

SIRA

Annual Report 2021–2022



State Insurance
Regulatory Authority





Acknowledgement of Country

SIRA acknowledges, respects and values Aboriginal peoples as the Traditional Custodians of the lands on which we live, walk and work. We pay our respects to Elders past, present and future. We recognise and remain committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships, and continuing connection to their lands, waters and seas. We acknowledge their history here on these lands and their rich contribution to our society.

We also acknowledge our Aboriginal employees who are an integral part of our diverse workforce, and recognise the knowledge embedded forever in Aboriginal and Torres Strait Islander custodianship of Country and cultures.

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State Insurance
Regulatory Authority



The Hon Victor Dominello MP
Minister for Customer Service and Digital Government
Martin Place
Sydney NSW 2000

Dear Minister,

We are pleased to submit for your information and presentation to Parliament, the Annual Report of the State Insurance Regulatory Authority (SIRA) for the financial year ending 30 June 2022. It summarises our major activities and achievements for 2021-2022 as the regulator of the workers compensation, motor accidents compulsory third party, and home building compensation insurance schemes in NSW.

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

After this annual report is tabled in Parliament, it will be made available for public access on the SIRA website at www.sira.nsw.gov.au.

Yours sincerely,

Adam Dent
Chief Executive
State Insurance Regulatory Authority

Trevor Matthews
Chair
State Insurance Regulatory Authority

31 October 2022

Message from the Chair

On behalf of the SIRA Board, I am pleased to introduce the SIRA Annual Report for 2021-2022.

During 2021-2022 supporting customers remained a key objective for SIRA. Customer-centric initiatives included the publication of the Value-Based Healthcare Outcomes Framework and an implementation plan to drive better health and quality of life outcomes and value-based care for injured people in the NSW workers compensation and CTP schemes. The plan introduced 21 initiatives designed to drive improvements using value-based care. SIRA continues to work together with all scheme participants to implement the initiatives.

SIRA also launched the Mental Health Recovery and Support Action Plan as a further step toward an integrated, long-term approach to enabling better mental health outcomes for people in NSW.

Improving return to work for injured people remains a key focus. During the year SIRA developed a Return to Work Action Plan which has 10 initiatives that will improve return to work rates and result in positive customer outcomes. As part of its Return to Work Action Plan, SIRA introduced a new Standard of Practice on the early management of claims and return to work. Under this standard insurers must conduct a screening for risk factors of delayed recovery in the early management of a claim and identify and agree the tailored actions to optimise recovery and work outcomes.

The SIRA Board was pleased by SIRA's decision to expand the existing CTP Assist service and to introduce a similar service for injured workers – Workers Compensation Assist.

In 2021-2022 scheme affordability remained a key objective for SIRA. Under the Transitional Excess Profits and Losses (TEPL) mechanism introduced in the 2017 CTP reforms, almost \$91 million in insurer profits was redistributed to NSW motorists through savings on Green Slips.

SIRA also introduced a new Regulatory Publishing Policy, and is publishing more information about insurers, employers, healthcare providers, and other regulated entities operating within the schemes, with an aim to advance transparency and accountability.

The Board was pleased to be a part of the development and launch of SIRA2025, which sets the strategic priorities leading up to SIRA's 10th anniversary as a regulatory agency in 2025.

I would like to thank SIRA management and staff for their outstanding contribution and hard work during what has been another difficult year. I also wish to thank the SIRA Board for their counsel and valuable contributions.

We have several major initiatives underway that will continue into the next financial year. The Board looks forward to working closely with the SIRA Executive and broader team in delivering our priorities under SIRA2025 to improve outcomes and experiences for the NSW community.



Trevor Matthews
Chair



Message from the Chief Executive

I joined SIRA as the Chief Executive in July 2021 following a period of intense scrutiny and debate about the NSW workers compensation scheme. When I commenced, I recognised that it is more important than ever for SIRA to be a customer-centric, intelligence-led, risk-based regulator, and a regulator that diligently monitors and enforces performance and customer outcomes. I also recognised how important it is that SIRA respects the right of people injured at work and on the roads along with policy holders, including their right to know how the CTP, workers compensation and home building compensation schemes are performing.

Against this background I'm pleased to say that during 2021-2022 we introduced our new strategy, SIRA2025, which outlines clear goals and priorities to establish SIRA as a customer-centric, intelligence-led, risk-based regulator.

Trust and transparency are key tenets of SIRA2025, and during 2021-2022 SIRA continued to publish detailed scheme performance data via an interactive open data portal on our website, as well as the results of our customer experience research. The adoption of our Regulatory Publishing Policy has also assisted to improve transparency and accountability in NSW compensation schemes.

We also announced that loadings on surgical procedure fees in the workers compensation scheme would be removed from 1 July 2022. The change brings surgical procedure fees in line with Australian Medical Association rates and is expected to put up to \$41 million back into the scheme each year. The changes to surgical fees followed an extensive consultation and is part of a broader package of initiatives SIRA is undertaking to address rising healthcare costs.

Throughout 2021-2022 we continued to pursue legislative reforms, with the passing of the Motor Accidents and Workers Compensation Legislation Amendment Bill 2021 by the NSW Parliament in June 2022, making changes to injured people's entitlements and the regulation of the schemes. Volunteers and children of people killed in workplace accidents will benefit from the changes to the workers compensation

legislation, as will people claiming in the motor accidents scheme. The Bill also provided additional powers to SIRA to regulate health service providers in the workers compensation and CTP schemes. Under these powers, SIRA can take action against providers who repeatedly engage in practices that adversely impact outcomes for injured people.

SIRA also worked on the drafting of the State Insurance and Care Legislation Amendment Bill 2022. This Bill responds to eight powers, governance and regulation recommendations and two benefit-related recommendations made in the McDougall Review.

The McDougall Review also recommended reconciling the existing workers compensation legislation, and in 2021-2022 SIRA took preliminary steps to plan a way forward to amalgamate the legislation. Due to the magnitude of this task, this work is expected to continue into and beyond 2023.

Finally, I am pleased to say that all this work was delivered by the highly capable and passionate people we have working at SIRA. I am proud of what we have achieved together, and I look forward to seeing how we can continue to build on our progress into the future.



Adam Dent
Chief Executive



About SIRA





On 1 September 2015, SIRA was established as the independent regulator of the workers compensation, compulsory third party (CTP) and home building compensation insurance schemes under the *State Insurance and Care Governance Act 2015* (SICG Act). SIRA also has some regulatory functions in other NSW insurance schemes including the lifetime care and support and dust diseases schemes.

Collectively, these schemes provide an important social safety net for the people of NSW who may one day experience injury or loss. At any one time, more than 10 million people are protected through a SIRA-regulated scheme. These schemes are funded by more than 6 million vehicle owners, employers, and homeowners who together pay more than \$7 billion in premiums each year.

SIRA has a broad range of stewardship, scheme design and regulatory objectives and functions under the following Acts:

- *Associated General Contractors Insurance Company Limited Act 1980*
- *Bishopsgate Insurance Australia Limited Act 1983*
- *Home Building Act 1989*
- *Motor Accident Injuries Act 2017*
- *Motor Accidents Act 1988*
- *Motor Accidents Compensation Act 1999*
- *Motor Accidents (Lifetime Care and Support) Act 2006*
- *Motor Vehicles (Third Party Insurance) Act 1942*
- *Personal Injury Commission Act 2020*
- *State Insurance and Care Governance Act 2015*
- *Workers Compensation Act 1987*
- *Workers Compensation (Bush Fire, Emergency and Rescue Services) Act 1987*
- *Workers Compensation (Dust Diseases) Act 1942*
- *Workplace Injury Management and Workers Compensation Act 1998*



1.1. Principal objectives

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

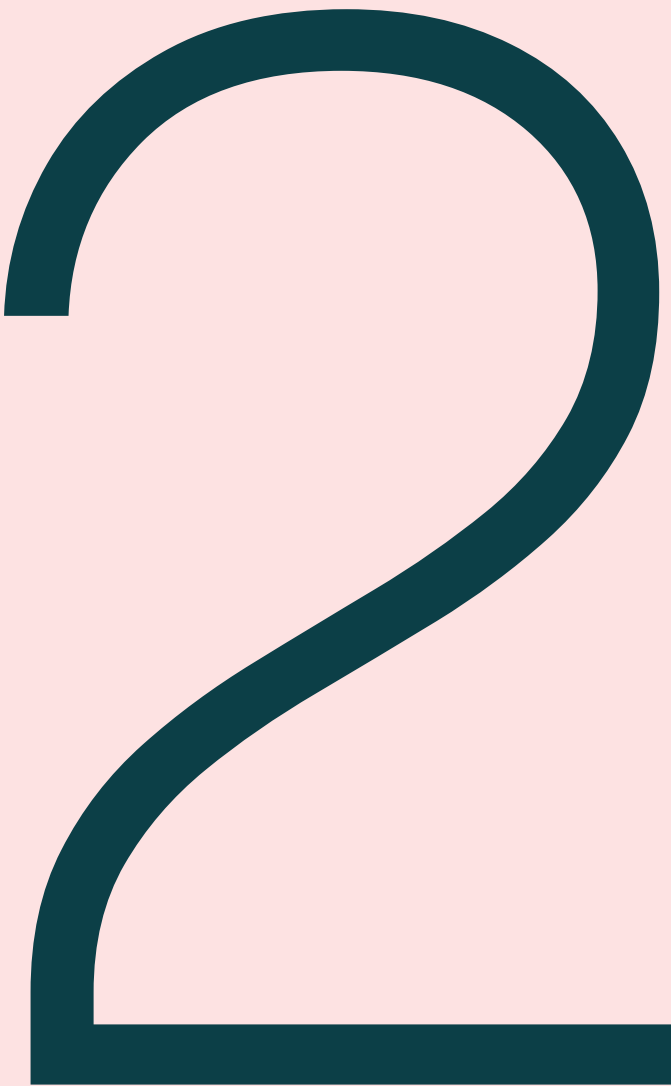
- To promote the efficiency and viability of the insurance and compensation schemes established under the workers compensation and motor accidents legislation and the other Acts under which SIRA exercises functions
- To minimise the cost to the community of workplace injuries and injuries arising from 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
- To promote compliance with the workers compensation and motor accidents legislation.

1.2. Functions

SIRA has the following functions under section 24 of the SICG Act:

- SIRA has such functions as are conferred or imposed on it by or under this or any other Act (including under the workers compensation and motor accidents legislation and the *Home Building Act 1989* (HB Act)).
- The functions of SIRA also include the following:
 - To collect and analyse information on prudential matters in relation to insurers under the workers compensation and motor accidents legislation and the HB Act
 - To encourage and promote the carrying out of sound prudential practices by insurers under that legislation and the HB Act
 - To evaluate the effectiveness and carrying out of those practices.

Our structure

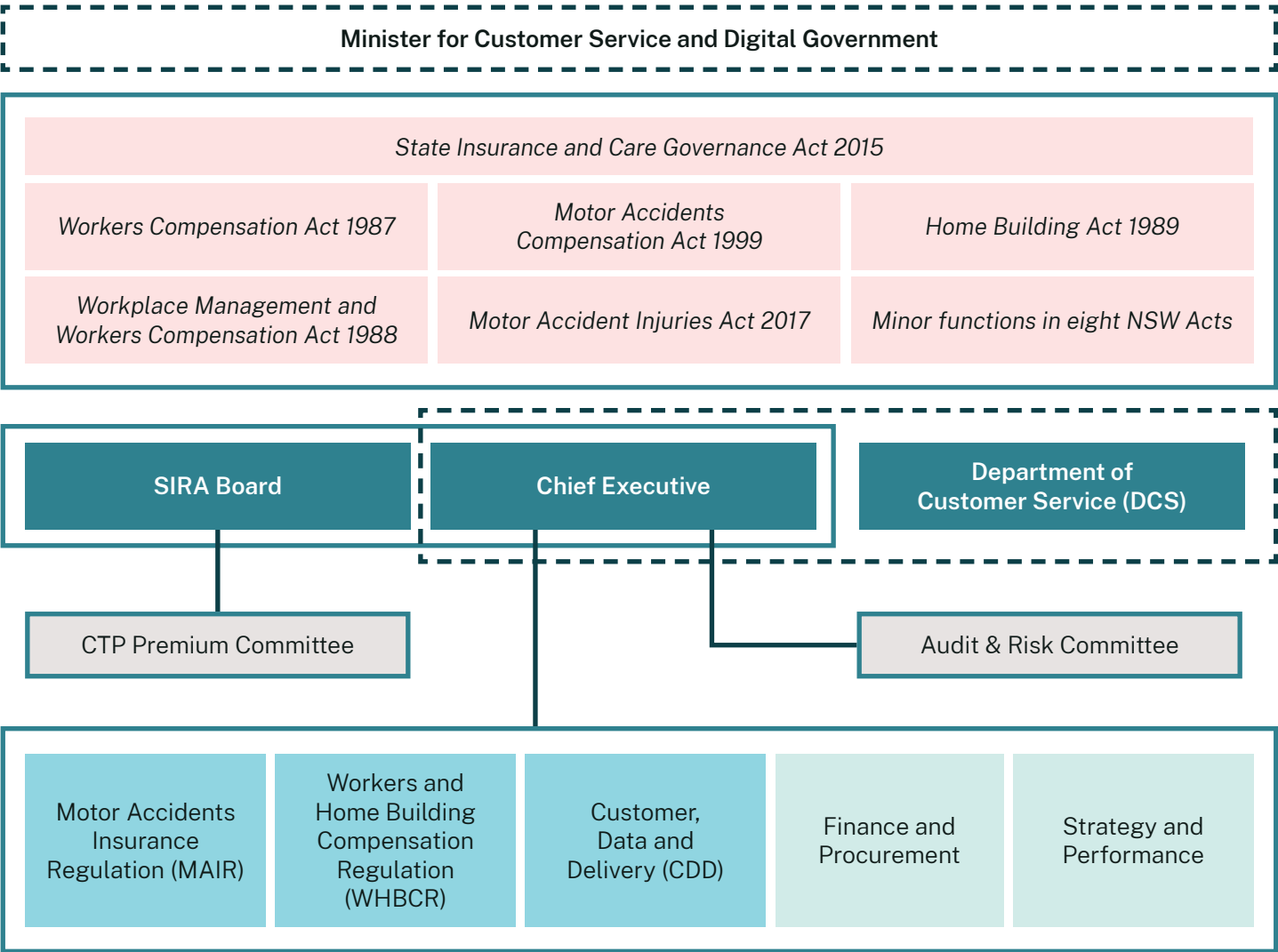


SIRA is a small independent agency that forms part of the NSW Government’s Customer Service Cluster.

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.

Figure 1: SIRA Structure





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
- 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.

The SIRA Chief Executive is a member of the SIRA Board, along with the Secretary of the Department of Customer Service (DCS) or her nominated delegate. A further five independent members are appointed by the Minister for Customer Service and Digital Government.

The chair and deputy chair are selected by the Minister from the five appointed members.



Trevor Matthews, Chair

Trevor Matthews, an actuary with more than 40 years' experience in financial services, has held chief executive roles in Australia, Canada, Japan and the United Kingdom. He returned from 15 years overseas in 2013 and has had a variety of chair and non-executive directorship roles since then.

Presently, he is Chairman of FNZ Asia Pacific, CMC Markets Australia and Hound Group Pty Ltd and a non-executive director of Resolution Life NOHC (formerly AMP Life Limited). He is an advisor to Cl&T, Preferred Global Health and Genpact Australia Pty Limited and provides executive coaching through Foresight's Global Coaching.

Previously he was a Director of AMP Limited, AMP Bank, CoverMore Limited, 1st Group, Tokio Marine Asia and Edelweiss Tokio Life Insurance, Bupa Australia and New Zealand Group. His last overseas position was Executive Director and Chairman, Developed Markets Aviva and prior to that Chief Executive Officer of Aviva UK, Group CEO of Friends Provident and CEO of Standard Life UK, based in the UK, as well as Manulife Financial in Japan and Legal & General in Australia. Trevor has served as a Commissioner for the UK Commission for Employment and Skills, Chairman of the Financial Services Skills Council in the UK and President of the Chartered Insurance Institute and the Institute of Actuaries of Australia.

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

Trevor is the inaugural Chair of the SIRA Board. He is serving his third term, which expires in November 2023. Trevor is also an independent member of the SIRA Audit and Risk Committee until November 2023.



Nancy Milne OAM, Deputy Chair

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

Currently, Nancy is Chair of the Accounting Professional and Ethical Standards Board, Securities Exchange Guarantee Corporation, and the SIRA CTP Premium Committee. Nancy is also a member of the Asbestos Safety and Eradication Council, and Pacific Opera. She is a Director of the Benevolent Society and non-executive director of FBR Limited.

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), Munich Reinsurance Australasia, and the Superannuation Administration Corporation (Pillar Administration).

Nancy has a Bachelor of Laws from the University of Sydney and is a fellow of the Australian Institute of Company Directors.

Nancy is the Deputy Chair of the SIRA Board, the Chair of the SIRA CTP Premium Committee and was formerly the Chair of the SIRA Audit and Risk Committee. She is serving her fourth term on the SIRA Board until May 2024. Nancy is also a member of the SIRA Audit and Risk Committee (until May 2023), as well as the DCS's Audit and Risk Committee.



Dr Abby Bloom, Board member

Dr Abby Bloom MPH PhD FAICD is an experienced company director, tech founder and CEO. In addition to SIRA, she is a Director of the Sydney Children's Hospitals Network. She is also a member of the Advisory Board of the digital company Australian Data Exchange (formally ID Exchange). Abby is an Independent Member of the Audit and Risk Committees for the NSW Department of Communities and Justice, Southern NSW Local Health District and Luminesce Alliance. Her previous directorships include Western Sydney Local Health District, Sydney Water Corporation, Recovre Holdings and Gymnastics NSW.

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

Abby is a graduate of Yale and Sydney University 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. Abby 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, the Australian Government and UNICEF. Yale University named Abby one of its 100 top leading public health graduates since its founding over a century ago.

Abby is an inaugural member of the SIRA Board and the Chair of the SIRA Audit and Risk Committee. She is serving her fifth term on the Board until February 2025, and third term as the Audit and Risk Committee Chair until February 2023.



Dr Graeme Innes AM (Nominee of the Secretary of the Department of Customer Service), Board member

Dr Graeme 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 on the Rights of Persons with Disabilities and has also served as Australia's Race Discrimination Commissioner.

Graeme was Chair of the Disability Advisory Council of Australia, and the first Chair of Australia's national blindness agency, Vision Australia. He played a key role in developing the National Disability Strategy and the Disability (Access to Premises – buildings) Standards 2010 and establishing Liveable Housing Australia. Graeme was recently appointed as Chancellor-designate at Central Queensland University and appointed to the board of the National Disability Insurance Agency. Previously he was a Director of Life Without Barriers, Jobslife and Attitude Foundation.

In 1995, Graeme 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.

Graeme is serving his third term on the Board until February 2024, and second term on the SIRA Audit and Risk Committee until September 2023.



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.

Mr Keating is serving his second term as a SIRA Board member until November 2024. He is also an independent member of the SIRA Audit and Risk Committee until February 2024.



Rod Stowe PSM, Board member

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

Rod'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, Rod also had postings in portfolios covering environmental protection, education and youth affairs, local government and state superannuation.

Rod has extensive board governance experience, having previously been Chair of the NSW Rental Bond Board and NSW Financial Counselling Trust Fund. He was 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 Super Consumers Australia. In 2019, Rod was appointed as Chair of the Board of The Consumer Advocacy Trust, and as a Community Director on the Board of the Energy and Water Ombudsman NSW. In February 2021, Rod was appointed as a Member of the Renewable Energy Sector Board.

Rod was awarded the Public Service Medal for services to consumer protection in the 2011 Queens 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). Rod was made a Fellow of the Royal Society of NSW in 2017.

Rod is serving his third term as a SIRA Board member until November 2023.



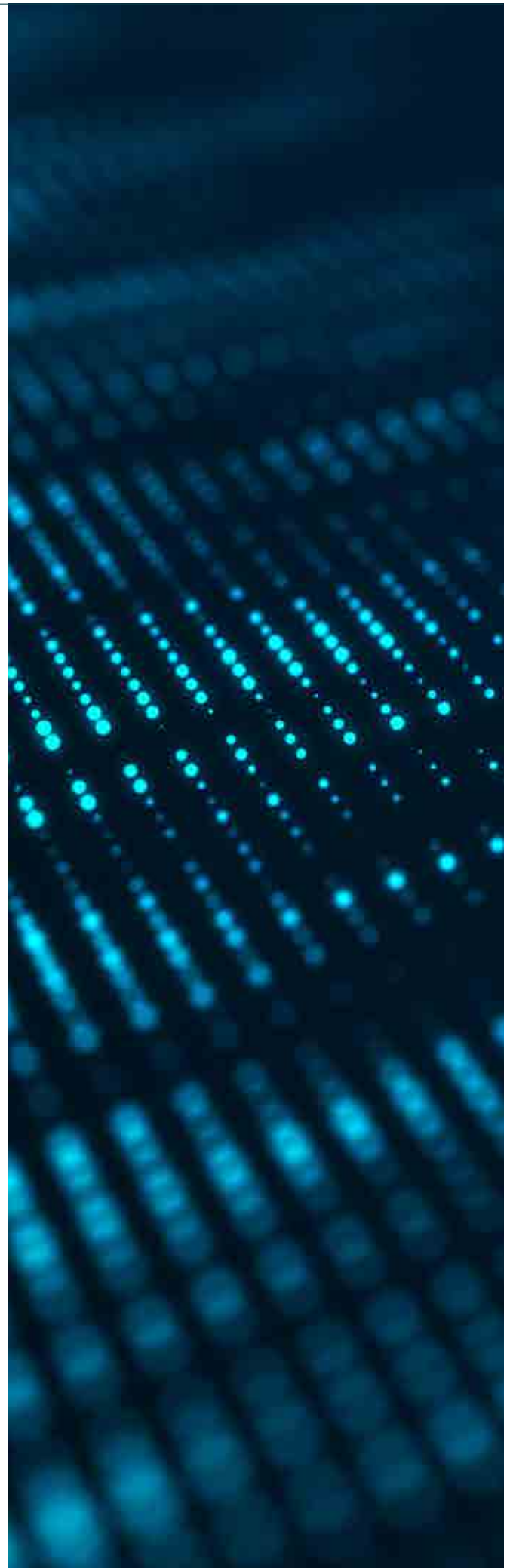
Adam Dent, Chief Executive

Adam Dent has served as Chief Executive and board member of SIRA since July 2021, leading the regulation of insurance and care schemes in NSW.

