

OFFICIAL



CTP REGULATOR

2022-23 Annual Report

CTP REGULATOR

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To:

Hon. Stephen Mullighan MP,

Treasurer

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Compulsory Third Party Insurance Regulation Act 2016*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the CTP REGULATOR by:

Kim Birch

Chief Executive and CTP Regulator

Date 28/09/2023

Signature



From the Chief Executive

This past year we have continued our focus on simplification, reducing regulatory burden, and delivering improvements aimed to benefit injured people and motorists.

We have reviewed the accessibility of our communication for people who do not speak English and explored potential additions to the Regulator's website that will support injured people to manage their recovery and claim. This work will continue in the 2023-24 financial year.

The interface between the CTP scheme and the Lifetime Support Scheme was reviewed to support a smooth transition for injured people interacting with both schemes and provide uninterrupted access to reasonable and necessary treatment, care, and support. This review identified improvements which should improve the experience of injured people.

Elsewhere, the Regulator has taken proactive steps to strengthen our cyber security governance. This included building on existing governance and data security policies and consolidating them into a cyber security framework, aimed to better protect motorists and injured people's privacy.

Now that the scheme is maturing, having seven years of scheme experience, we have conducted a number of reviews to confirm the scheme is fulfilling its legislated purpose and operating efficiently.

In 2022-23, the Regulator initiated an independent review of the scheme competition underwriting model which came into effect on 1 July 2019, enabling motorists to choose their CTP Insurer. The review evaluated the current model's ability to deliver a high performing, competitive CTP scheme that offers choice, ease, and confidence to the South Australian community. The review ultimately found that the current model remains fit for purpose.

We also initiated an independent review of scheme efficiency. This was conducted by the scheme actuary to assess the cost effectiveness of the scheme. The review found that overall, the current scheme is more efficient than the previous scheme: injured people are receiving comparable compensation and funding for treatment, care, and support (adjusted for inflation) at a lower cost to South Australian motorists. This has been achieved mainly through reductions in insurer spending on defendant legal costs, investigations and medical reports.

Healthy price competition also continued in 2022-23. CTP premiums were reduced for nearly all premium classes, including an \$18.15 (6%) reduction in the lowest premium offered for class 1 private passenger vehicles which make up over half of South Australian registered vehicles.

In the coming year, we will continue to maintain a sustainable and affordable CTP Scheme for the South Australian community. In particular, our focus will be on improving information and other supports available for injured people to receive the right services at the right time. This work has already begun, with strengthened collaboration with South Australian hospitals to promote early intervention and awareness of the scheme.



Kim Birch
Chief Executive and CTP Regulator

Contents

Overview	6
About the CTP Scheme.....	6
Purpose of the Regulator.....	7
Our vision	7
Our mission	7
Our values	7
Motor Accident Injury Accreditation Scheme (MAIAS) Administrator.....	8
Our organisational structure	9
Our Executive team	9
Legislation administered by the CTP Regulator.....	9
Government Stakeholder Relationships	10
The Regulator's performance.....	11
Performance at a glance.....	11
Regulator objectives and performance.....	11
Employment opportunity programs.....	13
Regulator performance discussion and development systems	13
Work health, safety and return to work programs	13
Executive employment at the CTP Regulator.....	14
Financial performance.....	15
Financial performance at a glance.....	15
Consultants disclosure.....	15
Contractors disclosure	16
Risk management	17
Risk and audit at a glance	17
Fraud detected in the CTP Regulator	17
Strategies implemented to control and prevent fraud.....	17
Public interest disclosure	17
Reporting required under the <i>Compulsory Third Party Insurance Regulation Act 2016</i>.....	18
Regulatory activities.....	18
Providing information about the scheme	18

Insurer monitoring	19
Scheme monitoring.....	21
Scheme efficiency reviews	21
Claimant experience insights.....	21
Competition model review	23
Review of long-tail claims.....	24
Motor Accident Injury Accreditation Scheme (MAIAS)	25
Quality Assurance (QA) program	25
Accreditation	25
New training and accreditation materials.....	25
Scheme statistics	26
Communications.....	34
Appendix: Audited financial statements 2022-23.....	36

Overview

About the CTP Scheme

The Compulsory Third Party (CTP) insurance scheme is governed by South Australian legislation in the following Acts of State Parliament: *Motor Vehicles Act 1959* (MV Act), *Civil Liability Act 1936* and *Compulsory Third Party Insurance Regulation Act 2016* in addition to contracts between the State and CTP Insurers.

The CTP Regulator oversees the scheme and regulates the government approved insurers (CTP Insurers), AAMI, Allianz, QBE, NRMA, and Youi. Fundamental aspects of the scheme are to support the recovery of people injured in motor vehicle accidents and provide a compulsory Policy of Insurance (policy) to protect motor vehicle owners against the financial impact of causing personal injury or death to other road users through the use of their vehicle anywhere in Australia.

CTP insurance premiums provide cover under the policy. The policy is attached to the vehicle, not an individual. The minimum terms and conditions of the policy, set by the Regulator, are available on the Regulator's website www.ctp.sa.gov.au.

Motorists actively choose their CTP Insurer based on a number of factors including brand, service, price, and approved incentives. The CTP Insurers underwrite the South Australian scheme and manage claims against the policy.

In South Australia, claims for compensation under the scheme are fault-based common law claims modified by statute, primarily the *Civil Liability Act 1936*. This means injured road users may be eligible for injury recovery support, payment of reasonable and necessary treatment, and compensation when another party is at fault or partially at fault. Access to compensation requires the injured person to meet thresholds depending on the seriousness of the injury.

The Regulator is appointed as the Nominal Defendant under Part 4 of the MV Act. Nominal Defendant claims arise when the vehicle responsible for a motor vehicle accident in South Australia that results in injuries or death to other road users is either uninsured or unidentified. The Regulator assigns management of Nominal Defendant claims to the CTP Insurers in line with their market shares.

The scheme also provides reasonable and necessary treatment, care, and support for children injured while under the age of 16 years in an accident in South Australia, regardless of whether the child or a South Australian registered motor vehicle was at fault.

The CTP scheme is complemented by the Lifetime Support Scheme which operates separate to the CTP scheme. The Lifetime Support Scheme is a no-fault scheme which provides treatment, care, and support for people who have sustained very serious lifelong injuries in motor vehicle accidents in South Australia.

Purpose of the Regulator

The Regulator is established as an independent statutory authority under the *Compulsory Third Party Insurance Regulation Act 2016* (the Act). The Regulator's functions are set out in section 5(1) of the Act.

The Regulator is responsible for:

- monitoring and reviewing the operations and efficiency of the CTP scheme
- oversight, monitoring, and reporting of CTP Insurer activities
- ensuring a fair and affordable scheme is maintained
- continuing to improve scheme outcomes for injured people
- determining the minimum terms and conditions of the CTP insurance policy
- determining CTP premiums
- providing information to consumers about the scheme and CTP Insurers.

Our vision

To deliver a fair and competitive CTP scheme with choice, ease and confidence for the South Australian community.

Our mission

To provide community confidence in the scheme by regulating CTP Insurers and monitoring the performance of the CTP scheme.

Our values

Our values	What this means for us
Outcomes driven	<ul style="list-style-type: none"> • We look for practical solutions • We are decisive in our approach
Collaborative	<ul style="list-style-type: none"> • We listen to, and inform our community • We work together to bring positive change
Accountable	<ul style="list-style-type: none"> • We do what we say we will do • We act in the best interests of the scheme
Supportive	<ul style="list-style-type: none"> • We provide quality customer service • We respect the diversity of the people we serve
Fair	<ul style="list-style-type: none"> • Our practices reflect and uphold our independence • We make evidence-based decisions

Motor Accident Injury Accreditation Scheme (MAIAS) Administrator

The Regulator is appointed as the Motor Accident Injury Accreditation Scheme (MAIAS) Administrator by the designated Minister under section 76 of the *Civil Liability Act 1936*. The MAIAS Administrator has administrative and financial responsibility of the MAIAS which was established to accredit health professionals to undertake Injury Scale Value (ISV) medical assessments.

