



# Insurance and Care NSW

## Annual Report 2018-19



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# Letter to the Treasurer

31 October 2019

The Hon. Dominic Perrottet MP

Treasurer  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

## Report on performance for the year ended 30 June 2019

Dear Treasurer,

We are proud to submit the 2018-19 Insurance and Care NSW (icare) Annual Report for presentation to Parliament. This volume reports on the operations and performance of icare and its related entities. An additional volume with the full financial statements for the period 1 July 2018 to 30 June 2019 is also attached.

Our Annual Report 2018-19 was prepared according to the *Annual Reports (Statutory Bodies) Act 1984* and reporting requirements issued by the NSW Treasury. The financial statements contained in the Annual Report were certified by the Auditor-General.

Yours sincerely,



**Michael Carapet**  
Chair



**John Nagle**  
Chief Executive Officer  
and Managing Director

# Message from the Chair

icare was established to change the way people think about insurance and care

**T**he 2018-19 year was another important year for icare and we have delivered many of the positive initiatives that we commenced in previous years.

## Ensuring financially sustainable schemes

A key role of the Board is to ensure our schemes are financially sustainable, now and in the longer term. Whilst we are comfortable with the financial positions of the various Schemes we manage, the funding ratios for most of the Schemes have reduced since 2017-18, due mainly to a lower interest rate environment, changes in accounting policy and a continuation of a significant increase in medical expenses. This resulted in an increase in liability reserves for future claim payments in the various Schemes despite a relatively strong investment performance.

At icare's inception in 2015 we set ourselves a target of achieving more than \$1bn in operational and scheme savings. As of 30 June 2019, we have far exceeded this figure delivering \$1.47bn of benefits to customers and \$0.95bn through operating and claims-related savings.

We have released around \$180m from future claims liabilities and provided around \$350m of reduced premiums to employers with good safety records. These savings have helped partially offset the outlay necessary to transform our ecosystem and meet increases in benefits and the significant increase in medical costs, which are impacting all health care providers. The icare team continue to develop and refine initiatives to address emerging trends, like the marked rise in psychological injuries in sectors such as health care, social assistance and financial services.

## A focus on our customers

Our focus remains resolutely on our customers to ensure that they receive the right outcomes. To do this we need to continuously improve how we operate and align our services to the varying needs of our customer groups. As an example, following customer feedback, we initiated a proof-of-concept claims management program with Allianz and our large employer customers, that will provide them with an option to negotiate value-add services beyond the scope of our current delivery model.

We are also working to ensure government policy changes that impact icare customers are better communicated and that we seek to properly support our impacted customers. A recent example is our support of injured workers whose medical benefits and support payments ceased. Working with Uniting, as well as Centrelink and Medicare, we are supporting workers and medical staff to understand the changes and link them with alternative community programs and services to help them manage the transition.

icare operates in a complex environment, with the need for us to comply with much legislation and regulation. An ongoing challenge for us is that we meet these requirements while trying to make things as simple as possible for our customers. We are accountable to a number of government bodies and appreciate their advice and support, as they feed directly into helping us improve our performance for the people and organisations who we serve.

**Michael Carapiet**  
Chair



We acknowledge that there have been challenges with our workers insurance transformation. The NSW Government through icare, initiated one of the largest transformations of the State's workers compensation scheme, taking it from a fragmented, adversarial and process driven system to one that delivers fairer outcomes to all. We recognise that implementing some of these changes have caused disruption and we have had operational challenges achieving the right scale. icare will continue to listen to and work with our customer groups, regulator and stakeholders to provide fairer, more efficient and commercially sustainable Schemes for the people of NSW.

## Looking ahead

The year ahead will test us again, but we approach it with a sense of optimism and clarity, driven by our vision and purpose. Our culture remains underpinned by our organisational values – integrity, courage, accountability, respect and empathy. They are important anchors to the decisions we make and the work we do, whether it be working with businesses to improve risk prevention and worker safety or by assisting some of the most vulnerable people in the NSW community.

icare's achievements have been the result of the determination and drive of our fantastic people, and I would like to acknowledge all of our staff for their essential contribution in ensuring that we meet our organisational goals. I am confident that the icare team remains focussed on our objectives and on delivering our services with a commercial mind and social heart.

I would also like to thank and acknowledge my fellow Directors for their commitment, direction and support in progressing this unique organisation. I extend particular thanks to the Honourable Dominic Perrottet, NSW Treasurer, for his continuing support of icare.

**Michael Carapiet**  
Chair

# Message from the CEO

The end of the 2018-19 financial year marks the end of icare's organisational build phase. Significant progress has been made forging strong foundational capability, and further developing our corporate culture and capability

**S**ince beginning our transformation program four years ago, we've grown from a process-driven organisation to one with a culture of continuous improvement that puts our customers at the centre of everything we do.

## Delivering for our customers

During the past year icare has issued 37,000 new workers insurance policies and renewed more than 288,000. Premiums remain stable at 1.4 per cent of base-average wages, achieved through active management of claims and premium leakage and further streamlining of our operating model.

Our care services have expanded and improved. Opening in August 2018, icare's Dust Diseases Clinic in Pitt Street was co-designed with customers to lift our service and ensure accessibility – now multiple screenings can be conducted concurrently. We've also extended our mobile lung screen service (the Lung Bus) to include small and medium-sized employers to support their workers and continued to engage with our customers and communities throughout NSW.

Through our Mobile Engagement Team, we are able to reach a broader group of customers, particularly those outside the major centres. The team ensures regional communities receive updates on recent scheme changes, and information and assistance on how best to work with the Workers Compensation Scheme, with over 40 visits in the last 12 months.

The icare Paralympian Speakers Program, run in partnership with the Paralympics Australia, is a unique way we raise awareness of workplace health and safety among employers and their people. By sharing inspiring stories of their workplace accidents, overcoming injury and their achievements since then, our Paralympians hope to educate others about the very real impact their injuries have had on their lives, and on those of their families, friends and colleagues.

Our icare Aware program continues to evolve, with some great examples of employers' injury prevention programs being developed. Organisations like Stone and Wood and Build Corp have overseen measurable changes in their company culture and approach to safety, resulting in a significant reduction in workplace incidents.

Our Risk Education Express learning program is an example of how icare works with NSW government emergency service agencies, whose workers protect and prevent harm to people and assets should an incident occur. The program was developed with these customers to meet their needs and improve outcomes, so that together we can strengthen capabilities across the NSW public sector.



**John Nagle**  
Chief Executive Officer  
and Managing Director

We have also faced some challenges, particularly with embedding our new workers insurance operational model. While we believe that the long-term changes have substantial benefits we acknowledge we have not clearly communicated the transformation well.

Our customer advocacy results (Net Promoter Score) have improved from people who have been injured at work or on NSW roads, however they have decreased among our workers insurance policy holders. In the months ahead, we will be renewing our focus on understanding and addressing the needs of our employers.

## Looking ahead

Looking beyond 2020, our strategic intent remains clear and unchanged. Our purpose is to protect, insure and care for the people, businesses and assets that make NSW great. Our vision is to change the way people think about insurance and care through delivering best-in-class services.

We are driven to keep improving our performance and refining our operations to ensure they enable the long-term sustainability of all our insurance schemes. This is critical given the challenging economic climate we are facing and the evolving expectations of our customers and stakeholders.

Our work is supported by our culture, and the drive and commitment of our people to work together to achieve positive outcomes. There are opportunities to further integrate and refine our ways of working, support our people and provide a workplace environment that encourages collaboration, teamwork and accountability and this continuous improvement opportunity is a key focus for leaders and their teams across the whole of icare as we look ahead.

**John Nagle**  
Chief Executive Officer  
and Managing Director

# icare at a glance

We are a social insurer whose purpose is to protect, insure and care for the people, businesses and assets that make NSW great

**i**care operates and provides services to the NSW Government's insurance and care schemes. While we function as an insurance company, we're a bit different. As a social insurer, we're focused not on profit but on going above and beyond to deliver better outcomes for customers, and social value for the broader NSW community.

At the heart of our purpose and vision is our DNA – commercial mind, social heart. The balance in our DNA means we will continue to improve customer experiences and outcomes while ensuring the state's insurance schemes are financially sustainable over the long term.

Our operations are far-reaching. Our customers include over 3.6m workers and more than 320,000 employers, including 202 NSW Government agencies. We care for those severely injured on our roads and those that acquire a work-related dust disease. We also protect home owners who have been left with incomplete or defective works, and cover more than \$193bn of NSW Government-owned assets.

Since our inception in 2015, we have been focused on improving the customer experience across all our schemes. We've moved from a process-driven and often adversarial model to one that is committed to ensuring our customers get the support they need when they need it and that their voice is heard throughout the process.

For our employer and government agency customers we have worked to simplify their experience through offering direct policy and billing services and risk advice, as well as providing information and advice about injury prevention. Looking ahead we want to ensure our systems run smoothly and our communications continue to improve to make their experience easier.

For injured workers we have made significant changes to our claims experience, triaging injuries to provide the right level of support and ensure we can deliver treatment faster. We are focused on ensuring our triage system works to support workers throughout the claims process.

## Our purpose

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

## Our vision

**To change the way people think about insurance and care by providing best-in-class services to people, businesses and communities.**

## Our values

**Integrity**

**Courage**

**Accountability**

**Respect**

**Empathy**

## Our dna



**COMMERCIAL MIND  
SOCIAL HEART**

For our care participants, providing them with support that meets their changing needs has been central. Through initiatives like MyPlan and faster processing of requests, our participants and their families can focus on their quality of life. Our next focus is to roll out service improvements to all participants across our care schemes and seek new ways to provide them with greater choice.

The transformation hasn't always been easy and at times we haven't got it right. We will continue to innovate and improve our service delivery and remain committed to supporting our customers and communities throughout NSW with a sustainable business model and empathic, customer-centric services.



## Organisational performance

Continually improving to drive financial performance and ensure our schemes are financially sustainable

**i**care was formed to improve our customers' experience as well as deliver ongoing financial savings to the NSW Government and our customers, while ensuring the financial sustainability of all its schemes. Since then and during the past year, we continue to report on financial performance, proactively manage future performance through planning, and effectively manage both risks and controls.

icare operates on a break-even basis, which means that any savings achieved through prudent financial management are ultimately passed on as reduced service fees or improvements to the schemes we administer. Since 2015 we have delivered \$1.47bn benefits to customers and realised \$0.95bn of financial benefits through operating and claims-related savings.

# Summary of Scheme financial performance

icare reports the audited financial statements for each scheme it operates. These comprise:

- Workers Compensation Nominal Insurer (Workers Insurance).
- Self Insurance (Insurance for NSW) which administers:
  - NSW Treasury Managed Fund
  - Construction Risks Insurance Fund
  - Transport Accidents Compensation Fund
  - Pre-Managed Fund Reserve
  - Governmental Workers Compensation Account
  - Residual Workers Compensation Liabilities of the Crown
  - Bush Fire Fighters Compensation Fund
  - Emergency and Rescue Workers Compensation Fund
  - Supplementary Sporting Injuries Fund
  - Home Building Compensation Fund (HBCF)
- Lifetime Care
- Motor Accident Injury Treatment and Care Benefits Fund
- Dust Disease Care
- Sporting Injuries insurance
- Building Insurers' Guarantee Corporation.

A summary of the performance of these schemes is outlined below. More details can be found in Volume Two of this report, the icare full financial report.

\$m	NI	Self Insurance (exc HBCF)	HBCF	LTC	DDC
Gross written premium / contribution / fees	2,586	1,422	129	516	71
Unearned premium movement / reinsurance expense	-65	-70	-49	-	-
Hindsight adjustments	18	-	-	-	-
<b>Net earned premium /contribution</b>	<b>2,539</b>	<b>1,352</b>	<b>80</b>	<b>516</b>	<b>71</b>
Net claims expense / scheme costs	-4,064	-2,334	-301	-1,639	-214
Statutory Levies	-302	24	4	-	-
Underwriting Result (exc Statutory levies)	-564	-241	-19	-	-
<b>Underwriting result</b>	<b>-2,391</b>	<b>-1,200</b>	<b>-235</b>	<b>-1,123</b>	<b>-142</b>
Net Investment Revenue	1,647	770	5	559	105
Transformation costs	-159	-8	-	-14	-4
Grants from the Crown	-	1,135	28	-	-
Other Income/ adjustments	27	-90	2	1	30
<b>Net result</b>	<b>-876</b>	<b>607</b>	<b>-202</b>	<b>-576</b>	<b>-11</b>

The 2018-19 financial year has been a challenging one for the financial performance of our schemes. icare has had limited ability to control or influence some factors that are significantly impacting our financial performance. Some of these factors are likely to continue to put pressure on results into the next financial year, requiring ongoing monitoring and proactive financial risk management.

## Scheme Solvency and bond market volatility

Solvency is core to an insurer's financial strength and long-term sustainability, with solvency management an integral part of icare's risk management framework. A key objective of each icare scheme is to have sufficient funds to meet its obligations to its customers, even under adverse conditions.

A key measure of financial sustainability is the funding ratio, which measures the ratio of scheme assets to scheme liabilities. It is standard business practice to target a funding ratio greater than 100 per cent, given the uncertainties of estimating insurers' future liabilities and assets.

The funding ratios for most of icare's schemes have reduced since 2017-18, due mainly to Australia's low interest rate environment. This has resulted in an increase in liability reserves for future claim payments.

icare's claims liabilities are discounted in line with the Australian Government bond yield curve, as per accounting standards, to allow for the time value of money. Yields have been at historic lows this past year with, for example, the 10-year bond yielding just 1.38 per cent in June 2019. The equivalent June 2018 yield was considerably higher at 2.70 per cent.

The fall in bond yields has resulted in a reduction in the discount and therefore an increase in claims liabilities, partially offset by reducing inflation assumptions. In aggregate economic assumptions, bond yields and inflation have adversely impacted icare's schemes by around \$2.2bn this financial year. Depending on the nature of each scheme, mitigation strategies have been applied. For example, we have been able to hedge the impact of adverse economic assumptions for future claims liabilities in the Nominal Insurer by hedging interest rate movements as part of the fund's investment strategy. In the case of Insurance for NSW, the Government provides cash backing for the scheme when the funding ratio dips below its target range. Given the long-tailed nature of the Lifetime Care Scheme, hedging for interest rate movements is not considered an appropriate strategy to improve long-term scheme performance.

The Nominal Insurer achieved a funding ratio of 109 per cent at 80 per cent probability of adequacy (PoA) at 30 June 2019 against its target of 110-130 per cent. A number of strategies are being considered to improve the Nominal Insurer's position, and it is expected to return to its target operating zone range by 2022.

It is worth noting that the funding ratio would have been 130 per cent excluding the impact of the revisions to sections 59 and 39 of the *Workers Compensation Act 1987*, and superimposed medical inflation.

The Lifetime Care Scheme ended the reporting year with a funding ratio of 109 per cent on a central estimate basis against its target operating zone range of 125-155 per cent.

Lifetime Care's financial position is driven largely by the required change to risk-free discount rates adopted as at 30 June 2018. The move from long-term fixed discounted rates and inflation assumptions used before 30 June 2018 to market-driven rates (Government yields) has adversely impacted the scheme's reported financial position; however, this has not affected projected future cashflows nor Lifetime Care's financial strength or ability to meet its obligations. The funding ratio would have been 151 per cent had the scheme continued to adopt fixed discount and inflation rates.

Insurance for NSW achieved a funding ratio of 113 per cent on a central estimate basis against a 105-115 per cent target range, supported by a \$1.1bn cash contribution from NSW Treasury. The fund is backed by the Treasury via the Net Asset Level Holding Policy whereby payments to the Treasury are made if the funding ratio exceeds 115 per cent and grants received if the funding ratio falls below 105 per cent.



Insurance for NSW has also been impacted by the change in risk-free discount rates adopted as at 30 June 2018. Prior to this date, fixed long-term discount rates were used, and is again the main reason for NSW Treasury support.

We continue to closely monitor the funding ratios to risk tolerance levels as set out in each scheme's capital management policy. From time to time we do expect they will fall outside their accepted target zones; however, prudent financial management and planning ensures they fall within the long-term target ranges. The Board is responsible for approving the capital management policy for all schemes, and this includes ensuring forward trajectory indications show ratios remaining within their long-term target ranges.

## **Maintaining financial sustainability through asset and liability management**

We continue to take a responsible approach to the funding ratios of our schemes to ensure they remain sustainable into the future.

During 2018-19 icare established its Financial Sustainability Committee to apply a whole-of-organisation lens to our financial risk.

Focusing on the financial sustainability of icare's schemes, as well as underwriting and broader asset and liability impacts, icare Directors undertook a wide-ranging workshop in 2018 with our investment advisor, TCorp and asset consultant, Mercer Investments (Australia) Limited, to review investment fund risks.

A key focus was the long-term sufficiency and solvency of the schemes and the impact investments may have on the balance sheet. A further workshop was held during the reporting year to review the existing interest-rate hedging strategy and to explore other levers available to protect the balance sheet and ensure long-term scheme sufficiency. The workshops reaffirmed the impact of interest rates on both liabilities and assets, and highlighted the need to maintain liability-aware management of investments where appropriate.

icare's investment strategy hedges the Nominal Insurer scheme from bond market volatility. Bond investment returns were \$0.9bn favourable as a result of the strategy, fully offsetting the loss faced by the scheme between December 2018 and June 2019, and reducing the overall impact of adverse bond market movements for the scheme.

## Rising medical and attendant care costs

icare schemes have experienced increasing medical costs above general inflation levels, which is a trend being faced by all Australian accident compensation schemes. Since 2015 our medical costs on average have increased by 40 per cent. Surgical fees in NSW are gazetted by SIRA, which is the Australian Medical Association rates plus 50 per cent, which is higher than any other Australian jurisdiction.

Insurance liability strengthening due to increasing medical costs adversely impacted the Nominal Insurer's financial results by \$0.7bn this financial year, and there is ongoing uncertainty on projected levels of future medical inflation.

To manage the continuing pressure of rising medical costs on our schemes, we are investing in and implementing initiatives that deliver greater value and better care, including:

- Reducing the provision of low-value care within the workers compensation system.
- Working to inform regulatory change.
- Improving healthcare data capability to provide more granular insights on health outcomes and enable informed decision making.
- Working with the stakeholders to develop and implement a clinical governance framework.
- Expanding the scope of the Medical Support Panel to ensure proactive engagement with health care providers.
- Engaging with and educating general practitioners to reinforce best practice.
- Refining the decision support process to include outcome measures, providing further support for value-based treatments.

There is significant pressure on attendant care rates due to the significantly higher rates of the National Disability Insurance Scheme. Attendant care costs comprise around 70 per cent of all Lifetime Care costs; therefore, cost pressures in this area have a significant impact on each scheme's financial performance. icare is currently investigating the factors impacting higher costs.

## Building cycle impacts

Based on information released by the Australia Bureau of Statistics in 'Lending to Households and Businesses Australia' (9 February 2019), and 'Building Activity, Australia' (March 2019):

- lending to households and businesses decreased by around 2.06 per cent after being stable on average over the past five years
- residential construction in New South Wales, seasonally adjusted, decreased by approximately \$240m per quarter (industry size is approximately \$70bn). Before this, the industry was growing by approximately \$390m per quarter over the previous five years.

As a result, icare's Home Building Compensation Fund is likely to face future challenges from a falling construction market. These include a reduction in the total number of covers written fewer projects and hence, premiums, due to fewer projects incepting, and more claims due to a greater number of construction businesses failing as the market contracts.



# Operational efficiency delivers financial benefits

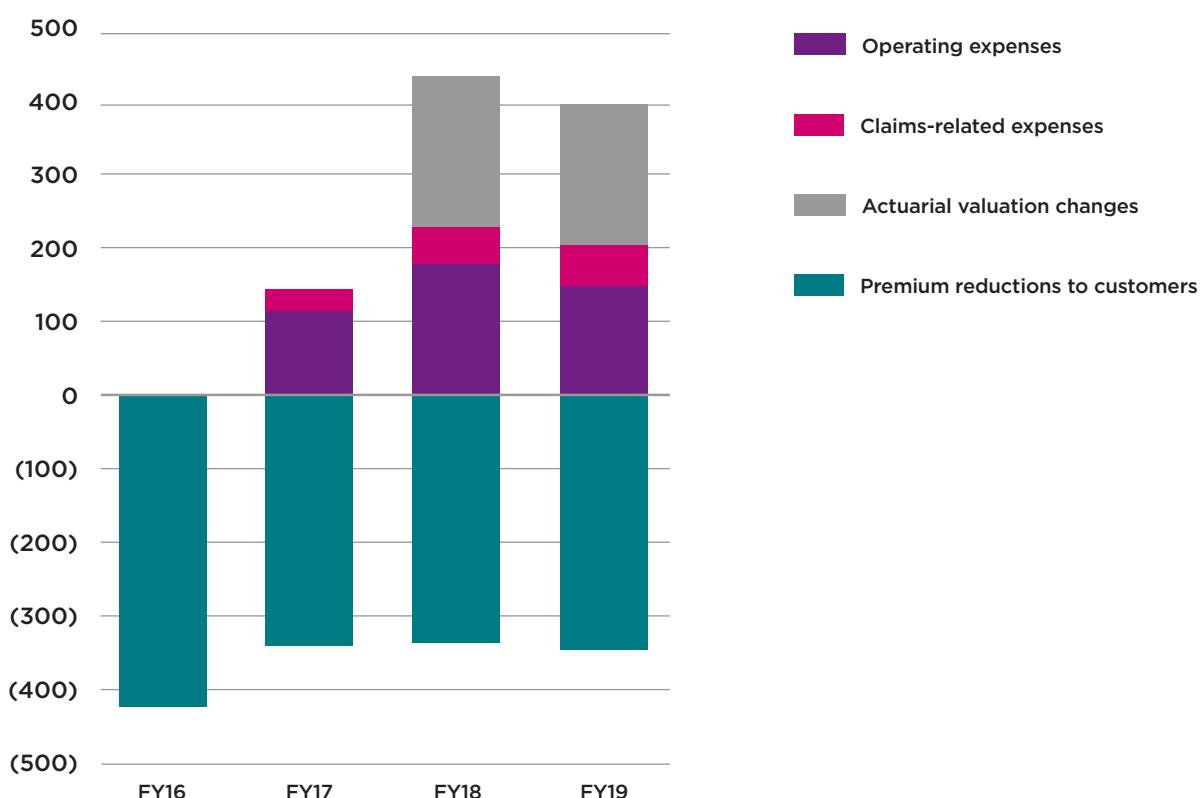
icare is committed to tracking and reporting on benefits both realised and expected in the future. These benefits can be both financial and non-financial.

Over the past few years we have worked to refine our operations to deliver better customer outcomes, with more efficient services and operational savings. Since 2015 we have delivered approximately \$1.47bn benefits to customers and realised \$0.95bn of financial benefits across our schemes.

These savings have benefited the NSW Government and our customers in many ways, including helping to maintain premiums, and investing to ensure our schemes remain sustainable and operationally effective.

Financial benefit category	Description	Examples
Operating benefits	Operational efficiency and effectiveness	<ul style="list-style-type: none"><li>Operating model improvements</li><li>Streamlining of services</li></ul>
Claims-related benefits	Claims-related efficiencies improving customers experiences	<ul style="list-style-type: none"><li>Hearing and supplier negotiations</li><li>Favourable price/contract negotiations for Workplace Rehabilitation, Legal and Investigations</li></ul>
Actuarial-valuation benefits	Releases to liability reserves as a result of strategies and initiatives to improve outcomes	<ul style="list-style-type: none"><li>Effective return to work strategies</li><li>Effective prevention initiatives</li></ul>
Premium-related benefits	Premium reductions for NSW employers	<ul style="list-style-type: none"><li>Employer safety incentives</li><li>Scheme performance adjustments</li></ul>

## Benefits Realisation - Impact to Net Result \$m



Financial benefits have been achieved in several ways.

- Streamlining of Workers Insurance scheme agents from seven to three, leading to overall lower agent renumeration and claims handling expenses.
- Premium benefits to employers via the Employer Safety Incentive (ESI) and the Scheme Performance Adjustment (SPA). The ESI directly supports injury prevention and has reduced NSW employer premiums by 10 per cent, which has released a recurrent benefit of approximately \$270m per annum to employers. The SPA is directly related to employers' performance during the financial year. The SPA for the 2017-18 underwriting year was \$77m and we committed to giving a SPA of around \$100m for the 2018-19 underwriting year.
- The creation of the Medical Support Panel, which has reduced treatment decision timeframes for patients and also some provider costs.
- Delivery of claims-related savings, such as more effective work injury damages negotiations with claims agents resulting in faster settlements and lower settlement costs, and reduced hearing aid costs from improved contract negotiation.
- Effective utilisation of Work Capacity decisions which has reduced outstanding claim liabilities.
- Internal operating model efficiencies, including centralising the underwriting and prevention function.

As we continue to mature as an organisation, our benefits framework and methodology will evolve to further enhance our financial modelling and tracking approach. Further operational savings are expected in future years. Our focus is to optimise scheme agent performance while consolidating and improving the service delivery model and its underlying technology. Working with our providers to better manage costs and outcomes, including imaging and workplace rehabilitation services, will deliver further economies of scale.

In the year ahead, we will continue to drive operational efficiency through proactive expense management.

## **Uplifting organisational performance**

Organisational performance is more than financial performance. It involves continually uplifting operational efficiency and effectiveness to drive financial performance, effective governance and risk management.

With a dedicated focus on improving overall organisational performance, our commitment to strong performance management and accountability requires that we have defined objectives and metrics, and clear links between strategic outcomes and their operational drivers. As a key step in the journey we have developed critical priority performance measures and targets for 2019-20. Our organisational performance will be monitored and tracked against these.

### **Strengthening quality and assurance activities**

icare's quality and assurance function ensures that our operating model functions as designed and delivers the intended outcomes. Over 2018-19 we strengthened the quality, consistency and rigour of assurance activities, including:

- establishing a baseline Quality Assurance Framework
- supporting core business areas to develop key operational risk and controls
- performing conduct risk reviews
- targeting scheme agent compliance and performance reviews
- introducing an employer's wage audit program.

## Investment market review

Overall, the 2018-19 financial year was positive for investment markets, despite the return of volatility. Australian equities returned over 11 per cent, as did major international equity markets after conversion to Australian dollars. Among the major developed equity markets, the US equities market was a standout. Australian government bonds returned over 10 per cent in a very strong bond market rally that helped funds post returns well above longer-term expectations.

Global growth strengthened in 2017 and into 2018 but moderated in the second half of the year. The decline in the Australian dollar (by five per cent relative to the US dollar) helped unhedged international equities' exposures to post strong returns in Australian dollar terms.

Interest rates have declined markedly over the past 12 months due to a confluence of international and domestic factors. While the US economy has been recording strong growth with weakness forecast, the Australian economy has been operating below its potential for several years. Weakness in a range of important economic indicators, most significantly growth, inflation and unemployment, has led the local market to a wholesale reassessment of interest rate direction, with bond yields reaching successive lows over the course of 2019.

## Investment performance

icare's funds are actively managed to achieve return and risk outcomes. All funds produced strong returns over the 2018-19 financial year, exceeding their longer-term inflation and liability-related investment objectives. Further detail of all investment funds earnings can be found in the full financial statements.

Over the year, all funds benefited from strong performance in global equities, emerging market equities and unlisted property sectors, all of which exceed their market-based benchmarks. icare's bond portfolios performed very strongly given the bond market rally, with unlisted property portfolios also performing well, reflecting low vacancy rates and strong tenant demand.



## Investment administration

### Governance arrangements

The icare Board is responsible for setting investment strategy and policy, objectives and risk management appetites, and reporting to the Minister on the performance of icare funds (with the exception of the Treasury Managed Fund (TMF) and other Insurance for NSW funds).

In July 2018, icare and NSW Treasury executed a Memorandum of Understanding resulting in a change in governance arrangements for the TMF and other Insurance for NSW investment funds. The risk and return objectives for these funds remain under the jurisdiction of the NSW Treasury Asset and Liability Committee; however, the icare Board is now responsible for recommending strategic asset allocations to the Treasurer based on those risk and return objectives. icare is also responsible for determining investment policies for these funds.

NSW Treasury Corporation (TCorp) remains icare's mandated investment manager and prime adviser, while Mercer Investments (Australia) Limited remain icare's independent asset consultant.

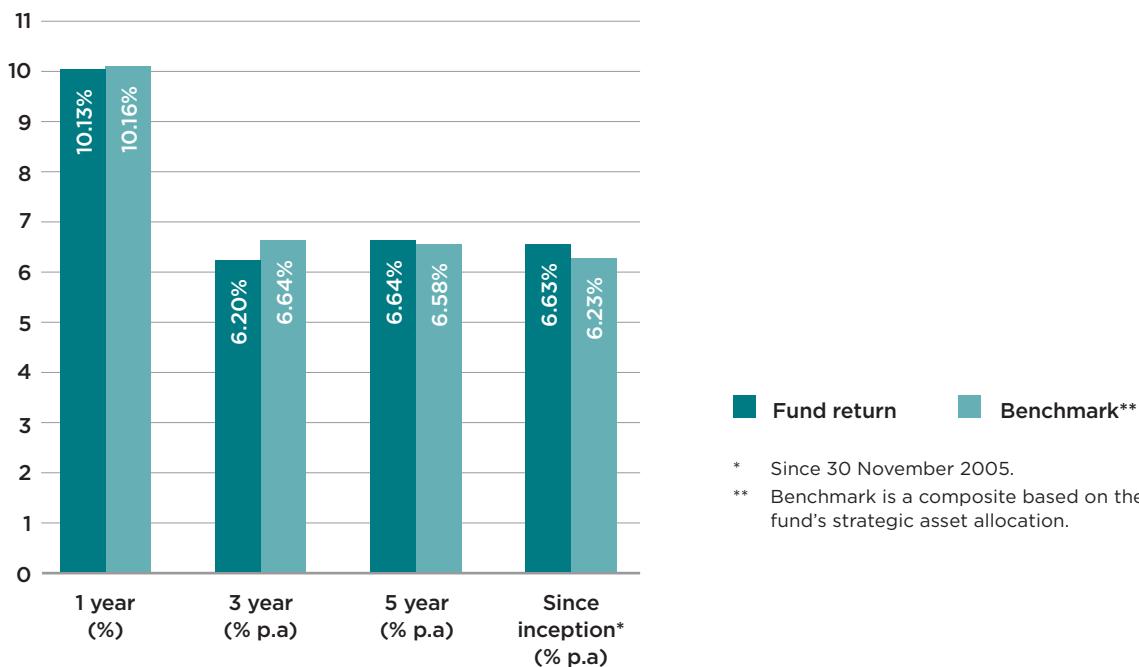
# Strategic asset allocations and investment returns

The following tables show the strategic asset allocations and investment returns for the statutory funds overseen by icare.

