

Annual Report 2006 - 2007



Lifetime Care & Support Authority of NSW

NSW Government publication

LTCS October 2007

ISSN 1034-6694

The LTCS 2006-2007 Annual Report has been prepared in accordance with the relevant legislation for the Hon John Della Bosca, MLC, Minister Assisting the Minister for Finance

By the Lifetime Care and Support Authority of NSW
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The Hon John Della Bosca MLC
Minister for Education and Training
Minister for Industrial Relations
Minister for the Central Coast
Minister Assisting the Minister for Finance
Parliament House
Macquarie Street
Sydney NSW 2000

October 2007

Dear Minister

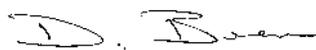
We are pleased to submit the 1st Lifetime Care and Support Authority of NSW Annual Report for presentation to the NSW Parliament.

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, Board of Directors



David Bowen
Chief Executive Officer

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Message from the Chief Executive Officer

The Lifetime Care and Support (LTCS) Authority became a reality on 1 July 2006. The LTCS scheme is the culmination of many years of hard work, liaising with stakeholders, developing working models for a fully-funded scheme, and educating the many front line staff and organisations on how to make this scheme work.

The past financial year has been a year of implementing major legislative changes to the greenslip scheme so that the government can deliver an even fairer scheme for the people of NSW.

Under the newly established scheme, people who are catastrophically injured in motor vehicle accidents will receive the necessary care and support for the rest of their lives, regardless of fault.

When fully operational, it is estimated that around 120 catastrophically injured people will enter the scheme each year. These injuries include paraplegia, quadriplegia and traumatic brain injury.

From 1 October 2006, stage one of the scheme commenced whereby children up to the age of 16 who were catastrophically injured were accepted into the scheme. After being assessed as eligible and being discharged from hospital, the first client entered the scheme in January 2007. By 30 June 2007 the scheme was working with seven catastrophically injured children and their families, to help them to achieve their goals and as much independence as possible.

The second stage of the scheme will commence on 1 October 2007, and provide lifetime medical care and support for everyone who is catastrophically injured in a motor accident, regardless of fault. Under the previous fault based scheme, people who were "at fault" were not eligible for this kind of support.

Prior to the scheme being enacted in Parliament in May 2006, the Government plan was given strong endorsement by medical specialists, health professionals and disability support groups and service providers.

The past financial year has primarily involved establishing the best and most efficient means of operating the scheme, recruiting staff, implementing service provider agreements with attendant carer organisations, and developing information material so that families and medical staff know and understand how the scheme works and how best to access services.

Other key initiatives throughout the reporting year included training LTCS coordinators so they can better assist participants in developing LTCS plans. Procedures for developing discharge and community living plans were developed, trialled and finalised, and training programs and resource material including case studies and workshop exercises, were developed for service providers.

I would like to thank our Minister, the Hon. John Della Bosca, and his staff, the LTCS Board and members of the Lifetime Care and Support Council for their support and advice in the Authority's first year of operation. And finally, but not least, I thank the LTCS staff for their hard work in helping to take the Authority from a concept to reality in its first year.

David Bowen

The Lifetime Care and Support Authority

What is the LTCS Authority?

The Lifetime Care and Support (LTCS) Authority is a statutory corporation that provides treatment, rehabilitation and 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 was established on 1 July 2006 under the *Motor Accidents (Lifetime Care and Support) Act 2006*.

The scheme began for children under 16 years injured in motor accidents from 1 October 2006. From 1 October 2007, the scheme will also apply to adults severely injured in motor accidents in NSW.

The LTCS scheme is funded by a levy on compulsory third party premiums.

What does the LTCS Authority do?

The Lifetime Care and Support scheme 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 LTCS Authority provides reasonable and necessary treatment, rehabilitation and care as it is needed throughout the person's life. The injured person is supported by a LTCS coordinator who assists them to plan their rehabilitation and care.

The injured person and their family are central to the planning of their treatment, rehabilitation and care services. Their involvement is actively encouraged in order to best assist them to participate in their roles within their home and community.

Our vision

People catastrophically injured in motor accidents in NSW are treated with respect and dignity and have the maximum possible choices, opportunities and quality of life.

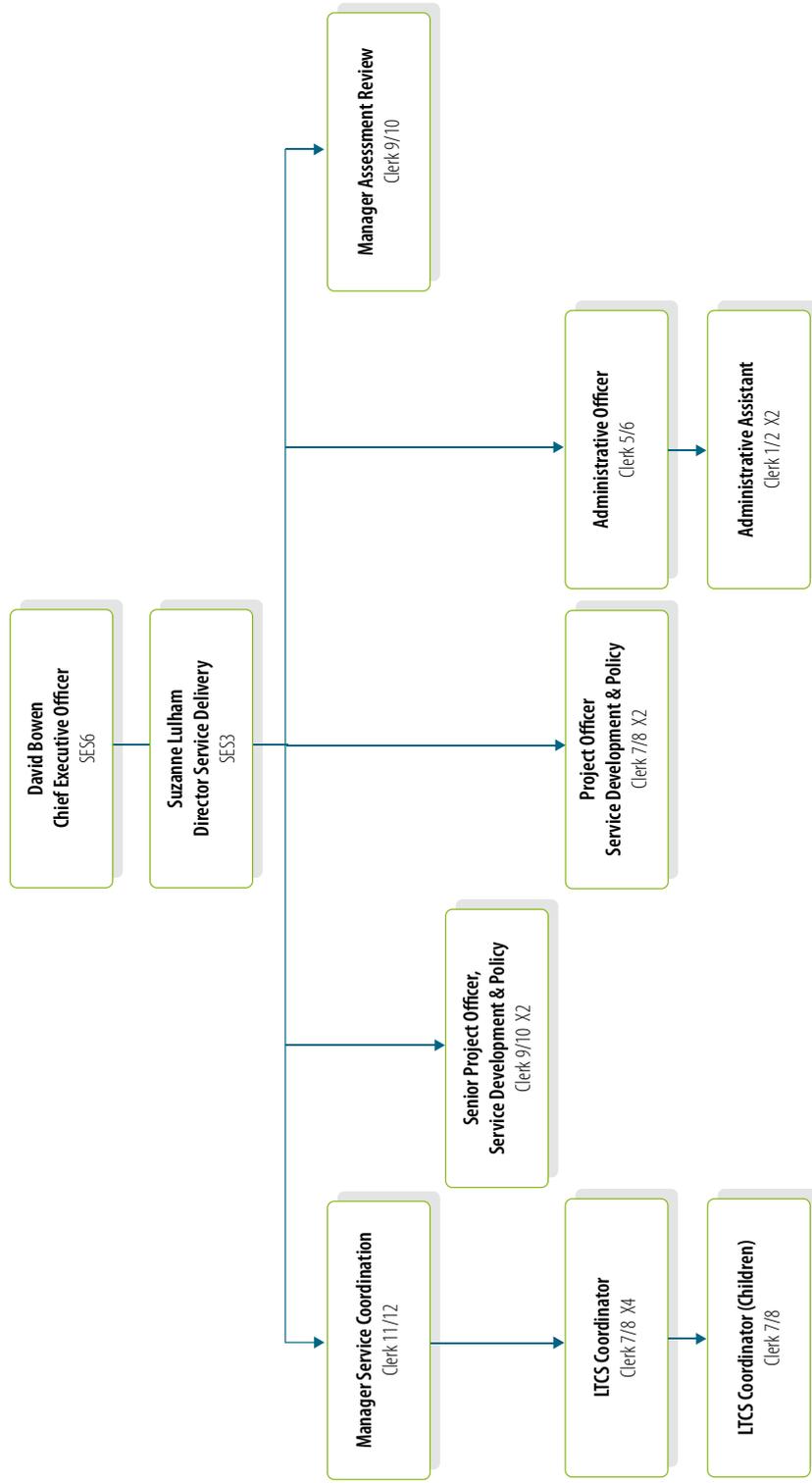
Our role

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

The LTCS Authority's role is to ensure the scheme:

- meets participants needs
- provides quality services
- is financially viable
- is well governed

Lifetime Care and Support Authority Organisational Chart



LTCS Board

The Authority's Board of Directors determines the Authority's administrative policies. In exercising that function, the board must ensure that the Authorities activities are carried out properly and efficiently.

