# 2008–2009 ANNUAL REPORT

Lifetime Care and Support Authority of NSW

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The Lifetime Care and Support Authority 2007/2008 Annual Report has been prepared in accordance with the relevant legislation for the Hon. Joe Tripodi, Minister for Finance.

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Copies are available at www.lifetimecare.nsw.gov.au

Paper copies are also available on request (1300 738 586)

The Hon. Joe Tripodi
Minister for Finance
Minister for Infrastructure
Minister for Regulatory Reform
Minister for Ports and Waterways
Parliament House, Macquarie Street
Sydney NSW 2000

31 October 2009

Dear Minister

We are pleased to submit to you the 2008/09 Annual Report from the Lifetime Care and Support Authority of NSW for presentation to the NSW Parliament.

This report summarises the Authority's performance during 2008/09 and the outcomes that it achieved. It has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983*, the *Motor Accidents (Lifetime Care and Support) Act 2006* and relevant regulations.

Yours sincerely

Richard Grellman
Chairman

David Bowen
Chief Executive Officer

# Contents

# Message from the Chief Executive Officer

The past year provided the Authority with many new challenges. The global financial crisis impacted the valuation of the Authority's investment assets but as the result of an investment strategy aimed at maintaining capital value of the fund, the Authority was able to limit this exposure and the Scheme remains financially healthy.

In the area of service provision, this was a year of consolidation for the Scheme. The number of participants at the end of June was 249 and for the first time there are more participants in the community than in hospital or rehabilitation. Understandably, the primary focus of the Authority has been in developing community support and services. Guidelines have been put in place for vocational and educational support and a draft Guideline issued for consultation on support for recreational and leisure activities.

Accommodation, and particularly supported accommodation, remains a critical issue for many Scheme participants and the Board of the Authority has commenced the process of examining how this need may be met, including the possibility of funding improved disability infrastructure.

The Authority remains focussed on the vision of ensuring that the Scheme provides quality services that meet participant needs and enables participants to have the maximum possible opportunities and choices in achieving quality of life. To ensure quality services the Authority regularly seeks feedback from participants and service providers and has initiated the first participant survey, the results of which will be available by the end of 2009. The results of this survey will assist the Authority identify any service delivery gaps and to examine ways in which the Scheme can be improved to continue to meet its vision. I am enormously pleased and proud of the staff of the Authority who embrace this vision and make it a reality in their commitment to the participants in the Scheme.

This year the Scheme was subject to a review by the Legislative Council Standing Committee on Law and Justice who took many submissions and heard from officers of the Authority, clinicians, service providers and, most importantly, from some Scheme participants and their families. This thorough review is an important avenue by which issues concerning eligibility, service assessment, delivery and relationships with participants can be aired. The submissions, evidence and the report and recommendations from the Committee provide a unique and beneficial perspective on the Scheme that can only help the Authority to continue to improve its management of the Scheme. I thank the Chair and members of the Committee for their ongoing interest and support.

This year also saw the Scheme come under the jurisdiction of a new Minister in the portfolio of the Hon. Joe Tripodi, MP, Minister for Finance. I would like to thank the Minister for his interest in the Scheme which he has well represented in the public domain, and provided astute points in discussions about the Scheme operations.

Finally, I note that Mr Richard Grellman, Chairman of the Board of Directors of the Authority has announced that he will not seek reappointment when his term expires at the end of October 2009. Richard was a strong advocate of the Scheme and through his Chairmanship of the Motor Accidents Authority had a critical hand in establishing the Scheme governance. I wish to personally thank Richard for the support he has given to me and the staff of the Authority and for his wisdom and good counsel. As the inaugural Chair of the Authority his contribution and support in setting up many new structures and appropriate accountabilities has been consistent and profoundly beneficial. I wish him well.

David Bowen
Chief Executive Officer

# 1 Who we are and what we do

## What is the Lifetime Care and Support Authority?

The Lifetime Care and Support Authority is a statutory authority established on 1 July 2006 under the *Motor Accidents (Lifetime Care and Support) Act 2006*. The Authority is responsible for the administration of the Lifetime Care and Support Scheme which provides lifelong treatment, rehabilitation and attendant care for people severely injured in a motor vehicle accident in NSW, regardless of who was at fault.

## What does the Lifetime Care and Support Authority do?

The Lifetime Care and Support Authority administers the Lifetime Care and Support Scheme which provides reasonable and necessary treatment, rehabilitation and care services for people severely injured in motor accidents in NSW, regardless of who was at fault in the accident. People who are eligible to enter the Scheme may have a spinal cord injury, moderate to severe brain injury, multiple amputations, severe burns or permanent blindness.

Once eligibility has been confirmed, the Authority provides treatment and support as it is needed throughout the person's life. The injured person is supported by a coordinator who assists them to plan their rehabilitation and care.

The Authority also funds the development of programs and research that will assist injured people and their families in dealing with the impacts of traumatic injury, research the effectiveness of different rehabilitation methods, and provide health professionals with best practice information.

## Our vision

To ensure people severely injured in motor vehicle accidents in NSW are treated with respect and dignity and have the maximum possible opportunities and choices in achieving quality of life.

## Our role

The Lifetime Care and Support Authority provides reasonable and necessary treatment, rehabilitation and care as it is needed throughout the person's life. The Authority is responsible for the administration of the Scheme which includes developing and implementing processes, policies and guidelines.

The Authority's role is to ensure the Scheme:

- meets participant's needs
- provides quality services
- is affordable
- is prudently managed

## The Scheme

The Scheme provides lifelong treatment, rehabilitation and attendant care for people severely injured in a motor vehicle accident in NSW, regardless of who was at fault. It applies to children under 16 injured in a motor accident from 1 October 2006 and to adults from 1 October 2007. It is funded by a levy collected through Compulsory Third Party (CTP) insurance.

At 30 June 2009 there were 249 participants in the scheme, of which 70% were male. Over 77% of participants had brain injury with more than half of the participants being either a vehicle driver or passenger. Pedestrians and motorbike riders made up just over 20% each.

## Key clients and stakeholders

The Authority has many clients and stakeholders including:

- motor vehicle owners and other road users
- licensed CTP insurers who provide Green Slips
- medical and health professionals, hospitals and health facilities
- lawyers, Courts and the judiciary
- NSW Roads and Traffic Authority, NSW Police and other road safety organisations and community groups
- NSW Department of Health and other relevant government departments
- local government
- academics and researchers.

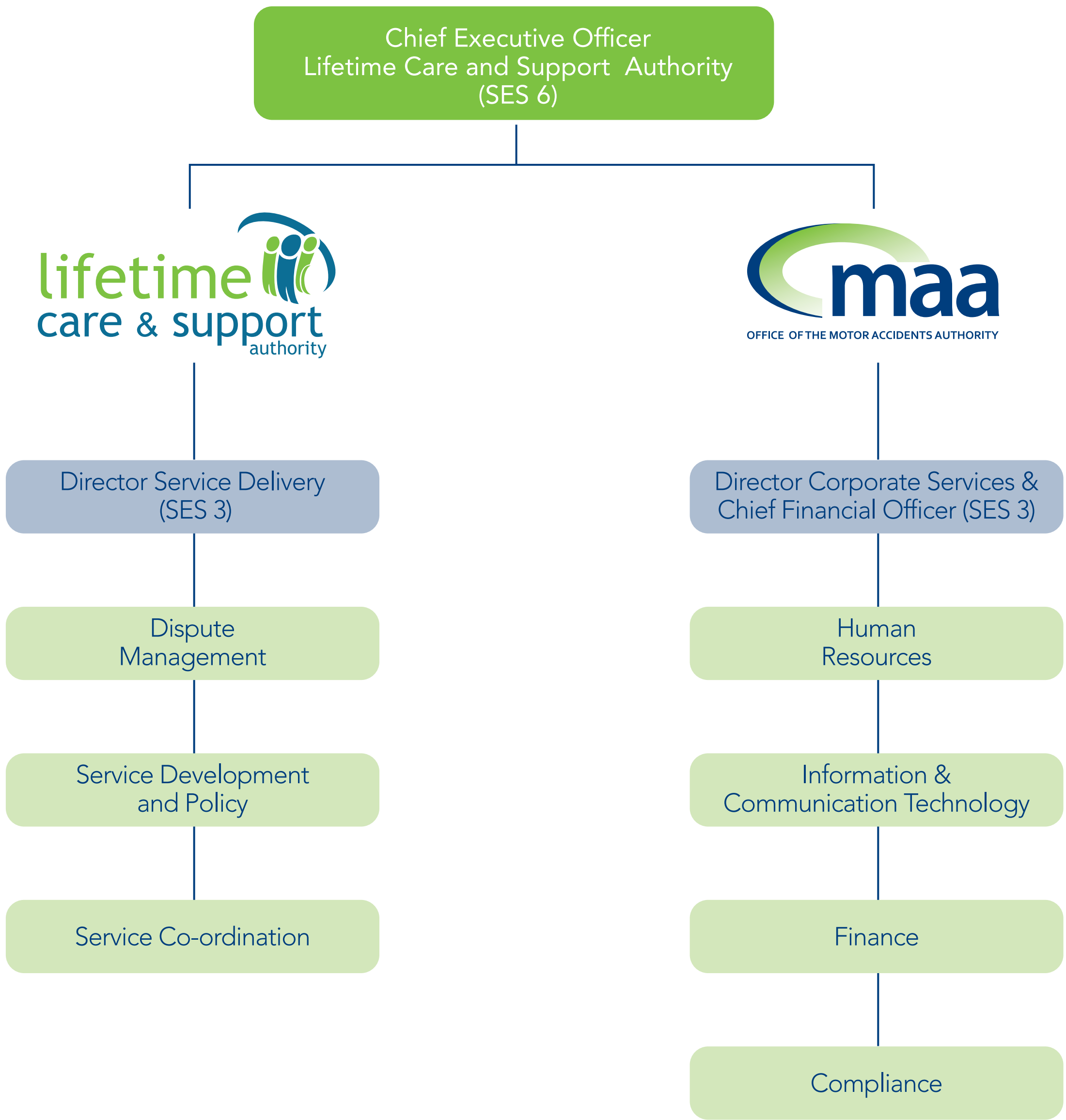
## Corporate governance

The *Motor Accidents (Lifetime Care and Support) Act 2006* outlines the roles and responsibilities of the Minister, Board of Directors, Lifetime Care and Support Council and the Authority's management and the relationships between them.

## Office of the Motor Accidents Authority

The Office of the Motor Accidents Authority was established in 2006 under the *Public Sector Employment and Management Act 2002*. The Office provided management of employment and other corporate services to the Motor Accidents Authority and the Lifetime Care and Support Authority under service agreements. From 1 July 2009, the employment functions of the Office have been transferred to the Compensation Authorities Staff Division as part of the restructure of the New South Wales Public Sector.

# 2 Lifetime Care and Support Authority Organisation Chart



# Lifetime Care and Support Authority Board

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The Board consists of the Authority's Chief Executive Officer and four part-time members appointed by the Governor on the Minister's recommendation. Of the part-time directors, one is nominated by the Treasurer and three are nominated by the Minister. The Board determines the Authority's administrative policies. In exercising that function, the Board must ensure the Authority's activities are carried out properly and efficiently.

### Richard Grellman AM, FCA, Chairman

Richard Grellman is President and Chairman of the Board of Mission Australia, Chairman of the Association of Surfing Professionals, Chairman of AMP Life Limited, a Non-Executive Director of AMP Limited, Centennial Coal Limited and Atlas Group Holdings Limited.
Term of appointment: 31/10/06 – 30/10/09

### Nicholas Whitlam, AB (Hons), MSc

Nicholas Whitlam serves on the boards of the Port Kembla Port Corporation (as Chairman), the WorkCover Insurance Fund Investment Board (Deputy Chairman) and of the Whitlam Institute. He is a Trustee of the Steiner Pohl Foundation and a Governor of the Curran Foundation at St Vincent's Hospital, Sydney.
Term of appointment: 31/10/06 – 30/10/09

### Robert Carling, M.Sc. (Econ), MBA, B. Econ. (Hons)

Before joining the Board, Robert Carling served for 25 years as an economist and senior executive in the Commonwealth and New South Wales Treasury Departments and in the International Monetary Fund. He also served as the Alternate Executive Director for the Australian led constituency on the World Bank Board of Directors. He is currently a Senior Fellow at the Centre for Independent Studies.
Term of appointment: 31/10/06 – 30/10/09

### Cass O'Connor

Cass O'Connor is a corporate advisor and investor, and devotes a portion of her time to not-for-profit ventures. She has previously worked in senior executive positions with Goldman Sachs (Australia), Carnegie Wylie & Company, Turnbull & Partners Limited and Deutsche Bank and is currently Commercial Director for the Matilda Rose Early Intervention Centre. Disability support is a key not-for-profit focus. She holds, or has held, a number of directorships in both the public and private sectors.
Term of appointment: 31/10/06 – 30/10/09

### David Bowen BA, Dip Law

David Bowen is the inaugural CEO of the Lifetime Care and Support Authority and until April 2009 was also the General Manager of the Motor Accidents Authority, a position he held since 1998. Prior to this, Mr Bowen was with the Attorney General's Department since 1987. He is a member of the Board of CareFlight NSW, and a government representative on the Asbestos Injury Compensation Board.
Term of appointment: Ex officio

### Board meetings attended:

| | | | |
|---|---|---|---|
| Richard Grellman | 7 | Nicholas Whitlam | 7 |
| Robert Carling | 7 | Cass O'Connor | 7 |
| David Bowen | 7 | | |

# 4 Lifetime Care and Support Council

The role of the Advisory Council is to advise the Minister on matters relating to the Lifetime Care and Support Scheme. The Advisory Council consists of eight members including the Chief Executive Officer of the Authority.

Dougie Herd, Chairman is the Director of the Office of the Disability Council of NSW, which is the official advisory body to the NSW Government and the State Disability Advisory Body to the Commonwealth Government. Dougie has extensive experience in Australia, Scotland and the European Union in social justice and the rights of people with a disability.

Dr Stephen Buckley is a Consultant Physician in Rehabilitation Medicine at the Royal North Shore Hospital and The Royal Rehabilitation Centre Sydney and specialises in traumatic brain injury. He is involved in educational and professional rehabilitation issues and is President of the Australasian Faculty of Rehabilitation Medicine, Royal Australasian College of Physicians.

