Design for the
future

Deliver
today

icare™

Our story

Our story started on 1 September 2015 with an ambition to be a world-class social insurer and change the way people think about insurance and care.

Created under the *State Insurance & Care Governance Act 2015*, icare is now home to all of the NSW Government's insurance and care schemes.

Our story is a unique one. We're a new organisation that's inherited decades of history insuring and supporting some of the most vulnerable people in our community and their families.

As one of Australia's largest insurance providers, we have a responsibility to support the NSW community when things go wrong.

That's why we are determined to drive innovation and continuous improvement to ensure that we deliver world-class insurance and care services to the businesses, people and communities of NSW.

Through our various service lines, we are proud to protect, insure and care for injured workers, employers, severely injured road users, builders, homeowners, as well as public buildings and landmarks, such as the iconic Sydney Opera House and Harbour Bridge.

Whether a person is severely injured in the workplace or on the road, icare supports their long-term care needs to improve quality of life, including helping people return to work, where appropriate.

We are passionate about changing people's lives by being there for them when they need us the most. Our aspiration is to create the best possible outcome for every person and organisation we serve, delivered through a fair, respectful and empathetic experience that is focused on the person, not the process.

Read on to learn more about our year of protecting, insuring and caring for the people, businesses and assets that make NSW great.

Contents

If you need help accessing any content in this document, please email accessibility@icare.nsw.gov.au.

Human-centred design

State-wide impact

Letter to our Minister

Report on performance for the year ended 30 June 2017.

Dear Treasurer,

We are proud to submit Insurance and Care NSW's (icare) Annual Report for presentation to Parliament.

This report includes the Annual Reports for the period 1 July 2016 to 30 June 2017 for the Workers Compensation (Dust Diseases) Authority (Dust Diseases Care), the Lifetime Care and Support Authority (Lifetime Care), the NSW Self Insurance Corporation (Self Insurance), the Sporting Injuries Compensation Authority (Sporting Injuries Insurance) and the Building Insurers' Guarantee Corporation.

Financial statements for all the above entities, as well as the Workers Compensation Nominal Insurer (Workers Insurance) and the Home Building Compensation Fund (HBCF), are included in this report and are also available on our website.

Our Annual Report 2016–17 was prepared according to the *Annual Reports (Statutory Bodies) Act 1984* and reporting requirements issued by NSW Treasury. The financial statements, which form part of the Annual Report, have been certified by the Auditor-General.

Yours sincerely,

Michael Carapiet
Chair

Vivek Bhatia
Chief Executive &
Managing Director

> **"We are proud to submit icare's Annual Report for presentation to Parliament."**

Commercial mind
Social heart

Workers

We protect approximately 4 million public and private sector workers in NSW.

We work with employers to keep their employees safe and well, and are there for them should they get injured. Through our Workers Insurance and Self Insurance service lines, we provide empathetic person-centric services to help them recover and return to work in a sustainable way.

Employers

We protect and insure employers in NSW.

Workers Insurance and Self Insurance protects and insures the employees of 296,000 businesses in NSW and 193 government agencies. We are there for employers to promote the safety and wellbeing of workers and provide support should an injury or illness occur.

Homeowners

We protect homeowners who undertake building work on their home.

When unforeseen circumstances strike and the homeowner is left with incomplete or defective works, our HBCF service line will be there.

Builders

We stand behind home building contract obligations to owners.

Working together with building businesses, HBCF helps these builders understand potential risks that can affect them.

We are proud to be one of the largest insurance providers in Australia, with over $33 billion in assets across our schemes.

Road users who have been severely injured

We are there for drivers, passengers, pedestrians and cyclists who are severely injured on our roads.

Lifetime Care provides treatment, rehabilitation and personalised care for over 1,200 people who have been severely injured in motor accidents.

Workers who have a work-related dust disease

We are there to look after those affected by work-related dust diseases.

Dust Diseases Care currently supports over 4,500 workers and their dependents by providing information, personalised care and comprehensive support when they need it.

NSW Government agencies

We protect and insure the assets of the NSW Government.

Self Insurance is there as a trusted risk advisor, providing tailored risk solutions, insurance cover and advice. We protect $180 billion of our most precious assets including the iconic Sydney Opera House, Harbour Bridge, hospitals and schools. We also insure the government's infrastructure projects such as the building of roads, rail and dams against the consequences of loss and damage during construction.

Message from the Chair

On behalf of the Board, I am proud to present our second annual report – a summary of our journey over the last 12 months.

Last year, icare's inaugural Annual Report outlined our vision and ambition to change the way people think about insurance and care. In this chapter of our story we share how we are turning ambition into action and making a difference to the New South Wales community by exceeding expectations.

We are passionate about delivering our community with the world-class services they need – and at a time they need us the most. Since the State's existing insurance and care services came together to form icare, we have taken it as our duty to review and improve the legacy schemes by better understanding our customers' needs and placing the customer at the very heart of everything we do.

2016–17 has been a tremendous year for our organisation. The team has made great strides in our ambitious transformation agenda and we continue to build an innovative and person-centric organisation.

Our vision has fuelled our growth and driven us to improve our services to exceed our customers' expectations.

A key component of our strategy has been the creation and stand up of a new technology platform which is changing the way we interact with our customers. Our investment in the new core technology platform will enable us to have an end-to-end view of our customers. Analysing data and having enriched customer information will be a key part in how we become truly customer-centric.

For the first time in 30 years, businesses can buy workers compensation policies directly from icare. Available to purchase on the phone via our newly launched icare Customer Support Centre or on our online portal, this is a tremendous step in developing a simpler, fairer and more transparent experience for employers and injured workers.

We have also reviewed our Workers Insurance claims operating model to ensure we have a consistent customer experience for injured workers, as well as establishing a loss prevention and pricing model that facilitates more effective engagement with our policyholders.

Re-designing the experience with input from our customers is central to our planning to deliver world-class services. A key example of this is the introduction of our Optimal Care model which is set to drive strong improvements for our customers who have sustained severe injury or illness and have long term care needs.

Our Self Insurance activities for our public sector customers has embarked on a three year transformation plan to improve the way we provide services to injured workers and our Government agency customers.

Based on the findings from our Customer Experience Design program with injured public sector workers, as well as our agency customers as employers, we have created an operating model which should deliver better outcomes for all.

In order to provide our customers with world-class service, we must be at best practice today and into the future. We recognise that emerging trends can have material implications for our operations and we see some critical areas for us to focus on.

"for the first time in 30 years, businesses can buy workers compensation policies directly from icare."

Advances in technology and data analytics are fundamentally transforming insurance; the ways in which people work are changing; and digital wellness and healthcare are coming of age. These developments are shaping the expectations of those we serve, rapidly shifting what world-class service looks like. That's why we must continue to evolve in order to keep up with a fast changing environment.

To measure our customers' experience and progress, we have introduced a Net Promoter Score program to provide us with regular and consistent insights into how well our services are being received as well as where there is room for improvement.

We believe that it is important to balance our economic and social responsibilities and initiated icare's new corporate social responsibility agenda – the icare Foundation – with $100 million to be invested over five years. We seek to expand the reach of care for injured workers and road users through strategic partnerships with community organisations. The Foundation collaborates with our social innovation and engagement hub, Ufirst, which brings important stakeholders together to co-create novel solutions that help people return to a full and rewarding life.

"in November 2016 we initiated icare's new social impact agenda – the icare Foundation – with $100 million to be invested over five years."

Operating with a 'commercial mind, social heart', financial sustainability is very important given that we will be looking after some of our community members for life. Financially we have had a strong year given our transformation and a turbulent investment market. You can read more detail about our investment performance in our financial update from page 32.

icare was created only two years ago. We are encouraged by what we have done in this short time, where we are headed, and most importantly, that our customers are experiencing the benefits of the changes that have been recently introduced.

We are all proud to work in a great team of dedicated and passionate people, many of whom have recently joined icare to be part of something unique. The Board and management have a strong sense of common purpose which has helped transform our organisation, evidenced by our staff and icare being nominated for and winning a number of external awards.

We recognise that there are many improvements still required to be made to a very complex system. In the year ahead we will focus on delivering further service improvements for our customers, enhancing operational efficiency and ensuring that icare remains a great place to work.

I proudly acknowledge the commitment and support of my fellow board members and am most grateful to our Minister, NSW Treasurer the Honourable Dominic Perrottet for his ongoing encouragement for all of us at icare. On behalf of the Board, I would like to thank our customers, employees, partners and stakeholders for their continued support for icare on our transformational journey and we all look forward to another exciting year ahead.

Michael Carapiet
Chair

Designing for the future
Delivering today

Vision

We will change the way people think about insurance and care by providing world class services to people, businesses, and communities.

Purpose

To protect, insure and care for the people, businesses and assets that make NSW great.

COMMERCIAL MIND SOCIAL HEART

Values

Integrity

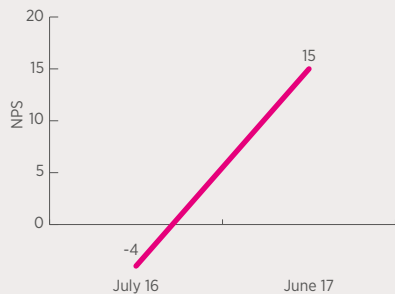Courage

Accountability

Respect

Empathy

Personality

Human
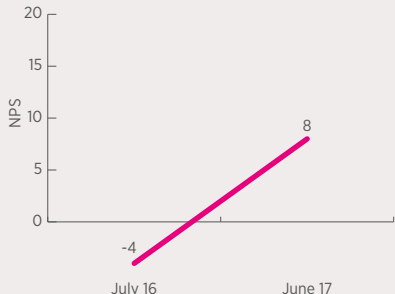
Inclusive

Pioneering

Optimistic

Message from the CEO

Year in review: performance

Customer

icare Net Promoter Score
(WI only up to Jan 17)

Workers Insurance (WI)
Net Promoter Score

Employees

icare employee Net Promoter Score

eNPS was a +36 (+47 as at Aug 17) – a top quartile result compared to financial services organisations globally.

78%
People engagement score

Employee engagement improved over the year and was 78% (People Matter Employee Survey 2017) compared to a Public Sector average of 65%. We attained the highest result in large government entities (defined as over 500 employees).

As we share our second annual report, I am honoured and humbled to have the opportunity to lead an organisation like icare.

Throughout this report you will see the vast amount of change that is taking place to positively transform insurance and care services in New South Wales. Last year we were setting ourselves up for success – this year we have noticeably started to turn our ambition into action.

2016–17 has been quite the year – we have made ambitious moves in all of our service lines and have already seen our customers benefit from these great improvements.

We set ourselves a very aspirational agenda for this financial year and I am proud of what the team has delivered. Despite the progress, we know there is still a long way to go to truly exceed our customers' expectations and we remain determined that there are always ways to innovate and provide a better experience to the NSW community.

Our 'start-up' organisation is a unique one. Customer-centricity is at the very heart of what we do at icare and this has been evident throughout the year across all of our service lines. That's why we have made a continued and concentrated effort to better understand our customers' pain points, and, in turn, have designed initiatives to significantly improve our customers' experience – focusing on the person, not the process.

The backbone of our success this year has been our technology environment which continues to consolidate and mature. A major achievement in this reporting period was the initial delivery of our world-class enterprise insurance technology solution which forms the very core of icare's future technology architecture. This platform will, and already is, changing our customers' experiences.

Financial

Net reduction in service fees to the icare schemes on an annualised basis of $44m.

icare's financial performance

Legend:
- Annualised expenses
- Actual expenses
- Net reduction in service fees

Chart values: FY16: 691; FY17: 647, 44 (Efficiency benefit)
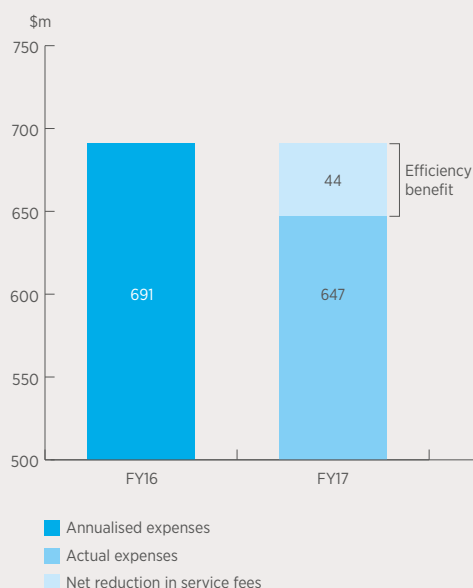
icare™ foundation

Transformation (key deliverables)

- A **single core technology platform** to improve the customer experience by making it easier and faster to buy and manage Workers Insurance policies through multiple channels (online, phone, brokers).

- **Operating model simplification for underwriting** – bringing in-house the underwriting, policy and billing of Workers Insurance policies to ensure consistent delivery for over 296,000 businesses in NSW.

- **Streamlining of Workers Insurance claims operating model** – announced the change of current scheme agent model to make it more consistent and customer-centric (to be implemented in January 2018).

- The **Medical Support Panel** reduced return to work times, by reducing the time to make decisions, from ~six weeks to less than six days (for referred claims).

- Provided choice of an online channel for builders leading to greater efficiency in the **HBCF** scheme.

- Development and implementation of an **enhanced customer experience model** measured through our Customer NPS and the introduction of complaints handling via our Customer Advocacy Team.

- Establishment of **Workers Care**, so severely injured people get best-in class-care irrespective of the scheme they come from.

- Development of the **Optimal Care program** to remove red tape and simplify processes for an efficient and outcome focused service delivery to our participants with severe illness or injury tailored to their individual needs, irrespective of which scheme they are in.

Community

- Launched the icare Foundation with a $100 million commitment over five years.

- Initial investments include: NSW Craig's Table; GP social prescription with Primary & Community Care Services; Neuromoves with Spinal Cord Injuries Australia; small business mental health solutions with Everymind (previously Hunter Institute of Mental Health).

Building strong capability in our systems has already enabled us to directly engage with our Workers Insurance customers for the first time in the 30 years of the scheme. This has marked a significant milestone in our journey towards becoming a world-class insurance and care organisation and has, most importantly, given our Workers Insurance customers choice. Employers can now buy workers compensation either digitally or over the phone, with approximately 80% choosing to self serve and purchase their policies online.

Most importantly, we only know if we are succeeding in our efforts if our customers and stakeholders tell us that they're seeing, and feeling, the difference. That's why we have launched a Net Promoter Score program across all service lines, and internally too.

Our ultimate aim in this regard is to rebuild the eco-system to provide world-class insurance and care to all of our customers. You will see throughout this report the amount of wonderful work the team has delivered for, and in collaboration with, our customers, stakeholders and the wider community.

Workers with an injury

Thanks to our investment in the technology platform, it has been a pivotal year for our Workers Insurance team as we have progressed significantly with our re-design of the underwriting and claims operating model. The new model is set to give employers and workers a significantly enhanced and optimal service at a time when they need us the most.

Our Workers Insurance team have focused on providing injured workers with empowerment and choice with the development of a new, simple, claims model, as well as a new tailored customer-centric Return to Work & Support service. We've also focused on reducing approval times and introducing global standards with our innovative Medical Support Panel.

Consistent innovation is what I believe is key to our success. We were very humbled to be recognised as part of the Australian Insurance Awards program for our Injury Prevention & Recovery Product built by customers, for customers. In 2016, Workers Insurance looked to rethink the way workers compensation insurance was delivered for large NSW employers.

The Retro Paid Loss product, which existed at the time for 87 customers, was an ongoing source of agitation for its cumbersome process. Using human-centred design principles the icare team engaged 50 of the largest employers and brokers to design a simple, industry-leading large employer workers compensation product. The focus was clear – to build a product that provided the best-value premiums, supported workplace injury prevention and encouraged better return to work outcomes for employers.

The co-design was a success resulting in a 'burning cost' model where premiums are calculated on each business' annual claims cost, rather than wages. In addition, the team removed application fees, reduced the application process from 50 pages to three and five business days instead of three months, simplified renewal terms, provided new options for reinsurance and securities and implemented a specialised claims service team to directly look after the customers.

It's no surprise the product has grown to include almost 200 business groups equating to 900 individual employers. Feedback has been incredible for simply listening to customers and providing a product that is what they need. This is a great example of what we are aiming to do for our customers – providing a customer-centric, simpler offering that focuses on the customer and their needs, not the process.

Our Workers Care program has progressed as well this year. The Workers Care initiative ensures that severely injured workers receive the same high-quality specialised treatment and care as our participants in our Lifetime Care scheme. This has resulted in 267 workers, who have a severe injury, now receiving their treatment, rehabilitation and care services from our Workers Care team – a dedicated business unit within icare. This is an excellent example of leveraging the expertise across our service lines to make a huge difference to the life of Workers Insurance's most severely injured workers.

Protecting the State

To improve the way we provide service to injured workers within the public sector and our Government agency customers, our Self Insurance service line has embarked on a three year transformation program. Currently in development stage, the new model will see us deliver enhanced person-centric tools and services across risk advisory, claims management as well as product and underwriting.

This will be delivered by improving risk intelligence driven by data insights research and partnerships; improving policy, billing and declaration processes by bringing them in-house; and continuing to leverage provider expertise and technology for claims management.

You can read all about the year's highlights in our Self Insurance, HBCF and Construction Risk sections from page 84.

Integrated Care scheme participants

2016-17 has been a transformational year for our Integrated Care schemes. Since the creation of icare we saw great strength in taking the opportunity to collaborate across Dust Diseases Care and Lifetime Care to deliver best-in-class care for our customers. Historically, care for schemes across icare's service lines has been managed separately. While each service line had its individual strengths, they were only loosely connected. The formation of icare has provided a tremendous opportunity to bring the care service lines together under a single operating model – Integrated Care.

Integrated Care builds on the strengths of Lifetime Care and Dust Diseases Care schemes through collaboration, supported by leading practices to deliver the best outcomes for our participants. We are focusing on leveraging a continuous support care model for icare, that treats and supports customers based on their individual injury and lifestyle needs; delivering a consistent experience regardless of where participants live or who is supporting them.

This year our Lifetime Care team have also introduced a streamlined process for reviewing and approving a bundle of predictable services for interim participants, ensuring that our participants have earlier access to what they need.

The Vocational Intervention Program is proving to be a great success too, improving the return to work rate for the sample group. And of course, the launch of Sargood on Collaroy – a fantastic health and wellness facility for people living with spinal cord injury.

Dust Diseases Care has continued to improve services, working with families to improve wellbeing and quality of life, recognising that workers' needs will change over time and ensuring that appropriate services are provided at the right time. Dust Diseases Care is a great example of where small changes have made a significant impact.

We are committed to providing choice and seamlessly supporting our Dust Diseases Care customers at a very difficult time. Participants are now offered the choice of service provider for their medical screening examination – either at icare's medical centre in Sydney CBD, the icare Lung Screen mobile respiratory unit, through their regular treating respiratory physician, or through a recommended locally based provider. This ensures that the participant doesn't have to travel far unnecessarily. We are also trialling a Home Lung Function testing pilot program offered to workers who have been consistently unable to leave their home or travel to medical screening appointments due to their health, age and immobility.

Our community

We believe as a social insurer we have a responsibility to the people, businesses and communities of NSW to play a leadership role in creating a society that keeps people safe and well, and supports them in returning to work and life should they get injured. That's why we have launched the icare Foundation – a $100 million investment over five years to identify and invest in research, innovation and scale initiatives designed to make a real difference to the mental and physical wellbeing of NSW. You can read all about our community work from page 98.

Closing thoughts

Before I close, I would like to take the opportunity to share more about icare's team and the unique culture that is developing.

Customer-centricity starts with the people who serve them. I am a firm believer that an organisation's strength is built on its culture and we absolutely wouldn't have achieved what we have to date without the courage, accountability and empathetic nature of our people. We have such history in our legacy organisations that we have brought together in icare yet we feel like a 'start up', recreating the insurance and care service standards that our customers rely on us to do. This has created a 'Day One' feeling for the team where anything is possible. It is important that the team feel empowered to challenge the status quo and can innovate to be one step ahead to exceed customer expectations. The whole icare team has been truly outstanding in their dedication and determined spirit to be part of something different and start to move our legacy schemes to a world-class experience for their community. I am confident that this passionate and talented team is set to move mountains for our customers.

Our ultimate goal as an employer is to ensure that we make icare a great place to work to achieve great things for our customers. At just two years old, we were humbled to be recognised in the 2017 Australian HR Awards as an Employer of Choice finalist amongst other outstanding organisations. The team's capability has also been recognised at ANZIIF's Australia Insurance Industry Awards; Australian HR Awards; CIO50 List; Risk Management Institution of Australasia Awards; CEO Magazine Executive of the Year Awards; Australian Insurance Awards; Australian HR Institute Awards (AHRIs); Executive PA Awards; AAGE Graduate Recruitment Industry Awards (AGRIAs); Page Personnel EA Awards; Women's Agenda Awards; and the Telstra NSW Business Women's Awards.

We're hearing that our employees think icare is a great place to work too. Results received from our employee satisfaction surveys have confirmed that we are progressing well in this area. Our employee Net Promoter Score (eNPS) has seen an upward trajectory from +18 in April last year to currently +47 in August 2017. Furthermore, icare's result in the NSW Government People Matter Employee Survey (PMES) in 2017 of 78% was one of the highest in the NSW Public Sector. The prospect of creating something truly world-class in icare is exciting for everyone involved and we will ensure that the workplace continues to be one of consistent innovation, collaboration and high achievement. We call this our 'intrapreneurial' spirit.

We know that we couldn't deliver any of our services without a fantastic team and I would like to wholeheartedly thank all team members for their dedication, companionship, and drive in designing and delivering exceptional outcomes for our community. You are making a difference.

Thank you to our customers who are generous with their time, either participating in co-design sessions or giving us feedback through NPS surveys on how we can improve and deliver services better.

There is no denying that we see icare as a disruptor – but one that is wholly driven by creating better outcomes for the people and businesses of New South Wales. A heartfelt thank you to all of our stakeholders for supporting icare in our second year – your support is invaluable and together we are changing the way people think about insurance and care.

Vivek Bhatia
CEO & Managing Director

An eye for numbers

A heart for people

Our governance

We are governed by a Board of Directors consisting of eight independent Non-Executive Directors and the Chief Executive Officer.

All decisions relating to the functions of icare are made by or under the authority of the icare Board, which has the following functions:

- gives the NSW Treasurer any information about the activities of icare they require

- keeps the NSW Treasurer informed of the general conduct of icare's activities and of any significant developments in icare's activities

- determines general policies for icare and directs the CEO of icare in relation to icare's activities

- undertakes any other functions conferred or imposed on the Board by the *State Insurance & Care Governance Act 2015* or any other law.

The NSW Treasurer may give a written direction in relation to icare if they are satisfied it is necessary to do so in the public interest. This must follow consultation with the Board.

If the NSW Treasurer makes a written direction, it must be published in the NSW Government Gazette, with reason why the direction is in the public interest, and the Board must ensure the direction is complied with.

The NSW Treasurer gave no written directions in 2016–17.

The icare CEO is also the CEO of Workers Compensation (Dust Diseases) Authority (Dust Diseases Care), the Lifetime Care and Support Authority (Lifetime Care), the NSW Self Insurance Corporation (Self Insurance); the Building Insurers' Guarantee Corporation; and the Sporting Injuries Compensation Authority (Sporting Injuries Insurance), and all the entities are governed by the Board.

Under the *State Insurance & Care Governance Act 2015* icare acts for and provides services to the Workers Compensation Nominal Insurer (Workers Insurance).

icare also provides services to other insurance and care schemes and administers the statutory bodies operating these schemes. They are:

- the Workers Compensation (Dust Diseases) Authority (Dust Diseases Care);

- the Lifetime Care and Support Authority (Lifetime Care);

- the NSW Self Insurance Corporation (Self Insurance);

- the Sporting Injuries Compensation Authority (Sporting Injuries Insurance); and

- the Building Insurers' Guarantee Corporation (BIG Corp).

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

icare submits a Statement of Business Intent to the NSW Treasurer each year. The statement sets out icare's business plan for the next 12 months.

Standing Committee on Law and Justice – review of icare schemes

Section 27 of the *State Insurance & Care Governance Act 2015* provides for the appointment of a Committee of the Legislative Council to supervise the operations of the insurance and care schemes administered by icare.

The Legislative Council Standing Committee on Law and Justice held its first inquiry during the year into the Workers Compensation Scheme. This was followed by reviews of the Lifetime Care and Support Scheme and the Dust Diseases Scheme.

icare Group Executives appeared before the Committee on 7 November 2016 and 2 June 2017. The Committee reported to the Parliament on 9 March 2017 on its review of the Workers Compensation Scheme and on 24 August 2017 on its reviews of the Dust Diseases and Lifetime Care and Support Schemes.

icare is working to respond to the recommendations of the Committee.

Board of Directors

Our Board consists of icare's CEO and eight independent Non-Executive Directors appointed in 2015 by the Minister for Finance, Services and Property as the responsible minister at the time in line with the *State Insurance & Care Governance Act 2015*. The Board appoints the CEO, who is the only Executive Director on the Board.

The Directors are highly skilled and have extensive experience in insurance, customer experience, human resources, transformation, finance, investment, healthcare, disability services, technology and digital, and strategy.

Roles and responsibilities of the Board

All decisions relating to the functioning of icare, including the appointment of the CEO, are made by or under the authority of our Board. The CEO is a Director as well as Chief Executive of each authority.

Our Board has ultimate authority over icare's management and has delegated responsibility for the day-to-day operations to the CEO. The Board has delegated certain functions and responsibilities to its Committees, as well as the CEO, to assist in the oversight of the organisation and discharge of its responsibilities.

The Board's role is to govern icare rather than manage it. This includes setting the strategic direction, establishing performance targets as set out in the Statement of Business Intent and monitoring the achievement of those targets. The Directors must act in the best interests of icare at all times, as set out in the legislation.

Our Board operates according to its charter, which complements the legislation, relevant government guidelines and icare's code of conduct. The charter details the procedure for obtaining independent advice and that an annual review is undertaken to evaluate the performance of the Board and its Committees.

Board and Committees

Our Board has established five Committees, each chaired by a Non-Executive Director, to assist in the discharge of its duties and to better govern icare. These are the:

- Risk, Compliance and Audit Committee;
- Investment and Asset Committee;
- People and Remuneration Committee;
- Customer, Innovation and Technology Committee; and
- Foundation Committee (introduced in 2016-17 financial year).

1. Chair of the relevant committee.
2. Appointed to Customer, Innovation & Technology Committee, September 2016.

Dust Diseases Board

The Dust Diseases Board, as provided for in the legislation, has been established to carry out a specific function relating to the determination of dust diseases related grants to make a significant contribution to the prevention and treatment of dust diseases.

Specifically, the Board's powers and duties as per the *Workers Compensation (Dust Diseases) Act 1942* Section 6, Clause 2A:

The Board is authorised to make from the Fund:

a. Grants for the purpose of clinical or research work relating to the prevention and treatment of dust diseases or for any other purpose relating to the prevention and treatment of dust diseases, and

b. Grants for the purpose of providing assistance to groups or organisations that provide support for victims of dust diseases or their families.

For more information on the Dust Diseases Board please see page 163.

Managing conflicts of interest

All of our Board Directors are subject to statutory duties and responsibilities regarding disclosure of interests. The Directors identify and disclose any matters that may give rise to a conflict of interest. A Register of Disclosures is maintained and reviewed regularly to ensure it remains up to date and that any interests that may result in conflicts (perceived or actual) are discussed at Board meetings.

Our Board of Directors

"On behalf of the Board, I would like to acknowledge and thank our customers, employees, partners and stakeholders for their continued support as we progress on our transformational journey."

by **Michael Carapiet**

Michael Carapiet
Chair

Member – Investment & Asset Committee
Member – People & Remuneration Committee
*Appointed 1 September 2015 for a three year term

Michael Carapiet has 30 years' experience in banking and financial services, gained across the major financial markets of the world.

He has extensive governance and board experience with private and Government entities.

Michael was previously the Chairperson of the Safety, Return to Work and Support Board and during which the Workers Compensation Scheme returned to surplus while delivering premium rate reductions.

He is Chair of Link Group Ltd; Smartgroup Corporation Limited; and Adexum Capital Limited. He is also a Board Member of Infrastructure Australia and on the advisory board of Pyrolyx AG.

Previous government roles include Chairperson of the SAS Trustee Corporation, the trustee entity for NSW State Super which managed over $40 billion in investment funds. He chaired the Review of Crown Land Management in NSW and was a Board Member of Clean Energy Finance Corporation and Deputy Chairman of Export Finance Insurance Corporation.

Michael held a number of senior executive roles with the Macquarie Group, which he first joined in 1985. He was a Member of Macquarie's Executive Committee from 2005. Prior to his retirement in July 2011 he was Executive Chairman of Macquarie Capital and Macquarie Securities.

Michael has a Master of Business Administration from Macquarie University.

Michael Pratt AM
Deputy Chair

Chair – Customer, Innovation & Technology Committee
Member – Investment & Asset Committee
*Appointed 1 September 2015 for a three year term

Michael was the inaugural NSW Customer Service Commissioner, where he revolutionised the way the Government delivers services – putting the people of NSW at the heart of service delivery. He led major service reform across the NSW Government, chairing the NSW Customer Advisory Board – the responsible governance entity for the delivery of State Government services to the citizens of NSW.

Michael Pratt was honoured as a Member of the Order of Australia (AM) in the Queen's Birthday 2016 Honours List. Michael was recognised as a role model for Australian society for providing significant service to public administration through reforms in customer service and communication and to the finance and banking industry.

Prior to his role as Customer Service Commissioner Michael was CEO of Consumer and SME Banking, North East Asia, with Standard Chartered Bank. He is a former President of the Australian Institute of Banking & Finance and was the inaugural Joint President of Finsia. Michael's previous roles also include senior executive positions as Group Executive of Westpac Business & Consumer Banking, CEO of National Australia Bank in Australia, CEO of Bank of New Zealand and CEO of Bank of Melbourne. Michael was also Deputy Chancellor of Western Sydney University.

Prior directorships include Non-Executive Director roles at TAL Dai-ichi Life Australia and Credit Union Australia where he chaired their respective risk committees, MasterCard International Inc New York, MasterCard Asia Pacific, BT Financial Services, Chairman of Bennelong Funds Management, Chairman of Shenzen Credit Corporation and Executive Director of Standard Chartered Bank Hong Kong and China.

Michael Pratt AM was appointed as the 27th Secretary of NSW Treasury and NSW Industrial Relations on 1 August 2017, and as a result stepped down from the Board on 6 October 2017.

Vivek Bhatia
CEO & Managing Director

Member – Customer, Innovation & Technology Committee
Member – Foundation Committee
Member – Investment & Asset Committee
Member – People & Remuneration Committee
*Appointed 1 September 2015 for a five year term as Chief Executive

As our inaugural CEO and MD, Vivek has been instrumental in the formation of our business.

He has 20 years' experience in the insurance and management consulting sectors.

Vivek is known for leading complex and large scale transformation agendas on the back of mergers and acquisitions, growth strategy, cost reduction and efficiency initiatives, technology and operating model transitions.

Prior to becoming CEO of icare, Vivek was a Board Member for SafeWork Australia, representing NSW and playing a critical role in the formation and set-up of icare as CEO of Safety, Return to Work & Support (SRWS).

In 2008, he was appointed CEO of Wesfarmers Insurance, one of the top 5 insurers in Australia, where he was responsible for leading the multi-brand (Lumley, WFI, Coles Insurance), multi-channel insurer through a significant transformation journey.

He has co-led McKinsey & Company's Asia Pacific Restructuring & Transformation practice, and held several other prominent leadership roles in strategy, operations and technology at Wesfarmers Insurance and QBE in Australia and overseas.

Vivek was Chair of the former NSW Dust Diseases Board and the NSW representative on the Board of SafeWork Australia.

He is a Chartered Financial Analyst with a degree in engineering, and an MBA in strategy.

Gavin Bell
Non-Executive Director

Chair – People & Remuneration Committee
Member – Customer, Innovation & Technology Committee
Chair – Dust Diseases Board
Chair – Independent Advisory Panel on Prevention & Management of Workplace Bullying
*Appointed 5 October 2015 for a three year term

Gavin is currently a Member of the Advisory Council of the Australian School of Business, Director of Smartgroup Corporation Ltd and Director of IVE Group Limited.

He was also a Member of the Safety, Return to Work and Support Board and Workers' Compensation Insurance Fund Investment Board.

Prior to becoming a Non-Executive, Gavin was Global CEO of Herbert Smith Freehills. Gavin completed his law degree at the University of Sydney. He has a Master of Business Administration (Executive) degree from the Australian Graduate School of Management.

Elizabeth Carr AM
Non-Executive Director

Chair – Foundation Committee
Member – People & Remuneration Committee
Member – Risk, Compliance & Audit Committee
*Appointed 5 October 2015 for a three year term

Elizabeth is the Chair of the NSW Department Family and Community Services Audit and Risk Committee, Chair of the South Metropolitan College of TAFE (WA), a Member of The Environmental Protection Authority (WA) and a Member of Urban Growth Development (NSW) Committee Audit & Risk Committee.

She also holds a number of private, non-profit and education board positions including, Chair Seton Villa Disabilities (NSW), Chair of St Catherine's Aged Care Facility (NSW), Chair St Marys Anglican Girls School (WA) and Vice-Chair of the Kokoda Track Foundation.

Elizabeth was a former Member of the Safety, Return to Work and Support Board and Workers' Compensation Insurance Fund Investment Board.

In the 2017 Queen's Birthday Honours she was recognised as a recipient of the Order of Australia (AM) "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 BA (Hons) from the University of Western Australia, a Master's Degree from Harvard University and is a Fellow of the Australian Institute of Company Directors.

Peeyush Gupta
Non-Executive Director

Chair – Investment & Asset Committee
Member – Customer, Innovation & Technology Committee
*Appointed 5 October 2015 for a three year term

Peeyush is a Non-Executive Director of National Australia Bank, Special Broadcasting Service (SBS) Board, Link Market Administration, BNZ Life, QuintessenceLabs and Chair of Charter Hall Long Wale REIT.

He also serves as a Trustee of Western Sydney University and is on the Dean's Advisory committee at the Australian School of Business at UNSW. Peeyush was a Member of the Safety, Return to Work and Support Board and Workers' Compensation Insurance Fund Investment Board.

Peeyush was the co-founder and inaugural Chief Executive Officer of Ipac Securities, a pre-eminent wealth management firm spanning financial advice and institutional portfolio management.

Peeyush has a Master of Business Administration (Finance) degree from the Australian Graduate School of Management. He completed the Advanced Management Program at Harvard Business School in 2006. He is a Fellow of the Australian Institute of Company Directors.

Mark Lennon
Non-Executive Director

Member – Customer, Innovation & Technology Committee
Member – Foundation Committee
Member – People & Remuneration Committee
Member – Risk, Compliance & Audit Committee
*Appointed 5 October 2015 for a three year term

Mark has an extensive background in work health and safety and workers compensation systems, having been a Member of the Safety, Return to Work and Support Board and the WorkCover NSW Board.

Mark is also a Director of First State Super, First State Super Financial Services Pty Ltd, Sydney Financial Forum and McKell Institute. Mark was the Secretary of Unions NSW from October 2008 until January 2016, having served as Assistant Secretary since June 2001. Mark joined Unions NSW in 1988 and has held a number of positions in the organisation including Training Officer, Industrial Officer and Executive Officer.

He is also the President of the Australian Labor Party NSW Branch.

Lisa McIntyre
Non-Executive Director

Member – Customer, Innovation & Technology Committee
Member – Foundation Committee
Member – Risk, Compliance & Audit Committee
*Appointed 5 October 2015 for a three year term

Lisa is an experienced company director with a broad portfolio that spans healthcare, insurance, technology and e-learning sectors in Australia and overseas.

She has been a full-time Company Director and Chair for the past six years.

Prior to this, Lisa spent 20 years as a senior strategy partner providing strategic, commercial and operational advice to local and multinational companies in North America, Asia and Australia.

Lisa has been a Director of HCF Group, Australia's largest member-based private health insurance company, since 2011 and is Chair of the HCF Research Foundation. She also recently stepped down from Cover-More Group Ltd, a leading travel insurance and medical assistance company.

Lisa was appointed to Chair of Customer, Innovation & Technology Committee in FY 2017–18.

David Plumb
Non-Executive Director

Chair – Risk, Compliance and Audit Committee
Member – Foundation Committee
Member – Investment & Asset Committee
*Appointed 5 October 2015 for a three year term

David has over 30 years' experience in the financial services industry, as a Director, Executive and Adviser primarily within the Wealth Management, Asset Management and Insurance sectors.

David was previously Chairman of the NSW Self Insurance Corporation Advisory Board. Since 2011 he has been a Non-Executive Director with BT Financial Group, one of Australia's largest wealth management businesses, and in 2015 he was appointed as Chair of the superannuation entities. He also chairs the Compliance Committee for Blackrock Investment Management.

David has a Bachelor of Commerce from the University of NSW, a Masters in Economics from Macquarie University and is a Fellow of the Institute of Chartered Accountants.

Board meetings

The Board meets monthly except in December and January. In December there is a Board Strategy Day. Meetings are held in line with the Board's charter.

Director	Board of Directors Meeting[1]		Risk, Compliance & Audit Committee[2]		Investment & Asset Committee		People & Remuneration Committee		Customer, Innovation & Technology Committee[3]		Foundation Committee[4]	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Michael Carapiet (Chair)	10	10	-	-	10	10	4	4	-	-	-	-
Michael Pratt (Deputy Chair)[5]	10	10	-	-	10	7	-	-	10	10	-	-
Vivek Bhatia (CEO)	10	10	-	-	10	10	4	4	10	10	-	-
Gavin Bell[6]	10	10	-	-	-	-	4	4	10	10	-	-
Elizabeth Carr[7]	10	10	5	5	-	-	4	4	-	-	5	5
Peeyush Gupta[8]	10	10	-	-	10	10	-	-	10	10	-	-
Mark Lennon	10	10	5	4	-	-	4	3	8	8	5	4
Lisa McIntyre	10	10	5	5	-	-	-	-	10	10	5	5
David Plumb[9]	10	10	5	5	10	10	-	-	-	-	5	5

1. The Board also held a strategy workshop in December 2016 in addition to the meetings held for the financial year.
2. Vivek Bhatia, CEO attended all meetings as an invitee but is not a member of the Committee.
3. The Board changed the name of the Committee in August 2016 to reflect its role and focus on icare's customers.
4. Introduced in FY 2016–17.
5. Chair of Customer, Innovation & Technology Committee.
6. Chair of People & Remuneration Committee.
7. Chair of Foundation Committee.
8. Chair of Investment & Asset Committee.
9. Chair of Risk, Compliance & Audit Committee.

Board skills

Director	Customer / Community	Insurance	Financial Services	Investment / Asset Management	People / WHS	Healthcare / Disability	Government	Technology / Digital	Strategy / Business Transformation	Law / Regulation
Michael Carapiet (Chair)		✓	✓	✓			✓	✓	✓	
Michael Pratt (Deputy Chair)	✓	✓	✓	✓			✓	✓	✓	
Vivek Bhatia (CEO)	✓	✓	✓		✓			✓	✓	
Gavin Bell					✓		✓		✓	✓
Elizabeth Carr	✓		✓			✓	✓		✓	
Peeyush Gupta		✓	✓	✓					✓	
Mark Lennon	✓	✓			✓	✓	✓			✓
Lisa McIntyre	✓	✓				✓		✓	✓	
David Plumb		✓	✓	✓			✓			

Our Group Leadership Team

Our Group Leadership Team consists of passionate, skilled and experienced leaders who collectively have extensive expertise across the insurance and care sectors.

Committed to working innovatively and delivering world-class insurance and care services to the NSW community, the team has wide-ranging strategic, financial, people engagement, risk and governance, and information technology experience.

The CEO has allocated operational, financial and people functions and responsibilities to the Group Leadership Team through icare's delegation framework.

Dr. Nick Allsop
Chief Actuary

Nick is a qualified actuary and management professional with more than 13 years corporate and consulting experience.

He has built and developed teams of actuaries and financial analysts with a focus on delivering quality results and innovation. Nick brings with him a proven ability to transform analytics teams and integrate them into business operations.

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

Greg Barnier
Chief People Officer

Greg has more than 30 years' experience as a human resources professional and executive coach in the financial services, government, career coaching and non-profit sectors. He is passionate about delivering great customer and employment experiences at icare, and supporting and empowering colleagues to achieve great things in their career.

