

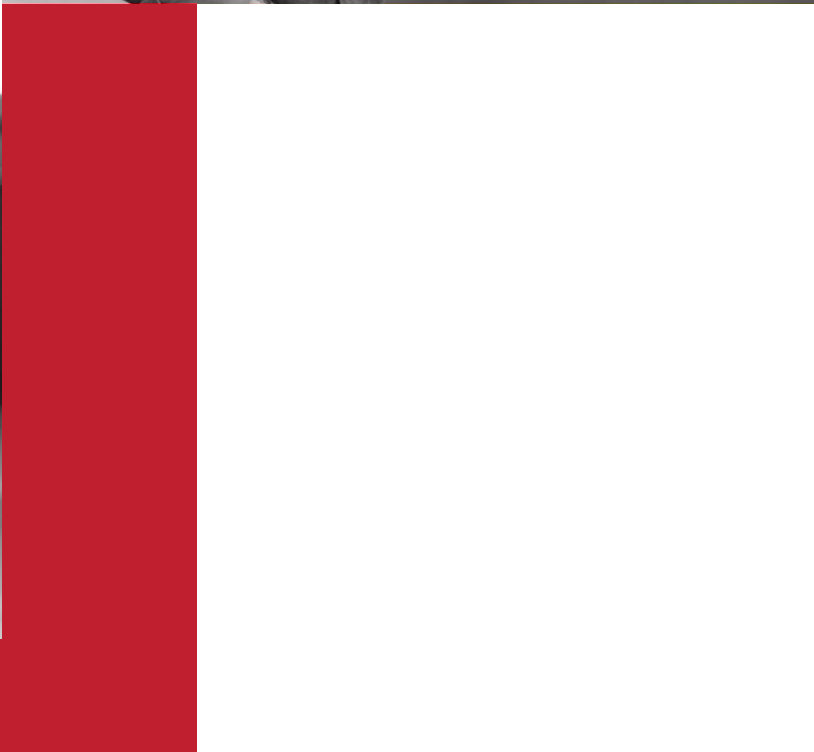
Returnto  
**WorkSA**

# 2022-23 ANNUAL REPORT

South Australia's work  
injury insurance scheme.



Government  
of South Australia





# ABOUT THIS REPORT

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We are pleased to present the Annual Report for 2022–23.

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 under the *PC Circular 013 – Annual Reporting Requirements* 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](http://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**

# MESSAGE FROM THE CHAIRMAN AND CEO



**GREG MCCARTHY**  
Chairman



**MICHAEL FRANCIS**  
CEO

The Return to Work scheme has continued to deliver on its primary objectives while also supporting the evolution of the Scheme. During the year, ReturnToWorkSA also released its revised strategic plan with a clearly articulated purpose statement—to empower and support South Australians impacted by work injury.

## Scheme Performance

The primary objective of the Scheme is to support injured workers to realise the health benefits of work, or to be restored to the community when return to work isn't possible. In an excellent result for all South Australians, it is pleasing to report continued improvement in return to work performance—as noted in greater detail later in this report—with 94.7% of people with a claim are back at work in some capacity at 26 weeks (compared with 93.1% last year).

In addition to the community and individual benefit of more people realising the health benefits of work, this result also underpins our ongoing efforts to ease pressure on employer premiums. The ReturnToWorkSA Board this year announced an average premium rate of 1.85% for 2023–24. While this represents an increase of five basis points on the 2022–23 rate, it factors in the legislative changes to the benefit structure and is the rate foreshadowed by the government at the time the legislative changes were unveiled.

Disputes reduced by 9.5% and complaints fell by 6.5% when compared with the previous reporting period.

The use of mobile claims managers has consistently shown to directly correlate with improved return to work outcomes and we have continued to invest in this service accordingly. Visit numbers increased by 18% this year, averaging 1,885 visits per month with more than 20% of these occurring within 14 days of receiving the claim.

Wages covered by the registered scheme increased by 6% following a 14% increase in 2021–22. Despite the additional exposure this creates, claims received during the reporting period remained relatively stable at 14,527 with noise-induced hearing loss claims the exception, growing by 21%. Self-insured employers received 4,680 claims.

Primary psychological injury claims remained relatively stable at 603, representing 4.2% of all claims received. In the Crown self-insured agencies 458 primary psychological injury claims were received, a decrease of 11% when compared with the previous year. In 60% of the mental injury claims received by ReturnToWorkSA's claims agents, the Scheme supported a range of mental health treatment services prior to determination of the claim to ensure timely access to treatment and support for workers. This was in addition to 542 referrals to the Low Intensity Mental Health Service (up 27% from the previous year), which is accessible to injured workers and their

family members, irrespective of the liability determination.

ReturnToWorkSA recommenced its biannual stakeholder forums in May, providing information on a range of Scheme performance metrics, a regulatory update and a briefing covering significant legal cases. The co-design of the Third Edition of the *Impairment Assessment Guidelines* is proving to be a highly valuable consultative approach of engaging with interested stakeholders on this important document, which is primarily used by doctors to support their assessment of people who may have a work injury that has resulted in a permanent impairment.

The Stakeholder Representative Committee Group (SRCG) overseeing this revision of the Impairment Assessment Guidelines is being chaired by Dr Michelle Atchison, who is a psychiatrist and recent past president of the Australian Medical Association in South Australia. The SRCG also includes representatives of accredited permanent impairment assessors, SA Unions, the Law Society and ReturnToWorkSA.

ReturnToWorkSA is also pleased to have been included on the SafeWork SA Advisory Committee, established this year as a recommendation arising from the government's review of SafeWork SA (the Merritt Review). It will be important to be able to provide contemporaneous claims data to assist with the determination of priorities and allocation of resources to where the incidence of claims from work injuries is highest.

## Scheme reforms

While the long term implications of the changes to the *Return to Work Act 2014* enacted in July 2022 remain uncertain, the overall premium affordability and liability implications have not altered significantly from the initial actuarial modelling of the changes that included codifying the combining of injuries.

There has, however, been a redistribution of the registered scheme liability away from the serious injury claims. A higher number of people have settled at Whole Person Impairment combinations below the serious injury threshold, accessing redemptions of future medical expenses and lump sum compensation.

This has meant fewer people than expected from this cohort of claimants have entered the serious injury classification of claims. However, there has been a commensurate increase in liabilities now attributed to the short term (non-seriously injured) claims cohort.

Consequently, there has been an increase in claim payments and liabilities attributed to lump sum payments. At \$538m, it accounts for almost half of the total short term claims liability (\$1,081m at 30 June 2023) and is now significantly more than the \$153m in liabilities attributed to income support payments paid to those in the short term claim classification. The increased use of redemptions, an outcome of the legislative changes, and the associated operational response required, have resulted in an \$8.1m increase in the payment of redemptions in 2022–23 compared with the previous year.

The other significant liability increase noted in the 30 June 2023 result was a \$34m increase in the liability for noise-induced hearing loss claims. This is due to the rapid and sustained increase in the number of these claims and the pattern of service provision changing in a way that results in higher costs being incurred over a longer period of time.

## Financial results

The financial results for the year were sound with a profit from operating activities of \$69.1m and a profit from insurance operations (PFIO) of \$52.0m. The PFIO adjusts the result to remove the effect of long term interest rate changes and investment performance and is explained in greater detail later in this report. The operating result has assisted in reducing the net liability position of the Scheme and improved the funding ratio from 92.8% at the end of 2021–22 to 94.7% at 30 June 2023.

## Summary

We all have an interest in continually challenging and improving the service and value offered to South Australian workers, employers and communities. The Board and the team at ReturnToWorkSA remain cognisant of the importance of engaging with stakeholders and further enhancing the information provided about the Scheme and its performance to assist our joint endeavours to achieve these ongoing improvements to services. We remain optimistic about the strong performance in return to work rates, along with lower disputes and complaints received. We look forward to building on our relationships with stakeholders and continuing to provide a valued and affordable Scheme that empowers and supports South Australians impacted by work injury.

# INSURANCE PERFORMANCE SUMMARY

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## Our strategic plan

The ReturnToWorkSA Board has a clear strategic plan for 2023–28 aligned to fulfilling our purpose is to empower and support South Australians impacted by work injury. The key 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.**



## Realising the health benefits of work

### Timely decisions

There were 14,527 claims received in the registered Scheme. Pleasingly, 86% of all physical injury claims received were determined within 10 business days of receipt. Hearing loss, psychological, working director and death claims are not included in this measure of performance because of the more complex nature of the work required to determine these claims.



**86%**

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





**28,615**

mobile claims manager visits

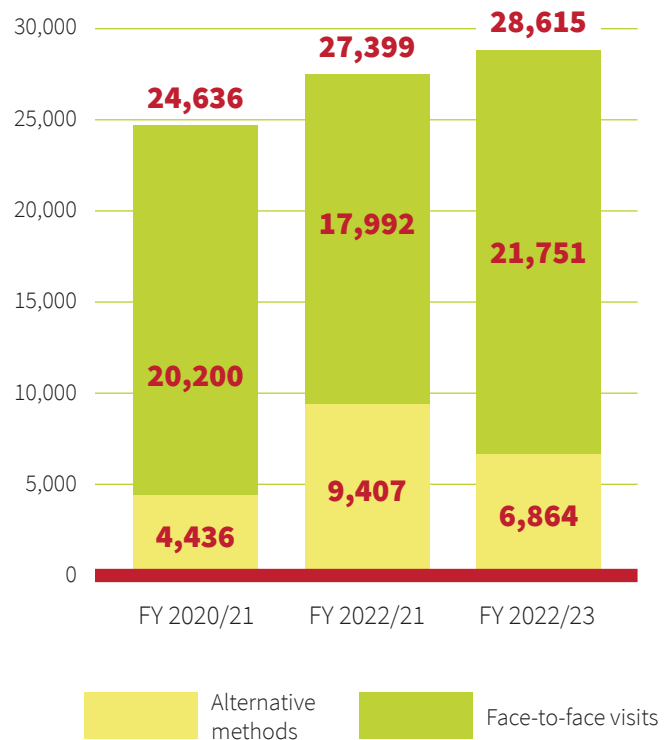
### Personalised claims service

The number of face-to-face interactions between Mobile Claims Managers and injured workers/employers increased in 2022–23.

The importance of early intervention and support for injured workers is widely acknowledged. The average number of claims per month where the initial Mobile Claims Manager visit occurred within 14 days of claim receipt increased by 44% in 2022–23 as part of deliberate endeavours to provide support as early as possible.

ReturnToWorkSA achieved the best “remain and return to work” results for the last five financial years, across all milestone measures from 13 to 103 weeks.

Mobile claims manager engagements



**6,864**

mobile claims manager alternate methods (phone and video)



**21,751**

mobile claims manager face-to-face visits



**162**

mobile staff



## Remaining at or returning to work

The Return to Work insurance scheme provides financial assistance and case management support to assist injured workers to recover, remain at or return to work.

The longer people are away from work, the less likely they are to return at all, which has significant adverse implications for the wellbeing of those workers.

The table outlines the key durations of claims and the percentage of injured workers who have remained at or returned to work prior to those durations.

ReturnToWorkSA have seen a significant improvement in remain at and return to work rates over the 2022–23 financial year.



# 42

workers assisted back to work through Re-employment Incentive Scheme for Employers (RISE)\*



# 80

seriously injured workers assisted to remain at or return 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
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%
2018–19	75%	84%	88%	92%	95%

## 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
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%
2018–19	82%	90%	93%	95%	96%

*The above 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 21 July 2023.*

\*Refer to page 39 for information about RISE.

# LEGISLATION CHANGES EXPLAINED

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On 6 July 2022, the South Australian Parliament passed the *Return to Work (Scheme Sustainability) Amendment Bill 2022*, which was proclaimed as an Act on 28 July 2022.

## Key changes to the Return to Work scheme

- From 1 January 2023, the serious injury threshold for physical injuries increased from 30% to 35% Whole Person Impairment. Allowing for the combination of injuries, the increase in the seriously injured threshold for physical injuries is considered to better reflect an appropriate level of impairment beyond which a worker is entitled to income support until retirement age and medical expenses for life.
- From 17 October 2022, workers who have been seriously injured on or after 1 July 2015 can elect to receive a single lump sum for economic loss. If an election is made, the worker is no longer entitled to receive ongoing weekly payments until retirement age. This gives injured workers more options and the freedom to make the best decision for their personal circumstances.
- Injured workers requiring surgery after their income support has ended during the medical entitlement period, are entitled to up to thirteen weeks of supplementary income support payments following approved surgery.
- Allowing for a redemption of medical expenses for seriously injured workers.
- The Second Edition of the *Impairment Assessment Guidelines* was revoked on 1 August 2022, reverting to the First Edition *Impairment Assessment Guidelines*.
- The government committed to consulting broadly on the development of a Third Edition of the *Impairment Assessment Guidelines*. The government commenced work on this during 2022–23. A group has been formed at the invitation of the Minister for Industrial Relations to co-design and consult on a draft of the Guidelines. The group includes representatives of the medical profession, impairment assessors, legal profession, unions and ReturnToWorkSA. The review of the Guidelines is progressing and has involved extensive consultation with stakeholders.

There is limited claims experience with the full suite of legislative changes in place. While the impact of the changes has been modelled, it will take at least two to five years for the real impact to be known.



# FINANCIAL PERFORMANCE SUMMARY

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## **Effective economic operation of the Return to Work scheme**

Continued improved return to work rates and premium growth positively impacted this year's underwriting result (and the total comprehensive result).

Note the 2021-22 underwriting result reflected the actuary's \$424 million central estimate for the reduction in liabilities attributable to the Amendment Act proclaimed in 2022.

The total comprehensive result also benefited from high investment earnings in the current financial year.

<b>Profit from insurance operations</b>	<b>2020-21 \$'m</b>	<b>2021-22 \$'m</b>	<b>2022-23 \$'m</b>
Underwriting result <sup>1</sup>	(776.6)	289.8	(131.2)
Change in economic factors <sup>2</sup>	(104.0)	(369.0)	26.0
Long term investment earnings (net) <sup>3</sup>	143.5	175.0	205.9
Operating expenses <sup>4</sup>	(53.8)	(58.0)	(61.2)
Other income <sup>5</sup>	12.2	12.7	12.5
<b>Profit/(loss) from insurance operations <sup>6</sup></b>	<b>(778.7)</b>	<b>50.5</b>	<b>52.0</b>
Include change in economic factors	104.0	369.0	(26.0)
Investment earnings difference <sup>7</sup>	255.8	(365.8)	43.1
Operating profit/(loss) <sup>8</sup>	(418.9)	53.7	69.1
Tax equivalents <sup>9</sup>	0.0	0.0	0.0
<b>Total comprehensive result</b>	<b>(418.9)</b>	<b>53.7</b>	<b>69.1</b>

1. Premium less Claim costs (including economic factors), claim agent and tribunal fees [*per Statement of Comprehensive Income*]
2. Exclude impact of change in economic factors that are beyond ReturnToWorkSA's control e.g. discount rates
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 2022-23 was 1.80%.