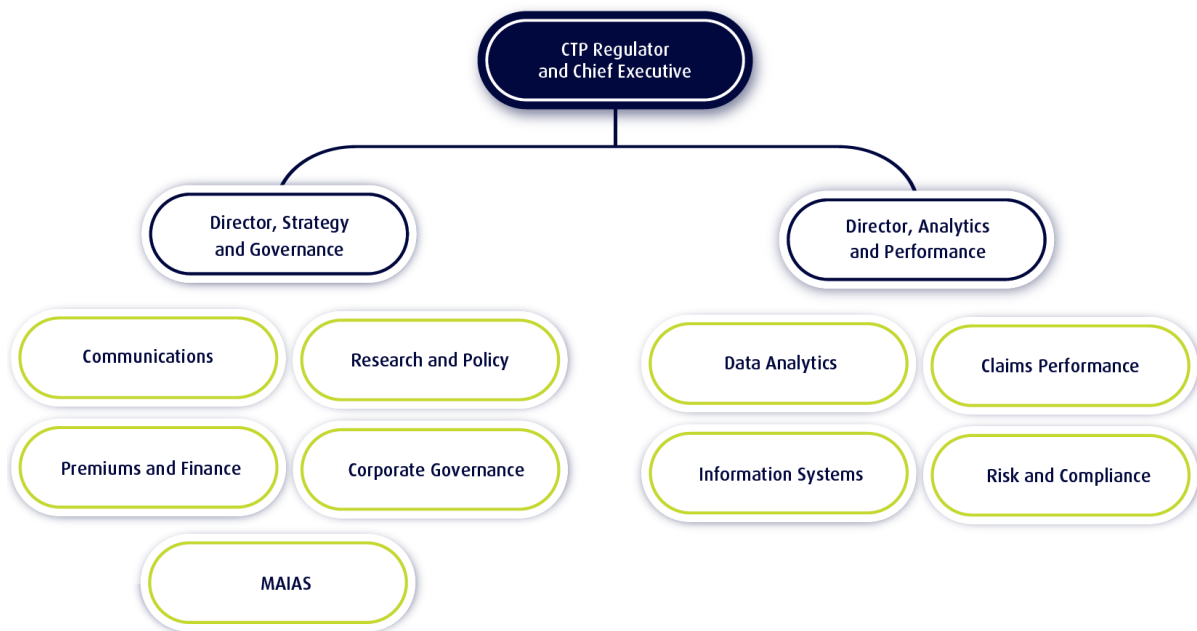
An ISV medical assessment is used to assist in determining an injured road user's entitlement to compensation by assigning referred injuries to ISV item numbers listed in Schedule 1 of the *Civil Liability Regulations 2013*. The ISV is a number between 0 and 100 that reflects the level of adverse impact of the injury on the person, based on medical evidence.

The MAIAS Administrator uses the MAIAS Rules to oversee the performance of the accredited medical practitioners. The Rules prescribe the regulatory and service standards required for medical practitioners to achieve and maintain accreditation.

The key objective of MAIAS is to create an independent system that provides consistent, objective, and reliable ISV medical assessments. As administrator of MAIAS, the Regulator's responsibilities include but are not limited to:

- prescribing the processes and documentation of the MAIAS including accreditation training courses and overseeing their implementation
- supporting Accredited Medical Practitioners (AMPs) and monitoring their performance to verify conformity with accreditation obligations
- making recommendations to the Minister for approval of applicants who meet the accreditation criteria
- maintaining and keeping an up-to-date register of all AMPs
- continuing oversight of the MAIAS.

Our organisational structure



Our Executive team

Kim Birch is the **CTP Regulator** (Regulator) and **Chief Executive** (CE), responsible for carrying out the functions of the Regulator and the CE as determined by the *Compulsory Third Party Insurance Regulation Act 2016*. The Regulator is also the Motor Accident Injury Accreditation Scheme (MAIAS) Administrator under the *Civil Liability Act 1936*.

David Price is the **Director, Strategy and Governance**, responsible for scheme research and policy, providing information to motorists, overseeing corporate functions including finance, and the process of determining premium ranges for premium classes.

Ivan Lebedev is the **Director, Analytics and Performance**, responsible for information systems, data analytics, monitoring the scheme, CTP Insurer performance, and risk and compliance.

Legislation administered by the CTP Regulator

- *Compulsory Third Party Insurance Regulation Act 2016*
- Part 4, *Motor Vehicles Act 1959*

Government Stakeholder Relationships

The Regulator has a service level agreement with the Department of Treasury and Finance (DTF) for the provision of corporate services to keep administration costs down and support the effective functioning of the Regulator's office.

Our significant relationships to support scheme efficiency and administration are with:

- Department for Infrastructure and Transport for the collection and disbursement of CTP premiums
- Lifetime Support Authority and ReturntoWorkSA to improve recovery outcomes for injured people
- Australian Prudential Regulation Authority to monitor the financial stability and solvency of the CTP Insurers.

In 2022-23 the Regulator had Memorandums of Administrative Arrangement (MoAAs) with government agencies to provide the following services to the scheme:

- **Road safety:** Department for Infrastructure and Transport and South Australia Police
- **Health and Emergency Services:** Department for Health and Wellbeing; SA Ambulance Service; State Rescue Helicopter Service; Forensic Science SA (on behalf of the Attorney-General's Department)
- **Customer support and transaction processing:** Department for Infrastructure and Transport.

MoAAs are funded from the administrative component of CTP premiums, collectively known as the CTP Scheme Services fee. The CTP Scheme Services fees are detailed on page 27.

The Regulator's performance

Performance at a glance

In 2022-23 the Regulator continued to deliver on its strategic objectives to support the efficiency of the CTP scheme. Highlights include:

- Conducted insurer audits to monitor compliance of CTP Insurers with contractual and legislative obligations, using the compliance framework. The framework is risk based, targeting areas of highest priority for the scheme. See page 19 for more detail.
- Initiated an independent review of the CTP scheme competition underwriting model that came into effect on 1 July 2019. The purpose of the review was to evaluate the current model's ability to continue delivering a high performing, competitive scheme that offers choice, ease, and confidence to the South Australian community. See page 23 for more detail.
- Reviewed the interface between the CTP scheme and the Lifetime Support Scheme to support a smooth transition for injured people moving between schemes and provide uninterrupted access to reasonable and necessary treatment, care, and support. See page 18 for more detail.
- Analysed the efficiency of the scheme, looking at the proportion of CTP premiums that is returned to injured people. See page 21 for more detail.
- Completed an independent external review of the Regulator's cyber security practices with a focus on strengthened data governance. See page 18 for more detail.
- Continued our program of surveys with injured people to gain insight into the claim experience at key milestones through the life of a claim. See page 21 for more detail.

Regulator objectives and performance

The Regulator's strategic objectives support delivery of statutory functions under section 5 of the *Compulsory Third Party Insurance Regulation Act 2016*.

The Regulator's performance against strategic objectives is summarised below.

