Lifetime Care & Support Authority

REVIEW PLAN ACT

ANNUAL REPORT 2014/15

LETTER TO THE MINISTER

22 October 2015

The Hon. Dominic Perrottet, MP
Minister for Finance and Services
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Minister

In accordance with the *Annual Reports (Statutory Bodies) Act 1984*, we have pleasure in submitting for your information and presentation to Parliament, the Annual Report for the Lifetime Care and Support Authority (LTCSA) for the financial year ended 30 June 2015.

This year the LTCSA spent $99.2 million on services for our 1,036 participants. We looked at ways to improve services and give participants more choice and control, piloting a direct funding model with 15 Scheme participants who were given the funds to manage their own attendant care needs.

We built capacity by supporting service providers; delivering a range of workshops to train providers to assist participants in their care and recovery. In 2014/15 we also completed our move to a more regionalised model of operation, localising and improving capabilities for staff to oversee processes from start to finish and engage strategically with stakeholders.

In conjunction with the Motor Accidents Authority, NSW Health and the University of Sydney we launched the John Walsh Centre for Rehabilitation Research, allowing us to contribute to equipping the sector and providing tangible outcomes for seriously injured people, now and into the future.

The LTCSA also secured funding for a further five years of the In-Voc program, which improves return to work outcomes and life after recovery. In partnership with the Agency for Clinical Innovation, we also developed two vocational intervention models to help people with a brain injury return to work or undertake a training placement.

The Lifetime Care Scheme is young; however we are broadening our focus beyond immediate recovery and rehabilitation to help participants return to full and meaningful lives in the long term. We are provisioning a customer-centric Scheme that empowers participants to choose and control their own care needs and to access targeted educational and vocational programs that will pave the way to an independent future.

Yours Sincerely,

Vivek Bhatia
Chief Executive
Lifetime Care and Support Authority

2014/15

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NSW Government publication
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The Lifetime Care and Support Authority 2014/15 Annual Report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* for the Hon. Dominic Francis Perrottet MP.

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A copy of this report is available at lifetimecare.nsw.gov.au

355 interim participants

681 lifetime participants

29% of participants are aged between 20 & 29 years old

73% of adults

Traumatic brain injury remains the most common injury type

89% of children

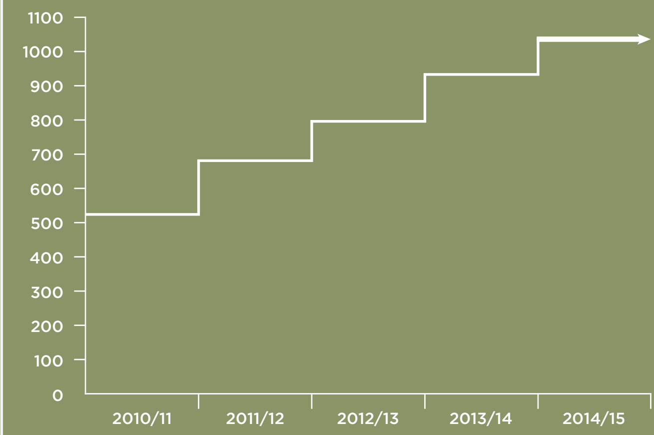
Overall participant satisfaction rate remains high 82%

10,000+

funding decisions made

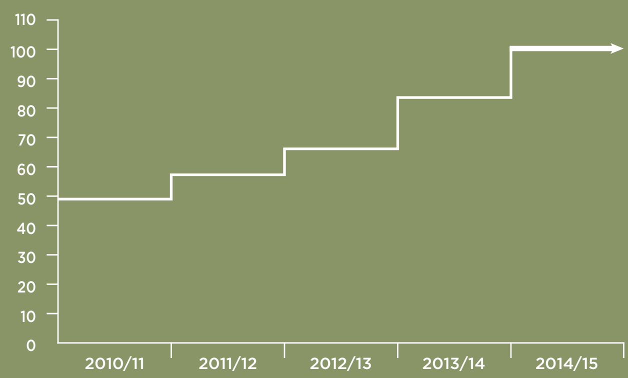
289 approved case managers

TOTAL NUMBER OF PARTICIPANTS



22 approved attendant care providers

EXPENDITURE ON TREATMENT, REHABILITATION AND CARE $M*



*includes bulk billing fees

Investment overall return 11.7%

Levy collected $411.8m

HIGH LEVEL OF SATISFACTION WITH FUNDED SERVICES CONTINUES

92%
case management

88%
attendant care

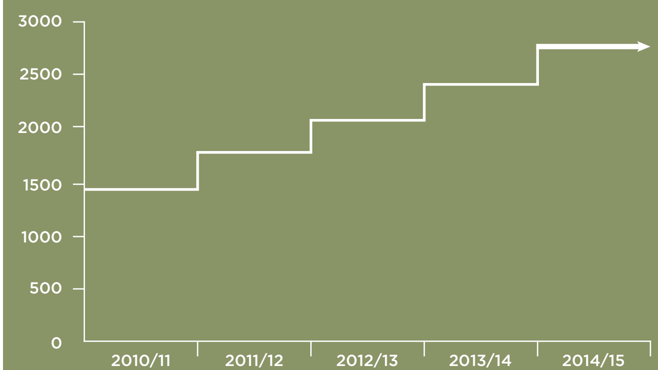
97%
home/vehicle modification

88%
assistive technology (equipment)

91%
vocational/educational

32%
of the adults in the Scheme were drivers in vehicles at the time of the accident.

PROVISION FOR PARTICPANT'S TREATMENT, REHABILITATION AND CARE $M*



98.3%
of participants with a spinal cord injury use assistive technology

62%
of participants have a case manager

$39.6 million
in expenditure on attendant care services

79
major home modification projects being managed*

20%
of participants were riding motorcycles at the time of their accident

55,000+
invoices received in 2014/15

30
particpants live interstate

* At 30 June 2015

OUR PURPOSE

MISSION AND VALUES

We support injured people to achieve an optimal quality of life by providing lifelong treatment, rehabilitation and care for people severely injured in a motor vehicle accident in NSW, regardless who was at fault.

Our values underpin our interactions with each other, our stakeholders and our customers, and as such are an important part of our planning process. As a NSW Government agency trusted with public money and safety, we employ these values to inform, and perform, our day-to-day work.

Our key values are integrity, trust, service, accountability and respect.

ROLE

The LTCSA's role is to administer the Scheme; arrange, regularly review and pay for services for participants; regulate service providers to achieve quality services; and maintain financial viability through levy setting and funds management. The LTCSA also supports research and education.

LEGISLATION

The LTCSA was established as a statutory corporation by the *Motor Accidents (Lifetime Care and Support) Act 2006*. The Act enables the LTCSA to make statutory guidelines under section 58 of the Act.

The Act was amended in November 2014 to enable the LTCSA, with the approval of the Treasurer and Minister, to enter into arrangements with a 'relevant authority' for the purpose of delivering treatment and care services on the authority's behalf.

In March 2015, the *Motor Accidents (Lifetime Care and Support) Regulation 2015* prescribed the Australian Capital Territory Act as a care and support scheme under this amendment. Under an agreement, the LTCSA now manages all ACT Lifetime Care Scheme participants.

WHAT WE DO

Anyone severely injured in a motor accident in NSW from 1 October 2007 may make an application to the LTCSA to enter the Scheme. Children aged under 16 years who were severely injured in a motor accident in NSW from 1 October 2006 may also make an application.

Everyone accepted into the Scheme commences under a two year interim eligibility period as it can be difficult to predict recovery. The interim period allows those who make a good recovery to leave the Scheme. About 180 people enter the Scheme each year as interim participants and after two years approximately 120 continue as lifetime participants.

The Scheme provides reasonable and necessary treatment and care services for people severely injured in motor accidents in NSW, regardless of fault. Injuries can include spinal cord injury, moderate to severe brain injury, multiple amputations, severe burns or permanent blindness.

The injured person and their family are central to treatment planning, rehabilitation and care services. Their involvement is actively encouraged to assist a return to roles within the home and community.

The Scheme is funded through the Medical Care and Services Levy (MCIS) levy paid by motorists when they purchase a Compulsory Third Party (CTP) Green Slip insurance policy. Levy contributions are adjusted over time in order to remain sufficient to fund the full cost of providing lifetime care and treatment to participants and meet other Scheme expenses.

Each year the LTCSA collects sufficient funds to pay for the lifetime of services required by people severely injured in that year. The LTCSA has accumulated a substantial fund to meet the future needs of participants. The fund is managed by the Safety, Return to Work and Support (SRWS) Board.

The Scheme pays for medical treatment, rehabilitation and attendant care services that are 'reasonable and necessary' and related to the motor accident injury. The types of services include medical and hospital care, home modifications, vehicle modification, education support, equipment and personal care in the home.

The Scheme provides treatment and support as it is needed throughout the person's life. Whenever required, the injured person is supported by a LTCSA coordinator who assists them to plan their rehabilitation and care as needed.

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

The LTCSA performs these roles in an evolving context of disability service delivery in Australia. Increasingly, people with a disability are being provided with more control over the support and services they receive and the flexibility to explore and choose from a wider range of options and providers.

THE HISTORY OF THE LIFETIME CARE AND SUPPORT AUTHORITY

2006	The *Motor Accidents (Lifetime Care and Support) Act 2006* commenced on 1 October 2006 for people under 16 severely injured on NSW roads. The Act also established the Lifetime Care and Support (LTCS) Council. The Medical Care and Injury Services (MCIS) levy is introduced to fund the Scheme and these costs are removed from the Compulsory Third Party (CTP) premium payment.
2007	The Scheme commenced for adults.
2009	The LTCSA becomes part of the Compensation Authorities Staff Division pursuant to the Public Sector Employment and management (Departmental Amalgamations) Order 2009.
2012	The LTCSA becomes part of Safety, Return to Work and Support Division under the *Safety, Return to Work and Support Board Act 2012*. The LTCSA Board and LTCS council is dissolved.
2014	Safety, Return to Work and Support Division becomes Safety, Return to Work and Support and forms part of the Office of Finance and Services within the Treasury and Finance cluster.
2015	The Office of Finance and Services becomes the Department of Finance, Services and Innovation.

Chief Executive Officer
SAFETY, RETURN TO WORK AND SUPPORT
Vivek Bhatia

General Manager
Don Ferguson

Assessment Review

Business Services

Service Coordination

Service Development and Review

CHAIR/CEO REVIEW

In 2014/15 we were committed to ensuring our customers received the best possible support available.

ACHIEVEMENTS

- Expanded the panel of attendant care providers to provide better coverage across NSW and to improve choice for participants.
- Piloted a direct funding model for attendant care, to support participants to independently manage their funding to appoint the support they need.
- Consulted widely with the sector to embed choice and control in the new My Plan Toolkit for participant planning.
- Developed ‘Lifetime Learning’, a new learning management system for LTCSA, including the first five e-learning modules to support service providers with the roll out of the new planning process.
- Provided 42 workshops and sessions to train and support service providers to better understand the Scheme and deliver high quality services.
- Secured a further five years of funding for the In-Voc Program due to ongoing success providing vocational services in spinal injury rehabilitation units.
- Launched the John Walsh Centre for Rehabilitation Research, a dedicated research centre that will improve skills, knowledge and experience in the injury management sector.
- Initiated trials of two early intervention models to improve vocational participation for people with a brain injury.

THE YEAR AHEAD

On 1 September 2015 the NSW Government created a single insurance and care service provider, Insurance and Care NSW (icare).

icare will deliver the state's insurance and care schemes. It will be a centre of excellence for providing person-centric insurance services, return to work solutions, and care for people who have been severely injured in the workplace or on the road.

icare's distinct service lines will include builders warranty, dust diseases care, lifetime care, and workers insurance.

CHALLENGES

- Ensuring the Scheme remains solvent and sustainable for the future.
- Continuing collaboration within icare and across other agencies to implement the National Injury Insurance Scheme (NIIS), including management of the ACT Lifetime Care Scheme.
- Industry-wide implementation of the new person-centred planning approach (My Plan).
- Increasing the number of people who receive direct funding for attendant care and broadening the range of services for which direct funding is available.

OUR TEAM...OUR COMMUNITY

We would like to thank our employees, management team, participants and stakeholders for their support throughout the year.

We look forward to providing the best possible care and support to all participants who are receiving lifetime care under our Scheme.

Michael Carapiet
Former Chair
Safety, Return to Work and Support Board

Vivek Bhatia
Former Chief Executive Officer
Safety, Return to Work and Support
Chief Executive
Lifetime Care and Support Authority

SAFETY, RETURN TO WORK AND SUPPORT BOARD

ABOUT SAFETY, RETURN TO WORK AND SUPPORT

Safety Return to Work and Support (SRWS) is part of Department of Finance, Services and Innovation (DFSI). The SRWS Board determines the strategic direction and oversees the performance of the WorkCover Authority of NSW, the Motor Accidents Authority (MAA) and the Lifetime Care and Support Authority (LTCSA). The SRWS Chief Executive Officer (CEO) is a member of the SRWS Board.

SRWS agencies are supported by shared services functions in the areas of communications, finance, information and technology services, investment, human resources, legal, policy, procurement, and strategy and performance. The agencies also share governance mechanisms including the SRWS Executive, SRWS Board and its audit and risk committee, investment committee and human resource committee.

SRWS contributes to the economic growth, productivity and wellbeing of NSW by:

- enhancing business and driving confidence
- increasing competiveness of the NSW economy
- improving workforce and community participation
- ensuring high quality, accessible and efficient services.

THE SAFETY, RETURN TO WORK AND SUPPORT BOARD

The SRWS Board was appointed under the *Safety, Return to Work and Support Board Act 2012* for a three-year period to 31 July 2015. Under the Act, the Board:

- determines the general policies and strategic direction of each relevant authority
- oversees the performance of each relevant authority
- advises the Minister and the CEO on any matter relating to the relevant authorities or arising under compensation or other related legislation
- determines investment policies for certain funds, and establishes and administers one or more funds for the purpose of investment:
  - Workers Compensation Insurance Fund
  - Lifetime Care and Support Authority Fund
  - Insurers Guarantee Fund
  - Sporting Injuries Fund
  - Workers' Compensation (Dust Diseases) Fund
  - Nominal Defendant's Fund (currently nil assets)
  - Terrorism Reinsurance Fund (currently nil assets)
- reports to the Minister on the investment performance of each of the above funds.

The Board consists of seven members, including the SRWS CEO. The Board is appointed by the Governor of NSW on the recommendations of the Minister for Finance and Services. Both the Board and the CEO are subject to ministerial control and direction.

MEMBERS OF THE SAFETY, RETURN TO WORK AND SUPPORT BOARD ON 30 JUNE 2015

1. Michael Carapiet, MBA, Chair

Mr Carapiet is Chair of Smartgroup Corporation Limited, Addexum Capital Ltd., and Link Administration Holdings Ltd. He is a director of Link Group and a member of the Boards of Clean Energy Finance Corporation and Infrastructure Australia. He is also on the Advisory Board of Norton Rose Australia. Mr Carapiet was previously Chair of SAS Trustee Corporation (NSW State Super).

Mr Carapiet has more than 30 years' experience in the financial sector and has held a number of senior roles with the Macquarie Group, where he was a member of Macquarie's Executive Committee from 2005. Prior to his retirement in July 2011 he was Executive Chairman of Macquarie Capital and Macquarie Securities. Mr Carapiet has a Master of Business Administration from Macquarie University.

2. Raymond Whitten, BA, LLB, LLM, Deputy Chair

Mr Whitten was previously Chair of the MAA, Chair of the Workers Compensation and Work Health and Safety Council, Deputy Chair of the Workers' Compensation Insurance Fund Investment Board and Director of the WorkCover NSW Board. He was also Chair of the National Stock Exchange of Australia Limited (NSX).

Mr Whitten is an Accredited Specialist in Business Law, Notary Public and Responsible Officer of a Nominated Adviser to the NSX. He commenced practicing law in 1972 and is a Solicitor Director of Whittens and McKeough Pty Limited. He has extensive experience in property, commercial transactions and all types of dispute work.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Mr Whitten graduated from the University of Sydney with a Bachelor of Arts and a Bachelor of Laws. He also has a Master of Laws from the University of Technology, Sydney.

3. Vivek Bhatia, MBA, B.Engg, CFA

Mr Bhatia was appointed as CEO of SRWS and became a member of the Safety, Return to Work and Support Board in August 2014. He was appointed Chair of the Dust Diseases Board (DDB) on 1 January 2015 and is Chair of the Heads of Asbestos Coordination Authority. Mr Bhatia joined SRWS following his role as CEO at Wesfarmers Insurance, where he led the multi-brand, multi-channel insurer through a significant transformation journey.

Mr Bhatia has also held several other prominent leadership roles in strategy, operations and technology over the past 15 years both domestically and abroad at McKinsey & Company, Wesfarmers Insurance and QBE. Prior to joining SRWS, Mr Bhatia co-led the business restructuring and transformation practice at McKinsey & Company across Asia Pacific, where he worked across resources, industrials, telecommunications, financial services, and oil and gas.

Mr Bhatia has an undergraduate degree in Engineering and has completed his MBA in strategy. He is a qualified Chartered Financial Analyst.

4. Gavin Bell, LLB, MBA (Exec)

Mr Bell is currently a member of the Advisory Council of the Australian School of Business and a director of Smartgroup Corporation Ltd and Supply Nation. He was also a member of the WorkCover NSW Board and Workers' Compensation Insurance Fund Investment Board.

Mr Bell commenced at Freehills in 1982 as a graduate solicitor and became a partner in 1988. Mr Bell became Freehills' Chief Executive Officer and Managing Partner on 1 July 2005, and retired in 2014.

Mr Bell completed his law degree at the University of Sydney and graduated in 1982. He undertook a Master of Business Administration (Executive) degree at the Australian Graduate School of Management and graduated in 1995.

5. Peeyush Gupta, FAICD

Mr Gupta is currently the Chair of State Super Financial Services and Charter Hall Direct Property Management Limited. He is a non-executive director of the Special Broadcasting Service Board, National Australia Bank, BNZ Life insurance and QuintessenceLabs, and is Chairman of MLC Limited, State Super Financial Services, and Charter Hall Direct Property Management Limited. Mr Gupta also serves on a variety of non-profit boards, including the Australian School of Business at UNSW and SIRCA. Mr Gupta was the co-founder and inaugural Chief Executive Officer of Ipac Securities, a pre-eminent wealth management firm spanning financial advice and institutional portfolio management. Mr Gupta has a Master of Business Administration (Finance) degree from the Australian Graduate School of Management. Mr Gupta completed the Advanced Management Program at Harvard Business School in 2006 and he is a Fellow of the Australian Institute of Company Directors.

6. Elizabeth Carr, BA (Hons), MPA, FAICD

Ms Carr is a Member of The Environmental Protection Authority (WA), Chair of the Challenger Institute of Technology and holds a number of private, non-profit and education board positions including Chair of the Macular Disease Degeneration Foundation and Chair of St Catherine's Aged Care Facility (NSW). Ms Carr is also the Chair of the NSW Family and Community Services Audit and Risk Committee and was a member of both the WorkCover NSW Board and Workers Compensation Insurance Fund Investment Board prior to their abolishment in 2012.

Ms Carr's career has covered senior executive management positions in technology (IBM), finance (Macquarie Group) and government (Department of State Development WA). She has a BA (Hons) from the University of Western Australia and a Master's Degree from Harvard University.

7. Mark Lennon, BComm, LLB

Mr Lennon is Secretary of Unions NSW, and was appointed to that position in October 2008. Mr Lennon joined Unions NSW (formerly the Labor Council) in 1988 and has held the positions of Occupational Health and Safety Training Officer, Industrial Officer and Assistant Secretary, prior to becoming Secretary. Mr Lennon is a Director of First State Super Trustee Corporation and was a member of the WorkCover NSW Board.


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SAFETY, RETURN TO WORK AND SUPPORT EXECUTIVE

The SRWS Executive team has 15 members, six general managers leading regulatory, care and insurance lines, eight functional leads providing shared services across SRWS, and a CEO.The team is responsible for operational management of the organisation and the implementation of policies and strategic priorities determined by the SRWS Board. The Executive also makes recommendations on matters of strategic direction and policy to the CEO.