The Board consists of the Authority's Chief Executive and four part-time directors 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.

Richard Grellman FCA, Chairman

Richard Grellman is President and Chairman of the Board of Mission Australia, Chairman of Trafalgar Corporate Limited, Cryosite Limited and the Association of Surfing Professionals, a Non-Executive Director of AMP Limited and Atlas Group Holdings Limited

David Bowen BA, Dip Law

David Bowen is the LTCS Authority CEO and General Manager of the Motor Accidents Authority. Before his appointment as MAA General Manager in December 1998, Mr Bowen was with the Attorney General's Department for more than 10 years, as Assistant Director of Policy and Legislation and Director of Community Relations. He is a member of the Government Agency Road Safety Committee and the Road Safety Taskforce.

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

Before joining the LTCS 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.

Nicholas Whitlam, AB (Hons), MSc

Nicholas Whitlam is chairman of the Port Kembla Port Corporation and a board member of 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.

Cass O'Connor

Cass O'Connor is a corporate advisor and investor, and devotes a portion of her time to not-for-profit ventures. Disability support is a key not-for-profit focus. She is Chairman of Pleasure State Pty Limited and Aurora Community Television Limited, and a Director of McGrath Limited and a number of private property and filmed entertainment entities.

Board meetings attended:

- David Bowen 5
- Richard Grellman 5
- Robert Carling 5
- Nicholas Whitlam 5
- Cass O'Connor 5

Our 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.

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 Vice President of the Australasian Faculty of Rehabilitation Medicine, Royal Australasian College of Physicians and a surveyor with the Australian Medical Council.

Dougie Herd 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.

Denis Ginnivan is the Director of the South West Brain Injury Rehabilitation Service and has extensive 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 (RRRBI) project, a collaboration between the eight brain injury rehabilitation services across rural NSW and the school of Community Health at Charles Sturt University. Denis is a Board member 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 GMCT 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 is the President of the Attendant Care Industry Association (ACIA) and played a key role in establishing ACIA to represent the attendant care industry. 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.

Dr James Middleton is the Director of the State Spinal Cord Injury Service and a Senior Lecturer 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.

Deborah Frith was the Chief Executive Officer for the Brain Injury Association of NSW which is the leading advocacy body in NSW for people with an acquired brain injury, their families and carers. Deborah has extensive experience in the disability sector, particularly in developing education and support programs, and has worked in senior roles within the public service including the Public Guardian's Office. She is a strong advocate for improved services for people with a brain injury, their families and carers. Deborah resigned from the LTCS Council in May 2007.

The scheme meets participant needs



The scheme meets participant needs

Performance against key result areas

Goals	Key results and achievements
<ul style="list-style-type: none"> All participants have a LTCS plan 	<ul style="list-style-type: none"> The LTCS planning process was developed. LTCS coordinators undertook training to develop motivational interviewing skills so they can better assist participants in developing LTCS plans.
<ul style="list-style-type: none"> Participants' Discharge Plans and Community Living Plans are consistent with their LTCS Plan, the LTCS Guidelines and procedures 	<ul style="list-style-type: none"> Procedures for developing discharge and community living plans were developed, trialled and finalised during the reporting period. Training programs and resource material including case studies and workshop exercises, were developed for service providers. NSW Health and the LTCS Authority are working together to develop procedures for prescribing equipment based on best practice. A working party of government agencies who are involved in the approval and purchase of equipment will continue to work towards a common across-agency process.
<ul style="list-style-type: none"> Participants' plans meet their agreed needs and participants are satisfied that their needs are being met 	<ul style="list-style-type: none"> The process for developing LTCS plans and community living plans involves identifying the participants' needs and goals. The participant must agree to their goals and the services being provided before plans can be approved.
<ul style="list-style-type: none"> Participants have opportunities to be involved in community activities 	<ul style="list-style-type: none"> The Principles of the International Classification of Function identifying opportunities and barriers to community participation are incorporated into plan development.

The newly established LTCS Authority – and scheme – provides treatment, rehabilitation and attendant care for people who have a spinal cord injury, a moderate to severe brain injury, multiple amputations, serious burns or blindness from a motor accident in NSW.

The great majority of participants are expected to be young. Seventy per cent will be less than 30 years of age at injury, and the majority (around 75 per cent) will be male. Over two thirds (67 per cent) will have sustained a brain injury.

Who is eligible for the scheme

Determining eligibility is a two-stage process. Eligibility for interim participation is assessed soon after injury and, where possible, prior to discharge from hospital. Interim participation is assessed as soon as possible to allow for the early planning of services and supports so discharge from hospital is not delayed. Interim participation is for a period of two years.

Eligibility for lifetime participation is assessed before the end of the two year interim period. It is expected that a substantial number of interim participants, in particular, those with mild brain injury, will improve throughout this time and therefore not become lifetime participants.

What will be provided by the scheme?

The Authority will pay for treatment, rehabilitation and care services that are reasonable and necessary. The services provided will be for the injury caused by the motor accident, will meet the participant's needs and help the participant achieve his or her goals. They may include treatment, rehabilitation and care services such as:

- medical treatment such as doctors appointments and hospital stays
- rehabilitation such as physiotherapy, occupational and speech therapy
- aids, appliances and equipment such as wheelchairs
- home and vehicle modifications such as a ramp or bathroom rail
- attendant care services including personal and domestic assistance, and home nursing, community access, gardening and home maintenance, childcare, and educational and vocational support
- respite care

LTCS coordinator

All participants will have an LTCS coordinator. The coordinator is the primary point of contact between the participant, service providers and the Authority. The coordinator will:

- provide potential participants with information about the LTCS Scheme and the application process
- facilitate the development, implementation and review of discharge, community living and LTCS plans
- coordinate the delivery of services, including liaison with government and non-government organisations.

LTCS plan

Participants will be encouraged and assisted to develop personal goals which are recorded in their LTCS plan. The LTCS coordinator and key service providers will help the participant to identify their life roles and key life transitions, their participation goals, their skills and competencies, the barriers and facilitators to achieving their goals, and the steps required to achieve these goals.

The LTCS plan will be reviewed and updated regularly with the participant to ensure it is current and relevant.

The scheme provides quality services



The scheme provides quality services

Performance against key result areas

Goals	Key results and achievements
<ul style="list-style-type: none">All attendant care service providers meet our agreed standards	<ul style="list-style-type: none">The LTCS Authority tendered and approved attendant care providers for the scheme. It was a requirement for successful attendant care service providers to have a quality system in place and to be able to meet performance requirements as outlined in the tender document. Attendant care providers were selected on their ability to meet Disability Service Standards and their ability to provide services to LTCS client profile.
<ul style="list-style-type: none">Services are provided in accordance with Discharge and Community Living Plans.	<ul style="list-style-type: none">The review of community living and discharge plans includes progress on meeting participants' goals. Participants are included in the review to ensure that services have been provided in accordance with their expectations.
<ul style="list-style-type: none">Services are coordinated and identified gaps in service delivery systems are addressed.	<ul style="list-style-type: none">Identification of resources in the community to meet the needs of participants. Preliminary identification of service gaps.

Providing high quality attendant care services

The LTCS Authority tendered for attendant care providers in late 2006. The Authority sought service providers with the organisational capability to deliver quality services that meet the needs of scheme participants.

