Return to WorkSA

2023–24 ANNUAL REPORT

South Australia's work injury insurance scheme.

Government of South Australia

ABOUT THIS REPORT

We are pleased to present the Annual Report for 2023-24

In this report, references to ReturnToWorkSA refer to activities undertaken by the Return to Work Corporation of South Australia in managing the Return to Work scheme which became fully operable on 1 July 2015. The report meets our obligations with the *Public Sector Act 2009* and the *Return to Work Corporation of South Australia Act 1994*, and the financial reporting requirements of the *Public Finance and Audit Act 1987.*

Where can I find out more?

You can learn more about ReturnToWorkSA and the Return to Work scheme online, where this report and previous annual reports are available to download at **www.rtwsa.com**.

Acknowledgement of Country

We acknowledge and respect Aboriginal peoples as the State's first peoples and nations, and recognise them as traditional owners and occupants of land and waters in South Australia.

We further acknowledge that ReturnToWorkSA's office is located on the traditional lands of the Kaurna people and we pay our respects to the Kaurna people, and their Elders, past, present and emerging.

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Our purpose:
To empower and support South Australians impacted by work injury

PERFORMANCE HIGHLIGHTS

Personalised claims service

29,963
mobile claims manager engagements
(includes face-to-face, and virtual)

86%
of all physical injury claims received were determined within 10 business days of receipt

163
mobile staff

15,755
claims received in the registered Scheme

Remaining at or returning to work

Injured workers remaining at or returning to work (fully or partially) at key intervals after injury

83%	92%	94%	96%	97%
4 weeks	13 weeks	26 weeks	52 weeks	103 weeks

1,019
new Return to Work Coordinators certified

85
seriously injured workers assisted to remain at or return to work

Premium collected

620,000
workers covered by the registered Scheme

290,000
workers covered by self-insured employers

$820m
in premium revenue collected from registered businesses

62,508
employers paid premiums

Regulating employer obligations

267
new reviews of suitable employment compliance

330
employers audited for premium compliance, resulting in **$3.1m** of additional premium collected

354
new employer registrations established from targeted regulatory activity

Disputes

10%
reduction in disputes lodged

25
premium review requests received from over 58,000 registered employers

Data as at 23 July 2024.

FINANCIAL PERFORMANCE SUMMARY

The underwriting result of $3.4m and profit from insurance operations of $127.8m were positively contributed to by continued solid return to work, investment performance and economic factors.

Together, these contributed to a Total Comprehensive result of $215.2m.

It is important to note that external factors such as discount rates, which reduced the value of the liabilities by $67.0m this year, cannot be relied upon as a source of future income for the Scheme.

Profit from insurance operations	**2021–22 $'m**	**2022–23 $'m**	**2023–24 $'m**
Underwriting result [1]	289.8	(131.2)	3.4
Change in economic factors [2]	(369.0)	26.0	(67.0)
Long term investment earnings (net) [3]	175.0	205.9	252.0
Operating expenses [4]	(58.0)	(61.2)	(73.9)
Other income [5]	12.7	12.5	13.3
Profit/(loss) from insurance operations [6]	**50.5**	**52.0**	**127.8**
Include change in economic factors	369.0	(26.0)	67.0
Investment earnings difference [7]	(365.8)	43.1	20.4
Operating profit/(loss) [8]	53.7	69.1	215.2
Tax equivalents [9]	0.0	0.0	0.0
Total comprehensive result	**53.7**	**69.1**	**215.2**

1. Premium less Claim costs, claim agent and tribunal fees *[per Statement of Comprehensive Income]*
2. Exclude impact of change in discount rates and inflation which are beyond ReturnToWorkSA's control
3. Investment earnings (net) calculated at the expected long-term (10 years) earnings rate to exclude short-term variability
4. Includes employee, depreciation, accommodation and other operating costs *[per Statement of Comprehensive Income]*
5. Self-insured employer fees and Sundry income *[refer Statement of Comprehensive Income]*
6. Operating result excluding economic factors and investment variability
7. Difference between actual total Net investment profit and long-term investment earnings (net)
8. Reported operating profit before tax equivalents *[per Statement of Comprehensive Income]*
9. Tax equivalents are only payable if there is both an Operating Profit, a Profit From Insurance Operations and a funding level of at least 100

Average premium rate

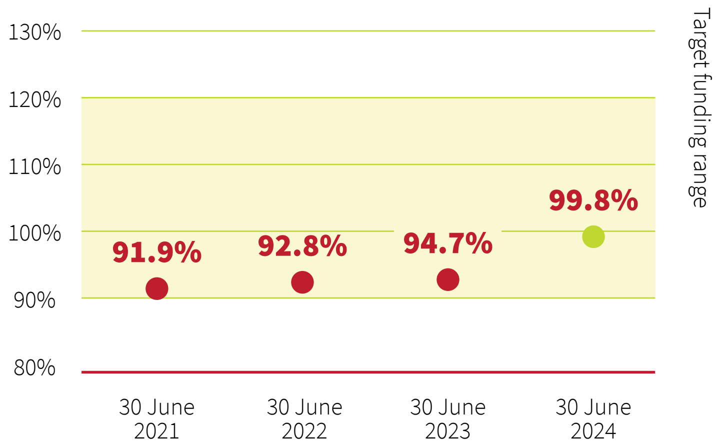
The average premium rate for South Australian employers in 2023-24 was 1.85%.

Scheme funding ratio

The Scheme funding ratio is the ratio of our assets to liabilities.

One of the core responsibilities of ReturnToWorkSA is to ensure the Scheme is fully funded on a fair basis, while also seeking to keep the premium affordable for employers at no more than 2%, as stipulated in the Act.

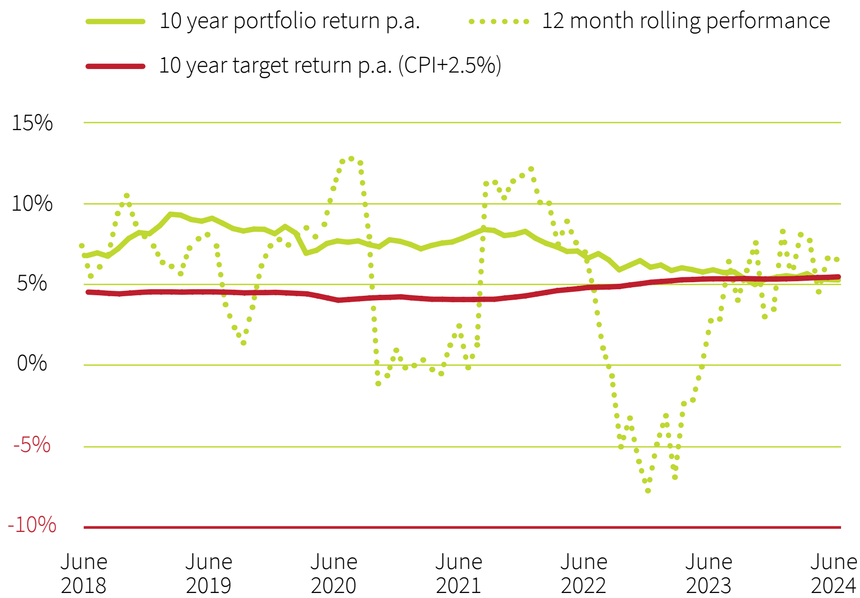
The ReturnToWorkSA Board aims to maintain a funding ratio within the target range of 90% to 120%. As of 30 June 2024, the funding ratio was 99.8% and while this reflects an improvement from the previous year, the net asset position of the Scheme remains at negative $10.7m.



Investment return

Our investment strategy is a fundamental component of ensuring the long-term viability of the Scheme.

▲ Net return on investment for 2023-24 was 6.8%



MESSAGE FROM THE CHAIRMAN AND CEO

GREG MCCARTHY
Chairman

MICHAEL FRANCIS
CEO

The immense responsibility and importance of ReturnToWorkSA's role is clear to us. We must support injured workers in their time of need, assist businesses to prevent workplace injury and respond effectively when it does occur, all while keeping the Scheme affordable and financially sustainable. While this is our remit, we appreciate the need to work collaboratively with and complement the supports provided by other government agencies, medical and allied health service providers, worker and employer advocates if the service we provide is to be optimised for all South Australians.

In this report, we seek to highlight many of the great things that workers, employers and those who support them both at ReturnToWorkSA and at our claims agents have been able to achieve over the past 12 months. We do this while acknowledging our ongoing obligation to respond appropriately where the Scheme can and could be doing more to ensure it is fulfilling its purpose.

Performance

Claim numbers increased by 8.3% from 14,569 to 15,755 across the year. While growth in the number of workplace injuries is never desirable, it is understandable in the context of a significant increase in the hours worked in the South Australian economy across the year as evidenced by remuneration returns submitted by employers. The rise in claim numbers was in line with projections and commensurate with premiums collected.

Improvements in return to work performance realised over recent years were maintained in 2023-24 with further gains noted at numerous milestones. Remain at and return to work rates at 26 and 103 weeks were 94.3% and 96.6% respectively compared with 94.7% and 96.2% last year (details of rates at other milestones are available on page 18). While the improvement at 103 weeks might seem small, it means 61 fewer people reached the end of income support entitlements without having work to return to than in FY23. It is 131 fewer than in FY22 and 200 less than in FY21. This is significant for every one of these workers.

Despite the higher number of claims, there was a 4% reduction in complaints and a 10% reduction in disputes received compared with the previous reporting period. The decline in disputes received is complemented by excellent dispute closure rates resulting in the lowest number of open disputes in seven years.

Integral to achieving these results has been the concerted program of work undertaken by our Insurance group and claims agents to progressively increase industry capability and refine our processes to maximise in person and early engagement. We have done more work with a consortium of authors of *It Pays To Care*, a research paper produced by the Royal Australian College of Physicians promoting evidence-based practices for work injury insurers to elicit better health outcomes for workers. A systems audit designed by this group of medical professionals and academics based on the essential elements of *It Pays To Care* was used to assess psychosocial risk management across the ReturnToWorkSA claims model. The audit findings included:

- a well-structured case management system that is currently producing excellent return to work rates and promoting efficient recovery
- strong systems of early communication between the claims manager, employer, worker and general practitioner
- robust capability programs for key front-line roles, and
- industry best practice low caseloads to increase capacity of case managers.

The digital transformation being undertaken to adopt technologies that better support contemporary practice and reduce the risk associated with using ageing systems has progressed well in the first year of a five-year program of work. Online lodgement is now an option for employers, as is a digital option enabling workers to provide authority for medical practitioners to share relevant information with ReturnToWorkSA and its claims agents. Our stakeholder engagement support systems have also been significantly improved.

The Regulation team has continued to build on and enhance the mechanisms essential to stakeholder confidence in ReturnToWorkSA's role as a regulator.

The self-insurance regulatory framework was reviewed, as were the injury management standards for self-insured employers and the financial requirements self-insured employers are required to meet. The regulatory program for the Crown Agencies self-insurance program was also revised to enable a more holistic and risk-based approach. This work was undertaken in consultation with the Office of the Commissioner for Public Sector Employment.

This review of the frameworks applied to self-insured employers is reflective of the Regulation team's intensified approach to consultation, and we are grateful to those stakeholders who assisted in the process.

This commitment to engagement was also underlined by the ongoing work of the Stakeholder Representative Consultation Group to develop a third edition of the Impairment Assessment Guidelines. These guidelines are critical in ensuring a credible, objective and consistent approach is adopted in the assessment of whole person impairment.

ReturnToWorkSA also continued to evolve support and education services to ensure we are underpinning the ability of employers and service providers to drive positive results.

Financial Results and position of the Scheme

Operational results, investment earnings and increases in long term interest rates contributed to a $215.2m total comprehensive profit for the year ending 30 June 2024.

The underwriting result, which is before any investment earnings, is a profit of $3.4m, reflecting continued improved return to work rates and premium growth driven by the significant increase in the hours worked in the economy across the year.

The financial position at the end of the year remains short of a fully funded position with net liabilities of $10.7m and a funding ratio of 99.8%. This compares with a funding ratio of 94.7% at the end of 2022-23.

While the Scheme's results and year-end position are strong with a near fully funded status, it is important to note that the funding position for 2023-24 was significantly boosted by the favourable impact of long term interest rates. Had this been measured at the end of July 2024, much of that benefit would have evaporated, leaving us further from the fully funded position we are obligated to pursue.

While we believe the Scheme is well positioned to respond to inevitable market volatility and the sort of challenges experienced by other jurisdictions in recent years, it is crucial to emphasise that this cannot be taken for granted. The Scheme must be actively managed to achieve its social objectives, carefully balancing the interests of workers and employers, while continuing to strive to meet legislative goals around its continued financial sustainability.

We are pleased to present this year's Annual Report as both a marker of the great things achieved to support South Australians impacted by injury and an acknowledgment of the collective contributions made by so many who give so much of themselves to reduce the harm and impact of work injury on our community.

ABOUT US

The Return to Work scheme plays a vital role in South Australia's economy by safeguarding workers and employers from the financial impacts of workplace injuries.

The objective of the Scheme is to support workers injured at work and provide early intervention to ensure action is taken to help them:

- recover from injury
- remain at, or return to work following injury
- realise the health benefits of work
- live independently and be restored to the community when return to work is not possible.

In delivering this objective, we seek to reduce disputation and adversarial contests wherever possible whilst balancing the interests of workers and employers to ensure that employers' costs are contained within reasonable limits.

We are passionate about delivering a work injury insurance scheme that provides the right services at the right time. We work with people with work injuries and their employers to provide the best possible chance of recovery and remaining at or returning to work.

Our insurance role

We provide work injury insurance that protects more than 60,000 South Australian businesses and approximately 620,000 workers in the event of a work injury.

As an insurer, we are funded by the premiums paid by employers and the investment returns achieved on invested funds.

ReturnToWorkSA oversees all insurance underwriting functions, including setting and collecting premiums.

ReturnToWorkSA does not manage all claims directly. We have appointed Employers Mutual SA Pty Ltd and Gallagher Bassett Services Pty Ltd to provide claims management services under the Act and in line with our business model. However, we directly manage claims for workers with catastrophic injuries. While the number of people who suffer such injuries is low, the complexity and intensity of these worker's needs are often high. Our EnABLE team specialises in offering personalised and intensive support services for these workers, their families, and employers.

ReturnToWorkSA and our claims agents provide essential services to people injured at work, which include:

- effective claims management services for injured workers and employers to achieve the best possible recovery and return to work outcome, including face-to-face support where appropriate
- income support to cover lost wages
- the cost of reasonable medical expenses
- financial support in the form of lump sums
- financial support for access to a range of return to work services where required.

Our regulatory role

We protect the interests of South Australia's workers and employers by monitoring and enforcing compliance with the Act and providing education and support about the health benefits of work and legislative compliance obligations.

Our services and those delivered by our claims agents are designed to provide early intervention support to workers and employers following a work injury to ensure the worker can recover and return to work as quickly as possible.

Our regulatory role is integral to safeguarding the integrity of the Scheme and enabling it to achieve its objectives. Central to our responsibilities is ensuring employer compliance with crucial obligations. This includes overseeing employer registration with ReturnToWorkSA, accurate remuneration returns, facilitating suitable employment opportunities, and mandating the appointment and training of Return to Work Coordinators.

We manage the registration and compliance of both Crown and private self-insured employers, who assume responsibility for managing their own claims and associated liabilities.

ReturnToWorkSA also plays a pivotal role in regulating the provision of essential services funded by all insurers. This involves setting fees and conditions for medical, allied health, recovery and return to work, and other critical services, while educating service providers on Scheme standards and expected service outcomes.

Additionally, we are dedicated to responsiveness, managing inquiries, and addressing complaints to ensure stakeholder satisfaction. We investigate potential violations under the Act and prosecute instances of dishonesty when necessary.

ReturnToWorkSA administers the accreditation process for permanent impairment assessors on behalf of the Minister. We rigorously ensure that all impairment assessments align with statutory requirements, the Minister's Impairment Assessment Guidelines, and the American Medical Association Guide to the Evaluation of Permanent Impairment, thus upholding standards and fairness in assessment practices.

In 2023-24, our impairment assessment services team reviewed 3,154 impairment assessments for compliance.

Legislative services

In 2023-24 ReturnToWorkSA provided support and advice to the government on key Scheme reforms and improvements. Our efforts included investigating reforms aimed at securing fairer outcomes for workers affected by dust diseases, and enhancing employer obligations to offer suitable employment to injured workers.

ReturnToWorkSA also contributed submissions on a range of other legislative reforms. These included the *Work Health Safety (Review Recommendations) Amendment Bill 2024* and the *Statutes Amendment (South Australian Employment Tribunal) Bill 2024*.

Engaging stakeholders

Engagement with stakeholders that is targeted, relevant and meaningful is essential for the ongoing sustainability of the Return to Work scheme.

The key stakeholder activities for 2023-24 were:

- review and co-design of a draft Third Edition of the Impairment Assessment Guidelines, via the Stakeholder Representative Consultation Group
- consultation on the Impairment Assessor Accreditation Scheme
- two Stakeholder Forums, attended by approximately 104 stakeholders
- review of our regulatory approach for the oversight of private and crown self-insured employers
- review of the approach to surveying worker and employer satisfaction and experiences in the Return to Work scheme.

OUR STRATEGIC DIRECTION

Our purpose: To empower and support South Australians impacted by work injury.

Our strategic objectives are:

1. Support injured workers:
   - to realise the health and social benefits of work, or
   - being restored to the community where return to work is not possible.
2. To provide a responsive and affordable work injury insurance scheme for South Australia that balances the interests of employers and injured workers.

ReturntoWorkSA is committed to the following focus areas, to deliver a Return to Work scheme that works for people, both now and in the future:

Improved experiences and meaningful outcomes for injured workers and employers

A capable and empowered workforce within a service orientated and collaborative organisational culture

Transforming technology to drive efficiencies and accessibility to empower our people, injured workers and employers

In 2023-24, ReturntoWorkSA completed the first year of our Strategic Plan 2023-28. Key achievements include:

- continued high performance in return-to-work outcomes
- a Scheme record of more than 29,000 mobile claims manager interactions, supporting employers and workers in achieving an early return to work
- introduction of an online claims lodgment platform, offering greater ease and options during the claim lodgment process
- continued emphasis on attracting and developing staff with the right skills, leading to improved claims management staff retention
- pilot of a new approach to gain more meaningful insights into injured worker and employer experiences at different stages of the claims journey. This will replace the Net Promoter Score (NPS)
- continued significant reduction in the number of open disputes.