Adam's background spans the public, private and non-profit sectors, working as the Chief Executive Officer of NSW Trustee and Guardian and the Commissioner of Dormant Funds. He was the Director of Government and Public Sector Advisory at Ernst & Young, Commissioner of the NSW State Emergency Service, and State Manager of Emergency Services for the Australian Red Cross in Victoria.

Adam is passionate about improving customer outcomes, data and digital innovation, and transformational change. He has led significant policy reform, national and state-wide disaster and crisis response, and has a proven track record of building organisational capability and results.

Adam holds a Master of Business Administration from the Australian Institute of Business and an Executive Certificate in Public Policy from the Harvard Kennedy School. He also holds a Graduate Certificate in Professional Legal Studies from Griffith University and is a graduate of the Australian Institute of Company Directors.



2.2. The SIRA leadership team

Dr Petrina Casey – Executive Director, Motor Accidents Insurance Regulation

Dr Casey is an experienced executive with a track record of leading reforms in scheme design and regulation. Since joining SIRA in 2015, she has led teams across the three insurance schemes: workers compensation, home building, motor accidents, and led the development of a value-based healthcare framework in personal injury schemes. As the Executive Director, Dr Casey leads the division responsible for scheme design and regulation of the motor accident insurance scheme and delivery of value-based healthcare program and health provider regulation across personal injury. Dr Casey holds a Master of Public Health and a Doctor of Philosophy from Sydney University Faculty of Medicine. Her research focused on the intersection between health, legal, and claims outcomes in Australia's personal injury compensation policy.

Darren Parker – Executive Director, Workers and Home Building Compensation Regulation

At SIRA, Darren Parker is the Executive Director for Workers and Home Building Compensation Regulation. Darren joined SIRA in 2015 and has served in a variety of executive positions regulating workers' compensation, home building, and CTP mandatory insurance schemes. As Chairperson of SIRA's Supervision and Enforcement Steering Committee, he is responsible for guiding how SIRA holds regulated entities to account for outcomes and strengthening SIRA's regulatory capability. Darren possesses a Master of Business Administration from the University of South Australia. During his policing career, he has also received multiple commendations from the Commissioner of Police for his excellence and bravery. Darren has extensive experience as a senior executive across all levels of government and the insurance industry, including Insurance Australia Group, Comcare, Centrelink, the Australian Public Service Commission, the Department of Defence, the Attorney-General's Department, and local Government.

Theresa Fairman – Executive Director, Customer, Data and Delivery

Theresa is an experienced public sector leader who has held executive roles in regulatory, transport and trade organisations. She has designed and delivered complex programs at the global, national and state level, and has had the privilege of leading diverse teams from stonemasons and data engineers to archivists and complaints advisors. Theresa's current focus is on transforming SIRA's data culture and regulatory intelligence capability and accelerating new ideas that will have a real impact for customers of the State's insurance compensation schemes. Prior to joining SIRA in 2019, Theresa was a senior executive in the former Department of Finance, Services, and Innovation, where she was the Executive Director, Corporate Affairs and headed up the State Archives Authority. She holds a Bachelor of Arts and a Master of Public Administration from the University of Sydney.

Sharon Blake – Chief Financial Officer

Sharon Blake joined SIRA in March 2019. Sharon has extensive private and public sector experience. Sharon 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. Sharon holds a Master of Accounting and a Bachelor of Arts (Honours) degree in Accounting and Human Resource Management.

Carly Dunlop – Director, Strategy and Performance

Carly has extensive experience working in the non-government, local government and state government sectors across the portfolios of community safety, justice, health and emergency services. Carly has led a diverse range of functions including audit, governance, reform, government relations, policy, strategy, planning, and performance, and has led and implemented a number of organisational and system reviews. Carly joined SIRA in May 2022 from NSW Ambulance where she held the position of Director Office of the Chief Executive and Chief Audit Executive. Carly holds an Executive Master of Public Administration from the University of New South Wales, a Bachelor of Economics (Social Science) (Honours) from the University of Sydney and is a Graduate Member of the Australian Institute of Company Directors.

2.3. The SIRA teams

Motor Accidents Insurance Regulation (MAIR)

The MAIR team oversees the NSW CTP insurance scheme. 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. The teams within MAIR include:

- **Insurer Supervision**
The insurer supervision team ensures the compliance and performance of insurers aligns with legislation, guidelines, and community expectations. This team engages with and holds insurers to account to ensure better outcomes and experiences for customers.
- **Scheme Design, Policy and Performance**
This Scheme Design, Policy and Performance team ensures the viability, affordability and sustainability of the CTP insurance schemes under the motor accidents legislation. They do this by shaping and refining policy design, supporting effective and fair legal access to justice, and enabling transparent external engagement.
- **Health Policy, Prevention and Supervision (HPPS)**
The HPPS team promote optimal recovery and health outcomes in both the workers compensation and CTP schemes. They do this through a value-based healthcare approach, strategic initiatives focused on injury prevention, supervising and educating health providers, and supporting effective fees regulation.
- **Premiums and Markets**
The Premiums and Markets team ensures that the premiums for SIRA's insurance products are affordable, equitable and fair for NSW customers. At the same time, the team ensures that the insurance schemes are adequately funded for long-term viability.

Workers and Home Building Compensations Regulation (WHBCR)

The WHBCR team oversees the workers compensation and home building compensation schemes in NSW. The team has some involvement in certain aspects of dust diseases, sporting injuries, coal mines, bush fire, and emergency and rescue services legislation. The team focuses on customers and delivering effective regulation that builds public trust and supports NSW in being a competitive, confident, and protected state. The teams within WHBCR include:

- **Insurer Supervision**
Insurer Supervision serves to ensure that insurers comply with their regulatory obligations and effectively deliver claimant and policyholder outcomes while maintaining scheme affordability and sustainability. This team is the frontline interface with licensed and prospective insurers and plays a key role in setting expectations and ensuring that they are met.
- **Scheme Design, Policy and Performance**
This team helps SIRA and its stakeholders to better understand how the workers and home building compensation schemes operate. They provide advice on key risks, issues and opportunities, and develop policy options in collaboration with stakeholders to inform legislative change.
- **Employer Supervision and Return to Work**
The Employer Supervision and Return to Work team support employers to comply with their workers compensation obligations. They also promote, amongst stakeholders, the importance of injured people recovering through work in both the workers compensation and CTP schemes. They do this through strategic programs and resources, stakeholder education and regulatory action.
- **Enforcement and Prosecution**
The mission of the Enforcement and Prosecution team is to ensure regulatory compliance by prosecuting breaches, enforcing the law, and undertaking punitive actions. The primary goal of their work is to contribute to higher levels of public trust in the workers compensation, CTP and home building insurance systems.
- **Performance and Compliance Reviews**
This team conducts audit and review activities that enable SIRA to hold system participants accountable for their regulatory performance and compliance. This team addresses significant and systemic performance and compliance risks, pursues continuous improvement in regulatory practice and system outcomes, and undertakes specific rulings and reviews.

Customer, Data and Delivery (CDD)

The CDD team works across SIRA to connect, deliver and promote ideas and services that drive measurably better customer outcomes, underpin regulatory excellence, and accelerate progress on SIRA's strategic goals. This team oversees the development and delivery of key corporate functions including customer experience, organisational health, intelligence and analytics, customer engagement and stakeholder communication. The teams within CDD include:

- **Customer Service and Operations**
This team is responsible for designing and delivering the best possible services to customers and providing timely, evidence-based decisions and regulatory responses. The team's primary goal is to deliver a positive customer experience.
- **Delivery and Insights**
This team ensures that SIRA delivers ambitious, durable and meaningful changes for current and future customers by coordinating the voice of customer program and by providing targeted support to priority projects that deliver positive customer impact.
- **Regulatory Intelligence and Analytics**
The Regulatory Intelligence and Analytics team support SIRA as a data-driven and intelligence-led organisation to achieve better regulatory outcomes. Their main focus is on providing valuable insights for evidence-based decision-making and transparent reporting to NSW citizens on scheme performance.
- **Digital**
The Digital team is responsible for delivering, managing, enhancing, and supporting the platforms that enable SIRA to be an intelligence-driven, risk-based regulator, with a focus on simplifying, modernising, and consolidating the technology platforms used at SIRA.
- **Media & External Communications**
This team helps SIRA communicate and engage with its external audience. This team is focused on creating a culture of content that delivers against SIRA's strategy - SIRA2025 - and builds brand equity through promoting SIRA and the work it does, increasing regulatory transparency and responding to the strategic environment and public scrutiny.

The Office of the Chief Executive

The Office of the Chief Executive oversees the development and delivery of key corporate functions, including finance, procurement, strategy, governance, risk, compliance, and staff engagement. In addition to the Office of the Chief Executive's key executive functions, there are two directorates that support SIRA's governance and the delivery of SIRA's strategic priorities. The two directorates are:

- **Finance and Procurement**
This team is SIRA's point of reference for assistance and guidance on procurement, budgeting, and financial matters and SIRA's delegations.
- **Strategy and Performance**
This team is responsible for internal audit, risk, compliance, corporate planning and performance, capability, ministerial, parliamentary, privacy, information access, information and records management, and board and committee secretariat functions for SIRA.

SIRA2025

3

SIRA was established under the SICG Act as the regulator of compulsory insurance schemes in NSW. In doing so, the Government intended to achieve improved regulation of schemes, stronger supervision, better regulatory capability, and increased efficiencies so that the agency can easily adapt to current and future challenges across schemes.

Since SIRA was first established, much has changed. In March 2022, SIRA launched a new strategy - SIRA2025. Under SIRA2025, SIRA will leverage all of those experiences and use the full range of our scheme stewardship, design, and regulatory functions to address new challenges and opportunities, and deliver better outcomes for customers. SIRA2025 sets the course for supporting SIRA as a customer-centric, intelligence-led, risk-based regulator.

The strategy outlines seven goals and a set of strategic priorities that will guide SIRA's work to deliver on SIRA's core purpose of making sure that NSW insurance schemes protect and support the people who need them, now and in the future. These goals are the areas that SIRA will focus on to enhance organisational capability and drive improvements in the areas that will have the greatest impact. The seven goals are:

- 1 Putting customers at the centre**
- 2 Building and supporting our talent**
- 3 Enhancing our capability through digital**
- 4 Setting the benchmark for governance, culture and accountability**
- 5 Strengthening our regulatory capability**
- 6 Holding regulated entities to account for outcomes**
- 7 Maintaining a contemporary regulatory environment**

The implementation of the seven goals and the underlying strategic priorities will move SIRA closer towards a set of outcomes it strives to achieve. The outcomes are:

- Peoples injured at work or on the road can access the benefits and support they are entitled to, and need, to recover, return to work or achieve the best possible quality-of-life outcome after an injury.
- Employers, homeowners, and motorists are well protected through affordable insurance policies.
- Scheme insurers, providers and policy holders comply with regulatory requirements and the Customer Service Conduct Principles, and are accountable for their actions.
- Markets that underpin the State's statutory insurance schemes are ethical, innovative, and competitive.
- Statutory insurance schemes are financially viable and responsive to social and economic changes to meet the needs of customers today and into the future.
- Customers, stakeholders, and the community trust that SIRA-regulated schemes are operating as intended and meeting the needs of customers and policy holders.

These outcomes relate to the customer, compliance, sustainability and trust. Ultimately, these outcomes will deliver better compensation schemes for the people of NSW.

SIRA's progress in 2021-2022 towards achieving these outcomes is set out below under 'Key Achievements'.



Key achievements

4

A customer-centric regulator that always takes decisions and actions that will lead to the best possible outcomes

Improved customer support

In 2021-2022, SIRA expanded its successful CTP Assist service so that people injured in motor accidents receive even greater information and support. In response to the Legal Support Review, CTP Assist included extra support calls to customers who are from culturally and linguistically diverse (CALD) background.

CTP Assist operates as an outbound call service that proactively contacts injured people at key milestones during their claims journey. The service helps people to navigate the claims process and understand their entitlements.

The success of the CTP Assist program in the motor accidents scheme led to an announcement in 2021-2022 that SIRA will trial the service in the workers compensation scheme for 12 months, commencing in June 2022. Through Workers Compensation Assist, SIRA is making outbound calls to workers at risk of delayed recovery as early as possible in the claims process. The calls aim to ensure that workers have the information and tools they need to direct and navigate their claims and return to work journey. SIRA has initially partnered with self-insurers ALDI and Toll and specialised insurer Catholic Church Insurance on the pilot. SIRA is welcoming other insurers to join the pilot to improve the support that is available to their injured workers.

During 2021-2022 SIRA continued to convene the Workers Compensation Tripartite Committee. This committee is comprised of representatives from employer groups including the Australian Federation of Employers and Industry, Business NSW and the Australian Industry Group, employee representatives including Unions NSW and Union Affiliates, and SIRA. Meetings were held bi-monthly basis providing an avenue for feedback and insights on emerging issues and trends and explore opportunities to improve compliance, return to work performance, and outcomes in the workers compensation system.

In 2021-2022, the Recovery at Work Reference Group worked with SIRA to develop the COVID-19 recovery at work toolkit and develop an awareness campaign launching in October 2022, on the value of peer-to-peer connections in workplaces with the aim to reduce stigma, increase support and improve outcomes. The Recovery at Work Reference Group, established in late 2019, consists of people with personal mental health recovery experience and workplace leaders with expertise in supporting people with mental health recovery. The group works closely with SIRA to co-design and implement workplace mental health initiatives by sharing their personal expertise and seeking feedback from their networks.

Customer experience research

In 2021-2022, SIRA continued to undertake an independent benchmark study to measure how customers are experiencing their compensation journey, and the extent to which insurers are delivering services in line with SIRA's Customer Service Conduct Principles. The study measures experience with insurers, trust in the schemes, health, social outcomes, and perceptions of justice. SIRA uses the results of this research to inform regulatory supervision activities and over time, improve understanding of what elements of scheme design contribute to better outcomes for injured people.

Building public trust through transparency

In 2021-2022, SIRA published its Regulatory Publishing Policy, committing SIRA to publishing more information about insurers, employers, healthcare providers, and other regulated entities operating within the schemes to advance accountability and transparency. The policy will expand the impact of SIRA's powers and over time, deter sub-standard performance and increase compliance. Ultimately, this leads to better outcomes for customers.

SIRA also continued to publish quarterly regulatory updates on the insurance and care schemes, and the results of its customer experience research. Detailed scheme performance data was also routinely updated and made publicly available via SIRA's interactive Open Data Portal on its website.

SIRA attracts, develops and retains highly engaged staff with industry-leading skills in customer-centric regulation

Investing in our capability

In 2021-2022, SIRA awarded seven scholarships, three of which were awarded to SIRA staff to study a Graduate Certificate in Personal Injury Management, a postgraduate pathway delivered jointly by the Personal Injury Education Foundation (PIEF) and Monash University, as part of SIRA's commitment to build internal capability and lead the sector in capability development. This initiative will enhance the skills and knowledge of SIRA's staff in personal injury and disability insurance management and regulation and develop a pipeline of talent that will enable continued high performance into the future.

Additionally, SIRA continued to invest in developing its capable leaders by funding and nominating a high potential employee to complete the Executive Master of Public Administration (EMPA), an exclusive qualification designed specifically for future public sector leaders delivered by the Australian and New Zealand School of Government, bringing SIRA's number of employees enrolled in the course to three. The degree aims to produce confident, critical thinking public sector leaders who are prepared for the demands and challenges of delivering value to the communities they serve in an increasingly complex public service environment.

In 2021-2022, SIRA's supervision staff participated in training offered by peer regulator, APRA, in order to at improve SIRA's supervision capability. APRA introduced a new model to assess risk and determine the appropriate supervision intensity called the Supervision Risk and Intensity (SRI) model. APRA wholly transitioned to the model in June 2021. APRA's Supervision Training Academy regularly offers structured engagements to help organisations understand how the new model works, and what impact it may have on the level and intensity of supervision an organisation applies. Since October 2021, APRA offers one placement to SIRA to participate in these programs each time it is delivered. The knowledge and insights gained from this training have already been instrumental in SIRA developing its Regulatory Framework.

In addition to the above, in 2021/2022, eight members of the MAIR Insurer Supervision team were registered to complete Lead Auditor Training through SAI Global. This course increases the teams existing capability to audit insurer systems to ensure compliance and performance in line with legislative and licence requirements and support the delivery of the Insurer Claims and Conduct Assurance Program (ICCAP).

Clarity, Ownership, Capability and Openness (COCO)

SIRA continued to actively work towards understanding and fostering meaningful employee engagement by checking-in regularly with employees to understand where action may be needed. In 2021, SIRA participated in the annual NSW People Matter Employee Survey (PMES), the NSW public sector's annual employee opinion survey that supports public sector organisations to build positive workplace cultures. Throughout 2021-2022, SIRA implemented actions and initiatives to respond to the feedback and results of the previous PMES with its focus on building and supporting SIRA's talent and building a culture of high performance and accountability.

SIRA also implemented agency-wide employee bi-monthly surveys in 2022, structured around clarity, ownership, capability and openness. The latest survey conducted in June 2022 focused on healthy hybrid habits, particularly focusing on wellbeing and communication. Participation in the survey is one way in which SIRA employees continue to guide the implementation of initiatives and improvement activities to build an engaged and high performing culture at SIRA.

Learning and development hub

SIRA launched a Learning and Development Hub in 2021-2022, a single information point for SIRA staff to access resources and information focused on building their insurance industry knowledge, setting performance goals, finding the right training, and a platform for new staff to access a range of information about getting started at SIRA.

Hybrid working

SIRA continued to foster flexibility of working arrangements through 'Healthy Hybrid Habits Agreements' across all SIRA teams, with a focus on prioritising the health and wellbeing of SIRA's people and creating an environment that embraces hybrid ways of working. By focusing on the needs of staff, this initiative aims to create a culture where everyone is and feels valued.

Diversity and inclusion

In 2021-2022, SIRA's Diversity and Inclusion Champions Group was established to ensure that SIRA continues to be a diverse and inclusive agency, both in its dealings with customers and as an employer. This is especially important given SIRA's customers are often experiencing some of their most vulnerable moments. Please see 'Our People' to find out more about how SIRA worked towards building and supporting its talent in 2021-2022.



SIRA has fit for purpose systems that support intelligence-led regulation, make things easy for staff and drive optimal outcomes for customers

Intelligence and analytics

In 2021-2022, SIRA focused on investing in its regulatory intelligence, data, and analytics capability. This included starting work on developing a new data and analytics platform that will enable near real-time data collection on all claims by the end of 2022-2023. The new platform will allow SIRA to identify and respond to scheme risks and potential non-compliance faster and better monitor the quality of customer experience. This work aims to ensure that SIRA has the right data and insights to inform its regulatory actions and scheme design to deliver optimal outcomes and impact for customers.

Transformation

In addition to the development of its new data and analytics platform, SIRA has implemented both a new operating model and structure within its intelligence and analytics teams. Specifically building capability in Architecture and Governance, Data Engineering, Business Intelligence and Advanced Analytics, whilst underpinned by a model of delivery using agile methodology. Our focus in attracting talent in the areas of data science, analytics and data management has seen a significant shift in capability as we realise our strengths as a modern, intelligence led regulator.

Predictive modelling

In 2021-2022, SIRA's rich workers compensation claim and payment datasets were used to develop models to identify people that may be at higher risk of a delayed recovery. Predictive modelling will allow SIRA to proactively target employers with workers who may be at higher risk and seek to provide support and education. This will occur through outbound calls, site-visits, and the provision of information to improve workers' recovery and return to work outcomes.

Digital Premiums

In 2021-2022, SIRA delivered the Digital Premium Regulation (DPR) platform, a secure digital space for insurers to upload and submit CTP filings for review. The platform allows for the automation of insurer data validation, change control, and the testing of insurer data to support filing reviews. To date, the project has provided greater accuracy of CTP data and has facilitated secure transfers of commercially sensitive documents. With greater accuracy of CTP data, the DPR platform has allowed SIRA to complete more comprehensive and granular reviews of insurer rate filing submissions. The DPR platform has also decreased the amount of work required to validate and test insurer data and has eliminated the need for external vendors to perform certain data functions.

Towards a digital-first approach

In 2021-2022, SIRA facilitated and completed the discovery for the Customer Data Automation (Demerit Points) Project, an agency to agency initiative delivered jointly by Transport for NSW and SIRA. This initiative will enable the verification of demerit point information provided by customers to insurers at various points of sale, and to SIRA's Green Slip Check during the quoting process for the purpose of assigning customers without demerit points a lower demerit point rating in the calculation of their CTP insurance premium. The benefits delivered by this initiative are a reduction in fraud and premium leakage and improved data accuracy for CTP pricing to better reflect the insurance risk in CTP premiums. 2021 saw the initiation of Phase 1 with technical, regulatory and business streams of work at Transport for NSW, and the establishment of a project governance framework between SIRA, Transport for NSW and insurers. 2022 has involved strategic planning, technical build and regulatory change work in preparation for Phase 1 to go live in February 2023.

