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CTP INSURANCE REGULATOR

CTP REGULATOR 2021-22 Annual Report

CTP REGULATOR

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2021-22 ANNUAL REPORT for the CTP REGULATOR

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:

Kim Birch

Chief Executive and CTP Regulator

Date 30 September 2022

Signature



From the Chief Executive

This past year we have continued our focus on increasing scheme transparency and delivering improvements to the usability, experience, and efficiency of the scheme for injured road users and motorists.

As the scheme matures, we have conducted the first review of scheme efficiency, evaluating the proportion of CTP premiums returned to injured people through claimant benefits. The findings, published in August 2022, provide information on the scheme's performance.

We implemented new injury and fatality claim forms following a comprehensive consultative review including co-design of the forms. The review was principles based with the forms designed to simplify the claims process, reduce barriers to lodgement, and provide appropriate information to expedite claim processing and treatment funding. Since implementation, there have been notable improvements in lodgement and treatment timeframes.

In preparation for further scheme improvements, we have conducted in depth surveys with injured people to understand their experience at claim milestones. These surveys provide insights into key areas for the Regulator, CTP Insurers, and other stakeholders to focus their attention for improvement and provide benchmarks to measure the impact of the new claim forms at the point of lodgement.

We have enhanced our data collection systems to improve our ability to benchmark insurers and help to identify scheme efficiency opportunities. Much of the data collected is collated and published in the Scheme Data Dashboard which is updated annually. The dashboard is one of the ways information is provided to the public about the scheme.

We are continuing to develop our regulatory mechanisms to adapt to changes in the market. We have amended the Regulator Rules to reflect changes in the claim forms, maintain alignment with national regulatory standards and reduce unnecessary costs on the scheme. Additionally, as insurers have demonstrated satisfactory obligation compliance and performance, the audit program is now biennial to reflect the reduced risk profile and improved control environment.

In 2021-22 the Regulator team also prepared for the entry of Youi, a new CTP Insurer from 1 July 2022. The addition of a new insurer provides further choice for motorists.

Over the coming year we will complete a review of elements of the competition model implemented in 2019 and continue our customer-centric focus on improvements to the scheme for injured people and motorists.

Finally, I thank the CTP Regulator team for their ongoing commitment to improve the Scheme through our values: outcomes driven, fair, collaborative, accountable and supportive.



Kim Birch, Chief Executive and CTP Regulator

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Overview: about the CTP Regulator

About the CTP Scheme

The 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* and *Compulsory Third Party Insurance Regulation Act 2016* in addition to contracts between the State and CTP Insurers.

The CTP Regulator oversees the scheme and regulates the government approved insurers (CTP Insurers), AAMI, Allianz, QBE, SGIC (NRMA Insurance as of 1 July 2022), and Youi (from 1 July 2022). 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 premiums provide cover under the policy. The policy is attached to the vehicle, not an individual. 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 a number of factors including brand, service, price, and approved incentives. The CTP Insurers underwrite the South Australian scheme and manage the claims against the policy.

In South Australia, claims for compensation under the scheme are fault-based common law claims modified by statute, primarily the *Civil Liability Act 1936*. 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 to meet thresholds depending on the seriousness of the injury.

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 is appointed as the Nominal Defendant under Part 4 of the MV Act. The Regulator assigns management of Nominal Defendant claims to the CTP Insurers in line with their market shares.

The scheme also provides reasonable and necessary treatment, care, and support for children under the age of 16 years injured in an accident on South Australian roads, regardless of whether the child or a South Australian registered motor vehicle was at fault.

The CTP scheme is complemented by the Lifetime Support Scheme which operates separate to 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 lifelong 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:

- monitoring and reviewing the operations and efficiency of the CTP scheme
- oversight, monitoring, and reporting of CTP Insurer activities
- ensuring a fair and affordable scheme is maintained
- continuing to improve scheme outcomes for injured people
- determining the minimum terms and conditions of the CTP insurance policy
- determining CTP premiums
- providing information to consumers about the scheme and CTP insurers.

Our vision

Deliver a high performing competitive CTP scheme that offers choice, ease, and confidence to 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	We look for practical solutions We are decisive in our approach
Accountable	We do what we say we will do We act in the best interests of the scheme
Collaborative	We listen to, and inform our community We work together to bring positive change
Fair	Our practices reflect and uphold our independence We make evidence-based decisions
Supportive	We provide quality customer service We respect the diversity of the people we serve

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.

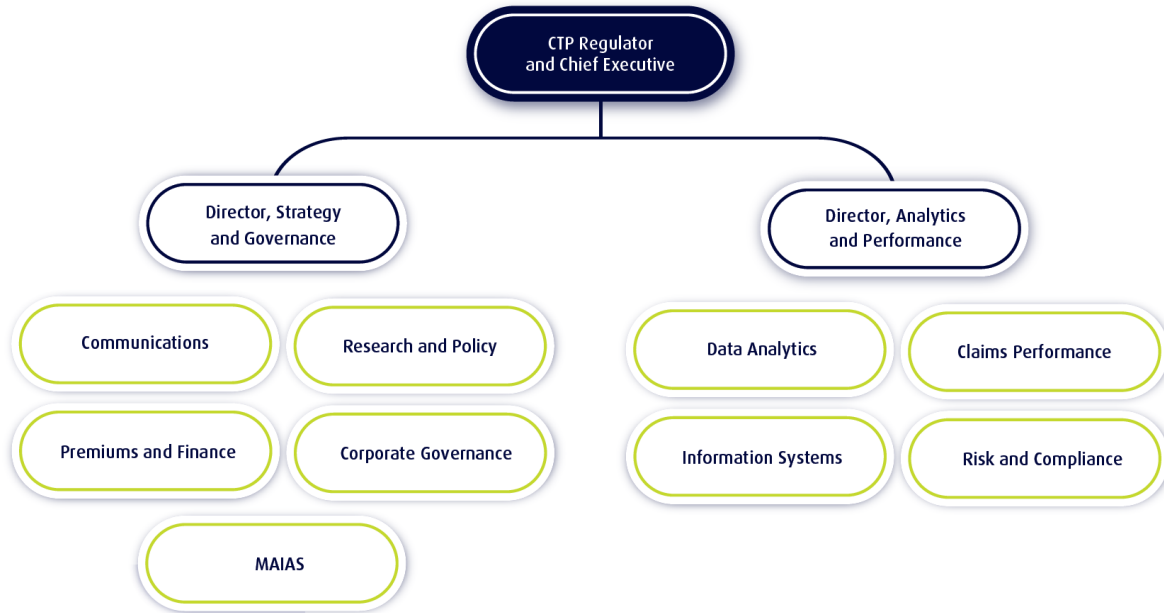
An ISV medical assessment is used to assist in determining an injured road user's entitlement to compensation by assigning referred injuries to ISV item numbers listed in Schedule 1 of the *Civil Liability Regulations 2013*. The ISV is a number between 0 and 100 that reflects the level of adverse impact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

The MAIAS Administrator uses the MAIAS Rules to oversee the performance of the 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.

