

# **SIRA submission to the icare and State Insurance and Care Governance Act 2015 independent review**

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## Introduction

On 1 September 2015, the State Insurance Regulatory Authority (SIRA) was established as the regulator of the workers compensation, compulsory third party (CTP) and home building compensation insurance schemes under the *State Insurance and Care Governance Act 2015* (SICG Act).

Collectively these schemes provide an important social safety net for people who are eligible for home building compensation and around 110,000 people injured on the road or at work each year, including 43,000 who are seriously injured and need ongoing support.

At any one time, almost 220,000 people in NSW are being supported through a SIRA regulated personal injury scheme. The schemes are funded by 320,000 employers and 5.7 million vehicle owners, who together contribute \$6.8 billion in premiums each year.

The interests of SIRA's customers, both people who experience injury or loss and policyholders, are best served by a system that includes a strong and independent peak regulator. Under the SICG Act, SIRA was established to: *"create a consistent and robust framework to monitor and enforce insurance and compensation legislation in NSW, and to ensure that public outcomes are achieved in relation to injured people, policy affordability and scheme sustainability"* (from the second reading speech of the SICG Act).

The SICG Act reformed the governance and regulatory arrangements of the State's insurance compensation schemes. Most notably, in workers compensation, the conflict of interest that existed in the former WorkCover Authority was eliminated by separating the functions of the regulator and operator. The SICG Act also provided for more efficient and effective stewardship of statutory insurance schemes by creating a sole dedicated regulatory agency.

SIRA has responded to a number of significant challenges that have shaped its regulatory approach and helped to rapidly build the right regulatory culture and capability. In particular, implementing the NSW Government's CTP reforms in 2017, and undertaking the *Independent Compliance and Performance Review of the Nominal Insurer* in 2019, were formative experiences that have informed the ideas set out in this submission. In addition, SIRA has been alert to changing community expectations following the Financial Services Royal Commission and the Australian Prudential Regulation Authority Capability Review.

Through 2020 SIRA has been operating in an environment of heightened Parliamentary and media focus related to the workers compensation scheme, including declining return to work rates and escalating costs. It is likely these issues would not have been proactively brought to light under a system where the operator and regulator were one and the same. There is no doubt that the SICG Act has significantly increased transparency and role clarity.

This submission highlights some opportunities to build on the progress made since 2015. These opportunities do not constitute policy advice but are observations about how certain provisions in the SICG Act, and the legislative framework that supports the workers compensation system, could be amended to deliver optimal outcomes. Some of the observations relate directly to the SICG Act, such as SIRA's independence and regulatory reach, and the role of the SIRA Board, and others to issues that existed before 2015, including the structure of the Nominal Insurer (NI) and the Treasury Managed Fund (TMF).

SIRA welcomes the opportunity to contribute to this important review.

## SIRA's role

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

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

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

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

SIRA has regulatory functions under the following legislation:

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

## Governance

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

The SIRA Board has the following functions under section 18(5) of the SICG Act:

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

The SIRA Chief Executive is a Public Service senior executive employed under the *Government Sector Employment Act 2013*. The Chief Executive is appointed by the Secretary of the principal department in the cluster, the Department of Customer Service. All SIRA senior executives and staff are employees of the Department of Customer Service allocated to roles in SIRA.

While SIRA is not, in the exercise of its functions, subject to the control and direction of the Minister, the relevant Minister may give SIRA a written direction with respect to its functions if the Minister is satisfied that it is necessary to do so in the public interest. It should be noted that this has occurred only once since 2015, and that SIRA benefits from a productive relationship with the responsible Minister that is fully in accordance with the intention of the SICG Act.

## Building a contemporary regulatory agency

The SICG Act established SIRA as the specialist insurance regulator intended to achieve the following benefits:

- improved regulation of schemes
- stronger supervision to improve scheme performance outcomes
- a strong and committed regulatory culture
- better regulatory capability and clear accountabilities
- clarity for regulated entities and stakeholders
- more transparent decision making and improved trust in dealings with the regulator
- enhanced focus on the end customer
- increased scale efficiencies and sharing of resources across SIRA
- a consistent regulatory approach that can easily adapt to regulate any current or future operation models
- the ability to attract, retain and develop staff with the right expertise

SIRA has delivered on its legislative mandate and intended benefits and built an organisation and regulatory approach that meets community expectations and advances accountability, transparency, and trust.

## Strategic clarity and accountability

SIRA's mission is to steward the NSW workers compensation, CTP and home building compensation schemes so that people who make a claim now, or in the future, can get the support they need. To deliver on that mission, SIRA has five enduring goals:

1. Financially sustainable schemes
2. Affordable premiums
3. Optimal outcomes for injured people
4. Positive customer experiences
5. Public trust in SIRA and the schemes it regulates

SIRA develops a range of actions to achieve these goals, and each quarter, SIRA reviews its progress against a set of strategic priorities and adjusts them if required. This approach allows SIRA to respond to changing circumstances in an agile way while maintaining alignment to the enduring goals. SIRA's one-page strategic framework and the current priorities are included at Tab A.

SIRA's work is complex, as are the schemes it regulates. SIRA continues to refine the way scheme and regulatory performance is measured and consults widely on the development of measures. SIRA has also increased the transparency of performance by publishing data, analysis and review reports, and open data portals.

## Regulatory approach principles

As a regulator, one of SIRA's core responsibilities is to ensure compliance with the law. However, as stewards of compensation schemes, there are many other ways in which SIRA works to influence positive scheme outcomes.

SIRA has developed ten principles to guide its regulatory approach and inform stakeholders of SIRA's focus, how decisions are made, and how SIRA will engage on matters of scheme design and compliance.

1	<b>Customer focus</b>	Everything SIRA does is guided by protecting the interests of customers
2	<b>Responsiveness</b>	SIRA is responsive to changing community expectations and to public scrutiny. Maintaining trust in SIRA and regulated schemes is central to our role
3	<b>Accountability</b>	SIRA will take strong enforcement action when needed, based on the severity of harm or potential harm, the degree of negligence, or the need for deterrence.
4	<b>Stewardship</b>	Administering the law is just part of SIRA's role. As a steward of statutory insurance schemes, SIRA also seeks to innovate, influence and engage others in support of scheme outcomes.
5	<b>Information</b>	SIRA actively publishes information about scheme and provider performance and prioritises making more data more accessible and more valuable.

<b>6</b>	<b>Consultation</b>	SIRA consults widely and often to make better decisions and deliver better solutions.
<b>7</b>	<b>Evidence</b>	SIRA relies on evidence to do what works – not just what’s expected or easy.
<b>8</b>	<b>Innovation</b>	SIRA is always looking for innovative ways to improve outcomes.
<b>9</b>	<b>Efficiency</b>	SIRA seeks to maximise value across all outcomes, build future capability through current challenges, leverage others’ work and apply areas of excellence across schemes.
<b>10</b>	<b>Fairness</b>	SIRA makes expectations clear and treats everyone fairly and with respect.

## Functions and structure

In establishing SIRA, the NSW Government intended to leverage the benefits that flow from a single regulator overseeing three statutory insurance schemes. This model also positions the regulator to adapt easily and cost-effectively to future shifts and take on regulatory responsibilities for other schemes.

In 2019 SIRA reviewed its operating model to create a more scheme-agnostic operating model based around functional expertise as originally envisaged in the SICC Act. The result of that work is a hybrid structure that maintains specialist scheme-specific policy and supervision teams, and executive-level accountability for each regulated scheme, but shares core regulatory functions across all schemes regulated by SIRA. For example, the teams that lead enforcement and prosecutions, compliance and performance reviews, regulatory information, and customer experience work across all schemes regulated by SIRA. This operating model is efficient, it promotes a more uniform approach, and balances the need for deep functional expertise with scheme-specific knowledge. The operating model also realises the intended benefit of adaptability should SIRA be required to expand or otherwise change its scope.

Through smart and agile organisational design, SIRA has been able to capture efficiencies. SIRA’s workers compensation related regulatory activities have significantly increased since it was established as a stand-alone agency in 2017, without a corresponding increase in expenses.

## Culture and capability

SIRA has created a strong regulatory culture underpinned by a clear mission and goals that are integrated at all levels, from organisational strategy down to individual performance planning. SIRA’s dedication to its mission to protect customers is reflected in its internal culture, with SIRA staff at the forefront of initiatives in the Customer Service cluster to advocate for and support improved mental health at work and inclusive leadership to support people with visible and non-visible disability.

By bringing the regulator of workers compensation and CTP together, SIRA has driven stronger and more consistent supervision across the two personal injury schemes. In particular, a specialist team focused on injury prevention, health policy, and health service

provider supervision works across both personal injury schemes to drive improved injury prevention, injury management, and health-related outcomes.

Complementing the specialist career pathways are tailored development programs to build capability. These programs range from leadership and talent development to bespoke industry-specific courses created in partnership with the Personal Injury and Education Foundation (PIEF) and the Australian and New Zealand Institute of Insurance and Finance (ANZIIF).

SIRA closely monitors employee engagement and other elements of organisational health through regular staff surveys. The results are openly shared and discussed to encourage inclusion, innovation, wellbeing, and productivity. As well as some short-term actions, the surveys led to SIRA's COCO strategy to focus on Clarity, Ownership, Capability, and Openness. This is one of SIRA's strategic priorities and will help underpin the success of SIRA's regulatory activities, which depend on a capable and engaged workforce and supporting mechanisms.

## Transparency of regulatory action and scheme data

As part of SIRA's approach to evidence-based regulation and building public trust, it has been working to improve transparency. Improving access to information on scheme performance and SIRA's regulatory activities has been a key focus for the organisation.

SIRA commenced publishing information about its compliance and enforcement action in July 2019. This decision followed close consideration of the Hayne Royal Commission's findings regarding the importance of transparency and visibility of regulatory action in maintaining public trust. This policy of transparency is in the best interest of customers and stakeholders and will ultimately contribute to achieving sustainable, affordable, fair, and effective schemes. Details of enforcement action are published widely through SIRA Bulletins and on the SIRA website.

Customers and stakeholders have access to more scheme data than ever before. In 2019, SIRA launched workers compensation and CTP open data portals, which provide self-service visual analytics tools to make it easy to view and compare scheme data and insurers' performance over time. SIRA also publishes regular reports on key system trends and actions.

## Measuring customer experience

Research shows that the experience people have in interacting with a compensation scheme directly impacts their recovery. In 2019 SIRA issued five *Customer Service Conduct Principles* that, where present, support positive outcomes for people who make a claim for compensation.

From 2020, all insurers operating across workers, CTP, and home building compensation are required to attest to these principles and provide detailed information about how they intend to deliver on these principles in their business plans.

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### Customer Service Conduct Principles

#### Principle 1: Be easy to engage and efficient

The insurer must keep customer interactions simple and accessible to make the experience easier, so that the focus is on recovery and resolution. This means:

- customers should only have to provide or ask for information once
-



- information is clear and understandable enabling a streamlined experience
- complexity is reduced by communicating in simple language
- information is timely and accessible
- customers will experience visible support and information throughout the customer journey.

#### Principle 2: Act fairly, with empathy and respect

The insurer must be respectful of people's individual circumstances and needs and support them accordingly. This means:

- customers are treated fairly, receiving the same quality services, every time
- customers are shown compassion and understanding of their individual situations
- customers are treated with dignity, empathy and respect.