SIRA demonstrates the highest standards of organisational governance to create a strong, sustainable agency

Strengthened organisational planning

In 2021-2022, along with the release of SIRA2025, SIRA also started developing its People, Culture and Governance Plan. The People, Culture and Governance Plan will guide SIRA's overall achievement of this goal. The Plan outlines a range of initiatives to foster a culture of high performance and accountability, where staff members are empowered to make decisions based on a clear understanding of their roles and responsibilities and in accordance with their skills and knowledge. The Plan also outlines a framework to enable staff to set a strong example for organisational governance, so that SIRA can set the benchmark for those it regulates.

Governance and Financial Reporting

Further progress SIRA has achieved against this goal in 2021-2022 is set out within the Appendices under 'Governance' and 'Financial Statements'.



SIRA is respected as a best-in-class regulator that safeguards customer outcomes and sustainable schemes

Understanding our sector

SIRA published the Recovery Through Work Measurement Framework in 2021-2022, which outlines a multifaceted and simplified approach to measure recovery for all people injured on the roads or in the workplace. It establishes the broad range of modifiable factors that measure a person's return to work journey following an injury. This new measure will enable SIRA to proactively identify emerging trends and potential risks and opportunities for improvement across the personal injury schemes. The framework will also enable SIRA to measure the impact of regulatory efforts focused on improving system outcomes and monitor the performance of the scheme and entities SIRA regulates. SIRA will continue to work with insurers to implement this framework, which will form part of their future reporting requirements.



Partner collaboration and coregulation

In 2021-2022, SIRA and the Independent Review Office (IRO) entered into a memorandum of understanding (MoU) to establish the framework for cooperation, and the terms of data-sharing, consistent with the relevant laws and privacy standards. IRO is an independent statutory office established under the *Personal Injury Commission Act 2020* (PIC Act). IRO handle enquiries and complaints regarding insurers under the workers compensation and motor accident insurance schemes. Cooperation between SIRA and IRO in exchanging information is essential for the effective and efficient performance of the respective legislative functions of both agencies.

With the release of the NSW Government's 2026 Road Safety Action Plan - Towards zero trauma on NSW Roads, in 2021-2022, Transport for NSW and SIRA entered into a new agreement under the Road Safety Partnership MoU 2022/26. SIRA has committed \$3 million to the NSW Centre for Road Safety to fund projects that will improve road safety, help achieve the objectives of the NSW 2026 Road Safety Action Plan, reduce the costs of road crashes, and improve the efficiency of the CTP scheme. The funding commitment will support the delivery of 13 projects targeting priority road user groups including young and disadvantaged drivers, older and regional drivers, as well as motorcyclists, pedestrians, local councils, and community.

In 2021-2022, SIRA worked closely Sydney University Brain and Mind Centre researchers to design and fund the final stage of the READY app. The READY app uses cognitive behavioural therapy techniques and real-life experience of workplace recovery to help individuals decide whether they should disclose their mental health issues to someone. SIRA introduced the READY app under the recovery@work component of the NSW Mentally Healthy Workplaces Strategy.

SIRA also continued to meet regularly with state and federal regulators, sector partners and other government agencies including the Australian Prudential Regulation Authority (APRA), Australian Securities and Investments Commission (ASIC), SafeWork NSW, Health Care Complaints Commission (HCCC) and Health Professional Councils Authority (HPCA), in order to collaborate on ways to improve regulatory effectiveness and insights.

SIRA applies an outcome-focused approach to its regulatory activity to ensure that schemes operate to achieve their public policy objectives for customers

Improving return to work rates

In 2021-2022, SIRA outlined a plan to address poor return to work performance in the NSW workers compensation scheme. Return to work rates – a key performance measure for the scheme – have continued to decline since 2015. SIRA's Return to Work Action Plan outlines 10 actions aimed at addressing the factors that are contributing to the poor performance. The actions target a range of measures that promote compliance with the practices that will improve return to work rates and ultimately result in better customer outcomes.

As part of its Return to Work Action Plan, SIRA implemented a new Standard of Practice on the early management of claims and return to work. Under this standard, insurers must conduct a screening for risk factors of delayed recovery in the early management of a claim and identify and agree the tailored actions to optimise recovery and work outcomes. This Standard of Practice also supports SIRA's focus on driving continued improvements in the capability of insurers to deliver scheme outcomes.

Evidence shows that people who make psychological injury claims take longer to return to work, have slower recovery journeys, report poorer claims experiences, and have more costly claims than those for physical injury. In 2021-2022, SIRA published a Mental Health Recovery and Support Action Plan as a step toward an integrated, long-term approach to enabling better mental health outcomes for people in NSW. The plan is based on substantial research and contains a number of underlying initiatives that SIRA is rolling out.

To better understand the barriers to recovering and returning to work faced by people with psychological injuries, in 2021-2022, SIRA invested more than \$300,000 in funding for a two-year research fellowship at the Black Dog Institute as part of its Return to Work Action Plan. The purpose of this research is to better understand the obstacles to recovery encountered by people with psychological injuries and how workplaces can support a person's successful return. The findings will be used to identify system changes that can be made to improve the way schemes are designed and psychological injury claims are managed so that people experience a timely recovery and return to work.

Provider supervision

In 2021-2022, SIRA launched a new approval framework for workplace rehabilitation providers in the workers compensation scheme. SIRA's Workers Compensation Workplace Rehabilitation Provider Approval Framework sets out the requirements for approval for organisations delivering or seeking to deliver workplace rehabilitation services within the workers compensation scheme. The framework sets out mandatory conditions of approval, the permitted service streams and associated practice standards, as well as relevant supervision, administrative and complaints handling processes. The framework establishes standards designed to deliver high quality, efficient and effective workplace rehabilitation services to assist workers, employers, and insurers with recovery at work and return to work.

SIRA also introduced new guidelines for the approval of hearing service providers in the workers compensation scheme. The new guidelines add extra conditions of approval and introduce a requirement for providers to renew their approval every three years. The new guidelines will improve compliance and help SIRA ensure that hearing service providers working in the workers compensation scheme have demonstrated they understand the specific requirements involved and can provide quality services to injured workers.

The guidelines for the approval of treating allied health practitioners were also updated following a review in 2021-2022. The guidelines apply to accredited exercise physiologists, chiropractors, counsellors, osteopaths, physiotherapists and psychologists operating in the workers compensation scheme. The updated guidelines strengthen the requirements for approved allied health practitioners by adding further conditions of approval and introducing a requirement for practitioners to renew their approval every three years. These changes will help SIRA to improve compliance and better regulate those outlier practitioners who do not do the right thing.

Amendments to Motor Accidents and Workers Compensation laws

In 2021-2022, the Motor Accidents and Workers Compensation Legislation Amendment Bill 2021 was passed by the NSW Parliament, making changes to injured people's entitlements and the regulation of the schemes. The amendment addresses discrepancies between volunteer and paid workers, specifically volunteer firefighters, SES volunteers, surf life savers, marine rescue, and volunteer association workers. The new laws also ensure that the children of people killed in workplace accidents receive additional compensation to cover costs associated with having the NSW Trustee and Guardian manage their lump sum before they turn 18. Also included in the Bill were changes to the CTP scheme to ensure that people injured in motor vehicle accidents have their benefits fairly assessed and calculated. Other changes remove ambiguities around no-fault accident provisions and accidents involving an at-fault driver from interstate, while making changes to the access of benefits for injured people living overseas.

Under the new laws, taxis and hire vehicles will be required to provide information to SIRA or a CTP insurer on their bookings to ensure that premiums are fairly assessed. Further changes provide additional powers to SIRA to regulate health service providers in the workers compensation and CTP schemes. Under these powers, SIRA can take action against providers who repeatedly engage in practices that adversely impact outcomes for injured people.

This Bill amends the workers compensation and motor accidents legislation, as well as the *State Insurance and Care Governance Act 2015*, the *Workers Compensation (Bush Fire, Emergency and Rescue Services) Act 1987* and the PIC Act.

Licencing conditions imposed on Racing NSW

In 2021-2022, special conditions were imposed on Racing NSW's workers compensation insurance licence in response to the findings of a performance audit. SIRA commenced the audit in late 2021 using its powers under section 202A of the *Workers Compensation Act 1987*. The focus of the audit was on claims management and compliance with the

workers compensation legislation and SIRA's Standards of Practice. Issues were found with Racing NSW's claims handling practices and records management, and in response special conditions were placed on Racing NSW's workers compensation insurer licence under section 181 of the *Workers Compensation Act 1987*.

icare performance

In 2021-2022, SIRA maintained close regulatory supervision of both the Nominal Insurer and Treasury Managed Fund workers compensation schemes managed by icare. In the most recent financial year, the performance of the Nominal Insurer continued to deteriorate reflected in the recovery at work rates and the financial sustainability measures. As icare insures the majority of customers in the workers compensation scheme, this performance has a systemic impact on the experience and outcomes of customers, premium affordability, and the sustainability of the scheme overall. In 2021-2022, SIRA:

- reviewed and monitored the development and implementation of icare's own improvement plan, with the aim to gain assurance icare is implementing change successfully
- reviewed the icare Nominal Insurer business plan, premium calculation model and monthly performance reporting parameters
- streamlined engagement between SIRA and icare to maximise the exchange of information at executive and operational levels
- monitored return to work performance
- continued to supervise icare's approach to remediating underpayments of customers' pre-injury average weekly earnings (PIAWE)
- supervised icare's remediation of a significant backlog of outstanding invoices and privacy breach involving workers' data.

SIRA works to ensure that its regulatory environment is responsive to changing community expectations and the overall objectives of the schemes through contemporary, fit-for-purpose legislation, regulations, guidelines and standards

Investing in research

In 2021-2022, SIRA launched the SIRA Research Strategy 2022-2025, which sets out SIRA's priorities for research activities and funding for the next three years. The priorities span across value-based health care, prevention, service delivery models, policy, regulation and scheme design. The strategy supports SIRA's vision to use high quality research to ensure NSW's home building, CTP and workers compensation schemes are fair, affordable and effective.

In line with the objectives of SIRA's new research strategy, in 2021-2022, SIRA and icare granted \$9.6 million over five years to the John Walsh Centre for Rehabilitation Research (JWCRR) to help improve the lives of people living with injury related disability. The agreement funds core senior academic positions within the Centre to undertake work in rehabilitation research, knowledge translation and evaluation. Previous grants to the JWCRR have delivered significant impacts across the CTP scheme including legislation change (particularly CTP reform), guideline development and revision, improved support for claimants, and development of tools to support cost recovery and reductions in premiums.

SIRA continued to lead the recovery@work stream of the NSW Government's Mentally Healthy Workplaces Strategy throughout 2021-2022. The recovery@work stream aims to support people to stay at work or return to work while they are managing their mental health recovery, as well as increase employers' awareness, understanding, and capability to create mentally healthy workplaces.

A key initiative in SIRA's recovery@work program is Recovery Boost. SIRA's Recovery Boost program provides grants of up to \$50,000 towards mental health projects that encourage early intervention, support recovery and reduce stigma in workplaces. To date, SIRA has issued 20 grants valued at more than \$840,000 to individuals and organisations with innovative solutions to improve mental health recovery at work, eight of which were issued in 2021-2022. The benefits and lessons from the Recovery Boost projects will be used to inform further and more effective treatment and support programs for NSW workers.

Building sector capability

In 2021-2022, SIRA awarded four scholarships to industry professionals working in the NSW workers compensation and CTP schemes, to study a Graduate Certificate in Personal Injury Management. Uplifting capability within the sector will help to deliver better claims management and improved outcomes for people injured at work or on the roads in NSW.

In 2021-2022, SIRA commissioned the Social Research Centre to look into the use of Employee Assistance Programs (EAPs) in Australia and uncover opportunities to maximise their effectiveness. Encouraging greater use of support services available via EAPs and maximising their effectiveness can reduce mental distress and contribute to improved mental health outcomes. The research noted the value of EAPs in the workplace and identified key opportunities to improve the service.

In the workplace rehabilitation field, SIRA mandated a biopsychosocial approach in its new Workplace Rehabilitation Provider Approval Framework. The framework ensures that every workplace rehabilitation provider considers psychosocial factors impacting a worker as part of their treatment. SIRA required all workplace rehabilitation providers to reapply for approval under the new framework to continue delivering services in the scheme.

Towards value-based healthcare

SIRA is committed to implementing value-based healthcare within the workers compensation and CTP schemes. Value-based healthcare means that workers achieve good outcomes from the healthcare they receive, and that every dollar spent delivers quality, value, and optimises recovery.

To progress the implementation of value-based care in the workers compensation and CTP schemes, in 2021-2022, SIRA published the Value-based Healthcare Outcomes Framework. The framework provides a series of metrics for monitoring and reporting healthcare outcomes and costs in the schemes. The need for improved data collection and reporting was a key finding from SIRA's Healthcare Review and stakeholder feedback.

The implementation of the framework will enable SIRA to measure the value of healthcare – through the health and quality of life outcomes that are achieved – and report comparatively on insurer performance. SIRA also developed an implementation plan that sets out how it will drive better health outcomes and value-based care for injured people in the workers compensation and CTP schemes.

A new dashboard on healthcare costs and outcomes in the workers compensation and CTP schemes was also published on the SIRA website. With healthcare costs exceeding \$1 billion each year, the dashboard provides a transparent account of utilisation, costs and performance trends. This measure forms part of SIRA's response to its Healthcare Review, which has been focused on ensuring that every dollar spent on healthcare delivers the right healthcare services, at the right time, so injured people recover as well as possible.

Creating fair and efficient schemes

In 2021-2022, following an assessment for the first (2018) and second (2019) accident years, SIRA activated the TEPL mechanism for the first time to claw back almost \$91 million in insurer profits. Under the TEPL mechanism introduced in the 2017 CTP reforms, SIRA has the power to claw back insurer profit above 10%. The profits were redistributed to NSW motorists through savings on Green Slips, where it contributed to an average savings of \$19 when they take out or renew a Green Slip from 15 January 2022.

In 2021-2022, SIRA announced that loadings on surgical procedure fees in the workers compensation scheme will be removed from 1 July 2022. The change brings surgical procedure fees in line with Australian Medical Association (AMA) rates and is expected to put up to \$41 million back into the scheme each year. The changes to surgical fees followed an extensive consultation period which commenced in February 2021 and was extended to 30 September 2021 to provide additional time for feedback. This measure is part of a broader package of initiatives SIRA is undertaking to address rising healthcare costs.

Early intervention measures

In 2021-2022, SIRA established a free independent mental health peer to peer support line - Hear2Talk. Hear2Talk has been set up as a 12-month pilot and is available to all NSW employees who need mental health support. The service is based on evidence that shows people who receive peer support are more likely to retain engagement in the community and seek support services when needed. The warmline forms part of SIRA's commitment to the NSW Mentally Healthy Workplaces Strategy and is one way SIRA is boosting support for NSW workplaces, as well as preventing the emergence of more serious mental health issues in the future.

COVID-19

5

In 2021-2022, SIRA continued to monitor the impact of COVID-19 on scheme costs and performance, and implemented various measures to support injured people, employers and service providers.

In 2021-2022, insurers received 31,372 COVID-19 related notifications and claims in the NSW workers compensation scheme. where 29,777 related to a confirmed diagnosis, 204 were psychological in nature, and 1,391 were other notifications that were predominantly vaccine-related. The number of claims and notifications relating to COVID-19 significantly increased in the second half of 2021-2022, in line with increased case numbers in the community.

COVID-19 presumption legislation

In 2020, legislative changes introduced a presumption where workers in prescribed employment who contract COVID-19 are presumed to have contracted the disease in the course of their employment. These changes were introduced at a time when little was known about the impacts of COVID-19 and vaccinations were a work in progress.

In light of increased vaccination rates and reduced community transmission rates, in November 2021, the NSW Government introduced the Workers Compensation Amendment Bill 2021 to repeal this presumption. The Bill is currently before Parliament.

Continued availability of telehealth

Telehealth remained available without insurer pre-approval for nominated treating doctors, medical specialists (within three months from the date of injury), and some allied health services to promote access to effective treatment during the pandemic in 2021-2022.

Easier access to certificates of capacity/fitness

In 2021-2022, the ability for treating physiotherapists and psychologists to issue the second and subsequent certificates for injuries or illness within their area of expertise was adopted on an ongoing basis. The first certificate is still required to be issued by the nominated treating doctor.

The amendments were initially introduced as a temporary measure to relieve pressure on general practitioners and the overall health system during the COVID-19 pandemic. The amendments make it easier for injured people to continue to receive their weekly benefits without needing to visit their treating doctor.

Clear guidance for medico-legal examinations

SIRA guidance for medico-legal examinations remained in place in 2021-2022, to promote safe access to examinations during the pandemic for injured people, assessors and staff.

Interagency engagement

In 2021-2022, SIRA continued to meet with a COVID-19 interagency working group comprising of icare, the Personal Injury Commission (PIC), and the IRO. The working group met regularly to discuss issues and impacts on businesses and the scheme resulting from COVID-19.

Workers compensation



The NSW workers compensation scheme is the largest defined benefit scheme in Australia offering protection to people who are injured at work, covering more than 4.4 million workers and funded by more than 330,000 employers.

Workers compensation assists with the costs of weekly payments, medical and hospital expenses, and a range of other benefits to help the worker recover and return to work, including domestic assistance, education and training, and payments in the event of death.

Each year, around 100,000 people depend on the workers compensation system for income replacement and medical support.

The workers compensation scheme primarily operates under two separate pieces of legislation, the *Workers Compensation Act 1987* and the *Workplace Injury Management and Workers Compensation Act 1998*.

Scheme Snapshot

Number of workers protected:

4.5M



jobs covered in 2020-2021

Premiums collected (\$):

4.4B



in 2020-2021

Workers returned to work by 13 weeks:

44,460



in 2021-2022

Number of new claims:

101,937



in 2021-2022

Paid in claims costs:

\$4.6B



in 2021-2022

Open claims¹:

51,005



in 2021-2022

¹ An open claim is a claim that has not been settled or on which payments are still being made

6.1. Workers compensation insurers

SIRA is responsible for regulating all workers compensation insurers in NSW. There are four types of workers compensation insurers, as set out below:

Workers compensation insurer type	Active claims in 2021-2022 ²
Nominal insurer managed by icare	68,966
Government self-insurers	24,299
Self-insurers	9,775
Specialised insurers	7,152
Total	110,192

6.2. The performance of the Nominal Insurer

The performance of the workers compensation system overall is influenced to a large extent by the Nominal Insurer managed by icare, as it holds the majority market share of the workers compensation system.

In 2021-2022, key metrics of the Nominal Insurer performance continued to deteriorate. The return to work rate, while appearing to plateau over the latter half of the year, has reached a historic low. The accepted measures of financial sustainability (i.e. accounting and insurance ratios) both fell significantly further over the last financial year on the back of investment losses and the poor return to work rates. With significant external factors affecting NSW businesses, premium increases were capped by the Government, thereby continuing the widening gap in required breakeven premium.

In response to these factors and recommendations from the previous independent reviews into the Nominal Insurer, icare developed its improvement plan. This improvement plan moves icare away from its single service provider model introduced in 2018 to a new claims service model targeted to start in 2023. SIRA is continuing to engage with icare and its independent assurer, Promontory, on the implementation of this plan, with an aim to seeing long term sustainable improvements in the key performance metrics of the Nominal Insurer.

6.3. The McDougall Review

In August 2020, the NSW Government brought forward the scheduled five-year review of the SICG Act) (McDougall Review). In April 2021, the McDougall Review report was published, making 49 recommendations.

The NSW Government accepted the recommendations of the McDougall Review, including recommendation 34 to review and reconcile the existing workers compensation legislation. The NSW Government introduced the State Insurance and Care Legislation Amendment Bill 2022 to Parliament on 30 March 2022, which responds to eight powers, governance and regulation recommendations and two benefit-related recommendations made in the McDougall Review. Commutation amendments were removed from the Bill during debate in the Legislative Assembly and will be subject to further stakeholder consultation. The Bill is currently awaiting consideration in the Legislative Council.

SIRA undertook public consultation on the proposed reforms to thresholds, entitlements, and costs in October 2021 and has further consultation planned in the second half of 2022.

SIRA is also working on a way forward to amalgamate the workers compensation legislation. Due to the magnitude of this task and strong stakeholder views, this is expected to continue into and beyond 2023.

6.4. Law and Justice Review

In April 2021, the Standing Committee on Law and Justice handed down its report on the Review of the Workers Compensation Scheme, which made nine recommendations.

In response to one of the nine recommendations, the State Insurance and Care Legislation Amendment Bill 2022 was introduced into Parliament to expand the regulatory powers of SIRA. This also overlaps with a recommendation made in the McDougall Review.

In 2021-2022, SIRA also conducted an ongoing assessment of icare's improvement plan documents against the key supervision focus areas of claims and return to work outcomes, financial performance, customer, medical payment leakage, data quality and significant matters. SIRA also requested that icare expand its monthly reporting against the supervision priority areas, providing SIRA with regular insights into progress in the claims management model.

SIRA continues to work with insurers, providers, and key stakeholder to implement the recommendations of the report.

² An active claim is a claim that has had payments in the last three months of the reporting period



6.5. Gig economy

The rapid growth of the gig economy in NSW is changing the way the workforce operates. Throughout 2021-2022, SIRA continued to monitor developments in the on-demand/ gig economy industry, including the Federal Government's commitment to extending the powers of the Fair Work Commission to allow it to set minimum standards for gig economy workers relating to pay and conditions.