## Continued low level of premium disputes

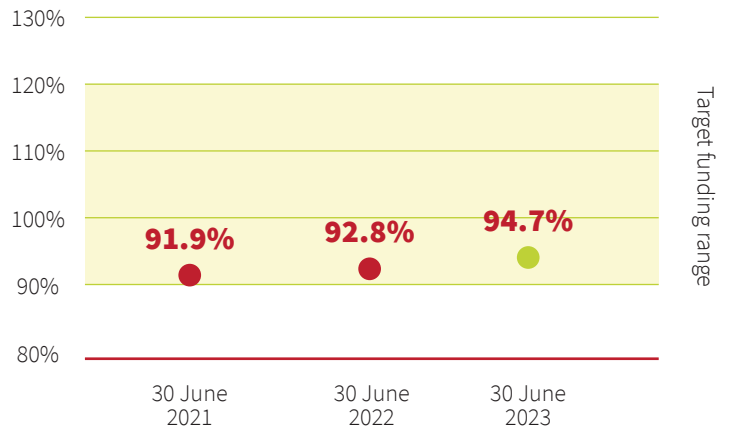
Over 60,000 South Australian employers were registered premium payers in 2022-23, out of which there were only 11 premium review requests lodged.

## Scheme funding ratio

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

One of the primary functions of ReturnToWorkSA is to take all reasonable steps to ensure the Scheme is fully funded on a fair basis, while also seeking to keep the premium affordable for employers at less than 2%, as stipulated in the Act.

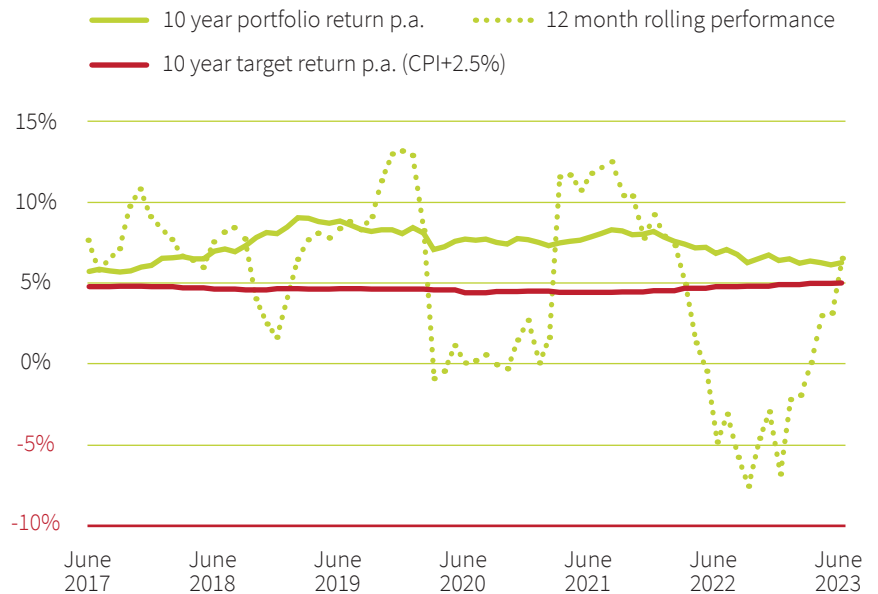
The ReturnToWorkSA Board seeks to maintain the funding position within a targeted funding ratio range of 90% to 120%. The funding ratio as at 30 June 2023 was 94.7%, which was an improvement on last year.



## Investment return

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

▼ Net return on investment for 2022-23 was 6.7%



# ABOUT US

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The Return to Work scheme is a critical contributor to South Australia's economy, protecting workers and employers from the costs of work injury.

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

- 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 in a financially sustainable way, to provide for 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 613,000 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 directly provides all insurance underwriting functions including premium price setting, the design of the premium system, premium risk management and premium collection.

ReturnToWorkSA does not directly manage all claims. We have appointed two claims agents, Employers Mutual SA Pty Ltd and Gallagher Bassett Services Pty Ltd, who are contracted to deliver claims management services under the Act and in accordance with the ReturnToWorkSA business model.

ReturnToWorkSA retains direct management of claims from injured workers who have suffered catastrophic injuries. While the number of people who suffer such injuries is low, the complexity and intensity of these worker's needs are high.

Our EnABLE team specialises in providing a personalised and intensive support service for these workers, their families and their employers.

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

- effective claims management services to 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 about the health benefits of work and legislative compliance obligations.

Our regulatory role is designed to protect the integrity and fairness of the Scheme and includes:

- managing compliance with employer obligations to register with ReturnToWorkSA, provide accurate remuneration returns, provide suitable employment and appoint a return to work coordinator
- managing the registration and compliance of Crown and private self-insured employers who manage their own claims and associated liabilities as an alternative to insuring with ReturnToWorkSA
- monitoring the delivery of a fair, effective and efficient Return to Work scheme
- setting the fees and conditions for the provision of medical, allied health, return to work, job placement and other services funded by all insurers
- educating service providers about the Scheme and our expectations of service outcomes
- responding to enquiries and managing complaints
- raising awareness and investigating potential offences under the Act and prosecuting dishonesty offences
- ensuring permanent impairment assessments comply with the Act, the Minister's *Impairment Assessment Guidelines*, *American Medical Association Guide to the Evaluation of Permanent Impairment 5th edition (AMA5)* and the relevant case law.

## Legislative services

In 2022–23, ReturnToWorkSA provided support and advice to the government on potential scheme reform and improvement. This included investigation of reforms aimed at achieving fairer outcomes for workers with dust diseases, and strengthening employer obligations to provide suitable employment to injured workers. On 22 June 2023, the government commenced public consultation on the *Return to Work (Employment and Progressive Injuries) Amendment Bill* (the draft Amendment Bill). ReturnToWorkSA will continue to support and advise the government on the draft Amendment Bill through the consultation period and Parliamentary process.

## Stakeholder engagement

Workers and employers are the fundamental focus of the Return to Work scheme, with service providers and claim agents being key players who provide core services. The process associated with the development of the second edition of the *Impairment Assessment Guidelines* (the Guidelines), revoked on 1 August 2022, and the recent legislative reform has highlighted the opportunity for improvement in our stakeholder engagement process.

In response to this, ReturnToWorkSA has:

- Reviewed and reframed its stakeholder engagement approach, with an increased focus on our commitment to engagement and working with stakeholders.
- Introduced a co-design approach to the third edition of the Guidelines, to ensure Whole Person Impairment assessments are fair, consistent and objective. ReturnToWorkSA will also look for other opportunities to adopt a co-design approach, particularly with initiatives that involve direct services for workers and employers.
- Reviewed and improved Scheme statistics published on ReturnToWorkSA's website. Further work will be done in this area in 2023–24, as we seek to engage with key stakeholder groups to identify additional areas of data and information which would be beneficial.
- Commenced review of the approach to surveying customer satisfaction and experiences in the Return to Work scheme. While the Net Promoter Score is an important operational tool, ReturnToWorkSA is considering a broader approach. This is expected to be implemented in 2023–24.
- Clearly articulated our Purpose and Values. Our focus will be outward facing in our work and services, including a genuine commitment to listening to and understanding the views of our stakeholders.





# OUR STRATEGIC DIRECTION

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

Our strategic plan has evolved as the Return to Work scheme has matured and new challenges have emerged.

Recent enhancements have included increasing the intensity of our efforts to attract, develop and retain people with the right skills and attributes across our workforce.

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.

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## 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.

*The rates below 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 21 July 2023.*

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

	4 weeks	13 weeks	26 weeks	52 weeks	103 weeks
2022-23	72%	86%	91%	93%	95%
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2020-21	82%	90%	93%	94%	95%
2019-20	81%	88%	91%	93%	96%
2018-19	82%	90%	93%	95%	96%



## Personalised and mobile service model

ReturnToWorkSA has a strong focus on service and a personalised approach. ReturnToWorkSA and our claims agents have 162 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 3,759 this financial year. This increase in personalised support has contributed to our improved remain at and return to work results in 2022–23.

We have continued working to increase the level of support that our customers receive. This includes, but is not limited to:

- an increase to the number of staff delivering front line claims services to our customers
- more face-to-face engagements occurring across South Australia, in particular within medical facilities
- claims agents continuing to actively support injured workers using digital alternatives to engage, in instances where face-to-face isn't an option
- access to new services across the Scheme that help support mental health and wellbeing for both injured workers and employers.

These and other initiatives are also documented in our strategic plan. 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.



**28,615**  
mobile claims manager engagements



**6,864**  
mobile claims manager alternate methods (phone and video)



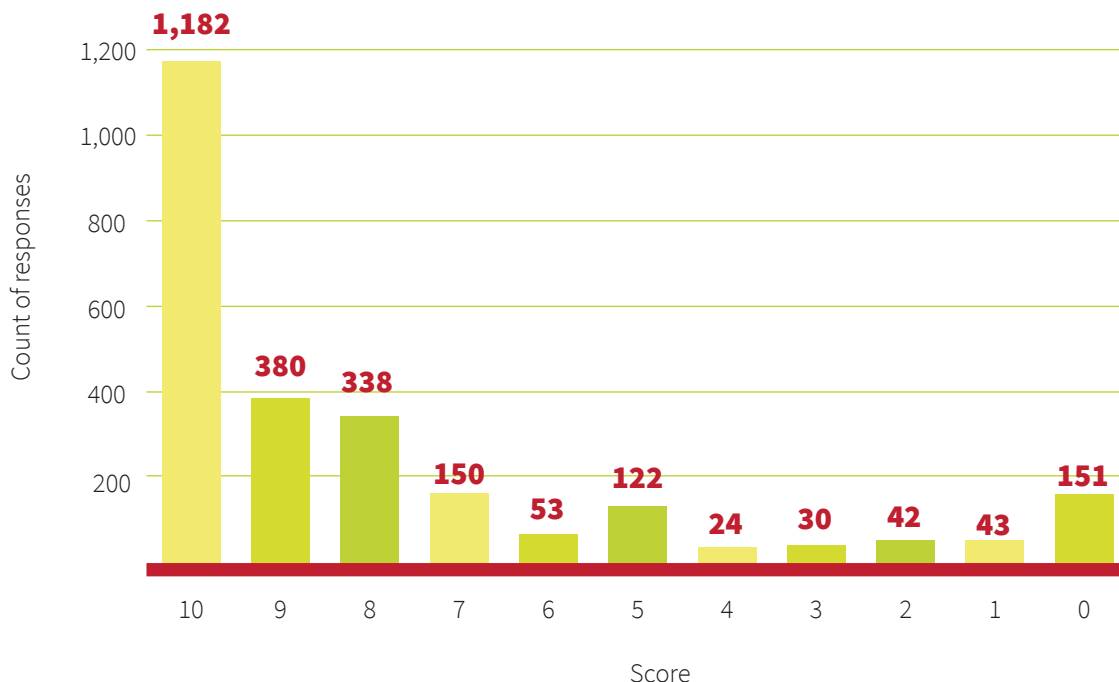
**21,751**  
mobile claims manager face-to-face visits

## Feedback on personalised claims service

Our Net Promoter Score surveys are designed to capture customer opinions whilst the services are still being received, rather than only on completion.

This immediacy has contributed to a high response rate of 22%. Importantly, if people indicate they are not satisfied with the service in the survey, we are able to contact them and discuss what we can do to address their concerns. This service recovery aspect is a critical element of the business model.

82% of respondents rated the service at seven or above, with the largest cohort of responses being at the maximum score of 10.







## Access and equity

ReturnToWorkSA is committed to providing access to our services and products to all South Australians.

Information on the Return to Work scheme is available in 25 community languages and in AUSLAN.

To ensure that our services are culturally sensitive and inclusive, we provide our employees with access to a full suite of Diversity and Inclusion education. With modules on:

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

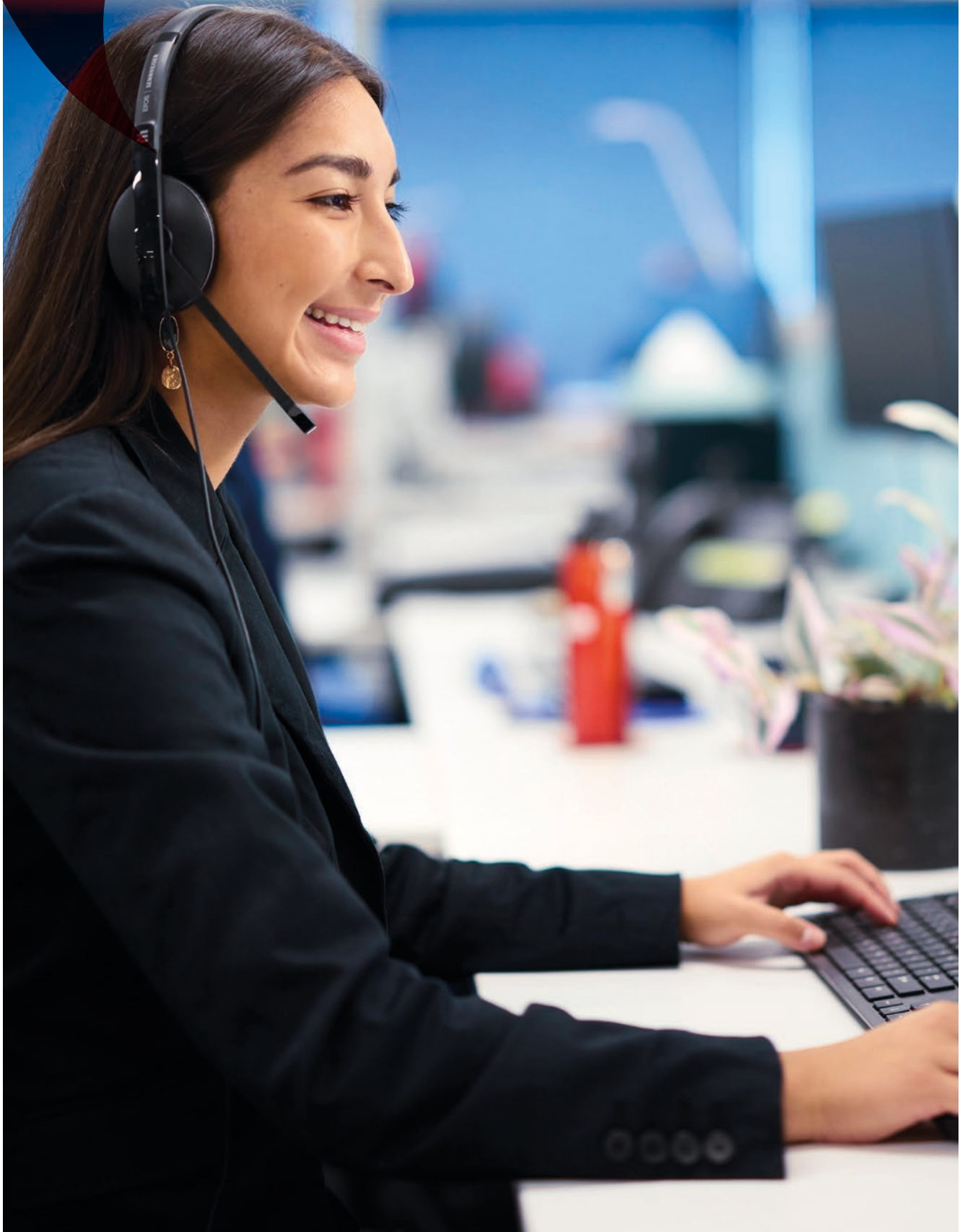
## Making our website more accessible

We are constantly seeking to ensure better access to information about our services and products.

In 2022–23, ReturnToWorkSA undertook work to ensure that our website is easy for our customers to use, including people with a broad range of disabilities. An accessibility audit was conducted by Digital Access at Vision Australia in line with the internationally recognised Website Accessibility Conformance Evaluation Methodology (WCAG-EM).

Improvements include the addition of transcripts and captions to videos.

On 2 May 2023, Vision Australia provided a Statement of Accessibility for the ReturnToWorkSA website with our level of conformance achieved at WCAG 2.1 Level AA.

