

ANNUAL REPORT 2023/2024



Independent
Review Office

**Office of the Independent
Review Officer**

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The Hon. Jihad Dib MP
Minister for Customer Service and Digital Government
Minister for Emergency Services
Minister for Youth Justice
Parliament House
Macquarie Street
SYDNEY NSW 2000

31 October 2024

Dear Minister,

In accordance with Schedule 5 to the *Personal Injury Commission Act 2020*, the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983* and the regulations made under those Acts, I have prepared and now forward to you the Annual Report of the Office of the Independent Review Officer for the period from 1 July 2023 to 30 June 2024.

I note that the Report is required to be tabled in Parliament as soon as is practicable.

Yours sincerely



Jeffrey Gabriel
Acting Independent Review Officer

ABOUT THIS REPORT





About this report

1.1 About this report

The 2024 Annual Report of the Office of the Independent Review Officer (IRO) is prepared pursuant to Schedule 5 to the *Personal Injury Commission Act 2020*, the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983* and the regulations made under those Acts.

The report includes Financial Statements of the Independent Review Office of 1 July 2023 until 30 June 2024.

The total cost of producing this report was \$5,835.50.

1.2 Acknowledgement of Country

The Independent Review Office acknowledges, respects and values Aboriginal peoples as the Traditional Custodians of the lands on which we live, walk and work. We pay our respects to Elders past and present. We recognise and remain committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships, and continuing connection to their lands, waters and seas. We acknowledge their history here on these lands and their rich contribution to our society.

We also acknowledge Aboriginal employees who are an integral part of our diverse workforce, and recognise the knowledge embedded forever in Aboriginal and Torres Strait Islander custodianship of Country and cultures.

1.3 IRO FY2023/24 Snapshot

SOLUTIONS

16,599
complaints and enquiries



8,302
workers compensation (WC)
complaints, 6,947 enquiries



9% increase
in complaints
compared to
FY2022/23

TOP ISSUE: delay in determining liability (raised in 30% of complaints)

806
Compulsory
Third Party (CTP)
complaints and
544 enquiries



9% decrease
in complaints
compared to
FY2022/23

TOP ISSUE: treatment and care
(raised in 28% of complaints)

More than **88%**
of WC complaints
and CTP complaints
were finalised
within 15 days of
receipt

76% of complaints
resolved with a benefit,
insurer action or
further information



GRANTS OF LEGAL FUNDING

25,345
new
applications
for ILARS
funding



12% increase
compared to
FY2022/23

More than
5,300
psychological
injury claims
(increase of 22%
compared to
FY2022/23)

90% of new
applications
assessed within
5 business days

ILARS grant
injury types:

- 1** Physical injury (56%)
- 2** Psychological injury (22%)
- 3** Physical and psychological injury (6%)
- 4** Hearing loss (15%)

20,047
ILARS grants
finalised



6% increase
compared to
FY2022/23

51%
ILARS grants
matters (10,324
grants) finalised
with a binding
agreement or
decision

Where grants
resulted in a
final outcome,
95% resulted
in the worker
improving their
position

IRO COMMUNICATION AND EDUCATION

36 IRO Bulletins, **23** IRO Alerts and **3** editions of
IRO News published to over 1800 subscribers

6 IRO Regional Seminars, held in
Orange, Penrith, Newcastle, Albury,
Wollongong and Ballina



IRO Sydney Seminar, the Personal
Injury Seminar, attended by **200**
people in person, and almost **400**
people online

1.4 Message from the Independent Review Officer

Most people will never know first-hand what it is like to be injured in a motor vehicle accident or injured at work to the point where they are prevented from earning a living, or they may require significant medical treatment, or perhaps assistance with the activities of daily living.

In New South Wales, we have statutory compensation schemes designed to support these people, underpinned by mandatory insurance policies for employers and the owners of registered vehicles. Navigating the claims processes within these compensation schemes to obtain entitlements and return to work can be difficult for some claimants, who are already dealing with the trauma and disruption to their lives.

This is where the Independent Review Office gets involved. We aim to facilitate resolutions to the concerns raised by claimants, whether by dealing with their complaints, or by providing funding for lawyers to represent them, ensuring fair outcomes for all parties involved.

In 2023-24, we received more than 9,000 complaints, covering a range of concerns including delayed decisions, tardy payments and other errors. We raised thousands of concerns with insurers, who have generally worked constructively with us to achieve resolutions. In addition this year, we received more than 25,000 applications by Approved Lawyers to assist workers under the Independent Legal Assistance and Review Service (ILARS). This growth is largely driven by external factors in workers compensation, such as increased claims, the increasing proportion of psychological injuries, and legislative settings that require injured workers to initiate legal proceedings to claim compensation entitlements.

The Independent Review Office also plays a critical role in reporting on the operation the legislation that underpins the personal injury compensation schemes in New South Wales. Our reporting calls out pain points and we make suggestions in favour of system improvement, leveraging the experiences of the tens of thousands of claimants who use our services.

This Annual Report represents the hard work and dedication of my staff. It provides tangible examples of how our work is improving the experience of claimants that have suffered the misfortune of being injured at work or in a motor vehicle accident while they try to recover and return to work.

Finally, I wish to pay tribute to Simon Cohen, my predecessor as the Independent Review Officer, for his stewardship of IRO over five years, dealing with the challenges of the COVID-19 pandemic, the creation of IRO via the Personal Injury Commission Act 2020, and the increasing demand for IRO services.

Jeffrey Gabriel

Acting Independent Review Officer

1.5 About the IRO

The Independent Review Officer was established as an independent statutory office under Schedule 5 to the *Personal Injury Commission Act 2020* (NSW) (PIC Act) on 1 March 2021. The office replaced the Workers Compensation Independent Review Officer (WIRO), originally established in 2012 under the *Workplace Injury Management and Workers Compensation Act 1998* (NSW) (WIMA).

The functions of the Independent Review Officer, set out in clause 6 of Schedule 5 to the PIC Act, include:

- dealing with complaints by persons injured at work or in motor vehicle accidents, about the acts or omissions of insurers;
- managing and administering the Independent Legal Assistance and Review Service (ILARS), which funds Approved Lawyers to provide legal advice and assistance to injured workers about their workers compensation entitlements;
- undertaking inquiries into and reporting to the Minister for Customer Service and Digital Government on any matters arising in connection with the operation of the PIC Act, and workers compensation and motor vehicle accident legislation.

IRO also provides information to lawyers, insurer case managers and others through proactive stakeholder engagement activities, a series of annual seminars in Sydney and regional centres, and regular publications summarising the latest cases and reforms in workers compensation and CTP.

Our organisational structure

The Independent Review Officer is supported by an expert team. The Independent Review Officer and team are known as the Independent Review Office or IRO.

IRO is led by the Acting Independent Review Officer, Jeffrey Gabriel. The work of IRO is conducted by the Independent Review Officer's own office, which provides personnel and procurement support, and three distinct Groups, each of which is led by a Director.

- The **Solutions Group (Solutions)** resolves complaints by injured persons about the acts and omissions of workers compensation and motor accident insurers, and matters referred from the ILARS Group for early solutions. Solutions also responds to enquiries from persons injured at work or in motor accidents.
- The **ILARS Group (ILARS)** approves expert private lawyers and oversees grants of funding to these lawyers to assist injured workers to understand and pursue their workers compensation entitlements. ILARS also identifies matters appropriate for early solutions.
- The **Strategy, Policy and Support Group (SPS)** provides financial, information technology, governance and records management support for the IRO. SPS also provides policy advice to IRO, and a whole-of-system perspective for statutory personal injury schemes, including through leading IRO inquiries, analysing and publishing data, and supporting community and stakeholder education and engagement.

IRO Executives

Independent Review Officer

Simon Cohen

Simon Cohen was appointed as the Workers Compensation Independent Review Officer in February 2020, and as the Independent Review Officer from 1 March 2021. Simon was previously the Deputy Secretary, Regulation and Director, Consumer Affairs from 2015 at the Victorian Department of Justice and Community Safety. Simon was the national Telecommunications Industry Ombudsman from 2010 to 2015. His previous roles include Victorian Public Transport Ombudsman and Assistant Ombudsman at the NSW Ombudsman. Simon is a graduate in law from the University of Queensland.

Simon finished with the Office on 22 December 2023.

Jeffrey Gabriel

Jeffrey Gabriel has been the Acting Independent Review Officer since 23 December 2023.

Jeffrey was previously employed as a Principal Lawyer at the WIRO in the ILARS Group, a role he commenced in January 2013. Prior to joining the WIRO, Jeffrey was a solicitor in private practice where he acted for both injured persons and insurers in a range of personal injury jurisdictions in NSW. Jeffrey is an accredited specialist in personal injury law and graduated with a Bachelor of Arts and Bachelor of Laws from Macquarie University. Jeffrey's substantive role is the Director Solutions, Jeffrey Gabriel has been Director Solutions since March 2017.

Director Solutions

Since the elevation of Jeffrey Gabriel to the role of Acting Independent Review Officer, several staff members have had the opportunity to experience and shape the role.

Christie Echo

Christie Echo, who holds the role of Principal Lawyer Dispute Resolution, acted in the role of Director Solutions from January 2024 until March 2024. Christie initially joined IRO as a Principal Lawyer in the ILARS Group, before moving into the Solutions Group. Christie has in the past worked with various workers compensation insurers in NSW. Christie has also worked as a solicitor in private practice in a range of personal injury jurisdictions in NSW.

Troy McNaughton

Troy McNaughton has acted in the role of Director Solutions since March 2024 on secondment from the State Insurance Regulatory Authority where he holds the role of Manager Feedback and Complaints. Prior to joining the NSW Public Sector in 2021, Troy held various roles in the Australian Public Service, including as an Assistant Director with the Aged Care Quality and Safety Commission where he oversaw the resolution of complaints about the quality of care and services delivered by Australian Government funded aged care providers.

Director ILARS

Phil Jedlin was appointed Director, ILARS in May 2021 after serving as the Director Operations. In his current role, Phil oversees the funding of Approved Lawyers to assist injured workers in the workers compensation scheme. Prior to starting at the WIRO in November 2012, Phil spent 22 years at the Commonwealth Bank of Australia in a wide range of roles. Phil holds a Bachelor of Economics and a Bachelor of Laws from Macquarie University.

Director, SPS

Melissa Hirst is the Director SPS and filled the role from November 2021 to April 2022, and again from April 2023. Melissa joined the IRO as Principal Policy Officer in May 2020, having previously worked within the Office of the Secretary at the Department of Customer Service (DCS). She has over 10 years' experience working in leadership roles across several areas and levels of government. She holds a Master of Policy, together with a Bachelor of Laws and a Bachelor of Science from the University of Western Australia.

Associate Director, Office of the IRO

Lesley Terry was appointed Associate Director, Office of the IRO in January 2024 and is part of the IRO Executive. Lesley oversees Procurement, People & Culture, WHS and leads the IRO Continuous Improvement work program. Lesley has been with the IRO for six years commencing as the Executive Officer to the IRO. Previously she spent 20 years with the banking regulators. Lesley holds Diplomas in Governance from the Governance Institute of Australia and Human Resources.

SYSTEM OVERVIEW



System Overview

2.1 Continuous improvement in the WC and CTP systems

IRO has a role in contributing to improvements in the workers compensation and CTP schemes. IRO draws on its complaints, enquiries and applications for ILARS grant funding data to identify trends, patterns and possible systemic issues, as well as opportunities to promote continuous improvement.

Stakeholder engagement

In FY2023/24, IRO regularly participated in bilateral meetings with Insurance and Care NSW (icare), State Insurance Regulatory Authority (SIRA), and the Personal Injury Commission (PIC) to discuss system-wide issues.

IRO engaged with insurers, including CTP insurers, that were the subject of 100 or more complaints in the previous reporting year to provide an overview of complaints made to IRO in relation to their specific portfolios, discuss trends and help understand opportunities for improvement. IRO also initiated discussion with SIRA on Significant Matter referrals.¹ Stakeholder engagement effectiveness was also improved by incorporating proactive mechanisms, such as the implementation of the SIRA and IRO MOU and referral processes, to improve system outcomes.

The IRO presented a paper at the Legalwise Workers Compensation and Motor Accident Claims Conference, and addressed stakeholder groups such as the NSW Self-Insurers Association, and the Law Society of NSW Injury Compensation Committee.

IRO Inquiries

Clause 6 of Schedule 5 to the PIC Act provides for the Independent Review Officer to inquire into and report to the Minister on matters arising in connection with the operation of the workers compensation and CTP schemes. In FY2023/24, we continued to build our inquiry function, looking into systemic issues with a view to strengthening and improving the system for injured persons.

Pharmacy Accounts

The IRO completed its inquiry into pharmacy accounts in June 2024.

The inquiry reviewed IRO complaints data and an information request from five insurers regarding the use of pharmacy accounts between March 2022 to March 2023. Over 10,900 injured persons accessed pharmacy accounts, and over 3,800 pharmacies were involved.

Our Report outlines observations and opportunities for the workers compensation and CTP schemes, centred on promoting and increasing awareness of pharmacy accounts. The use of accounts can increase efficient and affordable access to medicines for injured persons. It may also create administrative efficiencies for the schemes, by reducing claims to insurer and complaints about delayed reimbursements.

The final Report was provided to insurers and SIRA and is available on our website.

Injured Person Survey Report

In FY2023/24, IRO completed its Injured Person Survey inquiry into the experience of injured persons prior to raising a complaint with IRO.

¹ See clauses 8.7-8.12 of the Memorandum of Understanding (MoU) between IRO and SIRA

IRO recognises that poor complaints handling creates inefficiencies. It results in prolonged claims, impacting injured persons' wellbeing, delaying return to work and rehabilitation, and ultimately increasing costs for the scheme.

The inquiry involved IRO surveying 100 injured persons over a 5-month period in 2023. The survey identified that injured persons are trying to resolve complaints with insurers before they contact IRO. Over 80 per cent of injured persons surveyed attempted to resolve with the insurer more than three times before contacting IRO.

Our inquiry report outlines the survey findings and makes observations for insurers to improve an injured person's complaint handling journey, including through communicating clearly and regularly; noting the benefits of improvements in complaints handling and quicker resolution of claims to injured persons and the schemes.

The inquiry report was shared with insurers and SIRA and is available on our website.

Submission to Standing Committee on Law and Justice Review of the Workers Compensation scheme

In September 2023, IRO made a supplementary submission to the Standing Committee on Law and Justice (Committee) 2022 Review of the Workers Compensation scheme (Review). The theme of the Review was psychological injuries.

The incoming Committee invited updated submissions to assist in completing the inquiry. IRO submitted updated data reflecting the nature of complaints about such injuries and injured worker's need for legal assistance. IRO maintained its view that psychological injuries are increasingly prevalent, have greater complexity, disputation and associated costs than other types of injury.

The Review Report was published on 5 December 2023 and examined four aspects of the Scheme: developments since the last review, scheme performance, psychological injury claims and Scheme issues. It made a total of 18 recommendations which fell into the following broad categories:

- Further work on the recommendations of the McDougall Review – recommendation 1

- The way in which claims (particularly psychological injury claims) are managed in the scheme – recommendations 2, 6, 9, 12, 13, 18
- Better collection, sharing and analysis of data – recommendations 4, 5, 8, 11
- Ways of reducing the risk of psychological injury, particularly in public sector organisations – recommendations 3, 7
- Potential amendments to the legislation for psychological injuries – recommendations 14, 16, 17
- Potential amendments to the legislation for commutations and assessments of impairment – recommendations 15, 16, 17

The Government's response was tabled and published on 4 March 2024. The Government supported, or supported in principle, all 18 recommendations of the Review. IRO will continue to engage with this important work to support the Committee's recommendations.

IRO Education and publications

Education for workers compensation practitioners

In March 2024, IRO conducted regional seminars in Ballina, Albury, Penrith, Orange, Newcastle and Wollongong. These seminars included substantive law presentations from IRO Approved Lawyers and IRO's Manager Legal Education focused upon issues of importance in workers compensation, including the re-emergence of issue estoppel and Anshun estoppel in determinations by the PIC and Court of Appeal.

IRO's Solutions and ILARS Groups also presented papers regarding the most effective ways to make and resolve complaints, and to apply for and progress an ILARS grant of funding. SafeWork NSW provided an overview of recent legislative changes at the Albury seminar.

IRO held its annual Sydney Seminar on 12 June 2024. This was the 12th Sydney Seminar in IRO/WIRO history:

- Over 200 delegates attended the event in person at the UTS Aerial Conference Centre

- Almost 400 delegates accessed the Seminar online via livestream, and
- about 500 accesses were made in the months following the seminar to online papers and recordings, which indicates the level of interest and relevance of the presentations to legal practice in NSW.

The Seminar offered presentations from legal practitioners (solicitors and barristers) as well as presentations from IRO staff and senior representatives from SIRA. The President of the PIC also presented on the update to Pathway deployment in the workers compensation division and the new "500-page rule" and how this will work in practice.

Feedback from the seminar was overwhelmingly positive, with most survey respondents strongly agreeing or agreeing that the seminar met expectations as a useful learning experience.

In October 2023, IRO conducted an Approved Lawyer and Paralegal Training Course. This was presented online, with over 170 attendees. The course included presentations from the Solutions Group, in relation to its complaints management processes, and the ILARS Group, focused on providing information to legal practitioners about how to apply for grants of funding and efficient invoicing upon the resolution and determination of disputes.

Publications with updates on cases and reforms

Thirty-six issues of the IRO Bulletin were published this year. The Bulletin provides an analysis of recent and relevant decisions from the PIC and Courts, and information about amendments to legislation, regulations and Fees Orders. The Bulletin is an important resource for professionals who are engaged in determining or advising upon injured workers' rights and entitlements.

IRO Alerts are newsletters with up-to-date information for practitioners in the personal injury system. Twenty-three IRO Alerts were published in FY2023/2024.

In addition, in FY2023/2024, IRO published three IRO News publications.

IRO's website relaunch

In August 2023, IRO launched its new website. Improvements provide an enhanced digital experience, which enables easy access to essential information for people injured at work or in motor vehicle accidents and those who assist them in needing fair and fast solutions to complaints about insurers.

Our new platform showcases a user-centric design, streamlined navigation, and an array of features, including enhanced search capabilities and mobile responsiveness, that aim to make interactions with our office more efficient and user-friendly.

2.2 Corporate Performance

IRO Direction 2023-25

The IRO Direction 2023-25 identifies the priorities and strategies which will be our focus to ensure that we can continue to deliver our services and recommend improvements to the statutory compensation schemes for workers compensation and motor accident injuries.

The IRO Direction is published on our website and the priorities and key actions to date are outlined below.

Priority: Achieving fair and quick solutions for injured persons' complaints and claims

IRO is working to identify more opportunities to implement early solutions in ILARS matters.

IRO Medical Disputes Early Solutions Pilot Program

The IRO Medical Disputes Early Solutions pilot program (the Pilot) commenced from September 2023. The Pilot aims to help facilitate early solutions to disputes between workers and insurers about liability for medical and related treatment in matters where the worker's lawyer is funded through ILARS.

The Pilot builds on IRO's existing early solutions program and will operate in a similar manner to IRO's well-established No Response to Claim (NRTC) process, which is

already familiar to lawyers and insurers. The Pilot aims to resolve disputes that otherwise may have needed to go before the PIC, saving time for all parties, and costs.

More information on the Pilot, including FAQs, are available on the IRO website.

Priority: Enabling injured workers' access to appropriate legal assistance

IRO is acting on the recommendations of the 2022 ILARS Review, including the establishment of the ILARS Approved Lawyers User Group (User Group) and publication of three Practice Notes.

IRO Approved Lawyer User Group & Practice notes

A recommendation of the ILARS Review, the User Group aims to provide feedback to IRO, assist with increasing transparency and consistency of ILARS decision-making, improve how IRO and Approved Lawyers work together, and discuss issues as they emerge. The inaugural meeting of the User Group was held on 30 November 2023. The User Group met three (3) times in the 2023/24, November 2023, February 2024 and May 2024.

Phil Jedlin, Director ILARS, is the Chair of the User Group with eight Approved Lawyer members representing the NSW Law Society, the Australian Lawyers Alliance, city-based, regional, experienced and newer Approved Lawyers to ensure diversity of ideas.

The ILARS Review recommended that IRO consider supplementing the ILARS Funding Guidelines (Guidelines) with a Practice Note to establish procedures and practices that give effect to the Guidelines.

IRO has published three Practice Notes in this financial year. The Practice Notes were developed in consultation with the IRO Approved Lawyer User Group. More information is available on the IRO website.

ILARS Indexation Review report

As part of our response to the recommendation that the ILARS Fee Schedule be indexed annually, IRO commissioned a report to provide advice on the

implementation of indexation of the ILARS fee schedule. Dr Matthew Butlin provided his report to IRO in March 2024. Dr Butlin is a highly experienced policy advisor and economist, with previous roles including Chair of the South Australian Productivity Commission.

This report provides recommendations on appropriate indexes and advice on the possible types of indexation methods which could be adopted by IRO in the implementation of indexation for ILARS funding.

