

OFFICIAL



CTP REGULATOR
2023-24 Annual Report

Level 8, Wakefield House
30 Wakefield Street
GPO Box 1095 Adelaide SA 5001

www.ctp.sa.gov.au

Contact phone number: 1300 303 558
Contact email: ctp@sa.gov.au
ISSN: 2652-2764
Date presented to Minister: 26 September 2024

OFFICIAL

To:

Hon. Stephen Mullighan MP,

Treasurer

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Compulsory Third Party Insurance Regulation Act 2016*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the CTP REGULATOR by:

David Price

Chief Executive and CTP Regulator

Date 26 September 2024

Signature



From the Chief Executive



First, I would like to thank Kim Birch, the outgoing Regulator, for her stewardship of the privately underwritten Scheme since it began in 2016. Kim oversaw and shaped a competitive and efficient scheme with a person-centred approach that has delivered for the South Australian community. Kim's dedication to the role has left a marked impact and set the Scheme and the Regulator's office in good stead for the future.

This past year we have maintained our focus on simplification, reducing regulatory burden and delivering improvements aimed at benefiting injured people and motorists. The CTP Scheme has continued to deliver a fair and competitive scheme with choice, ease and confidence for the South Australian community with CTP premiums reducing as of 1 July 2024 for 99% of registered motor vehicles.

The Regulator team continues to work with key scheme stakeholders, including major SA hospital trauma units, to increase awareness and knowledge of the Scheme to encourage early intervention and connect injured people with CTP Insurers. Over the coming year, we will continue our work to deepen engagement with scheme stakeholders and strengthen the communication materials available for the community to better understand the Scheme.

The team undertook a holistic review of the Regulator Rules and Commercial Rules (Scheme Rules) with an emphasis on simplification for injured people and updating insurer requirements to reflect the current focus of the Scheme. After an extensive review process, new Scheme Rules were implemented on 1 July 2024. These rules set out the obligations of CTP Insurers and can be referred to by injured people to understand how the Scheme operates.

We also implemented a new compliance management system for recording and monitoring insurer compliance with scheme requirements. This new system strengthens the Regulator's compliance monitoring capabilities for CTP Insurers, improves the efficiency of audit processes and will continue to support the Regulator's oversight of insurers into the future.

Technological advancements have the potential to transform many aspects of the Scheme, including regulatory monitoring and service delivery. While this presents opportunities for improvements to scheme efficiency and the experience of injured people and motorists, it also poses challenges for the Scheme to ensure changes benefit our community.

I look forward to continuing my work at the Regulator by leading the team in its engagement with scheme stakeholders to support the community in the coming years.

A handwritten signature in black ink, appearing to read 'D Price', written in a cursive style.

David Price
Chief Executive and CTP Regulator

Contents

Overview	6
About the CTP Scheme.....	6
Purpose of the Regulator	7
Our vision	7
Our mission.....	7
Our values.....	7
Our organisational structure	8
Our Executive team.....	8
Legislation administered by the CTP Regulator.....	8
Government stakeholder relationships.....	8
Motor Accident Injury Accreditation Scheme (MAIAS) Administrator	10
The Regulator’s performance.....	11
Performance at a glance.....	11
Regulator objectives and performance.....	11
Employment opportunity programs	13
Capacity Building Placement.....	13
Regulator performance management and development systems.....	13
Work health, safety and return to work programs	13
SA Government People Matter Employee Survey.....	14
Executive employment at the CTP Regulator	14
Financial performance.....	15
Financial performance at a glance	15
Consultants disclosure.....	15
Contractors disclosure	16
Risk management	17
Risk and audit at a glance	17
Fraud detected in the CTP Regulator	17
Strategies implemented to control and prevent fraud.....	17
Public interest disclosure	17

Reporting required under the *Compulsory Third Party Insurance Regulation Act 2016*.....18

- Regulatory activities..... 18
- Providing information about the Scheme..... 19
- Insurer monitoring..... 19
 - Compliance management system.....21
- Scheme monitoring..... 22
 - Scheme efficiency review 22
 - Review of the use of independent medical assessments (IMAs) in the Scheme 22
 - Insurer benchmarking review 22

Motor Accident Injury Accreditation Scheme (MAIAS) 24

- Quality Assurance (QA) program..... 24

Scheme statistics 26

Appendix: Audited financial statements 2023-24..... 36

Overview

About the CTP Scheme

The Compulsory Third Party (CTP) Insurance Scheme is governed by South Australian legislation in the following Acts of State Parliament: *Motor Vehicles Act 1959* (MV Act), *Civil Liability Act 1936* (CL Act) and *Compulsory Third Party Insurance Regulation Act 2016* in addition to contracts between the State and government approved insurers (CTP Insurers).

The CTP Regulator oversees the Scheme and regulates the CTP Insurers, AAMI, Allianz, QBE, NRMA and Youi. Fundamental aspects of the Scheme are to support the recovery of people injured in motor vehicle accidents and provide a compulsory Policy of Insurance (policy) to protect motor vehicle owners against the financial impact of causing personal injury or death to other road users through the use of their vehicle anywhere in Australia.

CTP insurance is paid for at the same time as motor vehicle registration. The policy attaches to the vehicle, not the purchaser. The minimum terms and conditions of the policy, set by the Regulator, are available on the Regulator's website www.ctp.sa.gov.au.

Motorists actively choose their CTP Insurer based on factors including price, brand, claimant service rating and approved incentives. The CTP Insurers underwrite the South Australian Scheme and manage claims against the policy.

In South Australia, claims for compensation under the Scheme are fault-based common law claims modified by statute, primarily the CL Act. This means injured road users may be eligible for injury recovery support, payment of reasonable and necessary treatment and compensation when another party is at fault or partially at fault. Access to compensation requires the injured person's injuries to meet thresholds depending on their seriousness.

The Regulator is appointed as the Nominal Defendant under Part 4 of the MV Act. Nominal Defendant claims arise when the vehicle responsible for a motor vehicle accident in South Australia that results in injuries or death to other road users is either uninsured or unidentified. The Regulator assigns management of Nominal Defendant claims to the CTP Insurers in line with their market shares.

The Scheme also provides funding for reasonable and necessary treatment, care and support for children injured while under the age of 16 years in an accident in South Australia, regardless of fault.

The CTP Scheme is complemented by the Lifetime Support Scheme which operates separate from the CTP Scheme. The Lifetime Support Scheme is a no-fault scheme which provides treatment, care and support for people who have sustained very serious injuries in motor vehicle accidents in South Australia.

Purpose of the Regulator

The Regulator is established as an independent statutory authority under the *Compulsory Third Party Insurance Regulation Act 2016* (the Act). The Regulator’s functions are set out in section 5(1) of the Act.

The Regulator is responsible for:

- regulating CTP Insurers
- monitoring and reviewing the operations and efficiency of the CTP Scheme
- oversight, monitoring and reporting of CTP Insurer activities
- determining the minimum terms and conditions of the policy of insurance
- determining CTP premiums
- providing information to consumers about the Scheme and CTP Insurers.

Our vision

The CTP Regulator's vision is to deliver a fair and competitive CTP Scheme with choice, ease and confidence for the South Australian community.

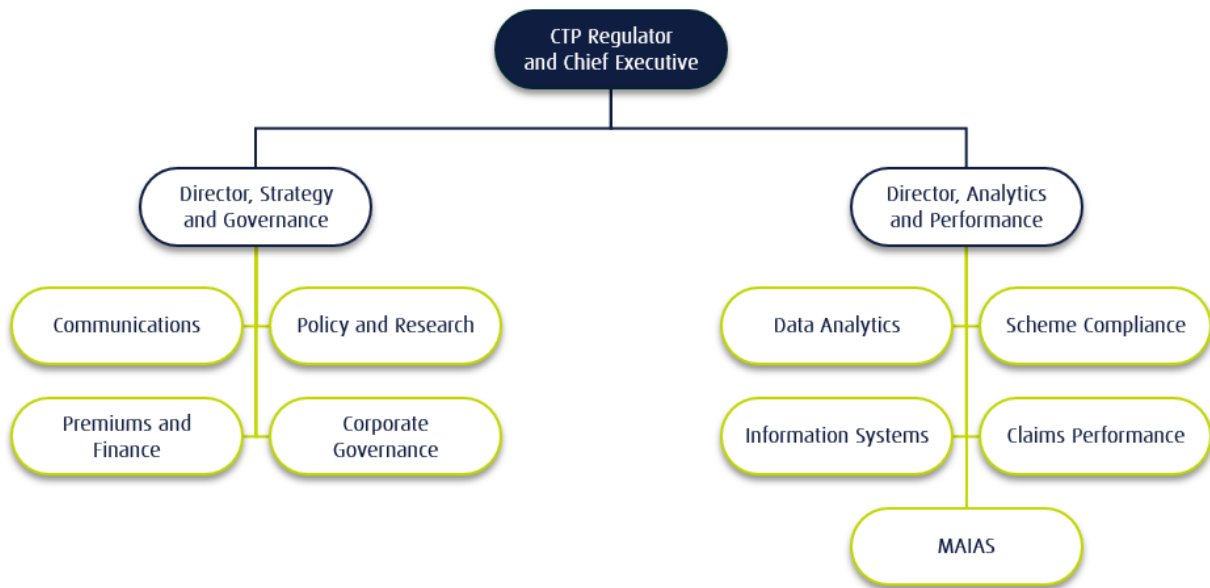
Our mission

To provide community confidence in the Scheme by regulating CTP Insurers and monitoring the performance of the CTP Scheme.

