

Insurance and Care NSW

Annual Report 2020–21

icare[™]

Insurance and Care NSW

📍 321 Kent Street,
Sydney NSW 2000

☎ General enquiries
13 44 22

🌐 icare.nsw.gov.au



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Letter to the Treasurer

29 October 2021

The Hon. Matt Kean MP

NSW Treasurer

Parliament House

Macquarie Street

SYDNEY NSW 2000

Report on icare's performance for the year ended 30 June 2021

Dear Treasurer,

Following a year of evolution, we submit the Insurance and Care NSW (icare) Annual Report 2020-21 to be tabled in NSW Parliament. This volume reports on the operations and performance of icare and its related entities. An additional volume with full financial statements for the period 1 July 2020 to 30 June 2021 is also attached.

Our Annual Report 2020-21 has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and reporting requirements issued by NSW Treasury. The financial statements contained in the Annual Report are certified by the Auditor-General.

Yours sincerely,



John Robertson
Chair



Richard Harding
Chief Executive Officer and Managing Director

Message from the Chair

On behalf of the icare Board, I am pleased to submit the Insurance and Care NSW (icare) Annual Report for FY2020-21. This year, the Board has been leading icare through an important period of evolution and uplift in performance.

Our focus has been on reducing complexity and duplication in the organisation, and refocussing on the essence of why we are here - ensuring delivery of the very best services to the people, businesses and community of NSW. In particular, this is the provision of quality, timely care and support to injured workers and road users, many of whom are at their most vulnerable. All must be treated with dignity, respect and empathy, and receive services that facilitate the best possible outcome in their recovery and return to work.

Our attention is on the human impact of our business, and the tangible effect we can have on people's lives - in terms of their physical and mental health and wellbeing, career and lifestyle opportunities, and overall quality of life - by ensuring they receive the support they need at the right time.

For people severely injured in workplaces and motor vehicle accidents, and those with a dust or other work-related disease, we must provide access to the best services and supports that meet their unique needs throughout their life, while maximising their independence and easing the pressure on their families.

In shaping the future of icare, improvements have been made that ensure the implementation of key remediation initiatives and commitments to customers. This includes delivery of a number of priorities assigned by the NSW Treasurer, including the appointment of icare's new Chief Executive Officer, Richard Harding, and the appointment of four new Board members. Social policy leader, financial services leader, and disability advocate John Walsh AM, and financial services leader Michael Cameron, both bring a wealth of experience with strong financial acumen, and a history of service to others.

Financial services executives Virginia Malley and Kylie Willment bring expertise and experience that will be invaluable in ensuring the effective management of the Nominal Insurer, and the financial stability of the workers compensation scheme.

We continue to support and implement the recommendations made by the Hon. Robert McDougall QC's *Independent review of icare and State Insurance and Care Governance Act* (the McDougall Review), and the *Independent review of icare governance, accountability and culture* (the GAC Review) conducted by PricewaterhouseCoopers (PwC), which highlighted the need to improve icare's culture, risk and governance systems.

The improvements we are driving include bringing risk and governance practices in line with regulatory and community expectations. A new Governance Assurance Framework was implemented earlier this year to ensure an effective quality control process for all information provided to the Board and its Committees, including consistent reporting and a robust approval process. We are also focussed on addressing risk, compliance and quality issues to build community trust in the management of the organisation and confidence in the support we provide.



John Robertson
Chair

The Board is overseeing an end-to-end program of work to improve performance across all our schemes. At the heart of this is our focus is on improving the experience of the people we serve, ensuring transparency and simplicity in the way claims are managed and ensuring service levels and outcomes are consistent with community expectations.

Through this work, the Board is driving initiatives to improve the performance of the Nominal Insurer (NI) - the State's largest workers compensation insurer for the private sector - which we know will have a direct and positive impact on the experience of injured workers. A key part of this is focussed on getting injured people back to work in a timely, safe, and sustainable way. We understand that overall improvement is needed, and so we are driving the work to review and improve the journey of a claim from the initial notification of an injury all the way through to the return to work. Improvement here will take time, but the Board's focus is ensuring long-term lasting positive change.

During the year, a number of members stepped down from their roles on the Board, including former Chair Michael Carapiet and Deputy Chair Gavin Bell, as well as Mark Lennon, Christine Bartlett and David Plumb. I would like to thank all of them for their commitment and contribution to the organisation, our customers, and the NSW community.

The services provided by icare are critical for many people across the State who are most at need. We will continue to work to rebuild the trust of our stakeholders, change the way we work to better meet the diverse needs of our customers, and ensure the long term financial stability of our insurance schemes. In doing so, we will be well placed to protect and care for injured workers and motorists, homeowners, and our State's Government agencies and assets, now and long into the future.

Message from the CEO

icare is an organisation that plays an important role in enabling the NSW community and economy to invest and grow, and provides a safety net for vulnerable people.

The people we serve include 329,000 NSW employers and their more than three million employees, whether operating towering cranes on major building projects, teaching our kids or transporting goods from Bankstown to Broken Hill. We support about 65,000 injured workers get back to work every year.

We provide critical support for more than 1,500 Lifetime Care and 340 Workers Care participants, as well as more than 5,700 people with a dust disease and their dependants. We also ensure 20,000 homeowners can complete their homes or renovations when their builder cannot. And of course, we support Government agencies to rebuild and repair schools, hospitals roads and other vital infrastructure when the State experiences a natural disaster or catastrophe such as a bushfire, flood or storm.

Our purpose is to care for the people of NSW, building confidence and trust so our communities can thrive.

Over the past year we have come under intense scrutiny and been the subject of numerous reviews. We accept the issues that have been raised and the recommendations and our key task now is to change to deliver on these expectations. We have initiated a multi-year comprehensive program of remediation and improvement that addresses the review recommendations, seeks to turn around return to work performance and lays the foundations for our schemes over the long term. This will take time but is critical to ensuring we can deliver on our purpose and create a sustainable operation long into the future.

At the centre of the change and improvement will be our people. Our aim is to build a culture that is open, constructive and accountable. Our new values encourage our people to work together, take ownership, and be driven to achieve outcomes. We want people to be curious and to look for new ideas and ways of doing things. This will build on the great strength of our organisation, our people's belief in the purpose of icare and their passion for caring and supporting our customers and the people we serve within the schemes.

This will take time to embed but we are building on a strong base, the frontline staff that day in and day out care for people at their most vulnerable. This is our key asset. We have realigned the organisation to ensure injured workers, road users, businesses and the NSW Government receive services from those frontline staff who understand them best. To support these teams we have sought to remove layers of management, creating a smaller leadership team that is aligned to the schemes we operate and with clear accountabilities that focus on achieving what the organisation was set up to do – care for and support the people of NSW.



Richard Harding

Chief Executive
Officer and
Managing
Director

Nowhere can this be more evident than the commitment by those frontline staff who have gone above and beyond to provide care and support for people and businesses through the one in 100-year COVID pandemic. I would like to acknowledge their commitment, dedication, and hard work throughout this challenging period.

These are the foundations that will lead to the improvements needed for the people we serve. The schemes we manage are complex and operate in a complex set of legislative and regulatory frameworks. Often this complexity can get in the way of delivering the benefits intended by the scheme's design to those who need it the most. Our goal is to make the complex simple. When it comes to getting injured workers back to work sooner, the focus needs to be on simplifying and making transparent a process that can sometimes seem complicated and difficult to navigate. Facilitating a person's recovery at work, or their return to work as soon as it is safe to do so, is in the best interests of the workers, their employers, the scheme and the economy.

We are starting by lifting the lid on the way claims are managed. With the valuable input of injured workers, businesses and other key stakeholders we are looking to reshape the claims journey so that is simple to

understand, easy to engage with and provides the right services at the right time. As to be expected this will take some time to turn around and with any change, we will need to balance speed with ensuring services levels remain at the level the community expects. We will continue to review and refine the claims model throughout FY2021-22, including looking at opening the door to more claims providers, and remain focussed on long term, sustainable change.

Finally, underpinning all this work is the financial sustainability of our schemes. Throughout the year, the COVID pandemic has had a material impact on the way we deliver services, our revenues and led to instability in investment markets. However, through sound financial management we have withstood these pressures and maintained our funding ratios. We also committed to operational savings at icare of \$100 million over two years, and we are well placed to reach this target.

Throughout this report you will see the substantial amount of change that is taking place, but there is still much more to do. We will continue working to achieve the best possible outcomes for our customers, our people and the NSW community.

icare at a glance

icare is proudly an agency of the NSW Government.

Since its establishment in 2015, the schemes icare administers have contributed to building confident and thriving NSW communities.

We protect and care for people and communities across the State, including those dealing with work-related injuries and illnesses. In FY2020-21, our Workers Compensation Scheme covered around three million workers with a suite of workers compensation benefits. For the approximately 65,500 injured workers, benefits included \$1.16 billion in weekly payments, as well as \$740 million in medical expenses and rehabilitation support to assist with their recovery and return to work.

To enable the provision of these benefits to workers, the Workers Compensation Scheme provided affordable workers compensation insurance policies to 329,000 employers. We also worked with employers to develop tailored and sustainable injury prevention initiatives, to improve work health and safety outcomes for their workers and in turn, minimise their premiums.

icare manages several Government funds and statutory insurance schemes, which support and protect the NSW public service in the course of their operations. The Treasury Management Fund (TMF) provides workers compensation insurance for NSW Government agencies, protecting over 330,000 workers and nearly 145,000 volunteers across the State, including students engaged in educational work experience programs. It also covers agencies in the event of litigation involving allegations of negligence, abuse or defamation, property damage, and contractual and other disputes.



Our lifetime schemes deliver greater independence and quality of life outcomes for severely injured workers and motorists. During the year, we supported almost 5,700 people with a work-related dust disease and their dependants, 340 people who sustained a severe injury at work, and more than 1,500 people who were severely injured on NSW roads.

We protect more than \$266 billion of the State's assets, including the iconic Sydney Opera House and Sydney Harbour Bridge; critical infrastructure like schools and hospitals; and the services provided by the Government to the communities of NSW.

Through our Construction Risk Insurance Fund (CRIF), we provide construction insurance for infrastructure projects on behalf of the NSW Government and its partners. In FY2020-21, we insured a number of projects including the M6 stage 1, Sydney Gateway and New Sydney Fish Markets, with values of \$2.5 billion, \$1.5 billion and \$500 million respectively.


Our Home Building Compensation Fund (HBCF) provides protection for homeowners who have been left with incomplete or defective residential building work. This year, we insured over \$20 billion worth of building projects, and paid out over \$83 million in claims to homeowners who otherwise would have suffered financial loss, and potentially severe hardship.

icare has adapted its service delivery to provide additional support to people and businesses through the COVID-19 pandemic. We will continue to do so as they, and the economy, recover over the coming years.



Our direction

Over the course of the last year, we engaged new leadership and launched a new strategy to take icare into the future, focussing the organisation more clearly on the people our schemes serve.



Our refreshed strategy operates across multiple horizons, with the first period focussed on ensuring we have fixed our foundations.

Purpose

We care for the people of NSW, building confidence and trust so our communities can thrive

Vision

We make the complex simple so our schemes deliver better outcomes for people and communities

Strategic Imperatives

1.

Simplify our processes and interactions to deliver better outcomes for customers

2.

Make our information accessible and available to improve understanding and decision making for our ecosystem

3.

Elevate performance of service providers to drive improved outcomes for customers

4.

Focus the corporate centre to better enable the schemes

5.

Foster an **open, constructive and accountable culture**

Our Values



Together



Ownership



Driven



Curious



Passionate


Our performance

Performance scorecard

Our Performance scorecard allows us to manage and monitor key focus areas and ensure data driven decision making in areas of focus. Published internally on our intranet, as well as reported to the Board and NSW Treasury, the scorecard provides a mechanism which enables our people to link their individual performance plan objectives to enterprise objectives.

Derived from our long-term strategic goals, we chose to measure our performance against the following metrics in FY2020-21.

Objective	Description	Results	Performance rating
Customer experience	The Net Promoter Score (NPS) is an index ranging from -100 to 100 that measures the willingness of customers to recommend icare's products or services to others. The key question is 'how likely is it that our customers would recommend the level of service provided by icare'. The targets are based on rolling 90-day results.	icare scored 20 against a target of 24-28	Did not meet target
Employee Net Promoter Score (eNPS)	The eNPS is a survey available to everyone at icare and allows us to measure employee sentiment and advocacy regarding icare, along with suggestions on how we can continuously improve.	icare scored -3 against a target range of 30-36	Did not meet target
Delivery of change initiatives against plan	The percentage of initiatives that are amber or green over the total number of initiatives with a weighting overlay to our most pressing needs (50% Vital / 25% Important).	87% of initiatives delivered against a target of 85%	Met target



Objective	Description	Results	Performance rating
Expense rate	Total operating expenses (icare and schemes excluding levies and depreciation) / Premiums + contributions.	17.1% against a target of 18.1%	Met target
Return to Work 26 Week Rate (NI)	One minus the number of weekly active claims over the projected number of weekly claims by report month as at 26 weeks after the accident month Data (rolling three month basis).	83.6% against a target of 84%	Did not meet target
26 Week Continuance Rate (NI)	The proportion of claims where the injured worker has returned to work in some capacity (using the SIRA calculation methodology).	57.6% against a target 58.9%	Met target
26 Week Continuance Rate (ifNSW)	The proportion of claims that remain on weekly benefits.	79.6% against a target of 77.7%	Did not meet target
Risk and Compliance	Measures the percentage of: <ul style="list-style-type: none"> • open audit actions closed; • incidents reports; and • training completion rates. 	0 met against a target of 3	Did not meet target
Prevention Initiatives	Increased internal participation levels in “Protect Together” injury prevention training program Increased participation by employers in REX.	1 met against a target of 2	Did not meet target

We have made enhancements to our FY2021-22 Performance scorecard, and adopted a balanced approach with the inclusion of metrics across key components of 'People', 'Financial and Scheme Performance', 'Risk and Operational Effectiveness' and 'Strategic Reset'.

Given our focus on uplifting icare's culture, two new culture-based metrics are currently being baselined for inclusion: Organisational Culture Inventory and Risk Culture Index. There has also been a shift from Expense Ratio to Net Result to better measure each major scheme's overall financial results.

In addition to the improvements to the Performance scorecard, we are introducing additional scheme-based scorecards, bringing the total number of scorecards to be reported on from one to eight. This shift significantly improves our ability to monitor and manage our performance and make timely and informed data driven decisions.

FY2021-22 scorecard

No	Focus Area	Measure / Metric	FY22 Target	Definition / Calculation
1	People	People Matters Employment Survey (PMES)	> 50%	Employee Engagement score from NSW Public Sector PMES survey
		Organisational Culture Inventory (OCI)	TBD	<ul style="list-style-type: none"> OCI to determine baseline culture by Q1 Pulse survey to measure progress against agreed key focus areas delivered by Q3
2	Financial Management & Scheme Performance	Net Result (\$m) - NI	- \$371m	Revenue earned (premiums, contributions, levies, investment income) minus claims costs & operating expenses incurred, during the agreed period
		Net Result (\$m) - TMF (WC & GL)	+ \$178m	
		Net Result (\$m) - LTCS (inc. CTP)	+ \$226m	
		Return to Work 26 Week Rate (NI)	87.80%	The proportion of claims where the injured worker has returned to work in some capacity (using the SIRA calculation methodology)
3	Strategic Reset	Enterprise Improvement initiatives (McDougall and Governance, Accountability and Culture Review recommendations) delivered to approved scope, budget & independently assured.	Assurance confirms delivery of initiatives due in accordance with the Improvement Plan	<ul style="list-style-type: none"> Assurance is confirmed and public reporting by an independent Assurance provider. Improvement plan details scope, key milestones/lead indicators and budget (<i>in accordance with approved business case</i>)
4	Risk Management & Operational Effectiveness	Risk Maturity Index (RMI)	TBD	<ul style="list-style-type: none"> Baseline risk culture determined by Q1 Target to be established once baseline determined.
		Meeting Regulatory Timeframes	Risk Appetite Statement (RAS) metric for regulatory timeframes met in 4/4 quarters	icare meets required regulatory timeframes. This measure allows for inclusion of any agreed extensions. Included in the Risk Appetite Statement. Rolling metric using 12 months' preceding.
		Timeliness of Resolving Incidents	90% or >	Incidents closed within time-frame.
		Internal Audit Actions	Monthly Target of no high risk items overdue and no > 1 medium risk item overdue.	Management agrees the actions & due dates with Internal Audit when reports are finalised. This metric measures overdue internal audit actions each month as assessed by Internal Audit. (Note: An annual target has also been set).

Financial performance

The underlying performance of icare schemes improved from the prior year. Investment returns in FY2020-21 were significantly greater than prior year and forecasted returns due to the strong global and domestic equity markets.

Despite the headwinds created by COVID-19 our schemes continue to be in a strong financial position and are able to meet their obligations and liabilities as they fall due.

FY2020-21 saw markets recover from the global coronavirus pandemic, with some economies returning to pre-pandemic levels. The Organisation for Economic Cooperation and Development (OECD) estimates the world economy will grow by 5.8 per cent in 2021 and 4.5 per cent in 2022 – notably stronger than the 3.3 per cent average growth achieved over 2013-19. Unemployment levels, both overseas and in Australia, have fallen substantially from their peaks but remained elevated compared to pre-pandemic levels. Inflation remains weak and below central bank targets. The remarkable recovery has been driven by strongly accommodative stances of global governments and central banks in stimulating economic activity to maintain low interest rates, as well as successful vaccine rollouts in developed economies particularly in the first half of the 2021 calendar year.

The equity market has had one of the strongest years on record. Markets rallied into the new year on the back of tech-related stocks and as some economies emerged from the first lockdown. A second wave of COVID cases and uncertainty leading up to the US Federal elections saw declines. Markets then took off between November and June on a series of positive events – COVID vaccine developments, the Biden election, multi-trillion US fiscal packages and improving global growth. There has been sporadic volatility since January, including during the month of June, as markets fretted about inflation and the potential timeline of future interest rate rises.

During the year, the RBA maintained the cash rate at 0.10 per cent and committed to holding down the three-year government bond yield at 0.10 per cent for around three years from November 2020. Global long-term bond yields started rising materially over the last six months, as improving global growth and the passage of US fiscal largesse fuelled inflation concerns. In June, the US central bank surprised investors when it indicated that a majority of its policy-setting committee expected to have tightened monetary policy by 2023, although US Federal Reserve Chair Powell sought to reassure markets afterwards. This resulted in higher shorter-dated bond yields but lower longer-dated bond yields. Although the RBA does not expect to raise interest rates until 2024 at the earliest, Australian bond yields followed a similar upward path to global bond yields.

The Australian Dollar appreciated nine per cent against the US Dollar over FY2020-21, reflecting the rebound in the global economy and commodity prices from their 2020 lows.

Summary of scheme performance

FY2020-21 (in \$m)	NI	IfNSW and HBCF ^{1,2}	HBCF ^{1,2}	LTC and CTP Care ³	DDC
Net earned premiums /contribution (incl. hindsight adjustments)	3,094	1,826	104	573	66
Net claims expense / scheme costs	(3,514)	(2,638)	86	(1,066)	(158)
Underwriting & Other Expenses	(1,048)	(273)	(23)	(61)	(49)
Underwriting Result	(1,467)	(1,086)	167	(554)	(140)
Net Investment revenue	1,482	2,066	31	1,022	140
Grants from the Crown	-	14	14	-	-
Other income / adjustments	49	(0)	0	4	0
Net Result	63	994	211	472	-

Further information on the financial performance of each of our schemes is provided throughout this report. Important terminology used to describe the financial performance of our schemes is provided at Appendix 1.

1 HBCF prepares separate financial statements, but is also part of the SICorp financial statements.

2 Cash injection: The TMF operates in a way where it returns surplus funds to NSW Treasury in years where claims of Government agencies are lower than expected, and receives funds from NSW Treasury when claims are higher than expected. The exchange of funds between Treasury and the TMF is by design and is governed by the Net Asset Holding Level Policy as signed by the NSW Treasurer. The grant from the Crown in FY2020-21 was related to the HBCF pre-reform portfolio.

3 LTC financial statements include the Lifetime Care and Support Authority (LTCS) and the Motor Accident Injuries Treatment and Care Benefits Fund (MAITC).

Budget

FY2020-21 Budget process

The FY2020-21 Budget process was run three times, due to the COVID-19 pandemic:

FY2020-21 Budget (baseline) was completed and signed off by the icare Board in March 2020, incorporating the 31 December 2019 valuation. This budget was finalised before the pandemic.

1. FY2020-21 Budget (COVID inclusive) was completed and signed off by the icare Board in September 2020, incorporating the 30 June 2020 valuation. This budget and valuation included estimated impacts of the COVID-19 pandemic on our results.
2. FY2020-21 Half Year Review (forecast) was completed and signed off by the icare Board in March 2021, incorporating the 31 December 2020 valuation. This forecast was updated to include up-to-date information on premiums, claims, expenses and investments.

FY2021-22 Budget

Our budget for FY2021-22 is shown in the table below.

FY22 Budget (\$m)	NI	IfNSW	HBCF	LTC & CTP Care	DDC
Underwriting Result	(1,281)	(614)	(26)	(254)	22
Net Result	(371)	254	(3)	226	-
Net Assets	(535)	1,623	(737)	150	-
Funding Ratio	97%	113%	42%	102%	65%
Insurance Ratio	120%				

Procurement

Information on icare's use of overseas travel and consultants during FY2020-21 is provided at Appendix 2 and 3 respectively.

Information on our performance with the payment of suppliers' accounts, and disposal of land and property, is provided at Appendix 4 and 5 respectively.

Accessibility

icare is making it easier for people to access our services, and ensuring information is accessible and available to our diverse range of customers.

Our **Disability Inclusion Action Plan FY2022-23** was developed in accordance with the *NSW Disability Inclusion Act 2014*. It is designed to support provision of effective and empathetic support for customers who identify as having a disability; and to safeguard our vulnerable customers, in particular participants of our Lifetime Care and Support, Workers Care, Dust Diseases Care, and CTP Care schemes.

Our **Multicultural Inclusion Action Plan FY2021-23** was developed to complement the Multicultural Policies and Services Program administered by Multicultural NSW, and in accordance with the NSW Government's commitment to cultural diversity and our obligations under the *Multicultural NSW Act 2000* and the *Public*

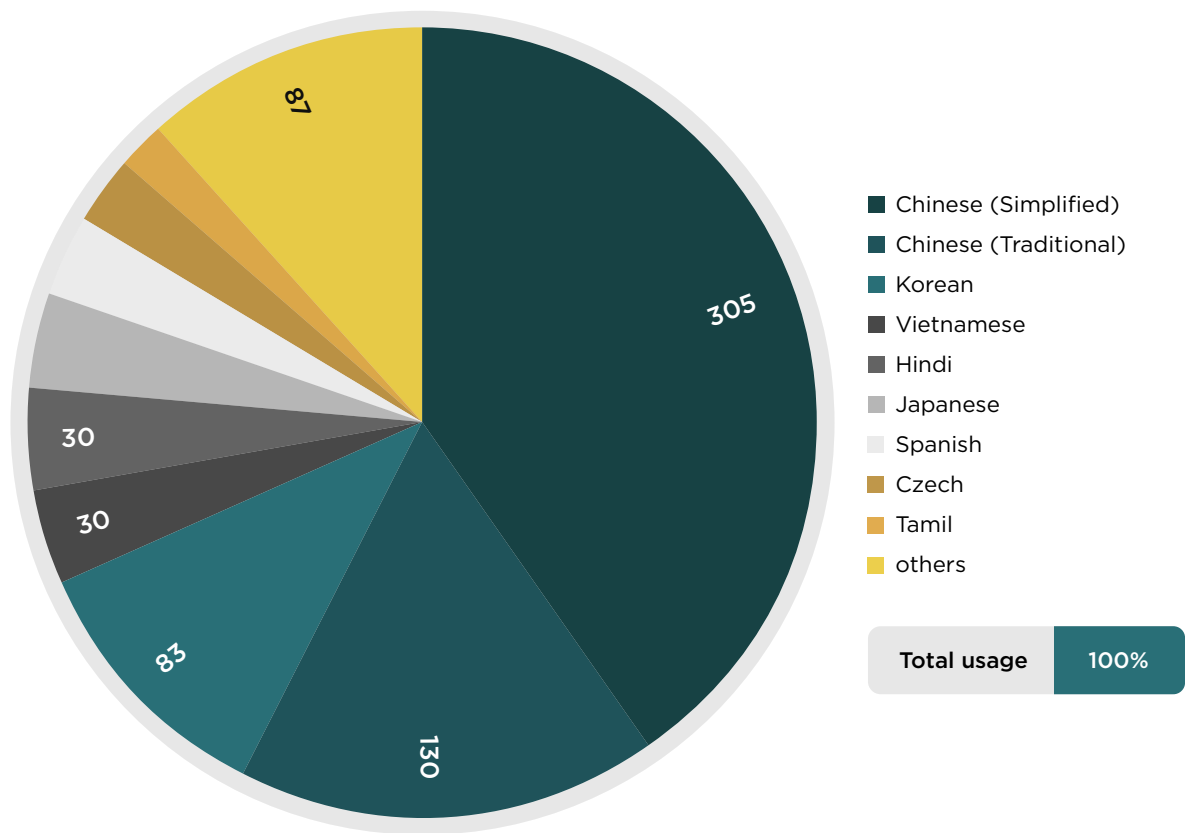
Finance and Audit Act 1983. It is designed to support the delivery of improved outcomes for our customers from Cultural and Linguistically Diverse (CALD) backgrounds, and to ensure we empower people to have choice and control in identifying their goals and support services.

Our Customer Advocate's review of Customer Vulnerability in the Nominal Insurer Workers Compensation Scheme found that the experience of CALD customers was not dissimilar to other customers experiencing vulnerability, but that the Nominal Insurer likely had inadequate processes in place to support communications with CALD customers. Insights from the report are being used to inform work to improve customer experience under our Improvement program.

We continue to engage and collaborate with CALD communities to improve our understanding of our customers, identify and address barriers, create opportunities, and demonstrate inclusive leadership. We conducted a range of interviews and surveys that considered customer demographics, leveraging current research and community insights to enable improved planning and customer service delivery. This research focused on Korean, Mandarin, and Cantonese speaking injured workers and analysed language barriers from a number of angles including claim data analysis and qualitative interviews with the workers, claims staff and other stakeholders.

To improve the availability of information for our customers in languages other than English, we translated resources used to explain and facilitate the workers compensation claim process into five our community's most prominent languages - Arabic, Mandarin, Hindi, Korean and Vietnamese. As shown in the below image, our website's language translation function was utilised 736 times during the year, with information translated into more than nine languages, including Chinese, (simplified and traditional), Korean, Vietnamese, Hindi, Japanese, Spanish, Czech and Tamil.

Most preferred website translation



icare maintains membership with Multicultural NSW and the Diversity Council of Australia, and continue to build partnerships with CALD organisations, including Regional Advisory Councils, the Ethnic Communities' Council of NSW, and Plus Inclusion, all of whom share similar values and behaviours.

During FY2020-21, we created a Diversity and Inclusion Network made up of passionate, action-oriented individuals who are positive advocates and role models for diversity and inclusion, and delivered language barrier workshops and cultural intelligence training for our staff.

We also worked with NSW Government agencies under our Risk Education eXpress (REX) program, to develop their capabilities in supporting psychologically safe workplaces, including building their leaders' skills in fostering diversity and inclusion through awareness of unconscious bias and cultural differences. Further information on the REX program is provided under the Insurance for NSW section of this report.

Our organisation is uniquely placed to make a meaningful and sustainable difference for the First Nations community of NSW, and to further support this community, we are developing a Reflect Reconciliation Action Plan reflecting our vision for reconciliation within our sphere of influence.

Improvement Program

We have brought together a program of work that addresses the concerns raised over the past 12 months, that support our Purpose and Vision and go above and beyond the recommendations arising from external reviews. Further information on these reviews is provided in the Our governance section of this report.

icare has developed an Improvement Program that brings all improvement activity under one umbrella to provide a single view of the changes that are underway and consists of two sub-programs.

The Enterprise Improvement Program comprises six workstreams - Governance, Risk Uplift, Procurement Uplift, Customer Insights and Complaints, Culture and Accountability, and Financial Sustainability, designed to focus our corporate functions to better enable scheme performance.

The Nominal Insurer (NI) Improvement Program comprises seven workstreams - Uplift Return to Work (RTW) and Claims Outcomes, Performance Metrics and Reporting, Address Risk and Compliance Findings, Claims Model and Service Provider Strategy, Improve Employer Experience, Professional Standards and Capability and Optimise Systems and Technology.

icare is committed to transparency, and our progress is reported on our website. Independent assurance across the program will be used to help us track our progress and ensure we're achieving what we set out to do and provide our stakeholders with confidence that solutions have been delivered. While there is still much work to do, we are making progress in a number of key areas.

Progress through FY2020-21

Building capability and improving risk, governance and accountability

- The icare Board endorsed recommended changes to committee structures including each having a clear purpose, mandate and structure.
- A new governance assurance framework was implemented, to ensure an effective quality control process for all Board and Committee papers, ensuring consistency, quality content and a robust sign-off process.
- A new Executive leadership structure with clearer accountabilities for scheme performance was put in place, with the Group Executive Team now more closely aligned with each scheme.
- The new role of Group Executive Risk and Governance was created to establish clear executive responsibility for the key areas of risk, compliance and governance. New scheme performance measurements and more frequent monitoring have also been adopted to anticipate and address trends.
- We refreshed our management committees, with the Group Executive meeting monthly on risk, and supported by five sub-committees: Scheme Performance Management, Business Planning, Risk and Compliance, Customer and Assets and Liability Committee.

Strengthening risk and compliance practices

- We developed new frameworks, committees, oversight and systems to strengthen our risk and compliance practices and will embed in FY2022.
- An internal, independently managed Speak Up Hotline for employees was established for the reporting of any suspected wrongdoing, issue escalation and grievance handling.
- New and updated Risk and Compliance policies and processes have been approved by the icare Board with implementation underway, including a RAS, RMF, RMP, and Fraud and Corruption Control Policy. Implementation of an Obligations Register is also underway.
- A new Delegations Policy is being implemented in 2021, and our Conflicts of Interest Policy and declaration process was revised earlier this year and communicated to employees, including via face-to-face training.
- A number of our other policies and processes have been reviewed and updated since October 2020, to ensure we are putting the steps in place to help our people make better risk-based decisions to deliver better customer outcomes.

Improving our Customer Insights and Response to Complaints

- We commenced a review and uplift of our complaint handling practices and have a roadmap designed to support this uplift over the next two years. This will allow us to better listen to, understand and take action to improve the services we are delivering.
- We also are working closely with our regulators (SIRA and the Independent Review Office) to align our complaint frameworks and build efficiencies in to how we interact with them and report complaints data.
- We are reviewing our customer experience metrics and will be moving away from the Net Promoter Score (NPS) to Customer Satisfaction (CSat). This will provide a more pragmatic measure for customers and more actionable insights to help inform improvement opportunities.
- Our former Customer Advocate conducted a review of Customer Vulnerability in the Nominal Insurer Workers Compensation Scheme, to obtain a more comprehensive understanding of when customers experience vulnerability and the impact this has. The report was released in May 2021, and is informing further work to improve the customer experience.

Information on complaints received during FY2020-21 is provided at Appendix 6.

Improving enterprise sustainability

- We are changing the way we manage capital and how we work across our schemes to reduce internal costs. We worked with SIRA and NSW Treasury to develop an updated Capital Management Policy for the NI, in line with the Economic Funding Ratio approach. The policy for Lifetime Care and Support has also been updated.
- Over FY2021-22 we will review our benefits realisation tracking and reporting and track the delivery of our expense management savings commitments, investigating further options to increase customer service and efficiencies through process improvements and automation.

- Improving culture, remuneration and performance
- We are committed to developing an open, transparent and accountable culture, and have revised the enterprise purpose, vision and values and in FY2021-22.
- A leadership program will be rolled out to support leaders to drive the culture that we and our stakeholders expect.
- In FY2021-22 we will review our recruitment, induction, performance, development and reward policies and practices to reinforce our expectations and values.

Improving procurement practices

- We commenced a substantial program to uplift our procurement capability and practices, strengthening compliance, transparency, frameworks and procedures.
- We implemented a contract register and executive dashboards that enable better planning, tendering and contract management activities.
- We are targeting procurement and probity frameworks in the organisation are “equal to or better than other government agencies” and revised our procurement delegations to be effective from 1 July 2021.
- In addition, the Information and Privacy Commission (IPC) conducted a desktop audit examining our compliance with the mandatory requirement under the *Government Information (Public Access) Act 2009*, for agencies to make contract information publicly available in a contract register. The audit also looked at the systems and processes we have in place to ensure compliance with relevant provisions of the GIPA Act. It identified non-compliance, which had been ongoing over a number of years, and issued a series of recommendations. icare fully accepted the IPC’s findings, and has completed phase 1 of the recommendations.
- FY2021-22 will see the implementation of a comprehensive capability and development program aligned with the whole of government capability framework for procurement and contract management.

Improving workers compensation performance

- We are making changes to the way we collect, use and store data, improving our claims service model to give employers more choice, and helping injured workers get back to work sooner.
- We have commenced regularly publishing performance data on our website, and data quality has been improved, including work status code data fields and data enhancements to recognise historic remediation activities.
- The proportion of claims which are allocated to a dedicated case manager at lodgement has increased by 50 per cent, and our claims management decision framework has been revised.
- We have empowered claims service providers to allow for greater use of Independent Medical Examiners, and our advisory services have been expanded from icare's Medical Support Panel to better support case managers.
- We will improve and sustain RTW performance through Claims Service Provider engagement, refined operational claims management practices and uplifted governance. Governance will be supported by investment in performance reporting and metrics, ongoing system optimisation and uplifting our Quality Assurance and continuous improvement practices.
- In FY2021-22 we will start to establish a Professional Standards Framework that provides claims professionals with learning, accreditation and career pathways; and develop a partner-based strategy to support employers.
- We also intend to undertake a process to engage Claims Service Providers for contracts commencing in 2023.

Remediating pre-injury average weekly earnings (PIAWE)


In 2019, icare initiated a review of a sample of claim files where weekly income benefits commenced between 1 October 2012 and 20 October 2019. The review identified some inconsistencies in the information provided by employers and interpretations of the data. It also found a small number of calculation errors leading to possible incorrect payments to the injured worker.

icare established a PIAWE Review and Remediation Program to ensure all potentially impacted workers have the opportunity to have their claim assessed; and where required, to remediate any financial losses as a result of an error in the calculation of PIAWE.

A multi-phased communication strategy was implemented to inform potentially impacted workers of the possible issue and prompt them to seek an assessment of the entitlements received. This included a State-wide awareness campaign using traditional and social media.

We sent approximately 280,000 letters to potentially impacted workers across both the NI and TMF - who received weekly payments between 2012 and 2019. In addition, we have proactively reviewed 7321 claims identified as those at the most risk of being incorrect. A community engagement campaign supported the mail out activity, using media relations, stakeholder and community partners to connect with culturally and linguistically diverse communities, employers and unions, and other key industry groups.

As the program has progressed, we have seen a 3.5 per cent underpayment rate and 2.3 per cent overpayment rate, substantially less than what was originally anticipated. The average underpayment amount per week off work is \$25.81 and the average proportion of underpayment to total weekly benefits paid is 4 per cent.



icare has engaged a mental health support service for workers receiving the communication through mail, or the media and community engagement campaign. This service is available on a 24/7 basis, and contact details are provided in communications and on icare's website.

From the establishment of the NI Program to 17 September 2021, 11,070 reviews had been completed and identified 216 quantifiable underpayments totalling \$3.7 million. The average underpayment amount per week off work continues to be \$25.81, and the average proportion of underpayment to total weekly benefits paid is 3.9 per cent.

An oversight committee has been established and is chaired by SIRA, with representatives from SIRA, NSW Treasury and icare, to consider the methodology and any changes that may be needed to achieve the key objective of ensuring timely and fair compensation of underpaid claimants. icare has also engaged Deloitte to independently review the implementation of the Program. To ensure transparency, quarterly update reports are published on our website.

Remediating DDC payments

icare identified an issue with historical payment practises that pre-date icare and reflect decades-old legal interpretations, which may have led to payment calculation errors for some DDC customers. The Dust Diseases Scheme is administered by the *Workers' Compensation (Dust Diseases) Act 1942* (1942 Act) which is to be read together with the pre-2012 *Workers Compensation Act 1987* (1987 Act). Amendments over the years have resulted in ambiguity and complexity in the interpretation of the benefit entitlements.

The issue was discovered when we were preparing for an internal system upgrade in May 2020. In order to prepare for a system-build and the coding of entitlement amounts for compensation payments, the DDC sought an improved understanding of the calculations used to determine compensation benefits. This identified areas of overpayment and areas of underpayment. It does not impact everyone in the scheme now or in the past.