The Indexation Review report was developed in consultation with several system participants. During FY 2024/25, IRO will consider Dr Butlin's report and recommendations for the implementation of indexation of the ILARS fee schedule, in consultation with stakeholders, as part of its broader response to the ILARS Review recommendations.

ILARS Appeals costing policy

One of the recommendations of the 2022 ILARS Review related to the provisions in the Guidelines for payment of legal costs for appeals to a Court. IRO has also been engaged in a longer-term project to review funding for appeals.

The main change to the funding policy will be a necessity that lawyers funded through ILARS will be required to seek an order for payment of their legal costs by an insurer, if they are successful in an appeal. IRO engaged in consultation during 2024 and the policy came into effect on 12 August 2024.

Priority: Offering insights that improve the operation of the injury compensation schemes

IRO continues to offer insights to improve the schemes and the complaint and claim handling of insurers, recently completing two inquiries related to injured persons' user journey and the use of pharmacy accounts (see above). There are several further inquiries in train, including an update on IRO's first inquiry relating to delay in determining liability by insurers.

IRO also contributes to external reviews of the injury compensation schemes.

Priority: Fostering the wellbeing and expertise of IRO's team

IRO is fostering the wellbeing of staff by ensuring staff are provided opportunities to connect and collaborate through implementation of flexible working policies.

People Matters Employee Survey (PMES)

The 2023 IRO People Matters Employee Survey (PMES) saw an increase in engagement score, compared to 2022.

We responded to the PMES results with an action plan for areas of opportunity for improvement. One area was internal communications. Based on internal communications mapping and feedback, IRO implemented a new internal communication procedure.

The other area of focus was burnout and wellbeing of staff. People leaders were provided training to respond to team burnout to make them more skilled at understanding the causes, identifying burnout and stress in teams and people, and addressing the causes of burnout.

Regular updates provided to staff, through town halls and at people leader meetings. The next PMES will be conducted in August 2024.

Health and Wellbeing internal audit

IRO also completed a Health and Wellbeing internal audit in September 2023. Overall, the audit identified good practice in relation to wellbeing matters. A key person dependency risk was identified, which was addressed by updating position description and cross-skilling in identified areas.

Priority: Improving how we work

We continue to improve how we work by embedding improvement as a way of working.

Continuous Improvement (CI) Program

A CI team was created in August 2023 to implement key outcomes from the Business

Process Review completed in December 2022. The team, led by the Associate Director of the IRO, is supported by subject matter experts.

As part of its work program in FY2023/24, the CI team delivered an uplift of the Resolve Security Matrix, a new Centralised Email Management System and readied for deployment of Phase 2A which introduced a new triage process for ILARS, streamlining administrative tasks for Principal Lawyers & allowing a focus solely on Grant Application assessments.

Ongoing development for the next phase of CI, Phase 2B, was also commenced during the year. This phase involves the development of new features that capture details for disbursement requests, complexity increases, funding reviews, and conditional funding. Phase 2B also replaces email-based data compilation with a more efficient system, enabling faster report generation and improved collaboration with other agencies to enhance the workers' compensation system.

2.3 Corporate Governance

The Independent Review Officer is appointed by the Governor. IRO is a public sector agency established under Clause 5 of Schedule 5 to the PIC Act and Part 3 of Schedule 1 to the Government Sector Employment Act 2013. The Independent Review Officer is responsible for ensuring that IRO and its staff operate in accordance with all legislative and government sector requirements.

IRO has in place an Executive Committee (including IRO Directors and the Associate Director) and a People Leaders Group (PLG, including IRO Executives and Managers) to oversee the activities of the agency.

Over the current reporting period, IRO has continued its uplift work to ensure we have suitable governance and operational arrangements in place to support our work. This has included:

- An Employee Wellbeing Internal Audit,
- Implementing a new IRO Public Interest Disclosure Policy and Mandatory Notification of Data Breach Policy & procedure,

- A review of IRO Complaints Handling Protocol,
- Increasing organisational awareness of governance across IRO, with presentations to staff as well as staff attendance at external training to build governance capability and knowledge,
- Work with our Audit and Risk Committee, chaired by Bruce Turner AM, to ensure continued trust in our activities. This has focused on financial reporting and risk identification and management strategies.
- An agreed internal audit program for FY2024/25 with the Department of Customer Service (DCS).

2.3.1 Internal Audit and Risk Management

Work undertaken by IRO to further uplift risk management maturity this financial year has included a risk deep dive attended by staff across the office, a climate change risk identification workshop, and the introduction of a standing risk management item on the IRO Executive meeting agenda.

IRO has adopted the DCS Risk Management Policy, Framework and Guide, as well as the DCS Compliance Management Policy and Framework. We continue to participate in the DCS Risk and Compliance Community of Practice and have actively engaged with the DCS Governance, Risk and Assurance Team throughout FY2023/24.

See Internal Audit and Risk Management Attestation Statement for 2023/24 for the IRO (see Appendix)

2.3.2 Cyber security

IRO relies on the DCS cyber incident response plan and the Information Security Management System (ISMS) of DCS. We manage cyber security risks, in conjunction with DCS, in a manner consistent with the Mandatory Requirements set out in the NSW Cyber Security Policy.

IRO has undertaken significant governance uplift work in FY2023/24, including:

- adopting sensitivity labelling for IRO documents
- implementing a new IRO website with more secure server and hosting arrangements and undertaking penetration testing on the website, and
- implementing ReCAPTCHA on the online IRO Complaints Form.

IRO has also undertaken Business Continuity Plan (BCP) testing for the whole of IRO.

For the Cyber Security Annual Attestation Statement for the 2023-2024 Financial Year for the Department of Customer Service (Secretary – NSW Department of Customer Service) see Appendix.



SOLUTIONS



Solutions

3.1 Solutions

IRO provides an informal, accessible and effective complaints handling and enquiries service for people injured at work or in motor accidents. This involves:

- informal access by injured persons or their representatives (by telephone, email, mail or in-person) to expert IRO dispute resolution officers (DROs);
- fast and fair solutions for complaints;
- comprehensive information provided for general enquiries about how the workers compensation and motor vehicle accident schemes operate;
- early intervention in some ILARS-funded matters to seek quick solutions for injured workers ('early solutions');
- collection of information to identify systemic issues that may warrant review.

3.2 Key data

Complaints and enquiries

In FY2023/24, IRO received 9,108 combined workers compensation and CTP complaints and 7,491 combined workers compensation and CTP enquiries.

8,302 complaints were received from or on behalf of injured workers, which marked an increase of nine per cent compared to FY2022/23 (7,603) – see Table 1.

The number of enquiries from injured workers (6,947) decreased by 10 per cent compared to FY2022-23 (7,687) – see Table 1.

Table 1: Worker compensation (WC) enquiries and complaints received by IRO FY2021/22 – FY2023/24

Financial year	Enquiries received	Complaints received
2023/24	6,947	8,302
2022/23	7,687	7,603
2021/22	7,502	6,936

Note: The WC complaints data does not include early intervention matters – see Glossary.

806 complaints were received from or on behalf of persons injured in motor accidents, a 9% reduction from 890 in FY2022/23 – see Table 2.

544 enquiries were recorded this financial year, which is a reduction of 45% from 982 enquiries in FY2022/23 – see Table 2.

Table 2: CTP enquiries and complaints received by IRO FY2021/22 – FY2023/24

Financial year	CTP Enquiries received	CTP Complaints received
2023/24	544	806
2022/23	982	890
2021/22	472	923

The decrease in workers compensation enquiries was offset by a similar increase in complaints received. The decrease in CTP enquiries may be attributed to the uplift in complaints management at one licenced insurer, as well as legislative changes that came into effect on 1 April 2023, providing more support to people injured in motor accidents.

A reason for the increase in workers compensation complaints may be related to the management of government workers compensation claims. This financial year saw an 11 per cent increase in complaints against the Nominal Insurer and an 8 per cent increase in complaints against the Treasury Managed Fund (TMF) (see Appendix, Table 13(a)). While we do not record injury on all increasing numbers, psychological injuries are a factor. Where a psychological injury exists, these claims are known to attract more complaints because of complexity.

Most injured workers who contacted IRO were referred to us or became aware of our services

after speaking to their lawyers (66 per cent of complaints and enquiries). Web searches were the next largest source of complaints and enquiries (14.6 per cent), followed by word of mouth (5.7 per cent) (see Appendix, Table 2(a)).

Workers compensation (WC) common complaints

Delays by insurers in determining liability for claims and requests continues to be the most common type of WC complaint received by IRO, accounting for 2,472 (30 per cent) of all complaints received in FY2023/24 – see Table 3. This is an 18 per cent increase from FY2022/23.

Delays by insurers in making payments were the second most common cause of complaint (23 per cent, 1,877 complaints). The third most common complaint type concerned insurers' denial of liability (10 per cent, 829 complaints), followed by general case management (9 per cent, 751 complaints).

Table 3: Top 4 number and type of WC complaints received FY2021/22 – FY2023/24

Complaint type	FY2023/24		FY2022/23		FY2021/22	
	No.	%	No.	%	No.	%
Delay in determining liability	2,472	30%	2,073	27%	1,834	26%
Delay in payment	1,877	23%	1,484	20%	1,452	21%
Denial of liability	829	10%	724	10%	687	10%
General case management	751	9%	970	13%	755	11%
Weekly benefits	732	9%	721	9%	591	9%

Table 3 records the primary complaint issue (each complaint has only one primary issue).

The Appendix, at Table 1(a), reports on all issues raised in WC complaints.

IRO's ability to resolve complaints efficiently prevents the need for unnecessary applications to the Personal Injury Commission (PIC), reducing delays and other impacts on the injured worker and overall costs of the scheme.

WC enquiries are more likely to be of a general nature. In FY2023/24, the most common type of WC enquiry was how to make a claim (21 per cent, 1,450 enquiries), followed by denial of liability enquiries (16 per cent, 1,089 enquiries) and general case management (15 per cent, 1,051 enquiries) (see Appendix, Table 1(a)).

CTP

The most common CTP complaint issue handled by IRO concerned treatment and care (229 complaints – 28%), which often related to an injured person seeking approval, or reimbursement, for treatment or care services from their insurer, followed by income support and weekly payments (196 complaints – 24 per cent), which is up 3 per cent compared to FY2022/23 (190 complaints). When a person is injured in a motor accident and experiences a loss of earnings, they may be entitled to income support, which compensates them for some of the income they have lost due to time off work. Complaints arise if payments are varied or stopped entirely without the insurer providing clear reasons to an injured person.

The third CTP complaint type (97 complaints – 12 per cent) concerned an issue with the case manager. Causes of this issue include challenges in accurately calculating pre-accident weekly earnings (PAWE) or not commencing weekly payments in a timely manner.

Table 4: Top 3 number and type of CTP complaints received FY2021/22 – FY2023/24

Complaint type	FY2023/24		FY2022/23		FY2021/22	
	No.	%	No.	%	No.	%
Treatment and care	229	28%	142	16%	157	17%
Income support/ weekly payments	196	24%	190	21%	147	16%
Case Manager	97	12%	175	20%	98	11%

Table 4 records the primary complaint issue (each complaint has only one primary issue).

The Appendix, at Table 1(b), reports on all issues raised in CTP complaints.

Early solutions

In addition to finding fast and fair solutions to complaints, IRO identifies ILARS-funded matters that may be appropriate for intervention to prompt early solutions. Early interventions support just, quick and inexpensive solutions to workers compensation disputes.

With the commencement of the Medical Disputes Early Solutions Pilot Program, there has been increased interest from stakeholders and requests for IRO intervention in matters via our early solutions mechanisms.

Table 5: IRO early intervention matters received in FY2021/22 – FY2023/24

Financial year	No. IRO early intervention matters
FY2023/24	592
FY2022/23	614
FY2021/22	728

The most common type of early resolution matter for FY2023/24 involved cases where an ILARS funding grant had been approved and an extension of funding is sought to refer a claim to the Personal Injury Commission; but the insurer had not responded to a claim or request (NRTC matters). In these cases, Solutions raised the matter with the insurer to prompt a decision. Common outcomes included the insurer accepting the claim, making a counteroffer or formally determining the claim.

In this financial year, IRO identified fewer matters suitable for early intervention and resolution compared to FY2022/23 – see Table 5. The reduction, which has occurred for three consecutive financial years, can in large part be attributed to work within ILARS and Solutions to be more discerning when it comes to which matters to raise, which has resulted in fewer NRTC matters, with more meaningful outcomes for injured people.

The below case studies demonstrate how IRO was able to intervene to prompt early solutions and to achieve fast and fair solutions for injured people:

Case Study: NRTC – Non-response to section 66 claim

The injured worker's representative contacted IRO in December 2023, requesting ILARS funding to proceed to the PIC as the insurer had failed to respond to a claim pursuant to section 66 of the WCA within legislative timeframes. The insurer had not responded to the last of the particulars in two months.

ILARS referred the matter to Solutions, who escalated the matter to the insurer. The insurer responded two business days after receiving the Solutions Notice of NRTC, advising that it had accepted the claim and provided a copy of a letter to that effect. The injured person signed the Complying Agreement on the same day. The payment of the section 66 lump sum settlement amount was processed by the insurer three days later.

IRO's intervention resulted in a great outcome for the injured person as the NRTC notice escalated the injured worker's claim and saved the time, effort and cost of proceeding to litigation in the PIC.

Case Study: Early solution – section 78 notice declining hearing aids

ILARS received a request for Stage 3 funding in February 2024 after a section 78 notice declining hearing aids was issued to the injured person. On review of the dispute notice and supporting medical evidence, the Independent Medical Examiner (IME) qualified by the insurer had been advised in the referral letter that there was a threshold of 6% binaural hearing loss (BHL) for hearing aids to be considered reasonably necessary. On that basis alone, the IME noted that the injured person was not entitled to hearing aids (having been assessed as suffering less than 6% BHL).

ILARS referred the matter to Solutions for intervention. The Solutions Team noted that while a threshold existed in earlier SIRA fee orders, no such threshold existed in the current fee orders. This position had been confirmed by the Workers Compensation Commission (WCC) (as it then was), wherein the WCC held that the insurer erred in relying on 'the assumption that a noise induced BHL of at least six per cent was required before hearing aids will be regarded as reasonably necessary medical treatment by the regulatory authority' (*Baldock v Sargents Pies Pty Ltd* [2017] NSWCC 19).

The insurer approved the hearing aid request following the IRO early solution enquiry. IRO's early intervention meant the dispute did not need to proceed to the PIC, which would have significantly delayed the injured person receiving hearing aids.

Timely solutions

A key element of IRO's service is to find early and quick solutions to complaints and disputes.

In FY2023/24, 92 per cent of workers compensation complaints and 84 per cent of CTP complaints were finalised within 15 days of receipt, well within the 30-day period required by the PIC Act.

Fair solutions

IRO works to ensure fair solutions for injured people and insurers and assists injured people who make enquiries by providing expert information about the operation of the workers compensation and CTP schemes. This can include providing information about making a claim and referring injured persons elsewhere when IRO is not the appropriate agency to assist.

For those injured workers who made complaints (including early intervention matters), 79 per cent of matters finalised were resolved in FY2023/24 – see Table 6. There were 2,423 cases (or 27 per cent) where the worker received a benefit (for example, approval of treatment or payments of compensation) and 1,293 cases (or 14 per cent) resulting in additional action by the insurer (for example, cancelling or moving a medical examination).

Table 6: WC complaints and early intervention matter outcomes FY2023/24

Outcomes achieved	No. of matters (complaints and early intervention matters)	Per cent of all outcomes
Resolved – information	3,548	40%
Resolved – benefit	2,424	27%
Resolved – action	1,293	14%
No action/ other	750	8%
Referred	667	7%
Not resolved	255	3%
Total	8,937	100%

* Percentages may not add up to 100% as they are rounded to the nearest per cent.

IRO finalised 792 CTP complaints in FY2023/24 (compared to 904 in FY2022/23). Some complaints could not be progressed as the injured person had not attempted to resolve the complaint with the insurer first.

Complaints made but not finalised in FY2022/23

The PIC Act requires IRO to report annually on the number and type of complaints made but not dealt with in each financial year. There were 144 WC and 19 CTP complaints made during FY2023/24 that remained open as at 1 July 2024.

3.3 Solutions observations for FY2023/24

IRO has adopted a single Complaints Handling Protocol (Protocol) for workers compensation and CTP complaints, which is published on our website. This provides for consistent solution and investigation processes, and a consistent benchmark ('fair and reasonable') to assess insurer responses.

Review of the Protocol commenced in June 2024, with consultation completed in July 2024. The updated Protocol was published on the IRO website in September 2024.

Case study: Multiple delays in the payment of weekly benefits

The injured person contacted IRO on six occasions between September 2023 to February 2024 as they had not received their weekly entitlements. Following IRO enquiries into the multiple complaints, the insurer asserted that steps were being taken to address the delay and mitigate the likelihood of the payments being delayed in future.

After the sixth complaint, due to the history of recurring payment delays, IRO informed the insurer of its decision to commence a formal investigation into the administration of the injured person's weekly payments. The Nominal Insurer entered the process and supported the insurer in responding to IRO's Notice of Investigation.

In its response, the insurer summarised the information previously provided, acknowledging that human errors caused the delays and apologised for the poor experience of the injured person. When asked how future delays would be prevented, IRO was advised there was a new case manager and additional weekly calendar reminders had been set to ensure payments are processed on time. Since commencing the investigation, the injured person advised IRO that a payment in June 2024 had been delayed.

Case study: How the death of a claimant is handled by an insurer

IRO received a complaint in April 2024 from a family member relating to a claimant who had died by suicide. The complainant wanted the insurer to change how it made decisions about care and treatment and its management of threats of self-harm by claimants.

Following the complaint lodged by IRO, the insurer approached the complainant with empathy and respect. They acknowledged the tragic death of the claimant and the impact felt by the claimant's family and friends, as well as their staff who had supported the claimant over several years.

The insurer provided IRO with explanations regarding the decision-making process for assessing requests for treatment and care and how it deals with threats of self-harm by claimants. In terms of improvement, the insurer indicated it was working to enhance the capability of claims advisors to directly engage with treatment providers to improve recovery outcomes and the timeliness of decision-making. It also disclosed their actions after the threat of self-harm was made: it engaged a psychologist to support the claims team and provided a de-identified claim briefing to all staff to highlight the importance of their roles.

Following the insurer's response, the complainant sought further clarification from the insurer. The insurer provided a further response to the concerns and confirmed it had undertaken a range of activities to help prevent a similar event from occurring in the future. The complainant was happy to hear that training was being provided and that the insurer was implementing other necessary activities.

The insurer in this case recognised the significance of the issues in relation to its service offering and how to address them. IRO's involvement in this case provided the important opportunity for the insurer and complainant to discuss their respective perspectives whilst assessing the insurer's response against its compliance and performance obligations.

3.3.1 Workers compensation observations

Delay in determining liability

Delays by insurers in determining liability for workers' claims for compensation are consistently the most common subject of complaints to IRO. In June 2021, IRO released a report into its inquiry into delays in determining liability, which is published on the IRO website.

This financial year, delay in determining liability complaints continued to be the most common type of workers compensation complaint received by IRO, with a 3 per cent increase from FY2022/23.

Case Study: Claim accepted outside timeframes due to alleged insufficient information

The injured worker contacted IRO in November 2023 about continuous delays from the insurer to determine a surgery request. The injured worker advised the surgery had been cancelled numerous times due to liability issues and the insurer requiring them to attend Independent Medical Examinations (IMEs) even though the surgeon had provided the insurer with the required information following an update request. The injured worker was in desperate need to have the surgery, which was booked in at the end of November 2023. They alleged that if they were required to attend the IME then they would need to cancel the surgery again.

Following IRO enquiries, the insurer advised that the information on file provided adequate evidence to support the surgery in full. In addition to the approval, the injured worker indicated they were seeking psychological intervention, so the insurer booked a case conference to discuss what further assistance it could provide and offered an Activities of Daily Living assessment following the surgery. The injured worker was happy with the outcome and the surgery booked in late November would proceed.

Case Study: Injured worker with highest needs requiring modifications at their home

The injured worker with highest needs contacted IRO in late November 2023 regarding an alleged delay in response from the insurer. They recently had an approved Total Knee Replacement surgery and, due to another knee injury, they could not walk and needed to use a wheelchair. The injured person was advised that the insurer would be completing an Activities of Daily Living (ADL) assessment given their incapacity and home modification requirements, but this would not be completed straight away. As a result, the injured person had been struggling to shower and use the toilet.

The injured worker advised that they had sourced their own quotes for a portable disabled access bathroom that they would be able to use as an interim solution while the ADL and home modifications were completed, but they had not received a response from the insurer. They noted the weekly cost was not something they could afford to fund themselves.

IRO noted that the insurer was technically within timeframes to respond and determine the request. However, given the circumstances and struggles that the injured worker was having with daily activities, IRO sent an enquiry and asked the insurer to consider an urgent review. The insurer confirmed two days later that a portable disabled access bathroom unit would be organised for the injured worker. With IRO's assistance, the injured worker was able to get a timely response from the insurer and the outcome they sought.

