

Statement of Business Intent (SBI)

FY 2024-25



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1. Objectives

The principal objectives of Insurance and Care NSW (ICNSW) in exercising its functions, as outlined in Section 9A of the State Insurance and Care Governance Act 2015¹, are as follows:

- (a) to maintain the affordability of insurance and the efficiency and viability of State insurance and compensation schemes established under Acts under which ICNSW exercises functions consistent with any objectives of the schemes,
- (b) to promote early and appropriate treatment and care for injury and illness that optimises the recovery and return to work or other activities of persons injured at work or in motor accidents,
- (c) to promote efficiency, transparency, and accountability in the conduct of ICNSW's operations.

2. Business Overview and Strategic Summary

Business Overview

icare is a NSW Government insurance agency. We provide insurance and care services to the businesses, people and communities of NSW. Whether a person is injured in the workplace or on our roads, icare supports their needs and helps them return to health and work. We provide workers compensation insurance to more than 338,000 public and private sector employers in NSW and their 4 million employees. In addition, we insure builders and homeowners, provide treatment and long-term care to people severely injured on our roads, and protect more than \$436 billion of NSW Government assets, including the Sydney Opera House, the Sydney Harbour Bridge, schools and hospitals.

Our key schemes including Workers Compensation, Lifetime Care, Insurance for NSW and the Home Builders Compensation Fund, are important safety nets for the NSW economy. These schemes provide care and support to businesses, government agencies, builders, homeowners, and those injured in the workplace or on NSW roads – collectively referred to as “those we serve”.

icare operates in a complex legislative environment and is constantly adapting to address new challenges, while complying with our responsibilities and obligations to support those we serve. These challenges include increasing rates of psychological injury, instability in the building industry, competition for attendant care workers from the NDIS affecting our Lifetime Schemes, and other societal pressures like the changing nature of work. In addition, our current digital environment is highly complex and increased and ongoing investment to effectively mitigate our cyber security risk is required. These challenges have the potential to impact the future financial sustainability of the schemes.

Following the change of Government in 2023, the Minister for Industrial Relations and Work Health and Safety, the Hon. Sophie Cotsis outlined key focus areas including improving injured worker experience across the Workers Compensation system, return to work performance, improved cross-agency collaboration, and financial sustainability in line with icare's legislative objectives outlined in Section 9A of the State Insurance and Care Governance Act 2015. These areas align strongly with icare's strategy as reflected throughout this document.

¹ Source: State Insurance and Care Governance Act 2015 No 19, current version for 1 December 2023 to date (page 8)

In line with our focus on financial sustainability, icare has developed a Board-approved savings plan for FY2024-25 and FY2025-26. This plan will optimise efficiencies, delivering a combination of sustainable operating expense savings and best practice service. Initiatives that will be implemented from FY2024-25 include reviewing spans and layers of roles, operating model efficiencies for workers compensation, and digital and technology. The identified short-term savings will reduce operating expenses, gross of restructuring cost, scheme growth and inflationary increases.

This Statement of Business Intent further outlines our priorities for the upcoming FY2024-25 for each of the three operating units for the schemes that we administer: Lifetime Schemes, IfNSW and General Lines, and Workers Compensation.

Operating unit: Lifetime Schemes

Key schemes managed:

- **Lifetime Care** (LTC)² provides treatment and care for people severely injured in a motor vehicle accident to support their independence and quality of life. Similar services are provided to severely injured workers in accordance with their entitlements under the workers compensation scheme. As of 30 June 2024, there were 358 injured workers in the Workers Care Program and 1,881 Lifetime Care participants injured in road accidents. The NSW Lifetime Care and Support Authority also manages the ACT Lifetime Care and Support Scheme. In FY2023-24 Lifetime Care paid \$297 million in claims to support injured individuals.
- **CTP Care** was created under the Motor Accident Injuries Act 2017 and commenced providing support to clients in December 2022. CTP Care provides treatment and care to people with long term injuries caused by a motor accident when they have an accepted CTP claim. Approximately 1,500 people are estimated to have needs and entitlements to CTP Care each year. In FY2023-24 CTP Care paid \$5 million in treatment and care. CTP Care is the name given to the functions under the Motor Accident Injury Treatment and Care Benefit Fund and is managed by the Lifetime Care and Support Authority.
- **Dust Diseases Care** (DDC) provides medical and income support to those who have developed a dust disease due to harmful dust exposure while employed in NSW³. As of 30 June 2024, it supports 4,967 workers and their dependants. In FY2023-24, it paid \$124 million in claims to support injured workers.

The primary outcomes we are seeking to achieve for Lifetime Schemes are:

- Enhanced quality of life of participants and providing greater choice, control and independence
- Scheme financial sustainability via the effective management of finances and care costs
- Positive experiences for participants and clients as measured by greater satisfaction, ease of access to services and effective issue resolution
- Effective service delivery including a capable frontline team and strong culture and engagement.

Operating unit: IfNSW General Lines and HBCF

² Lifetime Care and Support Authority established pursuant to the *Motor Accidents (Lifetime Care and Support) Act 2006*

³ Dust Diseases Care operating as required by the *Workers Compensation (Dust Diseases) Act 1942*.