SIRA also continued to engage with industry participants to better understand insurance arrangements being voluntarily provided by food delivery platforms. It is positive to see that the major food delivery platforms are now signatories to the industry-led National Safety Principles and are providing automatic insurance coverage for riders who may be injured while logged on to the platform.

As part of its longer-term activity to modernise the NSW workers compensation system, SIRA will examine options for reforming the scheme and consider ways that gig workers should have the benefits provided by the workers compensation system. This work will strategically link to the recommendations of the Independent Review of icare and SICG Act (McDougall Review).

6.6. Workers compensation regulatory activity

SIRA's compliance and enforcement activities target the areas of highest risk. The actions taken are commensurate to the level of real or potential harm, the scope of non-compliance, the severity of wrongdoing and the need for deterrence. These activities are complemented by education and support initiatives to drive better outcomes for the people who make claims and hold policies in SIRA-regulated schemes.

Key regulatory activity for 2021-2022 included:

- \$295,500 in penalty notices were issued to businesses that were uninsured
- \$31,649 in additional premiums collected for under-insured businesses
- seven performance audits were conducted on self and specialised insurers
- a benchmark review of insurer return to work practices including file reviews, interviews with claims staff and a review of the systems and controls in place to identify workers at risk of not returning to work.

6.7. Return to and recovery through work rates

Improving return to work rates has been a significant focus for SIRA as the core role of the workers compensation system is to help people recover and return to work. The tables below show the trend in return to work rates, stay at work rates and working rates since 2017-2018³.

The table below is based on the percentage of workers who have been off work for at least one day (or more) and have returned to work after four, 13, 26, 52 or 104 weeks from their date of injury.

Return to work by financial year	4-weeks	13-weeks	26-weeks	56-weeks	104-weeks
2017-2018	70%	82%	86%	89%	89%
2018-2019	66%	79%	84%	86%	87%
2019-2020	69%	81%	85%	88%	88%
2020-2021	66%	79%	84%	86%	88%
2021-2022	68%	80%	84%	85%	-

The table below shows the trend in the stay at work rate. This rate includes the percentage of workers who did not take any time off work.

Stay at work by financial year ⁴	4-weeks	13-weeks	26-weeks	56-weeks	104-weeks
2017-2018	42%	42%	42%	42%	42%
2018-2019	43%	44%	44%	44%	44%
2019-2020	35%	35%	35%	35%	35%
2020-2021	33%	34%	34%	34%	30%
2021-2022	31%	31%	33%	32%	-

The table below shows the trend in the working rate. The working rate draws on data from two measures – the return to work rate and the stay at work rate – to show the percentage of people participating in work.

Working rate by financial year	4-weeks	13-weeks	26-weeks	56-weeks	104-weeks
2017-2018	83%	90%	92%	93%	94%
2018-2019	81%	88%	91%	92%	93%
2019-2020	80%	87%	90%	92%	92%
2020-2021	77%	86%	89%	91%	92%
2021-2022	78%	86%	89%	90%	-

6.8. Customer enquiries and complaints

In 2021-2022, SIRA Assist frontline team members supported 9,920 customer cases through inbound and outbound calls about workers compensation. SIRA received 2,434 enquiries via digital channels and postal correspondence.

SIRA Assist received over 8,500 applications for insurance search requests for policy claims and settlement records.

Over the financial year, SIRA Assist received 1,224 complaints. The most common complaints related to:

- outstanding medical payments (delays in payments to a provider from the insurer)
- employer and provider concerns about insurer conduct or behaviour (e.g. communication issues)
- suitable employment provisions for injured workers.

SIRA referred over 1,300 customers with workers compensation enquiries and complaints to IRO in 2021-2022.

³ SIRA's data is refreshed on a monthly basis. Any changes to historical data may be as a result of claim development over time, changes in reporting parameters and/or delayed reporting of claims. As a result, historical data may show small percentage changes compared to previous reports.

⁴ The stay at work rate does not alter across subsequent reference periods, as the metric is taken at the time of injury (or notification). If the injured person takes time off, they will move from the stay at work cohort to the return to work cohort.

Motor accidents insurance



The motor accident injuries insurance scheme insures vehicle owners for their liability for the injury or death of other road users caused by their vehicle.

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

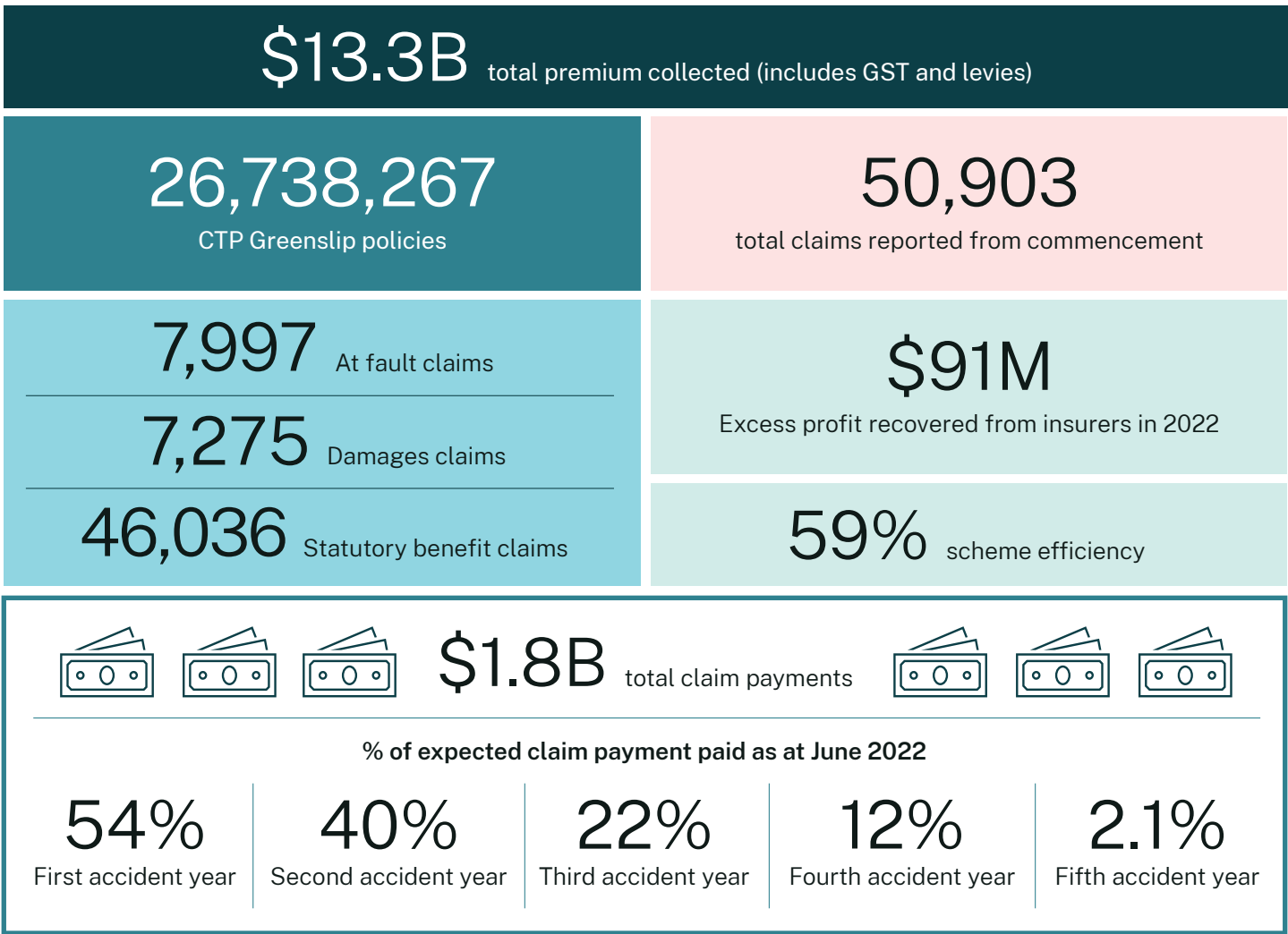
In December 2017, SIRA implemented significant Government legislative reforms to CTP insurance to enable a fairer and more affordable system. The system has reduced complexity and delays in claims management, delivered cheaper Green Slips, and increased the number of injured people entitled to benefits.

The *Motor Accidents Injuries Act 2017* (MAI Act) applies to CTP policies issued by insurers and people with injuries resulting from a motor vehicle accident on or after 1 December 2017 (the 2017 scheme).

People injured in a motor vehicle accident prior to 1 December 2017 are covered by the provisions of the *Motor Accidents Compensation Act 1999* (MAC Act).

Scheme Snapshot

Since commencement up to June 2022



From 1 July 2021 to 30 June 2022

\$2.9B total premium collected (includes GST and levies)

6,042,200

CTP Greenslip policies

2.7 million

Completed price checks on
SIRA's CTP Green Slip website

6,964 CTP Assist successful
calls to claimants

960 Complaints received by SIRA

+24 CTP Assist Net Promoter Score (NPS)

96.6% claims accepted

7,446 internal review requests

80% of claim decision upheld

19% of internal review decisions
overturned in favour of injured person

94%
people accessing treatment
and care within 4 weeks of lodgement



95%
of people receiving weekly
benefits within 13 weeks of lodgement



69.2%
people who stayed at or
returned to work within 26 weeks



5,281 Dispute applications received

3,304 Disputes finalised

\$482 Average premium (all vehicles)

\$153 Average premium saving in 2017 Scheme

7.1. CTP insurers

The CTP market comprises of six CTP insurers licensed by SIRA and operated by five entities including AAI Limited (AAMI and GIO), Allianz Australia Insurance Limited (Allianz), CIC Allianz Insurance Limited, Insurance Australia Limited (NRMA), QBE Insurance Australia (QBE) and the most recent entrant, Youi.

Since Youi's entrance into the NSW CTP market, Youi's market share has been steadily increasing. Insurers and brands with lower market shares have found it possible to gain market share from insurers with larger market share. A new insurer in the market has boosted competition and provided more choice to NSW vehicle owners purchasing policies.

7.2. CTP premiums

The 2017 Scheme is delivering the lowest premiums in over a decade. Average CTP premiums have been substantially and sustainably reduced, meaning customers are paying less for their CTP Green Slips. Before the 2017 Scheme, the average CTP premium was \$635, compared with \$482 as of June 2022 - an average saving of \$153.

Since the commencement of the 2017 Scheme, premiums have continually reduced across all vehicles with the June 2022 quarter being the lowest to date.

7.3. Green Slip Price Check

SIRA's online Green Slip Price Check is a price comparison tool that helps motorists get the best Green Slip price. The Green Slip Price Check is widely used in the market and has also contributed to increased competition.

The Green Slip Price Check also has a 'buy now' function to enable motorists to purchase a CTP policy online from any CTP insurer, providing a seamless transaction from selecting the best price to purchasing the policy.

In 2021-2022, approximately 2.6 million customers used the Green Slip Price Check with 93.8% of users stating they were satisfied with the tool.

It has provided customers with an efficient means of comparing market prices across all six CTP insurers and has facilitated simpler ways for customers to switch and save on premiums.

The Green Slip Price Check website underwent a major update in 2021-2022 aimed at improving the user front end and customer experience, with further improvements planned for 2022-2023.

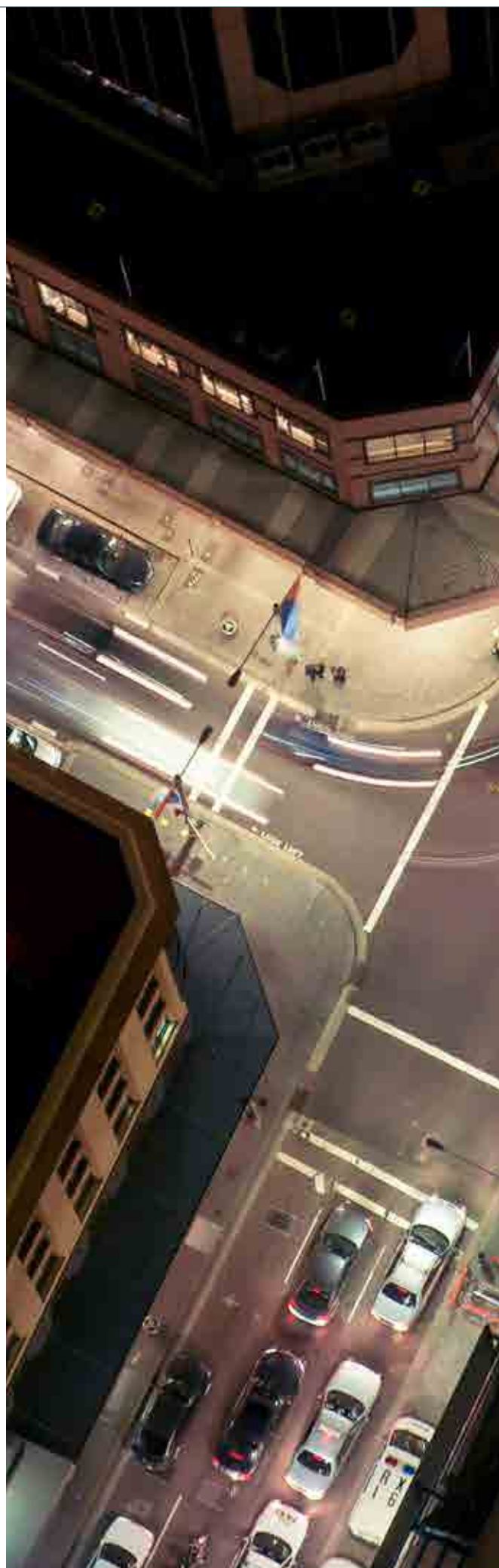
7.4. Insurer profit

A key feature of the 2017 Scheme is the ability for SIRA to normalise insurer profits. The reform gave SIRA, via the TEPL mechanism, the powers to retrospectively recoup excess profits (greater than 10%) or manage excess losses (below 3%).

Under the TEPL mechanism, SIRA can return excess insurer profits to motorists through reduced CTP fund levies. Similarly, excess insurer losses may result in increased levies to reimburse insurers for a component of their losses. As reforms of the 2017 Scheme continue to take effect, NSW motorists are benefiting from cheaper Green Slip fund levies.

In 2021, following an assessment for the first (2018) and second (2019) accident years SIRA activated the TEPL mechanism for the first time to claw back almost \$91 million in insurer profits. This profit was redistributed to NSW motorists through savings on Green Slips, where it contributed to an average savings of \$19 when they take out or renew a Green Slip from 15 January 2022.

As the Green Slips levy varies by vehicle type and region, the savings are applied as a 35% reduction in the levy so that the savings can be shared fairly among motorists for a period of 12 months from 15 January 2022.



7.5. Insurer Claims and Conduct Assurance Program (ICCAP)

The Insurer Claims and Conduct Assurance Program (ICCAP) is a program of thematic reviews designed to assess the performance and compliance of an insurer's operations and conduct in accordance with statutory requirements. ICCAP activities target existing or emerging risks and issues, with the forward plan responding to themes raised in the three year Statutory Review of the CTP scheme. The ICCAP is conducted in addition to core supervision and individual insurer remediation activities. These reviews ensure that insurers are held to account for meeting their statutory obligations.

In 2021-2022, ICCAP activities included:

1. Entitlement to damages
2. Injury Coding
3. MAI Act self-assessment

A supervision roadmap was released to insurers which outlines the 2022-2023 ICCAP schedule, which includes:

1. Treatment and care decisions
2. Recovery planning
3. Inactive claims
4. Weekly benefits
5. Internal reviews
6. Transition to Lifetime Care and Support Authority (CTP Care)

7.6. Motor accidents regulatory activity

SIRA issues regulatory notices where it identifies issues with the conduct or compliance of the insurers. The notices highlight the performance concern and outline SIRA's initial regulatory response.

Where performance and compliance issues are identified, CTP insurers are required to establish and implement a plan to demonstrate their approach for timely remediation of identified compliance or performance risk or issue.

Key regulatory activity for 2021-2022 included:

- SIRA issued 41 regulatory notices to insurers
- SIRA directed insurers to provide 18 formal remediation plans
- SIRA issued 22 letters of censure to insurers in respect of contraventions of motor accidents legislation.

7.7. Legal supports review

In 2021-2022, SIRA continued to undertake public consultation on the review of the provision of legal support for injured people in the CTP scheme, with the final report on the Review of Legal Support for people injured in the NSW CTP Scheme by Taylor Fry published in September 2021. The review aimed to assess whether the current legislative, regulatory and service provision of legal support promotes the objects of the Act, including encouraging the early resolution of motor accident claims, and the quick, cost-effective and just resolution of disputes.

The report identified eight options to consider in relation to changes to the legal support framework in the CTP scheme. SIRA expanded the scope of services provided by CTP Assist from January 2022 and is assessing the feasibility and cost implications of the other options. SIRA will engage with stakeholders on the implementation of any further proposed changes designed to ensure claimants can readily access appropriate supports and advice when they need it.

7.8. Law and Justice Review

In 2021, the Standing Committee on Law and Justice published its final report on the 2020 Review of the Compulsory Third Party insurance scheme. The report made a recommendation that the Statutory Review of the MAI Act, which was currently underway at that time, consider identified issues for reforms to the scheme. The reviewers, Clayton Utz and Deloitte, considered these issues and included recommendations in the Statutory Review final report, as per recommendation.



7.9. 2021 Statutory Review of the MAI Act

In 2021, Clayton Utz and Deloitte conducted the Statutory Review of the MAI Act. In November 2021, the final report of the three-year Statutory Review was tabled in the NSW Parliament. The independent reviewers, Clayton Utz and Deloitte made 73 recommendations in total.

Clayton Utz focused on whether the design and terms of the MAI Act, Regulations and Guidelines continued to meet the policy objectives of the 2017 Scheme, making 49 recommendations. Overarching considerations which guided their review included:

- the framework for the 2017 Scheme must be considered against the Objectives of the Act, balancing benefits available, ease of access, affordability and validity of claims
- the design of the Act to support injured persons financially and with treatment and care rather than compensating injured persons in full for their loss
- the statutory benefits scheme is intended to be non-adversarial
- measurement of implementation of the 2017 Scheme is important to guide analysis of the framework, noting the importance that data and analysis about the 2017 Scheme is reviewed critically.

Deloitte focussed on the implementation of the MAI Act with reference to specific key performance indicators and made 24 recommendations and 20 suggestions relating to SIRA's supervision and oversight of insurers, monitoring, and data collection.

Overall, the Statutory Review found the scheme is largely operating as intended and generally meeting scheme objectives, where there is sufficient experience to date to make this assessment.

SIRA has made progress on many of the recommendations, including updating the Motor Accident Guidelines, consulting on a Government-approved package of legislative reports, expanding the services of CTP Assist, and collaborating with insurers via an industry wide fraud forum to develop a fraud framework.

7.10. CTP Care

The CTP Care program (CTP Care) was established in the 2017 CTP reforms for people with claims in the scheme who require treatment and care for more than five years after an accident. CTP Care is administered by the Lifetime Care and Support Authority (LCSA) within the CTP scheme, under the MAI Act.

The Motor Accident Guidelines describe and clarify expectations that apply to respective stakeholders within the CTP scheme, and broadly set out the

required procedures for the transition of payments of statutory benefits for treatment and care from CTP insurer to CTP Care.

The first claimants will transition from CTP insurers to CTP Care from 1 December 2022, or earlier by agreement. CTP Care 'Early by Agreement' enables an early transfer of an injured person if it is likely that there will be a requirement for ongoing treatment and care more than five years from the date of the accident. In 2021-2022, 30 claimants were transferred to CTP Care early by agreement.

SIRA continues to work closely with the LCSA and licensed insurers to support a successful and smooth transition of CTP Care program mandatory transfers in late 2022.

7.11. Customer enquiries and complaints

In 2021-2022, CTP Assist supported 14,330 customer contacts through inbound calls, and 7,151 customer contacts through CTP digital channels. In the same period, CTP Assist made 38,353 outbound calls.

Additionally, in 2021-2022, SIRA received 1,254 customer contacts via the CTP widget, a mechanism which the public can use on SIRA's Green Slip Price Check service to provide feedback regarding their experience using the website.

CTP Assist also connected 3,339 customers to an insurer via CTP Connect, Online Claim Submission and Nominal Defendant Claims.

In March 2021, the IRO was established and took over handling complaints from an injured person about the way their insurers are managing their claim. The IRO now deals with complaints for both workers compensation and CTP insurers. SIRA handles complaints that are non-insurer related.

In 2021-2022, 727 complaints were received regarding CTP of which 664 complaints were for IRO and 62 were for CTP Assist.

The top three reasons for complaints about insurers related to:

- timeliness of insurer decision
- level of service and insurer communications practices
- decisions made by insurers

Non-insurer related complaints would relate to service provider claim payments and CTP policy matters.

In 2021-2022, there were two referrals for review of regulatory action where a complaint involved suspected non-compliance with the motor accidents legislation. In 2020-2021, there were 52 referrals; the significant reduction of referrals shadows IRO's increased functions.

Home building compensation



Home building compensation is a type of compulsory business insurance for corporations, partnerships or individuals that hold a 'contractor licence' to build or renovate homes in NSW. Businesses in the residential building industry must buy home building compensation insurance for each project they do over \$20,000 as a principal contractor (unless the work is of a kind that is exempt from insurance, such as the construction of buildings over three storeys high that contain two or more dwellings). Businesses are only able to buy insurance if they satisfy an insurer's eligibility criteria.

The home building compensation scheme provides homeowners \$340,000 of cover if the policyholder is unable to complete work or honour statutory warranties due to insolvency, death, disappearance, or has their licence suspended for failing to comply with a Court or Tribunal money order in favour of the homeowner.