Weekly benefits complaints

The percentage of complaints about weekly benefits remained consistent at 9 per cent, with 731 complaints in FY2023/24 (compared to 721 complaints in FY2022/23). There were 293 complaints finalised about weekly benefits where the payment had changed, and 200 complaints finalised where payment had stopped.

Case Study: Insurer reliance on reasonable excuse of insufficient medical information and injury was not work-related

The injured worker contacted IRO in December 2023 because their insurer was relying on a reasonable excuse on their claim, on the basis that there was insufficient medical information and that the injury was not work-related.

Following IRO enquiries, IRO noted that an insurer cannot use the reasonable excuse of 'insufficient medical information' if there is a valid diagnosis on the Certificate of Capacity. The injured worker alleged that the diagnosis was depression and anxiety, which IRO stated was both a clear and valid diagnosis and therefore this excuse should not have been used.

Regarding the second excuse, 'injury not work-related', IRO noted that the insurer's reasoning suggested that the insurer was relying on section 11A of the WCA where no compensation is payable if the injury is not work-related. However, a claim cannot be reasonably excused in cases where the insurer suspects section 11A applies (*Ly v HealthShare NSW* [2021] NSW PIC 400 (8 October 2021)). Therefore, the second excuse should not have been used.

The insurer agreed that there was a valid diagnosis on the Certificate of Capacity and agreed that the excuse of the injury not being work-related was inappropriate in this case. Following IRO's intervention in this matter, the insurer provisionally accepted the claim whilst IRO completed investigations, and a back payment of weekly benefits was made to the injured worker.

Case Study: Weekly benefits paid and medical entitlements extended

The injured worker's lawyer contacted IRO in August 2023 about how the insurer had not responded to a claim for weekly benefits made in early July 2023. The injured worker had received a notice to cease medical entitlements in accordance with section 59A of the WCA. However, during periods of entitlement to weekly benefits, several payslips were identified which revealed earnings below Pre-Injury Average Weekly Earnings (PIAWE) which could prompt a top up payment, and therefore extend the medical exit date.

IRO asked the insurer to cross check for services paid against dates on the payslips that were noted as sick leave. As the insurer paid for treatment on these dates, it must have considered this a consequence of the injured worker's work-related injury. IRO reminded the insurer that for the purposes of make-up pay, earnings noted as sick leave when treatment was provided should be excluded from gross earnings as the insurer was paying for the medical treatment.

The insurer agreed that monies were owed, and medical exit would be extended for two years once a full reconciliation was completed. IRO's intervention in this matter resulted in the insurer acknowledging that the injured worker was entitled to weekly benefits beyond the section 59A period and the payment of entitlements which were owing to the worker.

Recovery of overpayments

A recovery of overpayment occurs when an insurer has overpaid weekly payments to the injured worker and the insurer takes action to recover the additional payments that have been made.

IRO finalised 34 complaints about overpayments in FY2022/23. Although this is a small number of complaints, the impact on a worker can be very significant when recovery of overpayment is pursued.

IRO identified instances where insurers were recovering overpayments from injured workers in a manner that appears inconsistent with the expectations set out in the State Insurance Regulatory Authority's Standard 23: Recovery of payments due to insurer error (SOP 23), as demonstrated by the case study below.

Case Study: Recovery of overpayments due to miscommunication between employer and insurer

The injured worker complained to IRO in August 2023 as the worker received an overpayment notice from the insurer. Due to a miscommunication between the employer and insurer, the worker was overpaid by four days. At the time of first contact before provisional liability, the insurer advised the employer to 'pay as usual' which prompted them to run payroll that day as normal. When the insurer spoke with the injured worker, the worker requested weekly benefits be paid directly to them and the insurer agreed. When provisional liability was accepted, the insurer contacted the employer again and advised they would be paying the worker directly, which the employer agreed with.

The issue of overpayment was only identified when the employer attempted to claim reimbursement for the first week where they were advised to pay the worker. The insurer then issued the worker with an overpayment notice but rescinded this when it was challenged and advised it would not be pursuing it. The employer, however, then attempted recovery against the injured worker as they were out of pocket.

IRO argued that due to miscommunication between the employer and insurer, the worker was disadvantaged and when the insurer ceased recovery it simply transferred the problem onto the employer. The insurer continued to suggest they were not seeking recovery and had no control over the employer's action. IRO raised an Escalation of Complaint and reaffirmed that the insurer's actions resulted in the overpayment and that the worker should not be disadvantaged. The insurer ultimately agreed to repay the employer the four days overpayment.

3.3.2 CTP observations

The types of complaints raised by persons injured in motor accidents are similar to those raised by injured workers. Common topics are insurer delay in determining claims and requests, errors in weekly payments, and case management concerns, each of which have potential to significantly affect injured people's wellbeing, financial position and recovery from injury.

This year, SIRA took regulatory action with insurers in line with its regulatory framework, in relation to delays processing weekly benefits and delays in determining claims for treatment and care. These delays were in contravention of insurers' licence conditions. Many of the claims investigated were notified to SIRA through complaints to IRO. This demonstrates the additional value of the work that Solutions undertakes and the impact of this work in ensuring that issues which arise with the management of claims are addressed at a more systemic level.

The following case studies demonstrate common concerns raised by persons injured in motor accidents or by their representatives, and IRO's interventions to achieve fair and speedy solutions.

Case Study: Pre-Accident Weekly Earnings (PAWE) re-calculated due to injured person's circumstances

The injured person had contacted IRO in September 2023 as they had been in Australia for three months before being involved in a single vehicle accident, hitting a tree to avoid wildlife. The injured person's claim was accepted and they were being paid weekly benefits. However, their PAWE was calculated over a period of 52 weeks at approximately \$410.

The injured person had provided their FY2022/23 tax return and the insurer used the full financial year to calculate their PAWE, despite the injured person only being in the country for three months.

Following IRO enquiries, the insurer advised that it was not aware that the injured person had only been in the country for three months at the time of their accident. The original PAWE had been calculated from the injured person's tax return for FY2022/23 which was for the full financial year. After the insurer investigated the documents, it was discovered they had received information confirming the injured person had only been in the country for three months. The injured person's PAWE was re-calculated to be approximately \$1,500.

Case Study: Delay by insurer in approving surgery

The injured person contacted IRO in February 2024 about how the insurer had delayed making a decision on their request for disc replacement surgery. The injured person alleged that the insurer was obtaining a second opinion through an Independent Medical Examination (IME) which was initially arranged at the end of January. However, the injured person stated that the insurer changed the appointment date two times without providing reasons for the changes. The injured person advised that they were being poorly treated by the insurer and the delay in approving surgery had resulted in them experiencing chronic pain.

Following IRO enquiries, the insurer responded that it had informed the injured person of the cancellation of the IME appointment as soon as the insurer was informed about it. The next available appointment with a different doctor had been booked for mid-April as there were no neurosurgeons available in a location near the injured person's home.

The injured person requested further assistance from IRO regarding the insurer's decision to decline septic system repairs, cleaning services and the installation of a water tank. The insurer asserted that they approved the costs for labour for the septic repairs but denied the request for 23 cubic metres of gravel as it was unrelated to the MVA. The insurer denied the request for the installation of a water tank and a second pop up swimming pool as it determined that the intended purpose was for commercial enterprise and was not an attendant care service within the meaning of the Motor Accident Injuries Act 2017 (NSW) (MAI Act). The insurer stated that the installation of a water tank and second pop up pool were not "everyday" tasks and that there is no scope in the MAI Act, in so far as statutory benefits for treatment and care is concerned, for compensation of ongoing business expenses even if this task would have been carried out independently for the business prior to the accident.

In response to IRO's intervention, the insurer provided an explanation for its actions and apologised to the injured person and their family regarding the issues with scheduling the IME appointment.

4 GRANTS OF LEGAL FUNDING



Grants of Legal Funding

4.1 Grants of Legal Funding

IRO administers the Independent Legal Assistance Review Service (ILARS) to ensure injured workers have access to Approved Lawyers with expertise in workers compensation (WC) law and practice, who can advise, assist and represent them in accessing entitlements. From 1 March 2021, ILARS became a legislated IRO function under Schedule 5 to the Personal Injury Commission Act 2020 (NSW) (PIC Act).

IRO's ILARS function is unique in workers compensation schemes in Australia. ILARS enables the informal resolution of claims without the need for Personal Injury Commission (PIC) applications. We achieve this through actions including:

- ensuring reasonable steps have been taken by workers to achieve early resolution of a matter with an insurer (such as through an internal review request) before granting funding to commence proceedings in the PIC,
- seeking a response from insurers where no response to a claim has been provided to the worker and the legislated timeframe has expired prior to granting funding to commence proceedings in the PIC,
- enabling workers to have the benefit of advice and assistance at an early stage – meaning that many potential disputes are resolved through an Approved Lawyer's investigation and negotiation.

Where a dispute cannot be resolved, ILARS Grants extend to funding lawyers to act on behalf of workers before the PIC where there is an arguable claim, ensuring a final and binding decision.

ILARS also:

- provides simple, clear and accessible processes for lawyers to be approved to make applications for grants of funding to assist injured workers, and
- enables the collection of information to identify systems issues that may warrant review.

4.2 Key Data

Approved Lawyers

Approved Lawyers may apply to IRO for ILARS funding to assist injured workers.

As at 30 June 2024, there were 895 lawyers approved to apply for grants of funding under ILARS. In addition, there were 203 barristers approved by IRO to undertake advocacy for injured workers. We maintain a geo-mapped list of Approved Lawyers on our website so injured workers can identify a lawyer to approach for assistance in a location convenient for them.

The number of Approved Lawyers decreased from 989 in FY2022/23. The reduction between financial years was a result of IRO removing 50 Approved Lawyers on 30 June 2024. In the lead up to this, in April 2024, IRO contacted a number of Approved Lawyers who had no open cases and had neither opened a new case nor closed a case in the last two years. IRO advised these Approved Lawyers that under Part 1.5 of the Guidelines for Approval as an IRO Approved Lawyer, unless IRO received submissions about why they should maintain their status as an Approved Lawyer within 21 days, the IRO would terminate their approval as an Approved Lawyer. As a result of this, the number of Approved Lawyers has reduced from FY2022/23 to FY2023/24.

Applications for grants of funding

IRO deals with applications for an ILARS Grant of funding under the ILARS Funding Guidelines, which are authorised by the PIC Act, subject to Parliamentary scrutiny and published on the NSW Legislation website.

IRO received 25,345 grant applications from Approved Lawyers in FY2023/24. This represents an 12 per cent increase in demand, with 2703 more grant applications received by IRO than in FY2022/23 – see Table 7.

Table 7: Number of new ILARS grant applications FY2021/22 – FY2023/24

Financial Year	No. ILARS grant applications
2023/24	25,345
2022/23	22,642
2021/22	20,153

The majority of approved grants are for a primary physical injury, making up around 56 per cent (or 13,627) of all applications approved

– see Table 8. This includes traumatic injuries to workers' backs, shoulders and limbs.

The number of approved grants where the primary injury is psychological continues to rise, making up 22 per cent of applications approved (or a total of 5,346 in FY2023/24). This was an increase of 1,053 approved grants on the previous financial year and continues an upward trend over several years.

In FY2023/24, 3,705 grants were approved for workers to pursue a hearing loss claim, for permanent impairment lump sum compensation and/or for the initial provision of hearing aids.

Table 8: ILARS grants approved by year by primary injury (claim) type FY2021/22 – FY2023/24

Primary injury type	FY2023/24	FY2022/23	FY2021/22
Physical	13,627	13,215	11,571
Psychological	5,346	4,293	3,824
Hearing Loss	3,705	2,874	2,849
Physical and Psychological	1,530	1,257	883
Death	259	282	197

Timely decisions

Provided the application is made by an Approved Lawyer, and the injured worker is one whose rights and entitlements to benefits under NSW workers compensation legislation are affected by the 2012 legislative reforms,² initial funding to obtain instructions, provide comprehensive advice and conduct early enquiries for the worker's claim (Stage 1 funding) will generally be approved. This reflects that it is in the interest of workers and the workers compensation system as a whole that people who are injured at work are able to seek professional and expert advice on the process for making a claim, as well as their rights and obligations.

In FY2023/24, 97 per cent of all grant applications for an initial grant of funding were approved, consistent with the previous year.

When funding was not approved, the most common reason was that the application concerned a matter where funding was already in place for the worker.

90 per cent of initial applications for a grant of funding were decided within five business days, with the average assessment being completed within 3.3 days of receipt.

Approved Lawyers must request an extension of an ILARS grant of funding to further investigate a claim (Stage 2), to pursue dispute resolution proceedings in the PIC (Stage 3), and to appeal PIC decisions (stage 4). These requests and relevant evidence are assessed against criteria that consider matters such as the merit of the claim or whether there have been reasonable steps taken to achieve early resolution of the matter with the insurer. Where the criteria are met, an extension will be granted.

Review of funding decisions

Where an Approved Lawyer is dissatisfied with a funding decision, they may seek a review of the decision by the Director ILARS. Where the Approved Lawyer remains dissatisfied with the decision of the Director ILARS, the Approved Lawyer may seek a review of the Director's decision by the Independent Review Officer.

In FY2023/24, we received 76 applications for reviews by the Director ILARS of funding decisions, of which 68 per cent were upheld (no change in decision), and 32 per cent resulted in a new decision. In addition, we had six applications for reviews of decisions of the Director ILARS by the Independent Review Officer. Of those reviews, all were upheld.

Fair outcomes

In FY2023/24, 20,047 ILARS grants were finalised, an increase of 6 per cent (or 1,054 matters) from the previous year. The reason for this is the increasing number of applications for grants of funding received by IRO in recent years.

Most grants are finalised with a decision or agreement – in FY2023/24, 10,324 or 51 per cent of all ILARS grants were finalised in this way (see Table 9).

In 9,723 grants finalised in FY2023/24 (49 per cent), there was no final outcome. In these matters, the worker may have received comprehensive legal advice about their workers compensation injury and entitlements, have been assisted to lodge a claim or internal review request with the insurer, or had their claim investigated and no further action could be taken.

Table 9: Outcome type for all finalised ILARS grants FY2021/22 – FY2023/24

Year	FY2023/24		FY2022/23		FY2021/22	
	Final outcome	No Final outcome	Final outcome	No final outcome	Final outcome	No final outcome
	10,324	9,723	9,837	9,156	8,875	7,597
	51%	49%	52%	48%	54%	46%
Grants finalised	20,047		18,993		16,472	

² Since 2012, section 341 of the WIMA is to the effect that each party is to bear their own costs in relation to a claim for compensation and the Commission has no power to order the payment of costs.

Where 10,324 grants resulted in a final outcome, the clear majority (95 per cent) resulted in the worker improving their position – see Table 10.

Most grants with a final outcome (5,574 grants or 54 per cent) were finalised without the need for the injured worker to refer a dispute to the PIC. This includes matters resolved by direct negotiation after investigation of a worker's claim, as well as those matters where IRO successfully intervened at an early stage to prompt a solution or resolution of a dispute.

In total, 4,743 grants were finalised in FY2023/24 after a decision of the PIC (or a Court where the matter is appealed); the injured worker improved their position in 4,189 of these matters (or 88 per cent).

IRO records that the worker improved their position in workers compensation matters in circumstances where, following the assistance of an Approved Lawyer, the worker has achieved an additional benefit or entitlement, including where the worker:

- has liability for their injury accepted by an insurer
- receives a monetary payment or reimbursement
- has requested treatment approved
- is awarded a lump sum compensation payment
- exceeds a whole person impairment (WPI) threshold for a benefit.

Examples of such ILARS Grants are provided below

Some of the most complex claims funded through ILARS are those where a worker has died. Dependants of the worker, including partners, children and parents, may be entitled to lump sum and other compensation. Where there is a dispute about whether the death is related to a workplace injury, difficult investigative and legal issues can arise. An example of one of these matters is set out below.

Case study – Medical treatment and weekly benefits and continued assistance by IRO

In February 2024, the PIC Member delivered an oral decision regarding a claim for compensation with respect to alleged injuries to the back, right shoulder and left knee that occurred in June 2022. The worker had not resumed work following the injury.

The worker subsequently alleged a consequential psychological injury, which was initially disputed by the insurer, but this claim was accepted following an internal review.

In February 2023, the worker's specialist sought approval for decompression surgery at the L4/5 level. However, the insurer disputed that the proposed surgery was reasonably necessary as a result of the work injury.

In November 2023, the worker filed an Application in the PIC claiming the costs of and associated with the proposed surgery from the insurer.

In December 2023, the insurer filed a reply in which it sought (for the first time) to rely upon sections 4(a), 9A, 4(b)(i) and 4(b)(ii) of the WCA, as well as relying upon section 60 of the WCA. The insurer required leave to rely upon the new grounds of dispute under

s 289A of the WCA.

The Member refused the insurer leave to rely upon the new issues and refused to allow the insurer to rely upon an additional medical report by operation of Regulation 44. Therefore, the issue in dispute was whether the proposed surgery was reasonably necessary as a result of the work-related back injury.

The Member ultimately found for the worker with respect to the dispute.

However, the insurer later refused to make weekly payments to the worker and in March 2024, the worker's solicitors sent a notice of complaint to the Minister and sought assistance from IRO.

IRO approved further ILARS funding for the worker to obtain medical evidence in anticipation of further PIC proceedings and it referred the dispute to its Solutions Group.

Ten days after contacting IRO, following representations by the Solutions Group to the insurer, the insurer accepted liability for weekly payments following the surgery. This produced a timely positive outcome for the worker and avoided the costs of further PIC proceedings for the ILARS scheme.

Case study – Claim with respect to death benefits with respect to death of a worker

The worker was employed as a geologist and died while he was working at a camp located southeast of Tennant Creek in the Northern Territory (NT) as a result of heart attack having worked in extreme heat for 5 consecutive days.

The widow and children made a claim on the insurer which was denied.

The insurer disputed the claim and asserted that the deceased's employment did not give rise to a significantly greater risk of a heart attack injury and that employment was not the main contributing factor to the heart attack.

In the PIC, the widow alleged that on 12 December 2018, the deceased died in the course of and/or as a result of his employment and that he worked in hot conditions between 7 December 12 December, which triggered his thrombotic occlusion. The widow alleged that the deceased suffered a frank injury, and alternatively, a disease, and claimed lump sum death benefits and interest.

The Member observed that if the heart attack was characterised as a personal injury under section 4(a) of the *Workers Compensation Act 1987* (NSW) (WCA), the applicant must satisfy section 9A of the WCA and, whether it is characterised as an injury or disease, the applicant must also satisfy section 9B of the WCA (that the nature of the employment gave rise to a significantly greater risk of the deceased suffering the injury than had he not been employed in employment of that nature).

The Member noted that the widow's medical expert opined that the deceased succumbed to acute myocardial ischemia, which provoked a cardiac arrhythmia (probable ventricular fibrillation) due to severe focal coronary artery atherosclerosis, and the insurer's medical expert stated that death was probably due to myocardial ischemia associated with disease in the proximal LAD coronary artery. Both doctors agreed that there was plaque rupture.

The Member found that the deceased sustained an injury in the course of his employment as there was "sudden and ascertainable or dramatic physiological change or disturbance of the normal physiological state", as "distinct from the underlying pathology".

The Member accepted evidence that on 11 December 2018 and 12 December 2018, the temperature at the worksite exceeded 42 degrees Celsius, which was "extreme", and that the deceased complained about the effects of the heat. The Member found that the deceased's employment was a substantial contributing factor to the injury.

The Member also found that, as the deceased was exposed to extreme heat while working on-site in December 2018, the evidence established that the nature of his employment gave rise to a significantly greater risk of him suffering a heart attack than had he not been employed in employment of that nature. The widow and children therefore succeeded in their claim for death benefits compensation.

Table 10: Finalised ILARS grants by result achieved FY2021/22 – FY2023/24

Year		2023/24			2022/23			2021/22		
Resolution achieved		Position improved	Position not improved	Total	Position improved	Position not improved	Total	Position improved	Position not improved	Total
Pre- Proceedings	No.	5,574	-	5,574	5,304	-	5,304	4,967	-	4,967
	% of Total	100%	-	-	100%	-	54%	100%	-	56%
Other outcome	No.	-	7	7	-	7	7	-	-	-
	% of Total	-	100%	100%	-	100%	100%	-	-	-
Commission/ Court	No.	4,189	554	4,743	3,987	539	4,526	3,344	564	3,908
	% of Total	88%	12%	100	88%	12%	100%	86%	14%	100%
	% of Total	-	-	46%	-	-	46%	-	-	44%
		-	-	10,324	-	-	9,837	-	-	8,875

Note: Table 10 shows the results where a grant has concluded with a final resolution and outcome.

4.3 Observations from grant applications in FY2023/24

Increase in ILARS applications

ILARS Grant applications have increased on average 12% in the past 5 years. Applications for ILARS grants exceeded 20,000 for the fourth year in a row in FY2023/24.