To address the overpayments, we have recommended legislative change to the 1987 Act to ensure that it aligns with the legislative intent, so that all workers received the same benefit rates regardless of the worker's date of injury. Customers who have been underpaid will receive any amounts owing to them, and future payments will be aligned to proposed changes in the legislation. Any customer found to have been overpaid will not need to pay the money back.

PwC has been engaged to provide assistance with the rectification of the underpayments. Deloitte has provided initial assurance and will continue to provide assurance oversight to ensure the best outcome for customers.

We have identified the impacted people and will be contacting them over the coming months to discuss their individual circumstances, and ensure support is made available.

Our people

Overview

Our people come to us from backgrounds in the public, health, disability, insurance and broader financial services sectors. Together we aim to leverage these diverse skillsets, united by our commitment to make a difference to people's lives and serve the NSW community. Our staff are passionate about the work we do, and about improving outcomes for our customers, and during FY2020-21, there was limited voluntary attrition.

Throughout 2021, our Group Executive Team led a thoughtful redesign of a revised culture, including new values and behaviours for icare. We committed to an open, transparent and accountable culture that supported the delivery of our strategy. We refreshed our vision, purpose and values for launching in FY2021-22. Our Chair and CEO have led the cultural refresh, focussing on our purpose and values.

In February 2021, we reorganised core parts of our business by scheme to create a more effective leadership team and enable stronger end-to-end accountability and focus on performance, and improved experiences for customers. We also introduced a smaller Group Executive Team with clearer accountabilities and areas of responsibility.

A functional organisational chart is provided at Appendix 7. Further information on our Group Executive Team, including members' biographies, numbers and remuneration, is provided at Appendix 8.

We continued reviewing our operating model in March 2021, to look for ways we can simplify in every area of the business, so we can focus on getting the basics right, to deliver on our core objectives. We also focused on reducing the layers of management in our organisation to bring our decision-making leaders closer to the people we serve.



Our future plans include a leadership development program that will support leaders and our workforce to more effectively support the people we serve. By June 2021, a Culture Club made up of representative employees had been established to help support and drive activities in inclusion, recognition, engagement and culture.

We have a comprehensive range of employment related policies and guidelines that provide a consistent and integrated framework for employment at icare. Human Resources policies that were reviewed and updated in FY2020-21 include those on Grievance Handling, Managing Performance and Managing Misconduct.

Throughout FY2020-21, the Joint Consultative Committee (JCC) met to collaboratively discuss industrial concerns and other matters impacting our people, including organisational change and restructure; accrual of flex leave while working from home; excess annual leave accruals and leave taking; facilities, including office re-fits; and issues associated with the impact of COVID-19 on our ways of working.

Response to COVID-19

During FY2020-21, at the height of the COVID pandemic, we adapted our ways of working and working from home became the default. We quickly transitioned to a virtual format to enable our people to continue delivering support and services to our customers.

Since then, we have adopted a hybrid model, where each person has an office presence part of the time when health advice allows. We continue to monitor and respond to health advice and have processes and protocols in place to allow us to respond accordingly as circumstances change.

icare continues to monitor the impact of COVID-19 on our staff as employees and members of the local community, and assess and address associated risks to their safety and wellbeing. We developed an internal policy to manage our work health and safety obligations, operationalised NSW Health orders, registered as a COVID-Safe business, implemented appropriate cleaning arrangements, and developed internal contract tracing methodology and management of close contact situations. We also developed a contact notification procedure for our staff, promoted flexible working arrangements to allow access to vaccination appointments, developed resources to help our leaders identify at-home risks, including Domestic Violence and Drug and Alcohol Awareness, and to manage remotely; and provided online staff training co-designed with our Employee Assistance Program (EAP) provider, Assure, to promote ongoing health and mental wellbeing; and delivered regular internal communications to support wellbeing and resilience.

We also developed new online induction experiences for new starters.

We place great value on the importance of families and support networks, and throughout FY2020-21, we continued to support staff who have roles as carers outside work through a number of initiatives. Further information on these initiatives, and our compliance with the *NSW Carers (Recognition) Act 2010* is provided at Appendix 9.

Employee experience

Our Employee Net Promoter Survey (eNPS) measures employee sentiment through a twice-yearly workplace-wide survey. Our August 2020 score was positive 4 (compared to 26 in November 2020), while the March 2021 score decreased to -3 (from 40 in April 2020). Key areas for improvement we are addressing included rebuilding trust in the icare brand; and having greater accountability for leaders and role clarity across the organisation. Positive themes from the survey showed that staff value our inclusive and supportive working environment, being part of a values-based organisation with a meaningful purpose, and flexible working conditions.

We also participated in the NSW's Public Service Commission's annual People Matter Employee Survey (PMES). We had a 69 per cent response rate to the survey in 2020, and an engagement score of 62 per cent. We are working on initiatives to address identified areas for improvement, including change management, transparency in communication and decision-making, and defining and improving processes across the organisation. The survey indicated that staff value our risk aware culture, support for flexible work arrangements, and focus on employee wellbeing.

Further information on employee experience can be found in the Our performance section of this report.

Work health and safety

During the FY2020-21, our work health and safety incidents remained at a low rate, with 82 incidents reported. Of these, 45 were injuries/illnesses, and 12 were compensable. Where lost time injuries occurred, no patterns or trends could be discerned, and there were no work health and safety prosecutions.

Data on workers compensation claims lodged by icare employees for the last two financial years is shown in the table below.

	FY2019-20	FY2020-21
Number of employees	1,172	1,432
Number of claims	9	12
Number of claims per employee	0.0077	0.0084
Total cost of the claims made and paid during FY2020-21	\$53,851	\$178,363
Average cost of claims made and paid during FY2020-21	\$5,983	\$14,864

The number of open claims at the beginning of FY2020-21 was 17, and of these, 11 were closed during the year. icare accepted liability for 12 claims and there were 20 open claims at the end of the financial year. The total in payments made in FY2020-21, including in settling matters, that resulted from injuries/illnesses sustained before the beginning of the financial year, was \$1,749,708.

Capability

This year we implemented a new centralised Learning Framework to better address capability requirements across the organisation, targeting a number of identified priority areas including governance, risk and compliance; customer outcomes; leadership; and health, safety and wellbeing.

Our leaders continue to have access to targeted training programs and tools to assist them in leading and supporting their teams. Mandatory compliance training continues to be undertaken in line with our people policies, and this year saw the addition of three new modules to our Essentials compliance suite - Staying safe in an emergency, Privacy for frontline teams, and Records management awareness. Throughout the year, 54 mentoring partnerships were established under our Mentoring Program.

Workplace diversity

icare is committed to creating and maintaining an inclusive workplace and diverse workforce that reflects the community we serve. In FY2020-21, our senior leadership team had representation across various cultural backgrounds and language diversity, and our leaders are regular participants in cultural celebrations and are responsible for ensuring diverse talent is recruited to icare.

Further information on the diversity of our workforce in FY2020-21 against NSW Government targets is provided at Appendix 10.



Workers Compensation

Overview

Icare is responsible for the management of the Workers Compensation Nominal Insurer (NI) scheme, which is the State's largest workers compensation insurer for the private sector.¹ Under the scheme, we provide a range of benefits to people who sustain a work-related injury or illness, including weekly payments during periods of incapacity for work, and medical and related expenses to support recovery. Rehabilitation services are also provided to assist injured people in returning to suitable, safe and durable employment.

The Scheme is funded by employer premiums, which are used to cover claims costs, statutory levies and scheme operating costs. Our investment returns also provide for the future needs of injured workers and cover associated operating costs, helping us to maintain affordable premiums and ensure long-term scheme sustainability.

In early 2021 we undertook a post implementation review of the claims service model to ensure that our efforts for improvement were focussed on the areas.

It was noted a strong foundation had been built, including:

- a shared claims technology platform that enables real-time oversight and visibility of claims,
- service segmentation based on claims risk / complexity and supported by a triage engine,
- a number of elements that promote empathy and customer service, such as HUG (How You Going) calls; customer-friendly correspondence and minimum standards.

Throughout FY2020-21, there was significant attention on improving the workers compensation operations and performance, including ongoing enhancements to icare's centralised claims and policy platform for greater operational stability, Authorised Providers lodging all claims on the icare claims platform, further refinement to the claims segmentation model providing additional support to a greater number of injured workers and employers based on the injury, return to work and psychosocial factors, and increased compliance with legislative requirements.

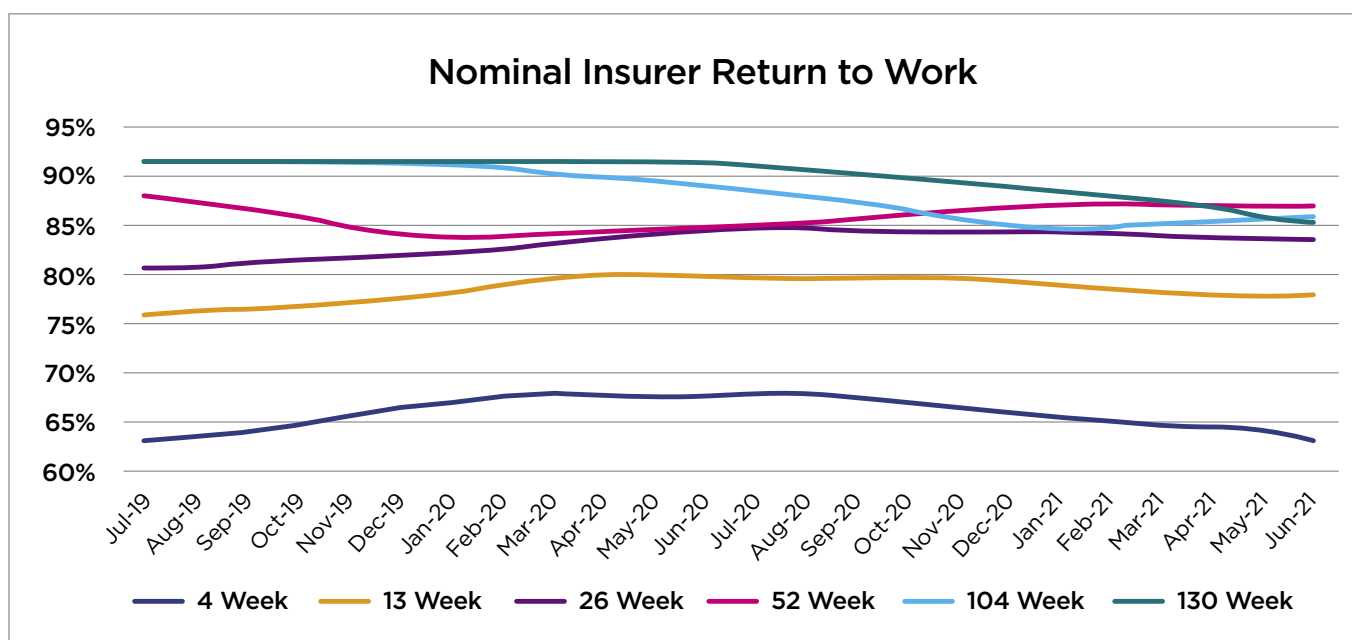
¹ References to Workers Compensation in this report and the financial statements refer only to the Nominal Insurer, except where otherwise specified.

We recognise ongoing opportunities for improvement and have realigned our priorities and developed the NI Improvement Program as part of the icare Improvement Program. Some of our top priorities are improving RTW performance, refining our claims management model and building claims management capability; regularly publishing data to ensure accountability and transparency; and stabilising medical costs to support value-based care for injured workers.

Delivered in conjunction with the Lifetime Care Scheme, the Workers Care program provides the same care and treatment to people severely injured at work, supporting 344 people under Workers Care. Further information is provided under the Lifetime Care and Support section of this report.

Return to work

One of our primary objectives is to work with Claims Service Providers to improve RTW performance¹. Using SIRA's RTW measure, the below graph indicates the percentage of injured workers who returned to work within 4, 13, 26, 52, 104 and 130 weeks between July 2019 and June 2021 for the Nominal Insurer.



While there have been varying levels of performance across the different cohorts (4, 13, 26, 52, 104 and 130 weeks), we remain focused on improving RTW and performance more broadly, including by:

- focusing on legislative compliance.
- taking a strategic view of RTW, early intervention and expense control.
- developing staff capability and delivering 'back-to-basics' training.
- conducting collaborative mental health reviews focusing on early, empathetic engagement with workers, employers, and treatment providers.
- ensuring effective oversight and management of key thresholds regarding sections 39 and 59A of the *Workers Compensation Act 1987*.
- conducting collaborative portfolio reviews with Claims Service Providers, including strategic claim file reviews to support RTW.

icare recognises the critical role of workplace rehabilitation providers in supporting workers and employers in the recovery at work process, and has been working to support providers better. During FY2020-21, we saw a 15 per cent increase in referrals being deployed within 15 days of a claim being notified. We are committed to continuing to improve our practices to ensure all our customers are able to access workplace rehabilitation services as soon as appropriate.

One of the biggest challenges impacting claims management and performance throughout FY2020-21 has been COVID-19. In particular, health advice and restrictions have impacted the availability of suitable duties and therefore, the ability of some workers who have capacity to RTW. 67 COVID-19 claim related notifications were received throughout the year, the majority of which were due to potential exposure.

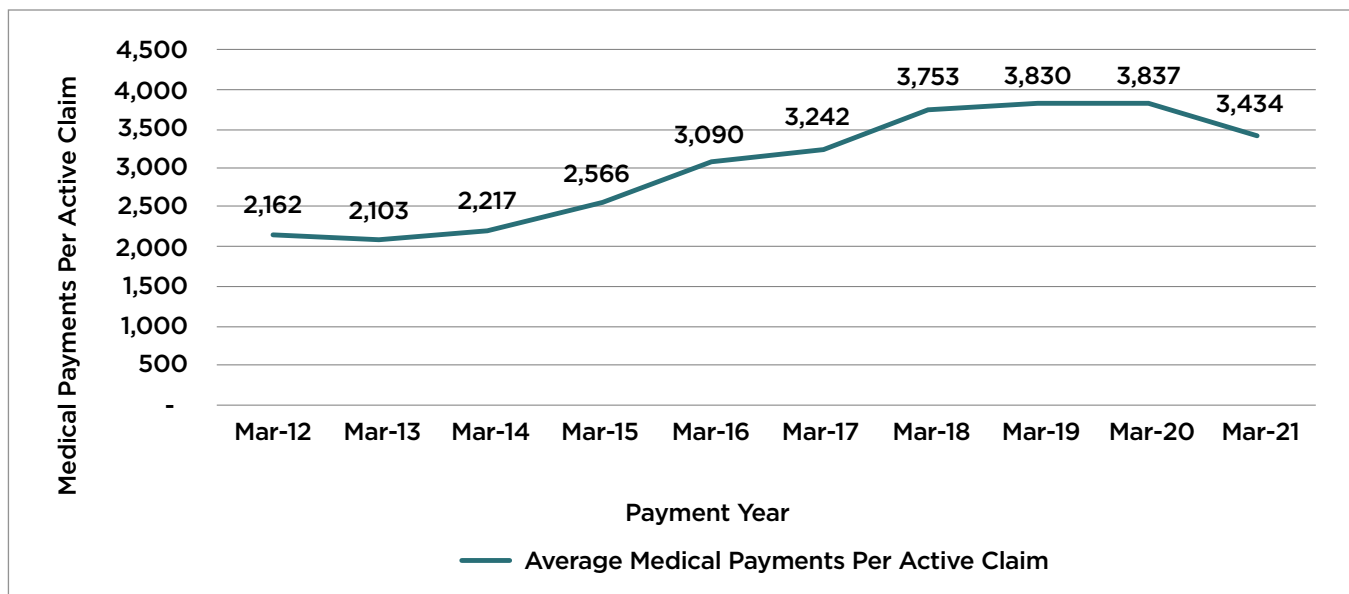
Further challenges impacting the scheme include the increased volume and complexity of mental health claims, staff turnover within the scheme, and ongoing enhancements to the claims management platform.

¹ RTW performance is primarily measured using SIRA's work status code methodology, which commences from the date of notification, uses a 12-month rolling average and is reported per measurement month.

Medical costs

Medical costs and the utilisation of medical services are one of the largest expense drivers in the scheme, and account for 36 per cent of the \$18.3 billion in claims liabilities as at 30 June 2021.

Since before the formation of icare in 2015, there has been a continued increase in the average medical payments per active claim, as shown in the below chart.



With some process and system improvements throughout the year, we continue to ensure that appropriate controls and support are in place for reasonably necessary medical treatment for workers.

We are continuing to investigate and implement measures to reduce medical costs that are not reasonably necessary, including measures to address over-utilisation and overbilling issues, by:

- improving the integrity of icare's payment system.
- improving treatment approval systems and procedures.
- increasing the quality and extent of training given to claims management staff on the management of medical and other healthcare services.
- undertaking increased, targeted oversight of healthcare providers.

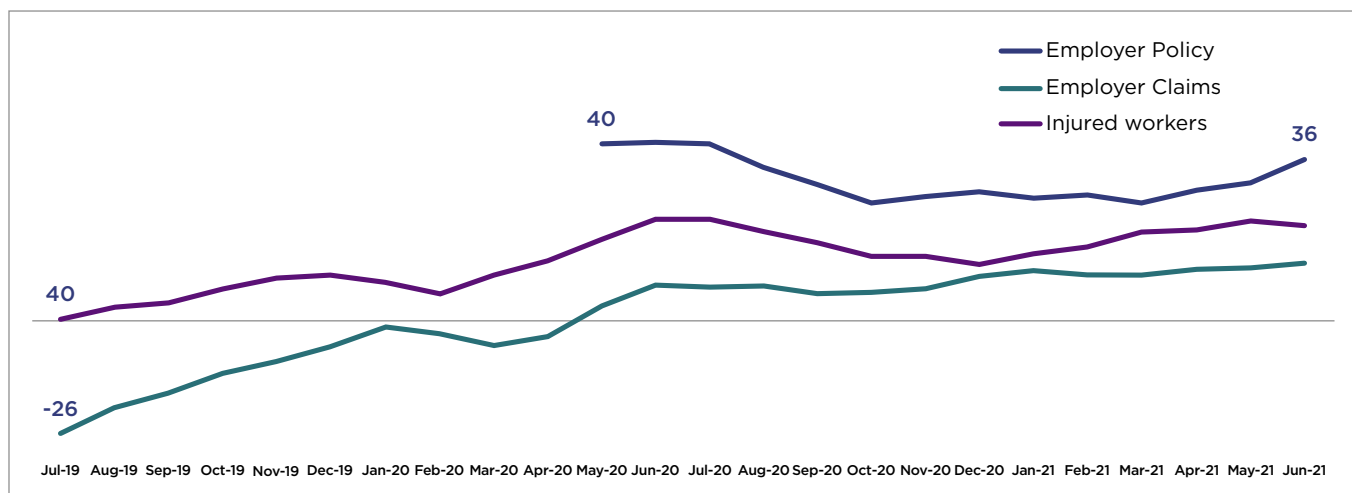
SIRA commenced consultation on its Healthcare Review on 22 July 2020, after the end of the FY2020-21 reporting period. icare has been working collaboratively with SIRA to support the findings of the Review, to plan the desired shift towards value-based care, including on:

- the co-design of value-based models of care with surgeons, which will inform future surgical fee methodologies in the NSW workers compensation and CTP schemes.
- implementation of SIRA's health outcomes framework (once published).

In addition, components of our NI Improvement Program are designed to embed a treatment decision making framework, uplift payment integrity controls and monitor allied health service utilisation.

Customer Experience

The operations of Workers Insurance aim to improve the outcomes and experience for injured workers and employers. Using the NPS as a measure, FY2020-21 was a strong year for customer experience performance for the NI scheme.



NPS results for injured workers remained stable after a period of significant gain in FY2019-20. Employer experience on claims has steadily trended upwards to a new high of +13 in June 2021, while employer experience on policy has recovered back to its similar high at the beginning of FY2020-21. This has been achieved through a strong focus on the stability and uplift of our operations, systems and capability. Over FY2021-22 we intend to expand the customer experience measures used to be more fully informed of our current performance and areas for improvement.

Stakeholder engagement

We engage with scheme stakeholders, including customers and industry associations, to support improved claim outcomes and experience. For employers we provide account management support, information sessions, training programs and advisory forums, which allow icare to gain insights into their needs and provide broader distribution channels to support them.

Throughout the year, our Mobile Engagement Team has continued to support employers across NSW through 41 sessions of training and education with a focus on regional communities, including via webinars (due to COVID-19) on a range of topics such as

workers compensation fundamentals, supporting RTW, psychological claims and injury prevention. We have also hosted several industry specific webinars, which we will continue and expand in the 2022 financial year.

In November 2020, a new forum was also established to support our stakeholders and industry associations, known as The Nominal Insurer Advisory Committee (NIAC). The NIAC meet every two months and brings together icare Executives with employer and worker unions who have been central to providing front line feedback based on experience, and advice on initiatives and improvements to premium and claims services. Membership comprises both employer and worker union representatives with relevant expertise and understanding of the NSW workers compensation system.

Financial summary

Net result	Funding ratio (75% PoA)	Insurance ratio	Investment funds under management	Investment return	Investment benchmark
\$63.3m	99%	122%	\$17.6bn	8.9%	9.3%

The workers compensation scheme is in a far better financial position than it was before icare's inception in 2015. As claims in the scheme have an average duration of eight years, icare takes a long-term outlook, and is well placed to pay out claims and expenses as they fall due well into the future.

The insurance ratio of 122 per cent at the 75 per cent Probability of Adequacy (PoA) is in a strong position to meet its future liabilities. However, it is below the target zone of above 130 per cent. The Board and management of icare continues to take action to build the financial strength of the scheme and bring the insurance ratios to the target zone. There are a range of possible levers to improve insurance ratios including increasing premium rates, reducing costs, and regulatory changes and icare is acting on the levers within its control.

The scheme's funding ratio was 99 per cent at 30 June 2021, based on a 75 per cent Probability of Adequacy (PoA). It holds around \$20 billion in assets and had a positive net cashflow in FY2020-21. \$3.09 billion in premiums were earned during the year, \$2.9 billion in premium income was collected, and \$2.8 billion in claims costs were paid out.

We developed a Capital Management Policy that uses an 'insurance ratio', which discounts the claims liability using the expected investment return as the primary metric. The accounting funding ratio and cashflows are also considered. Under the new Policy, the target zone for the insurance ratio is set to achieve a minimum probability of coverage of 96.7 per cent in a hypothetical runoff scenario.

The NI's insurance ratio was 122 per cent at 30 June 2021, with the target being above 130 per cent. Both the accounting ratio and insurance ratio for the NI's liabilities have an 11.7 per cent risk margin in addition to best estimates.

The main drivers behind the funding ratio at 30 June 2021 have been:

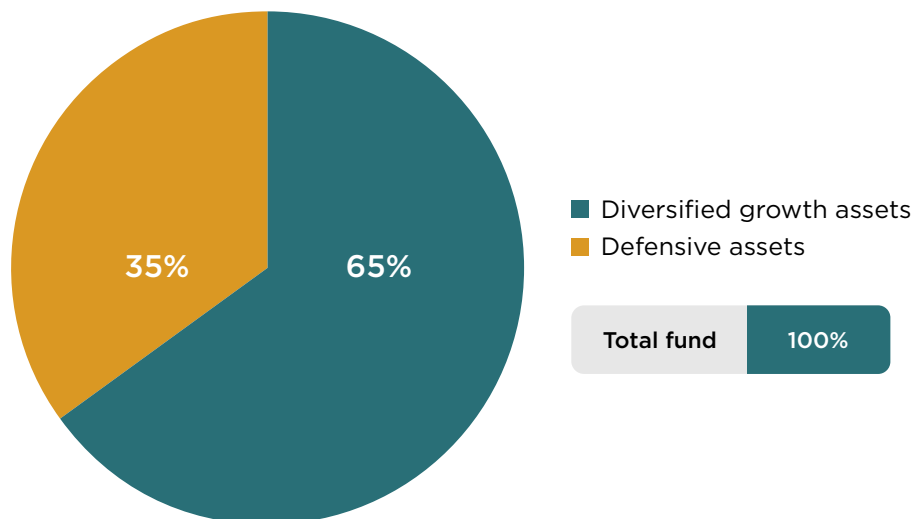
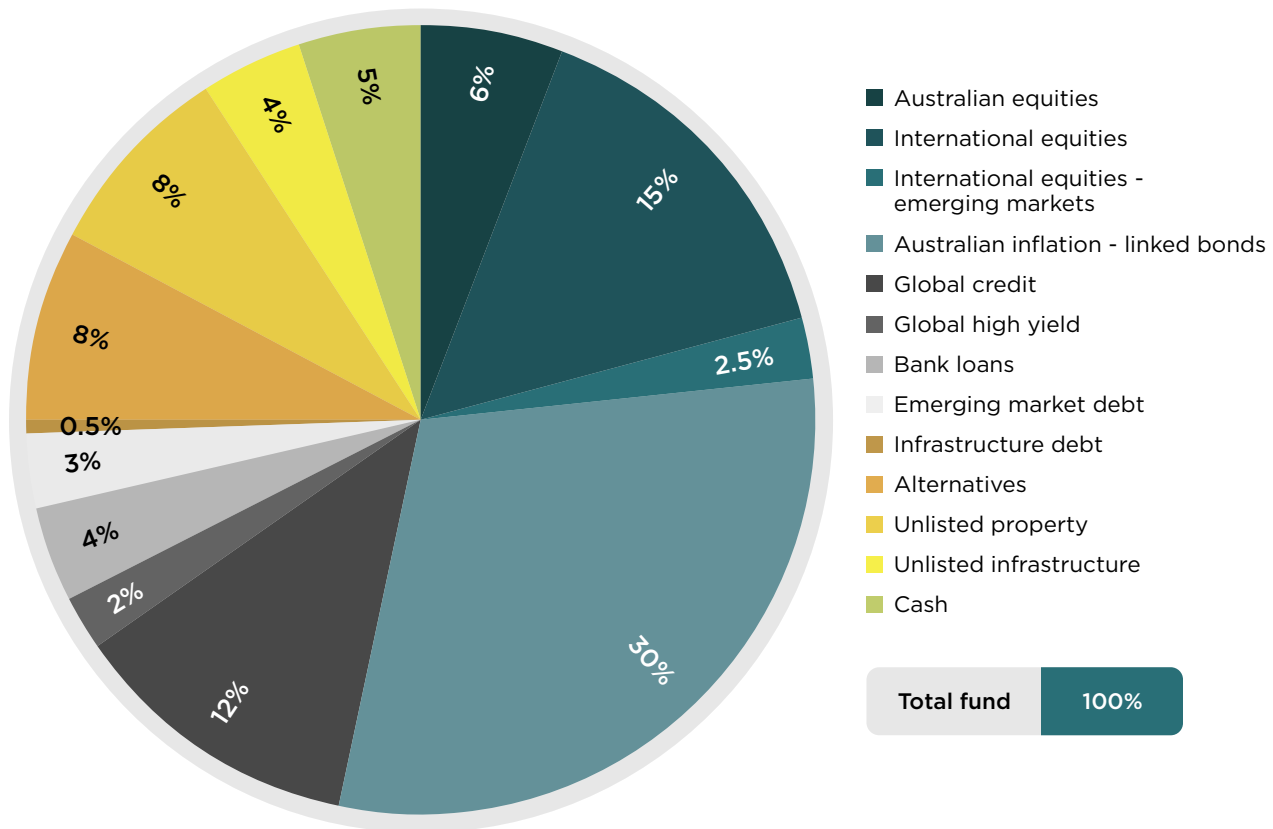
- a. amendments to the Workers Compensation Act 1987 in 2015 (2015 amendments), which partially unwound the limitations to compensation entitlements introduced by the 2012 amendments, and unfavourably impacted the funding ratio by \$1 billion or 10 per cent.
- b. recasting of the savings from the 2012 amendments as a result of more robust data, which unfavourably impacted the funding ratio by \$1.4 billion or 11 per cent.

- c. increases in medical costs, which have unfavourably impacted the funding ratio by \$1.3 billion or 9 per cent. The main source of these costs is an increase in the number of charges per medical episode (known as 'utilisation'), where an episode is a medical event such as surgery, including all its associated medical services. However, there has been a stabilising of medical claims cost over FY2020-21 after the significant increases over previous years.
- d. economic assumptions used to discount the future expected claims cashflows (as required by accounting standard AASB1023) being at historically low levels. These low interest rates have had an unfavourable impact, as more funds are required to be provisioned to meet future claims cashflows. This has impacted the funding ratio by \$1.7 billion or 10 per cent.
- e. investment assets and claims liabilities being unfavourably impacted by COVID-19 by \$0.9 billion or 6 per cent. This is partially offset by a subsequent investment income recovery of \$0.6 billion or 4 per cent.
- f. significant investments in icare data platforms, including the transition to Guidewire (now used for all new claims), and improvements in data capture, quality and reporting in relation to whole person impairment (WPI) for claimants, has enabled improvements in actuarial models and resulted in a favourable impact of \$0.7 billion or 4 per cent.

There is ongoing pressure driven by psychological claims with an increase in the number of psychological injuries reaching higher whole person impairment thresholds.

The financial strength of our investments brought in income of \$1.48 billion for the year and helped to absorb the impacts of the uncertain environment during the COVID-19 pandemic. It is anticipated that this strong position will help to gradually rebalance scheme funding as the economy recovers over the coming years.

Workers Compensation Insurance Fund Strategic Asset Allocation at 30 June 2021



Workers Compensation Insurance Fund FY2020-21 Returns

Performance (gross)	Since Inception* (% p.a.)	5 Year (% p.a.)	3 Year (% p.a.)	1 Year (%)
Fund	6.49	5.95	7.08	8.88
AWE** + 1.5% p.a.	4.82	4.02	3.95	3.68
Excess	1.67	1.94	3.14	5.20
Benchmark***	6.21	6.43	7.44	9.30
Excess	0.28	-0.47	-0.36	-0.43

* Since inception date is 30 November 2005. ** WPI is reported as proxy. *** Benchmark is a composite benchmark based on the fund's strategic asset allocation.

Further information on financial performance is provided in the Volume 2 – Financial statements section of this report. Important terminology used to describe the financial performance of our schemes is provided at Appendix 1.

Claims

Our claims management model is primarily outsourced to Claims Service Providers, Allianz, EML, GIO and QBE, who are contracted to provide services on behalf of the NI.

In 2020, EML's contract was extended for the 2021 calendar year with revised terms to support operational stability, including changes to claims services and performance driven RTW targets. A \$20 million bilateral investment between icare and EML was introduced to improve RTW performance and uplift capability through a number of initiatives, including:

- reducing caseloads by 14 per cent from July 2020 to June 2021.
- improving staff retention.
- enabling mobile case management.
- introducing specialist technical coaches to uplift capability of frontline claims staff.

The Authorised Provider (AP) model was announced in November 2019, and QBE launched as the first AP using the icare claims platform on 1 May 2020. This has since expanded across Allianz and GIO, with all new claims now lodged on the icare claims platform.

The current claims management model is supported by claims management principles of fairness and empathy; transparency and participation; and timeliness and efficiency, as detailed in our Injury Management Program. We are continuing to review and refine the model, which is designed to improve efficiency and consistency of claims service across the scheme, while ensuring that claims at risk of prolonged time loss, or with more complex circumstances receive appropriate support.

An open market Request for Proposal tender process was conducted in September 2020 for legal services to support icare's workers compensation claims portfolios, under the NI and TMF schemes. The new panel commenced operation in January 2021 and comprises 11 firms.

Underwriting

We understand how important workers compensation insurance is to NSW employees and businesses, and we have made a number of enhancements to our underwriting business to improve our service provision. Our engagement with key stakeholders, and our injury prevention work with employers, has continued throughout the year to support improved outcomes and customer experience.

Premiums are set annually in accordance with SIRA's Workers Compensation Market Practice and Premium Guidelines (MPPG). An employer's premium is based on the risk associated with their industry, how much they pay in annual wages, and a range of other factors. For all employers, an average performance premium (APP) is calculated by multiplying their industry classification rate with how much they pay in wages; and for medium and large employers (with an APP of over \$30,000), premiums are experience-rated and impacted by claims performance.

Employers can purchase their policy online or by contacting our Customer Support Centre. At the time of purchase, an employer's premium is calculated using estimated wages for the policy period, and if necessary, is adjusted in hindsight based on their declaration of actual wages at the end of the period.

In April 2021, icare launched a self-service portal that allows customers to submit actual wages, and automate the calculation of their hindsight adjustment. In the first three months following soft launch, there were over 37,000 successful logins, with many customers making payment immediately and out of usual business hours, giving them greater flexibility.

Further system enhancements have improved automation and efficiency for employers, and contributed to consistent renewal of 99.9 per cent of policies within four weeks (SIRA's MPPG stipulate a maximum of six weeks), and results driven by improved automation and processes to manually transact exceptions.

We have also enhanced documents for small employers to provide clearer and simplified documents, clarity around information provided and options for customers, and a new format that allows continual improvement (amendments and re-design) to meet customer needs.

In September 2020, our premium collections model was reviewed and an agreement with Revenue NSW was implemented for the collection of overdue premiums. This new model has saved over \$7.5 million in legal costs within the first 12 months, replacing the need for pre-legal work by the contracted Legal panel.

Over FY2020-21, in response to the COVID-19 pandemic, premiums rates were held stable to support the people of NSW. NSW economy and wages strengthened leading to higher premiums overall.

Quality assurance

Workers compensation operations are underpinned by a Quality Assurance (QA) framework, which is critical to ensure that the work performed is consistent and transparent and helps us to identify and apply continuous improvements in a systematic way.

Throughout FY2020-21, our QA program continued to be delivered to support case managers in building claims management foundations. The program covered key claims management activities and is used to monitor the effectiveness of services being provided both by icare and our Claims Service Providers, and to gain insights and identify areas for improvement. QA reviews ranged from routine checks of a broad sample of claim files, through to specific targeted reviews into particular claims management activities or cohorts of claims. Reviews may consider process compliance and/or customer outcomes.

Findings from the QA reviews are used as inputs to assess the performance of icare and our Claims Service Providers, and into the continuous improvement/performance management process, when applicable.

In addition to our QA process, two Quarterly Claims Reviews were undertaken by SIRA during FY2020-21, and a number of areas for improvement were identified, and have been incorporated into our NI Improvement Program.

Injury prevention

Throughout the year, our primary injury prevention work with NSW businesses continued via a number of initiatives.

Our Protect Together Injury Prevention Program has been an effective way to work with employers to develop tailored and sustainable injury prevention initiatives. 96 employers have now participated in the program, and while some deferred this work through COVID-19, face-to-face and virtual program delivery allowed us to progress with many employers uninterrupted. 20 new employers have joined the program, with 17 completing their program action plans during the year.

The icare Culture Survey is a validated tool that helps employers to understand the workers' collective beliefs and attitudes, and how they influence safety behaviours. The survey, offered to employers as a stand-alone activity and in the Protect Together program, has been updated over the past 12 months to include new questions around job demands, as well as regression analysis to help customers focus on activities that will drive positive change.

Education for employers has been a focus this year, with all training sessions delivered virtually due to COVID-19 disruptions. Programs such as Mental Health First Aid, Leading with Purpose and Compassion and Mindfulness were continued, and new programs, including Risk Management, were introduced.

Our Respect and Resilience Customer Aggression Intervention is a developing primary prevention program offered to employers in the NSW retail sector. It aims to prevent adverse effects to frontline customer service workers' physical, psychological and social health, caused by exposure to the spectrum of negative acts perpetrated by customers. These acts can range from incivility to verbal abuse, and can escalate to physical aggression and violence. A train-the-trainer format of the program was developed and piloted during the year, and to date, six large retail employers have an accredited trainer to deliver the program across their organisations.

Strategic investment spotlight

Initiative	Investment type	Target outcome	Total funding	Timing	Funded partners
Wearable technology	Niche innovations	Prevention	\$819,724	1 October 2018 to 31 July 2021	Kinetic, Preventure and Safety MITS

In NSW, work-related musculoskeletal disorder (MSD), is the most common type of workplace injury and can have costly impacts for employers, workers and workers compensation schemes. MSD injuries resulted in 31,700 claims in FY2020-21, accounting for 48 per cent of total reported NI claims for the period. These injuries impose a substantial economic burden and are commonly caused by hazardous manual tasks. Using wearable technologies (wearables) for injury prevention purposes is an emerging approach that has been increasingly recognised for its potential to safeguard workers².

icare identified a need to evaluate the effectiveness and impact of using wearables in the workplace³. We designed, developed and implemented the MSD Wearables Study, to determine whether wearables can improve the identification and analysis of hazardous manual tasks and/or workers most at-risk of injury, and facilitate the elimination/reduction of workers' exposure to factors leading to MSDs.

