiums that it has filed with SIRA and that SIRA has assessed and not rejected. Licensed insurers must file their proposed premiums with SIRA at least annually unless otherwise agreed by SIRA.

SIRA received and assessed one premium filing in 2019-20 from the current sole insurer icare HBCF. SIRA determined not to reject that filing.

8.6. Insurance exemptions

Developers or contractors can apply to SIRA for an exemption from certain insurance obligations if there are exceptional circumstances or if full compliance is impossible or would cause undue hardship.

In 2019-20, SIRA determined six applications for insurance exemptions, of which four were approved and two were refused.

8.7. Customer enquiries

In 2019-20, SIRA answered 1,000 enquiries about the home building compensation scheme.

8.8. HBC Check

SIRA maintains an online public register of insurance under section 102A of the HBA 1989 known as the HBC Check, which allows any person to check if there is valid home building compensation cover for residential building work carried out in NSW since 1 July 2010.

HBC Check can be searched by property address, the certificate number that identifies the cover, or by the name or licence number of the contractor that took out the policy.

In 2019-20, there were approximately 110,000 searches of HBC Check. HBC Check includes the option for users to provide 'thumbs-up' or 'thumbs-down' feedback about their experience. Of the 244 users that gave feedback in 2019-20, 80.3 percent was thumbs-up and 19.7 percent was thumbs down.

Between June 2019 and February 2020, SIRA also invited HBC Check users to complete a user feedback survey about HBC Check. Of the 85 users that completed the survey, 51.8 percent were satisfied or very satisfied, 18.8 percent were neither satisfied nor unsatisfied, and 29.4 percent were unsatisfied or very unsatisfied. Key areas that respondents identified for improvement were accuracy and consistency of insurer data displayed in HBC Check, and making the register easier to search and navigate. SIRA will use the feedback to inform consideration of the future development of the register.

9. Motor Accidents Insurance

9.1. Scheme snapshot

CTP or 'Green Slip' insurance is required to register a vehicle in all Australian states and territories. It insures a vehicle's owner against their liability for the injury or death of other road users caused by that vehicle.

SIRA regulates two CTP insurance schemes for motor vehicles registered in NSW: the '1999 scheme' and the '2017 scheme'.

The market comprises five CTP insurers licensed by SIRA and operated by four entities: AAI Limited (AAMI and GIO), Allianz Australia Insurance Limited (Allianz), CIC Allianz Insurance Limited, Insurance Australia Limited (NRMA), and QBE Insurance Australia (QBE). CIC Allianz ceased issuing CTP insurance policies from 15 January 2019, however its policy renewals are being managed by Allianz.

NSW Green Slip insurance provides benefits for injured pedestrians, passengers, cyclists, motorcyclists and pillion passengers, drivers of other vehicles, and to some extent, drivers at fault. Compensation is also available to relatives who were dependent on a person at the time of their death. The CTP scheme pays reasonable funeral expenses. Benefits under the CTP schemes are fully funded from premiums. The Nominal Defendant's Fund ensures anyone injured by an uninsured or unidentified vehicle can claim scheme benefits.

SIRA regulates the CTP schemes to ensure premiums are affordable and competitive, and injured people receive fair benefits and early and appropriate treatment and rehabilitation to achieve optimal recovery.

Motor Accidents Insurance: Scheme snapshot



5.8 million

Compulsory Third Party (CTP) policies sold¹



\$2.8 billion

in premiums collected²



11,026

2017 CTP Scheme total claims reported³

8,643

1999 CTP Scheme finalised claims⁴

7,887

1999 CTP Scheme open claims⁵

¹ Source: SIRA, for 12 months ending June-20

² Source: SIRA, includes GST and levies, 12 months ending June-20

³ Source: SIRA for 12 months ending June-20

⁴ Source: SIRA, 12 months ending June-20

⁵ Source: SIRA, as at 30 June 2020

9.2. The 1999 scheme

From 1 December 2017, the 1999 scheme under the *Motor Accidents Compensation Act 1999* was replaced by the 2017 scheme under the *Motor Accident Injuries Act 2017*.

While insurers ceased selling policies under the 1999 scheme from 30 November 2017, the 1999 scheme will continue until claims for accidents before 1 December 2017 are finalised.

The 1999 scheme is a tort-based common law scheme where lump sum payments are received by not-at-fault injured road users once their injuries have stabilised. Consequently, lump sum settlements are often determined several years after the accident. In the 2019-20 financial year, 7,887 determinations were still pending under the 1999 scheme.

9.3. The 2017 scheme

The 2017 scheme commenced on 1 December 2017 and, in 2019-20, it maintained reduced premiums, better supported people in their recovery, and significantly improved digital and online service delivery.

The 2017 scheme provides:

- a six-month period of defined benefits for injured road users, regardless of fault, and for those with minor injuries
- more of the CTP premium dollar available to injured people, particularly the more seriously injured
- a focus on early treatment and rehabilitation (and return to work for earners)
- a simpler online claims submission process and a stronger emphasis on claims management
- faster and less adversarial dispute resolution
- ongoing medical treatment and care benefits for those more seriously injured who are not at fault in the accident, for life if needed
- reduced opportunities for fraud.

The scheme provides access to lump sum compensation for damages to people with more serious injuries. To ensure premium and scheme affordability, the 2017 scheme includes stronger regulation of insurer expenses and profits, as well as legal fees.

9.4. Legislative amendments

9.4.1. Motor Accidents Compensation Regulation 2015

During 2019-20, SIRA consulted with stakeholders to update the *Motor Accidents Compensation Regulation 2015* made under the *Motor Accidents Compensation Act 1999*.

The new Regulation came into effect on 1 September 2020. Under the Regulation, regulated fees are to be indexed annually in line with the Consumer Price Index, and insurers have provision to more effectively manage smaller claims, supporting the stamping out of claims farming.

This change is for the 1999 CTP scheme and therefore does not affect claims that occurred on or after 1 December 2017.

9.4.2. Motor Accident Injuries Act 2017

Minor regulatory amendments were made to Schedule 2 and Schedule 4 of the MAI 2017 to correct omissions, and to include annual indexation requirements for legal costs and provisions to permit the implementation of the new Transitional Excess Profit and Loss (TEPL) mechanism.

9.5. Reduced Green Slip premiums

Average Green Slip premium prices have continued to fall since the commencement of the 2017 scheme. At the 2017 scheme's commencement on 1 December 2017, the Green Slip average premium target price was set at \$528 per annum for all NSW vehicles. The current average premium target is \$506.

The market realised an actual average premium price for all NSW vehicles of \$476 for the quarter ending 30 June 2020, resulting in an overall reduction of \$14 (three percent) compared to \$490 at June 2019 quarter, the lowest premium price experienced since June 2010.

For the quarter ending 30 June 2020, the average Green Slip premium price per passenger vehicle was \$449 per annum. Customers are experiencing an \$8 (two percent) reduction on the June 2019 quarter ending premium price of \$457.

9.6. Review of CTP premium parameters

In response to the COVID-19 pandemic, the Chief Executive of SIRA commissioned a review under schedule 4, part 2, section 2(3) of the MAI 2017 to assess whether there was evidence supporting a revision to the Motor Accident Guidelines Schedule 1E premium parameters.

The review was conducted by the Scheme Actuary, Ernst & Young (EY), with peer review by actuary, Taylor Fry.

The outcome of the review was that there was insufficient evidence to suggest the impact of COVID-19 supports a revision to the Motor Accident Guidelines Schedule 1E parameters.

9.7. Green Slip Check

SIRA's online Green Slip Check is a price comparison tool that helps motorists get the best Green Slip price, with a 'buy now' function to enable motorists to purchase a CTP policy online from any CTP insurer. This provides a seamless transaction from selecting the best price to purchasing the policy.

Approximately 2.8 million customers used the Green Slip Check in 2019-20. SIRA seeks feedback from users of the online tool and, based on feedback, is planning to launch a new improved website in late 2020. The new website addresses some of the issues received from customer feedback, such as providing rating questions more relevant to individual customers and improving the Green Slip Check response time.

9.8. Minor injury review

The concept of 'minor injury' is a key feature of the 2017 scheme and ensures that more benefits go to seriously injured people. SIRA completed a review of the minor injury definition and associated provisions established under the MAI 2017 and scheme. The review, published by SIRA in February 2020, fulfilled a commitment by the Minister for Customer Service.

During 2018-19, SIRA commenced a program of work to support the two-year review and monitor the definition of minor injury and how it is applied by insurers. The review aimed to assess if the minor injury definition and its application were achieving the intended outcomes of the *Motor Accident Injuries Act 2017*. Additionally, if required, it would recommend any changes to the Act, Regulations or Motor Accident Guidelines.

Overall, the minor injury definition and provisions were found to be achieving the 2017 Act's objectives. Importantly, it was found to be encouraging early and appropriate treatment and care to enable people to achieve optimum recovery and maximise their return to work or other activities. For example, SIRA found that 42 percent of people with minor injuries finished their treatment and care claims within 13 weeks after a motor accident, which increased to 75 percent by 26 weeks and 98 percent by 52 weeks.

SIRA continues to monitor the application of the minor injury provisions and will provide guidance to stakeholders where required. SIRA will also continue to identify areas for improvement to ensure that injured people are supported.

9.9. Automated vehicles

SIRA continued to work with the National Transport Commission (NTC), the Heads of Motor Accident and Injury Schemes (HMAIS) in Australia and Transport for NSW on CTP insurance for automated vehicles. This is in preparation for a safe commercial roll-out of automated vehicles, which are expected to improve road safety, alleviate congestion and increase productivity for the people of NSW.

Automated vehicles use advanced technology that could significantly reduce the number of motor accident injuries, and if liabilities are managed, the cost of CTP insurance premiums. However, there is work to do to ensure that parties injured by vehicles operating in autonomous mode have seamless access to the same benefits and care.

9.10. Managing costs and insurer profits

In the previous scheme, insurers realised excessive profit. A key feature of the 2017 scheme is the ability for SIRA to normalise insurer profits. SIRA has commenced monitoring profit in accordance with the Motor Accident Guidelines annually.

During 2019-20, SIRA continued developing transitional excessive profits or losses (TEPL) guidelines designed to ensure that insurer profits are sufficient to underwrite risk, but are not excessive. Under TEPL, insurer profits will be capped, with a mechanism applied to reduce excess profits and any excess profits returned to NSW motorists through reduced CTP fund levies. Insurers with approved innovations³ will retain an additional profit percentage. The TEPL guidelines are designed to drive both premium affordability and encourage innovation.

9.11. Review of the Risk Equalisation Mechanism

SIRA introduced the Risk Equalisation Mechanism (REM) on 1 July 2017 to improve competition in the CTP scheme. The REM redistributes premiums between insurers to ensure insurers do not have an incentive to target different segments.

During 2018-19, SIRA commenced a review of the REM (with support from CTP scheme actuaries EY and Taylor Fry) to ensure the REM was meeting its design objectives and achieving its intended outcomes. SIRA consulted with insurers as part of the review. The final report of the review was published in 2019-20.

The key findings of the review were that the CTP insurance market in NSW had become more competitive since the introduction of the REM, the REM objectives were largely being met, and the REM was achieving its intended outcomes, including maintaining parity.

9.12. Compliance and enforcement

SIRA continues to undertake investigations and enforcement activities to respond to breaches of the motor accident legislation and guidelines. SIRA works closely with law enforcement agencies and other regulatory bodies to ensure appropriate strategies are in place to minimise risks to the CTP scheme.

In 2019-20 financial year, 28 matters were referred for SIRA Enforcement and Prosecutions investigation into alleged insurer breaches of their obligations and licence conditions under the legislation and guidelines. SIRA undertakes a risk-based approach to its investigations and appropriate regulatory enforcement action on a case-by-case basis, considering factors such as the risk and harm to the scheme, claimants and policy holders resulting from the insurer breaches.

³ Innovation Support is an element of TEPL, under which CTP insurers may implement innovations to promote the objects of the MAI 2017 (Schedule 4, clause 2(4A)).

During the 2019-20 financial year, a total of 40 matters were finalised. Of those matters finalised, 17 matters resulted in a form of regulatory enforcement action, including letters of censure or a notice of non-compliance issued to the insurer. The following issues were identified as the main areas of breaches under the legislation and guidelines:

- Failure to determine or late determination of liability in accordance with timeframes prescribed by the Act and Guidelines
- Failure to respond or late response to treatment and care requests by the claimant or their representatives
- Failure to respond or delays in acknowledging, completing, and notifying outcomes of internal reviews in accordance with timeframes prescribed by the Act and Guidelines
- Inappropriate management of CTP claims.

Other matters finalised during this period were determined to be minor insurer practice issues, which have been referred to the SIRA CTP Scheme Supervision unit for education and continued monitoring.

SIRA continues to work collaboratively with the NSW Police Force Financial Crimes Squad, other government departments, and peak investigative bodies to detect, deter and prosecute suspected unlawful activity involving the CTP scheme. As at 30 June 2020, 35 individuals had been charged by the NSW Police with a total of 209 fraud-related offences, and an estimated value of \$16.6 million. The NSW Police have been heavily engaged in judicial processes over the 2019-20 financial year, with investigations continuing into plaintiff lawyers, medical practitioners, and intermediaries.

9.13. Insurer supervision

SIRA works closely with insurers so legislative requirements are met, policies are appropriately priced, claims are managed efficiently, and benefits are delivered to the people of NSW. Throughout 2019-20, SIRA undertook a range of supervisory activities:

- Review of each insurer's annual business plan submission
- SIRA required licensed insurers to conduct self-assessments for both the 2017 scheme and the 1999 scheme. Insurers are required to assess their own compliance with the legislation, and, once reviewed by SIRA, undertake improvement plans for any identified shortfalls. Eight improvement plans were issued in 2019-20
- The annual review of injury coding standards to maximise data quality when specifying injury types within the scheme
- Review of insurer letter templates to ensure compliance with legislation
- Interviews and file reviews of 280 files, based on key themes across the scheme
- Quarterly performance reviews with senior leaders from each licensed insurer, focusing on key performance areas and regulatory issues.

Through the conduct of regular supervision activities, SIRA has identified 131 issues covering a range of claims operations challenges, including:

- complaints trends
- insurer behaviour
- insurer internal reviews
- insurer business operations
- data quality issues, and
- possible scams.

From the 131 issues and following a risk assessment, 23 have resulted in a regulatory notice being issued to insurers and eight have been referred to Enforcement and Prosecution to consider further action.

SIRA developed and published a range of guidance notes to assist insurers in their understanding and application of parts of the legislation, regulations, and guidelines.

The following Guidance notes can be accessed on the SIRA website:

- Minor Injury
- Contributory Negligence
- Earner
- Internal Review
- Weekly Benefits and Sick Leave

SIRA also published information about the Taxation for Claimants on the SIRA website, to provide claimants with a quick guide to weekly benefits and tax and when insurers will withhold tax from weekly benefit payments.

9.14. Performance reporting

As part of its regulatory oversight, SIRA monitors insurer performance in the CTP scheme through data-gathering and analysis.

Following extensive consultation with insurers and other participants in the scheme, SIRA developed a set of measures for insurer claims experience and customer feedback at individual insurer level, as well as aggregated at the industry level. Publication of individual insurer data was also one of the recommendations of the 2018 review of the CTP scheme by the NSW Legislative Council Standing Committee on Law and Justice.

The CTP Claims Experience and Customer Feedback Comparison report was first published in June 2019 and allows customers to compare insurers' performance and make informed decisions when purchasing CTP insurance. This report is published quarterly on the SIRA website and is also available via an open data format. Customers can filter the data to their preference with interactive tables and graphs, giving the customer greater flexibility in analysing insurer performance.

9.15. Lifetime Care – CTP Care

People injured in a motor accident in NSW from 1 December 2017 who still have treatment and care needs five years after the motor accident will have their statutory benefits for treatment and care met through CTP Care.

The CTP Care program (CTP Care) is administered by the Lifetime Care and Support Authority (LTCSA) within the CTP Scheme, under the *Motor Accident Injuries Act 2017* (the Act). SIRA has been working closely with icare on the CTP Care program to ensure that SIRA is able to oversee and monitor the performance of CTP Care and the support that injured people receive once they transfer to CTP Care.

CTP Care may start earlier than five years from the date of the accident, if the licensed CTP insurer and CTP Care both agree that the injured person is likely to have an ongoing treatment and care needs more than five years from the date of accident. The first cohort of people who will benefit under this agreement are those interim participants in the lifetime care and support scheme (LTCSS) who have had their interim status revised and normally transfer back to the CTP Insurer for continued management of their treatment and care. SIRA expects up to 25 people per year to be the first to transfer earlier by agreement, with the first transfer to commence in the second half of 2020.

As at 30 June 2020, no injured people have transferred to CTP Care. SIRA will report on any injured people transferred to CTP in its annual report and open data portal.

SIRA has also published Guidelines that relate to injured people under the Act who are also Lifetime Care and Support participants that include obligations for insurers to provide information to icare.

To assist injured people, who may be transitioning early to the CTP Care program, SIRA has developed a CTP Care early transition fact sheet which is published on the SIRA website.

9.16. Legal Advisory Service

The *Motor Accidents Injuries Act 2017* introduced the requirement for SIRA to establish a claimant support service to provide people with advice and assistance on claims and dispute processes, as well as limiting the legal costs for legal service in relation to CTP claims.

The Legal Advisory Service pilot was launched by SIRA in December 2017 and to date 65 injured people and their families have been referred to the service for assistance, with 42 referrals during 2019-20.

During 2019-20, SIRA commissioned an evaluation of the Legal Advisory Service, with the *Report of the Independent review of the Operation of SIRA's Legal Advisory Service Pilot* publicly released in May 2019.

SIRA has addressed six recommendations from this report and continues to work on addressing the remaining recommendations. This has included the transition of the pilot into a formally recognised and ongoing service for people injured in the NSW CTP scheme. Any significant changes to the Legal Advisory Service are updated on the SIRA website.

9.17. Authorised Health Practitioners

The MAI 2017 introduced restrictions on the giving of evidence in respect of medical matters by health practitioners. Those practitioners who are authorised to give evidence in court and dispute resolution proceedings are known as authorised health practitioners. In 2019, SIRA undertook consultation that led to changes being made to the Motor Accident Guidelines in relation to authorised health practitioners. More than 500 health practitioners were authorised for a period up to 30 June 2020.

9.18. Award of Damages

As at 30 June 2020, 1,280 claims for Award of Damages have been made, which mostly reflects people who have accidents from 1 December 2017 to 30 October 2018, with a small proportion of claims relating to people with more serious accidents that occurred after October 2018.

In the event of a dispute between the parties, the claim is determined by a Claims Assessor appointed by SIRA Dispute Resolution Services (DRS). Of the claims settled, only a small portion required a DRS determination, with 81 claims settled between parties, and five claims determined by DRS, totalling over \$20.5 million in damages paid for past economic loss, future economic loss, and non-economic loss.

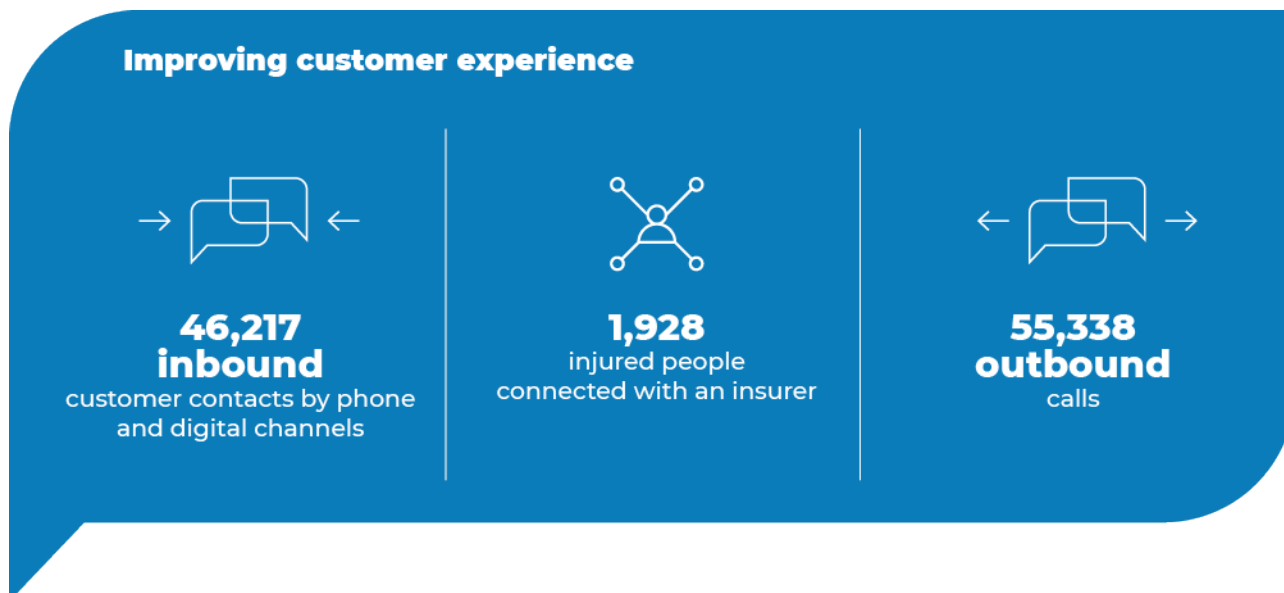
9.19. Claims cost disclosure

For all accidents before 1 December 2017, clause 23 of the *Motor Accidents Compensation Regulation 2015* states all lawyers representing a person injured in a motor accident must disclose their costs in relation to their client's claim to SIRA. From 1 July 2019 to 30 June 2020, SIRA has received 4,423 Claims Cost Disclosure (CCD) submissions from legal service providers using the SIRA internal CCD portal.

9.20. Improving customer experience

CTP Assist, SIRA's multi-channel support service, provides personalised claims support and general information for injured people, policy holders, and others in the CTP scheme, such as doctors, hospitals, and health professionals.

The CTP Assist team handled the following contacts with injured people in both schemes in 2019-20:



To measure and continuously improve customer satisfaction with CTP Assist, SIRA adopted two widely used service quality measurements: the Net Promoter Score (NPS) and Customer Effort Score (CES).

9.21. Educational resources and online engagement

SIRA has developed a range of resources to help people find out about the 2017 scheme. In 2019-20, seven new online animations were added to SIRA's series of explanatory video animations. New fact sheets were published, recognising the different ways that people seek information in our community.

