



**STANDING COMMITTEE ON LAW AND JUSTICE
STATUTORY REVIEW OF THE STATE INSURANCE AND CARE GOVERNANCE ACT 2015
SUPPLEMENTARY QUESTIONS – icare**

1.

In relation to the icare Foundation:

- a. **What is the governance framework and due diligence processes around how funding grants are determined and monitored?**
- b. **The Australian Federation of Employers and Industries' submission states:**

'The Foundation does not make clear the proportion of its funding from the NSW workers compensation scheme. Recent announced expenditure includes \$1 million for small business mental health in the Hunter region; invitations for charities to receive up to \$100,000 for injury prevention/post injury care. There is no information on the due diligence processes followed by the Foundation. We have widespread concern about the nature of some of ICNSW expenditure. A particular case concerns Craig's Table which has received \$0.5 million from the icare Foundation. We are aware of its claimed South Australian origins but so far we have not found any verified information or performance data for South Australia or NSW beyond a Youtube "soft" interview on the ICNSW website'

What is icare's response to these concerns?

The icare foundation was launched in November 2016 with a clear purpose, governance structure and charter. The foundation's purpose is to fund innovative post-event prevention and intervention programs that aim to improve dignity, quality of life, social inclusion and optimal recovery for people who have been injured at work or on the roads in NSW. In this way, it can address the systemic issues associated with injury and disability caused by accidents in the workplace or on the roads.

The icare Board established a committee to oversee the foundation's operations and govern its investment decisions. The Committee consists of the Chief Executive Officer (CEO) and four Non-Executive Directors appointed by the Board and the CEO. The committee's membership comprises Lisa MacIntyre, David Plumb, Mark Lennon and is chaired by Elizabeth Carr, AM. The foundation committee charter is approved by the board and reviewed annually. It describes the authority and responsibilities of the committee, as well as its system of quarterly meetings.

The primary responsibilities of the committee are to approve investment decisions and operating expenditure and ensure that appropriate compliance frameworks and controls are in place. In line with all of the above, an investment decision making (due diligence) process has been developed and an oversight system provides for regular progress and risk review of investments. Further information regarding the foundation's governance, due diligence and delegation structure is provided at **Tab A**.

The committee also endorses the foundation's investment budget to the Board. icare's average annual commitment to expenditure of \$20m on foundation initiatives represented approximately 0.3 per cent of aggregate scheme expenses for 2016/17. Six new investments to the value of \$6.2m have been made since the foundation was established 12 months ago, reflecting the committee's intention to make relevant and robust investment decisions. A total of 31 historical investments, which were granted by the schemes prior to the foundation's establishment, have been consolidated under foundation oversight. This equates to \$16.5m and a total of \$22.7m existing investments.

The investment focus is spread across a range of areas pertinent to icare including mental health, return to work, treatment and recovery and disability support. In April 2018, the foundation committee approved \$500,000 in seed funding over 24 months to establish the Craig's Table NSW social enterprise in Parramatta, based on a working model from SA. Craig's Table aligns with the purpose of the icare foundation by supporting innovative post-injury treatments to injured workers.

Approximately 20 per cent of injured workers have recovery times extending beyond 13 weeks. Long-term work absence can exclude individuals from their community, diminishing social participation and increasing the risk of secondary psychosocial injury, and reducing their capacity to find productive pathways back to employment. Craig's Table is expected to deliver a recovery program for 30-60 participants over the course of its seed funding. Results will be evaluated so that the merit of this innovative approach can be tested and if proven, scaled. icare foundation strives to support organisations providing innovative and vital supports to the community that make NSW a great place to live and work.