Denis Ginnivan is the Director of the South West Brain Injury Rehabilitation Service and has 17 years experience in direct service provision to persons with a brain injury in rural NSW. He has been successful in establishing innovative models of service to respond to the needs of people living in rural NSW; and in establishing the Rural Rehabilitation Research on Brain Injury project, research collaboration between the eight brain injury rehabilitation services across rural NSW and the school of Community Health at Charles Sturt University. Denis is the Deputy Co-chair of the NSW Brain Injury Rehabilitation Directorate, and he has qualifications in social work, economics and mediation.

Dr Adeline Hodgkinson is the Chair of the Greater Metropolitan Clinical Taskforce Directorate for Brain Injury Rehabilitation, and is the Director of Sydney South West Area Health Service Brain Injury Rehabilitation Program. She has over 20 years experience in brain injury rehabilitation. Dr Hodgkinson has been extensively involved in clinical research, as well as planning, coordinating and evaluating brain injury services across NSW.

Barbara Merran has in excess of 35 years experience as a Registered Nurse and has been the Public Affairs Director of Southern Cross Community Healthcare since its inception in 1984. Barbara, the founding President of the Attendant Care Industry Association (ACIA), played a key role in establishing ACIA to represent the attendant care industry. Barbara has also been appointed to the HACC Advisory Committee reporting to both the State and Federal Ministers. She is an advocate for quality community care and has contributed significantly to the attendant care industry through participation in a wide range of industry forums and working parties.

Rachel Merton is the Chief Executive Officer of the Brain Injury Association of NSW, which is the peak advocacy organisation for people with a brain injury, their families and carers. Rachel has over 12 years experience working in areas of health and disability.

Dr James Middleton is the Director of the State Spinal Cord Injury Service and an Associate Professor at the Rehabilitation Studies Unit, University of Sydney. He has extensive experience in the treatment of persons with a spinal cord injury, working currently as a Staff Specialist for Spinal Outreach Service and having previously been Medical Director of the Moorong Spinal Unit between 1996–2006. Dr Middleton is known for his dedication to research in the field of spinal cord injury rehabilitation, and has numerous publications in peer review journals.

# The Scheme meets participant needs and provides quality service

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### Lifetime Care and Support Guidelines

The Authority drafted a new Guideline on the provision of artificial limb services for Scheme participants. Part 14 of the Guidelines (home modifications) has been reviewed to provide clarity and more information about home modifications for Scheme participants. All draft and revised Guidelines were made publically available with invitations for feedback or submissions, and were presented to the Lifetime Care and Support Advisory Council for consideration.

### Advocacy services

The Authority developed and circulated a paper on the provision of advocacy services to participants in the Scheme. Feedback from stakeholders highlighted that there is already a well-established advocacy network for people with disabilities. The Authority has subsequently promoted access to existing advocacy services and produced a participant brochure about advocacy in the Scheme.

### Audit against interim measures for attendant care providers

The Authority conducted a tender to engage auditing services to ensure the quality of the Scheme's attendant care services. An auditor has been selected and the attendant care providers have completed their self-assessments. The on-site audits are currently underway.

### Participant satisfaction survey

Work has commenced on developing the first satisfaction survey of Scheme participants. This will be an annual survey as part of the Authority's quality improvement program.

### NSW Health – joint services

NSW Health and the Authority worked closely together to finalise and implement the common procedures for prescribing equipment. The Authority has also developed a memorandum of understanding with the Artificial Limb Service to provide prosthetic limbs for Scheme participants.

### Equipment on-line expanded

Formerly the 'Discharge List', Equipment On-line has been expanded to include more low-cost and low-risk items. This facility allows staff at selected hospital and rehabilitation units to order equipment for participants without requiring pre-approval from the Authority. New items have been added in response to feedback from equipment prescribers.

### 2008 grant round funded projects

The Authority invited applications for projects or research grants to improve services for people with a brain injury or spinal cord injury. The Authority received 39 applications requesting close to $4 million in funding. External independent peer reviews were sourced, with many of the reviewers being national and international researchers or practitioners. A total of six projects were funded across both spinal cord injury and brain injury for a total of $428,000.

## Young Adult Transition Study (YATS)

This Authority-funded research project aims to increase post-school participation for young people with a traumatic brain injury. The Young Adult Transition Study obtained ethical approval through NSW Health, and Lifetime Care and Support Coordinators have been recruited to provide the intervention for this study. Recruitment of participants is ongoing.

## Training for service providers

The Authority continues to deliver a comprehensive training program for service providers. A care needs assessment workshop was developed and delivered to ensure high quality care assessments are conducted for Scheme participants. The Authority also delivered training in FIM®, WeeFIM®, Care and Needs Scale (CANS) and an introduction to the Scheme. Additionally, tailored training was provided for Compulsory Third Party insurers and the Authority's approved assessors. A training program for the Authority's dispute assessors was developed.

## Review of procedures for requesting treatment, rehabilitation and care

Following feedback from service providers, the Authority is reviewing all procedures and forms for requesting treatment, rehabilitation and care. A number of forms have been revised and are now being piloted.

# The Scheme is affordable and prudently managed

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## Reduced levy

The Authority reduced the levy on motorists by 2.5% in February 2009 and in June 2009 approved a further 3.5% reduction from 15 August 2009.

## Sound investment policy

The Lifetime Care Fund is invested in a portfolio managed by NSW Treasury Corporation. The fund investments are held in cash (60%) or AA/AAA rated bonds (40%). The Fund suffered a reduction in the value of the bond portfolio as a result of the Global Financial Crisis but over the whole year performed above benchmark on cash and just slightly below benchmark on bonds. This was an excellent result compared to the market and other similar compensation schemes.

## Review of investment policy

The Board of the Authority initiated a review of the investment policy following the Global Financial Crisis. Access Economics provided advice to the Board on long term investment and inflation trends and Mercer Investment Consulting and NSW Treasury Corporation provided advice in the financial investment policy. Given the long term nature of liabilities the Board determined not to make any significant change to investment policy.

## Prudential margin

The Board of the Authority recognised the uncertainty around the valuation of liability and determined to hold a minimum retained equity of at least 10% of total liabilities which is shown in the annual accounts. The Board also determined to undertake a further scheme risk assessment with a view to formulating a methodology to determine the probability of adequacy of funds to hold a margin sufficient to identify any adverse trend and time to rectify this.

## Life cost calculator

The Authority has been working with the consulting actuary to develop the life cost calculator which provides individual life budgets and two and five year cash flow projections for each participant. This is also being used to price buy in under a recent Scheme extension.

## Scheme costs control

The Authority continues to review Scheme costs, particularly those associated with care, and in October 2008 increased the attendant care provider fee by 4%. The Authority has also issued a new Guideline on the reasonable and necessary limits on home modification costs.

## Bulk billing agreement

The Authority, together with the Motor Accidents Authority, has finalised a bulk billing agreement with the Minister for Health and Health Administration Corporation for payment for ambulance and acute care in public hospitals.

## Financial management system

During the year the Authority's corporate service provider (the Office of the Motor Accidents Authority) implemented in-house financial management and procurement systems to support the Authority's burgeoning transaction volumes and to improve accounts payable performance. The Authority's internal and external auditors have reviewed the implementation and found no issues.

The Authority continues to develop the system and in 2009/10 will interface this with its case management system and life cost calculator. Similarly, the Authority will undertake an accounts payable process review and deploy procurement systems across its operations during the coming year.

# 7 Scheme overview

A feature of the NSW Compulsory Third Party Scheme that provides significant benefits to the community is the Lifetime Care and Support Scheme which is administered by the Lifetime Care and Support Authority. It provides treatment, rehabilitation and attendant care services to people severely injured in motor accidents in NSW, regardless of who was at fault in the accident.

The Lifetime Care and Support Scheme began for children under 16 on 1 October 2006, and was extended to include adults from 1 October 2007. People eligible to participate in the Scheme include those suffering a spinal cord injury, moderate to severe brain injury, multiple amputations, severe burns, or blindness as a result of the accident.

Since the Scheme has been in existence only a short time and there are a small number of participants, data is being presented here to illustrate those who are being assisted by the Scheme and not to provide analysis.

Notification has been received of 292 persons who have been severely injured in road crashes and may qualify to be cared for under the Scheme. The Authority had accepted 253 people into the Scheme, of which 2 people have died and 2 have left the Scheme (no longer a participant of the Scheme), leaving 249 participants in the Scheme by 30 June 2009.

## Participants by gender

| | Adults | | | Children | | |
|---|---|---|---|---|---|---|
| Date of Accident | Male | Female | Total | Male | Female | Total |
| 2006 | – | – | – | 1 | 1 | 2 |
| 2007 | 26 | 6 | 32 | 4 | 5 | 9 |
| 2008 | 107 | 40 | 147 | 7 | 5 | 12 |
| 2009 | 22 | 16 | 38 | 8 | 1 | 9 |
| Total | 155 | 62 | 217 | 20 | 12 | 32 |

Note: Date of accident in calendar years
Data as at June 2009
Source: Lifetime Care and Support Authority

Children make up 13% of all Scheme participants. 71% of the adults in the Scheme are male, as are 62% of the children. Just under 80% of adults have suffered a brain injury and 10% of these have also suffered a spinal injury.

## Adult injuries

| | No brain injury | | Brain injury | | Total | |
|---|---|---|---|---|---|---|
| No spinal injury | 3 | 1.4% | 165 | 76.0% | 168 | 77.4% |
| Spinal injury | 47 | 21.7% | 2 | 0.9% | 49 | 22.6% |
| Total | 50 | 23.0% | 167 | 77.0% | 217 | 100.0% |

Note: 2 amputees (bilateral LL, hindquarter amputation) and 1 severe burn
Data as at June 2009
Source: Lifetime Care and Support Authority

The table below illustrates that most of the adult participants were drivers, motorcycle riders, passengers and pedestrians at the time of their crashes.

### Adult participants' role in accident

| Role in accident | Total | Percentage (%) |
|---|---|---|
| Cyclist | 4 | 1.8 |
| Driver | 67 | 30.9 |
| Motorcycle rider | 55 | 25.4 |
| Passenger | 47 | 21.7 |
| Pedestrian | 40 | 18.4 |
| Pillion passenger | 4 | 1.8 |
| All | 217 | 100.0 |

Data as at June 2009
Source: Lifetime Care and Support Authority

All but four children in the Scheme have suffered severe brain injuries. The remaining child has suffered a severe brain injury with a spinal injury.

## Child injuries

| | No brain injury | | Brain injury | | Total | |
|---|---|---|---|---|---|---|
| No spinal injury | 0 | 0.0% | 27 | 84.4% | 27 | 84.4% |
| Spinal injury | 4 | 12.5% | 1 | 3.1% | 5 | 15.6% |
| Total | 4 | 12.5% | 28 | 87.5% | 32 | 100.0% |

Data as at June 2009
Source: Lifetime Care and Support Authority

Just over half the children in the Scheme were passengers in vehicles at the time of the crash.

### Child roles in accident

| Role in accident | Total | Percentage (%) |
|---|---|---|
| Cyclist | 3 | 9.4 |
| Passenger | 18 | 56.3 |
| Pedestrian | 9 | 28.1 |
| Driver | 1 | 3.1 |
| Other | 1 | 3.1 |
| All | 32 | 100.0 |

Data as at June 2009
Source: Lifetime Care and Support Authority

## Participants' role in accident vs injuries

The largest number of participants are people who were either passengers or drivers at the time of the crash and who suffered severe brain injury.

| | No spinal injury No brain injury | No spinal injury Brain injury | Spinal injury No brain injury | Spinal injury Brain injury | Total |
|---|---|---|---|---|---|
| Pillion passenger | – | – | 4 | – | 4 |
| Motorcycle rider | 1 | 40 | 14 | – | 55 |
| Cyclist | – | 5 | 2 | – | 7 |
| Driver | 2 | 45 | 21 | – | 68 |
| Other | – | – | 1 | – | 1 |
| Passenger | - | 51 | 12 | 2 | 65 |
| Pedestrian | – | 47 | 1 | 1 | 49 |
| All | – | 47 | 1 | 1 | 49 |

Data as at June 2009
Source: Lifetime Care and Support Authority

Over 56% of all participants in the Scheme are 30 years or younger. There are 22 participants (8.8%) over 65 years. The 16–20 and 21–25 age groups are the highest represented with 49 and 37 participants respectively.