Our organisational structure



Changes to the agency

During 2021-22 the following changes were made to the Regulator’s structure:

- The Executive General Manager has been replaced by the Director, Strategy and Governance with the functions of scheme performance (claims performance) and risk and compliance transferring to the portfolio of the Director, Analytics and Performance.
- The Director, Analytics and Finance has been replaced by the Director, Analytics and Performance with the function of premiums and finance transferring to the portfolio of the Director, Strategy and Governance.

Our Executive team

Kim Birch is the **CTP Regulator** (Regulator) and **Chief Executive** (CE), 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 under the *Civil Liability Act 1936*.

Ivan Lebedev is the **Director, Analytics and Performance**, responsible for information systems, data analytics, monitoring the scheme, CTP Insurer performance and risk and compliance.

David Price is 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.

Legislation administered by the 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:

- 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 2021-22 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 (on behalf of the Attorney-General's Department)
- **Customer support and transaction processing:** Department for Infrastructure and Transport.

Continuing the cooperation between the Regulator and other government agencies, the MoAAs were renegotiated and renewed in June 2022 to maintain scheme services beyond June 2022.

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 25.

The Regulator's performance

Performance at a glance

In 2021-22 the Regulator continued to deliver on its strategic objectives to support the efficiency of the CTP scheme. Highlights include:

- Conducted insurer audits to monitor compliance of CTP Insurers with contractual and legislative obligations using the compliance framework. The framework is risk based, targeting areas of highest priority for the scheme. See page 17 for more detail.

- Analysed the efficiency of the scheme, looking at the proportion of CTP premiums that is returned to injured people. See page 19 for more detail.
- Implemented new injury and fatality claim forms including an online format with electronic lodgement. The new claim forms were the result of a substantial review process which involved user experience testing with injured people with CTP claims and road users, and extensive consultation including with CTP Insurers, medical and legal stakeholders. See page 19 for more detail.
- Enhanced data collection systems to improve the Regulator’s ability to benchmark insurers with the rest of industry and help to identify scheme efficiency opportunities. See page 22 for more detail.
- Conducted surveys with injured people to gain insight into the claim experience at key milestones through the life of a claim. See page 20 for more detail.
- Prepared for a new CTP Insurer to enter the scheme from 1 July 2022. Following a rigorous application and approval process Youi was found to meet legislative and contractual requirements needed of CTP Insurers. The Regulator is satisfied they have the systems, processes, and people to manage CTP insurance policies and claims of eligible, injured road users. The addition of a new insurer means increased choice for motorists.
- Developed a protocol which establishes a process for communication interactions between CTP Insurers and the Lifetime Support Authority to support a smooth transition for people who have been seriously injured in motor vehicle accidents in South Australia moving between the CTP scheme and the Lifetime Support Scheme.

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, efficient, and effective scheme		
Premium bands set for each premium class	May 2022	✓ Achieved
Negotiate Memoranda of Administrative Arrangement with SA Police, the Department for Infrastructure and Transport, the Attorney-General’s Department, SA Ambulance Service, and various Local Health Networks	June 2022	✓ Achieved
Plan and prepare the scheme for automated vehicles and participate in the Across Government Automated Vehicle Reform Working Group	June 2022	National timeline extended to June 2026

Performance indicator	Target date	Outcome
Plan for scheme competition model review in 2022 (see page 19)	June 2022	✓ Achieved
Objective 2: Promote an outcome driven, early recovery and service focused approach to claims management		
Implement revised claim forms (see page 19)	November 2021	✓ Achieved
Introduce a prescribed medical certificate (see page 19)	November 2021	✓ Achieved
Introduce a survey process to measure claimants' experiences (see page 20)	August 2023	On track
Objective 3: Meet our regulatory and statutory obligations		
Enhance website content and experience for stakeholders (see page 17)	June 2021	✓ Achieved
Plan for Accredited Medical Practitioner (AMP) accreditation in 2022 (see page 23)	September 2022	On track
Develop new CTP Claims Register (see page 22)	June 2022	✓ Achieved
Enhance scheme data collection	June 2023	On track
Maintain a sustainable MAIAS quality assurance (QA) program (see page 23)	June 2022	✓ Achieved
Enhance MAIAS accredited medical practitioners' training and accreditation materials and delivery (see page 23)	August 2022	On track
Embed MAIAS Quality Assurance program review recommendations	March 2023	On track
Maintain Regulator Rules that are current and appropriate for the scheme	June 2022	✓ Achieved
Objective 4: Enhance the capability of our team to lead the delivery of our vision and mission		
Capacity building placement for people with disability (see page 13)	February 2022	✓ Achieved

Employment opportunity programs

The Regulator successfully completed the pilot work placement program to build capacity of people with disability which began in 2021. The program aims to support strengthening capability and confidence to enable the participant to compete in the jobs market. The pilot was a success for the Regulator team and the participant who secured employment in the private sector at the end of the program. The program will resume with a new participant joining the Regulator team. The learnings from the pilot provided a blueprint to share with government agencies for similar programs in the future.

Regulator performance discussion and development systems

Regulator staff access Department of Treasury and Finance’s (DTF) performance discussion and development systems. All staff have performance discussion plans in place that are reviewed every six months.

Work health, safety and return to work programs

Regulator staff are employed by Department of Treasury and Finance (DTF) and seconded to the Regulator. Regulator staff access DTF’s work health, safety and return to work programs.

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

Executive employment at the 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 brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2021-2022 are attached to this report.