Performance indicator	Target date	Outcome
Objective 1: Oversee a financially sustainable, effective, and efficient scheme		
Premium bands set for each premium class	May 2023	✓ Achieved
Conduct scheme competition model review (see page 23)	June 2023	✓ Achieved
Embed a smooth interface for injured people between the CTP scheme and the Lifetime Support Scheme (see page 18)	June 2023	✓ Achieved

Performance indicator	Target date	Outcome
Profiling of long tail open claims to develop actionable insights to support injured people in timely resolution of claims (see page 24)	June 2023	✓ Achieved
Maintain a sustainable MAIAS Quality Assurance program (see page 25)	June 2023	✓ Achieved
Plan and prepare the scheme for automated vehicles and participate in Across Government Automated Vehicle Reform Working Groups	December 2026	On track
Objective 2: Promote an outcome driven, early recovery and service focused approach to claims management		
Survey injured people with CTP claims to measure their claims experience (see page 21)	July 2023	✓ Achieved
Conduct a review of scheme rules and contracts between the State and CTP Insurers	June 2024	On track
Conduct the Accredited Medical Practitioner (AMP) accreditation (see page 25)	January 2023	✓ Achieved
Embed the MAIAS Quality Assurance program review recommendations (see page 25)	March 2023	✓ Achieved
Enhance MAIAS accredited medical practitioners' training and accreditation materials and delivery (see page 25)	August 2022	✓ Achieved
Develop an IT solution to support Regulator compliance activities	December 2023	On track
Explore the expansion of MAIAS peer reviewers	September 2023	On track
Objective 3: Deliver a customer centric focus		
Review Regulator communication materials to support access for speakers of languages other than English (see page 19)	June 2023	✓ Achieved
Digitalise CTP Regulator processes to standardise and improve consistency	June 2024	On track
Identify and implement improvements to enhance Regulator communications (see page 19)	December 2022	✓ Achieved

Performance indicator	Target date	Outcome
Explore customer centric innovations as enablers for injured people to manage their own claim (see page 19)	June 2023	✓ Achieved
Identify and implement improvements to enhance online injury claim form	June 2024	On track
Objective 4: Enhance the capability of our team		
Implement strategies to strengthen our resilient and contemporary team	June 2026	On track
Update the project management framework and explore a new project management tool	June 2023	✓ Achieved
Provide opportunities to develop staff capability through cross-skilling across teams	June 2026	On track

Employment opportunity programs

Following the success of the Capacity Building Placement for People with Disability Pilot Program conducted in 2021-22, the Regulator continued the program into the 2022-23 financial year. The program creates the opportunity for people with disability to gain employment skills and confidence, as well as build a diverse and inclusive public sector where everyone belongs.

The program aims to support strengthening capability and confidence to enable the participant to compete in the jobs market and provides a blueprint to share with government agencies for similar programs in the future.

Regulator performance discussion and development systems

Regulator staff access DTF's performance discussion and development systems. All staff have performance discussion plans in place that are reviewed every six months.

Work health, safety and return to work programs

Regulator staff are employed by DTF and seconded to the Regulator. Regulator staff access DTF's work health, safety and return to work programs.

Regulator staff work health and safety breaches, workplace injury claims, notifiable incidents or improvement and prohibition notices are recorded and reported in the DTF annual report.

Executive employment at the CTP Regulator

Executive classification	Number of executives
SAES Level 1	2
SAES Level 2	1

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the CTP Regulator. The information is unaudited. Full audited financial statements for 2022-2023 are attached to this report.

Statement of Comprehensive Income	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	Past year 2021-22 Actual \$000s
Total Income	67,434	68,947	1,513	65,638
Total Expenses	67,953	64,750	(3,203)	65,979
Net Result	(519)	4,197	4,716	(341)
Total Comprehensive Result	(519)	4,197	4,716	(341)

Statement of Financial Position	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	Past year 2021-22 Actual \$000s
Current assets	41,371	48,505	7,134	42,384
Non-current assets	133	174	41	134
Total assets	41,504	48,679	7,175	42,518
Current liabilities	7,953	10,431	2,478	8,450
Non-current liabilities	483	466	(17)	483
Total liabilities	8,436	10,897	2,461	8,933
Net assets	33,068	37,782	4,714	33,585
Equity	33,068	37,782	4,714	33,585

Consultants disclosure

The following is a summary of external consultants that have been engaged by the CTP Regulator, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	0

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
Taylor Fry Pty Ltd	Scheme Actuarial Services	513,705
Raphael Advisory Pty Ltd	Competition Model Review	180,000
PriceWaterhouseCoopers	Cyber Security Review	42,000
	Total	735,705

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the CTP Regulator, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	19,934

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Biz Hub Australia Pty Ltd	CTP Claims Register Support	32,783
Pinpoint	MAIAS LMS Module Development	10,354
GPEX	MAIAS LMS Module Development	11,895
Haymakr	Claimant Service Rating	52,244
Haymakr	Claimant Experience Survey	101,000
	Total	208,276

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

Risk management

Risk and audit at a glance

The Risk and Audit Committee meets quarterly to provide assurance to the Governance Committee on the operation and effectiveness of the risk management framework and internal and external audit activities.

The Regulator also reports annually to the DTF Risk and Performance Committee.

In the past year, the Regulator's Risk and Audit Committee fulfilled its responsibilities according to its terms of reference, including:

- overseeing the 2022-23 independent internal audit plan (outsourced)
- reviewing and updating the risk appetite statement
- maintaining the Risk Management Framework and risk management systems and processes
- reviewing and updating the Regulator's Business Continuity Plan
- reviewing the Regulator's adherence to its legislated and contractual obligations
- overseeing the development and implementation of the Cyber Security Framework.

Fraud detected in the CTP Regulator

There was no fraud detected inside the Regulator.

Strategies implemented to control and prevent fraud

The Regulator has a robust suite of policies and work instructions to address key risks and establish controls to mitigate the risk of fraud. These controls include but are not limited to:

- segregation of duties
- delegations of authority
- user restrictions to financial software
- asset register
- triennial employee criminal history screening
- independent internal audit function
- financial management compliance program
- staff training and education on policies and procedures
- requirement of staff to adhere to the Public Sector Code of Ethics
- annual and ongoing conflict of interest declaration process for all staff.

Public interest disclosure

Public interest disclosure for the CTP Regulator is reported directly to the Department of Treasury and Finance (DTF) and is recorded and reported in the DTF annual report.

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under the *Compulsory Third Party Insurance Regulation Act 2016*

This section of the report details the operational activities performed to meet the Regulator's functions under the Act.

Regulatory activities

Key activities completed in 2022-23 include:

- Determined new premium bands from 1 July 2023, resulting in a reduction in premiums for South Australian motorists in all premium classes except public passenger no fare vehicles (classes 10 and 60).
- Updated the Regulator Rules to create efficiencies for the scheme. Updates were made to reduce regulatory burden in some settlement negotiations and to clarify the obligation of a CTP Insurer to accept service of proceedings issued against their policy holders.
- Reviewed the interface between the CTP scheme and the Lifetime Support Scheme to support a smooth transition for injured people when moving between schemes and provide uninterrupted access to reasonable and necessary treatment, care, and support. The key outcome of this review is an update to the Protocol between CTP Insurers and the Lifetime Support Authority (LSA). This Protocol sets out the processes for CTP Insurers and the LSA when managing the claim of injured people who are or may be eligible in both schemes. The updated [Protocol](#) is now published on the Regulator's website (www.ctp.sa.gov.au).
- Completed an independent external review of the Regulator's cyber security practices with a focus on strengthened data governance. This led to the development of a cyber security framework and revising existing policies that govern secure user account management and systems logging. The Regulator embedded user account record keeping, quarterly account auditing, and initiated a process for continuous improvement of system logging to embed more efficient systems for protecting scheme data. As part of this work, the Regulator has also undertaken 'database stripping' to remove unnecessary data, mitigating risk exposure if a breach were to occur. The Regulator will continue to work with government and CTP Insurers to test and improve the protection of scheme data.

Providing information about the scheme

- Published updated data to the [Scheme Data Dashboard](#). The Dashboard provides an overview of the scheme, including CTP claims and insurer premiums from 1 July 2016 up to 31 December 2022. The dashboard is updated annually.
- Published the annual [SA CTP Market Briefing](#) prepared by the independent scheme actuary, which informs the premium setting.

- Published the [2023-24 South Australia Point-to-point Industry Relativities Briefing](#) prepared by the independent scheme actuary, which outlines the relativities advice that informs the premium setting for vehicles in the point-to-point industry.
- Reviewed the Regulator's website in line with best practice for communicating with people who do not speak English, with the aim of improving the accessibility of scheme information for the general public. Ensuring equitable access to scheme information supports the [South Australian Multicultural Charter](#). The recommendations of this review will be implemented over the 2023-24 financial year.
- Continued market research to understand the reasons behind motorists choosing their CTP Insurer. Surveys were conducted online by a link placed on the SA.GOV.AU website, where motorists renew their vehicle registration. The Regulator received more than 700 responses to the 2022 survey. The survey found that motorists continued to use price (44%), insurer brand (17%), and claimant service rating (16%) to choose their insurer. For more information, see the [CTP Regulator Motorist Market Research Report 2022](#) available on the Regulator's website (www.ctp.sa.gov.au).
- Explored potential aides to incorporate on the Regulator's website to support injured people with their claim. This work will support the implementation of customer-centric innovations to the Regulator's website over the 2023-24 financial year.
- Facilitated a presentation from the independent scheme actuary to the taxi and rideshare industries to explain applicable CTP premiums. The information of this presentation is reflected in the [2023-24 South Australia Point-to-point Industry Relativities Briefing](#) available on the Regulator's website (www.ctp.sa.gov.au).
- Ongoing review and updates to the CTP Regulator and MAIAS websites to maintain currency and value of information for all scheme stakeholders.