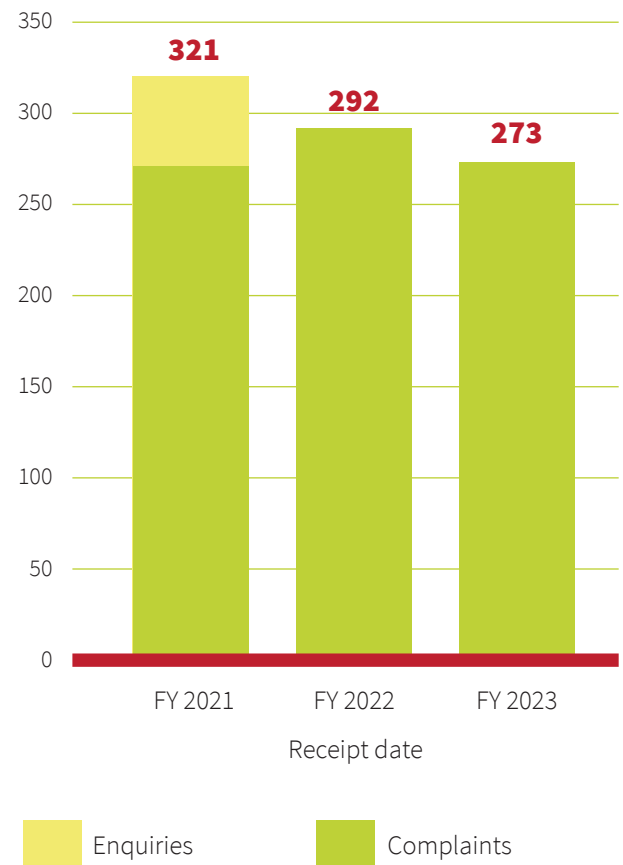


## Digital Transformation

ReturnToWorkSA is improving the experience for South Australian workers and employers when interacting with us through a Digital Transformation Program. Using feedback from customer research, the program will see regular improvements made to technology and processes over the next five years to make it easier for employers and injured workers to interact with us, and provide better visibility of their claim and premium information. These changes will also provide better quality information and support our staff to be more productive and efficient in the delivery of service.

## Complaints

Complaint numbers decreased to 273 this financial year, down from 292 in the previous year, indicating lower levels of dissatisfaction overall. The decrease is consistent with our expectations in an environment where the number of mobile claims engagements continues to increase.



Changes in the reporting of complaints and enquiries occurred in 2020 to achieve greater consistency in classification. This did not impact total numbers but did result in contact, which was previously considered to be 'enquiries', to become 'complaints' from 2020 onwards. Enquiries are no longer included in reporting and this graph displays the number of formal complaints recorded by ReturnToWorkSA and our Agents.



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

94%

workers reimbursed within 14 days of us receiving their receipts

99%

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

99%

employer wage expenses reimbursed within 30 day terms

86%

claims submitted for physical injuries are determined within 10 days

Easing the anxiety of participants in the claim process has been a key focus for our claims agents. We have strengthened our focus on getting the insurance basics right.

- 86% of claims submitted for physical injuries were assessed within 10 business days (excluding hearing loss, psychological, working director and death claims which all require more detailed eligibility assessment processes). Claims for psychological injuries and claims for injuries incurred many years before lodging the claim for compensation take longer to establish whether the person is eligible for access to the Scheme. We operate a 'no fault' insurance scheme, and of the claims received and determined in 2022–23, approximately 91% were accepted at first determination.
- 94% of workers have their expenses reimbursed within 14 days of receipt.
- 99% of employers receive wages reimbursements within 30 business days.
- 99% of medical and allied health providers receive payment of their invoices within 30 business days.

## Disputes

Workers or employers who are unhappy with the outcome of 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 9.5% in 2022–23, from 3,266 to 2,956.

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.

The outcomes of these determinations may be linked to significant economic loss lump sum payments (up to \$539,820) and much higher value benefits via the serious injury classification. If an injured worker is assessed as being seriously injured, they become entitled to income support at a level of 80% of their notional weekly earnings through to retirement age, with medical benefits paid for life. Given the high monetary value of

these benefits, the level of disputation associated with challenging the outcome of WPI determinations is unsurprising. ReturnToWorkSA has a critical role to play in managing the gateway to these benefits in accordance with the legislative intent. Protecting the integrity of Scheme boundaries is essential to managing the affordability and durability of the Scheme.

Lump sum compensation and serious injury benefits are essential provisions of the Scheme for those who are entitled to them and who rely upon them. That being said, it is also vital that eligibility processes for access to these benefits are rigorously managed to maintain the affordability and durability of the Scheme. The Return to Work scheme pays the reasonable costs of all disputes for an injured worker or employer who challenges the determinations made by ReturnToWorkSA and its claims agents.

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 our 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. In the event that 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 2023) a reduction in:

- open disputes of 22%
- open dispute duration of 10%, and
- closed dispute duration of 13%.

## Representation of the journey from claim determination through to dispute outcome

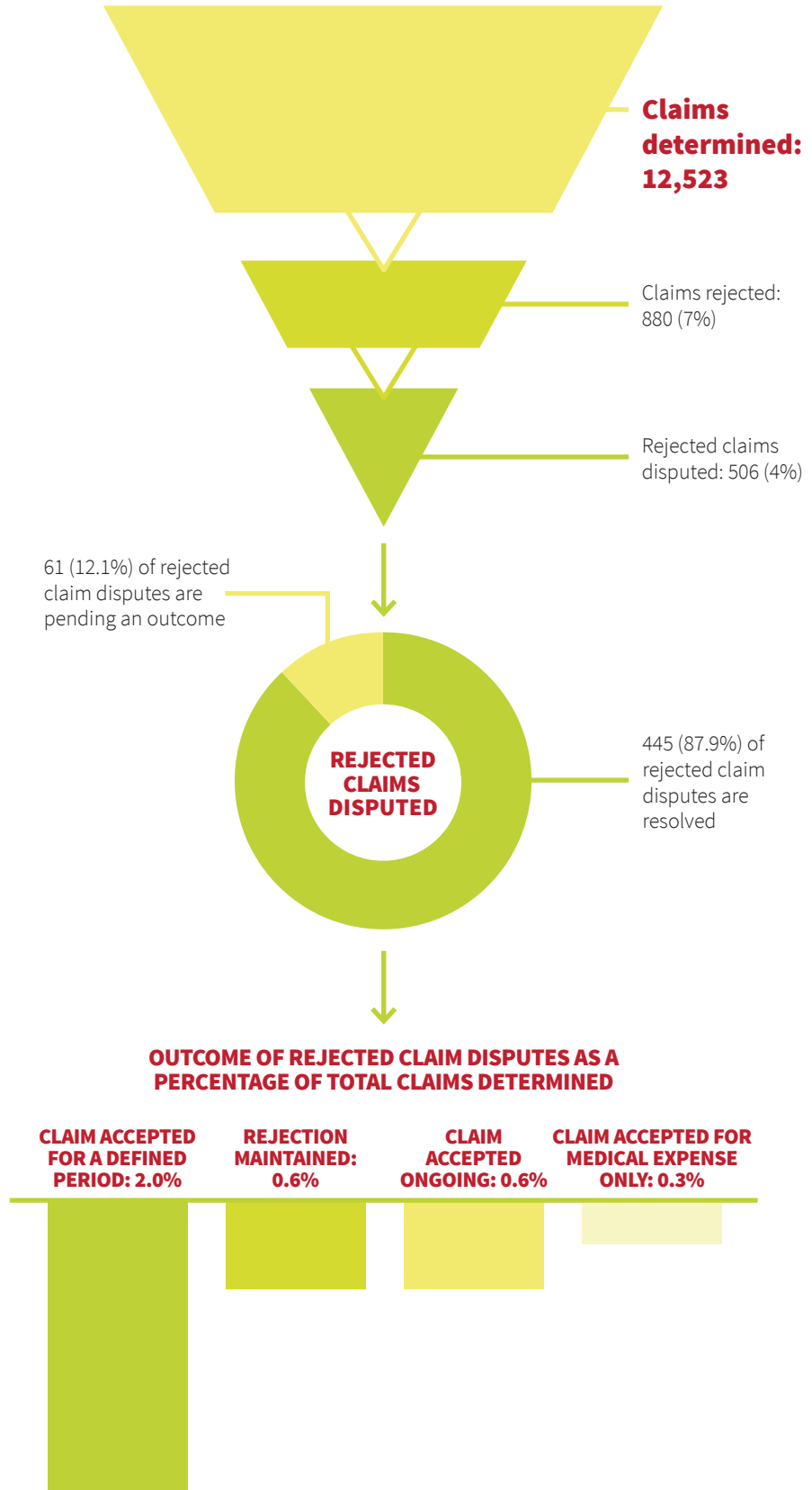
Data used in this figure is for the 2021–22 financial year.  
Due to disputes resolving differently and dynamically over time, this is the most mature data available.

This will continue to be a focus for ReturnToWorkSA.

In particular, we understand the importance of resolving compensability or eligibility disputes.

The figure 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.





## Retraining

Whilst most people injured at work recover and remain at or return to their employment, there are people who are unable to return to the job they were performing before their injury occurred. These people may require retraining and assistance in finding new employment. The Return to Work scheme allows the fund to provide financial support to people in this situation.

## 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 injury level of 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 2023, there were 887 active seriously injured workers receiving support from the Scheme.

## Supporting Scheme service providers to deliver better health outcomes

Supported by a Physiotherapy Advisor, Exercise Physiology Advisor and three Medical Advisors who are practising General Practitioners, ReturnToWorkSA continues to provide a diverse education and support program to medical and allied health service providers.

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



This year 32 practice visits with Physiotherapists and Exercise Physiologists occurred and 28 educational sessions were delivered to allied health undergraduate and postgraduate university students.

Supported by our Medical Advisors, ReturnToWorkSA met with 137 community General Practitioners across 31 clinics to provide education and support medical providers. Support included information about the work injury scheme, encouraging the use of the electronic work capacity certificates, promoting certification for suitable duties as part of the Health Benefits of Work, and assistance with billing and fee enquiries.

Feedback on these sessions has been largely positive, with 93% of doctors rating the overall experience as “very good” or “excellent”. Additionally, doctors rated 93% of content, speakers and handouts of these sessions as “very good”.



## Work Injury Guide for Medical Practitioners

This document was specifically created as a guide for medical practitioners working in the Scheme to gain a greater understanding of the essential components that will assist them and their patients with returning to work. The Guide addresses the claims management model, important stakeholders and their responsibilities, service and supports available to doctors and their patients, as well as practical components of the South Australian work injury scheme. Created in consultation with both the Australian Medical Association (AMA) SA and the Royal Australian College of General Practitioners (RACGP), the Guide was provided to over 900 medical practices in South Australia and continues to form an important part of resources available to doctors at practice visits and education sessions.

ReturnToWorkSA continues to offer free online modules for medical and allied health practitioners (*ReturnToWorkGP*, *ReturnToWorkAHP* and *Opioids and Your Patient*). These CPD accredited modules provide up-to-date and valuable information for health professionals, including those in the undergraduate setting. More than 1,000 allied health and medical professionals completed the online modules in 2022–23.

In addition, ReturnToWorkSA introduced a new online module—*ReturnToWorkPsych*—designed specifically for allied health professionals, such as psychologists, mental health occupational therapists and social workers and counsellors, who treat psychological work related injuries.

ReturnToWorkSA recognises that the demand for mental health services in the community has significantly increased in recent years, particularly in the wake of the COVID-19 pandemic, which has impacted negatively on wait times to see a psychologist. Whilst psychologists provide the majority of treatment to injured workers with a work related psychological injury, Mental Health Social Workers, Mental Health Occupational Therapists and Counsellors have a role and injured workers benefit from early access to a wide range of treatment models offered by other mental health professionals.

## New mental health fee schedule

ReturnToWorkSA has developed and implemented a mental health fee schedule, providing increased awareness of the range of mental health services supported and funded by the Return to Work scheme. The Mental Health Fee Schedule and Policy sets out minimum qualifications and experience standards for these providers to work in the Scheme, which ensures workers receive consistent and high quality services.

The Mental Health Fee Schedule and Policy was developed in consultation with OT Australia (OTA), Australian Association of Social Workers (AASW), Psychotherapy and Counselling Federation of Australia (PACFA), Australian Psychological Association (APA) and the Institute of Private Practicing Psychologists (IPPP).





## ReachForTheFacts

ReturnToWorkSA continued to maintain the ReachForTheFacts website—[reachforthefacts.com.au](http://reachforthefacts.com.au)—which serves as a central hub for information and resources, including an interactive ‘side effects’ page, a ‘medicine checker’ to learn more about specific prescription opioids, and an opioid dependency tool to provide further insight to those who may be unknowingly struggling with dependency issues.

For health professionals, the website is also a useful resource, providing a central repository of contemporary resources and clinical information regarding pain management and clinical tools for dependency assessment and deprescribing.

The risks associated with the use and misuse of prescription opioids remain a Scheme and community issue for South Australia which can adversely impact return to work outcomes. ReturnToWorkSA will continue to work with relevant organisations and peak bodies to raise community awareness, through the ReachForTheFacts website, about the use of prescription opioids.

## Facilitated Conversation

In the latter part of 2021–22, ReturnToWorkSA developed and implemented a pilot service called Facilitated Conversation to provide injured workers an early intervention service to support them when they were experiencing interpersonal conflict in the workplace, which in turn may be affecting their recovery and return to work. The conversations between parties are guided by a coach who has specific skills to work through barriers and concerns. The 12-month pilot resulted in 100 referrals, predominately made by claims managers, and helped 30% of injured workers achieve a safe and successful return to work. Focused on support for workers with psychological injuries during the pilot, the Facilitated Conversation service is now available to workers with physical and/or psychological injuries.



Facilitated Conversation pilot received 100 referrals

## Surgery Assist

In recognition of an expanded program, ReturnToWorkSA's Post-Surgical Support Program was renamed and relaunched as Surgery Assist. This tailored and voluntary program is delivered by allied health coaches for up to 10 weeks before and after surgery has occurred. The revised service now offers education and support prior to surgery, helping injured workers prepare for surgery and better manage their post-operative experience, leading to a decreased need for ongoing pain medication, improved health literacy and increased functional capacity. The program has also provided effective support for participants transitioning from the care of their surgeon to their general practitioner. This year, the program has provided support to 720 injured workers who have had surgery, an increase of 31% from the previous year.



Surgery Assist provided support to 720 injured workers who had surgery.



### Supporting people with serious injuries to return to work and return to life: Lucinda's story

The intent of the *Return to Work Act 2014* is to help injured workers recover from their injuries and return to safe and sustainable employment. ReturnToWorkSA believes all injured workers, including those with a serious injury, should be provided with the same opportunities to access employment in the open labour market and experience the health benefits of work. Being employed positively impacts quality of life by providing a sense of purpose and deeper connection with the community. Together with our claims agents, we are committed to guiding and supporting seriously injured workers to re-engage with the community. Part of this has been a sustained focus over the past couple of years to support seriously injured workers to make a return to work where possible.

Today, a passionate Lucinda proudly represents her country playing wheelchair basketball. But she has navigated lots of challenges along the way, to build a fulfilling career, with the support of her claims manager.

While working in night fill at the age of 21, Lucinda went to stack a box on a shelf, like she had done many times that night. As she did, she knocked her knee on the corner of a shelf, causing the shelf to fall onto her knee.

“I was on the floor in a lot of pain” said Lucinda.

“The next day I woke up with a lot of pain still in my knee, I was struggling to walk.”

