

An aerial photograph of the Sydney Harbour Bridge, showing its steel structure and the surrounding city skyline. The bridge is in the foreground, with the water of the harbour below it. In the background, the city of Sydney is visible, including the Sydney Tower and other skyscrapers. The sky is clear and blue.

Annual Report

2021-22



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Letter to the Minister

31 October 2022

The Hon. Damien Tudehope MLC

Minister for Finance and Employee Relations
Parliament House
Macquarie Street
SYDNEY NSW 2000

Report on performance for the year ended 30 June 2022

Dear Minister,

Following a year of implementing a broad program of improvement, we submit the Insurance and Care NSW (icare) Annual Report 2021-22 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 2021 to 30 June 2022 is also attached.


Our Annual Report 2021-22 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





John Robertson
Chair

Message from the Chair

On behalf of the icare Board, I am pleased to submit the Insurance and Care NSW (icare) Annual Report for FY21-22. This year the Board has continued to govern icare as it delivers on its important improvement program and we are pleased with the significant progress made.

icare is a very different organisation from the one I became chairman of 18 months ago, and I am pleased to be able to say that. There has been significant uplift in operational performance and an important evolution in the organisation's culture.



While a lot of progress has been made, there is still more work to do and supporting this remains the key focus of the Board.

icare is now operating with a smaller and more accountable Group Executive Team, while the organisation has been restructured to bring greater role clarity and end-to-end accountability to senior management.

Issues with compliance and performance in recent years resulted in several reviews, including the McDougall and Governance, Accountability and Culture (GAC) reviews, which made a series of findings on operations, governance, stakeholder management and risk management frameworks.

The reviews made a number of recommendations to strengthen icare's culture, governance and accountability framework, upgrade risk awareness, risk management and risk capability and bring about a greater focus on customer outcomes.

Collectively, the recommendations formed an ambitious and far-reaching program of change, in respect of which independent assurer Promontory Australia has recognised good progress.

The board is providing a clear direction on icare's role as a NSW public agency with adherence to the standards expected of such an agency, including by tracking regulatory requirements, requiring management reporting on compliance and engaging with regulatory bodies to build positive working relations that cascade through icare.

We recognise the importance of undergoing a regular process of Board renewal via changes in membership to provide the Board with the benefit of regular new input, which is also a recommendation of the Governance Accountability and Culture review.

In the last financial year, I was very happy to welcome Mark Goodsell, Virginia Malley and Kylie Willment to the icare Board.

Mark brings great experience in both economics and law, Virginia is an experienced company director with specific experience in governance, compliance and risk management, while Kylie is an experienced financial services executive with experience across public and private sector organisations.

I'd like to thank retiring board member Lisa McIntyre for her contribution to icare. Lisa provided great input over many years, particularly in her role as Chair of the Board's Technology & Data Strategy Committee (formerly Customer, Innovation & Technology) and as a member of the Audit & Risk Committee and the now retired Foundation and Governance Committees.

Operationally, we have reviewed policies and processes relating to procurement, information disclosure and the management of conflicts of interest, gifts and benefits and public interest disclosures to align with NSW Government requirements and expectations.

We are delivering on our commitment to building the open and accountable culture expected of a public sector agency and now publish updates on the publicly accessible icare website on Workers Insurance performance data, including Return to Work rates.

We are also regularly sharing updates on the improvement program and progress against the McDougall review recommendations, including quarterly reports from independent assurer Promontory Australia on the website.

I'm particularly pleased that the focus on the human impact of the business has been sharpened, with an improvement in the customer satisfaction measurement and the appointment of a Customer Advocate to help improve customer understanding and service.

icare is an extremely important organisation to the people of NSW and I thank CEO Richard Harding, the Group Executive Team and all icare employees for the work they've done so far to improve icare's operations, performance, culture, risk and governance to drive better outcomes for our people and the people we serve.




Richard Harding
Chief Executive Officer
and Managing Director

Message from the CEO

We are here to care for and to deliver better outcomes for the people and communities of NSW. As people and businesses face some of their most challenging moments, we provide clarity and certainty on what's ahead.

In a year of extreme weather, relentless flooding and continued uncertainty, our purpose has never been more meaningful and I'm proud of the team who have been here to support people, businesses and communities when they needed us.



We are here for those we serve and this unifying belief drives our transformation and the work we do each day. While there is plenty more to do, we've made solid progress in improving the business and have clear plans to continue this momentum in the year ahead.

We have made improvements in all parts of icare and are seeing pleasing green shoots that demonstrate we are taking ownership and action. Our employee engagement results have improved along with independent assurance that we are on the right track.

As well as improving how we work, we have continued to help those we serve.

In the last financial year, we supported more than 80,000 sick and injured workers, making close to \$4 billion in payments to them, helped 506 homeowners rebuild their homes, cared for the needs of over 1,700 people severely injured on our roads and supported over 5,000 workers and their dependents impacted by dust disease.

The schemes icare manages remain in a sound financially sustainable position. They hold enough assets to meet their future liabilities. Our plan over the longer term is to generate a greater buffer to enable the schemes to meet future shocks. The Nominal Insurer (NI) holds an insurance ratio of 102%, while the Treasury Managed Fund (TMF) holds an insurance ratio of 105%.

While economic conditions and supply chain issues are impacting the construction industry, our Home Building Compensation Fund (HBCF) is making it easier for builders by streamlining eligibility requirements. New supports have been introduced making it faster to complete building projects and get homeowners into their homes.

Our Insurance for NSW (IfNSW) team is helping to rebuild vital community infrastructure following the devastating floods earlier in the year. Our team is focused on helping ensure schools, hospitals, police and fire stations, roads and bridges are fully operational as quickly as possible.

This year we have completed the payment of \$33.2 million in remediation to Dust Diseases Care (DDC) participants and their estates, and began repaying \$38 million to injured workers, correcting historical inaccuracies.

This is proof that we continue to review all aspects of our business and take ownership and action to ensure we are delivering on our purpose and improving.

In the year ahead we will continue to push forward. We remain passionate and curious about the people we serve and how we make their experience simpler and easier.

One of the largest and most important pieces of work underway is the change to our Nominal Insurer workers' compensation claims model, moving from one service provider to a network of many. We are currently engaging with potential providers and will confirm the way forward over the coming year. This vital piece of work is a cornerstone of our improvement activity and will allow us to achieve significant change and improved outcomes for those we serve.

There has also been shift in psychological claims, resulting from the changing nature of work, the ageing workforce and growing rates of poor mental health in the community. While this is a trend seen since 2006, in more recent times psychological claims frequency has doubled for the Nominal Insurer and increased by over 75% in the Treasury Managed Fund in just the last five years. For the Treasury Managed Fund, psychological claims now account for 60% of total workers compensation claims costs.

Mental health has become one of our highest priorities. We have teamed up with industry, the university sector and across Government to better understand this trend and to address it. We have initiated research to better understand the drivers of the problem, commenced a public awareness campaign and provided access to tools for employers, we're working with our Claims Service Providers and have created a new claims model to provide specialised services for psychological claims. While much more work is needed we remain focussed on this challenge.

I'd like to thank our team who bring their passion to work every day. Our recent employee engagement survey shows our people strongly connect to our purpose and the work we do. Still, there is opportunity for us to improve their overall experience.

In the year ahead, we will continue helping them grow, implementing new performance and development frameworks, continuing to connect our people with our strategy and enabling them to learn and develop.



Sydney Cricket Ground at dawn
Ethan Rohloff, Destination NSW

icare at a glance

icare is a people-driven NSW Government agency. We provide care and support to businesses, government agencies, builders, homeowners, and those injured on NSW roads or in the workplace. Our purpose is to care for the people of NSW, building confidence and trust so our communities can thrive.

Since 2015 our services have protected and cared for millions of people, businesses and communities across the State through our management of the NSW Government's insurance and care schemes. While we understand the system can be complex, our vision is to make it simple so our schemes deliver better outcomes for people and communities.



In FY22 we supported 62,000 injured workers, cared for the long-term needs of 347 participants under the Workers Care Program and 1,722 people injured in road accidents. We cared for 5,261 workers and dependents whose lives have been affected by a dust disease acquired through workplace exposure to hazardous dust. We assisted 21,839 builders and helped more than 600 homeowners complete their homes. We supported NSW Government Agencies through some of the largest weather events seen in NSW, helping to rebuild key infrastructure, schools, hospitals and roads across the State.

Our 1,579 people worked tirelessly through a year severely impacted by COVID-19 and by these major weather events. They remained committed to meeting the needs of the people we serve to ensure service continuity and importantly, helping to support the businesses and communities most severely impacted. This was underpinned by a focus on lifting leadership capability and embedding new cultural values.

For Workers Compensation, the year has brought continued focus on supporting the 62,000 people injured in NSW workplaces to return to work and on improving the operations and performance of the scheme through the Nominal Insurer Improvement Sub-Program (Nominal Insurer Improvement Program). We have also renegotiated contracts with our claims service providers (CSPs), introduced monthly publication of performance data on the icare website and introduced new

professional standards to the industry to improve case management. In addition, we have made it easier for employers to manage their policies through automated renewals and supported those impacted more adversely by COVID-19 with payment instalments and deferrals.

Our Lifetime Schemes have continued to enhance participants' support services in a constrained environment, while also building the infrastructure to enable the start of the new Compulsory Third Party (CTP) Care scheme. The My Plan toolkit has been modified to provide participants even more ownership of their care. Eighty-six major home modifications were delivered for participants and clients across Lifetime Care, Workers Care and Dust Diseases Care and the lung bus continued to traverse the state providing lung screening services to almost 2,000 workers.

In Insurance for NSW (IfNSW), the team was at the forefront of providing support for those communities impacted by major weather events, managing 3,476 claims. A transformation program to improve the claims process and provide greater transparency also began in the Workers Compensation arm for 183,000 volunteers and 384,000 NSW public sector workers. Psychological injury claims and historical child abuse claims continue to put pressure on the Treasury Managed Fund and the team is working across Government to respond to these challenges.

The construction sector has been impacted by COVID-19 and the rising costs of construction. The HBCF team has been there to support builders and homeowners through this challenging period. At the same time the scheme has reached sustainable pricing, eligibility requirements for policies have been simplified and new technical building consultants have been introduced, reducing the time for homeowners to complete their projects.

Major remediation and improvement milestones were also achieved in the year including the commencement of \$38 million worth of proactive payments to injured workers for the historic miscalculation of workers' compensation entitlements. Payments were also made to more than 1,300 dust disease participants and their estates for long standing misinterpretations of the complex legislation governing the Dust Diseases Scheme. Other improvements recommended by reviews in FY21 have also progressed with quarterly independent quality assurance reports available on the icare website.

FY2022 Performance Scorecard

In FY21-22, we built strong momentum around driving change and enterprise improvement by starting to address the McDougall and Governance Accountability and Culture Review recommendations. This included early shifts in culture, establishing performance in the Nominal Insurer and realising cost savings efficiencies. There has been significant pressure on the net results for the Nominal Insurer and Treasury Managed Fund which were largely impacted by economic pressures - namely inflation and investment market volatility. The actions undertaken in the past 12 months focused on fixing the foundations, improving performance and setting the organisation up for success to deliver against our long-term strategy. While good progress has been made, we know there is still more work to do, and we remain committed to driving ongoing performance improvements.

Derived from our long-term strategic plan, below is our Enterprise Performance Scorecard for FY21-22 which allows us to track our progress against key focus areas from our strategy. Our scorecard is reported to the Board and NSW Treasury.

Focus Area	Metric	Target	Result	Commentary
People	People Matter Employment Survey (PMES)	≥ 50%	Result: 66%	Embedding new purpose, vision and values, a new Leadership Program and formal and informal recognition programs have strengthened overall engagement. The results have been bolstered by an ongoing program of work centred on creating a high-performance, connected culture, with strong leadership.
	People Leader Index (PLI)	≥ 45%	Result: 57%	
Financial Management & Scheme Performance	Net Result NI	-\$371m	Result: -\$993m	Net result impacted by investment losses, which were partially offset by improved claims experience and positive changes to discount rates (used to value future claims liabilities).
	Net Result TMF	\$178m	Result: -\$288m	The net result was impacted by investment losses, the increasing severity of psychological claims, March 2022 floods and inflationary pressures.
	Net Result LTCS (incl CTP)	\$226m	Result: \$468m	Impacts of changes to discount rates drove a favourable underwriting result which was partially offset by investment losses.
	NI Return to Work (26 week rate)	87.8%	Result: 84.6%	RTW remains below target, however there have been more recent improvements in the rate as dedicated programs have progressed. Focus remains on early intervention, building capacity for work, targeted cohort management and improved psychological injury case management, which are expected to drive further improvement. <i>Result is based on May data received in July 2022.</i>

Focus Area	Metric	Target	Result	Commentary
Risk Management & Operational Effectiveness	Risk Maturity Index (RMI)	Evolving	Result: Evolving	The target of Evolving was met, driven by improvements across 20 of the 40 underlying measures for this metric. This result is indicative of the efforts across icare to uplift risk awareness and understanding.
	Meeting Regulatory Timeframes	RAS Metric met in 4/4 quarters	Result: 3/4 quarters met	All regulatory timeframes have been met in FY22 apart from quarter 3. Actions have been undertaken to address the quarter 3 issues.
	Timeliness of resolving incidents	≥ 90%	Result: 87%	Annualised result for FY22, slightly below target. Notable improvements observed in the last quarter, with Line 1 and Line 2 Risk teams driving focus on timely resolution.
	Internal Audit Actions	Monthly Target: No high-risk items overdue and no > 1 medium risk item overdue Annual Target: A green monthly target met for a minimum of 9 months	Result: 3 x monthly results met	Ongoing efforts to improve against this metric through reporting, escalation and targeted action planning.
Strategic Reset	Improvement Initiatives are independently assured and delivered to scope, budget and	Improvement plan milestones / initiatives achieved in the reporting period	Result: 94.5% milestones achieved	<p>Strong progress has been made against each of the Improvement Program workstreams: Governance, Risk Uplift, Procurement Uplift, Customer Uplift, Culture and Accountability and Financial Sustainability, as well as in the Nominal Insurer Improvement Program. Refer to Improvement Program section for more information.</p> <p>Delivery of the Improvement Program continues to be independently assured, with quarterly updates publicly available.</p>





The people we serve

icare seeks to provide empathetic, people-centred services to the people and communities of NSW. Considerable improvements have been made throughout FY22 to establish customer foundations, enabling us to identify opportunities to deliver better outcomes and ensuring the voice of customer is appropriately represented in decision-making and governance processes.

Those we serve

Working with the NSW community, icare has defined its customers as “those we serve”.

The icare schemes operate within a complex ecosystem to deliver outcomes to two distinct, but equally important groups:

- the businesses and agencies to which icare provides services, and
- the people it cares for.

Customer is used as an industry recognised descriptor of the capabilities icare needs, to deliver better outcomes to those we serve.

Human Centred Design

Human-centred design (HCD) is an approach to problem-solving used in process, product, service and system design. It develops solutions to problems by involving the human perspective in all steps of the problem-solving process. Throughout FY22 icare established dedicated customer experience teams and HCD capability across schemes. This is supported by enterprise customer experience team members to build capability, share pooled resources and best-practice.

Using HCD and market research, icare has developed a rich understanding of the needs and goals of those it serves. This allows us to develop tools and frameworks to map current experience, moments that matter and pain points. In collaboration with those we serve, we began work to identify and create opportunities to improve experiences and scheme outcomes.

For example, injured worker and employer needs identified through research interviews and survey results from the NSW Government Have your Say website, have been combined with the Claims Experience Standards and published in the Workers Compensation Professional Standards Framework (refer to page 52 for details). The Claims Experience Standards detail the most important concerns injured workers and employers experience throughout a claim and will be included in performance conversations with service providers in FY23.

Customer Experience Measurement (Enterprise Improvement)

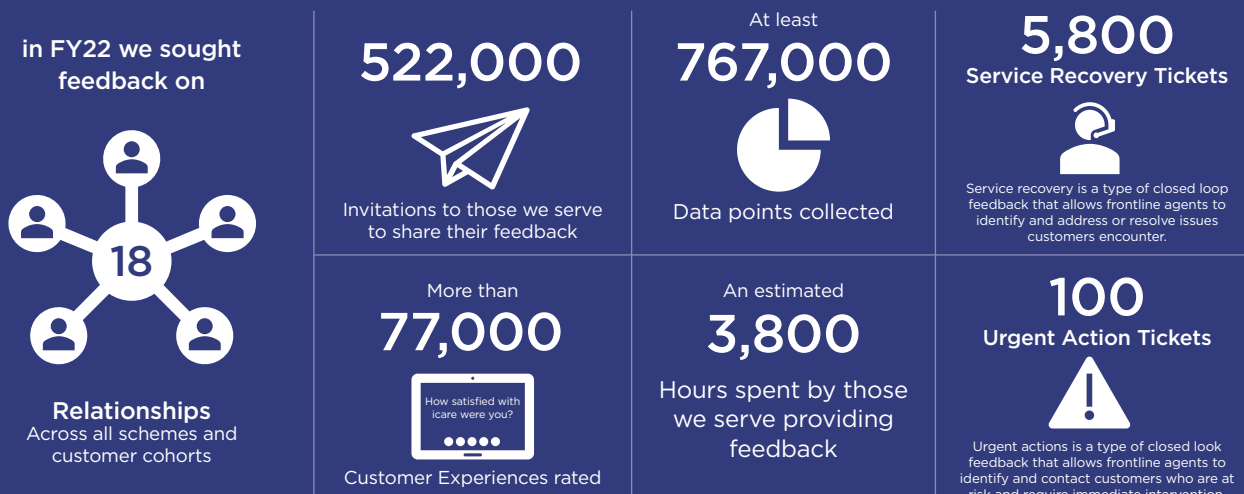
Customer Experience Measurement (CXM) is icare's 'voice of customer' program. CXM uses a vast number of surveys to measure the experience of those we serve throughout the time they are involved with icare whether directly, or through Claims Service Providers.

Throughout FY22 the CXM program captured feedback from more than 77,000 people. The program has allowed icare schemes and operational teams to listen, learn from the feedback from those we serve and take action to improve outcomes. In FY22 over 5,800 service recovery tickets were raised on survey responses where dissatisfaction was expressed and a follow-up requested.

Customer experience performance has been strong through a challenging period, with all schemes at an overall level maintaining or improving on already high performance scores. The outcomes of these customer performance measurements are reflected in each scheme, under Customer Experience.

Customer Experience Measurement | FY2022

icare's Customer experience measurement (CXM) program is a feedback tool used by the CX team to better enable icare and schemes to listen to those it serves, learn from the feedback provided and importantly, act to improve outcomes in the future.

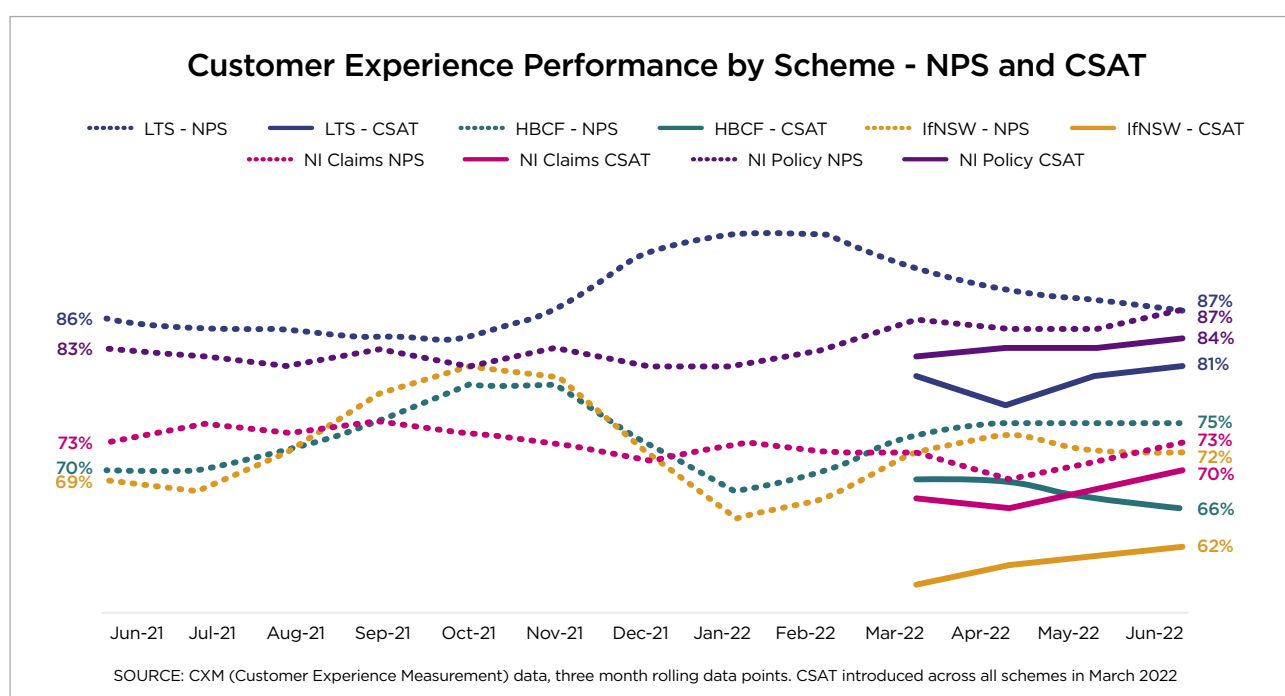


icare's CXM program continues to evolve to ensure timely and accurate measurement of our performance against the moments that matter to those we serve. We reviewed our core measurement framework for greater focus on the most important experiences driving outcomes (for example, returning to work), and applying these insights to shape continuous improvement across icare schemes.

In FY23 icare's lead customer experience measure will change from NPS (Net Promoter Score) to CSAT (Customer Satisfaction), supported by enterprise measures aligned to the broader NSW Government measurement framework. Initial analysis of CSAT results shows increased relevance for those we serve, with insights into areas for improvement and service quality ratings.

This helps to make the complex simple and enhances volume and depth of information captured. The NPS and CSAT measures have been running in parallel during FY22 to allow for a period of thorough testing, with the finalised CSAT question and five point scale launching in March. Detailed analysis demonstrates the directional relationship between the measures which will enable a continuity of reporting, performance and scheme insights into FY23.

NPS performance for all schemes has been strong across the year with typical seasonal variations noted. Since its introduction CSAT has mirrored NPS performance with an uplift recorded towards the end of the FY across most schemes. The graph below shows the percentage of respondents who gave a six to ten out of ten on the NPS scale versus those who gave a four or five out of five on the CSAT scale.



Customer Advocate

In FY22 icare appointed an internal Customer Advocate and established its inaugural Customer Advocate Office. The Customer Advocate's purpose is to be a voice for those we serve and help icare's schemes deliver fair outcomes. To maintain operational independence, the Customer Advocate reports directly to the Group Executive, Risk and Governance and provides regular reporting and recommendations to the icare Board and Group Executives.

The Customer Advocate Office helps deliver fair outcomes by providing guidance and challenge to ensure the fairness and integrity of icare's design and service delivery. It ensures that those icare serves are at the centre of decision-making. It does this through three primary areas of accountability:

- **Customer Governance** – which includes establishing and maintaining enterprise customer governance. This allows the schemes to proactively manage conduct risk and ensure that there is effective challenge, assurance and oversight in relation to fair customer outcomes.
- **Customer Advocacy** – which includes being a voice for those we serve within icare to foster an open, constructive and accountable culture. We do this by working closely with schemes on better customer design and service delivery, decision-making and fairer outcomes.
- **Customer Resolution** - includes helping schemes deliver fair customer resolution through governance of the icare Complaints Framework and assurance of customer remediation. It also helps schemes achieve the fair resolution of sensitive and complex individual customer matters referred to the Customer Advocate.

Improving Complaint Management (Enterprise Improvement)

The complaints improvement initiative was established to build a co-ordinated and consistent approach to complaints management, including reporting and feedback mechanisms.

This will deliver fair complaint outcomes to those we serve, identify opportunities to improve and allow appropriate governance and risk management of complaints handling across icare. The initiative began with resetting icare's approach to complaints management. This was formalised with approval of the new icare Complaints Framework and revised Complaints Policy.

The Complaints Framework establishes three key pillars for ongoing complaints management:

- **Readiness for complaints:** a culture that openly welcomes complaints which are focused on fair customer outcomes and values them so we can learn and improve. It has clear policies, guidelines and procedures for establishing icare's approach to resolving complaints fairly. As well, it has employees who have clear accountability and the training and resources to improve icare's capability in this area.
- **Responding to complaints:** a visible and accessible approach to complaints management so customers can easily voice their concerns, an aligned understanding on the complaints management and resolution process, including identifying, acknowledging and categorising complaints.
- **Learning from complaints:** consistent and systematic recording of complaints to improve reporting, insights, continuous improvement, monitoring and oversight enabling icare's schemes to listen to those we serve, learn from them and take action to improve outcomes.

The Complaints Policy sets out how icare schemes will implement the Complaints Framework and establishes clear standards for co-ordinated and consistent customer complaint management across the schemes. The initiative will deliver the tools, processes and capabilities required to bring the Complaints Framework and Complaints Policy to life across icare and deliver better outcomes to those we serve.





Stories from those we serve



From brain injury to motherhood

Jess's story

One of the very first people to join icare's Lifetime Care scheme is Jess.

Jess is an example of how people living with a brain injury can achieve lifelong goals and thrive with the right range of family, community and medical supports.

Jess was involved in a road accident in 2007 which nearly killed her. She was in Year 11 when a semi-trailer hit the car a school friend was driving. Months of intensive care and rehabilitation followed as she was treated for multiple fractures, a punctured lung and most worrying of all, a traumatic brain injury.

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“The injury was mainly to the language part of my brain. I even forgot my name and how to write. I had to start learning that all over again,” Jess said.

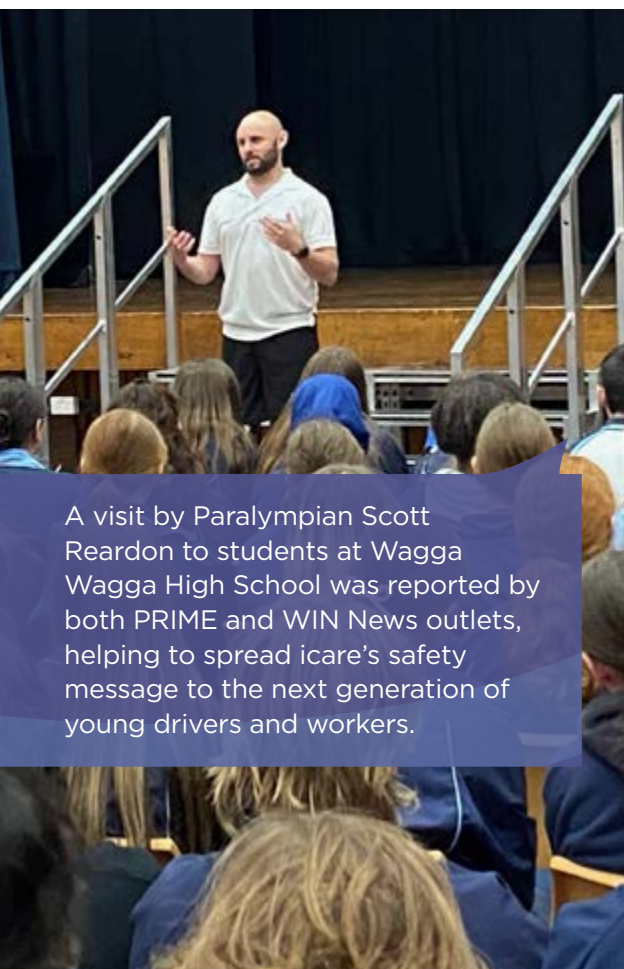
The road to recovery was long but through personal drive and specialist medical care from occupational therapists and speech pathologists, Jess learned to overcome her brain injury and her memory and speech is continuing to improve.

Over the years she's achieved many milestones. She completed Year 12, trained as a Teacher's Aid and met Ben, her partner. The couple recently became parents of son Joey.

She now enjoys a family life on a large hobby farm in Northern NSW.

“

“Sometimes I think I should be better than I am. But then I tell myself, that's who I am and that's OK. It took me a long time to get here, but I'm happy in my life.”



A visit by Paralympian Scott Reardon to students at Wagga Wagga High School was reported by both PRIME and WIN News outlets, helping to spread icare's safety message to the next generation of young drivers and workers.

Stories from those we serve



Reaching the road to normal – Workers Care / Vocational Intervention Program

Kim's story

Kim's story shows how icare participants living with traumatic brain injury can enjoy a return to work, through the Vocational Intervention Program (VIP).

The skilled mobile crane operator survived a serious workplace accident in 2018, when another mobile crane struck her cabin and propelled her onto the concrete floor of a busy container terminal.

icare's Workers Care program supports Kim's goal to return to work as she recovers from multiple fractures to her legs, arm, wrist, ribs and a serious head injury.

“

“I have cognitive issues which makes it hard to find the right words to explain myself and to get to the point. VIP has given my workplace and me a team of experts who understand my challenges and help us navigate through them,” Kim said.

Kim has learned to live and work again with emotional, physical and mental changes. The program has helped her explain her brain injury to colleagues, helping them to feel comfortable that she is okay.

“

“Working has restored my independence and I can see that the road to normal is now within reach. Being able to work encourages me to focus on the things I can do, rather than the things I can't,” she said.



Speaker Joany Badenhorst was the subject of a touching tribute in WHO Weekly which highlighted her journey to become an inspiring advocate for the wellbeing of farm workers during Farm Safety Week.

Stories from those we serve



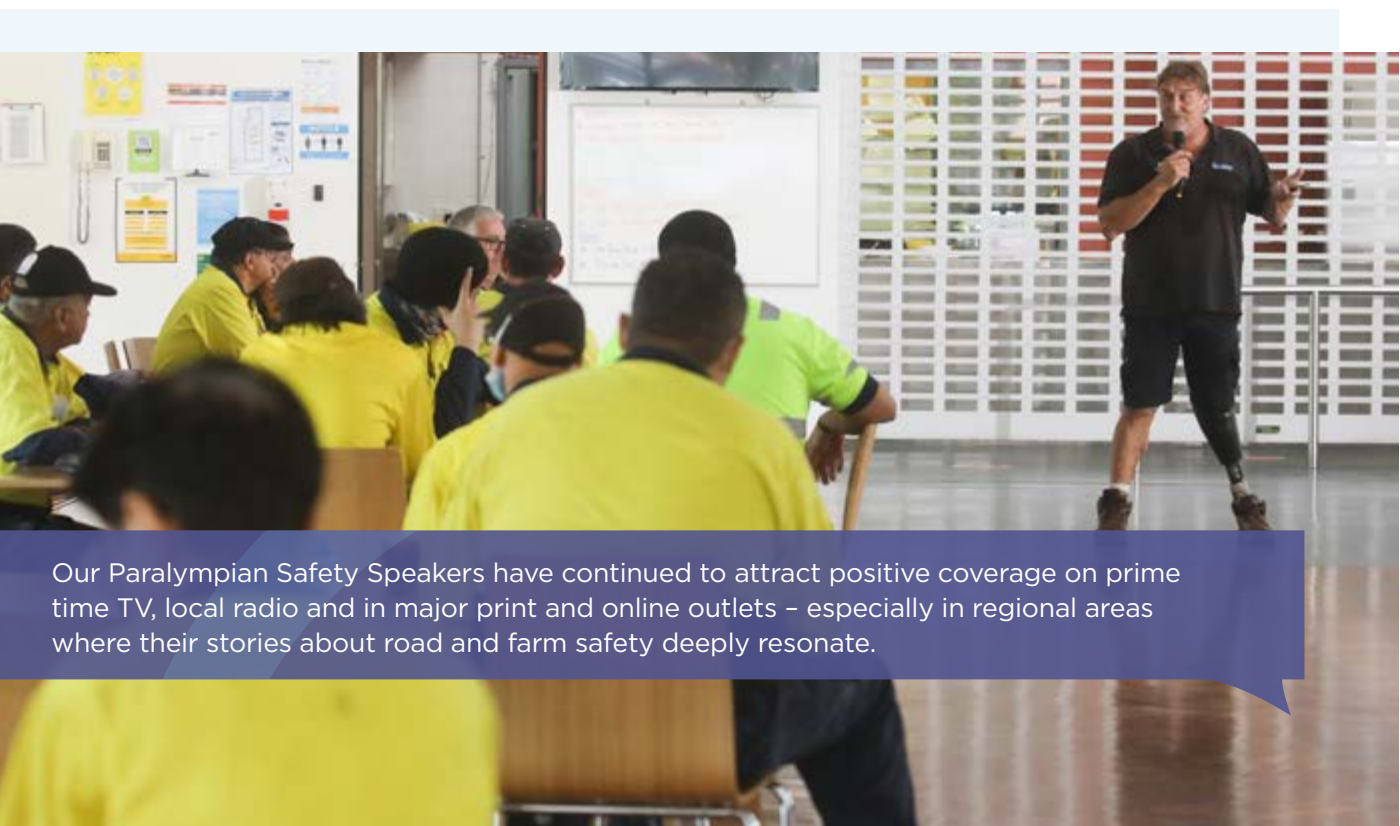
Fady 'Fred' Taiba

Fred's story

The Daily Telegraph called it “rugby league’s most inspiring story.” In 2013 Fred Taiba was the victim of a cowardly one-punch assault that changed his life. He sustained a severe brain injury and for a long time felt like a shadow of himself.

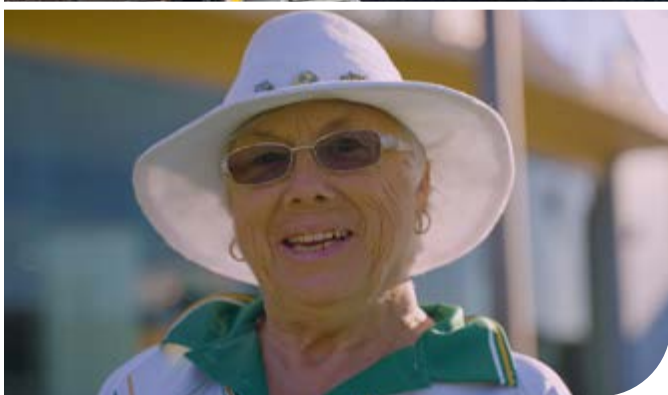
Very slowly, Fred, his family and the icare Workers Care support team, put the pieces of his life back together and in May, Fred fulfilled a long-term dream of captaining the Country NRL Physical Disability side. Their 10-4 victory was a testament to his journey to rebuild his life and overcome brain trauma, seizures, mental health pressures and memory loss.

Fred’s return to representative footy and also to work as a security manager is a powerful story that has resonated with many. It is a great example of the achievements of people living with a brain injury.



Our Paralympian Safety Speakers have continued to attract positive coverage on prime time TV, local radio and in major print and online outlets – especially in regional areas where their stories about road and farm safety deeply resonate.

Stories from those we serve



True courage

Vicki's story

icare not only supports paid workers, but thousands of community volunteers who give their all to support the vital emergency organisations who save lives and defend property during natural disasters.

The story of Vicki, an RFS volunteer, highlights the challenges many face when injury strikes in the line of duty. Vicki was injured in an accident during a bushfire callout which changed her life forever.

“

“One of our hoses blew out. And I went to reel it up. The truck did not realise it was there and my hand got caught in the winch,” Vicki said.

After a series of operations, Vicki is facing life without one of her hands.

The adjustment both physically and mentally has been hard, but Vicki says she drew determination and strength from her case manager who helped her overcome many obstacles and encouraged her passion for lawn bowls.

“

“She spoke to me like a human being and asked me what I needed.”

Vicki now represents NSW in lawn bowls and is hoping to represent Australia one day. She has also qualified as Australia's first disabled lawn bowls umpire, proving that despite overwhelming odds that this proud volunteer can carve her own path and define happiness on her terms.



Navigating trauma at NSW RFS

The NSW Rural Fire Service (RFS) Mental Health Services Team (MHST) comprises provisional, early career and senior psychologists and volunteer Peer Support Officers. It aims to create a mentally healthy workplace where the mental fitness, capability and wellness of members is supported.

As an emergency services agency, NSW RFS members are often exposed to potentially traumatic events which can result in acute and chronic trauma and mental ill-health. In performing their support roles, MHST personnel often face exposure to vicarious trauma. Evidence-based and interactive training is a priority to help members understand the risks associated with their work, prevent psychological injury and gain the knowledge and skills to look after themselves.

NSW RFS contacted icare REX for assistance. They sponsored online Vicarious Trauma training through the Centre for Corporate Health. This well-received project helped develop protective capacities through preventative and protective training. It ultimately helped the RFS Mental Health Services Team manage and lessen psychosocial risks.

The positive feedback received by peers and psychologists alike highlights the relevance of the session in increasing awareness and understanding of monitoring, managing and supporting individual mental wellbeing when working with emergency services.



Information and awareness about icare's Lung Bus regional screening program was regularly shared on social media in 2022 by icare.



Supporting the mental health of men at the Department of Planning & Environment

The Men's Mental Fitness Network (MMFN) is a wellbeing initiative with the Department of Planning and Environment to support men's mental health.

The network helps men share experiences and support each other by discussing issues in an informal setting. It also promotes courses, events, and initiatives that are relevant to mental health.

Several leaders of the MMFN have undertaken Mental Health First Aid training to broaden their understanding of mental health and learn how to be more aware and helpful both inside and outside of the workplace.

Participation is confidential. Feedback gathered from the MMFN has been positive:



The Mental Health First Aid face-to-face training facilitated by REX was excellent. Not only did it help gain a deeper knowledge of mental health in general and become accredited Mental Health First Aiders, but also provided a source to promote within the department.