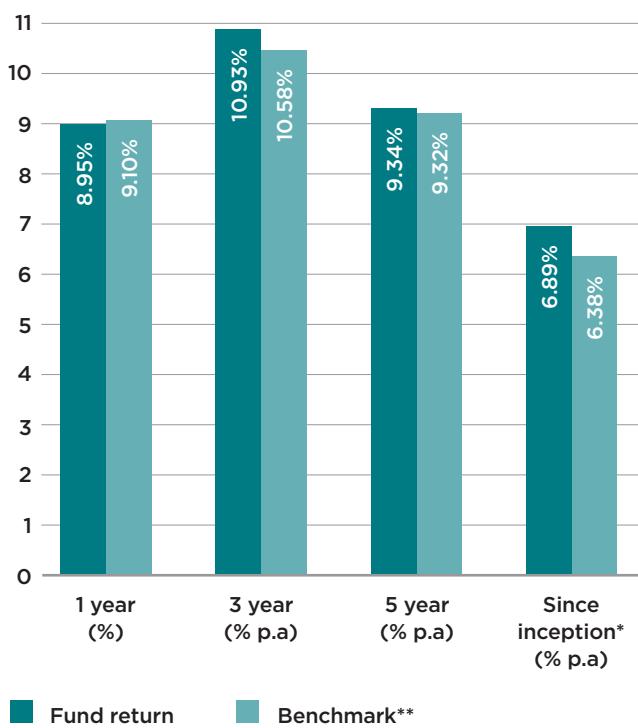
## Strategic asset allocations 30th June 2019

Asset class	Workers Insurance	Insurance for NSW (Treasury Managed Fund)	Lifetime Care	Dust Diseases Care
Australian equities	9.00%	21.00%	16.50%	16.00%
International equities – emerging markets	2.50%	6.50%	5.00%	5.00%
International equities – hedged	3.00%	2.50%	3.00%	4.00%
International equities - unhedged	10.50%	26.50%	18.50%	17.00%
Listed property		2.00%		
Australian unlisted property	7.00%	11.00%	10.00%	10.00%
Global high-yield	2.00%	2.00%	2.00%	
Global credit	2.00%			
Bank loans	2.00%	5.00%	3.00%	3.00%
Emerging market debt	2.00%	2.00%	4.00%	4.00%
Alternatives	4.00%	4.00%	6.00%	6.00%
Infrastructure debt	2.50%			
Unlisted infrastructure	2.50%	7.50%	7.00%	5.00%
Diversified growth assets	49.00%	90.00%	75.00%	70.00%
Australian fixed interest	19.00%	3.00%	5.00%	20.00%
Australian inflation-linked bonds	26.00%	2.00%	15.00%	
Cash	6.00%	5.00%	5.00%	10.00%
Defensive assets	51.00%	10.00%	25.00%	
Total fund	100.00%	100.00%	100.00%	100.00%

## Workers Compensation Insurance Fund 2018-19 returns



## Treasury Managed Fund 2018-19 returns

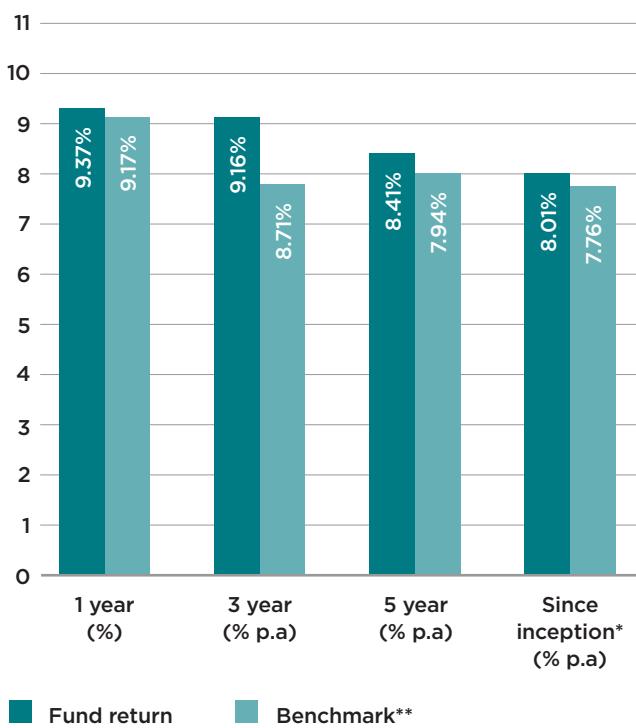


■ Fund return ■ Benchmark\*\*

\* Since 31 March 1999.

\*\* Benchmark is based on the fund's strategic asset allocation.

## Lifetime Care Fund 2018-19 returns

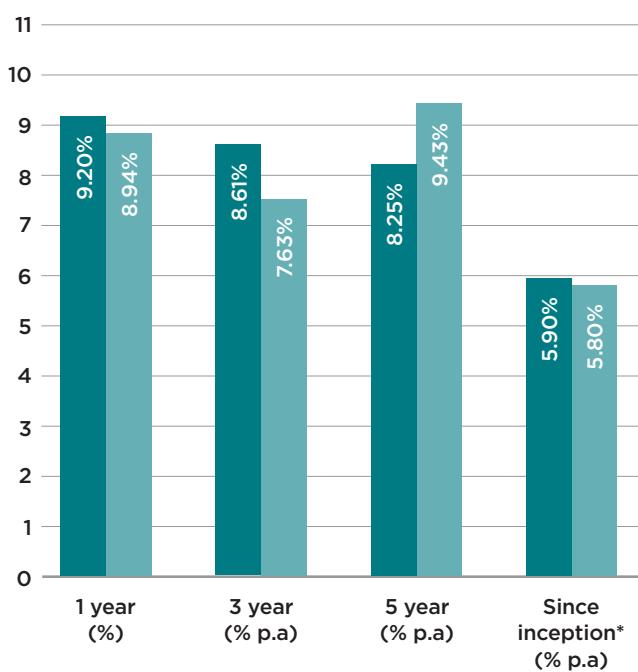


■ Fund return ■ Benchmark\*\*

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

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

## Dust Diseases Fund 2018-19 returns

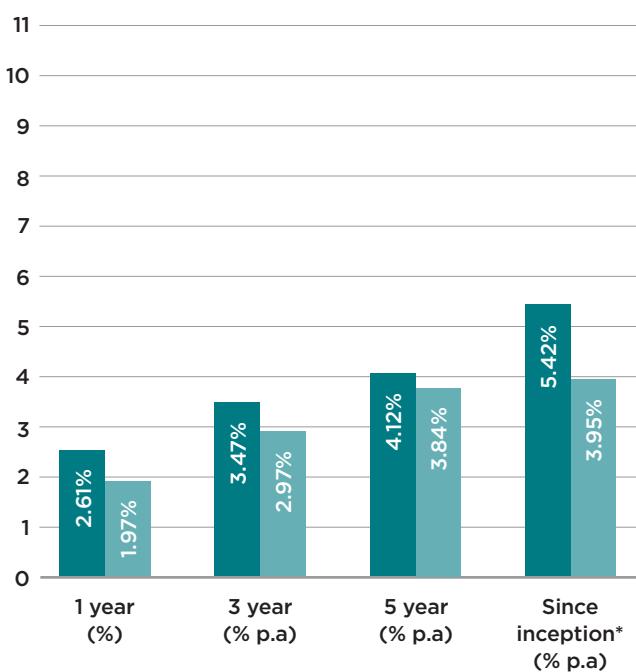


■ Fund return ■ Benchmark\*\*

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

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

## Sporting Injuries Fund 2018-19 returns



■ Fund return ■ Benchmark\*\*

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

\*\* Benchmark is a composite based on the fund's strategic asset allocation and commenced 31 December 2013.



## Workers Insurance

We continue to reform workers insurance to make it fairer for both employers and injured workers

### Year in review

**i**care's Workers Insurance provides incentive and risk-based insurance policies to private employers to cover the cost of supporting injured workers' return to work.

Ensuring a fair workers insurance scheme for all our customers is at the centre of what we do. This is reflected in our work across the workers insurance spectrum – whether with injured workers, with their employers to ensure our products meet their needs, or with medical professionals, scheme agents or brokers.

This year saw us build on the strong foundations established during our transformation phase. We tackled both system and technology challenges to improve customer outcomes, which saw some clear wins, but also caused changes across customer and stakeholder groups. During the coming year, we will be embracing further opportunities to address our customer needs.

Workers Insurance policies and claims are now easier to manage for all concerned, and claim assessment times have been greatly reduced through the Medical Support Panel's work. In addition, educational material to support injured workers and their employers through their claims journey has proven beneficial.

## Financial summary



## Financial results

Our primary responsibility is to balance the rights and obligations of the employers whose premiums fund the Workers Insurance scheme and the workers who are supported by it. For each of our customer groups, icare's ongoing financial sustainability is vital.

icare understands how important workers insurance is to NSW businesses, and we are committed to keeping it as affordable as possible. Despite the pressures of inflation and the challenges faced this year, for the sixth consecutive financial year we maintained workers compensation premium rates at 1.4 per cent of base-average wages.

This has been achieved through active management of claims leakage, while effective handling of under-insurance and streamlining our operating model has yielded further savings. Over the last three years we also provided around \$350 million in performance discounts, continuing our incentive and risk-based programs to drive safer workplaces. Delivering savings means our customers can invest further in their business, including in prevention initiatives to keep their workers safer.

The premiums we collect are used to pay claims and statutory levies and to cover scheme operating costs. We also invest monies to provide for the future needs of injured workers and operating costs. Driving our approach is the need to ensure we are delivering a sustainable scheme that supports our customers while also keeping premiums affordable for NSW businesses.

Our annual pricing and pricing policy is aligned to our capital management plan, which provides solvency targets to ensure the scheme remains both stable and sustainable.

## Scheme reforms

Since the scheme's inception, we have experienced legislative changes and reforms that have impacted the scheme's financial results and overall financial strength.

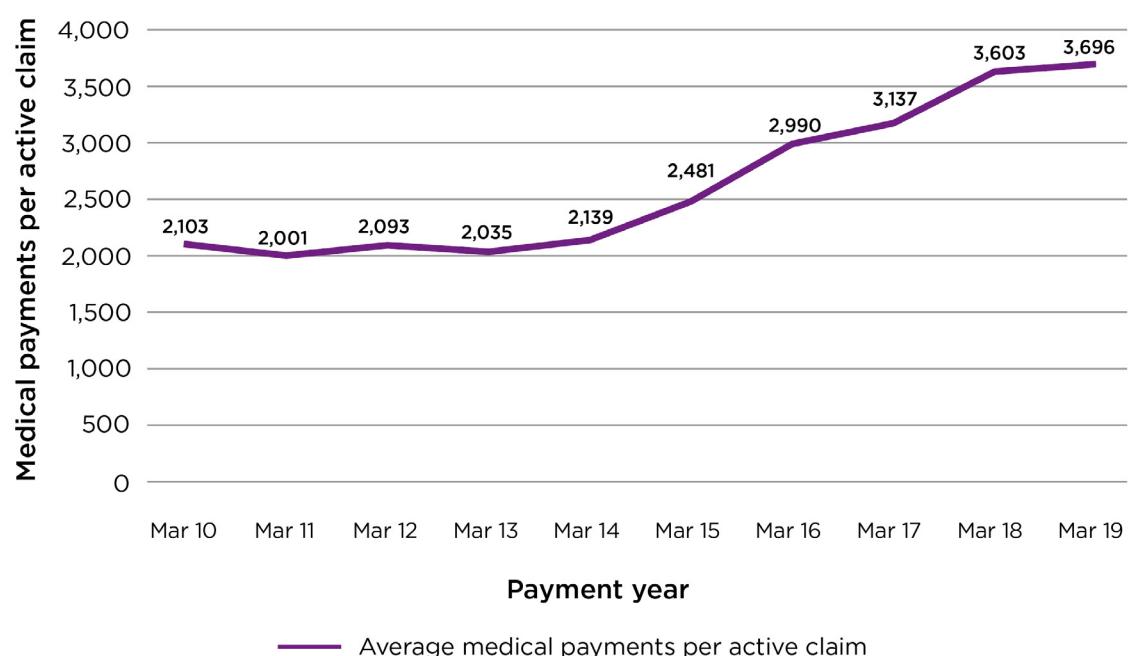
In June 2012, an extensive package of benefit reforms was passed with the aim of returning the scheme to a sound financial position. The reforms tightened requirements for access to benefits for some claim types restricted access to lump sums and imposed caps on weekly and medical benefit durations for injured workers with whole person impairment of less than 20 per cent. Significant releases in reserves were made by scheme actuaries over 2012-13 based on expectations of the impact of the 2012 reforms. These favourably impacted scheme results prior to icare's formation. The actual claims experience over the five-year period was more adverse than initially projected and the assumptions made in regarding the number of injured workers with whole person impairment greater than 20 per cent was revised in 2017. This resulted in a strengthening of the reserves of \$1.4bn over 2016-17 and 2017-18 for prior accident year outstanding claims liabilities.

In 2015, changes to the relevant act were introduced that partially unwound some of the 2012 reforms, especially for access to medical benefits. These were introduced as part of icare's formation to increase the benefits to customers by around \$1bn. The subsequent 2015 reforms resulted in a \$1bn strengthening over 2015-16 for prior accident year outstanding claims liabilities.

## Medical costs

Rising medical costs are continuing to have a major impact on claims servicing costs. A major factor is the increase in the number of medical episodes per claim and in the number of charges per medical episode (an episode is defined as a medical event like surgery with all the associated medical services).

## Superimposed inflation

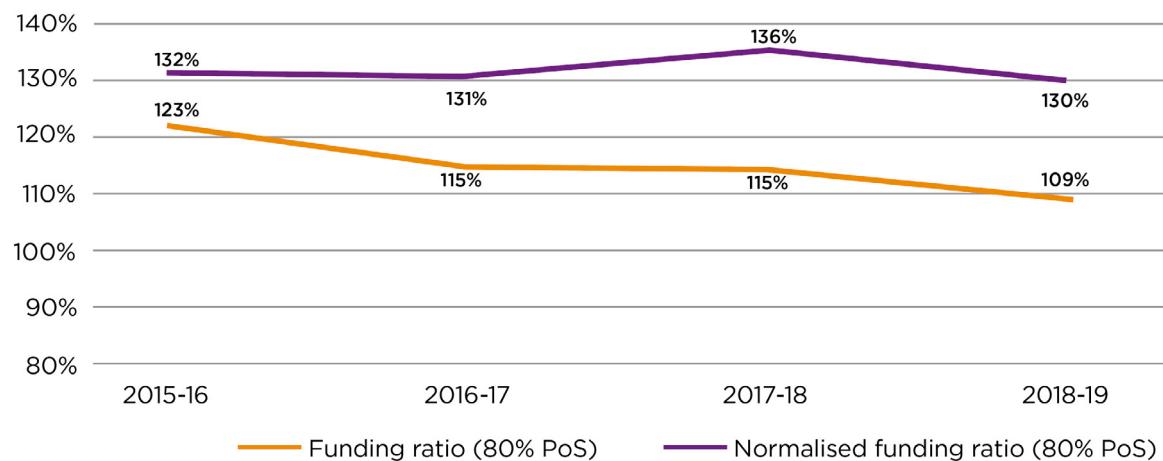


Since 2015 average medical costs per claim have increased by around 40 per cent. This is in part due to the NSW workers compensation system in many cases paying Australian Medical Association rates plus 50 per cent, which no other Australian jurisdiction does. While icare can influence, and has some limited control over medical costs, we need to work with the State Insurance Regulatory Authority (SIRA) to address the issue including their fee scales.

## Overall result

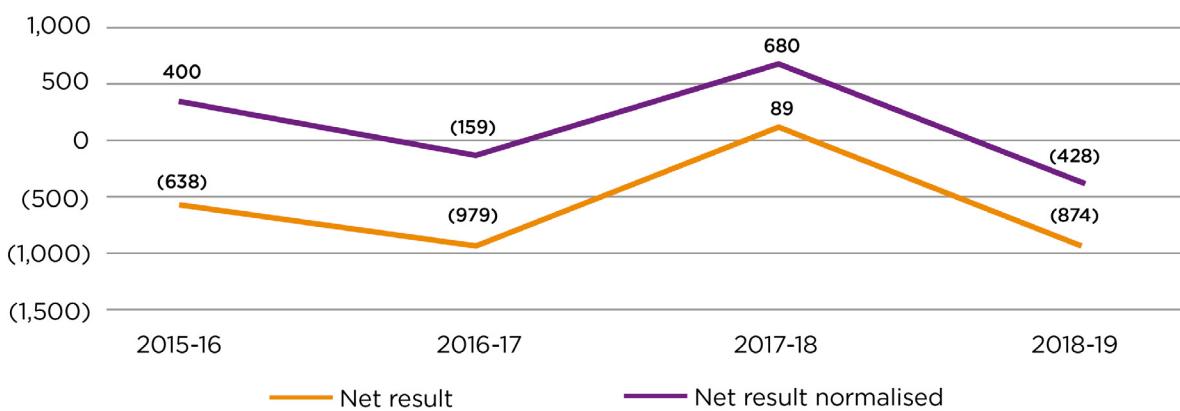
As previously outlined, some key factors impacting the Nominal Insurer's financial results have been beyond icare's control. The graphs below demonstrate what the Nominal Insurer's funding ratio would have been if the impacts of uncontrollable items (i.e. a portion of the increase in medical payments and impacts from legislative changes) were removed.

### Funding ratio 80% PoS



A key point to note on the adjustment for the impacts for FY2018-19, the Nominal Insurer would have had a funding ratio of 130 per cent. Given the long-term impacts of changes to the scheme, icare will continue to monitor options to provide continuity and certainty to premium pricing.

### Net result \$m



### Mitigating challenges

The Nominal Insurer has implemented a number of strategies to improve overall scheme performance, with operational effectiveness and efficiencies achieved through the following measures.

- Consolidated claims management from seven scheme agents to predominantly one, bringing policy and billing in-house.
- Enabled employers and intermediaries to self-serve both new policies and policy information and renewals which reduced expenditure.
- Increased accuracy in data-driven pricing with specific premiums for risk.

This year we also committed to deliver \$77m in premium discounts to over 280,000 businesses who are striving to keep their people safe. This is the third year we have provided performance discounts, and over \$300m in premium discounts has been returned to safe businesses over the period.

## Return-to-work rates

Delivering long-term, sustainable return-to-work outcomes for injured workers is a key goal of Australian workers' compensation schemes, and one of icare's five customer pillars supports this aim.

As of 30 June 2019 our 26-week return-to-work rate (RTW) was 83<sup>1</sup> per cent. Since January 2018 we have experienced challenges embedding our new operational model including achieving the right scale with our new claims partner. This has had a negative impact on the RTW rate.

We are seeing that once an injured worker goes back to work, they tend to remain there. This is shown by a short-term increase in the overall number of weekly payment expenses (\$200m) offset by an overall improvement in the medium to long term (\$367m), equating to an overall financial scheme benefit.

During the 2019-20 year we will be working closely with our service partners to improve RTW rates including commencing a targeted review of specific cohorts of claims to ensure accurate decision-making and RTW interventions have been implemented. We will also undertake service improvements including assigning a dedicated case manager for claims expected to go beyond two weeks, ensuring medical case conferences take place within seven days of a claim exceeding its expected duration and improving customer communications through a new SMS functionality.

1. The data we use to report our RTW rate is based on reporting month and weekly payment transaction dates and is different to that used and reported by the State Insurance Regulatory Authority.

### Helping employers

This year, we focused on making things simpler for our customers, so they can get back to running their businesses and keeping their people safe. As we do for small employers, we recently began automatic policy renewals for large experience-rated employers. This has meant less paperwork for our customers and has reduced processing time from 90 days to just 14.

Work this year on a new online portal for employers will allow employers to manage both their Workers Insurance claims and their policies online and injured workers to track and manage their claims. While still under development, the portal will enable employers and workers to manage wage and medical payments, and health and recovery plans, online. Another feature will be tailored functionality based on the number of policies our larger employer customers hold.

We have also created some new tools to help employers access what they need, when they need it. Employer Look Up allows employers to confirm that they or a business they are dealing with has workers insurance cover with icare, even if their Certificate of Currency is not to hand. The recent introduction of our enhanced renewal model will mean less paperwork and earlier confirmation of policy renewals.

In response to the bespoke needs of large employers for more tailored services, we partnered with Allianz to pilot a service model with options offering additional services and providing eligible customers with a choice of provider. icare will use the pilot outcomes to inform the final design and delivery of the new model.

## Industry model program

An employer's industry and risk profile has a significant bearing on what they need from their workers compensation insurance.

Around 130,000 of our customers operate in manufacturing, construction, transport, and health and community services, representing 55 per cent of the Workers Insurance scheme.

A focus on improving how we engage with these industries led us to start the Industry Model Program, which aligns our services and programs to discrete industry sectors and ensures we provide more targeted advice and assistance.

In 2018-19 the initial phase of the program concluded with a six-week trial of an online industry portal prototype, where 74 per cent of employers from the manufacturing industry user group accessed the portal multiple times to gather industry-specific insights and information.

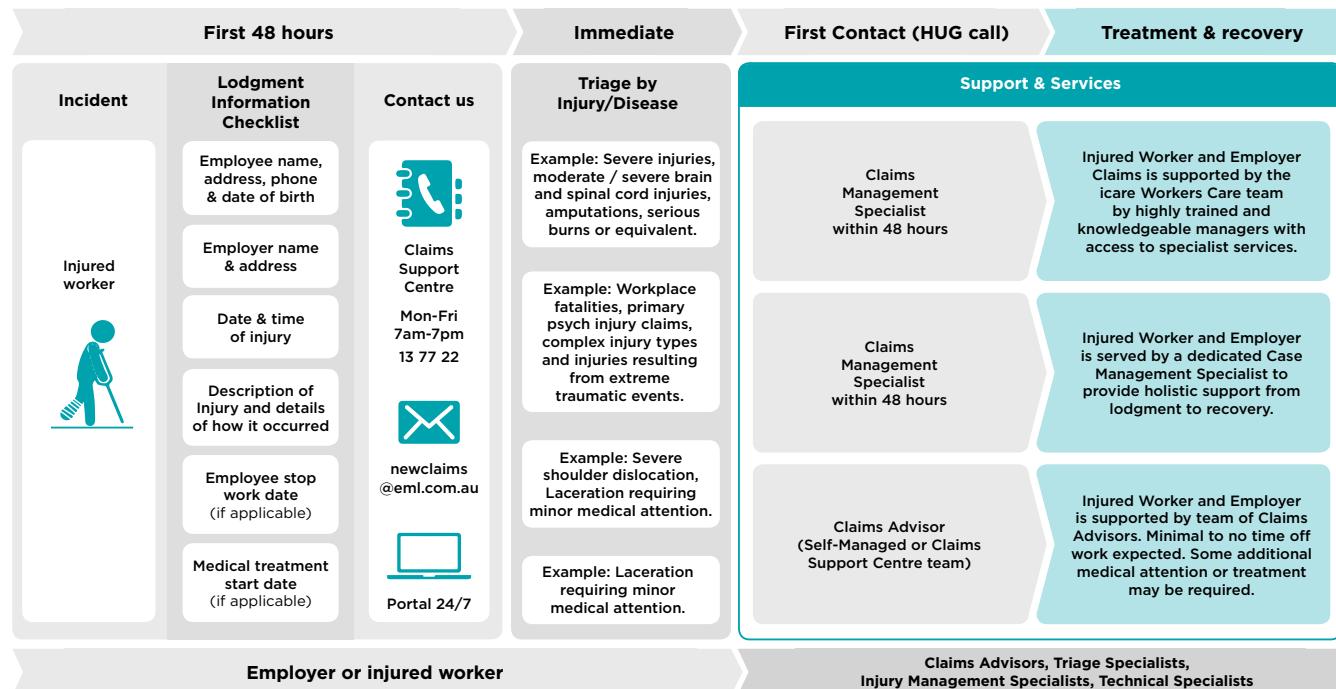
The trial highlighted a number of employer needs, including the need for workers insurance-specific training. Responding to the feedback we created an education seminar in Sydney that was attended by over 100 people. The two-day event focused on the key areas attendees told us they wanted to know more about and included topics like creating mentally healthy workplaces and improving communication with their workers. Survey feedback was very positive, with 98 percent of attendees rating the event 7/10 or higher.

## Changing the claims experience

In early February 2019 icare rolled out a new claims management system (CMS) to support the claims operating model launched in January 2018. To address this, we undertook a review of service levels and claims management practices and in June established a targeted four-month program to address any issues in the wider claims operations. A number of initiatives have already been rolled out, including more targeted training and coaching for front-line staff; data quality improvements and early return-to-work interventions; enhanced call routing; SMS call-back functionality and a post-call survey.

We have also begun service improvements, including assigning a dedicated case manager for claims expected to go beyond two weeks - a change made to better meet the needs of employers and injured workers which improved Support Centre efficiency and overall return-to-work outcomes. During the coming year we will be embracing further improvements to customer reporting and upskilling the capabilities of frontline staff.

## Claims and return-to-work support



Since the introduction of the new CMS, despite initial challenges, there has been a reduction in the time taken for decisions on medical treatment. Early data indicates the average time taken fell from 25 days in February when the CMS was introduced, to around eight days by end June.

During the year, we provided support and training to help scheme agents understand the important decisions and milestones in an injured worker's claims journey. The training includes:

- educational videos and timeline cards to inform and support injured workers through their claims journey, and to assist other stakeholders like treating doctors and employers
- a review of work capacity decisions to improve their quality and fairness and help ensure the right decision is made at the right time
- workplace rehabilitation training to help case managers better understand the how, what and when of referral, the services available and the importance of working with rehabilitation providers.

We also supported recent dispute resolution amendments being implemented by the Government to improve the experience of everyone who uses the NSW workers compensation system. The amendments include changes to dispute resolution processes, permanent impairment, and new pathways for complaints and unresolved enquiries. Changes to the calculation of pre-injury average weekly earnings (PIAWE) are expected to be implemented later in 2019. (PIAWE refers to the amount of money an employee was earning before their injury. It includes any overtime and allowances.)

To achieve the roll out, we provided targeted communications and training to all stakeholders engaged in implementing the reforms, after consultation with a wide group of stakeholders that included the State Insurance Regulatory Authority, the Workers Compensation Independent Review Office, Workers Compensation Commission agents and claims managers. Our focus was on making the escalation pathway clearer for all concerned and to improve understanding of PIAWE calculations. We plan to expand the training to a wider customer base when the detail of the changes is known.

icare has developed ongoing capability that allows it to systematically and effectively manage regulatory changes for the more than 1,800 scheme agent staff who provide the day-to-day support to employees and injured workers.



## Case study

### Komatsu: turning safety into savings

Rutherford-based Komatsu Mining Corp's story is a great example of how manufacturers can make small improvements in safety that can lead to big savings in time and money.

In 2017, employees at Komatsu's rebuild facility in Rutherford, NSW raised a safety concern with management that resulted in a productivity-boosting process change. When required to strip back parts of machinery and motors on earth moving equipment, workers needed to stand on a temporary safety step and spend four hours manually rotating a tension wrench.

This process increased the risk of repetitive strain injuries, as well as slips and falls. To mitigate the risk, Komatsu's employees proposed fitting a geared motor to drive the shaft. After consultation with Komatsu's management and an external vendor, they designed and built a jig to support the motor, removing all manual handling and ergonomic hazards involved, as well as delivering valuable savings in time.

The process now takes less than an hour, rather than the previous three to four hours, improving production efficiency by up to 75 per cent. Since implementing the improvement, Komatsu has won two prestigious awards for their safety initiative under the icare Aware and Care and Excellence Service award programs.

**“ Consultation around safety is our norm: health and safety is a priority in all the work we do. ”**

Campbell Saunders, Manager – Environment, Health & Safety, Komatsu Mining Corp.

# icare story

## Supporting employers with industry insights

With a focus on making things easier for our employer customers and with data at hand as the largest workers compensation insurer in NSW, icare has created an industry insights tool to help businesses better understand workers compensation in their particular industry.

This interactive tool provides a range of valuable data to help employers understand the workplace safety risks in their industry, and their workers compensation performance. Claims, injury and insurance statistical data is made available through the tool which also compares workplace injury and risk profiles across industries and locations in NSW.

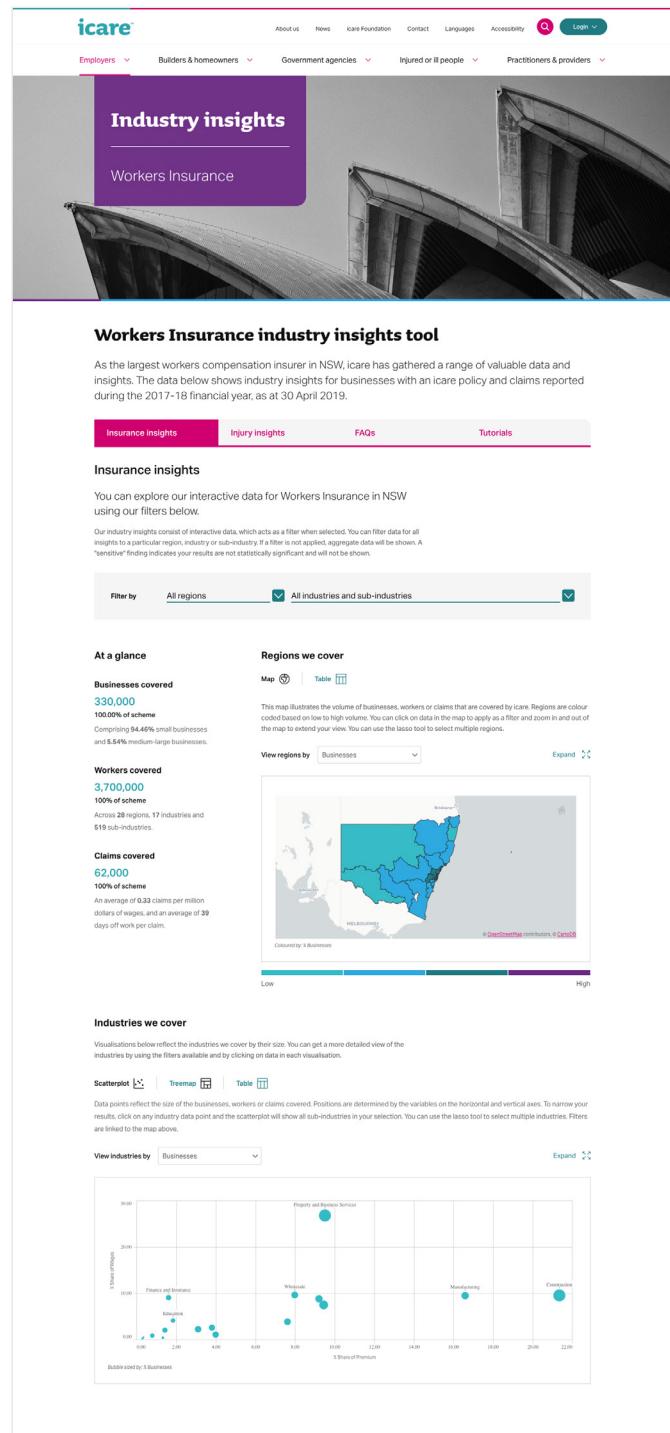
icare's General Manager of Employer Engagement, Geoffrey Henderson, says this ability to measure performance against their industry and across regions is particularly beneficial in benchmarking how an employer is performing in workers compensation.