Return to Work Corporation of South Australia Charter and Performance Statement

The *Return to Work Corporation of South Australia Charter and Performance Statement* set out the government's key priorities, requirements and expectations for ReturnToWorkSA's performance.

In accordance with the Charter, ReturnToWorkSA reports quarterly to the Minister against the objectives set out in the Performance Statement.

GOAL ONE

Support injured workers to realise the health and social benefits of work or being restored to the community where return to work is not possible.

Our service model is designed to encourage early injury reporting and a face-to-face claims management service for workers and employers needing assistance with recovery, staying at or returning to work.

Injured workers remaining at or fully returning to work at key intervals after injury

	4 weeks	13 weeks	26 weeks	52 weeks	103 weeks
2023–24	71%	86%	91%	94%	95%
2022–23	72%	86%	91%	93%	95%
2021–22	72%	83%	89%	93%	94%
2020–21	71%	83%	87%	91%	94%
2019–20	73%	82%	86%	91%	94%

Injured workers whose income support ceased after 104 weeks and who have not returned to work

2023–24	399	(-13.3%)
2022–23	460	(-13.2%)
2021–22	530	(-11.7%)
2020–21	600	(+7.1%)
2019–20	560	

Injured workers remaining at or returning to work (fully or partially) at key intervals after injury

	4 weeks	13 weeks	26 weeks	52 weeks	103 weeks
2023–24	83%	92%	94%	96%	97%
2022–23	83%	92%	95%	95%	96%
2021–22	83%	90%	93%	95%	96%
2020–21	82%	90%	93%	94%	95%
2019–20	81%	88%	91%	93%	96%

These rates may differ slightly from historical rates published in ReturnToWorkSA Annual Reports prior to 2022–23, due to claims being active over multiple annual periods. The 4 week milestone is measured from the claim received date. Other milestones are measured from the first date of incapacity. Data as at 23 July 2024

Improving the experience and outcomes for injured workers

ReturnToWorkSA has a strong focus on service and a personalised approach. ReturnToWorkSA and our claims agents have 163 mobile claims staff throughout Adelaide and major regional centres.

Our mobile claims staff have increased the volume of personalised face-to-face visits across South Australia by 2,064 this financial year. This increase in personalised support has contributed to our strong remain at and return to work results in 2023-24.

We have continued working to increase the level of support provided to workers and employers. This includes:

- maintaining the number of staff delivering front-line claims services
- maintaining a focus on early intervention and face-to-face engagements occurring across South Australia
- using digital alternatives to engage, in instances where face-to-face is not an option
- offering services across the Scheme that support mental health and wellbeing for both injured workers and employers.

We are proud of the commitment of ReturnToWorkSA staff and the claims agents to personalised service, and look to continuously improve the experience of injured workers and employers in our Scheme.

29,963
mobile claims manager engagements
up 1,348

23,815
mobile claims manager face-to-face visits
up 2,064

6,148
mobile claims manager alternate methods (phone and video)
down 716

163
mobile staff

Simplifying claim lodgement

ReturnToWorkSA has made improvements to the claims lodgement process through our ongoing Digital Transformation Program.

Guided by research and feedback, we have streamlined interactions to enhance accessibility.

In 2023-24 we introduced new features that simplify how employers engage with us, making it easier to lodge claims. Online lodgement of claims has now been available to employers since April 2024. In just three months, and without specifically promoting its use, 753 employers used the service to lodge claims and 81% indicated the process was easy or very easy to use.

These enhancements have resulted in a better experience when submitting claims.

We are committed to continuously refining our processes and systems over the coming years to meet the evolving needs of injured workers and employers, and uphold our commitment to excellence in service delivery.

81%

employers indicated online lodgement was easy or very easy.

Prompt decisions and payments promote focus on recovery and return to work

Easing the anxiety of participants in the claim process has been a key focus for our claims agents, and we have reinforced our commitment to getting the insurance fundamentals right.

In 2023-24, 86% of claims submitted for physical injuries were assessed within 10 business days, excluding claims such as hearing loss, psychological injuries, working director claims, and death claims, which require more detailed eligibility assessments. Claims for psychological injuries and those related to injuries that occurred many years before the compensation claim are more complex and take longer to establish eligibility.

Whilst the more complex injuries are being investigated, like psychological injuries, workers have access to services to assist them recover and return to work.

Operating under a 'no fault' insurance scheme, approximately 89% of the claims received and determined, were accepted at first determination.

Additionally, 95% of workers have their expenses reimbursed within 14 days of receipt, 99% of employers receive wage reimbursements within 30 business days, and 99% of medical and allied health providers receive payment of their invoices within 30 business days.

95% workers reimbursed within 14 days of us receiving their receipts

99% employer wage expenses reimbursed within 30 days

99% medical and allied health services for injured workers billed directly to our claims agents paid within 30 day trading terms

86% claims submitted for physical injuries are determined within 10 days

EnABLE Program

Our specialised unit of Support Coordinators and Claims Officers continues to provide support to workers who have severe traumatic work injuries under our EnABLE Program.

These workers require a high level of personalised support and case management, and our team supports them and their families to achieve sustainable quality-of-life outcomes, commensurate with their abilities.

A Support Coordinator contacts the worker and/ or their family and employer as soon as they are aware of the injury, to provide immediate assistance. Our Support Coordinators have extensive and experienced networks within the disability sector, and they utilise these networks to ensure that quality care and support from the relevant health professionals are available from the time of the injury.

Our Support Coordinators work in partnership with our Claims Officers to plan and deliver an individually tailored care and support service that enables participants to achieve their personal goals, have greater control over their lives, build positive aspirations, maximise their independence and participate more fully in the community.

Typically, less than six people suffer a severe and traumatic injury each year. Focusing on recovery and achieving a positive quality of life are important elements in providing lifetime care to workers with a severe traumatic work injury.

Measuring the quality of service

ReturnToWorkSA has initiated a trial to improve the feedback received from injured workers and employers about their claims journey. The existing Net Promoter Score (NPS) metric has been replaced by the Voice of Customer (VoC) strategy and pilot. This new approach collects feedback from injured workers and employers at key touchpoints, evaluating their overall satisfaction and asking targeted questions to identify gaps and opportunities for improvement.

The VoC pilot aims to provide a more appropriate feedback mechanism, offering deeper insights into customer experiences. This information will help ReturnToWorkSA identify opportunities to enhance its services, processes, systems, and people capabilities.

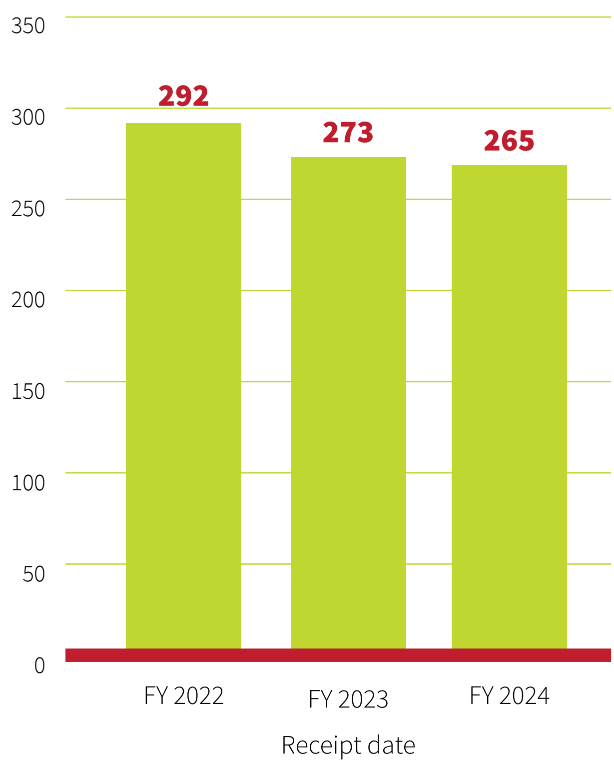
Launched in October 2023, the pilot focuses on capturing the experiences of workers and employers throughout their claims journey. ReturnToWorkSA plans to fully implement the VoC approach by FY2025. Once sufficient data is gathered, ReturnToWorkSA will begin reporting on worker and employer satisfaction levels.

Complaints

Complaint numbers decreased to 265 this financial year, down from 273 in the previous year. The decrease is consistent with our expectations in an environment where the number of mobile claims manager interactions continues to increase.

Complaints received by the ReturnToWorkSA Complaints Team are referred to the relevant agent, ReturnToWorkSA business unit or self-insured employer to investigate and respond to in the first instance. If the complainant is not satisfied with the resolution of the matter they can escalate it back to the ReturnToWorkSA Complaints Team for further investigation.

Complaints received are regularly monitored for themes to inform our understanding of people's service experience. Outcomes of this monitoring are reported on in quarterly Charter and Performance Reports provided to the ReturnToWorkSA Board and our Minister.



Disputes

Workers or employers who are unhappy with the decision on a claim may lodge an application for review in the South Australian Employment Tribunal (SAET).

Claim disputes received in the Return to Work scheme decreased 10.2% in 2023-24, from 2,939 to 2,639.

This result is more pleasing in the context of the 8% increase in the number of claims received for the year.

The highest number of disputes are related to compensability, Whole Person Impairment (WPI) assessments, and subsequent review of economic loss or non-economic loss decisions linked to WPI assessment outcomes.

Unlike other jurisdictions, the South Australian Return to Work scheme provides accessibility to have decisions reviewed by the SAET by covering the reasonable costs incurred by injured workers and employers for legal representation or representation by an officer of an industrial association in any proceedings before the SAET. The early resolution of disputes has been a key focus for ReturnToWorkSA over the last financial year.

ReturnToWorkSA understands its role in working with claims agents to reduce the number of disputes through better resourcing, building capability and improving the communication of decisions to employers and injured workers. If a dispute is lodged, ReturnToWorkSA also understands the need to work with our legal providers to reduce the duration of disputes to the greatest possible extent. It is therefore crucial for ReturnToWorkSA to work collaboratively with injured workers, employers and their representatives to resolve disputes as early as possible.

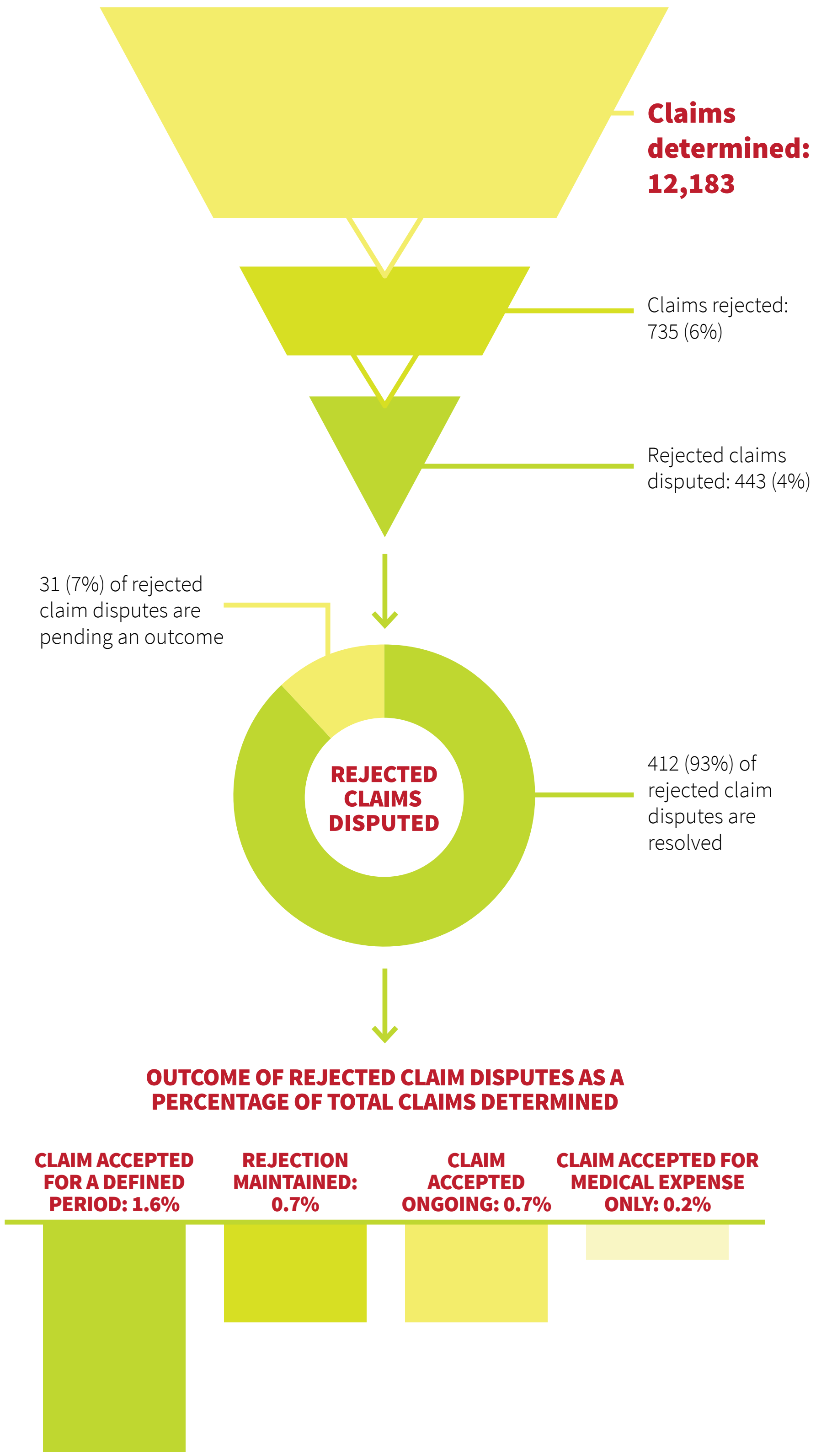
This approach has resulted in (as at 30 June 2024):

35%
reduction in the number of open disputes

17%
reduction in duration of open disputes

Representation of the journey from claim determination through to dispute outcome

The data used in this diagram is for the 2022-23 financial year. Due to disputes resolving differently and dynamically over time, this is the most mature data available.



We understand the importance of resolving compensability disputes.

The diagram demonstrates the journey of claims from determination to compensability dispute through to outcome.

It is a representation of the approximate number of claims determined each year (excluding noise-induced hearing loss (NIHL) and withdrawn claims), and the ultimate eligibility/compensability dispute outcome.

The dispute process often provides a means for producing further evidence in support of a claim.

Resolutions, including a defined period of income support or medical expenses only, are often the result of a negotiation or compromise where there may be contradictory evidence, medical or factual information.

Supporting Scheme service providers to deliver better health outcomes

ReturnToWorkSA continues to provide a diverse education and support program to medical and allied health service providers to help them achieve better health outcomes for their patients with a work injury.

We directly contacted over 50 health providers and provided practical information and support. More than 560 health providers completed our online courses, and we delivered 14 face-to-face education sessions around the State to over 416 health providers and practice managers.

Delivery of training occurred face-to-face, online and via digital platforms, with many sessions offering Continuing Professional Development (CPD) accreditation.

Our advisory team, comprising Physiotherapy Advisors, Exercise Physiology Advisors, and Medical Advisors specialising in General Practice, Occupational Medicine, and Sports and Exercise, continued to provide expert guidance. This year, we expanded our expertise with the addition of two Audiology Advisors, further enhancing our ability to support and advise healthcare professionals.

Supporting people with a serious injury

Each year ReturnToWorkSA receives in excess of 14,000 new claims. Most of these people will remain at work or return to work.

A small number of people will have a long term serious disability as a result of their injury. The Act provides for a lifetime care and support package for people determined to be seriously injured. As at 30 June 2024 there were 896 active serious injury claims from which workers were receiving support from the Scheme.

Impairment assessments

The calculation of lump sum entitlements for economic and non-economic loss for workers are based on the outcome of whole person impairment assessments. They remain a critical element of the Return to Work scheme that helps to determine whether an injured worker is entitled to lifetime care and support.

ReturnToWorkSA conducts reviews of permanent impairment assessment reports to ensure they are compliant with the Act, the *Impairment Assessment Guidelines (IAG)* and AMA5, and also provides support to accredited impairment assessors through training, forums, newsletters and one-on-one engagement.

An important feature of the permanent impairment assessment scheme is the *Impairment Assessment Guidelines.*

By invitation of the Minister for Industrial Relations and Public Sector, the Stakeholder Representative Consultation Group (SRCG) was formed in 2022 with representatives from the medical profession, legal profession, unions and ReturnToWorkSA.

Using a co-design approach to review the *Impairment Assessment Guidelines*, a comprehensive process of medical and technical review has been undertaken by the SRCG. This has been supported by multiple phases of stakeholder consultation.

ReturnToWorkSA will be responsible for implementation of the Guidelines once they have been published by the Minister.

In 2022–23, the Minister approved a review of the Impairment Assessor Accreditation Scheme, led by ReturnToWorkSA. This review, conducted with extensive input from assessors and stakeholders, will result in a new Accreditation Scheme expected to launch in 2024–25.

In 2023–24, 3,154 permanent impairment assessment reports were received for a compliance review.

Of the total reports received (excluding noise induced hearing loss), 71% were compliant with the IAG on first review, and 91% at final review.

94% of injured workers fully or partially return to work within 26 weeks

Our personalised assistance and case management support is focused on helping people to recover from a work injury and get them back to work and life as soon as it is safe to do so.

Stephanie's story

Stephanie sustained a right ankle injury which progressed to Complex Regional Pain Syndrome (CRPS) and accompanying psychological challenges.

Stephanie received consistent and encouraging support from her claims manager throughout her claim journey, guiding Steph through medical appointments with the aim to return to her pre-injury workplace.

Despite the profound impact of CRPS on her wellbeing, Stephanie has achieved part-time employment in support work while pursuing further studies. Her determination to work, study, attend medical appointments, and regain independence coupled with the ongoing support from her claims manager has contributed significantly to Stephanie's path to recovery and returning to work.

Dean's story

Dean was working as a horticulturalist when he suffered a right shoulder injury.

After consulting with an orthopaedic surgeon, Dean was advised to undergo a repair to his rotator cuff. With the support of his claims manager, Dean opted for conservative treatment and diligently followed home exercises and attended weekly physiotherapy along with hydrotherapy sessions twice a week.

Dean's claims manager facilitated a worksite assessment, coordinating efforts among his employer, physiotherapist and treating doctor. This collaborative approach allowed Dean to gradually return to work over six weeks. Remarkably, less than two months after his injury, Dean achieved a sustainable return to work, earning praise from his treating doctor for his unwavering dedication to recovery.

Support services for employers and injured workers

Employer Education Advisory Services

ReturnToWorkSA's Employer Education team provides a range of free supports and services to employers and Return to Work Coordinators.