Vivek Bhatia
CEO
Safety, Return to Work and Support

Don Ferguson
MA, BA
General Manager, Lifetime Care and Support

Anita Anderson, PSM
Dip-Gov-Policy
General Manager
Dust Diseases

John Nagle
Executive Director
WorkCover Insurance

Caroline Walsh
BA (Government), LLB(Hons)
Executive Director, Workers Compensation Regulation

Peter Dunphy, PSM
BS, MA (Hons)
Executive Director
Work Health and Safety Division

Andrew Nicholls
BA (Hons), MMgt, EMPA, JP
General Manager
Motor Accidents Authority

Megan Hancock
CA, Grad Dip AFI, GAICD
Chief Financial Officer

Steve McKenna
MA, CIMA
General Manager, Investment

Stuart Bremner
MBA, CPA, ACIS
Chief Information Officer

Michael Saad
BEc
Director
Corporate Governance

Catherine Morgan
BA (Hons), LLB (Hons), LLM
Director, Legal Services

Greg Barnier,
MBusCoach (Dist), AdvDipGovt (Mgmt) DipFinServ (FinPlan)
Chief Human Resources Officer

Carmel Donnelly
BA (Hons), MBA (Exec), MPH, GAICD
General Manager, Strategy and Performance

Samantha Lawrence
BA (Hons), MBA
Director and Company Secretary
Office of the CEO

SAFETY, RETURN TO WORK AND SUPPORT
Chief Executive Officer – Vivek Bhatia

CARE & INSURANCE

LIFETIME CARE AND SUPPORT
General Manager
Don Ferguson

DUST DISEASES BOARD
General Manager
Anita Anderson

WORKCOVER INSURANCE
Executive Director
John Nagle

REGULATION

WORKCOVER WORKERS COMPENSATION REGULATION
Executive Director
Caroline Walsh

WORKCOVER WORK HEALTH AND SAFETY
Executive Director
Peter Dunphy

MOTOR ACCIDENTS AUTHORITY
General Manager
Andrew Nicholls

SHARED SERVICES

FINANCE AND SERVICES
Chief Financial Officer
Megan Hancock

INVESTMENT
General Manager
Steve McKenna

PEOPLE AND CULTURE
Chief Human Resources Officer
Greg Barnier

STRATEGY AND PERFORMANCE
General Manager
Carmel Donnelly

CORPORATE GOVERNANCE
Director
Michael Saad

INFORMATION SERVICES
Chief Information Officer
Stuart Bremner

LEGAL SERVICES
Director
Catherine Morgan

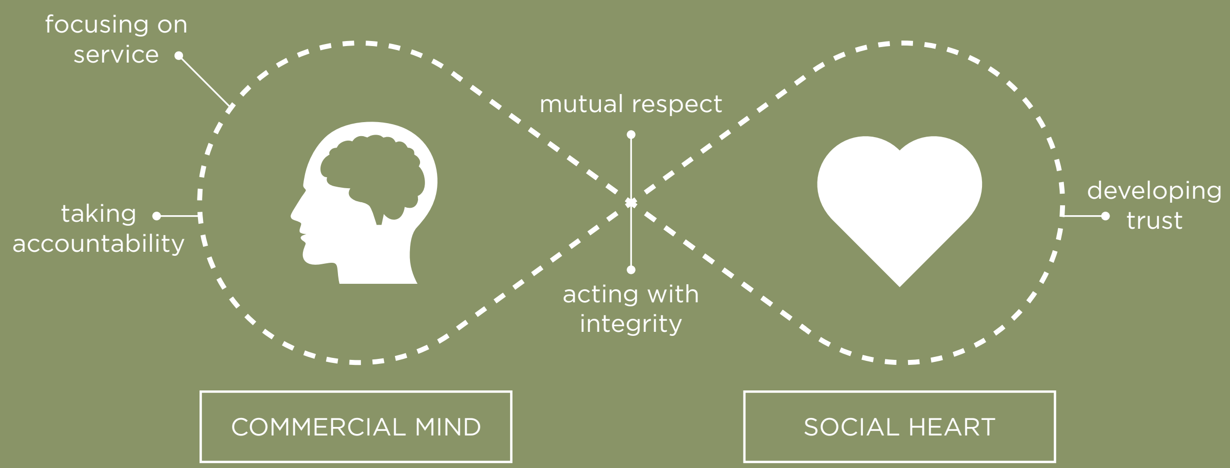
OFFICE OF CEO
Director and Company Secretary
Samantha Lawrence

SAFETY, RETURN TO WORK AND SUPPORT

OUR VISION	We believe you should be safe and supported
OUR MISSION	We protect, insure, care **Protect** from harm **Insure** for when things go wrong **Care** for people when they are injured
OUR VALUES	Accountability Service Trust Integrity Respect

OUR STRATEGY

Our customers are at the centre of everything we do.
We invest in the strengths of our people.
We build great partnerships.
We create new ways of doing things.



OUR OBJECTIVES

Financial sustainability | Culture of achievement | Authentic stakeholder relationships
Optimal care for the injured | Enhanced customer experience | Safe work and road environment
Optimal insurance model

CARE

Participant numbers are increasing each year and of the 1,036 current participants, 113 were under 16 when they had their accident. Overall, the increasing number of participants is as predicted. Participants could have had involvement in a motor accident, such as driver, passenger, motor bike rider, pillion passenger or pedestrian.

Year	2008	2009	2010	2011	2012	2013	2014	2015
Actual	85	249	390	531	660	796	933	1,036
Projected	156	316	446	566	686	806	926	1,063

INJURY TYPE

73% of adults and 89% of people under 16 years suffered a traumatic brain injury from their accident

Injury type	Total	%
Traumatic brain injury	771	74
Spinal cord injury	239	23
Amputations	19	2
Burns	5	<1
Vision loss	2	<1
Total	**1,036**	**100**

PARTICIPANT'S ROLE IN ACCIDENT

Just over one third of the adults in the Scheme were drivers in vehicles at the time of the accident.

Most of the people under the age of 16 years at the time of the accident were injured as passengers or pedestrians.

Role in accident	Total	%
Driver	327	32
Pedestrian	243	23
Motorcycle rider	209	20
Passenger	208	20
Cyclist	37	4
Pillion passenger	5	<1
Other	7	1
Total	**1,036**	**100**

CASE STUDY – GABRIELLE

Riding on her bike in 2009, Gabrielle was knocked down by a car and incurred multiple spinal and neurological injuries. Gabrielle's legs, right arm and hand were injured, but being an avid sportsperson, she made a commitment to do something every day to keep busy, active and positive.

Creating art was something Gabrielle never thought she would enjoy.

Her passion was sport and keeping fit. Gabrielle was always on the go, busy training for triathlons, playing touch football, surfing and cycling. She had lived in Florence, Oxford and London, and craving the buzz of adventure, she scarcely sat down to read a book, let alone have a quiet moment to contemplate art and painting.

Discovering art helped Gabrielle make new friends and uncover hidden talents, such as using a paintbrush with her non-dominant hand; an extra bonus that helps to increase her strength and dexterity.

While she sometimes forgets the extent of her disability, Gabrielle's ongoing pain means it is never far from her mind. Art classes have given her a way to escape some of that. Gabrielle is a regular at Hazelhurst Art Gallery in Sutherland. She specialises in oil-based landscape paintings that reflect photos taken during her extensive travels, like the stairs festooned with flowers she captured in Umbria, Italy.

Gabrielle now swims, rides a modified bike, and competes in cycling races. In the afternoons, when her energy flags, she often turns to crossword puzzles or gardening.

CARE

PARTICIPANT'S AGE

The age group with the strongest representation in the Scheme is 20 to 24 years, comprising 15 per cent of all participants. This is followed by 25 to 29 year olds, who make up more than 14 per cent of all participants. The majority of participants are young people or of working age who may need support to return to work or training or to participate in community initiatives.

Age at 30 June 2015	Female	Male
0-4	1	7
5-9	15	18
10-14	7	15
15-19	23	37
20-24	48	109
25-29	36	114
30-34	14	66
35-39	20	51
40-44	11	58
45-49	17	44
50-54	18	51
55-59	20	33
60-64	10	39
65-69	9	27
70-74	8	25
75-79	17	18
80-84	8	13
85-89	12	8
90-94	3	4
95-99	0	1
100-104	1	0
Grand Total	**298**	**738**

PARTICIPANT'S PLACE OF RESIDENCE

The number of participants by region (excluding interstate and overseas) at 30 June 2015:

Blue Mountains			6
Central West			46
Far West			3
Hawkesbury			16
Hunter			114
Illawarra			62
Mid North Coast			63
Murray			15
Murrumbidgee			28
North Western			35
Northern			41
Richmond Tweed			35
South Eastern			33
Sydney	Inner	147	438
	North	43	
	West	103	
	Liverpool/Campbelltown	124	
	Sutherland	21	
Central Coast			52
Wollondilly			4

Thirty participants live interstate and 15 live overseas.

APPLYING TO THE SCHEME

Scheme participants have typically had a traumatic brain injury, spinal cord injury, severe burns, amputations or vision loss. During the interim period, the Scheme finances any reasonable and necessary treatment, rehabilitation and care related to the motor accident injury. There are generally about 350 interim participants in the Scheme at any one time. After two years, an interim participant may be eligible to become a 'lifetime participant'. Children do not apply for lifetime eligibility until they are at least five years old. The number of lifetime participants continues to increase by about 120 participants a year.

LISTENING TO OUR CUSTOMERS

PARTICIPANT SURVEY

The sixth annual participant survey was conducted in 2014. The purpose of the survey is to obtain feedback on how well the Scheme is working for participants, and to identify areas for improvement.

The survey was conducted by a psychologist with experience in social and market research and knowledge of brain injury. The survey was conducted on a sample of participants selected from across metropolitan and regional areas, ages, and years since entry to the Scheme. All data was de-identified. The survey included a qualitative component (in-depth interviews with a smaller subset of the sample) and a quantitative component (telephone interviews for the rest of the sample). The survey achieved a high response rate of 69 per cent and low refusal rate of five per cent. Results are summarised below.

Across 2010 to 2014 surveys, we saw improvements in the perception of case managers, increased community engagement and a decreased incidence of problems with services.

Participants in the survey suggested improvements in relation to getting the right balance in terms of regular contact with their coordinator/case manager and streamlining the process to ensure participants have timely access to equipment and services. This supports a number of current LTCSA priorities, including:

- implementing a communication protocol that has been developed for LTCSA staff
- promoting a person-centred planning approach by implementing the My Plan Toolkit including training for staff and service providers
- implementing streamlined approval of services for interim participants with traumatic brain injury
- evaluating the direct funding pilot for attendant care services and exploring the expansion of direct funding to other treatment and rehabilitation services.

	2010	2011	2012	2013	2014
Overall satisfaction with the Scheme	83%	80%	83%	86%	82%
Per cent agree 'I feel part of a community'	76%	67%	74%	80%	78%
Per cent agree 'Considering my stage of rehabilitation, I am happy with how much I get out into the community'	84%	76%	84%	79%	81%
Per cent of qualifying adults who have worked/studied since accident	-	58%	68%	70%	76%
Per cent agree ' I feel I have enough time with friends'	73%	68%	78%	75%	82%

CARE

PARTICIPANT REFERENCE GROUP

We consult with participants and their families on policy, practice and system innovations through the Participant Reference Group. The group is comprised of a representation of participants and their family members/carers. Its role is to:

- act as a consultative body to the LTCSA General Manager
- provide input and review of policy and practice improvements
- raise system issues
- propose, discuss and present innovative ideas
- discuss relevant developments, particularly system changes to support choice and control and improve service delivery.

The Participant Reference Group met quarterly in 2014/15 to discuss improvements in the delivery of LTCSA's services to Scheme participants, including communications, complaints handling and service planning processes.

SHINE

Our newsletter *Shine* is sent to all participants twice a year. The articles in *Shine* are about participants, their family members and service providers. *Shine* has received positive feedback from participants who say it helps them relate to other people in similar situations and provides hope in moving forward.

DISPUTES REVIEW AND COMPLAINTS

Disputes

Disputes arise when a participant disagrees with a decision the LTCSA has made. Every certificate sent to a participant about a decision provides information about the dispute process.

A dispute assessor or an assessment panel can access information that was not available at the time of the original decision. For example, they may request additional information from clinicians or conduct their own assessment of the participant. An injured person's function may also have changed since the original decision. This new or additional information may contribute to the original decision being overturned or varied.

The proportion of decisions about disputed treatment and care needs remains low at approximately 0.2 per cent. The LTCSA engages experienced health professionals as external dispute assessors to consider disputed decisions about treatment and care needs. In 2014/15 it took 48 days on average to resolve these disputes, a reduction from last years' average of 60 days.

In 2014/15, we referred 13 disputes about eligibility to external assessment panels for consideration, representing approximately three per cent of all eligibility decisions. Four disputes were about decisions relating to interim participation and nine related to lifetime participation.

Seven disputes were resolved in 2014/15, with four upholding the eligibility decision made by the LTCSA and two overturning the decision. One dispute was withdrawn after it was referred to an assessment panel. Six disputes were in progress at the end of 2014/15.

Disputes about motor accident injury are resolved by a panel of three legal professionals. In 2014/15, we received our first dispute about a motor accident injury. The dispute was withdrawn prior to determination.

Disputed item or service	Decision upheld	Decision overturned	Decision varied	In progress	Total
Attendant care or domestic services	3	1	3	1	8
Therapy, such as physiotherapy or massage therapy	-	1	1	-	2
Home modifications	4	1	-	-	5
Equipment	2	-	-	1	3
Other services such as travel, vocational services and personal training	5	-	1	-	6
Total	**14**	**3**	**5**	**2**	**24**

Reviews

Where a participant or party to a dispute believes the dispute assessor or assessment panel's decision is incorrect, they may apply for review of that decision.

Reviews relating to treatment and care needs are referred to a panel of three dispute assessors. In 2014/15, there were three applications for review of a dispute assessor's decision about treatment and care needs. All were dismissed as they did not meet the legislative grounds for referral to a review panel.

Reviews relating to eligibility are referred to the MAA's Proper Officer (Medical Reviews Manager) for determination. In 2014/15, there were four applications for review, one was withdrawn, another resolved and two are in progress.

Complaints

We received 53 complaints in 2014/15, 27 of which were lodged directly by participants, 13 by participants' family members and 13 by advocates, service providers and legal representatives.

Nature of complaint	Number of complaints
Service provider performance	12
Item outside scope of the Scheme	10
Policies or procedures	8
Quality of LTCSA service	7
Delays	6
Treatment, rehabilitation and care funding decision	5
Communication	4
Guidelines or legislation	1
Total	**53**

Many complaints relate to service providers, a decision about funding outside the legal scope of the Scheme, or LTCSA policies or procedures. Every effort is made to resolve complaints, such as changing providers, explaining policies and procedures or providing alternatives where possible. The number of complaints remain low in relation to the number of participants.

With regards to issues with services, we provide a comprehensive training program for service providers, so they understand the Scheme's quality requirements. The LTCSA Guidelines are currently being revised to better clarify services the Scheme funds, and also to reflect changes to the participant planning process (My Plan), which will enhance the choice and control that participants have over their services.

ACCIDENT ADVICE SUPPORT GRANT

The LTCSA offers a one-off Accident Advice Support Grant for legal and accident investigation advice for participants and their families seeking information about a motor accident or motor vehicle to support an application. The grant is only offered when expert advice is required in relation to the circumstances of the motor accident or motor vehicle. The maximum amount available was increased to $6,000 in 2014/15.

There were several instances in 2014/15 where the grant was offered to participants and their families but was not utilised as they did not pursue an application.

CARE

TREATMENT, REHABILITATION AND CARE

In 2014/15, we spent a total of $99.2 million on services for participants. The proportion spent on attendant care continues to grow and over time is expected to reach 70 per cent of the total expenditure each year.

Attendant care	40%
Hospital	20%
Medical	7%
Rehabilitation	16%
Home modification	3%
Equipment	8%
Case management	6%
Total	**100%**

Note: Hospital includes bulk billing fees

SUPPORTING SERVICE PROVIDERS

In 2014/15, we ran 28 workshops for 470 providers. The program included workshops such as:

- introduction to the Scheme for all new providers
- case management in the Scheme for new and approved case managers
- care needs review for providers to understand how to review participants' care needs and request attendant care services
- Vocational Intervention Program (VIP) briefings to explain the new vocational programs being implemented for brain injury
- goal training – run jointly with the MAA for LTCSA and MAA providers – to promote a person-centred approach to goal setting.

We also arranged external presenters with specialist knowledge to run training on assessment tools which are used in the Scheme for determining eligibility and tracking participant outcomes. The Australasian Rehabilitation Outcomes Centre ran four FIM and WeeFIM functional measurement sessions for 73 providers. The John Walsh Centre for Rehabilitation Research ran three Care and Needs Scale (CANS) and Paediatric Care and Needs Scale (PCANS-2) workshops for 56 providers in 2014/15.

We offered seven Program of Engagement and Participation in Activities (PEPA) workshops for 115 staff and providers presented by the John Walsh Centre for Rehabilitation Research. This was part of a project to promote meaningful activity for people with traumatic brain injury who are unable to return to work.

In 2014/15, we developed five e-learning modules to assist service providers to understand the approach to person-centred practice in the Scheme and the new My Plan participant planning toolkit. These will be launched in a new learning management system 'Lifetime Learning' in 2015/16.

CASE MANAGEMENT

Case management continues to be a key area of service provision for participants in the Scheme with approximately 62 per cent of participants currently assigned a case manager.

SATISFACTION WITH CASE MANAGEMENT

The Participant Satisfaction Survey 2014 showed satisfaction with case management remains high at 92 per cent.

Year	Percentage
2010	88%
2011	83%
2012	91%
2013	94%
2014	92%

The number of LTCSA approved case managers remained stable at 289, with 134 fully approved and 155 approved as new (either awaiting a first referral or working under a mentor). In 2014/15, 18 case managers moved from 'new' status to 'fully approved'.

ATTENDANT CARE

We contract a panel of approved attendant care providers skilled in delivering attendant care to people with brain injuries and spinal cord injuries. The level of attendant care services required to meet a participant's needs can range from a few hours per week at the participant's home, to 24 hours per day with an additional second worker where required.

EXPENDITURE ON ATTENDANT CARE

Year	**$** (MIllions)
2008/09	3
2009/10	9.2
2010/11	12
2011/12	19.2
2012/13	24.5
2013/14	32.6
2014/15	39.6

Expenditure on attendant care services increased to $39.6 million in 2014/15

Participants report high levels of satisfaction with attendant care, with 88 per cent reporting being satisfied with the service provided.

SATISFACTION WITH ATTENDANT CARE

Year	Percentage
2010	90%
2011	86%
2012	92%
2013	89%
2014	88%

CARE

Service improvement achievements in 2014/15 included:

- establishing a new panel of approved attendant care providers commencing 6 February 2015
- working closely with the panel of attendant care providers on the development of a new web portal to further streamline administrative and reporting processes
- continuing the pilot direct funding model
- commencing evaluation of the pilot by the Social Policy and Research Centre of the University of New South Wales.
- developing a capability framework for attendant care workers working with people with brain and spinal cord injuries
- developing a web-based resource for participants and their families, to provide information and advice around living with attendant care as part of their life
- supporting the attendant care industry in developing an assessment tool to determine when a service with two attendant care workers is required.

Service improvements planned for 2015/16 include:

- promoting the capability framework to the attendant care industry
- completion of an independent evaluation of the pilot for the direct funding model, including a review and revision of the model to ensure ongoing participant accessibility
- reviewing and revising resources for reporting on care needs and requesting care to be more individualised
- working with the attendant care industry to promote the two person service tool
- providing support to new panel providers to ensure quality services for participants and compliance with the service agreement.

DIRECT FUNDING IN ACTION CASE STUDY – MR B

Mr B is a Scheme participant involved in the pilot of the direct funding model for attendant care.

He values his independence and wanted the flexibility to control his attendant care program. At first he was hesitant about the work involved; advertising, interviewing, paying wages and keeping accounts. However, Mr B found that the direct funding model gave him more freedom and actually aided his recovery.

Mr B can choose his carers, when they visit and how his services are provided. He manages all aspects of their employment and daily activities. They design a weekly roster together that allows Mr B to preserve his privacy when he wants it.

Mr B is able to assign different tasks to his attendant carers and alleviate pressure on his partner who can now spend more time with her grandchildren and hobbies. The model has shown benefits for participants and attendants. Mr B's attendant care workers have spoken positively about the system, praising the hours, flexibility and variety of responsibilities. Most importantly, the direct funding model means Mr B is self-reliant and in-control of his care.

HOME MODIFICATIONS

LTCSA is currently managing 79 major home modification projects aimed at improving the capacity of participants to maintain independent living within their own homes and to improve health and community-participation outcomes. To enhance participants' decision making around accommodation, we engage specialised case workers, occupational therapists and construction project managers to assist in design and decision making processes. Our recently appointed Home Modifications Manager is currently reviewing processes and looking at the barriers and enablers of our current system. The major focus of the review is to improve communication and to reduce delays in approvals.

Our Home Modification Program plays a key role in ensuring participants are safe in their homes and surrounding environment, have access to the wider community, and can remain in their homes with as much independence as possible. Participant satisfaction with home modifications remains high at 97 per cent.

SATISFACTION WITH HOME MODIFICATIONS

Year	Percentage
2010	80%
2011	77%
2012	100%
2013	91%
2014	97%

Note: Variance in levels of satisfaction affected by small sample size.

ASSISTIVE TECHNOLOGY

Assistive technology is central to minimising long-term costs and improving the lives of people with disabilities. People with significant levels of disability will usually be reliant on assistive technology to minimise barriers and enable greater independence, participation and health outcomes. Eighty three per cent of all LTCSA participants utilise some form of assistive technology. Reliance on assistive technology is greatest for participants with a spinal cord injury; 98.3 per cent use assistive technology, some using up to eight different items in combination.