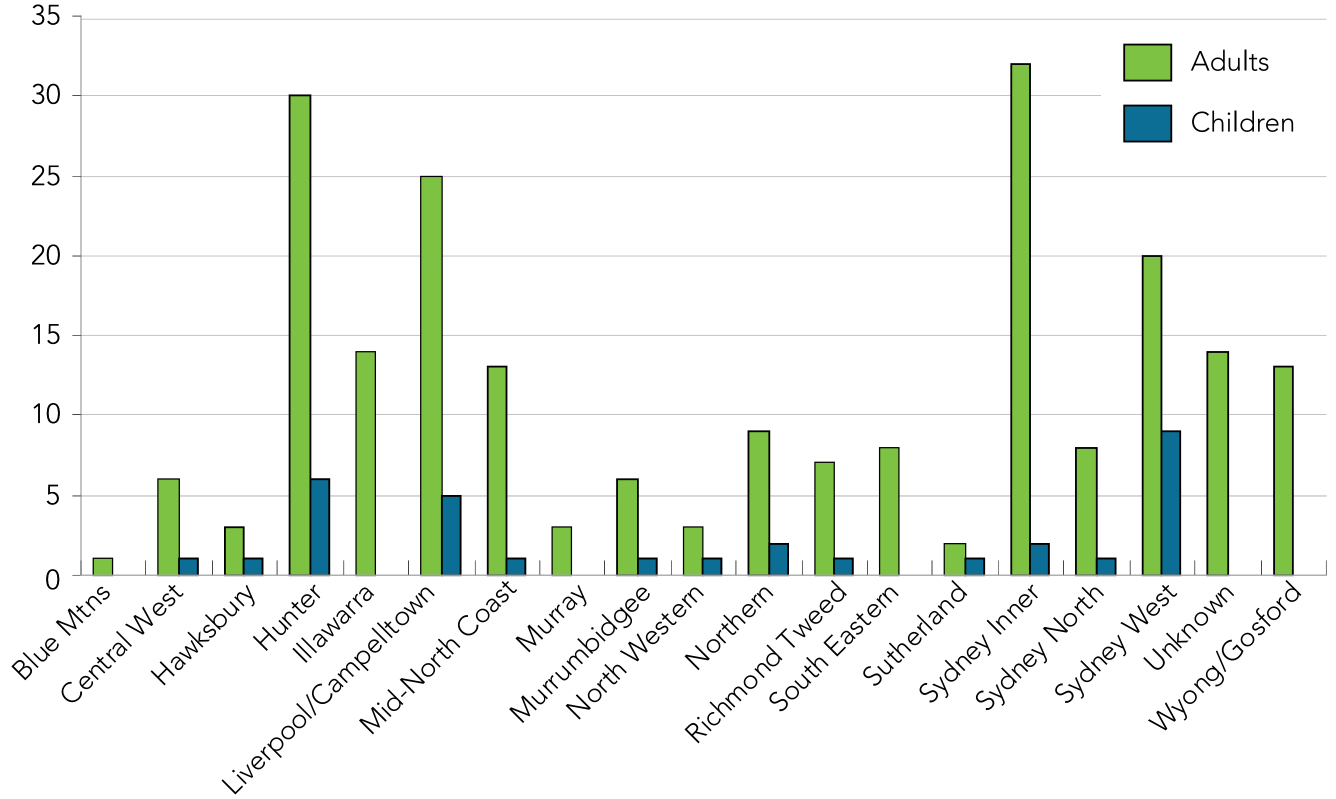
### Participant age at injury

| Age at injury | Total | Percentage (%) |
|---|---|---|
| 0–10 | 16 | 6.4 |
| 11–15 | 16 | 6.4 |
| 16–20 | 49 | 19.7 |
| 21–25 | 37 | 14.9 |
| 26–30 | 23 | 9.2 |
| 31–35 | 14 | 5.6 |
| 36–40 | 14 | 5.6 |
| 41–45 | 21 | 8.4 |
| 46–50 | 16 | 6.4 |
| 51–55 | 10 | 4.0 |
| 56–60 | 6 | 2.4 |
| 61–65 | 5 | 2.0 |
| 66–70 | 7 | 2.8 |
| >71 | 15 | 6.0 |
| All | 249 | 100.0 |

Note: Percentages may not total 100 due to rounding.
Data as at June 2009
Source: Lifetime Care and Support Authority

## Participant residential region

As the graph below shows, participants are more likely to reside in metropolitan Sydney areas.




Data as at June 2009
Source: Lifetime Care and Support Authority

The information presented in this section of the annual report reflects the short existence of the Lifetime Care and Support Scheme and is insufficient to conduct an analysis with any firm conclusions.

# 8 Financial statements

## Introduction

The financial statements for the Lifetime Care and Support Authority of NSW for the year ended 30 June 2009 disclosed a deficit of $4.022 million ($66.02 million at 30 June 2008) and therefore decreasing equity to $156 million ($160.022 million at 30 June 2008).

The main source of funding was a levy on Compulsory Third Party insurance premiums collected by licensed insurers which amounted to $327.562 million ($300.485 million in 2007/08).

Total expenditure including provisions for future care needs for identified Scheme participants and expenses accruals amounted to $357.715 million ($254.581 million in 2007/08). The largest item of expenditure was $350.413 million ($250.79 million in 2007/08) for participant care and support expenses inclusive of actuarial provisions. Personnel services provided by the Office of Motor Accidents Authority of NSW amounted to $3.255 million ($1.372 million in 2007/08).

The Lifetime Care and Support Authority maintains regular independent valuations of future Scheme participant costs through PricewaterhouseCoopers Actuarial.

Total assets increased by $326.917 million, largely attributable to investment portfolios [cash and bonds].

Total liabilities increased by $330.939 million, largely attributable to provisioning for Scheme participants' expenses.

The retained equity of $156 million represents a surplus on technical reserves. This is primarily a product of actuarial advice given inherent uncertainties for future liabilities.

The retained equity provides a significant margin at this stage but will tail off over the short to medium term in line with actuarial estimates. It should be noted that the liability valuation does not include a prudential margin and the Board of the Lifetime Care and Support Authority will consider this over the coming year. In addition, the Authority is reviewing a range of key indicators for 2009/10 inclusive of CTP levy setting parameters, economic trends and an allowance for superimposed inflation.

## Matters of significance raised by the Audit Office of NSW in their Statutory Audit Report

The independent Auditor's report will include an emphasis of matter paragraph, consistent with prior year[s] in relation to uncertainty surrounding outstanding claims liability of the Scheme as disclosed in Note 14. This uncertainty continues to arise due to limited claims experience available for the actuary to estimate the outstanding claims liability.

GPO BOX 12
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Lifetime Care and Support Authority of New South Wales

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Lifetime Care and Support Authority of New South Wales (the Authority), which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Authority as at 30 June 2009, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

### Significant Uncertainty Regarding the Outstanding Claims Liability

Without qualification to the opinion expressed above, I draw attention to the outstanding claims liability of the Lifetime Care and Support Scheme (the Scheme) disclosed in Note 14. Whilst the liability is calculated using a standard actuarial approach, there is significant uncertainty associated with the estimate of the liability and related expense item. This uncertainty arises because there is limited claims experience available for the actuary to estimate the outstanding claims liability. This uncertainty will remain until sufficient claims experience for the Scheme is available.

### The Board's Responsibility for the Financial Report

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Authority's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Authority,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

**Independence**

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

Heather Watson

Heather Watson
Director, Financial Audit Services

20 October 2009
SYDNEY

lifetime
care & support

**STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS**
**FOR THE YEAR ENDED 30 JUNE 2009**

Under section 41C of the Public Finance and Audit Act 1983

- We certify that the financial report for Lifetime Care and Support Authority of New South Wales has been prepared in compliance with the *Public Finance and Audit Act 1983*, Treasurer's Directions and the *Public Finance and Audit Regulation 2005* and in compliance with Australian Accounting Standards, which include Australian Accounting Interpretations.

- In our opinion the financial report exhibits a true and fair view of the financial position and performance of the Lifetime Care and Support Authority of New South Wales.

- At the date of signing this report, we are not aware of any circumstances that would render any particulars included in the financial report to be misleading or inaccurate.

RICHARD GRELLMAN
Chairman

DAVID BOWEN
Chief Executive Officer

Dated at Sydney this 19 th day of October 2009

Lifetime Care and Support Authority of NSW ABN 85 084 267 228
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## Lifetime Care and Support Authority of NSW

## Income Statement for the year ended 30 June 2009

| | Notes | 2009 $ '000 | 2008 $ '000 |
|---|---|---|---|
| **Revenue** | | | |
| CTP premium levy | 2 | 327,562 | 300,485 |
| Grants | | 17,000 | 1,161 |
| Other revenue | 3 | 9,131 | 18,955 |
| **Total revenue** | | **353,693** | **320,601** |
| **Expenses** | | | |
| Participants' care and support expenses | 4 | 350,413 | 250,790 |
| Personnel services | 5 | 3,255 | 1,372 |
| Operating expenses | 6 | 2,283 | 1,503 |
| Rehabilitation, road safety grants and sponsorship | | 673 | 220 |
| Other expenses | 7 | 1,091 | 696 |
| **Total expenses** | | **357,715** | **254,581** |
| **SURPLUS / (DEFICIT) FOR THE YEAR** | | **(4,022)** | **66,020** |

The accompanying notes form an integral part of these financial statements

## Lifetime Care and Support Authority of NSW

## Statement of Changes in Equity for the year ended 30 June 2009

| | 2009<br>$ '000 | 2008<br>$ '000 |
|---|---|---|
| Accumulated funds at start of year | 160,022 | 94,002 |
| TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY | - | - |
| Surplus /(Deficit) for the year | (4,022) | 66,020 |
| TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR | (4,022) | 66,020 |
| **Accumulated funds at end of year** | **156,000** | **160,022** |

The accompanying notes form an integral part of these financial statements

## Lifetime Care and Support Authority of NSW

## Balance Sheet as at 30 June 2009

| | Notes | 2009<br>$ '000 | 2008<br>$ '000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 8 | 451,010 | 258,320 |
| Receivables | 9 | 35,633 | 32,103 |
| **Total current assets** | | **486,643** | **290,423** |
| **Non-current assets** | | | |
| Financial assets | 10 | 280,743 | 150,787 |
| Property, plant and equipment | 11 | 4,575 | 4,384 |
| Intangible assets | 12 | 861 | 311 |
| **Total non-current assets** | | **286,179** | **155,482** |
| **Total assets** | | **772,822** | **445,905** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Payables | 13 | 6,797 | 1,256 |
| Provisions | 14 | 20,283 | 14,222 |
| **Total current liabilities** | | **27,080** | **15,478** |
| **Non-current liabilities** | | | |
| Provisions | 14 | 589,742 | 270,405 |
| **Total non-current liabilities** | | **589,742** | **270,405** |
| **Total liabilities** | | **616,822** | **285,883** |
| **Net assets** | | **156,000** | **160,022** |
| **EQUITY** | | | |
| Accumulated funds | | 156,000 | 160,022 |
| **Total equity** | | **156,000** | **160,022** |

The accompanying notes form an integral part of these financial statements

# Lifetime Care and Support Authority of NSW

## Cash Flow Statement for the year ended 30 June 2009

| | Notes | 2009 Inflows/ (Outflows) $'000 | 2008 Inflows/ (Outflows) $'000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| ***Payments*** | | | |
| Payments to suppliers | | (25,815) | (6,638) |
| Rehabilitation, road safety grants and sponsorships | | (673) | (219) |
| ***Receipts*** | | | |
| Receipts from licensed insurers | | 324,401 | 299,393 |
| Grants | | 17,000 | - |
| Interest received and other income | | 8,761 | 18,955 |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES** | **18** | **323,674** | **311,491** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for property, plant and equipment | | (478) | (38) |
| Payments for intangible assets | | (550) | (311) |
| Payments for investment in TCorp bond | | (129,956) | (150,787) |
| **NET CASH FLOWS FROM INVESTING ACTIVITIES** | | **(130,984)** | **(151,136)** |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | | 192,690 | 160,355 |
| Opening cash and cash equivalents | | 258,320 | 97,965 |
| **CLOSING CASH AND CASH EQUIVALENTS** | **18** | **451,010** | **258,320** |

The accompanying notes form an integral part of these financial statements

## 1 Summary of significant accounting policies

### (a) Reporting entity

The Lifetime Care and Support Authority of NSW (LTCSA) is a statutory authority established by the *Motor Accidents (Lifetime Care and Support) Act 2006* which came into effect 1 July 2006. LTCSA is responsible for the administration of the Lifetime Care and Support Scheme (Scheme) which provides treatment, rehabilitation, care and support services to persons catastrophically injured in motor accidents in NSW.

The Scheme applies to children under 16 years of age for injuries in motor accidents occurring from 1 October 2006, and to adults for injuries in motor accidents occurring from 1 October 2007.

From 1 July 2006, LTCSA also took over the administration of the Community Participation Project (CPP), previously administered by Motor Accidents Authority. CPP is a controlled pilot project which provides coordination services to working age adults who have sustained spinal cord injuries before 1 October 2006.

LTCSA is a not-for-profit entity (as profit is not its principal objective) and has no cash generating units. The Authority is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at Level 24, 580 George Street, Sydney.

This financial report for the year ended 30 June 2009 has been authorised for issue by the Board on 13 October 2009.

### (b) Basis of preparation

The Authority's financial report is a general purpose financial report which has been prepared in accordance with:
- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2005* , and
- applicable Treasurer's Directions

This financial report has been prepared on the basis of historical cost, except for certain financial instruments and provisions.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

### (c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (d) Insurance

The Authority's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for government agencies. The expense (premium) is determined by the fund manager based on past claims experience.

### (e) Accounting for the Goods and Services Tax (GST)

Revenue, expenses, assets and liabilities are recognised net of GST, except that:
- the amount of GST incurred by the Authority as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Cash Flow Statement on a gross basis. However, the GST components of cash flows arising from investing activities which is recoverable from or payable to the Australian Taxation Office are classified as operating cash flows.

Commitments are stated with the amount of GST included.

### (f) Revenue recognition

Income is measured on an accruals basis at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

*(i) CTP premium levy*
The LTCSA's funds were generated from levies on Compulsory Third Party (CTP) insurance premiums collected by licensed insurers in accordance with notices issued in accordance with Section 50(5) of the *Motor Accidents (Lifetime Care and Support) Act 2006* . The levy rates are set according to vehicle class and region. CTP levy revenue is recognised when it falls due and receivable by the Authority.

The levies were used to meet the expenses of LTCSA's operations under the *Motor Accidents (Lifetime Care and Support) Act 2006.*

CTP premium levy includes the revenue generated from the increase in levy rates effective on policies from 1 April 2007 to accumulate funds for future liabilities to cover adult participants entitlements resulting from accidents occurring from 1 October 2007.

Any unused funds are kept in interest bearing investment accounts in accordance with the *Motor Accidents (Lifetime Care and Support) Act 2006* and the *Public Authorities (Financial Arrangements) Act 1987* .

*(ii) Other revenue*
Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement* .

## 1 Summary of significant accounting policies (continued)

### (g) Assets

*(i) Acquisition of assets*
The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. Cost is the amount of cash and cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition, or where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction.

*(ii) Capitalisation threshold*
Plant and equipment and intangible assets costing $1,000 and above individually (or forming part of a network costing more than $1,000) are capitalised.

*(iii) Measurement of plant and equipment*
Physical non-current assets are valued in accordance with the *Valuation of Physical Non-Current Assets at Fair Value* policy and Guidelines paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* .

Plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial social-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

*(iv) Impairment of plant and equipment*
As a not-for-profit entity with no cash generating units, the Authority is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

*(v) Depreciation of plant and equipment*
Depreciation is provided for on a diminishing balance basis for all depreciable assets so as to write-off the depreciable amount of each asset as it is consumed over its useful life to the Authority. All material separately identifiable components of assets are depreciated over their shorter useful lives. The following depreciation rates were used:

| | 2009 | 2008 |
|---|---|---|
| | % | % |
| Buildings | 4 | 4 |
| Leasehold improvements | Over the life of the lease | |
| Motor vehicles | 25 | N/A |
| Office furniture and equipment | 20 | 20 |

The Authority reviews its depreciation rates and method on an annual basis.

