

SPECIAL MINISTER OF STATE

OVERVIEW

<i>Agency</i>	<i>Budget 1999-2000 \$m</i>	<i>Budget 2000-01 \$m</i>	<i>Variation %</i>
Motor Accidents Authority			
Total Expenses	17.7	19.6	11.1
Asset Acquisitions	0.1	0.1	...
WorkCover NSW			
Total Expenses	172.0	182.5	6.1
Asset Acquisitions	12.9	25.5	97.4
Superannuation Administration Corporation			
Total Expenses	48.8	47.8	(-) 2.1
Asset Acquisitions	6.2	2.0	(-) 67.9
Total, Special Minister of State			
Total Expenses	238.5	249.9	4.8
Asset Acquisitions	19.2	27.6	43.8

MOTOR ACCIDENTS AUTHORITY

The Motor Accidents Authority of New South Wales (MAA) is a statutory corporation and was established by the Parliament of New South Wales under the *Motor Accidents Act 1988*. There have been substantial changes to the Scheme and new enabling legislation *Motor Accidents Compensation Act 1999 no.41* was passed last year.

The MAA monitors and manages the Motor Accidents Scheme under which competing licensed insurers sell Compulsory Third Party (CTP) Insurance (known as the 'Green Slip') to the public in New South Wales. The MAA services the community by undertaking the following tasks:

- ◆ review and monitor premiums, handle claims enquiries and complaints, manage the Nominal Defendant Scheme, collect and analyse statistics, monitor solvency and financial performance of insurers.
- ◆ educate and advise key groups, identify special needs, support and fund awareness and prevention, injury management and research projects.

- ◆ develop and implement public education in relation to the Green Slip and road safety initiatives.
- ◆ monitor and review legislation and legal developments as well as develop and coordinate policy.
- ◆ operate medical and claim assessment services for claimants.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The MAA has been delivering cost-effective programs without any significant change in the level of expenditure. The average CTP insurance premium has been reduced through appropriate legislative reforms and a close scrutiny of premium filings.

STRATEGIC DIRECTIONS

The Authority aims to administer the programs in an effective, efficient and economical manner, whilst ensuring compliance with all relevant statutory requirements.

The MAA aims to keep Green Slips affordable, lower the level of litigation in resolving claims and improve the timeliness and effectiveness of medical treatment to injured persons through:

- ◆ regulating the CTP scheme and its participants;
- ◆ providing education and information to stakeholders and service providers;
- ◆ operating medical and claims assessment services; and
- ◆ promoting continuous improvement in all areas of the Authority's operations.

2000-01 BUDGET

Total Expenses

The MAA's total expenses in 2000-01 are estimated to be \$19.6 million. The MAA's operational expenses are estimated at \$12 million and Injury Management / Awareness and Prevention projects funding at \$7.6 million. The MAA derives its income mostly from a levy (set at 1.4% in 2000-01) on gross CTP insurance premiums collected by the licensed insurers.

Asset Acquisitions

MAA's acquisition program relates solely to office related equipment such as computers, office machines and furniture and is budgeted at \$100,000.

WORKCOVER AUTHORITY

In undertaking its statutory role, the WorkCover Authority:

- ◆ promotes the prevention of injuries and diseases at the workplace and the development of healthy and safe workplaces;
- ◆ promotes the prompt, efficient and effective management of the return to work of persons injured at work;
- ◆ ensures efficient operation of workers' compensation insurance arrangements, having regard to policies of the Workers Compensation Advisory Council; and
- ◆ ensures co-ordination of arrangements for the administration of schemes governed by workers' compensation and occupational health and safety legislation.

While the operations of the WorkCover Authority are included in the State Budget, the Budget does not include the underwriting and investment activities of the WorkCover Scheme Statutory Funds which are managed by licensed insurers.

The WorkCover Authority will complete its relocation to Gosford by 2002.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Implementation of new legislation, the *Workplace Injury Management and Workers Compensation Act, 1998* continues. The legislation is designed to promote an integrated approach to injury management and claims management and also to foster participation by both employers and employees in return to work programs. The commencement of competitive underwriting of workers' compensation insurance, which was due to commence from 1 October 1999 has been delayed.