- participant Mental Health First Aid training





Photograph courtesy of Department of Education

Supporting recovery and return to work at NSW Department of Education

icare's REX service recently partnered with the Health Safety and Staff Wellbeing (HSSW) team at the Department of Education, in a dynamic program supporting recovery and return to work to reduce the impact of employee absence in schools.

A series of training programs including Mental Health First Aid and Motivational Interactions were provided to staff members in the HSSW team.

The programs are designed to introduce early intervention approaches to workplaces, help team-members identify signs of mental ill-health among colleagues and learn how to support staff with psychological illness.

Participants said the training has helped start positive conversations about supporting mental health and motivating others to return-to-work across their organisation.

“There are often many challenges faced by staff returning to work after injury or an illness. Being able to connect with and support teachers with strategies to progress early recovery and to return to work is a key focus for our health and wellbeing staff.

– participant, Mental Health First Aid and Motivational Interactions



icare is proud to support the world's greatest wheelchair race (centre) presented Cormac Ryan (right) with the trophy for J David Krantz (left) from Wheelchair Sports NSW/ACT. Photo



Photograph courtesy of NSW State Emergency Service

Strengthening the organisational risk culture at NSW SES with ERM training

Last May the Senior Leadership Team at the NSW State Emergency Service (NSW SES) undertook an Enterprise Risk Masterclass (ERM) delivered by icare.

icare's ERM training is designed to help senior leaders by enhancing their risk-based thinking and decision-making skills.

The SES is the lead agency during floods, storms and tsunamis and it also supports other emergency services in rescue, land search and specific medical responses. SES employees and volunteers operate in an inherently complex environment both operationally (weather, WHS, COVID-19 and climate change, for example) and from a business perspective (cyber security, funding and co-ordinating volunteers).

The EML training was welcomed for enhancing an already strong risk culture and supporting management to meet the challenges of recent emergency events.

Over the past 18 months senior SES leaders have been working hard to strengthen risk culture. The delivery of ERM demonstrates how icare's training programs support government agencies and their work to improve reporting, risk awareness and the amazing work of community volunteers in complex operational environments.



the Oz Day 10K. Dr Nick Allsop
Junior Male winner, alongside
credit: Karen Watson

Stories from those we serve



Kelsey from the icare Claims Team

Helping workers with complex mental health claims

Kelsey's story

Kelsey from our Claims Team is just one example of how icare employees regularly go above and beyond to support the mental health of workers.

Kelsey was notified of a female worker who felt bullied by her managers, had lost confidence in the claims process and did not feel supported.

Kelsey worked hard to demonstrate that she genuinely wanted to help the worker and assist her to make a successful return to work in a new role. This included increased efforts across the Claims Team to contact and support her through phone and video conversations.

“

“We felt for her and needed to make her aware that we were not going anywhere – we were here to assist her. We wanted what was best for her. We didn't let her fall between the cracks.”

The story proves that improved processes and regular communication by case managers can deliver better return-to-work outcomes.

“

“Once she understood how we could help, everything moved along much better. She eventually got a new job in January 2022 and feels well supported by her new employer,” Kelsey said.



A series of visits to construction and manufacturing sites helped promote wider initiatives such as World Safety Day. Major employers such as Dahlsens and Sydney Water helped with social posts and through stories in trade press and local radio.

Stories from those we serve



Terri from the icare Claims Team

Helping injured workers during COVID

Terri's story

The COVID-19 Delta outbreak and lockdown in late 2021 was an especially difficult time for many workers across New South Wales.

The extraordinary efforts of the Claims Team are demonstrated in the story of a young industrial painter suffering from COVID-19 contracted through his workplace.

The painter ended up in intensive care and also passed the virus on to his pregnant wife and toddler who were also hospitalised.

His recovery at home was complicated by severe long COVID and mental health pressures which affected him and in turn his young family.

The icare Claims Team were able to connect him with a rehabilitation provider and a home help service to assist him and the family. A return to work plan that could accommodate his fatigue was then put in place with his supportive employer.

Terri from the Claims Team said the young father was grateful for icare's help.

“

“He really appreciated that we were able to look outside the box and discuss alternatives with his employer about suitable duties and a return to work,” Terri said.

The entire family eventually recovered and their second child was born in January 2022. The worker has also taken on a new job closer to home.

“

“It's a good feeling that you know you've helped someone ... and be able to return them back not only to their work but also their life.”





Our people

Our people are driving our transformation and working together to deliver better outcomes for those we serve.

Year in review

It's our connection to our purpose and to each other, that sets the foundation for how we lift engagement and create an experience for our employees that empowers them to take ownership and thrive. In early 2021 icare's purpose, vision, values and strategy were reset, creating a clear direction for the future and a guide for the way we work and achieve together. Since then, work has focused on ensuring our people understand our direction and know what it means to live our values.

Embedding our values

Our values sit at the core of everything we do and are a guide for the decisions we make and how we work together. Our values are Driven, Ownership, Together, Curious and Passionate.

Over the past year we have held engagement sessions with our people leaders and all employees, focusing on our values and the important role they play. These interactive workshops provided an open forum to discuss the values as a team and start putting new behaviours into practice.

Supporting this and reinforcing the importance of our values, is a new recognition program – the Our People awards. This program celebrates those who live our values and go above and beyond for the people we serve.

Since launching in late 2021 over 250 nominations have been received. Each quarter we celebrate our finalists and winners at in-person and digital events where we recognise their achievements. They are then automatically entered into the annual awards where we recognise our best and brightest people.

We're excited to announce our annual award winners in the second half of 2022 and to continue celebrating and recognising the achievements of employees who are living our values.



Supporting our leaders

We know that our leaders play a key role in engaging and enabling our people, and this helps drive icare's transformation.

We give clear direction on our strategy and guidance on our values and have also increased support for our leaders, so they understand the important role they play in our business.

We developed guidelines clearly outlining our expectations of leaders to create a consistent experience for our teams across icare. This creates an environment in which people can thrive.

We also have a new leadership development program, Inspire. This gives leaders the practical tools and training to connect their teams with our strategy and lift performance.

This work has seen pleasing early indicators and received positive feedback through a recent survey measuring our People Leader Index. The index monitors the ongoing development of icare's leaders. Sixty-eight per cent of our people provided feedback to the survey, resulting in a People Leader Index result of 57%, against our target of 45%.

Engaging our people

Our employee culture and engagement survey forms part of a broader approach of listening and is designed to capture regular feedback from our teams so we can improve their experience and connection to icare.

Our culture and engagement survey results provide us with clear, actionable insights to be used by every team to improve engagement. It also provides a benchmark for measurement against other industries, allowing us to understand and focus on the most impactful areas.

The results show our people are closely connected to our purpose and our leaders are well supported, but we have more work to do to improve the overall experience of our people, their access to information and the tools to make their job easier.

Key to driving the right culture and increasing engagement is the way we work together, and after several years of remote working, we have begun returning to the office. Earlier this year we launched a new framework for hybrid working - Gather Together, where we encourage our people and teams to visit the office in person a few days a week so that they can learn from each other, connect and grow. By regularly seeing each other and attending key moments that matter, like recognition events and all-team town halls, we expect to see our culture measures improve.

Celebrating diversity

We embrace diversity and welcome people to our team from all backgrounds, races, religions, abilities, genders, ages and sexualities, ensuring that we reflect the diversity of those we serve.

Our offices are located on the lands of the Eora (Sydney), Darkinjung (Gosford), Awabakal (Newcastle), Dharug (Parramatta) and Tharawal (Wollongong) nations. We want to ensure everyone feels comfortable and encouraged to bring their whole selves to work on these lands or wherever they work from.

Over the past year we celebrated diversity through a broad range of events and activities designed to engage and connect our people. This included the celebration of Deepavali, International Women's Day, Mardi Gras, Lunar New Year, International Day of People with Disability, National Reconciliation Week, NAIDOC Week and Harmony Day.

During the last financial year, icare engaged a First Nations Advisory Consultant to explore the issues and opportunities we face regarding engagement with First Nations peoples. Through data and insights gathered, we prepared icare's Reflect Reconciliation Action Plan (RAP) for consideration by Reconciliation Australia and hope to launch the Reflect RAP by the end of 2022.

JobAccess reviewed icare's inclusive disability recruitment practices resulting in updates to improve accessibility for candidates. Vacancies are now advertised through a partnership with Disability Employment Services and training is done with Let's Talk Disability for hiring managers. This broadens our access to talented people and icare is now making positive progress towards becoming a disability-confident recruiter.

Conscious Inclusion training continued to be offered to all our team members, addressing unconscious bias and encouraging more inclusive behaviours aligned to icare's values. This training encompasses all kinds of diversity and will continue in the year ahead.



Our plan to keep improving our employee experience

Our people play an important role in everything we do and we know the right employee experiences and culture will result in high engagement in our work, helping us achieve better outcomes.

Our People & Culture strategy has been refocused to ensure our people thrive and deliver icare's purpose and strategic plan through a values-driven agenda.

From refreshing some of our essential cultural building blocks, to implementing capability improvements and supporting constructive behaviours, increased diversity, inclusion and belonging - the past year has seen our People & Culture foundations strengthened and ready for an accelerated approach in the year ahead.

Our key strategic pillars for the coming years are:

- developing a performance, reward and recognition ecosystem which supports strategic intent and drives transformation and delivery of our business strategy
- delivery of a future-focused and unified digital employee experience platform, keeping it simple to get things done
- designing icare's workforce capability to allow the transition to our new operating model and improve performance
- simplifying and optimising the People and Culture function and operations so leaders can improve employees' experience, creating clear lines of accountability and improved ways of working
- transforming icare's culture driven by our leaders so everyone is delivering our strategy

These pillars guide our way forward and will allow us to deliver new ways of working across icare.



Our team celebrates
Welcome back Wednesdays
in the Kent Street office.



Living the icare values

Brittney James

Our People awards winner: Together

When Brittney James first started playing hockey, she was only five. As any team sports would do, it taught her the importance of collaboration and working together to achieve a shared goal. Fast forward to 2022 and we see first hand how she demonstrates the icare value of Together, making her one of the winners of the Our People awards.“

“We serve more than two hundred agencies across the NSW government. I’m in the Agency Engagement team which acts as the conduit between the agencies and icare. Our job is to give them confidence to provide their services to the community knowing we have them covered”, Brittney said.

As the Agency Proposition Manager, one of her responsibilities is working closely with our Customer Experience

team to understand the problems of different agencies and design new services for them. Based on feedback from customers, Brittney works with different teams to make small, consistent improvements, which over time can produce massive changes in the way we work.

She is also working to automate and digitise the onboarding of government agencies to our online platform.

Brittney joined icare four years ago through the Graduate program, a two-year program with four six-month rotations in different parts of the organisation.

“The icare values are innate to a lot of people because that’s how we like to conduct ourselves in everything we do. I definitely like collaborative work so the idea of Together is really fitting,” she said.

Brittney still plays hockey on the weekend. She also knows a thing or two about candid photography.

Jaime Archer

Our People awards winner: Driven

Jaime Archer is having her engagement party this year. It would be an understatement to say she’s busy planning every single detail of the event. This quality of attention to detail in her personal life is reflected in Jaime’s role at icare to make sure we support injured workers.

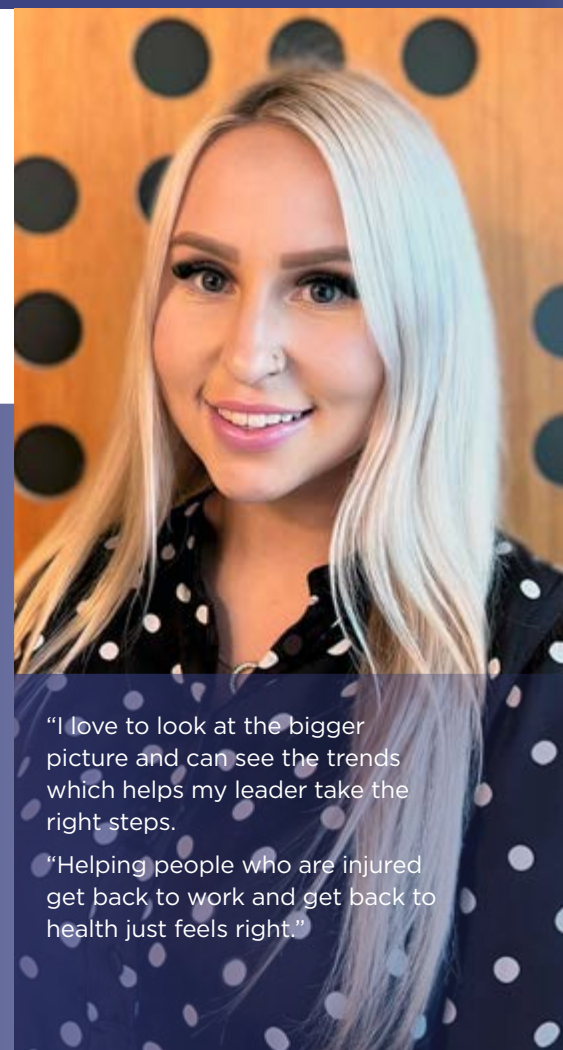
Jaime won the May quarterly *Our People* award for her commitment to helping the Gosford icare Service Administration Team achieve success.

“I’m an admin assistant and our team’s function is predominantly policy verification. The quicker we do the verification, the sooner the injured worker will get contacted and case management will commence for them,” Jaime said.

“So, quality assurance (QA) is an important step in measuring the quality of our service.”

Jaime has taken the lead of the team’s internal QA, establishing a solid process to ensure consistency among the Service Administration team and has achieved a 100% internal QA rating for 11 out of the past 12 months for her own individual performance.

“I actively assist my team leader in streamlining the processes and making sure what we are doing supports those we serve with the best result.



“I love to look at the bigger picture and can see the trends which helps my leader take the right steps.

“Helping people who are injured get back to work and get back to health just feels right.”

Functional organisational chart



Our Group Executive Team members

Richard Harding

Chief Executive Officer and Managing Director

Richard Harding joined icare as CEO and Managing Director in January 2021. He brings more than 35 years of financial experience, including the last 13 as a CEO in the insurance industry.

Richard's career experience spans both short and long-tail insurance 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. Before 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 Allsop is an insurance professional and qualified actuary with more than 20 years' corporate and consulting experience.

He has built and led teams focused on delivering customer outcomes across claims management, finance, analytics and actuarial functions. 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 held a number of actuarial consulting roles at Ernst & Young, PwC and AON. He holds a PhD in Mathematics and is a Fellow of the Actuarial Institutes in Australia and the United Kingdom.



Our Group Executive Team

Absent: Amanda-Lea Smith (Group Executive, People and Culture)

Mary Maini

Group Executive, Workers Compensation

Mary Maini leads the Workers Compensation business and 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 the life insurance sector. Most recently, Mary led the implementation of the once-in-a-generation Compulsory Third Party (CTP) reforms in NSW.

Rashi Bansal

Group Executive, Insurance for NSW and HBCF

Rashi Bansal 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.

Before leading Insurance for NSW and HBCF, Rashi was icare's Group Executive, Organisational Performance. She is a qualified actuary and has led finance and actuarial teams across both life and general insurance. Rashi has a focus on leading and developing her team to deliver business outcomes.

Before 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.

Tony Wessling

Group Executive, Strategy and Office of CEO

Tony Wessling 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.

Before 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. He also spent eight years at Suncorp Group in several operational and strategic executive roles.

Tony manages the Strategy, Program Delivery, Corporate Affairs, Innovation and Partnerships functions.

Caroline Rockett

Group Executive, digiTECH

Caroline Rockett leads the Digital and Technology Group at icare. She has over 25 years' technology experience supporting organisations in achieving their digital, core business and data strategies.

Prior to joining icare, Caroline's career spanned 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 focused 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.

Jane McGovern

Group Executive, Risk and Governance

Jane McGovern is a senior leader with deep experience in risk management, compliance, governance and legal, with over 20 years advising financial services organisations across general insurance, life insurance and wealth management.

Jane has led the transformation of risk and compliance teams to uplift risk maturity across organisations and has extensive experience in strengthening risk and compliance culture, creating enabling functions that achieve business objectives and building high performing teams.

Before joining icare, Jane held Chief Risk Officer and senior leadership risk roles with global insurance organisations, Zurich Insurance and Allianz Insurance. She is a qualified lawyer and has led legal teams in both private practice and corporate enterprise for over 15 years, specialising in financial services law.

Amanda-Lea Smith

Group Executive, People and Culture

Amanda-Lea Smith has over 20 years' broad industry experience spanning professional services, consumer, energy and utilities and financial services in both public and private sector settings.

Amanda-Lea has led human resource and safety transformations, including enterprise-level operating model transitions, cultural change, employee engagement, talent and performance management. As well as building and leading high performing teams, she has experience leading other business functions including corporate affairs, sales, retail, customer service and facilities.

She joined icare in November 2021 from Credit Union SA where she was Chief People and Strategy Officer.

Previously, she was Executive General Manager, People, Culture and Safety at Power and Water Corporation in the Northern Territory and General Manager Human Resources at Australian Vintage Ltd.

Shailendra Singh

Interim Chief Financial Officer

Shailendra Singh is a seasoned finance executive with over 30 years' experience in the financial services, information technology and government sectors.

He brings a wealth of experience to icare across strategy, leadership, financial control, regulatory risk management, statutory reporting and compliance, talent development and digital distribution.

Most recently Shailendra held Executive General Manager, Wealth role at the Suncorp Group. Shailendra has held CEO and CFO roles at The Trust Company and Perpetual.

His career has seen him hold a range of finance and business leadership roles across a number of different regions with a variety of listed companies.



Strategy Update

It's been 12 months since icare launched its new enterprise strategy. Over the next five years, this will underpin our focus to provide better services. Our purpose and vision are centred around the people of NSW – caring for the people of NSW to help communities thrive.



Our Purpose

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

- We care for the individuals, businesses and communities of NSW. “Care” is no longer the name of a business unit or division, but a description of how we act, common to everyone across icare.
- We are a proud agency of the NSW Government. We don’t have shareholders – we exist only for the people of NSW.
- As an insurer we serve a broad purpose, one that underpins the growth of society by sharing and reducing risk in the communities we serve.
- Trust and confidence is essential for NSW as a community to continue to grow and thrive.

Our vision for the coming five years

Our vision is to make the complex simple, so our schemes deliver better outcomes for people and communities.

- We operate in an inherently complex environment with constantly evolving legislation, regulations, societal and technical developments.
- The customers and stakeholders we serve are not shielded from this complexity.
- Our vision compels us to make it easy for people by empathetically supporting them through their interactions with our schemes.
- We aim to empower people and communities, and by being open and transparent with our data, allowing them to make better choices.
- Our goal is to simplify tedious, manual form-based processes to allow people to focus on the more valuable activities of caring for our customers.

Our purpose and vision will be achieved through the successful execution of five **enterprise imperatives**:

1 To simplify our processes and interactions to deliver better outcomes for customers.

This means we will:

- streamline processes to allow efficient delivery of services
- embrace a digital-first mindset, so we can focus our human capacity on high-value interactions
- develop new service channels to meet the needs of our customers and incorporate emerging healthcare technology

We'll be enhancing many of our customer portals to achieve more accessible levels of self-service for employers and injured workers.

2 To make our information accessible and available to improve understanding and decision making for our ecosystem.

This means we will:

- improve the quality of our data and align our data sources
- make information more broadly available to stakeholders to:
 - improve understanding and decision making
 - create self-service options to promote user independence
- build data science and analytics capabilities to improve outcomes

We'll be improving the level of data, information and insights for our government agency customers, allowing them to make the best decisions for their insurance needs.

3 To elevate performance of service providers to drive improved outcomes for our customers.

This means we will:

- build partnerships with our service providers and build icare's capability to optimise their performance
- align incentive structures with icare's targets to hold providers to account, whilst encouraging competition to stimulate innovation and give providers the motivation to invest in and innovate their services
- build industry capability and career paths

We'll be aligning incentives for claims service providers in our workers compensation schemes, to encourage innovation and investment in improving frontline case management, in line with improved claims performance.

4 To focus the corporate centre to better enable the schemes.

This means we will:

- simplify how we operate
- evolve shared functions and infrastructure to focus on improving scheme outcomes
- identify and coordinate cross-scheme synergies and have appropriate corporate and governance structures in place to manage risk

We are using our experience in the Workers Compensation and Lifetime Care schemes to inform how we will build and implement the new CTP Care scheme.

5 Foster an open, constructive, and accountable culture.

This means we will:

- create a culture where our people are driven, take ownership, work together and are curious and passionate about delivering our purpose and vision
- strengthen icare's leadership, implement performance management and development practices to drive performance and recognise high performers
- transform communications to drive an open and connected organisation with a highly engaged workforce

We are ensuring the right teams, capabilities, careers and tools. Roles are in place across all our schemes to support a high-performing function.

The purpose, vision and enterprise imperatives are underpinned by a set of core values for our people:

1. **Driven.** We set ourselves challenging goals, take pride in our work, take calculated risks and lead change. We streamline processes and make it easy to do business with us.
2. **Ownership.** We take on the privilege and responsibility of serving the people of NSW. We think ahead, act, understand our customers' needs and deliver on our promises – giving customers certainty that we will be here for them today and in the future.
3. **Together.** We create a safe, nurturing and progressive environment. We are transparent, risk, aware and hold ourselves to high standards while celebrating success. We have fun while making a difference in all that we do.
4. **Curious.** We are curious and try new things to improve outcomes. We value and nurture diversity, feel safe to raise issues, share successes, failures, thoughts and experiences to create better outcomes. We think creatively to shape a better customer experience.
5. **Passionate.** We put customers at the centre of everything we do and care about delivering great service. We ask questions and listen so we can learn and build understanding and empathy with our customers. We are always focused on the human impact of our business – knowing our customers are people like us.





Improvement Program

During the past 12 months we have continued to address the recommendations raised from independent, external reviews. The icare Improvement Program centrally manages the work across two sub-programs - Enterprise Improvement and Nominal Insurer Improvement.

Year in review

The Enterprise Improvement Program comprises six workstreams: Governance, Risk Uplift, Procurement Uplift, Customer Uplift, Culture and Accountability and Financial Sustainability. These are designed to focus our corporate functions to improve scheme performance.

The Nominal Insurer Improvement Program relates to Nominal Insurer scheme-specific improvements and comprises five workstreams: Return to Work (RTW) Performance, Claims Model, Claims Service Provider (CSP) Performance, CSP Transition and Professional Standards and Capability.

icare is committed to transparency and has engaged an external assurer Promontory Australia, to provide independent assurance of the program's progress in relation to the recommendations of the McDougall and PwC Governance, Accountability and Culture reviews. Promontory have also reported publicly on icare's progress with quarterly updates available on our website.

While we recognise the work is ongoing and will take a number of years to complete, the progress made in FY21-22 builds on the foundations set in the first year of the program.

A photograph of two women, one with blonde hair and one with dark hair and glasses, looking down at a screen. The blonde woman is wearing a white sleeveless top with a colorful tropical print. The woman with glasses is wearing a dark green top. In the background, a screen displays text including 'positive connection', 'celebrate achievements', 'personal stories', 'top videos', 'Floor engagement on video', and 'YouTube'.

Progress through FY2022

Continuing to build capability and structures improving Governance, Accountability and Culture

- We made a number of new Board appointments (see Our Governance), further diversifying Board skills to improve governance.
- An updated Governance Assurance Framework was approved, with principles agreed by the Board and icare's Group Executive Team.
- Improvements to how we present our Board and Committee papers and to our reporting. To support this, Board-reporting templates, writing tools and training were reviewed and uplifted to improve the quality of information produced.
- We focused on how the Board governs both audit and risk, with the standing Audit and Risk Committee split into the Audit Committee and the Risk Committee, with endorsement from NSW Treasury.
- To continue to align icare's values with culture and accountability, Human Resources policies were refreshed in a number of areas. These include Work, Health and Safety, Code of Conduct and Ethics, Performance Management, Grievance Handling and Misconduct and Respectful Behaviour.

Continuing to strengthen risk and compliance practices

- Each business unit has a completed risk profile, including documenting key controls and defined risk accountabilities and responsibilities.
- Further refinement of icare's 'Three Lines of Defence'. This includes the implementation of a Line 2 operating model, building greater capability for managing risk in the first line teams. This is achieved through dedicated, regular forums and training all staff to raise risk-awareness and skills.
- A new internal risk and compliance system - Risk Connect - has been introduced. This centralises and streamlines identification and management of incidents, issues and conflicts of interest as well as gifts and benefits declarations.
- Continuous improvement of our risk and compliance policies and procedures with more consistent tools and templates and with increased focus on customer outcomes.
- Significant improvement in creating and maintaining sustainable and constructive engagement with regulators.



Adopting best practice for measuring benefits and refreshing capital management approaches

- The design phase of icare's Benefits Realisation Management Framework is complete with work continuing to ensure successful implementation. The framework will standardise how we identify, track, manage and report financial and non-financial benefits and help ensure maximum value is delivered by our projects. From FY24, icare will be able to report on this publicly.
- Capital management policies for Lifetime Schemes and the Nominal Insurer have been refreshed, allowing a wider range of external and internal stakeholders to see the details of icare's financial position.

Focusing on icare's customers

- The position of Customer Advocate was created and filled, with a clearly defined purpose and accountabilities.
- A formal Stakeholder Accountability strategy and framework was developed, defining accountabilities, roles and responsibilities for supporting and working with stakeholders.
- Customer experience measures have evolved, including transition from Net Promoter Score (NPS) to Customer Satisfaction Score (CSAT). This will improve how icare gathers customer feedback across the scheme and will provide a better understanding of customers' needs.
- A new Customer Complaints Framework and revised Customer Complaints Policy have been developed, setting the foundation for how we remedy issues in future.

Improving workers compensation performance

- A new claims strategy for the Nominal Insurer Scheme will define how we give employers more choice and help injured workers get back to work sooner. A request for proposal (RFP) was released to the market to find the best claims service providers to meet this goal.
- Detailed work was done to identify small and medium enterprise employers who have less familiarity with the workers compensation system, to provide additional support and guidance.
- We made improvements in healthcare reporting to identify unnecessary treatments to make sure each injured worker gets the right treatment for their injury.
- A Professional Standards Framework was announced in partnership with the Professional Injury Education Foundation (PIEF). This provides claims professionals with learning, accreditation and career pathways.

Given the size of the program and the level of importance it has been assigned by icare, the above list consists of only some of the achievements to come from it in the past 12 months.

As the Improvement Program has been a icare-wide priority, further detail on the program and its many initiatives can be found in the various sections throughout this report.



icare's Paralympian Speaker, Ben Houlison shares his story of workplace injury with employees at Polaris Marine Construction to help support a culture of safety.

From left to right
Darren Strohmayer (HSE Manager)
Ben Houlison (icare Paralympian Speaker)
Stephen Richmond (General Manager)



Workers Compensation

(Nominal Insurer)

The Nominal Insurer is the largest private sector workers' compensation insurer in NSW and administers the NSW Workers Compensation Insurance Fund. It manages approximately 62,000 new claims each year and provides income protection, treatment and care and return to work support for people who have sustained a workplace injury or illness.

Year in review

The Nominal Insurer has a unique statutory, governance and regulatory structure with an unconditional licence to issue insurance policies to NSW employers. The Nominal Insurer is regulated by the State Insurance Regulatory Authority (SIRA), an independent agency located in the NSW Department of Customer Service.

The Nominal Insurer Scheme is funded by employer premiums, which are used to cover claims costs, 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.

Throughout the year, our focus was on improving the operations and performance of the scheme through the Nominal Insurer Improvement Sub-Program. This is a sub-program of the overall icare Improvement Program. It addresses recommendations predominantly from the icare and *State Insurance and Care Governance Act 2015*

Independent Review conducted by the Hon Robert McDougall QC (McDougall Review) and the Governance, Accountability and Culture Review conducted by PwC.

The Nominal Insurer Improvement Sub-Program is a multi-year program consisting of five workstreams. This will improve scheme operations and performance and allow successful transition to our future claims model.



My case manager was very sympathetic to me for a start. I had never been in workers' comp nor hurt myself so bad. I was treated with dignity and my case worker let me know of my entitlements to help with my recovery. She also referred me to a great physio who was also excellent in caring for my needs

- injured worker about a service provider

Return to Work (RTW) Performance Program

icare is acutely focused on improving RTW performance and has identified areas of opportunity across the scheme including:

- accurate application of legislative measures
- improved engagement and intervention in mental health claims
- dedicated initiatives to drive strategic improvements to support small employers and early intervention.

The RTW Performance Program is a multi-year business program committed to improving RTW performance for injured workers and employers through improved case management practices and capability.

We are driving RTW improvement through several initiatives, including:

- Early intervention which has a focus on claims from date of injury to 13 weeks. This includes targeted use of workplace rehabilitation providers in the first four weeks of a claim. It also includes other programs to assist with identification and supportive management of psychosocial risk factors which may delay recovery. The targeted use of vocational rehabilitation providers has resulted in approximately 60% of rehabilitation referrals now being made within the first two weeks of a claim (as of June 2022)¹.
- A claims strategy for small and medium employers which includes:
 - a first response service for small to medium employers providing early return to work planning and referrals to Workplace Rehabilitation Providers
 - for EML, presently the largest Claims Service Provider, Mobile Case Management Services in regional locations
 - promoting the use of SIRA Vocational Programs when the employer has challenges with return to work and providing suitable duties.



The rehab provider personalises my needs, understands and respects my input and also has my safety and well-being, also my return to work is a priority at all times. Makes me feel so comfortable at all times

- injured worker about a service provider

¹ Tail liability refers to long term claim duration

- **Performance improvement for large employers which includes:**

- enhanced performance reporting available to large employers, including benchmarking data
- review of Wage Reimbursement Agreements to ensure consistency across the scheme and timely payments of weekly benefits
- delivery of training and education sessions through icare's Mobile Engagement Team, online Industry Hubs and eLearning modules.

- **Mental Health Claims Initiatives which include:**

- an improved communication tool developed and integrated into a mental health online hub for injured workers and employers
- ongoing strategic review of at-risk groups to implement targeted initiatives which support return to health and RTW.

- **Improving Work Capacity Decisions and Tail Liability¹ by:**

- embedding tailored claims strategies to support workers who may be impacted by section 39 (cessation of weekly benefits) and section 59A (cessation of medical benefits) of the *Workers Compensation Act 1987*
- targeted cohort management focused on building capacity for workers with high needs
- increasing opportunities to apply commutations and share knowledge across the scheme

Additionally, we commissioned research undertaken by Sydney University (the Buchanan Report) about the changing nature of work and how it will influence RTW.

¹ Tail liability refers to long term claim duration



Mental health forum – Mobile Engagement Team

icare's Mobile Engagement Team hosts face-to-face and online events to help enhance customers' knowledge of workers' compensation.

Claims Management Model Design and Procurement

A new Claims Management Model for the Nominal Insurer will form the cornerstone of how we give employers a larger choice of claims provider, encourage greater market competition and help injured workers get back to work sooner. An open market Request for Proposal (RFP) was initiated in February 2022 to procure claims and injury management services from 1 January 2023. Submissions closed in April 2022 which was followed by the evaluation of respondents and a market announcement will occur in late 2022.

Successful respondents to the RFP will be transitioned as CSPs to the claims and injury management model from 1 January 2023. The transition will take a phased approach, with design and planning underway to ensure minimal disruption to injured workers and employers. Enhancements to our systems and processes means claims lodgement and management will become more streamlined.

Professional Standards and Capability

In November 2021 we launched a Professional Standards Framework for Workers Compensation to improve scheme capability and create an industry of claims management professionals. The Professional Standards Framework sets out the practices, skills, knowledge and behaviours required by our claims management teams on entry to the industry and throughout their career. It has been designed to help guide consistent decision making and provide high standards of service for our workers and employers.



We also established an education partnership with the Personal Injury Education Foundation to implement a nationally recognised vocational qualification for workers' compensation claims professionals. Implementation of the framework will begin in 2023.

Other Achievements

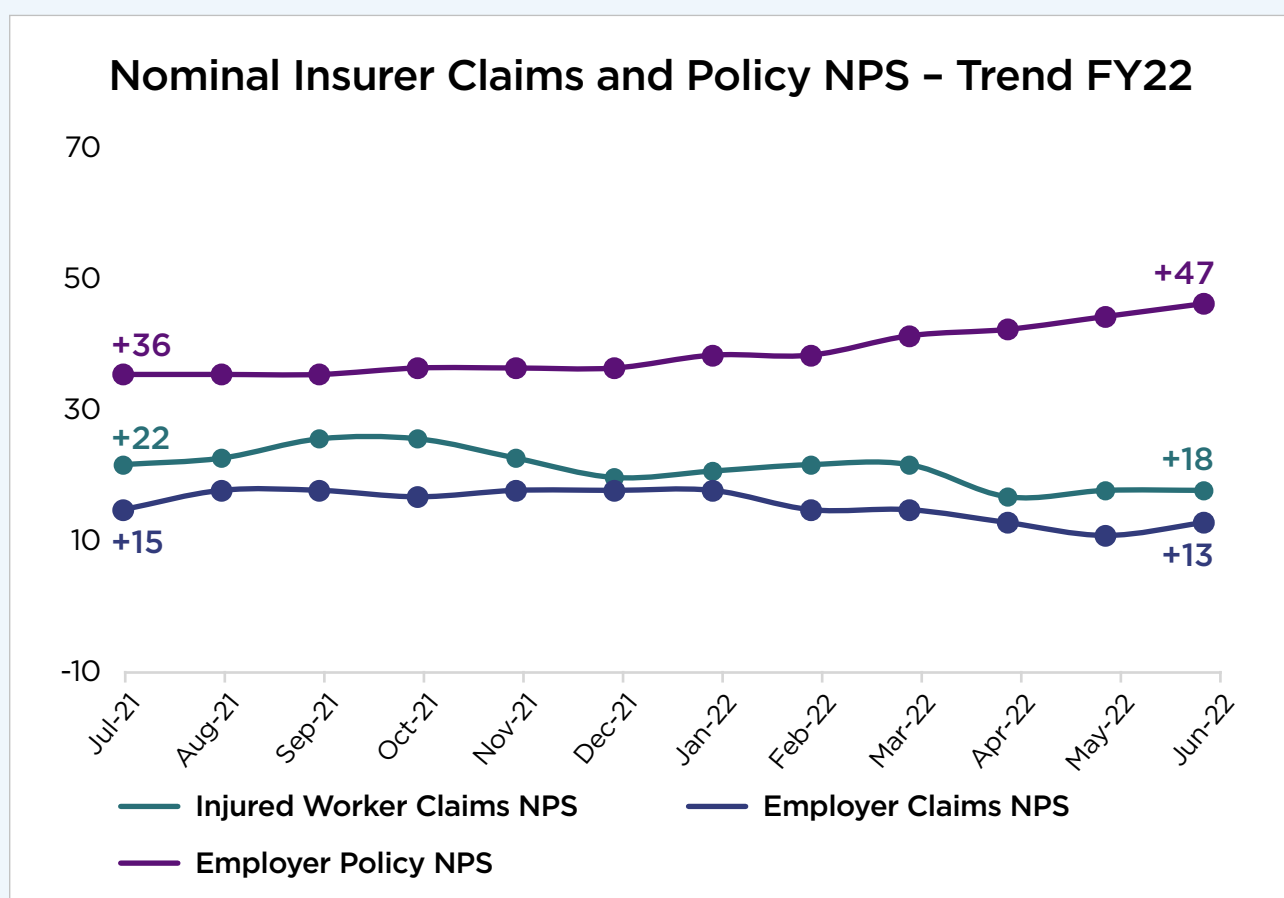
In addition to the Nominal Insurer Improvement Sub-program, we:

- Successfully navigated the challenges of the COVID-19 pandemic which impacted the lodgement of claims, opportunities for return to work in certain industries and the requirements to modify procedures and processes to manage these claims. This was achieved through establishing designated teams to manage COVID-19 related claims and re-prioritising initiatives to support injured workers and employers through the pandemic.
- Renegotiated CSP contracts for continuity of services throughout 2022.
- Introduced monthly publication of performance data on the icare website including active claims, compliance, return to work and customer experience.

- Implemented system and process enhancements to our claims database. We simplified COVID-19 claim processing, improved medical treatment approvals and payments functionality, improved our ability to capture external factors and made modifications to improve data quality, integrity and completeness.
- Supported a number of employers with proactive injury prevention initiatives. These included:
 - Protect Together Injury Prevention Program targeting medium and large employers
 - Injury Prevention in Construction Innovation Investment which is a project led by RMIT University called 'Conversations about Life, Health and Safety'
 - Design for Care Innovation Investment. This evaluates work design interventions which reduce mental health risks to health care and social assistance workers from non-hospital settings.

Customer Experience and Engagement

The Nominal Insurer aims to improve the outcomes and experience for injured workers and employers. Using NPS as a measure, FY21-22 was a strong year for performance for the Nominal Insurer. The graph below details the NPS rating provided by our customers in FY21-22.



Employer Policy NPS consistently improved throughout FY21-22. It sits at a new historical high of +47 as of June 2022. This steady improvement is a testament to the continuous improvement initiatives conducted by the icare Policy and Underwriting team. These initiatives include automation and changes to technology platforms.

While the claims experience has shown a slight drop in the second half of the year, we continue to actively review feedback and work with our CSPs to implement appropriate measures which will ensure improvement throughout 2022-23.