SATISFACTION WITH ASSISTIVE TECHNOLOGY (EQUIPMENT)

Year	Percentage
2010	94%
2011	76%
2012	93%
2013	89%
2014	88%

The LTCSA is committed to providing assistive technology that achieves timely, appropriate and cost effective outcomes for participants. We are also committed to ensuring the safe operation of equipment funded under the Scheme.

We are currently working on achieving a more coordinated and consistent assistive technology system. This system will significantly reduce complexity for participants and clinicians as well as increase service delivery efficiency.

98.3% of participants with a spinal cord injury use assistive technology

EDUCATIONAL AND VOCATIONAL ASSISTANCE

IN-VOC PROGRAM

The In-Voc Program is a specialist early intervention vocational service offered to inpatients in NSW hospital spinal injury units. Due to its ongoing success, and support from the spinal injury units in hosting this service, the In-Voc Program received funding for a further five years from December 2014. Royal Rehabilitation's Spinal Outreach Service was selected, by open tender, to continue the In-Voc Program and to provide early vocational intervention services within three Sydney spinal injury units for the next five years.

CASE STUDY – TIM

In July 2013, Tim was walking home from a party when he was hit by a motor vehicle, resulting in a serious spinal cord injury. "My life changed drastically from that point," Tim said. "You have a completely uncertain future; I woke up in the intensive care unit and didn't know what was going to happen or how my life was going to figure."

While he was still in the acute spinal ward, Tim made contact with the In-Voc Program and discussions commenced with his employer to identify whether a suitable role might still exist for him. Tim was working as a surveyor at a technical, professional and construction service provider, at the time of his spinal cord injury. The In-Voc consultant helped develop a return to work plan, including job specific training and a gradual return to work. A change in his work role was negotiated and Tim took on a new challenge in an office based position.

"I've been empowered through my return to work trial," Tim said. "It's helped having a role to go back to, not just rehabilitation for the sake of it. It has given me something to strive towards, through the employment side of things, as well as the social and intellectual side."

VOCATIONAL INTERVENTION PROGRAM

In 2014/15, the LTCSA, in conjunction with the MAA and WorkCover, established the Vocational Intervention Program (VIP) to improve vocational participation for people with a brain injury, in response to a state-wide analysis of employment and vocational participation across NSW brain injury programs. It found low employment rates for people with a brain injury in NSW, and a significant number of people with difficulties sustaining employment.

The Agency for Clinical Innovation, in partnership with the LTCSA, developed two integrated intervention models that are being trialled in three locations in NSW (Sydney metro, mid-west and mid north coast). The two models being piloted under VIP are Fast Track Intervention and the New Track Intervention. Fast Track will assist people to return to their pre-injury place of employment and New Track will assist people to undertake a work training placement to gain new skills and work fitness. VIP commenced in April 2015 and will run until April 2017.

The effectiveness of the VIP will be subject to an independent evaluation being undertaken by the John Walsh Centre for Rehabilitation Research.

EDUCATION

We know that early and integrated support for participants and their schools will enable appropriate participation in vocational training and will lead to meaningful activities following schooling.

The LTCSA held a stakeholder working group in December 2014 to define the requirements for tutoring students with a brain injury as an educational support strategy. From this forum, a guidance document based on agreed principles around tutoring has been drafted.

SATISFACTION WITH VOCATIONAL/ EDUCATIONAL ASSISTANCE

Participants continue to report high levels of satisfaction with vocational and/or educational assistance provided under the Scheme.

Year	Percentage
2010	90%
2011	90%
2012	92%
2013	85%
2014	91%

SHARED IN-HOME SUPPORT SERVICE

We operate 6 accessible houses for participants with high support needs

We currently operate six accessible houses that provide accommodation for participants with high support needs. These Shared Support at Home houses are located at Blacktown, Liverpool, Revesby, Rosemeadow and Ermington, and can each accommodate up to three people. One of the villas in Ermington has the potential to provide shorter term, transitional accommodation. A further residence is being constructed in Coffs Harbour and will be completed late in 2015.

Shared Support at Home provides:

- tenancy in a fully accessible house
- daily on-site support (with access to 24 hour assistance)
- support with everyday living tasks
- support to access the local community and pursue individual interests
- assistance with transport for medical appointments.

SARGOOD

We are a major stakeholder in the Sargood Centre, a not-for-profit partnership bringing together government and private funding.

The Sargood Centre will comprise approximately 14 individual living, self-catered apartments, with the potential for family accommodation. It will help people with a new spinal cord injury to transition from hospital and gain the skills and confidence to live independently in their communities. The centre will provide respite for people with new spinal cord injuries, as well as outreach services, on-going mentoring and support for those living outside the centre.

Construction commenced in August 2014 at the new centre in Collaroy and services are expected to commence in the completed facility in May 2016.

CARE

BEHAVIOUR SUPPORT PROJECT

The LTCSA commissioned a clinical psychologist with extensive experience to consult widely with the sector to develop a strategic action plan to increase the capacity of psychologists in developing and delivering behaviour support programs to participants with a brain injury. We have received the recommendations from this project and are working on implementation with the project working party.

JOHN WALSH CENTRE FOR REHABILITATION RESEARCH

In October 2014 we launched the John Walsh Centre for Rehabilitation Research in partnership with NSW Health and the University of Sydney. The LTCSA and the MAA continue to support the John Walsh Centre for Rehabilitation Research located at the University of Sydney affiliated Kolling Institute, St Leonards. The Centre, led by Professor Ian Cameron, is a key research partner with capabilities that can positively impact on the recovery of injured people and on SRWS injury schemes. The LTCSA and MAA grant, worth $5 million over five years, will facilitate the transition of high quality research into practical policy advice and better outcomes.

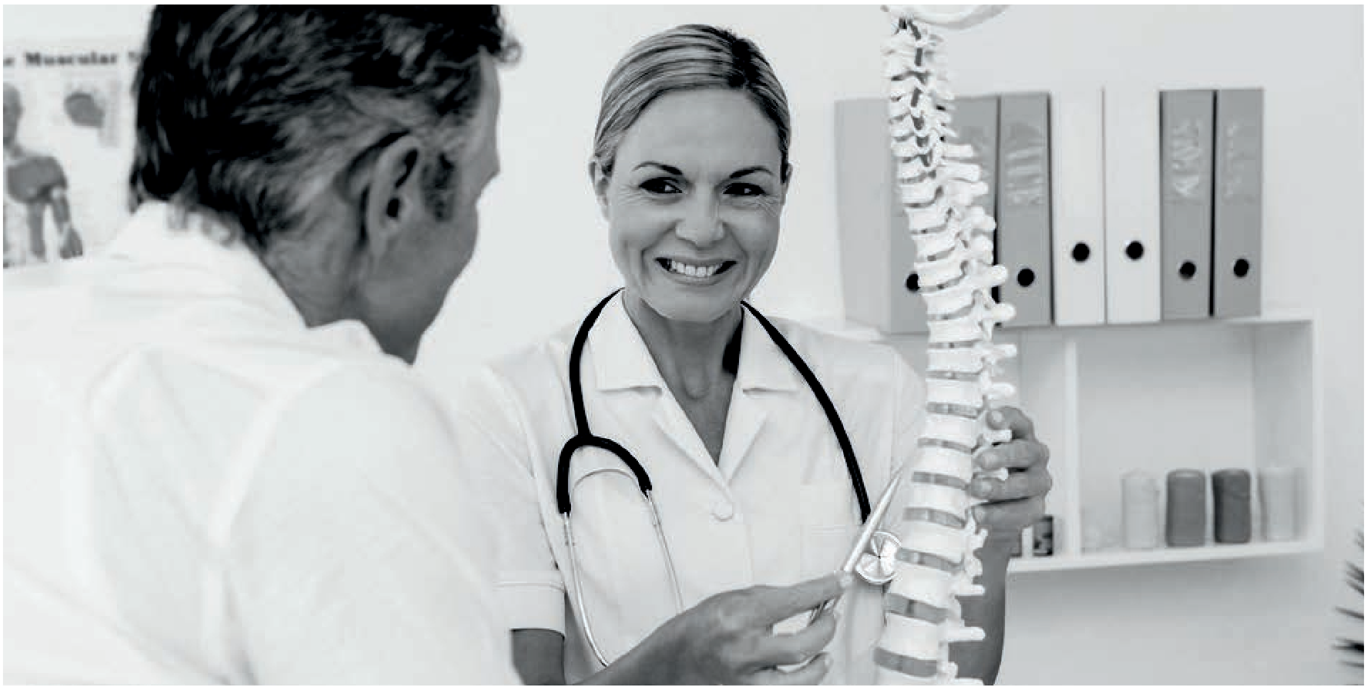
PAIN MANAGEMENT PROJECT

This year we engaged the NSW Agency for Clinical Innovation to develop a resource for people with a spinal cord injury who experience chronic pain. The project involved the development of resources and tools to support the clinicians who work with this type of pain. It also assisted in the creation of a referral pathway to the Spinal Cord Pain Service.

LTCS REFERENCE GROUP

The LTCS Reference Group replaced the LTCS Advisory Council and includes representatives from disability groups, medical and health services for brain and spinal cord injury and community service providers. The group meets quarterly and its role is to:

- advise the LTCSA of the service needs of participants, particularly those services that assist participation in their community - this includes advising of any service gaps and opportunities occurring in the sector
- provide a forum to discuss solutions to identified needs and challenges
- provide the LTCSA with advice on research areas to improve participants' quality of life and the delivery of services
- advise the LTCSA of the needs and challenges of the group they represent
- facilitate consultation mechanisms with Scheme stakeholders.



KEY PERFORMANCE INDICATORS

In 2014/15, we reviewed our Key Performance Indicators (KPIs).

KPI	Purpose	Target	2014/15 result
Annual levy income aligns with actuarial estimates	To ensure sufficient revenue to meet the latest levy income estimate projections.	100%	101%
Scheme funding ratio	To ensure that the Scheme has sufficient funds to meet the projected needs of participants and remains viable.	>120%	144%
Payments ≤ actuarial estimates	To track payments over time to support management of Scheme viability.	<100%	87%
Investment return above average weekly earnings (AWE) + 2%	To ensure adequate investment return to meet future liabilities.	AWE+2%	7.40%
New client costs within actuarial estimates (number of quarters exceeding estimates)	To ensure that the Scheme continues to collect sufficient funds for the lifetime care and support of new participants, taking into account the number of participants and severity of injury.	<3	0
New client intake within actuarial estimates	To monitor that the intake of new participants is within actuarial estimates.	<100%	90%
Scheme efficiency ratio	To monitor the cost of administering the Scheme.	91.5%	91.5%
Participant satisfaction rate	The extent to which participants are satisfied with the services and support they have received under the Scheme	85%	82%

Note 1: 2014/15 AWE + 2% was 4.30% and total one year return to 30 June 2015 was 11.70%
Note 2: variation in participant satisfaction rate is not statistically significant

In 2015/16, we will be undertaking upgrades to data capture and reporting systems to allow us to report on a number of additional KPIs.

INSURE

FUNDING

The Scheme's component of the MCIS levy is subject to periodic review to ensure liabilities under the Scheme are funded.

The amount of money that is collected by the Levy each year reflects the full cost of providing support to participants for the rest of their lives. The amount paid out in one year is not commensurate with the amount collected because most of the money collected must be put aside for the costs of future care.

The size of the liability to the annual revenue cash flow is currently 6:1, but in future years will increase to 25:1.

RANGE AND VARIABILITY

The average liability per participant, over their life in the Scheme, is more than $2 million and ranges from approximately $500,000 to $10 million. The ages of participants range from five months to over 100 years. More than one third of participants (35 per cent) are aged 15 to 29 and will need to be supported under the Scheme for many years.

The cost also varies according to injury severity. Care needs also vary over time as life circumstances change. For example a change in the work or family circumstances of a participant with a brain injury can cause care needs to fluctuate significantly. Participants with low-level spinal cord injuries often require few services when they are young, but as they age their needs increase. Scheme cost-modelling allows for an increase in costs as participants age.

35% of participants are aged 15 to 29 and will need support for many years

EXTERNAL VALIDATION

We engage external actuarial consultants to conduct bi-annual independent analysis of our financial performance. We also use a life-costing model as a tool to estimate costs for providing lifelong treatment, rehabilitation and care services to participants, and to calculate cash flow requirements on an annual basis.

INSURE

INVESTMENT PERFORMANCE

SRWS investment portfolios are managed to achieve return and risk outcomes that are appropriate to the schemes they support. Performance for all SRWS investment portfolios was strong over the 2014/15 financial years with the majority of funds comfortably exceeding their asset-weighted market benchmark and liability-related measures. A range of structural changes have been implemented to target lower volatility of investment returns and stability of scheme funding ratios.

GOVERNANCE ARRANGEMENTS

In June 2015, SRWS amalgamated the funds management activities of SRWS, SAS Trustee Corporation and New South Wales Treasury Corporation (TCorp). This initiative allows for the pooling of investment management expertise and a streamlined approach to the delivery of long-term financial and non-financial benefits to government agencies. A process to assess and improve overall cost efficiency and management of risk is ongoing.

STRATEGIC ASSET ALLOCATION – LTCS FUND

Lifetime Care and Support Authority Fund Strategic Asset Allocation 30 June 2015

Australian equities	20.0%
International equities	22.0%
International equities – emerging markets	5.0%
Australian unlisted property	10.0%
Australian fixed interest	10.0%
Australian inflation-linked bonds	25.0%
Cash	8.0%
Total fund	**100.0%**
Diversified growth assets	57.0%
Defensive assets	43.0%
Total fund	**100.0%**

Lifetime Care and Support Authority Fund 2014/15 Returns

Performance	1 Year (%)	3 Year (% p.a.)	5 Year (% p.a.)	Since Inception* (% p.a.)
Fund	11.70	12.61	10.12	8.22
Benchmark**	10.90	11.74	9.97	8.04
Excess	0.79	0.87	0.14	0.18

* Performance data for the fund commenced on 30 June 2007.
** Benchmark is a composite benchmark based on the fund's strategic asset allocation.

OTHER INITIATIVES

LAW AND JUSTICE COMMITTEE REVIEW

The final report of the NSW Parliament's Law and Justice Committee's fifth *Review of the Exercise of the Functions of the Lifetime Care and Support Authority* was tabled in Parliament in July 2014.

The committee made 10 recommendations including improving systems and processes to ensure timely access to services and equipment, stakeholder engagement, dispute resolution and the continuation of the In-Voc Program.

The NSW Government response supported the committee's recommendations. In the 2014/15 financial year LTCSA addressed these recommendations by:

- updating the website to improve disability accessibility and access to information
- developing and publishing information about shared in-home support services and stakeholder consultation on the website
- making changes to improve reporting capability for key performance indicators and future annual reports
- working with stakeholders to explore interim accommodation options and to review existing dispute resolution processes
- confirming funding for the In-Voc Program in inpatient spinal cord injury units until December 2019.

The sixth Review of the Exercise of the Functions of the Lifetime Care and Support Authority is planned for the 2015/16 financial year.

INVOICE DIGITISATION

More than 55,000 invoices were received in 2014/15. On average, we receive between 1,000 and 1,200 invoices each week, which is expected to grow as more participants enter the Scheme.

In 2014/15, we improved our business process for processing participant service requests. In March 2015, we introduced an invoice scanning and case management system workflow for approval of payments for services. This has allowed for faster processing of invoices and reduced the time between when we receive an invoice and when it is paid.

AUSTRALIAN CAPITAL TERRITORY LIFETIME CARE SCHEME

The *Motor Accidents (Lifetime Care and Support) Act 2006* was amended in 2014 to enable the LTCSA to administer other like schemes on behalf of other state or territory governments.

In late 2014, we commenced work with the ACT Government to develop agreements for the LTCSA to administer the newly established ACT Lifetime Care and Support Scheme. We expect to begin administering the ACT Scheme on behalf of the ACT Government, applying the ACT legislation and statutory guidelines, in the first half of 2015/16.

FIVE YEAR REVIEW OF THE 2007/08 PARTICIPANT COHORT AND TWO YEAR REVIEW OF 2010/11 PARTICIPANT COHORT

The John Walsh Centre for Rehabilitation Research is in the final stages of reporting its study into predictive indicators of participant outcomes at two and five years after injury. It involves 339 Scheme participants across two cohorts.

Interim results from the study show that the most significant improvement in community participation occurs within the first two years after injury. The interim data also indicates that post traumatic amnesia, a marker of brain injury severity, has the greatest utility in predicting functional outcomes for participants as well as service costs. The level of education and working status at the time of injury has the strongest predictive value in terms of return to work following injury. For participants with a spinal cord injury, the dominant predictor of costs and level of independence is the level and completeness of spinal cord injury.

These early results also show that around half of all participants with a traumatic brain injury also have a mental health condition following injury. We will use the results of this study to inform service development initiatives, refine service delivery practices, support Scheme costing and identify areas of further investigation.

INSURE

CORPORATE GOVERNANCE

RISK MANAGEMENT

The LTCSA has an integrated whole-of-SRWS risk management strategy that incorporates the Enterprise Risk Management (ERM) Framework. The ERM framework is consistent with *AS/NZS standards (31000)* and the *NSW Treasury Internal Audit and Risk Management Policy for the NSW Public Sector (TPP15-03)*.

The risk strategy informs corporate and business planning, governance and assurance activities. Through good governance, robust business practices and consistent monitoring the ERM framework aids to build an agile, capable and sustainable environment, underpinned by a culture that is risk aware.

The SRWS Board has an established and ongoing process for identifying, evaluating and managing the significant risks faced by the SRWS and is assisted by a suite of tools available to staff. A key feature of the ERM framework is that everyone takes responsibility for the management of risk.

The governance structures for risk management are based on the 'three lines of defence' model. Primary responsibility for risk management lies with the business units and specialist operational process functions. A second line of defence is provided by specialist functions that undertake monitoring, challenge and policy setting, such as the independent strategic risk and corporate compliance function. The third line of defence is provided by the Internal Audit Unit (IAU) which provides process assurance, supplemented by external audit.

INTERNAL AUDIT UNIT

The SRWS IAU is an independent review function that manages, through two outsourced service providers, an annual plan of risk-based audits across all the SRWS agencies including LTCSA. In 2014/15, seven reviews were finalised in LTCSA or SRWS-wide (including LTCSA). These reviews raised 26 audit issues and made 45 audit recommendations to strengthen the organisation's internal controls.The following internal audit reports were finalised in 2014/15:

- SRWS Complaints Management*
- SRWS Asset Management
- SRWS Accounts Payable
- SRWS Physical Security
- SRWS IT Security
- SRWS Annual Reporting
- LTCSA Community Participation Grants Program.

* Internal audit reviews from the 2013/14 audit plans completed during the 2014/15 year.

During 2014/15 SRWS commissioned an independent quality assessment by the industry peak body, the Institute of Internal Auditors (IIA), of the entire spectrum of assurance and consulting work performed by the IAU. The IAU was assessed as fully conforming to all 51 IIA Standards and the NSW Government Internal Audit Policy. The IIA rated SRWS Internal Audit as "beyond conforming" - the top category in its maturity model – and highlights many examples of good practice in its final quality assessment report.

The IAU also undertakes a range of fraud and corruption prevention activities. IAU staff act as Public Interest Disclosure Officers to whom staff can report allegations of corrupt conduct within the *Public Interest Disclosure Act 1994*. IAU also manages investigations into alleged corrupt conduct liaising, where appropriate, with the Independent Commission Against Corruption (ICAC).

The Director of Corporate Governance acts as the Chief Audit Executive and reports directly to the SRWS Audit and Risk Committee for strategic direction and accountability purposes, and reports administratively to the CEO to facilitate day to day operations.

ENERGY PERFORMANCE AND WASTE REDUCTION

SRWS continued to achieve savings in energy usage, sustainable energy management principles and targets set in the Government Resource Efficiency Policy (GREP). During 2014/15, SRWS occupied 23 sites that purchased electricity through State contracts and generated six per cent of their power from renewable energy sources.

SRWS initiatives in 2014/15 included:

- using energy-efficient automated lighting and motion-detection lighting
- installing infra-red security cameras to reduce external lighting
- timed air conditioning
- continued use of UniFLOW print management system to reduce paper and toner usage
- recycling 100 per cent of used toner cartridges
- recycling IT equipment through approved providers
- procuring environmentally friendly vehicles
- increasing publication of online materials
- separating waste into recyclable and general categories.

PUBLIC INTEREST DISCLOSURES (PIDS)

The LTCSA's Internal Reporting Policy is available to all staff on the intranet. SRWS has taken action to make staff aware of their rights and responsibilities under the Public Interest Disclosure Act 1994. Awareness activities within the current PID reporting period (1 July 2014 to 30 June 2015) include induction training, intranet communications, and fact sheets.