*(vi) Maintenance*
Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

*(vii) Intangible assets*
The Authority recognises intangible assets only if it is probable that future economic benefits will flow to the Authority and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

Intangible assets are computer software and recorded at cost less accumulated amortisation and impairments. Amortisation has not been charged against assets that are still at work-in-progress status because they are not ready for utilisation.

The useful lives of intangible assets are assessed to be finite. No amortisation is charged on intangible assets until they are ready for use. The Authority charges amortisation on intangible assets using the straight-line method over a period of 3 years.

The Authority reviews its amortisation rate and method on an annual basis.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Authority's intangible assets, the assets are carried at cost less any accumulated amortisation.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

*(viii) Investments*
Investments are initially recognised at fair value. The Authority determines the classification of financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Gains or losses on these assets are recognised in Income Statement.

The Hour-Glass Investment Facility is designated at fair value through profit or loss using the second leg of the fair value option i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Authority's key management personnel.

## 1 Summary of significant accounting policies (continued)

The movement in the fair value of the Hour-Glass Investment Facility incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

*(ix) De-recognition of financial assets and financial liabilities*
A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire, or if the Authority transfers the financial asset:
- where substantially all the risks and rewards have been transferred, or
- where the Authority has not transferred substantially all the risks and rewards, if the Authority has not retained control.

Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Authority's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

*(x) Receivables*
Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the income statement when impaired.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

*(xi) Other assets*
Other assets are recognised on a cost basis.

### (h) Liabilities

*(i) Payables*
These amounts represent liabilities for goods and services provided to the Authority and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

*(ii) Financial guarantees*
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially measured at fair value, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less accumulated amortisation, where appropriate.

The Authority has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2009 and at 30 June 2008.

*(iii) Personnel services payable*

All employees of the Authority, the related administrative services and the responsibility to pay employee benefits including on-costs and taxes reside with the Office of the Motor Accidents Authority of NSW (OMAA). OMAA is a not-for-profit entity with no net assets.

In the Authority's financial report, any on-going obligations related to OMAA's staff providing personnel services to the Authority are shown as Amounts Payable to Service Entities under the heading of Payables in the Balance Sheet.

*Salaries and wages, annual leave, sick leave and on-costs*

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

*Long service leave and superannuation*
The provision recognised is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of these cash flows.

The superannuation expense for the financial year is determined by using the formula specified in Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions. At the end of the financial year, the superannuation expenses and the related liabilities are further adjusted based on actuarial advice.

*(iv) Make-good provision (building lease)*
Make good provision is recognised for the estimate of future payments for make good upon the termination of the leases of the current office premises.

## 1 Summary of significant accounting policies (continued)

*(v) Provision for participants' care and support services*

The liabilities for participants' care and support services are valued by the Actuaries as at the end of the reporting period. They are measured as the present value of the expected future payments for all claims incurred up to the valuation date.

*(vi) Other provisions*
Other provisions are recognised when the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**(i) Comparative information**
Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial report.

**(j) New Australian Accounting Standards issued but not effective**

A number of Australian Accounting Standards have not been applied and are not yet effective. These new standards are concerned with disclosures and will have no direct impact on the financial results.

## 2 CTP premium levy

LTCSA was funded by levies on CTP insurance premiums collected by licensed insurers. The annual levy income of $327.562 million (2008: $300.485 million) includes the accrued levy of $35.128 million (Note 9) for the month of June 2009 (2008: $31.967 million).

## 3 Other revenue

| | 2009<br>$'000 | 2008<br>$'000 |
|---|---|---|
| Interest revenue | 9,131 | 18,955 |
| **Total** | **9,131** | **18,955** |

The weighted average interest rate on cash was 4.19% (2008: 6.30%) and on the cash investments with TCorp was 6.13% (2008: 6.82%).

## 4 Participants' care and support expenses

| | 2009<br>$'000 | 2008<br>$'000 |
|---|---|---|
| Expenses | | |
| Attendant care | 2,997 | 371 |
| Hospital | 14,401 | 2,314 |
| Medical | 5,785 | 1,001 |
| Home Modifications | 536 | 62 |
| Vehicle Modifications | 49 | - |
| Equipment | 1,265 | 235 |
| Total expenses | 25,033 | 3,983 |
| Provision for participants' care and support services | 325,380 | 246,807 |
| **Total** | **350,413** | **250,790** |

## 5 Personnel services

Personnel services were acquired from OMAA and the cost comprised:

| | 2009<br>$'000 | 2008<br>$'000 |
|---|---|---|
| Permanent and temporary salaries | 1,738 | 1,050 |
| Payroll tax | 94 | 51 |
| Employers Superannuation | 207 | 118 |
| Superannuation actuarial loss/(gain) | 727 | 34 |
| Other salary components | 489 | 119 |
| **Total** | **3,255** | **1,372** |

## 6 Operating expenses

The major items included in operating expenses were:

| | 2009<br>$'000 | 2008<br>$'000 |
|---|---|---|
| Rent and related costs | 487 | 616 |
| Computer services | 720 | 425 |
| Stationery | 11 | 7 |
| Legal fees | 34 | 21 |
| Other operating expenses | 1,031 | 434 |
| **Total** | **2,283** | **1,503** |

## 7 Other expenses

Other expenses consisted of:

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Consultancy fees | 388 | 154 |
| Advertising, promotion and publicity | 16 | 62 |
| Audit fees | 187 | 96 |
| Council members' fees | 111 | 99 |
| Board members' fees | 102 | 100 |
| Depreciation and amortisation | 287 | 185 |
| **Total** | **1,091** | **696** |

### Audit fees

Annual audit fees comprise payments of $136,995 (2008: $60,717) to the Internal Audit Bureau for internal audit and $50,560 (2008: $35,000) to the Audit Office of NSW. The amount paid to the Audit Office of NSW was for auditing the financial report.

### Council and Board members fees

Council members' fees were $111,439 (2008: $98,599) and Board members' fees were $101,557 (2008: $99,864).

## 8 Cash and cash equivalents

Cash comprises cash on hand and on-demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insufficient risk of changes in value and have a maturity of three months or less at the date of acquisition.

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Cash at bank and on hand | 4,077 | 1,714 |
| Investments- TCorp Hour-Glass | 17,013 | 241,481 |
| Investments- TCorp Cash Portfolio | 429,920 | 15,125 |
| **Total** | **451,010** | **258,320** |

Cash earns interest at floating rates based on daily bank deposit rates. The weighted average interest rate on cash was 4.19% (2008:6.30%) and on the cash investments with TCorp was 6.13% (2008:6.82%).

The investments of $17.013 million in TCorp Hour-Glass Facility in 2009 are restricted cash assets. They represent cash received (plus interest) from Motor Accidents Authority and held for the Sargood Centre and Tramsheds projects.

## 9 Receivables

| **Current** | 2009 $'000 | 2008 $'000 |
|---|---|---|
| CTP levy income receivable | 35,128 | 31,967 |
| Amount receivable from service entity | - | 15 |
| GST receivable | - | 75 |
| Other receivables | 505 | 46 |
| **Total** | **35,633** | **32,103** |

Receivables are non-interest bearing and are generally on 30-day terms.

## 10 Financial assets

| **Non-current** | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Investments -TCorp Bond Portfolio | 280,743 | 150,787 |
| **Total** | **280,743** | **150,787** |

Interest rate on TCorp Bond was -2.19% (2008: 7.02%)

## 11 Property , plant & equipment

Schedule of non-current assets as at 30 June 2009

| | Land $'000 | Buildings $'000 | Leasehold improvements $'000 | Office furniture and equipment $'000 | Motor vehicle $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| At gross carrying value | 2,400 | 1,059 | 1,237 | 269 | 22 | **4,987** |
| Accumulated depreciation | - | (109) | (204) | (99) | - | **(412)** |
| Fair value at end of year | 2,400 | 950 | 1,033 | 170 | 22 | **4,575** |

## 11 Property , plant & equipment (continued)

Schedule of non-current assets as at 30 June 2008

| | Land | Buildings | Leasehold improvements | Office furniture and equipment | Motor vehicle | Total |
|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| At gross carrying value | 2,400 | 1,000 | 969 | 248 | - | **4,617** |
| Accumulated depreciation | - | (68) | (105) | (60) | - | **(233)** |
| Fair value at end of year | 2,400 | 932 | 864 | 188 | - | **4,384** |

A reconciliation of fair value during the reporting period is set out below:

| | Land | Buildings | Leasehold improvements | Office furniture and equipment | Motor vehicle | Total |
|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Fair value at start of year | 2,400 | 932 | 864 | 188 | - | **4,384** |
| Acquisitions | - | 60 | 267 | 22 | 22 | **371** |
| Depreciation | - | (42) | (98) | (40) | - | **(180)** |
| Fair value at end of year | 2,400 | 950 | 1,033 | 170 | 22 | **4,575** |

A reconciliation of fair value at start and end of year 2007-2008 is set out below:

| | Land | Buildings | Leasehold improvements | Office furniture and equipment | Motor vehicle | Total |
|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Fair value at start of year | 2,400 | 974 | 961 | 197 | - | **4,532** |
| Acquisitions | - | - | - | 38 | - | **38** |
| Depreciation | - | (42) | (97) | (47) | - | **(186)** |
| Fair value at end of year | 2,400 | 932 | 864 | 188 | - | **4,384** |

## 12 Intangible assets

Schedule of non-current assets as at 30 June 2009

| | Computer Software | Computer Software WIP | Total |
|---|---|---|---|
| | 2009 $'000 | 2009 $'000 | 2009 $'000 |
| At gross carrying value | 644 | 324 | 968 |
| Accumulated amortisation | (107) | - | (107) |
| Cost at end of year | 537 | 324 | 861 |

Schedule of non-current assets as at 30 June 2008

| | Computer Software | Computer Software WIP | Total |
|---|---|---|---|
| | 2008 $'000 | 2008 $'000 | 2008 $'000 |
| At gross carrying value | - | 311 | 311 |
| Accumulated amortisation | - | - | - |
| Cost at end of year | - | 311 | 311 |

A reconciliation of the cost at start and end of the reporting period is set out below:

| | Computer Software | Computer Software WIP | Total |
|---|---|---|---|
| | 2009 $'000 | 2009 $'000 | 2009 $'000 |
| Cost at start of year | - | 311 | 311 |
| Acquisitions | - | 657 | 657 |
| Transferred to Computer Software | 644 | (644) | - |
| Amortisation | (107) | - | (107) |
| Cost at end of year | 537 | 324 | 861 |

A reconciliation of the cost at start and end of year 2007-2008 is set out below:

| | Computer Software | Computer Software WIP | Total |
|---|---|---|---|
| | 2008 $'000 | 2008 $'000 | 2008 $'000 |
| Cost at start of year | - | - | - |
| Acquisitions | - | 311 | 311 |
| Transferred to Computer Software | - | - | - |
| Amortisation | - | - | - |
| Cost at end of year | - | 311 | 311 |

## 13 Payables

### (a) Current

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Other payables and accruals | 5,283 | 1,071 |
| Amount payable to service entity | 1,514 | 185 |
| **Total** | **6,797** | **1,256** |

Other payables are non-interest bearing and normally settled on 30-day terms.

## 14 Provisions

### (a) Current

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Provision for participants' care and support services | 20,283 | 14,222 |
| **Total** | **20,283** | **14,222** |

### (b) Non-current

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Provision for participants' care and support services | 589,543 | 270,225 |
| Make-good provision (building lease) | 199 | 180 |
| **Total** | **589,742** | **270,405** |

***Provision for participants' care and support services***

Under the *Motor Accidents (Lifetime Care and Support) Act 2006*, LTCSA meets participants' care and support services for severally injured persons from motor accidents. Entitlement to these services commenced for children under 16 years of age from 1 October 2006 and for adults from 1 October 2007. At 30 June 2009, liabilities for all claims incurred up to this date to the scheme were valued by the actuaries PricewaterhouseCoopers Actuarial after discounting.

The liability for participants' care and support services are measured as the present value of the expected future payments. Based on an actuarial valuation in June 2009 by the actuaries PricewaterhouseCoopers Actuarial, the expected cash flows at discounted values to meet future liabilities were:

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Not later than one year | 20,283 | 14,222 |
| Later than one year but not later than five years | 66,826 | 28,445 |
| Later than five years | 522,717 | 241,780 |
| **Total** | **609,826** | **284,447** |

A reconciliation of the liabilities at start and end of the reporting period is set out below:

| | 2009 $'000 |
|---|---|
| **Liability as at 30 June 2008** | **284,447** |
| Paid in the year on claims incurred prior to 30 June 2008 | (13,423) |
| Expected payments in 3 months to 30 June 2009 on claims incurred prior to 30 June 2008 | (3,192) |
| Unwinding of discount | 19,154 |
| Actuarial (gains) / losses | (10,831) |
| New claims incurred since 30 June 2008 | 333,672 |
| **Liability as at 30 June 2009** | **609,826** |

In estimating the future liability for care costs in the Balance Sheet, the Board has recognised the inherent uncertainty with actuarial projections and has agreed to the retention of a minimum amount of retained equity equivalent to 10% of liabilities.