This financial year also marked broader increases across the ILARS scheme compared to FY2022/23, including:

- 12 per cent increase in grant applications received,
- 22 per cent increase in psychological injuries as the primary injury type, and
- 6 per cent increase in grants closed.

Over the last 5 years (since FY2019/20) there has been:

- 45 per cent increase in grant applications received,
- 72 per cent increase in psychological injuries as the primary injury type, and
- 69 per cent increase in grants closed.

Workers' need for legal assistance is substantially influenced by what is occurring in the broader workers compensation system and demand is strongly influenced by external factors. Key drivers for this increase are largely external to IRO, and include:

- the complex workers compensation scheme design,
- insurer case management concerns,³
- increases in activity in the workers compensation scheme, such as more workers on weekly payments⁴, more claims⁵ and increased major claims,⁶
- increased psychological injury claims.⁷

These issues were most recently highlighted in the Standing Committee on Law and Justice (SCLJ) 2023 Review of the Workers Compensation Scheme Report and its recommendations.⁸

IRO has limited means to manage these drivers. Fixing systemic issues with the scheme, including improving the safety of workplaces and the settings and performance of the workers compensation system, insurer claims management, and declining return to work rates will reduce the drivers for increased demand for ILARS Grants.

There are some IRO policy settings which may also influence demand including changes to ILARS Funding Guidelines in 2019 concerning early advice⁹ and in 2020 concerning hearing loss claims¹⁰, however their financial impact is minimal compared to other systemic drivers.

Increasing ILARS demand and expense

The consequence of increased demand for ILARS is that the cost of ILARS is also increasing. IRO paid approximately \$57.5M in professional fees and \$41.1M in disbursements during FY2023/24.

³ SIRA Annual Report FY 2022-23., section 3.2, Standing Committee on Law and Justice (SCLJ) 2023 Review of the Workers Compensation Scheme Report, Recommendations 12, 13 & 18

⁴ 44, 462 workers were receiving weekly payments in January 2024, an increase of 2,500 workers (or 6%) from May 2021 – SIRA Open Data accessed 25 July 24

⁵ 111, 361 claims received from Jul 22 to June 23, an 11% increase on 2021-22 – SIRA Open Data accessed 25 July 24

⁶ Major Claims are those where the injury resulted in death, permanent disability, or temporary disability with at least one week of weekly benefit entitlement paid. 56,976 major claims were recorded in 2022 - 23, an increase of 3100 claims (or 6%) from 2019 - 20; SIRA Open Data accessed 14 Sep 23

⁷ New psychological injury claims have increased in number from 5,024 in 2016-17 to 8,890 in 2022-23, an increase of 77 per cent; SIRA Annual Report 2022-23 page 32.

⁸ A number of recommendations from the Standing Committee on Law and Justice (SCLJ) 2023 Review of the Workers Compensation Scheme Report related to the impact of psychological injuries on scheme (recommendations 7 - 10), case management concerns (recommendations 12, 13 & 18) and complexity WC system and legislation (recommendations 14 -16)

<https://www.parliament.nsw.gov.au/lcdocs/inquiries/2988/Report%20No%2084%20-%20Law%20and%20Justice%20-%202023%20Review%20of%20the%20workers%20compensation%20scheme%20-%205%20December%202023.pdf>

⁹ In 2023-24, advice only matters represented 21% of all case outcomes but only 5% of ILARS costs

¹⁰ The Guidelines were amended in July 2020, in response to SIRA's Work- Related Hearing Loss Review, to permit all workers, regardless of age, to seek legal assistance under ILARS for hearing aids to treat Hearing Loss.

The 12 per cent increase in ILARS expenses (from \$88M in FY2022/23 to \$98.6M in FY2023/24) reflects the increase in ILARS grants finalised during FY2023/24 (an increase of 6 per cent from the number of grants closed in FY2022/23). ILARS grants are generally paid at finalisation.

It should be noted that the costs of individual ILARS Grants are generally not increasing. Disbursements are currently annually indexed by SIRA, however Professional fees have not been changed since 2021.

The increasing costs of ILARS were anticipated by IRO's Demand and Forecast Model, developed in 2021 and validated by KPMG and the NSW Audit Office. The forecast expenditure above budget was shared with stakeholders, including fund managers SIRA.

In February 2024, NSW Treasury approved a Parameter and Technical Adjustment to the IRO budget of \$35m annually for the forward 10 years from FY2025/26, which now more accurately represents the forecast in demand for ILARS and associated costs.

The ILARS budget represents less than two per cent of the overall workers compensation system costs (\$5.1B in FY2022-23) and the money is used to support injured workers to access fair outcomes in line with scheme objectives.

IRO has also taken steps, within its control, to respond to the increased ILARS expenses including:

Operational efficiencies

- achieving some savings in our other operational expenses to offset ILARS expense – including by implementing a continuous improvement program for operating processes which has allowed us to manage increasing workloads.

Proactive financial management

- working closely with SIRA to provide information about our expenses and forecasts – including through monthly meetings with the SIRA Chief Financial Officer and prompt provision of our financial reports,
- developing and validating ILARS demand and expense forecast model in 2021 to provide better forecast information to assist

SIRA in the management of the workers compensation operational fund.

Continuous improvement

- commissioning an external expert review of the ILARS Funding Guidelines. The review focused on whether the Guidelines enable effective achievement of ILARS' statutory purpose. The review did not identify any types of matters currently funded that should not be. The review observed that insurers control many of the matters (claims triage, claims manager expertise, prompt decisions) that impact on demand for ILARS assistance,
- as part IRO's response to the expert review, IRO will undertake a root and branch review of the Guidelines, planned for 2025 in consultation with stakeholders through a reference group, including SIRA & PIC.

System interventions

- focusing on system interventions including early solutions to assist in reducing system costs and systemic inquiries, focusing on key causes of complaints and opportunities for improvement, including delay in determining liability.

Clarifying the law through funding appeals

IRO provides grants of funding to enable injured workers to challenge or defend decisions of the PIC. Where the worker is defending a decision in their favour, grants are generally provided without condition.

Where the worker seeks to challenge a decision which is unfavourable to them, payment of legal costs will generally only be made in the event of a successful outcome. Where the advice of an Approved Barrister is that the matter has a reasonable prospect of success and the matter raises an important question of law, full funding may be granted.

Funding to support appeals in appropriate circumstances is not only important to the individual worker concerned but can also be necessary to test the scope and application of new or amended provisions, or to clarify contentious legal issues that arise due to the complexity of the workers compensation legislation.

Case study – Statutory Interpretation – a period of absence from work due to a compensable injury is not “a period of unpaid leave” for the purposes of clause 2(3)(a) of Schedule 3 of the Workers Compensation Act 1987 and Regulation 8E of the Workers Compensation Regulation 2016.

In *Secretary, Department of Communities and Justice v Stewart* [2024] NSWCA 59, the Court of Appeal addressed a dispute over calculating Pre-Injury Average Weekly Earnings (PIAWE) under the Workers Compensation Act 1987 (WCA).

After suffering a shoulder injury in 2020, the claimant, Mr Stewart, developed PTSD due to workplace conditions, leading to compensation payments, that were accepted by the Department. However, a Work Capacity Decision (WCD) calculated Mr Stewart’s PIAWE using a 52-week period that included time when compensation was paid but excluded those payments from earnings.

Initially, Member Burge at the Personal Injury Commission ruled that the earnings period should exclude the weeks in which Mr. Stewart received compensation, treating it as unpaid leave. The Respondent appealed where Deputy President Wood held that the period in which the worker was paid weekly compensation was ‘a period of unpaid leave’ for the purposes of cl 2(3)(a) of Sch 3 WCA and Reg 8E of the *Workers Compensation Regulation 2016*. Therefore, that period of weekly compensation should be excluded from the relevant earning period.

The Department appealed this ruling to the Court of Appeal.

The Court of Appeal overturned the earlier ruling, deciding that compensated absence should not be categorised as unpaid leave within the context of the NSW legislation. Even though a worker receives compensation for lost earnings during this time, their absence from work isn’t considered paid leave because the payments aren’t part of their regular employment arrangement.

The outcome of the Court of Appeal decision means that the PIAWE of workers like Mr Stewart do not approximate their probable earnings as much as they could if the weeks had been excluded. Noting that the decision of the Court of Appeal was not unanimous, and that a significant class of workers are affected by the decision, IRO has provided ILARS funding for Mr Stewart to apply for special leave to appeal the decision to the High Court of Australia. In September 2024, the High Court declined to grant special leave.

IRO’s involvement was pivotal in supporting Mr Stewart’s case. Through the Independent Legal Assistance and Review Service (ILARS), IRO provided funding and guidance that allowed Mr Stewart to respond to the employer’s appeal before the Court of Appeal. The above case study concerned an area of the law about which IRO had received many complaints as well as applications for ILARS funding to have these PIAWE disputes determined. By providing ILARS funding for matters like this in appellate courts, IRO facilitates the determination of important questions of law, which means fewer complaints and fewer disputes in the future.

APPENDIX

Appendix

Additional IRO Data FY2023/24

5.1.1 Early Solutions

Table 1(a): Workers Compensation (WC) complaint and enquiry issues for matters opened during FY2023/24

Issue	No. Complaints	% of Total	No. Enquiries	% of Total
Delay in determining liability	2,472	30%	334	5%
Delay in payment	1,877	23%	161	2%
Denial of liability	829	10%	1,089	16%
General Case Management	751	9%	1,051	15%
How to make a Claim	-	0%	1,450	21%
Weekly Benefits	731	9%	565	8%
Request for Documents	796	10%	97	1%
Query about WC benefits	-	0%	833	12%
Work Capacity Decision	372	4%	243	3%
Independent medical examiner (IME)/	211	3%	207	3%
Injury management consultant IMC	-	0%	308	4%
ILARS Lawyer Complaint	120	1%	139	2%
Workplace Injury Management	-	0%	230	3%
Employer Complaint	143	2%		0%
Non-Insurer Complaint	-	0%	133	2%
Who is the insurer?	-	0%	45	1%
Query about leave entitlements	-	0%	41	1%
Complaint about Service Provider	-	0%	11	0%
Pilot	-	0%	10	0%
Privacy Surveillance				
Total	8,302	100%	6,947	100%

Note: A case may have more than one issue.

Table 1(b): Compulsory Third Party (CTP) complaint and enquiry issues for matters opened in FY2023/24

Issue	No. Complaints	% of Total	No. Enquiries	% of Total
Treatment and care	229	28.4%	2	0.4%
Income support/weekly payments	196	24.3%	1	0.2%
General Case Management	-	0.0%	164	30.1%
Property Damage	-	0.0%	143	26.3%
Case Manager	97	12.0%	1	0.2%
Claim Payments	66	8.2%	2	0.4%
How to make a Claim	-	0.0%	60	11.0%
Threshold Injury	44	5.5%	16	2.9%
Denial of liability	-	0.0%	44	8.1%
Claim Liability	32	4.0%	1	0.2%
Common Law	32	4.0%	1	0.2%
Query About CTP Benefits	-	0.0%	28	5.1%
Domestic Assistance	21	2.6%	-	0.0%
Settlement	21	2.6%	-	0.0%
Weekly Benefits	-	0.0%	19	3.5%
Non-Insurer Complaint	-	0.0%	16	2.9%
Who is the insurer?	-	0.0%	12	2.2%
Injury management	-	0.0%	12	2.2%
Claim Lodgement	11	1.4%	-	0.0%
Minor Injury	5	0.6%	6	1.1%
Examination	9	1.1%	1	0.2%
Dispute Handling	7	0.9%	-	0.0%
Recovery Plan	6	0.7%	-	0.0%
Delay in payment	-	0.0%	5	0.9%
Fault Status	5	0.6%	-	0.0%
Insurer internal reviews	5	0.6%	-	0.0%
Delay in determining liability	-	0.0%	4	0.7%
Third Party/Service Provider management	4	0.5%	-	0.0%
Earning Capacity decisions	3	0.4%	-	0.0%
Lifetime Care and Support (LTCS)	3	0.4%	-	0.0%
Complaint about Service Provider	-	0.0%	2	0.4%
Investigations	2	0.2%	-	0.0%
Report	2	0.2%	-	0.0%
Request for Documents	-	0.0%	2	0.4%

Return to work management	2	0.2%	-	0.0%
Death Benefits	1	0.1%	-	0.0%
Fault	-	0.0%	1	0.2%
Fraud	1	0.1%	-	0.0%
Privacy Surveillance	1	0.1%	-	0.0%
Return to work assistance benefits	1	0.1%	-	0.0%
Earning Capacity	-	0.0%	1	0.2%
Total	806	100%	544	100%

Table 2(a): Source of workers compensation complaints and enquiries in FY2023/24

Issue	No.	% of Total
Lawyer	10,104	66.3%
Web search	2,221	14.6%
Word of Mouth	874	5.7%
Other source	720	4.7%
Government Department	559	3.7%
Insurer	251	1.6%
WorkCover	208	1.4%
Doctor	121	0.8%
Union	77	0.5%
IRO Campaign	30	0.2%
Employer	29	0.2%
Rehabilitation Provider	17	0.1%
Advertisement	16	0.1%
Personal Injury Commission	14	0.1%
Advertising	7	0.0%
IRO Campaign	1	0.0%
Total	15,249	100%

Note: The IRO records the source of complaints and enquiries as reported by the injured person or their representative.

The high incidence of 'lawyer' sourced complaints reflects that many complaints and enquiries come to IRO after an Approved Lawyer has obtained ILARS grants.

Table 2(b): Source of CTP complaints and enquiries in FY2023/24

Issue	No.	% of Total
Web search	455	33.7%
Word of Mouth	295	21.9%
Other source	266	19.7%
Lawyer	232	17.2%
Government Department	70	5.2%
WorkCover	16	1.2%
Insurer	8	0.6%
Doctor	3	0.2%
Advertising	2	0.1%
Union	2	0.1%
IRO Campaign	1	0.1%
Total	1,350	100%

Table 3(a): How workers compensation complaints and enquiries were received in FY2023/24

Workers compensation complaints and enquiries	No. Cases
Complaint	8,302
Email	3,361
Telephone	2,799
Website	1,967
ILARS	168
Letter	7
Enquiry	6,947
Telephone	5,561
Email	848
Website	462
ILARS	72
In Person	1
Letter	3

Table 3(b): How Compulsory Third Party (CTP) complaints and enquiries were received in FY2023/24

CTP complaints and enquiries	No. Cases
CTP Complaint	806
Telephone	377
Email	328
Website	101
CTP Enquiry	544
Telephone	303
Email	225
Website	16
Total	1,350

Table 4(a): Workers compensation complaint timeliness – How long to close a workers compensation complaint in FY2023/24

Issue	Same day	Next day	2 to 7 days	8 to 15 days	16 to 30 days	More than 30 days	Total
Delay in determining liability	163	136	1,441	571	137	11	2,459
Delay in payment	85	93	1,081	458	135	24	1,876
Denial of liability	257	87	328	118	36	8	834
Request for documents	63	93	493	119	26	3	797
General case management	160	58	325	153	50	8	754
Weekly benefits	58	38	352	172	106	12	738
Work Capacity Decision	56	27	141	99	47	3	373
Independent medical examiner (IME)/Injury management consultant (IMC)	32	13	106	49	12	3	215
Non-insurer complaint	75	17	49	6	6	-	153
Workplace Injury Management (WIM)	11	7	63	37	7	1	126
Total	960	569	4,379	1,782	562	73	8,325

Table 4(b): CTP complaint timeliness – How long to close a CTP complaint in FY2023/24

Issue	Same day	Next day	2 to 7 days	8 to 15 days	16 to 30 days	More than 30 days	Total
Claim Liability	9	4	9	9	1	-	32
Common Law	2	3	8	9	9	-	31
Domestic Assistance	2	-	4	9	4	2	21
Settlement	4	1	6	5	3	-	19
Claim Lodgement	4	-	5	1	1	-	11
Examination	-	-	5	2	2	-	9
Dispute Handling	5	1	-	-	-	1	7
Fault Status	1	-	3	1	-	-	5
Insurer internal reviews	2	1	2		-	-	5
Minor Injury	1			4	-	-	5
Recovery Plan	2		1	2	-	-	5
Third Party/Service Provider management	1	1	1	1	-	-	4
Earning Capacity decisions (78 week)	-	-	1	1	1	-	3
Lifetime Care and Support (LTCS)	1		2	-	-	-	3
Investigations	1	1	-	-	-	-	2
Report	-	-	1	1	-	-	2
Return to work management	-	-	1	-	1	-	2
Death Benefits	-	-	-	-	1	-	1
Fraud	-	-	-	-	1	-	1
Privacy Surveillance	-	-	-	1	-	-	1
Return to work assistance benefits	-	-	1	-	-	-	1
Total	91	33	281	260	111	16	792

* there may be slight discrepancies between the number of complaints received and closed due to cases being received outside of the FY23-24 date range but closed within it.

Table 5(a): Workers compensation complaints outcomes for complaints finalised in FY2023/24

Outcome	Other Insurer including Not Provided	Scheme agent	Self-insured	Specialised insurer	TMF	Total
Delay in determining liability	14	1,572	233	124	347	2,290
Weekly Benefits / Medical Treatment	7	1,120	155	88	227	1,597
Claim accepted outside timeframes	-	352	53	35	75	515
Claim denied outside timeframes	-	203	31	14	27	275
Claim accepted inside timeframes	1	138	15	7	27	188
No decision and inside timeframes	3	99	15	8	22	147
Claim denied inside timeframes	-	102	14	10	21	146
Request not received	-	97	12	8	25	142
No decision and outside timeframes	2	95	12	6	20	135
Insurer not on risk	1	34	3	-	10	48
Recurrence/ Whole claim	5	124	21	5	32	187
Claim denied outside timeframes	-	28	7	1	6	42
Claim accepted outside timeframes	-	25	4	-	5	34
Claim denied inside timeframes	-	19	4	1	3	27
No decision and inside timeframes	-	18	3	2	4	27
Insurer not on risk	3	11	1	-	3	18
Claim accepted inside timeframes	-	11		-	3	14
No decision and outside timeframes	2	5	1	1	4	13
Request not received	-	4	1	-	4	9
Recurrence not determined	-	3		-	-	3
Section 66	-	104	21	12	40	177
Claim accepted outside timeframes	-	23	7	4	14	48
No decision and outside timeframes	-	17	4	4	8	33

Outcome	Other Insurer including Not Provided	Scheme agent	Self-insured	Specialised insurer	TMF	Total
Claim denied outside timeframes	-	16	6	2	4	28
No decision and inside timeframes	-	22	-	-	5	27
Claim denied inside timeframes	-	8	2	2	2	14
Claim accepted inside timeframes	-	8	-	-	3	11
Request not received	-	7	1	-	2	10
Insurer not on risk	-	2	-	-	2	4
Claim not duly made	-	1	1	-	-	2
Domestic Assistance	-	84	8	7	15	114
Accepted after IRO Complaint	-	31	2	1	6	40
ADL approved	-	28	3	3	2	36
Declined after IRO Complaint	-	17	-	1	3	21
Claim not made in accordance with 60AA	-	5	2	-	2	9
Entitlement exhausted	-	3	1	2	2	8
Section 287A	-	69	17	7	16	109
Claim denied outside timeframes	-	16	7	3	4	30
No decision and outside timeframes	-	21	3	1	2	27
Claim accepted outside timeframes	-	6	2	1	3	12
No decision and inside timeframes	-	8	2	1	1	12
Request not received	-	11	-	-	1	12
Claim denied inside timeframes	-	5	1	1	4	11
Claim accepted inside timeframes	-	2	2	-	1	5
Initial Notification	2	70	11	5	17	105
Reasonable excuse applied in time	1	35	2	3	2	43
Provisional liability inside timeframes	-	11	2	-	4	17

Outcome	Other Insurer including Not Provided	Scheme agent	Self-insured	Specialised insurer	TMF	Total
Provisional liability outside timeframes	-	7	2	1	4	14
Reasonable excuse defective	-	10	-	1	-	11
No response provided and outside timeframes	-	3	3	-	3	9
Initial notification not received	1	2	1	-	2	6
Initial notification incomplete	-	2	1	-	2	5
Delay in payment	4	1,200	144	103	346	1,797
Weekly benefits	1	680	63	59	134	937
Insurer admin error	-	281	21	29	79	410
No apparent error with payments	-	123	10	11	21	165
Employer error making payments	-	95	10	9	13	127
No certificate of determination (COD)	1	50	12	3	6	72
Employer error where insurer takes over payments	-	57	1	1	2	61
Irregular payments	-	34	4	2	5	45
No EFT/TFN details	-	26	1	3	8	38
PID Certificate - no entitlement	-	14	4	1	-	19
Medical/Travel	2	277	40	16	117	452
Correct amount paid after IRO Complaint	-	148	26	12	68	254
Claim already paid	-	32	3	1	15	51
Insufficient information/ Invoices not provided	1	32	2	1	12	48
Claim disputed	-	24	1	-	6	31
Claim not received	1	11	3	1	7	23
Insurer not on risk	-	17	2	-	4	23

