

Opening statement**NO. 1**

- I thank the Committee for its input and role in overseeing the effective operation of the workers compensation scheme.
- Thank you for the opportunity to make a statement as the Chief Executive of the State Insurance Regulatory Authority (SIRA).
- In the interests of the Committee's time, I propose to briefly speak to the main points and provide a full copy to the Committee for tabling.
- The reforms establishing SIRA, and separating the regulatory and insurance functions formerly managed by WorkCover, laid the groundwork for a new system with a focus on the injured person, not the process... and on supervising insurers.
- Under the direction of the Board, we have been working hard to set up SIRA as a strong and effective regulator that puts our customers at the centre of everything we do.
- Our approach to improving the experience of injured persons has been grounded in genuine consultation that is responsive, transparent and inclusive, and the driving focus on our major policy projects.
- We are committed to achieving better workers compensation outcomes through smarter regulation. Key to this has been rebuilding regulatory frameworks, including the development of:
 - a system performance framework and inaugural System Performance Report, (which we have provided to the Committee); and
 - an Insurance Supervision Model to manage insurer performance.

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Resolved to publish ☒ Yes / No

- Both of these are reflective of SIRA's overarching approach which is moving from simply managing compliance to driving outcomes and improved performance.
- The Committee may be aware SIRA commenced a review of the self-insurer framework in September last year, and has recently released a proposed self-insurer licensing framework for consultation.
- The proposed framework is intended to provide strong, fair, results-focused regulation of insurers and improved outcomes for injured workers and employers.
- SIRA has been very open in indicating that this same proactive, risk based approach can be expected to be rolled out across the rest of the system, through our Insurance Supervision Model.
- The proposed framework and the way SIRA has been undertaking its regulatory functions clearly demonstrate our expectations about the way all insurers provide their services.
- In summary, SIRA is determined to be an exemplar regulator, by being credible, customer-focused and collaborative.
- **As proposed, I would request to table the remainder of this statement, which outlines SIRA's other priorities and achievements.**

- During SIRA's first year, our achievements as the new independent workers compensation regulator have included:
 - supervising the implementation of the 2015 Benefit Reform package
 - implementation of the Market Practice and Premiums Guidelines
 - implementation of the Licensed Insurer Business Plan Guidelines
 - review of the Self-Insurer licensing framework
 - remake of the *Workers Compensation Regulation 2010*
 - review of a number of guidelines, including the Guidelines for Claiming Workers Compensation.
- Each of these has been guided by significant stakeholder consultation and engagement, underpinned by evidence and data and a focus on achieving outcomes.
- Moving forward, SIRA is continuing our active supervision of the system to ensure it meets its objectives and provides:
 - value for money through promotion of effective and fair competition
 - appropriate protections and support for injured workers to return to work.
- Our key priorities for the workers compensation system in the immediate future include:
 - finalisation of the regulation on legal costs for work capacity review decisions, which we are looking to implement in the first quarter of next year

- following further consultation, finalisation and implementation of regulation on Pre-Injury Average Weekly Earnings (PIAWE)
 - undertaking a review of specialised insurer licensing framework in early 2017
 - supervising insurers, and working with support services to ensure that workers impacted by section 39, (five year cap on benefits) are provided with timely support and communication to enable transition from workers compensation weekly benefits
 - undertaking a review on the Nominal Insurer solvency ratio and valuation and providing advice to the Government on considerations and options, following review by the SIRA Board.
- More broadly, SIRA will be continuing to consolidate its functions across the workers compensation, home building and motor accidents insurance schemes to strengthen our capability in areas such as injury management, compliance, business intelligence and the use of data to drive performance .
 - We look forward to progressing with these actions and initiatives alongside our stakeholders and are happy to provide more detailed information to the Committee.

ENDS