Our values

Our values	What this means for us
Outcomes driven	<ul style="list-style-type: none">• We look for practical solutions• We are decisive in our approach
Accountable	<ul style="list-style-type: none">• We do what we say we will do• We act in the best interests of the Scheme
Collaborative	<ul style="list-style-type: none">• We listen to, and inform our community• We work together to bring positive change
Fair	<ul style="list-style-type: none">• Our practices reflect and uphold our independence• We make evidence-based decisions
Supportive	<ul style="list-style-type: none">• We provide quality customer service• We respect the diversity of the people we serve

Our organisational structure



Changes to the CTP Regulator

During 2023-24 the following changes were made to the Regulator’s structure:

- MAIAS was transferred to the portfolio of Director, Analytics and Performance.

Our Executive team

As of 6 July 2024, David Price is the Chief Executive (CE) and CTP Regulator (Regulator), responsible for carrying out the functions of the Regulator and the CE as determined by the *Compulsory Third Party Insurance Regulation Act 2016*. The Regulator is also the Motor Accident Injury Accreditation Scheme (MAIAS) Administrator. Prior to 6 July, Kim Birch was the Regulator and CE.

Until 6 July David Price was the Director, Strategy and Governance, responsible for scheme research and policy, providing information to motorists, overseeing corporate functions including finance and the process of determining premium ranges for premium classes.

Ivan Lebedev is the Director, Analytics and Performance, responsible for information systems, data analytics, monitoring the Scheme, CTP Insurer performance and the MAIAS.

Legislation administered by the CTP Regulator

- *Compulsory Third Party Insurance Regulation Act 2016*
- Part 4, *Motor Vehicles Act 1959*.

Government stakeholder relationships

The Regulator has a service level agreement with the Department of Treasury and Finance (DTF) for the provision of corporate services to keep administration costs down and support the effective functioning of the Regulator’s office.

Our significant relationships to support scheme efficiency and administration are with the:

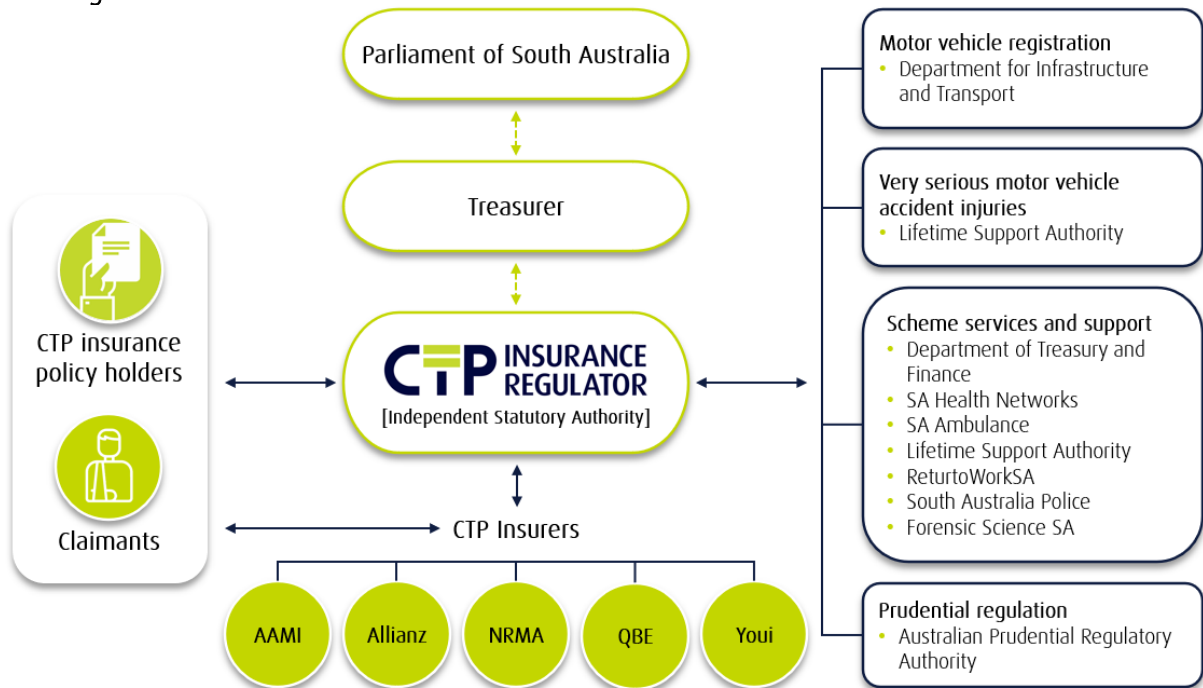
- Department for Infrastructure and Transport for the collection and disbursement of CTP premiums
- Lifetime Support Authority and ReturntoWorkSA to improve recovery outcomes for injured people
- Australian Prudential Regulation Authority to monitor the financial stability and solvency of the CTP Insurers.

In 2023-24, the Regulator had Memorandums of Administrative Arrangement (MoAAs) with government agencies to provide the following services to the Scheme:

- **Road safety:** Department for Infrastructure and Transport and South Australia Police
- **Health and Emergency Services:** Department for Health and Wellbeing; SA Ambulance Service; State Rescue Helicopter Service; Forensic Science SA
- **Customer support and transaction processing:** Department for Infrastructure and Transport.

MoAAs are funded from the administrative component of CTP premiums, collectively known as the CTP Scheme Services fee. The CTP Scheme Services fees are detailed on page 27.

CTP Regulator stakeholders:



Motor Accident Injury Accreditation Scheme (MAIAS) Administrator

The Regulator is appointed as the Motor Accident Injury Accreditation Scheme (MAIAS) Administrator by the designated Minister under section 76 of the *Civil Liability Act 1936*. The MAIAS Administrator has administrative and financial responsibility of the MAIAS which was established to accredit health professionals to undertake Injury Scale Value (ISV) medical assessments.

An ISV medical assessment is used to assist in determining an injured road user's entitlement to compensation by assigning referred injuries to ISV item numbers listed in Schedule 1 of the *Civil Liability Regulations 2013*. The ISV is a number between 0 and 100 that reflects the level of adverse impact of the injury on the person, based on medical evidence.

The MAIAS Administrator uses the MAIAS Rules to oversee the performance of the accredited medical practitioners. The Rules prescribe the regulatory and service standards required for medical practitioners to achieve and maintain accreditation.

The key objective of MAIAS is to create an independent system that provides consistent, objective and reliable ISV medical assessments. As administrator of MAIAS, the Regulator's responsibilities include but are not limited to:

- prescribing the processes and documentation of the MAIAS including accreditation training courses and overseeing their implementation
- supporting Accredited Medical Practitioners (AMPs) and monitoring their performance to verify conformity with accreditation obligations
- making recommendations to the Minister for approval of applicants who meet the accreditation criteria
- maintaining and keeping an up-to-date register of all AMPs
- continuing oversight of the MAIAS.

The Regulator’s performance

Performance at a glance

In 2023-24, the Regulator continued to deliver on its strategic objectives to support the CTP Scheme. Highlights include:

- Redetermined CTP premium bands which saw a decrease in the lowest available premiums for 99.9% of motorists from 1 July 2024.
- Conducted insurer audits to monitor compliance of CTP Insurers with contractual and legislative obligations of the Scheme. See page 19 for more detail.
- Continued our program of surveys with injured people to gain insight into insurer claimant service. The results of these surveys are published as the claimant service rating for each insurer on registration renewal notices and the [CTP website](#) to assist vehicle owners to choose an insurer.
- Reviewing, developing and publishing an updated set of Scheme Rules to provide better regulation and reduce unnecessary regulatory burden. See page 18 for more detail.
- Implemented a new compliance management system for recording and monitoring insurer compliance with scheme requirements. See page 21 for more detail.
- Conducted a thorough refurbishment of [CTP website](#) content to ensure that content is accessible and easy to understand to support the South Australian public’s understanding of the CTP Scheme. See page 19 for more detail.

Regulator objectives and performance

The Regulator’s strategic objectives support delivery of statutory functions under section 5 of the *Compulsory Third Party Insurance Regulation Act 2016*.

The Regulator’s performance against strategic objectives is summarised below.

Performance indicator	Target date	Outcome
Objective 1: Oversee a financially sustainable, effective and efficient scheme		
Undertake mid-year review of premium bands	November 2023	✓ Achieved
Annual premium bands reviewed and set for each premium class to apply from 1 July 2024	May 2024	✓ Achieved
Plan and prepare the Scheme for emerging technologies and participate in Across Government Automated Vehicle Reform Working Groups	December 2027	On track
Conduct MAIAS Quality Assurance program (see page 24)	June 2024	✓ Achieved

Performance indicator	Target date	Outcome
Objective 2: Promote an outcome driven, early recovery and service focused approach to claims management		
Research, identify and implement injury recovery and scheme experience initiatives that improve outcomes and experience of injured people in the Scheme	June 2024	✓ Achieved
Deepen engagement with hospitals and rehabilitation centres to promote early intervention and transition to the Scheme	February 2024	✓ Achieved
Identify opportunities to standardise insurer compliance requirements across jurisdictions (see page 18)	June 2024	✓ Achieved
Explore the expansion of MAIAS peer reviewers (see page 25)	September 2023	✓ Achieved
Analyse when and why Independent Medical Assessments are used for actionable insights to support a positive experience for injured people (see page 22)	June 2024	✓ Achieved
Review how working injured people with CTP claims return to work to monitor and encourage insurer supports	December 2024	On track
Conduct a review of Scheme Rules and contracts between the State and CTP Insurers (see page 18)	June 2024	✓ Achieved
Review insurer benchmark for assessing insurer liability timing (see page 23)	April 2024	✓ Achieved
Develop an IT solution to support Regulator compliance activities (see page 21)	December 2023	✓ Achieved
Objective 3: Deliver a customer centric focus		
Digitalise CTP Regulator processes to standardise and improve consistency	June 2024	✓ Achieved

Performance indicator	Target date	Outcome
Identify and implement improvements to enhance online injury claim form	June 2024	✓ Achieved
Review and refresh Regulator website (see page 19)	June 2024	✓ Achieved
Implement customer centric innovations explored as enablers for injured people to manage their own claim (see page 19)	June 2024	✓ Achieved
Objective 4: Enhance the capability of the team		
Implement strategies to strengthen our resilient and contemporary team	June 2026	On track
Implement and embed project management tool enhancements and updated Framework	June 2024	✓ Achieved
Provide opportunities to develop staff capability through cross-skilling across teams	June 2026	On track

Employment opportunity programs

Capacity Building Placement

The Regulator runs a Capacity Building Placement for people with disability. The program creates the opportunity for people with disability to gain employment skills and confidence, in a supportive environment. The program also works towards building a diverse and inclusive public sector where everyone belongs.