There is currently only one insurer offering insurance under the home building compensation scheme, the NSW Government-operated NSW Self Insurance Corporation, trading as 'icare Home Building Compensation Fund (HBCF)'. The home building compensation scheme was historically underfunded from July 2010 when it became government-operated, but has been the subject of reforms, premium increases and NSW Government support since 2017 to move it to a sustainable financial footing.

Private insurers which issued insurance under the home building compensation scheme until June 2010 continue to manage some claims on those policies.

Scheme Snapshot

Number of Licensed Contractors eligible to purchase cover under the scheme:



21,156

Number of home building and renovation projects covered:



79,605

Value of home building and renovation projects covered:



\$20.7B

Number of new notifications or claims received:



1,227



8.1. Review of home building compensation in NSW

In December 2020, the Independent Pricing and Regulatory Tribunal (IPART) published the final report of the review of the efficiency and effectiveness of the home building compensation fund, including 22 recommendations for reforms. SIRA has led the development of a NSW Government response to IPART's report, which SIRA published on its website in June 2022.

Key actions to be taken by SIRA as part the NSW Government's response include that SIRA will develop and publicly consult on a discussion paper about redesigning the insurance scheme, and a consolidated re-write of SIRA's Insurance Guidelines to remove unnecessary impediments for APRA-authorised insurers to enter the home building compensation market and to improve the regulatory oversight of the current sole insurer icare HBCF.

8.2. Insurance premiums

Under SIRA's Home Building Compensation (Premium) Insurance Guidelines, a licensed insurer may only offer premiums that have been 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 icare's HBCF premium filing in February 2022 and reviewed it against SIRA's Home Builders Compensation (Premium) Insurance Guidelines. SIRA did not reject the icare HBCF premium filing which proposed changes to the way different construction types are priced from 1 October 2022. SIRA may only reject premiums if they are either excessive, inadequate or do not comply with the premium guidelines.

8.3. Home building regulation

SIRA monitors, regulates, and manages the performance of icare HBCF in the home building compensation scheme.

In 2021-2022, supervision of icare HBCF was conducted, focusing on performance and compliance in claims and dispute handling.

SIRA completed a review of 20 home building insurance policies to verify that premiums are being charged by icare HBCF in accordance with the Home Building Compensation (Premium) Guidelines. The review identified some opportunities for improvement where inconsistencies were found.

SIRA also completed a comprehensive claims file review to establish compliance with the Home Building Compensation (Claims Handling) Guidelines. The review focused on icare HBCF's compliance with service standards contained within the guidelines and identified opportunities for improving timeliness in claims handling.

SIRA also undertook a comprehensive review of icare HBCF's new eligibility model to ensure it met the requirement of the Home Building Compensation (Eligibility) Guidelines.

The purpose of the model is to provide a simplified, automated eligibility assessment process for over 90% of builders in NSW. The eligibility model has also incorporated changes to align with SIRA's Home Building Compensation (Premium) Insurance Guidelines to reduce construction type categories from nine down to five categories. SIRA did not reject the model which took effect on 1 July 2022.

During 2021-2022, SIRA investigated nine matters for potential enforcement action. Two were referred to NSW Fair Trading for further review.

SIRA did not receive any licence applications for the provision of home building compensation cover.



8.4. HBC Check

SIRA maintains an online public register of insurance under section 102A of the *Home Building Act 1989* known as the HBC Check. The HBC Check 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.

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

In 2021-2022, there were approximately 106,910 searches conducted on the HBC Check.

The HBC Check includes the option for users to provide 'thumbs-up' or 'thumbs-down' feedback about their experience. Of the 200 users that gave feedback in 2021-2022, 80% gave a thumbs-up.

8.5. 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 2021-2022, SIRA determined four applications for insurance exemptions, of which three were granted and one was refused.

8.6. Customer enquiries and complaints

In 2021-2022, SIRA Assist frontline team members supported 760 customer cases through inbound and outbound calls about home building compensation. In addition, SIRA received 325 enquiries via digital channels and postal correspondence.

SIRA Assist received 28 complaints in 2021-2022. The most common complaints related to provision and eligibility of insurance and claim liability decisions.

Appendices — Our people



9.1. Human resources

SIRA staff are employed by DCS.

While SIRA is an independent agency within the cluster, it uses shared services support from DCS in the areas of communications, finance, information, and technology services including cyber security, investment, human resources, legal and procurement.

In 2021-2022, the number of SIRA full-time equivalent (FTE) staff was 302.1.

SIRA employed 31 contractors on 30 June 2022. This compares to 30 contractors employed on 30 June 2021 and 28 contractors employed on 30 June 2020.

Number of SIRA staff by classification and year

Classification	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Administrative and clerical officers	278.5	285.5	341.6	266.3	283.2
Public Service Senior Executives (Government Sector Employment Act 2013)	16.7	13.9	17.9	17.0	19.0
Statutory Officers	1	1	1	-	-
Total	296.2	300.4	360.5	283.3	302.2

Statistics are based on Workforce Profile census data as at 28 June 2018, 27 June 2019, 26 June 2020, 24 June 2021 and 23 June 2022.

Number of SIRA senior executives by band and gender

Band	2020-2021		2021-2022	
	Female	Male	Female	Male
Band 1 (Director)	7	6	7	8
Band 2 (Executive Director)	2	1	2	1
Band 3 (Deputy Secretary)	1	-	-	1
Total	10	7	9	10

Average remuneration of SIRA senior executives employed in each band

Band	2020-2021		2021-2022	
	Salary range \$	Average remuneration \$	Salary range \$	Average remuneration \$
Band 1 (Director)	192,600 - 274,700	236,231	197,400 - 281,550	241,820
Band 2 (Executive Director)	274,701 - 345,550	299,148	281,551 - 354,200	311,327
Band 3 (Deputy Secretary)	345,551 - 487,050	419,994	354,201 - 499,250	425,500

9.2. Workplace diversity

Trends in the representation of workforce diversity groups

Workplace Diversity Group	Benchmark/ Target	2018–2019	2019–2020	2020–2021	2021–2022
Women	50.0%	66.7%	67.2%	66.2%	68.0%
Aboriginal People and/or Torres Strait Islander People	3.3%	2.3%	1.1%	0.9%	1.3%
People whose first language spoken as a child was not English	23.2%	22.6%	24.8%	23.6%	24.1%
People with a disability	5.6%	5.9%	4.0%	6.0%	6.2%
People with a disability requiring work-related adjustments	N/A	0.0%	0.4%	0.9%	1.7%

Statistics are based on Workforce Profile census data as at 27 June 2019, 25 June 2020, 24 June 2021 and 23 June 2022.

Note 1: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 2: The NSW Public Sector Aboriginal Employment Strategy 2014–17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

Note 3: 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% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 4: 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% to 5.6% by 2027. More information can be found at: Jobs for People with Disability: A plan for the NSW public sector.

Note 5: The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

Trends in the distribution of workforce diversity groups

Workplace Diversity Group	Benchmark/ Target	2018–2019	2019–2020	2020–2021	2021–2022
Women	100	98	98	96	95
Aboriginal People and/or Torres Strait Islander People	100	N/A	N/A	N/A	N/A
People whose first language spoken as a child was not English	100	100	97	97	98
People with a disability	100	N/A	N/A	N/A	102
People with a disability requiring work-related adjustments	100	N/A	N/A	N/A	N/A

Statistics are based on Workforce Profile census data as at 27 June 2019, 25 June 2020, 24 June 2021 and 23 June 2022.

Note 1: 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.

Note 2: 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.



9.3. Promoting diversity

SIRA is committed to creating an inclusive workplace that is reflective of the community. There are a range of workforce diversity strategies and programs in place to improve employment outcomes and experience for people from diverse backgrounds.

Employee Resource Groups

SIRA is active in DCS Employee Resource Groups (ERGs). The ERGs serve as subject matter experts, providing advice to the Diversity and Inclusion Advisory Council and helping to ensure SIRA is an inclusive employer and supportive of the diverse NSW community. The ERGs are also available for support and guidance to staff members with questions or concerns.

In 2021-2022, SIRA staff were directly represented on nine ERGs:

- Ability DCS ERG
- Aboriginal ERG
- Carers ERG
- Culturally and Linguistically Diverse ERG
- Leading Women ERG
- Generations ERG
- Parents ERG
- Pride ERG
- Regional ERG.

Disability Inclusion Action Plan

SIRA continues its involvement in delivering the DCS Disability Inclusion Action Plan 2020-2025, which includes membership and active participation on the DCS Disability Inclusion Steering Committee.

SIRA is committed 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 workplaces for people with disability
- identifying improvements in accessibility to SIRA systems and processes for people with disability.



9.4. Work health and safety

In 2021-2022, there were three new workers compensation claims lodged with a net incurred cost of \$ 98,082.44. Of the three claims lodged in 2021-2022, two were mental stress related which accounted for 87% of the total net incurred cost, and one was physical injury related.

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 claims.

SIRA is committed to the health, safety and wellbeing of all employees, including contractors, agency staff, and volunteers. Our strategies and initiatives are focused on promoting, supporting and enabling a robust safety and wellbeing culture that enables safe and healthy workplaces.

In 2021-2022 employees had access to a range of resources to promote physical and mental health, including:

- A dedicated COVID-19 SharePoint site available to all employees and people leaders across DCS, including SIRA, which was updated regularly with communications, curated information and frequently asked questions to provide employees with accurate, clear, and simple support including working from home guidance and a support checklist for managers who had an employee test positive for COVID-19.
- A phased COVID-19 risk assessment and consultation process was undertaken to identify and implement COVID-19 vaccination requirements for staff.
- A People and Culture Hypercare team was established to support all DCS employees through the implementation of the DCS Vaccination approach in response to the COVID-19 global pandemic.
- A centralised SharePoint repository providing self-care tips and wellbeing-related tools and resources.
- Healthy Hybrid Habits Agreements to foster flexibility of working arrangements across all SIRA teams, with a focus on prioritising the health and wellbeing of SIRA's people and creating an environment that embraces hybrid ways of working.
- A Working from Home Ergonomic Guide, a refreshed Home Ergonomics intranet page, and virtual ergonomic assessments were made available to staff. Office equipment, such as chairs and monitors, were offered to all employees to provide a safe working environment at home.
- Through the DCS partnership with Fitness Passport, SIRA staff could continue accessing a low cost, flexible corporate gym and pool membership program in their preferred area at a reduced cost.
- Training staff on becoming mental health first aid officers so staff can confidentially discuss their issues with and receive advice on potential next steps in the workplace.
- The launch and implementation of 'my Safety', an online hazard and incident reporting system with a focus on a real time incident and hazard dashboard.
- The Employee Assistance Program (EAP) which provides free, professional counselling services.
- Ongoing social engagement and safety communication updates and information through email, Yammer, and town halls.
- The Recover at Work Policy which recognises the importance of helping and supporting all employees through injury or illness through early intervention, active engagement with their support team, and key preventative strategies as they recover at work.
- SIRA had nil prosecutions under the *Work Health and Safety Act 2011* during the 2021-2022 financial year.

9.5. Training and development

Mandatory training

DCS and SIRA are continuously improving mandatory training available to all staff, including contractors, to ensure they have the skills and knowledge they need to operate with the highest level of integrity and enable them to make informed decisions aligned to good governance principles. This includes refreshing and tailoring the training program available to ensure it is fit-for-purpose and meets organisational needs.

In 2021-2022, SIRA staff undertook training modules focused on maintaining and promoting ethical conduct in working relations, employee responsibilities in maintaining cyber security, and the laws, regulations, and internal policies that support and maintain integrity across the organisation.

Leadership training and development

A renewed focus on SIRA's people leadership needs was developed in 2021-2022 through the SIRA people leaders focus group and the development of the SIRA People Leaders Working Group to inform leadership development activities in the year ahead.

Non-mandatory training

SIRA employees had continued access to the myLearning portal in 2021-2022, which provides online courses grouped into themes and topics known as playlists.

Employees accessed 118 courses. The top six courses (excluding Leadership essentials) accessed by SIRA employees in 2021-2022 were:

- De-escalating intense situations
- Supporting your mental health while working from home
- Learning PowerPoint for the web (Microsoft 365)
- PowerPoint: creating an info-graphic
- Excel essential training (Microsoft 365)
- Giving and receiving feedback.

Other SIRA training and development

In 2021-2022, SIRA managers completed Disability Confident Workforce and Disability Confident Managers training identified through SIRA's contribution to the DCS Disability Inclusion Action planning process.

Introductory modules on the Accident Compensation Industry, Compulsory Third Party Scheme, Workers Compensation Scheme and Home Building Compensation Scheme developed in partnership with the Personal Injury and Education Foundation (PIEF) were also completed by a number of SIRA staff in 2021-2022.

In 2021-2022, SIRA launched the SIRA2025 strategy at a face to face gathering where staff were introduced to the goals and set of strategic priorities that will guide their work over the next four years to deliver on SIRA's core purpose of making sure that NSW insurance schemes protect and support the people who need them now, and in the future. The Minister for Customer Service and Digital Government, the Secretary of the Department of Customer Service, and Chair of the SIRA Board where amongst the panellists who provided their insights and clarity about SIRA2025.

SIRA's Learning and Development site was launched in 2021-2022, providing SIRA staff with resources and key information relating to:

- Building your industry knowledge
- Starting at SIRA
- Performance at SIRA
- Finding the right training.

In 2021-2022, SIRA also sponsored six scholarships for the PIEF – Monash University postgraduate pathway program. Scholarships were awarded to three SIRA employees, two CTP industry professionals and two workers compensation industry professionals as part of SIRA's commitment to build internal capability and lead the sector in capability development. Participants will earn the Graduate Certificate in Personal Injury Management, enhancing skills and knowledge in personal injury and disability insurance management and equipping them to become future leaders within the industry.

Appendices — Legal

10

10.1. Legislation

Principal legislation

The following legislation was allocated to the Minister for Customer Service and Digital Government in 2021-2022:

- *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*
- *Personal Injury Commission Act 2020* (except parts, the Attorney General sections 7(1), (2), (6) and (7) and 16 and Schedule 2, clause 15, jointly with the Attorney General)
- *State Insurance and Care Governance Act 2015 No 19* (except parts, the Minister for Finance)
- *Workers Compensation Act 1987* (except parts, the Minister for Finance)
- *Workplace Injury Management and Workers Compensation Act 1998*

Changes in Acts and subordinate legislation

Amending Acts:

- *Customer Service Legislation Amendment Act 2021*
- *Motor Accidents and Workers Compensation Legislation Amendment Act 2022*

Amending subordinate legislation:

- *Motor Accident Injuries Amendment Regulation 2022*
- *Motor Accident Injuries (Indexation) Amendment Order 2022*
- *Motor Accident Injuries (Indexation) Amendment Order (No 2) 2021*
- *Motor Accidents Compensation (Determination of Loss) Amendment Order 2021*
- *Motor Accidents (Determination of Non-Economic Loss) Amendment Order 2021*
- *Personal Injury Commission Amendment (Independent Review Officer Remuneration) Regulation (No 2) 2021*
- *Workers Compensation Amendment (Certificates of Capacity) Regulation 2022*
- *Workers Compensation (Indexation) Amendment Order (No 3) 2021*
- *Workers Compensation (Indexation) Amendment Order 2022*
- *Workers Compensation (Indexation) Amendment Order (No 2) 2022*

10.2. Significant judicial decisions

Matthew Ritchie v the Nominal Defendant, District Court Proceedings No 2021/117151 (5 November 2021)

Mr Ritchie was a resident of Queensland who was injured in a motor accident in NSW. He made a statutory benefits claim under the MAI Act against the Nominal Defendant because the vehicle at fault was not identified. Under the MAI Act, SIRA is the Nominal Defendant and administers the Nominal Defendant's Fund. The claim was allocated to Insurance Australia Group Limited t/as NRMA Insurance (NRMA) under section 2.36 of the MAI Act to act for the Nominal Defendant. NRMA denied liability and the payment of statutory benefits after 26 weeks because it was of the view that the claimant's only injuries were 'minor injuries', within the meaning of the Act.

Mr Ritchie made application to the former Dispute Resolution Service for a medical assessment as to whether his injuries sustained in the motor accident were 'minor injuries'. This matter was transferred to the Personal Injury Commission (Commission) with its establishment on 1 March 2021. A medical assessor at the Commission assessed Mr Ritchie's injuries as minor injuries. Mr Ritchie lodged an application for review of the medical assessment and also filed a summons with the District Court, as provided for under Division 3.2 of the PIC Act, seeking leave to commence proceedings in the District Court. Mr Ritchie was a resident of Queensland and his claim was made on SIRA, the Nominal Defendant. This raised the question as to whether SIRA was the 'state' for the purposes of the Commonwealth Constitution and a determination by the usual decision maker (a medical assessor or medical review panel) would involve an exercise of federal jurisdiction.

In a decision delivered on 5 November 2021, the District Court found that SIRA was 'the state' for the purposes of section 75(iv) of the Constitution. Therefore the 'minor injury' dispute was a dispute between NSW and a resident of another State. For this reason the medical assessor at the Commission did not have jurisdiction to assess the minor injury dispute because such a determination would involve the exercise of federal jurisdiction. The Court granted leave for the matter to proceed in the District Court.

In proceedings for the determination of the matter in the District Court, in accordance with section 27 of the PIC Act, the Court made various orders including remitting the minor injury dispute and any review rights to the President of the Commission for assessment by a different medical assessor. Once the medical assessment was made, the parties were granted leave to file a motion in the District Court to adopt, vary or reject the determination by the decision-maker at the Commission.

Obeid v AAI Ltd t/as AAMI [2022] NSWPICMP 76 (5 April 2022)

Mr Obeid made a claim on the relevant insurer for statutory benefits for injuries sustained in a motor accident. A dispute arose in relation to whether proposed shoulder surgery was reasonable and necessary in the circumstances. Mr Obeid made application to the President of the PIC for a medical assessment under clause 2(b) of Schedule 2 to the MAI Act. The decision of the medical assessor was the subject of review by a Review Panel. The Review Panel concluded for various reasons it did not have jurisdiction to determine a dispute about proposed treatment because the jurisdiction conferred by cl 2(b) of Schedule 2 to the MAI Act (as drafted at that time) was limited to the assessment in relation to treatment and care provided and did not extend to jurisdiction to assess whether treatment and care 'to be provided' is reasonable and necessary in the circumstances or related to injury caused by the motor accident concerned. The Review Panel dismissed the application.

This decision highlighted a potential ambiguity in clause 2(b) as drafted. Given the importance of the resolution of medical disputes for claimants including disputes about proposed treatment and care, the *Motor Accident Injuries Amendment Regulation 2022* was made to amend clause 2(b) of Schedule 2 to the MAI Act, as provided by s 7.51 of the MAI Act. The amendment, which commenced on 10 June 2022, clarified that a medical assessment matter is a dispute as to whether any treatment and care provided or to be provided to an injured person is reasonable and necessary in the circumstances or relates to the injury caused by the motor accident for the purposes of section 3.24.

Appendices — Governance



11.1. Ministerial directions

The Minister for Customer Service and Digital Government issued no Ministerial directions under section 20 of the *State Insurance and Care Governance Act 2015* (SICG Act) in 2021-2022.

11.2. Public interest disclosures

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, or
- failures to properly fulfil functions under the *Government Information (Public Access) Act 2009* (GIPA Act).

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 2021-2022, SIRA employees were made aware of their rights and responsibilities under this Act through:

- The Department of Customer Service Report Wrongdoing and Public Interest Disclosures (PID) Policy
- The Department of Customer Service Code of Ethics and Conduct
- a mandatory training module that all employees must complete.

Disclosures

Zero public interest disclosures were made within SIRA about SIRA in 2021-2022.

11.3. Board composition and meetings

Composition of the board

Member	Member type	Current term	Previous term(s)
Trevor Matthews	Appointed member and Chairperson	16 November 2021 – 15 November 2023	16 November 2015 – 15 November 2021
Nancy Milne OAM	Appointed member and Deputy Chairperson	16 November 2021 – 15 May 2023	16 November 2015 – 15 November 2021
Dr Abby Bloom	Appointed member	19 February 2022 – 18 February 2023	16 November 2015 – 18 February 2022
Dr Graeme Innes AM	Nominee of the Secretary of DCS	16 November 2021 – 15 February 2024	1 November 2016 – 15 November 2021
The Hon Greg Keating	Appointed member	16 November 2021 – 15 November 2024	16 November 2018 – 15 November 2021
Rod Stowe PSM	Appointed member	16 November 2020 – 15 November 2022	16 November 2018 – 15 November 2020
Adam Dent	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 nine times in 2021-2022, with meetings held on the following dates:

- 9 July 2021
- 27 August 2021
- 29 September 2021
- 29 October 2021
- 3 December 2021
- 25 February 2022
- 25 March 2022
- 29 April 2022
- 27 May 2022

Attendance

- Trevor Matthews, Dr Graeme Innes, the Hon Greg Keating and Adam Dent attended all nine meetings
- Nancy Milne and Dr Abby Bloom attended eight meetings
- Rod Stowe attended seven meetings

11.4. Response to audit

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

11.5. Accounts payable information

Yearly data for 2021-2022

Description	Number/Percentage	Value \$
Goods and Services payments within 30 days	479	451,958
Goods and Services payments exceeding 30 days	521	107,926
Total goods and services payments	1,000	559,884
Percentage exceeding 30 days	52%	19%
Small Business payments within 30 days	11	1,578
Small Business payments exceeding 30 days	37	3,838
Small business total payments	48	5,416
Small business exceeding 30 days	77%	71%

Quarterly data for 2021-2022

Description	Q1		Q2		Q3		Q4	
	No.	Value \$	No.	Value \$	No.	Value \$	No.	Value \$
Goods and Services payments within 30 days	145	298,048	90	28,636	74	43,071	170	82,203
Goods and Services payments exceeding 30 days	145	54,803	129	35,829	131	13,359	116	3,935
Total goods and services payments	290	352,851	219	64,465	205	56,430	286	86,138
Percentage exceeding 30 days	50%	16%	59%	56%	64%	24%	41%	5%
Small Business payments within 30 days	-	-	-	-	-	-	11	1,578
Small Business payments exceeding 30 days	7	253	7	216	7	797	16	2,572
Small business total payments	7	253	7	216	7	797	27	4,150
Percentage exceeding 30 days	100%	100%	100%	100%	100%	100%	59%	62%

11.6. Overseas travel

There was no overseas travel in 2021-2022.