Statement of Comprehensive Income	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	Past year 2020-21 Actual \$000s
Total Income	63,855	65,638	1,783	80,786
Total Expenses	64,212	65,979	1,767	63,327
Net Result	(357)	(341)	16	17,459
Total Comprehensive Result	(357)	(341)	16	17,459
Statement of Financial Position	2021-22 Budget* \$000s	2021-22 Actual \$000s	Variation \$000s	Past year 2020-21 Actual \$000s
Current assets	42,009	41,829	(180)	42,366
Non-current assets	18	134	116	19
Total assets	42,027	41,963	(64)	42,385
Current liabilities	8,010	7,895	(115)	8,011
Non-current liabilities	448	483	35	448
Total liabilities	8,458	8,378	(80)	8,459
Net assets	33,569	33,585	16	33,926
Equity	33,569	33,585	16	33,926

*The 2021-22 Budget excludes Administered Item amounts

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made 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	\$5,034

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

Consultancies	Purpose	\$ Actual payment
Taylor Fry Pty Ltd	Scheme actuarial services	\$387,805
PriceWaterhouseCoopers	Internal audit	\$44,340
	Total	\$432,145

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 agency, the nature of work undertaken, and the actual payments made 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	\$12,437

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

Contractors	Purpose	\$ Actual payment
Alemba Pty Ltd	vFire upgrade	\$10,440
Biz Hub Australia Pty Ltd	Personal Injury Register annual support	\$17,476
Dr Beata M Byok	MAIAS compliance	\$11,841
Haymakr	Injury claim form project user experience testing	\$110,400
Haymakr	Claimant service rating	\$49,011
Lauren Jones Consulting	Injury coding review	\$16,560
PriceWaterhouseCoopers	Business Continuity Plan	\$32,000
GPEX Limited	MAIAS training and accreditation	\$31,592

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Contractors	Purpose	\$ Actual payment
Pinpoint	MAIAS training and accreditation	\$17,078
Total		\$296,397

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 Risk and Audit Committee meets quarterly to provide assistance 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 DTF risk and audit committee.

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

- Overseeing the 2021-22 independent internal audit plan (outsourced)
- Reviewing and updating the risk appetite statement
- Maintaining the Risk Management Framework and risk management systems and processes
- Monitoring the progress of implementing internal audit recommendations
- Reviewing the Regulator's Business Continuity Plan.

Fraud detected at the Regulator

No fraud was detected.

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
- 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 Conflict of Interest Declaration process for all staff.

Public interest disclosure

There were no occasions on which public interest information was disclosed to a responsible officer of the Regulator under the *Public Interest Disclosure Act 2018*.

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 2021-22 include:

- Determined new premium bands from 1 July 2022, resulting in sustained price competition across the majority of premium classes.
- Updated the Regulator Rules to respond to changes where necessary. All current and past versions of the Regulator Rules are published on the CTP Regulator website. Updates were made to ensure consistency with the Australian Securities and Investments Commission's Regulatory Guidelines, to reduce unnecessary costs on the scheme, and to make amendments as a result of the review of the claim forms (see page 19 for more detail).

Providing information about the scheme

- 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 2021. The dashboard is updated annually.
- Published the annual SA CTP Market Briefing prepared by the scheme actuary, Taylor Fry, which informs the premium setting.
- Published the Point-to-point Relativities Report prepared by the scheme actuary, Taylor Fry, which outlines the relativities advice that informs the premium setting for vehicles in the point-to-point industry.
- Prepared the Scheme Efficiency Report for publication.
- Connected with hospital stakeholders to provide scheme information to assist them in supporting injured road users.
- Ongoing review and updates to the CTP Regulator and MAIAS websites to maintain currency and effectiveness of information for all scheme stakeholders.

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 compliance framework. The framework is risk based, targeting areas of highest priority for the scheme. The framework prescribes compliance activities, including:

- claims management reviews
- data analytics

- mandatory declarations.

In response to an improved control environment, the Regulator has moved from an annual to a biennial cycle for insurer audits, now auditing each insurer every second year. As the insurers are demonstrating satisfactory levels of compliance and performance against their obligations, the program has adapted to the current risk profile. By adopting this approach, the Regulator is demonstrating to the industry that the scale and scope of the compliance program is proportionate with performance and supports keeping downward pressure on insurer regulatory costs.

The CTP Insurer audits address performance across the insurers' business operations, including:

- service levels provided to injured people with CTP claims
- compliance with legislative obligations
- approval of treatment, care and support
- complaints management and dispute resolution
- payments and settlements
- privacy breaches and management of confidential information
- records management.

The 2021-22 compliance program saw similar findings to the 2020-21 financial year.

Areas of good performance include general claim lodgement and management, liability determination and communication, particularly in providing good rationale and supporting evidence for determinations.

Identified areas of improvement include:

- informing claimants before using the prescribed authority to obtain information on each occasion
- meeting timeframes including the provision of information under the prescribed authority within 21 days response to funding requests and reimbursement of expenses within seven days
- reducing unauthorised disclosures of personal information
- explaining the complaints and disputes processes.

Where the compliance program identifies findings, CTP Insurers are required to submit remediation plans that are tracked monthly against agreed timeframes and outcomes. Any areas considered non-compliant can result in CTP Insurers being issued with breach notices. The most common areas of breaches this past year reflect areas for improvement and include:

- privacy breaches
- breaches of insurer obligations regarding the use of the statement authorising the CTP Insurer to access documentary information relevant to the claim (the prescribed authority)
- inadequate records management.

CTP Insurer	Breaches 2020-21	Breaches 2021-22
AAMI	2	1
Allianz	19	0
SGIC	3	3
QBE	2	10
Total	26	14

In response to CTP Insurer breaches, CTP Insurers paid three sanctions to the total of \$40,000 to the State Government.

Scheme monitoring

In the 2021-22 financial year, the Regulator commissioned the independent scheme actuary, Taylor Fry, to examine 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. Trends in the scheme efficiency index indicate how efficiently the CTP scheme is operating in providing benefits to injured people. As part of calculating the scheme efficiency index, the review analyses the scheme average insurer profit margin which is a measure of scheme profitability for insurers. The analysis commences from the privately underwritten scheme on 1 July 2016 and estimates the ultimate claims costs by underwriting quarter up to 31 December 2021. The findings of this review were published in the CTP Scheme Efficiency Report, in August 2022, available on the Regulator’s website.

The Regulator also prepared for an independent review of elements of the competition model introduced in 2019 to take place in the 2022-23 financial year. The review will evaluate the current scheme model’s ability to deliver a high performing, competitive scheme that offers choice, ease, and confidence to the South Australian community. The findings of the review will inform scheme underwriting design.

Implementation of new injury and fatality claim forms

As part of the Regulator’s focus on continuous improvement and reviewing the operation and efficiency of the scheme, the Regulator completed its review of the injury and fatality claim forms (claim forms). The new claim forms were launched in November 2021 and are available in paper and online format.

