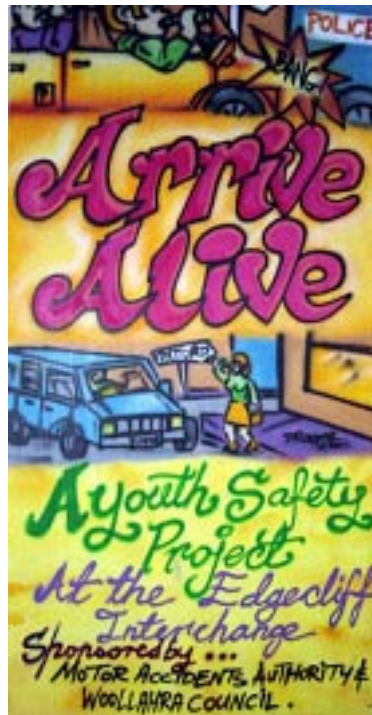




Annual Report 2002-2003

Motor Accidents Authority of NSW





The Woolhara Youth Council received an Arrive alive grant from the MAA to produce these murals, which are displayed at Edgecliff railway station bus interchange. The grant was one of 22 throughout NSW provided to groups of young people to address youth local road safety issues.

The MAA 2002-2003 Annual Report has been prepared in accordance with the relevant legislation for the Hon John Della Bosca, MLC, Minister for Commerce

NSW Government publication

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Motor Accidents Authority of NSW

Level 22, 580 George Street Sydney 2000 Australia

Phone 1300 137 131 Fax 1300 137 707 TTY 8268 1450

Copies are available at www.maa.nsw.gov.au or by phoning 1300 137 131

The Hon John Della Bosca MLC
Special Minister of State
Minister for Commerce
Minister for Industrial Relations
Assistant Treasurer and
Minister for the Central Coast
Parliament House
Macquarie Street
Sydney NSW 2000

31 October 2003

Dear Minister

We are pleased to submit the 14th Motor Accidents 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 Compensation Act 1999 and relevant regulations.

Yours sincerely



Richard Grellman
Chairman, Board of Directors
Motor Accidents Authority of NSW



David Bowen
General Manager
Motor Accidents Authority of NSW

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Message from the Chairman and General Manager

The New South Wales compulsory third party 'Green Slip' scheme continues to mature following the major reforms of 1999. The Motor Accidents Authority of NSW (MAA) has enjoyed a year of consolidation, progressive internal review and strong public promotion of key road safety issues.

As each year passes, scheme data that the MAA generates becomes more and more meaningful. As the results provided in the scheme performance indicators section show, injured people are accessing medical treatment faster and seriously injured people are receiving increased compensation (pages 33-42).

Green Slip prices for the majority of NSW motorists have fallen to pre-1996 levels while average weekly earnings have continued to rise. The reforms have thus resulted in much more affordable Green Slips.

This year, the MAA also turned its attention to the issue of long-term care for catastrophically injured people. There is no doubt that, within the disability community, there is very strong support for establishing more effective systems for addressing the long term care needs of this group of people.

The *Making Connections* spinal cord injury (SCI) conference in January this year may well prove to be a watershed in the history of the NSW Government's approach to caring for people with SCI. As part of its contribution, the MAA provided \$2 million to fund the employment of independent-living coordinators who will promote full community participation for people with a traumatic spinal cord injury.

A highlight this year was the growth of the MAA's *Arrive alive* youth road safety initiatives. In October, the nation's only government-sponsored dedicated youth road safety website, www.arrivealive.com.au, was launched and the first round of *Arrive alive* grants were provided to 22 groups of young people throughout NSW. Under this initiative, young people became directly responsible for tackling local road safety issues. We acknowledge their outstanding work and commitment to reducing road trauma among 17-25 year-old road users.

Finally, we thank Minister for Commerce, the Hon John Della Bosca, and his staff for their continued support and MAA staff for their diligence throughout the year.



Richard Grellman
Chairman



David Bowen
General Manager

About the Motor Accidents Authority

Our vision

is to lead and support a compulsory third party (CTP) scheme that minimises the impact of motor vehicle accidents.

Our role

is to have a CTP insurance and compensation scheme that is affordable, fair and accessible by:

- being a best practice regulator
- supporting injury prevention and improved management of claimant injuries
- informing and assisting stakeholders and service providers
- resolving disputes between claimants and insurers

The MAA's role has been revised in the 2003-2006 Corporate Plan (page 43).

What is the MAA?

The MAA is a statutory corporation that monitors and supervises the CTP scheme for motor vehicles registered in New South Wales. It was established by the NSW Parliament under the *Motor Accidents Act 1988* on 10 March 1989.

The MAA is funded by a levy on third party premiums (via Green Slips). The scheme was amended by the *Motor Accidents Compensation Act 1999* (the Act).

What does the MAA do?

The MAA is constituted by Section 198 of the Act and certain functions are set out in Section 206 of the Act, including:

- monitoring the operation of the CTP scheme
- collecting and analysing scheme statistics
- publishing and disseminating scheme information
- providing funding for the reduction of trauma as a result of motor accidents
- issuing certain guidelines
- advising the Minister on scheme efficiency and effectiveness
- providing support and advice to the Motor Accidents Council
- performing specific functions to support the provision of acute care, treatment, rehabilitation, long-term support and other services for persons injured in motor accidents.

Corporate governance

In March 2000, the MAA published its first Corporate Governance Statement after comprehensive consultation with staff, the Board and the Minister. The Corporate Governance Statement clarifies the roles and responsibilities of the Minister, Board of Directors, MAA Council and the Authority's management and the relationships between them. In January 2003 a revised Corporate Governance Statement was agreed and this is published in full starting on page 48.

MAA Board at 30 June 2003

The Minister reappointed Richard Grellman, Penny Le Couteur, Antoinette Le Marchant and Roger Wilkins for a further period of three years from 6 October 2002. Alison Ray, the former Deputy Chair of the Board resigned at the end of her term and Alan Hunt was appointed a member from 6 October 2002. Penny Le Couteur was appointed Deputy Chair.

Richard Grellman FCA — Chairman

In 2000 Richard Grellman retired as a partner of KPMG after 32 years with the firm. He is President and Chairman of the Board of Mission Australia and Chairman of Cryosite Limited, a Non-Executive Director of AMP Limited and Atlas Group Holdings Limited. He is also a fellow of the Institute of Chartered Accounts in Australia.

Penny Le Couteur BSc (Hons) — Deputy Chair

Penny Le Couteur has served on the MAA Board since 1999. She is a Director of Employers Mutual Limited, KU Childrens Services and the Workshop Arts Centre. A former Managing Director of the Securities Institute of Australia, she has extensive experience in insurance and financial services consulting.

Alan Hunt

Alan Hunt is a company director and corporate adviser and was the managing partner of a large legal firm for over 10 years. His experience as a lawyer includes general, life and reinsurance matters. He is a Director of Insurance Manufacturers of Australia.

Antoinette le Marchant BA (Hons) MA (Hons)

Antoinette le Marchant has extensive experience in third party and workers compensation, as well as social justice issues. She is the CEO of a large, not-for-profit organisation and is also a member of a number of government bodies, including the Central Sydney Planning Committee. She is Chair of the NSW Government's Transport Authority and the NSW Government's Social Justice Reference Group.

Roger Wilkins

Roger Wilkins is Director-General of the NSW Cabinet Office, which provides the NSW Premier with independent policy advice, and the NSW Ministry for the Arts. He chairs a number of standing committees that coordinate government policy across all sectors as well as a number of national taskforces and committees dealing with public sector reform, including the Council of Australian Governments (COAG) Committee on Regulatory Reform.

David Bowen, BA Dip Law

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 & Legislation and Director of Community Relations. He is a member of the Government Agency Road Safety Committee and the Road Safety Taskforce.

Board meetings attended in 2002-2003

Richard Grellman	6
David Bowen	6
Penny Le Couteur	6
Roger Wilkins	4
Antoinette le Marchant	6
Alison Ray (resigned October 02)	1
Alan Hunt (appointed October 02)	6

Motor Accidents Council

Dr Stephen Buckley is a consultant physician in rehabilitation medicine at the Royal North Shore Hospital specialising in traumatic brain injury. He is involved in educational and professional rehabilitation issues and is Chairman of the Board of Censors of the Australasian Faculty of Rehabilitation Medicine, Royal Australasian College of Physicians and a surveyor with the Australian Medical Council.

Geraldine Daley has specialised in personal injury law for approximately 20 years. She has represented the Law Society of NSW on the Motor Accidents Authority Impairment Guidelines Advisory Committee and in 2000 was appointed an Assessor of the MAA's Claims Assessment Resolution Service. She is an arbitrator of the NSW District and Supreme Courts and cost assessor of the Supreme Court.

Dr John Frith is a lecturer in environmental medicine at the University of New South Wales with 25 years experience in clinical and academic general practice and in community and environmental health. He is a member of the Royal Australian College of General Practitioners, the NSW Children's Services Health and Safety Committee and the Board of the Professional Drug and Alcohol Workers Association. He brings medical and health and safety perspectives to the MAA.

Anthony Geoghegan is semi-retired after a long career in health and building planning in local government. He is on the Motor Accidents Council as a consumer representative, providing an important point of view for a scheme that relies on public participation and acceptance.

Michael Griffiths has more than 25 years experience in road safety research and holds a Masters degree in bio-medical engineering. A former General Manager, Vehicle and Equipment Safety at the NSW Roads and Traffic Authority, Michael established his own consultancy, Road Safety Solutions in 1998. He is a Fellow of Engineers Australia and Chairman of the association's National Panel on Bio-mechanics of Impact Injury. He also chairs Standards Australia's Child Restraint Systems Committee.

Dr Michael Henderson has had a long career in traffic safety research, policy and administration. A former Director of Traffic Safety at the RTA, he established the RTA's Road Safety Division and Crashlab. He is Chair of the Australian Advisory Committee on Road Trauma (AACRT), a Fellow of the Association for the Advancement of Automotive Medicine (AAAM) and is a board member of the SpineCare Foundation.

Robyn Norman is the CTP Manager for QBE Insurance. She has worked across all third party schemes in New South Wales since the late 1980s, developing a detailed knowledge of accident compensation issues.

Douglas R Pearce is Group Executive, Personal Injury, Health and Commercial Insurance, NRMA. He has been with the NRMA for over 20 years and has experience in all aspects of the financial and general management of insurance operations including insurance research, reinsurance, road and member services, CTP insurance and finance and accounting.

Felicity Purdy has worked in the disability field for over 30 years. She is a former President of the National Industry Association for Disability Services, and sits on the boards of Carers NSW and the Nursing Research Centre for Adaptation in Health and Illness.

Andrew Stone is a barrister specialising in motor vehicle accident claims. He is a member of the Bar Association's Personal Injury Litigation Committee and sits on the Law Society's Personal Injury Committee. He is a regular presenter at seminars on the operation of the motor accident scheme.

MAA structure

Minister for Commerce
MAA Board **Motor Accidents Council**

General Manager: David Bowen, BA, Dip Law

Insurance Division

Manager: Concetta Rizzo, BSc, MA

- Statistics
- Compliance

Injury Prevention and Management Division

Manager: Kathy Hayes, BA, Grad Dip (Rehab Counselling)

- Rehabilitation
- Road Safety

Motor Accidents Assessment Service

Manager: Belinda Cassidy, BA (Hons), LLB

- Medical Assessment Service
- Claims Assessment and Resolution Service

MAAS Continuous Improvement Project

Project Director: Dianne Patenall, BA, Dip Lib

Ministerial and Community Assistance Division

Manager: John Dietrich BA, LLB, Dip. Teach

- Policy
- Claims Advisory Service

Corporate Governance Division

Manager: Colleen Doepel, B Bus, MBA, Dip Tech (Public Administration)

- Administration
- Finance
- Business Systems
- Legal
- Publications
- Nominal Defendant Fund

Executive Support Unit

- Media

2002-2003

corporate objectives in review

Each year, the MAA reviews its corporate objectives and priorities. For this reporting period, the MAA had six priorities. Over the following pages, the MAA presents its achievements under four corporate objectives for 2002-2003, into which the six priorities are incorporated.

*corporate
objective*

1

Being a best practice regulator

Priorities

- Manage the Claims Register in-house
- Advise on and recommend options to maintain market capacity and competitiveness
- Review and enhance compliance role
- Identify options for prudential and financial regulation of CTP insurers.

In-house management of the Claims Register

The MAA successfully completed its first year of in-house management of its Claims Register. The register's management had previously been outsourced. In-house management has delivered annual cost savings of more than \$200,000.

Maintaining market capacity and competitiveness

The MAA's Insurance Division completed the bulk of its research into ways that CTP market capacity and competitiveness could be maintained. A report with recommendations will be finalised early in the next reporting period.

Review and enhance compliance role

The MAA completed its first regulatory compliance audit of insurers against the Claims Handling Guidelines in November 2002. The audit involved more

than 300 randomly selected files, representing all insurers, to determine a benchmark compliance level. Insurers generally made prompt requests for police reports and, once liability was admitted, made prompt payments for hospital, medical, respite and attendant care, rehabilitation and pharmaceutical expenses

All insurers paid reasonable and necessary medical expenses up to the prescribed maximum of \$500 after receiving Accident Notification Forms, with many insurers routinely exceeding this amount by making payments of up to \$1000.

In a number of claims, the time limits for making offers of settlement, making determinations of liability, requesting medical evidence and acknowledging receipt of claims were not being met. The insurers responded positively to the audit with a view to improving their compliance. A second audit will be completed in the next reporting period and the results will be compared to the 2002 audit.

Extensive information about audits and the compliance performance of the CTP insurers can be found in the MAA's report to the NSW Parliament's Law and Justice Committee, available from www.parliament.nsw.gov.au.

Market Practice Guidelines review

The MAA drafted revised Market Practice Guidelines to address disclosure issues, as recommended by the Australian Competition and Consumer Commission (ACCC). New guidelines will require CTP policy renewal offers to explain significant price changes and provide the insurer's phone number for further enquiries. Insurers will also be required to record complaints about CTP policies and provide regular complaint summary reports to the MAA. The MAA will issue revised Market Practice Guidelines during the next reporting period.

Compliance review

As a result of the Claims Handling Guidelines audit conducted this year, the MAA will make a number of changes to the guidelines that will be disseminated to the Bar Association, the Law Society and the Insurance Council of Australia for comment in the next reporting period.

The MAA's regulatory enforcement approach is based on a 'pyramid' model that identifies education as the pyramid's base, followed by persuasion and

warnings, through to regulatory tools such as public disclosure and civil penalties at the apex.

Education and persuasion are proving effective as insurers establish internal compliance procedures to improve their compliance with MAA guidelines.

Complaints

The MAA responds to complaints regarding alleged breaches under the Motor Accidents Act 1988 and the Motor Accidents Compensation Act 1999. During the period, the MAA received 86 complaints, 80 of which related to the way NSW CTP insurers managed claims:

- 5 alleged a delay by the insurer
- 1 alleged rudeness
- 25 alleged failure by the insurer to take action
- 49 alleged wrongful action.

Of the remaining six complaints:

- 1 concerned the definition of a motor accident under the Motor Accidents Act 1988
- 1 was from an insurer concerned with the MAA's intervention on behalf of a catastrophically injured child
- 4 concerned assessments through the Motor Accident Assessment Service (MAAS).

Seventy-six complaints out of the total of 86 were finalised during the reporting period without having to resort to using enforcement measures: 32 were resolved in favour of the complainant and 22 in favour of the insurer, 13 complaints concerned issues over which the MAA had no jurisdiction, and four were withdrawn or resolved between the parties without MAA intervention. Following review of three complaints, no MAA action was required.

The remaining two complaints were against MAA assessment procedures. One complainant opted to pursue the complaint through the Victorian Medical Practitioners Board. The other complainant received a letter of apology and action was taken to change assessor training procedures.

Prudential and financial regulation of CTP insurers

Following the release of the HIH Royal Commission findings, which recommended that the Australian Prudential Regulation Authority (APRA) undertake all prudential regulation, the MAA Board Audit Committee decided that Ernst & Young would include a review of the MAA's prudential role as part of its wider review of the MAA's corporate governance. The Ernst & Young report will be presented to the MAA in the next reporting period.

The HIH Royal Commission

The Royal Commission report, published in April 2003, contained a number of recommendations relevant to the MAA and prudential regulation of general insurers. The report also commented favourably on the way in which the MAA discharged its responsibilities. The Commissioner noted:

The evidence revealed that both MAA and MAIC (Qld) undertook their regulatory and supervisory roles in respect of the licensed CTP insurers that formed part of the wider HIH group in a conscientious and reasonable manner. (Volume III page 458)

...MAA and MAIC each possessed an appreciation of the problems that were facing the relevant licensed CTP insurers and the HIH group generally in late 2000 and early 2001. These concerns initially arose in their assessment of the Allianz joint venture proposal. Each regulator took positive steps to address their concerns and undertook their regulation and supervision of the licensed entities in an appropriate and diligent manner. (Volume III page 461)

In contrast to APRA, MAA and MAIC were quick to realise that the Allianz joint venture threatened HIH's ongoing financial viability. Indeed, by November 2000 MAA and MAIC were each contemplating the possibility of appointing an inspector (which they did on 6 March 2001). Ultimately, however, they were heavily reliant on APRA as 'lead regulator', in terms of both access to information and implementation of initiatives. As it turned out, MAA and MAIC were hindered by APRA's inaction. (Volume I page liv)

Road safety

The MAA is strongly committed to supporting injury prevention initiatives through its Road Safety Strategy. Focusing on reducing serious injuries in areas with greatest cost impact to the CTP scheme, the strategy's priority target groups include children, young people, pedestrians and motorcyclists. The MAA committed a total of \$5.2 million to fund new projects during the year. Project details can be found on pages 23-26.

MAA strategies and campaigns

Youth program: Expressions of interest were invited for the second round of youth road safety research grants. Three projects were funded, receiving a total of \$170,878.

The MAA is encouraging young people to develop and implement road safety initiatives in their local communities through the *Arrive alive* youth grants scheme. A committee of young people and road safety stakeholders advised the MAA on the program and assisted in a forum in March 2003, attended by 75 young people. The first grant round received 50 applications, with funding of \$189,637 being approved for 22 projects.

The MAA also launched a dedicated youth road safety website: www.arrivealive.com.au in October 2002. The site uses music, art and sport to interact with young people and to promote road safety messages in an innovative way. There were approximately 70,000 visitors to the site, resulting in 2.3 million hits by the end of the reporting period.