The following seven new animations can be watched on SIRA's website or YouTube channel:

- The 'How to apply for a claim for damages' animation explains how to apply for a claim for damages in the CTP Scheme. The animation includes information on the process, criteria, documentation and timeframes.
- The 'How to claim compensation for relatives' animation explains how to apply for a compensation claim for close relatives who are dependent on the deceased person in the CTP Scheme
- The 'How to apply for funeral expenses' animation explains how to apply for a Funeral Expenses claim in the CTP Scheme. Funeral expenses may include the funeral director's professional fee, coffin, mourning car etc.
- The 'How CTP Green Slip prices are set (Premiums)' animation explains what a CTP Green Slip is, how to use SIRA's Green Slip Check online, and how insurers set the price of CTP Green Slips
- The 'How to apply to the Legal Advisory Service' animation explains how to apply to SIRA's Legal Advisory Service for help with a CTP claim. The animation also provides information on eligibility, process and timeframes.

- The 'How to apply for a Medical Dispute' animation explains how to apply for a Medical Dispute in the CTP Scheme to SIRA's Dispute Resolution Service. The animation also explains the process, timeframes and information needed
- The 'How to use the CTP online claims submission' explains how to use online claims submission for a CTP claim for personal injury benefits.

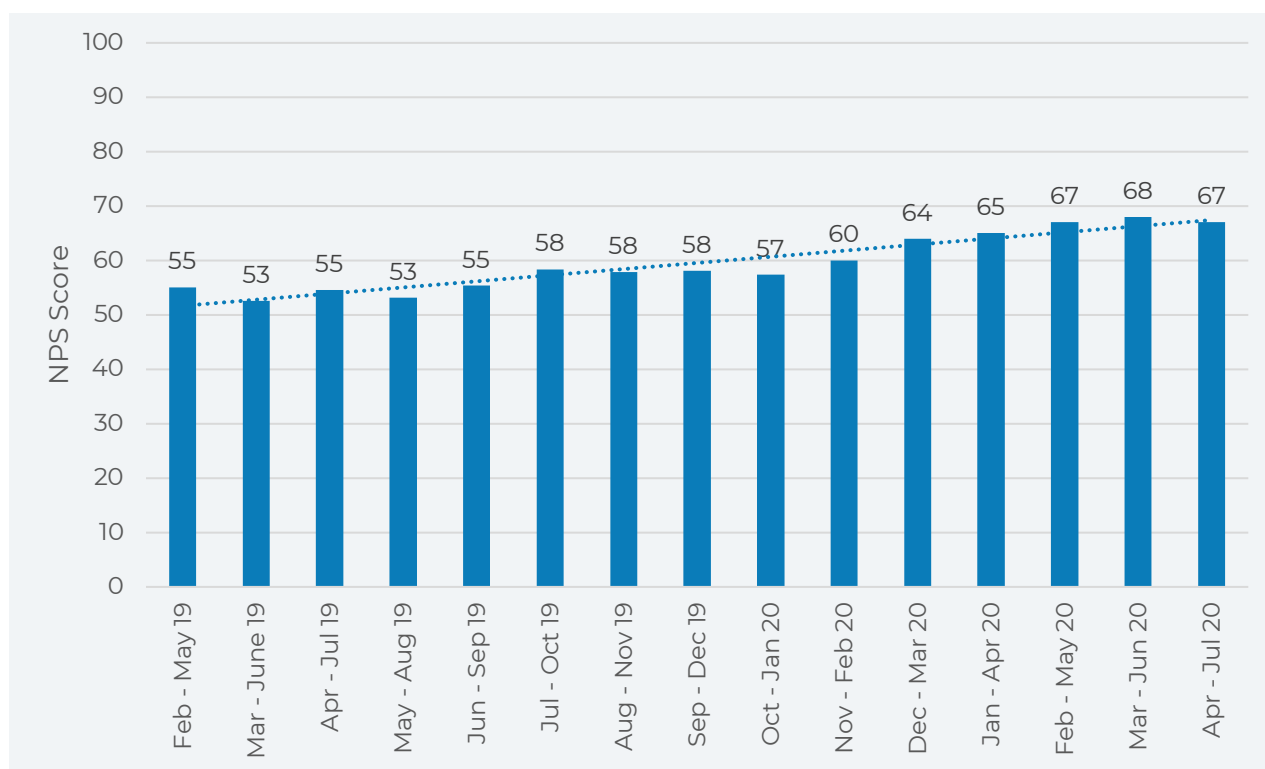
New fact sheets to help people understand their rights, obligations and role in the CTP scheme were published on the SIRA website. This included updated information relating to the CTP Legal Advisory Service, information for people transitioning to CTP Care, general guidance about when an insurer will withhold tax from a person's weekly payment of statutory benefits and information for NSW Health doctors on how to invoice patients who have been injured on NSW roads.

9.22. Net Promoter Score

The NPS measures how likely a customer is to recommend CTP Assist to others. CTP Assist continues to achieve an excellent NPS result, with the rolling average for the four months to June 2020 at an all-time high of +68.

The average monthly NPS score over the full year from July 2019 to June 2020 was +62. CTP Assist is a national leader in delivering a great customer experience according to the Australian NPS Pulse Check.

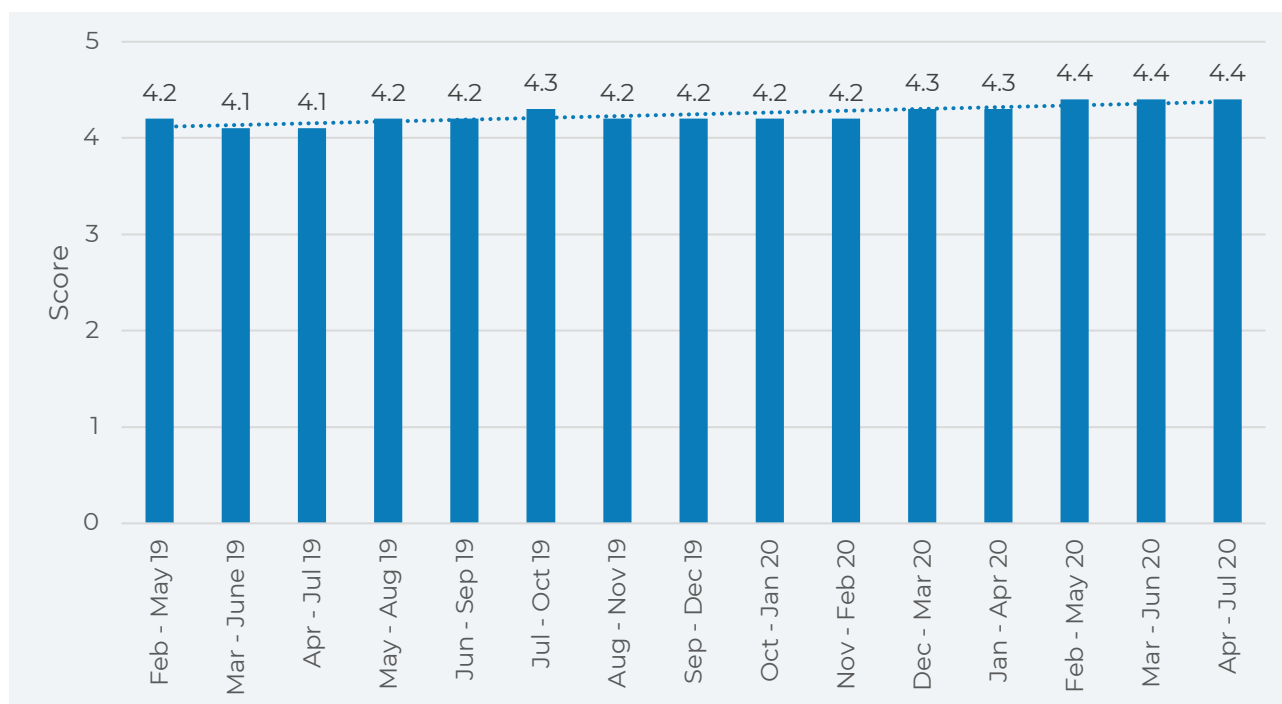
CTP Assist Net Promoter Score – Voice 4 month rolling average



9.23. Customer Effort Score

The CES measures how easy it is for a customer to get the help they need. The CES rolling average score for the four months to June 2019 remained strong at a level of 4.1 out of five, suggesting customers believed CTP Assist made it easy to get help.

CTP Assist Customer Effort Score – Voice 4 month rolling average



9.24. Centralised complaints and compliments framework

SIRA's centralised complaint handling function provides improved tracking, monitoring, and resolution of complaints and compliments from all stakeholders, including complaints and compliments about insurers and other organisations SIRA regulates and SIRA services.

The SIRA CTP Assist team resolves most simple complaints within a few days. Complaints that need more time or are complex, including complaints escalated at the customer's request, are resolved by SIRA's Senior Customer Complaints team.

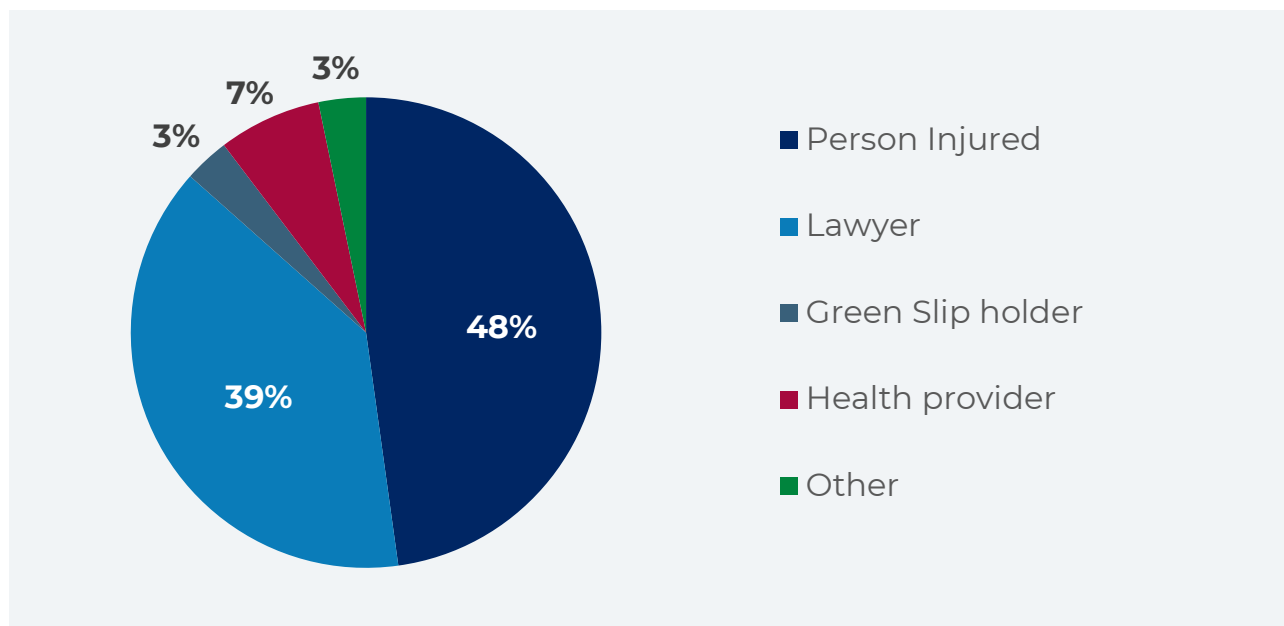
If a breach or non-compliance with the motor accidents legislation is suspected, it is escalated for further consideration of regulatory action, once the complaint has been investigated.

Customers who are unhappy with the outcome of their complaint can submit their complaint for further review. Customers who are dissatisfied with SIRA's complaint handling can contact the NSW Ombudsman for further assistance.

Some key statistics about motor accidents include:

- From July 2019 to June 2020, SIRA received 168 compliments about insurers.
- From July 2019 to June 2020, SIRA received 707 complaints about insurers. There were 104 referrals for regulatory insurer supervision as a result of a complaint.
- In 2019-20, no complaints were lodged with the NSW Ombudsman for assistance.

Who made the complaint?



9.25. Consultation

SIRA engaged proactively with stakeholders in a number of ways. Formal consultation was undertaken about the proposed *Motor Accidents Compensation Regulation 2020* and Regulatory Impact Statement, CTP insurance arrangements for the point to point industry, and the review of the minor injury definition.

Regular strategic and operational consultation forums were held with customers, peak legal bodies, insurers, the Motorcycle Council of NSW, the NSW Taxi Council and other Government departments. These groups received information on policy and operational developments in the CTP scheme. Stakeholder workshops and forums were also held for specific projects.

SIRA has a survey program available via its website to gather feedback from customers and to manage public consultations. It has surveyed individual stakeholder cohorts to support its ongoing stakeholder activities. A CTP-focused external bulletin was issued regularly during the year to ensure stakeholders were kept informed of CTP scheme information.

10. Dispute Resolution Services

SIRA hosts independent statutory dispute resolution decision-makers who provide an alternative to court dispute resolution. These services are offered to injured people and insurers in the motor accidents schemes. From March 2021 these services will move to the new Personal Injury Commission and SIRA DRS is actively preparing for this transition.

As at 30 June 2020, SIRA provided the following dispute resolution services:

- Motor Accidents Medical Assessment Service (MAS) and Claims Assessment and Resolution Service (CARS) in the 1999 CTP scheme
- Motor Accidents Dispute Resolution Service (DRS) in the 2017 CTP scheme
- NSW Lifetime Care and Support Scheme Dispute Reviews
- ACT Lifetime Care and Support Scheme Dispute Reviews.

10.1. Dispute applications

In 2019-20, around 8,890 dispute applications were referred to SIRA's dispute resolution services. This figure is down by around 1,600 referrals from 2018-19. This was an overall decrease of around 15 percent and the lowest referral rate since 2015-16.

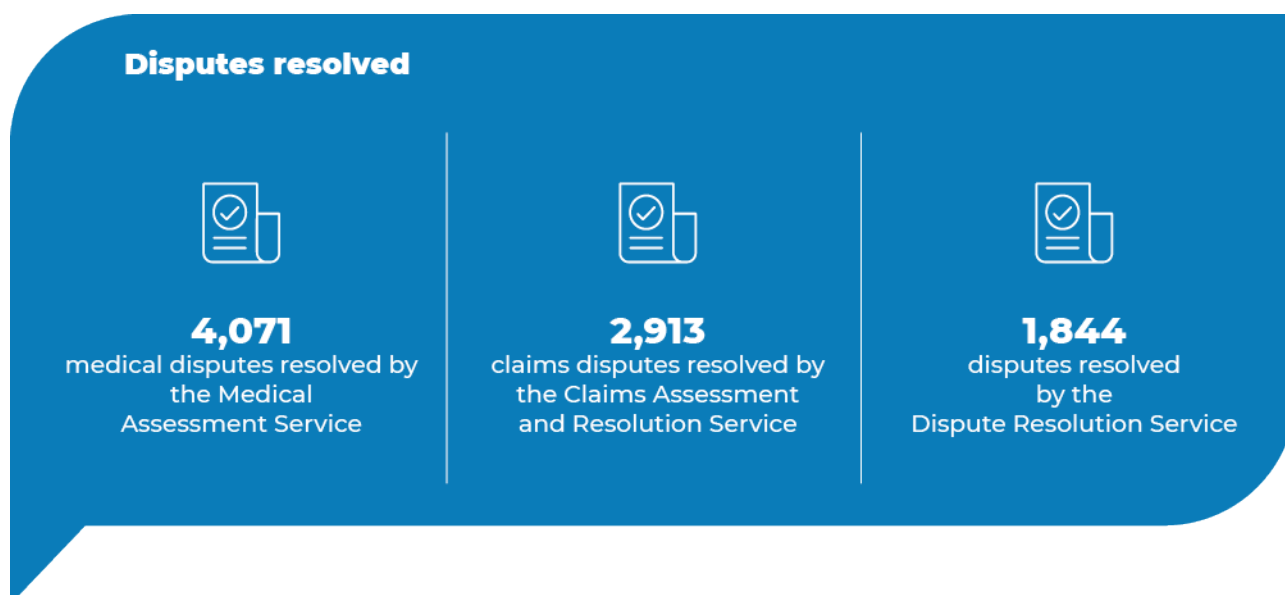
DRS referrals (CARS, MAS, NSW & ACT LTCS, DRS):

| Legislation | Jurisdiction | 2015 - 2016 | 2016 - 2017 | 2017 - 2018 | 2018 - 2019 | 2019 - 2020 | Change | Change % |
|------------------|---------------|--------------|--------------|--------------|---------------|--------------|----------------|-----------------|
| 1999 MACA | MAS | 5,420 | 5,528 | 5,666 | 5,246 | 3,586 | (1,660) | (31.64%) |
| 1999 MACA | CARS | 3,958 | 4,461 | 4,120 | 3,597 | 2,697 | (900) | (25.02%) |
| NSW & ACT LTCAS | Reviews | 9 | 8 | 1 | 0 | 0 | N/A | N/A |
| 2017 MAIA | Medical | N/A | N/A | 53 | 1,327 | 2,007 | 680 | 51.24% |
| 2017 MAIA | Merit Reviews | N/A | N/A | 9 | 125 | 270 | 145 | 116.00% |
| 2017 MAIA | Claims | N/A | N/A | ... | 17 | 106 | 89 | 523.53% |
| 2017 MAIA | Misc. Claims | N/A | N/A | 9 | 183 | 218 | 35 | 19.13% |
| 2017 MAIA | Other | N/A | N/A | 4 | 3 | 8 | 5 | 166.67% |
| 2017 MAIA | Total | ... | ... | 75 | 1,655 | 2,609 | 954 | 57.64% |
| Total | ... | 9,387 | 9,997 | 9,862 | 10,498 | 8,892 | (1,606) | (15.30%) |

This financial year saw a 32 percent reduction in the total number of referrals to the MAS, a 25 percent reduction in the total number of referrals to CARS, and an increase of nearly 58 percent in the total number of referrals to DRS.

10.2. Disputes resolved

SIRA's DRS finalised around 8,800 disputes in 2019-20. This was an 11 per cent reduction in the number of disputes finalised from the previous financial year. Overall, finalisations are broadly keeping pace with the number of disputes lodged.



DRS dispute finalisations (CARS, MAS, NSW & ACT LTCs, DRS):

| Legislation | Jurisdiction | 2015 - 2016 | 2016 - 2017 | 2017 - 2018 | 2018 - 2019 | 2019 - 2020 | Change | Change % |
|------------------|---------------|--------------|--------------|--------------|--------------|--------------|----------------|-----------------|
| 1999 MACA | MAS | 5,039 | 5,094 | 5,666 | 5,246 | 4,071 | (1,175) | (22.40%) |
| 1999 MACA | CARS | 3,869 | 4,113 | 4,035 | 3,597 | 2,913 | -684 | (19.02%) |
| NSW & ACT LTCs | Reviews | 9 | 8 | 1 | 0 | 0 | N/A | N/A |
| 2017 MAIA | Medical | ... | ... | 4 | 865 | 1,398 | 533 | 61.62% |
| 2017 MAIA | Merit Reviews | ... | ... | 5 | 92 | 204 | 112 | 121.74% |
| 2017 MAIA | Claims | ... | ... | ... | 14 | 65 | 51 | 364.29% |
| 2017 MAIA | Misc. Claims | ... | ... | 4 | 131 | 170 | 39 | 29.77% |
| 2017 MAIA | Other | ... | ... | 2 | 4 | 7 | 3 | 75.00% |
| 2017 MAIA | Total | ... | ... | 15 | 1,106 | 1,844 | 738 | 66.73% |
| Total | ... | 8,917 | 9,215 | 9,717 | 9,949 | 8,828 | (1,121) | (11.27%) |

10.3. 1999 CTP Scheme – Motor Accidents Medical Assessment Service

In 2019-20, referrals to MAS decreased by more than 32 percent on the previous financial year. This was consistent with the 1999 MACA Scheme winding down. Finalisations decreased in 2019-20 by more than 22 percent compared to the previous financial year. Permanent impairment remained the most common dispute type lodged in 2019-20 at 45 percent of all MAS referrals. More than 56 percent of the MAS finalisations in 2019-20 related to permanent impairment disputes. Timeframes to resolve permanent impairment disputes increased in 2019-20 from an average of 109 working days to 122 working days. This timeframe has increased by 10 working days over the last five years.

Treatment dispute referrals increased by four percent in 2019-20 from the previous year and equate to approximately 16 percent of the MAS finalisations in 2019-20. Timeframes to resolve treatment disputes increased in 2019-20 from an average of 134 working days to 157 working days.

Thirty percent of the MAS finalisations in 2019-20 related to further assessment and reviews of medical assessments, an increase of about eight percent from the previous year.

10.4. 1999 CTP Scheme – Motor Accidents Claims Assessment and Resolution Service

In 2019-20, referrals to CARS decreased by 25 percent compared to the previous financial year. Finalisations also decreased in 2019-20 by 19 percent compared to the previous financial year.

More than 80 percent of the CARS finalisations in 2019-20 related to claims assessment and not suitable exemption disputes. Timeframes to resolve these disputes increased in 2019-20 from an average of 174 working days to 194 working days.

Applications for mandatory exemption from claims assessment equate to more than 18 percent of the CARS finalisations in 2019-20 and take an average of 21 working days to resolve, same as the previous financial year.

10.5. 2017 CTP Scheme – Motor Accident Dispute Resolution Service

In 2019-20, the 2017 motor accidents scheme continued to mature and medical disputes related to minor injury, permanent impairment, and treatment and care were the most common type of dispute.

Medical referrals to DRS were up by about 51 percent from the previous year's figure and finalisations were up by 62 percent. Merit Review referrals increased by 116 percent on last year, Claims by 524 percent, Miscellaneous Claims by 19 percent on top of last year's figures. Overall, there was a referral increase in the 2017 motor accidents scheme of around 58 percent.

Finalisation of medical disputes increased by around 62 percent and again made up the bulk of the work undertaken. The largest increase in workload was again in the claims space, increasing by more than 360 percent (with a comparatively small workload) and overall, there was an increase of around 67 percent in disputes finalised.

10.6. Customer satisfaction and complaints

SIRA is committed to providing customers with accessible, timely, durable and fair assessment services. SIRA's customer service charter sets out what our customers can expect from SIRA in terms of the services we deliver. As part of our continued commitment to enhancing the customer experience, a new Customer Charter has been developed.

This is designed to:

- Explain in simple terms SIRA's DRS
- Highlight the single point of entry to all DRS services
- Ensure alignment to the NSW Government customer commitments.

Gaining a customer's perspective of SIRA's services helps to drive a targeted approach to service improvement. Customer feedback plays an important role in this regard, by helping to identify key trends and specific areas for improvement through the lens of a customer. A key channel for this insight is customer complaints. SIRA received 17 complaints about its dispute resolution services in 2019-20 (0.1 percent of the total disputes finalised). SIRA welcomes this feedback as an opportunity to improve services.