As a result, the Authority now has an eligible service provider base which provides coverage across NSW, and offers disability expertise and flexibility around meeting participant's needs. Families have the flexibility to choose the provider that will best meet their child's needs from the list of approved attendant care providers. A complete list of providers is available on the lifetime care website, which also details which areas and region the providers service.

All attendant care providers will be reviewed on an ongoing basis by the Authority to ensure they are providing quality services for participants.

Attendant care survey

The LTCS Authority surveyed the NSW attendant care industry mid 2006 to identify any issues that may impact on the attendant care industry's capacity to meet the anticipated increased demand for services.

Some of the key findings and feedback included:

- Staff recruitment and retention is the most significant issue impacting on the industry
- Concerns about low award wages, expectations placed on staff by care recipients, confidentiality issues, training for clients in handling workers
- The impact petrol prices have on staff recruitment and retention and the ability to provide coverage to some areas
- Funding arrangements, client accommodation issues and psychosocial issues in relation to catastrophically injured persons

Approved assessor recruitment

In this reporting period, the LTCS Authority recruited approved assessors, who are health professionals with expertise in general paediatric rehabilitation, brain injury and/or spinal cord injury. Assessors will be responsible for conducting assessments of rehabilitation and care needs of participants, and/or to provide expert opinion on a consultative basis.

Equipment - committees

For many of the scheme's future participants, appropriate equipment prescription and a quality equipment service will be essential components of their life post injury. The Authority and NSW Health are working together to improve prescription practices and provision of equipment for people with disabilities, under the Lifetime Care and Support Scheme (LTCS) and the Program of Appliances for Disabled Persons (PADP). This work may have future application to other government equipment schemes such as the Department of Ageing and Disability and Home Care (DADHC) - Aids for Individuals Living in DADHC Accommodation Services (AIDAS).

While the equipment schemes differ in terms of client eligibility and the equipment provided, there are key components of clinical governance, common to the equipment services, which will be reviewed. This includes reaching consensus on the equipment prescription process and information required for the:

- Identification of the need for equipment
- Equipment decision making
- Justification of the benefit of equipment
- Delivery, installation, training and follow-up for equipment
- Equipment scheme request
- Determination of levels of urgency for repair of equipment

The scheme is financially viable

Performance against key result areas

Goals	Key results and achievements
<ul style="list-style-type: none"> The scheme levy is sufficient to fund the scheme to meet all participant needs 	<ul style="list-style-type: none"> The target solvency rate at 1% of liabilities has been exceeded
<ul style="list-style-type: none"> The scheme levy is affordable 	<ul style="list-style-type: none"> The Life Time Care Scheme is the primary benefit funded through the Medical Care and Injury Services Levy collected with the Green Slip insurer premium. As at June 2006, the impact of the introduction of the Life Time Care Scheme on the total Green Slip price was generally minimal and Green Slip prices were at historically good levels of affordability. This is reported in more detail in the Motor Accidents Compensation Scheme Report of the Motor Accidents Authority.
<ul style="list-style-type: none"> The aggregate cost of participants' life budgets is consistent with the actuarial valuation 	<ul style="list-style-type: none"> The annual cost per participant was within 2% margin of actuarial estimate
<ul style="list-style-type: none"> The scheme exceeds assumed investment earnings 	<ul style="list-style-type: none"> The target 0.40% above the actuarial investment return assumption has been exceeded



The scheme is well governed

Performance against key result areas

Priorities	Key results and achievements
<ul style="list-style-type: none"> The Board, Council and Authority are accountable for and report publicly on scheme performance 	<ul style="list-style-type: none"> This is the first Annual Report of the LTCSA, providing public information on the establishment phase of the agency and the Life Time Care and Support Scheme. Once the scheme is more fully operational future Annual Reports will be able to provide more detail on scheme and agency performance. The LTCS Board and Council and LTCSA is overseen by the Law and Justice Standing Committee of the NSW Parliament and it is expected that, in future years, that Committee will also conduct Inquiries on the LTCS Scheme.
<ul style="list-style-type: none"> A quality assurance scheme is in place for scheme management 	<ul style="list-style-type: none"> Process pathways are being developed that include timeframes and indicators of performance.
<ul style="list-style-type: none"> Key relationships are identified and supported by formal agreements 	<ul style="list-style-type: none"> Discussions have been undertaken with all brain and spinal units and procedures agreed for the early identification and notification of possible participants and the involvement of coordinators in the discharge and community living planning for participants. Identification of other agencies involved with participants and preliminary discussions held.
<ul style="list-style-type: none"> The disability sector is engaged in the development of the Scheme 	<ul style="list-style-type: none"> There is representation from the Disability Council of NSW on the LTCSA Council and representatives from the disability sector and injury groups are involved in various working parties.



Corporate plan 2006-2009

Vision

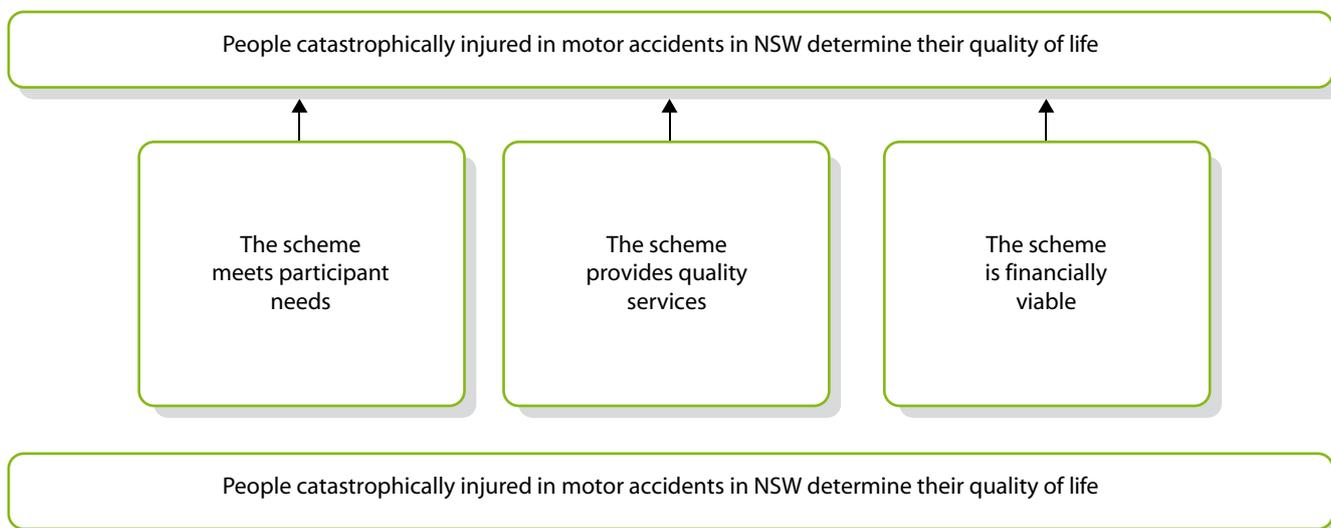
People catastrophically injured in motor accidents in NSW are treated with respect and dignity and have the maximum possible choices, opportunities and quality of life.

Priority Areas: 3 years (2006 - 2009)

The areas in which the Lifetime Care and Support Authority will achieve significant results over the next three years are:

- **Priority Area 1:** The scheme meets participant needs
- **Priority Area 2:** The scheme provides quality services
- **Priority Area 3:** The scheme is financially viable
- **Priority Area 4:** The scheme is well governed

The relationships between these priority areas are shown below:



Corporate plan 2006-2009

Priority Area 1 The Scheme meets participant needs

1.1 All participants have a LTCS plan

Performance Indicators

- % of participants with a LTCS plan within 3 months of discharge from hospital or entry into Scheme (target 90%).
- % of LTCS plans reviewed annually (target 90%).