Child road safety: Child road safety activities in 2002-2003 included a campaign called *Kids Need a Hand in Traffic*. Managed by Kidsafe NSW, the campaign was launched in October 2002 and ran again in May/June 2003. It included a targeted media campaign and community-based initiatives focusing on parents in Sydney, Newcastle and Wollongong. An ethnic language component targeted parents in Chinese, Vietnamese and Arabic.

The MAA has also continued to lead a multi-agency project aimed at reducing the risk to young pedestrians from reversing accidents. Activities have included:

-
- a workshop to identify options for environmental improvements
 - a review of options for progressing the development of standards for vehicle equipment
 - consumer advice on reversing devices circulated on relevant websites
 - a brochure and poster targeting parents and carers
 - funding approval of \$66,533 for 27 small projects for local councils and health agencies.

General road safety grants

Funding priorities for general grants in 2002-2003 were:

- children and young adults (0-16 years)
- pedestrians, including children, young people, the elderly and those affected by drugs and alcohol
- motorcyclists and pillion passengers.

Twenty-two expressions of interest were received. Funding of \$325,463 was approved for six projects covering motorcycle safety, pedestrians, driver distraction and child passenger protection.

Partnership initiatives

The MAA remains an active member of the RTA Road Safety Taskforce, the Government Agencies Road Safety Council and a member of the management committee for the Local Government Road Safety Program.

The MAA continued its support for local community-based road safety projects through the MAA Local Government Grants Program, managed by the Institute of Public Works Engineering Australia (IPWEA). In the reporting period, 46 grants totalling \$286,800 were provided to councils.

Operation WestSafe is an alliance between the NSW Police Service, the MAA and the RTA, and is supported by local government to address road safety issues in Western Sydney. Campaigns were run in September/October 2002, February/March and April/June 2003, focusing on speeding, drink driving and seat belts.

The MAA worked with the RTA, Attorney General's Department and the Probation and Parole Service of the Department of Corrective Services, to

develop a program for serious traffic offenders. The Sober Driver Program – an educative module targeting repeat drink drive offenders – was piloted during the year in preparation for a statewide roll-out in the next reporting period. An intensive version of the program was developed and is being piloted in rural and remote areas of NSW.

The MAA and RTA jointly funded the first road safety education campaign on motorcycle safety, targeting both motorcycle riders and drivers. Launched in October 2002 during Motorcycle Awareness Week, the campaign ran through November/December 2002 and March/May 2003. The campaign included radio advertising in Sydney, Newcastle and Wollongong, widespread advertising on bus backs, posters and print advertising in motorcycle magazines and ethnic community newspapers.

Sponsorships

The MAA sponsors a number of community events and activities. These are valuable opportunities to promote road safety awareness in priority groups.

- NSW Youth Week was held in April 2003. The MAA sponsored the Silent Cells Film Festival, the Youth Rock Band Competition and provided regional road safety grants to four Councils: Campbelltown, Baulkham Hills, Cooma and Bombala.
- The community partnership with South Sydney Rugby League Football Club is in its second year. In the second half of 2002, players completed a tour of regional NSW high schools giving *Arrive alive* road safety presentations, speaking to an estimated 5,000 students.

In the first half of 2003, players teamed with NSW Police Youth Liaison Officers to give *Arrive alive* presentations in Sydney's south and east, as well as being involved in road safety promotions in the general community. This partnership will be strengthened by the MAA's sponsorship of the NSW Rugby League Australian Secondary Schools Rugby League Cup in 2003 and 2004. The competition will be known as the *Arrive alive Cup*.

- The MAA was also a major sponsor of Big Day Out 2003, a music festival aimed at 18-25 year olds. Specific road safety messages on drink driving, fatigue and speeding were promoted and special attention was paid to on-line competitions to attract young people to the MAA's youth website,

www.arrivealive.com.au. During January, there were 25,000 visits to the website for Big Day Out information and competitions. The site provided exclusive video footage of all previous concerts, and interviews with performers.

Professional development

The MAA and the NRMA co-sponsored a child road safety seminar for more than 100 road safety professionals, psychologists and representatives of peak parent organisations. The aim of the seminar was to highlight recent NSW road safety research about 4 to 12 year-olds and raise awareness of child road safety issues, particularly supervision of young pedestrians.

Rehabilitation

The MAA has a key role in supporting improved management of motor vehicle accident injuries sustained by CTP scheme claimants. The MAA works cooperatively with stakeholders such as medical and allied health staff and CTP insurers. Current priorities include brain injury, spinal cord injury, soft tissue injuries such as Whiplash-Associated Disorders and orthopaedic injuries such as lower limb fractures.

Guidelines

The MAA introduced guidelines on managing Whiplash-Associated Disorders in 2001. Two projects examining the effect of the guidelines began this year. The first aims to determine the usefulness of the guidelines in clinical practice and to investigate their impact on cost effectiveness, health outcomes and patient satisfaction with physiotherapy practices. A second study, examining the impact on health outcomes arising from the CTP scheme reforms is also assessing the impact of the guidelines.

As part of its whiplash initiatives, the MAA surveyed CTP insurers for their opinion of the guidelines. A high percentage found the guidelines comprehensive, easy to understand and helpful, and 70% use the guidelines when making decisions.

Serious injury – brain injury and spinal cord injury

Care costs are a substantial component of claims costs. During 2002, the MAA began developing protocols to assess care needs of both children and adults with a brain injury. The protocols, being developed by a specialist working party, will assist in objective, comprehensive identification of care needs. A guide to matching client needs and support-worker skills was also prepared for use by CTP insurers, service providers and claimants.

The MAA was a major sponsor of the NSW Premier's Forum on Spinal Cord Injury held in Sydney in January 2003. At the forum, the Premier announced funding of \$2 million for a two-year pilot program to assist people with catastrophic injuries. The MAA will coordinate the pilot program, and consultation with major stakeholders has begun. The program aims to promote community participation by people with a traumatic spinal cord injury. This will involve providing assistance with accessing and co-ordinating services as soon as possible after injury as well as addressing social, family, work and leisure related issues.

Grants program

This year, 64 applications were received for the MAA's annual rehabilitation grants program and funding of more than \$7.5m was approved in the following priority areas:

- improving retrieval services and acute care of people injured in motor vehicle accidents
- investigating innovative methods to support evidence based practice by health professionals in managing motor accident trauma
- improving general practitioner involvement and collaboration in injury management of people with severe trauma related disability.

Submissions for funding outside these priority areas were also considered if they contributed to the objectives of the MAA's grants program and injury management responsibilities.

Funding of up to \$20,000 was also made available to organisations providing services to people with serious motor vehicle accidents injuries, to purchase items including equipment, furniture and vehicle modifications.

Major capital funding of \$5.75 million was approved for 10 projects focused on improving services for people with serious spinal cord and brain injuries. Details of these projects are on page 26.

Education

The MAA undertakes education activities with insurers and service providers to improve their professional knowledge and practice. This year, 11 seminars and/or workshops were held with 451 people attending. They included:

- information on working with the Motor Accidents Scheme for rehabilitation service providers
- training for insurers on the whiplash guidelines
- five information sessions for general practitioners.

Overall, 66% of participants rated the workshop as 5 (6=excellent, 1= poor).

Project funding

The following table provides an overview of the projects and level of funding approved.

MAA funded projects approved 2002-2003 (\$)		
Road safety	Youth Program	737,048
	Partnerships	3,158,500
	General: research/community initiatives	325,463
	Sponsorships	994,000
	Total	5,215,011
Rehabilitation	Rehabilitation services	430,000
	Education/awareness	375,866
	Research	515,400
	Community initiative	135,000
	Minor capital funding	177,746
	Major capital funding	5,750,000
	Minor projects (rehabilitation)	134,317
Total Grants Program		\$12,733,340

A full list of projects and their dollar value (approved 2002-2003) is shown on the following pages.

Funded projects 2002-2003

	Road safety	(\$)
Youth: research	Evaluation of RRISK: reducing harmful outcomes of adolescent risk taking	96,840
	Driving experience and risk taking by provisional licence holders	29,930
	Intervention strategy targeting driver fatigue in NSW youth	44,108
Youth: other	Arrive alive grants (22 in total)	189,637
	Handbrake Turn Central Coast	50,000
Child	Kids Need a Hand in Traffic Campaign (second advertising burst)	300,000
	Driveways grants (27 in total)	66,533
Partnerships	Kidsafe NSW/MAA Child Road Safety Initiative	116,000
	RTA/MAA Pedestrian Public Education Campaign	500,000
	RTA/MAA Motorcycle rider/driver campaign	400,000
	Operation Westsafe	430,000
Ongoing initiatives	Local Government Road Safety Initiatives Projects	1,112,500
	Injury Risk Management Research Centre	600,000
General: research and community initiatives	A measure of risk exposure for older pedestrians in a metropolitan suburb of Sydney	72,950
	Driver distractions and road crashes: a case control study and driver knowledge, attitude and behaviour survey	107,248
	The development of a users' guide to motorcycle protective clothing	20,500
	Safe motorcycle riding in the Snowy Mountains	15,000
	Identification of the potential for improved side protection in Australian child restraint systems	74,165
	Use of manual speed alerting & cruise control devices by NSW drivers	35,600

		(£)
Sponsorships	Arrive alive Wheelchair Roadshow 2002/2003	55,000
	Arrive alive Summer Down Under Series 2003	55,000
	Arrive alive Eastern University Games 2003-2005	100,000
	Walk Safely to School Day 2003	75,000
	Big Day Out 2003	169,000
	Run Rabbit Run (Belvoir Theatre)	40,000
	Road Safety Research, Policing and Education Conference 2003	25,000
	Arrive alive Cup 2003-04 and NRL Grand Final Series Sponsorship	450,000
	Country Rugby League Arrive alive Shield 2003-08	25,000
Rehabilitation		
Rehabilitation Services	Rural spinal cord injury: Developing spinal networks	430,000
Education/Awareness	Enhancing general practitioner care of people with traumatic brain injury (TBI)	60,000
	Improving GP collaboration in managing people with TBI	114,000
	Brain injury resource database/directory	17,141
	Making the Most of Caring: A booklet for carers of people with a brain injury	8,000
	What about me? A program to assist the adjustment of siblings of rural children with acquired brain injury (ABI)	15,000
	Database of training exercises for people with spinal cord injury (SCI)	16,525
	Personal care training for SCI carers	120,000
	Development of a resource manual and complementary CD-ROM for SCI education	8,000
	Evidence-based rehabilitation medicine project	17,200

Research	Evaluating markers of dysautonomia and noradrenaline related cardiac damage following severe TBI	(\$) 110,000
	Investigating mechanisms of recovery following acute TBI: the role of sex hormones	105,500
	The reliability of the psychological database for brain injury treatment efficacy (PsychBITE)	19,000
	A prospective comparative study of shoulder pain after TBI and cerebrovascular accident	19,500
	Olfactory functioning in children with a TBI	6,000
	An evaluation of a rural model of paediatric service delivery	10,000
	Do wheelchair dependent paraplegics and quadriplegics benefit from standing programs?	17,400
	Data on differential responses to motor vehicle accident (MVA) induced pain	228,000
Community initiative	Leisure for Life	135,000
Minor capital funding	Funding for 15 minor capital projects was approved for audiovisual equipment, computers and therapy equipment	177,746
Major capital funding	Contributions towards the cost of building premises for:	
	Illawarra Disability Trust	450,000
	Technical Aid to the Disabled [TAD]	250,000
	Wareemba Community Living Inc	50,000
	The Northcott Society	2,000,000
	Hunter Brain Injury Service	250,000
	Illawarra Brain Injury Service	150,000
	Westmead Brain Injury Service	1,600,000
	Sydney Children's Hospital Randwick Brain Injury Program	500,000
	Royal Rehabilitation Service, Sydney	300,000

Priority

- Reviewing the *Motor Accidents Compensation Act 1999*.

Claims Advisory Service

The Claims Advisory Service (CAS) provides information to people injured in motor vehicle accidents about making and managing claims. A sample survey of CAS customers was undertaken as part of the Office of Information Technology government agencies customer service benchmarking partnership. Customers surveyed expressed a high level of satisfaction with the CAS.

CAS also provides an outreach service to claimants without legal representation who have applied to the MAA's medical and claims dispute resolution services. During the reporting period there was a 150% increase (from 990 to 1,496) in the number of total outreach services provided by CAS compared with 2001-2002.

Increased access to CTP price information

The MAA provides a Green Slip Helpline (1300 137 600) to assist NSW motorists access the best Green Slip premium prices. These prices are also available on the MAA website. During the reporting period there was a 56% increase (from 338,002 to 493,125) in the overall usage of Green Slip premium information services provided by the MAA, compared with 2001-2002.

Review of the Motor Accidents Compensation Act 1999

Under section 233 of the *Motor Accidents Compensation Act 1999* (the Act) the Minister is obliged to review the Act two years after commencement to determine whether its policy objectives remain valid and if its terms remain appropriate for securing these objectives. The report on the statutory review of the Motor Accidents Compensation Act was tabled in the Legislative Council on 24 October 2002.

The review demonstrated that the legislation successfully reduced Green Slip premium costs in NSW. The average premium for a Sydney metropolitan passenger vehicle dropped from \$441 in June 1999 to \$348 (excluding GST) in June 2002. As a proportion of average weekly earnings, weighted best price dropped from 50% of average weekly earnings (AWE) before the reforms to 34% AWE in June 2002.

Scheme performance in the first two years following the 1999 reforms indicates significantly improved effectiveness, service accessibility and delivery. Performance trends show injured people now lodge notifications more quickly, access funds for the treatment of their injuries more quickly, and settle their claims more quickly. As the reforms intended, non-economic loss payments, investigation and legal costs have been reduced.

*corporate
objective*

4

Resolving disputes between claimants and insurers

Priority:

- Identify and plan for improved dispute resolution procedures

Improving dispute resolution procedures

In October 2002 a Continuous Improvement Project (CIP) was initiated to comprehensively review the operations of the Motor Accidents Assessment Service (MAAS).

The first stage of the project focused on improving internal management and process re-engineering initiatives that reduced delay and backlogs in the Medical Assessment Service (MAS). At the end of the reporting period, the backlogs were significantly reduced and in some cases eliminated.

A comprehensive key performance indicator framework was developed and is progressively being implemented. This work will continue into the next reporting period when the focus will shift to service delivery issues, stakeholder relationships and implementing an organisation structure to support the new directions.

MAAS publications

More than 1000 lawyers, medical practitioners and insurance claims staff continue to subscribe to the MAAS Bulletin, which provides information on interesting cases, statistics and guides for better dispute management and impairment assessments.

In May 2003, the first edition of the MAS assessors' newsletter was issued, providing medical assessors with information to help them prepare accurate, consistent assessments. In June 2003, the first edition of the CARS assessors E-News was issued to provide similar assistance to claims assessors.

MAAS assessors

An important priority this year was to recruit and train more Claims Assessment & Resolution Service (CARS) assessors. By the close of the 2002-03 reporting period, 16 additional CARS assessors were appointed, bringing the total to 27.

The three-year term of appointment for MAS assessors expired on 30 June 2003. MAS reviewed all assessors' performance and reappointed a total of 215 medical assessors.

Number of applications accepted for registration

CARS received 4195 applications compared to 865 for the 2001-2002 year (an increase of 385%). MAS received 6810 compared to 3455 (an increase of 97%).

Since December 2002, the total number of applications received at MAAS averaged about 1000 matters per month. For the first half of the reporting period, the average number of CARS applications was 284 per month, for the second half it was 413.

This reflects the impact of the three-year limitation period and the necessity for insurers and legal representatives to take action in relation to claims. MAS received an average of 600 applications per month in the first half compared to 539 for the second.

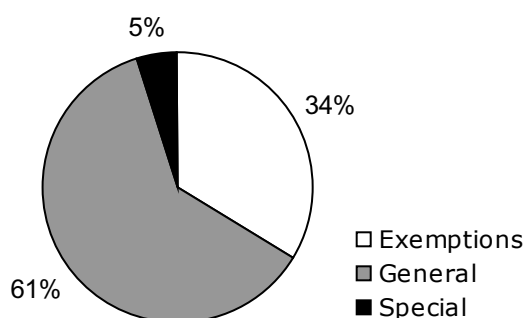
Type of applications

CARS applications for general assessment continued to outnumber applications for exemption. This was primarily due to the 'catch-up' of applications relating to accidents in the first few months of the scheme.

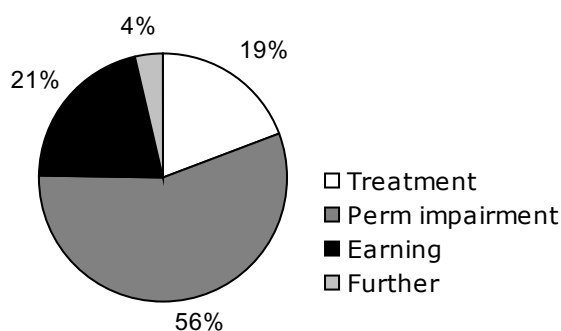
The number of special assessment applications did not increase greatly over the last year, steadying at about 20–25 per month.

The greatest number of MAS applications continued to be for permanent impairment assessment, with a steady number of applications per month. Applications for assessment of impairment to earning capacity dropped slightly. The number of treatment disputes remained steady but the number of applications for further assessment of a medical dispute already assessed at MAS under section 62 increased.

Types of applications at CARS



Type of applications at MAS



Source of referrals

Most CARS 1A applications continued to come from claimant's solicitors. In the first half of the year 17% of general assessment applications came from insurers, however in the second half this dropped to only 9%.

Applications for a permanent impairment assessment were more often made by claimants or their lawyers. For other types of medical disputes the mix was more even. Claimants and their lawyers lodged the overwhelming majority of further assessment applications.

Overall, insurers (and their lawyers) lodged 36% of all applications to MAAS in the first half of the reporting year, but this dropped to 24% in the second half. The percentage figures for the year are set out below:

Type of claim	Claimant	Claimant's lawyer	Insurer	Insurer's lawyer	CARS/Court
Exemptions	1	91	7	1	n/a
Generals	2	86	12	0	n/a
Specials	4	80	16	0	n/a
Treatment	3	48	47	0	1
Perm Imp	1	57	37	1	4
Earning Cap	1	51	45	1	1
Furthers	5	76	15	1	4

Legal representation

The legal representation rates remained steady at CARS and MAS. Most insurers were not represented and most claimants were. However there was a small increase over last year's results in the number of legally represented parties.

	% Claimants with legal representation		% Insurers with legal representation	
	2001-2002	2002-2003	2001-2002	2002-2003
CARS	91	98	8	10
MAS	91	94	2	5

Reviews

The number of applications for review of a medical assessment increased from 175 to 398 this year, an increase of 127%.