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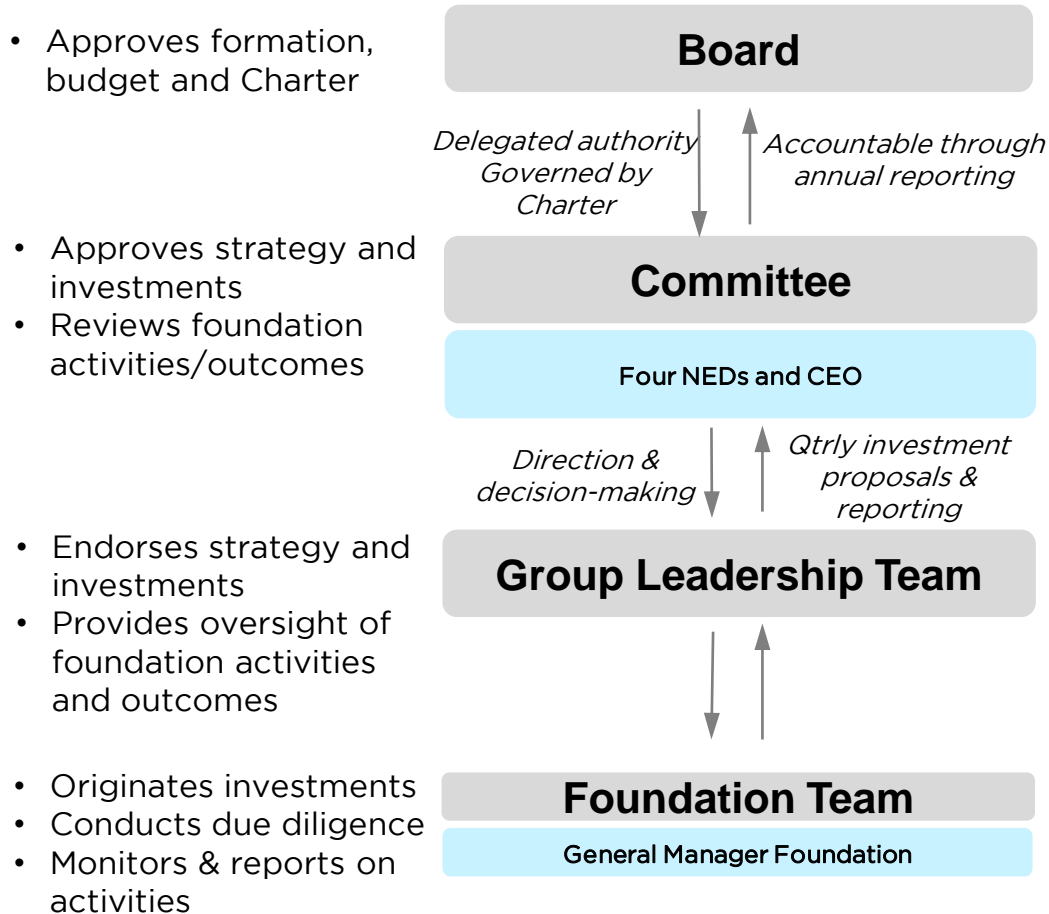
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foundation
Investing in a new state of wellbeing

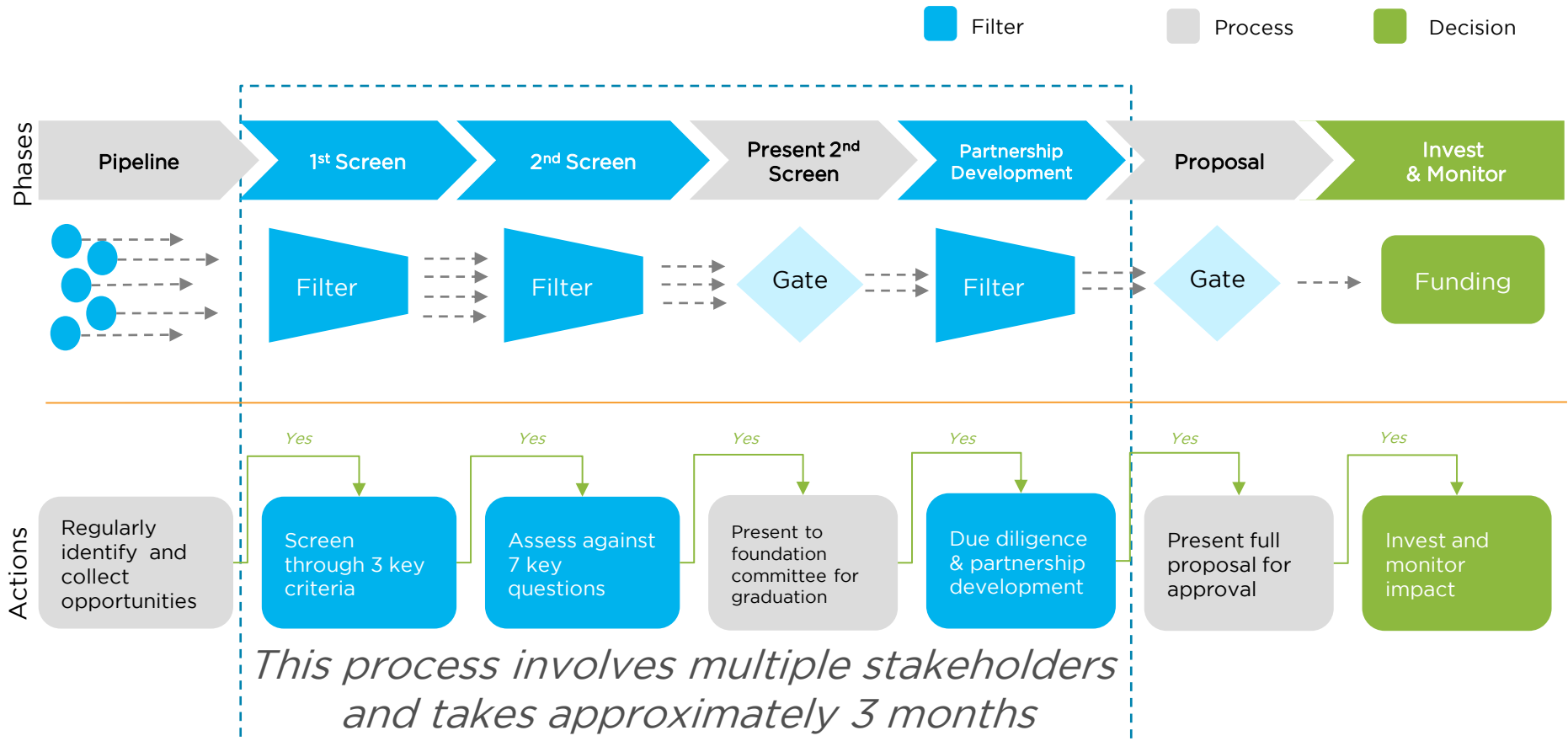
Governance, Due Diligence and Delegations