Financial summary

FY2021-22 (\$m)	Nominal Insurer
Net Earned Premiums/Contribution (incl hindsight adjustments)	3,350
Net Claims Expense/Scheme Costs	(2,451)
Underwriting & Other Expenses	(1,015)
Underwriting Result	(116)
Net Investment Revenue	(890)
Grants from the Crown	-
Other Income/adjustments	13
Net Result	(993)
Funding Ratio	94%
Insurance Ratio	102%
Investment Funds Under Management	16.2bn
Investment Return	(5.1%)
Investment Benchmark	(5.2%)

Operating as part of the NSW Government, funding of the scheme is measured using both a funding ratio and insurance ratio. As at 30 June 2022, the funding ratio of the scheme is 94%, and the insurance ratio is 102%. The insurance ratio is calculated using a 5% discount rate, based on the investment return expectation for the scheme, instead of the risk-free rate required by accounting standards. Both the funding ratio and insurance ratio for the scheme's liabilities have an 11.2% risk margin in addition to the best estimates of liabilities.

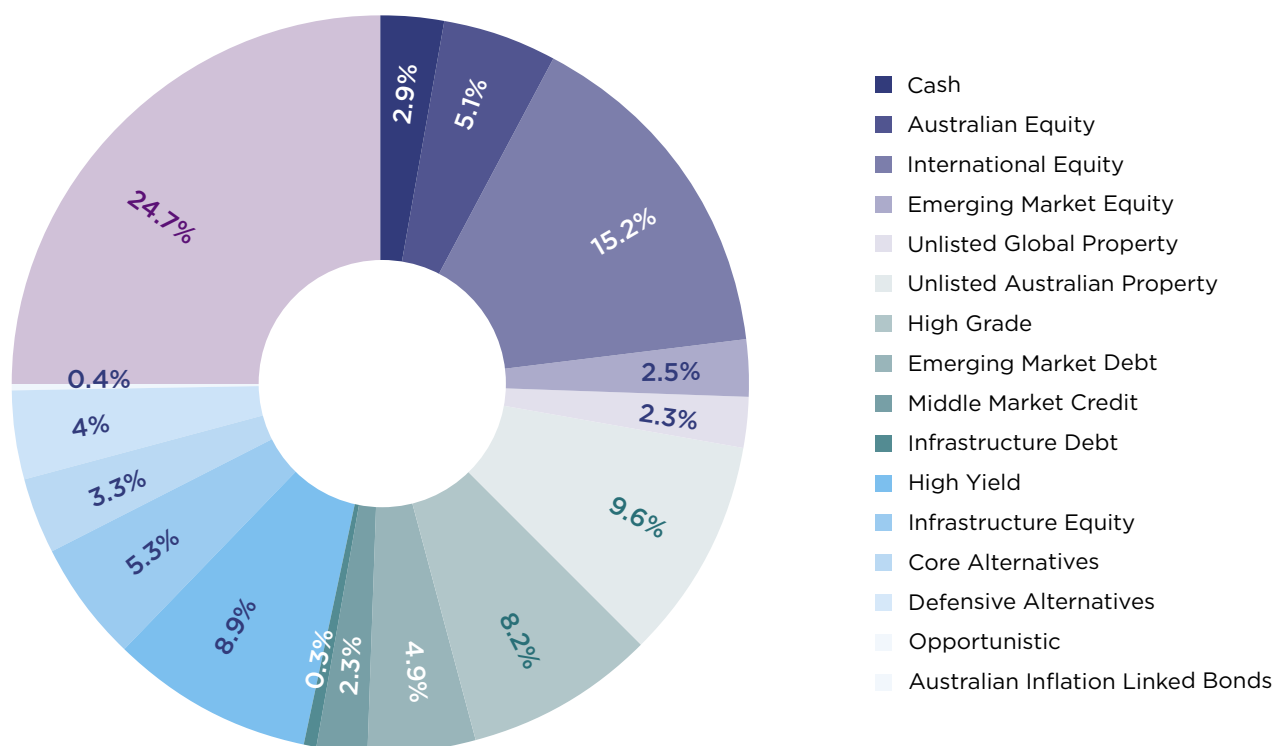
As a statutory scheme funded by employer premiums, the scheme's funding arrangements are different to private sector insurance. The scheme manages financial risks across a longer time horizon than private sector insurance, with premium income that is more predictable and a claims payment profile that is much longer. The scheme's Capital Management Policy uses the insurance ratio and its outlook as the primary metric of the scheme's ability to pay claims and expenses into the future, as recommended by the McDougall Review. The funding ratio and cashflows are also considered.

The scheme's insurance ratio of 102% at 30 June 2022 is outside the target operating zone of the Capital Management Policy. A business plan to return the scheme to the target operating zone is being implemented.

Over the last year, several factors have contributed to these results:

- Investment funds under management are lower due to volatile equity markets and rising interest rates in 2022. Supply chain issues, rising inflation and fears of a recession have driven markets down and interest rates up.
- Lower investment returns have reduced the investment assets available to pay claims, which has contributed to the fall in the insurance ratio.
- Rising inflation has increased the expected future cost of claims, which has contributed to the fall in the insurance ratio.
- A valuation release reflecting an improvement in return to work experience, that was partly offset by an increase in the cost of psychological claims.
- An increase in premium rates that balanced the long-term sustainability of the scheme with supporting the businesses of NSW in response to the COVID-19 pandemic.

Workers Compensation Insurance Fund Strategic Asset Allocation at 30 June 2022



Asset class	Market value \$	Actual weight	Asset allocation
Australian Equity	820,839,708	5.1%	5.5%
International Equity	2,469,375,876	15.2%	15.0%
Emerging Market Equity	408,697,240	2.5%	2.5%
Unlisted Global Property	369,474,308	2.3%	2.0%
Unlisted Australian Property	1,557,983,260	9.6%	9.0%
High Grade	1,321,464,923	8.2%	8.0%
Emerging Market Debt	791,834,852	4.9%	5.0%
Middle Market Credit	378,078,861	2.3%	2.0%
Infrastructure Debt	51,716,349	0.3%	0.5%
High Yield	1,437,555,902	8.9%	9.0%
Infrastructure Equity	862,103,901	5.3%	5.0%
Core Alternatives	539,440,943	3.3%	3.0%
Defensive Alternatives	655,582,664	4.0%	4.0%
Opportunistic	67,604,402	0.4%	0.5%
Total Growth Assets	11,731,753,189	72.4%	71.0%
Australian Inflation Linked Bonds	3,999,622,992	24.7%	25.0%
Cash	468,148,248	2.9%	4.0%
Total Defensive Assets	4,467,771,240	27.6%	29.0%
Total Foreign Exchange			25.0%
WCIF Total Fund	16,199,524,428	100.0%	100.0%

* Since inception date is 30 November 2005.

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

Workers Compensation Insurance Fund FY2021-22 Returns

Performance (gross)	Since inception* (% p.a.)	5 Year (% p.a.)	3 Year (% p.a.)	1 Year (%)
Fund	5.75	4.34	1.89	(5.12)
AWE + 2.0% p.a.	4.78	4.01	3.84	4.28
Excess	0.98	0.33	(1.94)	(9.40)
Benchmark***	5.51	4.60	2.31	(5.23)
Excess	0.24	(0.26)	(0.42)	0.11

* Since inception date is 30 November 2005.

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

Claims and Injury Management

Return to Work rates

The Workers Compensation scheme is designed to assist injured workers to return to full participation in work and life. Evidence indicates that the faster a worker returns to work in some capacity, the greater their chances are of making a full recovery. For those whose injuries might mean it's not safe or possible to do the tasks that are part of their usual job, an employer must find them suitable work, for example, modifying their duties or providing alternative work.

One of the primary measures of the success of the scheme is based on RTW rates, which measures the number of workers that have returned to work following a workplace injury. We work with our in-house and outsourced CSPs to ensure injured workers receive the treatment, care and support they need to recover and return to work.

One of our objectives is to work with CSPs to improve RTW performance. The graph below indicates the RTW rates from the date the claim was entered into the system (DEIS) between July 2020 and June 2022 for the Nominal Insurer within four, 13, 26, 52, 104 and 130 weeks.

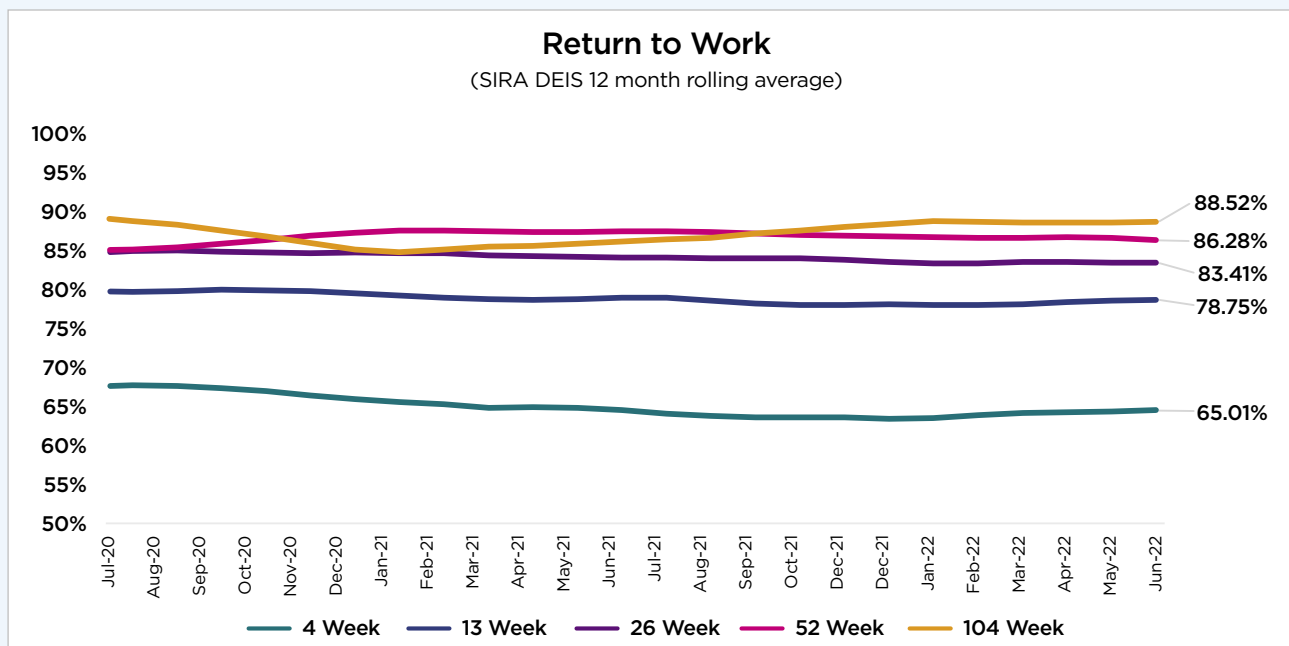


Figure 1: Rolling return to work rates from July 2020 to June 2022 for Nominal Insurer



All RTW measures remained steady for FY21-22. COVID-19 has continued to have an impact on claims management and performance throughout the year, with 6,845 notifications received. Health advice and stay-at-home restrictions impacted the availability of suitable duties and therefore, the ability of some workers who were able to return to work.

Medical Program

This year we continued to support injured workers in receiving reasonably necessary and appropriate treatment and care by:

- Launching the Treatment Decision Making Framework. This will improve injured workers' recovery by providing a framework that supports outcome-focused, consistent treatment decisions across the scheme which comply with legislation.
- Developing training modules to support appropriate treatment decisions and effective communications with treatment providers.



My doctor is an experienced GP who approaches her healthcare in a patient-centric, generous and evidence-based way that makes sure that I, as her patient, always feel informed, assured and directed towards good practical results and outcomes. She is a very good communicator and an enthusiastic patient educator. I feel that she helps me understand how to manage my condition and not be dependent on the revolving door of the health system. She is careful in her advice and referrals to experts and does a lot to help me.

- injured worker about a service provider



- Continuing to provide timely medical support and recommendations to CSPs and their case managers through the Medical Support Panel (MSP). The MSP improves health outcomes and the experience of injured workers through faster decision making and treatment approvals of claims. It also manages the sustainability of the scheme by reducing the need for Independent Medical Examinations (IMEs).
- For FY22, the MSP provided more than 4,300 recommendations and the average timeframe to respond was consistently less than five days, with an overall average of 3.15 days. Of the 4,300 recommendations provided, 56% did not require referral to an IME resulting in faster access to medical advice and treatment approvals.
- The new Consult Pathway provides timely specialist medical advice to case managers, who can book a 30-minute face-to-face session with a clinician to discuss complex claims or health management issues and receive guidance and recommendations.
- Delivering CSP education sessions, highlighting the benefits to injured workers of referring complex medical claims to the MSP, particularly for psychological claims.
- Beginning engagements with peak associations to collaborate on improved outcomes for workers.
- Supporting key stakeholders with up to date health information on COVID-19 to ensure timely and appropriate support for workers with COVID-19 claims.

We have also implemented measures aimed at improving medical payment integrity, including:

- system enhancements to support accurate medical and treatment payments
- monitoring the use of allied health services
- beginning the development of healthcare dashboards and reporting to identify healthcare costs and use, worker outcomes and potential payment integrity issues.

We are committed to enhancing our healthcare data and analytics capability to improve medical payment integrity. Further system enhancements are scheduled in FY23.

In addition, we will continue to work closely with SIRA to address:

- The implementation plan for Value Based Healthcare. The plan aims to drive improved health outcomes across the NSW Workers Compensation and Compulsory Third Party (green slip) insurance schemes.
- The impacts of the *Motor Accidents and Workers Compensation Legislation Amendment Act 2022* relating to additional powers of SIRA to regulate health service providers in the scheme. The Act also removes some discrepancies and includes improvements to benefits received by volunteers and the children of people killed in workplace accidents.



Injury prevention team at Road Freight NSW Conference/Awards

Our team attended the 2022 Road Freight NSW Conference and provided practical injury prevention tips.

Quality Assurance (QA)

Throughout FY22 our QA program continued to support case managers in building claims management foundation skills and to improve the quality of claims management activities. The program covered the assessment of key claims management activities and was used to monitor the effectiveness of services being provided both by icare and our CSPs. This allowed us insight into the performance of claims management activities and to identify areas for improvement. QA reviews ranged from routine checks of a broad sample of claim files through to specific targeted reviews into claims management activities.

An enhanced QA framework was developed and embedded in new CSP contracts from 1 January 2022, with the first reviews beginning February 2022. Under this new framework findings are now provided at a more granular level to allow icare and CSPs to target remedial actions and drive quality. Clear QA targets and governance processes are documented in the framework to improve quality service outcomes.

Nominal Insurer – payment review

In July 2021, icare contacted 240,000 workers eligible for a review under the Nominal Insurer PIAWE Review and Remediation program. This program relates to possible payment errors in PIAWE payments for injured workers who lodged claims on or after 1 October 2012 with a date of injury prior to 21 October 2019. The program aims to ensure all potentially impacted workers have their claims assessed and financial losses repaid. A comparable program has been undertaken by the Treasury Managed Fund.

Throughout FY22, in conjunction with the relevant CSPs, icare assessed 24,372 worker responses and identified 2,377 underpayments totalling \$10.362m. This represents an underpayment rate of 9.2% with an average underpayment of \$54.45 per week off work.

In November 2021, an additional project began to increase the response rate of those injured workers contacted for a review. This proactively offered eligible workers a payment, based on historical projected averages. An automated, online process to claim their payment was offered to 21,000 workers with a positive response rate of 35%. The final 30,000¹ workers will be invited to participate in the online recoupment process in October 2022.

¹ This has been revised down from the initial estimate of 53,000. The reduction is due to the outcomes of the continuing reassessment process and refined eligibility criteria.



icare's Paralympian Speaker, Ben Houlison with Polaris Marine Construction's workplace health and safety leaders at their marine facilities site in Sydney.

A better service for business

The scheme is funded by employer premiums, which are used to cover claims costs, statutory levies and scheme operating costs. Our goal is to simplify the policy purchase and renewal process through automation and self-service offerings. Employers can purchase their policy online or by contacting our Customer Support Centre.

Improved system automation delivered in May 2022, has increased efficiencies in premium calculations, without the need for manual processing. Additionally, icare expanded the self-service portal resulting in a better and quicker customer experience. Some key highlights include:

- over 3.4m interactions with our customers
- 205,000 successful logins to our customer self-service portal
- over 20,900 webchats with customers
- complaints continue to account for less than 1% of customer/policy base.

In listening to our customers during the pandemic and through a year of natural disasters, we made it easier for customers to pay their premiums. One hundred and thirty-two thousand more customers were able to pay in monthly instalments. This year icare has also supported 98,500 customers impacted by COVID-19 by reducing premiums by \$528m and placing \$159m worth of premium payments on hold.

icare completed its two-year Premium Collection Strategy which included establishing a partnership with Revenue NSW and bringing collection services in-house in September 2021. This strategy has created operational efficiencies and \$1.2m in savings to icare.

In January 2022, we introduced a new Debt Recovery Legal Services Panel. This has reduced the need for legal debt recovery action from over 28,000 matters down to less than 2,400.

As a result, icare's Premium Collections Strategy has improved its effectiveness by collecting premiums earlier, improving affordability and improving bad and doubtful debts. The Revenue NSW partnership continues to effectively replace the need for legal debt recovery work. It allows us to collect money earlier and continues to save over \$10m annually.

Strategic Partnerships

Our industry consultative group, the Nominal Insurer Advisory Committee (NIAC), began in December 2020 and has continued to meet bi-monthly. The NIAC was established to provide key stakeholders with an opportunity to provide feedback and advice for improvements to the scheme. The NIAC is central to providing frontline feedback and consultation on initiatives. It has not only become an established forum to collaborate on challenges and opportunities in management of the scheme, but has also assisted with enhancing relationships and engagement with stakeholders.

The scheme has also begun engagements with peak healthcare associations to support improved health outcomes for our customers.

Stakeholder Engagement

We continue to build and consolidate our engagement model with the scheme's employers and their stakeholders. Our aim is to work together to provide specific and scalable services to meet the needs of both employers and injured workers. In 2021-22 the Employer Engagement team has hosted more than 30 events with 17,865 employer delegates.

Using customer feedback and needs-based assessments, we developed a range of service offerings and capabilities. These include:

- Performance reporting tools to provide employers with a policy, premium and claims performance analysis as well as their individual and industry benchmarking profile.
- Digital industry hubs (ihubs) to provide selected workers' compensation information to specific employers most in need of training, education, resources and access to expertise, for example small to medium enterprises or industry groups such as construction, transport, manufacturing and health. This includes the launch of the Small Business Hub in FY22.
- An employer content library providing up-to-date content and collateral to support employer engagement activities and digital channel resources.
- Better communications, education and training to support employers and their stakeholders. These are delivered directly and indirectly through relationships with brokers and industry associations and through broader digital, media and social channels.

To meet the ongoing challenges presented by COVID-19, our Mobile Engagement Team was on the road engaging with NSW employers. The team continued to develop and deliver a range of training and education forums both face-to-face and through webinars.

Content was created in collaboration with small and medium enterprises, covering fundamental workers compensation topics. These included understanding the workers compensation insurance policy, how Workers Insurance Classification rates are applied and calculated and clarification of available customer incentive discounts. There was also a focus on injury prevention, maximising return to work outcomes, and the management of psychological injury.



Kahi Puru, icare's Paralympian Speaker, promoted workplace health and safety at Sydney Water as part of Safety Month events. Photograph courtesy of Sydney Water.

Key facts

Workers Compensation



covered **338,000** businesses with over **28,000** new policies issued and **310,000** policies renewed



3.33m workers covered and **\$217b** in wages insured



62,000 new claims received and **\$1.9b** claim-related costs



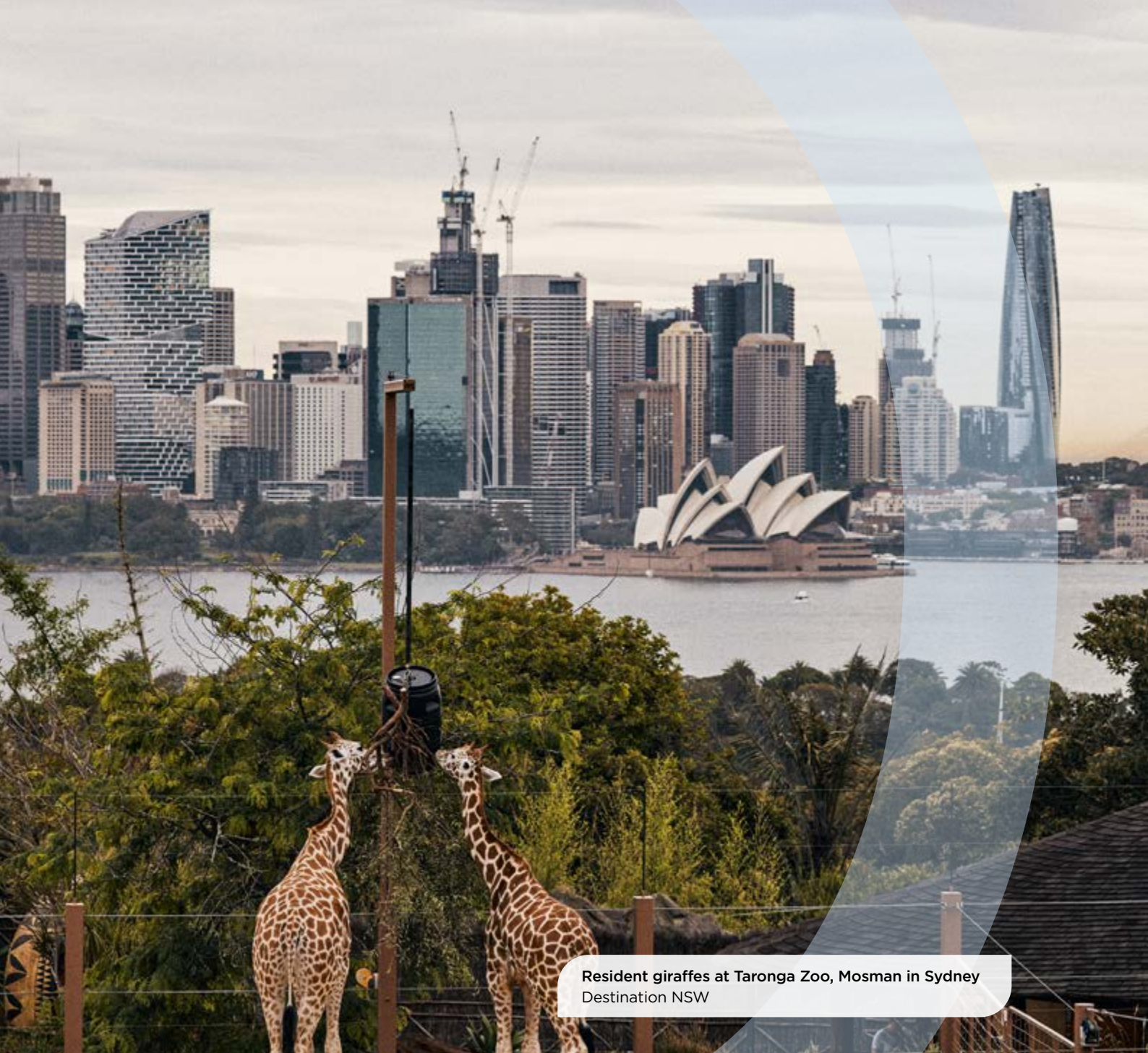
\$3.35b net earned premiums



Most **common injuries** included ligament and muscle strains, wounds and lacerations, fractures, musculoskeletal disorder, psychological injuries



icare's Paralympian Speaker, Nigel Smith with Rheem's workplace health and safety team members at their manufacturing site in Sydney.



Resident giraffes at Taronga Zoo, Mosman in Sydney
Destination NSW

Insurance for NSW

Insurance for NSW (IfNSW) manages several NSW Government funds and statutory insurance schemes, which collectively support and protect the operations of the NSW public sector.



Year in review

The Treasury Managed Fund provides workers' compensation insurance for over 384,000 workers and over 143,000 volunteers across the State. We also protect more than \$292 billion of the State's assets, including the iconic Sydney Opera House and Sydney Harbour Bridge as well as critical infrastructure such as schools, hospitals and the services provided by the Government to the communities of NSW.

Treasury Managed Fund Workers Compensation

Recognising the changing risk profile of the Treasury Managed Fund Workers Compensation portfolio, and an opportunity to use technology in better ways, IfNSW is embarking on a significant Transformation Program. The objective is to improve the efficiency and outcomes of the claims process, provide greater transparency and an improved experience for both agencies and injured workers. A key element of the program will be the delivery of a single claims system with the ability to streamline and support claim lodgement for agencies.

The single system solution has multiple benefits:

- improved data quality
- legislative compliance
- transparency of performance and
- improved opportunity for NSW Government agencies to choose their Claims Service Provider (CSP).

Improved claims outcomes will not be achieved by the delivery of a claims management system in isolation. The Transformation Program will be supported with a revised and improved contractual performance and remuneration model for our CSPs. There will also be a capability and competency model across icare and a focus on data and insights to support predictive and risk-based decision making.

The program began in June 2022 and will continue to 2026.



Because she has the time and training to understand me as a person and we work towards goals. She provides valuable advice and gentle challenges which we can review every fortnight. With the constant change of people outside this particular recovery relationship I would have been lost. She has been the main constant in this sad journey, along with my Doctor.

- injured worker about a service provider

Return to Work for Treasury Managed Fund Workers Compensation continues to be influenced by the increasing proportion of psychological injury claims. Since 2015 psychological claims by non-emergency services agencies (eg Education, Health, Department of Communities and Justice) has risen from approximately 10% to just over 20%. In the emergency services agencies, psychological injury claims have increased from approximately 15% to 28%. There is no immediate indication that the proportion of psychological injury claims in either emergency or non-emergency portfolios will decrease in the short term.

Coinciding with a greater number of psychological injury claims is an increase in the severity of these claims. A higher proportion now exceeds the Whole Person Impairment (WPI) threshold of 15%. Beyond this threshold there is both a greater potential for an injured worker to remain on weekly benefits for longer and for increased Work Injury Damages claim lodgements. As a result, we have been implementing targeted initiatives to improve psychological claims management and performance. These include:

- the Connect and Care program focusing on improving how employees are managed at their workplace.
- a psychological (WPI) strategy that improves how a claim for WPI is managed.
- a renewed focus on how a claim is managed, ensuring accuracy in assessments by strengthening a CSP's capability to manage psychological injury claims. This is done by the use of the Psychiatric Impairment Rating Scale (PIRS).
- Injury Management Plans (IMPs) to facilitate recovery and return to work.
- Training conducted with the CSPs and NSW Government Agencies which encourages better management of both primary and secondary psychological issues and the impact these have on claims.

Treasury Managed Fund General Lines

It was the wettest summer for 30 years in some parts of NSW, causing significant damage to more than 1,300 State assets including schools, hospitals, vehicles, bridges and national parks. This weather event has become the third most expensive impact on the insurance industry.

Immediate repairs and remediation works were initiated to make assets safe. The findings of the NSW Flood Inquiry and direction of the Northern Rivers Reconstruction Corporation will inform decisions about how repairs are planned for the longer term. Losses are anticipated to exceed \$275m, with expected recoveries from the reinsurance program.

Further flooding occurred in the Sydney basin in late March 2022. The damage from this event was not as significant. A number of properties impacted by the floods in March 2021 sustained further damage during the March 2022 event.

The Treasury Managed Fund continues to support agencies in response to the impact of COVID-19. The cover available extends to instances where access to sites has been restricted by Public Health Orders, loss of revenue claims when events have been cancelled, claims and class actions brought against the State by individuals challenging the impact of restrictions and mandates.

icare continues to oversee and monitor the performance of Gallagher Bassett, with operational governance functions and activities focusing on service delivery, compliance and risks.

In July 2021, following a Request for Proposal (RFP) process, the Treasury Managed Fund General Lines legal panel was established. A total of 16 firms were appointed to the panel across a range of practice areas to meet the requirements of the agencies and the increased level and complexity of legal activity involving the State.



Maitland Hospital



Bush Firefighters Fund

Our Bush Firefighter's Fund provides cover for NSW Rural Fire Service volunteers against injury, death and personal property damage. The Emergency and Rescue Workers Compensation Fund provides cover for injury, death and personal property damage for volunteers of the NSW State Emergency Service, 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.

The Motor Accidents and Workers Compensation Legislation Amendment Bill 2021 was assented to on 16 June 2022 and includes additional provisions for volunteers to access return to work assistance, retraining, provisional liability payments, funeral expenses and expenses for managing dependents' trust fund accounts following a fatality.

During FY21-22 we received 177 new Bush Firefighters Fund claims and 316 new Emergency and Rescue Workers Compensation Fund claims. Despite significant weather events causing flooding this financial year, which resulted in increased State Emergency Service and Rural Fire Service activity, the claim volume has remained steady compared to previous years.

Construction Risk Insurance Fund (CRIF)

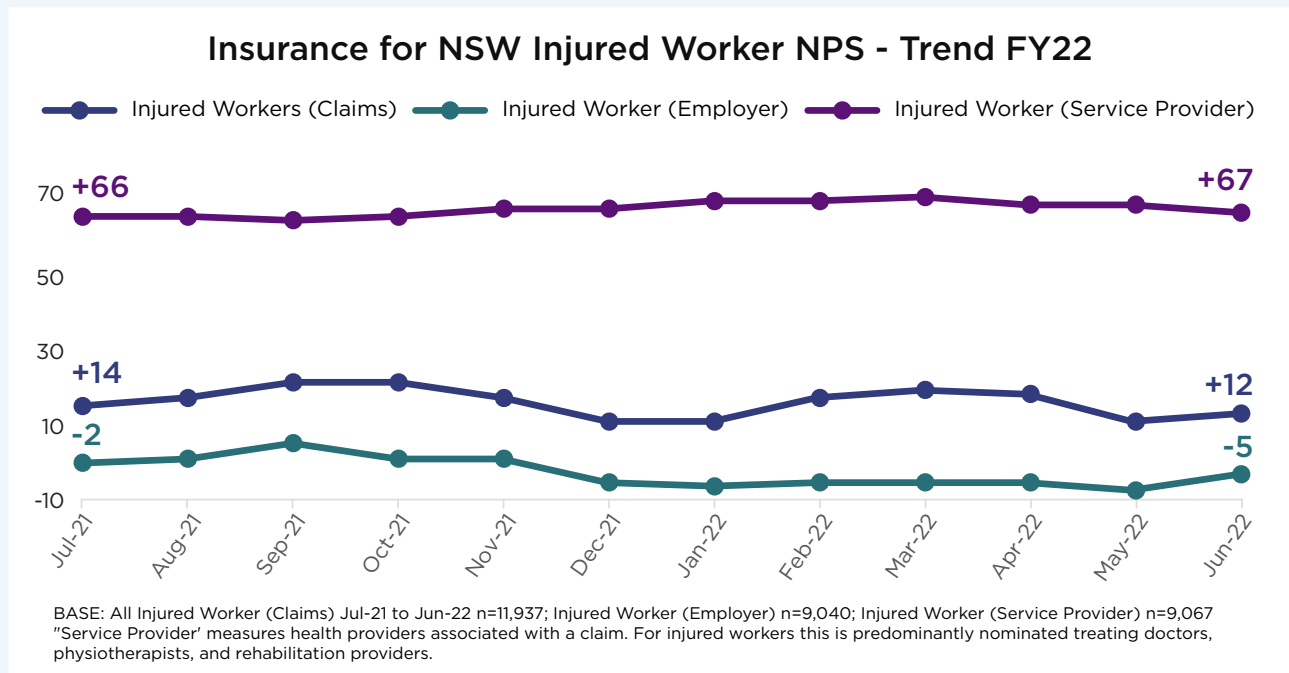
Our Construction Risk Insurance Fund (CRIF) provides construction insurance for infrastructure projects on behalf of the NSW Government and its partners. Leveraging the NSW Government's significant infrastructure investment, we offer principal arranged insurance and ensure a robust insurance program supports each individual project.

The centralisation of insurances for these projects means insurance is approximately 30% lower than the commercial market. This allows additional funds to be invested in community infrastructure without compromising the protection of assets under construction.

In 2022 the CRIF insured nearly \$8b in construction value. Written premiums increased to \$128m. The premium increases are the result of the CRIF cover being extended to provide cover for the Professional Indemnity (PI) needs of major government projects. The PI cover was designed collaboratively with NSW infrastructure agencies, the NSW Treasury and industry bodies including Consult Australia. Since inception, the CRIF PI program has provided PI cover to projects like Sydney Metro, Sydney Gateway, Coffs Harbour Bypass and an extension for the WestConnex Rozelle Interchange.

Customer Experience

Customer feedback is continuously captured through the Customer Experience Measurement (CXM) Program to allow icare and its schemes to listen to the people we serve, learn from feedback, and importantly to improve outcomes. Using the Net Promoter Score (NPS) as a measure, FY22 proved to be a relatively stable year for customer experience performance for the IfNSW scheme.



Injured workers sentiment for CSPs remains relatively stable, ending the year at +67. Injured workers NPS for CSPs and employers/agencies experienced slight movement over FY21-22, with both relationships seeing a steady decline in customer advocacy from September 2021 to January 2022.

- NPS for injured workers on NSW government agencies has stayed in negative NPS territory since October 2021 following a period of gain in the first quarter, ending the year at -5. Workers indicate frustration in the lack of flexibility of work duties, lack of reasonable adjustments and insufficient communication from employers.
- Claims management performance for CSPs may have been driven down by under-resourced teams, which was addressed through increased workforce and turnover initiatives by the CSPs. Primary feedback from injured workers also suggests that CSP contacts have been less easy to deal with. Issues included timeliness of response, proactivity in making contact and being accessible throughout the claims process. Since then, claims performance from CSPs has picked up, spotting improvements in the third quarter but dropping off again slightly in the first half of quarter four, before it picked up, and ending the year at +12.

icare is continuing to review feedback and collaborate closely with Employers and CSPs to implement appropriate measures and ensure improvements throughout FY22-23.



The process has been easy, and the staff member assigned to my case has been easy to communicate with and prompt in her replies to my questions. I was worried about submitting a claim given the stigma attached to Workers Compensation, but it has been an easy process and has meant I have been able to get treatment.

- injured worker about a service provider

Sea Cliff Bridge, Clifton
Destination NSW

Financial summary

FY2021-22 (\$m)	IfNSW
Net Earned Premiums/Contribution (incl hindsight adjustments)	2,013
Net Claims Expense/Scheme Costs	(3,575)
Underwriting & Other Expenses	(301)
Underwriting Result	(1,864)
Net Investment Revenue	(614)
Grants from the Crown	1,900
Other Income/adjustments	0
Net Result	(578)
Funding Ratio ¹	105%
Insurance Ratio ²	125%
Investment Funds Under Management ³	\$12.9bn
Investment Return	(4.2%)
Investment Benchmark	(4.6%)

¹ IfNSW funding ratio

² TMF insurance ratio

³ The \$12.9b consists of \$11.7b in the Treasury Managed Fund and \$1.2b in other residual IfNSW Funds



Dinosaur display at the Australian Mineral and Fossil Museum, Bathurst
Australian Mineral and Fossil Museum

Operating as part of the NSW Government, the funding ratio of the self-insurance schemes¹, where the Treasury Managed Fund is the largest component, at 30 June 2022 is 105%. The insurance ratio is calculated using a 7% 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 Treasury Managed Fund at 30 June 2022 is 125%.

As a self-insurance scheme for the public sector, Treasury Managed Fund funding arrangements are different from commercial insurance. Unlike other funds managed by icare, the Treasury Managed Fund was never intended to operate independently of the NSW Budget or finances. The scheme operates in conjunction with NSW Treasury through the Net Asset Holding Level Policy (NAHLP). Typically payments are made by the Treasury Managed Fund to NSW Treasury if the funding ratio exceeds 115%. Grants are received by the Treasury Managed Fund from NSW Treasury if the funding ratio falls under 105%.

The Treasury Managed Fund returns surplus funds to Treasury in years where claims of government agencies are lower than expected and receives funds from Treasury when claims are higher than expected. Over the last year NSW Government agencies experienced losses which were larger than usual.

The March 2022 floods and increased child abuse claims have reduced the funding ratio. Adverse experience from psychological claims and medical indemnity claims have further reduced the funding ratio.