Insurer monitoring

The Regulator uses a suite of tools to oversee and identify areas for further investigation in scheme trends, CTP Insurer performance, and data quality.

The Regulator monitors the compliance of CTP Insurers with contractual and legislative obligations using the scheme compliance framework. The framework is risk-based, targeting areas of highest priority for the scheme, and is primarily aimed at ensuring CTP Insurers act in the best interests of injured people and the CTP scheme.

Areas of compliance focus are determined by the Regulator after reviewing and considering a CTP Insurer's current compliance performance. This process is undertaken every two years.

The main compliance activities prescribed by the framework in 2022-23 were:

- claims management reviews
- data analytics
- mandatory declarations
- injury coding reviews.

The Regulator has continued with a biennial cycle for insurer audits, auditing each insurer every second year. The insurers continue to demonstrate satisfactory levels of compliance and performance against their contractual obligations.

Currently, the scale and scope of the compliance program is proportionate with insurer performance and supports keeping downward pressure on insurer regulatory costs.

The CTP Insurer audits address performance across the insurers' business operations, including:

- service levels provided to injured people with CTP claims
- compliance with legislative obligations
- approval of treatment, care, and support
- complaints management and dispute resolution
- payments and settlement
- privacy breaches and management of confidential information
- records management.

Areas of good performance include general claim management, timeliness of liability determinations, and providing good rationale and supporting evidence for determinations and settlement offers.

Identified areas for improvement include:

- providing clearer rationale for declining the reimbursement of expenses
- providing a clear explanation of statutory reductions and reduction for contributory negligence in liability letters
- eliminating unauthorised disclosures of personal information
- explaining the complaints and dispute resolution processes more clearly.

Where the compliance program identifies findings, CTP Insurers are required to submit remediation plans that are tracked monthly against agreed timeframes and outcomes. Any areas considered non-compliant can result in CTP Insurers being issued with breach notices. Two breaches were issued for the 2022-23 financial year. No sanctions were paid as a result of any breaches.

CTP Insurer	Breaches 2021-22	Breaches 2022-23
AAMI	1	1
Allianz	0	1
NRMA	3	0
QBE	10	0
Youi	N/A*	0
Total	14	2

Note – While CTP Insurers are required to report any self-identified breaches, the Regulator conducts audits of each insurer every two years and on an 'as needed' basis. This may lead to CTP Insurers subject to an audit in any given year having more breaches detected.

* Youi entered the scheme on 1 July 2022.

Scheme monitoring

Scheme efficiency reviews

The Regulator initiated an independent review of scheme efficiency to be conducted by the scheme actuary. This is an annual review, the results of which are published in the [CTP Scheme Efficiency Report as at 31 December 2022](#), available on the CTP Regulator's website (www.ctp.sa.gov.au).

The independent review found that scheme efficiency has increased since competitive pricing began in 2019. The estimated scheme efficiency index (the proportion of the average premium paid by policyholders for CTP insurance that directly benefits injured people) increased from an average of 37% in the pre-competition period (1 July 2016 to 30 June 2019) to 54% since competition (from 1 July 2019).

In addition to this, the Regulator conducted its own review of the performance of the current CTP scheme, which is privately underwritten by the five CTP Insurers, and the previous publicly underwritten scheme, which was managed by the Motor Accident Commission (MAC). The review focussed on key areas of claims management and outcomes for injured people.

Key observations from the review were:

- timing to access first treatment is largely the same between the current and previous scheme
- the average amount paid (adjusted for inflation) for past and future treatment, care, and support is very similar between the current and previous scheme
- the current scheme spends less on defendant legal costs, investigations and medical reports than the previous scheme.

Overall, the review found that the current scheme is operating more efficiently than the previous scheme: with injured people receiving comparable compensation and funding for treatment, care, and support (adjusted for inflation) at a lower cost to motorists.

Claimant experience insights

Understanding the claimant experience supports the Regulator to monitor the CTP scheme and identify improvements.

The Regulator continues to survey injured people about their experience of the CTP Scheme. Survey results highlight areas for improvement to benefit injured people. Publication of survey results provides information to scheme stakeholders on CTP Insurer performance. The results of this survey are used to calculate an average claimant service rating for each insurer.

The CTP Insurers' claimant service ratings are published on registration renewal notices and the Regulator's website to assist vehicle owners to choose an insurer. The higher the number, the better the CTP Insurer's service has been rated.

Starting in July 2021, the Regulator expanded its surveys with injured people to gain a better understanding of how people experience the scheme over the life of a claim by surveying injured people after key claim milestones. These milestones were:

- claim lodgement
- after the insurer makes a liability determination
- after an injury scale value (ISV) medical assessment
- following closure of the claim.

The expanded survey was conducted in two six-month phases. The first was conducted in the latter half of 2021 and the second finished in June 2023. This has provided insight into changes in experience over time.

We also continue to monitor the effectiveness of our new injury and fatality claim forms, which were launched in November 2021. Following the introduction of the new claim forms, the Regulator observed reductions in the time between accidents and claim lodgement, and reductions in timing between claim lodgement and funding for first treatment. Since the new forms were launched the proportion of claims lodged within two weeks of the accident has risen from 19% to 25%. These improvements in timing are largely attributed to the efficiencies created by the online claim form, with 47% of claims being lodged online in 2022-23.

The proportion of injured people who find the claim form easy to complete has increased from 59% in 2021, to 71% in 2023.

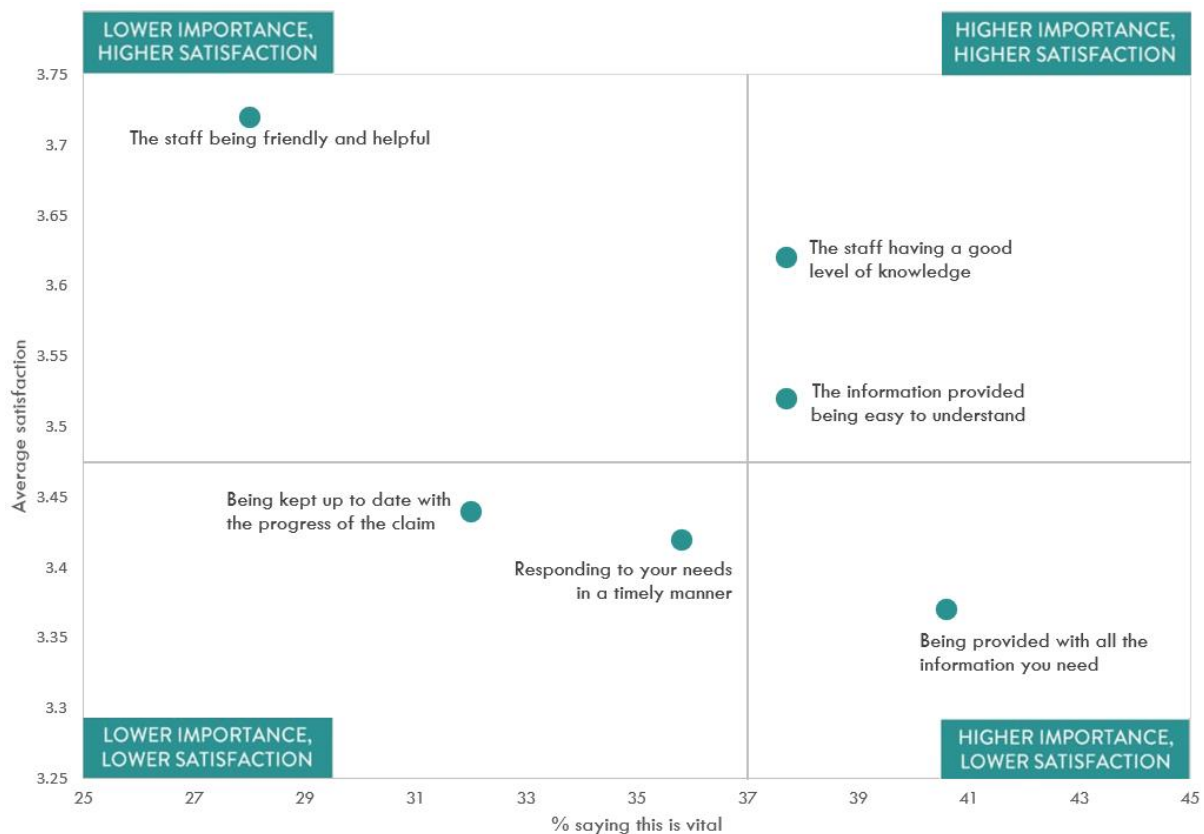
Additionally, the number of people who reported having someone else complete the claim form on their behalf has declined by 40%. These improvements show that the goals set by the Regulator in launching the new claim forms have been achieved.