In the weeks that followed, Lucinda knew that things weren’t right, beginning a long journey of trying to restore function in her knee.

“I remember going to my GP saying ‘there’s something wrong. I’m in a lot of pain, my knee is supposed to bend more but I can’t get it past 20 degrees.’”

A frustrating six years followed; she was unable to walk whilst options to improve her knee mobility and pain were eventually exhausted.

“It got to a point where I was told ‘the best thing for you is going to be to amputate.’”

When talking about her amputation, there was a sense of relief in Lucinda’s face and the renewed zest for life that followed carries on today.

“All of a sudden, after six odd years of nothing working, the progress I had in that 12 months after amputation was so much more than what it was before.

I was doing weights, I was walking... the progression of it was just incredible.”

Lucinda is the kind of person who wouldn’t let anything stand in the way of her goals. Emma, her claims manager from Gallagher Bassett, knew from their first meeting that Lucinda would go on to achieve “really amazing things.”

“My claims manager Emma has been really supportive” said Lucinda.

While knowing what support services were available to help Lucinda and connecting her to them was a key part of her recovery, it was Emma’s empathy that stood out.

“She was there to support me as a claims manager, but she was also very supportive in the human side as well.”

In 2021, Lucinda returned to the workforce, where she was using her passion for sport to run soccer programs in schools.

“When you’re at home injured, you don’t have a plan for the day” said Lucinda, when comparing her life before and after returning to work.

“Going back out into work gave me that structure that I was missing.”

While her work life was going well, things also began to bloom outside of work.

“I got into wheelchair basketball and it just changed everything. It was a community of people.”

It wouldn’t be long before people started to notice Lucinda on the court, eventuating in an offer to train with the Gliders squad, the Australian Wheelchair Basketball Team. In early 2023, Lucinda travelled with the squad to Japan where she debuted in green and gold in the Osaka Cup.

Lucinda’s zest for life, sense of wellbeing and hope for the future is infectious.

“Going back into work has provided me with more structure... Getting back out and playing more basketball, playing sports—something that I really enjoy—made it easier for me moving forwards because it was something to look forward to.

I’ve got another group of people who I can talk to.”

**Watch Lucinda’s story →**





## Impairment assessments

Whole Person Impairment assessments are a key component of the calculation of lump sum entitlements for economic loss and non-economic loss for workers. They remain a critical element of the Return to Work scheme that help 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* and AMA5, and also provides support to accredited impairment assessors through training and responding to enquiries. To improve the accreditation experience for assessors seeking accreditation from the Minister, ReturnToWorkSA developed and implemented online training. The training is self-paced and interactive for the participant and has been viewed a positive shift in supporting specialists to become accredited.

An important feature of the permanent impairment assessment scheme is the *Impairment Assessment Guidelines*. The Second Edition Guidelines were revoked on 1 August 2023 following legislative change.

By invitation of the Minister for Industrial Relations and Public Sector, a Stakeholder Representative Consultation Group has been formed with representatives from the medical profession, legal profession, unions and ReturnToWorkSA, using a co-design approach to review the *Impairment Assessment Guidelines* and consult on and draft a Third Edition.

The development of the Guidelines will continue throughout 2023–24 with extensive consultation occurring as drafting occurs. ReturnToWorkSA will be responsible for implementation of the Guidelines once they have been authorised by parliament.

In 2022–23, it was recognised that the Minister’s Impairment Assessor Accreditation Scheme for permanent impairment required review. The Minister has approved that review, to be led by ReturnToWorkSA, with planning already commenced for a highly consultative and collaborative approach to undertake this work, involving assessors and other key stakeholders. A new Scheme is expected to be launched in latter part of 2023–24.

In 2022–23, 2,435 permanent impairment assessment reports were received (excluding Noise-Induced Hearing Loss reports from October 2022).

Of the total reports received, 88% were compliant on first review.

## Personalised support and case management

Our specialised unit of Support Coordinators and Claims Officers continue 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.



## 95% 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.

### Nathan's story\*

"I could not be more grateful of my claims manager as she continued to work with me and guide me to find new employment. Without her support I wouldn't be where I am today."

Nathan sustained a serious facial injury when a metal plate exploded in his face, and he suffered further significant psychological distress when he lost his job not long after the accident. Nathan's claims manager arranged an immediate psychological assessment and continued to support him through the claim process, including working closely with Nathan and his psychologist to prepare for training and new employment.

The empathy and commitment shown by his claims manager contributed significantly to Nathan's psychological improvement and set him on the path to recovery, and returning to work.

### Monica's story\*

"My claims manager was very helpful in making sure I understood the process for my rehabilitation and return to work. My employer has also been very supportive and encouraging. I am happy to say I have returned to work and feel very happy."

Monica\* was an aged care worker when she fractured her ankle after tripping at work. Her claims manager met with her and her employer to identify suitable duties so that she could get back to work as soon as possible, in a safe way, while recovering from her injury. Monica undertook administrative duties and this really helped support her return to work.

Monica's claims manager arranged weekly physiotherapy and hydrotherapy treatment to aid in her recovery, and Monica was cleared sooner than expected and was able to achieve a full recovery and return to work eight weeks after her injury.

\*Some names have been changed to protect privacy.



In 2022–23, the ReCONNECT service received 485 referrals, a 28% increase from the previous year.

90% of clients achieved their ReCONNECT goal.

## The ReCONNECT Service

ReturnToWorkSA's ReCONNECT service provides free and voluntary support to people with a work injury claim who require assistance accessing community-based programs and services, in addition to their Scheme funded support, such as:

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

ReCONNECT clients can access services at any time during their work injury claim, including when they have a dispute regarding their work injury claim, while they are receiving return to work services, or if they have reached retirement age.

ReCONNECT services are available to any injured worker, regardless of whether their employer is premium-paying or self-insured.

## 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 2022–23, 42 applications for RISE subsidies from employers were approved.

## Employer Education Advisory Services

ReturnToWorkSA's Employer Education team supports employers and Return to Work Coordinators to effectively manage recovery and return to work within their workplace.

The service:

- helps inform employers of their return to work obligations
- provides educational tools and resources to build employer and return to work capability to manage recovery and return to work
- provides tailored guidance and advice to overcome challenges and help employers improve outcomes, reducing impact of work injuries on business and premiums.

In 2022–23 the Employer Education team focused on increasing employer's awareness about the role of Return to Work Coordinators. Ensuring employers are meeting their requirement to appoint and train a state based Return to Work

Coordinator can have a positive impact on workers, the business and the Scheme overall. The team made contact with over 2,000 employers, and as a result, 90% of employers were compliant with their Return to Work Coordinator obligations at the end of 2022–23, increasing by 26%.

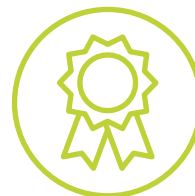
To assist employers understand their obligations, a new *Return to Work Coordinator – Guideline for Employers* was developed. This focus on appointing Return to Work Coordinators lead to a surge in training requests. In 2022–23, over 900 Return to Work Coordinators received their certification from ReturnToWorkSA's five approved training providers delivering more than 80 courses.

With a growing number of people undertaking the Return to Work Coordinator approved training course, we undertook to measure the impact of training in the workplace. Survey responses from Return to Work Coordinators, received three months post training, demonstrated 91% considered the training prepared them for managing work injuries, and 100% recommended the training.

Survey responses from their employers revealed 94% noticed benefits and improvements since appointing their Return to Work Coordinator, and 94% recommending the training for a Return to Work Coordinator based on value and impact.

In 2022–23, the service continued to deliver its free workshop program, delivered predominantly online to ensure employers and Return to Work Coordinators across South Australia could attend. A total of 23 workshops were delivered to a total of 483 participants. In June, ReturnToWorkSA delivered a one day employer forum to 60 people in Adelaide with forum participants

providing valuable information to help shape a reward and recognition program for employers and their Return to Work Coordinators and further refine supports and services they need from the Employer Education team in 2023–24.



900 Return to Work Coordinators received their certification

## Low Intensity Mental Health Support Service

The Low Intensity Mental Health Service provides a mental health coaching service to injured workers who may be experiencing stress or mild to moderate anxiety and depression to assist them in their recovery and return to work. It can also be accessed by an identified support person(s) of the injured worker (e.g. family member) who is actively supporting the injured worker's recovery and return to work. In 2022–23, there were 542 referrals for the Low Intensity Mental Health Support Service (an increase of 27% from the previous year), which was predominately utilised by injured workers, with family members/support persons comprising of approximately 7% of all referrals. The service is offered face-to-face, telephone based, or a blend of phone/online providing support and coaching from cognitive behaviour therapy coaches. The service also includes a specific coaching program for Aboriginal and Torres Strait Islander People, with Indigenous coaches providing support.



## Mentally Healthy Workplaces Service

ReturnToWorkSA is committed to providing support for mentally healthy workplaces in South Australia. The expanded Mentally Healthy Workplaces Service now has two Mentally Healthy Workplace Consultants to assist employers and industry in the development of strategies and activities to establish thriving workplaces. The Mentally Healthy Workplace Consultants participate in state-wide collaboration with strategic partners, provide educational workshops for key industry groups, as well as tailored support and advice to individual workplaces.

As part of ReturnToWorkSA's skill building program for 2022-23, our Mentally Healthy Workplace Consultants delivered 28 workshops, with the delivery including face-to-face, online and pre-recorded workshop options, to 572 participants. This included the delivery of two sessions on the Mentally Healthy Workplaces 'Train the Trainer' program which equips large workplaces, both registered

and self-insured employers, with the tools, knowledge and ability to deliver their own in-house training sessions on mentally healthy workplaces.

To enhance learning opportunities for employers and Return to Work Coordinators, ReturnToWorkSA developed an interactive online Mentally Healthy Workplaces Course, which provides an alternative self-paced learning option for participants wanting to create a mentally healthy workplace.

To date, 219 participants have enrolled in the program, with 93% of participants who completed the course feeling better prepared to implement effective and sustainable mentally healthy workplace initiatives at their workplaces.

ReturnToWorkSA has a collaborative approach in the development of strategies and programs in the area of workplace mental health, liaising with a broad range of stakeholders to align state-wide efforts. This includes Beyond Blue, the National Mental Health Commission, SuperFriend, Wellbeing SA, Office of the Small Business Commissioner,

Business SA, SA Unions, SafeWork SA and the Mental Health Coalition of SA. ReturnToWorkSA also regularly connects and supports the work and research of MATES in Construction in the area of suicide prevention in the construction industry.

October is Mental Health Month and the Mentally Healthy Workplaces Services participated in a number of events to improve workplace mental health. This included sponsorship of Business SA's 'Mental Health in the Workplace Month 2022', contributing to the development and delivery of the 'Mental Health Month Workplace Challenge' and 'South Australia's Biggest Mentally Healthy Business Breakfast' with over 400 participants attending in Adelaide and online from regional South Australia.

With the majority of employers in the Scheme being small businesses, ReturnToWorkSA is a strong supporter of Beyond Blue's national program 'NewAccess for Small Business Owners', a free and confidential mental health coaching service available via phone or video call to small business owners (with 20 or less employees), providing six



sessions to help business owners manage life pressures and stresses. During 2022–23, ReturnToWorkSA actively promoted and educated South Australian stakeholders and employers about the program’s availability and benefits, through employer and industry workshops. Beyond Blue also supported the ‘Healthy Minds Healthy Workplace’ City of Salisbury event and Business Victor Harbor ‘A Road Map to Workplace Wellbeing’ event in person to promote the service to our South Australia community, with a combined attendance of around 100 participants.

## **Insurance Risk Management Program**

In 2022–23, 86% of injury claims came from workers employed within medium and large employers\*.

The Employer Risk team worked with claims agents to address safety and injury management performance issues with these groups. The team contacted 476 employers and conducted 257 visits. Site work included hazard and injury management audits and claim trend reviews. Workers with these employers lodged 306 fewer claims than in the preceding year. Cost savings to the Scheme from this work totalled \$3m.

In addition, the Employer Risk team worked with a cohort of 112 labour hire employers to address poor return to work rates from a lack of host employer support or engagement. Activity with employers saw an increase in suitable duties being offered to injured workers and a reduction of 125 injuries.

ReturnToWorkSA’s cross-government work, in particular with SafeWork SA

and Wellbeing SA, continued on projects such as silicosis risks and apprentice injuries (particularly in the building trades).

All of this work will be ongoing into the 2024 financial year.

2022–23 has been one of growth for Healthy Workplaces. A Healthy Workplace advisor joined the team in July and has commenced work with the transport, aged care and young worker sectors.

ReturnToWorkSA has laid the foundations by getting to know the key issues that the target industries are facing, and developing tools and resources to help them on their healthy workplace missions.

These tools and resources are based on a holistic approach to health at work, addressing the ways that work design, HR practices and health promotion activities come together to influence health, safety and wellbeing.

In addition to this work, ReturnToWorkSA is a member of the Collaborative Partnership for Workplace Health and Wellbeing in South Australia, together with Wellbeing SA, SafeWork SA, the Department for Industry, Innovation and Science and the Office of the Commissioner for Public Sector Employment.

In October 2022, the Collaborative Partnership launched the Healthy Workplaces Service website and to date has seen more than 100 South Australian workplaces register for free assistance.

The Collaborative Partnership has further served workplaces by offering free workshops and community of practice events to grow employer capability.

ReturnToWorkSA continues to acknowledge that workplace safety is the key to a viable work injury insurance scheme. We are committed to supporting SafeWork SA with data analytics, young worker safety strategies 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 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.*

## **Providing free information and advisory services**

We fund 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 2022–23 the LSC answered 324 phone enquiries and conducted 43 advice appointments.

ReturnToWorkSA had 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 to the conciliation level. From 1 July 2022 until 30 June 2023, SA Unions’ Advocacy Unit accepted 147 requests for services, conducted 147 advice conferences and resolved 132 matters at conciliation in the South Australian Employment Tribunal.





# GOAL TWO

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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 2022–23:

- \$787 million (inclusive of GST and WHS) in insurance premium revenue was collected from more than 60,000 registered employers
- 5,890 businesses ceased registration during the year whilst 7,920 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” (s 3(2)(b) of the Act)
- “...seek to achieve an average premium rate that does not exceed 2%” (s 137(2) of the Act)
- “...take all reasonable steps to ensure the Scheme mentioned above (the Return to Work scheme) is fully funded on a fair basis.” (s12(e) of the *Return to Work Corporation Act 1994*)

The average premium rate charged in 2022–23 was 1.80%.



## 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 in the workplace.

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 are 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 can opt in to the Retro Paid Loss (RPL) arrangement. During the 2022–23 year there were 63 RPL employers.



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

## Our investment program

### Net investment return at 30 June 2023

Past year	Past 3 years	Past 5 years	Past 10 years
6.7%	4.3%	4.2%	6.2%

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 per cent.

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 are provided annually to the Board Investment and Finance Committee.

## Climate-conscious investing



In December 2021, ReturnToWorkSA’s Board supported the South Australian Government’s target of net zero emissions by 2050, acknowledging a commitment to climate science.

To support a net zero emissions target, it is important to first identify and measure current greenhouse gas (GHG) emissions. ReturnToWorkSA is reporting on the following measures which are recommended by the Task Force on Climate-Related Financial Disclosures (TCFD):

### 2023 estimated GHG emissions for ReturnToWorkSA’s investment program

Metric	Excl. sovereigns	Incl. sovereigns
Carbon intensity	47	122
Total carbon emissions	118,727	304,151
Weighted average carbon intensity	148	222

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

## Fraud and investigations

ReturnToWorkSA uses information taken from a variety of sources to detect, deter and, where appropriate, prosecute legislative non-compliance and offending.