Outcome	Other Insurer including Not Provided	Scheme agent	Self-insured	Specialised insurer	TMF	Total
Insurer within timeframes	-	13	3	1	5	22
Certificate of determination (COD)/ Settlement	1	243	41	28	95	408
Centrelink and/or Medicare delay	-	72	17	10	34	133
Correct amount paid after IRO Complaint	1	36	4	6	17	64
Insurer admin error	-	10		2	8	20
Insurer within timeframes and not paid	-	12	2	1	4	19
Lawyer hasn't provided all documents required	-	5	1	-	5	11
Interpretation of terms dispute	-	2	1	-	1	4
Decision being appealed	-	-	-	3	-	3
Leave re-credited	-	1	-	-	-	1
Denial of liability	6	521	62	35	148	772
Matter referred for review or legal	6	419	49	30	125	629
Insurer overturns decision after PI	-	44	1	-	9	54
Insurer maintains denial on review	-	25	9	3	5	42
Section 59A Applied	-	17	1	2	6	26
Defective form changed and reissued	-	6	2	-	2	10
Defective form withdrawn	-	5	-	-	1	6
Section 59A Overturned	-	5	-	-	-	5
Request for Documents	6	503	73	30	116	728
Liability Accepted	3	372	55	20	90	540
Docs provided after PI	-	263	38	13	60	374
Request not received	2	48	9	-	17	76

Outcome	Other Insurer including Not Provided	Scheme agent	Self-insured	Specialised insurer	TMF	Total
Docs provided to third party	1	40	6	4	8	59
Docs not provided	-	21	2	3	5	31
Liability Disputed	3	131	18	10	26	188
Docs provided after IRO Complaint	2	87	14	8	23	134
Docs not provided	-	29	3	1	2	35
Docs provided to third party only	1	7	1	-	1	10
Privilege claimed	-	8	-	1	-	9
General Case Management	16	431	49	32	139	667
Insurer notified of complaint	-	267	33	18	73	391
Referred to insurer	6	125	14	8	48	201
Referred to SIRA, icare or other	10	39	2	6	18	75
Weekly Benefits	-	461	46	42	103	652
Payments changed	-	194	31	14	54	293
No apparent error with payments	-	90	10	7	24	131
Employer not passing on correct payment	-	38	8	2	10	58
Payments increased after PI (stat rate or 95%)	-	19	4	3	7	33
Indexation applied after PI	-	13	3	1	3	20
Change of entitlement period	-	10	3	-	3	16
Employer error where insurer takes over payments	-	13	-	-	3	16
Legislative reduction in PIAWE	-	6	3	1	2	12
WCD or Section 40 assessment	-	5	-	-	2	7
Payments stopped	-	154	9	13	24	200
Insurer admin error	-	28	-	5	3	36
No apparent error with payments	-	23	1	3	6	33

Outcome	Other Insurer including Not Provided	Scheme agent	Self-insured	Specialised insurer	TMF	Total
Section 39 limit applied	-	24	1	-	2	27
Employer not passing on weekly payments	-	11	-	-	2	13
Section 52 retirement age applied	-	8	1	-	4	13
WCD or Section 40 assessment	-	10	2	-	1	13
Weekly benefits declined	-	13	-	-	-	13
Section 39 overturned	-	9	-	-	2	11
Section 119 non-attendance IME applied	-	8	1	-	-	9
Section 48A / 57 suspension overturned	-	3	1	3	1	8
Correct rate applied	-	6	-	-	-	6
Section 119 non-attendance IME overturned	-	1	1	2	1	5
Section 48A / 57 suspension applied	-	5	-	-	-	5
Non-attendance at IME	-	3	1	-	-	4
Section 52 retirement age overturned	-	1	-	-	1	2
Employer error where insurer takes over payments	-	1	-	-	-	1
Leave paid	-	-	-	-	1	1
Payments have not started	-	95	6	13	15	129
Reasonable excuse withdrawn after IRO Complaint	-	56	1	5	9	71
Insurer maintains reasonable excuse	-	15	2	4	2	23
Reasonable excuse applied within time	-	10	2	4	2	18

Outcome	Other Insurer including Not Provided	Scheme agent	Self-insured	Specialised insurer	TMF	Total
Employer not passing on weekly payments	-	9	1	-	2	12
Employer error where insurer takes over payments	-	5	-	-	-	5
Overpayment	-	17	-	2	10	29
Insurer or employer presses with recovery	-	8	-	-	7	15
Insurer stops recovery	-	9	-	2	3	14
No Action	37	407	52	33	113	642
Work Capacity Decision	1	260	17	24	56	358
Work Capacity Decisions (non-PIAWE)	-	146	11	12	32	201
IW referred to ALSP	-	99	8	8	18	133
WCD withdrawn	-	27	2	2	6	37
New WCD issued	-	12	-	-	4	16
WCD under review	-	5	1	1	3	10
Incorrect notice provided	-	2	-	-	1	3
Stay not applied	-	1	-	1	-	2
Pre-Injury average weekly earnings (PIAWE)	1	114	6	12	24	157
Not obvious error referred for review	1	54	2	4	14	75
PIAWE increased and back payment provided	-	33	4	7	7	51
Insurer maintains decision	-	15	-	-	1	16
PIAWE reduced where notice provided	-	10	-	1	1	12
PIAWE reduced where notice period not applied	-	2	-	-	1	3
IME/IMC	-	120	12	12	42	186
Appointment maintained	-	51	8	5	23	87

Outcome	Other Insurer including Not Provided	Scheme agent	Self-insured	Specialised insurer	TMF	Total
Appointment rescheduled	-	34	3	3	8	48
Appointment cancelled-referral procedure not followed	-	18	1	2	1	22
Travel organised	-	6	-	2	1	9
Appointment cancelled-information from treating doctors received	-	3	-	-	4	7
Choice of 3 IMEs provided after IRO Complaint	-	3	-	-	4	7
Location changed	-	5	-	-	1	6
Non-insurer complaints	15	73	11	9	20	128
Employer Complaint	10	28	4	2	11	55
Referred to SIRA/ SafeWork	7	11	-	1	4	23
Referred to Fair Work or IRC	-	9	3	1	4	17
Referred to Other	3	8	1	-	3	15
Service Provider	4	30	6	3	4	47
Referred to SIRA	1	18	3	1	1	24
Referred to Other	3	12	3	2	3	23
ILARS Lawyer Complaint	1	13	1	4	5	24
Referred worker to OLSC, Law Firm or Other	1	10	1	3	5	20
Updated the IRO Principal Lawyer	-	3	-	1	-	4
Privacy/Surveillance	-	2	-	-	-	2
Referred to IPC	-	1	-	-	-	1
Referred to Other	-	1	-	-	-	1
Workplace Injury Management (WIM)	-	61	3	4	37	105
Return to Work (RTW)	-	33	1	3	19	56
Duties not provided by employer	-	11	-	-	2	13

Outcome	Other Insurer including Not Provided	Scheme agent	Self-insured	Specialised insurer	TMF	Total
Rehabilitation Allocated	-	3	-	3	3	9
Workplace assessment required	-	6	-	-	3	9
RTW plan amended	-	6	-	-	1	7
Duties provided by employer after IRO Complaint	-	-	1	-	5	6
Duties not suitable	-	2	-	-	3	5
Section 53/ JCPP Approved	-	2	-	-	1	3
Section 53/ JCPP Declined	-	2	-	-	1	3
Vocational Program Approved	-	1	-	-	-	1
Rehabilitation	-	24	2	1	15	42
Rehab provider changed	-	9	1	1	4	15
Rehab not required	-	8	-	-	3	11
Case conference organised	-	4	1	-	5	10
Rehab provided s41A	-	1	-	-	2	3
Case conference cancelled	-	1	-	-	1	2
Referred to IMC	-	1	-	-	-	1
Injury management program (IMP)	-	4	-	-	3	7
IMP amended after IRO Complaint	-	2	-	-	2	4
IW not compliant	-	2	-	-	-	2
Insurer not compliant	-	-	-	-	1	1
Total	99	5,609	702	448	1,467	8,325

Table 5(b): CTP complaints outcomes for FY2023/24*

Outcomes	CTP Insurer	Total
Resolved – Information	233	233
Resolved – Action	222	222
Resolved – Benefit	146	146
Resolved – Referred elsewhere	114	114
No Action	77	77
Total	792	792

*there may be slight discrepancies between the number of complaints received and closed due to cases being received outside of the FY23-24 date range but closed within it.

Table 6(a): Number and type of workers compensation complaints finalised after 30 June 2024

Issues	No. Cases
Delay in determining liability	51
Delay in payment	35
Weekly Benefits	18
General Case Management	11
Request for Documents	10
Denial of liability	7
Work Capacity Decision	7
IME/IMC	3
Workplace Injury Management	2
Total	144

Table 6(b): Number and type of CTP complaints finalised after 30 June 2024

Issues	No. Cases
Income support/ weekly payments	6
Treatment and care	6
Settlement	2
Case Manager	1
Claim Liability	1
Claim Payments	1
Common Law	1
Recovery Plan	1
Total	19

5.1.2 Grants of Legal Funding

Table 7(a): Amounts paid in FY2023/24

Payment Type	Total Amount (\$)	Number of Payments	% of Disbursements	Average Amount (\$)
Professional fees	\$54,773,463	19,975	-	\$2,742
Complexity Uplift	\$638,600	513	-	\$1,245
Appeal	\$576,219	314	-	\$1,835
Medico-legal	\$24,906,931	17,830	62%	\$1,397
Barrister Fees	\$4,732,223	3,071	12%	\$1,541
Clinical Notes	\$4,087,576	45,829	10%	\$89
Medical Report Provider Service Fee	\$3,401,655	38,886	9%	\$87
Treating Specialist Report	\$1,258,520	2,818	3%	\$447
Nominated Treating Doctor (NTD) Report	\$516,684	1,636	1%	\$316
Travel	\$465,701	1,955	1%	\$238
Interpreter	\$279,137	1,717	1%	\$163
Other*	\$210,496	649	1%	\$324
Non-attendance fee	\$96,206	199	0%	\$483
Barrister Country Loading	\$13,987	24	0%	\$583
Meal Allowance	\$7,696	160	0%	\$48
Solicitor Loading	\$18,458	27	0%	\$684
Total	\$95,984,737	135,606	100%	
Total Professional Fees	\$55,988,282	-	58%	-
Total Disbursements	\$39,996,455	-	42%	-

Note: *Other includes Court filing fees, ancillary expenses associated with court proceedings or unregulated expenses. The amounts paid are for the grants approved and processed for the period 1 July 2023 - 30 June 2024, and are extracted from the IRO case management system, Resolve. There may be discrepancies between financial management system data (SAP) and case management system due to time lag.

Table 8(a): Types of body system for ILARS grants applications received in FY2023/24

Body System	% of Total
Upper extremity	25.5%
Psychiatric and psychological disorders	22.7%
Spine	18.0%
Hearing	15.2%
Lower extremity	14.0%
Not Recorded	2.5%
Visual system	0.5%
Respiratory system	0.5%
Skin	0.3%
Nervous system	0.2%
Cardiovascular system	0.2%
Ear, nose, throat and related structures	0.2%
Urinary and reproductive systems	0.1%
Chronic Pain	0.1%
Digestive systems	0.1%
Haematopoietic system	0.0%
Total	100%

*Note: percentages are rounded to nearest 1 decimal place.

Table 9(a): Types of injury for ILARS grants applications received in FY2023/24

Injury Location	% of Total
Psychological system	22.6%
Ear	15.2%
Back	13.5%
Shoulder	6.2%
Multiple – Trunk and limbs	5.5%
Knee	5.0%
Hand, fingers and thumb	3.9%
Upper limb – multiple locations	3.4%
Multiple – Neck and shoulder	2.3%
Multiple – Upper and lower limbs	2.0%
Lower limb – multiple locations	1.9%
Ankle	1.6%
Wrist	1.6%
Neck	1.3%

Multiple – Neck and Trunk	1.3%
Foot and toes	1.2%
Trunk – multiple locations	1.2%
Multiple – Head and other	1.1%
Death	1.1%
Abdomen and pelvic region	0.9%
Multiple – Other	0.9%
Lower leg	0.8%
Elbow	0.7%
Hip	0.7%
Eye	0.5%
Upper arm	0.5%
Face	0.4%
Head – multiple locations	0.4%
Respiratory system	0.4%
Cranium	0.4%
Unspecified locations	0.3%
Forearm	0.3%
Circulatory system	0.2%
Upper leg	0.2%
Ribs	0.2%
Nervous system	0.2%
Mouth	0.1%
Nose	0.1%
Digestive system	0.0%
Genitourinary system	0.0%
Other and multiple systemic conditions	0.0%
Unspecified systemic conditions	0.0%
Total	100%

*Note: percentages are rounded to nearest 1 decimal place.

Table 10(a): Nature of injury for ILARS grant applications received in FY2023/24

Nature of Injury	% of Total
Trauma to joints and ligaments	34.4%
Mental disorders	22.5%
Nervous system and sense organ diseases	15.4%
Trauma to muscles and tendons	12.7%
Wounds, lacerations, amputations and internal organ damage	4.3%
Injury to nerves and spinal cord	4.0%
Fractures	3.1%
Death	1.0%
Intracranial injuries	0.5%
Respiratory system diseases	0.4%
Burn	0.3%
Other injuries – Poisoning, Electrocutation, heat stress etc.	0.3%
Other claims	0.2%
Other diseases	0.2%
Circulatory system diseases	0.2%
Skin and subcutaneous tissue diseases	0.1%
Spinal vertebrae and intervertebral disc diseases	0.1%
Joint diseases (arthropathies) and other articular cartilage diseases	0.1%
Other soft tissue diseases	0.1%
Neoplasms (cancer)	0.1%
Infectious and parasitic diseases	0.0%
Diseases of muscle, tendon and related tissue	0.0%
Digestive system diseases	0.0%
Diseases involving the synovium and related tissue	0.0%
Total	100%

*Note: percentages are rounded to nearest 1 decimal place.

Table 11(a): ILARS outcomes for ILARS grant applications received in FY2023/24

Outcome	Other outcome	Grant achieved desired outcome
Not proceeding after preliminary grant	3,333	4,508
Lawyer Advice to Worker	-	4,508
Section 66 (WCA) Below WPI threshold	1,111	-
Worker instructions	1,072	-
Medical evidence not supportive	446	-
Lost contact with Worker	404	-
Not viable	149	-
Not Maximum Medical Improvement (MMI)	94	-
Below Threshold (threshold issue)	48	-
Commutation negotiations failed	9	-
Resolved prior to Commission	12	5,580
Resolved by complying agreement after claim made	-	2,999
Insurer Accepts Claim	-	1,618
Resolved after IRO enquiry or Internal Review	-	568
Insurer withdraws Notice	-	274
Agreement with Insurer	-	100
Over threshold by agreement	-	21
Advice given not to proceed	11	-
Not Recorded	1	-
Resolved in Commission	432	3,981
Conference		1,225
Weeklies & Medicals		338
WPI		254
Medicals		213
Weeklies		138
WPI, Weeklies & Medicals		81
Death Benefits		65
WPI & Weeklies		43
Wrap Up		39
WPI & Medicals		37
Closed Period		13
Not Recorded		4

Outcome	Other outcome	Grant achieved desired outcome
Medical Assessment	388	1,068
Certificate of Determination (COD) Section 66 (WCA) WPI		984
Section 66 (WCA) Not reached threshold	349	
COD Section 66 Table of Disabilities (TOD)		30
Not reached threshold (threshold issue)	27	
MAC Below Threshold Hearing Aids only		19
Above threshold		14
Not MMI MAC (sectio66 claim)		14
Discontinued post MAC no COD	11	
Not MMI MAC (threshold issue)		5
Not Recorded		2
Discontinued pre-MAC no COD	1	
Resolved TC - settled by consent		944
Medicals		269
WPI		259
Weeklies & Medicals		154
Weeklies		91
Death Benefits		77
WPI, Weeklies & Medicals		35
WPI & Medicals		20
WPI & Weeklies		17
Wrap Up		16
Closed Period		3
Not Recorded		3
Following Hearing – COD SOR worker		386
Medicals		86
Weeklies & Medicals		82
Death Benefits		72
WPI		71
Weeklies		48
WPI, Weeklies & Medicals		11
WPI & Weeklies		9

Outcome	Other outcome	Grant achieved desired outcome
WPI & Medicals		5
Not Recorded		2
Expedited Assessment	4	207
Consent Direction		121
Direction made		75
Recommendation made		9
Direction not made	3	
Not recorded		2
Recommendation not made	1	
Settlement during Hearing		109
Weeklies & Medicals		35
Medicals		24
Weeklies		16
WPI		13
WPI, Weeklies & Medicals		10
Death Benefits		4
WPI & Medicals		3
WPI & Weeklies		3
Not Recorded		1
Commutation		42
Registered		42
Following Hearing – COD SOR Employer	40	
Instructions withdrawn	1,313	
Worker retained new lawyer	968	
Instructions withdrawn	345	
ILARS Funding Withdrawn	969	
Lawyer request	320	
Consolidated with another grant	234	
Duplicate grant	188	
No response to ILARS follow up	154	
Not eligible for funding	55	
Administrative reason	9	
Matter resolved in other jurisdiction	9	

Outcome	Other outcome	Grant achieved desired outcome
Discontinued from Commission - No result	215	
Appeals	137	174
Court of Appeal	-	2
By the employer in favour of Worker	-	1
By the worker in favour of Worker	-	1
Medical Appeal Panel	124	140
By the worker in favour of Worker	-	87
By the worker in favour of Employer	75	-
By the employer in favour of Worker	-	53
By the employer in favour of Employer	49	-
Non-presidential member to President	10	28
By the employer in favour of Worker	-	23
By the worker in favour of Employer	9	-
By the worker in favour of Worker	-	5
By the employer in favour of Employer	1	-
Supreme Court	3	4
By the worker in favour of Employer	3	-
By the worker in favour of Worker	-	3
By the employer in favour of Worker	-	1
Resolved in common law claim	-	47
Grant application declined	3	-
Total	6,414	14,290

Table 12: No response to claim (NRTC) outcomes for matters closed in FY2023/24

Outcome	Scheme agent	Self-insured	Specialised insurer	TMF	Total
NRTC	365	91	43	114	613
Section 66 (WCA)	181	42	21	48	292
Insurer outside timeframes	34	17	5	16	72
Claim denied after enquiry	26	5	8	7	46
Counteroffer issued after enquiry	27	5	3	6	41
Insurer inside timeframes	26	5	1	6	38
Claim denied before enquiry	25	3	1	6	35
Claim accepted after enquiry	14	2	1	3	20
Request not received	12	2	-	3	17
Counteroffer issued before enquiry	13	2	-	1	16
Claim accepted before enquiry	4	1	2	-	7
Section 287A (WIMA)	95	40	16	50	201
Insurer outside timeframes	34	7	4	25	70
Claim denied after enquiry	11	23	4	13	51
Claim denied before enquiry	23	4	4	6	37
Request not received	10		2	3	15
Claim accepted after enquiry	5	6	1	3	15
Claim accepted before enquiry	11	-	1	-	12
Insurer inside timeframes	1	-	-	-	1
Section 60 (WCA)/Weekly Benefits	89	9	6	16	120
Claim denied after enquiry	21	3	2	4	30
Insurer outside timeframes	25	2	1	2	30
Claim accepted after enquiry	18	3		4	25
Claim denied before enquiry	10	1	2	4	17
Claim accepted before enquiry	11	-	-	1	12
Request not received	3	-	1	1	5
Insurer inside timeframes	1	-	-	-	1
Total	365	90	43	114	613

Note: NRTC matters are claims where the insurer has not responded within the required time frame under WCA/WIMA.

