

2008–2009 ANNUAL REPORT



Motor Accidents
Authority of NSW



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The Motor Accidents Authority 2008/2009 Annual Report has been prepared in accordance with the relevant legislation for the Hon. Joe Tripodi, Minister for Finance.

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

31 October 2009

Dear Minister

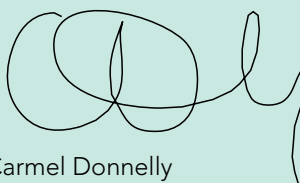
We are pleased to submit to you the 2008/09 Annual Report from the Motor Accidents Authority of NSW for presentation to the NSW Parliament.

This report summarises the Authority's performance during 2008/09 and the outcomes that it achieved. It has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983*, the *Motor Accidents Compensation Act 1999* and relevant regulations.

Yours sincerely



Richard Grellman
Chairman



Carmel Donnelly
General Manager

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Message from the Chairman and General Manager

The NSW Scheme, like families and businesses across the world, felt the impact of the global financial crisis. The Scheme is self-funding and insurers invest the premiums they collect to ensure they have adequate funds to meet future claim payments. After several years of historically good affordability, the global financial crisis saw a significant drop in investment returns, which in turn impacted on the amount of premium insurers needed to collect to ensure they had the funds to pay claims.

As a direct result Green Slip prices increased during the financial year, with best prices across the state for the typical family car rising by around 13%. Despite the increase in premiums, competition remained strong among the seven insurers with a possible saving of up to \$50 available to the average Sydney motorist by shopping around for their Green Slip. It is hoped as stability returns to the financial markets and investment returns bounce back, premiums will reduce and competition become even stronger.

There are many achievements to report from the past year including legislative reform, development and dissemination of injury management guidelines, reductions in the time taken to resolve disputes, improved access to early treatment for minor injuries and the introduction of six month Green Slips.

Earlier this year the NSW Parliament extended limited Green Slip benefits to at-fault drivers. This major reform to the system will commence in April 2010. It is estimated that an additional 4,000 people who are injured on our roads each year will be able to access up to \$5,000 towards the costs of their treatment expenses and lost earnings.

Significant reforms also came into effect over the past year that will enable claims to be finalised more quickly. In October 2008, the process for minor claims was amended to expand the accident notification system from \$500 to \$5,000 and include past loss of earnings as well as medical and treatment expenses. Another significant change is the requirement for insurers and claimants to exchange documents concerning the claim, participate in a settlement conference and exchange offers of settlement before a claim can be referred for dispute resolution. This will facilitate more claims being settled without the need for independent dispute resolution.

Matters that are going through the Authority's dispute resolution system are also being resolved more quickly due to a combination of legislative reform and improvements to processes and procedures. Over the past year, the lifecycle of applications with the Authority's Claims Assessment and Resolution Service improved by over 18%, reducing from 229 working days to 186 working days.

Significant advances were also made in the field of injury management and rehabilitation with the release of the Mild Traumatic Brain Injury Guidelines which have been positively received by the medical profession.

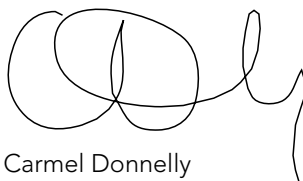
While much has been done over the past year, the Authority is not relaxing. The coming year will see a competition review undertaken to ensure motorists are getting the best possible value from the Scheme, the 'no-fault' benefits mentioned above will commence, as well as ongoing review of claims handling and injury management guidelines.

The Authority's General Manager, David Bowen, decided to step down in April after 10 years at the helm so he could provide his undivided attention to running the Lifetime Care and Support Authority, which he was instrumental in establishing. David's detailed knowledge of the Scheme and insights will be missed by both the Board and staff. We thank David for his outstanding contribution and wish him well as he oversees the growth and development of the Lifetime Care scheme.

Thanks also to our Minister, the Hon. Joe Tripodi and his staff for their support as well as the Motor Accidents Authority Board and Council for their expertise and advice during the year. Finally, we acknowledge our staff for their ongoing efforts in the provision of a world class Compulsory Third Party scheme in NSW.



Richard Grellman
Chairman



Carmel Donnelly
General Manager



Who we are and what we do

What is the Motor Accidents Authority?

The Motor Accidents Authority is a statutory corporation that monitors and supervises the Compulsory Third Party scheme for motor vehicles registered in New South Wales and provides an alternative dispute resolution service. It was established by the NSW Parliament under the *Motor Accidents Act 1988* on 10 March 1989. The Authority 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 Motor Accidents Authority do?

The Motor Accidents Authority 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 Compulsory Third Party scheme
- collecting and analysing scheme statistics
- publishing and disseminating scheme information
- providing funding for the reduction of trauma as a result of motor accidents and the promotion of evidence-based best practice injury management
- issuing certain guidelines
- assessing disputes arising about claims
- 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.

Our aim

To reduce the social costs of death and injury from motor vehicle accidents through a compulsory insurance scheme.

Our role

Oversee an effective Compulsory Third Party scheme, particularly:

- regulation, governance and planning for a competitive Compulsory Third Party scheme
- delivering and supporting injury prevention initiatives
- provision of information on the Scheme to stakeholders and general public
- providing an effective and efficient medical and claims assessment service
- providing services as the Nominal Defendant
- promoting positive health and social outcomes.

Key clients and stakeholders

As the regulator of the Compulsory Third Party insurance scheme in NSW, the Motor Accidents Authority has many clients and stakeholders.

Stakeholders

- motor vehicle owners and other road users
- people injured as a result of a motor vehicle crash
- NSW Government through the Minister for Finance
- the people of NSW

Service providers, related agencies and experts

- licensed Compulsory Third Party insurers who provide Green Slips
- medical and health professionals, hospitals and health facilities
- lawyers, Courts and the judiciary
- NSW Roads and Traffic Authority (RTA), NSW Police and other road safety organisations and community groups
- NSW Department of Health and other relevant government departments
- local government
- academics and researchers

Corporate governance

The Corporate Governance Statement clarifies the roles and responsibilities of the Minister, Board of Directors, Motor Accidents Authority Council and the Authority's management and the relationships between them. The Corporate Governance Statement is available on the Motor Accidents Authority website (www.maa.nsw.gov.au).

The Scheme

Compulsory Third Party, or Green Slip, insurance is compulsory in NSW, and must be taken out when registering a motor vehicle. It provides compensation for people injured in motor vehicle crashes that are the fault of another vehicle owner or driver, and in certain circumstances regardless of who was at fault. It does not cover damage to property or vehicles.

Compensation payments through the Scheme are financed from the insurance premiums paid by NSW motorists. The Scheme funds public hospital and ambulance services for people injured in road crashes. Research and education projects that help to prevent and reduce injuries and their consequences, and increase road safety awareness, are also funded from the Scheme.

On 1 October 2008, a number of reforms commenced to increase access to the Scheme and improve processes to resolve claims more quickly. These include:

- expanding the early accident notification process from \$500 to \$5,000 and including past loss of earnings (i.e. lost wages) as well as medical and treatment expenses
- requiring insurers and claimants to exchange documents concerning the claim, participate in a settlement conference and exchange offers of settlement before the claim can be referred for dispute resolution
- requiring insurers to make advance payments of economic loss entitlement in cases of financial hardship.

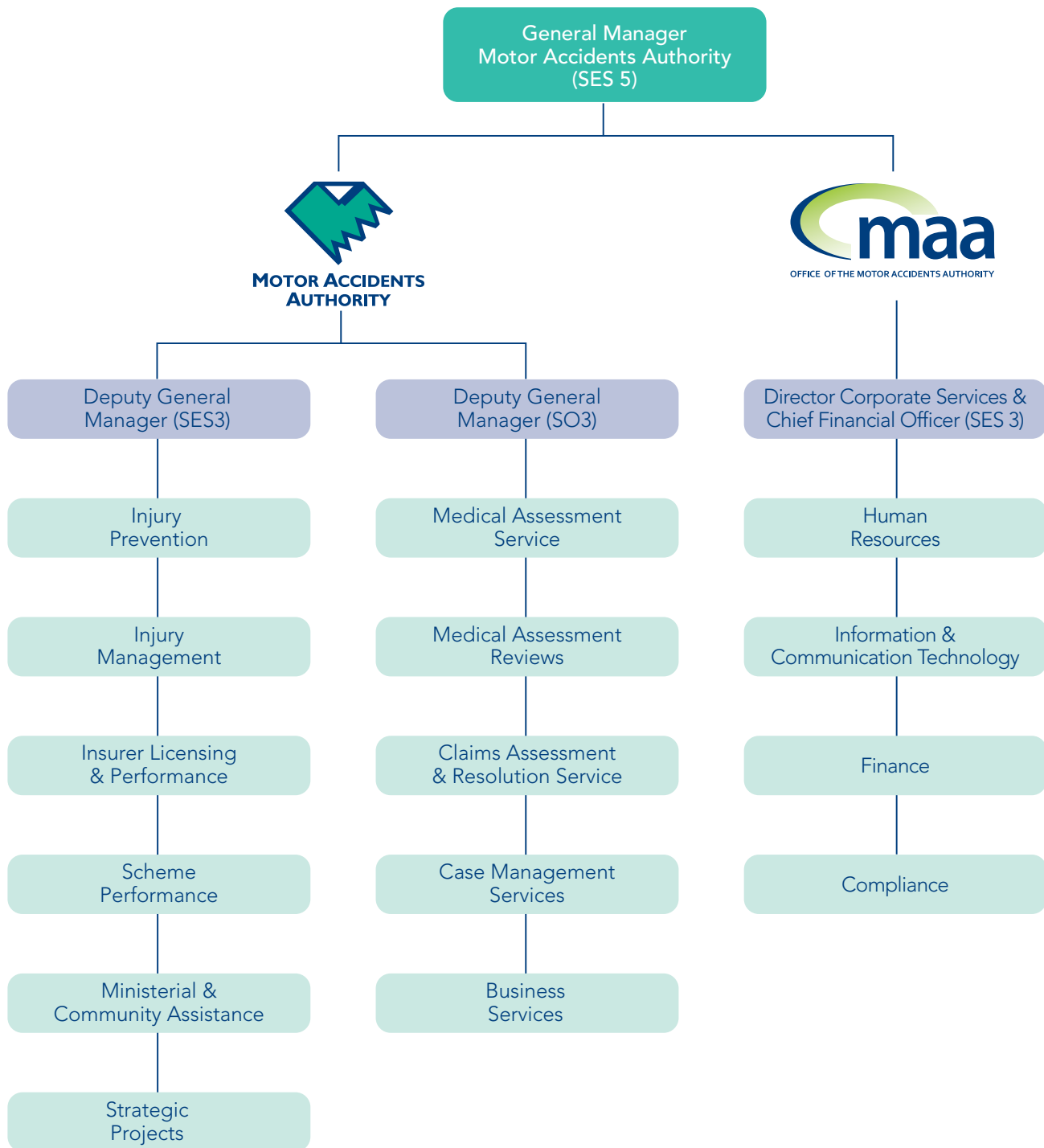
In May 2009, the New South Wales Parliament passed the *Motor Accidents Compensation Amendment Act 2009* which extends some Green Slip benefits to at-fault drivers. Approximately 4,000 New South Wales road users will benefit from this initiative annually, which will provide a \$5,000 safety net for reimbursement of treatment expenses and lost earnings for everyone injured in road crashes.

Office of the Motor Accidents Authority

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

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Motor Accidents Authority Organisation Chart



Motor Accidents Authority Board

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The Board consists of the Authority's General Manager and up to five part-time directors appointed by the Governor on the Minister's recommendation. The Board is responsible to the Minister through the Chairperson for overseeing the operation of the Compulsory Third Party scheme and the Motor Accidents Authority.

Richard Grellman, AM, FCA Chairman

Richard Grellman is President and Chairman of the Board of Mission Australia, Chairman of the Association of Surfing Professionals, Chairman of AMP Life Limited, a Non-Executive Director of AMP Limited, Centennial Coal Limited and Atlas Group Holdings Limited.

Term of appointment: 1/11/08 – 31/10/09

Ron Dyer, Dip Law, Dip Crim

Ron Dyer was a member of the Legislative Council of NSW between 1979 and 2003. He was Minister for Community Services, Disability Services and Aged Services 1995–1997 and Minister for Public Works and Services 1997–1999. From 1999 to 2003 Mr Dyer was Chair of the Standing Committee on Law and Justice of the Legislative Council. Prior to entering Parliament he practised as a solicitor.

Term of appointment: 2/7/09 – 31/10/10

Robert Ingui, BBus, ACA, ACIS

Robert Ingui is a Chartered Accountant and an experienced senior finance executive for over 20 years. He has held the positions of Chief Financial Officer and Company Secretary for a number of publicly listed companies. Robert has been a Finance Director within the health sector for the past 10 years. He is also a member of the Board's Audit Committee.

Term of appointment: 1/2/09 – 31/10/10

Carmel Donnelly, BA(Hons), MBA(Exec), MPH, GAICD

Carmel Donnelly acted as General Manager from April 2009 and was appointed to the position in October 2009 after joining the Authority as Deputy General Manager in May 2007. Prior to this, Carmel was a senior executive in the NSW emergency services portfolio. She has also been a Review Director for the Council on the Cost and Quality of Government, based in the NSW Premier's Department and an Associate Director in NSW Health.

Term of appointment: Ex officio

Board members whose term expired during the reporting year:

Penny Le Couteur, BSc (Hons)

Term of appointment: 13/12/05 – 31/10/08

Antoinette le Marchant, BA (Hons), MA (Hons)

Term of appointment: 13/12/05 – 31/10/08

Alan Hunt, BA, LLM

Term of appointment: 13/12/05 – 31/10/08

David Bowen, BA, Dip Law

Term of appointment: Ex officio.

Mr Bowen ceased being General Manager in April 2009.

Board meetings attended:			
Richard Grellman	6	Penny Le Couteur	3
Ron Dyer	6	Antoinette le Marchant	3
Robert Ingui	3	Alan Hunt	3
Carmel Donnelly	1	David Bowen	5



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Motor Accidents Council

The Motor Accidents Council is an advisory group appointed by the Minister for a term of three years. Following is a list of members whose term expired on 6 March 2009. The role of the Council is to facilitate input from those with an interest in the Motor Accidents Scheme and consider issues referred to it by the Board or the Authority with a view to providing advice and recommendations. The Council may also consider issues of interest raised by their constituents.

Graeme Adams is the head of Compulsory Third Party Insurance at Insurance Australia Group. An engineer by training, Graeme has 25 years general insurance experience including senior roles in underwriting and claims. He has actively contributed to a number of insurance-based committees and boards here and overseas, and is a Fellow of the Australian Institute of Company Directors.

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

Philip Cooper joined Allianz in 2001. Philip is an engineer by background and has also worked as a management consultant. His insurance industry experience also includes senior management roles with CIC Insurance. Philip is responsible for the underwriting and claims management of Compulsory Third Party insurance as well as Claims Management of Public and Product Liability and Professional Indemnity Claims.

Michael Griffiths has over 30 years experience in road safety research and strategic application of science-based countermeasures. This includes on-scene in-depth crash studies and previously, management of the Roads and Traffic Authority's crash test facility. He initiated the Australian New Car Assessment Program and the Child Restraint Evaluation Program. He chairs the National Panel on Bio-mechanics of Impact Injury, and previously chaired Standards Australia's Child Restraint Systems Committee. He is an active member of the international road safety community with frequent attendance at overseas conferences and meetings.

Dr Clayton King is the Medical Director of the Brain Injury Rehabilitation Service, Royal Rehabilitation Centre Sydney and a senior staff specialist at Royal North Shore Hospital. Dr King holds honorary appointments with St Vincent's Hospital, Darlinghurst and Royal Prince Alfred Hospital in the Rehabilitation Medicine Departments. He is a Fellow of the Australasian Faculty of Rehabilitation Medicine.

Monique King was the former President of Spinal Cord Injuries Australia and served as a Board member for eight years. Monique has served on numerous committees representing the needs of people with spinal cord injuries.

Jan McClelland is an experienced senior executive and the former Director-General of the NSW Department of Education and Training, and Managing Director of the NSW TAFE Commission. Jan was a Director of NRMA Motoring and Services in 2005 and is the Chair of NSW Businesslink Pty Ltd. Other Board appointments include The Waste Recycling and Processing Corporation, the State Transit Authority and the Festival Development Corporation. She is a Fellow of the Australian Institute of Management, a Fellow of the Australian Council of Educational Leaders, a Member of the Australian Institute of Company Directors and a Member of the Institute of Public Administration of Australia.

Andrew Stone is a barrister specialising in motor vehicle accident claims. He is a member of the Bar Association's Common Law Committee and is an editor of the Leslie and Britts Motor Vehicle Law loose leaf service. Andrew is a regular seminar speaker on the operation of the motor accident compensation scheme.

Penny Waters is a solicitor and partner practising in a country firm in Northern NSW, Accredited Specialist, member of the Law Society Ethics committee, and Member of the University of New England Law Faculty Board of Studies. She is an experienced solicitor in the area of motor vehicle injury claims including paediatric brain and spinal cord injury claims.

Motor Accidents Authority Results and Services

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RESULT:

To reduce the social costs of death and injury from motor vehicle accidents through a compulsory insurance scheme

INTERMEDIATE RESULTS:

Risk of road crash injury is reduced

Community can rely on a viable Compulsory Third Party scheme

Participants receive just and expeditious compensation

Participants receive optimal health outcomes through recovery and rehabilitation

SERVICES:

Delivering and supporting injury prevention initiatives

Regulation, governance and planning for a competitive Compulsory Third Party scheme

Provision of information on the scheme to stakeholders and general public

Providing an effective and efficient medical and claims assessment service

Promoting positive health and social outcomes

Providing services as the Nominal Defendant

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Delivering and supporting injury prevention initiatives

Objectives	Highlights
Promote road safety to young people through the <i>Arrive alive</i> brand	<p>A number of successful education and marketing initiatives were undertaken to target young people either as drivers or passengers with <i>Arrive alive</i> road safety messages, including:</p> <ul style="list-style-type: none"> the <i>Arrive alive</i> website which is the focus for youth initiatives and averaged more than 18,000 visits each month partnership with the Wests Tigers, St George Illawarra Dragons, Penrith Panthers, Central Coast Mariners, Wollongong Hawks and NSW Women's Football saw players visit 97 high schools and speak to 10,000 students about road safety sponsorship of the <i>Arrive alive</i> schoolboy cup (a major schoolboy rugby league competition) which involved over 400 schools, and exposed thousands of players and spectators to <i>Arrive alive</i> messages the <i>Arrive alive</i> Wheelchair Roadshow visited 198 schools and 18,000 students as well as running two major events which attracted 15,000 young people.
Reduce the number of injuries and claims involving young children	<p>Child passenger and pedestrian safety continue to be priority areas for the Motor Accidents Authority and we continued to work with Kidsafe on a range of road safety initiatives covering child restraints and pedestrian safety.</p> <p>The Authority has co-funded a position at the Commission for Children and Young People to establish an interagency project to reduce the risk of preventable injury of children and young people.</p>
Reduce the number of road crash injuries sustained by motorcyclists	<p>The Authority continued to work with the Motorcycle Council of NSW to develop research and subsequent education and awareness campaigns aimed at reducing motorcycle crashes.</p> <p>The Authority partnered with other organisations to investigate the effects of roadside barriers in motorcycle crashes.</p> <p>Renewed funding of the Injury Risk Management Research Centre for a further five years.</p>

Contribution to statewide road safety initiatives

The Motor Accidents Authority monitors trends in crash and injury data, and works closely with the Roads and Traffic Authority in defining its injury prevention priorities. The Motor Accidents Authority seeks to complement the broader New South Wales road safety agenda with specific initiatives relevant to our key target audiences, including young drivers, motorcycle and scooter riders, pedestrians and children. Initiatives include education, promotion and research to support evidence-based practice in injury prevention.