1.2 Participants' Discharge and Community Living Plans are consistent with their LTCS Plan, the LTCS Guidelines and procedures.

Performance Indicators

- % of discharge and community living plans not fully approved (target – benchmark established Oct 08).
- % of requests for services not complying with LTCS procedures (target – benchmark established Oct 08).

1.3 Participants' plans meet their agreed needs and participants are satisfied that their needs are being met

Performance Indicators

- % plans agreed to by the participants (target – benchmark established Oct 08).
- % of survey respondents satisfied that their needs are being met (target – benchmark established June 08).
- % of goals in community living plan attained (target – benchmark established Oct 08).

1.4 Participants have opportunities to be involved in community activities

Performance Indicators

- % of participants satisfied with their level of community participation (measured by CHART and survey) (target – benchmark established December 08).

Priority Area 2 The Scheme provides quality services

2.1 All attendant care service providers meet our agreed standards

Performance Indicators

- % of attendant care providers that meet the agreed performance indicators (target – benchmark established Dec 08).
- % of participants satisfied with their attendant care service (target – benchmark established June 08).

2.2 Services are provided in accordance with Discharge and Community Living Plans.

Performance Indicators

- % of expenditure in accordance with plans.

2.3 Services are coordinated and identified gaps in service delivery systems are addressed.

Performance Indicators

- % of services delivered within timeframe of plan (target – benchmark established Oct 08).
- Action plan to address service gaps developed by June 2007.

Priority Area 3 The Scheme is financially viable

3.1 The scheme levy is sufficient to fund the scheme to meet all participant needs

Performance Indicators

- % Scheme in surplus.
- % Scheme investments greater than liabilities.

3.2 The scheme levy is affordable

Performance Indicators

- The increase in average levy is no more than the % increase in Average Weekly Earnings.
- The levy is fully risk weighted by vehicle claims and zone.

3.3 The aggregate cost of participants' life budgets is consistent with the actuarial valuation.

Performance Indicators

- % of participants whose actual unit cost is greater than actuarial unit cost is no greater than 25%.
- % of participants whose predicted life plan unit cost is greater than actuarial cost is no greater than 15%.
- Total actual costs in a given year are no greater than the actuarial costs for the same participant number and ratio plus 10%.

3.4 The scheme exceeds assumed investment earnings

Performance Indicators

- Gross investment earnings exceeds forecast investment earnings by 1%.
- Relative percentage earnings exceeds actuarial percentage earnings by 1%.
- Actual earnings exceeds CPI plus 2%.

Priority Area 4 The Scheme is well governed

4.1 The Board, Council and Authority are accountable for and report publicly on scheme performance

Performance Indicators

- Date by which Scheme Condition Report developed.
- Date by which Scheme performance reports produced monthly.
- Date by which Board and Council Code of Conduct created.
- Date by which Board Corporate Governance Statement created.
- Date by which Council Charter developed.

4.2 A quality assurance scheme is in place for scheme management

Performance Indicators

- Date by which Continuous Improvement Program in place.
- % of internal audit reports identifying errors.
- Date by which Risk management plan in place.
- Percentage of Service Level Agreement targets met.

4.3 Key relationships are identified and supported by formal agreements

Performance Indicators

- By December 2007 formal arrangements in place with stakeholders involved in supporting the participant in the community.

4.4 The disability sector is engaged in the development of the Scheme

Performance Indicators

- % of working parties with disability sector representation (target 100%).
- % of projects with disability sector representation (target 100%).

Lifetime Care & Support Authority of NSW Financial Statements for year ended 30 June 2007

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Introduction

The financial statements for Lifetime Care and Support Authority of NSW for the year ended 30 June 2007 disclosed a surplus of \$94.002 million.

The main source of funding was a levy on CTP insurance premiums collected by licensed insurers which amounted to \$132.651 million. Total expenditure including accruals amounted to \$41.061 million. The largest item of expenditure was \$37.640 million as a provision for participants' care and support services valued by the actuaries PricewaterhouseCoopers.

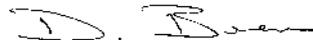
**STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDING 30 JUNE 2007**

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

- We certify that the financial report for Lifetime Care & 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 transactions of the Lifetime Care & 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.

A handwritten signature in black ink, appearing to read "Richard Grellman".

RICHARD GRELLMAN
Chairman

A handwritten signature in black ink, appearing to read "David Bowen".

DAVID BOWEN
Chief Executive Officer

Dated at Sydney this 26th day of October 2007



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 Lifetime Care and Support Authority of New South Wales (the Authority), which comprises the balance sheet as at 30 June 2007, and 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 of 30 June 2007, and of its financial performance and its cash flows 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.

Significant Uncertainty Regarding the Outstanding Claims Liability

Without qualification to the opinion expressed above, attention is drawn to the following matter. The outstanding claims liability of the Lifetime Care and Support Scheme (the Scheme) as disclosed in Note 7 is calculated using a standard actuarial approach. However as entitlements under the Scheme only commenced from 1 October 2006, there is limited claims experience available for the actuary to estimate the outstanding claims liability. As a result there is significant uncertainty associated with the estimate of the liability and related expense item, which 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 control 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 control relevant to the entity'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 entity's internal control. 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 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 are not compromised in their role by the possibility of losing clients or income.



C J Giumelli
Director, Financial Audit Services

30 October 2007
SYDNEY

Lifetime Care and Support Authority of NSW

Income statement for year ended 30 June 2007

	Notes	2007 \$ '000
Revenue		
CTP premium levy	2(e)/8	132,651
CPP Grants	2(e)	840
Interest income	9	1,572
TOTAL revenue		135,063
Expenses		
Participants' care and support expenses	10	38,156
Personnel services	2(c)/11	1,306
Operating expenses	12	959
Rehabilitation, road safety grants and sponsorships		197
Other expenses	13	443
TOTAL expenses		41,061
Surplus for the year		94,002

The accompanying notes form an integral part of these financial statements.

Lifetime Care and Support Authority of NSW

Balance Sheet as at 30 June 2007

	Notes	2007 \$ '000
Current assets		
Cash and cash equivalents	3	97,965
Receivables	4	31,490
TOTAL current assets		129,455
Non-current assets		
Property, plant and equipment	5	4,532
TOTAL non-current assets		4,532
TOTAL assets		133,987
Current liabilities		
Payables	6(a)	2,335
Provisions	2(b)/7(a)	1,882
TOTAL current liabilities		4,217
Non-current liabilities		
Payables	6(b)	10
Provisions	2(b)/7(b)	35,758
TOTAL non-current liabilities		35,768
TOTAL liabilities		39,985
Net assets		94,002
Equity		
Retained earnings		94,002
TOTAL equity		94,002

Statement of changes in equity for year ended 30 June 2007

	Notes	2007 \$ '000
Retained earnings at start of year		–
Surplus for the year		94,002
Retained earnings at end of year		94,002

The accompanying notes form an integral part of these financial statements.

Lifetime Care and Support Authority of NSW

Cash flow statement for year ended 30 June 2007

	Notes	2007 Inflows/ (Outflows) \$ '000
Cash flows from operating activities		
Payments		
Payments to suppliers		(2,937)
Rehabilitation, road safety grants and sponsorships		(197)
Receipts		
Receipts from licensed insurers		101,776
CPP/SABI grants		2,001
Interest received and other income		1,572
Net cash provided by operating activities	18(a)	102,215
Cash flows from investing activities		
Payments for property, plant and equipment		(4,250)
Net cash used in investing activities		(4,250)
Net increase in cash and cash equivalents		97,965
Cash and cash equivalents at start of year		–
Cash and cash equivalents at end of year	18(b)	97,965

The accompanying notes form an integral part of these financial statements.