10.7. Significant judicial decisions

10.7.1. AAI Ltd trading as GIO v Moon Case note [2020] NSWSC 714 Supreme Court Justice Wright (11 June 2020)

The Claimant, Mr Moon, was injured in a motorcycle accident. Mr Moon's claim for statutory benefits was denied by the insurer, GIO, after 26 weeks on the ground that the accident was caused wholly by his own fault. The Dispute Resolution Service (DRS) upheld that decision, and the Assessor found that the injured person was entitled to costs '*outside the regulated amount prescribed by the Motor Accident Injuries Regulation*' due to the existence of exceptional circumstances within the meaning of section 8.10(4)(b) of the *Motor Accident Injuries Act 2017* (the Act).

The insurer challenged the cost decision on the grounds that the Claims Assessor did not have the power to permit payment of legal costs in those circumstances.

Justice Wright rejected the insurer's construction of the MAI 2017 and held that section 8.10(3) includes no limit on the DRS's power to permit payment of costs. Regarding section 8.10(4), Justice Wright stated that DRS's power to permit payment of legal costs be designed to deal with particular, unusual situations where the maximum costs fixed by the regulations may not be adequate. The court found that there was no error on the part of the Assessor and dismissed the summons.

This decision is significant as it legitimises the allowance of legal costs outside the prescribed regulated amount, where exceptional circumstances exist.

10.7.2. AAI Limited v Singh Case note [2019] NSWSC 1300 Supreme Court Justice Fagan (27 September 2019)

Mr Singh (the first defendant) was injured when a truck he was driving, and its attached trailer, rolled over on a suburban street. The vehicle rolled over as whoever stowed the container failed to secure the contents within it. There was no fault on the part of Mr Singh or the owner of the vehicle.

The insurer, the plaintiff, ceased statutory benefit payments at the end of the 26-week period following the accident. The Claims Assessor at DRS (the second defendant) determined that as Mr Singh was not at fault, he was entitled to statutory benefits beyond 26 weeks.

In the Court proceedings the insurer argued that section 5.2(1) and Part 5 of the *Motor Accident Injuries Act 2017* (the Act) has the effect that the accident is deemed to have been caused by the fault of Mr Singh, disentitling him from statutory benefits beyond 26 weeks.

Mr Singh argued that this was not a 'no-fault motor accident' because it was 'caused by the fault of any other person', namely, the person or persons who negligently stowed the container so that the load moved and caused his prime mover and trailer to roll.

The Supreme Court rejected the insurer's argument stating that the words 'not caused by the fault of any other person' in section 5.1 mean just what they say, and that the accident in the present case was not 'no-fault' and therefore section 5.2(1) does not apply.

The Supreme Court held that the Act distinguishes between fault in the causation of injury and fault in the causation of an accident. They are two different things. In Mr Singh's case, Part 5 (dealing with accidents not caused by anyone's fault), does not operate to deem fault in the causation of the accident to limit his statutory benefits.

In his judgement, Justice Fagan clearly called for amendments to the Act as follows (paragraph 26):

'Notwithstanding that a path through the labyrinth of Parts 3 and 5 of the *Motor Accidents Injuries Act* has been found for the purposes of resolving this proceeding, it is apparent that these provisions, Part 5 in particular, require careful and detailed reconsideration.

Amendment will be necessary if a spate of litigation generated by the obscurities of these provisions is to be avoided. At the very least, the conflict between sections 5.1 and 5.6 should be addressed by amendment.'

11. Our People

In 2019-20, SIRA staff were employed by the Department of Customer Service (DCS). SIRA's operations are managed by the Chief Executive and, as SIRA is an independent authority within the Customer Service Cluster, its strategic direction and its performance are overseen by the SIRA Board.

In 2019-20, DCS provided SIRA with shared services support in the areas of communications, finance, information and technology services, investment, human resources, legal and procurement.

11.1. Human resources statistics

The number of SIRA's full time equivalent staff was 360.5 when the Workforce profile census data was collected on 25 June 2020.

In 2019-20, SIRA recruited 26 ongoing non-executive placements and 46 temporary non-executive placements. SIRA also recruited two new ongoing executive placements and eight temporary executive placements and facilitated 11 internal subsequent assignments (following the implementation of SIRA's new operating model).

Increases in SIRA employee numbers coincided with changes to the operational model. SIRA-funded positions in specialist workers compensation customer experience roles in the Better Regulation Division (BRD) were transferred into SIRA. In total, 24 staff members joined the consolidated SIRA Customer Experience team from BRD.

In 2019-20, SIRA reduced the number of contractor roles and permanently recruited for these positions. There were 49 contractors employed on 30 June 2019 compared to 28 contractors employed on 30 June 2020.

11.2. Staff by classification

| Classification | 2016-17 ⁴ | 2017-18 ⁵ | 2018-19 ⁶ | 2019-20 ⁷ |
|-----------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Administrative and clerical officers | 204.6 | 278.5 | 285.5 | 341.6 |
| Public Service Senior Executives (<i>Government Sector Employment Act 2013</i>) | 15 | 16.7 | 13.9 | 17.9 |
| Statutory Officers | 1 | 1 | 1 | 1 |
| Total | 220.6 | 296.2 | 300.4 | 360.5 |

11.3. Work health and safety and workers compensation

SIRA is committed to providing a healthy and safe workplace for all employees, including contractors, agency staff and volunteers. In 2019-20, SIRA promoted initiatives contributing to the prevention of injuries and illnesses and to encourage a timely, sustainable and early return to work for injured workers.

⁴ Statistics are based on Workforce Profile census data as at 29 June 2017

⁵ Statistics are based on Workforce Profile census data as at 28 June 2018

⁶ Statistics are based on Workforce Profile census data as at 27 June 2019

⁷ Statistics are based on Workforce Profile census data as at 25 June 2020

11.4. COVID-19

COVID-19 was first confirmed in Australia in late January 2020. DCS liaised closely with NSW Health to implement measures to protect the safety and wellbeing of employees and customers, including:

- regular staff communications and provision of resources and FAQs
- additional hygiene measures in the workplace
- flu vaccination program
- flexible working and equipment supply
- provision of Pandemic Special Leave where appropriate
- detailed business continuity planning
- various online programs and resources to improve mental health and wellbeing during the crisis, including relating to wellbeing and managing remotely.

SIRA's Crisis Management Team established a Wellbeing and Resilience Group with representatives from SIRA, Workers Compensation Independent Review Office, Workers Compensation Commission, and DCS People and Culture, to implement initiatives to support employee wellbeing. A Wellbeing and Resilience intranet page was developed with resources, information about the newly formed People Support Network and links to the various DCS Wellbeing pages.

11.5. Employee Safety & Wellbeing

In 2019-20, SIRA had four new claims lodged with a net incurred cost of \$57,750.29 compared with five claims lodged in 2018-19 with a net incurred cost of \$139,588.00.

Of the four new claims lodged, one was for Body stressing and three due to Mental stress.

The DCS Safety and Wellbeing team actively assists teams to return injured workers to work within 13 weeks by identifying suitable duties and working with the workers compensation agent to effectively manage all claims.

In 2019-20, employees had access to a range of resources to promote physical and mental health, including:

- ongoing social engagement and advice through Yammer, including a #helpingyoubalance campaign with videos sharing experiences and wellness tips relating to remote working
- a further extended ergonomic guide promoting good ergonomic practices when working from home and clear reminders on work practices, keeping active, wellness in action and more
- mental health first aid officer training
- annual staff Flu Vaccinations
- discounted gym memberships through Fitness Passport
- safety communication updates and information via newsletters and Yammer
- the Employee Assistance Program (EAP) with free, professional counselling services that includes the following elements:
 - Employee assist, manager assist, career assist, money assist, conflict assist, myCoach for employees and people leaders, and lifestyle assist
 - A bullying response service that provided independent support and advice on workplace bullying matters
 - A critical incident support program through our EAP provider, Benestar
 - Access to Benehub containing health and wellbeing blogs, podcasts, videos, meditations, self-assessments, activities and more.

11.6. Our culture

SIRA strives to advance the wellbeing and confidence of the people and businesses of NSW through sustainable insurance and support systems, to allow them to actively engage in society and our economy. To help SIRA deliver on its mission, SIRA worked with employees to embed a high performance and wellbeing-focused culture.

In 2019-20 SIRA engaged an external provider (Bendelta) to help it review its organisational health and to identify areas that would benefit most from an increased focus. This work included a review of previous People Matter Employee Survey results, data from its regular staff pulse check survey using Teamgage and other relevant sources of insight, and interviews with all of SIRA's Senior Executive Band leaders.

This diagnostic review led to the development of four strategic pillars, with the acronym 'COCO', for strengthening SIRA's organisational health:

- Clarity – giving people a clear sense of what SIRA is and where it is headed, and how they and others are part of that
- Ownership – creating the environment and opportunities for people to own, lead and be accountable for performance
- Capability – driving the development of capabilities needed for SIRA to execute its strategies
- Openness – establishing an open and connected culture where people work together towards common outcomes.

In parallel with this culture strategy work, SIRA began to undertake initiatives that aligned with the emerging pillars, including increased consultation with staff on priorities and regulatory approach principles and goals, and embedding those goals into individual performance planning; developing a talent pool of potential future senior leaders and more transparently providing acting director opportunities; realigning the SIRA operating model around the capabilities required for a contemporary regulator, beginning an extensive review of its data strategy and capability; and sharing the topics discussed at its executive team meetings on its internal social media platform (Yammer), and introducing regular, interactive virtual town hall meetings for staff.

11.7. Flexible working

SIRA has a strong focus on being a diverse and inclusive workplace, which contributes to creating a high-performing and positive work culture. This includes actively supporting the DCS options for flexible working and adopting the 'if not, why not, what else' approach for flexible work arrangements. Staff members have benefitted from the arrangements and adopted them to suit individual needs.

Current flexible work arrangements include job sharing, flexible hours, part-time work, working from alternative convenient work locations, working from home, opportunity to change employment arrangements, and career break.

During the 2019-20 period, SIRA approved 373 employee applications to work flexibly. There was a significant increase in the number of staff working flexibly from home from March 2020 due to COVID-19 – 189 applications were lodged and approved during this time.

11.8. Employee Surveys

Each year, the Public Service Commission conducts a whole-of-government anonymous survey, called the People Matter Employee Survey (PMES), which gauges staff engagement across several categories.

The PMES is an important tool, ensuring SIRA is receiving in-depth employee input on its initiatives and ways of working, allowing SIRA to continually improve. Part of SIRA's response to the 2019 PMES results involved engaging Bendelta to conduct an in-depth analysis of its organisational health and to help identify high-level themes to focus on.

Throughout the 2019-20 period, SIRA additionally utilised Teamgage, a survey tool to gather feedback in real-time and on a more frequent basis. This pulse check informed regular open discussions and targeted initiatives at a team level, as well as providing higher level insights and trends across SIRA.

11.9. Realignment

In 2019-20 SIRA realigned its operating model to better reflect the roles and capabilities it needs as a modern regulator. This nine-month program was informed by extensive staff consultation and engagement throughout, with feedback received through town hall meetings, comments received through Teamgage, events on Yammer, team meetings and a dedicated staff consultation inbox.

Managed through robust program governance, the staggered approach included supported design, implementation and transition phases for each affected area, along with a focus on change management for the whole organisation. Regular staff surveys showed consistent and significant improvements during the program period in perceptions of communication, the operating model itself and change management.

11.10. Diversity

A key element of SIRA's culture is embracing and supporting the diversity of SIRA's team members, which SIRA achieves through engagement with the DCS Diversity Advisory Council and DCS Employee Resource Groups.

11.11. Disability Inclusion Action Plan

SIRA continued its involvement in the delivery of the DCS Disability Inclusion Action Plan, first launched in December 2015. By supporting and helping to deliver the Disability Inclusion Action Plan, SIRA underlines its commitment to:

- ensuring positive attitudes and behaviours towards people with disability are evident in interactions
- finding ways to attract and retain people with disability
- increasing accessibility to information, services and our workplaces for people with disability
- identifying improvements in accessibility to SIRA systems and processes for people with disability.

SIRA made a commitment to being a 'digital first' agency, and is committed to improving the accessibility of its online content.

11.12. Workplace Adjustment Passport

SIRA played a key role in the development of the DCS Workplace Adjustment Statement and Workplace Adjustment Passport. The statement details how we provide support to candidates and employees with disability through workplace adjustment. The Passport assists employees with disability communicate their workplace adjustment needs, and provides a mechanism for official recognition of an adjustment.

11.13. Trends in representation and distribution of workforce diversity groups

Trends in the representation of workforce diversity groups

| Workforce Diversity Group | Benchmark / target | 2018 | 2019 | 2020 |
|-----------------------------------------------------------------------------|--------------------|-------|-------|-------|
| Women ⁸ | 50% | 63.5% | 66.7% | 67.2% |
| Aboriginal People and/or Torres Strait Islander People ⁹ | 3.3% | 1.3% | 2.3% | 1.1% |
| People whose first language spoken as a child was not English ¹⁰ | 23.2% | 14.6% | 22.6% | 24.8% |
| People with a disability ¹¹ | 5.6% | 4.1% | 5.9% | 4.0% |
| People with a disability requiring work-related adjustment ¹² | N/A | 2.2% | 0.0% | 0.4% |

Statistics are based on Workforce Profile census data as at 28 June 2018, 27 June 2019 and 25 June 2020

⁸ The benchmark of 50 percent for representation of women across the sector is intended to reflect the gender composition of the NSW community.

⁹ The NSW Public Sector Aboriginal Employment Strategy 2014–17 introduced an aspirational target of 1.8 percent by 2021 for each of the sector's salary bands. If the aspirational target of 1.8 percent is achieved in salary bands not currently at or above 1.8 percent, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3 percent.

¹⁰ A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language but does provide information about country of birth. The benchmark of 23.2 percent is the percentage of the NSW general population born in a country where English is not the predominant language.

¹¹ In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7 percent to 5.6 percent by 2027. More information can be found at: Jobs for People with Disability: A plan for the NSW public sector. The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

Trends in the distribution of workforce diversity groups

| Workforce Diversity Group | Benchmark/ target ^{13, 14} | 2018 | 2019 | 2020 |
|---------------------------------------------------------------|----------------------------------------|------|------|------|
| Women | 100 | 97 | 98 | 98 |
| Aboriginal People and/or Torres Strait Islander People | 100 | N/A | N/A | N/A |
| People whose first language spoken as a child was not English | 100 | 95 | 100 | 97 |
| People with a disability | 100 | N/A | N/A | N/A |
| People with a disability requiring work-related adjustment | 100 | N/A | N/A | N/A |

Statistics are based on Workforce Profile census data as at 28 June 2018, 27 June 2019 and 25 June 2020

11.14. Diversity and Inclusion Advisory Council

SIRA's Chief Executive is a member of the DCS Diversity and Inclusion Advisory Council. The Diversity and Inclusion Advisory Council supports work across the Cluster to ensure DCS, including SIRA, is diverse and inclusive, both in its dealings with customers and as an employer.

11.15. Employee Resource Groups

SIRA is active in DCS's Employee Resource Groups (ERGs). The ERGs serve as subject matter experts, providing advice to the Diversity and Inclusion Advisory Council on the issues the ERGs each consider, and contribute to ensuring SIRA is an inclusive employer and supportive of the diverse NSW community. The ERGs are available for support and guidance to staff members with questions or concern.

An Executive Sponsor from the DCS Diversity and Inclusion Advisory Council supports each ERG. Executive Sponsors champion ERG initiatives and provide guidance and support for the delivery of their plans.

SIRA's Chief Executive is the Executive Sponsor of the Aboriginal ERG and the Executive Sponsor of AbilityDCS, the ERG for people with disability.

¹³ SIRA is close to even distribution across salary bands for women and people whose first spoken language as a child was not English. A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

¹⁴ The numbers of people with disability and Indigenous people are too small to calculate the distribution index. The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20. Therefore, a Distribution Index score for Aboriginal people and/or Torres Strait Islander people, and people with a disability is not available

In 2019-20, SIRA staff were directly represented on six of the nine ERGs:

- Aboriginal ERG
- AbilityDCS ERG
- Carers ERG
- Culturally and linguistically diverse ERG
- Generations ERG
- Leading Women ERG
- Men's ERG
- DCS Pride ERG
- Young Professionals Network ERG

SIRA supported a number of key activities across the Cluster to celebrate diversity, including:

- Reconciliation Week
- NAIDOC Week
- cultural values and sharing workshops.

11.16. Multicultural plan

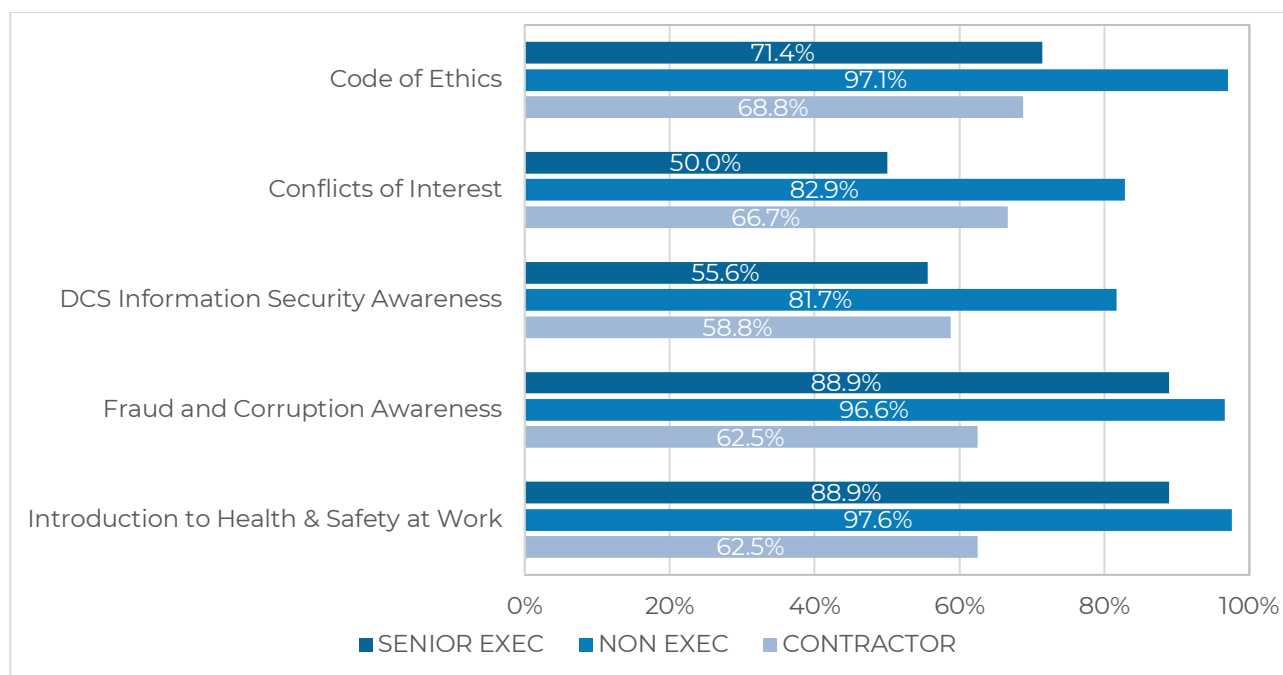
SIRA has been operating in line with its draft Multicultural Plan, which reflects our commitment to ensure that the programs and services we provide cater for people from culturally, linguistically and religiously diverse backgrounds. Our Multicultural Plan outlines high level strategies, actions, and timeframes for SIRA to deliver on the seven outcome areas identified in Multicultural NSW's *Multicultural Planning Framework*.

12. Training and development

12.1. Mandatory learning

All government sector employees are required to demonstrate the highest levels of ethical conduct in their working relations with other government sector employees, clients and customers, stakeholders and the government of the day. Staff, including contractors, must complete mandatory learning modules to be aware of their obligations, understand what constitutes ethical conduct and to be knowledgeable about the laws, regulations and internal policies relevant to their roles.

Mandatory learning completion rates ^{15, 16}



12.2. Leadership training

Leadership Essentials comprises five modules and is designed to help people leaders improve their skills in managing and developing staff and inspiring them to achieve organisational goals.

Leadership Essentials completion rates

| | No. Complete 2019-20 | All Time |
|--------------------------------|----------------------|------------|
| Leadership Essentials Module 1 | 6 | 94 |
| Leadership Essentials Module 2 | 5 | 81 |
| Leadership Essentials Module 3 | 2 | 79 |
| Leadership Essentials Module 4 | 8 | 43 |
| Leadership Essentials Module 5 | 72 | 87 |
| Total | 93 | 384 |

¹⁵ The number of employees assigned this training equals the number assigned in the myCareer system as per current establishments including contractors.

¹⁶ New starters are required to complete training within 35 days of commencement.

People and Culture provided SIRA a number of customised Leading Change programs hence the higher number completed for module 5. This was to support the implementation of the new operating model.

12.3. Non-mandatory training

SIRA employees had access to a new DCS myLearning portal that housed thousands of online courses. The top ten courses accessed by SIRA employees for the 2019-20 period were:

- Cybersecurity Awareness Security Overview
- Time Management – working from home
- Writing Plain English
- Salesforce for Customer Service
- PowerPoint – Creating an Infographic
- Learning JIRA Software
- Business Intelligence for Consultants
- Communication Foundations
- Time Management Fundamentals
- Influence Others

In total SIRA employee completed 225 online learning programs through LinkedIn Learning and Linda.com. Completions increased significantly with the introduction of the myLearning portal.

12.4. Other SIRA training and development

In response to feedback from staff, SIRA invested in its learning and development resources in 2019-20 to better equip staff for career progression within the organisation and the industry.

SIRA partnered with the Australian and New Zealand Institute of Insurance and Finance (ANZIIF) to customise a *Foundational Certificate in General Insurance*, providing SIRA staff with an in-depth insight into the insurance industry. The Foundational Certificate was piloted with 13 staff from October 2019, with an additional 30 SIRA staff engaging in the qualification since its rollout in February 2020.

SIRA also engaged the Personal Injury Education Foundation (PIEF) to develop the course *Welcome to the Accident Compensation Industry*, to build SIRA's in-house knowledge of the personal injury landscape in Australia, with a focus on SIRA's regulatory role within NSW. This course is available to all staff via e-learning and was accessed in 2019-20 by 50 SIRA staff.

The Welcome to the Accident Compensation Industry course provides staff with advanced standing in the nationally accredited courses Certificate IV in Personal Injury Management and the Diploma of Personal Injury and Disability Insurance Management. In May 2020, SIRA commenced a pilot to confirm the suitability and quality of these nationally recognised training courses offered by PIEF. Ten staff engaged in the pilot to complete the Certificate IV or Diploma qualifications. The pilot will be evaluated for potential rollout to the wider staff group at its completion in 2021.

13. Public interest disclosures

13.1. Public Interest Disclosures Act 1994

The *Public Interest Disclosures Act 1994* provides a statutory framework for employees to report concerns about:

- fraud and corruption
- maladministration
- serious and substantial waste of public money
- failures to properly fulfil functions under the *Government Information (Public Access Act) 2009*.

The purpose of the *Public Interest Disclosures Act 1994* is to ensure that employees who wish to make disclosures under the legislation receive protection from reprisals.

