



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

1)

Statement of Business Intent

The Hon. LYNDA VOLTZ: Yes. Section 11 of the Act requires for you to do a business plan.

Mr BHATIA: Yes.

The Hon. LYNDA VOLTZ: Could you provide a copy of that business plan in hard copy to the Committee?

Mr BHATIA: Yes—can do.

The Hon. LYNDA VOLTZ: You will do that on notice?

Mr BHATIA: Yes. We will take it on notice.

The Hon. LYNDA VOLTZ: Is there a reason why it is not on your website?

Mr BHATIA: It is provided to the Treasurer as the shareholder Minister. It is basically in emphasis the strategic plan that is on the website. Our strategic plan is on our website. The business plan is a Word document which is not on the website.

Mr DAVID SHOEBRIDGE: But it is a clear statutory requirement for you to have it. I found it surprising when I heard from the Public Service Association [PSA]. It is not a long Act; it does not have a lot of those express statutory requirements about what you are to do and there is a very clear requirement to produce it. I found it surprising that it was not on the website.

Mr BHATIA: There is a clear requirement to produce it. We basically ask Treasury, because it is a Treasury requirement for us to produce it as the commercial policy framework which we adhere to and we provide it to them on behalf of the Treasurer. We have not in the past thought to put it on the website. But it is something we can take on notice and do. As far as we understand the obligation is not to produce it on the website.

Mr DAVID SHOEBRIDGE: No. The statutory requirement is for you to produce the document, so it is obviously an important document, then to give it to one or two Ministers—the Treasurer and the finance Minister, maybe—

Mr BHATIA: It is just the Treasurer.

Mr DAVID SHOEBRIDGE: If it is a document that is guiding your business, if you want to be transparent with your stakeholders, would you not put it on your website?

Mr BHATIA: As I said—I probably did not articulate myself very well—the document that guides our business is the strategic plan, which is on our website.

The Hon. LYNDA VOLTZ: Yes, but your strategic plan says that you aim for transparency: "We make things transparent. We make transparent what to expect, when and why." Would your business plan not be part of that?

Mr BHATIA: That is the business plan.

The Hon. LYNDA VOLTZ: No, this is your icare strategic plan.

The CHAIR: We do not have the business plan.

Mr BHATIA: I am not quite sure whether from a semantics perspective there is a difference between a business plan and a strategic plan. The world I have operated in, they are the same.

The Hon. LYNDA VOLTZ: Are you saying your strategic plan for the financial year 2017-18 is your business plan?

Mr BHATIA: That is the main part of our business plan.

The Hon. LYNDA VOLTZ: Is that the business plan you provided to the Minister?

Mr BHATIA: That is, substantially. There is obviously a covering note on that, but that is the predominant part of the business plan that was provided.

Mr DAVID SHOEBRIDGE: To be clear, we are talking about the statement of business intent that is required to be submitted to the Minister and the Treasurer not less than three months after the commencement of each financial year—that is what we are talking about.

Mr BHATIA: Yes.

Mr DAVID SHOEBRIDGE: It seems to me an important document, because it sets out the objectives of icare NSW and its main undertakings—obviously that should be publicly reported; the nature and scope of the activities to be undertaken—that should be publicly reported; the accounting policies to be applied in the financial reports—that should be publicly reported; performance targets and other measures by which performance of icare NSW may be judged in relation to its stated objectives—that should be publicly reported; and any other matter required by the Minister. It would be useful to know what that is.

Mr BHATIA: Yes.

Mr DAVID SHOEBRIDGE: I cannot understand why it is not on the web.

Mr BHATIA: I take that on notice. We will put it on the web. There is nothing to—

The Hon. LYNDA VOLTZ: Sorry to interrupt—I want to clarify, because if it is "Our strategy for 2020" then it is on the web. Is that the document?

Mr DAVID SHOEBRIDGE: No.

Mr BHATIA: That is the main sense of the document. This is just in an easy-to-understand form.