## 14 Provisions (continued)

The following inflation rates and discount factors were used in measuring the liability for outstanding participants' care and support costs:

| | 2009 | | 2008 | |
|---|---|---|---|---|
| **Year** | **Inflation Rate** | **Investment Return Rate** | **Inflation Rate** | **Investment Return Rate** |
| 2009 | 4.00% | 6.00% | 4.50% | 6.43% |
| 2010 | 4.00% | 6.00% | 4.50% | 6.28% |
| 2011 | 4.00% | 6.00% | 4.50% | 6.19% |
| 2012 | 4.00% | 6.00% | 4.50% | 6.18% |
| 2013 | 4.00% | 6.00% | 4.50% | 6.24% |
| 2014 | 4.00% | 6.00% | 4.50% | 6.29% |
| 2015 and later | 4.00% | 6.00% | 4.29% | 6.29% |
| Equivalent single rate | 4.00% | 6.00% | 4.35% | 6.33% |

| Weighted mean term (years) | 2009 | 2008 |
|---|---|---|
| Uninflated, undiscounted | 23.5 | 21.7 |
| Inflated, discounted | 16.9 | 15.1 |

Sensitivity analysis for the valuation

| Item | Effect on 30 June Liability | Effect on Central Estimate | Percentage Effect |
|---|---|---|---|
| | $m | $m | % |
| Central estimate of LTCS Scheme | | | |
| All valuation assumptions described in this report | 609.8 | | |
| Estimating number of claims eligible (interim and final) for LTCS Scheme to be (original assumption = 197.8 total claims per year): | | | |
| (a) 15% higher than central estimate, no change to average claim size | 702.1 | 92.3 | 15% |
| (b) 15% lower than central estimate, no change to average claim size | 518.9 | -90.9 | -15% |
| Different real rate of return assumptions: | | | |
| (a) 1% pa lower for all future years | 761.3 | 151.5 | 25% |
| (b) 1% pa higher for all future years | 501.0 | -108.8 | -18% |
| Mortality assumptions: | | | |
| (a) 80% of assumed rates for all ages and years since injury | 645.0 | 35.2 | 6% |
| (b) 120% of assumed rates for all ages and years since injury | 580.0 | -29.8 | -5% |
| Different hourly cost of care assumptions (original assumption = $38.75) | | | |
| (a) Reduced to $35 per hour | 560.7 | -49.1 | -8% |
| (b) Increased to $45 per hour | 693.5 | 83.7 | 14% |
| Different superimposed inflation assumptions: | | | |
| (a) 1% pa additional superimposed inflation | 761.3 | 151.5 | 25% |
| (b) -1% pa additional superimposed inflation | 501.0 | -108.8 | -18% |
| Different wage inflation assumptions: | | | |
| (a) 1% pa lower for all future years | 761.3 | 151.5 | 25% |
| (b) 1% pa higher for all future years | 501.0 | -108.8 | -18% |

**Notes**

- The real rate of return assumption used in the valuation model is a long term gap of 2.0% between inflation and investment returns from 1 July 2009 onwards. This assumption incorporates a view on future wage inflation, superimposed inflation and expected investment return. For each of these items a sensitivity is shown above where (a) refers to a 1.0% gap and (b) refers to a 3.0% gap.

- Superimposed inflation is commonly defined as increases in costs over time which are in excess of normal price or wage inflation. It may arise in the future due to a wide range of possible changes in the legislative, economic or behavioural environments which influence the scheme.

## 15 Operating lease commitments

Future non-cancellable operating lease rentals not provided for and payable (inclusive of GST):

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Not later than one year | 431 | 425 |
| Later than one year but not later than five years | 1,725 | 1,700 |
| Later than five years | 1,151 | 1,558 |
| **Total** | **3,307** | **3,683** |

## 16 Grants expenditure commitments

Aggregate of grants expenditure for injury management, and rehabilitation programs (inclusive of GST):

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Not later than one year | 11,794 | 1,781 |
| Later than one year but not later than five years | 20,411 | 243 |
| **Total** | **32,205** | **2,024** |

An integral part of the Scheme is a commitment to effective injury management and rehabilitation. This is supported by provisions, including section 43(3), in the *Motor Accidents (Lifetime Care and Support) Act 2006* that enable LTCSA to fund initiatives that will improve delivery of care, treatment, rehabilitation, long term support and other services for persons who have sustained motor accident injuries.

## 17 Contingent liabilities

There were no known contingent liabilities at 30 June 2009 (nil for 2008).

## 18 Notes to the Cash Flow Statement

### (a) Reconciliation of surplus/(deficit) for the year to net cash flows from operating activities

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Surplus/(Deficit) for the year | (4,022) | 66,020 |
| Depreciation and amortisation | 287 | 185 |
| *Change in assets and liabilities* | | |
| Decrease/(Increase) in receivables: current | (3,530) | (612) |
| Increase/(Decrease) in payables: current | 5,541 | (899) |
| Increase/(Decrease) in payables: non-current | - | (10) |
| Increase/(Decrease) in provisions: current | 6,061 | 12,160 |
| Increase/(Decrease) in provisions: non-current | 319,337 | 234,647 |
| **Net cash flows from operating activities** | **323,674** | **311,491** |

### *(b) Reconciliation of cash*

For the purposes of the Cash Flow Statement, cash includes cash at bank and on hand and highly liquid investments. Cash at the end of the financial year as shown on the Cash Flow Statement is reconciled to the related items in the Balance Sheet:

| | Note | 2009 $'000 | 2008 $'000 |
|---|---|---|---|
| Cash and cash equivalents | 8 | 451,010 | 258,320 |
| **Total** | | **451,010** | **258,320** |

## 19 Financial instruments

The Authority's financial instruments are outlined below. The financial instruments arise directly from the Authority's operation or are required to finance its operations. The Authority does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with its objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial statement.

The board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk faced by the Authority to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit Committee on a continuous basis.

### (a) Financial instrument

| **Financial Assets** 1 | **Note** | **Category** | **Carrying Amount** | **Carrying Amount** |
|---|---|---|---|---|
| **Class :** | | | **2009 $,000** | **2008 $,000** |
| Cash and Cash Equivalents | 8 | N/A | 451,010 | 258,320 |
| Receivables | 9 | Receivables | 505 | 61 |
| Financial assets | 10 | Financial asset measured at fair value through profit and loss | 280,743 | 150,787 |

| **Financial Liabilities** 2 | **Note** | **Category** | **Carrying Amount** | **Carrying Amount** |
|---|---|---|---|---|
| **Class :** | | | **2009 $,000** | **2008 $,000** |
| Payables | 13 | Financial liabilities measured at amortised cost | 6,797 | 1,256 |

Notes:
1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB7)
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7)

### (b) Credit risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash receivables and Authority deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees. Credit risk associated with the Authority's financial assets other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. The Authority's deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances with the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11 am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour-Glass Cash Facility is discussed in paragraph (d) below.

Receivable - trade debtors

All trade debtors are recognised as amounts receivable at balance sheet date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, the Authority did not have debtors that were past due. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

## 19 Financial instruments (continued)

### (c) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and investments planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of credit arrangements.

During the current and prior years, there were no defaults or breaches on any loans payables. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

The table below summarises the maturity profile of the Authority's financial liabilities, together with the interest rate exposure.

**Maturity Analysis and interest rate exposure of financial liabilities:**

| | | | Interest Rate Exposure | | | Maturity Dates | | |
|---|---|---|---|---|---|---|---|---|
| **2009** | **Weighted Average Effective Int. Rate** | **Nominal Amount** | **Fixed Interest Rate** | **Variable Interest Rate** | **Non Interest bearing** | **<1yr** | **1-5yrs** | **>5yrs** |
| Payables | - | 6,797 | - | - | 6,797 | 6,075 | 721 | - |
| | | 6,797 | - | - | 6,797 | 6,075 | 721 | - |
| **2008** | | | | | | | | |
| Payables | - | 1,256 | - | - | 1,256 | 1,256 | - | - |
| | | 1,256 | - | - | 1,256 | 1,256 | - | - |

Notes :
1. The amount disclosed are the contractual undiscounted cash flows of each class of financials liabilities, therefore the amount disclosed above may not reconcile to the balance sheet.

### (d) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. The Authority's exposures to market risk are primarily through interest rate risk on the Authority's price risks associated with the movement in the unit price of the Hour-Glass Investment Facilities. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts. The Authority's TCorp Bond Portfolio includes derivative instruments.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risks. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the balance sheet date. The analysis is performed on the same basis for 2008. The analysis assumes that all other variables remain constant.

**Interest rate risks**

| | | Changes in interest rate +/- 1 % | |
|---|---|---|---|
| | **Carrying amount $'000** | **Profit $'000** | **Equity $'000** |
| **2009** | | | |
| **Financial Assets** | | | |
| Cash at bank and on hand | 4,077 | 40 | - |
| TCorp Cash Portfolio | 429,920 | 566 | |
| TCorp Bond Portfolio | 280,743 | 32,426 | - |
| **2008** | | | |
| **Financial Assets** | | | |
| Cash at bank and on hand | 1,714 | 17 | - |
| TCorp Cash Portfolio | 15,125 | 56 | |
| TCorp Bond Portfolio | 150,787 | 12,595 | - |

## 19 Financial instruments (continued)

### Other price risks

Exposure to other price risks primarily arises through the investments in TCorp Cash and Bond Portfolios, which are held for strategic rather than trading purposes. The Authority has no direct equity investments.

| Facility | Investment Sector | Investment horizon | 2009 $'000 | 2008 $'000 |
|---|---|---|---|---|
| Hour-Glass Cash Facility | Cash, money market instruments | up to 1.5 yrs | 17,013 | 241,481 |
| TCorp Cash Portfolio | Cash, money market instruments | 0.13 yrs | 429,920 | 15,125 |
| TCorp Bond Portfolio | Cash, money market instruments | 11.15 yrs | 280,743 | 150,787 |

The unit price of facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trust in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp, acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investments in Hour-Glass Facilities limits the Authority's exposure to risk, as it allows diversification across a pool of funds, with different investments horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the facilities, using historically based volatility information. The TCorp Hour-Glass Investment Facilities are designated at fair value through profit or loss and therefore any changes in unit price impacts directly on profit (rather than equity).

| | Changes in unit price | Impact on profit / loss 2009 $'000 | 2008 $'000 |
|---|---|---|---|
| Hour-Glass Investment - Cash Facility | +/- 1 % | 17 | 2,415 |

A reasonable possible change is based on the percentage change in unit price multiplied by the redemption price as at 30 June each year for each facility (as advised by TCorp).

### (e) Fair value

Financial instruments are measured at fair value through profit and loss. As discussed, the value of the Hour-Glass Investment is based on the Authority's share of the value of the underlying assets of the facility, based on market value. All the Hour-Glass Facilities are valued using 'redemption' pricing.

## 20 After balance date events

Since balance date, the Office of the Motor Accidents Authority of NSW (OMAA) was abolished under the *Public Sector Employment and Management (Departmental Amalgamation) Order 2009.* All branches and services of Office of the Motor Accidents Authority (OMAA) are transferred to the new Compensation Authorities Staff Division. The Authority will receive personnel services from Compensation Authorities Staff Division starting from 1 July 2009.

- End of audited Financial Statements -

GPO BOX 12
Sydney NSW 2001

**INDEPENDENT AUDITOR'S REPORT**

**Office of the Motor Accidents Authority of New South Wales**

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Office of the Motor Accidents Authority of New South Wales (the Office), which comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

## Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Office as at 30 June 2009, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

## Chief Executive's Responsibility for the Financial Report

The Chief Executive is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Office's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Authority's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Authority,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

Heather Watson

Heather Watson
Director, Financial Audit Services

20 October 2009
SYDNEY

OFFICE OF THE MOTOR ACCIDENTS AUTHORITY

**STATEMENT BY DIVISION HEAD OF**
**THE OFFICE OF THE MOTOR ACCIDENTS AUTHORITY OF NEW SOUTH WALES**
**FOR THE YEAR ENDED 30 JUNE 2009**

Under section 45F of the Public Finance and Audit Act 1983

- I certify that the financial report for the Office of the Motor Accidents Authority of New South Wales has been prepared in compliance with the *Public Finance and Audit Act 1983*, Treasurer's Directions and the *Public Finance and Audit Regulation 2005* and in compliance with Australian Accounting Standards, which include Australian Accounting Interpretations.

- In my opinion the financial report exhibits a true and fair view of the financial position and performance of the Office of the Motor Accidents Authority of New South Wales.

- At the date of signing this report, I am not aware of any circumstances that would render any particulars included in the financial report to be misleading or inaccurate.

R. Thomson

ROB THOMSON
A/Chief Executive Officer
Compensation Authorities Staff Division

Dated at Sydney this 20 day of October 2009

## Office of the Motor Accidents Authority of NSW

## Income Statement for the year ended 30 June 2009

| | Notes | 2009 $ '000 | 2008 $ '000 |
|---|---|---|---|
| **Revenue** | | | |
| Personnel services | 1(e) | 16,880 | 13,263 |
| **Total revenue** | | **16,880** | **13,263** |
| **Expenses** | | | |
| Employee benefits | 2 | 14,716 | 12,418 |
| **Total expenses** | | **14,716** | **12,418** |
| **SURPLUS FOR THE YEAR** | | **2,164** | **845** |

The accompanying notes form an integral part of these financial statements

## Office of the Motor Accidents Authority of NSW

## Statement of Recognised Income and Expense
## For the year ended 30 June 2009

| | 2009<br>$ '000 | 2008<br>$ '000 |
|---|---|---|
| Superannuation actuarial gains / (losses) | (2,164) | (845) |
| TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY | (2,164) | (845) |
| Surplus for the year | 2,164 | 845 |
| TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR | - | - |

**Effect of change in accounting policy**

| | |
|---|---|
| Surplus for the year as reported in 2008 | - |
| Change of policy - actuarial losses | 845 |
| Restated surplus for the year | **845** |

The accompanying notes form an integral part of these financial statements

## Office of the Motor Accidents Authority of NSW

## Balance Sheet as at 30 June 2009

| | Notes | 2009<br>$ '000 | 2008<br>$ '000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 3 | 1,097 | 1,481 |
| Receivables | 4 | 5,081 | 2,157 |
| Other asset | 5 | - | 64 |
| **Total current assets** | | **6,178** | **3,702** |
| **Non-current assets** | | | |
| Receivables | 4 | - | 154 |
| **Total non-current assets** | | **-** | **154** |
| **Total assets** | | **6,178** | **3,856** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Payables | 6 | 242 | 330 |
| Provisions | 7 | 5,467 | 3,331 |
| **Total current liabilities** | | **5,709** | **3,661** |
| **Non-current liabilities** | | | |
| Provisions | 7 | 469 | 195 |
| **Total non-current liabilities** | | **469** | **195** |
| **Total liabilities** | | **6,178** | **3,856** |
| **Net assets** | | **-** | **-** |
| **EQUITY** | | | |
| Accumulated Funds | | - | - |
| **Total equity** | | **-** | **-** |

The accompanying notes form an integral part of these financial statements

## Office of the Motor Accidents Authority of NSW

## Cash Flow Statement for the year ended 30 June 2009

| | Notes | 2009 Inflows/ (Outflows) $ '000 | 2008 Inflows/ (Outflows) $ '000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from related parties | | 14,174 | 14,362 |
| Payments to suppliers | | (14,558) | (12,881) |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES** | **11** | **(384)** | **1,481** |
| **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS** | | (384) | 1,481 |
| Opening cash and cash equivalents | | 1,481 | - |
| **CLOSING CASH AND CASH EQUIVALENTS** | **11** | **1,097** | **1,481** |

The accompanying notes form an integral part of these financial statements

## 1 Summary of significant accounting policies

### (a) Reporting entity

The Office of the Motor Accidents Authority of NSW (OMAA) was established as a Division of the Government Service under the *Public Sector Employment and Management Act 2002 (PSEMA)* . OMAA is a service entity (Division) under Part 1 of Schedule 1 of the PSEMA providing personnel services to the statutory corporations of both Motor Accidents Authority of NSW (MAA) and Lifetime Care and Support Authority of NSW (LTCSA). It has no other function.