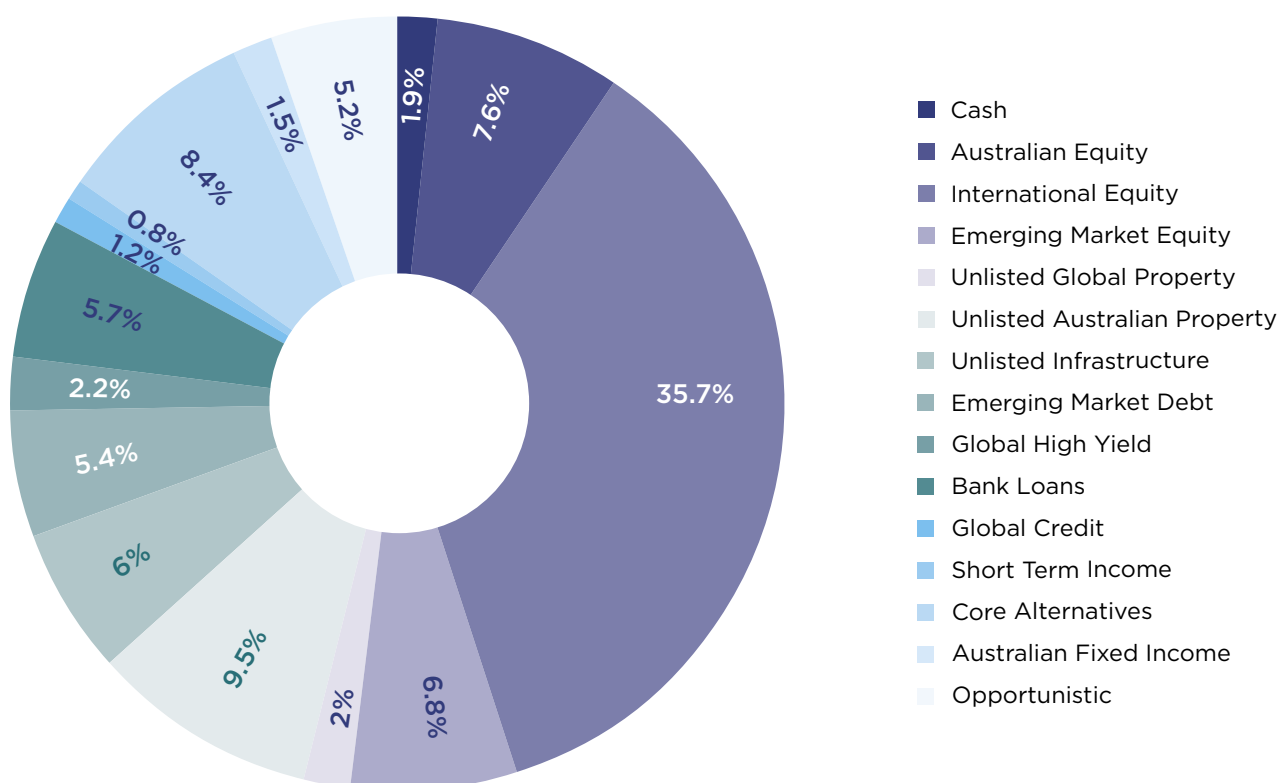
There has been a significant increase in child abuse claims following increased reporting, particularly for Juvenile Justice. This relates to amendments which remove the impediments to claim for people who were abused as children in Juvenile Justice settings. There were also increased claims from victims who are currently incarcerated. There is significant uncertainty about the ultimate number of claims to come.

There has been a substantial increase in psychological injury claims against the Treasury Managed Fund by government workers. These claims have a higher average cost compared to physical injury claims and if the trend continues, the Treasury Managed Fund funding ratio will deteriorate further.

¹ Insurance for NSW includes the following schemes: Treasury Managed Fund, Construction Risk Insurance Fund, Transport Accidents Compensation Fund, Pre-Managed Fund Reserve, Governmental Workers Compensation Account, Residual Workers Compensation Liabilities of the Crown, Bush Fire Fighters Compensation Fund, Emergency and Rescue Workers Compensation Fund, and Supplementary Sporting Injuries Fund.

NSW Self Insurance Corporation includes insurance for NSW and Home Building Compensation Fund.

Treasury Managed Fund Asset Allocation as at 30 June 2022



Asset class	Market value \$	Actual weight	Asset allocation
Australian Equity	895,076,729	7.6%	8.0%
International Equity	4,195,625,291	35.7%	36.0%
Emerging Market Equity	796,085,266	6.8%	7.0%
Unlisted Global Property	240,394,525	2.0%	2.0%
Unlisted Australian Property	1,112,273,888	9.5%	8.5%
Unlisted Infrastructure	709,480,545	6.0%	5.5%
Emerging Market Debt	633,647,245	5.4%	5.5%
Global High Yield	257,709,037	2.2%	2.4%
Bank Loans	666,727,031	5.7%	5.6%
Global Credit	139,652,878	1.2%	1.2%
Short Term Income	95,774,556	0.8%	0.8%
Core Alternatives	991,029,461	8.4%	8.0%
Opportunistic	181,078,993	1.5%	1.5%
Total Growth Assets	10,914,555,444	93.0%	92.0%
Australian Fixed Income	605,654,859	5.2%	5.0%
Cash	217,327,797	1.9%	3.0%
Total Defensive Assets	822,982,657	7.0%	8.0%
Total Foreign Exchange			47.0%
TMF Total	11,737,538,101	100.0%	100.0%

Treasury Managed Fund Workers Compensation

Return to Work

During the first three quarters of FY22 there was a decline in RTW performance across all of the RTW metrics. In the fourth quarter an improvement was observed in the four-week and 13-week metrics, with stabilisation in the 26-week and 104-week metrics. These results are positive and are being driven by a number of factors.

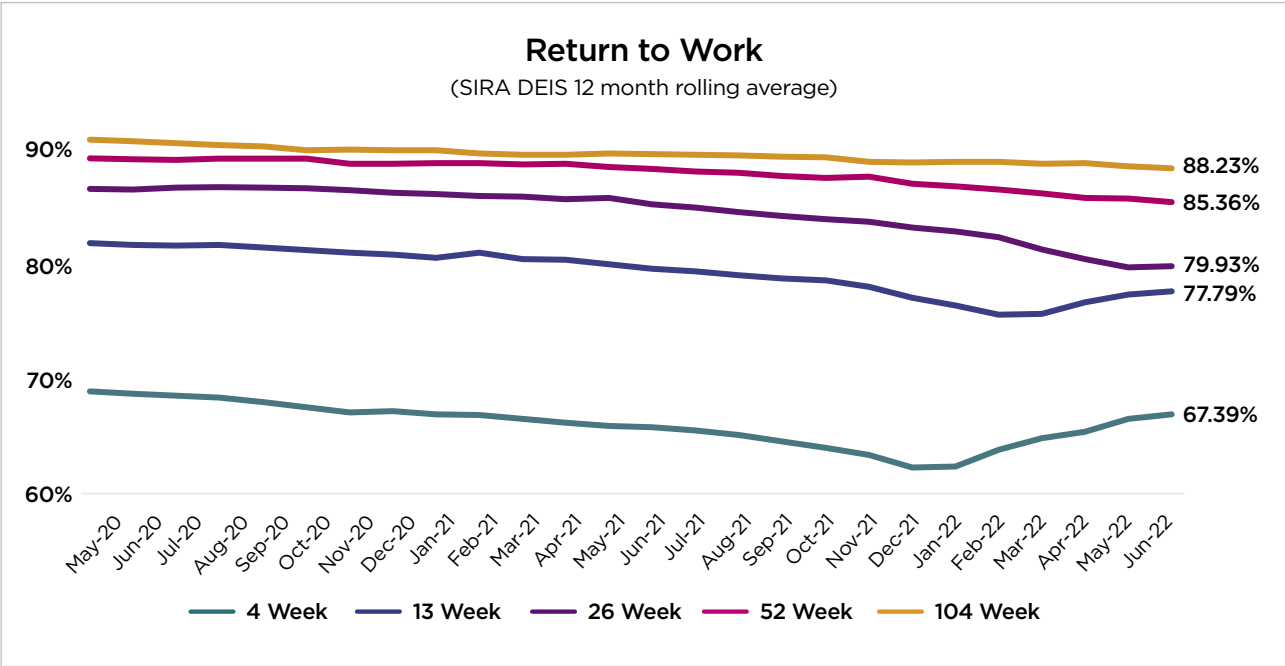


Figure: Treasury Managed Fund Workers Compensation Return to Work

Note: The above RTW is calculated according to the SIRA methodology.

COVID-19 pressures were a significant factor impacting RTW performance over the past 12 months. The nature of working conditions, staff shortages and the ability of NSW Government agencies to provide suitable duties to injured workers due to Government mandated lockdowns had an impact across NSW Government agencies.

The improved results seen in quarter four (April-June 2022) were driven by the improvement in workers with physical injuries returning to work. This is due to the greater ability of agencies to provide suitable duties following the easing of COVID-19 related restrictions.

Physical claims continue to achieve stronger RTW outcomes than psychological claims. The RTW performance of physical claims is almost at the levels achieved three years ago.

Return to work performance of psychological claims remains challenging. This is driven by the greater complexity of these claims and the fact that they often take longer to resolve. Performance improvement of psychological claims started to emerge towards the end of quarter four FY22 and can be seen in the four-week, 13-week and 26-week RTW metrics. While this improvement continues to lag behind physical claims, there is evidence to show that the early intervention initiatives and the improved ability of agencies to offer suitable duties is having a positive flow-on effect.

icare will continue to focus on NSW Government agency capability uplift and the provision of suitable duties in the coming months to address performance for all RTW measures.



Good communication, always studying my movement, changing exercises to suit my improvement and any problems I am having. Pushing me to improve further, and the improvements have come such a long way and I have learnt some life long lessons in exercise and the way the body works.

- injured worker about a service provider

Claims Volumes

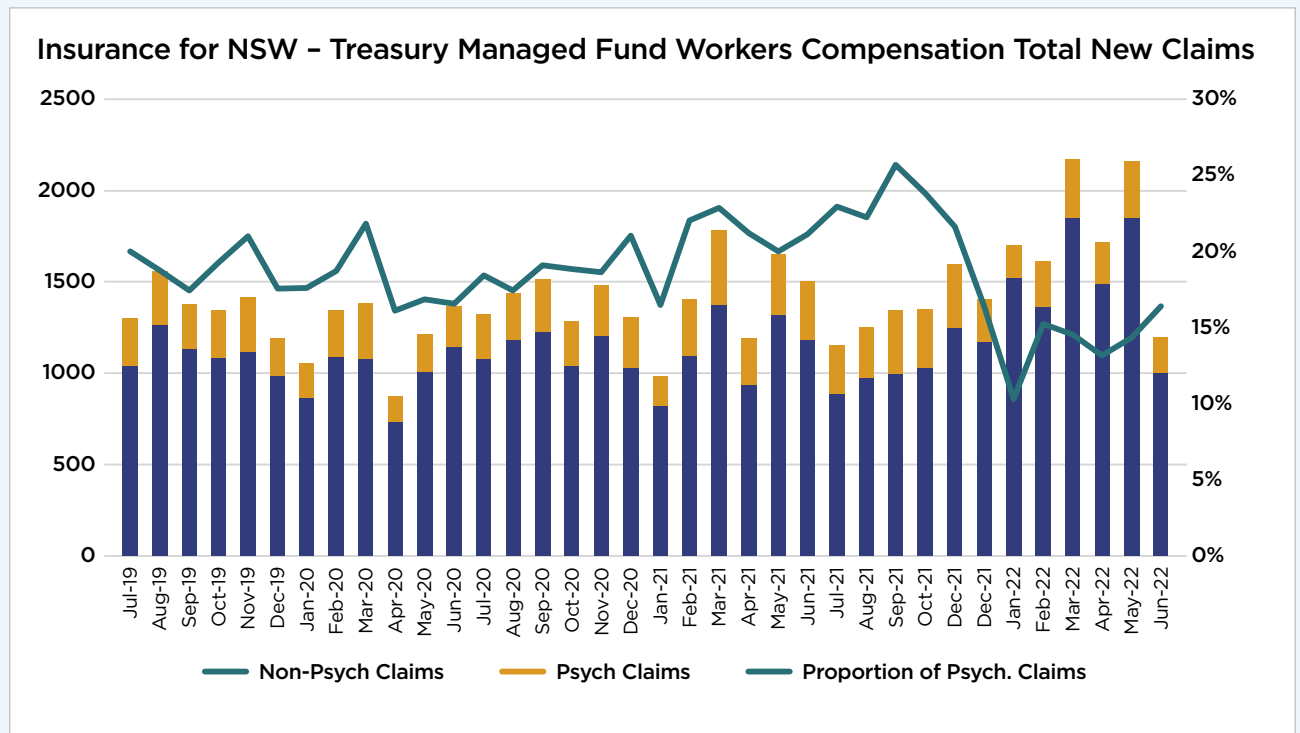


Figure: Treasury Managed Fund WC Claims Volumes and Proportion of Psychological Injury Claims

There has been a continued increase in new claim numbers for both physical and psychological injury claims across the Treasury Managed Fund portfolio over the past 12 months. The increase in proportion of psychological injury claims to approximately 20% for non-emergency services agencies and approximately 30% for Emergency Services agencies continues to have a negative financial impact on claims costs and consequently for agency contributions.

Treasury Managed Fund Workers Compensation - payment review

In July 2021, icare contacted 74,000 workers eligible for a review under the Treasury Managed Fund as part of the PIAWE Review and Remediation program. In FY21-22, in conjunction with the relevant CSPs, icare assessed worker responses and identified 967 underpayments totalling \$1.864m.

This represents an underpayment rate of 14.3% with an average underpayment of \$48 per week. The reassessment process for the Treasury Managed Fund is still in progress and is expected to be complete by 30 November 2022.

To increase the response rate, a similar online approach has been approved for the Treasury Managed Fund and is scheduled to be completed in October 2022, in parallel with the Nominal Insurer offering.

Treasury Managed Fund General Lines

The total number of Treasury Managed Fund General Lines reported claims in FY22 is decreasing, with volumes down 9% on FY21 and 7% on FY20. There has been year-on-year growth in the liability portfolio of 13%, primarily in actions against the NSW Police Force, NSW Health and matters of historical institutional abuse. Notwithstanding the March 2022 flood event, this has been countered by a decline in claims in the property portfolio of 30%, driven partly by the benign summer fire season and reduction in the number of Covid-19 related claims.

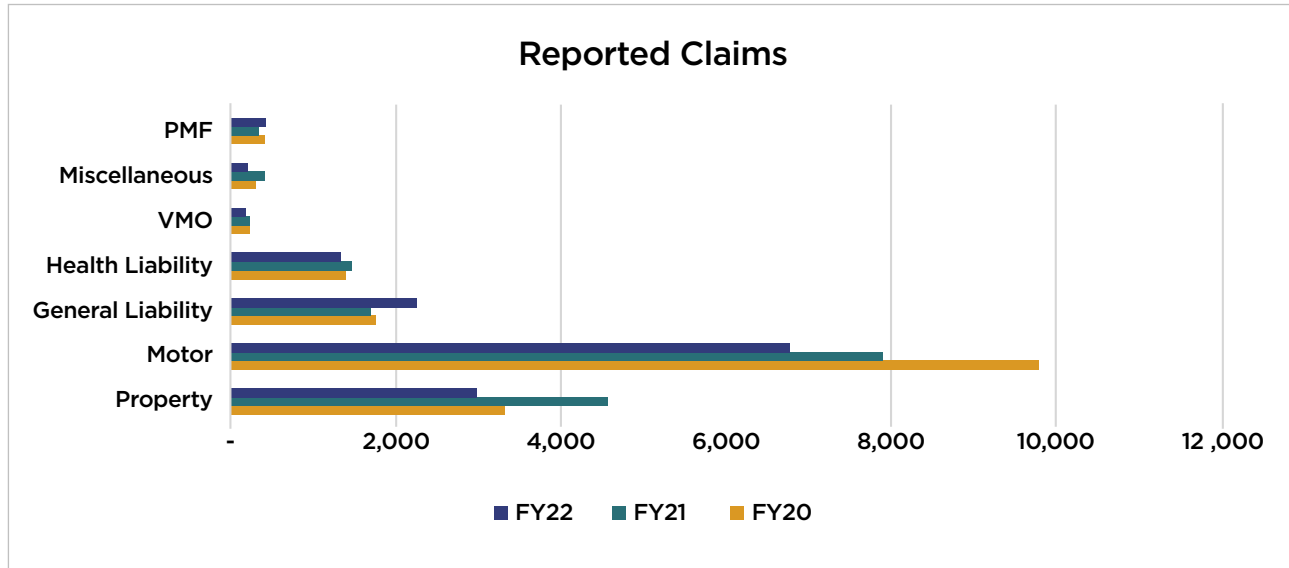


Figure: Reported Claims by Portfolio (includes large loss, defined events, and historical abuse)



It's quite easy to deal with, the claims consultant I deal with is quite clear about what they want and the response I get is exactly what I ask for and they are very considerate, sometimes we need more time for a supporting document and they are very accommodating."

- employer about a service provider (General Lines)

Treasury Managed Fund General Lines Defined events

Defined Events

Defined Event	Claims	Incurred (\$m)	Projected Ultimate (\$m)
FY19-20 Bushfires	1,265	\$260	\$499
COVID-19 – Feb 2020	795	\$368	\$638
COVID-19 – June 2021	320	\$126	
March 2021 Floods	696	\$133	\$147
Coffs Harbour Hail - Oct 2	108	\$46	\$56
March 2022 Floods	1,515	\$298	\$481

Table: Defined event claims & incurred

The strength of the Treasury Managed Fund is the financial support it provides to agencies by responding to catastrophic events. The impact of these is highlighted in the table before.

In November 2021, the easing of COVID-19 restrictions allowed for agencies to open facilities to visitors, followed by the opening of international borders and the resumption of passenger cruises. The return of these activities will have a positive impact on the ultimate losses attributable to COVID-19. There is still significant work to do, repairing assets damaged by fire and flood. Supported by icare and Gallagher Bassett, Government agencies are prioritising their efforts. However delays because of COVID-19 restrictions and weather has led to some of this work being deferred.



Flooded buildings and streets around a major intersection
Lismore

March 2022 Floods

- Forty-five Local Government Areas (LGAs) in NSW have had a Disaster Declaration applied.
- Industry wide, 168,000 claims have been lodged with commercial insurers.
- The estimated cost of damages amongst the insurance industry is \$2.32b.
- If NSW has received 860 flood related claims (as at 19 April 2022).
- To date, 43 NSW government agencies have lodged claims.

The recent NSW floods have not resulted in a material increase in the number of claims impacting the CRIF. The relatively minimal flood impact to the portfolio is probably due to the State's historic focus on urban infrastructure and the requirements under contract for sites to be protected in the event of major weather conditions. The CRIF will play a role in the reconstruction of State assets following the floods, with the scheme responsible for providing insurance to the reconstruction projects. Additionally, the CRIF is being used to provide insurance for the Property Assessment & Demolition Program being undertaken by Public Works Advisory.

Supporting Risk Management

Risk Management

Over the past year, IfNSW has made improvements to the risk management services supporting NSW Government agencies, expanding the areas of risk advice and education, injury prevention and data and insights.

Some of these services are delivered digitally through the IfNSW web portal, which has grown through the year to more than 4,000 public sector employees. The portal gives approved NSW Government employees the ability to complete insurance tasks, access resources and education and view the Treasury Managed Fund Dashboard - our self-service reporting platform. A focus has been on providing access to data and insights to help agencies make more informed risk management decisions. This includes introducing improved workers compensation and general lines performance and risk dashboards. These help highlight areas of heightened risk within public sector organisations and the reports and insights are now accessed by 140 agencies.

We have also supported agencies to transition their insurance cover into the Treasury Managed Fund, helping them realise the value of the coverage and services in managing risk. Three agencies transitioned their coverage needs into the Treasury Managed Fund, amounting to an additional \$1.5b in assets and services.

Strategic Partnerships

Our strong partnerships with NSW Government agencies have helped raise awareness of current and emerging risks and allowed us to share strategies and initiatives to mitigate those risks. Of particular focus has been the impact of increasing frequency and duration of workers' compensation psychological injury claims. Our partnerships include an initiative with emergency service and frontline agencies to develop evidence-based service innovation to reduce psychological injury claims.



The section where I work was extremely supportive of making sure everything was done to help get me back to full duties. Majority of my work was still able to be completed even whilst restricted, so there was no big impact on day to day duties. All supervisors and management were very helpful at all stages of the process.

- Injured worker about an employer



REX St Vinnies - mental health support program

Following special mental health support training delivered by icare's injury prevention team, a team of Junior Medical Officers at St Vincent's Hospital are stepping forward to offer mental health peer support to their colleagues.



REX workers compensation forum

Risk Education eXpress (REX) is a program that supports NSW government agencies to build their capabilities to protect people, assets, and services. This year icare hosted a REX Workers Compensation Forum in Sydney.

Our programs

Risk Education eXpress (REX)

REX is an education service that supports NSW Government agencies build their risk capabilities to protect people, assets and services. This training support focuses on employees as well as line managers, in prevention, protection and RTW role. It, gives them the skills and knowledge needed to build robust safety and RTW cultures in their agencies. In FY21-22 we supported 4,412 participants across 128 agencies by delivering 152 courses.

Special event: REX for Kids

Agencies faced many changes during COVID-19 at work and at home, including home-schooling in lockdown. REX partnered with Taronga Zoo to host a fun, educational virtual class for the children of our REX customers. In an interactive and fun webinar on 29 July 2021, school children met a variety of animals and learned about their habitats, needs, and the challenges they face for survival. There was also a drawing competition. The webinar was a huge success with over 800 participants.

WHS & Wellbeing Peer Connect

Launched in 2022, this is a platform for safety and wellbeing professionals to access targeted information, attend quarterly professional development sessions and connect with like-minded colleagues across NSW Government. Supported by icare's Injury Prevention experts, community members build and maintain their WHS knowledge and skills, learn more about specific workplace and people risks and set strategies to reduce workplace injuries. To date, we have 176 community members across 127 NSW Government agencies and have hosted three professional development events.

Workers Compensation Forum

In June 2022, we hosted our inaugural Workers Compensation Forum. The event explored proven strategies and new approaches to support mental health in the workplace, as well as providing best practice management for complex psychological injuries. It was attended by 216 agency representatives. In addition there were seven webinars held in partnership with our panel of expert workers' compensation legal firms on important topics including decoding COVID-19, bullying & harassment, work injury damages and return to work obligations. We had 574 agency staff tune in live to these sessions.

Connect and Care

Connect and Care is a program to strengthen leader-injured worker relationships in agencies exposed to complex trauma. It equips managers with an understanding of workers' compensation and the impacts of trauma. It features three two-hour workshops with pre-and post-workshop activities. Agencies can request an icare-facilitated program or participate in Train the Trainer to deliver the program themselves. To date, we have delivered six train the trainers with 84 participants from 15 different agencies participating in the program.

Key facts

Insurance for NSW



18,654 new workers
compensation claims



202 of NSW
Government agencies
insured



\$995m paid in
workers' compensation
benefits



384,000 public
sector workers covered



Most **common
injuries** include,
ligament and muscle
sprains, psychological
injuries, wound, lacerations,
amputations and internal
organ damage



\$292b NSW
Government
assets protected



Parramatta River, Gladesville
Destination NSW





Home Building Compensation Fund

The Home Building Compensation Fund (HBCF) provides insurance to protect homeowners from incomplete or defective residential building work. This can happen if a builder becomes insolvent, dies, disappears or has their licence suspended.

Year in review



It is not an experience we wanted to have in terms of the builder going into administration however the service provided by the claims manager was warm, clear & understanding.

- Homeowner about a service provider



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. Through HBC insurance, we provide the necessary consumer protections. Without this a significant number of homeowners would suffer financial loss and potentially severe hardship. Since it began on 1 July 2010, more than \$471m in claims have been paid to homeowners who otherwise would have been left without recourses or support.

From 2010 to 2017 HBCF has been subsidised by the NSW Government in support of the residential construction industry. Premiums were set too low to cover the costs of the scheme. Since policy reforms in 2017 HBCF has been moving to break-even pricing. As of July 2021 the scheme has been within the icare sustainable pricing strategy of maintaining premiums within 10% of breakeven.

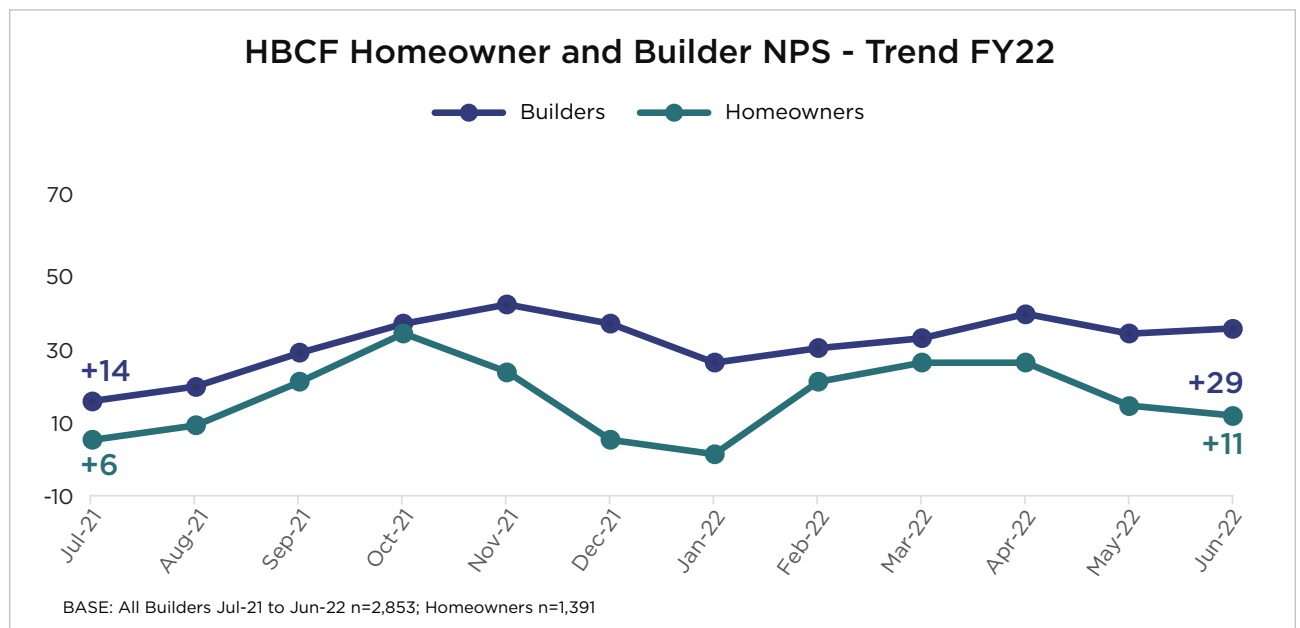
The residential construction industry has faced significant challenges in 2022. While strong activity has continued in the construction sector, which has driven higher numbers of premiums and jobs insured in the scheme, there has been an increase in insolvency rates. To date, these pressures have been offset by operational savings and improved claims outcomes.

In November 2021 Privium Homes, a Queensland-based builder went into administration. At the time, there were 183 active projects in NSW, most of which were in the Hunter region. This was the largest building insolvency in the scheme since 2016.

In response to the collapse and the ongoing wet weather, icare HBCF took proactive steps to inspect the buildings with one of our new Technical Building Consultants, arranging for weather proofing where necessary. This reduced the overall claims costs for these specific projects and decreased the time required for homeowners to complete their projects with a new builder. With most of the homes in the same location, access to builders to complete the construction work was achieved quickly.

By the end of FY22, 128 claims lodged by homeowners had been finalised with an average duration of 101 days. Within that average, 23% were resolved within 30 days and 32% within 90 days. Work is progressing to complete the construction of the remaining 41 properties. We expect most of the rebuilding will be complete by December 2022.

Customer Experience



Despite experiencing fluctuations in FY22, overall NPS performance for Builders and Homeowners continues to improve and has been trending positively, ending the year at +29 and +11 respectively. The second quarter of FY21-22 saw a big dip in homeowner advocacy. High resourcing turnover faced by Gallagher Bassett (GB) combined with the large builder insolvency in the second quarter resulted in an influx of claims needing to be managed by GB. During this period, builder advocacy also experienced a decline. Feedback indicated this was caused by processing delays for eligibility and builder's project applications. At the time icare was transitioning builder assessment services inhouse from an external provider, which created a temporary underwriting resource shortage. This has now been resolved. The trend in the fourth quarter is primarily attributed to delays in remediation work because of labour and product shortages combined with the extended wet weather.

Customer Advocate Recommendations

The insights generated by the Customer Advocate continue to be implemented across HBCF as part of ongoing improvements to the service provided to homeowners. To achieve a faster resolution of issues between homeowners and builders, icare has appointed two former builders as technical consultants in the claims team and introduced risk-based eligibility assessments for most builders to improve the speed of underwriting.

The importance of clarity of communication for homeowners has also been addressed with a Plain English redrafting of all letters and collateral. The outstanding actions to be completed in the next FY are: to review the education services provided to builders in managing business and finances and introducing electronic payments for policy purchases.



I had trouble loading the contract for the insurance. The system said the document was too large. I contacted the office for some assistance. The assistance was immediate and the rest went very smoothly.

- hhomebuilder about a service provider

Financial summary

FY2021-22 (\$m)	HBCF
Net Earned Premiums/Contribution	128
Net Claims Expense/Scheme Costs	(67)
Underwriting & Other Expenses	(25)
Underwriting Result	36
Net Investment Revenue	(36)
Grants from the Crown	28
Other Income/Adjustments	0
Net Result	28
Funding Ratio	59%
Insurance Ratio	60%
Investment Funds Under Management	\$0.5b
Investment Return	(6.4%)
Investment Benchmark	(6.1%)

HBCF continues towards full and ongoing financial sustainability. Since 2018 premiums have progressively moved towards full breakeven rates in a staged approach that supports the construction industry. Since 2021 premiums have reached sustainable pricing, with rates within 10% of estimated breakeven levels.

Reflecting the historical government subsidy of the portfolio below breakeven premiums, a Treasury grant of \$28m was received in June 2022. This grant addresses the cash deficit of the HBCF pre-2017 portfolio.

The positive net result is driven by favourable movement in the yield curve and a decrease in the provision for the Privium large builder insolvency based on claims to date. This has been partially offset by unfavourable investment income.

The approach to provisioning for potential losses from large builder failures has been amended. The valuation methodology no longer separates large and small builder losses with all losses treated in the same manner. In anticipation for a building cycle downturn, \$100m continues to be held in reserves.

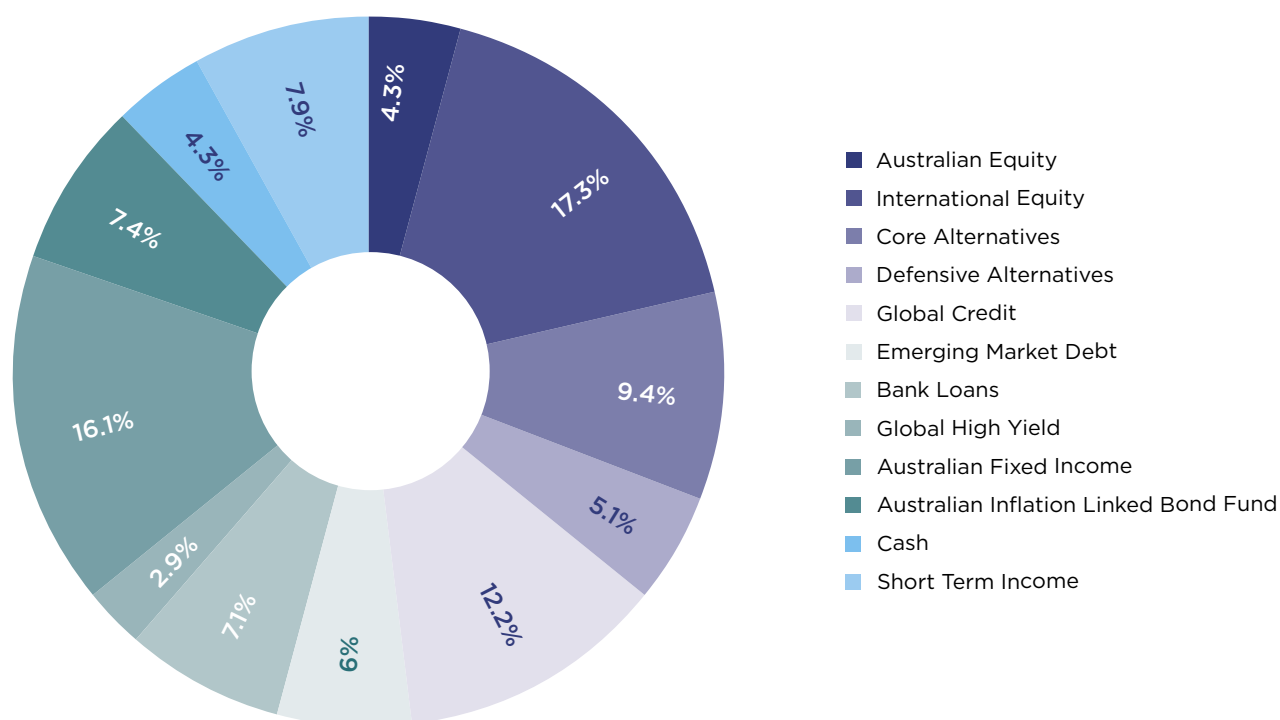
The insurance ratio (economic funding ratio) for HBCF is 60% as at 30 June 2022. The HBCF portfolio is split between the pre-2018 and post-2018 underwriting year portfolios.

The pre-2018 portfolio is a portfolio under-priced since the beginning of the scheme, severely underfunded and backed by the NSW Treasury.

For the post-2018 portfolio, icare has made a number of changes to bring the pricing to a sustainable level and the economic funding ratio to 80%. The sustainable pricing levels will return the HBCF to full funding over a number of years.

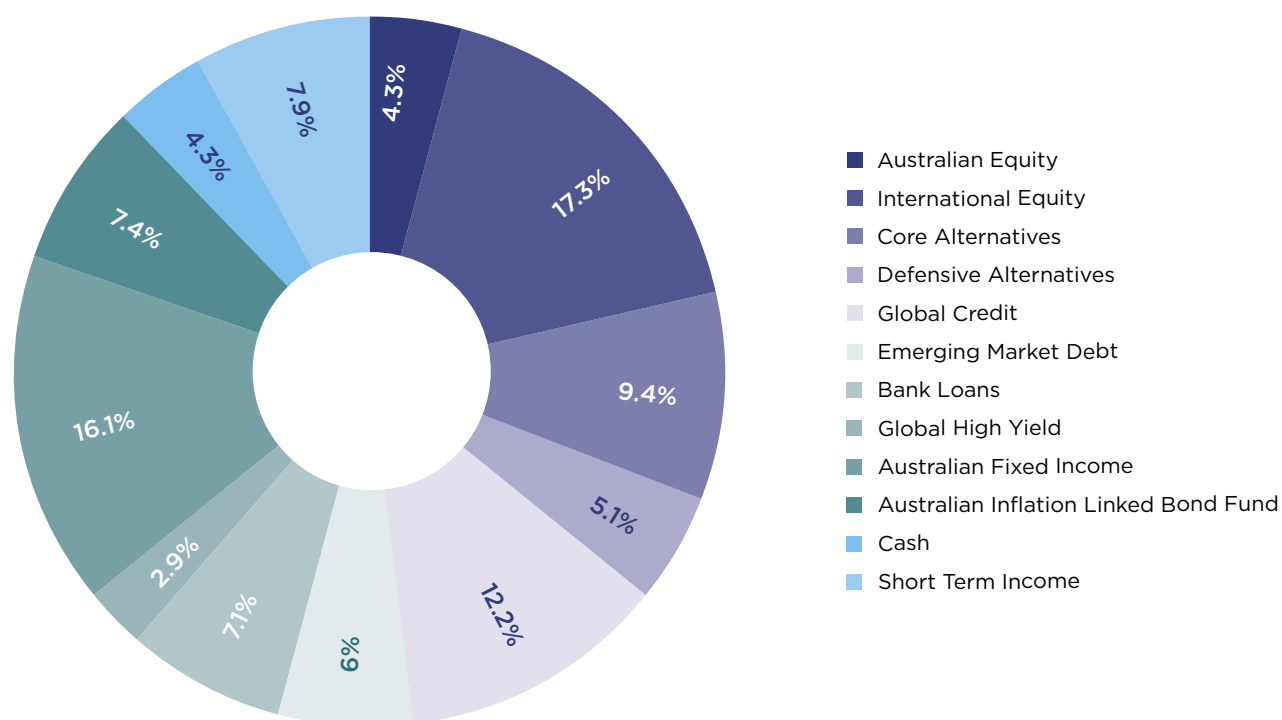
HBCF results include favourable claims development on a large builder insolvency.

Actual Asset Allocation



Asset class	Market value \$	Actual weight	Asset allocation
Australian Equity	4,021,295	4.3%	4.5%
International Equity	16,291,096	17.3%	17.0%
Core Alternatives	8,823,873	9.4%	9.0%
Defensive Alternatives	4,831,500	5.1%	5.0%
Global Credit	11,486,077	12.2%	12.0%
Emerging Market Debt	5,633,530	6.0%	6.0%
Bank Loans	6,734,784	7.1%	7.0%
Global High Yield	2,760,314	2.9%	3.0%
Total Growth Assets	60,582,470	64.3%	63.5%
Australian Fixed Income	15,132,360	16.1%	16.0%
Australian Inflation Linked Bond Fund	6,999,843	7.4%	7.5%
Cash	4,082,701	4.3%	5.0%
Short Term Income	7,449,231	7.9%	8.0%
Total Defensive Assets	33,664,135	35.7%	36.5%
HBCF Pre Total	94,246,605	100.0%	100.0%

Actual Asset Allocation



Asset class	Market value \$	Actual weight	Asset allocation
Australian Equity	17,508,457	4.3%	4.5%
International Equity	70,930,369	17.3%	17.0%
Core Alternatives	38,418,569	9.4%	9.0%
Defensive Alternatives	21,036,037	5.1%	5.0%
Global Credit	50,009,630	12.2%	12.0%
Emerging Market Debt	24,528,024	6.0%	6.0%
Bank Loans	29,322,811	7.1%	7.0%
Global High Yield	12,018,229	2.9%	3.0%
Total Growth Assets	263,772,125	64.3%	63.5%
Australian Fixed Income	65,885,309	16.1%	16.0%
Australian Inflation Linked Bond Fund	30,476,861	7.4%	7.5%
Cash	17,775,813	4.3%	5.0%
Short Term Income	32,433,465	7.9%	8.0%
Total Defensive Assets	146,571,449	35.7%	36.5%
HBCF Post Total	410,343,574	100.0%	100.0%

Builder Eligibility Assessments

To be eligible to purchase an HBCF insurance policy, a builder must first be assessed for the risk they pose to the fund to ensure that only those able to complete projects can obtain cover. Assessments involve a comprehensive review of a builder's financial position, history of conduct and future business practices.

Several reviews of HBCF, including a 2020 review by the Independent Pricing and Regulatory Tribunal (IPART) and icare's own Customer Advocate review, have found that while eligibility assessments are critical to the sustainable operation of HBCF, they can be onerous, time consuming and expensive to prepare.