#### Principle 3: Resolve customer concerns quickly, respect customers' time and be proactive

The insurer must be proactive in supporting recovery and resolution. This means:

- resolve customer concerns at the first opportunity
- customers are supported early, leading to better recovery outcomes and resolution
- customer time is valued
- customers will be contacted when they need to know something.

#### Principle 4: Have systems in place to identify and address customer concerns

The insurer must have systems in place to engage customers and listen to concerns and suggestions. This means:

- customer views will be sought on service design and improvement
- ensure transparency in addressing systematic issues as they are identified and rectified
- continuous improvement systems are in place.

#### Principle 5: Be accountable for actions and honest in interactions with customers

Customers will receive an acknowledgement when things don't go to plan. This means:

- customers will receive an acknowledgment when harms are caused, when customer expectations are not met or when legislative breaches occur
- poor service or behaviour will be acknowledged, and action taken.

This year SIRA commissioned an independent benchmark study to measure how customers are experiencing their compensation journey and the extent to which insurers are delivering services in line with the *Customer Service Conduct Principles*. The highest performing principle related to being treated with dignity and respect, with 80 per cent of workers compensation claimants and 76 per cent of CTP claimants in agreement. Ratings were lower for more practical principles, such as resolving concerns quickly. Sixty-one per cent of workers compensation claimants and 51 per cent of CTP claimants agreed that insurers resolved their concerns quickly. A summary of the results will be published on the SIRA website before the end of 2020.

It is important to note that SIRA's independent customer experience measures go well beyond standard customer satisfaction tests such as the Net Promoter Score. SIRA measures experience with insurers, trust in the schemes, health, social outcomes, and perceptions of justice. SIRA undertakes customer experience research at regular intervals, and the results inform regulatory supervision activities.

## Motor accident injuries scheme

SIRA regulates the Motor Accident Injuries insurance scheme, known widely as CTP or 'Green Slip' insurance. All vehicle owners are required to insure their liability for the injury or death of other road users caused by their vehicle. The CTP scheme is privately underwritten and has been designed by customers for customers. SIRA regulates CTP insurance to ensure premiums are affordable and competitive, and injured people receive fair benefits and early and appropriate treatment and rehabilitation to achieve optimal recovery.

In December 2017, SIRA implemented significant Government legislative reforms to CTP insurance to enable a fairer and more affordable system, reducing complexity and delays in claim management, delivering far less expensive Green Slips and increasing the number of injured people entitled to benefits. The *Motor Accidents Injuries Act 2017* applies to CTP policies issued by insurers and people with injuries resulting from a motor vehicle accident on or after 1 December 2017. People injured in a motor vehicle accident that occurred prior to 1 December 2017 are covered by the provisions of the *Motor Accidents Compensation Act 1999* (the 1999 scheme). The reforms to CTP insurance have provided continued benefits for motorists and injured road users, and increased SIRA's regulatory responsibilities to promote compliance and deliver better outcomes.

### **A stronger focus on recovery**

A major aspect of the 2017 Motor Accident Injuries insurance scheme is the focus on recovery from injury. The 2017 scheme aims to support injured people by providing fast access to payments for medical treatment and loss of income. It also provides most injured people, regardless of fault, access to claim statutory benefits for up to 26 weeks and ensures that more benefits go to more seriously injured people.

### **More affordable CTP premiums**

In 2017 the NSW Government reformed the CTP insurance scheme to deliver more affordable CTP premiums for most motorists in NSW. Before the reforms, NSW motorists paid the highest CTP premiums in the country, mainly due to a significant spike in minor injury claims and related costs, excessive insurer profits, and fraud. The average CTP premium reached a high of \$635 and would have continued to grow. Under the new scheme, the average CTP premium is now at \$486, saving NSW drivers an average of \$149 each year. SIRA also administered a Green Slip refund program for premiums paid in the 12 months before the new scheme. Over \$215 million in refunds was returned to around 3.45 million policyholders. A further approximately \$38 million in unclaimed refunds and administrative savings is being returned to NSW motorists through a lower levy.

### **Digital solutions for an improved experience**

SIRA has developed various digital solutions to make it easier to purchase Green Slip insurance and support injured road users through the claims process. The Green Slip Check has helped approximately 2.15 million people compare prices and renew their CTP insurance, saving them time and money. SIRA also provides an online claims tool through Service NSW that can be used on any device to submit a claim for personal injury benefits. These digital solutions offer an improved experience for drivers purchasing policies and people making claims.

### **Regulation of insurer profit**

The new CTP scheme provided SIRA with increased powers to strengthen its regulation of insurer premium setting practices, limit profits, and encourage innovation. SIRA has developed an excess profit and loss mechanism to recoup insurer profit and cover losses that are excessive. Innovation support is also included to encourage insurers to continue to introduce innovations that will benefit participants in the CTP scheme. The transitional

excess profit and loss and innovation mechanism has improved transparency, regulatory oversight, and will eliminate the super-profits that arose under the 1999 scheme.

### **Regulatory power to maintain a balanced market**

Under the 2017 reforms, a new Risk Equalisation Mechanism (REM) was introduced. It is designed to maintain a balanced market and keep premiums affordable. The REM supports a cross subsidisation mechanism which redistributes premiums between insurers so that insurers are not incentivised to target low risk policyholders or avoid high risk policyholders. A review of the REM Mechanism in 2019 found that the REM is achieving its objectives and has led to the CTP insurance market in NSW becoming more competitive since its introduction.

### **Strengthened powers to deter fraud**

The 2017 scheme strengthened SIRA's powers to investigate and prosecute fraud. The shift to defined benefits for minor injuries such as soft tissue and minor psychological injuries has successfully reduced the ability for people to abuse the system. SIRA works collaboratively with the NSW Police Force's Financial Crimes Squad (Task Force Mercury) and other peak investigative bodies to deter, detect and prosecute fraudulent claims and suspected unlawful activity by policy holders in the CTP insurance market.

### **Increased competition in the CTP market**

A new insurer, Youi, is set to enter the CTP market from 1 December 2020. Youi is the first new insurer in more than 20 years to be granted a licence to offer CTP insurance in NSW. Youi will join five other CTP insurers licensed by SIRA and operated by four entities: AAI Limited (AAMI and GIO), Allianz Australia Insurance Limited (Allianz), CIC Allianz Insurance Limited, Insurance Australia Limited (NRMA), and QBE Insurance Australia (QBE). CIC Allianz ceased issuing CTP insurance policies from 15 January 2019, however its policy renewals are being managed by Allianz. Encouraging new entrants into the CTP market was a key objective of the 2017 reforms. Increased competition between insurers promotes innovation and encourages greater premium affordability for NSW motorists.

## **Home building compensation**

The home building compensation scheme, formerly known as home warranty insurance, is a mandatory product that covers residential building work in NSW. Home building compensation cover helps homeowners as a last resort if a building or trades contractor cannot complete building work or fix defects because they have become insolvent, died, disappeared or had their contractor licence suspended for failing to comply with a court or tribunal order to compensate the homeowner. Since 2010, the NSW Self Insurance Corporation trading as 'icare HBCF' has been the sole insurer issuing insurance in the home building compensation scheme.

As the regulator of the scheme, SIRA's role is to promote scheme efficiency and viability, provide for the effective supervision of contractor eligibility, claims handling, disputes, and some prudential matters concerning insurers and alternate indemnity product providers. SIRA has delivered a range of measures to improve the efficiency and viability of the home building compensation scheme, including:

### **Addressing the HBCF deficit**

icare HBCF has historically priced insurance premiums below cost and, as a result, has accumulated a significant deficit. As the regulator, SIRA has published Premium Guidelines that require icare to move its premium pricing to break-even over time. From 1 August 2019, icare has moved its premiums to a point where it expects to achieve break-even pricing for insuring most construction types other than certain work on multi-unit buildings. icare must

continue to bring premiums for work on multi-unit buildings towards break-even over future filings. This will be a significant milestone as, at this point, there should be no further accumulation of unfunded liabilities. SIRA's Premiums Guidelines also require icare HBCF to maintain a premium compliance/audit program.

### **Encouraging new competition to the market**

Since 1 January 2018, reforms to the home building compensation scheme regulatory framework have permitted other insurers or alternative indemnity product providers to apply to SIRA for a licence to sell home building compensation products alongside icare HBCF. While no licences have been issued to date, SIRA has received two licence applications. One application was withdrawn, and the other remains under consideration. The IPART review mentioned below is considering opportunities to make the scheme more attractive to new applicants.

### **IPART review of home building compensation in NSW**

In December 2019, the Minister for Customer Service asked the Independent Pricing and Regulatory Tribunal (IPART) to review the efficiency and effectiveness of the home building compensation fund and its ability to protect consumers who are currently covered under the scheme. SIRA has provided funding to support IPART in this review and is working collaboratively with IPART, Fair Trading, and the Building Commissioner to ensure IPART has the information necessary to conduct its review.

### **Driving data and digital innovation**

SIRA has also implemented data and digital innovation to improve customer service in the home building compensation scheme. The improvements reduce the need for building contractors to notify changes in their insurance eligibility before contracting for building work. This is due to SIRA providing that information directly to Fair Trading every month so that their licence records may be updated (formerly done every quarter). SIRA has commissioned further work to update that information in real-time. In addition, SIRA provides a public, searchable register of insurance for homeowners or other persons to check the validity of home building compensation cover. The register includes each building project that has been insured under the scheme since 1 July 2010. The data is updated in real-time and with each certificate of insurance connected to the public licence record of the contractor responsible for the insured work.

## **Lifetime Care and Dust Diseases**

SIRA has limited regulatory functions in the lifetime care and support and dust diseases schemes.

### **Lifetime Care and Support Scheme**

The Lifetime Care and Support Scheme (LTCS) provides treatment, rehabilitation, and care to people severely injured in motor accidents in NSW, regardless of fault. To be eligible for the LTCS, a person must have a severe injury, which includes brain injury, spinal cord injury, specific types of amputations, blindness or burns.

The LTCS scheme is established by the *Motor Accidents (Lifetime Care and Support) Act 2006*. It is operated by the Lifetime Care and Support Authority (LCSA), which is managed by icare. Despite the LCSA exercising the functions of an insurer, the legislation does not provide that it is an insurer subject to SIRA's regulatory oversight. SIRA does not supervise icare management of the services provided to LTCS participants.

### **CTP Care**

The CTP Care scheme was established in the 2017 CTP reforms for people with claims in the 2017 scheme who require treatment and care for more than five years after an accident, but

who do not meet the severe injury criteria of the LTCS. CTP Care is managed by icare and supervised by SIRA.

When an injured person transitions to become a customer of icare in CTP Care, the LTCSA becomes the “relevant insurer” under Part 3 of the *Motor Accident Injuries Act 2017*. This means that icare is subject to SIRA’s regulatory oversight in relation to its management of these claims.

### **Levies for LTCS and CTP Care**

The LTCSA and CTP Care are funded through levies on Green Slip premiums collected by CTP insurers. The Board of icare has responsibility for determining the annual aggregate levy requirements for these funds. SIRA does not regulate icare’s levy amount but can request information from icare in support of any changes to their requirements.

### **The Workers Compensation Dust Diseases Scheme**

The NSW Dust Diseases Scheme is a no-fault workers compensation scheme for workers who have developed a dust disease from occupational exposure to hazardous dust. The scheme provides participants and their dependents with compensation benefits and access to medical and related support services.