Lifetime Care and Support Authority of NSW

Notes to the financial statements for the year ended 30 June 2007

1 Background

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 it has no cash generating units. 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 24, 580 George Street, Sydney.

This financial report for the year ended 30 June 2007 has been authorised for issue by the Board on 26 October 2007.

2 Accounting policies

a) Basis of preparation

The financial report for LTCSA for the year ended 30 June 2007 is a general purpose financial report which 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.

b) Policy of provisions

Provisions are recognised when the entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision 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.

(c) Personnel services

All employees of LTCSA, the related administrative services and the responsibility to pay employee benefits including on-costs and taxes reside with Office of Motor Accidents Authority of NSW (OMAA). OMAA is a non-profit entity with no net assets.

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

(d) Property, 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.

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.

Plant and equipment costing \$1,000 and above individually are capitalised. Depreciation has been calculated on the diminishing basis over the estimated useful life of assets. The following depreciation rates were used:

	2007 %
Buildings	4.0
Leasehold Improvements	over the life of the lease
Office furniture and equipment	20.0

Depreciation rates and methods are reviewed annually.

As a not-for-profit entity with no cash generating units, LTCSA 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.

(e) Income Recognition

Income is measured on an accruals basis at the fair value of the consideration or contribution received or receivable. LTCSA funds were principally generated from levies on compulsory third party (CTP) insurance premiums collected by licensed insurers in accordance with notices issued under Section 50(5) of the *Motor Accidents (Lifetime and Support) Act 2006*.

In addition, grants are received from Motor Accidents Authority to cover participants' care expenses under the Community Participation Project (CPP) for accidents which occurred prior to 1 October 2006.

The levies were used to meet the expenses of LTCSA's operations under the *Motor Accidents (Lifetime 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*.

(f) Accounting for the Goods and Services Tax (GST)

Revenues, expenses, assets and liabilities are recognised net of GST, except:

- the amount of GST incurred by LTCSA 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.

Commitments are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the Cash Flow Statement on a gross basis.

(g) 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.

(h) Payables

Payables represent liabilities for goods and services provided to the agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

3 Cash and cash equivalents

	2007 \$'000
Cash at bank and on hand	2,255
Cash Investment with TCorp	95,710
Total	97,965

Cash earns interest at floating rates based on daily bank deposit rates. The weighted average interest rate on cash was 5.42% and on the cash investments with TCorp was 6.55%

4 Receivables

Current

	2007 \$'000
CTP levy income receivable	30,875
Amount receivable from service entity	49
GST receivable	54
Other receivables	512
Total	31,490

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

5 Property, plant & equipment

Schedule of non-current assets as at 30 June 2007

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Office furniture and equipment \$'000	Total \$'000
At gross carrying value	2,400	1,000	969	210	4,579
Accumulated depreciation		(26)	(8)	(13)	(47)
Fair value at end of year	2,400	974	961	197	4,532

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

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Office furniture and equipment \$'000	Total \$'000
Acquisitions	2,400	1,000	969	210	4,579
Depreciation		(26)	(8)	(13)	(47)
Fair value at end of year	2,400	974	961	197	4,532

6 Payables

a) Current

	2007 \$'000
Income in advance	1,161
Other payables and accruals	697
Amount payable to service entity	477
Total	2,335

Income in advance represents grants received in advance from the Motor Accidents Authority to be used for special purposes post 30 June 2007.

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

b) Non-current

	2007 \$'000
Amount payable to service entity	10
Total	10

7 Provisions

a) Current

	2007 \$'000
Provision for participants' care and support services	1,882
Total	1,882

b) Non-current

	2007 \$'000
Provision for participants' care and support services	35,758
Total	35,758

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 severely 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 2007, liabilities for future participants' care and support services were valued by the actuaries PricewaterhouseCoopers after discounting.

The liability for future participants' care and support services are measured as the present value of the expected future payments. Based on an actuarial valuation in June 2007 by the actuaries, PricewaterhouseCoopers, the expected cash flows at discounted values to meet future liabilities were:

	2007 \$'000
No later than one year	1,882
Later than one year but no later than five years	3,764
Later than five years	31,994
Total	37,640

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

Year	Inflation Rate %	Investment Return Rate %
2008	4.00	6.28
2009	4.00	6.44
2010	4.00	6.21
2011	4.00	6.10
2012	4.00	6.04
2013	4.00	5.99
2014	4.00	5.97
2015 and later	3.97	5.97
Equivalent single rate	3.99	6.04

Weighted mean term	(years)
Uninflated, undiscounted	34.8
Inflated, discounted	26.7

7 Provisions (cont.)

The accuracy of the liability for future participants' care and support services is impacted by the inherent uncertainty of the estimation. This includes the very new nature of the Scheme, and the fact that the valuation is based on a wide range of information, from a cross section of data sources. A large number of assumptions have been made in the valuation, and only time will test the appropriateness of these assumptions. Assumptions have been made with regard to expected:

- Claim incidence
- Average claim size
- Mortality
- Economic assumptions
- Expense of claims management

The sensitivity of the valuation to adjustment in key assumptions is outlined by the actuaries PricewaterhouseCoopers in the following table:

Item	Scheme cost Central Estimate \$million	Effect on Central Estimate \$million	Percentage Effect %	Effect on 30 June Liability \$million
Cost (central estimate) of the LTCSA Scheme: All valuation assumptions described in this report	309.3			37.6
Estimating number of claims eligible (final) for LTCS Scheme to be:				
(a) 14% increase, no change to average claim size	352.3	43.1	14	42.8
(b) 11% decrease, no change to average claim size	274.0	(35.2)	(11)	33.3
Different real rate of return assumptions:				
(a) 1% pa lower for all future years	376.7	67.4	22	45.8
(b) 1% pa higher for all future years	260.3	(49.0)	(16)	31.6
Reduced mortality assumptions:				
80% of assumed rates for all ages and years since injury	330.9	21.6	7	40.2
Changed "other claims" assumptions:				
"Other" claims represent 5% of total Scheme	316.8	7.5	2	38.5
No "other" claims	301.7	(7.5)	(2)	36.7
Different hourly cost of care assumptions				
Reduced to \$32 per hour	281.8	(27.4)	(9)	34.3
Increased to \$40 per hour	336.7	27.4	9	40.9

8 CTP premium levy

LTCSA was funded by levies on CTP insurance premiums collected by licensed insurers. The annual levy income of \$132.651 million includes the accrued levy of \$30.875 million (Note 4) for the month of June 2007 and includes income generated from the increase in levy rates from 1 April 2007 for adult participation from 1 October 2007 estimated as \$54.208 million.

9 Other income

	2007 \$'000
Interest income	1,572
Total	1,572

The weighted average interest rate on cash was 5.42% and on the cash investments with TCorp was 6.55%

10 Participants' care and support expenses

	2007 \$'000
Expenses	
Attendant care	402
Hospital	53
Medical	54
Home Modifications	5
Vehicle Modifications	2
Total expenses	516
Provision for participants' care and support services	37,640
Total	38,156

11 Personnel services

Personnel services were acquired from OMAA and the cost comprised:

	2007 \$'000
Permanent and temp salaries	1,015
Payroll tax	44
Employers Superannuation	109
Superannuation actuarial loss/(gain)	(49)
Other salary components	187
Total	1,306

12 Operating expenses

The major items included in operating expenses were:

	2007 \$'000
Rent and related costs	114
Computer services	180
Stationery	21
Legal fees	20
Other operating expenses	624
Total	959

13 Other expenses

Other expenses consist of:

	Notes	2007 \$'000
Consultancy fees		189
Advertising, promotion and publicity		42
Audit fees	14	27
Council members' fees		64
Board members' fees		74
Depreciation		47
Total		443

14 Audit fees

Annual audit fees of \$27,000 is attributable to the Audit Office of NSW for auditing the financial report.