In 2019-20, SIRA employees were made aware of their rights and responsibilities under the *Public Interest Disclosures Act 1994* through:

- SIRA's internal reporting policy, available on the intranet, which includes procedures for the internal reporting of corruption and maladministration
- the DFSI Code of Ethics and Conduct
- a mandatory training module that all employees must complete.

13.2. Disclosures

Zero public interest disclosures were made within SIRA about SIRA in 2019-20. SIRA did receive a number of public interest disclosures through its regulatory activities which were referred to relevant NSW integrity agencies.

14. Our Finances

Statement by the Chief Executive

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, I state that in my opinion:

- a) the accompanying financial statements exhibit a true and fair view of the financial position of SIRA as at 30 June 2020 and transactions for the period then ended; and
- b) these statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* (the Act), the *Public Finance and Audit Regulation 2015*, Australian Accounting Standards (AAS) and mandatory NSW Treasury accounting publications.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Carmel Donnelly

Chief Executive

Financial statements

For the year ended 30 June 2020

State Insurance Regulatory Authority

Statement of Comprehensive Income for the year ended 30 June 2020

| | | Budget 2020 | Actual 2020 | Actual 2019 |
|-----------------------------------------|-------|-----------------|----------------|-----------------|
| | Notes | \$'000 | \$'000 | \$'000 |
| Expenses excluding losses | | | | |
| Operating expenses | | | | |
| Personnel services | 2.1 | 56,357 | 49,539 | 45,981 |
| Other operating expenses | 2.2 | 518,197 | 97,681 | 118,823 |
| Depreciation and amortisation | 2.3 | 8,241 | 3,107 | 2,748 |
| Grants and subsidies | 2.4 | 12,605 | 5,158 | 4,017 |
| Finance costs | 2.5 | 577 | 1,035 | 2,225 |
| Other expenses | 2.6 | (1,829) | 373,577 | 404,477 |
| Total expenses excluding losses | | 594,149 | 530,097 | 578,271 |
| Revenue | | | | |
| Levies, retained taxes, fees and fines | 3.1 | 547,432 | 515,103 | 527,835 |
| Grants and contributions | | 3,625 | ... | ... |
| Investment revenue | 3.2 | 8,076 | 6,084 | 22,589 |
| Sale of goods and services | 3.3 | 7,280 | ... | 5,139 |
| Other income | 3.4 | 640 | 12,563 | 439 |
| Total revenue | | 567,052 | 533,750 | 556,002 |
| Operating result | | (27,097) | 3,653 | (22,269) |
| Gains/(losses) on disposal | 4 | ... | (673) | (341) |
| Other gains/(losses) | 5 | (520) | (6) | (185) |
| Net result | | (27,617) | 2,974 | (22,795) |
| Other comprehensive income | | | | |
| Other comprehensive income | | ... | ... | ... |
| Total other comprehensive income | | ... | ... | ... |
| Total comprehensive income | | (27,617) | 2,974 | (22,795) |

The accompanying notes form part of these financial statements

Statement of Financial Position as at 30 June 2020

| | | Budget 2020 | Actual 2020 | Actual 2019 |
|--------------------------------------|-------|----------------|----------------|----------------|
| | Notes | \$'000 | \$'000 | \$'000 |
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | 6 | 112,980 | 182,616 | 145,927 |
| Receivables | 7 | 52,296 | 34,380 | 40,656 |
| Financial assets at fair value | 8 | 185,885 | 208,476 | 206,800 |
| Total Current Assets | | 351,161 | 425,472 | 393,383 |
| Non-Current Assets | | | | |
| Property, plant and equipment | 9 | 24,052 | 135 | 3,416 |
| Intangible assets | 10 | 7,003 | 7,518 | 8,794 |
| Total Non-Current Assets | | 31,055 | 7,653 | 12,210 |
| Total Assets | | 382,215 | 433,125 | 405,593 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Payables | 12 | 51,894 | 74,569 | 68,314 |
| Provisions | 13 | 10,420 | 34,592 | 12,204 |
| Other current liabilities | | 2,387 | ... | ... |
| Total Current Liabilities | | 64,701 | 109,161 | 80,518 |
| Non-Current Liabilities | | | | |
| Payables | 12 | 129,985 | 118,957 | 113,155 |
| Provisions | 13 | 89,573 | 98,314 | 108,201 |
| Other non-current liabilities | | 19,102 | ... | ... |
| Total Non-Current Liabilities | | 238,661 | 217,271 | 221,356 |
| Total Liabilities | | 303,362 | 326,432 | 301,874 |
| Net Assets | | 78,853 | 106,693 | 103,719 |
| Equity | | ... | ... | ... |
| Accumulated funds | | 78,853 | 106,693 | 103,719 |
| Total Equity | | 78,853 | 106,693 | 103,719 |

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the period ended 30 June 2020

| | Accumulated funds | Total |
|-------------------------------------------------------------|-------------------|-----------------|
| | \$'000 | \$'000 |
| Balance at 1 July 2019 | 103,719 | 103,719 |
| Net result for the year | 2,974 | 2,974 |
| Other comprehensive income | ... | ... |
| Total comprehensive income for the year | 2,974 | 2,974 |
| | | |
| Transactions with owners in their capacity as owners | | |
| Increase/(decrease) in net assets from equity transfers | ... | ... |
| Balance at 30 June 2020 | 106,693 | 106,693 |
| | | |
| Balance at 1 July 2018 | 126,517 | 126,517 |
| Net result for the period | (22,795) | (22,795) |
| Other comprehensive income | ... | ... |
| Total comprehensive income for the year | (22,795) | (22,795) |
| | | |
| Transactions with owners in their capacity as owners | | |
| Increase/(decrease) in net assets from equity transfers | ... | ... |
| Balance at 30 June 2019 | 103,719 | 103,719 |

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the period ending 30 June 2020

| | | Budget 2020 | Actual 2020 | Actual 2019 |
|------------------------------------------------|-------|------------------|------------------|------------------|
| | Notes | \$'000 | \$'000 | \$'000 |
| Cashflows from operating activities | | | | |
| Payments | | | | |
| Personnel services | | (56,752) | (47,401) | (51,307) |
| Grants and subsidies | | (12,605) | (5,158) | (4,017) |
| Other | | (506,716) | (438,242) | (518,902) |
| Total Payments | | (576,073) | (490,801) | (574,226) |
| Receipts | | | | |
| Sale of goods and services | | 7,280 | ... | 5,852 |
| Levies, retained taxes, fees and fines | | 547,432 | 513,546 | 521,792 |
| Interest received | | 2,231 | 1,408 | 4,199 |
| Grants and contributions | | 3,625 | ... | ... |
| Other | | (400) | 12,091 | 27,305 |
| Total Receipts | | 560,167 | 527,045 | 559,148 |
| Net cashflows from operating activities | 17 | (15,906) | 36,244 | (15,078) |
| Cashflows from investing activities | | | | |
| Purchases of property, plant and equipment | | (4,555) | (2,555) | (6,521) |
| Purchases of investments | | 11,000 | ... | 7,000 |
| Other investing | | (1,000) | 3,000 | ... |
| Net cashflows from investing activities | | 5,445 | 445 | 479 |
| Cashflows from financing activities | | | | |
| Repayment of borrowings and advances | | (3,906) | ... | ... |
| Net cashflows from financing activities | | (3,906) | ... | ... |
| Net increase/(decrease) in cash | | (14,367) | 36,689 | (14,599) |
| Opening cash and cash equivalents | | 127,346 | 145,927 | 160,526 |
| Closing cash and cash equivalents | 6 | 112,980 | 182,616 | 145,927 |

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Statement of Significant Accounting Policies

1.1. Reporting entity

The State Insurance Regulatory Authority (the Authority) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Authority is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

These financial statements for the period ended 30 June 2020 have been authorised for issue by the Chief Executive on 29 September 2020.

1.2. Constitution and functions of the State Insurance Regulatory Authority

The Authority is constituted under the SICG Act. The Authority has responsibility for the direction, control and management of a range of funds as outlined in Note 18. A reference in these financial statements to the Authority refers to all of those funds.

Under Part 3 of the SICG Act, the Board determines the Authority's general policies and strategic direction. Additionally, it oversees the Authority's performance including ensuring that its activities are carried out properly and efficiently, and provides advice to the Minister.

1.3. Basis of preparation

The Authority's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable AAS (which include Australian Accounting Interpretations)
- the requirements of the Act and the *Public Finance and Audit Regulation 2015*, and
- Treasurer's Directions issued under the Act.

Property, plant and equipment and certain financial assets and liabilities are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Authority's presentation and functional currency.

1.4. Statement of compliance

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

1.5. Accounting for the Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- amount of GST incurred by the Authority as a purchaser that is not recovered from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense and

- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

1.6. Comparative information

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

1.7. Natural Disasters and Financial Impact

The natural disasters in the financial year, primarily coronavirus (COVID-19), have had a major impact on individuals, businesses and the government sector.

The primary area of heightened risk from COVID-19 is to the Authority's workforce, in both public-facing and office-based roles. As a result, significant focus has been placed on managing work health and safety (WHS) risks - physical, mental and social. Most office-based staff have moved to working from home arrangements, and the Authority has acted to reduce any adverse impact on staff arising from these work arrangements. Frontline staff have also been provided with guidance in relation to hygiene, travel, illness prevention, and flexible working. The Authority continues to support the health and safety of its staff.

There is no uncertainty about the Authority's ability to continue as a going concern at 30 June 2020. A further assessment on the Authority's liquidity risk, credit risk, fair value of the financial assets and non-financial asset accounts, taking into account relevant assumptions and estimates, has been performed resulting in no impact being identified as a result of COVID-19.

It has not come to the Authority's attention that there would be any significant impact on the financial statements for the financial year ended 30 June 2020 due to natural disasters.

1.8. Changes in accounting policies, including new or revised AAS

1.8.1. Effective for the first time in 2019-20

The Authority applied AASB 15 *Revenue from Contracts with Customers* (AASB 15), AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058), and AASB 16 *Leases* (AASB 16) for the first time. The nature and effect of the changes as a result of the adoption of these new accounting standards is described below.

Several other amendments and interpretations apply for the first time in FY2019-20, but do not have an impact on the financial statements of the Authority.

1.8.2. AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes AASB 111 *Construction Contracts* (AASB 111), AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specified the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transitional provisions in AASB 15, the Authority has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019.

The adoption of AASB 15 did not have an impact on the Statement of Comprehensive Income, the Statement of Financial Position, Other Comprehensive Income and the Statement of Cash Flows for the financial year.

1.8.3. AASB 1058 Income of Not-for-Profit Entities

AASB 1058 replaces most of the existing requirements in AASB 1004 Contributions (AASB 1004). The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9 *Financial Instruments* (AASB 9), AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other AAS, as income:

- when the obligations under the transfer are satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity.
- immediately, for all other income within the scope of AASB 1058.

In accordance with the transitional provisions in AASB 1058, the Authority has adopted AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019.

The Authority has adopted the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives are not restated to their fair value.

The adoption of AASB 1058 did not have an impact on the Statement of Comprehensive Income, the Statement of Financial Position, Other Comprehensive Income and the Statement of Cash Flows for the financial year.

1.8.4. AASB 16 Leases

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Authority elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000, or under, when new (low-value assets).

1.8.5. AASB 9 Financial instrument adoption for statutory receivables

The Authority has adopted AASB 9 which has resulted in changes in accounting policies in respect of initial recognition and measurement of statutory receivables. The Authority applied AASB 9 retrospectively but has not restated the comparative information which is reported under AASB 139 *Financial Instruments Recognition and Measurement* (AASB 139). Any differences arising from the adoption of AASB 9 have been directly recorded in accumulated funds. There was no material impact of adopting AASB 9 on the Statement of Financial Position.

1.8.6. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise.

The following new AAS have not been applied and are not yet effective:

- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*

2. Expenses excluding losses

2.1. Personnel services

| Personnel services | 2020 | 2019 |
|---------------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Salaries and wages (including annual leave) | 42,905 | 36,171 |
| Superannuation - defined contribution plans | 3,559 | 3,034 |
| Superannuation - defined benefit plans | ... | 1 |
| Long service leave | 357 | 4,386 |
| Workers' compensation insurance | 134 | 146 |
| Payroll tax and fringe benefit tax | 2,584 | 2,243 |
| Total personnel services | 49,539 | 45,981 |

Employee related costs that have been capitalised in intangible asset accounts, and therefore excluded from the above, are \$nil (2019: \$1.1M).

2.2. Other operating expenses

| Other operating expenses | 2020 | 2019 |
|--------------------------------------------------------|--------|--------|
| | \$'000 | \$'000 |
| Other operating expenses include the following: | | |
| Auditor's remuneration | | |
| audit of the financial statements | 95 | 100 |
| internal audit and reviews | 133 | 125 |
| Accommodation expenses | 2,994 | 3,896 |

| Other operating expenses | 2020 | 2019 |
|-------------------------------------------|---------------|----------------|
| Lease expense | 18 | ... |
| Maintenance | 20 | 373 |
| Computer support & software licence costs | 5,823 | 8,115 |
| Fees - Assessors | 20,198 | 21,378 |
| Fees – Services | 13,184 | 13,715 |
| Fees - Other | ... | 189 |
| Advertising, promotion and publicity | 38 | 430 |
| Board & Committee fees ¹ | 868 | 741 |
| Compensation Court Judges Pension | 1,154 | 1,826 |
| Consultants (Actuarial fees) | 9,234 | 8,121 |
| Contracted Services | 25,898 | 32,172 |
| Contractors | 4,462 | 11,727 |
| Legal Fees | 717 | 197 |
| Travel & vehicle expenses | 208 | 287 |
| Communication expenses | 726 | 1,621 |
| Printing | 292 | 410 |
| Stores | 78 | 96 |
| Training | 653 | 570 |
| Vocational and rehabilitation programs | 7,550 | 7,559 |
| Other miscellaneous | 3,338 | 5,175 |
| Total other operating expenses | 97,681 | 118,823 |

¹ Payments to Board members are made in accordance with Premier's Guidelines and cover the SIRA Board.

2.2.1. Maintenance expense

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

2.2.2. Insurance

The Authority's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

2.2.3. Lease expense (up to 30 June 2019)

Up to 30 June 2019, operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. An operating lease is a lease other than a finance lease.

2.2.4. Lease expense (from 1 July 2019)

From 1 July 2019, the Authority recognises the lease payments associated with the following types of leases as an expense on a straight-line basis.

- Leases that meet the definition of short-term i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liabilities (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

2.3. Depreciation and amortisation

| Depreciation and amortisation | 2020 | 2019 |
|--------------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Depreciation | | |
| Leasehold improvements & restoration | 268 | 305 |
| Computer Hardware | 113 | 281 |
| Office machines and equipment | 3 | 5 |
| Motor Vehicles | 22 | ... |
| Total depreciation | 406 | 591 |
| Amortisation | | |
| Computer software internally generated | 2,701 | 2,027 |
| Computer software purchased | ... | 130 |
| Total amortisation | 2,701 | 2,157 |
| Total depreciation and amortisation | 3,107 | 2,748 |

Refer to Note 9 and 10 for recognition and measurement policies on depreciation and amortisation.

2.4. Grants and subsidies

| Grants and subsidies | 2020 | 2019 |
|-----------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Road Safety | 2,256 | 3,727 |
| Other | 2,902 | 290 |
| Total grants and subsidies | 5,158 | 4,017 |

A grant is not recognised until there is reasonable assurance that the receiving entity will comply with the conditions attaching to it, and that the grant will be paid.

2.5. Finance costs

| Finance costs | 2020 | 2019 |
|---------------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Unwinding of discount rate – Judges pension | 102 | 300 |
| Unwinding of discount rate - Claims | 933 | 1,925 |
| Total finance costs | 1,035 | 2,225 |

Finance costs consist of other costs incurred in connection with the Insurers Guarantee Fund (IGF) and the Compensation Court Judges Pension. These are recognised as expenses in the period in which they are incurred, the finance costs relate to the increase in the carrying amount of the outstanding claims provisions and judges pension provision that reflects the passage of time associated with the use of a discount rate in determining the value of the provisions.

2.6. Other expenses

Other expenses include the cost of funding the Workers Compensation Commission (WCC), the Workers Compensation Independent Review Officer (WIRO), the Independent Legal Assistance and Review Service (ILARS) and SafeWork NSW.

Claims expenses are recognised as expenses when incurred. Included in expense claims are actuarially determined revisions to the IGF outstanding claims provision and the Nominal Defendant Fund provision.

| Other expenses | 2020 | 2019 |
|------------------------------------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Net claims incurred (Note 2.6.1) (excluding Finance costs) | (7,407) | 13,115 |
| WCC (Note 2.6.2) | 25,285 | 27,153 |
| WIRO (Note 2.6.3) | 74,017 | 68,007 |
| SafeWork NSW (Note 2.6.4) | 127,995 | 132,903 |
| Bulk Billing Fees - Ambulance Service of NSW | 36,885 | 39,452 |
| Bulk Billing Fees - NSW Ministry of Health | 112,136 | 118,897 |
| Processing Fees – Transport NSW | 4,666 | 4,950 |
| Total other expenses | 373,577 | 404,477 |

2.6.1. Net claims incurred

| Net claims incurred | 2020 | 2019 |
|----------------------------------------------------------|----------------|---------------|
| | \$'000 | \$'000 |
| Finance costs - Claims (Note 2.5) | 933 | 1,925 |
| Net claims incurred (excluding Finance costs) (Note 2.6) | (7,407) | 13,115 |
| Total net claims incurred | (6,474) | 15,040 |

Details of the net claims incurred by the Authority are as follows:

| Net claims incurred | Claims paid | Finance Costs | Movement in claims liability | Net claims incurred | Net claims incurred Prior Year |
|----------------------------|--------------------|----------------------|-------------------------------------|----------------------------|---------------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2020 | | | | | |
| Insurers' Guarantee Fund | 2,463 | 933 | (9,870) | (6,474) | 14,579 |
| Nominal Defendant Fund | ... | ... | ... | ... | 461 |
| | 2,463 | 933 | (9,870) | (6,474) | 15,040 |
| 2019 | | | | | |
| Insurers' Guarantee Fund | 3,776 | 1,925 | 8,878 | 14,579 | 3,507 |
| Nominal Defendant Fund | ... | ... | 461 | 461 | 464 |
| | 3,776 | 1,925 | 9,339 | 15,040 | 3,971 |

2.6.2. Workers Compensation Commission

The WCC was constituted on 1 January 2002 pursuant to the WIMWCA 1998. The WCC is not subject to the direction and control by SIRA.

Under Section 35 (2)(e1) of the WIMWCA 1998, the Authority is responsible for funding the costs of operations of the WCC including the remuneration (and allowances) of the members and of the staff of the WCC, and the remuneration of approved medical specialists.

The WCC resolves workers compensation disputes between injured workers and employers. It resolves and determines disputes about workers compensation claims, for example, weekly compensation for loss of income, payment of medical expenses and compensation for permanent impairment/pain and suffering.

It encourages parties (workers, employers and insurers) to discuss ways of resolving the dispute at all stages of the process.

The objectives of the WCC are:

- To provide a fair and cost-effective resolution service for disputed workers compensation claims.
- To provide an independent dispute resolution service that leads to durable agreements between the parties in accordance with the Workers Compensation Acts.
- To provide a timely service ensuring that workers entitlements are paid promptly.
- To provide a service that is accessible, approachable and professional.
- To communicate effectively with stakeholders.
- To reduce administrative costs to the workers compensation scheme.

Details of expenses incurred by the WCC are:

| WCC expenses | 2020 | 2019 |
|--------------------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Personnel services | | |
| Salaries and allowances (including annual leave) | 9,147 | 8,847 |
| Other | 1,543 | 1,505 |
| Total personnel services | 10,690 | 10,352 |
| Other operating expenses | | |
| Accommodation expenses | 1,767 | 1,844 |
| Payments to arbitrators | 2,586 | 3,045 |
| Payments to approved medical specialists (AMS) | 3,305 | 3,616 |
| Payments for medical appeals panels | 1,035 | 1,159 |
| Payments for mediators | 1,730 | 1,494 |
| Other miscellaneous expenses | 5,148 | 5,244 |
| Total other operating expenses | 15,571 | 16,403 |
| Depreciation and amortisation | 345 | 398 |
| Less: Sundry income | (1,321) | ... |
| Total WC Commission | 25,285 | 27,153 |

2.6.3. Workers Compensation Independent Review Officer

The WIRO was established on 1 September 2012 pursuant to the WIMWCA 1998 and commenced operations on 1 October 2012. The WIRO is not subject to direction and control by SIRA.

Under Section 35 (2) (c) of the WIMWCA 1998, the Authority is responsible for funding the remuneration of the Independent Review Officer and staff of the Independent Review Officer and costs incurred in connection with the exercise of the functions of the WIRO.

The functions of the WIRO are:

- To deal with complaints made to the Independent Review Officer under Division 2 of Part 3 of the *Workplace Injury Management and Workers Compensation Act 1988 No 86*.
- To inquire into and report to the Minister on such matters arising in connection with the operation of the Workers Compensation Acts as the Independent Review Officer considers appropriate or as may be referred to the Independent Review Officer for inquiry and report by the Minister.
- To encourage the establishment by insurers and employers of complaint resolution processes for complaints arising under the Workers Compensation Acts.
- Such other functions as may be conferred on the Independent Review Officer by or under the Workers Compensation Acts or any other Act.

2.6.3.1. Independent Legal Assistance and Review Service (ILARS)

The Minister established ILARS to facilitate the provision of legal services at no cost to injured workers, in respect to their claims for compensation.

Under Section 27 of the WIMWCA 1998, the Authority has delegated this function to WIRO to administer.

ILARS considers the merits of any application for legal assistance in deciding to provide funding. If legal assistance is approved, ILARS will make a determination as to an appropriate level of funding that will be provided for the legal assistance.

The legal service providers submit invoices for their costs and expenses at certain times during the course of a claim. The costs incurred by ILARS are recognised upon submission of the invoice.

Details of expenses incurred by WIRO and ILARS are:

| WIRO & ILARS expenses | 2020 | 2019 |
|--------------------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Personnel services | | |
| Salaries and allowances (including annual leave) | 6,459 | 5,574 |
| Other | 2,035 | 2,033 |
| Total personnel service costs | 8,494 | 7,607 |
| Other operating expenses | | |
| Accommodation expenses | 407 | 392 |
| Consultants | 103 | ... |
| ILARS | 63,050 | 57,449 |
| Other miscellaneous expenses | 1,963 | 2,559 |
| Total other operating expenses | 65,523 | 60,400 |
| Total WIRO | 74,017 | 68,007 |

2.6.4. SafeWork NSW

The SICC Act was proclaimed effective 1 September 2015 to implement structural changes to the NSW workers compensation system and related compensation agencies. The SICC Act established SafeWork NSW as an independent workplace safety regulator. SafeWork NSW is not subject to direction and control by SIRA.