STATISTICAL INFORMATION ON PIDS

	Made by public officials performing their day to day functions	Under a statutory or other legal obligation	All other PIDs
Number of public officials who made PIDs directly	0	0	0
Number of PIDs received	0	0	0
Of PIDs received, number primarily about:			
Corrupt conduct	0	0	0
Maladministration	0	0	0
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0
Number of PIDs finalised	0		

INFORMATION SERVICES

SRWS Information Services is responsible for the support and maintenance of existing infrastructure and applications within the SRWS technology system. It is also tasked with planning and implementing the SRWS Information and Communications Technology (ICT) Strategic Plan, which sets the direction for use of technology by SRWS between 2013 and 2018. The ICT strategy includes consolidation, standardisation, improved connectivity, reliability and availability of business systems and business continuity, value-driven sourcing and overall alignment with the NSW Government direction for information technology.

Information Services works across SRWS to ensure IT planning across all modes of health and safety are fully integrated. This allows the operational agencies to focus solely on delivering quality service to customers and not on duplicating their efforts in IT planning and purchasing. The strategy enables SRWS to operate as a coordinated set of brands with each brand maintaining some autonomy while utilising cross-agency synergy in information, services, and infrastructure.

DELIVERY OF THE ICT STRATEGIC PLAN

The Information Communication Technology (ICT) strategy delivers the objectives of the enterprise architecture and establishes a platform for the future that is responsive to changing business demands. It also balances the functionality and cost effectiveness of ICT infrastructure. The ICT strategy ensures that SRWS progresses data from its raw form to accessible and useable information.

OUR PEOPLE

CULTURE OF ACHIEVEMENT AND LEADERSHIP

Culture of achievement is an initiative that aims to shape the culture of SRWS, encouraging a customer-centric, high-performance operating model. This initiative aims to build a culture that supports and drives the organisation's vision, mission and values.

Another initiative, the GROW Leadership Development Program, is targeted at three leadership levels and includes a self-leadership program that has continued to build and enhance capabilities related to people management and self- awareness. This tiered approach caters for a progressive development pathway. All programs are highly interactive and centred around real workplace challenges.

In 2014/15, SRWS senior executives initiated the co-design of a clear, responsive, and adaptable action plan for the future direction of its agencies. This culminated in the development of the SRWS Corporate Plan vision, mission and strategy.

The past 12 months also saw a significant shift to CEO and executive visibility and communications, which contributed to improved staff engagement. The CEO established an open Q&A communication channel and a weekly blog, providing updates on key projects and achievements. In addition, the senior executive team led the implementation of four key priorities from the 2014 People Matters employee survey: organisational culture; values based leadership; decision making and empowerment; and organisational direction.

PERFORMANCE MANAGEMENT

SRWS continues to use an online performance management system to support clarity of individual performance expectations for the year.

MANDATORY TRAINING PROGRAMS COMPLETED IN 2014/15:

In financial year 2014/15 three e-learning modules were launched:

- Maintaining a positive and respectful workplace
- Information security awareness
- WHS due diligence.

A one day workshop, Manager as a Coach, was also delivered. It is designed to build and enhance the coaching skills of people leaders by providing them with the tools they need to lead and inspire an effective team.

TRAINING AND DEVELOPMENT

In 2014/15, 161 core training programs were delivered, aligned to the NSW Public Sector Capability Framework.

Satisfaction was rated at 96 per cent with 98 per cent of employees indicating they would apply what they had learnt in the workplace.

INTRANET REDEVELOPMENT

To improve internal communications and information accessibility for our employees, a large scale review of the existing intranet was completed and implementation is due to commence in 2015/16.

REWARDS AND RECOGNITION

In 2014/15 the SRWS recognition strategy was enhanced, which helped produce a 30 per cent increase in nominations for the 2015 awards. The awards cover seven focus areas directly aligned to the organisation's values. The formal SRWS awards ceremony was held at NSW Parliament House this year.

In 2015, SRWS launched the 'I recognise' cards. These cards allow SRWS staff to acknowledge one another for demonstrating organisational values of respect; integrity; trust; service; and accountability.

CAPABILITY BASED ROLE DESCRIPTIONS

As part of the Government Sector Employment Act, role descriptions must align with the 2013 Public Sector Capability Framework. The capability framework provides a basis for creating and recruiting roles and helps make sure SRWS gets the right people into the right roles. This year SRWS made progress on the implementation of capability based role descriptions. Role descriptions focussed on the underpinning knowledge, skills and abilities required for a role and have facilitated greater agility and mobility across the organisation.

OUR PEOPLE

WORK HEALTH AND SAFETY PERFORMANCE AND EMPLOYEE WELLBEING

SRWS performance in the area of work health safety and employee wellbeing continued to focus on prevention and early intervention. The Wellness strategy across SRWS covers four core areas; physical, social, emotional and financial and has included prevention initiatives such as:

- Get Healthy at Work
- early detection
- flu vaccinations
- blood donor
- nutrition seminars
- International Day of People with a Disability seminar
- Dragon Boat Races
- Movember
- RU OK Day.

An overarching SRWS health and safety committee enables consultation on matters of health and safety. This year SRWS focused on improving its health and safety management system, including adopting of revised health and safety policies and procedures, and mandatory work health and safety-related training across the four agencies.

SRWS has 22 workgroups represented by 27 Health and Safety Representatives, a SRWS Health and Safety Committee, and other agreed consultation arrangements consistent with the work health and safety legislation.

In 2014/15, one workers compensation claim was lodged by LTCSA staff.

SRWS continues to support staff through non-work related illness and injury concerns, and to work on early intervention, pro-active case management, and timely return to work strategies.

WORKFORCE DIVERSITY AND INCLUSION

SRWS is committed to building a workplace culture that values, understands and promotes the benefits of a diverse and inclusive workforce reflective of the wider community.

A diversity statement is included in all job advertisements on Jobs.NSW, encouraging people from diverse backgrounds to apply for roles in the organisation. The job application process also provides options for candidates to discuss flexible work arrangements and to access information packages in different formats.

In late 2013 SRWS' Equal Employment Opportunity (EEO) Plan introduced a recruitment strategy to improve access to employment for diversity groups. The strategy focussed on providing opportunities at entry level for young workers, people with a disability and/or Aboriginal or Torres Strait Islanders. Through continued targeted employment programs, and partnering with an employment service provider specialising in these areas, SRWS has this year been able to offer a further eight employment/engagement opportunities to individuals identifying from a disadvantaged group (one Indigenous person, one disabled person, and six young workers under 25). In addition, eight other applicants were successfully placed in a Talent Pool for future opportunities.

DISABILITY

SRWS is committed to reducing barriers for people with disabilities to access services and facilities, obtain and maintain employment, and engage, work and participate with our organisation.

In 2014/15 SRWS:

- participated in International Day of People with a Disability events which included organising guest speakers with a disability
- sponsored a university student, providing six weeks paid work experience through the Australian Network on Disability
- expanded targeted recruitment
- implemented a job application process that provides the option for candidates to discuss reasonable adjustment requirements in the application and/or assessment process
- provided support to employees requiring reasonable accommodation in the workplace
- designed e-learning programs that meet accessibility standards
- implemented alternate learning methods for online learning.

INDIGENOUS EMPLOYEES

In 2014/15 SRWS:

- participated in NAIDOC Week celebrations
- implemented targeted recruitment
- created an Aboriginal programs unit focussed on external service delivery
- supported employees to participate in Aboriginal and Torres Strait Islander network meetings and events
- supported the Aboriginal Career and Leadership Development Program Scholarship.

WOMEN

In 2014/15 SRWS:

- participated in the Lifeline Steel Magnolia Awards and sponsored the Young Achiever Award
- attended the United Nations women's breakfast
- participated in the *My Mentor* personal and career development program
- sponsored two places to attend, the Australian Women in Leadership Conference.

YOUNG WORKERS

In 2014/15 SRWS:

- implemented targeted recruitment
- continued the SRWS Scholarship Scheme with the Universities of NSW, Newcastle and Western Sydney.

MULTICULTURAL POLICIES AND SERVICES PROGRAM

In 2015, the SRWS Multicultural Plan 2015-17 was developed as a fundamental tool for planning and implementing policies and services. As an agency of SRWS, the LTCSA recognises and supports multiculturalism in NSW. The plan includes strategies aligning with our corporate objectives to ensure that workplaces and services are inclusive and non-discriminatory. Embracing a multicultural focus, the plan was integrated into our business plans for 2014/15.

Initiatives 2014/15 included:

- maintaining and updating a diversity and inclusion intranet page along with a diversity events calendar
- raising multicultural awareness in recruitment and induction packs
- celebrating Harmony Day in March 2015 by hosting morning teas, wearing orange, decorating workstations and promoting local cultural activities
- celebrating NAIDOC week in July 2014 including holding morning teas and screening cultural documentaries.

OUR PEOPLE

Collaborating with others, LTCSA also:

- sponsored three prizes for the Reconciliation 2015 Art Competition and Exhibition award ceremony, in conjunction with NSW Fair Trading
- adopted the DFSI 'Practical Actions Guide – Building Diversity and Inclusion' as part of the People Leaders' Toolkit used within SRWS
- participated in a Bulgandry cultural site trip that included a guided tour of local Aboriginal rock carvings, artefacts and insight into indigenous history on the Central Coast.

WORKFORCE DIVERSITY AND INCLUSION 2015/16

In 2015/16 LTCSA will participate in a number of activities across all diversity groups as well as young workers including:

- the expansion of targeted recruitment and support for managers to remove unconscious bias
- targeted learning and development programs
- participation in targeted events and celebrations such as NAIDOC, Harmony Day, International Women's Day and the International Day of People with Disability
- sponsorship programs
- increase regularity of advertising roles through culturally specific media and networks (e.g. ethnic/ Aboriginal/LGBTI)
- enhancements to recruitment advertising to include imagery in advertising that reflects employee diversity and work of organisation.

WORKFORCE DIVERSITY STATISTICS

Prior to June 2014, diversity statistics for LTCSA were an estimate for the whole of the organisation based on the results for those who provided diversity information. For example, if 50 per cent of the workforce provided diversity information, the result would be double to estimate the results if all employees had responded.

From June 2014, this method for determining diversity group statistics will continue if an organisation has at least 65 per cent of employees providing diversity information. If the response rate is below this, the Public Service Commission will only report actual results as a ratio of the organisation's total number of 'non-casual' employees.

In 2014/15, the LTCSA's response rate for employee providing diversity information was below 65 per cent (24.7%). Although providing diversity information is not mandatory, we are continuing to encourage our employees to provide this data. Information about workplace diversity and confidentiality of personal information is included in the induction process and all new employees are encouraged provide diversity information.

TRENDS IN THE REPRESENTATION OF WORKFORCE DIVERSITY GROUPS

Workforce Diversity Group	Benchmark/ Target	2014	2015
Women	50%	81.2%	80.4%
Aboriginal People and Torres Strait Islanders	2.6%	0.0%	0.0%
People whose first language spoken as a child was not English	19.0%	4.7%	1.0%
People with a disability	N/A	3.5%	2.1%
People with a disability requiring work-related adjustment	1.5%	3.5%	2.1%

TRENDS IN THE DISTRIBUTION OF WORKFORCE DIVERSITY GROUPS

KRA	KPI	Target	2014/15 results
Capabilities (Growing our culture framework)	Lost time injury frequency rate to not exceed public sector average	<4.6	5.84
	5% improvement in **engagement results** from People Matters Survey 2014 - 2015 SRWS Employee Survey.	67%	74%
	5% improvement in **leadership results** from People Matters Survey 2014 - 2015 SRWS Employee Survey	57%	68%

Lost time injury frequency rate (LTIFR) to not exceed public sector average – the high result exceeds the Public Sector average due to the size of LTCSA, less than 100 employees and the LTIFR ratio applied

HUMAN RESOURCES STATISTICS

	2014/15		2013/14		2012/13		2011/12		2010/11	
	SRWS	LTCSA	SRWS[3]	LTCSA	SRWSD[2]	LTCSA	CASD[1]	LTCSA	CASD	LTCSA
Administration and clerical	947	94	920	83	965	73	1046	68	1061	57
Associates/ Ministerial	-	-	-	-	-	-	-	-	-	-
Cadets	-	-	-	-	-	-	-	-	8	2
Departmental professional officers	26	-	25	-	29	-	32	-	34	-
Engineers	9	-	10	-	13	-	11	-	12	-
General division	-	-	-	-	-	-	-	-	-	-
Graduates	-	-	-	-	-	-	-	-	-	-
Legal officers	24	-	24	-	42	-	37	-	38	-
Safety inspectors	284	-	290	-	281	-	280	-	293	-
Senior management (Senior Executive Service)	28	3	34	2	33	2	11	1	13	2
Senior officers	24	-	29	-	37	1	56	-	55	-
Technical officers	8	-	7	-	10	-	7	-	8	-
Trainees	-	-	-	-	-	-	-	-	-	-
Statutory and other officers including arbitrators	1	-	1	-	23	-	24	-	24	-
Total	**1351**	**97**	**1340**	**85**	**1433**	**76**	**1504**	**69**	**1546**	**61**

Note: The HR Statistics quoted for 2014/15 are headcount figures as at 18 June 2015 (being the census date for the PSC Annual Workforce profile data-collection).

1. From 4 April 2011, employees from the Building and Construction Industry Long Service payments Corporation (LSPC) no longer formed part of the Compensation Authorities Staff Division (CASD).
2. Compensation Authorities Staff Division (CASD) retitled to Safety Return to Work and Support Division (SRWSD) in August 2012.
3. From 24 February 2014, the Safety Return to Work and Support Division was retitled to Safety Return to Work and Support (SRWS). SRWS figures for 2013/14 include DDB, LTCSA, MAA and WCA.

INTERNAL AUDIT AND RISK MANAGEMENT STATEMENT

Internal Audit and Risk Management Statement for the 2014-2015 Financial Year for the Lifetime Care and Support Authority

I, Michael Carapiet, Chair of the Safety, Return to Work and Support Board, am of the opinion that the Lifetime Care and Support Authority has internal audit and risk management processes in operation that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Michael Carapiet, Chair of the Safety, Return to Work and Support Board, am of the opinion that the Safety, Return to Work and Support Audit and Risk Committee for the Lifetime Care and Support Authority is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Independent Chair, Raymond Whitten, 31 October 2012- 30 October 2016
- Independent Member, Raymond Petty, 31 October 2012 - 30 October 2015
- Independent Member, Elizabeth Carr, 31 October 2012 - 30 October 2016
- Independent Member, Mark Lennon, 31 October 2012 - 30 October 2016

These processes, including the practicable alternative measures being implemented, provide a level of assurance that will enable the senior management of the Lifetime Care and Support Authority to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with exceptions with the policy to the Treasury on behalf of the Treasurer.

Michael Carapiet
Chair

Dated this 31st day of August 2015

DIGITAL INFORMATION SECURITY ATTESTATION STATEMENT

DIGITAL INFORMATION SECURITY ANNUAL ATTESTATION STATEMENT FOR THE 2014/15 FINANCIAL YEAR FOR SAFETY, RETURN TO WORK AND SUPPORT

I, Vivek Bhatia, Chief Executive Officer of Safety, Return to Work and Support, am of the opinion that Safety, Return to Work and Support had an Information Security Management System in place during the 2014-2015 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of Safety, Return to Work and Support are adequate.

Risks to the digital information and digital information system of Safety, Return to Work and Support have been assessed with an independent ISMS being developed in accordance with the NSW Government Digital Information Security Policy.

Safety, Return to Work and Support has maintained compliance with *ISO 27001 Information technology - Security techniques - Information security management systems - Requirements* and independently reviewed by Shearwater Solutions Pty Ltd during the 2014-2015 financial years.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

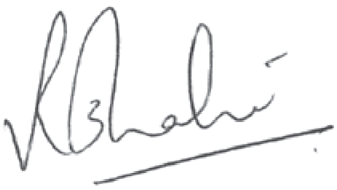
LIFETIME CARE AND SUPPORT AUTHORITY OF NSW

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

Pursuant to Section 41C of the *Public Finance and Audit Act 1983* I state that in my opinion:

1. the accompanying financial statements exhibit a true and fair view of the financial position of the Lifetime Care and Support Authority of NSW as at 30 June 2015 and transactions for the year then ended; and
2. these statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, Australian Accounting Standards and the Treasurer's Directions.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Vivek Bhatia
Chief Executive Officer
Lifetime Care and Support Authority
14 September 2015

ACTUARIAL CERTIFICATE

LIFETIME CARE AND SUPPORT SCHEME

Actuarial Certificate
Outstanding claims liabilities at 30 June 2015

PricewaterhouseCoopers (PwC) has been contracted by the Lifetime Care and Support Authority to make estimates of the outstanding claims liabilities as at 30 June 2015 of the Lifetime Care and Support Scheme.

Valuation Estimates

The PwC estimated liability for the Lifetime Care and Support Scheme as at 30 June 2015 is $2,738 million.

It is a decision for the Lifetime Care and Support Authority as to the amount adopted in the accounts.

Basis of Our Estimates

We have made central estimates of the outstanding claims liabilities, meaning that our assumptions have been selected to yield estimates that are not knowingly above or below the ultimate liabilities. Our estimates include allowances for:

- Future inflation and investment return;
- Future mortality and injury severity improvements of participants; and
- Includes a loading for future operating expenses to meet the cost of managing the scheme for incurred participants at 30 June 2015, including for participants incurred but yet to be reported.

The estimates do not include any allowance for a risk margin.

Valuation Report

Full details of data, methodology, assumptions and results are set out in our valuation report dated 10 September 2015.

This report was prepared, to the best of our knowledge, in compliance with Australian Accounting Standard AASB137 and the Institute of Actuaries of Australia's Professional Standard 300, which relates to estimation of outstanding claims liabilities.

Data

PwC has relied on historical data and other quantitative and qualitative information supplied by the Lifetime Care and Support Authority without audit or independent verification. We did, however, review this information for reasonableness and internal consistency, where possible. The accuracy of our results is dependent upon the accuracy and completeness of the underlying data.

PricewaterhouseCoopers, Actuarial Pty Limited, ACN 003 562 696, ABN 29 003 562 696,
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

ACTUARIAL CERTIFICATE

Qualifications and Uncertainty

There is a limitation upon the accuracy of the estimates in this certificate in that there is an inherent uncertainty in any estimate of outstanding claims liabilities. This is due to the fact that the ultimate liability for claims is subject to the outcome of events yet to occur. These include, but are not limited to, the mortality rate and participants' injury severity improvements within the scheme, the number of participants accepted into the scheme, price adjustments by service providers and future levels of care and support provided to participants.

In our judgement, we have employed techniques and assumptions that are appropriate, and we believe the conclusions presented herein are reasonable, given the information currently available.

John Walsh AM
FIAA
16 September 2015

Peter Hardy
FIAA
16 September 2015

INDEPENDENT AUDITOR'S REPORT

AUDITOR-GENERAL
NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

Lifetime Care and Support Authority of NSW

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Lifetime Care and Support Authority of NSW (the Authority), which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Emphasis of matter paragraph

I draw attention to the provision for participants' care and support services disclosed in Note 13. The note describes the significant uncertainty associated with the measurement of the $2.7 billion provision and the related expense of $205.7 million in Note 2(f). The uncertainty arises because of the long term nature of the provision and limited participants' experience to date. The uncertainty will remain until sufficient participants' experience is available. My opinion is not modified in respect of this matter.

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Level 15, 1 Margaret Street, Sydney NSW 2000 | GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | f 02 9275 7179 | e mail@audit.nsw.gov.au | audit.nsw.gov.au

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibility

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

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

I believe 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 carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- 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 roles by the possibility of losing clients or income.