In 2023-24, the Employer Education program included the delivery of 22 online and face-to-face workshops, including two events in Mount Gambier.

Strengthening relationships with key industry stakeholders to enhance support for Small Business, Aged Care, and Construction was a major focus for the team and will remain a priority through 2024-25. We aim to refine our support to help these sectors identify and address industry challenges, ultimately improving recovery and return to work outcomes for work injuries.

Through focused educational and communication campaigns highlighting the importance and requirements for appointing and training Return to Work Coordinators, we have achieved significant results. 90% of employers have met this obligation, leading to the certification of 1,019 new Return to Work Coordinators who play a crucial role in supporting employees with work injuries and facilitating their recovery and return to the workplace.

The ReCONNECT Service

ReturnToWorkSA's ReCONNECT service provides free and voluntary support for people with a work injury, and their families, at any time during a claim, who require assistance accessing community-based programs and services to support their recovery and return to work, and/or the community. Access to this service is in addition to their Scheme-funded support.

Supports and services are varied and can include:

- financial counselling
- mental health services
- family, legal and community services
- career guidance and job search support
- training, skills development and volunteering
- Centrelink.

ReCONNECT services are also available to workers of self-insured employers.

In 2023–24, the ReCONNECT service received 495 referrals.

Over 90% of clients achieved their ReCONNECT goal.

Re-employment Incentive Scheme for Employers (RISE) Program

The Re-employment Incentive Scheme for Employers (RISE) Program provides incentives for employers to help people who have been injured at work to return to meaningful and ongoing employment, if they are unable to return to their pre-injury employer.

Businesses that employ a person with a work injury through the RISE Program receive a range of benefits and supports, including subsidised wages.

In 2023-24, 42 applications for RISE subsidies from employers were approved.

Providing free information and advisory services

ReturnToWorkSA funds the Legal Services Commission (LSC) to provide a free, independent information and advisory service to workers about work injury insurance matters and processes.

The service commenced in August 2013, and during 2023–24 the LSC answered 341 phone enquiries and conducted 40 advice appointments.

ReturnToWorkSA has a funding agreement with SA Unions' Advocacy Unit to provide workers compensation advice and representation, including representation at the South Australian Employment Tribunal on applications for review up to the end of conciliation.

From 1 July 2023 until 30 June 2024, SA Unions' Advocacy Unit accepted 116 requests for services, conducted 116 advice conferences and resolved 110 matters at conciliation in the South Australian Employment Tribunal.

Supporting workplaces to be mentally healthy

Mentally Healthy Workplaces Service

ReturnToWorkSA's Mentally Healthy Workplaces Service (the Service) provides free support and assistance to South Australian businesses to create thriving workplaces.

With the new psychosocial regulations under the *Work Health and Safety Act 2012* coming into effect in 2023, the Service has focused on helping workplaces manage the risks of psychological injuries and illnesses. In collaboration with SafeWork SA, the Service conducted eight Managing Psychosocial Hazards and Risk workshops for approximately 600 participants. Survey results showed that 96% of respondents found the workshops very or extremely useful, and three months later, 69% reported implementing the learnings.

Additionally, in partnership with the ReturnToWorkSA Employer Education Advisory Service, the Mentally Healthy Workplaces Service has developed industry engagement plans to strengthen connections with key stakeholders in the aged care, construction, and small business sectors. As part of this initiative, ReturnToWorkSA supported the Small Business Expo and the "Gov to You" event in April 2024 to enhance awareness of available supports and services.

Employers continue to have access to a variety of resources and tools, including the online Mentally Healthy Workplaces Course. Of the 321 employers who enrolled in the course, 93% reported feeling better prepared to implement workplace initiatives after completion.

In 2023-24, the Service expanded support for Health and Safety Representative training by incorporating courses facilitated by South Australia Business Chamber (formerly Business SA), SA Unions, and the Australian Nursing and Midwifery Federation.

In 2024-25, this support will further extend to include the Shop, Distributive, and Allied Employees' Association. These enhancements aim to increase awareness and understanding of the new psychosocial regulations.

Low Intensity Mental Health Support Service

The Low Intensity Mental Health (LIMH) Service offers mental health coaching to injured workers dealing with stress or mild to moderate anxiety and depression, aiding their recovery and return to work. This service is also available to an identified support person, such as a family member, who is actively assisting in the worker's recovery.

In 2023–24, the LIMH Service received 600 referrals, reflecting a roughly 10% increase from the previous year. The service is available face-to-face, by telephone, or through a combination of phone and online methods, providing both regional and metropolitan workers with prompt access to support from a qualified cognitive behavioural therapy coach. Additionally, it features a specialised coaching program for Aboriginal and Torres Strait Islander people, offering tailored support from coaches who are Indigenous Australians.

In addition to the LIMH Service, injured workers can access other Scheme-funded services, including counsellors, mental health social workers, occupational therapists, and psychologists.

Managing employer risks

In 2023–24, 85% of work injury claims originated from workers employed by medium and large employers.*

The Employer Risk team supported 396 employers with safety and injury management services, including worksite visits, system audits, and claim review meetings. Although these employers comprised only 0.6% of the total number of employers insured by the Scheme, they accounted for 29% of the claims received and had more than double the number of claims per million dollars of wages compared to the Scheme average. While their return-to-work rates at both 4 and 13 weeks post-injury are better than the Scheme's overall results, these employers will continue to receive risk support into 2025 to further reduce the frequency and severity of workplace injuries.

In 2023-24, ReturnToWorkSA entered its second year of participating in the Healthy Workplaces Service as a collaboration partner.

The Collaborative Partnership with Preventive Health SA and SafeWork SA remains active, featuring community of practice events that address good work design, psychosocial hazard management, workplace mental health, and diabetes prevention.

This current period saw the launch of the healthy workplaces self-audit tool, empowering workplaces to assess their practices and pinpoint key initiatives. Ongoing efforts were focused on the transport, young workers, and social assistance sectors, complemented by new initiatives introduced in the hospitality sector.

This work has been bolstered by industry collaboration to develop sector-specific initiatives and resources, including 1:1 consultancy work with 63 employers, support provided in the areas of leadership commitment, worker collaboration, psychosocial hazard management, ergonomics, supporting aging workers, and responding to workforce health concerns.

The rise in the number of Scheme claims, the nature of injuries from the labor hire industry, the increasing number of mental injury claims, and the significant injury risks in the "other social assistance" industries have underscored the importance of a continued strong partnership with SafeWork SA. This past year has seen a strengthening of this partnership through joint campaigns and working groups focusing on the safety of young workers, mental health and noise induced hearing loss risks.

ReturnToWorkSA continues to acknowledge that workplace safety is key to a viable work injury insurance scheme. We are committed to supporting SafeWork SA with data analytics, and strategies targeting young worker safety and workplace silicosis risks. This is complemented by the work ReturnToWorkSA undertakes with interstate work injury insurance schemes around workplace injury prevention.

**ReturnToWorkSA determines an employer's size by the amount of remuneration paid each year. Those within the medium and large employer range pay an annual remuneration of more than $0.5m per year.*

GOAL TWO

To provide a responsive and affordable work injury insurance scheme for South Australia that balances the interests of employers and injured workers.

Premium management

In 2023-24:

- $820 million in insurance premium revenue was collected from more than 60,000 employers
- 6,593 businesses ceased registration during the year whilst 7,617 new business registrations were received.

The Return to Work scheme is funded by South Australian employers. ReturnToWorkSA collects a premium from more than 60,000 South Australian businesses to cover their work injury insurance needs. Employers' premiums are a percentage of the remuneration paid to their workforce. The objects and provisions of the Act and the *Return to Work Corporation Act 1994* are clear about ReturnToWorkSA's role as the administrator of the Scheme:

- "ensure that employers costs are contained within reasonable limits so that the impact of work injury on South Australian businesses is minimised"
- "…seek to achieve an average premium rate that does not exceed 2%"
- "…take all reasonable steps to ensure the Return to Work scheme is fully funded on a fair basis."

The average premium rate charged in 2023-24 was 1.85%.

A discount for 'no claims' and good return to work rates applied upfront to the base premium of all employers.

About the insurance premium system

The insurance premium system is designed to be simple, easy to understand and promote a strong injury prevention and return to work focus.

The key features of the premium system are:

- A simple premium calculation formula that is easy to explain and understand
- A discount for 'no claims' and good return to work rates applied upfront to the base premium of all employers
- The cost of income support claims is the only variable component of the premium calculation—employers can influence the amount of premium they pay by focusing on return to work and reducing the occurrence of injuries
- Large employers that meet certain criteria can opt in to the Retro Paid Loss (RPL) arrangement. During the 2023-24 year, there were 67 RPL employers.

Our investment program

Net investment return at 30 June 2024

Past year	Past 3 years	Past 5 years	Past 10 years
6.8%	2.7%	3.9%	5.6%

Our investment strategy is a fundamental component of ensuring the long-term viability of the Scheme. The mission of the investment program is to contribute to improved funding and pricing. The long-term return objective is CPI +2.5%.

To enhance and protect the value of our investments over the long term, we intend to partner with fund managers who integrate Environmental, Social and Governance (ESG) factors into their investment process. We annually review incumbent fund managers' ESG capabilities and engage with incumbent fund managers on a range of matters, including climate change risk and modern slavery.

A summary of ESG findings is provided annually to the Board Investment and Finance Committee.

Climate-conscious investing

ReturnToWorkSA's Board endorses the South Australian Government's goal of achieving net zero emissions by 2050, reflecting a commitment to climate science. To support this target, ReturnToWork SA allocates capital to investments that prioritise environmental sustainability and address climate change. We report on key measures recommended by the Task Force on Climate-Related Financial Disclosures (TCFD) to track progress and guide our efforts.

2024 estimated Scope 1 & 2 GHG emissions for ReturnToWorkSA's investment program

Metric	Excl. sovereigns	Incl. sovereigns
Carbon intensity	55	119
Total carbon emissions	153,906	333,031

While there are various limitations in the data used (limited actual data, estimations and subjectivity), ReturnToWorkSA believes the benefits gained from attempting to quantify the investment programs carbon exposure far outweighs the data limitations.

Our regulatory role

Investigations and enforcement

ReturnToWorkSA uses information taken from a variety of sources to detect, deter and, where appropriate, prosecute criminal offending against the Scheme.

!

33 criminal investigations related to dishonesty offences commenced, alongside 17 premium investigations and 61 unregistered employer investigations.

Referrals, investigations & prosecutions

	2021–22	2022–23	2023–24
Referrals*	157	171	138
Investigations**	36	53	112
Prosecutions	2	3	2
New employer registrations	-	-	24
Billed premium	-	-	$182,000

*Referrals related to potential criminal offences
**2023-24 Investigation data now includes Premium and Unregistered Employer Investigations

In 2023-24, of the 138 new referrals received, 33 progressed to investigation. Claims agents and members of the public continued to be the main sources of information about suspected dishonesty against the Scheme.

Two dishonesty investigations resulted in criminal prosecutions. A guilty plea entered by an accused worker, resulted in a conviction and 7 months imprisonment reduced by 30% due to an early plea, to be served on home detention. A further prosecution of a worker charged with dishonesty offences remained active at the end of 2023-24.

In addition to audit activities undertaken to ensure employer compliance with their premium obligations occur, 16 premium investigations and 61 unregistered employer investigations commenced in 2023-24. The premium investigations focused on high-risk labor hire providers and labour supply chains suspected of systemic non-compliance and high-level premium evasion resulting in an additional $56k in billed premium. The unregistered employer investigations focused on two national retail operators who, due to their business structures, require their operating entities to be registered.

Premium Investigation activities resulted in a total of $182k billed premium and 24 new employer registrations.

Regulating suitable employment obligations

Ensuring employers meet their obligations to provide suitable employment to injured workers is the primary focus of regulating these obligations.

The focus on identifying and intervening early on risk factors of employers not providing suitable employment continues through claims management and regulatory activity.

Investigation and enforcement form part of the Scheme approach to injured workers remaining at and returning to work, which also involves claims agents mobile claims management, self-insured audit and compliance activity, and focused employer education. Investigations mostly related to potential breaches of sections 18 (suitable employment obligations) and 20 (termination of employment) of the Act identified through claims management and worker complaints. Additionally, employer obligations to provide 28 days' notice of termination and the reasons for the termination are monitored.

A high level of interactions with employers during investigative activity operates as an important regulatory control through awareness, education and deterrence.

267

reviews of suitable employment compliance commenced in 2023-24

209

related to employment termination notifications

44

to concerns raised about employers' failure to provide suitable employment

14

to other employer compliance matters

Ensuring employer registration and premium compliance

Premium audit activity focused on identifying and addressing employer non-compliance with their premium obligations. This includes the obligation to provide accurate reporting of remuneration paid to workers, which forms the basis of their premium calculation.

The 2023-24 program balanced short-term premium leakage risk with addressing systemic non-compliance. Key focus areas included suspected underreporting of remuneration, incorrectly claiming the apprentice incentive and high-risk industries for premium non-compliance.

The 330 premium audits undertaken in 2023-24 resulted in $3.1m in additional base premium billed, a 44% increase from 2022-23. Audit activity when combined with employer communications ensures regulatory visibility and non-compliance deterrence. To raise awareness and ensure compliance, we released the Premium Audit Guide, which is provided with advance notice of an audit. Additionally, we conducted external communications targeting the building industry and host employers who engage labour providers, highlighting the risks they pose to the Scheme and the importance of premium collection.

A survey of audited employers showed high satisfaction with their interactions with our auditors and revealed the audit approach is valuable in building employer understanding and compliance.

A campaign focused on confirming registration requirements resulted in 354 new employer registrations and an additional $495k in billed premium related to the year of registration.

> Premium compliance activities resulted in a total of $3.6m billed premium and 354 new employer registrations.

Regulating Private and Crown self-insured employers

Scheme overview

As of 30 June 2024, the Scheme had 70 private and 54 Crown self-insured employers registered. In 2024, self-insured employers account for 34% ($23.3b) of the State's total remuneration. This equates to 16.9% for private self-insured employers and 17.5% for Crown self-insured employers.

Most private self-insured employers are performing well, with 66% receiving the maximum period of five years, and 19% with a four-year term. One new applicant has a two-year term, being the maximum period when commencing self-insurance. The remaining 14%, have terms of three years or less and are more heavily regulated to monitor progress of non-conformance against the Act and self-insured standards.

Private self-insured regulation activities during 2023-24:

- 10 private self-insured renewals were approved
- 1 new application for self-insurance was received but was deferred to 2024
- 1 employer ceased self-insurance and entered run-off.

Crown Injury Management Regulation program

The implementation of the revised Crown Injury Management Program began in June 2023.

Enhancements include assigning an Evaluator to each of the 17 Crown injury management units, improving engagement with industrial associations, and introducing annual risk and performance reviews.

The updated program now features defined audit terms based on risk and performance, as well as mid-term self-audits.

Implementation will be staggered, with 12 initial ReturnToWorkSA audits scheduled for 2024 and the remaining set to begin in 2025. Any unsatisfactory findings will be addressed through corrective action plans, which the assigned Evaluator will monitor until resolution.

Self-insured Program review

In 2023–24, ReturnToWorkSA continued an extensive review of the program of work including:

Private self-insured regulatory framework

Over the past 18 months, we conducted a comprehensive review of all elements of the self-insured program. The review found many effective aspects in the current approach, but also identified areas for improvement, which were addressed in 2023-24.

Changes were made to processes and templates to enhance evaluator consistency. In early 2024, we consulted on changes to the injury management standards for self-insured employers to improve clarity and strengthen oversight. Further consultation is planned for work health and safety standards and the code of conduct later in 2024.

In 2024-25, plans are in place to enhance the depth and quality of our data and explore ways to build capability for self-insured employers. These changes will add rigour to the program, allowing us to broaden our options for responding to non-compliance, and rewarding high performance.

Financial and Schedule 3 requirements

Schedule 3 of the *Return to Work Regulations 2015* sets requirements for self-insured employers, including the need for a self-insured employer to provide ReturnToWorkSA with an audited copy of financial statements, an actuarial report on its outstanding claim liabilities (OCL), a guarantee from a financial institution for an amount 1.5 times the OCL and evidence of an excess of loss re-insurance policy.

ReturnToWorkSA requires this information from a self-insured employer to ensure the employer is financially able to meet its liabilities and to protect ReturnToWorkSA, as the insurer ultimately at risk, in the event the self-insured employer becomes insolvent.

ReturnToWorkSA commenced consultation on a package of potential changes to self-insurer financial requirements in October 2023. Delays have been experienced with the consultation; however, further engagement on updates to the *Guideline for Self-insured Employer Actuary Reports and Financial Guarantees* and *Guide to the Valuation of Liability Transfer Payments* will occur in 2024-2025.

The following private employers were self-insured at 30 June 2024

Accolade Wines Australia Limited	Flinders University	Royal Society for the Blind*
Adelaide Brighton Cement Limited	Healthscope Operations Pty Ltd	Samuel Smith & Son Pty Ltd
Adelaide Community Healthcare Alliance Incorporated	Helping Hand Aged Care Inc	Santos Ltd
Aged Care & Housing Group Inc	Holcim (Australia) Holdings Pty Ltd	Schneider Electric (Australia) Pty Ltd
Ahrens Group Pty Ltd	Hungry Jacks Pty Ltd	Silver Chain Group Limited
Anglicare SA Ltd	Inghams Enterprises Pty Ltd	SkyCity Adelaide Pty Ltd
Arnott's Biscuits Pty Ltd	Intercast & Forge Pty Ltd	SMR Automotive Australia Pty Ltd
ASC Pty Ltd	ISS Facility Services Australia Ltd	Southern Cross Care (SA, NT & VIC) Inc
BAE Systems Australia Limited	James Brown Memorial Trust Inc	St Andrews Hospital Inc
BHP Group Limited	Kimberly Clark Australia Pty Ltd	Tasmea Limited
Bluescope Steel Limited	Kmart Australia Limited	Teys Australia Naracoorte Pty Ltd
Boral Ltd	Little Company of Mary	The Smith's Snackfood Company Pty Ltd
Bridgestone Australia Ltd	Local Government Association of South Australia	The University of Adelaide
Catholic Church Endowment Society Inc	Lutheran Homes Group Inc	Thomas Foods International Consolidated Pty Ltd
Coca-Cola Europacific Partners Australia Pty Ltd	Minda Incorporated*	Toll Holdings Limited
Coles Group Limited	Nationwide News Pty Limited	Treasury Wine Estates Vintners Limited
Detmold Packaging Pty Ltd	Nyrstar Port Pirie Pty Ltd	Uniting Communities Incorporated
Drake Supermarkets Pty Ltd	OneSteel Manufacturing Pty Ltd	University of South Australia
ECH Inc	Pernod Ricard Winemakers Pty Ltd	Utilities Management Pty Ltd
Eldercare Australia Ltd	Philmac Pty Ltd	Ventia Australia Pty Ltd
ElectraNet Pty Ltd	Programmed Maintenance Services Limited	Veolia Environmental Services (Australia) Pty Ltd
Electrolux Home Products Pty Ltd	Randstad Pty Ltd	Viterra Operations Pty Ltd
Endeavour Group Limited	Resthaven Incorporated	Westpac Banking Corporation
Estia Investments Pty Ltd	Royal Automobile Association of South Australia Inc	Woolworths Group Ltd

* ReturnToWorkSA acknowledges these as private organisations classified as self-insured but fall under the Crown Self-Insurance Registration.