The program aims to support strengthening the capability and confidence of the participant to compete in the jobs market and provides a blueprint to share with others to establish similar programs in their organisations.

The most recent participant finished their placement having achieved employment in the private sector. The program will continue in the next financial year with a new participant joining the Regulator team.

Regulator performance discussion and development systems

Regulator staff access the Department of Treasury and Finance’s (DTF) performance discussion and development systems, including the new organisational development tool, myCareer. Training has been undertaken to ensure the Regulator is using the system to its full capacity and supports the Regulator’s learning and development strategies.

All staff have individual performance plans in place that are discussed at least every six months.

Work health, safety and return to work programs

Regulator staff are employed by DTF and seconded to the Regulator. Regulator staff access DTF’s work health, safety and return to work programs.

Regulator staff work health and safety breaches, workplace injury claims, notifiable incidents or improvement and prohibition notices are recorded and reported in the DTF annual report.

Regulator management staff undertook a wellbeing training course, *Be Well Masterclass – People Leader*, offered by DTF to support the wellbeing of employees. Wellbeing training will continue in the next financial year, providing the opportunity for all Regulator employees to undertake wellbeing training.

SA Government People Matter Employee Survey

Regulator staff participated in the SA Government People Matter Employee Survey. Survey results will be available to the Regulator by the end of 2024. The views of our staff will inform the actions of the Regulator and the public sector more generally in the coming years. In particular, we will look for opportunities to enhance workplace culture, policies and practices that support our team and make the public sector a better place to work for everyone.

Executive employment at the CTP Regulator

Executive classification	Number of executives
SAES Level 1	2
SAES Level 2	1

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.

Financial performance

Financial performance at a glance

The following is a summary of the overall financial position of the CTP Regulator. This information is unaudited. Full audited financial statements for 2023-2024 are attached to this report.

Statement of Comprehensive Income	2023-24 Budget \$000s	2023-24 Actual \$000s	Variation \$000s	2022-23 Actual \$000s
Total Income	68,610	74,443	5,833	68,947
Total Expenses	68,941	67,369	(1,572)	64,750
Net Result	(331)	7,074	7,405	4,197
Total Comprehensive Result	(331)	7,074	7,405	4,197

Statement of Financial Position	2023-24 Budget \$000s	2023-24 Actual \$000s	Variation \$000s	2022-23 Actual \$000s
Current assets	53,232	55,391	2,159	48,505
Non-current assets	174	235	61	174
Total assets	53,406	55,626	2,220	48,679
Current liabilities	15,247	10,244	(5,003)	10,431
Non-current liabilities	466	526	60	466
Total liabilities	15,713	10,770	(4,943)	10,897
Net assets	37,693	44,856	7,163	37,782
Equity	37,693	44,856	7,163	37,782

Consultants disclosure

The following is a summary of external consultants that have been engaged by the CTP Regulator, the nature of work undertaken and the actual payments expensed for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	4,930

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
Scyne Advisory Pty Ltd	Internal Audit Services	22,344
Taylor Fry Pty Ltd	Scheme Actuary Services	563,323
	Total	585,667

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the CTP Regulator, the nature of work undertaken and the actual payments expensed for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	9,600

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
BizHub Australia Pty Ltd	CTP Claims Register Support	43,952
Chamonix IT Management Pty Ltd	Project Management Tool Development Support	35,591
Dr. Beata M Byok	MAIAS Reviewer Services	13,297
Haymakr	Claimant Service Rating Services	56,818
Healthcare Australia Pty Ltd	MAIAS Reviewer Services	10,411
	Total	160,069

The details of South Australian Government-awarded contracts for goods, services and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

Risk management

Risk and audit at a glance

The CTP Regulator's Risk and Audit Committee meets quarterly to provide assurance to the Governance Committee on the operation and effectiveness of the risk management framework and internal and external audit activities.

The Regulator also reports annually to the Department of Treasury and Finance (DTF) Risk and Performance Committee.

In the past year, the Regulator's Risk and Audit Committee fulfilled its responsibilities according to its terms of reference, including:

- overseeing the 2023-24 internal audit plan (external independent auditor)
- acting on independent review of strategic risks by external auditor
- reviewing and updating the risk appetite statement
- maintaining the Risk Management Framework, risk management systems and processes
- reviewing and updating the Regulator's Business Continuity Plan
- reviewing the Regulator's adherence to its legislated and contractual obligations
- overseeing the implementation of the Cyber Security Plan.

Fraud detected in the CTP Regulator

There was no fraud detected inside the Regulator.

Strategies implemented to control and prevent fraud

The Regulator has a robust suite of policies and work instructions to address key risks and establish controls to mitigate the risk of fraud. These controls include but are not limited to:

- segregation of duties
- delegations of authority
- user restrictions to financial software
- active management of information assets
- asset register
- triennial employee criminal history screening
- independent internal audit function
- financial management compliance program
- staff training and education on policies and procedures
- requirement of staff to adhere to the Public Sector Code of Ethics
- annual and ongoing conflict of interest declaration process for all staff.

Public interest disclosure

Public interest disclosure for the CTP Regulator is reported directly to the DTF and is recorded and reported in the DTF annual report.

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under the *Compulsory Third Party Insurance Regulation Act 2016*

This section of the report details the operational activities performed to meet the Regulator's functions under the Act.

Regulatory activities

Key activities completed in 2023-24 include:

- Updated the Scheme Rules, available on the [CTP website](#). The Scheme Rules set out obligations for CTP Insurers and provide guidance for claimants and other scheme stakeholders about the operation of the Scheme.
The updated Scheme Rules were the result of extensive internal review and consultation with CTP Insurers. The focus of the review was to simplify for ease of reference for injured people, provide better regulation and reduce unnecessary regulatory burden. This was the first holistic review of the Scheme Rules since the beginning of the competitive scheme in 2019.
Consideration was also given to areas where regulation should be strengthened. Regulation has been strengthened particularly around insurer IT systems (through amendments to Commercial Rule 6) in light of increased focus on cyber security and the protection of information.
- Reviewed and determined premium bands to apply from 1 January 2024 and from 1 July 2024. The review and determination for 1 January was the first time the Regulator undertook a mid-year review of CTP premiums which resulted in changes to premium bands. Most policy holders (99.9 percent of projected registered vehicles for 2024-25) were offered a lower CTP premium from 1 July 2024 compared to 1 July 2023.
- Took proactive steps to strengthen our cyber security governance and protection of scheme data. This included undertaking penetration testing of the CTP Claims Register, limiting the personal and sensitive information held by the Regulator to a minimum level of detail to meet business needs and improving our data storage and governance practices to minimise the exposure to potential cyber events.

Providing information about the Scheme

- Conducted a thorough refurbishment of [CTP website](#) content. The website is the main method that the Regulator provides information to the general public, fulfilling our statutory function of providing information to consumers about the CTP insurance business. The aim of this work was to ensure that content on the Regulator's website is as accessible and easy to understand as possible to improve the South Australian public's understanding of the CTP Scheme. Website refurbishment included the development of interactive tools to simplify the way information is provided to the public.
- Published updated data to the [Scheme Data Dashboard](#). The Dashboard provides an overview of the Scheme, including CTP claims and insurer premiums from 1 July 2016 up to 31 December 2023. The dashboard is updated annually.
- Published the annual [2024-25 SA CTP Market Briefing](#) prepared by the independent scheme actuary, which informs the premium setting.
- Published the [January to June 2024 SA CTP Market Briefing](#). This was the first time the Regulator undertook a mid-year review of CTP premiums which resulted in changes to premium bands.
- Published the [2024-25 South Australia Point-to-Point Industry Relativities Briefing](#) prepared by the independent scheme actuary, which outlines the relativities advice that informs the premium setting for vehicles in the point-to-point industry.
- Engaged with South Australian public hospitals (Royal Adelaide, Flinders Medical Centre, Lyell McEwin and the Women's and Children's) to provide information about the CTP Scheme to trauma nurses. This aimed to promote early intervention and improved health outcomes for eligible injured people through increased awareness of, and early access to treatment, care and support provided within the Scheme.
- Collaborated with the Lifetime Support Authority (LSA) to improve understanding of the CTP Scheme for LSA staff, so that they could better support injured people in the Lifetime Support Scheme who may also have a CTP claim and, when applicable, make the transition between the two schemes seamless for the injured person.