A Oyetunji
Director, Financial Audit Services

16 September 2015
SYDNEY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Actual 2015 $ '000	Budget 2015 $ '000	Actual 2014 $ '000
EXPENSES EXCLUDING LOSSES				
Operating expenses				
Personnel services	2(a)	9,796	14,232	8,095
Other operating expenses	2(b)	9,002	9,554	7,637
Depreciation and amortisation	2(c)	914	1,975	1,140
Grants and subsidies	2(d)	3,269	2,708	1,489
Finance costs	2(e)	140,331	110,000	120,526
Other expenses	2(f)	304,839	510,198	288,295
Total Expenses excluding losses		**468,151**	**648,667**	**427,182**
REVENUE				
Retained taxes, fees and fines	3(a)	411,793	437,150	406,343
Investment revenue	3(b)	397,594	227,585	356,002
Share of the profit or loss of associates	3(c)	4	–	(59)
Other revenue	3(d)	389	50	58
Total Revenue		**809,780**	**664,785**	**762,344**
Loss on disposal	4	**–**	**–**	**(1,098)**
Net result		**341,629**	**16,118**	**334,064**
Other comprehensive income				
Items that will not be reclassified to the net result				
Net increase in property, plant and equipment revaluation surplus		533	–	–
Total other comprehensive income		**533**	**–**	**–**
TOTAL COMPREHENSIVE INCOME		**342,162**	**16,118**	**334,064**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	Actual 2015 $'000	Budget 2015 $'000	Actual 2014 $'000
ASSETS				
Current Assets				
Cash and cash equivalents	5	449,501	244,209	205,647
Financial assets at fair value	7	3,504,826	–	–
Receivables	6	58,801	49,144	40,113
Total Current Assets		**4,013,128**	**293,353**	**245,760**
Non-Current Assets				
Receivables	6	1,578	501	591
Financial assets at fair value	7	–	3,588,720	3,082,405
Property, plant and equipment	8			
Land and buildings		7,289	8,765	5,547
Plant and equipment		492	1,483	1,007
Total property, plant and equipment		7,781	10,248	6,554
Intangible assets	9	1,222	3,186	1,080
Investments accounted for using the Equity Method	11 & 19	1,758	1,813	1,754
Total Non-Current Assets		**12,339**	**3,604,468**	**3,092,384**
Total Assets		**4,025,467**	**3,897,821**	**3,338,144**
LIABILITIES				
Current Liabilities				
Payables	12	8,091	12,605	9,495
Provisions	13	120,667	93,757	104,939
Total Current Liabilities		**128,758**	**106,362**	**114,434**
Non-Current Liabilities				
Provisions	13	2,620,648	3,226,788	2,289,811
Total Non-current Liabilities		**2,620,648**	**3,226,788**	**2,289,811**
Total Liabilities		**2,749,406**	**3,333,150**	**2,404,245**
Net Assets		**1,276,061**	**564,671**	**933,899**
EQUITY				
Reserves		533	–	–
Accumulated funds		1,275,528	564,671	933,899
Total Equity		**1,276,061**	**564,671**	**933,899**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Accumulated Funds $ '000	Asset Revaluation Reserve $ '000	Total $ '000
Balance at 1 July 2014	933,899	–	933,899
Net result for the year	341,629	–	341,629
Other comprehensive income			
Net increase in property, plant and equipment	–	533	533
Total other comprehensive income	**–**	**533**	**533**
Total comprehensive income for the year	**341,629**	**533**	**342,162**
Transactions with owners in their capacity as owners	–	–	–
Balance at 30 June 2015	**1,275,528**	**533**	**1,276,061**
Balance at 1 July 2013	599,835	–	599,835
Net result for the year	334,064	–	334,064
Total other comprehensive income	**–**	**–**	**–**
Total comprehensive income for the year	**334,064**	**–**	**334,064**
Transactions with owners in their capacity as owners	–	–	–
Balance at 30 June 2014	**933,899**	**0**	**933,899**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Actual 2015 $ '000	Budget 2015 $ '000	Actual 2014 $ '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel services		(8,906)	(14,232)	(8,249)
Grants and subsidies		(3,279)	(2,708)	(1,496)
Other		(111,505)	(127,535)	(94,676)
Total Payments		**(123,690)**	**(144,475)**	**(104,421)**
Receipts				
Retained taxes, fees and fines		409,142	437,150	415,727
Interest received		34,921	133,697	194,170
Other		468	730	(295)
TOTAL RECEIPTS		**444,531**	**571,577**	**609,602**
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	**320,841**	**427,102**	**505,181**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		–	–	1,833
Proceeds from sale of investments		1,446,931	–	–
Purchases of property, plant and equipment		(1,259)	(5,064)	(2,067)
Purchases of intangible assets		(491)	(2,000)	(90)
Purchases of investments		(1,522,168)	(557,528)	(596,250)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(76,987)**	**(564,592)**	**(596,574)**
NET INCREASE/(DECREASE) IN CASH		**243,854**	**(137,490)**	**(91,393)**
Opening cash and cash equivalents		205,647	381,699	297,040
CLOSING CASH AND CASH EQUIVALENTS	5	**449,501**	**244,209**	**205,647**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting entity

The Lifetime Care and Support Authority of NSW (the Authority) is a NSW government agency. The Authority 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.

Under the *Safety Return to Work and Support Board Act 2012*, the Safety, Return to Work and Support Board (the Board) determines the Authority's general policies and strategic direction. Additionally it oversees the Authority's performance including ensuring that its activities are carried out properly/efficiently and provides advice to the Minister/Chief Executive Officer of the Authority. Additionally the Chief Executive Officer of Safety Return to Work and Support is the Chief Executive Officer of the Lifetime Care and Support Authority of NSW.

These financial statements for the year ended 30 June 2015 have been authorised for issued by the Chief Executive Officer on 14 September 2015.

b. Basis of preparation

The Authority's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

These financial statements have been prepared on an historical cost basis except for the following items, which are measured on a fair value basis:

- derivative financial instruments at fair value through profit and loss;
- non-derivative financial instruments at fair value through profit and loss;
- available-for-sale financial assets;
- investments in unlisted property trusts;
- trade and other receivables;
- recoveries receivable; and
- outstanding claims liability.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 18 – Financial instruments
- Note 13 – Current / non-current liabilities – provisions

Where the fair values of financial assets and financial liabilities recorded on the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

Where receivables are outstanding beyond the normal trading terms, management assesses the likelihood of the recovery of these receivables. An appropriate allowance for impairment is made.

Property, plant and equipment and financial assets at 'fair value through profit or loss' are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

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

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

The accruals basis of accounting and applicable accounting standards have been adopted.

c. Statement of compliance

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

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Finance costs

Finance costs are recognised as expenses in the period in which they are incurred, in accordance with NSW Treasury's mandate.

e. Insurance

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

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

Income, expenses and assets are recognised net of the amount of associated 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 the 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 Statement of cash flows on a gross basis. However the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

g. Investment in Associate

An associate is an entity over which the Authority has significant influence but not control or joint control, generally accompanying voting rights between twenty and fifty per cent. Investment in associate is accounted for using the equity method of accounting, after initially being recognised at cost. The investment is adjusted to recognise the Authority's share of the profit or loss and other comprehensive income of the associate. The Authority's share of its associates' post acquisition profits or losses is recognised in profit or loss, and its share of post acquisition other comprehensive income is recognised in other comprehensive income.

When the Authority transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Authority's financial statements only to the extent of interests in the associate that are not related to the Authority.

h. Income/Expense recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.

i. CTP premium levy

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

ii. Investment revenue

Investment revenue is brought to account on an accruals basis. Differences between the net market values of investments at the end of the reporting period and their net market values at the end of the previous reporting period (or cost of acquisition, if acquired during the reporting period) are recognised as revenue in the Statement of Comprehensive Income.

iii. Rental revenue

Rental revenue from operating leases is recognised in accordance with AASB 117 *Leases* on a straight line basis over the lease term.

iv. Other gains/(losses)

Gains represent other items that meet the definition of income and may, or may not, arise in the course of the ordinary activities of the Authority. Gains represent increases in economic benefits and as such are no different in nature from revenue. Gains include, for example, those arising on the disposal of non-current assets.

v. Recoveries revenue

Recoveries revenue is recognised as the movement of recoveries receivable (Note 6) and outstanding claims (Note 13), which are based on estimates provided by the Authority's consulting actuary, PricewaterhouseCoopers Actuarial Pty Ltd. Taylor Fry consulting actuaries, have peer reviewed these estimates and support the conclusions of PricewaterhouseCoopers.

vi. Particpants care and support

Participants care and support expense is the amount incurred during the year plus the amount, which the consulting actuary has estimated as at 30 June 2015 as being the movement in the amount required to meet the cost of participants care and support expenses reported but not yet paid, participant care and support expenses incurred which are yet to be reported and the escalation in reported and reopened participants care and support expenses. The liability for the outstanding participants care and support expenses is estimated as the inflated and discounted values of the expected future payments, reflecting the fact that these payments will be spread over future years. The expected future payments are estimated on the basis of the ultimate cost of participants care and support expenses which is affected by factors arising during the period to settlement. The provision includes an allowance for managing the case and support.

vii. Fund manager remuneration includes base fees which are generally paid quarterly.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Assets

i. Acquisition of assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted over the period of credit.

ii. Capitalisation thresholds

The capitalisation threshold for property, plant and equipment is $5,000 and above individually (or forming part of a network costing more than $5,000) while that for intangible assets is $100,000 and above (including the direct allocation of personnel service costs).

iii. Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 8 and Note 10 for further information regarding fair value.

The Authority revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed on 31 March 2015 and was based on an independent assessment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. The Authority has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

iv. Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

v. Depreciation of property, plant and equipment

Depreciation is provided for on a straight line basis for all depreciable assets purchased so as to write-off the depreciable amount of each asset as it is consumed over its useful life to the Authority.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i Assets (Continued)

v. Depreciation of property, plant and equipment (Continued)

All material separately identifiable components of assets are depreciated over their useful lives. The following depreciation rates were used:

Categories	%
Building premises	4
Furniture and fittings	20
Leasehold improvements	Over lease term
Motor vehicles	25
Office equipment	25

vi. Restoration costs

The estimated cost of dismantling and removing an asset and restoring the office sites is included in the cost of an asset, to the extent it is recognised as a liability.

vii. 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.

viii. Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and rewards.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value, or if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

ix. 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. Where an asset is acquired at no or nominal cost, the cost is its fair value at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. The Authority charges amortisation on intangible assets using the straight-line method over a period of three 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 and impairment losses.

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.

x. Loans and receivables

The Authority maintains assets in the form of real property, mortgages over Participant's assets, and accommodation bonds in favour of Scheme participants who require continual care.

Loans to Participants represent amounts provided to Scheme participants for purchasing suitable properties and bond payment to nursing homes. These loans are to be repaid upon the earlier of the sale of the property, when the participant ceases to live continuously for six months in the property, ceases to be a participant in the Scheme, dies, or when the participant receives damages for additional accommodation costs from the compulsory third party insurer. These loans are measured at costs without discounts and recognised as assets in the Statement of Financial Position. The loans are not revalued from year-to-year and there is no impairment provided to these loans because the default risk of these loans is close to nil. When the participant sells the property, the Authority will be refunded the loan amount plus a pro-rata share of profit on sale of the property. The gain or loss is to be recognised in the Statement of Comprehensive Income.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i Assets (Continued)

xi. Investments

In mid-2014 the investment approach of the Board/Authority changed to adopt a more active trading approach to better match the liabilities of the Board/Authority with its investments. As part of this the types of investments used was expanded.

As a result of this change the investment portfolio is viewed as held for trading. Accordingly all investments are now viewed as current assets whereas in the prior year the assets were classified into current or non-current based on the maturity profile of the investment and when it was likely to be converted into cash. This change is viewed as a change in investment strategy rather than a change in accounting policy. Accordingly prior year comparatives have not been adjusted.

The change in the nature of the investments has also meant that disclosures are now based on the investment type rather than the entity that the funds are invested in. Prior year's comparatives which outlined the particular entity that funds were invested in have been adjusted to better reflect the type of investment which is considered to better meet the needs of users of the financial statements.

Investments are initially recognised at fair value. Investments are subsequently measured "at fair value through profit or loss" as they are acquired principally for the purpose of trading. Gains or losses on these assets are recognised in the Statement of Comprehensive Income.

Purchases and sales of investments are recognised on trade date – the date on which the Authority commits to purchase or sell the asset.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Authority establishes fair value by using various valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models: making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Investments and other financial assets are held primarily for the purpose of being traded and are classified as current assets. Accordingly all of the Authority's financial assets and financial liabilities are at fair value through profit or loss – classified as held for trading.

The Authority seeks to manage exposure to investment risk so that it can generate sufficient returns to meet the scheme's current and future liabilities and mitigate the risk that the assets will be insufficient to meet their liabilities. Designation of investments at fair value through profit or loss is consistent with this risk management strategy as it allows for these investments to be recorded at fair value and for any gains or losses in the movement in their fair value to be recognised in the net result for the year.

The movement in the fair value of the facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

xii. Impairment of financial assets

All financial assets, except those measured at fair value through profit or loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Authority will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year. Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence.

xiii. Derecognition 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.

xiv. Other assets

Other assets are recognised on a historic cost basis.

xv. Cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and term deposits with a duration of less than 12 months.

Operating cash flows include the purchase and sale of financial assets as revenue less claims cost paid to date, are invested to meet future participant care and support expenses.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i Assets (Continued)

xvi. Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently marked to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Authority designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

Hedging strategies are determined by the Investment Committee, within the investment strategy for the Authority. The Authority documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Authority also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of any derivative financial instruments used for hedging purposes, if any, are disclosed in Note 18.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Comprehensive Income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the Statement of Comprehensive Income within other income or other expense together with the gain or loss relating to the ineffective portion and changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk.

xvii. Fair value estimation

The fair value of financial assets and financial liabilities is estimated for recognition and measurement or for disclosure purposes

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets held by the Authority is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price without any deduction for transaction costs.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Authority uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the Statement of Financial Position date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Authority for similar financial instruments.

i. Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

ii. Derivatives recorded at fair value through profit or loss

Derivatives include interest rate swaps and futures, credit default swaps, cross currency swaps and forward foreign currency contracts, and options on interest rates, foreign currencies and equities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative financial instruments are subsequently re-measured at fair value.

iii. Financial assets or financial liabilities designated at fair value through profit and loss

Financial assets and financial liabilities classified in this category are designated by management on initial recognition when the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis;

  or,

- The asset and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy;

  or,

- The financial instrument contains an embedded derivative that would otherwise need to be separately recorded.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i Assets (Continued)

xvii. Fair value estimation (Countinued)

iv. Investments in unlisted property trusts

The fair value of units in unlisted property trusts is the price at which the unit could be exchanged between knowledgeable, willing parties in an arms length transaction. A “willing seller” is not a forced seller prepared to sell at any price.

The fair values of investments in unlisted property trusts are based on valuations of the underlying properties in each Trust. The properties are valued in accordance with the valuation policies of the relevant managers.

These financial statements set out the fair value as at the end of the reporting period.

j. 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. Personnel services and other provisions

The Authority receives personnel services from the Office of Finance and Services (OFS).

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

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted). Actuarial advice obtained by NSW Treasury has confirmed that the use of an approach using nominal annual leave plus annual leave on the nominal liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Authority has assessed the actuarial advice based on its circumstances and has determined that the effect of discounting is immaterial on its annual leave liability.

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.

b. Long service leave and superannuation

The Authority’s liability for long service leave is recognised in the provision for personnel services and measured as the present value of expected future payments to be made in respect of personnel services received up to the reporting date. Consideration is given to salary levels, long service leave balance, assumed rates of taking leave in service, rates of death, disablement, retirement, and resignation, and rates of salary escalation.

Expected future payments (over twelve months) are discounted using markets yields at the reporting date on Australian government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The calculation is performed by a qualified actuary. The discount rate used is 3.00% (2014: 3.50%).

Superannuation is actuarially assessed prior to each reporting date and is measured at the present value of the estimated future payments. The amount recognised is the net total of the present value of the defined benefit obligation at the reporting date, minus the fair value at that date of any plan assets out of which the obligation is to be settled directly.

The actuarial assessment of superannuation uses the Projected Unit Credit Method and reflects estimated future salary increases and the benefits set out in the terms of the plan. The liabilities are discounted using the market yield rate on government bonds of similar maturity to those obligations. Actuarial assumptions are unbiased and mutually compatible and financial assumptions are based on market experience for the period over which the obligations are to be settled.

c. Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers’ compensation insurance premiums and fringe benefits tax.

iii. Restoration provision (building leases)

A restoration provision is recognised for the estimate of future payments for restoration upon the termination of the leases of the current office premises. The effect of discounting is immaterial.

iv. Provision for participants’ care and support services

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

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j Liabilities (Continued)

v. Other provisions

Other provisions are recognised when the Authority 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.

k. Fair value hierarchy

A number of the Authority's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Authority categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Authority recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Refer Note 10 and Note 18 for further disclosures regarding fair value measurements of financial and non-financial assets.

l. Equity and reserves

Accumulated funds

The category 'Accumulated funds' includes all current and prior period retained funds.

m. Budgeted amount

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustments for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements is explained in Note 16.

n. 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 statements. Comparative data has been reclassified when necessary to enhance comparability in respect of changes in the current year.

o. New Australian Accounting Standards issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective. These new Standards will not have any direct impact on the financial performance or position of the Authority.

- AASB 9, AASB 2010-7, AASB 213-9 (Part C), AASB 2014-1 (Part E), AASB 2014-7 and AASB 2014-8 regarding financial instruments
- AASB 15 and AASB 2014-5 regarding Revenue from Contracts with Customers
- AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle
- AASB 2015-2 regarding amendments to AASB 101 disclosure initiatives
- AASB 2015-3 regarding materiality.

AASB 9 *Financial Instruments* and its associated amending standards specify new recognition and measurement requirements for financial assets and financial liabilities within the scope of AASB 139 *Financial Instruments: Recognition and Measurement*.

The Authority values its financial assets and financial liabilities at fair value through profit or loss. Therefore when applied, the only material impact of these standards will be on the presentation of the financial statements and disclosures in the notes.

The remaining standards are concerned with disclosures and will have no direct impact on the Authority's financial results.

NOTES TO THE FINANCIAL STATEMENTS

2. EXPENSES EXCLUDING LOSSES

	2015 $'000	2014 $'000
a. Personnel services		
Salaries and wages (including annual leave)	7,881	7,144
Superannuation - defined contribution plans	656	563
Superannuation - defined benefit plans (including actuarial (gains)/losses)	(5)	(719)
Long service leave	477	342
Workers' compensation insurance	65	74
Payroll tax and fringe benefit tax	433	383
Agency short-term staff	289	308
	9,796	**8,095**
b. Other operating expenses include the following:		
Auditor's remuneration		
audit of the financial statements	66	79
internal audit and reviews	68	17
Operating lease rental expense		
minimum lease payments	902	903
other related expenses	388	244
Maintenance	45	58
Insurance	15	16
Advertising, promotion and publicity	1	-
Information, communication and technology	462	401
Consultants – actuarial	858	1,047
Consultants – other	137	211
Contractors	642	367
Council members' fees	-	18
Financial assets management fees	1,540	1,129
Legal fees	381	307
Service partnership agreement fees	2,900	2,503
Other miscellaneous	597	337
	9,002	**7,637**
c. Depreciation and amortisation expense		
Depreciation		
Buildings	50	51
Leasehold improvements	468	499
Motor vehicles	47	45
	565	**595**
Amortisation		
Computer software	349	545
	914	**1,140**

NOTES TO THE FINANCIAL STATEMENTS

2. EXPENSES EXCLUDING LOSSES (CONTINUED)

	2015 $'000	2014 $'000
d. Grants and subsidies		
Injury management and injury prevention	3,269	1,489
	3,269	**1,489**
e. Finance costs		
Unwinding of discount rate	**140,331**	**120,526**
f. Other expenses		
Participants' care and support expenses		
Attendant care	39,629	32,643
Equipment	7,677	5,772
Home modifications	3,392	2,846
Hospital	14,682	13,738
Medical	6,451	5,996
Rehabilitation	15,751	13,859
Other	6,096	4,964
	93,678	**79,818**
Movement in provision for future participant care and support services (refer Note 13)	205,665	204,690
Bulk billing fees – Ambulance Service of NSW	56	52
Bulk billing fees – NSW Ministry of Health	5,440	3,735
	304,839	**288,295**

3. REVENUE

	2015 $'000	2014 $'000
a. Retained taxes, fees and fines		
Fees		
CTP premium levy	411,793	406,343
	411,793	**406,343**
b. Investment revenue		
Interest revenue from bank interest and TCorp Hour-Glass cash facility	2,588	402
TCorp Hour-Glass investment facilities	313,828	317,006
TCorp Fixed/Variable Interest discrete portfolio	75,875	38,594
Interest Realised – Other	5,303	-
	397,594	**356,002**
c. Share of the profit or (loss) of associates		
Sargood Centre	**4**	**(59)**
Refer to Note 19 for more details.		
d. Other revenue		
Rental	105	58
Scheme recoveries	284	-
	389	**58**

NOTES TO THE FINANCIAL STATEMENTS

4. GAIN/(LOSS) ON DISPOSAL

	2015 $'000	2014 $'000
Land and buildings	-	(760)
Motor vehicles	-	82
Software work in progress	-	(420)
	-	**(1,098)**

5. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash at bank and on hand	5,682	6,145
Short-term deposits:		
TCorp Cash portfolio	-	133,594
TCorp Hour-Glass investment – Cash facility	164,083	65,908
Cash – Other Deposits at TCorp	61,742	-
Cash – Other	217,994	-
	449,501	**205,647**

For the purposes of the Statement of cash flows, cash and cash equivalents includes cash at bank, cash on hand and short term deposits of less than 12 months duration.

Cash and cash equivalent assets recognised in the Statement of financial position are reconciled at the end of the financial year to the Statement of cash flows as follows:

Cash and cash equivalent assets (per Statement of financial position)	449,501	205,647
CLOSING CASH AND CASH EQUIVALENTS (PER STATEMENT OF CASH FLOWS)	**449,501**	**205,647**

Refer to Note 18 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

6. CURRENT/NON-CURRENT ASSETS – RECEIVABLES

Current		
Retained taxes, fees and fines	41,632	38,981
Prepayments	208	132
GST receivable	1,063	967
Interest receivable	86	-
Investments receivable	15,812	-
Other	-	33
	58,801	**40,113**
Non-current		
Superannuation	132	90
Receivables from participants (Refer Note 1(i)(x))	1,446	501
	1,578	**591**
TOTAL RECEIVABLES	**60,379**	**40,704**

Receivables from trade debtors and participants are non-interest bearing and the former are generally on a 30-day term while the latter are more than 12 months, depending on each individual circumstance.