5.1.3 Insurer Data

Table 13(a): WC matters received by insurer in FY2023/24

Insurer	Complaint	Enquiry	ILARS	NRTC	Total
Scheme agent	5,602	3,418	14,144	359	23,523
EML 701	2,795	1,980	10,016	180	14,971
GIO General Limited	858	465	860	53	2,236
Allianz 701	498	172	623	37	1,330
GIO 701	350	161	661	26	1,198
QBE 701	357	145	589	17	1,108
EML 702	254	240	419	13	926
Allianz Australia Workers Compensation (NSW) Ltd	169	98	259	14	540
Gallagher Bassett 701	87	42	203	4	336
Employers Mutual NSW Limited	25	24	139	9	197
Insurance and Care NSW (icare)	-	7	150	-	157
DXC Technology	74	20	56	-	150
Uninsured Liabilities	75	19	46	4	144
QBE Workers Compensation	12	8	66	-	86
icare Claims Operation Team	47	28	5	2	82
Gallagher Bassett Services Pty Ltd	-	5	40	-	45
CGU Workers Compensation (NSW) Ltd	1	4	10	-	15
Xchanging	-	-	2	-	2
TMF	1,458	885	2,411	95	4,849
Allianz TMF	373	265	777	22	1,437
QBE TMF	623	373	1091	64	2,151
Employers Mutual NSW Ltd - TMF	462	247	543	9	1,261
Self-insured	698	503	1,753	93	3,047
Woolworths Group Ltd	132	58	311	20	521
Coles Group Ltd	59	36	163	7	265
Qantas Airways Limited	28	31	91	3	153
Transport for NSW Workers Compensation Services	13	4	132	2	151
Wesfarmers Limited	30	37	81	3	151
Sydney Trains	38	36	27	5	106
Toll Holdings Ltd	20	16	58	4	98

Insurer	Complaint	Enquiry	ILARS	NRTC	Total
Aldi Stores	19	18	53	2	92
Bluescope Steel Ltd	11	6	74	1	92
ComfortDelGro Corporation Australia Pty Ltd	37	11	37	2	87
Ventia Australia Pty Ltd (formerly Broadspectrum (Australia) Pty Ltd)	37	9	23	2	71
Australian Unity Limited	9	9	39	3	60
Boral Limited	13	5	37	4	59
Westpac Banking Corporation Ltd	8	19	27	2	56
Blacktown City Council	8	4	35	4	51
Persol Australia Pty Ltd	5	17	24	2	48
Life Without Barriers	10	13	18		41
Infrabuild (Manufacturing) Pty Limited (formerly GFG Alliance OneSteel Liberty or Arrium)	11	5	20	4	40
ISS Property Services Pty Ltd	5	4	26	3	38
DAC Finance Pty Ltd (trading as Opal Aged Care)	18	8	8	2	36
Sonic Healthcare Limited	12	11	11	1	35
Adecco Holdings Pty Ltd	15	5	14	1	35
Transport Service of NSW (State Transit Group)	7	1	21	2	31
City of Sydney Council	1	6	22	-	29
RGF Staffing Melbourne One Pty Ltd	16	9	4	-	29
Newcastle City Council	5	9	14	-	28
NSW Trains	10	9	8	1	28
Wollongong City Council	5	4	19	-	28
Colin Joss & Co Pty Limited		5	22	-	27
Randstad	4	6	17	-	27
Ausgrid Management Pty Ltd	6	6	13	-	25
Tomago Aluminium	4	4	17	-	25
Central Coast Council	3	4	16	1	24
Sutherland Shire Council	5	5	10	2	22
University of Wollongong	6	7	8	-	21
Estia Investments Pty Ltd	3	4	13	-	20
Rail Corporation NSW	7	8	5	-	20
Inghams Enterprises Pty Ltd	3	2	13	1	19

Insurer	Complaint	Enquiry	ILARS	NRTC	Total
Healius Limited	2	1	14	1	18
Unilever Australia (Holdings) Pty Limited	6	-	12	-	18
CSR Limited	3	3	11	-	17
The Star Entertainment Group Ltd	7	2	5	3	17
University of New South Wales	6	4	6	-	16
Endeavour Energy	-	2	14	-	16
Lake Macquarie City Council	1	3	11	-	15
Liverpool City Council	2	1	11	-	14
Northern Beaches Council	-	3	10	-	13
Northern Co-Operative Meat Company Limited	3	2	7	1	13
Kelsian Group Ltd	3	7	2	-	12
Canterbury Bankstown Council	-	-	11	-	11
Fletcher International Exports Pty Ltd	3	1	6	1	11
McDonald's Australia Holdings Limited	1	-	10	-	11
Shoalhaven City Council	1	-	10	-	11
Veolia Environmental Services (Australia) Pty Ltd	4	-	7	-	11
Myer Holdings Ltd	-	1	5	-	6
Hays Specialist Recruitment (Australia) Pty Limited	2	2	7	-	11
Brambles Industries Limited	-	2	7	-	9
MARS Australia Pty Ltd	5	2	2	-	9
Campbelltown City Council	2	5	11	1	19
Commonwealth Steel (Molycop)	4	-	3	1	8
Holcim (Aust) Holdings Pty Limited	1	1	6	-	8
JELD-WEN Australia Pty Ltd	3	3	2	-	8
Fairfield City Council	2	1	4	-	7
Brickworks Ltd	-	-	6	-	6
Food Investments Pty Ltd (George Weston Foods)	-	2	3	1	6
Endeavour Group Limited	3	1	2	-	6
BHP Group Limited	1	-	4	-	5
BOC Limited	2	1	2	-	5

Insurer	Complaint	Enquiry	ILARS	NRTC	Total
Hawkesbury City Council	2	-	2	-	4
Coca-Cola Amatil	1	-	2	-	3
Pacific National (NSW) Pty Ltd	2	-	1	-	3
Southern Meats Pty Ltd.	1	1	1	-	3
3M Australia Pty Ltd	1	-	2	-	3
UGL Rail Services Pty Limited	-	1	2	-	3
Thomas Foods International Consolidated Pty Ltd	1	-	1	-	2
Specialised insurer	445	259	815	43	1,562
StateCover Mutual Ltd	79	52	295	18	444
Hospitality Industry Insurance	123	69	233	5	430
Catholic Church Insurance Limited	133	62	174	16	385
Guild Insurance Ltd	34	20	63	3	120
Coal Mines Insurance Pty Limited	42	39	11	-	92
Racing NSW Insurance Fund	24	13	28	1	66
Trinity Insurance	10	4	11	-	25
Other Insurer including Not Provided*	98	1,884	5,344	-	7,326
Total	8,301	6,949	24,472	590	40,312

*These cases include ILARS hearing loss claims and advice only matters where the insurer has not been identified

Note: Former NSW insurers and non-NSW insurers have been excluded

Table 13(b): CTP Complaints and enquiries received by insurer FY2023/24

Insurer	CTP Complaint	CTP Enquiry	Total
CTP Insurer	806	370	1,176
AAMI	101	23	124
Allianz	108	40	148
GIO	121	54	175
icare (CTP Care)	22	2	24
Not Provided (Unknown)	7	113	120
NRMA	274	97	371
QBE	159	36	195
Youi	10	4	14
Lifetime Care	3	1	4
Transport Accident Commission - TAC	1	-	1

Former NSW Insurer	-	1	1
Zurich	-	1	1
Other Insurer including Not Provided	-	171	171
Scheme agent	-	1	1
EML 701	-	1	1
Self-insured	-	1	1
Woolworths Group Ltd	-	1	1
Total	806	544	1,350

5.2 Corporate information reporting

5.2.1 Privacy

There were no internal reviews conducted by IRO under the *Privacy and Personal Information Protection Act 1998* (NSW) (PPIPA) in FY2023/24.

During the reporting period, we participated in 2024 Privacy Awareness Week, provided staff with training on privacy awareness, and continued to have privacy champions across IRO.

The IRO Privacy Management Plan (PMP) and Agency Information Guide (AIG) are available on the IRO website.

Following legislative amendments to the PPIPA, IRO undertook significant internal governance uplift to implement the requirements of the new Mandatory Notification of Data Breach Scheme which commenced in NSW on 28 November 2023. This included the development of the IRO Data Breach Policy which is available on our website, as well as updates to the PMP and AIG. An IRO Data Breach Response Procedure was also developed to support staff in responding to and recording data breaches at IRO. No eligible data breaches were reported or notified during this reporting period.

5.2.2 Right to information

IRO adopts a proactive approach to the release of information where possible, consistent with the principles of and its obligations under the *Government Information (Public Access) Act 2009* (NSW) (GIPA Act). During FY2023/24, IRO proactively released information, including performance reports and statistical information about business operations and performance.

During the FY2023/24 reporting period, we received no formal GIPA applications.

We facilitated access to information requested informally from a number of members of the community (principally in relation to information about their own matters or complaints).

The information required to be reported under the GIPA Act for this reporting period is set out below.

Table A: Number of applications by type of applicant and outcome FY2023/24

Applicant type	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already released	Refuse to deal with application	Refuse to confirm/deny information held	Application withdrawn
Media	-	-	-	-	-	-	-	-
Member of Parliament	-	-	-	-	-	-	-	-
Private sector business	-	-	-	-	-	-	-	-
Non-for-profit organisation or community group	-	-	-	-	-	-	-	-
Member of the public (application by legal representative)	-	-	-	-	-	-	-	-
Member of the public (other)	-	-	-	-	-	-	-	-

Note: More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome FY2023/24

Application type	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already released	Refuse to deal with application	Refuse to confirm/deny information held	Application withdrawn
Personal information applications	-	-	-	-	-	-	-	-
Access applications (other than personal information applications)	-	-	-	-	-	-	-	-
Applications that are partly personal information applications and partly other applications)	-	-	-	-	-	-	-	-

Note: A personal information application is an access application for personal information (as defined in section 4 of the GIPA Act) about the applicant (the applicant being an individual).

Table C: Invalid applications FY2023/24

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of GIPA Act)	0
Application is for excluded information of the agency (section 43 of GIPA Act)	0
Application contravenes restraint order (section 110 of GIPA Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to the GIPA Act FY2023/24

Reason	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial Code of Conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under Electricity Network Assets (Authorised Transactions) Act 2015 (NSW)	0
Information about authorised transactions under Land and Property Information NSW (Authorised Transaction) Act 2016 (NSW)	0

Note: More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of GIPA Act FY2023/24

Reason	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timelines FY2023/24

Timeframe	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	0
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	0

Table G: number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome) FY2023/24

Review type	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner	0	0	0
Internal review following recommendation under section 93 of GIPA Act	0	0	0
Review by NSW Civil and Administrative Tribunal	0	0	0
Total	0	0	0

Note: The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the GIPA Act (by type of applicant) FY2023/24

Applicant	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access applications relates (see section 54 of the GIPA Act)	0

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the GIPA Act (by type of transfer) FY2023/24

Type of transfer	Number of applications transferred
Agency initiated transfers	0
Applicant initiated transfers	0

5.2.3 Public Interest Disclosures

Following legislative amendments, the *Public Interest Disclosures Act 2022* (NSW) commenced on 1 October 2023. IRO undertook significant governance uplift through the preparation and publication of the IRO Public Interest Disclosure Policy. This Policy provides guidance for staff on the process for making public interest disclosures, as well as advice on the support and protections available to them when making a disclosure.

There were no public interest disclosures made by IRO staff during the FY2023/24 reporting year.

The IRO Public Interest Disclosure (PID) Policy is available on our website.

5.2.4 Consultants

Table J: Use of consultants FY2023/24

Consultant	Business Unit	Category	Purpose	Amount (\$)
DGT Costs Lawyers	SPS	Management Service	IRO Appeal Costs Review Advice	\$2,250
Fiftyfive5	Office of the IRO	Management Service	User experience surveys and second wave benchmarking report	\$85,050
Butlin & Associates Pty Ltd	SPS	Management Service	Indexation Report: Independent Legal Assistance and Review Service (ILARS) Review	\$74,545
Deborah Dinnen	ILARS	Management Service	Review of ILARS grant matters	\$24,441
Protiviti	Office of the IRO	Management Service	Internal Audit	\$40,050
Protiviti	-	-	-	\$226,336

5.2.5 Consumer response

The best source of information about the quality of our services is from the people who use them. Further to gathering feedback through the ongoing user experience surveys discussed earlier in this Annual Report, we also gathered insights in the form of complaints, feedback or compliments. The receipt and management of complaints, feedback and compliments is informed by the IRO Complaints and Compliments Policy and the IRO Unreasonable Conduct Policy and Procedure. IRO handles complaints and enquiries in accordance with the IRO Complaint Handling Protocol (Protocol). These policies and the Protocol are available on our website.

IRO commenced a review of the Protocol in the second quarter of 2024, and as at September 16 2024, the review is complete and published on our website.

IRO received 13 complaints, and 57 compliments, from 1 July 2023 to 30 June 2024.

Complaints and compliments received in this financial year have assisted us in identifying areas for further improvement in our procedures and service delivery, as well as in identifying systemic issues more broadly. The circumstances giving rise to IRO complaints are reviewed and analysed and key themes and learning opportunities shared with staff to promote ongoing improvement. IRO is committed to maintaining, and where possible, continuing to improve the quality of the services we provide to the people who use them.

Table K: IRO complaints received by outcome and type for FY2023/24

		Complaint type				Total
		Practice, policy or procedure	Aspect of our service	Staff behaviour or conduct	Internal Review of decision	
Complaint outcome	Complaint sustained	0	0	1	1	2
	Complaint sustained in part	1	4	3	1	9
	Complaint not sustained	0	1	0	1	2
	Total	1	5	4	3	13

5.2.6 Employment and senior executive statistics

Senior executives and salaries by band for FY2023/24

IRO has three senior executive positions as at 30 June 2024, one of which is held by a woman. The details of the levels of the IRO executive positions and corresponding remuneration are shown below.

The Independent Review Officer is paid in accordance with determinations of the Statutory and Other Officers Remuneration Tribunal.

Table L: Senior executive salaries FY2023/24

Employment Category	Female	Male	Range \$	Average Range \$
Band 3	0	0	\$361,301-\$509,250	-
Band 2	0	0	\$287,201 - \$361,300	-
Band 1	1	2	\$201,350-\$287,200	\$244,724
Total	1	2	-	-

5.2.7 Employee relations policies and practices

Human resources

As at 30 June 2024, there were 69 people below the senior executive level working for the IRO on an ongoing and temporary basis in either a full time or part time capacity.

Table M: Number of employees by employment category

Employment Category	Number of Employees
Grade 11/12	29
Grade 9/10	6
Grade 7/8	14
Grade 5/6	18
Grade 3/4	2
Grade 1/2	0

No exceptional movements in wages, salaries or allowances were made in 2023/24. A personnel service arrangement between DCS and the IRO has been established under a Memorandum of Understanding.

The IRO has adopted the DCS employee relations policies and practices, including the DCS Positive and Productive Workplace policy, which assists employees to manage conflicts and grievances in the workplace. The policy focuses on maintaining a harmonious workplace by addressing conflicts as quickly and as close to the source as possible. The policy adopted by the IRO is under review at the date of publication.

IRO participates in the NSW Government Graduate Program. The program involves graduates rotating into IRO for a term of 6-months, providing them with structured and challenging experiences to develop capabilities relevant to working across the business, as well as skills relevant to their professional discipline and organisational needs.

5.3 Sustainability

5.3.1 Work Health and Safety (WHS)

IRO is committed to providing a safe, equitable and productive working environment for our staff which supports the requirements of the *Work Health and Safety Act 2011* (NSW). During the reporting year, IRO undertook the following activities to strengthen WHS arrangements:

- worked to maintain and build on our flexible working arrangements and to support the wellbeing of our team during this period. Flexible working hours were provided where possible,
- continued with the two tranche program provided by Benestar, which included a general wellbeing check-in and the second component offered to staff who wished to take it up, was a counselling service,
- commencement of a Learning & Development Officer to build further on the Induction Pack and assist with training program delivery,
- continued a program to make available high-value courses that would support team members to develop their careers. Several team members were funded to undertake courses in public sector leadership, mediation and process improvement methods,
- sponsored attendance by team members at various stakeholder conferences, and online seminars on topics broaching managing psychological injury and psychosocial hazards,
- ran events to promote wellbeing and keeping staff connected, including face-to-face and online catch ups. The feedback received from staff indicated they enjoyed the opportunity to engage with their colleagues,
- completed a Wellbeing/WHS Internal Audit.

No workers' compensation claims were reported in 2021, 2022, 2023 and 2024. IRO will continue to actively monitor WHS and staff wellbeing.

5.3.2 Disability Inclusion Action Plan and Multicultural Action Plan

IRO recognises that an inclusive workplace and workforce that reflects the diversity of the people of NSW enables us to deliver better services and outcomes for the community.

While IRO is not required to have our own Disability Inclusion Action Plan (DIAP) and Multicultural Plan (MP), we are committed to leveraging off Department of Customer Service (DCS) DIAP¹¹ and MP¹² and leveraging our position within the Customer Service Cluster.

We have closely reviewed the DIAP and MP, and in addition to participating as a Cluster agency, we have identified additional specific steps, aligned to commitments in the DIAP and MP, that IRO will take. Through these steps and other actions outlined in the DIAP and MP, we intend that IRO is accessible and inclusive to all team members, and that IRO is a safe and inclusive workplace that meets the needs of all community members who use our services.

Table N: Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark	2022	2023	2024
Women ²	50.0%	71.00%	70.4%	65.30%
Aboriginal and/or Torres Strait Islander people ³	3.3%	0.0%	4.3%	2.0%
People whose first language spoken as a child was not English ⁴	23.2%	16.1%	34.3%	37.4%
People with disability ⁵	5.6%	1.60%	7.1%	5.6%
People with disability requiring work-related adjustment ⁵	N/A	0.0%	3.5%	2.1%

Notes:

1. Statistics are based on NSW Public Service Commission Workforce Profile census data as of 23 June 2022, 22 June 2023 and 20 June 2024.
2. The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.
3. The NSW Public Sector Aboriginal Employment Strategy 2019–2025 takes a career pathway approach in that it sets an ambitious target of 3% Aboriginal employment at each non-executive grade of the public sector by 2025.
4. A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for 'People whose first language spoken as a child was not English'. The ABS Census does not provide information about first language but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.
5. In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: Jobs for People with Disability: A plan for the NSW public sector. The benchmark for 'People with disability requiring work-related adjustment' was not updated.

¹¹ DCS Disability Inclusion Action Plan, accessed on 29 July 2024.

¹² DCS Multicultural Plan, accessed on 29 July 2024.

Table O: Trends in the Distribution Index for Workforce Diversity Groups

Workforce diversity group	Benchmark	2022	2023	2024
Women	100	N/A	102	102
Aboriginal and/or Torres Strait Islander people	100	N/A	N/A	N/A
People whose first language spoken as a child was not English	100	N/A	101	105
People with disability	100	N/A	N/A	N/A
People with disability requiring work-related adjustment	N/A	N/A	N/A	N/A

Notes:

1. A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.
2. The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

5.3.3 Modern Slavery Act 2018 (NSW) reporting

In FY2023/24, no significant operational issues were raised by the NSW Anti-slavery Commissioner concerning the operations of IRO.

To ensure that goods and services procured by and for IRO during this financial year were not the product of modern slavery within the meaning of the *Modern Slavery Act 2018* (NSW), all IRO staff involved in procurement activities undertook an online training module which provided an introduction to modern slavery and their obligations. The module included:

- understanding what modern slavery is and the role of the NSW Anti-slavery Commissioner,
- learning to identify how modern slavery risks can arise, and
- recognising IRO's modern slavery due diligence and reporting obligations under NSW state law.

In accordance with the NSW Anti-slavery Commissioner's *Guidance on Reasonable Steps*, IRO adopts a 'shared responsibility' approach and works with DCS to ensure that modern slavery risks are actively monitored, mitigated and remediated.

More information and the *Guidance on Reasonable Steps* is available on the Office of the Anti-slavery Commissioner's website.

5.4 Risk management and insurance activities

5.4.1 Business risk insurance

During FY2023/24, IRO insurance coverage was provided through icare.

5.4.2 Liability management performance

IRO's demand and expenditure forecast model for ILARS, developed in 2021 with the assistance of KPMG, and includes a calculation of the contingent liability for all open ILARS grants. The model has been run at the end of each quarter of the reporting period.

The model run for quarter 4 of FY2023/24 shows that the contingent liability amount is \$150,958,000 and the total open cases was 35,588 as at 30 June 2024.

5.4.3 Account payable performance

IRO aims to pay all its invoices within 30 days unless legislatively required to pay sooner.

IRO uses purchase cards (PCards) for the payment of low dollar-value transactions. PCards are also used for a number of other IRO expense categories where transactions are \$10,000 or less in value and are not subject to a contractual requirement for a Purchase Order.

IRO aims to pay law firms and medical report providers for legal grants and disbursements managed by ILARS within 30 days. Law firms are not designated as small businesses in the payments system by IRO.

During FY2023/24, there were zero instances where penalty interest was paid for the late payment of invoices.

Table P: Aged analysis at the end of each quarter (for FY2023/24):

Quarter	Current	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days overdue	More than 90 days overdue	Total
All vendors						
Sep 23	\$24,023,903	\$33,296	-	-	-	\$24,057,199
Dec 23	\$27,260,992	\$526,110	-	-	-	\$27,787,103
Mar 24	\$24,865,929	\$945,641	-	-	-	\$25,811,570
Jun 24	\$32,713,483	\$1,047,154	-	-	-	\$33,760,637
Small business vendors						
Sep 23	\$564,394	\$33,296	-	-	-	\$597,690
Dec 23	\$746,469	\$140,904	-	-	-	\$887,372
Mar 24	\$447,436	\$247,433	-	-	-	\$694,869
Jun 24	\$743,077	\$297,405	-	-	-	\$1,040,482

Note: A small business is defined as a NSW business with less than 20 employees that supply to participating NSW Government agencies (www.smallbusiness.nsw.gov.au/what-we-do/our-work/faster-payment-terms). IRO's payment system does not distinguish law firms that are small businesses when making payments on approved invoices to acquit ILARS Grants of Funding, and invoices from the law firms are therefore not included in the 'small business vendors' report.