11.7. Land disposal

SIRA did not dispose of any property in 2021-2022.

11.8. Multicultural policies and services

In 2021-2022 SIRA undertook the following actions:

- Refreshed our customer experience survey, with CALD survey data to be matched with claims data to give a fuller picture of the connection between background, experience and claims outcomes. To support this improved analysis the survey was translated into five community languages.
- Created a number of instructional videos on how to submit a claim in a number of common community languages, including Greek, Vietnamese, Korean, Cantonese and Arabic.
- Added additional milestone calls to CTP claimants from a CALD background to better support them during their claims journey. These claimants now receive additional calls at 7, 15 and 19 weeks into their claim.

11.9. Statement as required by the NSW Carers (Recognition) Act 2010

SIRA provides services for carers and people being cared for by carers. SIRA's services include information and advice about injury compensation and rehabilitation services for people injured in workplace or motor vehicle 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 *NSW Carers (Recognition) Act 2010*.

Under section 8 of this Act, 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 legislation 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 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 for SIRA staff and providing specific carer and family support programs
- maintaining support for a carers' employee resource group and having carers as a focus of the internal Diversity and Inclusion Advisory Council.

11.10. 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 \$'000
Ernst & Young Australia	Actuarial Services-Motor Accidents Insurance Regulation (MAIR)	4,758
Ernst & Young Australia	Actuarial Services-Workers Compensation Regulation (WCR)	185
Taylor Fry P/L	Actuarial Services-Motor Accidents Insurance Regulation (MAIR)	1,179
Others	Consultants under \$50,000	95
Total	-	6,217

11.11. Research funding

Total grants for 2021–2022

Recipient	Amount \$'000
Total expenditure - Motor Accidents Operational Fund (MAOF)	3,967
Total expenditure - Workers Compensation Operational Fund (WCOF)	1,799
Total	5,766

Research and education programs funded from the Motor Accidents Operational Fund expended in 2021-2022

Allocated funds may be subject to adjustment in some instances.

Recipient	Details	Nature	Amount \$'000
Knowledge Translation Australia Pty	JWCRR Impact Outcomes Evaluation Project	Funding Agreement	45
Northern Sydney Local Health	JWCRR Core Grant	Funding Agreement	1,135
Northern Sydney Local Health	Reform Trial Project	Funding Agreement	25
The George Institute for Global	Futures Evidence Generation and Collaborative	Funding Agreement	15
Transport for NSW	Centre for Road Safety Partnership	Funding Agreement	2,570
University of Melbourne	Value Care Research Project	Funding Agreement	25
University of Sydney	JWCRR-Post Doctoral Fellowship	Funding Agreement	122
Department of Communities and Justice	NCIS 21-22	Funding Agreement	30
Total	-	-	3,967

Research programs and education funded from the Workers Compensation Operational Fund expended in 2021-2022

Allocated funds may be subject to adjustment in some instances.

Recipient	Details	Nature	Amount \$'000
Batyr Australia Limited	Recovery Boost: OurHerd@Work	Grant	36
Black Dog Institute	Recovery after Psychological Injury 2-Year Research Fellowship	Funding Agreement	80
Bus & Coach Industrial Association	Recovery Boost: Signal for Help	Grant	13
Central Coast Industry Connect Limited	Recovery Boost: Better for Business Central Coast	Grant	33
Deaf Services Limited	Recovery Boost: Auslan Story Project: Mental Health Videos Supporting Deaf and Hard of Hearing Employee Wellbeing	Grant	20
Gandangara Local Aboriginal Land Co	Recovery Boost: Yarning Circle for Staff Wellness	Grant	33

Recipient	Details	Nature	Amount \$'000
Heaton Communications Pty. Ltd.	Disruptors Co-Capacity development for applicants - 'Hack Days' and communications development	Grant	11
Hunter New England Local	Recovery Boost: Everymind/Using the lived experiences of rural sole traders from agriculture industries	Grant	16
Mates In Construction NSW Ltd	Recovery Boost: Stronger together in Regional NSW: Expanding the MATES in construction in regional communities	Grant	22
Metro Assist Limited	Recovery Boost: Co-designing culturally appropriate [mental health] interventions	Grant	17
Monash University	Transition Study (Section 39 Study)	Funding Agreement	514
Monash University	Allied Health Provider Certification Evaluation (Certificate of Capacity or CoC)	Funding Agreement	22
Monash University	National GP Mental Health Guidelines (Implementation Phase) Improve	Funding Agreement	50
Murrumbidgee Local Health	Recovery Boost: Building Health leaders of the future: A mental health coaching pilot program (CONNECT)	Grant	16
Neami Limited	Hear2Talk -Peer run mental health support line	Grant	519
Nexus Management Consulting Pty Ltd	Hear2Talk pilot evaluation	Grant	23
Northern Sydney Local Health	Reform Trial Project Extension	Funding Agreement	25
NRMA Limited	Recovery Boost: "We Carry You" Peer support program	Grant	33
NSW Police Force	Recovery Boost: Improving your mental durability- Addressing Hyperarousal in Police Officers	Grant	16
Phoenix Australia Centre For	Recovery through work measurement framework	Grant	5
Simon Bayly Portus	Recovery Boost: Managing Minds -Mental Health literacy podcast series	Grant	14
Rumpus Skillshare	Recovery Boost: LunchBreak: Mental Health Skills & Habits: Improving sleep for improved mental well-being	Grant	33
Souths Cares PBI Ltd	Recovery Boost: Souths Cares Mental Health Initiative	Grant	29
The George Institute For Global	Futures Evidence Generation and Collaborative	Funding Agreement	15
The Social Research Centre Pty Ltd	Exploring Current Issues and Evidence for Employee Assistance Programs (EAP)	Funding Agreement	35
University Of Melbourne	Low Value Care Research Project	Funding Agreement	25
The University Of Newcastle	Lived Experience of Small Business Owners during COVID-19 (Mental Health)	Funding Agreement	84
University Of Sydney	Recovery Boost: LISTEN TO ME: a virtual platform that supports healthcare workers recovering from mental health	Grant	30
University Of Sydney	Workers Health Support Plan Evaluation	Funding Agreement	12
Western Sydney Local Health District	Recovery Boost: Development of an Emergency Department staff wellbeing framework and Code Black virtual reality training program	Grant	18
Total	-	-	1,799



11.12. SIRA funded vocational programs

SIRA provides a number of funded vocational programs to support return to and recovery through work in both the CTP and workers compensation schemes. These programs help with the provision of equipment, workplace modifications, training, and provide other financial incentives to a worker or employer.

SIRA provided \$7.627 million in funding for the following vocational programs:

- financial assistance for the rehabilitation and retraining of injured workers, including formal training and on the job experience with a host employer such as work trials or return to work assistance for micro-employers
- financial incentives for the provision of equipment or workplace modifications to employers who retain their injured workers or employers who offer new employment to unemployed injured workers
- financial assistance to employers who offer new employment to unemployed injured workers, e.g. JobCover placement program
- financial assistance to injured workers to address any immediate, short term barrier or need preventing them accepting employment in a new work role i.e. transition to work payment

11.13. Privacy and personal information

Privacy compliance

SIRA demonstrates its compliance with privacy legislation and its commitment to protecting customer, employee and third-party privacy through:

- the Privacy Management Plan and framework
- the dedicated Privacy Officer function
- staff onboarding procedures which include mandatory privacy training
- privacy refresher training and awareness
- digital information procedures
- mechanisms to protect and secure personal and health information.

The Privacy Management Plan sets out how SIRA upholds and respects the privacy of its customers, staff, and others about whom it holds personal information. It also demonstrates how SIRA aims to meet its privacy obligations under the *Privacy and Personal Information Act 1998* and the *Health Records and Information Privacy Act 2002*.

Privacy internal review applications

In 2021-2022, SIRA did not receive any applications for an internal review of conduct relating to the handling of personal or health information.

11.14. Obligations under the *Government Information (Public Access) Act 2009*

The *Government Information (Public Access) Act 2009* (GIPA Act) provides an open and transparent process for giving the public access to government information. It also encourages the proactive public release of government information.

SIRA primarily uses its website to release information that is in the public interest, including resources and information about SIRA's regulatory functions and activities, quarterly regulatory updates, law reforms, policy developments, internal policies, scheme data, factsheets, advice, and information regarding consultations in the workers compensation, CTP, and home building insurance systems.

SIRA uses its bulletins and LinkedIn page to increase awareness of public consultations and guidance information and resources.

Information that has been proactively released throughout 2021-2022 include:

- Board communiqués
- SIRA Bulletins – Issues 34 to 44
- Recovery at work Insider - Issues 9 to 16
- SIRA Regulatory Publishing Policy
- Statutory Review of the Motor Accident Injuries Act 2017
- SIRA2025 Strategy
- SIRA Research Strategy 2022-2025
- Mental Health Recovery and Support Action Plan
- SIRA's Return to Work Action Plan
- Implementation plan for value-based healthcare in NSW the Workers Compensation and CTP schemes
- Standard of Practice 34: Return to work – early intervention
- Mental Health Therapy Dog - SIRA Evaluation: 12 Month Follow Up
- SIRA quarterly regulatory update (ending 31 March 2022)
- SIRA quarterly regulatory update (ending 31 December 2021)
- Workers compensation regulatory key activities for 1 July – 30 September 2021
- Motor accidents regulatory update for 1 July – 30 September 2021
- CTP 2017 scheme performance report 2021
- CTP 1999 scheme performance report 2021
- CTP Insurer claims experience and customer feedback comparison – December 2021
- CTP Insurer claims experience and customer feedback comparison - September 2021
- 2017 CTP Scheme Open Data
- Workers compensation system dashboard/Open Data
- Home building compensation scheme report (Data Tables) (June 2021)
- CTP scheme (2017) quarterly actuarial monitoring - 31 September 2021 (EY Report)
- CTP scheme (2017) quarterly actuarial monitoring - 31 December 2021 data (EY Report)
- CTP scheme (2017) quarterly actuarial monitoring - 31 March 2022 data (EY Report)
- CTP scheme (2017) quarterly actuarial monitoring - 31 June 2022 data (EY Report).

Formal access applications

SIRA received 13 formal access applications during the 2021-2022 financial year. This includes one transferred application but excludes invalid applications. More than one decision can be made for each access application, and while SIRA decided 13 access applications in 2021-2022, there were 15 decisions for these applications, as outlined in the tables below.

A detailed analysis of the formal access applications received throughout 2021-2022 is included in Table 1 to Table 9.

Table 1: Number of applications by type of applicant and outcome⁵

Applicant	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 or deny whether information is held	Application withdrawn	Total
Media	2	1	0	0	0	0	0	0	3
Members of Parliament	1	0	0	0	0	0	0	0	1
Private sector business	3	0	0	1	0	0	0	0	4
Not for profit organisations or community groups	1	0	0	0	0	0	0	0	1
Member of the public (application by legal representative)	0	0	0	1	0	0	0	0	1
Member of the public (other)	3	1	0	1	0	0	0	0	5
Total	10	2	0	3	0	0	0	0	15

⁵ More than one decision can be made in respect of a particular 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 outcome⁶

Applicant	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 or deny whether information is held	Application withdrawn	Total
Personal information applications ⁷	3	1	0	1	0	0	0	0	5
Access applications (other than personal information applications)	6	0	0	2	0	0	0	0	8
Access applications that are partly personal information applications and partly other)	1	1	0	0	0	0	0	0	2
Total	10	2	0	3	0	0	0	0	15

⁶ More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision.

⁷ 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 Application

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
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

Conclusive presumption of overriding public interest against disclosure (Schedule 1 of the GIPA Act)	Number of times consideration used ⁸
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
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
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0

Table 5: Other public interest considerations against disclosure: matters listed in table in section 14 of the GIPA Act⁹

Other public interest considerations against disclosure (Section 14 of the GIPA Act)	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	3
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

⁸ More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application).

⁹ More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application).

Table 6: Timeliness

Timeliness	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	11
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
Total	12

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

Type of review	Decision varied	Decision upheld	Total
Internal Review	0	1	1
Review by Information Commissioner ¹⁰	0	1	1
Internal Review following recommendation under section 93 of the GIPA Act	0	0	0
Review by the New South Wales Civil and Administrative Tribunal (NCAT)	0	0	0
Total	0	2	2

Table 8: Application for review under Part 5 of the Act (by type of applicant)

Type of applicant	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	2
Total	2

Table 9: Application transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

Type of applicant	Number of applications for review
Agency-initiated transfer	0
Applicant-initiated transfer	1
Total	1

¹⁰ 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.

11.15. Policy attestations – Cyber security

State Insurance
Regulatory Authority



Our reference: BN-05920-2022

Cyber security annual attestation statement for the 2021-2022 financial year for the State Insurance Regulatory Authority

I, Adam Dent, am of the opinion that the State Insurance Regulatory Authority has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy. The evidence presented to me as a part of this attestation gives me confidence that SIRA has achieved extensive maturity improvements through close collaboration with the Department of Customer Service.

Risks to the information and systems of the State Insurance Regulatory Authority have been identified and assessed. SIRA is continuously improving cyber risk management processes and operations to effectively manage cyber risks in collaboration with the Department of Customer Service.

Governance is in place to manage cyber security maturity and related initiatives, including uplift of the ACSC Essential Eight. SIRA leverages The Department of Customer Service contemporary cyber incident response plan, which has been tested during the reporting period.

The State Insurance Regulatory Authority will continue to harden its technology environments and increase awareness of cyber security risks for all staff. SIRA has partnered with DCS to implement an aggressive and comprehensive cyber security resilience strategy, SIRA will continue to ensure that the security of information and trust in the services of government are maintained to the best of its abilities against increasingly complex and prevalent threats. The strategy is focused on long-term, sustainable processes and solutions. SIRA acknowledges and accepts the risk until target maturity levels are met.

A handwritten signature in blue ink, appearing to read "Adam Dent".

Adam Dent
Chief Executive
State Insurance Regulatory Authority

Date: 26/09/22

11.16. Policy attestations – Internal audit and risk management

Internal Audit and Risk Management Attestation Statement for the 2021-22 Financial Year for the State Insurance Regulatory Authority (SIRA)

I, Adam Dent, SIRA Chief Executive, am of the opinion that SIRA has internal audit and risk management processes in operation that are, excluding the exemptions or transitional arrangements described below, compliant with the seven (7) Core Requirements set out in the Internal Audit and Risk Management Policy for the General Government Sector, specifically:

Core Requirement	Compliant, non-compliant, or in transition
1. Risk Management Framework	
The SIRA Chief Executive shall accept ultimate responsibility and accountability for risk management in SIRA.	Compliant
The SIRA Chief Executive shall establish and maintain a risk management framework that is appropriate for SIRA. The SIRA Chief Executive shall ensure the framework is consistent with <i>AS/NZS ISO 31000:2018 Risk Management Guidelines</i> .	Compliant
2. Internal Audit Function	
The SIRA Chief Executive shall establish and maintain an internal audit function that is appropriate for SIRA and fit for purpose.	Compliant
The SIRA Chief Executive shall ensure that the operation of the internal audit function is consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
The SIRA Chief Executive shall ensure SIRA has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant
3. Audit and Risk Committee	
The SIRA Chief Executive shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the SIRA Chief Executive on SIRA's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
The SIRA Chief Executive shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

Membership

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

- Dr Abby Bloom, Independent Chair, from 19 February 2022 to 18 February 2023.
- Ms Nancy Milne OAM, Independent Member, from 19 February 2022 to 15 May 2023.
- Trevor Matthews, Independent Member, from 19 April 2022 to 15 November 2023.
- Dr Graeme Innes, Independent Member, from 13 September 2020 to 12 September 2023.
- The Hon Greg Keating, Independent Member, from 1 March 2021 to 29 February 2024.



Adam Dent
SIRA Chief Executive
12/10/22

Shared Arrangements

I, the SIRA Chief Executive advise that SIRA has entered into an approved shared arrangement with the Department of Customer Services regarding:

- the provision of personnel services and corporate services.
- the provision of corporate services.
- the SIRA Chief Audit Executive.
- the Internal Audit function.

These processes demonstrate that SIRA has established and maintained frameworks, including systems, processes, and procedures for appropriately managing audit and risk within SIRA.



Carly Dunlop
SIRA Chief Audit Executive
12/10/22

11.17. Risk management and insurance activity

Risk management

SIRA adheres to the:

- DCS Integrated Risk and Opportunity Management Policy
- DCS Risk and Resilience Framework
- AS/NZS ISO 31000:2018 Risk Management Guidelines
- NSW Treasury Internal Audit and Risk Management Policy for the General Government Sector (TPP 20-08).

SIRA develops risk management in line with the DCS 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 the Treasury Managed Fund (TMF), a government self-insurance scheme. SIRA's insurance policy is based on TMF's statement of cover as follows:

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

Number of Claims

Claim Type	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Workers compensation	2	5	7	5	6	2	3
Motor vehicle	-	-	2	1	-	-	-
Liability	-	3	-	-	1	2	1
Total	2	8	9	6	7	4	4

Net incurred claims cost

Claim Type	2015-2016 \$	2016-2017 \$	2017-2018 \$	2018-2019 \$	2019-2020 \$	2020-2021 \$	2021-2022 \$
Workers compensation	53,402	144,432	49,061	53,446	77,781	42,355	98,082
Motor vehicle	-	-	5,037	3,774	-	-	-
Liability	-	49,300	-	-	49,730	-	100,000
Total	53,402	193,732	54,098	57,220	127,511	42,355	198,082

11.18. 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 comprise the Statement by the Chief Executive, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Authority's financial position, financial performance and cash flows.

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.

The Chief Executive's Responsibilities for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Chief Executive's responsibility also includes such internal control as the Chief Executive 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 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

7 October 2022
SYDNEY

Financial statements

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Statement by the Chief Executive

Pursuant to division 7.6(4) of the *Government Sector Finance Act 2018* (GSF Act), I state that these financial statements:

- 1 have been prepared in accordance with the Australian Accounting Standards (AAS) and the applicable requirements of the GSF Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- 2 present fairly the State Insurance Regulatory Authority's financial position, financial performance and cash flows.

Signed



Adam Dent

Chief Executive

State Insurance Regulatory Authority

6 October 2022

Statement of Comprehensive Income for the year ended 30 June 2022

	Notes	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Expenses excluding losses				
Operating expenses				
Personnel services	2.1	54,234	43,704	48,479
Other operating expenses	2.2	549,625	57,598	81,777
Depreciation and amortisation	2.3	6,468	23	2,405
Grants and subsidies	2.4	9,000	5,766	4,116
Finance costs	2.5	28	84	301
Other expenses	2.6	-	443,059	431,189
Total expenses excluding losses		619,354	550,234	568,267
Revenue				
Levies, retained taxes, fees and fines	3.1	611,915	539,368	559,677
Investment revenue / (losses)	3.2	6,582	(16,853)	21,134
Other income	3.3	-	102,203	5,027
Total revenue		618,496	624,718	585,838
Operating result		(858)	74,484	17,571
Gains / (losses) on disposal	4	-	-	(3,124)
Other gains / (losses)	5	-	(1,417)	(176)
Net result		(858)	73,067	14,271
Other comprehensive income		-	-	-
Total comprehensive income		(858)	73,067	14,271

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2022

	Notes	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Assets				
Current Assets				
Cash and cash equivalents	6	112,112	218,864	212,304
Receivables	7	31,930	70,702	29,600
Financial assets at fair value	8	220,834	197,001	223,287
Total Current Assets		364,876	486,567	465,191
Non-Current Assets				
Property, plant, and equipment	9	12	16	26
Right of Use Assets		18	-	-
Intangible assets	10	6,546	-	-
Total Non-Current Assets		6,575	16	26
Total Assets		371,451	486,583	465,217
Liabilities				
Current Liabilities				
Payables	12	30,133	70,307	84,438
Provisions	13	8,727	7,265	7,679
Other current liabilities		26	-	-
Total Current Liabilities		38,886	77,572	92,117
Non-Current Liabilities				
Payables	12	117,175	138,809	160,211
Provisions	13	94,101	76,174	91,925
Total Non-Current Liabilities		211,276	214,983	252,136
Total Liabilities		250,162	292,555	344,253
Net Assets		121,289	194,029	120,964
Equity				
Accumulated funds	15	121,289	194,029	120,964
Total Equity		121,289	194,029	120,964

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2022

	Accumulated funds \$'000	Total \$'000
Balance at 1 July 2021	120,964	120,964
Net result for the year	73,067	73,067
Other comprehensive income	-	-
Total comprehensive income for the year	73,067	73,067
Transactions with owners in their capacity as owners	-	-
Increase / (decrease) in net assets from equity transfers	-	-
Balance at 30 June 2022	194,029	194,029
Balance at 1 July 2020	106,693	106,693
Net result for the year	14,271	14,271
Other comprehensive income	-	-
Total comprehensive income for the year	14,271	14,271
Transactions with owners in their capacity as owners	-	-
Increase / (decrease) in net assets from equity transfers	-	-
Balance at 30 June 2021	120,964	120,964

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2022

	Notes	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
Cashflows from operating activities				
Payments				
Employee related		(411)	-	-
Personnel services		(54,234)	(44,518)	(57,964)
Grants and subsidies		(9,000)	(5,766)	(4,116)
Finance costs		(28)	-	-
Other		(556,085)	(550,676)	(484,654)
Total Payments		(619,758)	(600,960)	(546,734)
Receipts				
Levies, retained taxes, fees and fines		611,415	549,828	557,541
Interest received		501	433	324
Other receipts		1,041	48,286	10,944
Total Receipts		612,957	598,547	568,809
Net cashflows from operating activities	18	(6,801)	(2,413)	22,075
Cashflows from investing activities				
Proceeds/(Purchases) of property, plant, and equipment		-	(14)	1,639
Purchases of investments		6,000	-	-
Other investing		(5,555)	9,000	6,000
Net cashflows from investing activities		445	8,986	7,639
Cashflows from financing activities				
Repayment of borrowings and advances		-	(13)	(26)
Net cashflows from financing activities		-	(13)	(26)
Net increase / (decrease) in cash		(6,356)	6,561	29,688
Opening cash and cash equivalents		118,468	212,304	182,616
Closing cash and cash equivalents	6	112,112	218,864	212,304

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 year ended 30 June 2022 have been authorised for issue by the Chief Executive on 6 October 2022.