'Previously our customers needed to wait for a report to be generated to understand how they were performing in comparison to their peers. Now icare has opened up the data for self-service by our customers and support conversations that will help them improve and reduce injuries in the workplace.'

In addition to comparing the injury and risk profiles of one industry to another, the interactive tool also gives employers the ability to:

- examine the injury profiles of their industry including the nature of the injuries, how they occurred and who they impacted
- via interactive maps explore the profiles of businesses, workers and claims covered by icare.

icare is providing the data in the interests of encouraging and supporting workplace injury improvements as well as effective workers' compensation insurance policy management.



# Key facts



More than **3.2m** workers covered and **\$200bn** in wages insured



**\$2.59bn** premiums collected



**\$806m** paid in weekly benefits and **\$662m** in medical benefits



Cover **326,000** businesses with over **37,000** new policies issued and **288,000** policy renewals



More than **67,000** new claims received



Reduced policy renewals time for large experience-rated employers from **90** to **14** days



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



## Insurance for NSW

Insurance for NSW is Australia's largest public-sector managed fund, insuring the state's people, agencies and assets

### Year in review

We insure government agencies and government-related businesses for all insurable risks, and protect and insure the people and property of NSW. This includes NSW schools, roads and hospitals, public venues, and iconic structures like the Sydney Harbour Bridge and the Opera House. Claims are funded by deposit contributions from the agencies we protect and managed by selected scheme agents.

## Financial summary<sup>1</sup>



1. Reported numbers exclude HBCF

### Financial performance

Insurance for NSW (IfNSW) ended the year with a strong funding ratio of 113 per cent against its target operating range of 105-115 per cent. The scheme is backed by the NSW Treasury through the Net Asset Level Holding Policy, whereby payments to NSW Treasury are made if the funding ratio exceeds 115 per cent and grants received if the funding ratio falls under 105 per cent. This year there was a \$1.1bn cash contribution from Treasury.

IfNSW's largest fund is the Treasury Managed Fund (TMF). The TMF adopts a high-growth investment strategy and has a history of strong, long-term performance. However, the high growth strategy, with a high allocation to equity investments, also introduces significant volatility from the financial markets that may affect investment returns in the short term. The TMF is icare's highest growth investment fund, and so short-term financial market volatilities have a larger impact on TMF than other investment funds managed by icare.

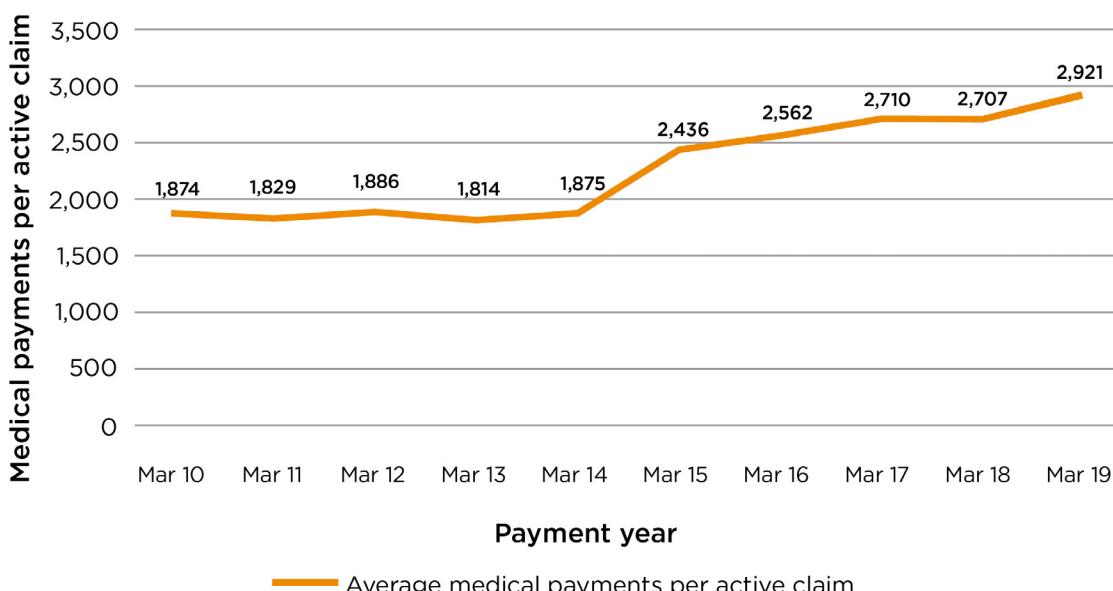
The TMF scheme faced some major challenges. There was an increase in outstanding claims liability, driven mainly by a drop in the risk-free yield curve, though partially offset by lower inflation assumptions. In accordance with accounting standards, the portfolio moved from using a fixed 4.5 per cent discount rate to the adoption of a risk-free rate. This drove a \$1.4bn prior-year reserve movement which represented the majority of the increase in liabilities at 30 June 2018.

Economic assumptions and rising medical costs adversely impacted the net result. Additionally, there was an increase in more complex and larger psychological injury claims, which are costing far more than physical injuries.

Uncertainties around claim numbers due to recently introduced legislation providing firefighters with presumptive cover for certain cancers, as well as timing and estimations for abuse-related claims are of ongoing concern, due to their potential to materially alter future reported liabilities. Year-on-year increases in regulated medical costs have also impacted the scheme's performance, causing significant claims cost pressures.

The chart below outlines the ongoing increases in quarterly medical payments over the last three years.

### Quarterly medical payments



icare is committed to working with NSW Treasury and other external partners to ensure the TMF's reinsurance program and structure continues to protect the NSW balance sheet and credit rating from adverse risk that could jeopardise the state's financial sustainability.

Across each insurance pillar is a spread of reinsurers centred around an A and A+ credit rating (equating to over 80 per cent of all reinsurers in the TMF program). With this base of reinsurers, our top 15 reinsurers account for around 58 per cent of total exposure across the fund.

## Agency engagement

Our Agency Engagement team offers valued advice and portfolio management to our NSW government agency customers.

Working as an insurance advisor over the reporting year, the team broadened their service to help agencies navigate the commercial insurance market and leverage existing icare service provider capability.

Approached by Roads and Maritime Services (RMS), the NSW Department of Finance, Services & Innovation and Destination NSW regarding coverage not within the scope of the Treasury Managed Fund, we were able to use our understanding of the commercial insurance market and existing broker relationships plus a range of bespoke processes and frameworks, to help them secure savings on their policies. As a result:

- RMS saved \$20,000 on Vehicular Ferries Operators and Vehicles Certifiers Liability Programs
- the NSW Department of Finance, Services & Innovation - reduced the insurance cost of their Cleaning and Facility Maintenance Program by over \$1.5m, fixed for a three-year term (\$4.5m saving over three years).

In 2018 we expanded and improved our account management function, with a more individualised service tailored to each agency. This included enhancing self-service risk insights, reporting with more relevant customer information and a more flexible training approach.

## Risk innovation – Risk Education Express

In July 2018 we launched Risk Education Express (REX), a value-add education service for our NSW government agency customers. Our goal is to support and strengthen capability across the NSW public sector and better protect our people, assets and services.

The online portal provides 24/7 access to register to attend a diverse range of technical courses and leadership workshops. It also features on-demand digital learning modules, educational videos and thought leadership articles tailored to those in protection, prevention and recovery roles.

During 2018-19, 1,263 people participated in 47 REX programs. These included skills and technical workshops, collaboration forums, webinars and seminars. Twenty-four digital resources (recordings, videos and thought leadership) were also developed and made available through the REX knowledge hub.

## New travel advisory

We've created a new partnership with International SOS to provide employees of NSW government agencies with travel, medical and security advice and assistance for all overseas business travel. International SOS assists people involved in medical or security situations in over 1,000 locations across 90 countries.



## Insurance for NSW Conference and Awards

In September 2018 we hosted our conference and awards ceremony. Over 200 delegates attended the conference, with the theme 'Prevent and Protect.' The Awards ceremony was attended by 406 people including many of the conference delegates. It gave NSW Government agencies an opportunity to network and be recognised for exceptional protection, prevention and recovery initiatives and behaviours. Thirty finalists vied for six awards, with successful initiatives featured at group forums and contributing to REX learning programs.

## Prevention

This year we created a prevention function to support NSW government agencies better manage risk. Through a combination of whole-of-government oversight and a collaborative approach, we aim to deliver strategies and solutions that reduce agency risk and improve overall fund performance.

## Claims management

The hailstorms in Sydney in late December 2018 resulted in more than 1,500 claims being lodged across NSW Government agency property and motor portfolios. The high number of claims tested the new General Lines relationship with Gallagher Bassett and their new supply and repair network, with the motor repair and construction industry experiencing surge demand for services across metropolitan Sydney. This resulted in some delays in claims being resolved without any impact to the delivery of agency services. Eighty per cent of claims have since been finalised.

This was followed up with a Community of Practice forum in April 2019 on climate change and the risks associated with extreme weather events. The forum brought together risk professionals from government agencies across the state to collaborate, share and learn from each other.

The success of our transition to a new claims management system, in partnership with Gallagher Bassett, means that we are now able to deliver a more efficient and cost-effective service that reduces financial risk and more effectively manages outstanding state liabilities. The transition has been an opportunity to review the outstanding portfolio and bring forward resolution of long-outstanding matters.

## **Construction Risks Insurance Fund**

Part of Insurance for NSW, the Construction Risks Insurance Fund (CRIF) provides construction insurance for infrastructure projects on behalf of the NSW government and its partners. Leveraging the government's significant infrastructure investment, the fund offers principal arranged insurance and ensures a robust insurance program supports each individual project.

Construction Risks Insurance Fund policies directly insure construction contractors, consultants and sub-contractors of all sizes and tiers, government-owned corporations, local councils and the public. These policies extend over the entire project and eliminate gaps and duplications between policies that were historically provided individually by each contractor or consultant.

The centralisation of insurances for all these projects allows us to deliver market-leading insurance solutions at a lower cost than the commercial market. This means additional funds are available to invest in community infrastructure while not compromising our protection of government assets.

### **Insuring infrastructure development – underwater**

The CRIF is unique in covering the many risks that can eventuate during a construction project's lifecycle. Last year the fund was presented with a challenge entailing insurance for the construction of two artificial reefs on behalf of the NSW Department of Primary Industries.

Typically an ocean-going vessel sets out with the primary intention of not sinking. However, our team were able to arrange unique insurance that ensured the project and the people working on it were protected throughout construction and sinking.

Thirty-six concrete reef modules were transported to the planned reef location 150km east of Wollongong and Newcastle, where they were sunk to the ocean floor. Designed to create habitats for marine ecosystems and encourage the growth and development of new biological sanctuaries, the reef modules can remain intact for decades.



## Case study

### Working with Family and Community Services to reduce risk

Those working in Family and Community Services (or FACS, but known as the Department of Communities from 1 July 2019) support vulnerable people and families to participate in social and economic life and build stronger communities. As the agency tasked with protecting children and young people from risk of harm, there are significant psychological strains associated with this work, on both individuals and teams.

Through analysis of claims data, our Agency Engagement Team identified a substantial workers compensation risk exposure. To mitigate the risk, the team partnered with FACS and claims manager QBE Insurance in a planning day and workshop. Designed to explore the issue from different perspectives, the event was well-attended by representatives from icare, FACS and QBE.

The strong relationship between our Agency Engagement team and FACS promoted active engagement and collaboration, with key issues and areas of focus regarding management of psychological injury explored. Event feedback was overwhelmingly positive. Speaking about the workshop, one participant said: "The training was not what I expected – it was better! The event allowed for lots of differing opinions and brainstorming that made the day both engaging and informative."

# icare story

## How our Risk Education platform is protecting our customers' mental health

Mental Health First Aid (MHFA) is a key program of the REX curriculum. Mental health claims are one of the largest issues for NSW government agencies, taking a toll on the welfare of individuals, teams and departments, and costing millions of dollars each year.

Workshops are facilitated by an accredited MHFA trainer supported by our Agency Education team, where participants explore practical skills for helping a co-worker or other person who is experiencing mental health problems.

### Regional Mental Health First Aid

Agencies with operations in regional and rural NSW lack available mental health support services and training. They also have an additional burden of dealing with the stigma surrounding mental health common in smaller communities.

In May 2019, we hosted our first regional MHFA workshop in Orange where, for two days, participants shared their thoughts and struggles honestly and openly.

Speaking about the workshop, one Fire & Rescue NSW representative said, “We've been in many bad situations in the past couple of months – this will really help us support each other as a team through hard times.”

REX has run over 30 MHFA workshops across NSW; some open-enrolment events that allow cross-agency participation, and others targeted to specific agencies and hosted at their premises. Additional hubs across regional and rural NSW have since been identified where we plan to hold future MHFA workshops.

We continue to offer the programs internally and will use this as a springboard to contribute to building mental health capacity across NSW government agencies now and into the future.



# Key facts



**335,836** public sector workers covered



**202** NSW Government agencies insured



**24,557** new workers compensation claims



**\$650m** paid in workers compensation benefits



**\$546m** paid in benefits across general lines



**\$193bn** NSW Government assets protected



**2,500 projects** with a value of **\$9bn** insured by the Construction Risk Insurance Fund, including **738** new schools or school upgrades, **50** health infrastructure projects and a **\$3bn** section of road infrastructure



# Lifetime Care and Support and Workers Care

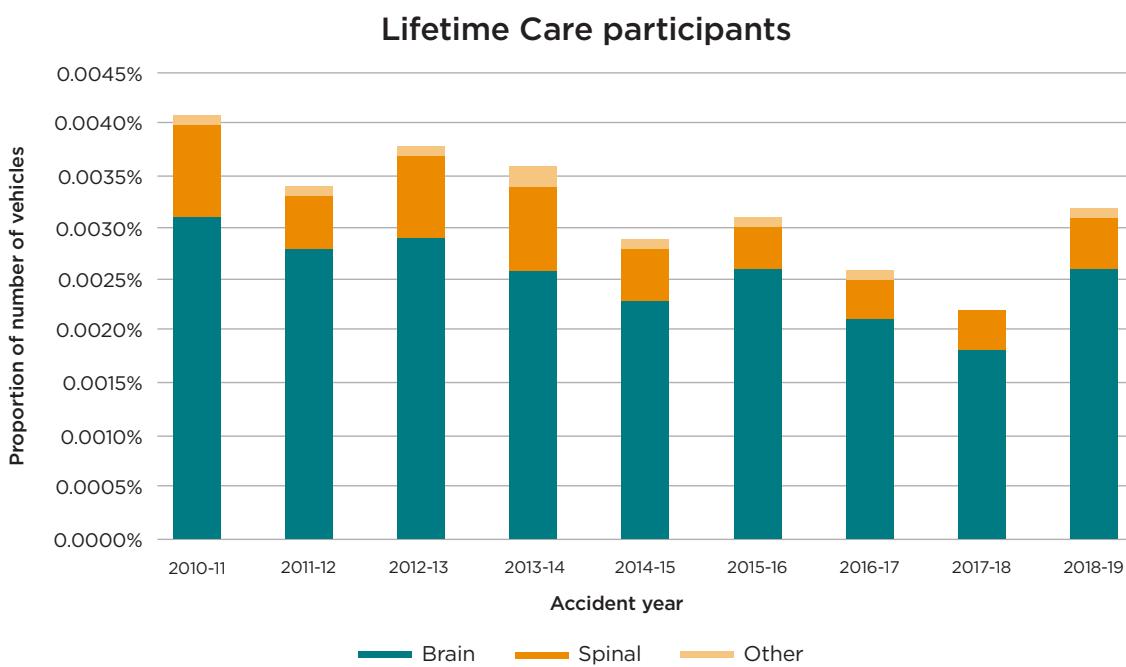
We're continually improving to ensure we deliver a better customer experience for people severely injured on our roads or at work

## Year in review

**L**ifetime Care and Support provides lifelong, person-centred treatment, rehabilitation and care to people severely injured in a motor vehicle accident in NSW. This care is provided regardless of fault. We also operate a Workers Care program that provides the same service to people severely injured in workplace accidents.

We support 1,457 Lifetime Care and 322 Workers Care participants. Most people have sustained either a traumatic brain or spinal cord injury, with smaller numbers incapacitated through amputations, severe burns or permanent blindness.

The graph below shows the number of people who have been seriously injured in a road accident as a proportion of the number of vehicles on the road in a given year since the Lifetime Care scheme was



Through funds collected from the participating schemes we deliver a comprehensive suite of attendant care services, plus equipment and prostheses, educational and vocational training and home or vehicle modifications. All support aims to empower scheme participants to live life to its fullest.

## Financial summary<sup>1</sup>



1. Financial summary relates to Lifetime Care only

## Financial performance

The financial performance of Lifetime Care and Support has historically been strong and continues to provide the highest level of support for people severely injured on our roads. The scheme faced significant financial pressure throughout the year owing to volatility in the financial markets, and this impacted investment returns in the short term.

The scheme's funding ratio at 30 June 2019 was 110 per cent. This is currently outside the preferred target operating zone range of 125-155 per cent. However, it's important to note that the scheme is extremely long-tailed in nature and is well positioned to meet customer needs and other future obligations.

Multiple economic and environmental challenges have impacting the financial results. There has been an increase in outstanding claims liability, driven mainly by a drop in the risk-free yield curve, but partially offset by lower inflation assumptions. In accordance with the change in accounting standards in 2018, the scheme moved from using a fixed, six per cent discount rate and a four per cent inflation rate to the adoption of risk-free discount rates and variable future inflation assumptions. This drove a \$0.8bn prior-year reserve movement, which represented the majority of the increase in liabilities at 30 June 2019.

Changes in economic assumptions continued to impact results at 30 June 2019, with prior-year reserves deteriorating in part due to reductions in the yield curve (\$0.6bn). From a normalised position (i.e. if liabilities were discounted at the previously assumed six per cent per annum with inflation fixed at four per cent), the funding ratio at 30 June 2019 would have been 151 per cent.

Following higher rates being offered by the National Disability Insurance Scheme there have been significant increases in attendant care hourly rates over the last year (the table below shows the upward trend in payments). As attendant care costs are around 70 per cent of all Lifetime Care costs this has resulted in a \$100m strengthening in outstanding claims reserves.

Year ending 30 June	Attendant care average hourly rate (\$)
2016	45.41
2017	48.48
2018	50.98
2019	53.64

We continue to proactively monitor performance to ensure the long-term viability of the scheme in line with the capital management policy and active investment management.

## Ensuring optimal customer care

Our service delivery model is a person-centric, attributes-based model that recognises and responds to the changing needs of its participants. We aim to deliver the right level of service at the right time to our participants and our workers.

Work in 2018-19 has focused on delivering initiatives designed to drive an enhanced customer experience and service improvements. Our success was measured in a 2018 participant survey conducted for Lifetime Care (NSW), which returned a 91 per cent satisfaction rating from care recipients.

## Self-management

Where possible our participants have the option of self-management. The direct funding arrangement allows them more choice and control over the way their supports are arranged and provided. Participants can choose from a range of supports, including attendant care, cleaning, gardening, equipment maintenance, repairs and replacement, physiotherapy, massage and continence supplies. In 2018-19 we had 37 participants managing some or all their support, with a value of \$4.6m in funding per annum.

## Home modifications

Approximately one third of new participants cannot function effectively at home following their injury and need support. The Home Modifications team is there to help people achieve as much independence as possible. This can range from minor modifications like rails and ramps to major home structural works and seeking alternative accommodation. In 2018-19 we managed 130 major home modifications with a total value of \$8.3m.

## Holistic support

Our Safeguarding Framework is designed to balance appropriate protections and responses that meet icare's duty of care with the rights of participants and workers to make choices and take reasonable risks in pursuit of their goals. It covers all scheme services and support-related operations across icare, and positions us as a participant advocate in their interactions with service providers. It also recognises icare's duty of care towards potentially vulnerable participants. A key initiative introduced this year to support the framework was the Wellbeing Visitor program. Operated by the Physical Disability Council of NSW, it was established to facilitate greater wellbeing for identified participants. Meeting with participants in their home, current circumstances are reviewed and additional services or supports identified, to ensure ongoing wellbeing.

In partnership with Spinal Cord Injuries Australia, we also provide an enhanced peer support program for people with spinal cord injuries. The program focuses on helping participants regain their independence, with Acacia Connections providing short-term, phone-based psychological support, available 24/7, for scheme participants experiencing psychological distress.

## Restrictive Practices Policy

Part of the Safeguarding Framework, the Restrictive Practices Policy outlines the mandatory requirements for service providers and icare staff when working with participants and workers with challenging behaviour. The authorisation process safeguards participants and workers from misuse of restrictive practices that include seclusion, and physical, mechanical, chemical or environmental restraint.

## MyPlan

To understand what is important to our participants and workers, we use a person-centred planning tool kit, MyPlan, that helps ensure supports are designed around individual needs and preferences. This year a new toolkit was developed and workshops held across metropolitan and regional NSW to share the changes with 200 case managers. We also developed a new eLearning module, Introduction to MyPlan, and updated others on person-centred planning, choice and control and best-practice support.

## Guidelines and companions

Lifetime Care's revised statutory Guidelines were published in the NSW Government Gazette on 21 November 2018. The Guidelines were revised to be more flexible and person-centred and to align with MyPlan. We also developed a Plain English Companion to the Guidelines that consolidates information contained in the Guidelines in a reader-friendly way.

## Law and Justice Committee review

In January 2018 the NSW Legislative Council Standing Committee on Law and Justice conducted a review of the Lifetime Care scheme. With the report published in August 2018 the overall finding was that the Lifetime Care scheme was effectively delivering based on the needs of its participants. The Committee recommended that while the National Disability Insurance Scheme is being implemented, icare must continue to maintain its high standards regarding providers, particularly given the high level of disability among Lifetime Care participants. The Safeguarding Framework mentioned above is just one of the ways we are maintaining high standards across our provider network, protecting both participants and workers.

## Key data

Scheme type	Description	Total
Lifetime Care (inc. ACT)	Total treatment rehabilitation and care costs	\$158.61m
	Total number of requests actioned	19063
	Total number of interim cases accepted in 2018-19	159
	Total number of participants in the Lifetime Care Scheme	1457
	Total participants accessing vocational care	254
	Total participants accessing allied health care	1079
	Total participants accessing attendant care	832
	Total spinal participants accessing Sargood	102

Scheme type	Description	Total
Workers Care	Total treatment costs	\$51.66m
	Total number of requests actioned	5391
	Total number of workers accepted in 2018-19	36
	Total number of workers	322
	Total number of workers accessing vocational care	52
	Total participants accessing allied health care	259
	Total participants accessing attendant care	264

# Case study

## Home automation brings Christine independence

Our Home Automation pilot was introduced to trial new smart-home technologies and help determine the most suitable solutions for participants seeking a greater degree of independence. Fifty-eight-year-old Christine Tink from Sydney was one of the first Lifetime Care participants to benefit.

In the blink of an eye, Christine went from being a busy, active mum of three running her own interior design business to having a high-level spinal cord injury with no movement or sensation from the chest down.

Christine says the accident left her feeling vulnerable and disempowered. She needed multiple pieces of equipment, including a powered wheelchair, to get around, home and car modifications and 24-hour care and support to live at home.

The loss of independence was extremely difficult for Christine and her family, and the significant changes to every aspect of her life required major adjustments.



“

**I no longer felt I had a role. I was unable to do all the things I'd once done independently, and had to ask somebody to do virtually everything for me. I couldn't answer the phone. I couldn't get into or out of the house. I couldn't do anything for myself, and I couldn't be left alone.**

”

Christine Tink

Home automation allows participants with severe injuries to have autonomy and independence in their homes. The systems trialled in the pilot allow multiple integrated appliances and devices to be easily controlled through a single app on a phone or tablet and include voice-activated controls.

Christine now has a fully integrated system that includes door openers and a video intercom for the front door. Things like lights and the television, music, air-conditioning and heating and her electric adjustable bed are all operated through an app on her iPad and iPhone. The app includes voice control through Amazon Echo with Alexa Voice Service.

Christine says, “Home automation and technology is a way of bridging the divide between normality and disability. I can now work on my laptop and no longer need someone near me 24 hours a day, seven days a week. I feel like Alexa is my hands in some ways.”

# Case study

## Returning to life for Michael

Boxing Day 2015 saw Michael Gard, a senior academic at the University of Queensland, riding his bike home after visiting his father. In a life-changing moment, he was struck by a car. The accident and subsequent stroke resulted in a brain injury that significantly impacted Michael's ability to work or participate in his busy former life.

While in hospital Michael found communication almost impossible – he couldn't talk, read or write. And while he received support from speech, occupational and physiotherapists, returning home was difficult. Where his hospital life had been structured and ordered, coming home presented new challenges.

Michael didn't pick up his social life immediately. He eventually got a dog and was often stopped by people telling him how cute the dog was. Practising small talk in this and other situations helped him regain his confidence and reintegrate with the community.

Twelve months of rehabilitation and recovery later, Michael was ready to go back to work. His iCare case-worker met with therapists and his work supervisor to collaborate on a workplan, and Michael returned to the University of Queensland part-time, feeling well supported by his colleagues.

After two years, Michael was able to give a conference presentation (co-written with his partner, Eimear), to a delegation of 30 people. Michael is committed to improving his speech, reading and writing and continues to see a speech therapist.



“

**I am forever grateful to everyone who has helped me on my journey: therapists, hospital staff, and great friends. I spend a lot of time alone and I need this, but I also need a village. Not a city, just a village.**

”

Michael Gard

# Key facts

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**1,457**  
Lifetime Care  
participants  
supported



Over **\$210m** in  
treatment and  
rehabilitation  
services



**130** major home  
modifications  
worth **\$8.3m**  
completed



**322**  
Workers Care  
participants  
supported



**37** participants  
managing some or  
all their supports  
through a direct  
funding arrangement,  
with a value of  
**\$4.6m** per annum



## Dust Diseases Care

Providing people with a work-related dust disease and their families meaningful care and support

icare Dust Diseases Care (DDC) provides compensation for people with work-related dust diseases and their dependants, where the exposure occurred in NSW. We also coordinate a comprehensive suite of support services that includes healthcare, nursing and personal care assistance, mobility aids and oxygen supplies.

# Year in review

## Financial summary



1. Includes a receivable from Treasury

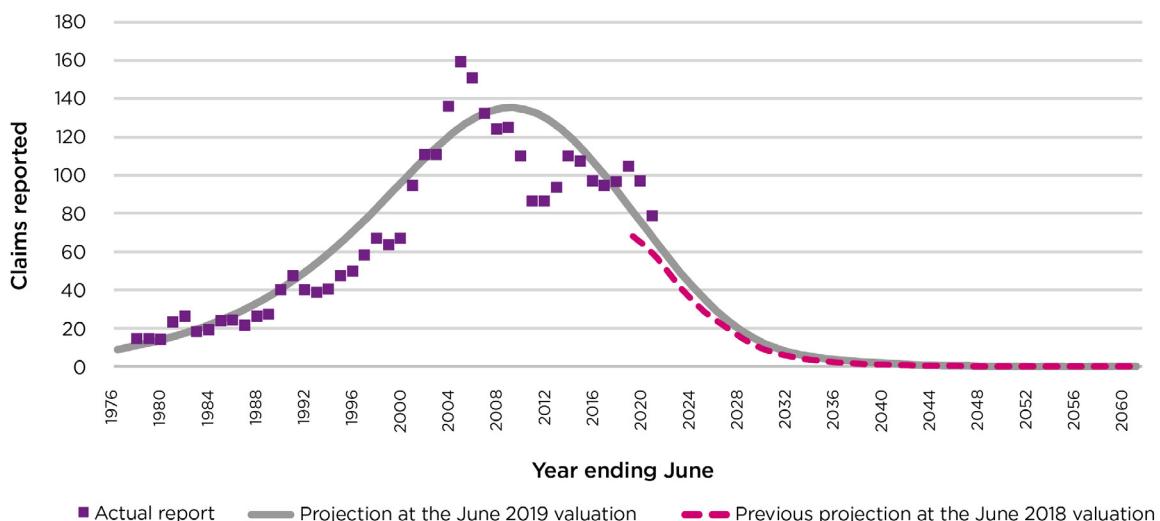
## Financial performance

Economic assumptions for FY2018-19 have had a \$159m adverse impact on the scheme, influenced also by higher than expected numbers of mesothelioma and asbestosis claims. The increased numbers may in part be attributable to the new IT customer portal which has facilitated a more accessible claims lodgement process, and also as a result of higher rates of medical screening.

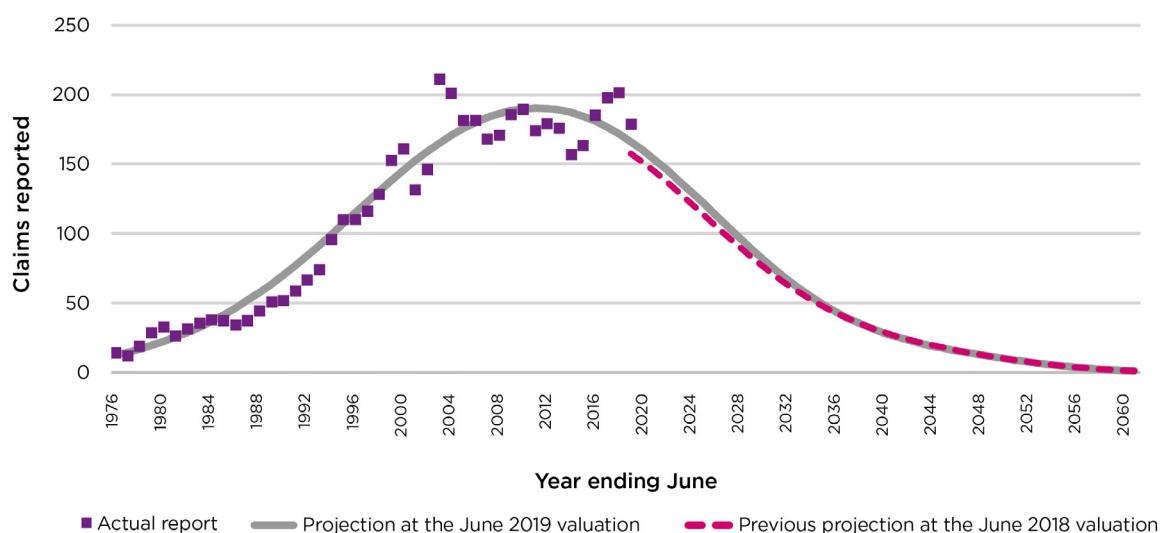
As a response to this, the valuation increased projected future numbers of mesothelioma and asbestosis claims, resulting in an \$87m increase. This was partially offset by refinements that better modelled benefit payments in the first year of reporting, and resulted in a \$57m release.

The graph below shows the actual number of reported claims for mesothelioma and asbestosis, and the increase in projected number of reports from the latest June 2019 valuation compared to the previous December 2018 valuation.

### Claim reporting pattern for asbestosis claims



## Claim reporting pattern for mesothelioma claims



While silica-related claims remain low, this is a key risk going forward. This is evidenced by the number of screenings at the Dust Disease Clinic and via the icare mobile Lung Bus, which more than doubled in 2018-19.