Insurer monitoring

The Regulator uses a suite of tools to oversee and identify areas for further investigation in scheme trends, CTP Insurer performance and data quality.

The Regulator monitors the compliance of CTP Insurers with contractual and legislative obligations using the scheme compliance framework. The framework is risk-based, targeting areas of highest priority for the Scheme, and is primarily aimed at ensuring CTP Insurers act in the best interests of injured people and the CTP Scheme.

Areas of compliance focus are determined by the Regulator after reviewing and considering the compliance performance of all CTP Insurers. This process is undertaken every two years.

Regulator compliance activities for 2023-24 included over 5,000 audit tests being applied. The main compliance activities prescribed by the framework in 2023-24 were:

- claims management reviews
- data analytics
- mandatory declarations
- CTP Insurer Business Plan reviews
- reviews in response to complaints
- injury coding reviews.

The Regulator has continued its Insurer Compliance Program comprising a two-year cycle of full-scope insurer audits as well as targeted audits of specific claims management activities. Overall, the audits demonstrated high levels of insurer compliance with their legal and contractual obligations.

The scale and scope of the compliance program is proportionate with insurer performance and supports keeping downward pressure on insurer regulatory costs.

The CTP Insurer audits address performance across the insurer's business operation, including:

- service levels provided to claimants
- compliance with legislative obligations
- approval of treatment, care and support
- complaints management and dispute resolution
- payments and settlement
- privacy breaches and management of confidential information
- records management.

Areas of good performance include assisting injured people to lodge a claim, providing claimants with information about their claim, notifying claimants when their Statement Giving Authority to Obtain Information (prescribed authority) will be used and providing claimants the information obtained using the prescribed authority, and communicating liability decisions to claimants in a timely manner.

Identified areas for improvement for insurers that were audited in 2023-24 include:

- records management
- proactively obtaining information for a CTP claim
- sending claim information to health professionals in a timely manner
- providing a written response to funding requests and clear reasons for denied funding requests.

Where the compliance program identifies unsatisfactory performance, a finding of non-compliance is made against the relevant scheme obligation. The outcome of a finding may result in no further action, a request for remediation, a Notice of Breach and/or a financial sanction. Where a CTP Insurer is required to submit a remediation plan, insurer performance against the remediation plan is tracked against agreed timeframes and outcomes monthly.

Six formal breaches were issued for the 2023-24 financial year. In response to CTP Insurer breaches, two financial sanctions of \$10,000 each were paid to the State Government.

CTP Insurer	Breaches 2022-23	Breaches 2023-24
AAMI	1	0
Allianz	1	0
NRMA	0	6
QBE	0	0
Youi	0	0
Total	2	6

Note – While CTP Insurers are required to report any self-identified breaches, the Regulator conducts audits of each insurer every two years and on an ‘as needed’ basis. This may lead to CTP Insurers subject to an audit in any given year having more breaches detected.

Claimant service

Continued oversight of insurers’ claims management practices has seen improvements in insurers’ claimant service ratings (out of 100), increasing from 78 in last financial year to 81 in 2023-24, indicating improved insurer performance and scheme experience for injured people.

Compliance management system

Enhancing the Regulator’s system for recording and monitoring insurer compliance was identified as an action of strategic importance for the Scheme. The Regulator’s office worked with a vendor to develop an IT solution to support compliance activities and replace the previous auditing methods. The purpose-built system better supports the Scheme Compliance team’s audit processes and the overall robustness of scheme compliance monitoring.

The new system:

- Contains insurer audits in a single system.
- Improves efficiency of the audit process by enabling CTP Insurers to review their audit results and provide more information or further evidence directly into the system.
- Enables the Regulator to develop, store and maintain key elements of the Regulator’s Compliance Framework (obligations, audit tests, results, findings and regulatory actions) in a single database.
- Enables the Regulator to record, store and retrieve all historical compliance activity records from the database for any given obligation.
- Eliminates the need to manually review multiple documents across audit years to determine prior actions.
- Allows the Scheme Compliance team to easily link compliance activity results to audit recommendations and decisions, including the evidence that was relied upon to make those recommendations and decisions.

The new compliance management system will continue to support the Regulator’s oversight of CTP Insurers in future compliance activities.

Scheme monitoring

Scheme efficiency review

Each year, the Regulator initiates an independent review of scheme efficiency to be conducted by the scheme actuary. The results are published in the [CTP Scheme Efficiency Report as at 31 December 2023](#), available on the CTP Regulator's website (www.ctp.sa.gov.au).

The review examines the efficiency of the CTP Scheme by evaluating the proportion of customer premiums returned to injured people with CTP claims; this proportion is called the scheme efficiency index. The estimated scheme efficiency index increased from an average of 37% in the pre-competition period (1 July 2016 to 30 June 2019) to 52% since the introduction of competition (since 1 July 2019).

The review shows that the current competitive scheme is operating more efficiently than the previous scheme; providing supports to injured people at a lower cost to the South Australian community.

Review of the use of independent medical assessments in the Scheme

The Regulator undertook a review of a sample of independent medical assessments to understand when, why and how they are being used in the Scheme. The objective of this review was to gain better insight into the use of these independent assessments and the potential impact on injured people, to identify opportunities to improve their experience.

Attending assessments can impact injured peoples' experience within the Scheme, especially where the person does not understand the purpose of the assessment, when they have to attend multiple assessments, and when the assessment is used to resolve a dispute. independent assessments also contribute to scheme costs; therefore, the appropriate use of these assessments is important for both scheme experience and scheme efficiency.

The Regulator requested information from insurers on a sample of claims to understand:

- how, why and when independent medical assessments were used
- the prevalence and reason for multiple assessments
- the extent of insurer awareness about how and why assessments arranged by the injured person, or their representative, are used, and whether the injured person's experience differs by who arranged the assessment
- whether there are any opportunities for the Regulator and/or insurers to support a positive experience for injured people.

The review found that the industry is using assessments appropriately and when required.

The [Guideline for Arranging Joint Independent Medical Assessments](#) aims to assist with reducing the number of assessments the injured person may be asked to attend and supporting claimants through the process. The Regulator Rules require insurers to support and enhance the injured person's experience when arranging independent assessments. These include considering the injured person's individual circumstances; ensuring the choice of the

assessor is based on medical reasoning; and providing information about the assessment to the injured person, including the reasons for attending.

The Regulator will continue to monitor insurers' compliance with the Regulator Rules to support a positive experience with independent assessments for injured people.

Insurer benchmarking review

The Regulator monitors scheme performance in a number of ways including, investigating complaints, auditing insurers, conducting research and reviews, and insurer performance benchmarking (assessing insurer performance against set standards and against each other).

In some areas of insurer benchmarking, the Regulator has assessed the private insurers' performance against the performance of the Motor Accident Commission (MAC), which managed claims under the previous scheme (prior to 1 July 2016). With the Scheme maturing and gaining sufficient past experience, benchmarks which are based on the performance of the MAC are being relied upon to a lesser degree.

A review was conducted on the existing liability timing benchmark, which was based on MAC data. This standard has been effective at driving insurer behaviour in making timely liability decisions. However, insurers typically outperform the service standard, making liability determinations sooner.

Ultimately the review resulted in an update to the liability timing minimum service standard with a new industry standard based on private insurer performance over the last several years. This represents an important milestone for the Scheme to place more emphasis on current insurer performance and depart from reference back to the previous scheme. Moving to create new benchmarking standards based on the current scheme's performance will impose higher standards for the CTP Insurers to meet.

The Regulator also created new benchmarking measures around claimants returning to work. There is regular monitoring of the percentage of claimants who need help returning to work, and the percentage of those that did return to work before their claim closed. These measures give the Regulator visibility of a key outcome of the Scheme and encourage better service from the insurers in this area.

Motor Accident Injury Accreditation Scheme (MAIAS)

In the CTP Scheme, an injured road user may be entitled to compensation for their injuries. Some types of compensation, including non-economic loss and compensation for gratuitous services, are subject to thresholds based on the Injury Scale Value (ISV) of the injuries.

The South Australian Motor Accident Injury Accreditation Scheme (MAIAS) accredits medical practitioners to undertake ISV medical assessments (Assessments) that assist in determining an injured person's entitlement to compensation.

The objective of the MAIAS is to create an independent system that provides consistent, objective and reliable Assessments. The MAIAS accredits medical practitioners to undertake Assessments which includes assigning ISV Item Numbers for each injury sustained in the motor vehicle accident. The reports from these Assessments assist injured people and CTP Insurers in the claims settlement process.

To be accredited by the MAIAS, medical practitioners must first be accredited under the ReturnToWorkSA (RTWSA) scheme as an Impairment Assessor. The MAIAS collaborates with RTWSA to develop an integrated process for applications, training and developing assessor capability where appropriate, and has an interest in RTWSA's Impairment Assessor Accreditation scheme more broadly.

Over the coming year, the MAIAS will continue to monitor RTWSA's review of its Impairment Assessment Guidelines and Impairment Assessor Accreditation Scheme to identify changes that could impact the MAIAS. The MAIAS will also work with RTWSA to identify medical specialties in need of more Accredited Medical Practitioners (AMPs) to assess injuries and provide injured people with greater access to the appropriate specialty.

In early 2024, the CTP Regulator recruited an Injury Services Officer to support the work of the MAIAS Administrator. The Injury Services Officer is responsible for coordinating the work of the MAIAS, including overseeing accreditations and managing the quality assurance (QA) program.