SIRA’s regulatory role in relation to workers compensation dust diseases as defined in the *Workers Compensation (Dust Diseases) Act 1942* is to determine the contributions to be paid by insurers to the Workers Compensation (Dust Diseases) Fund. The Dust Diseases Authority (DDA) administers this fund and is not subject to independent regulation of claims, conduct, or prudential functions, though the NSW Treasurer is the responsible Minister according to the allocation of Acts.

In addition to determining insurer contributions, SIRA indexes the compensation payments for dust diseases, based on the *Workers Compensation Act 1987* provisions for exempt workers, and death benefits prescribed in section 8 of the *Workers Compensation (Dust Diseases) Act 1942*.

SIRA actively supports national strategies focused on occupational lung disease and is a member of the Heads of Workers’ Compensation Authorities and Safe Work Australia’s workers compensation strategic issues group. SIRA also continues to monitor the activities of the National Dust Diseases Taskforce and stands ready to support the actioning of the Taskforce’s five early recommendations.

At a State-level, SIRA has collaborated with key stakeholders, including Safe Work NSW, NSW Health, and the DDA, to support programs of work related to silicosis. This collaboration resulted in silicosis being made a scheduled medical condition under Part 4 of the *NSW Public Health Act 2010* (from 1 July 2020) and the recently enacted *Work Health and Safety Amendment (Information Exchange) Act 2020* authorising the Secretary of the Ministry of Health to provide information to Safe Work NSW on silicosis notifications.

## **Workers compensation**

The NSW workers compensation system is the largest defined benefit scheme in Australia. It protects over 4.5 million workers and provides income replacement and medical support for more than 100,000 people injured at work each year. Workers compensation is intended to provide affordable and effective insurance cover for employers and workers.

Workers compensation assists with the costs of weekly payments, medical and hospital expenses, and a range of other benefits to help the worker recover and return to work, including domestic assistance, education and training, and payments in the event of death. Section 3 of the *Workers Compensation and Injury Management Act 1998* sets out objectives for the workers compensation system which are summarised below:

- Secure workers' health, safety & welfare while preventing work-related injury
- Provide prompt treatment & rehabilitation to assist injured workers to return to work
- Provide income & treatment payments to injured workers & their families
- Provide a fair, affordable & financially viable system
- Fair pricing of risk considering injury prevention, injury management, and return to work
- Deliver an efficient & effective system

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

Workers compensation insurer type	Premium collected (rounded figure for 2018/19)	Active claims (rounded figure for 2018/19)
Nominal Insurer managed by icare	\$2.46 billion	119,000
Government self-insurers (TMF)	\$0.64 billion	32,000
Self-insurers	\$0.40 billion	16,000
Specialised insurers	\$0.35 billion	14,000
<b>Total</b>	<b>\$3.86 billion</b>	<b>180,000</b>

## The performance of the Nominal Insurer

The performance of the workers compensation system overall is influenced to a large extent by the Nominal Insurer, managed by icare, as it holds the majority market share of the workers compensation system. The Nominal Insurer accounts for around 65 per cent of total active claims.

Throughout 2018 SIRA closely monitored the performance of the Nominal Insurer and identified a number of compliance issues. There were negative trends in return to work rates, data quality, and liability valuations and costs. There were risks and concerns in relation to premium setting, implementation of operational changes and new technology, and the robustness of risk management. SIRA was also receiving complaints and concerns raised by customers, business representatives, unions, and other stakeholders.

In February 2019, the SIRA Chief Executive commissioned an *Independent Compliance and Performance Review of the Nominal Insurer*, which was undertaken by Ms Janet Dore as Independent Reviewer, supported by EY and authorised officers of SIRA. The final report of the Independent Reviewer and supporting EY reports were published on the SIRA website on 13 December 2019. The report contained important findings on the operation and sustainability of the Nominal Insurer and recommended significant steps for improvement.

In tabling the Review and the actions that flow from it, SIRA highlighted a range of issues that need to be addressed in the interests of current and future customers and stakeholders of the workers compensation scheme, including:

- early and safe return to work outcomes, including for people with psychological injury
- claims management, early intervention and treatment
- premium transparency and volatility in alignment with SIRA guidelines
- engagement with employers
- data quality, and
- escalating medical costs due to leakage and increases in utilisation.

In response to the Review, SIRA published a 21-Point Action Plan to improve services and results without causing uncertainty and volatility. After a period of large-scale change in workers compensation and the Nominal Insurer operating model, SIRA's 21-Point Action Plan provided a foundation for fact-based and steady improvement rather than further rapid or large-scale change.

SIRA is monitoring performance against the 21-Point Action Plan and is holding icare accountable for the delivery of the actions. SIRA regularly publishes updates on progress against this plan for transparency and accountability. An update on the 21-Point Action Plan as at 30 October 2020 is included at Tab B.

SIRA has also determined that a compliance and performance review of the Treasury Managed Fund (TMF) managed by icare will be conducted in 2021. The review is in response to regulatory monitoring and stakeholder input as well as a recent investigation into the handling of three Department of Corrective Services workers compensation claims. Some details relating to this matter are provided below.

## **Scheme sustainability**

The financial sustainability of the Nominal Insurer is critical to the performance of the NSW workers compensation system. As the Nominal Insurer has no formal NSW Government financial backing, any fund shortfalls are ultimately passed on to NSW employers through higher premiums and Government self-insurers through larger contributions.

Given current scheme and economic challenges, it is more important than ever that SIRA, customers, and stakeholders have confidence in reporting on the financial position and viability of the scheme. SIRA is responsible for reviewing the Nominal Insurer's actuarial valuations of its insurance liabilities every six months. The valuation of liabilities represents the amount of assets needed to be set aside today, earning interest, to pay all claims (estimated at the date of valuation) as costs fall at a future time.

Declining return to work rates and rising healthcare costs have significantly impacted claims costs and the financial position of the Nominal Insurer beginning in 2017/18. The June 2019, December 2019, and June 2020 Nominal Insurer valuations all raised strong concerns about the financial viability of the Nominal Insurer.

Following the December 2019 valuation, SIRA increased its scrutiny of the Nominal Insurer's June 2020 liability valuation to enable clear reporting on the financial position and viability of the Nominal Insurer as at June 2020. This included commissioning an independent actuarial risk assessment by EY and an independent actuarial peer-review by Taylor Fry of the June 2020 valuation.



According to the June 2020 valuation results, the Nominal Insurer's net financial position has reduced by \$1.3 billion since June 2019. Over the same period, the funding ratio at 80 per cent probability of sufficiency reduced from 109 per cent to 98.5 per cent. This equates to a reduction from 112.3 per cent to 101.3 per cent at 75 per cent probability of sufficiency.

The COVID-19 pandemic is expected to put further pressure on the financial performance of the Nominal Insurer and the workers compensation scheme more broadly through impacts to insurer investment returns, wages and premiums, changed return to work opportunities and patterns of work, and disruption to medical treatments and care services. COVID-19 has also highlighted risks relating to self-insurer insolvency as self-insurers are not covered under the Insurer Guarantee Fund.

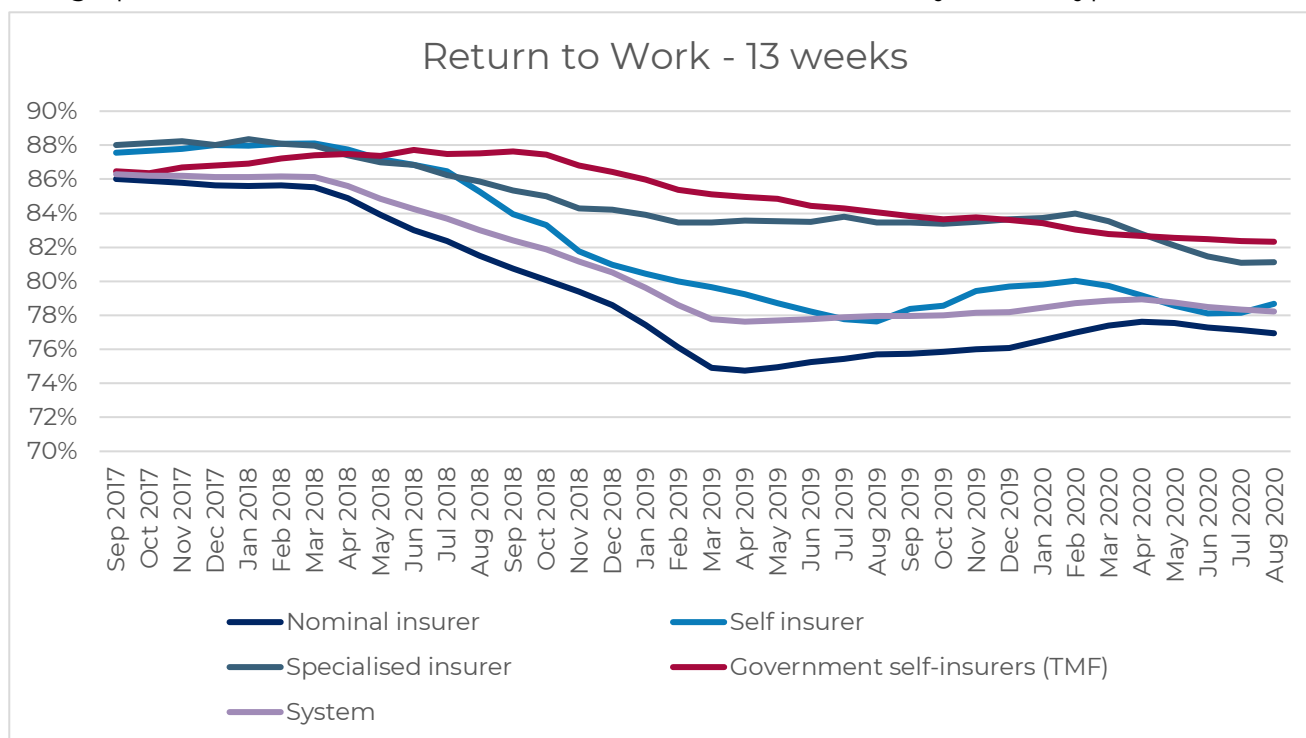
The TMF is the second largest insurer and accounts for approximately 16 per cent of total active claims. SIRA has no role in ensuring the financial sustainability of the TMF or in ensuring that the TMF has adequate assets to meet its liabilities. This function is performed by NSW Treasury on advice from SICorp and icare.

## Return to work

The core role of the workers compensation scheme is to help people recover and return to work. Delayed return to work has serious implications for injured people as the evidence shows that the longer a person is away from work, the less likely they are ever to return. In addition, delayed return to work significantly impacts the financial performance of the scheme.

In 2015, approximately nine out of ten injured workers were back at work within 26 weeks. Today, for the Nominal Insurer closer to eight out of ten injured workers have returned to work in 26 weeks. This means that almost twice as many people are off work for more than 26 weeks. While system-wide return to work rates have deteriorated more broadly, one of the sharpest declines occurred for claims managed by the Nominal Insurer.

The graph below shows the deterioration in return to work rates by insurer type.





The table below shows return to work data by insurer type at four, 13, 26 and 52 weeks.