ReturnToWorkSA received 171 referrals of suspected fraud in 2022–23. Following triage and analysis of these referrals, 53 investigations were commenced.

## Referrals, investigations & prosecutions

	2019–20	2020–21	2021–22	2022–23
Referrals	209	214	157	171
Investigations	50	71	36	53
Prosecutions	0	1	2	3

Referrals, having dropped slightly in 2021–22, have returned to 2019–20 and 2020–21 levels. A proportion of matters determined for investigations is similar to the 2019–20 and 2020–21 levels at 30–33% of referrals.

Education sessions were provided to our claims agents to ensure appropriate matters are being identified and referred.

In October 2022, a worker was convicted in the South Australian Employment Court (SAEC) after pleading guilty on 14 July 2022 to 12 charges of dishonesty under the Act. A sentence to a term of imprisonment of 109 days after 40% sentencing discount was applied and was suspended on the worker entering a good behaviour bond. Orders saw the worker pay legal and investigation costs and monies obtained from the Scheme through dishonest means.

Also in October 2022, following a guilty plea to one count of dishonesty pursuant to section 196 of the Act, the SAEC imposed a fine and ordered the payment of investigation costs. The SAEC declined to record a conviction in this matter. Following the guilty pleas, the scope of injuries put forward by the worker pursuant to sections 56 and 58 of the Act was narrowed, following their withdrawal of disputes regarding 11 injuries that were open during the criminal prosecution process.

## Regulating registered employer obligations

ReturnToWorkSA regulates the Scheme through education and enforcement, which involves the investigation of potential breaches of the Act. All employers have the obligation to provide suitable employment and to give 28 days' notice of proposed termination of an injured worker's contract of employment. ReturnToWorkSA has worked closely with our stakeholders during 2022–23 to ensure that potential suitable employment breaches are identified and referred for further investigation.

ReturnToWorkSA applies a robust, evidence-based process to investigate and treat suspected instances of premium non-compliance referred by stakeholders, as well as those identified through a proactive premium compliance and data analytics program. Thirteen completed investigations focused on employers suspected of knowingly avoiding premium obligations. These investigations resulted in \$0.6m of additional premium charged.



166 suitable employment investigations were completed in 2022–23, with 67% related to notices of proposed/actual termination for employment from employers.

A focus on identifying and intervening early on risk factors of employers not providing suitable employment continues through Claims Management and Regulatory activity.

\$2.1m

ReturnToWorkSA completed 338 employer premium audits in 2022–23, with \$2.1m billed in additional premium.



A pilot project was undertaken targeting suspected unregistered employers and resulted in 755 new employer registrations and \$2.0m in additional premium being charged.





## Regulating Private and Crown self-insured employers

Self-insured employers are a significant part of the Return to Work scheme. In 2022–23, Crown and Private self-insured employers:



employed approximately 291,000 employees in South Australia, or 31% of the South Australian labour force (as at April 2023)



declared an estimated \$20.3 billion or 34% of total declared remuneration in the prior year



reported 4,680 claims from injuries within the year.

The Self-insured Program (the Program) exists to provide ReturnToWorkSA with the necessary assurance that self-insured employers are meeting legislative and regulatory requirements and comprises five key areas:

- Assessment of injury management and work health and safety (WHS) performance against both the Return to Work Act, the Regulations and our standards. This is completed through claim file reviews, reviews of documentation, interviews with injured workers and managers and onsite verification of the implementation of WHS systems. The outcomes of these reviews determines the employer's renewal period and relevant terms and conditions.
- Compliance and performance monitoring, e.g. check-ins of progress of required activity pre-determined as part of a self-insured employer's renewal terms.
- Financial and technical oversight, e.g. Excess of Loss Insurance, Financial oversight, to ensure the Scheme and a self-insurer is adequately protected from any financial risk.
- Advisory support, e.g. assistance to potential self-insured employers on what they need to satisfy to become self-insured.
- Regulation of the Crown as a self-insured employer by ensuring claims are being managed in accordance with the *Return to Work Act 2014* (Act) and other applicable legislation and periodic evaluation of the adequacy of WHS systems.



In 2022–23, ReturnToWorkSA commenced an extensive review of several key aspects of the Program as mentioned below.

## Crown Injury Management Regulation program

In July 2022, a review of the Crown Injury Management Regulation program (Crown program) was initiated, which identified a number of key improvement opportunities to strengthen the approach. A new Crown program was developed in consultation with Crown Agencies and the Office of the Commissioner for Public Sector Employment (OCPSE) in early 2023, which introduced a framework to define audit periods, engage with industrial associations prior to audits and ensure better alignment between Evaluators and Crown Injury Management Units. The new Crown program was approved by Cabinet in April 2023 and commenced in May 2023.

## Private self-insured regulatory framework

Stakeholder feedback is critical to the continuous improvement of our Program. In November 2022, ReturnToWorkSA surveyed our private self-insured employer contacts. The survey highlighted an average overall satisfaction rating of 79% for employers evaluated in the past 12 months and identified a number of strengths and improvement opportunities for the Program. Running concurrent to the feedback, our regulatory framework was also independently reviewed against industry best practice. The review was finalised in April 2023 and identified some of the following opportunities:

- Define, endorse and approve the Program purpose
- Strengthen current processes, systems and templates to ensure consistency between Evaluators
- Consider a tiering model to guide the supervisory approach
- Review the WHS standards and oversight
- Improve EDI data collection, quality and oversight to support the supervisory approach.

ReturnToWorkSA has commenced working on recommendations from the review, which will continue into the next financial year.

## 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.

Feedback obtained has indicated that the excess of loss requirements, financial benchmarks and liability transfer processes all require review. ReturnToWorkSA commenced an internal review in late 2022 and has subsequently engaged the Scheme Actuary to provide specialist support with the review. ReturnToWorkSA is currently in the process of consolidating potential changes to present to the Board later in the year. Any recommended changes will be presented to stakeholders for consultation prior to implementation.

## Scheme overview

As at 30 June 2023, there were 71 private and 54 Crown self-insured employers registered in the Scheme. Of the self-insured employers who have completed their initial term of registration, 99% (67 of 68) achieved a renewal for a period of three years or more. This includes 46 (65%) self-insured employers who were granted a five year period of registration.

These positive results continue to reflect the ongoing commitment of self-insurers to successfully fulfil their regulatory obligations under the Act and to achieve leading practice injury management and work health and safety practices.

Private self-insured regulation activities during 2022-23:

- 25 private self-insured renewals were completed.
- 2 new applications for self-insurance were approved.
- 1 employer ceased self-insurance.

## The following private employers were self-insured at 30 June 2023

Accolade Wines Australia Limited	Estia Investments Pty Ltd	Royal Society for the Blind*
Adelaide Brighton Cement Limited	Flinders University	Samuel Smith & Son Pty Ltd
Adelaide Community Healthcare Alliance Incorporated	Healthscope Operations Pty Ltd	Santos Ltd
Aged Care & Housing Group Inc	Helping Hand Aged Care Inc	Schneider Electric (Australia) Pty Ltd
Ahrens Group Pty Ltd	Holcim (Australia) Holdings 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 Health Care Limited	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
Churches Of Christ Life Care Inc	Minda Incorporated*	Toll Holdings Limited
Coca-Cola Europacific Partners Australia Pty Ltd	Nationwide News Pty Limited	Treasury Wine Estates Vintners Limited
Coles Group Limited	Nyrstar Port Pirie Pty Ltd	Uniting Communities Incorporated
Competitive Foods Australia Pty Ltd	OneSteel Manufacturing Pty Ltd	University of South Australia
Detmold Packaging Pty Ltd	Pernod Ricard Winemakers Pty Ltd	Utilities Management Pty Ltd
Drake Supermarkets Pty Ltd	Philmac Pty Ltd	Ventia Australia Pty Ltd
ECH Inc	Programmed Maintenance Services Limited	Veolia Environmental Services (Australia) Pty Ltd
Eldercare Australia Ltd	Randstad Pty Ltd	Viterra Operations Pty Ltd
ElectraNet Pty Ltd	Resthaven Incorporated	Westpac Banking Corporation
Electrolux Home Products Pty Ltd	Royal Automobile Association of South Australia Inc	Woolworths Group Ltd
Endeavour Group Limited		

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





# WORKFORCE MANAGEMENT SUMMARY

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## ReturnToWorkSA workforce strategy

We are proud of our employees and their commitment to deliver 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 introduced a five year workforce strategy. Its focus is on creating an environment that supports our employees to engage, learn, grow and succeed. The strategy has five key interdependent pillars of activity that guide our efforts to acquire, retain, develop, engage and deploy employees who are equipped with the knowledge, commitment and capability to effectively deliver our core business now and into the future. We continue to review the strategy to ensure it remains relevant and robust in the face of external challenges such as the pandemic, labour markets and economic shifts.

The strategy is informed by ReturnToWorkSA's purpose and four new core values:

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

## ReturnToWorkSA performance management and development systems

98% of employees have had a performance review in the last 12 months.

## Work health, safety and return to work programs

The health, safety and wellbeing of our employees is incredibly important to us. We continue to build a culture where all employees contribute to a workplace characterised by care, inclusion, accountability and collaboration. We reviewed our position on COVID-19 as a workplace risk, consequently we further refined a range of practices to ensure we maintained a safe work place.

## 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 employee wellbeing program is evidenced-based, and designed to meet the needs of employees and enhance engagement. Design is supported by data collected through our biannual Employee Experience Survey and biennial Wellbeing Surveys.

Our Employee Engagement Steering Committee, comprised of employee and management representatives from all parts of the business, oversees the design and delivery of wellbeing initiatives.

Beyond the wellbeing activities, we also have a large group of employees who tirelessly lead charity fundraising efforts throughout the year.

<b>Workplace injury claims</b>	<b>Current year 2022-23</b>	<b>Past year 2021-22</b>
Total new workplace injury claims	Nil	1
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).

<b>Work health and safety regulations</b>	<b>Current year 2022-23</b>	<b>Past year 2021-22</b>
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

<b>Return to work costs**</b>	<b>Current year 2022-23</b>	<b>Past year 2021-22</b>
Total gross workers compensation expenditure (\$)	\$193,967	\$169,409
Income support payments – gross (\$)	\$497	\$84,190

\*\*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](http://www.rtwsa.com/about-us/returntoworksa).

## Executive employment in the agency

<b>Executive classification</b>	<b>Number of executives</b>
CEO	1
Executives*	7

\*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 inclusive and innovative. We are committed to creating a culture of inclusion where all employees feel fully empowered to be their authentic selves.

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

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

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

Our DAIP describes how we maintain an inclusive, accessible and safe environment for all of our employees and customers, particularly people with disability.

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

### Reconciliation Action Plan (RAP)

In addition, we are in the final stages of developing our first Reflect RAP. Throughout the process, we have been committed to hearing the voices of Aboriginal and Torres Strait Islander peoples. We have done so by engaging with Aboriginal and Torres Strait Islander employees and working with South Australian Aboriginal owned companies.

### Employment opportunities

ReturnToWorkSA continues to promote all externally advertised job vacancies through Disability Works Australia.

# 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 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 2023, the ReturnToWorkSA Board comprised:

- Greg McCarthy, Chairman
- Hon John R Rau SC
- Dr William Griggs, AM, ASM
- Elizabeth Perry, AM
- Narelle Borda
- Kim Cheater, BEc, FCAANZ, FAICD
- Karen Atherton.

## Executive Leadership Team

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

The Executive Leadership Team, as at 30 June 2023, comprised:

- Michael Francis, Chief Executive Officer
- Declan Collins, Chief Operating Officer Insurance
- Des Quirk, Chief Financial Officer
- James Large, Executive Leader Regulation
- Terry Sweeney, Executive Leader Digital Transformation
- Tim Hogben, Acting Executive Leader Technology Systems and Service
- Jas Rieck, Executive Leader People and Communications
- John O'Loughlin, Leader Legal Services.

ReturnToWorkSA also acknowledges two other leaders who occupied executive roles throughout 2022–23.

Kerryn Hendy, who retired from her post of Executive Leader Technology Systems and Service in March 2023, and Amanda Trudgian, who filled the Leader Legal Services role from April to October 2023.

## 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 2022–23, no instances of internal fraud were detected.



## Cyber security

Given the sensitive nature of the services we provide to South Australian businesses and injured workers and the private information we interact with, cyber security is an integral part of our end-to-end business operations. It is important that we ensure the confidentiality and integrity of our processes and secure sensitive information from unauthorised access—a responsibility we take seriously.

The cyber threat landscape is ever-changing, with increases in computer power and continued ubiquity of technology further empowering malicious actors targeting individuals and businesses. This is evident through the increasing sophistication of attack methods and, most concerning, a drastic reduction in attack times with the widespread use of automation adopted by most malicious actors.

No cyber security breaches were detected in the past year, with the Technology Systems and Service team remaining busy responding to a steady stream of critical vulnerabilities and attempted breaches across the year.

We seek to continuously improve our cyber security posture over time, and within 2022–23 we have made the decision to increase our Tier rating under the South Australian Cyber Security Framework (SACSF). This will see a further uplift to our technical security controls, a key focus for the FY24 period.

As a whole, we have selected the following five priorities for the upcoming year:

- cloud computing controls
- incident management
- corporate supplier cyber management
- continuous security testing
- SACSF tier 3 uplift.



## Work injury insurance

TurnToWorkSA provides insurance that protects businesses that employ workers in South Australia from the costs of a work injury.

In the event of a work injury, you and your worker will be covered for essential support and services to minimise disruption to your business and to help your worker to recover and stay at work or return to work as soon as possible.

The insurance includes cover for treatment and support costs for your worker in the event of a work injury.



## 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 2022–23, 1,473 applications were received for access to information. Of these, 1,331 (89%) were lodged under section 180 of the Act (compared with 1,228 in 2021–22) and 162 (11%) under the FOI Act (compared with 250 in 2021–22).

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 2022–23, ReturnToWorkSA received five internal reviews under section 180 of the Act and two internal reviews under the FOI Act. There were three external reviews lodged in 2022–23.

Further information about access to information can be found at [www.rtwsa.com](http://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 2022–23, 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](http://www.tenders.sa.gov.au)).