Quality Assurance (QA) program

In 2023-24, the MAIAS Administrator conducted QA reviews to assess the quality of ISV medical assessment reports (Reports) against the requirements of the *Civil Liability Act 1936*, *Civil Liability Regulations 2013*, MAIAS Rules and the criteria in the MAIAS Training Manual 3rd Edition.

During the QA program, 85 physical Reports and 16 pure mental harm Reports were reviewed by medical expert peer reviewers. The review found areas for improvement, including stating stability for each referred injury, addressing all referred injuries, accurately calculating and explaining the basis for the assigned Whole Person Impairment or Guide to the Evaluation of Psychiatric Impairment for Clinicians (GEPIC) rating, and providing clear rationale for selecting the assigned ISV Item Numbers.

Assessed AMPs can seek further feedback on their QA findings and engage with the peer reviewers, if required. They may also revisit training materials through the MAIAS learning management system at any time.

Over the 2024-25 financial year, the MAIAS will review the current QA program to identify opportunities for improvement.

Peer reviewers

The QA program is conducted with assistance from medical experts who are experienced in their field (peer reviewers). In September 2023, the MAIAS engaged a new peer reviewer to support the QA program.

Scheme statistics

Insured vehicles by type

Registrations as at 30 June 2024

Type of vehicle	Vehicles	%
Private passenger	1,141,388	56.66%
Public passenger: no fare	636	0.03%
Taxis: metropolitan	1,052	0.05%
Taxis: country	245	0.01%
Hire cars	11,341	0.56%
Rideshare: country	2	0.00%
Rideshare: metropolitan	4,867	0.24%
Public passenger: small	714	0.04%
Public passenger: medium	1,087	0.05%
Public passenger: heavy	694	0.03%
Public passenger: omnibus	1,024	0.05%
Goods carrying: light	251,025	12.46%
Goods carrying: medium	16,636	0.83%
Goods carrying: heavy	11,539	0.57%
Goods carrying: primary producers	30,952	1.54%
Motorcycles: ultra light	3,040	0.15%
Motorcycles: light	8,325	0.41%
Motorcycles: medium	14,018	0.70%
Motorcycles: heavy	20,838	1.03%
Tractors	54,067	2.68%
Historic and left hand drive vehicles	46,968	2.33%
Special purpose vehicles	17,484	0.87%
Car carriers: light	3	0.00%
Car carriers: medium	18	0.00%
Car carriers: heavy	1	0.00%
Car carrier trailers	122	0.01%
Trailers	374,211	18.58%
Unregistered vehicle permits	117	0.01%
Motor trade plate	2,119	0.11%
Total	2,014,533	100.00%

Source: Department for Infrastructure and Transport policy data.

Ratio of class 1 premium⁽¹⁾ to South Australian average weekly earnings (AWE)⁽²⁾

	Annual premium ⁽¹⁾	State AWE ⁽²⁾	Ratio
2023-24	\$270.78	\$1,735	16%
2022-23	\$294.99	\$1,658	18%
2021-22	\$290.33	\$1,591	18%
2020-21	\$295.40	\$1,543	19%
2019-20	\$296.77	\$1,504	20%
2018-19	\$411.25	\$1,462	28%

⁽¹⁾ Note: Premium is the weighted average lowest priced Class 1 District 1 public passenger vehicle (private use, no input tax entitlement) on offer over the financial year.

⁽²⁾ Source: Australian Bureau of Statistics, 6302.0 Average Weekly Earnings, Australia. Earnings; Persons; Full Time; Adult; Ordinary time earnings; South Australia; Series Id: A84989336X, November (in given financial year).

Premium and fee collection

1 July 2023 to 30 June 2024

Description	\$'000
Insurers' premiums*	310,119
Stamp duty	42,341
Road safety	14,051
Emergency transport, hospital and forensic services	38,105
Customer support and transaction processing	11,292
CTP Scheme regulation and administration	6,495
Total insurance premiums collected	422,402

Note: *Includes GST.

Market share of in-force premium

	AAMI	Allianz	NRMA	QBE	Youi [†]
30 June 2024	29%	21%	19%	26%	5%
30 June 2023	32%	7%	25%	29%	7%
30 June 2022	40%	9%	30%	21%	
30 June 2021	20%	18%	41%	21%	
30 June 2020	28%	27%	24%	21%	
30 June 2019*	30%	15%	20%	35%	

Note: *All insurers had contractually agreed market share for the first three years of the privately underwritten scheme - 2016 to 2019.

[†]Youi entered the Scheme on 1 July 2022.

Number of changes to filed premiums 2023-24

Type of vehicle	District 1	District 2
Private passenger	12	11
Public passenger: no fare	4	6
Taxis: metropolitan	4	
Taxis: country	6	
Hire cars	9	9
Rideshare: country	3	
Rideshare: metropolitan	4	
Public passenger: small	4	6
Public passenger: medium	4	6
Public passenger: heavy	4	6
Public passenger: omnibus	6	
Goods carrying: light	12	11
Goods carrying: medium	10	13
Goods carrying: heavy	12	11
Goods carrying: primary producers	10	4
Motorcycles: ultra light	7	7
Motorcycles: light	8	8
Motorcycles: medium	7	7
Motorcycles: heavy	5	9
Tractors	6	6
Historic and left hand drive vehicles	4	6
Special purpose vehicles	5	7
Car carriers: light	4	2
Car carriers: medium	4	2
Car carriers: heavy	4	2
Car carrier trailers	6	2
Unregistered vehicle permits	2	2
Total	166	143

This is an indicator of premium price competition in the CTP Scheme. Premium classes for taxis, rideshare and omnibuses do not depend on the district, but are counted with district 1 in the table.

Note: 2023-24 had more changes to filed premiums than previous years in part because the premium bands were reviewed and updated from 1 January, requiring all insurers to re-file for every vehicle class.

Claimant service rating results

Publication month	AAMI	Allianz	NRMA	QBE	Youi [†]
June 2024	82	81	80	83	79
June 2023	84	75	77	77	
June 2022	84	78	74	80	
June 2021	77	78	79	75	
June 2020	81	72	85	77	
June 2019	69	72	70	71	

Note: The score published each month is the average claimant service rating from claimants surveyed in the previous six to twelve months.

[†]Youi entered the Scheme on 1 July 2022 and its claimant service rating was only published once enough claimants had been surveyed to give a representative sample.

Number of accidents by region

1 July 2023 to 30 June 2024

Region	Accidents	%
Adelaide City / Suburbs	1,439	86.5%
Outer Adelaide	113	6.8%
Murraylands	30	1.8%
South	16	1.0%
Northern	10	0.6%
Eyre	10	0.6%
Interstate	45	2.7%
Total	1,663	100.0%

Note: The recent accident years' data is immature due to accidents where a claim is yet to be reported.

Claim lodgement by development year

1 July 2016 to 30 June 2024

Accident year	Development year						Total
	1	2	3	4	5	6+	
2016-17	2,376	631	49	29	16	7	3,108
2017-18	2,115	470	56	21	5	9	2,676
2018-19	1,934	427	45	19	15	7	2,447
2019-20	1,557	343	52	31	18		2,001
2020-21	1,730	436	29	31			2,226
2021-22	1,532	368	50				1,950
2022-23	1,592	357					1,949
2023-24	1,870						1,870
Total							18,227

Note: Development year 1 means claims lodged in the accident year (year means financial year), development year 2 means claims lodged in the year after the accident year, etc.

Claims by current status

1 July 2016 to 30 June 2024

Accident year	Claims lodged	Claims open	Claims closed	% closed
2023-24	1,870	1,373	497	27%
2022-23	1,949	854	1,095	56%
2021-22	1,950	591	1,359	70%
2020-21	2,226	384	1,842	83%
2019-20	2,001	233	1,768	88%
2018-19	2,447	123	2,324	95%
2017-18	2,676	69	2,607	97%
2016-17	3,108	35	3,073	99%

Claimants by demographic

1 July 2016 to 30 June 2024

Age group	Males	Females	Total	%
16 years and under	406	424	832	5%
17 to 24 years	934	1,296	2,239	12%
25 to 34 years	1,558	1,989	3,550	19%
35 to 44 years	1,484	1,791	3,283	18%
45 to 54 years	1,587	1,792	3,387	19%
55 to 64 years	1,317	1,346	2,670	15%
65 years and over	955	1,301	2,261	12%
Unspecified	3	2	5	0%
Total	8,244	9,941	18,227	100%

Claimants by accident role

1 July 2016 to 30 June 2024

Role	Claims	%
Driver	11,579	64%
Passenger	3,895	21%
Bicyclist	1,263	7%
Pedestrian	1,195	7%
Other	295	2%
Total	18,227	100%

Claims by severity

Closed claims for accidents from 1 July 2016 to 30 June 2024

AIS* severity	Claims	%
Minor	9,394	64.5%
Moderate	1,897	13.0%
Serious	727	5.0%
Severe	60	0.4%
Critical	27	0.2%
Maximum	226	1.6%
Admin Only	2,234	15.3%
Total	14,565	100.0%

Note:

*Injury severity based on injuries coded under the Abbreviated Injury Scale (AIS) 2005 and the Update 2008 Manual.

"Minor" category includes claims where a region-specific injury code was reported with a severity of 9 ("not further specified").

"Maximum" injury severity usually indicates a fatality.

"Admin" means there were no physical injuries caused by the accident or there was no medical evidence available for injury coding.