### Our new Dust Diseases Clinic

icare's Dust Diseases Clinic opened in August 2018. Completely wheelchair accessible, the Pitt Street Sydney location was co-designed with our customers to improve services. With additional space now available, multiple screenings can be conducted concurrently, an improvement on our former Elizabeth Street location.

Since opening, 1,339 people have attended the clinic, which offers a complete screening service comprising chest x-ray, full lung-function test and a medical examination. We assisted 536 compensation customers and conducted 803 health monitoring screenings.

Diagnosis and medical certification is also facilitated by icare, with claims determined within 10 to 30 days. This compares favourably to the 30 to 180 days usually taken by other providers.

## Lung Bus

The Lung Bus, our 'one-stop shop' mobile lung screening service, helps employers meet their health monitoring obligations for workers exposed to hazardous dust in the workplace.

The 13-metre trailer is equipped with a digital chest X-ray room, advanced lung-function testing equipment and a medical practitioner to conduct lung examinations. It also provides medical examinations for compensation customers living in regional areas.

In 2018-19 our Lung Bus travelled to 62 locations across metropolitan and regional NSW and provided 4,299 workers with medical examinations for potential compensation and health monitoring. There were an additional 268 medical examinations for our compensation customers, resulting in a total of 4,567 workers screened.

## Supporting our community

Through the Dust Diseases Board, funding is offered to groups like the Bernie Banton Foundation and the Asbestos Disease Research Institute, to support people with a dust disease and their families. The funding, which aims to optimise the wellbeing of dust disease sufferers, also provides information and education about the DDC scheme and dust diseases more generally.

Support groups are also welcome to use the Dust Diseases clinic facilities free of charge, with facilities available to host information events and support group meetings.

## Pursuing excellence in research

With funding from the Dust Diseases Board and the Dust Diseases Research Grants Program, we aim to reduce the risk of people developing dust diseases and to optimise health and care outcomes for dust disease sufferers and their families. Supporting excellence in research, the Dust Diseases Board also endows dust diseases research in relevant fields through scholarships and fellowships. A number of new grants were also issued and more information on them is available in Appendix 9.

## MyPlan

MyPlan was launched within Dust Diseases Care in October 2018. The planning toolkit helps participants with dust-related injuries plan for the things that are important to them, in a format that's customisable to their individual needs and preferences.

An external panel of 15 professionals, including allied health professionals and registered nurses, undertook training to conduct MyPlan planning sessions. Held in the customer's home, the sessions are an opportunity for the customer and their family to freely discuss both practical supports and sensitive issues, like organising a will or power of attorney.

## Extending pre-approved health care packages

In July 2018, we introduced a pre-approved healthcare service package for workers with a 10 per cent or more whole-person impairment (WPI), to provide more certainty and to speed up access to essential care services, mobility aids and equipment. Previously, packages were only offered to workers with 100 per cent WPI.

The new service package provides more autonomy for workers to access essential healthcare and related services, which reduces the time previously taken in some cases. Under the package workers now receive a comprehensive assessment from a registered nurse or occupational therapist to determine their ongoing needs. This is done without having to first obtain a medical certificate for each service request.

## Our new contact centre

We also opened a new contact centre in November 2018, where our customer liaison team is on hand to respond to customer enquiries. The improved platform means the average response time has been reduced to 30 seconds, where previously, customers may have waited up to 30 minutes to speak with someone. We aim to resolve all issues on the first call where possible.

## Dust Diseases Care portal

This year we launched the Dust Diseases Care portal. The online portal allows workers affected by dust diseases, and their dependants, authorised representatives or treating doctors to securely lodge compensation claims or requests for medical examinations.

Providing a user-friendly portal that's available 24/7, the site significantly improves our service delivery and provides teams with vital data and customer insights that seed further improvements. Simply search 'Dust Diseases Care applications' from our home page.

## Law and Justice Committee review

In 2018 the NSW Legislative Council Standing Committee on Law and Justice conducted a review of the Dust Diseases Scheme.

In finding the scheme was operating effectively, the Committee handed down eight recommendations, most of which concerned silicosis. iCare is working in partnership with other NSW agencies like the State Insurance Regulatory Authority and SafeWork NSW to address the recommendations.

## Key data

Total number of workers examined at icare clinic (includes previous Elizabeth St clinic and new Pitt St clinic).

	Compensation	Health monitoring screenings
FY 2018-19	559	920

## Breakdown of screenings and services at old and new sites

FY 2018-19	Elizabeth Street compensation 01.07.18 – 14.08.18	Pitt Street compensation 14.08.18 – 30.06.19	Elizabeth Street health monitoring screenings 01.07.18 – 14.08.18	Pitt Street health monitoring screenings 14.08.18 – 30.06.19
	23	536	117	803

## Lung Bus examinations by service

Service	FY 2018-19 Lung Bus count
Compensation customer	268
Health monitoring screening	4,299
Total	4,567
	Total locations visited: 62

## Total number of medical examinations

Location	Totals
icare Clinic	559
External providers	432
Lung Bus	268
<b>Total</b>	<b>1,259</b>

## Total number of people supported over the year

Cohort	Totals
Worker – Award*	1,689
Dependant	3,258
Applicants	849 (inclusive of RME)
Worker – non-award	78
Widows application	5
Dependants application	65
Closed	3
<b>Total</b>	<b>5,527</b>

\* An award worker is a person who has been awarded compensation for contracting a dust disease in a NSW workplace. A non-award worker means they do not yet have a diagnosed dust disease or receive compensation from icare but may present with one in future years and are on our re-screening lists.

## Medical Assessment Panel

The Medical Assessment Panel (MAP) determines if an applicant for compensation has a dust disease covered by the scheme, the extent of any disability and the level of occupational exposure as a worker in NSW. Panel members are respiratory physicians who specialise in occupational dust diseases. The panel is a ministerial appointment and comprises a chairperson and one member each from employer and employee groups. This year the MAP met 41 times and considered 1,646 cases.

### Cases certified by the MAP

Date range	Mesothelioma	Asbestosis	ARPD	Lung cancer asbestos	Silicosis	Other	Total
2015-16	139	45	66	20	9	10	<b>289</b>
2016-17	175	29	79	21	6	1	<b>311</b>
2017-18	174	47	68	27	8	0	<b>324</b>
2018-19	174	68	79	21	40	4	<b>386</b>

### Time to determine a dust disease claim

Year	Time to determination
FY 2016-17	54.3 days
FY 2017-18	66.6 days
FY 2018-19	44.9 days



Our Lung Bus travelled to 62 locations in 2018-19.

## icare story

### Worker Health and Safety Roadmap for NSW 2022

#### Manufactured Stone Taskforce

The Manufactured Stone Industry Taskforce was convened by SafeWork NSW in 2018 to urgently review safety standards and regulatory changes to protect workers from crystalline silica dust exposure. Contained in manufactured stone, sandstone, concrete, bricks and other stone products, inhalation of the dust can lead to silicosis. Re-emergence of the relatively uncommon lung disease, which may be preventable where the correct safety measures are in place, has concerned government and health professionals.

icare is represented on the taskforce, along with industry, regulatory and workforce representatives. An interim report is currently being prepared, with a review of existing regulations and the extent of cases, both current and projected.

#### Health monitoring for silica-related industries

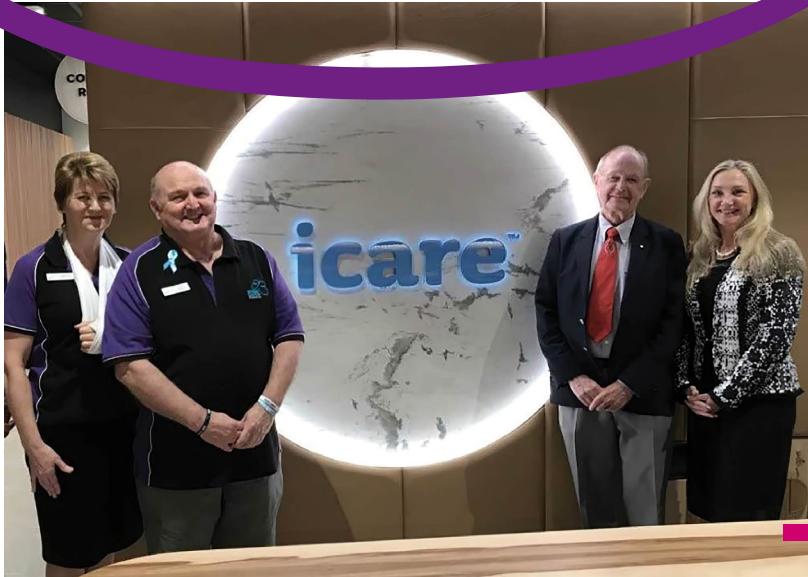
icare is also supporting SafeWork NSW's Worker Health and Safety Roadmap for NSW 2022 through our Lung Screen service, which is providing a subsidised health monitoring program.

icare provides the occupational screening service free of charge to businesses identified by SafeWork NSW as having workers who are at risk of silicosis. The service is also provided to small businesses with less than 30 employees free of charge. Larger employers who have been issued with a SafeWork improvement notice qualify for a 50 per cent subsidy, which reduces the cost to the employer of providing occupational screening to \$55 per worker.

#### Silica Symposium

We presented our health monitoring service at the inaugural Silica Symposium hosted by SafeWork NSW in May 2019. The symposium was the first event of its kind to focus entirely on silica, and brought together 350 industry experts, employers and service providers to share the latest in best practice. A silica roadshow is also touring country New South Wales from August 2019 – see the SafeWork NSW website for more details.

# Case study



Launching our Dust Diseases Clinic at Pitt St, (left to right) Karen Banton and Rod Smith of the Bernie Banton Foundation, Graham Felton, first customer of the clinic, and Christine Callaghan, icare Dust Diseases Care.

## State-of-the-art screening for Graham

As a young man, Graham Felton worked in the ship building industry on Cockatoo Island where he was exposed to asbestos. After completing a five-year apprenticeship, he then switched industries and spent most of his career working as a teacher.

In 2007, close to retirement, Graham saw an advertisement that alerted workers in high-risk industries to dust diseases. Although he had only spent a short time working with ships and dust many years ago, he knew the risks that exposure to dust carried and contacted Dust Diseases Care to arrange a health check.

Graham wasn't experiencing any symptoms but wanted to be sure he wasn't at risk. He knew several colleagues who had developed dust diseases, some of whom have since passed away.

Thankfully, Graham didn't have a dust disease, although he has developed pleural plaques, patches of thickening on the lining of the lungs. He continues to get checked regularly to monitor his condition.

Graham was our first customer to be screened at the Dust Diseases Clinic and has been using the medical examination service for the past twelve years.

“

**I'd recommend the new clinic to anyone thinking about screening. It's got a nice atmosphere and the staff are very warm, which makes the experience pleasant.**

”

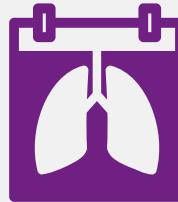
Graham Felton

# Key facts

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Opened a new state-of-the art **dust diseases clinic** that offers more and better screening services



**1,479** people provided with lung screening services at the care dust diseases clinic



**5,527** people with a dust disease and their dependents provided with medical and income support



**4,567 people across 62** locations provided with lung screening services via the Lung Bus service



**\$103m** in compensation payments



**44.9 days** for the medical examination panel to determine a dust disease claim, down from **66.6 days** in 2017-18



# Home Building Compensation Fund

The Home Building Compensation Fund protects homeowners from incomplete or defective residential building work and where a builder becomes insolvent, dies or disappears

# Year in review

## Financial summary

Net result	Total assets at 30 June 2019	Total liabilities at 30 June 2019	Funding ratio (75% PoA)	Return on balances
<b>-\$202m</b>	<b>\$421m</b>	<b>\$1.1bn</b>	<b>40%</b>	<b>Reserve Bank cash rate</b>

## Financial performance

The Home Building Compensation Fund (HBCF) provides a safety net for homeowners who have contracted building works, but where contractors are unable to honour their commitments due to insolvency, death or disappearance. The safety net is also provided in certain circumstances where a contractor's licence has been suspended.

The scheme was created following the withdrawal of private-sector capacity in 2010.

Historically, HBCF premium rates have been insufficient to cover the claims and operational costs of the Home Building Compensation product. icare inherited the scheme with a significant deficit. The accumulated losses as at 30 June 2015 were close to \$300m, and losses associated with policies sold before this date have only increased since. Historical underfunding of HBCF has been a major contributor to its current funding ratio of 40 per cent as at 30 June 2019.

The scheme has experienced ongoing deficit positions, with \$637m of unfunded liabilities as at 30 June 2019, a larger deficit than forecast in its 2018-19 business plan. This has mainly been driven by strengthening in anticipated future claims costs, unanticipated changes to assumed future investment returns and less positive economic assumptions.

Scheme administrative and policy reforms in 2017 put HBCF on a path to break-even pricing, with 91 per cent of the \$637m in unfunded liabilities arising from anticipated future liabilities of the 'pre-reform' legacy portfolio. All realistic models require an ongoing government commitment to funding the legacy portfolio beyond this point.

Progress in moving the fund to a solid financial footing has been made by:

- progressively bringing premiums towards full break-even levels, with improved identification of high-risk building categories and the removal of cross-subsidies
- moving to a risk-based approach where builders who pose a lower risk are rewarded with lower premiums
- reducing operating expenses.

icare continues to position HBCF towards full and ongoing financial sustainability, and has been progressively bringing premiums up towards full break-even rates. In compliance with the State Insurance Regulatory Authority's pricing principles regarding minimising volatility and delivering premium fairness, it is important to icare that policies issued after the reforms are not burdened by the under-pricing that historically supported the building industry and the NSW community.

A pricing review is currently underway that will address the current position of premium inadequacy. While several building categories are already meeting their anticipated future liabilities and are operated sustainably, some fall significantly short. Multi-story constructions up to three stories in particular contribute the most towards unfunded liabilities. Investment options for HBCF are also being explored to potentially act as another lever to improve the scheme's overall financial strength and sustainability.

The post-reform portfolio is currently 75 per cent funded as at 30 June 2019. We continue to closely monitor its financial performance and work towards sustainable underwriting and pricing. Subject to approval and to claims and purchasing experience, icare intends the post-reform portfolio to be operated on a sustainable or break-even basis across all classes of constructions without need for further Treasury support.

We continue to work with NSW Treasury to ensure HBCF maintain the NSW Government's ongoing support and backing.

## Working with builders to understand risk

Standing behind our home building contract obligations to homeowners, we insured \$15.1bn of residential projects and issued 68,610 Certificates of Insurance. By focusing on the number and size of jobs a builder undertakes at a time, eligibility assessments allow us to clarify the builder's risk and how much work they can accept concurrently.

## BIG Corp update

The Building Insurers' Guarantee Corporation (BIG Corp) is a statutory body administered by icare.

BIG Corp and the BIG Fund were established in 2001 as the Government's rescue package for consumers of insured residential builders affected by the financial collapse of HIH Casualty and General Insurance Limited and FAI General Insurance Company Limited.

During 2018-19 we finalised four claims and paid out \$3.2m. There are now only two claims active and another recently submitted claim with a latent condition variation. Once the three claims are finalised, BIG Corp will be officially closed.

To date BIG Corp has paid over \$300m in claims payments and associated assessment and administration costs.

## Case study

### Robert's HBCF claim

When Robert's builder went bust, although he knew he had HBCF cover, he didn't know to what extent or how HBCF could help him.

The builder was sending him payment demands, as were the subbies. The problems were mounting, with no solution in sight.

"Just by coincidence I called up HBCF, unsure if you could actually end the dispute," said Robert. "The lady who helped me was brilliant. I was really shaky; I didn't know what to do. She just walked me through the process and was amazingly helpful."

We helped Robert navigate the issues with his builder and make a claim. Robert learned the hard way that not all construction projects go to plan, but he also discovered that his HBCF insurance was a helpful resource if the builder was unable to complete the job.

He also found that by contacting us as early as possible and notifying us of his situation we were able to assist him earlier and step him through the process to reach a positive outcome.



**Seek help early if you believe that you're potentially headed for trouble, even if it's just a call to HBCF for some advice or to flag that there may be some issues coming up.**



# Key facts

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**406**  
new claims  
accepted



**\$49.3m** in claims  
payments and  
associated costs



**68,610** projects  
insured worth  
**\$15.1bn**



**19,393** builders  
covered, and **7,160**  
eligibility assessments  
processed



Payments of **\$4.1m**  
to **52** homeowners  
whose homes were  
not completed by  
their builder



# Sporting Injuries Insurance

Sporting Injuries Insurance provides insurance and care services for 125 sports organisations in NSW

**O**ur no-fault scheme insures members of participating sport organisations and sporting officials against serious injury such as permanent loss affecting a participant's arms, legs, sight, hearing or mental capacity. It does not cover minor injuries like breaks, sprains, abrasions, cuts and bruises or dental injuries.

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

During 2018-19, 12 new claims were received. Four claims were settled at a cost of \$207,327, which includes claims made in previous financial years and settled in 2018-19.



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



# The icare Foundation

The icare Foundation is a social venture seeking to redefine how we think about social investment, insurance and care

## Foundation purpose

The icare Foundation was established to invest in partners who can improve wellbeing outcomes for injured workers, road users, their families and carers.

Part of the icare Foundation's mission is to assist injured workers recover from injury and return to meaningful life and work as soon as possible.

After a workplace injury, many workers need extra support and assistance to re-join the workforce. This can include reconnecting them with their community, supporting them to improve their confidence and self-efficacy, upskilling or retraining.

In most cases, the longer injured workers spend out of the workforce the more support they need to return. The journey to employment involves employers, workers, doctors, insurers and training providers working together to overcome barriers to employment for the injured worker.

The Foundation also works with partners to support meaningful innovations that make our customers' lives easier. Together with partners we co-design solutions to maximise our investments' impact.

Our partnership approach to funding is an essential part of our work, and a recent survey showed that 70 per cent of partners rated the experience of working with us at 7/10 or higher.

## Year in review

Over the reporting year we developed \$14.2m in new pipeline commitments and our portfolio has grown to 37 active investments, with \$8.4m in grant funding to partners in 2018-19 alone, and over \$22m since the Foundation was created in 2016.

The Foundation has made significant progress since 2016, refining its process of making and selecting investments to ensure that it helps to solve some of the most persistent and significant challenges for our customers and drives innovation. The Foundation's Social Impact report confirms we are generating significant societal value for employers, government agencies and road users. Looking ahead, our current focus is on:

- delivering a major injury prevention fund in FY20, to drive innovations that prevent physical and psychological injury
- continuing to refine our approach to impact measurement so that we can validate customer outcomes, and ensure future investment makes the biggest difference possible
- share our learnings and impact across the sector, to maximise the benefits of our approach.

We have three key outcomes that drive our investment decision-making and partnerships: prevention, recovery and quality of life.

### Prevention

We partner and invest in organisations to help create positive, healthy workplace cultures and systems that reduce physical and psychological injuries.

In partnership with Safework NSW and NSW Health, between 2016 and 2019 we co-invested \$1.16m into the NSW Government's Get Healthy at Work program. This initiative aims to improve the health of public sector employees, providing them with the tools to identify health issues and to address alcohol consumption, healthy eating, physical activity, smoking and healthy weight.

Over 300 workplaces participated in 38 programs, with some 4,000 participants, while over 900 public sector employees participated in the Mental Health Check pilot, a program highlight. A survey sample from the group showed that 44 per cent of respondents believed the health check helped them better understand their mental wellbeing. As a result, we saw a social return of \$4.04 for every dollar we invested.<sup>1</sup>

Meanwhile, our commitment to supporting workplace mental health has seen 36,775 participants access new digital mental-health products. Part of this work was funding the initial research, co-design and trial of a mental health website, Ahead for Business (\$1.09m over three years), as well as a mental health app, HeadGear. Both target high-risk, male-dominated workplaces and were delivered by the Black Dog Institute.

Testing of the HeadGear and Head Coach programs resulted in 21 publications in peer-reviewed journals during the reporting year.

1. Social return evaluates extra-financial value, such as impact on stakeholders

## Recovery

We support injured workers with new recovery and return-to-work pathways, particularly those at risk of not achieving optimal returns on health and independence.

icare's Craig's Table and Plus Social pilots have helped both long-term job-detached participants and injured workers return to fulfilling employment.



### Craig's Table

Craig's Table NSW was established in 2017. Targeted to help long-term injured workers who have been unsuccessful in other rehabilitation and training programs, the program covers rebuilding the confidence and capability of injured workers. It also reintroduces and connects injured workers with the community and the workforce.

An evaluation of the program found the model improved participants' confidence and self-worth. Workers reported high satisfaction with the training models, and three participants were confirmed as returning to some form of employment after lengthy periods without work. For every dollar we invested, we saw a social return of \$3.04.

### Plus Social

Our Plus Social investment with Primary & Community Care Services encouraged GPs to consider patients' social, mental and emotional wellbeing through prescribing social activities. With 75 participants, the pilot continued to have strong referrals up to its conclusion in May 2019.

The Social Prescribing Pilot indicated a number of positive health and work capacity outcomes for participants, with results suggesting a beneficial correlation between the ability of participants to undertake paid work and an overall reduction in the use of health services.



## WorkUp

The WorkUp Fund helps injured workers to become more work ready, or to provide new pathways back into the workforce. We allocated \$5m to organisations to partner, incubate and fund innovative ideas. The Fund started in 2018 and ran throughout the 2018/19 year.

Our partners include CoAct, Happy Paws Happy Hearts, Primary & Community Care Services, Rumpus Skillshare, Settlement Services International, University of Newcastle Uprise and WithYouWithMe.

Two of the initiatives funded this year include the University of Newcastle Uprise and WithYouWithMe. The University of Newcastle developed digital tools to provide compassion-based therapy for injured workers, to boost and protect their mental health. The WithYouWithMe program uses aptitude testing and bespoke training to place injured workers in new jobs in the technology sector.

## Quality of Life

This year the Quality of Life Fund was launched. The Fund will invest in and partner with organisations over the next two and a half years to create new services and support systems to improve quality of life for the seriously injured, their families and carers.

We want to address the most persistent challenges for all severely injured people, including those within Lifetime Care. The investments aim to alleviate chronic pain, assist adaptation to serious injury and support people to build new and meaningful activities into their lives.

Through the Fund, we committed to four future partnership. Hammond Care will develop a new core strength program and clinics for people living with spinal cord injury (\$408,000); 3 Bridges will deliver an inclusive volunteering program for people living with acquired brain injury (\$714,000), and the University of Sydney will develop online communication training programs for people with traumatic brain injury, including their families and social networks (\$587,000). Cerebral Palsy Alliance will deliver the Enable pilot, which focuses on life skills for adolescents and adults with an acquired brain injury (\$920,000).

## Psychiatry fellowships

This year we committed to a partnership with the University of Sydney to provide \$1.5m over three years funding for five psychiatry fellowships to support people living with acquired brain injury.

# Our impact

Our investments have generated broad benefits for people living with serious injury as a result of road accidents, workers injured in the workplace, employers and government agencies

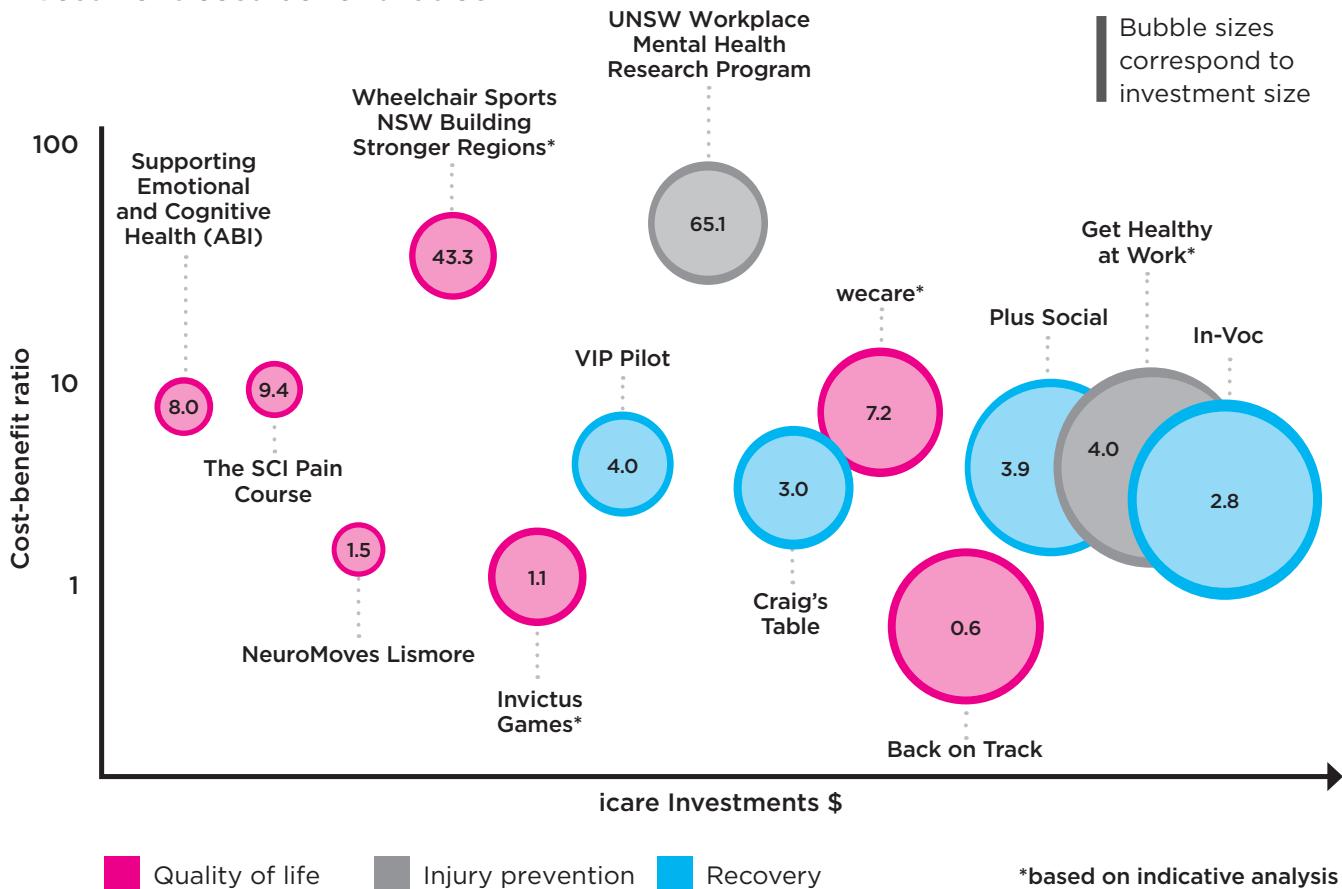
In 2018-19 icare completed its first social and economic impact report, using social cost-benefit analysis (SCBA) methodology to analyse the impacts of each investment. A form of economic analysis, SCBA quantifies and compares social costs and benefits and provides an indication of the economic and social value of the Foundation's investments.

The cost/benefit ratio in the table below illustrates the estimated return on investment for every dollar spent.

All but one investment returned a cost/benefit ratio greater than one, while two highly successful programs returned over \$40 of social benefit for every dollar invested (UNSW Workplace Mental Health Research Program and Wheelchair Sports NSW).

**12 of 13 investments included in the SCBA returned a positive social cost benefit ratio.**

## Investment cost-benefit ratios



Investments were determined to be suitable for an evaluative SCBA if sufficient data on program outcomes was available. Where possible, investments without actual recorded outcomes data have been included for an indicative SCBA, with estimates of benefits based on the outcomes recorded for similar programs identified through a literature review.

Overall, the report found our investments address unmet needs in the community, with close alignment to our three focus areas: injury prevention, recovery, and quality of life. In many cases, investments have been successful in providing support for hard-to-reach cohorts and have extended into low/no service areas.

For the report please see [www.icare.nsw.gov.au/socialimpactreport](http://www.icare.nsw.gov.au/socialimpactreport)

Our investments also deliver a broader social benefit, supporting families and carers of icare customers, and acknowledging an injured person's need for formal and informal supports.

## icare story

### Reducing social isolation

We know the longer people are away from work, the greater their risk of social isolation and the likelihood of the onset of mental health issues, further delaying recovery. Each year icare has in excess of 12,000 claims, with psychological and social factors significantly impacting recovery.

We invested \$1.4m in Plus Social, a social prescribing pilot designed by Primary & Community Care Services to work alongside traditional medical interventions.

Designed to help patients whose long-term conditions may be exacerbated by isolation, depression or anxiety, Plus Social encourages GPs to consider patients' social, mental and emotional wellbeing and prescribe social activities like art and cooking classes. Social prescription aims to help people return to work by addressing the 'whole' person, including their biopsychosocial needs, and not just the physical element in isolation.

Speaking about her recent experience with the pilot program, Sally\* (who was injured at work), said: "I was isolated at home; frustrated, depressed and anxious about my future.

"I enrolled myself in the Plus Social program when I saw a brochure in the rehabilitation provider's office. I was immediately connected to a link worker, who was supportive and understanding, and connected me to some Plus Social groups for injured workers. It was lovely knowing that I wasn't the only one experiencing depression and anxiety from a work injury."

"I'm discovering that I have the power to change my life. I'm exploring new employment options and looking forward to when I can be independent. I feel without Plus Social, I'd still be in hospital, lost, alone and without my granddaughter in my life," she said.

\* Not her real name



# Case study



**Dr Jodi Cartoon,**  
first recipient of the  
Psychiatry Fellowship

## **Supporting brain injury customers access mental health support**

Mental health conditions are commonly experienced by people with a brain injury and often require specialist management. Seventy per cent of icare's Lifetime Care participants have an acquired brain injury and 50 per cent of those have a mental health condition. There are only a very small number of psychiatrists in NSW, however, who specialise in this clinical area.

In an Australian first, we partnered with leaders in the field of mental health to establish five psychiatry fellowships in brain injury for advanced trainees. The \$1.5m investment will take place over three years in partnership with University of Sydney's Brain and Mind Centre, the Royal Australian and New Zealand College of Psychiatry and the Northern Sydney Local Health District. The partnership aims to support the complex behavioural and mental health needs of participants as they go through their rehabilitation and reintegration into the community. This will help to increase the capacity of specialist mental health services in NSW and formalise training of psychiatrists in this area.

The first of the brain injury psychiatry fellowships began in February 2019 with a further four fellowships available in 2020.

Inaugural Psychiatry Fellow Dr Jodi Cartoon said the new program gave her the rare opportunity to develop skills in neuropsychiatry while also being able to focus on an under-resourced area.

"Many brain injury patients we see fail to optimally progress in their rehab despite the already ample resources dedicated to their care," said Jodi.

"This is due to the significant psychiatric morbidity associated with their condition. Timely psychiatric intervention can help these patients get back to social and occupational functioning more readily and improve the quality of life for them and their families."

"I've begun to see the difference timely psychiatric interventions can make and have received guidance and advice on how to provide this from existing experts in the field. I look forward to further developing my skill set in the area and contributing to better outcomes for people with brain injuries and their families," she said.