Claimants' solicitors sought 84% of the reviews, with only 11% coming from insurers or their legal representatives. Direct claimants (those without legal representation) comprised the remaining 5%.

By the end of the year, 339 applications had been processed resulting in 295 being rejected by the Proper Officer because they did not present reasonable cause to suspect incorrect assessment. The remaining 44 applications were accepted and referred to a review panel.

Of the 44 cases referred to a review panel, 10 cases were still pending at the end of the year. In 12 cases, the panel confirmed all of the certificates issued by the original assessor and in 22 cases the panel revoked some or all of the original assessor's certificates.

Finalisation rate

- All cases received in 1999–2000 are finalised
- 99% of 2000–2001 cases are finalised
- 91% of 2001–2002 cases have been finalised with only 372 open files
- 36% of 2002–2003 cases have been finalised.

Since MAAS received its first application in early 2000 more than 9,000 disputes have been finalised.

2002-2003 scheme performance

Affordability, effectiveness, fairness and efficiency are the MAA's four scheme performance indicators. In this section, the new scheme is measured against these four indicators.

Affordability

Green Slip affordability has improved as measured by both average premiums and the ratio of average premiums to average weekly earnings.

Average premium

The average premium (excluding GST) for a Sydney metropolitan passenger vehicle dropped from \$441 in June 1999 to \$339 in June 2003. The average annual premium over all vehicle classes in NSW dropped from \$419 in June 1999 to \$328 in June 2003.

Premiums and average weekly earnings

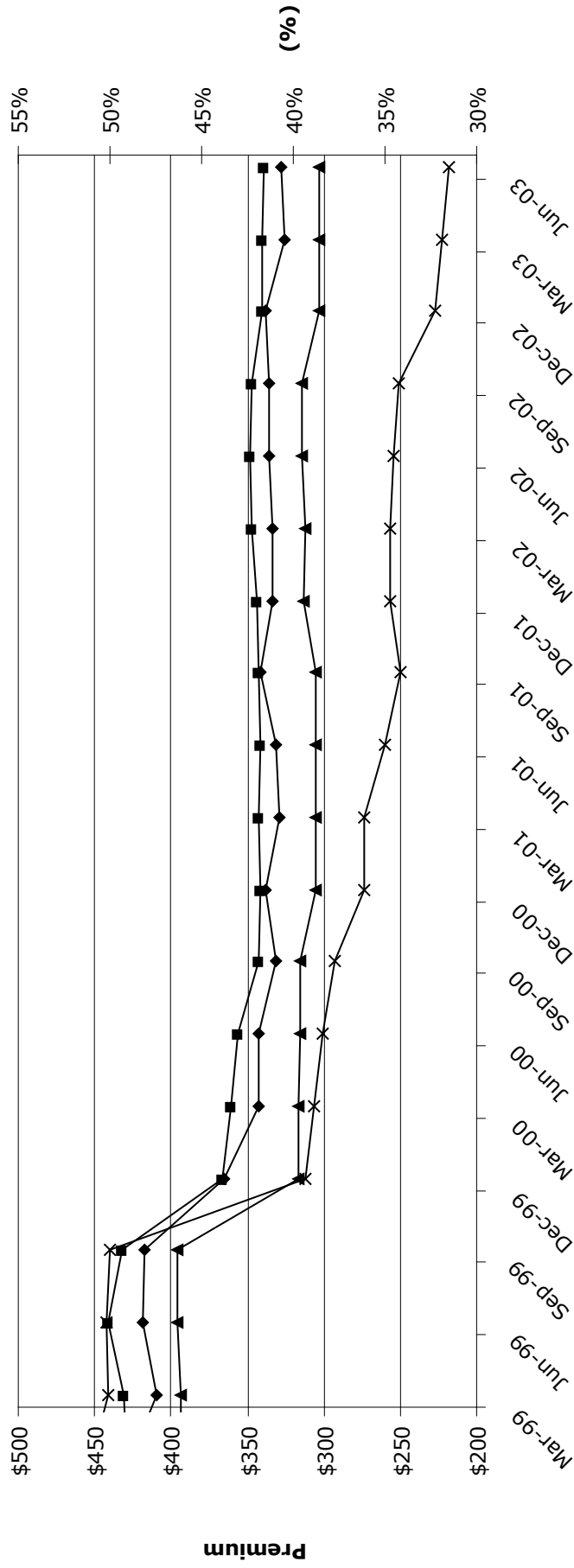
Premium prices fell as average weekly earnings increased. As a proportion of average weekly earnings, weighted best price¹ dropped from 50% before the reforms to 32% in June 2003.

Effectiveness

In addition to increasing premium affordability, an important scheme objective is ensuring claimants, particularly those with serious injuries, continue to receive appropriate compensation. To achieve both these aims, the scheme provides access to non-economic loss payments only to claimants with greater than 10% permanent impairment and provides economic loss payments only after the first five days' loss of pay. Increasing the scheme's efficiency by returning as much as possible of the premium dollar to claimants as compensation is also achieved by limiting transaction costs like legal, medico-legal and investigation costs.

¹ Weighted best price is based on the lowest prices offered to drivers in the 30-54 age group, weighted by insurers' market shares.

Average premiums



Quarters

- ◆— Average premium (\$) (annual policies) - all classes
- ▲— Average premium (\$) (annual policies) - weighted best price (\$)
- Average premium (\$) (annual policies) - Metro Class 1
- ×— Weighted best price as a % of AWE

The scheme seeks to improve access to early treatment expenses for all claimants and to improve service delivery by insurers to claimants by providing the MAA with the power to issue Claims Handling Guidelines against which insurers are audited.

To measure scheme effectiveness, the experience of the first 45 months of the new scheme, from its start to the end of June 2003, is compared to the last 45 months of the old scheme at the equivalent stage of development.

	Description	Old scheme	New scheme	% difference
Number of notifications	ANFs		21,836	
	Direct full claims		28,556	
	Converted ANFs		11,032	
	Full claims		39,588	
	Total notifications	52,727	50,392	- 4%
Average time to notification (days)	ANFs		25	
	Full claims	119	109	- 9%
	Total notifications	119	91	- 24%
Average time to liability decision (days)	Full claims	137	103	- 25%
Average time to first payment to claimant (days)	ANFs		42	
	Total notifications	200	119	-41%
Finalisations	Full claims	24,578 (47%)	19,740 (50%)	3%
	Total notifications	24,578 (47%)	29,012 (58%)	11%
Average time to finalisation (days)	ANFs		155	
	Full claims	436	425	- 3%
	Total notifications	436	338	- 22%

Claiming compensation

A key scheme initiative is faster injury notification via the Accident Notification Form (ANF). This provides injured people with access to quicker payment for early treatment to help maximise their recovery. The ANF provides early injury notification to the insurer, a 10-day deadline for the insurer to accept provisional liability, and entitlement to a maximum of \$500 medical costs for the injured person. Liability is deemed accepted for passengers and pedestrians.

In the first 45 months of the new scheme, 50,392 claimants lodged either a claim form or an ANF, compared to 52,727 claims lodged in the last 45 months of the old scheme.

In the first 45 months of the new scheme a total of 21,836 ANFs were lodged. That is, 43% of claimants used an ANF to notify insurers of their compensation claim. By the end of the 45 month period, 51% (11,032) of ANFs had converted to full claims. It is expected that 55-60% of ANFs will ultimately convert to claims.

Timing and service delivery

ANFs have shortened the time it takes for an injured person to formally seek compensation from an insurer and for compensation payments to be made. In the first 45 months of the new scheme, the average time to lodge an ANF was 25 days. The average time to the first payment was 42 days and to finalisation 155 days.

The notification period was reduced by 24% across all claims and ANFs. The average time to the first claim payment dropped by 41%. The average time to finalisation dropped by 22% and the number of matters finalised in the same time period increased from 47% to 58%.

Considering full claims alone, there were improvements in the average time taken to notify the claim, determine liability and to finalise the claim. The main improvement was the reduced time taken by insurers to decide liability, which decreased by 25%. In summary, injured people now lodge notifications more quickly, access funds for the treatment of their injuries more quickly and settle their claims more quickly.

Legal representation

The proportion of full claims involving a solicitor has dropped from 62% to 53%. For all notifications, the proportion of legal representation dropped from 62% to 43%. Litigation commenced in less than 2% of new scheme claims compared to 9% of claims in the last 45 months of the old scheme. These trends suggest that the legislation is succeeding in changing the adversarial nature of motor accident compensation claims and also reducing the level of legal costs by introducing alternative dispute resolution procedures.

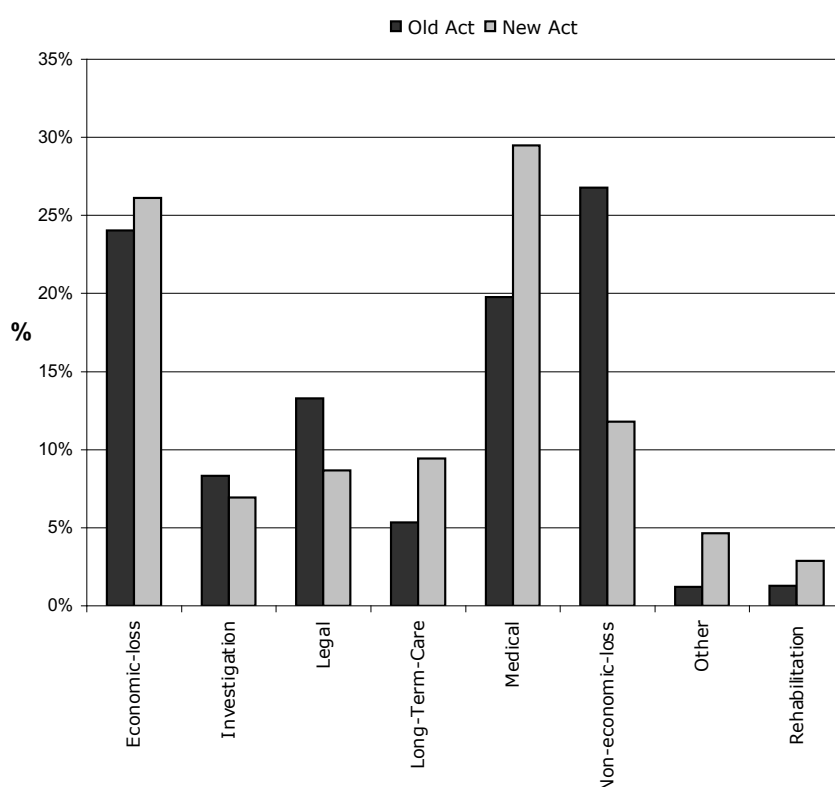
Claim payments

Claim payments have fallen by \$250 million (from \$657 million to \$407 million). This represents the expected savings from the reduction in payments on smaller claims that are finalised earlier. The reduction in claim payments is considerably less than the reduction in premiums, which over this period fell by \$400 million.

Of new scheme payments, 84% were paid to claimants for their past and future treatment and as economic and non-economic loss compensation. Legal and investigation costs represent 16% of total payments. Of old scheme payments, 78% were paid to claimants and the remaining 22% were paid as legal and investigation costs.

The largest component of claim payments in both schemes was treatment costs, which account for 28% of old scheme payments and 47% of new scheme payments. Non-economic loss payments account for 27% of old

Historical payment profile: payment type as % of total payments



scheme payments and 12% of new scheme payments. Economic loss payments represent 24% of old scheme payments and 26% of new scheme payments. These changes in the payment profile are consistent with the scheme's intentions to:

- provide non-economic loss payments to claimants with permanent impairment greater than 10%
- make economic loss payments after the first five days loss of pay
- increase the proportion of the premium dollar that is available to claimants, particularly those with serious injuries by reducing transaction costs including legal and investigation costs.

Fairness

The scheme's intention is to provide a fair and equitable system for claimants, ensuring the most seriously injured receive maximum compensation. Serious brain injury claims represent the most significant serious injury group and historically have been the highest cost claims. The experience of serious brain injury claims in the new scheme points to improved fairness. When considering serious injury claims, it is necessary to allow some time for the claims to develop. For this reason and for proper comparison, the last accident year immediately before the reforms was compared with the first accident year immediately after the reforms, at the same relative stage of development.

A total of 273 brain injury claims were made relating to accidents in the first accident year after the reforms. This compares with 267 brain injury claims relating to accidents in the last accident year before the reforms. Under the new scheme, 31 brain injury claimants (11%) initially lodged an ANF before completing a full claim form.

The more serious the injury the longer it takes to make payments, under both schemes. However, the new scheme has significantly improved the time taken to make the first claim payment across all levels of injury. Time taken to make payments for serious brain injury has reduced by 15% and significantly, the time to decide liability has reduced by 33%.

Brain injuries

	Old scheme	New scheme	% difference
Number of notifications	267	273	2%
Average time to notification (days)	135	139	3%
Average time to liability decision (days)	255	171	– 33%
Average time to first payment to claimant (days)	254	215	– 15%
Finalisations	95 (36%)	107 (39%)	3%

Finalised brain injury claims (liability fully accepted)

More detailed information is presented on finalised brain injury claims where liability was fully accepted.

For these matters, the average payment, excluding legal and investigation costs, increased by 24% to \$219,356 from \$177,251. Average payments in almost all individual payment categories also increased, particularly economic loss and non-economic loss.

	Old scheme	New scheme	% difference
Number of finalised claims	34	49	44%
Legally represented	91%	88%	– 3%
Litigated	35%	6%	– 29%
MAIS (maximum severity score)			
3	15	24	
4	14	22	
5 (most severe)	5	3	
Average payment	\$197,161	\$230,243	17%
Average payment (excl legal & investigation costs)	\$177,251	\$219,356	24%

Efficiency

An efficient CTP scheme returns as much as possible of the premium dollar to injured people. Reducing transaction costs improves efficiency. Transaction costs include costs incurred by insurers in the initial collection of premiums, payment of their staff and their agents, the cost of employing investigators to investigate claims, the cost of claims departments to handle claims and payments to legal practitioners by both claimants and insurers.

Legal and medico-legal costs

The Motor Accidents Compensation Regulations were passed to contain legal and medico-legal costs. Legal costs accounted for \$35.3 million in the first 45 months of the new scheme, and \$87.2 million in the comparable period of the old scheme. At this stage of the new scheme, claims for more serious injuries have not been finalised. Those claims can be expected to involve significant legal costs.

Investigation costs

Investigation costs have reduced from \$54.6 million to \$28.2 million.

Insurers' costs

Other transaction costs include claims handling and acquisition expenses and insurers' profit margins. Insurers identify estimates of these costs in the premium filings they submit to the MAA. During the reporting period, insurers submitted filings to the MAA for premiums to commence on 1 July 2003.

Insurers' assumptions in their filings can be compared with the projected allocation of scheme funds for accident years 1993-1998, based on analysis by Ernst & Young ABC for the MAA in 1998. This comparison shows that:

- Insurers' profit margins dropped from 10% to 8.5%
- Claims handling expenses increased from 4% to 4.3%
- Acquisition expenses increased from 13% to 14.0%
- Legal & investigation costs dropped from 14% to 11.0% and
- Claimant benefits (scheme efficiency) increased from 59% to 62.2%.

Insurer profit

Under s28 of the Motor Accidents Compensation Act

- (1) A licensed insurer is required to disclose to the Authority the profit margin on which a premium is based and the actuarial basis for calculating that profit margin.
- (2) The Authority is to assess that profit margin, and the actuarial basis for its calculation, and to present a report on that assessment annually to the Parliamentary Committee.

Estimates of profit are taken from the most recent filings submitted to the MAA in April/May 2003 for 1 July 2003 commencement. Profit margins ranged from 7.5% to 9.7% for individual insurers, with a weighted average of 8.5%.

Taylor Fry Consulting Actuaries developed the methodology for determining a prospective profit margin that can be used to evaluate premium filings. The methodology is based on a 'representative' insurer and involves three components:

- determining a suitable quantum of total capital (net assets) for a representative insurer
- determining a suitable allocation of insurer capital to NSW CTP
- calculating a profit loading that would service the allocated capital at a fair rate of return.

The representative insurer is based on the average of insurers writing CTP business in NSW. For Taylor Fry calculations, the representative insurer holds capital equal to 58% of CTP technical provisions, which is approximately 66% of outstanding claims provision (OCP). The insurer also holds additional (implicit) capital as a prudential margin within the provision for outstanding claims.

The Taylor Fry methodology for allocating capital to the CTP line of business is consistent with APRA's prudential regime.

Levels of capitalisation vary widely between individual insurers. The allocation of capital by the representative insurer used in the derivation of the profit margin is around the top end of the range of capital allocations reported by individual CTP insurers.

The indicative range resulting from Taylor Fry's calculations is 4.5%-6% of gross premium for the representative insurer. This range accounts for two levels of correlation between claims costs and stock market returns, being 0% and 10%. A value of 0% reflects the situation where there is no such correlation. In this case, the range of profit margins is 5%-5.6%.

As the range of profit margins relates to a representative insurer, they are illustrative only. It is fully expected that profit margins filed by individual insurers may vary, reflecting the insurers' own business structures.

The MAA regards the indicative range of 5%-5.6% of gross premium as the minimum necessary to support CTP in NSW, especially in the current climate in which insurers report a contraction in available capital, increased reinsurance rates and lower investment returns. Therefore the MAA considers that an industry average prospective return of 8.5% is not inappropriate.

The CTP insurance industry has challenged the MAA's methodology. However, the MAA has not yet been provided with alternative approaches to capital allocation and reasonable profit. The MAA will pursue further discussions with the industry and APRA to ensure a consistent approach to determining allocation of capital to a line of business and an assessment of reasonable return on capital.

Corporate Plan 2003–2006

Our vision

is to lead and support a compulsory third party (CTP) scheme that minimises the impact of motor vehicle accidents.

Our role

is to have a CTP insurance and compensation scheme that is affordable, fair and accessible by:

- being an effective regulator
- promoting appropriate treatment of injured persons
- providing medical and claims assessments in disputed cases
- providing advice to the Minister, Board, Council, Parliamentary Committee and stakeholders
- supporting injury prevention initiatives.

We believe in

- providing quality services
- working in an equitable, supportive and professional environment
- being an independent and ethical regulator
- continuously improving our internal operations.

Priorities for 2003–2004

- Develop and implement continuous improvement strategies in the Motor Accidents Assessment Service
- Review of prudential/compliance role
- Review of grants program
- Develop and implement the Community Participation Program for people with spinal cord injury.