Greg holds a Master of Business Coaching, Diploma of Human Resources Management, Advanced Diploma of Government, Diploma of Financial Services, Diploma of Management and Associate Diploma of Business, is a Senior Fellow of the Financial Services Institute of Australasia, and a Fellow of the Institute of Managers and Leaders.

Vivek Bhatia
CEO & Managing Director

Vivek is the inaugural CEO and Managing Director of icare, and prior to that was instrumental in the formation and setup of the organisation from 2014 as CEO and Board Member of Safety, Return to Work & Support.

He has 20 years of experience in the insurance and management consulting sectors, having worked in many markets around the world in leading complex and large scale transformation agendas on the back of M&A, growth strategy, cost reduction and efficiency initiatives, technology and operating model transitions.

In 2008, Vivek was appointed CEO of Wesfarmers Insurance in Australia, where he was responsible for leading the multi-brand (Lumley, WFI, Coles Insurance), multi-channel insurer through a significant transformation journey. He was also co-lead of McKinsey & Company's Asia Pacific Restructuring & Transformation practice, and has held several other prominent leadership roles in strategy, operations and technology at Wesfarmers Insurance and QBE in Australia and overseas.

He has also been the Chair of the former NSW Dust Diseases Board and been the NSW representative on the Board of SafeWork Australia. Vivek has a degree in Engineering, an MBA in Strategy and is a qualified Chartered Financial Analyst.

Rob Craig
Chief Operating Officer

Rob leads icare's Business Technology; Customer, Digital & Brand; Public Affairs and Strategy & Transformation teams.

He brings to icare a wealth of knowledge gained from 25 years of senior positions in the financial services industry, including experience in general insurance, consumer, business and institutional banking as well as wealth management.

His career has seen him work across the United Kingdom, New Zealand and Australia with his real passion and expertise lying in strategic development, transformational programs, technology integration, business product and process enhancement.

He is an advocate for creative problem solving, out-of-the-box thinking and improving customer experience, with a demonstrated ability to successfully implement transformations in complex environments.

Don Ferguson
Group Executive, Integrated Care

Don leads our Dust Diseases Care[1] and Lifetime Care service lines and is responsible for improving services to all icare customers who require long term support following a road or workplace accident.

Bringing 25 years of experience across health and disability services, his key strengths include leadership, service development and change management. Don has held a number of executive positions across health and disability services including General Manager of the NSW Lifetime Care and Support Authority and Regional Director at NSW Ageing Disability & Home Care, where he also led the development of state-wide solutions for people with complex needs.

Don is currently a Non-Executive Director of MS Australia and Co-Chairman of the Sargood Centre.

He also holds a Master of Business Administration and is a Member of the Australian Institute of Company Directors.

Megan Hancock
Chief Financial Officer

Megan began her career at Deloitte and brings more than 25 years' experience as a senior finance professional across Government and private industry.

She is currently a Non-Executive Director of the Sargood Centre and Chair of the Sargood Centre Audit Committee.

Megan is a Chartered Accountant and a graduate of the Australian Institute of Company Directors (GAICD).

Steve Hunt
Group Executive, Self Insurance Transformation*

Steve is a longstanding insurance industry stalwart with 17 years of NSW Government experience, and 12 years leading its self insurance business.

Steve established the NSW Self Insurance Corporation's (now Self Insurance) in 2005. He also created the Home Building Compensation Fund (HBCF) and was instrumental in the development of Tort Law reform in Australia.

Steve's areas of specialisation include reinsurance, risk management, claims management, governance, stakeholder engagement, and public administration. He is highly respected for his in-depth industry knowledge, strong commercial acumen, and relationship management skills.

Steve transitioned to the role as Group Executive, Self Insurance Transformation on 1 June 2017 to focus on the transformation agenda after announcing his decision to retire. In this role, he is supporting the business during its transformation journey, as it strives to improve the services it provides to government agencies.

Steve was Group Executive, Self Insurance, until 30 May 2017.

Sara Kahlau
General Manager, Transformation*

Sara comes from a background in strategy consulting, where she advised senior stakeholders within commercial, public sector, and not for profit sectors. She has industry experience across general and life insurance, asset management, manufacturing, and transport, with focus on growth strategies, customer centricity, and organisational efficiency.

With a passion for driving customer outcomes through innovative ways of working, Sara joined icare during its formation. She is an advocate for diversity in the workplace and promotes future ways of working.

Sara was General Manager, Office of the CEO, for the 2016–17 financial year.

1. During the 2016-17 financial year, Anita Anderson, former Executive General Manager for Dust Diseases Care, retired.

Samantha Lawrence
Company Secretary*

During the 16-17 financial year, Samantha was responsible for managing services to icare's Board, its Committees and the Group Leadership Team.

Prior to this she held positions including Director of the Office of the CEO and Board Secretary at Safety, Return to Work & Support (SRWS).

On 1 July 2017, Samantha was appointed General Manager, Inclusion & Diversity at icare.

She has a Master of Business Administration and a degree in Archaeology.

Samantha was Company Secretary for the 2016–17 financial year. She is now the General Manager, Inclusion & Diversity.

Catherine Morgan
General Counsel & Company Secretary*

Catherine leads the provision of legal services to icare's service lines in administrative and commercial law, insurance and personal injury law.

She is also Company Secretary to the icare Board and its Committees.

Catherine brings more than 25 years of experience as a senior lawyer, with strengths in administrative and Government law and regulatory and legislative reform. She also holds a Masters degree in Law.

Catherine was General Counsel for the 2016–17 financial year. She was appointed General Counsel & Company Secretary on 1 July 2017.

John Nagle
Group Executive, Workers Insurance

John is a senior insurance executive who brings a wealth of private and public sector management experience in business strategy, innovation, change, client relationship management, underwriting, reinsurance and corporate governance across the General and Commercial Insurance sectors.

His 40 year insurance career has included a number of significant executive posts at major insurance providers, including Chief Executive of Lumley Insurance, Executive General Manager for Corporate & Specialty Insurance at Suncorp and Chief Operating Officer – Retail at Vero.

Tim Plant
Group Executive, Self Insurance, Community & Innovation*

Tim brings more than 25 years' experience across insurance, reinsurance and financial services, with a particular focus throughout his career in driving innovation and change for the betterment of customers. Tim is a director of the Australian and New Zealand Institute of Insurance and Finance.

Tim has significant senior executive and director experience, most recently implementing a transformation agenda and customer service improvement initiatives as CEO of QBE's Australian and New Zealand business. Prior to this, Tim held various senior executive roles including EGM of QBE Corporate Partners and Direct, Managing Director of Elders Financial Services Group and Managing Director of Elders Insurance. Earlier in his career he held number of senior roles at Swiss Re, Sydney Re, QBE Re (London), QBE Australia and Australian Eagle Insurance.

He is an alumni of the Harvard Business School's Advanced Management Program and the Australian Institute of Company Directors, and has a Master of Business Administration from the University of New England.

Tim joined icare in March 2017 as Group Executive, Innovation. Tim was appointed Group Executive Self Insurance, Community and Innovation on 1 June 2017.

Gavin Pearce
Chief Risk Officer

Gavin is a senior insurance executive and qualified Actuary who joined icare in November 2015 from Zurich Australia, where he was Chief Risk Officer.

Before moving to Sydney in 2008, Gavin spent eight years at the Accident Compensation Corporation (ACC) in New Zealand. The last role Gavin held at the ACC was Chief Actuary.

Gavin has strengths in designing, building and implementing robust risk management frameworks across insurance and broader commercial communities. He brings proven experience in managing senior stakeholder relationships and enabling businesses to pursue opportunities, whilst prudently managing risk.

Our risk management approach

During 2016–17 we transitioned from the risk management frameworks of our predecessor entities to icare's own new framework.

Whilst maintaining standards associated with Risk Management Standard AU/NZS ISO 31000 and the NSW Treasury Internal Audit and Risk Management Policy for the NSW Public Sector (TPP15-03), we are also applying the Australian Prudential Regulatory Authority (APRA) Standards and Practices, where it is fit for purpose.

Risk Management Strategy

The Risk Management Strategy describes our approach to the management of risk.

The strategy has been used as a communication tool that describes the approach and guiding principles in the management of risk, the risk framework, key policies, roles and responsibilities, governance and the part that culture plays in delivery of our organisational objectives.

The Risk Management Strategy also focuses on our organisation's perspective and approach to risk and the opportunities presented. This is described in an extract from the Risk Management Strategy, "Risks and Opportunities" enclosed below.

Risks and opportunities			
	Description	**Overview of response**	**Management approach**	**Risks and opportunities should be assessed based on their impact on:**
External	External events or activities which are outside our control or beyond direct ability to influence.	Monitor / Detect / Adapt and / or build resilience to reduce impact.	Facilitated by Risk and Governance together with Strategy and Transformation.	Financial wellbeing
Strategic	Higher level risks and opportunities taken for superior strategic benefit.	Identify and manage in pursuit of our strategic objectives.	Facilitated by Risk and Governance with assistance / input from the Service and Enabling lines.	Customers
Operational	Lower level risks and opportunities which are preventable and arise from within an organisation. Should be cost effectively controlled, eliminated or avoided.	Monitor operational processes and controls. Identify potential risks and manage these to mitigate their impact.	Undertaken by the Service and Enabling lines with support from Risk and Governance.	Reputation
				Operations

Risk Management Framework

Key to our Risk Management Framework is our employees and the organisational culture that enables the growth of our risk maturity. With this growing maturity we seek to positively influence attitude, behaviour and those elements that underpin culture i.e. values, beliefs, knowledge and understanding about risk.

This can be seen through the introduction of an icare Risk Champion Network. Risk Champions are colleagues who represent their respective area of the organisation in the Risk Champion Forum (RCF). This forum provides a great opportunity to collaborate with other Risk Champions to not only leverage each other's experience but to learn, gain support and advice.

Functional Risk Assessments are another vehicle for collaboration and increasing icare's risk maturity. The results from the Risk Assessments provide each area of the organisation with risk and control information which aids each team to be successful in pursuit of our ambitions. The assessments prioritise actions, draw out opportunities and allocate accountabilities.

Profiles also exist across projects and can exist at lower levels where areas of the organisation believe they are relevant in order to allow strategic objectives to be met. Our Enterprise Risk team has oversight of all profiles and supports teams in their management.

Tools that form part of this framework are expanding and adding to the risk maturity within our organisation. These have been developed to facilitate better measurement of risks to prioritise effort, and the timing of that effort, to deliver the icare strategy. Some are described in the framework diagram opposite with the callouts being:

- Risk Matrix – allowing a consistent means to measure risk based on icare's values and incorporating APRA standards.

- An active icare Strategic Risk Profile with accountabilities of the various risks aligned to our Group Leadership Team. Quarterly reviews of the strategic profile are facilitated by Enterprise Risk, using dedicated meetings with the icare's Group Executive and other key stakeholders.

- Quarterly Risk Reporting to our Board's Risk, Compliance and Audit Committee providing a view aligned to the icare Risk Management Strategy in identification and management of risks that are external, strategic and operational, supporting the strategy and the opportunities presented in management of those risks.

icare's Risk Management Framework is summarised in the Risk Management Strategy as illustrated below:

| icare strategy | ← Strategic objectives |

Risk management strategy | Risk appetite statement | Corporate policies | Capital management | icare beliefs — ← Risk enablers

Risk management process — ← Opportunity and risk management processes

Identify risk
Monitor, assure and escalate
Measure risk
Respond to risk
Assess risk

Risk governance | Culture and conduct | Risk aware design | Monitoring and management | Governance Risk & Compliance (GRC) / Integrated technology — ← Enabling foundations

People | Processes | Systems

Business Operations incl. specialised operational risk functions (e.g. information & technology security, insurance risk, WHS, project risk management). | Enterprise risk and compliance | Internal audit / External audit — ← Structures

Risk Appetite and Reporting

Incorporated into quarterly reporting to our Board's Risk, Compliance and Audit Committee is the Risk Appetite Dashboard. This measures performance relative to the Board's Risk Appetite Statement, which outlines acceptable amounts of risk that employees can take in pursuit of icare's corporate objectives.

The key components covered by the Risk Appetite Statement are Customer, Reputational, Strategic, Operational, Transformational, and Financial risk.

The Risk Appetite Statement is supported by appropriate governance infrastructure and is intended as a living governance document, responsive to changing market challenges and opportunities. It is also to be used to guide management when making material business decisions.

Together with our Risk Management Strategy, the Risk Appetite Statement informs icare's business planning cycle. As an integral part of the regular business plan performance process, our Board requires periodic assurance from the CEO, or nominated representative, that its risk appetite requirements are being met.

The Risk Appetite Statement itself is subject to annual review and approval by the Board of Directors and updated in line with both any changing requirements and emerging experience.

Business Continuity Management

We are committed to ensuring that our critical business processes can continue in the event that a serious unplanned event or incident disrupts the normal execution of business activities.

This includes having plans and systems in place to ensure the capability exists to respond to and recover from any business interruption, including but not limited to; people, facilities, equipment, information technology, telecommunications and suppliers.

The approach and methodology of the icare Business Continuity Policy Guideline has been developed in alignment with the generally accepted best practise approaches outlined in; International Standard ISO 22301 – Societal Security – Business Continuity Management Systems – Requirements, International Standard ISO 22313 – Societal Security – Business Continuity Systems Guidance, APRA Prudential Standard CPS 232 Business Continuity Management.

Public Interest Disclosures

We maintained our Reporting Wrongdoing Policy in 2016–17, which is available to all employees on our intranet. In line with our organisation's values, the CEO has acted to make employees aware of their rights and responsibilities under the Public Interest Disclosure Act 1994, including through awareness activities such as Induction, online compliance training and intranet communications.

Full statistical disclosure can be seen on page 142.

Our financial performance

The 2016-17 financial year was an important one for icare as it celebrates its first full financial year of operations.

As a newly created organisation, icare is in a growth period and is undertaking a transformation program to improve the way insurance and care is delivered to the people of NSW.

icare is focused on delivering a world-class experience by better understanding the needs and goals of its customers, placing them at the centre of everything it does by using a person-centred approach to create experiences that are both empowering and empathetic.

External assistance has been sought in some areas to work with the existing skills and corporate knowledge to deliver this transformation and to shift to a customer-centric and empathetic insurance model.

icare operates on a breakeven basis and savings it makes are passed on as reduced service fees to the schemes it provides services to.

As part of its operating model icare has made strategic decisions to insource certain activities, outsource other roles and to grow other key capabilities. These operating model choices have delivered a net reduction in service fees to the icare schemes on an annualised basis of $44 million or 6% this financial year.

Financial & operations overview

Insurance & Care NSW (icare) is a social insurer that places its customers' at the centre of everything it does and recognises that financially sustainable schemes are necessary to achieve this. With assets of $33 billion and premiums and levy income of $4 billion across its schemes icare is not only NSW's State insurer but also one of the largest general insurers in Australia.

icare delivers insurance and care services to the people of New South Wales via a number of schemes and produces audited financial statements for them.

Included in the Annual Report (via a separate compendium that forms part of it) are the following financial statements covering icare and all of the schemes which it manages:

- Workers Insurance

- Self Insurance comprising:

  - NSW 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;

  - Supplementary Sporting Injuries Fund; and

  - Home Building Compensation Fund (HBCF).

- Lifetime Care

- Dust Disease Care

- Sporting Injuries Insurance

- Building Insurers' Guarantee Corporation.

In addition, via this overview, we have commented on some key measures of financial performance covering the larger schemes notably:

- Workers Insurance

- Self Insurance (excluding HBCF) comprising: NSW Treasury Managed Fund and all other schemes aggregated

- HBCF (as a separate Fund)

- Lifetime Care

- Dust Diseases Care.

icare performance

Key financial data		2017	Annualised 2016	10 months 2016[1]
Total Revenue	$m	647	691	576
Total Expenses	$m	(647)	(691)	(576)
Net Result	$m	-	-	-

Scheme performance

Workers Insurance		2017	2016
Gross written premiums	$m	2,296	2,304
Earned premiums	$m	2,219	2,237
Net claims expense	$m	(2,767)	(2,961)
Net premiums less claims	$m	(548)	(724)
Statutory levies	$m	(313)	(313)
Other operating expenses	$m	(594)	(543)
Investment revenue	$m	439	933
Other revenue	$m	28	8
Net result	$m	(988)	(639)
Impact of reforms	$m	1,040	1,060
Underlying performance	$m	52	421
Assets below target funding zone[2]	$m	(136)	N/A

Self Insurance		2017	2016
Premiums & contributions	$m	1,153	1,137
Claims expenses net of recoveries and unexpired risk liability expense	$m	(1,581)	(1,282)
Outwards insurance expense	$m	(45)	(39)
Acquisition costs	$m	(34)	(33)
Net claims expense	$m	(1,660)	(1,354)
Net premiums & contributions less claims	$m	(507)	(217)
Statutory levies	$m	(33)	(29)
Other expenses	$m	(167)	(175)
Hindsight adjustments	$m	(308)	(183)
Grants to the Crown	$m	(85)	(80)
Investment revenue	$m	951	171
Net Result	$m	(149)	(513)
Impact of reforms	$m	175	162
Hindsight adjustments	$m	308	183
Grants to the Crown	$m	85	80
Underlying performance	$m	419	(88)
Funding ratio	%	108%	111%

HBCF		2017	2016
Gross written premiums	$m	102	86
Earned premiums	$m	61	48
Claims expenses net of recoveries and unexpired risk liability expense	$m	(117)	(85)
Acquisition costs	$m	(34)	(33)
Net claims expense	$m	(151)	(118)
Net premiums less claims	$m	(90)	(70)
Statutory expenses	$m	(2)	-
Other expenses	$m	(14)	(13)
Investment revenue	$m	1	1
Net Result	$m	(105)	(82)
Funding ratio	%	20%	23%

Self Insurance excluding HBCF		2017	2016
Premiums & contributions	$m	1,092	1,089
Claims expenses net of recoveries and unexpired risk liability expense	$m	(1,464)	(1,197)
Outwards insurance expense	$m	(45)	(39)
Net claims expense	$m	(1,509)	(1,236)
Net premiums & contributions less claims	$m	(417)	(147)
Hindsight adjustments	$m	(308)	(183)
Grants to the Crown	$m	(85)	(80)
Statutory levies	$m	(31)	(29)
Other expenses	$m	(153)	(162)
Investment revenue	$m	950	170
Net Result	$m	(44)	(431)
Impact of reforms	$m	175	162
Hindsight adjustments	$m	308	183
Grants to the Crown	$m	85	80
Underlying performance	$m	524	(6)
Funding ratio	%	115%	117%

Lifetime Care		2017	2016
Levies	$m	461	437
Scheme costs	$m	(531)	(316)
Expenses	$m	(35)	(31)
Investment revenue	$m	421	129
Other revenue	$m	1	1
Net Result	$m	317	220
Assets above target funding zone[2]	$m	133	N/A

Dust Diseases Care		2017	2016
Levies	$m	116	107
Scheme costs	$m	(179)	(138)
Expenses	$m	(19)	(19)
Investment revenue	$m	87	48
Other revenue	$m	3	2
Net Result	$m	8	-
Funding ratio – known claims	%	148%	132%
Funding ratio – all claims	%	70%	62%

1. icare commenced operations on 1 September 2015 hence 10 months of operations in 2016.
2. Target funding zone set by the Board after 30th June 2016.

icare™
workers insurance

Key financial indicators (Workers Insurance)

For the year ended		2015	2016	2017
Earned premiums	$m	2,061	2,237	2,219
Actual claims incurred	$m	(1,159)	(2,994)	(2,835)
Impact of 2015 workers compensation reforms	$m	-	1,060	-
Impact of new information relating to 2012 workers compensation reforms	$m	-	-	1,040
Adjusted claims	$m	(1,159)	(1,934)	(1,795)
Statutory levies	$m	(293)	(313)	(313)
Other operating expenses	$m	(608)	(543)	(594)
Investment revenue	$m	1,416	933	439
Net result	$m	1,433	(639)	(988)
Impact of reforms	$m	-	1,060	1,040
Underlying performance	$m	1,433	421	52
Assets below target funding zone[1]	$m	N/A	N/A	(136)

1. Target funding zone set by the Board after 30 June 2016.

Business overview

Workers Insurance operates to provide workers compensation coverage to private employers in NSW. Premiums are determined by reference to wages, occupation specific premium rates and previous claims history.

From 28 February 2017 new businesses have been buying their NSW workers compensation insurance directly from icare and in April, Workers Insurance embarked upon servicing existing business customers and their workers compensation policy renewals.

By centrally managing insurance policy and billing, employers have more control over the way they manage their workers compensation policies making their business, and the renewal process faster and more convenient.

icare has also redesigned the claims model to deliver a more consistent and higher quality of service to the injured workers and employers of NSW.

Once fully delivered the new model is expected to save over 20 per cent of the $1 billion of claims and policy management fees over the next three years.

The new claims model is about moving to a model of empowerment and choice for employers and injured workers. It is focused on supporting the needs of customers in their journey to recover and return to work, regardless of the complexity of their claim.

icare has renewed the service contracts with certain scheme agents who have demonstrated the best available experience, expertise and qualifications in delivering customer-centric workers insurance services and outcomes for injured workers.

Earned premiums

Workers Insurance provides incentive and risk-based insurance policies for over 296,000 NSW employers to cover the cost of supporting an injured worker after a workplace injury or illness. Employers can reduce their premiums through workplace safety programs, injury prevention strategies and safe recovery at work.

Earned premiums are consistent with the prior year.

Claims incurred

Workers Insurance works with employers to ensure that every worker is given the support they need to return to work should they sustain an injury, and the care required to continue their lives with certainty and confidence.

In the 2015 financial year favourable claims experience led to a reduction in the claims incurred.

On 1 September 2015 some of the workers compensation reforms introduced in 2012 were wound back and in addition some new benefit entitlements were introduced. In total the impact of these reforms on claims incurred to 30 June 2016 was to increase the outstanding claims liability by $1,060m for the scheme.

The 2012 benefit reforms introduced a five year cap on weekly payments for injured workers with whole person impairment of 20 per cent or less (section 39). Workers Insurance has been rolling out a comprehensive assistance program including an Advisory Assistance Service to support injured workers in understanding how they will be impacted by the change and a Community Transition Program to help injured workers link in with the community and other services available when they exit the scheme. The assumptions made in 2012 regarding the number of injured workers with whole person impairment greater than 20 per cent have been revised in 2017 due to the new information received and the impact of this on the claims incurred for the 2017 financial year was an increase of $1,040m.

After allowing for the above adjustments, the claims incurred for 2017 were broadly consistent with the prior years.

Statutory levies expense

Workers Insurance pays statutory levies to three entities. The majority of these levies are paid to the independent insurance regulator, State Insurance Regulatory Authority (SIRA).

Statutory levies have been relatively stable.

Other operating expenses

Increased project activities were required during 2017 to assist the Workers Insurance transformation program including the implementation of the new employer policy arrangements and the new claims model. These transformation initiatives are focused on making the Workers Compensation Scheme fairer and more sustainable and putting customers' needs and goals at the centre of decision making.

Investment revenue

Investment revenue was down on the previous year. The long term nature of the portfolio structure and the movements in the market combined to result in a variance against the asset-weighted benchmark.

Net result

The net losses of $639m in 2016 and $988m in 2017 were primarily driven by the impact of the 2015 workers compensation reforms and the incorporation of new information relating to the 2012 workers compensation reforms (section 39) respectively.

Had these changes not been experienced the net result for the scheme would have been positive $421m in 2016 and $52m in 2017.

Assets relative to target funding zone

Capital is core to the financial strength and long term sustainability of Workers Insurance. One of the key objectives of the scheme is to have sufficient capital to meet its obligations to its participants, even under adverse conditions.

To maintain adequate capital to achieve these outcomes the Board has set a target capital zone requirement between 120% and 140% assets to liabilities where the liabilities include a risk margin aimed at a 75% Probability of Adequacy (POA).

At 30 June 2017, the actual funding ratio at the 75% POA was 119% resulting in assets being $136m below the lower end of the target funding zone. Management has assessed the projected trajectory of the capital ratio and expects the ratio to return to the target zone within five years.

icare™ self insurance

Key financial indicators (Self Insurance excluding HBCF)

For the year ended		2015	2016	2017
Premiums & contributions	$m	1,103	1,089	1,092
Actual net claims expense	$m	(1,009)	(1,236)	(1,509)
Impact of 2015 workers compensation reforms	$m	-	162	-
Impact of new information relating to 2012 workers compensation reforms	$m	-	-	175
Adjusted claims	$m	(1,009)	(1,074)	(1,334)
Hindsight adjustments	$m	105	(183)	(308)
Other expenses	$m	(211)	(162)	(153)
Investment revenue	$m	916	171	951
Net result	$m	576	(431)	(44)
Impact of reforms	$m	-	162	175
Hindsight adjustments	$m	(105)	183	308
Grants to the Crown	$m	355	80	85
Underlying performance	$m	826	(6)	524
Funding ratio	%	124%	117%	115%

Business overview

Self Insurance was created to provide cost effective insurance coverage for government risks and incentivise good risk management practices within the NSW public service. The Treasury Managed Fund (TMF) which includes workers compensation and general lines of property and casualty is the largest fund.

Self Insurance includes the HBCF fund, but as the latter is analysed separately in the following section, it has been excluded here to enable better analysis of the remaining funds within Self Insurance.

Self Insurance has embarked on a transformation journey in line with icare's strategy to deliver person-centric experiences, optimal customer outcomes and financially sustainable schemes.

The transformation program will achieve outcomes over the course of the next three years that incrementally builds capability, enabling full scale service delivery by January 2019.

Premiums & contributions

The TMF is managed as a Self Insurance fund, with contributions from agencies towards the cost of administering the TMF reflecting their individual risks and experience.

Premiums and contributions have been relatively stable.

Net claims expense

Self Insurance supports over 190 NSW Government agencies and offers the broadest coverage possible for NSW assets and liabilities.

On 1 September 2015 some of the workers compensation reforms introduced in 2012 were wound back and in addition some new benefit entitlements were introduced. In total the impact of these reforms on claims incurred to 30 June 2016 was to increase the outstanding claims liability by $162m for the Treasury Managed Fund.

The 2012 benefit reforms introduced a five year cap on weekly payments for injured workers with whole person impairment of 20 per cent or less (section 39). The assumptions made regarding the number of injured workers with whole person impairment greater than 20 per cent have been revised and the impact of this on the claims incurred for the 2017 financial year was an increase of $175m.

The increase in net claims expense in 2017 after allowing for the above is primarily due to larger claims experience improvements across both the workers compensation and general lines in 2016 together with discount rate movements in 2017.

Hindsight adjustments

The Treasury Managed Fund uses an incentive-based scheme to encourage agencies to improve their claims performance. Claims costs and premium for agencies are established at the start of a fund year. After sufficient time has passed for claims development, the scheme applies a hindsight adjustment based on actual claims experience. Favourable agency claims experience in recent years has resulted in higher hindsight expenditure.

Other expenses

Other expenses are predominantly the service fees paid for services Self Insurance receives from icare including the provision of staff, claims handling and general business expenses.

Other expenses have been relatively stable.

Investment revenue

The financial markets in 2017 were volatile but stronger equity markets throughout the year resulted in a solid return in excess of the funds asset-weighted benchmark.

Net result

Hindsight adjustments, grants to the Crown and new information relating to the 2012 workers compensation reforms have all resulted in a small net loss for Self Insurance in 2017, notwithstanding the strong investment performance. In 2016, hindsight adjustments, grants to the Crown and legislative changes together with a weaker investment performance drove the $431m loss.

Adjusting for these factors, the underlying result for 2017 was positive $524m reflecting the strong investment performance relative to the just below breakeven result for 2016.

Funding ratio

Self Insurance makes payments to or receives funding from Treasury to maintain net assets between 105% and 115% of liabilities. The adequacy of assets is reviewed at least annually based on the financial results as at 31 December with an option for more frequent reviews to consider any emerging issues and trends.

icare hbcf

Key financial indicators (HBCF)

For the year ended		2015	2016	2017
Gross Written Premiums	$m	75	86	102
Earned premiums	$m	39	48	61
Net claims expense	$m	120	118	151
Net result	$m	(89)	(82)	(105)
Funding ratio	%	23%	23%	20%

Business overview

The Home Building Compensation Fund (HBCF) is part of Self Insurance but reports separately. It operates to provide a safety net for homeowners if building contractors are unable to honour their commitments due to insolvency, death, disappearance or suspension of licence. Builders are required to obtain insurance under the HBCF for residential construction projects over $20,000. Policies are in force for six years after completion of the building works, and premium revenue is recognised on a straight line basis over seven years.

Gross written premiums and earned premiums

Gross written premiums and earned premiums have increased in recent years. This is due to more contracts being written driven by the upturn in building activity across NSW which results in more revenue being recognised on a straight line basis as the scheme matures. The premium rate increases are also beginning to contribute to the higher revenue amounts.

Net claims expense

Net claims expense has increased in 2017 due primarily to a larger premium pool together with increasing average claim size assumptions for single dwellings and alterations.

Net result

The net losses of $105m in 2017 and $82m in 2016 highlight the need for the premium rate increases that are underway.

Funding ratio

The funding ratio of 20% as at 30 June 2017 does not include the Crown funding injection of $138m received in August 2017. Including this income increases the funding ratio to 43%. Continued cash injections and a better performance of the scheme are expected to improve the funding ratio over time.

Future sustainability

In November 2016 the NSW Government announced an overhaul of the scheme following extensive consultation with industry stakeholders to enable private insurers to enter the market and improve protections for consumers against incomplete and defective work.

Key elements of the reform that are expected to lead to improved profitability include:

- Risk-based pricing will be introduced so that premiums better reflect a builders' individual level of risk;

- Premium increases; and

- Broker commissions have been phased out.

icare
lifetime care

Key financial indicators (Lifetime Care)

For the year ended		2015	2016	2017
Levies	$m	412	437	461
Scheme costs	$m	445	316	531
Investment revenue	$m	398	129	421
Net result	$m	342	220	317
Assets above target funding zone[1]	$m	N/A	N/A	133

1.   Target funding zone set by the Board after 30 June 2016.

Business overview

Lifetime Care provides reasonable and necessary treatment and care services for people severely injured in NSW motor vehicle accidents, regardless of fault. Levies collected are targeted to fund the projected full lifetime costs for new claims arising during that levy year. Levy rate sufficiency is sensitive to injury frequency, injury severity together with the cost of care. Due to the long term average duration of scheme liabilities changes in cost assumptions can have a material effect on funding adequacy.

Levies

Levies are calculated on an actuarial basis to suffice the future estimated treatment and care costs of the participants estimated to enter the scheme over the coming 12 months, as well as the cost of administering the scheme.

This is collected by State Insurance Regulatory Authority (SIRA), on behalf of icare, as a levy on Compulsory Third Party (CTP) policies.

Treatment & care costs (scheme costs)

Lifetime Care works with participants to set goals and engage services to meet their needs, partnering with skilled service providers to offer high-quality treatment and care. Lifetime Care recognises that participants' needs will change over time and ensures that appropriate services are provided at the right time.

In 2016 scheme costs were lower mainly due to favourable payment experience in respect of care costs together with a number of actuarial assumption changes.

Scheme costs in 2015 and 2017 are more comparable and neither included the quantum of liability assumption changes as 2016.

Investment revenue

The financial markets in 2017 were volatile with political events dominating market sentiment, yet in this environment the investment fund posted a higher return than the 2016 financial year and exceeded the funds asset-weighted benchmark.

Net result

Lifetime Care's net result has primarily been driven by investment revenue over the last three financial years.

Assets relative to target funding zone

Capital is core to the financial strength and long term sustainability of Lifetime Care. One of the key objectives of the scheme is to have sufficient capital to meet its obligations to its participants, even under adverse conditions.

To maintain adequate capital to achieve these outcomes the Board has set a target capital zone requirement for assets between 130% and 150% of the liabilities assessed at a central estimate. The actual capital ratio as at 30 June 2017 was 154%.

In 2017 Lifetime Care held $133m in assets above this target funding zone. As the scheme matures, the funding ratio is estimated to fall from its current position and will be maintained in the target funding zone.

icare
dust diseases care

Key financial indicators (Dust Diseases Care)

For the year ended		2015	2016	2017
Levies	$m	105	107	116
Compensation payments	$m	90	89	91
Other scheme costs	$m	100	49	88
Investment revenue	$m	99	48	87
Net result	$m	2	-	8
Funding ratio – known claims[1]	%	135%	132%	148%
Funding ratio – all claims[2]	%	56%	62%	70%

1. Excludes future contributions receivable from insurers and estimated future claims.
2. Excludes future contributions receivable from insurers.

Business overview

Dust Diseases Care provides no-fault compensation to past and present workers and surviving dependents for illness from occupational dust exposure in NSW. The scheme is funded on a pay as you go basis for annual expected cash outflows which are essentially compensation payments and other expenses.

Dust Diseases Care recently enhanced its medical examination procedures to be more customer-centric. Workers now have a choice of medical provider and how they would prefer to access medical examinations. Flexible care initiatives continue to be explored with customers and a number are due to be rolled out over the next year.

Levies

Levies have increased in 2017 mainly due to a combination of higher wages and a changing combination of wages across occupations, both of which impact the quantum of the levy.

Compensation payments

Dust Diseases Care provides workers with a fortnightly compensation payment and healthcare support by arranging and paying for medical treatment and expenses related to their dust disease. Dust Diseases Care also pays funeral expenses when the worker passes away and provides financial support to their dependents.

Compensation payments have been relatively stable.

Other expenses (other scheme costs)

Other scheme costs include movements in the provisions for compensation and movements in contributions from insurers yet to be levied.

In 2016 other scheme costs were lower mainly due to a reduction in contributions from insurers yet to be levied to pay total costs relating to outstanding claims.

In 2017 other scheme costs were higher mainly due to estimated increases in the number of future dust disease participants. In addition, assumed future medical expenses have increased and changes in economic assumptions have also contributed to the increase in other scheme costs.

Investment revenue

The financial markets in 2017 were volatile with political events dominating market sentiment, yet in this environment the investment fund posted a higher return than the 2016 financial year and once again exceeded the fund benchmark.

Net result

As Dust Diseases Care operates on a pay as you go basis and has the right to future levies, the scheme operates on a close to breakeven basis.

Funding ratio

Two funding ratios are monitored by the scheme as they provide different perspectives, both of which are important.

The known claims funding ratio effectively compares financial assets to known claims. The 148% funding ratio in 2017 indicates the scheme is well placed to ensure it can pay known claims.

The all claims funding ratio effectively compares financial assets to both known and estimated future claims. The 70% funding ratio in 2017 is reasonable given the scheme is funded on a pay as you go basis.

Investments overview

Market commentary

The 2017 financial year was punctuated by political events influencing markets, against a backdrop of an improved real global economy. The Brexit vote in June 2016, the US election in November 2016, Emmanuel Macron as France's new President in May 2017 and a hung UK parliament after elections in June 2017 all influenced investor sentiment.

In June, the US raised interest rates for a third time in six months to 1.25 per cent, despite conflicting economic indicators. Employment has been better than expected, however wages growth and inflation remain subdued. The US also laid out a plan to scale back its US$4.5 trillion balance sheet.

Political risk receded in Europe following the French election and in June the European Central Bank President, Mario Draghi, hinted that a strengthening economy may lead to monetary tightening sooner rather than later.

Global bond markets sold off substantially in June following a range of central banks indicating that they will begin winding back their programmes of extraordinary stimulatory policy. This led to low to modestly negative returns in sovereign bond markets for the financial year.

While Australian equities fell in the June quarter, the broad index posted a 14% gain during the financial year, led by resource stocks. International equity markets also performed strongly, with many developed and emerging markets returning over 20%.

The Reserve Bank of Australia remains confident in the state of the Australian economy, which has set the scene for potential tightening of monetary policy. This helped the Australian dollar appreciate to 77 US cents, a gain of 3% over the financial year.

Investment performance

Our investment portfolios are actively managed to achieve return and risk outcomes that are appropriate to the schemes they support. The performance of all icare's investment portfolios was positive over the 2016-17 financial year and, with the exception of the Workers Compensation Insurance Fund, were in excess of their total fund stated investment objectives. However, the Workers Compensation Insurance Fund liability bond index, which approximates the change in reported claims liability due to changes in market rates, was in excess of its stated investment objective. The more defensively-positioned funds posted lower returns in line with bond markets.

All funds exceeded their asset-weighted benchmarks, except the Workers Compensation Insurance Fund, which had a negative variance due to a number of underlying defensive equity and alternatives strategies. These more defensively-orientated investments lagged markets that were driven by continued monetary stimulus and some Government induced investor confidence. The Lifetime Care and Support Authority Fund and the Workers' Compensation (Dust Diseases) Fund posted higher returns due to their higher allocation to growth assets and stronger relative performance due to more benchmark-aware investment management. The TMF achieved a strong return driven by its relatively high equities exposure.

On a three year and five year horizon, all the funds continue to perform at or better than their asset-weighted benchmark.

Investment administration

Governance arrangements

The icare Board is responsible for setting investment objectives, risk management, strategic asset allocation and for reporting to the Minister on performance for the icare funds, with the exception of funds administered by the Self Insurance Corporation.

NSW Treasury Corporation (TCorp)

Following changes made to the State Insurance & Care Governance Act in 2015, the Treasurer made an Order in November 2016 appointing TCorp as icare's mandated investment manager.

icare and TCorp entered into a new Financial Services Agreement effective 1 December 2016 to reflect the changed governance framework and scope of services.

### Common custodian project

JP Morgan Investor Services were appointed as the common custodian for financial assets under NSW Treasury Corporation's administration and management in December 2016. A common custodian will deliver better value administration services, consolidated reporting and wider data analysis.

Transition of icare's assets to the new common custodian will take place in late 2017.

Investment fund returns

For full details on the earnings of all investment funds please see the relevant financial statements.

Dust Diseases Authority Fund
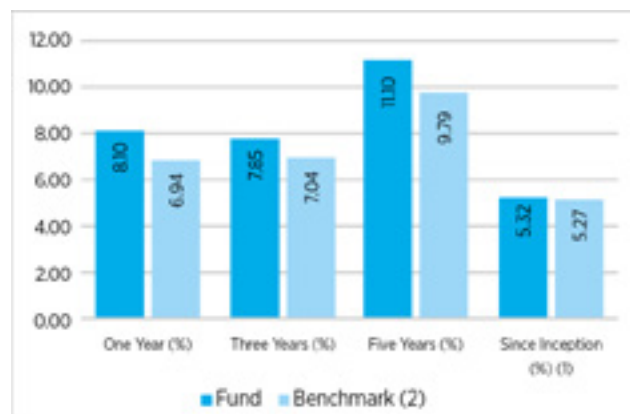
1. Inception date is 1 July 2007.
2. Composite based on the fund's strategic asset allocation.

Lifetime Care & Support Authority Fund
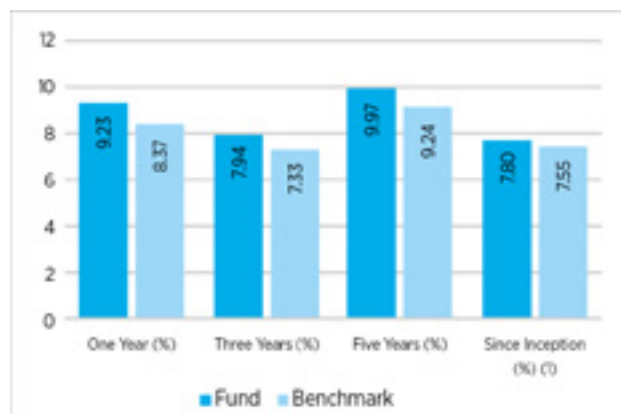
1. Inception Date is 1 July 2007.