SafeWork NSW's principal objectives are covered under Section 152 of the *Work Health and Safety Act 2011* (WHS 2011) as follows:

- To advise and make recommendations to the Minister and report on the operation and effectiveness of the WHS 2011.
- To monitor and enforce compliance with the WHS 2011.
- To provide advice and information on work health and safety to duty holders under the WHS 2011 and to the community.
- To collect, analyse and publish statistics relating to work health and safety.
- To foster a co-operative, consultative relationship between duty holders and the persons to whom they owe duties and their representatives in relation to work health and safety matters.
- To promote and support education and training on matters relating to work health and safety.
- To engage in, promote and co-ordinate the sharing of information to achieve the object of the WHS 2011, including the sharing of information with a corresponding regulator.

- To conduct and defend proceedings before a court or tribunal, any other function conferred on the regulator by the WHS 2011.

Under Section 35 (2)(b) of the WIMWCA 1998, the Authority is responsible for funding the remuneration, allowances, office accommodation and other associated costs of SafeWork NSW.

Details of expenses incurred by SafeWork NSW are:

| SafeWork NSW expenses | 2020 | 2019 |
|--------------------------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Personnel services | | |
| Salaries and allowances (including annual leave) | 60,230 | 58,274 |
| Other | 13,208 | 14,812 |
| Total personnel service costs | 73,438 | 73,086 |
| Other operating expenses | | |
| Agency short term staff | 105 | 1,253 |
| Accommodation expenses | 2,217 | 4,920 |
| Consultants | 76 | 222 |
| Contractors | ... | ... |
| Fees – Shared Services | 34,760 | 36,523 |
| Fees – Other | 8,328 | 12,536 |
| Advertising | 735 | 5,124 |
| Grants and Subsidies | 4,771 | 3,980 |
| Other operating expenses | 27,247 | 28,462 |
| Total Other Operating expenses | 78,239 | 93,020 |
| Depreciation and amortisation | 3,214 | 1,560 |
| Total depreciation and amortisation | 3,214 | 1,560 |
| Total expenses | 154,891 | 167,666 |
| Less: | | |
| Income | | |
| Levies, retained taxes, fees and fines | 17,839 | 18,775 |
| Sale of goods and services | 5,545 | 5,790 |
| Grants and contributions | 124 | 2,485 |
| Other revenue | 3,256 | 1,140 |
| Total income | 26,764 | 28,190 |
| Gains/(losses) on disposal | 65 | ... |
| Other gains/(losses) | (197) | (6,573) |
| Total SafeWork NSW | 127,995 | 132,903 |

3. Revenue

Until 30 June 2019, income is measured in accordance with AASB 111, AASB 118 *Revenue* and AASB 1004.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 or AASB 1058, dependent on whether there is a contract with a customer defined by AASB 15.

There is no material change in the Authority's income recognition as a result of the adoption of these accounting standards.

3.1. Levies, retained taxes, fees and fines

| Levies, retained taxes, fees and fines | 2020 | 2019 |
|-----------------------------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Levies and retained taxes | | |
| Workers Compensation Operational Fund Contribution | 232,915 | 236,175 |
| Self and specialised insurers | 45,218 | 42,596 |
| CTP Premium Levy | 231,062 | 243,582 |
| Home Building Operational Fund Contribution | 4,638 | 4,578 |
| Total levies and retained taxes | 513,833 | 526,931 |
| Fees | | |
| Accreditation | 4 | 5 |
| Other | 3 | 1 |
| Total fees | 7 | 6 |
| Fines | | |
| Workers compensation s156 recoveries | 694 | 823 |
| Infringement notices | 569 | 75 |
| Total fines | 1,263 | 898 |
| Total levies, retained taxes, fees and fines | 515,103 | 527,835 |

3.1.1. Workers Compensation Operational Fund Contribution

Under Section 35 (1)(a1) of the WIMWCA 1998, contributions are made from the Workers Compensation Insurance Fund to the Workers Compensation Operational Fund which is brought to account on the basis of a fixed contribution determined after having regard to the estimate of the Authority's net operating expenses.

3.1.2. Self and Specialised Insurers

Under Section 35 (1)(a) of the WIMWCA 1998, contributions are made to the Workers Compensation Operational Fund under Part 6 of the WIMWCA 1998. Retained taxes are principally made by licensed self and specialised insurers on the basis of a levy on specialised insurer premium income and self-insurers deemed premiums relating to each policy renewal year.

3.1.3. Insurers' Guarantee Fund

As a consequence of National Employers' Mutual General Insurance Association Limited being placed into provisional liquidation on 1 May 1990, the Insurers' Guarantee Fund (IGF) was established.

Contributions from insurers and distributions by the liquidators are applied to meet the claim costs and administrative expenses of the fund.

The fund also meets the cost of the run-off of remaining claims liabilities of the HIH Insurance Group, the Greatlands General Insurance Co Ltd, Bishopsgate Insurance Australia Ltd, Associated General Contractors Insurance Co Ltd, and Rural & General Insurance Limited.

3.1.4. Motor Accidents Operational Fund Levy (Fund Levy)

Funds are generated from levies on Compulsory Third Party (CTP) insurance premiums collected by licensed insurers in accordance with notices issued under Section 214A (5) of the *Motor Accidents Compensation Act 1999* (MAC 1999) and s10.17 of the *Motor Accidents Injuries Act 2017* (MAI 2017). CTP levy revenue is recognised when it falls due and is receivable by the Authority.

3.1.5. Home Building Operational Fund Contribution

Payments from the Home Building Compensation Fund to the Authority are provided for under Section 12A(3)(d2) of the *NSW Self Insurance Corporation Act 2004* to cover the Home Building Compensation regulatory functions of the Authority.

3.1.6. Workers Compensation S.156 Recoveries

Double Avoided Premiums (s.156 Recoveries) fines are issued by the Authority. The Authority recognises the s156 Recoveries upon issuing of a notice.

3.2. Investment revenue

| Investment revenue | 2020 | 2019 |
|-----------------------------------------------------------------------------------------------|--------------|---------------|
| | \$'000 | \$'000 |
| Interest income | 1,408 | 4,199 |
| Net gain/(loss) from TCorp IGF Investment Trust measured at fair value through profit or loss | 4,676 | 18,390 |
| Total investment revenue | 6,084 | 22,589 |

3.2.1. Interest income

Interest income is calculated by applying the effective interest method to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

3.2.2. TCorp IGF Investment Trust

Net gains/(losses) on financial assets measured at fair value through profit or loss are required to be disclosed, showing separately those designated at fair value through profit or loss, and those mandatorily measured at fair value through profit or loss.

TCorp IGF Investment Trust is managed and its performance was evaluated on a fair value basis. Under AASB 9, such a business model requires it to be measured at fair value through profit or loss.

3.3. Sale of goods and services

| Sale of goods and services | 2020 | 2019 |
|----------------------------------------------|------------|--------------|
| | \$'000 | \$'000 |
| Fees for Services rendered to other Agencies | ... | 5,139 |
| Total sale of goods and services | ... | 5,139 |

3.3.1. Rendering of services (until 30 June 2019)

Revenue from rendering of services is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

3.3.2. Rendering of services (from 1 July 2019)

Revenue from rendering of services is recognised when the Authority satisfies the performance obligation by transferring the promised services.

3.4. Other income

| Other income | 2020 | 2019 |
|---------------------------------|---------------|------------|
| | \$'000 | \$'000 |
| Nominal Defendant Fund | | |
| Corpus liquidation distribution | 15,508 | ... |
| NDF Contributions | (15,508) | ... |
| NDF reinsurance recoveries | ... | 299 |
| Insurers' Guarantee Fund | (10,023) | (2,452) |
| CTP Discount | 16,300 | ... |
| Other income | 6,286 | 2,592 |
| Total other income | 12,563 | 439 |

3.4.1. Nominal Defendant Fund

Under a 2013 Crown Solicitor opinion the Nominal Defendant Fund (NDF) retains all recoveries from reinsurers of the former HIH group that relate to NSW Third Party Insurance claims.

Amounts distributed by the liquidators of HIH as part of the liquidation are the property of NSW Treasury (Crown Entity). If the NDF has insufficient funds to meet claims liabilities, then NSW Treasury will provide funds through the Policyholders Protection Fund.

Refer to Note 18 for details of balances.

4. Gains/(Losses) on Disposal

| Gains/(losses) on disposal | 2020 | 2019 |
|------------------------------------------------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Net gain/(loss) on disposal of property, plant and equipment and intangibles | (673) | (341) |
| Total gains/(losses) on disposal | (673) | (341) |

5. Other Gains/(Losses)

| Other gains/(losses) | 2020 | 2019 |
|-------------------------------------------|------------|--------------|
| | \$'000 | \$'000 |
| Impairment losses on non-financial assets | (502) | (185) |
| Write-off of make good provision | 496 | ... |
| Total other gains/(losses) | (6) | (185) |

Impairment losses may arise on non-financial assets held by the Authority from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting policies and events giving rise to impairment losses are disclosed in the following notes:

- Trade receivables – Note 7
- Property, plant and equipment – Note 9
- Intangible assets – Note 10

6. Current assets – cash and cash equivalents

| Cash and cash equivalents | 2020 | 2019 |
|----------------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Cash at bank and on hand | 182,616 | 145,927 |
| Total cash and cash equivalents | 182,616 | 145,927 |

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand and short-term deposits with original maturities of three months or less and subject to an insignificant risk of changes in value.

| Reconciliation | 2020 | 2019 |
|-----------------------------------------------------------------------|---------|---------|
| | \$'000 | \$'000 |
| Cash and cash equivalent assets (per Statement of financial position) | 182,616 | 145,927 |
| Closing cash and cash equivalents (per Statement of cash flows) | 182,616 | 145,927 |

Refer to Note 19 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. Current/Non-Current Assets - Receivables

| Receivables | 2020 | 2019 |
|------------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Receivables | 7,837 | 21,364 |
| Less allowance for expected credit loss* | (929) | (2,291) |
| Prepayments | 3,073 | 915 |
| CTP premium levy receivable | 24,399 | 20,668 |
| Total Receivables | 34,380 | 40,656 |

| *Movement in the allowance for expected credit losses | 2020 | 2019 |
|------------------------------------------------------------|--------------|----------------|
| | \$'000 | \$'000 |
| Balance under AASB 139 | (2,291) | (2,595) |
| Balance under AASB 9 | ... | ... |
| Amounts written off during the year | 1,864 | 489 |
| (Increase)/decrease in allowance recognised in net results | (502) | (185) |
| Balance at the end of the year | (929) | (2,291) |

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 19.

7.1. Recognition and measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

7.2. Subsequent measurement

The Authority holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

7.3. Subsequent measurement under AASB 139 (for the period ended 30 June 2019)

Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

7.4. Impairment

The Authority recognises an allowance for Expected Credit Losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows that the Authority expects to receive, discounted at the original effective interest rate.

For trade receivables, the Authority applies a simplified approach in calculating ECLs. The Authority recognises a loss allowance based on lifetime ECLs at each reporting date. The Authority has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

7.5. Impairment under AASB 139 (for the period ended 30 June 2019)

Receivables are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

The Authority first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

8. Current/Non-Current Assets - Financial assets at fair value

| Financial assets at fair value | 2020 | 2019 |
|---------------------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| TCorp IGF Investment Trust | 208,476 | 206,800 |
| Total financial assets at fair value | 208,476 | 206,800 |

Refer to Note 19 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

8.1. Recognition and measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe established by regulation or convention in the marketplace.

8.2. Classification and measurement

The Authority's financial assets at fair value are classified, at initial recognition, as subsequently measured at either fair value through other comprehensive income or fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results. Transaction costs of financial assets carried at other comprehensive income are included as part of their fair value and amortised to net results using the effective interest method.

The TCorp IGF Investment Trust is managed and its performance is evaluated on a fair value basis and therefore the business model is neither to hold nor to collect contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss. A gain or loss on the TCorp IGF Investment Trust is presented in 'investment revenue' in the period in which it arises.

9. Property, Plant and Equipment

| Current reporting period | Leasehold improvements | Office equipment | Furniture and fittings | Computer Hardware | Motor Vehicles | Total |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------|------------------------|-------------------|----------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At 1 July 2019 – fair value | | | | | | |
| Gross carrying amount | 21,760 | 158 | 171 | 2,160 | ... | 24,249 |
| Accumulated depreciation and impairment | (18,526) | (152) | (171) | (1,984) | ... | (20,833) |
| Net carrying amount | 3,234 | 6 | ... | 176 | ... | 3,416 |
| At 30 June 2020 – fair value | | | | | | |
| Gross carrying amount | 18,795 | 127 | 171 | 2,093 | 67 | 21,253 |
| Accumulated depreciation and impairment | (18,795) | (125) | (171) | (2,005) | (22) | (21,118) |
| Net carrying amount at end of year | ... | 2 | ... | 88 | 45 | 135 |
| A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below: | | | | | | |
| Reconciliation: | | | | | | |
| Year ended 30 June 2020 | | | | | | |

Financial Statements for the year ended 30 June 2020
State Insurance Regulatory Authority

| Current reporting period | Leasehold improvements | Office equipment | Furniture and fittings | Computer Hardware | Motor Vehicles | Total |
|-------------------------------------------|------------------------|------------------|------------------------|-------------------|----------------|------------|
| Net carrying amount at beginning of year | 3,234 | 6 | ... | 176 | ... | 3,416 |
| Additions | ... | ... | ... | 24 | 67 | 91 |
| Disposals | (684) | ... | ... | ... | ... | (684) |
| Other movements | (2,282) | ... | ... | ... | ... | (2,282) |
| Depreciation expense | (268) | (4) | ... | (112) | (22) | (406) |
| Net carrying amount at end of year | ... | 2 | ... | 88 | 45 | 135 |

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 19.

| Previous reporting period | Leasehold improvements | Office equipment | Furniture and fittings | Computer Hardware | Total |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------|------------------------|-------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At 1 July 2018 – fair value | | | | | |
| Gross carrying amount | 19,436 | 199 | 171 | 3,101 | 22,907 |
| Accumulated depreciation and impairment | (18,222) | (188) | (171) | (2,679) | (21,260) |
| Net carrying amount | 1,214 | 11 | ... | 422 | 1,647 |
| At 30 June 2019 – fair value | | | | | |
| Gross carrying amount | 21,760 | 158 | 171 | 2,160 | 24,249 |
| Accumulated depreciation and impairment | (18,526) | (152) | (171) | (1,984) | (20,833) |
| Net carrying amount | 3,234 | 6 | ... | 176 | 3,416 |
| A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below: | | | | | |
| Reconciliation: | | | | | |
| Year ended 30 June 2019 | | | | | |
| Net carrying amount at beginning of year | 1,214 | 11 | ... | 422 | 1,647 |
| Additions | 1,642 | ... | ... | 122 | 1,764 |
| Disposals | ... | ... | ... | (87) | (87) |
| Other movements | 683 | ... | ... | ... | 683 |
| Depreciation expense | (305) | (5) | ... | (281) | (591) |
| Net carrying amount at end of year | 3,234 | 6 | ... | 176 | 3,416 |

9.1. Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction, or where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

9.2. Capitalisation thresholds

Property, plant and equipment costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

9.3. Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority.

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

The rates applied are:

| Depreciation rates | 2020 | 2019 |
|-------------------------------|-----------|-----------|
| Furniture and fittings | 10% | 10% |
| Office machines and equipment | 20% | 20% |
| Computer hardware | 20% – 33% | 20% – 33% |

9.4. Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the Valuation of Physical Non-Current Assets at Fair Value Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* (AASB 13), AASB 116 *Property, Plant and Equipment* (AASB 116) and AASB 140 *Investment Property* (AASB 140).

Property, plant and equipment is measured as the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective using valuation techniques (market approach, cost approach, income approach) that maximises relevant observable inputs and minimise unobservable inputs. Also refer to Note 19 for further information regarding fair value.

All of the Authority's assets are non-specialised assets with short useful lives which are measured at depreciated historical cost, which for these assets approximates fair value. The Authority has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

9.5. Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* (AASB 136) is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material.

The Authority assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing of an asset is required, the Authority estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit Authority, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

10. Intangible assets

| Current reporting period | Internally generated computer software | Computer software purchased | Total |
|-----------------------------------------|----------------------------------------|-----------------------------|--------------|
| | \$'000 | \$'000 | \$'000 |
| At 1 July 2019 – fair value | | | |
| Gross carrying amount | 26,356 | 1,250 | 27,606 |
| Accumulated depreciation and impairment | (17,562) | (1,250) | (18,812) |
| Net carrying amount | 8,794 | ... | 8,794 |
| At 30 June 2020 – fair value | | | |

| Current reporting period | Internally generated computer software | Computer software purchased | Total |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------|--------------|
| Gross carrying amount | 26,122 | ... | 26,122 |
| Software Work In Progress | 2,098 | ... | 2,098 |
| Accumulated depreciation and impairment | (20,702) | ... | (20,702) |
| Net carrying amount | 7,518 | ... | 7,518 |
| A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below: | | | |
| Reconciliation: | | | |
| Net carrying amount at beginning of year | 8,794 | ... | 8,794 |
| Additions | 2,098 | ... | 2,098 |
| Amortisation | (2,701) | ... | (2,701) |
| Disposals | (673) | ... | (673) |
| Net carrying amount at end of year | 7,518 | ... | 7,518 |

| Previous reporting period | Internally generated computer software | Computer software purchased | Total |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------|--------------|
| | \$'000 | \$'000 | \$'000 |
| At 1 July 2018 – fair value | | | |
| Gross carrying amount | 23,976 | 1,869 | 25,845 |
| Accumulated depreciation and impairment | (15,534) | (1,739) | (17,273) |
| Net carrying amount | 8,442 | 130 | 8,572 |
| At 30 June 2019 – fair value | | | |
| Gross carrying amount | 26,356 | 1,250 | 27,606 |
| Accumulated depreciation and impairment | (17,562) | (1,250) | (18,812) |
| Net carrying amount | 8,794 | ... | 8,794 |
| A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below: | | | |
| Reconciliation: | | | |

| Previous reporting period | Internally generated computer software | Computer software purchased | Total |
|-------------------------------------------|----------------------------------------|-----------------------------|--------------|
| Year ended 30 June 2019 | | | |
| Net carrying amount at beginning of year | 8,442 | 130 | 8,572 |
| Additions | 7,136 | ... | 7,136 |
| Amortisation | (2,027) | (130) | (2,157) |
| Other movements | (4,757) | ... | (4,757) |
| Net carrying amount at end of year | 8,794 | ... | 8,794 |

10.1. Recognition and Measurement

The Authority recognises intangible assets only if it is probable that future economic benefits will flow to the Authority and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the Authority's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. The Authority's intangible assets are amortised using the straight-line method over its useful life. The rates applied are:

| Depreciation rates | 2020 | 2019 |
|--------------------|------|------|
| Computer software | 25% | 25% |

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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

10.2. Capitalisation thresholds

Intangible assets costing \$100,000 and above individually (or forming part of a network costing more than \$100,000) are capitalised.

11. Fair value measurement of non-financial assets

11.1. Fair value hierarchy

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Authority categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets/liabilities that the Authority can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Authority recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

11.2. Valuation techniques, inputs and processes

The IGF Investment Trust fund is measured at fair value. The amortised cost of financial instruments recognised in the statement of financial position approximates fair value, because of the short-term nature of many of the financial instruments.

NSW Treasury Paper 14-01 'Valuation of Physical Non-Current Assets at Fair Value' allows non-financial assets with short useful lives to be recognised at depreciated historical costs as a surrogate of fair value. The Authority holds non-specialised assets with short useful lives. The Authority has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

12. Current/non-current liabilities – payables

| Payables | 2020 | 2019 |
|--------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current payables | | |
| Accrued personnel services | 9,702 | 7,565 |
| Creditors | 61,364 | 57,749 |
| Accrued bulk billing fees | 3,503 | 3,000 |
| Total current payables | 74,569 | 68,314 |
| Non-current payables | | |
| Creditors | 110,579 | 106,937 |
| Nominal Defendant Fund payable | 8,378 | 6,218 |

| Payables | 2020 | 2019 |
|-----------------------------------|----------------|----------------|
| Total non-current payables | 118,957 | 113,155 |
| Total payables | 193,526 | 181,469 |

Details regarding liquidity risk including a maturity analysis of the above payables are disclosed in Note 19.

12.1. Recognition and measurement

Payables represent liabilities for goods and services provided to the Authority and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

13. Current/non-current liabilities – provisions

| Provisions | 2020 | 2019 |
|--------------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Current provisions | | |
| Nominal Defendant Fund | 2,194 | 2,195 |
| Insurer Guarantee Fund: | | |
| HIH Insurance Co. Ltd | 1,215 | 1,563 |
| Other non - HIH | 4,386 | 3,963 |
| Payroll Tax Provision | 2,583 | 2,583 |
| CTP Discount | 22,414 | ... |
| Compensation Court Judges pension | 1,800 | 1,900 |
| Total current provisions | 34,592 | 12,204 |
| Non-current provisions | | |
| Insurer Guarantee Fund: | | |
| HIH Insurance Co. Ltd | 27,695 | 34,259 |
| Other non - HIH | 61,619 | 62,943 |
| Compensation Court Judges pension | 9,000 | 9,600 |
| Restoration costs – leased buildings | ... | 1,399 |
| Total non-current provisions | 98,314 | 108,201 |
| Total Provisions | 132,906 | 120,404 |

13.1. Recognition and measurement

Provisions are recognised when:

- the entity has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

When the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when an entity has a detailed formal plan and the entity has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at 0.5 percent as at 30 June 2020 (2019: 1.25 percent), which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

| Provision movements | Judges pension | Lease | IGF | NDF | CTP Discount | Payroll Tax | Total |
|-----------------------------------------|----------------|------------|---------------|--------------|---------------|--------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amount at 1 July 2019 | 11,500 | 1,399 | 102,728 | 2,194 | ... | 2,583 | 120,404 |
| Changes in actuarial assumptions | 1,154 | ... | ... | ... | ... | ... | 1,154 |
| Increase/(Decrease) in amounts provided | ... | ... | (5,862) | ... | 38,714 | ... | 32,852 |
| Amounts used | (1,954) | (1,399) | (2,463) | ... | (16,300) | ... | (22,116) |
| Unwinding/change of discount rate | 100 | ... | 512 | ... | ... | ... | 612 |
| Carrying amount at end of period | 10,800 | ... | 94,915 | 2,194 | 22,414 | 2,583 | 132,906 |

13.2. Compensation Court Judges pensions

The *Compensation Court Repeal Act 2002* abolished the Compensation Court from 1 January 2004 and transferred the Court's jurisdiction to the Workers Compensation Commission. Certain matters such as coal miners' workers compensation disputes and Police 'hurt on duty' matters were transferred to the residual jurisdiction of the District Court which was funded by the WorkCover Authority until 30 June 2005.