Work with other organisations to support road safety

In contributing to the New South Wales road safety agenda, the Motor Accidents Authority works in partnership with a number of government agencies and private sector organisations, as well as being a member of a number of road safety related committees and working parties. Sponsorship or funding agreements continued with the NSW Injury Risk Management Research Centre, Australasian College of Road Safety and the Australian National Crash In-depth Study. The Injury Risk Management Research Centre, attached to the University of NSW, identifies risk issues and trends and uses innovative approaches to the management of injury risk. In terms of road safety education, the Challenging Attitudes to Risk program was delivered in schools across of the state with the involvement of the NSW Police Force and Motor Accidents Authority sponsored sporting teams.

Arrive alive

Arrive alive is the Motor Accidents Authority's road safety program for young drivers with the emphasis on drivers aged 17 to 25. The Authority recognises that achieving safer roads requires effective communication with young people about risk-taking when driving. The program includes a wide range of initiatives that connect with young people through activities they enjoy while positively influencing attitudes and behaviours on the roads. Some of the Arrive alive highlights are outlined in this section.

NSW Youth Week

The Motor Accidents Authority has been the long-standing major sponsor of NSW Youth Week with the aim of reaching as many young people as possible about the Arrive alive message of celebrating safely. In 2009, nearly 4,500 young people were involved in planning, organising and managing almost 900 local Youth Week events and activities which attracted over 170,000 young people. The sponsorship also included provision of funding for Arrive alive shuttles to transport young people with limited access to transport to and from their local events.

YouthRock

YouthRock is a high school band competition that provides young people with the opportunity to perform before, and network with, music industry professionals. This year 53 bands entered the competition.

The Arrive alive website was the focus for all YouthRock promotions. A dedicated webpage was created for each band where fans could listen to their music and watch videos of them performing. Promotion was undertaken on the social media site Facebook with links to information on finalists. Results for Youthrock 2009 exceeded previous years with 483,312 page views – a 62% increase on 2008.

Young people and sports

The Motor Accidents Authority sponsored the sporting codes of National Rugby League (NRL), football and mainstream and wheelchair basketball with a comprehensive statewide school program for students in Years 10–12. Together, these partnerships saw players visit 97 high schools and speak to almost 10,000 students about road safety.

Players from five first grade NRL teams visited high schools in their local area to promote road safety. The teams were Newcastle Knights, St George Illawarra Dragons, Wests Tigers, Penrith Panthers and Manly Sea Eagles. The visits included a structured lesson plan presented by the local NSW Police Youth Liaison Officers with the players providing personal stories on how they coped with peer pressure related to unsafe driving.

A similar program was undertaken in the Illawarra region with the Wollongong Hawks basketball team and the Central Coast Mariners football team visiting schools in their region with a road safety program and football skills training session. The Motor Accidents Authority also sponsors women's football in NSW and has a school program with players from the Arrive alive Premier League visiting girls in Years 10–12 to talk about road safety issues faced by young females as drivers and passengers.

The Arrive alive Wheelchair Basketball Sports Roadshow expanded its range with the addition of another vehicle, allowing more schools in regional New South Wales to be visited by the Roadshow which includes a road safety presentation followed by students trying their hand at wheelchair basketball. The Roadshow visited 198 schools and 18,000 students as well as running two major events which attracted over 15,000 young people.

Arrive alive Ambassadors

In 2009 the Motor Accidents Authority piloted an innovative sponsorship which involved the recruitment and selection of four students from Wollongong University to prepare, implement and evaluate a communication strategy to spread the Arrive alive message throughout the University. Some of the activities they undertook included road safety information stalls, distribution of road safety material and information in the student newsletter.



Regulation, governance and planning for a competitive Compulsory Third Party Scheme

Objectives	Highlights
A Compulsory Third Party scheme that is effective, efficient, affordable and fair	<p>From 1 October 2008, under the Accident Notification process, injured persons are now eligible to claim past loss of earnings in addition to treatment expenses totalling a combined maximum of \$5,000.</p> <p>The option of six month policies for the majority of motorists from 1 November 2008 has provided greater flexibility in the payment of Green Slips.</p>
Promote a competitive Compulsory Third Party insurer market	<p>There are seven insurers in the Scheme which remains unchanged from last year. The insurers and their market share are AAMI (12.5%), Allianz (14.4%), CIC Allianz (6.2%), GIO (8.8%), NRMA (37.3%), QBE (13.6%), and Zurich (7.2%).</p>
Ensure a high level of compliance by insurers	<p>The insurance industry's overall compliance performance with the Claims Handling Guidelines in the reporting year continues to be high. During the reporting year, the Authority received 77 complaints about insurers claims handling performance of which 96% have been finalised.</p> <p>As part of its overall monitoring activities relating to insurers performance in key areas of claims handling in 2008/09, the Insurer Licensing and Performance Branch conducted focused audits of the insurers initial and final settlement offers. The audit findings will be published in the next reporting period.</p>

The Scheme

After several years of historically good affordability, the global financial crisis has put pressure on premiums over the past year, resulting in an average increase in Green Slip prices across the state of 13%. Despite the recent increases, Green Slips today still cost on average about \$150 less in real terms than they did ten years ago.

The New South Wales Compulsory Third Party scheme minimises the social cost of motor vehicle crashes by assisting those who suffer an injury and their families. Since the present scheme began in 1999, 96,846 full claims for compensation have been lodged and \$5.74 billion in claims payments has been made. By 30 June 2009, 82.5% of full claims had been finalised with an average payment to each claimant of \$63,155. The Scheme received \$1.3 billion in premium income for the year.

Improving the Scheme

On 1 October 2008, a package of reforms commenced to increase access to the Scheme and improve processes to resolve claims more quickly. These include:

- expanding the accident notification process from \$500 to \$5,000 and including past loss of earnings (i.e. lost wages) as well as medical and treatment expenses
- requiring insurers and claimants to exchange documents, participate in a settlement conference and exchange offers of settlement before a claim can be referred for dispute resolution
- requiring insurers to make advance payments of economic loss entitlements in cases of financial hardship.

In May 2009, Parliament passed the *Motor Accidents Compensation Amendment Act 2009* which extends limited Green Slip benefits to at-fault drivers from April 2010. Approximately 4,000 New South Wales road users will benefit from this initiative annually, which will provide a safety net for reimbursement of treatment expenses and lost earnings for everyone injured in road crashes.

A competitive Compulsory Third Party insurer market

A number of measures may be used to illustrate the competitiveness of the NSW Compulsory Third Party Scheme including market share movements and premium price changes. There was moderate movement in average premium prices and market activity was somewhat subdued, reflecting a more challenging operating environment for the insurers caused by the global financial crisis. Filings are notifications to the Motor Accidents Authority by insurers that they wish to vary their premium rates and may be viewed as positive market activity. During the year there were a total of 11 non-compulsory premium rate filings, compared to 20 during 2007/08 and 19 in 2006/07.

Percentage of insurer market share

The table below shows the last five years' distribution of market share between insurers.

Market share (%) 2005 – 2009

Insurer	June 2005	June 2006	June 2007	June 2008	June 2009
AAMI	11.5	14.1	15.1	14.7	12.5
Allianz	16.8	16.3	15.7	15.6	14.4
CIC Allianz	7.6	7.6	7.8	6.8	6.2
GIO	7.6	7.9	8.3	8.1	8.8
NRMA	39.5	37.4	35.6	35.8	37.3
QBE	10.5	10.2	10.6	12.2	13.6
Zurich	6.5	6.5	6.9	6.8	7.2

Source: Motor Accidents Authority

Conditional Registrations and Unregistered Vehicle Permits

The Motor Accidents Authority conducted a competitive tender for the supply of Compulsory Third Party personal injury policies for Conditional Registrations and Unregistered Vehicle Permits that are issued by the Roads and Traffic Authority. The tender was open to all licensed Compulsory Third Party insurers in New South Wales and will be finalised in the next reporting period.

Complaints received about insurers

During the reporting period, the Authority received 77 complaints relating to how insurers managed claims. In the previous year, 78 complaints were received.

Of the 77 complaints:

- 52 alleged non-compliance with the Claims Handling Guidelines
- 4 alleged non-compliance with the Treatment, Rehabilitation and Attendant Care Guidelines
- 16 alleged improper insurer behaviour
- 5 related to an allegation that the insurer was not just and expeditious in resolving the claim.

Of the above complaints, 96% were finalised during the reporting period. Of these, 42% were resolved in favour of the complainant, 43% were resolved in favour of the insurer and 15% of the complaints were resolved in favour of neither the insurer nor the complainant.

During the reporting period, the Authority created a section on its website with information and an e-mail link for consumers to lodge a complaint against an insurer. Compliments and complaints may now be submitted by e-mail, fax or post.

Market Practice Guidelines

Amendments were made to the Market Practice Guidelines and approved by the Board in June 2009. The amendments related to the provision by insurers of an explanation in their Compulsory Third Party renewal offer packages in respect of premium changes that are not related to risk rating factors. The amended Guidelines commenced on 1 July 2009 and are available on the Authority's website.



Provision of information on the Scheme to stakeholders and the general public

Objectives	Highlights
The people of New South Wales are fully informed through a range of information channels	<p>During the reporting period 1,630,891 requests were made of the Motor Accidents Authority's on-line Green Slip calculator. This was an increase of 486,681 (43%) on the previous year.</p> <p>In addition:</p> <ul style="list-style-type: none"> • 10,983 consumer contacts were received • 13,975 service provider contacts were received. <p>This was consistent with the previous year.</p>
Minister, Board, Council and other stakeholders receive appropriate and timely advice	Regular briefings and advice were provided to the Minister, Board, Council and other stakeholders on the operation of the Scheme and Motor Accidents Authority initiatives.

Helping motorists access the best Green Slip prices

The Motor Accidents Authority provides an on-line Green Slip calculator (www.greenslips.nsw.gov.au) and telephone Green Slip Helpline (1300 137 600) to assist motorists access the best Green Slip premium prices. During the reporting period, 43% more people accessed these information services to compare Green Slip prices than in the previous year.

In determining Green Slip prices, insurers weigh up many factors including the risk profile of individual motorists. They take into account the age of the motorist, the vehicle type and age, driving record and accident history, as well as a number of other risk factors. The Green Slip Helpline and calculator allow motorists to quickly compare prices from all seven insurers based on their individual circumstances.

Assisting injured people

The Claims Advisory Service provides information on making and managing claims to people who are injured in motor vehicle crashes, as well as information to service providers in the motor accidents scheme. The Claims Advisory Service also provides an Outreach Service to legally unrepresented claimants who have a dispute lodged with the Motor Accidents Authority's medical and claims assessment services.

During the reporting period, the Claims Advisory Service dealt with 24,958 inquiries. Also, all identified Outreach clients were contacted by phone, mail or SMS. This service ensures that these claimants are aware of assessment or meeting dates, are informed of the process, and aware of the documents and other information they need to provide at their assessment.

Stakeholder and industry briefings

There are a number of regular forums where stakeholders are kept informed of the Authority's activities and initiatives and have the opportunity to be involved. A major forum is the Motor Accidents Council which provides advice to the Minister, via the Board, on issues relevant to the operation of the Compulsory Third Party scheme. The Council members represent diverse interests and expertise to ensure that advice reflects the broader interests of the community, relevant professions and industries.

Other key forums include the Motor Accidents Assessment Service Reference Group (MRG) comprising representatives of the claims and medical assessors, legal profession and insurance industry. This group meets bi-monthly to discuss issues around improving medical and claims assessment services. An executive and working group comprising the Motor Accidents Authority and all seven insurers also meets on a quarterly basis to monitor and discuss the operation of the Scheme. In addition to this, regular seminars are held for different industry sectors that have an interest in the Scheme, including medical and rehabilitation service providers and insurers.

The expanded early accident notification process

To coincide with the expansion of the early accident notification process on 1 October 2008, the Authority undertook an extensive education campaign with insurers and health professionals as they were identified as the key groups who alerted injured people to the early accident notification process. Communication of changes to the Scheme included presentations to stakeholder groups, direct mail to doctors, physiotherapists and chiropractors in New South Wales, plus advertising and editorial in a range of health professional magazines and journals. While it is still early days, preliminary results on the use of the expanded early accident notification process are very encouraging, with more than twice as many claims being lodged with an average payment of \$3,265 to cover the cost of medical and treatment expenses and lost wages.

Changes to claims processes

As well as extending benefits for motorists, the 2008 legislative changes also significantly amended processes in dispute resolution. The changed processes had a significant impact on the Authority's medical and claims assessment services and service providers, including insurers and members of the legal profession. To make these service providers aware of the changes, the Authority undertook seminars for hundreds of people in Sydney and Newcastle and made information available on DVD and the website. Information was also disseminated through the Motor Accidents Assessment Service newsletter as well as relevant industry-based publications and websites. Working groups were formed that involved stakeholder representatives to trial and evaluate new forms and provide feedback on revised guidelines that significantly improved the final versions.



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Providing an effective and efficient medical and claims assessment service

Objectives	Highlights
Improved efficiency and effectiveness of assessment services	<p>Medical Assessment Service — medical disputes</p> <p>The lifecycles for all Medical Assessment Service (MAS) assessments (excluding reviews) finalised in this reporting period has continued to improve as follows:</p> <ul style="list-style-type: none"> • Matters finalised within 6 months – increased from 89% to 90% this reporting period (this rate has significantly improved from a low of 31% in 2002/03). • Matters finalised within 8 months – increased from 92% to 97% this reporting period (this rate has significantly improved from a low of 42% in 2002/03). <p>Claims Assessment and Resolution Service (CARS) — claims disputes</p> <p>Assessment Applications (2A, 3A, 5A)</p> <ul style="list-style-type: none"> • The average overall application lifecycle for all matters of this type finalised in this 2008/09 reporting period improved by 18.7%, reducing from 229 working days to 186 working days, a reduction of 43 days (9 weeks). • Within this group, the lifecycle of matters that required an assessment conference also improved in 2008/09 by 18.9%, reducing from 328 working days to 266 working days, a reduction of 62 days (or 12 weeks). <p>Exemptions (1A)</p> <ul style="list-style-type: none"> • The average overall application lifecycle for all exemption applications finalised in 2008/09 improved by 7.6%, reducing from 26 working days to 24 working days, a reduction of 2 days.
Skilled and qualified assessors	Recruitment was undertaken during the reporting year to appoint a panel of Claims Assessors for the next three years.

Motor Accidents Assessment Service

The Motor Accidents Assessment Service (MAAS) division of the Motor Accidents Authority provides independent resolution of medical and claims disputes between claimants and insurers. It does this through the provision of two separate but complementary dispute resolution services, the Medical Assessment Service (MAS) and the Claims Assessment and Resolution Service (CARS).

The Medical Assessment Service can assess medical disputes including whether treatment was reasonable and necessary and the degree of permanent impairment. Applications are assessed by independent assessors who are medical and allied health professionals appointed by the Authority on the basis of their experience and expertise.

The Claims Assessment and Resolution Service can determine disputes about claims including procedural disputes and eligibility for exemptions as well as general assessment of claims for damages. Applications are assessed by assessors who are expert legal practitioners with significant experience in the area of personal injury law and assessment of damages.

During the reporting year 7,753 applications were lodged which was an increase of 7.5% on the previous year, while 7,500 applications were finalised during the same period.

Improved culture of dispute resolution in the Compulsory Third Party scheme

October 2008 saw the commencement of the second stage of an ongoing reform package including legislative, regulatory and guideline components as well as changes to the Claims Handling Guidelines for insurers. These reforms combined with the 2006 reforms, which saw revised Medical and Claims Assessment Guidelines, will allow for earlier preparation of claims, enabling the faster resolution of disputes between claimants and insurers by improving practices and procedures.

Improved efficiency and effectiveness of assessment services

It is anticipated that the reforms that commenced in October 2008 will result in earlier and more comprehensive exchange of particulars and information about claims and disputes, enabling earlier settlement, resulting in fewer dispute applications being lodged.

Assessors

During the reporting year, recruitment action was undertaken to appoint a panel of Claims Assessors for the next three years. In total, 31 legally qualified experts were appointed to the panel of Claims Assessors for a three year term. To ensure Claims Assessors are kept up to date, regular training is undertaken and updates provided by newsletter and on a dedicated section of the Authority's website which is accessible only by Claims Assessors.



Objectives	Highlights
Improved management of high frequency and/or high cost injuries	The Motor Accidents Authority's 'Guidelines for Mild Traumatic Brain Injury Following Closed Head Injury' were released in August 2008, attracting national and international interest.
Improved services available for injured people and their families	The Motor Accidents Authority initiated discussions with the psychology profession, in collaboration with WorkCover, to develop a set of agreed treatment principles and standard reporting formats. These will form the basis of Guidelines for Psychologists and Counsellors working with claimants to be completed in 2010.
Improved health outcomes for Compulsory Third Party claimants	A collaborative research proposal has been developed to benchmark and monitor health outcomes across various compensation jurisdictions. The Authority has also supported insurers in trialling and evaluating practices that maximise good claimant outcomes. The Authority supported a national Compulsory Third Party/Workers Compensation conference 'Improving Compensation Outcomes' in November 2008 and presented a session on the implementation of best practice guidelines.

Guidelines for Mild Traumatic Brain Injury

The Guidelines for Mild Traumatic Brain Injury were released in August 2008 and provide an improved diagnostic screening tool, revised Patient Advice Sheet and management strategies aimed at promoting recovery. The Guidelines were mailed to all General Practitioners in New South Wales and the Australian Capital Territory, brain injury units and relevant medical colleges and associations. They attracted international interest with the author invited to participate in a Canadian collaboration in November 2008 to develop similar guidelines, adopting many of the Australian recommendations.

An interactive on-line learning package is being developed for doctors and should be released in the first half of 2010. The guidelines have been submitted for endorsement by the national office of the Royal Australian College of General Practitioners with a view to increasing accessibility to the guidelines on a national level.

Whiplash associated disorders

Whiplash is the most common injury for people involved in a motor vehicle accident and as a result is a significant cost to the Compulsory Third Party scheme. Insurers were invited to a seminar sponsored by the Authority in November 2008 to hear international speakers from the Bone and Joint Decade (2000–2010) Task Force on Neck Pain summarise the key findings of the latest research on neck pain.

To further expand the use of the Authority's 2007 whiplash guidelines among doctors, an interactive on-line training program for General Practitioners, developed in partnership with the Royal Australian College of General Practitioners, went live in October 2008.

The Authority also commissioned a short information DVD for people who have suffered a whiplash injury, to provide evidence-based information on recovery, treatment and self-management as well as other resources in an easy-to-understand format. The DVD will be ready for distribution by the end of 2009.