No receivables are considered impaired (2014 $nil)

Refer to Note 18 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

7. FINANCIAL ASSETS AT FAIR VALUE

	2015 $'000	2014 $'000
Current Assets – held for trading		
TCorp Hour-Glass Facilities	2,212,400	-
TCorp Fixed/Variable Interest discrete portfolio	1,292,426	-
Other Investments	-	-
	3,504,826	**-**
Non Current Assets		
TCorp Hour-Glass investment in sectors	-	1,941,272
TCorp Fixed/Variable Interest discrete portfolio	-	1,141,133
	-	**3,082,405**
NET FINANCIAL ASSETS	**3,504,826**	**3,082,405**

(Refer Note 1(i)(xi))

8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Capital works in progress $'000	Land and buildings $'000	Leasehold improvements $'000	Motor vehicles $'000	Office furniture and equipment $'000	Total $'000
At 1 July 2014 – fair value						
Gross carrying amount	1,428	4,170	2,799	185	-	8,582
Accumulated depreciation and impairment	-	(51)	(1,945)	(32)	-	(2,028)
NET CARRYING AMOUNT	**1,428**	**4,119**	**854**	**153**	**-**	**6,554**
At 30 June 2015 – fair value						
Gross carrying amount	1,442	5,870	2,799	185	-	10,296
Accumulated depreciation and impairment	-	(23)	(2,413)	(79)	-	(2,515)
NET CARRYING AMOUNT	**1,442**	**5,847**	**386**	**106**	**-**	**7,781**

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Capital works in progress $'000	Land and buildings $'000	Leasehold improvements $'000	Motor vehicles $'000	Office furniture and equipment $'000	Total $'000
Year ended 30 June 2015						
Net carrying amount at start of financial year	1,428	4,119	854	153	-	6,554
Additions	1,229	30	-	-	-	1,259
Net revaluation increment less revaluation decrements	-	533	-	-	-	533
Transfers	(1,215)	1,215	-	-	-	-
Depreciation expense	-	(50)	(468)	(47)	-	(565)
NET CARRYING AMOUNT AT END OF FINANCIAL YEAR	**1,442**	**5,847**	**386**	**106**	**-**	**7,781**
At 1 July 2013 – fair value						
Gross carrying amount	-	6,670	2,765	206	-	9,641
Accumulated depreciation and impairment	-	(15)	(1,446)	(167)	-	(1,628)
NET CARRYING AMOUNT	**-**	**6,655**	**1,319**	**39**	**-**	**8,013**
At 30 June 2014 – fair value						
Gross carrying amount	1,428	4,170	2,799	185	-	8,582
Accumulated depreciation and impairment	-	(51)	(1,945)	(32)	-	(2,028)
NET CARRYING AMOUNT	**1,428**	**4,119**	**854**	**153**	**-**	**6,554**

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting period is set out below:

	Capital works in progress $'000	Land and buildings $'000	Leasehold improvements $'000	Motor vehicles $'000	Office furniture and equipment $'000	Total $'000
Year ended 30 June 2014						
Net carrying amount at start of financial year	-	6,655	1,319	39	-	8,013
Additions	1,428	-	34	185	-	1,647
Disposals	-	(2,500)	-	(206)	-	(2,706)
Depreciation expense	-	(51)	(499)	(45)	-	(595)
Write back of depreciation on disposal	-	15	-	180	-	195
NET CARRYING AMOUNT AT END OF FINANCIAL YEAR	**1,428**	**4,119**	**854**	**153**	**-**	**6,554**

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 10

NOTES TO THE FINANCIAL STATEMENTS

9. INTANGIBLE ASSETS

	Software $'000	Software WIP $'000	Total $'000
At 1 July 2014			
Cost (gross carrying amount)	3,741	682	4,423
Accumulated amortisation and impairment	(3,343)	-	(3,343)
NET CARRYING AMOUNT	**398**	**682**	**1,080**
At 30 June 2015			
Cost (gross carrying amount)	3,741	1,173	4,914
Accumulated amortisation and impairment	(3,692)	-	(3,692)
NET CARRYING AMOUNT	**49**	**1,173**	**1,222**

Reconciliation

A reconciliation of the carrying amount of each class of intangible assets at the beginning and end of the current reporting period is set out below:

Year ended 30 June 2015			
Net carrying amount at start of financial year	398	682	1,080
Additions - internal development	-	491	491
Amortisation expense	(349)	-	(349)
NET CARRYING AMOUNT AT END OF FINANCIAL YEAR	**49**	**1,173**	**1,222**
At 1 July 2013			
Cost (gross carrying amount)	3,741	593	4,334
Accumulated amortisation and impairment	(2,798)	-	(2,798)
NET CARRYING AMOUNT	**943**	**593**	**1,536**
At 30 June 2014			
Cost (gross carrying amount)	3,741	682	4,423
Accumulated amortisation and impairment	(3,343)	-	(3,343)
NET CARRYING AMOUNT	**398**	**682**	**1,080**

Reconciliation

A reconciliation of the carrying amount of each class of intangible assets at the beginning and end of the prior reporting period is set out below:

Year ended 30 June 2014			
Net carrying amount at start of financial year	943	593	1,536
Additions	-	509	509
WIP Write off		(420)	(420)
Amortisation expense	(545)	-	(545)
NET CARRYING AMOUNT AT END OF FINANCIAL YEAR	**398**	**682**	**1,080**

NOTES TO THE FINANCIAL STATEMENTS

10. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

a. Fair value hierarchy

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total Fair value $'000
2015				
Property, plant and equipment (Note 8)				
Land and buildings	-	5,577	1,712	7,289
	-	**5,577**	**1,712**	**7,289**
2014				
Property, plant and equipment (Note 8)				
Land and buildings	-	3,919	1,628	5,547
	-	**3,919**	**1,628**	**5,547**

There were no transfers between Level 1 or 2 during the period.

b. Valuation techniques, inputs and processes

Land at Collaroy is measured using the income approach as it is subject to a long term lease. This lease is for a period of 30 years with an option for a further 30 year term at the discretion of the leasee, with a rental return of $10 per year. The estimated fair value of this land will increase significantly if the restrictions on the use of the site were removed.

A building at Coffs Harbour is currently being constructed to provide multi dwelling accommodation for people with disabilities. It is measured using the cost approach. The remainder of the Authority's buildings have been valued using a market approach.

The remainder of the Authority's assets are non-specialised and are measured using the market approach. NSW Treasury Policy paper 14-01 Valuation of Physical Non-Current Assets at Fair Value allows non-specialised assets with short useful lives to be recognised at depreciated historical cost as a surrogate for fair value. Depreciated historical cost is an appropriate surrogate for fair value because any difference between fair value and depreciated historical cost is unlikely to be material and the benefit of ascertaining a more accurate fair value does not justify the additional cost of obtaining it.

NSW Treasury have advised that assets measured using depreciated historical cost as a surrogate for fair value do not require fair value hierachy disclosures under AASB 13 *Fair Value Measurement*.

c. Reconciliation of recurring Level 3 fair measurements

	Land and buildings $'000	Total recurring Level 3 Fair value $'000
2015		
Fair value at 1 July 2014	1,628	1,628
Additions	1,229	1,229
Disposals	-	-
Revaluation	70	70
Transfer to level 2	(1,215)	(1,215)
Depreciation	-	-
FAIR VALUE AT 30 JUNE 2015	**1,712**	**1,712**

Additions relate to a special purpose building being constructed at Coffs Harbour.

Transfers to Level 2 relate to previous capital work in progress being finalised and the properties being independently valued in 2015.

NOTES TO THE FINANCIAL STATEMENTS

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2015 $'000	2014 $'000
SHARE OF EQUITY IN SARGOOD CENTRE	**1,758**	**1,754**

Refer to Note 19 for more details.

12. CURRENT LIABILITIES – PAYABLES

CURRENT		
Creditors	688	128
Accrued expenses	6,707	9,158
Payroll tax and fringe benefits tax	36	30
Accrued salaries, wages and on-costs	251	179
Investments Payable	409	-
	8,091	**9,495**

Details regarding credit risk, liquidity risk, and market risk, including a maturity analysis of the above payables are disclosed in Note 18.

13. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS

CURRENT		
Personnel services and related on-costs		
Annual leave	756	663
Long service leave	1,924	1,451
	2,680	**2,114**
Other provisions		
Provision for participant care and support services	117,987	102,825
TOTAL CURRENT PROVISIONS	**120,667**	**104,939**

It is expected that the current leave provisions and related on-costs will be settled over the following period:		
Expected to be settled no more than twelve months		
Annual leave and related on-costs	756	663
Long service leave and related on-costs	63	97
	819	**760**
Expected to be settled after more than twelve months		
Long service leave and related on-costs	1,861	1,354
NON-CURRENT		
Personnel services and related on-costs		
Long service leave	113	110
Superannuation	-	-
	113	**110**
Other provisions		
Restoration costs	300	300
Provision for participant care and support services	2,620,235	2,289,401
	2,620,535	**2,289,701**
	2,620,648	**2,289,811**
TOTAL PROVISIONS	**2,741,315**	**2,394,750**

13. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS (CONTINUED)

	2015 $'000	2014 $'000
Aggregate employee benefits and related on-costs		
Provisions – current	2,680	2,114
Provisions – Non-current	113	110
Accrued salaries, wages and on-costs (Note 12)	251	179
	3,044	**2,403**

Movements in the provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Participant care and support services $'000	Restoration costs $'000	Total $'000
2015			
Carrying amount at the beginning of financial year	2,392,226	300	2,392,526
Additional provisions recognised	317,063	-	317,063
Amount used	(111,398)	-	(111,398)
Unwinding / change in the discount rate	140,331	-	140,331
Carrying amount at end of financial year	**2,738,222**	**300**	**2,738,522**

The finance costs above represent the increase in the liability for outstanding claims from the end of the previous financial year to the end of the current financial year which is due to discounted claims not settled being one period closer to settlement.

	2015 $'000	2014 $'000
Provision for participants' care and support services		
Under the *Motor Accidents (Lifetime Care and Support) Act 2006*, the Authority meets participant care and support services for severely injured persons from motor accidents. Entitlement to these services commenced for children under 16 years of age from 1 October 2006 and for adults from 1 October 2007. At 30 June, the liabilities for all claims incurred up to this date to the scheme were valued by actuaries at PricewaterhouseCoopers Actuarial.		
The liability for participants' care and support services are measured as the present value of the expected future payments. The present values after discounting are as follows:		
Not later than one year	117,987	102,825
Later than one year but not later than five years	422,100	361,070
Later than five years	2,198,135	1,928,331
TOTAL	**2,738,222**	**2,392,226**

The inflation and discount factors used in measuring the liability for outstanding participants care and support costs are based on investment return rates of 2% (2014 2%) higher than the inflation rate of participant care costs.

	2015 Years	2014 Years
Weighted mean term		
Uninflated, undiscounted	22.9	24.41
Inflated, discounted	18.2	19.34

13. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS (CONTINUED)

Sensitivity analysis for the valuation as at 30 June 2015

The liability represents the best estimate and is based on standard actuarial assessment. The table below shows sensitivities to the valuation. Uncertainty exists due to the long-term nature of liabilities and volatility around the number of Scheme participants and their injury severity. The Authority expects the uncertainty to continue to diminish significantly over the next three to five years. If the Lifetime Care and Support Scheme was an insurer (which it is not), then under Australian Accounting Standard AASB 1023 it would be required to add a risk margin to its liabilities. Based on the minimum level required by APRA of a 75% probability of Sufficiency/Adequacy this would result in the Authority's liabilities increasing by $410.7 million and reducing its accumulated surplus to $865.4 million.

	30 June Liability $M	**Effect on 30 June Liability** $M	**Percentage Effect** %
Central estimate of LTCSA Scheme	2,738.2		
All valuation assumptions used			
Different long term gap assumptions:			
a. One per cent per annum lower for all future years	3,343.2	605.0	22
b. One per cent per annum higher for all future years	2,289.8	-448.4	-16
Change in standard mortality ratio (SMR) assumptions:			
a. Ten per cent decrease in SMR for all severities	2,801.6	63.4	2
b. Ten per cent increase in SMR for all severities	2,678.3	-59.9	-2
c. Apply general population SMR to low severity participants	2,752.9	14.7	1
Change in participant age distributions:			
a. Adjust proportion of 65+ year olds to be 5% higher	2,729.4	-8.8	0
b. Adjust proportion of 65+ year olds to be 5% lower	2,747.1	8.9	0
No unit cost changes beyond 5 years post injury for:			
a. Attendant Care	2,175.3	-562.9	-21
b. Rehabilitation	2,912.9	174.6	6
Different levels of improvement in brain injury severity:			
a. Expected level of Care and Needs Scale (CANS) improvement from previous analysis	2,711.2	-27.0	-1
b. Twice as much improvement after 4 years as predicted	2,739.5	1.3	0
c. No improvement after 4 years	2,736.9	-1.3	0

14. COMMITMENTS FOR EXPENDITURE

	2015 $'000	**2014** $'000
Operating lease commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	1,139	1,134
Later than one year but not later than five years	1,575	1,190
Later than five years	-	-
TOTAL (INCLUDING GST)	**2,714**	**2,324**

The Authority leases offices and motor vehicles under non-cancellable operating leases expiring within three years. The leases have varying terms, escalation clauses and renewal rights.

Expenditure commitments for the Authority include input tax credits of $0.2M (2014: $0.2M) which are expected to be recoverable from the Australian Taxation Office.

NOTES TO THE FINANCIAL STATEMENTS

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible liability that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Authority. The Authority does not recognise contingent liability but discloses its existence where outflows of economic benefits are probable, but not virtually certain. A contingent asset is the opposite of a contingent liability.

The Authority does not have any contingent asset or liability at reporting date (2014: nil).

16. BUDGET REVIEW

Net result

The net result is $325.5m favourable to budget primarily due to:

- Favourable investment revenue of $170.0m due to strong investment returns being received on a growing financial base.
- Favourable future participant care and support costs of $156.9m due to a decrease in the actuarially assessed movement in the provision for participant care and support costs

Assets and liabilities

- Total assets were $127.6m favourable to budget mainly due to increases in cash and financial assets as a result of strong investment returns.
- Total liabilities were $583.7m favourable to budget due to a decrease in the actuarially assessed provision for participant care and support costs.

Cash flows

- Net operating activities were $106.3 unfavourable to budget mainly due to lower investment returns on cash held and lower MCIS levy collections.
- Investing cash activities were $487.6 favourable to budget mainly due to the reinvestment of interest earnings.

17. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2015 $'000	**2014** $'000
Net cash used on operating activities	320,841	505,181
Depreciation and amortisation	(914)	(1,140)
Loss on disposal of non-current assets	-	(1,098)
Increase/(Decrease) in investments accounted for using the Equity Method	4	(59)
Unrealised gain on investments	362,587	161,833
Change in assets and liabilities		
Increase/(Decrease) in receivables: current	2,876	(9,032)
Increase/(Decrease) in receivables: non-current	987	90
Decrease in payables: current	1,813	3,111
(Increase) in provisions: current	(15,728)	(11,182)
(Increase) in provisions: non-current	(330,837)	(313,640)
NET RESULT	**341,629**	**334,064**

18. 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 instruments, for speculative purposes.

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

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

Financial Assets

The Authority is ultimately responsible for identifying and controlling financial risks including the establishment of an overall financial risk management strategy and policy.

a. Financial instrument categories

	Notes	Category	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000
Financial Assets				
Class:				
Cash and cash equivalents	5	N/A	449,501	205,647
Receivables[1]	6	Loans and receivables (at amortised cost)	17,344	534
Financial assets at fair value	7	At fair value through profit or loss – designated as such upon initial recognition	3,504,826	3,082,405
Financial Liabilities				
Class:				
Payables[2]	12	Financial liabilities (at amortised cost)	8,055	9,465

Notes:

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).

Credit Risk

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

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

Credit risk associated with the Authority's financial assets other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW Treasury Corporation (TCorp) are guaranteed by the State.

Cash and cash equivalents

Cash comprises cash on hand, balances held at private financial institutions, term deposits with a maturity of less than 12 months and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances on funds in the NSW Treasury Banking System at the Reserve Bank of Australia's prevailing cash rate.

Receivable – trade debtors

All trade debtors are recognised as amounts receivable as 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 as uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Authority will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions. There is no independently assessed rating of the clients other than past experience and their compliance with credit terms, these credit terms are monitored by management on a monthly basis. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. At balance date, no debtors are past due nor are they determined as impaired (2014: nil).

18. FINANCIAL INSTRUMENTS (CONTINUED)

a. Financial instrument categories (Continued)

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, if applicable.

The Authority does not have any loans payable and no assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW Treasury Circular NSWTC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid, automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Chief Executive Officer of the Authority (or a person appointed by the Chief Executive Officer of the Authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 10.61% (2014: 10.63%).

The Authority's exposure to liquidity risk for payables is deemed insignificant based on prior period's data and current assessment of risk.

Maturity analysis and interest rate exposure of financial liabilities

			Interest rate exposure			Maturity dates		
	Weighted average effective interest rate %	**Nominal amount[1]** $'000	**Fixed interest rate** $'000	**Variable interest rate** $'000	**Non-interest bearing** $'000	**< 1 year** $'000	**1–5 years** $'000	**> 5 years** $'000
2015								
Payables	N/A	8,055	–	–	8,055	8,055	–	–
2014								
Payables	N/A	9,465	–	–	9,465	9,465	–	–

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Authority can be required to pay. The tables include both interest (if applicable) and principal cash flows and therefore may not reconcile to the statement of financial position.

b. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Market risk arises as a result of the Authority holding cash and cash equivalents and trading investments as part of its asset allocation.

The Authority seeks to manage exposure to market risk so that it can generate sufficient returns to meet the Authority's current and future liabilities and mitigate the risk that the Authority's investments will be insufficient to meet such liabilities. The Authority's portfolio of investments is invested in accordance with its strategic asset allocation. The goal of the strategic asset allocation is to construct a portfolio that achieves the Authority's investment objectives including a return in excess of the liability discount rate while limiting the probability of large declines in the Authority's funding ratio.

The actual asset allocations can deviate from the benchmark asset allocation due to:

- Authority cash flows;
- Fluctuations in market prices; and
- Dynamic asset allocation decisions.

Dynamic asset allocation refers to medium term shifts away from the strategic asset allocation which are designed to capture market opportunities or to mitigate risks.

The deviations in actual versus benchmark asset allocation at the end of the reporting period were within the agreed tolerance limits for all asset classes.

NOTES TO THE FINANCIAL STATEMENTS

18. FINANCIAL INSTRUMENTS (CONTINUED)

b. Market risk (Continued)

Based on the asset allocation the Investment Committee, typically with advice from the Authority's asset consultant, appoints investment managers in each asset class. Management of the Authority's assets is allocated to the appointed investment managers. Each investment manager is subject to restrictions in relation to the types of assets in which it may invest, and in relation to the composition of investments within certain asset types. These restrictions are expressed in formalised mandates typically contained in individually negotiated Investment Management Agreements or as described in Information Memoranda (or similar documents) issued by the relevant investment manager where the investment is via a pooled fund. The investment mandates are monitored on a daily basis to ensure that investment managers are compliant with their mandates and relevant agreements.

Each investment manager is responsible for managing security specific risk using its distinct management style. Each investment manager is also responsible for constructing a portfolio that aims to achieve its own investment objectives while complying with the restrictions and guidelines contained in the mandate or Information Memorandum.

A risk budgeting framework is used to help determine an appropriate strategic asset allocation for the Authority. This framework incorporates the risk and return characteristics of the different asset classes in the portfolio and additional factors such as inflation and interest rates. Within this framework, a number of risk measures are employed including the frequency of negative returns, the volatility of the investment portfolio relative to the value of the liability and Value-at-Risk (VaR) analysis.

The Authority's asset consultant conducts the risk budgeting analysis utilising:

- Assumptions regarding the expected level of return, risk and correlations between price and wage inflation, bond yields and returns from different asset classes (for example equities, bonds, property, alternative assets)
- Assumptions regarding the duration of inflation-linked and other liabilities consistent with those used by the Authority's Actuary.

The analysis incorporates scenario analysis to determine the risk and return of different investment strategies relative to the change in the liabilities over a period. The analysis is primarily used to compare different investment strategies, and then to determine the investment strategy that has the appropriate level of risk, given the risk and return objectives of the Authority.

The risk budgeting analysis is based on certain simplifying assumptions such as statistical characteristics of investment returns, volatilities and correlations, that may not represent actual outcomes. It is also important to note that the analysis only allows for some economic factors such as inflation and bond yields, which affect the value of the Authority liabilities. It does not allow for other factors such as the claims loss ratio, claims incidence and recovery rates, which also affect the value of the Authority liabilities. As such, the analysis may not be accurate in its assessment of the liability.