Sporting Injuries Fund
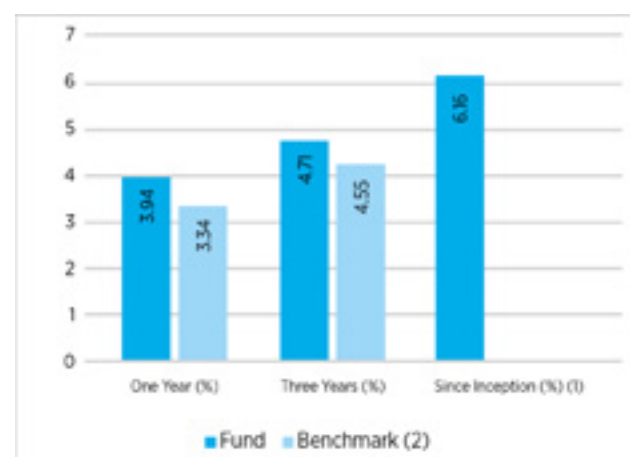
1. Inception date is 30 June 2011.
2. The Composite Benchmark and Liability Bond Index commenced on 31 December 2013.

Treasury Managed Fund
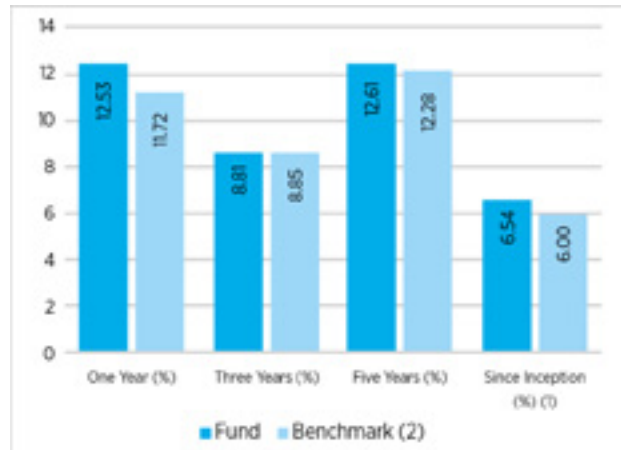
1. Inception date is 31 March 1999.
2. Composite based on fund's strategic asset allocation.

Workers Compensation Insurance Fund
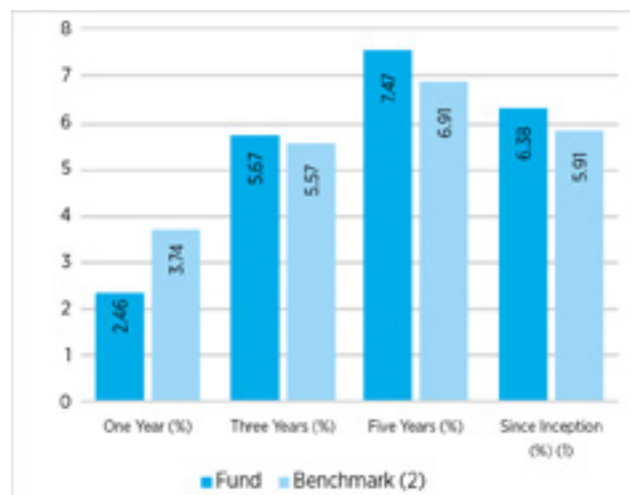
1. Inception date is 30 November 2005.
2. Composite based on the fund's strategic asset allocation

Strategic asset allocation

Dust Diseases Authority Fund

- Cash, 1.0%
- Australian equity, 18.0%
- International equity, 20.0%
- Emerging markets equity, 4.0%
- Australian unlisted property, 10.0%
- Australian fixed interest, 15.0%
- Australian inflation-linked bonds, 27.0%
- Unlisted infrastructure, 5.0%

Lifetime Care & Support Authority Fund

- Cash, 6.5%
- Australian equity, 17.0%
- International equity, 23.5%
- Emerging markets equity, 5.0%
- Australian unlisted property, 10.0%
- Australian fixed interest, 10.0%
- Australian inflation-linked bonds, 20.0%
- Multi asset, 3.0%
- Unlisted infrastructure, 5.0%

Sporting Injuries Fund

- Australian equity, 5.0%
- International equity, 7.0%
- Emerging markets equity, 2.0%
- Listed property, 3.0%
- Multi asset, 3.0%
- Australian fixed interest, 28.0%
- Cash, 52.0%

Workers Compensation Insurance Fund

- Cash, 7.2%
- Australian equity, 7.5%
- International equity, 11.0%
- Emerging markets equity, 3.0%
- Australian unlisted property, 7.0%
- Australian fixed interest, 21.0%
- Australian inflation-linked bonds, 28.5%
- Credit, 4.0%
- Emerging markets debt, 3.0%
- Alternatives, 4.3%
- Infrastructure debt, 2.5%
- Unlisted infrastructure, 1.0%

Treasury Managed Fund

- Cash, 10.0%
- Australian equities, 27.0%
- International equities, 27.0%
- International equities – emerging markets, 6.0%
- Listed property, 2.0%
- Australian unlisted property, 8.0%
- Australian fixed interest, 5.0%
- Multi-Asset, 10.0%
- Unlisted infrastructure, 5.0%

Bold aspiration

Focused plan

Our strategy

Our strategy

Going into the 2017–18 financial year, we are embarking on another year of our transformation program to become a world-class insurance and care organisation.

Our focus is on building on the strong foundations we established last year by redesigning what we do and how we do it so that we put our customers at the absolute heart of everything we do.

Below we share our three target outcomes which summarises what we want to achieve as a world-class insurance and care organisation. Opposite is our full strategy on a page which, with five specific customer pillars, details how we are going to achieve our three target outcomes.

Over the next section, we look at emerging trends and reflect on a year of:

- partnering for safe and healthy workplaces
- offering propositions that deliver value
- protecting NSW government assets
- supporting sustainable return to work
- ensuring optimal care

To drive our transformational journey, our five customer pillars are underpinned by five key enablers:

Our people

We believe that people-centricity starts with the people who serve them, so we have created an organisation that is built around our people, ensuring that they are proud of what they do and become icare's strongest advocates.

Data & analytics

Our ability to achieve world-class experiences and outcomes in a financially sustainable way is enabled by our understanding of our customers, our business and our partners.

Partner management

We deliver value to our customers in the context of a broader social ecosystem. In order to achieve our aspiration of being world-class, we must proactively engage, collaborate with and manage these partners to deliver great experiences and outcomes for our customers, as well as high quality and cost effective services to icare.

Technology

Technology is at the heart of every modern financial services organisation and icare is no exception. An enterprise technology platform will, first and foremost, enable us to deliver more consistent, seamless and high quality customer and partner experience. It will also give us greater control across our business and enable more efficient and effective organisational operations. What's more, collaboration technologies will enable our people to be more innovative and agile, working seamlessly and more efficiently with parties both across and outside of our organisation.

Community partnership

We believe that as a social insurer we have a responsibility to the people, businesses and communities of NSW to play a leadership role in creating a society that keeps people safe and well, and supports them in returning to work and life should they get injured or sick. We will be engaging, collaborating with, and investing in the communities that we support, investing in research, seeding innovation and scaling solutions to drive social innovation.

You can read more about our strategy in the icare 2017–18 Strategic Plan, available at www.icare.nsw.gov.au

01

Person-centric experiences

02

Optimal outcomes for our customers

03

Financially sustainable schemes

Goal:

The people and employers of NSW feel that they receive services with respect, empathy and fairness.

Goal:

The people, businesses and assets of NSW receive the best possible outcomes (within the context of the Schemes).

Goal:

The people and employers of NSW can rely on us to meet our commitments to them, today and in the future.

Purpose
Our purpose is to protect, insure and care for the people, businesses and assets that make NSW great.

Vision
Our vision is to change the way people think about insurance and care by providing world-class services to people, businesses and communities.

Person-centric experiences
We treat the people and employers of NSW with respect, empathy and fairness.

Optimal outcomes for our customers
We deliver optimal outcomes for the people, businesses and assets of NSW.

Financially sustainable schemes
We meet our commitments to our people, today and in the future.

Partnering for safe and healthy workplaces
We engage proactively with employers to identify and address opportunities to mitigate worker injury and create safe work environments.

Offering propositions that deliver value
We offer targeted customer propositions that are priced for risk, delivered through a seamless omni-channel experience.

Protecting NSW government assets
We are the trusted risk advisor to the NSW Government, providing valued advice and solutions directly to its agencies and departments.

Supporting sustainable return to work
We leverage person-centred smart pathways to get the right treatment to the right person at the right time, enabling sustained recovery and return to work.

Ensuring optimal care
We empower participants with greater control and independence, providing tailored care solutions through a single care model based on injury and lifestyle needs.

Organisation culture and people
We empower our people to lead and sustain the evolution of our organisation.

Data & analytics
We have a sophisticated understanding of our customers and our business, enabling enhanced decision-making and continuous performance optimisation.

Partner management
We have a robust and coordinated partnering approach and we proactively manage partner performance in delivering outcomes for our customers.

Technology
We have a centralised technology backbone that enables a seamless customer experience and efficient and effective operations.

Community partnership
We create societal value by engaging, collaborating with and empowering our community to address the social issues that make a meaningful difference to the people of NSW.

Our customer design principles

As we continue on our journey to be a truly customer-centric organisation, we are guided by a set of Customer Design Principles that ensure that our services and experiences meet the expectations of our customers and align to our purpose, vision, values and DNA.

empathy

We demonstrate empathy in action

- Human needs are the basis for our solutions
- 'No' is not the end of an experience
- We are empowered to make fast and individual decisions
- We treat customers as people, not as claims or policyholders
- We balance the needs of the individual and the community

transparency

We make things transparent

- We provide opportunities for customers to make a difference
- We make transparent what to expect, when and why
- We show customers how their efforts improve their circumstances

collaboration

We collaborate for better outcomes

- We coordinate the ecosystem to find the best outcome
- The customer experience doesn't end within icare
- We are more than the sum of our parts
- We strive for outcomes that are sustainable

We make it simple

- We shield the customer from complexity
- We create simple solutions to complex problems
- We make it easy to get in touch
- We empower customers to take charge of their situation

simplicity

We set the bar

- We challenge ourselves to constantly innovate
- We inspire others to be better
- We generate ideas, test and prototype with customers
- We look for smarter ways to do things
- We look to the future to create a better present

bar

"You always do what you say"
"You make me feel understood and respected"
"You help me find the right people and information"
**"You help me understand how things work and why"**
"You are there for me"

Our evolving external environment

To realise our vision of providing world-class services to people, businesses and communities, we must be aware not only of what is considered best practice today, but also in the future.

These emerging trends have material implications for both our customers and our business.
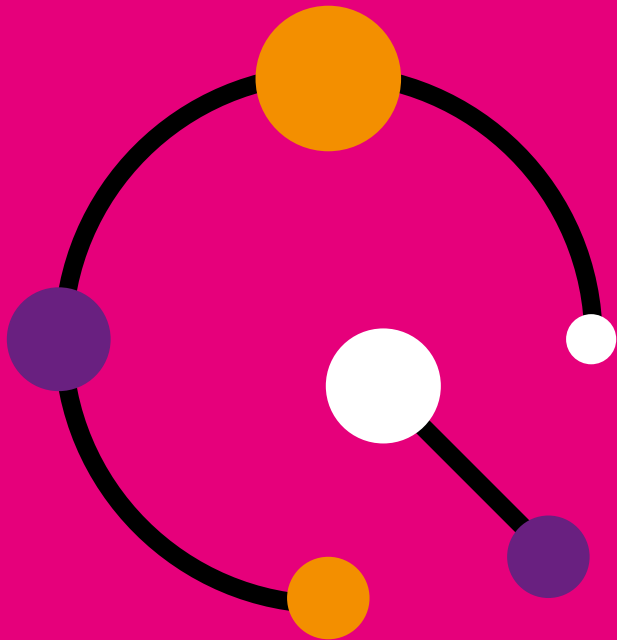
01 Advances in data analytics are fundamentally transforming insurance

Artificial Intelligence (AI) has been described as both an inflection point and the next growth driver for the internet. AI adoption by insurers has been largely driven by the growth of available data and computer processing power with the aim of predicting potential issues before they arise as well as personalising the customer experience.

Increasingly, advances in data analytics and machine learning are profoundly transforming claims operations, with some insurers combining multiple data sources with algorithms to provide more accurate underwriting and pricing as they move away from generic mass products.

In light of this, predictive analytics and AI applications such as self-learning treatment pathways can offer icare the opportunities to continuously optimise how we get the right treatment to the right person at the right time, to drive the best possible customer outcomes. With a multitude of technological applications at our disposal, we must be agile enough to take advantage of opportunities to enhance our processes and products.

02 The way in which people work is changing

Traditional ways of working are declining as a growing proportion of the workforce work flexibly, on-demand and for multiple employers. With greater use of technology and advancement towards a "gig" economy, the separation between work and home continues to be blurred.

Whilst emerging employment models enable greater flexibility and control for many, for others this means under-employment, social isolation and rising stress and anxiety. The implications of these consequences for icare are significant.

We must shift our focus from preventing and supporting physical injury to considerations of more holistic wellbeing. Taking a longer term view, we must also consider the extent to which new employment models result in certain cohorts of workers in NSW being under-insured. This necessitates that we reimagine how we protect and insure the workers and workplaces of NSW, ensuring that our propositions to our customers evolve with their changing needs.

03 Digital wellness and healthcare is coming of age

The mass adoption of personal technology devices are accelerating pervasiveness of information technology in our everyday life. This, combined with an increasingly health-conscious society, is driving a health-tech revolution that is fundamentally changing how we look after ourselves.

The advent of wearables devices and sensors is enabling us to track and monitor not only every aspect of our health, but also our environment, 24/7. Together with cloud computing and the 'internet of things' we are able to connect all of these data points together giving rise to an explosion of new medical devices and healthcare propositions.

We are seeing consumer-centric healthcare that gives the patient greater levels of choice and control as well as a dramatically different user experience. Combined with developments in data analytics and artificially intelligent assistants, healthcare is also becoming increasingly virtual, automated and personalised.

Such developments offer us opportunities to better care for participants in rural and remote areas, while advances in assistive technology can empower them with greater independence and a higher quality of life. We are also cognisant of the opportunities that smart homes and smart workplaces offer us in terms of the ability to automate prevention, diagnosis and the creation of treatment and care plans.

04 New business models are shaping the insurance industry

Advancements in technology and data analytics are giving rise to new business models in insurance that are responding to, as well as shaping, consumer expectations.

Whilst many of these are focused on more intuitive and personalised customer experiences, others are offering more innovative product propositions, often by aggressively unbundling the value chain.

These developments are shaping the expectations of those that we serve, rapidly shifting what the benchmark of world-class looks like. This not only demands that we evolve our organisation to remain agile in a fast changing environment, but also that we carefully consider our 'make, buy or partner' decisions for the critical capabilities that enable us to deliver the best possible outcomes and experience for our customers.

Making it seamless

Keeping it human

Our year of creating improved outcomes for:

- Workers with an injury
- Employers
- People injured on NSW roads
- Workers with a dust disease
- The State of NSW
- Builders & homeowners
- Sporting participants
- Our community

icare™ workers insurance

ensuring optimal care

supporting sustainable return to work

Workers with an injury

Our ambitions for an improved customer experience for workers with an injury:

from

> A claims process that can feel adversarial and difficult to navigate

> icare having limited control over the customer experience due to it being fragmented across a number of insurance agents whose incentives are misaligned to customer outcomes

> A customer experience that lacks consistency, transparency and empowerment

> A service model that provides all workers who are injured with the same level of service, regardless of need or preference

to

> A claims process that is fair, transparent and empathetic which empowers injured workers and employers

> A claims operation that is efficient and effective, enabled by simplified and automated processes, data analytics and evidence based best practice treatment pathways

> A service model that segments injured workers according to their needs and preferences and services them accordingly

> Return to work and treatment plans are aligned to the customers injury and needs

520 occupations 3.7m workers

Number of occupations and workers covered in the 2016–17 policy renewal year

61,221
New claims

53,362
Total active claims as at 30 June 17

$160.1m
– rehab payments

70
fatalities
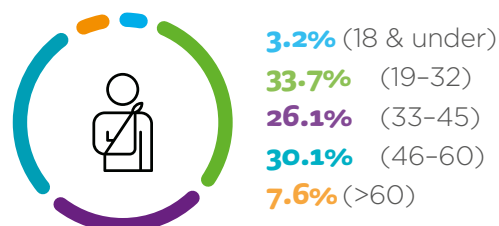
$501.75m
medical payments

male/female injured workers

29.8%

70.2%

3 top injuries

- Traumatic Joint Ligament and Muscle Tendon Injury
- Wounds, Lacerations and other conditions related to Trauma
- Musculoskeletal and Connective Tissue disorders

injured worker age group

3.2% (18 & under)
33.7% (19–32)
26.1% (33–45)
30.1% (46–60)
7.6% (>60)

6,839
e-learning activities
training to scheme agent providers.

77%
injured workers returned to work within three months.

Insuring 296,000 NSW businesses, icare workers insurance acts on behalf of the Nominal Insurer, responsible for providing workers compensation insurance to any NSW employer. That makes us one of the largest workers compensation insurer in the world.

Each year approximately 60,000 people are injured at work across private businesses in NSW. People are our priority and should feel secure and supported through our experience and knowledge. With employers, we share the common goal of protecting the workers of NSW. The workers compensation scheme is complex – it involves a range of partners, providers and stakeholders which, particularly at a time of injury, can be overwhelming to navigate. That's why we are working hard to ensure simplicity for our customers in their journey, whilst empowering them to make choices that drive the best outcomes for them at their time of need.

We have three core commitments to our customers who have experienced a workplace injury:

1. Provide services to each person with empathy, fairness and respect.

2. Deliver a claims experience that empowers our customers and provides choice regarding how their recovery is managed.

3. Focus on achieving the optimal outcome for the injured person.

We have a strong view that empowering employers, workers with an injury, healthcare practitioners and case managers will result in both a better experience and improved outcomes for workers and their employers. We believe that all facets of the biopsychosocial model of health must be proactively managed.

Our commitment to protect, insure and care for workers with an injury is stronger than ever and we have made great strides in our journey to providing the best possible experience for those in need.

Our ultimate aim is to rebuild the eco-system to provide world-class care to all workers with an injury in NSW. This aligns with our focus on putting customers at the heart of everything we do, and delivering the best medical and healthcare treatments as soon as possible.

The Workers Compensation Nominal Insurer is a legal entity established in 2005 under the *Workers Compensation Act 1987* to issue insurance policies to NSW employers and manage workers compensation claims. All funds received are paid into the Workers Compensation Insurance Fund, which meets the claims and administration costs of the scheme.

Providing injured workers with empowerment and choice

It has been a pivotal year for our Workers Insurance team. From the launch of the icare Customer Support Centre (see 'Employers' on page 62 for more information) to the review of our scheme agents, we have initiated a huge transformation to our workers compensation model.

From an adversarial and process-driven approach to one that provides certainty and transparency for everyone, improvements are happening exponentially to provide our customers with a world-class experience.

NSW workers and employers have consistently told us that they want a transparent claims service that provides support, empowerment and choice. They also want the experience to be simple, empathetic and consistent regardless of the complexity of their claim.

We have listened to the concerns of multiple stakeholders and we are committed to delivering services that focus on:

- **consistency** in service delivery with a **transparent customer experience**;

- providing our customers with **empowerment** and **choice**;

- **reducing the adversarial nature** of the workers compensation system;

- **improving the support** for injured workers in achieving sustainable return to work outcomes;

- **segmentation of claims** based on injury and the support needs of workers; and

- delivering **improved communication and certainty** throughout the claim lifecycle.

A new, simple, claims model for Workers Insurance customers

To support and implement our ambitions of a world-class experience for our customers, this year we completed a rigorous review and agent selection process, subsequently choosing EML, GIO and Allianz to continue as scheme agents beyond 31 December 2017. In addition, EML have been selected as the partner that will manage all new claims from 1 January 2018, whilst GIO and Allianz will continue to manage their existing portfolios.

Aside from their strong experience, expertise and qualifications in delivering customer-centric workers insurance services and outcomes for injured workers and employers, like us, they are passionate about driving further improvements on the journey ahead.

A new tailored customer-centric Return to Work & Support service

Our future model has been co-designed with feedback from workers with an injury, employers, scheme agents, brokers as well as industry bodies, and includes a comprehensive review of international best practice in this area.

The new experience is all about moving from an adversarial model to empowerment and choice. It's focused on supporting the needs of our customers in their journey to recover and return to work, regardless of the simplicity or complexity of their claim.

The customer-centric Return to Work & Support service will stream claims into service segments to meet customer needs based on complexity. The service model is enabled by technology which allows the customer to choose how they engage with us including advanced telephony through call centre capability and an ability to self-serve using a single system and portals.

With EML as our chosen partner to support the claims of workers with an injury from 1 January 2018, we have created a service model that will deliver global leading workers compensation claims services that will leverage:

- integrated systems and digital platforms enabling a seamless and transparent customer experience;

- claims triaged into tailored business streams driving rapid, high quality decision-making, collaborative claims process;

- customers are defined to include both policyholders and beneficiaries; customers as partners;

- greater control over the claims process and customer experience, centre of excellence established in personal injury claims management;

- cohesive partnerships to deliver strategic objectives;

- better transparency of performance of partners; ownership, control and permanent access to real time data; and

- new opportunities to develop and deliver value added services and capabilities.

Future return to work and support service model

The customer-centric Return to Work and Support service model illustrates the triaging logic and services, as well as the role of technology in the claims lifecycle.

claims lifecycle (outside-in view)

AWARENESS			CLAIM		TREATMENT & RECOVERY		
INCIDENT	LODGEMENT	CHANNELS	TRIAGING INPUTS	CASE ALLOCATION	SERVICE	CUSTOMER EXPERIENCE	LEVEL OF AUTOMATION
INJURED WORKER	INJURED WORKER	SUPPORT CENTRE	PERSONAL INFORMATION (WORKER)		CARE	Deeply empathised	Low
	EMPLOYER		NATURE OF INJURY (WORKER)		SPECIALISED	Deeply empathised	Low
	RTW CAPABILITY						
	NO RTW CAPABILITY		INJURY ASSESSMENT (WORKER)		SUPPORT	Proactively supported	Low
	NO POLICY				GUIDE	connected	Moderate
	3RD PARTY	PORTAL	REQUIRED ATTRIBUTES (WORKER)		EMPOWER	empowered	High
	STRATEGIC PARTNER						

ESTABLISH	MANAGE & SUPPORT

claims value chain (inside-out view)

By focusing on personal and physical needs, and diversifying the contact channels, a tailored experience can be delivered.

Future of claims
We have heard many first-hand examples from customers about the complexity and time consuming nature of the claims process. As a result, we are building a simpler, more transparent and supported way of managing the claims experience for injured workers and their employers.

The future claims model will ensure that the worker and employer will be able to make a choice on how the claim is managed.

In just a few easy steps, the worker and employer will be able to log the incident, complete the claim and get back to work. They will have visibility of the claim at all times.

A simple case – which requires no time off work – is representative of about 40% of our Workers Insurance claims. A worker and employer will have the convenience of on-demand, online case management. We understand they may still want the assurance of a voice at the end of the line. That's why all workers with an injury and their employers can speak with a case manager who will be there to support them throughout their journey.

At the other end of the scale, the employee with a major injury will be proactively supported by a claims partner and network of specialists. They will be provided with continual contact and a high level of empathetic care by icare's claims service management team, from end to end – a more hands on and targeted support approach.

We're excited about this new era in claims management – which is anticipated to progressively go-live from early 2018.

icare Medical Support Panel: reducing approval times and introducing global standards

In May we announced the launch of a pilot program, 'icare Medical Support Panel (MSP)', to trial how an independent panel of medical specialists could radically improve the time for approval, and provision of treatment, for workers with an injury.

Currently workers with an injury can face delays of up to six weeks before a treatment plan is approved. The delay is frustrating to injured workers, employers and treating doctors. More importantly it can lead to a deterioration of the injury, causing further complications and delaying return to work.

We've looked around the world at what other health and injury organisations do, and found that a panel of medical experts providing guidance can speed up the process considerably.

The pilot has cut treatment approval times from up to six weeks to an average of just four days for more than 100 workers so far involved in the pilot.

The pilot aimed to address the current delays in approving evidence-based best practice treatment requests within the NSW workers compensation scheme, and fast-track injured workers to get the right treatment as soon as possible. It consists of credible, outcome focused medical specialists, primarily occupational physicians, who provide medical support to case managers through the review of cases and successful contact with treating providers – all aimed at improving approval timeframes for treatment and acceptance of medical causation.

In a number of cases, the medical panel collaborated with the injured worker, treating doctor and case manager to reach agreement and recommend a different treatment pathway than that originally proposed. This is evidence that the panel not only ensures workers receive treatment faster, but also receive the best treatment for their circumstances.

As at 30 June 2017, the pilot has seen 79 recommendations reached by the Panel, with 71% of recommendations supporting the proposed treatment or acceptance of medical causation without the need for independent medical examinations.

For the injured worker, it will mean they not only receive treatment quicker, but they can have the added confidence that their treatment meets global standards. The results are compelling and reinforces that by focusing on the customer needs as opposed to process, we can achieve extraordinary outcomes.

From request to treatment faster

Our Medical Support Panel is making it quicker for workers to access the treatment they need, when they need it – with the aim of improving return to work and health outcomes.

Referral to an independent medical examiner

See an independent medical examiner

Independent medical examiner provides report

Case manager provides an outcome

From an average of 6 weeks

Medical Support Panel reviews request

Approval of request
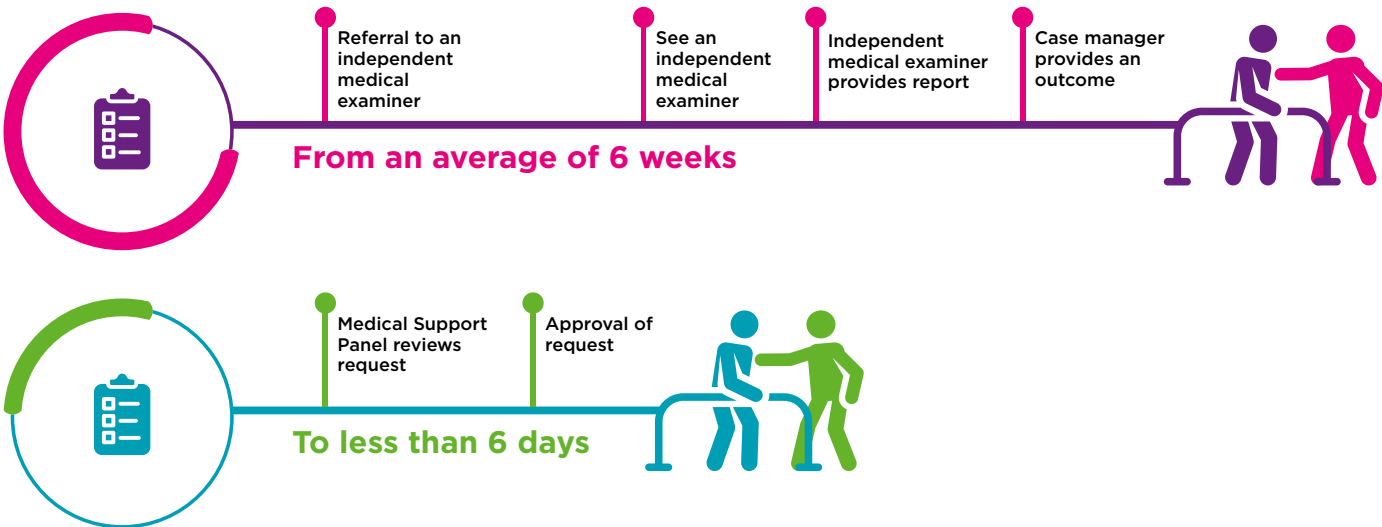
To less than 6 days

During the initial 12 weeks of our trial we found wait times reduced from an average of 6 weeks to less than 6 days.

Medical decision-making framework to support optimal treatment and care: Improving 'Speed to Yes'

We have identified the need for a consistent evidence based Medical Decision Making Framework for scheme agents in order to support optimal treatment and care pathways for our customers.

Scheme agents are tasked with making decisions in relation to medical treatments and care; often in the absence of a relevant medical or clinical background. This historically has resulted in a reliance on Independent Medical Examinations (IMEs), which in many cases results in injured workers unnecessarily waiting additional time for treatment requests to be approved.

The Medical Decision Making Framework is aimed at improving 'speed to yes' by ensuring timely approvals to allow workers with an injury to receive the right treatment at the most optimal time.

This will occur by removing barriers to treatment approvals and supporting a faster "yes" response to appropriate, evidence based, best practice and reasonably necessary treatment requests.

We anticipate the integration of an electronic two-way messaging system into the new claims operating model which will enable the secure transmission of health information directly from the nominated treating doctor (via Practice Management Software) to icare to facilitate immediate transmission of automated evidence based treatment approvals.

We envisage that bespoke functionality will also allow screening for psycho-social risk factors to be undertaken at the outset of a claim to enable triage and early intervention of claims where necessary. This will empower workers with an injury and scheme agents by facilitating the timely approval of investigations, interventions and treatment requests that are considered reasonably necessary as part of clinical best practice.

In cases where additional medical decision making support is required for scheme agents, the icare Medical Support Panel will be utilised to provide guidance, case support and case resolution strategies to case managers and other key stakeholders. The panel will be staffed with Medical Specialists who will review cases from a holistic perspective taking into consideration the impact of work on health and health on work.

In cases where IMEs are required, the MSP will provide a detailed case summary and a targeted question set for the IME. This approach supports the new claims operating model by enabling decision making to occur at the scheme agent and promoting the appropriate triage of claims. This will ensure automated approval of evidence-based treatment requests in order to support optimal treatment and care pathways for customers.

Our robust provider management framework

In line with our DNA, we are putting quality customer outcomes for workers with an injury at the core of our provider management. Over the past year, Workers Insurance has continued to develop a robust provider management framework that will drive the performance and alignment of our appointed service providers with icare's vision.

In particular, we have directly engaged and contracted with rehabilitation and medico-legal service providers who were previously managed by scheme agents as their respective panels, with varying service models, service standards and oversight.

Under a standard deed and through ongoing engagement, we will collaborate to deliver consistent service standards and stronger alignment to deliver quality customer outcomes and experience.

Feedback from our appointed service providers has also been generally positive as we work together to support our injured workers towards recovery, whilst ensuring a sustainable scheme.

Conduct risk

The ongoing management of conduct risk will be a key area of priority in 2017-18, that is, to monitor and respond to any behaviour or practice that may put at risk the delivery of quality outcomes to our customers.

A program of reviews, conducted by an independent review team, is in place to monitor such conduct risks particularly in the context of scheme agent transition and disengaging agents where there is a risk or service degradation. Similarly, as icare progresses with a range of other transformation initiatives, the monitoring of conduct risk is critical to ensure that there are no unintended consequences that may have a detrimental impact to our customers. A mutli-disciplined governing group drives the program of reviews and findings are reported to the icare Board Risk, Compliance and Audit Committee. An effective customer service culture and sound communication are key elements to minimising conduct risk.

section 39

In 2012, the Parliament passed changes to the weekly entitlements of injured workers. One of these changes was to introduce a cap of five years on entitlements to weekly income replacement payments for workers who have less than 21% permanent impairment.

These changes were made through amendments to section 39 of the *Workers Compensation Act 1987*. These changes will start to affect the income replacement benefits of workers from late in 2017.

We feel it is vitally important to assist these injured workers as best we can during this transition period. To support, icare has established an Advisory Assistance Service staffed by mental health professionals to help people understand the impacts of the changes to section 39; created a Community Support Service through a partnership with St Vincent de Paul Society NSW, Uniting Care and Interact to help people link in with the community and transition to the other services available; and worked collaboratively with Centrelink to ensure people can avoid delays in accessing any other entitlements following their transition from the scheme.

We are also openly communicating with injured workers via proactive phone calls, tailored letters, information packs supplied to their doctors and a video to help them understand the change. icare is committed to supporting the people impacted as best we can during this time.

Supporting families in the event of a workplace death

It is a tragedy that no one expects to happen in the workplace. Tragically, it does happen and we are committed to providing the best level of support for families coping with the impact of loss in their lives. That's why our Workers Insurance team has introduced two new specific supports to help families through this devastating time.

Grief Counselling through Acacia Connection:
Since February, we have been able to offer families six sessions of grief counselling through our partnership with Acacia Connection.

Prior to February 2017, there was no support offered to families after a potentially compensable workplace death. Families were required to fund their own counselling at a time when they were naturally overwhelmed by loss and often not in a position to find or arrange counselling treatment. In limited instances, counselling is available through State Insurance Regulatory Authority's (SIRA) Family Liaison, but this is only available if a full SafeWork NSW investigation is undertaken.

We hope that should anyone in NSW be faced with such devastating news, they feel supported and have a counsellor to talk to via our partnership with Acacia Connection.

Grief Support & Information Pack:
The Grief Support & Information Pack has been developed to provide practical information about what happens when a person dies in work-related circumstances. It offers information about which agencies are involved, and how to get support through icare and the community.

The primary focus of the Pack is to normalise the grief experience; to acknowledge the vulnerability of families experiencing traumatic death, and to help families cope with integrating the change and impact of loss into their lives. The Grief Support & Information Pack (available on our website) complements the grief counselling services offered to immediate family members through Acacia Connection.

The Pack, which is available on our website, also includes two open letters to families written by people who have experienced traumatic grief as a result of a workplace incident.

We are looking into the development of geo-location support and information services, which would provide families with information about support services in their area. This is, of course, particularly important for families who are socially or geographically isolated, or simply need some help to find their way after loss. Over the next year we are looking at extending and tailoring the Pack for use across our other service lines too.

Development of our Workers Care program

Following a pilot, the icare Board approved an initiative to ensure that severely injured workers receive the same high-quality specialised treatment and care as our Lifetime Care participants.

The Workers Care program has resulted in workers who have a severe injury (spinal cord injury, traumatic brain injury, amputations, permanent blindness and burns) now receiving their treatment, rehabilitation and care services from our Workers Care team – a dedicated business unit within icare.

In August 2016, following the success of the pilot, we started to transfer existing severely injured workers across to Workers Care from scheme agents.

Feedback to date has been extremely favourable. A Workers Care co-ordinator and a severely injured worker come together to create 'smart' goals through the MyPlan planning process with a view to returning the individual to as much independence as possible.

The program supports severely injured workers to plan and make decisions in regards to the following services:

- Medical treatment (such as hospital stays and doctor's appointments);

- Rehabilitation (such as physiotherapy, occupational therapy and speech therapy);

- Aids and equipment (such as wheelchairs);

- Home and vehicle modifications (such as ramps and bathroom rails);

- Attendant care services (including personal care, domestic assistance and registered nursing); and

- Workplace rehabilitation (including return to work programs and modifications).

By 30 June 2017, 267 of the most severely injured workers previously supported by Workers Insurance have been successfully transitioned to the Workers Care program. This means that workers are receiving intensive person-centred planning, service and equipment reviews.

The Workers Care program is an excellent example of leveraging the expertise across icare's service lines. Utilising Lifetime Care's experience and applying a person-centred approach will make a huge difference on the life outcomes of Workers Insurance's most severely injured workers.

Due to the successful management of Workers Care, we are now identifying complex claims in our Self Insurance portfolio for possible transition to Workers Care in late 2017. We will continue to review and refine how to best care and support our most seriously injured workers and participants.

Measuring our customers' satisfaction

Over the last year we have used a Net Promoter Score (NPS) program to hear what workers, employers, brokers, service providers, case managers, and scheme agents feel about our service.

Pioneered by our Workers Insurance team, the NPS program is a robust, centralised system delivering real time customer feedback.

It is far more than a score. It's essentially a clear voice from the perspective of customers that tells us what we're doing well and where and how we need to improve. It provides our Workers Insurance team with the ability to measure all facets of customer experience and continually collaborate and innovate for customer-centric solutions aimed at improving the scheme.

We are well aware that our customers' expectations are constantly moving, making the voice of the customer a critical focus for every important decision made across the organisation.

We have surveyed workers, employers, brokers, service providers, case managers and scheme agents.

We collected over 10,572 survey responses from the community of NSW to gain insight to the inner workings of the NSW Workers Compensation Scheme in the past 12 months. There has been a noticeable change in the Workers Insurance NPS score with a very positive shift from -4 to +8 which translates to a +12 point increase in the financial year.

Since the inception of the program there has been an even more significant shift in the score. At 1 April 2016, the Workers Insurance NPS score was -12, rising to +16 by March 2017 and to +19 in October 2017.

This has meant a total score increase of 31 points since the program began in April 2016.

What's a Net Promoter Score?

Net Promoter Score (NPS) is a business metric that measures our customers' experience with icare. NPS helps icare and our business partners to understand and be accountable for how we engage with our customers, the workers and employers of NSW.

The central NPS question is: "How likely is it that you would recommend our [organisation/product/service] to a friend or colleague?" Respondents answer this question on a scale from 0 to 10, where 0 represents "highly unlikely" and 10 represents "highly likely". The NPS is determined by subtracting the percentage of detractors from promoter:

Detractors	Passives	Promoters
0–6	7–8	9–10

Net Promoter Score

=

% Promoters

–

% Detractors
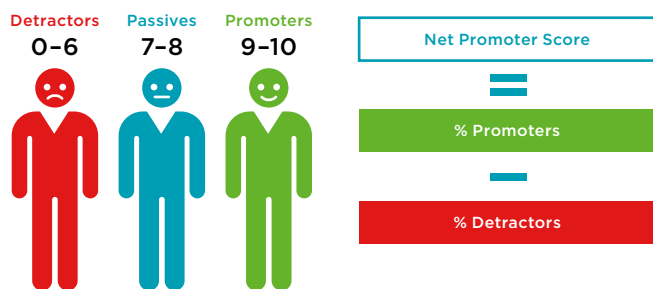
In the design of this program, we have used global best practice as a guiding principle. All responses are treated singularly with no weighting applied to any of the data gathered. This is done to ensure the results are not biased and to guarantee transparency to all users.

Our program is event triggered (episodic), with surveys being deployed around 30 days after an activity occurs on a policy renewal or claim. This is done to capture a representation of our customer transactional activity at that time to get a truer view of the memorability of the experience, once a little time has passed.

Net Promoter Score results

Workers Insurance

+8

An increase of 12 points in FY 16–17 (-4 to +8 NPS)

31 point

Overall increase since program began in April 2016

10,572

Survey responses from NSW community

49%

Said we exceeded their expectations

77

Urgent actions managed

Working in partnership to strengthen relationships

NPS enables us to reach out to our at most risk customers – those who scored between 0–4 – to discuss the challenges they have been facing with their claims. We work through issues with these customers to resolve or manage issues.

Wellbeing is a top priority. NPS has enabled us to introduce the making of urgent contact with our customers who threaten self-harm or harm to others. Our intervention has allowed customers to express their needs and has prevented many situations from escalating.

The NPS Actions and Initiatives tracker is a tool used to track the effectiveness of individual actions and initiatives aimed at reducing detractors, engaging passives and championing promoters. The tracker will help support the development of predictive analytics and allow for cross-pollination of high impact Actions and Initiatives to ultimately drive customer experience improvements.

Customer advocacy is apparent in the advocate feedback that we are receiving via Scheme Agents, proving the evidence that our efforts to improve customer experience is both having an effect and being noticed by customers and industry.

A shifting perception of Workers Insurance

We continually show empathy in everything we do by listening and being present to all customers and relevant stakeholders. We make sure that the program enables systems and processes to be developed that are as simple as possible. Then re-assess and continually refine the processes to continually improve the customer experience.

Through data segmentation and filtering inside the Customer Monitor platform, data can be viewed right down the finest detail.

Scores for each category follow the NPS Global Benchmark Scoring methodology (% promoters - % detractors) to generate a score for that cohort. All individual results are then aggregated (unweighted) and applied to the scoring methodology to get an overall score.

Any fluctuations in response rates across various cohorts are smoothed, as the reported results are calculated on a rolling 90 day basis.

icare™ workers insurance

partnering for safe & healthy workplaces

offering propositions that deliver value

Employers

Our ambitions for an improved customer experience for employers:

from

> Employers' primary relationship is with their insurance agent or broker, with limited familiarity or direct engagement with icare

> The employer experience across agents, brokers and icare lacks simplicity, consistency and transparency

> Workers compensation can be perceived as a business tax as opposed to an employer proposition that delivers tangible business value

> Our product proposition is largely standardised and does not address the specific need of different industries and segments

> The worst performing 1,000 private sector employers (0.35%) account for 60% of income replacement claim costs

> Employers are not fully aware of their performance relative to peers, or their ability to influence the premiums they pay

> Intermediary support in encouraging safer workplace practices is ad-hoc and not yet consistent

to

> We deliver a consistent and seamless customer experience that leverages self-service capabilities and a trusted partnership model with brokers

> We offer customers an innovative product suite that is feature-rich, modular and personalised to the needs of different customer segments

> Underwriting that is data-driven and prices premiums for risk, enabling all schemes to be financially sustainable

We have efficient and effective underwriting policy and billing operations that leverage data, technology and simplified processes

> We directly engage with employers on a regular basis, driven by data, to proactively prevent workplace injuries and promote workplace safety

> Employers understand our risk-based pricing and their ability to influence premiums by reducing workplace injuries

> We have well-established, best practice injury prevention practices that are personalised to employer segments and industry needs

Insuring 296,000 NSW businesses, and 3.7 million employees, we are the single largest workers compensation insurer in the State.