# Key facts

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## 37 active investments

across our prevention, recovery and quality of outcome areas



**\$14.2m** in new pipeline commitments



**\$8.4m** in grant payments made to partners



Completion of  
**Craig's Table**  
and **Plus Social**  
pilots



**Investment of**  
**\$1.5m** in the first fellowship in Australia to train psychiatrists to specialise in mental health for people with brain injury



## **Listening and working with our customers**

Connecting with our customers is fundamental to icare's goal of providing best-in-class insurance and care services

# Year in review

To raise awareness of our services, and educate and build relationships between us and our customers, we gather information, opinions and ideas that go on to inform improvements across icare. Our customers are at the heart of everything we do and central to how we operate.

## Our NPS program

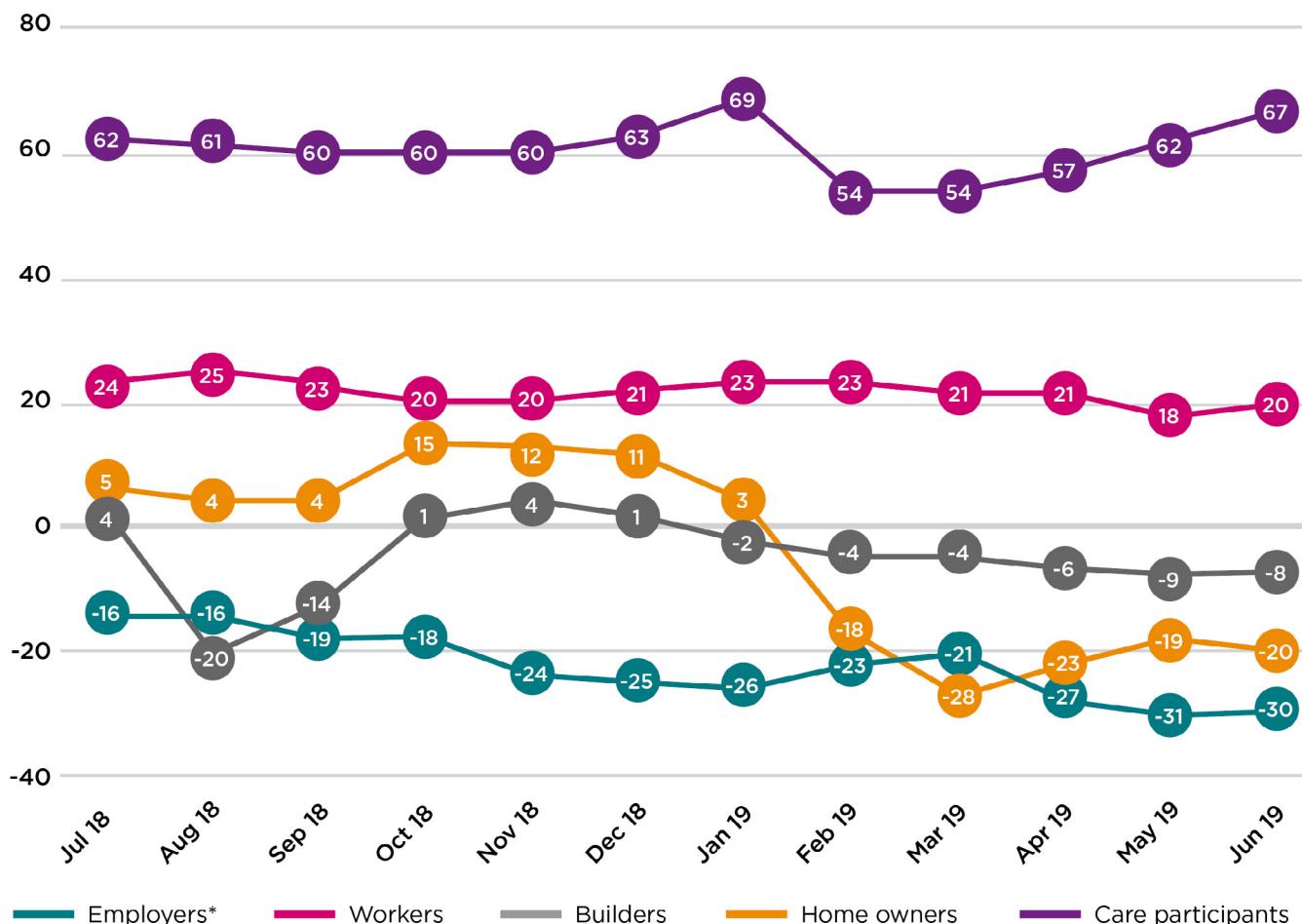
We leverage our Net Promoter Score (NPS) to gather feedback and insights from customers on the quality of their interactions and their experience of our services. The information we receive gives a valuable insight into how we can improve and helps us not only track our performance but raise the bar. We use it to focus on what needs to be done to improve our customers' experience.

In 2018-19 we received feedback from 27,917 customers and ended the year on an icare wide score of NPS +12. While it's a positive score, we did see a noticeable decline in advocacy across employers<sup>1</sup>, builders<sup>2</sup> & home owners<sup>3</sup> throughout the year reflecting natural challenges experienced as a result of changes introduced into our service models and supporting technology. We anticipate that this score will continue to adjust upwards in 2020 as improvements are implemented and changes settle.

The differences across the schemes reflect the nature of the insurance, care, and compensation services, rather than major differences in service. We anticipate we will continue to see a wide range of NPS results across these cohorts. Each has a targeted continuous improvement plan to support ongoing improvements to customer service.

1. Employer advocacy impacted by the transition of existing claims (Sep. 18) and implementation of supporting technology for new claims (Mar. 18).
2. Builder advocacy impacted by premium increases (Aug. 18) and slow policy processing times.
3. Home Owner advocacy impacted by slow claim processing times due to claims manager resourcing constraints.

## NPS by customer



This year our 'Much More Than A Score' Net Promotor Score (NPS) Program won the Customer Service Institute of Australia's Customer Service Project of the Year – Continuous Improvement award. The program was developed and implemented in 2016 to assist the newly-formed icare to support its customers during a massive transformation. We were recognised for the significant improvements the program has made to the customer experience within the NSW Workers Compensation System.

## NPS data for 2018-19

Customer relationships - Net Promoter Score Results						
	icare overall	Workers Insurance <sup>1</sup>	Insurance for NSW <sup>2</sup>	HBCF <sup>3</sup>	Dust Diseases Care <sup>4</sup>	Lifetime Care <sup>5</sup>
Jul-18	20	16	14	4	66	62
Aug-18	18	16	5	-15	67	62
Sep-18	19	18	1	-11	71	58
Oct-18	20	19	0	3	74	59
Nov-18	22	22	1	5	71	57
Dec-18	21	21	5	2	67	63
Jan-19	20	19	11	-1	65	75
Feb-19	21	21	10	-8	56	57
Mar-19	21	21	5	-10	60	56
Apr-19	19	18	12	-10	60	59
May-19	11	6	14	-11	66	62
Jun-19	12	6	20	-11	66	66
<b>Received surveys (n=)</b>	<b>27,917</b>	<b>19,912</b>	<b>4,943</b>	<b>1,013</b>	<b>1,527</b>	<b>522</b>

1. Feedback from our Employers & Workers
2. Feedback from our Employers & Workers
3. Feedback from our Builders & Home Owner
4. Feedback from our Participants & Health Monitoring clients
5. Feedback from our Participants

## Engaging with customers across NSW

Our Mobile Engagement and Community team (MET) ensures we reach as many of our policy-holder customers as possible, particularly those outside the major cities.

A large part of what the MET does is provide regional communities with updates on recent scheme changes, and education on how to navigate the Workers Insurance Scheme.

As well as being the human face of icare Workers Insurance, perhaps the most important thing the team does is simply listen. Listening is the first step towards developing longer-term solutions for our customers, while at the same time building trust and respect between icare and our stakeholders.

Over 2018-19 the team continued their engagement with regional NSW, hosting 43 events and meeting with over 2,000 policy-holder customers who represented businesses of all sizes. Each event was tailored to the needs of the region, and included face-to-face sessions and workshops on topics like workers insurance basics and return-to-work programs.

Small to medium-sized employers also had the opportunity to meet with a MET team member to discuss their policy and workers compensation questions at one of six Pop-up Office events hosted across regional NSW.



## **Mental Health Forum**

In early 2018, a meeting with a regional manager of the NSW Business Chamber in Tamworth led to the development of our MET's mental health forum.

The manager explained that mental health issues were a challenge for both business and the community, with business owners struggling to identify, prevent and support staff or family with mental illness. As well, most business owners had neither the time nor resources to appropriately support staff or others who may be struggling.

Their concerns were supported by icare's statistics, which showed that Tamworth and the New England area were experiencing the highest incidence of psychological injuries outside the major centres of Sydney, Wollongong and Newcastle.

The MET subsequently developed a mental health forum, with several subject matter experts as speakers, which became one of the most successful events held during 2018.

The MET went on to replicate the forum in three other regional locations, giving our customers information on preventing psychological injuries through creating mentally healthy workplaces, managing psychological claims and the importance of social connections.

By being present in regional NSW, the MET can help address some common social challenges and help deliver on icare's social insurer philosophy.

## Working with the community to solve problems

icare is creating a culture that puts people first, by engaging more closely with its customers, developing better connections and building community networks.

The Community Engagement Team works closely with the organisations and stakeholders who comprise all our customers' support systems – another aspect of icare's people-first strategy. Together, they identify gaps, review relevant research and build social connections and partnerships to inform improvements across the system, thereby improving outcomes for everyone: employers, workers and scheme participants.

### Social investment through research

Over the last 18 months Community Engagement has worked closely with research partners at Griffith University to undertake an evidence-based social research study investigating the importance of connection in helping injured workers return to health.

In January, a systematic review was published in the international Journal of Occupational Rehabilitation called 'The Influence of Social Support and Social Integration Factors on Return to Work Outcomes for Individuals with Work-Related Injuries.'

### Turning research into practice

In order to share the research findings, nine Social Connection: Research to Practice events were held across regional NSW, where the Community Engagement team met with 235 people to explain how the research icare and Griffith had undertaken could be implemented in workplaces.

The aims were to inform and educate employers about the importance of social connections for robust organisational health and wellbeing, to support employers to improve their workplace culture, and to gather data and information to help develop future strategies.

### Communitreas

This informal workplace event was developed and trialled in 2018-19, with staff coming together for a cup of tea, some cake and a chat over board games. It aims to help workplaces foster connections, resilience and wellbeing. A pilot 'Communitrea' within icare received very positive feedback, and the Community Engagement team is now rolling out the program more broadly.

A 2019-20 program has been developed for external employers and communities to promote social health, strengthen workplaces, reduce injury incidence, and enhance return-to-work rates.

### Embracing cultural diversity

With 61 per cent of Australia's growth due to net overseas migration and one in five people speaking a language other than English, we have a responsibility to deliver services that are reflective of and responsive to the culturally diverse communities we serve.

To raise awareness among new migrants – workers and employers – about their rights and obligations regarding workplace injury, a partnership was established with Multicultural NSW Regional Advisory Councils. Over the reporting year, the Community Engagement team visited nine regions to listen to issues facing new migrants and to share insights.

icare-trained Vietnamese and Arabic bilingual Community Educators delivered 10 in-language sessions across Western Sydney to engage, educate and empower their communities. We were able to speak with 336 employees, family members, employers and service providers about the importance of social health and icare and its services. As a result, a second engagement project has been piloted with the Ethnic Communities Council NSW.



## Making icare more accessible

We've also introduced accessibility enhancements on our website to ensure people living with a disability and members of the culturally and linguistically diverse communities have an easy experience when visiting our website.

Enhancements include:

- the ability to translate content into 27 languages
- the option to change text form for users with low vision or learning difficulties
- high contrast and night mode settings that change or invert background and text colours for users with low vision or other visual disabilities
- a bespoke text-to-speech tool on all content pages.

The enhancements demonstrate our commitment to delivering our multicultural action plan.

**“ Our goal is to provide our customers with an experience that is respectful and empathetic every time they interact with us. Over 10,000 customers visit the icare website each week, so ensuring it is accessible to those for whom English is a second language and to people living with disability is a fundamental part of our ethos. ”**

General Manager for Customer Channels,  
Julie Starley

## Our Speakers Program

The Paralympian Speakers Program provides customers the opportunity to engage current and former Paralympians who became injured at work and experience their stories. Our speakers talk about the potential consequences of workplace accidents to raise awareness of workplace health and safety among employers and their teams.

Run in partnership with Paralympics Australia, the program is a unique way of showing how a workplace accident can have a very real impact on the injured person, as well as their families, friends and colleagues.

Over the financial year, our speakers attended 158 engagements across NSW, contributing to community events focused on reducing injuries and encouraging safe workplace practices. The program is free to icare customers.



**John Marshall**

## Reducing the impact of customer abuse

A worrying rise in customer abuse and violence towards workers prompted the Shop, Distributive and Allied Employees' Association (SDA) to survey their members. They were shocked by what they found

When the NSW Branch of the SDA surveyed 6,000 of their members, they found 85 per cent had experienced verbal abuse from a customer, 15 per cent had experienced physical violence, and 11 per cent, sexual harassment or abuse. These disturbing figures were the catalyst for a joint initiative between icare, Griffith University and the Shop, Distributive and Allied Employees' Association (SDA Union).

The SDA's observation of a rise in dysfunctional customer behaviour was backed by our data. This showed average workers' compensation claims costs in the retail and hospitality sector had increased by 10 per cent since 2014, compared to a 15 per cent decline in general across icare's Workers Insurance scheme.

The need for a review and targeted action was clear. The Community Engagement team approached Griffith University to lead a project that addressed the underlying causes of the rise in customer aggression and how businesses could prevent incidents and respond more effectively if they did occur. A co-design approach was used to pilot a range of solutions aimed at reducing the incidence, intensity and impact of dysfunctional behaviour towards workers.

The initial findings of the *Respect and Resilience in Retail and Fast-food*<sup>1</sup> project listed four strategic interventions to support better customer experiences, reduce the opportunity for complaints, and provide employees with the skills to respond should incidents occur.

1. Modifications to physical elements of the workplace
2. Increased workplace support
3. Specialised and focused customer-service training
4. Incident reaction training.

1. Respect and Resilience in Retail and Fast-food ([www.icare.nsw.gov.au/about-us/publications/](http://www.icare.nsw.gov.au/about-us/publications/))



A series of workshops were held to co-design solutions based on the research findings, with a pilot being implemented and evaluated. The Reject Shop has been an active participant and Keith Govias, National Health & Safety Manager, commended the efforts of icare.

"I would like to thank the team instrumental in this project. This research collaboration can provide a really pivotal opportunity for the industry to protect its workers, but also to leverage community conversations to have a broader dialogue regarding respectful behaviour in all workplaces and community locations," said Mr Govias.

A successful media campaign was also launched, with stories featured on ABC radio and TV, and Nine's *A Current Affair*.

Dr Ferguson called the data she recorded at workshops with retail employees ground-breaking.

“

**We heard for the first time just how often and how severe the aggression is. The published results will make a substantial contribution to the field that has never been shown before.**

”

Nigel Smith



# Case study

## Sharing stories to prevent incidents

At the age of 25, Nigel Smith became tangled in the chain conveyor of a heavy industrial paint machine. After numerous operations his leg was eventually amputated, but this didn't stop him from aiming high.

He started playing competitive volleyball and was so successful he represented Australia in the 1998 Standing Volleyball World Championships in Poland and the 2000 Sydney Paralympics. (Standing volleyball is a form of paravolley usually played by people with mobility impairments or who are amputees. Athletes have a choice of playing with or without a prosthesis.)

Nigel, like all our speakers, is passionate about sharing his experience in the hope that employers and employees become more aware of the importance of working safely. In October 2018, he spoke with over 50 machine operators, factory hands and office workers at Visy's Glama Pak Milperra site. His visit was one in a series of five 'Stop for Safety' events held at Visy sites across NSW.

**“It’s not only up to the employer to point out potential job risks – employees also have to be aware. We all have to keep striving for a safe workplace.”**

“Working unsafely is no longer acceptable. What’s driving safety in the workplace has also changed. After working in the safety industry for the past 17 or 18 years, safety is now being driven from the heart. People really care now about not hurting other people. Most of the people I’ve met working in workplace safety have a reason why they’ve ended up there, and they are just so passionate about helping other people avoid being hurt.”

“The impact of someone sharing their first-hand experience of a workplace injury cannot be overstated. Our workers talked about the Paralympian speakers long after our ‘Stop for Safety’ event,” said Jon Ward, Visy Group’s Manager of Safety and Environment.

With almost 11,000 manufacturing workers injured at work in the last 12 months, education, training and tools are crucial in building a safer work environment.

# Key facts

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Engaged with over **5,000** people at more than **100** events



Reached **336** Vietnamese and Arabic-speaking customers and their families at **10 events**



Undertook **158** Paralympic Speakers Program engagements



**Won** the Customer Service Institute of Australia's 'Customer Service Project of the Year – Continuous Improvement' award for our NPS program



Received **27,917** responses from customers to our NPS surveys



Held **43** Mobile Engagement Team events with **2,000** customers, traveling over **65,000 km** across NSW



Held over **90** engagements with brokers across NSW



**Won** the Community Engagement Program at the Insurance Business Australia Awards

# Our people

We connect, develop and empower our people

**S**ince icare was created, we've aspired to deliver great outcomes for our customers. But we can't do this without the right team; a team that's passionate about making a difference to our customers and the NSW community.

In 2018-19, we focused on getting the fundamentals right, so our people could focus on our customers' needs. We streamlined HR support through our new HR Service Centre; we gave team leaders access to people data to give them better team insights and we simplified our processes so leaders now spend less time on paperwork and more on their teams.

An aspect of more collaborative working is the Sydney office's trial of activity-based working (ABW). Focused on promoting connectivity and collaboration, ABW is an opportunity to make the most of the available space and to use that space more flexibly. At the same time, our regional offices were also upgraded: we expanded the Newcastle office, while the Wollongong office was refitted.

The Human Resources team supports our business in recognising that our people are the most important resource we have, and so we refreshed our purpose, which now reads: 'We connect, empower and develop our people to deliver for our customers, with a commercial mind and social heart.'

## Listening to our people

Building on what we've learnt from connecting with our customers, we wanted to delve deeper into our people's experience, to find out what they value and what they need each day to do their job effectively.

A number of listening sessions were held in-house. Thoughts were shared about what makes icare a great place to work and what we can do better. Insights from the sessions focused on three key areas:

- Help me do my daily job well.
- Give me a clear understanding of how my role fits into the business purpose and strategy.
- Help me to better interact with those I work and communicate with.

## Employee Net Promoter Score

Our employee net promoter survey (eNPS) measures employee sentiment through a workplace-wide survey. Conducted twice a year, the November score was +31; however, we saw a reduction in the April score, which dropped to +20. Key areas for improvement were managing change, employees having greater role clarity and improving the new starter experience.

Workplace culture continues as a strong positive theme, a recognition of our work in this area and our promotion of diversity and inclusion across icare. We also continue to score more highly than the wider insurance industry, which has an average eNPS of +5. We will continue to implement a program aimed at addressing our peoples' needs to ensure we remain a great place to work.



## People Matter Employee Survey

We also participated in the NSW's Public Service Commission's annual People Matter Employee Survey. Open to all employees across the NSW government sector, the survey measures people's experiences with their own work, their teams, managers and their organisations. icare had a 74 per cent response rate, and an engagement score of 70 per cent. This is a four per cent increase on the average public-sector score.

The highest scoring questions were that employees feel comfortable notifying their manager if they become aware of any risks at work. This was closely followed by employees agreeing that their workgroup strives to achieve customer/client satisfaction.

There were positive themes on inclusion, with icare respecting individual differences and employees feeling that background is not a barrier to success. Employees indicated that they work in a supportive team environment, and treat each other with respect; that their managers listen to what employees have to say and support flexible working. Employees also have confidence in knowing how to raise health and safety issues, and they understand what is expected of them in their role.

The areas identified for improvement are that employees do not feel that change is managed well at icare, performance is not assessed against clear criteria and there is limited cooperation between teams.

## Supporting our people

Our whole-person approach recognises that our people come to work with individual needs, motivations and challenges that could include family, financial or health-related issues.

We recognise that providing preventative support and resources can help to ensure issues don't compound or escalate. These include initiatives that encourage physical and mental health, work/life balance and flexibility, and social inclusion. We strive to mirror the same person-centric approach and care we take with our customers with our people.

We also invested in a number of support programs over the year. From September to December 2018, we ran a mental health campaign that encouraged our people to adopt positive mental health practices. The program included a digital resource hub, RUOK day activities, wellbeing seminars and a guest speaker event on social inclusion.

## icare for health

Our icare for Health program ran from February to April 2019 and focused on encouraging preventative checks on physical health. Initiatives included:

- free flu vaccinations in our offices
- the offer of Early Detection Leave for preventative check-ups with a health professional
- participating in the NSW Government's Get Healthy at Work in-office health checks.

## A Mental Health Campaign supported our people in the lead up to the Christmas period

Between September and December 2018, we supported our people with targeted initiatives aimed at fostering positive mental health practices.

Christmas can be a stressful time for our injured customers and supporting our peoples' resilience through responding to this is critical.



## The icare for Health program encouraged simple steps to understanding your current level of wellbeing

Between April and July 2019, we delivered a comprehensive program that encouraged preventative 'checking in' on physical and mental fitness.

The timing coincided with heading into Winter, when people tend to fall ill from colds and flu, and be more inactive.

## Workplace injuries

Our incident reporting system means our people can advise us of any hazards, injuries or near misses they may encounter. We encourage our people to report all incidents – including workers compensation claims – so we can actively address the issues.

For the 2018-19 period, there were 13 workers compensation claims with an average cost of \$12,369. There were no Work, Health & Safety prosecutions for the reporting period.

Workers Compensation 2018-19	
Number of employees	880 FTE
Number of claims	13
Number of claims per employee	.015
<b>Total cost of claims</b>	<b>\$160,809</b>
Average cost of claims	\$12,369

## Developing our leaders

A focus on leadership development and culture continues to be a priority at icare. We believe that the strength of our customer experience rests on the quality of leadership within the organisation, both in providing strategic solutions to customer roadblocks but also in effectively developing our people and teams.

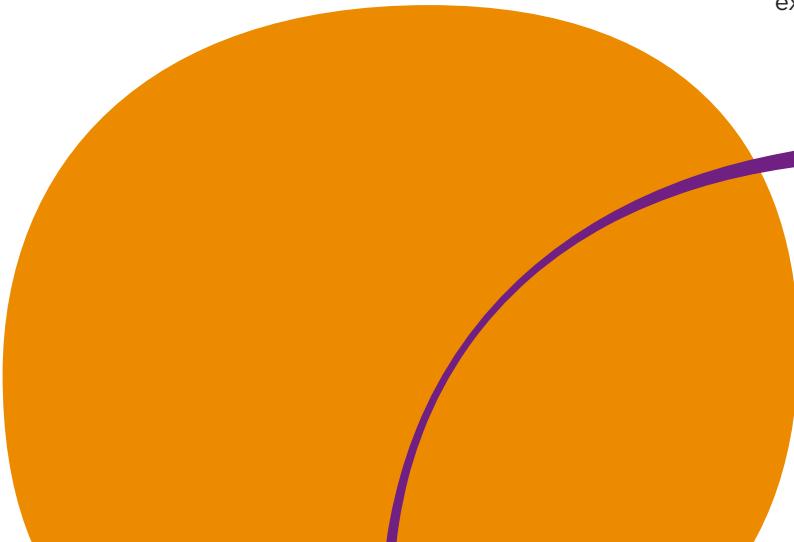
This year, 21 leaders participated in the Synergy program, a leadership program for senior leaders focused on authentic leadership, increasing self-awareness and encouraging more systemic thinking.

Leaders were taken to companies and community groups outside icare to introduce fresh perspectives to their thinking. The immersive experience also included reflections on leadership behaviour supported by 360-degree feedback and practical exercises to develop authentic behaviours and conversations.

A new program, Leadership Essentials, has been developed for leaders joining icare or those recently appointed to people leader positions. The program establishes clear expectations of the organisational requirements of managing people, covers good management practices and habits and includes experiential role plays around managing performance, development and retention. The program was successfully trialled in May 2019 with 18 leaders and will now be implemented for all new or newly promoted people leaders.

## Talent

We continue to conduct talent and leadership reviews of our most critical and senior roles twice yearly, to determine the health of our leadership and executive pipeline. Currently we have high engagement at senior levels. Based on our talent identification and review, we've targeted development opportunities for leaders, together with support activities like conferences and executive education and coaching as relevant.



# Developing our workforce capability

The icare Academy is in its third year of delivering professional development programs to our people. The programs allows us to keep skills current to meet emerging needs and to engage, develop and retain our people.

Approximately 708 people (icare employees and contractors) participated in off-site, face-to-face learning programs and activities over the last financial year. The most popular programs were Power of Purpose from the School of Life, and NIDA's communication and presentation courses. Our people continue to report that professional development is an important and valued part of their employee experience.

Targeted role development has also been created to align with our customers' experience and business improvements. This includes specific training for:

- the Care and Community team following the implementation of MyPlan and our customer portal for Dust Diseases customers
- the Claims Management team, with the new Customer Relationship Management system to support our insurance schemes, as well as new processes and behaviours
- the introduction of Mental Health First Aid training sees us embarking on a dedicated capability uplift supporting wellbeing.

Consistent with the training we provide to our employer customers, we're educating our leaders and people to recognise and respond to the first signs of deteriorating mental health in others. This will allow them to proactively direct people to appropriate support or resources. Eighty three of our people have participated in the two-day program, with an estimated 40 per cent or more of our workforce to complete the training over the coming year.

Our Induction program has also been refreshed. The new half-day program focuses on icare's values and customers, with online modules on compliance, our business, insurance basics and work, health and safety. It also included an opportunity to meet and speak with our Group Leadership team.

The Induction program is one of the highest-rated programs in our overall people experience, with many of our senior leaders involved in its delivery each month. The program's average NPS this year has tracked steadily at +67 per cent.

## Awards

While earning the respect of our customers is our foremost priority, our Human Resources team continues to be recognised across government and the commercial HR sector as delivering innovative programs for our people.

In the last year, we were recognised in the following awards:

- HR Magazine's Most Innovative HR Team 2018 and Most Innovative Leadership Program 2018.
- Finalist in the Australian HR Awards 2018 for the Best Graduate Program and Best Leadership Development Program in Australia.
- Winner of the Innovation in Graduate Recruitment and Development category at the Australian Graduate Recruitment Industry Awards 2018 and a finalist in three other categories.
- Recognition as number one in the Banking, Financial Services and Insurance sector for our Graduate Program, as voted by graduates to the Australian Association of Graduate Employers.
- Finalist for the Talent Management Award at the Australian HR Institute (AHRI) Awards.

# Workforce diversity

## Workforce diversity trends

Workforce diversity group	NSW government target %	2019 %	2018 %	2017 %
Women	50	62.8	66	66.1
Aboriginal people and Torres Strait Islanders	3.3	0.8	0.8	1.5
People whose first language is other than English	23.2	26.5	24	20.5
People with a disability	N/A	4.6	5.2	7.4
People with a disability needing work-related adjustments	N/A	1.6	1.2	2.2

Note 1: Survey respondents are employees who have provided an answer to any of the Workforce Diversity questions, whether they have chosen to withdraw their response or not. In other words, a respondent is an employee with at least one non-missing value for the set of Workforce Diversity questions.

Note 2: The benchmark of 50 per cent representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 3: The NSW Public Sector Aboriginal Employment Strategy 2014-17 introduced an aspirational target of 1.8 per cent by 2021 for each of the sector's salary bands. If this aspirational target is achieved in salary bands not currently at or above 1.8 per cent, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3 per cent.

Note 4: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for people whose first language spoken as a child was not English. The ABS census does not provide information about first languages but does provide country of birth details. The benchmark of 23.2 per cent is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 5: Work is underway to improve the reporting of disability information in the sector to enable comparisons with population data. For this reason, no benchmark has been provided for people with a disability or for people with a disability requiring work-related adjustments.

## Distribution of workforce diversity trends

Workforce diversity group	Benchmark target %	2019 %	2018 %	2017 %
Women	100	90	88	90
Aboriginal people and Torres Strait Islanders	100	N/A	N/A	N/A
People whose first language is other than English	100	87	96	93
People with a disability	100	N/A	98	90
People with a disability needing work-related adjustments	100	N/A	N/A	N/A

Note 1: A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

Note 2: The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

The number of women leaders from culturally and linguistically diverse backgrounds at icare is 14. Ninety-three per cent of these women participated and completed individual training courses during 2018-19.

Planning has begun for the renewal of icare's Multicultural Inclusion Action Plan, along with planning for the development of a Diversity and Inclusion plan.

# Performance and reward

## Remuneration governance

Board	
Overall responsibility for the remuneration framework and policy. Reviews and, as appropriate, approves recommendations from the People and Remuneration Committee (PRC). Approval contractual arrangements for CEO.	
People and Remuneration Committee	
Reviews and recommends for approval to the Board: <ul style="list-style-type: none"><li>Employee remuneration framework and policy.</li><li>Incentive schemes.</li><li>CEO remuneration package.</li><li>Organisation-wide performance objectives and measures.</li><li>CEO performance objectives and outcomes.</li></ul>	Approve: <ul style="list-style-type: none"><li>GLT performance assessment and outcomes.</li><li>GLT individual remuneration packages.</li></ul> Also: <ul style="list-style-type: none"><li>Provide advice to the board on remuneration matters.</li></ul>
CEO and Managing Director	External advisors
Makes recommendations to the PRC on the GLT remuneration and performance objectives.	Provide independent advice to the PRC on remuneration for the CEO and GLT.



## Remuneration policy

Our remuneration policy has been designed to attract and retain the best people to deliver our strategic and operational objectives.

The principles guiding our remuneration framework are:

- strategic alignment – attract and retain executive talent to deliver the icare strategy
- fair and equitable – market competitive and internally equitable
- performance-linked – reward superior performance for achievement of objectives
- values and behaviour-driven – support behaviours aligned to icare values and performance factors
- simple to understand – simple to explain, administer and operationally efficient
- commercial – deliver value and affordability; strongly linked to icare's financial performance.

## Remuneration components

icare's remuneration framework comprises fixed remuneration that includes superannuation, and performance payment plans in which selected employees participate.

### Fixed remuneration

Fixed remuneration considers market relativities and performance. Our desired position is benchmarked against the market median for comparable roles. We primarily benchmark to the general insurance industry and, where appropriate, to the general industry using the relevant Aon Hewitt remuneration survey (including the Insurance Industry Survey, the General Insurance Survey and specialist surveys like the IT Survey).

Fixed remuneration is reviewed annually for roles where the market indicates the need for an adjustment and the capability and performance of our people warrants an increase. Remuneration may further be influenced by the criticality of the role and the required experience.

The overall total annual increase does not exceed the increase approved by the Wages Policy Taskforce, which for 2018-19 was a 2.5 per cent increase to salary and salary-related expenses.

### Movements in salaries

For employees on individual employment agreements, remuneration is reviewed in July each year. In the 2018-19 annual review, the overall movement in salaries was 2.4 per cent. Due to market adjustments there were three exceptional salary movements above 10 per cent.