Being an effective regulator

Outcomes	Performance Indicator
Insurer compliance	Level of compliance by insurers Complaints dealt with in a timely and effective manner
A competitive CTP insurer market	Insurer profit level Number of insurers in scheme Market capacity Premium prices
CTP scheme is effective	Affordability Effectiveness Fairness Efficiency

Promoting appropriate treatment of injured persons

Outcomes	Performance Indicator
Positive health outcomes for injured persons	Trends in health outcomes
Service providers adopt MAA treatment guidelines	Level of use of guidelines by service providers
Costs of treatment consistent with MAA treatment guidelines	Cost trends per injury type
Compliance with statutory guidelines	Level of compliance by stakeholders

Providing medical and claims assessments in disputes cases

Outcomes	Performance Indicator
Satisfaction of claimants and service providers with services	Level of satisfaction of claimants and service providers as measured by survey
Efficient, effective and economic delivery of services	Cost per assessment /dispute finalisation rates Quality assurance targets met
Services are accessible	Level of satisfaction of claimants measured by survey % of identified unrepresented claimants using MAS/CARS who are contacted by Outreach

Providing advice to the Minister, Board, Council, Parliamentary Committee and stakeholders

Outcomes	Performance Indicator
100% Statutory obligations to Minister and Parliament are met by deadlines and are acceptable	% Statutory timeframes met
Minister, Board and Council receive appropriate and timely advice	Feedback from Minister, Board and Council
Motorists use Helpline & internet to search for premium information	Number of calls on Helpline Number of website hits % of targeted motorists using Helpline % of targeted motorists using website
Claimants and service providers use CAS for claims assistance information	Number of claimants using CAS Number of service providers using CAS

Supporting injury prevention initiatives

Outcomes	Performance Indicator
Reduction in number of road crash injuries in target groups	Trends in injuries, claim numbers and costs per target group
Reduction in severe injuries in target groups	Trends in serious injury data per target group

Priorities for 2003–2004

Develop and implement continuous improvement strategies in the Motor Accidents Assessment Service

Targets	Timing	Responsibility	Performance Indicator
Develop policy framework	December 2003	MAAS	Acceptance by Board and management
Implement policies and strategies to enhance the dispute resolution role of MAAS	Recommendations by December 2003 Implementation by June 2004	MAAS	Pathways and criteria are agreed by service providers and management
Improve assessor performance	June 2004	MAAS	Improvement in timeliness of assessors reports Improvement in accuracy of assessors reports
Plan for increased use of technology	Business case approved by February 2004 Implementation Plan approved by June 2004	MAAS	Milestones on approved project plan are met

Review of prudential/compliance role

Targets	Timing	Responsibility	Performance Indicator
MAA regulatory role is appropriate in light of Royal Commission recommendations	June 2004	Insurance	Any role revision acceptable to Minister, Board and stakeholders
Compliance auditing is appropriate	June 2004	Insurance	Number of audits Insurer compliance (%)
Corporate Governance arrangements are considered appropriate	December 2003	Executive	Corporate governance arrangements are acceptable to Minister

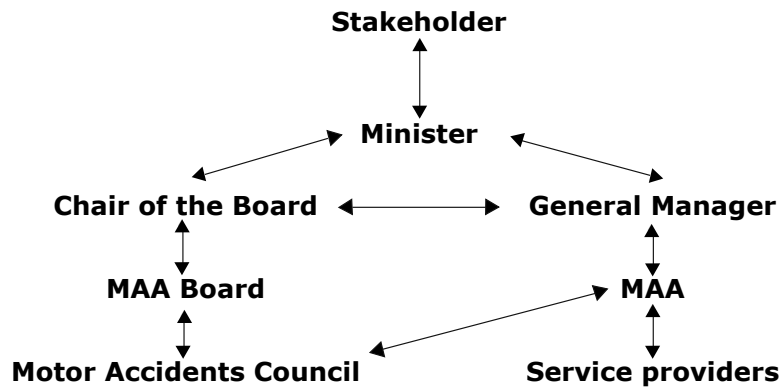
Review of grants program

Targets	Timing	Responsibility	Performance Indicator
Completion of review	November 2003	IP&M	Completed within timeframe All options are presented
Approval of recommendations by Board	December 2003	IP&M	Approval within agreed timeframe
Implementation of Board decisions	March 2004	IP&M	Implementation within agreed timeframe

Develop and implement the Community Participation Program for people with spinal cord injury

Targets	Timing	Responsibility	Performance Indicator
Completion of project plan	July 2003	IP&M	Plan completed by due date
Approval of plan	August 2003	IP&M	Plan approved by Board
Implementation plan is developed and approved	October 2003	IP&M	Implementation plan approved by Board

MAA Corporate Governance Statement



Introduction

The Motor Accidents Authority (MAA) defines its corporate governance as the arrangements it has in place to clarify the roles and responsibilities of the Minister, Board of Directors, Council and Management and the relationships between them. The MAA's Corporate Governance Statement clarifies the roles and responsibilities of the parties and promotes best practice in the MAA's stewardship.

The *Motor Accidents Compensation Act 1999* prescribes specific roles for each of the parties and the appropriate sections of the Act are referenced throughout this statement. The legislation can be viewed at www.legislation.nsw.gov.au

This statement is based on the 1998 Audit Office of NSW publication, *On Board: guide to better practice for public sector governing and advisory boards*. The guide offers these principles:

- governance should be clearly defined and understood
- features of a good governance model are simplicity, clarity and consistency
- roles of Ministers and Boards should be clear and separate
- roles, powers, responsibilities and accountabilities of the Government, its Ministers and Boards should be defined in legislation
- legislation should provide Boards with sufficient authority to carry out their governance responsibilities.

All parties are committed to assessing their performance regularly against these principles.

The Motor Accidents Authority

Background

The MAA was established by the *Motor Accidents Act 1988* on 10 March 1989 and continues to be constituted under the *Motor Accidents Compensation Act 1999* (the Act).

The MAA is a statutory corporation that regulates the NSW Motor Accidents Scheme and its participants. The Motor Accidents Scheme is the compulsory third party (CTP) personal injury insurance scheme, known as the Green Slip scheme, for motor vehicles registered in New South Wales.

Functions

The MAA is constituted by Section 198 and its functions are set out in Section 206 of the Act, including:

- monitoring the operation of the CTP scheme
- collecting and analysing statistics on the scheme
- publishing and disseminating information on the scheme
- providing funding for the reduction of trauma as a result of motor vehicle accidents
- issuing certain guidelines
- advising the Minister on the efficiency and effectiveness of the scheme
- providing support and advice to the Motor Accidents Council, and
- performing specific functions to support the provision of acute care treatment, rehabilitation, long-term support and other services for persons injured in motor vehicle accidents.

While the MAA is required by legislation to provide support and advice to the Council and may in practice make recommendations to it, MAA is not accountable to the Council for any of its functions.

In addition, the MAA has statutory functions conferred under Chapter 2 in connection with third party insurance, including its role as the Nominal Defendant and under Chapter 7 in connection with the licensing and supervision of insurers.

Stakeholders

The MAA has two major stakeholders:

- motorists who pay Green Slip premiums
- people injured in motor vehicle accidents who receive compensation through the CTP scheme.

There is ongoing contact with stakeholders through handling complaints, answering ministerial correspondence and maintaining extensive scheme operation databases.

Service providers

The MAA interacts regularly with scheme service providers including insurers, lawyers, health professionals, government and non-government road safety agencies as well as departments in other jurisdictions.

The Minister

Role and responsibilities

The Motor Accidents Authority is a part of the portfolio of the Minister for Commerce.

The Minister is accountable to the Parliament and the people of New South Wales for the performance of the Motor Accidents Authority and advises Cabinet and the Government on the progress, efficiency and effectiveness of the Green Slip scheme. Ultimately the Minister is responsible to the community, especially Green Slip purchasers and people injured in motor vehicle accidents, for the provision of an affordable CTP scheme. The Minister:

- appoints the Board members, Council members and the General Manager of the Motor Accidents Authority
- directs the Board and the Council in the capacity of the elected representative of the shareholders in the scheme, i.e. Green Slip purchasers in New South Wales
- is the public face of the Green Slip scheme and the prime focus for media on all aspects of the scheme.

The Minister communicates with the MAA through the General Manager and the Board Chairman.

Power to direct the MAA and the Board

The Minister may give direction to the MAA and the Board (Section 202). If the Minister is satisfied that it is in the public interest to do so, he may by notice in writing to the MAA Board of Directors or the General Manager, give directions regarding the exercise of their respective functions.

The Board and the General Manager must comply with directions and the details of each must be published in the MAA's Annual Report.

The Parliamentary Committee

The Act confers a supervisory role upon a Parliamentary Committee of the Legislative Council (Section 210). The MAA is required to report to the Parliamentary Committee annually on certain matters relating to CTP insurers, specifically including insurer profit.

The Board of Directors

Role and responsibilities

The role of the Board includes:

- ensuring that the MAA's functions are carried out properly and efficiently (Section 203)
- determining MAA administrative policies (Section 203)
- monitoring scheme integrity against government objectives
- recommending scheme changes
- providing independent guidance on MAA management
- approving the MAA Corporate Plan and monitoring progress on performance indicators and key priorities
- approving the MAA's annual budget and final accounts.

The Board is responsible to the Minister through the Board Chairman and Board recommendations to the Minister are directed through the Chairman.

Structure

The Board consists of six members including the Chairman, Deputy Chairman and the MAA General Manager.

Appointments

The members of the Board, including the Chairman and Deputy Chair are appointed by the Minister for a period of up to three years and are eligible for reappointment (Schedule 1).

In accordance with Premier's Department Guidelines for Board and Committee Members' Appointment and Remuneration June 2002 the Minister submits his recommendations to Cabinet prior to making the formal appointments or re-appointments.

Members receive remuneration determined by the Director-General of the Premier's Department in accordance with the above Guidelines.

Board meetings

The Board meets six times each year at two monthly intervals but may meet on other occasions to deal with urgent matters.

Operations

The Board's general operations are covered by the legislative requirements of Schedule 1 of the Act, including voting, quorum, and transaction of business outside meetings or by telephone and formation of committees.

The General Manager is responsible for maintaining proper records of Board meetings and business transactions. Board agenda and minutes are archived according to State Records Act requirements.

Conflict of interest

The Board has a policy and procedures to resolve matters arising from actual or potential conflicts of interest between a director and the MAA.

Pecuniary interest

Clause 6 outlines the procedure to be followed when a director has a direct or indirect pecuniary interest in a matter being considered by the Board and the director's interest appears to raise a conflict with the proper performance of the director's duties. When a director has a direct or indirect pecuniary interest in a matter being considered by the Board and/or when the director's interest may conflict with the proper performance of the director's duties, Clause 6 procedures will be followed.

The Board has established a Register of Pecuniary Interest and the MAA Annual Accounts, as published in the Annual Report include details of "Directors and Council Members Benefits".

Code of Conduct

Board members are subject to the Conduct Guidelines for Members of Boards and Committees as prescribed by Premier's Memorandum 2001-17.

Access to independent advice

Where the Board perceives an irregularity or matter of concern relating to MAA business, they may as a group seek independent advice at MAA expense. An individual director seeking independent advice on MAA issues is responsible for their own costs.

The Chairman of the Board

Role and responsibilities

The Chairman reports to the Minister and provides leadership to the Board. The Chairman's responsibilities include:

- facilitating relationships between Board members and the Minister, the General Manager and other key stakeholders
- coaching individual members, and the Board as a whole, to understand their role, responsibilities and accountabilities
- assessing member performance on a regular basis
- ensuring Board performance is assessed and reported as being effective.

Evaluation of Board Performance

On an annual basis, the Chairman facilitates a discussion on and evaluation of the Board's performance including discussions both collectively and individually about the Board's:

- role
- processes
- performance
- and other relevant issues.

Audit Committee of the Board

The Board has established an Audit Committee to assist in discharging its responsibilities for:

- setting of financial policies
- reviewing the adequacy of financial statements
- reviewing accounting practices
- examining the work of internal and external auditors
- examining the adequacy of risk management and fraud control strategies.

The Committee comprises at least two Directors and the MAA's Manager, Corporate Governance. The Chairman, General Manager and internal and external auditors attend as observers. MAA staff make presentations as required. The minutes of Audit Committee meetings are distributed to Board members.

The Motor Accidents Council

The Council is accountable to the Minister through the Board.

Role and responsibilities

The Council facilitates input from various stakeholders in the Green Slip scheme. The Council considers issues referred to it by the Board or the MAA, in order to provide advice and recommend courses of action. The Council may also consider issues of interest raised by their constituents, however, the priorities of the Council are determined by the Board. The Council's functions are defined in Section 209.

Composition

The Council is appointed by the Minister and comprises 12 members representing stakeholders and service provider interests. The Council is subject to the control and direction of the Minister (Section 207 (2)), except in relation to the contents of any advice, report or recommendations given to the Minister or the Authority.

Operations

Schedule 3 of the Act provides that members can be appointed for up to three years and may be reappointed. This schedule also includes the payment of allowances, quorum, voting, transaction of business outside meetings or by telephone, attendance of non-members at meetings.

Council members are required by Clause 6 of Schedule 2 to disclose any pecuniary interest in a matter being considered by the Council where the interest appears to conflict with the proper performance of their duties. Procedures to be followed are outlined in this schedule.

The General Manager

Role and responsibilities

The General Manager is responsible to the Minister and to the Board of Directors. The General Manager is appointed by the Governor on the recommendation of the Minister under the *Public Sector Employment and Management Act 2002* and has the responsibilities and accountabilities of a Department Head under that Act. MAA staff communicate with the Minister, Board and Council members through the General Manager.

The Motor Accidents Compensation Act gives the General Manager responsibility for the management and control of the affairs of the Authority (Section 204). In addition, the appointee is responsible for:

- providing leadership to the organisation
- managing the Authority's day to day operations
- creating an ethical working environment
- supporting the Board in its governance role.

The General Manager has statutory responsibilities in terms of a number of Acts in addition to the *Motor Accidents Compensation Act 1999* and the *Public Sector Employment and Management Act 2002*.

Performance Review

The General Manager's performance is formally reviewed by the Minister on an annual basis in accordance with Senior Executive Service requirements. The Chairman has input to this review.

Public sector accountabilities

While the MAA is constituted by the *Motor Accidents Compensation Act 1999*, it is also a Department in terms of Schedule 1 of the *Public Sector Employment and Management Act 2002*. As a public sector body, the MAA complies with public sector accountabilities and responsibilities including:

Public Finance and Audit Act 1983 Treasury Regulations and Treasurer's Directions govern MAA financial and accounting management. The General Manager has specific accountabilities under the Act. While it is the Board's responsibility to comply with all laws and audit requirements, the Audit Office of NSW assists the Board by undertaking an annual audit of the MAA financial statements in accordance with Australian Auditing Standards. The Authority has an internal audit function as well as a risk management and fraud control strategy, as required by the Act.

Occupational Health and Safety Act 1983 requires the Authority to provide safe and healthy workplaces.

Annual Reports (Statutory Bodies) Act 1984 requires the production of an annual report in accordance with the provisions of the Act.

Freedom of Information Act 1989 provides public access to MAA information subject to certain provisions.

Independent Commission Against Corruption Act 1988 requires the General Manager to report to the Commission any matters, which on reasonable grounds may concern corrupt conduct.

Ombudsman's Act 1974 states that the Ombudsman may require the MAA to provide information relating to its conduct for the purposes of any investigation.

Equal Employment Opportunity Policies require the MAA to comply with equal employment opportunity requirements in the public sector.

Anti-Discrimination Act 1977 requires the MAA to ensure its activities do not discriminate against any person on the grounds of their sex, race or ethno-religious background, marital status, disability, sexuality, transgender, age, or carer's responsibility.

Protected Disclosures Act 1994 requires the MAA to offer protection for public officials who may make protected disclosures concerning corrupt conduct, maladministration or serious and substantial waste of public money.

Review

It is intended that the Minister, Board of Directors and MAA senior managers review this statement at regular intervals of not more than two years.

Publication

The MAA's Corporate Governance Statement will be published in the Annual Report and made available on the internet site.

Financial statements to 30 June 2003

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Introduction

The Authority's overall financial result was a surplus of \$11.549 million (\$3.996 million surplus in 2001-2002).

The main source of funding for the Authority was a levy of 1.4% on Compulsory Third Party insurance premiums collected by licensed insurers, the Levy amount being \$19.514 million in 2002-2003 (\$18.377 million in 2001-2002).

Total expenditure, including accruals for the Authority, amounted to \$65.336 million. The largest item of \$34.274 million was related to the decrease in the provision for outstanding Nominal Defendant Claims as at 30 June 2003. The actual Nominal Defendant expenditure of \$131.045 million paid (excluding GST), was reflected in the Statement of Cash Flows. An amount of \$122.016 million was reimbursed by the NSW Treasury as a grant, within 30 June 2003.

Salaries and Related Costs were higher than budgeted by \$0.693 million (10%) mainly due to a 4% award increase from 1 January 2003, employment of additional permanent and temporary staff in the Motor Accidents Assessment Service, Medical Assessment Services Assessors' and Claims Assessment and Resolution Service Assessors' superannuation provision and an increase in the superannuation reserve account following actuarial valuations.

Road Safety and Rehabilitation grants for the year amounted to \$11.751 million (\$5.409 million in 2001-2002).

Other operating expense of \$6.486 million include \$1.612 million for Rent & Related costs and \$3.749 million for Medical Assessors Fees. Another large item of expenditure for 2002-03 was \$1.482 million incurred for *Contracted Services: Others*.

Assets decreased by \$151.201 million mainly due to the reduction in Receivables from the Crown Entity for payments of outstanding Nominal Defendant Claims of \$262.7 million in the Authority's Statement of Financial Position.

Similarly, corresponding to the above liabilities decreased by \$162.75 million mainly due to reducing the provisions for outstanding Nominal Defendant claims of \$262.7 million, recognised in the Authority's Statement of Financial Position and the movement shown under Note 8 in the Notes to the Annual Accounts.

Equity represented by the accumulated funds at the end of the year increased by \$11.549 million to \$36.352 million. A part of the funds are formally committed to long-term Rehabilitation and Road Safety Projects. A further enhancement of the fund is attributable to the movements in the Nominal Defendant fund.

STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2003

In accordance with section 41B of the Public Finance and Audit Act 1983:

- We certify that the Financial Statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2000 and the Treasurer's Directions.
- In our opinion the Financial Statements exhibit a true and fair view of the financial position and transactions of the Motor Accidents Authority.
- At the date of signing this report, we are not aware of any circumstances that would render any particulars included in the Financial Statements to be misleading or inaccurate.