Our commitment and value proposition to the employers of NSW is to provide:

- single policy, billing and claims experience that is simple, seamless and transparent, empowering employers with self-service capabilities;

- innovative products that deliver value for money and are personalised to meet the needs and preferences of different employer segments;

- fairer premiums that more accurately reflects risk, incentivising workplace safety and return to work outcomes;

- an insight-driven relationship management approach that's responsive, collaborative and supportive; and

- competitively priced and value-based insurance coverage for the employers of NSW.

We have a strong view that empowering workers with an injury, healthcare practitioners and case managers will result in both a better experience and improved outcomes for workers and their employers.

For information on the support we give to government agencies as employers, please refer to page 84.

We opened our doors to employers for the first time in 30 years

This year was a significant milestone in our transformation. For the first time in 30 years, since the creation of the scheme, NSW businesses are now benefiting from a direct relationship with us. Unlike before, they can now buy and renew their workers insurance policy directly with icare.

Providing employers with a seamless customer experience is pivotal to our ambition of creating world-class service. Employers across NSW now have choice, flexibility and easy-to-use options when it comes to their workers insurance policy. This will help free them up to focus on their day job – being a good employer, protecting their employees by providing a safer workplace, and building a great business.

The simple, easy-to-use multi-channel approach means that employers can now communicate with us and buy or renew their policy online at icare.nsw.gov.au; via the icare Customer Support Centre (13 44 22); or through an employer's chosen intermediary.

Our employer customers now have direct access to:

- renew or buy a new policy;

- icare's Customer Support Centre for all quotation and policy needs; and

- icare's Specialist Underwriting team to discuss premiums or tailor an insurance package.

Later this year we will also be providing businesses with online access to increasingly sophisticated functionality to gain insight into their performance and the support they need to achieve a genuinely safer workplace.

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approx
296,000 (scheme)
Employers provided with workers compensation in 2016-17 Policy renewal year.

83.8%
accommodation, cafes & restaurants
Industry with best return to work rate (3 months) as at 30 June 2017.

74.2%
transport and storage
Industry with worst return to work rate (3 months) as at 30 June 2017.

120,000
New & existing customers directly underwritten by icare since Feb 2017. Approximately 80% of new business is online.

80,000
Phone calls received since February 2017. 96% satisfaction rate achieved.

77%
Injured workers returned to work within three months.

Offering tailored propositions that deliver value: Engaging and co-designing with NSW employers

As the single largest workers compensation insurer in NSW we need to offer valuable propositions that meet our customers' evolving needs.

For NSW businesses we now offer incentive and risk-based insurance policies for employers to cover the cost of supporting a worker with an injury after a workplace injury or illness.

Focused on delivering high-quality, consistent, transparent and predictable customer experience, we believe that there should be an innovative product suite that's feature rich and personalised to customer segments. We want to reward employers who focus on injury prevention and the return to work of those with an injury with an individual 'price for risk' approach.

We want to hear from our customers, understand their challenges and engage industry expertise to assist in the delivery of unique solutions for each of our customers.

Partnering for safe and healthy workplaces

At icare, we believe that it's our responsibility to protect the people of NSW, not just insure and care for them when accidents happen.

Over the last year we have been writing to these customers who are experiencing more injuries than expected and starting the injury prevention conversation – with the sole purpose of raising awareness for our employer customers, who may not know they have the opportunity to do better. This is followed by support, collaboration, direction and ultimately the goal of reducing injuries and reducing premiums.

Injury prevention within icare is a mainstream conversation and to assist that we have launched the **'icare About Prevention'** program. The program is designed to assist employers in preventing injuries and helping them to realise the substantial benefits of having safer workplaces.

We see our commitment and value proposition to employers is to provide:

- a protective support in protecting their employees, working collaboratively to identify risk and promote safe and health work environments;

- best practice loss prevention practices, education and advice; and

- incentives that reward safe work practices, evidenced by returning $188m in performance discounts in 2015–16 to NSW businesses that demonstrated safe working behaviours.

As part of getting closer to our customers, we have been supporting and working directly with employers to successfully introduce loss prevention initiatives.

Working together with both industry and experts we have a wonderful opportunity to make a difference. We have a unique set of customers and a fraction of them are experiencing many more claims than like-sized employers or employers from within their industry. We believe it's important that we help improve industry knowledge that workers insurance is a controllable cost and one that is much more aligned to the prevention of injuries than ever before.

It's a very unique situation for an organisation to hold the ambition of reducing their premiums and we feel fortunate to be working with our employer customers to do just that.

Striking up conversation with our broker partners and industry groups

For many years there has been a lack of conversation with our broker partners, industry groups and key strategic employers. The past 12 months have seen us actively seek out partnerships with these stakeholders, including key brokerages and the National Insurance Brokers Association (NIBA).

This year, icare was proud to attend its first broker conference with strategic partner Steadfast and was pleased to see 750 brokers stop by at the icare stand.

We host open forums for brokers and industry groups to support members and provide insight. We have been delighted with the attendance so far with 70–100 participants joining us on average. These are followed with quarterly updates via the 'Looped In' magazine – two editions, one tailored for industry groups and the other brokers.

Furthermore, we have introduced an account management model so that we can further support this cohort.

Feedback received via NPS or directly has been positive:

Looped In – "Heard from some of your presenters at a recent Looped In session and was impressed."

Online new business portal – "System is very quick and user friendly. Quote obtained and bound within minutes."

New Account Management Team – "The Account Managers are great to deal with. We now have the names of staff to contact for future matters which make managing mutual customers easier."

Case study: Co-designing for better outcomes

Over the last year, we have partnered with Sydney University, Griffith University, and a unique independent research and design team, to bring together representatives from different industries to design better solutions for workplace health and safety.

In December we kicked off our first workshop in conjunction with stakeholders from the transport sector. Together, we are co-designing a process to deliver education around injury prevention and better return to work outcomes for the broader transport industry.

Through collaboration and a co-design approach, we addressed many issues that are being faced.

Customer & Service Excellence (CASE) Awards

At icare we put the customer at the centre of everything we do and the icare CASE Awards event recognises the scheme agents and brokers who drive world-class standards of care and service to injured workers and NSW businesses.

The awards offer the scheme agent and broker community a vital opportunity to showcase excellence in injury management, service delivery and customer service, as well as learn from the best examples of innovation through shared experience and knowledge transfer.

The 2016 winners personify how scheme agents and brokers are making a positive difference to the outcomes of people at a vulnerable time in their lives. We are extremely proud of their passion for pushing the boundaries of innovation in care and service excellence.

The full list of finalists and winners can be viewed on the icare website, www.icare.nsw.gov.au.

Integrated Care participants

Our ambitions for an improved customer experience for Integrated Care participants:

from

> Participants are serviced based on the scheme they were injured under, rather than their injury and lifestyle needs

> There is some duplication of functions, activity and costs across schemes in servicing severely injured people

> The quality, price and timeliness of services can differ between providers and between recipient locations, particularly in rural locations

to

> A single care model that services customers based on their injury and lifestyle needs with a consistent experience across providers and locations

> A best practice participant engagement and service model that tailors the tier of service to the needs and preferences of a given participant segment

> An efficient and effective case assessment and management operation that minimises duplication of functions where appropriate and employs a consistent approach

> A sophisticated approach to partnering with a network of providers to deliver optimal care solutions at a lower cost

> The use of technology and data analytics to empower the daily life of participants

2016-17 has been a transformational year for our Integrated Care service lines. Since the creation of icare we saw great strength in taking the opportunity to collaborate across Dust Diseases Care and Lifetime Care to deliver best-in-class care for our customers.

People who are severely injured on the road or at work, or who develop a dust disease as a consequence of their work, are supported by icare to achieve the best possible quality of life and return to their community, in a way that empowers them with independence, choice and control.

Our commitment and value proposition to our severely injured participants is to provide:

- empowerment through independence, choice and control;

- a personalised service model that is tailored to the injury and lifestyle needs of the person and those who care for them; and

- a fair, empathetic and easy to navigate experience working behaviours.

Care for people with serious injury and long term support needs has historically been managed separately in each of icare's service lines. While each service line had its individual strengths, they were only loosely connected. The formation of icare has provided a tremendous opportunity to bring the care service lines together under a single governance model, Integrated Care.

Our achievements to date and initiatives currently underway reflect our Integrated Care transformation, delivered through the Optimal Care program, which creates value and improves outcomes for participants by focusing on:

- leveraging a continuous support care model for icare, that empowers and supports customers based on their individual injury and lifestyle needs;

- delivering a consistent customer experience regardless of where participants live or who is supporting them;

- utilising emerging technologies and practices to provide cutting edge care and support;

- leveraging data analytics to enable our customers and partners to connect with us and each other to guide choice and control, and optimise outcomes; and

- having a sophisticated approach to managing partners to deliver optimal care solutions more efficiently and effectively.

Over the last year, as part of the Optimal Care program, we have introduced a person-centred design process to redesign the way we work from our participants' perspective.

The program, which is aimed at transforming service delivery for all of our participants, their families and carers, will deliver world-class care, designed and tested by our customers that can be leveraged both domestically and internationally.

The Optimal Care program has matured into three core areas that will transform the future care experience for participants:

integrate
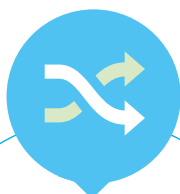
Leveraging and building on our strengths through collaboration, supported by leading practices, to deliver best class care for our customers

grow

Enabling more ill and injured people consistent access to our care and support services irrespective of scheme and how they are injured

innovate

Being a centre of excellence where we embrace and utilise emerging technologies and practices to provide cutting edge and world class care and support

"Optimal Care will completely transform the customer journey and deliver an integrated service delivery model supported by leading technology for two schemes (Lifetime Care and Dust Diseases Care), and provide services into more schemes (Workers Insurance and Self Insurance), while simultaneously building the capability of icare."

icare™
lifetime care

ensuring optimal care

Watch Sam's story at www.icare.nsw.gov.au

People injured on NSW roads

We provide lifelong treatment, rehabilitation and care services to people severely injured in a motor vehicle accident in NSW, regardless of who was at fault.

To support our participants to live their life the way they want, we support them to set goals and engage services to meet their needs, partnering with skilled service providers to offer high-quality treatment and care. Importantly we recognise that participants' needs will change over time so we ensure that appropriate services are provided at the right time. We also recognise that participants and their families are central to planning treatment, rehabilitation and care services. That's why we use a person-centric approach to service planning and generating ideas for improvement.

The Lifetime Care and Support Scheme is managed under the terms of the *Motor Accidents (Lifetime Care and Support) Act 2006*. The scheme is funded through the Medical Care and Injury Services (MCIS) levy paid by NSW motorists when they purchase a Compulsory Third Party (CTP) insurance policy. The levy is reviewed and adjusted over time to maintain the financial viability of the scheme.

Since 1 October 2006, we have supported children under 16 years of age severely injured in a motor vehicle accident, and adults since 1 October 2007. An injured person is eligible to participate in the scheme if their motor accident injury satisfies the eligibility criteria.

Participants' injuries can include spinal cord injury, moderate to severe brain injury, amputations, severe burns or permanent blindness. Services we provide include medical and hospital care, home modifications, vehicle modifications, educational support, equipment and personal care in the home.

Everyone accepted into the scheme commences under a two-year interim eligibility period (with the exception of children who are not assessed for lifetime participation before age five). This allows those who make a good recovery to leave the scheme. On average, 180 people enter the scheme each year as interim participants and after two years approximately 120 continue as lifetime participants.
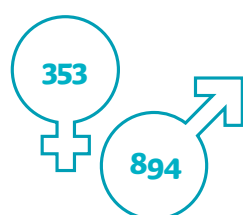
We support programs and research to help injured people and their families adjust to the impact of traumatic injury. We also explore the effectiveness of different rehabilitation methods and provide health professionals with best-practice information.

Lifetime Care collects sufficient funds each year to pay for the lifetime of services required by people severely injured in that year.
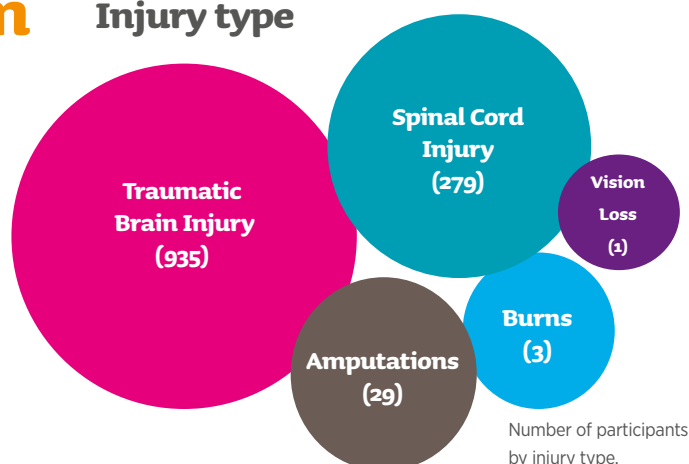
1,247 participants

$127.4m on services for participants

92% participants with a MyPlan

Gender

353 (female)
894 (male)

Injury type

Traumatic Brain Injury (935)

Spinal Cord Injury (279)

Vision Loss (1)

Amputations (29)

Burns (3)

Number of participants by injury type.

↑ **91%** case management satisfaction

↑ **90%** educational/vocational assistance satisfaction

↑ **97%** assistive technology satisfaction

↑ **90%** participant satisfaction

Brain Injury Statement of Commitment

Don Ferguson and Chris Shipway, Agency for Clinical Innovation (ACI), launched the Brain Injury Statement of Commitment at the ACI Co-Chairs forum on 27 March 2017.

The Statement of Commitment aims to integrate pathways and improve communication between injury rehabilitation units, icare and the other brain injury service providers involved in the rehabilitation of people with a moderate to severe brain injury.

Lifetime Care: ten years of caring

In October 2016, Lifetime Care turned ten years old. To mark the occasion, we hosted a get-together with employees, participants and other key stakeholders to reminisce on the journey so far. It was wonderful to hear stories about how the service has made a tremendous impact on the lives of many in our community, including:

- pioneering Vocational Intervention Programs that support people with a spinal cord or brain injury to gain new life skills and work fitness;

- developing specialist supported accommodation for people with severe injuries at locations, including Blacktown, Ermington, Liverpool, Revesby, Broadmeadow and Coffs Harbour;

- review of the 'My Plan' individualised planning tool, giving participants even greater control of their care;

- establishing innovative approaches to deliver world-class facilities, such as the not-for-profit Sargood Centre partnership; and

- leadership in icare's innovative Back on Track pilot mentoring program, partnering scheme participants with Paralympic champions in a supportive and mentoring environment.

We would like to take this opportunity to thank everyone who has supported the Lifetime Care scheme over the last ten years.

Improving the return to work rate with our vocational programs

In-Voc for participants with a spinal cord injury

In-Voc, an early intervention vocational program, began in 2011 and is available to all in patients of the three spinal units in NSW. Lifetime Care participants are 30 per cent of overall admissions.

The employment outcome results of In-Voc have been very positive. In the first three years of the program, 147 patients in the three NSW spinal units received In-Voc services (30 per cent of these patients are Lifetime Care participants).

A total of 42 per cent returned to employment, 11 per cent returned to volunteer work and four per cent returned to study 12 months after the date of their spinal cord injury.

Prior to the implementation of In-Voc, the return to work rate for participants with a spinal cord injury was approximately 25 per cent. Excluding those studying, participants in paid employment and volunteer work is now 53 per cent, which means the In-Voc Program has doubled the return to work rate.

Vocational Intervention Program for participants with a brain injury

The Vocational Intervention Program for people with a brain injury is a two-year project. The program trialled two types of vocational interventions in three geographical areas of NSW and was available to any patient involved with a participating brain injury rehabilitation program in NSW.

The two types of vocational intervention trialled aimed to:

- assist people who had work to return to, to commence their return to work earlier; or

- provide an opportunity for people who did not have work to return to, to undertake a 12 week unpaid work trial, and to explore if return to work was possible.

A total of 78 intervention programs were trialled across three geographical areas. The early outcome data from the program is very promising. As at May 2017, 24 intervention programs were completed – a total of 83.3 per cent of these patients are in some form of paid employment three months after intervention, compared with 41 per cent in a control group in some form of paid employment. At this early stage, this program has also doubled the return to work rate when compared with the control group.

Other projects following on from these successful initiatives that will support participants to gain and maintain employment include:

- A project with Royal Rehab to assist people with a spinal cord injury continue to work towards employment goals once they are discharged from inpatient rehabilitation. The project will address a gap in services for some participants as a result of In-Voc services ceasing 12 weeks after discharge, and allow access to vocational support to those participants who may not be ready to consider employment while an inpatient. This program will also provide additional support for existing participants with spinal cord injury living in the community who are not yet working but have some capacity to work.

- Working closely with the Agency of Clinical Innovation's Brain Injury Rehabilitation Directorate to expand the Vocational Intervention Program to all people with a brain injury in NSW, and to develop a specialist brain injury skilled return to work network in NSW.

- Partnering with the NSW Department of Education on the trial of a new, longer term approach to helping school age participants and their parents with school to work planning. This will be offered to all high school age participants and their families in 2017-18.

ACT Lifetime Care

The *Motor Accidents (Lifetime Care and Support) act 2006* was amended in 2014 to enable Lifetime Care to administer similar schemes on behalf of other State or territory governments.

Lifetime Care began administering the ACT Lifetime Care and Support Scheme from 1 September 2015. This covers people who sustained catastrophic injuries on ACT roads on a full cost recovery basis. The operational arrangements are set out in a Care and Support Agreement between Lifetime Care and the ACT Lifetime Care and Support Commissioner.

Five ACT participants – four with brain injuries and one with spinal injuries – have been accepted into the ACT scheme and are being managed by Lifetime Care.

The ACT Government passed the *Lifetime Care and Support (Catastrophic Injuries) Amendment Bill 2016* in May 2016, which expands eligibility for its Lifetime Care and Support Scheme to people who sustain severe injuries at work. The ACT scheme for workers started on 1 July 2016. We will administer the expanded ACT Lifetime Care and Support Scheme to workers under the current arrangements.

Workers Care

Our Workers Care program ensures that severely injured workers receive the same high-quality specialised treatment and care as our Lifetime Care participants in the Lifetime Care and Support Scheme.

The Workers Care program has resulted in 267 workers, who have a severe injury (spinal cord injury traumatic brain injury, amputations, permanent blindness and burns) now receiving their treatment, rehabilitation and care services from our Workers Care team – a business unit within icare.

Empowering via self-managed care

Following a successful pilot in 2015–16, we have put in place a range of options to enable participants to have more choice and control over the management of their supports. They can choose from a continuum of options to select a level of self-management they are comfortable with and are able to manage.

My Plan

My Plan is our person-centred planning tool and is now used as the exclusive planning tool for participants. As at 30 June 2017, 92 per cent of all Lifetime Care participants had a My Plan.

My Plan is currently undergoing an evaluation to ensure there is continuous improvement. We were delighted to receive an invitation to present My Plan at the 17th International Conference on Integrated Care in Dublin, Ireland.

Streamlined services

This year we introduced a streamlined process for reviewing and approving a bundle of predictable services for interim participants. This ensures that our participants have earlier access to services.

Safeguarding

We commissioned an independent review of safeguarding practices and the roles and structures of our attendant care service provision. The review identified opportunities for better managing adverse events, and led us to develop a clear definition of events, confirmation of the expectations around reporting these back to Lifetime Care and identification of a clear escalation pathway for managing risk and ensuring quality service provision.

Findings from the review will help define service requirements to establish a new joint attendant care panel for Integrated Care in 2017-18.

Building sector capacity

In 2016-17 we completed a strategic review into building capacity of the system to enhance behaviour support for individuals with traumatic brain injury in the community. We are currently working on the implementation of six key deliverables identified by the review relating to identification, measurement, standards, training, providers and mentoring.

We have established partnerships with the Royal Australian and New Zealand College of Psychiatrists and the Australian College of Applied Psychology to expand the capacity of psychiatrists and psychologists to work with people with a brain injury.

Families and carers

We have established the We Care Project in partnership with Carers NSW to build the resilience, knowledge and emotional wellbeing of families, kids and young people.

Phase 1 of the project is underway, working with a small number of families to test and refine the model of service.

Expanding the Lifetime Care Participant Reference Group

Lifetime Care's Participant Reference Group has been in operation since late 2013. In October 2016, we expanded the group into a regional format in order to:

- increase the number of groups from one to three based in Sydney, Newcastle and Parramatta;

- expand the opportunities for involvement from greater numbers of participants, their families and carers; and

- give a local voice to the issues raised at the Participant Reference Group meetings, which will assist us to work with each Group on ideas and issues that can be addressed locally.

The Participant Reference Groups have been beneficial to participants and to Lifetime Care. Feedback from the 2017 members has highlighted that participants value having input into our processes; hearing what we are doing to improve the quality of services; and value having the opportunity to meet each other and share personal stories.

Support and Advocacy service

One of the recommendations from the previous Parliamentary Standing Committee on Law and Justice was for us to consider ways to provide more assistance to participants with the Lifetime Care dispute process. In response to this recommendation, we reviewed our dispute process in consultation with our stakeholders. One of the changes we made as a result of this review was the development of a support and advocacy service for participants and their families.

In June 2017 we launched the Support and Advocacy Service for our Lifetime Care participants. Even though we receive a low number of disputes and complaints about Lifetime Care, we recognise the importance in ensuring participants feel empowered and supported to make a complaint or lodge a dispute.

Participants and their families will now be able to access an impartial service and end-to-end support if they need help while a dispute or complaint is being resolved.

Our providers Disability Advocacy NSW, Spinal Cord Injuries Australia and Synapse will:

- provide information and emotional support throughout the process;

- manage expectations and alleviate any potential misunderstandings about the outcome of a dispute or complaint; and

- minimise conflicts by having an impartial person involved. Participants have the option to remain anonymous if they like.

Our Assessment Review team is in the process of training our SAS providers.

NSW Carers (Recognition) Act 2010

icare highly values carers and is committed to the spirit of the NSW Carers (Recognition) Act 2010. We meet our obligations laid out in the Carers Charter at an individual and systemic level by:

- providing training to frontline staff on carer awareness from Carers NSW;

- consulting with participants and their families and carers in co-designing new processes and policies through the Optimal Care program;

- partnering with Carers NSW in the 'we care' program, to develop new services to support families and carers across the icare service lines;

- promoting and funding a number of initiatives which support the families and carers of participants including the Strength-2-Strength program for family members of those who have sustained a spinal cord injury or traumatic brain injury; and

- active engagement with family and carers to assess and plan participant supports through the My Plan process.

Lifetime Care participants

Participant numbers continue to increase in line with projections. There are currently 1,247 participants: 306 interim participants and 941 lifetime participants.

Year	Actual	Projected
2013	796	806
2014	933	926
2015	1036	1063
2016	1143	1131
2017	1247	1257

Further information on the participant profile is provided in Appendix 16.

Treatment, rehabilitation and care

We spent $127.4 million on services for participants in 2016–17. The annual participant satisfaction survey showed an overall satisfaction rating with the scheme of 90 per cent.

Service	Expenditure ($m)	Expenditure (%)
Attendant care	59.4	47%
Assistive technology	10.5	8%
Home modifications	5.4	4%
Hospital	19.0	15%
Medical	5.4	4%
Rehabilitation	20.5	16%
Case management	7.1	6%
Total	127.4	100%

Participants' place of residence: NSW, interstate and overseas

39.2 per cent of our participants live in Sydney, 51.9 per cent in regional areas and the remainder live either interstate or overseas. Regional service delivery remains an area of focus as most participants live outside the metropolitan area.

Place of residence					
Blue Mountains	8	**Murray**	12	**Sydney – West**	122
Central Coast	64	**Murrumbidgee**	26	**Sydney – Liverpool/ Campbelltown**	165
Central West	83	**North Western**	21	**Sydney – Sutherland**	24
Far West	12	**Northern**	54	**Wollondilly**	10
Hawkesbury	2	**Richmond Tweed**	33	**Interstate**	78
Hunter	153	**South Eastern**	20	**Overseas**	33
Illawarra	83	**Sydney – Inner**	127		
Mid North Coast	66	**Sydney – North**	51		

Case management

We spent $7.1 million on case management services for participants. Satisfaction with case management remained high, at 91 per cent – up from 87 per cent in 2015. This remains a key area of service provision, with about 80 per cent of participants now receiving case management services.

Attendant care

We spent $59.4 million on attendant care services, which makes up 47 per cent of total expenditure. This proportion is growing and is expected to reach 70 per cent of total expenditure each year.

Participants report high levels of satisfaction with attendant care services, with a 90 per cent satisfaction rating, up from 88 per cent from the previous year. All successful providers must be certified to the Attendant Care Industry Standard.

Home or vehicle modification satisfaction

We spent $5.4 million on more than 150 home modifications.

All respondents to the 2016 satisfaction survey who were receiving home or vehicle modifications were satisfied with their service.

Assistive technology (equipment)

We spent $10.5 million on equipment, making up 8 per cent of total expenditure. Assistive technology improves the lives of people living with severe injuries by minimising barriers and enabling greater independence.

Participant satisfaction with assistive technology was 97 per cent, up from 85 per cent the previous year.

Educational and vocational assistance

Participants continue to report high levels of satisfaction with these services at 90 per cent.

Accountability

We are pleased to confirm that key performance indicators are tracking in line with targets and there is currently an adequate surplus of funds to maintain the viability of the fund.

Expenditure on participants and the number of participants entering the scheme have been below predicted figures for the past two years.

The new liability incurred (based on the number of participants and their severity) remains within the predicted model. Operating expenses remain on target with a high level of expenditure on participants maintained. For more information, see Appendix 16.

Guidelines

We are revising all of our Lifetime Care statutory guidelines, to improve services by incorporating changes to the participant planning process; make the guidelines easier to read; and incorporate what has been learnt since the scheme commenced. This has entailed a comprehensive, three-stage review involving extensive consultation with external stakeholders.

The review is substantially completed. A full set of reviewed guidelines will be issued to stakeholders for final consultation and validation by the end of 2017, with completion anticipated by end of the 2017–18 financial year.

Feedback from participants

The eighth annual participant satisfaction survey was conducted during the year to obtain feedback on the scheme's performance for quality improvement purposes. The survey is conducted independently by a psychologist with experience in social and market research and knowledge of brain injury. A sample of participants is selected from across metropolitan and regional areas, ages, and years since entering the scheme. All data is de-identified.

The survey included a qualitative component (in-depth interviews with a smaller subset of the sample) and a quantitative component (telephone interviews with the rest of the sample). The 2016 survey achieved a strong response rate of 59 per cent.

Consistent with the high level of satisfaction with the Scheme overall, at least 90% reported they are satisfied with each of nine services tested

In 2016 there was an increase in the population that reports no problems with Lifetime Care funded services to 76% and the proportion that does report problems has decreased from 38% in 2015 to 23% in 2016.

In 2016–17, we increased the number of Participant Reference Groups from one to three, based in Newcastle, Parramatta and Sydney. These groups include local participants and their families, expanding the opportunities for the voice of participants and families to be heard.

The Lifetime Care Reference Group comprises representatives from disability groups, medical and health services for brain and spinal cord injury, and community providers. These groups meet regularly to provide feedback and discuss major issues, policy, system changes and ideas to improve the delivery of services and quality of life for participants.

We have also commenced a person-centred design process to redesign the way we work from the customer's perspective. This approach is now weaved into icare's transformation program and the Optimal Care transformation work we are doing. The Shine newsletter, which is about participants, their families and service providers, is also issued twice a year

Complaints

We value feedback and complaints. If people are unhappy about an experience they've had with us we want to hear about it. We encourage complaints as it provides us with an opportunity to improve the experience we provide to our participants, now and in the future.

Information about complaints received in 2016–17 is provided in Appendix 16.

Disputes

A dispute arises when a participant disagrees with a decision we have made. There are three categories of disputes: for treatment and care needs; eligibility; and motor accident injury.

Information about disputes lodged in 2016–17 is provided in Appendix 16.

Makiita's story

While driving to school Makiita only remembers stopping at a T-intersection and seeing a truck indicating to turn. Unfortunately for the 17 year old, the truck didn't turn – it T-boned her car at speed.

While Makiita doesn't recall much, her father certainly can. Ross, a policeman of 20 years, was at the police station when a road accident job came over the radio.

He looked at the time and thought it was the same time that Makiita would be heading to school. Immediately, he had that terrible feeling.

Approaching the crash site, Ross saw it was his daughter's smashed car and his worst fears became a reality. He found Makiita trapped in the car and unconscious.

In a moment your world can change.
In 2012 it did just that for Makiita and her family.

"She was very, very, very pale", he said. Rescue crews worked for 40 minutes and then she was transported in the Westpac Rescue Helicopter Service to John Hunter Hospital. Makiita was in a critical condition. She'd sustained a brain injury, collapsed lung as well as spinal and pelvis fractures.

It was then that we stepped in to be there for Makiita and her family. Makiita's Lifetime Care coordinator met with her family to help with her application to the Scheme and to liaise with the case manager at the brain injury service to set up services.

Makiita needed a range of different rehabilitation services, education supports, equipment and care to support her in her on-going recovery and rehabilitation.

Makiita continues to be supported by Jo, her case manager, in Port Macquarie (funded by Lifetime Care). They work together to identify and arrange what she needs to help her achieve her goals such as living independently, going to University and studying. Makiita hopes to follow her father's footsteps into the police force, to protect and serve the community.

Makiita is still recovering and regaining her independence. icare will be there for Makiita, for life.

Watch Makiita's inspirational story online at
www.icare.nsw.gov.au

icare
dust diseases
care

Providing optimal care

People injured by a work-related dust disease

Focused on providing ongoing assistance to support the person's quality of life, our Dust Diseases Care service line provides a no-fault workers compensation scheme for people who have developed a dust disease from occupational exposure to hazardous dust as a worker in NSW and their dependents.

Dust Diseases Care was established as the Workers Compensation (Dust Diseases) Authority by the *Workers Compensation (Dust Diseases) Act 1942*.

We work closely with past and present workers with dust diseases and their families by providing timely access to information, personalised care and comprehensive support when they need it. We recognise that workers' needs will change over time and we will ensure that appropriate care and support services are provided at the right time to help workers and their families with their wellbeing and quality of life.

This includes financial support and healthcare to workers with dust diseases throughout their life, such as medical examination, compensation payments, as well as payment of medical and healthcare expenses. Medical and related healthcare can include home nursing, hospital fees, the hire of equipment and aids,

pharmaceuticals and domestic assistance. We also support dependents of a worker, providing dependant spouses and partners and a small number of children of deceased workers with an initial lump sum payment and fortnightly compensation payments for life.

Dust Diseases Care also provides funding for research into, and support for, dust diseases, as well as information and education about dust diseases and assistance to workers and their families.

The annual cost of operating the scheme is paid for through a levy on employers, which pays for services and support to our participants as well as the costs of operating the scheme. The levy is reviewed and adjusted over time to maintain the financial viability of the scheme.

4,522
people supported in 2016–17

$75·7m
paid in compensation benefits

$12.42m
in healthcare & funeral benefits

Workers (1,363 people)

Dependents (3,159 people)

Small changes, big improvements

Continuously improving our services is always our priority.

We are delighted to share that for workers, the average time taken to determine a claim from the date their application is received has reduced 55.36 per cent from 136.7 days prior to September 2015, to 66 days as at 30 June 2016 and 61 days as at 30 June 2017.

Furthermore, for dependents, the average time taken to determine a claim has reduced 62.12 per cent from 70.98 days prior to September 2015, to 28 days as at 30 June 2016 and 27 days as at 30 June 2017.

This reduction is attributed to the introduction of a triage process for new applications within 24 to 48 hours of receipt, choice of medical screening service providers and more efficient administrative processes, as well as the introduction of a new timeframe of two working days for determining claims for compensation after certification of a dust disease or once all required information is received.

Dust Diseases Care has determined 100% of claims within this two day timeframe since icare started.

In 2016/17, we commenced co-designing new customer solutions together with our Dust Diseases Care participants and their families to further streamline our processes, improve communication, and provide participants with more choice and control over their support needs. This included:

- pre-approved healthcare services packages for participants who are totally disabled, providing them with faster access to ongoing healthcare and support following a single upfront approval from their medical treating specialist. The package covers a suite of nursing, related healthcare and domestic assistance services, mobility aids and equipment for totally disabled workers; and

- implementing a paperless solution to improve workflow and the timeliness of processing service delivery requests.

The following solutions have been designed and are to be implemented progressively over the 2017-18 financial year:

- A streamlined application form reduced to two pages and a facilitated application process to alleviate the administrative burden, reduce complexity and improve the timeframes for determination of claims for applicants.

A streamlined application form

A single customer liaison point

Individual planning for participants

Pre-approved healthcare services packages

Facilitated peer support mechanisms

paperless solution
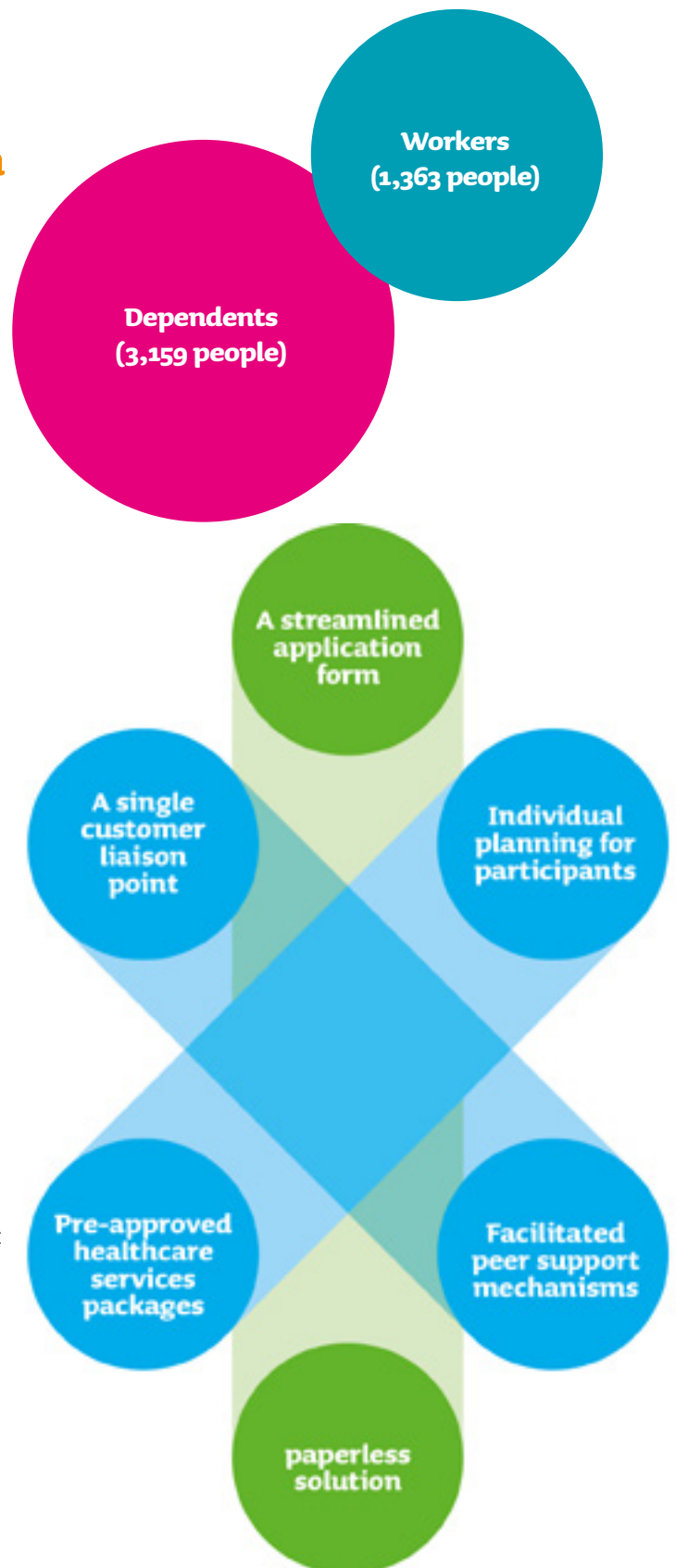
- A single customer liaison point for applicants and participants to facilitate the delivery of more cohesive end-to-end, person-centric services tailored to the needs of the individual. This experience will also improve communication and information flows between participants and Dust Diseases Care, promoting a better understanding of the Scheme and its entitlements.

- Individual planning for participants, which is a new person-centred service, offering tools that support participants to have more choice and control in identifying their goals and support needs. The tools will help ensure that the participant's circumstances, priorities and preferences are taken into consideration in the development of the plan to ensure that their treatment, care and support services are flexible and tailored to their particular life and individual needs.

- Facilitated peer support mechanisms for participants and their families. Mechanisms under consideration include referral to community and not-for profit support organisations with established networks of other sufferers of dust diseases and their families, and related support providers.

Medical screening service

In 2016–17, respiratory health monitoring examinations were provided by the Lung Screen unit to 2,478 workers at 48 locations across NSW.

Another 281 workers were provided respiratory health monitoring examinations at the icare medical centre located in the Sydney CBD and a further 15 workers underwent respiratory health monitoring provided by external providers on our behalf.

In November 2016, the former Lung Bus mobile screening unit was rebranded as the icare Lung Screen and commenced offering respiratory monitoring services to small and medium at-risk employers in NSW engaged in industries where workers may be exposed to asbestos, silica and other harmful dusts in the workplace.

Prior to icare, the respiratory monitoring services of the Lung Screen were only available to large employers in NSW. The expanded service is of great benefit to small and medium high-risk employers in regional areas, who may have experienced difficulties in providing respiratory monitoring for their workers due to lack of suitable service providers and/or prohibitive costs (including travel associated with attending health monitoring.