WORKFORCE MANAGEMENT SUMMARY

ReturnToWorkSA workforce strategy

We are proud of our employees and their commitment to delivering the best possible support and service to injured workers and employers. We are also proud of every employee's contribution to creating a work environment and culture characterised by care, inclusion, wellbeing, resilience, accountability and collaboration.

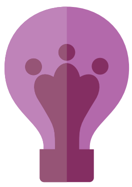
In 2020, we launched a comprehensive five-year workforce strategy designed to foster an environment where our employees can thrive. Anchored by five key pillars, this strategy drives our initiatives to attract, retain, develop, engage, and deploy a skilled workforce. We regularly evaluate and adapt the strategy to ensure its continued utility in supporting Scheme outcomes.

The strategy is guided by ReturnToWorkSA's Purpose and its four new core Values:

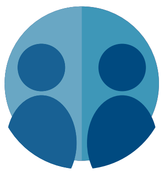
- We care about people and sustainability
- We are inclusive and innovative
- We listen to understand
- We own our actions.

A new workforce strategy will be developed for 2025 and beyond.

We care about people and sustainability



We are inclusive and innovative



We listen to understand

We own our actions

Work health, safety and return to work programs

The health, safety and wellbeing of our employees is of paramount importance to us. We strive to continue to build a culture where all employees contribute to a workplace characterised by care, inclusion, accountability and collaboration.

ReturnToWorkSA performance management and development systems

95% of employees have had a performance review in the last 12 months.

Wellbeing

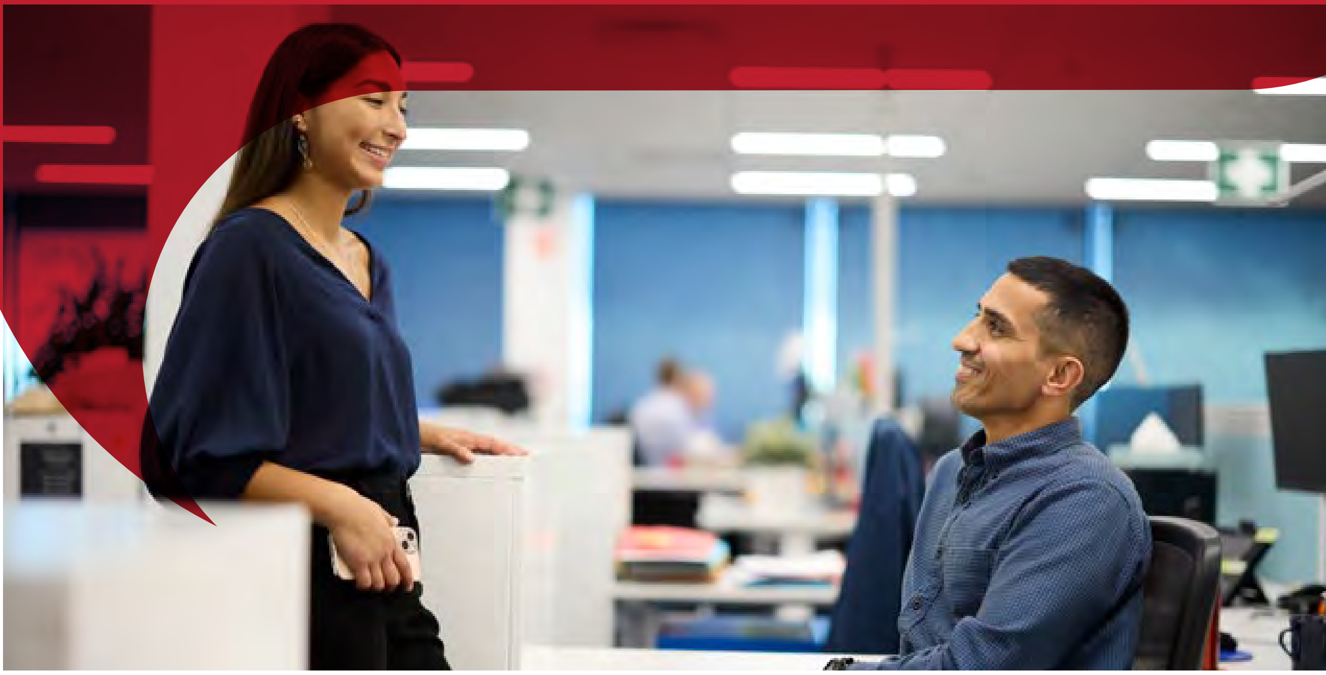
We offer a holistic employee wellbeing program, MyWellbeing, which provides workshops, information sessions and activities across five pillars (Health, Finance, Values, Work, and Family and Community).

Our evidence-based program is tailored to meet employee needs and enhance engagement, with its design informed by data from our biannual Employee Experience Survey and biennial Wellbeing Surveys.

We have consistently seen improvements across all employee wellbeing and experience surveys, particularly in areas prioritised by our corporate program. The focus for the next two years is:

- developing employee mental fitness and reducing the risk of burnout
- addressing psychosocial hazards and risks aligned to recent legislative changes, and
- improving employee financial literacy.

Our Employee Engagement Steering Committee, which includes representatives from both employees and management across the business, oversees the design and implementation of our wellbeing initiatives. In addition to these activities, we have a dedicated group of employees who lead charity fundraising efforts year-round.



Workplace injury claims	Current year 2023–24	Past year 2022–23
Total new workplace injury claims	1	Nil
Fatalities	Nil	Nil
Seriously injured workers*	Nil	Nil
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1,000 FTE)	Nil	Nil

**number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Act (Part 2 Division 5).*

Work health and safety regulations	Current year 2023–24	Past year 2022–23
Number of notifiable incidents (*Work Health and Safety Act 2012 Part 3*)	Nil	Nil
Number of provisional improvement and prohibition notices (*Work Health and Safety Act 2012* sections 90, 191 and 195)	Nil	Nil

Return to work costs**	Current year 2023–24	Past year 2022–23
Total gross workers compensation expenditure ($)	$135,989	$193,967
Income support payments – gross ($)	$2,100	$497

***before third party recovery. Return to work costs are a result of prior year claims.*

Data for previous years is available at
www.rtwsa.com/about-us/returntoworksa

Executive employment in the agency

Executive classification	Number of executives
CEO	1
Executives*	6

**The Office of the Commissioner for Public Sector Employment has a workforce information page that provides further information on the breakdown of executive gender, salary and tenure by agency.*

Ensuring an inclusive workplace

Culture of inclusion

At ReturnToWorkSA, we are committed to creating an environment where all people feel welcome and included, and where everyone can be their true and authentic selves.

Our Diversity and Inclusion (D&I) Framework has been developed, and provides a clear overview of our approach and commitment to D&I.

In 2023-24, our primary focus was on developing greater connections with our Aboriginal and Torres Strait Islander customers, communities and employees and we commenced implementation of our first 'Reflect' Reconciliation Action Plan (RAP). In 2024-25, we will continue to build on this.

Additionally, a Gender Equity Action Plan is under development, with a focus on addressing inequities in gender balance across leadership levels, and tackling gendered issues in the workplace. Implementation will commence in 2024-25.

To ensure that our employees have a strong understanding of diversity, inclusion and cultural sensitivity, we provide access to a full suite of D&I education, with modules focused on:

- Core Inclusion
- First Nations People
- LGBTIQ+
- Gender Equity
- Disability
- Cultural Diversity
- Generational Diversity
- Appropriate Workplace Behaviours.

This education program provides foundational knowledge to our workforce, and supports work undertaken to maintain our Disability Access and Inclusion Plan (DAIP) and RAP.

New employees are provided information on all relevant D&I initiatives during induction, with specifically tailored information and support provided to leaders.

Disability Access and Inclusion Plan

We have maintained a *Disability Access and Inclusion Plan* since 2014.

The plan guides our actions to ensure we continue to proactively address the needs of people with a disability and that all employees and customers feel welcome, and are enabled to fully participate in a diverse and inclusive environment.

In support of the plan:

- we ensure claims agents are fully aware of disability and access requirements when engaging with injured workers and employers
- we provide information in accessible formats, including braille, audio and e-text
- we ensure our corporate website, intranet and online services meet appropriate standards (Web Content Accessibility Guidelines 2.1 Level AA)
- we provide training and resources to leaders and employees on supporting people with disability and injury, neurodiversity, and mental health conditions
- we regularly review the accessibility of facilities for people with a disability.

CORPORATE GOVERNANCE AND ADMINISTRATION

Corporate governance

ReturnToWorkSA Board

ReturnToWorkSA has a Board of seven members who are appointed by the Governor of South Australia on the recommendation of the Minister for Industrial Relations and Public Sector.

The Board's role is to set and approve our overall direction and strategy for the achievement of Scheme and organisational objectives.

Board sub-committees also meet on a regular basis to fulfil their obligations in specialist areas.

As at 30 June 2024, the ReturnToWorkSA Board comprised:

- Greg McCarthy, Chairman
- Hon John R Rau SC
- Elizabeth Perry, AM
- Narelle Borda
- Kim Cheater
- Karen Atherton
- Emeritus Professor William Griggs AM ASM.

Executive Leadership Team

Our Chief Executive Officer is appointed by the Board to oversee the day-to-day operations of ReturnToWorkSA, together with the Executive Leadership Team.

As at June 30 2024, the Executive Leadership team comprised:

- Michael Francis, Chief Executive Officer
- Jas Rieck, Executive Leader People and Communications
- Declan Collins, Chief Operating Officer Insurance
- Paul Caskey, Executive Leader Finance and Investments
- James Large, Executive Leader Regulation
- Terry Sweeney, Chief Digital and Information Officer
- John O'Loughlin, Leader Legal Services.

ReturnToWorkSA also acknowledges two other leaders who occupied executive roles throughout 2023–24. Des Quirk, Chief Financial Officer, who retired in May 2024, and Tim Hogben who filled the role of acting Executive Leader Technology Systems and Services from March 2023 to May 2024.

Risk management

In order for us to achieve our objectives, it is critical that risks are identified, understood by all in the organisation and managed. We have a risk management system that includes a risk appetite statement and incorporates the corporate perspective (top-down) and operational imperatives (bottom-up). Risks are actively monitored and managed by the Executive and the Board.

Internal audit and internal fraud

Our three-year internal audit plan is reviewed annually to ensure it continues to reflect current issues impacting ReturnToWorkSA, and to prioritise areas of higher risk.

Internal auditing services are provided by KPMG who report to the ReturnToWorkSA Board Audit and Risk Committee.

In 2023–24, there were no instances of internal fraud detected.

Cyber security

Given the sensitive nature of our services to South Australian businesses and injured workers, along with the large volumes of private information we handle, ReturnToWorkSA is committed to becoming a Tier 3 Agency under the South Australian Cyber Security Framework in 2023-24.

Our Cyber Security team has made significant improvements to keep our systems safe. We have added extra layers of security for accessing cloud services, tightened controls to limit access for high-level accounts within our network, and ensured that only approved applications can run on all our servers and devices. Our people complete regular mandatory cyber security awareness training to further reduce the potential for compromise to our systems. Cyber security is essential to our operations, and we have strengthened our defences to meet the higher security standards required to respond to even more sophisticated and evolving cyber threats.

No cyber security breaches were detected over the past year. Our Technology Systems and Service team actively managed a steady stream of business email compromises, critical vulnerabilities, and attempted breaches, ensuring the confidentiality and integrity of sensitive information.

4.5m
emails were sent to our people

1.4m
emails were rejected including **1m** spam emails

33,778
attempted breaches stopped

Administrative matters

Access to information

Under section 180 of the Act, a person with a workers compensation claim in South Australia (and/or their representative) has a right to access information relevant to their claim.

Under the *Freedom of Information Act 1991* (FOI Act), a person has the right to access documents held by state government agencies, including ReturnToWorkSA.

In 2023-24, 1,714 applications were received for access to information. Of these, 1,552 (90%) were lodged under section 180 of the Act (compared with 1,331 in 2022-23) and 162 (10%) under the FOI Act (same as 2022-23).

If an applicant is dissatisfied with a determination under section 180 of the Act or the FOI Act, they can apply for a review of that determination.

In 2023-24, ReturnToWorkSA received five internal reviews under section 180 of the Act and two internal reviews under the FOI Act. One external review was lodged in 2023-24.

Further information about access to information can be found at **www.rtwsa.com**.

Public Interest Disclosure Act

We maintain three responsible officers for the purpose of administering the *Public Interest Disclosure Act 2018* (PID) under Part 3 of the *Public Sector Act 2009*.

In 2023-24, there were no instances of disclosure of public interest information to a responsible ReturnToWorkSA officer under the PID.

Contractual arrangements

Information regarding ReturnToWorkSA contracts can be requested by contacting the Freedom of Information Officer listed on the South Australian Tenders and Contracts website (**www.tenders.sa.gov.au**).

Consultants

Consultancy	Purpose of consultancy	Number	$
Total under $10,000		**1**	**9,250**
Total over $10,000		**10**	**2,402,690**
Deloitte	Procurement advice		
Dymond Foulds & Vaughan	Investment consulting		
Escient	Customer experience advice		
Finity	Actuarial consulting		
Frontier Advisors	Investment consulting		
KPMG	Process review and advice		
PeopleVision	Process review and advice		
PwC	Risk and general consulting		
Scyne Advisory	Risk and general consulting		
Willis Towers Watson	Investment Consulting		
Total		**11**	**2,411,940**

FINANCIAL STATEMENTS

ReturnToWorkSA

ABN 83 687 563 395

Annual financial report for the year ended 30 June 2024

ReturnToWorkSA

Annual financial report – 30 June 2024

Financial Statements

ReturnToWorkSA
Statement of Comprehensive Income
For the year ended 30 June 2024

	Notes	2024 $'000	2023 $'000
Income			
Premium revenue	7a	**814 342**	703 189
Cost of claims	8	**(714 961)**	(745 048)
Claims management fees		**(86 801)**	(80 088)
Tribunal and ombudsman fees	11	**(9 190)**	(9 245)
Underwriting result		**3 390**	(131 192)
Net investment profit/(loss)	7b	**272 453**	248 982
Self-insured employer fee	7c	**12 948**	12 181
Other income		**349**	308
Net investment profit/(loss) and other income		**285 750**	261 471
General operating expenses	12	**(73 748)**	(60 990)
Finance costs	14	**(193)**	(238)
Total operating expenses		**(73 941)**	(61 228)
Operating profit before tax equivalents		**215 199**	69 051
Tax equivalents	15	**-**	-
Total comprehensive result		**215 199**	69 051

The accompanying notes form part of these financial statements. The total comprehensive result is attributable to the SA Government as owner.

ReturnToWorkSA
Statement of Financial Position
As at 30 June 2024

	Notes	**2024 $'000**	2023 $'000
Assets			
Cash and cash equivalents	18	**36 575**	74 874
Receivables	19	**82 221**	83 654
Investments	20	**4 300 654**	3 905 772
Property, plant and equipment	21	**695**	807
Right-of-use assets	22	**4 249**	5 673
Total assets		**4 424 394**	4 070 780
Liabilities			
Payables	24	**30 906**	27 084
Outstanding claims	9, 10	**4 391 103**	4 255 584
Lease liabilities	25	**4 539**	5 864
Employee related liabilities	16c	**8 540**	8 141
Total liabilities		**4 435 088**	4 296 673
Net (liabilities)		**(10 694)**	(225 893)
Equity			
Retained earnings		**(10 694)**	(225 893)
Total equity		**(10 694)**	(225 893)

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

ReturnToWorkSA
Statement of Changes in Equity
For the year ended 30 June 2024

	Retained earnings $'000
Total equity at 1 July 2022	(294 944)
Operating profit before tax equivalents and total comprehensive result	69 051
Total equity at 30 June 2023	(225 893)
Total equity at 1 July 2023	**(225 893)**
Operating profit before tax equivalents and total comprehensive result	**215 199**
Total equity at 30 June 2024	**(10 694)**

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

ReturnToWorkSA
Statement of Cash Flows
For the year ended 30 June 2024

	Notes	**2024 Inflows (Outflows) $'000**	2023 Inflows (Outflows) $'000
Cash flows from operating activities			
Premium receipts		**909 460**	783 680
Claim recoveries		**21 787**	18 885
Other receipts		**372**	411
Claim and other related payments		**(624 901)**	(585 771)
Interest received		**34 353**	33 581
Dividends received		**85 957**	65 262
Other payments to suppliers and employees		**(158 789)**	(135 146)
GST		**(62 061)**	(53 498)
Interest paid		**(193)**	(238)
Investment expenses		**(6 107)**	(6 752)
Net cash flows from operating activities	26	**199 878**	120 414
Cash flows from investing activities			
Proceeds from the sale of investments		**881 311**	669 733
Acquisition of property, plant and equipment		**(393)**	(167)
Acquisition of investments		**(1 117 770)**	(800 405)
Net cash flows (used in) investing activities		**(236 852)**	(130 839)
Cash flows from financing activities			
Repayment of principal portion of lease liabilities		**(1 325)**	(1 156)
Net cash flows (used in) financing activities		**(1 325)**	(1 156)
Net increase/(decrease) in cash and cash equivalents		**(38 299)**	(11 581)
Cash and cash equivalents at the beginning of the period		**74 874**	86 455
Cash and cash equivalents at the end of the reporting period	18	**36 575**	74 874

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Reporting entity and objectives

ReturnToWorkSA (RTWSA), the principal trading name of the Return to Work Corporation of South Australia, is a not-for-profit statutory authority set up under the Return to Work Corporation of South Australia Act 1994. Domiciled in Australia, RTWSA provides insurance protection for South Australian employers and their workers in the event of work-related injury. RTWSA administers the Return to Work Act 2014 (the Act).
For financial reporting purposes four separate funds are recognised as comprising RTWSA:

- Compensation Fund
- Statutory Reserve Fund
- Insurance Assistance Fund
- Mining and Quarrying Industries Fund

Compensation Fund
The Compensation Fund was established on 30 September 1987 under section 64 of the repealed Workers Rehabilitation and Compensation Act 1986 and continues under the Return to Work Act 2014. Workers injured at work are supported and assisted in returning to work through the payment of income support, medical and other treatment costs.