OMAA is a not-for-profit entity (as profit is not its principal objective), has no cash generating units and no net assets. The reporting entity is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at Level 25, 580 George Street, Sydney.

The Office was abolished under the *Public Sector Employment and Management (Departmental Amalgamation) Order 2009.* Refer to Note 13 for more details.

This financial report for the year ended 30 June 2009 is the last report. It has been authorised for issue by the Chief Executive of Compensation Authorities Staff Division on 13 October 2009.

### (b) Basis of preparation

The Office's report is a general purpose financial report and has been prepared in accordance with:
- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2005* , and
- applicable Treasurer's Directions

This financial report has been prepared on the basis of historical cost, except for certain financial instruments and provisions.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

### (c) Change in accounting policy

According with NSW Treasury policy, the Office changed its policy on the recognition of superannuation actuarial gains and losses. Such actuarial gains and losses are now recognised outside of profit or loss in the 'Statement of Recognised Income and Expense'. Previously, actuarial gains and losses were recognised through profit or loss. Both options are permissible under AASB 119 *Employee Benefits* .

The change in policy has been adopted on the basis that recognition outside profit or loss provides reliable and more relevant information as it better reflects the nature of actuarial gains and losses. This is because actuarial gains / losses are re-measurements, based on assumptions that do not necessarily reflect the ultimate cost of providing superannuation.

Recognition outside profit or loss also harmonises better with Government Finance Statistics / GAAP comprehensive income presentation for the whole of government and general government sector, required under AASB 1049 *Whole of Government and General Government Sector Financial Reporting* . A comprehensive income presentation will be available at Office level from 2009/10 under AASB 101 *Presentation of Financial Statements by the new* Compensation Authorities Staff Division.

The change in accounting policy increases 2009 'surplus for the year' from nil to $1.971 million (2008: from nil to $0.604 million). Both these items are now recognised in 'Statement of Recognised Income and Expense' rather than the Income Statement.

### (d) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (e) Revenue recognition

Income is measured on an accruals basis at the fair value of the consideration or contribution received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

On-going obligations to provide employee benefits are recoverable from or payable by MAA and LTCSA and shown as amounts due from or to the serviced entities. The recovery of staff costs is classified as personnel services revenue in Income Statement.

### (f) Assets

*(i) Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the income statement when impaired.

## 1 Summary of significant accounting policies (continued)

*(i) Receivables (continued)*

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Receivables recognised so far as these comprise firm collectibles from MAA and LTCSA including prepaid superannuation and these amounts wholly consist of short-term receivables.

*(ii) Other assets*
Other assets are recognised on a cost basis.

### (g) Liabilities

*(i) Payables*
These amounts represent liabilities for goods and services provided to the Office and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

*(ii) Financial guarantees*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially measured at fair value, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less accumulated amortisation, where appropriate.

The Office has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2009 and at 30 June 2008.

*(iii) Employee benefits and other provisions*

*Salaries and wages, annual leave, sick leave and on-costs*
Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

*Long service leave and superannuation*

The provision recognised is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of these cash flows.

The superannuation expense for the financial year is determined by using the formula specified in Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions. At the end of the financial year, the superannuation expenses and the related provision are further adjusted based on actuarial advice.

Refer to Note 10 for more quantitative details.

### (h) Comparative information
Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial report.

### (i) New Australian Accounting Standards issued but not effective

A number of Australian Accounting Standards have not been applied and are not yet effective. These new standards are concerned with disclosures and will have no direct impact on the financial results.

## 2 Employee benefits

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Permanent and temp salaries | 10,882 | 9,449 |
| Payroll tax | 738 | 656 |
| Superannuation- defined contribution funds | 786 | 725 |
| Superannuation- defined benefit funds | 141 | 88 |
| Other salary components | 2,169 | 1,588 |
| **Total** | **14,716** | **12,418** |

## 3 Cash and cash equivalents

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Cash at bank and on hand | 1,097 | 1,481 |
| **Total** | **1,097** | **1,481** |

Cash earns interest at floating rates based on daily bank deposit rates. The weighted average interest rate on cash was 4.19% (2008: 6.3%).

## 4 Receivables

### (a) Current

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Amount due from serviced entities | 5,081 | 2,157 |
| **Total** | **5,081** | **2,157** |

### (b) Non-current

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Amount due from serviced entities | - | 154 |
| **Total** | **-** | **154** |

## 5 Other Asset

| | Notes | 2009 $'000 | 2008 $'000 |
|---|---|---|---|
| **Current** | | | |
| Prepaid Superannuation | 10 | - | 64 |
| **Total** | | **-** | **64** |

Other current asset represents overfunded superannuation administered by Pillar Administration

## 6 Payables

**Current**

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Other payables and accruals | 185 | 102 |
| Amount due to serviced entities | 57 | 228 |
| **Total** | **242** | **330** |

Payables are non-interest bearing and normally settled on 30-day terms.

## 7 Provisions

### (a) Current

| | Notes | 2009 $'000 | 2008 $'000 |
|---|---|---|---|
| Provision for annual leave | | 1,063 | 940 |
| Provision for long service leave | | 1,641 | 1,521 |
| Provision for leave on-costs | | 399 | 413 |
| Provision for deferred superannuation liabilities | 10 | 2,364 | 457 |
| **Total** | | **5,467** | **3,331** |

### (b) Non-current

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Provision for long service leave | 417 | 153 |
| Provision for long service leave on-costs | 52 | 42 |
| **Total** | **469** | **195** |

## 8 Audit fees

Auditor's remuneration for the review of these financial statements is borne by the Motor Accidents Authority of NSW and Lifetime Care and Support Authority of NSW.

## 9 Related parties

**Economic Dependency**

MAA and LTCSA are related parties of OMAA in accordance with Treasury Circular NSW TC 06/13. Transactions and balances in these financial statements relate only to OMAA's function as provider of personnel services to MAA and LTCSA. Cash receipts and payments are affected by MAA and LTCSA on OMAA's behalf. MAA and LTCSA guarantee payment of all OMAA's liabilities.

## 10 Superannuation

OMAA has three defined benefit schemes. The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes. All these schemes are closed to new members.

The defined benefits schemes include:
- State Authorities Superannuation Scheme (SASS)
- State Authorities Non-Contributory Superannuation Scheme (SANCS)
- State Superannuation Scheme (SSS)

With the defined benefits scheme, a component of the final benefit is derived from a multiple of member salary and years of membership. All the defined benefits schemes are closed to new members. Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

Pillar advises OMAA of the level of liability in respect of OMAA superannuation commitments to its employees who are members of the various divisions of the scheme. The calculation of the superannuation position is based upon actuarial reviews independent from the ongoing activities and involvement of OMAA, MAA and LTCSA. The main drivers of the actuarial calculations are the level of investment return, salary inflation and CPI increases as reported in Note 10.

OMAA recognises the net total of the following:
- Present value of the defined benefit obligation at reporting date
- Fair value of plan assets at reporting date

The difference between the opening and closing balances of the net defined benefit asset or liability for the year is brought to account in OMAA's Income Statement with the exception of the components related to actuarial gains and losses, which are recognised directly in accumulated funds.

All fund assets are invested by State Trustee Corporation at arm's length through independent fund managers.

### (a) Valuation method and principle actuarial assumptions at the reporting date

Valuation Method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Economic assumptions

| | 2009 | 2008 |
|---|---|---|
| Discount rate at end of year | 5.59% | 6.55% pa |
| Expected return on plan assets at end of year | 8.1% | 7.8% |
| Expected salary increases | 3.5% pa | 3.5% pa |
| Expected rate of CPI increase | 2.5% pa | 2.5% pa |

## 10 Superannuation (continued)

### (b) Reconciliation of the assets and liabilities recognised in the Balance Sheet

| | Notes | SASS 2009 $'000 | SANCS 2009 $'000 | SSS 2009 $'000 |
|---|---|---|---|---|
| Present value of defined benefit obligations | | 2,387 | 701 | 5,687 |
| Fair value of plan assets | | (2,095) | (479) | (3,837) |
| Net liability to be disclosed in Balance Sheet | 5 / 7 | 292 | 222 | 1,850 |

| | Notes | SASS 2008 $'000 | SANCS 2008 $'000 | SSS 2008 $'000 |
|---|---|---|---|---|
| Present value of defined benefit obligations | | 2,901 | 708 | 4,402 |
| Fair value of plan assets | | (2,965) | (702) | (3,951) |
| Net (asset) / liability to be disclosed in Balance Sheet | 5 / 7 | (64) | 6 | 451 |

### (c) Movement in the present value of the defined benefit obligations

| | SASS 2009 $'000 | SANCS 2009 $'000 | SSS 2009 $'000 |
|---|---|---|---|
| Present value of partly funded defined benefit obligation at beginning of the year | 2,901 | 708 | 4,402 |
| Current service cost | 143 | 37 | 63 |
| Interest cost | 181 | 44 | 286 |
| Contributions by fund participants | 80 | - | 53 |
| Actuarial (gains) / losses | (196) | 115 | 842 |
| Benefit paid | (722) | (203) | 41 |
| Present value of partly funded defined benefit obligation at end of the year | 2,387 | 701 | 5,687 |

| | SASS 2008 $'000 | SANCS 2008 $'000 | SSS 2008 $'000 |
|---|---|---|---|
| Present value of partly funded defined benefit obligation at beginning of the year | 2,425 | 607 | 4,164 |
| Current service cost | 127 | 32 | 54 |
| Interest cost | 150 | 38 | 264 |
| Contributions by fund participants | 72 | - | 44 |
| Actuarial (gains) / losses | 19 | (46) | 32 |
| Benefit paid | 108 | 78 | (156) |
| Present value of partly funded defined benefit obligation at end of the year | 2,901 | 708 | 4,402 |

### (d) Movements in the fair value of the fund assets

| | SASS 2009 $'000 | SANCS 2009 $'000 | SSS 2009 $'000 |
|---|---|---|---|
| Fair value of fund assets at beginning of the year | 2,965 | 702 | 3,950 |
| Expected return on fund assets | 236 | 56 | 321 |
| Actuarial losses | (629) | (113) | (660) |
| Employer contributions | 165 | 37 | 132 |
| Contributions by fund participants | 80 | - | 53 |
| Benefit paid | (722) | (203) | 41 |
| Fair value of fund assets at the end of the year | 2,095 | 479 | 3,837 |

**(d) Movements in the fair value of the fund assets (continued)**

| | SASS 2008 $'000 | SANCS 2008 $'000 | SSS 2008 $'000 |
|---|---|---|---|
| Fair value of fund assets at beginning of the year | 2,576 | 631 | 4,200 |
| Expected return on fund assets | 197 | 50 | 330 |
| Actuarial losses | (161) | (96) | (584) |
| Employer contributions | 173 | 40 | 116 |
| Contributions by fund participants | 72 | - | 44 |
| Benefits paid | 108 | 78 | (156) |
| Fair value of fund assets at the end of the year | 2,965 | 702 | 3,950 |

**(e) Movement in net assets / liability recognised in Balance Sheet**

| | Notes | SASS 2009 $'000 | SANCS 2009 $'000 | SSS 2009 $'000 |
|---|---|---|---|---|
| Net (asset) / liability at the start of the year | | (64) | 6 | 451 |
| Net expense recognised in the Income Statement | | 88 | 25 | 28 |
| Actuarial losses recognised in year | | 433 | 228 | 1,503 |
| Contributions | | (165) | (37) | (132) |
| Net liability to be disclosed in the Balance Sheet | 5/7 | **292** | **222** | **1,850** |

| | Notes | SASS 2008 $'000 | SANCS 2008 $'000 | SSS 2008 $'000 |
|---|---|---|---|---|
| Net asset at the start of the year | | (151) | (24) | (36) |
| Net expense / (revenue) recognised in the Income Statement | | 79 | 20 | (11) |
| Actuarial losses recognised in year | | 180 | 50 | 615 |
| Contributions | | (172) | (40) | (117) |
| Net (asset) / liability to be disclosed in the Balance Sheet | 5 / 7 | **(64)** | **6** | **451** |

**(f) Total recognised in Income Statement**

| | SASS 2009 $'000 | SANCS 2009 $'000 | SSS 2009 $'000 |
|---|---|---|---|
| Current service cost | 143 | 37 | 63 |
| Interest on obligations | 181 | 43 | 286 |
| Expected return on plan assets | (236) | (55) | (321) |
| Total included in employee benefits expense | **88** | **25** | **28** |

| | SASS 2008 $'000 | SANCS 2008 $'000 | SSS 2008 $'000 |
|---|---|---|---|
| Current service cost | 127 | 32 | 54 |
| Interest on obligations | 150 | 38 | 264 |
| Expected return on plan assets | (197) | (50) | (330) |
| Total included in employee benefits expense | **79** | **20** | **(11)** |

**(g) Actual return on plan assets**

| | SASS 2009 $'000 | SANCS 2009 $'000 | SSS 2009 $'000 |
|---|---|---|---|
| Actual return on plan assets | (239) | (58) | (385) |

| | SASS 2008 $'000 | SANCS 2008 $'000 | SSS 2008 $'000 |
|---|---|---|---|
| Actual return on plan assets | (179) | (46) | (272) |

### (h) Funding arrangement for employer contributions

| | SASS 2009 $'000 | SANCS 2009 $'000 | SSS 2009 $'000 |
|---|---|---|---|
| Accrued benefits | 2,231 | 635 | 3,924 |
| Net market value of Fund assets | (2,095) | (479) | (3,837) |
| Net (surplus) / deficit | 136 | 156 | 87 |

| | SASS 2008 $'000 | SANCS 2008 $'000 | SSS 2008 $'000 |
|---|---|---|---|
| Accrued benefits | 2,901 | 711 | 3,999 |
| Net market value of Fund assets | (2,965) | (702) | (3,950) |
| Net (surplus) / deficit | (64) | 9 | 48 |

Recommended contribution rates for the entity for 2009 and 2008 are:

| SASS | SANCS | SSS |
|---|---|---|
| Multiple of member contributions | % member salary | Multiple of member contributions |
| 1.90 | 2.50 | 1.60 |

The method used to determine the employer contribution recommendations at the last actuarial review was the Aggregate Funding method. The method adopted affects the timing of the cost to the employer. Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

The economic assumptions adopted for the current actuarial review of the Fund are:

| Weighted-Average Assumptions | 2009 | 2008 |
|---|---|---|
| Expected rate of return on Fund assets | 7.8% pa | 7.35% pa |
| Expected salary increase rate | 4.0% pa | 4.0% pa |
| Expected rate of CPI increase | 2.5% pa | 2.5% pa |

**Nature of asset / liability**

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary. Where a deficiency exists, the employer is responsible for any difference between the employer's share of fund assets and the defined benefit obligations.