Last year icare brought builder's assessments for large and medium builders in house and streamlined their annual review cycle. This reduced processing time from one month down to within ten business days. This process improvement delivers a number of benefits, including:

- Reducing assessments from ten business days to within two days of receipt.
- Significantly reducing the financial information a builder needs to submit for the assessment. No financial information is required for Automated Builder Scorecard Reviews (ASR).
- Increasing the number and value of projects most builders can be insured for, while maintaining appropriate limits in place for higher risk builders.
- Reducing HBCF operating costs by around \$5m per year and reducing estimated claims liabilities by an estimated \$17m per year from 2025 (noting HBCF is a long-tail scheme and it takes time for changes to materialise in claims outcomes).

Because this reflects a material change to the total approved builder eligibility risk and the individual outcomes for specific builders, there will be ongoing intensive monitoring until December 2022. It is anticipated that further amendments to the new automated review process will be submitted to SIRA as required to ensure full benefit realisation and avoid unintended outcomes.

icare implemented the ASR process for eligible builders from 4 July 2022. During the first month of operation, we received a total of 1,302 applications (excluding special reviews but including non-financial decisions on requested changes to builder profiles). These were from existing builders with approved open job limits under \$5m and from new builders who do not have existing eligibility with HBCF.

Of those applications, 965 (75%) applications were processed through ASR and eligibility decisions on 909 applications were delivered to builders as of 5 August. All ASR reviews were completed and the outcomes delivered by icare within two business days of receipt.

Of the 965 builders processed through ASR in the first month of July, most were able to meet the required eligibility criteria and received either an identical or increased open job limit. Twenty-nine builders failed the minimum eligibility criteria and were referred for an underwriter's manual assessment. Approximately 2% received reduced open job limits due to their low eligibility scores which were associated with identified risks. To minimise the effect on builders' trading, we allowed additional time for four builders to transition to reduced open job limits and capped the reduction at 30%, in accordance with the approved version 11 of the Eligibility Manual.

Based on the first month's operational results, the ASR model achieved our desired outcome. Both efficiency and effectiveness have been improved.

Large builder insolvency

HBCF is designed as a last-resort insurance scheme to support homeowners when builders collapse. The benefits of the HBCF product were demonstrated in late November 2021 when Brisbane-based builder Privium Pty Ltd went into administration. One hundred and eighty homeowners were impacted by the collapse.

BIG Corp

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

No claims were received or paid during the last financial year.

BIG Corp was closed administratively during the year with the remaining funds of \$53.2m returned to Treasury in June 2022.

Key facts

Home Building Compensation Fund



\$72.9m amount of claims payments and associated costs



675 number of new claims received

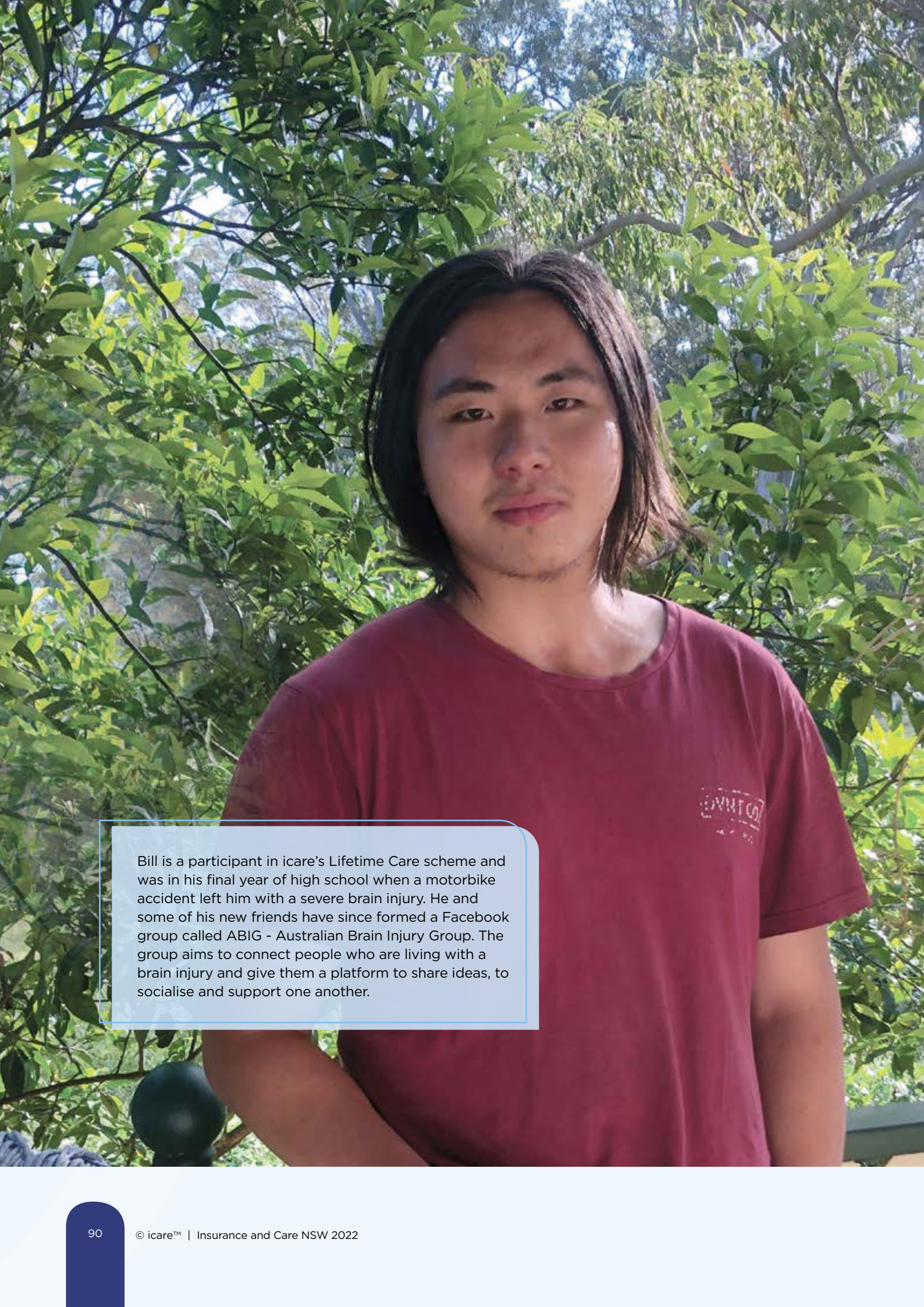


21,839 number of builders covered



\$174.1b worth of projects insured since 2010 inception





Bill is a participant in icare's Lifetime Care scheme and was in his final year of high school when a motorbike accident left him with a severe brain injury. He and some of his new friends have since formed a Facebook group called ABIG - Australian Brain Injury Group. The group aims to connect people who are living with a brain injury and give them a platform to share ideas, to socialise and support one another.



Lifetime Care and Support and Workers Care

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. The Workers Care program provides the same support to people severely injured at work.

Year in review

The Lifetime Care and Support Scheme, the Workers Care program, Dust Diseases Care and CTP Care are all part of Lifetime Schemes. A Service Development team and frontline operational staff provide support to all Lifetime Schemes.

Workers Care is delivered on behalf of the Workers Compensation (Nominal Insurer). In FY22 we provided support to 1,722 people in Lifetime Care and 347 people in Workers Care.



My total icare experience has been and is life changing in a positive way. My last and current Case Managers are approachable, caring and very efficient at their jobs.

- worker in Workers Care

Lifetime Care

Most people who are supported by Lifetime Care have had a traumatic brain injury or spinal cord injury. Our support includes:

- hospital and medical treatment
- rehabilitation
- ambulance and other transport
- 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 and spread across various aspects of daily life. Activities such as showering, dressing and preparing meals can be difficult and can have an impact on a person's independence and wellbeing. We work with experts to offer a range of evidence-based programs to support vocational and community activities to improve quality of life.

We followed the Australian Government Coronavirus (COVID-19) Emergency Response plan to support the people and service providers in our schemes. As the pandemic evolved, we continued to adapt to provide this care and support safely.



The care my son gets through lifetime care is an absolute lifesaver.

- parent of a Lifetime Care participant

Workers Care

Workers in the Workers Care program can access many of the programs and services offered by the Lifetime Care scheme. In February 2021 we gave a presentation with SIRA to the Rehabilitation Medicine Society of Australia and New Zealand on the workers compensation system and Workers Care.

Customer Experience as measured by NPS, has seen an improvement across all service metrics. The top three improvement areas were:

- being easy to deal with
- timely answering of questions and
- consistent communication

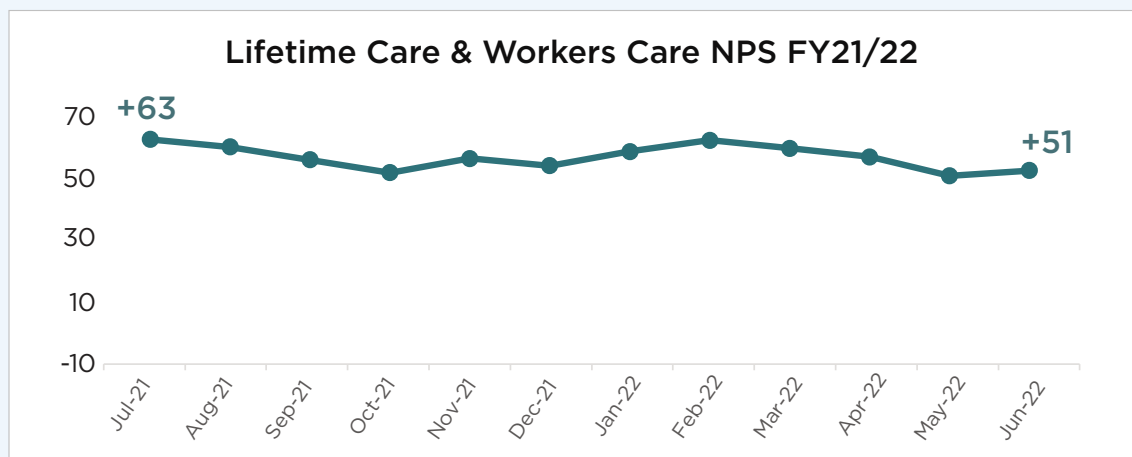
The Workers Reference Group (WRG) was convened three times during the year to gain insights about what we do well and what we can improve. We share NPS and other feedback with our teams to inform the way we operate.



The situation I'm in, I cannot start to imagine where I would be without icare.

- worker in Workers Care

Customer Experience



While advocacy for Lifetime Care and Workers Care remains high overall, challenges with COVID-19, staffing and natural disasters have softened the results over time, ending the year at +51. These challenges have had an impact on the availability of service providers and on access to community programs. We have addressed these challenges by providing incentive payments for support staff, including changes to payments for overtime. This ensured there was continuity of service for parents of a Lifetime Care participant. We also ran virtual training programs for therapy and support staff on how to support participants and injured workers who couldn't undertake their usual community activity programs.



They take a lot of burden off my shoulder. I live in Canberra and it's hard to find experts and specialists. They have been excellent during COVID

- worker in Workers Care

Financial summary

FY2021-22 (\$m)	LTC
Net Earned Premiums/Contribution	512
Net Claims Expense/Scheme Costs	407
Underwriting & Other Expenses	(44)
Underwriting Result	874
Net Investment Revenue	(368)
Grants from the Crown	-
Other Income/adjustments	1
Net Result	507
Funding Ratio	110%
Insurance Ratio	131%
Investment Funds Under Management	\$7.9bn
Investment Return	(4.4%)
Investment Benchmark	(5.2%)

The net result is positive \$507m driven by impacts of the June 2022 valuation partially offset by unfavourable net investment income.

The Lifetime Care Scheme insurance ratio of 131% as at 30 June 2022 has been impacted by volatile equity markets, rising interest rates in the second half of FY22 and inflationary pressure on treatment and care costs. The insurance ratio has fallen outside the target operating range of its Capital Management Policy. icare is reviewing the current conditions and will take a considered approach in returning Lifetime Care back to the target operating range. Nevertheless, the scheme continues to be in a strong position to meet its obligations.

The underwriting result has been driven by the net positive impact of changes in economic assumptions. LTC benefited materially from changes in discount rates, which were partially offset by higher forecast attendant care rates driven by the National Disability Insurance Scheme announcement of a 9% attendant care rate increase.

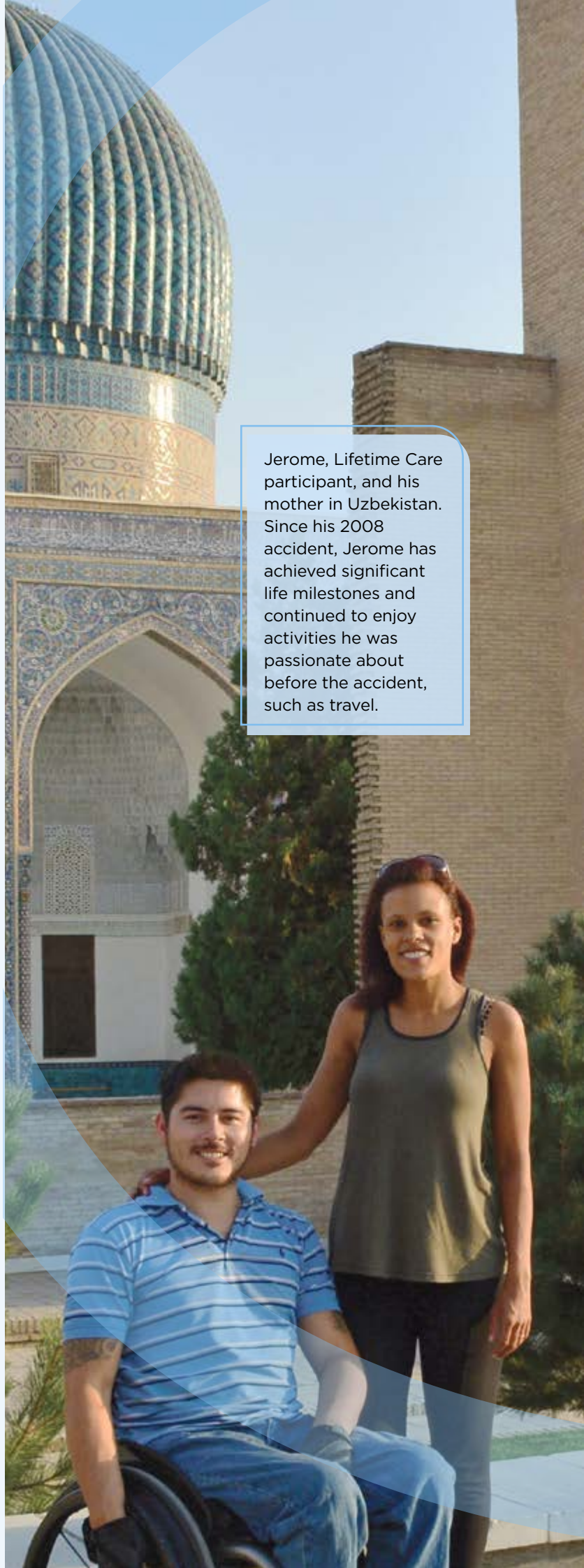
We also had fewer than expected participants enter the scheme owing to reduced road traffic and road-related accidents. The severity of injuries was less than expected but on average, participants entering the scheme were younger. We continue to monitor other market pressures such as the supply of workers.

Investment funds under management reduced by 1% (\$86m) during the financial year driven by volatile equity markets. Investment returns were 0.8% above benchmark.



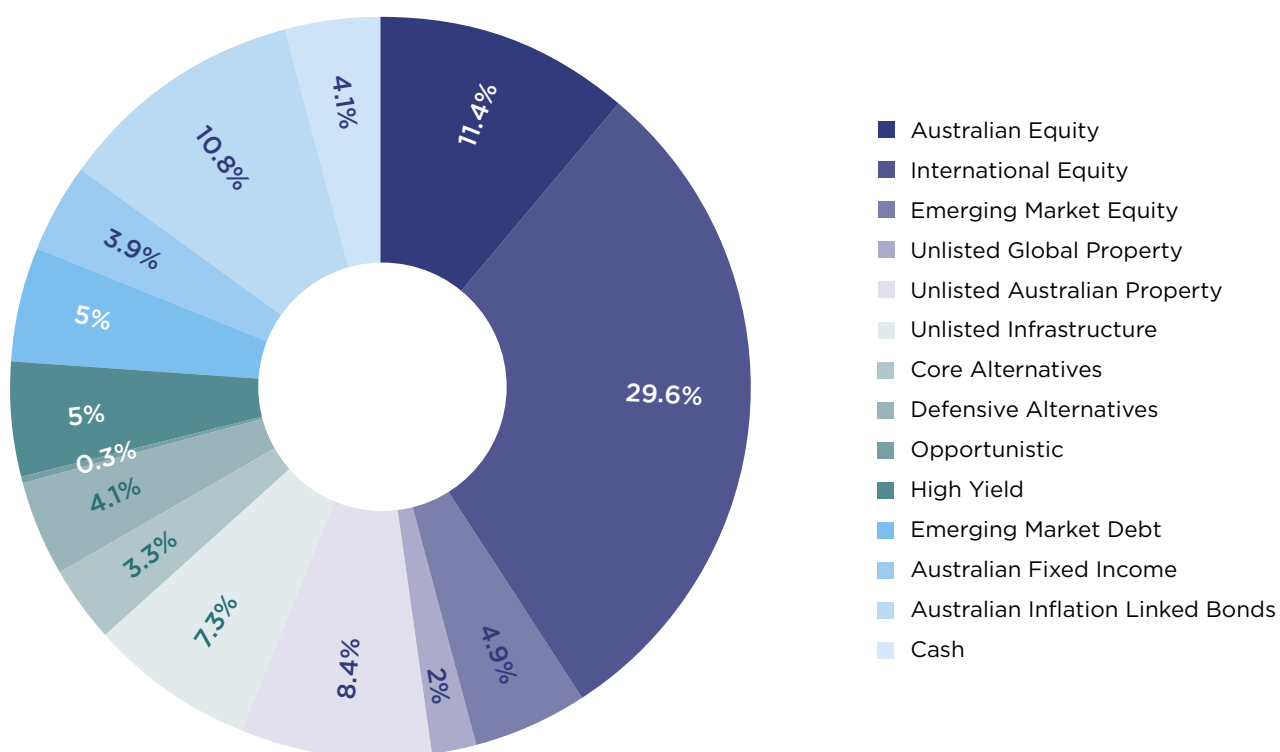
My icare Coordinator encourages me to be more independent and provides opportunities for me.

- participant in Lifetime Care



Jerome, Lifetime Care participant, and his mother in Uzbekistan. Since his 2008 accident, Jerome has achieved significant life milestones and continued to enjoy activities he was passionate about before the accident, such as travel.

Lifetime Care Fund Strategic Asset Allocation at 30 June 2022



Asset class	Market value \$	Actual weight	Asset allocation
Australian Equity	904,054,330	11.4%	12.0%
International Equity	2,348,241,928	29.6%	30.0%
Emerging Market Equity	386,572,575	4.9%	5.0%
Unlisted Global Property	162,632,115	2.0%	2.0%
Unlisted Australian Property	666,494,098	8.4%	7.5%
Unlisted Infrastructure	579,223,591	7.3%	6.5%
Core Alternatives	260,345,003	3.3%	3.0%
Defensive Alternatives	324,350,014	4.1%	4.0%
Opportunistic	26,480,198	0.3%	0.0%
High Yield	393,256,385	5.0%	5.0%
Emerging Market Debt	393,781,421	5.0%	5.0%
Total Growth Assets	6,445,431,658	81.2%	80.0%
Australian Fixed Income	309,840,548	3.9%	4.0%
Australian Inflation Linked Bonds	857,291,619	10.8%	11.0%
Cash	321,862,498	4.1%	5.0%
Total Defensive Assets	1,488,994,665	18.8%	20.0%
Total Foreign Exchange			41.0%
LTCSAF Total Fund	7,934,426,323	100.0%	100.0%

Key Activities

Home Modifications

Home Modifications allow the people we serve in Lifetime Care, Workers Care and Dust Diseases Care to move around their homes independently and safely following an injury on the road or at work. Modifications can include installation of accessible bathrooms and kitchens, structural changes and installation of ramps or platform lifts. In FY22 we completed 86 major home modifications across Lifetime Care, Workers Care and Dust Diseases Care at a cost of \$9.3m.

We've introduced transitional modifications to help an early return-to-home. These are temporary or portable installations such as ramps, platform lifts, transportable bathrooms, bedrooms and homes. Without transitional modifications, clients whose homes require major modifications must remain in hospitals, rehabilitation units or transitional accommodation until the works are complete. Transitional modifications allow our participants to safely return to their homes and families while modifications are being assessed and development applications are being approved. icare is the only scheme in Australia that provides transitional modifications.

COVID-19, bushfires and the war in Ukraine have led to a 30% increase in building costs. The increased costs arise out of longer lead times on specialist access equipment manufactured in China, reduced local pine stocks and reduced supply of engineered wood products from Russia. To solve some of the supply risks we asked our builders and suppliers to reserve lumber and specialist access equipment for our participants and workers.

My Plan

My Plan is the person-centred approach to planning for community participation used by Lifetime Care and Workers Care. My Plan is a toolkit to assist people planning for things that are important to them. These include goals such as moving out of home or completing a training program and the support needed to reach these goals. My Plan was reviewed extensively in FY21 and this included feedback from participants and workers.

In response to the review, the My Plan toolkit was modified and a new planning framework developed. It includes increasing participant/worker engagement with the process, ownership of it and the resources to achieve this. Additional resources have been developed to support best-practice planning and case management. The Provider Engagement and Performance Team delivered a significant training program on the new My Plan framework and toolkit to internal staff and external My Plan users.

Adaptive movement

Proudly sponsored by icare, The Adaptive Movement website was launched in July 2022 and connects people with physical, developmental or cognitive impairments and older Australians with adapted sports.



Health Literacy Framework

In September 2021 we published our Health Literacy Framework which articulates our role and responsibility to respond to the health literacy needs of participants, workers and clients in all our Lifetime Schemes. There are two goals:

- for participants, workers and clients to access and apply health and system information to make decisions about their health or disability which will lead them to maintain or improve their quality of life
- to provide policies, tools and resources for staff and service providers to support the health literacy of the people we serve

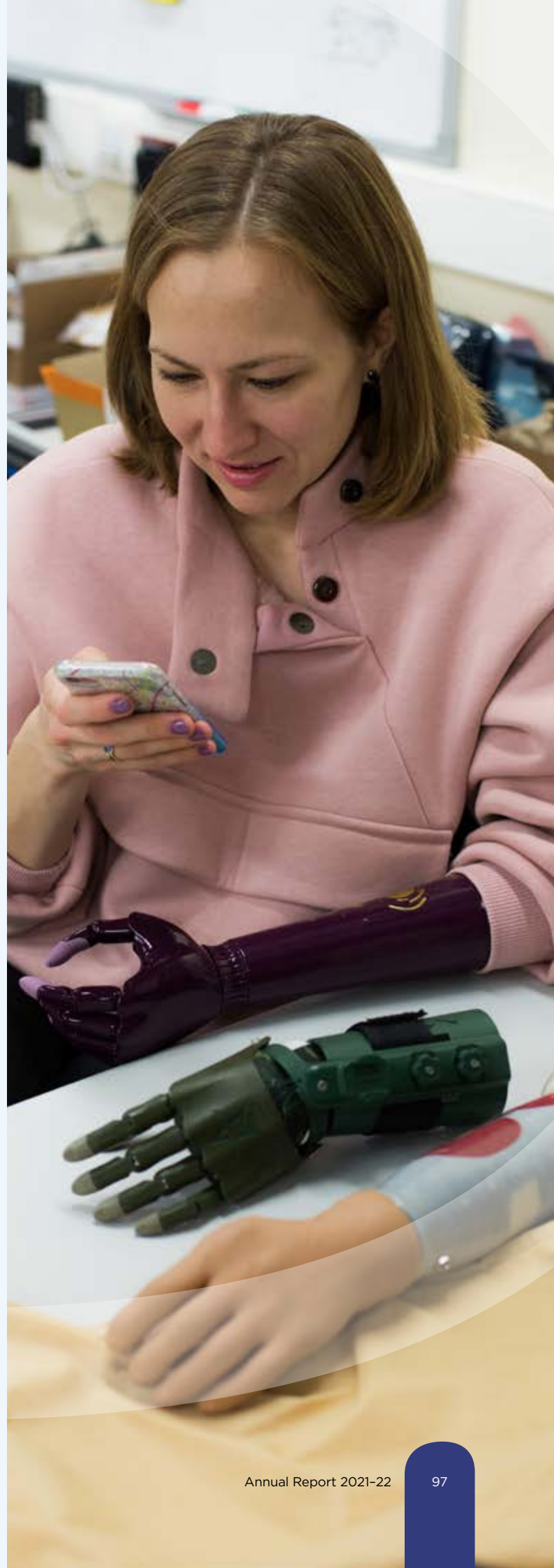
Health literacy is now embedded in projects and ways of working. We developed health literacy resources to support health practitioners develop their skills in improving the health literacy of their clients through the new My Plan.

Guidance to support people with a limb amputation

We developed guidance on support for people with a limb amputation. Published in September 2021, it is a collaboration between icare's Lifetime Care and Workers Compensation schemes. It explores the pathway for people in both schemes who have lost a limb following an injury. It provides clear information on best practice, resources and recommendations in an easy-to-use format. This guidance is designed for everyone involved in the pathway including people with an amputation, health professionals, service providers and funders.

Positive Behaviour Support

The Positive Behaviour Support project was launched in September 2021. It develops the capability of staff and service providers in positive behaviour support. Five webinars and three group mentoring sessions were delivered by an experienced occupational therapist and clinical neuropsychologist to key stakeholders who work with icare participants. These include positive behaviour support practitioners, case managers, Allied Health professionals and icare staff. The group mentoring sessions involve case study presentations by the Allied Health professionals involved in complex behaviour support programs. A Functional Behavioural Analysis tool has also been developed to assist icare staff and providers with the management of positive behaviour support programs for icare participants.





Brain injury conference

icare is proud to be a platinum sponsor of the 8th National Brain Injury Conference. The annual conference is one of the premier learning and development events in the disability calendar, driving improvements in services and support for people living with a brain injury, their families and carers.

Spinal Cord Injury Australia Inpatient Peer Support

The Inpatient Peer Support Program was developed for people with a newly acquired spinal cord injury and their families. It helps people maintain independence and participate in their communities after discharge from a NSW Spinal Injury Unit. Stages one and two of the project have been completed. Successes include delivery of one-to-one peer education sessions on core topics (bowel, bladder, skin, pain and activities of daily living). These sessions have used a combination of face-to-face, telehealth and phone contact with clients. We are now returning to pre-COVID-19 levels of engagement with clients and Spinal Injury Units. Development of an evaluation plan for the program has been completed.

Psychiatry Fellowships

The icare Brain Injury Psychiatry Program (iBIPP) was a successful 12-month pilot of a fellowship training program, providing much-needed services to bridge the gap between mental health and brain injury rehabilitation. Five fellows actively participated in receiving specialist Royal Australian and New Zealand College of Psychiatrists (RANZCP)-approved brain injury psychiatry training. The training exposed them to a wide variety of acute inpatient, outpatient and community cases and addressed the often complex behavioural and mental health issues following a brain injury. Lifetime Care partnered with the University of Sydney to deliver the program and the iBIPP Fellowship was successfully completed between August 2018 and December 2021. The next phase of this program will be the piloting of a brain injury telepsychiatry service in 2022 (Phase 2).

Vocational Intervention Program (VIP)

The Vocational Intervention Program is an employment program for people with a brain injury in partnership with the Agency of Clinical Innovation (ACI), NSW Brain Injury Rehabilitation Program, 20 vocational providers and icare. It aims to improve quality of life for people with a brain injury, increase rates of employment, establish a network of employment services providers and establish pathways for return to work.

Following the successful completion of Phases 1 and 2 which ended in 2020, Phase 3 began in February 2022 to continue the model of vocational rehabilitation for the Brain Injury Rehabilitation Program (BIRP) for a further two years. The program will focus on sustainability and will involve supporting BIRP teams and vocational providers to work collaboratively to help people with severe traumatic brain injury return to work. It also supports the establishment of a community of practice involving all BIRP sites, providers and other stakeholders.



I was referred to VIP to coordinate my return to work in January 2019. This had many layers. I had to deal with my own 'defects'. No-one, including myself, was sure I could pass my orientation. But the good news is, I did!

- Kim, worker in Workers Care

Adaptive Movement

We partnered with Wheelchair Sports NSW/ACT to develop The Adaptive Movement. It increases the accessibility of sport and recreation to people who need activities adapted for them, such as people with a disability, older people and veterans. The Adaptive Movement is a website that makes it easy to get involved in Adaptive Sports and Recreation. It has more than 300 activities to choose from across NSW and the ACT for all ages and abilities, wheelchair users and people with brain injury or other cognitive and physical disabilities. The one-stop-shop is for everyone wanting to be more active through adaptive sport and recreation in NSW/ACT. The website was launched in July 2022.



I don't like the word disability. It's an impairment, a disability stops you. An impairment may slow you down but you can still do it. Adaptive equipment and sport is huge. Whatever your interest, get out there and do it.

- Stuart Jones, Paralympian and participant in Lifetime Care

Social Brain Toolkit

The Social Brain Toolkit is a set of online tools developed to help people with an acquired brain injury (ABI) and their support networks to communicate more successfully, whether face to face or online. The Social Brain Toolkit project is a collaboration between the University of Sydney, University of Technology Sydney, Brain Injury Australia and Changineers.

The toolkit consists of three modules which include:

- Interact-ABI-lity: a short online course for family, friends or professionals about how to communicate with people with brain injury.
- Social-ABI-lity: a short online course for people with brain injury about using social media safely and successfully.
- Convers-ABI-lity: an online platform for people with a brain injury and their communication partners to complete a conversation skills training program with a speech pathologist.

Interact-ABI-lity and Social-ABI-lity have been rolled out and were officially launched in July 2022. Convers-ABI-lity is in the final development stage and is expected to be implemented at the end of 2022.



It's a new world learning to be disabled, you are not the person you used to be, so you have to figure out for yourself what is in your head before you can express it, and also I am not alone, others have gone through this journey.

- Jack, participant in Lifetime Care

Enabler

In late 2020, Lifetime Care funded a joint project between technology provider Enabler Interactive and the Australian Community Industry Alliance (ACIA) to develop training for our attendant care providers. Three training modules were developed for support workers delivering services to our participants. The modules are Working Professionally, Behaviours that Challenge Foundations and Behaviours that Challenge Intermediate.

These allow a provider to track the training progress of their workers and then target areas where further training is required. They are accessed via Enabler and are available as a mobile app. This is ideal for staff in regional and remote locations where training options can often be limited.

The modules were completed in late 2021. Due to the impact of COVID-19, providers have not been able to implement resources for their staff. We are working closely with our providers and Enabler to facilitate the roll out of the training.

Key facts

Lifetime Care

Injury	Brain	Spinal	Other	Total
Male	901	287	50	1,238
Female	388	92	4	484



1,722 Scheme Participants. **1,238** Male, **484** Female.



Role in accident: **510** Driver, **334** Passenger, **371** Pedestrian, **393** Motor Bike (inc pillion), **73** Cyclist, **41** Other.



Injury type: **1,289** Brain, **379** Spinal, **54** Other.



19,469 Treatment Rehabilitation and Attendant Care (TRAC) decisions, resulting in **\$213.2m** paid.



Location:
44 Overseas
1,522 NSW
142 Other states/territories
14 not stated

Workers Care

Injury	Brain	Spinal	Other	Total
Male	177	100	33	310
Female	24	7	6	37



347 Workers Care Workers. **310** Male, **37** Female.



Injury type: **201** Brain, **107** Spinal, **39** Other.



5,067 decisions about treatment, rehabilitation and attendant care resulting in **\$61.9m** paid.



Location:
10 Overseas
306 NSW
29 Other states/territories
2 not stated





Dust Diseases Care

Dust Diseases Care (DDC) supports workers who have developed a dust disease as a result of harmful dust exposure at work. This support also includes compensation for dependants.

Year in review

In FY21-22, DDC supported 5,261 customers impacted by occupational diseases. This comprehensive support included healthcare, nursing and personal care assistance, mobility aids, oxygen supplies, home support and financial assistance to 3,451 dependants.

The ongoing COVID-19 pandemic and floods caused disruption to how we provide care and support. We adapted our service delivery so we could continue supporting people in the DDC scheme while ensuring their safety. We contacted them for their approval to provide at-home services.

We embedded a new operating model to provide consistency in personalised, needs-based services. This included improvements to the claims application process, provision of a primary point of contact for all people in the scheme, and faster, more informed access to services.

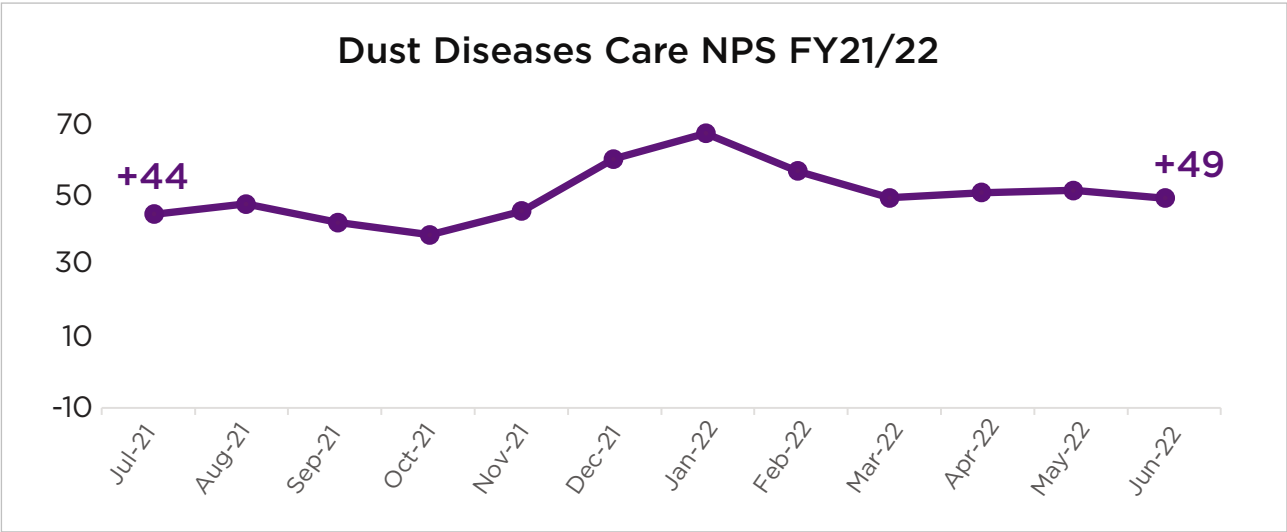


Your help has been most beneficial to me, relieving my pain levels and increasing my quality of life. You worked like a conduit between myself and my medical team, as this is all strange and foreign to people like me. Especially when we are suffering so much, the feeling of being lost increases dramatically. The extra efforts from staff go a long way to assisting people like myself suffering with our illnesses.

- client in DDC

DDC sits alongside the Lifetime Care and Support Scheme, the Workers Care program and CTP Care as part of Lifetime Schemes. A Service Development team and frontline operational staff provide support to all the Lifetime Schemes.

Customer Experience



Advocacy for DDC remains high overall by international benchmarks. From October 2021, the new DDC operating model was established, with several initiatives to improve communications, recruitment and training and the quality of interactions. The initial launch of these initiatives drove improvements through to early 2022. Over the following months, advocacy softened due to staffing challenges. The year has ended with a +5 point improvement.



I really appreciate all the things you have done for me, especially my cleaner and how you check in on me, and that goes for my contact person and the whole of Dust Disease Care. You make really things so much easier for me."

- client in DDC



Financial summary

FY2021-22 (\$m)	DDC
Net Earned Premiums/Contribution	73
Net Claims Expense/Scheme Costs	10
Underwriting & Other Expenses	(41)
Underwriting Result	42
Net Investment Revenue	(41)
Grants from the Crown	-
Other Income/adjustments	(1)
Net Result	0
Funding Ratio	100%
Investment Funds Under Management	\$1.05b
Investment Return	(3.8%)
Investment Benchmark	(4.5%)

Net result is driven by favourable movements in the yield curve partially offset by unfavourable investment income and higher than expected actual inflation.

The net positive underwriting result has been driven by the net positive impact of changes in economic assumptions. A higher than expected number of reported claims, higher projected future claim number assumptions as well as a separate allowance for new diseases to be added to Schedule 1 of the Dust Disease Act, have increased the scheme's liabilities.