The review was underpinned by four key principles: identifying and removing barriers to early access to funding of treatment; enabling CTP Insurers to receive early and relevant claim information; determining the viability of end-to-end electronic lodgement; and enhancing data collection for scheme monitoring and future scheme design.

We sought the views of claimants, potential claimants (road users), CTP Insurers, general practitioners who treat injured people, the Law Society of South Australia and personal injury legal practitioners on the claim form process.

As a result of the review, amendments were made to the *Motor Vehicles (Third Party Insurance) Regulations 2013* to remove the prescribed form for the statement of authority to obtain information (prescribed authority) from the Schedule of the Regulations, and to prescribe a medical certificate to accompany injury claims. Both forms are now determined by the Regulator.

Benefits of the claim form include:

- Enhanced language and layout so an injured road user can easily understand what they need to do to complete the form.
- Removal of the need to print and sign forms and have them witnessed. This simplifies and accelerates the lodgement process, which means quicker decision-making about injury recovery, treatment, and liability.
- Introduction of the medical certificate that assists a medical practitioner to provide consistent, relevant, and timely medical information for an injured road user at claim lodgement.

To further optimise claimant experience, the Regulator amended Regulator Rule 7.1.1(d) to require that a CTP Insurer inform a claimant when their prescribed authority is being used and for what purposes, at least seven business days before use. This notice period provides claimants a meaningful opportunity to respond to the notification and contact the insurer before information is obtained.

A key benefit for the scheme and key stakeholders is the resulting enhancement of data collection which provides a way for insurers to improve data accuracy and allows opportunities for scheme improvements to be easily identified and addressed.

Since the implementation of the new claim forms, the Regulator has received positive feedback from stakeholders, including medical practitioners, hospital staff, and CTP Insurers. The Regulator has also seen a reduction in key timeframes*:

- time between the accident date and claim lodgement reduced by 19%
- time between claim lodgement and funding of first treatment reduced by 16%.

Note: *These timeframes are based on medians calculated using claims notified between 2 January to 14 November 2021 (pre-implementation) and 15 November 2021 to 31 May 2022 (post-implementation) based on available data as of 30 June 2022.

Claimant experience insights

Since 2019 the Regulator has conducted surveys with injured people approximately three months after they have made a CTP claim. These surveys determine an average Claimant Service Rating for each CTP Insurer which is published on registration renewal notices to assist vehicle owners to choose an insurer. The higher the number, the better the CTP Insurer's service has been rated.

Understanding the claimant experience through conducting surveys supports the Regulator to monitor and measure the operation and efficiency of the CTP scheme. The survey results highlight areas for improvement to benefit claimants. Publication of survey results provides information to scheme stakeholders on CTP Insurer performance.

The Regulator’s claimant survey was expanded in July 2021 to survey injured people after key milestones through the life of their claim to provide greater insight into any changes in experience. These milestones were:

- claim lodgement
- after the insurer makes a determination on liability
- after an injury scale value (ISV) medical assessment
- following closure of the claim.

The survey provided an opportunity for claimants to communicate areas for improvement to the Regulator and CTP Insurers at key stages of the claims process.

As a result of the survey, the Regulator identified areas of high importance to injured people and mapped those against levels of satisfaction to identify key areas for CTP Insurers to focus on to improve the claimant experience. These can be seen in the graphic below.

Mapping satisfaction against importance



This shows that the priority areas for CTP Insurers to address are:

- providing claimants with all of the information they need
- ensuring that the information provided to claimants is easy to understand.

This also shows that CTP Insurers are performing well in:

- insurer staff being friendly and helpful
- insurer staff having a good level of knowledge.

This information was provided to CTP Insurers to enable them to focus on improving the claimant experience. The survey will resume in January 2023 to understand if and how the experience of injured people has changed over time and also to identify the impact of the new claim forms.

CTP Claims Register

To enhance the data collected from insurers, the Regulator established the Data Driven Compliance Project. The two main areas of enhancements were:

- data related to insurer compliance obligations which gives the Regulator broader and more timely monitoring of insurer performance against obligations while also reducing the resources required from the Regulator and the insurers to complete audits
- new data collected by the updated injury claim form.

Concurrently with this project, a new platform (the claims register) was developed for managing the collected data. Sixty-eight new fields were added to the new claims register and others were modified to improve usability. The new data fields commenced from 1 July 2022.

The claims register is where the Regulator stores data on the CTP scheme which enables the monitoring and estimation of scheme risk relativities used to set premiums. It also enables the Regulator to monitor other aspects of the scheme to improve the Regulator's ability to benchmark each CTP Insurer with the rest of industry and help to identify scheme efficiency opportunities.

Data stored in the claims register is collated and published in the Scheme Data Dashboard (updated annually) and is provided in the scheme statistics section of this report (starting on page 24). The dashboard provides information to the public about the scheme and CTP Insurers. Transparent information also promotes South Australian community confidence in the scheme.

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, loss of consortium 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 that assist in determining an injured person's entitlement to compensation.

The objective of MAIAS is to create an independent system that provides consistent, objective, and reliable ISV medical assessments. It accredits health practitioners to undertake ISV medical assessments which includes assigning injury Item Numbers based on the assessment of the injuries sustained in motor vehicle accidents. The assessment reports assist claimants and CTP Insurers in the claims settlement process.

Quality Assurance (QA) program

In 2021-22 MAIAS conducted QA reviews to assess the quality of ISV medical assessment reports (ISV reports) against the requirements of the *Civil Liability Act 1936*, *Civil Liability Regulations 2013*, and the accreditation criteria in the MAIAS Training Manual.

Throughout the year, 59 physical ISV reports produced by 32 Accredited Medical Practitioners (AMPs) and 15 GEPIC ISV reports produced by 9 AMPs were reviewed.

The QA results highlighted key areas of improvement including correct use of templates and providing medical opinion on injury stability. Focus areas are addressed individually with AMPs and used in designing future training and accreditation materials to better support all AMPs.

Throughout 2021-22, the key recommendations of the independent QA program review were implemented with a plan to embed the recommendations through the next financial year in time for the next AMP training and accreditation cycle.

Review of MAIAS training and accreditation materials

A key activity for the MAIAS in 2021-22 has been the review of MAIAS training and accreditation materials. The MAIAS Training Manual has been reviewed with a focus on making it easier to read and navigate. Minor amendments have been made to the first two chapters to update for currency and incorporate information from frequently asked questions.

A new online Learning Management System (LMS) has been built to hold the accreditation and training materials as well as online courses and assessment necessary for completion of accreditation. The LMS and updated Training Manual were released in August 2022 in time for the 2022-25 accreditation cycle.