### (i) Historical information

| | SASS 2009 $'000 | SANCS 2009 $'000 | SSS 2009 $'000 |
|---|---|---|---|
| Present value of defined benefit obligation | 2,387 | 701 | 5,687 |
| Fair value of fund assets | (2,095) | (479) | (3,837) |
| (Surplus)/deficit in fund | 292 | 222 | 1,850 |
| Experience adjustments- fund liabilities | (196) | 115 | 842 |
| Experience adjustments- fund assets | 629 | 114 | 660 |

| | SASS 2008 $'000 | SANCS 2008 $'000 | SSS 2008 $'000 |
|---|---|---|---|
| Present value of defined benefit obligation | 2,901 | 708 | 4,402 |
| Fair value of fund assets | (2,965) | (702) | (3,950) |
| (Surplus)/deficit in fund | (64) | 6 | 452 |
| Experience adjustments- fund liabilities | 19 | (46) | 32 |
| Experience adjustments- fund assets | 161 | 96 | 584 |

### (j) Expected contributions

| | SASS 2009 $'000 | SANCS 2009 $'000 | SSS 2009 $'000 |
|---|---|---|---|
| Expected employer contributions | 152 | 44 | 84 |

| | SASS 2008 $'000 | SANCS 2008 $'000 | SSS 2008 $'000 |
|---|---|---|---|
| Expected employer contributions | 138 | 39 | 71 |

## 11 Notes to the Cash Flow Statement

### (a) Reconciliation of surplus for the year to net cash provided by operating activities

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Surplus for the year | 2,164 | 845 |
| *Change in assets and liabilities* | | |
| Decrease/(Increase) in receivables: current | (2,924) | 952 |
| Decrease/(Increase) in other assets: current | 64 | 147 |
| Decrease/(Increase) in receivables: non-current | 154 | - |
| Increase/(Decrease) in payables: current | (88) | (408) |
| Increase/(Decrease) in provisions: current | 2,136 | 749 |
| Increase/(Decrease) in provisions: non-current | 274 | 41 |
| Actuarial loss recognised directly in equity | (2,164) | (845) |
| **Net cash provided by operating activities** | **(384)** | **1,481** |

### (b) Reconciliation of cash

For the purposes of the Cash Flow Statement, cash includes cash at bank and on hand and highly liquid investments. Cash at the end of the financial year as shown on the Cash Flow Statement is reconciled to the related items in the Balance Sheet.

| | 2009 $'000 | 2008 $'000 |
|---|---|---|
| Cash and cash equivalents (Note 3) | 1,097 | 1,481 |
| **Total** | **1,097** | **1,481** |

## 12 Financial instruments

The Office's principal financial instruments are outlined below. These financial instruments arise directly from the Office's operations or are required to finance its operations. The Office does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Office's main risks arising from financial instruments are outlined below, together with its objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Board of Motor Accidents Authority of NSW has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Office, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit Committee of Motor Accidents Authority of NSW on a continuous basis.

### (a) Financial instrument categories

| **Financial Assets** 1 | **Note** | **Category** | **Carrying Amount** | **Carrying Amount** |
|---|---|---|---|---|
| **Class:** | | | **2009 $'000** | **2008 $'000** |
| Cash | 3 | N/A | 1,097 | 1,481 |
| Receivables | 4 | Receivables | 5,081 | 2,311 |

| **Financial Liabilities** 2 | **Note** | **Category** | **Carrying Amount** | **Carrying Amount** |
|---|---|---|---|---|
| **Class:** | | | **2009 $'000** | **2009 $'000** |
| Payables | 6 | Financial liabilities measured at amortised cost | 242 | 330 |

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)
2. Excludes unearned revenue (i.e. not within scope of AASB 7)

### (b) Credit risk exposures

Credit risk arises when there is the possibility of the Office's debtors defaulting on their contractual obligations, resulting in a financial loss to the Office. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). Credit risk arises from the financial assets of the Office, including cash, receivables and authority deposits. No collateral is held by the Office. The Office has not granted any financial guarantees.

Credit risk associated with the Office's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

***Receivables - trade debtors***

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

### (c) Liquidity risk

Liquidity risk is the risk that the Office will be unable to meet its payment obligations when they fall due. The Office continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Office's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

## 12 Financial instruments (continued)

The table below summarises the maturity profile of the Office's financial liabilities, together with the interest rate exposure.

***Maturity Analysis and interest rate exposure of financial liabilities***

| | Weighted Average Effective Int. Rate | Nominal Amount1 | Fixed Interest Rate | Variable Interest Rate | Non-interest bearing | < 1 yr | 1-5 yrs | > 5 yrs |
|---|---|---|---|---|---|---|---|---|
| | | | **$'000** | | | | | |
| | | | **Interest Rate Exposure** | | | **Maturity Dates** | | |
| **2009** | | | | | | | | |
| *Payables* : | | | | | | | | |
| Creditors and payables | - | 242 | - | - | 242 | 242 | - | - |
| **2008** | | | | | | | | |
| *Payables* : | | | | | | | | |
| Creditors and payables | - | 330 | - | - | 330 | 330 | - | - |

Notes:
1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities, therefore the amounts disclosed above will not reconcile to the balance sheet.

### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Office did not have borrowing. The Office has no exposure to foreign currency risk and does not enter into commodity contracts. Also, the Office did not have any financial assets that are subject to changes in market prices.

### (e) Fair Value

The carrying amounts of the financial instruments recognised in the balance sheet approximates the fair value.

## 13 After balance date events

Since balance date, the Office of the Motor Accidents Authority of NSW (OMAA) was abolished under the *Public Sector Employment and Management (Departmental Amalgamation) Order 2009.* All branches and services of the Office are transferred to the new Compensation Authorities Staff Division. Starting from 1 July 2009, the new Compensation Authorities Staff Division will provide personnel services to Motor Accidents Authority of NSW, Lifetime Care and Support Authority of NSW as well as other government entities.

- End of Audited Financial Statements -

# Appendices

9

## OPERATIONS

### Accounts payable performance

During the reporting period, all suppliers and service providers were paid within 30 days as required by NSW Treasury, unless there had been invoice queries or legitimate delays.

### Business continuity and crisis management

The Authority implemented updated Business Continuity and Crisis Management Plans during the year encompassing pandemic planning issues. The Chief Executive Officer is satisfied that in the event of major disruption to its services, the Authority would be able to function adequately and to support its stakeholders and customers during periods of crisis.

### Code of conduct

During the year, the Authority reviewed its existing Board Code of Conduct/ Directors' Handbook, and its staff Code of Conduct. A range of supporting policies including Protected Disclosures and Fraud and Corruption Prevention were released to the Board and staff in support of the pre-existing Code.

The Codes of Conduct represent prime governance guidance documents applicable to the Board, management, staff and associates working with or for the Motor Accidents Authority, Lifetime Care and Support Authority and the Office of the Motor Accidents Authority. The Codes are framed specifically to be living documents that are updated when necessary and published on-line with links to relevant current governance policies.

The Codes seek to:

- improve the understanding of acceptable behaviours
- lessen governance-related risk
- foster improved professionalism within the Authorities
- strengthen the framework of ethics and integrity
- drive the development of improved policies and procedures
- enable transparency within and among the Authorities
- demonstrate leadership in good governance.

The Codes seek to ultimately embed ethical behaviours at all levels and support function-specific Governance Frameworks. Oversight of this Code is through the Executive Management Committees and the Office of the Motor Accidents Authority.

Training for the staff Code of Conduct is mandatory and is conducted annually.

### Consumer response

During the reporting year the agency received three complaints in regards to the operation of the Scheme and provision of services; this was down from four complaints the previous year. The complaints were investigated and resolved.

### Credit card certification

Credit card use by Authority officers is certified in accordance with Treasurer's Direction 205.01 and relevant Premier's Memoranda and additional Treasurer's Directions and government policy.

## Economic and other factors affecting performance

Prime factors impacting performance are varied. On an economic front, the Authority's bond portfolio investment returns have been adversely impacted by volatile credit markets during the year, based on market-to-market requirements. The Authority receives regular formal economic and actuarial advice and forward projections to support its decision-making capability. The Board reviews its investment strategies, market conditions, economic and actuarial assumptions on a quarterly basis and is satisfied with the current strategic settings.

## Guarantee of Service

You can expect us to:

### 1 Treat you with respect and courtesy

### 2 Meet statutory confidentiality and privacy requirements

### 3 Provide an efficient and professional service

If you phone the Authority's office on 1300 738 586 within business hours and we need to redirect your call, you will not be transferred more than once without your agreement, or we will arrange for the appropriate officer to return your call. If you write to us either by letter or e-mail we will respond within 10 working days of receiving your letter/e-mail. If we cannot fully answer your enquiry in that time, we will give you an interim response.

### 4 Provide equitable access to the Authority and information about the Scheme

The Authority makes information about the Compulsory Third Party scheme available in a range of formats (website, brochures, telephone service) to maximise access for all members of the community.

### 5 Provide appropriate information

Information on the Authority and the Scheme is available from the Authority's website (www.ltcsa.nsw.gov.au) or you can phone or e-mail the Authority and we will mail this information to you. The Authority also produces a Statement of Business Intent annually, statistical information papers, various guidelines, insurance and legal service providers and rehabilitation education programs for professionals who work with the Authority.

### 6 Give you the opportunity to be heard

We welcome suggestions and complaints by phone, in person, by mail or e-mail. If you have any suggestions on how the services described here can be improved or if you experience any difficulties, please contact the Authority at:

Level 24
580 George Street
Sydney NSW 2000
Phone: 1300 738 586
Fax: 1300 738 583
E-mail: enquiries@lifetimecare.nsw.gov.au

## Information technology

The Authority continued its efforts to achieve objectives as outlined in the Information and Communications Technology Strategic Plan 2008–13.

This Strategic Plan is intended to:

- improve organisational efficiency and service delivery
- lower network unit costs
- foster improved business and Divisional input to ICT planning
- strengthen platforms for growth in information productivity
- drive the development of a modern convergent network that better supports strategic and corporate goals
- enable e-Government initiatives
- demonstrate ICT leadership within our sector.

At an operational level, the Authority undertook a number of initiatives during the reporting year including the implementation of Navigator (Participant Management System), planning for mobile workforce infrastructure and planning for setup of LTCSA satellite offices.

### Navigator (Case Management System)

The Navigator System is a mission critical application which is used for storing information in regard to the management and care of participants. The initial stage of the implementation was successfully launched in October 2008 with further enhancements deployed in May 2009. The next stage of the Navigator implementation will enable efficiencies to be gained with frontline operations and will support the 'People First: NSW Government ICT Strategy' goal of increasing coordination of customer service requests and actions between electronic service delivery channels.

### Mobile Workforce Infrastructure

Plans are in place to enhance the infrastructure of the LTCSA in order to support the needs of frontline positions. The Authority is reviewing mobile and remote communications using broadband technologies to ensure that the mobile workforce is effective and the Authority benefits from increased productivity. Implementation will commence 1 October 2009.

## Insurance

The Authority utilises the Treasury Managed Fund for day-to-day and workers compensation insurance coverage.

## Internal Audit Committee and risk management

The Board, through its Audit Committee, is provided with:

- internal audit review reports published since the previous meeting
- updates of progress against the endorsed (Annual) Internal Audit Plan
- annual updates of the Authority's Risk Assessment and profile
- details of revisions to the forward Internal Audit Plan.

The Director Risk Management of the Internal Audit Bureau and Director Financial Audit Services of the Audit Office of NSW are invited to meetings to respond to any matters raised. The Board through its Audit Committee has a formal Charter that ensures the highest standards of control and risk monitoring for the Authority. The Board met on six occasions during the year and the Audit Committee on five occasions. Production of Minutes, papers and material for the Board reflects better practice as required by NSW Treasury and the Department of Premier and Cabinet. The Board and Audit Committee are served by a Corporate Secretary.

The Office of the Motor Accidents Authority ensures:

- ongoing review of Authority policies and procedures and regularly reviews or revises key governance and organisational policies in-line with better practice standards and in concert with ongoing training and awareness programs for staff
- in relation to Information Technology, enhanced project management enhancements are in place across the Authority
- an internal register of active internal audit recommendations for internal monitoring is now in place within the Office of the Motor Accidents Authority
- executive management formally reviews policy and strategy items for the Authority
- review and update to the Authority's formal risk management policy through the Audit Committee's commitment to identifying and managing risks and opportunities associated with the achievement of the Authority's functions and strategic objectives. The risk management processes implemented by the Authority are consistent with AS/NZS 4360:2004 Risk Management Standard.