The VaR risk measure seeks to estimate the potential investment loss over a given holding period at a specified confidence level. The VaR methodology is a statistically-defined, probability-based approach to risk assessment that takes into account market volatilities as well as risk diversification by identifying offsetting positions and correlations between financial instruments and markets. The VaR methodology allows risks to be measured consistently across all markets and financial instruments and to be aggregated into a single risk number.

The risk budgeting framework assesses the Authority's VaR at the 95th percentile confidence level over a 12 month time period. This represents the minimum expected reduction in the value of the Authority's investment portfolio which has a 5 per cent chance of occurring over a one year period.

In addition to a VaR measure, the risk budgeting framework is also used to assess the following risk and return characteristics:

- Expected return on the investment portfolio;
- Probability of meeting return targets that incorporate measures of wage inflation; and
- The performance of the investment portfolio under different economic scenarios.

The most recent VaR analysis performed by asset consultant Mercer Investments (Australia) limited was conducted in July 2015 based on the June 2015 financial instruments and is computed via forward looking simulation using a 95 per cent confidence interval and a 1-year holding period.

The Authority uses a Value at Risk (VaR) model to measure the market risk exposures to its invested assets in the balance sheet. VaR is calculated using simulated forward looking expected returns at the 95th percentile confidence level over a 12 month time period. The VaR methodology allows risks to be measured consistently across all markets and financial instruments and to be aggregated into a single risk number.

Given the Authority's financial instruments at 30 June 2015, the minimum potential loss expected over a one year period is $186.1 million (June 2014: $170.7 million), with a 5 per cent probability that this minimum may be exceeded.

18. FINANCIAL INSTRUMENTS (CONTINUED)

b. Market risk (Continued)

Interest rate risk

Interest rate risk is the risk that the (fair) value of a financial instrument will fluctuate because of changes in market interest rates. The value of the Authority's liabilities is also affected by interest rate fluctuations.

i. Exposure:

Interest rate risk arises as a result of the Authority holding financial instruments which are subject directly or indirectly to changes in value as a result of interest rate fluctuations. Authority liabilities are similarly subject directly or indirectly to changes in value as a result of interest rate fluctuations.

ii. Risk management objective, policies and processes:

The interest rate and inflation risk of the Authority is managed primarily through its strategic asset allocation and mandate objective setting. At 30 June 2015 the Authority had a 28 per cent (2014: 10 per cent) allocation to Australian Commonwealth and state government bonds to mitigate interest rate risk of Authority liabilities and a further 13 per cent (2014: 25 per cent) allocation to Australian Commonwealth and state government inflation linked bonds to mitigate inflation risk of Authority liabilities.

Interest rate risk arises as a result of the Authority holding financial instruments which are subject directly or indirectly to changes in value as a result of interest rate fluctuations. Authority liabilities are similarly subject directly or indirectly to changes in value as a result of interest rate fluctuations.

iii. Quantitative analysis of exposure:

The table below summarises the Authority's exposure to interest rate risks. It includes the Authority's indexed and interest-bearing financial assets and liabilities at fair values, categorised by the earlier of their contractual re pricing or maturity dates.

The table does not show all assets and liabilities of the Authority. Assets and liabilities NOT shown in the table below are NOT indexed and interest bearing and are therefore not directly exposed to interest rate risk.

	Floating interest rate $000	2015 Fixed interest rate maturing in 3 months or less $000	4–12 months $000	1–5 years $000	Over 5 years $000	Total $000
Class						
Cash	232,140	–	–	–	–	232,140
Money market deposits	–	116,271	101,090	–	–	217,361
Unit Trusts	2,212,400	–	–	–	–	2,212,400
Indexed and interest bearing securities	1,010,595	–	3,964	88,663	189,095	1,292,317
Interest rate futures	–	108	–	–	–	108
Assets	**3,455,135**	**116,379**	**105,054**	**88,663**	**189,095**	**3,954,326**

	Floating interest rate $000	2014 Fixed interest rate maturing in 3 months or less $000	4–12 months $000	1–5 years $000	Over 5 years $000	Total $000
Class						
Cash	205,647	–	–	–	–	205,647
Money market deposits	–	–	–	–	–	–
Unit Trusts	1,941,272	–	–	–	–	1,941,272
Indexed and interest bearing securities	–	–	–	–	1,141,133	1,141,133
Assets	**2,146,919**	**–**	**–**	**–**	**1,141,133**	**3,288,052**

The Authority's exposure to interest rate price risk is considered a component of market price risk and is quantified as part of the VaR analysis discussed under Market Price Risk.

The Authority is exposed to interest rate cash flow risk on its floating rate interest bearing securities as interest income earned varies according to prevailing market interest rates.

NOTES TO THE FINANCIAL STATEMENTS

18. FINANCIAL INSTRUMENTS (CONTINUED)

c. Liquidity risk

The Authority is exposed to liquidity risk from holding financial assets that may not be readily convertible to cash to meet financial liabilities and claims costs.

i. Exposure:

The financial assets of the Authority that may not be readily convertible to cash are largely receivables (refer Note 6) and investments in over-the-counter or thinly traded investments and principally unlisted property trusts.

ii. Risk management objective, policies and processes

The Authority maintains adequate liquidity to meet the daily cash requirements for claims payments and other operating costs.

To assist in meeting its liquidity risk management objectives, the Authority maintains a cash balance and invests most of its assets in investments that are traded in active markets that can be readily disposed of.

The Authority invests a proportion of its assets in less liquid listed investments or investments that are not traded on active markets and this is strictly controlled in accordance with the asset allocation together with a policy which limits exposure to illiquid investments.

Each investment manager is responsible for cashflow management of the assets that have been mandated to them. That is, each investment manager is responsible for managing settlement liquidity risk. The custodian supplies daily reporting to each investment manager to assist them in this process.

iii. Quantitative analysis of exposure:

The financial liabilities of the Authority comprise cash, interest and other payables. The types of financial liabilities of the Authority were similar at 30 June 2014.

Cash due to brokers is payable on demand. Interest and other payables are typically settled within 30 days. If the derivative positions are closed out prior to maturity by entering into offsetting transactions, the Authority settles its derivative obligations in cash rather than physical delivery.

The other Authority liabilities are either participant care and support related whose maturity is disclosed in Note 13 or are related to Authority operations and have a maturity of less than 12 months.

d. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Authority is ultimately responsible for identifying and controlling financial risks including the establishment of an overall financial risk management strategy and policy.

i. Exposure:

Credit risk arises from the Authority's investments as a result of the investment managers trading with various counterparties and purchasing the debt of corporate and government borrowers. These activities could result in the Authority not being able to receive obligations as a result of a failing counterparty. The Authority's main credit risk concentration is spread between cash, indexed and interest bearing investments and over-the-counter, in-the-money derivatives.

Credit risk also arises from the Authority's receivables. Disclosures relating to the Authority's receivables are included in Note 6.

ii. Risk management objective, policies and processes

Credit Guidelines have been determined to ensure the Authority has controlled levels of credit concentration. These guidelines are at a total Authority level, with further asset class specific restrictions in investment manager's mandates where applicable. In addition, where possible collateral arrangements may be implemented to reduce the Authority's exposure.

The exposure is reported against set guidelines both from an individual managers' compliance and at a total Authority level. Reporting is provided by the Authority's custodian and delivered to management for monitoring.

Credit risk arising on financial instruments is mitigated by investing primarily in rated instruments as determined by Standard and Poor's, Moody's or Fitch. The Authority minimises its credit risk by monitoring counterparty creditworthiness.

iii. Quantitative analysis of exposure:

The Authority's maximum credit risk exposure at balance date in relation to each class of recognised financial asset, other than derivative financial instruments, is the carrying amount of those assets as indicated in the Statement of Financial Position.

In relation to over the counter derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement.

18. FINANCIAL INSTRUMENTS (CONTINUED)

d. Credit risk (Continued)

iii. Quantitative analysis of exposure (Continued)

Derivatives

The use of derivative financial instruments is governed by the Authority's policies. The Authority enters into derivative contracts for the purpose of gaining market and/or duration exposure or offsetting existing risk exposures.

The table below shows the fair value of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of a derivative is measured. The notional amounts are indicative of the exposure of the Authority to movements in the instrument underlying the derivatives. The notional amounts do not represent the credit risk of the derivative positions that is equal to the fair value.

The fair value amounts reported in the Statement of Financial Position, and the amounts reported in the following tables are the net value of individual swap positions where there is the ability to settle the swaps on a net basis and the Authority intends to settle on this basis.

	Assets $'000	**Liabilities** $'000	**Notional amount** $'000
2015			
Futures:			
Interest rate futures	108	–	47,512
	108	**–**	**47,512**
2014			
Futures:			
Interest rate futures	–	–	–

Indexed and interest bearing investments

The majority of the indexed and interest bearing investments held by the Authority are held with issuers rated investment grade by Standard and Poor's, Moody's or Fitch. The ratings assigned to the Authority's indexed and interest bearing investments at the end of the reporting period were as follows:

	2015 %	**2014** %
Rating		
AAA/aaa	86	100
AA/Aa	14	–
TOTAL	**100**	**100**

NOTES TO THE FINANCIAL STATEMENTS

18. FINANCIAL INSTRUMENTS (CONTINUED)

e. Fair value estimation

The carrying amounts of the Authority's financial assets and liabilities at the end of the reporting period approximated their fair values as all financial assets and liabilities held were either at fair value at the end of the reporting period ('marked to market') or were short term in nature.

The financial assets and liabilities are classified in accordance with the following fair value measurement hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
- Level 3 – inputs for the assets or liabilities that are not based on observable market data

	2015				2014			
	Level 1 $'000	**Level 2** $'000	**Level 3** $'000	**TOTAL** $'000	**Level 1** $'000	**Level 2** $'000	**Level 3** $'000	**TOTAL** $'000
Other Financial assets								
Indexed and interest bearing securities	1,048,945	243,372	–	1,292,317	1,141,133	–	–	1,141,133
Unit Trusts	–	2,212,400	–	2,212,400	–	1,941,272	–	1,941,272
Derivatives	108	–	–	108	–	–	–	–
	1,049,053	**2,455,772**	**–**	**3,504,825**	**1,141,133**	**1,941,272**	**–**	**3,082,405**

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets of the Authority is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. A variety of methods are used which include assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for debt securities for disclosure purposes. Evaluations of such securities are based on market data. Vendors utilise evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information and for structured securities, cash flow and when available loan performance data.

Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise debt instruments and derivative financial instruments.

Transfer between levels

The Authority recognises transfers between levels of the fair value hierarchy at the end of the reporting report during which the transfer has occurred. There were no transfers during the year ended 30 June 2015 (2014 $nil).

Valuation framework

The Authority has an established control framework with respect to the measurement of fair values. This framework has been outsourced to an external service provider which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls conducted by the outsourced service provider include:

- Verification of observable pricing;
- Re-performance of model valuations;
- A review and approval process for new models and changes to models;
- Quarterly calibration and back testing of models against observed market transactions;
- Analysis and investigation of significant daily valuation movements;
- Review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared to previous month.

18. FINANCIAL INSTRUMENTS (CONTINUED)

e. Fair value estimation (Continued)

Where third-party information, such as broker quotes or pricing services, are used to measure fair value, the outsourced service provider assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of accounting standards. This includes:

- Verifying that the broker or pricing service is approved by the Master Custodian of the Authority for use in pricing the relevant type of financial instrument;
- Understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- When prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement;
- Where a number of quotes for the same financial instrument have been obtained, how fair value has been determined using those quotes.

Significant valuation issues are reported to the Board's Audit and Risk Committee.

Involvement with unconsolidated structured entities

The Authority has concluded that unlisted investment funds in which it invests, but that it does not consolidate, meet the definition of structured entities because:

- The voting rights in the funds are not dominant rights in deciding who controls them as they relate to administrative tasks only;
- Each fund's activities are restricted by its prospectus; and
- The funds have narrow and well-defined objectives to provide investment opportunities to investors.

The table below describes the types of structured entities that the Fund does not consolidate but in which it holds an interest, set out by investment strategy.

	2015		2014	
Investment Strategy	**Net Market Value as at 30 June 2015** $'000	**Exposure**	**Net Market Value as at 30 June 2014** $'000	**Exposure**
Property	353,398	16%	248,871	13%
Shares	1,828,183	83%	1,692,401	87%
Strategic	30,819	1%	-	0%
TOTAL	**2,212,400**	**100%**	**1,941,272**	**100%**

The above table lists the net market value and the Authority's percentage exposure to each investment strategy as at 30 June. These unconsolidated structured entities are included under unit trusts in Note 18. The maximum exposure or loss is limited to the net market value of the investment strategy as at 30 June 2015. The net market value of the exposure will change on a daily basis throughout the period and in the subsequent periods will cease once the investments are disposed.

The investments of the Authority are managed in accordance with the investment mandates with respective underlying investment managers. The investment decisions of the mandate are based on the analysis conducted by the investment manager. The return of the portfolio is exposed to the variability of the performance of the underlying management of these investments.

19. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Authority has one-third member interests in Sargood Centre (the Centre), a not-for-profit company limited by guarantee. The Authority is not entitled to any distribution of funds from the Centre. The Authority's member interests is recognised in these accounts in accordance with AASB 128 *Investments in Associates* using the equity method of accounting as mandated by NSW Treasury Circular TC 15/02.

The primary focus of the Centre is to facilitate the operation of a life learning facility for people with traumatic spinal cord injury and to provide medical and health related services for people in Australia with spinal cord injuries and similar conditions.

As part of the funding agreement with the Centre, the Authority has entered into an agreement to lease land acquired by the Authority at minimal fee for 30 years to facilitate the construction of the facility. The Centre holds an option to extend the lease for a similar term.

The Authority has also provided a grant of $9.96M for the construction and fit out of the facility including equipment in 2012. ERF Industries Proprietary Limited which also holds one-third member interests in the Centre, has also provided a grant of $5M for these purposes. The other equal member in the Centre is the Ability Australia Foundation.

Under the agreement with other members, the Authority has committed to take up 2 beds in the Sargood facility for 2 years from when the Centre opens.

NOTES TO THE FINANCIAL STATEMENTS

19. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

a. Summarised financial information of Sargood Centre

	2015 $'000	2014 $'000
Total revenue	423	547
Total expenses excluding losses	(412)	(723)
Net result	**11**	**(176)**
Other comprehensive income	–	–
TOTAL COMPREHENSIVE INCOME	**11**	**(176)**
Total assets	16,264	15,265
Total liabilities	(1,030)	(42)
NET ASSETS	**15,234**	**15,223**
TOTAL EQUITY	**15,234**	**15,223**

b. Should there be any unexpended funds (including accumulated interest revenue) at the time the current funding agreement ends or is terminated, the Centre is not required to pay back the amount to the Authority but rather it must ensure that funding is then applied towards further development or improvement or operation of the Centre.

The Centre has granted to the Authority the second fixed and floating charge after ERF Industries Proprietary Limited over the assets of Sargood.

20. POST BALANCE DATE EVENTS

Defined Benefit Superannuation Liability

The Department of Finance, Services and Innovation (DFSI) have advised the Authority that during the 2015/16 budget setting process the defined benefit superannuation asset/liability for the Authority will be assumed by the NSW Treasury in 2015/16. As a result the Authority has budgeted for an equity reduction in 2015/16 that will eliminate its defined benefit superannuation asset in 2015/16. The impact of this on the Authority's 2014/15 balance sheet would be to eliminate the defined benefit superannuation asset of $132,410 (refer note 6) and turn the accumulated funds from $1,276.1m to $1,276.0m.

The Authority is awaiting advice from NSW Treasury as to whether this will occur in 2015/16.

State Insurance & Care Governance Act 2015

This Act was proclaimed effective 1 September 2015 to implement structural changes to the NSW workers compensation system and related compensation agencies. The Act establishes four discrete agencies:

- Insurance & Care NSW: a single insurance and care service provider
- State Insurance Regulatory Authority (SIRA): an independent insurance regulator
- SafeWork NSW: an independent workplace safety regulator
- Sporting Injuries Compensation Authority – an entity to manage the Sporting Injuries Compensation Scheme

These changes have no financial impact on the financial statements of the Authority. The Authority will receive services from Insurance & Care NSW in the future.

– END OF AUDITED FINANCIAL STATEMENTS –

Financial Statements

Operating Statement

	2014-15 Budget $000	2014-15 Revised $000	2015-16 Budget $000
Expenses Excluding Losses			
Operating Expenses -			
Employee related	70	151	73
Other operating expenses	528,371	339,841	434,843
Depreciation and amortisation	1,975	964	2,018
Grants and subsidies	2,708	3,516	7,776
Finance Costs	110,000	147,272	174,000
Other expenses	5,543	5,495	5,909
TOTAL EXPENSES EXCLUDING LOSSES	648,667	497,239	624,619
Revenue			
Sale of goods and service	437,150	408,908	430,656
Investment revenue	227,585	721,303	339,110
Other revenue	50	264	52
Total Revenue	664,785	1,130,475	769,818
Investment revenue	...	4	...
Net Result	16,118	633,240	145,199

Balance Sheet

	---------2014-15--------- Budget $000	Revised $000	2015-16 Budget $000
Assets			
Current Assets			
Cash assets	244,209	214,459	243,872
Receivables	49,144	40,225	42,305
Total Current Assets	293,353	254,684	286,177
Non Current Assets			
Investments	1,813	1,758	1,758
Other Financial Assets	3,588,720	4,074,653	4,633,496
Property, plant and equipment -			
Land and building	8,765	7,810	9,695
Plant and equipment	1,483	960	896
Intangibles	3,186	1,339	2,476
Other	501	2,074	2,074
Total Non Current Assets	3,604,468	4,088,594	4,650,395
Total Assets	3,897,821	4,343,278	4,936,572
Liabilities			
Current Liabilities			
Payables	12,605	9,495	9,495
Provisions	93,757	127,633	148,620
Total Current Liabilities	106,362	137,128	158,115
Non Current Liabilities			
Provisions	300	300	300
Other	3,226,488	2,636,665	3,063,683
Total Non Current Liabilities	3,226,788	2,636,965	3,063,983
Total Liabilities	3,333,150	2,774,093	3,222,098
Net Assets	564,671	1,569,185	1,714,474
Equity			
Accumulated funds	564,671	1,569,185	1,714,474
Total Equity	564,671	1,569,185	1,714,474

Cash Flow Statement

	2014-15 Budget $000	2014-15 Revised $000	2015-16 Budget $000
Cash Flows From Operating Activities			
Payments			
Employee related	70	151	(17)
Grants and subsidies	2,708	3,516	7,776
Other	141,697	124,243	167,427
Total Payments	144,475	127,910	175,186
Receipts			
Sale of goods and service	437,150	408,908	430,656
Retained taxes	...	(112)	(2,080)
Interest received	133,697	93,128	120,168
Other	730	1,747	732
Total Receipts	571,577	503,671	549,476
Net Cash Flows From Operating Activities	427,102	375,761	374,290
Cash Flows From Investing Activities			
Purchases of property, plant and equipment	(5,064)	(2,239)	(2,976)
Purchase of Investments	(557,528)	(364,073)	(339,901)
Other	(2,000)	(637)	(2,000)
Net Cash Flows From Investing Activities	(564,592)	(366,949)	(344,877)
Net Increase/(Decrease) in Cash	(137,490)	8,812	29,413
Opening Cash and Cash Equivalents	381,699	205,647	214,459
Closing Cash and Cash Equivalents	244,209	214,459	243,872
Cash Flow Reconciliation			
Net result	16,118	633,240	145,199
Non cash items added back	(91,913)	(627,215)	(216,924)
Change in operating assets and liabilities	502,897	369,736	446,015
Net Cash Flows From Operating Activities	427,102	375,761	374,290

APPENDICES

APPENDICES

APPENDIX 1: LEGISLATION

The LTCSA was established under the *Motor Accidents (Lifetime Care and Support) Act 2006* and the Act outlines the support available under the Scheme.

An amendment to the Act was passed in October 2009 to include the provision that a child will not be assessed for lifetime participation before the age of five years, which applies to current and future participants. The 2009 legislation also includes a 'buy-in' provision to allow a person injured in a motor accident before the commencement of the Scheme to become a participant. An injured person may 'buy-in' if they meet the eligibility criteria and pay an amount determined by the LTCSA to fund their future treatment and care needs. Buying into the Scheme is voluntary.

The Act was further amended in 2012 to make clear that in circumstances where a participant in the Scheme has a CTP claim, all attendant care expenses are met by the Scheme. The CTP insurer is not on risk for any of these expenses. This includes the provision of 'gratuitous' care.

The Act was amended again in 2014 to enable the LTCSA to administer other like schemes on behalf of other state or territory governments. This amendment enables the LTCSA to potentially enter into arrangements with other governments that operate similar schemes that provide for the treatment and care of catastrophically injured people in the future. The legislative amendment also allows LTCSA the ability to contribute funds for assessed treatment and care needs towards an alternative expenditure option that meets a participant's needs in a more cost effective manner. This amendment was made to enable more flexibility about how Scheme funds are used.