Key schemes managed:

- IfNSW manages the **Treasury Managed Fund (TMF)**,⁴ which insures over 166 NSW Government agencies, over \$436 billion worth of NSW Government assets, including the Sydney Harbour Bridge, Sydney Opera House, and critical infrastructure such as schools, hospitals, and dams. The TMF provides comprehensive protection for NSW government agencies through the management of government risk and liability for all insurable risks. In FY2023-24, approximately 23,610 General Lines claims were reported to the fund and the fund paid \$1.3 billion in claims to agencies across TMF General Lines.
- The **Construction Risk Insurance Fund (CRIF)** provides construction insurance for infrastructure projects on behalf of the NSW Government and its partners. In FY2023-24, the CRIF insured approximately \$9 billion in construction value with Gross Written Premiums (GWP) of \$55 million and 120 reported claims.
- The **Home Builders Compensation Fund (HBCF)**⁵ provides insurance to protect homeowners from incidental or defective residential work. This can happen if a builder becomes insolvent, dies, disappears, or has their license suspended. In FY2023-24, the HBCF covered over 22,923 builders, received 775 new claims, and paid \$142.66 million in claims and expenses to support homeowners.

The primary outcomes that we are seeking to achieve within IfNSW General Lines and HBCF are:

- Positive experiences and satisfaction for agencies, home builders and homeowners
- Efficient and effective management of claims to ensure continuity of services to the NSW community
- Contribution stability for agencies and premium affordability for home builders and homeowners
- Effective issuing and management of eligibility
- Improving financial performance and scheme sustainability
- Improving and managing risk with those we serve.

Operating unit: Workers Compensation (Nominal Insurer & Treasury Managed Fund)

Key schemes managed:

- The **Workers Compensation Nominal Insurer (NI)** covers over 3.5 million private sector workers and 338,000 businesses. In FY2023-24, the scheme received over 72,000 new claims and paid \$3.8 billion in claims benefits to support injured workers, including medical costs, and weekly payments. The Workers Compensation Nominal Insurer scheme is the state's largest workers compensation insurer for the private sector. The NI represents approximately 67 percent of the workers compensation market⁶ in NSW.
- **TMF Workers Compensation**, covers over 379,000 employees of NSW Government entities, over 161,000 volunteers, and 166 NSW Government agencies. In October 2023, management of the NI and TMF WC was brought together under a single group executive to drive alignment and transformation across both schemes. In FY2023-24, over 20,000 workers compensation claims were reported, and \$1.4 billion in claims benefits claims paid to support injured workers.

⁴ The TMF is a scheme managed pursuant to section 8 of the *NSW Self Insurance Corporation Act 2004*

⁵ HBCF was established by the *NSW Self Insurance Corporation Act 2004*

⁶ The 67% figure is based on the proportion of total active claims as at August 2024 on the SIRA website. An active claim is defined as a claim that has had any payment activity in the three months as at the end of the same reporting month.

- Under the NI and TMF WC, we provide a range of benefits to people who sustain a work-related injury or illness. Rehabilitation services are provided to assist injured workers in returning to suitable, safe, and durable employment.
- **Sporting Injuries** covers members of participating sporting organisations and officials against serious injury. In FY2023-24, the scheme covered 64 policyholders to support injured members of the community and received two new claims, with \$0 incurred in claims.

The primary outcomes that we are seeking to achieve across our Workers Compensation schemes are:

- Empower employers to effectively prevent work-related injuries
- Uplift return to work and health outcomes for injured workers
- Improved financial sustainability of the scheme
- Deliver fair and empathetic experiences for those we serve

Cross agency collaboration

icare collaborates with other agencies to drive improved outcomes across the schemes we administer. Some examples of collaboration underway in FY2024-25 include:

- Risk Education eXpress (REX) which supports agencies to navigate risk to protect their people, assets and services. With core service offerings of education and risk advisory, REX works collaboratively with agencies to ensure what is delivered meets their specific strategic requirements.
 - Delivery of tailored training programs to develop capabilities to protect people and assets for 32 agencies.
 - Partnering with the Department of Education to design and deliver a Climate Risk Assessment to guide decision making on asset maintenance.
 - Supporting TCorp to assess their cyber incident readiness and facilitate a robust and timely decision-making process should a cyber incident occur.
 - Collaborating with Transport for NSW to confirm that their cyber risk management framework is integrated with the management of other enterprise risks. This includes assessing factors related to 2 – 3 potential cyber-related events as nominated by Sydney Trains.
- A Tripartite Executive group was established by the CEOs of icare, SIRA and SafeWork NSW to improve interagency collaboration, as part of a ministerial initiative. The group's focus is on coordinating efforts across a range of areas including research, data sharing and the voice of people with lived experience. Supporting working groups have been set up, with representatives from the three agencies. This includes:
 - a cross-agency steering committee for the NSW Government's Whole of Government Return to Work Strategy, with NSW Treasury, SIRA, Public Service Commission, NSW Industrial Relations, together with government agencies.
 - establishing of a working group between icare, SafeWork NSW and SIRA with a view to identify collaborative opportunities and models that can be utilised to combine research resources, where priorities and objectives align.
 - workshop planning with SIRA to identify opportunities to drive Workers Compensation sustainable scheme improvements.

- collaboration with SafeWork NSW for action items to work collaboratively following the completion of journey maps for fatalities and serious injuries.
- commencing development of a joint fact sheet on roles and responsibilities between agencies and SIRA, in relation to serious injuries and fatalities to help support injured workers and families navigate through the process.
- An injured worker roundtable, established by icare, SafeWork NSW and SIRA in November 2023 to help understand the experiences of those within the workers compensation scheme.