Claims by dominant injury body region

Closed claims for accidents from 1 July 2016 to 30 June 2024 excluding claims without a dominant injury recorded

Body region	Claims	%
Cervical spine	3,434	25%
Shoulder	2,905	21%
Thoracic spine or lumbar spine	1,734	13%
Other	1,352	10%
Pelvis or hip	1,049	8%
Other lower limb	725	5%
Pure mental harm	684	5%
Knee	629	5%
Central nervous system and head	512	4%
Chest	370	3%
Wrist	363	3%
Total	13,757	100%

Rates of legal representation

1 July 2016 to 30 June 2024

Accident year	Claims	% Legal rep	% Litigated	% Trial
2023-24	1,870	23%	0%	0.00%
2022-23	1,949	30%	0%	0.00%
2021-22	1,950	35%	1%	0.00%
2020-21	2,226	39%	14%	0.00%
2019-20	2,001	40%	17%	0.00%
2018-19	2,447	35%	15%	0.00%
2017-18	2,676	41%	17%	0.04%
2016-17	3,108	41%	20%	0.03%

Note: The recent accident years' data is immature due to the long tail nature of CTP claims.

Legal costs

All legal cost payments for accidents from 1 July 2016 to 30 June 2024

Accident year	Solicitor client costs	Plaintiff - Legal (\$'000)	Defendant - Legal (\$'000)	Grand total (\$'000)
2023-24	Unknown	-	45	45
2022-23	Unknown	348	274	622
2021-22	Unknown	2,204	722	2,926
2020-21	Unknown	6,826	3,027	9,853
2019-20	Unknown	9,213	4,767	13,980
2018-19	Unknown	12,038	6,585	18,623
2017-18	Unknown	18,344	9,563	27,907
2016-17	Unknown	20568	12355	32923
Total	Unknown	69,541	37,338	106,879

Note: Solicitor client costs are reported as unknown because there is no legal requirement for a solicitor to provide their solicitor client costs to the managing insurer of a claim or the CTP Regulator.

Claim duration by CTP Insurer

Closed claims for accidents from 1 July 2016 to 30 June 2024 where relevant data is available

Timeframe (average days)	AAMI	Allianz	NRMA	QBE	Average
Notification date to compliance date	44	74	51	15	41
Notification date to liability decision date	115	96	108	114	109
Notification date to closure date	534	589	483	581	542

Note: Youi's claim portfolio is currently too underdeveloped to compare with the rest of industry.

Breakdown by heads of damage

Closed claims from 1 July 2023 to 30 June 2024 for accidents from 1 July 2016 to 30 June 2024

Heads of damage	Closed claims	Total (\$'000)	% Closed payments
Economic Loss	997	\$84,575	48.6%
Non-Customer Benefits	1,768	\$35,148	20.2%
Treatment	2,043	\$25,998	14.9%
Care	973	\$19,297	11.1%
Non-Economic Loss	421	\$7,633	4.4%
Other Customer Benefits	679	\$1,313	0.8%
Total	2,181	\$173,964	100.0%

Note:

“Care” category includes payments for past and future care and home services, care-related travel and voluntary services.

“Non-customer benefits” category includes investigation costs, the costs of medical reports from treating medical providers and ISV medical assessors, and plaintiff and defendant legal costs.

“Other customer benefits” category includes claimant travel expenses and reasonable funeral costs.

“Treatment” category includes payments for past and future medical, allied health and hospital services, excluding public hospital services funded from the administrative fee component of CTP premiums.

Nil claims (zero payments) have been excluded from the data.

Nominal defendant claims received by accident year

Accidents from 1 July 2016 to 30 June 2024

Year of accident	Unidentified vehicles	Unregistered vehicles	Total
2023-24	70	10	80
2022-23	57	12	69
2021-22	60	12	72
2020-21	70	12	82
2019-20	61	11	72
2018-19	71	10	81
2017-18	78	14	92
2016-17	95	12	107

Note: The recent accident years’ data is immature due to accidents where a claim is yet to be reported. Data for previous years has changed slightly since last year’s annual report due to data cleanup.

Communications

Number of public complaints reported in 2023-24

Type	Number of instances
Complaints about CTP Insurers	26
Complaints about the Scheme	1
Complaints about the Motor Accident Injury Accreditation Scheme (MAIAS)	0
Complaints about the Regulator	1
Total	28

Total enquiries to the Regulator’s public facing enquiries line in 2023-24 by source

Enquirer source	Number of enquiries
General public	1,845
CTP Insurer	477
Medical	470
Legal	142
Government Department	104
Other	7
Total	3,045

Average response times in 2023-24

Type	Average time taken to be resolved (in business days)
Enquiries & feedback	0.4
Complaints	3.8

Enquiries from the general public in 2023-24 by enquiry category

Enquiry category	Number of enquiries
Claims	1,052
CTP Scheme	269
Non-CTP-related enquiries*	209
Operations	113
Suspected fraud, scamming or deception	73
Nominal Defendant	70
Complaints	56
MAIAS	3
Total	1,845

Note: *Enquiries about topics outside of the Regulator’s scope, for example, comprehensive vehicle insurance, vehicle registration, or road safety.

The number for ‘complaints’ does not match the number of complaints listed in the public complaints section of this annual report because each complaint can involve multiple interactions. This category also includes questions about the complaints process that do not result in a formal complaint being lodged with the Regulator.

Appendix: Audited financial statements 2023-24

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
enquiries@audit.sa.gov.au
www.audit.sa.gov.au

To the Chief Executive and CTP Regulator CTP Regulator

Opinion

I have audited the financial report of the Compulsory Third Party Insurance Regulator (CTP Regulator) for the financial year ended 30 June 2024.

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

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and CTP Regulator and the Director, Analytics and Performance.

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 CTP Regulator. 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 and CTP Regulator for the financial report

The Chief Executive and CTP Regulator 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 and CTP Regulator is responsible for assessing the entity's ability to continue as a going concern, 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.

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*, I have audited the financial report of the CTP Regulator for the financial year ended 30 June 2024.

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

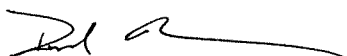
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CTP Regulator's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive and CTP Regulator
- conclude on the appropriateness of the Chief Executive and CTP Regulator'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 and CTP Regulator 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.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

26 September 2024

Compulsory Third Party Insurance Regulator (CTP Regulator)

Financial Statements

For the year ended 30 June 2024

CTP Regulator
Statement of Certification
For the year ended 30 June 2024

We certify that the:

- financial statements of the CTP Regulator:
 - are in accordance with the account and records of the CTP Regulator;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the CTP Regulator at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the CTP Regulator for the financial year over its financial reporting and its preparation of financial statements have been effective.



David Price
Chief Executive & CTP Regulator
25 September 2024



Ivan Lebedev
Director, Analytics and Performance
25 September 2024

CTP Regulator
Statement of Comprehensive Income
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Administration premium component collections	2.1	69 942	67 648
Interest	6.1	2 332	1 289
Resources received free of charge	2.2	10	10
Other income	2.3	2 159	-
Total income		74 443	68 947
Expenses			
Employee related expenses	3.2	3 129	3 124
Supplies and services	4.1	1 822	1 918
Administration premium component distributions	4.3	61 316	58 731
Administration premium component refunds	4.4	1 056	940
Depreciation and amortisation	5.1, 5.2	46	37
Total expenses		67 369	64 750
Net result		7 074	4 197
Total comprehensive result		7 074	4 197

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

CTP Regulator
Statement of Financial Position
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.1	53 571	46 874
Receivables	6.2	1 820	1 631
Total current assets		55 391	48 505
Non-current assets			
Property plant and equipment	5.1	52	7
Intangible assets	5.2	182	167
Receivables	6.2	1	-
Total non-current assets		235	174
Total assets		55 626	48 679
Current liabilities			
Payables	7.1	9 888	10 113
Employee related liabilities	3.3	342	310
Provisions	7.2	14	8
Total current liabilities		10 244	10 431
Non-current liabilities			
Employee related liabilities	3.3	486	437
Provisions	7.2	40	29
Total non-current liabilities		526	466
Total liabilities		10 770	10 897
Net assets		44 856	37 782
Equity			
Retained earnings		44 856	37 782
Total equity		44 856	37 782

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

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

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022	33 585	33 585
Net result for 2022-23	4 197	4 197
Total comprehensive result for 2022-23	4 197	4 197
Balance at 30 June 2023	37 782	37 782
Net result for 2023-24	7 074	7 074
Total comprehensive result for 2023-24	7 074	7 074
Balance at 30 June 2024	44 856	44 856

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

CTP Regulator
Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from administration fees		69 597	67 621
Interest received		2 298	1 127
GST recovered from DTF		2 379	2 098
Other receipts		2 158	24
Cash generated from operating activities		76 432	70 870
Cash outflows			
Employee related payments		(3 032)	(3 138)
Payments to suppliers and services		(1 816)	(1 670)
Payments for administration fees		(64 783)	(60 315)
Cash used in operating activities		(69 631)	(65 123)
Net cash provided by operating activities	8.1	6 801	5 747
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(39)	-
Purchase of intangibles		(65)	(77)
Cash used in investing activities		(104)	(77)
Net cash used in investing activities		(104)	(77)
Net increase in cash and cash equivalents		6 697	5 670
Cash and cash equivalents at the beginning of the reporting period		46 874	41 204
Cash and cash equivalents at the end of the reporting period	6.1	53 571	46 874

The accompanying notes form part of these financial statements.