Year claim entered	Insurer type	RTW at 4 weeks	RTW at 13 weeks	RTW at 26 weeks	RTW at 52 weeks
2016-2017	Nominal insurer	74.7%	86.0%	89.4%	91.1%
	Self-insurer	82.7%	87.5%	90.1%	91.3%
	Specialised insurer	80.3%	88.0%	90.6%	91.3%
	TMF	77.2%	86.5%	90.0%	91.9%
	System	75.9%	86.3%	89.6%	91.2%
2017-2018	Nominal insurer	67.8%	80.7%	86.1%	88.5%
	Self-insurer	76.7%	83.9%	85.6%	87.8%
	Specialised insurer	76.9%	85.3%	88.2%	89.6%
	TMF	79.4%	87.6%	89.7%	91.0%
	System	70.9%	82.4%	86.8%	89.0%
2018-2019	Nominal insurer	62.4%	75.7%	81.2%	83.9%
	Self-insurer	69.7%	78.4%	83.5%	85.4%
	Specialised insurer	74.3%	83.4%	86.1%	87.3%
	TMF	73.3%	83.8%	87.5%	89.6%
	System	65.7%	78.0%	82.9%	85.3%

From December 2019, return to work rates for the Nominal Insurer began to plateau, albeit at an unsatisfactorily low level. However, other return to work measures that can be used to monitor scheme performance continued to show a deterioration. For example, there has been an increase in weekly payments as a proportion of total payments compared to previous years. In July 2018, weekly payments made up 30.6 per cent of total payments compared to 41.5 per cent in July 2020. Return to work data as at 2 November 2020 has been provided in Tab C.

SIRA has worked to collect clearer and more comprehensive data on return to work. Since 2017, SIRA has increased its use of an existing supplementary return to work performance measure based on “work status” which records the work status of a worker at a point in time (after four, 13, 26, and 52 weeks from the date ceased work). SIRA moved to focus on the work status measure in response to a recommendation in the March 2017 Law and Justice Committee Report First Review of the Workers Compensation Scheme to refine the return to work metric to reflect actual return to work rather than the cessation of weekly payments. Specifically, the report noted that *“a worker should be considered as ‘returned to work’ in circumstances where the injured worker and their employer are both satisfied with the new working conditions.”*

The work status measure includes information on whether a worker has returned to work in either suitable work or pre-injury work or has not returned to work and payments have ceased for other reasons such as retirement. The work status measure uses data reported by

insurers to SIRA and requires a case manager to collect evidence and document whether or not a worker has actually returned to work.

SIRA now uses a range of return to work measures and continues to develop improved multi-layered lead and lag indicators of return to work. In December 2019, SIRA commenced a public consultation to seek input on its current return to work measures and how these may be strengthened. A summary of this consultation and further subsequent return to work roundtable discussions will be published by the end of 2020.

## Healthcare costs

Healthcare costs accounted for 28 per cent or \$876 million of total workers compensation costs in 2019.

In recent years, healthcare costs in the NSW workers compensation scheme have grown faster than in Medicare and private health insurance. Inflation-adjusted healthcare expenditure in the workers compensation scheme has grown at an average of 12 per cent each year for the past three years. SIRA has identified that the main contributing factor to rising healthcare costs is an increase in healthcare utilisation among some insurers, without a corresponding improvement in return to work.

The percentage changes in utilisation and costs year on year is provided below.

**Percentage change in service utilisation year on year (number of service payments)**

		Nominal Insurer (managed by icare)			TMF (managed by icare)			Self and Specialised Insurers		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
% increase in services	Total <sup>[1]</sup>	9%	17%	11%	8%	17%	14%	-4%	10%	9%
	Medical attendances	3%	5%	8%	3%	9%	9%	-5%	6%	4%
	Allied health services	12%	24%	12%	13%	24%	18%	-6%	13%	12%
	Surgery	19%	18%	6%	4%	23%	8%	2%	7%	11%
	Diagnostics	17%	16%	8%	5%	15%	11%	-1%	10%	11%

<sup>[1]</sup> Includes allied health services, ambulance, attendance, care, diagnostics, hospital and surgery

**Percentage change in costs year on year (above inflation)**

		Nominal Insurer (managed by icare)			TMF (managed by icare)			Self and Specialised Insurers		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
% increase in expenditure	Total <sup>[1]</sup>	14%	13%	12%	9%	18%	14%	0%	9%	11%
	Medical attendances	6%	8%	10%	4%	12%	10%	-1%	3%	7%
	Allied health services	17%	28%	14%	15%	27%	22%	-3%	17%	14%
	Surgery	17%	14%	5%	8%	17%	8%	2%	7%	9%
	Diagnostics	15%	13%	9%	4%	15%	9%	2%	9%	12%

There has been some suggestion that the provision in the workers compensation legislation for medical treatment to be 'reasonably necessary' (compared to 'reasonable and necessary' in the CTP scheme) accounts for some of the sharp increases in healthcare expenditure since 2016. This is unlikely to be the case as the 'reasonably necessary' test has been applied in workers compensation since 1987.

SIRA has found that an increase in service utilisation, coupled with the longer people are receiving benefits, accounted for 81 per cent of additional healthcare expenditure in 2019. By comparison, increases in unit cost (the fee paid for service) accounted for around 6 per cent of the total growth in healthcare expenditure.

SIRA has initiated a comprehensive Review of Regulatory Requirements for Healthcare Arrangements. The review will ultimately result in improved regulatory and fee setting approaches to ensure injured people have access to the right healthcare at the right time for optimal recovery and return to work. This will also progress SIRA's schemes towards value-based care.

Findings of an initial review commissioned by SIRA indicate the need for insurers to tighten controls around treatment payments and approvals. Synapse Medical Services conducted a review of 1000 claims to understand the likely scale of inappropriate health care payments across the workers compensation scheme in late 2019. The review was intended to identify health practitioners who were not adhering to SIRA's regulated payment rules and rates, and insurers who were paying invoices contrary to billing rules. Based on their initial review, Synapse Medical Services estimated potential leakage was a factor in approximately 33 per cent of medical payments. Following feedback from insurers and further analysis, it is estimated that the leakage is more likely in the order of 25 per cent. This compares to a global average for health system leakage of seven to nine per cent.

SIRA is making changes to a number of fees for health providers from 1 January 2021. As part of the larger healthcare review, SIRA commissioned a market pricing review to benchmark NSW workers compensation scheme health practitioner fees against other jurisdictions and

<sup>[1]</sup> Includes allied health services, ambulance, attendance, care, diagnostics, hospital and surgery

payers. The review found that the scheme is out of step with other Australian workers compensation schemes and the NSW CTP scheme. The Synapse Medical Service review has also revealed a need to simplify fees orders to reduce the potential for billing errors. The changes to workers compensation health provider fees are the beginning of a fundamental reform to fee regulation and fee-setting that SIRA will pursue during 2021.

## **Observations on the *State Insurance and Care Governance Act 2015* and workers compensation**

In preparing for the five-year Statutory Review, SIRA considered the policy objectives of the SICG Act and the appropriateness of the legislation for securing those objectives. The brief observations outlined below are not strictly limited to SIRA's regulatory functions, nor do they constitute policy advice, which is the role of the Government. Some of the observations below relate specifically to the SICG Act, and others relate to the legislative framework that supports the workers compensation system.

### **Articulating policy objectives**

The SICG Act provides specific objectives for SIRA but does not include policy objectives for the administration of the State's compensation schemes or icare. It would be useful and instructive for the legislation to clearly articulate the core purpose in relation to *scheme sustainability, policy affordability, optimal results for claimants, and public trust in compensation schemes*.

### **The independence of the SIRA Chief Executive**

SIRA does not have the power to employ its own staff to carry out its functions. SIRA staff are employed by the Department of Customer Service and the Chief Executive reports to the Secretary of the cluster.

Under the *Personal Injury Commission Act 2020*, the head of the Personal Injury Commission and the Independent Review Officer are statutory officers. These employment arrangements support the independence of the roles, much like other NSW commissions and regulatory bodies such as the *NSW Education Standards Authority*, the *Independent Pricing and Regulatory Tribunal*, the *Environment Protection Authority*, the *Health Care Complaints Commission*, the *Electoral Commission*, and the *Information and Privacy Commission*.

This review may consider the provisions in the SICG Act regarding the independence of the SIRA Chief Executive given the accountabilities of the role, which includes: 1) regulation of workers compensation matters related to NSW Government employees 2) regulation of Government self-insurers 3) regulation of a large Government quasi-monopoly insurer in icare.

### **Clarifying the role of the SIRA Board**

The SICG Act creates ambiguity around the degree to which the SIRA Board is a governing board. The SIRA Board is appointed by the Minister to determine the general policies and strategic direction of SIRA. Its role is largely to oversee, not direct nor manage, SIRA's activities.

The SIRA Chief Executive controls the day to day operations of the organisation, including the independent regulatory functions. This position is deemed to be the 'accountable authority' under the *Government Sector Finance Act 2018*. The SIRA Chief Executive openly and actively shares information with the Board and appropriately seeks advice on a range of matters. In turn, the Board lends its collective expertise to assist the Chief Executive in her role.

Recently, the SIRA Board has served as the Steering Committee for the *Independent Compliance and Performance Review of the Nominal Insurer* (managed by icare). In that capacity, the Board has been more closely involved than usual in advising on regulatory matters, including monitoring the Nominal Insurer's performance and considering SIRA's regulatory response.

While the SICG Act does not confer specific decision-making roles or power on the SIRA Board, the *Motor Accident Injuries Act 2017* does specify that the SIRA Board must approve premium related policies, and the *Home Building Act 1989* requires that the SIRA Board approve any licence conditions to be imposed on providers under that Act in section 105H(3).

The provisions of the SICG Act could be strengthened by clarifying the SIRA Board's role, including whether it should be the 'governing body' of SIRA collectively responsible for managing its affairs.

## **Ministerial directions**

The SICG Act provides that the relevant Minister can give directions to SIRA and icare, however the provisions of these sections are very different. The Minister is not required to consult with SIRA about any intention to give a written direction with respect to SIRA's functions, nor does SIRA have the opportunity to provide advice on whether the direction would be in the public interest. SIRA would benefit from the opportunity to provide the Minister with advice on whether an intended direction is in the public interest.

In comparison, the SICG Act provides that the responsible Minister must consult with the icare Board and request its advice on whether a direction is in the '*best interests of icare*' – not the public interest - before it is issued. It is SIRA's view that all decisions related to the workers compensation scheme should be taken in the public interest over the interest of any one entity.

## **Remuneration of icare executives**

The SICG Act explicitly excludes icare staff from the provisions of *Government Sector Employment Act 2013*.

Over recent months issues around remuneration have been widely discussed in Parliament and the media. It is not SIRA's role to determine the salaries of icare executives, but as the regulator of the workers compensation system SIRA is concerned about:

1. the extent to which the reported bonuses and salaries are an appropriate use of funds from the Workers Compensation Insurance Fund
2. the lack of transparency on executive salaries, particularly for employers who are essentially the shareholders of icare
3. the impact on public trust in the workers compensation scheme.

While the case for paying a premium for commercial insurance skills may be valid in some cases, SIRA understands that some icare staff and executives were already working for the

NSW Government and remunerated as public servants in icare's predecessor organisation before the changes in 2015.

## **icare culture, governance and accountability**

Parliament and the media have raised issues related to icare's culture, governance, and accountability, many of which were known to SIRA. While SIRA regulates workers compensation and has regulatory oversight of icare's management of those schemes, SIRA does not regulate icare as an entity.

In December 2019, SIRA recommended through the 21-Point Action Plan that icare commission an independent review into its culture, governance, and accountability. It is clear that this recommendation should have been actioned with greater urgency.

As of 22 August 2020, icare indicated that it would undertake a governance review. SIRA welcomes this step and the advice from the incoming Chair of the icare Board that the review will encompass all of icare.