The Hon. LYNDA VOLTZ: Is this the document you provided to the Minister or is it not?

Mr BHATIA: There are two documents that are provided to the Minister. This is one of them.

The Hon. LYNDA VOLTZ: And what is the other one?

Mr BHATIA: The other one is the one that covers it and puts it in a Word format which is the format that is required to be submitted as a statement of general business intent for all commercial entities in government.

The Hon. LYNDA VOLTZ: And it differs from this document?

Mr BHATIA: It does differ from the document in terms of its format and, to an extent, the content as well.

The CHAIR: Under the Act, you submit it to the Minister and the Treasurer, accepting that Mr Shoebridge is talking about transparency, but you have fulfilled the obligation of the Act.

Mr BHATIA: Absolutely.

The CHAIR: I guess the Minister or the Treasurer would need to approve publication, just as a point of perspective.

Mr DAVID SHOEBRIDGE: I am not suggesting you have not complied with the statutory requirements. I am just saying it looks like a key document and it surprises me that it is not publicly available.

Mr BHATIA: I take that on notice.

ANSWER:

At icare, we are committed to transparency and welcome input and feedback from all our stakeholders. The NSW Treasury Commercial Policy Framework covers the Statement of Business Intent as a commercially sensitive document. With our dedication to transparency, we have always published the icare Strategy and the annual Strategic Plan on our website at <https://www.icare.nsw.gov.au/about-us/our-strategy>. This publicly available document contains the essential components that underpin our Statement of Business Intent and Business Plan.

2)

Consultation

The CHAIR: You might take it on notice and respond to that area of the engagement of employers. The organisation said that they had difficulty just on telephone communications with your organisation, which I know is contrary to the evidence you have given us, which we have accepted, about your relationship with injured workers and so forth now with case managers and so on.

Mr BHATIA: It is quite fascinating. As I said, feedback is always valuable and I take it because it always helps us do better. But we have had more than 200,000 phone calls with employers buying policies, modifying policies, asking questions about premiums, since we opened our doors in February this year, and given the fact that now we manage policies directly—all the modifications, the actual binding of the policies, the submission, the issuance of the policy documents, the collection of the premium; that is all done internally—we have had more than 200,000 phone calls, which, for us, is manned by Service NSW. They measure customer service and they have got a 4.8 out of 5 score on that.

The CHAIR: If you can take on notice how you might strengthen that relationship and consultation with employers. As I said, the NSW Business Chamber was not quite as critical; they said they had a fairly good relationship.

ANSWER

icare values the feedback of our various stakeholders and consults with them regularly. We have a dedicated commercial engagement team that meets with employers, industry associations and other stakeholders on a daily basis and, in the past few months, have added an engagement team solely devoted to regional and rural areas.

Engaging with the people who are connected directly or indirectly with icare helps deepen our understanding of expectations and concerns, and guides how we respond. It is central to the human-centred design process that we are undertaking to redesign the workers compensation journey from the workers and employers' perspective.

Through co-design with employers we have already created a new insurance portal enabling businesses to purchase workers compensation online for the first time in NSW. We also created a new loss prevention and recovery product through co-design with 50 large employers, which has not only seen exponential take up but was a finalist for Innovation of the Year at a national insurance awards. We also co-designed with builders to create a new self-service portal for purchasing Home Builders Warranty.

This being said, we acknowledge that while we have been engaging with its stakeholders on a consistent basis, there are some who do not feel they are being listened to. In this respect, we need to do better and are committed to engaging with our stakeholders to co-design better solutions that will support a customer-centric and sustainable workers compensation system long into the future. We will systematically reach out to stakeholders through all possible channels to ensure they both understand icare's transformation and are provided opportunities for input.

3)

icare signage

Mr DAVID SHOEBRIDGE: I have two questions to go on notice. A number of concerns have been raised with my office about the substantial cost of icare signage on your building. People cannot work out the rationale for a monopoly provider or a government agency to be engaging in broad commercial advertising. Please provide the cost and the rationale for it.