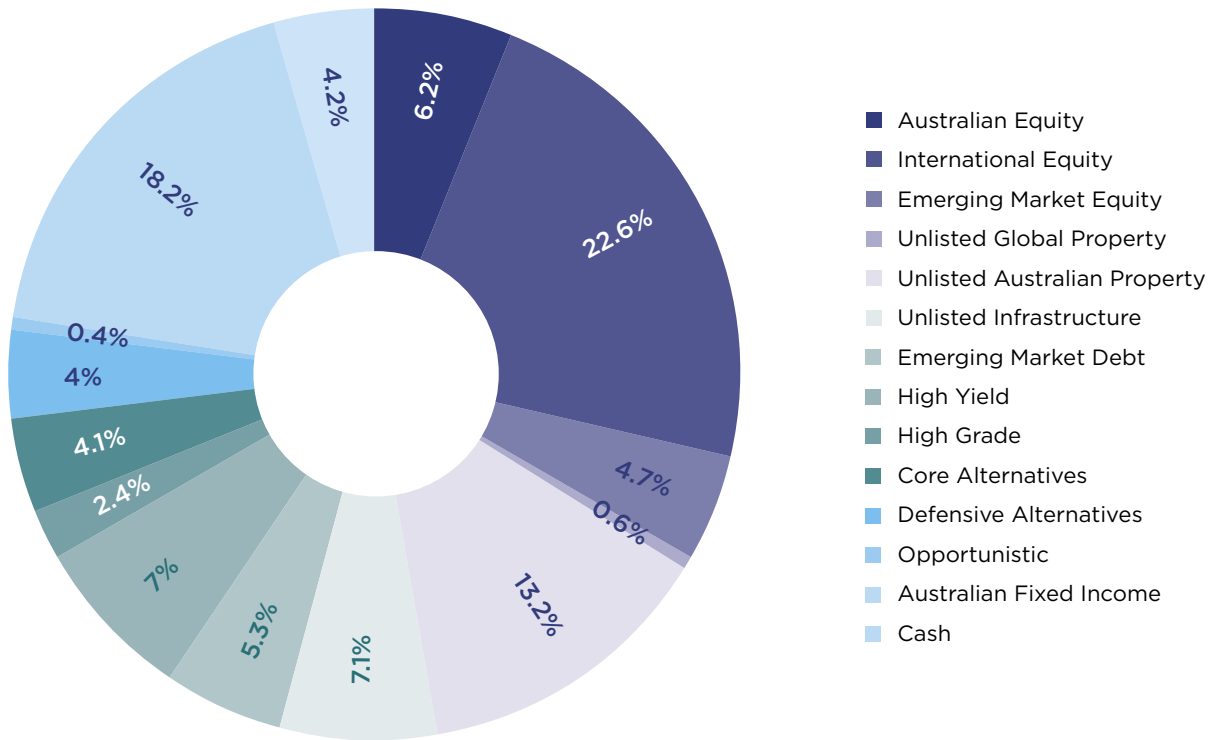
Investment funds under management reduced by 13.9% (\$169.7m) during the financial year. Investment returns were 0.7% above benchmark.

Dust Diseases Care is a pay-as-you-go scheme as the contributions are designed to cover the next year's claims costs and expenses. However, DDC also holds around \$1b of invested assets which further strengthens its financial position.

DDC had an adverse underlying claims experience due to an increase in projected dependant benefits, higher medical examination expenses and an allowance for new diseases to be covered by the scheme.



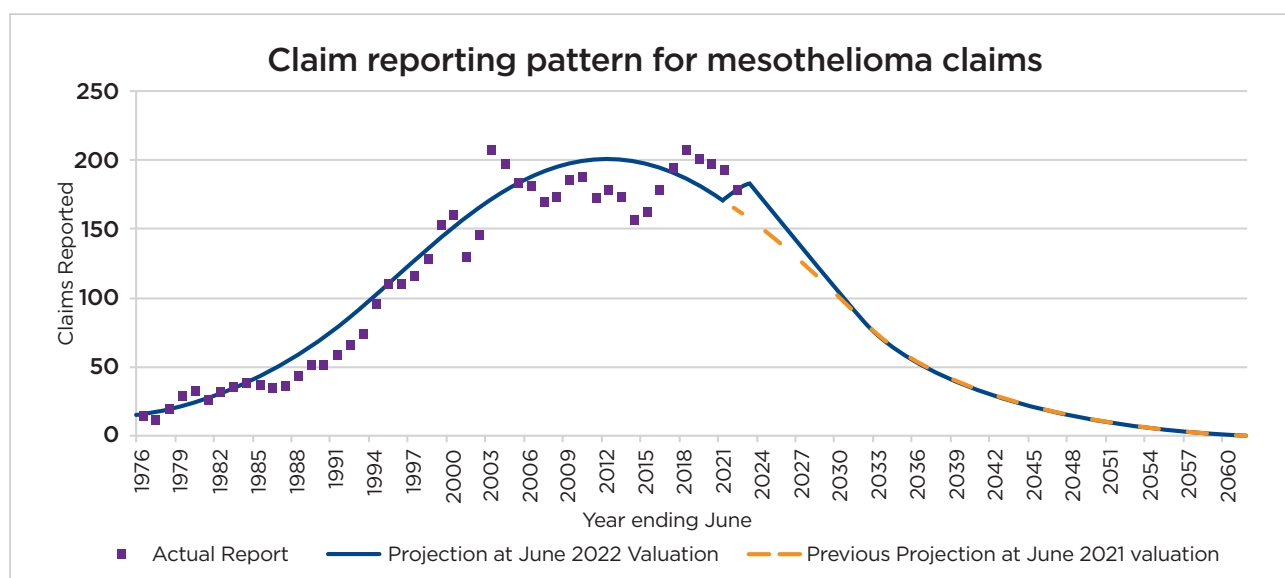
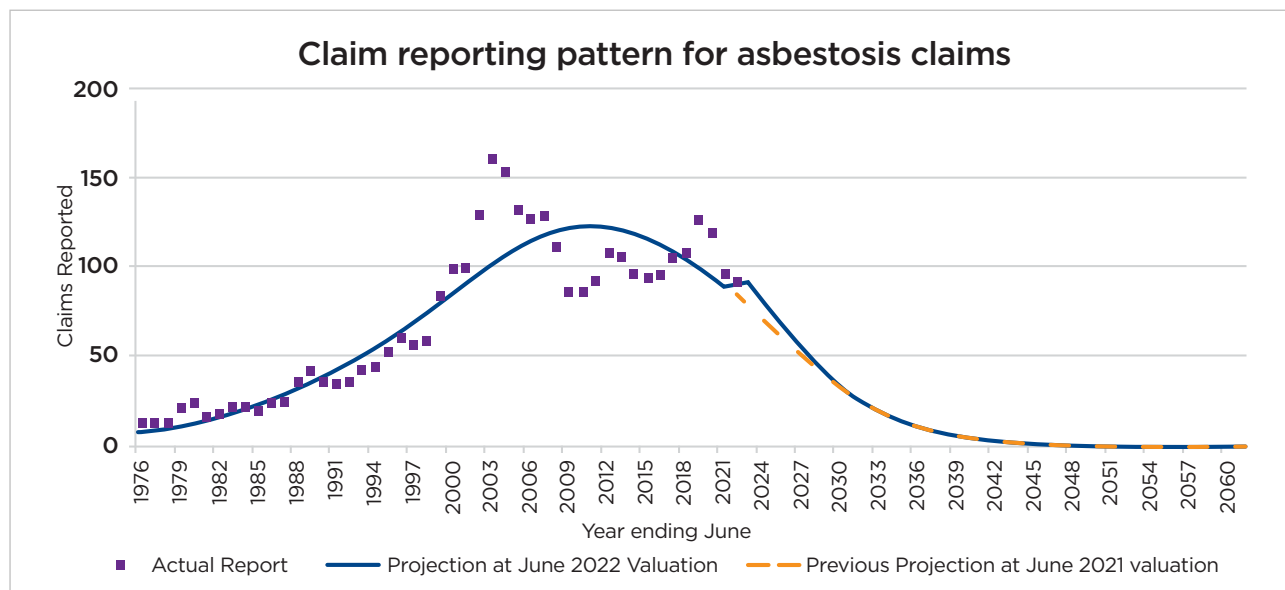
Dust Diseases Authority Fund Strategic Asset Allocation at 30 June 2022



Asset class	Market value \$	Actual weight	Asset allocation
Australian Equity	65,459,329	6.2%	6.5%
International Equity	237,686,049	22.6%	23.0%
Emerging Market Equity	49,572,087	4.7%	5.0%
Unlisted Global Property	6,312,932	0.6%	0.5%
Unlisted Australian Property	138,517,124	13.2%	11.5%
Unlisted Infrastructure	74,183,731	7.1%	6.0%
Emerging Market Debt	55,236,406	5.3%	5.5%
High Yield	73,900,448	7.0%	7.0%
High Grade	25,484,587	2.4%	2.5%
Core Alternatives	42,597,185	4.1%	4.0%
Defensive Alternatives	42,515,110	4.0%	4.0%
Opportunistic	4,672,967	0.4%	0.5%
Total Growth Assets	816,137,956	77.6%	76.0%
Australian Fixed Income	191,276,699	18.2%	18.0%
Cash	44,274,556	4.2%	6.0%
Total Defensive Assets	235,551,255	22.4%	24.0%
Total Foreign Exchange			34.0%
DDAF Total Fund	1,051,689,210	100.0%	100.0%

Commentary

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 2022 valuation compared with the previous valuation in June 2021.



Key Activities

Lung Screening Services

DDC provides subsidised health monitoring to NSW employers to help them comply with Work Health and Safety obligations. Employers must provide health monitoring for all workers at risk of being exposed to dust in the workplace. This is often completed in our mobile clinic. Workers can also choose to attend our Sydney clinic or select a doctor closer to home. In FY22, 119 employers completed health monitoring which resulted in a total of 2,291 workers completing a lung health screening. Of this, 1,979 examinations were completed in the mobile clinic, 297 at our Sydney clinic and 15 at an external provider.

We also provide free medical examinations for workers who were employed in a dusty workplace in the past, or who are retired. Many of these are existing DDC customers. In FY22 we provided 774 lung screening examinations. Of these, 149 were completed in the lung bus, 253 in our Sydney clinic and 234 through an external provider.



I would like to pass on our thanks for the outstanding job done by your team in our two-day lung screening sessions, they were very helpful and professional. An added bonus is that lot of our employees have taken a positive attitude towards the information given on their general health and wellbeing.

- client in DDC

Mobile Clinic

Our mobile clinic, known as the icare Lung Bus, is a one-stop-shop for lung screening. It is equipped with a digital chest x-ray room, advanced lung-function testing equipment and a medical practitioner to conduct lung examinations. In FY22, our mobile clinic travelled to 40 locations in metropolitan and regional NSW and provided a total of 2,128 lung health examinations (1,979 for employers and 149 for DDC scheme clients). To ensure the health, welfare and safety of staff and customers, additional safety precautions were adopted for the pandemic period.

Remediation

icare has successfully completed its remediation program to correct historical payment practices to some DDC participants. Approximately \$33.2m was paid to more than 1,300 DDC clients and estates.

In 2020, icare proactively reviewed the payment procedures used to work out compensation payments for those with a dust disease. During this review, icare identified an issue with the interpretation of the *1942 and 1987 NSW Workers Compensation Acts*. This review process showed us there were differences in how these two Acts were previously understood. As a result, this led to an underpayment of compensation. These practices date back many years before icare.

Following this, a proposed remediation approach was developed with PwC Australia, with final independent assurance undertaken by Deloitte experts in similar remediation matters, who deemed icare's approach as 'fair, timely and appropriate'.

This issue impacted 1,362 people. On behalf of icare, PwC Australia contacted as many of the impacted participants and estates as possible to make arrangements for remediation payments. There are 35 estates who have been identified as unreachable. icare will continue contact efforts to arrange due payment.



All thanks to DDC, none of this would have been possible without the remediation payment and fortnightly compensation benefits. Thank you so much!

- client in DDC

Medical Assessment Panel (MAP) Digitisation

Our Medical Assessment Panel consists of doctors who review new applications to the DDC scheme to determine their eligibility. To improve efficiency in processing documents and determining an outcome, we began a digitisation project which reduced 3,000 pieces of printed paper to 30. These are used to support the MAP meetings and led to faster outcomes for people affected by dust disease.

Before this, medical information would take weeks to be processed and a customer could wait months for an outcome. With our new digitisation process, MAP doctors are now able to review files each week and applications can be processed within 24 hours.

National Silica Guidance for General Practitioners

In February 2022, the National Guidance for doctors assessing workers exposed to silica was launched to help GPs identify and assess people at risk of silicosis. Silicosis is caused by exposure to respirable crystalline silica dust. icare contributed to the development of the guidance with input from the Head of DDC, our Medical Assessment Panel and a range of medical and work health and safety experts. The guidance will help medical practitioners identify and assess people at risk of silicosis.



icare has given us advice far beyond any expectations and their efficiency has been first class.

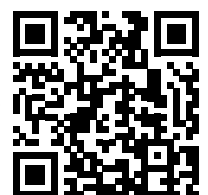
- client in DDC

Detecting Silica-Related Abnormalities - The Artificial Intelligence project

In FY22 we continued working on developing and testing an artificial intelligence (AI) tool, which can help doctors detect signs of silicosis on chest x-rays. After promising results in preliminary tests, a second experimental phase was developed to robustly test the accuracy and usefulness of the tool. Collection of trial x-ray data, as well as final optimisation of the AI tool are nearly complete. Recruitment of physicians who are interested in testing it in a research setting will begin in late 2022, with the aim to have the final analysis completed by mid-2023.



icare's Lung Bus is a mobile respiratory screening service travelling around metro and regional NSW. In FY21-22, the Lung Bus visited 40 locations and provided screening for 1,979 workers who have been exposed to hazardous dust. Scan the QR code to learn more.





Research and Dust Diseases Board Grants

The Dust Diseases Board's (DDB) vision is to make a positive difference to those impacted by hazardous dust exposure and occupational dust diseases. The Board aims to achieve this by funding novel, innovative research and support programs likely to have an impact, ideally in the short term.

The DDB offers grants across four funding streams: Ideas to Action (Discovery & Translational) grants, Focus grants, Fellowships & Scholarships and Support Organisation grants.

The Ideas to Action funding stream attracts grant applications from researchers throughout Australia who have identified specific knowledge gaps in our understanding of dust diseases. They include identifying exposure risks, disease prevention and diagnosis, treatment, wellbeing and quality of life. Focus grants invite researchers and clinical specialists to address specific problems in key priority areas affecting people in the DDC scheme. Both funding streams invite applications across the different research methodologies, including clinical trials.

The DDB undertook a review of its Support Organisation Grant Strategy to refresh the eligibility criteria and support available in the wider not-for-profit sector. Through this new strategy, the DDB aims to increase the reach of this funding stream to support more people with a dust disease. Innovation and technology have specifically been incorporated into the strategy to fund those proposals that trial new and innovative ways of supporting those impacted by a dust disease.

The DDB published its first FY21 DDB Year in Review report, showcasing the progress made by grant funding programs to dust disease-related research and people affected by a dust disease in NSW. The report will continue to be published annually, highlighting achievements, short-term impact of projects and new grants funded.

Key facts

Dust Diseases Care



5,261 Total number of Clients.
3,451 Dependants,
1,392 Workers (award),
418 Workers (non-award).



1,979 people provided lung bus screening across **40** locations. **64** employers participated.



\$161.2m, all payments.
\$105.1m for workers and dependents fortnightly payments.



47 Medical Assessment Panel meetings held.
1,258 clients assessed.

Health Monitoring Screenings

Lung Bus	2,128
Clinic	550
External Screen	249
Screen Review	418
Grand Total	3,065



297 screened at dust diseases clinic.
57 employers participated.



221 new applications received, **61** days to provide an application outcome.



CTP Care

CTP Care is a program in the NSW Compulsory Third Party (CTP) insurance scheme, beginning 1 December 2022.

Year in review

CTP Care is the result of legislative reforms to the NSW CTP Scheme. This led to several changes including the way people injured in a motor accident 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) becomes the relevant insurer for payments of treatment and care from five years after a person's accident. In some circumstances the payment of treatment and care benefits can be transferred before five years.



CTP Care is funded by the Motor Accident Injuries Treatment and Care Benefit Fund (MAITCBF). A levy is collected at the time the CTP premium is paid by all NSW motorists. The MAITCBF is separate from and shares no assets with the Lifetime Care and Support Scheme Fund. Treatment and care costs incurred by early transfer clients before the five-year mark are funded by CTP insurers via a cost recovery arrangement and not the MAITCB fund.

CTP Care will form part of the broader CTP Scheme in NSW regulated by SIRA. icare has been working with SIRA and CTP insurers to develop and implement CTP Care incrementally and to agree on processes to manage the seamless transfer of injured people. CTP Insurers have been notifying injured people from 1 June 2022, six months ahead of their transfer to CTP Care.

CTP Care sits alongside the Lifetime Care and Support Scheme, Dust Diseases Care and the Workers Care program as part of Lifetime Schemes. A combined team of service development and frontline operational staff report to a single manager, who in turn reports to the Group Executive Lifetime Schemes.

CTP Care Pilot

An early transfer pilot for clients has been running since October 2020. Lifetime Care interim participants not eligible for Lifetime participation made up the first phase of the pilot and were the first clients to transfer.

The second phase of implementation began in December 2021 and involved clients transferring directly from CTP Insurers. As at 30 June 2022, 33 clients had transferred before the five-year mark and transfers have occurred from all licensed CTP Insurers except for Youi. Youi entered the CTP market in December 2021. Early transfers from Youi would not be expected before December 2023 given the need to identify long term needs before transferring a client.

The pilot was important from a customer experience perspective, allowing CTP Care to form working relationships early on with clients and reduce the complexities of navigating multiple transitions. For example, some Lifetime Care participants not eligible for Lifetime Care, would have the management of their treatment and care transferred to the CTP Insurer and then back to CTP Care at five years.

An evaluation of the pilot was undertaken. It included feedback from clients, insurers and SIRA. The evaluation identified that CTP Care pilot clients were happy with the support they received from their CTP Care contact and that relationships between the scheme and the licensed CTP insurers were working well.



I take each day as it comes but I know that if I need it, I can pick up the phone and speak with someone about getting help. It's been very reassuring.

- client of CTP Care



A modified Customer Satisfaction Survey has been developed for CTP Care clients with respondents reporting they are extremely satisfied and no areas have been identified for improvement.

Small numbers of clients will continue to transfer early to CTP Care throughout the pilot. CTP Care is preparing to operate at scale from 1 December 2022.



Transfer was seamless. My contact at the CTP Insurer rang me to let me know my transfer was agreed. Within a few days I had a call from my CTP Care contact person explaining everything.

- Rob, client of CTP Care

Customer Experience

The creation of CTP Care results in significant changes to the CTP scheme as well as in icare. Significant consultation has occurred externally with SIRA and all CTP insurers to ensure the transition of the payment of statutory benefits from the insurer to CTP Care maintains the best outcomes for clients.

The development and implementation of CTP Care has also been informed by extensive research into customer experience. The research identified key “moments that matter” for customers such as onboarding, responding to requests for treatment and care and complaints and disputes. Customer experience risks have been identified and mitigation strategies put in place. The use of the Customer Satisfaction Survey will be expanded as client volumes grow and will be used to track client experience and identify areas for improvement.



The level of care shown by my case manager has been exemplary. Procedures recommended by my treating physician have been promptly authorised. She has been genuinely sympathetic to my ongoing battle with chronic pain stemming from injuries sustained in accident.

- client of CTP Care

Financial summary

FY2021-22 (\$m)	CTP Care
Net Earned Premiums/Contribution	94
Net Claims Expense/Scheme Costs	(106)
Underwriting & Other Expenses	(9)
Underwriting Result	(20)
Net Investment Revenue	(20)
Grants from the Crown	-
Other Income/adjustments	1
Net Result	(39)
Funding Ratio	73%
Insurance Ratio	76%
Investment Funds Under Management	\$0.3bn
Investment Return	(6.4%)
Investment Benchmark	(6.1%)

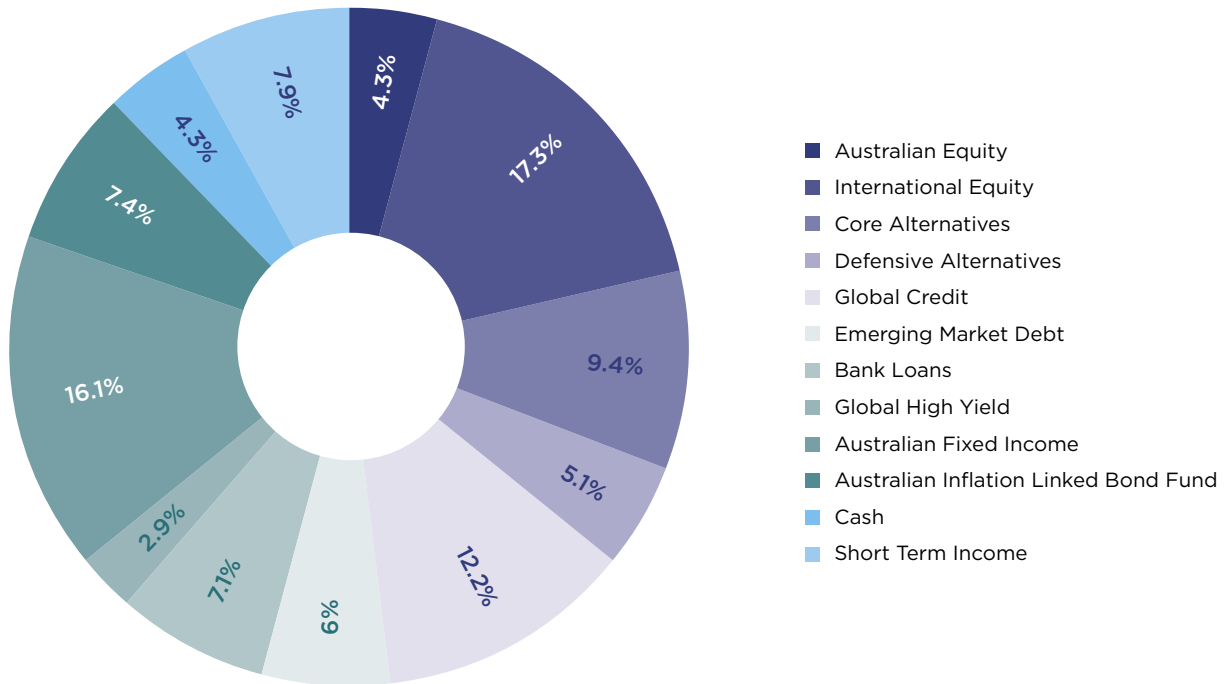
Net result is a loss of \$39 million mainly driven by investment losses partially offset by favourable movements in the yield curve.

The first MAITCBF clients from the five-year post injury group are expected to enter the scheme beginning 1 December 2022. As at 30 June 2022, 33 clients have entered the MAITCBF before the five-year mark, under the Early by Agreement (EBA) provisions in the legislation. Treatment and care costs incurred by EBA clients before the five-year mark are funded by CTP insurers, as MAITCBF levies do not cover costs incurred during the first five years.

Investment funds under management increased by 26% (\$61m) during the financial year, driven by collected levies. Investment returns were 0.3% below benchmark.



CTP Care Strategic Asset Allocation at 30 June 2022



Asset class	Market value \$	Actual weight	Asset allocation
Australian Equity	12,722,816	4.3%	4.5%
International Equity	51,542,750	17.3%	17.0%
Core Alternatives	27,917,501	9.4%	9.0%
Defensive Alternatives	15,286,192	5.1%	5.0%
Global Credit	36,340,342	12.2%	12.0%
Emerging Market Debt	17,823,703	6.0%	6.0%
Bank Loans	21,307,916	7.1%	7.0%
Global High Yield	8,733,249	2.9%	3.0%
Total Growth Assets	191,674,468	64.3%	63.5%
Australian Fixed Income	47,876,672	16.1%	16.0%
Australian Inflation Linked Bond Fund	22,146,526	7.4%	7.5%
Cash	12,917,094	4.3%	5.0%
Short Term Income	23,568,325	7.9%	8.0%
Total Defensive Assets	106,508,618	35.7%	36.5%
MAITC Total	298,183,086	100.0%	100.0%

Key facts

CTP Care



33 CTP Care clients.
13 Male, **20** Female.



113 Treatment, Rehabilitation and Attendant Care decisions.



30 NSW, **3** other states and territories.



\$389.1k paid in treatment, rehabilitation and attendant care services.

Most common injury types

Injury category	no. of Clients
Multiple Complex Fractures	22
Back Injuries (fractures, non-SCI)	11
Psychological Injury (PTSD, Adjustment Disorder)	10
Traumatic Brain Injury (Mild)	8
Internal Organ Injury	7
Degloving	5
Amputation	3
Severe Crush Injuries	1

* Note: Individual clients can have multiple injury types.



Socceroos vs South Africa at ANZ Stadium, Sydney
Destination NSW

Sporting Injuries

Year in review

Sporting Injuries Insurance is a no-fault scheme providing affordable insurance cover for sporting officials and members of participating sporting organisations. It insures 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.

This 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.



Sporting Injuries Insurance also provides claims management services for the Supplementary Reporting 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.

In FY22, two new claims were received. A total of \$27,530 was paid in benefits for the year. We have continued to see a reduced number of claims this year due to COVID-19 and its effects on sporting competitions. No new claims were received in the second and fourth quarters. COVID-19 has also resulted in several policy holders receiving a reduced premium rate for the year, due to fewer games being played. The two most significant policy holders are the National Rugby League (NRL) and NSW Rugby League (NSWRL).

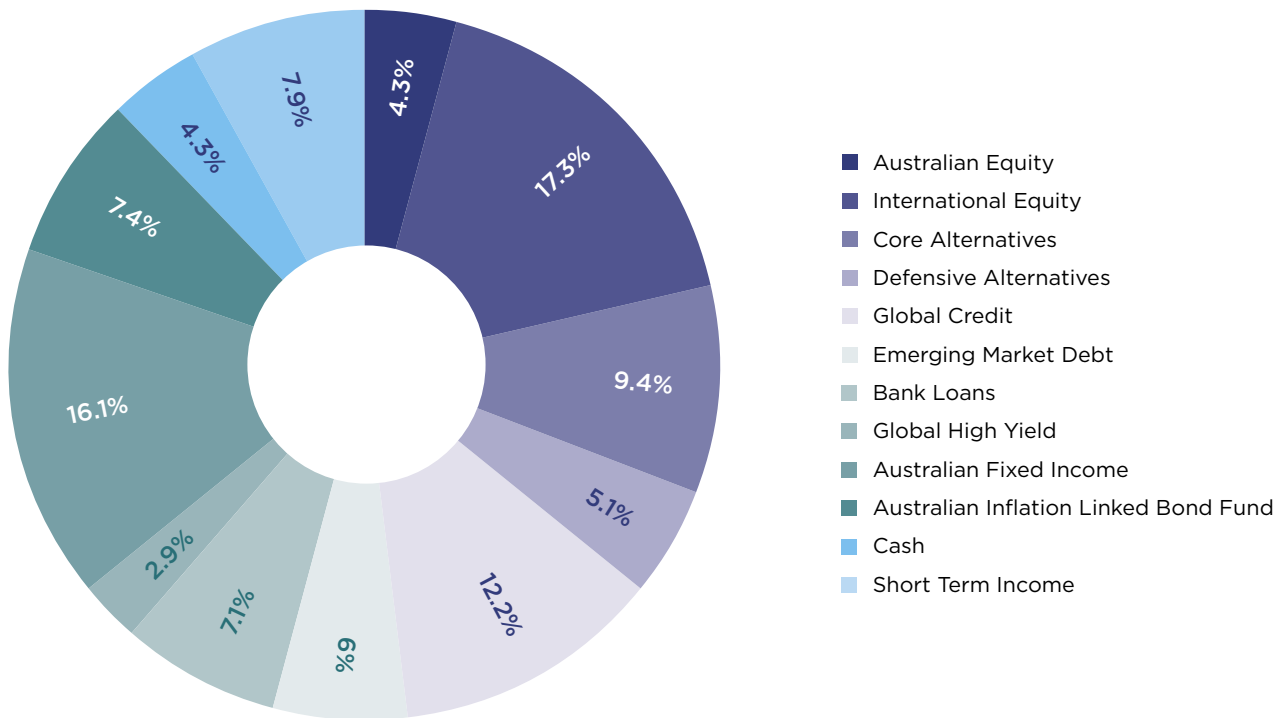
Customer Experience

Sporting Injuries does not measure customer experience.

Financial summary

FY2021-22 (\$m)	SI
Net Result	(0.2)
Funding Ratio	308%
Investment Funds Under Management	5.4
Investment Return	(6.4%)
Investment Benchmark	6.8%

Sporting Injuries Fund Strategic Asset Allocation at 30 June 2022



Asset class	Market value \$	Actual weight	Asset allocation
Australian Equity	228,313	4.3%	4.5%
International Equity	924,942	17.3%	17.0%
Core Alternatives	500,983	9.4%	9.0%
Defensive Alternatives	274,313	5.1%	5.0%
Global Credit	652,132	12.2%	12.0%
Emerging Market Debt	319,849	6.0%	6.0%
Bank Loans	382,374	7.1%	7.0%
Global High Yield	156,719	2.9%	3.0%
Total Growth Assets	3,439,625	64.3%	63.5%
Australian Fixed Income	859,154	16.1%	16.0%
Australian Inflation Linked Bond Fund	397,422	7.4%	7.5%
Cash	231,799	4.3%	5.0%
Short Term Income	422,937	7.9%	8.0%
Total Defensive Assets	1,911,312	35.7%	36.5%
SIF Total	5,350,937	100.0%	100.0%

Sporting Injuries Fund FY2021-22 Returns

Performance (net)	Since Inception* (% pa)	3 Year (% pa)	1 Year (%)
Fund**	3.90	(0.03)	(6.42)
CPI + 2.0% pa	n/a	n/a	6.77
Excess	n/a	n/a	(13.19)
Benchmark	n/a	3.23	6.77
Excess	n/a	(3.26)	(13.19)

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

** The Sporting Injuries Compensation Authority Fund composite benchmark commenced 1 January 2014. From 1 December 2020, the fund invested in TCorpIM Medium Term Growth Fund. The Objective is CPI+2% pa and the returns are net of fees. Before that, the fund invested in cash and the benchmark was the Bank Bill index, the returns were gross of fees.





Our Governance

We are governed by a Board of Directors consisting of icare's CEO and up to eight independent non-executive directors, appointed by the Responsible Minister.

Year in review

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 *State Insurance and Care Governance Act 2015* and include:

- providing the NSW Minister for Finance, as the Responsible Minister, any information requested about the activities of icare
- keeping the Responsible Minister 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 in relation to icare's activities
- undertaking any other function conferred or imposed on the Board by the *State Insurance & Care Governance Act 2015* or any other law.

icare acts and provides services for a number of statutory insurance schemes (refer to Appendix 11 for a full list of the legislation we administer). The Board's role is to govern icare and includes setting the strategic direction as well as establishing and monitoring performance targets as set out in the Statement of Business Intent.

Our non-executive directors are appointed by the Responsible Minister for a three-year term, after which they are eligible for re-appointment. Our CEO is appointed by the Board for a five-year term. Our directors have extensive experience across diverse fields. These include insurance, customer experience, business improvement, finance, investment, risk management, healthcare, disability services, technology and digital and strategy.

The *State Insurance and Care Governance Act 2015* also allows the Responsible Minister to give a written direction to icare if the Responsible Minister is satisfied that it is necessary to do so in the public interest. Before giving any such direction, the Responsible Minister must consult with the icare Board and seek its opinion as to whether the direction would not be in the best interest of icare.

If the Responsible Minister does make a written direction, it must be published in the NSW Government Gazette, stating why the direction is in the public interest. The Board must then ensure the direction is complied with.

The NSW Minister for Finance issued a written direction on 22 April 2022 in relation to the Nominal Insurer premium filing for the financial year FY22-23.



Board Committees

The Board has established the following five Committees: Board Audit Committee, Board Risk Committee, Investment and Asset Committee, People and Remuneration Committee and Technology and Data Strategy Committee. The Committees assist the Board with its oversight and governance responsibilities and are all chaired by a Non-Executive Director of the Board.

The objective of the Board Audit Committee is to provide independent assistance to the Board by monitoring, reviewing and providing advice about icare's governance processes, risk management and control frameworks and its external accountability obligations.

The Investment and Asset Committee had been established to assist icare in setting the investment strategy and related investment policies and provide oversight of the investments of the icare scheme funds.

The responsibility of the People and Remuneration Committee is to endorse and recommend to the Board the approval of icare's people strategies, including remuneration, culture, talent, leadership and diversity strategies. It also monitors the implementation of the Board-approved people strategies and ensures icare maintains robust and relevant people policies and practices.

The objective of the Technology and Data Strategy Committee is to provide assistance by monitoring strategically significant and material information technology (IT) and data projects on behalf of the Board.

The aim of the Board Risk Committee is to provide independent assistance to the Board by monitoring, reviewing and providing advice about icare's governance processes, risk management and control frameworks and its external accountability obligations. In accordance with recommendations from the McDougall Review and NSW Treasury's conditional approval for modified application of the Internal Audit and Risk Management Policy for the General Government Sector (TPP20-08), icare's Audit and Risk Committee was dissolved on 30 April 2022 and replaced by a separate Board Audit Committee and Board Risk Committee from 1 May 2022.

Our Board of Directors



John Robertson



Elizabeth Carr AM



Richard Harding



Kylie Willment



John Walsh AO



Mark Goodsell



Virginia Malley



Peeyush Gupta AM



Michael Cameron



John Robertson

Chair

John Robertson has over 30 years of 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 was 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 the President of the NSW Council of Social Service and has held previous board and committee roles for WorkCover NSW, NSW Heritage Council, the 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.

Member – People and Remuneration Committee



Michael Cameron

Deputy Chair

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

He has been a Group CEO of two top ASX companies spanning ten years and a non-executive- Director of a top 20 ASX company for four years. Previously, Michael was the Chief Financial Officer (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 Federal Treasury and NSW Treasury in an advisory capacity.

Michael currently Chairs the People's Choice Credit Union and their Corporate Governance Committee, Resolution Capital Limited and Foray Enterprises Pty Ltd.

Chair – Board Audit Committee

Member – Board Risk Committee

Member – Technology and Data Strategy Committee



Richard Harding

Chief Executive Officer and Managing Director

A biography for Richard Harding is provided in Our People, page 37.

Member – Investment and Asset Committee

Standing Attendee – Board Audit Committee

Standing Attendee – Board Risk Committee

Standing Attendee – People and Remuneration Committee

Standing Attendee – Technology and Data Strategy Committee



Elizabeth Carr AM

Non-Executive Director

Elizabeth Carr has been a non-executive Director on the icare Board since October 2015 and was reappointed in May 2022 for a one-year term.

Elizabeth holds numerous private, non-profit and education board positions. They include 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), the Murrumbidgee Local Health District Audit & Risk Committee and the Department of Communities (WA) Audit and Risk Committee. She is a member of the Audit and Risk Committees for NSW Trustees and Guardians and 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

Member – Board Audit Committee

Member – Board Risk Committee



Peeyush Gupta AM

Non-Executive Director

Peeyush Gupta 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 of 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 with 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 is also on the Dean's Executive Committee at UNSW's Australian School of Business.

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 – Technology and Data Strategy Committee



Kylie Willment

Non-Executive Director

Kylie Willment is an experienced financial services executive with experience across public and private sector organisations. She brings a specialisation in investment management to the icare Board.

In her current role Kylie is Partner and Chief Investment Officer (CIO) for Mercer Australia. Previously she spent 17 years at NSW Treasury Corporation (TCorp) and was a key part of the evolution of TCorp's investment function.

Kylie holds a master's degree in applied finance and is a Certified Investment Management Analyst (CIMA). She has also served as a Director of the CIMA Society of Australia and been a member of the Investment and Wealth Institute's Global Certification Commission.

Chair - Technology and Data Strategy Committee

Member - Investment and Asset Committee



John Walsh AO

Non-Executive Director

John Walsh 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 received an AM and the Prime Minister's Award for outstanding service to the disability sector. In 2015 he was appointed Australia's Patron for the United Nations International Day of People with a Disability. In 2022 John was honoured as an Officer of the Order of Australia for distinguished service to public health through leadership and advocacy roles.

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 - Dust Diseases Board

Member - Board Audit Committee

Member - Board Risk Committee



Mark Goodsell

Non-Executive Director

Mark Goodsell is the national Head of WHS Policy for the Australian Industry Group (Ai Group).

Mark's role centres on public and policy advocacy in WHS representing the industry base of Ai Group's membership. Up until May 2021 Mark had been Head of NSW for Ai Group for over 20 years, with a focus including state and regional development, innovation, government procurement, skills formation, WHS, workers' compensation and business regulation.

Mark is the Chair of the NSW Industry Capability Network (ICN NSW) and was previously a member of Safe Work Australia and the NSW Skills Board.

Mark holds qualifications in both economics and law.
Member - People and Remuneration Committee



Virginia Malley

Non-Executive Director

Virginia Malley is a non-executive director with experience in the financial services and environmental sectors.

Most recently Virginia has been responsible for overseeing the integrity and performance of market-based environmental schemes promoting increased renewable energy generation, carbon abatement and protected biodiversity in Australia.

Virginia is the Deputy Chair of the NSW Biodiversity Conservation Trust and a non-executive Director on the board of Perpetual Equity Investment Company Limited. She is a Fellow of the Australian Institute of Company Directors.

She also serves as the Chair of the Carbon Industry Code Review Panel, Future Super Group Risk Committee, Pinnacle Fund Services Ltd Compliance Committee and Bell Asset Management Compliance Committee.

Virginia was previously Chief Risk Officer at Macquarie Funds Management Group and has served on the boards of the Clean Energy Regulator, Macquarie Investment Management Ltd and Perpetual Superannuation Ltd.

She has a Bachelor of Arts and Master of Applied Finance from Macquarie University, a Juris Doctor from the University of Technology Sydney and a Graduate Diploma of Environmental Law and a Master of Laws from the University of Sydney.