Transfer of MAIAS

On 3 February 2022, the Treasurer was appointed as the designated Minister for the purposes of section 76 of the *Civil Liability Act 1936*. Prior to this date, the Attorney-General was the designated Minister.

Scheme statistics

Insured vehicles by type

(Registrations as at 30 June 2022)

Type of vehicle	Vehicles	%
Private passenger	1,103,168	57.03%
Public passenger: no fare	624	0.03%
Taxis: metropolitan	853	0.04%
Taxis: country	259	0.01%
Hire cars	8,978	0.46%
Rideshare	4,656	0.24%
Public passenger: small	740	0.04%
Public passenger: medium	1,094	0.06%
Public passenger: heavy	654	0.03%
Public passenger: omnibus	1,083	0.06%
Goods carrying: light	230,121	11.90%
Goods carrying: medium	16,039	0.83%
Goods carrying: heavy	10,575	0.55%
Goods carrying: primary producers	30,579	1.58%
Motorcycles: ultra light	3,218	0.17%
Motorcycles: light	8,587	0.44%
Motorcycles: medium	13,457	0.70%
Motorcycles: heavy	20,745	1.07%
Tractors	53,666	2.77%
Historic and left hand drive vehicles	36,513	1.89%
Special purpose vehicles	16,440	0.85%
Car carriers: light	1	0.00%
Car carriers: medium	20	0.00%
Car carriers: heavy	1	0.00%
Car carrier trailers	120	0.01%
Trailers	369,941	19.13%
Unregistered vehicle permits	108	0.01%
Motor trade plate	2,015	0.10%
Total	1,934,255	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
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%
2017-18	\$400.75	\$1,442	28%
2016-17	\$389.00	\$1,446	27%

⁽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 2021 to 30 June 2022)

Description	\$'000
Insurers' premiums*	321,324
Stamp duty	42,457
Road safety	14,050
Emergency transport, hospital and forensic services	32,852
Customer support and transaction processing	10,742
CTP Scheme regulation and administration	7,030
Total insurance premiums collected	428,456

Note: *Includes GST.

Market share of in-force premium

	AAMI	Allianz	SGIC ⁽¹⁾	QBE
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%
30 June 2018*	30%	15%	20%	35%
30 June 2017*	30%	15%	20%	35%

Note: *All insurers had contractually agreed market share for the first three years.

⁽¹⁾ Note: SGIC changed its trading name to NRMA as of 1 July 2022.

Number of changes to filed premiums

Type of vehicle	2019-20 premium changes		2020-21 premium changes		2021-22 premium changes	
	District 1	District 2	District 1	District 2	District 1	District 2
Private passenger	6	6	2	1	8	5
Public passenger: no fare	6	6	7	7	7	7
Taxis: metropolitan	6		5		7	
Taxis: country	6		6		8	
Hire cars	6	6	8	8	8	7
Rideshare	7	7	5	5	6	6
Public passenger: small	8	8	7	6	8	8
Public passenger: medium	6	8	7	7	10	10
Public passenger: heavy	8	8	6	6	10	7
Public passenger: omnibus	6		7		8	
Goods carrying: light	6	6	1	1	4	4
Goods carrying: medium	8	8	8	8	6	4
Goods carrying: heavy	6	6	6	7	9	8
Goods carrying: primary producers	7	7	5	8	6	3
Motorcycles: ultra light	7	8	6	6	4	4
Motorcycles: light	8	8	6	6	4	4
Motorcycles: medium	7	8	6	6	4	4
Motorcycles: heavy	8	7	6	6	4	4
Tractors	8	8	3	3	3	3
Historic and left hand drive vehicles	8	8	3	3	3	3
Special purpose vehicles	7	7	7	7	3	3
Car carriers: light	8	8	4	4	10	10
Car carriers: medium	6	8	5	5	10	10
Car carriers: heavy	8	8	5	4	8	6
Car carrier trailers	7	7	4	4	10	10
Unregistered vehicle permits	1	1	1	1		

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

Claimant service rating results

Publication month	AAMI	Allianz	SGIC ⁽¹⁾	QBE
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 months.

⁽¹⁾ Note: SGIC changed its trading name to NRMA as of 1 July 2022.

Number of accidents by region

(Accidents from 1 July 2021 to 30 June 2022)

Region	Accidents	%
Adelaide City / Suburbs	1,200	86.4%
Outer Adelaide	100	7.2%
Murraylands	22	1.6%
South	20	1.4%
Northern	17	1.2%
Eyre	7	0.5%
Interstate	23	1.7%
Total	1,389	100%

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

Claim lodgement by development year

(All claims for accidents from 1 July 2016 to 30 June 2022)

Accident year	Development year						Total
	1	2	3	4	5	6	
2016-17	2,376	630	49	29	16	2	3,102
2017-18	2,117	470	56	22	4		2,669
2018-19	1,932	426	45	21			2,424
2019-20	1,555	342	54				1,951
2020-21	1,728	440					2,168
2021-22	1,550						1,550
Total							13,864

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

Claims by current status

(All claims for accidents from 1 July 2016 to 30 June 2022)

Accident year	Claims lodged	Claims open	Claims closed	% closed
2021-22	1,550	1,135	415	27%
2020-21	2,168	1,144	1,024	47%
2019-20	1,951	713	1,238	63%
2018-19	2,424	405	2,019	83%
2017-18	2,669	300	2,369	89%
2016-17	3,102	179	2,923	94%

Claimants by demographic

(All claims for accidents from 1 July 2016 to 30 June 2022)

Age group	Males	Females	Total	%
16 years and under	318	335	653	5%
17 to 24 years	711	998	1,709	12%
25 to 34 years	1,157	1,515	2,672	19%
35 to 44 years	1,134	1,325	2,459	18%
45 to 54 years	1,247	1,355	2,602	19%
55 to 64 years	1,012	1,043	2,055	15%
65 years and over	730	979	1,709	12%
Unspecified	3	2	5	0%
Total	6,312	7,552	13,864	100%

Claimants by accident role

(All claims for accidents from 1 July 2016 to 30 June 2022)

Role	Claims	%
Driver	8,796	63%
Passenger	3,015	22%
Cyclist	961	7%
Pedestrian	892	6%
Other	200	1%
Total	13,864	100%

Claims by severity

(Closed claims for accidents from 1 July 2016 to 30 June 2021)