ANSWER

icare is the biggest start-up of its kind. It is in a growth period as it undertakes a transformation program to improve the way insurance and care is delivered to the people of New South Wales. icare has also commenced selling policies directly to over 284,000 employers and is in the process of consolidating the management of over 70,000 employee claims each year into a single claims manager. These operating model choices have delivered a net reduction in service fees to the icare schemes on an annualised basis of \$44 million or six per cent this financial year.

icare is the major tenant at 321 Kent St, Sydney and was provided first rights for signage of the building. icare took the opportunity of direct exposure to the more than 26 million visitors and passers-by of the Darling Harbour precinct every year. icare is a new brand. It no longer hides behind the auspice of established insurer brands, as has been done for the past three decades. Building brand awareness is crucial. icare considers its sign one of the most cost-effective ways of building recognition of a brand that insures all homeowners, builders and employers across NSW.

The signage was constructed in compliance with stringent conditions around development consent set by the City of Sydney and operates on sustainable renewable energy.

4)

Scheme operational model

Mr DAVID SHOEBRIDGE: Second, repeated concerns have been raised in submissions that in the process of the transfer to a single scheme agent I think it has been winnowed down to three scheme agents. That process has resulted in the interim claims handling scheme agents being GIO and—

Mr BHATIA: Allianz.

Mr DAVID SHOEBRIDGE: Because they do not have any long-term stake in the game, it is a mechanistic, unengaged process with claims falling through the cracks. There are repeated concerns about that in the submissions we have. Can you provide responses to both of those questions?

Mr BHATIA: Absolutely we can.

ANSWER

In April 2017, icare introduced its next phase to improving the way workers compensation insurance is managed in NSW. After listening to the feedback from various stakeholders, icare redesigned its claims model to deliver a more consistent and higher quality of experience to the injured workers and employers of NSW.

NSW injured workers and businesses can expect to experience a significant enhancement in service delivery going forward. But as with any change, there will be some impact for affected customers as they transition to the new claims model.

As part of the new claims model, icare selected Employers Mutual as its partner to manage new claims from January 2018, while GIO and Allianz will provide services for existing claims beyond 2017. CGU Workers Compensation (NSW) Limited and QBE Workers Compensation (NSW) Limited will conclude their roles as icare Scheme Agents on 31 December 2017.

icare is ensuring that those customers affected are being kept fully informed every step of the way and this will continue throughout the transition. All workers and employers with an open claim were issued with an introductory letter outlining the new Scheme agent transition. A further letter will be issued in the lead up to the transition, confirming the date of transfer and providing Scheme agent contact details. This will be followed by a welcome letter from the receiving Scheme agent providing the details of the new Claims Manager.

Seminars were held in September with brokers, employers and industries over a two-day period at icare to provide an update and increased detail around the transition process. Updates related to transition have been provided to brokers through icare's fortnightly "Keeping you Looped In" email distribution. icare is also communicating with rehabilitation and other service providers to ensure continuation of service delivery and payment of invoices during the transition.

icare staff have also presented at a range of forums including business chambers, health seminars, expo's, field days and community halls across regional and metropolitan NSW with a focus on transition.

icare has a range of operational measures in place to support transition including:

- icare staff within CGU and QBE's offices are monitoring urgent mail for action.
- There will be a personal handover of section 39 claims to GIO.
- A data transfer process is in place to ensure injured workers payments continue while data is moving between agents.
- All wages will be prepaid to ensure there is no gap during the transition process.

To provide assistance to injured workers a dedicated Customer Service Centre has been established. Its contact number is listed on all claim communications issued to workers, employers, treatment providers and key stakeholders and on icare's website. We are also working closely with Scheme agents to monitor the transition process, identify risks and strategies, and resolve potential issues.

A number of formal and informal feedback mechanisms are in place to monitor the customer experience throughout the transition including a Net Promoter Score survey.