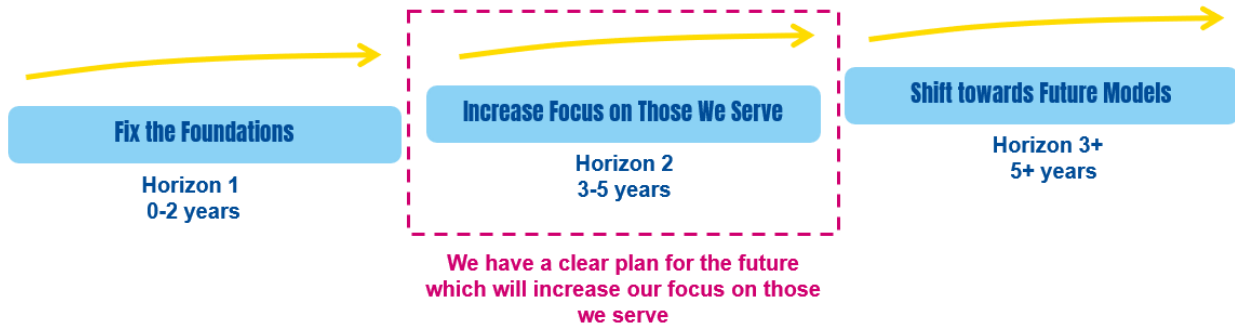
Regulatory Environment

The State Insurance Regulatory Authority (SIRA) is the independent insurance regulatory body that covers NSW insurance schemes including workers compensation, motor accidents (CTP Green Slips), and home building compensation (HBC). As such, it regulates the Nominal Insurer, TMF Workers Compensation, Workers Care, CTP Care, HBCF, and Sporting Injuries. SIRA is focused on ensuring key public policy outcomes are being achieved in relation to service delivery to injured workers, affordability, and the effective management and sustainability of the insurance schemes. It is responsible for setting regulation and developing guidelines, including relating to insurer conduct and claims management, to ensure legislative objectives are achieved.

icare interacts with other regulatory agencies including the Independent Review Office (IRO), which helps persons injured at work or in motor vehicle accidents with complaints about insurers, and the Personal Injury Commission (PIC), a statutory tribunal which resolves disputes between people injured in workplaces and motor accidents, insurers, and employers.

Strategic Summary

Building on the foundations laid in Horizon 1 and moving into Horizon 2, icare is sharpening its focus on improving outcomes for those we serve.



Our purpose is to **care for the people of NSW, building confidence and trust so our communities can thrive.**

- We care for the individuals, businesses, and communities of NSW. “Care” is not the name of a business unit or division but a description of how we act, common to everyone across icare.
- We are a proud NSW government agency. We don’t have shareholders – we exist only for the people of NSW.
- As an insurer, we serve a broader purpose that underpins societal growth by pooling and mitigating risk in the communities we serve.
- Trust and confidence are essential for NSW as a community and society to continue to grow and thrive.

Our vision is to **make the complex simple to deliver better outcomes for those we serve**

- We are transitioning from fixing the foundations towards a heightened focus on those we serve, where we aim to deliver great outcomes and experiences.
- We make it easier for those we serve by simplifying their interactions with our schemes and supporting them with empathy.
- We help those we serve navigate an inherently complex environment with constantly evolving legislation, regulations, societal and technical developments.
- We listen, learn and act on feedback from those we serve, those we work with and our people to support everything we do.

Our purpose and vision will be achieved through the successful execution of five enterprise **Strategic Priorities:**

Deliver **fair and empathetic interactions for those we serve**

- Listen, learn and act on feedback from those we serve and those we work with
- Invest in people capability, training and empowerment
- Ensure that our people and partners act fairly and empathetically.

Enhance experiences **using digital and data**

- Use digital and data to provide more service options and interaction channels
- Create easy, convenient, and relevant interactions for those we serve, our people and partners
- Set ourselves up to deliver small but frequent change, empowering our people to respond dynamically.

Drive better **performance** through all our **partnerships**

- Build relationships with delivery and ecosystem partners founded on mutual support, expertise and innovation
- Reward our delivery partners and hold them to account for performance
- Share data and information between icare and our partners to support decision making.

Be **efficient, effective** and **focus on what matters**

- Focus energy and resources on supporting those we serve while reducing lower value tasks
- Automate and streamline our operations
- Provide our people with the tools and access to data they need to be effective.

Strengthen our **culture of collaboration**, growth and achievement

- Continue to drive our constructive culture by building leader capability
- Focus on achievement and inspire collaboration beyond our functional teams
- Foster a growth mindset that continuously improves what we do, learns from experience and seeks new opportunities.

icare Values

Our purpose, vision and enterprise strategic priorities are underpinned by a set of core values for our people. Our values are at the core of everything we do, they guide how we achieve, work together and the decisions we make.

- **Driven.** We set ourselves challenging goals, take pride in our work, take calculated risks and lead change. We streamline processes and make it easy to do business with us.
- **Ownership.** We take on the privilege and responsibility of serving the people of NSW. We think ahead, take action, understand the needs of those we serve, and deliver on our promise – giving those we serve certainty that we will be there for them today and in the future.
- **Together.** We create a safe, nurturing and progressive environment. We are transparent, risk aware, hold ourselves to high standards whilst celebrating success. We create an engaging work environment whilst making a difference in all that we do.
- **Curious.** We are curious and try new things that improve outcomes. We value and nurture diversity, feel safe to raise issues and share successes and failures, share thoughts and experiences to create better outcomes, and think creatively to shape a better experience for those we serve.
- **Passionate.** We put those we serve at the centre of everything we do, and care deeply about delivering great service. We ask questions and listen to learn and build understanding and empathy with those we serve. We are always focused on the human impact of our business – knowing those we serve are people like us.

Increasing our focus on those we serve

icare has defined its customers as 'those we serve'. They are the injured people, clients, businesses, and government agencies who rely on the scheme services icare is accountable for delivering (directly or through partners and providers).

Those we serve continue to be at the core of what drives icare and icare is committed to being an organisation that listens to those we serve, learns from their feedback, and acts to simplify our processes and interactions and continually improve scheme outcomes.

Since early 2021, icare has been working to uplift its capabilities to enable a dedicated focus on the key elements which are the drivers of outcomes for those we serve:

- **Conduct:** the standards we expect for those we serve
- **Experience:** the experiences those we serve want
- **Service:** the delivery of those standards and experience to those we serve.