Mental health initiatives

To further consider how the psychosocial impacts of injury can be better understood and managed, the Authority invited Professor Mick Sullivan, a Canadian expert on the social and behavioural determinants of pain-related disability, to run a workshop for insurers in November 2008. The workshop prompted some insurers to investigate better ways of screening claims to identify potential mental health problems. The Authority is considering results of other Australian and New Zealand initiatives and will continue to assist insurers to develop and evaluate best practice interventions.

Insurers also identified the provision of good quality evidence-based psychological treatment as an area of concern. To address this issue, the Authority has been working collaboratively with WorkCover, the Australian Psychological Society and other stakeholders to develop a set of core treatment principles and standard reporting formats. These will be sent out for consultation in late 2009 with a view to incorporating them into a guideline for psychologists and counsellors on how to best provide psychological services to those injured in a road crash.

Improved stakeholder training

The Authority has revised and updated its training for health service providers and insurance claims staff on key aspects of the Scheme. Training sessions are run four times a year for rehabilitation service providers to inform them about the Compulsory Third Party scheme and to promote a goal-directed and outcome-focused approach to rehabilitation planning. The Authority is now looking at providing this as an on-line training package to improve access for regional and smaller services. In addition, training related to impairment assessment has been revised to incorporate a casebook of practical examples and is made available to insurance claims staff. The Authority also hosts special interest seminars for insurers on emerging areas of interest, and in October 2008 hosted a seminar on exercise physiology which was well attended and received.

Funding improved treatment and rehabilitation

The Motor Accidents Authority continued to fund a number of research, professional and non-government organisations to develop services or conduct research that will improve the retrieval, treatment, rehabilitation or continuing care for those injured on the roads.

Last year a study was undertaken by St Vincent's Hospital of people with orthopaedic injuries and associated road crash trauma to evaluate the effectiveness of early rehabilitation interventions for the prevention of long-term disability. Early results looked promising so the study has been expanded to four hospitals (St Vincent's, St George, Westmead and Liverpool) and will involve 188 patients who will be followed up at three months and six months following their injury.

A major project that aims to improve health outcomes is the Head Injury Retrieval Trial in partnership with CareFlight. This seven year trial which began in 2007 aims to evaluate whether early advanced medical treatment for road crash victims improves recovery and rehabilitation. Through the trial, specialist doctors are flown to sites where people have sustained a severe head injury to commence immediate treatment rather than waiting until the person reaches hospital.

The George Institute has been funded to conduct a research project to establish the effectiveness of a new exercise program for chronic whiplash. This project will be a randomised controlled trial with the primary aim of measuring the effect of the exercise program in terms of pain, disability, individual patient's impression of recovery and quality of life.

A project is being conducted by Macquarie University in three hospitals (Nepean, Gosford, and Liverpool) to test a new instrument for the assessment and diagnosis of mild traumatic brain injury. The research aims to establish the validity of the instrument and then assess its impact on length of stay in hospital emergency departments. This work complements the clinical Guidelines for Mild Traumatic Brain Injury following Closed Head Injury published by the Authority in 2008.

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Providing services as the Nominal Defendant

Objectives	Highlights
People injured as a result of the driver or owner of an uninsured or unidentified vehicle have access to the Compulsory Third Party scheme	540 claims were allocated to insurers to manage. This was an increase of 16 on the previous year.
Remaining HIH claims are effectively managed	Only 25 of the original 6,000 claims are still to be settled.

Nominal Defendant

The Motor Accidents Authority is the Nominal Defendant for claims arising from crashes in NSW against owners and drivers of uninsured and unidentified motor vehicles. This means the Authority stands in for the at-fault driver involved in a hit and run crash or who was driving an uninsured car. The Authority does this to give the injured person a 'defendant' to seek compensation from. The Authority allocates these Nominal Defendant claims to the licensed insurers in proportion to their market share. The insurer then manages the claim as it would any other claim without influence from the Authority.

The Nominal Defendant allocated 540 claims during 2008/09. This was an increase of just 16, or 3% on the previous year. In addition, the Nominal Defendant returned 131 claims to claimants, their solicitors or insurers, mainly due to the reason that the vehicle was insured at the date of the accident, or the accident did not occur on a road or road-related area in New South Wales. The number of returned claims was consistent with the previous year.

Nominal Defendant claims represented approximately 5% of all claims and 6% of incurred cost. Since 1 July 1989, in approximately 71% of Nominal Defendant claims, the vehicle at fault was unidentified, including hit and run incidents. In the other 29% of Nominal Defendant claims, the vehicle at fault was uninsured and unregistered.

Management of HIH claims

The Nominal Defendant also administers outstanding HIH claims through a management agreement with Allianz Australia Insurance Ltd. This operation is funded by NSW Treasury. When HIH went into liquidation in 2001, more than 6,000 Compulsory Third Party claims worth \$600 million were outstanding. Under the management of the Nominal Defendant, most of these claims have been settled and there are now only 25 claims with an estimated value of \$32.5 million remaining.

The year ahead



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Some of the major projects being undertaken by the Authority over the coming year include:

Competition review

A review will be undertaken to identify any improvements to Green Slip regulation which would enhance affordability and fairness of Green Slip pricing by making the Scheme more robust to economic cycles and reforms.

The Terms of Reference of the review will include:

1. Assess whether the fully-funded test should be removed, relaxed or clarified.
2. Recommend any improvements to the current methodology for assessing whether a premium is excessive.
3. Determine whether the Government should play a role in assessing and determining the issues involved in the second term of reference.
4. Assess feasibility and market implications of removing the elastic gap including price cap and floor, introducing a more strongly defined maximum price cap, or allowing greater discounting of prices.
5. Assess if the current risk-based premium setting framework is delivering the best outcome for policy holders.
6. Advise whether structural changes such as risk pooling for younger drivers would cost-effectively improve price competition for other motorists.
7. Examine the costs, expenses and commissions associated with distribution channels and identify any options for reducing the marketing or overhead costs to the Scheme.
8. Identify opportunities for reducing red-tape to improve affordability.

Improved process for small claims

Under the *Motor Accidents Compensation Act 1999*, people injured in a motor vehicle accident have the option of lodging an Accident Notification Form, allowing them to quickly claim up to \$500 for medical treatment, pharmaceutical and rehabilitation expenses. The provisions were expanded from 1 October 2008 and now allow people injured in accidents, who were not at fault, to access up to \$5,000 for medical expenses and lost earnings. Further amendments will commence on 1 April 2010 that will allow injured persons who were at fault in accidents to also have access to the Accident Notification payments.

Increased support for public hospital and ambulance services

Under the *Motor Accidents Compensation Act 1999* and its predecessor, the *Motor Accidents Act 1988*, arrangements were made to allow public hospitals to recover the costs of treatment and ambulance transport of persons who were injured in motor vehicle accidents (when not at fault) by bulk billing rather than invoicing for each individual treatment. From 1 July 2009, those bulk billing arrangements were extended to also cover the treatment and transport costs of all persons injured in motor vehicle accidents regardless of whether that person caused the accident.

Fairer access to refunds if vehicle registration is cancelled

Amendments passed in May 2009 mean that from 1 October 2009 owners of motor vehicles will be able to obtain a pro rata refund of the Medical Care and Injury Services Levy from the insurer when their vehicle registration is cancelled.

Fraud prevention

The Motor Accidents Authority has an objective of deterring fraud in connection with Compulsory Third Party insurance. The Authority plans to develop an updated strategy for monitoring and reporting on fraudulent activity within the Scheme and working with insurers and other stakeholders to deter fraud.

Improving technology

A critical piece of information technology is the Personal Injury Register (PIR) which is the central repository for details about claims and is used to benchmark claims management by insurers as well as assisting the Authority in monitoring insurer compliance. The current system has reached its limit and will be replaced with a system designed for the future and able to adapt to changes in the Scheme.

To streamline the processing of disputes, a new electronic case management system is also being developed which will allow for the electronic lodgement of forms, documents and decisions in relation to medical and claims disputes. This will initially be available to major users of the dispute services with the longer term goal of making it available to all users.

Claims management regulation review

The regulatory framework for claims management is made up of the Claims Handling Guidelines and Treatment Rehabilitation and Care Guidelines. Together, these Guidelines set standards for how insurers process claims and facilitate the provision of treatment, rehabilitation and services for claimants. Consequently, the regulatory framework has focussed on developing consistent claims handling and injury management practices across insurers.

As high levels of compliance are being consistently achieved, it is timely to consider ways in which the claims management regulatory regime can evolve to support continuous improvement in claims management, and evolution of the Scheme, to maximise the social or health outcomes for claimants. In consultation with stakeholders and service providers, the Authority has commenced a review to examine claims management regulation and identify possible reform directions for evaluation and implementation.

Resources for health professionals

A number of initiatives will be undertaken to improve and expand the information available to assist health professionals as well as injured people. These include the development of on-line training modules for general practitioners based on the Guidelines for Mild Traumatic Brain Injury, and funding the development and evaluation of a pilot model for face-to-face training of general practitioners in identifying and managing patients with mild traumatic brain injury. The Authority will also develop guidelines for psychologists and counsellors working in the Scheme, based on agreed treatment principles and reporting protocols developed in collaboration with insurers, psychologists and WorkCover. One project that will assist both health professionals and injured people is the development of an educational DVD on managing whiplash injury, including advice on treatment options and the latest evidence-based exercises. This will be distributed to people with a whiplash injury so they can continue their rehabilitation at home.

Motor Accidents Authority Financial Statements as at 30 June 2009



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Introduction

The financial statements for the Motor Accidents Authority of NSW for the year ended 30 June 2009 disclosed a surplus of \$13.94 million (\$22.546 million at 30 June 2008) increasing accumulated funds to \$48.965 million (\$35.025 million at 30 June 2008).

The main source of funding was a levy on Compulsory Third Party insurance premiums collected by licensed insurers which amounted to \$128.203 million (\$116.088 million in 2007/08).

Total expenses for the year to 30 June 2009 including accruals amounted to \$117.984 million (\$96.321 million in 2007/08). The largest item of expenditure was \$60.988 million (\$62.205 million in 2007/08) for RTA, Health and Ambulance service fees. Personnel services provided by the Office of Motor Accidents Authority of NSW amounted to \$14.117 million (\$11.891 million in 2007/08).

Total assets increased by \$0.363 million, largely attributable to an increase in cash holdings.

Total liabilities decreased by \$13.577 million, largely attributable to reduced provisioning in relation to HIH Nominal Defendant liability estimates.

The Motor Accidents Authority Board of Directors has determined to retain minimum equity of 20% of annual revenues as a reserve against adverse movement in income or expenditure. Additional retained equity above this amount is primarily due to timing of payments for capital grants already approved by the Board.

The Motor Accidents Authority is reviewing a range of key indicators for 2009/10 inclusive of Compulsory Third Party levy setting parameters and capital grant expenditures.



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Motor Accidents Authority of New South Wales

To Members of the New South Wales Parliament

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

Auditor's Opinion

In my opinion, the financial report:

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

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

The Board's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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



Heather Watson
Director, Financial Audit Services

16 October 2009
SYDNEY



Motor Accidents Authority of NSW

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

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

- We certify that the financial report for Motor Accidents Authority of New South Wales has been prepared in compliance with the *Public Finance and Audit Act 1983*, Treasurer's Directions and the *Public Finance and Audit Regulation 2005* and in compliance with Australian Accounting Standards, which include Australian Accounting Interpretations.
- In our opinion the financial report exhibits a true and fair view of the financial position and performance of the Motor Accidents Authority of New South Wales.
- At the date of signing this report, we are not aware of any circumstances that would render any particulars included in the financial report to be misleading or inaccurate.

RICHARD GRELLMAN
Chairman

CARMEL DONNELLY
General Manager

Dated at Sydney this 13th day of October 2009

Motor Accidents Authority of NSW
Income Statement for the year ended 30 June 2009

	Notes	2009 \$ '000	2008 \$ '000
Revenue			
CTP premium levy	2	128,203	116,088
Investment revenue		2,669	2,021
Other revenue	3	1,052	758
Total revenue		131,924	118,867
Expenses			
Operating expenses			
Personnel services	4	14,117	11,891
Other operating expenses	5	5,953	4,808
Rehabilitation, road safety grants and sponsorships		25,787	6,718
RTA, Health and Ambulance service fees		60,988	62,205
Medical assessor fees		6,309	544
Claims assessor fees		2,412	6,687
Other expenses	6	2,418	3,468
Total expenses		117,984	96,321
SURPLUS FOR THE YEAR		13,940	22,546

The accompanying notes form an integral part of these financial statements

Motor Accidents Authority of NSW
Statement of Changes in Equity for the year ended 30 June 2009

	2009	2008
	\$ '000	\$ '000
Accumulated funds at start of year	35,025	12,479
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	<u>-</u>	<u>-</u>
Surplus for the year	13,940	22,546
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR	<u>13,940</u>	<u>22,546</u>
Accumulated funds at end of year	<u>48,965</u>	<u>35,025</u>

The accompanying notes form an integral part of these financial statements

Motor Accidents Authority of NSW
Balance Sheet as at 30 June 2009

	Notes	2009 \$ '000	2008 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	7	61,154	43,603
Receivables	8	25,923	34,181
Total current assets		87,077	77,784
Non-current assets			
Receivables	8	14,741	25,023
Plant and equipment	9	2,616	2,082
Intangible assets	10	1,112	294
Total non-current assets		18,469	27,399
Total assets		105,546	105,183
LIABILITIES			
Current liabilities			
Payables	11	23,310	22,296
Provisions	12	7,353	11,677
Total current liabilities		30,663	33,973
Non-current liabilities			
Provisions	12	25,918	36,185
Total non-current liabilities		25,918	36,185
Total liabilities		56,581	70,158
Net assets		48,965	35,025
EQUITY			
Accumulated funds		48,965	35,025
Total equity		48,965	35,025

The accompanying notes form an integral part of these financial statements

Motor Accidents Authority of NSW
Cash Flow Statement for the year ended 30 June 2009

	Notes	2009 Inflows/ (Outflows) \$'000	2008 Inflows/ (Outflows) \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Payments</i>			
Payments to suppliers		(28,826)	(28,576)
Rehabilitation, road safety grants and sponsorships		(25,787)	(6,323)
RTA, Health and Ambulance service fees		(60,427)	(62,148)
Nominal Defendant claims payment		(4,143)	(33,385)
Nominal Defendant claims handling expenses		(350)	(439)
Total Payments		(119,533)	(130,871)
<i>Receipts</i>			
Receipts from licensed CTP insurers		126,639	114,197
Interest received and other revenue		7,234	2,182
Nominal Defendant recoveries		1,093	1,421
Total Receipts		134,966	117,800
<i>Cash flows from Government</i>			
Grants from NSW Treasury		3,834	32,451
Net Cash Flows from Government		3,834	32,451
NET CASH FLOWS FROM OPERATING ACTIVITIES	18	19,267	19,380
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(864)	(718)
Purchase of intangible assets		(852)	(294)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,716)	(1,012)
NET INCREASE IN CASH AND CASH EQUIVALENTS		17,551	18,368
Opening cash and cash equivalents		43,603	25,235
CLOSING CASH AND CASH EQUIVALENTS	18	61,154	43,603

The accompanying notes form an integral part of these financial statements

Motor Accidents Authority of NSW

Notes to the financial statements for the year ended 30 June 2009

1 Summary of significant accounting policies

(a) Reporting entity

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

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

(b) Basis of preparation

The Authority's financial report is a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2005*, and
- applicable Treasurer's Directions

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

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

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

(c) Statement of compliance

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

(d) Insurance

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

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

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

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

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

Commitments are stated with the amount of GST included.

(f) Revenue recognition

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

(i) CTP premium levy

The MAA's funds are generated from levies on Compulsory Third Party (CTP) insurance premiums collected by licensed insurers in accordance with notices issued under Section 214A(5) of the *Motor Accidents Compensation Act 1999*. The levy rate is 10% (2008: 10%). CTP levy revenue is recognised when it falls due and receivable by the Authority.

The levies were used to meet the expenses of the Authority's operations (including the provision of Rehabilitation project funding) under the Motor Accidents Compensation Act 1999 and also from 1 October 2006 were used to meet the fees to Roads and Traffic Authority of NSW (RTA) to co-ordinate registration and insurance of motor vehicles and to the Minister for Health and The Ambulance Service of NSW (Health and Ambulance) for hospital and ambulance services to persons with claims under the Motor Accidents Compensation Act 1999.

Any unused funds are kept in interest bearing investment accounts in accordance with the *Motor Accidents Compensation Act 1999* and the *Public Authorities (Financial Arrangements) Act 1987*.

(ii) Grants from NSW Treasury

HIH funding received from the NSW Treasury is based on the claims and related expenses paid by the Authority including the cost of claims management and Clearing House payments. Any recoveries made from CTP insurers or other parties are offset while recouping funds from NSW Treasury.

(iii) Rendering of services

During the financial year, the Authority ran a number of training programs for licensed insurers. Revenue is recognised when the service is provided or by reference to the stage of completion.

(iv) Other revenue

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

Rental revenue is recognised in accordance with AASB 118 *Leases* on a straight-line basis over the lease term.

Motor Accidents Authority of NSW

Notes to the financial statements for the year ended 30 June 2009

1 Summary of significant accounting policies (continued)

(g) Assets

(i) Acquisition of assets

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

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

(ii) Capitalisation threshold

Plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

(iii) Measurement of plant and equipment

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

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

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

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

(iv) Impairment of plant and equipment

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

(v) Depreciation of plant and equipment

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

	2009	2008
	%	%
Computer hardware	40.0	40.0
Furniture and fittings	20.0	20.0
Leasehold improvements	Over the life of the lease	
Motor vehicles	20.0	20.0
Office equipment	12.5	12.5

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

(vi) Maintenance

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

(vii) Intangible assets

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

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

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

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

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

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

(viii) Investments

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

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

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

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

Motor Accidents Authority of NSW

Notes to the financial statements for the year ended 30 June 2009

1 Summary of significant accounting policies (continued)

(ix) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire, or if the Authority transfers the financial asset:

- where substantially all the risks and rewards have been transferred, or
- where the Authority has not transferred substantially all the risks and rewards, if the Authority has not retained control.

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

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

(x) Receivables

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

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

(xi) Other assets

Other assets are recognised on a cost basis.

(h) Liabilities

(i) Payables

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

(ii) Financial guarantees

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

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

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

(iii) Personnel services payable

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

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

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

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

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

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

Long service leave and superannuation

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

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

(iv) Make-good provision (building lease)

Make good provision is recognised for the estimate future payment for make good upon the termination of the leases of the current office premises.

(v) Other provisions

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

(i) Comparative information

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

(j) New Australian Accounting Standards issued but not effective

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

Motor Accidents Authority of NSW

Notes to the financial statements for the year ended 30 June 2009

2 CTP premium levy

The Authority was funded by levies on CTP insurance premiums collected by licensed insurers. The annual levy income of \$128.203 million (\$116.088 million in 2008) includes the accrued levy of \$13.832 million (Note 8) for the month of June 2009 (\$12.268 million in 2008).

Refer to Note 1 (f) for more details.