As at 30 June 2017, through the expanded service a total of 161 workers from small high risk employers based in Bega, Orange, Griffith, Ballina, Oberon, Batlow, Bathurst, Coffs Harbour, Ulladulla, Wagga Wagga , Dubbo and Newcastle have been screened by the mobile service.
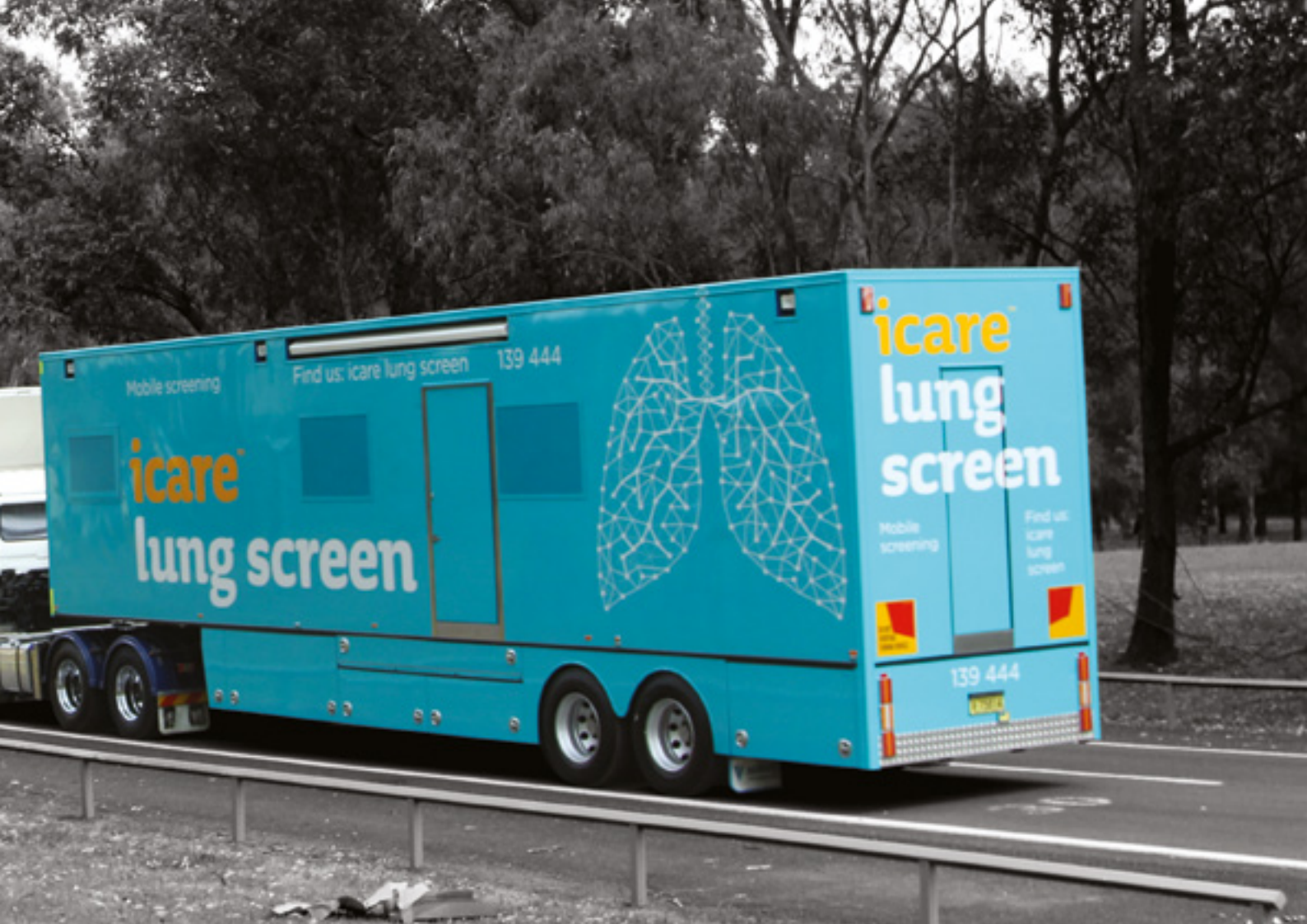
Since March 2016, participants have been proactively offered the choice of service provider for their medical screening examination. Scheme participants can choose from undergoing a medical examination at the icare's medical centre located in the Sydney CBD, the icare Lung Screen mobile respiratory unit, through their regular treating respiratory physician, or through a recommended locally based provider.

In addition to providing greater choice over medical examinations, Dust Diseases Care is also trialling a Home Lung Function testing pilot program offered to workers who have been consistently unable to leave their home and travel to medical screening appointments due to their health, age and immobility.

The program commenced in December 2016 and as at 30 June 2017, 26 workers have been tested at home under the pilot with six (23 per cent) having since been medically assessed with an increased level of disability and are now accessing increased benefits.

Dedicated to research and education

In January 2017, we launched the Dust Diseases Care Research Grants program. The program provides funding for discovery, and translational research, and clinical trial infrastructure support into the causes, mechanisms, diagnosis, treatment and prevention of dust diseases to reduce the risk of people developing a dust disease and optimise health and care outcomes. 22 grant applications were received in the 2016-17 round of funding with the successful recipients of grants expected to be announced before the end of the calendar year.

The Scholarship and Fellowship program was launched in April 2017. The program complements the Research Grants program, supporting the building of research capacity and capability.

The Support Organisation Funding program offers grants for not-for-profit, charity groups or organisations that provide support to people with a dust disease and their families. The grants are available to organisations that inform, educate and support people with dust diseases and their families, and optimise the wellbeing of people with a dust disease. Submissions for funding under the Support Organisation Funding program are accepted throughout the year.

You can read more about our research and grants on page 103.

Compensation awards granted

All awards were approved within two days of the Medical Assessment Panel issuing a certificate of disability and receipt of all relevant information to make a determination.

Date range	New worker awards	New medical expenses awards	New dependent awards	Total awards granted
2012–13	295	22	183	500
2013–14	220	26	176	422
2014–15	276	12	199	487
2015–16	276	30	184	490
2016-17	293	37	164	494

Number of medical examinations by location

Channel choice	2012-13	2013-14	2014-15	2015-16	2016-17
DDC screening centre	791	867	622	624	607
Lung Screen vehicle	99	114	82	99	206
External screening	620	548	551	669	578
Total	**1510**	**1529**	**1255**	**1392**	**1386**

There are 14 types of work-related dust diseases that are covered under the scheme, including:

- Aluminosis
- Silicosis
- Asbestosis
- Mesothelioma
- Asbestos induced carcinoma (lung cancer)
- Silicotuberculosis
- Asbestos related pleural disease (ARPD)
- Coal workers pneumoconiosis
- Bagassosis
- Hard metal pneumoconiosis
- Berylliosis
- Farmers' lung
- Byssinosis
- Talcosis
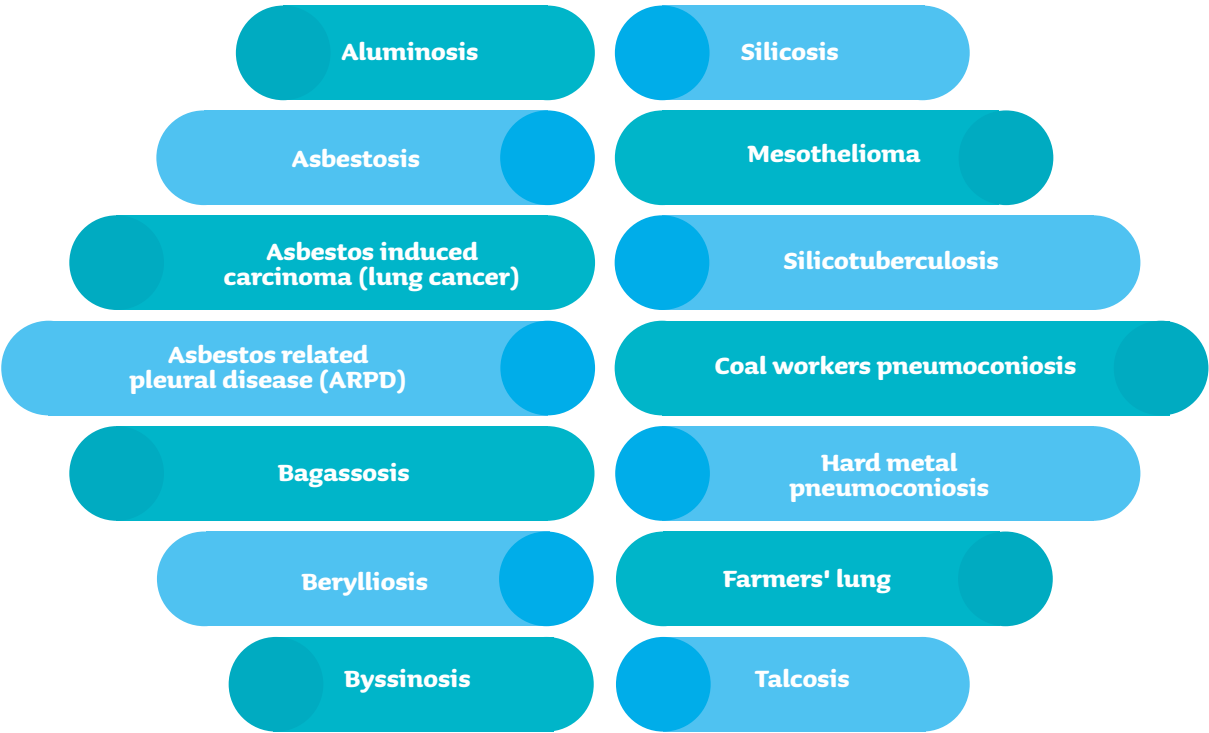
New applications

We determine applications for compensation made by past and present workers, based on the Medical Assessment Panel's certification of a worker's medical condition and their work history and exposure to dusts in the work place.

In 2016–17, we received 548 applications for compensation.

For workers, the average time taken to determine a claim from the date the application is received has reduced 55.36 per cent from 136.7 days prior to September 2015, to 66 days as at 30 June 2016 to 61 days as at 30 June 2017. For dependents, the average time taken to determine a claim has reduced 62.12 per cent from 70.98 days prior to September 2015, to 28 days as at 30 June 2016 to 27 days as at 30 June 2017.

This reduction is attributed to the introduction of a triage process for new applications within 24 to 48 hours of receipt, choice of medical screening service providers and more efficient administrative processes, as well as the introduction of a new timeframe of two working days for determining claims for compensation after certification of a dust disease or once all required information is received. Dust Diseases Care has determined 100% of claims within this two day timeframe since icare started.

Medical assessment panel and support team

The Medical Assessment Panel determines if an applicant for compensation has a dust disease covered by the scheme, the extent of any disability and the level of occupational exposure as a worker in NSW. Panel members are highly qualified respiratory physicians who specialise in occupational dust diseases.

The three-person Panel is a ministerial appointment and made up of a chairperson and a member each nominated by employer and employee groups.

In 2016-17, the Panel met 36 times and considered 2,345 cases.

Cases certified by the medical assessment panel by outcome

Date range	Existing dust disease	New dust disease	No dust disease / not attributable	Death due to dust disease	Death not due to dust disease
2012–13	604	325	930	175	73
2013–14	524	273	1,000	182	84
2014–15	565	342	754	167	56
2015–16	792	289	667	180	52
2016-17	676	313	687	181	64

Cases certified by the medical assessment panel by disease type

Date range	Mesothelioma	Asbestosis	ARPD	Asbestosis ARPD	Lung cancer asbestos	Silicosis	Other
2012–13	157	34	85	9	34	10	5
2013–14	140	21	71	14	18	9	3
2014–15	153	34	105	14	20	9	7
2015–16	139	30	66	15	20	9	10
2016-17	175	21	79	8	21	6	1

Participants' place of residence: NSW, interstate and overseas

Place of residence			
Central Coast	355	Sydney – Inner West	260
Hunter	472	Sydney – Southern	50
Illawarra	431	Sydney – Western	612
Western	247	Sydney – Nepean	557
North Coast	308	Interstate	712
Sydney – Northern	290	Overseas	56
Sydney – Eastern & Inner	172		

Figures represent all individuals who received compensation payments or services throughout the 2016–17 financial year, including those who passed away.

Industrial history services

Industrial history reports contain vital information such as the location, nature and conditions of each period of employment, any areas or processes where dust was encountered and the frequency or duration of those exposures.

The industrial history report is used to help us determine the extent of an applicant's exposure to dust in the workplace and if exposures occurred when the applicant was employed as a NSW worker.

Feedback from our participants

Dust Diseases Care has implemented a Net Promoter Score (NPS) system to actively gauge customer satisfaction and how well the organisation is delivering services and meeting the needs of its customers. The NPS is a customer service tool that helps capture feedback on a customer's experience via a quick survey. The NPS is being conducted on icare's behalf by Customer Monitor, an independent research agency that provides an internationally accredited benchmark of customer service.

NPS has been rolled out for existing and new Scheme participants including workers and their dependents, service providers, and those employers and workers who have accessed the Lung Screen mobile health monitoring service. All Dust Diseases Care customers will be issued with a survey at least once a year and as many as four times a year. Participation in the survey is voluntary and customers can elect to opt out of the survey process at any time. Customers have a choice of completing the survey via email or telephone interview which is performed through Customer Monitor.

The insights and information collected from the surveys inform and drive improvements to our services and support, which will help improve the customer experience and outcomes for workers with dust diseases and their dependents.

Dust Diseases Care follows up low scoring NPS respondents who choose to be contacted, to ensure the timely response to and resolution of issues identified by the respondent through the survey.

Our June 2017 result was +57.

Complaints

This year, three escalated complaints were received which were all responded to and addressed in accordance with the timeframes and requirements of our complaints management framework.

Appeals

In 2016–17, no District Court appeals were lodged and one appeal was lodged in the NSW Court of Appeal. The NSW Court of Appeal matter was successful with the decision of the District Court overturned.

icare self insurance

Protecting NSW government assets

The State of NSW

Our ambitions for an improved customer experience for our State:

from

> Agencies' primary relationship is with their service providers, with less direct engagement with icare

> The experience for NSW Government agencies comprises of multiple points of contact, duplication of activity and lacks simplicity, consistency and transparency

> Agencies have a limited ability to self-service their policies and claims online

> Our comprehensive coverage is not well understood by many agencies

to

> We offer a customer-centric model, delivering valued advice and solutions directly to our NSW Government agencies and departments, in partnership with specialised, high quality service providers

> The agency experience is intuitive and empowering, with processes that are simplified and automated

> We offer leading edge-assets and liabilities insurance products

> HBCF scheme is financially sustainable

> An end to end Construction Risk product that provides confidence and stability to public and private partners

Protected & insured

300,000+

public sector workers

32,207

**claims during 2016–17 including
property, liability & motor vehicle**

Insured

193

**NSW government
agencies**

Insured

529

**government
construction
projects with**

Paid

$1,014m

**total claims
(TMF, CRIF & other pre-managed
fund liabilities)**

$184bn

**worth of State's
assets protected**

$3.6bn

project turnover

We are proud to be the trusted risk advisor for the NSW Government, providing tailored risk solutions, insurance cover and advice to Government agencies through our Self Insurance service line. We are the largest public sector self-insurer in Australia.

We protect 10 NSW Government departments, the 193 agencies within these and their 300,000 public sector employees with workers compensation, liability, motor vehicle and miscellaneous cover. We also insure $184 billion worth of our State's assets, such as the iconic Sydney Opera House and Harbour Bridge.

For our NSW Government agencies, first and foremost we aim to provide offerings that incentivise safe work practices via risk-based insurance policies. But that's not our only goal. We aim to provide coverage to NSW Government agencies that is broader than that available commercially, using a multi-provider model. This will achieve best-practice performance in claims management, actuarial and peer review, reinsurance, risk management and investment management.

Providing peace of mind is always a priority and that's why we offer construction insurance for infrastructure projects on behalf of the Government and its partners. Through the Construction Risks Insurance Fund (CRIF), we offer Principal Arranged Insurance (PAI) products that leverage the Government's significant construction

investment to achieve superior security and quality of insurance, collaboration with stakeholders as well as cost savings. What's more, PAI extends over the entire project, rather than leaving gaps and duplications between policies. Over the past year, we are proud to share that our CRIF has protected over 500 government projects, insuring over $3.6 billion in project turnovers.

Funds

Self Insurance's main role is to administer the following managed fund schemes serving NSW Government agencies and their employees. We also have an important role in educating and partnering with agencies in order to assist them in managing risks.

Treasury Managed Fund (TMF)

Under the Treasury Managed Fund, Self Insurance provides the broadest possible asset and liability protection (except compulsory third party insurance) available. All NSW Government Departments and Agencies (with some exceptions) are protected under the fund with workers compensation, property, liability, motor vehicle and miscellaneous cover provided.

Construction Risks Insurance Fund (CRIF)

We provide construction insurance for infrastructure projects on behalf of the Government and its partners.

Bush Fire Fighters Compensation Fund

This fund provides insurance cover to volunteer fire fighters with the Rural Fire Service who are injured as a result of operations related to bush fires.

Emergency & Rescue Workers Compensation Fund

This fund provides insurance cover to volunteer workers for surf life-saving clubs, state emergency services, volunteer rescue associations and other deemed rescue volunteer workers.

Closed managed fund schemes

Self Insurance administers a number of closed, government-managed fund schemes, including the Governmental Workers Compensation Account, the Transport Accidents Compensation Fund and the Rail Scheme.

Pre-managed Fund Reserve

This fund provides protection to government agencies for liabilities arising against the State of NSW before 1989, when the TMF was created.

Supplementary Sporting Injuries Fund

This fund covers all school students for permanent injuries or death while participating in authorised school sporting and athletic activities.

Focus on: Treasury Managed Fund

Self Insurance supports 10 Government departments and 193 agencies: The Department of Justice; The Department of Education; The Department of Family & Community Services; The Department of Finance, Services & Innovation; The Department of Industry, Skills & Regional Development; The Department of Planning & Environment; The Department of Premier & Cabinet; Transport for NSW; The Ministry of Health; The Treasury.

For a full list of member agencies visit www.icare.nsw.gov.au

We work with a number of providers to deliver our following Self Insurance services:

• Claims management (GIO, Allianz, QBE and EML)

• Actuarial and peer review (Finity, EY and PwC)

• Reinsurance (JLT Re)

• Risk management (Suncorp Risk Services)

Target contributions by lines of business

Cover is managed as a Self Insurance fund, with contributions collected from agencies towards the cost of administering the TMF. Agencies' contributions reflect their risks and experience and are calculated by independent actuaries.

Line of Business	Contribution 2016-17[1]
Workers	$615m
Liability	$399m
Motor	$35m
Property	$108m
Miscellaneous	$24.6m

[1]rounded to nearest $m

Transformation program

Our Self Insurance service line has embarked on a three year transformation program to improve the way we provide services to injured workers and our Government agency customers.

We are always aiming to provide our public sector customers with outstanding service. We have created a proposed operating model which is intended to deliver better outcomes for all. It is based on the findings from the customer experience design work with public sector workers with an injury as well as our agency customers as employers.

Currently in development stage, the new model will see our Self Insurance service line deliver enhanced person-centric tools and services across risk advisory, claims management as well as product and underwriting by:

• improving risk intelligence driven by data insights research and partnerships;

• improving policy and billing and declaration processes by bringing them in-house; and

• continuing to leverage provider expertise and technology for claims management.

We will support stronger collaboration across agencies through the sharing of risk insights and development of risk forums, executive onboarding, enhanced communities of practice as well as awards and recognition programs. By better addressing these core needs, we will fulfil our duty of being a trusted risk advisor and supporting a stronger NSW economy.

But we can't do it alone. In order to ensure that our proposed product offering meets our customers' needs, we have invited our customers along on the journey with us. This includes the creation of the Transformation Advisory Group where representatives from each Government department meet to hear updates and provide invaluable feedback. This will ensure that these new functions are well designed, consistent and targeted, so that they deliver immediate value.

Transition of complex claims to Workers Care

We have started to identify injured workers in our Self Insurance scheme who have complex claims and would benefit from a possible transition to our Workers Care program in late 2017. The Workers Care program uses Lifetime Care's model of service delivery. Suitable private sector employees have already been transitioned into the program and public sector employees will soon follow suit.

The program uses specialised service providers who understand the needs of people with severe injuries to help them achieve their goals at home, work and in their community.

Launch of the TMF Dashboard – analytical tool for our Government agency customers

To further empower our Government agencies as employers, we were delighted to launch a powerful self-service reporting and analysis tool this year. Our TMF Dashboard Reporting (TDR), officially launched in July 2016, enables users to analyse and action claims from operational, risk and claims management perspectives.

Easy to read, navigate and interact, the TDR, is available 24/7 and also via smartphones, notebooks and tablets, making it easier for customers to access data anywhere at any time.

To assist customers with the transition to the new tool, we held training sessions and workshops designed to help users to get the full analytical benefit from the tool's advanced features. Supportive materials including videos and FAQS were also provided.

section 39

In 2012, the Parliament passed changes to the weekly entitlements of injured workers. One of these changes was to introduce a cap of five years on entitlements to weekly income replacement payments for workers who have less than 21% permanent impairment.

These changes were made through amendments to section 39 of the Workers Compensation Act 1987. These changes will start to affect the income replacement benefits of workers from late in 2017.

Learning & development programs

As part of our service to customers we offer an extensive learning and development program to empower our Government agency customers with the knowledge to actively manage their workplace risk, and promote innovative approaches.

Managing psychological trauma, occupational mental ill health and post-traumatic stress disorder is one of our key priorities. We are committed to protecting the people who protect us, and investing in educational events where we can all learn more about mental health and wellbeing in the workplace.

An example of this was in May when we hosted an educational event for NSW First Responder emergency services workers. Internationally renowned psychiatrist, Professor Neil Greenberg, provided insights into primary, secondary and tertiary interventions to help organisations and individuals to manage traumatic stress.

The event was a great success with 110 Government agency representatives joining us.

Similarly, Self Insurance partnered with claims provider EML for the Managing Mental Health seminar which also supported First Responders. The all-day event explored world-class techniques, resources and management tools to train managers to better assist and support frontline workers who may be experiencing mental illness. The 200 agency representatives who attended the seminar learned from a number of experts including Professor Michael Sullivan and Todd Sampson.

Customer satisfaction

Annual Agency Satisfaction Survey

The TMF Claims Management agreement includes Critical Service Standard 2 (CSS2) – Agency Client Survey which requires Claims Managers to achieve a rating of satisfactory or better in at least 85 per cent of the survey responses submitted by the agencies in their portfolios.

The agreement requires that the survey be conducted annually for each claims management portfolio. Feedback from client agencies received during the survey is then used to identify areas of service improvement.

Agency feedback in 2016 was positive and all Claims Managers met their targets across all the portfolios. Agency comments indicate that satisfaction is often related to the performance of individual case managers and the relationships they establish with their agency counterparts. Responsiveness and proactive communication are key components of relationships. Disruptions to those relationships are experienced as problematic by agencies, with turnover in staff frequently cited as an issue.

icare TMF Awards

We are committed to creating a strong and effective risk-aware culture across the NSW Government sector. The icare TMF Awards drive world-class safety standards for the state's workforce by recognising standout achievement and innovators in risk management.

The awards have become a prime opportunity for Government agencies to share their experience and learnings in both preventative and post-incident risk management. It truly indicates the real commitment, drive and passion amongst the sector in building sustainable risk management frameworks to create a safe and well workforce.

Each winner is a role model in the public and private sector for implementing leading edge ideas in workplace injury prevention and safety strategies by pioneering new systems, processes and design.

The winner of the icare TMF Award for Innovation Process was the Sydney Local Health District's fire identification simulation training centre, showing how risk management in NSW is being transformed. The project was devised in response to the 2011 Quaker's Hill nursing home fire and exposes staff to life-like disaster experiences, while delivering hands-on training.

The full list of finalists and winners can be viewed on the icare website, www.icare.nsw.gov.au

Reinsurance

The NSW Government is protected by a comprehensive reinsurance program. Reinsurance means unforeseen losses can be managed with minimal impact on the State Budget.

The chart below represents the type of reinsurance cover purchased, indicating the upper limit ($) and the lower level ($) at which each cover starts in excess of the TMF Self Insured Retention[1].

2017–18 reinsurance program structure

$3bn	$1.1bn*	$2.35bn	Unlimited	$100m	$1.2bn	$300m	$200m	$100m	$125m	$360m	$125m	$440m	$430m

Property Risk & Catastrophe | Property Catastrophe Sideways Net Retention | Terrorism | Workers Compensation | Workers Compensation Terrorism | General Liability | Medical Malpractice | Directors & Officers Liability | Environmental Impairment Liability | Cyber | Fine Arts – Permanent Collection | Fine Arts – Exhibitions | Aviation Liability | Marine Liability

Self Insured Retention

| $30m per risk | $100m in the annual aggregate | $30m | $25m | $25m | $25m | $25m | $25m | $25m | $25m | $10m franchise | $10m franchise | $10m | $10m |

*Excess $800m placed to 65%

■ Property   ■ Workers Compensation   ■ Liability

1. TMF Self Insured Retention is the amount a claim needs to exceed before reinsurance is activated.

Number of reinsurers by credit rating

The chart below shows the number of reinsurers by credit rating currently providing protection to the Treasury Managed Fund with Self Insurance.

No of Reinsurers

■ Australia   ■ Other   ■ Singapore   ■ United Kingdom

Credit rating
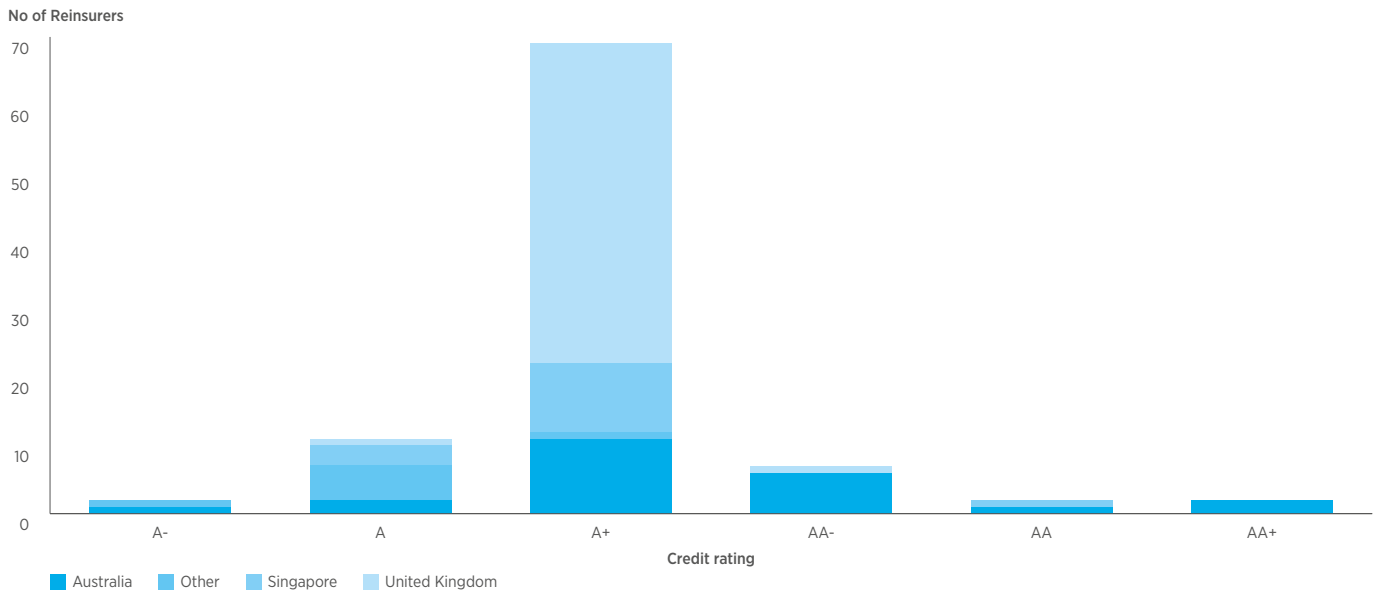
Focus on: Construction Risks Insurance Fund

We provide construction insurance for infrastructure projects on behalf of the Government and its partners. Through the Construction Risks Insurance Fund (CRIF), we offer Principal Arranged Insurance (PAI) products that leverage the Government's significant construction investment to achieve superior security and quality of insurance, collaboration with stakeholders as well as cost savings. What's more, PAI extends over the entire project, rather than leaving gaps and duplications between policies. Over the past year, CRIF has protected over 500 government projects, insuring over $3.6 billion in project turnovers.

The CRIF offers a broad cover for all key infrastructure project stakeholders, insuring NSW Government agencies (including State Owned Corporations), contractors, consultants and sub-contractors for their interests in respect of state infrastructure construction projects.

icare the sole provider of Principal Arranged Insurance (PAI) to agencies

To increase the benefits provided by the CRIF to agencies, icare has worked with the Treasury to expand the role of the Fund.

Effective from 15 August 2016, Treasury Circular (TC) 16–11 updated the construction insurance procurement rules on a whole-of-government basis mandating NSW Self Insurance Corporation as the sole provider of PAI for all state infrastructure construction projects.

TC 16 11 maintained the requirement for all projects with an estimated value of $10m or more to insure on a PAI basis and has also maintained guidelines for use of the Fund by State Owned Corporations (SOCs).

Since this change, the CRIF has seen significant increase in the issuance of insurances for projects valued under $10m improving pricing and flexibility to better accommodate agency needs.

Launch of online policy placement portal – instant and automatic response when buying construction insurance

To support and improve the icare service-offering to agencies, we have developed an online portal which provides the capability for immediate placement of insurances for the majority of projects.

Since its launch in August, the portal has streamlined the purchasing of construction insurance for agencies.

The online insurance placement portal allows agencies to generate quotes, bind cover as necessary and produce their own policy wordings and certificates for projects valued $100m and below.

Environmental and Asbestos extensions to Construction Liability

Construction Liability policies purchased through the commercial market generally exclude cover over environmental risks, including asbestos, contamination, pollutant exposure, EPA clean-up costs and fines.

Such NSW Government environmental liabilities have historically been separately insured by the contractor, increasing costs and complicating the insurance environment.

At the commencement of the 2016-17 financial year, we expanded our existing Public & Products Liability policy to include cover for environmental liabilities at no additional cost to agencies, expanding breadth of cover and reducing the dependence of agencies on contractor-controlled insurances.

Builders and homeowners

The Home Building Compensation Fund (HBCF) became the sole provider of home warranty insurance in NSW for all new residential construction in July 2010 under the *Home Building Act 1989*.

Our HBCF service line provides a safety net for homeowners who have contracted for residential building work and their builder has been unable to honour their commitments under the building contract due to insolvency, death or disappearance. The safety net is also provided where the builder's licence has been suspended for failing to comply with a tribunal or court order to pay compensation to the homeowner.
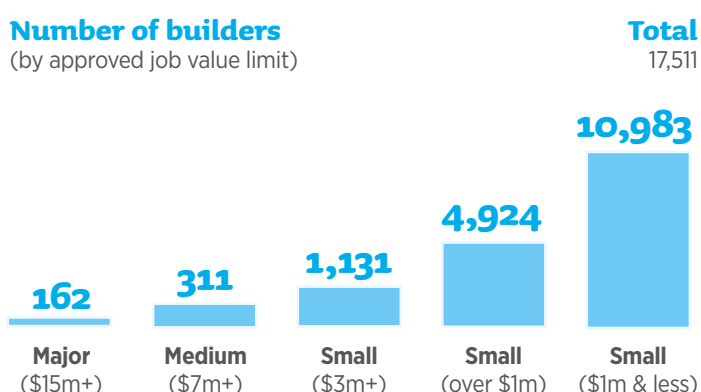
icare hbcf

That means we protect consumers during construction and renovation and get involved in the insurance process from end-to-end including:

- assessing whether a builder is eligible (and at what level);

- issuing cover for the project;

- dealing with claims; and

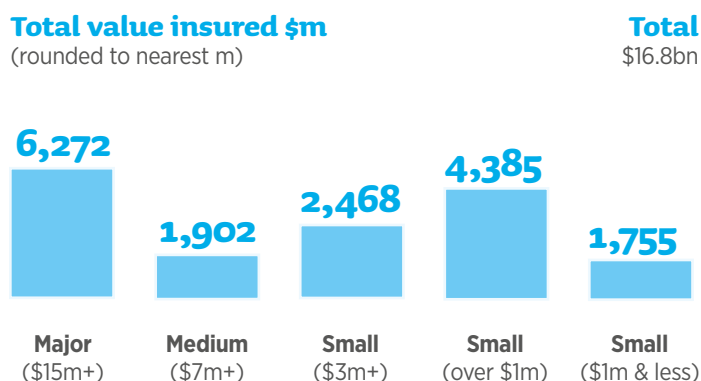- managing fresh insurance cover for rectification work undertaken under previous HBCF insurance.

Through this process, the HBCF helps builders with eligibility and project-specific insurance and helps homeowners get the finished homes they paid for. We also undertake risk management for building businesses to assess financial stability, promote the quality of construction work across the State and reduce claims. When claims are approved, suitable builders that are experienced and local to the homeowner's area can tender for the completion and rectification work.

Builder Profiles

Number of builders
(by approved job value limit)

Total
17,511

				10,983
			4,924	
		1,131		
162	311			
Major ($15m+)	**Medium** ($7m+)	**Small** ($3m+)	**Small** (over $1m)	**Small** ($1m & less)

Total value insured $m
(rounded to nearest m)

Total
$16.8bn

6,272				
			4,385	
		2,468		
	1,902			1,755
Major ($15m+)	**Medium** ($7m+)	**Small** ($3m+)	**Small** (over $1m)	**Small** ($1m & less)

HBCF reforms

In November 2016, the NSW Government announced an overhaul of the HBCF insurance scheme to enable private insurers to enter the market and improve protections for consumers against incomplete and defective work. The reforms to the HBCF insurance scheme will ensure the fund regains financial sustainability so it can continue to protect NSW homeowners now and into the future.

Key elements of the reform affecting icare include:

- introduction of risk based pricing so that premiums better reflect a builders' individual level of risk;

- premium increases to ensure the scheme's sustainability; and

- phase out of broker commissions to improve the scheme's efficiency, eliminating 15 per cent of the current cost of the policy.

Stakeholders including brokers and builders have been consulted throughout the HBCF Reforms, including the establishment of our Distributor Advisory Council. Key distributors were also engaged to provide feedback on communication to builders regarding the new pricing. In addition, town hall-style meetings were held for major builders to inform them about the reforms and supporting materials, including FAQs, were also prepared for builders, making it easier to understand the reforms.

Home Building Amendment (Compensation Reform) Bill 2017

The Amending Act will commence by proclamation and it is expected that different parts of the amendments will commence at different times up to the end of 2017 and early 2018.

The State Insurance Regulatory Authority (SIRA) is expected to make consequential amendments to the Home Building Regulation 2014 and issue new guidelines. The amendments will allow APRA-regulated insurers and 'alternative indemnity providers' to enter the NSW market for HBCF insurance (soon to be called "home building compensation" insurance or "insurance under Part 6 [of the Home Building Act 1989]").

The alternative indemnity products may be offered by fidelity funds, specialised insurers or other entities. Alternative indemnity providers will be licensed by SIRA.

SIRA will have regulatory powers over HBCF market participants (including icare's HBCF) through the making of Insurance Guidelines, enforcement of licence conditions and approval/ rejection of premium filings. SIRA will also set the builder insurance eligibility standards that all providers, including icare's HBCF, must use.

Premium changes

New premiums, targeted to achieve a breakeven sustainable position for each construction type over two years and remove cross subsidisation, were introduced in 2016–17.

The first rate change took effect on 3 April 2017 and the second rate change took effect on 2 October 2017. There are likely to be further premium changes in 2018 subject to approval from the State Insurance Regulatory Authority.

To lessen the impact of the premium increases, HBCF completed a total review of operating costs, outsourced services, IT capability and eligibility assessment practices. The expected savings from these operational initiatives were taken into account when determining the proposed premium increases.

Lower-risk builders will receive more equitable outcomes and transparency under the new reforms that introduce risk-based pricing. A discount or loading impact capped at 30% is now applied to a builder's Base Rate premium depending on their risk profile. This ensures that builders with a lower-risk profile will no longer subsidise higher-risk businesses.

Builders are assessed based on the length of time a business has held a building licence and whether a business is a company or a trust. For builders who have been reviewed by HBCF up to eight pricing factors are considered in determining a builder's risk profile:

- 1. Time entity licence held
- 2. Business structure (i.e sole trader, partnership, company or trust)
- 3. Adjusted net tangible assets (ANTA) in entity
- 4. Net profit before tax or taxable income
- 5. Adverse past history
- 6. Reviews not current
- 7. BCRP participation
- 8. Audited accounts

These factors were determined through analysis of HBCF's claims experience.

Broker payments

The new premiums also change the way distributors (brokers) are paid. A service fee is added to the premium by the broker rather than a commission paid by the HBCF. Builders are not expected to pay a higher cost due to this change in commissions to their brokers.

Builder self-service portal

We are pleased to be introducing a self-service builder portal designed to digitise the process of applying for insurance. Builders will be able to:

- view their own eligibility limits and risk based pricing profile;
- obtain quotes for projects;
- review current utilisation of eligibility limits;
- submit new policy applications;
- mark construction projects as completed; and
- view builder-specific reports and certificate data.

Engaging with our customers is particularly important to us here at icare. That's why we have invited builders and partners to provide feedback and co-design elements of new services including the builder self-service portal.

Selection of claims management and builder risk partners

We are securing new partners for our HBCF Claims Management and Builder Eligibility Risk Management.

The new partners will be selected based on experience and their ability to deliver high quality services to homeowners making claims under the fund and to manage the builder financial credit risk assessments.

The new partners will be announced in late 2017. Following this, icare and our partners will co-design customer-centric processes to deliver better services to homeowners and builders in NSW.

Huxley Homes collapse

The collapse of Huxley Homes in October 2016 resulted in an increase in claims under the HBCF.

A 20% non-completion loss cap resulted in many uninsured losses. As at 30 June 2017, a total of 90 claims had been received with a claims cost of $9 million (including paid and outstanding estimates). 18 per cent of claims (1 in 5) exceed the 20 per cent cap for non-completion loss.

HBCF distributor panel

We are pleased to share that we are establishing a HBCF Distributor Panel. Invited to tender are brokers who have dedicated product expertise and resources to act as distribution partners of icare for licensed builders and contractors. Approved HBCF distributors will remain responsible for:

- assisting builders and contractors to secure insurance eligibility advocating on behalf of clients to scheme agents; and
- issuing Insurance Certificates.

Successful distributors will be announced in 2017.

BIG Corp

The Building Insurers' Guarantee Corporation (BIG Corp) is a statutory body administered by icare.

BIG Corp and BIG Fund were established on 30 June 2001 to function as the Government's rescue package for consumers of insured residential builders who were affected by the financial collapse of HIH Casualty and General Insurance Limited (HIH) and FAI General Insurance Company Limited (FAI) in March 2001.

The collapse of HIH and FAI created, among other things, many serious home warranty insurance difficulties for consumers in New South Wales. Consumers with unfinished or faulty building work found themselves unable to claim against what had become worthless home warranty insurance policies. This was particularly problematic as these policies were "long tail", involving an entitlement to claim for up to seven years after the completion of the covered building works.

BIG Corp's primary function is to receive and determine claims for indemnity from eligible HIH and FAI home warranty insurance policyholders. Once a claim is assessed, BIG Corp is required to pay to claimants the amount which it determines the claimant is entitled to from the BIG Fund. The BIG Fund also pays the costs and expenses of the administration of BIG Corp including claims costs, litigation costs and employee expenditure.

BIG Corp draws upon the Policyholders Protection Fund (administered by NSW Treasury) for its claims payment capital. Part 6A of the Home Building Act 1989 (HBA) constitutes BIG Corp and it's Building Insurers' Guarantee Fund (BIG Fund) and governs their operation.

To date BIG Corp has paid over $290m in claims payments and associated assessment and administration costs. BIG Corp has registered more than 3,700 claims in its life.

2016–17 performance

As a corporation managing the end of a long-tail indemnity scheme, BIG Corp's active focus has been ensuring an orderly wind-down through the proactive management of claims and related litigation to resolution.

Information on claims administered during 2016–17 is provided below.

Statistics for the 2016–17 financial year	
New Claims	0
Number of current claims as at 30 June 2016	9
Number of claim payments	3
Value of claims paid	$6,318,000

Sporting participants

Sporting Injuries Insurance delivers insurance and care services under the NSW Sporting Injuries Insurance Scheme pursuant to the *Sporting Injuries Insurance Act 1978.*

The scheme is unique to NSW and provides affordable insurance to 124 organisations across 65 sports.

Participants are protected for serious injury during sporting events, trials, exhibition matches as well as practice and training.

The scheme is not for profit and funded solely from the premiums paid by member organisations. Membership is open to any sporting organisations in NSW and lump sum benefits are provided for permanent injury, death and serious injuries.

This year, 12 claims were received under the scheme. In total six claims were settled in the 2016-17 financial year at a cost of $425,910. This is inclusive of claims made within previous financial years and settled in 2016-17.

The scheme educates member organisations about the importance of risk management framework that includes injury prevention, and advocates best-practice frameworks.

Sporting Injuries Insurance also provides claims management services for the Supplementary Sporting Injuries Scheme on behalf of Self Insurance. The Supplementary Scheme protects all NSW school children who are seriously injured while participating in organised school sport or authorised activities and those injured while participating in certain programs of activity conducted or sanctioned by the Office of Sport.

This year the supplementary scheme paid out zero claims with one new claim received.