Our commitment to those we serve is formalised in our Code of Conduct and Ethics and our 'Putting Those We Serve First' Policy, which aligns to the SIRA Customer Service Conduct Principles, and sets out the standards we expect our schemes (including claims service providers) to meet when engaging with, and providing services to, those we serve.

Increasing our focus on our people and culture

Our people are key to driving our transformation and our long-term success. Continuing to foster our open, constructive, and accountable culture, along with the right employee experiences, will ensure we deliver better outcomes. Our focus going forward includes:

- **Embedding our enhanced approach to performance and development** – creating clarity, building employee capability, and accelerating momentum through continuous performance conversations
- **Refining and improving a unified digital employee experience platform** – ensuring our people have the tools they need to be productive and efficient
- **Embedding improvements to our Work, Health and Safety management system** - strengthening our provision of a psychosocially safe and sustainable hybrid working environment
- **Continued integration of icare’s core capability framework** – enabling a transition to new ways of working and improved performance
- **Evolving our culture** - supporting our people to thrive
- **Building our enterprise agility** by increasing collaboration, strategic thinking, and planning across our teams.

Update on the Improvement Program

In response to the *State Insurance and Care Governance Act 2015 Independent Review* led by the Hon Robert McDougall QC (McDougall Review) and the *Governance, Accountability and Culture Review* conducted by PwC (GAC Review), icare committed to delivering an Improvement Program to address 107 recommendations. This work was intended to promote efficiency, transparency, and accountability in the conduct of icare operations, as per our legislative objective.

icare appointed an external assurer, Promontory Australia (Promontory), to assure the process of meeting the recommendations. Promontory assesses icare’s work for the design, implement, and embed phases within each Initiative, as well as the recommendations, to determine that goals of work performed have been met and will produce meaningful, ongoing change.

The Improvement Program, in response to the McDougall and GAC Reviews, focused on three key objectives:

- improving risk and governance to meet community and regulatory expectations,
- improving performance, particularly getting injured workers back to work sooner and reducing internal costs, and
- driving an accountable culture.

The Program having successfully delivered on all three objectives was formally closed on 30 June 2024.

In the final months of the Improvement Program, icare, in consultation with Promontory, identified a small number of Initiatives and Recommendations that would not be fully complete by 30 June. These five Initiatives were complex and required additional time to be fully implemented. They will be finalised later in 2024, with final external assurance due by January 2025.

This will conclude the work required to meet the Improvement Program recommendations. However, we recognise that there needs to be a future focus to ensure our improvements are sustained. Accordingly, icare will continue to monitor sustainability of the outcomes of the Improvement Program and seek opportunities for continuous improvement to refine and simplify frameworks and processes to ensure they remain fit for purpose, meet icare’s strategic and business needs, align with better practice and can adapt to emerging risks.

In the last 12 months of the icare Improvement Program, key achievements included:

- Improved governance practices across Board governance, prioritisation and implementation of new projects and initiatives and managing ‘Risk in Change’.

- Improvement and modernisation of icare's procurement approaches and systems, reducing manual handing and processing
- Enhanced clarity and tracking of planned portfolio spend
- Embedding the Customer Advocate Initiative at icare, to ensure outcomes for those we serve are proactively managed
- Building a new complaints model to ensure a consistent approach to recording and managing complaints internally and across CSPs.
- Embedding the Workers Compensation Claims Model strategy to improve health outcomes for workers. This is underpinned by a competitive marketplace driving an uplift in performance across an expanded panel of six Claims Service Providers.
- A claims management Professional Standards framework to uplift and recognise capabilities and importance of case managers across the Scheme
- Embedded cultural uplift through refreshed behaviours and values, supported by ongoing development of leadership skills for senior leaders.

3. Key Priorities for FY2024-25

icare has outlined several priorities for FY2024-25 to improve performance against the key legislative objectives of: optimising injury recovery, maintaining the financial sustainability of the schemes we administer, and enhancing the experience of those we serve. These are summarised below for each of icare’s operating units.

Successful delivery of these objectives will be monitored and measured through the Enterprise Scorecard, which is aligned to the legislative objectives of icare. (refer to Section 4 – Performance Target Summary).

Lifetime Schemes

Objective	How success will be measured in FY25
Improve access to provider services, particularly in attendant care, mental health and lung screening	<ul style="list-style-type: none"> • Reduction in complaints related to providers • Improved LTS participant survey results • Improved experience for our DDC participants • Increased use of our screening clinic and lung bus • Reduced complaints • Complaints resolved within SLAs
Improve access to self-management and self-service options	<ul style="list-style-type: none"> • Low rates of complaints relating to self-management and self-service tools • Take up rates of Workers Care Self-Management
Ensure all LTS are on a technology stack that enables flexibility, adoption of emerging technologies and adequate risk controls.	<ul style="list-style-type: none"> • Improved processes and services to those we serve • Effective risk controls for all Lifetime Schemes • Cost avoidance and capacity increase through implementation of people, process and technology improvements with a focus on automation of information management.
Ensure Schemes' operating models are efficient, fit for their customers' unique needs and complexity, and for the projected size of the Scheme in the future.	<ul style="list-style-type: none"> • Increased operational efficiencies and reduced operating expense • Enhanced experience for those we serve • Increased quality of life • Improved LTS participant survey results • Reduced complaints • Complaints resolved within SLAs
Review the Dust Disease Care Legislation with the aim of modernising outdated provisions to align with the needs of workers today	<ul style="list-style-type: none"> • DDC legislation enables better customer experience and fairer entitlements
Uplift LTS Risk and Controls to ensure fair outcomes for those we serve, adherence to all legislative and compliance obligations and efficient operation of our Schemes	<ul style="list-style-type: none"> • Improved risk maturity index • Reduced complaints