It has also been observed that injured people's satisfaction with the CTP Insurer managing their claim has increased in all areas surveyed:

- being provided with all the information you need, 73% to 77%
- insurer staff having a good level of knowledge, 78% to 83%
- information provided being easy to understand, 78% to 82%
- responding to the claimant's needs in a timely manner, 70% to 75%
- insurer staff being friendly and helpful, 81% to 85%
- being kept up to date with the progress of the claim, 71% to 78%

Through surveying, the Regulator identified areas of high importance to injured people and mapped those against levels of satisfaction to identify key areas for CTP Insurers to focus on to improve the claimant experience. These can be seen in the graphic on the following page.

Mapping satisfaction against importance



This shows that the priority areas for CTP Insurers to address are:

- providing claimants with all of the information they need
- ensuring that the information provided to claimants is easy to understand
- responding to claimant's needs in a timely manner.

The extended claimant experience surveys have now been completed, having provided valuable insight on areas for the scheme to improve.

The claimant service rating surveys will continue to be conducted to provide ongoing monitoring of claimants' perception of insurer performance. The results of these surveys are published on registration renewal notices and the Regulator's website.

Competition model review

In 2022-23, the Regulator initiated an independent review of the CTP scheme competition model ('the review'). The competition underwriting model came into effect on 1 July 2019, enabling motorists to choose their CTP Insurer.

The purpose of the review was to evaluate the current model's ability to continue delivering a high performing, competitive CTP scheme that offers choice, ease, and confidence to the South Australian community.

The review was undertaken in July to December 2022 and involved the independent reviewer consulting various scheme stakeholders, including CTP Insurers, the independent scheme actuary, and officers of the CTP Regulator. Among other key findings, the review found that

the claimant service rating is a valuable performance measure that should be retained as it incentivises competition on service, not just price. As a result of the review, some adjustments were made to the claimant service rating methodology to account for insurers with smaller claims portfolios and to ensure clarity of claimants' responses.

The Review found that the scheme is operating as intended and provides assurance that the model remains fit for purpose.

Review of long-tail claims

The Regulator conducted a review of open claims resulting from motor vehicle accidents that occurred in the 2016-17 financial year. The aim was to understand whether there were any barriers to settling these long-tail claims that could be addressed.

The review involved examination of these claims to identify common themes. Insurers were then requested to provide information on each claim, setting out the nature of the barriers to claim closure. Key findings showed that common barriers included disagreement as to settlement amounts, delays due to injuries not having stabilised, and complexities in minors' claims. The Regulator will continue to review long-tail claims annually to monitor barriers and timely claim closure.

Motor Accident Injury Accreditation Scheme (MAIAS)

In the CTP scheme, an injured road user may be entitled to compensation for their injuries. Some types of compensation, including non-economic loss and compensation for gratuitous services, are subject to thresholds based on the Injury Scale Value (ISV) of the injuries.

The South Australian Motor Accident Injury Accreditation Scheme (MAIAS) accredits medical practitioners to undertake ISV medical assessments that assist in determining an injured person's entitlement to compensation.

The objective of MAIAS is to create an independent system that provides consistent, objective, and reliable ISV medical assessments. MAIAS accredits health practitioners to undertake ISV medical assessments which includes assigning injury Item Numbers based on the assessment of the injuries sustained in motor vehicle accidents. The assessment reports assist claimants and CTP Insurers in the claims settlement process.

Quality Assurance (QA) program

In 2022-23, MAIAS conducted QA reviews to assess the quality of ISV medical assessment reports (ISV reports) against the requirements of the *Civil Liability Act 1936*, *Civil Liability Regulations 2013*, and the accreditation criteria in the MAIAS Training Manual.

Throughout the year, 52 physical ISV reports and 16 pure mental harm ISV reports were reviewed. Overall, the findings were positive, with improvements being achieved in most of the key areas. There were improvements in whole person impairment (WPI) calculations, stability, assessing all referred injuries, and assigning the correct ISV Item Number to the referred injury.

The results also highlighted some areas that require continued focus. These include stating stability for each referred injury, addressing all injuries under 'opinion', the accuracy and recording of WPI, and the accuracy of determining and recording ISV Item Numbers. Focus areas are addressed individually with Accredited Medical Practitioners (AMPs) and used in designing future training and accreditation materials to better support all AMPs.

Accreditation

In 2022-23, MAIAS completed the 2022-25 cycle for accreditation of medical practitioners. MAIAS collaborated with the Return to Work Impairment Assessor Accreditation Scheme, administered by ReturntoWorkSA, to complete a coordinated process for applications, training, and competency assessments for AMPs.

New training and accreditation materials

The fourth edition of the MAIAS Training Manual was published in September 2022. This was the result of a thorough review with a focus on making the manual easier to read and navigate. The Training Manual is available on the MAIAS website (www.maias.sa.gov.au).

To increase the efficiency of the accreditation process for AMPs, a new online Learning Management System (LMS) was developed to hold the accreditation and training materials, online courses, and assessments necessary for completion of MAIAS accreditation. The LMS and updated Training Manual were released in September 2022 in time for the 2022-25 accreditation cycle. Training materials can be accessed through the LMS by AMPs at any time.

Scheme statistics

Insured vehicles by type

(Registrations as at 30 June 2023)

Type of vehicle	Vehicles	%
Private passenger	1,118,543	56.67%
Public passenger: no fare	621	0.03%
Taxis: metropolitan	993	0.05%
Taxis: country	247	0.01%
Hire cars	11,451	0.58%
Rideshare: metropolitan	5,577	0.28%
Rideshare: country	2	0.00%
Public passenger: small	784	0.04%
Public passenger: medium	1,107	0.06%
Public passenger: heavy	657	0.03%
Public passenger: omnibus	1,053	0.05%
Goods carrying: light	239,671	12.14%
Goods carrying: medium	16,425	0.83%
Goods carrying: heavy	11,237	0.57%
Goods carrying: primary producers	30,964	1.57%
Motorcycles: ultra light	3,193	0.16%
Motorcycles: light	8,684	0.44%
Motorcycles: medium	13,473	0.68%
Motorcycles: heavy	20,284	1.03%
Tractors	54,435	2.76%
Historic and left hand drive vehicles	42,759	2.17%
Special purpose vehicles	17,217	0.87%
Car carriers: light	3	0.00%
Car carriers: medium	21	0.00%
Car carriers: heavy	2	0.00%
Car carrier trailers	117	0.01%
Trailers	371,892	18.84%
Unregistered vehicle permits	115	0.01%
Motor trade plate	2,086	0.11%
Total	1,973,613	100.00%

Source: Department for Infrastructure and Transport policy data.

Ratio of class 1 premium⁽¹⁾ to South Australian average weekly earnings (AWE)⁽²⁾

	Annual premium ⁽¹⁾	State AWE ⁽²⁾	Ratio
2022-23	\$294.99	\$1,658	18%
2021-22	\$290.33	\$1,591	18%
2020-21	\$295.40	\$1,543	19%
2019-20	\$296.77	\$1,504	20%
2018-19	\$411.25	\$1,462	28%

⁽¹⁾ Note: Premium is the weighted average lowest priced Class 1 District 1 public passenger vehicle (private use, no input tax entitlement) on offer over the financial year.