R. J. GRELLMAN

Chairman



DAVID BOWEN

General Manager

Dated at Sydney this 17th day of October 2003



MOTOR ACCIDENTS AUTHORITY
OF NEW SOUTH WALES

LEVEL 22, 580 GEORGE STREET SYDNEY NSW 2000 AUSTRALIA DX 1517 SYDNEY
PHONE 1300 137 131 FAX 1300 137 707 TTY (02) 8268 1450
maa@maa.nsw.gov.au www.maa.nsw.gov.au



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

Motor Accidents Authority of New South Wales

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Motor Accidents Authority of New South Wales:

- (a) presents fairly the Authority's financial position as at 30 June 2003 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

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

The Board's Role

The financial report is the responsibility of the members of the Board. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Board in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the members of the Board had failed in their reporting obligations.

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.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The 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.



G J Gibson, FCPA
Director of Audit

SYDNEY
20 October 2003

Motor Accidents Authority of NSW

Statement of financial performance

for the year ended 30 June 2003

	Notes	2003 \$ '000	2002 \$ '000
Revenue from ordinary activities			
Grants from NSW Treasury		-	554,063
Movement in Nominal Defendant Claims	8	43,522	-
CTP premium levy	10	19,514	18,377
Interest	11	1,221	1,464
Other income	12	12,628	1,591
TOTAL revenue from ordinary activities		76,885	575,495
Less expenditure from ordinary activities			
Nominal Defendant:			
Movement in recovery from Crown Entity		34,274	-
Other expenses	15(b)	1,589	7,891
Movement in outstanding claims		-	546,126
Salaries and related costs	14	7,586	5,657
Other operating expenses	15(a)	7,245	3,722
Road safety grants and sponsorships	16/22	6,486	2,897
Rehabilitation grants	16/22	5,265	2,512
Contracted services: other		1,482	1,475
Projects: administration cost	18	492	-
Advertising, promotion and publicity		282	277
Audit fees	19	205	141
Council members' fees	20	138	135
Board members' fees	20	131	127
Depreciation	1(c)/5	80	83
Computer Bureau		46	295
Consultancy fees		35	161
TOTAL expenditure from ordinary activities		65,336	571,499
Surplus for the year		11,549	3,996
TOTAL changes in equity other than those resulting from transactions with owners as owners		11,549	3,996

Motor Accidents Authority of NSW

Statement of financial position

as at 30 June 2003

	Notes	2003 \$ '000	2002 \$ '000
Current assets			
Cash assets	2/25	17,860	19,048
Other Financial Assets	3/25	-	7,960
Receivables	4(a)	93,968	156,795
TOTAL current assets		111,828	183,803
Non-current assets			
Receivables	4(b)	192,373	271,600
Plant and equipment	5	204	203
TOTAL non-current assets		192,577	271,803
TOTAL assets		304,405	455,606
Current liabilities			
Payables	7(a)	3,961	5,901
Provisions	1(b) 8(a)	70,883	152,584
TOTAL current liabilities		74,844	158,485
Non-current liabilities			
Payables	7(b)	-	92
Provisions	1(b) 8(b)	193,209	272,226
TOTAL non-current liabilities		193,209	272,318
TOTAL liabilities		268,053	430,803
Accumulated Funds	21	36,352	24,803
TOTAL equity			

Motor Accidents Authority of NSW

Statement of cash flows

for the year ended 30 June 2003

	Notes	2003 Inflows/ (Outflows) \$'000	2002 Inflows/ (Outflows) \$'000
Cash flow from operating activities			
<i>Payments</i>			
Payments to suppliers and employees		(16,215)	(13,297)
Allianz management fees		(4,015)	(2,222)
Rehabilitation/Road Safety Grants		(11,860)	(5,397)
Nominal Defendant claims payment		(127,864)	(118,124)
Nominal Defendant: other expenses		(3,181)	(7,891)
GST Paid		768	(1,199)
<i>Receipts</i>			
Receipts from licensed insurers		19,299	18,412
Interest received and other income		3,569	1,797
Nominal defendant recoveries		8,473	1,212
GST Received		(57)	33
<i>Cash flows from Government</i>			
Grants from NSW Treasury		122,016	130,263
Net cash used in operating activities	24(b)	(9,067)	3,587
Cash flows from investing activities			
Payments for plant and equipment		(81)	(79)
Receipts from loan repayment		-	109
Net cash used in investing activities		(81)	30
Net increase/(decrease) in cash held		(9,148)	3,617
Cash at the beginning of the financial year		27,008	23,391
Cash at end of financial year	24(a)	17,860	27,008

Motor Accidents Authority of NSW

Notes to and forming part of the Financial Statements for the Year ended 30 June 2003

1 Accounting policies

- (a) The Motor Accidents Authority's Financial Statements for the year ended 30 June 2003 are a general purpose financial report and have been prepared:
- in compliance with the Public Finance and Audit Act 1983, Treasurer's Directions and the Public Finance and Audit Regulation 2000
 - in accordance with the Historical Cost Convention, and
 - on a full accrual basis and in accordance with applicable Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Urgent Issues Group (UIG) Consensus Views.
- (b) Calculations for accrued Long Service Leave (liability provided for leave due after five years) and other staff benefits are based on the computations of leave due. The nominal valuation method has been used to calculate the liability, which does not materially differ to the present value method.
- (c) Plant and equipment costing \$5,000 and above individually are capitalised. Depreciation has been calculated on the straight-line basis over the estimated useful life of assets. The following depreciation rates were used:

	2003	2002
	%	%
Office machinery	12.5	12.5
Computer hardware	40.0	40.0
Plant & equipment	12.5	12.5
Motor vehicles	20.0	20.0

-
- (d) The Authority's funds, generated from a levy of 1.4% on compulsory third party premiums, are used to meet the expenses of its operations (including the provision of Rehabilitation project funding) under the Motor Accidents Compensation Act 1999. Surplus funds are invested in interest bearing term deposits in accordance with the Motor Accidents Compensation Act 1999 and in line with the Board's approved investment strategy.
- (e) Operating expenditures incurred by the Authority have been charged to each program area. Where such allocation is not appropriate, the expenditures are equally divided within the program areas: Executive, Corporate Governance, Insurance, Injury Prevention & Management, Ministerial & Community Assistance and the Motor Accidents Assessment Service. Note 26 shows the allocations to the six programs.
- (f) There has been no change in the accounting policies during the financial year.
- (g) Revenues, expenses and assets are recognised net of GST, except:
- 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.
 - receivables and payables are stated with the amount of GST included.

Commitments are stated with the amount of GST included.

2 Cash assets

	2003	2002
	\$ '000	\$ '000
Cash at Bank	17,860	19,048
Total	17,860	19,048

3 Other financial assets in term deposits

	2003	2002
	\$ '000	\$ '000
60 Days Term Deposit	-	7,960
Total	-	7,960

The market value of the above investments is same as their cost.

4. Receivables

(a) Current

	2003	2002
	\$ '000	\$ '000
CTP Levy Income Receivable	1,941	1,725
GST Receivable	577	1,345
Interest Receivable	-	598
Prepaid Superannuation (note 6)	623	288
Advance to Allianz	9,323	-
Other Prepayments	-	3
Recovery from Crown Entity (note 8)	81,296	152,200
Other Receivables	208	636
Total	93,968	156,795

(b) Non-current

	2003	2002
	\$ '000	\$ '000
Crown Entity (note 8)	192,373	271,600
Total	192,373	271,600

5 Plant and equipment

Schedule of non-current assets as at 30 June 2003

	Office machinery (\$'000)	Computer hardware (\$'000)	Motor vehicle (\$'000)	Total (\$'000)
At fair value	175	265	28	468
Accumulated depreciation	63	201	-	264
Written down value as at 30/6/03	112	64	28	204

Schedule of non-current assets as at 30 June 2002

	Office machinery (\$'000)	Computer hardware (\$'000)	Motor vehicle (\$'000)	Total (\$'000)
At fair value	156	283	-	439
Accumulated depreciation	44	192	-	236
Written down value as at 30/6/02	112	91	-	203

A reconciliation of the carrying amount at the beginning and end of the reporting period is set out below.

	Office machinery (\$'000)	Computer hardware (\$'000)	Motor vehicle (\$'000)	Total (\$'000)
Written down value as at 1/7/02	112	91	-	203
Acquisitions	19	34	28	81
Disposals	-	(52)	-	(52)
Depreciation	(19)	(61)	-	(80)
Write-back of depreciation on disposal	-	52	-	52
Written down value as at 30/6/03	112	64	28	204

The fair value is considered to approximate the market value at 30 June 2003.

On 30 June 2003, fully depreciated assets totalled \$122,072. The fully depreciated assets consist of nine computer hardware items with a total cost of \$115,940 and one office machine costing \$6,132. This includes assets (costing \$117,346), which were fully depreciated as at 30 June 2002 and are still in use.

6 Superannuation

Superannuation has been provided for all employees, part-time Directors, medical assessors and contractors in compliance with the Superannuation Guarantee Scheme 1992.

The actuary appointed has assessed the Gross Superannuation Liabilities for certain employers within the three defined benefit schemes (SSS, SASS and SANCS) administered by the SAS Trustee Corporation (STC) for the year ended 30 June 2003. The calculation of SSS, SASS and SANCS is based on the requirements of AAS25. The financial assumptions that have been applied for the calculations are:

	2003/04	2004/05	2005/06 and thereafter
	% p.a.	% p.a.	% p.a.
Rate of investment return	7.0	7.0	7.0
Rate of salary increase	4.0	4.0	4.0
Rate of increase in CPI	2.5	2.5	2.5

Assumptions with regard to rates of mortality, resignation, retirement and other demographics are those to be used for the 2003 triennial valuation.

The status of the superannuation reserves as at 30 June 2003 with the Superannuation Administration Corporation is as follows:

	SASS	SANCS	SSS	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Reserve account balance	826	412	1,672	2,910
Less accrued liability	(1,007)	(371)	(1,090)	(2,468)
Balance on 30 June 2003	(181)	41	582	442

The corresponding amounts for 2002 were:

	SASS	SANCS	SSS	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Reserve account balance	846	350	1,162	2,358
Less accrued liability	861	313	911	2,085
Balance on 30 June 2002	(15)	37	251	273

The surplus funding in the Reserve Account Balance is shown as prepaid superannuation contributions (Note 4).

7 Payables

(a) Current

	2003 \$ '000	2002 \$ '000
CTP levy refund	-	76
Other creditors and accruals	2,080	3,001
Payable to AAIL (HIH claims)	1,608	2,701
Rehabilitation / Road Safety projects	-	108
Superannuation payable (note 6)	181	15
Security deposits	92	-
Total	3,961	5,901

(b) Non-current

	2003 \$ '000	2002 \$ '000
Security deposits	-	92
Total	-	92

8 Provisions

(a) Current

	2003 \$ '000	2002 \$ '000
Provision for annual leave	556	384
Provision for outstanding Nominal Defendant claims	70,327	152,200
Total	70,883	152,584

(b) Non-current

	2003 \$ '000	2002 \$ '000
Provision for long service leave	836	626
Provision for outstanding Nominal Defendant claims	192,373	271,600
Total	193,209	272,226

Provision for outstanding nominal defendant claims

Under the *Motor Accidents Compensation Act 1999*, the Nominal Defendant meets claims from policies issued by insolvent insurers. For the purposes of the Act the Motor Accidents Authority is the Nominal Defendant. Following the HIH collapse, the Nominal Defendant became responsible for the liabilities owed to policyholders. The Nominal Defendant is also entitled to recoveries by the liquidator of HIH. The MAA engaged Allianz Australia Limited (AAIL) to manage the claims on behalf of MAA. A management fee of 10 per cent on costs incurred is paid to AAIL.

At 30 June 2002, liabilities for HIH CTP claims estimated at \$423.8 million were recognised in the Crown's Entity's financial report. Movements in these liabilities for the year were:

	2003	2002
	\$'000	\$'000
Balance 1 July	423,800	497,589
Less payments to policyholders (including NSW Treasury's Books)	(117,578)	(122,326)
Increase/(Decrease) in liabilities	(43,522)	48,537
Balance 30 June	262,700	423,800
Represented by:		
Current liabilities	70,327	152,200
Non-current liabilities	192,373	271,600

The liability for outstanding claims is measured as the present value of the expected future payments. Based on an actuarial valuation in June 2003 by the Authority's consultant actuary, Taylor Fry Pty Ltd, the expected cash flows to meet the claims were:

	2003	2002
	\$'000	\$'000
Not later than one year	70,327	152,200
Later than one year but not later than five years	141,004	240,000
Later than five years	51,369	31,600
Total	262,700	423,800

The following inflation rates and discount factors were used in measuring the liability for outstanding claims:

	2003 % pa	2002 % pa
Claims expected to be paid not later than one year		
Inflation rate	4.0	4.0
Superimposed inflation	3.0-4.0	5.0-6.0
Discount rate	4.4	5.6
Claims expected to be paid later than one year		
Inflation rate	4.0	4.0
Superimposed inflation	3.0-4.0	5.0-6.0
Discount rate	4.9	6.3-6.9

Recovery from Crown Entity

Outstanding claims

Movements in the amount owing by the Crown Entity to meet outstanding claim liabilities was:

	2003 \$'000	2002 \$'000
Balance 1 July	423,800	497,589
Less received from Crown Entity during the year	(117,578)	(122,326)
Increase/(Decrease) following actuarial reassessment of liabilities	(43,522)	48,537
Balance 30 June	262,700	423,800
Other recoveries:		
Administration and other costs for the Nominal Defendant Fund	10,969	-
Total	273,669	423,800
Represented by:		
Current receivables	81,296	152,200
Non-current receivables	192,373	271,600

9 Receipts from NSW Treasury

NSW Treasury made a grant of \$122.016 million to MAA Nominal Defendant Fund to offset the claims payments of \$117.578 million made by Allianz Australia Insurance Ltd, Clearing House payments of \$2.707 million, claims management expenses of \$1.599 million and other contracted services of \$0.132 million.

10 CTP premium levy

The Authority was funded by a levy of 1.4% (1.4% in 2001-02) on Compulsory Third Party insurance premiums collected by licensed insurers. The annual levy income of \$19.514 million includes the accrued levy of \$1.948 million for the month of June 2003.

11 Interest earnings

Interest earnings on MAA and NDF Funds are given below:

	2003 \$ '000	2002 \$ '000
Interest: MAA	434	405
Interest: NDF	787	1,059
Total	1,221	1,464

12 Other income

Other Income received on MAA and NDF :

	2003 \$ '000	2002 \$ '000
NDF Recoveries:		
Major Claims	8,200	-
Clearing House	3,487	-
HIH Trust Funds	544	1,212
Rental Income – Macquarie Street	359	287
Others	38	92
Total	12,628	1,591

13 Nominal Defendant claims payment

The Nominal Defendant funds were applied to the payment of HIH expired policies (CIC and FAI insurance policies expiring on or before 31 December 2000) and paid for settling the following:

- Payment to service providers
- Payment against court verdicts
- Other settlement amounts

14 Salaries and related costs

Salaries and Related Costs of \$7,586,215 (\$5,657,345 in 2001-2002) for the year were higher by \$1,928,870 in comparison with 2001-2002 and reflect award salary increases, the employment of additional permanent and temporary staff, recreation leave, extended leave and other salary on-costs. The main components are:

	2003	2002
	\$ '000	\$ '000
Permanent salaries	5,307	4,034
Payroll tax	355	262
Other salary components	1,924	1,361
Total	7,586	5,657

15 Other operating expenses

This broad group includes a number of line items. The major items are listed below:

(a) MAA

	2003	2002
	\$ '000	\$ '000
Medical assessor fees	3,749	1,207
Rent and related costs	1,612	1,223
Computer software/expended hardware/maintenance	448	291
CARS assessor fees	232	32
Telephone/fax	197	174
Staff development	157	135
Stationery	139	57
Interpreting Services	125	27
Printing	98	88
Legal fees	56	103
Others	432	385
Total	7,245	3,722

(b) Nominal Defendant Fund

	2003	2002
	\$ '000	\$ '000
NDF Sharing – Major Claims	1,092	-
Clearing House payments – NDF	322	176
Contracted services	175	62
Nominal Defendant – Clearing House	-	7,520
Consultancy fees	-	82
Others	-	51
Total	1,589	7,891

16 Rehabilitation and road safety grants

These grants consist of:

	2003	2002
	\$ '000	\$ '000
Rehabilitation	5,265	2,512
Road safety grants and sponsorships	6,486	2,897
TOTAL	11,751	5,409

The total commitment as at 30 June 2003 was \$14.516 million (\$10.51 million in 2001-2002).

17 Nominal Defendant claims management fees

In line with the Agency Agreement MAA paid AAIL expended costs in managing the claims and a management fee of 10% of the costs incurred. Prior to the provisional liquidation of HIH, AAIL has been managing claims on behalf of HIH Insurance group on the same basis. Fees paid in 2002-03 were \$3.198 million (\$4.202 million in 2001-02).

18 Project administration costs

This item includes costs associated with:

- the administration of grants through the Injury Prevention and Management Division and
- the Continuous Improvement Project in the Motor Accidents Assessment Services Division

	2003	2002
	\$ '000	\$ '000
Salaries and related costs	117	-
Contracted services	375	-
TOTAL	492	-

19 Audit fees

Annual Audit fees comprise payments of \$148,738 to Ernst & Young (for internal audit services), \$42,502 to the Audit Office of NSW and \$14,000 to PriceWaterhouseCoopers (for internal audit services). The amount paid to the Audit Office of NSW was for review of financial statements only; no other amounts were paid.

20 Directors' and Council Members' benefits

Since the commencement of the reporting period, no Director or Council member, except Geraldine Anne Daley, has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the annual accounts. Geraldine Anne Daley was paid \$6,572.50 during 2002/2003 for CARS Assessors fees.

21 Equity

Equity consists of accumulated funds. Movements for the year were:

	2003	2002
	\$ '000	\$ '000
Balance at the beginning of the year	24,803	20,807
Changes in equity – other than transactions with owners as owners:		
Surplus/(Deficit) for the year	11,549	3,996
Balance at the end of the year	36,352	24,803

22 Commitments for expenditure

On 30 June 2003 the Authority has expenditure commitment in respect of the lease of its existing office premises. There are also commitments for the ongoing Rehabilitation/Road Safety programs already approved by the Board.

The lease commitment (inclusive of GST) is as follows:

	2003			2002		
	Office premises \$'000	Motor vehicles \$'000	Total \$'000	Office premises \$'000	Motor vehicles \$'000	Total \$'000
Not later than one year	1,602	-	1,602	1,170	7	1,177
Later than one year but not later than five years	4,722	-	4,722	3,417	-	3,417
Later than five years	1,407	-	1,407	1,703	-	1,703
Total	7,731	-	7,731	6,290	7	6,297

The MAA has an approved funding commitment (including GST) as at 30 June 2003 of \$10.375 million for Rehabilitation grants and \$4.141 million for Road Safety grants. The grant commitments were not included in the current and non-current liabilities on the main body of the Statement of Financial Position considering the conditions attached to the disbursement of the approved funding. The total commitment as at 30 June 2003 was \$14.516 million (including Youth Program).