1.2 Constitution and functions of the State Insurance Regulatory Authority

The Authority is constituted under the *State Insurance and Care Governance Act 2015* (SICG Act). The Authority has responsibility for the direction, control and management of a range of funds as outlined in Note 19. 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 GSF Act and the *Government Sector Finance Regulation 2018*; and
- Treasurer's Directions issued under the GSF Act.

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

Judgements, key assumptions and estimations management has 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 Foreign currency translation

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

1.7 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.

The prior period financial statements have been updated to reclassify the WC Court Judges pension from other operating expenses to other expenses

1.8 Changes in accounting policies, including new or revised AAS

1.8.1 Effective for the first time in 2022

The accounting policies applied in 2022 are consistent with those of the previous financial year.

1.8.2 Issued but not yet effective

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

The following new Australian Accounting Standards have not been applied and are not yet effective:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

These standards will not have a material impact on the financial statements based on the Authority's current operations.

1.9 Impact of COVID-19 on Financial Reporting for 2021-22

The COVID 19 pandemic continues to affect economic and financial markets. The Authority has assessed risks arising from COVID-19 in relation to:

- its workforce, in both public-facing and office-based roles
- liquidity risk
- credit risk
- fair value of the financial and non-financial asset

The Authority has determined that no impact on the financial statements has arisen as a result of COVID-19.

There is no uncertainty about the Authority's ability to continue as a going concern at 30 June 2022.

2 Expenses excluding losses

2.1 Personnel services

Personnel services	2022 \$'000	2021 \$'000
Salaries and wages (including annual leave)	37,704	42,648
Long service leave	(263)	(913)
Superannuation - defined contribution plans	3,253	3,548
Workers' compensation insurance	236	171
Payroll tax and fringe benefit tax	2,043	2,808
Redundancy	731	217
Total personnel services	43,704	48,479

The Authority receives personnel services from the Department of Customer Service (DCS). DCS is not a Special Purpose Service Entity and does not control the Authority under this arrangement.

There have been no employee related costs that have been capitalised in intangible asset accounts during the year (2021: \$nil).

2.2 Other operating expenses

Other operating expenses	Notes	2022 \$'000	2021 \$'000
Auditor's remuneration			
• Internal audit and reviews		165	7
• Audit of the financial statements		157	155
Accommodation expenses		3,018	3,282
Lease Expense	2.2.1	20	11
Computer support & software licence costs		8,937	8,456
Fees - Assessors		-	8,226
Corporate Services	2.2.2	6,442	5,333
Fees – Services		324	2,398
Advertising, promotion and publicity		55	11
Board & Committee fees ¹		741	807
Consultants (Actuarial Services)		6,217	9,302
Contracted Services		15,845	27,613
Other Contractors		5,679	5,986
Legal Fees		540	335
Travel & vehicle expenses		28	32
Communication expenses		498	896
Printing		109	205
Stores		28	14
Training		353	515
Vocational and rehabilitation programs		7,627	7,266
Insurance	2.2.3	130	110
Other miscellaneous		685	815
Total other operating expenses		57,598	81,777

¹ - Payments to Board members are made in accordance with Premier's Guidelines

2.2.1 Lease expense

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 not included in the measurement of the lease liability (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.

2.2.2 Corporate Services

During the year, DCS provided corporate services to the Authority, including people & culture, finance, legal, procurement, internal audit, workplace and IT services.

2.2.3 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.

2.3 Depreciation and amortisation

Depreciation and amortisation	2022 \$'000	2021 \$'000
Depreciation		
Computer Hardware	6	71
Office machines and equipment	4	2
Motor Vehicles	13	26
Total depreciation	23	99
Amortisation		
Computer software internally generated	-	2,306
Total amortisation	-	2,306
Total depreciation and amortisation	23	2,405

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

2.4 Grants and subsidies

Grants and subsidies	2022 \$'000	2021 \$'000
Centre for Road Safety	2,570	2,090
Other - Authority's Research Program	3,196	2,026
Total grants and subsidies	5,766	4,116

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	Notes	2022 \$'000	2021 \$'000
IGF claims - finance cost	2.6.1	(16)	201
WC Court Judges pension - finance cost	2.6.2	100	100
Total finance costs		84	301

Finance costs consist of the movement in the provision resulting from the unwinding of the discount rate in connection with the:

- Workers Compensation (WC) Court Judges Pension
- the Insurer Guarantee Fund (IGF).

2.6 Other expenses

Other expenses	Notes	2022 \$'000	2021 \$'000
IGF claims (excluding finance costs)	2.6.1	(8,328)	(440)
WC Court Judges pensions (excluding finance costs)	2.6.2	(695)	850
WCC to 28 February 2021		-	16,563
Commission from 1 March 2021	2.6.3	62,507	27,160
WIRO & ILARS to 28 February 2021		-	50,227
IRO from 1 March 2021	2.6.4	91,050	35,826
SafeWork NSW	2.6.5	144,486	128,892
NSW Ambulance	2.6.6	40,389	51,632
NSW Ministry of Health	2.6.7	108,489	115,818
Transport for NSW		5,161	4,661
Total other expenses		443,059	431,189

2.6.1 IGF claims paid

The IGF was established under Section 227 of the *Workplace Injury Management and Workers Compensation Act 1998* (WIMWC Act) and relates to workers' compensation liabilities arising from companies that have been placed into administration and have been brought into the IGF through specific legislation.

These companies are:

- HIH Insurance Group
- National Employers Mutual General Insurance Association Ltd
- Bishopsgate Insurance Australia Ltd
- Associated General Contractors Insurance Co Ltd
- The Greatlands General Insurance Company Ltd
- Rural & General Insurance Ltd.

Details of the claims paid are:

IGF net claims incurred	2022 \$'000	2021 \$'000
Finance costs - Claims	(16)	201
Net claims incurred (excluding finance costs)	(8,328)	(440)
Net claims incurred	(8,344)	(239)

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

IGF net claims incurred	2022 \$'000	2021 \$'000
Claims paid	5,335	5,124
Finance costs	(16)	201
Movement in claims liability	(13,663)	(5,564)
Net claims incurred	(8,344)	(239)

2.6.2 WC Court Judges pension

The *Compensation Court Repeal Act 2002* abolished the Compensation Court from 1 January 2004 and transferred the Court's jurisdiction to the then Workers Compensation Commission (WCC) and the funding responsibility for the pension costs of retired judges of the former Compensation Court to the Authority.

2.6.3 Personal Injury Commission (Commission)

The WCC was operational from 1 January 2002 to 28 February 2021 pursuant to the WIMWC Act. The Commission was established on 1 March 2021 pursuant to the *Personal Injury Commission Act 2020* (PIC Act), as an independent statutory tribunal within the NSW justice system. The WCC and the Authority's Dispute Resolution Services (DRS) were abolished from that date.

Neither the WCC nor the Commission are subject to the direction and control by the Authority, however:

- Under Section 35 (2) (e1) of the WIMWC Act, the Authority is responsible for funding the costs associated with the establishment and operation of the Workers Compensation division of the Commission.
- Under Section 10.12 (3) (b) of the *Motor Accident Injuries Act 2017* (MAI Act), the Authority is responsible for funding the costs associated with the establishment and operation of the Motor Accidents division of the Commission.

Details of income and expenses incurred by the WCC and the Commission are:

Commission & WCC expenses	Commission 2022 \$'000	From 1 March 2021 (Commission) \$'000	Up to 28 February 2021 (WCC) \$'000
Personnel services			
Salaries and allowances (including annual leave)	26,274	10,019	6,435
Other	1,342	417	359
Total personnel services	27,616	10,436	6,794
Other operating expenses			
Accommodation expenses	4,264	864	1,141
Payments to Service Providers	20,799	9,091	6,889
Software expenses	2,831	-	-
Other miscellaneous expenses	6,997	6,768	704
Total other operating expenses	34,891	16,723	8,734
Total expenditure	62,507	27,160	15,528
Income			
Contributions (MAOF)	35,787	15,341	-

Commission & WCC expenses	Commission 2022 \$'000	From 1 March 2021 (Commission) \$'000	Up to 28 February 2021 (WCC) \$'000
Contributions (WCOF)	26,720	11,819	16,563
Total income	62,507	27,160	16,563
Gains / (losses) on disposal	-	-	(1,409)
Other gains / (losses)	-	-	374
Net Result	-	-	-

2.6.4 Independent Review Officer (IRO)

The Workers Compensation Independent Review Office (WIRO) was operational from 1 September 2012 to 28 February 2021 pursuant to the WIMWC Act. The IRO was established on 1 March 2021 pursuant to the PIC Act, as an independent statutory office.

Neither the WIRO nor the IRO are subject to the direction and control by the Authority, however:

- Under Section 35 (2) (c) of the WIMWC Act, the Authority is responsible for funding the remuneration of the IRO and costs incurred in connection with the exercise of the functions of the IRO arising under the Workers Compensation Acts.
- Under Section 10.12 (3) (b1) of the MAI Act, the Authority is responsible for funding the remuneration of the IRO, staff of the IRO and costs incurred in connection with the exercise of the functions of the IRO arising under the MAI Act.

Details of income and expenses incurred by WIRO and IRO are:

IRO & WIRO expenses	IRO 2022 \$'000	From 1 March 2021 (IRO) \$'000	Up to 28 February 2021 (WIRO) \$'000
Employee related expenses			
Salaries and allowances (including annual leave)	8,929	3,245	5,461
Other	-	38	267
Total employee related expenses	8,929	3,283	5,728
Other operating expenses			
Accommodation expenses	345	344	23
Consultants	1,093	269	720
ILARS	77,238	30,326	43,287
Other miscellaneous expenses	3,262	1,930	469
Total other operating expenses	81,938	32,869	44,499
Total expenditure	90,867	36,152	50,227
Income			
Levies, retained taxes, fees and fines	(4)	327	-
Contributions (MAOF)	535	271	-
Contributions (WCOF)	90,515	35,554	50,227
Acceptance by the Crown of employee Benefits and other liabilities	(179)	-	-

IRO & WIRO expenses	IRO 2022 \$'000	From 1 March 2021 (IRO) \$'000	Up to 28 February 2021 (WIRO) \$'000
Total income	90,867	36,152	50,227
Net Result	-	-	-

2.6.5 SafeWork NSW

The SICG Act established SafeWork NSW as an independent workplace safety regulator.

SafeWork NSW is not subject to the direction and control by the Authority, however under Section 35 (2)(b) of the WIMWC Act, 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	2022 \$'000	2021 \$'000
Employee related		
Salaries and allowances (including annual leave)	74,510	61,490
Other	-	7,894
Total employee related costs	74,510	69,384
Other operating expenses		
Agency short term staff	795	219
Accommodation expenses	-	2,192
Consultants	-	103
Fees – Shared Services	30,892	32,245
Fees – Other	12,366	9,354
Advertising	1,807	841
Grants and Subsidies	5,091	5,366
Other operating expenses	28,782	24,935
Total Other Operating expenses	79,732	75,255
Depreciation and amortisation	2,338	2,659
Total depreciation and amortisation	2,338	2,659
Total expenses	156,580	147,298
Income		
Levies, retained taxes, fees and fines	11,370	17,489
Sale of goods and services	4,083	4,875
Contributions (WCOF)	144,486	128,892
Other revenue	(2,897)	(1,734)
Total income	157,042	149,522
Gains / (losses) on disposal	-	(1,368)
Other gains / (losses)	(463)	(856)
Net Result	-	-

2.6.6 NSW Ministry of Health

In accordance with Division 10.3 of the MAI Act, SIRA has entered into a bulk billing arrangement with the NSW Ministry of Health to provide funding for specific expenses incurred in connection with the treatment and care of injured persons at hospital.

2.6.7 NSW Ambulance

In accordance with Division 10.3 of the MAI Act, SIRA has entered into a bulk billing arrangement with the NSW Ambulance to provide funding for specific expenses incurred in conveying injured persons by ambulance.

3 Revenue

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

3.1 Levies, retained taxes, fees and fines

Levies, retained taxes, fees and fines	Notes	2022 \$'000	2021 \$'000
Levies and retained taxes			
WCOF Contribution	3.1.1	248,528	245,978
Self and specialised insurers	3.1.2	53,820	50,227
MAOF Fund Levy	3.1.3	222,319	258,372
HBOF Contribution	3.1.4	3,772	4,400
Total levies and retained taxes		528,439	558,977
Fees			
Accreditation		214	-
Other		2	2
Total fees		216	2
Fines			
Workers compensation s156 recoveries	3.1.5	10,569	644
Infringement notices		144	54
Total fines		10,713	698
Total levies, retained taxes, fees and fines		539,368	559,677

3.1.1 Workers Compensation Operational Fund (WCOF) Contribution

Contributions are made from the Workers Compensation Insurance Fund to the WCOF, in accordance with Section 35 (1)(a1) of the WIMWC Act, having regard to the estimate of the Authority's net operating expenses.

3.1.2 Self and specialised insurers

Contributions are made to the WCOF, in accordance with Section 35 (1)(a) of the WIMWC Act, 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 Motor Accidents Operational Fund (MAOF) Levy (MAOF Fund Levy)

Funds are generated from levies on Compulsory Third Party (CTP) insurance premiums collected by licensed insurers in accordance with Section 10.17 of the MAI Act. CTP levy revenue is recognised when it falls due and is receivable by the Authority.

3.1.4 Home Building Operational Fund (HBOF) Contribution

Contributions are made to the HBOF in accordance with Section 12A(3) (d2) of the NSW *Self Insurance Corporation Act 2004* for the Home Building Compensation regulatory functions of the Authority.

3.1.5 Workers Compensation s.156 recoveries

Double Avoided Premiums fines are issued by the Authority under Section 156 of the WC Act. The Authority recognises the s156 Recoveries upon issuing of a notice. Recovery of these notices are factored into the revised Expected Credit Loss (ECL) calculation as disclosed in Note 20.

3.2 Investment revenue / (loss)

Investment revenue (loss)	Notes	2022 \$'000	2021 \$'000
Interest income	3.2.1	433	324
TCorp IGF Investment Trust	3.2.2	(17,286)	20,810
Total investment revenue / (loss)		(16,853)	21,134

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 *Financial Instruments* (AASB 9), such a business model requires it to be measured at fair value through profit or loss.

3.3 Other income

Other income	Notes	2022 \$'000	2021 \$'000
NDF Contributions	3.3.1	(29)	(7,417)
IGF Contributions	3.3.2	11,238	(19,209)
CTP TEPL	3.3.3	90,600	-
CTP Discount	3.3.4	-	23,221
Other income		394	8,432
Total other income		102,203	5,027

3.3.1 NDF Contribution

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 ('The Crown in right of the State of New South Wales').

If the NDF has insufficient funds to meet claims liabilities, then NSW Treasury will provide funds through the Policyholders Protection Fund. Refer to Note 19 for details of balances.

3.3.2 IGF Contribution

The IGF was established on 1 May 1990 as a consequence of National Employers' Mutual General Insurance Association Limited being placed into provisional liquidation. Contributions from

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

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

3.3.3 Transitional Excess Profits and Losses Recovery (TEPL)

The 2017 CTP reforms introduced regulatory powers for SIRA to control the level of insurer profits under the TEPL mechanism. The TEPL mechanism enables SIRA to analyse insurer profits retrospectively and take action where industry profits fall outside the 3% - 10% range.

The TEPL Guidelines are made under Schedule 4, clause 2(4) of the MAI Act and apply during the transition period. The TEPL Guidelines set out the methodology for the determination of transitional excess profit or transitional excess loss.

SIRA's scheme actuary assessed the Preliminary Industry Profit Margin for the first 3 accident years of the 2017 Scheme (i.e. 2018, 2019 and 2020).

In October 2021, SIRA activated the TEPL regulatory mechanism to recoup \$90.6m in excess profit from the 2018 Accident Period from insurers, via monthly invoices over a one year period commencing 15 January 2022. This income is recognised in accordance with the requirements of AASB 1058 *Income of Not-for-Profit Entities*.

SIRA will continue to monitor the Preliminary Industry Profit Margin and take action in the event the Preliminary Industry Profit Margin is outside the range of the Excess Loss and Excess profit Thresholds.

3.3.4 CTP Discount

The residual amounts of unearned premium surplus from the 2017 CTP reforms was applied to the Fund Levy for the period 15 January 2020 to 14 January 2021.

4 Gains / (Losses) on Disposal

Gains / (losses) on disposal	2022 \$'000	2021 \$'000
Net gain/(loss) on disposal of property, plant and equipment and intangibles	-	(3,124)
Total gains / (losses) on disposal	-	(3,124)

5 Other Gains / (Losses)

Other gains / (losses)	Notes	2022 \$'000	2021 \$'000
Impairment losses on non-financial assets	7	(1,417)	(176)
Total other gains/(losses)		(1,417)	(176)

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	2022 \$'000	2021 \$'000
Cash at bank and on hand	218,864	212,304
Total cash and cash equivalents	218,864	212,304

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 3 months or less and subject to an insignificant risk of changes in value.

Reconciliation	2022 \$'000	2021 \$'000
Cash and cash equivalent assets (per Statement of financial position)	218,864	212,304
Closing cash and cash equivalents (per Statement of cash flows)	218,864	212,304

Refer to Note 20 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

7 Current/Non-Current Assets - Receivables

Receivables	2022 \$'000	2021 \$'000
Receivables	11,625	2,745
Less allowance for expected credit loss*	(1,780)	(461)
Prepayments	99	1,537
TEPL receivable	45,439	-
CTP premium levy receivable	15,319	25,779
Total Receivables	70,702	29,600
*Movement in the allowance for expected credit losses		
Balance at the beginning of the year	(461)	(929)
Amounts written off during the year	98	644
(Increase)/decrease in allowance recognised in net results	(1,417)	(176)
Balance at the end of the year	(1,780)	(461)

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 20.

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 time frame 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 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.

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

Financial assets at fair value	2022 \$'000	2021 \$'000
TCorp IGF Investment Trust	197,001	223,287
Total financial assets at fair value	197,001	223,287

Refer to Note 20 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 time frame 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, and 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	Office equipment	Computer Hardware	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000
At 1 July 2021 – fair value				
Gross carrying amount	19	836	68	923
Accumulated depreciation and impairment	(19)	(830)	(48)	(897)
Net carrying amount	-	6	20	26
At 30 June 2022 – fair value				
Gross carrying amount	31	29	67	127
Accumulated depreciation and impairment	(21)	(29)	(61)	(111)
Net carrying amount at end of year	10	-	6	16

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:	Office equipment	Computer Hardware	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2022				
Net carrying amount at beginning of year	-	6	20	26
Additions	12	-	-	12
Depreciation expense	(2)	(6)	(14)	(22)
Net carrying amount at end of year	10	-	6	16

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 20.

Previous reporting period	Leasehold improvements	Office equipment	Furniture and fittings	Computer Hardware	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000		\$'000
At 1 July 2020 – fair value						
Gross carrying amount	18,795	127	170	2,093	68	21,253
Accumulated depreciation and impairment	(18,795)	(125)	(170)	(2,005)	(23)	(21,118)
Net carrying amount	-	2	-	88	45	135
At 30 June 2021 – fair value						
Gross carrying amount	-	19	-	836	68	923

Previous reporting period	Leasehold improvements \$'000	Office equipment \$'000	Furniture and fittings \$'000	Computer Hardware \$'000	Motor Vehicles	Total \$'000
Accumulated depreciation and impairment	-	(19)	-	(830)	(48)	(897)
Net carrying amount at end of year	-	-	-	6	20	26

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:	Leasehold improvements \$'000	Office equipment \$'000	Furniture and fittings \$'000	Computer Hardware \$'000	Motor Vehicles \$'000	Total \$'000
Year ended 30 June 2021						
Net carrying amount at beginning of year	-	2	-	88	45	135
Additions	-	-	-	-	-	-
Disposals	-	(1)	-	(9)	-	(10)
Other movements	-	-	-	-	-	-
Depreciation expense	-	(1)	-	(73)	(25)	(99)
Net carrying amount at end of year	-	-	-	6	20	26

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 and the rates applied are:

Depreciation rates	2022	2021
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 21-09). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* (AASB 13) and AASB 116 *Property, Plant and Equipment* (AASB 116).