## **Relationship between SIRA and icare**

A key objective of the SICC Act was to establish SIRA as an independent regulator to enable stronger supervision of the schemes to improve outcomes and promote compliance with legislation. In this respect, SIRA's role is to hold insurers to account for their performance. Lessons from the Hayne Royal Commission reinforce the importance of a healthy level of independence and even tension between the regulator and regulated to ensure the regulated entity is being held to account. The recommendations and subsequent actions from the Hayne Royal Commission indicate that the community expects that robust, visible, transparent, high quality regulatory supervision improves customer outcomes and public trust as well as long-term sustainability.

SIRA has used the regulatory authority it has to correct performance issues at icare in the interests of current and future customers, including the power to publish performance information and reports. Ms Janet Dore made observations about the relationship between SIRA and icare in her final report on the *Independent Compliance and Performance Review of the Nominal Insurer*.

SIRA has continued to respectfully engage with icare while continuing to undertake its regulatory activities. SIRA notes that icare's response to SIRA as the regulator is more constructive and responsive under the new Chair and interim Chief Executive Officer.

## **Appropriate use of funds from the Workers Compensation Insurance Fund**

The Workers Compensation Insurance Fund (WCIF) can only be used for specified purposes as defined in section 154E(2) of the *Workers Compensation 1987 Act*. The Auditor General ultimately has responsibility for inspecting and auditing the accounts and records of the WCIF at least once every financial year.

SIRA does not regulate Nominal Insurer or icare finances or procurement practices, however it is responsible for ensuring compliance with the workers compensation legislation. SIRA has recently used its powers to commission an independent audit into the expenditure from the WCIF in response to concerns raised in Parliament and the media about how the fund has been used. The audit will identify whether money from the WCIF has been used inappropriately. The findings of the review are expected to be available by early 2021. This

audit is an important measure to ensure compliance and promote transparency in the Nominal Insurer's spending, especially given that costs are borne by NSW employers.

## **SIRA's role as the administrator of the Workers Compensation Operational Fund**

SIRA is the administrator of the Workers Compensation Operational Fund (WCOF), which is established under Division 1 of the *Workplace Injury Management and Workers Compensation Act 1998*.

SIRA uses the WCOF to fund its own workers compensation-related regulatory operations, and the operations of SafeWork NSW, the Independent Legal Assistance and Review Service (ILARS), Workers Compensation Commission (WCC), and the Workers Compensation Independent Review Office (WIRO). Despite SIRA's role as the administrator of the WCOF, the legislation does not provide SIRA with the corresponding oversight of how funds are spent.

The table below summarises the expenditure from the WCOF since 2015. It should be noted that the 2015 figures represent a transitional establishment phase and include WorkCover finances up until 31 August 2015 and then SIRA's finances from when it was established on 1 September 2015.

<b>WCOF funded programs</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>
SafeWork NSW	107,555	112,105	122,847	132,903	127,995
ILARS	44,034	49,864	50,465	57,449	63,050
SIRA	77,302	72,364	60,951	57,102	52,031
WCC	21,828	23,090	26,283	27,153	25,285
WIRO	4,898	6,582	7,343	10,559	10,967
<b>Total</b>	<b>255,617</b>	<b>264,005</b>	<b>267,889</b>	<b>285,166</b>	<b>279,328</b>

The WCOF is primarily comprised of levy contributions from the Nominal Insurer, the TMF, self-insurers and specialised insurers. It also includes other sources of income including workers compensation section 156 recoveries, infringement notices and interest.

The levy contributions into the WCOF from the Nominal Insurer, the TMF, self-insurers and specialised insurers is summarised in the table below.

<b>WCOF levies contributions</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>
Nominal Insurer	177,504	213,707	220,604	236,175	232,915
TMF	16,981	18,626	19,443	18,527	19,530
Self-insurers	14,382	15,272	14,832	16,043	17,321

Specialised insurers	4,691	6,907	7,693	8,026	8,367
Total WCOF levies	213,558	254,512	262,572	278,771	278,133

Contributions from insurers into the WCOF are determined in accordance with section 39 of the *Workplace Injury Management and Workers Compensation Act 1998*. Despite this contribution model, some insurers incur a greater regulatory expense and there is no provision to strike additional fees to cover additional regulatory costs. This means that contributions may not always be fairly distributed between insurers.

## Structure of the Nominal Insurer

The Nominal Insurer is the largest insurer in the NSW workers compensation system and is established under Division 1A Part 7 of the *Workers Compensation Act 1987*.

As the regulator of the Nominal Insurer, SIRA has observed significant gaps in accountability, responsiveness, and transparency related to its unique statutory, governance, and regulatory structure.

The Nominal Insurer holds an unconditional licence, except for the need to comply with the Market Practice and Premiums Guidelines. While SIRA can impose conditions on other insurer licences, the contravention of which is an offence, SIRA is not able to impose conditions on the Nominal Insurer's licence to encourage compliance and drive improved performance.

The Nominal Insurer does not require authorisation under the Commonwealth *Insurance Act 1973* to operate. This means that it is not regulated by the Australian Prudential Regulation Authority (APRA) and does not have to adhere to its minimum capital ratio requirements like other workers compensation insurers. The principal purpose of a minimum capital ratio is to protect policyholders and claimants from insurer insolvency, which would leave them financially disadvantaged. The power of the *Workers Compensation Act 1987* to make a prudential regulation for the Nominal Insurer has never been enacted to set capital adequacy standards.

Under the SICG Act, icare is responsible for administering the Nominal Insurer. However, icare only "acts for" the Nominal Insurer and does not itself have any obligations under the workers compensation legislation. icare is not regulated by SIRA. The Nominal Insurer does not have its own governance framework and there are no officers or directors who can be held accountable for its actions.

The Nominal Insurer is not a State-backed scheme, and Treasury does not have any formal oversight role or statutory powers in relation to the Nominal Insurer.

## Structure of the Treasury Managed Fund

The Treasury Managed Fund (TMF) is a self-insurance scheme that insures more than 330,000 NSW Government employees.

Similar to the Nominal Insurer, the TMF has its own unique statutory, governance, and regulatory structure when it comes to workers compensation. SICorp, created by the *NSW Self Insurance Corporation Act 2004* (NSW), manages "Government Managed Fund



schemes” including the TMF. The *NSW Self Insurance Corporation Act 2004* provides that SICorp may delegate its functions to icare. SICorp, through icare, then enters into claims management agreements (CMAs) with claims agents.

Despite this structure, SICorp, icare, and the claims agent are not considered as the insurer in the workers compensation legislation. The workers compensation legislation provides that the NSW Government employer is the self-insurer. This means that SIRA does not have adequate compliance and enforcement power over SICorp, icare, or a claims agent engaged by icare. Instead, SIRA’s enforcement powers are focused on the deemed Government self-insurers, who may have little control and influence over claims management under current arrangements.

The ambiguity in this structure has been highlighted in the Report on the SIRA investigation into three Corrective Services workers compensation claims dated 12 October 2020. This investigation found deficiencies in claims management and identified that statutory time limits and legislative ambiguities relating to government self-insurers reduced SIRA’s ability to hold such insurers accountable. In assessing the functions of each party, the report stated:

- *SICorp/icare are statutory entities that hold an agency relationship with the agents, but each agent does not have any direct accountability to SIRA, nor to the workers compensation legislation.*
- *The government self-insurer, although the deemed self-insurer under the legislation, was not the only entity which committed the failures in the claim management process relating to the employees’ claims. The government self-insurer was the legally accountable insurer, but it operated as if it was only accountable as an employer, not an insurer.*
- *The agent is an agent of SICorp and owes obligations to SICorp in accordance with its contractual arrangement. However, the agent does not have any obligations as an insurer under the workers compensation legislation and guidelines, nor does it have any direct accountability to SIRA.*

SIRA is unable to impose licence conditions on the TMF government employers in the same way that it can with other self-insurers licensed by SIRA. SIRA contends that the legislation should enable SIRA to impose licence conditions independently on all insurers, including government self-insurers and the Nominal Insurer, to remove legislative ambiguities and provisions that reduce SIRA’s ability to hold insurers accountable.

The existing lack of clarity and functional ownership in the TMF structure limits SIRA’s ability to enforce the legislation, regulation, and guidelines. In addition, a Premier’s Memorandum guiding steps to avoid unnecessary litigation between Government agencies may further impact SIRA’s ability to take prompt compliance and enforcement action.

## **SIRA’s regulatory reach**

Despite SIRA’s role as the peak regulator of compensation schemes in NSW, there are a range of persons and entities who perform functions or deliver services in the scheme that SIRA is unable to regulate. This is due to various ambiguities and limitations in SIRA’s existing powers that hinder its ability to fulfil its legislative functions.

SIRA does not have a uniform power to impose licence conditions, consistent with the legislation, on all insurers. Licence conditions can be applied to self and specialised insurers, but SIRA does not have any powers to impose licence conditions on the Nominal Insurer, SICorp or the TMF agencies.

Licence conditions can relate to conduct, governance, claims administration and finances, and are an important regulatory tool for SIRA to effectively manage performance. A uniform power to impose licence conditions, across all insurer types, could be used to reduce risk and correct non-compliance or poor performance more proactively than by way of enforcement action.

SIRA has broad powers to issue directions and conduct performance audits under section 194 and 202A of the *Workers Compensation Act 1987*. Both provisions, however, are limited to licensed insurers and self-insurers. These powers do not extend to SICorp (who is not an insurer), icare (it would only apply to icare insofar as icare is acting for the Nominal Insurer) or scheme agents of IC1 Pty Ltd (a created corporate subsidiary of icare, that holds the contracts with scheme agents).

Similarly, SIRA's legislative powers of enforcement and examination are limited to insurers and in some cases the scheme agents but do not extend to all the participants in the scheme. The limitations in the TMF construct have been provided as an example above.

In circumstances when SIRA identifies non-compliance with the legislation, its powers to impose penalties are in many cases limited to penalties of 100 penalty units. When considering the size of this penalty directed at large corporate insurers, the legislation provides an insufficient deterrent for legislative non-compliance. In addition, the cost of penalties on the Nominal Insurer is ultimately payable by NSW employers.

There are also a range of health providers engaged by insurers, employers, and workers throughout the life of a claim that SIRA has relatively little power to regulate. This includes but is not limited to nominated treating doctors and other treatment providers, rehab service providers, independent consultants, and assessors of work capacity and permanent impairment. SIRA does not have the power to suspend or exclude these providers from operating in the workers compensation system when SIRA rules are repeatedly breached.

These legislative ambiguities, among others, limit SIRA's ability to fulfil its legislative functions and regulate actors in the workers compensation scheme in a way that would deliver optimal outcomes.

## **Workers compensation complaints**

The complaints framework in the workers compensation system is complex and the escalation process is not necessarily clear to customers and stakeholders. In the first instance, complaints can be made to the insurer and, in some cases, icare. In 2018, WIRO commenced handling all escalated enquiries and complaints from injured workers about their insurer. SIRA has continued to respond to escalated enquiries and complaints from workers complaining about their employer or healthcare provider, and escalated enquiries and complaints from employers, insurers, and other stakeholders. SIRA also has a role in responding to complaints that require regulatory action, however customers seeking a regulatory response have expressed that it is now more difficult to understand how to access the regulator. A clearer pathway for these customers to make complaints directly to the regulator for investigation of non-compliance and enforcement action could help to allay these concerns.