An integral part of the scheme is a commitment to effective injury management and rehabilitation. This is supported by provisions in the Motor Accidents Compensation Act 1999 that enable the MAA to fund initiatives that address the injury management needs of people injured in motor vehicle accidents. Applicants are required to submit a proposal within the guidelines for new project applications, demonstrating an impact on improving injury management and rehabilitation of persons sustaining such injuries. As MAA has a responsibility to ensure effective utilisation of the funding, conditions are attached to funding offers and projects are subject to monitoring and review processes through quarterly and six monthly reports including financial returns and also a final report on completion.

23 Contingent liabilities

There was no known contingent liability at the balance date (nil for 2002-2003). Contingent liability for 2001-2002 was a proposed major increase of rent for the George Street premises.

24 Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in short term deposits. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2003	2002
	\$ '000	\$ '000
Cash	17,860	19,048
Short term deposits in bank	-	7,960
Total	17,860	27,008

(b) Reconciliation of net cash provided by operating activities to deficit from ordinary activities at 30 June 2003

	2003	2002
	\$ '000	\$ '000
Operating surplus for the year	11,548	3,996
Depreciation	80	83
<i>Change in assets and liabilities</i>		
Decrease/(increase) receivables: current	62,827	(154,069)
Decrease/(increase) receivables: non-current	79,227	(271,600)
Increase/(decrease) in payables: current	(1,940)	1,178
Increase/(decrease) in payables: non-current	(92)	-
Increase/(decrease) in provision: current	(81,701)	152,290
Increase/(decrease) in provision: non-current	(79,016)	271,709
Net cash provided by operating activities	(9,067)	3,587

(c) Non-cash finance and investing activities

During the financial year one motor vehicle which had been under finance lease was sold.

25 Financial instruments

Credit risk exposures

The credit risk on financial assets of the Authority included in the Statement of Financial Position is the carrying amount (net of any provisions) based on historical cost.

Interest rate risk exposures

2003 on the Statement of Financial Position	— Variable interest rate —					Total
	Weighted av. Rate	1 Year or Less	Over 1 to 5 Years	Fixed rate	Non- interest bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash assets	4.0%	17,860	-	-	-	17,860
Loans	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Trade debtors	-	-	-	-	1,941	1,941
Other receivables	5.3%	9,323	-	-	785	10,108
Crown receivables	-	-	-	-	273,669	273,669
		27,183	-		276,395	303,578
Financial Liabilities						
Creditors and Accrued Expenses		-	-	-	3,688	3,688
Nominal Defendant provisions		-	-	-	262,700	262,700
		-	-	-	266,388	266,388
Net Financial Assets		27,183	-	-	10,007	37,190

2002 on the Statement of Financial Position	— Variable interest rate —					Total
	Weighted av. Rate	1 Year or Less	Over 1 to 5 Years	Fixed rate	Non- interest bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Cash Assets	5.64%	19,048	-	-	-	19,048
Investments	4.54%	7,960	-	-	-	7,960
Trade debtors	-	-	-	-	1,725	1,725
Other Receivables	4.5%	598	-	-	1,981	2,579
Crown receivables	-	-	-	-	423,800	423,800
		27,606	-	-	427,506	455,112
Financial Liabilities						
Creditors and accrued expenses		-	-	-	5,778	5,778
Grants payable		-	-	-	108	108
Nominal Defendant provisions		-	-	-	423,800	423,800
		-	-	-	429,686	429,686
Net Financial Assets		27,606	-	-	(2,180)	25,426

The carrying cost of all financial assets and liabilities is Net Fair Value unless stated otherwise.

26 Allocation to program areas

	Corporate Governance	Executive	Insurance Division	Injury Prevention & Management	Motor Accidents Assessment Service	Ministerial & Community Assistance	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Nominal Defendant:							
Movement in recovery from Crown Entity	34,274	-	-	-	-	-	34,274
Nominal Defendant: Other Expenses	1,589	-	-	-	-	-	1,589
Salaries and Related costs	1,326	479	1,153	861	3,171	596	7,586
Other Operating Expenses	2,630	85	65	78	4,354	33	7,245
Contracted services: other	278	35	736	6	274	153	1,482
Consultancy Fees	-	-	-	23	12	-	35
Advertising, Promotion and Publicity	42	-	65	71	7	97	282
Computer Bureau	46	-	-	-	-	-	46
Board Members' Fees	131	-	-	-	-	-	131
Council Members' Fees	138	-	-	-	-	-	138
Audit Fees	205	-	-	-	-	-	205
Rehabilitation Grants	-	-	-	5,265	-	-	5,265
Road Safety Grants	-	-	-	6,486	-	-	6,486
Grants – Administration Cost	-	-	-	492	-	-	492
Depreciation	80	-	-	-	-	-	80
TOTAL	40,739	599	2,019	13,282	7,818	879	65,336

End of audited financial statements

2002-2003 financial summary

The financial information shown below augments the audited financial statements of the Authority. The information is provided in accordance with the provisions of the Public Finance and Audit Act, 1983, the Annual Reports (Statutory Bodies) Act, 1984 and Treasurer's Directions.

The Authority has not made representations to Treasury for an extension of time nor has it requested exemptions from the reporting provisions of the Annual Report (Statutory Bodies) Act, 1984 and Regulations thereto.

Actual/budget comparison year ended 30 June 2003

	ACTUAL	BUDGET	VARIANCE
	2002/2003	2002/2003	+ / (-)
	\$'000	\$'000	\$'000
Expenditures:			
Rehabilitation Grants	5,265	2,607	(2,658)
Road Safety Grants and Sponsorships	6,486	2,463	(4,023)
Labour Costs	7,586	6,893	(693)
Other Operating Costs	8,573	7,212	(1,361)
External Services	1,563	1,784	221
Contingency	-	300	300
Total	29,473	21,259	(8,214)
Capital Expenditure	81	129	48

Notes:

- 1 Nominal Defendant Expenditure of \$35.863 million has been excluded from the comparison above as it is not part of the core business of the Authority and is managed by MAA through NSW Treasury grants.
- 2 External Services comprise: Contracted Services other - \$1.482 million, Computer Bureau - \$0.046 million and Consultancy Fees - \$0.035 million.
- 3 A contingency of \$300,000 provided to meet unforeseen expenditure was not required.

Comparative Statement of Financial Performance for the year ended 30 June 2003

	ACTUAL 2002/ 2003 \$'000	BUDGET 2002/ 2003 \$'000	BUDGET 2003/ 2004 \$'000
Revenue from ordinary activities			
Movement in Nominal Defendant Claims	43,522	-	-
CTP Premium Levy	19,514	18,774	22,124
Interest	1,221	996	1,252
Other Income	12,628	379	390
TOTAL Revenue from ordinary activities	76,885	20,149	23,766
Expenditure from ordinary activities			
Movement in recovery from Crown Entity	34,274	-	-
Nominal Defendant: Other Expenses	1,589	-	-
Salaries and related costs	7,586	6,893	7,229
Other Operating Expenses	7,245	6,293	6,951
Road Safety	6,486	2,463	7,014
Rehabilitation Grants	5,265	2,607	7,879
Contracted Services: Others	1,482	1,664	2,005
Grants: Administration Costs	492	-	-
Advertising, Promotion and Publicity	282	380	384
Audit Fees	205	270	319
Council Members' Fees	138	139	144
Board Members' Fees	131	130	152
Depreciation	80	-	-
Computer Bureau	46	60	-
Consultancy Fees	35	60	-
Contingency	-	300	300
TOTAL expenditure from ordinary activities	65,336	21,259	32,377
SURPLUS/(DEFICIT) for the year	11,549	(1,110)	(8,611)

Notes: 1 The approved 2003-2004 Budget is given above.

2 The budget figures for 2002-2003 include additional allocations made by the Board in the supplementary budget.

Notes to comparative statement of financial performance for the year ended 30 June 2003

- 1 Movement in Nominal Defendant Claims represents the decrease in the provision for outstanding Nominal Defendant liabilities as at 30 June 2003 and is not a budget item.
- 2 CTP Premium Levy income for 2002-2003 was 4% higher than the budgeted amount.
- 3 Interest income was 23% higher than budget due to the additional interest earned on the Nominal Defendant Fund.
- 4 Other Income of \$12,628 million constitutes:
 - Clearing House receipts on HIH shared claims (\$3.487 million),
 - Major Claims (\$8.2 million),
 - Trust funds remittance from Solicitors (\$0.544 million),
 - Rental income from the sub-lease (\$0.359 million), and
 - Other income (\$0.038 million).
- 5 Accruals and prepayments were fully provided for in accordance with the MAA's policy on accruals and prepayments.
- 6 Nominal Defendant expenditure of \$35.863 million relates to the movement in recovery from the crown Entity (\$34.274 million), Major Claims payments (\$1.092 million), Clearing House payments (\$0.322 million) and contracted services (\$0.175 million).
- 7 Salaries and Related expenditure of \$7.586 million was 10% higher than budgeted due to:
 - an increase in the superannuation reserve account, as determined by actuarial valuations,
 - superannuation paid on fees for Medical Assessment Service Assessors (MAS) and Claims Assessment and Resolution Services Assessors (CARS), and
 - additional temporary and permanent staff employed within the Motor Accidents Assessment Services division because of a significant increase in motor accident claims assessments.

-
- 8 Other Operating Expenses was higher than budgeted by \$0.952 million (15%) mainly due to the increase in MAS and CARS assessments cost of \$1.249 million.
 - 9 Rehabilitation and Road Safety project payments were higher than budget as ongoing project commitments from 2001-2002 were paid during the 2002-2003 year. Additionally, an amount of \$2.5 million was paid towards Capital projects development.
 - 10 The expenditure variation on Contracted Services were 11% lower than budgeted due to the reduction in the use of contractors.
 - 11 Advertising, Promotion and Publicity expenses were lower than budgeted by \$0.098 million (26%) mainly due to decrease in media monitoring costs.
 - 12 Audit fees were \$0.065 million (24%) lower than budget due to a number of low risk internal audits being deferred to the following year.
 - 13 Computer Bureau fees were lower than budged by \$0.014 million (23%) due to savings generated by operating the Claims Register and Statistical Database in-house.
 - 14 The expenditure variation in Consultancy Fees were 42% lower than budgeted as some of the provisions was not required.
 - 15 Historically, depreciation was not budgeted for, as the timing of capital purchases was not known.
 - 16 A surplus of \$11.549 million for the year was higher than the budgeted deficit amount of (\$1.11 million). The surplus was generated by receipts from the Nominal Defendant operations.

Summary of statement of financial performance: actual and budget

Actual/Budget comparison from 1999-2000 to 2002-2003

	2002-2003 ACTUAL	2002-2003 BUDGET	2001-2002 ACTUAL	2001-2002 BUDGET	2000-2001 ACTUAL	2000-2001 BUDGET	1999-2000 ACTUAL	1999-2000 BUDGET
Revenue from ordinary activities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Movement in Nominal Defendant Claims	43,522	-	-	-	-	-	-	-
Receipt from NSW Treasury	-	-	554,063	-	32,411	-	-	-
CTP Premium Levy	19,514	18,774	18,377	18,733	18,302	18,688	16,992	17,129
Interest	1,221	996	1,464	927	1,025	749	816	633
Other Income	12,628	379	1,591	285	407	285	113	-
TOTAL revenue from ordinary activities	76,885	20,149	575,495	19,945	52,145	19,722	17,921	17,762
Expenditure from ordinary activities								
Movement in recovery from Crown Entity	34,274	-	-	-	-	-	-	-
Nominal Defendant Claims Payment	-	-	541,924	-	32,411	-	-	-
Nominal Defendant – Other Expenses	1,589	-	7,891	-	207	-	-	-
Salaries and Related Costs	7,586	6,893	5,657	4,762	4,491	4,509	3,137	3,531
Nominal defendant Claims Mgmt	-	-	4,202	-	780	-	-	-
Other Operating Expenses	7,245	6,293	3,722	3,957	2,562	4,146	2,314	2,889
Road Safety Grants	6,486	2,463	2,897	2,725	2,004	5,625	4,153	5,024
Rehabilitation Grants	5,265	2,607	2,512	2,310	2,206	2,000	2,417	3,760
Contracted Services – Others	1,482	1,664	1,475	1,713	800	711	729	955
Grants – Administration Costs	492	-	-	-	-	-	-	-
Advertising, Promotion & Publicity	282	380	277	368	941	980	655	592
Audit Fees	205	270	141	148	120	75	65	80
Council Members' Fees	138	139	135	126	126	142	93	88
Board Members' Fees	131	130	127	121	116	129	114	130
Depreciation	80	-	83	-	75	0	49	-
Computer Bureau	46	60	295	312	276	312	345	418
Consultancy Fees	35	60	161	360	379	735	727	747
Contingency	-	300	-	300	-	168	-	-
TOTAL expenditure from ordinary activities	65,336	21,259	571,499	17,202	47,494	19,532	14,798	18,214
SURPLUS/(DEFICIT) from ordinary activities	11,549	(1,110)	3,996	2,743	4,651	190	3,123	(452)

Note 1: Expenditure on capital items is excluded from this summary.

Note 2: Depreciation was not budgeted, as the timing of capital purchases is not known.

Note 3: Each year starts on 1 July and ends on 30 June next year, that is, in line with the fiscal year.

Appendices

Operations

Guarantee of Service (Revised June 2003)

Our vision is to lead and support a Compulsory Third Party (CTP) scheme that minimises the impact of motor vehicle accidents.

Our role is to have a CTP insurance and compensation scheme that is affordable, fair and accessible by:

- being an effective regulator
- promoting appropriate treatment of injured persons
- providing medical and claims assessments in disputed cases
- providing advice to the Minister, Board, Council, Parliamentary Committee and stakeholders
- supporting injury prevention initiatives.

We believe in

- providing quality services
- working in an equitable, supportive and professional environment
- being an independent and ethical regulator
- continuously improving our internal operations.

Corporate priorities for 2003-2004

- Develop and implement Continuous Improvement strategies in the Motor Accidents Assessment Service.
- Review of prudential/compliance role.
- Review of Grants Program.
- Develop and implement the Community Participation Program for people with spinal cord injury.

You can expect us to

- 1 Treat you with respect and courtesy
- 2 Provide an efficient and professional service

To compare Green Slip prices for privately registered vehicles, call the MAA's Green Slip Helpline on 1300 137 600 for the cost of a local call. This automated service operates 24 hours, seven days a week. Alternatively, compare prices on the MAA website at www.maa.nsw.gov.au. General enquiries about Green Slips will be directed to the Claims Advisory Service. This service operates between 8.30am and 5.00pm Monday to Friday. Calls directed to this service out of hours will be returned by the next working day.

The MAA's Claims Advisory Service can help you with your claim. This may include issues such as: making a claim, lodging a dispute and negotiating with your insurance company. Contact the Claims Advisory Service on 1300 656 919 for the cost of a local call. This service operates between 8.30am and 5.30pm Monday to Friday. If you call out of these hours, you can leave a voicemail message and your call will be returned by the next working day. You can also email the Claims Advisory Service at cas@maa.nsw.gov.au. Emails will be answered as quickly as possible depending on the information you require.

If you phone the MAA's office on 1300 137 131 within business hours (between 8.30am and 5.30pm) 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 email (maa@maa.nsw.gov.au) we will respond within 10 working days of receiving your letter/email. If we cannot fully answer your enquiry in that time, we will give you an interim response.

3 Provide equitable access to the MAA and information about the Motor Accidents Compensation Scheme

The MAA makes information about the CTP scheme available in a range of formats (website, brochures, telephone service) to maximise access for all members of the community. The MAA's website is designed to work with internet text-to-voice software commonly available for the vision impaired and on computers that have text-only browsers. All MAA brochures are presented clearly, using black or dark text on white paper. The MAA will arrange an interpreter service (sign language or language other than English) where necessary.

4 Provide appropriate information

Information on MAA operations and the CTP scheme is available from the MAA website at www.maa.nsw.gov.au or you can phone or email the MAA and we will mail this information to you.

The MAA also produces an annual report, statistical information papers, guidelines for health, insurance and legal service providers and rehabilitation education programs for professionals who work with the MAA.

5 Give you the opportunity to be heard

We welcome suggestions and complaints by phone, in person, by mail or email.

6 Meet statutory confidentiality and privacy requirements

If you have any suggestions on how the services described here can be improved or if you experience any difficulties, please contact the MAA at:

Level 22, 580 George Street, Sydney NSW 2000
maa@maa.nsw.gov.au www.maa.nsw.gov.au

Phone	1300 137 131
Fax	1300 137 707
TTY	02 8268 1450
Claims Advisory Service	1300 656 919
Green Slip Help Line	1300 137 600
CAS	cas@maa.nsw.gov.au

Use of consultants

Consultancy fees to 30 June 2003 totalled \$35,127. There were no consultants with fees over \$30,000. The total number of consultants used during 2002-2003 was 6.

Consultancies less than \$30,000

Area	Consultants/Companies	\$
Service planning	3	28,600
Performance evaluation	2	3,150
Editorial advice	1	3,377
Total consultancies	6	35,127

Major assets acquired

No major assets were acquired during the reporting period.

Accounts payable performance

During the reporting period, all MAA suppliers and service providers were paid within 30 days as required by NSW Treasury.

Credit card certification

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

Privacy Management Plan

The MAA's Privacy Management Plan complies with the requirements of the Privacy and Personal Information Protection Act 1998. It includes procedures for handling privacy complaints, applications for internal review and compliance with public register provisions.

Existing policies and procedures are continually reviewed to ensure legislative compliance. The MAA did not receive any requests for review under the Act this year.

Information technology

Claims Register & Statistical Database (CRSD)

The in-house supported CRSD commenced in July 2002. The new internet-based enquiry and file transfer system provides CTP insurers with an easier to use system that significantly reduces network and communications costs.

The MAA has completed its first year of managing the Claims Register in-house. The management of this application was previously outsourced. The move to in-house management is providing annual cost savings of over \$200,000.

Internal Audit

At a total cost of \$148,738 the MAA's internal auditors Ernst & Young completed the following reviews in 2002-2003.

- Assessor Management
- Sirius Case Management System
- Grants Funding Monitoring and Outcomes Assessment
- Scheme Compliance and Monitoring
- Claims Database Transfer (post-implementation)
- Sirius Service Level Agreement
- DRIVES user audit.