15 Related parties

Council and Board members fees

Council members' fees were \$64,291 and Board members' fees were \$74,397.

16 Commitments for expenditure

As at 30 June 2007, LTCSA has expenditure commitment to the lease of its existing office premises, rehabilitation and road safety programs already approved by the Board and commitments to participants' care. The lease commitments (inclusive of GST) were as follows:

	2007 \$'000
No later than one year	414
Later than one year but no later than five years	1,797
Later than five years	2,405
Total	4,616

LTCSA has an approved grant commitment (inclusive of GST) as at 30 June 2007 of \$631,907. The grant commitments were not included in the current and non-current liabilities on the main body of the Balance Sheet considering the conditions attached to the disbursement of the approved funding.

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 was no known contingent liability at 30 June 2007.

18 Notes to the Cash Flow Statement

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

	2007 \$'000
Surplus for the year	94,002
Depreciation	47
Change in assets and liabilities	
Decrease/(Increase) in receivables: current	(31,490)
Increase/(Decrease) in payables: current	2,006
Increase/(Decrease) in payables: non-current	10
Increase/(Decrease) in provisions: current	1,882
Increase/(Decrease) in provisions: non-current	35,758
Net cash provided by operating activities	102,215

(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:

	2007 \$'000
Cash and cash equivalents (Note 3)	97,965
Total	97,965

19 Financial instruments

Credit risk exposures

The credit risk on LTCSA's financial assets included in the Balance Sheet is the carrying amount (net of any provisions) based on fair value.

Interest rate risk exposures

2007 on the Balance Sheet	Weighted av. Rate	Floating \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	6.04%	97,965	–	97,965
Receivables		–	31,490	31,490
		97,965	31,490	129,455
Financial Liabilities				
Payables		–	2,345	2,345
Provisions		–	37,640	37,640
		–	39,985	39,985
Net Financial Assets/(Liabilities)		97,965	(8,495)	89,470

20 AASB 108 disclosure on amendments

In this reporting period, the following recent Australian Accounting Standards that are not yet effective were not used in preparing this financial report. The new standards are concerned with disclosures and will have no direct impact on the financial results.

AASB Amendment	Affected Standards	Operative Date (year starting)
2005-10	AASB 7: Financial Instruments: Disclosures Issued August 2005	1 January 2007
AASB 101	AASB 101: Presentation of Financial Statements Issued in September 2007	1 January 2009
AASB 1049	AASB 1049: Financial Reporting of General Government Sectors by Governments Issued in September 2006	1 July 2008
2007-4	Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments Issued in April 2007	1 July 2007
Interpretation 4	Interpretation 4: Determining whether an arrangement contains a Lease Issued in February 2007	1 January 2008

End of Audited Financial Statements

Supplementary Information

Five year projections

LTCSA's reported \$94m surplus for the year needs to be read in conjunction with PricewaterhouseCoopers reported five year projections which follows.

Projected Scheme Financial Position, 2007 to 2012

Qtr	Cash flows			Asset Balance		Benefits paid and liability			Funding surplus		
	Cash flow (uninfl) \$ '000	per renewal (uninfl) \$	Cash flow (infl) \$ '000	per renewal (infl) \$	Total with investment return \$ '000	Benefit payments in qtr \$ '000	Net asset balance \$ '000	New liability in qtr \$ '000	O/S Liab at end \$ '000	\$ '000	(% liab)
Dec - 06	25,701	24.60	25,701	24.60	25,889						
Mar - 07	24,866	24.22	24,866	24.22	51,317						
Jun - 07	71,059	63.20	71,059	63.20	123,648				37,640		
Sep - 07	74,985	63.84	74,98	63.84	200,966	980	200,009	15,518	52,837	147,172	279
Dec - 07	69,787	65.29	71,169	66.59	275,635	7,061	267,521	78,459	125,532	141,989	113
Mar - 08	66,972	63.78	68,299	65.04	348,477	7,130	333,062	79,232	200,003	133,059	67
Jun - 08	73,378	63.79	76,313	66.34	430,462	7,200	407,567	80,013	276,282	131,285	48
Sep - 08	77,388	64.44	80,484	67.02	517,850	7,271	487,295	80,801	354,403	132,892	37
Dec - 08	71,353	65.29	75,677	69.25	601,679	10,092	560,510	81,597	431,632	128,878	30
Mar - 09	68,476	63.78	72,625	67.64	683,664	10,191	631,626	82,401	510,703	120,923	24
Jun - 09	75,025	63.79	81,147	69.00	775,436	10,292	712,267	83,213	591,652	120,615	20
Sep - 09	79,087	64.44	85,541	69.70	872,981	10,393	798,416	84,033	674,512	123,904	18
Dec - 09	72,920	65.29	80,432	72.02	966,811	13,228	877,827	84,861	756,566	121,261	16
Mar - 10	69,979	63.78	77,188	70.35	1,058,750	13,359	955,004	85,697	840,535	114,469	14
Jun - 10	76,672	63.79	86,245	71.76	1,161,162	13,490	1,042,305	86,542	926,454	115,851	13
Sep - 10	80,786	64.44	90,873	72.49	1,269,738	13,623	1,135,414	87,394	1,014,359	121,055	12
Dec - 10	74,486	65.29	85,466	74.90	1,374,441	16,564	1,221,461	88,255	1,101,459	120,002	11
Mar - 11	71,482	63.78	82,000	73.16	1,477,209	16,727	1,305,135	89,125	1,190,549	114,586	10
Jun - 11	78,319	63.79	91,622	74.63	1,591,177	16,892	1,399,563	90,003	1,281,665	117,898	9
Sep - 11	82,490	64.44	96,501	75.39	1,711,733	17,058	1,500,124	90,890	1,374,844	125,280	9
Dec - 11	76,057	65.29	90,783	77.90	1,828,252	20,145	1,593,246	91,786	1,467,182	126,064	9
Mar - 12	72,990	63.78	87,079	76.09	1,942,795	20,343	1,683,848	92,690	1,561,587	122,261	8
Jun - 12	79,971	63.79	97,296	77.61	2,069,311	20,544	1,785,870	93,603	1,658,095	127,775	8
Sep - 12	84,655	64.44	102,996	78.40	2,203,424	20,746	1,894,927	94,526	1,756,744	138,183	8
Dec - 12	78,034	65.29	96,821	81.01	2,333,286	24,197	1,995,888	95,457	1,854,303	141,585	8

Note: Levy income projections were provided by Taylor Fry Consulting Actuaries. In these projections a simple inflation/ discounting assumption of 4%/6% has been adopted.

Supplementary Information (cont)

The claims experience of the LTCSA Scheme has been significantly lighter than expected in its early months of operation. There has also been an accumulation of levies in anticipation of the beginning of the full scheme from 1 October 2007. These two contributors have led to a large surplus (relative to liabilities) as at 30 June 2007.

However from a risk management perspective this position may be seen to be desirable for the following reasons:

- (a) The projected scheme cash flows over the next five years demonstrate that the projected surplus relative to liabilities will fall to 8% over this period (see table above);
- (b) The early years of the Scheme are likely to be particularly volatile and unpredictable in terms of claims experience, as the Scheme collects its own history. In particular, changes in cost incurred from year to year in the early Scheme experience will form a relatively larger proportion of liability, and hence may benefit from the existence of a reserve.

In summary, while the Scheme is not an insurance company, nor governed by APRA prudential requirements, the same logic of sound and predictable management applies, to mitigate the risk of large changes in required levy should claims experience turn out to be worse than expected.