As WorkCover was responsible for funding the costs of the former Compensation Court it became responsible for funding the pension costs of retired judges of the former Compensation Court. With the abolition of WorkCover these liabilities have been transferred to the Authority which has continuing obligations under the WIMWCA 1998.

The key economic assumptions used in the valuation of the Judges Pension are:

| Economic assumptions | 2020 | 2019 |
|----------------------|-------|-------|
| Discount rate | 0.55% | 1.25% |
| Future salary growth | 2.50% | 2.50% |

13.3. CTP Refund Pool

The unclaimed Green Slip refunds as at 30 September 2019 was \$38m. All unclaimed monies will be returned to policy holders via a reduction in the Motor Accident Fund levy over a 12-month period from 15 January 2020 to 14 January 2021.

13.4. Insurer Guarantee Fund

The weighted average expected term to settlement for the reporting date of the outstanding claims for each scheme is:

| Average settlement term | 2020 | 2019 |
|--------------------------|------------|------------|
| Insurer's Guarantee Fund | 11.8 years | 12.9 years |

The average inflation and discount rates used in measuring the liability for outstanding claims expected to be paid is:

| Average inflation and discount rate <1 year | 2020 | 2019 |
|---------------------------------------------|---------------|---------------|
| Inflation rate | | |
| Paid not later than one year | 0.60% | 2.38% |
| Paid later than one year | 0.59% - 2.9% | 2.45% - 3.10% |
| Discount rate | | |
| Paid not later than one year | 0.22% | 0.93% |
| Paid later than one year | 0.56% - 4.00% | 0.89% - 5.00% |

The provision for outstanding claims is actuarially determined. It is measured as the best estimate of future expected payments required to settle the present obligation at the reporting date. The expected future payments are estimated on the ultimate cost of settling claims, which is affected by factors arising during the period of settlement such as normal inflation and 'super imposed inflation'. Super imposed inflation refers to factors such as trends in court awards, for example, and increases in the level and period of compensation of injury.

The liability for claims includes:

- Claims incurred but not yet paid
- Claims incurred but not reported (IBNR)

There is inherent uncertainty in any estimate of outstanding claims liabilities that limits its accuracy. The areas of uncertainty associated with the outstanding claims liability in these financial statements arise from the following:

- The actual model and method may not exactly match the claims process.
- Past claim fluctuations may create uncertainty in the estimated model parameters.
- Undetected errors in the data may result in errors in the model parameters.
- Future economic and environmental conditions may be different to those assumed.

- Future claims fluctuations result in uncertainty of the projected liability, even if the model and its parameters were perfect.
- The estimate of IBNR is generally subject to a greater degree of uncertainty than reported claims.

13.4.1. Sensitivity Analysis

To provide some indication of the uncertainty inherent in estimates of the outstanding claims liabilities for the Insurer Guarantee Fund, an illustrative sensitivity analysis has been prepared which quantifies estimates of these liabilities under some plausible alternative scenarios.

Results of that illustrative sensitivity analysis are shown in the table below on a net, inflated and discounted basis.

| Net, Inflated, Discounted Liability | | | |
|---------------------------------------|------------------|------------------|-------------|
| | Amount \$'000 | Change \$'000 | Change % |
| Base Scenario | 94,914 | ... | ... |
| Economic and Other Assumptions | | | |
| Inflation +1% (a) | 106,720 | 11,806 | 12.4 |
| Inflation -1% (a) | 85,028 | (9,886) | (10.4) |
| Discount +1% (a) | 84,920 | (9,994) | (10.5) |
| Discount -1% (a) | 107,092 | 12,178 | 12.8 |
| CHE +10% (b) | 100,414 | 5,500 | 5.8 |
| CHE -10% (b) | 89,413 | (5,500) | (5.8) |
| GST recoveries allowance: equal to 0% | 95,041 | 128 | 0.1 |
| Dust Disease Claims | | | |
| Non-HIH Malignant seed reports +1 | 99,298 | 4,384 | 4.6 |
| Non-HIH Malignant ACS +10% | 99,054 | 4,140 | 4.4 |
| Non-HIH Non-Malignant seed reports +1 | 96,379 | 1,465 | 1.5 |
| Non-HIH Non-Malignant ACS +10% | 95,612 | 698 | 0.7 |
| HIH Malignant seed reports +1 | 99,035 | 4,121 | 4.3 |
| HIH Malignant ACS +10% | 96,799 | 1,885 | 2.0 |
| HIH Non-Malignant seed reports +1 | 96,746 | 1,832 | 1.9 |
| HIH Non-Malignant ACS +10% | 95,351 | 437 | 0.5 |
| Superimposed inflation +1% | 105,580 | 10,666 | 11.2 |
| Superimposed inflation -1% | 86,062 | (8,851) | (9.3) |
| Non-Dust Disease Claims | | | |
| Non-HIH Non-Dust PO Ratio +5% | 94,365 | (549) | (0.6) |

| | Net, Inflated, Discounted Liability | | |
|-------------------------------------------------|-------------------------------------|---------|-------|
| Non-HIH Non-Dust CED Ratio in first year +5% | 95,079 | 165 | 0.2 |
| Non-HIH Non-Dust annuity payment +10% | 95,798 | 884 | 0.9 |
| Non-HIH Non-Dust mortality impairment factor x2 | 92,522 | (2,392) | (2.5) |
| HIH Deafness New Claim Reporting Rate +1% | 95,024 | 110 | 0.1 |
| HIH Deafness PPCF +\$2k | 95,100 | 187 | 0.2 |
| HIH Other PO Ratio -5% | 95,286 | 373 | 0.4 |
| HIH Other CED Ratio in first year +5% | 95,519 | 605 | 0.6 |
| HIH Other annuity payment +10% | 95,256 | 342 | 0.4 |
| HIH Other no mortality impairment factor | 96,405 | 1,491 | 1.6 |

- a) Adding/subtracting 1% to each future assumed inflation or discount rate.
b) Adding/subtracting 10% of the liability estimate excluding expenses to the selected Non-HIH Claims Handling Expense assumption only. The net HIH Claims Handling Expense has been assumed to be nil due to the agreement in place with EML Insurance.

While the scenarios and sensitivity examples shown in this section are considered to be reasonable alternative scenarios, they do not represent upper or lower bounds of the estimate of future claims liability.

14. Self-insurers and specialised insurers security deposits and bank guarantees

Under sections 182 and 213-215B of the WCA 1987, the Authority administers security deposits and bank guarantees lodged by self-insurers and specialised insurers.

As the Authority performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Authority's own objectives, these funds are not recognised in the financial statements.

As at 30 June 2020, the Authority held deposits and bank guarantees to the value of \$1,430m (2019: \$1,302m). These deposits and guarantees are held for the payment of all accrued, continuing, future and contingent claims liabilities of self-insurers and specialised insurers under the WCA 1988 which are not otherwise satisfied.

Money deposited with the Authority for this purpose is invested in term deposits with Australian owned banks or authorised securities, which are issued or guaranteed by State or Commonwealth governments. The interest on such investments is paid to each self-insurer and specialised insurer.

A separate bank account for lodgement of cash deposits has been established and the balance of the account as at 30 June 2020 was \$18.09m (2019: \$50k). A reconciliation of the movement in deposits and bank guarantees held by the Authority follows:

| Reconciliation | 2020 | 2019 |
|----------------|------|------|
| | \$m | \$m |

| Reconciliation | 2020 | 2019 |
|----------------------------------|--------------|--------------|
| Balance at beginning of period | 1,302 | 1,298 |
| Deposits and guarantees lodged | 757 | 507 |
| Deposits and guarantees returned | (629) | (503) |
| Balance at end of period | 1,430 | 1,302 |

15. Contingent Liabilities and Contingent Assets

A contingent liability is a possible liability that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Authority. Contingent liabilities are disclosed when the possibility of outflows is higher than remote but less than probable. A contingent asset is the opposite of a contingent liability.

The Authority does not have any known contingent liabilities or assets at 30 June 2020 (2019: Nil).

16. Budget review

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget are not reflected in the budgeted amount. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

16.1. Net result

The approved budget net result of (\$28m) facilitated the remainder of the \$10 reduction in Green Slip prices to reduce the cash holdings in the Motor Accidents Operational Fund. The net result achieved as at 30 June 2020 was \$2.9m largely due to the unclaimed Green Slip refunds of \$38m which will be returned to motorists by reducing the levies which are paid as part of a CTP premium. The levy reduction will be applied to registrations due between 15 January 2020 and 14 January 2021.

16.2. Net assets

The approved budget net assets of \$79m consisted of \$382m total assets and \$303m total liabilities. Total assets consisted of TCorp IGF Investment Trust, cash, assets and receivables. Total liabilities consisted of IGF liabilities, payables and provisions. Net assets as at 30 June 2020 of \$107m indicate the Authority has sufficient assets to meet its liabilities.

16.3. Cash flows

The approved budget cash outflow of (\$14m) facilitated the \$10 reduction in Green Slip prices to reduce the cash holdings in the Motor Accidents Operational Fund.

17. Reconciliation of cash flows from operating activities to net result

A reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income is as follows:

| Reconciliation | 2020 | 2019 |
|------------------------------------------------------------------------------------|---------------|-----------------|
| | \$'000 | \$'000 |
| Net cash used on operating activities | 36,244 | (15,078) |
| Depreciation and amortisation expense | (3,107) | (2,748) |
| Allowance for Impairment | (502) | (185) |
| Decrease/(increase) in provisions | 9,894 | 4,983 |
| Increase/(decrease) in prepayments and other assets | (8,551) | (10,755) |
| Decrease/(increase) in payables | (35,503) | (17,097) |
| Net gain/(loss) on sale of property, plant and equipment and investment properties | 4,499 | 18,085 |
| Net result | 2,974 | (22,795) |

18. Restricted assets

The Authority has direction and management responsibilities for a number of funds. These funds are mutually exclusive. For this reason, these funds are viewed as being 'restricted' and the assets and liabilities in each fund cannot be utilised by the Authority for any purpose other than that specified in the legislation that created these funds.

Details of the operations of these funds are disclosed in the financial statements below.

These funds are:

18.1. Workers Compensation Operational Fund

The Workers Compensation Operational Fund (WCOF) is constituted under Section 34 of the WIMWCA 1998. It is funded from contributions by insurers and self-insurers and it meets the Authority's operating expenses in relation to its Workers Compensation regulatory functions as well as payments to SafeWork NSW as the NSW workplace health and safety regulator, payments to the WCC responsible for the determination of workers compensation disputes and payments to WIRO to manage complaints made.

18.2. Insurers' Guarantee Fund

As a consequence of National Employers' Mutual General Insurance Association Limited being placed into provisional liquidation on 1 May 1990, the Insurers' Guarantee Fund (IGF) was established. Contributions from insurers and distributions by the liquidators are applied to meet the claims costs and administrative expenses of the fund.

The fund also meets the cost of the run-off of remaining claims liabilities of the HIH Insurance Group, the Greatlands General Insurance Co Ltd, Bishopsgate Insurance Australia Ltd, Associated General Contractors Insurance Co Ltd and Rural & General Insurance Limited.

18.3. Home Building Operational Fund

The Home Building Operational Fund (HBOF) is constituted under section 103EF of the HBA 1989. It is primarily funded from contributions by licensed insurers and it meets the Authority's operating expenses in relation to its home building insurance regulatory functions.

18.4. Motor Accidents Operational Fund

The Motor Accidents Operational Fund (MAOF) is constituted under Section 212 of the MAC 1999 and section 10.12 of the MAI 2017. It is funded from levies on CTP premiums and it meets the Authority's operating expenses in relation to its Motor Accidents regulatory functions as well as expenses incurred by Transport for NSW (previously known as Roads and Maritime Services) co-ordinating registration and insurance of motor vehicles, expenses incurred by the Ministry of Health and the Ambulance Service of NSW for hospital and ambulance services to persons with claims under the MAC 1999 and the MAI 2017.

18.5. Nominal Defendant Fund

Under the MAC 1999 and the MAI 2017, the Nominal Defendant meets CTP claims from policies issued by insolvent insurers. For the purposes of the MAC 1999 and the MAI 2017, the Authority is the Nominal Defendant.

Following the collapse of HIH Insurance Limited (HIH), the Nominal Defendant became responsible for the liabilities owed to policy holders. The Nominal Defendant is also entitled to recoveries by the liquidator of HIH from reinsurers of HIH. The Authority engaged Allianz Australia Insurance Limited to manage the claims on its behalf. At 30 June 2020, the HIH liabilities were valued by an independent claims assessor.

Funds held by the Nominal Defendant are only able to be used to meet the obligation of the Nominal Defendant and cannot be used to meet the Authority's operational requirements.

18.6. Terrorism Re-insurance Fund

Section 239AE of the WCA 1987 provides for the establishment of a Terrorism Re-insurance Fund on the first occasion (if any) that a declaration is made under Section 239AD of the WCA 1987.

The purpose of the fund is to meet the cost of workers compensation liabilities of an insurer and/or a self-insurer arising from an act of terrorism.

No declaration has been made under section 239AD and accordingly, the fund has not been established as at the reporting date.

18.7. Home Building Insurer Guarantee Fund

The Fund is constituted under section 1030A of the HBA 1989. It is funded from contributions by licensed insurers for the administration of insolvent insurers at such time and at such amount as determined by the Authority. The Authority has made no such determination to date.

18.8. Statement of comprehensive income for the year ended 30 June 2020

| | WCOF | | IGF | | MAOF | | NDF | | HBOF | | TOTAL | |
|----------------------------------------|----------------|----------------|----------------|---------------|----------------|-----------------|------------|------------|--------------|--------------|----------------|-----------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Expenses including losses | | | | | | | | | | | | |
| Operating expenses | | | | | | | | | | | | |
| Personnel services | 19,225 | 20,269 | 306 | ... | 28,586 | 23,793 | ... | ... | 1,422 | 1,919 | 49,539 | 45,981 |
| Other operating expenses | 29,828 | 35,361 | 892 | 1,367 | 63,858 | 79,001 | 6 | ... | 3,097 | 3,094 | 97,681 | 118,823 |
| Depreciation and amortisation | 1,033 | 1,026 | ... | ... | 2,058 | 1,717 | ... | ... | 16 | 5 | 3,107 | 2,748 |
| Grants and subsidies | 1,845 | 147 | ... | ... | 3,313 | 3,870 | ... | ... | ... | ... | 5,158 | 4,017 |
| Finance costs | 100 | 300 | 933 | 1,925 | 2 | ... | ... | ... | ... | ... | 1,035 | 2,225 |
| Other expenses | 227,296 | 228,063 | (7,407) | 12,654 | 153,688 | 163,299 | ... | 461 | ... | ... | 373,577 | 404,477 |
| Total expenses excluding losses | 279,328 | 285,166 | (5,276) | 15,946 | 251,504 | 271,680 | 6 | 461 | 4,535 | 5,018 | 530,097 | 578,271 |
| Revenue | | | | | | | | | | | | |
| Levies, retained taxes, fees & fines | 279,403 | 279,676 | ... | (2,452) | 231,062 | 243,581 | ... | ... | 4,638 | 4,578 | 515,103 | 527,835 |
| Investment revenue | 388 | 1,634 | 4,684 | 18,398 | 907 | 2,412 | 111 | 140 | (6) | 5 | 6,084 | 22,589 |
| Sale of goods and services | ... | 5,139 | ... | ... | ... | ... | ... | ... | ... | ... | ... | 5,139 |
| Other revenue | 727 | 1,185 | (9,927) | ... | 21,868 | 1,385 | (105) | 321 | ... | ... | 12,563 | 439 |
| Total revenue | 280,518 | 287,634 | (5,243) | 15,946 | 253,837 | 247,378 | 6 | 461 | 4,632 | 4,583 | 533,750 | 556,002 |
| Operating Result | 1,190 | 2,468 | 33 | ... | 2,333 | (24,302) | ... | ... | 97 | (435) | 3,653 | (22,269) |
| Gain/(loss) on disposal | (269) | (341) | (33) | ... | (269) | ... | ... | ... | (102) | ... | (673) | (341) |
| Other gains/(losses) | (148) | (185) | ... | ... | 142 | ... | ... | ... | ... | ... | (6) | (185) |
| Net result | 773 | 1,942 | ... | ... | 2,206 | (24,302) | ... | ... | (5) | (435) | 2,974 | (22,795) |

18.9. Statement of financial position as at 30 June 2020

| | WCOF | | IGF | | MAOF | | NDF | | HBOF | | TOTAL | |
|--------------------------------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------|--------------|------------|------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | |
| Cash and cash equivalents | 92,019 | 61,145 | 1,755 | 1,658 | 67,498 | 76,181 | 21,054 | 7,626 | 290 | (683) | 182,616 | 145,927 |
| Receivables | (5,560) | 11,262 | 403 | 717 | 36,742 | 26,618 | 2,560 | 782 | 235 | 1,277 | 34,380 | 40,656 |
| Financial assets at fair value | ... | ... | 208,476 | 206,800 | ... | ... | ... | ... | ... | ... | 208,476 | 206,800 |
| Total current assets | 86,459 | 72,407 | 210,634 | 209,175 | 104,240 | 102,799 | 23,614 | 8,408 | 525 | 594 | 425,472 | 393,383 |
| Non-current assets | | | | | | | | | | | | |
| Property, plant and equipment | 135 | 3,267 | ... | ... | ... | 149 | ... | ... | ... | ... | 135 | 3,416 |
| Intangible assets | 3,165 | 2,518 | ... | ... | 4,309 | 6,218 | ... | ... | 44 | 58 | 7,518 | 8,794 |
| Total non-current assets | 3,300 | 5,785 | ... | ... | 4,309 | 6,367 | ... | ... | 44 | 58 | 7,653 | 12,210 |
| Total assets | 89,759 | 78,192 | 210,634 | 209,175 | 108,549 | 109,166 | 23,614 | 8,408 | 569 | 652 | 433,125 | 405,593 |
| Liabilities | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | |
| Payables | 46,814 | 29,367 | 652 | 280 | 13,379 | 40,795 | 13,349 | ... | 375 | 455 | 74,569 | 68,314 |
| Provisions | 1,800 | 1,900 | 5,601 | 5,527 | 24,997 | ... | 2,194 | 2,194 | ... | ... | 34,592 | 12,204 |
| Total current liabilities | 48,614 | 31,267 | 6,253 | 5,807 | 38,376 | 40,795 | 15,543 | 2,194 | 375 | 455 | 109,161 | 80,518 |
| Non-current liabilities | | | | | | | | | | | | |
| Payables | (4,181) | 774 | 115,067 | 106,167 | ... | ... | 8,071 | 6,214 | ... | ... | 118,957 | 113,155 |
| Provisions | 9,000 | 10,596 | 89,314 | 97,202 | ... | 403 | ... | ... | ... | ... | 98,314 | 108,201 |
| Total non-current liabilities | 4,819 | 11,370 | 204,381 | 203,369 | ... | 403 | 8,071 | 6,214 | ... | ... | 217,271 | 221,356 |
| Total liabilities | 53,433 | 42,637 | 210,634 | 209,175 | 38,376 | 41,198 | 23,614 | 8,408 | 375 | 455 | 326,432 | 301,874 |
| Net assets | 36,326 | 35,554 | ... | ... | 70,173 | 67,968 | ... | ... | 194 | 197 | 106,693 | 103,719 |
| Equity | | | | | | | | | | | | |
| Accumulated funds | 36,326 | 35,554 | ... | ... | 70,173 | 67,968 | ... | ... | 194 | 197 | 106,693 | 103,719 |
| Total equity | 36,326 | 35,554 | ... | ... | 70,173 | 67,968 | ... | ... | 194 | 197 | 106,693 | 103,719 |

18.10. Statement of cash flows for the period ending 30 June 2020

| | WCOF | | IGF | | MAOF | | NDF | | HBOF | | TOTAL | |
|------------------------------------------------|------------------|------------------|----------------|----------------|------------------|------------------|----------------|----------------|----------------|----------------|------------------|------------------|
| | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 | 2020 \$'000 | 2019 \$'000 |
| Cashflows from Operating Activities | | | | | | | | | | | | |
| Payments | | | | | | | | | | | | |
| Personnel services | (18,630) | (25,130) | (295) | ... | (27,066) | (24,169) | ... | ... | (1,410) | (2,008) | (47,401) | (51,307) |
| Grants and subsidies | (1,845) | (147) | ... | ... | (3,313) | (1,989) | ... | (1,881) | ... | ... | (5,158) | (4,017) |
| Other | (247,380) | (284,708) | 7,123 | (3,512) | (208,356) | (229,145) | 13,603 | 1,551 | (3,232) | (3,088) | (438,242) | (518,902) |
| Total payments | (267,855) | (309,985) | 6,828 | (3,512) | (238,735) | (255,303) | 13,603 | (330) | (4,642) | (5,096) | (490,801) | (574,226) |
| Receipts | | | | | | | | | | | | |
| Sale of goods and services | ... | 5,852 | ... | ... | ... | ... | ... | ... | ... | ... | ... | 5,852 |
| Levies, retained taxes, fees and fines | 290,472 | 267,549 | (10,023) | (2,452) | 227,331 | 251,819 | ... | 299 | 5,766 | 4,577 | 513,546 | 521,792 |
| Interest received | 389 | 1,633 | 7 | 8 | 907 | 2,412 | 111 | 140 | (6) | 6 | 1,408 | 4,199 |
| Other | 12,980 | 25,867 | 795 | (219) | (1,316) | 2,714 | (204) | 22 | (164) | (1,079) | 12,091 | 27,305 |
| Total receipts | 303,841 | 301,901 | (9,221) | (2,663) | 226,922 | 256,945 | (93) | 461 | 5,596 | 3,504 | 527,045 | 559,148 |
| Net Cashflows from Operating Activities | 35,986 | (7,203) | (2,393) | (6,175) | (11,813) | (240) | 13,510 | 131 | 954 | (1,591) | 36,244 | (15,078) |
| Cashflows from Investing Activities | | | | | | | | | | | | |
| Purchases of property, plant and equipment | (2,151) | (3,094) | (33) | ... | (269) | (3,486) | ... | ... | (102) | ... | (2,555) | (6,521) |
| Purchase of investments | ... | ... | ... | (7,000) | ... | ... | ... | ... | ... | ... | ... | (7,000) |
| Proceeds from the sale of investments | ... | ... | 3,000 | ... | ... | ... | ... | ... | ... | ... | 3,000 | ... |
| Net Cashflows from Investing Activities | (2,151) | (3,094) | 2,967 | (7,000) | (269) | (3,486) | ... | ... | (102) | ... | 445 | 479 |
| Net Increase (Decrease) in cash | 33,835 | (10,297) | 574 | 825 | (12,082) | (3,726) | 13,510 | 131 | 852 | (1,532) | 36,689 | (14,599) |
| Opening cash and cash equivalents | 61,145 | 71,442 | 1,658 | 833 | 76,181 | 79,907 | 7,626 | 7,495 | (683) | 849 | 145,927 | 160,526 |
| Closing cash | 94,980 | 61,145 | 2,232 | 1,658 | 64,099 | 76,182 | 21,136 | 7,626 | 169 | (683) | 182,616 | 145,927 |

19. Financial instruments

The Authority's principal financial instruments are outlined below. These financial instruments arise directly from the Authority's operations or are required to finance the Authority's operations. The Authority does not enter into or trade financial instruments, including derivative instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

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

19.1. Financial instrument categories

| Category | | | Carrying amount 2020 | Carrying amount 2019 |
|--------------------------------|-------|-----------------------------------------------------------------|----------------------|----------------------|
| Financial assets | Notes | | \$'000 | \$'000 |
| Cash and cash equivalents | 6 | Amortised cost | 182,616 | 145,927 |
| Receivables 1 | 7 | Amortised cost | 7,646 | 16,910 |
| Financial assets at fair value | 8 | At fair value through profit or loss – mandatory classification | 208,476 | 206,800 |
| Financial liabilities | | | | |
| Class: | | | | |
| Payables 2 | 12 | Financial liabilities measured at amortised cost | 77,549 | 66,437 |

Notes:

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

The authority determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

19.2. Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Authority transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Authority has transferred substantially all the risks and rewards of the asset; or
- The Authority has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When the Authority has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Authority's continuing involvement in the asset. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Authority could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

19.3. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

19.4. Financial risks

19.4.1. Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash, receivables and other authority deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

Credit risk associated with the Authority's financial assets, other than receivables, is managed through a selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW Treasury Corporation (TCorp) are guaranteed by the State.