The Audit Sub-Committee of the Board met five times this year.

Insurance and Risk Management

The MAA is appropriately insured for public liability, contents and electronic equipment, motor vehicles, workers compensation and directors' and officers' liability.

The MAA Board Audit Sub-Committee receives internal and external audit reports and reviews the MAA's progress in implementing all risk minimisation recommendations.

Waste Reduction and Purchasing Policy

The MAA's Waste Reduction Plan is being revised for 2003-2005. The MAA will report to Resource NSW by end August 2003 on its activities over the last two years.

Reducing waste

- The MAA has an Electronic Data Management system, which reduces the use of paper and cardboard file covers and replaces paper-based filing.
- Paper waste is minimized by using email, intranet and internet to produce and distribute information.
- Draft text is edited on-screen.
- Faxes are received electronically.
- Only four paper copies of the White and Yellow Pages telephone directories are provided for staff, all of whom have access to the on-line versions via the MAA intranet.

Resource recovery

- The MAA offices are serviced by Visy Co-mingle recycling.
- The MAA recycled approximately 13 tonnes of paper in this year.
- All used toner cartridges are recycled.
- Ninety-one items of superseded computer equipment were provided to ReConnect.NSW, a program that distributes superseded computer equipment to disadvantaged groups and individuals in the community.

Recycled materials

- Only reformatted disks are purchased.
- Paper with 50% recycled content used for all copying, faxing and printing.
- Contracts for printing give preference to printing on recycled paper where this is appropriate and cost effective.

Energy Management Policy

The Government's November 1998 Energy Management Policy outlines its commitment to reducing energy use and greenhouse gas emissions. The policy outlined specific agency responsibilities for establishing and reporting against performance goals.

The MAA maintained only one motor vehicle and continued to purchase energy efficient computing equipment with energy consumption less than one-third of previous models.

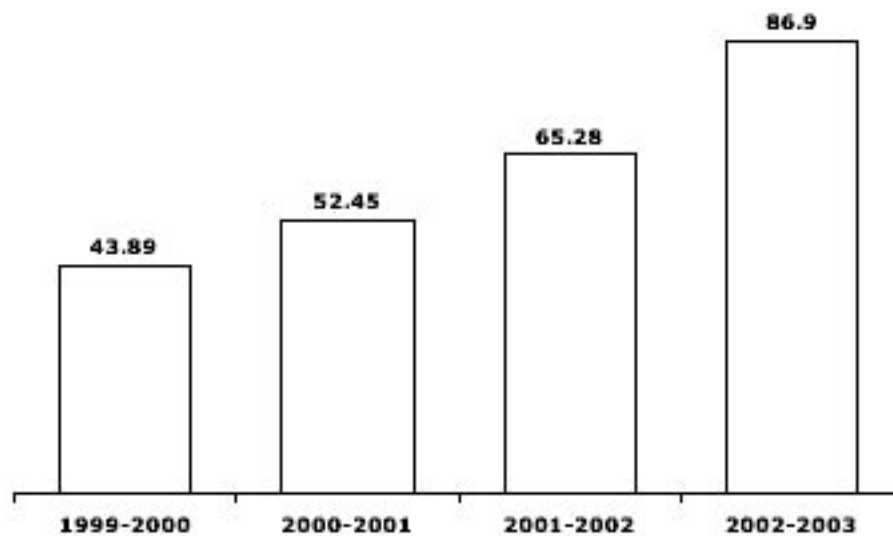
The average Energy Consumption Index for NSW government departments is 504 MJ/per square metre. The MAA's most recent benchmarked consumption, for 2001-2002, was 411MJ/per square metre.

Staffing

Staff Numbers and Grading Structure

Average staffing levels rose by 44% this year compared to last. The average number of staff occupying positions was 86.9 effective full time (EFT) this year. The actual head count at 30 June 2003 was 107 (excluding contractors and agency temps). At 30 June 2003, recruitment action was proceeding to fill one permanent position.

Staffing level comparisons (effective full time)



Grading of established positions (effective full time)

	30 June 2002	30 June 2003
SES	3	4
Senior Officer	4	5
Clerk 11/12	14	15
Clerk 9/10	13	14
Clerk 7/8	6	16
Clerk 5/6	11	14
Clerk 3/4	11	26
Clerk 1/2	9	7
Other	-	6
Total	71	107

Chief Executive and Senior Executive Officers

The number of SES positions increased from three to four in December 2002 with the creation of the temporary position of Manager MAAS Continuous Improvement Project, at SES Level 3.

The establishment is: General Manager, Level 5; Manager, Insurance Division, Level 2; Manager, MAAS Division, Level 2 and Temporary Manager, MAAS Continuous Improvement Project, Level 3 (to 30 June 2004).

Performance Statement for General Manager: David Bowen SES level 5

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 for Commerce, the Hon John Della Bosca, has indicated his continued satisfaction with Mr Bowen's performance in the management and strategic direction of the MAA.

Notable achievements in 2002-03 included:

- initiating the Continuous Improvement Project in MAAS Division, which is already showing increased internal efficiencies and improved stakeholder service
- initiating the Community Participation Program
- conducting a major analysis of long-term care options.

During the HIH Royal Commission, Mr Bowen prepared and gave evidence to the Commission about the MAA's operations, particularly its regulatory role when HIH collapsed. The commission commented favourably on the MAA's regulatory conduct.

Mr Bowen continued to provide advice on strategies to assist those affected by HIH's collapse, as well as ensuring ongoing payments to claimants from the Nominal Defendant Fund through Allianz Insurance. The Minister acknowledged Mr Bowen's stewardship of the complex arrangements surrounding these Nominal Defendant Fund payments.

Equal Employment Opportunity

Substantial progress was made in implementing the EEO Plan 2000-2003.

Major accomplishments include:

- revision of the harassment free workplace and grievance management policies
- establishment of a framework of policies to support best practice in human resources management
- results of the second staff climate survey in 2001/2002 showing improvements since the 2000/2001 results on every factor for the MAA as a whole and for each division
- development and implementation of the MAA's 10 Steps in Recruitment guide
- employment of two disability trainees
- no grievances being lodged in the reporting period.

The revised EEO Plan 2003-2006 was completed and launched at 30 June 2003. (EEO statistics tables appear opposite).

Occupational Health and Safety

There were two workers compensation claims in the reporting period (1 claim in 2001-02). The annual workers compensation premium was \$29,460. The MAA's OH&S Workplace Committee met three times and assists the MAA to meet its statutory obligations.

Grievances

No grievances were lodged during the year.

Significant Internal Committees at 30 June 2003

Audit Committee	C Doepel, A Hunt, P Le Couteur (Chair)
Equity Advisory Committee	D Bowen, B Cassidy, S Doenau, C Doepel, D Hamilton, K Hayes, M Rashid, C Seidel, K Williams
Joint Consultative Committee	Management representatives: D Bowen, C Doepel Union Representatives: A Hall, N Ikenberg, J Pithers (PSA)
OH&S Committee	Employer representatives: N Haken, J Kirkby, R Knapp Employee representatives N Bajaj, D Hamilton, N King

EEO statistics: Staff numbers by level

Level of remuneration	Number								
	Total staff (no.)	Respondents	Men	Women	Aboriginal and Torres Strait Islander people	People from ethnic, ethno-religious minority groups	People whose first spoken language was not English	People with a disability	People with a disability who need work-related adjustment
<28,710	1	1	1	0	0	0	1	1	0
28,710-37,708	4	4	1	3	0	2	2	1	0
37,708-42,156	12	12	4	8	0	2	2	1	1
42,156-53,354	32	30	6	26	0	7	12	2	0
53,354-68,985	26	24	8	18	0	2	2	0	0
68,985-86,231	17	17	5	12	0	5	5	2	2
>86,231 (non-SES)	12	12	7	5	0	2	2	0	0
>86,231 (SES)	3	3	1	2	0	0	1	0	0
Total	107	103	33	74	0	20	27	7	3

EEO statistics: Staff numbers by employment basis

Employment category	Number								
	Total staff (no.)	Respondents	Men	Women	Aboriginal and Torres Strait Islander people	People from ethnic, ethno-religious minority groups	People whose first spoken language was not English	People with a disability	People with a disability who need work-related adjustment
Perm. full time	77	75	26	51	0	11	16	5	2
Perm. part time	5	5	0	5	0	0	0	0	0
Temp. full time	16	14	3	13	0	8	8	1	1
Temp. part time	6	6	3	3	0	1	1	0	0
Contract SES	3	3	1	2	0	0	1	0	0
Contract non SES	1	1	0	1	0	0	0	0	0
Training positions	1	1	1	0	0	0	1	1	0
Retained staff	0	0	0	0	0	0	0	0	0
Casual	0	0	0	0	0	0	0	0	0
Total	109	105	34	75		20	27	7	3
Subtotals									
Permanent	82	80		56		11	16	5	2
Temporary	22	20		16		9	9	1	1
Contract	4	4		3			1		
Full time	93	89		64		19	24	6	3
Part time	11	11		8		1	1		

MAA Code of Conduct

This code sets out the standards of expected behaviour from all staff to help you identify clear boundaries of what is acceptable behaviour, to act as a guide to deal with situations you may not have encountered before and to help you solve any ethical dilemmas.

This Code of Conduct applies equally to all staff, whether permanent, temporary or employed on a contract basis.

The MAA is expected to conduct its business with efficiency, fairness, impartiality and integrity. We are expected to behave ethically and professionally at all times to help us maintain our reputation for integrity and fair dealing and give us a basis for making day to day decisions.

The Code of Conduct cannot cover all situations. If you have any doubts or require advice about a particular situation, you should discuss the matter with your supervisor or Divisional Manager.

Personal conduct

We are all expected to:

- treat work colleagues, the public and MAA clients with courtesy and respect.
- comply with relevant legislation and industrial requirements such as the areas of EEO, OHS, harassment and discrimination.

Offers of gifts, benefits or hospitality

In general, you should not accept gifts or benefits. However, the MAA recognises that you may receive token or complimentary gifts on various occasions such as publicity launches, promotions or at Christmas from business contacts in various fields in the private sector. On occasions, you may be invited to business or working lunches or social functions. Under no circumstances should you solicit gifts or benefits.

Consumable gifts such as food and alcohol must be shared with the rest of the MAA, e.g., at divisional or staff meetings. The Administration Officer, Corporate Governance Division should be informed of the gift for inclusion into the Register of Gifts and Invitations. They may be accepted where:

-
- they are of a minor nature or nominal monetary value; and
 - refusal to accept may offend.

They should not be accepted where:

- there is the possibility that you appear to be compromised in any way
- organisations you know are in the process of negotiating tenders/contracts, supplying goods or services or applying for funding from the MAA. This does not mean you cannot meet representatives of such organisations over lunch, if necessary, but you must pay your own way.
- benefits such as personal discounts are offered on goods or services from current or prospective suppliers of the MAA other than those offered to the general public.

Is there a conflict of interest?

It is essential that no opportunity exists for your personal interests, associations or activities (financial or otherwise) to conflict with the proper performance of your duties. Examples of a conflict of interest could include:

- working for companies dealing with any aspect of CTP insurance, claims or rehabilitation
- participation in political matters that may interfere with your ability to undertake your duties in a politically neutral manner
- commercial relationships that either you or your close family members have with the CTP insurance industry; applicants for MAA funding; or individual claimants that could affect or be construed to affect your impartiality.

Use of MAA resources

You are expected to be efficient and economical in the use and management of MAA resources. Permission to use equipment for private purposes should be sought from your Divisional Manager. If permission is given, it should not disrupt you carrying out your normal duties.

Ethical decision-making

To foster a climate of ethical awareness, conduct and decision making, consider the following points:

- is the decision or conduct lawful and consistent with Government policy and in line with the MAA's corporate objectives and its Code of Conduct?

-
- what is the likely outcome for staff, work colleagues, the MAA and others, including the stakeholders in the CTP Scheme?
 - can the decision or conduct be justified in terms of the public interest and would it withstand public scrutiny?

Public comment

The General Manager and the Principal Media Officer are the only staff authorised to communicate with media on the MAA's operations. Divisional Managers are authorised to communicate with the media when the General Manager agrees.

However, you may be required to make public comment at public speaking engagements and when representing the MAA at meetings. You are expected to be professional and responsible when representing the MAA on business or social occasions.

Although as a private individual, you have the right to make public comment on political and social issues, discretion should be used as to when this may be inappropriate.

Confidentiality of official information

Much of the information you use on a regular basis is of a sensitive or confidential nature. It should not be disclosed except in the course of your duties. Most of this information will be captured within the Records Management system. All staff have an obligation to manage their information in accordance with the MAA's Records Management Policies and Procedures. Information may relate to:

- proposed government policy
- the business of insurance companies
- details of private individuals obtained from the MAA Claims Register and Statistical Database
- MAA Financial Analysis System or
- RTA's DRIVES database.

If for any reason you have doubts about disclosing specific information as part of your duties, discuss the matter with your supervisor.

Leaving the MAA

Should you obtain employment in the private sector that bears a close or sensitive relationship to your current position you should advise the General Manager immediately. The General Manager will make a determination as to the type of work you should be allocated prior to taking up duty in your position.

Even after you cease working with the MAA, you should not make public or otherwise use any knowledge or information gained as a result of your employment with the MAA.

Reporting procedure

The MAA's Protected Disclosures Policy nominates the General Manager and the Manager, Corporate Governance Division, as officers to receive a protected disclosure. This policy is available on the intranet.

Make sure you are familiar with other policies and procedures available on the intranet.

Community

Significant External Committees at 30 June 2003

Anxiety Guidelines Working Party	S Lulham
Attendant Care Network Working Party	C Seidel
Children Killed and Injured in Driveways Steering Committee	G Browne, J Edwards, K Hayes
Community Participation Reference Group	D Bowen, S Lulham, L Gill
District Court of NSW Civil Business Committee	B Cassidy
Heads of CTP	D Bowen, C Rizzo
Government Agency Road Safety Council	D Bowen
GST Transitional Arrangements (CTP Heads & NSW Insurers)	C Rizzo
Injury Risk Management Research Centre	K Atsu, D Bowen
Institute of Public Works Engineering Australia, NSW Division, Road Safety Panel	J Edwards
Interdepartmental Shared Corporate Services Steering Committee	C Doepel
Law Council of Australia (Personal Injury) Committee	B Cassidy
Law Society Personal Injury Committee	B Cassidy
Law Society Personal Injury Conference Committee	C Player
Law Society Specialist Accreditation (Personal Injury) Committee	B Cassidy
Long Term Care Working Party	D Bowen, S Lulham
MAISC/MAA Executive Committee	D Bowen, C Rizzo
MAISC Health and Injury Management Sub-Committee	S Lulham
MAISC/MAA Claims Managers Committee	N Ikenberg
MAAS Users Group	B Cassidy, S Freeman, J Kirkby, D Patenall, C Player, L Duncombe, K Williams, S Doenau, L Gee
Operation Westsafe Steering Committee	G Browne, K Hayes
Road Safety in Local Government Steering Committee	J Edwards
Road Safety Taskforce Committee	D Bowen, K Hayes
RTA Online Registration Working Party	B Dawson, R McLachlan
Steering Committee for Inquiry into Long Haul Trucking Industry	D Bowen, G Browne, N McNulty
Tripartite Committee	B Dawson, R McLachlan, C Rizzo

Visits

Overseas visit by MAA officer

Dr Steve Clough, the MAA's Principal Compliance Officer, participated in an international leadership program in insurance supervision from June 8 to June 14, 2003 in Annapolis, Maryland, USA. The program was conducted by The Toronto Centre and was attended by representatives of government insurance supervisory agencies from 26 countries.

The leadership program examined the complex array of institutional, coordination and political issues that must be considered in planning and implementing interventions by an insurance supervisor.

Dr Clough also met with Professor Malcolm Sparrow on the 18 June 2003 in Cambridge, Massachusetts to discuss the MAA's regulatory and enforcement policy. Professor Sparrow, of the Kennedy School of Government at Harvard University, is an internationally recognised authority in the field of regulatory and enforcement practice.

Ethnic Affairs Priority Statement (EAPS)

The MAA's Ethnic Affairs Policy Statement and Implementation Plan for 2002-2003 was the first formal documentation of EAPS since the new MAA legislation was introduced in 1999. The MAA has been pleased with the results for the year and the increased profile for its EAPS in the organisation.

Major achievements included:

- plan has been made available to all staff on the intranet
- database has been created for peak ethnic affairs related agencies and is available via intranet
- approximately 40% of position descriptions were updated to include EAPS responsibilities
- 86% of staff attended multicultural awareness training in December 2002.

The MAA's major advertising activity during the year was the *Kids Need A Hand In Traffic* child pedestrian safety campaign, run jointly with Kidsafe NSW. The campaign, booked by MAA, ran in two bursts, January/February 2003 and June 2003 and comprised print and radio ads, bus-sides and a media awareness campaign

The print media expenditure for NESB newspapers for both bursts was 8% and 7.5% of the total campaign print budget, which met or exceeded the Government's requirement of 7.5%. The electronic media expenditure for NESB programming was 6.8% and 5.5% of the total electronic media budget, exceeding the Government's requirement of 3%.

Chinese, Vietnamese and Arabic communities were targeted through the Australian Chinese Daily, Saigon Times and An Nahar newspapers and via SBS radio's Chinese, Vietnamese and Arabic programs, as well as Chinese 2AC and Arabic 2ME programming.

The MAA produced a brochure in conjunction with a wide range of road safety stakeholders, *Where Are Your Kids? – Child Safety In Your Driveway*. The MAA has arranged for the brochure's key messages to be translated into seven community languages that can be downloaded from the MAA website. In addition four radio announcements (in Arabic, Cantonese, Mandarin and Vietnamese) were produced.

Distributing grants remains a high priority and MAA will ensure that publicity about grant funding is accessible to ethnic communities. The MAA recognises the community's cultural diversity and aims to reflect that recognition in the

way it allocates project grants and funding. Following are some of this year's highlights:

- The MAA funded the Drug and Alcohol Multi-cultural Education Centre (DAMEC) to conduct a study regarding drink driving and drink walking in the Australian Pacific islander community.
- Arrive alive youth road safety grants were provided to a Macedonian youth group in Sydney and young Aboriginal people on the far North Coast, who used their grant to develop a road safety film.
- As part of the MAA's sponsorship of Youth Week, an Arabic youth group received funding to develop a road safety film.

The MAA is revising its EAPS and plans to produce a three-year plan for 2003–2006 to fit the MAA's suite of planning documents, which are all three-year based.