Investing in our community

We believe that as a social insurer we have a responsibility to the people, businesses and communities of NSW to play a leadership role in creating a society that keeps people safe and well, and support them in returning to work and life should they get injured.

from

> The social issues faced by our customers and the community are multifaceted and complex and we are not yet clear on the role that should play

> An emergent approach to making social investments with broad focus areas and investment principles to guide decisions

> A lack of agreed way of measuring the societal value we create

to

> We Identify, define and measure the societal value we create and we have prioritised the strategies that will build further value, aligned with all of icare

> We have a consistent and rigorous approach for managing, measuring and reporting on programs that create societal value

> We actively work with, listen to the community and build the strategies and solutions with them, collaborating with key thinkers and stakeholders to co-create collective impact strategies

> We promote empowerment and support community-led design methodologies

> We have the insights and infrastructure to execute relevant investment pathways and manage our partnerships to get the best outcomes for icare and the community

icare foundation

Investing in a new state of wellbeing

if

What if... we could create a breakthrough in research to accelerate recovery from serious injuries

What if... we could care for the carers

What if... we could give local care everywhere

For those injured and their families, it can be a long, hard road to recovery without the right care, at the right time, and community networks. That's why we have established the icare Foundation, with $100 million to invest over five years in innovative initiatives aligned to prevention and post-injury care with expert organisations that are already helping people. We are investing in a new state of wellbeing where carers and families are just as important as those for who they support, and where the new and pioneering is as valued as the tried and tested.

Launched in November 2016, the icare Foundation identifies and invests in research, innovation and scale initiatives designed to make a real difference to the mental and physical wellbeing of NSW communities. Each social investment targets specific health, psychological and return-to-work outcomes for injured workers or motorists, with the opportunity to scale programs across icare's different insurance and care schemes, as well as reaching new locations in both metropolitan and regional NSW.

We need the foresight to build the essential infrastructure and partnerships that deliver the right services for people to return to work and life as soon as possible. The icare Foundation allows us to do this by creating partnerships that expand, as well as enhance, the services provided for businesses and injured people, their families and loved ones.

SCALE
Investing in initiatives that have been proven to work and scaling to provide broader access

SEED
Investing in early-stage innovations with potential for significant impact

RESEARCH
Investing in research to create breakthrough solutions

PURPOSE

Because	We invest in	That support	That leads to	That results in
Too many people in NSW experience ongoing negative effects of their workplace or road injury	Innovative pre and post event prevention and intervention programs	The psychological and social recovery and wellbeing of individuals	Improved dignity, quality of life, social inclusion and optimal recovery	Healthier and happier Australians and a lower cost to society

A number of initiatives are already well underway, including:

Craig's Table

We are committed to finding the best solutions and opportunities to keep recovering workers connected to their community. A key example of this is Craig's Table. We're working with Rosemary McKenzie-Ferguson, founder of Craig's Table South Australia and a community advocate for injured workers and workers' mental wellbeing, on the development of Craig's Table NSW.

Founded in Adelaide by Rosemary McKenzie-Ferguson, it involves a 12-week training course and up to 40-week support program.

At Craig's Table, recovering workers form friendships and social networks. They build self-esteem and their general wellbeing improves greatly reducing the risk and costs associated with prolonged 'worklessness' and the impact on future generations to live healthy, productive lives.

We are working with Rosemary to support the launch of Craig's Table in NSW, firstly by providing seed-funding and project support for a pilot program in Parramatta. The objective is to pilot its effectiveness and test its sustainability, before ideally setting up Craig's Table programs across the state.

$500,000
in seed funding

GP Social Prescription

icare foundation is supporting a six-month NSW pilot based in metropolitan Sydney to test the 'GP Social Prescription' model for patients with workplace injuries. This enables GPs to link eligible injured workers with non-medical sources of support within the community and voluntary sector.

Eligible workers will include people who have been unable to return to work and have psycho-social issues impacting their quality of life and would benefit from increased social participation. They may be referred to a range of local, non-clinical service providers, such as social participation groups providing art, music or yoga classes, financial and community services or volunteer opportunities. The model works alongside a GP's conventional model of care, and provides support services in the community to assist patients to improve their health and wellbeing.

The partner organisation is Primary & Community Care Services, a local, not-for-profit health organisation collaborating with health fund providers and government agencies to make it easier for people to access the health and community services they need.

$596,500
in seed funding

Everymind

We have partnered with Everymind (previously known as the Hunter Institute of Mental Health), a leading, national, not-for profit organisation with 20 years' experience in delivering successful evidence-based mental health and suicide prevention programs, aimed at reducing mental ill-health, and improving mental wellbeing for all Australians.

Together we are partnering to research, prototype and pilot access to mental health solutions for small businesses. The program involves engaging stakeholders to identify their needs, so that fit-for-purpose solutions, such as a digital mental health hub for small business can be tried and tested.

The pilot will be evaluated on employee and workplace wellness outcomes and potential to scale across NSW. The 18 month project has five stages, commencing with initial research; moving through to prototyping and piloting in the wider Hunter region, and measuring and evaluating results.

$1.1million
in seed funding

Collaborating with Mental Health Commission of NSW

Over the last year we have joined forces with The Mental Health Commission of NSW to help drive improvements to mental health and wellbeing in NSW workplaces.

We have entered into a Memorandum of Understanding (MoU) that will see both organisations work collaboratively to promote mentally healthy workplaces. This includes meeting regularly to share knowledge of good practice, key issues, research and innovation; undertaking joint activities and working together to build relationships and networks with other organisations.

MoU was entered into following the successful collaboration between the Commission and icare on work to improve first responders' mental health. Together with first responder agencies and the Black Dog Institute, the organisations contributed to the development of the Mental Health & Wellbeing strategy for first responder organisations in NSW, launched by the Government in October 2016.

The first major investment generated from this collaboration was a partnership between icare and NSW Health to expand the funding available to UNSW Black Dog Institute Workplace Mental Health Research Program supporting emergency service workers. The icare foundation will provide $1m over three years to extend this important work to other high risk workers.

Back on Track

Over the last financial year, we were very proud to announce that icare is now a major partner of the Australian Paralympic Committee. Our major partner status has enabled us to expand the world-first $1million mentoring program, "Back on Track", which pairs Paralympic athletes with seriously injured young people.

From November 2016 through 2019, the program – originally launched with four Paralympians mentoring five injured young people – will include ten Paralympians and fifteen injured young people and will be offered to eligible icare participants every six months.

We have also increased our commitment to the Paralympic Speakers program from 175 to more than 250 speaking and coaching engagements, giving more NSW employers and employees a chance to hear from Paralympians about the importance of workplace safety.

Partnership with Carers NSW to support and mentor families, kids and young carers

We are committed to the *Carers (Recognition) Act 2010* and we were proud to announce a new partnership with Carers NSW in October 2016 to deliver two new carer support programs for families and carers of people who have sustained serious injuries in either a motor vehicle or workplace accident in NSW.

Launched in January 2017, the icare Families and icare Kids & Young People programs aim to build the resilience, knowledge and emotional wellbeing of families and carers. Each program is modelled on support services currently used in the brain injury and dementia care space.

The programs are referral-based and will provide professional mentoring and counselling support for approximately 400 carers and families of our care scheme customers over three years. What's more they are delivered in the communities people live in and not in a group or hospital environment.

We aim to assist families and carers to overcome the significant life changes they experience in caring for a loved one after a serious road or workplace accident. We're incredibly proud to partner with Carers NSW to deliver these programs to provide valuable coping and life-skills to carers.

Spinal Cord Injuries Australia (SCIA)

The first seed investment for the icare Foundation was a partnership with SCIA to establish the NeuroMoves centre in Lismore. The centre has opened its doors and we are working with SCIA to ensure our participants can benefit from the services provided as well as looking to extend the program to seriously injured people in other regional areas.

$138,000
in seed funding

Around 12,000 people in Australia are living with a spinal cord injury

with 130 new injuries in NSW each year

around 50% of people with spinal cord injuries in NSW live in regional areas

We can help these people recover and regain independence and mobility through tailored exercise, like that provided by Neuromoves

First regional Neuromoves in Australia

Brisbane

Lismore 1st

Perth

Sydney

Adelaide

Melbourne

Neuromoves is a set of exercise programs tailored for people recovering from a spinal cord injury who have ongoing neurological conditions or physical injuries.

The centre will provide access to exercise and physical support programs once participants leave hospital.

This is not your standard gym!

icare foundation

New world-first resort for spinal cord injury opens in Collaroy

Launched by Premier Baird on 2 December 2016, Sargood on Collaroy is a health and wellness resort designed by, and built for, people with a spinal cord injury and their families to refresh, learn and reconnect with the community.

Delivered through a non-profit partnership between icare, the Sargood Foundation and a private benefactor, Sargood stands as a shining example of what can be achieved when government partners with the not-for-profit sector and the local community. Managed by leading rehabilitation service provider, Royal Rehab, the facility features contemporary functional and design elements, including:

17 fully accessible, self-contained apartments that can accommodate all levels of spinal cord injury. Three family apartments, allowing families to holiday together in an uplifting resort style environment within a supportive local community.

A fully equipped gym using 'wheel in' equipment and state-of-the-art technology with no heavy pins and weights to adjust; enabling people ease of access and independent gym use.

For more information visit: www.sargoodoncollaroy.com

RECON

We are proud to have joined forces with EML to create a first of its kind reconditioning and rehabilitation program for New South Wales Police.

The pilot is part of our ongoing partnering program with our Government agency customers, focused on helping them to actively manage their workplace risk, and promote innovative approaches to doing so.

The pilot program, called RECON, will focus on repair and recovery for musculoskeletal injuries and is based on a return-to-play model used in elite sport by teams such as the Western Sydney Wanderers and Canterbury Bankstown Bulldogs.

Three state-of-the-art reconditioning centres, in south-west and inner Sydney and regional New South Wales, make up the program and will be staffed by physiotherapists as well as strength and conditioning coaches who have worked with elite sports teams.

Phase two of the program, called RECONNECT, will add a mental health and resilience component which will see officers supported through rehab and recovery for both work-related and psychological injuries to aid return-to-work and help officers return to their everyday lives.

The RECONNECT program is co-funded by icare, EML and NSW Police Force at a cost of over $1 million.

Get Healthy at Work

We have provided funding for NSW Government employees to receive the full benefits of the Get Healthy at Work program.

The program, developed in partnership with SafeWork NSW and NSW Health provides employees with free, confidential and voluntary health checks, allowing them to understand their risk of developing heart disease and Type 2 diabetes, as well as offering lifestyle advice and referrals to health professionals as required.

The funding will be provided over three years.

Sydney Water – A Healthier You

Partnering with Sydney Water, 'A Healthier You' program proposes to expand on the already successful pilot program. The program commenced in early 2017 with the recording of baseline measurements for around 150 participants. It is anticipated that the results flowing from this program will positively impact claims performance, particularly with regards to body stressing claims in the organisation's ageing workforce as well as modifying the behaviours of participants with respect to chronic health risk factors.

Healthshare – Living Well

In 2016 HealthShare NSW was the successful recipient of funding through icare to address the health of the 10,000-strong workforce, particularly the ageing workforce.

In collaboration with technology provider Springday Pty Ltd, HealthShare launched a new website – the Living Well Hub – and a Living Well mobile app, to provide a range of helpful information and tools for employees to access.

The new Hub is available to all HealthShare NSW and eHealth NSW employees and includes discounts to some health services and subsidised programs. Participants are able to log exercise and wellbeing activity using wearable and smart technology.

The initial pilot funded by icare indicates a broad level of acceptance of technologies and positive rates of compliance with wellbeing programs. Subjective feedback is very positive across a broad demographic of participants.

Dust Diseases Care research and education

A total of $1.25 million in research, scholarship and fellowship, and support organisation grant funding has been allocated annually over a three-year period from 2016/17 to 2018/19 in dust diseases related areas.

The Dust Diseases Board is responsible for determining the grants strategy for the three year period and for the assessment of grant applications. The Board includes representatives nominated by employer and employee groups; dust disease advocacy; support and awareness groups; dust diseases researchers or academics; health professionals; and an independent chairperson.

We launched the Dust Diseases Care Research Grants program in January 2017 to provide funding for discovery, and translational research, and clinical trial infrastructure support into the causes, mechanisms, diagnosis, treatment and prevention of dust diseases to reduce the risk of people developing a dust disease and optimise health and care outcomes. Twenty two grant applications were received with the successful recipients of grants determined by the Dust Diseases Board expected to be announced in September 2017.

The Scholarship and Fellowship program was launched in April 2017. The program complements the Research Grants program, supporting the building of research capacity and capability. Applications for this program closed in July 2017.

The Support Organisation Funding program offers grants for not-for-profit, charity groups or organisations that provide support to people with a dust disease and their families. The grants are available to organisations that inform, educate and support people with dust diseases and their families, and optimise the wellbeing of people with a dust disease.

Submissions for funding under the Support Organisation Funding program are accepted throughout the year. To date the following support organisations have received grant funding:

- Bernie Banton Foundation – $284,612 over three years for the position of Support & Awareness Co-ordinator and an awareness campaign. Of this total, $75,591 was in respect of the 2016/17 period.

- Asbestos Diseases Foundation of Australia – $46,667 in 2016/17 for the position of Helpline Operator and for funding its National Asbestos Awareness Day event in November 2016.

- Asbestos Diseases Research Institute – $123,317 over three years for two part time Support Co-ordinator positions and awareness events. Of this total, $3,317 was in respect of the 2016/17 period.

Our funded research projects are monitored by the Dust Diseases Board.

Current research projects:

Applicant	Institution	Project	Duration	Total budget
Professor Richard Lake	University of Western Australia	Exploiting immune checkpoint blockade to generate effective therapy for malignant mesothelioma	2 years	$239,076
Professor Jenette Creaney	University of Western Australia	Establishing the biological activity of malignant effusions in malignant pleural mesothelioma	2 years	$249,432
Dr Nicholas de Klerk	University of Western Australia	Lung Cancer risk and screening guidelines after asbestos exposure	2 years	$190,962
Professor YC Gary Lee	University of Western Australia	Phase II Trial of Novel FGF-Receptor Antagonist in Mesothelioma	2 years	$249,877
Associate Professor Glen Reid	Asbestos Diseases Research Institute	Micromanaging microRNA's to treat malignant pleural mesothelioma	2 years	$245,000

The icare foundation and our Health & Community Engagement team are working hand in hand to partner with organisations focused on injury prevention and improving the wellbeing of injured people.

We are engaging with employers, workers with an injury, road users, families and carers to address social issues that require an adaptive rather than a technical approach to change. In developing this research and design centre, we are able to give people opportunities to build the solutions with icare and provide a safe place for exploration and collaboration. Together with evidence-based research, we bring stakeholders together to co-design solutions that will help drive better social outcomes.

Our vision in the health and community engagement space is to co-create early support approaches that keep people safe from adversity, re-design treatment options that allow injured workers to recover faster and most importantly, introduce innovative programs that promote people to stay connected to the people and networks that care for them. By listening to the community and co-creating innovation, we aim to deliver a world-class service to our customers.

Important stakeholders together to diagnose problems in workers compensation and to co-create novel solutions that help people return to a full rewarding life.

Our Health & Community Engagement team also drive our Ufirst initiative. Ufirst is a social innovation and engagement hub that brings important stakeholders together to diagnose problems in workers compensation and to co-create novel solutions that help people return to a full rewarding life.

Highlights over the last year include:

Partnership with R U OK?

Mental health is a key focus for icare. That's why we have partnered with suicide prevention organisation, R U OK? on initiatives to raise awareness of mental illness and suicide prevention in the workplace.

- Australian Workplace Psychological Safety Survey: we joined R U OK? and Amy Edmondson, Professor of Leadership and Management from Harvard Business School in launching the finding of the world-first study in psychological safety in the workplace. The results showed that frontline lower income-earning employees feel less safe and permitted to take risks than higher earning employees. This is the first time a country has ever measured psychological safety in the workplace.

- Senior Leaders Workplace Mental Health Breakfast: together with R U OK? we hosted the inaugural Senior Leaders Workplace Mental Health Breakfast. The breakfast aimed to raise awareness of mental health at work and generate a 'coalition of the willing' in a movement known as "Champions for Workplace Mental Health", where leaders are encouraged to strive for a more inclusive, caring and resilient culture.

- The event was a huge success with 200 guests in attendance. $6,300 was also raised for R U OK? through ticket sales. Most importantly, at the end of the event 100 nametags were received from those people who self-nominated to be workplace champions. From the conversations since the event it's clear we've created a ripple that will hopefully lead to more caring and empathetic workplace cultures where all individuals can thrive.

- Quentin: this year we attended the Royal Easter Show with R U Ok? encouraging people to give Quentin a try. Quentin is a talking tool created to start meaningful conversations. It's designed to help us reconnect so we have an opportunity to see the signs of someone struggling and ask that life-saving question, 'r u ok?'.

Wheel of Well-being

The 'Wheel of Well-being' is an innovative health promotion initiative that aims to improve people's understanding of mental health and well-being. It's a framework designed to translate well-being theory into positive practice to help build more flourishing communities.

wheel of well-being

body: be active

mind: keep faithful

spirit: give

people: connect

place: take care

planet: care

wheel of well-being.org

absentee days and underperforming while unwell

$10.11 billion costs to employers

$14.81 billion costs to national economy

health problems left unaddressed

1% reduction in loss time injuries

=

350 injuries avoided

happy workplaces *fewer injuries *return to work

$17 million in savings

wellbeing programs *prevent injuries *reduce claims

Workforce wellbeing

Our Workforce Wellbeing strand is aligned with the overarching icare strategy, specifically the following customer pillars:

- Partnering for safe and health workplaces – we engage proactively with employers to identify and address opportunities to mitigate worker injury and create safe work environments.

- Supporting sustainable return to work – we leverage person-centred smart pathways to get the right treatment to the right person at the right time, enabling sustained recovery and return to work.

In most workplaces, physical and mental health is viewed as separate areas of concern and the focus is very much on physical health and safety. In our view, this needs to be expanded so that practices that promote mental health and wellbeing are as embedded in workplace culture as those that surround physical health and safety.

Outcomes will be achieved through a mix of community and workplace engagement to raise awareness and showcase best practice, the piloting and evaluation of innovative projects enhancing resilience and wellbeing, and collaborations with existing and alliances to better coordinate approaches across the state.

We have identified a range of projects to improve workforce wellbeing and resilience from both the organisational and the individual level. Partnerships with the NSW Mental Health Commission and the NSW Wellbeing Collaborative have seen Ufirst at the forefront of the development of a wellbeing framework.

We have also begun exploring projects that include resilience at work in the manufacturing sector, internal resilience and stress support programs for frontline workers and the training of icare employees in the use of Mental Wellbeing Impact Assessments (MWIA).

In collaboration with the Blueberry Institute, we are currently also running a workplace resilience training program for managers at manufacturer ITW Australia. The aim of the project is to provide a program of resilience skills, strategies and peer support for management and their workplace teams at ITW with the view to share learning across other workplaces.

At the heart of the 'Wheel of Well-being' is the WoW website, www.wheelofwellbeing.org. The website includes a practical collection of free tips, tools, activities and ideas, all designed to inspire people to develop new ways to improve well-being, for themselves, their families and communities.

We have used the wheel as a framework for engaging employees and members of the public on practical tips to improve wellbeing. We had a giant wheel manufactured and, in conjunction with the NSW Mental Health Commission and the Wellbeing Collaborative, demonstrated it at the International Initiative for Mental Health Leadership Conference in Sydney.

Men at Work

We hosted a workforce wellbeing workshop in partnership with labour hire company, Men at Work, to gain further insight into workforce wellbeing issues and why workers were suffering.

The workshops have provided an opportunity for icare to leverage learnings from the partnership with other construction companies. The findings of the workshop and next steps will be explored further in 2017–18.

National Council of Social Service

We have partnered with the peak body for health and community services, NSW Council of Social Service, to identify strengths, priorities and opportunities for improvement in communities, most recently hosting workshops at six regional community conferences hosted by NCOSS.

Our Ufirst team presented at the NSW Council of Social Service's Investing for Good Conference.

The conference gave an opportunity to leverage each other's ideas to create positive social change as well as investment return.

Supporting our Workers Insurance team

Over the last year we have supported our Workers Insurance team on a number of occasions. Most notably, we completed a re-design of the psychological claims experience; and met with large scale employers to gather their insights and feedback about Workers Insurance's new model.

In addition, Ufirst has been engaged to lead the design of the new customer-centric model for rehabilitation services. As icare's research and design centre, Ufirst will lead the design of the new customer-centric model of service provision, using expert capabilities to research issues, bring together stakeholders to create a point of view and drive evidence based research and design to effect lasting change. This will include a series of workshops, interviews and surveys with a broad range of key stakeholders to improve:

- the engagement of the worker and employer in the workplace rehabilitation referral process and increased customer satisfaction;

- the design of rehabilitation plans to better target return to work outcomes; and

- cost effective quality outcomes.

Thought leadership

We have developed a series of whitepapers, promoting icare's position as a thought leader in mental health and community engagement.

The findings of the Mental Health for Small Employers whitepaper led to the Health & Community Engagement team engaging with small businesses. We are working with small business employers to help them understand the financial impact of mental health on businesses and to help them implement evidence based programs that will help reduce their premium. Our approach is based on six strategies for achieving a healthy workplace which include:

- designing and managing work to minimise harm;

- promoting protective factors at an organisational level to maximise resilience;

- enhancing personal resilience;

- promoting and facilitating early help seeking;

- supporting workers recovery from mental illness; and

- increasing awareness of mental illness and reducing stigma.

Partnership with KARI

We have partnered with KARI, Australia's largest Aboriginal foster care agency. By icare partnering with the group, we aim to promote ways of accessing work and gaining support in order for members of the community to stay in work.

For a full list of investments and community grants please refer to page 161.

Surrounded by good

In it for great

Our people

The past year has been exceptional for the overall growth and development of the icare team. As a social insurer – there for people, not for profit – our purpose is to create positive impact on the community. We can't do that without an exceptional team.

We believe that customer-centricity starts with the people who serve them. That's why we have created an organisation that is built around our people, ensuring they are proud of what they do.

Our people have exceeded our expectations this year and we are well on our way to creating a great place to work to achieve great things for our customers. That's always been our people proposition and it hasn't changed. The feeling within the organisation is extraordinary – the prospect of creating something truly world-class in icare is exciting for everyone involved. We will continue to ensure that the 'vibe' in our workplace is one of consistent innovation, collaboration and high achievement – we like to call this our 'intrapreneurial' spirit.

We are extremely proud to have delivered an innovative and contemporary approach to human resources management. In this section, we outline some of our highlights throughout the year which have accelerated the organisation through our extremely ambitious transformation agenda.

Key to this has been the empowerment given to colleagues via our distributed leadership model – one that enables success and rapid transformation. In developing ourselves for continuous transformation, our strategy remains to empower our people to lead and sustain the continued evolution of our organisation.

We believe that putting decision-making as close to the frontline as possible encourages an agile work environment which, in turn, delivers excellent service outcomes for our customers.

The icare team has gone above and beyond this year delivering innovative and unique services. We have invested significantly in providing colleagues with the tools and mind space to do this, concentrating on development programs and wellbeing initiatives.

Our 'test and learn' environment when looking at our future improvements is still very much key to achieving our vision.

There has been a strong focus on developing the capability of our people. In this section, you will read more about our talent and leadership focus, including our bespoke Agility leadership development program; icare academy; and colleagues' access to Harvard Manage Mentor.

We have also been proud to welcome our inaugural set of icare graduates to the team. 485 applicants applied for six positions. The successful colleagues joined in February and will gain great experience rotating among teams for a two year period. Our recruitment process for next year's intake is underway, attracting 620 applicants as at 30 June 2017.

Aside from empowerment, which has been pivotal to the organisation's energy, key to our people transformation has been the focus on diversity and inclusion brought to the fore through the art of storytelling.

This is evident throughout our everyday life at icare, and our strategy is to build a workforce that reflects the diverse community that we serve.

When people bring their 'whole-selves' to work, feel valued, respected and have a sense of belonging, we believe they're happy, their work is more innovative, approaches are more flexible and they're responsive to the needs of our diverse customers. We are so passionate about diversity and inclusion at icare that we have also appointed a General Manager to focus solely on this area of importance, and collaborate across our organisation to deliver our Inclusion & Diversity Strategy 2017-19 as well as our Multicultural & Disability Action Plan.

The past year also saw our working environments improve, most noticeably within our Gosford and Sydney offices, with a new Parramatta office opening in the 2017-18 financial year. They have been designed to provide a modern and safe environment for our people, whilst driving collaboration amongst team members.

Our organisational culture has grown to something quite unique. As they say, culture is the glue that bonds great work together and if people don't love coming to work they will never deliver world-class services. Our approach to workplace policies has further entrusted employees, providing the mental and physical space to innovate and thrive. Furthermore, we have been passionate about empowering our people i.e. no dress code and flexible working, and using a 'code of common sense'.

It's important to our culture to encourage recognition amongst our team. This happens in many ways across our organisation, and we aim to have many different opportunities to recognise good actions based on our organisational values of integrity, courage, accountability, respect and empathy. At its simplest level this includes 'thank you' cards that colleagues can send to each other as and when required.

However, one initiative that is a highlight of our recognition culture is our 'Hall of Fame' awards evening. Our Board, Senior Leadership Team and nominees from across our four sites all got together in December for an evening of celebration. It was a wonderful occasion.

Our employee Net Promoter Score is at +36 (and had increased to +47 at the time of going to print) – a figure that positively reflects our employees' thoughts about being part of the one icare team. We are also extremely proud that our unique culture and employee value proposition has been recognised externally for excellence. icare was named a finalist of the Employer of Choice (public sector/not for profit) category at the prestigious 2017 Australian HR Awards. Furthermore, we have had external awards success recognising the capability of our people which is detailed further on page 131.

In this section, we outline some of our highlights throughout the year which have accelerated the organisation through our extremely ambitious transformation agenda.

We know that we couldn't deliver any of our services without a fantastic team and we would like to take this opportunity to thank all team members for their dedication, companionship, and drive in designing and delivering exceptional outcomes for our community.

Creating a great place to work to achieve great things for our customers

642
full time equivalent

36%
of senior executives are female

+36
Employee Net Promoter Score

66%
female

78%
PMES engagement index score

Our values

icare™ values

integrity   courage   accountability   respect   empathy

01.   icare™ academy

02.

06.

05.

04.

icare™

03.
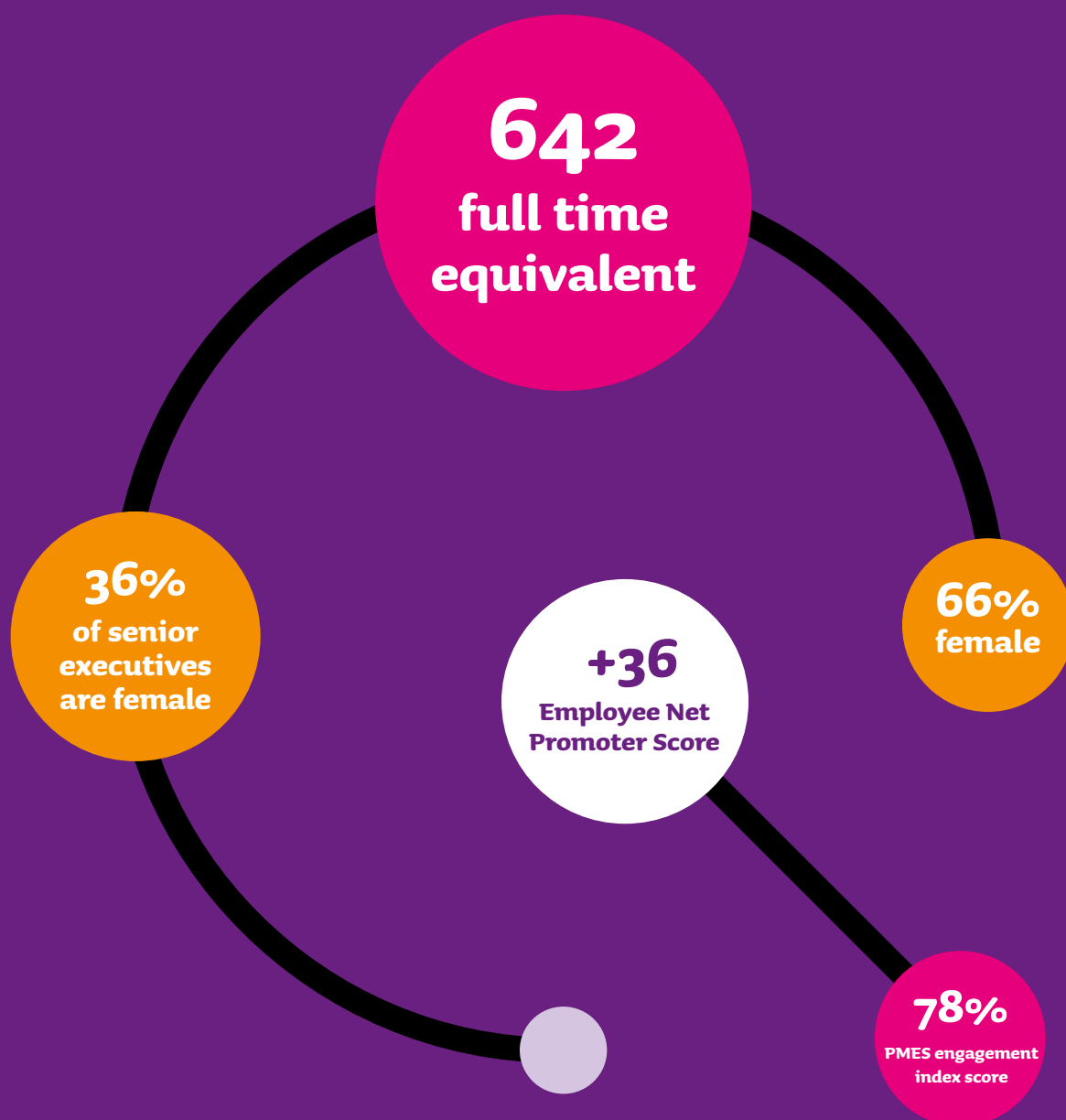
01. Multiple learning opportunities

02. Held 17 wellbeing initiatives

03. A culture of diversity & inclusion of thought

04. Q&A Sessions with Group Leadership Team; in forty5' knowledge sharing forums; inductions

05. No dress code – code of "common sense"

06. Launched icare's graduate program – 485 applicants, six graduates

2017
AUSTRALIAN
HR AWARDS
FINALIST

Employer of Choice
(Public Sector & NFP)

Culture of courage
Environment of support

Our culture of high achievement has a number of key pillars:

distributed leadership

shared knowledge

test & learn innovation

collaborate & network

open communication
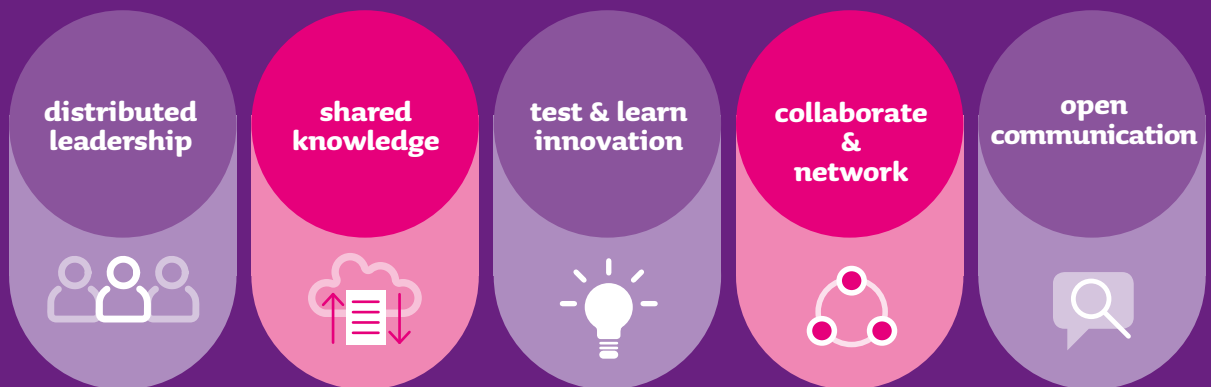
In our view, icare's culture is really what sets us apart as an employer of choice. We've spent this year building on our foundations to create a desired culture and great people strategies that will support us to achieve our world-class goals.

Building great relationships as we go, we've spent the last year really getting to know each other and creating a team based on trust. We are brought together by the desire to overachieve for our customers whilst having some fun along the way.

Key to this culture is the necessity to work differently and innovate. Our organisation's culture is truly eclectic – we have colleagues who all bring a different piece of the jigsaw that makes up the one icare team. We value every member – we wouldn't be who we are without their views, opinions and dedication.

Despite our growth, our organisation's culture has excelled. In many ways, the rapid growth has developed a team where colleagues feel they can network and learn from each other, as everyone brings fresh ideas and perspectives to the table.

Our people are empowered to make decisions

At the forefront of our culture is distributed leadership. Breaking down traditional hierarchy barriers, our employees are encouraged to take ownership and lead great customer outcomes. Every colleague is encouraged to have a voice and change the way people think about insurance and care.

That's why we try and empower decision-making as close to the frontline as possible. Our Board has overall decision-making authority, who in turn delegates the day to day running of the organisation to the CEO. Colleagues further into the organisation's structure have delegated authority in their roles to empower them to perform their role to exceptional standards and efficiency.

With empowerment comes a common understanding of responsibility and an expectation of appropriate behaviour. Our people are expected to align with our principle-based Code of Conduct & Ethics, which also meets the NSW Government's requirements.

Like our Code of Conduct & Ethics, we have internal policies which are principle-based and simple (1-2 pages). With a culture which prides itself on conversations, the policies encourage our people to discuss individual circumstances and make decisions appropriately, and based on our 'commercial mind, social heart' ethos.

This is true of our commitment to flexible working too. As an aspiring employer of choice, we support work/life choices for our employees with a number of work options available.

> **"I'm really enjoying being part of icare's inaugural Young Professional Network (YPN).**
>
> As a team our vision is to create a social and professional world-class network to connect, support and grow our young people during their career journey through icare and beyond.
>
> Some of our key achievements to date include creating a strategic plan; hosting successful interagency events and monthly networking opportunities; supporting the icare graduate program; promoting the network at Senior Leadership Team meetings and icare inductions; sponsoring members to attend professional development conferences such as the CEO Breakfast, Simon Sinek's Start with Why Leadership Forum and TEDx Sydney; and contributing to activities that help the broader NSW community.
>
> The YPN Committee operates as a team, drawing on the skills and talents of each member, and we work toward common goals to ensure the network's success.
>
> Most importantly, being on the YPN Committee is a great learning experience and a chance to meet other YPs and have fun!"

Flexible working options has most recently been enhanced by the progressive implementation of Office 365 – an online tool where colleagues can work anywhere, at any time. In our eyes, flexible working is an option that is offered in every contemporary workplace – what's important is getting the right balance for both the person and their team.

We are passionate about treating our team as adults and simply ask them to use a 'code of common-sense'. At its very simplest level, we empower people to choose how they dress to come to work.

We get together often to share information – getting to know each other and icare

Sharing our purpose and keeping our people informed is important to us. We foster a storytelling culture by encouraging our people to share their own stories of successes, project updates, lessons and points of view, across the organisation.

There are many opportunities for our people to share knowledge and learn. At the very least, we invite our people to come together quarterly to hear about the latest strategic information at our all employee 'Chapter' events. The weekly CEO blog continues to be a popular read amongst our people too.

Our Induction Day is held each month and is a key tool to immerse new colleagues in our culture. The all day event enables our people to connect with our ambitions and gain an understanding of the team's passion for delivering world-class services to the NSW community.

The focus for the day is primarily on our customers and, through storytelling, our CEO and Group Leadership Team share their reason for being at icare as we unpack our purpose, vision and ways of working. Our Group Leadership Team members commit to attending this important day and feedback has shown that the 'speed dating' session, where each GLT member spends about ten minutes with a small group of new starters, is their favourite. This year we held ten Inductions.

Another key knowledge sharing and collaboration forum is our newly introduced 'in forty5s' – a peer-to-peer information sharing and learning channel. The informal, self-organised, forums give our people the opportunity to share a personal or professional interest or topic with colleagues across icare. 48 sessions have been held across icare during 2016-17 financial year. It's wonderful to see the diverse range of topics that have been discussed such as Human Centred Design; an overview of icare investments; creative problem solving; LBGTI inclusion at icare; health and community engagement; and risk management to name just a few.

Where appropriate, we 'test & learn' to innovate

If we are to achieve our vision of providing world-class services to our customers we need our workforce to stay curious, be creative, innovative and remain open to learning. 'Test & learn' is a way of working which supports quick and adaptable delivery of initiatives with results monitored to ensure reflection, learning and continuous improvement. It empowers innovation and engages our workforce.

For 'test & learn' to work effectively, the right culture – one of trust, collaboration and inclusiveness – is required. We commenced an initiative to research and consider the right environment to enable 'test & learn' to flourish in icare. Our research determined that an environment of psychological safety was essential to the culture we seek.

When psychological safety is felt and experienced by all team members, collaboration and co-operation between teams and groups is high, learning is accelerated, trust exists and innovation occurs. In the coming year we will work to embed the principles we have defined (living our values, inclusion and diversity, role modelling, reflection, trust and camaraderie and a shared why) and articulate the behaviours we have identified as essential for a 'test & learn' culture to exist in icare.

Our people collaborate and network

With the ambition of making icare a great place to work to achieve great things for our customers, we need our team to collaborate to drive successful outcomes for our community. In order to do that it's imperative that we build trust, have capabilities aligned with icare's strategy, work together collaboratively, and work differently to innovate.

Networks at icare encourage employee engagement by providing opportunities for employees to interact in a collaborative environment. Networks are a platform for enabling development, driving higher productivity and opening career progression opportunities across the organisation.

Developing strong networks and an icare community in the workplace are pivotal to our success as a team for a number of reasons. It enables opportunities for personal growth and development outside of the day-to-day; provides leadership skills and trainings, is a platform for career progression and development; creates connections across teams to achieve outcomes; encourages innovation by building partnerships and creating news ways of doing things; and creates forums to share best-practice ideas.

Our people have come together to form networks such as the icare Social Club, Young Professionals Network, Diverse Abilities Employee Network, and Culturally Diverse Employees Network.

We come together to form 'sounding boards' too such as the use of Yammer conversations, communities of practice networks, as well as projects to support the community e.g. STEPtember.

We ask for, value and act on feedback from our people

At icare we are committed to open and transparent communication including the opportunity for all colleagues to provide feedback on their experiences. This is essential for us to be able to continue to be a great place to work, and shows us where to focus our efforts and resources.

We strongly believe that employee feedback shouldn't be a once or twice a year activity. We expect colleagues to be able to have daily conversations with colleagues from across the organisation to discuss issues and areas of improvement.

The Group Leadership Team hold regular informal Q&A Sessions where all colleagues are invited to come along, listen to an executive update, and ask any questions that they may have. They also all attend a quarterly employee get-together which focuses on providing a more comprehensive update of our strategic priorities and opens up the floor for feedback.

To obtain tangible metrics which indicate areas for improvement, we conduct regular employee Net Promoter Score survey and take part in the annual NSW Government People Matter Engagement Survey.
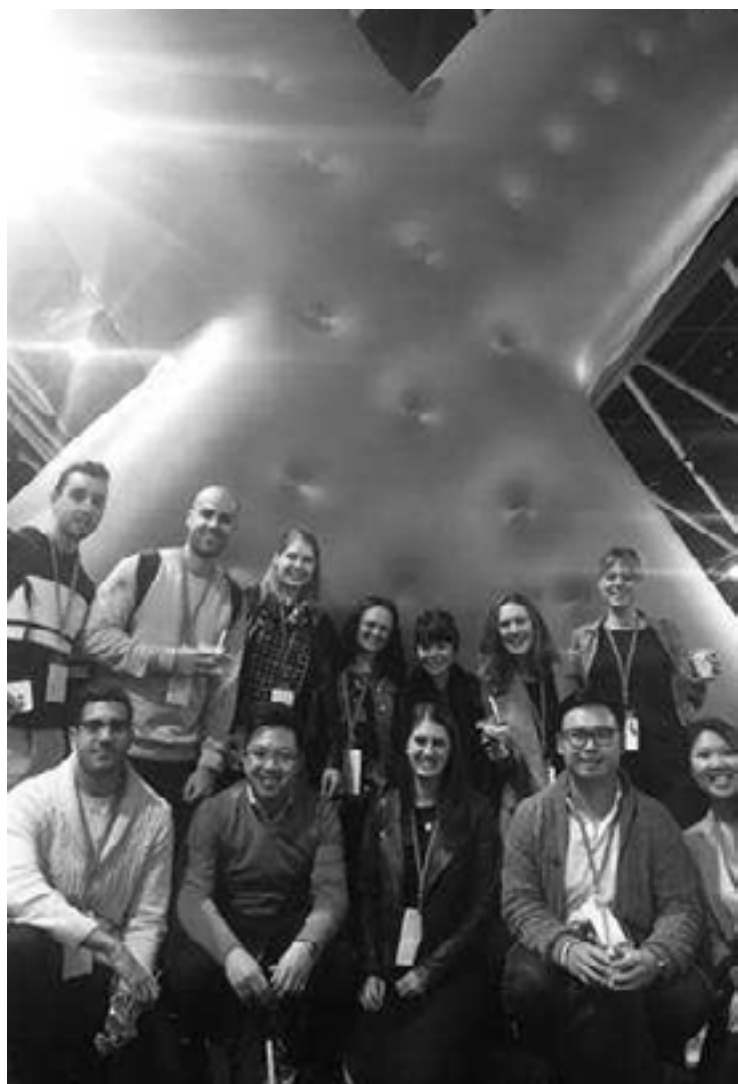
Culture of courage, environment of support

Our values are a shared understanding of who we are and underpin our ways of working. Values do not drive our organisation, they're intended to drive the behaviours and decisions made by our people and, in doing so, make a positive difference to the services we provide to our community as well as our workplace culture.