### Consultants

Consultancy	Purpose of consultancy	Number	\$
<b>Total under \$10,000</b>		<b>1</b>	<b>6,240</b>
<b>Total over \$10,000</b>		<b>13</b>	<b>4,063,042</b>
David Prescott Consultancy	Investment consulting		
Deloitte	Technology consulting		
Dymond Foulds & Vaughan	Investment consulting		
Escient	Customer experience advice		
EY	Process review and advice		
Finity	Actuarial consulting		
Frontier Advisors	Investment consulting		
Kindling Solutions	Governance and strategy advice		
PeopleVision	Process review and advice		
PwC	Technology and risk consulting		
Richard Dennis	Legislative drafting consulting		
KPMG	Process review and advice		
Tulpen Consulting	General consulting and research		
Willis Towers Watson	Investment consulting		
<b>Total</b>		<b>14</b>	<b>4,069,282</b>



# FINANCIAL STATEMENTS

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# **ReturnToWorkSA**

ABN 83 687 563 395

## **Annual financial report for the year ended 30 June 2023**

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# ReturnToWorkSA

## Annual financial report – 30 June 2023

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**ReturnToWorkSA**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2023**

	Notes	2023 \$'000	2022 \$'000
Premium revenue	7a	703,189	617,193
Cost of claims	8	(745,048)	(248,532)
Claims management fees		(80,088)	(70,876)
Tribunal and ombudsman fees	11	(9,245)	(7,982)
<b>Underwriting result</b>		<b>(131,192)</b>	<b>289,803</b>
Net investment profit/(loss)	7b	248,982	(190,779)
Self-insured employer fee	7c	12,181	12,342
Other income		308	351
<b>Net investment profit/(loss) and other income</b>		<b>261,471</b>	<b>(178,086)</b>
General operating expenses	12	(60,990)	(57,948)
Finance costs	14	(238)	(24)
<b>Total operating expenses</b>		<b>(61,228)</b>	<b>(57,972)</b>
<b>Operating profit before tax equivalents</b>		<b>69,051</b>	<b>53,745</b>
Tax equivalents	15	-	-
<b>Total comprehensive result</b>		<b>69,051</b>	<b>53,745</b>

*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 2023**

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	<b>Notes</b>	<b>2023</b> <b>\$'000</b>	2022 \$'000
<b>Assets</b>			
Cash and cash equivalents	18	74,874	86,455
Receivables	19	83,654	88,453
Investments	20	3,905,772	3,618,253
Property, plant and equipment	21	807	1,227
Right-of-use assets	22	5,673	7,020
Total assets		<u>4,070,780</u>	<u>3,801,408</u>
<b>Liabilities</b>			
Payables	24	28,212	21,366
Outstanding claims	9, 10	4,255,584	4,061,146
Lease liabilities	25	5,864	7,020
Liability for employee benefits	16c	7,013	6,820
Total liabilities		<u>4,296,673</u>	<u>4,096,352</u>
<b>Net (liabilities)</b>		<u>(225,893)</u>	<u>(294,944)</u>
<b>Equity</b>			
Retained earnings		<u>(225,893)</u>	<u>(294,944)</u>
Total equity		<u>(225,893)</u>	<u>(294,944)</u>

*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 2023**

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	<b>Retained earnings</b> <b>\$'000</b>
Total equity at 1 July 2021	(348,689)
Total comprehensive result	<u>53,745</u>
Total equity at 30 June 2022	<u>(294,944)</u>
<b>Total equity at 1 July 2022</b>	<b>(294,944)</b>
<b>Total comprehensive result</b>	<b><u>69,051</u></b>
<b>Total equity at 30 June 2023</b>	<b><u>(225,893)</u></b>

*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 2023**

		2023	2022
		Inflows (Outflows)	Inflows (Outflows)
	Notes	\$'000	\$'000
<b>Cash flows from operating activities</b>			
Premium receipts		783,680	687,537
Claim recoveries		18,885	13,801
Other receipts		411	316
Claim and other related payments		(585,771)	(519,465)
Interest received		33,581	28,823
Dividends received		65,262	57,710
Other payments to suppliers and employees		(135,146)	(133,991)
GST		(53,498)	(45,976)
Interest paid		(238)	(24)
Investment expenses		(6,752)	(6,572)
<b>Net cash flows from operating activities</b>	26	<u>120,414</u>	<u>82,159</u>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of investments		669,733	527,684
Acquisition of property, plant and equipment		(167)	(41)
Acquisition of investments		(800,405)	(601,630)
<b>Net cash flows (used in) investing activities</b>		<u>(130,839)</u>	<u>(73,987)</u>
<b>Cash flows from financing activities</b>			
Repayment of principal portion of lease liabilities		(1,156)	(2,318)
<b>Net cash flows (used in) financing activities</b>		<u>(1,156)</u>	<u>(2,318)</u>
Net increase/(decrease) in cash and cash equivalents		(11,581)	5,854
Cash and cash equivalents at the beginning of the period		86,455	80,601
Cash and cash equivalents at the end of the reporting period	18	<u>74,874</u>	<u>86,455</u>

*The accompanying notes form part of these financial statements.*

**ReturnToWorkSA**  
**Notes to and forming part of the financial statements**  
**30 June 2023**

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# ReturnToWorkSA

## Notes to and forming part of the financial statements

### 30 June 2023

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#### 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.

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**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.

	<u>2023</u>	<u>2022</u>
Compensation Fund		
Risk margin	<b>16.5%</b>	19.5%
Statutory Reserve Fund and Insurance Assistance Fund		
Risk margin - reported claims	<b>10.5%</b>	10.5%
Risk margin - asbestos-related diseases IBNR	<b>45.0%</b>	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.

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**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 2023

	Statutory	Insurance	Mining & Quarrying		2023	2022
Compensation	Reserve	Assistance	Industries Fund		Total	Total
Fund	Fund	Fund	Part A	Part B	Funds	Funds
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Premium revenue	703,189	-	-	-	<b>703,189</b>	617,193
Cost of claims	(751,287)	6,223	16	-	<b>(745,048)</b>	(248,532)
Claims management fees	(80,088)	-	-	-	<b>(80,088)</b>	(70,876)
Tribunal and ombudsman fees	(9,245)	-	-	-	<b>(9,245)</b>	(7,982)
<b>Underwriting Result</b>	<b>(137,431)</b>	<b>6,223</b>	<b>16</b>	<b>-</b>	<b>(131,192)</b>	<b>289,803</b>
Net investment profit/(loss)	232,940	12,991	2,111	25	<b>248,982</b>	(190,779)
Self-insured employer fee	12,181	-	-	-	<b>12,181</b>	12,342
Other income	308	-	-	-	<b>308</b>	351
<b>Net investment profit/(loss) and other income</b>	<b>245,429</b>	<b>12,991</b>	<b>2,111</b>	<b>25</b>	<b>261,471</b>	<b>(178,086)</b>
General operating expenses	(60,481)	-	-	-	<b>(60,990)</b>	(57,948)
Finance costs	(238)	-	-	-	<b>(238)</b>	(24)
<b>Total operating expenses</b>	<b>(60,719)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(61,228)</b>	<b>(57,972)</b>
<b>Operating profit before tax equivalents</b>	<b>47,279</b>	<b>19,214</b>	<b>2,127</b>	<b>25</b>	<b>69,051</b>	<b>53,745</b>
Tax equivalents	-	-	-	-	-	-
<b>Total comprehensive result</b>	<b>47,279</b>	<b>19,214</b>	<b>2,127</b>	<b>25</b>	<b>69,051</b>	<b>53,745</b>

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**Note 5 Reporting by fund (continued)**

Statement of Financial Position as at 30 June 2023

	Compensation Fund \$'000	Statutory Reserve Fund \$'000	Insurance Assistance Fund \$'000	Mining & Quarrying Industries Fund		2023 Total Funds \$'000	2022 Total Funds \$'000
				Part A \$'000	Part B \$'000		
<b>Assets</b>							
Cash and cash equivalents	74,874	-	-	-	-	<b>74,874</b>	86,455
Receivables	83,654	-	-	-	-	<b>83,654</b>	88,453
Investments	3,653,707	204,187	33,284	388	14,206	<b>3,905,772</b>	3,618,253
Property, plant and equipment	807	-	-	-	-	<b>807</b>	1,227
Right-of-use assets	5,673	-	-	-	-	<b>5,673</b>	7,020
<b>Total assets</b>	<b>3,818,715</b>	<b>204,187</b>	<b>33,284</b>	<b>388</b>	<b>14,206</b>	<b>4,070,780</b>	<b>3,801,408</b>
<b>Liabilities</b>							
Payables	28,028	-	-	-	184	<b>28,212</b>	21,366
Outstanding claims	4,211,407	43,961	116	100	-	<b>4,255,584</b>	4,061,146
Lease liabilities	5,864	-	-	-	-	<b>5,864</b>	7,020
Liability for employee benefits	7,013	-	-	-	-	<b>7,013</b>	6,820
<b>Total liabilities</b>	<b>4,252,312</b>	<b>43,961</b>	<b>116</b>	<b>100</b>	<b>184</b>	<b>4,296,673</b>	<b>4,096,352</b>
<b>Net assets/(liabilities)</b>	<b>(433,597)</b>	<b>160,226</b>	<b>33,168</b>	<b>288</b>	<b>14,022</b>	<b>(225,893)</b>	<b>(294,944)</b>
<b>Equity</b>							
Retained earnings	(433,597)	160,226	33,168	288	14,022	<b>(225,893)</b>	(294,944)
<b>Total equity</b>	<b>(433,597)</b>	<b>160,226</b>	<b>33,168</b>	<b>288</b>	<b>14,022</b>	<b>(225,893)</b>	<b>(294,944)</b>

**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.

	2023 \$'000	2022 \$'000
Funded position	<b>(225,893)</b>	(294,944)
Funding percentage	<b>94.7%</b>	92.8%

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.

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**Note 7 Income**

(a) Premium revenue

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Registered employer premium	<b>703,189</b>	617,194
Fines and penalties	-	(1)
<b>Premium revenue</b>	<b>703,189</b>	617,193

*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)

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Dividends	<b>65,262</b>	57,710
Interest received	<b>33,581</b>	28,823
Change in the net market values:		
Investments held at the end of financial year - unrealised	<b>172,661</b>	(227,668)
Investments sold during the financial year - realised	<b>(15,814)</b>	(43,645)
Investment profit/(loss)	<b>255,690</b>	(184,780)
Investment expenses	<b>(6,708)</b>	(5,999)
<b>Net investment profit/(loss)</b>	<b>248,982</b>	(190,779)

*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

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Self-insured employer fee - SA Government	<b>5,527</b>	5,563
Self-insured employer fee - non-SA Government	<b>6,654</b>	6,779
<b>Self-insured employer fee</b>	<b>12,181</b>	12,342



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**Note 8 Cost of claims**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Income support	<b>168,829</b>	169,308
Redemptions	<b>8,897</b>	839
Lump sum payments	<b>162,177</b>	136,374
Hospital treatment	<b>18,711</b>	17,324
Medical treatment	<b>90,567</b>	84,249
Vocational rehabilitation	<b>11,973</b>	10,275
Physiotherapy	<b>11,861</b>	11,351
Legal costs	<b>46,545</b>	44,936
Other	<b>28,247</b>	25,251
Claims paid	<b>547,807</b>	499,907
Less recoveries from other parties	<b>(17,169)</b>	(12,546)
Net claims paid	<b>530,638</b>	487,361
Increase/(decrease) in net outstanding claims liability	<b>202,085</b>	(242,649)
Net self-insurer settlements	<b>12,325</b>	3,820
<b>Cost of claims</b>	<b>745,048</b>	248,532

*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 also shown as a cost of claims.

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**Note 9 Outstanding claims liability – Compensation Fund**

(a) Outstanding claims

	Notes	2023 \$'000	2022 \$'000
Expected future gross claims payments (undiscounted)		7,132,761	6,236,175
Discount to present value		(3,517,819)	(2,875,304)
<b>Central estimate</b>		<b>3,614,942</b>	3,360,871
Risk margin		<b>596,465</b>	648,648
<b>Liability for outstanding claims</b>		<b>4,211,407</b>	4,009,519
Recoveries	19	(78,992)	(86,639)
<b>Net liability for outstanding claims</b>		<b>4,132,415</b>	3,922,880
Current liability for outstanding claims		<b>639,979</b>	649,322
Non-current liability for outstanding claims		<b>3,571,428</b>	3,360,197
<b>Total liability for outstanding claims</b>		<b>4,211,407</b>	4,009,519
Change in liability for outstanding claims		<b>201,888</b>	(232,118)
Change in claim recoveries receivable		<b>7,647</b>	(2,451)
<b>Movement in net outstanding claims liability</b>		<b>209,535</b>	(234,569)
Weighted average expected term to settlement		<b>11.5 years</b>	<b>12.0 years</b>

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% (2022: 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 16.5% (2022: 19.3%) to bring the estimated net liability to a 75% (2022: 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.

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**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:

- ultimate reform outcomes including take-up of section 56A elections and combining of injuries
- future cost growth in medical and treatment related expenditure items, particularly for long term claims
- the outcomes for claims with pending disputes
- actual experience for two year income support claims and whole person impairment assessments
- actual experience for serious injury claims
- the culture of the scheme and the implications for return to work outcomes
- 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 3.91% at 30 June 2022 to 4.37% at 30 June 2023.

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

**(b) Net claims incurred**

	Current year \$'000	Prior years \$'000	<b>2023 Total \$'000</b>	Current year \$'000	Prior years \$'000	2022 Total \$'000
<b>Undiscounted</b>						
Gross incurred	1,360,088	136,055	<b>1,496,143</b>	1,241,968	(1,124)	1,240,844
Recoveries	(19,129)	5,431	<b>(13,698)</b>	(17,821)	(5,966)	(23,787)
Net incurred	<u>1,340,959</u>	<u>141,486</u>	<b><u>1,482,445</u></b>	<u>1,224,147</u>	<u>(7,090)</u>	<u>1,217,057</u>
<b>Discounted</b>						
Gross incurred	825,129	2,992	<b>828,121</b>	803,421	(463,849)	339,572
Recoveries	(16,188)	4,349	<b>(11,839)</b>	(15,540)	(2,059)	(17,599)
Net incurred	<u>808,941</u>	<u>7,341</u>	<b><u>816,282</u></b>	<u>787,881</u>	<u>(465,908)</u>	<u>321,973</u>
<b>Discount and discount movement</b>						
Gross incurred	(534,959)	(133,063)	<b>(668,022)</b>	(438,547)	(462,725)	(901,272)
Recoveries	2,941	(1,082)	<b>1,859</b>	2,281	3,907	6,188
Net discount movement	<u>(532,018)</u>	<u>(134,145)</u>	<b><u>(666,163)</u></b>	<u>(436,266)</u>	<u>(458,818)</u>	<u>(895,084)</u>

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.

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**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*	Year ended 30 June 2013 \$'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
<b>Estimate of ultimate claims cost**</b>												
At the end of the year												
One year later	8,443,764	665,173	574,982	353,734	406,719	411,384	421,395	534,781	563,788	637,576	596,452	608,670
Two years later	8,425,850	602,689	403,139	373,333	407,683	407,585	466,182	578,043	622,625	588,872	570,045	-
Three years later	8,388,385	435,366	400,500	339,167	409,268	436,585	473,493	644,584	579,956	577,368	-	-
Four years later	7,697,020	448,842	387,006	364,907	422,385	462,185	582,935	629,443	600,875	-	-	-
Five years later	7,730,774	433,620	401,389	384,569	422,591	521,700	558,439	650,461	-	-	-	-
Six years later	7,632,816	426,533	413,075	419,405	468,244	497,636	583,068	-	-	-	-	-
Seven years later	7,732,263	446,462	405,411	432,706	449,187	484,903	-	-	-	-	-	-
Eight years later	7,755,375	433,923	410,852	382,424	436,531	-	-	-	-	-	-	-
Nine years later	7,733,252	447,763	393,610	385,442	-	-	-	-	-	-	-	-
Ten years later	7,740,784	426,511	392,856	-	-	-	-	-	-	-	-	-
Eleven years later	7,664,169	429,469	-	-	-	-	-	-	-	-	-	-
	7,692,708	-	-	-	-	-	-	-	-	-	-	-
Current estimate of cumulative claims costs**	7,692,708	429,469	392,856	385,442	436,531	484,903	583,068	650,461	600,875	577,368	570,045	608,670
Cumulative payments**	7,343,295	357,969	320,415	285,270	330,966	327,455	347,669	379,651	335,408	274,558	187,562	79,142
Outstanding payments**	349,413	71,500	72,441	100,172	105,565	157,448	235,399	270,810	265,467	302,810	382,483	529,528
Discount adjustment***	236,562	14,097	11,648	13,243	11,201	13,359	16,142	14,294	9,931	9,340	11,535	15,340
<b>Net outstanding claims</b>	<b>585,975</b>	<b>85,597</b>	<b>84,089</b>	<b>113,415</b>	<b>116,766</b>	<b>170,807</b>	<b>251,541</b>	<b>285,104</b>	<b>275,398</b>	<b>312,150</b>	<b>394,018</b>	<b>544,868</b>

\* Development of incurred cost estimate for accidents prior to 30 June 2012 since 30 June 2012.