CTP Regulator

Notes to and forming part of the financial statements

For the year ended 30 June 2024

1. About the CTP Regulator

The CTP Regulator (the Regulator) is an instrumentality of the Crown and a not-for-profit statutory authority of the South Australian government.

The financial statements and accompanying notes include all the controlled activities of the Regulator. Transactions and balances relating to administered resources are not recognised as Regulator income, expenses, assets or liabilities.

Administered items are disclosed in the schedule of administered items in Note 9.3 except as otherwise disclosed. Administered items are accounted for on the same basis and using the same accounting policies as for the Regulator transactions.

Administered financial statements relating to administered resources are presented separately. The administered activities include the receipt and payment of stamp duty on CTP premiums.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in accordance 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.

The financial statements have been prepared based on a 12-month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out throughout the notes.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The Regulator is grouped with the Department of Treasury and Finance (DTF) for GST purposes and accordingly DTF prepares the Business Activity Statement on behalf of the Regulator via the grouping provisions of the GST legislation. Notwithstanding the use of these grouping provisions, intercompany cash alignment occurs to ensure the Regulator either recovers the net amount of GST recoverable from or disburses the amount payable to the ATO from DTF.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

CTP Regulator

Notes to and forming part of the financial statements

For the year ended 30 June 2024

1.2. Objectives and programs

The Regulator is an independent statutory authority established under the *Compulsory Third Party Insurance Regulation Act 2016* (CTPIR Act).

The Regulator is responsible for an efficient, competitive, and viable CTP insurance industry in South Australia, and the oversight, monitoring and reporting of CTP Insurer activities.

From 1 July 2016, private CTP Insurers have underwritten the insurer premium component of the total premium in South Australia. Motorists actively choose their own CTP Insurer for each registration renewal period.

The total CTP premium (premium) is made up of:

- the insurer premium component
- the administration premium component
- GST and stamp duty.

The full stamp duty payable on the premium is disbursed by the Regulator to RevenueSA. This occurs under a specific arrangement with the Commissioner of State Taxation under section 35 of the *Taxation Administration Act 1996* that is detailed in a Memorandum of Administered Arrangement (MoAA) between the Regulator and Commissioner of State Taxation.

All premiums are collected by the Department for Infrastructure and Transport (DIT), through the motor vehicle registration process using the Transport Regulation User Management Processing System.

DIT disburses the insurer premium component of the premium and the associated GST to CTP Insurers and the stamp duty and administration premium component of the premium to the Regulator on a net basis, that is, after the deduction of customer refunds.

The administrative premium component of the premium is managed by the Regulator and funds:

- health and emergency services provided by SA Public Hospitals, SA Ambulance (including the State Rescue Helicopter service), and the Attorney-General's Department Forensic Science SA service as a result of motor vehicle trauma
- road safety services provided by DIT and SA Police designed to reduce the incidence or impact of road accidents and injuries
- customer support and transaction services provided by DIT for the collection, recording and processing of premiums
- CTP Scheme regulation and administration services provided by the Regulator, including the operations of the Motor Accident Injury Accreditation Scheme.

These arrangements, with the exception of the services provided by the Regulator, are detailed in funding agreements between the Regulator and the individual government agencies.

CTP Regulator

Notes to and forming part of the financial statements

For the year ended 30 June 2024

1.2. Objectives and programs (continued)

The Regulator has the following functions under the CTPIR Act:

- to regulate approved insurers and perform any other function relating to approved insurers conferred on the Regulator under the *Motor Vehicles Act 1959*
- to determine premium amounts payable in respect of CTP insurance policies
- to determine the minimum terms and conditions of CTP insurance policies
- to monitor audit and review the operation and efficiency of the CTP insurance business
- to provide or facilitate the provision of information to consumers about the CTP insurance business and approved insurers
- to make, monitor the operation of, and review, from time to time, rules with which approved insurers must comply, and guidelines for approved insurers relating to:
 - the determination of premiums
 - the management of claims
 - dispute resolution
 - the provision of information to consumers
 - any other relevant matter
- to make recommendations to the Treasurer in relation to:
 - eligibility criteria for insurers seeking approval under Part 4 of the *Motor Vehicles Act 1959*
 - the terms and conditions of any undertaking, agreement or contract entered into between the Minister and an approved insurer relating to the provision of CTP insurance
 - the assessment of an application from an insurer for approval or withdrawal of approved under Part 4 of the *Motor Vehicles Act 1959*
- to approve the novation of CTP insurance policies between approved insurers
- to regulate such other insurance business as may be prescribed by the regulations
- to administer the CTPIR Act
- to exercise any other function conferred on the Regulator by or under the CTPIR Act or any other Act.

Nominal Defendant

A Nominal Defendant claim arises where an at-fault vehicle is either uninsured or unidentified, as described in Part 4 of the *Motor Vehicles Act 1959*.

From 1 July 2016, the Regulator allocated Nominal Defendant claims to CTP Insurers and assumed full responsibility for these claims from 1 January 2017.

The Motor Accident Injury Assessment Scheme (MAIAS)

The South Australian MAIAS was established by the Attorney-General under section 76 of the *Civil Liability Act 1936* to accredit health professionals to undertake Injury Scale Value (ISV) medical assessments.

An ISV medical assessment is used to assist in determining an injured person's eligibility for compensation under the CTP Scheme.

On 20 February 2019, the Attorney-General appointed the Regulator as administrator for the MAIAS.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.3. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. In 2023-24, these transactions are comprised of the Regulator's administered payments to SA Government agencies.

2. Income

2.1. Administration premium component of the premium collections

	2024	2023
	\$'000	\$'000
Hospital and emergency fees	38 105	36 300
Road safety fees	14 050	14 007
Customer support and transaction fees	11 292	10 980
CTP Scheme regulation and administration fees	6 495	6 361
Total administration premium component of the premium collections	69 942	67 648

The stamp duty and administration premium component of the premium collections are recognised as earned on the date of receipt in DIT's Transport Regulation User Management Processing System. The stamp duty component of the total premium is shown under note 9.3 Administered Items. Refer to note 1.2 for details about the nature of this income. Refunds are recognised on receipt on a gross basis in accordance with AASB 101 para 32.

2.2. Resources received free of charge

	2024	2023
	\$'000	\$'000
Services received free of charge	10	10
Total resources received free of charge	10	10

Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

The Regulator receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA, ICT services and media monitoring services (from 2022-23) from the Department of the Premier and Cabinet following Cabinet's approval to cease intra-government charging.

2.3. Other Income

	2024	2023
	\$'000	\$'000
Other income	2 159	-
Total other income	2 159	-

Current year other income mainly comprises hospital expense recoveries, which in past years were offset against hospital services expenses. This change in accounting treatment followed a review of offsetting in the Regulator's financial statements. The accounting policy change was not applied retrospectively as it was considered impracticable to do so.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3. Committees and employees

3.1. Key management personnel

Key management personnel of the Regulator include the Chief Executive and the two members of the executive team who have responsibility for the strategic direction and management of the Regulator.

	2024	2023
	\$'000	\$'000
<u>Compensation</u>		
Salaries and other short term employee benefits	500	674
Post-employment benefits	338	140
Total	838	814

Transactions with Key Management Personnel and other related parties

No significant transactions were identified between key management personnel and other related parties during the reporting period.

3.2. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	2 092	2 350
Employment on-costs - superannuation	543	342
Employment on-costs - payroll tax	146	140
Long service leave	99	8
Targeted voluntary separation packages	-	71
Annual leave	219	193
Skills and experience retention leave	8	8
Other employee related expenses	22	12
Total employee related expenses	3 129	3 124

The Regulator's employees (excluding the Regulator) are employed under Part 7 of the *Public Sector Act*. The Regulator is appointed by the minister under Part 8 of the *Compulsory Third Party Insurance Regulation Act 2016*.

The superannuation employment on-cost charge represents the Regulator's contributions to superannuation plans in respect of current services of current employees. DTF centrally recognises the superannuation liability in the whole of government financial statements.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.2. Employee related expenses (continued)

Employee remuneration	2024 No.	2023 No.
The number of employees whose remuneration received or receivable falls within the following bands:		
\$206 001 - \$226 000	1	1
\$226 001 - \$246 000	1	1
\$366 001 - \$386 000	-	1
\$386 001 - \$406 000	1	-
Total	3	3

The total remuneration received by those employees for the year was \$838 000 (2023: \$821 000)

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and any related fringe benefits tax paid.

Targeted voluntary separation packages

There were no TVSP payments made during 2023-24 by the CTP Regulator (2023: 1).

	2024 \$'000	2023 \$'000
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	-	71
Leave paid to separated employees	-	33
Net cost to the Regulator	-	104

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.3. Employee related liabilities

	2024	2023
	\$'000	\$'000
<u>Current</u>		
Annual leave	239	229
Long service leave	30	17
Skills and experience retention leave	24	21
Employment on-costs	49	43
Total current employee related liabilities	342	310
<u>Non-current</u>		
Long service leave	441	397
Employment on-costs	45	40
Total non-current employee related liabilities	486	437
Total employee related liabilities	828	707

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

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for 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 SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 2.0% (2023) to 2.4% (2024). This change had an immaterial net financial effect in the current financial year.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.3. Employee related liabilities (continued)

Long service leave

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.

AASB 119 *Employee Benefits (AASB 119)* contains the calculation methodology for long service leave liability.

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departure and periods of service.

The discount rate used in measuring the liability is reflective 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 increased from 4.0% in 2023 to 4.25% in 2024.