5.4.4 Accounts due or paid within each quarter

Table Q: Accounts due or paid by per quarter (in FY2023/24); all vendors

Measure	Sep 23	Dec 23	Mar 24	Jun 24
Number of invoices due for payment	4,477	5,068	4,835	6,258
Number of invoices paid on time	4,476	5,059	4,824	6,241
Percentage of invoices paid on time (based on number of invoices)	99.98%	99.82%	99.77%	99.73%
Amount due for payment	\$24,057,199	\$27,787,103	\$25,811,570	\$33,760,637
Amount paid on time	\$24,023,903	\$27,260,992	\$24,865,929	\$32,713,483
Actual percentage of accounts paid on time (based on \$)	99.86%	98.11%	96.34%	96.90%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on late accounts	-	-	-	-

5.4.4.1 Small business vendors

Table Q(i): Small business vendors

Measure	Sep 23	Dec 23	Mar 24	Jun 24
Number of invoices due for payment	11	21	16	20
Number of invoices paid on time	10	17	11	12
Percentage of invoices paid on time (based on number of invoices)	90.91%	80.95%	68.75%	60.00%
Amount due for payment	\$597,690	\$887,372	\$694,869	\$1,040,482
Amount paid on time	\$564,394	\$746,469	\$447,436	\$743,077
Actual percentage of accounts paid on time (based on \$)	94.43%	84.12%	64.39%	71.42%
Number of payments for interest on overdue accounts	-	-	-	-

Note: The report does not include payments made to employees, or payments related to payroll and superannuation. All numbers are reported as at 30 days from receipt of a correctly rendered invoice. IRO's payment system does not distinguish law firms that are small businesses when making payments on approved invoices to acquit ILARS Grants of Funding, and invoices from the law firms are therefore not included in the 'small business vendors' report.

5.5 Cyber Security Annual Attestation Statement for the 2023-2024 Financial Year for the Department of Customer Service (Secretary – NSW Department of Customer Service)

Independent Review Office



Cyber Security Annual Attestation Statement – FY2023/2024

I, Jeffrey Gabriel, attest that the Independent Review Office has managed cyber security risks in a manner consistent with the mandatory requirements set out in the NSW Government Cyber Security Policy (NSW CSP). The evidence presented to me as a part of this attestation demonstrates the Independent Review Office's continued commitment to safeguarding sensitive information and ensuring that public trust in government is maintained.

Independent Review Office has identified one cyber security high risk, that is currently outside of the defined risk appetite, and is driven by both the increasingly complex technology environment and persistent cyber threat. To treat this risk, a comprehensive and considered remediation strategy has been developed that will improve cyber security controls and enhance operational resilience to ensure the Independent Review Office is prepared and ready to respond to any and all cyber attacks.

Independent Review Office acknowledges that not all the mandatory requirements defined in the NSW Cyber Security Policy have been met by the Independent Review Office and that through the cyber security strategy and other uplift initiatives these key requirements will be achieved. Until this time, Independent Review Office acknowledges the residual risk that exists across the entity in scope of this attestation.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Gabriel".

Date: 17/09/2024

Jeffrey Gabriel
Independent Review Officer

5.6 Financial Performance

5.6.1 Financial Statements



INDEPENDENT AUDITOR'S REPORT

Office of the Independent Review Officer

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Office of the Independent Review Officer (the Office), which comprise the Statement by the Independent Review Officer, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policy Information and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2024* (GSF Regulation) and the Treasurer's Directions
- present fairly the Office's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Office in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Review Officer's Responsibilities for the Financial Statements

The Independent Review Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Independent Review Officer's responsibility also includes such internal control as the Independent Review Officer determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Independent Review Officer is responsible for assessing the Office's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Office carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



David Daniels
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 October 2024
SYDNEY



Mr Jeffrey Gabriel
Acting Independent Review Officer
Office of the Independent Review Officer
Level 8, 1 Oxford Street
DARLINGHURST NSW 2010

Contact: David Daniels
Phone no: 02 9275 7103
Our ref: R008-2124742775-7656

28 October 2024

Dear Mr Gabriel

STATUTORY AUDIT REPORT

for the year ended 30 June 2024

Office of the Independent Review Officer

I have audited the financial statements of the Office of the Independent Review Officer (the Office) as required by the *Government Sector Audit Act 1983* (GSA Act). This Statutory Audit Report outlines the results of my audit for the year ended 30 June 2024, and details matters I found during my audit that are relevant to you in your role as one of those charged with the governance of the Office. The GSA Act requires me to send this report to the Office's Accountable Authority, responsible minister and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on the Office's financial statements. I enclose the Independent Auditor's Report, together with the Office's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify and report all matters you may find of governance interest. Therefore, other governance matters may exist that I have not reported to you.

My audit is continuous. If I identify new significant matters, I will report these to you immediately.

Audit result

I expressed an unmodified opinion on the Office's financial statements.

Misstatements in the financial statements

Misstatements (both monetary and disclosure deficiencies) are differences between what has been reported in the financial statements and what is required in accordance with the Office's financial reporting framework. Misstatements can arise from error or fraud.

I have certain obligations for reporting misstatements:

- the Auditing Standards require matters of governance interest and significant misstatements identified during the audit to be communicated to those charged with governance
- statutory obligations require the Auditor-General to report misstatements resulting from or not detected because of failures in internal controls and/or systemic deficiencies which pose a significant risk to the Office

Our audit procedures did not identify reportable misstatements in the financial statements.

Compliance with legislative requirements

My audit procedures are targeted specifically towards forming an opinion on the Office's financial statements. This includes testing whether the Office complied with key legislative requirements relevant to the preparation and presentation of the financial statements. The results of the audit are reported in this context. My testing did not identify any reportable instances of non-compliance with legislative requirements.

Auditor-General's Report to Parliament

The results of the audit will be included in a 2024 Auditor-General's Report to Parliament.

Publication of the Statutory Audit Report

The information in this Statutory Audit Report and any attachments is confidential and intended for management and those charged with governance only. This document may not be shared with other parties without the consent of the Audit Office.

Acknowledgment

I thank the Office's staff for their courtesy and assistance.

Yours sincerely



David Daniels
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Office of the Independent Review Officer

STATEMENT BY THE INDEPENDENT REVIEW OFFICER

Pursuant to Section 7.6 (4) of the *Government Sector Finance Act 2018* ('the Act'), I state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the Government Sector Finance Regulation 2024 and the Treasurer's directions, and
- present fairly the Office of the Independent Review Officer's financial position, financial performance and cashflows as at 30 June 2024.



Jeffrey Gabriel
Acting Independent Review Officer

Date: 25 October 2024



INDEPENDENT AUDITOR'S REPORT

Office of the Independent Review Officer

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Office of the Independent Review Officer (the Office), which comprise the Statement by the Independent Review Officer, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policy Information and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2024* (GSF Regulation) and the Treasurer's Directions
- present fairly the Office's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Office in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Review Officer's Responsibilities for the Financial Statements

The Independent Review Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Independent Review Officer's responsibility also includes such internal control as the Independent Review Officer determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Independent Review Officer is responsible for assessing the Office's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Office carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



David Daniels
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 October 2024
SYDNEY

Office of the Independent Review Officer
FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
Expenses Excluding losses				
Employee related expenses	2(a)	12,533,000	11,578,154	10,110,998
Operating expenses	2(b)	4,880,000	4,530,217	4,892,287
Grants and subsidies	2(c)	71,038,000	98,575,117	88,009,799
Total expenses excluding losses		88,451,000	114,683,488	103,013,084
Revenue				
Grants and other contributions	3(a)	88,207,000	114,422,315	103,045,123
Acceptance by the Crown of employee benefits and other liabilities	3(b)	-	261,173	(32,064)
Other income		-	-	25
Total revenue		88,207,000	114,683,488	103,013,084
Operating result		(244,000)	-	-
Net result		(244,000)	-	-
Total other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		(244,000)	-	-

The accompanying notes form part of these financial statements.

Office of the Independent Review Officer
FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
ASSETS				
Current assets				
Cash and cash equivalents	4	5,740,000	5,648,287	5,984,163
Receivables	5	2,688,000	4,155,210	2,688,383
Total current assets		8,428,000	9,803,497	8,672,546
Non-current assets				
Total non-current assets		-	-	-
Total assets		8,428,000	9,803,497	8,672,546
LIABILITIES				
Current liabilities				
Payables	6	4,648,000	6,284,045	4,648,954
Provisions – employee ¹	7 (a)	4,024,000	1,243,953	1,108,148
Provisions – other ¹	7 (b)	-	2,254,557	2,901,951
Total current liabilities		8,672,000	9,782,555	8,659,053
Non-current liabilities				
Provisions - employee	7 (a)	-	20,942	13,493
Total non-current liabilities		-	20,942	13,493
Total liabilities		8,672,000	9,803,497	8,672,546
Net assets		(244,000)	-	-
EQUITY				
Accumulated funds		(244,000)	-	-
Total equity		(244,000)	-	-

The accompanying notes form part of these financial statements.

¹ The provision budget figure is from the original budget papers and is for all provisions. For financial reporting, actual provision amounts for FY2024 and FY2023 have been classified into employee and other provisions.

Office of the Independent Review Officer
FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2024

	Accumulated funds	Total Equity
	\$	\$
Balance at 1 July 2023	-	-
Net result for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2024	-	-

	Accumulated funds	Total Equity
	\$	\$
Balance at 1 July 2022	-	-
Net result for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2023	-	-

Office of the Independent Review Officer

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
CASH FLOW FROM OPERATING ACTIVITIES				
Payments				
Employee related		12,533,000	11,196,000	10,136,809
Suppliers for goods and services ²		-	5,179,352	4,038,026
Grants and subsidies		71,038,000	96,901,328	88,831,820
Other cash payments ²		4,880,000	-	115,720
Total payments		88,451,000	113,276,680	103,122,375
Receipts				
Grants and contributions		88,207,000	112,929,122	107,725,758
Other cash receipts		-	11,682	-
Total receipts		88,207,000	112,940,804	107,725,758
NET CASH FLOWS FROM OPERATING ACTIVITIES	8	(244,000)	(335,876)	4,603,383
CASH FLOWS FROM INVESTING ACTIVITIES				
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
Opening cash and cash equivalents		5,984,000	5,984,163	1,380,780
CLOSING CASH AND CASH EQUIVALENTS	4	5,740,000	5,648,287	5,984,163

The accompanying notes form part of these financial statements.

² Budget for suppliers for goods and service is zero, as the original Budget Papers reports this as other cash payments.

Office of the Independent Review Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION

(a) Reporting Entity

The Office of the Independent Review Officer (OIRO) is a NSW Government agency and is controlled by the State of New South Wales, which is the ultimate parent entity. OIRO is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

These financial statements for the period 1 July 2023 to 30 June 2024 have been authorised for issue by the Independent Review Officer on 25 October 2024.

(b) Basis of Preparation

OIRO's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- Applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations).
- The requirements of the *Government Sector Finance Act 2018* (GSF Act) and the Government Sector Finance Regulation 2024 and in Treasurer's Directions issued under the GSF Act.

Financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

The financial statements are prepared on the assumption that OIRO is a going concern as at 30 June 2024 and will continue its normal operating activity for the foreseeable future. Reasons for this include:

- The OIRO's functions are prescribed by legislation (under Schedule 5 to the *Personal Injury Commission Act 2020*).
- Section 35 of the the *Workplace Injury Management and Workers Compensation Act 1998* (WIMA) provides for payments from the Workers Compensation Operational Fund (WCOF), for specified purposes including:
 - The remuneration of the Independent Review Officer and OIRO staff, and the costs incurred in connection with the exercise of the functions of the Officer arising under the Workers Compensation Acts.
- Management has considered and discussed the possibility of a full realisation of contingent liabilities on any given date and notes that the Exchange of Letters between the OIRO and the State Insurance Regulatory Authority (SIRA) detail that the liability will be funded in accordance with legislative requirements.

Judgements, key assumptions, and estimations that management have made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest dollar and are expressed in Australian currency, which is the OIRO's presentation and functional currency.

Office of the Independent Review Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(c) Statement of Compliance

The financial statements and notes comply with the AAS, which include Australian Accounting Interpretations.

(d) Equity – Accumulated Funds

OIRO does not have accumulated funds, as its operations are fully funded resulting in nil operating results in its Statement of Comprehensive Income.

(e) Comparative Information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

(f) Changes in accounting policies, including new or revised Australian Accounting Standards

i. Effective for the first time in financial year 2024:

The accounting policies applied in FY2024 are consistent with those of the previous financial year. The following amendments and interpretations apply for the first time in the 2024 financial year and have resulted in updated disclosures in the financial statements of OIRO.

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates. This amendment requires entities to disclose material accounting policies and provides clearer definitions of accounting estimates. OIRO has reviewed and updated its disclosures to comply with these new requirements.

ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards unless NSW Treasury determines otherwise.

OIRO has determined that the standards issued but not yet effective are unlikely to have a material impact on the financial statements for the year ended 30 June 2024. AASB 18 Presentation and Disclosure of Financial Statements (AASB 18) was issued on 14 June 2024, and will replace when the standard is first adopted for the financial year ending 30 June 2029, its impact will be limited to changes to the presentation and disclosure of items in the financial statements.

Office of the Independent Review Officer
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2024

2. EXPENSES EXCLUDING LOSSES

(a) Employee related expenses

	2024	2023
	\$	\$
Salaries and wages (including annual leave)	9,673,970	8,727,901
Payroll tax and Fringe Benefit Tax	567,170	476,031
Superannuation - defined contribution plans	955,966	826,988
Superannuation - defined benefit plans	496	936
Workers' compensation insurance ³	60,379	87,728
Long service leave ⁴	260,677	(33,000)
Other long service leave on costs	59,496	24,414
Total	11,578,154	10,110,998

(b) Operating expenses

	2024	2023
	\$	\$
Advertising ⁵	578	80,664
Auditor remuneration -Audit Fin Report ⁶	118,650	128,000
Books and periodicals	1,814	20,616
Computer expenses	1,508,283	889,750
Conference	79,456	80,644
Consultants	226,336	593,718
Contractors	576,765	1,153,241
Corporate cost allocation	515,481	471,000
Fees and charges	189,483	203,644
Host fees	20,500	42,301
Legal	13,228	10,000
Marketing ⁵	6,534	-
Maintenance	-	1,390
Minor equipment	3,794	9,005
Network operating costs	34,256	36,554
Occupancy	916,579	972,218
Other operating expenses	31,696	9,843
Insurance ³	37,713	-
Postage and telephone	57,483	59,976
Printing and stationery stores	4,968	4,575
Training	176,424	107,752
Travel expenses	10,196	17,396
Total	4,530,217	4,892,287

³ Insurance premium for FY2023 for public liability and miscellaneous insurance \$29,944 were included with the workers' compensation insurance under employee related expenses. In FY2024 these premiums have been shown separately under operating expenses \$37,713.

⁴ Long service leave assumed by the Crown. NSW Treasury's year end present value, discount factor calculations resulted in the negative movement adjustments in the last financial year 2023.

⁵ Marketing costs were split from Advertising in FY2024 to highlight the actual Advertising costs, which is an election savings commitment in FY2024.

⁶ The Audit fee for FY2024 is \$118,650. Similarly, the Audit fee for FY2023 of \$128,000 represents \$113,000 for FY2023 and additional fees of \$15,000 for FY2022.

Office of the Independent Review Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Recognition and Measurement

Operating expenses generally represent the day-to-day running costs incurred in the normal operation of OIRO. All expenses are recognised as incurred, refer note 2(b).

Consultants

In FY2024, IRO has undertaken five consulting services to date. Consultancy services relate to Independent Legal Assistance and Review Service (ILARS) reviews and recommendations, Health Information Management and Security process review, and user experience.

Contractors

This includes the fees for current contract employees. An 'other contractor' expense is any individual or organisation (other than a consultant) who is engaged to undertake work that would or could be regarded as normally undertaken by an employee, but internal expertise is not available. As at 30 June 2024, the contractor cost has reduced by 50 percent in comparison to last year expenditure on the pro-rata basis. This is primarily related to the cessation of the business process review project.

Corporate Cost Allocation

This includes corporate services provided to OIRO by the Department of Customer Service (DCS). Some of the functions provided include finance, procurement, workplace & facilities, governance, risk & performance, Internal audit, information security, ICT, people & culture, and the Office of the Secretary.

The corporate cost allocation model is based on the service catalogue for direct costs and the indirect allocation is based on head count and on a per project basis.

Fees and Charges

This includes fees for interpreting, GovConnect NSW recovery fees and the employee assistance program fees. GovConnect NSW is a partnership between the NSW Government and shared service providers. GovConnect NSW provides support for human resources, payroll, finance, and ICT services.

Occupancy

This includes the internal accommodation charge from DCS to OIRO. The DCS is responsible for adhering to the tenancy schedule in place with Property NSW (PNSW). As a result, DCS settles occupancy charges and seeks reimbursement from OIRO. Occupancy cost is charged by DCS and includes both rental costs and the OIRO office refurbishment depreciation.

Insurance

The OIRO's insurance activity is conducted through the NSW Treasury Management Fund Scheme of self-insurance for government entities. The expense (premium) is determined by the fund manager based on past claims experience. Premiums are paid for workers compensation, dust diseases and SIRA levies, public liability, and miscellaneous insurance.

Computer expenses

This includes all computer and software related expenses. Expenditure for FY2024 increased compared to FY2023 due to Resolve system enhancements, IT support costs from DCS and IRO website review and design completion.

Office of the Independent Review Officer
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2024

(c) Independent Legal Assistance and Review Service (ILARS) Grants

	2024	2023
	\$	\$
Disbursements	41,099,822	36,687,187
Approved Lawyer Professional Fees	57,475,295	51,322,612
Total	98,575,117	88,009,799

ILARS Grants

ILARS grants managed and administered by the OIRO, allows Approved Lawyers to apply for funding (grants) to provide injured eligible workers legal advice about, and assistance to pursue, workers compensation rights and entitlements. Grants of funding cover professional fees, counsel's fees, medical report fees and the cost of other disbursements and incidental expenses reasonably necessary to investigate a claim or pursue a dispute about a claim, including where a claim progresses to the Personal Injury Commission or higher courts, where appropriate.

Approved Lawyers make applications to OIRO for grants of funding to assist injured eligible worker clients. As at 30 June 2024, OIRO received 25,345 applications for ILARS grants from Approved Lawyers (FY2023 22,642).

OIRO recognised grant expenditure during the financial year 2023-24 as follows:

1. When invoices are received and processed in the Resolve Case Management System and SAP Accounting system.
2. A grant accrual is processed based on invoices received but not yet processed in the Resolve and SAP at the balance date. In FY2024 OIRO recognised accruals for Approved Lawyer professional fees and disbursements of \$3.293m (FY2023 \$1.182m); and Medical Report Provider (MRP) disbursements of \$1.486m (FY2023 \$1.385m), refer to note 6.
3. A provision is estimated for MRP services received but invoices not yet received at the balance date. In FY2024 OIRO recognised current provision for MRP disbursements of \$2.255m (FY2023 \$2.877m), refer to note 7.

OIRO estimated a contingent liability using the ILARS demand and forecast model for the open grants at the end of the reporting period. In FY2024 OIRO recognised the Contingent Liability of \$150.96m (FY2023 \$134.95m), refer to note 11.

Office of the Independent Review Officer
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2024

3. REVENUE

(a) Grants and Contributions

	2024	2023
	\$	\$
Workers Compensation Operational Fund (WCOF)	113,700,263	102,344,101
Motor Accidents Operational Fund (MAOF)	722,052	701,022
Total	114,422,315	103,045,123

The operations of OIRO are fully funded by the WCOF and the MAOF (*Motor Accidents Injuries Act 2017*, and the MAOF fund (*per section 10.12(3)(b1)*). These funds are administered by the State Insurance Regulatory Authority (SIRA).

Recognition and Measurement

Grants and Contributions income is recognised in accordance with the requirements of AASB 1058 Income of Not-for Profit Entities.

(b) Acceptance by the Crown of employee benefits and other liabilities

The following liabilities have been assumed by the Crown:

	2024	2023
	\$	\$
Long service leave - Crown accepted ⁷	260,677	(33,000)
Superannuation - Crown accepted	496	936
Total	261,173	(32,064)

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2024	2023
	\$	\$
Cash at Bank	5,648,287	5,984,163

⁷ The long service leave adjustment is based on the present value calculation provided by NSW Treasury. The negative balances in long service leave expenses are the result of NSW Treasury's end of year present value long service leave top-up process, based on actuarial review. Movements in present value discount factor is adjusted back to the profit and loss as a debit/(credit) depending on whether the discount factor is higher or lower than prior year.