### Annual performance payments

Recommended annual performance payments are based on an assessment of employee performance against pre-agreed performance objectives.

We take a balanced scorecard approach that includes:

- customer experience
- employee engagement
- leadership culture
- transformation initiatives
- financial performance.

Performance outcomes are also assessed against our employees' demonstration of icare's values, risk awareness and compliance.

All annual performance payments are discretionary and subject to People and Remuneration Committee (PRC) approval. The CEO's performance is evaluated by the Chairs of the Board and the PRC. Any recommended performance payment for the CEO is subject to endorsement by the PRC and approval by the Board.

### Long-term performance payments

A long-term performance payment (LTPP) scheme is applicable for a small number of key senior executives to ensure continuity and delivery of our transformation initiatives. These payments are discretionary and subject to approval by the Board.

## Long-term performance target outcomes FY2017-19

Objective	Weighting %	Description of objective	Target achieved
Improve weekly claims cost benefit	20	Achievement of claim cost benefit	Target met
Improve operating cost benefit	40	Achievement of operating cost benefit	Target met
Improve customer NPS	40	Material improvements in customer NPS	50% achieved

## Measuring performance

icare has implemented a balanced scorecard approach to measuring performance. This directly links performance to delivery of icare's strategic plan and informs any performance payments. The table below sets out the icare scorecard and outcomes for 2018-19.

Objectives	Description	Weighting %	Results	Performance rating
<b>CUSTOMER</b> Customer experience	The Net Promoter Score (NPS) is an index ranging from -100 to 100 that measures the willingness of customers to recommend icare's products or services to others. The key question is 'how likely is it that our customers would recommend the level of service provided by icare'. The targets are based on rolling 90-day results	30	3 out of 5 schemes exceeded or met their target	<b>Meets</b>
<b>PEOPLE</b> Employee Net Promoter Score (eNPS)	The eNPS is a survey available to everyone at icare and allows us to measure employee sentiment and advocacy regarding icare, along with suggestions on how we can continuously improve.	10	icare scored +20 against a target of +25	<b>Did not meet</b>
<b>PEOPLE</b> People Matter Engagement Survey (PMES)	The PMES is an engagement survey conducted annually for everyone working in NSW Public Sector. It is an opportunity for employees in the NSW public sector to have their say about icare, their manager, their team and their job.	5	icare scored 70% against a target of 65%	<b>Meets</b>
<b>PEOPLE</b> Leadership culture	A 360-degree survey conducted annually to assess the impact of senior leadership behaviour on icare's desired long-term culture.	5	Results delayed	<b>Not available</b>
<b>TRANSFORMATION</b> Efficient and effective delivery	The percentage of transformation milestones delivered against time and scope: <ul style="list-style-type: none"> <li>• 50% - Claims NISP releases</li> <li>• 50% - Other deliverables</li> </ul>	30	More than 80% of initiatives were delivered during FY19	<b>Meets</b>
<b>FINANCE</b> Controllable expenditure	Controllable operational expenditure to budget and in alignment with financial allocation principles.	20	Controllable operational expenditure was under-budget.	<b>Meets</b>
Overall rating				<b>Meets</b>

All members of the Group Leadership Team have performance objectives that are agreed with the icare Board, the CEO and Managing Director. The Board and management also have a strong focus on individuals' adherence to organisational values, risk awareness and compliance. Performance outcomes may be moderated by their assessment of these factors.

## Number of employees

Category	30 June 2019	30 June 2018	30 June 2017
Chief Executive	1	1	1
Group Leadership Team	13	10	11
Executives <sup>1</sup>	36	45	43
Non-executives	830	726	605
<b>Total</b>	<b>880</b>	<b>782</b>	<b>660</b>

1. 567 employees are female; 44 per cent of executives and GLT are female

## Numbers and remuneration of senior executives

Band	Gender 30 June 2019		Gender 30 June 2018		Range \$	Average remuneration 30 June 2019 \$	Average remuneration 30 June 2018 \$	Average remuneration 30 June 2017 \$
	F	M	F	M				
Band 4	2	5	1	5	475,151+	660,503	613,314	703,112
Band 3	9	12	8	9	337,101 - 475,150	375,516	378,059	374,632
Band 2	10	7	11	7	268,001-337,100	302,517	295,474	295,681
Band 1	1	4	5	10	187,900-268,000	260,845	240,022	230,790
<b>Total</b>	<b>22</b>	<b>28</b>	<b>25</b>	<b>31</b>				

icare does not use the public service Senior Executive bands. Our Board of Directors sets our remuneration policy, which is outside the *Government Sector Employment Act 2013* (GSE Act). Outcomes are reflected above were we to align with GSE Act bands.

## Employee-related expenditure

The percentage of total employee-related salary expenditure in the reporting year that relates to senior executives is 15.2 per cent. This represents 5.7 per cent of full-time equivalent employees at year-end.

## Recognising excellence

A key part of our recognition program is our employee Hall of Fame, held in December. It's an opportunity to recognise those employees and teams who consistently go above and beyond in demonstrating both the commercial mind and the social heart at the centre of icare's purpose.

Winners are those who contribute to meaningful outcomes for our customers and community, and their pictures and stories are proudly displayed on the Wall of Fame in our Sydney office. An Honour Roll recognises achievements from previous years.



# Employment relations policies and practices

## icare policies and procedures

icare has policies and guidelines that support our ways of working. Policies that were reviewed and updated in 2018-19 are:

- Code of Conduct and Ethics
- Discrimination, Harassment and Bullying
- Grievance Handling
- Managing Misconduct
- Managing Performance
- Work Health and Safety
- First Aid
- Leave
- Leaving icare
- Performance Planning and Review
- Return and Recovery at Work
- Recruitment and Selection
- Study Assistance
- Working Flexibly.

## Consultative forums

Throughout 2018-19, the Joint Consultative Committee met to collaboratively discuss industrial concerns and other matters impacting our people.

## Salaries and allowances

icare has applied the NSW Wages Policy in varying the Insurance and Care NSW Award 2017 (the icare Award), which resulted in salaries and salary-related allowances being increased by 2.5 per cent for the 2018-19 financial year.

## Industrial Relations Commission of NSW

Apart from consent variations to the icare Award, no disputes or other matters have required the assistance of the Industrial Relations Commission of NSW.



# Our group leadership team

Our Group Leadership Team has wide-ranging strategic, financial, people engagement, risk and governance, and information technology experience across the insurance and care sectors. The CEO has allocated operational, financial and people functions and responsibilities to the GLT through icare's delegation framework.

## **John Nagle** **Chief Executive Officer and Managing Director**

John is a senior insurance executive with significant private and public-sector management experience. Prior to John's appointment as CEO of icare, his most recent executive roles were with Lumley Insurance as Chief Executive, and as Group Executive, Workers Insurance at icare from its inception in 2015.

John has helped transform icare into a customer-centric service, with improved efficiencies and a far more empathetic approach to service delivery. John embodies our DNA of commercial mind and social heart.

**Member – Customer, Innovation & Technology Committee**  
**Member – Foundation Committee**  
**Member – Investment & Asset Committee**  
**Member – People & Remuneration Committee.**

## **Dr Nick Allsop** **Group Executive, Care and Community**

Nick leads the Care and Community functions delivering services to icare customers requiring long-term support.

Having spent 20 years working in the insurance industry in corporate and consulting roles, Nick is passionate about developing high-performing teams and optimising customer outcomes. With a focus on strategic leadership and customer delivery, Nick blends icare's 'commercial mind and social heart' ethos into support for some of icare's most vulnerable customers.

Joining icare in 2015 as Chief Actuary, Nick led the actuarial and data and analytics functions before acting in the Chief Financial Officer role. As a qualified actuary Nick brings to icare a range of skills and financial expertise gained in both the public and private sectors.

Prior to joining icare, Nick was the General Manager Actuarial & Analytics at Allianz Australia and also held a number of roles at EY, PwC and the Accident Compensation Corporation in New Zealand. Nick holds a Ph.D. in Mathematics and is a Fellow of the Actuarial Institutes in Australia and the UK.

## **Rashi Bansal**

### **Group Executive, Organisational Performance**

Rashi is a senior insurance executive with more than 20 years' experience across strategy, operational planning, reporting and analysis, financial control, reinsurance, capital management, statutory reporting and projects. Rashi's focus is on leading and developing her team to deliver business outcomes.

She is a qualified actuary and has led finance and actuarial teams across both life and general insurance.

Prior to joining icare Rashi was Chief Actuary and Head of Finance at BT Financial Group. She also spent 10 years at PwC Consulting with a focus on long-tail insurance schemes including workers compensation and compulsory third-party insurance.

## **Amy Barouch**

### **Chief of Strategy and Transformation**

Amy is a transformational change driver, an entrepreneurial innovator and a passionate developer of people. Her talent is in driving sustainable transformation and profit and loss performance in environments that are complex, uncertain and rapidly changing.

Amy's experience spans corporate strategy, business and technology transformation and business operations leadership. She brings expertise in strategic direction-setting, digital innovation and new product development. In 2018 she was awarded the Chief Executive Women's scholarship to attend Harvard Business School.

Prior to joining icare, Amy held a number of corporate strategy and business line roles at NAB and Westpac, most recently developing and leading NAB's robo-advice business. She started her career in management consulting and has also lectured at the University of New South Wales in the schools of Banking & Finance and Organisation & Management.

Amy holds a Bachelor of Commerce with First Class Honours from the University of New South Wales.

## **Rob Craig**

### **Group Executive, Strategy and Enablement**

Rob leads icare's Business Technology, Customer Channels, Portfolio Optimisation and Strategy and Transformation teams.

Rob joined icare in November 2015, bringing with him 25 years' experience in senior positions in consumer, business and institutional banking, general insurance and wealth management. He has a passion for and expertise in strategic development, transformational programs, technology integration, and business product and process enhancement.

Rob has proven success at creative problem-solving, out-of-the-box thinking and improving the customer experience, with a demonstrated ability to successfully implement transformation in complex environments.

## **Don Ferguson**

### **Group Executive, Organisational Development and Delivery**

Don is the group lead for icare's Human Resources, Facilities and Communications and Stakeholder Engagement functions. His primary role is to enable icare to deliver its priorities by bringing a strategic focus to the support of our people, our communications and our relationships.

Don is known for his strengths in leadership and change management and previously, as Group Executive, Care and Community, led the integration of icare's Care functions.

He is a former General Manager of the NSW Lifetime Care and Support Authority; director of MS Australia and co-chairman of the Sargood Centre. Don holds a Master of Business Administration and is a Member of the Australian Institute of Company Directors.

## **Sara Kahlau**

### **Chief of Customer & Community**

Sara is an executive with experience spanning the commercial, public and not-for-profit sectors. With a background in consulting, she aims to improve customer experiences and outcomes by designing data-based solutions.

Sara has industry experience across general and life insurance, asset management, manufacturing and transport, with focus on growth strategies, customer centricity, and organisational efficiency.

In her role as Chief of Customer & Community, she leads the customer insights, customer experience design, research, and community engagement teams and the icare Foundation.

## **Sam Lawrence**

### **Chief of Staff**

Samantha is a senior governance professional with more than 12 years' experience managing services to boards and senior executives. Sam was the Company Secretary for icare from its inception in 2015, previously holding positions as Director, Office of the CEO and Board Secretary at Safety, Return to Work and Support, as well as Secretary of the Workers Compensation Insurance Fund Investment Board. Prior to her current role she led the establishment of the inclusion and diversity function at icare as the General Manager, Inclusion and Diversity.

Samantha brings extensive experience and expertise in the areas of governance, stakeholder management, change management and diversity and inclusion. She is the Executive Sponsor for Inclusion and Diversity at icare and has a passion for building inclusive workplaces that embrace and value individual and group differences within the workforce.

She has a Master of Business Administration and an Honours degree in Archaeology and is a member of the Australian Institute of Company Directors.

## **Sam Liston**

### **Chief Human Resources Officer**

Samantha is a senior human resources executive with over 20 years' experience supporting organisations to better manage their people during major technological disruption and change.

Prior to joining icare, Samantha was Director Engagement and Chief of Staff at the Australian Broadcasting Corporation and partnered with the broadcaster to deliver an internal people service delivery model covering remuneration, employee relations, change, recruitment, internal communications, succession, Indigenous employment and diversity, and an external engagement platform including media relations and community engagement.

Her extensive leadership experience has centred around human resources, employee relations, change management and people-centric strategies in commercial media and publicly listed companies.

Samantha is a trusted adviser to CEOs, leadership teams and boards. Her passion is creating great teams devoted to service delivery and results, and has an equal passion for getting the best out of people. She holds a Bachelor of Economics from the University of New South Wales.

## **Dai Liu**

### **Acting Chief Actuary**

Dai is a qualified actuary with over a decade of experience in general insurance and injury schemes. He has a proven track record of leading and delivering the actuarial component of major projects within finance and IT.

Joining icare in July 2016, Dai is currently acting as icare's Chief Actuary, leading the actuarial team in providing sound advice and insights. Dai is passionate about cutting through the complexity of actuarial analysis to deliver clear and fact-based advice.

Prior to joining icare, Dai worked as Reserving Actuary at Zurich Australia and was a manager at KPMG.

## Catherine Morgan

### General Counsel and Company Secretary

Catherine leads the provision of legal services to icare's service lines in administrative and commercial law, insurance and personal injury law. She is also Company Secretary to the icare Board and its Committees.

Catherine brings more than 25 years' experience as a senior lawyer, with strengths in administrative and government law and regulatory and legislative reform. She holds a Master degree in Law.

## Gavin Pearce

### Group Executive, Risk and Governance

Gavin joined icare in 2015 because he believed in its vision and purpose. Gavin takes a people-centred approach to his role as Group Executive Risk and Governance, working with the rest of the business to implement a fit-for-purpose risk management and governance framework.

Gavin is a senior insurance executive and qualified actuary who joined icare from Zurich Australia, where he was Chief Risk Officer. Before moving to Sydney in 2008, Gavin spent eight years at the Accident Compensation Corporation (ACC) in New Zealand, with his last role being Chief Actuary.

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

## Elizabeth Uehling

### Group Executive, Personal Injury

Beth is responsible for improving customer experience and support for the employers and workers.

With more than 20 years' experience in the insurance and finance sectors and nine in workers compensation, Beth leads the strategy and operations functions of icare, including distribution, underwriting and claims in some of Australia's largest general insurance and workers compensation organisations.

Most recently, Beth led the development of the new customer-focused service model that underpins icare's recent transformation. She has a Bachelor of Arts in International Management and a Masters of Business Administration majoring in Finance and Information Systems.

## Andrew Ziolkowski

### Group Executive, Prevention and Underwriting

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

Dedicated to enhancing customer experience and operational excellence, Andrew has a track record of innovation and integration. Prior to joining icare, Andrew held senior positions across regulatory management, product, underwriting, claims, actuarial and analytics.

## GLT members who exited icare in 2018-19

Name	Position	Exit date
Steve Hunt	Group Executive Self Insurance Transformation	20 July 2018
Tim Plant	Group Executive Insurance for NSW	27 July 2018
Terese Wood	Interim Chief Financial Officer	27 July 2018
Blazenka Skender	Chief Human Resources Officer	24 August 2018
Chris Koutoulas	Interim Group Executive Care and Customer	15 February 2019

# Our governance

We are governed by a Board of Directors consisting of the Chief Executive and eight independent non-executive directors, appointed by the NSW Treasurer

**A**ll decisions relating to the functions of icare are made by or under the authority of the icare Board. The constitution of our Board, its role and functions are set out in the *State Insurance and Care Governance Act 2015* and include:

- providing the Treasurer, as the responsible Minister, any information requested about the activities of icare
- keeping the Treasurer informed of the general conduct of icare's activities and of any significant developments in icare's activities
- determining general policies for icare and directing icare's CEO in relation to icare's activities
- undertaking any other function conferred or imposed on the Board by the *State Insurance and Care Governance Act 2015* or any other law.

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

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

The NSW Treasurer gave no written directions in 2018-19.

## icare acts and provides services for a number of statutory insurance schemes

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

icare also administers and provides services to other insurance and care schemes and the statutory bodies operating the schemes, including:

- Self Insurance (Insurance for NSW) which administers:
  - NSW Treasury Managed Fund
  - Construction Risks Insurance Fund
  - Transport Accidents Compensation Fund
  - Pre-Managed Fund Reserve
  - Governmental Workers Compensation Account
  - Residual Workers Compensation Liabilities of the Crown
  - Bush Fire Fighters Compensation Fund
  - Emergency and Rescue Workers Compensation Fund
  - Supplementary Sporting Injuries Fund
  - Home Building Compensation Fund (HBCF)
- Lifetime Care
- Dust Disease Care
- Sporting Injuries insurance
- Building Insurers' Guarantee Corporation.



NSW  
Art Gallery

icare's Chief Executive Officer is also the Chief Executive Officer of these statutory bodies (with the exception of the last two funds, which are not statutory bodies), all of which are governed by the Board.

icare recommends to the NSW Treasurer the Treasury Managed Fund investment strategy, in line with the risk and return objectives set by Treasury.

icare also determines the investment strategies for the funds administered by Workers Insurance, Dust Diseases Care, Lifetime Care, and Sporting Injuries Insurance and reports to the Treasurer on the investment performance of each of these funds.

icare submits a Statement of Business Intent to the NSW Treasurer each year that sets out icare's business plan for the next 12 months. The icare 2018-19 Strategic Plan is a summarised version of icare's Statement of Business Intent and provides a comprehensive yet concise summary of icare's strategy and execution plan. The icare 2018-19 Strategic Plan has been published on icare's website.

## Legislative Council Standing Committee on Law and Justice reviews

Under section 27 of the *State Insurance and Care Governance Act 2015*, the Standing Committee on Law and Justice is designated as the Legislative Council committee to supervise the operation of the insurance and compensation schemes established under New South Wales workers compensation and motor accidents legislation.

The Legislative Council Standing Committee on Law and Justice held its review of the Workers Compensation Scheme, and icare Group executives appeared before the Committee on 25 July 2018. The Committee reported to Parliament on 12 February 2019 on its review. The NSW Government response to the Committee's recommendations was tabled in Parliament on 12 August 2019.

The Standing Committee also held its reviews of the Dust Diseases Care Scheme and the Motor Accidents (Lifetime Care and Support) Scheme, and icare Group Executives appeared before the Committee on 25 January 2019. The Committee reported its reviews to Parliament on 26 February 2019. The NSW Government response to the Committee's recommendations from both reviews was tabled on 26 August 2019.

# Board of Directors

## Michael Carapet Chair

Michael was appointed Chair of the icare Board in September 2015 and reappointed as Chair in August 2018 for a three-year term

Michael has over 30 years' experience in banking and financial services gained across the major financial markets of the world, with extensive governance and board experience in private and government sectors.

Michael concurrently chairs Link Administration Holdings Ltd, Smartgroup Corporation Ltd, Adexum Capital Limited and the NSW Treasury Business Advisory Council.

Previous government roles include Chair of the SAS Trustee Corporation, the trustee for NSW State Super which manages over \$40 billion in investment funds, and of the Safety, Return to Work and Support Board. He also chaired the Review of Crown Land Management in NSW, was a Deputy Chair of Export Finance Insurance Corporation and a board member of the Clean Energy Finance Corporation.

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

**Chair – icare Board**  
**Member – Investment and Asset Committee**  
**Member – People and Remuneration Committee**

## Gavin Bell Deputy Chair

Gavin has been a Non-Executive Director on the icare Board since October 2015. He was appointed Deputy Chair in February 2018 and reappointed as Deputy Chair in August 2018 for a three-year term.

Gavin is currently a director of Smartgroup Corporation Ltd, Derribo Pty Ltd, IVE Group Limited (Bluestar) and a member of the Advisory Council of the Australian School of Business.

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

**Deputy Chair – icare Board**  
**Chair – People and Remuneration Committee**  
**Member – Customer, Innovation and Technology Committee**  
**Chair – Dust Diseases Board**

## John Nagle Chief Executive Officer and Managing Director

John was appointed as Chief Executive Officer and Managing Director in July 2018, after being in the role in an interim capacity from February 2018.

John is a senior insurance executive with significant private and public-sector management experience. Prior to his appointment as icare CEO in July 2018, John held executive roles with Lumley Insurance as Chief Executive, and as Group Executive, Workers Insurance at icare since its inception in 2015.

John embodies our DNA of commercial mind and social heart and has helped transform icare into a customer-centric organisation, with improved efficiencies and an empathetic approach to service delivery.

**Director – icare Support Solutions Pty Ltd**  
**Member – Investment and Asset Committee**  
**Member – People and Remuneration Committee**  
**Member – Foundation Committee**  
**Member – Customer, Innovation and Technology Committee**

## **Christine Bartlett** **Non-Executive Director**

Christine was appointed as a Non-Executive Director to the icare Board in February 2018 for a three-year term.

Christine is an experienced CEO and senior executive with extensive management and board experience. Christine's management skills were honed at IBM in senior executive roles spanning national, regional and global responsibilities at Jones Lang LaSalle as the Australian CEO and at the National Australia Bank, where she was Executive General Manager of Asset Servicing.

Christine currently chairs the Smith Family and is a non-executive director on the boards of Mirvac Ltd, GBST, Sigma Healthcare, TAL and Clayton Utz. She also sits on the Mirvac Risk and Audit Committee, the Sigma People and Remuneration Committee and Clayton Utz's Diversity and Inclusion Committee.

**Member – Audit and Risk Committee**  
**Member – People and Remuneration Committee**  
**Member – Customer, Innovation and Technology Committee**

## **Elizabeth Carr AM** **Non-Executive Director**

Elizabeth has been a Non-Executive Director on the icare Board since October 2015 and was reappointed in May 2018 for a three-year term.

Elizabeth holds numerous private, non-profit and education board positions, including Chair of St Catherine's Aged Care Services (NSW); Chair of St Marys Anglican Girls School (WA), and Vice-Chair of the Kokoda Track Foundation. Elizabeth also chairs the South Metropolitan College of TAFE (WA) and is a member of the NSW Department of Family and Community Services Audit and Risk Committee; WA's Environmental Protection Authority and the NSW Urban Growth Development Committee Audit & Risk sub-committee. Elizabeth was awarded the Order of Australia (AM) in the 2017 Queen's Birthday Honours 'for significant service to the community through voluntary contributions to the health, aged care, education and social services sectors.'

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

**Chair – Foundation Committee**  
**Member – People and Remuneration Committee**  
**Member – Audit and Risk Committee**

## **Peeyush Gupta AM** **Non-Executive Director**

Peeyush has been a Non-Executive Director on the icare Board since October 2015 and was reappointed in February 2018 for a three-year term.

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

Peeyush is Chair of Charter Hall Wale Ltd and a non-executive Director on the boards of National Australia Bank, SBS, Link Group, BNZ Life and QuintessenceLabs. He also serves as a Trustee of Western Sydney University and is on the Dean's Executive Committee at UNSW's Australian School of Business.

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

**Chair – Investment and Asset Committee**  
**Member – Customer, Innovation and Technology Committee**

## **Mark Lennon** **Non-Executive Director**

Mark has been a Non-Executive Director on the icare Board since October 2015 and was reappointed in May 2018 for a three-year term.

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

Mark is currently a Director of State Super Financial Services Australia Ltd, the Sydney Financial Forum and the McKell Institute, and a former director of First State Super and Chifley Financial Services.

He is also the President and Treasurer of the NSW Branch of the ALP.

**Member – Customer, Innovation and Technology Committee**

**Member – Foundation Committee**

**Member – Investment and Asset Committee**

## **Lisa McIntyre** **Non-Executive Director**

Lisa has been a Non-Executive Director on the icare Board since October 2015 and was reappointed in February 2018 for a three-year term.

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

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

**Chair – Customer, Innovation and Technology Committee**

**Member – Foundation Committee**

**Member – Audit and Risk Committee**

## **David Plumb** **Non-Executive Director**

David has been a Non-Executive Director on the icare Board since October 2015 and was reappointed in May 2018 for a three-year term.

David has over 30 years' experience in the financial services industry, as a director, executive and adviser in the wealth, asset management and insurance sectors.

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

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

**Chair – Audit and Risk Committee**

**Member – Investment and Asset Committee**

**Member – Foundation Committee**

# 2018-19 icare Board & committee meetings

Director	Board of Directors Meeting		Audit and Risk Committee		Investment and Asset Committee		People and Remuneration Committee		Customer, Innovation and Technology Committee		Foundation Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Michael Carapiet (Chair)	9	9	7	-	7	7	4	4	7	-	4	-
Gavin Bell (Deputy Chair)	9	9	7	-	7	-	4	4 <sup>5</sup>	7	7	4	-
Christine Bartlett	9	8	7	4 <sup>1</sup>	7	3 <sup>3</sup>	4	4	7	5	4	-
Elizabeth Carr	9	9	7	6	7	-	4	3	7	-	4	4 <sup>5</sup>
Peeyush Gupta	9	8	7	-	7	7 <sup>5</sup>	4	-	7	7	4	-
Mark Lennon	9	9	7	3 <sup>2</sup>	7	3 <sup>4</sup>	4	-	7	6	4	4
Lisa McIntyre	9	9	7	6	7	-	4	-	7	7 <sup>5</sup>	4	4
John Nagle <sup>6</sup>	9	9	7	7 <sup>6</sup>	7	7	4	4	7	7	4	3
David Plumb	9	9	7	7 <sup>5</sup>	7	7	4	-	7	-	4	4

## Footnotes

1. ARC member from November 2018 - present
2. ARC member July – September 2018
3. IAC member from July – September 2018
4. IAC member from October 2018 - present
5. Chair
6. John Nagle attends the Audit and Risk Committee as CEO but is not a member

# Dust Diseases Board

As provided for in the *Workers Compensation (Dust Diseases) Act 1942*, the Dust Diseases Board has been established to carry out a specific function relating to the determination of dust disease-related grants to make a significant contribution to the prevention and treatment of dust diseases.

The Board's functions under the *Workers Compensation (Dust Diseases) Act 1942* are to make grants from the Workers Compensation Dust Diseases Fund.

The Board is authorised to make grants from the Fund:

- grants for the purpose of clinical or research work relating to the prevention and treatment of dust diseases or for any other purpose relating to the prevention and treatment of dust diseases
- grants for the purpose of helping groups or organisations that provide support for victims of dust diseases or their families.

In 2018-19 the Dust Disease Board held four meetings. Members and their attendance are outlined in the table below.

## 2018-19 Dust Diseases Board meetings<sup>1</sup>

Name	Held	Number of meetings attended
Gavin Bell (Chair)	5	5
Brian Eichhorn	5	5
Ray Petty	5	5
Steve Robinson	5	5
Sylvia Kidziak	5	5
Barry Robson	5	3 – apology at Dec. 2018 and April 2019 meetings
Ben Kruse	5	5
Rod Smith	5	5
Dr Susan Miles	5	5
Prof. Ken Takahashi	5	4 – apology at Sept. 2018 meeting
Vanessa Seagrove	5	5

1. An additional round table planning day was held in December to develop a new strategy.



From top left:  
David Plumb, Mark  
Lennon, Christine Bartlett,  
Peeyush Gupta AM,  
Gavin Bell, Lisa McIntyre,  
Michael Carapiet, John  
Nagle, Elizabeth Carr AM.

# Our risk management approach

Over the 2018-19 financial year icare maintained standards required by Risk Management Standard AS/NZS ISO 31000 and the NSW Treasury's Internal Audit and Risk Management Policy for the NSW Public Sector (TPP15-03). Where pertinent, we also applied the Australian Prudential Regulatory Authority standards and practices.

## Risk management strategy

icare's Risk Management Strategy articulates the approach to and guiding principles of our risk management – its framework, key policies, roles and responsibilities. More broadly, it also incorporates our governance and internal culture, which contribute to delivering icare's organisational objectives and is shown below.

Risks and opportunities			
	Description	Overview of response	Management approach
<b>External</b>	External events or activities which are outside our control or beyond direct ability to influence.	Monitor / Detect / Adapt and / or build resilience to reduce impact.	Facilitated by Risk and Governance together with Strategy and Transformation.
<b>Strategic</b>	Higher level risks and opportunities taken for superior strategic benefit.	Identify and manage in pursuit of our strategic objectives.	Facilitated by Risk and Governance with assistance / input from the Service and Enabling lines.
<b>Operational</b>	Lower level risks and opportunities which are preventable and arise from within an organisation. Should be cost effectively controlled, eliminated or avoided.	Monitor operational processes and controls. Identify potential risks and manage these to mitigate their impact.	Undertaken by the Service and Enabling lines with support from Risk and Governance.
<b>Risks and opportunities should be assessed based on their impact on:</b>			<ul style="list-style-type: none"><li>• Financial wellbeing</li><li>• Customers</li><li>• Reputation</li><li>• Operations</li></ul>

# Risk management framework

Our Risk Management Framework is the totality of structures, systems and processes within our organisation that allow us to identify, assess, respond, monitor, report and/or communicate all internal and external risks that could occur, from taking advantage of an opportunity to having a material impact on our operations.

Our employees and organisational culture are central to the Risk Management Framework and its continuing maturity. We seek to positively influence risk aware decision making, and those elements that underpin our culture: our values, beliefs, attitudes and behaviours. This is evidenced in a number of our initiatives outlined below.

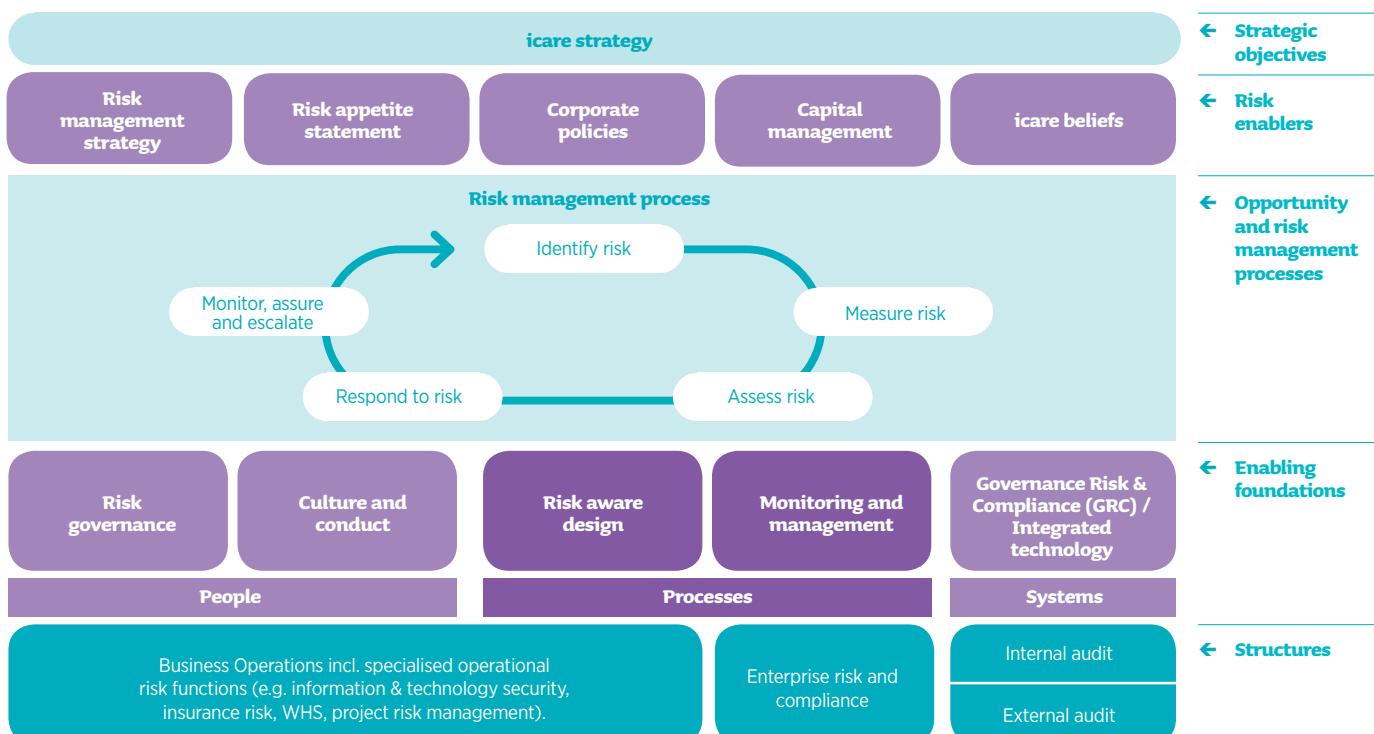
Our regular functional risk assessments assess the probability and severity of operational risks, and provide each area of the organisation with risk and control information. By prioritising actions, highlighting opportunities and allocating accountability they contribute to a robust risk culture.