Property, plant and equipment is measured at 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 20 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 \$'000	Total \$'000
At 1 July 2021 – fair value		
Gross carrying amount	11,420	11,420
Software Work In Progress	-	-
Accumulated depreciation and impairment	(11,420)	(11,420)
Net carrying amount	-	-
At 30 June 2022 – fair value		
Gross carrying amount	8,665	8,665
Software Work In Progress	-	-
Accumulated depreciation and impairment	(8,665)	(8,665)
Net carrying amount	-	-

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:	Internally generated computer software \$'000	Total \$'000
Net carrying amount at beginning of year	-	-
Amortisation	-	-
Software WIP Disposal	-	-
Software Capitalised Disposal	-	-
Net carrying amount at end of year	-	-

Further details regarding impairment losses are disclosed in Note 20.

Previous reporting period	Internally generated computer software \$'000	Total \$'000
At 1 July 2020 – fair value		
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
At 30 June 2021 – fair value		
Gross carrying amount	11,420	11,420

Previous reporting period	Internally generated computer software \$'000	Total \$'000
Software Work In Progress	-	-
Accumulated depreciation and impairment	(11,420)	(11,420)
Net carrying amount	-	-

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:

Previous reporting period reconciliation:	Internally generated computer software \$'000	Total \$'000
Net carrying amount at beginning of year	11,420	11,420
Additions	-	-
Amortisation	(11,420)	(11,420)
Disposals	-	-
Net carrying amount at end of year	-	-

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	2022	2021
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

NSW Treasury Paper 21-09 '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	2022 \$'000	2021 \$'000
Current payables		
Accrued personnel services	-	813
Creditors	57,621	60,485
Accrued bulk billing fees	12,685	23,140
Total current payables	70,307	84,438
Non-current payables		
IGF payable	130,214	144,253
Nominal Defendant Fund (NDF) payable	8,595	15,958
Total non-current payables	138,809	160,211
Total payables	209,116	244,649

The Authority receives personnel services from the DCS. DCS is not a Special Purpose Service Entity and does not control the Authority under this arrangement. In accordance with NSW Treasury Circular 15/07 "Financial and Annual Reporting Requirements Arising from Personnel Service Arrangements", a liability representing the total amount payable to DCS is recognised in the Statement of Financial Position.

As the Authority is not an employer, the disclosure requirements of AASB 119 *Employee Benefits* in respect of employee benefits do not apply. Details regarding liquidity risk including a maturity analysis of the above payables are disclosed in Note 20.

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	2022 \$'000	2021 \$'000
Current provisions		
IGF - HHH Insurance Co. Ltd	1,302	1,611
IGF - Other non - HHH	4,563	4,268
Compensation Court Judges pension	1,400	1,800
Total current provisions	7,265	7,679
Non-current provisions		
IGF - HHH Insurance Co. Ltd	23,069	27,690
IGF - Other non - HHH	47,191	56,235
Compensation Court Judges pension	5,914	8,000
Total non-current provisions	76,174	91,925
Total Provisions	83,439	99,604

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.

If the effect of the time value of money is material, provisions are discounted at 3.5% as at 30 June 2022 (2021: 0.75%), 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 \$'000	IGF \$'000	Total \$'000
Carrying amount at 1 July 2021	9,800	89,804	99,604
Changes in actuarial assumptions	(786)	(7,784)	(8,570)
Amounts used	(1,800)	(5,879)	(7,679)
Unwinding / change of discount rate	100	(16)	84
Carrying amount at end of period	7,314	76,125	83,439

13.2 Compensation Court Judges pensions

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

Economic assumptions	2022	2021
Discount rate	3.50%	0.75%
Future salary growth	2.50%	2.50%

13.3 Insurer Guarantee Fund (IGF)

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

Average settlement term	2022	2021
Insurer's Guarantee Fund	10.1 years	11.2 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	2022	2021
Inflation rate		
• Paid not later than one year	3.45%	0.92%
• Paid later than one year	3.27% - 3.10%	1.49% - 2.90%
Discount rate		
• Paid not later than one year	2.45%	(0.02)%
• Paid later than one year	3.39% - 4.50%	0.19% - 4.00%

The provision for outstanding claims is actuarially determined under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. 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 Sensitivity Analysis

To provide some indication of the uncertainty inherent in estimates of the outstanding claims liabilities for the IGF, 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.

Scenario	Net ID liability		
	Amount \$'000	Change \$'000	%
Base Scenario	76,125		
Economic and Other Assumptions			
• Inflation +1% (a)	84,082	7,958	10.5%
• Inflation -1% (a)	69,332	(6,793)	(8.9%)
• Discount +1% (a)	69,337	(6,787)	(8.9%)
• Discount -1% (a)	84,216	8,092	10.6%
• CHE +10% (b)	80,625	4,500	5.9%
• CHE -10% (b)	71,624	(4,500)	(5.9%)
• GST recoveries allowance: equal to 0%	76,267	142	0.2%
Dust Disease Claims			
• Non-HIH Malignant seed reports +1	79,294	3,170	4.2%
• Non-HIH Malignant ACS +10%	79,028	2,903	3.8%
• Non-HIH Non-Malignant seed reports +1	77,308	1,183	1.6%
• Non-HIH Non-Malignant ACS +10%	76,747	622	0.8%
• HIH Malignant seed reports +1	79,514	3,389	4.5%
• HIH Malignant ACS +10%	77,596	1,471	1.9%
• HIH Non-Malignant seed reports +1	77,574	1,449	1.9%
• HIH Non-Malignant ACS +10%	76,537	413	0.5%
• Superimposed inflation +1%	83,180	7,056	9.3%
• Superimposed inflation -1%	70,157	5,967	(7.8%)
Non-Dust Disease Claims			
• Non-HIH Non-Dust PO Ratio +5%	75,975	(149)	(0.2%)
• Non-HIH Non-Dust CED Ratio in first year +5%	76,315	191	0.3%
• Non-HIH Non-Dust annuity payment +10%	76,828	704	0.9%
• Non-HIH Non-Dust mortality impairment factor	74,336	(1,789)	(2.3%)
• HIH Deafness Number of claimants +10%	76,235	110	0.1%
• HIH Deafness Average hearing aid cost +10%	76,235	110	0.1%

Scenario	Amount \$'000	Net ID liability	
		Change \$'000	%
• HIH Other PO Ratio -5%	76,115	(9)	0.0%
• HIH Other CED Ratio in first year +5%	76,135	10	0.0%
• HIH Other annuity payment +10%	76,490	365	0.0%
• HIH Other no mortality impairment factor	77,935	1,811	2.4%

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 *Workers Compensation Act 1987* (WC Act), 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 2022, the Authority held deposits and bank guarantees to the value of \$1,613m (2021: \$1,546m). 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 WC Act 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 2022 was \$65.4m (2021: \$15.13m). A reconciliation of the movement in deposits and bank guarantees held by the Authority follows:

Reconciliation	2022 \$m	2021 \$m
Balance at beginning of period	1,546	1,430
Deposits and guarantees lodged	625	790
Deposits and guarantees returned	(558)	(674)
Balance at end of period	1,613	1,546

15 Equity

15.1 Accumulated funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

16 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 2022 (2021: Nil).

17 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.

The operating result of \$73.067m exceed the approved budget largely due to the accounting treatment for the recognition of the \$90.6m TEPL recovered in 2021.

The 2017 CTP reforms introduced regulatory powers for SIRA to control the level of insurer profits under the TEPL mechanism. The TEPL mechanism enables SIRA to analyse insurer profits retrospectively and take action where industry profits fall outside the 3% - 10% range. The TEPL Guidelines are made under Schedule 4, clause 2(4) of the MAI Act and apply during the transition period.

In October 2021, SIRA activated the TEPL regulatory mechanism to recoup \$90.6m in excess profit from the 2018 Accident Period from insurers, via monthly invoices over a one year period commencing 15 January 2022. This income is recognised in accordance with the requirements of AASB 1058 *Income of Not-for-Profit Entities*.

SIRA will continue to monitor the Preliminary Industry Profit Margin and take action in the event the Preliminary Industry Profit Margin is outside the range of the Excess Loss and Excess profit Thresholds.

18 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	2022 \$'000	2021 \$'000
Net cash used on operating activities	(2,413)	22,075
Depreciation and amortisation expense	(23)	(2,405)
Allowance for Impairment	(1,320)	(176)
Decrease / (increase) in provisions	16,165	33,305
Net gain / (loss) on sale of property, plant and equipment and investment properties	(17,286)	17,124
Increase / (decrease) in prepayments and other assets	41,922	(4,529)
Decrease / (increase) in payables	36,022	(51,123)
Net result	73,067	14,271

19 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:

19.1 Workers Compensation Operational Fund (WCOF)

The WCOF was established under section 34 of the WIMWC Act and is funded from contributions by insurers and self-insurers. The WCOF is responsible for the Authority's operating expenses in relation to its Workers Compensation regulatory functions as well as payments to SafeWork NSW, the Commission and IRO.

19.2 Insurers' Guarantee Fund

The IGF was established to assume responsibility for the claims costs and administrative expenses of the liquidated insurers, including: National Employers' Mutual General Insurance Association Limited, HIH Insurance Group, the Greatlands General Insurance Co Ltd, Bishopsgate Insurance Australia Ltd, Associated General Contractors Insurance Co Ltd and Rural & General Insurance Limited.

19.3 Home Building Operational Fund (HBOF)

The HBOF was established under section 103EF of the *Home Building Act 1989* (HB Act) and is funded from contributions by the licenced insurer. The HBOF is responsible for the Authority's operating expenses in relation to its home building insurance regulatory functions.

19.4 Motor Accidents Operational Fund

The Motor Accidents Operational Fund (MAOF) was established under Section 212 of the *Motor Accidents Compensation Act 1999* (MAC Act) and is funded from levies on CTP premiums.

The MAOF is responsible for the Authority's operating expenses in relation to its Motor Accidents regulatory functions as well as expenses incurred by the Commission, the IRO, Transport for NSW, Ministry of Health and Ambulance Service of NSW.

19.5 Nominal Defendant Fund (NDF)

Under the MAC Act and the MAI Act, the Authority is the Nominal Defendant and has established the NDF to assume responsibility for CTP claims from policies issued by insolvent insurers.

19.6 Terrorism Re-insurance Fund

Section 239AE of the WC Act provides for the establishment of a Terrorism Re-insurance Fund. The fund has not been established as at the reporting date.

19.7 Home Building Insurer Guarantee Fund

Section 1030A of the HB Act provides for the establishment of a Home Building Insurer Guarantee Fund. The fund has not been established as at the reporting date.

19.8 Statement of comprehensive income for the year ending 30 June 2022

	WCOF		HBOF		MAOF		IGF		NDF		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses including losses												
Operating expenses												
Personnel services	22,408	20,848	1,955	2,035	19,163	25,401	179	195	-	-	43,704	48,479
Other operating expenses	26,959	31,980	1,824	2,241	26,701	46,568	2,113	1,838	-	-	57,598	82,627
Depreciation and amortisation	20	315	-	41	-	2,042	4	7	-	-	23	2,405
Grants and subsidies	1,799	387	-	(8)	3,967	3,739	-	(2)	-	-	5,766	4,116
Finance costs	100	100	-	-	-	-	(16)	201	-	-	84	301
Other expenses	261,026	243,055	-	-	190,361	187,724	(8,328)	(440)	-	-	443,059	430,339
Total expenses excluding losses	312,312	296,685	3,779	4,309	240,192	265,474	(6,048)	1,799	-	-	550,234	568,267
Revenue												
Levies, retained taxes, fees & fines	313,278	296,905	3,772	4,400	222,319	258,372	-	-	-	-	539,368	559,677
Investment revenue	125	123	7	2	271	167	(17,285)	20,811	29	31	(16,853)	21,134
Other revenue	330	222	-	-	90,663	23,832	11,237	(18,996)	(29)	(31)	102,203	5,027
Total revenue	313,733	297,250	3,779	4,402	313,253	282,371	(6,048)	1,815	-	-	624,718	585,838
Operating Result	1,421	565	-	93	73,061	16,897	-	16	-	-	74,484	17,571
Gain/(loss) on disposal	-	(389)	-	(93)	-	(2,626)	-	(16)	-	-	-	(3,124)
Other gains/(losses)	(1,417)	(176)	-	-	-	-	-	-	-	-	(1,417)	(176)
Net result	4	-	-	-	73,061	14,271	-	-	-	-	73,067	14,271

19.9 Statement of financial position as at 30 June 2022

	WCOF		HBOF		MAOF		IGF		NDF		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets												
Current assets												
Cash and cash equivalents	101,003	96,209	2,784	2,571	105,233	97,208	1,227	1,194	8,618	15,122	218,864	212,304
Receivables	(2,494)	128	(19)	8	72,143	28,144	1,096	485	(23)	835	70,702	29,600
Financial assets at fair value	-	-	-	-	-	-	197,001	223,287	-	-	197,001	223,287
Total current assets	98,509	96,337	2,765	2,579	177,376	125,352	199,324	224,966	8,595	15,957	485,567	465,191
Non-current assets												
Property, plant and equipment	6	26	-	-	-	-	10	-	-	-	16	26
Total non-current assets	6	26	-	-	-	-	10	-	-	-	16	26
Total assets	98,515	96,363	2,765	2,579	177,376	125,352	199,334	224,966	8,595	15,957	486,583	465,217
Liabilities												
Current liabilities												
Payables	51,778	48,530	2,570	2,385	15,766	32,639	192	885	-	(1)	70,307	84,438
Provisions & Other CL	1,400	1,799	-	-	-	1	5,865	5,879	-	-	7,265	7,679
Total current liabilities	53,178	50,329	2,570	2,385	15,766	32,640	6,057	6,764	-	(1)	77,572	92,117
Non-current liabilities												
Payables	3,094	1,709	-	-	4,104	8,267	123,016	134,277	8,595	15,958	138,809	160,211
Provisions & Other NCL	5,914	8,000	-	-	-	-	70,260	83,925	-	-	76,174	91,925
Total non-current liabilities	9,008	9,709	-	-	4,104	8,267	193,276	218,202	8,595	15,958	214,983	252,136
Total liabilities	62,186	60,038	2,570	2,385	19,870	40,907	199,334	224,966	8,595	15,957	292,555	344,253
Net assets	36,329	36,325	195	194	157,505	84,445	-	-	-	-	194,029	120,964
Equity												
Accumulated funds	36,329	36,325	195	194	157,505	84,445	-	-	-	-	194,029	120,964
Total equity	36,329	36,325	195	194	157,505	84,445	-	-	-	-	194,029	120,964

19.10 Statement of cash flows for the period ending 30 June 2022

	WCOF		HBOF		MAOF		IGF		NDF		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cashflows from Operating Activities												
Payments												
Personnel services	(22,857)	(25,845)	(1,955)	(2,083)	(19,527)	(29,841)	(179)	(195)	-	-	(44,518)	(57,964)
Grants and subsidies	(1,799)	(4,004)	-	8	(3,967)	(122)	-	2	-	-	(5,766)	(4,116)
Other	(286,124)	(244,845)	(1,606)	(183)	(237,017)	(245,869)	(19,403)	12,176	(6,527)	(5,933)	(550,676)	(484,654)
Total payments	(310,780)	(274,694)	(3,561)	(2,258)	(260,511)	(275,832)	(19,582)	11,983	(6,527)	(5,933)	(600,960)	(546,734)
Receipts												
Levies, retained taxes, fees and fines	313,278	296,147	3,772	4,400	232,778	256,994	-	-	-	-	549,828	557,541
Interest received	125	123	8	2	271	167	1	1	29	31	433	324
Other	2,185	(5,482)	(7)	228	35,487	34,749	10,627	(18,521)	(6)	(30)	48,286	10,944
Total receipts	315,588	290,788	3,773	4,630	268,536	291,910	10,628	(18,520)	23	1	598,547	568,809
Net Cashflows from Operating Activities	4,808	16,094	212	2,372	8,025	16,078	(8,954)	(6,537)	(6,504)	(5,932)	(2,413)	22,075
Cashflows from Investing Activities												
Proceeds/(Purchases) of property, plant, and equipment	-	2,113	-	(91)	-	(360)	(14)	(23)	-	-	(14)	1,639
Proceeds from the sale of investments	-	-	-	-	-	-	9,000	6000	-	-	9,000	6,000
Net Cashflows from Investing Activities	-	2,113	-	(91)	-	(360)	8,986	5,977	-	-	8,986	7,639
Cashflows from Financing Activities												
Repayment of borrowings and advances	(13)	(26)	-	-	-	-	-	-	-	-	(13)	(26)
Net Cashflows from Financing Activities	(13)	(26)	-	-	-	-	-	-	-	-	(13)	(26)
Net Increase (Decrease) in cash	4,795	18,181	212	2,281	8,025	15,718	32	(560)	(6,504)	(5,932)	6,561	29,688
Opening cash and cash equivalents	96,208	92,020	2,571	290	97,210	67,498	1,195	1,754	15,122	21,054	212,304	182,616
Closing cash	101,003	110,201	2,783	2,571	105,235	83,216	1,227	1,194	8,618	15,122	218,864	212,304

20 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.

20.1 Financial instrument categories

Class	Notes	Category	Carrying amount 2022 \$'000	Carrying amount 2021 \$'000
Financial Assets				
Cash and cash equivalents	6	Amortised cost	218,864	212,304
Receivables ¹	7	Amortised cost	52,101	1,440
Financial assets at fair value	8	At fair value through profit or loss – mandatory classification	197,001	223,287
Financial liabilities				
Payables ²	12	Financial liabilities measured at amortised cost	13,641	84,554

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.

20.2 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.

20.3 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.

20.4 Financial risks

20.4.1 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.

20.4.2 Cash and cash equivalents

Cash comprises cash on hand, balances held at private financial institutions, term deposits with a maturity of less than 3 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.

20.4.3 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 are determined as follows:

	Current	<30 days	30 – 60 days	61 – 90 days	>91 days	Total
30 June 2022						
Expected credit loss rate	7%	15%	19%	24%	25%	18%
Estimated total gross carrying amount (\$'000)	1,756	2,900	1,974	1,577	1,915	10,122
Expected credit loss	120	431	375	372	480	1,780
30 June 2021						
Expected credit loss rate	10%	26%	37%	56%	62%	59%
Estimated total gross carrying amount (\$'000)	97	59	38	33	646	873
Expected credit loss	10	15	14	18	403	461

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 2022 and 30 June 2021.

20.4.4 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 2022 (2021: \$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.

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 \$'000	Interest rate exposure			Maturity dates		
			Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000	< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
2022: Payables	N/A	13,641	-	-	13,641	13,641	-	-
2021: Payables	N/A	84,554	-	-	84,554	84,554	-	-

20.4.5 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 time frame 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 2021. The analysis assumes that all other variables remain constant.

20.4.6 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	2022 \$'000		2021 \$'000	
	-1%	+1%	-1%	+1%
Financial Assets: Cash and cash equivalents	218,864		212,304	
Net Result	(2,189)	2,189	(2,123)	2,123
Equity	(2,189)	2,189	(2,123)	2,123

20.4.7 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	2022 \$'000	2021 \$'000
IGF Investment Trust	Multi asset class	7 years and over	197,001	223,287

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	
	2022 %		2022 \$'000	2021 \$'000
IGF Investment Trust	+/-	10	19,700	22,328

20.5 Fair value measurement

20.5.1 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.

20.5.2 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	2022 \$'000	2021 \$'000
IGF Investment Trust		
• Level 1	-	-
• Level 2	197,001	223,287
• Level 3	-	-
Total fair value	197,001	223,287

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.

21 Related Party Disclosures

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

Related party disclosure – key management personnel	2022 \$'000	2021 \$'000
Salaries	1,088	1,089
Post-employment benefits	64	63
Total remuneration	1,152	1,152

The Authority did not enter into transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof as of 30 June 2022 (2021: 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	2022 \$'000	2021 \$'000
Income		
Department of Customer Service	46	-
NSW Ambulance	-	102
NSW Ministry of Health	-	357
Expenditure		
Audit Office NSW	130	130
Crown Solicitor's Office	16	104
Department of Communities and Justice	2,338	1,642
Department of Customer Service	75,113	77,669
Department of Education	41	55
IPART	-	385
NSW Self Insurance Corporation	3,585	806
NSW Ministry of Health	113,991	108,973
NSW Ambulance	45,448	46,015
NSW Police Force	18	-
Service NSW	11	20
State Archives and Records	5	206
State Library of NSW	-	3
TAFE Commission	-	2
Transport for NSW	10,925	7,862

22 Transfer payments

The CTP levy contribution required from CTP policy holders is collected by insurers and paid to the Authority, which is made up of three separate components:

- the MAOF Fund Levy component, as determined under section 10.13 (d) of the MAI Act, which is managed and controlled by the Authority.
- the Motor Accident Injuries Treatment and Care Benefits (MAITCB) Fund component, as determined under section 10.15 (d) of the MAI Act, which is managed and controlled by the Lifetime Care and Support Authority (LTCSA), the eligible beneficiary.
- The LTCSA General Fund component, determined under section 49 of the *Motor Accidents (Lifetime Care and Support) Act 2006*, which is managed and controlled by the LTCSA, the eligible beneficiary.

The MAITCB component and LTCSA component received and transferred to the LTCSA, the eligible beneficiary during the reporting period was:

Transfer payments	2022 \$'000	2021 \$'000
MAITCB Fund Component	91,892	73,266
LTCSA General Fund Component	510,559	497,915

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

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You can contact SIRA through the National Relay Service. Just ask for the relevant SIRA phone number listed above.

If you require an interpreter, you can contact SIRA through TIS National by calling 13 14 50 and asking for the relevant SIRA phone number listed above.

Publication notes

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