SIRA's visibility of complaints and potential breaches of the legislation has been limited by the changes to the complaints process in 2018. SIRA does not yet have access to detailed worker complaints data, including matters relating to suspected non-compliance, that are reported to WIRO. While SIRA supports the independence of WIRO and its role in handling worker complaints, without visibility of complaints data SIRA's awareness of and ability to

investigate regulatory matters is limited. SIRA welcomes recent agreement by the WIRO to improve the information provision arrangements.

Delays in notification of matters where there are reasonable grounds to suspect non-compliance may have an important impact on regulatory action given the statute of limitations which provides that SIRA can only institute proceedings for an offence within two years. Delays in becoming aware of regulatory matters may mean that SIRA is not always able to deal with non-compliance within the statute.

Broadening SIRA's access to system-wide complaints data would improve its regulatory oversight of the workers compensation scheme. Complaints data provides valuable feedback and helps the understanding of how the scheme is operating. If SIRA has access to more complaints data it will allow SIRA to better assess and determine suspected non-compliance. SIRA would also be able to proactively identify trends and issues before they become systemic. Regulatory action can arise from worker complaints, and the level of transparency sought by SIRA serves to help its regulation of the scheme and take enforcement action when needed.

In addition to this, broader access to system-wide complaints data will improve customer experience so that customers only need to "Tell Us Once". This is a Premier's Priority for Government made easy so that customers only need to provide key details and information once across a broad range of transactions, rather than providing the same information over and over. Better integration of data will make it easier for customers making complaints to other agencies also to have access to the regulator who can handle suspected non-compliance. SIRA looks forward to working with the new Personal Injury Commission and Independent Review Officer to improve complaints data-sharing arrangements and customer experience within the scheme.

## **Workers Compensation legislation vs Motor Accident Injuries Act 2017**

SIRA has the benefit of regulating the State's two largest compensation schemes – workers compensation and CTP. There are significant differences in how these schemes operate and perform, which is largely as a result of the legislative framework that supports the workers compensation system versus the 2017 motor accidents scheme.

In December 2017, SIRA implemented significant Government legislative reforms to CTP insurance. The reforms were intended to reduce the complexity of the old scheme and tackle key concerns relating to rising premiums, minor injury claims and related costs, excessive insurer profits and fraud. The new legislation has delivered continued benefits to injured people and motorists. CTP premiums are now substantially lower for most motorists, and the new legislation does more to protect those with injuries by ensuring that the bulk of premiums go towards injured people rather than to legal fees and administrative costs. Overall, the reforms have delivered a fairer and more affordable scheme.

This review presents an opportunity to undertake similar reforms to the workers compensation scheme to ensure that the scheme can better deliver on its policy objectives to support workers who are injured, provide affordable policies, and scheme sustainability. The workers compensation legislation is similarly complex, yet primarily operates under two separate pieces of older legislation, the *Workers Compensation Act 1987* and the *Workplace Injury Management and Workers Compensation Act 1998*. This submission highlights some of the ambiguities that exist within this legislation that hinders SIRA's ability to oversee the scheme consistently and its performance. Reforms could tackle key issues raised in Parliament and the media, while delivering similar benefits as achieved in the CTP scheme and providing a workers compensation scheme that the public can trust.

## Conclusion

SIRA welcomes the opportunity to make this submission to the Independent review of icare and the SICC Act. SIRA has delivered on its intended benefits by creating a consistent and robust insurance regulator that advances public outcomes relating to injured people, policy affordability, and scheme sustainability. Notwithstanding this, since the 2015 reforms there have been multiple challenges to achieving the intent of the reforms which have been recently highlighted in Parliament and the media. SIRA will continue to work transparently and constructively to assist this review and enable independent consideration of SIRA and the workers compensation scheme.

## Tab A – SIRA strategic framework

### Purpose

To ensure that the NSW workers compensation, CTP and home building compensation schemes are fair, affordable and effective.

### Mission

To steward the NSW workers compensation, CTP and home building schemes to ensure that people who make a claim now, or in the future, get the support they need.

### Goals

- Financially sustainable schemes
- Affordable premiums
- Optimal outcomes for injured people
- Positive customer experiences
- Public trust in SIRA and the schemes it regulates

### Functions

<b>Design and reform</b>	Designing and reforming schemes – through policy advice, guidelines, and scheme design and performance
<b>Supervise and enforce</b>	Supervising the performance of regulated parties and enforcing compliance with the law – through monitoring performance and compliance, audits and reviews, and enforcement of the law and its licence conditions
<b>Innovate and engage</b>	Innovating and engaging others to improve customer outcomes – through stakeholder engagement and communication, service delivery, and research and leadership in personal injury

### Current Strategic priorities

- Adapt policies, services and regulatory action to COVID-19
- Improve return to work (RTW) outcomes for people injured at work and on the roads, including better reporting and measurement of RTW in NSW
- Improve regulation of healthcare in CTP and workers compensation so injured people receive optimal healthcare at the optimal time for optimal health outcomes
- Strengthen SIRA's strategic monitoring, supervision and enforcement program
- Align and promote SIRA's regulatory approach across regulated schemes
- Continue to advance transparency through open data and performance reporting
- Support the implementation of the Personal Injury Commission
- Implement customer conduct principles, customer experience research and reporting
- Advance outcomes and practice in injury recovery through research and collaboration with experts and stakeholders
- Strengthen organisational health and capability

## Tab B – 21-Point Action Plan update as at 30 October 2020

### Summary

Seven actions completed or completed and ongoing, and 14 actions in progress.

### icare actions required by SIRA

#### 1. Business Plan resubmission

SIRA will require icare under Division 4 of the *Workers Compensation Act 1987* (1987 Act) to revise and re-submit to SIRA its FY19/20 business plan by 28 February 2020 to address key issues and findings from the review. The revised Business Plan is to include appropriate targets for return to work at 4, 13 and 26 weeks and action to deliver performance at the targeted levels as well as comprehensive plans to improve claims management by the Nominal Insurer (NI) including:

- Scheme agent capability, resilience, staff turnover and resourcing
- Ongoing review and refinement of claims management including agent arrangements, triaging of claims and provision of dedicated case managers to significantly injured workers
- Claims management for workers with psychological injuries or mental illness
- Systems for ensuring reasonably necessary healthcare services are provided appropriately, at the appropriate time for optimal recovery and return to work, and with high levels of regulatory compliance
- Compliance with the Market Practice and Premiums Guidelines and review and refinement of the NI premium methodology
- Compliance with mandatory data reporting and data quality requirements
- Risk management, internal audit planning and risk mitigation reporting
- Stakeholder engagement

(Expected financial savings should be reported on a net basis – requirement from SIRA Chief Executive letter dated 16 January 2020)

**Status:** No further action for the FY 19/20 Business Plan given elapsed time. SIRA is currently reviewing icare's submitted FY 20/21 Business Plan.

**SIRA comment:** icare provided an update to its FY19/20 Business Plan that was not considered satisfactory by SIRA. In particular SIRA remained concerned that icare Business Plan performance targets for Return to Work rates are too low: 39 per cent at 4 weeks, 75 per cent at 13 weeks and 80 per cent at 26 weeks. Given the elapsed time SIRA took no further action on the deficient FY 19/20 Business Plan but expected icare to comply with the above requirements for the upcoming FY 20/21 Business Plan.

In the preparation of the FY 20/21 Business Plan SIRA and icare regularly communicated to ensure clarity of expectations. icare submitted the Business Plan on time and this is currently under review by SIRA.

Business Plans are submitted pursuant to section 202B of the 1987 Act. Licensed insurers are required to prepare and deliver to SIRA a business plan for its workers compensation business that is in accordance with the legislation.

## **2. icare is required to urgently address data quality and timeliness issues and provide monthly data in accordance with regulatory requirements.**

SIRA recommends icare work with an ICT assurance specialist agreed with SIRA to ensure adherence to data provision requirements.

**Status:** Progressing

**SIRA comment:** SIRA has requested icare to provide a comprehensive plan to address data quality concerns and icare is required to continue to provide SIRA regular updates on progress to data improvement plan.

SIRA and icare have been engaging closely on resolving data quality issues. SIRA has provided clarity as to expectations of action point.

## **3. Review of icare Workers Insurance Premium Calculation Model**

icare will undertake a comprehensive review of the icare Workers Insurance Premium Calculation Model, including:

- detailed assessment of all components of the existing premium calculation methodology against the principles of the Market Practice and Premium Guidelines (MPPGs)
- detailed analysis of longitudinal impacts for employers and any consequential or perverse impacts for the broader workers compensation system
- development of alternative options with the objective of improving consistency with MPPGs

icare will provide SIRA with a report on its review of the Workers Insurance Premium Calculation Model as part of the 2020 NI premium filing.

**Status:** This was initially completed to a satisfactory standard for implementation with revised premiums for the 20/21 year, however with icare withdrawing the 20/21 filing due to COVID-19 and continuing with the previous premium model, the improvements to the premium methodology have been delayed.

**SIRA comment:** SIRA and icare are continuing Joint Premium and Prudential Oversight Committee meetings to monitor further premium calculation reforms.

## **4. icare's premium review arrangements**

icare will review and formally advise SIRA of its premium review arrangements under Section 8.5 of the Market Practice and Premiums Guidelines issued by SIRA under Division 2 of the 1987 Act.

icare will report to SIRA quarterly on premium complaints received and premium reviews and other actions taken as required.

**Status:** Completed

## **icare actions recommended by SIRA**

### **5. Dedicated case manager**

Noting icare has advised SIRA that icare and its agents now allocate a dedicated case manager where an injured worker is away from work for 2 weeks. SIRA recommends icare consider a further enhancement to allocate a dedicated case manager whenever an injured worker is likely to be (or has been) incapacitated for work for a continuous period of more than 7 calendar days. This would include any injured person meeting the definition of a worker with a significant injury as defined by section 42 of the *Workplace Injury Management and Workers Compensation 1998 Act* (1998 Act) and would strengthen delivery of appropriate injury management as required by section 45 of the 1998 Act.

**Status:** Progressing

**SIRA comment:** icare wrote to SIRA requesting feedback on proposed alternatives to action that would see an increased number of injured workers allocated a case manager earlier. SIRA has responded requesting further detail and discussions continue.

SIRA notes that over the last 3 years about 30 per cent of injured workers with claims with the NI have more than 14 calendar days on weekly benefits and 40 per cent have more than 7 calendar days. SIRA continues to recommend that all injured workers with more than 7 calendar days on weekly benefits have a dedicated case worker, noting that this would still leave about 60 per cent of injured workers without a dedicated case manager and SIRA will closely monitor outcomes for each cohort.

## **6. Remuneration incentives for 4, 13, 26 weeks**

icare should review RTW remuneration incentives for scheme agents and relevant icare employees to ensure focus on return to work outcomes at 4, 13 and 26 weeks.

**Status:** Progressing

**SIRA comment:** icare has advised SIRA that concerns raised with the inadequacy of RTW remuneration incentives are to be addressed in new deeds with agents. The scheme agent deed with EML expires in October 2020, icare has advised negotiation on a new deed is underway. icare have provided to SIRA the recently executed authorised provider deeds with Allianz, GIO and QBE, these are currently being reviewed by SIRA.

## **7. Small business employers claim management provider**

Noting the announcement of the extended Authorised Provider Model will increase choice of claims management service for large employers, it is recommended icare also enhance the NI operating model to provide small business employers with greater choice of claim management service provider. Options would be developed by icare in consultation with SIRA.