Income Statement: Comparison to Budget

	2006-07 Actual \$'000	2006-07 Budget \$'000
Revenue from ordinary activities:		
CTP premium levy	132,651	116,102
CPP grants	840	772
Other income	1,572	2,124
TOTAL revenue from ordinary activities	135,063	118,998
Expenditure from ordinary activities:		
Participants' care and support expenses	38,156	46,988
Personnel services	1,306	1,968
Other expenses	1,402	1,708
Rehabilitation, road safety grants and sponsorships	197	-
TOTAL expenditure from ordinary activities	41,061	50,664
Net Surplus/(Deficit)	94,002	68,334

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Operations

Accounts payable performance

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

Credit card certification

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

Information Technology

The LTCSA has entered into a Service Partnership Agreement with the Motor Accidents Authority for supply of IT services and equipment. This has provided significant cost savings in terms of setting up a technical infrastructure for the Authority.

Some key projects undertaken in the LTCSA's first year include:

- establishment of a new TRIM dataset for effective management of LTCSA records
- development of a new website for the Authority
- a comprehensive, two stage business process analysis and mapping project designed to identify the Authority's ongoing data and system requirements

The Authority has also commenced work on options for a comprehensive case management system which will include participant and plan management, service provider management, financial and reporting facilities.

Audit Committee and risk management

Ernst & Young were engaged late 2005 by MAA to analyse the LTCSA scheme's cost risks to the tax payer and motorists in NSW and how those cost risks may be minimised over the foreseeable future. A detailed report was issued in July 2006.

Following this work Ernst & Young were engaged to assist LTCSA implement a risk management plan focused on the cost risks identified in the above report. A risk management workshop was conducted in August 2006 and risk mitigation plan presented to the Board in September 2006. Ernst & Young received \$28,781 GST exclusive for carrying out the risk management work during the financial year.

Responsibilities for implementing risk mitigation measures have been identified and LTCSA's progress in its implementation program will be monitored by the Audit Committee.

Insurance

LTCSA is adequately insured for public liability, property, workers' compensation and directors' and officers' liability.

Major assets acquired

\$4.579 m was spent during the year on land, buildings, leasehold improvements and office furniture and equipment as follows:

- \$3.400m on Land and Buildings for Jax Place at 5 Lachlan Avenue, Sylvania in Sydney, which is a custom built home catering to the full range of respite needs for children with disabilities and their families.
- \$0.969m on Leasehold Improvements to the offices at Level 24, 580 George Street, Sydney.
- \$0.210m on Office Furniture and Equipment

Privacy management plan

The LTCSA's privacy management plan complies with the Privacy and Personal Information Protection Act 1998 and includes procedures for privacy complaints, applications for internal review and compliance with public register provisions. The 2006-2009 plan was issued in September 2006, with an action plan containing a number of activities to be completed in 2006-2007. A key activity completed in April 2007 was an in-house Privacy session attended by all LTCSA staff. The LTCSA did not receive any requests for review under the Act this year.

Use of consultants

LTCSA engages consultants in accordance with the Premier's Department's guidelines. Consultancy fees for the year were \$189,387 (GST exclusive) for financial, risk management and other management services, \$45,277 to KPMG for system selection assistance, \$42,500 to Mercer Investment Consulting for investment consulting services and \$101,610 to nine other consulting organisations.

Waste reduction and purchasing plan

As the LTCSA is such a small agency and shares resources with the MAA, it follows the MAA Waste Reduction and Purchasing Plan. Recycled paper is used for printing, all publications are available online, and toner cartridges are recycled. Every desk has a recycling bin next to it to encourage staff to place recyclable items in it.

Energy management policy

LTCSA continues to pursue its commitment to the NSW Government's initiative of reducing energy usage and greenhouse gas emissions in line with the Government Energy Management Policy of 1998. The LTCSA uses energy-efficient office and computing equipment and lighting with movement sensors.

Shared corporate services

The LTCSA has an agreement with WorkCover for the provision of corporate support functions. Services provided include accounts payable, monthly financial reporting, payroll, leave and recruitment processes. This has allowed the LTCSA to make cost savings. An independent review of the services provided to LTCSA and MAA was undertaken in 2006/2007 and confirmed that agreement is providing value for money.

Accommodation

Staff of the LTCSA are located at Level 24 of 580 George Street, Sydney. In 2006/2007, LTCSA staff were relocated from Level 21 to refurbished offices Level 24 of the building.

Overseas visits

No overseas travel was undertaken in 2006/2007.

Staffing

Staff numbers and grading

In 2006/2007, there was an average of 15 effective full-time (EFT) staff occupying positions at the LTCSA.

	30 June 2006*	30 June 2007
SES		3
Senior Officer		0
Clerk 11/12		1
Clerk 9/10		3
Clerk 7/8		7
Clerk 5/6		0
Clerk 3/4		0
Clerk 1/2		1
Other		
Total (head count)		
Total (EFT)	Nil	15

* The LTCSA was established on 1 July 2006.

Senior executive officers

LTCSA SES establishment consists of a Chief Executive Officer, Level 6; Director, Service Delivery, Level 3 and Chief Financial Officer (shared with MAA), Level 3. One SES officer is female.

CEO's performance statement

David Bowen, SES level 6, is the LTCSA CEO and MAA General Manager. His total remuneration package for both positions is \$288,000 per annum. The following statement is provided in compliance with annual reporting legislation, which requires that achievement statements be published for all SES officers, level 5 and above.

Minister Assisting the Minister for Finance, the Hon John Della Bosca MLC, has indicated his satisfaction with Mr Bowen's performance in the management and strategic direction of the LTCSA. Achievements in 2006-07 included:

- establishing the LTCSA
- implementing the Lifetime Care and Support Scheme, including the development of discharge and community living planning procedures for participants in the Scheme
- implementing the Community Participation Project
- developing the LTCS Guidelines
- implementing the School Support for Adolescents with Brain Injury project – a project that will develop best practice intervention for clinical and school staff for the management of adolescents with a brain injury

Equal Employment Opportunity

The LTCSA was created on 1 July 2006. An EEO Plan is under development to cover the period 2007-2010. During the reporting year, staff of LTCSA were included in training courses conducted by the MAA in EEO, disability and multicultural awareness and harassment prevention. In house training was available in "Job Seeking Skills" and "Selection Techniques for Selection Committees".

Major targets for 2006-2007 include:

- Finalisation of the EEO Plan for the period 2007-2010
- Provision of EEO/grievance/bullying and discrimination training to staff, ensuring that every staff member has attended this training every two years
- Support and encouragement for the Spokeswoman Program

Spokeswoman Program

The LTCSA supported the Spokeswoman Program continued by electing a Spokeswoman to represent the interests of women employed at the Authority. This Spokeswoman works closely with the MAA Spokeswomen to develop their knowledge and share ideas and initiatives. A number of activities were sponsored by the program during the year, including:

- A MAA/LTCSA-sponsored table at the International Women's Day luncheon
- Sponsoring staff attendance at the Unifem International Women's Day event
- Participation in a forum conducted by the Premier and Cabinet Office to seek the views of women on the NSW public sector women's employment development strategy

Grievances

There were no formal grievances lodged in the 2006-2007 reporting year.

Occupational Health and Safety

There were no compensation claims lodged in the 2006-2007 reporting year. The MAA and LTCSA annual workers compensation premium was \$51,990, a reduction from last year's premium of \$59,130.

The combined MAA/LTCSA OH&S workplace committee met four times during the year, assisting the MAA meet its statutory requirements.

During the reporting year the MAA again participated in the Global Corporate Challenge (GCC), a virtual journey around the world for 125 days which commenced in Australia in May 2007 and concludes in September 2007. Along the way, it covers 37 countries and a total distance of 15,000km. Over 2,000 teams are competing for their organisations in teams of seven to see how far they can race around the world. Participants wear pedometers for the duration of the event and record their daily step count. This is converted into kilometers, thus "walking around the world". MAA/LTCSA has eight teams participating in the challenge. The Challenge is a health strategy to increase physical activity participation for corporate Australia with demonstrated health benefits including significant improvements in blood cholesterol, blood glucose, weight and waist measurements. Additionally, it has shown itself to be an excellent team-building activity.