Around 350 workers across six employers from the manufacturing, construction, health and community services, and retail and wholesale industries participated in the study, with each piloting one of the four different wearables (two sensor systems and two exoskeletal systems) for an average of six months. Information from the pilots, including data collected from the wearables and insights and learnings from participating workers and employers, were independently evaluated by Deloitte for their effectiveness in the prevention of work-related MSDs.

The results showed that based on short-term indicators, wearables are effective at reducing high-risk postures and movements and thus workers' exposure to risk factors leading to MSDs. For example, workers at one pilot employer experienced a reduction in the average number of high-risk postures/movements at the arm and back by 55 per cent and 29 per cent respectively. The reduction in high-risk postures and high load counts were supported by employee survey data across all six pilot employers, which showed that 73 per cent of workers agreed they are more aware of the safety and potential risks at work. One of the participant workers who found the pilot valuable said that *"there are a lot of older guys here who've been here for a while that have been doing the wrong procedures for a while. And you can obviously see that, and their backs are playing up. I want to lessen the risk of any kind of injury like that as much as possible - so this was great for me to be aware of and also to know what to do, from the data."*

The findings from the study supported wearable technologies being used as part of an employer's broader work health and safety suite of interventions to improve worker safety, with consideration of the benefits versus the costs associated with purchasing, implementing, and operating the devices. The independent evaluation found wearable technologies were used to improve workplace design by identifying risky work processes and assisting in adjusting processes.

We will actively share the learnings from the study with our customers and add to injury prevention knowledge and activities on work-related MSDs prevention. However, continued monitoring of long-term outcomes from the wearables is required to determine the impact on work-related MSD injuries and claims. Further work is underway to map out how key learnings from the study will help inform potential future programs of work involving wearable technologies.

2 Stefana, E.; Marciano, F.; Rossi, D.; Cocca, P.; Tomasoni, G. (2021). Wearable Devices for Ergonomics: A Systematic Literature Review. *Sensors* 2021, 21, 777. <https://doi.org/10.3390/s21030777>

3 Rehabilitation Innovation Service Evaluation (2018). *Wearable Technology: A review of wearable technologies for the prevention of work-related musculoskeletal injury*. Gold Coast, Australia: Griffith University.

Key facts



Covered **329,000** businesses with over **37,000** new policies issued and **292,000** policy renewals



3.2 million workers covered and **\$210 billion** in wages insured



65,500 new claims received



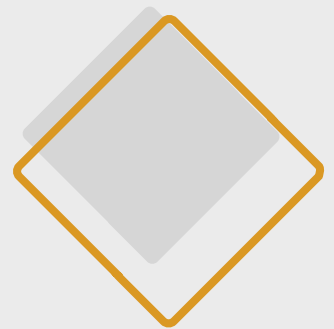
\$3.09 billion net earned premiums



Most **common injuries** included ligament and muscle strains, wounds, lacerations and musculoskeletal disorders



\$1.16 billion paid in weekly benefits and **\$740 million** paid in medical benefits



Insurance for NSW

Overview

Insurance for NSW manages several Government funds and statutory insurance schemes, which collectively support and protect the NSW public service in the course of their operations.

The Treasury Management Fund (TMF) provides workers compensation insurance for over 330,000 workers and nearly 145,000 volunteers across the State. We also protect more than \$266 billion of the state's assets, including the iconic Sydney Opera House and Sydney Harbour Bridge, critical infrastructure like schools and hospitals, and the services provided by the Government to the communities of NSW.

Our Construction Risk Insurance Fund (CRIF) provides construction insurance for infrastructure projects on behalf of the NSW Government and its partners. Leveraging the Government's significant infrastructure investment, we offer principal arranged insurance and ensure a robust insurance program supports each individual project. The centralisation of insurances for all these projects delivers market-leading insurance solutions at a lower cost than the commercial market to our customers. This means additional funds are available to invest in community infrastructure while not compromising our protection of assets.

Our Bush Firefighter's Fund provides cover for volunteers of the NSW Rural Fire Service against injury, death and personal property damage in the course of their volunteer duties. The Emergency and Rescue Workers Compensation Fund provides cover injury, death and personal property damage for volunteers of the NSW State Emergency Service (SES), Marine Rescue NSW, Surf Life Saving NSW and the NSW Volunteer Rescue Association. Volunteers of these organisations are entitled to workers compensation benefits, including medical and weekly benefits, under the following:

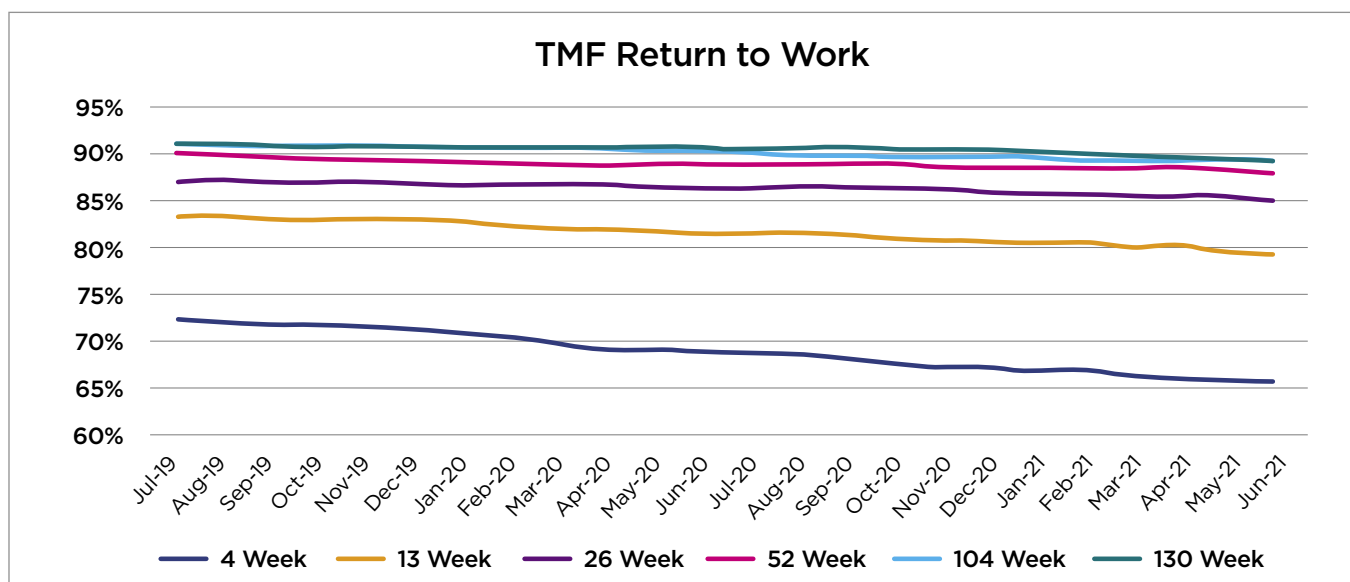
- *Workers Compensation (Bush Fire, Emergency and Rescue Services) Act 1987*
- *Workers Compensation (Bush Fire, Emergency and Rescue Services) Regulation 2017*
- *Workplace Injury Management and Workers Compensation Act 1998* (limited sections/parts apply)
- *Workers Compensation Act 1987* (historical version)
- *State Emergency and Rescue Management Act 1989*

We also administer the Pre-Managed Fund, which is a stand-alone scheme for liabilities incurred by the State prior to the TMF's establishment on 1 July 1989, and the following closed schemes:

- Transport Accidents Compensation Fund (TAC), which covers motor transport accident claims under the common law system that applied until 30 June 1987.
- Residual Workers Compensation Liabilities of the Crown (SRA/RIC), which covers residual workers compensation liabilities, including those from the former State Rail Authority of NSW (SRA) and Rail Infrastructure Corporation (RIC).
- Government Workers Compensation Account, which covers outstanding Government workers compensation claims liabilities that pre-date the TMF.

In addition, we administer claims for the Electricity Assets Ministerial Holding Corporation (EAMHC) and the Electricity Transmission Ministerial Holding Corporation (ETMHC). Reporting for these funds is managed by NSW Treasury.

Return to work

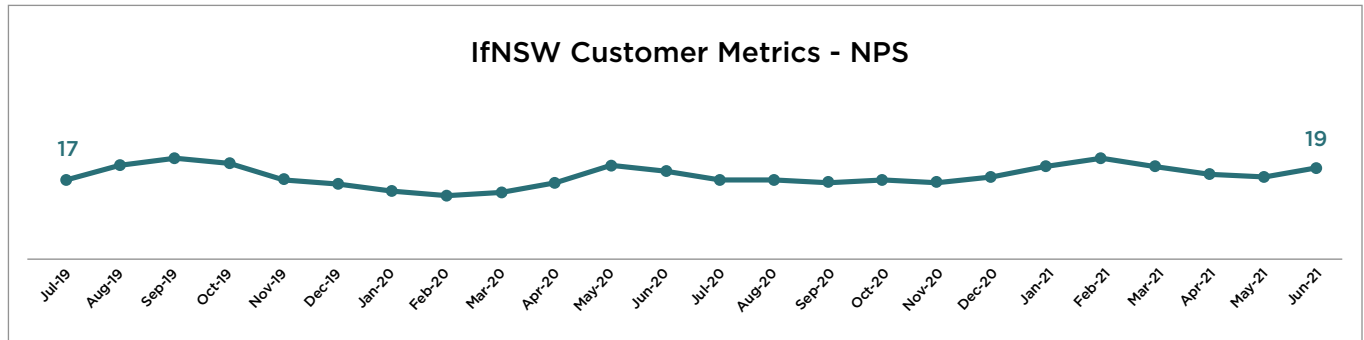


RTW for the TMF is influenced by the increasing proportion of psychological injury claims. As a result, we have been rolling out targeted initiatives to improve psychological claims management and performance.

One of these initiatives is the Connect and Care Program, which was developed in partnership with the Department of Communities and Justice, and TMF workers compensation claims service provider, QBE Insurance Australia, from mid-2020. The Program was initiated to develop a new way of assisting the Department's workers, who had suffered complex psychological injuries due to a riot at a youth justice centre. It commenced in FY2020-21, and will continue throughout the next financial year. It has resulted in significant improvements in recovery and RTW outcomes for the Department of Communities and Justice.

Customer Experience

We continuously gather feedback from our customers and key stakeholders through our customer experience measurement program. Performance metrics and insights generated are shared through real-time dashboards with key stakeholders. Over the year, we received survey feedback from more than 8,000 customers who shared their experiences and provided suggestions for how services might be improved. Overall, results have been very stable over the year with IfNSW delivering some improvements.



FY2020-21 has been challenging for many of our customers due to the ongoing influence of the COVID-19 pandemic, its impact on many workplaces, and on some public service workers involved in the management of the response, including significant exposure risks.

During the year, we refreshed the positioning of the services and products we offer, with a focus on understanding Government agencies' needs. This focus has allowed us to provide a consistent offering, with certainty of cover that is tailored and convenient, and to share expertise to improve agencies' risk capability, enabling them to deliver quality services to the NSW community.

Work has also been undertaken to solidify our relationship with our Claims Service Providers and develop improved reporting, and clearer accountabilities and expectations.

Financial summary

Net result	Funding ratio (Central estimate)	Insurance ratio (TMF only)	Investment funds under management	Investment return (TMF only)	Investment benchmark (TMF only)
\$782.4m	111%	141%	\$13.5bn	17.9%	17.6%

Operating as part of the NSW Government, the funding ratio for the self-insurance schemes overall, with the TMF being the largest component, was 111 per cent at 30 June 2021. The insurance ratio is calculated using a seven per cent discount rate, based on the investment return expectation for the scheme, instead of the risk-free rate required by accounting standards. The insurance ratio for the TMF was 141 per cent at 30 June 2021.

As a self-insurance scheme for the public sector, TMF funding arrangements are different from commercial insurance. Unlike other funds managed by icare, the TMF does not operate independently of NSW Government's budget or finances. It operates in conjunction with NSW Treasury through the Net Asset Holding Level Policy (NAHLP); and typically, payments are made by the TMF to NSW Treasury if the funding ratio exceeds 115 per cent, and grants are received by the TMF from NSW Treasury if the funding ratio falls under 105 per cent.

The TMF returns surplus funds to NSW Treasury in years where Government agencies' claims are lower than expected and receives funds from Treasury when claims are higher than expected. Over the last year, agencies experienced larger losses than normal.

The TMF's funding ratio has dropped due to the March 2021 floods, increased COVID-19 restrictions, and increased reserves for child abuse claims related to proposed amendments to the Civil Liability Act 2002, which may result in awards of damages for child abuse matters that were previously settled. The ratio has been further impacted by adverse experience from workers compensation claims for psychological injuries and medical indemnity claims.

Extreme rainfall on the east coast of Australia beginning on 18 March 2021 led to widespread flooding in NSW, affecting regions from the North Coast to the Sydney metropolitan area in the south. From the assets we insure across NSW, valuations up to 30 June 2021 have assessed the floods claims at approximately \$142 million. These losses include damage to levees over 50 kilometres from the Hunter Valley Flood Mitigation Scheme, public buildings such as Oakville Reservoir and Kempsey Juvenile Justice Community Centre, and Ku-ring-gai National Park.

The TMF has supported agencies through the COVID-19 pandemic, such as claims related to event cancellations and loss of revenue for agencies operating community icons including the Sydney Cricket Ground, Sydney Olympic Park, Sydney Opera House and Taronga Zoo. The increased COVID-19 cost in this financial year is largely driven by the extension of border closures and the recent NSW lockdown.

There has been a significant increase in provisions relating to child abuse claims for Juvenile Justice, due to the proposed amendments to the Civil Liability Act 2002. The purpose of the amendments is to remove claim impediments for people who were abused as children in this setting, and there is significant uncertainty as to the ultimate impact on the TMF.

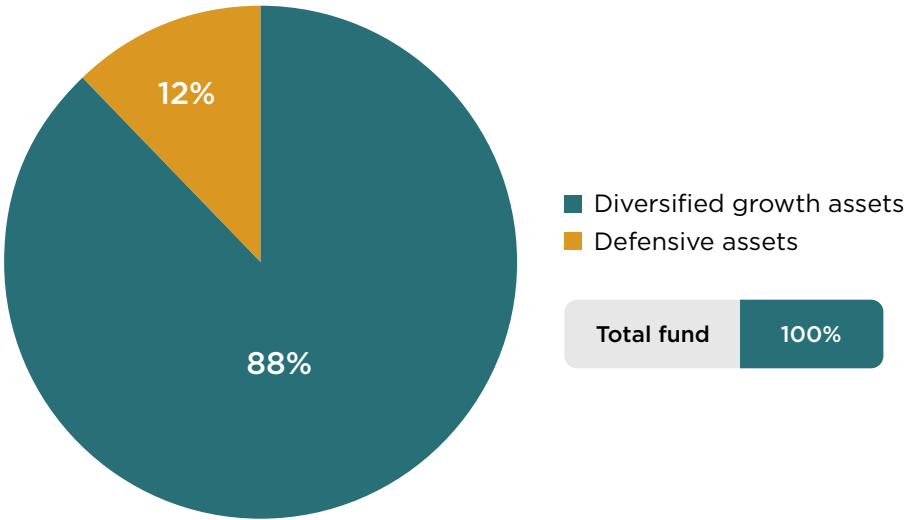
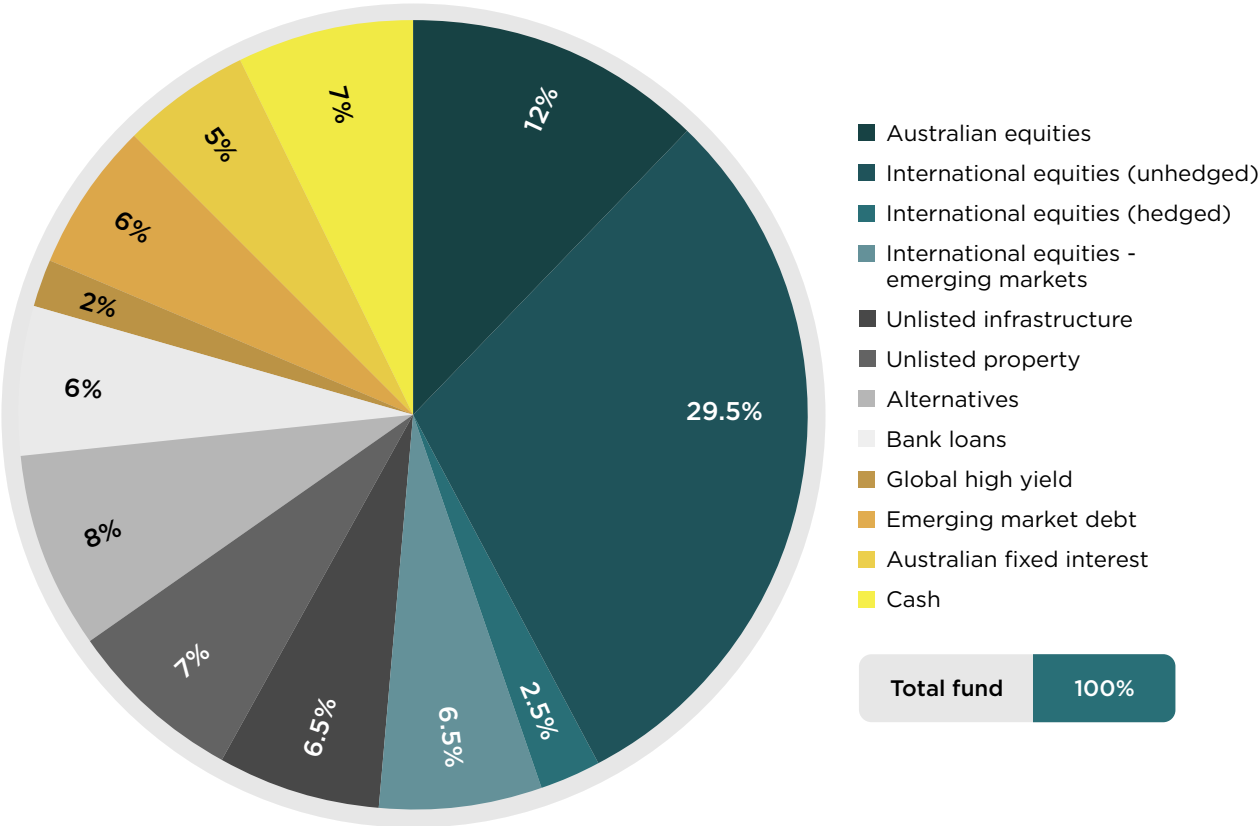
The TMF has experienced a substantial increase in psychological injury claims across Government workers. These claims have a higher average cost compared to physical injury claims, and if the trend continues, the TMF funding ratio will deteriorate further. There is ongoing pressure driven by psychological claims with an increase in the number of psychological injuries reaching higher whole person impairment thresholds.

The TMF adopts a high-growth investment strategy that places a large allocation to equity investments, resulting in a history of strong, long-term performance. Under this strategy, returns are subject to the volatility of financial markets.

The funding ratio of the CRIF was 83 per cent at 30 June 2021, which was a 20 per cent decrease from the previous year. Adverse experience from the March 2021 floods has unfavourably impacted the ratio, with the June 2021 valuation assessing claims at approximately \$15 million. Higher than expected claims experience has resulted in the strengthening of June 2021 valuation assumptions, and as a result, a \$10 million unexpired risk reserve was required.

Since inception in 2013, the CRIF has insured over \$40 billion in government projects, making it one of the largest construction insurers in Australia. 2021 has been the CRIF's busiest year to date, insuring over 60,000 projects worth over a combined \$13 billion. The CRIF has collected more premium in FY2020-21 period than in the previous five years combined. This was driven by the substantial increase in government spending on infrastructure development despite an increasing complex and challenging insurance landscape. This trend shows no signs of abating with a substantial number of major projects to be let in the FY2021-22 period and beyond.

TMF Strategic Asset Allocation as at 30 June 2021



TMF FY2020-21 Returns

Performance (net)	Since Inception* (% p.a.)	5 Year (% p.a.)	3 Year (% p.a.)	1 Year (%)
Fund	7.08	10.16	8.99	17.92
CPI + 3.5% p.a.	6.23	5.21	5.18	5.72
Excess	0.84	4.95	3.81	12.20
Benchmark**	6.65	10.10	9.29	17.64
Excess	0.43	0.06	-0.30	0.28

* Since inception date is 31 March 1999. ** Benchmark is a composite benchmark based on the fund's strategic asset allocation.

Further information on financial performance is provided in the Volume 2 – Full financial statements section of this report. Important terminology used to describe the financial performance of our schemes is provided at Appendix 1.

Treasury Managed Fund (TMF)

The TMF is intended to provide broad coverage and deliver economies of scale in claims management, investments and data pooling, and minimise budget volatility for the individual member Government agencies. The TMF Statement of Cover is an overview of the scope that agencies and covered individuals, including ministers, judges and parliamentarians, can expect. It also provides descriptions of cover exclusions and claims procedures.

In 2019, we undertook an assessment and comprehensive review of the Statement of Cover. Following extensive engagement with agencies, reinsurers and the Crown Solicitor's Office, a fifth version was created that simplifies and clarifies coverage for stakeholders and supports improved agency decision-making. It also introduced additional flexibility through tailored cover for unique agency insurance requirements.

A workers compensation legal panel that commenced in January 2021, following an open market Request for Proposal tender process, is utilised by the TMF as well as the Nominal Insurer workers compensation scheme.

General lines

Claims relating to the COVID-19 pandemic continued to be an area of focus in our support for agencies with business interruption losses, and the impact of the pandemic has slowed the remediation work necessary as a result of the bushfires in FY2019-20, with many damaged sites having been made safe pending the commencement of construction.

Flooding in March 2021 created substantial damage to a number of agency assets and repairing the losses, estimated at \$142 million, will be prioritised with the support of the agencies.

Cyber-attacks and data breaches against several agencies were observed during the year. We have worked with the agencies and NSW Cyber Security in developing appropriate responses.

An open market Request for Proposal tender process was conducted during the year, for legal services to support the General Lines claims portfolio. The new panel commences operation in July 2021 and has been expanded to 16 firms across 13 sub-streams.



Agency engagement

Our Agency Engagement team connects with our NSW Government agency customers, offering continuing support, valued risk advice, training and education, and portfolio management and oversight. During this challenging year for NSW agencies, marked by ongoing disruption from COVID-19 and significant flood events, the team has been responsive to the changing needs and ways of working of our customers. We have shifted the delivery of services, support, and advice to accommodate those working remotely, and supported a rapid response to restoring lost or damaged assets.

Digital services and risk insights

We have made improvements to our digital services and risk and performance reporting that provide our agencies with information to support risk management decisions. Our digital services, accessed via the IfNSW web portal, have grown to reach over 3,000 public sector employees. Through the IfNSW portal, approved NSW Government employees can complete insurance tasks, access resources and education, and access the TMF Dashboard, our self-service reporting platform.

Injury and loss prevention

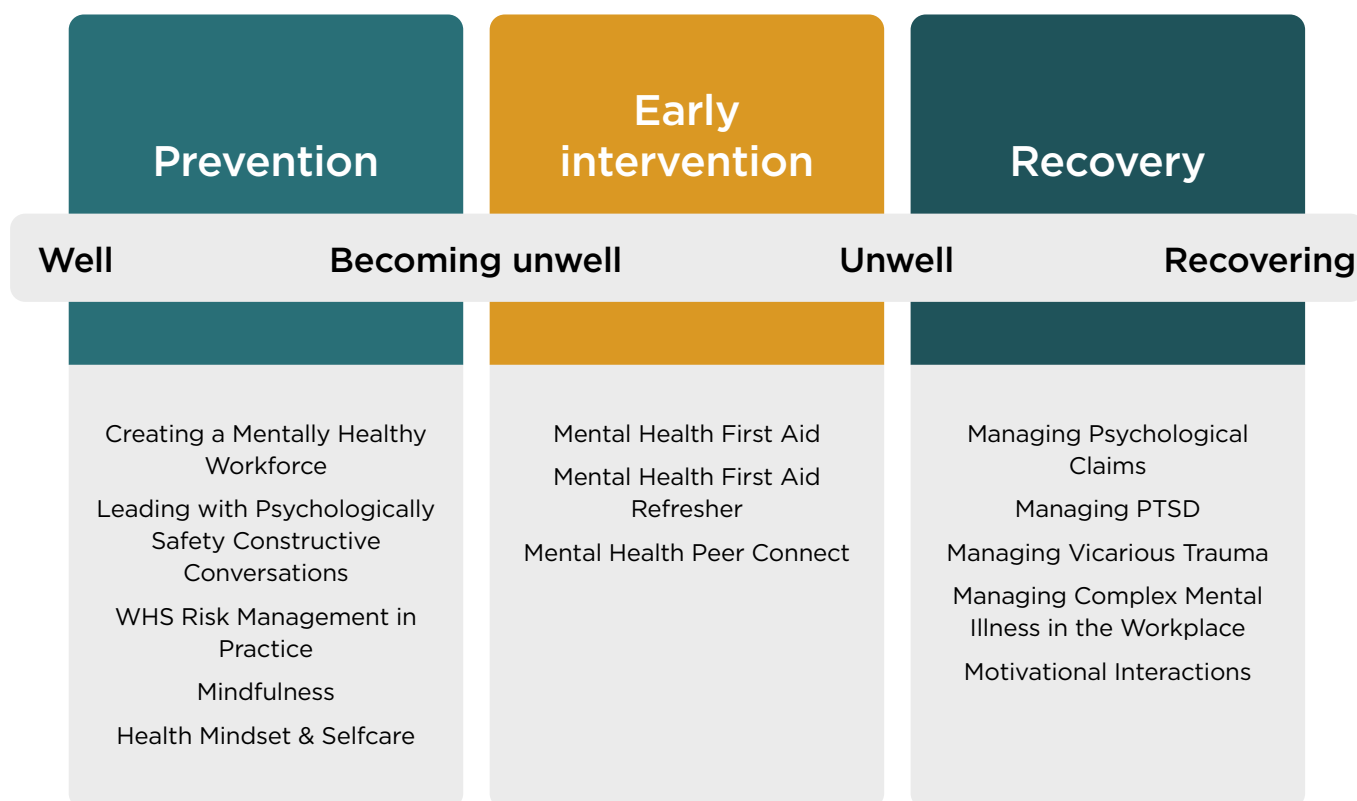
IfNSW actively promotes strong risk management capability, practice and culture within agencies, in order to protect workers and assets and minimise claims. For example, we supported the development of an analytics-based vehicle monitoring system to improve safety and optimise the fleet, in terms of cost and emissions, across NSW Government clusters.

REX program

Our Risk Education eXpress (REX) is designed to deliver learning that is practical, flexible, accessible and collaborative. During FY2020-21, we delivered a suite of programs and resources to NSW Government agencies to build their capabilities. 1857 attendees from 74 agencies participated in 105 events. This year, REX achieved its highest ever average NPS result, with participants rating their experience at +76.

With the impacts of COVID-19 and other environmental and socio-political issues, it has been a challenging 12 months for NSW, and our Government employees continued to seek out learning that enabled them to maintain their own mental health, support mental wellbeing in others. REX offered a holistic curriculum of mental health programs and resources spanning prevention, early intervention and recovery.

In April 2021, REX supported NSW Treasury in launching its Internal Audit and Risk Management Policy (TPP20-08) and Treasury Risk Maturity Assessment Tool (TPP20-06) policy papers via webinar. The webinar provided an overview of both papers, as well as practical examples and guidance from four agencies already applying the policies. The webinar had 302 people registered to attend, 156 live attendees, and received an overall NPS result of +40.



Construction Risk Insurance Fund (CRIF)

IfNSW has become a critical advisory service for NSW agencies during the tender and construction phases on infrastructure delivery, resulting in the CRIF increasingly becoming a trusted partner for agencies as well as their insurer. In FY2020-21, projects have included the M6 stage 1, Sydney Gateway and New Sydney Fish Markets, with values of \$2.5 billion, \$1.5 billion and \$500 million respectively.

We offer insurance solutions that are around 30 per cent more cost effective for NSW infrastructure projects, when compared to the commercial market on a like-for-like basis.

Strategic investment spotlight

Initiative	Investment type	Target outcome	Total funding	Timing	Funded partners
Tactical Athlete Resilience Program Pilot	Service innovation	Prevention – physical and psychological	\$175,000	July 2019 – 30 Jun 2021 ⁴	Fire and Rescue NSW

⁴ This investment was initially intended to be a 12-month project. Due to significant external events beyond Fire and Rescue NSW's control (e.g., 2019-20 Australian bushfires, COVID-19 pandemic, government enforced lockdowns, and 2021 flood events the project was paused several times to reach completion. Additionally, these events affected many firefighters' ability to consistently participate and/or make it to program completion.

NSW firefighters enter the workforce through a recruitment process bound by physical, tactical and psychological factors. Due to the physical nature of the job, firefighters require strength and endurance to meet the high physical demands of the job, which leave them more susceptible to physical injury (National Fire Protection Association, 2016⁵). Continual exposure to hazardous environments that cause psychological trauma can have a long-term detrimental effect on firefighters' mental health, causing emotional fatigue, employment burnout and post-traumatic distress⁶. All these factors can lead to and be associated with decreased job performance.

The aim of the Tactical Athlete Resilience Program (TARP) was to pilot and test the potential benefit of a health intervention and training program, to encourage firefighters to maintain their health and fitness. The TARP was a holistic training intervention for metropolitan-based firefighters conducted in partnership and on site with South Sydney Football Club (SSFC), with SSFC performance staff. It used high-performance sport facilities and personnel to improve the physical and psychological resilience of firefighters. Following a baseline assessment, SSFC coaches established a 10-session exercise program for small group training with firefighters.

The TARP was independently evaluated by the University of Technology Sydney (UTS) to assess the effectiveness of the program.

Of the 201 participants who registered for the TARP, 129 completed their baseline assessment and 119 started the program. Of these 119, 48 participants (40 per cent adherence) completed the program (10 sessions), while 71 partially completed the program. It found that:

- there were a range of positive health outcomes and high program satisfaction from engagement in the TARP.
- of the 48 who completed the program, 82 per cent of participants reported they were 'very satisfied' with the program, and most participants reported positive engagement with exercise in some form following the TARP.
- there were statistically significant ($p < .05$)⁷ with 48 per cent of participants showing improvements in psychological wellbeing and 65 percent of participants showing improvements in self-esteem, as well as in mobility, flexibility, balance, lower body power, upper body strength, and aerobic capacity.
- there were significant reductions in systolic blood pressure (57 per cent of participants improved) - which measures the force the heart exerts on the walls of arteries each time it beats, and is common among firefighters and one of the primary factors for cardiovascular disease.

While further data would be required over a longer time scale to confirm outcomes, the improvements reported are factors that could reasonably be expected to prevent physical and/or psychological injury claims, if sustained. Overall, the TARP pilot showed efficacy for improving a range of health-based indicators, which in turn could improve psychological and physical resilience, reduce the risk of injury, and improve job performance.

Participants reported a willingness to engage in future TARP workshops or programs suggesting it would be feasible to offer the program again in future. One participant said that *"to have the NRL training staff, and to have access to all of their knowledge is unbelievable... getting more education about specific training was the key to staying motivated and seeing results."*

The outcomes realised from this pilot may have applicability to other high-risk workforces, particularly the emergency services sector. Improving upon the pilot via the many learnings and recommendations outlined in its evaluation would improve both efficacy and its potential for scalability.

5 *Fourth Needs Assessment of the U.S. Fire Service. Conducted in 2015 and Including Comparisons to the 2001, 2005, and 2010.* Quincy, MA: National Fire Protection Association

6 Kim, W., Bae, M., Chang, S.-J., Yoon, J.-H., Jeong, D. Y., Hyun, D.-S., . . . Kim, C. (2019). Effect of Burnout on Post-traumatic Stress Disorder Symptoms Among Firefighters in Korea: Data From the Firefighter Research on Enhancement of Safety & Health (FRESH). *J Prev Med Public Health*, 52(6), 345-354. doi:10.3961/jpmph.19.116

7 Data was checked for normality through Shapiro-Wilk's test of normality, where $p \leq 0.05$ indicates data cannot be considered normally distributed.

Key facts



205 NSW Government agencies insured



Approximately **16,000** new TMF workers compensation claims received



Over **330,000** public sector workers covered



\$844 million paid in workers compensation benefits



Most **common injuries** included trips and falls, muscular stress, assault, workplace pressure and work-related harassment



12,000 new claims received across general lines, **\$942 million** paid in benefits, and **\$266.6 billion** in NSW Government assets protected



Home Building Compensation Fund

Overview

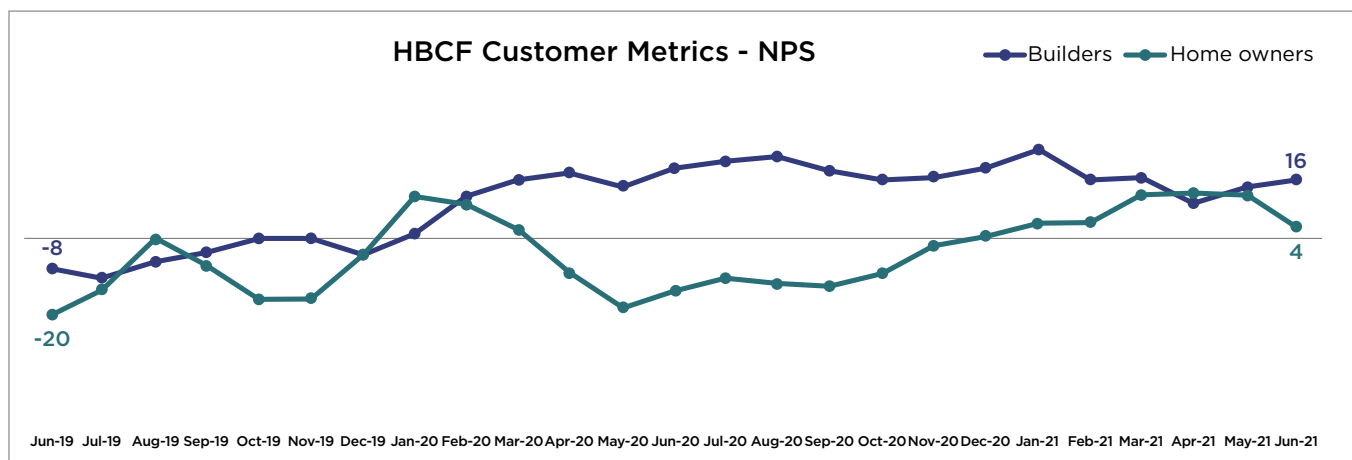
The Home Building Compensation Fund (HBCF) provides insurance cover to protect homeowners from incomplete or defective residential building work, where a builder becomes insolvent, dies, disappears, or has had their licence suspended. Under the *Home Building Act 1989*, builders are required to obtain a home building compensation (HBC) insurance policy for all residential building projects, where the contract price is over \$20,000.

The Government-run scheme was initially established in 1972, as part of the original introduction of licensing for the building industry. It was privatised in 1997 but proved difficult to commercially underwrite despite reforms to strip back its scope, including ceasing to insure the construction of high-rise buildings and limiting claims to a 'last resort'.

In 2010, the scheme returned to Government operation after private insurers exited the market. On 1 July 2010, the NSW Self Insurance Corporation (SICorp), initially operating as the Home Warranty Insurance Fund and later the HBCF, became the sole provider of HBC insurance for all new residential construction in NSW.

Through HBC insurance, we provide a necessary consumer protection without which a significant number of homeowners who would suffer financial loss, and potentially severe hardship. Since inception on 1 July 2010, over \$375 million in claims have been paid to homeowners who otherwise would have been left without recourse or support.

Customer Experience




Though the recent NPS for builders has been affected by the transition of authorised distributors and eligibility assessment processes, this has stabilised with both transitions complete. The score improved significantly in the past two years, which we attribute largely to:

- improved timeliness and flexibility in the scheduling of eligibility assessments.
- a program of face-to-face presentations in regional and metropolitan NSW, designed to engage with builders on policy coverage, premiums and claim trends.
- ongoing embedding of the HBCF Builder Self Service Portal (BSSP), which provides greater flexibility and an improved experience in purchasing certificates of insurance. Apart from generally faster processing, the BSSP allows builders to view their usage levels, open job limits and values, close projects and print copies of existing certificates with access available 24 hours per day.
- HBCF increased the frequency of Distributor communications which usually contained information to clarify underwriting requirements and information on policy changes.

We continued to work on improving the customer experience throughout the year and appointed a Customer Advocate for HBCF to engage with builders and homeowners. The Customer Advocate report and icare's response are available on our website. We have implemented 16 of the 25 Customer Advocate recommendations, and our ongoing work to streamline eligibility assessments will fulfill another five of the recommendations by early 2022.