**Status:** Progressing

**SIRA comment:** icare has commenced RFP process to consider an enhanced operating model to cater for small business employers and will continue to progress in future months due to current COVID-19 response.

## **8. SIRA Tripartite Reference Group**

SIRA will invite icare to attend SIRA Tripartite Reference Group meetings at least once per quarter to outline progress on actions arising from the Review and on the performance



of the NI. It is recommended the icare CEO attend whenever possible to engage with peak business organisations and unions.

**Status:** Completed and ongoing

## 9. Independent Review of culture, governance and accountability

SIRA recommends icare commission an independent review into the culture, governance and accountability in the icare team and agents managing the NI.

**Status:** icare advise this is progressing

**SIRA comment:** icare has advised that the scope of review has been expanded from the culture, governance and accountability in the management of the NI to cover all of icare and the review has commenced.

## SIRA regulatory actions related to the NI

### 10. Quarterly Compliance and Performance Audit

During 2020, SIRA will conduct and publish a quarterly compliance and performance audit of claims management by the NI, under Division 4 of the 1987 Act, including file reviews utilising an enhanced methodology. Audit reports will be provided to the SIRA and icare boards.

The first audit has commenced in February 2020 and is being undertaken by EY in accordance with Terms of Reference to be finalised by January 2020.

**Status:** Progressing

**SIRA comment:** The final report of the first quarterly review is available [here](#). Auditors have completed the second quarterly review and are now drafting the audit report.

The third quarterly review is to commence as soon as possible to realign with original planned scheduling following the delays due to the COVID-19 pandemic.

### 11. Independent Audit of NI's medical services

Noting that the NI has experienced a higher rate of increase in utilisation of medical services than other providers, without improvement in return to work outcomes, under Division 4 of the 1987 Act, SIRA will commission an independent audit of the NI's approval and payments process for medical and related treatment expenses to monitor compliance with regulatory requirements.

This audit will commence in the April quarter of 2020.

**Status:** Progressing

**SIRA comment:** Commencement of audit has been delayed due to impacts of COVID-19. SIRA has undertaken a review of the reasons for rising health care costs and commissioned an independent analysis of medical billing controls across the workers compensation system. This is informing the methodology for the audit of medical payments processes.

SIRA is establishing an insurer working group with the aim to minimise leakage through building increased capacity, billing literacy and enhancing medical payment governance.

## **12. SIRA advice to Government on prudential supervision**

SIRA will provide advice to Government on prudential supervision options for the NI. SIRA will continue its monitoring focus on capital adequacy. SIRA will continue to work with NSW Treasury in line with the NSW Treasury/SIRA Memorandum of Understanding.

**Status:** Completed and ongoing

## **13. SIRA and icare board engagement**

SIRA will engage constructively with the icare board and senior executives on the NI management and improvement plans; SIRA will retain its independent approach on compliance and enforcement matters.

**Status:** Completed and ongoing

## **14. SIRA will provide advice to Government on legislative policy matters as required**

**Status:** Progressing

## **SIRA Regulator commitments**

### **15. SIRA to review performance indicators and compliance benchmarks**

SIRA will review definitions and strengthen key performance indicators and compliance benchmarks for workers compensation insurer performance over 2020 and will publish the results at least quarterly. SIRA will consult widely on the development of the indicators and benchmarks.

**Status:** Progressing

**SIRA comment:** SIRA has developed a range of measures and metrics to inform monitoring and supervision. Consultation on improvement metrics will be staggered in recognition of the priority for consultation on COVID-19 related adaptation. SIRA is currently consulting on a framework for health outcomes measurement and will soon have results from its new independent rolling survey of customer experience and outcomes.

### **16. RTW measurement framework**

As a priority, SIRA will lead consultation on measurement of return to work outcomes for injured people and is working with Safe Work Australia on its national RTW measurement framework.

**Status:** Progressing

**SIRA comment:** Effectively measuring return to work is critical to understanding the performance of the workers compensation scheme. As the regulator, it is SIRA's clear role under the legislation to determine how return to work will be measured. In New South

Wales and insurers are required to measure and report on actual return to work – not cessation of benefits.

In addition to this central measure, there are ways in which the drivers and barriers to return to work can be measured. SIRA is actively contributing to the national return to work strategy and is also leading a process in NSW to enhance metrics.

SIRA has considered the submissions to the 'Measuring RTW' discussion paper and has undertaken a series of subsequent digital roundtable consultations with stakeholders. A report will be published later this year.

SIRA has also established a dedicated RTW Team to work with employer and worker representatives and providers to drive system wide action to improve return to work. SIRA will lead a NSW Return to Work Strategy as part of the COVID-19 recovery phase.

## 17. Medical partnerships

SIRA will partner with professional medical colleges to increase awareness of the Health Benefits of Good Work initiative amongst GPs and other health providers.

**Status:** Progressing

**SIRA comment:** SIRA is actively engaging with professional medical colleges to plan for broader GP and health provider education activities, though the immediate focus is adaptation to the impacts of COVID-19 pandemic.

## 18. Reviewing health costs

SIRA is currently undertaking a review of health care arrangements for the workers compensation and CTP schemes in response to rising health care costs. Over 2020, this review will result in improved regulatory and fee setting approaches to ensure injured people have access to the right healthcare at the right time for optimal recovery and return to work, and so the schemes provide value-based healthcare.

**Status:** Progressing

**SIRA comment:** SIRA is developing improved reporting on health care costs and outcomes in the CTP and workers compensation personal injury schemes. A market pricing review including research of options for fee reform has commenced and a draft health outcomes framework is now available for public consultation.

A final report will be published in the second half of 2020.

SIRA is working with insurers to improve administration of medical treatment payments and approvals.

## 19. Customer survey

SIRA will conduct a rolling survey to measure the customer experience of injured people and policy holders across workers compensation and CTP. The first survey will commence by March 2020 and will be published by June 2020.

**Status:** Progressing

**SIRA comment:** This action was delayed by the COVID-19 pandemic but the first survey of injured people has now been undertaken and results will be available shortly.

A second survey of injured people is scheduled to commence by the end of 2020.

The employer survey program is to be recommenced at a time when the impacts of the COVID-19 pandemic have lessened.

## **Agreed joint SIRA/icare actions**

### **20. Half-yearly board meetings**

SIRA and icare boards will meet half-yearly. The SIRA Chief Executive and icare CEO will meet monthly with a more detailed quarterly review meeting in line with quarterly audit processes.

**Status:** Completed and ongoing

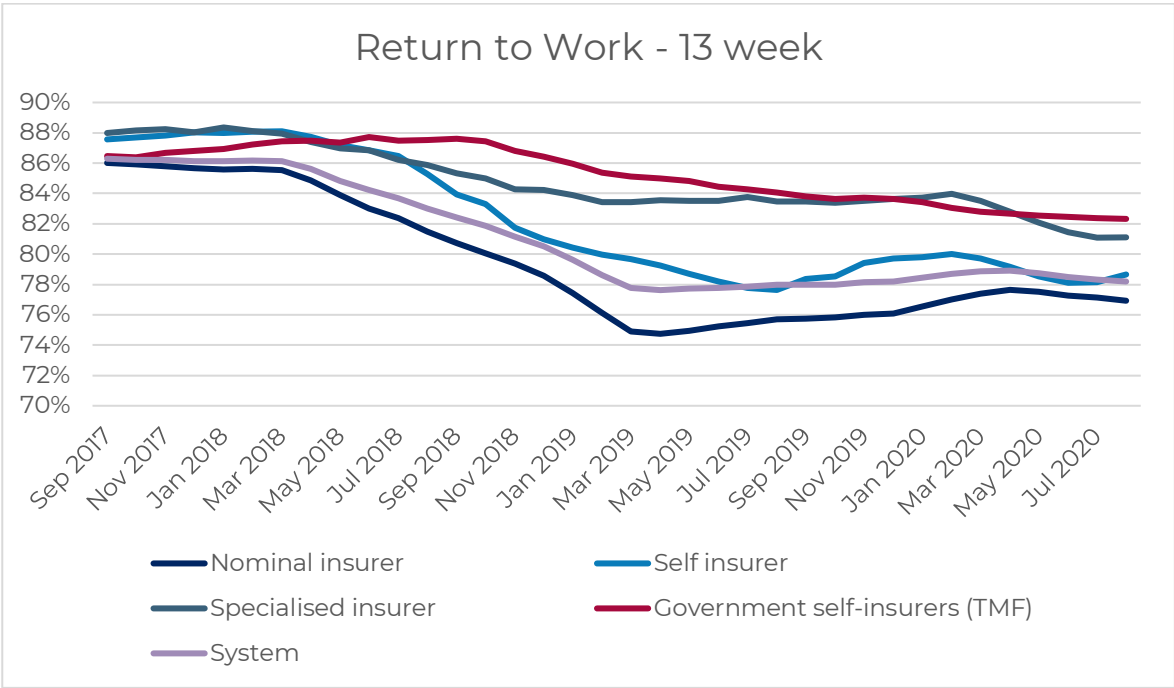
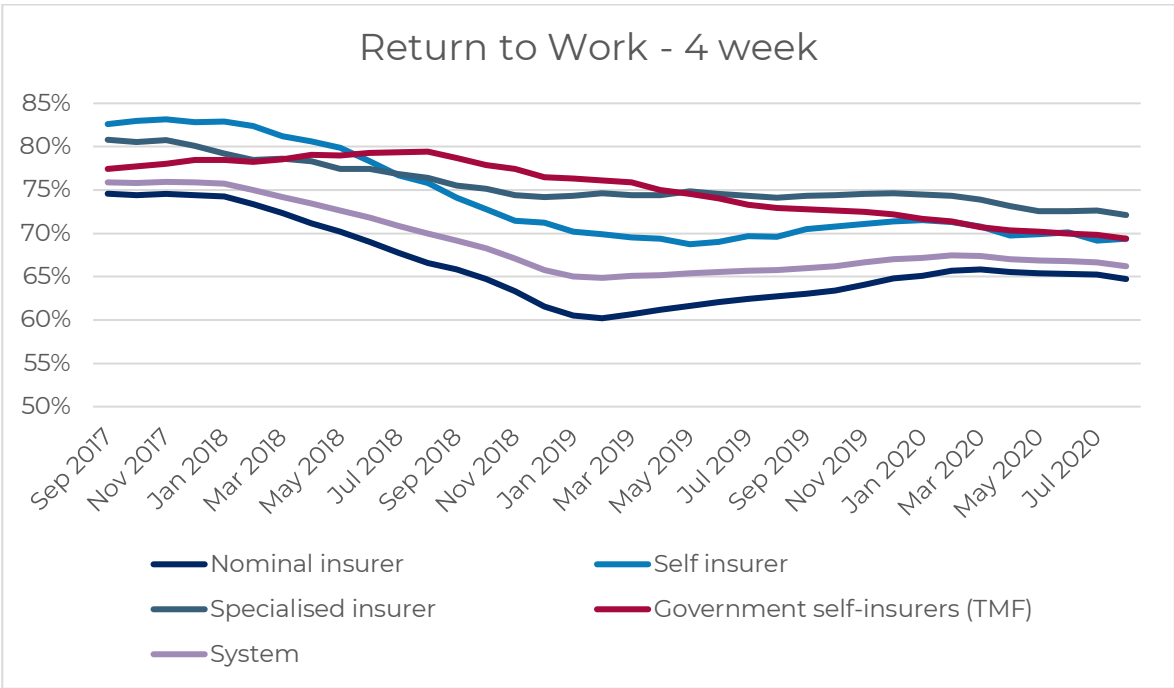
### **21. Monitoring (JPPOC and JCAC)**

SIRA and icare will continue, until at least December 2020, the current level of escalated monitoring and communication provided by the SIRA/icare NI Joint Premium and Prudential Oversight Committee (JPPOC) and Joint Claims Assurance Committee (JCAC).