IfNSW (excl WC) and HBCF

Objective	How success will be measured in FY25
Uplifted builder and homeowner experience of the HBCF scheme through increased transparency, awareness and digitalisation	<ul style="list-style-type: none"> • Improved builder and homeowner experience • Increased adoption of digital self-service options • Improved complaints resolution • Increased homeowner product awareness • Improved operational efficiency
Agency experience uplift through service enhancement by meeting agency needs	<ul style="list-style-type: none"> • Improved customisation of service to agency profile and risk • Increased adoption of risk management tools • Increased Agency engagement satisfaction • Improved complaints resolution
Be efficient, effective and focus on what matters; support our people, and provide our people with the tools to be effective	<ul style="list-style-type: none"> • Reduction in average claims duration • Improved operational efficiency • Capability uplift and retention
Improve how we advise NSW Government on matters of general insurance risk	<ul style="list-style-type: none"> • Improved stakeholder satisfaction • Increased engagement with Government on current and emerging liability • Degree of implementation of risk-based pricing

Workers Compensation

Objective	How success will be measured in FY25
Enhance the experience of those we serve through customer centred solutions	<ul style="list-style-type: none"> Improved satisfaction of those we serve across the lifecycle of a policy or claim Reduction in status of complaints or complaint escalation – with issues resolved sooner.
Implement a claims model that improves outcomes through competition, choice and performance incentives	<ul style="list-style-type: none"> Improved satisfaction of those we serve through better CSP service levels Improved Return to Work (RTW) outcomes for injured workers Lower total cost of claims through better return to work outcomes Operational savings.
Deliver priority claims strategies to improve performance and sustainability	<ul style="list-style-type: none"> Improve RTW outcomes for claims requiring specialist support, i.e. psychological claims Reduced claim costs for psychological claims Reduced claims leakage through better management of engagement in treatment service providers.
Enhance operational efficiency through ways of working, technology, and automation	<ul style="list-style-type: none"> Improved operational efficiency Improved satisfaction for those we serve through better digital service access.
Build our strategic partnering model with providers to influence outcomes	<ul style="list-style-type: none"> Improved CSP performance – including RTW and service quality Improved case manager capabilities, tenure and retention.
Continue to grow and develop our risk culture through uplifting risk maturity and embedding risk in change principles	<ul style="list-style-type: none"> Uplifted risk maturity index as measured through RMI Improved payment integrity Reduced risk of external fraud.
Develop and operationalise a segmentation model to improve outcomes for the scheme and those we serve	<ul style="list-style-type: none"> Improved satisfaction for those we serve through service models tailored to segment need.

In addition to the above, a key priority for Workers Compensation is to improve the management of psychological injury claims. This will be achieved through a range of plans including:

- Dedicated case managers with specialist capability for the management of psychological claims.
- Increased opportunities for injured workers to return to work earlier following a workplace injury through increased employer collaboration, for example, delivering on the Whole of Government Recovery Through Work Strategy.
- Piloting and scaling proven initiatives focused on improving case management practices, supporting earlier access to treatment, and helping employers manage psychological claims in their business.
- Improve Case Manager capability through building and maintaining competence, promoting career progression, and fostering a learning and development culture through the Professional Standards Framework.

4. Performance and Reporting Indicators (KPIs and SPIs)

In FY2024-25 icare will focus on key performance indicators (KPIs) across the following key objectives:

- Manage our financial position (compared with Half Year Review⁷)
- Achieve our expected benefits
- Deliver quality services that contribute to better outcomes for those we serve
- Improve the performance of our schemes to support the people we serve
- Enhance our efficiency through savings initiatives
- Increase transparency to strengthen trust in our operations
- Increase the engagement of our people
- Provide efficient, effective risk and control assured processes, reporting, and systems

KPIs have been carefully selected to drive the appropriate focus, behaviours and outcomes and are aligned with icare's purpose, vision, and strategic priorities. In FY2024-25, the positioning of KPIs has also been rearranged to reflect **icare's principal legislative objectives** (refer to Section 1 – Objectives).

The CEO is accountable for the performance targets agreed in the CEO scorecard, which includes the performance targets set by the Board in the Enterprise scorecard, as well as CEO specific measures. These targets include financial and non-financial metrics.

CEO scorecard measures are developed as compliant with the requirements and guidance provided by NSW Treasury's TPP17-11 Commercial Policy Framework: CEO Appointment Guidelines for Government Businesses. No "at risk" remuneration is payable.

The CEO's annual Performance Scorecard is a direct derivative of the FY25 icare Enterprise Scorecard with the inclusion of specific mandatory objectives relevant to all members of the Group Executive, inclusive of the CEO.

The Enterprise Scorecard KPI's and targets are reviewed and agreed annually with the icare Board.

⁷ Half Year Review (HYR) is the FY25 budget, adjusted for Jun-24 valuations, levies and investment rates.

Enterprise Scorecard (ES)

The table below provides the KPIs that will be reported on the FY25 Enterprise Scorecard, as well as the FY24 Actual result and the FY25 Target. The prior year's actual performance has been taken into consideration to inform the FY25 Target with an adjustment for expected business conditions in FY25 and an expected uplift in performance. The FY23 Actual result and FY24 Target are also shown, however noting this is not applicable for metrics that are new for FY25.