Statutory Reserve Fund (SRF)
The Statutory Reserve Fund was established under the repealed Workers Compensation Act 1971 and it came into operation in 1980 against which claims relating to workers compensation could be made in the event of the insolvency of an insurance company or the insolvency of an uninsured employer. The Compensation Fund is required to meet any liability arising from a shortfall of the Statutory Reserve Fund.

Insurance Assistance Fund (IAF)
The Insurance Assistance Fund exists to support policies issued under section 118(g) of the repealed Workers Compensation Act 1971. These policies provided assistance to employers who were unable to obtain satisfactory workers compensation insurance under the repealed Act at a determined premium. The Statutory Reserve Fund is required to meet any liability arising from a shortfall of the Insurance Assistance Fund.

Mining and Quarrying Industries Fund
Amendments to the repealed Workers Rehabilitation and Compensation Act 1986 provided for the establishment of the Mining and Quarrying Industries Fund to replace the Silicosis Fund. Funds standing to the credit of the Silicosis Fund were transferred to RTWSA and credited to a special account entitled ‘Mining and Quarrying Industries Fund’ which is divided into two parts:

Part A - to satisfy liabilities under the Silicosis Scheme established under the repealed Act; and,

Part B - to be available to the Mining and Quarrying Occupational Health and Safety Committee for the purposes referred to in schedule 2 of the Work Health and Safety Act 2012.

Note 2 Statement of compliance

These financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the Public Finance and Audit Act 1987;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the Public Finance and Audit Act 1987; and
- relevant Australian Accounting Standards.

Note 3 Basis of preparation

The financial statements have been prepared based on a twelve month reporting period and are presented in Australian currency.

RTWSA operates within the insurance industry predominantly providing for the recovery, return to work and compensation of workers with respect to injuries and diseases arising from their employment. The coverage provided is similar in nature to general insurance and accordingly the accounting standard AASB 1023 General Insurance Contracts is applied. RTWSA operates solely in the State of South Australia.

The assets backing insurance liabilities (outstanding claims) are those assets required to cover the insurance liabilities. Insurance liabilities are defined as outstanding claims and the liability for unearned premiums included in the Statement of Financial Position. As RTWSA operates solely in one industry and substantially all of its liabilities are insurance liabilities, RTWSA considers that substantially all of its assets, excluding property, plant and equipment, exist to back these insurance liabilities. As part of its investment strategy RTWSA seeks to manage its assets allocated to insurance activities having regard to the characteristics of the insurance liabilities.

The Statement of Financial Position is prepared using the liquidity format in which the assets and liabilities are presented broadly in order of liquidity. The assets and liabilities comprise both current amounts and non-current amounts. Information regarding the amount of an item that is expected to be outstanding longer than 12 months is included within the relevant note to the financial statements.

Note 4 Use of judgements and estimates

RTWSA makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on RTWSA and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are those related to the valuation of the outstanding claims liability.

Outstanding claims liability
RTWSA takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. Given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The details of the valuation of the outstanding claims liability are set out in Notes 9 and 10.

The outstanding claims liability has been established on the basis of independent actuarial assessments of the estimated costs of settlement of claims, inflated for the anticipated effects of inflation and other factors and discounted to a present value at the reporting period. Risk-free rates are used when discounting liabilities to current values. The risk margins were determined based on advice from Finity Consulting Pty Limited.

	2024	2023
Compensation Fund		
Risk margin	**14.5%**	16.5%
Statutory Reserve Fund and Insurance Assistance Fund		
Risk margin - reported claims	**10.5%**	10.5%
Risk margin - asbestos-related diseases IBNR	**45.0%**	45.0%

The outstanding claims liability includes a liability in respect of the estimated cost of claims incurred but not settled at the reporting period, including the cost of claims incurred but not yet reported (IBNR) to RTWSA. The outstanding liability for the Mining and Quarrying Industries Fund, which had its triennial valuation at 30 June 2022, is $100,000.

Note 4 Use of judgements and estimates (continued)

The estimated cost of claims includes estimates of the direct expenses to be incurred in settling claims net of the expected recoveries.

Premiums receivable
The premiums receivable balance is the estimate of premiums due up to 30 June to be received after allowing for impairment and refunds.

Note 5 Reporting by fund

Statement of Comprehensive Income for the year ended 30 June 2024

	Compensation Fund $'000	Statutory Reserve Fund $'000	Insurance Assistance Fund $'000	Mining & Quarrying Industries Fund Part A $'000	Mining & Quarrying Industries Fund Part B $'000	**2024 Total Funds $'000**	2023 Total Funds $'000
Premium revenue	814 342	-	-	-	-	**814 342**	703 189
Cost of claims	(717 307)	2 340	6	-	-	**(714 961)**	(745 048)
Claims management fees	(86 801)	-	-	-	-	**(86 801)**	(80 088)
Tribunal and ombudsman fees	(9 190)	-	-	-	-	**(9 190)**	(9 245)
Underwriting Result	1 044	2 340	6	-	-	**3 390**	(131 192)
Net investment profit/(loss)	255 039	14 115	2 311	27	961	**272 453**	248 982
Self-insured employer fee	12 948	-	-	-	-	**12 948**	12 181
Other income	349	-	-	-	-	**349**	308
Net investment profit/(loss) and other income	268 336	14 115	2 311	27	961	**285 750**	261 471
General operating expenses	(73 007)	-	-	-	(741)	**(73 748)**	(60 990)
Finance costs	(193)	-	-	-	-	**(193)**	(238)
Total operating expenses	(73 200)	-	-	-	(741)	**(73 941)**	(61 228)
Operating profit before tax equivalents	196 180	16 455	2 317	27	220	**215 199**	69 051
Tax equivalents	-	-	-	-	-	**-**	-
Total comprehensive result	196 180	16 455	2 317	27	220	**215 199**	69 051

Note 5 Reporting by fund (continued)

Statement of Financial Position as at 30 June 2024

	Compensation Fund $'000	Statutory Reserve Fund $'000	Insurance Assistance Fund $'000	Mining & Quarrying Industries Fund Part A $'000	Mining & Quarrying Industries Fund Part B $'000	**2024 Total Funds $'000**	2023 Total Funds $'000
Assets							
Cash and cash equivalents	36 575	-	-	-	-	**36 575**	74 874
Receivables	82 201	-	-	-	20	**82 221**	83 654
Investments	4 032 578	217 543	35 594	414	14 525	**4 300 654**	3 905 772
Property, plant and equipment	695	-	-	-	-	**695**	807
Right-of-use assets	4 249	-	-	-	-	**4 249**	5 673
Total assets	4 156 298	217 543	35 594	414	14 545	**4 424 394**	4 070 780
Liabilities							
Payables	30 603	-	-	-	303	**30 906**	28 212
Outstanding claims	4 350 033	40 861	109	100	-	**4 391 103**	4 255 584
Lease liabilities	4 539	-	-	-	-	**4 539**	5 864
Employee related liabilities	8 540	-	-	-	-	**8 540**	7 013
Total liabilities	4 393 715	40 861	109	100	303	**4 435 088**	4 296 673
Net assets/(liabilities)	(237 417)	176 682	35 485	314	14 242	**(10 694)**	(225 893)
Equity							
Retained earnings	(237 417)	176 682	35 485	314	14 242	**(10 694)**	(225 893)
Total equity	(237 417)	176 682	35 485	314	14 242	**(10 694)**	(225 893)

Note 6 Funding ratio

The funding ratio is a measure of financial sustainability showing the availability of assets to fund the Scheme's liabilities.

The Board approved policy sets a funding range of 90% to 120%. The percentage is calculated from dividing total assets by total liabilities.

	2024 $'000	2023 $'000
Funded position	**(10 694)**	(225 893)
Funding percentage	**99.8%**	94.7%

The mechanism for managing the funding position is the Average Premium Rate. Each year the Average Premium Rate for the Compensation Fund is reviewed, and future projections of Scheme liability and cost are analysed to determine the most appropriate Average Premium Rate to achieve RTWSA's desired long-term funding and pricing position.

Note 7 Income

(a) Premium revenue

	2024 $'000	2023 $'000
Registered employer premium	**814 342**	703 189
Premium revenue	**814 342**	703 189

Premium revenue

Premiums are payable by all registered South Australian employers under the Act. Premiums are calculated on the total remuneration paid by employers for the financial year, including consideration for claims experience, and are recognised on an accruals basis in respect to the financial year for which the remuneration is paid. Estimates are included for premiums relating to the current financial year which are payable following the reporting period. Premiums attributable to future years and received in the current financial year have been classified as unearned premiums (refer Note 24).

(b) Net investment profit/(loss)

	2024 $'000	2023 $'000
Dividends	**85 957**	65 262
Interest received	**34 353**	33 581
Change in the net market values:		
Investments held at the end of financial year - unrealised	**138 075**	172 661
Investments sold during the financial year - realised	**20 348**	(15 814)
Investment profit/(loss)	**278 733**	255 690
Investment expenses	**(6 280)**	(6 708)
Net investment profit/(loss)	**272 453**	248 982

Investment income

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method. Dividend income is recognised in the Statement of Comprehensive Income on the date RTWSA's right to receive payments is established, which in the case of quoted securities is the ex-dividend date.

(c) Self-insured employer fee

	2024 $'000	2023 $'000
Self-insured employer fee - SA Government	**5 574**	5 527
Self-insured employer fee - non-SA Government	**7 374**	6 654
Self-insured employer fee	**12 948**	12 181

Note 8 Cost of claims

	2024 $'000	2023 $'000
Income support	**177 858**	168 829
Redemptions	**8 159**	8 897
Lump sum payments	**183 334**	162 177
Hospital treatment	**22 719**	18 711
Medical treatment	**101 966**	90 567
Vocational rehabilitation	**15 067**	11 973
Physiotherapy	**13 410**	11 861
Legal costs	**42 526**	46 545
Other	**32 476**	28 247
Claims paid	**597 515**	547 807
Less recoveries from other parties	**(19 806)**	(17 169)
Net claims paid	**577 709**	530 638
Increase/(decrease) in net outstanding claims liability	**136 138**	202 085
Net self-insurer settlements	**1 114**	12 325
Cost of claims	**714 961**	745 048

Claim recoveries

Claim recoveries are made from a range of parties in accordance with the Act. Recoveries received are offset against the cost of claims. Recoveries receivable are assessed in a manner similar to the assessment of outstanding claims in that they are measured as the present value of the expected future receipts, calculated on the same basis as the liability for outstanding claims. Movements in recoveries receivable are shown as a cost of claims.

Note 9 Outstanding claims liability - Compensation Fund

(a) Outstanding claims

	Notes	2024 $'000	2023 $'000
Expected future gross claims payments (undiscounted)		**7 791 470**	7 132 761
Discount to present value		**(3 992 315)**	(3 517 819)
Central estimate		**3 799 155**	3 614 942
Risk margin		**550 878**	596 465
Liability for outstanding claims		**4 350 033**	4 211 407
Recoveries	19	**(78 374)**	(78 992)
Net liability for outstanding claims		**4 271 659**	4 132 415
Current liability for outstanding claims		**675 089**	639 979
Non-current liability for outstanding claims		**3 674 944**	3 571 428
Total liability for outstanding claims		**4 350 033**	4 211 407
Change in liability for outstanding claims		**138 626**	201 888
Change in claim recoveries receivable		**618**	7 647
Movement in net outstanding claims liability		**139 244**	209 535
Weighted average expected term to settlement		**11.3 years**	**11.5 years**

The liability for outstanding claims is measured as the central estimate of the present value of expected future payments against claims incurred at the reporting date by RTWSA, with an additional risk margin to allow for the inherent uncertainty in the central estimate. Under Actuarial Professional Standard 302, Valuations of General Insurance Claims, the central estimate is the best estimate of the expected liabilities for outstanding claims based on information currently available and exhibits no bias either towards a pessimistic or an optimistic outcome. The addition of the risk margin brings the estimate of claims to a 75% (2023: 75%) probability of sufficiency, as approved by the Board.

The expected future payments include those in relation to claims reported but not yet paid, claims incurred but not yet reported, claims incurred but under reported and anticipated claims handling expenses including the run-off provision. The expected future payments are discounted to present value using an appropriate risk-free rate.

The claims expense in the Statement of Comprehensive Income comprise claims paid and the change in the liability for outstanding claims both reported and unreported, including the risk margin and claims handling expenses.

The value of the claims liability is determined by RTWSA following an independent actuarial valuation by Finity Consulting Pty Limited. The value of the outstanding claims liability is based on a central estimate and includes a risk margin of 14.5% (2023: 16.5%) to bring the estimated net liability to a 75% (2023: 75%) probability of sufficiency.

The split of the outstanding claims liability between current and non-current liabilities is based on the actuary's estimate. If the timing of claim payment cash flows varies from the actuary's projection, then the proportions of the overall claims liability that are shown as current and non-current will vary.

Note 9 Outstanding claims liability - Compensation Fund (continued)

(a) Outstanding claims (continued)
The Scheme is designed to provide services, up to two years of income support and up to three years of medical support for workers injured at work, together with long-term financial support for those seriously injured at work. Assumptions adopted in relation to the projected future payments made to claims are detailed below in Note 9(e).

The estimate of the value of the claims liability is based on the Act including the transitional provisions. Any divergence of the experience from the current valuation assumptions, whether favourable or adverse, will be reflected over time in relation to valuation assumptions.

Developments which potentially affect the Scheme's operating environment, and the uncertainty of the liability estimate include:

- the growth in insured wages, which has stabilised after two years of very high exposure growth
- growing new claim volumes, with the higher claim frequencies moving back to be more in line with the longer-term trend
- the emerging information on claims combining injuries, with claimants seeking to add one or more additional injuries to their claim well after the original injury
- late to emerge WPI assessments, which is adding costs to the scheme
- growth in hearing loss claim numbers. If current trends continue the projections are likely to continue to increase over time
- the impact of the new edition of the Impairment Assessment Guidelines, due to be released next financial year, will only be known over time and no allowance for the effects has been included
- while the Digital Transformation Program has commenced, no allowance has been included for any changes to the claims experience
- ultimate reform outcomes including take-up of section 56A elections
- future cost growth in medical and treatment related expenditure items, particularly for long term claims
- outcomes for claims with pending disputes
- actual experience for serious injury claims
- future changes in the overall economic environment.

The increase in the outstanding claims liability includes the net impact of the increase in the average discount rate from 4.37% at 30 June 2023 to 4.61% at 30 June 2024.

Note 9(f) sets out the impact of changes in the key assumptions on which the valuation of the outstanding claims liability is based.

Note 9 Outstanding claims liability - Compensation Fund (continued)

(b) Net claims incurred

	Current year $'000	Prior years $'000	**2024 Total $'000**	Current year $'000	Prior years $'000	2023 Total $'000
Undiscounted						
Gross incurred	1 557 837	(258 008)	**1 299 829**	1 360 088	136 055	1 496 143
Recoveries	(20 813)	(1 146)	**(21 959)**	(19 129)	5 431	(13 698)
Net incurred	1 537 024	(259 154)	**1 277 870**	1 340 959	141 486	1 482 445
Discounted						
Gross incurred	919 197	(92 309)	**826 888**	825 129	2 992	828 121
Recoveries	(17 581)	(4 043)	**(21 624)**	(16 188)	4 349	(11 839)
Net incurred	901 616	(96 352)	**805 264**	808 941	7 341	816 282
Discount and discount movement						
Gross incurred	(638 640)	165 699	**(472 941)**	(534 959)	(133 063)	(668 022)
Recoveries	3 232	(2 897)	**335**	2 941	(1 082)	1 859
Net discount movement	(635 408)	162 802	**(472 606)**	(532 018)	(134 145)	(666 163)

Current year amounts show the projected ultimate costs for injuries that occurred in the latest financial year. Prior years amounts show the combined value of any reassessment of the costs related to injuries that occurred in all periods prior to the current financial year.

Note 9 Outstanding claims liability – Compensation Fund (continued)

(c) Claims development

The table below shows the development of incurred cost on net outstanding claims relative to the ultimate expected estimate over the past eleven financial years.

	Prior years* $'000	Year ended 30 June 2014 $'000	Year ended 30 June 2015 $'000	Year ended 30 June 2016 $'000	Year ended 30 June 2017 $'000	Year ended 30 June 2018 $'000	Year ended 30 June 2019 $'000	Year ended 30 June 2020 $'000	Year ended 30 June 2021 $'000	Year ended 30 June 2022 $'000	Year ended 30 June 2023 $'000	Year ended 30 June 2024 $'000
Estimate of ultimate claims cost**												
At the end of the year	9 091 023	574 982	353 734	406 719	411 384	421 395	534 781	563 788	637 576	596 452	608 670	678 848
One year later	8 991 074	403 139	373 333	407 683	407 585	466 182	578 043	622 625	588 872	570 045	611 341	-
Two years later	8 132 386	400 500	339 167	409 268	436 585	473 493	644 584	579 956	577 368	536 244	-	-
Three years later	8 179 616	387 006	364 907	422 385	462 185	582 935	629 443	600 875	543 705	-	-	-
Four years later	8 066 436	401 389	384 569	422 591	521 700	558 439	650 461	593 407	-	-	-	-
Five years later	8 158 796	413 075	419 405	468 244	497 636	583 068	664 179	-	-	-	-	-
Six years later	8 201 837	405 411	432 706	449 187	484 903	585 979	-	-	-	-	-	-
Seven years later	8 167 175	410 852	382 424	436 531	481 920	-	-	-	-	-	-	-
Eight years later	8 188 547	393 610	385 442	434 974	-	-	-	-	-	-	-	-
Nine years later	8 090 680	392 856	382 790	-	-	-	-	-	-	-	-	-
Ten years later	8 122 177	391 374	-	-	-	-	-	-	-	-	-	-
Eleven years later	8 112 138	-	-	-	-	-	-	-	-	-	-	-
Current estimate of cumulative claims costs**	8 112 138	391 374	382 790	434 974	481 920	585 979	664 179	593 407	543 705	536 244	611 341	678 848
Cumulative payments**	7 733 037	326 373	292 371	343 783	345 111	379 629	416 984	378 004	324 384	257 130	206 923	94 803
Outstanding payments**	379 101	65 001	90 419	91 191	136 809	206 350	247 195	215 403	219 321	279 114	404 418	584 045
Discount adjustment***	243 252	13 577	16 195	13 855	17 757	23 286	23 830	17 317	16 132	20 331	28 957	24 199
Net outstanding claims	**622 353**	**78 578**	**106 614**	**105 046**	**154 566**	**229 636**	**271 025**	**232 720**	**235 453**	**299 445**	**433 375**	**608 244**

* Development of incurred cost estimate for accidents prior to 30 June 2013 since 30 June 2013.
** Discounted to the beginning of the accident year using actual historical discount rates and the discount rates applied in the estimation.
*** Discount adjustment from beginning of accident year to current valuation date.