AIS* severity	Claims	%
Minor	6,322	63.3%
Moderate	1,186	11.9%
Serious	422	4.2%
Severe	33	0.3%
Critical	11	0.1%
Maximum	156	1.6%
Admin Only	1,858	18.6%
Total	9,988	100%

Note:

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

“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 2022 excluding claims without a dominant injury recorded)

Body region	Claims	%
Cervical spine	2,359	25%
Shoulder	2,006	21%
Thoracic spine or lumbar spine	1,166	12%
Other	921	10%
Pelvis or hip	744	8%
Other lower limb	538	6%
Pure mental harm	520	5%
Knee	407	4%
Central nervous system and head	339	4%
Chest	265	3%
Wrist	217	2%
Total	9,482	100%

Rates of legal representation

(Accidents from 1 July 2016 to 30 June 2022)

Accident year	Claims	% Legal rep	% Litigated
2021-22	1,550	22%	0.0%
2020-21	2,168	31%	0.2%
2019-20	1,951	36%	0.7%
2018-19	2,424	34%	5.3%
2017-18	2,669	40%	12.4%
2016-17	3,102	41%	18.7%

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 2022)

Accident year	Solicitor client costs	Plaintiff - Legal (\$'000)	Defendant - Legal (\$'000)	Grand total (\$'000)
2021-22	Unknown	3	14	18
2020-21	Unknown	119	279	399
2019-20	Unknown	1,307	639	1,946
2018-19	Unknown	4,738	2,442	7,181
2017-18	Unknown	11,187	5,828	17,016
2016-17	Unknown	15,326	9,929	25,255
Total		32,680	19,131	51,815

Note: Solicitor client costs are unknown because there is no legal requirement for solicitors to provide their solicitor client costs to the managing insurer of a claim and so they are not reported to the CTP Regulator.

Claim duration by CTP Insurer

(Closed claims for accidents from 1 July 2016 to 30 June 2022 where relevant data is available)

Timeframe	AAMI	Allianz	SGIC ⁽¹⁾	QBE	Average
Notification date to compliance date	41	62	53	17	38
Notification date to liability decision date	108	82	99	116	104
Notification date to closure date	519	483	418	533	494

Note: Timeframe is average days.

⁽¹⁾ Note: SGIC changed its trading name to NRMA as of 1 July 2022.

Heads of damage breakdown

(Closed claims from 1 July 2020 to 30 June 2021 for accidents from 1 July 2016 to 30 June 2022)

Heads of damage	Closed claims	Total (\$'000)	% Closed payments
Economic loss	923	61,921	44%
Non-customer benefits	1,765	28,410	20%
Treatment	2,073	23,164	17%
Care	999	20,162	15%
Non-economic loss	353	5,029	4%
Other customer benefits	568	664	1%
Total	2,186	139,349	100%

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. In the 2018-19 annual report this category included payments to surviving spouse and/or children for the loss of family member, payments to partners of injured persons for the loss of companionship, and rehabilitation costs. These payment types have now been moved to other heads of damage in the table.

“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 2022)

Year of accident	Unidentified vehicles	Unregistered vehicles	Total
2021-22	43	16	59
2020-21	51	30	81
2019-20	51	21	72
2018-19	60	23	83
2017-18	70	23	93
2016-17	88	18	106

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

Communications

Number of public complaints reported

Type	Number of instances
Complaints about CTP Insurers	29
Complaints about the scheme	2
Complaints about the Motor Accident Injury Accreditation Scheme (MAIAS)	0
Complaints about the Regulator	0

Total enquiries to the Regulator in 2021-22 by source

Enquirer source	Number of enquiries
General public	2,386
CTP Insurer	426
Medical	188
Legal	117
Government Department	115
Other	11
Total	3,243

Enquiries from the general public in 2021-22 by enquiry category

Enquiry category	Number of enquiries
Claims	1,167
Registration, other insurance, or unrelated*	787
CTP Scheme	298
Nominal Defendant	76
Complaints	46
MAIAS	12
Total	2,386

Note: *Registration, other insurance, or unrelated enquiries include calls about vehicle registration, comprehensive insurance and topics outside the responsibility of the CTP Regulator.

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 a number of enquiries and this category also includes questions about the complaints process that do not result in a complaint being lodged with the Regulator.

Appendix: Audited financial statements 2021-22

INDEPENDENT AUDITOR'S REPORT



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Auditor-General's Department

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**To the Chief Executive
CTP Regulator**

Opinion

I have audited the financial report of the CTP Regulator for the financial year ended 30 June 2022.

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 2022, 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 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chief Executive and CTP Regulator and the Director, Strategy and Governance.

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 for the financial report

The Chief Executive 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 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 2022.

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
- conclude on the appropriateness of the Chief Executive'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 Chief Executive 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)

28 September 2022

Compulsory Third Party Insurance Regulator (CTP Regulator)

Financial Statements

For the year ended 30 June 2022

CTP Regulator
Statement of Certification
For the year ended 30 June 2022

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.



Kim Birch

Chief Executive & CTP Regulator

27 September 2022



David Price

Director, Strategy and Governance

27 September 2022

CTP Regulator
Statement of Comprehensive Income
For the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Administration premium component collections	2.1	65 628	65 665
Interest	2.2	-	11
Resources received free of charge	2.3	10	12
Other income	2.4	-	15 098
Total income		65 638	80 786
Expenses			
Employee benefit expenses	3.2	3 433	3 259
Supplies and services	4.1	1 686	2 104
Administration premium component distributions	4.2	59 897	56 705
Administration premium component refunds	4.3	954	936
Depreciation and amortisation	5.1, 5.2	9	323
Total expenses		65 979	63 327
Net result		(341)	17 459
Total comprehensive result		(341)	17 459

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 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	41 204	40 876
Receivables	6.2	625	1 490
Total current assets		41 829	42 366
Non-current assets			
Property plant and equipment	5.1	10	19
Intangible assets	5.2	124	-
Total non-current assets		134	19
Total assets		41 963	42 385
Current liabilities			
Payables	7.1	7 614	7 648
Employee benefits liability	3.3	274	359
Provisions	7.2	7	4
Total current liabilities		7 895	8 011
Non-current liabilities			
Payables	7.1	41	38
Employee benefits liability	3.3	419	398
Provisions	7.2	23	12
Total non-current liabilities		483	448
Total liabilities		8 378	8 459
Net assets		33 585	33 926
Equity			
Retained earnings		33 585	33 926
Total equity		33 585	33 926