Scorecard Key Objective	Scorecard Key Result – i.e. Key Performance Indicator (KPI)	FY23 Actual	FY24 Target	FY24 Actual	FY25 Target	
icare's principal legislative objective: (a) to maintain the affordability of insurance and the efficiency and viability of State insurance and compensation schemes established under Acts under which ICNSW exercises functions consistent with any objectives of the schemes						
Manage our financial position (compared with Half Year Review*) <i>* Half Year Review (HYR) is the FY25 budget, adjusted for Jun-24 valuations, levies and investment rates.</i>	Net Result (compared with Half Year Review*)	NI	NI: -\$539m (vs FY23 Budget: -\$833m)	Variance to Half Year Review no worse than 5% adverse	NI: -\$1,877m (vs FY24 Budget: -\$434m)	Variance to Half Year Review* no worse than 5% adverse
		TMF – WC (note: will be pre-NAHLP)	TMF Combined (WC+GL): -\$26m (vs FY23 Budget: +\$83m)		TMF – WC: -\$7m (vs FY24 Budget: +\$143m)	
		TMF – GL (note: will be pre-NAHLP)			TMF – GL: +\$288m (vs FY24 Budget: +\$143m)	
		HBCF	HBCF: -\$56.4m (vs FY23 Budget: \$54.2m)		HBCF: +\$116m (vs FY24 Budget: +\$67m)	
		LTCS	LTCS (incl CTP Care): +\$421m (vs FY23 Budget: +\$243m)		LTCS (incl CTP Care): +\$607m (vs FY24 Budget: +\$303m)	
		CTP Care				
	Adjusted Net Result (compared with Half Year Review*)	TMF – WC (pre-NAHLP)	New metric for FY25	New metric for FY25	New metric for FY25	Half Year Review* or above
		TMF – GL (pre-NAHLP)	New metric for FY25	New metric for FY25	New metric for FY25	
	Insurance Ratio (compared with Half Year Review*)	NI	New metric for FY25	New metric for FY25	91%	Half Year Review* or above
		HBCF	New metric for FY25	New metric for FY25	70%	

Scorecard Key Objective	Scorecard Key Result – i.e. Key Performance Indicator (KPI)		FY23 Actual	FY24 Target	FY24 Actual	FY25 Target
		LTCS	New metric for FY25	New metric for FY25	137%	
		CTP Care	New metric for FY25	New metric for FY25	95%	
	(Accounting) Funding Ratio (compared with Half Year Review*)	TMF (WC + GL) ⁸	New metric for FY25	New metric for FY25	106%	
Achieve our expected benefits	Benefits Success for Key Projects	NIIP – Claims Model	New metric for FY25	New metric for FY25	New metric for FY25	≥ \$351m
		Other enterprise projects ⁹ (in aggregate)	New metric for FY25	New metric for FY25	New metric for FY25	All projects ¹⁰ meet their individual benefit targets in FY25 (with total benefit targets of \$27m in FY25)
icare’s principal legislative objective: (b) to promote early and appropriate treatment and care for injury and illness that optimises the recovery and return to work or other activities of persons injured at work or in motor accidents						
Deliver quality services that contribute to better outcomes for those we serve	Customer Satisfaction (CSAT) Targets Met		2 out of 9 CSAT Targets Met ¹¹	All CSAT Targets Met (9 / 9)	4 out of 9 CSAT Targets Met	All CSAT Targets Met (10 / 10)
	NI: Working Rate 13 week ¹²		87.5%	88.1%	86.2%	≥ 88.2%

⁸ Note: for TMF, the proposed metric is (Accounting) Funding Ratio due to Treasury’s policy of using Accounting (Funding) Ratio for NAHLP.

⁹ This includes projects closed in previous financial years where benefits are tracked as part of BAU.

¹⁰ This includes projects closed in previous financial years where benefits are tracked as part of BAU.

¹¹ Note: FY23 Annual Report referred to 5 CSAT targets – those CSAT targets were reported at a more aggregate level and have subsequently been split out into 9 CSAT metrics to provide more focus on the distinct groups of people we serve.

¹² FY24 Actual figure was the latest 12-month average, at May-24. FY25 Target figure is aligned to the FY25 budget and NIIP – claims model benefits business case.

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Scorecard Key Objective	Scorecard Key Result – i.e. Key Performance Indicator (KPI)	FY23 Actual	FY24 Target	FY24 Actual	FY25 Target	
Improve the performance of our schemes to support the people we serve	TMF WC: Working Rate 13 week ¹³	New metric for FY25	New metric for FY25	83.6%	≥ 83.4%	
	Lifetime Care: icare's Contribution to Participant Quality of Life (QoL)		Metric in development – Baseline will be assessed in early 2025 to set a target for FY25.			
	TMF GL: Duration	Motor Repair ¹⁴	17 days	20 days	19 days	≤ 18 days
	TMF GL: Controllable Claim Size (excl. event claims & large losses)	General Liability ¹⁵	New metric for FY25	New metric for FY25	\$62,600	≤ \$60,000
	HBCF: Decision Duration	Single Dwelling ¹⁶	New metric for FY25	New metric for FY25	88 days	≤ 75 days
icare's principal legislative objective: (c) to promote efficiency, transparency, and accountability in the conduct of ICNSW's operations						
Enhance our efficiency through savings initiatives	Core Operational Expenses (compared with FY25 budget)	New metric for FY25	New metric for FY25	\$561m	≤ \$577m	
Increase transparency to strengthen trust in our operations	Community Perception of icare's Transparency	New metric for FY25	New metric for FY25	N/A (Result in 2022 was 48%)	≥ 55%	
Increase the engagement of our people	Employee Engagement: Act2Engage Engagement Survey	62%	≥ 67%	57%	≥ 61%	
Provide efficient, effective risk & control assured processes, reporting & systems	Overall Risk Maturity Index (RMI)	Evolving	Evolving Plus	Evolving	Evolving Plus	
	RMI: Frameworks & foundations	New metric for FY25	New metric for FY25	Evolving Plus	Evolving Plus	
	RMI: Perceptions	New metric for FY25	New metric for FY25	Basic Plus	Evolving	

¹³ FY24 Actual figure was the latest 12-month average, at May-24. FY25 Target figure is aligned to the FY25 budget and TMF Transformation case, noting headwinds expected through transition.