Financial summary

Net result	Funding ratio	Insurance Ratio	Investment funds under management	Investment return	Investment benchmark
\$211.2m	54%	61%	\$486m	8.7%	8.2%



Historically, the fund was subsidised by the NSW Government in support of the construction industry, as part of transitioning out of the collapse of the private sector home warranty market. Premiums were set at a point insufficient to cover the claims and operational costs of the scheme. Accumulated losses as at 30 June 2015 were almost \$300 million, and subsequent losses from policies sold before this date have since increased as the seven-year cover periods have developed. Past underfunding has been a major contributor to the current funding ratio of 54 per cent as at 30 June 2021. The insurance ratio is calculated using a 4 per cent discount rate, based on expected investment return for the scheme, instead of the risk-free rate required by accounting standards. The insurance ratio was 61 per cent as at 30 June 2021.

The scheme has experienced ongoing deficit positions, with \$534.4 million in unfunded liabilities as at 30 June 2021. Unfunded liabilities are the total anticipated liabilities of the HBCF, relative to assets on hand. The deficit position has reduced by \$211.2 million over the last 12 months as result of favourable investment returns, and a milder than anticipated impact from the COVID-19 pandemic.

Strong activity was evident in the construction sector, which has driven higher premiums and improved claims experience in the scheme.

Administrative and policy reforms in 2017 have put the HBCF on the road to break-even pricing. Of the \$534.4 million unfunded liabilities, \$381.6 million arises from the 'pre-reform' and formerly subsidised legacy portfolio. Consequently, NSW Treasury has guaranteed the fund and provides grants on a cash loss basis when needed, rather than pre-funding future liabilities.

We continue to position HBCF towards full and ongoing financial sustainability. Since 2018, we have progressively moved premiums towards full break-even rates in a staged approach that continues the policy of supporting the construction industry. In compliance with SIRA's pricing principles regarding minimising volatility and delivering premium fairness, we are continuing to ensure that policies issued after the reforms are not burdened by the under-pricing of the past, and instead represent accurate and proportionate underwritten risk based on actuarial valuations.

The most recent premium filing was undertaken in early 2021, with the final tranche of increases towards sustainable rates (relating to multi-unit dwellings) occurring in July 2021. This brings the HBCF within the icare sustainable pricing strategy of premiums within 10 per cent of operational breakeven. 69 per cent of future residential projects insured by the HBCF, including Single dwellings, will benefit from proposed reductions at July 2021.

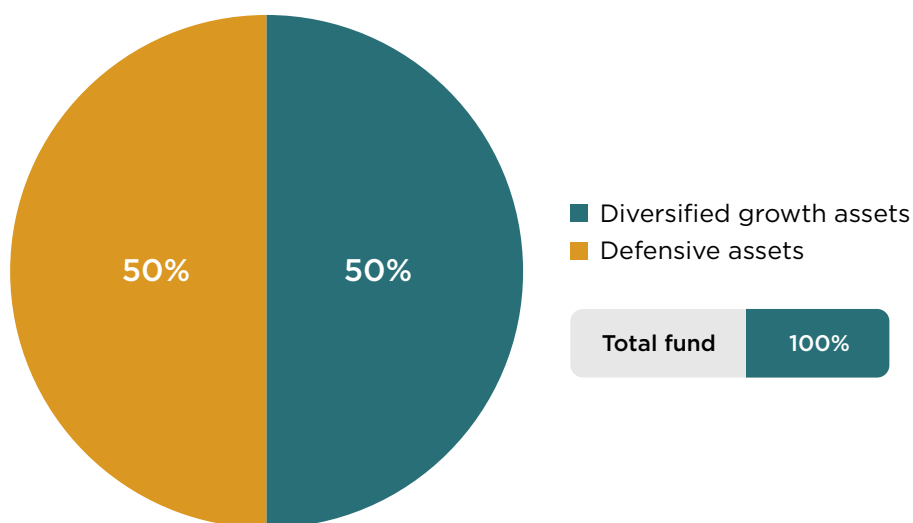
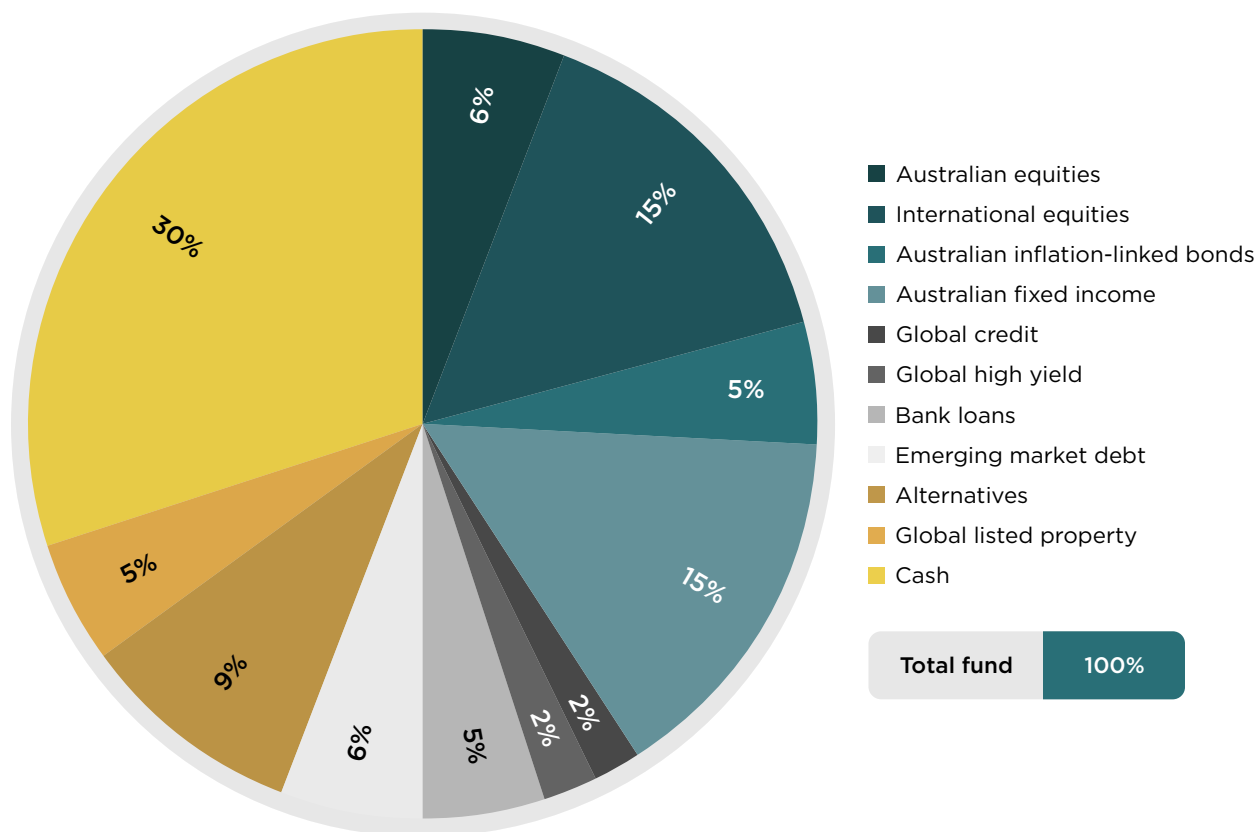
Notwithstanding this, for July 2021 we are continuing to pair Duplex/Triplex (C09) to Single Dwelling (C01), while SIRA considers changes to the category guidelines, including undertaking consultation with the industry. Duplex/Triplex (C09) has only been in existence as a separate category since 2015, and experience indicates a higher premium rate than Single Dwelling (C01) is appropriate. Depending on the outcome of SIRA's review of category guidelines, premium rate increases scheduled in January 2022 for Duplex/Triplex (C09) may need to be amended.

The post-reform portfolio is 75 per cent funded as at 30 June 2021. We continue to monitor the financial performance of the scheme, including the impact of the COVID-19 pandemic on the building industry and economy. The next premium filing is due at the end of February 2022, and we will continue to maintain a sustainable or break-even basis across all classes of construction without further need for NSW Treasury support.

During FY2020-21, the methodology used by icare to recover expenses from its various schemes was refreshed. This initiative has delivered greater transparency and traceability of icare costs to the relevant schemes.

icare transitioned the HBCF investment strategy in July 2020 from cash to a diversified portfolio, which better reflects the long tail nature of HBCF exposures and premium earning. This change was noted in the HBCF premium filing, has been endorsed by the icare Board and approved by the Treasurer. While the historic strategy was appropriate in an environment where there was a policy to subsidise premiums, the change is part of the transition to sustainable pricing following the 2017 reforms.

HBCF Strategic Asset Allocation as at 30 June 2021



HBCF FY2020-21 Returns

Performance (net)	Since Inception* (% p.a.)	3 Year (% p.a.)	1 Year (%)
Fund**	N/A	N/A	8.69%
CPI + 2.0% p.a.	N/A	N/A	N/A
Excess	N/A	N/A	N/A

* Since 17 July 2020 the fund invests in TCorpIM Medium Term Growth Fund. The objective is CPI +2 per cent p.a. and the returns are net of fee. Prior to that the fund invested in cash.

Further information on financial performance is provided in the Volume 2 – Full financial statements section of this report. Important terminology used to describe the financial performance of our schemes is provided at Appendix 1.

Distribution

Following administrative and policy reforms in 2017, set broker commissions were removed from HBCF product costs, and partnerships between icare and the warranty broking and risk advice industry were established. We now partner with a panel of authorised distributors to support builders in arranging policies for new contracts and eligibility for HBC insurance. The quality of the advice and service provided by distributors to builders is critical to efficient, timely and accurate outcomes for customers.

After three years of operating the 2018 distributor panel, we identified a need for a strategic renewal to incorporate our learnings. In 2020, a competitive tender process was undertaken in order to introduce:

- a higher standard of governance, quality assurance and risk controls for distributors.
- increased demonstration of systems and processes for reporting, record keeping and privacy management by distributors.
- new performance management processes, to support closer partnership between icare and distributors.
- clearer obligations to ensure that financial services, file reviews and client advice are provided by the tendering organisation and under its Australian Financial Services Licence and insurance policy, rather than referred or outsourced.
- confirmed financial viability and investment to ensure brokers can reasonably absorb the impact of any policy corrections associated with Deed obligations.
- commitment to a transparent maximum fee schedule advertised on icare's and the distributor's websites.

The outcome of the tender was to refine the panel of distributors from 24 to 9. This refinement continues the direction confirmed by NSW Government in the last two distributor tenders. It has enabled closer partnership and performance management between icare and distributors. The average distributor performance score, measuring timeliness, accuracy of advice and compliance with HBCF guidelines, has increased to 85 per cent, from 66 per cent for the 2018 panel. This improved performance means less remediation work and inconvenience to builders, as well as homeowners.

Builder eligibility assessments

Builders must obtain a certificate of eligibility before they are able to purchase a home building compensation (HBC) insurance policy. Assessments involve a comprehensive review of their financial position, and other eligibility requirements, to assess the risk they pose to the HBCF and help ensure that only those able to complete projects can obtain cover. Unfortunately, claims experience demonstrates that a significant proportion of claim payments under HBC insurance come about due to builder insolvency. Such claims have resulted in significant losses for the HBCF, following many years of losses incurred by the former private insurers.

As a step towards making eligibility faster, more transparent and less burdensome for customers, icare has streamlined and improved the eligibility assessment process for major builders. Assessment times have been reduced from one month to 10 business days, and builders and their brokers have been provided direct access to underwriters to support the process. This process will continue into 2022, with icare validating the historic information that underpins eligibility assessments and looking at a better process for all builders.

Building Insurers' Guarantee Corporation

The Building Insurers' Guarantee Corporation (BIG Corp) is a statutory body administered by icare. BIG Corp and the BIG Fund were established in 2001 as the Government's rescue package for consumers of insured residential builders affected by the financial collapse of HIH Casualty and General Insurance Limited, and FAI General Insurance Company Limited.

During FY2020-21 we finalised and paid out \$6.2 million. BIG Corp is no longer accepting any further claims and is currently being wound down administratively.

Key facts



622 notifications
received



9,860 eligibility
assessments
processed



506 new claims
accepted



20,460
builders covered



\$20.904 billion
in projects insured



\$86.75 million
paid in claims and
associated costs



Lifetime Care and Support

Overview

The Lifetime Care and Support (LTCS) Scheme provides lifelong person-centred treatment, rehabilitation and care services to people severely injured in a motor vehicle accident in NSW.

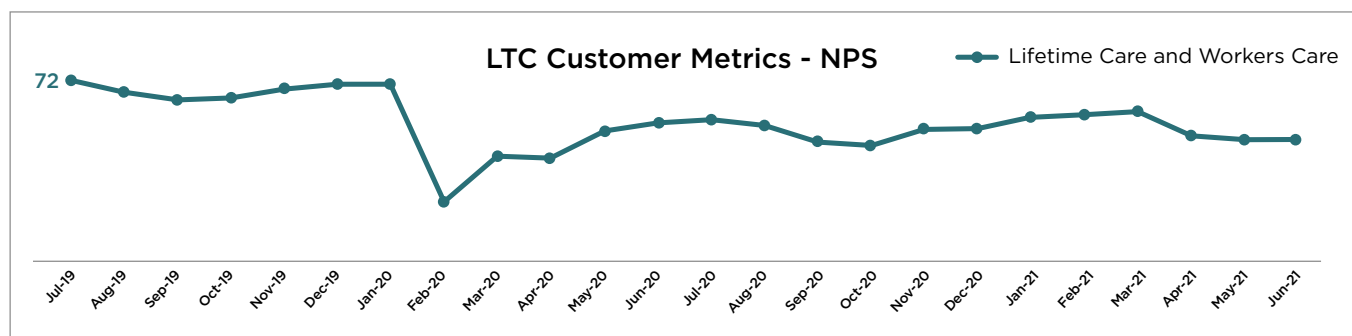
In FY2020-21, we provided support to 1,659 people under Lifetime Care, and 344 people under Workers Care on behalf of workers compensation (Nominal Insurer).

The majority of people supported by LTC have sustained a traumatic brain injury or spinal cord injury, while smaller numbers have injuries such as amputations, severe burns or permanent blindness. Our support includes hospital and medical treatment; rehabilitation; ambulance; respite care and attendant care services; equipment and prostheses; educational and vocational training; and modifications to homes, workplaces and education facilities.

The impact of a severe injury can be broad, affecting a person's independence and wellbeing. We work with experts to offer a range of evidence-based programs to support RTW and/or the community and improve quality of life.

To support our participants with adjusting to life after an injury, modifications are sometimes completed to their homes to allow them to move around independently and safely. Modifications include installation of accessible bathrooms and kitchens, structural changes, and installation of ramps or platform lifts.

Customer Experience



Advocacy for Lifetime Care and Support and Workers Care remains consistently high. Frontline staff continue to focus on ensuring participants are aware of their main point of contact within the scheme to facilitate efficient and consistent service provision.

Financial performance

Net Result	Funding Ratio	Insurance Ratio	Investment Funds under management	Investment Return	Investment Benchmark
\$491m	103%	150%	\$8.1bn	14.6%	14.8%

The net result for the LTCS Scheme for FY2020-21 was a positive outcome of \$491 million, driven by the impacts of the June 2021 valuation and offset by strong investment returns. The funding ratio of 103 per cent as at 30 June 2021 has been impacted by changing economic conditions. Nevertheless, the scheme continues to be in a strong position to meet its obligations.

The LTCS capital management policy uses the insurance ratio (also known as the economic funding ratio from the McDougall Review) as the primary measure of financial strength.

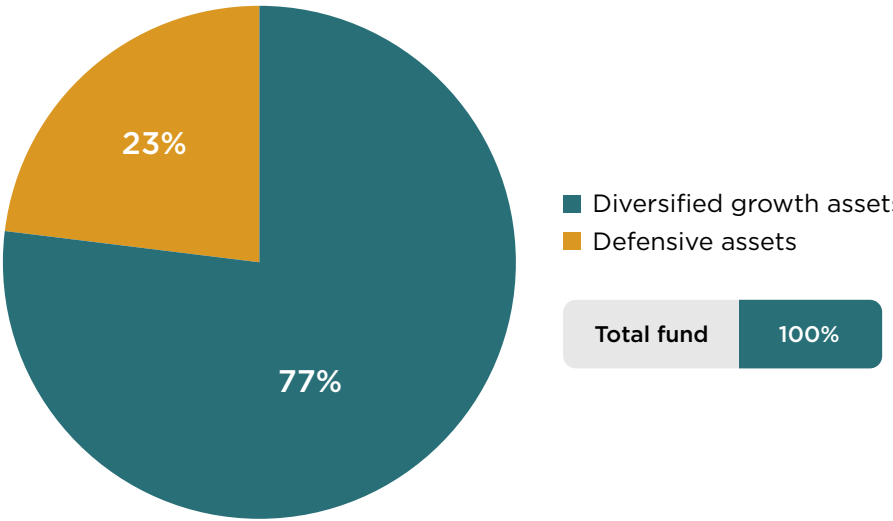
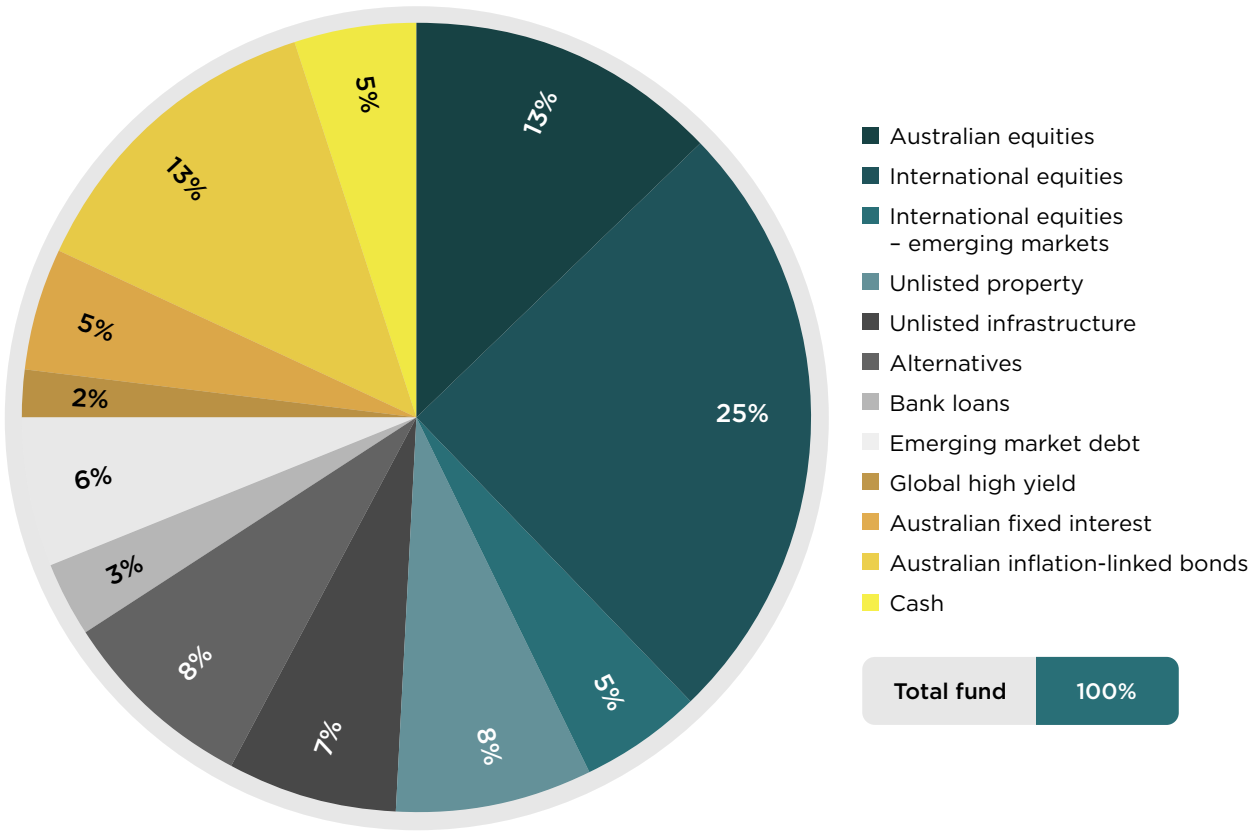
The LTCS Scheme insurance ratio (excluding Motor Accidents Treatment and Care Benefits Fund) of 150 per cent is in the target zone of above 140 per cent under the LTCS capital management policy.

Since icare's inception in 2015, the greatest impact on our funding position has been the change to evaluating the present value of scheme liabilities using risk-free rates and related inflation forecasts. These market-driven rates (government yields) and inflation forecasts were adopted on 30 June 2018 as an accounting change and continue to impact the funding ratio as the yields change.

COVID-19 related impacts in FY2019-20 resulted in an eight per cent deterioration in the funding ratio. This change was driven by the pandemic's impact on investment markets and the consequential reduction in the value of the investments backing scheme liabilities. Investment returns on scheme assets for FY2020-21 exceeded the expected long-term return, improving the funding ratio by eight per cent and reversing the COVID-19 impact from the previous year.

Favourable investment returns prior to FY2019-20 and favourable claims experience improved the funding ratio by four per cent since icare's inception in 2015. Investment funds under management increased by 19 per cent (\$1.3 billion) during this year, driven by strong global and domestic equity markets. Investment returns were 0.2 per cent below benchmark.

Lifetime Care and Support Authority Fund Strategic Asset Allocation as at 30 June 2021



Lifetime Care and Support Authority Fund FY2020-21 Returns

Performance (gross)	Since Inception* (% p.a.)	5 Year (% p.a.)	3 Year (% p.a.)	1 Year (%)
Fund	7.89	8.36	7.91	14.56
AWE + 2% p.a.	4.75	4.09	4.07	4.06
Excess	3.14	4.27	3.83	10.50
Benchmark**	7.82	8.50	8.52	14.78
Excess	0.07	-0.14	-0.62	-0.22

* Performance data for the fund commenced on 30 June 2007.

** Benchmark is a composite benchmark based on the fund's strategic asset allocation.

Further information on financial performance is provided in the Volume 2 – Full financial statements section of this report. Important terminology used to describe the financial performance of our schemes is provided at Appendix 1.

COVID-19 response

In late 2020, in response to the COVID-19 pandemic and other State emergencies, including bushfires and floods, we formed a working party to review the Emergency Planning Tool for staff supporting participants in times of crisis. We revised new staff processes and the critical information captured on each participant's file, so emergency plans could be developed if required.

We supported our participants and worked with our service providers to continue to provide support and services to participants during this time. Masks and other personal protective equipment were supplied for home visits to provide essential care services. We increased the use of virtual treatments and assessments when restrictions were placed on travel. As COVID-19 evolves, we continue to adapt our ways of providing support and services safely.

With COVID-19 travel restrictions, including suspended rural and regional flights, our team has been doing their best to continue to provide home modifications support. With an increase in travel times, we have continued to provide the necessary support required to assist people to return home safely. On job sites, our team and contractors adhere to all COVID-19 safety regulations. To allow us to continue to monitor and manage interstate projects, we sourced and engaged additional external occupational therapists and project managers in QLD and Victoria. We have also been trialling a relocatable accessible home, Vanhomes, which enables us to provide temporary accommodation for an injured person near their family, while we complete major modifications to their home.

Practice Area Advisory

Our Practice Area Advisory (PAA) service continues to support Lifetime Schemes staff in dealing with complex cases. Over the past year we have commenced sessions to build capability in a range of areas including neglect, abuse, safeguarding, navigating service systems, risk enablement and Lifetime Care's Decision Making Framework, which provides guidance for staff to help decision-making about a participant or worker's reasonable and necessary treatment, rehabilitation and care.

Industry standards highlight a strong focus on positive behaviour support and minimising the use of restrictive practices. We facilitate regular complex case collaborations to share expertise and promote peer learning. To guide staff in their work, the PAA has developed a Knowledge for Practice site, which hosts resources developed by the team, such as the paediatric learning guide, as well as external resources.

Attendant care providers

To ensure that our panels of approved attendant care providers are delivering high-quality, person-centred services for participants, we developed a service provider monitoring program. The program commenced face-to-face site visits in February 2020. Due to COVID-19 restrictions, it moved to a virtual format and visited 11 providers, which is approximately one third of the panel.

The program uses a collaborative approach, which has encouraged identification of issues and areas for improvement for both providers and icare. It focuses on the participant journey and experience, and has explored areas such as service safety, quality, financial management and governance. Providers have largely responded positively to the program, which is now rolling out across a further eight providers through 2021.

The attendant care panel contract conditions include a fixed fee schedule that is reviewed at least annually on 1 July. The rates are reviewed with consideration given to the Social, Community, Home Care and Disability Services (SCHADS) Award annual review, the Consumer Price Index, and any other market or statutory changes impacting the salary or on-costs for providers. Providers place value on having a point of contact for each participant, clarity around the program for each participant, training and support for their workers, and the overall support from, and engagement with, icare. This support is a factor in the ongoing partnership between providers and icare.

The SCHADS Award is being reviewed through Fair Work in FY2021-22, and we will consider how any changes proposed need to be allowed for to ensure the ongoing delivery of services.

In May 2021, we held a face-to-face forum with our panel of providers. The innovative forum presented a live demonstration of an interactive training resource in development for disability support workers, covering 'working professionally' and 'challenging behaviours'. The feedback was universally positive, and the large group discussion provided valuable insights into current trends impacting the industry.

Providers reported significant issues in workforce recruitment, identifying low response rates to recruitment drives, and significant shortage of skills and experience in applicants. In part this was attributed to COVID-19 travel restrictions, with a reduction in international students and working visa holders coming into Australia. These issues significantly impact the pool of potential support workers across NSW, including in metropolitan Sydney. This is an ongoing concern for providers and impacts attendant care services.

Providers responded quickly and flexibly to the evolving COVID-19 situation, by adjusting their approach and mode of delivery where possible. They also demonstrated positive adjustments as we gradually returned to normal service delivery. We maintained close communication with our approved provider groups as the situation changed throughout the year through regular on-line forums and update communications through Yammer.

National Quality and Safeguarding project

The Motor Accidents Insurance Schemes (MAIS) across Australia combined to fund a one-year project, to develop a nationally consistent approach to safeguarding in service delivery for participants. This project addressed three key priority areas relating to delivery of attendant care services - provider registration, accreditation and engagement, policy positions on family members as paid support workers and restrictive practices.

We collaborated with representatives from the NDIS Quality and Safeguards Commission to develop understanding of each bodies' operations. The project achieved a high level of engagement between the schemes nationally and established an ongoing regular meeting schedule to monitor progress and share emerging issues.

Peer Support

In collaboration with Synapse, we continued to offer a peer support program for people with traumatic brain injury (TBI), their family members and carers. The Reconnections program empowers participants to talk to others with similar experiences, who understand life after a brain injury, including two family liaison officers who have lived experience of brain injury.

In FY2020-21, the focus has been on adapting the program for online delivery. This has included developing an online brain injury forum, where participants can discuss their experiences with a supportive community of people living and working with brain injury. Weekly virtual social connection groups have been established, and we have seen strong participation.

Spinal Cord Injuries Australia (SCIA) delivers a program that offers structured peer support to participants and workers with a spinal injury in NSW hospital spinal units, and in the community. The pilot program had a broad focus on peer support activities, including individual and group knowledge sessions, and family support and social connection. Feedback demonstrates the program has been of significant value to people living with spinal injury, their families and the people in the services that support them. The three-year pilot came to an end in June 2021. Services are continuing to allow icare customers access through inpatient units.

wecare mentoring program

The wecare mentoring program run by Carers NSW aims to provide carers with increased resilience, health and wellbeing, and an improved quality of life. The first phase of the program has helped more than 130 families, and the second phase has supported a further 60 families in one year. A further two years remain of the extended investment. With COVID-19 restrictions, flexibility in service delivery continued by switching to online peer support, group mentoring and a range of self-paced educational resources.

In October 2020, we held our first Caring for the Carers live webinar event to recognise and celebrate National Carers Week, and over 130 people attended. In collaboration with the Carers NSW Young Carer Program, we facilitated training specifically for young carers who often face greater challenges than their peers.

Further information on this, and other initiatives that received grant funding in FY2020-21, is provided at Appendix 11.

Vocational Intervention Program

The Vocational Intervention Program (VIP2) is an employment program for people with a brain injury, which we ran in partnership with the Agency of Clinical Innovation (ACI), NSW Brain Injury Rehabilitation Program, and 20 vocational providers. The three-year program, which ended on 30 June 2021, aimed to improve quality of life for people with a brain injury, increase rates of employment, and establish a network of employment services providers and pathways for RTW.

221 people with a severe brain injury were referred to VIP2, with 173 proceeding to receive assistance to return to their previous employer or to determine a new suitable work goal. The Fast Track program saw 70.2 per cent of people return to sustainable employment. 50 people completed the New Track program, with 33 people with severe brain injury achieving new employment, and an additional 17 completing work-related activities such as training courses, volunteer work and work experience.

A cost benefit analysis of the VIP2 program was undertaken which outlined a very positive return on investment, with a \$10.34 return for every \$1.00 spent. It is anticipated that the VIP2 model of vocational rehabilitation will continue, with a legacy of resources and support for establishing a community of practice for this specialist area.

John Walsh Centre for Rehabilitation Research study

A study undertaken by the John Walsh Centre for Rehabilitation Research describes two cohorts of participants in the Lifetime Care and Support Scheme at eight and 10 years, that were previously studied at two and five years. The study examined information on participant's functioning, outcomes and service usage over time, that can be used to inform strategy, service delivery and service development activities.

The findings included a relative stability of issues and level of participation for participants between medium and long term; that common issues for long term injury include chronic pain and mental health issues; and that attendant care costs are the largest component of service usage. The study outcomes will be reviewed to inform new, or enhance current, service development projects and activities.

Lifetime Care Ageing Project

To better understand the needs of people ageing with a severe injury, we completed an analysis of scheme data, a literature review, and interviews with older participants, workers and their families. This work identified that 16 per cent of Lifetime Care participants, and 23 per cent of Workers Care workers, are aged over 65 years. Older participants and workers generally feel that they are well supported by icare and that we are meeting their needs. Most feel confident that icare will be there for them to meet their longer-term support needs as they age.

The findings will be used to develop resources and ensure appropriate services and supports are available for older participants and workers, to maximise recovery and outcomes following a severe injury, and to support them to maintain their independence, health and wellbeing as they age.

Strategic investment spotlight

Initiative	Investment type	Target outcome	Total funding	Timing	Funded partners
Acquired Brain Injury Fellowships for Advanced Psychiatry Trainees	Systems innovation	Quality of life	\$2,237,000	1 July 2018 to 30 November 2021 (target)	University of Sydney

We continue to have a significant demand and ongoing need for psychiatrists experienced in Acquired Brain Injury (ABI). Currently, icare assists with the care and support of over 1,400 people with ABI, which accounts for around 70 per cent of Lifetime Care participants, 50 per cent of whom experience symptoms of mental distress, including depression and anxiety. There is limited availability of specialist psychiatry services to address and manage the complex psychosocial needs of participants and workers with ABI experiencing mental distress. Medical and allied health professionals do not always feel confident managing or caring for psychiatric problems in a person with ABI.

We have partnered with The University of Sydney's Brain and Mind Centre, in association with the Royal Australian and New Zealand College of Psychiatry and Local Health Districts (LHD), to establish the NSW Acquired Brain Injury Fellowships for Advanced Psychiatry Trainees program. Delivered by the icare Brain Injury Psychiatry Program (iBIPP), a network of psychiatrists and clinicians in the area of brain injury, the program is upskilling the sector, addressing gaps and providing more access to specialised services for people with a brain injury.

The iBIPP program established and piloted the first Australian psychiatric training program specialising in brain injury. A collaborative approach has contributed to the success of the program, allowing for the development of critical new partnerships and expertise. It has achieved successful integration of five one-year fellowship positions across six hospitals, with four in Sydney metro areas and two in regional areas, across the large trauma and brain injury centres in NSW. One fellowship graduate has successfully transitioned to be a supervisor for subsequent fellowships.

The program has resulted in many people accessing these new high-quality evidence-based care services and provided more timely access. For example, at Royal Rehab in Northern Sydney LHD, numbers of brain injury outpatients assessed over a six-month period increased by 60 per cent, with 56 patient assessments undertaken in the period from 1 October 2019 to 31 March 2020 compared to 35 in the same period two years earlier. Inpatient assessments proportionately increased even further, by more than 100 per cent, with annualised estimates of 130 inpatient contacts compared with 50 prior to the program's commencement. At the Westmead Brain Injury Unit in Western Sydney LHD, psychiatry was involved in the management of on average a quarter of inpatients at any one time. Over a six-month period, this represented approximately a 10-fold increase compared to 2019. Brain injury outpatient access to psychiatry saw even more growth over a six-month period, with the demand necessitating a weekly clinic during the time the fellowship was active.

The program is benefiting the person with a brain injury, their family, and the clinical staff working with them, allowing them to better manage conditions and improve outcomes. One participant receiving care from a Psychiatry Fellow said

“once someone explained that [my] brain had been damaged and that I was experiencing depression and anxiety because [of it], I felt so much relief”



Lifetime Care participant

The program has resulted in the development of a clinical network with over 120 members, to increase the capacity and interest of psychiatrists in the area and improve the support for people with brain injury experiencing poor mental health.

Discussions are underway to further strengthen and expand service offerings to ensure all those with brain injury in need of specialist psychiatric services have access to this support. In addition, a sustainable funding model for the iBIPP is being developed.

Key facts

Supported **1,659** Lifetime Care participants

	 Male	 Female
Brain	861	378
Spinal	278	89
Other	49	4
	1,188	471

\$214.52 million

paid in treatment, rehabilitation and care for LTC participants





LTC participant split by road user type

Driver	Passenger	Pedestrian	Motorcyclist	Cyclist	Other including pillion
509	337	357	374	69	13



Supported **344** Workers Care participants

	 Male	 Female
Brain	179	23
Spinal	99	7
Other	30	6
	308	36

\$63.14 million paid in treatment, rehabilitation and care for WC participants

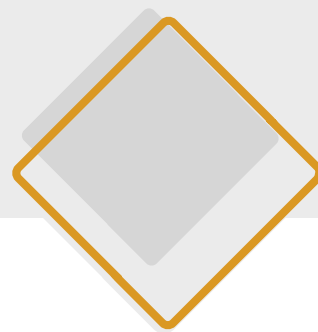


14 home modifications worth a total of **\$1.3 million** completed for WC participants





Dust Diseases Care



Overview

Dust Diseases Care (DDC) supports workers who develop a dust disease as a result of harmful dust exposure while employed in NSW, and their dependants, by providing financial assistance and supports including healthcare, nursing and personal care assistance, mobility aids, oxygen supplies and home support. In FY2020-21, we supported 5,625 people with a dust disease and their dependants.

We also provide a lung screening service for workers, and to NSW employers as a subsidised service to assist them in meeting their work health and safety obligations, which require them to provide health monitoring for all workers at risk of being exposed to dust in the workplace. These screenings are often completed on our mobile Lung Bus, which visits employers across NSW to provide lung health examinations, and is equipped with a digital chest x-ray room, advanced lung-function testing equipment, and a medical practitioner to conduct examinations. Workers can also choose to attend our clinic in Pitt Street, Sydney or consult a doctor closer to their home.

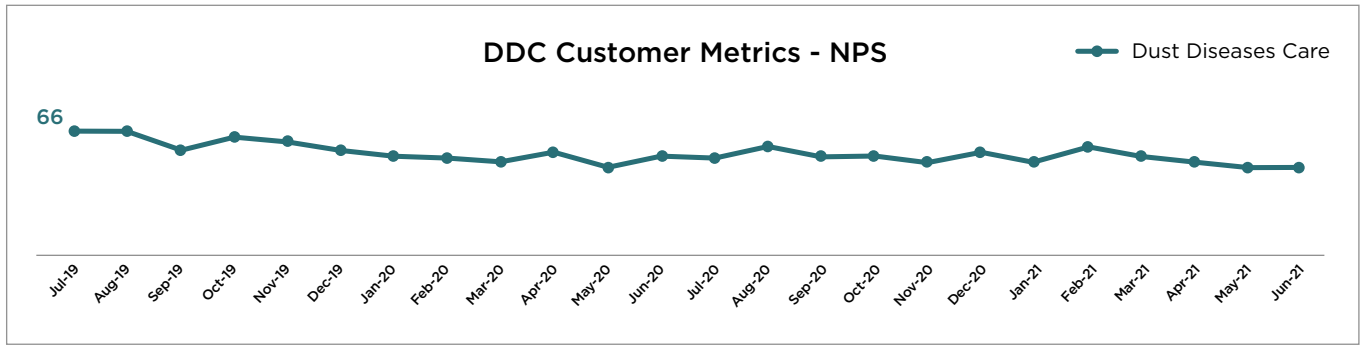
In FY2020-21, 177 employers across 45 locations undertook health monitoring, which resulted in a total of 4,391 workers completing a lung health screening. Of these, 3,190 examinations were completed on the Lung Bus; 1,166 at our Sydney clinic; and 35 at an external provider.