⁽²⁾ Source: Australian Bureau of Statistics, 6302.0 Average Weekly Earnings, Australia. Earnings; Persons; Full Time; Adult; Ordinary time earnings; South Australia; Series Id: A84989336X, November (in given financial year).

Premium and fee collection

(1 July 2022 to 30 June 2023)

Description	\$'000
Insurers' premiums*	338,186
Stamp duty	44,564
Road safety	13,878
Emergency transport, hospital and forensic services	35,919
Customer support and transaction processing	10,880
CTP Scheme regulation and administration	6,301
Total insurance premiums collected	449,727

Note: *Includes GST.

Market share of in-force premium

	AAMI	Allianz	NRMA	QBE	Youi†
30 June 2023	32%	7%	25%	29%	7%
30 June 2022	40%	9%	30%	21%	
30 June 2021	20%	18%	41%	21%	
30 June 2020	28%	27%	24%	21%	
30 June 2019*	30%	15%	20%	35%	

Note: *All insurers had contractually agreed market share for the first three years of the privately underwritten scheme – 2016 to 2019.

†Youi entered the scheme on 1 July 2022.

Number of changes to filed premiums 2022-23

Type of vehicle	District 1	District 2
Private passenger	9	8
Public passenger: no fare	3	2
Taxis: metropolitan	3	
Taxis: country	3	
Hire cars	8	4
Rideshare: country	2	
Rideshare: metropolitan	2	
Public passenger: small	5	4
Public passenger: medium	4	4
Public passenger: heavy	4	3
Public passenger: omnibus	4	
Goods carrying: light	7	6
Goods carrying: medium	7	4
Goods carrying: heavy	5	6
Goods carrying: primary producers	3	3
Motorcycles: ultra light	5	4
Motorcycles: light	4	4
Motorcycles: medium	5	5
Motorcycles: heavy	5	6
Tractors	3	3
Historic and left hand drive vehicles	3	3
Special purpose vehicles	4	4
Car carriers: light	4	4
Car carriers: medium	3	4
Car carriers: heavy	3	3
Car carrier trailers	3	3
Unregistered vehicle permits	2	2
Total	113	89

This is an indicator of premium price competition in the CTP scheme. Premium classes for taxis, rideshare and omnibuses do not depend on the district, but are counted with district 1 in the table.

Claimant service rating results

Publication month	AAMI	Allianz	NRMA	QBE
June 2023	84	75	77	77
June 2022	84	78	74	80
June 2021	77	78	79	75
June 2020	81	72	85	77
June 2019	69	72	70	71

Note: The score published each month is the average claimant service rating from claimants surveyed in the previous six months. Once Youi has received a significant number of claims, its Claimant Service Rating will be published.

Number of accidents by region

(Accidents from 1 July 2022 to 30 June 2023)

Region	Accidents	%
Adelaide City / Suburbs	1244	87.2%
Outer Adelaide	92	6.4%
Murraylands	33	2.3%
South	14	1.0%
Northern	11	0.8%
Eyre	6	0.4%
Interstate	27	1.9%
Total	1427	100.0%

Note: The recent accident years' data is immature due to accidents where a claim is yet to be reported.

Claim lodgement by development year

(All claims for accidents from 1 July 2016 to 30 June 2023)

Accident year	Development year						Total
	1	2	3	4	5	6+	
2016-17	2,377	630	49	29	16	5	3,106
2017-18	2,115	470	56	21	5	4	2,671
2018-19	1,933	426	45	19	15		2,438
2019-20	1,555	341	52	30			1,978
2020-21	1,727	436	29				2,192
2021-22	1,531	373					1,904
2022-23	1,602						1,602
Total							15,891

Note: Development year 1 means claims lodged in the accident year (year means financial year), development year 2 means claims lodged in the next year after the accident year, etc.

Claims by current status

(All claims for accidents from 1 July 2016 to 30 June 2023)

Accident year	Claims lodged	Claims open	Claims closed	% closed
2022-23	1,602	1,158	444	28%
2021-22	1,904	863	1,041	55%
2020-21	2,192	735	1,457	66%
2019-20	1,978	399	1,579	80%
2018-19	2,438	225	2,213	91%
2017-18	2,671	156	2,515	94%
2016-17	3,106	80	3,026	97%

Claimants by demographic

(All claims for accidents from 1 July 2016 to 30 June 2023)

Age group	Males	Females	Total	%
16 years and under	314	321	635	4%
17 to 24 years	735	1,027	1,765	11%
25 to 34 years	1,308	1,708	3,020	19%
35 to 44 years	1,322	1,557	2,881	18%
45 to 54 years	1,394	1,582	2,981	19%
55 to 64 years	1,212	1,232	2,445	15%
65 years and over	910	1,244	2,159	14%
Unspecified	3	2	5	0%
Total	7,198	8,673	15,891	100%

Claimants by accident role

(All claims for accidents from 1 July 2016 to 30 June 2023)

Role	Claims	%
Driver	10,075	63%
Passenger	3,433	22%
Pedestrian	1,047	7%
Bicyclist	1,084	7%
Other	252	2%
Total	15,891	100%

Claims by severity

(Closed claims for accidents from 1 July 2016 to 30 June 2023)

AIS* severity	Claims	%
Minor	7,751	63.1%
Moderate	1,534	12.5%
Serious	570	4.6%
Severe	49	0.4%
Critical	17	0.1%
Maximum	1	0.0%
Admin Only	2,353	19.2%
Total	12,275	100.0%

Note:

*Injury severity based on injuries coded under the Abbreviated Injury Scale (AIS) 2005 and the Update 2008 Manual.

"Minor" category includes claims where a region-specific injury code was reported with a severity of 9 ("not further specified").

"Maximum" injury severity usually indicates a fatality.

"Admin" means there were no physical injuries caused by the accident or there was no medical evidence available for injury coding.

Claims by dominant injury body region

(Closed claims for accidents from 1 July 2016 to 30 June 2023 excluding claims without a dominant injury recorded)

Body region	Claims	%
Cervical spine	2,885	25%
Shoulder	2,498	21%
Thoracic spine or lumbar spine	1,459	13%
Other	1,126	10%
Pelvis or hip	894	8%
Other lower limb	637	5%
Pure mental harm	604	5%
Knee	519	4%
Central nervous system and head	422	4%
Chest	319	3%
Wrist	294	3%
Total	11,657	100%

Rates of legal representation

(Accidents from 1 July 2016 to 30 June 2023)

Accident year	Claims	% Legal rep	% Litigated	% Trial
2022-23	1,602	19%	0.0%	0.00%
2021-22	1,904	28%	0.0%	0.00%
2020-21	2,192	35%	2.0%	0.00%
2019-20	1,978	39%	11.0%	0.00%
2018-19	2,438	34%	14.0%	0.00%
2017-18	2,671	41%	17.0%	0.00%
2016-17	3,106	41%	20.0%	0.03%

Note: The recent accident years' data is immature due to the long tail nature of CTP claims.

Legal costs

(All legal cost payments for accidents from 1 July 2016 to 30 June 2023)

Accident year	Solicitor client costs	Plaintiff - Legal (\$'000)	Defendant - Legal (\$'000)	Grand total (\$'000)
2022-23	Unknown	-	4	4
2021-22	Unknown	218	185	403
2020-21	Unknown	1,933	831	2,764
2019-20	Unknown	4,413	2,055	6,468
2018-19	Unknown	8,273	4,745	13,018
2017-18	Unknown	15,491	7,696	23,187
2016-17	Unknown	18,726	11,524	30,250
Total		49,054	27,040	76,094

Note: Solicitor client costs are unknown because there is no legal requirement for solicitors to provide their solicitor client costs to the managing insurer of a claim and so they are not reported to the CTP Regulator.