The LTCSA regulates the operation of the Scheme by issuing the LTCS Guidelines. The Guidelines are internally developed, provided for external comment and finally published in the NSW Government Gazette. The Guidelines are delegated legislation and define eligibility criteria, what and how treatment and care is funded and the management of disputes.

APPENDIX 2: PERFORMANCE AND NUMBERS OF SENIOR EXECUTIVES

	Lifetime Care & Support Authority of NSW	Motor Accidents Authority of NSW	Workers' Compensation (Dust Diseases) Board*	WorkCover Authority
BAND 1				
Male	1	3	0	27
Female	1	6	0	32
Total	**2**	**9**	**0**	**59**
Average Remuneration	175,342	151,051	0	157,644
BAND 2				
Male	1	2	0	6
Female	0	0	0	4
Total	**1**	**2**	**0**	**10**
Average Remuneration	245,968	234,993	0	230,603
BAND 3				
Male	0	0	0	2
Female	0	0	0	0
Total	**0**	**0**	**0**	**2**
Average Remuneration	0	0	0	305,518
Senior Executives Total				
Male	2	5	0	35
Female	1	6	0	36
Total	**3**	**11**	**0**	**71**
Employee Related Costs				
Exec	732,245	1,890,072	4483	15,181,978
Non-Execs	6,919,306	7,053,757	3,160,702	94,917,807
Total	**7,651,550**	**8,943,828**	**3,165,186**	**110,099,785**
%	9.57%	21.13%	0.14%	13.79%

* The General Manager Workers Compensation Dust Diseases Board was acting in another role at Census date in 2014/15

APPENDIX 3: GOVERNMENT INFORMATION (PUBLIC ACCESS) APPLICATIONS

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

The LTCSA administers and fulfils its obligations under the *Government Information (Public Access) Act 2009* (GIPA Act) which focuses on making Government information more readily available.

Formal access applications received

In the 2014/15 year, the LTCSA received one formal access application. This application was withdrawn and the information provided. Two informal applications were received; one of the applications related to personal information and the second was for access to other information. In both cases the information was provided without a formal application being required. All applications were finalised during the reporting year.

No access application received during the reporting period were refused in full and none were refused in part because the information requested was information referred to in Schedule 1 to the GIPA Act (that is, information for which there is a conclusive presumption of an overriding public interest against disclosure).

The fees for lodging a GIPA application are $30 per application, with a concessional rate of $15.

Mandatory release of government information

As per Section 6 of the GIPA Act, open access information is made publically available on our website, free of charge. This includes our policy documents, publication guides, programs and register of government contracts.

Informal release of government information

As per Section 7 of the GIPA Act, the LTCSA adheres to releasing specific information where it is determined that a formal access application is not required.

Proactive release of government information

Section 7 of the GIPA Act details that agencies must review their programs for the release of government information to identify the kinds of information that can be made publically available. This review must be undertaken at least once every 12 months. The LTCSA's program for the proactive release of information involves review of information available to our participants and publication of information on our internet site, including guidelines, policies and forms.

In addition to the information contained in our website, we will release as much information as possible and as governed by the GIPA Act.

Informal release of government information

As per Section 8 of the GIPA Act, the LTCSA adheres to releasing specific information where it is determined that a formal access application is not required.

PRIVACY AND PERSONAL INFORMATION

Privacy and Personal Information Protection Act 1998 (PPIP Act) and *Health Records and Information Privacy Act 2002* (HRIP Act)

The PPIP Act and the HRIP Act deal with how all NSW public sector agencies, including the LTCSA, must manage personal and health information.

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

Examples of the personal details of individuals with whom the LTCSA has contact includes names, dates of birth, residential addresses, drivers licence details, financial details, bank account details, wage records, work history, medical certificates and health details.

During the 2014/15 financial years, the LTCSA received no applications under Privacy legislation. As a result, no applicants sought further review by the NSW Civil and Administrative Tribunal.

APPENDICES

GIPA APPLICATIONS JULY 2014 – JUNE 2015

TABLE A: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME*

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

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

TABLE B: NUMBER OF APPLICATIONS BY TYPE OF APPLICATION AND OUTCOME

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

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

TABLE C: INVALID APPLICATIONS

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

TABLE D: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 OF THE ACT

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

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

TABLE E: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE: MATTERS LISTED IN TABLE TO SECTION 14 OF THE ACT

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

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

TABLE F: TIMELINES

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	0
Decided after 35 days (by agreement with applicant)^	0
Not decided within time (deemed refusal)	0
Total	**0**

^ Applicant's application carried forward from 2012-2013 reporting period.

TABLE G: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT (BY TYPE OF REVIEW AND OUTCOME)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	0	0	0
Total	**0**	**0**	**0**

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

TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT (BY TYPE OF APPLICANT)

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

APPENDIX 4: CREDIT CARD CERTIFICATION

Credit card use within SRWS is certified in accordance with Premier's Memorandum and Treasurer's directions. SRWS has a rigorous process in place to ensure full accountability for the use of credit cards.

NSW GOVERNMENT | Safety, Return to Work & Support

Safety, Return to Work and Support
92-100 Donnison Street, Gosford, NSW 2250
Locked Bag 2906, Lisarow, NSW 2252
t 02 4321 5000 f 02 4325 4145

3 September 2015

Our Ref: WC01358/15

The Hon Dominic Perrottet MP
Minister for Finance, Services and Property
Member for Hawkesbury
GPO Box 5341
SYDNEY NSW 2000

Dear Minister

The New South Wales Treasury Policy & Guidelines Paper on Credit Card use requires Chief Executive Officers to certify to their Minister that credit card use in their department/s is in accordance with the Premier's Memorandum and Treasurer Directions.

On Behalf of Safety, Return to Work and Support I certify that all cardholders for the period of 1 July 2014 to 30 June 2015 have used their cards in accordance with SRWS Corporate and Purchasing Credit Card Policy and in accordance with the Premier's Memorandum and Treasurer Directions.

Yours sincerely

Vivek Bhatia
Chief Executive Officer
Safety, Return to Work and Support

APPENDIX 5: RESPONSE TO SIGNIFICANT MATTERS RAISED IN THE OUTGOING AUDIT REPORT

There were no significant matters raised in the outgoing audit report.

APPENDIX 6: ACCOUNTS PAYABLE PERFORMANCE

PAYMENTS OF ACCOUNTS – ALL SUPPLIERS

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

2014/15	June Quarter	March Quarter	December Quarter	September Quarter
Current	**$13,650**	**$0**	**$0**	**$219**
<30 days overdue	$574,583	$158,123	$14,241	$716,496
>30 and <60 days overdue	$71,362	$244,902	$143,684	$409,874
>60 days and <90 days	$6,931	$7,899	$43,402	$39,096
90 days and over	$21,236	$126,729	$123,989	$142,193

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

2014/15	2014/15 Total	June Quarter*	March Quarter	December Quarter	September Quarter
Number of accounts due for payment	56,739	15,982	13,659	14,304	12,794
Number of accounts paid on-time	53,831	15,547	12,868	13,225	12,191
% accounts paid on-time (based on number of accounts)	95%	97%	94%	92%	95%
Dollar amount of accounts due for payment	$97,843,320	$28,357,820	$23,126,806	$22,951,407	$23,407,287
Dollar amount of accounts paid on-time	$92,333,096	$27,669,166	$21,740,041	$21,301,753	$21,622,136
% of accounts paid on-time (based on $)	94%	98%	94%	93%	92%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	$0	$0	$0	$0	$0

PAYMENTS OF ACCOUNTS – SMALL BUSINESS SUPPLIERS

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

2014/15	2014/15 Total	June Quarter*	March Quarter	December Quarter	September Quarter
Number of accounts due for payment	359	136	109	107	7
Number of accounts paid on-time	338	131	107	93	7
% accounts paid on-time (based on number of accounts)	94%	96%	98%	87%	100%
Dollar amount of accounts due for payment	$529,346	$176,962	$112,267	$108,581	$131,536
Dollar amount of accounts paid on-time	$507,905	$171,651	$111,065	$93,653	$131,536
% of accounts paid on-time (based on $)	96%	97%	99%	86%	100%
Number of payments for interest on overdue accounts	0	0	0	0	0
Interest paid on overdue accounts	$0	$0	$0	$0	$0

The Lifetime Care & Support Authority has a target of 95 per cent of invoices paid on-time. During the year the LTCSA Scheme invoices moved to a data capture solution which has improved payment performance.

INTEREST ON LATE PAYMENTS:

The Lifetime Care & Support Authority did not incur interest penalties for late payments to small suppliers.

APPENDICES

APPENDIX 7: INSURANCE ACTIVITIES

	2014/15	2013/14	2012/13	2011/12	2010/11
Workers Compensation:					
No. of employees	97	85	Coverage previously under Motor Accidents Authority of NSW policy		
No. of claims	1	1			
No. of claims per employee	0.01	0.01			
Total cost of claims	$99,338	$3,128			
Average claim cost	$99,338	$3,128			

Note: Information about workers compensation claims is current at reporting date 30 June 2015. For 2011 to 2014, data has changed accordingly.

Motor vehicles: (Total Claims)		2013/14
Vehicles	7	7
Number of claims	2	2
No. of claims per vehicle		0.29
Total cost of claims	4336.16	$5,857
Average cost per claim	2168.08	$2,929
Average cost per vehicle	722.69	$837

Property:	2014/15	2013/14
Number of claims	2	Nil
No. of claims per employee	0.020618557	
Total cost of claims	2003.94	
Average cost per claim	1001.97	
Average cost per employee	20.65917526	

Liability:	2014/15	2013/14
Number of claims	Nil	Nil
Total cost of claims		
Average claim		

Miscellaneous:	2014/15	2013/14
Number of claims	Nil	Nil
Total cost of claims		
Average claim		

APPENDIX 8: OVERSEAS TRAVEL 2014/15

No overseas travel by a staff member was undertaken during the reporting year.

APPENDIX 9: CONSULTANTS

Vendor	Description	Vendor total
Pricewaterhouse Coopers	Actuarial services provided for contract work performed	518,430
Pricewaterhouse Coopers	Actuarial services for long term care benchmarking analysis project	339,234
Mercer Investments (Australia) Limited	Investment retainer services	90,251
Total greater than $50,000		**$947,915**
Plus 4 Consultants $50,000 and under		**46,404**
	Organisational Review	28,986
	Finance & Accounting/Tax	17,417
Total consultants		**$994,318**

APPENDIX 10: LAND DISPOSAL

The LTCSA has not disposed of any land in the reporting year.

APPENDIX 11: GRANTS

LTCSA GRANTS AWARDED IN 2014/15

Non-government community organisations

Grants awarded to an external non-government organisation for a specific project.

Recipient Organisation	Amount of funding awarded	Nature and purpose
Australasian Society of Brain Impairment	$10,000	Sponsorship of the 2015 ASSBI Pacific Rim Conference. Conference theme Implementing Knowledge to Improve Outcomes

Grants awarded to government and non-government organisations, universities, health and other service providers

Recipient Organisation	Amount of funding awarded	Nature and purpose (incl. aims, target clients and area of coverage)
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$2,500,000	Five year, joint MAA and LTCSA initiative to facilitate the transition of high quality research into practical policy advice and better outcomes for seriously injured people. The Centre is an interdisciplinary research and educational centre that focuses on injury related disability.
Royal Rehabilitation Centre Sydney	$1,981,716	Improve return to work outcomes and quality of life for people with a spinal cord injury, through the provision of vocation rehabilitation services for five years under the In-Voc program.
Wheelchair Sports NSW	$688,000	Improve rehabilitation outcomes for current and future participants in regional NSW by improving access to wheelchair sporting opportunities.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$199,803	Refinement of the Care and Needs Scale to improve its sensitivity in measuring the care needs of people with a severe brain injury and to provide greater certainty around Scheme valuations
NSW Office of Sport	$1,700,000	Improve rehabilitation outcomes for current and future participants by improving access to sport and active recreation across NSW.
Break Thru	$212,850	Provision of vocational rehabilitation services in Mid-Western NSW and Metropolitan Sydney; a component of the Vocational Intervention Program (VIP) project to improve vocational participation for people with a brain injury.
CHESS	$113,250	Provision of vocation rehabilitation services in North Coast NSW; a component of the VIP project to improve vocational participation for people with a brain injury.
Keystone	$78,500	Provision of vocational rehabilitation services in Metropolitan Sydney; a component of the VIP project to improve vocational participation for people with a brain injury.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$249,113	Evaluation of the VIP project for people with traumatic brain injury.
Accessible Arts NSW	$706,525	Improve rehabilitation outcomes for current and future participants by increasing the capacity of community organisations to support people with severe injury.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$25,000	Expansion of the Spinal Cord Injury e-learning website to incorporate advice on clinical evidence.
Attendant Care Industry Association	$20,000	Assessing the need for two attendant care workers in people's homes.
Arts NSW	$670,000	Improve rehabilitation outcomes for current and future participants through increased access to art and cultural activities.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$5,000	Systematic reviews to guide physiotherapy practice in spinal cord injury

APPENDICES

LTCSA GRANT FUNDS EXPENDED IN 2014/15

Grants awarded to an external non-government organisation for a specific project.

Recipient organisation	Amount of funding expended in 2014/15	Nature and purposed (incl. aims, target clients and area of coverage)
MLR Consulting Psychology	$23,144	Development of a strategic action plan that will help build sector capacity supporting individuals with acquired brain injury, who also require behaviour support programs.
The Spinal Cord Injury Network	$15,000	Connections 2014: a two day conference bringing together researchers, clinicians, decision-makers and the community to put the spotlight on spinal cord injury.
Australasian Society for the Study of Brain Impairment (ASSBI)	$10,000	Sponsorship of the 2015 ASSBI Pacific Rim Conference. The theme was 'implementing knowledge to improve outcomes'.

Grants awarded to government and non-government organisations, universities, health and other service providers

Recipient organisation	Amount of funding expended in 2014/15	Nature and purposed (incl. aims, target clients and area of coverage)
University of Melbourne	$100,000	Spinal cord injury and physical activity partnership project with the Victorian Neurotrauma Initiative.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$8,374	Developing reporting guidelines for behavioural interventions using single-case studies.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$6,160	Research question: does standing improve bowel function after spinal cord injury?
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$139,258	A partnership grant with the MAA and WorkCover to evaluate the spinal cord injury vocational rehabilitation program.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$456,296	Five year, joint MAA and LTCSA initiative to facilitate the transition of high quality research into practical policy advice and better outcomes for seriously injured people.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$42,303	Facilitation of meaningful occupations for people with traumatic brain injury who are not able to participate in the workforce.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$50,000	Examining access and quality of care, decision-making, and health outcomes along the early care pathway for Spinal Cord Injury. This is a National Health and Medical Research Council (NHMRC) partnership grant.
NSW Ministry of Health, Agency for Clinical Innovation	$120,000	Developing educational resources and tools for health professional, consumers, and families to manage chronic pain.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$4,200	Expansion of www.physiotherapyexcercise.com to include exercises for different types of spinal cord injury.
Macquarie University	$58,300	Research into internet-based treatments for people with a spinal cord injury to reduce chronic pain related disability, anxiety and depression.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$17,916	Data review and analysis of the Rural Spinal Cord Injury Service.

Recipient organisation	Amount of funding expended in 2014/15	Nature and purposed (incl. aims, target clients and area of coverage)
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$17,000	Development of interactive e- learning modules for nurses working with spinal cord injury.
CRS Australia	$106,454	Phase 1Vocational Program: delivering a best practice vocational intervention program for people with a spinal cord injury.
Royal Rehab	$194,246	Improve return to work outcomes and quality of life for people with a spinal cord injury, through the provision of vocation rehabilitation services for five years under the In-Voc program.
Wheelchair Sports NSW	$353,000	Improve rehabilitation outcomes for current and future participants in regional NSW by improving access to wheelchair sporting opportunities.
Hunter New England Health	$8,891	Examining current practices of psychologists working in brain injury rehabilitation in identifying socially challenging behaviours.
Attendant Care Industry Association of NSW	$113,400	Attendant care industry sector development.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$18,598	A review of Scheme participants five years post injury.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$55,401	A review of Scheme participants two years post injury.
South Western Sydney Local Health District	$17,545	Developing a program to build resilience among families supporting relatives with traumatic brain and spinal cord injury.
Rehabilitation Outcomes Consulting and Training	$2,814	Tutoring students who have a traumatic brain injury.
Accessible Arts NSW	$372,500	Improve rehabilitation outcomes for current and future participants by increasing the capacity of community organisations to support people with severe injury.
Centre for Disability Studies, University of Sydney	$7,000	Developing positive behaviour support training for case managers providing services for people with a traumatic brain injury
NSW Ministry of Health, Agency for Clinical Innovation	$91,438	Partnership grant with the Motor Accidents Authority and WorkCover NSW to establish and evaluate a best practice vocational intervention program for people with traumatic brain injury.
Hunter Local Health District	$3,950	Professional education for transitional living unit staff providing services to people who have a traumatic brain injury.
Attendant Care Industry Association of NSW	$7,000	Assessing the need for two attendant care workers in people's homes.
Arts NSW	$670,000	Improve rehabilitation outcomes for current and future participants through increased access to art and cultural activities.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$103,349	Refinement of the Care and Needs Scale to improve its sensitivity in measuring the care needs of people with a severe brain injury and to provide greater certainty around Scheme valuations
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$49,825	Partnership grant with the MAA and WorkCover to evaluate the VIP project for people with traumatic brain injury.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$10,500	Expansion of the Spinal Cord Injury e-learning website to incorporate advice on clinical evidence.
The John Walsh Centre for Rehabilitation Research, The Kolling Institute, The University of Sydney	$3,500	Systematic reviews to guide physiotherapy practice in spinal cord injury.

APPENDIX 12: BOARD AND COMMITTEE MEETINGS

DIRECTORS' MEETINGS

During 2014/15, the SRWS meetings held and attendance by directors were:

SRWS Board	Number eligible to attend	Number attended
Michael Carapiet (Chair)	11	11
Raymond Whitten (Deputy Chair)	11	11
Gavin Bell – Director	11	10
Elizabeth Carr – Director	11	11
Mark Lennon – Director	11	10
Peeyush Gupta – Director	11	11
Vivek Bhatia (CEO)*	10	10
Julie Newman (former CEO)	1	1

*Mr Vivek Bhatia was appointed as CEO of SRWS in August 2014

BOARD COMMITTEES

The Board is able to establish committees to assist with the performance of its general functions. There are currently three committees administered by the Board:

- Audit and risk committee
- Investment committee
- Human resources committee

Audit and risk committee

The role of the audit and risk committee is to provide independent assistance to the board and the Workers' Compensation (Dust Diseases) Board of the administration and operation of governance, risk management and control frameworks.

The committee provides an integral role in supporting the Board to fulfil its corporate governance and oversight responsibilities, and to make decisions in relation to areas such as financial reporting, internal control and associated risk management systems, and internal and external audit functions.

SRWS AUDIT AND RISK COMMITTEE ATTENDANCE

SRWS audit and risk committee	Number eligible to attend	Number attended
Raymond Whitten (Chair)	6	6
Elizabeth Carr	6	6
Mark Lennon	6	4
Ray Petty	6	5
Vivek Bhatia (CEO)*	5	5
Julie Newman (former CEO)	1	1

* The CEO is a standing invitee. Mr Vivek Bhatia was appointed as CEO of SRWS in August 2014

Investment committee

The role of the investment committee is to determine the policies, practices and strategies for investments of the relevant SRWS funds. This includes monitoring the investment performance of the funds and reviewing investment compliance.

The investment committee provides an integral role in supporting the Board to fulfil its investment responsibilities and to make decisions in relation to investment policies, investment objectives, strategic asset allocations and the risk profiles of the funds.

INVESTMENT COMMITTEE ATTENDANCE

Investment committee	Number eligible to attend	Number attended
Peeyush Gupta (Chair)	10	9
Michael Carapiet	10	10
Gavin Bell	10	7
Raymond Whitten	10	9
Vivek Bhatia (CEO)*	9	9
Julie Newman (former CEO)	1	1

* The CEO is a standing invitee. Mr Vivek Bhatia was appointed as CEO of SRWS in August 2014

Human resources committee

The role of the human resources committee is to support the Board by reviewing and monitoring the development and implementation of relevant human resource strategies and initiatives to ensure as far as practicable, that the activities of the SRWS are carried out properly and efficiently.

HUMAN RESOURCES COMMITTEE ATTENDANCE

Human resources committee	Number eligible to attend	Number attended
Gavin Bell (Chair)	4	4
Elizabeth Carr	4	4
Michael Carapiet	4	4
Vivek Bhatia	4	4

APPENDIX 16: PUBLICATION NOTES

A copy of the LTCSA Annual Report 2014/15 can be downloaded from the LTCSA website, at www.lifetimecare.nsw.gov.au. This report has been produced in-house by the LTCSA, project managed by SRWS (Analysis, Strategy, Innovation and Communication Services, Strategy and Performance Division) and designed by iveo

It is estimated that the external cost of the 2014/15 Annual Report was $7406.50.

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