\*\* 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.

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**Note 9 Outstanding claims liability – Compensation Fund (continued)**

(C) Claims development (continued)

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Prior years	<b>585,975</b>	572,373
Year ended 30 June 2013	<b>85,597</b>	87,526
Year ended 30 June 2014	<b>84,089</b>	90,787
Year ended 30 June 2015	<b>113,415</b>	119,438
Year ended 30 June 2016	<b>116,766</b>	147,363
Year ended 30 June 2017	<b>170,807</b>	199,834
Year ended 30 June 2018	<b>251,541</b>	250,751
Year ended 30 June 2019	<b>285,104</b>	300,132
Year ended 30 June 2020	<b>275,398</b>	303,590
Year ended 30 June 2021	<b>312,150</b>	391,460
Year ended 30 June 2022	<b>394,018</b>	521,673
Year ended 30 June 2023	<b>544,868</b>	-
Net outstanding claims	<b>3,219,728</b>	2,984,927
Claims handling expenses	<b>327,409</b>	303,321
Risk margin	<b>585,278</b>	634,632
Net liability for outstanding claims	<b>4,132,415</b>	3,922,880

(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
<b>2023</b>	<b>621,273</b>	<b>804,978</b>	<b>456,280</b>	<b>673,306</b>	<b>741,116</b>	<b>835,462</b>	<b>4,132,415</b>
2022	628,775	763,013	412,505	589,926	692,055	836,606	3,922,880

(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:

	<b>2023</b>	2022
Economic assumptions		
Inflation rate - income support	<b>0.00% to 3.50%</b>	0.00% to 3.00%
Inflation rate - medical, legal and other costs	<b>2.50% to 3.80%</b>	2.30% to 5.00%
Superimposed inflation rate - medical payments	<b>0.00% to 2.00%</b>	0.00% to 2.00%
Superimposed inflation rate - other	<b>0.00% to 1.50%</b>	0.00% to 9.00%
Discount rate	<b>4.37%</b>	3.91%
Duration and severity of claims	<b>Refer below</b>	Refer below
Claims handling expenses	<b>10.00%</b>	9.90%
Risk margin	<b>16.50%</b>	19.30%

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**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 2023 is still high at 16.5%, though lower than the 19.3% 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)	(392)	(9%)
Weak economic conditions (0% gap)	544	13%
Duration and severity of claims		
Superimposed inflation is 1% higher than assumed for medical care costs for serious injury claims	245	6%
Impact of removing mortality loadings for catastrophic claims	439	11%
Combining numbers continue to emerge lower than expected	(125)	(3%)
Reduction in serious injury claims due to threshold change halved	173	4%

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.

**ReturnToWorkSA**  
**Notes to and forming part of the financial statements**  
**30 June 2023**

**Note 10 Outstanding claims liability – Other Funds**

(a) Outstanding claims – SRF and IAF

	SRF	IAF	2023 Combined	2022 Combined
	\$'000	\$'000	\$'000	\$'000
Open claims	1,616	-	<b>1,616</b>	1,839
Total incurred but not yet reported (IBNR)	26,711	74	<b>26,785</b>	31,351
Claims handling expenses	2,408	6	<b>2,414</b>	2,821
Central estimate	30,735	80	<b>30,815</b>	36,011
Risk margin	13,226	36	<b>13,262</b>	15,516
<b>Net liability for outstanding claims</b>	<b>43,961</b>	<b>116</b>	<b>44,077</b>	<b>51,527</b>

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% (2022: 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 2023 due to exposure prior to 30 June 2023. 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 generally accepted opinion is that this delay is in the order of 40 years on average.

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	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
<b>2023</b>	<b>2,272</b>	<b>5,112</b>	<b>5,560</b>	<b>12,027</b>	<b>14,318</b>	<b>4,788</b>	<b>44,077</b>
2022	2,943	5,327	6,001	13,574	18,199	5,483	51,527

**ReturnToWorkSA**  
**Notes to and forming part of the financial statements**  
**30 June 2023**

**Note 10 Outstanding claims liability – Other Funds (continued)**

(c) Movement in liability – SRF and IAF

	SRF			IAF		
	2023 \$'000	2022 \$'000	Change \$'000	2023 \$'000	2022 \$'000	Change \$'000
<b>Asbestos-related</b>						
Reported	1,109	1,336	(227)	-	-	-
IBNR / re-opened claims	26,688	31,236	(4,548)	74	84	(10)
	<b>27,797</b>	<b>32,572</b>	<b>(4,775)</b>	<b>74</b>	<b>84</b>	<b>(10)</b>
<b>Non-asbestos-related</b>						
Reported	507	503	4	-	-	-
IBNR / re-opened claims	23	31	(8)	-	-	-
	<b>530</b>	<b>534</b>	<b>(4)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Central estimate	28,327	33,106	(4,779)	74	84	(10)
Claims handling expenses	2,408	2,814	(406)	6	7	(1)
Risk margin	13,226	15,475	(2,249)	36	41	(5)
Total outstanding claims liability	<b>43,961</b>	<b>51,395</b>	<b>(7,434)</b>	<b>116</b>	<b>132</b>	<b>(16)</b>

(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.

	2023	2022
Inflation rate		
asbestos claims	5.40%	5.25%
non-asbestos claims	3.40%	3.25%
Discount rate	4.27%	3.80%
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.



**ReturnToWorkSA**  
**Notes to and forming part of the financial statements**  
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**Note 10 Outstanding claims liability – Other Funds (continued)**

(g) Summary of Other Funds

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Statutory Reserve Fund	43,961	51,395
Insurance Assistance Fund	116	132
Mining and Quarrying Industries Fund	100	100
Net liability for outstanding claims	<u>44,177</u>	<u>51,627</u>
Current liability for outstanding claims	2,272	2,943
Non-current liability for outstanding claims	41,905	48,684
Total liability for outstanding claims	<u>44,177</u>	<u>51,627</u>
Change in liability for outstanding claims	<u>(7,450)</u>	<u>(8,080)</u>

**Note 11 Tribunal and ombudsman fees**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
South Australian Employment Tribunal	8,877	7,621
Ombudsman funding	368	361
<b>Total tribunal and ombudsman fees</b>	<u>9,245</u>	<u>7,982</u>

**Note 12 General operating expenses**

		<b>2023</b>	2022
	<b>Notes</b>	<b>\$'000</b>	\$'000
Employee benefits	16	36,735	33,073
Depreciation and amortisation	13	1,934	3,331
Other operating costs		22,321	21,544
<b>Total general operating expenses</b>		<u>60,990</u>	<u>57,948</u>

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987 were \$432,400 (2022: \$435,800). No other services were provided by the Auditor-General's Department.

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

	<b>No.</b>	<b>2023</b>	No.	2022
		<b>\$'000</b>		\$'000
Below \$10,000	1	6	1	9
\$10,000 or above	13	4,063	11	3,112
<b>Total</b>	<u>14</u>	<u>4,069</u>	<u>12</u>	<u>3,121</u>

**ReturnToWorkSA**  
**Notes to and forming part of the financial statements**  
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**Note 13 Depreciation and amortisation**

	<b>2023</b>	2022
<b>Notes</b>	<b>\$'000</b>	\$'000
Leasehold improvements including office furniture and fittings	-	636
Computer, communications and general office equipment	<b>487</b>	515
Right-of-use land and buildings	<b>1,395</b>	2,126
Right-of-use motor vehicles	<b>52</b>	54
<b>Total depreciation and amortisation</b>	<b>12 1,934</b>	<b>3,331</b>

**Note 14 Finance costs**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Interest and finance charges paid/payable for lease liabilities	<b>238</b>	24
<b>Finance costs</b>	<b>238</b>	24

**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, if applicable, 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.

**ReturnToWorkSA**  
**Notes to and forming part of the financial statements**  
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**Note 16 Employee benefits**

	<b>2023</b>	2022
<b>Notes</b>	<b>\$'000</b>	\$'000
Salaries and wages	<b>32,229</b>	29,287
Long service leave	<b>526</b>	(18)
Annual leave	<b>605</b>	783
Skills and experience retention leave	<b>80</b>	77
Employment on-costs - superannuation	<b>3,295</b>	2,944
<b>Total employee benefits expenses</b>	<b>12 36,735</b>	<b>33,073</b>

**(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.

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Compensation</b>		
Salaries and other short-term employee benefits	<b>2,818</b>	2,325
Post-employment benefits	<b>283</b>	221
<b>Total</b>	<b>3,101</b>	2,546

**(b) Remuneration of Employees**

	<b>2023</b>	2022
	<b>No.</b>	No.
<b>The number of employees whose remuneration received or receivable falls within the following bands</b>		
\$157,001 to \$160,000*	<b>N/A</b>	3
\$160,001 to \$180,000	<b>14</b>	12
\$180,001 to \$200,000	<b>8</b>	14
\$200,001 to \$220,000	<b>8</b>	-
\$220,001 to \$240,000	<b>2</b>	2
\$260,001 to \$280,000	<b>-</b>	3
\$280,001 to \$300,000	<b>4</b>	-
\$320,001 to \$340,000	<b>1</b>	1
\$340,001 to \$360,000	<b>-</b>	1
\$360,001 to \$380,000	<b>1</b>	-
\$460,001 to \$480,000	<b>-</b>	1
\$540,001 to \$560,000	<b>1</b>	-
<b>Total</b>	<b>39</b>	<b>37</b>

\*This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

The total remuneration received by those employees for the year was \$8.4 million (2022: \$7.6 million).

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**Note 16 Employee benefits (continued)**

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) Liability for employee benefits**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Current</b>		
Annual leave	<b>2,892</b>	2,770
Skills and experience retention leave	<b>92</b>	82
Long service leave	<b>2,588</b>	2,507
	<b>5,572</b>	5,359
<b>Non-current</b>		
Long service leave	<b>1,441</b>	1,461
	<b>7,013</b>	6,820

Employee benefits - wages, salaries, skills and experience retention leave, annual leave and long service leave accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits 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 actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions over 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.

AASB 119 Employee Benefits requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 3.50% at 30 June 2022 to 4.00% at 30 June 2023. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, reduced the increase in the reported long service leave liability.

The salary inflation rate used in the actuarial assessment performed by the Department of Treasury and Finance has increased from 2.50% at 30 June 2022 and 3.50% at 30 June 2023 for long service leave liability.

The net financial impact of the changes to actuarial assumptions in the current financial year is a decrease in the long service liability of \$0.1 million and employee benefits 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.

**ReturnToWorkSA**  
**Notes to and forming part of the financial statements**  
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**Note 16 Employee benefits (continued)**

The unconditional portion of the long service leave provision is classified as current as RTWSA does not have an unconditional right to defer the settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after seven years of service.

**(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 2023 were:

Member	Board	Appointed / Resigned	Investment & Finance Committee	Audit & Risk Committee	Human Resources Committee	Technology Committee
Ms. K Atherton	Member	Appointed 17 Nov 22	-	Member	Member	-
Ms. N Borda	Member		-	-	-	Member
Mr. K Cheater	Member	Appointed 17 Nov 22	-	Chair	-	Member
Dr. W Griggs	Member		Chair	-	-	Member
Mr. C Latham	Member	Resigned 31 Oct 22	-	-	-	-
Mr. G McCarthy	Chair		Member	-	Member	Chair
Ms. E Perry	Member		-	Member	Chair	-
Mr. J Rau	Member		Member	-	-	-
Ms. Y Sneddon	Member	Resigned 31 Oct 22	-	-	-	-

Committee membership is at 30 June 2023.

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

	2023	2022
\$20,000 to \$39,999	4	4
\$40,000 to \$59,999	1	-
\$60,000 to \$79,999	3	4
\$100,000 to \$119,999	1	1

The total remuneration received and receivable by board members for the year was \$467,000 (2022: \$473,000) 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 \$60,000 (2022: \$60,000). Members of the Committee include S. Mead (Presiding Member), D. Blairs, D. Connor, K.J. Crowe, E. Dabars, S.C. Knight, E.T. Mah, and R. Paterson, A.A. Tulic (appointed 1 September 2022).

Remuneration for this committee is not included in the board and committee remuneration table.

**ReturnToWorkSA**  
**Notes to and forming part of the financial statements**  
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**Note 18 Cash and cash equivalents**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Cash equivalents	<b>74,874</b>	86,455

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

**Note 19 Receivables**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
	<b>Notes</b>	
<b>Current receivables</b>		
Contractual receivables	<b>21,639</b>	20,072
Less allowance for doubtful debts	<b>(7,000)</b>	(6,600)
	<b>14,639</b>	13,472
Refunds	<b>(10,001)</b>	(12,512)
Recoverable claim payments	<b>18,706</b>	20,547
Sundry receivables and prepayments	<b>24</b>	854
Total current receivables	<b>23,368</b>	22,361
<b>Non-current receivables</b>		
Recoverable claim payments	<b>60,286</b>	66,092
Total non-current receivables	<b>60,286</b>	66,092
Total trade and other receivables	<b>83,654</b>	88,453
<b>Impairment of receivables</b>		
Opening balance	<b>(6,600)</b>	(7,100)
Amounts written off	<b>1,894</b>	1,000
Increase in allowance recognised	<b>(2,294)</b>	(500)
Closing Balance	<b>(7,000)</b>	(6,600)

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.

**ReturnToWorkSA**  
**Notes to and forming part of the financial statements**  
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**Note 20 Investments**

	<b>Notes</b>	<b>2023</b>	2022
		<b>\$'000</b>	\$'000
Deposits with financial institutions		<b>199,854</b>	271,198
Debt securities		<b>1,461,303</b>	1,452,008
Australian equities		<b>232,599</b>	201,008
Overseas equities		<b>920,555</b>	769,976
Real assets (property and infrastructure)		<b>1,080,950</b>	947,243
Derivatives		<b>10,511</b>	(23,180)
Total investments	27d	<b><u>3,905,772</u></b>	<u>3,618,253</u>
Current		<b>266,631</b>	286,700
Non-current		<b>3,639,141</b>	3,331,553
Total investments	27d	<b><u>3,905,772</u></b>	<u>3,618,253</u>

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).

**ReturnToWorkSA**  
**Notes to and forming part of the financial statements**  
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**Note 21 Property, plant and equipment**

	Leasehold improvements including office furniture and fittings \$'000	Computer, communications and general office equipment \$'000	Total \$'000
<b>Cost</b>			
Balance at 1 July 2021	6,775	2,119	8,894
Additions	-	37	37
Disposals	-	(11)	(11)
<b>Balance at 30 June 2022</b>	<b>6,775</b>	<b>2,145</b>	<b>8,920</b>
Balance at 1 July 2022	6,775	2,145	8,920
Additions	-	67	67
Disposals	-	(143)	(143)
<b>Balance at 30 June 2023</b>	<b>6,775</b>	<b>2,069</b>	<b>8,844</b>
<b>Accumulated Depreciation</b>			
Balance at 1 July 2021	(6,139)	(414)	(6,553)
Depreciation charge	(636)	(515)	(1,151)
Disposals	-	11	11
<b>Balance at 30 June 2022</b>	<b>(6,775)</b>	<b>(918)</b>	<b>(7,693)</b>
Balance at 1 July 2022	(6,775)	(918)	(7,693)
Depreciation charge	-	(487)	(487)
Disposals	-	143	143
<b>Balance at 30 June 2023</b>	<b>(6,775)</b>	<b>(1,262)</b>	<b>(8,037)</b>
<b>Carrying Amounts</b>			
At 30 June 2022	-	1,227	1,227
<b>At 30 June 2023</b>	<b>-</b>	<b>807</b>	<b>807</b>

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:

	2023	2022
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.