Note 9 Outstanding claims liability – Compensation Fund (continued)

(c) Claims development (continued)

	2024	2023
	$'000	$'000
Prior years	**622 353**	671 572
Year ended 30 June 2014	**78 578**	84 089
Year ended 30 June 2015	**106 614**	113 415
Year ended 30 June 2016	**105 046**	116 766
Year ended 30 June 2017	**154 566**	170 807
Year ended 30 June 2018	**229 636**	251 541
Year ended 30 June 2019	**271 025**	285 104
Year ended 30 June 2020	**232 720**	275 398
Year ended 30 June 2021	**235 453**	312 150
Year ended 30 June 2022	**299 445**	394 018
Year ended 30 June 2023	**433 375**	544 868
Year ended 30 June 2024	**608 244**	-
Net outstanding claims	**3 377 055**	3 219 728
Claims handling expenses	**353 652**	327 409
Risk margin	**540 953**	585 278
Net liability for outstanding claims	**4 271 660**	4 132 415

(d) Maturity profile

	Up to 1 yr	1 to 3 yrs	3 to 5 yrs	5 to 10 yrs	10 to 20 yrs	Over 20 yrs	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2024	**656 850**	**827 478**	**483 983**	**704 046**	**756 736**	**842 567**	**4 271 660**
2023	621 273	804 978	456 280	673 306	741 116	835 462	4 132 415

(e) Key assumptions

The key assumptions used by Finity Consulting Pty Limited in developing the valuation of the claims liability are the economic assumptions relating to inflation and discount rates and the assumptions relating to the duration and severity of claims. The key assumptions have been developed through the actuarial analysis of historic trends in conjunction with analysis of current and likely future economic factors. The following key assumptions were used in the measurement of the outstanding claims liability:

	2024	2023
Economic assumptions		
Inflation rate - income support	**0.00% to 3.70%**	0.00% to 3.50%
Inflation rate - medical, legal and other costs	**2.50% to 4.00%**	2.50% to 3.80%
Superimposed inflation rate - medical payments	**0.00% to 2.00%**	0.00% to 2.00%
Superimposed inflation rate - other	**0.00% to 1.50%**	0.00% to 1.50%
Superimposed inflation rate - lump sums	**0.00% to 1.00%**	0.00% to 1.00%
Discount rate	**4.61%**	4.37%
Duration and severity of claims	**Refer below**	Refer below
Claims handling expenses	**10.30%**	10.00%
Risk margin	**14.50%**	16.50%

Note 9 Outstanding claims liability – Compensation Fund (continued)

(e) Key assumptions (continued)

Finity Consulting Pty Limited has made a range of assumptions, accepted by RTWSA, relating to the projected durations that claimants will remain in receipt of payments and the quantum of those payments having had regard to the particular characteristics of groups of claims including:

- the distribution of claims between injured and seriously injured workers
- the analysis of past claims experience including the cost of claims.

The valuation of the outstanding claims liability is strongly dependent on the assumptions adopted in relation to the duration of the long-term claims for seriously injured workers.

On 28 July 2022 the Return to Work (Scheme Sustainability) Amendment Act 2022 was proclaimed. The Amendment Act:

- codified the approach to combining injuries
- increased the threshold for accessing serious injury benefits from 30% to 35% WPI for physical injury claims
- allows serious injury claimants to elect to receive a section 56 economic loss lump sum payment instead of ongoing income support
- allows for a redemption of medical expenses on serious injury claims.

The outstanding claims liability valuation reflects changes arising from the Amendment Act.

While the Amendment Act has been implemented there is still significant uncertainty on how the reforms will ultimately operate in practice. As a consequence the risk margin to bring the estimated claims liability to a 75% probability of sufficiency as at 30 June 2024 is still high at 14.5%, though lower than the 16.5% applied last year.

(f) Sensitivity to changes in key assumptions

The sensitivity of the discounted net outstanding claims estimate and profit/(loss) impact at the 75th percentile (i.e. after allowing for the risk margin) to changes in key assumptions is shown in the following table:

	Increase/ (decrease) in net liability $'million	Percentage of net liability
Economic and modelling assumptions		
Strong economic scenario (2% gap between inflation and discount rate)	(393)	(9%)
Weak economic conditions (0% gap)	562	13%
Duration and severity of claims		
Superimposed inflation is 1% higher than assumed for medical care costs for serious injury claims	353	8%
Impact of removing mortality loadings for catastrophic claims	314	7%
Further detioriation of hearing loss claims	129	3%
Reduction in serious injury claims due to threshold change halved	211	5%

In conducting its valuation Finity Consulting Pty Limited modelled a number of other scenarios under which the assumptions for future claims experience differed from those used in the valuation. Under those scenarios the total value of the liability differed from the central estimate by plus or minus amounts which were within the variation range of values shown above.

The selection of the probability of sufficiency has a material impact on the valuation of the outstanding claims liability.

Note 10 Outstanding claims liability - Other Funds

(a) Outstanding claims – SRF and IAF

	SRF $'000	IAF $'000	**2024** **Combined** **$'000**	2023 Combined $'000
Open claims	973	-	**973**	1 616
Total incurred but not yet reported (IBNR)	25 231	69	**25 300**	26 785
Claims handling expenses	2 227	6	**2 233**	2 414
Central estimate	28 431	75	**28 506**	30 815
Risk margin	12 430	34	**12 464**	13 262
Net liability for outstanding claims	40 861	109	**40 970**	44 077

The value of the claims liability is determined by RTWSA following an independent actuarial valuation by Finity Consulting Pty Limited. The claims liability estimate is based on a central estimate and includes a risk margin to bring the estimate of claims to a 75% (2023: 75%) probability of sufficiency.

The IBNR component is primarily made up of the estimated liability of the funds for asbestos-related disease claims that will be made after 30 June 2024 due to exposure prior to 30 June 2024. Due to the latent nature of the disease, there is a significant delay between the time of injury and reporting of the claim. Relatively few claims have been notified at the date of adopting these financial statements

The asbestos-related disease IBNR component was estimated by Finity Consulting Pty Limited based on:

- forecast total future claim numbers derived by fitting projection models to the SRF/IAF claims data by disease, recognising the varying nature of the exposure for different claims
- forecasts of average claim costs derived from analysis of SRF/IAF claims data, external data and information obtained from discussion with key parties. This analysis was based on disease type, size of claim and legal costs, adjusted to allow for the timing of claim payments and for future claims inflation, discounted to their present value.

(b) Maturity profile – SRF and IAF

	Up to 1 yr $'000	1 to 3 yrs $'000	3 to 5 yrs $'000	5 to 10 yrs $'000	10 to 20 yrs $'000	Over 20 yrs $'000	Total $'000
2024	**1 987**	**4 872**	**5 402**	**11 670**	**13 761**	**3 278**	**40 970**
2023	2 272	5 112	5 560	12 027	14 318	4 788	44 077

Note 10 Outstanding claims liability – Other Funds (continued)

(c) Movement in liability – SRF and IAF

	SRF			IAF		
	2024	2023	Change	**2024**	2023	Change
	$'000	$'000	$'000	**$'000**	$'000	$'000
Asbestos-related						
Reported	**502**	1 109	(607)	**-**	-	-
IBNR / re-opened claims	**25 214**	26 688	(1 474)	**69**	74	(5)
	25 716	27 797	(2 081)	**69**	74	(5)
Non-asbestos-related						
Reported	**471**	507	(36)	**-**	-	-
IBNR / re-opened claims	**17**	23	(6)	**-**	-	-
	488	530	(42)	**-**	-	-
Central estimate	**26 204**	28 327	(2 123)	**69**	74	(5)
Claims handling expenses	**2 227**	2 408	(181)	**6**	6	-
Risk margin	**12 430**	13 226	(796)	**34**	36	(2)
Total outstanding claims liability	**40 861**	43 961	(3 100)	**109**	116	(7)

(d) Key assumptions

The key assumptions used in developing the estimate of the outstanding claims liability include economic assumptions relating to inflation and discount rates, the assumptions relating to severity of claims and the assumptions used to estimate the level of claims incurred but not reported. The key assumptions have been developed through the actuarial analysis of historic trends in conjunction with analysis of current and likely future economic factors.

	2024	2023
Inflation rate		
asbestos claims	**5.40%**	5.40%
non-asbestos claims	**3.40%**	3.40%
Discount rate	**4.55%**	4.27%
Claim handling expenses	**8.50%**	8.50%
Risk margin		
reported claims	**10.50%**	10.50%
IBNR claims	**45.00%**	45.00%

The significant assumptions underpinning the asbestos-related disease IBNR are that the propensity to claim and the basis for compensating claims remain similar to the current situation, specifically:

- the number of diagnosed incidents of asbestos-related disease continues to develop in line with past trends
- the proportion of incidents compensated by the funds remains similar to current levels but with an allowance for an increase in the proportion of claims which revert to the SRF from uninsured and insolvent employers
- there are no additional failures of insurance companies.

(e) Sensitivity to changes in key assumptions

The key sensitivity for the SRF and the IAF is in relation to the ultimate value of the IBNR for asbestos-related claims.

(f) Mining and Quarrying Industries Fund – silicosis liability

The 30 June 2022 triennial valuation undertaken by Finity Consulting Pty Limited estimated the extent of the existing and prospective liabilities for the Silicosis Scheme under the repealed Act as being $100,000.

Note 10 Outstanding claims liability – Other Funds (continued)

(g) Summary of Other Funds

	2024	2023
	$'000	$'000
Statutory Reserve Fund	**40 861**	43 961
Insurance Assistance Fund	**109**	116
Mining and Quarrying Industries Fund	**100**	100
Net liability for outstanding claims	**41 070**	44 177
Current liability for outstanding claims	**1 987**	2 272
Non-current liability for outstanding claims	**39 083**	41 905
Total liability for outstanding claims	**41 070**	44 177
Change in liability for outstanding claims	**(3 107)**	(7 450)

Note 11 Tribunal and ombudsman fees

	2024	2023
	$'000	$'000
South Australian Employment Tribunal	**8 813**	8 877
Ombudsman funding	**377**	368
Total tribunal and ombudsman fees	**9 190**	9 245

Note 12 General operating expenses

		2024	2023
	Notes	**$'000**	$'000
Employee related expenses	16	**40 337**	37 285
Depreciation and amortisation		**1 929**	1 934
Other operating costs		**31 482**	21 771
Total general operating expenses		**73 748**	60 990

Audit fees paid/payable to the Audit Office of South Australia relating to work performed under the Public Finance and Audit Act 1987 were $445,400 (2023: $432,400). No other services were provided by the Audit Office of South Australia.

Consultants

The number and dollar amount of consultancies paid/payable (included in general operating expenses) fell within the following bands:

	No.	**2024**	No.	2023
		$'000		$'000
Below $10,000	**1**	**9**	1	6
$10,000 or above	**10**	**2 403**	13	4 063
Total	**11**	**2 412**	14	4 069

Note 13 Expenditure SA Business and Non-SA Business

The following table includes RTWSA's expenditure, including claims management fees and investment expenses, for the financial year in relation to contracts above $55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement. Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

Expenditure Summary	2024 $'000 GST excl.	Proportion SA and non-SA businesses
Total Expenditure on South Australian goods and services	**101 592**	**86.7%**
Total Expenditure on non-South Australian goods and services	**15 637**	**13.3%**
	117 229	**100.0%**

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to RTWSA, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

Note 14 Finance Costs

	2024 $'000	2023 $'000
Interest and finance charges paid/payable for lease liabilities	**193**	238
Total finance costs	**193**	238

Note 15 Taxation

In accordance with Treasurer's Instruction 22 Tax Equivalent Payments, effective 1 July 2015, RTWSA is required to pay to the SA Government an income tax equivalent. The Return to Work Corporation of South Australia Act 1994 restricts the application of tax equivalents to financial years in which RTWSA has achieved a funding level of at least 100% (with its outstanding claims liabilities at a 75% probability of sufficiency) and it has achieved a profit from insurance operations. The income tax liability is based on the State Taxation Equivalent Regime, which applies the accounting profit method. This requires the corporate income tax rate (30%) to be applied to the operating profit. The current income tax liability is $0 (2023: $0) and relates to the income tax expense outstanding for the current period.

RTWSA is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

Income, expenses and assets are recognised net of GST, except when the amount of GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office.

Note 16 Employee related expenses

	Notes	2024 $'000	2023 $'000
Salaries and wages		**32 554**	30 352
Long service leave		**1 013**	526
Annual leave		**445**	605
Skills and experience retention leave		**79**	80
Employment on-costs - superannuation		**3 713**	3 295
Employment on-costs - other		**1 852**	1 706
Workers compensation		**136**	194
Board and committee fees		**545**	527
Total employee related expenses	12	**40 337**	37 285

The superannuation on-cost charge represents RTWSA's contributions to superannuation plans in respect of current services of current employees.

(a) Key management personnel

RTWSA key management personnel include the Minister, Board members, the Chief Executive Officer and members of the Executive Team. The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the Parliamentary Remuneration Act 1990 and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account under section 6 the Parliamentary Remuneration Act 1990.

	2024 $'000	2023 $'000
Compensation		
Salaries and other short-term employee benefits	**3 074**	2 818
Post-employment benefits	**330**	283
Total	**3 404**	3 101

(b) Employee Remuneration

	2024 No.	2023 No.
The number of employees whose remuneration received or receivable falls within the following bands		
$160,001 to $166,000*	**NA**	4
$166,001 to $186,000	**12**	10
$186,001 to $206,000	**8**	13
$206,001 to $226,000	**8**	3
$226,001 to $246,000	**2**	2
$266,001 to $286,000	**-**	1
$286,001 to $306,000	**2**	3
$306,001 to $326,000	**3**	-
$326,001 to $346,000	**1**	1
$346,001 to $366,000	**-**	1
$386,001 to $406,000	**1**	-
$546,001 to $566,000	**-**	1
$586,001 to $606,000	**1**	-
Total	**38**	39

*This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2022-23.

Note 16 Employee related expenses (continued)

The total remuneration received by those employees for the year was $8.7 million (2023: $8.4 million).

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits, any fringe benefits tax paid, or payable in respect of those benefits, as well as any termination benefits for employees who have left RTWSA.

(c) Employee related liabilities

	2024 $'000	2023 $'000
Current		
Annual leave	**2 867**	2 892
Skills and experience retention leave	**111**	92
Long service leave	**610**	437
Employment on-costs	**727**	960
	4 315	4 381
Non-current		
Long service leave	**3 797**	3 592
Employment on-costs	**428**	168
	4 225	3 760
Total employee related liabilities	**8 540**	8 141

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Long-term employee related liabilities are measured at present value and short-term employee related liabilities are measured at nominal amounts.

The liability of salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the skills and experience retention leave liability are expected to be payable in full within 12 months and are measured at the undiscounted amount expected to be paid.

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2023 (4.0%) to 2024 (4.25%).

The salary inflation rate used in the actuarial assessment performed by the Department of Treasury and Finance is 3.50% for long service leave liability.

The net financial impact of the changes to actuarial assumptions in the current financial year is an increase in the long service liability of $0.2 million and employee related expense of $0.2 million. The impact of future periods is impracticable to estimate as the long service leave is calculated using a number of demographical and financial assumptions, including the long-term discount rate.

Note 16 Employee related expenses (continued)

The current portion of employee related liabilities reflects the amount for which RTWSA does not have right to defer settlement for at least 12 months after reporting date. For long service leave, the amount relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected amount of leave to be paid on termination to eligible employees within 12 months.

Employment on-costs include payroll tax, ReturnToWorkSA premium and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised because of long service leave liabilities.

RTWSA contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2023 rate (43%) to 44% and the average factor for the calculation of employer superannuation cost on-costs has also changed from the 2023 rate (11.2%) to 11.5%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial. The impact on future periods is impracticable to estimate.

(d) Related party transactions

RTWSA is a statutory authority and is wholly owned and controlled by the South Australian Government. Related parties of RTWSA include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Note 17 Remuneration of board and committee members

Board members during the financial year ended 30 June 2024 were:

Member	Board	Appointed / Resigned	Investment & Finance Committee	Audit & Risk Committee	Human Resources Committee	Technology Committee
Ms. K Atherton	Member		-	Member	Member	-
Ms. N Borda	Member		-	-	-	Member
Mr. K Cheater	Member		-	Chair	-	Member
Dr. W Griggs	Member		Chair	-	-	Member
Mr. G McCarthy	Chair		Member	-	Member	Chair
Ms. E Perry	Member		-	Member	Chair	-
Mr. J Rau	Member		Member	-	-	-

Committee membership is at 30 June 2024.

The number of members whose remuneration received and receivable falls within the following bands:

	2024	2023
$20,000 to $39,999	**-**	4
$40,000 to $59,999	**-**	1
$60,000 to $79,999	**6**	3
$100,000 to $119,999	**1**	1
	7	9

The total remuneration received and receivable by board members for the year was $477,000 (2023: $467,000) which includes superannuation contributions.

The Minister's Advisory Committee is established under section 171 of the Return to Work Act 2014 (the Act). Its role includes advising the Minister for Industrial Relations on the operation of the Act. The members' remuneration paid/payable was $68,000 (2023: $60,000). Remuneration for this committee is not included in the board and committee remuneration table.

Note 18 Cash and cash equivalents

	2024 $'000	2023 $'000
Cash equivalents	**36 575**	74 874

Cash and cash equivalents comprises cash on hand and at bank.