Claim duration by CTP Insurer

(Closed claims for accidents from 1 July 2016 to 30 June 2022 where relevant data is available)

Timeframe	AAMI	Allianz	NRMA	QBE	Average
Notification date to compliance date	42	72	52	16	40
Notification date to liability decision date	110	95	103	115	107
Notification date to closure date	522	554	445	567	522

Note: Timeframe is average days. Youi's claim portfolio is currently too underdeveloped to compare with the rest of industry.

Breakdown by heads of damage

(Closed claims from 1 July 2022 to 30 June 2023 for accidents from 1 July 2016 to 30 June 2023)

Heads of damage	Closed claims	Total (\$'000)	% Closed payments
Economic loss	993	\$73,379	46.3%
Non-customer benefits	1,839	\$32,094	20.3%
Treatment	2,101	\$24,179	15.3%
Care	1,008	\$19,654	12.4%
Non-economic loss	371	\$8,191	5.2%
Other customer benefits	619	\$886	0.6%
Total	2,216	\$158,383	100.0%

Note:

"Care" category includes payments for past and future care and home services, care-related travel and voluntary services.

"Non-customer benefits" category includes investigation costs, the costs of medical reports from treating medical providers and ISV medical assessors, and plaintiff and defendant legal costs.

"Other customer benefits" category includes claimant travel expenses and reasonable funeral costs. In the 2018-19 annual report this category included payments to surviving spouse and/or children for the loss of family member, payments to partners of injured persons for the loss of companionship, and rehabilitation costs. These payment types have now been moved to other heads of damage in the table.

"Treatment" category includes payments for past and future medical, allied health and hospital services, excluding public hospital services funded from the administrative fee component of CTP premiums.

Nil claims (zero payments) have been excluded from the data.

Nominal defendant claims received by accident year

(Accidents from 1 July 2016 to 30 June 2023)

Year of accident	Unidentified vehicles	Unregistered vehicles	Total
2022-23	48	13	61
2021-22	53	21	74
2020-21	50	31	81
2019-20	50	21	71
2018-19	60	21	81
2017-18	69	22	91
2016-17	88	18	106

Note: The recent accident years' data is immature due to accidents where a claim is yet to be reported.

Communications

Number of public complaints reported in 2022-23

Type	Number of instances
Complaints about CTP Insurers	32
Complaints about the scheme	3
Complaints about the Motor Accident Injury Accreditation Scheme (MAIAS)	0
Complaints about the Regulator	0
Total	35

Total enquiries to the Regulator's public facing enquiries line in 2022-23 by source

Enquirer source	Number of enquiries
General public	1,732
CTP Insurer	476
Medical	441
Legal	144
Government Department	107
Other	12
Total	2,912

Average response times in 2022-23

Type	Average time taken to be resolved (in business days)
Enquiries & feedback	0.8
Complaints	6.8

Enquiries from the general public in 2022-23 by enquiry category

Enquiry category	Number of enquiries
Claims	1,060
Non-CTP-related enquiries*	167
CTP Scheme	127
Complaints	111
Nominal defendant	85
Suspected fraud, scamming or deception	50
Finance & invoices	44
At-fault driver enquiry**	42
Premiums	25
MAIAS	9
Privacy	8
Injury recovery	4
Total	1,732

Note: *Enquiries about topics outside of the Regulator's scope, for example, comprehensive vehicle insurance, vehicle registration, or road safety.

**For example, a driver who caused a motor vehicle accident enquiring about their obligations in the CTP Scheme.

The number for 'complaints' does not match the number of complaints listed in the public complaints section of this annual report because each complaint can involve a number of phone-calls or emails. This category also includes questions about the complaints process that do not result in a formal complaint being lodged with the Regulator.

Appendix: Audited financial statements 2022-23



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To the Chief Executive and CTP Regulator CTP Regulator

Opinion

I have audited the financial report of the CTP Regulator for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the CTP Regulator as at 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and CTP Regulator and the Director, Strategy and Governance.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the CTP Regulator. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive and CTP Regulator for the financial report

The Chief Executive and CTP Regulator is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive and CTP Regulator is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the CTP Regulator for the financial year ended 30 June 2023.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

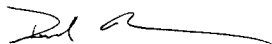
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CTP Regulator's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive and CTP Regulator
- conclude on the appropriateness of the Chief Executive and CTP Regulator's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with Chief Executive and CTP Regulator about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

28 September 2023

Compulsory Third Party Insurance Regulator (CTP Regulator)

Financial Statements

For the year ended 30 June 2023

CTP Regulator
Statement of Certification
For the year ended 30 June 2023

We certify that the:

- financial statements of the CTP Regulator:
 - are in accordance with the account and records of the CTP Regulator;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the CTP Regulator at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the CTP Regulator for the financial year over its financial reporting and its preparation of financial statements have been effective.



Kim Birch

Chief Executive & CTP Regulator

27 September 2023



David Price

Director, Strategy and Governance

27 September 2023

CTP Regulator
Statement of Comprehensive Income
For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Administration premium component collections	2.1	67 648	65 628
Interest	2.2	1 289	-
Resources received free of charge	2.3	10	10
Total income		68 947	65 638
Expenses			
Employee benefit expenses	3.2	3 124	3 433
Supplies and services	4.1	1 918	1 686
Administration premium component distributions	4.2	58 731	59 897
Administration premium component refunds	4.3	940	954
Depreciation and amortisation	5.1, 5.2	37	9
Total expenses		64 750	65 979
Net result		4 197	(341)
Total comprehensive result		4 197	(341)

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

CTP Regulator
Statement of Financial Position
As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	6.1	46 874	41 204
Receivables	6.2	1 631	1 180
Total current assets		48 505	42 384
Non-current assets			
Property plant and equipment	5.1	7	10
Intangible assets	5.2	167	124
Total non-current assets		174	134
Total assets		48 679	42 518
Current liabilities			
Payables	7.1	10 156	8 169
Employee benefits liability	3.3	267	274
Provisions	7.2	8	7
Total current liabilities		10 431	8 450
Non-current liabilities			
Payables	7.1	40	41
Employee benefits liability	3.3	397	419
Provisions	7.2	29	23
Total non-current liabilities		466	483
Total liabilities		10 897	8 933
Net assets		37 782	33 585
Equity			
Retained earnings		37 782	33 585
Total equity		37 782	33 585

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

CTP Regulator
Statement of Changes in Equity
For the year ended 30 June 2023

	Retained earnings	Total
	\$'000	equity
		\$'000
Balance at 1 July 2021	33 926	33 926
Net result for 2021-22	(341)	(341)
Total comprehensive result for 2021-22	(341)	(341)
Balance at 30 June 2022	33 585	33 585
Net result for 2022-23	4 197	4 197
Total comprehensive result for 2022-23	4 197	4 197
Balance at 30 June 2023	37 782	37 782

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

CTP Regulator
Statement of Cash Flows
For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from administration fees		67 621	65 642
Interest received		1 127	-
GST recovered from DTF		2 098	2 296
Other receipts		24	827
Cash generated from operating activities		70 870	68 765
Cash outflows			
Employee benefit payments		(3 138)	(3 502)
Payments to suppliers and services		(1 670)	(1 715)
Payments for administration fees		(60 315)	(63 118)
Other payments		-	22
Cash used in operating activities		(65 123)	(68 313)
Net cash provided by operating activities	8.1	5 747	452
Cash flows from investing activities			
Cash outflows			
Purchase of intangibles		(77)	(124)
Cash used in investing activities		(77)	(124)
Net cash used in investing activities		(77)	(124)
Net increase in cash and cash equivalents		5 670	328
Cash and cash equivalents at the beginning of the reporting period		41 204	40 876
Cash and cash equivalents at the end of the reporting period	6.1	46 874	41 204

The accompanying notes form part of these financial statements.

1. About the CTP Regulator

The CTP Regulator (the Regulator) is an instrumentality of the Crown and a not-for-profit statutory authority of the South Australian government.

The financial statements and accompanying notes include all the controlled activities of the Regulator. Transactions and balances relating to administered resources are not recognised as Regulator income, expenses, assets or liabilities.

Administered items are disclosed in the schedule of administered items in Note 9.3 except as otherwise disclosed. Administered items are accounted for on the same basis and using the same accounting policies as for the Regulator transactions.