Disability Strategic Plan

The MAA has made progress in achieving the goals in its Disability Action Plan 2000-03. Major achievements include:

- introducing a telephone typewriter (TTY) service
- commissioning the Australian Quadriplegic Association to conduct a comprehensive accessibility audit of MAA premises
- providing placements at the MAA for two disabled trainees recruited to the public sector in coordination with DET and ODEOPE
- providing staff Disability Awareness training
- providing the Disability Plan to all staff via intranet.

The MAA is preparing a revised Plan for 2003-2006.

Action Plan for Women

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

- reduce violence
- promote safe and equitable workplaces
- maximise interests in economic reforms
- promote the position of women in society
- improve access to education, health and quality of life.

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

Promotion

Publications

The following is an alphabetical list of the core titles published by the Motor Accidents Authority. Significant additions made in the reporting period to this list are marked with an asterisk (*). Publications which underwent a major review or update during the reporting period are marked with a double asterisk (**).

Bulk Billing Handbook
CARS—a guide for injured people
CARS E-News
Case Management in the Motor Accidents Scheme
Chiropractors guide to the NSW Motor Accidents Scheme*
Claims Handling Guidelines
Communication procedures for provision of attendant care services for CTP claimants
Compulsory Third Party Claims Involving Whiplash
Compulsory Third Party Claims: Guides for the Management of Whiplash Associated Disorders
CTP Claims Frequency, Injuries and Costs
CTP Statistics June 99, 98, 97, 96
Green Slip brochure
Guidelines for the assessment of permanent impairment
Guidelines for Levels of Attendant Care for People Who Have a Spinal Cord Injury and Can Claim Under the NSW Motor Accidents Scheme*
Guide to people injured in a motor vehicle accident on or after 5 October 1999
Guide to persons injured in a motor vehicle accident before 5 October 1999
Guide for people who have lost a relative in a motor vehicle accident
Guidelines for organising neuropsychological assessments and reports for NSW CTP claims
Guidelines for the Management of Whiplash-Associated Disorders
Impairment Case Studies – October 2000
InforMAAtion
Large Claims NSW Motor Accidents Scheme
MAA Road Safety Strategy **
MAAS Bulletin
MAS Assessors Newsletter
MAS - A guide for injured people

Market Practice Guidelines

Mergers and Takeovers Involving NSW CTP insurers

Neuropsychological assessments information for clients and families

New South Wales Motor Accidents Authority Guidelines for the assessment
of permanent impairment of a person injured as a result of a
motor vehicle accident

Nominal Defendant Scheme: Guidelines for CTP Insurers

Physiotherapists guide to the NSW Motor Accidents Scheme*

Premium Determination Guidelines

Providers guide to decisions on reasonable and necessary treatment,
rehabilitation and attendant care

Rehabilitation Communication Procedures for the NSW Motor Accidents
Scheme

Rehabilitation and the Motor Accidents Scheme

Resolving Medical Disputes

Summary Guidelines for the Management of Whiplash Associated Disorders

Technical Report Update Quebec Task Force Guidelines for the Management of
Whiplash-Associated Disorders

The Medical Assessment Examination

The NSW Motor Accidents Scheme: information for medical practitioners and
health professionals

Your Guide to Whiplash Recovery, electronically available in Arabic, Chinese
and Vietnamese

Freedom of Information

During 2002-2003 three applications under Freedom of Information legislation were received and completed.

Application 1 was received in December 2002 together with the FOI application fee of \$30. There was a determination not to release documents and the matter was completed in just over one month in January 2003.

Application 2 was received in February 2003 together with the FOI application fee of \$30. In line with MAA practice all documents on Medical Assessment Service case files are freely made available. A follow-up request for original drafts of medical Assessor reports, file notes and emails was declined under section 10(2) of the FOI Act. The matter was completed within 7 weeks in April 2003.

Application 3 was received in March 2003 together with the FOI application fee of \$30. Again in line with MAA practice all documents on Medical Assessment Service case files are freely made available and the matter was completed within a month in April 2003. A total of one hour and 45 minutes was spent on this matter.

There were no requests for amendment or notation of personal records received in 2002-2003.

The MAA FOI Summary of Affairs was published in the Government Gazette in December 2002 and June 2003.

The MAA Freedom of Information Statement of Affairs (FOI Agency No. 2275)

Every agency covered by the *Freedom of Information Act 1989* is required to publish an Annual Statement of Affairs.

Structure and functions

- MAA's organisational structure is shown separately in the Annual Report each year.
- The functions of the MAA are described comprehensively in the Annual Report each year.
- The structure and functions of the MAA Board of Directors and the Motor Accidents Council are described in the Corporate Governance Statement.

Effect of MAA functions on the public

The Motor Accidents Scheme is the Compulsory Third Party (CTP) personal injury insurance scheme for motor vehicles registered in New South Wales. The Motor Accidents Authority is a statutory corporation that regulates the NSW Motor Accidents Scheme. It was established by the Motor Accidents Act 1988 on 10 March 1989 and continues to be constituted under the Motor Accidents Compensation Act 1999.

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

- issue of licences to insurers to participate in the Motor Accidents Scheme
- review of insurers' premium filings
- allocation and auditing of claims against the Nominal Defendant
- implementation of rehabilitation programs through project grants
- funding of projects promoting road safety
- decisions of the Medical Assessment Service and the Claims Assessment and Resolution Service.

How the public may participate in MAA policy development

Public participation and comment on the Motor Accidents Scheme is ensured by:

- members of the Motor Accidents Council representing stakeholders and service providers
- ongoing consultation with the Insurance Council of Australia and CTP insurers
- ongoing consultation with professional groups and the community generally
- the implementation of a complaints handling system as part of the MAA's customer service and compliance strategies
- public inquiries service through Green Slip Help Line and direct inquiries to the MAA.

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

The Authority is a statutory corporation and the Board of Directors and the General Manager are subject to the control and direction of the Minister as expressly provided for in the Motor Accidents Compensation Act 1999. Any direction made by the Minister will be disclosed in the Gazette and in the MAA's Annual Report.

Kinds of records held by the MAA

The kinds of records held by the MAA electronically and/or paper-copy are:

- files
- policy documents
- brochures
- documents concerning personal affairs
 - Nominal Defendant claims
 - Claims Register and Statistical Database
 - Medical Assessment Service [MAS] case files
 - Claims Advisory Service [CAS] case files
 - Claims Assessment and Resolution Service [CARS] case files
 - complaints database.

Files

The Motor Accidents Authority's formal documents are stored in files. Files are created for specific subjects and the MAA currently holds approximately 4,500 files. They are divided into the following classifications:

Board of Directors	Property Management
Dispute Resolution Service	Publishing
DRIVES	Regulation
Financial Management	Rehabilitation
Government and Community Relations	Resource Management
Information Management	Road Safety
Legal Services	Scheme Monitoring
Media	Strategic Management
Personnel	Technology & Telecommunications

Policy documents

Some of the MAA's important procedures have been formalised and these are set out in Policy Documents. These are constantly revised and updated, with new ones being produced as required. The following are Policy Documents as listed in the FOI Summary of Affairs (June 2003) (Documents marked* are available at www.maa.nsw.gov.au):

- 10 Step Guide to Recruitment (March 2002)
- Additional Licence Conditions or Suspension of NSW CTP Insurers
- A Physiotherapist's guide to the NSW Motor Accidents Scheme (January 2002) *
- Applications for NSW CTP Licences
- A providers Guide on Reasonable and Necessary Treatment, Rehabilitation and Attendant Care (June 2002) *
- Assets Disposal (March 2003)
- Bulk Billing Handbook (May 1996) *
- CARS Assessors' Terms of Engagement (May 2003)
- CARS Assessors' Code of Conduct (May 2003)
- CARS Assessors' Remuneration Schedule (March 2003)
- CARS Assessors' Selection Criteria (April 2003)
- Claims Assessment Guidelines (December 1999) *
- Claims Handling Guidelines (December 2000) *
- Claims Register Access
- Code of Conduct (April 2002)

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- Communication procedures for provision of attendant care services for CTP claimants (July 1998) *
 - Corporate Governance Statement (December 2002) *
 - Disposal of Equipment
 - Electronic Messaging and Internet Access Policy (June 2000)
 - Equal Employment Opportunity Management Plan 2003-06 (June 2003)
 - Ethnic Affairs Priorities Statement and Implementation Plan 2002-2003 (May 2002)
 - Exit Interview Programme (August 2001)
 - Flexible Working Hours Agreement (June 2002)
 - FOI Statement of Affairs (June 2002)
 - Grievance Management Policy and Procedures (March 2002)
 - Guidelines for levels of attendant care for people who have a spinal cord injury and can claim under the Motor Accidents Scheme * (March 2002)
 - Guidelines for organising neuropsychological assessments and reports for NSW CTP claims (August 2000) *
 - Harassment Free Workplace (March 2002)
 - Induction Policy (June 2001)
 - Injury Management Project Funding 2002-2003 *
 - Information Management & Technology Strategic Plan
 - Insurers Guide to making decisions on Reasonable and Necessary Treatment, Rehabilitation and Attendant Care *(June 2002)
 - MAA Corporate Plan 2003-2006
 - MAA Disability Plan 2003-2006 (June 2003)
 - MAA Internal Communication (May 2003)
 - MAA Job Evaluation Policy (August 2001)
 - MAA Medical Guidelines: Guidelines on the assessment of the degree of permanent impairment of an injured person (March 2000) *
 - MAA Medical Guidelines: Medical Assessment Guidelines (July 2001) *
 - MAA Road Safety Strategy 1999-2000 *
 - MAAS Procedures Manual: covering internal procedures in the areas of registry, preliminary assessments, medical appointments, additional correspondence, CARS exemptions and assessments, MAS reports, MAS reviews
 - Market Practice Guidelines
 - MAS Assessors remuneration schedules
 - MAS Assessors selection criteria treatment and impairment
 - MAS Assessors code of conduct
 - MAS Assessors terms of engagement

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- MAS Assessors' report and certificate formats (November 2001)
 - Mergers and Takeovers involving NSW CTP Insurers
 - Mobile Phone Policy (December 2000)
 - Nominal Defendant Scheme: Guidelines for CTP Insurers (June 1998) *
 - Privacy Management Plan (April 2000)
 - Premium Determination Guidelines
 - Protected Disclosures Policy & Guidelines (February 2002)
 - Rehabilitation Communication Procedures for the NSW CTP Scheme (May 2002) *
 - Resolving Medical Disputes: What to do if you and your CTP insurer have a disagreement about your treatment, rehabilitation and/or attendant care services (January 2001) *
 - ROADS: Review of Achievements and Development Scheme (September 2000)
 - Section 45 Interim Dispute Resolution Procedure
 - Treatment, Rehabilitation and Attendant Care Guidelines for Conditionally Licensed CTP Insurers (May 2002)
 - Treatment, Rehabilitation and Attendant Care Guidelines for Currently Licensed CTP Insurers (May 2002)
 - Use of Taxis (March 2002)
 - Waste Reduction and Purchasing Plan
 - Working from Home Policy and Procedures (August 2002)

Brochures

The following brochures are available in English:

- A guide for people injured in a motor vehicle accident before 5 October 1999 (August 2000) *
- A guide for people injured in a motor vehicle accident on or after 5 October 1999 (August 2000) *
- A guide for people who have lost a relative in a motor vehicle accident
- Claims Assessment & Resolution Service: a guide for injured people
 - Claims assessment and dispute resolution for people injured in a motor vehicle accident on or after 5 October 1999 (March 2001)
- Medical Assessment Service: a guide for injured people – Dispute resolution for people injured in a motor vehicle accident on or after 5 October 1999 (March 2001)

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- Neuropsychological assessments: Information for clients and families (April 2000)*
 - Rehabilitation and the Motor Accidents Scheme (August 2000) *
 - Shop around for your Green Slip

Other publications

In addition to policy documents and brochures the MAA has a range of other publications including the Annual Report, statistical reports and fact sheets.

- Case Management in the Motor Accidents Scheme (July 1998)*
- Child Fatalities and Injuries in Driveways: Response to the Recommendations of the Child Death Review Team, Dr Michael Henderson (October 2000) *
- Compulsory Third Party Claims Involving Whiplash (October 1994)
- CTP Claims Frequency, Injuries and Costs (December 1995) *
- CTP Claim Frequency, Injuries and Costs – NSW Motor Accidents Scheme *
- CTP Statistics (June 1999) *
- CTP Statistics (June 1998) *
- CTP Statistics (June 1997) *
- CTP Statistics (June 1996) *
- Impairment case studies
- Information handbook for medical practitioners and health professionals (September 1996) *
- Large Claims – NSW Motor Accidents Scheme (January 1997) *
- The MAA and Road Safety (May 1999) *
- MAA progress report on projects funded (September 2000)*
- MAA progress report on projects funded (March 2000)*
- MAS Assessors' update (a bulletin for MAS assessors only)
- MAAS Bulletin (a quarterly publication for users of the MAAS)
- Survey of People Injured in Road Accidents (March 1993)
- User Manual: Claims Register and Statistical Database (Personal Injury Register) (September 2000) *
- Whiplash and the NSW Motor Accidents Scheme (March 1999) *
- Whiplash and the NSW Motor Accidents Scheme (March 1998) *
- Whiplash Guidelines*
- Your guide to whiplash recovery (January 2001) *
- Guidelines for the management of whiplash associated disorders (January 2001) *

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- Summary of guidelines for the management of whiplash associated disorders (January 2001) *
 - Compulsory Third Party Guidelines for the management of whiplash associated disorders (January 2001) *
 - Technical Report: Update Quebec Task Force Guidelines for the Management of Whiplash-Associated Disorders (January 2001) *

Documents concerning personal affairs

Aside from personnel files and pay records for MAA staff and files for Board Members and members of the Motor Accidents Council, the MAA has a range of documents concerning personal affairs:

- Nominal Defendant claims
- Claims register and statistical database
- Medical Assessment Service [MAS] case files
- Claims Advisory Service [CAS] case files
- Claims Assessment and Resolution Service [CARS] case files.

Nominal Defendant claims

The MAA has established a computerised Nominal Defendant claims database. The database contains personal details of claims for Nominal Defendant accident compensation lodged by claimants with the Nominal Defendant. The MAA will make personal details held on this database available on application to the individual concerned and may amend records where appropriate at no cost to the individual. If the record cannot be amended then the requested amendment may be attached to the record.

Details relating to claims estimates cannot be made available as this material is subject to legal professional privilege.

Documents held by the relevant insurer in their management of the Nominal Defendant claim are not held by the Authority, and are not available under FOI and will not be available under the *Privacy and Personal Information Protection Act 1998*.

Following the collapse of the HIH Insurance Group the MAA, in its role as Nominal Defendant, has continued to settle HIH run-off claims and supervise claims management through its agent, Allianz Australia Insurance. The MAA carries out an audit function on payments by Allianz and has regular reviews and audits by independent bodies.

Claims register and statistical database

The Authority has established a computerised Claims Register and Statistical Database. This database contains personal details of claims for accident compensation lodged by claimants with insurers. The Authority will make personal details held on this database available on application to the individual concerned and will amend records where appropriate at no cost to the individual.

Medical Assessment Service case files

MAS procedures dictate that:

- application forms and all supporting documentation are sent to the respondent to the dispute
 - reply forms and all supporting documentation are sent to the applicant who initiated the dispute
 - correspondence between MAS and the parties are also provided to each party to the dispute
 - the medical assessor(s) appointed to hear and determine the dispute are provided with copies of all material on the MAS file
- Section 10(2) of the Freedom of Information Act provides that the Act does not apply to the assessment functions of the Medical Assessment Service.

Claims Advisory Service case files

The MAA has established a Claims Advisory Service (CAS) to provide an outreach program to injured people without legal representation making applications to the Medical Assessment Service and the Claims Assessment Service. Electronic records of telephone contact with these claimants are kept in the service's case files.

In addition to outreach clients CAS staff keep ad hoc records of telephone conversations with clients who call for frequent assistance and clients who pose difficult or challenging problems, which require resolution. Not all calls

generate an electronic record. The purpose of these files is to record the questions asked and advice given by advisory service staff and to ensure that advice given on subsequent calls is consistent.

Details of these records, if held, are available to the clients on request.

Claims Assessment and Resolution Service case files

CARS procedures dictate that:

- application forms and all supporting documentation are sent to the respondent to the dispute
- reply forms and all supporting documentation are sent to the applicant who initiated the dispute
- correspondence between CARS and the parties are also provided to each party to the dispute
- the claims assessor appointed to hear and determine the dispute is provided with copies of all material on the CARS file.

Section 10(2) of the Freedom of Information Act provides that the FOI Act does not apply to the assessment functions of the Claims Assessment and Resolution Service.

Documents available for sale

There is no charge for individual copies of most policy documents, brochures and other publications. Handling charges may be applied on large quantities. Bound copies the Impairment Assessment Guidelines are available from the MAA at a cost of \$10 plus \$1 GST.

Impairment Case Studies (November 2000 edition) is available at a cost of \$60.50 including GST. A revised and updated edition of the Case Studies will be available later in 2003 at a cost to be determined.

How members of the public may access and amend MAA documents

The Motor Accidents Authority makes every attempt to meet reasonable requests for information. In some cases it may be necessary to seek access to information under the Freedom of Information Act. Before deciding to use this method individuals should contact the FOI Coordinator to confirm that no other avenue exists for obtaining the information required. The FOI

Coordinator may be contacted at the MAA by letter or by telephone on 1300 137 131.

The MAA reserves the right to refuse informal access to files where issues such as privacy, commercial interests or political considerations are involved. There also may be cases where the information requested is subject to secrecy provisions of certain legislation. Where the MAA is prepared to grant informal access to information held on files, the MAA reserves the right to recover any reasonable costs involved in providing the information. These restrictions should affect only a small number of potential requests.

Formal requests made under the FOI Act for access to documents held by the MAA must be in writing and accompanied by a \$30 application fee. 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.

From 1st July 2000 applications made under the Privacy and Personal Information Protection Act 1998 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.

NSW Treasury advise that no GST is applicable to application fees and processing charges made under the FOI Act and Privacy and Personal Information Protection Act.

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.

Legislation

Statutory Obligations for Reporting

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

Legislative changes

Acts

During the 2002 Spring Session of Parliament an amendment was made to the Motor Accidents Compensation Act 1999 to extend the temporary exclusion from the Motor Accidents Scheme of liability arising from a terrorist act involving a motor vehicle. The Motor Accidents Compensation Further Amendment (Terrorism) Act 2002 extends the exclusion until 1 January 2004. The exclusion was introduced in light of the refusal of reinsurers to cover terrorist acts after the events of 11 September 2001. The MAA will continue to monitor the reinsurance situation.

Regulations

There were no amendments to the Motor Accidents Compensation Regulation (No 2) 1999 during the reporting period.

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