Governance & structure

icare foundation is governed by a Committee of the icare board and the icare Group Leadership Team

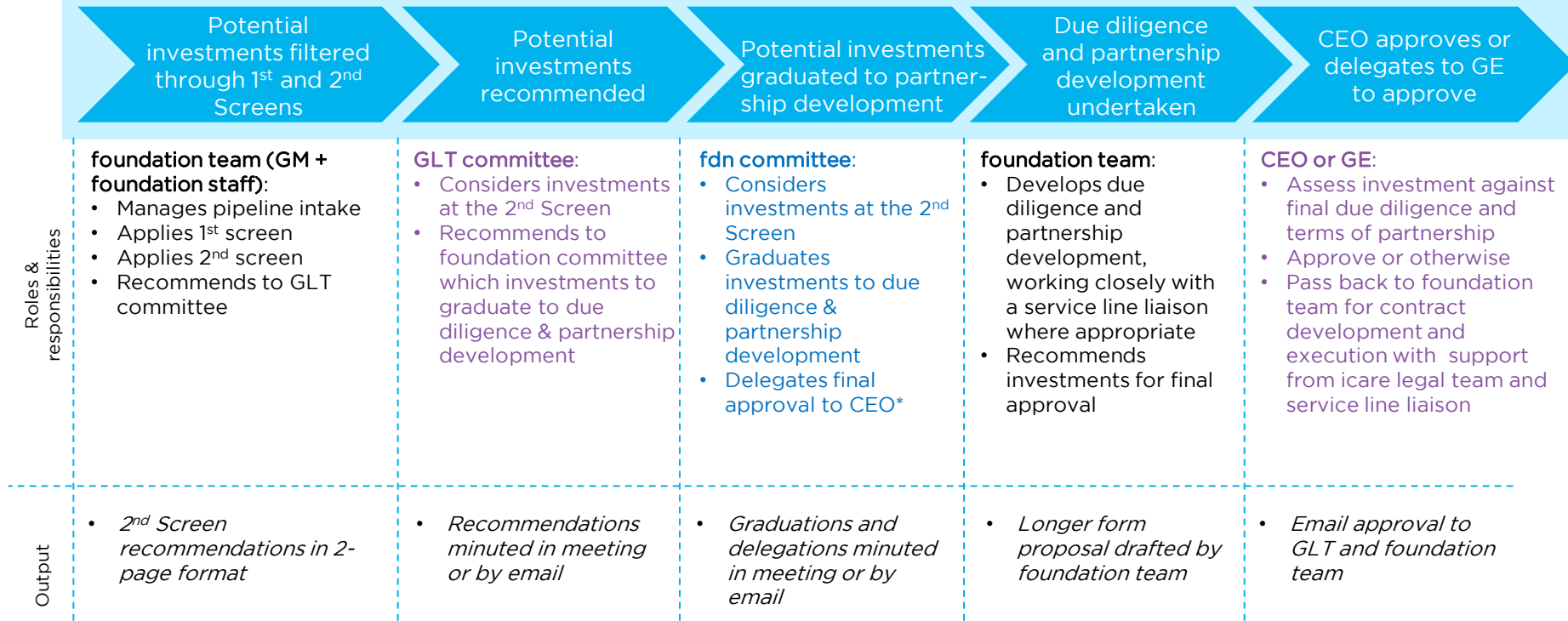


icare foundation's due diligence process is made up of two screens and a deeper partnership development phase before a formal proposal is considered



Delegations for investment decisions

Investment decision-making chain – quarterly rhythm



At any stage potential investments can also be rejected, passed to other parts of icare or sent back to the 1st or 2nd screen stage to be restructured

Risk management process for current investments