The 2008/09 Lifetime Care and Support Authority Internal Audit Program position at 30 June 2009 is as follows:

### Internal Audit Program

| | Auditable Units | Q1 | Q2 | Q3 | Q4 | RISK RATING | COMMENT |
|---|---|---|---|---|---|---|---|
| **Operational/Compliance** | | | | | | | |
| 1 | Review the effectiveness of HR management processes (i.e. gap analysis) | | | | | Medium | Issued January 2009 |
| 2 | Review the effectiveness of Scheme cost monitoring/levy setting processes | | | | | Medium | Issued March 2009 |
| 3 | Review the effectiveness of AP processess | | | | | Low | Draft issued |
| 4 | Review the overall service delivery to LTCSA, including management and KPI reporting by OMAA | | | | | Medium | Fieldwork completed; draft to be issued August 2009 |
| 5 | Review the adequacy of strategic and corporate planning | | | | | Low | Issued July 2009 |
| 6 | Review overall compliance with legislative/central agency reporting requirements including Privacy | | | | | Low | Deferred to 2010 |
| 7 | Review the adequacy and coverage of policy and procedures framework | | | | | Low | Deferred to 2010 |
| 8 | Review the effectiveness of assessor/fee management for other service providers | | | | | Low | Issued March 2009 |
| 9 | Review overall governance arrangements for completeness/effectiveness | | | | | Medium | Completed by GRC |
| **ICT** | | | | | | | |
| 10 | Review the adequacy of overall IT environment, noting the support by OMAA | | | | | Medium | Issued January 2009 |
| **Additional** | | | | | | | |
| 11 | Review of indirect taxation compliance | | | | | Low | Fieldwork completed; draft to be issued July 2009 |
| 12 | Follow-up review of internal audit recommendations | | | | | Low | Issued May 2009 |
| 13 | Update of risk assessment/register | | | | | Medium | Issued May 2009 |

Legend

Completed

Pending

Deferred/On Hold

To be Advised/Delayed

Future Scoping

## Land disposal

No land was disposed of during the reporting year.

## Major assets acquired

### Navigator capex $657,671

The Navigator system is the case management system used for administration of all participants in the Scheme. The system will allow co-ordinators to have consolidated information on all participant requirements.

## Overseas visits

| Dates | Officer | Destination & Purpose | Cost to the Authority |
|---|---|---|---|
| 25–29 November 2008 | Julia Shepherd | Christchurch, New Zealand<br>Attendance at the annual Australian and New Zealand Spinal Cord Society Conference | $2,482 |

## Privacy Management Plan

The Authority is, for the purposes of any Act, a statutory body representing the Crown and therefore falls within the definition of 'public sector agency' in the *Privacy and Personal Information Protection Act 1998*, whereby the Authority is required to comply with the Information Protection Principles unless an exemption applies.

The Authority's current Privacy Management Plan has been in place since August 2004. The Plan is augmented by internal policies and procedures and mandatory annual staff training. The Privacy Management Plan is scheduled for review and update during 2009/10.

## Research and development

No paid research or development was undertaken during the year.

## Shared corporate services

The Office of the Motor Accidents Authority provides the majority of corporate support services to the Authority under a formal Service Level Agreement. Following an internal audit review of this arrangement during the year, it was determined that the Authority was satisfied with the standard and scope of services provided under this shared services arrangement.

The Authority contracts WorkCover for the purpose of payroll and recruitment services under a legacy arrangement. The service levels associated with this arrangement are subject to periodic internal audit review. The Office of the Motor Accidents Authority collaborates with WorkCover on a range of related issues, both corporate and other.

## Use of consultants

### Consultancies worth $30,000 or more

| Consultant | Category | Amount | Nature of the service |
|---|---|---|---|
| PricewaterhouseCoopers | Management Services | $122,400 | Scheme-related advice |
| GRC Consulting Pty Ltd | Management Services | $107,000 | Governance review, participant survey |
| Mercer Investment Consultants | Finance | $91,260 | Services in relation to investments |
| KPMG | Management Services | $41,582 | Corporate planning |

### Consultancies worth less than $30,000

The Lifetime Care and Support Authority engaged seven consultants with fees less than $30,000. The total cost of these consultancies was $25,541 and covered management services.

## Waste reduction and purchasing

The Authority undertakes a range of initiatives in conjunction with building management to reduce its carbon footprint including:

- smart lighting at its Head Office location
- recycled content through its printer fleet
- support for the Global Corporate Challenge
- minimal motor vehicle fleet
- office paper waste recycling.

# HUMAN RESOURES

## Action Plan for Women including the spokeswoman program

The NSW public sector Workforce Strategy 2008–2012 and Making it Better for Women are the blueprint for public sector agencies to improve recruitment, development and retention opportunities for women.

The Authority has a high representation of women across all occupational groups and grades. Our culture and work practices provide a supportive culture for all staff. Specific strategies which have been accessed by women this year include:

- participation in the sector-wide Executive Development Program
- part-time and working-from-home work arrangements
- spokeswomen's activities such as sponsoring staff attendance at the Unifem International Women's Day event.

## Disability Action Plan

The Authority developed and implemented a Disability Action Plan for 2009–2014. The Plan was supported by the Chief Executive Officer and submitted to the Department of Ageing, Disability and Home Care.

The Authority is committed to ensuring that people with a disability are able to access government services, facilities and jobs on an equitable basis through the delivery of enhanced services that promote fairness and opportunities.

The Plan identifies seven outcome areas targeting universal, adapted and specialist services. The Authority will implement strategies stated in each outcome area to improve services for people with a disability. These strategies are practical and achievable. Examples include building access compliant with AS-1428 and all publications and information are easily accessible and formatted for people with disabilities.

This Plan provides a wide range of practical strategies which will improve both services and employment opportunities for people with a disability. The Authority will actively review and evaluate the progress of this plan over the next five years. Our commitment is to achieve results in all outcome areas.

## Equal Employment Opportunity

The 2007–2010 EEO plan identified key priorities. Progress has been achieved in the following areas:

- continuation of internal training programs which require all staff to complete mandatory training in EEO, disability and multicultural awareness
- development of a Workplace Respect Policy and Staff Complaints and Grievance Policy
- development of the Disability Action Plan – new office accommodation compliance and ongoing support for staff with disabilities are two areas actioned under the Plan
- in-house training for staff on Job Seeking Skills and Merit Selection
- review of human resources policies for currency and relevance.

### Trends in the representation of EEO groups

| Percentage of Total Staff | | | | | |
|---|---|---|---|---|---|
| EEO Group | Target | 2006 | 2007 | 2008 | 2009 |
| Women | 50% | n/a | 79% | 80% | 74% |
| ATSI | 2% | n/a | n/a | n/a | n/a |
| People whose first language is not English | 20% | n/a | n/a | 7% | 10% |
| People with a disability | 12% | n/a | n/a | 12% | 7% |
| People with a disability requiring work-related adjustment | 7% | n/a | n/a | 12% | 7.2% |

Source: Premier's Department, Workforce Profile Tool

Notes:
1. Staff numbers are as at 30 June
2. Excludes casual staff

## Multicultural policies and services

The Motor Accidents Authority recognises the NSW principles of diversity and the need to meet the service delivery needs of all people across NSW. To achieve this, the agency has continued with a number of initiatives during the reporting year including:

- incorporating cultural awareness in all relevant position descriptions and individual work plans
- providing information about the Authority's activities to the ethnic media
- making available interpreters and translators as required for assessments
- producing and making available appropriate publications in community languages
- maintaining a list of languages spoken by staff on the Authority's intranet. These staff can provide basic interpreting assistance to clients
- revising the Authority's induction program to include a dedicated section on cultural awareness.

## Grievances

There were no formal grievances lodged in the 2008/09 reporting year.

## Industrial relations policy and practice

There were no industrial stoppages or major issues identified during the year. The Authority has a Joint Consultative Committee that meets quarterly to discuss workplace policies and practices and resolve staff complaints. As required under the 2008 Memorandum of Understanding (MOU), a Savings Implementation Plan was also developed to identify agency specific initiatives which will result in cost saving and improved workplace efficiency.

## Occupational Health and Safety

There was one compensation claim lodged in the agency in the 2008/09 reporting year.

There is a joint Lifetime Care and Support Authority and Motor Accidents Authority occupational health and safety workplace committee which assists the Authority to meet its statutory requirements. The committee met three times during the year.

During the reporting year, the Authority participated in and supported a number of programs and activities that encourage physical activity and team building among staff including the Global Corporate Challenge and Seven Bridges Walk.

## Personnel policy and practices

Payroll and recruitment services continued to be provided by the WorkCover Authority under a Service Performance Agreement with the Office of the Motor Accidents Authority. Policies and procedures were reviewed as required to reflect service-wide changes and best practice developments in human resources management.

## Significant internal committees at 30 June 2009

| Committee | Representative | |
|---|---|---|
| Joint Consultative Committee | Management representatives: | D Bowen, S Payne, M Crouch |
| | Union representatives: | M Brew, D Meredith |
| OHS Committee | Employer representatives: | S Doenau*, J Probert*, E Rivera*, D Hamilton |
| | Employee representatives: | C Cargill, L MacDonald, J Tickner |

* part year

## Significant external committees at 30 June 2009

| Committee | Representative |
|---|---|
| Acquired Brain Injury Interagency Committee | S Lulham |
| BIRD (Brain Injury Rehabilitation Directorate) and LTCS liaison committee | S Lulham, N Mackinnon |
| Clinical Development Committee (SSCIS) | N Mackinnon |
| Equipment Prescription Guidelines | S Lulham, A Keay, D Croker |
| Injury Risk Management Research Centre Board of Management | D Bowen |
| SSCIS (State Spinal Cord Injury Service) psychosocial committee | N Mackinnon |

## Staff numbers and grading

In 2008/09 there was an average of 27.8 effective full-time (EFT) staff occupying positions at the Lifetime Care and Support Authority.

| Grade | 30 June 2006 | 30 June 2007 | 30 June 2008 | 30 June 2009 |
|---|---|---|---|---|
| SES | | 3 | 1 | 1 |
| Senior Officer | | 0 | 0 | 2 |
| Clerk 11/12 | | 1 | 1 | 1 |
| Clerk 9/10 | | 3 | 3 | 9 |
| Clerk 7/8 | | 7 | 7 | 15 |
| Clerk 5/6 | | 0 | 1 | 1 |
| Clerk 3/4 | | 0 | 0 | 0 |
| Clerk 1/2 | | 1 | 2 | 2 |
| Other | | 0 | 0 | 0 |
| Total (head count) | NIL | 15 | 15 | 31 |
| **Total (EFT)** | | **15** | **15** | **27.8** |

## Senior executive officers

The Lifetime Care and Support Authority's establishment consists of:

- General Manager, Level 6
- Director, Service Delivery, Level 3

One SES officer is female. This is the same as 2007/08.

## CEO's performance statement

David Bowen, SES 6, is the Chief Executive Officer of the Lifetime Care and Support Authority. His total remuneration package for the position is $322,050 per annum. (Note. Mr Bowen also held the position of General Manager, Motor Accidents Authority until April 2009).

The Minister for Finance, the Hon. Joe Tripodi MP, reappointed Mr Bowen as CEO in December 2008 and indicated his satisfaction with Mr Bowen's performance in the management and strategic direction of the Lifetime Care and Support Authority.

# PROMOTIONS

## Non-government organisations funded

| Recipient | Amount | Purpose |
|---|---|---|
| Attendant Care Industry Association of NSW Inc | $90,650 | Development of an attendant care industry accreditation system |
| Australian Association of Social Work | $2,000 | Strength in Unity Conference – 2008 |
| University of NSW | $43,078 | Resource tool for treating emotional issues following a traumatic brain injury |
| Australian Society for the Study of Brain Impairment | $4,500 | 2009 Conference Sponsorship |
| Australia New Zealand Spinal Cord Injury Network | $19,969 | Development of a website for the Network |
| Rehabilitation Studies Unit, Sydney University | $18,724 | Research improved hand function following a brain injury |
| Rehabilitation Studies Unit, Sydney University | $5,782 | Research cognitive recovery following a brain injury |
| Rehabilitation Studies Unit, Sydney University | $44,126 | Research improved psychosocial outcomes in spinal cord injury |
| Rehabilitation Studies Unit, Sydney University | $11,736 | Research to calculate the real cost of 24-hour care |
| Rehabilitation Studies Unit, Sydney University | $17,000 | Literature review of treatments relating to bladder, bowel and sexual function in spinal cord injury |
| Rehabilitation Studies Unit, Sydney University | $91,347 | Evaluate the School Support for Adolescents with Traumatic Brain Injury Program |
| Rehabilitation Studies Unit, Sydney University | $36,741 | Evaluate the Young Adult Transitional Study |
| Rehabilitation Studies Unit, Sydney University | $9,625 | Evaluate the Community Participation Program five years after completion |
| Rehabilitation Studies Unit, Sydney University | $60,750 | Normative study of paediatric Care and Need Scale |
| Rehabilitation Studies Unit, Sydney University | $77,502 | Identify the best criterion for determining the end of post-traumatic amnesia |
| Rehabilitation Studies Unit, Sydney University | $46,362 | Functional Independence Measure (FIM) validation study |
| Rehabilitation Studies Unit, Sydney University | $29,330 | Develop a minimum core set of International Classification of Functioning (ICF) codes for traumatic brain injury |
| TOTAL | $609,222 | |

## Other significant grants

| Recipient | Amount | Purpose |
|---|---|---|
| Sydney South West Area Health Service | $10,670 | Adapt a resilience skills program to assist families providing long-term support to people with traumatic brain injury and/or spinal cord injury |
| Sydney West Area Health Service | $5,558 | Long-term mortality trends following severe traumatic brain injury |
| Sydney West Area Health Service | $8,338 | Study to compare the health and rehabilitation needs of adults with a dual-diagnosis of spinal cord and traumatic brain injury |
| Hunter New England Area Health Service | $10,970 | Support families in rural areas with children with a brain injury through education and behavioural interventions |
| TOTAL | $35,536 | |

## Publications

The Lifetime Care and Support Authority develops and produces a range of publications for participants in the Scheme and their families as well as guidelines for medical and health service providers. The publications are available on the Authority's website, or by calling 1300 738 586.

# LEGISLATION

## Departures from the Subordinate Legislation Act

There were no departures from the Subordinate Legislation Act during the reporting period.

## Freedom of Information

During 2008/09, the Authority did not receive any FOI requests or any requests for amendment or notation of personal records.

## Legislative changes

### Acts

On 9 June 2009 amendments to the *Motor Accidents (Lifetime Care and Support) Act 2006* commenced which  extend the interim participation period for children who are less than three years old at the time of the motor vehicle accident.

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