3 Other revenue

	2009 \$'000	2008 \$'000
Rental revenue	192	186
Miscellaneous revenue	860	572
Total	1,052	758

4 Personnel services

	2009 \$'000	2008 \$'000
Permanent and temporary salaries	9,121	8,399
Payroll tax	629	605
Employer's Superannuation	913	848
Superannuation actuarial loss/(gain)	1,244	570
Other salary components	2,210	1,469
Total	14,117	11,891

5 Other operating expenses

	2009 \$'000	2008 \$'000
Rent and related costs	1,682	1,618
Computer software/expended hardware/ maintenance	763	492
Telephone/fax	217	164
Stationery	193	223
Interpreting services	218	188
Legal fees	176	141
Restoration fees	-	750
Other operating expenses	2,704	1,232
Total	5,953	4,808

6 Other expenses

	2009 \$'000	2008 \$'000
Consultancy fees	1,402	2,459
Advertising, promotion and publicity	297	160
Audit fees	193	215
Council members' fees	51	126
Board members' fees	111	177
Depreciation and amortisation	364	314
Loss on disposal of non-current assets	-	17
Total	2,418	3,468

Audit fees

Annual audit fees comprise payments of \$132,673 (\$84,961 in 2008) to the Internal Audit Bureau for internal audit and \$60,825 (\$130,450 in 2008 includes two years fees) to the Audit Office of NSW. The amount paid to the Audit Office of NSW was for auditing the financial report.

Council and Board members' fees

Council members' fees were \$50,927 (\$125,758 in 2008) and Board members' fees were \$111,294 (\$177,353 in 2008). In addition to the payments prescribed for Council and Board members by the Department of Premier and Cabinet, Council Member Stephen Buckley was paid inclusive of GST \$5,324 (\$2,579 in 2008) for medical assessor fees.

7 Cash and cash equivalents

	2009 \$'000	2008 \$'000
Cash at bank and on hand	9,510	6,346
Cash Investment with TCorp	46,029	31,149
Cash at bank- Restricted	5,615	6,108
Total	61,154	43,603

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates. The weighted average interest rate on cash was 4.19% (6.30% in 2008).

Restricted cash assets represent cash received (plus bank interest) from Department of Ageing, Disability and Home Care held in escrow for re-developing Ferguson Lodge in Lidcombe NSW.

8 Receivables

(a) Current

	2009 \$'000	2008 \$'000
CTP levy income receivable	13,832	12,268
Amount receivable from service entity	-	-
GST receivable	500	249
Advance to Allianz	2,798	4,780
Recovery from Crown Entity (note 12)	8,480	13,237
Receivable from DADHC for Ferguson Lodge	-	3,300
Other receivables	313	347
Total	25,923	34,181

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

As at 30 June 2009, the Authority has advanced to Allianz amounted to \$2.798 million (\$4.78 million in 2008) and the funds were available for making payments to Nominal Defendant claimants from the Westpac Bank account.

(b) Non-current

	2009 \$'000	2008 \$'000
Recovery from Crown Entity (note 12)	14,741	25,023
Total	14,741	25,023

Motor Accidents Authority of NSW

Notes to the financial statements for the year ended 30 June 2009

9 Plant and equipment

Schedule of non-current assets as at 30 June 2009

	Computer hardware	Furniture and fittings	Leasehold improvements	Motor vehicle	Office equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At gross carrying value	410	21	3,249	120	99	3,899
Accumulated depreciation	(384)	(1)	(804)	(55)	(39)	(1,283)
Fair value at end of year	26	20	2,445	65	60	2,616

Schedule of non-current assets as at 30 June 2008

	Computer hardware	Furniture and fittings	Leasehold improvements	Motor vehicle	Office equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At gross carrying value	480	-	2,436	120	99	3,135
Accumulated depreciation	(439)	-	(556)	(31)	(27)	(1,053)
Fair value at end of year	41	-	1,880	89	72	2,082

A reconciliation of the fair value at start and end of the financial year is set out below:

	Computer hardware	Furniture and fittings	Leasehold improvements	Motor vehicle	Office equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value at start of year	41	-	1,880	89	72	2,082
Acquisitions	29	21	814	-	-	864
Disposals	(99)	-	-	-	-	(99)
Depreciation	(44)	(1)	(249)	(24)	(12)	(330)
Write-back of depreciation on disposal	99	-	-	-	-	99
Fair value at end of year	26	20	2,445	65	60	2,616

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

	Computer hardware	Furniture and fittings	Leasehold improvements	Motor vehicle	Office equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value at start of year	87	-	1,866	62	64	2,079
Acquisitions	7	-	242	47	38	334
Disposals	-	-	-	-	(32)	(32)
Depreciation	(53)	-	(228)	(20)	(13)	(314)
Write-back of depreciation on disposal	-	-	-	-	15	15
Fair value at end of year	41	-	1,880	89	72	2,082

10 Intangible assets

Schedule of non-current assets as at 30 June 2009

	Computer software	Computer software WIP	Total
	2009 \$'000	2009 \$'000	2009 \$'000
Gross carrying value	207	939	1,146
Accumulated amortisation	(34)	-	(34)
Cost at end of year	173	939	1,112

Schedule of non-current assets as at 30 June 2008

	Computer software	Computer software WIP	Total
	2008 \$'000	2008 \$'000	2008 \$'000
Gross carrying value	-	294	294
Accumulated amortisation	-	-	-
Cost at end of year	-	294	294

A reconciliation of the cost at start and end of the financial year is set out below:

	Computer software	Computer software WIP	Total
	2009 \$'000	2009 \$'000	2009 \$'000
Cost at start of year	-	294	294
Acquisitions	-	852	852
Transferred to computer software	207	(207)	-
Amortisation	(34)	-	(34)
Cost at end of year	173	939	1,112

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

	Computer software	Computer software WIP	Total
	2008 \$'000	2008 \$'000	2008 \$'000
Cost at start of year	-	-	-
Acquisitions	-	294	294
Transferred to computer software	-	-	-
Amortisation	-	-	-
Cost at end of year	-	294	294

Motor Accidents Authority of NSW

Notes to the financial statements for the year ended 30 June 2009

11 Payables

(a) Current

	2009 \$'000	2008 \$'000
Other payables and accruals	21,125	21,502
Amount payable to service entity	2,185	794
Total	23,310	22,296

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

12 Provisions

(a) Current

	2009 \$'000	2008 \$'000
Provision for outstanding Nominal Defendant claims	7,353	11,677
Total	7,353	11,677

(b) Non-current

	2009 \$'000	2008 \$'000
Provision for outstanding Nominal Defendant claims	25,153	35,435
Make-good provision (building lease)	765	750
Total	25,918	36,185

A reconciliation of the Make-good provision at start and end of the financial year is set out below:

	Make-good provision (building lease) 2009 \$'000	Make-good provision (building lease) 2008 \$'000
Carrying value at start of year	750	-
Additional provision/unwinding of discount	15	750
Carrying value at end of year	765	750

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 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 Authority engaged Allianz Australia Insurance Limited (AAIL) to manage the claims on its behalf. A management fee of 10 per cent on costs incurred is paid to AAIL. A Variation Agreement to Claims Management & Agency Agreement with provisions for incentives based on performance in claims management against the industry standard was signed on 5 January 2005. At 30 June 2009, liabilities for HIH CTP claims valued by the Actuaries after discounting were \$32.506 million (\$47.112 million in 2008). Movements in these liabilities for the year were:

	Note	2009 \$'000	2008 \$'000
Balance at start of year		47,112	58,218
Less Nominal Defendant Claims payment		(4,143)	(33,385)
NDF Claims handling expenses	14	(350)	(439)
NDF recoveries, net		1,093	1,421
Unwinding of discount – finance cost		(3,210)	2,809
Change in discount rate		(1,643)	188
Additional/(reduced) provision		(6,353)	18,300
Balance at end of year		32,506	47,112
Represented by:			
Current liabilities		7,353	11,677
Non-current liabilities		25,153	35,435

The movement in NDF Provision was due to an actuarial valuation of the HIH liabilities. The liability for outstanding claims is measured as the present value of the expected future payments. Based on an actuarial valuation in June 2009 and June 2008 by the actuaries, Taylor Fry Pty Limited, the expected cash flows at discounted values to meet the claims were:

	2009 \$'000	2008 \$'000
Not later than one year	7,353	11,677
Later than one year but not later than five years	15,990	23,735
Later than five years	9,163	11,700
Total	32,506	47,112

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

	2009 % pa	2008 % pa
Claims expected to be paid not later than one year		
Inflation rate	3.0	5.0
Superimposed inflation	4.0	4.0
Discount rate	3.4	6.3
Claims expected to be paid later than one year		
Inflation rate	3.0 - 4.25	5.0
Superimposed inflation	4.0	4.0
Discount rate	4.9 - 6.3	6.4 - 7.1

Motor Accidents Authority of NSW

Notes to the financial statements for the year ended 30 June 2009

12 Provisions (continued)

Recovery from Crown Entity

Outstanding claims

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

	Note	2009 \$'000	2008 \$'000
Balance at start of year		38,260	49,414
Receipts	13	(3,834)	(32,451)
Movement in recovery*		(11,205)	21,297
Balance at end of year		23,221	38,260

* The movement is based on actuarial valuation of HIH liabilities and other costs or recoveries for Nominal Defendant operations.

	2009 \$'000	2008 \$'000
Recovery from Crown Entity-NDF claims	32,506	47,112
Recovery from Crown Entity-Other NDF costs	1,127	1,560
(less) accumulated NDF interest and other recoveries	(10,412)	(10,412)
Total	23,221	38,260

Represented by:

Current receivables

Recovery from Crown Entity-Other NDF costs	1,127	1,560
Recovery from Crown Entity-NDF claims	7,353	11,677
	8,480	13,237

Non-current receivables

Recovery from Crown Entity-NDF claims	25,153	35,435
(less) accumulated NDF bank interest and other recoveries	(10,412)	(10,412)
	14,741	25,023

13 Receipts from NSW Treasury

During the financial year, NSW Treasury reimbursed the Authority a total of \$3.834 million (\$32.451 million in 2008) in relation to net expenses incurred by the MAA Nominal Defendant Fund.

14 Nominal Defendant claims handling expenses

Nominal Defendant claims handling expenses in 2009 included agent's fees to AAIL of \$0.703 million (\$0.734 million in 2008), other expenses of \$0.038 million (\$0.403 million in 2008) and offset by interest income of \$0.391 million (\$0.698 million).

15 Operating lease commitments

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

	2009 \$'000	2008 \$'000
Not later than one year	1,400	1,370
Later than one year but not later than five years	4,287	4,886
Later than five years	1,982	2,624
Total	7,669	8,880

16 Grants expenditure commitments

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

	2009 \$'000	2008 \$'000
Not later than one year	10,954	13,200
Later than one year but not later than five years	5,657	5,966
Later than five years	-	917
Total	16,611	20,083

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 Authority 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 the Authority 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.

17 Contingent liabilities

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

18 Notes to the Cash Flow Statement

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

	2009 \$'000	2008 \$'000
Surplus for the year	13,940	22,546
Depreciation and amortisation	364	314
Loss on disposal of non-current assets	-	17
<i>Change in assets and liabilities</i>		
Decrease/(Increase) in receivables: current	8,258	(2,640)
Decrease/(Increase) in receivables: non-current	10,282	6,972
Increase/(Decrease) in payables: current	1,014	2,635
Increase/(Decrease) in payables: non-current	-	(108)
Increase/(Decrease) in provisions: current	(4,324)	(4,134)
Increase/(Decrease) in provisions: non-current	(10,267)	(6,222)
Net cash flows from operating activities	19,267	19,380

Motor Accidents Authority of NSW

Notes to the financial statements for the year ended 30 June 2009

18 Notes to the Cash Flow Statement (continued)

(b) Reconciliation of cash

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

	2009 \$'000	2008 \$'000
Cash and cash equivalents (Note 7)	61,154	43,603
Total	61,154	43,603

19 Financial instruments

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

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

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

(a) Financial instrument categories

Financial Assets ¹	Note	Category	Carrying Amount	Carrying Amount
Class:			2009 \$'000	2008 \$'000
Cash and cash equivalents	7	N/A	61,154	43,603
Receivables	8	Receivables	26,332	46,687
Financial Liabilities ²	Note	Category	Carrying Amount	Carrying Amount
Class:			2009 \$'000	2008 \$'000
Payables	11	Financial liabilities measured at amortised cost	17,695	16,796

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

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

(b) Credit risk

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

Credit risk arises from the financial assets of the Authority, including cash, receivables and authority deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

The Authority's deposits held with NSW TCorp are guaranteed by the State.

Cash

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

Receivables - trade debtors

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

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

(c) Liquidity risk

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

The Authority's exposure to liquidity risk is deemed insignificant.

Motor Accidents Authority of NSW

Notes to the financial statements for the year ended 30 June 2009

19 Financial instruments (continued)

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

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

Maturity Analysis and interest rate exposure of financial liabilities									
\$'000									
Interest Rate Exposure						Maturity Dates			
		Weighted Average Effective Int. Rate	Nominal Amount⁽¹⁾	Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
2009									
Payables		-	17,695	-	-	17,695	17,695	-	-
2008									
Payables		-	16,796	-	-	16,796	16,760	36	-

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

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority did not have borrowings. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

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

Interest rate risk - Cash

Changes in interest rate (+/- 1%)			
	Carrying amount	Profit	Equity
	\$'000	\$'000	\$'000
2009			

Financial assets

Cash at bank and on hand	9,510	95	-
--------------------------	-------	----	---

Changes in interest rate (+/- 1%)			
	Carrying amount	Profit	Equity
	\$'000	\$'000	\$'000
2008			

Financial assets

Cash at bank and on hand	12,454	7	-
--------------------------	--------	---	---

Other price risk - TCorp Hour-Glass Facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Authority has no direct equity investments. The Authority holds units in the following Hour-Glass investment trusts:

Facility	Investment Sectors	Investment horizon	2009 \$'000	2008 \$'000
Cash Facility	Cash, money market instruments	0 to 1.5 years	41,643	31,149
Strategic Cash Facility	Cash, money market instruments	1.5 to 3 years	10,001	-

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

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

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

19 Financial instruments (continued)

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

	Impact on Change in unit price	2009 \$'000	2008 \$'000
Hour-Glass Investment – Cash Facility	+/- 1%	416	311
Hour-Glass Investment – Strategic Cash Facility	+/- 2%	200	N/A

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

(e) Fair Value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass Facilities, which are measured at fair value. As discussed, the value of the Hour-Glass Investments is based on the Authority's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass Facilities are valued using 'redemption' pricing.

20 After balance date events

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

- End of Audited Financial Statements -



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Office of the Motor Accidents Authority of New South Wales

To Members of the New South Wales Parliament

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

Auditor's Opinion

In my opinion, the financial report:

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

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

Chief Executive's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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



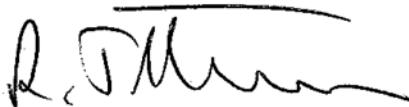
Heather Watson
Director, Financial Audit Services

20 October 2009
SYDNEY

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

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

- I certify that the financial report for the Office of the Motor Accidents Authority of New South Wales has been prepared in compliance with the *Public Finance and Audit Act 1983*, Treasurer's Directions and the *Public Finance and Audit Regulation 2005* and in compliance with Australian Accounting Standards, which include Australian Accounting Interpretations.
- In my opinion the financial report exhibits a true and fair view of the financial position and performance of the Office of the Motor Accidents Authority of New South Wales.
- At the date of signing this report, I am not aware of any circumstances that would render any particulars included in the financial report to be misleading or inaccurate.



ROB THOMSON
A/Chief Executive Officer
Compensation Authorities Staff Division

Dated at Sydney this 20 day of October 2009

Office of the Motor Accidents Authority of NSW
Income Statement for the year ended 30 June 2009

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

The accompanying notes form an integral part of these financial statements

Office of the Motor Accidents Authority of NSW
Statement of Recognised Income and Expense
For the year ended 30 June 2009

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

Effect of change in accounting policy

Surplus for the year as reported in 2008	-
Change of policy - actuarial losses	<u>845</u>
Restated surplus for the year	<u>845</u>

The accompanying notes form an integral part of these financial statements

Office of the Motor Accidents Authority of NSW
Balance Sheet as at 30 June 2009

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

The accompanying notes form an integral part of these financial statements

Office of the Motor Accidents Authority of NSW
Cash Flow Statement for the year ended 30 June 2009

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

The accompanying notes form an integral part of these financial statements

Office of the Motor Accidents Authority of NSW

Notes to the Financial Statements for the year ended 30 June 2009

1 Summary of significant accounting policies

(a) Reporting entity

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

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

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

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

(b) Basis of preparation

The Office's report is a general purpose financial report and has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2005*, and
- applicable Treasurer's Directions

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

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

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

(c) Change in accounting policy

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

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

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

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

(d) Statement of compliance

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

(e) Revenue recognition

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

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

(f) Assets

(i) Receivables

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

1 Summary of significant accounting policies (continued)

(i) Receivables (continued)

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

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

(ii) Other assets

Other assets are recognised on a cost basis.

(g) Liabilities

(i) Payables

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

(ii) Financial guarantees

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

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

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

(iii) Employee benefits and other provisions

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

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

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

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

Long service leave and superannuation

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

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

Refer to Note 10 for more quantitative details.

(h) Comparative information

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

(i) New Australian Accounting Standards issued but not effective

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

Office of the Motor Accidents Authority of NSW

Notes to the Financial Statements for the year ended 30 June 2009

2 Employee benefits

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

3 Cash and cash equivalents

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

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

4 Receivables

(a) Current

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

(b) Non-current

Amount due from serviced entities	-	154
Total	-	154

5 Other Asset

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

Other current asset represents overfunded superannuation administered by Pillar Administration

6 Payables

Current

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

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

7 Provisions

(a) Current

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

(b) Non-current

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

Office of the Motor Accidents Authority of NSW

Notes to the Financial Statements for the year ended 30 June 2009

8 Audit fees

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

9 Related parties

Economic Dependency

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

10 Superannuation

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

The defined benefits schemes include:

- State Authorities Superannuation Scheme (SASS)
- State Authorities Non-Contributory Superannuation Scheme (SANCS)
- State Superannuation Scheme (SSS)

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

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

OMAA recognises the net total of the following:

- Present value of the defined benefit obligation at reporting date
- Fair value of plan assets at reporting date

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

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

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

Valuation Method

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

Economic assumptions

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

Office of the Motor Accidents Authority of NSW

Notes to the Financial Statements for the year ended 30 June 2009

10 Superannuation (continued)

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

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

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

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

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

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

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

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

Office of the Motor Accidents Authority of NSW

Notes to the Financial Statements for the year ended 30 June 2009

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

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

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

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

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

(f) Total recognised in Income Statement

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

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

(g) Actual return on plan assets

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

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

Office of the Motor Accidents Authority of NSW

Notes to the Financial Statements for the year ended 30 June 2009

(h) Funding arrangement for employer contributions

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

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

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

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

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

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

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

Nature of asset / liability

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

(i) Historical information

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

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

(j) Expected contributions

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

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

Office of the Motor Accidents Authority of NSW

Notes to the Financial Statements for the year ended 30 June 2009

11 Notes to the Cash Flow Statement

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

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

(b) Reconciliation of cash

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

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

Office of the Motor Accidents Authority of NSW

Notes to the Financial Statements for the year ended 30 June 2009

12 Financial instruments

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

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

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

(a) Financial instrument categories

Financial Assets ¹	Note	Category	Carrying Amount 2009 \$'000	Carrying Amount 2008 \$'000
Class:				
Cash	3	N/A	1,097	1,481
Receivables	4	Receivables	5,081	2,311
Financial Liabilities ²	Note	Category	Carrying Amount 2009 \$'000	Carrying Amount 2009 \$'000
Class:				
Payables	6	Financial liabilities measured at amortised cost	242	330

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

2. Excludes unearned revenue (i.e. not within scope of AASB 7)

(b) Credit risk exposures

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

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

Receivables - trade debtors

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

(c) Liquidity risk

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

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

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

Office of the Motor Accidents Authority of NSW
Notes to the Financial Statements for the year ended 30 June 2009

12 Financial instruments (continued)

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

Maturity Analysis and interest rate exposure of financial liabilities								
\$'000								
			Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
	Weighted Average Effective Int. Rate	Nominal Amount¹						
2009								
<i>Payables :</i>								
Creditors and payables	-	242	-	-	242	242	-	-
2008								
<i>Payables :</i>								
Creditors and payables	-	330	-	-	330	330	-	-
Notes:								
1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities, therefore the amounts disclosed above will not reconcile to the balance sheet.								