In addition to these screenings, we provide free medical examinations to former NSW workers who were employed in a dusty workplace, or who are retired. Many of these people are existing DDC customers. During the year, we provided 1,043 of these lung screening examinations. Of these, 205 were completed on the Lung Bus; 409 in our Sydney clinic; and 429 through an external provider.

In FY2020-21, the Lung Bus travelled to 45 locations in metropolitan and regional NSW and provided a total of 3,395 examinations.

During the year, we implemented a new operating model to offer greater consistency in the provision of personalised, needs-based services for customers. The new model includes improvements to the claims application process, establishment of a primary point of contact for all customers, and provision of faster and more informed access to services.

Customer Experience



DDC has traditionally had a high NPS, which has declined from +51 to +46 this last financial year. Key drivers for the decline are changes to our operating model and processes, the impacts of the COVID lockdown on our operations and services, and the limited compensation services available for some scheme applicants with 0 per cent disability. There are already signs of improvement as the operating environment stabilises.

Financial performance

Net result	Funding Ratio (excluding future levies provision)	Insurance Ratio (excluding future levies provision)	Investment Funds under management	Investment return	Investment benchmark
\$0.0	59%	75%	\$1.2bn	12.2%	12.4%

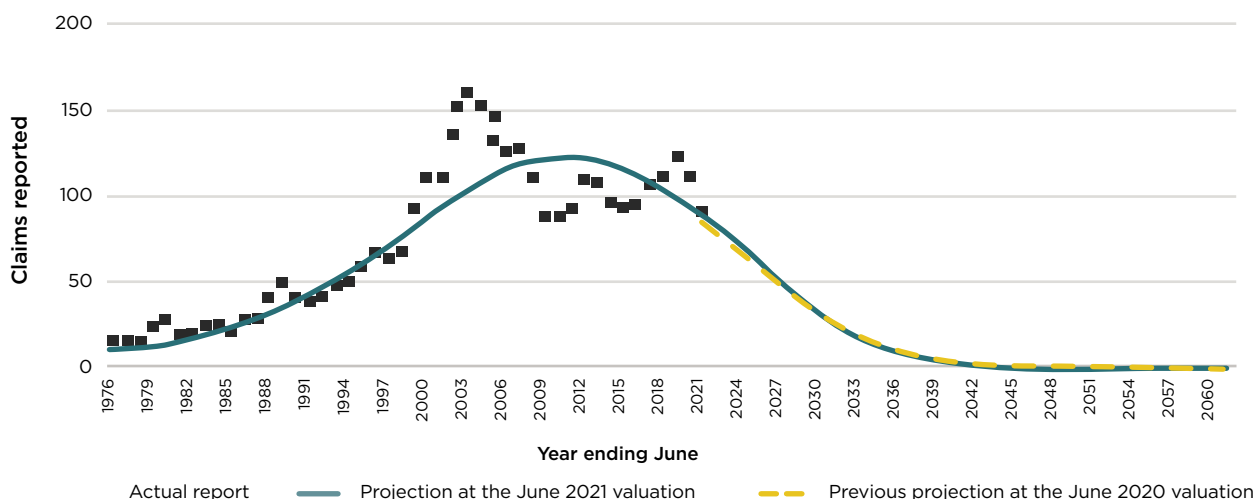
The scheme's liabilities have been adversely impacted by a higher than expected number of claims and an increase in the expected claims handling expenses, as well as allowances for remediating past under-payments to some workers and revising future payment practices. Further information on our remediation program is provided under the Our performance section of this report.

It is anticipated that the sustained trend of higher than expected claims will influence future numbers of claims.

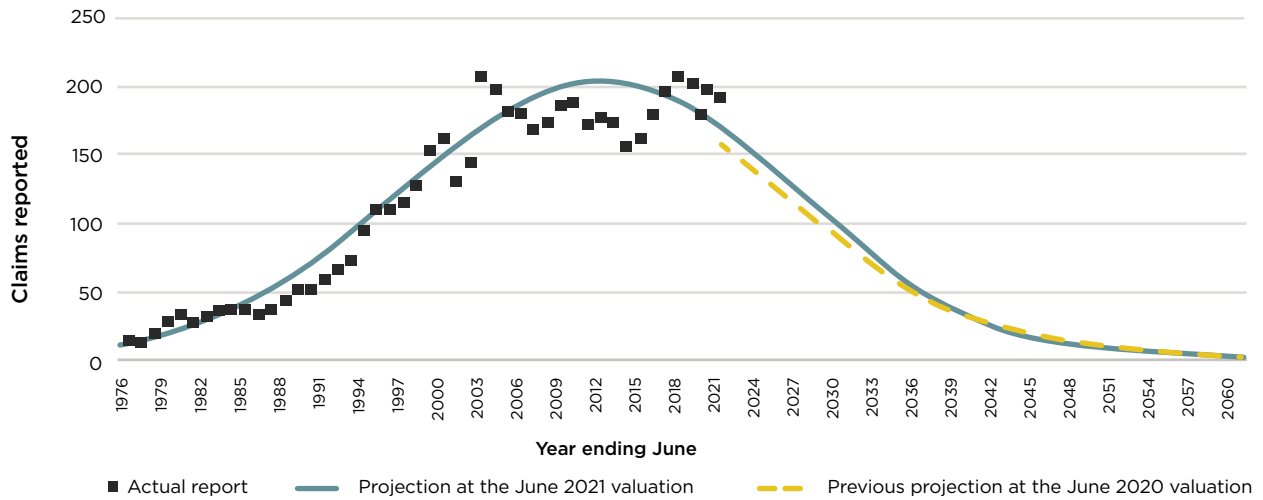
These increases may be partly attributable to a new online customer portal, along with additional assistance provided by DDC Client Liaison Officers that has facilitated a more accessible claims lodgement process.

The graphs below show the actual number of reported claims for mesothelioma and asbestosis, and the increase in the projected number of reports from the latest June 2021 valuation compared with the previous valuation in June 2020.

Claim reporting pattern for asbestosis claims

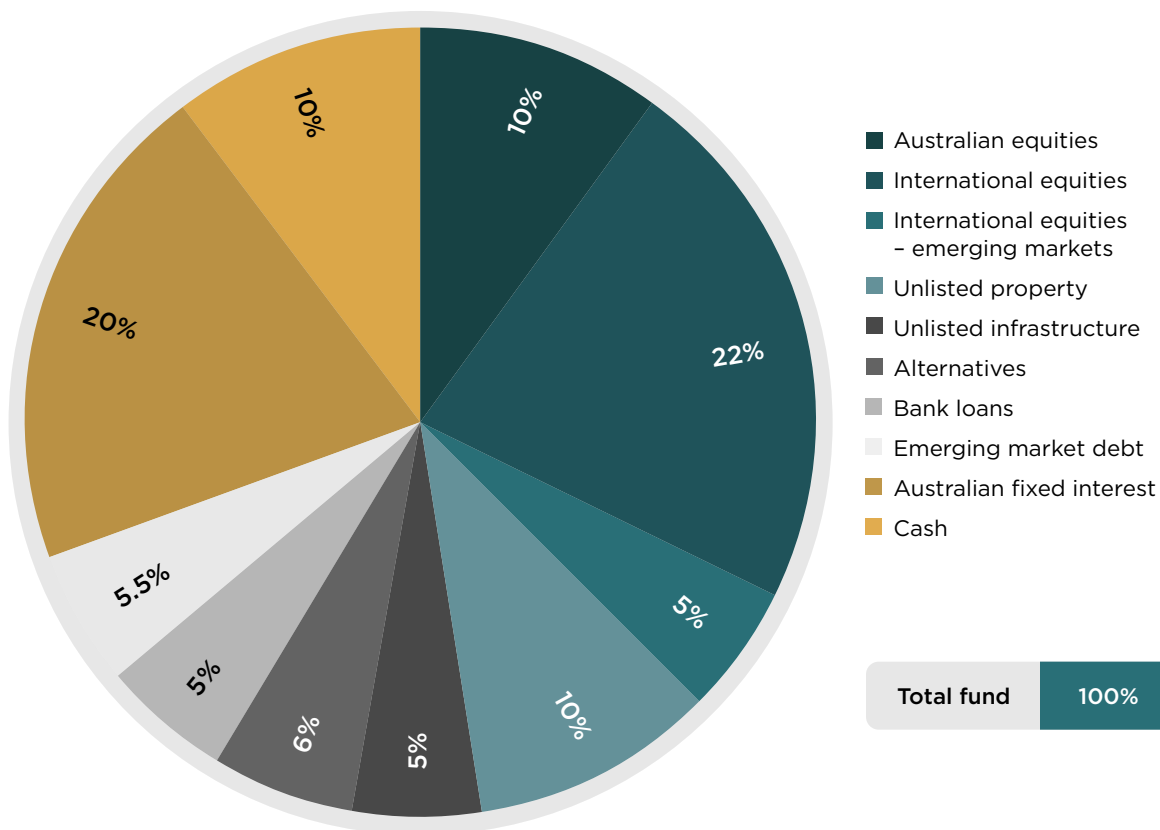


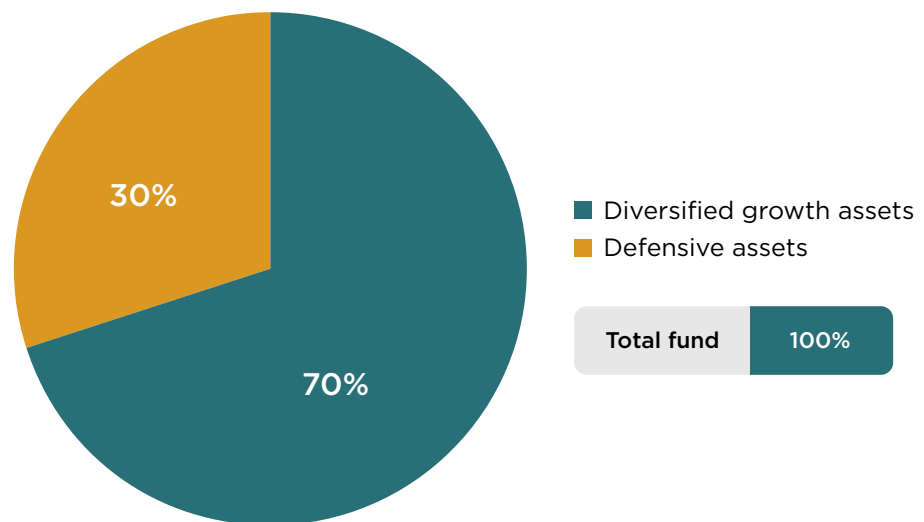
Claim reporting pattern for mesothelioma claims



Investment funds under management increased by four per cent, or \$51 million, during the financial year, while investment returns were 0.2 per cent below benchmark.

Dust Diseases Authority Fund Strategic Asset Allocation as at 30 June 2021





Dust Diseases Authority Fund FY2020-21 Returns

Performance (gross)	Since Inception* (% p.a.)	5 Year (% p.a.)	3 Year (% p.a.)	1 Year (%)
Fund	5.96	7.68	7.26	12.19
4.5% p.a. absolute return	4.50	4.50	4.50	4.50
Excess	1.46	3.18	2.76	7.69
Benchmark**	5.99	7.64	7.72	12.35
Excess	-0.03	0.04	-0.46	-0.16

* Performance data for the fund commence on 30 June 2007.

** Benchmark is a composite benchmark based on the fund's strategic asset allocation.

Further information on financial performance is provided in the Volume 2 – Full financial statements section of this report. Important terminology used to describe the financial performance of our schemes is provided at Appendix 1.

COVID-19 response

COVID-19 continued to cause disruption to how we provide care and support to our customers. We adapted our service delivery so we could continue supporting them safely. To ensure the health, welfare and safety of staff and customers during the COVID-19 pandemic, additional safety precautions were adopted in line with current legislation and health guidelines. We sought approval from customers to provide at home services and ensured service providers and attendant carers used masks when providing these services. During travel restrictions, our lung bus was not operating, and lung screening services were put on hold. All staff working on the lung bus and our clinic in Pitt Street, Sydney have received the COVID-19 vaccination.



Research and DDB Grants

The Workers' Compensation (Dust Diseases) Board (DDB) is responsible for administering grants from the Workers' Compensation (Dust Diseases) Fund. Under section 6(2A) of the *Workers' Compensation (Dust Diseases) Act 1942*, the DDB is authorised to approve grants to support clinical or research work relating to, or for any other purpose relating to, the prevention and treatment of dust diseases; and to provide assistance to groups or organisations that provide support for victims of dust diseases or their families.

The DDB is independent of the Dust Diseases Authority (DDA), which administers the NSW Dust Diseases Scheme that provides financial compensation, health care and other support to people affected by work-related dust diseases. The icare Board has governance and oversight of the DDA, Scheme and Fund.

The DDB puts those impacted by hazardous dust exposure and dust diseases at the centre of its grant funding, which is provided for initiatives that are innovative, cultivate collaboration, develop researchers of the future, and demonstrate impact.

Four funding streams are offered to support grant recipients in examining dust exposure risks and dust disease prevention, as well as the diagnosis, treatment and improvement of wellbeing and quality of life for individuals with a dust disease. These funding streams include Ideas to Action (Discovery and Translational), Focus, Fellowships and Scholarships, and Support Organisations. Funded projects include those in a pre-clinical laboratory setting, early phase or 'first in humans' trials, and more advanced clinical trials researching mesothelioma diagnosis and treatment.

The DDB continues to provide grant funding for projects that focus on improving awareness of the dangers of working with silica containing materials, to reduce the incidence of silica-related occupational diseases, and that provide the best support for workers diagnosed with a silica-related disease. Two research projects were funded in this area in FY2020-21, which involve research into therapeutic interventions for silicosis and ultra-low-dose CT in silicosis screening and improving work practices to reduce silicosis in Australia.

Further information on initiatives that received grant funding in FY2020-21 is provided at Appendix 11.

Artificial Intelligence Project

In FY2020-21, we have continued working on developing and testing an artificial intelligence tool, which can assist physicians in detecting signs of silicosis on chest x-rays. Preliminary tests demonstrated that the tool was able to detect signs of silicosis with good accuracy, reaching the correct diagnosis in over 75 per cent of the testing cohort. A second testing phase is currently in development, which will aim to test the accuracy of the tool more robustly and determine its helpfulness to physicians in a practical setting.

Silicosis

In FY2020-21, DDC provided over \$5.5 million in scheme benefits to workers with silicosis and their dependents. We accepted 37 new workers with silicosis into the scheme, nine of whom had been exposed as a result of their work with manufactured stone. The remainder came from work in tunnelling or other cutting of natural stone.

DDC continued to work with SafeWork NSW to highlight the dangers of silica exposure, particularly those associated with manufactured stone. We were also involved with the National Dust Diseases Taskforce and the National Dust Diseases Working Group and contributed to the Taskforce's final report and the Guidelines being developed by the Working Group.

During the year, we established RTW supports for our workers, and continued to expand this program for eligible workers, increasing from one to five vocational service partners. We provided support to 21 workers and enabled six workers to RTW in suitable roles.

Key facts



3,190 people provided lung screening services by the Lung Bus, across **45** locations



1,166 people provided lung screening services at the dust diseases clinic
4,391 lung screening examinations provided in total



\$119.4 million paid in benefits



5,625 workers with a dust disease and their dependants provided with medical and income support



7 home modifications worth a total of **\$39,000** provided



Medical Assessment Panel met **54** times and considered **1,523** cases

44.1 work days taken for the medical examination panel to determine a dust diseases claim





CTP Care

Overview

The CTP Care program is the result of the NSW Government's 2017 legislative reforms to the Compulsory Third Party (CTP) Scheme, which changed the way people injured in a motor accident in NSW have their long-term treatment and care needs met. Under the *Motor Accident Injuries Act 2017* (MAI Act), the Lifetime Care and Support Authority (Lifetime Care) is the relevant insurer for payments for treatment and care, from five years after a person's accident.

The MAI Act established the Motor Accident Injuries Treatment and Care Benefit Fund (MAITCBF), which holds funds to cover treatment and care expenses to be paid by CTP Care. These funds come from a levy collected at the same time as the CTP premium paid by all NSW motorists. The MAITCBF is separate from and shares no assets with the Lifetime Care and Support Scheme Fund.

CTP Care takes over from the CTP insurer for the payment of a person's reasonable and necessary treatment and care after five years post the date of a compensable motor accident injury, or earlier by agreement.

Treatment and care costs incurred by early transfer clients prior to the five-year mark are funded by CTP insurers, as levies collected under the MAITCBF do not cover costs incurred during the first five years.

icare has been proactively developing CTP Care since the new legislation was passed, in close consultation with SIRA and CTP insurers. We established a project team to ensure the full implementation in December 2022 is seamless and effective and provides a consistent high level of treatment and care to onboarding customers.

As part of this work, we introduced a pilot for early transfers to CTP Care, whereby customers are able to transfer earlier than five years through an agreement with their CTP insurer, if they meet the legislated eligibility requirements and have long term treatment and care needs.

Industry wide liaison resulted in agreement from all CTP insurers to expand the early transfer pilot to include customers who transfer directly from one of six CTP insurers. This included planning with insurers to ensure a seamless experience for those customers. We now have an operational team, systems, and processes in place ready to deliver these services.

As at 30 June 2021, five clients had entered CTP Care prior to the five-year mark under the early transfer arrangement. These people were prioritised to avoid the likely scenario where they would transfer multiple times between icare and the CTP insurer. The first customers from the five-year post injury cohort are expected to enter the scheme commencing 1 December 2022.

Customer Experience

CTP Care customer experience has not yet been measured due to the infancy of the program.

Financial performance

Net result	Funding ratio	Insurance Ratio	Investment funds under management	Investment return	Investment benchmark
-\$20m	77%	103%	\$0.2bn	8.7%	8.2%

The net result for the MAITCBF in FY2020-21 was a negative outcome of \$20 million, driven by the impacts of the June 2021 valuation, and partially offset by favourable investment income.

Investment funds under management increased by 60 per cent, or \$89 million, during the financial year, which was 0.5 per cent above benchmark.

Further information on financial performance is provided in the Volume 2 - Full financial statements section of this report. Important terminology used to describe the financial performance of our schemes is provided at Appendix 1.

New Operating Model

We undertook analysis to fully understand our new role in delivering treatment and care to our future customers. In doing this, we continued to collaborate with SIRA to ensure our regulatory requirements are well understood. This also included research to identify what our future customers are likely to need most and have planned how will deliver these services once customers begin transferring five years after their accident, from 1 December 2022. We have also began planning the technology we will need to help deliver these services and reporting to the regulator.

Key facts



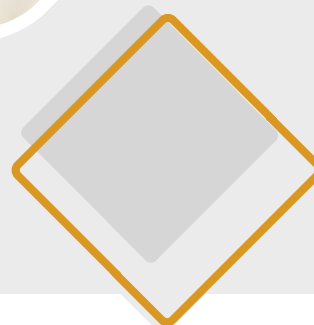
Supported **5**
participants



\$57,000
paid in benefits
since operation
commenced in
October 2020



Sporting Injuries



Overview

Sporting Injuries Insurance is a no-fault scheme that provides affordable insurance cover for members of participating sport organisations and sporting officials against serious injury, such as permanent loss affecting arms, legs, sight, hearing or mental capacity. Minor injuries such as breaks, sprains, abrasions, cuts and bruises or dental injuries are not covered.

The not-for-profit scheme is funded solely from premiums paid by member organisations, with membership open to any sporting organisation in NSW. We educate members about the importance of having a risk management framework that includes injury prevention, and advocates best-practice processes.

During FY2020-21, three new claims have been received and \$170,480 paid in benefits. We have continued to see a reduced number of claims this year with COVID-19 and its effects on sporting competitions, with no new claims received in the second and fourth quarters of the year. COVID has also resulted in a number of policy holders receiving a reduced premium rate for the year, due to the reduction of games being played in the normal season. The two most significant policy holders are the National Rugby League (NRL) and NSW Rugby League (NSWRL).

Sporting Injuries Insurance also provides claims management services for the Supplementary Sporting Injuries Scheme on behalf of icare IfNSW. This protects all NSW school children who are seriously injured while participating in organised school sport or authorised activities. It also covers those injured while participating in activities conducted or sanctioned by the Office of Sport. This year, we did not pay out any such claims and no new claims were received.

Customer experience

Sporting Injuries does not measure customer experience.

Partnership with Sport NSW

In FY2020-21, we continued our partnership with Sport NSW, an independent body that represents member organisations from the sporting and recreation sector. Under this partnership, we sponsor the annual Community Sport Awards and Hall of Champions events, with a total investment of \$15,000 per year. This year, \$7,500 of that amount was carried over from the previous year's funding, which was not used after one of the events was cancelled, and the other held by video link, due to COVID-19 restrictions.

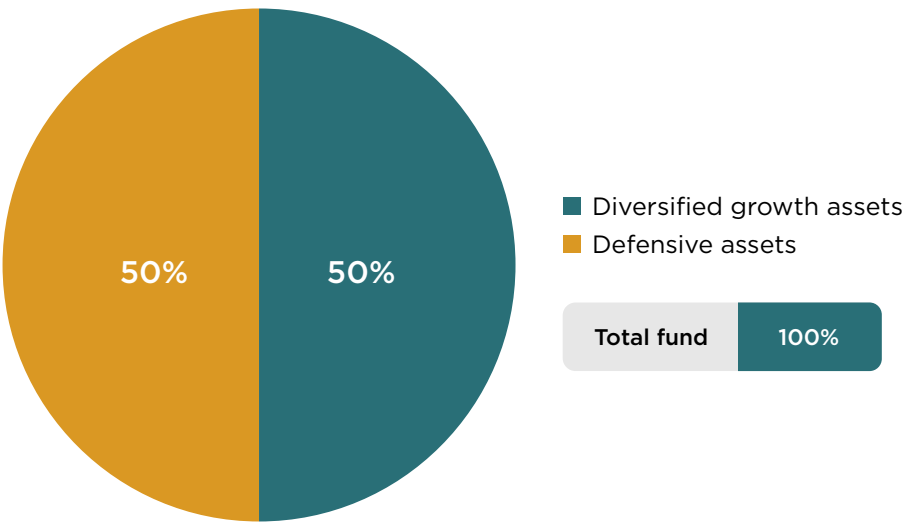
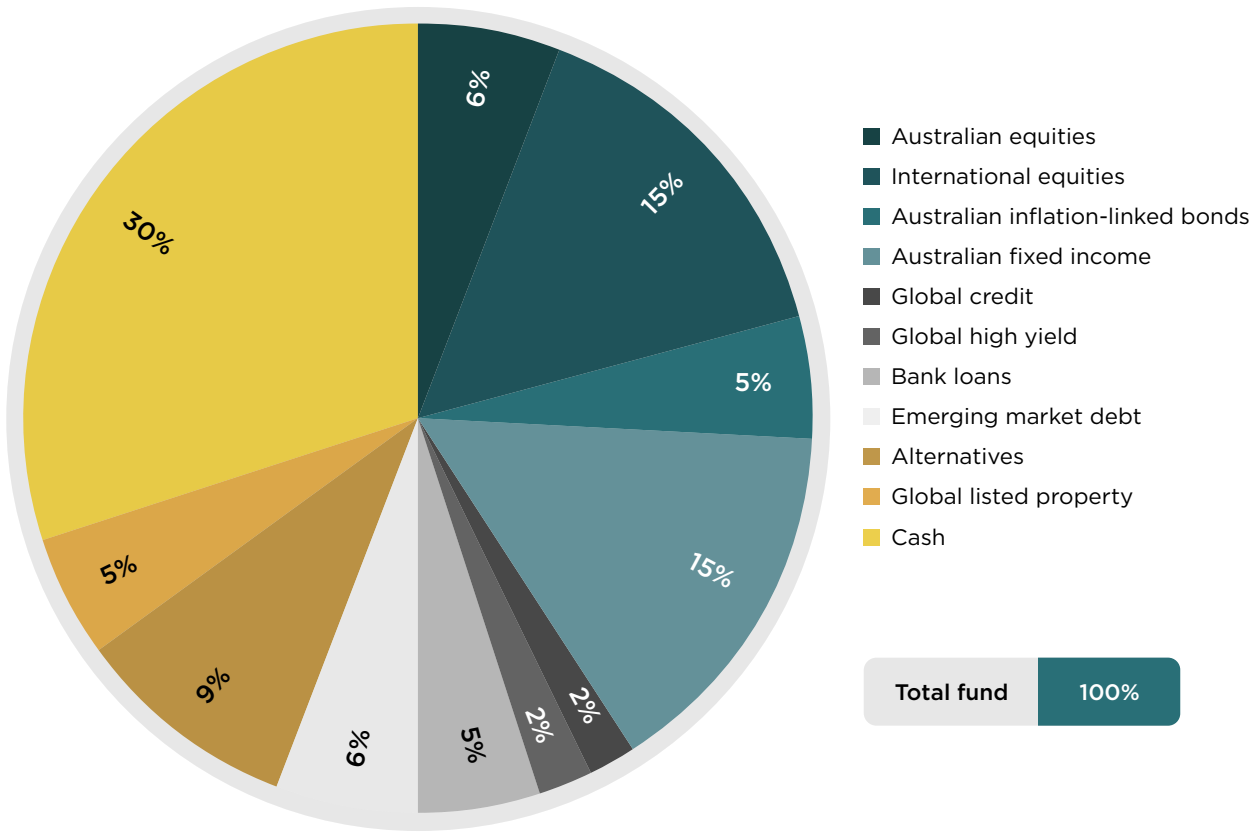
The impact of COVID-19 on the sporting community has led to a reduction in premiums for some of our major policy holders, and the cancellation of some policies. It is important that we collect sufficient premium to cover the cost of claims and ensure the scheme's ongoing viability.

Sport NSW members contribute an average of \$900,000 to \$1 million of the scheme's annual premium income. Our sponsorship provides the opportunity to attend each event, advertising in the programs, and present the Coach of the Year. This allows us to connect and build relationships with existing and potential customers and increase our profile as an insurance provider among the sporting community.

Financial performance

Net result	Funding ratio	Investment funds under management	Investment return	Investment benchmark
\$0.4m	359%	\$5m	5.1%	2.0%

Sporting Injuries Fund Strategic Asset Allocation as at 30 June 2021



Sporting Injuries Fund FY2020-21 Returns

Performance (net)	Since Inception* (% p.a.)	3 Year (% p.a.)	1 Year (%)
Fund**	5.00	3.09	5.07
Benchmark	N/A	1.60	1.99
Excess	N/A	1.49	3.08

* Performance data for the fund commenced on 30 June 2011.

** From 1 December 2020 the fund invests in TCorpIM Medium Term Growth Fund. The objective is CPI +2 per cent p.a. and the returns are net of fee. Prior to that the fund invested in cash. The benchmark was Bank Bill and the returns were gross of fee.

Further information on financial performance is provided in the Volume 2 – Full financial statements section of this report. Important terminology used to describe the financial performance of our schemes is provided at Appendix 1.



Our governance

icare is a Public Financial Corporation established under the provisions of the *State Insurance and Care Governance Act 2015* (SICG Act).

The various legislation under which we operate is provided at Appendix 12.

Board of Directors

We are governed by a Board of Directors consisting of icare's CEO, and up to eight independent non-executive directors appointed by the NSW Treasurer. All decisions relating to the functions of icare are made by or under the authority of the icare Board. The constitution of our Board, as well as its role and functions, are set out in the SICG Act and include:

- providing the NSW Treasurer, as the responsible minister, any information requested about the activities of icare.
- keeping the NSW Treasurer informed of the general conduct of icare's activities and of any significant developments in icare's activities.
- determining general policies for icare and directing the CEO of icare in relation to icare's activities.
- undertaking any other function conferred or imposed on the Board by the SICG Act or any other law.

The Board's role also includes setting the organisation's strategic direction, and establishing and monitoring performance targets as set out in the Statement of Business Intent.

The SICG Act allows the NSW Treasurer to give a written direction to icare, if they are satisfied that it is necessary to do so in the public interest. Before giving any such direction, the Treasurer must consult with the icare Board and seek its opinion as to whether the direction would be in the best interest of icare. If the NSW Treasurer does make a written direction, it must be published in the *NSW Government Gazette*, with an explanation as to why the direction is in the public interest. The Board must then ensure the direction is complied with. The Treasurer gave no written directions in FY2020-21.

Our non-executive directors are appointed by the NSW Treasurer for a three-year term. Our Chief Executive Officer is appointed by the Board for a five-year term.

Further information on our Board members, including biographies, meeting attendance and remuneration, are provided at Appendix 13.

Board Committees

The Board has established committees to assist with its oversight and governance responsibilities. The Investment and Asset Committee; People and Remuneration Committee; Customer, Innovation and Technology Committee; Audit and Risk Committee; Foundation Committee (dissolved in June 2021); and Governance Committee (dissolved in June 2021) are each chaired by a Non-Executive Director of the Board.

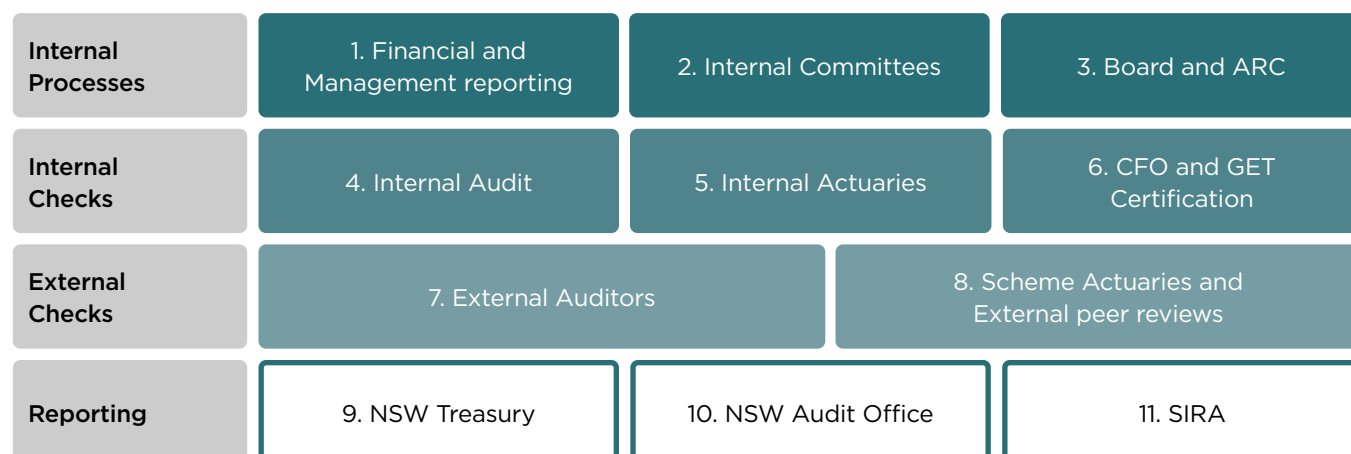
Financial Governance

The icare Board is responsible for setting investment policy, objectives, risk management, and reporting to the Minister on the performance of icare funds (with the exception of the TMF and other Insurance for NSW (IfNSW) investment funds). For IfNSW investment funds, the Treasurer approves the risk and return objectives, which are recommended by NSW Treasury and the strategic asset allocations, as recommended by icare.

NSW Treasury Corporation (TCorp) is icare's mandated investment manager and prime advisor. Mercer Investments (Australia) Limited remains appointed as icare's asset consultant.

Integrity in financial reporting

There are multiple layers of financial control and governance for our insurance schemes, as outlined in the diagram below:



We work closely with external experts, including scheme actuaries and external auditors to review and assess our financial performance.

In addition, our in-house actuarial team internally reviews the actuarial models and key assumptions and produce an APRA-compliant Financial Condition Report (FCR) every year for review by the icare Board and our external regulator, SIRA.

Our cycle of audit and valuations (both internal and by external actuaries and auditors) ensures rigour in our reporting and the integrity of our financial results. We are pleased to report the Audit Office of NSW has provided an unqualified opinion of our FY2020-21 annual accounts.

There were no significant matters raised in the outgoing audit report for FY2020-21, as confirmed at Appendix 14.

Expenses and Cost Allocation

icare uses a cost allocation process whereby expenses are incurred on behalf of the schemes by icare as a service entity, then recharged to the relevant schemes through direct and indirect service fees.

In FY2020-21, we undertook a comprehensive review of the existing cost allocation methodology used to recover expenses from our schemes. This has delivered greater transparency and traceability of costs and the schemes to which they are attributed. It has created improved documentation and more streamlined processes, including consolidation of procurement contracts that icare is a party to into icare, and on-charging these costs as service fees. Some of these costs had been accounted for in individual schemes in previous years.

While the revised process led to an increase in the cost base for the icare service entity, this had no net impact on the consolidated costs of icare and its schemes. Operating expenses incurred by icare and its schemes for FY2020-21 were \$1.3 billion, which is \$58 million favourable to forecast. Our controllable expense ratio finished at 17.1 per cent better than our target of 18.1 per cent. The increased cost in the icare service entity is offset by service fee revenues from the schemes and the increased service fees paid by the schemes is offset by the reduction in expenses paid directly by the schemes.

Work continues on proactive expense management across icare.

Long-term scheme sustainability

We employ a range of strategies across four levers – operational expenses, investments, premiums and claims – to proactively manage our financial performance within acceptable risk parameters. We continually adjust and evolve our operations with a focus on the long-term financial health and sustainability of our schemes, so we can continue supporting our customers well into the future.

We measure and monitor the financial sustainability of our schemes in several ways, including through strong governance and oversight, commitment to assurance and quality, and asset and liability management; and via the funding ratio and other metrics.

The McDougall Review recommended that icare use the economic funding ratio method, to measure the ratio of scheme assets to scheme liabilities, where the scheme liabilities allow for the time value of money that is reflective of a scheme's investments. Accordingly, we reviewed our financial risk appetite and capital management policies for the NI and LTCS, informed by stress scenarios and dynamic financial analysis modelling.

Our new capital management policies use the economic funding ratio - referred to as the 'insurance ratio' to avoid confusion with the accounting funding ratio - as the primary measure of our financial strength. For the NI and LTCS schemes, risk tolerance levels are set out in each scheme's policy.

Through prudent financial management and planning, we ensure the insurance ratio and its trajectories remain consistent with the long-term target ranges and the risk appetite of each scheme. The icare Board is responsible for approving the capital management policies for each scheme, including reviewing management's forward trajectory indications to ensure ratios remain within their long-term target ranges. The target zone for the insurance ratio is set based on the Board's risk appetite, which requires above 96.7 per cent probability of the scheme meeting all of its financial obligations as they fall due under the scenario that it enters run-off.

Risk management

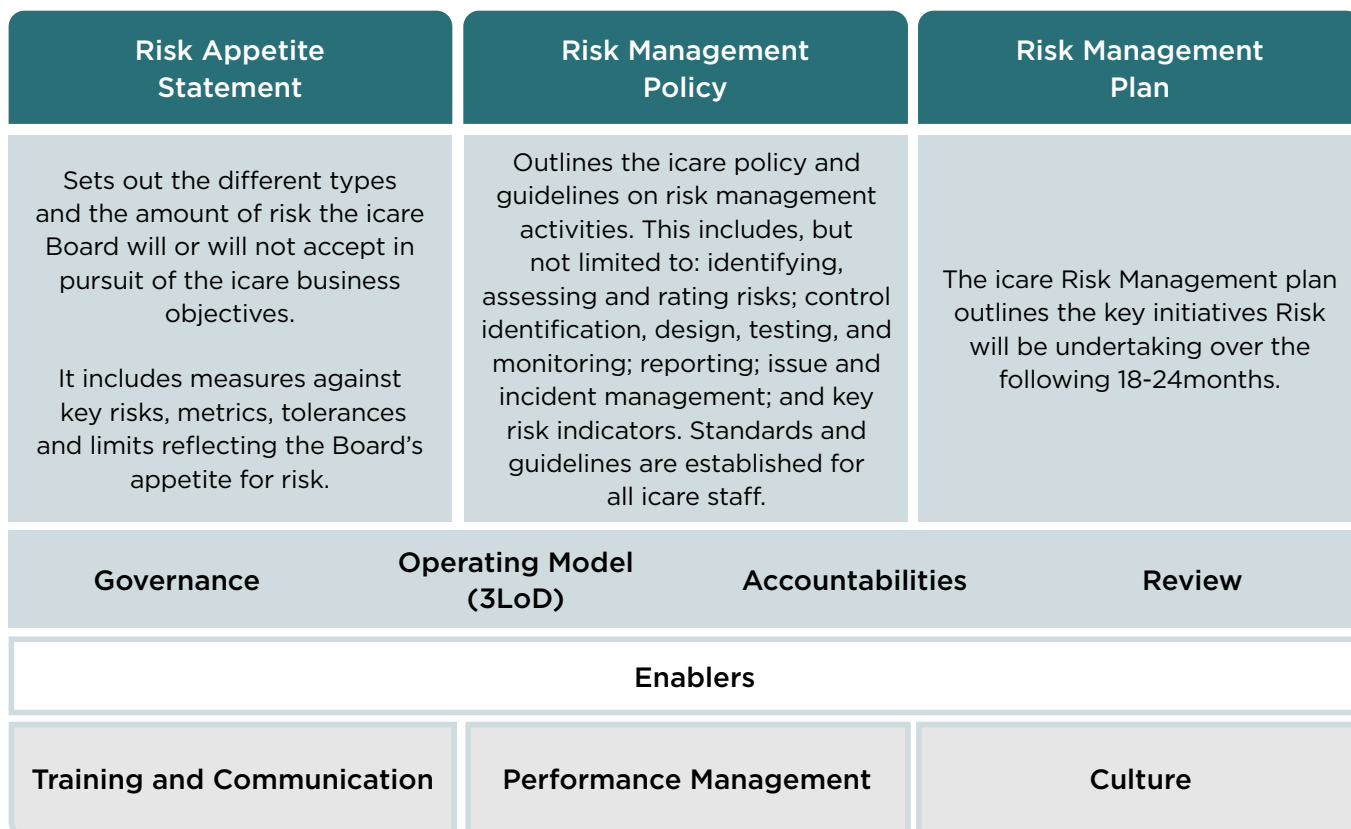
In FY2020-21, we commenced a substantial uplift of risk capability, including through the appointment of a Chief Risk Officer in September 2020 and revision of a number of policies across the organisation. Further detail is provided under the Our performance section of this report.