Note 19 Receivables

	Notes	2024 $'000	2023 $'000
Current receivables			
Contractual receivables		**23 450**	21 639
Less allowance for doubtful debts		**(7 400)**	(7 000)
		16 050	14 639
Refunds		**(12 261)**	(10 001)
Recoverable claim payments	9	**18 239**	18 706
Sundry receivables and prepayments		**59**	24
Total current receivables		**22 087**	23 368
Non-current receivables			
Recoverable claim payments	9	**60 134**	60 286
Total non-current receivables		**60 134**	60 286
Total trade and other receivables		**82 221**	83 654
Impairment of receivables			
Carrying amount at the beginning of the period		**(7 000)**	(6 600)
Amounts written off		**3 401**	1 894
Increase/(Decrease) in allowance recognised in profit or loss		**(3 801)**	(2 294)
Carrying amount at the end of the period		**(7 400)**	(7 000)

Contractual receivables arise in the normal course of providing insurance protection for employers. Employers who pay less than $1,000 in premium each year are required to pay the premium in one annual payment, in advance. Employers who pay more than $1,000 in premium each year, are eligible to pay in nine equal instalments, by the 7th of each month from October to June, or one annual payment to suit the business needs of the employers.

The carrying amounts of receivables approximates net fair value due to being receivable on demand. Claim recoveries receivable are stated at the amounts estimated in the actuarial valuation.

Collectability of receivables is reviewed on an ongoing basis. Allowances for doubtful debts are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9 Financial Instruments. Bad debts are written off when identified.

Information about the exposure to credit risk and expected credit losses is disclosed in Note 27 (d).

Note 20 Investments

	Notes	2024 $'000	2023 $'000
Deposits with financial institutions		**237 998**	199 854
Debt securities		**1 662 835**	1 461 303
Australian equities		**240 652**	232 599
Overseas equities		**965 449**	920 555
Real assets (property and infrastructure)		**1 182 002**	1 080 950
Derivatives		**11 718**	10 511
Total investments	27d	**4 300 654**	3 905 772
Current		**289 148**	266 631
Non-current		**4 011 506**	3 639 141
Total investments	27d	**4 300 654**	3 905 772

Investments are measured at fair value. Changes in the fair values of investments at the reporting period from the end of the previous reporting period, or from cost of acquisition if acquired during the financial year, are recognised as gains or losses in the Statement of Comprehensive Income.

The fair value of investments represents their net fair value and is determined as follows:

- cash assets are carried at the face value of the amounts deposited or drawn which approximates their fair value
- listed securities and Government securities are valued by reference to market quotations
- underlying property assets and investments in unlisted unit trusts are valued by reference to independent third parties.

All investments are classified as backing insurance liabilities (outstanding claims liabilities).

Note 21 Property, plant and equipment

	Leasehold improvements including office furniture and fittings $'000	Computer, communications and general office equipment $'000	Total $'000
Cost			
Balance at 1 July 2022	6 775	2 145	8 920
Additions	-	67	67
Disposals	-	(143)	(143)
Balance at 30 June 2023	6 775	2 069	8 844
Balance at 1 July 2023	6 775	2 069	8 844
Additions	-	371	371
Disposals	-	(305)	(305)
Balance at 30 June 2024	**6 775**	**2 135**	**8 910**
Accumulated Depreciation			
Balance at 1 July 2022	(6 775)	(918)	(7 693)
Depreciation charge	-	(487)	(487)
Disposals	-	143	143
Balance at 30 June 2023	(6 775)	(1 262)	(8 037)
Balance at 1 July 2023	(6 775)	(1 262)	(8 037)
Depreciation charge	-	(483)	(483)
Disposals	-	305	305
Balance at 30 June 2024	**(6 775)**	**(1 440)**	**(8 215)**
Carrying Amounts			
At 30 June 2023	-	807	807
At 30 June 2024	**-**	**695**	**695**

Property, plant and equipment with a value equal to or in excess of $15,000 is capitalised, otherwise it is expensed. All assets acquired, including leasehold improvements, computer and communications and general office equipment are stated at cost less accumulated depreciation and accumulated impairment losses, deemed to be fair value. All assets are owned by RTWSA.

Refer to Note 23 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements.

Depreciation is calculated on a straight line basis so as to write off the cost of each item over its expected useful life. The estimated useful life in years used for each class of asset is as follows:

	2024	2023
Leasehold improvements including office furniture and fittings	**5-10**	5-10
Computer, communications and general office equipment	**3-5**	3-5

The cost of improvements to leasehold properties is amortised over the shorter of the unexpired period of the lease and the estimated useful lives of the improvements.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Note 22 Right-of-use assets

	Land and buildings	Motor vehicles	Total
	$'000	$'000	$'000
Cost			
Balance at 1 July 2022	13 351	125	13 476
Additions	-	100	100
Disposals	-	(60)	(60)
Balance at 30 June 2023	13 351	165	13 516
Balance at 1 July 2023	13 351	165	13 516
Additions	-	22	22
Disposals	-	(11)	(11)
Balance at 30 June 2024	**13 351**	**176**	**13 527**
Accumulated Depreciation			
Balance at 1 July 2022	(6 378)	(78)	(6 456)
Depreciation charge	(1 395)	(52)	(1 447)
Disposals	-	60	60
Balance at 30 June 2023	(7 773)	(70)	(7 843)
Balance at 1 July 2023	(7 773)	(70)	(7 843)
Depreciation charge	(1 395)	(51)	(1446)
Disposals	-	11	11
Balance at 30 June 2024	**(9 168)**	**(110)**	**(9 278)**
Carrying Amounts			
At 30 June 2023	5 578	95	5 673
At 30 June 2024	**4 183**	**66**	**4 249**

Right-of-use assets for land and buildings and motor vehicles leased by RTWSA as lessee are measured at cost.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than $15,000 are not recognised as right-of-use assets. If applicable, the associated lease payments are recognised as an expense.

Depreciation is calculated on a straight line basis so as to write off the cost of each item over its expected useful life. The estimated useful life in years used for each class of asset is as follows:

	2024	2023
Right-of-use land and buildings	**Lease term**	Lease term
Right-of-use motor vehicles	**Lease term**	Lease term

RTWSA has a limited number of leases:

- RTWSA leases land and buildings for its offices, under agreements of five years with a right of renewal for a further five years. As at 30 June 2024 it is not reasonably certain the RTWSA will take up the option to extend.
- RTWSA leases motor vehicles with terms of three years with options to extend.

The lease liabilities related to the right-of-use assets are disclosed in Note 25. The maturity analysis of lease liabilities is disclosed in Note 27(d). Expenses related to leases include depreciation, as disclosed in Note 13, and interest expense, as disclosed in Note 14.

Impairment
Property, plant and equipment leased by RTWSA has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

Note 23 Fair value measurement (non-financial assets)

AASB 13 Fair Value Management defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Fair value of non-financial assets, which must be estimated for recognition or for disclosure purposes, is measured using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.

Level 3: not traded in an active market and are derived from unobservable inputs.

RTWSA had no valuations categorised into levels 1 or 2.

In determining fair value, the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset) and the asset's highest and best use (that is physically possible, legally permissible and financially feasible) have been taken into account.

Current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As no factors were identified to suggest an alternative use, fair value measurement was based on current use.

	Leasehold improvements including office furniture and fittings $'000	Computer, communications and general office equipment $'000	Total $'000
Balance at 1 July 2022	-	1 227	1 227
Additions	-	67	67
Depreciation	-	(487)	(487)
Balance at 1 July 2023	-	807	807
Balance at 1 July 2023	-	807	807
Additions	-	371	371
Depreciation	-	(483)	(483)
Balance at 1 July 2024	**-**	**695**	**695**

Total losses for level 3 non-financial assets in the period included in general operating expenses:

	$'000
2023	(487)
2024	**(483)**

Note 24 Payables

	2024	2023
	$'000	$'000
Current		
Contractual payables	**23 938**	21 198
Statutory payables	**6 878**	5 693
Unearned premiums	**90**	193
Total payables	**30 906**	27 084

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents, statutory fees and charges and Audit Office of South Australia audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, and Pay As You Go Witholding. Statutory payables are carried at cost.

Note 25 Lease liabilities

(a) Lease liabilities

	2024	2023
	$'000	$'000
Current		
Lease liabilities	**1 436**	1 342
Non-current		
Lease liabilities	**3 103**	4 522
Total lease liabilities	**4 539**	5 864

All material cash outflows are reflected in the lease liabilities disclosed above.

(b) Cash outflow for leases

	2024	2023
	$'000	$'000
Land and buildings	**1 484**	1 441
Motor vehicles	**53**	52
Total cash outflow for leases	**1 537**	1 493

Note 25 Lease Liabilities (continued)

(c) Extension options

The lease for office space is for a five year term to 30 June 2027 with a right of renewal for a further five years. As at 30 June 2024 it is not reasonably certain that RTWSA will take up the option to extend the lease beyond 30 June 2027.

Note 26 Reconciliation of comprehensive result to net cash flows from operating activities

	2024	2023
	$'000	$'000
Total comprehensive result	**215 199**	69 051
Add / (less) non-cash items		
Depreciation	**1 929**	1 934
Change in net market values of investments	**(158 423)**	(156 847)
Movement in assets and liabilities		
Increase/(decrease) in payables	**3 822**	6 846
(Increase)/decrease in receivables	**1 433**	4 799
Increase/(decrease) in outstanding claims liability	**135 519**	194 438
Increase/(decrease) in employee benefits	**399**	193
Net cash flows from operating activities	**199 878**	120 414

Note 27 Risk management

(a) Overview

RTWSA's risk management framework is the principal means by which identified risks are managed. RTWSA has developed a corporate governance framework that supports risk management. Each identified risk is analysed according to an established risk management process and appropriate treatment strategies are adopted in order to manage RTWSA's exposure to risk. The key aspects of the process established in the risk management framework to mitigate risk include:

- the establishment of a Board Audit and Risk Committee, which is responsible for developing and monitoring risk management policies
- the establishment of the Risk Appetite Statement, which is reviewed annually
- the establishment and regular review by the Board and management of an enterprise risk register
- the establishment of a system of internal controls to manage risk
- the maintenance and use of management information systems, which provide up to date, and reliable data relevant to the risks to which the business is exposed
- the identification of operational risks and the establishment and implementation of processes to address and mitigate those risks.

The Board Audit and Risk Committee reports regularly to the Board on its activities. The Committee oversees how management monitors compliance with RTWSA's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by RTWSA. A risk management policy is in place to ensure risks are identified, analysed and managed appropriately by RTWSA. RTWSA's risk management framework is part of its governance risk and compliance system which is reviewed regularly to reflect changes in market conditions and in RTWSA's activities. RTWSA, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Committee is assisted in its oversight by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board Audit and Risk Committee.

The broad categories of risk faced by RTWSA are:

- insurance risk
- operational risk
- financial risk.

(b) Insurance risk

As set out in Note 1, RTWSA provides insurance protection in the event of work-related injury, in accordance with the Act, to workers employed in South Australia through the following funds:

- Compensation Fund
- Statutory Reserve Fund
- Insurance Assistance Fund
- Mining and Quarrying Industries Fund.

In accordance with the Act the Compensation Fund is funded by charging premiums to all employers covered by the Act which are calculated as a percentage of the remuneration paid or expected to be paid by each employer. The percentage or premium rate applicable to each employer is determined annually based on the industry in which the employer operates and the Average Premium Rate. Small employers, with annual remuneration less than $15,802 (subject to indexation), are not required to register or pay a premium.

The Average Premium Rate is set annually by the Board in accordance with its funding and premium setting policy based on an actuarial assessment of the expected claims and expenses of the Compensation Fund and an estimate of the likely overall remuneration for all the employers that are required to pay premiums under the Act. The Average Premium Rate is then used as a basis for determining an individual premium rate for individual industry groups.

Note 27 Risk management (continued)

(b) Insurance risk (continued)

The risk associated with premium rate pricing is controlled by obtaining external actuarial advice concerning the funding requirements of the Scheme and through the use of robust and historical models. The number of registered (non self-insured) employers insured under the Act for the financial year was approximately 60,000. The entitlements payable to injured workers are determined by the Act.

RTWSA's approach to determining the outstanding claims provisions and related sensitivities is set out in Notes 9 and 10. A key control utilised by RTWSA in seeking to ensure the adequacy of the claims provision is the regular completion of actuarial valuations:

- Compensation Fund - every six months
- Statutory Reserve Fund - every twelve months
- Insurance Assistance Fund - every twelve months
- Mining and Quarrying Industries Fund - every three years.

(c) Operational risk

Operational risk relates to the risk of loss arising from system failure, human error or from other circumstances not related to insurance or financial risks. These risks are managed through the risk framework outlined above, which includes a system of delegated authorities, effective segregation of duties, access controls and review processes.

(d) Financial risk

RTWSA has exposure to the following financial risks:

- credit risk
- liquidity risk
- market risk.

RTWSA's exposure to these risks arises primarily in relation to its investment portfolio, and also in relation to its other financial assets. This note presents information about RTWSA's exposure to each of the above risks, objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Investments – risk management framework
RTWSA's Investment Policy and Strategy document describes the framework within which the RTWSA investment program functions, including the Board's governance arrangements for the investment program.

The mission of the investment program is to contribute to an improved funding position for the Scheme. The investment program will achieve this by delivering, over the long term, a rate of return that exceeds the average actuarial discount rate.

The current long term return objective for the investment program is a return of CPI + 2.5%. This will be achieved through adopting a moderate risk, balanced investment portfolio.

The formal Investment Policy is reviewed annually by the Board to ensure it remains appropriate to the organisation's current circumstances.

Note 27 Risk management (continued)

(d) Financial risk (continued)

The investment portfolio is managed internally by experienced professionals supported by an internationally recognised investment consultancy firm that provides advice on asset allocation, selection of external fund managers, and undertakes specialised investment research and performance measurement.

The Board Investment and Finance Committee monitors the investment program on a regular basis.

RTWSA has a master custody arrangement with Northern Trust (NT). All discretely held portfolios are held under safe custody with NT, and all assets are independently valued by NT. All investment related cashflows (except for the internally managed cash portfolio) are conducted through NT.

At any particular time the composition of the portfolio will vary from the Board approved Investment Strategy targets depending on the decisions of individual fund managers and market movements. However, any variance to the target is required to be within Board approved limits.

The composition of each asset group:

As at 30 June 2024

	Level 1 $'000	Level 2 $'000	Level 3 $'000	**Total $'000**
Deposits with Financial Institutions	237 998	-	-	**237 998**
Debt securities	1 420 587	-	242 248	**1 662 835**
Australian equities	240 623	-	29	**240 652**
Overseas equities	965 449	-	-	**965 449**
Real assets (property and infrastructure)	482 709	-	699 293	**1 182 002**
Derivatives	-	11 718	-	**11 718**
Total investments at fair value through profit and loss	3 347 366	11 718	941 570	**4 300 654**

As at 30 June 2023

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Deposits with Financial Institutions	199 854	-	-	199 854
Debt securities	1 296 385	-	164 918	1 461 303
Australian equities	232 599	-	-	232 599
Overseas equities	920 555	-	-	920 555
Real assets (property and infrastructure)	389 320	-	691 630	1 080 950
Derivatives	-	10 511	-	10 511
Total investments at fair value through profit and loss	3 038 713	10 511	856 548	3 905 772

The hierarchy for the fair value measurement of investments is:

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

Note 27 Risk management (continued)

(d) Financial risk (continued)

Use of derivatives
In the normal course of its investment activities RTWSA is party to arrangements involving derivatives.
Derivatives held within portfolios through RTWSA's custodian have three main objectives:

- risk management - minimisation or reduction of specific risks within a given portfolio. For example forward exchange contracts are used to hedge currency movements to remove their impact on international investment portfolio returns
- transactional efficiency - derivatives provide effective exposure to markets or individual securities while incurring transaction costs lower than the cost of purchasing the underlying security or basket of securities. In many instances the derivative markets provide much more liquidity than the underlying physical market
- value added strategies - given their low cost and high liquidity, derivatives can be an efficient way to support portfolio positions. As there can also be pricing anomalies between derivatives and underlying physical securities there can be opportunities to take advantage of different pricing.

Derivative exposures are subject to the same restrictions as physical assets within each portfolio's investment guidelines. Derivatives also need to comply with the fund managers' risk management policies and RTWSA's Derivatives Policy and Fund Manager Guidelines. Where there is inconsistency, RTWSA's Fund Manager Guidelines will take precedence. Additionally no gearing or leverage is allowed from derivative positions, with all net long derivative exposures covered by cash or cash equivalent securities.

The use of derivatives is restricted to appropriately credentialed counterparties. Unit Trusts in which RTWSA invests may use derivative instruments appropriate to the investment markets in which they invest. The use of derivatives within the Unit Trusts in which RTWSA invests is approved and monitored by the responsible entity or trustee for the respective Unit Trust.

No single instrument is individually material to the future cash flows of RTWSA. RTWSA does not consider that the nature and extent of the use of derivatives warrants separate disclosure of individual contracts. RTWSA, through its separate account investment portfolios, uses derivative instruments as follows:

Forward exchange contracts

- RTWSA invests in global markets to access the risk reduction benefits of diversification. In order to protect against exchange rate movements for a portion of overseas exposures, RTWSA has entered into forward exchange contracts, which require settlement of the net gain or loss at maturity. For diversification purposes RTWSA intentionally maintains some un-hedged currency exposures
- the gain or loss on open contracts as at the reporting period has been taken up in the financial statements as an unrealised gain or loss based on the exchange rate current as at the end of the reporting period
- the use of forward exchange contracts for speculative purposes is prohibited.

Futures contracts

- RTWSA invests across a range of markets. Futures contracts give investors the ability to increase or decrease exposure to these markets with very low transaction costs
- the gain or loss on outstanding futures contracts as at the reporting period are taken up in the financial statements as an unrealised gain or loss based on the fair value as at the end of the reporting period
- futures contracts are predominantly used for transactional efficiency and value added strategies.

Credit risk
Credit risk is the risk of financial loss to RTWSA if a premium payer, other debtor or counterparty to a financial instrument fails to meet their contractual obligations.

Note 27 Risk management (continued)

(d) Financial risk (continued)

Credit risk - investments
RTWSA manages its exposure to credit risk related to debt securities, cash investments and non-centrally cleared financial instruments through its Investment Strategy and Investment Guidelines, which incorporate credit limits. Credit exposures are monitored against approved limits with breaches corrected and notified to the Board Investment and Finance Committee.

The following tables outline RTWSA's credit risk exposure within all debt securities investments and deposits with financial institutions.