Chair - Board Risk Committee
Member - Board Audit Committee
Member - Investment and Asset Committee

Board members retired in FY2021-22

Lisa McIntyre Non-Executive Director	Chair: Technology & Data Strategy Committee Member: Investment & Asset Committee, Audit & Risk Committee	Term: 15 February 2021 – 14 February 2022
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New Board members in FY2021-22

Virginia Malley Non-Executive Director	Chair: Board Risk Committee Member: Board Audit Committee, Investment & Asset Committee	Term commenced: 16 August 2021
Kylie Willment Non-Executive Director	Chair: Technology & Data Strategy Committee Member: Investment & Asset Committee	Term commenced: 16 August 2021
Mark Goodsell Non-Executive Director	Member: People & Remuneration Committee	Term commenced: 15 February 2022

FY2021-22 Board and Committee meeting attendance

Directors	icare Board	Audit & Risk Committee**	Board Audit Committee**	Board Risk Committee**	Technology & Data Strategy Committee	Investment & Asset Committee	People & Remuneration Committee
John Robertson	15/15 attended	5/5 attended	1/1 attended	1/1 attended			4/4 attended
Michael Cameron	15/15 attended	5/5 attended	1/1 attended	1/1 attended	2/2 attended	2/2 attended	2/2 attended
Elizabeth Carr, AM	15/15 attended	5/5 attended	1/1 attended	1/1 attended		2/2 attended	4/4 attended
Mark Goodsell (appt Feb 2022)	6/6 attended						3/3 attended
Peeyush Gupta, AM	15/15 attended				3/3 attended	7/7 attended	
Virginia Malley (appt Aug 2021)	12/13 attended	2/2 attended	1/1 attended	1/1 attended		5/5 attended	
Lisa McIntyre (retired Feb 2022)	8/9 attended	3/3 attended			2/2 attended	3/4 attended	
John Walsh, AO	14/15 attended	5/5 attended	1/1 attended	1/1 attended	1/1 attended		

Directors	icare Board	Audit & Risk Committee**	Board Audit Committee**	Board Risk Committee**	Technology & Data Strategy Committee	Investment & Asset Committee	People & Remuneration Committee
Kylie Willment (appt Aug 2021)	11/13 attended				1/1 attended	5/5 attended	1/1 attended

***icare's Audit and Risk Committee was dissolved on 30 April 2022, as per recommendations from the McDougall Review, and replaced by a separate Board Audit Committee and Board Risk Committee from 1 May 2022.*

Board and Committee remuneration

The following table provides Non-Executive Directors' fees for the icare Board and Committees as at 30 June 2022.

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 (July 2021 – April 2022)	\$20,920	N/A	\$2,092 ¹
Committee (May 2022 – June 2022)**	\$15,690	N/A	\$2,092 ²
Dust Diseases Board	\$40,000	N/A	\$15,000

1. Per meeting

2. Per day

***icare's Audit and Risk Committee was dissolved on 30 April 2022, as per recommendations from the McDougall Review, and replaced by a separate Board Audit Committee and Board Risk Committee from 1 May 2022.*

Transparency, openness, and accountability

icare is committed to regular publishing of a range of data about the schemes we manage on our website. This provides accountability and transparency to our operations and performance. It includes monthly updates on the performance of the workers' compensation system across a range of key metrics. These are quarterly published reports on the improvement program by third party assurance agency Promontory, submissions to external reviews and inquiries and updates on matters of importance to the people we serve and our wider stakeholders.

icare is committed to engaging with stakeholders in an open, constructive, and accountable manner and fostering relationships on a foundation of trust and mutual respect.

Update on SIRA interactions

icare has a dedicated team to proactively notify regulators of matters of significance and ensure that regulatory requests are responded to in a timely manner.

We have continued to refine our engagement approach to address recommendations of recent independent reviews. This includes providing regular updates to the Board and Ministers on the health and nature of icare's regulatory relationships.

icare's primary regulator is the State Insurance Regulatory Authority (SIRA). We meet regularly with SIRA for monthly operational meetings, monthly executive meetings and other meetings as required. In addition the Chief Executives of SIRA and icare meet every quarter and our respective Boards meet biannually.

icare's key engagements with regulators over the year have focused on streamlining regulatory reporting and responding to various notices and audits, as well as providing briefings on financial and RTW performance, icare's Improvement Program and icare's claims model Request for Proposal (RFP).

Update on the Nominal Insurer Advisory Committee (NIAC)

The NIAC is made up of employer and workers' representatives including:

- Business NSW
- Australian Industry Group (AI Group)
- Unions NSW
- Australian Manufacturing Workers Union (AMWU)
- Construction Mining Forestry and Energy Union (CFMEU)
- NSW Small Business Commission
- Workers Health Centre

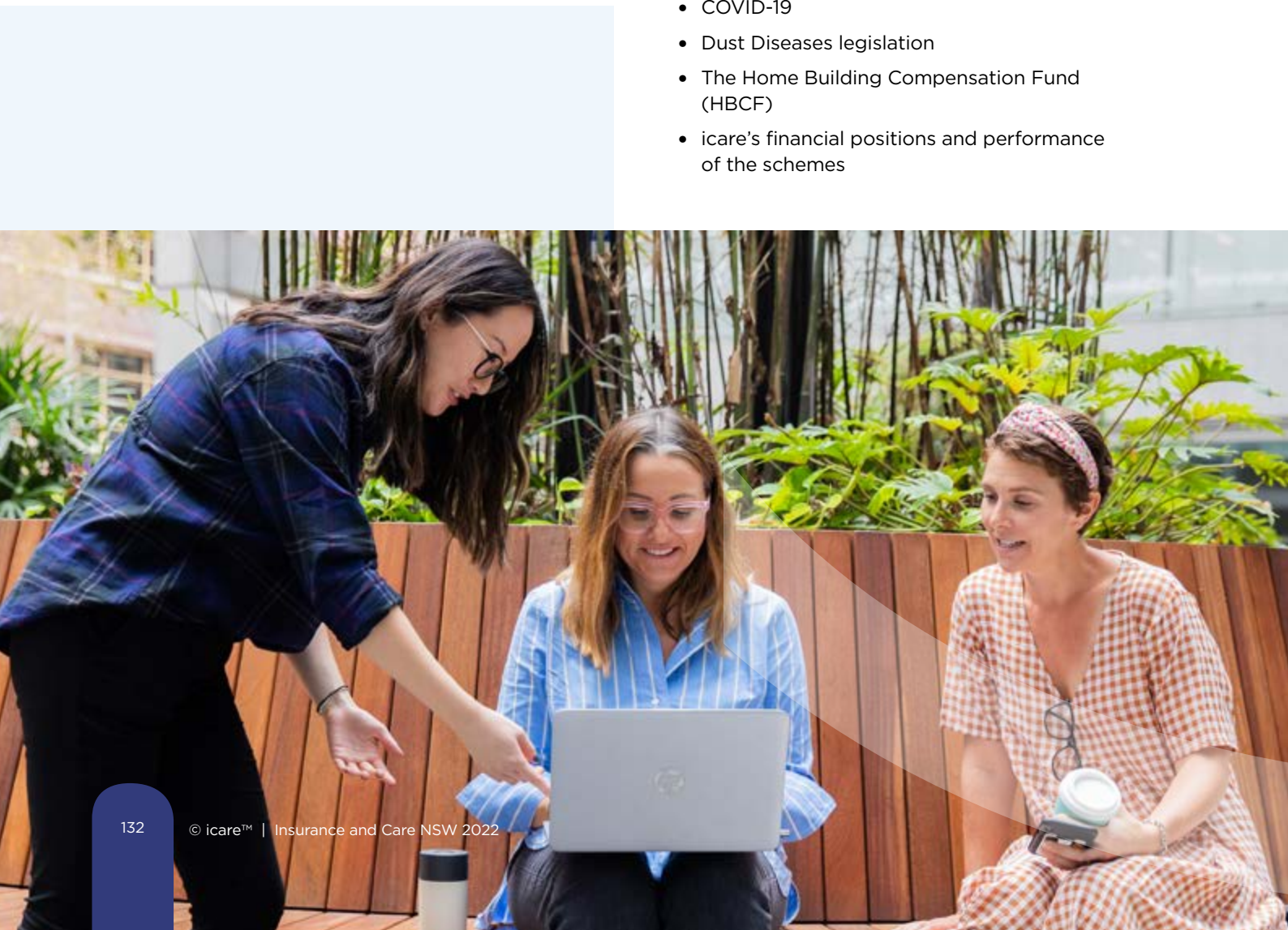
During FY21-22 meetings were held on 18 August, 21 October, 15 February, 11 April and 21 June. In addition to the bi-monthly meetings the NIAC has held five working groups and out of session briefings. In the spirit of positive, open and constructive communication, these allow the Committee to engage with subject matter experts at a more operational level. This includes the topics of Value Based Care (VBC), Claims Model, Premium model, Section 11A of the *Workers Compensation Act 1987* and Work Capacity Decisions and Independent Medical Examiners.

Update on NSW Treasury interactions

icare has regular dialogue with the NSW Treasury for monthly financial updates, attendance at the NSW Asset and Liability Committee and further meetings on a range of topics as outlined below. In addition, icare's Chief Executive meets regularly with the NSW Treasury Secretary or Deputy Secretary to provide a general update.

During FY21-22, interactions with NSW Treasury included:

- Implementation of the McDougall Review recommendations through icare's Improvement Program.
- Proactive payments to injured workers affected by historic pre-injury average weekly earnings (PIAWE) miscalculations.
- icare's procurement activities, including Request for Proposals (RFP) for the procurement of claims and injury management services for the Nominal Insurer.
- The Treasury Managed Fund, including psychological claims, ongoing costs, claims following the Child Abuse Bill 2021, the Net Asset Level Holding Policy (NAHLP) and damage to state infrastructure caused by flooding and other weather events.
- COVID-19
- Dust Diseases legislation
- The Home Building Compensation Fund (HBCF)
- icare's financial positions and performance of the schemes



Parliamentary inquiries

In FY21-22 icare gave evidence at five NSW Parliamentary public hearings.

Inquiry	Committee	icare Hearing dates	Attendees	Recommendations
2020 Review of the Workers Compensation Scheme	Legislative Council Standing Committee on Law and Justice	15 December 2021	Mr Richard Harding – CEO & Managing Director, icare Ms Mary Maini – Group Executive Workers Compensation, icare Ms Rashi Bansal – Group Executive IFNSW & HBCF, icare	9 Government Response tabled 3 November 2021
Budget Estimates FY21/22	NSW Parliament Legislative Council Portfolio Committee No. 1 – Premier and Finance	Supplementary hearing: 3 November 2021 Additional hearing: 4 March 2022	The Hon. Matt Kean MP, Treasurer Mr Richard Harding – CEO & Managing Director, icare Ms Rashi Bansal – Former Chief Financial Officer, icare The Hon. Damien Tudehope MLC, Minister for Finance, and Minister for Employee Relations Mr Richard Harding – CEO & Managing Director, icare	N/A
Workers Compensation Amendment Bill 2021	NSW Parliament Legislative Council Portfolio Committee No. 1 – Premier and Finance	2 February 2022	Mr Richard Harding – CEO & Managing Director, icare Ms Mary Maini – Group Executive Workers Compensation, icare	1
2021 Review of the Dust Diseases scheme	Legislative Council Standing Committee on Law and Justice	18 March 2022	Mr Richard Harding – CEO & Managing Director, icare Dr Nick Allsop – Group Executive Lifetime Schemes, icare	12 Government response due 12 September 2022

Managing our risks

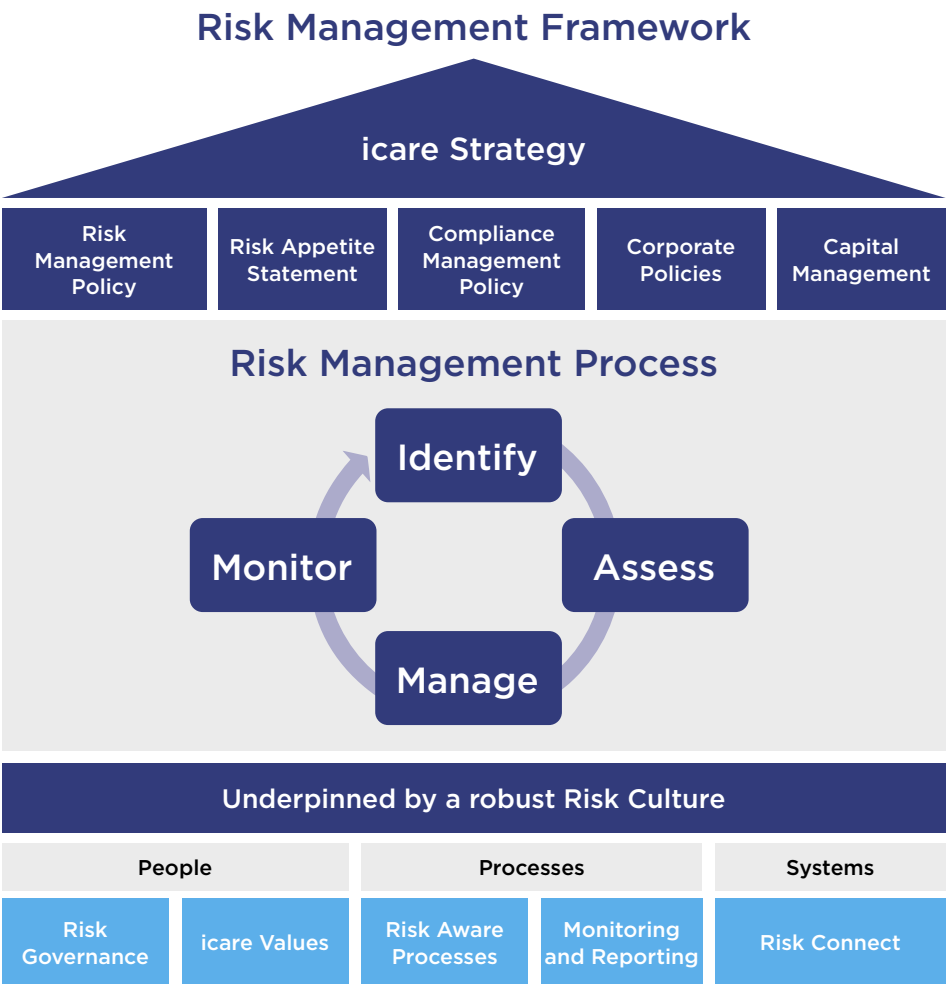
Risk management strategy and framework

At icare we manage risks and opportunities likely to have an impact on the ability to achieve our strategic objectives. In FY21-22, we continued with a substantial uplift of risk capability. We embedded a number of policies, revised in FY20-21 across the organisation. This enhanced our Three Lines of Defence (3LoD) operating model and broadened the capabilities of our governance, risk and compliance system, Risk Connect.

We operate a comprehensive risk management framework appropriate to our size and complexity, informed by best practices in risk management. This includes the requirements of regulated insurance companies as documented in the Australian Prudential Regulation Authority's (APRA) prudential standard *CPS 220 - Risk Management*. Employees are key to the risk management framework, as is our organisational culture that recognises the importance of risk management.

The 3LoD model drives an understanding of the roles and functions of business, risk management and compliance and independent assurance functions, such as internal audit in managing risk. When the three lines are appropriately structured with no gaps in coverage, there is an increased likelihood the organisation's risks can be effectively managed.

Our Risk Management Framework (RMF) is the totality of structures, systems and processes in the organisation that help us to identify, assess, manage and monitor risks that could have a material impact on operations. The diagram below sets out the key components of the framework.



A healthy risk culture is critical to the effective management of risk in any organisation. Risk culture can be defined as the impact of organisational culture on how we manage risk. For icare, risk culture is driven by the Group Executive Team. It focuses on ensuring everyone in icare is aware of their risk and compliance obligations and providing them with the tools and knowledge to meet these obligations. It also ensures visibility when these obligations are not being met so appropriate action can be taken.

The major business risks potentially affecting icare's ability to achieve our business objectives are set out below. We monitor these, including the mitigating actions in place, to reduce risks to within our risk appetite. Regular reports are submitted to our Group Executive team and our Board Risk Committee.

Risk reporting

The Board Risk Committee (BRC), previously the combined Audit and Risk Committee (ARC), regularly assesses the effectiveness of our RMF and the robustness of our control environment to assist the Board in fulfilling its corporate governance and oversight responsibilities.

Management risk reporting is provided to the BRC each quarter. It provides information on key risks and how these are being managed within the Board's Risk Appetite Statement and where risks are outside of appetite, how these risks are treated and managed. The Risk Appetite Statement (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. Monitoring of business activities against the Board's RAS provides it with periodic assurance that its risk appetite requirements are being met. The RAS and the RMF are both updated in line with changing requirements and emerging experience and are subject to annual review and approval by the Board.

Business continuity management

We are committed to ensuring that our critical business processes can continue should a serious disruptive event affect 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 and
- APRA's Prudential Standard CPS 232 Business Continuity Management

This means having business continuity plans, systems and capabilities in place so we can respond to and recover from any interruption. It includes 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 in FY21-22 through further COVID-19 lockdowns and flooding. Proactive preparations and ongoing impact assessments have taken place throughout the year to protect the health and wellbeing of our people and ensure our services continue to support our customers with as little disruption as possible. Our key activities included:

- continuing our flexible working-from-home approach to business-as-usual, to ensure employees feel safe and are supported by technology and equipment wherever they work
- continually improving business continuity plans, including implementing an enhanced process to identify critical functions and assess the impact of disruptions to icare and its customers
- identifying and assessing our outsourced arrangements and ensuring collaboration with our partners to build resilience
- continuing to monitor increasing cyber threats
- ensuring our people and those we serve are kept informed by regular communications
- conducting ongoing assessments of our risk profile and actions planning.



Modern Slavery

Modern Slavery is a crime and a violation of fundamental human rights and takes various forms such as servitude, forced and compulsory labour and human trafficking. It may also be in the form of coercion, threats or deception used to exploit victims and undermine their freedom.

icare is committed to ensuring transparency in our business and our approach to addressing Modern Slavery in every form throughout our operations, supply chains and investments. icare expects the same standards from our service providers, suppliers, sub-contractors and other business partners by ensuring we are:

- acting ethically, honestly and with integrity in all our business dealings and relationships
- developing and implementing an effective Modern Slavery Reasonable Steps Framework with controls and processes to identify and eliminate modern slavery issues in icare's operations, supply chains and schemes
- monitoring service providers and suppliers through contract management to ensure adherence to relevant icare policies and procedures.

Procurement has engaged an external subject matter expert to assist icare in the legislative compliance requirement of the *Modern Slavery Act 2018* which came into effect in January 2022. Activities to address modern slavery risks in the supply chain include:

- gap analysis in our policies, procedures and documents
- identification and prioritisation of risks including the analysis of icare's spend under management
- development of a draft Reasonable Steps Framework for consultation with icare's stakeholders.

Public Interest Disclosures

Our Reporting Wrongdoing Policy, including information on public interest disclosures, is available to all employees on the icare 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 14.

Insurance arrangements

icare's Treasury Managed Fund contributions for FY21-22 totalled \$1,779,946,882.24 ex GST (FY20-21: \$995,498) across workers' compensation, property, liability, motor and miscellaneous categories. Our Directors' and Officers' liability insurance premium was transferred in FY21 to Treasury Managed Fund and folded into Legal Liability insurance. The overall insurance contributions are higher than the previous year due to a change in the pricing method plus an increase in permanent employee numbers as we converted contract workers to permanent arrangements.

Internal Audit and Risk Management Attestation Statement for the 2021-2022 Financial Year, period 1 July 2021 to 30 April 2022, for Insurance and Care NSW

We, the Insurance and Care NSW Board, are of the opinion that Insurance and Care NSW (icare) has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirement		
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.	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 independent chair and members of the Audit and Risk Committee were:

- Independent Chair, Michael Cameron – 18 February 2021 – 30 April 2022
- Independent Member, Elizabeth Carr AM – 15 May 2021 – 30 April 2022
- Independent Member, Lisa McIntyre – 15 February 2021 – 30 April 2022
- Independent Member, John Walsh AO – 18 February 2021 – 30 April 2022
- Independent Member, Virginia Malley – 24 September 2021 – 23 September 2024.

In our Attestation Statement for 2020-2021 Financial Year we were of the opinion that as at 30 June 2021, the agency was compliant with Core Requirement 1.2, except in respect of the operational elements of “risk management integration” and “risk management culture”, where the agency believed that action over the course of the 2021-2022 Financial Year was needed to fully embed the improved risk management framework over the whole year.

In 2021-2022 Financial Year operational risk management remained under an enhanced degree of scrutiny, oversight and supervision and we are now of the opinion that icare has had risk management processes in operation that are fully compliant with Core Requirement 1.2 for the whole year. We also acknowledge that, while compliant, we still have further enhancements that we intend to make over the coming year to further improve our risk management processes.

Signed:

Date:

29 August 2022

Signed:

Date:

29 August 2022

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

**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



Our people taking part in
National Reconciliation Week

Internal Audit and Risk Management Attestation Statement for the 2021-2022 Financial Year, period 1 May 2022 to 30 June 2022, for Insurance and Care NSW

We, the Insurance and Care NSW Board, are of the opinion that Insurance and Care NSW (icare) has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirement		
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.	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 Committee 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 Committee Charter and Risk Committee Charter collectively is consistent with the content of the 'model charter'.	Compliant

Membership

The independent chair and members of the Audit Committee are:

- Independent Chair, Michael Cameron – 1 May 2022 – 1 May 2025
- Independent Member, Elizabeth Carr AM – 1 May 2022 – 14 May 2023
- Independent Member, Virginia Malley – 1 May 2022 – 1 May 2025
- Independent Member, John Walsh AO – 1 May 2022 – 1 May 2025.

The independent chair and members of the Risk Committee are:

- Independent Chair, Virginia Malley, 1 May 2022 – 1 May 2025
- Independent Member, Michael Cameron – 1 May 2022 – 1 May 2025
- Independent Member, Elizabeth Carr AM – 1 May 2022 – 14 May 2023
- Independent Member, John Walsh AO – 1 May 2022 – 1 May 2025.

In our Attestation Statement for FY20-21 we were of the opinion that as at 30 June 2021, the agency was compliant with Core Requirement 1.2, except in respect of the operational elements of “risk management integration” and “risk management culture” where the agency believed that action over the course of the 2021-2022 Financial Year was needed to fully embed the improved risk management framework over the whole year.

In FY21-22 operational risk management remained under an enhanced degree of scrutiny, oversight and supervision and we are now of the opinion that icare has had risk management processes in operation that are fully compliant with Core Requirement 1.2 for the whole year. We also acknowledge that, while compliant, we still have further enhancements that we intend to make over the coming year to further improve our risk management processes.

Signed:

Date:

29 August 2022



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

Signed:

Date:

29 August 2022



**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



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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, ie 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% 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% 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.

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

Date of Travel	Name	Destination	Purpose	Cost (\$) [i]
5 – 13 May 2022	R. Bansal	London UK	To meet with re-insurance markets in London, providing opportunity for briefing on NSW assets and current risk, including recent bushfire and flooding exposure	\$19,500 [ii]
	R. Singh			\$19,500 [ii]

[i] “Cost” includes all costs associated with the trip

[ii] Travel for both employees paid by icare

Appendix 3. Consultants

Supplier	Description of Service	Total (\$)
PROMONTORY	Improvement Program Assurance Review	1,566,975
AT KEARNEY AUSTRALIA PTY LTD	Claims Strategy & Procurement Support for NI	1,095,172
BEVINGTON GROUP PTY LTD	Improvement Program Cost Efficiency Diagnostic Review	379,863
NOUS GROUP PTY LTD	Ways of Working Program and Organisational Structure Review	343,490
PRICEWATERHOUSECOOPERS	AASB17 Accounting Policies	253,780
DELOITTE TOUCHE TOHMATSU	Fraud and Corruption Controls Program	229,267
KPMG	PIAWE QA Review	214,110
KPMG	Advice on Reform & Remediation for the Enterprise Improvement & NI Improvement Programs	210,210
FINITY CONSULTING PTY LTD	Technical Pricing support for NI	191,800
ADRENALIN MEDIA PTY LTD	icare Website Optimisation Review	161,564
FINITY CONSULTING PTY LTD	Understanding RTW Performance and developing lead indicators to monitor performance	145,000
THE UNIVERSITY OF SYDNEY	Understanding RTW Performance Research Study	136,364
DELOITTE TOUCHE TOHMATSU	PIAWE Remediation Methodology Review	129,593
PRICEWATERHOUSE COOPERS CONSULTING	icare Foundation five-year strategic review	119,640
AMSTELVEEN PTY LTD	Risk Framework Review	114,404
SOURCE NATION PTY LTD	Advice and support on the Reflect stage of the Reconciliation Action Plan journey	110,560
DELOITTE TOUCHE TOHMATSU	Advice on Social Outcome KPIs for implementation within NI	93,650
FRAZER WALKER PTY LTD	Data Landscape Review	89,000
FINITY CONSULTING PTY LTD	Advice on Case Practice Management Uplift in Mental Health Claims	79,950
THE TRUSTEE FOR JOHN TROWBRIDGE	COVID-19 RTW Impact Assessment	62,400
ASG	Advice and support on development of ICT strategy	59,224
Total greater than \$50,000		5,786,015
Plus 53 Consultants \$50,000 or under		267,492
Total		6,053,507

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 FY21-22 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 FY2021-22

Supplier	Description of Service	Total (\$)
FINITY CONSULTING PTY LTD	Actuarial Services under contract for IfNSW	3,368,060
FINITY CONSULTING PTY LTD	Actuarial Services under contract for NI	2,263,792
PRICEWATERHOUSE COOPERS CONSULTING	Actuarial Services under contract for Lifetime Care	851,611
PRICEWATERHOUSE COOPERS CONSULTING	Actuarial Services under contract for IfNSW	784,401
PRICEWATERHOUSE COOPERS CONSULTING	Actuarial Services under contract for Home Building Compensation Fund	322,479
PRICEWATERHOUSE COOPERS CONSULTING	Actuarial Services under contract for DDC	307,788
PRICEWATERHOUSE COOPERS CONSULTING	Actuarial Services under contract for NI	253,985
Total greater than \$50,000		8,152,115
Plus two Actuarial Fees \$50,000 or under		89,683
Total		8,241,798

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 FY21-22 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 valid supplier invoice to the day the invoice is processed for payment.

Insurance and Care NSW (icare)

30th June 2022

Accounts outstanding to suppliers at end of month

2021-22	September Quarter	December Quarter	March Quarter	June Quarter
Current	\$586,329	\$2,067,154	\$25,404,443	\$11,882,115
<30 days overdue	\$179,666	\$1,220,624	\$85,765,277	\$517,204
>30 & <60 days overdue	\$0	\$58,199	\$47,639	\$0
>60 days & <90 days	\$0	\$0	\$50,600	\$43,244
90 days & over	\$0	\$0	\$0	\$46,385

Amounts paid to suppliers at the end of the Month

2021-22	2021-22 Total	September Quarter	December Quarter	March Quarter	June Quarter
Number of accounts paid	6,108	1,503	1,405	1,603	1,597
Number accounts paid on time	6,023	1,494	1,396	1,551	1,582
% accounts paid on time (based on number of accounts)	99%	99%	99%	97%	99%
Dollar amount of accounts due for payment	847,558,542	141,572,152	286,662,435	104,090,852	315,233,101
Dollar amount of accounts paid on time	841,843,627	140,532,220	285,709,188	101,158,236	314,443,981
% of accounts paid on-time (based on \$)	99%	99%	100%	97%	100%
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 Nominal Insurer

30th June 2022

Accounts outstanding to suppliers at end of month

2021-22	September Quarter	December Quarter	March Quarter	June Quarter
Current	\$2,373	\$4,421	\$0	\$53,408
<30 days overdue	\$37,391	\$5,777,557	\$4,956,316	\$0
>30 & <60 days overdue	\$0	\$0	\$5,802,323	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at the end of the Month

2021-22	2021-22 Total	September Quarter	December Quarter	March Quarter	June Quarter
Number of accounts paid	566	275	129	118	44
Number accounts paid on time	541	270	125	102	44
% accounts paid on time (based on number of accounts)	96%	98%	97%	86%	100%
Dollar amount of accounts due for payment	352,302,394	86,534,040	74,525,250	104,950,866	86,292,238
Dollar amount of accounts paid on time	351,784,195	86,230,315	74,513,000	104,748,642	86,292,238
% 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

Treasury Managed Fund

30th June 2022

Amounts paid to suppliers at the end of the Month

2021-22	2021-22 Total	September Quarter	December Quarter	March Quarter	June Quarter
Number of accounts paid	630	313	228	70	19
Number accounts paid on time	630	313	228	70	19
% accounts paid on time (based on number of accounts)	100%	100%	100%	100%	100%
Dollar amount of accounts due for payment	229,700,420	102,582,626	35,073,880	61,833,815	30,210,099
Dollar amount of accounts paid on-time	229,700,420	102,582,626	35,073,880	61,833,815	30,210,099
% 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

Note: A separate table for accounts outstanding to suppliers has not been provided as all payments made were processed on time.

Lifetime Care and Support

30th June 2022

Accounts outstanding to suppliers at end of month

2021-22	September Quarter	December Quarter	March Quarter	June Quarter
Current	\$0	\$0	\$0	\$45,874
<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 the end of the Month

2021-22	2021-22 Total	September Quarter	December Quarter	March Quarter	June Quarter
Number of accounts paid	287	71	83	76	57
Number accounts paid on time	286	70	83	76	57
% accounts paid on time (based on number of accounts)	100%	100%	100%	100%	100%
Dollar amount of accounts due for payment	9,716,129	1,958,243	2,128,070	3,863,714	1,766,102
Dollar amount of accounts paid on time	9,628,129	1,870,243	2,128,070	3,863,714	1,766,102
% of accounts paid on time (based on \$)	99%	96%	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 Care

30th June 2022

Accounts outstanding to suppliers at end of month

2021-22	September Quarter	December Quarter	March Quarter	June Quarter
Current	\$0	\$0	\$0	\$0
<30 days overdue	\$0	\$0	\$0	\$61,074
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$2,189,158	\$2,189,158	\$0

Amounts paid to suppliers at the end of the Month

2021-22	2021-22 Total	September Quarter	December Quarter	March Quarter	June Quarter
Number of accounts paid	57	10	16	21	10
Number accounts paid on time	57	10	16	21	10
% accounts paid on time (based on number of accounts)	100%	100%	100%	100%	100%
Dollar amount of accounts due for payment	8,425,479	1,851,098	1,942,946	2,510,854	2,120,579
Dollar amount of accounts paid on time	8,425,479	1,851,098	1,942,946	2,510,854	2,120,579
% 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

Bigcorp payment performance

30th June 2022

Amounts paid to suppliers at the end of the Month

2021-22	2021-22 Total	September Quarter	December Quarter	March Quarter	June Quarter
Number of accounts paid	1	0	0	1	0
Number accounts paid on time	1	0	0	1	0
% accounts paid on time (based on number of accounts)	100%	0%	0%	100%	0%
Dollar amount of accounts due for payment	11,550.00	0	0	11,550.00	0
Dollar amount of accounts paid on time	11,550.00	0	0	11,550.00	0
% of accounts paid on time (based on \$)	100%	0%	0%	100%	0%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0	\$0

Note: A separate table for accounts outstanding to suppliers has not been provided as all payments made were processed on time.

Sporting Injuries

30th June 2022

Amounts paid to suppliers at the end of the Month

2021-22	2021-22 Total	September Quarter	December Quarter	March Quarter	June Quarter
Number of accounts paid	1	1	0	0	0
Number accounts paid on time	1	1	0	0	0
% accounts paid on time (based on number of accounts)	100%	100%	100%	100%	100%
Dollar amount of accounts due for payment	27,530	27,530	0	0	0
Dollar amount of accounts paid on time	27,530	27,530	0	0	0
% 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

Note: A separate table for accounts outstanding to suppliers has not been provided as all payments made were processed on time.

Appendix 5. Financial performance

Budget

FY2021-22 Budget process

The FY21-22 budget (baseline) was completed and signed off by the icare Board in June 2021, incorporating the December 2020 valuation.

The FY21-22 half-year review budget was completed and signed off by the icare Board in November 2021, incorporating the June 2021 valuation.

FY2022-23 Budget

Our budget for FY2022-23 is displayed in the table below:

FY2023 Budget (\$m)	NI	Self Insurance	HBCF	LTC & CTP Care	DDC
Underwriting Result	(1,772)	(907)	(13)	(282)	30
Net Result	(833)	37	54	271	-
Net Assets	(3,312)	(805)	(536)	(86)	-
Funding Ratio	85%	95%	60%	99%	100%
Insurance Ratio	102%	-	66%	-	-

icare's investment in large-scale change to improve outcomes for those we serve and long term scheme financial sustainability has been included in the budget.

- Our planning process has determined that executing the strategy and business plan will require a significant investment over the coming three years (and will deliver substantial benefits over a ten-year period)
- Benefits include claims benefits, operating savings and non-financial customer benefits – for example improved health outcomes and digital conveniences

Scheme budgets include financial impacts of:

- implementation of the new claims model for the Nominal Insurer and addressing the findings of external reviews
- delivery of a new Treasury Managed Fund Workers Compensation claims operating model and taking a leading position in addressing psychological claims
- sustaining high levels of person-centric service through a scalable and sustainable operating model that continues to meet the needs of a growing lifetime scheme

Other budget drivers include:

- continued focus on efficient expense management
- use of capital market assumptions from our independent asset consultants and derived returns

Investment Performance

All icare investment portfolios have produced positive returns and exceeded their longer-term, inflation-related investment objectives over five, seven and ten year periods. Details of the earnings of all investment funds can be found in the full financial statements in volume two)

For this financial year, all icare funds underperformed against their investment objectives. For the Workers Compensation Insurance Fund, this is the first negative one-year return since the Global Financial Crisis.

Across the icare funds, performance over the last year has been driven by:

1. **Central banks world-wide addressing inflation.** Central banks have made increasing efforts to control inflation with large rate increases. Interest rate sensitive assets including bonds and credit have experienced negative returns. For some markets the movements in yield and negative return are of a magnitude which is relatively rare in history.
2. **A strong, sharp reversal of equity returns in the second half of the year.** Both locally and globally, equities had positive returns for the first half of the financial year. This reversed quickly in early 2022.
3. **Real asset resilience.** Strategies in property and infrastructure have generally performed well, generating positive returns and supporting portfolios with allocations.
4. **Higher return objectives.** Funds with objectives linked to inflation have seen their targets increase. This has contributed to recent underperformance versus objectives.

The funds' investment settings remain appropriate and within the risk appetites approved by the icare Board.

Appendix 6. Land disposal

The organisation did not dispose of any land or properties in FY21-22.

Appendix 7. Consumer response

Workers Compensation (Nominal Insurer)

Workers Compensation (Nominal Insurer) complaints

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

Workers compensation underwriting complaints

Complaints	Total complaints	Top three complaint categories	Average business days to resolve
Complaints associated with the issue, billing, renewal or cancellation of a Workers Compensation insurance policy – this includes any escalated matters from SIRA that required customer contact to resolve.	12,517	<ul style="list-style-type: none">• Process (approx. 50% of total volume)• Communication• Service delivery	2 days

Commentary: The volume of complaints has continued to reduce year on year, with the FY21-22 data showing a 10% decrease when compared to FY20-21 (which was a 46% decrease from the prior year), and represents <0.5% of employer policy interactions. This reflects the continuous system and process enhancements implemented across underwriting to improve customer experience.

Workers compensation complaints managed by Claims Service Providers

Source FY2021-22	Total complaints
Claims Service Provider data reporting (for complaints managed in their systems)	518
icare CRM (Customer Relationship Management) system	5,293*

* Excludes Ministerial complaints and includes some complaints managed by icare frontline teams. Please note that this analysis relies on the data captured by Claims Service Providers in the systems identified which could result in some reliability issues.

Workers Compensation claims complaints managed by icare

Complaints managed by icare	Total complaints	Top three complaint categories	Average business days to resolve
Non-complex complaints	3,999	<ul style="list-style-type: none">• Process• Cost/payment• Decision	4
Complex and escalated complaints	727	<ul style="list-style-type: none">• Process• Cost/payment• Decision	22.6

Commentary: Non-complex complaints managed by icare were received directly from the Independent Review Office (IRO) and SIRA. When compared to FY20-21, there were 249 less complaints referred by IRO and SIRA. There was an increase of 46 more complex and escalated complaints compared to last year, mainly driven by employer claims complaints related to premium impact concerns.

Insurance for NSW

Claims Support Services complaints

Claims complaints	Total complaints	Top three complaint categories	Average business days to resolve
Combination of complaints regarding claims managed under the NI (EML staff and uninsured liability) and volunteers (TMF).	36	<ul style="list-style-type: none"> • Cost/Payment/Benefit • Decision • Communication 	6

Commentary: icare's Claims Support Services team manages claims for EML employees and Uninsured Liabilities for the Nominal Insurer 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. Around half of complaints were referred from IRO (12 complaints) or SIRA (6), with the other half made to the team directly (18).

Insurance for NSW (IfNSW) complaints

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 three complaint categories	Average business days to resolve
Complaints received directly by icare relating to IfNSW business division. Numbers represent a combination of complaints about Workers Compensation claims for NSW Government Agencies, Construction Risk and general complaints made to the IfNSW division.	225	<ul style="list-style-type: none"> • Process • Service Delivery • Cost/Payment/Benefit 	21

Treasury Managed Fund General Lines complaints

Claims	Total Complaints	Top three complaint categories	Average business days to resolve
Complaints received by scheme agent and reported to icare relating to the management of claims under the Statement of Cover for Government Agencies.	38	<ul style="list-style-type: none"> • Communication • Decision • Service Delivery 	4

Government Agencies complaints

Claims	Total Complaints	Top three complaint categories	Average business days to resolve
Complaints received by scheme agents and reported to icare relating to Workers Compensation claims for Government Agencies.	1,163	<ul style="list-style-type: none"> • Payment/Benefit Issues • Customer Service • Liability Decision 	1

Treasury Managed Fund Workers Compensation disputes

Disputes	Total Disputes	Top three complaint categories	Average business days to resolve
Explanation of what type of disputes they are and under which scheme	538	<ul style="list-style-type: none"> WPI Weekly payment Weekly payment & medical expenses (combined) 	Not available with current reporting provided by CSPs.