Risk management strategy and framework

icare manages risks and opportunities likely to impact our ability to achieve our strategic objectives. In FY2020-21, we undertook a comprehensive review of our risk management framework. New and updated risk policies and processes have been approved by the icare Board and are being implemented, including the Risk Appetite Statement (RAS), Risk Management Framework (RMF) and Risk Management Policy (RMP).

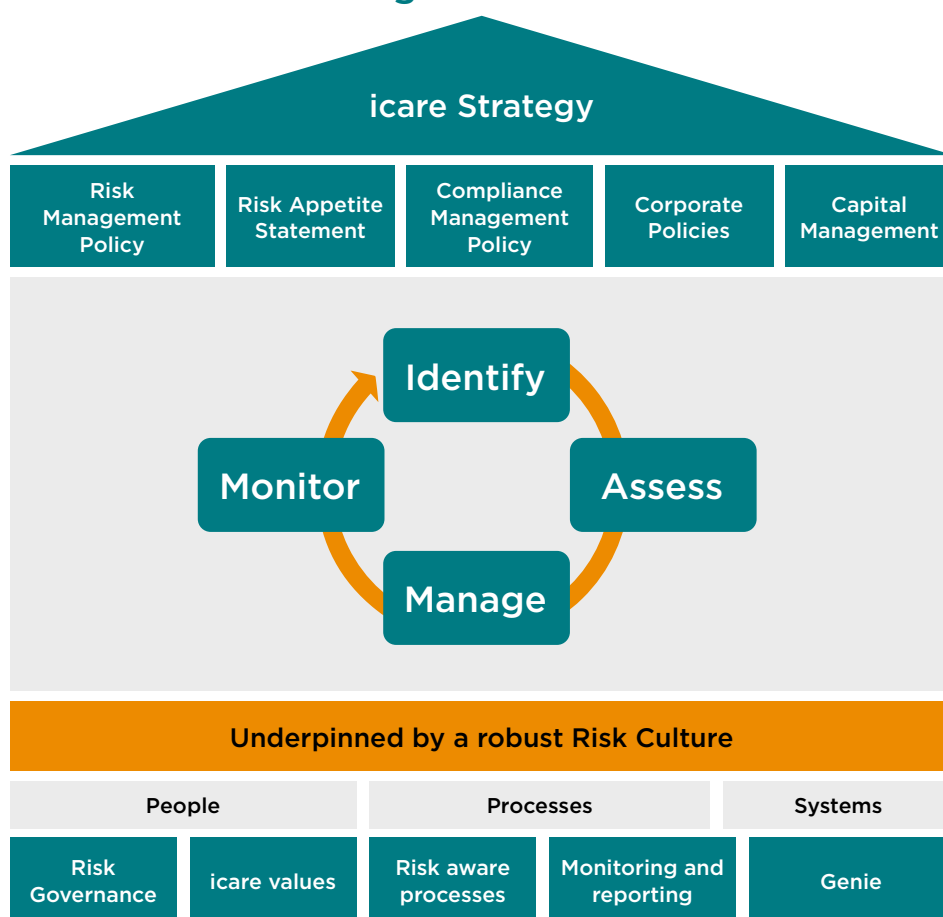
The RMF is appropriate to our size and complexity, and informed by better practices in risk management, including the principles of Australian Standard AS/NZS ISO 31000:2018 *Risk Management - Principles and guidelines (ISO3100:2018)*, TPP20-08 *Internal Audit and Risk Management Policy for the NSW Public Sector*, and the requirements of regulated insurance companies, as appropriate to icare and documented in the Australian Prudential Regulation Authority (APRA) prudential standard CPS 220 – Risk Management.

Our risks are managed through the three Lines of Defence (3LoD) model which drives an understanding of the roles of business functions, risk management and compliance functions, and independent assurance functions such as internal audit in managing risk. 3LoD enhances the understanding of risk management and control by clarifying roles and duties. When the three lines are appropriately structured with no gaps in coverage, the organisation's risks have an increased likelihood of being effectively managed.



Our risk management framework is the totality of structures, systems, and processes within our organisation that help us to identify, assess, respond, monitor, report and/or communicate all internal and external sources of risk, that could have a material impact on operations. The key components of the framework are shown in the following diagram.

Risk Management Framework



Risk culture

A healthy risk culture is critical to the effective management of risk in any organisation, and we seek to positively influence a risk aware culture and risk-based decision making.

While our formal measurement framework is in development, our risk culture is driven by the Group Executive Team with support from the Risk team, with a focus on ensuring staff awareness of risk and compliance obligations, providing the tools and knowledge to enable them to meet these obligations, and ensuring visibility of when obligations are not being met so appropriate action can be taken.

During FY2020-21, an internal, independently managed Speak Up Hotline for employees was established for the reporting of any suspected wrongdoing, issue escalation and grievance handling. The following policies and processes have been reviewed to help our people make better risk-based decisions:

- Fraud and Corruption Control Policy
- Business Continuity Management Policy
- Material Outsourcing Policy
- Policy Governance Framework
- Incident and Issue Management and Reporting
- Procurement Process development
- Public Interest Disclosures (PIDs)
- Speak up and Reporting Wrongdoing Policy
- Privacy Policy
- Privacy Management Plan
- Gifts and Benefits Policy and Process
- Travel Policy and Process

Risk reporting

The Board's Audit and Risk Committee (ARC) undertakes regular assessments of the effectiveness of our RMF, and the robustness of our control environment, to assist the Board in fulfilling its corporate governance and oversight responsibilities.

Our quarterly reporting to the Committee includes a summary of information obtained from the independently managed Speak Up Hotline, and our Risk Appetite Dashboard, which measures performance relative to the Board's RAS. The RAS, supported by appropriate governance infrastructure, establishes acceptable risk thresholds for our operations. Together with the RMF, this informs our business planning cycle. An integral part of the regular business plan performance process and a key governance document, it is responsive to changing market challenges and opportunities. It guides management in material decision-making and provides the Board with periodic assurance, via the CEO (or nominated representative), that its risk appetite requirements are being met. This reporting contributes to our implementation of recommendation 15 from the McDougall Review, and recommendation 44 from the GAC Review. The RAS and the RMF are both updated in line with changing requirements and emerging experience, and subject to annual review and approval by the Board.

An attestation statement confirming outlining icare's compliance with the NSW Government Cyber Security Policy is provided at Appendix 15.

Business continuity

We are committed to ensuring that our critical business processes can continue should a serious disruptive event disrupt normal business activity. Our approach and methodology for our Business Continuity Management Plan aligns with the best practice approaches outlined in:

- International Standard ISO 22301 – Societal Security – Business – Business Continuity Management Systems – Requirements;
- International Standard ISO 22313 – Societal Security – Business Continuity Systems Guidance; and
- APRA's Prudential Standard CPS 232 Business Continuity Management

This means having business continuity plans, systems and capabilities in place to ensure we can respond to and recover from any interruption, including but not limited to a response that covers people, facilities, equipment, information technology, telecommunications and suppliers. icare's priorities for business continuity, crisis management and resilience continue to be safety, security and service delivery.

We have continued to deliver services to our stakeholders throughout COVID-19. Our response to the pandemic saw no disruption to the services provided to injured workers and participants, employers, or our partners across the NSW Government. Proactive preparations and ongoing impact assessments have taken place throughout the year to protect the health and wellbeing of our staff, and ensure our services continue to support our customers with as little disruption as possible. Our key activities have included:

- adopting a flexible working-from-home approach to business-as-usual, to ensure employees feel safe wherever they work, and are supported by technology and equipment needs;
- continually improving business continuity plans, including implementing an enhanced process to identify critical functions and assess the impact of disruptions to icare, and to our customers;
- identifying and assessing the materiality of our outsourced arrangements and ensuring collaboration with our partners to build joint resilience;
- ensuring staff and customers are kept informed via regular communications; and
- conducting ongoing assessments of our risk profile and actions planning.

Public interest disclosures

During FY2020-21, icare reviewed and updated our Reporting Wrongdoing Policy, which is available to all employees on our intranet. In line with our values, our CEO has acted to ensure employees are aware of their rights and responsibilities under the *Public Interest Disclosure Act 1994* through induction, online compliance training and internal communications.

Information on disclosures made during the year is provided at Appendix 16.

Health, Privacy and Personal Information applications

All NSW public sector agencies are required to manage personal and health information in accordance with the *Privacy and Personal Information Protection Act 1998* (PPIP Act) and *Health Records and Information Privacy Act 2002* (HRIP Act). This includes all types of records in any format, including hard copy and electronic documents; data in business information systems; records of verbal decisions; and objects such as photographs, maps, evidence and samples. In the course of carrying out icare's functions, personal and health information about individuals is routinely collected, retained, used and disclosed.

icare provides voluntary notifications to the NSW Privacy Commissioner of privacy-related matters that do not involve or result in an application for review of conduct, and of our responses to those matters.

icare continues to promote privacy through communication with employees and stakeholders, including service providers. We have maintained our focus on uplifting privacy maturity and capability, including in relation to our scheme agents, by actively engaging with them to provide guidance on privacy management.

icare's Privacy Management Plan, which guides staff in the management of personal and health information, was refreshed in March 2021 and can be accessed on our website. We continue to consider privacy issues in the development and continuous improvement of systems, policies, procedures and guidelines, with particular emphasis on the collection and use of personal information and the development of best practice systems.

Details of applications for information received during FY2020-21 are provided at Appendix 17.

Government Information (Public Access) applications

icare is committed to ensuring the public's right to information is managed in accordance with the *Government Information (Public Access) Act 2009* (GIPA Act) and *Government Information (Public Access) Regulation 2009* (GIPA Regulation), and that responses to other requests for information are handled effectively.

The GIPA Regulation specifies a number of reporting requirements of NSW Government agencies, including icare, regarding applications received under the GIPA Act.

Clause 8(a) of the GIPA Regulation requires that icare provide qualitative information on whether a review of our proactive release program has been undertaken, and what information was made publicly available. We reviewed and updated our Agency Information Guide, and a review of our programs is underway, to ensure information that is in the public interest and assists people with access to services is made publicly available via our website. We are proactive in providing information about major plans and services to individuals, families and carers, and service providers. A range of information is released via our website; such as policies, reports and statistical information, fact sheets and newsletters, and other resources.

As required under Part 3 Division 5 of the GIPA Act, we maintain a register of contracts that are valued at, or are likely to have a value of, \$150,000 or more. Details of such contracts are published and made publicly available through the NSW Government eTendering website.

Details of applications for information received are provided at Appendix 17.

icare insurance activities

icare's Treasury Managed Fund (TMF) insurance contributions for FY2020-21 totalled \$995,498 across workers compensation, property, liability, motor and miscellaneous categories. Our Directors' and Officers' liability insurance premium for FY2020-21 was \$73,237 for two months. This insurance was then transferred to TMF and folded into Legal Liability insurance. The overall insurance contributions are higher than the previous year due to a change in the pricing methodology plus an increase in permanent employee numbers at icare, as we converted contingent workers to permanent arrangements.

Internal Audit and Risk Management Attestation Statement for the 2020-2021 Financial Year for Insurance and Care NSW (icare)

We, the icare Board, are of the opinion that icare 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 Requirements		
Risk Management Framework		
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Non-compliant
Internal Audit Function		
2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant
Audit and Risk Committee		
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

Membership

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

- Chair - Michael Cameron - 18 February 2021 to 18 February 2024
- Independent Member - Elizabeth Carr - 15 May 2021 to 14 May 2022
- Independent Member - Lisa McIntyre - 15 February 2021 to 14 February 2022
- Independent Member - John Walsh - 18 February 2021 to 18 February 2024

Independent members Elizabeth Carr and Lisa McIntyre were reappointed to the Audit & Risk Committee in line with their icare Board reappointments in early 2021..

Departures from Core Requirements

We, the icare Board, advise that the internal audit and risk management processes for icare depart from the following Core Requirements set out in the Internal Audit and Risk Management Policy for the General Government Sector.

icare has implemented the following practicable alternative measures to meet the Core Requirements.

Departure	Reason for departure and description of practicable alternative measures implemented/being implemented
Non-Compliance	
Core Requirement 1.2	<p>During the year to 30 June 2021, the agency commissioned an independent review of governance, accountability and culture, to help us drive the improvement of the organisation, and to address one of the recommendations in the 21-point action plan issued by SIRA in late 2019.</p> <p>The independent review was conducted by PwC and resulted in the Independent Review of icare's Governance, Accountability and Culture (GAC Review).</p> <p>The Treasurer also commissioned the <i>icare and State Insurance and Care Governance Act 2015 Independent Review</i> conducted by the Hon Robert McDougall QC (McDougall Review). The GAC Review reported into the McDougall Review, which endorsed the GAC Review's recommendation in relation to icare's risk management framework.</p> <p>The GAC Review highlighted that the agency's risk and governance systems and culture needed to change and made a number of recommendations in relation to the risk management framework of icare.</p> <p>The agency welcomed both reports and had already acted on many of the issues highlighted and commenced a program of change to address the core outcomes of the reports. Key changes included a new more accountable leadership team that brought in new thinking, reduced complexity, and evolved the organisation. The leadership team have three key focuses:</p> <ul style="list-style-type: none"> • Improving risk and governance—to meet community and regulatory expectations; • Improving performance—particularly 'return-to-work' and reducing internal costs; and • Driving an accountable culture—particularly for our leaders. <p>By 30 June 2021, the agency had reviewed the areas across the organisation that needed improvement, including risk and governance, performance and culture and accountability and established a detailed program to meet all recommendations and findings of the McDougall Review and GAC Review.</p> <p>The change is significant, and is being undertaken with the highest priority, however it will take time to see all of the benefits. Accordingly, the Board has determined that it is not possible for Insurance and Care NSW (icare) to attest to being Compliant to Core Requirement 1.2 for the whole reporting year, given the matters identified in both the GAC Review and the McDougall Review.</p> <p>As at 30 June 2021, the agency is compliant with Core Requirement 1.2, except in respect of the operational elements of "risk management integration" and "risk management culture" where the agency believes that further action is needed over the course of the next year to fully embed the improved risk management framework. At which point, the agency considers that it will be fully compliant with Core Requirement 1.2. Until this time, operational risk management remains under an enhanced degree of scrutiny, oversight and supervision.</p>

These processes, including the practicable alternative measures being implemented, demonstrate that icare has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within icare.

Signed:



Date: 29 October 2021

**John Robertson, Chair,
for and on behalf of the Board,
Insurance and Care NSW**

Signed:



Date: 29 October 2021

**Richard Harding, Chief Executive Officer and
Managing Director, for and on behalf of the Board,
Insurance and Care NSW**

Contact Officer:

Tony Wessling, Group Executive, Strategy & Office of the CEO, Insurance and Care NSW, 321 Kent Street, NSW, 2000.



Statutory schemes

icare acts and provides services for a number of statutory insurance schemes. Under the 2015 Act, icare acts for and provides services to the Workers Compensation NI (WI). icare also provides services to a number of other NSW statutory insurance and care schemes and administers the statutory bodies operating these schemes. They are:

- the Workers Compensation (Dust Diseases) Authority (DDC);
- the Lifetime Care and Support Authority (Lifetime Care);
- the NSW Self Insurance Corporation (IfNSW);
- the Home Building Compensation Fund (HBCF);
- the Sporting Injuries Compensation Authority (Sporting Injuries Insurance); and
- the Building Insurers' Guarantee Corporation (BIG Corp).

The icare CEO is also the CEO of the above statutory bodies, all of which are governed by the Board.

icare's functions include monitoring the performance of the insurance and care schemes it provides services to. icare also determines the investment strategies for the funds administered by WI, DDC, Lifetime Care, and Sporting Injuries Insurance, as well as the Bush Fire Fighters' Compensation Fund and the Emergency and Rescue Workers' Compensation Fund, and reports to the Treasurer on the investment performance of each of these funds.

icare submits a Statement of Business Intent to the NSW Treasurer each year, which sets out our business plan for the next 12 months. The icare FY2020-21 Strategic Plan was a summarised version of icare's Statement of Business Intent, providing a summary of our strategy and execution plan.

Related entities

Disclosures in relation to controlled entities and subsidiaries, of which there were none in FY2020-21, are provided at Appendix 18 and 19 respectively.

Regulatory engagement

We have refreshed our approach to our regulatory engagement, particularly in relation to SIRA. Our key activities have included:

- meeting regularly with SIRA on matters within their scope of supervision, with particular emphasis on senior executive level engagement.
- providing SIRA with regular detailed reporting on the parts of our business it supervises.
- pro-actively notifying SIRA of matters of significance that may have a compliance concern or policy implication.
- striving to provide SIRA with timely responses to information requests that are outside of formal reporting arrangements.

We have established a dedicated team to manage requests from our regulators, including ensuring full co-operation with formal investigations and notices.

We take an active interest in ensuring the legislation and policies relating to the schemes we manage are fit for purpose and provide the proper settings to facilitate the best possible service to our customers.

Parliamentary inquiries

NSW Legislative Council Portfolio Committee No. 1 – Premier and Finance

The Portfolio Committee established its Budget Estimates inquiry for 2019-20 on 18 November 2020. The icare CEO attended public hearings on 29 August 2019 and 8 March 2020. Answers to Questions on Notice and Supplementary Questions were tabled following the hearings.

NSW Legislative Council Standing Committee on Law and Justice

The Law and Justice Committee is appointed under section 27 of the SICG Act, to provide oversight of the operation of the insurance schemes established under the State's workers compensation and motor accidents legislation. The Committee held or completed the following inquiries during FY2020-21:

- Law and Justice 2020 WC Review – the review commenced on 18 March 2020. The Committee published 25 submissions and held eight public hearings. Current and former icare Board members, CEOs and senior executives were called to appear at hearings on 3 August, 24 August, 9 September, 13 November, 1 December and 2 December 2020. Answers to Questions on Notice and Supplementary Questions were tabled following the hearings. The Committee's final report was published on 30 April 2021 and contained nine recommendations.
- 2020 Review of the Lifetime Care and Support scheme – the review commenced on 21 September 2020. The Committee received four submissions and held two public hearings, and icare's CEO and senior executives appeared on 26 May 2021. Answers to Questions on Notice were tabled following the hearing. The Committee's final report was published on 30 July 2021 and contained no recommendations.
- 2020 Review of the Compulsory Third Party insurance scheme – the review commenced on 21 September 2020. The Committee received 10 submissions and held two public hearings, and icare's CEO and senior executives appeared on 26 May 2021. Answers to Questions on Notice were tabled following the hearing. The Committee's final report was published on 30 July 2021 and contained one recommendation.

NSW Legislative Council Select Committee

A Select Committee was established on 24 March 2020 to inquire into and report on the impact of technological and other change on the future of work and workers in NSW (i.e. gig economy workers). The Committee held a public hearing on 16 November 2020, at which members of the icare Executive and leadership team appeared. Answers to Questions on Notice were tabled following the hearing. Further hearings planned for July and August 2021 did not proceed due to COVID-19 restrictions.

Statutory and other independent reviews

Independent review of the *State Insurance and Care Governance Act 2015* (the McDougall Review)

On 4 August 2020, the NSW Treasurer and Minister for Customer Service announced that the Treasurer's five-year review of the SICG Act, which is required under section 32 of the SICG Act, would be brought forward. The McDougall Review's terms of reference included a comprehensive organisational review of icare, a review of the Government-managed workers compensation schemes – the NI and Treasury Managed Fund (TMF) and supporting legislative framework, and a section 32 statutory review of the SICG Act.

icare participated fully in the review, and provided approximately 600 documents to Mr McDougall, guided by his specific requests. We liaised and worked closely with the advisory providers engaged to support the review and provided over 3,000 documents for their analysis. The final report was published on 30 April 2021 and contained 49 recommendations. Of these, there are 30 that icare is able to and is acting on. We accept and agree with these recommendations are in the process of implementing them.

In addition to the recommendations from the McDougall review, icare is responding to 125 recommendations from a number of supporting reviews, including 76 from the GAC Review, commissioned by the icare Board; and nine from Ms Janet Dore's *Independent compliance and performance review of the workers compensation Nominal Insurer managed by icare*, commissioned by SIRA.

Recommendations being actioned from independent reviews commissioned as part of the McDougall Review include one from the *Independent review of icare – financial sustainability*, conducted by Cumpston Sarjeant; 19 from a *review of icare's governance, Board effectiveness and accountability* by Effective Governance; and 21 from the *Independent review of icare – probity and procurement* by RSM Australia.

Significant judicial decisions

The following decisions affecting the NI and Lifetime Care were handed down during FY2020-21.

Nominal Insurer

In *Meat Carter Pty Ltd v Melides* [2020] NSWCA 307, the Court of Appeal handed down its decision on 26 November 2020 and accepted the NI's argument that a worker with highest needs is only entitled to the special weekly payment rate provided in section 38A of the *Workers Compensation Act 1987* (1987 Act) from the date of the Medical Assessment Certificate breaching the 30 per cent whole person impairment, and not before.

In *Edwards v Virgin Blue International Pty Limited* [2020] SASFC 98, the mother of the deceased worker brought a claim for damages for nervous shock in South Australia on the basis she suffered psychological harm when told of her son's death in her home State. Such a claim would not be possible if lodged in NSW (under section 151AD of the 1987 Act). The Supreme Court of South Australia found that the 1987 Act did not prevent the parent's nervous shock claim. The NI's Special Leave application to appeal the decision of the Supreme Court of South Australia was denied at a hearing before the High Court on 21 May 2021. The mother's claim for damages will now be assessed under South Australian law before the South Australian Magistrates Court. No further claims for nervous shock relying on this matter have been identified.

Theoret v Aces Incorporated [2021] NSWCA 3 involved the interpretation of legislative amendments to the 1987 Act in 2012, and specifically indexation of entitlements to weekly payments pursuant to section 82A of the 1987 Act by the NSW Court of Appeal. On 2 February 2021, the Court of Appeal found the worker was entitled to indexing of her weekly compensation benefits from the date of her first entitlement in 2003, even though this pre-dated the existence of section 82A of the 1987 Act. Remediation for arrears payments for indexation that might be owed on other impacted claims is currently being actioned by icare.

Lifetime Care

In *AAI Limited t/as Suncorp Insurance v Lifetime Care and Support Authority of New South Wales* [2021] NSWSC 64, the Supreme Court of NSW determined that Lifetime Care had not asked the correct questions in determining whether an extension of time should be granted in relation to an application for participation in the Lifetime Care Scheme. There are two questions to be asked when considering such applications: firstly, whether a 'full and satisfactory' explanation for the delay in making the application has been provided; and secondly, whether granting an extension of time would cause significant or irreparable prejudice to the injured person.

Remuneration Governance

Salaries and allowances

In FY2020-21, we applied the NSW Public Sector Wages Policy 2021 to the Insurance and Care NSW Award (the icare Award), and accordingly, increased salaries and salary-related allowances for those covered under the icare Award by 0.3 per cent. Aside from consent variations to the icare Award, the services of the Industrial Relations Commission of NSW have not been required to address any matters of concern or difference.

Board	
The Board has overall responsibility for the remuneration framework and policy. The Board reviews and, as appropriate, approves recommendations from the People and Remuneration Committee as well as approving contractual arrangements for the CEO and Managing Director.	
People and Remuneration Committee	
<p>The People and Remuneration Committee reviews and recommends for approval to the Board on:</p> <ul style="list-style-type: none"> • Employee remuneration framework and policy. • Performance assessment process and payment schemes. • CEO and Managing Director remuneration including incentives. • Organisation-wide performance objectives and measures. • CEO performance objectives and outcomes. 	<p>The People and Remuneration Committee approves:</p> <ul style="list-style-type: none"> • Group Executive Team performance assessment and outcomes. • Group Executive team remuneration. • The payment amount of incentives for employees (except for the CEO and Managing Director) <p>The People and Remuneration Committee provides information and advice to the Board on remuneration matters.</p>
CEO and Managing Director	External advisors
Makes recommendations to the People and Remuneration Committee on the Group Executive Team remuneration, performance scorecard and performance assessment.	Provide independent advice to the People and Remuneration Committee on remuneration for the CEO and Managing Director and Group Executive Team.

Our remuneration framework and policy has been designed to attract and retain the best people to deliver our strategic and operational objectives, and is guided by the following principles:

- Strategic alignment – attract and retain executive talent to deliver on our strategy.
- Fair and equitable – market competitive and internally equitable.
- Performance-linked – rewards superior performance for achievement of objectives.
- Values and behaviour-driven – support behaviours aligned to our icare values.
- Simple to understand – simple to explain, administer and operationally efficient.
- Commercial – deliver value and affordability; strongly linked to our financial performance.

Our Remuneration Policy is reviewed every two years by the People and Remuneration Committee and an external independent remuneration consultant, and was most recently reviewed by the People and Remuneration Committee and EY in August 2019. It is due for further review in FY2021-22.

The remuneration of the CEO and Managing Director and Group Executive Team is set by the icare Board and People and Remuneration Committee respectively. The remuneration of all other icare employees engaged on an individual employment agreement (IEA) is delegated by the Board to the CEO and Managing Director. Remuneration decisions are made in accordance with staff delegations.

The *Government Sector Employment (Senior Executive Bands) Determination 2014* (GSE ACT) does not apply to icare. The same exemption applies for State Owned Corporations and TCorp.

As part of icare's Improvement Program following the McDougall Review, and other external reviews, we are improving our remuneration and performance management frameworks with specific focus on transparency, accountability and reporting.

The McDougall Review found that icare is one of the few government agencies that exceeds its legal reporting obligations in reporting executive remuneration in its annual report.

Remuneration components

The icare Board and People and Remuneration Committee set a remuneration policy, which establishes how staff employed under an IEA are paid. For these staff, our remuneration framework comprises fixed remuneration that includes superannuation, and variable remuneration in the form of an Annual Performance Plan (APP) in which many of our senior leaders participate.

Fixed remuneration considers skills, experience, performance and where appropriate, the market. Our benchmarking targets fixed remuneration against the market median for comparable roles in the industries from which we recruit talent. As a result, we primarily benchmark remuneration to the Aon Hewitt General Insurance surveys, and other relevant specialist surveys, such as the Aon Hewitt IT Survey.

icare is subject to the NSW Public Sector Wages Policy that establishes the parameters within which icare determines aggregate remuneration increases for executives. In FY2020-21, a decision was made not to increase the fixed remuneration of icare executives.

Variable remuneration is provided through the APP. Only some IEA employees are eligible for an APP. The Group Executive Team are eligible to receive a maximum of 40 per cent of fixed remuneration at target performance, while the CEO and Managing Director is eligible for a maximum of 50 per cent of fixed remuneration at target performance. Recommended annual performance payments are based on an assessment of employee performance against approved performance objectives, directly linked to the delivery of our strategic plan. We take a balanced scorecard approach, which this year included consideration of customer experience, employee sentiment, delivery of change initiatives, RTW rate, continuance rates, financial performance, risk and compliance, and prevention initiatives. The icare scorecard and outcomes for FY2020-21 are provided under the Our performance section of this report.

Performance outcomes are also assessed against employees' demonstration of the icare values, and risk awareness and compliance. All annual performance payments are discretionary and subject to People and Remuneration Committee approval, and may be reduced, including to zero, if requirements are not met. The CEO and Managing Director's performance is evaluated by the icare Board, and any recommended performance payment is subject to endorsement by the People and Remuneration Committee and approval by the Board.

icare's performance is discussed in detail under the Our performance section of this report. As only three of the nine measures of the Performance Scorecard were met, the Board determined that no APP is payable for FY2020-21.

A long-term performance payment (LTPP) scheme was applicable for a small number of key senior executives, to ensure continuity and delivery of icare's transformation initiatives. These payments were discretionary and subject to approval by the icare Board. No long-term performance payments for the 2019-21 period, or grants for the 2021-23 period, were made and the Board has determined to suspend the LTPP scheme.



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Appendix 1 – Important terminology

Insurance Ratio (Economic Funding Ratio): the ratio of scheme assets to scheme liabilities, where the scheme liabilities allow for the time value of money that is reflective of the scheme's investment assets.

Net result: The net result is underwriting result and investment income earned on assets, i.e. net result equals underwriting result plus investment income.

Pricing always allows for the investment income. These investments ensure employer funds work harder to keep premiums lower than would otherwise be the case.

Probability of Adequacy (PoA): A statistical measure of the level of confidence that the outstanding claims liability will be sufficient to meet claims as and when they fall due. A 75 per cent PoA is the standard measure, used across Australia including by the Australian Prudential Regulatory Authority (APRA) and SIRA, to indicate that an insurer has 75 per cent confidence that the assets will be sufficient to meet outstanding claims liabilities as they fall due in the future. icare has aligned with the APRA and SIRA measure. Liabilities are valued at the 80 per cent PoA in Volume 2 (financial statements).

Underwriting result: icare measures the financial outcomes of its underwriting (or insurance) decisions via an 'underwriting result'. This term is a financial measure common across the insurance industry in Australia. The underwriting result consists of:

- i. the price that is charged to customers (which is largely a cash movement);
- ii. less the cost of running the Scheme (which is largely settled in cash); and
- iii. less the cost of the claims - this includes claims paid in the year, though is mostly made up of an estimate of claim payments that will emerge in the future from policies issued that year or from movements in expected future claim payments for policies written in previous years (referred to as prior accident years). This future claim payments estimate is recognised in the financial accounts immediately even though it is only an estimate. If interest rates fall or medical costs increase, then the estimated value of these future claims is increased significantly – even though none of them have been paid yet – hence a paper loss is recognised even though no money has left the door.

No cash has been lost yet on the future claims and if experience can improve, then this can be reversed.

Appendix 2 – Overseas travel

icare had zero spend on overseas travel, and there was no overseas travel undertaken, in FY2020-21.

Appendix 3 – Consultants

icare consultants - FY2020-21

Supplier	Description of Service	Total (\$)
PRICEWATERHOUSE COOPERS CONSULTING	Independent review of culture governance and accountability	810,087
PRICEWATERHOUSE COOPERS CONSULTING	Post Implementation Review of Claims Services Model	312,228
DELOITTE TOUCHE TOHMATSU	Assessment of the data mastering and data integrity capabilities across icare core technology platforms.	293,671
DELOITTE TOUCHE TOHMATSU	Review Of PIAWE Program	258,685
IT NEWCOM PTY LIMITED	Review of Technology business unit Operating Model	241,925
PROTIVITI PTY LIMITED	Review of risk incident management process	220,000
PRICEWATERHOUSE COOPERS	Support icare Foundation 5 year evaluation	208,000
KPMG	"Qlik" Dashboard Review	194,700
PRICEWATERHOUSE COOPERS CONSULTING	Claims Service Model Implementation	178,200
DELOITTE TOUCHE TOHMATSU	Advice on Government Sector Finance Act implications on the Financial Statements	151,000
MARSH PTY LTD	Prevention program for employers to improve work, health and safety outcomes	147,550
GRIFFITH UNIVERSITY	Prevention activities "Train the Trainer" - Respect & Resilience Program	130,000
AUB GROUP LIMITED	Prevention program for employers to improve work, health and safety outcomes	126,750
UPFRONT THINKING	icare Foundation - Identifying priority innovation areas	120,000
FRAZER WALKER PTY LTD	Technology Data Migration Program review Technology Strategy and Roadmap	109,000
ERNST & YOUNG	Procurement Process Review	119,509
ERNST & YOUNG	Remuneration Framework	104,095
FRANKLIN SHANKS PTY LTD	Accommodation Strategy including lease negotiation and review of Heads of Agreement	95,155
INFOSYS TECHNOLOGIES LIMITED	Technology Vendor Review - "Value for Money" assessment	91,485
FRAZER WALKER PTY LTD	Technology Architecture review	76,500
ERNST & YOUNG	Internal Audit Operating Model review	75,000
GROSVENOR PERFORMANCE GROUP PTY LTD	Review of Sourcing processes	67,580
KPMG	Enterprise Data Warehouse Architecture Simplification	66,445

Supplier	Description of Service	Total (\$)
KPMG	Expense Ratio benchmarking	58,400
THE TRUSTEE FOR JOHN TROWBRIDGE	Independent review of RTW Metric and NI's Performance	56,000
PRICEWATERHOUSECOOPERS	Executive Remuneration benchmarking	55,000
Total greater than \$50,000		4,366,965
	Community Engagement	153,249
	Finance and Accounting/Tax	26,250
	Human Resources	8,448
	Information Technology	144,193
	Organisational Review	125,289
	Training	3,000
	Work Health and Safety	6,909
Plus 31 consultants \$50,000 or under		467,337
Total		4,834,302

1. The consultancy spend presented in this appendix provides a comprehensive view of the arrangements between icare and third party suppliers for consultancy services. All arrangements listed are reported expenditure in icare and scheme financial statements, across various line items. Our Annual Report FY2020-21 was prepared according to the *Annual Reports (Statutory Bodies) Act 1984* and reporting requirements issued by the NSW Treasury. All icare contracts can be found on the NSW eTendering website.

icare actuarial fees - FY2020-21

Supplier	Description of Service	Total (\$)
FINITY CONSULTING PTY LTD	Actuarial Services under contract for IfNSW	4,310,344
FINITY CONSULTING PTY LTD	Actuarial Services under contract for WI	2,754,980
PRICEWATERHOUSE COOPERS CONSULTING	Actuarial Services under contract for IfNSW	819,022
PRICEWATERHOUSE COOPERS CONSULTING	Actuarial Services under contract for Lifetime Care	499,101
PRICEWATERHOUSE COOPERS CONSULTING	Actuarial Services under contract for WI	307,247
PRICEWATERHOUSE COOPERS CONSULTING	Actuarial services under contract for Home Building Compensation Fund	269,423
PRICEWATERHOUSE COOPERS CONSULTING	Actuarial Services under contract for DDC	250,015
TAYLOR FRY CONSULTING ACT	Actuarial Services – Secondment	213,200
THE TRUSTEE FOR JOHN TROWBRIDGE	Provision of Actuarial Advisory Services	94,500
FINITY CONSULTING PTY LTD	WI & IfNSW COVID-19 reporting and support	65,000
PRICEWATERHOUSE COOPERS CONSULTING	Actuarial Services under contract for Sporting Injuries Compensation Authority	54,146
Total greater than \$50,000		9,636,978
	Finance and Accounting/Tax	17,954
Plus 3 Actuarial Fees \$50,000 or under		17,954
Total		9,654,932

1. The consultancy spend presented in this appendix provides a comprehensive view of the arrangements between icare and third party suppliers for consultancy services. All arrangements listed are reported expenditure in icare and scheme financial statements, across various line items.

Our Annual Report FY2020-21 was prepared according to the *Annual Reports (Statutory Bodies) Act 1984* and reporting requirements issued by the NSW Treasury. All icare contracts can be found on the NSW eTendering website.

Appendix 4 – Accounts payable performance

The following tables detail icare's performance in relation to invoices paid for corporate expenses. Supplier payment days are calculated from the day the Accounts Payable function receives a validly rendered supplier invoice, to the day the invoice is processed for payment.