A major organisational restructure has been implemented. This included the creation of industry based teams to provide a more focussed approach to the prevention of injuries and diseases in the workplace and the development of healthy and safe workplaces. Since 1998-99 the WorkCover Authority has undertaken a major campaign to raise community awareness of the benefits of workplace safety. The campaign will continue in 2000-01.

The Authority is proposing to relocate its Head Office to Gosford in 2002 as part of the Government's post-2000 jobs plan for the Central Coast.

STRATEGIC DIRECTIONS

Consistent with its statutory responsibilities, WorkCover continues to pursue its key corporate objectives to enable stakeholders to achieve safe workplaces, effective return to work and security for injured workers.

2000-01 BUDGET

Total Expenses

Total expenses for 2000-01 are estimated at \$184 million, including:

- ◆ \$65.2 million to promote the prevention of injuries and diseases at workplaces;
- ◆ \$20.7 million to maintain the workers' compensation insurance and injury management service to employers and workers;
- ◆ \$31.5 million for resolution of workers' compensation disputes including funding of the Compensation Court of New South Wales;
- ◆ \$1 million for assistance to landholders to install tractor rollover protection, as part of a two year, \$2.4 million program;
- ◆ \$7.7 million for an education campaign to raise community awareness on occupational health and safety; and
- ◆ \$19.5 million to meet the cost of workers' compensation related claims made in respect of uninsured employers, failed insurers and those arising from bush fire fighting and emergency services activities.

Asset Acquisitions

The capital program of \$25.5 million in 2000-01 provides for a range of technology applications necessary to support the business of WorkCover. Funding has been allocated for systems development to meet the needs of the WorkCover Scheme and related occupational health and safety legislative changes.

Provision has also been made for the on-going implementation of the information technology strategic plan, the contents of which are consistent with the Government's blueprint on information management and technology.

SUPERANNUATION ADMINISTRATION CORPORATION

The former Superannuation Administration Authority (SAA) became a statutory State Owned Corporation, the Superannuation Administration Corporation (SAC), on 26 July 1999.

SAC currently provides superannuation administration services to the trustees of the First State Superannuation Fund, the Pooled Fund and the Parliamentary Contributory Superannuation Fund. These services include collecting contributions and paying benefits, maintaining member records, telephone and field advisory services and technical advice to the trustees.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

As a State Owned Corporation, SAC operates on a fully commercial basis, where previously SAA operated on a cost recovery basis for the Pooled Fund administration.

In December 1999 SAC entered into an administration contract with the First State Superannuation Trustee Corporation for a three year period. In the second half of 1999-2000 a similar contract was being finalised with the State Authorities Superannuation Trustee Corporation for a five year period. At the end of the respective contract periods, the contracts will be put out to tender and SAC will have to compete with private sector providers to retain the business.

Due to the complexities associated with Y2K compliance and GST implementation issues, a major upgrade of all computer administration systems, which commenced in 1997 and originally scheduled for completion in November 1999, will now be completed by September 2000. This has meant that employee expenses are higher than forecast as additional contract staff have had to be retained. Capital expenditure in 1999-2000 is also higher.

Plans are in place for the transfer of SAC's core operations to Wollongong by 2002, as announced by the Government in April 1999.

The Government will be providing a capital injection to SAC in 1999-2000 which will strengthen the balance sheet and put the Corporation on a sound financial footing to undertake its business operations in 2000-01 and forward years.

STRATEGIC DIRECTIONS

As a statutory State Owned Corporation, SAC is subject to the commercial monitoring regime that provides accountability and reporting requirements to the NSW Government as shareholder.

Having focussed on the transitional issues associated with the implementation of the new governance structure and finalisation of the systems upgrade and administration contracts with the trustees, the 2000-01 Statement of Corporate Intent will focus on achieving the following objectives:

- ◆ increase key stakeholders' satisfaction with service provision;
- ◆ extend the quality improvement program throughout the business;
- ◆ finalise the structure incorporating the move to Wollongong; and
- ◆ implementation of the marketing strategy for the expanded business mandate which allows SAC to take on additional superannuation and related business in both the public and private sector.

2000-01 BUDGET

Total Expenses

Estimated total expenses for 2000-01 are \$47.8 million, a decrease of 2.1 percent, due to lower operating expenses following the completion of the computer systems upgrade.

Asset Acquisitions

Asset acquisitions amount to \$2 million to cover ongoing maintenance of the computer systems.