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 2022

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020	16 467	16 467
Net result for 2020-21	17 459	17 459
Total comprehensive result for 2020-21	17 459	17 459
Balance at 30 June 2021	33 926	33 926
Net result for 2021-22	(341)	(341)
Total comprehensive result for 2021-22	(341)	(341)
Balance at 30 June 2022	33 585	33 585

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 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from administration fees		65 642	65 660
Interest received		-	14
Other receipts		827	14 170
Cash generated from operating activities		66 469	79 844
Cash outflows			
Employee benefit payments		(3 502)	(3 284)
Payments to suppliers and services		(1 619)	(2 118)
Payments for administration fees		(60 918)	(68 157)
Other payments		22	39
Cash used in operating activities		(66 017)	(73 520)
Net cash provided by operating activities	8.1	452	6 324
Cash flows from investing activities			
Cash outflows			
Purchase of intangibles		(124)	-
Cash used in investing activities		(124)	-
Net cash used in investing activities		(124)	-
Net increase in cash and cash equivalents		328	6 324
Cash and cash equivalents at the beginning of the reporting period		40 876	34 552
Cash and cash equivalents at the end of the reporting period	6.1	41 204	40 876

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 2022

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 10.3 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 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.

The Regulator has early adopted AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* which clarifies the requirements for disclosure of material accounting policy information and clarifies the distinction between accounting policies and accounting estimates. There has been no impact on the Regulator's financial statements.

CTP Regulator

Notes to and forming part of the financial statements

For the year ended 30 June 2022

1.2. Objectives and programs

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

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 various government agencies for:

- health and emergency services provided by SA Public Hospitals, SA Ambulance, and the Attorney-General's Department (State Rescue Helicopter and Forensic Science SA services) 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 2022

1.2. Objectives and programs (continued)

The Regulator has the following functions under the *Compulsory Third Party Insurance Regulation Act 2016* (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 2022

1.3. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. In 2021-22, these transactions are comprised of the Regulator's administered payments to SA Government agencies.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2. Income

2.1. Administration premium component of the premium collections

	2022	2021
	\$'000	\$'000
Hospital and emergency fees	33 359	32 962
Road safety fees	14 247	14 372
Customer support and transaction fees	10 892	10 780
CTP Scheme regulation and administration fees	7 130	7 551
Total administration premium component of the premium collections	65 628	65 665

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 10.3 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. 2020-21 balances have been restated for comparative purposes.

2.2. Interest

	2022	2021
	\$'000	\$'000
Deposit account interest receipts	-	11
Total interest revenues	-	11

2.3. Resources received free of charge

	2022	2021
	\$'000	\$'000
Services received free of charge - Shared Services SA	10	12
Total resources received free of charge	10	12

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.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2.4. Other income

	2022	2021
	\$'000	\$'000
CTP Regulator's share of unearned premium on novated policies	-	15 089
Other	-	9
Total other income	-	15 098

In accordance with a Ministerial Direction issued by the Minister of Finance dated 27 July 2016, and pursuant to section 5(3) of the *Motor Accident Commission Act 1992*, the final payment of the remaining administrative component of unearned premiums held by the Motor Accident Commission totalling \$15.089 million was paid to the Regulator in 2021.

3. Committees and employees

3.1. Key management personnel

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

The compensation disclosed in this note excludes salaries and other benefits the Treasurer receives. The Treasurer's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

	2022	2021
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	726	691
Post-employment benefits	72	65
Total	798	756

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.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.2. Employee benefits expense

	2022	2021
	\$'000	\$'000
Salaries and wages	2 618	2 637
Employment on-costs - superannuation	292	281
Employment on-costs - payroll tax	159	149
Long service leave	30	(54)
Rejuvenation Scheme	50	-
Annual leave	259	223
Skills and experience retention leave	1	8
Other employee related expenses	24	15
Total employee benefits expense	3 433	3 259

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

Employee remuneration	2022	2021
	No.	No.
The number of employees whose remuneration received or receivable falls within the following bands:		
\$197 001 - \$217 000	1	2
\$337 001 - \$357 000	-	1
\$377 001 - \$397 000	1	-
Total	2	3

The total remuneration received by those employees for the year was \$584 000 (2021: \$762 000)

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

The number of employees who were paid a targeted voluntary separation package during the reporting period was two (nil). In 2022, targeted voluntary separation packages also include separation payments from the Public Sector Workforce Rejuvenation scheme.

	2022	2021
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	50	-
Leave paid to separated employees	41	-
Net cost to the Regulator	91	-

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.3. Employee benefits liability

	2022	2021
	\$'000	\$'000
<u>Current</u>		
Accrued salaries and wages	-	87
Annual leave	244	231
Long service leave	13	27
Skills and experience retention leave	17	14
Total current employee benefits	274	359
<u>Non-current</u>		
Long service leave	419	398
Total non-current employee benefits	419	398
Total employee benefits liability	693	757

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

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.

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.

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 actuarial assessment performed by the DTF has provided a basis for the measurement of long service leave liability and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departure and periods of service.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds increased from 1.25% in 2021 to 3.5% in 2022.

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.

The actuarial assessment performed by DTF has kept the salary inflation rate at 2.5% for the long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$77 000 and employee benefits expense of \$77 000. 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.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2022

4. Expenses

4.1. Supplies and services

	2022	2021
	\$'000	\$'000
Contractors and other outsourced services	308	510
Accommodation	297	263
Consultants	437	560
Legal costs	20	51
Service level agreement fees	321	314
Information technology expenses	192	263
General administration and consumables	51	72
Training and development	27	38
Minor works maintenance and equipment	3	5
Other*	30	28
Total supplies and services	1 686	2 104

* Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance Audit Act 1987* of \$25 000 (2021: \$24 000). No other services were provided by the Auditor-General's Department.

Accommodation

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

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2022

4.2. Administration premium component of the premium distributions

	2022	2021
	\$'000	\$'000
Hospital and emergency services	35 739	33 480
Road safety services	13 458	12 725
Customer support and transaction services	10 700	10 500
Total administration premium component of the premium distributions	59 897	56 705

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.