(d) Market risk

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

(e) Fair Value

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

13 After balance date events

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

- End of Audited Financial Statements -

OPERATIONS

Accounts payable performance

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

Business continuity and crisis management

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

Code of Conduct

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

The Codes of Conduct represent prime governance guidance documents applicable to the Board, management, staff and associates working with or for the Motor Accidents Authority, Lifetime Care and Support Authority and the Office of the Motor Accidents Authority.

The Codes of Conduct are framed specifically to be living documents that are updated when necessary and published on-line with links to relevant current governance policies.

The Codes seek to:

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

The Codes seek to ultimately embed ethical behaviours at all levels and are supported by function specific Governance Frameworks. Day-to-day oversight of this Code is through the Executive Management Committee(s) and the Office of the Motor Accidents Authority.

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

Consumer response

During the reporting year, the Motor Accidents Authority received 98 complaints, down from 111 in the previous year. Of these, 77 (78 last year) related to the handling of claims by insurers. The remaining 21 complaints (33 last year) related to the Motor Accidents Assessment Service, of which 14 complaints were about assessors or their decisions, and 7 were about the processing of dispute applications. Complaints about the dispute resolution process provide valuable feedback and are used in improving processes and identifying training needs for assessors.

Credit card certification

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

Economic and other factors affecting performance

Prime factors impacting performance are varied. On an economic front, the Authority's investment returns have been adversely impacted by volatile credit markets during the year. However, some restructuring of the Authority's investment portfolio and investment duration has seen investment returns improved significantly.

The Authority receives regular formal economic advice and forward projections to support its decision making capability.

Guarantee of service

You can expect us to:

- 1 Treat you with respect and courtesy**
- 2 Meet statutory confidentiality and privacy requirements**
- 3 Provide an efficient and professional service**

Motorists can compare prices on the Motor Accidents Authority's on-line Green Slip Calculator at www.greenslips.nsw.gov.au, or alternatively they can call the Authority's Green Slip Helpline on 1300 137 600. This automated service operates 24 hours, seven days a week.

General enquiries about Green Slips will be directed to the Claims Advisory Service, which operates between 8.30am and 5.00pm Monday to Friday. Calls directed to this service out of hours will be returned the next working day. You can also e-mail the Claims Advisory Service at enquiries@maa.nsw.gov.au. E-mails will be answered as quickly as possible. The Claims Advisory Service can help you with your claim including making a claim or lodging a dispute and negotiating with your insurance company.

If you phone the Authority's office on 1300 137 131 within business hours and we need to redirect your call, you will not be transferred more than once without your agreement, or we will arrange for the appropriate officer to return your call. If you write to us either by letter or e-mail we will respond within 10 working days of receiving your letter/e-mail. If we cannot fully answer your enquiry in that time, we will give you an interim response.

- 4 Provide equitable access to the Authority and information about the Motor Accidents Compensation scheme**

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

The Authority'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. Brochures are presented clearly and accessibly. The Authority will arrange an interpreter service (sign language or language other than English) where necessary.

5 Provide appropriate information

Information on Motor Accidents Authority and the Compulsory Third Party scheme is available from the Authority's website (www.maa.nsw.gov.au) or you can phone or e-mail the Authority and the information will be sent to you. The Authority also produces statistical information papers, guidelines for health, insurance and legal service providers and education seminars.

6 Give you the opportunity to be heard

Feedback, suggestions, compliments and complaints can be made by phone, in person, by mail, e-mail or through the Authority's website.

Our contact details are:

Level 25
580 George Street
Sydney NSW 2000
Phone: 1300 137 131
Fax: 1300 137 707
E-mail: maa@maa.nsw.gov.au

Information technology

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

This Strategic Plan is intended to:

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

This Plan will be achieved through an integrated set of programs, goals and tasks encompassing those key elements identified and supported by a specific Governance Framework.

At an operational level, the Authority undertook a number of initiatives during the reporting year including an upgrade to the SIRIUS case management system and a review of the Personal Injury Register (PIR) System.

Personal Injury Register (PIR) System

The Authority's Personal Injury Register, or Claims Register, receives monthly claims data and quarterly payment information from insurers and provides a data repository for analysis by Authority staff, insurers and actuaries. The system currently stores information on claimant injuries coded according to the Abbreviated Injury Scale 1985 and 2005. The Abbreviated Injury Scale has been updated to provide more specific injury codes and significant work has gone into updating the register. The Register is currently under review as a result of industry feedback and to initiate further process improvements. The review process will be finalised in late 2009.

SIRIUS II

The Motor Accidents Assessment Service (MAAS) division of the Motor Accidents Authority provides independent resolution of medical and claims between claimants and insurers. It does this through the provision of two separate but complementary dispute resolution services, the Medical Assessment Service (MAS) and the Claims Assessment and Resolution Service (CARS).

The work of the dispute resolution services is managed through the use of an electronic case management system. The current system in use by MAAS is 'Sirius'. The Sirius II Phase I upgrade was implemented in October 2008 with further phases to be finalised in 2009 and 2010. The upgrade will allow users to access dispute cases via a web portal and allow for greater functionality in regard to workflow and processing. This initiative supports the 'People First: NSW Government ICT Strategy' goal of increasing the number of government services available electronically.

Insurance

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

Internal Audit Committee and risk management

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

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

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

The Office of the Motor Accidents Authority ensures:

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

The Motor Accidents Authority 2008/09 Internal Audit Program position at 30 June 2009 is as follows:

Internal Audit Program

Auditable Units		Q1	Q2	Q3	Q4	RISK RATING	COMMENT
Operational/Compliance							
1	Review the effectiveness of processes/controls in place for the management of MAAS workloads, compliance with approved guidelines					Medium	Fieldwork finalised. Report to be issued August 2009
2	Review MAAS Case Manager compliance with approved policies, procedures, processes and guidelines					Medium	Combined with item 1
3	Review the effectiveness of monitoring by the Insurer Licensing and Performance Branch of insurer service levels, complaints (including complaints database), inappropriate behaviour, etc					Medium	FINALISED
4	Review the timeliness and accuracy of advice to the Minister					Low	Deferred
5	Undertake 'Drives' system review					Medium	FINALISED
6	Perform a 'gap analysis' on the effectiveness of current financial system, including reporting against business plans/budgets					Low	FINALISED
ICT							
7	Post-implementation review of Sirius system upgrade					Medium	Deferred to early 2010
8	Post-implementation review of the new finance system					Medium	FINALISED
9	Review the effectiveness of ICT governance arrangements including help desk, problem management, SLAs, etc					Low	FINALISED
10	System Penetrating Testing [Annual]					Medium	FINALISED
Additional							
A	Pre-implementation review of financial management systems					Medium	FINALISED
B	Review of Indirect Tax Compliance [OMAA]					Medium	FINALISED
C	Review of organisational risk assessment [Annual]					Medium	FINALISED
D	Review of internal audit recommendations [Annual]					Medium	FINALISED
E	Insurance investigation/review [Special]					Medium	FINALISED
F	Sun-Sirius system interface review [Special]					Medium	FINALISED

Legend

	Completed / Report Pending
	Deferred / On Hold
	To Be Advised / Delayed

Land disposal

No land was disposed of during the reporting year.

Major assets acquired

SIRIUS II \$287,000

The Sirius case management system is used by the Motor Accidents Assessment Service to store records in regard to cases managed by the Authority. The upgrade will allow users to access dispute cases via a web portal and allow for greater functionality in regard to workflow and processing.

SunSystems and IPOS \$275,000

SunSystems is the financial system which maintains all financial records for the Motor Accidents Authority. The IPOS system is a workflow procurement system which integrates with SunSystems and will result in streamlined invoice and procurement processing.

Overseas travel

Dates	Officer	Destination and purpose	Cost to Motor Accidents Authority
3–6 November 2008	Pam Albany	Hanoi, Vietnam Attendance at the second Asia Pacific Injury Prevention Conference	\$2,969
24–25 November 2008	Sue Lukersmith	Toronto, Canada Attendance at the Evidence Based Review of Mild Traumatic Brain Injury Consensus Conference	Costs met by the Ontario Neurotrauma Foundation
25–26 March 2009	Dimitra Vlahomitros	Geneva, Switzerland Attendance at the inaugural meeting of the World Health Organisation's Global Youth NGO for Road Safety Task Force	\$182 (Travel and accommodation costs met by the World Health Organisation)
5–7 April 2009	Carmel Donnelly	Auckland, New Zealand Attend the Heads of Compulsory Third Party meeting	\$2,712
5–7 April 2009	David Baxter	Auckland, New Zealand Attend the Heads of Compulsory Third Party meeting	\$1,181

Privacy Management Plan

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

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

Research and development

No paid research or development was undertaken on behalf of the Authority during the year.

Shared corporate services

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

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

Use of consultants

Consultancies worth \$30,000 or more

Consultant	Category	Amount	Nature of the service
KPMG	Management Services	\$255,693	Management services
Taylor Fry	Finance and Accounting	\$248,513	Actuarial services
Ernst & Young ABC Services	Finance and Accounting	\$207,748	Actuarial services
PricewaterhouseCoopers	Finance and Accounting	\$173,518	Actuarial services
Finity Consulting	Finance and Accounting	\$120,647	Actuarial services
Lauren Jones Consulting	Information Technology	\$114,055	Injury coding methodological advice and quality assurance
AAPT Ltd	Information Technology	\$64,588	Information technology

Consultancies worth less than \$30,000

The Motor Accidents Authority engaged 29 consultants with fees less than \$30,000. The total cost of these consultancies was \$215,951 and covered research, finance and accounting and management services.

Waste reduction and purchasing

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

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

HUMAN RESOURCES

Action Plan for Women including the spokeswoman program

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

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

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

Disability Action Plan

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

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

The Plan identifies seven outcome areas targeting universal, adapted and specialist services. The Authority will implement strategies stated in each outcome area to improve services for people with a disability. These strategies are practical and

achievable. Examples include building access compliant with AS-1428 and all publications and information are easily accessible and formatted for people with disabilities.

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

Equal Employment Opportunity

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

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

Trends in the representation of EEO groups

Percentage of total staff					
EEO Group	Target	2006	2007	2008	2009
Women	50%	67%	67%	68%	66%
ATSI	2%	n/a	n/a	n/a	n/a
People whose first language is not English	20%	n/a	n/a	20%	22%
People with a disability	12%	n/a	8%	4%	5%
People with a disability requiring work-related adjustment	7%	n/a	4.7%	2%	2.5%

Trends in the distribution of EEO groups

Distribution Index					
EEO Group	Target	2006	2007	2008	2009
Women	100	99	95	89	92
ATSI	100	n/a	n/a	n/a	n/a
People whose first language is not English	100	n/a	102	96	95
People with a disability	100	n/a	n/a	n/a	n/a
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

Source: Premier's Department, Workforce Profile Tool

Notes:

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

Multicultural policies and services

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

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

Grievances

There were two grievances lodged in 2008/09, one of which was mediated internally. The other matter was referred to an external body. A Staff Grievance and Complaints Policy and a Workplace Respect Policy have been drafted during this reporting period. Grievance Contact Officers and Mediators will be nominated and trained to assist in the resolution of staff grievances by the end of 2009.

Industrial relations policy and practices

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

Occupational Health and Safety

There were six workers compensation claims lodged in the agency in the 2008/09 reporting year. Of these, three were journey claims or claims for injuries that happened outside the work premises.

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

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

Personnel policy and practices

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

Significant internal committees at 30 June 2009

Committee	Representative	
Joint Consultative Committee	Management representatives:	D Bowen, C Donnelly, C Player, S Payne, M Crouch
	Union representatives:	M Brew, D Meredith
OHS Committee	Employer representatives:	S Doenau*, J Probert*, E Rivera*, D Hamilton
	Employee representatives:	C Cargill, L MacDonald, J Tickner
Medical Assessment Service Assessor Practice Group	Employee representative:	J Kirkby
Claims Assessment and Resolution Service Assessor Practice Group	Employee representatives:	R Williams, J Lum, M Boyle

*part year

Significant external committees at 30 June 2009

Committee	Representative
Child Injury Prevention Reference Group	N King
Council of Australasian Tribunals (COAT) – National	B Cassidy
Council of Australasian Tribunals (COAT) – NSW Chapter	B Cassidy
District Court of NSW Civil Business Committee	B Cassidy
Exercise and Fitness Equipment Technical Working Group	J Capell
Good Sports Reference Committee	P Albany
Head Injury Retrieval Trial (HIRT) Steering Committee	C Donnelly
Heads of Compulsory Third Party	D Bowen, C Donnelly
Heads of Tribunal	B Cassidy
HIH C&G, FAIG and CIC Committees of Inspection and Creditors' Committee	D Bowen, C Donnelly
Injury Risk Management Research Centre Board of Management	D Bowen, C Donnelly
Inter-jurisdictional Workers Compensation Dispute Resolution Bodies	C Player, B Cassidy, J Kirkby
MAISC/Motor Accidents Authority Claims Managers Committee	C Donnelly, C Player, N King, B Yeng
MAISC/Motor Accidents Authority Executive Committee	D Bowen, C Donnelly, C Player, J Dietrich
Motor Accidents Assessment Service Reference Group	C Player, M Taylor
Motor Cycle Council of NSW/Motor Accidents Partnership Working Party	C Donnelly, D Baxter, J Ireland, N King, D Vlahomitros
NSW Law Society Personal Injury Specialist Accreditation Advisory Committee	B Cassidy
NSW Law Society Specialist Accreditation – Personal Injury Assessors Panel	C Player
NSW Trauma Committee	S Freeman
RTA/Motor Accidents Authority/Insurers Tripartite Committee	C Donnelly, S Clough, R McLachlan
RTA/Motor Accidents Authority/Insurers Working Party	C Donnelly, S Clough, R McLachlan

Staff numbers and grading

In 2008/09, there was an average of 119.4 effective full-time (EFT) staff occupying positions at the Motor Accidents Authority.

Grade	30 June 2006	30 June 2007	30 June 2008	30 June 2009
SES	4	4	5	3
Senior Officer	8	5	8	8
Clerk 11/12	13	13	14	14
Clerk 9/10	19	20	20	19
Clerk 7/8	26	15	17	14
Clerk 5/6	21	22	17	21
Clerk 3/4	19	19	17	22
Clerk 1/2	33	25	17	19
Statutory and other	7	8	2	6
Total (head count)	150	131	117	126
Total (EFT)	141.5	122.5	110.2	119.4

Senior Executive Officers

The Motor Accidents Authority's Senior Executive Service establishment consists of:

- General Manager, Level 5
- Deputy General Manager, Level 3

The Office of the Motor Accidents Authority's Senior Executive Service establishment consists of:

- Director Corporate Services and Chief Financial Officer, Level 3

One SES officer is female. In 2007/08 two SES officers were female.

General Manager's performance statement

At 30 June 2009, Carmel Donnelly was the Acting General Manager of the Motor Accidents Authority. While acting as General Manager between 16 April and 30 June 2009, Ms Donnelly was paid pro-rata based on an SES 5 salary package of \$244,201.

Minister for Finance, the Hon. Joe Tripodi MP, indicated his satisfaction with Ms Donnelly's performance as acting General Manager in the management and strategic direction of the Motor Accidents Authority including her active and close oversight of the compliance of licensed CTP insurers with regulatory requirements related to premiums, market practices and services provided to claimants.

Key achievements in 2008/09 included:

- Release of new Motor Accidents Authority guidelines for mild traumatic brain injury following closed head injury in August 2008
- Implementation of enhancements to the early Accident Notification process from October 2008
- Introduction of improvements to the claims assessment and dispute resolution process from October 2008
- Availability of six month Green Slip policies from all licensed insurers for a wider range of customers from November 2008
- A special review of the premium relativities for motorcycles including recommendations for improvements to the fairness of motorcycle prices which have been approved by the Board for implementation from October 2009 and July 2010
- Enhanced information on the Authority's website for people wishing to lodge complaints or provide feedback on the agency, Scheme or insurers
- Commencement of a review of the guidelines for claims handling, treatment, rehabilitation and attendant care which form part of the regulatory framework for licensed Compulsory Third Party insurers
- Implementation of an on-line training program for general practitioners on the guidelines for management of acute whiplash associated disorders, developed in partnership with the Royal Australian College of General Practitioners.