Risk profiles are also generated across projects to increase the likelihood that objectives are met. Our Enterprise Risk Team oversees this activity and supports the business in their management.

Management and risk committees actively monitor and respond to risks specific to service lines or risk categories. Additional measures are also in place to facilitate better measurement of risks, prioritise effort and help deliver the icare strategy. Some are described in the diagram below, the main features being:

- an enterprise-wide governance, risk and compliance system that captures and informs risk, risk controls, assurance and incident reporting
- a common risk matrix that ensures a consistent means to measure risk based on icare's values and incorporating APRA standards
- an active icare Strategic Risk Profile with accountabilities aligned to the Group Leadership Team. Quarterly reviews are facilitated by Enterprise Risk, with icare's Group Executives and other key stakeholders
- quarterly risk reporting to the Board's Audit and Risk Committee that reports on the identification and management of external, strategic and operational risks in line with the Risk Management Strategy.

We continue to review elements of our Risk Management Framework for sound governance and continuous improvement.





## **Risk appetite and reporting**

The Board's Audit and Risk Committee regularly assesses the effectiveness of the organisation's risk management framework and the robustness of its control environment to help the Board fulfil its corporate governance and oversight responsibilities.

Quarterly reporting to the Audit and Risk Committee includes the Risk Appetite Dashboard that measures performance relative to the Board's Risk Appetite Statement (RAS). The RAS, supported by appropriate governance infrastructure, establishes acceptable risk thresholds for our operations and, together with the Risk Management Strategy, informs icare's business planning cycle. An integral part of the regular business plan performance process and a key governance document, it is responsive to changing market challenges and opportunities and guides management in material decision-making. It also provides the Board periodic assurance via the Chief Executive Officer (or nominated representative) that its risk appetite requirements are being met. The RAS is subject to annual review and approval by the Board and updated in line with changing requirements and emerging experience.

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

## **Business continuity management**

We are committed to ensuring that our critical business processes can continue should a serious unplanned incident disrupt normal business activity.

This means having plans, systems and capabilities in place to ensure the organisation can respond to and recover from any interruption, including but not limited to, people, facilities, equipment, information technology, telecommunications and suppliers.

The approach and methodology of icare's Business Continuity Policy Guideline has been developed in alignment with the generally accepted best practice approaches outlined in:

- International Standard ISO 22301 – Societal Security – Business Continuity Management Systems – Requirements
- International Standard ISO 22313 – Societal Security – Business Continuity Systems Guidance
- APRA Prudential Standard CPS 232 Business Continuity Management.

## Public interest disclosures

We maintained our Reporting Wrongdoing Policy in 2018-19, which is available to all employees on our intranet. In line with our organisation's values, the CEO has acted to ensure employees are aware of their rights and responsibilities under the *Public Interest Disclosure Act 1994* through activities such as induction, online compliance training and internal communications.

Full statistical disclosure can be found on p.118.

## Insurance activities for icare

icare's insurance premiums for 2018-19 totalled \$539,066.95 (GST included) across workers compensation, property, liability, motor and miscellaneous categories. Directors' and officers' liability is covered under the Statement of Cover.



# Appendices

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# Appendix 01

## Legislation

### icare

#### Principal legislation

*State Insurance and Care Governance Act 2015*

#### Regulations

State Insurance and Care Governance Regulation 2015

#### Amending legislation

*Government Sector Finance Legislation (Repeal and Amendment) Act 2018.* Assented to 22.11.2018

Date of commencement of Sch 3, 1.12.2018, sec 2 (1) and 2018 (673) LW 30.11.2018; date of commencement of Sch 4.76: not in force.

*Workers Compensation Legislation Amendment Act 2018* – Assented to 20.10.2018

Date of commencement of Sch 7.1, assent, sec 2 (3).

## Insurance for NSW

#### Principal legislation

*NSW Self Insurance Corporation Act 2004*

#### Regulations

NSW Self Insurance Corporation Regulation 2015

Public Finance and Audit Regulation 2015

#### Amending legislation

*Home Building Amendment (Compensation Reform) Act 2017.* Assented to 27.6.2017

Date of commencement of Sch 2.6, 1.1.2018

*Government Sector Finance Legislation (Repeal and Amendment) Act 2018.* Assented to 22.11.2018

Date of commencement of Sch 3, 1.12.2018, sec 2 (1) and 2018 (673) LW 30.11.2018; date of commencement of Sch 4.76: not in force.

## Workers Insurance

#### Principal legislation

*Workers Compensation Act 1987*

No 70, Part 4 and Division 1A of Part 7

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

#### Amending legislation

*Coal Industry Amendment Act 2018* assented to 23.5.18 to commence 1.7.18. The Coal Industry Act was amended to extend the application of the Act with respect to Workers Compensation to all workers employed in or about a coal mine.

Workers Compensation (Indexation of Amounts) Amendment Order 2018 commenced 1.4.18

*Motor Accident Injuries Act 2017.* Assented to 4.4.2017.

Date of commencement of Sch 5, 1.12.2017, sec 1.2 and 2017 (638) LW 22.11.2017

*Statute Law (Miscellaneous Provisions) Act 2017.* Assented to 1.6.2017.

Date of commencement of Sch 3, 7.7.2017, sec 2 (3).

*Coal Industry Amendment Act 2018.* Assented to 23.5.2018.

Date of commencement, 1.7.2018, sec 2 and 2018 (362) LW 29.6.2018.

*Miscellaneous Acts Amendment (Marriages) Act 2018.* Assented to 15.6.2018.

Date of commencement, assent, sec 2.

Workers Compensation (Latest Index Number) Regulation (No 2) 2017. LW 15.9.2017.

Date of commencement, 1.10.2017, cl 2.

Workers Compensation Amendment (Latest Index Number) Regulation 2018. LW 16.3.2018.

Date of commencement, 1.4.2018, cl 2.

*Workers Compensation Legislation Amendment Act 2018.* Assented to 26.10.2018.

Date of commencement of Schs 1.1, 2.1 and 7.2, 1.1.2019, sec 2 (1) and 2018 (728) LW 14.12.2018; date of commencement of Sch 3: not in force; date of commencement of Sch 5, 1.12.2018, sec 2 (2); date of commencement of Schs 6 and 8 assent, sec 2 (3).

*Workers Compensation Legislation Amendment (Firefighters) Act 2018.* Assent to 28.11.2018. Date of commencement of Sch 1 [1] and [2], 7.12.2018, sec 2 (1) and 2018 (701) LW 7.12.2018; date of commencement of Sch 1 [3] – [6], assent, sec 2 (2).

Workers Compensation Amendment Regulation 2018. LW 14.12.2018

Date of commencement of Sch 2, 1.1.2019, cl 2.

*Emergency Services Legislation Amendment Act 2018.* Assented to 26.10.2018. Date of commencement of Sch 5, assent, sec 2 (1).

*Statute Law (Miscellaneous Provisions) Act (No 2) 2018.* Assented to 31.10.2018. Date of commencement of Schs 2.35 & 2.6, 8.1.2019, sec 2 (1).

*Government Sector Finance Legislation (Repeal and Amendment) Act 2018.* Assented to 22.11.2018. Date of commencement of Sch 3, 1.12.2018, sec 2 (1) and 2018 (673) LW 30.11.2018; date of commencement of Sch 4.123 [1]: not in force; date of commencement of Sch 4.123 [2], 1.12.2018, sec 2 (1) and 2018 (673) LW 30.11.2018.

*Workers Compensation Legislation Amendment (Firefighters) Act 2018* Assented to 28.11.2018

Date of commencement Sch 2, 7.12.2018, Sec 2(1) and 2018 (701) LW 7.12.2018

## Lifetime Care

### Principal legislation

*Motor Accidents (Lifetime Care and Support) Act 2006*  
*Motor Accident Injuries Act 2017*

### Regulations

*Motor Accidents (Lifetime Care and Support) Regulation 2015*  
*Motor Accident Injuries Regulation 2017*

### Amending legislation

In respect of the *Motor Accidents (Lifetime Care and Support) Act 2006*:

*Government Sector Finance Legislation (Repeal and Amendment) Act 2018.* Assented to 22.11.2018. Date of commencement of Sch 3, 1.12.2018, sec 2 (1) and 2018 (673) LW 30.11.2018; date of commencement of Sch 4.68: not in force.

In respect of the *Motor Accident Injuries Act 2017*:

*Miscellaneous Acts Amendment (Marriages) Act 2018.* Assented to 15.6.2018. Date of commencement, assent, sec 2.

*Statute Law (Miscellaneous Provisions) Act 2018.* Assented to 15.6.2018. Date of commencement of Sch 1.17, 14 days after assent, sec 2 (1).

*Workers Compensation Legislation Amendment Act 2018.* Assented to 26.10.2018. Date of commencement of Schs 6 and 8, assent, sec 2 (3).

*Statute Law (Miscellaneous Provisions) Act (No 2) 2018.* Assented to 31.10.2018. Date of commencement of Sch 1.19, 8.1.2019, sec 2 (1).

*Government Sector Finance Legislation (Repeal and Amendment) Act 2018.* Assented to 22.11.2018. Date of commencement of Sch 3, 1.12.2018, sec 2 (1) and 2018 (673) LW 30.11.2018; date of commencement of Sch 4.68: not in force.

Motor Accidents Injuries Amendment Regulation 2019. LW 1.2.2019. Date of commencement, on publication on LW, cl 2.

In respect of the Motor Accident Injuries Regulation 2017:

Motor Accidents Injuries Amendment Regulation 2019. LW 1.2.2019. Date of commencement, on publication on LW, cl 2.

## Dust Diseases

### Principal legislation

*Workers' Compensation (Dust Diseases) Act 1942*

### Regulations

Workers' Compensation (Dust Diseases) Regulation 2018

### Amending legislation

In respect of the *Workers' Compensation (Dust Diseases) Act 1942*:

*Miscellaneous Acts Amendment (Marriages) Act 2018* assented to 15.06.2018. Date of commencement, assent, sec 2.

*Government Sector Finance Legislation (Repeal and Amendment) Act 2018.* Assented to 22.11.2018. Date of commencement of Sch 3, 1.12.2018, sec 2 (1) and 2018 (673) LW 30.11.2018.

## Sporting Injuries Insurance

### Principal legislation

*Sporting Injuries Insurance Act 1978*

### Regulations

Sporting Injuries Insurance Regulation 2014

### Amending legislation

*Government Sector Finance Legislation (Repeal and Amendment) Act 2018.* Assented to 22.11.2018.

Date of commencement of Sch 3, 1.12.2018, sec 2 (1) and 2018 (673) LW 30.11.2018.

*Statute Law (Miscellaneous Provisions) Act 2019.* Assented to 17.6.2019.

Date of commencement of Sch 2.29, 14 days after assent, sec 2 (1).

## Building Insurers' Guarantee Corporation

### Principal legislation

*Home Building Act 1989 (Part 6A)*

### Regulations

Home Building Regulation 2014

### Amending legislation

*Home Building Amendment (Compensation Reform) Act 2017.* Assented to 27.6.2017

Date of commencement of Sch 2.6, 1.1.2018, sec 2 and 2017 (701) LW 15.12.2017

## Appendix 02

# Government, Privacy and Health Information applications

## Health, Privacy and Personal Information applications

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

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

Examples of the personal details of individuals with whom icare has contact includes names, dates of birth, residential addresses, driver's licence details, financial details, bank account details, wage records, work history, medical certificates and health details. The Privacy Management Plan, which can be accessed on icare's website, guides icare staff in the management of personal and health information.

icare continues to consider privacy issues in the development and continuous improvement of systems, policies, procedures and guidelines, with particular emphasis on the collection and use of personal information and the development of best practice systems.

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

icare did not receive any requests to amend records or requests for access to personal information under the PPIP Act. However, icare did receive eleven access requests for information under the HRIP Act. No privacy matters were decided by the NSW Civil and Administrative Tribunal or investigated by the NSW Privacy Commissioner.

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

In 2018-19, one internal review application made under the PPIP and HRIP Acts was received by icare and managed by icare's Privacy Officer. In addition, three complaints were managed and resolved without recourse to a formal application.

During the reporting year, icare reviewed privacy practices across its service lines to create one icare privacy reporting stream. Internal consultation and further work is continuing to ensure this instrumental work endures. Privacy Awareness Week (PAW) was celebrated with a range of activities to remind employees to 'be privacy aware @ icare.' Activities included: a range of animated screensavers and digital screens providing privacy tips; a newsletter article, privacy banners, intranet carousel reminders, organisation-wide emails, and webinars (which attracted a high level of engagement across icare). We also registered as a privacy champion with the Information and Privacy Commission. These activities reminded employees about the importance of keeping privacy front of mind when completing day-to-day work. Further resources released on icare's intranet and the mandatory privacy awareness e-learning module released last year continue to reinforce the 'think privacy' ethos.

## Government Information (Public Access) applications

### 1. Review of proactive release program – Clause 7(a)

icare is committed to ensuring the public's right to information meets the requirements of the *Government Information (Public Access) Act 2009* (GIPA Act), and that responses to other requests for information are handled effectively. icare is currently reviewing its programs to ensure that information which is in the public interest and assists people with access to services is made publicly available via the icare website.

icare provides information about major plans and services to individuals, families and carers and service providers. Other information is also proactively released via the icare website; for example, policies, resources, factsheets, pamphlets, reports, plans, papers, newsletters and statistical information. icare is building a register of government contracts, as required by the GIPA Act.

## 2. Number of access applications received – Clause 7(b)

During 2018-19, icare received a total of 165 formal access applications (including withdrawn applications but not invalid applications).

Number of refused applications for Schedule 1 information – Clause 7(c)

During the reporting period, icare refused a total of 33 access applications either wholly or in part because the information requested was information referred to in Schedule 1 to the GIPA Act. Of those applications, one was refused in full and 32 were refused in part.

## 3. Statistical information about access applications – Clause 7(d) and Schedule 2

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	2	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	2	4	0	0	0	0	0	0
Not-for-profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	18	78	1	15	0	0	0	9
Members of the public (other)	31	18	1	1	0	1	0	3

\*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	44	90	1	12	0	0	0	12
Access applications (other than personal information applications)	7	11	1	4	0	1	0	0
Access applications that are partly personal information applications and partly other	0	1	0	0	0	0	0	0

\*A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual). PLEASE NOTE: The total number of decisions in Table B should be the same as Table A.

**Table C: Invalid applications**

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	38
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	38
Invalid applications that subsequently became valid applications	11

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

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	30
Excluded information	2
Documents affecting law enforcement and public safety	1
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

\*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

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

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	69
Business interests of agencies and other persons	5
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timeliness**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	158
Decided after 35 days (by agreement with applicant)	2
Not decided within time (deemed refusal)	1
<b>Total</b>	<b>161</b>

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

	Decision varied	Decision upheld	Total
Internal review	0	3	3
Review by Information Commissioner*	0	1	1
Internal review following recommendation under section 93 of Act	1	0	1
Review by NCAT	0	0	0
<b>Total</b>	<b>1</b>	<b>4</b>	<b>5</b>

\*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

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

	Number of applications for review
Applications by access applicants	5
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

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

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

## Appendix 03

### Public interest disclosures

The icare Reporting Wrongdoing Policy came into effect on 1 July 2016, which superseded the internal reporting policy of the former entities. Awareness activities within the current reporting period (1 July 2018 to 30 June 2019) included:

- continued publication of the Reporting Wrongdoing Policy on icare's intranet – HUGO
- continued employee awareness training – Fraud and Corruption Awareness online training module to support the Reporting Wrongdoing Policy.

Report to the NSW Ombudsman Reporting period 1 July 2018 – 30 June 2019			
	Made by public officials performing their day-to-day functions	Under a statutory or other legal obligation	All other PIDs
No. of public officials who made public interest disclosures to your public authority	0	0	1
No. of public interest disclosure received by your public authority	0	0	1
Of public interest disclosures received, how many were primarily about:			
Corrupt conduct	0	0	0
Maladministration	0	0	1
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0
No of public interest disclosures (received since 1 Jan 2012) that have been finalised in this reporting period		4	
Have you established an internal reporting policy?		Yes	
Has the head of your public authority taken action to meet their staff awareness obligations?		Yes	
If so, please select how staff have been made aware	Training provided by icare, links on icare's intranet site, and training provided to new employees during induction.		

## Appendix 04

### Accounts payable performance

Accounts payable summarised in this section do not include claims payments.

#### Insurance and Care (icare) accounts payable performance

##### Payments of accounts – All suppliers

Amounts outstanding to suppliers at the end of the quarter were:

2018-19	June quarter	March quarter	December quarter	September quarter
<b>Current</b>	\$11,051,644	\$5,666,224	\$4,525,241	\$2,263,910
<30 days overdue	\$0	\$0	\$0	\$0
>30 & <60 days overdue	\$0	-\$330,000	\$0	-\$2,054
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	-\$314	\$0	\$0

Amounts paid to suppliers at the end of the the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of accounts paid	<b>7,989</b>	<b>1,954</b>	<b>2,363</b>	<b>1,797</b>	<b>1,875</b>
Number accounts paid on-time	7,982	1,951	2,361	1,795	1,875
% accounts paid on-time (based on number of accounts)	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Dollar amount of accounts due for payment	<b>\$603,450,689</b>	<b>\$115,634,622</b>	<b>\$249,580,623</b>	<b>\$137,483,860</b>	<b>100,751,584</b>
Dollar amount of accounts paid on-time	\$603,299,039	\$115,559,622	\$249,577,310	\$137,410,523	\$100,751,584
% of accounts paid on-time (based on \$)	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Number of payments for interest on overdue accounts	0	0	0	1	0
Interest paid on overdue accounts	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,347</b>	<b>\$0</b>

## Payments of accounts – Small business suppliers

Amounts paid to identified small business suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of payments made	<b>63</b>	<b>58</b>	<b>4</b>	<b>1</b>	<b>0</b>
Number of accounts paid on-time	62	58	4	0	0
% accounts paid on-time (based on number of accounts)	<b>98%</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
Dollar amount of accounts due for payment	<b>\$870,294</b>	<b>\$724,280</b>	<b>\$73,414</b>	<b>\$72,600</b>	<b>\$0</b>
Dollar amount of accounts paid on-time	\$797,694	\$724,280	\$73,414	\$0	\$0
% of accounts paid on-time (based on \$)	<b>92%</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
Number of payments for interest on overdue accounts					
Interest paid on overdue accounts	<b>\$1347.14</b>	0	0	<b>\$1347.14</b>	0
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Note: Interest paid to small vendors in November 2018 for late payment made in the month of October 2018. We continue to monitor corporate payments and will resource the team appropriately if the volume increases

## Dust Diseases Care accounts payable performance

### Payments of accounts - All suppliers

Amounts outstanding to suppliers at the end of the quarter were:

2018-19	June quarter	March quarter	December quarter	September quarter
<b>Current</b>	\$396,813	\$41,564	\$33,763	\$5,500
<30 days overdue	\$0	\$0	\$0	\$0
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of accounts paid	178	47	48	41	42
Number accounts paid on-time	177	47	47	41	42
% accounts paid on-time (based on number of accounts)	99%	100%	98%	100%	100%
Dollar amount of accounts due for payment	\$15,915,523	\$2,817,458	\$3,127,268	\$3,756,774	\$6,214,022
Dollar amount of accounts paid on-time	\$15,896,412	\$2,817,458	\$3,108,157	\$3,756,774	\$6,214,022
% of accounts paid on-time (based on \$)	100%	100%	99%	100%	100%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0	\$0

### Payments of accounts – Small business suppliers

Amounts paid to identified small business suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of payments made	0	0	0	0	0
Number of accounts paid on-time	0	0	0	0	0
% accounts paid on-time (based on no. of accounts)	0%	0%	0%	0%	0%
Dollar amount of accounts due for payment	\$0	\$0	\$0	\$0	\$0
Dollar amount of accounts paid on-time	\$0	\$0	\$0	\$0	\$0
% of accounts paid on-time (based on \$)	0%	0%	0%	0%	0%
Number of payments for interest on overdue accounts					
Interest paid on overdue accounts	0	0	0	0	0
	\$0	\$0	\$0	\$0	\$0

Note: All payments to small businesses were made on time in accordance with the requirements of the Treasury Directive so no interest payments were due.

## Lifetime Care accounts payable performance

### Payments of accounts - All suppliers

Amounts outstanding to suppliers at the end of the quarter were:

2018-19	June quarter	March quarter	December quarter	September quarter
<b>Current</b>	\$702,693	\$328,322	\$339,655	\$17,978
<30 days overdue	\$0	\$0	\$0	\$0
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of accounts paid	<b>363</b>	<b>125</b>	<b>96</b>	<b>66</b>	<b>76</b>
Number accounts paid on-time	361	124	95	66	76
% accounts paid on-time (based on number of accounts)	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>
Dollar amount of accounts due for payment	<b>\$14,907,478</b>	<b>\$4,542,131</b>	<b>\$5,113,193</b>	<b>\$3,265,445</b>	<b>\$1,986,709</b>
Dollar amount of accounts paid on-time	\$14,880,688	\$4,536,019	\$5,092,515	\$3,265,445	\$1,986,709
% of accounts paid on-time (based on \$)	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Payments of accounts - Small business suppliers

Amounts paid to identified small business suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of accounts paid	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
Number accounts paid on-time	6	6	0	0	0
% accounts paid on-time (based on number of accounts)	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Dollar amount of accounts due for payment	\$60,279	\$60,279	\$0	\$0	\$0
Dollar amount of accounts paid on-time	\$60,279	\$60,279	\$0	\$0	\$0
% of accounts paid on-time (based on \$)	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Number of payments for interest on overdue accounts					
Interest paid on overdue accounts	0	0	0	0	0
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Note: All payments to small businesses were made on time in accordance with the requirements of the Treasury Directive so no interest payments were due.

## Treasury Managed Fund accounts payable performance

### Payments of accounts – All suppliers

Amounts outstanding to suppliers at the end of the quarter were:

2018-19	June quarter	March quarter	December quarter	September quarter
<b>Current</b>	\$395,180	\$366,620	\$2,736,259	\$562,895
<30 days overdue	\$0	\$0	\$0	\$0
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of accounts paid	<b>448</b>	110	126	65	147
Number accounts paid on-time	446	110	124	65	147
% accounts paid on-time (based on number of accounts)	<b>100%</b>	100%	98%	100%	100%
Dollar amount of accounts due for payment	<b>\$241,740,708</b>	<b>\$27,228,144</b>	<b>\$19,765,329</b>	<b>\$21,750,755</b>	<b>\$172,996,480</b>
Dollar amount of accounts paid on-time	\$240,589,840	\$27,228,144	\$18,614,461	\$21,750,755	\$172,996,480
% of accounts paid on-time (based on \$)	<b>100%</b>	100%	94%	100%	100%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Payments of accounts – Small business suppliers

Amounts paid to identified small business suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of accounts paid	<b>0</b>	0	0	0	0
Number accounts paid on-time	0	0	0	0	0
% accounts paid on-time (based on number of accounts)	<b>0%</b>	0%	0%	0%	0%
Dollar amount of accounts due for payment	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Dollar amount of accounts paid on-time	\$0	\$0	\$0	\$0	\$0
% of accounts paid on-time (based on \$)	<b>0%</b>	0%	0%	0%	0%
Number of payments for interest on overdue accounts					
Interest paid on overdue accounts	0	0	0	0	0

Note: All payments to small business were made on time in accordance with the requirements of the Treasury Directive so no interest payments were due.

## Workers insurance accounts payable performance

### Payments of accounts - All suppliers

Amounts outstanding to suppliers at the end of the quarter were:

2018-19	June quarter	March quarter	December quarter	September quarter
<b>Current</b>	\$11,014,848	\$55,488,184	\$72,779,304	\$68,075,146
<30 days overdue	\$0	\$0	\$0	\$19,800
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	-\$6,600
90 days & over	\$0	\$0	\$0	-\$6,600

Amounts paid to suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of accounts paid	<b>7,276</b>	<b>1,824</b>	<b>2,129</b>	<b>1,924</b>	<b>1,399</b>
Number accounts paid on-time	7,265	1,822	2,124	1,923	1,396
% accounts paid on-time (based on number of accounts)	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Dollar amount of accounts due for payment	<b>\$754,872,993</b>	<b>\$177,197,324</b>	<b>201,465,188</b>	<b>\$160,817,839</b>	<b>\$215,392,642</b>
Dollar amount of accounts paid on-time	\$754,544,569	\$177,051,314	201,313,537	\$160,799,689	\$215,380,030
% of accounts paid on-time (based on \$)	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Payments of accounts - Small business suppliers

Amounts paid to identified small business suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of accounts paid	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
Number accounts paid on-time	6	6	0	0	0
% accounts paid on-time (based on number of accounts)	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Dollar amount of accounts due for payment	<b>\$56,074</b>	<b>\$56,074</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Dollar amount of accounts paid on-time	\$56,074	\$56,074	\$0	\$0	\$0
% of accounts paid on-time (based on \$)	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Number of payments for interest on overdue accounts					
Interest paid on overdue accounts	0	0	0	0	0
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Note: All payments to small businesses were made on time in accordance with the requirements of the Treasury Directive so no interest payments were due

## Sporting Injuries accounts payable performance

### Payments of accounts - All suppliers

Amounts outstanding to suppliers at the end of the quarter were:

2018-19	June quarter	March quarter	December quarter	September quarter
<b>Current</b>	\$0	\$21,662	\$0	\$0
<30 days overdue	\$0	\$0	\$0	\$0
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of accounts paid	<b>17</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>4</b>
Number accounts paid on-time	17	8	3	2	4
% accounts paid on-time (based on number of accounts)	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Dollar amount of accounts due for payment	<b>\$129,483</b>	<b>\$42,440</b>	<b>\$1,237</b>	<b>\$42,955</b>	<b>\$42,851</b>
Dollar amount of accounts paid on-time	\$129,483	\$42,440	\$1,237	\$42,955	\$42,851
% of accounts paid on-time (based on \$)	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Payments of accounts - Small business suppliers

Amounts paid to identified small business suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of accounts paid	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Number accounts paid on-time	0	0	0	0	0
% accounts paid on-time (based on number of accounts)	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Dollar amount of accounts due for payment	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Dollar amount of accounts paid on-time	\$0	\$0	\$0	\$0	\$0
% of accounts paid on-time (based on \$)	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Number of payments for interest on overdue accounts					
Interest paid on overdue accounts	0	0	0	0	0

Note: All payments to small business were made on time in accordance with the requirements of the Treasury Directive so no interest payments were due.

## BigCorp accounts payable performance

### Payments of accounts - All suppliers

Amounts outstanding to suppliers at the end of the quarter were:

2018-19	June quarter	March quarter	December quarter	September quarter
<b>Current</b>	\$0	\$0	\$0	\$0
<30 days overdue	\$0	\$0	\$0	\$0
>30 & <60 days overdue	\$0	\$0	\$0	\$0
>60 days & <90 days	\$0	\$0	\$0	\$0
90 days & over	\$0	\$0	\$0	\$0

Amounts paid to suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of accounts paid	<b>29</b>	<b>3</b>	<b>8</b>	<b>5</b>	<b>13</b>
Number accounts paid on-time	29	3	8	5	13
% accounts paid on-time (based on number of accounts)	100%	100%	100%	100%	100%
Dollar amount of accounts due for payment	<b>\$230,793</b>	<b>\$19,550</b>	<b>\$28,400</b>	<b>\$32,134</b>	<b>\$150,709</b>
Dollar amount of accounts paid on-time	\$230,793	\$19,550	\$28,400	\$32,134	\$150,709
% of accounts paid on-time (based on \$)	100%	100%	100%	100%	100%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Payments of accounts - Small business suppliers

Amounts paid to identified small business suppliers at the end of the quarter were:

2018-19	2018-19 total	June quarter	March quarter	December quarter	September quarter
Number of accounts paid	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Number accounts paid on-time	0	0	0	0	0
% accounts paid on-time (based on number of accounts)	0%	0%	0%	0%	0%
Dollar amount of accounts due for payment	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Dollar amount of accounts paid on-time	\$0	\$0	\$0	\$0	\$0
% of accounts paid on-time (based on \$)	0%	0%	0%	0%	0%
Number of payments for interest on overdue accounts					
Interest paid on overdue accounts	0	0	0	0	0

Note: All payments to small businesses were made on time in accordance with the requirements of the Treasury Directive so no interest payments were due.

