



**Standing Committee on Law and Justice -  
Proposed changes to liability and  
entitlements for psychological injury in  
New South Wales**

**RESPONSES TO QUESTIONS ON NOTICE  
FROM HEARING ON 16 MAY 2025**

**DUE TO COMMITTEE ON 21 MAY 2025**

## 1. PAGE 49 OF TRANSCRIPT

**Ms ABIGAIL BOYD:** Apologies, if it's okay with you, if I could just interrupt you there because I have a very short period of time. If I could just ask instead, if I can go to Mr Wessling, the impact of AASB 17, which takes effect from the beginning of the next financial year—so in just a month and a bit. What is the impact on the bottom line for icare, and would that change if the Treasurer didn't put money in as he's threatening to do?

**TONY WESSLING:** Ms Boyd, I might ask Mr Liu to give you the proper answer to that.

**DAI LIU:** I'll be quick. The AASB 17 does not apply to the TMF. The TMF is a self-insurance scheme so that accounting standard does not apply. The accounting standard does apply for the Nominal Insurer as it issues insurance policies. It is a brand-new insurance reporting standard. There are two larger financial pieces. One is around the concept of risk adjustment.

**Ms ABIGAIL BOYD:** Sorry to interrupt again. In icare's submission in June 2022 in relation to the TMF, it talked about a \$3.68 billion hit to icare. Would the accounting treatment you're talking about where it's not applying apply if the Treasurer did not put in the money required to run the scheme?

**DAI LIU:** No, it won't apply. We've done more work since AASB 17 won't apply to the TMF.

**Ms ABIGAIL BOYD:** Can you provide on notice perhaps the analysis of how that works? The analysis on how the TMF works in respect of not being affected by the AASB17 policy.

## ANSWER

The Australian Accounting Standards Board (AASB) issued the final exposure draft (ED319) in March 2022, and icare submitted its response in June 2022. Following this response and the release of final AASB17 standard in December 2022 via AASB 2022-9 "Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector", icare assessed and documented in a formal Accounting Policy ("Scope") the applicability of AASB17 for each relevant scheme, and has determined AASB 17 will be applicable from 1 July 2026 for the following schemes:

- NSW Workers Insurance Scheme (NI)
- Construction Risk Insurance Fund (CRIF)
- Home Building Compensation Fund (HBCF)
- Sporting Injuries Compensation Authority (SICA)
- Lifetime Care and Support Fund (LTCS)
- Motor Accidents Injuries Benefits Fund (CTP Care)

The Scope Accounting Policy has been provided to the Audit Office via EY.

The key pre-requisite in AASB 17 2022-9 for an arrangement to fall within AASSB 17, the arrangement needs to:

- be enforceable; and
- have an identifiable coverage period.

TMF is **out of scope** for the following reasons:

- a. The TMF is a statutory, administrative self-insurance arrangement for the State. The TMF is not insurance nor is SiCorp an insurer in respect of the TMF. The TMF is a "Government managed fund scheme" operated by the NSW Self Insurance Corporation (through Insurance and Care NSW) pursuant to section 8 of the NSW Self Insurance Corporation Act 2004 (the SiCorp Act).

- b.** TMF cover is discretionary and operates as “Government managed fund scheme” as defined under section 3 of the SICorp Act because it is: “an arrangement under which...liabilities of the State, an authority of the State or an eligible State official... are managed as a self-insurance scheme (including the collection of contributions from the State, an authority of the State or an eligible State official towards the cost of claims), and... are paid, or otherwise settled, by the State or by the Self Insurance Corporation on behalf of the State, an authority of the State or an eligible State official”.
- c.** The Statement of Cover provided to the agencies at the commencement of the “coverage” period states that “The TMF is not insurance and is not subject to the *Insurance Act 1973* (Cth), ... The TMF forms part of the NSW Government’s self-insurance arrangements. It provides no risk cover in the nature of a contract of insurance and is exempt from claims for dual insurance”.
- d.** The Statement of Cover is also not binding on the TMF and is specifically noted TMF can alter the terms and conditions at its discretion. Further it states that “ This Statement of Cover specifically notes that is not intended to, and does not, give rise to any legally enforceable rights on the part of TMF Agencies or Covered Individuals.”

## 2. PAGE 50 OF TRANSCRIPT

**Ms ABIGAIL BOYD:** I apologise for interrupting, but could you please take on notice the number of workers in the NI and workers in the TMF who have a WPI of more than 15 per cent, more than 20 per cent and more than 30 per cent? That would be very useful. Thank you. Number for injured workers (NI and TMF) who are above 15%, 20%, and 30% - both actual and forecast

### ANSWER

Psychological Claims with a Whole Person Impairment (WPI) Assessment with NI and TMF for FY2024/25, up to March 2025.

WPI	NI	TMF	Total
15%+	537	853	1,390
21%+	175	271	446
31%+	9	3	12

Actuarial Projection of Psychological Claim Numbers by Whole Person Impairment (WPI) for Accident Year FY2024/25:

WPI	NI	TMF	Total
15%+	1,041	1,568	2,609
21%+	346	636	982
31%+	17	10	27

## 3. PAGE 52 OF TRANSCRIPT

**The Hon. ANTHONY D'ADAM:** Can I just take you to your submission on page 6. There is a graph there of the TMF claims indicating an increase from 18 per cent in 2022-23 to 21 per cent, and then it gives the raw numbers. Of that 4,555 in 2023-24, how many of those would be emergency services employees that are not covered by these reforms?

**TONY WESSLING:** Mr D'Adam, we'll just see if we've got that.

**DAI LIU:** We don't readily have it. We might just take that on notice. It is roughly half—

**The Hon. ANTHONY D'ADAM:** Roughly half?

**DAI LIU:** —but maybe we'll come back with the actual numbers.

**The Hon. ANTHONY D'ADAM:** So we are talking about maybe in the order of 150 more claims than the previous, in terms of the ones that would be affected by these reforms. Is that correct?

**TONY WESSLING:** Can you outline your maths again for me?

**The Hon. ANTHONY D'ADAM:** Well, because you were saying that half the difference between 443 to 550—sorry, 250 of those would be claims that are covered by the reform proposal.

**TONY WESSLING:** Perhaps we could come back to you on notice to answer your question

### **ANSWER**

About 1,600 of the 4,555 TMF psych claims reported in 2023/24 were EMER claims

Given there are a range of factors and circumstances for individual claims, we cannot comment on the exact numbers that would have been impacted by the proposed reforms for the 2023/2024 period.