Office of the Independent Review Officer
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2024

5. CURRENT ASSETS – RECEIVABLES

	2024	2023
	\$	\$
Debtors	-	51,000
GST Receivable	611,482	623,164
Prepayments	107,412	71,096
Supplementary ILARS Funding (funded from the WCOF) ⁸	3,436,316	1,943,123
	4,155,210	2,688,383

Section 35 of the *Workplace Injury Management and Workers Compensation Act 1998* provides for the costs incurred in connection with the exercise of functions by the Independent Review Officer arising under the Workers Compensation Act to be paid from the Workers Compensation Operational Fund (WCOF).

Any variances between the funds received from SIRA, OIRO expenses are reported in the Statement of Financial Position as either a payable or receivable, such that any surplus funds may have to be returned to SIRA, or additional funding may be requested by OIRO and advanced by SIRA to meet any deficit.

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in note 9.

Recognition and Measurement

Receivables are initially recognised at fair value plus any directly attributable transaction costs.

OIRO is not exposed to credit risk, as its receivables counter parties are all government entities.

Subsequent measurement

The entity holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

⁸ OIRO is a Net Cost of Service (NCOS) Zero entity. As at 30 June 2024, the OIRO requires a budget supplementation (receivables) of \$3,436,316 (FY2023 \$1,943,123) from SIRA to bring the NCOS to Zero.

Office of the Independent Review Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Budget Supplementation (Grants and Other contributions)

As at 30 June 2024, OIRO's actual expenditure was greater than the agreed budget amount from SIRA. Budget supplementation of \$22.50m (\$15.00m in March 2024 and \$7.50m in May 2024) has been received in FY2024. Additional funds amounting to \$3,436,316 will be required from SIRA to cover the expenditure gap and to bring the Net Cost of Service to Zero.

The OIRO has notified SIRA of the additional funding requirements from the WCOF, consistent with the funding agreements between OIRO and SIRA. Conversely, in instances where actual expenditure is less than the funding advanced by SIRA, OIRO will release surplus revenue to the Statement of Financial Position i.e. as an amount repayable to SIRA (unearned income).

6. CURRENT LIABILITIES – PAYABLES

	2024	2023
	\$	\$
Accrued salaries wages & on costs	214,191	236,464
Corporate credit card	11,214	3,822
Trade payables ⁹	1,035,757	1,618,059
ILARS - Professional fees and disbursements accruals	3,293,084	1,182,368
ILARS - Medical report provider (MRP) accruals	1,485,723	1,385,086
Sundry accruals	244,076	223,155
	6,284,045	4,648,954

Recognition and Measurement

Payables represent liabilities for goods and services provided to OIRO. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method.

OIRO recognises ILARS approved grant professional fees and disbursements as accruals based on invoices received but not entered into the accounting system. Similarly, MRP invoices received but not processed prior to 30 June 2024 are accrued.

⁹ Trade payables as at 30 June 2024 is \$1.0m (\$1.6m FY2023) and is mainly comprised of ILARS invoices (both professional fees and disbursements) of \$0.7m as well as other trade payables of \$0.3m.

Office of the Independent Review Officer
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2024

7. CURRENT / NON-CURRENT PROVISIONS

(a) EMPLOYEE PROVISIONS	2024	2023
	\$	\$
Current		
Annual Leave provision on-costs	963,083	971,714
Long service leave provision on-costs ¹⁰	188,481	136,434
Paid parental leave provision	92,389	-
Total Current Provisions	1,243,953	1,108,148
Non-current		
Long service leave provision on-costs ¹⁰	20,942	13,493
Total Non-Current Provisions	20,942	13,493
Aggregate employee benefits on-costs		
Provisions – current	1,243,953	1,108,148
Provisions – non-current	20,942	13,493
Total	1,264,895	1,121,641
Provisions expected to be settled within 12 months from reporting date		
Annual leave provision on-costs	730,055	721,597
Paid parental leave provision	92,389	-
Total	822,444	721,597
Provisions expected to be settled in more than 12 months from reporting date		
Annual leave provision on-costs	233,028	250,117
Long service leave provision on costs	209,423	149,927
Total	442,451	400,044
 (b) OTHER PROVISIONS	 2024	 2023
	\$	\$
Current		
ILARS - MRP provision	2,254,557	2,876,810
Genesys contract centre service charges provision	-	25,141
Total	2,254,557	2,901,951

Other Provisions are expected to be settled within 12 months from reporting date.

¹⁰ Long service leave (LSL) provision is calculated annually as advised per NSW Treasury communication.

Office of the Independent Review Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Employee benefits and related on-costs

Salaries and wages, annual leave, and sick leave

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by NSW Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4 percent of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

Long service leave

The entity's liabilities for long service leave are assumed by the Crown. The entity accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as acceptance by the Crown of employee benefits and other liabilities.

Long service leave is measured at present value based on the application of certain factors (specified in TPG 24-23) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

Paid parental Leave

Paid parental leave (up to 16 weeks) can be accumulated for up to 24 months and the provision is recognised when an employee becomes eligible. The provision is valued based on parental leave yet to be paid. This provision (\$92,389) was recognised as employee related expenses for the first time in 2024.

Other provisions

The MRP provisions (ILARS Disbursements) are estimated using invoice averages over the last three months. However, in instances, where data is not available, other approaches are taken to ensure reliable estimates are established. These calculations are either based on 3 months historical data or on actual confirmation from service providers.

Office of the Independent Review Officer
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2024

8. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2024	2023
	\$	\$
Net cash flows from operating activities	(335,876)	4,603,383
Increase / (decrease) in prepayments and other assets	1,466,827	(4,510,133)
Decrease / (increase) in payables	(1,635,091)	992,838
Decrease / (increase) in provisions	504,140	(1,086,088)
Net result	-	-

9. FINANCIAL INSTRUMENTS

OIRO's principal financial instruments are outlined below. These financial instruments arise directly from OIRO's operations or are required to finance OIRO's operations. OIRO does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

OIRO's main risks arising from financial instruments are outlined below, together with OIRO's objectives, policies, and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout the financial statements.

The Independent Review Officer (IRO) has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by OIRO, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by OIRO on a continuous basis.

As at 30 June 2024

Class	Note	Category	Carrying amount \$
Financial Assets			
Cash and cash equivalents	4	Amortised Cost	5,648,287
Receivables ¹¹	5	Amortised Cost	3,436,316
Financial Liabilities			
Payables ¹²	6	Financial liabilities measured at amortised cost	6,228,473

As at 30 June 2023

Class	Note	Category	Carrying amount \$
Financial Assets			
Cash and cash equivalents	4	Amortised Cost	5,984,163
Receivables ¹¹	5	Amortised Cost	1,994,123
Financial Liabilities			
Payables ¹²	6	Financial liabilities measured at amortised cost	4,594,987

¹¹ Excludes statutory receivables and prepayments (i.e., not within scope of AASB 7).

¹² Excludes statutory payables and unearned revenue (i.e., not within scope of AASB 7).

Office of the Independent Review Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the entity has transferred substantially all the risks and rewards of the asset; or
- the entity has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When the entity has transferred its rights to receive cash flows from an asset or has entered a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the entity's continuing involvement in the asset. In that case, the entity also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(a) Credit risk

OIRO is not exposed to credit risk, as its receivables counter parties are all government entities.

Credit risk arises from the financial assets of OIRO, including cash at bank and receivables. No collateral is held by OIRO. OIRO has not granted any financial guarantees.

(b) Cash and cash equivalents

Cash comprises bank balances. OIRO does not earn interest on its daily bank balances.

Office of the Independent Review Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

OIRO is not exposed to market risk.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

In 2015-16, NSW Treasury introduced cash management reforms that now apply to OIRO. Under the reforms, OIRO will not earn interest from NSW Treasury on its financial assets.

OIRO did not have exposure to interest rate risk as it did not have funds invested earning interest.

(e) Liquidity risk

Liquidity risk is the risk that an organisation will be unable to meet its payment obligations when they fall due. OIRO manages its risk by obtaining funds from SIRA to support its operations and working to ensure, wherever possible, that expenses are contained within budget.

OIRO has agreed funding arrangements with SIRA outlining funding arrangements for OIRO. Where OIRO has insufficient cashflow to meet its expenditure during the financial year:

- OIRO may seek a cash advance where the insufficient cashflow arises from a timing issue, and OIRO is otherwise within budget, by writing to SIRA seeking the advance. SIRA will advance the funding, subject to funding availability and will adjust the remaining budget, in consultation with OIRO.
- OIRO may seek a budget supplementation where the insufficient cashflow is a budgetary issue, by writing to SIRA seeking budget supplementation. This request will be considered by the SIRA Board and upon their approval, SIRA will advance the funding.

In addition, OIRO has developed a Cash Funding Management Policy.

As at 30 June 2024, there were no default or breaches on any loans payable. No assets have been pledged as collateral. OIRO does not have any loans or assets that could be pledged as collateral.

OIRO's exposure to liquidity risk is deemed insignificant based on current assessment of risk.

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

Office of the Independent Review Officer
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2024

	Weighted Average Effective Int. Rate %	Nominal Amount ¹³	Interest rate exposure			Maturity dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 year	1 to 5 years	> 5 years
2024 Payables ¹⁴	N/A	\$6,228,473	-	-	\$6,228,473	\$6,228,473	-	-
2023 Payables ¹⁴	N/A	\$4,594,987	-	-	\$4,594,987	\$4,594,987	-	-

(f) Fair Value Measurement

Fair value compared to carrying amount.

OIRO does not hold financial assets and financial liabilities where the fair value differs from the carrying amount.

10. CAPITAL COMMITMENT

OIRO has no outstanding capital commitments at balance date.

11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2024	2023
	\$	\$
Contingent Liabilities - ILARS	150,958,000	134,949,000

As at the 30 June 2024 there were 35,588 open cases (FY2023 31,976), and a contingent liability of \$150,958,000 (FY2023 \$134,949,000) was estimated excluding any accruals and provisions recognised in the financial statements.

According to AASB 137 Provisions, Contingent Liabilities and Contingent Assets, a contingent liability must be disclosed on OIRO’s financial statement rather than recognised as a provision because the economic outflow is not “probable” or cannot be reliably quantified until the grant is finalised.

The contingent liability has been estimated utilising a demand and expenditure forecasting model developed by OIRO utilising case management data from FY2013 onwards. The contingent liability estimation has been based on historical ILARS grant data from 2019-2024 financial years grouped by the high-level primary injury category and outcome mix. The cost estimate is based on the historical proportions between different outcomes. The model uses the average cost to finalise per outcome less average cost already spent based on the case mix of open cases. As at 30 June 2024, an indexation rate of 5.50 percent used for FY2025 based on SIRA fee increase, and 2.75 percent for FY2026 and 2.50 percent thereafter was based on NSW Treasury economic forecast rate for disbursements only. The professional fees indexation of 10 percent will be applied every 3 years (commencing from FY2025), A discount rate of 3.94 percent was applied to the model based on 3 years Commonwealth bond rate. The SIRA funding arrangements for contingent liabilities were explained in detail at note 1(b).

¹³ The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The amounts include both interest and principal cashflows and therefore will not reconcile to the amounts disclosed in the statement of financial position.

¹⁴ The amounts disclosed here exclude statutory payables and unearned revenue (not within scope of AASB 7).

Office of the Independent Review Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

12. RELATED PARTY DISCLOSURES

Key management personnel

	2024	2023
	\$	\$
Short-term employee benefits:		
Salaries	1,339,000	1,461,000
Post-employment benefits	139,000	148,000
Termination benefits	45,000	-
Total Remuneration	1,523,000	1,609,000

OIRO did not enter into any transactions with key management personnel, their close family members, and controlled or jointly controlled entities of key management personnel.

As at 30 June 2024, other related party transactions include:

- Grants and contributions received from SIRA \$114,422,315 (FY2023 \$103,045,123).
- Long Service Leave assumed by Crown \$261,173 (FY2023 -\$32,064).
- Payments for audit services to Audit Office \$118,650 (FY2023 \$128,000).
- Payments for the provision corporate services to DCS \$515,481 (FY2023 \$471,000).
- Payments for iCare workers' compensation insurance and other liability and miscellaneous \$98,092 (FY2023 \$87,728).
- Payments for rental charges and other Customer Services support charges \$916,579 (FY2023 \$972,218).
- Payments for DCS pass through charges mainly related to the Fee for service, Software and Hardware, GovConnect charges \$775,344 (FY2023 \$1,013,282).

13. EVENTS AFTER THE REPORTING PERIOD

There are no known events after the reporting period which would give rise to a material impact on the reported results or financial position of OIRO as at 30 June 2024.

14. BUDGET REVIEW

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g., adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Employee Related

Employee related expenses report a favourable variance to Budget as the full complement of staff has not been recruited throughout the financial year. The favourable variance is offset to some extent by Contractor expenses incurred and not budgeted for supporting the workforce needs of the OIRO.

Office of the Independent Review Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Grants and Contributions

Grants and contributions exceeded the budget because grants and subsidies expense consisting of Disbursements and Approved Lawyer Professional Fees, collectively known as ILARS Grants continued to exceed the budgeted value approved by SIRA with a negative variance. The reasons for this include an increase in the past several years in applications for ILARS grants from Approved Lawyers, and a steadily increasing numbers of ILARS grants being finalised by OIRO. Factors that impact the demand for ILARS (such as the performance of workers compensation insurers, the design of the workers compensation scheme and the nature of injuries to workers) are largely outside the control of OIRO and reflect events and trends in the workers compensation system.

Total Expenditure

Total approved expenditure budget for OIRO in FY2023-24 is \$88.45m. Actual expenditure for the period 30 June 2024 is \$114.68m. This is over the approved budget by \$26.23m. Supplementary payments totalling of \$22.50m have been received from SIRA during March (\$15m) and May (\$7.5m) to cover this increased expenditure. Further budget supplementation is expected to be received in November/December 2024 from SIRA of \$3.44m to cover the budget shortfall in ILARS expenditure (refer note 5). The balance of \$0.26m relates to the revenue from acceptance by the Crown of employee benefits and other liabilities (refer note 3(b)).

The expenditure overspend is due to higher actuals than budget in ILARS (grants and subsidies) expenditure of \$27.50m. During FY2023-24, an additional budget of \$35.00m for grants and subsidies has been approved by SIRA for future years to cover the on-going increase in ILARS expenditure.

Net result

The approved budget net result for FY2023-24 was \$0.24m (FY2024 escalation). The actual net result is equal to zero as OIRO is a Zero Net Cost of Service agency. A budget adjustment has been processed to correct the approved net result back to zero.

Assets and liabilities

The approved budget net assets of \$0.24m (FY2024 escalation) consisted of \$8.43m total assets and \$8.67m total liabilities. The net assets as at 30 June 2024 is equal to zero as the OIRO is a Zero Net Cost of Service agency and does not hold any retained funds or equity in the entity. As such the original approved budget has been revised and is zero as at 30 June 2024.

Cash flows

The actual cash flow of \$5.64m was below the budget of \$5.74m due to higher payments in ILARS (grants and subsidies).

END OF AUDITED FINANCIAL STATEMENTS

5.6.2 Compliance Checklist

Table R: Compliance checklist – Reporting requirements¹³

Compliance requirement	Section in the annual report
Access (agency's address, telephone number and the business and service hours)	Cover pages
Acknowledgement of Country	About this report
Agreements with Multicultural NSW	N/A
Aims and objectives	About IRO Corporate performance – Strategic priorities
Annual Report production cost and online availability	Cover pages About this report
Application for extension of time	N/A
Budgets	N/A
Charter	About IRO
Combined annual reports	N/A
Consultants	Consultants
Consumer response	Consumer response
Costs and benefits associated with Machinery of Government changes	N/A
Controlled entities	N/A
Cyber Security Policy attestation	Appendix
Disability Inclusion Action Plan	Sustainability
Disclosure of controlled entities	N/A
Disclosure of Subsidiaries	N/A
Economic or other factors	N/A
Events arising after the end of the annual reporting period	N/A
Exemptions	N/A
Financial Statements	Financial statements
Funds granted to non-government community organisations	N/A
Government Information (Public Access) Act 2009 (NSW) reporting	Accessing IRO information
Human resources	Employment and senior executive statistics Employee relations policies and practices
Identification of audited financial statements	Financial statements
Internal audit and risk management policy attestation	Corporate Governance Risk management and insurance activities

¹³ Annual Reporting Requirements Treasury Policy and Guidelines (TPG23-10).

Compliance requirement	Section in the annual report
Investment and Liability Management Performance	Risk management and insurance activities
Land disposal	N/A
Legal Change	N/A
Letter of Submission	Letter of Submission
Management and activities	About IRO
	IRO Snapshot 2023/24
	Solutions
	Grants of Legal Funding
	System Overview
	Corporate performance
	Corporate governance
Management and structure	About IRO
<i>Modern Slavery Act 2018</i> (NSW) reporting	Sustainability
Multicultural Policies and Services Program	Sustainability
Numbers and remuneration of senior executives	Employment and senior executive statistics
Other information (external production cost of the annual report, website the report can be accessed)	Cover pages
Payment of Accounts	Accounts payable performance
Performance information	Solutions
	Grants of Legal Funding
Implementation of price determination	Operations and Performance
Compliance with <i>Privacy and Personal Information Protection Act 1998</i> (NSW)	Accessing IRO information
Promotion	N/A
Public interest disclosures (PIDs)	Public interest disclosures
Requirements arising from employment arrangements	Corporate governance
	Employment and senior executive statistics
Research and development	N/A
Risk management and insurance activities	Corporate governance
	Risk management and insurance activities
SDA Account financial reports	N/A
Social program	N/A
Strategic objectives and outcomes	Strategy

Compliance requirement	Section in the annual report
Summary review of operations	IRO Snapshot
	Corporate performance
Time for Payment of Accounts	Risk management and insurance activities
Unaudited financial information	Financial performance
Work Health and Safety (WHS)	Sustainability
Workforce Diversity	Sustainability

5.7 Glossary

Commission, WCC, PIC

Commission in this report refers either to the Workers Compensation Commission (WCC) for proceedings and decisions prior to 1 March 2021 or the Personal Injury Commission (PIC) for proceedings and decisions on or after 1 March 2021.

Complaint

A complaint is an expression of dissatisfaction or grievance made to IRO about an insurer where a response or resolution is explicitly or implicitly expected.

Clauses 6 and 8 of Schedule 5 to the PIC Act are to the effect that one of the functions of the Independent Review Officer is to deal with complaints about the acts or omissions of insurers that affect a claimant's rights, entitlements or obligations under workers compensation or CTP legislation.

Enquiry

An enquiry is a request for information which does not usually require referral to an insurer.

Early intervention or early solutions matter

An early intervention or early solutions matter is one that is the subject of an ILARS grant of funding, where the injured worker has legal representation and where it may be appropriate for IRO to intervene to prompt an early solution.

Final outcome

Includes matters finalised after proceedings have been commenced in the Commission by the worker and the Commission decides the dispute; and matters resolved with the agreement of the injured worker and insurer before proceedings are commenced or during proceedings in the Commission (including where early solutions are achieved with the assistance of IRO).

No final outcome

Includes all matters where the worker does not advance a claim or dispute to a final resolution, including where comprehensive legal advice is provided, where the worker ceases to instruct a lawyer, where a lawyer advises a worker not to proceed, where a lawyer has lost contact with a worker, or where a claim is investigated (including by obtaining specialist medical evidence) but the relevant impairment threshold or pre-requisites to pursue a claim are not met. In these grants, the 'matter' does not proceed to a final outcome.

Number and type of complaint

For the purposes of Table 3 and Table 4, data is categorised as one issue per complaint. Where a complaint involves multiple issues, only the primary issue is recorded. This is consistent with SIRA practice.

Outcomes of complaints and early intervention matters:

Resolved - Benefit

to prompt the acceptance of a claim which had not previously been determined, an increase in the value of an existing benefit (for example, increased weekly payments) or the insurer to overturn a decision to dispute liability.

Resolved - Action

to prompt the insurer to take action to progress a claim, for example to amend an injury management plan or to arrange a medical examination.

Resolved - Information

to provide information to the injured person, for example to confirm correct advice was provided by the insurer after independent examination by IRO or ensure access to information the person is entitled to.

Referred

to refer the injured person to another entity (such as a lawyer) or organisation who is best able to assist them.

Position improved

Finalised grants where the worker's claim:

- is resolved by direct negotiation and agreement between the worker and insurer after investigation
- is resolved by a Commission decision and the worker improves their position (the worker's dispute before the Commission is determined wholly or partly in favour of the worker)
- is resolved after the IRO successfully intervenes at an early stage to prompt a solution or resolution of a dispute.

Position not improved

Finalised grants where the injured worker does not improve their position (i.e. the worker's dispute before the Commission is determined in favour of the insurer or employer, and the worker receives no compensation).

Resolved pre-proceedings

Matters resolved pre-proceedings with the agreement of the injured worker and insurer. Matters resolved at pre-proceedings represent an improved position. Where the parties cannot agree, the matter either proceeds to the Commission and a final outcome will be recorded, or the matter is not continued by the worker and the grant is recorded as having no final outcome.

WC complaints

For the purposes of Table 1, 'WC complaints' data does not include early intervention matters.

All tables

Percentages may not add up to 100%, as they are rounded to the nearest per cent.





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