PROMOTIONS

Grants

Non-government organisations funded

Recipient	Amount	Purpose
Ability First Australia	\$300,000	Capacity building grant – assisting children living with a disability and their families
Attendant Care Industry Association of NSW	\$6,797	Review the attendant care standards
Australasian College of Road Safety	\$2,500	Australasian College of Road Safety Journal
Australian Physiotherapy Association	\$4,545	Australian Physiotherapy Association Conference

Recipient	Amount	Purpose
Australian Society for the Study of Brain Impairment	\$4,500	Australian Society for the Study of Brain Impairment conference
Calvary Home Care Services	\$2,500	Develop training program for community access support workers
CareFlight	\$2,200,000	CareFlight Headquarters Capital Grant
CareFlight	\$1,000,000	Head Injury Retrieval Trial
Day of Difference Foundation	\$200,000	Support hospital programs for children
Injury Risk Management Research Centre	\$260,000	Operation of the Injury Risk Management Research Centre
Injury Risk Management Research Centre	\$14,142	Evaluation of Youth and Road Trauma Forum 2008
Injury Risk Management Research Centre	\$3,000	Support for cycling seminar
Institute of Trauma Education and Clinical Standards	\$53,537	Trauma Practice Guidelines and Trauma Education Programs
Kidsafe NSW	\$65,956	Kidsafe/Motor Accidents Authority Child Road Safety Initiative 2006–2009
Macquarie University	\$30,312	Validation study of the Abbreviated – Westmead Post Traumatic Amnesia Scale
Macquarie University	\$9,697	Trial standard protocols for the assessment and acute management of people with mild traumatic brain injury
Monash University	\$32,750	Australian National Crash In-depth Study Stage 3
NSW State Spinal Cord Injury Service	\$16,127	Development of spinal networks in regional NSW to support health professionals and people with spinal cord injuries
Paraplegic & Quadriplegic Association of NSW	\$192,224	Redevelop Ferguson Lodge
Pedestrian Council of Australia	\$15,000	Bicycle Courier Study
Personal Injury Education Foundation	\$7,500	Support for conference
Society of Automotive Engineers – Australasia	\$4,000	Support for vehicle rollover seminar
University of Queensland	\$34,762	Expansion of OTseeker, an occupational therapy evidence database
University of Sydney	\$101,721	Update PEDro, a web-based evidence database for physiotherapy services
University of Sydney	\$60,750	Development of SpeechBITE: Evidence-based practice for speech pathologists
University of Sydney	\$3,843	Forensic Issues in Traffic Medicine seminar
University of Sydney, Faculty of Health Sciences	\$20,658	Assisting health professionals implement evidence-based practice
University of Sydney, Faculty of Health Sciences	\$19,700	Guidelines for management of whiplash associated disorders
University of Sydney, Rehabilitation Studies Unit	\$600,000	Rehabilitation Studies Unit and Chair of Rehabilitation Studies
University of Sydney, Rehabilitation Studies Unit	\$60,288	Updating PsychBITE, an evidence database for health professionals relating to brain impairment
University of Sydney, Rehabilitation Studies Unit	\$26,664	Develop a minimum core set of International Classification of Functioning (ICF) codes
Variety, the Children's Charity	\$189,000	Liberty Swings program
TOTAL	\$5,542,473	

Other significant funding grants

Recipient	Amount	Purpose
Department of Ageing Disability and Home Care	\$5,000	Support International Day of People with a Disability
Greater Southern Area Health Service	\$29,434	Increase the use of evidence based practice by rural brain injury staff
Hunter Area Health Service	\$5,000	Brain injury research forum
Maitland City Council	\$8,000	Review and reprint Motorcycling the Hunter brochure
Prince of Wales Hospital	\$39,000	Burn Rubber Burn 2
St Vincent's Hospital	\$13,000	Review effectiveness of early rehabilitation interventions for the prevention of long term disability
Tumut Shire Council	\$5,455	Safe Motorcycle Riding in the Snowy Region
Westmead Hospital	\$13,334	Role of Sex Hormones in Recovery from traumatic brain injury
Westmead Children's Hospital	\$30,000	Youth and Road Trauma Forum 2008
TOTAL	\$148,223	

In addition to the above grants, \$17,000,000 was transferred to the Lifetime Care and Support Authority who will be the lead agency for grant management of two proposed major capital works programs in partnership with non-government organisations to provide rehabilitation facilities for people seriously injured in road crashes.

Arrive alive sponsorships and education initiatives

Initiative	Amount	Purpose
Advertising and signage	\$192,715	NRL Finals Series captains road safety radio advertisements, Sydney Football Stadium signage
Arts and music	\$127,114	triple j Hottest 100, YouthRock 2008
Australian Paralympic Committee	\$90,000	Support the Paralympic Program (this is not an Arrive alive branded initiative)
Basketball	\$88,818	Schools program with Wollongong Hawks
Football	\$500,053	Schools program with Central Coast Mariners and NSW Women's Football
Other youth programs	\$140,340	NSW Youth Week, NSW Law Week, Step to the Future
Other Arrive alive programs	\$34,293	Seven Bridges Walk, NAIDOC Week Schools Initiative, Mountain Biking
Rugby League	\$1,053,304	Schools program with Wests Tigers, St George Illawarra, Penrith, Manly and Newcastle NRL clubs, Arrive alive Cup, NRL Finals Series
Surfing	\$272,730	Layne Beachley Classic and Ambassador Program, Australian Pro Junior Series, Northern Beaches Surf Life Saving School Program
University programs	\$42,650	East Coast Challenge, Wollongong UniCentre
Wheelchair sports	\$261,191	Arrive alive Summer Down Under Series, Wheelchair Roadshow
TOTAL	\$2,803,208	

In addition to the Arrive alive road safety sponsorships, the Authority also sponsored the 2008 Variety Bash (\$62,286) as an opportunity to promote the Green Slip calculator through regional New South Wales.

Publications

The Motor Accidents Authority develops and produces guidelines for medical and health professionals, insurers and consumers to improve the management of injuries and claims under the Compulsory Third Party scheme. Five editions of the Motor Accidents Assessment Service bulletin were also produced and distributed during the year.

Motor Accidents Authority publications are available on the Authority's website, or by calling 1300 137 131.

LEGISLATION

Departures from the Subordinate Legislation Act

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

Legislative changes

Acts

On 1 October 2008, provisions of the *Motor Accidents Compensation Amendment (Claims and Dispute Resolution) Act 2007* commenced, amending the *Motor Accidents Compensation Act 1999* to extend the amount recoverable under the early notification provisions from \$500 to \$5,000 and includes recovery of lost earnings in addition to treatment expenses.

A wide range of legislative changes also commenced on 1 October 2008 that allow for faster resolution of disputes between claimants and insurers by improving practices and procedures. Claimants and insurers are required to exchange information about claims and to participate in settlement conferences before claims can be referred for assessment.

Regulations

The *Motor Accidents Compensation Amendment (Claim and Dispute Resolution) Regulation 2008* commenced on 1 October 2008. The regulation makes provision for:

- the time in which an insurer is required to pay damages assessed by a CARS Assessor
- the costs to be paid to an injured person in connection with travelling to medical examinations
- cost recovery from injured persons who fail without reasonable excuse to attend examinations arranged by the Authority
- transitional arrangements as a consequence of the *Motor Accidents Compensation Amendment (Claim and Dispute Resolution) Act 2007*.

Freedom of Information

During 2008/09, the Motor Accidents Authority processed three Freedom of Information (FOI) applications. Of the three applications processed:

- two applications were granted in full
- one application was granted in part and refused in part on the basis that the documents requested were not held (s 28(1) (b)).

There was no request for amendments of personal records. No application was made to the Ombudsman or the Administrative Decisions Tribunal for review during the reporting period. During 2008/09 compliance with the provisions of the FOI Act had no significant impact on the administration of the Authority.

The NSW Compulsory Third Party insurance market

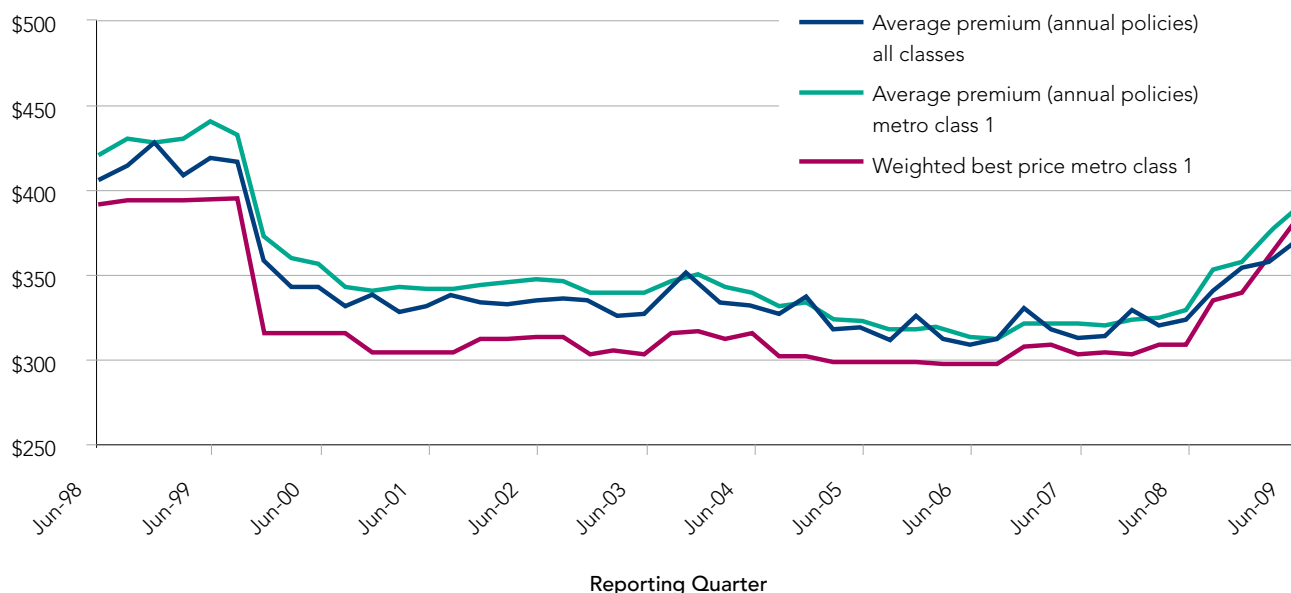
After several years of record affordability, motorists have experienced increases in their Green Slip prices over the past year. The main reason was that insurers invest the premiums they collect to ensure they have sufficient funds to meet claims payments. The global financial crisis saw a very large drop in investment returns during the year and to ensure that insurers had adequate funds to make claim payments they increased premiums.

Compulsory Third Party premiums

(Premiums reported here exclude GST.)

The total premium collected during 2008/09 financial year was \$1.3 billion compared to \$1.2 billion in 2007/08. During the same period, the number of registered vehicles increased from 4.4 million to 4.5 million. The average premium for a Sydney metropolitan passenger vehicle in the June 2009 quarter was \$389 compared to \$329 in the June 2008 quarter. The average premium over all NSW vehicles was \$372 in the June 2009 quarter compared to \$324 in the June 2008 quarter.

Trend analysis of CTP premiums



Source: Motor Accidents Authority

Market activity

Within the context of the global financial crisis, competitive activity among NSW Green Slip insurers continued during the year. In addition to one compulsory premium filing, insurers submitted 11 non-compulsory premium filings with the Motor Accidents Authority including changes in some insurers discount and loading structures which resulted in changes in prices. Competitive risk rated premiums were provided for the majority of motorists in the market. As a result, the best price for Green Slips was revised on five occasions from \$323 as at 30 June 2008, to \$377 in June 2009.

Affordability

The affordability of Green Slips is one of the key performance indicators for the Scheme. The following graph tracks average premiums and best price (for motorists aged 30–54) as a percentage of average weekly earnings. As a proportion of average weekly earnings, the market share weighted best price has dropped from 50% in 1999 to below 32% as at June 2009.

Trend of Premiums as a Percentage of Average Weekly Earnings



Source: Motor Accidents Authority

Market share

Since June 2004, seven licensed insurers have continued to write Compulsory Third Party business in NSW. During the year to 30 June 2009 there were marginal reductions in three insurers market shares while QBE and NRMA gained 1.4% and 1.5% market share respectively. The following table shows the distribution in market share, according to written premiums in the last five years.

Market Share Distribution (%) by Insurer

Insurer	June 2005	June 2006	June 2007	June 2008	June 2009
AAMI	11.5	14.1	15.1	14.7	12.5
Allianz	16.8	16.3	15.7	15.6	14.4
CIC Allianz	7.6	7.6	7.8	6.8	6.2
GIO	7.6	7.9	8.3	8.1	8.8
NRMA	39.5	37.4	35.6	35.8	37.3
QBE	10.5	10.2	10.6	12.2	13.6
Zurich	6.5	6.5	6.9	6.8	7.2

Source: Motor Accidents Authority

Scheme efficiency

The scheme is considered efficient if as much as possible of each dollar paid in premiums is returned to injured people as compensation payments. This can be achieved by reducing the transaction costs of administering the Scheme such as acquisition expenses incurred by insurers issuing Green Slips and collecting premiums, and the payment of statutory levies. These represent a per policy cost independent of claims costs. Other transaction costs relate to claims management and include the cost of employing investigators, the cost of claims departments and payments to insurers and claimants legal representatives. In the filing period commencing 1 July 2009, the projected return to claimants is 64% of total premiums.

Risk rating

The Motor Accidents Authority mandates the geographic and vehicle classifications and rating relativities for use by insurers in preparing their premium filings. The Authority does not allow insurers to rate on any geographical subdivisions other than those defined. However, the Authority permits insurers to risk rate on the basis of any other objective factors and offer their best prices to the 'best risks'. Rating factors currently used by insurers in offering loadings and discounts include the age of vehicle owners and drivers, age of vehicle, number of traffic offences, number of demerit points, motor vehicle claims history, level of motor vehicle insurance and no claim bonus.

Different insurers use different factors in calculating premiums so motorists should shop around to obtain the best Green Slip price.

Composition of filed premium

For premium setting purposes, the base premium is the premium charged to policy holders in the most prevalent vehicle class/rating region combination group, that is, ordinary motor cars in the Sydney metropolitan area. Each insurer indicates their base premium in a filing presented to the Authority. The base premiums for all other classes of vehicles and regions are calculated by applying the pricing relativities set by the Authority. The base premium is derived from the risk premium to which the insurer adds loadings for expenses, levies and a profit margin. The risk premium is the insurer's estimate of the premium that just covers the projected cost of claims. The risk premium is expressed as an average price per policy.

In calculating the base premium, various components are added to the risk premium:

- acquisition expenses
- claims handling expenses
- agents commission
- net cost of reinsurance
- profit margin
- Medical Care and Injury Services (MCIS) levy.

Insurers may apply loadings and discounts to these base premiums in each region/vehicle category, according to the Premiums Determination Guidelines.

Profit

Section 28(1) of the *Motor Accidents Compensation Act 1999* requires licensed insurers to disclose to the Authority 'the profit margin on which premiums are based' and 'the actuarial basis for calculating their profit margin'. Section 28(2) requires that the Authority report to the Legislative Council Standing Committee on Law and Justice on its assessment of insurers profit margins.

Prospective profit

The Motor Accidents Authority usually receives a premium filing from each insurer at least annually and considers all of the factors that go into calculating the proposed premiums. The Authority may reject a premium if it will not fully fund the liabilities or if it is considered to be excessive. In relation to profit, the Act provides that 'a premium will fully fund the liabilities if the premium is sufficient to provide a profit margin in excess of all claims costs and expenses that represents an adequate return on capital invested and compensation for the risk taken' (section 27(8)(c)). The Authority must therefore not reject a premium on the basis of the level of the profit as long as the level is within the range that ensures an adequate return on capital but is not excessive. The following table presents a summary of the profit margins projected by insurers in their filings to the Authority.

Profit margins in insurer filings

Filing period	Range (%)	Weighted average (%)
2003/04	7.5 – 9.7	8.5
2004/05	7.5 – 10.0	8.7
2005/06	7.5 – 10.0	8.7
2006/07	4.0 – 11.0	6.0
2007/08	5.0 – 9.3	7.7
2008/09	4.7 – 9.3	8.1

Source: Motor Accidents Authority

Over the past six years, profit margins have ranged from 4% to 11% for individual insurers, with an industry average between 6% and 8.7%. Since the introduction of the Lifetime Care and Support Scheme, lower profit margins have been experienced by the insurers. These have averaged at 8.1% for the current reporting year. The Authority considers the reported range of profit margins to be reasonable.

Realised profit

Section 5(2)(d) of the Act provides that the insurers, as receivers of public money that is compulsorily levied, should account for their actual profit margins. The assessment of profit requires a review of the development of the underwriting year from the time of the premium filing. The premium filing includes the insurer's prospective estimates of the profit margin but the actual profit or loss that an insurer may ultimately make will depend on the extent to which the other assumptions in the premium filing are realised. The Authority has made every effort to ensure that the profit component of the premium is assessed against objective criteria and has adopted a methodology prepared by the Scheme's actuaries.

Scheme development by underwriting year (all figures are in \$ millions)

Under-writing year ended 30 Sep	Premiums written during the year (\$M)	Estimate of insurers acquisition expenses and net cost of reinsurance (\$M)	Bulk-billed ambulance and hospital costs (\$M)	Proportion (%) of reported full claims finalised	Estimated discounted value:		Estimate of discounted value of profit/(loss) for insurer:	
					Claims payments (\$M)	Insurers claims handling expenses (\$M)	Amount (\$M)	Percentage of premiums (%)
2000	1,325	200	36	99	653	39	396	30
2001	1,321	198	36	98	675	40	371	28
2002	1,342	185	36	97	663	40	419	31
2003	1,395	197	39	95	783	47	330	24
2004	1,476	222	42	92	793	50	369	25
2005	1,451	224	41	83	875	63	248	17
2006	1,426	218	42	68	921	66	180	13
2007	1,221	173	n/a ¹	48	919	66	64	5
2008	1,178	167	n/a ¹	24	928	67	17	1

Source: Motor Accidents Authority

Note:

1. With effect from 1/10/06, bulk-billed costs became payable by the Motor Accidents Authority out of levy revenue, and ceased being paid by insurers out of their premium revenue. Thus, for the 2006/07 underwriting year (and subsequent underwriting years), bulk-billed costs are not part of the total costs borne by insurers in analysing estimated profitability of premiums for insurers.
2. Since further claims development is anticipated for underwriting year 2009, it would be more sensitive to changes in the assumptions and projections, hence it has been excluded from the above table.
3. Since claims payments occur over a period of time after premiums have been collected, the estimated value of ultimate claims payments per underwriting year is discounted back to the time of premium collection in order to obtain a valid measure of profit as at the time premiums were paid.
4. APRA requires that insurers estimates of their claims liabilities include a prudential margin that will provide at least 75% probability that the insurers provisions are sufficient to cover their liabilities. This represents a prudential margin of approximately 15%.
5. Estimates for recent underwriting years are much more sensitive to uncertain assumptions regarding future claim payments due to the large number of claims still to be finalised.

The previous table presents the current estimates of claims liabilities for each underwriting year and the estimated profit as a percentage of the written premium. It is important to note that this is only an estimate of what the realised profit will be if the current liability valuation is correct.

The estimates of profitability with respect to a given underwriting year, in this report, could be different to the previous report as at June 2008. Such differences arise largely due to revisions in the actuarial estimates of ultimate claim costs.

Claims

At the end of June 2009, a total of 60,482 notifications had been received by insurers in relation to accidents since 1 October 2003. Of these, there were 49,382 full claims, and 11,100 Accident Notification Forms (ANFs) which had not converted to full claims by 30 June 2009. The estimated ultimate number of notifications per accident year has been gradually declining and is less than 11,000 notifications in more recent years.

Claims experience by accident year

Accident year ¹	Full claims	ANFs	Total claims	IBNR ² estimates	Estimated ultimate claims
2003/04	9,964	2,271	12,235	115	12,350
2004/05	9,638	2,035	11,673	185	11,858
2005/06	9,096	1,913	11,009	217	11,226
2006/07	8,760	1,664	10,424	438	10,862
2007/08	8,231	1,301	9,532	653	10,185
2008/09	3,693	1,916	5,609	3,204	8,813
Total	49,382	11,100	60,482	4,812	65,294

Source: Motor Accidents Authority

Note:

1. Accident years run from 1 October to 30 September. 2008/09 covers only 9 months, and the IBNR claims projection are only for these 9 months.
2. IBNR – Incurred But Not Reported claims.
3. Data as at 30 June 2009.

The estimated ultimate number of notifications is used to calculate two measures, claim frequency and propensity to claim. Claim frequency is the number of notifications per 10,000 registered vehicles. The following table shows that the estimated claim frequency has dropped from 30 for the 2003/04 accident year to around 23 for the most recent accident year. This reduction is partly due to the increase in the number of registered vehicles over the period and the reduction in the rate of casualties.

