

**Submission
No 15**

**STATUTORY REVIEW OF THE STATE INSURANCE AND
CARE GOVERNANCE ACT 2015**

Organisation: NSW Workers' Compensation Self Insurers Association Inc
Date received: 3 November 2017



N.S.W. Workers' Compensation
Self Insurers Association Inc.

Employers Managing Their Own Risk
ABN 69 780 464 000

31st October 2017

Ms Teresa McMichael
Director / Upper House Committees
NSW Legislative Council's Standing
Committee on Law and Justice
Parliament House of New South Wales
Parliament House, Macquarie Street
Sydney NSW 2000

Dear Teresa

Statutory Review of State Insurance and care Governance Act 2015

On behalf of the members and executive of the NSW Self Insured Association, I provide the following submission and accept an invitation to appear as witness on Tuesday November 7th 2017 along with honorary executive member Mr Mick Franco.

- The policy objectives (below) remain relevant
 - a) Avoiding conflicts of interest in the organisations responsible for the workers compensation scheme;
 - b) Creating clear statutory and operational separation between the functions of providing government insurance services and the regulation of those services;
 - c) Creating a structure which is transparent and accountable;
 - d) Creating organisations which are customer-centric, streamlined and efficient; and
 - e) Making insurance structures in NSW easier to understand

- The separation of the insurance function (iCare) from regulation function (SIRA) is a good thing.
- SIRA's link with and exchange of information with SafeWork needs to be more transparent, particularly when it comes to the monitoring of self-insurers for licensing purposes.
- SIRA as regulator should not be involved in the dispute resolution system – It currently runs the Merit Review service dealing with review of work capacity decisions, and this involves a conflict. The Act should specifically preclude SIRA from having any involvement with or input into dispute resolution so that SIRA is not compromised in its' role as regulator.
- The Merit Review Agency is not transparent because it does not publish its decisions as a matter of course.
- Characterisation of insurers or a system as being 'customer-centric' is not appropriate for a statutory scheme like workers compensation particularly where there is no clear understanding of who is the customer. SIRA, as regulator does not have "customers". It is not appropriate to consider claimants as "customers" and the only true "customers" of iCare are employers who pay premiums. The two primary (arguably only) objectives of the Act should be limiting the role of SIRA exclusively to regulation (in a way more akin to APRA) and limiting iCare to the role of a true insurer. As the Act is not currently achieving these objectives changes are required.

Kind Regards

Alan Becken
Chairperson
NSW Workers' Compensation Self Insurers Association Inc.