The Authority considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Authority may also consider a financial asset to be in default when internal or external information indicates that the Authority is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Authority.

Based on the Authority's assessment of the impact of natural disasters (including COVID-19) on the receivables and other assets in the balance sheet, there was no impact. The Authority has assessed the recoverability of its debtors and determined that no additional adjustment to the ECL calculation is required at 30 June 2020.

19.4.2. Cash and cash equivalents

Cash comprises cash on hand, balances held at private financial institutions, term deposits with a maturity of less than three months and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp IGF Investment Trust fund is discussed in market risk below.

19.4.3. Accounting policy for impairment of trade receivables

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Authority applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are reviewed annually with business and is written off where there is a no reasonable expectation of recovery.

The ECL for trade receivables as at 30 June 2020 and 30 June 2019 was determined as follows:

| | Current | <30 days | 30 – 60 days | 61 – 90 days | >91 days | Total |
|------------------------------------------------|-----------|------------|--------------|--------------|--------------|--------------|
| 30 June 2020 | | | | | | |
| Expected credit loss rate | 12% | 29% | 40% | 61% | 71% | 70% |
| Estimated total gross carrying amount (\$'000) | 18 | 2 | ... | 40 | 1,264 | 1,324 |
| Expected credit loss | 2 | 1 | ... | 24 | 901 | 928 |
| 30 June 2019 | | | | | | |
| Expected credit loss rate | 12% | 24% | 28% | 34% | 54% | 50% |
| Estimated total gross carrying amount (\$'000) | 375 | ... | ... | ... | 3,470 | 3,845 |
| Expected credit loss | 43 | ... | ... | ... | 1,868 | 1,911 |

Note – the table excludes prepayments as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the sum of the receivables total in Note 7.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2020 and 30 June 2019. Most of the entity's debtors have a AAA credit rating.

19.4.4. Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW Treasury Circular NSWTC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid, automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Chief Executive or their nominated delegate may automatically pay the supplier simple interest. There was no interest paid in respect of late payment of accounts during the year ended 30 June 2020 (2019: \$nil).

Based on the Authority's assessment of the impact of natural disasters (including COVID-19) on financial liabilities, there was no change to the underlying terms and conditions. The Authority has chosen to reduce the payment period on creditors and other payables to assist with struggling businesses during the COVID-19 period. This has not affected the Authority's ability to settle and pay debts as and when they arise.

19.4.5. Maturity analysis and interest rate exposure of financial liabilities

The table below summarises the maturity profile of the Authority's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

| | Weighted average effective interest rate | Nominal amount | Interest rate exposure | | | Maturity dates | | |
|-------------|------------------------------------------|----------------|------------------------|------------------------|----------------------|----------------|-----------|-----------|
| | | | Fixed interest rate | Variable interest rate | Non-interest bearing | < 1 year | 1-5 years | > 5 years |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2020 | | | | | | | | |
| Payables | N/A | 77,549 | ... | ... | 77,549 | 77,549 | ... | ... |
| 2019 | | | | | | | | |
| Payables | N/A | 71,288 | ... | ... | 71,288 | 71,288 | ... | ... |

19.4.6. 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 Authority's exposure to market risk is primarily through interest rate risk on cash and cash equivalents and other price risks associated with the movement in the unit price of the TCorp IGF Investment Trust. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variance is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the timeframe for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is performed on risk exposures in existence at the Statement of Financial Position reporting date. The analysis is performed on the same basis as for 2019. The analysis assumes that all other variables remain constant.

19.4.7. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Authority's interest-bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with TCorp. The Authority does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the past five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

| Interest rate sensitivity | 2020 | | 2019 | |
|---------------------------------------------|---------|-------|---------|-------|
| | \$'000 | | \$'000 | |
| | -1% | +1% | -1% | +1% |
| Financial Assets: Cash and cash equivalents | 182,616 | | 145,927 | |
| Net Result | (1,826) | 1,826 | (1,459) | 1,459 |
| Equity | (1,826) | 1,826 | (1,459) | 1,459 |

19.4.8. Other price risk – TCorp IGF Investment Trust

Exposure to 'other price risk' primarily arises through the investment in the TCorp IGF Investment Trust which are held for strategic rather than trading purposes. The Authority has no direct equity investments. The Authority holds the following:

| Fund | Investment sectors | Investment horizon | 2020 | 2019 |
|----------------------|--------------------|--------------------|---------|---------|
| | | | \$'000 | \$'000 |
| IGF Investment Trust | Multi asset class | 7 years and over | 208,476 | 206,800 |

TCorp is trustee for the TCorp IGF Investment Trust and is required to act in the best interest of the Authority and to administer the TCorp IGF Investment Trust in accordance with the trust deed. As trustee, TCorp has appointed external managers to manage the performance and risks of each fund in accordance with a mandate agreed by the parties. A significant portion of the administration of the Trust is outsourced to an external custodian. Investments in the TCorp IGF Investment Trust limits the Authority's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information using historically based volatility information collected over a ten-year period, quoted at two standard deviations (i.e. 95% probability). The TCorp IGF Investment Trust is measured at fair value through profit or loss and therefore any change in unit valuation impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit valuation (as advised by TCorp) multiplied by the redemption value as at 30 June each year for the valuation (balance from TCorp IGF Investment Trust statement).

| | Change in valuation | | Impact on profit or loss | |
|----------------------|---------------------|----|--------------------------|----------------|
| | | % | 2020 \$'000 | 2019 \$'000 |
| IGF Investment Trust | +/- | 10 | 20,848 | 16,544 |

19.5. Fair value measurement

19.5.1. Fair value compared to carrying amount

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

19.5.2. Fair value recognised in the Statement of Financial Position

Management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Authority categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets/liabilities that the Authority can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Authority recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

| Fair value hierarchy | Level 1 | Level 2 | Level 3 | Total fair value |
|----------------------|------------|----------------|------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 30 June 2020 | | | | |
| IGF Investment Trust | ... | 208,476 | ... | 208,476 |
| Total | ... | 208,476 | ... | 208,476 |
| 30 June 2019 | | | | |
| IGF Investment Trust | ... | 206,800 | ... | 206,800 |
| Total | ... | 206,800 | ... | 206,800 |

There were no transfers between level 1 and 2 during the periods.

The value of the TCorp IGF Investment Trust is based on the Authority's share of the value of the underlying assets of the facility, based on the market value.

20. Related Party Disclosures

The Authority's key management personnel compensation are as follows:

| Related party disclosure – key management personnel | 2020 | 2019 |
|-----------------------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Short-term employee benefits: | | |
| Salaries | 1,112 | 969 |
| Superannuation | 66 | 54 |
| Total remuneration | 1,178 | 1,024 |

The Authority did not enter into transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof as at 30 June 2020 (2019: Nil).

The Authority entered into transactions with other entities that are controlled/jointly controlled and/or significantly influenced by the NSW Government. These transactions in aggregate are a significant portion of the Authority's sale of goods/rendering of services/receiving of services.

The Authority's transactions with NSW Government entities are as follows:

| Related party disclosure – NSW Government | 2020 | 2019 |
|-------------------------------------------|--------|--------|
| | \$'000 | \$'000 |
| Income | | |
| Department of Customer Service | 53 | 13,282 |
| icare | 220 | ... |
| Ambulance Service of NSW | 3,514 | ... |
| NSW Ministry of Health | 2,015 | 1,319 |

| Related party disclosure – NSW Government | 2020 | 2019 |
|-------------------------------------------|---------|---------|
| Expenditure | | |
| NSW Ministry of Health | 112,137 | 118,897 |
| Ambulance Service of NSW | 36,885 | 39,452 |
| Roads and Maritime Service | 4,666 | 4,950 |
| Department of Customer Service | 94,158 | 78,531 |
| Service NSW | 393 | 8,213 |
| icare | 7,078 | 5,807 |
| Crown Solicitor's Office | 307 | 199 |
| Department of Communities and Justice | 3,839 | ... |
| Northern Sydney Local Health District | 1,290 | 675 |
| Government Records Repository | 220 | 117 |
| Transport for NSW | 880 | 2,311 |
| NSW Treasury | 259 | 1,025 |

21. Transfer payments

Sections 214 of the MAC 1999 and 10.16 of the MAI 2017 define the Fund levy contribution required from persons to whom CTP policies are issued and the amounts to be contributed to the relevant funds (MAOF, Motor Accident injuries Treatment and Care Benefits (MAITCB) Fund and the Lifetime Care and Support Authority (LCSA) Fund). Sections 214A of the 1999 Act and 10.17 of the MAI 2017 direct that the total Fund levy amounts collected by insurers are to be paid to the Authority.

The Fund levy is made up of three separate components of which two components are subsequently transferred to the Lifetime Care and Support Authority as it is the eligible beneficiary:

- the MAOF Fund component, as determined under section 10.13 (d) of the 2017 Act, which is managed and controlled by the Authority.
- the MAITCB Fund component, as determined under section 10.15 (d) of the 2017 Act, which is managed and controlled by the LCSA.
- The LCSA General Fund component, determined under section 49 of the *Motor Accidents (Lifetime Care and Support) Act 2006*, which is managed and controlled by the LCSA.

The MAITC component and LCSA component received and transferred to the relevant recipient during the reporting period were:

| Transfer payments | 2020 | 2019 |
|-----------------------------|---------|---------|
| | \$'000 | \$'000 |
| MAITC Fund Component | 65,760 | 60,718 |
| LCSA General Fund Component | 461,101 | 461,483 |

22. Administered assets and liabilities

After the MAI 2017 commenced on 1 December 2017, the Authority commenced a Refund programme for NSW vehicle owners to refund excess premiums paid under the old scheme. Most vehicles with a registration effective prior to 1 December 2017 were entitled to a refund on the component of the premium falling after this date. The insurers are responsible for identifying all eligible policyholders and calculating the gross refunds and funding the refund.

Service NSW managed the refund process for most vehicle owners. The refund amounts were provided by the Insurers and were held in trust by the Authority, with lump sums transferred from the Authority to Service NSW as the claims for the Refund are processed and made available to customers. The Refund programme ceased on 30 September 2019.

The residual amounts of unearned premium surplus held by the Authority after 30 September 2019 have been applied to the MAOF to keep MAOF levies on CTP policies lower for the period 15 January 2020 to 14 January 2021 and to promote the efficiency and effectiveness of the motor accidents scheme.

| Administered assets and liabilities | 2020 | 2019 |
|-------------------------------------|--------|--------|
| | \$'000 | \$'000 |
| Administered assets | | |
| Cash at bank | ... | 30,438 |
| Administered liabilities | | |
| Payables – CTP refund | ... | 30,438 |

23. After Balance Date Events

The Authority is not aware of any circumstances that occurred after balance date that would render particulars included in the financial statements to be misleading.

End of financial statements

Appendix 1: Legislation

Principal legislation under which statutory body operates

The following legislation was allocated to the Minister for Customer Service in 2019-20:

- *Associated General Contractors Insurance Company Limited Act 1980*
- *Bishopsgate Insurance Australia Limited Act 1983*
- *Home Building Act 1989* (Parts 6, 6B and 6C)
- *Motor Accident Injuries Act 2017*
- *Motor Accidents Act 1988*
- *Motor Accidents Compensation Act 1999*
- *Motor Vehicles (Third Party Insurance) Act 1942*
- *State Insurance and Care Governance Act 2015* (SICG Act) (except parts, the Treasurer)
- *Workers Compensation Act 1987* (WCA 1987) (except Part 4 and Division 1A of Part 7, the Treasurer)
- *Workplace Injury Management and Workers Compensation Act 1998* (WIMWCA 1998) (except parts, jointly with the Attorney General, and Minister for the Prevention of Domestic Violence, and parts, the Attorney General, and Minister for the Prevention of Domestic Violence).

Changes in Acts and subordinate legislation

Amending subordinate legislation

- *Motor Accidents Compensation (Determination of Loss) Amendment Order 2019*
- *Motor Accidents (Determination of Non-Economic Loss) Amendment Order 2019*
- *Motor Accident Injuries (Indexation) Amendment Order 2019*
- *Motor Accident Injuries (Indexation) Amendment Order 2020*
- *Workers Compensation Amendment (COVID-19) Regulation 2020*
- *Workers Compensation Amendment (Minimum Pre-injury Average Weekly Earnings) Regulation 2019*
- *Workers Compensation Amendment (Pre-injury Average Weekly Earnings) Regulation 2019*
- *Workers Compensation (Indexation) Amendment (No 2) Order 2019*
- *Workers Compensation (Indexation) Amendment Order 2020*
- *Workers Compensation (Indexation) Amendment Order (No 2) 2020*

Appendix 2: Policy Attestations

Cyber security

Appendix 2: Policy Attestations

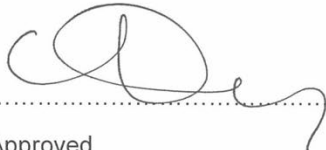
Cyber security

Cyber Security Annual Attestation Statement for the 2019-2020 Financial Year for the State Insurance Regulatory Authority.

I, Carmel Donnelly, Chief Executive of the State Insurance Regulatory Authority, am of the opinion that the State Insurance Regulatory Authority have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Risks to the information and systems of State Insurance Regulatory Authority have been assessed and a risk mitigation plan being implemented. Governance is in place to manage the cyber security maturity of State Insurance Regulatory Authority.

An independent review of the effectiveness of the State Insurance Regulatory Authority's controls against the mandatory requirements of the NSW Cyber Security Policy was undertaken by Shearwater Solutions Pty Ltd and found to be properly addressed in a timely manner.



Approved

Carmel Donnelly
Chief Executive
State Insurance Regulatory Authority (SIRA)

29/09/2020

Internal audit and risk management

Internal audit and risk management

Internal audit and risk management attestation statement

Internal Audit and Risk Management Attestation Statement for the 2019-2020 Financial Year for State Insurance Regulatory Authority

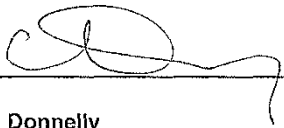
I, Carmel Donnelly, Chief Executive, am of the opinion that the State Insurance Regulatory Authority (SIRA) has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

| Core Requirements | For each requirement, please specify whether compliant, non-compliant, or in transition |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Risk Management Framework | |
| 1.1 The agency head is ultimately responsible and accountable for risk management in the agency | Compliant |
| 1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009 | Compliant |
| Internal Audit Function | |
| 2.1 An internal audit function has been established and maintained | Compliant |
| 2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing | Compliant |
| 2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter' | Compliant |
| Audit and Risk Committee | |
| 3.1 An independent Audit and Risk Committee with appropriate expertise has been established | Compliant |
| 3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations | Compliant |
| 3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter' | Compliant |

Membership

The chair and members of the Audit and Risk Committee are:

- Dr Abby Bloom, Independent Chair, from 19 February 2019 to 18 February 2022
- Nancy Milne OAM, Independent Member, from 19 February 2019 to 18 February 2022
- Trevor Matthews, Independent Member, 19 April 2019 – 18 April 2022
- Graeme Innes, Independent Member, from 13 September 2017 to 12 September 2023



Carmel Donnelly
Chief Executive
State Insurance Regulatory Authority (SIRA)

29/09/2020

Risk management

SIRA adheres to the former Department of Finance, Services and Innovation (now DCS) Integrated Risk and Opportunity Management Policy and the Risk and Resilience Policy and Framework, which apply the principles of AS/NZS ISO 31000:2018 Risk Management and are in accordance with NSW Treasury Internal Audit and Risk management Policy for the NSW Public Sector (TPP 15-03).

SIRA has implemented a risk management process that identifies operational and strategic risks and assigns executive risk owners to those risks. Risk are evaluated, and treatment strategies identified and implemented.

SIRA develops risk management in line with the Cluster approach, focusing on risks to injured people, scheme viability and corporate compliance. Regular reporting of risk management activities is made to the SIRA Audit and Risk Committee and SIRA Board.

Insurance activity

SIRA is a member agency of TMF. Our insurance policy is based on TMF's statement of cover. TMF is a self-insurance scheme managed by icare.

The TMF provides the following areas of cover for SIRA:

- workers compensation
- motor vehicle
- property
- general liability
- miscellaneous risks

Table A: Number of claims

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|----------------------|----------|----------|----------|----------|----------|
| Workers compensation | 2 | 5 | 7 | 5 | 6 |
| Motor vehicle | ... | ... | 2 | 1 | ... |
| Liability | ... | 3 | ... | ... | 1 |
| Total | 2 | 8 | 9 | 6 | 7 |

Table B: Net incurred claims cost

| \$ | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|----------------------|---------------|----------------|---------------|---------------|----------------|
| Workers compensation | 53,402 | 144,432 | 49,061 | 53,446 | 77,781 |
| Motor vehicle | ... | ... | 5,037 | 3,774 | ... |
| Liability | ... | 49,300 | ... | ... | 49,730 |
| Total | 53,402 | 193,732 | 54,098 | 57,220 | 127,511 |

There has been a significant fluctuation in claims numbers from the 2018-2019 SIRA Annual Report:

This is contributed to:

1. Claims are active when a payment is made on a claim (reportable)
2. Delays in claims lodgement

*For example, a claim may initially be reasonable excused and then accepted or a declined claim could be overturned at the commission

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

State Insurance Regulatory Authority

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the State Insurance Regulatory Authority (the Authority), which comprises the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Authority in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

The Authority's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Chief Executive Officer of the Authority is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Chief Executive Officer.

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

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

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Chief Executive Officer's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Chief Executive Officer 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.

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
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Authority carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Weini Liao
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

2 October 2020
SYDNEY

Appendix 3: Ministerial Directions

The Minister for Customer Service issued no Ministerial directions under section 20 of the SICC Act in 2019-20.

Appendix 4: Numbers and remuneration of senior executives

Number of senior executives

| Description | 2018-19 | | 2019-20 | |
|-----------------------------|---------|------|---------|------|
| | Female | Male | Female | Male |
| Band 1 (Director) | 8 | 6 | 8 | 8 |
| Band 2 (Executive Director) | 2 | 2 | 2 | 2 |
| Band 3 (Deputy Secretary) | 1 | - | 1 | - |
| Total | 11 | 8 | 11 | 10 |

Remuneration of senior executives

| Description | 2018-19 | | 2019-20 | |
|-----------------------------|------------------------|----------------------|-----------------------|----------------------|
| | Salary range (\$) | Average remuneration | Salary range (\$) | Average remuneration |
| Band 1 (Director) | \$187,900 to \$268,000 | \$232,057 | \$192,600 - \$274,700 | \$236,541 |
| Band 2 (Executive Director) | \$268,001 to \$337,100 | \$289,311 | \$274,701 - \$345,550 | \$301,557 |
| Band 3 (Deputy Secretary) | \$337,101 to \$475,150 | \$409,750 | \$345,551 - \$487,050 | \$419,994 |

Appendix 5: Obligations under *Government Information (Public Access) Act 2009*

Access to government information

Review of proactive release program

The *Government Information (Public Access) Act 2009* (GIPA Act) provides an open and transparent process for giving the public access to government information held by NSW public sector agencies, and to encourage the proactive public release of government information.

SIRA primarily uses its website to release information that is considered to be in the public interest, including forms, publications, codes, guides, manuals and policies, as well as regular scheme performance reports.

SIRA uses social media outlets, including Facebook and LinkedIn, to increase awareness of public consultations and guidance information and resources.

Open Data Tool

SIRA launched a new analytic tool to allow the general public to access key data and monitor trends in the workers compensation and CTP schemes. SIRA uses this tool to actively release key analytical data surrounding claims, including the cost of claims, insurer performance, return to work rates, premiums collected, comparison of insurers and more. This flexible tool provides the general public the ability to filter the data in search for information of specific interest to them. There are numerous functions available and ways in which the data can be displayed.

Information that has been proactively released throughout 2019-20 includes:

- HBC (Home Building Compensation) Check
- Independent actuarial reports on Compulsory Third Party (CTP) premium parameters
- Report on the SIRA Review of Nominal Insurer
- Report on the SIRA Review into work-related hearing loss in NSW workers compensation system
- Workers compensation insurer data reporting requirements
- Dust diseases contributions 2020-2021
- SIRA Annual Report 2018-2019
- Standards of practice
 - Green Slip scheme quarterly insights – March 2019
 - CTP Scheme Performance Report 2019
- CTP Scheme (1999 Scheme) Performance Report 2019
- CTP insurer claims experience and customer feedback comparison – June 2019
- CTP insurer claims experience and customer feedback comparison – September 2019
- CTP insurer claims experience and customer feedback comparison – December 2019
- CTP insurer claims experience and customer feedback comparison – March 2020
- Monthly SIRA Board communiques
- NSW Supplement to the Guide: Nationally consistent approval framework for workplace rehabilitation providers
- Workers compensation medical dispute assessment guidelines
- Home building compensation (contribution) AIP (alternative indemnity product) guidelines

- Reporting on COVID-19 related workers compensation claims
- COVID-19 CTP and workers compensation insurance updates
- SIRA Multicultural Plan 2019-2020
- 21-Point Action Plan Update
- Workers compensation system monthly dashboard
- Best practice Opioid management
- Workers compensation fees and rates orders

Formal access applications

A total of 31 formal access applications were received during the 2019-20 financial year. This includes withdrawn applications and transferred applications but excludes invalid applications. Additionally, SIRA processed 25 informal applications during this period.