¹⁴ The FY24 Actual figure was the latest 12-month average, at May-24.

¹⁵ The FY24 Actual figure was the latest 12-month average, at May-24.

¹⁶ The FY24 Actual figure was the latest 3-month average, at May-24.

The table below provides further details about each KPI. For KPIs that are new in FY25, there is also information about their importance and key contextual factors that would affect performance.

Scorecard Key Result – i.e. KPI	Further details
Net Result (compared with Half Year Review) {NI, TMF - WC, TMF - GL, HBCF, LTCS, CTP Care}	<ul style="list-style-type: none"> • Similar KPI as last year, with HBCF separated from TMF – GL and CTP Care separated from LTCS. • HBCF and CTP Care are material enough to be reported explicitly. • Baseline would be the FY25 Budget Net Result, adjusted for the Jun-24 valuations, levies and investment rates.
Adjusted Net Result (compared with Half Year Review) {TMF - WC, TMF - GL}	<ul style="list-style-type: none"> • Due to the introduction of the NSW Treasury One Fund, Adjusted Net Result is also shown for TMF WC and TMF GL. • Adjusted Net Result is Net Result, with the impacts of investment return and economic assumptions (including changes in discount rate and changes in inflation rate) removed.
Insurance Ratio (compared with Half Year Review) {NI, HBCF, LTCS, CTP Care}	<ul style="list-style-type: none"> • Insurance Ratio is calculated as total assets divided by total liabilities where the insurance liability is <u>discounted at a rate closer to the expected long-term investment returns for the schemes</u>. • This KPI reflects the outcomes of our capital management plans, is inclusive of all influences (principally insurance and investment but also expenses) and there is a clear link between capital and sustainability.
(Accounting) Funding Ratio (compared with Half Year Review) {TMF (WC + GL)}	<ul style="list-style-type: none"> • (Accounting) Funding Ratio is calculated as total assets divided by total liabilities as per the financial reporting. That is, the insurance liability is <u>discounted using risk-free rates derived from Australian Government Bond yields</u>. • TMF WC and GL are combined as the assets are not currently split out between the two schemes (separate P&L but combined balance sheet). • (Accounting) Funding Ratio is shown for TMF (instead of Insurance Ratio) due to Treasury's policy of using (Accounting) Funding Ratio as the basis for the NAHLP.
Benefits Success for Key Projects {NIIP – Claims Model, Other enterprise projects ¹⁷ (in aggregate)}	<ul style="list-style-type: none"> • There has been significant investment in various icare projects, with material benefits expected to be realised over multi-year periods. Monitoring benefits is important to ensure the expected ROI is on track. • Of all the projects expected to realise financial benefits in FY25, the NIIP – Claims Model is the largest (at \$351 million FY25 target, compared to \$27 million in year for the other 11 enterprise projects¹⁸ in aggregate).
Customer Satisfaction (CSAT) Targets Met	<ul style="list-style-type: none"> • Same KPI as last year, however there are now 10 CSAT targets compared to 9 CSAT targets in FY24. • The additional key relationship is 'CTP Participants on CTP Care'.
NI: Working Rate 13 week	<ul style="list-style-type: none"> • Same KPI as last year. • This KPI is calculated as the number of injured workers back to work divided by the total number of injured workers on a rolling 3 month basis using Date Entered on Insurer's System (DEIS).
TMF WC: Working Rate 13 week	<ul style="list-style-type: none"> • This KPI will be calculated similarly to the NI measure. • Working rate for the 13-week duration is expected to be proposed for future contracts with the CSP (from CY25).

¹⁷ This includes projects closed in previous financial years where benefits are tracked as part of BAU.

¹⁸ This includes projects closed in previous financial years where benefits are tracked as part of BAU.

Scorecard Key Result – i.e. KPI	Further details
Lifetime Care: icare’s Contribution to Participant Quality of Life (QoL)	<ul style="list-style-type: none"> KPI is in development. Baseline will be assessed in early 2025 to set a target for FY25. The question and scale proposed by LTS (to be added to an existing CSAT survey) for respondents is as follows: “Over the last 12 months, what effect has icare had on your quality of life?” <i>With 10 being in a completely positive way and 0 being none at all.</i>
TMF GL: Duration {Motor Repair}	<ul style="list-style-type: none"> Same KPI as last year.
TMF GL: Controllable Claim Size (excl. event claims and large losses) {General Liability}	<ul style="list-style-type: none"> Average claim size is driven by several cost components (such as damages, icare legal costs, investigation and other costs) which can be influenced by icare through determination of coverage, settlement negotiation and level of utilisation of legal service providers. Event claims and large losses are excluded to remove impact from the less controllable elements of the portfolio and volatility or negative impact to the average associated with large losses.
HBCF: Decision Duration {Single Dwelling}	<ul style="list-style-type: none"> Decision Duration has a direct and significant influence on Homeowner experience and is an indication of claim management efficiency and effectiveness. This metric is proposed for single dwelling cover types, which comprise approximately 87% of claims.
Core Operational Expenses (compared with FY25 budget)	<ul style="list-style-type: none"> Expected Core Operational Expenses are as articulated in the budget / savings plan created by icare. It is important to track the core operational expenses given the savings plan includes circa 30 initiatives and if achieved, would reflect a material saving in core operational expenses in the coming years.
Community Perception of icare’s Transparency	<ul style="list-style-type: none"> A ‘Community Perceptions Survey’ will be undertaken in 2024, which includes a question asking respondents if they agree that icare “is transparent”. This metric, called “Community Perception of icare’s Transparency”, will be calculated as the proportion of people surveyed who agree that icare “is transparent”. Ahead of the next (FY26) Enterprise Scorecard and SBI, other options to demonstrate icare’s transparency will be explored. This may involve developing a Transparency Index that incorporates individual measures encompassing several components of transparency – not dissimilar to the Risk Maturity Index (RMI).
Employee Engagement: Act2Engage Engagement Survey	<ul style="list-style-type: none"> Same KPI as last year.
Overall Risk Maturity Index (RMI)	<ul style="list-style-type: none"> Same KPI as last year. RMI is assessed every 6 months and aggregates 40 (24+16) individual measures to provide an overall rating.
RMI: Frameworks & foundations	<ul style="list-style-type: none"> ‘Frameworks and foundations’ consists of 24 measures and is defined as: Maturity of the frameworks, processes, systems and how decisions are made, and actions are taken by management and employees at icare.
RMI: Perceptions	<ul style="list-style-type: none"> ‘Perceptions’ consists of 16 measures and is defined as: Maturity evaluation of risk management attitude, behaviour, and mindsets at icare.