Our five core values of integrity, courage, accountability, respect and empathy perfectly encapsulate the type of organisation we want to create in icare.

The icare team worked together to create the value statements and what they mean to us:

- Integrity is doing the right thing.
- Courage is stepping up and taking action.
- Accountability is taking personal ownership.
- Respect is valuing each other.
- Empathy is listening, understanding and being there.

To further embed them into everything we do, tools have been developed for our people. Not only are they proudly displayed in public areas of our office but across our computer screens. The selfie challenge initiative was a particular hit – our people shared photos of specific examples of where they were living our values, individually and as groups.

We continue to recognise our people with the 'thank you' cards related to our specific organisational values, and our values are also the foundation for each of our employee awards in our annual 'Hall of Fame' (see Recognising Excellence on page 134). In the year ahead, we'll continue to collaborate with our people to define ways of working that are aligned with our values.

icare values:

- **Integrity**
- **Courage**
- **Accountability**
- **Respect**
- **Empathy**

A culture of inclusion and diversity of thought

Our purpose is to protect, insure and care for the people, businesses and assets that make NSW great. The NSW community is very diverse and consists of many different identities, cultures, languages, beliefs, practices and outlooks.

Embracing diversity means embracing and respecting individual differences. This can include background, life experience, gender, nationality, ethnicity, sexual orientation, religious background, ability, age, generation, different thinking styles, work styles and professional experience.

By focusing on diversity we ensure that our people contribute their different and unique perspectives, talent and expertise that will assist us in delivering services that reflect the diverse needs of our customers.

In commitment to this cause, icare created a new role, General Manager, Inclusion and Diversity that will be responsible for driving the strategy and implementing the plans across the organisation.

Our inclusive icare is underpinned by our values, customer service principles, vision, purpose and dna. With a focus on inclusion, our strategy is centred on identifying levers and enablers to address surface barriers and develop our people, creating an inclusive organisation that improves outcomes for our customers.

At icare we believe inclusion is everyone's business and while we do not single out specific groups, we know that some people need different and tailored support to contribute fully to icare.

The four pillars of our inclusion and diversity strategy are: partnerships & networks, employment and culture, values based leadership, and accessible technology, information and premises.

Our plans, which are underpinned by our strategy, outline commitments to ensure we have a workplace that recognises the importance of our people and customer's diversity. We are open and curious to people's ideas and encourage diversity of thought. In the coming year, a key area of focus will be on developing a flexible work strategy.

icare's employee related policies are principles based and our inclusion, leave and flexible work policies have been developed to be inclusive of all employees including those with carer responsibilities. Our flexible work policy encourages employees and people leaders to work together to agree flexible ways of working that enables all employees to contribute fully.

Our inclusion policy states that we do not discriminate on the basis of race, including colour, nationality, descent and ethnic, ethno-religious or national origin, sex, including pregnancy and breastfeeding, marital or domestic status, disability, homosexuality, age, transgender status and carer responsibilities.

Disability Inclusion Action Plan

We have made progress since launching our Disability Inclusion Action Plan, including becoming a member of the Australian Network on Disability (AND) and participating in their Action and Inclusion Index.

We participated in AND's 'Stepping into Program', that matches talented university students with disabilities with roles in Australian businesses, welcoming our first intern. Another key achievement in the financial year was establishing our Diverse Abilities Employee Network.

We also reviewed our job advertisements to ensure they included a statement encouraging people with disability to apply for roles at icare. For International Day of People with Disability, icare hosted a variety of activities that aimed to build awareness and inclusion of people with disability.

Multicultural Plan

Our Multicultural Plan supports the NSW Government's commitment to cultural diversity through the Multicultural Policies and Services Program and annual reporting process to Multicultural NSW.

Some of our key achievements this year include launching our Workers Insurance Employer Assist and Worker Assist websites available in 10 different languages including English, Vietnamese, Greek, Arabic & Hindi.

We are pleased to report that 66% of our employees are women and 36% of our senior executives are women, an increase from last year. We celebrated International Women's Day with a Breakfast held at each of our office locations with our own senior leaders and external speakers discussing the topic of Women and Work. We also participated in the International Women's Day celebration at Darling Harbour hosted by UN Women National Committee Australia.

Our new premises at 321 Kent Street, Sydney were designed to create an environment that would meet the needs of a diverse workforce. Two multi-faith rooms are available for employees to use through the day as well as a baby care room. We are also proud to be member of the Diversity Council of Australia.

We also launched our Culturally Diverse Employee Network this year and following last year's success, we once again celebrated icare's cultural diversity at our Festival of People. An event enjoyed by colleagues from across our office locations, its purpose is to celebrate our team's cultures through food, music, dance, language as well as hearing from panels of speakers who discussed personal and professional experiences on the benefits and challenges faced by multicultural organisations.

icare is committed to celebrating cultural events as much as we can, but namely a number of specific events throughout the year. We came together for NAIDOC week to participate in the creation of an artwork "Many Pathways, One Journey".

This artwork (above) was created by artist Riki Salam of WeAre27Creative and painted by our colleagues during the NAIDOC Week Celebrations 2016. The artwork is now proudly displayed in our Sydney office.

We celebrated the annual Sydney Gay and Lesbian Mardi Gras, designing a rainbow icare logo and changing it across all of our social media to symbolise our support and solidarity. We invited our people to join us for an LGBTQI inclusion event, 'LGBTQI and icare: Let's get the conversation started' and we followed this with some open door sessions, "Let's continue the conversation". Discussion on Yammer flowed with people sharing the meaning of Mardi Gras to them, we wore rainbow colours, ate rainbow food and welcomed a guest speaker from Pride in Diversity.

Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark/ Target (%)	2016 (%)	2017 (%)
Women	50	66.7	66.1
Aboriginal People & Torres Strait Islanders	2.6	0.6	1.5
People whose first language spoken as a child was not English	19	7.2	20.5
People with a disability	n/a	2.2	7.4
People with a disability requiring work-related adjustments	1.5	1.2	2.2

Trends in the distribution of workforce diversity group

Workforce diversity group	Benchmark/ Target[1,2]	2016	2017
Women	100	88	90
Aboriginal People & Torres Strait Islanders	100	n/a	n/a
People whose first language spoken as a child was not English	100	95	93
People with a disability	100	n/a	90
People with a disability requiring work-related adjustments	100	n/a	n/a

1. A Distribution Index Score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.
2. The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

Nurturing a culture of inclusion and diversity of thought

by Samantha Lawrence
General Manager, Inclusion & Diversity

"**The NSW community is one of the most diverse in Australia. Our diversity is the collective mix of how people form their identity, and from this how they see the world from their own perspective.**

An inclusive icare will connect our diverse workforce, providing a sense of belonging and encouraging diversity of thought, leading to improved experiences for our customers, people and partners.

I am extremely honoured to be leading the way to ensuring we cultivate a fully inclusive culture. After all, embracing diversity and inclusion brings different and unique perspectives which will help us to deliver the world-class services that our diverse community needs.

We take great pride in the important role we have in supporting people and businesses in NSW through the insurance and care services we provide, as well as families and carers. We understand the importance of community and how feeling included in decisions and feeling connected is a key part of the support we and our service providers and partners provide.

icare seeks to embed inclusion and diversity in its dna and exemplify best practice, both for our people and customers. By doing this, we will build a strong organisation that is responsive to and reflects the community we serve.

We know that an inclusive icare is crucial to achieving our vision and deliver world class customer services. At icare we incorporate new and different ways of thinking, interacting and working into the way we do things so that all individuals feel valued, are able to contribute and have access to great opportunities.

We will do this by embedding inclusion and diversity principles in everything we do, identify and address barriers, create opportunities to flourish, demonstrate strong inclusive leadership and build partnerships with organisations that share our values and behaviours.

When people bring their whole selves to work, feel valued, respected and have a sense of belonging, our work is more innovative, our approaches are more flexible and we are responsive to the needs of our diverse customers."

Want to know more? Get in touch:
inclusion.diversity@icare.nsw.gov.au

We value our wellbeing & safety

Our people's wellbeing is important to us. At some point in our lives most of us have, or will, experience a time when we need support or advice to help us to cope or deal with a situation. Asking for help, support and advice, as early as possible, can provide colleagues with the tools and strategies to manage these situations effectively and minimise the impact on their lives.

For those times when we might need advice or support, we provide support services such as the Employee Assistance Program; Manager Assist; and Critical Incident Support.

Employee Assistance Program

Manager Assist

Critical Incident Support

Our prevention activities help build an environment where everyone is safe and supported and one where wellbeing and safety is embedded into everything we do. During the 2016-17 year we've completed over 70 ergonomic assessments which include arranging modifications for our people. We provided advice and/or ongoing case management for over 120 of our people who have experienced an injury, illness or challenging life event, and their leaders.

Our team have had the opportunity to participate in 17 wellbeing initiatives during the year including R U Ok? Day, Flu Vax, Sleep Training, Men's Health Week and Health Checks.

Our people gave us valuable feedback on the sleep training:

'The course was a really nice reminder that we all need to stop daily to breathe and be aware of ourselves, the benefits of this and how the outside noise (everyday life) can have a negative impact on our sleep amongst other things, if we don't do this.'

Another benefit is a corporate health and fitness program called Fitness Passport. The Fitness Passport is a corporate health and fitness program which allows its members to access a wide range of local health and fitness suppliers

Next year we'll be building on our wellbeing program with an updated Employee Support Services program, as well as collaborating on the design of our wellbeing strategy.

Our incident reporting system is making things easier for our people:

Our online reporting system went live in May 2017 and is making it easier for our people to let us know about a hazard, injury or near miss. This helps us to follow up on and manage and resolve each notification we receive.

Our people are involved in managing safety:

We have expanded our First Aid Officer network. Our Health & Safety Committee and Health & Safety Representatives continue to be involved in work health and safety prevention, providing us with an avenue to hear the voice of our people.

The icare Award

We are delighted to confirm that the consultation established following the creation of icare has operated effectively and policies have provided the basis for the prompt resolution of any issues which have emerged. These have been dealt with by our people leaders consistent with the objectives of the disputes and grievance handling policy.

We have achieved agreement with the union (the PSA) regarding the terms of the icare Award which has combined relevant public service conditions of employment that existed in our predecessor organisations. Our goal in creating an icare Enterprise Award has always been about consolidating numerous agreements into a single, simplified agreement that is easier for our people to understand and apply.

In developing the icare Award we've worked closely with the PSA and used the input from our people that we collected last year. The new agreement does not change current employment conditions, nor will it affect the current flexible working hours arrangements. We have simply tidied up the language to reflect our delegations and removing those clauses that aren't related to icare.

Preventing workplace bullying

We value working collaboratively which means that we will not bully, discriminate against, harass, intimidate, or vilify any person we have contact with at work, including our customers and the public. At icare we do not accept any type of bullying, harassment or discrimination.

We continue to use a contemporary approach to people management and the creation of strategies to prevent workplace bullying. The independent advisory panel has met several times in the last twelve months to discuss and provide recommendations on our organisational culture, leadership programs, creating a positive and productive workplace, performance management and psychological safety in the workplace.

icare continues to publish a six monthly progress report on the bullying inquiry action plan. The report outlines actions and progress against each of the recommendations that were supported by the Government arising from the General Purpose Standing Committee No.1 inquiry into allegations of bullying in WorkCover.

We want our people to feel safe and supported at work. Bullying is simply not a behaviour we will accept in our workplace.

Workplace injuries

Six workplace injury claims were made in 2016-17, none of which were related to psychological illness or injury. All claimants returned to work in less than two weeks.

Talent development

Supporting individual's personal and professional career goals is a commitment we make to all of our people.

With an ambitious transformation agenda our success depends on the ability of our people to embrace change and constantly look for new and improved ways of working.

We do this by providing tools and opportunities to help them in developing their skills, capability and experience.

To support our colleagues, and accelerate our organisational success, we have developed the following programs:

01.
icare academy

02.
Harvard Manage mentor

04.

03.

01. icare academy

icare academy is a blended approach to organisational learning across four areas:

- Our eLearning offering provides on-demand, just-in-time soft skills, business acumen and management training in addition to icare essentials modules.

- Our scheduled, modular training program will enhance capability, confidence and performance through behavioural learning that is framed in an icare context and supported with ongoing tools.

- Out of the box learning experiences will support our vision of a more collaborative, agile culture, by taking learning 'out of the classroom' into the lunch-room, the community and beyond.

All icare academy programs can be run on demand and tailored to meet specific team requirements.

We have partnered with world-class learning and development providers to ensure that initiatives are accessible to all icare colleagues.

02. Harvard Manage Mentor

Available to all of the icare team, this world-class development tool helps colleagues build their personal, leadership and management capabilities. It drives development through an innovative, work-based learning approach that focuses on actionable learning for today's busy leaders. The work-based learning approach focuses on integrating their learning with everyday work. The system starts with goal-aligned lessons, then transitions to teaching colleagues to apply their new skills in real life.

There are 44 core modules available to the team, split into three areas for tailored learning: leading yourself; leading others; and leading the business.

Our partnership with Harvard will be bringing even more great initiatives including Harvard Cafes, Harvard Book Club, Harvard Business Review and Harvard Big Ideas.

03. Graduate program

Six university graduates joined the inaugural program, commencing employment in February 2017.

- From diverse degree backgrounds including law, economics and various business specialties.

- Graduates have completed the first of four 6 month rotations in real roles, including roles supporting our Care and Workers Insurance transformation.

- Graduates have commenced a targeted development program, including attending a week-long orientation, a career management workshop, and individual coaching.

- Of the six, two are females.

04. Human Centred Design workshops

To help create tomorrow's icare, 20 workshops were organised concentrating on Human Centred Design (HCD). HCD is a set of skills and perspectives that can be used throughout life.

These skills will help our team approach problems in new ways, and solve them quickly and creatively, cut through noise, spot real problems, and flip insights.

design process: the icare double diamond

Opportunity space — Solution space

Expand thinking — Refine thinking — Expand thinking — Refine thinking

empathy
Understanding
Immersion
Research

insights
Analysing
Synthesising
Sense-making

prototype
Ideation
Experimenting
Learning

build
Developing
Testing
Iterating

Opportunity — Opportunity Definition — Solution

Defining the right opportunity — Finding the right solution

Leadership development

We recognise the importance of leadership in achieving our strategy and ideal culture. That's why this year has continued to focus on developing people leaders responsible for leading our transformation.

Inspired by our vision, purpose, values and DNA we have developed icare leadership profiles and capabilities to set the behavioural expectations required for our leaders to successfully execute on our future strategy.

The capabilities are based on the requirements of icare now and into the future. Leveraging best practice inputs (CEB, AON, Gallup and Harvard) and the NSW Public Sector capability framework, the capabilities in the icare leadership profile have been validated as important for organisations undergoing complex change.

The profiles enable conversations between people leaders and their team about what is required and expected of roles in a leadership sense, what is required to progress and how roles differ.

Talent Review

A Talent Review of icare's leadership capability, including leaders identified for accelerated development and succession plans, were undertaken in October 2016 and April 2017. These reviews ensure that strong leaders and performers at icare are recognised, developed, engaged and factored into future leadership pipelining.

Some outcomes of the reviews have included:

- two female General Managers being selected and approached to attend the development program run by the Harvard Club of Australia in Melbourne;

- investment in executives attending programs with the Australian Institute of Company Directors;

- external executive coaches being appointed to support the stretch development of a number of senior leaders; and

- development conversations being had with many leaders about their aspirations and support for future capability development.

Positive Leadership Conversations

A 'Positive Leadership Conversation' (PLC) is a very high quality, structured, monthly 1:1 conversation based on the principles of positive psychology and positive leadership. It improves the quality of any one-to-one conversation, as a more collaborative, holistic, proactive, strategic and, above all, effective approach than more traditional activities.

Designed by Professor Kim Cameron (2008), evidence shows that implementation of this approach improves morale, trust and engagement as well as productivity and goal accomplishment. The PLC has been proven to significantly improve individual performance and personal wellbeing as well as organisational outcomes over time. The conversations have a clear and agreed structure, underpinned by the skills of listening, feedback, essential conversations and emotional mastery. It is intended that the structure of the conversation evolves over time as we embed the education of this framework in our leadership programs.

Agility program for business leaders

'Agility' is a 4-month leadership growth engine unique to icare. It's an interactive, challenging, inspiring and transformational program designed for our leaders who value professional growth and see their role as central to building our future.

The world is an increasingly turbulent and complex place. This creates many opportunities to deliver extraordinary and innovative results which we can only seize if we are individually and collectively agile: collaborative, resilient, efficient and aligned.

Over 170 people have completed this leadership development program. An Agility Alumni network has subsequently been established to keep alumni connected with fresh and relevant content.

icare™ shift

Welcomed various experts and thought leaders – icare shift

A number of visiting executives from other organisations and leading scholars have been invited to icare as part of our vision to reinvent insurance and care. These included:

- Paul Sainsbury, Chief Customer Officer of AMP spoke to the senior leadership team, sharing his story of customer centric culture transformation at AMP;

- Dr Susan David, Harvard professor and author of no.1 Wall St journal listed book 'Emotional agility' shared her latest research and theory with leaders, members of the Board and community partners; and

- Associate Professor Michael Steger, of Colorado State University and Director of the Centre for Meaning at Work shared his insights with teams working on icare's strategy and community partnerships.

Talent Acquisition

It is our ambition to continue to bring fresh perspectives, disruptive and emerging research and best practice into icare by continuing to invite the best local and internal speakers to icare when they are available.

In the last 12 months we have recruited 180 people across the organisation, highlighting that significant effort is underway to transform every part of our organisation.

Net Promoter Scores (NPS) validate our customer-centric approach being at the forefront of our Talent Acquisition experience (+73 hiring managers, +76 placed candidates).

Our focus has been, and will continue to be, about bringing innovative solutions to the way we attract talent through our assessments; how we use different tools to assess capabilities required for each role, sourcing strategies and technology.

Performance and reward

Remuneration Governance

Board

**Overall responsibility for the remuneration strategy.
Review and, as appropriate, approves recommendations from the
People and Remuneration Committee (PRC).
Approval of contractual arrangements for CEO**

People and Remuneration Committee (PRC)

Reviews and recommends for approval to the Board
- Remuneration policy and framework for all employees.
- Incentive schemes.
- The CEO and Executive Leadership Teams' remuneration packages.
- Organisation wide performance objectives and measures.
- Performance objectives for the CEO and GLT.

Reviews, approves and monitors
- Approves human resources policies.
- Monitors development and implementation of human resources strategies.
- Performance assessment processes and results for the CEO and direct reports.
- The executive succession planning framework.
- Assists with selection of senior executives as required.

CEO and Managing Director

Makes recommendations to the PRC on:
- Direct reports remuneration and performance objectives.
- Remuneration policy.

External advisors

Provide independent advice to the PRC on remuneration for the CEO and GLT with benchmark data and market practice.

Remuneration policy

Our remuneration policy has been designed to attract and retain the best people to deliver our strategic and operational objectives.

The principles guiding our remuneration framework are to:

- support our strategic direction;
- ensure that there is a strong link between individual, team and organisational performance;
- provide market competitive remuneration and internal equity; and
- reward superior performance based on the achievement of objectives and assessment of the adherence to our values.

Remuneration components

icare's remuneration framework comprises fixed remuneration, which includes superannuation, and performance payment plans in which selected employees participate.

Fixed remuneration

Fixed remuneration takes into account market relativities and performance. Our desired positioning is up to the market median for comparable roles. We primarily benchmark to the general insurance industry and the general industry where appropriate using the relevant Aon Hewitt remuneration surveys including the Insurance Industry Survey, the General Insurance Survey and, where required specialist surveys such as the IT survey.

Fixed remuneration may be further influenced by the criticality of the role and required experience.

It is reviewed annually with our focus on assessing fixed remuneration for roles where the market indicates the need for an adjustment and the capability and performance of our people warrant an increase.

The overall total annual increase does not exceed the increase approved by the Wages Policy Taskforce which for 2017 was a 2.5 per cent increase to salary and salary related expenses.

Exceptional movements in salaries

For employees on individual employment agreements, remuneration is reviewed in July each year. In the 2016-17 annual review, the overall movement in salaries was 2.43 per cent. There were 3 employees who received a salary increase greater than 10 per cent. These were due to expanded roles and the position being re-evaluated against the market to ensure correct alignment and an accurate reflection of the skills and capabilities of the individuals.

Recommended annual performance payments are based on a rigorous assessment of an employee's performance against their pre-agreed annual performance objectives.

We take a balanced scorecard approach which includes customer satisfaction, employee engagement, financial performance and delivery of transformation initiatives.

Performance outcomes are moderated by an assessment of their demonstration of icare's values and demonstrated risk awareness and compliance.

The final performance rating for all executives is based on a combination of icare, function and individual performance, with the percentage weighting on each of these components dependant on the executive's level as detailed in the table on the following page.

Measuring performance

icare has implemented a balanced scorecard approach to measuring performance. This scorecard directly links performance to the delivery of the icare strategic plan and informs any possible performance payments. The table below sets out the icare scorecard and outcomes for 2016/17.

Category	Description	Outcomes	Commentary
Customer Customer satisfaction	The Net Promoter Score (NPS) is an index that measures the willingness of customers to recommend icare's products or services to others. Performance is measured as improvement on previous period, by service line.	Exceeded target	All service lines that have implemented NPS improved their result with Workers Insurance improving by 12 points.
People	The employee NPS (eNPS) is available to everyone at icare and provides the ability to measure employee sentiment and advocacy toward icare, along with suggestions on how we can improve. The People Matter Employee Survey, a Public Sector wide survey, is conducted annually to determine employee engagement.	Exceeded target	eNPS was a +36 which was a top quartile result when compared to financial services globally. Employee engagement improved over the year and was 78% compared to a Public Sector average of 65% and was highest in large government entities (defined as over 500 employees).
Transformation	The efficient and effective delivery of transformation milestones against time and scope.	Exceeded target	A number of transformational objectives have been successfully delivered across icare including: – Bringing underwriting in-house – Optimal Care Model design – New claims operating model – New operating model design for Self Insurance.
Finance	Measures financial performance of controllable operational expenditure to budget.	Exceeded target	Delivered financial benefits which exceeded target by 16% ($106 million).
Community	Platform identified and established for shared value initiative.	Exceeded target	icare Foundation was launched with a $100 million commitment over five years. Initial investments include: – NSW Craig's Table – GP social prescription with PCCS – Neuromoves with SCIA – Small business mental health solutions with Everymind (HIMH).

All members of the Group Leadership Team have performance objectives that are agreed with the icare Board and CEO & Managing Director. The Board and management also have a strong focus on an individual's adherence to the organisation's values, risk awareness and compliance. Performance outcomes may be moderated by their assessment of these factors.

Annual performance payments

Recommended annual performance payments are based on a rigorous assessment of an employee's performance against their pre-agreed annual performance objectives.

The final performance rating for all executives is based on a combination of icare, function and individual performance, with the percentage weighting on each of these components dependant on the executive's level as detailed below.

Category	icare	Function	Individual
CEO	100%	–	–
Group Leadership Team	50%	25%	25%
Senior Leaders	30%	30%	40%
Other Executives[1]	20%	20%	60%

All annual performance payments are discretionary and subject to the approval of the Board. Annual performance payments for members of the Group Leadership team are recommended by the CEO for approval by the Board's People and Remuneration Committee (PRC). The CEO's performance is evaluated by the Chair of the Board and the Chair of the PRC. Any recommended performance payment for the CEO is subject to endorsement by the PRC and approval by the Board.

Long term performance payments

A long term performance payment (LTPP) scheme is applicable for a small number of key senior executives to ensure continuity and delivery of our transformation initiatives. These payments are discretionary and are subject to the approval of the Board. No employees were eligible to receive a long term performance payment in the 2016–17 performance year. The Board-approved performance hurdles will be first tested in 2019 to determine if any payments are to be paid.

Number of employees

Category	Number 2015-2016	Number 2016-2017
Chief Executive	1	1
Group Leadership Team	13	11
Executives[1]	41	43
Others	425	605
Total	**480**	**660**

Numbers and remuneration of Senior Executives[1]

Band	Gender 2015-2016		Gender 2016-2017		Range $	Average remuneration 2015-2016	Average remuneration 2016-2017
	Female	Male	Female	Male			
Band 4[2]	–	3	–	5	$452,251 +	$706,333	$703,112
Band 3	3	11	6	12	$320,901 – $452,250	$364,706	$374,632
Band 2	8	8	6	4	$255,051 – $320,900	$295,123	$295,681
Band 1	7	15	8	14	$178,850 – $255,050	$216,401	$230,790
Total / average	18	37	20	35			

icare does not use the public service Senior Executive bands as our Board of Directors sets its remuneration policy being outside the Government Sector Employment Act (GSE). However if we were to align to these bands the outcomes are reflected above.

Employee related expenditure

The percentage of total employee-related expenditure in the reporting year that relates to Senior Executives is 19.9 per cent. This represents 9.2 per cent of full time equivalent employees at year end.

Recognition

Elizabeth Carr AM
Non-Executive Director

Honoured as a Member of the Order of Australia (AM)

We are proud to include in our annual report that as part of this year's Queen's Birthday 2017 Honours List, Elizabeth Carr was honoured as a Member of the Order of Australia (AM).

Elizabeth was recognised for her significant service through voluntary contributions to the health, aged care, education and social service sectors.

Peeyush Gupta
Non-Executive Director

Lifetime Achievement Award, Money Management

Congratulations to Peeyush who was announced as the recipient of Money Management's Lifetime Achievement Award. A huge achievement and well deserved.

We've been fortunate to reap the benefits of his experience as a very experienced Board Director with a longstanding career in Australian financial services. Earlier this year, he was also named by the AFR BOSS magazine as one of the 30 most powerful and influential board directors in Australia.

icare

2017 Australian Insurance Awards
Finalist – Innovation of the Year

2017 Australian HR Awards
Finalist – Employer of Choice (public sector/NFP)

2017 AAGE Graduate Recruitment Industry Awards (AGRIAs)
Finalist – Most Popular Integrated Marketing Campaign (Agency Broken Yellow) Public Sector
Winner – Will Spensley Memorial Award for Innovation (Public Sector)

2017 Executive PA Awards
Finalist – Employer of the Year
(Winner announced in November 2017)

Larissa Auditore
Executive Assistant to the CEO

2016 CEO Magazine Executive of the Year Awards
Winner – Executive Assistant of the Year

2017 Page Personnel EA of the Year Awards
Winner – EA of the Year

Yasmine May
Executive Assistant to Chief Actuary

2017 CEO Magazine Executive of the Year Awards
Finalist – Executive Assistant of the Year
(Winner announced in November 2017)

Vivek Bhatia
CEO

2016 CEO Magazine Executive of the Year Awards
Finalist – Financial Services Executive of the Year
Finalist – Managing Director of the Year

ANZIIF: 2017 Australian Insurance Industry Awards
Winner – Insurance Leader of the Year

2017 Australian Insurance Awards
Finalist – Australian Insurance Executive of the Year

2017 CEO Magazine Executive of the Year
Finalist – Financial Services Executive of the Year
Finalist – Managing Director of the Year Award
(Winner announced in November 2017)

2017 Australian Human Resources Institute (AHRI) Awards
Finalist – Lynda Gratton CEO Award
(Winner announced in November 2017)

Greg Barnier
Chief People Officer

2017 Australian HR Awards
Finalist – Australian HR Executive of the Year

Rob Craig
Chief Operating Officer

2017 CIO50: Australia's most innovative CIOs
Finalist
(Winner announced in November 2017)

Gavin Pearce
Chief Risk Officer

2017 Risk Management Institution of Australasia
Finalist – Risk Manager of the Year
(Winner announced in November 2017)

Sara Kahlau
General Manager, Transformation

2017 CEO Magazine Executive of the Year Awards
Finalist – Young Executive of the Year
(Winner announced in November 2017)

2017 Telstra New South Wales Business Women's Awards
Finalist – Young Business Women's Award

Ainsley Barahona Santos
General Manager, Talent & Leadership

2017 Women's Agenda Awards
Finalist – Emerging female leaders in the government/public sector 2017
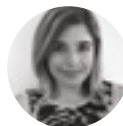
Samantha Carrick
Executive Assistant

2017 Executive PA Awards
Finalist – Up & Coming EA of the Year
(Winner announced in November 2017)

Measuring engagement

Employee engagement is a key component of our business strategy and we measure this primarily in two ways – via our Employee Net Promoter Survey (eNPS) and the People Matter Employee Survey.
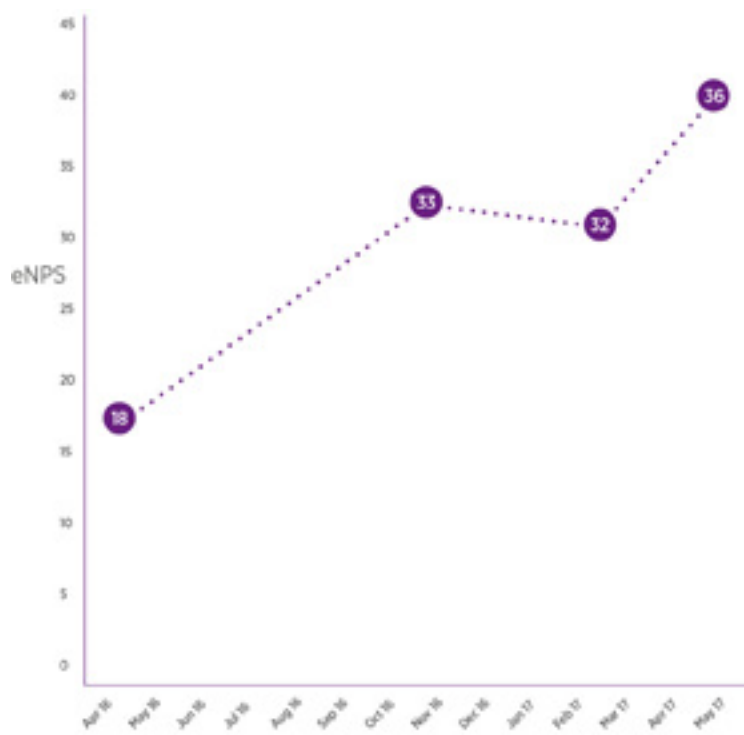
Employee Net Promoter Score (eNPS)

This year we have moved from a bi-annual to quarterly 'all of business' eNPS survey to help us understand how people feel about working at icare, including what's working well and how we can continuously improve the experience.

The key question in the eNPS survey is 'On a scale of zero to ten, how likely is it you would recommend icare as a place to work?'. This tests employee loyalty to the organisation which is a key indicator of employee engagement. Scores are from 0–10 and are grouped into the following categories: Promoter (score 9–10), Neutral/Passive (score 7–8), Detractor (score 0–6).

The overall score is calculated by subtracting the detractors from the promoters. With a higher response rate (at 64%), +36 in May 2017 is our best 'all of business' eNPS result and four points higher than our last score (+32) measured in February 2017.

Good companies consistently score between +10 and +30 and great companies exceed +45 so we are pleased with the results to date. With eNPS, it's not so much the absolute score but the trend that tells the story. The graph above shows our 'all of business' scores.

In the latest survey our employees stated:

They loved that we…
have a great culture
have good working conditions
are flexible, progressive, and innovative
have a rewarding purpose with strong alignment to our values

People Matter Employee Survey (PMES)

The People Matter Employee Survey (PMES) is a NSW Government-wide survey which measures people's experiences with their own work, their teams, managers and the organisation. The results provide an in-depth look at employee engagement on an annual basis.

The survey was conducted in May 2016 with results published in October 2016. icare's participation rate was 68% with an engagement score of 73%. The top three results were:

I look for ways to perform my job more effectively	**96%**
Diversity and inclusion in the workplace can contribute to better business outcomes	**93%**
People in my workgroup treat customers/clients with respect	**92%**

In 2017 the survey was conducted in June and icare's participation rate was 73% with an engagement score of 78% – it's the highest in large government entities (over 500 employees) and third highest overall. Public Sector average was 65%.

2017 RESPONSE RATE
73%
585 of 799 total respondents

EMPLOYEE ENGAGEMENT
78%
Difference from 2016   +5
Difference from public sector +13

SENIOR MANAGERS
74%
Difference from 2016   +6
Difference from public sector +26

COMMUNICATION
79%
Difference from 2016   +6
Difference from public sector +20

ENGAGEMENT WITH WORK
83%
Difference from public sector +11

HIGH PERFORMANCE
79%
Difference from public sector +16

PUBLIC SECTOR VALUES
82%
Difference from public sector +21

DIVERSITY & INCLUSION
83%
Difference from public sector +15

		Positive	% Agreement 2016	% Agreement Public sector
1	My organisation is making the necessary improvements to meet our future challenges	84%	83%	57%
2	My organisation is committed to developing its employees	75%	64%	50%
3	I feel that senior managers listen to employees	68%	62%	41%
4	My organisation focuses on improving the work we do	90%	91%	69%
5	I am able to speak up and share a different view to my colleagues and manager	84%	81%	66%
6	I feel that senior managers effectively lead and manage change	67%	63%	44%

Recognising excellence

icare™
hall of fame

A key part of our recognition program is our employee 'Hall of Fame'. The inaugural event was held in December 2016 and was a fantastic opportunity to recognise employees and teams who had gone the extra mile and made a significant contribution to icare.

The nomination process was opened to everyone in the organisation and colleagues could nominate in four categories, all of which play an important role in providing a world-class experience and make icare a great place to work.

Categories were:

• Be there

• Customer Experience

• Ways of Working

• Leadership.

Pictures of the winners and their stories are proudly displayed in our Sydney office.

The 'Wall of Fame' is a visible representation of team members who have been role models and significantly made a difference to our journey over the year.

Special acknowledgments

Retirement

Anita Anderson
Group Executive, Dust Diseases Care

In 2017, Anita Anderson retired after 40 years of service in the NSW Government.

Throughout her career, Anita continually delivered exceptional service to the NSW community and provided visionary leadership to the Dust Diseases Care team for the past eight years.

Recognised in the 2015 Australian Honours List for her work in social justice, workers compensation, and to the improvement of access to government services in regional areas of NSW, Anita was awarded the Public Service Medal.

Anita's wisdom and passion has been exemplary and we are extremely proud that she was an integral part of icare's Group Leadership Team.

Anita was also awarded the NSW Service Medallion in 2017 celebrating her contribution to the NSW community for over 40 years.

We wish to take this opportunity thank Anita once again for her exemplary service to icare and the wider NSW community.

Steve Hunt
Group Executive, Self Insurance Transformation

After 17 years with NSW Government and over 12 years leading Self Insurance (and its predecessor), 2017 has also seen the retirement of Steve Hunt.

Steve has had a magnificent career and is highly respected for his in-depth industry knowledge and commercial acumen.

He has been at the helm throughout Self Insurance's journey to date. Aside from creating the NSW Self Insurance Corporation (SICorp – now Self Insurance) Steve established HBCF to provide Home Warranty cover to NSW builders and homeowners; and held a key role in the development of Tort Law Reform in Australia. Prior to Self Insurance, Steve held a number of senior positions at GIO. Thanks to Steve's inspiration and guidance our Self Insurance service line has been set up for success.

Pending his retirement date, Steve is currently the Group Executive, Self Insurance Transformation. We would like to thank Steve for his commitment and dedication to icare and the wider community.

Appendices

Appendix 1.

Legislation

icare

Legislation and statutory amendments

Principal Legislation
State Insurance and Care Governance Act 2015

Regulations
Workers Compensation Regulations 2010

Changes to Act
Statute Law (Miscellaneous Provisions) Act (No 2) 2016, date of commencement of Schedule 1.28, 25.10.2016.

Regulatory and Other Legislation (Amendments and Repeals) Act 2016. Date of commencement of clause 3 of Schedule 3 14.11.2016

Workers Insurance

Legislation and statutory amendments

Principal Legislation
Workers Compensation Act 1987

Workplace Injury Management and Workers Compensation Act 1998

Regulations
Workers Compensation Regulation 2016

Changes to Acts
Regulatory and Other Legislation (Amendments and Repeals) Act 2016, date of commencement of Schedule 4, 14.11.2016

Industrial Relations Amendment (Industrial Court) Act 2016, date of commencement of Schedule 2, 8.12.2016

Statute Law (Miscellaneous Provisions) Act 2017, date of commencement of Schedule 3, 7.7.2017

Changes to Regulations
Workers Compensation Regulation 2010, repealed 1.9.2016

Workers Compensation Amendment (Latest Index Number) Regulation (No 2) 2016, date of commencement, 1.10.2016

Workers Compensation Amendment (Death Benefits) Regulation 2016, date of commencement, 11.11.2016

Workers Compensation Amendment (Legal Costs) Regulation 2016, date of commencement, 16.12.2016

Workers Compensation Amendment (Transitional Arrangements for Weekly Payments) Regulation 2016, date of commencement, 16.12.2016

Workers Compensation Amendment (Latest Index Number) Regulation 2017, date of commencement, 1.4.2017

Workers Compensation Amendment (Premiums, Large Claim Limits and Policy Cancellation) Regulation 2017. date of commencement, 30.6.2017

Lifetime Care

Principal Legislation
Motor Accidents (Lifetime Care and Support) Act 2006

Regulations
Motor Accidents (Lifetime Care and Support) Regulation 2015

Dust Diseases Care

Principal Legislation
Workers' Compensation (Dust Diseases) Act 1942

Regulations
Workers Compensation (Dust Diseases) Regulation 2013

Self Insurance, HBCF and Building Insurers' Guarantee Corporation

Principal Legislation
NSW Self Insurance Corporation Act 2004

Home Building Act 1989, Part 6A

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

Regulations
NSW Self Insurance Corporation Regulation 2015

Home Building Regulation 2014

Workers Compensation (Bush Fire, Emergency and Rescue Services) Regulation 2012

Significant Decisions
Workers Compensation (Dust Diseases) Authority v Cunha [2017] NSWCA 111: In this decision the NSW Court of Appeal found that receipt of an age pension is to be taken into account when determining whether a dependent spouse was wholly or partially dependent for support on a worker whose death was caused by a dust disease. A wholly dependent spouse is entitled to a higher lump sum death benefit than a partially dependent spouse. Most spouses who are eligible for a lump sum death benefit are in receipt of an age pension. It is now clear Dust Diseases Care should take this into account when calculating lump sums.

Changes to Acts
Statute Law (Miscellaneous Provisions) Act (No 2) 2016, date of commencement of Sch 1.18, 25.10.2016

Home Building Amendment (Compensation Reform) Act 2017, date of commencement of Sch 1 [4] [17]–[19] [23] [24] [34] [62] [63] [84] (to the extent that it repeals the definition of Administration Corporation) [85] (to the extent that it inserts the definition of Authority) and [86], 30.6.2017, remainder not in force

Changes to Regulations
NSW Self Insurance Corporation Regulation 2015, date of commencement, 6.11.2015

Home Building Amendment (Fees) Regulation 2017, date of commencement, 1.7.2017

Sporting Injuries Insurance

Principal Legislation
Sporting Injuries Insurance Act 1978

Regulations
Sporting Injuries Insurance Regulation 2014

Sporting Injuries Insurance Rule 1997

Appendix 2.

Government information (public access) 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 all types of records in any format such as documents (paper and electronic), data in business information systems and verbal decisions and objects (e.g. photographs, maps, evidence and samples).