A detailed analysis of the formal access applications, excluding three transferred applications, received throughout 2019-20 is included in Table 1 to Table 9.

Table 1 Number of applications by type of applicant and outcome¹⁷

| | Access granted in full | Access granted in part | Access refused in full | Information not held | Information already available | Refuse to deal with application | Refuse to confirm/ deny whether information is held | Application withdrawn | Total |
|-------------------------------------------------------------|------------------------|------------------------|------------------------|----------------------|-------------------------------|---------------------------------|-----------------------------------------------------|-----------------------|-----------|
| Media | 3 | ... | ... | ... | ... | 1 | ... | ... | 4 |
| Members of Parliament | 1 | 2 | ... | 1 | ... | ... | ... | 2 | 6 |
| Private sector business | ... | ... | ... | ... | ... | ... | ... | ... | 0 |
| Not for profit organisations or community groups | ... | ... | 1 | ... | ... | ... | ... | ... | 1 |
| Members of the public (application by legal representative) | 1 | 1 | 1 | 1 | ... | ... | ... | 2 | 6 |
| Members of the public (other) | 6 | 3 | 2 | 2 | ... | ... | ... | 1 | 14 |
| Total | 11 | 6 | 4 | 4 | 0 | 1 | 0 | 5 | 31 |

¹⁷ More than one decision can be made in respect of a single access application. If so, a recording must be made in relation to each such decision.

Table 2 Number of applications by type of application and outcome ¹⁸

| | Access granted in full | Access granted in part | Access refused in full | Information not held | Information already available | Refuse to deal with application | Refuse to confirm/ deny whether information is held | Application withdrawn | Total |
|----------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|----------------------|-------------------------------|---------------------------------|-----------------------------------------------------|-----------------------|-----------|
| Personal information applications ¹⁹ | 2 | 2 | 2 | 2 | ... | ... | ... | 2 | 10 |
| Access applications (other than personal information applications) | 8 | 2 | 1 | 1 | ... | 1 | ... | 3 | 16 |
| Access applications that are partly personal information applications and partly other | 1 | 2 | 1 | 1 | ... | ... | ... | ... | 5 |
| Total | 11 | 6 | 4 | 4 | 0 | 1 | 0 | 5 | 31 |

¹⁸ More than one decision can be made in respect of a single access application. If so, a recording must be made in relation to each such decision.

¹⁹ A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table 3 Invalid applications

| Reason for invalidity | Number of applications |
|------------------------------------------------------------------------------------|------------------------|
| Application does not comply with formal requirements (section 41 of the GIPA Act) | 1 |
| Application is for excluded information of the agency (section 43 of the GIPA Act) | 0 |
| Application contravenes restraint order (section 110 of the GIPA Act) | 0 |
| Total number of invalid applications received | 1 |
| Invalid applications that subsequently became valid applications | 0 |

Table 4 Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act

| | Number of times consideration used ²⁰ |
|-------------------------------------------------------|--------------------------------------------------|
| Overriding secrecy laws | 0 |
| Cabinet information | 0 |
| Executive Council information | 0 |
| Contempt | 0 |
| Legal professional privilege | 0 |
| Excluded information ²¹ | 1 |
| Documents affecting law enforcement and public safety | 0 |
| Transport safety | 0 |
| Adoption | 0 |
| Care and protection of children | 0 |
| Ministerial code of conduct | 0 |
| Aboriginal and environmental heritage | 0 |

Table 5 Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act

| | Number of applications |
|-----------------------------------------------------------|------------------------|
| Responsible and effective government | 4 |
| Law enforcement and security | 1 |
| Individual rights, judicial processes and natural justice | 8 |

²⁰ More than one public interest consideration may apply in relation to a single access application and, if so, each such consideration is to be recorded (but only once per application).

²¹ Excluded information includes excluded from Agency only (not excluded due to being held by Nominal Insurer).

| | Number of applications |
|----------------------------------------------------------------------|------------------------|
| Business interests of agencies and other persons | 3 |
| Environment, culture, economy and general matters | 0 |
| Secrecy provisions | 3 |
| Exempt documents under interstate Freedom of Information legislation | 0 |

Table 6 Timeliness

| | Number of applications |
|----------------------------------------------------------------------|------------------------|
| Decided within the statutory timeframe (20 days plus any extensions) | 22 |
| Decided after 35 days (by agreement with applicant) | 0 |
| Not decided within time (deemed refusal) | 0 |
| Total | 22 |

Table 7 Number of applications reviewed under Part 5 of the GIPA Act by type of review and outcome

| | Decision varied | Decision upheld | Total |
|-----------------------------------------------------------------------|-----------------|-----------------|-------|
| Internal review | 0 | 1 | 1 |
| Review by Information Commissioner ²² | 0 | 0 | 0 |
| Internal review following recommendation under section 93 of GIPA Act | 0 | 0 | 0 |
| Review by NCAT | 0 | 0 | 0 |
| Total | 0 | 1 | 1 |

Table 8 Applications for review under Part 5 of the GIPA Act by type of applicant

| | Number of applications for review |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Applications by access applicants | 2 |
| Applications by persons to whom information the subject of access applications relates (see section 54 of the GIPA Act) | 0 |

²² The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table 9 Applications transferred to other agencies under Division 2 of Part 4 of the GIPA Act by type of transfer

| Number of applications transferred | |
|------------------------------------|---|
| Agency-initiated transfers | 3 |
| Applicant-initiated transfers | 0 |

Appendix 6: Privacy and personal information

Privacy laws

SIRA takes the privacy of the citizens of NSW and of its employees seriously and has mechanisms to protect personal information held or accessed by SIRA or its authorised representatives. These include compliance with legislation, our privacy management plan and framework, digital information and staff onboarding procedures.

The Privacy Management Plan demonstrates how SIRA upholds and respect the privacy of its customers, staff and others about whom it holds personal information. The plan also demonstrates how SIRA meets its privacy obligations under the *Privacy and Personal Information Act 1998* (PPIP Act) and the *Health Records and Information Privacy Act 2002* (HRIP Act).

In 2019-20, SIRA championed Privacy Awareness Week and held a number of activities to promote awareness amongst staff on how to know, understand, and comply with their privacy obligations.

Privacy applications

In 2019-20, SIRA received zero applications for an internal review of conduct relating to the use, access or disclosure of personal information.

Appendix 7: Response to Audit

Response to significant matters raised in the outgoing audit report

There were no significant matters raised in the outgoing audit report.

Appendix 8: Accounts Payable Information

Yearly data

| Description | Number/percentage | Value (\$'000) |
|-----------------------------------------------|-------------------|----------------|
| Goods and services payments within 30 days | 11,542 | 290,152 |
| Goods and services payments exceeding 30 days | 2,169 | 47,944 |
| Total goods and services payments | 13,711 | 338,096 |
| Percentage exceeding 30 days | 16% | 14% |
| | | |
| Small business payments within 30 days | 56 | 131 |
| Small business payments exceeding 30 days | 33 | 96 |
| Small business total payments | 89 | 227 |
| Small business percentage exceeding 30 days | 37% | 42% |

Quarterly data

| Description | Quarter 1 | | Quarter 2 | | Quarter 3 | | Quarter 4 | |
|-----------------------------------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
| | No. | Value (\$'000) | No. | Value (\$'000) | No. | Value (\$'000) | No. | Value (\$'000) |
| Goods and services payments within 30 days | 3,396 | 43,987 | 3,539 | 31,497 | 2,717 | 112,431 | 1,890 | 102,237 |
| Goods and services payments exceeding 30 days | 587 | 8,232 | 322 | 21,599 | 568 | 2,669 | 692 | 15,444 |
| Total goods and services payments | 3,983 | 52,219 | 3,861 | 53,097 | 3,285 | 115,101 | 2,582 | 117,680 |
| Percentage exceeding 30 days | 15% | 16% | 8% | 41% | 17% | 2% | 27% | 13% |
| Small business payments within 30 days | 19 | 19 | 16 | 63 | 12 | 34 | 9 | 15 |

| Description | Quarter 1 | | Quarter 2 | | Quarter 3 | | Quarter 4 | |
|---------------------------------------------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|
| | No. | Value (\$'000) | No. | Value (\$'000) | No. | Value (\$'000) | No. | Value (\$'000) |
| Small business payments exceeding 30 days | 5 | 8 | 2 | 2 | 16 | 62 | 10 | 24 |
| Small business total payments | 24 | 26 | 18 | 65 | 28 | 95 | 19 | 40 |
| Small business percentage exceeding 30 days | 21% | 29% | 11% | 4% | 57% | 65% | 53% | 61% |

Appendix 9: Overseas Travel

There was no overseas travel in 2019-20.

Appendix 10: Consultants

A consultant is an individual, or organisation, engaged to provide recommendations or high-level specialist or professional advice to assist in the decision-making by management. Their role is advisory in nature.

| Vendor | Description | Total |
|----------------------------------------|---------------------------------------------------------------------|--------------------|
| Ernst & Young | Actuarial services – Motor Accidents Insurance Regulation (MAIR) | \$4,688,119 |
| Ernst & Young | Actuarial services - Workers Compensation Regulation (WCR) | \$1,731,325 |
| Ernst & Young | Health Care Review - Health Policy, Prevention & Supervision (HPPS) | \$1,005,582 |
| Ernst & Young | Nominal Insurer Review - Workers Compensation Regulation (WCR) | \$427,502 |
| Taylor Fry Consulting | Actuarial Services - Motor Accidents Insurance Regulation (MAIR) | \$693,263 |
| Taylor Fry Consulting | Actuarial Services - Home Building Regulation (HBR) | \$342,122 |
| Nous Group | Data Strategy & Roadmap Development - Governance | \$115,500 |
| Total greater than \$50,000 | | \$9,003,413 |
| Plus 14 Consultants less than \$50,000 | Actuarial services & legal advisory services | \$230,268 |
| Total consultants | | \$9,233,681 |

Appendix 11: Land disposal

SIRA did not dispose of any property in 2019-20.

Appendix 12: Board composition and meetings

Composition of the Board

The SIRA Board is established under section 18 of the SICG Act. The SIRA Board members are serving the following terms:

| Member | Member type | Current term | Previous term |
|----------------------|-----------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Mr Trevor Matthews | Appointed member and Chairperson | 16 November 2018 – 15 November 2021 | 16 November 2015 – 15 November 2018 |
| Ms Nancy Milne OAM | Appointed member and Deputy Chairperson | 16 November 2018 – 15 November 2021 | 16 November 2015 – 15 November 2018 |
| Prof. Abby Bloom | Appointed member | 16 November 2018 – 15 November 2020 | 16 November 2015 – 15 November 2018 |
| Dr Graeme Innes AM | Nominee of the Secretary, DCS | 16 November 2018 – 15 November 2021 (Ex-officio) | 1 November 2016 – 15 November 2018 (Ex-officio) |
| The Hon Greg Keating | Appointed member | 7 December 2018 – 15 November 2021 | Not applicable |
| Mr Rod Stowe PSM | Appointed member | 16 November 2018 – 15 November 2020 | Not applicable |
| Ms Carmel Donnelly | Chief Executive of SIRA | Ex-officio capacity during SIRA Chief Executive tenure | Ex-officio capacity during SIRA Chief Executive tenure |

Meetings

The SIRA Board met 10 times in 2019-20, with meetings held on the following dates:

1. 29 July 2019
2. 22 August 2019
3. 24 September 2019
4. 25 October 2019
5. 22 November 2019
6. 12 December 2019
7. 21 February 2020
8. 27 March 2020
9. 22 May 2020
10. 23 June 2019

Attendance

Board meeting attendance was as follows:

- Mr Matthews, Ms Milne, Dr Innes and Mr Keating attended all 10 meetings
- Prof. Bloom and Mr Stowe attended nine meetings
- Ms Donnelly attended all 10 meetings in an ex-officio capacity as SIRA Chief Executive.

Appendix 13: Research funding

Research – Insights for optimal customer health outcomes

In 2019-20, SIRA continued a program of research to inform and support evidence-based improvements in road safety, work injury prevention, recovery from injury, return to work, and personal injury compensation scheme design.

This included strategic partnerships with the John Walsh Centre for Rehabilitation Research and Transport for NSW's Centre for Road Safety.

As a result of COVID-19, a number of projects within SIRA's research program were delayed or placed on temporary hold. These projects will recommence in 2020-21.

Key activities include:

- Commenced psychological injury mapping project with Monash University to identify and document opportunities to prevent and more effectively manage psychological injury claims, and to support the recovery and return to work of people with psychological injury claims, in the New South Wales CTP and workers' compensation schemes.
- Completion of a comprehensive spine surgery study measuring rates, costs and recovery outcomes of spinal surgery completed within the workers compensation scheme. The insights that are being collated will be critical in scheme design and policy development to support workers with spinal injuries.
- In collaboration with the National Road Safety Partnership Program, providing funding and in-kind support to a national Suicide in Road Transport working group. The group brings together industry representatives, experts and government bodies to better understand the issue of suicide in road transport and collaboratively identify and explore opportunities to address the issue.
- Commencement of a health economic evaluation of Macquarie University's online pain course. The suite of research for the online Pain Course has been one of SIRA's most rigorous and successful research projects in psychological treatment and pain management. The evaluation will provide critical insights for effective planning and decision making, and the realisation of the potential of the telehealth programs for Australians with chronic pain.

| Total grants for 2019-20 | Amount |
|---------------------------------------------|----------------|
| | \$'000 |
| Total Motor Accidents Operational Fund | \$3,451 |
| Total Workers Compensation Operational Fund | \$421 |
| Total | \$3,873 |

Research and education programs funded from the Motor Accidents Operating Fund in 2019-20

| Recipient | Details | Nature | Amount |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------|
| | | | \$'000 |
| University of Sydney | An observational study of the development of a psychological injury after a motor vehicle accident | Research | \$60 |
| Whitlam Orthopaedic Research Centre | A randomised control trial of mild opioids vs strong opioids for the treatment of post-discharge pain after orthopaedic fracture. | Research | \$43 |
| University of Sydney | A controlled prospective cohort study to determine the risk of psychological distress and poor recovery 6 to 12 months after a road crash. | Research | \$46 |
| University of Sydney | A randomised control trial of two email-delivered interventions designed to improve and maintain physical health and strengthen the mental health of people who have entered the comprehensive third-party (CTP) compensation system after a motor vehicle crash | Research | \$13 |
| Northern Sydney Local Health District | Evaluation of the 2017 Compulsory Third Party (CTP) Legislative Changes in New South Wales – health outcomes after motor vehicle crash injury | Research | \$358 |
| Transport for NSW's Centre for Road Safety | Safer Drivers Course implementation and resource renewal | Research | \$500 |
| Transport for NSW's Centre for Road Safety | MotoCAP membership subscription and program support | Research | \$100 |
| Transport for NSW's Centre for Road Safety | Project targeting disadvantaged people who face barriers entering the licensing system | Research | \$300 |
| Transport for NSW's Centre for Road Safety | Road safety data linkage program with NSW Police and Ministry of Health | Research | \$200 |
| Transport for NSW's Centre for Road Safety | Motorcycle safety campaign aims to improve the understanding of risk factors and influence key riding and driving | Education | \$400 |
| Transport for NSW's Centre for Road Safety | Pedestrian safety campaign that aims to reduce risky or non-compliant behaviour by road users when crossing the road | Education | \$400 |

| Recipient | Details | Nature | Amount |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------|
| Transport for NSW's Centre for Road Safety | Resources for driving instructors and supervising drivers (on-line education modules) | Education | \$80 |
| Transport for NSW's Centre for Road Safety | Vehicle as a workplace engagement program targeting small to medium employers across NSW with small fleets, and larger employers in regional and remote areas, before including large urban employers, large state-wide employers and NSW Government departments and agencies. | Research | \$250 |
| Transport for NSW's Centre for Road Safety | Australasian New Car Assessment Program (ANCAP) Vehicle Safety Research Sub-Council Membership | Education | \$27 |
| Northern Sydney Local Health District | John Walsh Centre for Rehabilitation Research will develop an interdisciplinary centre of academic excellence in injury-related disability, rehabilitation and the impact of compensation on recovery | Research | \$524 |
| Northern Sydney Local Health District | John Walsh Centre best practice opioids and pain management rapid reviews | Research | \$30 |
| University of Sydney | Enhancement of MyWhiplash Navigator website | Education | \$27 |
| Research Impact Academy | Impact evaluation of John Walsh Centre for Rehabilitation Research investment 2014-2019 | Research evaluation | \$90 |
| Total | | | \$3,451 |

Research programs and education funded from the Workers Compensation Operational Fund in 2019-20

| Recipient | Details | Nature | Amount |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------|
| | | | \$'000 |
| Monash University | Psychological injury mapping project to identify and effectively manage psychological injury claims, and to support the recovery and return to work of people with psychological injury claims, in the New South Wales CTP and workers' compensation | Research | \$36 |
| Ingham Institute | Project to implement an audit of elective (non-traumatic) spine surgery within the workers' compensation system in NSW | Research | \$112 |

| Recipient | Details | Nature | Amount |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|
| Monash University | A study to develop Mental Health clinical guidelines to help GPs improve their management of patients with work related mental health conditions | Research | \$100 |
| Macquarie University | Health economic evaluation of online pain course | Research | \$35 |
| ELMATOM | Delivery of a Fire Fighters Cancer Evidence Review | Research | \$24 |
| ELMATOM | Deemed diseases evidence review | Research | \$28 |
| University of Newcastle | Study assessing the impacts of COVID-19 on return to work outcomes in small business. | Research | \$54 |
| University of Newcastle | Study to map the impacts of COVID-19 on the mental health of micro-business owners. | Research | \$18 |
| Northern Sydney Local Health District | Vocational programs rapid review | Research | \$15 |
| Total | | | \$421 |

Appendix 14: Statement as required by the *Carers (Recognition) Act 2010*

SIRA's role as a human service agency

SIRA provides services for carers and people being cared for by carers. SIRA's services include information and advice about injury compensation and rehabilitation and dispute resolution services for people injured in motor vehicle or workplace accidents. This includes people who have acquired disability, their families and carers. As a result, SIRA meets the definition of a human service agency under the *Carers (Recognition) Act 2010*.

Under section 8 of the *Carers (Recognition) Act 2010*, a human service agency must take all reasonable steps to ensure that the agency, and the members of staff and agents of the agency, take action to reflect the principles of the NSW Carers Charter. A human service agency must prepare a report on its compliance with the *Carers (Recognition) Act 2010* in each reporting period. The report must be included in the agency's annual report for the reporting period.

SIRA recognises the valuable social and economic contribution that carers make to the community.

As SIRA reviews and updates its guidelines and public information, SIRA is working to recognise the unique knowledge and experience of carers and to ensure the relationship between carers and the people they care for is respected.

In stewarding injury insurance systems and providing advice to Government, SIRA takes the view that the health, wellbeing and community participation of carers should be supported so that carers can balance their caring role with other roles, such as work and education.

As an employer, regulator and service provider, SIRA is committed to being an inclusive organisation that is welcoming and supportive of diversity.

Reflecting the principles of the NSW Carers Charter

SIRA ensures its organisation and work reflect the principles of the NSW Carers Charter by:

- seeking feedback from carers' associations when developing guidelines or principles for the insurers SIRA regulates related to treatment and care for injured people
- providing customer services that recognise that the customer may be the injured person's carer
- supporting flexible work arrangements and providing specific carer and family support programs
- maintaining support for a carers employee resource group and having carers as a focus of our internal Diversity Advisory Council.

Appendix 15: Publication notes

Download a copy of this annual report from onegov.nsw.gov.au.

Contact SIRA

Business Hours

SIRA's business hours are 8:30 am to 5:00 pm weekdays.

Phone

Green Slip and motor accidents compensation:

1300 656 919

Workers compensation and home building:

13 10 50

Access for deaf, hard of hearing or speech-impaired people

You can contact SIRA through the National Relay Service. Just ask for the relevant number listed above.

If you need an interpreter, you can contact SIRA through TIS National by calling 13 14 50 and asking for the relevant number listed above.

Online Forms

You can contact SIRA using the online forms on our website at www.sira.nsw.gov.au.

Addresses

For Green Slip and motor accidents:

Levels 14-15, 231 Elizabeth St, Sydney NSW 2000

For workers compensation and home building:

92-100 Donnison Street, Gosford NSW 2250

State Insurance Regulatory Authority, Locked Bag 2906, Lisarow NSW 2252

Acronyms

| | |
|----------------|---------------------------------------------------------------------------------|
| AASB | Australian Accounting Standards Board |
| ANCAP | Australasian New Car Assessment Program |
| CARS | Claims Assessment and Resolution Service |
| CTP | Compulsory Third Party |
| CES | Customer Effort Score |
| DCS | Department of Customer Service |
| DRS | Dispute Resolution Services |
| ERG | Employee Resource Groups |
| GPs | General practitioners |
| GIPA | Government Information (Public Access) |
| RTW Guidelines | Guidelines for workplace return to work programs |
| HBC | Home Building Compensation |
| SICG Act | State Insurance and Care Governance Act 2015 |
| HBA 1989 | Home Building Act 1989 |
| ILARS | Independent Legal Aid Referral Service |
| icare | Insurance and Care NSW |
| IGF | Insurers' Guarantee Fund |
| LCSA | Lifetime Care and Support Authority |
| MAC | Medical Assessment Certificate |
| MAS | Medical Assessment Service |
| MAIR | Motor Accidents Insurance Regulation |
| MAITC | Motor Accidents Injuries Treatment and Care Benefits |
| NPS | Net Promoter Score |
| NDF | Nominal Defendant Fund |
| REM | Risk equalisation mechanism |
| SIRA | State Insurance Regulatory Authority |
| TCorp | NSW Treasury Corporation |
| TEPL | Transitional Excessive Profits or Losses |
| TfNSW | Transport for NSW |
| TMF | Treasury Managed Fund |
| WHS 2011 | Work Health and Safety Act 2011 |
| WHSWC Strategy | Work health and safety and workers compensation small business strategy 2017-19 |
| WC Commission | Workers Compensation Commission |
| WIRO | Workers Compensation Independent Review Office |

Disclaimer

This publication may contain information that relates to the regulation of workers compensation insurance, motor accident third party (CTP) insurance and home building compensation in NSW. It may include details of some of your obligations under the various schemes that SIRA administers.

However to ensure you comply with your legal obligations you must refer to the appropriate legislation as currently in force. Up to date legislation can be found at the NSW Legislation website legislation.nsw.gov.au

This publication does not represent a comprehensive statement of the law as it applies to particular problems or to individuals, or as a substitute for legal advice. You should seek independent legal advice if you need assistance on the application of the law to your situation.

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