4.3. Administration premium component refunds

	2022	2021
	\$'000	\$'000
Hospital and emergency services	507	482
Road safety fees	197	199
DIT premium collection fees	150	148
Regulator operations	100	107
Total administration premium component refunds	954	936

In 2021-2022, the CTP Regulator recognised customer refunds paid by the DIT upon motor registration and CTP policy cancellations on receipt on a gross basis in accordance with AASB 101 para 32. 2020-21 balances have been restated for comparative purposes.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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 2021-22

	IT equipment	Total
	\$'000	\$'000
Carrying amount at the beginning of the period	19	19
Depreciation	(9)	(9)
Carrying amount at the end of the period	10	10
Gross carrying amount		
Gross carrying amount	226	226
Accumulated depreciation	(216)	(216)
Carrying amount at the end of the period	10	10

Reconciliation 2020-21

	IT equipment	Total
	\$'000	\$'000
Carrying amount at the beginning of the period	64	64
Depreciation	(45)	(45)
Carrying amount at the end of the period	19	19
Gross carrying amount		
Gross carrying amount	226	226
Accumulated depreciation	(207)	(207)
Carrying amount at the end of the period	19	19

CTP Regulator
Notes to and forming part of the Financial Statements
For the year ended 30 June 2022

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 2021-22	Externally purchased software \$'000	Externally developed software in progress \$'000	Total \$'000
Carrying amount at the beginning of the period	-	-	-
Additions	-	124	124
Carrying amount at the end of the period	-	124	124
Gross carrying amount			
Gross carrying amount	1 390	124	1 514
Accumulated depreciation	(1 390)	-	(1 390)
Carrying amount at the end of the period	-	124	124

Reconciliation 2020-21	Externally purchased software \$'000	Total \$'000
Carrying amount at the beginning of the period	278	278
Amortisation	(278)	(278)
Carrying amount at the end of the period	-	-
Gross carrying amount		
Gross carrying amount	1 390	1 390
Accumulated depreciation	(1 390)	(1 390)
Carrying amount at the end of the period	-	-

CTP Regulator
Notes to and forming part of the Financial Statements
For the year ended 30 June 2022

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

	2022	2021
	\$'000	\$'000
Deposits with the Treasurer	41 204	40 876
Total cash and cash equivalents	41 204	40 876

Deposits with the Treasurer

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

6.2. Receivables

	2022	2021
	\$'000	\$'000
Current		
Other receivables	99	922
Prepayments	34	58
Accrued revenue	492	510
Total current receivables	625	1 490

Prepayments are recognised for amounts paid for services not rendered by 30 June 2022. Accrued revenues are recognised for the administration premium component of the total premium collection up to and including 30 June 2022 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 2022

7. Liabilities

7.1. Payables

	2022	2021
	\$'000	\$'000
Current		
Creditors and accrued expenses	7 570	7 594
Employment on-costs	44	54
Total current payables	<u>7 614</u>	<u>7 648</u>
Non-current		
Employment on-costs	41	38
Total non-current payables	<u>41</u>	<u>38</u>
Total payables	<u>7 655</u>	<u>7 686</u>

Payables are measured at nominal amounts.

Payables and accruals are raised 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.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits are discharged.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7.2. Provisions

All provisions represent workers compensation.

	2022 \$'000	2021 \$'000
Reconciliation of workers compensation (statutory and non-statutory)		
Carrying amount at the beginning of the period	16	12
Payments/other sacrifices of future economic benefits	-	7
Additional provisions recognised	14	(3)
Carrying amount at the end of the period	30	16

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 2022 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 nonserious 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 2022

8. Other disclosures

8.1. Cash flow

Reconciliation of net result to cash flows from operating activities

	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	41 204	40 876
Balance as per the Statement of Cash Flows	41 204	40 876
Reconciliation of net cash provided by/(used in) operating activities to net result		
Net cash provided by operating activities	452	6 324
Add / (less) non-cash items		
Depreciation and amortisation expense	(9)	(323)
Movement in assets and liabilities		
Increase/(decrease) in receivables	(865)	956
(Increase)/decrease in payables	31	10 476
Decrease in employee benefits	64	30
(Increase) in provisions	(14)	(4)
Net result	(341)	17 459

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2022

9. Changes in accounting policy

In 2021-2022, the CTP Regulator recognised customer refunds paid by the DIT upon motor registration and CTP policy cancellations on receipt on a gross basis in accordance with AASB 101 para 32. Relevant 2020-21 balances have been restated for comparative purposes.

10. Outlook

10.1. Unrecognised contractual commitments

Commitments include expenditure commitments arising from contractual sources and are disclosed at their nominal value. As at 30 June 2022, the Regulator has contractual commitments for the provision of CTP Scheme actuarial services and internal audit functions as reported.

Expenditure commitments

	2022	2021
	\$'000	\$'000
No later than one year	507	581
Later than one year but not longer than five years	1 189	1 696
Total other commitments	1 696	2 277

10.2. Impact of Standards and Statements not yet effective

The Regulator continues to assess the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current* will apply from 1 July 2023. The Regulator continues to assess liabilities e.g. long service leave and whether or not the Regulator has a substantive right to defer settlement. Where applicable, these liabilities will be classified as current.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10.3. Administered items

Statement of Comprehensive Income for the year ended 30 June 2022	2022	2021
	\$'000	\$'000
Administered income		
Stamp duty collected	43 117	42 547
Total administered income	<u>43 117</u>	<u>42 547</u>
Administered expenses		
Stamp duty expenses	42 457	41 916
Stamp duty refunds	660	631
Total administered expenses	<u>43 117</u>	<u>42 547</u>
Net result	<u>-</u>	<u>-</u>
Statement of Financial Position as at 30 June 2022	2022	2021
	\$'000	\$'000
Administered assets		
Receivables	335	339
Cash and cash equivalents	3 776	3 875
Total administered assets	<u>4 111</u>	<u>4 214</u>
Administered liabilities		
Payables	4 111	4 214
Total administered liabilities	<u>4 111</u>	<u>4 214</u>
Net administered assets	<u>-</u>	<u>-</u>
Statement of Cash Flows for the year ended 30 June 2022	2022	2021
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Taxation receipts	43 121	42 531
Cash generated from operating activities	<u>43 121</u>	<u>42 531</u>
Cash outflows		
Taxation payments	(43 220)	(42 394)
Cash used in operations	<u>(43 220)</u>	<u>(42 394)</u>
Net cash provided by / (used in) operating activities	<u>(99)</u>	<u>137</u>
Net increase / (decrease) in cash and cash equivalents	<u>(99)</u>	<u>137</u>
Cash and cash equivalents at the beginning of the reporting period	3 875	3 738
Cash and cash equivalents at the end of the reporting period	<u>3 776</u>	<u>3 875</u>

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 2022

10.4. Events after the reporting period

No circumstance has arisen that has affected or may significantly affect the Regulator's operations since 30 June 2022.

11. Measurement and risk

11.1. 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 the 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 *TI 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.