This change in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

Following the actuarial assessment performed by DTF, the salary inflation rate has increased from 2.5% (2023) to 3.5% in 2024 for the long service leave liability. This increase to the percentage has led to an overall increase in the reported long service leave for 2024.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$22 000 and employee benefits expense of \$22 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

Employment on-costs

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

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken as leave has increased from 43% in 2023 to 44% in 2024. The average factor for the calculation of employer superannuation cost on-costs has increased from 11.1% in 2023 to 11.5% in 2024. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year are immaterial.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

4. Expenses

4.1. Supplies and services

	2024	2023
	\$'000	\$'000
Consultants	590	736
Service level agreement fees	369	326
Accommodation	317	300
Contractors and other outsourced services	189	228
Information technology expenses	139	167
General administration and consumables	72	60
Other*	69	27
Training and development	53	29
Legal costs	17	28
Minor works maintenance and equipment	7	17
Total supplies and services	1 822	1 918

* Includes audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance Audit Act 1987* of \$27 000 (2023: \$26 000). No other services were provided by the Audit Office of South Australia.

Accommodation

The Regulator's accommodation is provided by DTF under a Memorandum of Administrative Arrangement issued in accordance with Government wide accommodation policies between DTF and DIT. These arrangements do not meet the definition of a lease and accordingly is expensed (included in Accommodation).

4.2. Expenditure – SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55 000 (GST inclusive) resulting from a procurement as defined in *Treasurer's Instructions 18 – Procurement (TI 18)*. Arrangements between public authorities and arrangements with other government are not included.

Expenditure is inclusive of non-recoverable GST.

	2024	Proportion SA
	\$'000	and non-SA
Expenditure summary		businesses
Total expenditure on South Australian businesses	176	22%
Total expenditure on non-South Australian businesses	642	78%
Total expenditure - SA Business and Non-SA Business	818	100%

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

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

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

4.2 Expenditure – SA Business and Non-SA Business (continued)

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

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

4.3. Administration premium component of the premium distributions

	2024	2023
	\$'000	\$'000
Hospital and emergency services	36 153	34 283
Road safety services	13 922	13 481
Customer support and transaction services	11 241	10 967
Total administration premium component of the premium distributions	61 316	58 731

The administration premium component of the premium distributions fund the costs of a range of government services associated with the CTP Scheme. Refer to note 1.2 for details about the nature of these distributions.

4.4. Administration premium component refunds

	2024	2023
	\$'000	\$'000
Hospital and emergency services	610	526
Road safety fees	197	184
DIT premium collection fees	158	144
Regulator operations	91	86
Total administration premium component refunds	1 056	940

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

5. Non-financial assets

5.1. Property, plant and equipment

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value.

Impairment

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

Reconciliation 2023-24	<u>IT equipment</u>	<u>Furniture</u>	<u>Work in progress</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7	-	-	7
Additions	-	15	39	54
Capital transfers from work in progress	39	-	(39)	-
Depreciation	(9)	-	-	(9)
Carrying amount at the end of the period	37	15	-	52
Gross carrying amount				
Gross carrying amount	56	15	-	71
Accumulated depreciation	(19)	-	-	(19)
Carrying amount at the end of the period	37	15	-	52

Reconciliation 2022-23	<u>IT equipment</u>	<u>Total</u>
	\$'000	\$'000
Carrying amount at the beginning of the period	10	10
Depreciation	(3)	(3)
Carrying amount at the end of the period	7	7
Gross carrying amount		
Gross carrying amount	17	17
Accumulated depreciation	(10)	(10)
Carrying amount at the end of the period	7	7

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

5.2. Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Reconciliation 2023-24	Externally purchased software	Externally developed software in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	149	18	167
Additions	-	52	52
Capital work in progress transfers	70	(70)	-
Amortisation	(37)	-	(37)
Carrying amount at the end of the period	182	-	182
Gross carrying amount			
Gross carrying amount	253	-	253
Accumulated depreciation	(71)	-	(71)
Carrying amount at the end of the period	182	-	182

Reconciliation 2022-23	Externally purchased software	Externally developed software in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	124	124
Additions	-	77	77
Capital work in progress transfers	183	(183)	-
Amortisation	(34)	-	(34)
Carrying amount at the end of the period	149	18	167
Gross carrying amount			
Gross carrying amount	183	18	201
Accumulated depreciation	(34)	-	(34)
Carrying amount at the end of the period	149	18	167

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

5.3. Depreciation and amortisation

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. No adjustments were made during the reporting period.

Useful life

Depreciation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

	Useful life (years)
Office equipment - IT	5
Externally purchased software	5

6. Financial assets

6.1. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Special deposit account		
Deposits with the Treasurer	53 571	46 874
Total cash and cash equivalents in the Statement of Financial Position	53 571	46 874
Total cash and cash equivalents in the Statement of Cash Flows	53 571	46 874

Deposits with the Treasurer

The CTP Regulator's cash balance is held within the DTF's Operating Bank Account.

The CTP Regulator's Deposit Account earns a floating interest rate, based on daily bank deposit rates.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

6.2. Receivables

	2024	2023
	\$'000	\$'000
Current		
Accrued revenue	862	517
Accrued interest revenue	196	162
GST Recoverable from DTF	712	914
Prepayments	50	38
Total current receivables	1 820	1 631
Non-current		
Workers compensation recoveries	1	-
Total non-current receivables	1	-
Total receivables	1 821	1 631

Prepayments are recognised for amounts paid for services not rendered by 30 June 2024. Accrued revenues are recognised for the administration premium component of the total premium collection up to and including 30 June 2024 but not yet received.

Prepayments and accrued revenues are non-interest bearing.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

7. Liabilities

7.1. Payables

	2024	2023
	\$'000	\$'000
Current		
Creditors and accrued expenses	9 888	10 113
Total current payables	9 888	10 113
Total payables	9 888	10 113

Payables are measured at nominal amounts.

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

7.2. Provisions

All provisions represent workers compensation.

	2024	2023
	\$'000	\$'000
Movement in provisions		
Carrying amount at the beginning of the period	37	30
Additional provisions recognised	17	7
Carrying amount at the end of the period	54	37

The Regulator is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Regulator is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventative programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

8. Other disclosures

8.1. Cash flow

	2024	2023
	\$'000	\$'000
Reconciliation of net cash provided by/(used in) operating activities to net result		
Net cash provided by operating activities	6 801	5 747
Add / (less) non-cash items		
Depreciation and amortisation expense	(46)	(37)
Movement in assets and liabilities		
Increase/(decrease) in receivables	190	451
Decrease/(increase) in payables	227	(1 986)
Decrease in employee related liabilities	(81)	29
(Increase) in provisions	(17)	(7)
Net result	7 074	4 197

9. Outlook

9.1. Unrecognised commitments

Commitments include expenditure and other contractual commitments arising from contractual sources and are disclosed at their nominal value. As at 30 June 2024, the Regulator has contractual commitments for the provision of CTP Scheme actuarial services and internal audit functions as reported.

Other contractual commitments

	2024	2023
	\$'000	\$'000
No later than one year*	795	564
Later than one year but not longer than five years	417	955
Total other commitments	1 212	1 519

*The CTP Regulator's expenditure commitments includes the Memoranda of Administrative Arrangements (MoAA) with Department of Treasury and Finance for accommodation. The CTP Regulator incurs a rental cost in accordance with this MoAA.

9.2. Impact of Standards and Statements not yet effective

The Regulator has assessed the impact of the new and changed Australian Accounting Standards and Interpretations not yet effective and does not expect these to have a material impact on the Regulator's statements.

No Australian Accounting Standards have been early adopted.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

9.3. Administered items

Statement of Comprehensive Income for the year ended 30 June 2024	2024	2023
	\$'000	\$'000
Administered income		
Stamp duty collected	42 340	45 062
Total administered income	42 340	45 062
Administered expenses		
Stamp duty expenses	41 635	44 398
Stamp duty refunds	705	664
Total administered expenses	42 340	45 062
Net result	-	-
Statement of Financial Position as at 30 June 2024	2024	2023
	\$'000	\$'000
Administered assets		
Receivables	512	335
Cash and cash equivalents	3 251	5 080
Total administered assets	3 763	5 415
Administered liabilities		
Payables	3 763	5 415
Total administered liabilities	3 763	5 415
Net administered assets	-	-
Statement of Cash Flows for the year ended 30 June 2024	2024	2023
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Taxation receipts	42 163	45 062
Cash generated from operating activities	42 163	45 062
Cash outflows		
Taxation payments	(43 992)	(43 758)
Cash used in operations	(43 992)	(43 758)
Net cash provided by / (used in) operating activities	(1 829)	1 304
Net (decrease) / increase in cash and cash equivalents	(1 829)	1 304
Cash and cash equivalents at the beginning of the reporting period	5 080	3 776
Cash and cash equivalents at the end of the reporting period	3 251	5 080

Refer to Note 1.2 for details on administered items.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2024

9.4. Events after the reporting period

No circumstance has arisen that has affected or may significantly affect the Regulator's operations since 30 June 2024.

10. Measurement and risk

10.1. Financial instruments

Financial risk management

The Regulator's risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The Regulator's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Liquidity risk

The Regulator is funded from the administrative premium component of the total premiums. The Regulator notifies DTF of the cash flows associated with its legislated functions and ensures funding is available to meet the expected cash flows.

Impairment of financial assets

The Regulator considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

Market risk

The Regulator does not trade in foreign currency, nor enter into transactions for speculative purposes.

The Regulator does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in *T1 23 Management of Foreign Currency Exposures*.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Classification of financial instruments

The Regulator measures all financial instruments at amortised cost.