Accountability for KPIs

Accountability for delivering against the collective icare Enterprise Scorecard is shared across the icare Group Executive Team.

- There are shared KPIs which are measured for each GE's area and, if achieved, ensure icare's overall target is met. These metrics include CSAT, act2Engage and RMI target – each GE has these KPIs measured for their area.
- There are other metrics which are unique to a Scheme, and accountability for these is with the respective GEs (e.g. Net Result, Working Rate and Duration).

Sustainability Performance Indicators

In FY2023-24, icare ran a process to determine the material ESG matters that have the potential to impact our ability to deliver against our legislative objectives over the long term. icare has plans in place to address these material matters and will continue to assess and address the potential impacts. As this work progresses, additional Sustainability Indicators will be developed and tracked accordingly. Included below are our key Inclusion and Diversity metrics which reflects our commitment to ensuring our workforce represents the people and communities we serve.

Priority Area	Sustainability Performance Indicator ¹⁹	Baseline (Dec 22)	Short Term Target (1 - 3 years)	Proposed Long Term (5 – 7 years)	Actual FY2023-24
Accessibility	People with a disability employed at icare	2.39%	4%	5.6%	2.41%
Accessibility	People with a disability requiring work-related adjustment	0.5 %	0.6%	0.9%	0.48%
First Nations	Reconciliation Action Plan	N/A	100% objectives of Reflect RAP met Move to Innovate RAP	Creation and delivery of Stretch RAP	91%
First Nations	Aboriginal and/or Torres Strait Islander people employed at icare	0.84%	1%	2%	0.75%
Multiculturalism	People whose first language is not English employed at icare	16.24%	18%	22%	13.16%

Accountability for SPIs

The GE People and Culture is accountable for meeting the above Sustainability Performance Indicators targets.

5. Financial Summary – Aggregated view

This is an aggregated view of all icare schemes and the icare service entity.²⁰

\$m	FY22 Actuals	FY23 Actuals	FY24 Forecast ²¹	FY25 Budget	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget	FY30 Budget	FY31 Budget	FY32 Budget	FY33 Budget	FY34 Budget
Revenue	6,092	7,378	8,338	9,121	10,050	10,736	11,417	11,946	12,464	12,967	13,534	14,118	14,732
Claims	(5,739)	(10,199)	(11,414)	(10,363)	(10,417)	(11,598)	(11,513)	(12,178)	(12,833)	(13,513)	(14,235)	(15,017)	(15,864)
Expenses	(1,350)	(1,533)	(1,709)	(1,778)	(1,783)	(1,822)	(1,813)	(1,853)	(1,912)	(1,965)	(2,028)	(2,088)	(2,157)
Underwriting Result	(997)	(4,355)	(4,784)	(3,020)	(2,149)	(2,684)	(1,909)	(2,085)	(2,280)	(2,511)	(2,729)	(2,986)	(3,289)
Investment Income	(1,971)	3,542	3,292	3,485	3,756	4,106	4,470	4,870	5,296	5,753	6,248	6,776	7,345
Funding & Contributions	1,893	675	972	48	50	47	42	35	50	57	20	14	10
Net Result	(1,075)	(138)	(520)	512	1,656	1,469	2,602	2,820	3,065	3,300	3,539	3,804	4,065

This includes all icare entities: Nominal Insurer, IfNSW, HBCF, Lifetime Care, CTP Care, and Dust Diseases Care. The scheme and the icare service entity are separate entities and they are not aggregated for financial reporting purposes. Scheme financials are reported in the Business Plan.

Revenue growth of 5.86% and investment income of 8.36% outpace Claims growth of 3.35% and Expense growth of 2.35% resulting in an increasing net result over the budgeted period.

Lifetime Schemes have budgeted for positive net results in FY2024-25 and FY2025-26 while FY2026-27 will be a negative net result due to the implementation of AASB17, returning to positive results thereafter.

IfNSW and HBCF Schemes have budgeted for positive net results from FY2024-25 until FY2033-34.

Nominal Insurer have budgeted for a small negative net result in FY2024-25 followed by a return to positive net results in FY2025-26 and onwards helped by the increase in premiums.

²⁰ The scheme and the icare service entity are separate entities and they are not aggregated for financial reporting purposes.

²¹ FY24 Forecast is submitted in May 2024 to NSW Treasury. FY24 actuals are in the process of being audited. FY25-FY34 budgets will be updated for the half year review to include the June 2024 liability valuations and will be submitted to NSW Treasury in November 2024.

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Strategic investments of \$350m over the FY2022-23 to FY2024-25 period are estimated to result in claims related benefits of \$5.5 billion and \$380 million of operational expenditure reduction, over the 10-year period.

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