Action Plan for women

The NSW Government's Action Plan for Women aims to:

- Reduce violence
- Promote safe and equitable workplaces
- Maximize interests in economic reforms
- Promote the position of women in society
- Improve access to education, health and quality of life

The LTCSA takes these aims into consideration as an industry regulator and in allocating funding grants, offering education and information and in dispute resolution.

Disability Strategic Plan

During 2006/2007 the LTCSA ensured the following:

- the refurbished George Street offices complied with accessibility requirements and legislation
- Access to Auslan interpreters for hearing-impaired clients attending assessments
- Ensuring assessors' offices are accessible for clients with disabilities

Ethnic Affairs Priority Statement

Major achievements in the Ethnic Affairs Policy Statement and Implementation Plan for 2003-2006 included:

- Mandatory training for staff in cultural awareness and diversity, and included in ROADS, the performance development scheme
- Brochures and workshops were conducted in community languages by recipients of program funding. Languages included Vietnamese, Chinese, Arabic, Serbian/Bosnian and Macedonian.
- Grants were given for the development of cultural competence training
- All requests for interpreter services were met
- A list of languages spoken by staff is on the MAA intranet. These staff can provide basic interpreting assistance to clients
- One staff member applied for and is receiving an allowance under the CLAS scheme (CLAS is an allowance paid to selected NSW public sector employees who have a basic level of competency in a language other than English and who work in locations where their language can be used to assist clients)

Parliamentary Annual Report Tables

A: Trends in the representation of EEO groups

Percentage of Total Staff

EEO Group	Target	2006	2007
Women	50	0	79
ATSI	2	0	n/a
People whose first language is not English	20	0	n/a
People with a disability	12	0	n/a
People with a disability requiring work-related adjustment	7	0	n/a

B: Trends in the distribution of EEO groups

Distribution Index

EEO Group	Target	2006	2007
Women	100	0	n/a
ATSI	100	0	n/a
People whose first language is not English	100	0	n/a
People with a disability	100	0	n/a
People with a disability requiring work-related adjustment	100	0	n/a

Source: Premier's Department, Workforce Profile Tool

Notes:

- 1 Staff numbers are as at 30 June
- 2 Excludes casual staff
- 3 A distribution index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The distribution index is automatically calculated by the software provided by the Director of Equal Opportunity in Public Employment
- 4 The distribution index is not calculated where EEO group or non-EEO group numbers are less than 20 and is presented as 'n/a' in Table B.

Legislation

Freedom of Information statement of affairs

Every agency covered by the Freedom of Information Act 1989 (FOI Act) is required by the Act to publish an annual Statement of Affairs.

Structure and Functions

- LTCSA's organisational structure is shown in the Annual Report.
- The functions of the LTCSA are described comprehensively in the Annual Report.
- The structure and functions of the LTCSA Board of Directors and the Advisory Council are described in the Corporate Governance Statement.

Effect of LTCSA functions on the public

The Lifetime Care and Support Scheme provides lifelong treatment, rehabilitation and attendant care services to people severely injured in motor accidents in NSW, regardless of who was at fault in the accident.

People who are eligible for the Scheme will have a spinal cord injury; moderate to severe brain injury; multiple amputations; severe burns; or will be blind as a result of a motor accident.

The Scheme began for people aged under 16 injured in motor accidents from 1 October 2006 and will begin for people aged over 16 from 1 October 2007.

It was established by the Motor Accidents (Lifetime Care and Support) Act 2006 on 1 July 2006.

The LTCSA's decision-making power in the following instances will have a direct effect on people:

- funding reasonable and necessary treatment, rehabilitation and care services for participants of the Scheme;
- decisions made by Assessors about disputes;
- support and funding for research and education in relation to treatment, rehabilitation and care.

How the public may participate in LTCSA policy development

Public participation and comment on the Scheme is ensured by:

- members of the Advisory Council representing stakeholders and service providers;
- ongoing consultation with the Insurance Council and CTP insurers;
- ongoing consultation with professional groups and the community generally;
- the implementation of a complaints handling system as part of the LTCSA's customer service and compliance strategies;
- public inquiries service through GreenSlip HelpLine and direct inquiries to the LTCSA.

The LTCSA's planning process results in the development of a Corporate Plan and an Annual Budget – all planning documents are linked to the corporate plan.

The LTCSA's Board of Directors and the senior executive management team exercise budgetary management and control on a monthly basis.

The LTCSA is a statutory corporation and the Board of Directors and the Chief Executive Officer are subject to the control and direction of the Minister as expressly provided for in the Motor Accidents (Lifetime Care and Support) Act 2006. Any direction made by the Minister will be disclosed in the Gazette and in the LTCSA's Annual Report.

Categories of records held by the LTCSA

All policy documents of the department are published in the Government Gazette every six months in the Summary of Affairs, as required under the FOI Act. A copy of the most recent Summary of Affairs can be obtained from the Government Gazette.

Categories of documents include:

- policy documents and brochures;
- documents on internal administration of the Authority;
- documents concerning personal affairs.

How members of the public may access and amend the LTCSA's documents

Accessing and amending LTCSA's documents

Applications for access to LTCSA's documents that are made under the provisions of the Freedom of Information Act 1989, should be in writing accompanied by the \$30 application fee and directed to:

FOI Co-ordinator

Lifetime Care & Support Authority

Level 24, 580 George St

Sydney NSW 2000

General phone enquires: 1300 738 586

Fax: 1300 738 583

For access to records by natural persons about their personal affairs, the FOI processing fee is a further \$30 per hour after the first 20 hours. For all other request the FOI processing charge is a further \$30 per hour after the first hour. People wishing to be considered for a reduction in fees should set out reasons with their applications. Those holding a current Health Care Card are eligible for a 50% reduction.

Applications made under the Privacy and Personal Information Protection Act 1998 and Health Records and Information Privacy Act 2002 should similarly be made in writing and be accompanied by a \$30 application fee. Processing fees will be the same as applications made under the FOI Act. See preceding paragraph.

When processing an application every effort will be made to minimise the cost to the applicant. Where appropriate, the applicant will be contacted to discuss options for limiting the cost of processing.

Applications to amend or notate documents held by the LTCSA that relate to a person's own personal affairs may also be made to the FOI Coordinator.

Freedom of Information (FOI) summary

During 2006-2007, the LTCSA did not receive any FOI request, amendment or notation of personal records.

Legislative changes

Acts

The Motor Accidents (Lifetime Care and Support) Act 2006 establishes a new scheme to provide lifetime care and support for people suffering catastrophic injuries such as spinal damage or serious brain trauma in motor vehicle accidents. The Act's administrative provisions providing for the establishment of the Lifetime Care and Support Authority to administer the new scheme commenced on 1 July 2006. The Act's provisions dealing with scheme entry and participation (subject to the Motor Accidents (Lifetime Care and Support) Regulation 2006) commenced on 1 October 2006.

Regulations

The transitional Motor Accidents (Lifetime Care and Support) Regulation 2006, which restricts lifetime care and support scheme eligibility and participation to those victims of road accidents who are under 16 at the time of the accident, commenced on 1 October 2006.

Statutory reporting obligations

All statutory and non-statutory management plans, reports and returns to central coordinating authorities were completed within required deadlines during the reporting period.

Committees at 30 June 2007

Significant external committees

Community Participation Reference Group

D Bowen, S Lulham, N MacKinnon

24 Hour Care Guidelines Working Party

S Lulham, T Bidese

Neuropsychological Guidelines Working Party

S Lulham, N Mackinnon

Carers Linked into Caring Advisory Committee (Carers NSW)

M MacDonald

Long Term Care Working Party

D Bowen, S Lulham

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