Claims frequency and propensity to claim

Accident year	Registered vehicles ('000)	Claims frequency / 10,000 vehicles	NSW road casualties	Propensity to claim	Casualties / 10,000 vehicles
2003/04	4,054	30	26,961	0.46	67
2004/05	4,121	29	25,834	0.46	63
2005/06	4,231	27	25,947	0.43	61
2006/07	4,320	25	26,157	0.42	61
2007/08	4,416	23	24,841	0.41	56

Source: Motor Accidents Authority

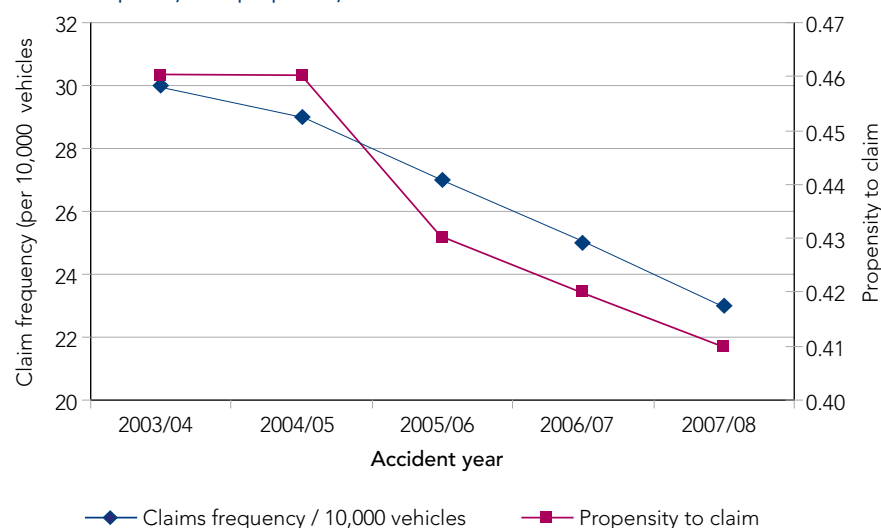
Note:

1. Accident years are from 1 October to 30 September.
2. Data on registered vehicles sourced from the RTA and adjusted to accident years.
3. Data on road casualties sourced from the RTA.
4. Table does not include 2008/09 which covers only 9 months of data as at 30 June 2009.
5. Data for more recent accident years are subject to change as estimates get updated over time.

The propensity to claim is the proportion of notifications arising from road casualties in New South Wales. The estimated propensity to claim (including ANFs) has gradually declined from 46% for accident year 2003/04 and 2004/05 to 41% for accident year 2007/08.

The casualty rate per 10,000 registered vehicles has continued to drop from 80 in 1999/00 to 67 in 2003/04 and to 56 for the latest accident year. (Data from the RTA.)

Claims frequency and propensity to claim



Source: Motor Accidents Authority

Claims profiles

The Motor Accidents Authority continually monitors the claims experience of the Scheme not only to meet its obligations under the legislation, but also to help formulate properly targeted injury prevention and injury management strategies.

The table below shows that while 65% of claims are occurring in metropolitan Sydney, these claims make up only 59% of the total claims costs. By contrast, 16% of claims occur in Country NSW but these make up 24% of the total claims cost.

Claims profile by NSW region

Accident region	% of claims	% of total cost
Metropolitan	65.2%	58.6%
Country	16.4%	24.2%
Newcastle/Central Coast	10.9%	9.9%
Wollongong	2.5%	2.8%
Other	3.4%	2.4%
Outer Metropolitan	1.5%	2.0%
Grand Total	100%	100%

Source: Motor Accidents Authority

Note:

1. Claims arising from accidents between 1/10/03 and 30/06/09.
2. Data as at 30 June 2009.
3. Percentages may not total 100 due to rounding.

Claims arising from pillion passengers, motorcycle riders and pedestrians account for small numbers of claims but disproportionately high average claim costs. For example, claims from pillion passengers make up only 0.5% of claims but 1.1% of overall claims costs with an average cost per claim of \$231,900.

In contrast, drivers make up just over half of all claims and these account for one-third of all claims costs, and have an average cost per claim of \$59,200.

Claimants profile – road user status

Road user class	% of total claims	% of total cost	Average incurred cost (\$) per claim
Driver	51.9%	33.0%	59,200
Passenger	29.2%	30.3%	97,000
Pedestrian	9.5%	20.4%	200,300
Rider	4.3%	9.3%	202,900
Cyclist	2.9%	3.5%	110,200
Other	1.8%	2.4%	126,600
Pillion	0.5%	1.1%	231,900
Total	100.0%	100.0%	93,300

Source: Motor Accidents Authority

Note:

1. Claims arising from accidents between 1/10/03 and 30/06/09.
2. Data as at 30 June 2009.
3. Percentages may not total 100 due to rounding.
4. Dollar figures are not adjusted for inflation.
5. Incurred cost is past claims payments plus an estimate for future liability.

Finalisations

The following table shows the trend in the development of finalised notifications as a proportion of the ultimate notifications projected for each accident year. The rate of finalisation continues to improve at each stage of development across all accident years.

For accident year 2003/04, 41% of ultimate claims were finalised within two years. For accidents occurring in the 2007/08 year, 42% of ultimate claims were finalised within two years.

Finalised notifications as a % of projected ultimate notifications

Accident year ¹	Development Year					
	0	1	2	3	4	5
2003/04	10%	41%	60%	77%	90%	94%
2004/05	9%	41%	62%	79%	90%	
2005/06	9%	43%	63%	79%		
2006/07	10%	42%	62%			
2007/08	10%	42%				

Source: Motor Accidents Authority

Note:

1. Accident years are from 1 October to 30 September.
2. Data as at 30 June 2009.
3. Accident year 2008/09 has been excluded, since only 9 months worth of data has been reported as at 30 June 2009.

Who causes the injuries?

The New South Wales Compulsory Third Party scheme is a fault-based scheme. Generally, an injured person can only make a claim for compensation when someone can be blamed for causing the crash. In New South Wales, males make up 49.7% of the population, 51.7% of licence holders, but cause 64.7% of crashes that result in injuries. In contrast, females cause only 31.1% of injury crashes and in the remainder of cases the gender of the at-fault driver is unknown.

People aged between 17–25 years make up 12.6% of the population, 14.5% of licence holders, but cause 18.1% of all injury crashes. Those aged between 26–54 years make up 41.1% of the population, 55.4% of licence holders, and cause 43.7% of injury crashes. Over 55 year olds make up 25.3% of the population, 28.9% of licence holders, and cause 19.0% of injury crashes. Note that 0.3% of injury crashes are caused by persons aged 16 and under and in 18.9% of cases the age of the person at fault is unknown.

Source: RTA Licence Holders for the year ending June 2008. ABS NSW Estimated Residential Population, June 2008. Motor Accidents Authority, 'At-fault' driver in crashes occurring in the year ending June 2008.

Scheme effectiveness

Distribution of claims as at 30 June 2009 by accident year

	Accident Year						
Measure	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	Total
Number of full claims	9,964	9,638	9,096	8,760	8,231	3,693	49,382
Number of direct full claims	7,020	6,908	6,573	6,617	6,320	2,542	35,980
Number of ANFs	2,271	2,035	1,913	1,664	1,301	1,916	11,100
Number of converted ANFs	2,944	2,730	2,523	2,143	1,911	1,151	13,402
Total notifications	12,235	11,673	11,009	10,424	9,532	5,609	60,482
% ANFs to total notifications	42.6	40.8	40.3	36.5	33.7	54.7	40.5
Number of finalised (total notifications)	11,644	10,620	8,814	6,750	4,237	1,121	43,186
% finalised (total notifications)	95.2	91.0	80.1	64.8	44.5	20.0	71.4
% legal representation: full claims	58.4	57.6	58.2	58.1	56.7	58.4	57.9
% legal representation: total notifications	48.0	47.8	48.3	49.0	49.2	40.0	48.3
% litigated: full claims	7.3	7.0	5.8	2.7	0.9	0.1	6.1
% litigation: total notifications	5.9	5.7	4.8	2.3	0.8	0.1	5.0

Source: Motor Accidents Authority

Note: Comparison between years is problematic as accident years are at different stages of development and not all data is yet available.

Access to compensation

The Accident Notification Form (ANF) allows injured persons to make a claim more easily and quickly, and ensures faster payment from the insurer. The previous table shows that at 30 June 2009, 24,502 (11,100 + 13,402) ANFs had been lodged since 1 October 2003. This equates to about 41% of claimants using this simplified process to notify insurers of their claim. From 1 October 2008, the limit on ANFs increased from \$500 to \$5,000 which has led to the increase in numbers.

Timing and service delivery

Over the last 10 years, the average time to lodge a claim has reduced by 19% from 150 days to 121 days and the average time taken by insurers to make the first payment on a claim was 73 days.

Legal representation and litigation

For injured people lodging full claims during the reporting year, 58% were legally represented which is consistent with previous years.

Claim payments

The following table shows a breakdown of claim payments by accident year and payment year. The estimated total incurred cost of the Scheme since 2003/04 to date, based on payments and insurers outstanding estimates on individual claims is \$5.77 billion including bulk billing costs for public hospitals and ambulance services. It should be noted that this estimate of claims costs does not include a component for claims that have not yet been reported. It is the aggregate of estimates attached by insurers to individual claims that have already been reported. These estimates are revised throughout the life of a claim. Revisions are made in response to stabilisation of the claimant's injuries and factors such as superimposed inflation and legal precedent.

Since 2003/04 a total of over \$2.4 billion has been paid, representing 42% of incurred costs. Payments are highest for the earliest accident years because those years are more developed and also because the Scheme has had a reduction in reported notifications for all accident years at all stages of development (see table on notifications by accident year). Although 94% of claims from accident year 2003/04 have been finalised, only 79% of the incurred cost has been paid, indicating that the claims with more serious injuries and therefore higher costs, are still outstanding.

Claims payments by accident year and payment year (\$ are in millions)

Payment Year	Accident Year ¹						Total
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	
2003/04	\$13.4						\$13.4
2004/05	\$71.0	\$15.7					\$86.7
2005/06	\$119.3	\$60.0	\$16.0				\$195.3
2006/07	\$243.5	\$141.8	\$66.7	\$19.1			\$471.1
2007/08	\$308.1	\$244.1	\$162.6	\$78.4	\$17.1		\$810.3
2008/09	\$98.1	\$212.2	\$200.2	\$116.9	\$58.1	\$11.4	\$696.9
Total payments to 30/06/09	\$853.4	\$673.8	\$445.5	\$214.4	\$75.2	\$11.4	\$2,273.7
Bulk bill (ambulance & public hospital)	\$41.6	\$42.1	\$43.5	n/a	n/a	n/a	\$127.2
Total payments (including bulk billing)	\$895.0	\$715.9	\$489.0	\$214.4	\$75.2	\$11.4	\$2,400.9
Total incurred cost ²	\$1,135.9	\$1,079.8	\$1,189.7	\$1,087.2	\$882.7	\$394.6	\$5,769.9
% paid as at 30/06/09	79%	66%	41%	20%	9%	3%	42%

Source: Motor Accidents Authority

Note:

1. Accident years and payment years are from 1 October to 30 September.
2. As from 1 October 2006, bulk-billed costs became payable by the Authority out of levy revenue, and ceased being paid by insurers out of their premium revenue. Costs prior to this include bulk billing as a cost to insurers.
3. Claims data is as at 30 June 2009.

Motor Accidents Assessment Service

The Motor Accidents Assessment Service (MAAS) division of the Motor Accidents Authority provides independent resolution of medical and claims disputes between claimants and insurers. It does this through the provision of two separate but complementary dispute resolution services, the Medical Assessment Service (MAS) and the Claims Assessment and Resolution Service (CARS). This report briefly looks at MAAS activities overall and then MAS and CARS in more detail.

The following report shows that during 2008/09 there was an 8% increase in the total number of applications lodged at the MAAS with just over half of all applications lodged being for MAS. The number of CARS and MAS applications has increased during the year, but as an overall proportion of all notifications in the Scheme the proportion of notifications with a dispute coming to MAAS is continuing to decrease.

MAAS – Lodgements and Finalised Applications

Table 1 shows that the 2008/09 financial year saw an 8% increase in the total number of applications lodged. There has been a 6% increase (4,054 to 4,297) in the total number of MAS applications and a 12% increase (3,119 to 3,491) in the total number of CARS applications. Applications to CARS have been gradually increasing since the amendment to the Guidelines in 2006 which encouraged parties to be more thorough in their preparation and process prior to lodging a dispute, which in turn led to more disputes being resolved without the need for intervention. Just over half of all applications lodged were for MAS, as has been the experience since MAAS began.

Table 1: Applications Lodged

Applications	2004/05	%	2005/ 06	%	2006/07	%	2007/08	%	2008/09	%
MAS Applications	6,391	59%	5,557	55%	4,437	62%	4,054	57%	4,297	55%
CARS Applications	4,393	41%	4,481	45%	2,667	38%	3,119	43%	3,491	45%
Total Lodged	10,784	100%	10,038	100%	7,104	100%	7,173	100%	7,788	100%

Source: Motor Accidents Assessment Service

Over recent years the number of applications finalised (table 2) has exceeded the number of applications lodged (table 1), however, in the most recent year applications lodged marginally exceeded applications finalised.

Table 2: Applications Finalised

Applications	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
MAS Applications	7,333	63%	6,528	56%	5,311	55%	4,370	56%	3,894	52%
CARS Applications	4,393	37%	5,039	44%	4,302	45%	3,490	44%	3,564	48%
Total Finalised	11,726	100%	11,567	100%	9,613	100%	7,860	100%	7,458	100%

Source: Motor Accidents Assessment Service

Medical Assessment Service (MAS)

The Medical Assessment Service (MAS) determines disputes about treatment, stabilisation and the degree of permanent impairment of injuries, and the degree of impairment to a claimant's earning capacity. Assessment is by referral to health experts appointed under the Act as MAS Assessors whose decisions about past and future treatment, permanent impairment and stabilisation are binding on the parties, CARS and the courts.

Claims with MAS Disputes

Not all claims have medical disputes that need to be referred to MAS. Table 3 shows that since the commencement of the Scheme, the proportion of all notifications with a medical dispute that has been referred to MAS has continued to decrease as the Scheme matures.

Table 3: Notifications with MAS

Notifications	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Notifications with a MAS Application	3,324	3,038	2,962	2,636	2,181	1,725	807	89
Notifications with No MAS Application	10,398	9,396	9,273	9,037	8,828	8,699	8,725	5,520
Total Notifications	13,722	12,434	12,235	11,673	11,009	10,424	9,532	5,609
% Notifications with a MAS Dispute	24%	24%	24%	23%	20%	17%	8%	2%
% Notifications with No MAS Disputes	76%	76%	76%	77%	80%	83%	92%	98%

* The last three accident years shaded are still immature and disputes may be lodged in future periods on claims from these accident years. Claims and MAS applications can be lodged years after the date of accident and therefore data relating to accidents that occurred before 30 June 2006 is considered to be more stable and therefore more reliable.

The latest accident year reports the nine months to 30 June only.

Source: Motor Accidents Authority and Motor Accidents Assessment Service

As shown in table 4, most medical disputes relate to the level of whole person impairment. This is expected given the significance of this assessment in determining whether or not a claimant is entitled to make a claim for damages for non-economic loss. The proportion of claims with a whole person impairment dispute has continued to decrease over recent years. This is consistent with reduced rates of all medical disputes in recent years, in particular treatment disputes. The proportion of notifications with WPI disputes lodged at MAS has continued to reduce.

Table 4: Notifications to Date with MAS by Dispute Types

Notifications	2001/02	%	2002/03	%	2003/04	%	2004/05	%	2005/06	%
Total Notifications	13,722		12,434		12,235		11,673		11,009	
Notifications with a MAS Treatment Dispute	682	5%	445	4%	308	3%	214	2%	150	1%
Notifications with a MAS WPI Dispute	3,149	23%	2,896	23%	2,854	23%	2,568	22%	2,114	19%
Notifications with a MAS Earning Capacity Dispute	633	5%	442	4%	364	3%	250	2%	121	1%
Notifications with a MAS Further Assessment	692	5%	543	4%	464	4%	324	3%	174	2%
Notifications with a MAS Review Application	580	4%	510	4%	437	4%	354	3%	241	2%

Note: One claim may have more than one type of dispute at MAS.

* The most recent three accident years of the Scheme are not shown as the data is not sufficiently complete or reliable at this stage.

Source: Motor Accidents Authority and Motor Accidents Assessment Service

MAS Lodgements and Finalisations

Table 5 shows the number of MAS primary applications, further applications and reviews lodged over the past five years. These have been dominated by whole person impairment applications. The 2008 legislative reforms removed earning capacity as a dispute type, and there had been a consistent downward trend in this type of application over the last four years.

Table 5: MAS Applications

MAS Applications	2004/05	%	%	2005/06	%	%	2006/07	%	%	2007/08	%	%	2008/09	%	%
Treatment	656	10	14	369	7	10	285	6	9	180	4	6	201	5	6
WPI & Stabilisation	3,391	53	72	3,049	55	80	2,492	56	83	2,539	63	89	3,009	70	93
Earning Capacity	640	10	14	404	7	11	239	5	8	132	3	5	37	1	1
Primary Applications#	4,687	73	100	3,822	69	100	3,016	68	100	2,851	70	100	3,247	76	100
Further Assessment	964	15		981	18		836	19		695	17		540	13	
Review	740	12		754	14		585	13		508	13		498	12	
Total MAS Applications	6,391	100		5,557	100		4,437	100		4,054	100		4,285	100	

Not including furtherers and reviews which can only be lodged in relation to a prior 'primary' application.

Percentages may not total to 100 due to rounding.

Source: Motor Accidents Assessment Service

Table 6: MAS Finalisations

MAS Applications	2004/05	%	%	2005/06	%	%	2006/07	%	%	2007/08	%	%	2008/09	%	%
Treatment	818	11	15	540	8	11	337	6	9	252	6	8	173	4	6
WPI & Stabilisation	3,848	52	70	3,591	55	76	2,928	56	83	2,673	61	86	2,711	70	92
Earning Capacity	798	11	15	582	9	12	327	5	8	201	5	6	65	2	2
Primary Applications Finalised#	5,464	75	100	4,713	72	100	3,592	68	100	3,126	72	100	2,949	76	100
Further Assessment	891	12		1,057	16		1,080	19		755	17		523	13	
Review	978	13		758	12		639	13		489	11		422	11	
Total MAS Finalised	7,333	100		6,528	100		5,311	100		4,370	100		3,894	100	

Not including furtherers and reviews.

Percentages may not total to 100 due to rounding.

Source: Motor Accidents Assessment Service

MAS Disputes

Following are the details of the different types of disputes assessed at MAS including the outcomes of these disputes. A MAS matter may include more than one dispute and consequently, the number of reported outcomes will exceed the number of matters that have been finalised. Outcomes relate to matters finalised during each financial year.

Treatment Disputes

Occasionally in the handling of a claim, a dispute may arise between a claimant and an insurer over a specific form of treatment that is sought. These disputes may be brought to MAS at any time to enable the dispute to be assessed as quickly as possible and enable the claimant's rehabilitation and/or treatment to continue.

Treatment disputes lodged with MAS may relate to one specific form of treatment, or a great many different forms of treatment, and they may be brought to MAS at any time. There are two types of treatment disputes that may be brought to MAS:

- Related treatment: whether or not a specified treatment relates to the injury caused by the motor accident (past and future)
- Reasonable and Necessary treatment (R&N): whether the specified treatment is/was reasonable and necessary in the circumstances (past and future).