Examples of the personal details of individuals with whom icare has contact includes names, dates of birth, residential addresses, drivers licence details, financial details, bank account details, wage records, work history, medical certificates and health details. icare staff are guided in the management of personal and health information by the Privacy Management Plan. The plan can be accessed on icare's web site.

icare has developed and continues to consider privacy issues in the development of systems, policies, procedures and guidelines, with particular emphases on the collection and use of personal information and the development of best practice systems.

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

icare did not receive any requests to amend records or requests for access to personal information under the PPIP Act. However icare did receive two access requests for information under the HRIP Act. No privacy matters were decided by the NSW Civil and Administrative Tribunal or investigated by the NSW Privacy Commissioner.

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

In 2016-2017, three internal review applications made under the *Privacy and Personal Information Protection Act 1998* (PPIP Act) and *Health Records and Information Privacy Act 2002* (HRIP Act) were received by icare. All three of these applications were managed by icare's Privacy Officer. In addition, four complaints were managed and resolved without recourse to a formal application.

During 2016-2017, icare reviewed privacy practices across its service lines to create one icare privacy reporting stream. Internal consultation and further worked is continuing to ensure this instrumental work endures. icare celebrated Privacy Awareness Month (PAM) with a range of activities, to remind employees to 'be privacy aware @ icare' which included: a general information session for employees on 1 May 2017; a range of cartoons (screensavers and digital screens) reminding employees about the importance of keeping privacy front of mind and think privacy when completing day to day work; resources released onto intranet and mandatory privacy awareness e-learning module released icare-wide on 10 May 2017.

Review of proactive release program

icare is committed to ensuring the public's right to information meets the requirements of the *Government Information (Public Access) Act 2009* and that responses to other requests for information are handled effectively. icare regularly review its programs to ensure the information which is in the public interest and which assists people with access to services is made publicly available via the icare website. icare provides information about major plans and services to individuals, families and carers and service providers. Other information is also proactively released via the icare website, for example policies, resources, factsheets, pamphlets, reports, plans, papers, newsletters and statistical information. icare is building a register of government contracts, as required by the *Government Information (Public Access) Act.* The register is expected to be made available in the 2017–18 financial year.

Number of access applications received

During 2016-2017 icare has received a total of 172 formal access applications.

Number of refused applications for Schedule 1 information

During the reporting period, icare refused a total of 61 access applications either wholly or in part because the information requested was information referred to in Schedule 1 to the GIPA Act. Of those applications, 38 were refused in full, and 23 were refused in part.

Statistical information about access applications

Table A: Number of applications by type of applicant and outcome[1]	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	2	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	14	28	22	6	1	0	0	0
Members of the public (other)	48	34	16	1	0	0	0	1

1. More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

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[1]	59	57	36	4	0	0	0	1
Access applications (other than personal information applications)	4	7	2	3	1	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

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

PLEASE NOTE: The total number of decisions in Table B should be the same as Table A.

Appendix 2.

Table C: Invalid applications	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	25
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	25
Invalid applications that subsequently became valid applications	16

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	
	Number of times consideration used[1]
Overriding secrecy laws	1
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	24
Excluded information	36
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

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

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

	Number of occasions when application not successful
Responsible and effective government	1
Law enforcement and security	1
Individual rights, judicial processes and natural justice	40
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	158
Decided after 35 days (by agreement with applicant)	3
Not decided within time (deemed refusal)	1
Total	**162**

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

	Decision varied	Decision upheld	Total
Internal review	2	0	2
Review by Information Commissioner[1]	1	0	1
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	0	0	0
Total	**3**	**0**	**3**

1. The Information Commissioner does not have the authority to vary decisions, but can make recommendation 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 Act (by type of applicant)

	Number of applications for review
Applications by access applicants	3
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

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

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

Appendix 3.

Public interest disclosures

The icare Reporting Wrongdoing Policy came into effect 1 July 2016, which superseded the internal reporting policy of the reformer entities. The CEO has acted to make staff members aware of their rights and responsibilities under the Public Interest Disclosure Act 1994. Awareness activities within the current public interest disclosures reporting period (1 July 2016 to 30 June 2017) included:

- CEO icare-wide blog advising the new icare Reporting Wrongdoing Policy has taken effect and providing a link to the policy

- Publication of policy on the icare intranet "HUGO".

- The release of the icare essentials – Fraud and Corruption Awareness online training module to support the new Reporting Wrongdoing Policy

Statistical information on PIDs	Made by public officials performing their day – day functions	Under a statutory or other legal obligation	All other PIDs
Number of public officials who made a PID directly	0	0	0
Number of PIDs received	0	0	0
Of PIDs received, number primarily about:			
Corrupt conduct	0	0	0
Maladministration	0	0	0
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0
Number of PIDs finalised		0	

Appendix 4.

Response to significant matters raised in the outgoing audit report

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

Appendix 5.

Credit card certification

GPO Box 4052
Sydney NSW 2001
icare.nsw.gov.au

17 August 2017

The Hon Dominic Perrottet MP
Treasurer and Minister for Industrial Relations
Level 16
52 Martin Place
SYDNEY   NSW   2000
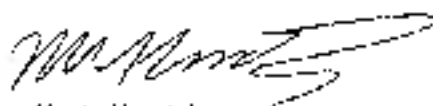
UNCLASSIFIED

Dear Treasurer

The New South Wales Treasury Policy & Guidelines Paper on Credit Card use requires Chief Executive Officers or their delegates, to certify to their Minister that credit card use in their department is in accordance with the Premier's Memoranda and Treasurer's Directions

On behalf of Insurance and Care NSW (icare), I certify that all cardholders for the period of 1 July 2016 to 30 June 2017 have used their cards in accordance with the Premier's Memoranda and Treasurer's Directions

Yours sincerely,

Megan Hancock
Chief Financial Officer
Insurance and Care NSW

dust diseases care / hbcf / lifetime care / self insurance / workers insurance

Appendix 6.

Accounts payable performance

icare
All suppliers

Amounts outstanding to suppliers at the end of each quarter of the year were:

2016-17	June Quarter	March Quarter	December Quarter	September Quarter
Current	**$51,279,384**	**$851,453**	**$603,123**	-
<30 days overdue	$12,480,430	$13,816	$729,600	-
>30 & <60 days overdue	$59,450	$25,034	$102,965	-
>60 days & <90 days	-	-	-	-
90 days & over	$1,597	-	$6,930	-

Amounts paid to suppliers at the end of each quarter of the year were:

2016-17	2016-17 Total	June Quarter	March Quarter	December Quarter	September Quarter
Number of accounts paid	**9,935**	**2,611**	**3,174**	**2,217**	**1,933**
Number accounts paid on time	9,652	2,595	3,158	2,013	1,886
% accounts paid on-time (based on number of accounts)	**97%**	**99%**	**99%**	**91%**	**98%**
Dollar amount of accounts due for payment	**$547,931,208**	**$150,023,765**	**$182,455,198**	**$185,971,722**	**$29,480,523**
Dollar amount of accounts paid on-time	$544,588,356	$149,930,347	$182,339,401	$184,437,643	$27,880,965
% of accounts paid on-time (based on $)	**99%**	**100%**	**100%**	**99%**	**95%**
Number of payments for interest on overdue accounts	238	238	-	-	-
Interest paid on overdue accounts	$21,234	$21,234	-	-	-

Due to system changes some suppliers received delayed payments however they were individually contacted, and where appropriate, compensated pursuant to NSW Treasury Circular TC11/12. The value of the compensation totalled $21,234 and is disclosed in the small business suppliers table on the opposite page.

Small business suppliers

Amounts paid to identified small business suppliers at the end of each quarter of the year were:

2016-17	2016-17 Total	June Quarter	March Quarter	December Quarter	September Quarter
Number of payments made	238	238	-	-	-
Number of accounts paid on time	-	-	-	-	-
% accounts paid on-time (based on number of accounts)	-	-	-	-	-
Dollar amount of accounts due for payment	$2,814,963	$2,814,963	-	-	-
Dollar amount of accounts paid on-time	-	-	-	-	-
% of accounts paid on time (based on $)	-	-	-	-	-
Number of payments for interest on overdue accounts	238	238	-	-	-
Interest paid on overdue accounts	$21,234	$21,234	-	-	-

Appendix 6.

Accounts payable performance

**Dust Diseases Care
All suppliers**

Amounts outstanding to suppliers at the end of each quarter of the year were:

2016-17	June Quarter	March Quarter	December Quarter	September Quarter
Current	**$7,874**	-	-	-
<30 days overdue	$32	-	-	$2,235
>30 & <60 days overdue	-	-	-	-
>60 days & <90 days	-	-	-	$646
90 days & over	-	-	-	-

Amounts paid to suppliers at the end of each quarter of the year were:

2016-17	2016-17 Total	June Quarter	March Quarter	December Quarter	September Quarter
Number of accounts paid	13,073	3,602	3,587	3,273	2,611
Number of accounts paid on time	11,405	3,244	3,170	2,701	2,290
% accounts paid on-time (based on number of accounts)	**87%**	**90%**	**88%**	**83%**	**88%**
Dollar amount of accounts due for payment	**$20,526,966**	**$9,881,063**	**$3,512,903**	**$2,786,036**	**$4,346,964**
Dollar amount of accounts paid on time	$16,644,734	$9,397,680	$2,963,931	$2,044,955	$2,238,168
% of accounts paid on-time (based on $)	**81%**	**95%**	**84%**	**73%**	**51%**
Number of payments for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

Small business suppliers

Amounts paid to identified small business suppliers at the end of each quarter of the year were:

2016-17	2016-17 Total	June Quarter	March Quarter	December Quarter	September Quarter
Number of payments made	199	47	57	52	43
Number of accounts paid on time	166	45	45	38	38
% accounts paid on time (based on number of accounts)	83%	96%	79%	73%	88%
Dollar amount of accounts due for payment	$64,048	$22,454	$16,647	$13,545	$11,402
Dollar amount of accounts paid on time	$51,909	$20,381	$12,531	$8,027	$10,970
% of accounts paid on time (based on $)	81%	91%	75%	59%	96%
Number of payments for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

Appendix 6.

Accounts payable performance

Lifetime Care
All suppliers

Amounts outstanding to suppliers at the end of each quarter of the year were:

2016-17	June Quarter	March Quarter	December Quarter	September Quarter
Current	**$73,778**	-	-	-
<30 days overdue	$174,628	$222,171	$591,160	$3,382
>30 & <60 days overdue	-	$101,875	$552,946	$264
>60 days & <90 days	-	-	$49,072	-
90 days & over	-	-	-	-

Amounts paid to suppliers at the end of each quarter of the year were:

2016-17	2016-17 Total	June Quarter	March Quarter	December Quarter	September Quarter
Number of accounts paid	**70,881**	**20,406**	**18,786**	**16,517**	**15,172**
Number of accounts paid on time	70,009	20,121	18,600	16,342	14,946
% accounts paid on time (based on number of accounts)	**99%**	**99%**	**99%**	**99%**	**99%**
Dollar amount of accounts due for payment	**$116,858,278**	**$30,463,520**	**$31,485,239**	**$29,346,218**	**$25,563,301**
Dollar amount of accounts paid on time	$113,686,700	$29,568,055	$30,985,174	$28,849,337	$24,284,134
% of accounts paid on time (based on $)	**97%**	**97%**	**98%**	**98%**	**95%**
Number of payments for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

Small business suppliers

Amounts paid to identified small business suppliers at the end of each quarter of the year were:

2016-17	2016-17 Total	June Quarter	March Quarter	December Quarter	September Quarter
Number of payments made	694	209	192	152	141
Number of accounts paid on time	684	206	189	151	138
% accounts paid on time (based on number of accounts)	99%	99%	98%	99%	98%
Dollar amount of accounts due for payment	$836,989	$224,860	$210,272	$213,467	$188,390
Dollar amount of accounts paid on time	$825,185	$222,777	$205,139	$211,324	$185,945
% of accounts paid on-time (based on $)	99%	99%	98%	99%	99%
Number of payments for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

Appendix 6.

Accounts payable performance

Self Insurance[1]
All suppliers

Amounts outstanding to suppliers at the end of each quarter of the year were:

2016-17	June Quarter	March Quarter	December Quarter	September Quarter
Current	$3,390	-	-	-
<30 days overdue	$400,777	-	-	-
>30 & <60 days overdue	-	-	-	-
>60 days & <90 days	-	-	-	-
90 days & over	-	-	-	-

Amounts paid to suppliers at the end of each quarter of the year were:

2016-17	2016-17 Total	June Quarter	March Quarter	December Quarter	September Quarter
Number of accounts paid	424	59	24	118	223
Number of accounts paid on time	261	59	24	53	125
% accounts paid on time (based on number of accounts)	62%	100%	100%	45%	56%
Dollar amount of accounts due for payment	$141,202,311	$21,189,082	$18,972,625	$28,368,302	$72,672,302
Dollar amount of accounts paid on time	$78,022,719	$21,189,082	$18,972,625	$12,657,280	$25,203,732
% of accounts paid on time (based on $)	55%	100%	100%	45%	35%
Number of payments for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

1. Includes Builders Insurance Guarantee Corporation.

Small business suppliers

Amounts paid to identified small business suppliers at the end of each quarter of the year were:

2016-17	2016-17 Total	June Quarter	March Quarter	December Quarter	September Quarter
Number of payments made	-	-	-	-	-
Number of accounts paid on time	-	-	-	-	-
% accounts paid on time (based on number of accounts)	-	-	-	-	-
Dollar amount of accounts due for payment	-	-	-	-	-
Dollar amount of accounts paid on time	-	-	-	-	-
% of accounts paid on time (based on $)	-	-	-	-	-
Number of payments for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

Appendix 6.

Accounts payable performance

**Sporting Injuries
All suppliers**

Amounts outstanding to suppliers at the end of each quarter of the year were:

2016-17	June Quarter	March Quarter	December Quarter	September Quarter
Current	-	-	-	-
<30 days overdue	-	-	-	-
>30 & <60 days overdue	-	-	-	-
>60 days & <90 days	-	-	-	-
90 days & over	-	-	-	-

Amounts paid to suppliers at the end of each quarter of the year were:

2016-17	2016-17 Total	June Quarter	March Quarter	December Quarter	September Quarter
Number of accounts paid	21	10	5	2	4
Number of accounts paid on time	20	10	5	1	4
% accounts paid on time (based on number of accounts)	95%	100%	100%	50%	100%
Dollar amount of accounts due for payment	$221,630	$109,711	$75,992	$16,798	$19,129
Dollar amount of accounts paid on time	$208,100	$109,711	$75,992	$3,268	$19,129
% of accounts paid on time (based on $)	94%	100%	100%	19%	100%
Number of payments for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

Small business suppliers

Amounts paid to identified small business suppliers at the end of each quarter of the year were:

2016-17	2016-17 Total	June Quarter	March Quarter	December Quarter	September Quarter
Number of payments made	-	-	-	-	-
Number of accounts paid on time	-	-	-	-	-
% accounts paid on time (based on number of accounts)	-	-	-	-	-
Dollar amount of accounts due for payment	-	-	-	-	-
Dollar amount of accounts paid on time	-	-	-	-	-
% of accounts paid on time (based on $)	-	-	-	-	-
Number of payments for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

Appendix 6.

Accounts payable performance

Workers Insurance
All suppliers

Amounts outstanding to suppliers at the end of each quarter of the year were:

2016-17	June Quarter	March Quarter	December Quarter	September Quarter
Current	2,635,208	392,659	47,364	-
<30 days overdue	37,830	84,932	60,765	-
>30 & <60 days overdue	12,329	205,978	-	-
>60 days & <90 days	3,615	-	-	-
90 days & over	-	-	-	-

Amounts paid to suppliers at the end of each quarter of the year were:

2016-17	2016-17 Total	June Quarter	March Quarter	December Quarter	September Quarter
Number of accounts paid	**1,880**	**612**	**610**	**398**	**260**
Number of accounts paid on time	1,846	597	609	382	258
% accounts paid on time (based on number of accounts)	**98%**	**98%**	**100%**	**96%**	**99%**
Dollar amount of accounts due for payment	**$243,591,445**	**$83,721,194**	**$96,533,339**	**$32,268,943**	**$31,067,969**
Dollar amount of accounts paid on time	$241,377,803	$81,860,401	$96,520,689	$31,940,964	$31,055,749
% of accounts paid on time (based on $)	**99%**	**98%**	**100%**	**99%**	**100%**
Number of payments for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

Small business suppliers

Amounts paid to identified small business suppliers at the end of each quarter of the year were:

2016-17	2016-17 Total	June Quarter	March Quarter	December Quarter	September Quarter
Number of payments made	-	-	-	-	-
Number of accounts paid on time	-	-	-	-	-
% accounts paid on time (based on number of accounts)	-	-	-	-	-
Dollar amount of accounts due for payment	-	-	-	-	-
Dollar amount of accounts paid on time	-	-	-	-	-
% of accounts paid on time (based on $)	-	-	-	-	-
Number of payments for interest on overdue accounts	-	-	-	-	-
Interest paid on overdue accounts	-	-	-	-	-

Appendix 7.

Insurance activities

icare

Workers Compensation	
No. of employees	623 FTE[1]
No. of claims	6[2]
No. of claims per employee	0.01
Total cost of claims	$38,949
Average cost of claims	$5,564

1. FTE estimate for 2016/17 policy year.

2. Claims activity during the period: 7 lodged, 6 accepted, 1 declined.

Motor vehicles (total claims)	
Vehicles	8
No. of claims	1
No. of claims per vehicles	1
Total cost of claims	$905
Average cost per claim	$905
Average cost per vehicle	$113

Property	
No. of claims	3
No. of claims per employee	0.01
Total cost of claims	$4,592
Average cost per claim	$1,531
Average cost per employee	$9.17

Liability	
No. of claims	-
Total cost of claims	-
Average claim	-

Miscellaneous	
No. of claims	-
Total cost of claims	-
Average claim	-

Appendix 8.

Overseas travel

The details of all overseas travel, including the purpose of the trip.

Person travelling	Date	Location	Purpose	Cost ($)
David Johnston	Sept 16	India	Support implementation of new insurance system.	13,000
Stuart Bremner				9,302
Geoff Henderson	Sept 16	USA	Guidewire Connections Conference.	9,302
Don Ferguson				9,302
David Johnston	Nov 16	USA	Amazon Web Services Summit.	AWS Summit paid for the conference ticket. Flights, accommodation and expenses were self-funded by D Johnston.
Phoung Yarng	Nov 16	USA	Amazon Web Services Summit.	AWS Summit paid for the conference ticket. Flights, accommodation and expenses were self-funded by P Yarng.
Julie Starley	April 17	India	Research technology service support options for Digital.	Paid by Deloitte.
Tony Nelson	April 17	India	Research technology service support options for Digital.	Paid by Deloitte.
Vivek Bhatia	May 17	UK Singapore	Renewal of TMF reinsurance program.	13,523
Steve Hunt	May 17	UK Singapore	Renewal of TMF reinsurance program.	13,833
Tim Plant	May 17	UK Singapore	Renewal of TMF reinsurance program.	12,655
Sue Lukersmith	May 17	Ireland	Integrated Care Conference.	Flights, accommodation and expenses were self-funded by S Lukersmith.
Total				80,917

Appendix 9.

Land disposal

icare and its service lines have not disposed of any land in the reporting period.

Appendix 10.

Publication notes

A copy of the icare Annual Report 2016–17 can be downloaded from the icare website, at icare.nsw.gov.au. The estimated external cost of the 2016–17 Annual Report is $5,680.

The estimated external cost of typesetting the 2016-17 Financial Statements is $11,255.

Appendix 11.

Consultants

icare

Vendor	Description	Vendor total ($)
PwC	Actuarial services for the valuation of Workers Insurance	3,438,933
PwC	Actuarial services for the valuation of Self Insurance	2,541,633
The Boston Consulting Group	Develop 5 year strategy and business plan	2,365,000
McKinsey & Co	Design and develop the icare end-to-end future claims management model	1,250,000
Finity Consulting	Actuarial services for the valuation of Self Insurance	1,103,558
Ernst & Young	Actuarial services for the valuation of TMF,TAC,CRIF & Generators	758,390
Ernst & Young	Actuarial services for the valuation of Self Insurance	642,644
PwC	Actuarial services for the valuation of Lifetime Care and Support Authority	614,525
RC Harp Consulting	Redesign icare's Finance Operating Model	467,334
Finity Consulting	Actuarial services for the valuation of Workers Insurance	400,000
Finity Consulting	Develop capital management framework for Workers Insurance and Lifetime Care	314,534
Taylor Fry Consulting	Actuarial review of Workers Insurance Scheme	311,689
Taylor Fry Consulting	Actuarial services for the valuation of Workers Insurance	278,388
KPMG	Undertake complex claims review for Workers Insurance, design and implement complex claims audit	262,500
PwC	Design icare's Business Technology future strategy and operating model	219,172
PwC	Actuarial services for the valuation of Home Building Compensation Fund	211,020
JLT Towers	Additional TMF reinsurance placement and analytics	154,538
KPMG	Actuarial services for the valuation of Self Insurance	124,926
Kloud Solutions	Provide cloud infrastructure Office 365 solution design	105,000
PwC	Undertake valuation of Workers Insurance debt instruments	102,077

Vendor	Description	Vendor total ($)
PwC	Actuarial services for Dust Diseases Authority	100,000
Cloudten Industries	Provide information technology enterprise architecture services	93,005
Righthandturn	Provide Workers Insurance product advice including development of criteria, implementation and advise on scheme agent selection review process	90,900
Deloitte Touche Tohmatsu	Conduct Treasury Managed Fund property and liability claims audit	89,225
Taylor Fry Consulting	Actuarial services for the valuation of Dust Diseases Authority	85,195
KPMG	Provide Self Insurance claims risk factors advice	72,775
Bridge Business Consulting	Develop master data management strategy and framework	71,000
KPMG	Review of procurement processes	70,800
Project Management Partners	Provide portfolio management office implementation advice	69,200
Finity Consulting	Asset liability monitoring	65,151
Total Greater than $50,000		16,473,111
Plus 57 Consultants $50,000 and under		886,860
	Community Engagement	104,807
	Facilities	21,000
	Finance & accounting/tax	197,681
	Information Technology	412,177
	Legal	50,055
	Organisational review	101,139
TOTAL CONSULTANTS		17,359,971

Appendix 11.

Consultants

Dust Diseases are

Vendor	Description	Vendor total ($)
Total Greater than $50,000		-
Plus 1 Consultants $50,000 and under		16,408
	Finance & accounting/tax	16,408
TOTAL CONSULTANTS		16,408

Lifetime Care

Vendor	Description	Vendor total ($)
KPMG	Manage Common Custodian project	68,915
Total Greater than $50,000		68,915
TOTAL CONSULTANTS		68,915

Self Insurance

Vendor	Description	Vendor total ($)
Deloitte Touche Tohmatsu	Develop customer experience journey maps and claims operating model	570,731
Total Greater than $50,000		570,731
Plus 6 Consultants $50,000 and under		50,782
	Information Technology	32,677
	Organisational review	3,564
	Legal	14,541
TOTAL CONSULTANTS		621,513

Appendix 12.

Grants

We believe that as a social insurer we have a responsibility to the people, businesses and communities of NSW to play a leadership role in creating a society that keeps people safe and well, and support them in returning to work and life should they get injured.

Launched in November 2016, the icare Foundation identifies and invests in research, innovation and scale initiatives designed to make a real difference to the mental and physical wellbeing of NSW communities.

Each social investment targets specific health, psychological and return-to-work outcomes for injured workers or motorists, with the opportunity to scale programs across icare's different insurance and care schemes, as well as reaching new locations in both metropolitan and regional NSW.

Recipient organisation	Amount of funding awarded in 2016-17	Nature and purpose
icare		
Craig's Table NSW	$500,000	Establishment of the first injured workers social enterprise in NSW to create commercial and social value by supporting people to reconnect to community and return to work.
Primary & Community Care Services	$596,500	Pilot of a mechanism to link patients with non-medical sources of support within the community. Delivered in partnership with Primary & Community Care Service across 80 general practices in Central/Eastern Sydney.
Spinal Cord Injuries Australia	$138,000	Partnering with SCIA to open an accessible gym, Neuromoves Centre, in Lismore providing specialised gym equipment and access to specialised exercise programs for people with spinal cord injuries and neurological conditions from trained staff.
Everymind (Hunter Institute of Mental Health)	$1,095,000	Research, prototype and pilot access program for mental health solutions for small business. The program involves engaging SME stakeholders to identify their needs, so that fit-for-purpose solutions, such as a mental digital hub for small business, can be tried and tested.
Macquarie University	$155,103	Improving outcomes for people with a traumatic brain injury through extension of an existing program of research (Wellbeing Neuro Course) aimed at developing an internet-delivered treatment programs to include supporting the emotional and cognitive health of people with acquired brain injuries.
Australian Spinal Injury Network	$2,600	Develop an up to date information brochure for Lifetime Care participants to provide information regarding stem cell treatments for spinal cord injury.
Hunter New England Local Health District	$7,000	Facilitating access by people with an acquired brain injury to the Hunter Brain Injury Service through a video to improve understanding of the rehabilitation journey and encourage uptake of rehabilitation services
Rehabilitation Outcomes Consulting and Training	$9,288	Developing a framework for supporting seriously injured high school aged adolescents and young adults and their families to develop meaningful vocational pathways to follow after they leave school.
Attendant Care Industry Association	$225,000	Supporting attendant care industry development to ensure the attendant care industry is efficient, high quality and responsive to changes in the community care environment.
Agency for Clinical Innovation	$5,000	A two day learning and development forum to increase clinical knowledge and capabilities of NSW Brain Injury Rehabilitation Program Transitional Living Program staff and Lifetime Care coordinators supporting participants with challenging behaviours in the community.
Northern Sydney Local Health District	$79,405	Adding 120 exercises suitable for people with burns and amputations to the online physiotherapy exercise prescribing software, housed at www.physiotherapyexercises.com.

Recipient organisation	Amount of funding awarded in 2016-17	Nature and purpose
University of Sydney	$138,000	To enable persons in NSW to be included in a large international study that will describe and identify the determinants of levels of functioning, health and wellbeing of persons living with spinal cord injury.
University of Sydney	$330,610	Addressing current variations in policy and practise in acute specialist spinal care as well as developing a best practise model to be implemented in NSW. The project will also provide a clearer understanding of the drivers of high costs in the acute spinal care setting.
University of Sydney	$99,999	Improving outcomes for people with a traumatic brain injury through a clinical trial comparing telehealth and in-person conversation skills training, using the TBIconneCT intervention.
Northern Sydney Local Health District	$54,938	Improving outcomes for people with a spinal cord injury through a study to determine the effectiveness of a physiotherapist intervention for increasing the strength of partially paralysed muscles following spinal cord injury.
University of New South Wales	$146,043	Adapting an existing on-line depression and anxiety therapy program (This Way Up) to provide family and carers of people with a traumatic brain injury with specific strategies to deal with complex and challenging behaviour.
Australian College of Applied Psychology	$15,000	Increasing the number of clinical psychologists able to support people with a traumatic brain injury.
Sydney Water	$163,350	Weight management/behavioural modification program designed to assist Sydney Water's ageing workforce, the majority of which performs field based manual handling work.

Dust Diseases Care
The Dust Diseases Board is responsible for determining the grants strategy and for the assessment of grant applications.

Bernie Banton Foundation	$284,612	To improve community awareness of asbestos related diseases and provide support for individuals diagnosed with an asbestos related disease and their families, including information about the Dust Diseases compensation scheme and services.
Asbestos Diseases Foundation of Australia	$18,535	To fund a commemoration ceremony to acknowledge individuals with asbestos related diseases and their families.
Asbestos Diseases Foundation of Australia	$28,132	To provide support to individuals with dust diseases and their families, including information about the Dust Diseases compensation scheme and its services.
Asbestos Diseases Research Institute	$123,317	To provide support to individuals with dust diseases and their families, including information about the Dust Diseases compensation scheme and its services. The program will also work with evidence based information about asbestos related diseases to health professionals and local communities across NSW.

Appendix 13.

Board and committee meetings

For the period 1 July 2016 – 30 June 2017, the Dust Diseases Board meetings held and attendance by members were:

Member	Held	Attended
Gavin Bell (CHAIR)	5	5
Shay Deguara	5	5
Brian Eichhorn	5	5
Ryan Hoy	5	3
Sylvia Kidziak	5	4
Kate Minter	5	4
Ray Petty	5	5
Steve Robinson	5	3
Barry Robson	5	4
Rod Smith	5	5
Nico van Zandwijck	5	5

Appendix 14.

Internal Audit and Risk Management Attestation Statement for the 2016-2017 Financial Year for Insurance and Care NSW

We, Michael Carapiet, Chair Insurance and Care NSW and Vivek Bhatia, Chief Executive Officer, Insurance and Care NSW, are of the opinion that Insurance and Care NSW has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Core Requirements

Risk Management Framework	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant

Internal Audit	
2.1 An internal audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant

Audit and Risk Committee	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant
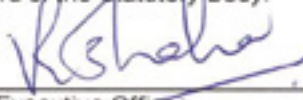
Membership
The chair and members of the Risk, Compliance and Audit Committee are:
- Independent Chair, David Plumb. Term: 12 October 2015 – 11 October 2018.
- Independent Member, Elizabeth Carr. Term: 12 October 2015 – 11 October 2018.
- Independent Member, Mark Lennon. Term: 12 October 2015 – 11 October 2018.
- Independent Member, Lisa McIntyre. Term: 12 October 2015 – 11 October 2018.

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

Chair
Insurance and Care, NSW

Chief Executive Officer
Insurance and Care, NSW

Date:

Contact Officer: Gavin Pearce, Chief Risk Officer, Insurance and Care, NSW, 321 Kent Street, NSW 2000

Appendix 15.

Digital information security attestation statement

As a NSW Government Public Financial Enterprise, icare (Insurance and Care NSW) has chosen to make an attestation consistent with the NSW Government's Digital Information Security Policy.

Across the financial year 2016–17 icare relied on information technology systems provided by the Department of Finance, Services and Innovation. icare is investing in new information technology systems that will allow icare to implement and sustain the cyber security capabilities that are expected of an Australian general insurer, a NSW government agency and by our customers.

ATTESTATION

I, Vivek Bhatia, Chief Executive Officer, am of the opinion that icare had an Information Security Management System in place during the 2016-17 financial year that is consistent with the relevant core requirements of the NSW Government's Digital Information Security Policy.

Across the 2016-17 financial year, icare used information technology systems supplied by:

Department of Finance, Service and Innovation, which are compliant via their independent ISMS attestation in accordance with the NSW Government's Digital Information Security Policy;

Cloud providers which are compliant via their certifications under the Australian Signals Directorate's Certified Cloud Supplier List scheme;

Cloud providers who have satisfied icare's security assurance checks, including certification under ISO 27001

The controls in place to mitigate identified risks to the digital information and information technology systems of icare have been independently assessed by KPMG and, due to structural change and the technology capabilities being introduced, they will be updated during the 2017-18 financial year.

New information technology systems supporting icare's core business continue to be built and will obtain compliance with ISO 27001 Information technology – Security techniques – Information security management systems – Requirements. Delivery of these information technology systems will happen progressively across 2017 and 2018, with the first systems anticipated to be certified by 31 December 2017.

Yours sincerely

Vivek Bhatia

Chief Executive Officer &
Managing Director

Appendix 16.

Additional Lifetime Care information

Accountability

We are pleased to confirm that key performance indicators are tracking in line with targets and there is currently an adequate surplus of funds to maintain the viability of the fund.

Expenditure on participants and the number of participants entering the scheme have been below predicted figures for the past two years. The new liability incurred (based on the number of participants and their severity) remains within the predicted model. Operating expenses remain on target with a high level of expenditure on participants maintained.

KPI	Purpose	Target	2015-16	2016-17
Annual levy income aligns with actuarial estimates	To ensure sufficient revenue to meet levy income projections	100%	101%	103%
Scheme funding ratio to expenses[1]	To ensure the scheme has sufficient funds to meet the projected needs of participants and remains viable	>120%	150%	154%
Payments ≤ actuarial estimates	To track payments to ensure scheme viability	<100%	88%	95%
New client costs within actuarial estimates (number of quarters exceeding estimates)	To ensure the scheme collects sufficient funds for the lifetime care of new participants, taking into account the number of participants and severity of injuries	<3 quarters	1 quarter	1 quarter
New client intake within actuarial estimates	To monitor the intake of participants	<100%	91%	86%
Scheme efficiency ratio	To monitor the cost of administering the scheme	91.5%	91.6%	91.6%

1. The LTC funding ratio excludes a risk margin given it is accounted for under AASB 137 where no such margin is required. Should a risk margin (at the 75% probability of adequacy) be included, the liabilities would increase by $73m (2015:$441m) resulting in a funding ratio for FY 17 of 126% (FY16: 131%).

Lifetime Care's participant current age

Of the current 1,247 participants, 146 were under the age of 16 at the time of their accident. Most participants are young, with 40.9 per cent aged between 15 and 34.

Age	Male	Female	Total	Age	Male	Female	Total
0–4	5	2	7	50–54	59	25	84
5–9	21	14	35	55–59	55	25	80
10–14	24	11	35	60–64	39	23	62
15–19	39	25	64	65–69	25	12	37
20–24	112	40	152	70–74	36	9	45
25–29	147	35	182	75–79	19	17	36
30–34	80	32	112	80–84	11	10	21
35–39	77	21	98	85–89	14	13	27
40–44	63	20	83	90–94	2	5	7
45–49	66	14	80	Total	894	353	1,247

Appendix 16.

Lifetime Care complaints

In 2016 we developed the facility to record the complaints our employees are resolving at the frontline (level 1 complaints). This has included recording any expression of dissatisfaction made to our employees about us, our products, services, employees or the handling of a complaint, where a response or resolution is explicitly or implicitly expected.

Whilst our employees have always been resolving these complaints at the frontline, they have not previously been recorded. This has resulted in the total number of recorded complaints increasing this financial year.

We received 245 frontline (level 1) complaints and 23 escalated (level 2) complaints in the 2016-17 financial year. Most were from participants and related to the level of service by us and service providers and funding decisions.

Average days open was two business days for a frontline complaint and 16 business days for an escalated complaint. A full breakdown is provided below.

Nature of Level 1 complaint	Number of complaints	Average time to resolve (business days)
Level of service – icare	130	2
Level of service – provider	56	2
Funding decision	35	2
Policy/procedures	12	2
Guidelines/legislation	10	3
Privacy	2	1
Total	**245**	**2**

Nature of Level 2 complaint (escalated)	Number of complaints	Average time to resolve (business days)
Level of service – icare	9	15
Level of service – provider	1	13
Funding decision	7	18
Policy/procedures	3 (2 in progress)	13
Guidelines/legislation	2	15
Privacy	1	9
Total	**23**	**16**

Complainant type

Complainant type (level 1)	
Participant	123
Service provider	73
Family/friend	48
Member of public	1

Complainant type (level 2)	
Participant	10
Service provider	3
Family/friend	8
Member of parliament	2

Appendix 16.

Lifetime Care disputes

A dispute arises when a participant disagrees with a decision we have made. There are three categories of disputes: for treatment and care needs; eligibility; and motor accident injury.

Treatment and care needs

Disputes about treatment and care needs arise when a participant disagrees with a service funding decision. It took 38 business days on average to resolve these disputes,

In 2016-17, our Lifetime Care service line made more than 15,000 funding decisions and received 29 disputes (<0.2 per cent) about treatment and care needs. There were eight more disputes received in 2016-17 compared to 2015-16.

Outcomes of treatment and care needs disputes received	
Decision upheld	10
Decision overturned	7
Decision varied	5
Withdrawn	3
In progress	4
Total	**29**

Eligibility

Disputes about eligibility arise when a participant or insurer disagrees with our decision on whether a person meets the injury criteria to participate in the scheme.

It is expected disputes about eligibility will take several months to resolve given clinical assessments are often required and usually take place at the participant's home. It took 76 days on average to resolve these disputes.

In 2016-17, Lifetime Care made more than 220 eligibility decisions and received four disputes (2 per cent) about eligibility. This is nine less than the number received in 2015-16.

Outcomes of eligibility disputes received	
Decision upheld	2
Decision overturned	1
Withdrawn	1
In progress	0
Total	**4**

Motor accident injury

Disputes about motor accident injury are legal disputes and are resolved by a panel of three legal professionals. No dispute applications were received in 2016-17. In the history of the Scheme to date two disputes about motor accident injury have been lodged. One was withdrawn after referral to a panel and one was resolved by a Panel, which upheld Lifetime Care's original decision.

We provide administrative support for each dispute. Our specialised complaints and disputes team also keep the parties informed of progress and the steps needed to resolve a dispute.

Reviews

There is a review mechanism if a participant is unhappy with a decision made by a dispute assessor or an assessment panel. An application for review is referred to the State Insurance Regulatory Authority's Proper Officer Medical Reviews for determination of whether it meets the relevant statutory criteria for a review.

If accepted, it is referred to a panel of three dispute assessors. In 2016-17, we received seven review applications, four relating to treatment and care needs and three relating to eligibility.

Of the seven review applications made, four were accepted and referred to review panels. Two of these review panels confirmed the dispute assessment panel's previous decision. Two are currently in progress.

Accident advice support grant

We provide a one-off accident advice support grant of up to $6,000 for legal and accident investigation advice to help participants and their families obtain information about a motor accident or motor vehicle to support an application. The grant is offered only when expert advice is required in relation to the circumstances of the accident or motor vehicle.

The grant was offered to one injured person in the 2016-17 financial year. One grant was paid to a different injured person, who had been offered a grant in the previous financial year.

Appendix 17.

Functional organisation chart

NSW Treasurer & Minister for Industrial Relations
The Hon. Dominic Perrottet, MP

Role of the Minister

- Appoint Board members

- May give written direction in relation to icare if they are satisfied it is necessary to do so in the public interest

Board of Directors

Chair
Michael Carapiet

Deputy Chair
Michael Pratt

Chief Executive Officer & Managing Director
Vivek Bhatia

Role of the Board

- Make all decisions relating to functions of icare

- Determine general policies for icare and give directions to CEO

Chief Executive Officer & Managing Director

Vivek Bhatia

Service Lines

Dust Diseases Care
Group Executive, Integrated Care
Don Ferguson

Lifetime Care
Group Executive, Integrated Care
Don Ferguson

Self Insurance, Community & Innovation
Group Executive, Self Insurance, Community & Innovation
Tim Plant

Workers Insurance
Group Executive, Worker Insurance
John Nagle

Enabling Services

Actuarial
Chief Actuary
Dr Nick Allsop

Company Secretary & Legal
General Counsel & Company Secretary
Catherine Morgan

Finance & Facilities
Chief Financial Officer
Megan Hancock

People Engagement
Chief People Officer
Greg Barnier

Risk & Governance
Chief Risk Officer
Gavin Pearce

Strategy & Transformation, Business Technology
Chief Operating Officer
Rob Craig

icare™

the next chapter

Since icare's inception in September 2015, our attention has been on building a solid foundation to support our future. In the year ahead we will focus on shaping a reimagined commercially minded, socially centred insurer that changes the way people think about insurance and care.

We are committed to being adaptive to emerging trends and our customers changing needs. Our year ahead will keep a strong focus on providing an enhanced customer experience whilst enabling customers to take greater control over the services they receive. We are very aware that it's not about a 'one-size' fits all approach and that every customer is unique.

As the team embark on the second full year of icare's journey, we remain incredibly excited at the opportunity before us to shape the story that we will tell in next year's annual report – and one, that most importantly, will exceed our customers' expectations.

As a member of our community, we invite you to keep up to date with the next chapter of our transformational journey and visit:

icare.nsw.gov.au

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icare™

Contact us

Office Locations
321 Kent Street
Sydney NSW 2000

92-100 Donnison Street
Gosford NSW 2250

56 Station Street E
Parramatta NSW 2150

101 Hannell Street
Wickham NSW 2293

Postal Address
GPO Box 4052
Sydney NSW 2001

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

Phone

dust diseases care
02 8223 6600

hbcf
02 9216 3224

lifetime care
1300 738 586

self insurance
02 9216 3829

workers insurance
13 44 22
13 77 22 (claims)

sporting injuries insurance
13 44 22

A copy of this
report is available at
icare.nsw.gov.au

Find us on

**COMMERCIAL MIND
SOCIAL HEART**