**ReturnToWorkSA**  
**Notes to and forming part of the financial statements**  
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**Note 22 Right-of-use assets**

	Land and buildings \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>			
Balance at 1 July 2021	6,378	133	6,511
Additions	6,973	29	7,002
Disposals	-	(37)	(37)
<b>Balance at 30 June 2022</b>	<b>13,351</b>	<b>125</b>	<b>13,476</b>
Balance at 1 July 2022	13,351	125	13,476
Additions	-	100	100
Disposals	-	(60)	(60)
<b>Balance at 30 June 2023</b>	<b>13,351</b>	<b>165</b>	<b>13,516</b>
<b>Accumulated Depreciation</b>			
Balance at 1 July 2021	(4,252)	(61)	(4,313)
Depreciation charge	(2,126)	(54)	(2,180)
Disposals	-	37	37
<b>Balance at 30 June 2022</b>	<b>(6,378)</b>	<b>(78)</b>	<b>(6,456)</b>
Balance at 1 July 2022	(6,378)	(78)	(6,456)
Depreciation charge	(1,395)	(52)	(1,447)
Disposals	-	60	60
<b>Balance at 30 June 2023</b>	<b>(7,773)</b>	<b>(70)</b>	<b>(7,843)</b>
<b>Carrying Amounts</b>			
At 30 June 2022	6,973	47	7,020
<b>At 30 June 2023</b>	<b>5,578</b>	<b>95</b>	<b>5,673</b>

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:

	<b>2023</b>	<b>2022</b>
Right-of-use land and buildings	<b>Lease term</b>	Lease term
Right-of-use motor vehicles	<b>Lease term</b>	Lease term

RTWSA has a limited number of leases:

- RTWSA leases land and buildings for its offices, under agreements of five years with options to extend. On renewal, the terms of the leases are renegotiated.
- 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.

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**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 2021	636	1,705	2,341
Additions	-	37	37
Depreciation	(636)	(515)	(1,151)
Balance at 1 July 2022	-	1,227	1,227
Balance at 1 July 2022	-	1,227	1,227
Additions	-	67	67
Depreciation	-	(487)	(487)
<b>Balance at 1 July 2023</b>	<b>-</b>	<b>807</b>	<b>807</b>

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

	\$'000
2022	(1,151)
<b>2023</b>	<b>(487)</b>

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**Note 24 Payables**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Current</b>		
Contractual payables	<b>26,891</b>	20,246
Unearned premiums	<b>193</b>	77
Employment on-costs	<b>960</b>	882
<b>Non-current</b>		
Employment on-costs	<b>168</b>	161
<b>Total payables</b>	<b>28,212</b>	21,366

Payables are measured at nominal amounts, and 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.

Employment on-costs include payroll tax, RTWSA premium and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged.

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 the 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 is 43% at 30 June 2023 (2022: 42%). The average factor for the calculation of employer superannuation on-costs has risen to 11.2% at 30 June 2023 (2022: 10.6%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial.

**Note 25 Lease liabilities**

(a) Lease liabilities

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Current</b>		
Lease liabilities	<b>1,342</b>	1,234
<b>Non-current</b>		
Lease liabilities	<b>4,522</b>	5,786
<b>Total lease liabilities</b>	<b>5,864</b>	7,020

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

(b) Cash outflow for leases

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Land and buildings	<b>1,441</b>	2,289
Motor vehicles	<b>52</b>	54
<b>Total cash outflow for leases</b>	<b>1,493</b>	2,343

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**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 2023 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**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Total comprehensive result</b>	<b>69,051</b>	53,745
<b>Add / (less) non-cash items</b>		
Depreciation	<b>1,934</b>	3,331
Change in net market values of investments	<b>(156,847)</b>	271,313
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in payables	<b>6,846</b>	1,935
(Increase)/decrease in receivables	<b>4,799</b>	(7,093)
Increase/(decrease) in outstanding claims liability	<b>194,438</b>	(240,198)
Increase/(decrease) in employee benefits	<b>193</b>	(874)
<b>Net cash flows from operating activities</b>	<b>120,414</b>	82,159

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## Notes to and forming part of the financial statements

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#### 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 \$14,920 (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.

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#### 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.

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**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 National Australia Bank (NAB). All assets are held by NAB under safe custody, except for the internally managed cash and a global equity index fund.

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.

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**Note 27 Risk management (continued)**

(d) Financial risk (continued)

The composition of each asset group:

As at 30 June 2023

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

As at 30 June 2022

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Deposits with Financial Institutions	271,198	-	-	271,198
Debt securities	1,452,008	-	-	1,452,008
Australian equities	201,008	-	-	201,008
Overseas equities	769,976	-	-	769,976
Real assets (property and infrastructure)	390,285	328,526	228,432	947,243
Derivatives	-	(23,180)	-	(23,180)
Total investments at fair value through profit and loss	<b>3,084,475</b>	<b>305,346</b>	<b>228,432</b>	<b>3,618,253</b>

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).



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## Notes to and forming part of the financial statements

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#### 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.

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**Notes to and forming part of the financial statements**  
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**Note 27 Risk management (continued)**

(d) Financial risk (continued)

*Credit risk - investments*

RTWSA manages its exposure to credit risk related to fixed interest, 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 the major debt securities asset classes.

As at 30 June 2023

	Short-term issue ratings*			Long-term issue ratings**					Not Rated***	Total \$'000
	A1+ \$'000	A1 \$'000	A2 \$'000	AAA \$'000	AA \$'000	A \$'000	BBB \$'000	BB or below \$'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

As at 30 June 2022

	Short-term issue ratings*			Long-term issue ratings**					Not Rated***	Total \$'000
	A1+ \$'000	A1 \$'000	A2 \$'000	AAA \$'000	AA \$'000	A \$'000	BBB \$'000	BB or below \$'000		
Government	-	-	-	746,302	120,533	-	-	-	-	866,835
Corporate	-	-	-	113,316	41,330	124,401	195,874	40,114	61,235	576,270
Cash	231,571	20,000	-	-	-	-	-	-	-	251,571
	231,571	20,000	-	859,618	161,863	124,401	195,874	40,114	61,235	1,694,676

\* 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.

*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.

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**Note 27 Risk management (continued)**

(d) Financial risk (continued)

9.7% of RTWSA's contractual receivables and sundry receivables were past due greater than 30 days (2022: 15.6%).

The ageing of RTWSA's contractual receivables and sundry receivables at the reporting date was:

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Not past due	<b>12,411</b>	11,423
Past due 1-30 days	<b>829</b>	662
Past due 31-60 days	<b>1,423</b>	2,017
Past due 61 days to one year	-	224
	<b>14,663</b>	14,326

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 five business days. As at 30 June 2023 approximately 80% of RTWSA's investments could be liquidated within five business days.

Both the asset and liability liquidity risks are managed through management risk strategies. 84.2% (2022: 83.4%) 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 2023						
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years	No Term	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	<b>\$'000</b>
Lease liabilities	1,342	2,927	1,595	-	-	<b>5,864</b>
Contractual and other payables	28,044	168	-	-	-	<b>28,212</b>
As at 30 June 2022						
	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	1,234	2,702	3,084	-	-	7,020
Contractual and other payables	21,205	161	-	-	-	21,366

*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.

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**Note 27 Risk management (continued)**

(d) Financial risk (continued)

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 33% 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
<b>30 June 2023</b>				
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
<b>30 June 2022</b>				
US Dollar (10% movement)	(28,442)	28,442	(28,442)	28,442
China (10% movement)	(3,221)	3,221	(3,221)	3,221
Euro (10% movement)	(3,923)	3,923	(3,923)	3,923
JPY (10% movement)	(1,459)	1,459	(1,459)	1,459
Sterling (10% movement)	(4,344)	4,344	(4,344)	4,344
Other (10% movement)	(10,655)	10,655	(10,655)	10,655

*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 are held in conjunction with short-term deposits and cash to achieve the desired level of interest rate risk exposure.

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.

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**Note 27 Risk management (continued)**

(d) Financial risk (continued)

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 \$'000	Weakening \$'000	Strengthening \$'000	Weakening \$'000
1% interest rate movement - interest bearing investments				
<b>2023</b>	<b>(81,066)</b>	<b>81,066</b>	<b>(81,066)</b>	<b>81,066</b>
2022	(96,527)	96,527	(96,527)	96,527

*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 \$'000	Weakening \$'000	Strengthening \$'000	Weakening \$'000
<b>Listed Securities</b>				
<b>30 June 2023</b>				
Australian equities - (20% movement)	46,520	(46,520)	46,520	(46,520)
Overseas equities - (20% movement)	184,111	(184,111)	184,111	(184,111)
<b>30 June 2022</b>				
Australian equities - (20% movement)	40,202	(40,202)	40,202	(40,202)
Overseas equities - (20% movement)	153,995	(153,995)	153,995	(153,995)

**ReturnToWorkSA**  
**Notes to and forming part of the financial statements**  
**30 June 2023**

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**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 assets.

The following table presents the changes in level 3 instruments for the years ended 30 June 2023 and 2022:

	<b>Financial year ended</b>	Financial year ended
	<b>30 June</b>	30 June
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Unit Trusts - unlisted infrastructure</b>		
Opening balance	<b>228,432</b>	212,626
Re-classifications	<b>421,035</b>	-
Contributions	<b>201,759</b>	-
Withdrawals	<b>(22,702)</b>	(5,403)
Gains recognised in investment profit	<b>28,024</b>	21,209
Closing balance	<b>856,548</b>	228,432

Re-classifications reflect current market conditions.

# ReturnToWorkSA

## Notes to and forming part of the financial statements

### 30 June 2023

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#### **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 2023, RTWSA held security to the value of \$308.7 million (2022: \$302.3 million) in financial guarantees or other approved substituted financial securities for self-insured employers. These 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 2023 is \$55.8 million (2022: \$55.2 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:

(a) AASB 17 Insurance Contracts

A comprehensive standard for all insurance contracts (life, general and health) replacing AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts.

Application date is 1 July 2026.

There will be significant changes in terminology, presentation and disclosure, including making a choice on whether changes in discount rates and other market variables are accounted for in Comprehensive Income or in Other Comprehensive Income. The financial impacts are yet to be assessed.

#### **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 2023.

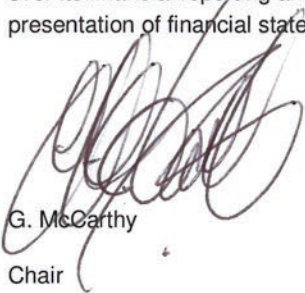
**ReturnToWorkSA**  
**Certificate under section 23(2) of the Public Finance and Audit Act 1987**  
**30 June 2023**

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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



D. Quirk  
Chief Financial Officer

11 September 2023





**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 2023.

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 2023, 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 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, the Chief Executive Officer and the Chief Financial Officer.

### 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 cost 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 the 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 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 2023.

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 Richardson  
**Auditor-General**

18 September 2023



# **ACTUARIAL CERTIFICATE OUTSTANDING CLAIM LIABILITIES**

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# RETURN TO WORK CORPORATION OF SOUTH AUSTRALIA

## Actuarial Certificate

### Outstanding Claim Liabilities at 30 June 2023

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. We have also been requested to estimate the outstanding claim liabilities of ReturnToWorkSA's Statutory Reserve Fund (SRF) and Insurance Assistance Fund (IAF).

#### Data

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; this included guidance and input on the likely impacts of the 2022 scheme reforms. We have not independently verified or audited the data but we have reviewed it for general reasonableness and consistency, including reconciliations to the previous actuarial review reports and to ReturnToWorkSA's financial statements. In our view there were no data deficiencies which would have a material effect on our estimates.

#### 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.

Our estimates of the outstanding claims liabilities project future benefits separately for serious injury claims, hearing loss claims and general short term claims, reflecting the different benefits available to each group under the RTW Act.

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.

We emphasise that our work makes **no allowance** for any potential changes that could emerge as a result of the Review of Impairment Assessment Guidelines<sup>1</sup> that is currently underway. Given the Scheme's legislative design relies heavily on WPI assessments, and the Impairment Assessment Guidelines prescribe how WPI assessments are to be undertaken, they therefore fundamentally impact the costs of running the scheme. 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.

<sup>1</sup> The Minister for Industrial Relations and Public Sector has established a Stakeholder Representative Consultation Group to co-design a draft version of the Third Edition Impairment Assessment Guidelines for broader stakeholder consultation.

## Valuation Results and Provisions

### Return To Work Scheme

The Scheme's outstanding claim liabilities are the value of payments to be made after 30 June 2023 in respect of claims which arose on or before that date. Our central estimate of the outstanding claims liability is \$3,547 million. ReturnToWorkSA has provided \$4,132 million in its financial statements as at 30 June 2023 for the net outstanding claim liabilities, having added to our net central estimate a risk margin of 16.5% 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 2023 – Return To Work Scheme**

	Central Estimate	Recommended Provision
	\$m	\$m
Gross Claims Cost - Serious Injuries	2,207	
Gross Claims Cost - General Short Term Claims	901	
Gross Claims Cost - Hearing Loss Claims	180	
Claims Handling Expenses	327	
Gross Outstanding Claims Liability	3,615	4,211
Recoveries	-68	-79
Net Outstanding Claims Liability	3,547	4,132

The risk margin remains high for a scheme of this size, even though it reduced over the year (16.5% now, decreased from 19.3% at 30 June 2022). If the 2022 reforms achieve their stated aims, i.e. without there being a material behavioural response or adverse legal decision that undermines their intent, then the risk margin loading should continue to reduce back toward the underlying risk margin level over the next 12-18 months.

As indicated by the higher than usual risk margin, we emphasise that there is considerable uncertainty in relation to the anticipated reform outcomes. In particular, a significant portion of the valuation is based on assumed outcomes, rather than being based on a reliable history which is the usual approach for undertaking actuarial estimates, and so if any of the underlying assumptions prove to be incorrect then our estimates will need to be updated accordingly to reflect the emerging experience.

### Other Funds

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

ReturnToWorkSA has provided \$44 million in its financial statements as at 30 June 2023 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 2023 – SRF and IAF**

	Central Estimate	Recommended Provision
	\$m	\$m
Statutory Reserve Fund	28	
Insurance Assistance Fund	0.1	
Claims Handling Expenses	2	
Gross Outstanding Claims Liability	31	44
Recoveries	-	-
Net Outstanding Claims Liability	31	44

## 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 the 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.

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.

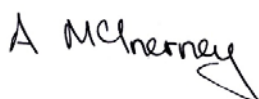
In the case of asbestos-related disease liabilities in the SRF and IAF, additional sources of uncertainty are the extremely long-term nature of such claims, the risk of significant changes in the way in which claims are litigated and compensated by courts, and potential changes in the behaviour of claimants, defendants, legal principles, settlement practices and medical developments.

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.


## Reports

Full details of the data, methodology, assumptions and results of our valuation are set out in our reports to ReturnToWorkSA dated 28 August 2023 (Scheme) and 11 August 2023 (SRF and IAF).

Yours Sincerely,



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](http://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**.

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