As at 30 June 2024

	Short-term issue ratings*			Long-term issue ratings**					Not Rated***	
	A1+	A1	A2	AAA	AA	A	BBB	BB or below		**Total**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	**$'000**
Government	-	-	-	768 827	131 655	1 206	-	-	-	**901 688**
Corporate	-	-	-	64 858	61 569	204 893	153 285	36 676	235 449	**756 730**
Cash	203 550	42 398	1 992	-	-	-	-	-	25 124	**273 064**
	203 550	42 398	1 992	833 685	193 224	206 099	153 285	36 676	260 573	**1 931 482**

As at 30 June 2023

	Short-term issue ratings*			Long-term issue ratings**					Not Rated***	
	A1+	A1	A2	AAA	AA	A	BBB	BB or below		Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Government	-	-	-	692 968	112 028	-	-	-	-	804 996
Corporate	-	-	-	92 876	80 491	114 605	196 466	20 861	154 924	660 223
Cash	114 051	64 356	3 699	-	-	-	-	-	-	182 106
	114 051	64 356	3 699	785 844	192 519	114 605	196 466	20 861	154 924	1 647 325

* Standard & Poor's short-term financial strength ratings apply for cash portfolio and short-term investments. A1+ is the highest short-term strength rating.
** Standard & Poor's long-term credit ratings. AAA is the highest possible long-term credit rating.
*** Not rated assets for this table are non-defensive assets and consist predominately of private debt investments in pooled funds and derivatives held at fair value.

Credit risk - other financial assets
The only significant exposure to credit risk in relation to assets, other than investments, relates to contractual receivables, which include premiums due and payable from registered and self-insured employers and overpayment recoveries from employers, workers and providers. RTWSA is able to enforce the collection of debts due under the Act or via restitution principles through a court of competent jurisdiction. RTWSA has processes in place to monitor all material credit exposures and has an established policy to manage debt recovery.

Note 27 Risk management (continued)

(d) Financial risk (continued)
11.2% of RTWSA's contractual receivables and sundry receivables were past due greater than 30 days (2023: 9.7%).
The ageing of RTWSA's contractual receivables and sundry receivables at the reporting date was:

	Gross carrying amount	**Loss %**	**Lifetime expected losses**	**Net carrying amount**
	$'000	$'000	$'000	
Not past due	13 383	2%	213	**13 170**
Past due 1-30 days	1 327	15%	194	**1 133**
Past due 31-60 days	2 899	54%	1 551	**1 348**
Past due 61 days or more	2 901	84%	2 442	**459**
	20 510		4 400	**16 110**

There were no significant concentrations of credit risk.

Liquidity risk
Liquidity risk arises from the possibility that RTWSA will not be able to meet its financial obligations as they fall due. RTWSA's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to RTWSA's reputation. RTWSA requires that at least 15% of investments can be liquidated within 30 days. As at 30 June 2024 approximately 78% of RTWSA's investments could be liquidated within 30 days.

Both the asset and liability liquidity risks are managed through management risk strategies. 83.9% (2023: 84.2%) of RTWSA's liabilities are non-current and consist predominately of estimates of payments of entitlements to workers compensation made over the long-term to individual claimants. RTWSA's asset allocation is such that, if required, it could be realisable as cash within a few months. Accordingly, RTWSA considers that its short-term liquidity risks are minimal.

The table below outlines the maturity profile of certain financial liabilities, excluding outstanding claims, based on the remaining undiscounted obligations. The maturity profiles of outstanding claims are outlined in notes 9 & 10.

As at 30 June 2024	1 year or less	1 to 3 years	3 to 5 years	Over 5 years	No Term	**Total**
	$'000	$'000	$'000	$'000	$'000	**$'000**
Lease liabilities	1 436	3 103	-	-	-	**4 539**
Contractual and other payables	30 906	-	-	-	-	**30 906**

As at 30 June 2023	1 year or less	1 to 3 years	3 to 5 years	Over 5 years	No Term	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	1 342	2 927	1 595	-	-	5 864
Contractual and other payables	27 084	-	-	-	-	27 084

Note 27 Risk management (continued)

(d) Financial risk (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect RTWSA's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

RTWSA is exposed to market risk primarily through:

- currency risk
- interest rate risk
- market price risk.

Currency risk

RTWSA is directly exposed to currency risk on purchases and financial instruments that are denominated in a currency other than Australian dollars. RTWSA uses forward exchange contracts for a portion of its international investments to hedge its exposure to foreign currency fluctuations. All overseas bond securities, overseas listed property and overseas infrastructure are covered by forward exchange contracts. Approximately 35% of the international equity securities holdings are covered by forward exchange contracts. The remaining equities are left intentionally exposed to exchange rate movements. The changes in the valuations of these open contracts are disclosed in the financial statements as unrealised gains or losses as at the reporting period.

The analysis below demonstrates the impact of a strengthening or weakening Australian dollar on assets held in foreign currencies. This analysis is based on foreign currency exchange rate variances that RTWSA considered to be reasonably possible at the reporting date and assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
	$'000	$'000	$'000	$'000
30 June 2024				
US Dollar (10% movement)	(35 832)	35 832	(35 832)	35 832
China (10% movement)	(2 461)	2 461	(2 461)	2 461
Euro (10% movement)	(3 869)	3 869	(3 869)	3 869
JPY (10% movement)	(1 490)	1 490	(1 490)	1 490
Sterling (10% movement)	(6 682)	6 682	(6 682)	6 682
Other (10% movement)	(12 473)	12 473	(12 473)	12 473
30 June 2023				
US Dollar (10% movement)	(36 255)	36 255	(36 255)	36 255
China (10% movement)	(6 595)	6 595	(6 595)	6 595
Euro (10% movement)	(5 005)	5 005	(5 005)	5 005
JPY (10% movement)	(1 807)	1 807	(1 807)	1 807
Sterling (10% movement)	(3 003)	3 003	(3 003)	3 003
Other (10% movement)	(8 893)	8 893	(8 893)	8 893

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed interest securities are exposed to changes in fair value due to fluctuating interest rates whilst floating rate securities are exposed to future cash flow variations as a result of changes to interest rates. The risk management approach adopted by RTWSA to manage such risks is through its asset allocation whereby a mixture of high credit rated and readily liquidated fixed interest securities, private debt as well as short-term deposits and cash to achieve the desired level of interest rate risk exposure.

Note 27 Risk management (continued)

(d) Financial risk (continued)

RTWSA's fixed interest investments are held predominately in domestic markets. Such holdings form part of RTWSA's defensive or low risk exposure to provide capital stability and secure income. RTWSA's investments in interest bearing securities consist largely of marketable securities.

RTWSA's sensitivity to movements in interest rates in relation to the value of interest bearing investments is shown in the table below. This analysis is based on interest rate variances that RTWSA considered to be reasonably possible at the reporting date. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
	$'000	$'000	$'000	$'000
1% interest rate movement - interest bearing investments				
2024	**(86 702)**	**86 702**	**(86 702)**	**86 702**
2023	(81 066)	81 066	(81 066)	81 066

Market price risk
Market price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market pricing (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual instrument or its issuer (idiosyncratic risk), or factors affecting all similar financial instruments traded in the market (systematic risk).

RTWSA is exposed to market price risk in all asset groups with the highest systematic risk in listed securities. These investments consist of investments listed on the Australian Stock Exchange and other major international exchanges (excluding listed debt). The market price risk in all other asset groups is considered less significant.

RTWSA manages its exposure to market price risk through the adoption of a long-term investment strategy based on extensive modelling of the expected return, volatility and correlation of each asset category included in the investment program to maximise returns for a given level of risk. By diversifying investments across a number of lowly correlated markets the volatility of the aggregate investment return is moderated over time.

The potential impact of movements in the market value of Australian and overseas listed equities on RTWSA's Statement of Comprehensive Income and Statement of Financial Position is shown in the sensitivity analysis below. The calculation excludes the impact from currency risk. Industry standard categorisations have been adopted for RTWSA's equity exposures.

	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
	$'000	$'000	$'000	$'000
Listed Securities				
30 June 2024				
Australian equities - (20% movement)	48 130	(48 130)	48 130	(48 130)
Overseas equities - (20% movement)	193 090	(193 090)	193 090	(193 090)
30 June 2023				
Australian equities - (20% movement)	46 520	(46 520)	46 520	(46 520)
Overseas equities - (20% movement)	184 111	(184 111)	184 111	(184 111)

Note 27 Risk management (continued)

(d) Financial risk (continued)

Fair value measurements
The fair value of financial assets must be estimated for recognition and measurement or for disclosure purposes. AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

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. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date with the resulting value discounted back to present value
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of the resulting fair value estimates are included in level 2 except for unlisted infrastructure, unlisted property and private debt assets.
The following table presents the changes in level 3 instruments for the years ended 30 June 2024 and 2023:

	2024	2023
	$'000	$'000
Opening balance	**856 548**	228 432
Re-classifications	**35**	421 035
Contributions	**81 225**	201 759
Withdrawals	**(18 219)**	(22 702)
Gains recognised in investment profit	**21 981**	28 024
Closing balance	**941 570**	856 548

Re-classifications reflect current market conditions.

Note 28 Employer financial guarantees

Under section 129 of the Act and schedule 3 of the Regulations, RTWSA administers financial guarantees lodged by non-SA Government self-insured employers. As at 30 June 2024, RTWSA held security to the value of $313.1 million (2023: $308.7 million) in financial guarantees or other approved substituted financial securities for self-insured employers. Guarantees are held in the event of a self-insured employer no longer being able to meet its claim liabilities.

Note 29 Self-insured Insolvency Contribution Aggregate

The Act requires fees paid by self-insured employers to include a fair contribution towards the actual and prospective liabilities of RTWSA arising from the insolvency of self-insured employers and other liabilities of the RTWSA as an insurer of last resort. The Self-Insured Insolvency Contribution Aggregate (“SIICA”) is a pooled fund representing contribution fees received over time less any amounts paid by RTWSA as a result of the insolvency of a self-insured employer in excess of a financial guarantee held by RTWSA plus notional attributed interest (calculated by applying the Reserve Bank of Australia cash rate to the balance as at 30 June each year). The SIICA balance as at 30 June 2024 is $58.5 million (2023: $55.8 million).

Note 30 Impact of standards and statements not yet implemented

RTWSA has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective. The material impacts on RTWSA are outlined below:

AASB 17 Insurance Contracts

AASB 17 Insurance Contracts is a comprehensive standard for all insurance contracts replacing AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts. AASB 17 for the public sector applies for accounting periods from 1 July 2026. RTWSA will report on an AASB 17 basis for the first time in the 30 June 2027 annual report.

AASB 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. The requirements are designed to help users of financial statements better understand an insurer’s exposure, profitability and financial position and will facilitate comparison across similar insurance companies.
The standard introduces a new general model for the recognition and measurement of insurance contracts, with a simplified approach (Premium Allocation Approach) permitted in certain circumstances. RTWSA expects to apply the Premium Allocation Approach, which is similar to the current measurement model used under AASB 1023.
RTWSA has reviewed AASB 17 and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector, and the two material changes applicable to RTWSA are:

- Discount Rates: The discount rate applied must still be risk-free, but an allowance for the liquidity characteristics of the insurance policies can be made. RTWSA’s liabilities are quite illiquid, permitting an illiquidity premium to be added to the risk-free rate, leading to a higher discount rate.

- Risk Adjustment: AASB 17 requires a Risk Adjustment, this is similar to the AASB 1023 risk margin. The compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts. Like AASB 1023, the confidence level that corresponds to the risk adjustment will be disclosed. RTWSA is considering if any compensation for risk is required.

The financial impact of adopting AASB 17 cannot be reasonably determined at the date of this report.

No Australian Accounting Standards have been early adopted.

Note 31 Events after the reporting period

There have been no events after the reporting period which would have a material effect on RTWSA's financial statements at 30 June 2024.

ReturnToWorkSA
Certificate under section 23(2) of the Public Finance and Audit Act 1987
30 June 2024

In our opinion the financial statements for the Return to Work Corporation of South Australia:

- are in accordance with the accounts and records of the Return to Work Corporation of South Australia;
- comply with relevant Treasurer's Instructions;
- comply with relevant accounting standards; and
- present a true and fair view of the financial position of the Return to Work Corporation of South Australia at the end of the financial year and the result of its operation and cash flows for the financial year.

In our opinion the internal controls employed by the Return to Work Corporation of South Australia for the financial year over its financial reporting and its preparation of financial statements have been sufficiently effective to enable the presentation of financial statements that are free from material misstatement.

G. McCarthy

Chair

M. Francis

Chief Executive Officer

P. Caskey

Executive Leader Finance and Investments

16 September 2024

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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To the Chair
Return to Work Corporation of South Australia

Opinion

I have audited the financial report of the Return to Work Corporation of South Australia for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Return to Work Corporation of South Australia as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, the Chief Executive Officer and the Executive Leader Finance and Investments.

Emphasis of matter

I draw attention to notes 4, 9 and 10 of the financial report. There is a significant uncertainty surrounding the financial impact of legislative reforms which will only become clearer as outstanding claims experience emerges in future financial periods. If in future years the actual costs of claims described in notes 9 and 10 are greater than the balances recorded in the financial statements, this will adversely impact the funding ratio described in note 6.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Return to Work Corporation of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive Officer and members of the Board for the financial report

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's ability to continue as a going concern. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 19 of the *Return to Work Corporation of South Australia Act 1994*, I have audited the financial report of the Return to Work Corporation of South Australia for the financial year ended 30 June 2024.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Return to Work Corporation of South Australia's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive Officer and members of the Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

Andrew Blaskett
Auditor-General

22 September 2024

ACTUARIAL CERTIFICATE OUTSTANDING CLAIM LIABILITIES

RETURN TO WORK CORPORATION OF SOUTH AUSTRALIA
Actuarial Certificate
Outstanding Claim Liabilities at 30 June 2024

Finity Consulting has been requested by the Return To Work Corporation (ReturnToWorkSA) to estimate the outstanding claim liabilities of the Return To Work Scheme under the Return To Work Act 2014, as well as the outstanding claim liabilities of the Statutory Reserve Fund (SRF) and Insurance Assistance Fund (IAF). Full details of the data, methodology, assumptions and results of our valuations are set out in our reports to ReturnToWorkSA dated 30 September 2024 (Scheme) and 8 August 2024 (SRF and IAF).

Basis of Our Estimates

Our estimates and reports have been prepared in accordance with the Actuaries Institute's Professional Standard 302 and with our understanding of the relevant Australian Accounting Standard AASB 1023.

To do this we have calculated a central estimate of the outstanding claim liabilities, which means our assumptions have been selected such that our estimates contain no deliberate bias towards either overstatement or understatement. Our estimates are discounted, i.e. they allow for the time value of money using risk free discount rates, they include allowance for future expenses incurred in the management of the outstanding claims and they are net of expected recoveries.

We have also provided a recommended provision for outstanding claims which increases the central estimate to a level intended to achieve 75% probability of sufficiency, in accordance with ReturnToWorkSA policy.

Our work makes no allowance for any potential changes that could emerge as a result of the Review of Impairment Assessment Guidelines that is currently underway; WPI assessments fundamentally impact the costs of running the scheme, so if information emerges that suggests WPI scores are likely to change as a result of the Review, this will need to be incorporated into future valuation work.

Return To Work Scheme

The Scheme's outstanding claim liabilities are the value of payments to be made after 30 June 2024 in respect of claims which arose on or before that date. Our central estimate of the outstanding claims liability is $3,731 million. ReturnToWorkSA has provided $4,272 million in its financial statements as at 30 June 2024 for the net outstanding claim liabilities, having added to our net central estimate a risk margin of 14.5% which is intended to increase the probability of adequacy of the provision to 75%. These amounts are made up as follows:

Table 1 – Outstanding Claim Liabilities at 30 June 2024 – Return To Work Scheme

	Central Estimate	Recommended Provision
	$m	$m
Gross Claims Cost - Serious Injuries	2,262	
Gross Claims Cost - General Short Term Claims	957	
Gross Claims Cost - Hearing Loss Claims	227	
Claims Handling Expenses	354	
Gross Outstanding Claims Liability	3,799	4,350
Recoveries	-68	-78
Net Outstanding Claims Liability	3,731	4,272

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Other Funds

The SRF and IAF liabilities relate to workers compensation claims arising from uninsured and insolvent employers, insolvent insurance companies and employers unable to obtain insurance under the 1971 Act.

ReturnToWorkSA has provided $41 million in its financial statements as at 30 June 2024 for the net outstanding claim liabilities, having added to our net central estimate risk margins (45% for IBNR claims, 10.5% for known claims) which are intended to increase the probability of adequacy of the provision to 75%. These amounts are made up as follows:

Table 2 – Outstanding Claim Liabilities at 30 June 2024 – SRF and IAF

	Central Estimate	Recommended Provision
	$m	$m
Statutory Reserve Fund	26	
Insurance Assistance Fund	0.1	
Claims Handling Expenses	2	
Gross Outstanding Claims Liability	29	41
Recoveries	-	-
Net Outstanding Claims Liability	29	41

Uncertainty

It is not possible to put a value on outstanding claim liabilities with certainty. We have prepared our estimates on the basis that they represent our current assessment of the likely future experience of the Scheme and other Funds. However, deviations of the actual experience from our estimates are normal and to be expected.

Sources of uncertainty include difficulties caused by limitations of historical information, as well as the fact that outcomes remain dependent on future events, including legislative, social and economic forces, and behaviour by stakeholders such as ReturnToWorkSA management, claimants and claims Agents. We have relied on the accuracy and completeness of the data and other information (qualitative, quantitative, written and verbal) provided to us by ReturnToWorkSA for the purpose of making our estimates.

A key uncertainty in determining the ultimate financial impacts of the 2022 reforms will be how significant, or not, behavioural changes are. As observed in our valuation reports over recent years, South Australia's workers compensation system is regarded as being relatively litigious and we have seen multiple past examples of claimants changing behaviour in response to a change.

As shown in Table 1 the largest component of ReturnToWorkSA's liabilities relate to Serious Injuries (as defined in the Act). These claims are entitled to benefits for life, and so deviations from our assumptions have the potential to compound over many years.

It is quite possible that one or more changes could produce a financial outcome materially different from our estimates. We have considered the range of uncertainties regarding the central estimates in deriving our recommended risk margins, which ReturnToWorkSA has adopted in its provisions.

Yours Sincerely,

A McInerney

Andrew McInerney (Scheme)
Fellow of the Institute of Actuaries of Australia

David McNab (SRF and IAF)
Fellow of the Institute of Actuaries of Australia

Notes

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If you are deaf or have a hearing or speech impairment, you can call ReturnToWorkSA on **13 18 55** through the National Relay Service (NRS) **www.relayservice.gov.au**.

For languages other than English, call the Interpreting and Translating Centre on **1800 280 203** and ask for an interpreter to call ReturnToWorkSA on **13 18 55**.

For braille, audio or e-text of the information in this publication call **13 18 55**.

ISSN: 2205-7331 (Print)
ISSN: 2205-734X (Online)

RTWSA.FVC.2662.V7.25.10.2024