Insurance and Care NSW (icare)

Accounts outstanding to suppliers at end of month

2020/21	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Current	\$30,568,163	\$1,841,668	\$4,058,565	\$61,003,189
<30 days overdue	\$0	\$0	\$0	\$101,382
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at end of month

2020/21	2020/21 Total	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Number of accounts paid	4,986	1,373	1,210	1,057	1,346
Number accounts paid on-time	4,977	1,373	1,210	1,056	1,338
% accounts paid on-time (based on number of accounts)	99.82%	100%	100%	99.91%	99.41%
Dollar amount of accounts due for payment	\$687,682,526	\$139,936,928	\$245,836,997	\$149,156,675	\$152,751,926
Dollar amount of accounts paid on-time	\$687,380,796	\$139,936,928	\$245,836,997	\$149,148,579	\$152,458,292
% of accounts paid on-time (based on \$)	99.96%	100%	100%	99.99%	99.81%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0	\$0

Workers Compensation

Accounts outstanding to suppliers at end of month

2020/21	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Current	\$2,264,237	\$694,546	\$3,390,474	\$4,993,220
<30 days overdue	\$0	\$0	\$0	\$143,739
>30 & <60 days overdue	\$0	\$0	\$0	\$1,321
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at end of month

2020/21	2020/21 Total	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Number of accounts paid	2,361	703	623	593	442
Number accounts paid on-time	2,353	703	623	591	436
% accounts paid on-time (based on number of accounts)	99.66%	100%	100%	99.66%	98.64%
Dollar amount of accounts due for payment	\$699,262,647	\$185,019,813	\$228,240,451	\$137,136,661	\$148,865,723
Dollar amount of accounts paid on-time	\$698,770,453	\$185,019,813	\$228,240,451	\$137,047,754	\$148,462,435
% of accounts paid on-time (based on \$)	99.93%	100%	100%	99.94%	99.73%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0	\$0

Treasury Managed Fund

Accounts outstanding to suppliers at end of month

2020/21	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Current	\$606,260	\$0	\$0	\$7,700
<30 days overdue	\$0	\$0	\$0	\$0
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at end of month

2020/21	2020/21 Total	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Number of accounts paid	312	130	91	30	61
Number accounts paid on-time	312	130	91	30	61
% accounts paid on-time (based on number of accounts)	100%	100%	100%	100%	100%
Dollar amount of accounts due for payment	\$307,551,449	117,315,783	64,875,329	99,529,416	\$25,830,920
Dollar amount of accounts paid on-time	\$307,551,449	117,315,783	64,875,329	99,529,416	\$25,830,920
% of accounts paid on-time (based on \$)	100%	100%	100%	100%	100%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0	\$0

Lifetime Care and Support

Accounts outstanding to suppliers at end of month

2020/21	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Current	\$98,537	\$0	\$11,153	\$248,473
<30 days overdue	\$0	\$0	\$0	\$0
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at end of month

2020/21	2020/21 Total	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Number of accounts paid	335	86	88	77	84
Number accounts paid on-time	335	86	88	77	84
% accounts paid on-time (based on number of accounts)	100%	100%	100%	100%	100%
Dollar amount of accounts due for payment	\$12,664,843	\$2,120,184	\$2,969,046	\$4,860,192	\$2,715,421
Dollar amount of accounts paid on-time	\$12,664,843	\$2,120,184	\$2,969,046	\$4,860,192	\$2,715,421
% of accounts paid on-time (based on \$)	100%	100%	100%	100%	100%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0	\$0

Dust Diseases Authority

Accounts outstanding to suppliers at end of month

2020/21	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Current	\$1,650	\$71,500	\$275,131	\$57,559
<30 days overdue	\$0	\$0	\$0	\$0
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at end of month

2020/21	2020/21 Total	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Number of accounts paid	168	47	56	32	33
Number accounts paid on-time	168	47	56	32	33
% accounts paid on-time (based on number of accounts)	100%	100%	100%	100%	100%
Dollar amount of accounts due for payment	\$13,699,650	\$1,628,694	\$5,361,248	\$3,277,459	\$3,432,249
Dollar amount of accounts paid on-time	\$13,699,650	\$1,628,694	\$5,361,248	\$3,277,459	\$3,432,249
% of accounts paid on-time (based on \$)	100%	100%	100%	100%	100%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0	\$0

Sporting Injuries

Accounts outstanding to suppliers at end of month

2020/21	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Current	\$0	\$0	\$0	\$0
<30 days overdue	\$0	\$0	\$0	\$0
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at end of month

2020/21	2020/21 Total	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Number of accounts paid	15	5	4	1	5
Number accounts paid on-time	15	5	4	1	5
% accounts paid on-time (based on number of accounts)	100%	100%	100%	100%	100%
Dollar amount of accounts due for payment	\$347,798	\$14,346	\$307,458	\$2,392	\$23,602
Dollar amount of accounts paid on-time	\$347,798	\$14,346	\$307,458	\$2,392	\$23,602
% of accounts paid on-time (based on \$)	100%	100%	100%	100%	100%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0	\$0

Building Insurers' Guarantee Corporation

Accounts outstanding to suppliers at end of month

2020/21	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Current	\$4,950	\$0	\$0	\$0
<30 days overdue	\$0	\$0	\$0	\$0
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at end of month

2020/21	2020/21 Total	September 2020 Quarter	December 2020 Quarter	March 2020 Quarter	June 2021 Quarter
Number of accounts paid	7	3	3	0	1
Number accounts paid on-time	7	3	3	0	1
% accounts paid on-time (based on number of accounts)	100%	100%	100%	100%	100%
Dollar amount of accounts due for payment	\$6,296,451	\$15,087	\$6,257,471	\$0	\$23,893
Dollar amount of accounts paid on-time	\$6,296,451	\$15,087	\$6,257,471	\$0	\$23,893
% of accounts paid on-time (based on \$)	100%	100%	100%	100%	100%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0	\$0

Appendix 5 – Land disposal

The organisation did not dispose of any land or properties in FY2020-21.

Appendix 6 – Consumer response

We monitor customer complaints and feedback data throughout the year and design initiatives to address concerns raised. We continue to develop a more integrated view of complaints data to enable us to leverage insights in our decision making, and as our complaints management process matures, we will continue to create more comprehensive and consistent reporting across the organisation.

We view complaints as opportunities to improve how we serve our customers and are on a journey to build a culture where complaints are viewed as a valuable source of insight to improve the overall customer experience. Our Customer Experience team supports and helps drive customer centricity across the organisation by empowering decisionmakers with the right customer insight at the right time.

Our Improvement program includes a number of initiatives focused on customer insights and complaints, including improving our reporting of complaints data. Further detail is provided in the Our performance section of this report.

Workers Compensation complaints

Complaints information for our operations in the workers compensation scheme includes those relating to policies as well as claims. Complaints are received from various parties, including employers, brokers, workers, legal representatives, service providers. The table below shows complaints managed by claims service providers, and those received directly by icare.

Workers Compensation underwriting

Policy	Total complaints	Top 3 complaint categories	Average business days to resolve
Complaints about the issue, billing, renewal or cancellation of a WI policy. This data includes complaints made to SIRA if the insurer has been asked to directly resolve with the customer.	13,857	<ul style="list-style-type: none">• Process• Service Delivery• Communication	2
Commentary: The volume of complaints relating to WI policies received in financial year 20/21 are a 46% reduction on the previous financial year.			

Workers Compensation underwriting

Claims	Total Complaints
Complaints about workers compensation claims (as outlined below)	5,884

Frontline – resolved by NI claims service providers

Claims complaints	Total complaints	Top 3 complaint categories	Average business days to resolve
Complaints resolved by frontline staff at claims service providers and the icare claims operations team (Tier 1A), including complaints escalated to team leaders (Tier 1B)	570	<ul style="list-style-type: none"> • Communication • Decision • Cost/Payment/Benefit 	5
Commentary: Please note that these frontline complaints are those recorded in Salesforce CRM only and may not reflect all complaints received in the financial year, which may be underreported at the frontline. EML manages the highest proportion of claims and comprised 86% (447 complaints) of frontline complaints recorded in Salesforce CRM, followed by Allianz (69) and GIO (5), Authorised Providers for the NI.			

Frontline – resolved by icare’s Complaints Resolution Team (Tier 2)

Claims complaints	Total complaints	Top 3 complaint categories	Average business days to resolve
Complaints made to icare Complaints Resolution Team. These complaints cannot be resolved by EML or other scheme agents’ frontline teams or were made directly to icare (Tier 2)	1402	<ul style="list-style-type: none"> • Cost/Payment/Benefit • Process • Decision 	5
Commentary: icare resolves complaints made directly to icare relating to claims. However, icare will firstly ensure that the claims service provider has been given opportunity to resolve the issue where possible. Most complaints are made to icare on its 13 99 22 phone line (631 complaints, 42%) or by email to WI Claims Enquiries: wiclaimsenquiries@icare.nsw.gov.au (504 complaints, 34%) or via the icare website (336 complaints, 22%).			

Referred by SIRA

Claims complaints	Total complaints	Top 3 complaint categories	Average business days to resolve
Complaints referred by SIRA and resolved by icare	418	<ul style="list-style-type: none"> • Cost/Payment/Benefit • Process • Decision 	25
Commentary: The majority of SIRA complaints are made by providers and employers, where complexity can affect the time taken to resolve. Complaints from providers comprise 61% (422 complaints) of SIRA complaints that were referred to icare to resolve. Approximately 95% of SIRA complaints relate to claims managed by EML (395 complaints), which manages the highest proportion of claims, with the remaining 5% managed by other claims service providers (Allianz and GIO).			

Referred by the Independent Review Office (formerly the Workers Compensation Independent Review Office)

Claims complaints	Total complaints	Top 3 complaint categories	Average business days to resolve
Complaints referred from the Independent Review Office (Tier 4) and resolved by icare	2813	<ul style="list-style-type: none"> Decision Cost/Payment/Benefit Process 	7
Commentary: icare is accountable for responding to NI complaints referred by IRO in consultation with the claims service provider. Claims managed by EML comprise 95% of IRO complaints (2760 complaints) with the remaining 5% relating to claims managed by Allianz (61 complaints), GIO (52 complaints) and QBE (27 complaints). This is proportional to claims volumes in the NI. This data only includes complaints and does not include enquiries made by IRO relating to claims, which are included in the Enquiries section below.			

Escalated and complex

Claims complaints	Total complaints	Top 3 complaint categories	Average business days to resolve
Complaints escalated to the icare Complex Complaints Management Team (Tier 3A)	681	<ul style="list-style-type: none"> Process Decision Cost/Payment/Benefit 	24
Commentary: Escalated and complex complaints generally require investigation and review of a claim, including liaison with stakeholders inside and outside icare. This can affect the average time taken to resolve. 55% of complaints are made by employers (373 complaints), with another 33% made by brokers (222 complaints). Injured workers comprise 10% of complaints (66 complaints) with the remaining complaints made by legal representatives, advocates and family members. Average business days to resolve is calculated by comparing complaints received and resolved in the financial year, excluding complaints that remain open at the end of FY 20-21 that will be resolved in FY 21-22.			

Insurance for NSW complaints

Claims Support Services

Claims complaints	Total complaints	Top 3 complaint categories	Average business days to resolve
Combination of complaints regarding claims managed under the NI (EML staff and uninsured liability) and volunteers (TMF)	26	<ul style="list-style-type: none"> Decision Cost/Payment/Benefit Other 	1
Commentary: icare's Claims Support Services team manages claims for EML employees and Uninsured Liabilities for the NI; and for volunteers covered under the Bush Firefighters Fund (BFF) and Emergency and Rescue Workers Compensation Fund (ERWF). The above data includes IRO and SIRA complaints relating to Claims Support Services-managed claims. Most complaints were referred from IRO (16 complaints, or 64%) with only a small number of complaints made to the team directly (5) or referred from SIRA (4).			

Insurance for NSW (IfNSW)

IfNSW outsources the management of policies and claims to relevant scheme agents. The complaints data reported below shows complaints managed by scheme agents and complaints received directly by icare. Complaints relate to both policy and claims.

Claims	Total complaints	Top 3 complaint categories	Average business days to resolve
<p>Complaints received directly by icare relating to IfNSW business division.</p> <p>Numbers represent a combination of complaints about Workers Compensation Claims for NSW Government Agencies, Construction Risk and general complaints made to the IfNSW division.</p>	176	<ul style="list-style-type: none"> • Process • Communication • Cost/Payment/Benefit 	11.64

TMF General Lines

Claims	Total complaints	Top 3 complaint categories	Average business days to resolve
<p>Complaints received by scheme agent and reported to icare relating to the management of claims under the Statement of Cover for Government Agencies</p>	143	<ul style="list-style-type: none"> • Service delivery • Communication • Decision 	3.76

Government Agencies

Claims	Total complaints	Top 3 complaint categories	Average business days to resolve
<p>Complaints received by scheme agents and reported to icare relating to Workers Compensation Claims for Government Agencies</p>	1280	<ul style="list-style-type: none"> • Customer Service • Liability • Treatment 	2.27

Home Building Compensation Fund complaints

The Home Building Compensation Fund (HBCF) outsources the management of claims and eligibility risk management to relevant scheme agents. The complaints data reported below shows complaints received directly by icare and scheme agents, and HBCF underwriting disputes.

Claims	Total complaints	Top 3 complaint categories	Average business days to resolve
Complaints resolved by frontline staff	262	<ul style="list-style-type: none"> • Decision • Service delivery • Process 	10

Lifetime Care and Support complaints

During FY2020-21, the majority of complaints received by Lifetime Care and Support were directly from participants.

Level 1

Claims	Total complaints	Top 3 complaint categories	Average business days to resolve
Complaints resolved by frontline staff	252	<ul style="list-style-type: none"> • Service Delivery • Communication • Guidelines/ Legislation 	2

Level 2

Claims	Total complaints	Top 3 complaint categories	Average business days to resolve
Escalated complaints that were unable to be resolved at Level 1, and involved a detailed investigation and response by our Assessment Review team	21*	<ul style="list-style-type: none"> • Service delivery - icare • Service delivery - provider • Funding or operational decision 	14

* 11 of the 21 Level 2 complaints, and a single Level 3 complaint to the NSW Ombudsman were from the same participant. The Ombudsman found no further action was needed and closed the complaint.

Disputes

A dispute arises when a participant disagrees with a decision Lifetime Care has made. These disputes are about treatment and care needs; eligibility, and motor accident injury.

In FY2020-21, we:

- resolved 40 disputes about participants' treatment and care needs. These disputes took an average of 43 business days to resolve.
- resolved three disputes about an injured person's eligibility for the Lifetime Care and Support Scheme. It took an average of 177 business days to resolve these disputes. The average time taken to resolve eligibility disputes was impacted by the Assessment Panels' decision to obtain additional medical records, liaise with treating medical professionals and review new evidence submitted by the parties to the dispute after the Assessment Panel's provisional findings had been issued
- Disputes about motor accident injury are legal disputes and are resolved by a panel of three legal professionals. No motor accident injury dispute applications were received in FY2020-21.

Workers Care complaints

59 per cent of level 1 complaints received by Workers Care were lodged directly by participant injured workers. There were no complaints escalated to Level 2. Of the 70 complaints received, majority related to an external service provider's service delivery (34 per cent), icare's communication (17 per cent), icare's service delivery (16 per cent) or to a decision made by icare (11 per cent).

Two complaints were received from SIRA, which were from the one individual and related to icare's service delivery. We provided further information to SIRA in relation to both complaints.

Claims	Total complaints	Top 3 complaint categories	Average business days to resolve
Complaints resolved by frontline staff	70	<ul style="list-style-type: none">External service provider's service deliveryicare's communicationicare's service delivery	2.2

Dust Diseases Care

The majority of level 1 complaints received by Dust Diseases Care (DDC) during FY2020-21 were related to service delivery (45 per cent), communication (17 per cent) or costs, payments and benefits (13 per cent). There were no complaints escalated to Level 2.

The timeframes to achieve resolution reflect the unique and complex nature of these complaints.

DDC systems previously did not allow for the recording of expressions of dissatisfaction by clients, their family members or providers. To address this, a complaints recording framework was built into the DDC Claims Management System and rolled out in December 2020. As a result of this valuable data, we are now in a position to capture areas where the client experience can potentially improve.

Claims	Total complaints	Top 3 complaint categories	Average business days to resolve
Complaints resolved by frontline staff	71	<ul style="list-style-type: none">Service DeliveryCommunicationCost/Payment/Benefit	6

CTP Care

There were no complaints received for CTP Care in FY2020-21.

Sporting Injuries

There were no complaints received for Sporting Injuries in FY2020-21.

Appendix 7 – Functional organisational chart





Appendix 8 – Group Executive Team

Our Group Executive Team members

Richard Harding

Chief Executive Officer and Managing Director

Richard joined icare as CEO and Managing Director in January 2021. He holds a Bachelor of Economics and brings more than 35 years of financial experience, including the last 12 years as a CEO in the insurance industry.

Richard's career experience spans both short and long-tail insurance classes as well as statutory-regulated schemes across workers compensation and CTP.

Most recently, he was CEO of Tower Insurance based in New Zealand for five years and during this time, he successfully turned the business around to become a fast-growing digital challenger. Prior to this, he spent six years as the CEO of TIO, Australia's last government-owned commercial insurer and the Nominal CTP Insurer for the Northern Territory.

With experience across both the public and private sectors, Richard is a values-driven leader with a passion for improving customer outcomes through innovation.

Dr Nick Allsop

Group Executive, Lifetime Schemes

Nick is an insurance professional and qualified actuary with more than 20 years' corporate and consulting experience. He has built and led teams focussed on delivering customer outcomes across claims management, finance, analytics and actuarial. At icare he has held the role of Chief Actuary, Chief Financial Officer and Group Executive, Lifetime Schemes.

Before joining icare, he was General Manager, Actuarial & Analytics at Allianz Australia and also held a number of actuarial consulting roles at Ernst & Young (EY), PwC and AON. He holds a Ph.D. in Mathematics and is a Fellow of the Actuarial Institutes in Australia and the UK.

Rashi Bansal

Group Executive, Organisational Performance

Rashi is a senior insurance executive who has more than 20 years' experience across strategy, operational planning, reporting and analysis, financial control, reinsurance, capital management, statutory reporting and projects.

She is a qualified actuary and has led finance and actuarial teams across both life and general insurance. Rashi's focus is on leading and developing her team to deliver business outcomes.

Prior to joining icare, Rashi was Chief Actuary and Head of Finance at BT Financial Group. She has also spent 10 years at PwC consulting across a range of clients with a focus on long tail insurance schemes including workers compensation and CTP. She holds a Bachelor of Commerce, and is a Fellow of the Institute of Actuaries Australia and a Graduate of the Australian Institute of Company Directors.

Ainsley Barahona Santos

Acting Group Executive People and Workplace (from 14 April 2021)

Ainsley is a senior executive with a 20-year track record of leading human resources strategy and functions. Ainsley thrives in transformational environments and brings diverse experience gained from sectors including NSW Government, FMCG, Retail, Mining and Education.

Ainsley joined icare in late 2015 as the General Manager for Talent and later Organisational Development. From mid-2019 she held the role of General Manager HR Partnering, transforming the HR advice model and partnering closely with icare's leaders, Executive and the Board to provide both strategic HR advice and operational HR solutions.

Ainsley is an experienced coach and mentor and has a track record of driving cultural change, capability and performance development. She holds two Masters, of Coaching Psychology and International Relations, as well as a Bachelor of Arts in Communication. She is a graduate of the Australian Institute of Company Directors.

Mary Maini

Group Executive Workers Compensation (commenced 24 March 2021)

Dip Law, GAICD

Mary Maini joined icare to lead the Workers Compensation business. She brings a wealth of experience in the insurance sector with more than 25 years in regulatory and leadership roles.

Mary has led customer service, health services, compliance and assurance, strategy, pricing, organisational change and accountability for business lines.

She has led both private and public sector teams across the insurance industry with leadership roles in general insurance workers compensation, CTP, liability, property, and life insurance sector. Most recently, Mary led the implementation of the once in a generation Compulsory Third Party (CTP) reforms in NSW.

Caroline Rockett

Group Executive, Digital and Technology

Caroline joined icare in June 2020 and now leads the Digital and Technology team. She holds a Bachelor of Applied Science (Mathematics) and has over 25 years' technology experience supporting organisations in achieving their digital, core business and data strategies.

Caroline's career has spanned across financial services, telecommunications, general and life insurance and Loyalty/Aviation. In her last role as the CIO, Velocity Frequent Flyer, Caroline led the execution of the IT technology strategy, focussed on transformation of the technology platforms.

Caroline not only has a passion for technology and problem solving, she is also passionate about building high performing, motivated and engaged teams.

Tony Wessling

Group Executive, Strategy and Office of the CEO

Tony has over 20 years' experience in the financial services sector in Australia and overseas covering strategic consulting, mergers and acquisitions, product management, digital distribution and transformation delivery. He holds a Bachelor of Engineering, and a Masters of Business Administration from Harvard University.

Prior to joining icare, Tony was Chief Officer, Strategy and Transformation at HCF where he led the Private Health Insurance and Life Insurance product management teams as well as Strategy, Innovation and Transformation functions.

Tony assumed the roles of Group Executive, Operations and Pandemic Recovery on 1 July 2020 and Interim Group Executive, Strategy and Governance on 6 August 2020 prior to being appointed to his current role on 1 April 2021.

Andrew Ziolkowski

Group Executive, IfNSW and HBCF

With over 20 years' experience in insurance and financial services, Andrew drives integration and innovation across icare's prevention, underwriting and pricing activities.

Dedicated to enhancing customer experience and operational excellence, Andrew has a track record of both innovation and integration.

Prior to joining icare, Andrew held senior positions across regulatory management, product, underwriting, claims, actuarial and analytics. Most recently he held senior positions at IAG, including Group General Manager, Strategic Regulatory Management, and Executive General Manager, Underwriting, as well as Chief Underwriter at Wesfarmers Insurance.

Andrew holds a Bachelor of Economics (Actuarial Studies), and a Graduate Diploma of Computing, and is an Associate of the Institute of Actuaries Australia.

Senior executive numbers and remuneration

Band*	Gender 30 June 2021		Gender 30 June 2020		Range \$	Average remuneration 30 June 2021 \$	Average remuneration 30 June 2020 \$	Average remuneration 30 June 2019 \$
	F	M	F	M				
Band 4	0	2	0	3	487,051+	656,614	579,413	660,503
Band 3	4	10	7	10	345,551 - 487,050	404,033	403,262	375,516
Band 2	13	15	13	12	274,701 - 345,550	304,815	302,707	302,517
Band 1	9	7	6	5	192,600 - 274,700	230,560	256,037	260,845
Total	26	34	26	30				

*We do not use the public service Senior Executive Bands. Our Board sets our Executive Remuneration Policy, which is outside the *Government Sector Employment Act 2013* (GSE Act). Outcomes are reflected above were we to align with the GSE Act bands.

Employee-related expenditure

In FY2020-21, the percentage of total employee-related salary expenditure that related to senior executives was 9.52 per cent, a decrease from 11.2 per cent in the previous year. Senior executives represented 4 per cent of full-time equivalent employees at year end, a decrease from 4.8 per cent in the previous year.

Key management personnel remuneration

The following table details FY2020-21 remuneration for the Chief Executive Officer and Managing Director and members of the Group Executive Team, either for the full financial year, or for the period for which they were employed as a Group Executive Team member during the financial year. All Group Executives are entitled to up to 40 per cent of their fixed remuneration as a short term at risk payment subject to achievement of objectives. The CEO is entitled to up to 50 per cent of fixed remuneration as a short term at risk payment, subject to achievement of objectives. Due to the current financial environment and performance of the organisation, which is discussed in detail in the Our performance section of this report, the Board determined that no incentive payments would be made for FY2020-21.

Name	Position	Fixed Remuneration	Short Term At Risk Payments	Total Remuneration
Richard Harding (from 18 January 2021)	Chief Executive Officer and Managing Director	\$233,088	\$0	\$233,088
John Nagle (up to 3 August 2020)	Chief Executive Officer	\$72,702	\$0	\$72,702
Nick Allsop ¹	Group Executive Lifetime Schemes	\$430,000	\$0	\$430,000
Ainsley Baharona Santos ² (from 14 April 2021)	Acting Group Executive, People & Workplace	\$89,534	\$0	\$89,534
Rashi Bansal	Group Executive, Organisational Performance	\$446,250	\$0	\$446,250

Name	Position	Fixed Remuneration	Short Term At Risk Payments	Total Remuneration
Rob Craig ³ (up to 31 March 2021)	Group Executive Personal Injury Claims	\$418,891	\$0	\$418,891
Don Ferguson ⁴ (up to 4 June 2021)	Group Executive, Review and Reform	\$604,474	\$0	\$604,474
Sara Kahlau (up to 31 March 2021)	Group Executive, Customer & Community	\$282,280	\$0	\$282,280
Sam Liston (up to 13 April 2021)	Group Executive, People & Workplace	\$360,073	\$0	\$360,073
Mary Maini (from 24 March 2021)	Group Executive, Workers Compensation	\$118,397	\$0	\$118,397
Caroline Rockett	Group Executive, Digital & Technology	\$430,000	\$0	\$430,000
Elizabeth Uehling (up to 4 September 2020)	Group Executive, Personal Injury Claims	\$88,177	\$0	\$88,177
Tony Wessling ⁵	Group Executive, Strategy and Office of the CEO	\$417,055	\$0	\$417,055
Andrew Ziolkowski ⁶	Group Executive, IfNSW & HBCF	\$489,250	\$0	\$489,250

1. Dr Nick Allsop was the Group Executive Care until 31 March 2021. He was appointed Group Executive Lifetime Schemes effective 1 April 2021. Dr Allsop's remuneration was not increased.
2. Ainsley Barahona Santos appointed Acting Group Executive People and Workforce effective 14 April 2021. Ms Barahona Santos' remuneration includes a higher duties allowance and relates to the period from appointment to the end of FY2020-21.
3. Rob Craig was the Group Executive Service Delivery from 1 July 2020 to 6 September 2020. He was appointed Group Executive Personal Injury Claims on 7 September 2020.
4. Don Ferguson held the role of Group Executive Strategy and Governance until 3 August 2020, when he was appointed Interim CEO until 17 January 2021. Mr Ferguson's remuneration includes a higher duties allowance while he was acting in the role of CEO. Mr Ferguson held the role of Group Executive Review and Reform from 15 March 2021.
5. Tony Wessling held the role of Group Executive Operations and Pandemic Recovery until 5 August 2020. He was appointed as Group Executive Strategy and Governance from 6 August 2020 to 31 March 2021. His remuneration was increased effective 1 April 2021.
6. Andrew Ziolkowski was Group Executive Prevention and Underwriting until 31 March 2021. He was appointed Group Executive IfNSW and HBCF effective 1 April 2021. Mr Ziolkowski's remuneration was not increased.

Appendix 9 - Compliance with *NSW Carers (Recognition) Act 2010*

icare continues to value the importance of families and carers, and is committed to better recognition and support for all carers. Our organisation abides by the *Carers (Recognition) Act 2010 (NSW)*, and the legislation is included in our compliance management program.

In the past year, we have demonstrated our support for carers through a number of initiatives, including by:

- supporting icare's Award employees through our Flexible Working Hours Agreement.
- supporting employees who are carers through human resource policies including Leave; Working Flexibly; Diversity and Inclusion; and Discrimination, Harassment and Bullying.
- supporting employees who require Carers Leave under our leave policy.
- supporting employees with an Employee Assistance Program, wellbeing services and Manager Support Program, through Assure and an internal Peer Support Network.
- displaying the NSW Carers Charter in our offices.
- supporting the wecare mentoring program run by Carers NSW, which aims to provide carers with increased resilience, health and wellbeing, and an improved quality of life.
- providing sponsorship support for the Carers Day Out.
- holding our first Caring for the Carers live webinar event to recognise and celebrate National Carers Week.
- facilitating training in collaboration with the Carers NSW Young Carer Program, specifically for young carers who often face greater challenges than their peers.
- conducting ongoing consultation with our participants, families and carers to codesign new processes, policies and services through representation on service development working groups and advisory committees.
- supporting our attendant care providers during the COVID-19 pandemic, in the delivery of support to our participants in their home with the intention of placing as little extra burden on carers as possible.

Appendix 10 - Workforce diversity

Number of employees

Category	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Chief Executive	1	1	1	1
Group Executive Team	7	9	13	10
Executives	53	46	36	45
Non-executives	1370	1116	830	726
Total	1431	1172	880	782

Workforce diversity trends

Workforce diversity group	NSW Government target %	2021 %	2020 %	2019 %
Women	50	65.1	65.6	62.8
Aboriginal people and Torres Strait Islanders	3.3	0.6	0.6	0.8
People whose first language is other than English	23.2	19.3	27.5	26.5
People with a disability	N/A	2.8	3.3	4.6
People with a disability needing work- related adjustments	N/A	0.6	0.9	1.6

In relation to the above table:

- The benchmark of 50 per cent representation of women across the sector is intended to reflect the gender composition of the NSW community.
- The *NSW Public Sector Aboriginal Employment Strategy 2014-17* introduced an aspirational target of 1.8 per cent by 2021 for each of the sector's salary bands. If this target is achieved in salary bands not currently at or above 1.8 per cent, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3 per cent.
- 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 languages but does provide country of birth details. The benchmark of 23.2 per cent is the percentage of the NSW general population born in a country where English is not the predominant language.
- 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 per cent to 5.6 per cent by 2027.

Distribution of workforce diversity trends

Workforce diversity group	Benchmark target %	2021 %	2020 %	2019 %
Women	100	87	90	90
Aboriginal people and Torres Strait Islanders	100	N/A	N/A	N/A
People whose first language is other than English	100	99	99	87
People with a disability	100	93	95	N/A
People with a disability needing work-related adjustments	100	N/A	N/A	N/A

In relation to the above table:

- 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.
- 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.
- The number of women leaders from culturally and linguistically diverse backgrounds at icare is 42. 90 per cent of these women participated and completed individual training courses during FY2020-21.

Appendix 11 – Grants

Partner	Investment	FY2020-21 funding	Nature of work
3Bridges Community Limited	Inclusive volunteering network for adults with a brain injury	\$390,000	To support adults with a Traumatic Brain Injury to locate and participate in meaningful volunteering roles with local community organisations, government and businesses.
Agency for Clinical Innovation	Specialist Pain Clinics for people with TBI and SCI - Be Pain Smart	\$547,466	To develop and pilot a specialised multi-disciplinary pain clinic for people with TBI/SCI so that the assessment of pain will become a routine part of clinical assessment for each person, and clinicians will have tools and knowledge to manage pain, as well as have a specialist pain clinic to refer people with more complex pain issues.
Agency for Clinical Innovation - Ingham Institute	VIP - Phase 2	\$389,067	To implement a Vocational Intervention Program (VIP) to all 12 sites of the NSW Brain Injury Rehabilitation Program (BIRP), resulting in increased vocational outcomes for people with a traumatic brain injury i.e. 80% of Fast Track participants sustaining employment and 50% of New Track clients finding new employment.
Carers NSW	We care support program for families and carers of people with severe injuries.	\$300,000	This program of work will develop and evaluate (1) a carer-led Carer Mentoring Program providing 6 to 8 individual modules/sessions to adult family carers over 24 to 28 weeks; (2) a Children and Young People's Mentoring Program utilising solutions-based casework to assist young people with adjusting to new circumstances within their household as a result of disability, injury and chronic conditions.

Partner	Investment	FY2020-21 funding	Nature of work
Cerebral Palsy Alliance	Remarkable Intensive Technology Accelerator	\$85,000	Remarkable, a division of the Cerebral Palsy Alliance (CPA) supports technology start-up businesses that specifically develop solutions for people living with disability. icare's partnership is helping develop and commercialise leading edge inclusive technology products and services to improve the quality of life for Lifetime Care participants and injured workers, as well as other people living with disability.
Cerebral Palsy Alliance	Remarkable Phase 2	\$300,000	icare is re-investing to help Remarkable (phase 2) refine the accelerator model, build long-term sustainability and an evidence base for the quality of life outcomes generated by inclusive technology start-ups, as well as extend the benefit of the program, of which many of the technologies will have direct relevance for Lifetime Care participants.
Cerebral Palsy Alliance	Challenger - Pilot - Life skills for people with TBI	\$370,000	To pilot successful life skills programs to meet the specific needs of people (Age 15-35) with traumatic brain injury (TBI) two or more years post injury. The project aims to mentor young people with TBI to become independent, have purpose in their life and meaningful connections, and also to engage with their families and carers.
COACT	Holistic Intensive Support for Motivation and Work	\$202,850	Provides intensive and holistic support to injured workers to improve wellbeing and psycho-social outcomes, resulting in increased job readiness, reduced RTW timeframes and better aligned job placements.
Curtin University	Design for Care	\$1,500,000	A new intervention with the Health & Social Assistance sector that contains a digital platform, resources and, industry benchmarking designed to prevent psychological injuries from being sustained in the workplace and reduce psychological injury risk for workers.
Hammond Care	Core strength program for adults with a SCI	\$245,000	To improve psychological wellbeing and quality of life for people living with a spinal cord injury, by fostering connections, engagement and purpose through the delivery of a course to participants and their families.
Happy Paws Happy Hearts NSW	Happy Paws for Injured Workers	\$ 240,000	This pilot program aims to achieve early Readiness for RTW outcomes for injured workers who have become socially isolated by bringing them together into n groups to train rescue animals.
Housing Industry Australia (HIA)	Social media and behaviour change strategy to empower and increase engagement of young workers in site safety	\$450,000	One investment that forms part of the Injury Prevention in Construction (IPIC) initiative. This investment is delivering a strategic social media and behaviour change campaign to engage, empower and increase engagement of young workers in site safety.

Partner	Investment	FY2020-21 funding	Nature of work
Ingham Institute	ACT Adjust Pilot	\$2,704	An evidence-based 10 session psychological treatment to promote positive mental health after a severe traumatic brain injury. The program is assessing the efficacy of delivering an existing traumatic brain injury mental health treatment program, originally delivered face-to-face, through videoconferencing.
Live Better	Transport Connect with Community: LIFT Transport	\$67,875	This program is one of three investments under the Regional Transport Initiative: Access-a-Ride (Oxley Community Transport), Journey for Health (OMNI Mens Network) and Lift Transport. Lift Transport is a new out of hours transport service and mapping source of available transport options in the Dubbo area for customers with a brain and/or spinal cord injury. This project also includes the development of a smartphone transport app providing users with a list of transport options including time and price estimates.
Loop+	Sensor pad and activity tracker for wheelchair users (phase 2)	\$150,000	To support the development, pilot and go-to-market plan for a consumer platform including a sensor mat, mobile App and collaborative care dashboard to assess pressure injuries and give wheelchair users visibility into how their actions and daily behaviours contribute to their health outcomes.
Makeshift	ReMind	\$150,914	A pilot program that aims to achieve early Readiness for RTW outcomes for workers with psycho-social injuries using a structured introduction to evidence-based purposeful creative activities that form and strengthen social connections thereby improving self-efficacy.
Monash University	Workforce Sustainability Study. Part 1 - Cohort establishment, data collection and early insights	\$30,000	Workforce sustainability - a work and health and safety study-COVID-19 Pandemic. The project aims to reduce the impact on the mental and physical health of the NSW workforce in relation to unemployment due to COVID-19. It will establish cohort, collect data and early insights.
NSLHD and The John Walsh Centre	The John Walsh Centre for Rehabilitation Research-LTCSA (core funding extension)	\$669,315	Research and education in rehabilitation and injury-related disability, specialising in motor vehicle-related injury. It aims to: generate new knowledge to improve health outcomes of people with injury related disability; promote links with the research community, partner organisations, patient advocacy groups and non-governmental organisations to ensure effective transfer of research outcomes into health policy; and improve clinical care for people with injury-related disability and translate research outcomes into clinical practice.

Partner	Investment	FY2020-21 funding	Nature of work
OMNI Mens Shed	Transport Connect with Community: Journey for Health	\$5,520	This program is one of three investments under the Regional Transport Initiative: Access-a-Ride (Oxley Community Transport), Journey for Health (OMNI Mens Network) and Lift Transport. The Journey for Health program provides community transport for icare participants, other people with a disability and the aged in Tamworth and surrounding areas.
Primary and Community Care Services Ltd	Plus Inclusion	\$100,000	A design-led research program that aims to help injured workers with significant language barriers (Cantonese, Mandarin and Korean speaking backgrounds) understand, access and navigate the worker's compensation system with greater ease in order to achieve better recovery outcomes.
Royal Melbourne Institute of Technology (RMIT) and Master Builders Association (MBA) NSW	Conversations about life, health and safety: Social supports for young construction workers' health and safety	\$830,765	One investment that forms part of the Injury Prevention in Construction (IPIC) initiative. In partnership with Master Builders Association (MBA), RMIT will conduct research that focuses on improving supervisor-worker communication and relationships, and better social supports for young workers who are identified as a high-risk subgroup of the workforce. This will also enable industry partners to develop healthy, safe and supportive workplaces for young construction workers.
SpinalCure Australia	Economic Cost Analysis of Spinal Cord Injury in Australia	\$140,910	To develop and publish an economic cost analysis of spinal cord injury (SCI) in Australia.