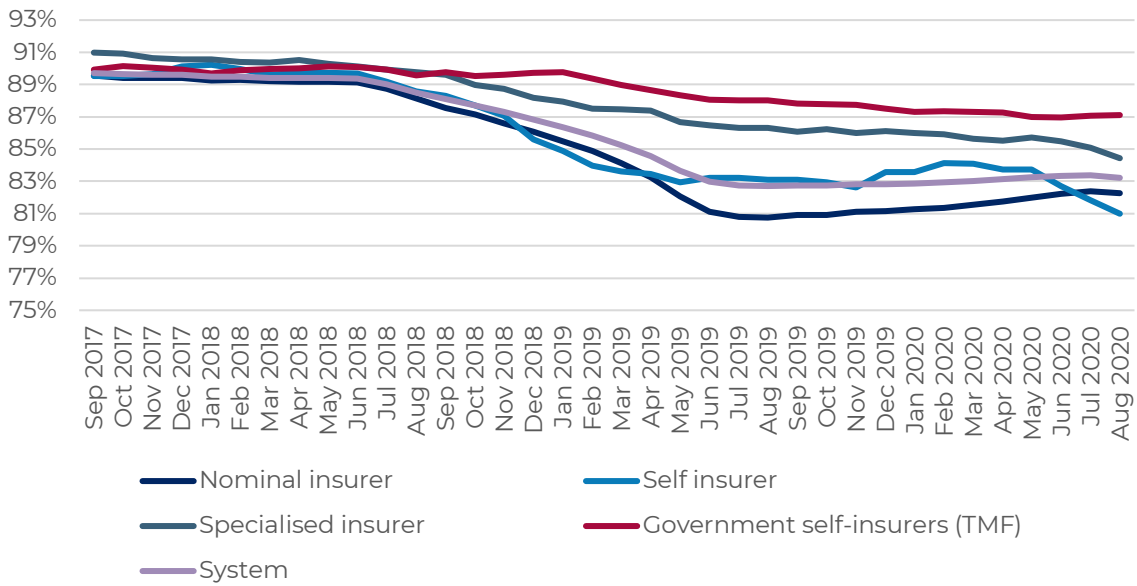
**Status:** Completed and ongoing

# Tab C – Return to work data

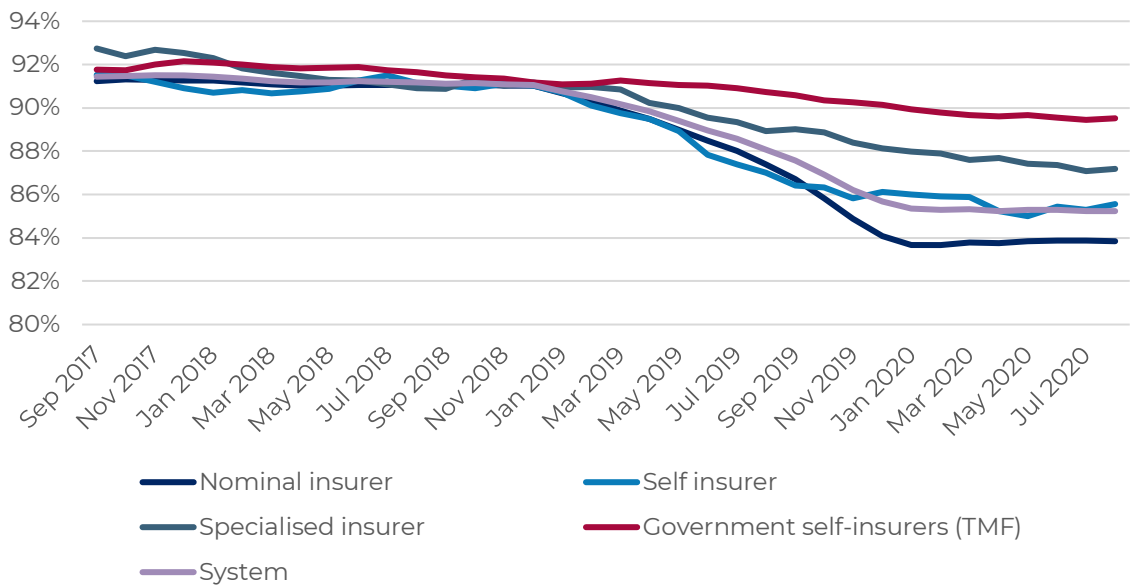
Workers compensation return to work data by insurer type as at 2 November 2020.



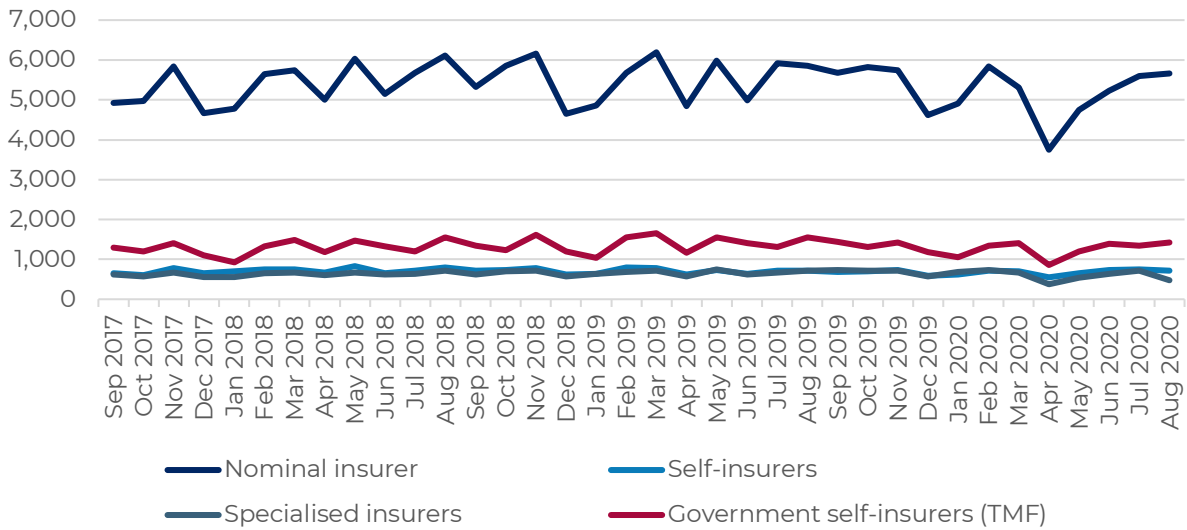
### Return to Work - 26 week



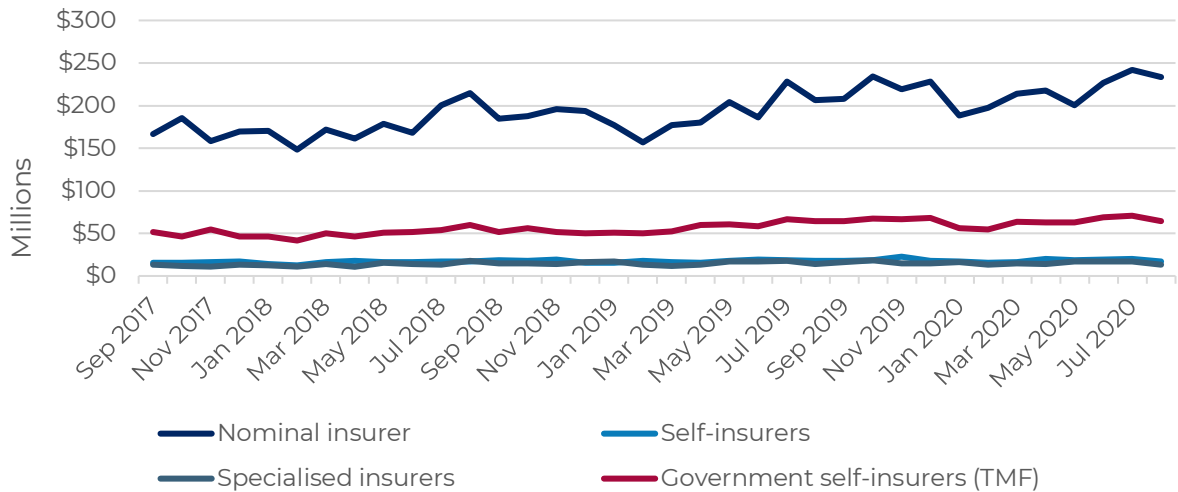
### Return to Work - 52 week



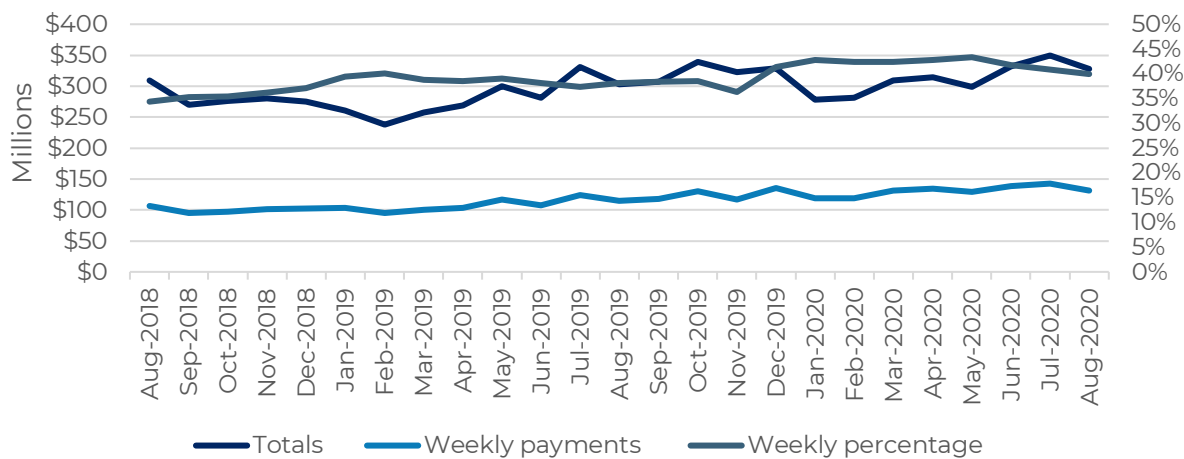
### Number of claims by claim entered month



### Total payment amount by payment month



### Weekly payments as a percentage of total payment by payment month



## **Disclaimer**

This publication may contain information that relates to the regulation of workers compensation insurance, motor accident compulsory third party (CTP) insurance and home building compensation in NSW. It may include details of some of your obligations under the various schemes that the State Insurance Regulatory Authority (SIRA) administers.

However to ensure you comply with your legal obligations you must refer to the appropriate legislation as currently in force. Up to date legislation can be found at the NSW Legislation website [legislation.nsw.gov.au](http://legislation.nsw.gov.au)

This publication does not represent a comprehensive statement of the law as it applies to particular problems or to individuals, or as a substitute for legal advice. You should seek independent legal advice if you need assistance on the application of the law to your situation.

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