## Appendix 05

### Overseas travel

Date of travel	Name	Destination	Purpose	Cost (\$)
15-21 September 2018	N. Agius	London, UK	To represent icare at reinsurer meetings in relation to the WestConnex Stage 3b placement and ensure that CRIF accesses appropriate capacity for this large program, minimise counter-party security risk through accessing a wide range of highly-rated insurers / reinsurers and ensure appropriate technical support to the placement.	11,172
1-4 October 2018	E. Uehling	Virginia, USA	To represent icare at the International Association of Industrial Accident Boards and Commissions Convention with a focus on trends of, and responses to, abuse and pain management medication (opioid abuse), the use of transformative technology such as AI and robotics, and dispute resolution (mediation).	16,401
13-18 October 2018	J. Nagle T. Abbott T. Moore E. Uehling	Las Vegas	To represent icare at the Guidewire Connections Conference who provide the software used by icare's new workers insurance policy administration system, in line with its commitment to deliver a consistent, high-quality customer experience.	Paid by Guidewire. 13,395 11,923 16,401
15-16 November 2018	S. Kahlau B. Carmichael	Auckland, New Zealand	To represent icare when meeting with our Net Promoter Score provider, Perceptive.	Paid by Perceptive. Paid by Perceptive.
6-8 May 2019	F. Bouzo	San Francisco, USA	To represent icare at the Annual Okta Conference, Oktane1 and obtain further direction and support to the Identity and Access Management (IDAM) program, which is a key initiative within icare's wider IT cyber security uplift.	Paid by Okta.
7-21 May 2019	A. Ziolkowski G. Henderson	Singapore and London	icare has an annual requirement to meet with the reinsurers to place the 2019-20 TMF Reinsurance Program, which protects the physical assets and potential legal liabilities of the NSW Government.	10,582 10,582
13-24 May 2019	C. Colquhoun	Boston, USA	To represent icare at the International Leadership Development Program for Physicians to participate in focused training in management and leadership, engage with physician leaders from diverse international health care organisations who face similar challenges, and benefit from open exchanges of ideas and unique insights into how to be an effective physician leader.	21,094
13-20 June 2019	S. Kahlau L. McIntyre C. Bartlett	Israel	To represent icare at the Australia-Israel Chamber of Commerce (AICC) 2019 Women Leaders Trade Mission to explore adjustment and transition in the digital & technological age and the role of well-designed 21st century cities, with a focus on innovation precincts, cyber culture and capabilities that continue to make Israel a frontrunner in global innovation and entrepreneurial success. icare provided partial funding for board members L. McIntyre and C. Bartlett to attend.	17,388 5,000 5,000
17-27 June 2019	C. Howe	United Kingdom	To represent icare at the Occupational Health conference and meetings with prevention, rehabilitation and quality-of-life experts.	Flights, accommodation and expenses were self-funded by C. Howe.
<b>Total</b>				<b>138,938</b>

# Appendix 06

## Consultants

### icare consultants

Vendor	Description	Vendor total \$
Deloitte Touche Tohmatsu	TMF product review – current state and industry comparison, including design options and implementation	614,301.00
Finity Consulting Pty Ltd	Review of personal injury exposures in NSW	480,000.40
Price Waterhouse Coopers Consulting	Review of underwriting processes and governance	230,418.05
MU Sigma Australia Pty Ltd	Scope of this SOW restricts work only to Insurance and Care NSW – Personal Injury Claims – Return to work and support (existing claims); herein referred to as icare PI-RTWS (existing claim)	226,211.68
Ernst & Young	Cyber risk and privacy assessment	219,283.00
Bevington Group	Future state process design for Employer Engagement	216,287.75
KPMG Forensic Pty Ltd	Forensic advice on claims	206,899.87
Puzzle Partners Consulting Pty Ltd	Support implementation of activity-based working	165,640.00
Conversant Asia Pacific Pty Ltd	Synergy program: design and delivery costs	135,755.08
Drake Workwise Pty Ltd	Counselling support	117,535.00
KPMG	Review icare target operating model design	107,131.57
Allison Group Consulting	Reinsurance review	90,000.00
Bevington Group	Evaluate and review the current complaints management process and provide advice on the redesign.	81,600.00
Protiviti Pty Ltd	Advisory and assurance services	68,198.00
Athena Management Consulting Pty Ltd	Review of Injury Prevention and Pricing team and Policy Support Centre	64,295.00
Full Circle Group Asia Pacific Pty	Executive coaching	52,640.00
Total greater than \$50,000		3,076,196.40
Plus 73 consultants \$50,000 and under		687,239.20
<b>Total contractors</b>		<b>3,763,435.60</b>

## Scheme consultants - Insurance for NSW

Vendor	Description	Vendor total \$
Total greater than \$50,000		0.00
Plus one consultant \$50,000 and under		24,581.00
<b>Total contractors</b>		<b>24,581.00</b>

## icare actuarial fees

Vendor	Description	Vendor total \$
Finity Consulting Pty Ltd	Actuarial services under contract for Insurance for NSW	2,596,717.50
Ernst & Young	Actuarial services under contract for Insurance for NSW	1,672,530.60
Finity Consulting Pty Ltd	Actuarial services under contract for Workers Insurance	2,098,894.50
Price Waterhouse Coopers Consulting	Actuarial services under contract for Insurance for NSW	654,845.92
Price Waterhouse Coopers Consulting	Actuarial services under contract for Lifetime Care	652,601.10
Price Waterhouse Coopers Consulting	Actuarial services under contract for Workers Insurance	262,111.42
Price Waterhouse Coopers Consulting	Actuarial services under contract for HBCF	261,656.59
Price Waterhouse Coopers Consulting	Actuarial services under contract for Dust Diseases Care	241,147.60
Price Waterhouse Coopers Consulting	Services provided as Actuarial Manager	178,100.00
Taylor Fry Consulting Actuaries	Actuarial advice in the production of static claims triage models	93,411.78
Price Waterhouse Coopers Consulting	Actuarial services under contract for Motor Accidents Injuries Treatment & Care Benefits Fund	88,489.36
Finity Consulting Pty Ltd	Actuarial advice in relation to Firefighters Presumptive Cover	81,417.00
Finity Consulting Pty Ltd	Actuarial services in relation to wages declaration process	52,600.00
Total greater than \$50,000		8,934,523.37
Plus three actuarial fees \$50,000 and under		74,196.61
<b>Total contractors</b>		<b>9,008,719.98</b>

# Appendix 07

## Grants

### icare Foundation grants

Partner	Investment	2018-19 latest view	Nature of work
Agency for Clinical Innovation (ACI)	VIP - Phase 2	\$126,394.00	Expand implementation of the Vocational Intervention Program (VIP) as a collaboration between the NSW Brain Injury Rehabilitation Program (BIRP) and vocational providers for a further three years (2017 – 2020) and to develop pathways into employment for young people transitioning from school.
Agency for Clinical Innovation (ACI)	Specialised pain clinics for people with SCI and/or TBI	\$155,796.90	The development and piloting of a specialised multi-disciplinary pain clinic for people with TBI or SCI in NSW. The clinics will rotate across metropolitan and regional brain and spinal units and will include a telehealth service to ensure coverage across NSW.
Australian Paralympic Athletes	Back on Track	\$88,247.03	Partnering with Australian Paralympic athletes with seriously injured young people (selected from icare's various care and support schemes) in a seven-month mentoring program that seeks to assist mentees on the recovery journey.
CareFlight	Rapid Trauma Helicopter service	\$450,000.00	Maintenance of CareFlight's current Rapid Response helicopter in order to comply with relevant safety regulations.
Carers NSW	Adult carer coaching	\$170,088.00	Provision of support services to children, siblings and family carers of severely injured people, to increase their resilience, knowledge, connections and wellbeing.
Carers NSW	Young Carer Support	\$49,737.00	Provision of support services to children, siblings and family carers of severely injured people, to increase their resilience, knowledge, connections and wellbeing.
CEC	Competency Assessment App	\$40,000.00	Trial of the use of a mobile application-based system for the documentation of trainees' competencies. This project will test the impact of the mobile app-based system on the assessment and documentation of the clinical competencies of surgical Senior Resident Medical Officers (SRMOs) for the safe delegation and escalation of clinical care in NSW public hospitals.
CoAct	Holistic Intensive Support for Motivation and Work	\$395,640.00	Holistic Intensive support for motivation and work to a group of long-term Injured workers via one-on-one intensive assistance/support with job readiness and sourcing employment in addition, pre and post-employment placement.
Craig's Table NSW	Craig's Table	\$288,390.00	Establish the first injured workers social hub in NSW to create commercial and social value by supporting injured workers to re-connect to community and return to work. Based on a successful model in SA.
Everymind (HIMH)	Digital innovation & small business mental health	\$118,000.00	Co-design and deliver a user-friendly online hub for small businesses to increase access to evidence-based mental health prevention, wellbeing, treatment and peer-support programs.
Happy Paws Happy Hearts	Happy Paws for Injured Workers	\$216,967.00	To bring socially isolated people together in groups to train rescue animals.

Partner	Investment	2018-19 latest view	Nature of work
Ingham Institute	ACT-Adjust	\$54,670.00	ACT-Adjust is a psychological treatment designed to promote mental health after TBI. ACT-Adjust will be delivered via videoconferencing to determine efficacy as compared to face to face delivery.
JWCRR (NSLHD)	Burns and amputee exercises to PTX	\$9,405.00	To add 120 exercises suitable for people with burns and amputations to the online exercise prescribing software (housed at <a href="http://www.physiotherapyexercises.com">www.physiotherapyexercises.com</a> ). <a href="http://www.physiotherapyexercises.com">www.physiotherapyexercises.com</a> is a freely available website containing over 1,000 exercises appropriate for people with disabilities such as stroke, spinal cord injuries and traumatic brain injuries (see Appendix 1). The website is underpinned by sophisticated software that enables physiotherapists to search for appropriate exercises and then readily compile them into individualised home exercise programs for their patients.
Live Better	LIFT Transport	\$60,000.00	Pilot of a new out of hours transport service and mapping of the available transport options in the Dubbo area for customers with a brain and/or spinal cord injury.
Loop+	Remote Care Technology for Wheelchair Users	\$480,000.00	The development of a purpose-built everyday activity tracker for wheelchair users that assesses pressure injury risks and monitors care plan compliance in everyday life a product comprising a cushion pad and mobile application.
Macquarie University	Acquired Brain Injuries	\$26,000.00	Extension of an existing program of research aimed at developing an internet-delivered treatment program to support the mental health and cognitive functioning of Australians with three neurological conditions (Multiple Sclerosis, Epilepsy, Parkinson's Disease) to also include Australians with Acquired Brain Injuries (ABIs). Using a series of successive longitudinal, single-group, trials (n = 80 people with ABIs), the proposed project will develop an evidence base for an effective, acceptable and accessible treatment package that could be employed to develop a sustainable service for people with ABIs.
NSW Agency for Clinical Innovation	ACI Pain Pilot	\$507,477.00	The Pain Pilot is trialling an early intervention pain management model that encourages collaboration between pain clinics, employers, GPs and workers.
NSW Ministry of Health	Get Healthy at Work	\$619,997.00	Funding for "Get Healthy at Work", a NSW Government initiative that aims to improve the health of working adults by giving businesses the tools, resources and support to address six health focus areas.
OMNI Mens Shed	Journey for Health	\$20,000.00	The Journey for Health program, which provides community transport for Participants, other people with a disability and the aged in Tamworth and surrounding areas.
Oxley Community Transport	Access-A-Ride	\$60,000.00	The Access-A-Ride program involves the development of a booking system to coordinate existing transport providers in the Tamworth region and link all available services via a booking platform accessible through both a mobile phone App or via phone or email directly to Oxley Community Transport.

Partner	Investment	2018-19 latest view	Nature of work
PCCS	GP Social Prescribing	\$208,884.25	Pilot a mechanism for linking patients with non-medical sources of support within the community.
Remarkable, Cerebral Palsy Alliance	Inclusive technology accelerator	\$500,000.00	Funding towards CPA's Remarkable accelerator program which works with early stage inclusive tech start-ups to incubate and accelerate their ideas to grow the capability of their business.
Royal Rehabilitation Centre Sydney	In-Voc Spinal outreach service	\$713,276.00	With an aim to improve the return to work rates for people with a spinal cord injury, In-Voc is an inpatient early intervention vocational rehabilitation program run within the 3 spinal injury units in NSW hospitals. It is available to all in-patients regardless of current compensation status. This program is delivered by the NSW Spinal Outreach Service.
Rumpus	Makeshift	\$230,872.60	The purpose of the project is to connect injured workers with evidence-based purposeful play activities and aims to equip participants with return-to-life tools that form and strengthen social connections, based on shared interests.
Settlement Services International Limited	Transitional Pathways and Placement Service	\$59,000.00	Support to people with workplace injuries by providing access to work experience in new roles and industries which shall enable them to gain skills and experience required to transition into ongoing external employment.
Synapse	Brain Injury Peer Support	\$38,659.70	A high-quality peer support program for people with a brain injury and their families in NSW to promote independent living for people with brain injury by facilitating the sharing of lived experiences.
TAC & Monash Uni	Trial of smart home technology for people with a TBI	\$93,001.50	Pilot for technology that has the capacity to impact the way support is provided to participants/workers with a TBI to promote greater independence in daily living tasks in their home, to ensure they are safe, to enable their participation in the community and reduce social isolation. The technology to be trialled can assist participants to remember to initiate and complete tasks such as take medication at prescribed times/doses, personal care activities like bathing and cleaning teeth, household tasks like cleaning and laundry, prompt meal preparation, and complete daily/weekly set social/leisure activities in the community.
The John Walsh Centre	Predictors of Higher Cost - SCI	\$60,203.70	Phase Three of a multi-phased project, leveraging from the first two project phases which will have defined both current practice, and practice evidence benchmarks. Phase Three will (i) quantify the 'evidence-practice gap'; (ii) conduct a gap driver analysis to identify barriers or facilitators of the variability in clinical practice, and (iii) identify financial costs associated with deviation of care from agreed best practice standards.
The John Walsh Centre	The John Walsh Centre for Rehabilitation Research, Sydney University	\$847,925.00	A number of grants to provide core funding for the John Walsh Centre for Rehabilitation Research (JWCRR) fund; 120 exercises suitable for people with burns and amputations to the online exercise prescribing software; the International Spinal Cord Injury Survey to describe and identify the determinants of levels of functioning, health and wellbeing of persons living with SCI within and across different countries; and improving care standards and costs.

Partner	Investment	2018-19 latest view	Nature of work
University of Newcastle	Compassion Focussed Approaches Using Digital Technology	\$68,550.00	The development of interactive, digital tools and resources for workers with a primary psychological and/or social difficulties that can hinder recovery.
University of Sydney	TBIconneCT Intervention	\$11,220.00	This study is a clinical trial comparing telehealth and in-person intervention for people with traumatic brain injury, using the TBIconneCT intervention.
University of Sydney (JWCRR)	International Spinal Cord Injury Survey	\$28,000.00	The International SCI survey (InSCI) is a multi-national, cross-sectional community survey based on the International Classification of Functioning, Disability and Health Core Sets for SCI. The study was implemented in 2017, involving over 25 countries, recruiting adults (18 years or older) with SCI (traumatic or non-traumatic), who are living in community and able to give informed consent. Analysis of the perceived lived experience (item responses to questionnaire) will be contrasted to system/societal variables. The overall objective of the InSCI survey is to describe and identify the determinants of levels of functioning, health and wellbeing of persons living with SCI within and across different countries.
University of Sydney	Psychiatry Fellowship	\$330,000.00	Research into workplace mental health for first responders and development of initiatives and tools in this area.
Uprise	Problem Solving Therapy RCT	\$95,199.50	A mental health technology company who have developed a pilot program to aid injured workers with mental health symptoms to return to work using evidence-based, digital mental resilience programs.
Wearable Tech Providers	Musculoskeletal Disorders Pilot	\$230,926.81	A pilot to test the use of innovative wearable technologies under real-world conditions and independently evaluate their effectiveness to prevent work-related musculoskeletal disorders (MSDs).
With You With Me	Project Evolution	\$290,000.00	Project Evolution will retrain injured workers in technology forward skills to help them prepare for not just a return to work but a return to life.
St Johns Ambulance	Invictus Games	-\$225,825.00	Sponsorship of the Invictus Games. Reversal of prior year accruals.
UNSW, BlackDog	Mental Health for First responders	-\$600,000.00	Research into workplace mental health for first responders and development of initiatives and tools in this area. Reversal of prior year accruals.
Research, Design and Evaluation Costs	Various contractors	\$638,991.42	Research, design and evaluation costs related to grants.
<b>Total at committed and completed</b>		<b>\$7,555,694.41</b>	

## Dust Diseases Board grants

Partner	2018-19 funding excl. GST	Purpose	Total grant excl. GST
<b>Dust disease research grants – new grants approved by DDC Board &amp; spent in 2018-19</b>			
Dr Sally Lansley, Institute for Respiratory Health	\$67,556.00	Using Bacteria as Novel Anti-Mesothelioma Agents.	\$295,224.00
Prof Bruce Robinson	\$83,333.43	Boosting antigen targeted therapy against cancer (ATTAC) for Malignant Mesothelioma.	\$292,398.00
Dr Edward Fysh	\$42,724.71	AIR Study: A novel minimal-invasive biopsy approach for pleural malignancies.	\$224,865.86
<b>Dust disease research grants – spent in 2018-19</b>			
Dr Yuen Cheng, Asbestos Diseases Research Institute	\$126,500.00	Micromanaging microRNAs to treat malignant mesothelioma.	\$245,000.00
Prof YC Gary Lee, University of Western Australia	\$57,183.25	Australasian malignant pleural effusion (AMPLE) trial-3.	\$299,871.00
Prof Richard Lake, University of Western Australia	\$148,000.00	The MexTAG Collaborative Cross.	246,884.00
Prof Richard Lake, University of Western Australia	\$124,550.00	Analysis of T cell receptor diversity in animal models of mesothelioma.	\$249,100.00
Dr Yuen Cheng, Asbestos Diseases Research Institute	\$75,000.00	Stimulating the immune system to improve chemotherapy in malignant pleural mesothelioma.	\$300,000.00
Dr Alison McDonnell, University of Western Australia	\$0	Identifying the immune biomarkers of response to chemotherapy in malignant mesothelioma.	\$232,926.00
Dr Willem Lesterhuis, University of Western Australia	\$70,000.00	Aiming for the Achilles heel – discovering an effective drug against mesothelioma.	\$280,000.00
Prof YC Gary Lee, Institute for Respiratory Health	\$28,883.55	Phase II trial assessing the efficacy of single oral agent AZD4547 in malignant mesothelioma.	\$249,877.40

Partner	2018-19 funding excl. GST	Purpose	Total grant excl. GST
<b>Dust Diseases Care funding – grants to support organisations</b>			
Asbestos Diseases Foundation of Australia	\$60,000.00	Assist in the referral of asbestos-related diseases victims and their families for appropriate medical and legal advice. Funds are used for office administration, the salary of the ADFA help line operator, development of brochures and information on the dangers and safe handling of asbestos. ADFA also operates a 24/7 helpline with a free 1800 number.	\$120,000.00
Asbestos Diseases Research Institute	\$60,000.00	To fund mesothelioma support co-ordinator roles who offer telephone support, face to face appointments, group support meetings and other events to provide information and education.	\$147,275.00
Bernie Banton Foundation	\$96,244.55	Support the BBF Awareness and Support Co-ordinator position, and to fund the development and administration of education and awareness resources such as brochures and other promotional media.	\$284,612.50
<b>Dust Diseases Care Fellowship Projects</b>			
Mr. Yik Lung Chan, University of Technology Sydney	\$93,333.33	Can fibrosis in silicosis be reversed?	\$240,000.00
Dr Sally Lansley, University of Western Australia	\$80,000.00	Novel therapies for mesothelioma and malignant pleural effusion.	\$240,000.00

### Accident advice support grant

Under Lifetime Care and Support we provide a one-off accident advice support grant of up to \$6,000 for legal and accident investigation advice to help participants and their families obtain information about a motor accident or motor vehicle to support an application. The grant is offered only when expert advice is required in relation to the circumstances of the accident or motor vehicle.

The grant was offered to one injured person in the 2018-19 financial year. No grants were paid out in 2018-19.

## Appendix 08

# Internal audit and risk management attestation statement

### Internal Audit and Risk Management Attestation Statement for the 2018-2019 Financial Year for Insurance and Care NSW

We, Michael Carapiet, Chair Insurance and Care NSW, and John Nagle, Chief Executive Officer Insurance and Care NSW, are of the opinion that Insurance and Care NSW has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

#### Core Requirements

##### Risk Management Framework

1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2018	Compliant

##### Internal Audit

2.1 An internal audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant

##### Audit and Risk Committee

3.1 An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

##### Membership

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

- Independent Chair, David Plumb. Term: 26 October 2018 – 25 October 2020.
- Independent Member, Elizabeth Carr. Term: 26 October 2018 – 14 May 2021.
- Independent Member, Lisa McIntyre. Term: 26 October 2018 – 14 February 2021.
- Independent Member, Christine Bartlett. Term: 26 October 2018 – 14 February 2021.
- Independent Member, Mark Lennon. Term: 26 October 2015 – 25 October 2018.

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



Chair  
Insurance and Care, NSW



Chief Executive Officer  
Insurance and Care, NSW

Date: 26 August 2019

Contact Officer: Don Ferguson, Group Executive Organisational Development and Delivery, Insurance and Care, NSW, 321 Kent Street, NSW 2000

## Appendix 09

# Cyber security annual attestation

### Cyber Security Annual Attestation Statement for the 2018-2019 Financial Year

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

Over the 2018/19 financial year, icare continued to build new components to expand and enhance system functionality to support its core business.

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

#### ATTESTATION

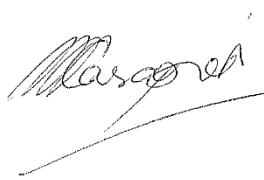
We, Michael Carapiet, Chair of Insurance and Care NSW, and John Nagle, Chief Executive Officer Insurance and Care NSW, are of the opinion that icare have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Across the 2018/19 financial year, icare used information technology systems supplied by:

- icare technology teams delivering technology and processes within the scope of icare's ISO27001 Information Security Certification;
- Cloud providers which are compliant via their certifications under the Australian Signals Directorate's Certified Cloud Supplier List scheme; and
- Cloud providers who have satisfied icare's security assurance checks, including certification under ISO27001

During 2018/19 risks to information and systems of icare have been assessed and controls have been implemented and are compliant with ISO/IEC 27001:2013 Information Security Standard. icare has a current cyber incident response plan in place and the plan has been tested during the reporting period. Appropriate governance is in place to support cyber-security initiatives and to drive continuous improvement and maturity of cyber security. icare's ISO27001 certified Information Security Management System (ISMS) has been independently audited during the reporting period by Lloyds Register Quality Assurance (LRQA).

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



Chair  
Insurance and Care, NSW



Chief Executive Officer  
Insurance and Care, NSW

Date: 26 August 2019

## Appendix 10

### Consumer response

icare operates in a complex environment with multiple partners, scheme agents and service providers. This requires a high level of collaboration and cooperation to ensure each customer receives a fair and empathetic customer experience.

icare's Enterprise Complaint Framework defines a complaint as:

**Any expression of dissatisfaction from an external source made to or about icare related to our products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.**

Complaints can be made through multiple channels. Most complaints received relate to individual policies or claims across the schemes that we operate.

We view complaints as opportunities to improve how we serve our customers and are on a journey to build a culture where complaints are viewed as valuable opportunities to improve the overall customer experience.

We monitor customer complaints and feedback data proactively throughout the year and design initiatives to address customers concerns. Examples of such projects are highlighted in this year's report.

We continue to develop a more integrated view of complaints data to allow us to leverage insights in our decision making. As our complaints management process matures we will continue to create more comprehensive reporting.

#### Workers insurance complaints

Complaints information for Workers Insurance includes those regarding policies as well as claims. Claims complaints have been broken down via type to provide an accurate view.

Policy	Total complaints	Top three complaint categories	Av. business days to resolve
Complaints relating to the issue, renewal or cancellation of a workers insurance policy.  The data does not include complaints lodged directly with SIRA or the Workers Independent Review Office.	36,667	Billing/other paperwork Cancellation of policy Hindsight transaction	5

Claims	Total complaints		
Complaints received about workers insurance claims in the new claims system (excludes complaints on any claims lodged prior to 1 Jan 2018)  Claims are broken down by tiers, which are outlined below	3,910		
<b>Tier 1A</b>			
Claims		Top three complaint categories	Av. business days to resolve
Claims received and resolved by frontline staff at service centre	368	Cost/Payment/Benefit Communication Service delivery	3
<b>Tier 1B</b>			
Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Complaints escalated to team leaders at Service Centre	137	Cost/Payment/Benefit Communication Service delivery	5
<b>Tier 2</b>			
Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Complaints escalated to icare Complaints Resolution team that cannot be resolved by Service Centre frontline teams	846	Cost/Payment/Benefit Communication Process	4
<b>Tier 3</b>			
Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Complaints escalated to icare's Complex Case Management Team	486	Service delivery Cost/Payment/Benefit Liability decision	26*

\*The average number of days to close a case has resulted from changes in Personal Injury regarding reduction in the number of scheme agents; transition of claims between scheme agents; system changes; employers request for claims reviews, and premium relief.

Tier 4			
Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Complaints sent from the State Insurance Regulatory Authority or the Workers Independent Review Office	2,041	Cost/Payment/Benefit Liability decision Process	2.5
Uninsured liability claims complaints			
Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Combination of complaints regarding the Nominal Insurer (EML staff and uninsured liability) claims management, and volunteers (TMF)	32	Cost/Payment/Benefit Liability decision Process	1

## Insurance for NSW complaints

Insurance for NSW outsource the management of policies and claims to relevant scheme agents. Complaints data reported here show complaints managed by scheme agent and complaints received directly by icare. Complaints refer to both policies and claims.

Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Complaints received from scheme agents and reported to icare	1,112	Communication Cost/Payment/Benefit Liability decision	2
Total complaints	Top three complaint categories	Av. business days to resolve	
Complaints received directly to icare	127	Process Communication Liability decision	8

## Home Building Compensation Fund complaints

The Home Building Compensation Fund outsources the management of claims and eligibility risk management to relevant scheme agents. Complaints data reported here show complaints received directly by icare.

Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Complaints resolved by frontline staff	102	Decision Service delivery Communication	10

## Sporting Injuries complaints

There are currently no complaints data available for Sporting Injuries Insurance.

## Lifetime Care and Support complaints

Most complaints received by Lifetime Care and Support were from participants and related to the level of service received from icare and its service providers, followed by complaints about our policies and procedures.

Level 1			
Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Complaints resolved by frontline staff	139	Level of service – icare Level of service – provider Policy/procedures	2
Level 2			
Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Escalated complaints that cannot be resolved at Level 1, and involve a detailed investigation and response by the Assessment Review team	24	Level of service – icare Policy/procedures Level of service – provider	14

## Disputes

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

In 2018-19 Lifetime Care:

- made more than 13,800 funding decisions and resolved 14 disputes (less than 0.15 per cent of treatment and care needs decisions). These disputes took an average of 52 business days to resolve
- made more than 300 eligibility decisions and resolved four disputes (1.3 per cent of total eligibility decisions). It took an average of 131 business days to resolve these disputes.

Disputes about motor accident injury are legal disputes and are resolved by a panel of three legal professionals. No dispute applications were received in 2018-19.

## Dust Diseases Care disputes

During 2018-19, most complaints received about Dust Diseases Care related to the level of service received from icare and funding decisions related to scheme eligibility. The timeframes to resolve complaints reflect the unique and complex nature of Dust Diseases Care complaints.

Level 1			
Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Complaints resolved by frontline staff	13	Level of service – icare Funding decision Policy/procedures	16
Level 2			
Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Escalated complaints that cannot be resolved at Level 1, and involve a detailed investigation and response by the Assessment Review team	16	Level of service – icare Funding decision Guidelines/legislation	27

## Workers Care disputes

During 2018-19, most complaints were received from participants and related to the level of service received from icare and from service providers. The majority of complaints received were lodged by workers.

Level 1			
Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Complaints resolved by frontline staff	2	Level of service – icare Level of service – provider Funding decision	26
Level 2			
Claims	Total complaints	Top three complaint categories	Av. business days to resolve
Escalated complaints that cannot be resolved at Level 1, and involve a detailed investigation and response by the Assessment Review team	Nil complaints		

## Appendix 11

### Compliance with NSW Carer's (Recognition) Act 2010

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

In the past year, our support for carers has been demonstrated through the following initiatives.

- Supporting employees who are carers with Carers Leave if required.
- Displaying the NSW Carers Charter in all icare offices.
- Providing mentoring and support for families of people who are seriously injured in a workplace or motor vehicle accident, or after the diagnosis of a work-related dust disease via the WeCare program, developed in partnership with Carers NSW.
- Funding service development initiatives which support families and carers of participants, including The Carers Way Ahead, an online program that provides training in managing challenging behaviours.
- Ongoing consultation with participants, families and carers to co-design new processes, policies and services through representation on service development working groups and advisory committees.

## Appendix 12

### Functional organisational chart



## Appendix 13

### Response to significant matters raised in the outgoing audit report

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

## Appendix 14

### Land disposal

The Board has accepted an offer of \$13.5m from SFT4 Properties Pty Ltd for its building at 82 Elizabeth St. The profit on disposal belongs to the participants of Dust Diseases Care (DDA)

The contract for sale was executed on 27 August with settlement occurring on 8 October 2018. The sale was managed by Property NSW on behalf of DDA. The site was sold because DDA's principal place of operation moved to 321 Kent Street Sydney on the creation of icare NSW.

An application for access to documents concerning details of properties disposed of during the reporting year may be made in accordance with the *Government Information (Public Access) Act 2009*.

## Appendix 15

### Publication notes

The 2018-19 icare annual report was produced in-house and complies with Web Content Accessibility Guidelines 2.0, as per the Premier's Circular 2012-08 NSW Government Website Management.

A copy of the icare Annual Report 2018-19 can be downloaded from the icare website at [icare.nsw.gov.au](http://icare.nsw.gov.au)

# Appendix 16

## Compliance index

Compliance requirement	Section of annual report	Page
Access	Back page	Back page
Agreements with Multicultural NSW	Not applicable	N/A
Aims and objectives	Organisational performance	12
Annual report production & cost	Appendix 15	145
Application for extension of time	Not applicable	N/A
Budgets	Volume 2 – icare full financial statements	Volume 2
Carers recognition	Appendix 11	143
Charter	Our governance Appendix 1	98 111
Consumer response	Appendix 10	138
Consultants	Appendix 6	128
Cyber security annual attestation	Appendix 9	137
Disclosure of controlled entities	Not applicable	N/A
Disclosure of subsidiaries	Not applicable	N/A
Disability inclusion action plans	Not applicable	N/A
Economic and other factors	Organisational performance	12
Financial statements	Organisational performance Volume 2 – icare full financial statements	12 Volume 2
Funds granted to non-community organisations	Appendix 7	130
Government, Privacy and Health Information applications	Appendix 2	114
Human resources	Our people	82
Identification of audited financial statements	Volume 2 – Financial statements	Volume 2
Internal audit and risk management attestation statement	Appendix 8	136
Implementation of price determination	Not applicable	N/A
Land disposal	Appendix 14	145
Legal change	N/A	N/A
Letter of submission	Letter to Minister	5
Liability management performance	Not applicable	N/A
Management and activities	Throughout	all
Management and structure	Our governance Our people	98 94

Compliance requirement	Section of annual report	Page
Multicultural policies and services program	Our people	82
Payment of accounts	Appendix 4	119
Performance and numbers of executive officers	Our people	82
Promotion/overseas travel	Appendix 5	127
Public interest disclosures	Appendix 3	118
Research and development	Appendix 07	130
Requirements arising from employment arrangements	Our people	82
Risk management and insurance activities	Our risk management approach	106
Summary review of operations	Message from the Chair Message from the CEO	6 8
Time for payment of accounts	Appendix 4	119
Work health and safety	Our people	82
Workforce diversity	Our people	87
Waste	Not applicable	N/A

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October 2019  
ISBN: 978-0-9953850-7-8

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Monday to Friday  
(except public holidays)

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**Lifetime Care**  
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**Insurance for NSW**  
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**Workers Insurance**  
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13 77 22 (claims)

**Sporting Injuries Insurance**  
13 44 22

A copy of this report is available  
at [icare.nsw.gov.au](http://icare.nsw.gov.au)