Partner	Investment	FY2020-21 funding	Nature of work
Synapse	Brain Injury Peer Support	\$222,681	To develop an evidence-informed program that contributes to individual participants affected by brain injury and their families/carers reporting that they feel more informed, supported and connected as a result of participation in a peer-led support model.
TAFE NSW	Working safely at heights virtual reality training experience	\$734,826	One investment that forms part of the Injury Prevention in Construction (IPIC) initiative. To develop an evidence-informed interactive training program on Working Safely at Heights featuring online learning and fully immersive Virtual Reality (VR) for TAFE NSW apprentices.
Troxel Nome Australia Pty Ltd	Resp crystalline silica detection (Phase 1 only of 2 Phases)	\$154,283	To design, develop and test a respirable crystalline silica (RCS) sensor prototype that provides 'real time' feedback to workers who are at risk of exposure.
University of Newcastle	Supporting wellbeing of workers using compassion focused digital technology	\$65,720	To develop a compassion-focused online resource providing self-guided support to injured workers with physical or psychological injuries, targeting prevention and early intervention for people at risk of experiencing an increase in psychosocial difficulties following a work injury.
University of Sydney	NSW ABI Fellowships for Advanced Psychiatry Trainees	\$934,152	To improve the state-wide mental health services for people with a brain injury by establishing a psychiatric fellowship training program specialising in brain injury and a clinical network to increase capacity in this field.
University of Sydney	Improving rehab outcomes for people with SCI with cognitive issues	\$184,800	To determine the extent and causes of cognitive impairment in newly injured adults with spinal cord injury and the impacts this has on recovery.
University of Sydney	Spinal Cord Injury Health Maintenance Tool - digitisation and enhancement	\$100,000	To develop an evidence-informed program that contributes to participants with spinal cord injury reporting an experience of (1) increased access to health management resources that will improve quality of life and quality of service provision; (2) increased sense of health and wellbeing and social participation; (3) their families and carers feel better equipped to support them.

Partner	Investment	FY2020-21 funding	Nature of work
University of Sydney	The Social Brain Toolkit (formerly Online communication programs and social networks for people with TBI)	\$64,204	To develop and pilot communication training programs to increase communication skills for people with traumatic brain injury, their families and carers, leading to improved quality of life via improved social connection and participation.
UNSW	PTSD Research - Trauma Clinic	\$110,000	This project aims to improve productivity and reduce compensation costs in emergency service organisations by evaluating a program that reduces stress reactions and increases cognitive functioning in police, firefighters, and paramedics in NSW. An individual program will be administered to 120 emergency service personnel who have difficulty maintaining their work duties because of stress reactions. Expected outcomes will be reduction in absenteeism, improved productivity, and reduced costs to insurers. Specific outcomes regarding reduced absenteeism and improved functioning in workers will be independently documented by project personnel.
UNSW	Carers Way Ahead	\$93,000	To develop an evidence-informed program that assists in addressing the challenging behaviours experienced in association with lived experience of Traumatic Brain Injury, thereby decreasing carer burden and increasing quality of life years for family members.
UNSW/USYD	Front of Mind	\$1,271,460	A consortia of leading experts in traumatic mental health (The Black Dog Institute, University of New South Wales and The Matilda Centre, University of Sydney), to build, test and scale a suite of mental health supports to prevent psychological injury amongst NSW frontline workers. It includes three programs of work; early detection and intervention to optimise the mental health of frontline workers; developing resilience in high-risk occupations; and a multimodal stepped-care approach to disrupt the cycle of traumatic stress and substance use.

Partner	Investment	FY2020-21 funding	Nature of work
Uprise	Uprise RTW Program	\$216,969	A therapist-assisted online program based on principles of cognitive behavioural therapy and problem solving to support injured workers through a stepped care program, specifically targeting RTW outcomes.
Wearables Project - Kinetic - Preventure - MITS	Musculoskeletal Disorders Wearable Tech Pilot	\$187,286	To develop and evaluate wearable technologies that improve the identification and analysis of hazardous manual tasks and, or workers most at risk of injury, to (1) facilitate the elimination/reduction of task characteristics which increase injury risk; and (2) the wearable technologies eliminate/reduce workers' exposure to task characteristics which increase injury risk of Musculoskeletal Disorders.
Wheelchair Sports NSW/ ACT	Adaptive Sports and Recreation Hub for NSW/ ACT	\$470,000	To develop an evidence-informed program that contributes to participants living with a disability reporting an increased connection through their participation in a new online Adaptive Sports and Recreation Hub This hub will provide information and access to a range of active recreation and sporting activities in NSW.
With You With Me	Project Evolution	\$150,000	An evidence-informed 12-week digital training program that aims to retrain injured workers for high demand technology careers with the goal of returning them to work.
Various contractors	Research, Design and Evaluation Costs	\$781,201	Research, design and evaluation costs to support the effective delivery and measurement of grant impacts.
Total		\$12,907,968.33	

Note: The Statutory Accounts (volume 2) include a credit of \$556k for funds recovered from terminated grant agreements. The appendix above does not include the credit.

Dust Diseases Board Grants

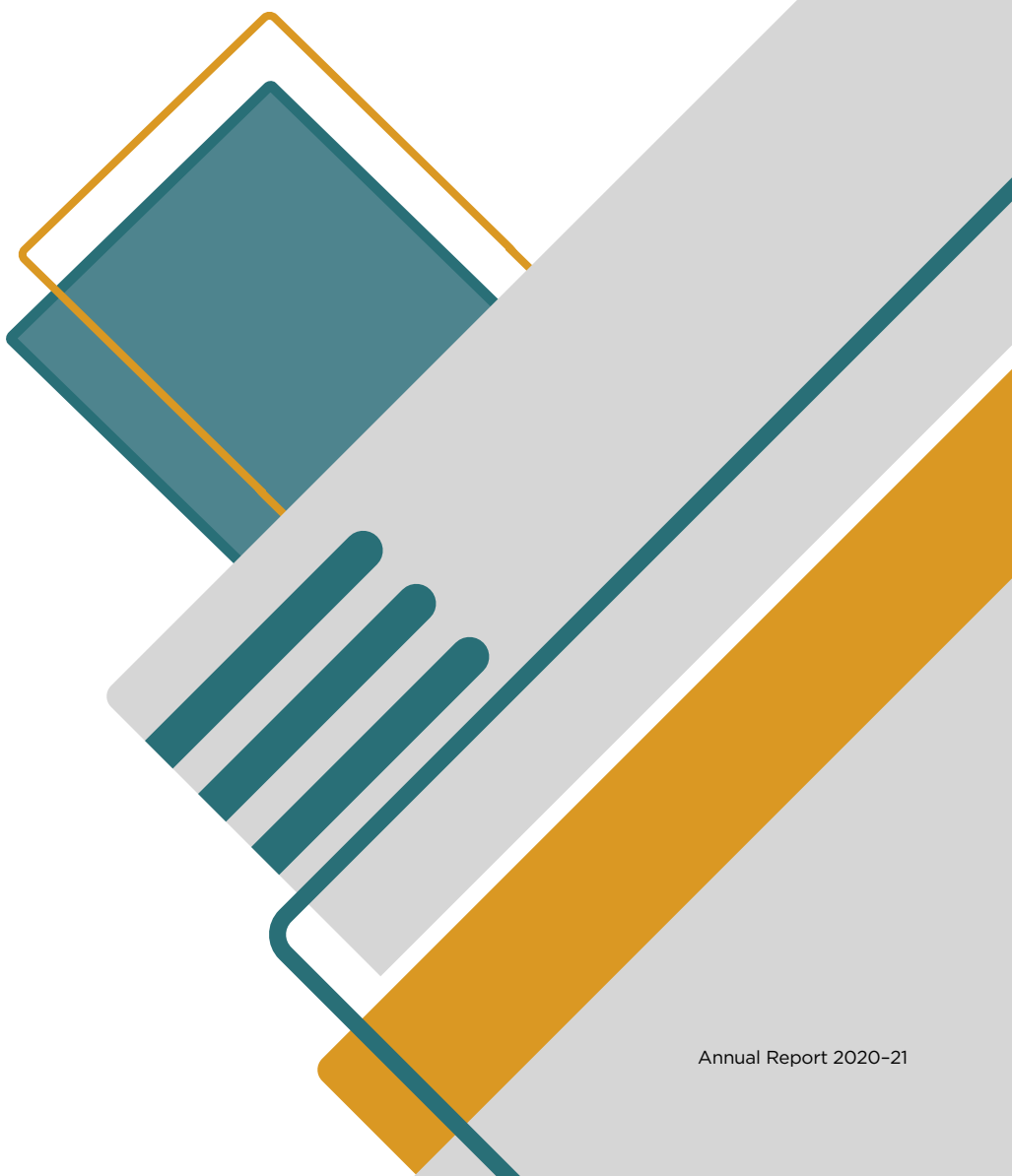
DDC research grants - new grants approved by the DDC Board and spent in FY2020-21			
Partner	FY2020-21 Funding ex. GST	Project Title	Total Grant ex. GST
Curtin University – Dr Lauren Breen	\$16,103	Psychosocial experiences and needs of mesothelioma patients and carers	\$32,207
University of Western Australia – Dr Fraser Brims	\$61,417	Ultra low-dose CT in silicosis screening	\$103,551
University of Western Australia – Dr Jonathan Chee	\$26,163	Identifying biomarkers of response to chemo-immunotherapy in mesothelioma	\$264,653
Asbestos Diseases Research Institute (ADRI) – Dr Yuen Yee Cheng	\$85,000	Circular RNAs as potential biomarkers for malignant pleural mesothelioma	\$295,000
University of Sydney -Elham H Beheshti	\$47,000	Extracellular Vesicles, a Gateway to Precision Medicine Immunotherapy in Mesothelioma	\$470,213
Asbestos Diseases Research Institute (ADRI) – Dr Steven Kao	\$78,900	Is epigenetic alteration implicated in the treatment response of pembrolizumab?	\$277,800
Woolcock Institute – Anna Yeung	\$21,040	Improving work practices towards reducing acute silicosis in Australia	\$55,200

DDC research grants - spent in FY2020-21			
Partner	FY2020-21 funding ex. GST	Project Title	Total Grant ex. GST
Asbestos Diseases Research Institute (ADRI) – Dr Yuen Yee Cheng	\$146,250	A novel 3D model for drug screening in mesothelioma	\$300,000
University of Western Australia – Prof Jenette Creaney	\$83,020	Exploiting common genetic alterations in mesothelioma	\$276,734
University of Adelaide – Prof Sharyn Gaskin	\$100,000	Improving exposure science and dust control for engineered stone workers	\$224,872
Asbestos Diseases Research Institute (ADRI) – Dr Matthew Soeberg	\$27,075	The APC of Australia's silicosis epidemic using national hospital mortality data	\$57,000
University of Sydney – Prof Patrick Brennan	\$85,000	A High-level Education Strategy: CHEST	\$300,000
University of Western Australia - Prof Richard Lake	\$24,884	The MexTAg Collaborative Cross	\$246,884
University of Western Australia - Prof Richard Lake	\$49,820	Analysis of T cell receptor diversity in animal models of mesothelioma	\$249,100

DDC research grants - spent in FY2020-21			
Partner	FY2020-21 funding ex. GST	Project Title	Total Grant ex. GST
University of Western Australia - Prof YC Gary Lee	\$81,049	Australasian Malignant Pleural Effusion (AMPLE) trial-3	\$299,871
University of Western Australia - Dr Alison McDonnell	\$81,524	Identifying immune biomarkers of response to chemotherapy in malignant mesothelioma	\$232,926
University of Western Australia - Dr Willem Joost Lesterhuis	\$56,000	Aiming for the Achilles' heel - discovering an effective drug against mesothelioma	\$280,000
University of Western Australia - Prof YC Gary Lee	Nil	Using Bacteria as Novel Anti-mesothelioma Agents	\$295,224
University of Western Australia - Prof Bruce Robinson	\$83,333	Boosting antigen targeted therapy against cancer (ATTAC) for Malignant Mesothelioma	\$292,398
University of Western Australia - Dr Edward Fysh	\$128,174	AIR Study: A novel minimal-invasive biopsy approach for pleural malignancies	\$224,867

DDC funding - grants to support organisations			
Partner	FY2020-21 funding ex. GST	Project Title	Total Grant ex. GST
Asbestos Diseases Foundation of Australia	\$60,000	Helpline Operator and Education Awareness (2020-22)	\$170,000
Asbestos Diseases Research Institute	\$129,656	Mesothelioma Support Coordinators and Education Awareness - Agreement 2	\$279,234
Asbestos Diseases Research Institute	\$50,090	Mesothelioma Support Coordinators and Education Awareness - Agreement 1	\$50,090

DDC Fellowship and Scholarship grants			
Partner	FY2020-21 funding ex. GST	Project Title	Total Grant ex. GST
Fellowship Woolcock Institute of Medical Research – Dr Anna Yeung	\$76,000	Improving work practices towards reducing acute silicosis in Australia	\$240,000
Fellowship Monash University – Dr Christina Begka	\$76,000	Towards therapeutic interventions against Silicosis	\$240,000
Scholarship University of Western Australia – Joel Kidman	\$50,812	Characterising dynamic changes in T-cell diversity that lead to successful cancer immunotherapy	\$120,000
Scholarship – Institute for Respiratory Health – Dr Amber Louw	\$38,000	Loss of BAP1 and CDKN2A/p16 in malignant pleural mesothelioma: effect on survival and response to chemotherapy	\$120,000
Total grants	\$1,762,310		



Appendix 12 - Legislation

icare

Principal legislation

State Insurance and Care Governance Act 2015

Regulations

State Insurance and Care Governance Regulation 2021

Amending legislation

None in FY2020–21.

IfNSW

Principal legislation

NSW Self Insurance Corporation Act 2004

Regulations

NSW Self Insurance Corporation Regulation 2015

Amending legislation

None in FY2020–21.

Workers Insurance

Principal legislation

Workers Compensation Act 1987 Part 4 and Division 1A of Part 7

Workers Compensation (Bush Fire, Emergency and Rescue Services) Act 1987

Workplace Injury Management and Workers Compensation Act 1998

Regulations

Workers Compensation Regulation 2016

Amending legislation

Workers Compensation Amendment (COVID-19 Weekly Payment Compensation) Regulation 2020 (SI 625) notfd 23.10.2020. Date of commencement, on publication on LW, cl 2.

Personal Injury Commission Act 2020. Assented to 11.08.2020. Date of commencement of Sch 6.10 to 6.11, 1.3.2021, sec 2(3) and 2020 (729) LW 18.12.2020.

Motor Accidents and Workers Compensation Legislation Amendment Regulation 2020. notfd 18.12.2020.

Workers Compensation Amendment (Certificates of Capacity) Regulation 2021 (SI 173). notfd 09.04.2021. Date of commencement, on publication on LW, cl 2.

Lifetime Care

Principal legislation

Motor Accidents (Lifetime Care and Support) Act 2006

Motor Accident Injuries Act 2017

Regulations

Motor Accidents (Lifetime Care and Support) Regulation 2020

Motor Accident Injuries Regulation 2017

Amending legislation

Personal Injury Commission Act 2020. Assented to 11.08.2020. Date of commencement of Sch 6.8, 1.3.2021, sec 2(3) and 2020 (729) LW 18.12.2020.

Statute Law (Miscellaneous Provisions) Act 2020. Assented to 27.10.2020. Date of commencement of amendments made by Sch 4, 22.1.2021, sec 2(4).

Motor Accidents and Workers Compensation Legislation Amendment Regulation 2020. notfd 18.12.2020. Date of commencement, 1.3.2021, cl 2.

Dust Diseases

Principal legislation

Workers' Compensation (Dust Diseases) Act 1942

Regulations

Workers' Compensation (Dust Diseases) Regulation 2018

Amending legislation

None in FY2020–21.

Sporting Injuries Insurance

Principal legislation

Sporting Injuries Insurance Act 1978

Regulations

Sporting Injuries Insurance Regulation 2019

Amending legislation

None in FY2020–21.

Building Insurers' Guarantee Corporation

Principal legislation

Home Building Act 1989 (Part 6A)

Regulations

Home Building Regulation 2014

Amending legislation

Building Legislation Amendment Act 2021. Assented to 05.07.2021. Date of commencement of Sch 3, assent, sec 2(1).

COVID-19 Recovery Act 2021. Assented to 25.03.2021. Date of commencement of Sch 1.15, assent, sec 2(1).

Health Legislation (Miscellaneous Amendments) Act 2020. Assented to 27.10.2020. Date of commencement of Sch 9.4, 1.11.2020, sec 2.

Better Regulation Legislation Amendment Act 2020. Assented to 28.09.2020. Date of commencement of Sch 2.4, assent, sec 2.

Gas Legislation Amendment (Medical Gas Systems) Act 2020. Assented to 11.08.2020. Date of commencement, 1.11.2020, sec 2.

Home Building Amendment (Medical Gas) Regulation 2021 (SI 322). notfd 25.06.2021. Date of commencement, on publication on LW, cl 2.

Home Building Amendment (Digital Authorities) Regulation 2021 (SI 187). notfd 23.04.2021. Date of commencement, on publication on LW, cl 2.

Home Building Amendment (Information) Regulation 2021 (SI 132). notfd 26.03.2021. Date of commencement, on publication on LW, cl 2.

Home Building Amendment (Medical Gas Work) Regulation 2020 (SI 643). notfd 30.10.2020. Date of commencement, 1.11.2020, cl 2.

Appendix 13 – icare Board

Our Board members

John Robertson

Chair

John Robertson has over 30 years' experience in stakeholder engagement, negotiating with and on behalf of numerous interest groups and government, and representing the interests of some of the most vulnerable people across NSW.

He is currently the Chief Executive Officer at Foodbank NSW & ACT.

John is the former Member for Blacktown from 2011 to 2017 and NSW Opposition Leader from 2011 to 2014. He served as a Minister in the NSW Government from 2009 to 2011, which included time as Minister for Transport, Minister for Public Sector Reform, Minister for Energy and Minister for Corrective Services.

He is a Director for the NSW Council of Social Service and has held previous board and committee roles for WorkCover NSW, NSW Heritage Council, Building & Construction Industry Long Service Payments Corporation and EnergyAustralia.

John began his career as an electrician and later worked with the Electrical Trades Union and the Labor Council of NSW.

Chair – icare Board

Member – People and Remuneration Committee

Michael Cameron

Deputy Chair

Michael has held several financial services leadership roles, most recently as CEO and Managing Director of Suncorp Group, and has significant board experience across listed, government and not-for-profit boards.

He has been a Group CEO of two top ASX companies spanning 10 years and a NED of a top 20 ASX company for four years. Prior to that Michael was the CFO of Australia's largest bank and held senior executive roles in a diverse range of property and financial services groups.

Michael has led major cultural and organisational transformations, delivered value creating growth initiatives, and implemented industry leading technology change programs. He gained deep experience from involvement in the Royal Commission and governance reviews of the financial services industry. He also contributed to the Australian Treasury and NSW Treasury in an advisory capacity.

Chair – Audit and Risk Committee

Member – People and Remuneration Committee

Member – Investment and Asset Committee

Richard Harding

Chief Executive Officer and Managing Director

A biography for Richard is provided at Appendix 8.

Member – Investment and Asset Committee

Member – Foundation Committee

Member – Governance Committee

Standing Attendee – Audit and Risk Committee

Standing Attendee – People and Remuneration Committee

Standing Attendee – Customer, Innovation and Technology Committee

Elizabeth Carr AM

Non-Executive Director

Elizabeth has been a Non-Executive Director on the icare Board since October 2015 and was reappointed in May 2021 for a one-year term.

Elizabeth holds numerous private, non-profit and education board positions, including Chair of St Catherine's Aged Care Services (NSW); Chair of St Marys Anglican Girls School (WA), and Vice-Chair of the Kokoda Track Foundation. Elizabeth also chairs the South Metropolitan College of TAFE (WA), Chairs the Murrumbidgee Local Health District Audit & Risk Committee and is a member of the Audit and Risk Committees for NSW Trustees and Guardians and the

Department of Communities (WA). She is a facilitator for the Australian Institute of Company Directors for their NFP Programs. Elizabeth was awarded the Order of Australia (AM) in the 2017 Queen's Birthday Honours 'for significant service to the community through voluntary contributions to the health, aged care, education and social services sectors.'

Elizabeth's career has included senior executive management positions in technology (IBM), finance (Macquarie Group) and government (Department of State Development WA). She has a Master of Public Administration from Harvard University and is a Fellow of the Australian Institute of Company Directors.

Chair - People and Remuneration Committee

Chair - Foundation Committee

Member - Audit and Risk Committee

Member - Investment and Asset Committee

Member - Governance Committee

Peeyush Gupta AM

Non-Executive Director

Peeyush has been a Non-Executive Director on the icare Board since October 2015 and was reappointed in February 2021 for a two-year term.

Peeyush has over 30 years' experience in wealth management. A co-founder and CEO of the highly regarded wealth management firm IPAC Securities, his corporate governance experience includes directorships on corporate, not-for-profit, trustee and responsible entity boards. In the 2019 Australia Day Honours, Peeyush was recognised as a recipient of the Order of Australia (AM) 'for significant service to business and the community, through governance and philanthropic roles.'

Peeyush is Chair of Charter Hall Wale Ltd and a non-executive Director on the boards of National Australia Bank, SBS, Link Group, BNZ Life and QuintessenceLabs. He also serves as a Trustee of Western Sydney University and is on the Dean's Executive Committee at UNSW's Australian School of Business. Peeyush Chairs, or is a member, of various committees of these Boards, including Audit, Risk, Remuneration/People and Investment.

Peeyush has a Master of Business Administration (Finance) degree from the Australian Graduate School of Management and is a Fellow of the Australian Institute of Company Directors.

Chair - Investment and Asset Committee

Member - Customer, Innovation and Technology Committee

Member - Governance Committee

Lisa McIntyre

Non-Executive Director

Lisa has been a Non-Executive Director on the icare Board since October 2015 and was reappointed in February 2021 for a one-year term.

Lisa is a full-time company director and her broad portfolio includes more than a decade serving as a non-executive director or chair of listed, private and not-for-profit organisations. Other senior roles include advising the healthcare, insurance, technology and e-learning sectors. She currently holds directorships at the HCF Group, the University of Sydney, Studiosity and Nanosonics Limited.

Lisa spent 20 years as a senior strategy partner at L.E.K. Consulting providing strategic, commercial and operational advice to local and multinational companies in North America, Asia and Australia. She has a DPhil in Physical Chemistry from the University of Cambridge and a BSc (Hons 1, University Medal) from the University of Sydney.

Chair – Customer, Innovation and Technology Committee

Member – Audit and Risk Committee

Member – Investment and Asset Committee

Member – Foundation Committee

John Walsh AM

Non-Executive Director

John spent over 20 years as a Partner in the Advisory practice of PwC, before retiring from full-time employment. John's major client work was in the areas of social policy and funding of accident compensation, health and disability services. His ability to contribute to social policy is assisted by his own disability, traumatic quadriplegia.

He is currently peer review actuary to the SA Lifetime Support Authority, and he has been statutory actuary to the NSW Lifetime Care and Support Authority, the NSW Motor Accidents Authority and the workers compensation insurance schemes of both NSW and South Australia. He has conducted major reviews of several of Australia and New Zealand's accident compensation schemes and insurers.

John has advised the Commonwealth and NSW governments on future demand and funding requirements for disability services, homelessness services and Aboriginal disadvantage and in 2010 he was appointed to the Productivity Commission investigation which recommended and provided a blueprint for the National Disability Insurance Scheme.

In 2001 he was named Australia's Actuary of the Year, and in 2011 was appointed a Member of the Order of Australia and received the Prime Minister's Award for outstanding service to the disability sector. In 2015 John was appointed Australia's Patron for the United Nations International Day of People with a Disability.

John has an appointment as an Adjunct Professor at the University of Sydney and is an Honorary Fellow of the Royal Australasian College of Physicians.

Chair – DDB

Member – Audit and Risk Committee

Member – Customer Innovation and Technology Committee

Board members retired in FY2020-21

Michael Carapiet Former Chair	Member: People & Remuneration Committee, Investment & Asset Committee	Term: 15 August 2018 – 25 September 2020
Gavin Bell Former Deputy Chair	Chair: People & Remuneration Committee, DDB Member: Customer, Innovation & Technology Committee	Term: 15 August 2018 – 1 September 2020
Mark Lennon Non-Executive Director	Member: Investment & Asset Committee, Customer, Innovation & Technology Committee, Foundation Committee	Term: 15 May 2018 – 29 July 2020
Christine Bartlett Non-Executive Director	Member: People & Remuneration Committee, Audit & Risk Committee, Customer, Innovation & Technology Committee, Governance Committee	Term: 15 February 2018 – 14 February 2021
David Plumb Non-Executive Director	Chair: Audit & Risk Committee Member: Investment & Asset Committee, Foundation Committee	Term: 15 May 2018 – 14 May 2021
John Nagle Former CEO & MD	Member: Investment & Asset Committee, People & Remuneration Committee, Customer, Innovation & Technology Committee, Foundation Committee	Term: 25 June 2018 – 3 August 2020
Don Ferguson Former Interim CEO & MD	Member: Investment & Asset Committee, People & Remuneration Committee, Customer, Innovation & Technology Committee, Foundation Committee	Term: 4 August 2020 – 17 January 2021

New Board members in FY2020-21

John Robertson Chair	Member: People & Remuneration Committee	Term commenced: 25 September 2020
Michael Cameron Deputy Chair	Chair: Audit & Risk Committee Member: People & Remuneration Committee, Investment & Asset Committee	Term commenced: 30 November 2020
John Walsh Non-Executive Director	Member: Audit & Risk Committee, Customer, Innovation & Technology Committee	Term commenced: 30 November 2020

		Board	Audit & Risk Committee	Customer, Innovation & Technology Committee	Foundation Committee	Investment & Asset Committee	People & Remuneration Committee	Governance Committee
Michael Carapiet	Eligible	6				3	1	
	attended	6				3	1	
John Robertson	Eligible	8					2	6
	attended	8					2	5
Gavin Bell	Eligible	3		1			1	
	attended	3		1			1	
Michael Cameron	Eligible	5	3			1	1	
	attended	5	3			1	1	
Christine Bartlett	Eligible	10	4	3			2	8
	attended	10	4	3			2	8
Elizabeth Carr	Eligible	13	7		2	1	3	9
	attended	13	7		2	1	3	9
Peeyush Gupta	Eligible	13		4		6		9
	attended	12		4		6		9
Mark Lennon	Eligible			1		1		
	attended			1		1		
Lisa McIntyre	Eligible	13	7	4	2	3		3
	attended	12	7	4	2	3		3
David Plumb	Eligible	12	6		2	5		
	attended	12	6		2	5		
John Walsh	Eligible	5	3	1				
	attended	5	3	1				

Board and Committee remuneration

The following table provides Non-Executive Directors' fees for the icare Board and Committees as at 30 June 2021. These fees are established within the Public Service Commission's *Classification and Remuneration Framework for NSW Government Boards and Committees* - December 2012. Non-Executive Directors do not receive any performance related remuneration.

	Chair	Deputy Chair	Member
Board	\$200,000	\$115,000	\$100,000
Committee	\$20,920	N/A	\$2,092 ¹
Dust Diseases Board	\$40,000		\$15,000

1. Per meeting

The following table provides the total Non-Executive Directors' fees paid for the icare Board and Committees for FY2020-21, compared to the previous financial year.

	2019-20	2020-21
Board & Committee fees	971	1,122

Appendix 14 - Response to significant matters raised in outgoing audit report

There were no significant matters raised in the audit report for FY2020-21.

Appendix 15 - Cyber security annual attestation

Cyber Security Annual Attestation Statement for the 2020/2021 Financial Year

As a NSW Government agency and a Statutory Body listed in Schedule 2 of the *Public Finance and Audit Act 1983*, Insurance and Care NSW (icare) is required to prepare an annual Cyber Security Attestation Statement in line with the core requirements of the NSW Government Cyber Security Policy.

Over the 2020/21 financial year, icare continued to build new components to expand and enhance system functionality to support its core business.

icare adopts NSW Government information security requirements, including the NSW Government Cyber Security Policy and continues to invest in people, process and new technologies to build a sustainable cyber security capability that is expected of an Australian financial services provider, a NSW government agency and by its customers.

ATTESTATION

We, John Robertson, Chair of Insurance and Care NSW, and Richard Harding, Chief Executive Officer Insurance and Care NSW, are of the opinion that icare have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Across the 2020/21 financial year, icare has used information technology systems supplied by:

- icare technology teams delivering technology and processes within the scope of icare's ISO27001 Information Security Certification;
- Cloud providers which are compliant with the Federal Government's Information Security Manual and are independently verified through the Information Security Registered Assessors Program governed by the Australian Cyber Security Centre; and
- Cloud providers who have satisfied icare's security assurance checks, including certification under ISO27001.

During 2020/21 risks to information and systems of icare have been assessed and controls have been implemented which are compliant with ISO/IEC 27001:2013 Information Security Standard. icare has a current cyber incident response plan in place and the plan has been tested during 2020/21 financial year. Appropriate governance is in place to support cyber security initiatives and to drive continuous improvement and maturity of cyber security. icare's ISO27001 certified Information Security Management System has been independently audited during the reporting period by Lloyds Register Quality Assurance Limited.

In accordance with a resolution of the Governing Board of the Statutory Body:



Chair
Insurance and Care, NSW



Chief Executive Officer
Insurance and Care, NSW

Date: 3 September 2021

Appendix 16 - Public interest disclosures

The *Public Interest Disclosures Act 1994* (PID Act) requires public authorities, including icare, to have an internal reporting policy and procedures in place for receiving, assessing and dealing with public interest. icare reviewed and updated its Reporting Wrongdoing Policy in June 2021. We also continued awareness activities during FY2020-21, including making the Policy available to all employees on our intranet, and conducting online staff training on fraud and corruption.

All public authorities, including icare, are also required to collect and report specific information on their handling of public interest disclosures to the NSW Ombudsman. We reported the following information for FY2020-21.

	Made by public officials performing their day-to-day functions	Under a statutory or other legal obligation	All other PIDs
No. of public officials who made public interest disclosures to your public authority	6	-	-
No. of public interest disclosure received by your public authority	6	-	-
Of public interest disclosures received, how many were primarily about:			
Corrupt conduct	4	-	-
Maladministration	2	-	-
Serious and substantial waste	-	-	-
Government information contravention	-	-	-
Local government pecuniary interest contravention	-	-	-
No of public interest disclosures (received since 1 Jan 2012) that have been finalised in this reporting period	2		
Have you established an internal reporting policy?	Yes		
Has the head of your public authority taken action to meet their staff awareness obligations?	Yes		
If so, please select how staff have been made aware	Training provided by icare, links on icare's intranet site, and training provided to new employees during induction.		

Appendix 17 - Government, Privacy and Health Information applications

Health, Privacy and Personal Information applications

In FY2020-21, icare did not receive any requests to amend records or requests for access to personal information under the PPIP Act. Seven access requests for information under the HRIP Act were received and finalised; one internal review application made under the PPIP and HRIP Acts was received and finalised by our Privacy Officer; and two privacy applications were lodged at the NSW Civil and Administrative Tribunal. No matters have been investigated by the NSW Privacy Commissioner.

Government Information (Public Access) applications

Proactive release of information

icare is committed to ensuring the public's right to information is managed in accordance with the *Government Information (Public Access) Act 2009* (GIPA Act) and *Government Information (Public Access) Regulation 2009* (GIPA Regulation), and that responses to other requests for information are handled effectively.

The GIPA Regulation specifies a number of reporting requirements of NSW Government agencies, including icare, regarding applications received under the GIPA Act.

Clause 8(a) of the GIPA Regulation requires that icare provide qualitative information on whether a review of our proactive release program has been undertaken, and what information was made publicly available. We reviewed and updated our *Agency Information Guide*, and a review of our programs is underway, to ensure information that is in the public interest and assists people with access to services is made publicly available via our website. We are proactive in providing information about major plans and services to individuals, families and carers, and service providers. A range of information is released via our website; such as policies, reports and statistical information, fact sheets and newsletters, and other resources.

As required under Part 3 Division 5 of the GIPA Act, we maintain a register of contracts that are valued at, or are likely to have a value of, \$150,000 or more. Details of such contracts are published and made publicly available through the NSW Government eTendering website.

Access applications received

Clause 8(b) of the GIPA Regulation requires icare to report on the total number of access applications received during the year, including withdrawn applications, but not including invalid applications. During FY2020-21, we received 157 formal valid access applications.

Refused applications

Clause 8(c) of the GIPA Regulation requires icare to report on the total number of access applications received during the year that were refused, either wholly or partly, because the application was for the disclosure of information for which there is a conclusive presumption of overriding public interest against disclosure, as described in Schedule 1 of the GIPA Act. During FY2020-21, icare refused 41 access applications for this reason. Of those applications, one was refused in full and 40 were refused in part.

Statistical information about access applications

Clause 8(d) and Schedule 2 (Tables A to I) of the GIPA Regulation require icare to report a range of statistical information on access applications received during the year, which is provided in the following tables.

Table A: Number of applications by type of applicant and outcome*

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/ Deny whether information is held	Application Withdrawn
Media	0	0	0	0	0	0	0	1
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	1	1	0	0	0	0	0	0
Members of the public (by legal representative)	32	75	0	15	0	0	0	5
Members of the public (other)	14	17	3	1	0	0	0	1

*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 B: Number of applications by type of application and outcome*

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/ Deny whether information is held	Application Withdrawn
Personal information applications	41	83	2	14	0	0	0	6
Access applications (other than personal information applications)	6	10	1	2	0	0	0	1
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

*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 C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the GIPA Act)	58
Application is for excluded information of the agency (section 43 of the GIPA Act)	0
Application contravenes restraint order (section 110 of the GIPA Act)	0
Total number of invalid applications received	58
Invalid applications that subsequently became valid	27

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

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal Professional Privilege	41
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
Privilege generally - Schedule 1 (5A) of the GIPA Act	0
Information provided to High Risk Offender Assessment Committee	0

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

	Number of occasions when application not successful
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	53
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	1

*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 F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	141
Decided after 35 days (by agreement with applicant)	2
Not decided within time (deemed refusal)	0
Total	143

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

	Decision varied	Decision upheld	Total
Internal review	1	0	1
Review by Information and Privacy Commissioner*	1	2	3
Internal review following recommendation under section 93 of the GIPA Act	0	0	0
Review by NSW Civil and Administrative Tribunal (NCAT)	0	2	2
Total	2	4	6

*The Information and Privacy 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.

Table H: Applications for review under Part 5 of the GIPA Act (by type of applicant)

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

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the GIPA Act (by type of transfer)

	Number of applications transferred
Agency initiated transfers	2
Applicant initiated transfers	0

Appendix 18 – Disclosure of controlled entities

There are no controlled entities to disclose for FY2020-21.

Appendix 19 – Disclosure of subsidiaries

There are no subsidiaries to disclose for FY2020-21.

Appendix 20 - Publication notes

The 2020-21 icare Annual Report was produced in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, *Annual Reports (Statutory Bodies) Regulation 2015*, and NSW Treasury's *Annual Reporting Compliance Checklist*.

The Report complies with Premier's Memorandum *MC2000-68 Amendment to Premier's Memorandum No. 2000 - 15, Access To Published Information - Laws, Policy and Guidelines*, as well as *Web Content Accessibility Guidelines 2.0*, as per the Premier's Circular *C2012-08 NSW Government Website Management*. The Report can be downloaded from icare's website at www.icare.nsw.gov.au.

The estimated external printing costs of the FY2020-21 Annual Report are \$5,250.00.

Appendix 21 – Compliance index

Compliance requirement	Section of Annual Report
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Aims and objectives	Throughout
Annual report production and cost	Appendix 20
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Consumer response	Appendix 6
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Cyber security annual attestation	Appendix 15
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Disclosure of subsidiaries	Appendix 19
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Identification of audited financial statements	Volume 2 – Financial statements
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Implementation of price determination	Not applicable

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Management and structure	Our people Our governance Appendix 7 Appendix 8
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Numbers and remuneration of senior executives	Appendix 8
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Submission of annual report to the Treasurer	Letter to Treasurer
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Time for payment of accounts	Appendix 4
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Workforce diversity	Our people Appendix 10
Waste	Not applicable

Access

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Contact us

Office Locations

321 Kent Street
Sydney NSW 2000

115 Pitt Street
Sydney NSW 2000

92-100 Donnison Street
Gosford NSW 2250

56 Station Street E
Parramatta NSW 2150

18 Honeysuckle Drive
Newcastle NSW 2300

Postal Address
GPO Box 4052
Sydney NSW 2001

8:00am - 5:00pm
Monday to Friday
(except public holidays)

Phone

Dust Diseases Care
02 8223 6600

Home Building Compensation Fund
02 9216 3224

Lifetime Care
1300 738 586

Insurance for NSW
02 9216 3327

Workers Insurance
13 44 22 (policy enquiries)
13 77 22 (claims)

Sporting Injuries Insurance
13 44 22

Complaints and feedback
13 99 22

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