Treasury Managed Fund General Lines claims disputes

Disputes	Total Disputes	Top three complaint categories	Average business days to resolve
General Lines, Complaints July 2021 to June 2022	41	<ul style="list-style-type: none"> Customer Service, Communication, Service Delivery, Decision 	10.19

Commentary: Complaints in relation to notification of LSP referrals, response to follow up questions.

HBCF

Home Building Compensation Fund complaints

The Home Building Compensation Fund (HBCF) outsources the management of claims to a scheme agent. HBCF has recently insourced the eligibility risk management function. The complaints data reported below shows complaints received directly by icare and scheme agents and HBCF underwriting disputes.

Complaints	Total complaints	Top three complaint categories	Average business days to resolve
Complaints resolved by frontline staff.	289	<ul style="list-style-type: none"> Decision Premium Service Delivery 	9

Disputes	Total disputes	Top three dispute categories (or types)	Average business days to resolve
Represent disputes/complaints raised with HBCF claims committee from homeowners and/or SIRA.	21	<ul style="list-style-type: none"> Claim decision Claim classification (major or minor defects) Complaints received via SIRA 	6

Commentary: majority of disputes/complaints were around coverage and being lodged out of time.

Disputes	Total disputes	Top three dispute categories (or types)	Average business days to resolve
ifNSW and HBCF Underwriting	206	<ul style="list-style-type: none"> Underwriting decision appealed Premium determination Service related 	15

Lifetime Care and Support

Appendix: Lifetime Care and Support complaints

Since the Annual Report FY20-21, complaints closed on the same day as they are received are calculated as having been resolved in zero days rather than one day.

Lifetime Care complaints

Complaints	Total Complaints	Top three complaint categories	Average business days to resolve
Level 1: complaints received by frontline staff	196	<ul style="list-style-type: none"> Service Delivery Communication Decision 	1
Level 2: Escalated complaints unable to be resolved by frontline staff and which involved a detailed investigation and response by our Scheme Integration and Resolution Team	10	<ul style="list-style-type: none"> Guidelines/Legislation Service Delivery Decision 	17
Level 3: Escalated to the NSW Ombudsman	1	<ul style="list-style-type: none"> Decision (self-management) 	20

Commentary: The volume of Level 1 and 2 complaints has decreased, with the FY21-22 data showing a 22% (Level 1) and 52% (Level 2) decrease when compared to FY20-21. Only a single Level 3 complaint was received in FY21-22 year, which is the same volume as FY20-21. Forty-nine per cent of Level 1 complaints and 90% of Level 2 complaints were received directly from participants.

Lifetime Care 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 FY21-22, we:

- Resolved 35 disputes about participants' treatment and care needs. These disputes took an average of 50 business days to resolve.
- Resolved two disputes about an injured person's eligibility for the Lifetime Care and Support Scheme. It took an average of 174 business days to resolve these disputes. The average time taken to resolve eligibility disputes was impacted by the Assessment Panel's decision to obtain additional medical records, liaise with treating medical professionals and review new evidence submitted by the parties after the Assessment Panel's provisional findings had been issued.
- Resolved three treatment, rehabilitation and care (TRAC) reviews during FY21-22. It took an average of 84 days to resolve these disputes.
- Disputes about motor accident injury are legal disputes and are resolved by a panel of legal professionals. No motor accident injury dispute applications were received in FY21-22.

Workers Care

Complaints	Total Complaints	Top three complaint categories	Average business days to resolve
Level 1: complaints received by frontline staff	57	<ul style="list-style-type: none">• Service Delivery• Staff• Communication	1

Commentary: There were no Level 2 or Level 3 complaints received. The volume of Level 1 complaints has decreased by 19% compared with FY20-21. Most complaints received were lodged by the injured worker (37%) or a family member/friend (35%).

Dust Diseases Care

Appendix: Dust Diseases Care complaints

Complaints	Total Complaints	Top three complaint categories	Average business days to resolve
Level 1: complaints received by frontline staff	73	<ul style="list-style-type: none">• Service Delivery• Communication• Decision	3

Commentary: There were no Level 2 or Level 3 complaints received. The volume of Level 1 complaints has remained consistent with FY20-21, however the average time taken to resolve a complaint has improved by 50% compared with FY20-21. Most complaints received were lodged by the worker (41%) or a family member/friend (29%).

CTP Care

There were no complaints received for the CTP Care program.

Sporting Injuries

There were no complaints received for Sporting Injuries in FY21-22.

Appendix 8. Senior executive numbers and remuneration

Band*	Gender 30 June 2022		Gender 30 June 2021		Range \$	Average remuneration 30 June 2022 \$	Average remuneration 30 June 2021 \$	Average remuneration 30 June 2020 \$
	F	M	F	M				
Band 4	1	1	0	2	487,051+	656,418	656,614	579,413
Band 3	6	13	4	10	345,551 - 487,050	387,697	404,033	403,262
Band 2	10	13	13	15	274,701 - 345,550	311,844	304,815	302,707
Band 1	1	2	9	7	192,600 - 274,700	267,218	230,560	256,037
Total	18	29	26	34				

*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 FY2021-22, the percentage of total employee-related salary expenditure that related to senior executives was 7.4 per cent, a decrease from 9.52 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

In FY2021-22 icare's remuneration model included fixed pay and at-risk incentives, to drive individual and enterprise performance. For key management personnel, icare offers up to 40% of fixed pay for Senior Executives and up to 50% of fixed pay for the CEO for an at-risk incentive. Eligibility and calculation of at-risk incentives is calculated by a weighted scorecard.

icare benchmarks individual roles against AON and Mercer market data, for both fixed remuneration and at-risk opportunity. Decisions relating to remuneration for Executives, including at-risk incentives payment are at the discretion of the Board.

Due to the performance of the organisation against the Enterprise Performance Scorecard for FY21-22, the Board determined that no incentive payments would be made in relation to this period.

The following table details FY2021-22 remuneration for the Chief Executive Officer and Managing Director and members of the Group Executive Team as at 30 June 2022, 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.

Name	Position	Fixed Rem ^{1,4}	At risk incentive maximum opportunity ¹	Total Reward Opportunity ¹	Fixed Rem ⁴ paid	At risk incentive paid	Total Rem ⁴ Paid	% of Total Opportunity Paid ²
Richard Harding	Chief Executive Officer and Managing Director	\$822,836	\$411,418	\$1,234,254	\$822,836	\$0	\$822,836	67%
Rashi Bansal ³	Group Executive ifNSW & HBCF	\$490,000	\$196,000	\$686,000	\$476,022	\$0	\$476,022	69%
Mary Maini	Group Executive Workers Compensation	\$451,142	\$180,457	\$631,599	\$451,142	\$0	\$451,142	71%
Nick Allsop	Group Executive Lifetime Schemes	\$450,000	\$180,000	\$630,000	\$450,000	\$0	\$450,000	71%
Jane McGovern	Group Executive, Risk & Governance	\$436,432	\$174,573	\$611,005	\$436,432	\$0	\$436,432	71%
Caroline Rockett	Group Executive digiTECH	\$441,920	\$176,768	\$618,688	\$441,920	\$0	\$441,920	71%
Shailendra Singh (from 13 Dec 2021)	Interim Chief Financial Officer	\$450,000	N/A	\$450,000	\$249,231	N/A	\$249,231	55%
Amanda-Lea Smith (from 8 Nov 2021)	Group Executive People and Culture	\$440,000	\$176,000	\$616,000	\$284,904	\$0	\$284,904	46%
Tony Wessling	Group Executive, Strategy & Office of the CEO	\$431,142	\$172,457	\$603,599	\$431,142	\$0	\$431,142	71%

¹Amounts represent full year equivalent value

²Represents total remuneration paid as a percentage of the full year equivalent of total reward opportunity

³Rashi Bansal held the role of Group Executive Organisational Performance until 21 November 2021. She was appointed Group Executive ifNSW & HBCF effective 22 November 2021, with a corresponding increase in Fixed Remuneration from that date.

⁴Remuneration.

Appendix 9. Workforce diversity and Workplace health and safety

Number of employees

Category	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Chief Executive Officer	1	1	1	1
Group Executive Team	8	8	9	13
Executives	45	53	46	36
Non-executives	1,525	1,370	1,116	830
Total	1,579	1,431	1,172	880

Workforce diversity trends

Workforce diversity group	NSW Government target %	2022%	2021%	2020%
Women	50	65.3	65.1	65.6
Aboriginal and/or Torres Strait Islander people	3.3	0.7	0.6	0.6
People whose first language is not English	23.2	18.4	19.3	26.1
People with a disability	5.6	2.6	2.8	3.3
People with a disability requiring work-related adjustment	n/a	0.5	0.6	0.9

In relation to the above table:

Diversity data in our Workforce Profile is subject to several factors, including employees self-identifying their diversity characteristics in our human resources information system.

The benchmark of 50% 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% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for people whose first language is not English. The ABS census does not provide information about first languages but does provide country of birth details. The benchmark of 23.2% 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% to 5.6% by 2027. More information can be found at: Jobs for People with Disability: A plan for the NSW public sector. The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

Distribution of workforce diversity trends

Workforce diversity group	Benchmark target %	2022%	2021 %	2020 %
Women	100	87	87	90
Aboriginal and/or Torres Strait Islander people	100	n/a	n/a	n/a
People whose first language spoken as a child was not English	100	99	99	99
People with a disability	100	94	93	95
People with a disability requiring work-related adjustment	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 employees. 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 employees.

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.

Workplace Health and Safety

During FY21-22 our work health and safety incidents remained at a low rate, with 46 incidents reported.

Of these, 27 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.

	FY2020-21	FY2021-22
Number of employees	1,432	1,579
Number of claims	12	12
Number of claims per employee	0.0084	0.0078
Total cost of the claims made and paid during the financial year	\$178,363	\$210,934
Average cost of claims made and paid during the financial year	\$14,864	\$17,578

The number of open claims at the beginning of FY22 was 20 and of these, 17 were closed during the year. Liability was accepted for 12 new claims and there were 13 open claims at the end of the financial year – five psychological claims and eight physical claims.

The total payments made in FY22, including settling matters resulting from injuries/illnesses sustained before the beginning of the financial year, was \$3,541,151.

Appendix 10. Grants

Partner	Investment	FY2021-22 funding	Nature of work
Agency for Clinical Innovation	Specialist Pain Clinics for people with TBI and SCI - Be Pain Smart	\$398,895	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 and clinicians will have tools and knowledge to manage pain. They will also have a specialist pain clinic to which to refer people who have more complex pain issues.
Carers NSW	We care support program for families and carers of people with severe injuries.	\$290,000	This program will develop and evaluate two programs. The first is carer-led Carer Mentoring Program providing ten individual sessions to adult family carers over 24 to 28 weeks. The second is a Children and Young People's Mentoring Program using solutions-based casework to help young people adjust to new circumstances in their household as a result of disability, injury and chronic conditions.
Cerebral Palsy Alliance	Remarkable Phase 2	\$250,000	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. It will also extend the benefit of the program, in which many of the technologies have direct relevance for Lifetime Care participants.
Cerebral Palsy Alliance	Challenger - Pilot - Life skills for people with TBI	\$40,000	To pilot successful life skills programs to meet the specific needs of people (aged 15-35) with traumatic brain injury (TBI), two or more years after injury. The project aims to mentor young people with TBI to become independent, have purpose and meaningful connections and also to engage with their families and carers.
Fire and Rescue NSW	Tactical Athlete Resilience Program (TARP)	\$45,000	To develop an evidence-based program that contributes to participants reporting they feel more aware and more capable of managing their physical and mental health and the balance between work and life. This includes participation in the TARP Induction Stream and the TARP Resilience Training Stream.
HammondCare	Core strength program for adults with a SCI	\$41,470	To improve psychological wellbeing and quality of life for people with a spinal cord injury by fostering connections, engagement and purpose through the delivery of a course to participants and their families.

Partner	Investment	FY2021-22 funding	Nature of work
Happy Paws Happy Hearts NSW	Happy Paws Happy Hearts	\$23,000	This pilot program aims to achieve early Work Readiness for injured workers who have become socially isolated. The program brings groups together to train rescue animals.
Housing Industry Association (HIA)	Social media and behaviour change strategy to increase engagement of young workers in site safety	\$280,000	An investment that forms part of the Injury Prevention in Construction (IPIC) initiative. This investment delivers a strategic social media and behaviour change campaign to increase engagement of young workers in site safety.
Ingham Institute for Applied Medical Research	ACT Adjust Pilot	\$190,750	An evidence-based ten-session psychological treatment to promote positive mental health after a severe, traumatic brain injury. The program assesses the delivery of an existing traumatic brain injury mental health treatment program through video conferencing. The program was originally delivered face-to-face.
Loop+	Sensor pad and activity tracker for wheelchair users (phase 2)	\$150,000	To support the development, piloting and go-to-market plan for a consumer platform. Loop+ includes a sensor mat, mobile app and collaborative care dashboard to assess pressure injuries and show wheelchair users how their actions and daily behaviours contribute to their health.
Macquarie University	Supporting emotional and cognitive health of people with acquired brain injuries	\$26,000	To develop the evidence base for an effective, acceptable and accessible online treatment program to support the mental health and cognitive functioning of Australians with acquired brain injuries.
Makeshift	ReMind	\$40,000	A pilot program to achieve early Readiness for Return To Work for workers with psycho-social injuries. It uses a structured introduction to evidence-based, purposeful, creative activities that form and strengthen social connections.
Northern Sydney Local Health District (NSLHD)	The John Walsh Centre for Rehabilitation Research-LTCSA (core funding extension)	\$50,000	To build research capability and capacity around compensation systems.
Northern Sydney Local Health District (NSLHD)	The John Walsh Centre for Rehabilitation Research-LTCSA (2nd core funding extension)	\$954,978	To build research capability and capacity around compensation systems.

Partner	Investment	FY2021-22 funding	Nature of work
Primary and Community Care Services Ltd	Plus Inclusion	\$50,000	A design-led research program to help injured workers with significant language barriers (Cantonese, Mandarin and Korean speaking backgrounds) understand, access and navigate the worker's compensation system so they can recover better.
Synapse	Brain Injury Peer Support	\$102,471	To develop an evidence-based program that contributes to people affected by a brain injury and their families/carers reporting 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	\$266,304	An investment that forms part of the Injury Prevention in Construction (IPIC) initiative. To develop an evidence-based interactive training program on Working Safely at Heights, featuring online learning and fully immersive Virtual Reality (VR) for TAFE NSW apprentices.
University of Sydney	Improving rehab outcomes for people with SCI with cognitive issues	\$97,766	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	\$225,000	To develop an evidence-based program so participants with spinal cord injury report an experience of (1) increased access to health management resources to improve quality of life and quality of service provision, (2) an increased sense of health and wellbeing and social participation and (3) their families and carers feel better equipped to support them.
University of Sydney	The Social Brain Toolkit (formerly Online Communication Programs and Social Networks for People with TBI)	\$55,525	To develop and pilot communication training programs to increase communication skills for people with traumatic brain injury and their families and carers, leading to improved quality of life through better 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 to reduce stress reactions and increase cognitive function in police, firefighters and paramedics. An individual program will be administered to 120 emergency service personnel who have difficulty maintaining their work duties because of stress reactions. Expected outcomes are a reduction in absenteeism, improved productivity and reduced costs to insurers. Specific outcomes will be independently documented by project personnel.

Partner	Investment	FY2021-22 funding	Nature of work
UNSW/USYD	Front of Mind	\$762,577	A consortium 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 mental health supports to prevent psychological injury amongst NSW frontline workers. This includes three programs: early detection and intervention. developing resilience in high-risk occupations and a multimodal stepped-care approach to end the cycle of traumatic stress and substance use.
With You With Me	Project Evolution	\$70,000	An evidence-based 12-week digital training program to retrain injured workers for high-demand technology careers with the goal of returning them to work.
Various contractors	Research, Design and Evaluation Costs	\$573,111	Research, design and evaluation costs to support the effective delivery and measurement of grant impacts.
Total		\$5,092,847	

Note: The Statutory Accounts include a credit of \$103k for unspent funds recovered from various grant recipients. The appendix above does not include the credit.

Dust Diseases Board Grants FY2021-22

Partner	Investment	FY2021-22 funding	Nature of work
Asbestos Diseases Foundation Australia	Mesothelioma Helpline Coordinator and Support Services.	\$93,000	The Mesothelioma Helpline Operator provides assistance and advice to victims of asbestos-related diseases and their families whilst also maintaining ongoing administrative functions.
Asbestos Diseases Research Institute	Mesothelioma Support Services for people and families affected by an occupational dust disease.	\$135,618	The Mesothelioma Support Coordinators are Registered Nurses who advise and support patients and their families through individual conversations, group meetings and information sessions. They also conduct educational and targeted group meetings with guest speakers on all aspects of mesothelioma management from diagnosis to bereavement.
Asbestos Diseases Research Institute - Dr Steven Kao	Is epigenetic alteration implicated in the treatment response of Pembrolizumab.	\$60,000	This project will study any alteration of DNA methylation and microRNA epigenetic biomarkers in these samples and study epigenetic biomarkers contributing to biological response in MPM.

Partner	Investment	FY2021-22 funding	Nature of work
Asbestos Diseases Research Institute - Dr Yuen Yee Cheng	Circular RNAs as potential biomarkers for MPM.	\$62,500	This project will employ a novel circRNA-specific technique to detect and validate the top ten up-regulated circRNAs, using an extensive cohort of biobanked cell lines and patient biospecimens. The reliability and validity of the circRNA biomarker candidates in relation to their specificity and sensitivity for Malignant pleural mesothelioma (MPM) will be reported.
Asbestos Diseases Research Institute (ADRI) - Dr Matthew Soeberg	The APC of Australia's silicosis epidemic using national hospital mortality data.	\$16,388	In this project national data on the number of hospitalisations and deaths due to silicosis will be collected. Mortality data can be tracked back to 1997. Importantly, it will collect the data held by the Australian Institute of Health and Welfare where silicosis is either the primary reason for hospitalisation or death or an associated reason for it.
Curtin University - Dr Lauren Breen	Psychosocial experiences and needs of mesothelioma patients and carers.	\$16,103	This project emerged from the Pleural Medicine Unit Consumer Reference Group and the study uses a cross-sectional, mixed-methods design. The identified areas of need and priorities of care will be used to design future intervention strategies/studies to achieve the implementation of practice guidelines.
Institute for Respiratory Health - Dr Amber Louw	Loss of BAP1 and CDKN2A/p16 in malignant pleural mesothelioma (MPM): effect on survival and response to chemotherapy.	\$38,000	This research aims to evaluate the biological and clinical consequences of two of the most frequently mutated genes in MPM, BRCA1-associated protein 1 (BAP1) and cyclin-dependent kinase inhibitor 2A (CDKN2A) and report on the genetic changes commonly seen through three avenues.
Monash University - Dr Christina Begka	Towards therapeutic interventions against silicosis.	\$76,000	The goal of this project is to determine the effectiveness of two therapeutic interventions when used against silicosis. The first is testing broncho-alveolar lavage to remove silica from the airways and reduce disease progression. The second is removing silica-laden macrophages and restoring healthy airway macrophage populations to restore lung health.
University of Adelaide - Prof Sharyn Gaskin	Improving exposure science and dust control for engineered stone workers.	\$124,872	This will aim to compare the physical, chemical and toxicological properties of the emissions of engineered stone with those of natural stone, and to identify dust control measures best able to eliminate the risk of silicosis from these products.
University of New South Wales - A/Prof W Alexander Donald	Early detection of lung disease in silica-exposed workers.	\$48,082	This project will bring together an interdisciplinary team of international leaders in occupational dust-related lung diseases and chemical analysis to develop a rapid, sensitive and portable device to enable early detection and treatment of silicosis.

Partner	Investment	FY2021-22 funding	Nature of work
University of Sydney - Prof Patrick Brennan	A High-level Education Strategy: CHEST.	\$170,000	The project will collect robust sets of radiographs and CT scans, develop a software tool for insertion of the images, validate the tool with expert radiologists and provide a clear route for clinical translation.
University of Western Australia - Dr Alison McDonnell	Identifying immune biomarkers of response to chemotherapy in malignant mesothelioma.	\$10,487	This study will examine how chemotherapy alters immune cells at the tumour site compared with those in the blood of mesothelioma and lung cancer patients.
University of Western Australia - Dr Edward Fysh	AIR Study: A novel minimal-invasive biopsy approach for pleural malignancies.	\$42,725	Explores a novel method to make pleural nodules visible on CT by instilling air into the chest to create an airpleura interface. Nodules can then be biopsied with a small needle (like a blood test). This procedure can save many mesothelioma patients from invasive surgery, its risks (pain and tumour spread) and costs.
University of Western Australia - Dr Jessica Boulter	A neoantigen approach to improving immunotherapy response in malignant mesothelioma.	\$32,000	This project aims to evaluate the role neoantigen- specific immunity plays in immunotherapy outcomes and whether neoantigen responses can be harnessed to improve immunotherapy responses.
University of Western Australia - Dr Jonathan Chee	Developing novel strategies to predict and improve mesothelioma responses to chemo-immunotherapy.	\$59,000	This research aims to investigate the immunological mechanisms that underlie successful anti-tumour responses in patients treated with chemo-ICT. It also addresses the unmet need for a biomarker of response and develops novel strategies to improve therapy responses for patients with mesothelioma.
University of Western Australia - Dr Jonathan Chee	Identifying biomarkers of response to chemo-immunotherapy in mesothelioma.	\$40,000	Aims to understand the mechanisms behind why some individuals respond to chemo-immunotherapy but others do not, develop novel methods of predicting these responses and identify ways to enhance responses.
University of Western Australia - Dr Willem Joost Lesterhuis	Aiming for the Achilles' heel – discovering an effective drug against mesothelioma.	\$7,128	Aims to design drugs to specifically bind two-related proteins that fuel the invasiveness and fast growing behaviour of mesothelioma and thereby neutralise their activity.

Partner	Investment	FY2021-22 funding	Nature of work
University of Western Australia - Mr Joel Kidman	Characterising Dynamic changes in T-cell diversity.	\$6,000	The project aims to understand mechanisms that underlie successful responses to immune checkpoint blockade by characterising features of the immune system in responding and non-responding individuals. This will be done through using unique preclinical models and novel technologies to help unravel this complex question.
University of Western Australia - Prof Anna Nowak	Imaging biomarkers of response to immunotherapy in malignant mesothelioma.	\$131,760	This project will use a novel PET imaging tracer to specifically show PD-L1 on mesothelioma using imaging. It will potentially show differences in PD-L1 in some areas of the tumour and how PD-L1 changes over time. Non-invasive imaging of PD-L1 in people with mesothelioma may be a better guide for treatment.
University of Western Australia - Prof Bruce Robinson	Boosting antigen targeted therapy against cancer (ATTAC) for Malignant Mesothelioma.	\$27,778	This study aims to determine the effect of chemotherapy on T cell responses to malignant mesothelioma tumour neo-antigens. The question being resolved is whether neo-antigen vaccines can stimulate immune attack on new tumour mutations induced by chemotherapy.
University of Western Australia - Prof Jenette Creaney	A new immunotherapy target and approach for mesothelioma – B7-H3.	\$18,000	This study will investigate boosting the anti-tumour immune response by using genetically engineered cells designed to target a specific protein, known as B7-H3 expressed by tumour cells.
University of Western Australia - Prof Jenette Creaney	Exploiting common genetic alterations in mesothelioma.	\$138,367	This study aims to evaluate if clinical benefit can be achieved based on knowledge of the following common MPM genetic alterations. The frequency of BAP1, CDKN2A/p16 and NF2 loss will be determined in over 200 clinical samples. The diagnostic value of these new markers will be determined in an independent set of clinical samples.
University of Western Australia - Prof Richard Lake	Analysis of T cell receptor diversity in animal models of mesothelioma.	\$12,455	This project will study millions of T cell receptors simultaneously, unlocking the code to understand why an individual may benefit from immunotherapy. It will study T cell receptors in established mesothelioma models, investigate how they change after immunotherapy and whether these changes affect the outcome of therapy.

Partner	Investment	FY2021-22 funding	Nature of work
Western Sydney University - Dr Maggie Davidson	Beyond Respirable Crystalline Silica: what makes artificial stone different.	\$22,000	A project which aims to evaluate the toxicity of artificial and natural stone dusts using human lung cells exposure to AS dust in a purpose- built exposure chamber mimicking occupational exposure. The outcome of this research will assess the suitability of the current WES for use in the AS industry.
Woolcock Institute - Anna Yeung	Improving work practices towards reducing acute silicosis in Australia.	\$10,000	This project proposes to monitor and collect environmental data from factories to understand the silica exposure levels faced by workers during artificial stone (AS) processing. It will evaluate the effectiveness of some relatively inexpensive N95/ P2 grade face masks to determine best practices for working with AS when engineering controls are not accessible.
Total		\$1,398,262	

Appendix 11. Legislation

Principal legislation

State Insurance and Care Governance Act 2015

Regulations

State Insurance and Care Governance Regulation 2021

Amending legislation

Motor Accidents and Workers Compensation Legislation Amendment Act 2022. Assented to 16 June 2022. Date of commencement of Sch 3, assent, sec 2(1).

Insurance for NSW

Principal legislation

NSW Self Insurance Corporation Act 2004

Regulations

NSW Self Insurance Corporation Regulation 2015

Amending legislation

Treasury Legislation Amendment (Miscellaneous) Act 2022. Assented to 27 June 2022. Date of commencement, 1 July 2022, sec 2.

Workers Compensation (Nominal Insurer)

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

Workers Compensation (Bush Fire, Emergency and Rescue Services) Regulation 2017

Amending legislation

Motor Accidents and Workers Compensation Legislation Amendment Act 2022. Assented to 16 June 2022. Date of commencement of Sch 2.1[1]: not in force. Date of commencement of Sch 2.1[2]-[4] and 3.4, assent, sec 2(1).

Motor Accidents and Workers Compensation Legislation Amendment Act 2022. Assented to 16 June 2022. Date of commencement of Sch 2.2 assent, sec 2(1).

Statute Law (Miscellaneous Provisions) Act 2022. Assented to 16 June 2022. Date of commencement, assent, sec 2.

Motor Accidents and Workers Compensation Legislation Amendment Act 2022. Assented to 16 June 2022. Date of commencement of Sch 3, assent, sec 2(1).

Customer Service Legislation Amendment Act 2021. Assented to 29 November 2021. Date of commencement of Sch 1.21, assent, sec 2(1).

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

Motor Accidents and Workers Compensation Legislation Amendment Act 2022. Assented to 16 June 2022. Date of commencement of Schs 1 and 3, assent, sec 2(1).

Motor Accident Injuries Amendment Regulation 2022. Notfd 10 June 2022. Date of commencement, on publication on LW, sec 2.

Crimes Legislation Amendment (Loss of Foetus) Act 2021. Assented to 29 November 2021. Date of commencement, 29 March 2022, sec 2 and 2022 (86) LW 18 March 2022.

Customer Service Legislation Amendment Act 2021. Assented to 29 November 2021. Date of commencement of Sch 1.10, assent, sec 2(1).

Dust Diseases

Principal legislation

Workers' Compensation (Dust Diseases) Act 1942

Regulations

Workers' Compensation (Dust Diseases) Regulation 2018

Amending legislation

None in FY21-22

Sporting Injuries Insurance

Principal legislation

Sporting Injuries Insurance Act 1978

Regulations

Sporting Injuries Insurance Regulation 2019

Amending legislation

Motor Accidents and Workers Compensation Legislation Amendment Act 2022. Assented to 16 June 2022. Date of commencement of Sch 4, assent, sec 2(1).

Building Insurers' Guarantee Corporation

Principal legislation

Home Building Act 1989 (Part 6A)

Regulations

Home Building Regulation 2014

Amending legislation

Statute Law (Miscellaneous Provisions) Act 2022. Assented to 16 June 2022. Date of commencement, assent, sec 2.

Home Building Amendment (Medical Gas Licensing) Act 2022. Assented to 13 April 2022. Date of commencement, assent, sec 2.

Customer Service Legislation Amendment Act 2021. Assented to 29 November 2021. Date of commencement of Sch 1.5, assent, sec 2(1).

Better Regulation Legislation Amendment (Miscellaneous) Act 2021. Assented to 1 November 2021. Date of commencement of Sch 1.11, assent, sec 2(1).

Building Legislation Amendment Act 2021. Assented to 5 July 2021. Date of commencement of Sch 3, assent, sec 2(1) Appendix 13.

Appendix 12. Response to significant matters raised in outgoing audit report

There were no significant matters raised in the audit report for FY21-22.

Appendix 13. Cyber Security annual attestation

Cyber Security Annual Attestation Statement for the 2021-22 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 2021-22 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 the people of New South Wales.

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 FY21-22 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 who have satisfied icare's security assurance checks, including certification under ISO27001 or SOC2

During FY21-22 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 2021/22 financial year.

Appropriate governance is in place to support cyber security initiatives and to drive continuous improvement and maturity of cyber security, with dedicated annual investment.

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
Date: 29 August 2022



Chief Executive Officer
Insurance and Care, NSW
Date: 29 August 2022

Appendix 14. 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 2022. We also continued awareness activities during FY21-22, 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 required to collect and report specific information on their handling of public interest disclosures to the NSW Ombudsman. We reported the following information for FY21-22.

	Made by public officials performing their day-to-day functions	Under a statutory or other legal obligation	All other PIDs
Number of public officials who made public interest disclosures to your public authority	1	-	-
Number of public interest disclosures received by your public authority	1	-	-
Of public interest disclosures received, how many were primarily about:			
Corrupt conduct	-	-	-
Maladministration	1	-	-
Serious and substantial waste	-	-	-
Government information contravention	-	-	-
Local government pecuniary interest contravention	-	-	-
Number of public interest disclosures (received since 1 Jan 2012) finalised in this reporting period	5		
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 15. Government, Privacy and Health information applications

Privacy and Personal Information

In the course of carrying out its functions, icare collects, retains, stores, uses and discloses personal and health information about individuals on a daily basis. The *Privacy and Personal Information Protection Act 1998* (PPIP Act) and *Health Records and Information Privacy Act 2002* (HRIP Act) deal with how all NSW public sector agencies, including icare, must manage personal and health information.

All personal information held by icare is managed in accordance with NSW privacy legislation. This includes records in any format such as documents (paper and electronic), data in business information systems and verbal decisions and objects (eg photographs, maps, evidence and samples).

icare continues 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.

icare also continues to provide 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 icare's responses to those matters.

At an operational level, icare continues to promote privacy through liaison and communication with employees and stakeholders.

During the reporting year the annual Privacy Awareness Week (PAW) was celebrated with a range of activities to remind employees that they all have a role to play. Privacy awareness activities included: newsletter articles, intranet carousel reminders, Yammer posts, a quiz game, three webinars and privacy workshops for icare employees. All collateral was shared with icare's claims service providers. We have maintained focus on increasing icare's privacy capability by actively engaging with scheme agents to provide further guidance on Claim Service Provider's management of privacy. icare has also been strengthening controls to protect data throughout the end-to-end process.

In FY22, icare received one request for access to personal information under the PPIP Act. Eight access requests for information under the HRIP Act were received and finalised, 14 internal review applications made under the PPIP and HRIP Acts were received and finalised by our Privacy Officer and three privacy applications were lodged at the NSW Civil and Administrative Tribunal. No matters have been investigated by the NSW Privacy Commissioner.

Obligations under *Government Information (Public Access) Act 2009*

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.

Proactive release of information

In FY22, icare conducted a review of our proactive release of information. We developed a Proactive Release Strategy to raise awareness and to ensure that all employees are aware of the requirement to proactively publish government information that may be of interest to the public. The review required each business area to confirm the information they hold that is suitable for proactive release or already released. The review confirmed that icare regularly publishes a large range of information on the icare website, including:

- policies, frameworks, guidelines and factsheets
- data and statistics information about icare programs, initiatives and research
- copies of submissions, external reviews and recommendations
- information about our engagement with stakeholders and the community.

Number of access applications received

A total of 161 formal valid access applications were received during FY22. This includes withdrawn and transferred applications but excludes invalid applications. Additionally, icare processed 26 informal applications during this period.

Number of refused applications for Schedule 1 information

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 FY22). icare refused 52 access applications for this reason. Of those applications, one was refused in full and 51 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. A detailed analysis of the formal access applications received throughout FY21-22 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	1	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	1	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (by legal representative)	22	104	1	3	0	1	0	7
Members of the public (other)	15	32	2	1	0	0	0	2

*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	33	110	0	0	0	1	0	8
Access applications (other than personal information applications)	5	26	3	4	0	0	0	1
Access applications that are partly personal information applications and partly other	0	1	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 <i>GIPA Act</i>)	18
Application is for excluded information of the agency (section 43 of the <i>GIPA Act</i>)	31
Application contravenes restraint order (section 110 of the <i>GIPA Act</i>)	0
Total number of invalid applications received	49
Invalid applications that subsequently became valid	11

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	51
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 <i>GIPA Act</i>	1
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 times consideration used*
Responsible and effective government	29
Law enforcement and security	0
Individual rights, judicial processes and natural justice	79
Business interests of agencies and other persons	4
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	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 F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	157
Decided after 35 days (by agreement with applicant)	3
Not decided within time (deemed refusal)	0
Total	160

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*	0	0	0
Internal review following recommendation under section 93 of the <i>GIPA Act</i>	0	0	0
Review by NSW Civil and Administrative Tribunal (NCAT)	0	0	0
Total	1	0	1

*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	3
Applications by people to whom information the subject of access application relates (see section 54 of the GIPA Act)	0

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	0
Applicant initiated transfers	0

Appendix 16. Disclosure of controlled entities

There are no controlled entities to disclose for FY21-22.

Appendix 17. Disclosure of subsidiaries

There are no subsidiaries to disclose for FY21-22.

Appendix 18. Publication notes

The 2021-22 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 FY22 Annual Report are estimated \$5,300.00

Appendix 19. Compliance index

Compliance requirement	Section of Annual Report
Access	Our People/Access
Additional matters for inclusion in annual reports	Appendix 15 Government, Privacy and Health Information application, Workers Compensation, Insurance for NSW
Agreements with Multicultural	Our People
Aims and objectives	icare at a glance
Annual report size-presentation to Parliament	Appendix 18 Plication Notes
Annual report-size -presentation to Parliament	Appendix 18 Plication Notes
Application for extension of time	Not applicable
Budgets	Appendix 5 Financial Performance
Charter	"icare at a glance Our Governance Management Approach"
Compliance Requirement re PPIPA	Appendix 15
Consultants	Appendix 3 Consultation
Consumer Response	The people we serve, Appendix 7 Consumer Response
Cyber Security Policy (CSP) attestation	Appendix 13 Cyber Security Annual Attestation
Disability Inclusion Action Plans	The people we serve
Disclosure of Controlled Entities	Appendix 16 Disclosure of Controlled Entities
Disclosure of Subsidiaries	Appendix 17 Disclosure of Subsidiaries
Economic or other factors	Workers Compensation
Exemptions	Appendix 8 Group Executive Team Remuneration
Financial Statements	Financial Statements, Appendix 12 Response to significant matters raised in outgoing audit report
Form of annual reports – generally	Appendix 18
Funds granted to non- government community organisations	Appendix 10 Grants
Government Information (Public Access) Act 2009	Appendix 15 Government Privacy and Health Information applications
Human resources	Our People
Identification and audited financial statements	Identification and audited financial statements
Implementation of Price Determination	Not applicable

Compliance requirement	Section of Annual Report
Inclusion of unaudited financial statements	Inclusion of unaudited financial statements
Internal audit and risk management policy attestation	Our Governance Management Approach
Investment performance	Appendix 5 Financial Performance
Land Disposal	Appendix 6 Land Disposal
Legal Change	Appendix 11 Legislation
Letter of Submission	Our Governance Management Approach, Letter to the Minister
Liability management performance	Workers Compensation
Management and structure	Improvement Program
Multicultural Policies and Services Program	Our People
Numbers and remuneration of senior executives	Our People
Payment of Accounts	Appendix 4 Account Payable Performance
Presentation of annual report to Parliament	Appendix 18 Publication Notices
Presentation of annual report to Parliament	Appendix 18 Publication Notices
Printing and distribution requirements	Appendix 18 Publication Notices
Promotion	Appendix 2 Overseas Travel
Public availability of annual reports	Appendix 18 Publication Notices
Public Interest Disclosures (PID)	Appendix 14 Public Interest Disclosures
Requirements arising from employment arrangements	Not applicable
Research and development	Improvement Program, Lifetime Care and Support
Risk management and insurance activities	Our Governance Risk Management Approach
Submission of annual report to appropriate Minister	Letter to the Minister
Submission of annual report to the Treasurer	Letter to the Minister
Submission of annual report to the Treasurer	Letter to the Minister
Summary review of operations	Throughout
Time for Payment of Accounts	Appendix 4 Account Payable Performance
Work Health and Safety (WHS)	Appendix 9 Workforce Diversity +Workplace Health and Safety
Workforce Diversity	Appendix 9 Workforce Diversity +Workplace Health and Safety

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Access

October 2022

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13 77 22 (claims)

Insurance for NSW

insurancefornewsw@icare.nsw.gov.au

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Lifetime Care & Workers Care

1300 738 586

Dust Diseases Care

1800 550 027

CTP Care

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Sporting Injuries Insurance

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Complaints and feedback

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*A copy of this report is available at icare.nsw.gov.au



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