Assessments on these disputes are conclusive. The outcomes for assessments of these treatment disputes during the reporting period are set out in tables 7 and 8.

Table 7: Related Treatment Disputes – Outcomes

Outcomes	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
All treatment in dispute is related	113	51%	87	52%	47	40%	44	46%	14	30%
Some treatment in dispute is related and some is not	53	24%	39	23%	24	21%	19	20%	9	19%
All treatment in dispute is not related	55	25%	42	25%	46	39%	33	34%	24	51%
Total Disputes Assessed	221	100%	168	100%	117	100%	96	100%	47	100%
Settled, withdrawn, rejected	99		84		38		31		35	
Total Finalised	320		252		155		127		82	

Source: Motor Accidents Assessment Service

Table 8: Reasonable and Necessary Treatment Disputes – Outcomes

Outcomes	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
All treatment in dispute is R&N	83	18%	79	22%	58	27%	50	33%	19	22%
Some treatment in dispute is R&N and some is not	187	42%	119	34%	52	24%	32	21%	19	22%
All treatment in dispute is not R&N	180	40%	157	44%	104	49%	70	46%	47	55%
Total disputes assessed	450	100%	355	100%	214	100%	152	100%	85	100%
Settled, withdrawn, rejected	250		141		828		57		56	
Total Finalised	700		496		296		209		141	

Percentages may not total to 100 due to rounding.

Source: Motor Accidents Assessment Service

Whole Person Impairment

Whole person impairment disputes involve the assessment of the degree of permanent impairment resulting from the injuries caused by the motor accident. An assessment of greater than 10%, or an agreement between the parties to that effect, entitles the claimant to claim compensation for non-economic loss.

Applications for assessment are usually received including the related issue of stabilisation and are assessed together. Stabilisation refers to whether the injuries are stable and unlikely to change significantly, however more importantly, impairment must be permanent before the degree of whole person impairment can be determined. Assessment of stabilisation as a separate dispute was removed in the 2008 legislative reforms.

The outcomes of whole person impairment assessments during the last five financial years are remarkably consistent, with 22% of all disputes assessed found to be have a whole person impairment of greater than 10% as set out in table 9.

Table 9: WPI Assessments

WPI Assessments	2004/05	%	%	2005/06	%	%	2006/07	%	%	2007/08	%	%	2008/09	%	%
Not Greater than 10%	2,333	67	79	2,481	71	81	1,935	69	80	1,709	67	79	1,595	64	78
Greater than 10%	626	18	21	566	16	19	474	17	20	458	18	22	452	18	22
Total Assessments	2,949	85	100	3,047	87	100	2,409	86	100	2,167	85	100	2,047	82	100
Assessment Declined#	319	9		186	5		153	5		98	4		61	2	
Settled, Withdrawn, Rejected	222	6		279	8		256	9		287	11		368	16	
Total WPI Disputes Finalised	3,490	100		3,512	100		2,818	100		2,552	100		2,476	100	

Under section 132(3) of the Act, an Assessor may decline to assess the degree of whole person impairment of an injured person until the assessor is satisfied the injuries have become permanent. Includes matters previously categorised as 'Unable to be Assessed'.

Percentages may not total to 100 due to rounding.

Source: Motor Accidents Assessment Service

Earning Capacity

The assessment of disputes about earning capacity by MAS was removed in the legislative reforms which took effect from 1 October 2008. These assessments were increasingly being found to be of limited assistance to parties in seeking to resolve claims and medical disputes about claims for a variety of reasons including that the assessments were non-binding and that the assessments really only went to whether or not there was an impairment to capacity, and not to the degree of, or impact of, any loss of capacity.

The outcomes of both past and future earning capacity assessments during the last five financial years are set out in tables 10 and 11 below.

Table 10: Earning Capacity (Past)

	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
No Impairment to Capacity	73	11%	62	13%	51	18%	30	17%	8	15%
Some Impairment to Capacity	597	89%	423	87%	230	82%	143	83%	46	85%
Total Assessments	670	100%	485	100%	281	100%	173	100%	54	100%
Settled, Withdrawn, Rejected	60		48		27		23		7	
Total Disputes Finalised	730		533		308		196		61	

Source: Motor Accidents Assessment Service

In this period the outcomes of both past and future earning capacity disputes have been remarkably consistent with previous years.

Table 11: Earning Capacity (Future)

	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
No Impairment to Capacity	256	37%	206	39%	126	45%	75	43%	26	47%
Some Impairment to Capacity	4377	63%	319	61%	157	55%	98	57%	29	53%
Total Assessments	693	100%	525	100%	283	100%	173	100%	55	100%
Settled, Withdrawn, Rejected	84		54		33		21		9	
Total Disputes Finalised	777		579		316		194		64	

Source: Motor Accidents Assessment Service

Further Assessments

After a 'primary' assessment has been completed by MAS, either of the parties to the dispute may apply for a further medical assessment if there is a deterioration of the injury or if they provide additional relevant information about the injury, that may be capable of changing the outcome of the dispute. A CARS Assessor or a Court may also refer a matter that has already been assessed back to MAS for a further assessment. Such referrals for a further assessment may occur at any time and may occur more than once, even after a further assessment has already been conducted or a Review has been conducted.

The rate of acceptance of applications has risen over the last year, as is shown in the following table.

Table 12: Further Assessment Acceptance Rate

	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
Accepted	640	76%	915	92%	647	65%	417	60%	346	71%
Not Accepted	198	24%	81	8%	355	35%	275	40%	139	29%
Total Decisions	838	100%	996	100%	1,002	100%	692	100%	485	100%
Settled, Withdrawn, Rejected*	64		80		49		39		44	

* These cases were settled, withdrawn or rejected before the decision about whether to accept was made.

The MAS Guidelines changed in May 2006 to clarify that to be 'relevant' information must be capable of changing the outcome of an assessment, and so acceptance rates from prior periods are not directly comparable.

Source: Motor Accidents Assessment Service

Table 13 below provides details of the outcomes of further assessments over the past five financial years.

Table 13: Further Assessment Outcomes

	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
No Change At All	148	24%	198	22%	117	20%	75	19%	100	30%
Change but Not Material	288	46%	449	50%	243	41%	141	36%	121	36%
Changed Outcome	193	30%	256	28%	233	39%	175	45%	114	34%
Total	629	100%	903	100%	593	100%	391	100%	335	100%
Assessment Declined*, Settled, Withdrawn, Rejected #	9		38		37		30		80	

* Under section 132(3) of the Act, an Assessor may decline to assess the degree of whole person impairment until the assessor is satisfied the injuries are permanent.

These cases were settled, withdrawn or rejected after the decision to accept the further was made but before the matter was assessed.

Source: Motor Accidents Assessment Service

The proportion of further assessments materially changing the outcome of the original assessment reduced significantly over the last year to 33%. The proportion of cases where there was no change in the result at all has increased significantly to 30% of all further assessments. These results may be a corollary of the data in table 12 showing an increase in the proportion of applications being accepted by MAAS, suggesting that although proportionately more matters have been accepted, those additional matters being accepted and assessed do not appear to be materially changing the outcome of the original assessments.

Reviews of Medical Assessments

Either party may apply for the review of a MAS assessment after a 'primary' assessment or after a 'further' assessment. As a medical dispute at MAS may need to be referred to more than one Assessor for determination (for example, different Assessors to assess different injuries in the case of impairment) each of those individual assessments by a 'single Medical Assessor' may be the subject of an application for review. A review must be lodged within 30 working days of MAS sending the original single Assessor's determination (in a treatment dispute or an impairment dispute assessed by a single Assessor), or the certificate combining the assessments of multiple single Assessors.

Table 14: Review Acceptance Rate

	2004/05	2005/06	2006/07	2007/08	2008/09
Applications Considered	944	733	613	470	401
Not Accepted	779	601	458	360	301
Applications Accepted and Referred to a Panel	165	132	155	110	100
% Accepted and Referred to a Panel	17%	18%	25%	23%	25%

Source: Motor Accidents Assessment Service

For those matters where the application for review was accepted, the matter is allocated to a Review Panel for the matter to be re-assessed. The outcome of that Panel assessment may either be exactly the same as the original assessment with the same dispute outcome confirming the original certificate, different to the original outcome with a change to the certificate but with no change to the outcome of the assessment, or different to the original outcome also changing the outcome of the original assessment.

The table below provides details of the outcomes of Review Panel assessments over the past five years.

Table 15: Review Panel Outcomes

	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
No Change at All	25	17%	23	19%	33	23%	21	21%	18	20%
Change but Not Material	48	32%	29	24%	49	34%	17	17%	19	21%
Changed Outcome	78	52%	71	58%	63	43%	60	61%	54	59%
Total Panel Outcomes	151	100%	123	100%	145	100%	98	100%	91	100%

Percentages may not total to 100 due to rounding.

Source: Motor Accidents Assessment Service

The proportion of Review Panel decisions that changed the outcome of the assessment has remained steady over the last few years, apart from a slight decrease in 2006/07. The proportion of Review Panel decisions over the same period that have made no change at all to the outcome has remained stable at about 20% of decisions. The assessment by the Panel is a fresh assessment and any new information that has become available to the parties by the time of the review is generally made available to the Panel. It is often as a result of this new information that Review Panel outcomes are different from original assessment outcomes.

Claims Assessment and Resolution Service

The Claims Assessment and Resolution Service (CARS) provides an independent service to assess disputed claims. There is no access to the courts unless a claim has either been assessed at CARS or exempted from assessment.

Claims are assessed by officers of the Authority designated under the Act as Claims Assessors. If the insurer admits liability, the CARS general assessment of the quantum of the claim is binding on the insurer (if the claimant accepts the assessment). A claimant can reject the CARS general assessment and proceed to Court however cost penalties will apply if the claimant does not achieve a significantly better result in Court. If the insurer disputes liability, both the insurer and the claimant may reject the CARS general assessment.

In addition to the general assessment of claims, CARS also assesses procedural disputes arising in connection with claims by way of special assessments.

Claims with CARS Disputes

Only a minority of claims that have a dispute need to be referred to CARS.

The table below shows that the proportion of all notifications (ANFs plus full claims) with claim-related disputes that have been referred to CARS is declining.

Table 16: Notifications with CARS Application

Notifications	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Notifications with a CARS Application	3,502	3,223	3,071	2,833	2,383	1,245	798	102
Notifications with No CARS Application	10,220	9,211	9,164	8,840	8,626	9,179	8,734	5,507
Total Notifications	13,722	12,434	12,235	11,673	11,009	10,424	9,532	5,609
% Notifications with a CARS Dispute	26%	26%	25%	24%	22%	12%	8%	2%
% Notifications with No CARS Disputes	74%	74%	75%	76%	78%	88%	92%	98%

* The last three accident years shaded are still immature and CARS disputes may be lodged in future periods on claims from these accident years.

Accident year 2008/09 reports the nine months to 30 June only.

Source: Motor Accidents Assessment Service

The proportion of notifications with General Assessment Applications lodged at CARS has continued to decline.

The most recent three accident years of the Scheme are not shown in table 17 as they have insufficient data for meaningful analysis.

Table 17: Notifications with CARS by Dispute Types

Notifications	2001/02	%	2002/03	%	2003/04	%	2004/05	%	2005/06	%
Notifications Lodged	13,722		12,434		12,235		11,673		11,009	
Notifications with a CARS Exemption	1,377	10%	1,240	10%	1,257	10%	1,359	12%	1,351	12%
Notifications with a CARS General Assessment	2,298	17%	2,054	17%	1,806	15%	1,447	12%	988	9%
Notifications with a CARS Further Assessment	3	0%	3	0%	2	0%	3	0%	4	0%
Notifications with a CARS Special Assessment	220	2%	188	2%	179	1%	150	1%	127	1%

Note: One claim may have more than one type of dispute at CARS.

The three most recent accident years of the Scheme are not shown as the data is not sufficiently complete or reliable at this stage.

Source: Motor Accidents Assessment Service

CARS Lodgements and Finalisations

The increase in the number of lodgements at CARS during 2008/09 has included increases across all categories.

Table 18: CARS Applications by Type

CARS Applications	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
Exemptions	1,694	39%	1,663	37%	1,344	50%	1,476	47%	1,719	49%
General Assessment	2,464	56%	2,534	57%	1,163	44%	1,486	48%	1,563	45%
Further Assessment	10	0%	7	0%	4	0%	4	0%	8	0%
Special Assessment	225	5%	277	6%	156	6%	153	5%	201	6%
Total	4,393	100%	4,481	100%	2,667	100%	3,119	100%	3,491	100%

Source: Motor Accidents Assessment Service

The total number of CARS applications finalised in the financial year was greater than the total number of lodgements, as shown in the following finalisation table.

Table 19: CARS Finalisations by Type

Type	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
Exemptions	1,664	37%	1,912	38%	1,455	34%	1,475	42%	1,698	48%
General Assessment	2,524	57%	2,851	57%	2,603	61%	1,848	53%	1,689	47%
Further Assessment	2	0%	12	0%	6	0%	4	0%	5	0%
Special Assessment	223	5%	264	5%	238	6%	163	5%	172	5%
Total	4,393	100%	5,039	100%	4,302	100%	3,490	100%	3,564	100%

Percentages may not total to 100 due to rounding.

Source: Motor Accidents Assessment Service

Exemptions

A party cannot commence proceedings in Court unless the claim either has been exempted from assessment at CARS or has been assessed at CARS. The Act provides for two types of exemptions, mandatory exemptions by the Principal Claims Assessor, that is a claim must be exempted when certain specific circumstances exist as provided for in the Claims Assessment Guidelines, and discretionary exemptions where a Claims Assessor may find that a claim is 'unsuitable for assessment' and approval of the Principal Claims Assessor is obtained.

Since 1999, the types of claims that attract a mandatory exemption under the Guidelines have remained fundamentally the same, although with a number of changes to specific classes of disputes impacting on the number and type of claims exempted. A claim is exempt where the insurer denies fault, alleges that the claimant is more than 25% responsible for the accident, the claimant lacks legal capacity, the claim is made against someone who is not a Compulsory Third Party insurer, fraud is alleged, or the insurer denies indemnity.

Table 20 below shows the proportion of matters exempted has remained stable at 97%, with only 37 applications not exempted in this period. This is largely attributable to the greater clarification of the mandatory grounds for exemption in the May 2006 and October 2008 Guidelines.

Table 20: Outcomes of Applications for Exemption

Outcomes	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
Exempted	1,199	83%	1,514	86%	1,018	96%	1,090	96%	1,352	97%
Not Exempted	239	17%	242	14%	39	4%	51	4%	37	3%
Exemptions Determined	1,438	100%	1,756	100%	1,057	100%	1,141	100%	1,389	100%
Withdrawn/Settled/Dismissed	140		127		101		155		185	
Total Finalised	1,578		1,883		1,158		1,296		1,574	

Note: These outcomes are the outcomes of CARS 1A Exemption Applications only

Source: Motor Accidents Assessment Service

The various reasons for the mandatory exemption of matters under section 92(1) (a) of the Act are shown in table 21 below for the past four years, noting that the grounds have changed slightly in recent years as outlined above.

Table 21: Reasons for Mandatory S.92(1)(a) Exemption

Reasons for Exemption	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
Fault Denied	648	69%	842	67%	664	65%	689	63%	898	66%
More Than 25% Contributory Negligence Alleged	74	8%	124	10%	96	9%	124	11%	143	11%
Injured Person/Dependant Lacks Legal Capacity	18	2%	24	2%	48	5%	77	7%	27	2%
Injured Person/Dependant Under 18 Years Age	182	19%	248	20%	136	13%	120	11%	190	14%
Claim Against Non CTP Insurer	0	0%	5	0%	74	7%	78	7%	88	6%
Fraudulent Claim Alleged (New)	14	1%	16	1%	n/a	n/a	n/a	n/a	1	0%
Insurer Denies Indemnity (New)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12	1%
Total*	936	100%	1,259	100%	1,018	100%	1,088	100%	1,359	100%

Note: The number of reported reasons for matters exempted from CARS may exceed the number of matters that have been exempted as there may be more than one reason for the exemption. Outcomes relate to matters finalised during the reporting period including applications for Exemption, General Assessment, Further General Assessment, or Special Assessment where an exemption may be issued.

Percentages may not total to 100 due to rounding.

Source: Motor Accidents Assessment Service

General Assessments and Further General Assessments

CARS assessments are undertaken by experts appointed under the Act as Claims Assessors.

If the insurer admits liability, the CARS general assessment of the quantum of the claim is binding on the insurer. A claimant can reject the CARS general assessment and proceed to Court, however, cost penalties will apply if the claimant does not achieve a significantly better result in Court. If a matter proceeds after a CARS assessment to Court and new evidence is then adduced that was not before the original Claims Assessor, the matter may be remitted to CARS for a Further General Assessment to occur. Table 22 below shows the outcomes of these assessments over the past five years.

Table 22: Outcomes of General and Further General Assessments

Outcomes	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
Assessed at Conference	396	16%	495	18%	443	19%	333	21%	325	23%
Assessed on Papers	153	6%	57	2%	18	1%	13	1%	9	1%
Subtotal Assessed	549	22%	552	20%	461	20%	346	22%	334	24%
Dismissed	61	2%	93	3%	90	4%	32	2%	48	3%
Withdrawn	126	5%	95	4%	31	1%	14	1%	5	0%
Exempt (mandatory exemptions and 'unsuitable' exemptions)	166	7%	205	8%	92	4%	83	5%	57	4%
Settled	1,568	63%	1,765	65%	1,600	70%	1,102	70%	954	68%
Subtotal Not Assessed	1,921	78%	2,158	80%	1,813	80%	1,231	78%	1,064	76%
Total Finalised	2,470	100%	2,710	100%	2,274	100%	1,577	100%	1,398	100%

Percentages may not total to 100 due to rounding.

Source: Motor Accidents Assessment Service

Special Assessments

If a 'procedural dispute' arises in a claim it may be referred to a CARS Assessor to assess, if it is one of the procedural disputes listed in s.96 of the Act. These special assessments include disputes about late claims, claims not reported to the Police, claim forms not complying with requirements, whether an insurer can delay making an offer, and whether a payment for treatment or rehabilitation must be made. Since October 2008, an additional five dispute types may now be referred to CARS for assessment, the first of which that have begun being lodged at CARS are disputes about whether insurers must make an interim payment under the new s.84A of the Act.

The table below highlights that the vast majority of special assessment disputes lodged continue to relate to whether or not a late claim may be made.

Table 23: Special Assessment Dispute Lodgements

Lodgements	2004/05	%	2005/06	%	2006/07	%	2007/08	%	2008/09	%
Late Claims	177	75%	201	70%	114	72%	101	65%	158	85%
Report to Police	10	4%	11	4%	16	10%	40	26%	2	1%
Incomplete Claim Form	15	6%	18	6%	5	3%	6	4%	19	10%
Delay Offer	27	11%	40	14%	21	13%	7	4%	3	2%
Treatment Payment	6	3%	17	6%	2	1%	2	1%	1	1%
Interim Payment (new)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3	2%
Total Lodged	235	100%	287	100%	158	100%	156	100%	186	100%

Percentages may not total to 100 due to rounding.

Source: Motor Accidents Assessment Service

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