Administered financial statements relating to administered resources are presented separately. The administered activities include the receipt and payment of stamp duty on CTP premiums.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in accordance with:

- section 23 of the *Public Finance and Audit Act 1987*
- Treasurer's Instructions and accounting policy statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

No Australian Accounting Standards have been early adopted other than AASB 2021-1, which was adopted from 1 July 2021.

The financial statements have been prepared based on a 12-month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out throughout the notes.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The Regulator is grouped with the Department of Treasury and Finance (DTF) for GST purposes and accordingly DTF prepares the Business Activity Statement on behalf of the Regulator via the grouping provisions of the GST legislation. Notwithstanding the use of these grouping provisions, intercompany cash alignment occurs to ensure the Regulator either recovers the net amount of GST recoverable from or disburses the amount payable to the ATO from DTF.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

CTP Regulator

Notes to and forming part of the financial statements

For the year ended 30 June 2023

1.2. Objectives and programs

The Regulator is an independent statutory authority established under the *Compulsory Third Party Insurance Regulation Act 2016* (CTPIR Act).

The Regulator is responsible for an efficient, competitive, and viable CTP insurance industry in South Australia, and the oversight, monitoring and reporting of CTP Insurer activities.

From 1 July 2016, private CTP Insurers have underwritten the insurer premium component of the total premium in South Australia. Motorists actively choose their own CTP Insurer for each registration renewal period.

The total CTP premium (premium) is made up of:

- the insurer premium component
- the administration premium component
- GST and stamp duty.

The full stamp duty payable on the premium is disbursed by the Regulator to RevenueSA. This occurs under a specific arrangement with the Commissioner of State Taxation under section 35 of the *Taxation Administration Act 1996* that is detailed in a Memorandum of Administered Arrangement (MoAA) between the Regulator and Commissioner of State Taxation.

All premiums are collected by the Department for Infrastructure and Transport (DIT), through the motor vehicle registration process using the Transport Regulation User Management Processing System.

DIT disburses the insurer premium component of the premium and the associated GST to CTP Insurers and the stamp duty and administration premium component of the premium to the Regulator on a net basis, that is, after the deduction of customer refunds.

The administrative premium component of the premium is managed by the Regulator and funds:

- health and emergency services provided by SA Public Hospitals, SA Ambulance (including the State Rescue Helicopter service), and the Attorney-General's Department Forensic Science SA service as a result of motor vehicle trauma
- road safety services provided by DIT and SA Police designed to reduce the incidence or impact of road accidents and injuries
- customer support and transaction services provided by DIT for the collection, recording and processing of premiums
- CTP Scheme regulation and administration services provided by the Regulator, including the operations of the Motor Accident Injury Accreditation Scheme.

These arrangements, with the exception of the services provided by the Regulator, are detailed in funding agreements between the Regulator and the individual government agencies.

CTP Regulator

Notes to and forming part of the financial statements

For the year ended 30 June 2023

1.2. Objectives and programs (continued)

The Regulator has the following functions under the CTPIR Act:

- to regulate approved insurers and perform any other function relating to approved insurers conferred on the Regulator under the *Motor Vehicles Act 1959*
- to determine premium amounts payable in respect of CTP insurance policies
- to determine the minimum terms and conditions of CTP insurance policies
- to monitor audit and review the operation and efficiency of the CTP insurance business
- to provide or facilitate the provision of information to consumers about the CTP insurance business and approved insurers
- to make, monitor the operation of, and review, from time to time, rules with which approved insurers must comply, and guidelines for approved insurers relating to:
 - the determination of premiums
 - the management of claims
 - dispute resolution
 - the provision of information to consumers
 - any other relevant matter
- to make recommendations to the Treasurer in relation to:
 - eligibility criteria for insurers seeking approval under Part 4 of the *Motor Vehicles Act 1959*
 - the terms and conditions of any undertaking, agreement or contract entered into between the Minister and an approved insurer relating to the provision of CTP insurance
 - the assessment of an application from an insurer for approval or withdrawal of approved under Part 4 of the *Motor Vehicles Act 1959*
- to approve the novation of CTP insurance policies between approved insurers
- to regulate such other insurance business as may be prescribed by the regulations
- to administer the CTPIR Act
- to exercise any other function conferred on the Regulator by or under the CTPIR Act or any other Act.

Nominal Defendant

A Nominal Defendant claim arises where an at-fault vehicle is either uninsured or unidentified, as described in Part 4 of the *Motor Vehicles Act 1959*.

From 1 July 2016, the Regulator allocated Nominal Defendant claims to CTP Insurers and assumed full responsibility for these claims from 1 January 2017.

The Motor Accident Injury Assessment Scheme (MAIAS)

The South Australian MAIAS was established by the Attorney-General under section 76 of the *Civil Liability Act 1936* to accredit health professionals to undertake Injury Scale Value (ISV) medical assessments.

An ISV medical assessment is used to assist in determining an injured person's eligibility for compensation under the CTP Scheme.

On 20 February 2019, the Attorney-General appointed the Regulator as administrator for the MAIAS.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.3. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. In 2022-23, these transactions are comprised of the Regulator's administered payments to SA Government agencies.

2. Income

2.1. Administration premium component of the premium collections

	2023	2022
	\$'000	\$'000
Hospital and emergency fees	36 300	33 359
Road safety fees	14 007	14 247
Customer support and transaction fees	10 980	10 892
CTP Scheme regulation and administration fees	6 361	7 130
Total administration premium component of the premium collections	67 648	65 628

The stamp duty and administration premium component of the premium collections are recognised as earned on the date of receipt in DIT's Transport Regulation User Management Processing System. The stamp duty component of the total premium is shown under note 9.3 Administered Items. Refer to note 1.2 for details about the nature of this income. Refunds are recognised on receipt on a gross basis in accordance with AASB 101 para 32.

2.2. Interest

	2023	2022
	\$'000	\$'000
Deposit account interest receipts	1 289	-
Total interest revenues	1 289	-

The increase in interest revenues is mainly due to the higher interest rates on cash deposits.

There was no interest earned during 2021-2022 due to Treasury advising public authorities in November 2021 that, given interest rates were approximately 0%, no interest would be paid on any interest bearing accounts held with the Treasurer. Interest re-commenced being paid in September 2022.

2.3. Resources received free of charge

	2023	2022
	\$'000	\$'000
Services received free of charge	10	10
Total resources received free of charge	10	10

Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

The Regulator receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA, ICT services and media monitoring services (from 2022-23) from the Department of the Premier and Cabinet following Cabinet's approval to cease intra-government charging.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3. Committees and employees

3.1. Key management personnel

Key management personnel of the Regulator include the Chief Executive and the two members of the executive team who have responsibility for the strategic direction and management of the Regulator.

	2023	2022
<u>Compensation</u>	\$'000	\$'000
Salaries and other short term employee benefits	674	726
Post-employment benefits	140	72
Total	814	798

Transactions with Key Management Personnel and other related parties

No significant transactions were identified between key management personnel and other related parties during the reporting period.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.2. Employee benefits expense

	2023	2022
	\$'000	\$'000
Salaries and wages	2 350	2 618
Employment on-costs - superannuation	342	292
Employment on-costs - payroll tax	140	159
Long service leave	8	30
Targeted voluntary separation packages	71	-
Rejuvenation Scheme	-	50
Annual leave	193	259
Skills and experience retention leave	8	1
Other employee related expenses	12	24
Total employee benefits expense	3 124	3 433

The superannuation employment on-cost charge represents the Regulator's contributions to superannuation plans in respect of current services of current employees. DTF centrally recognises the superannuation liability in the whole of government financial statements.

Employee remuneration	2023	2022
	No.	No.
The number of employees whose remuneration received or receivable falls within the following bands:		
\$200 001 - \$220 000	1	1
\$220 001 - \$240 000	1	-
\$360 001 - \$380 000	-	1
\$380 001 - \$400 000	1	-
Total	3	2

The total remuneration received by those employees for the year was \$821 000 (2022: \$584 000)

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and any related fringe benefits tax paid.

Targeted voluntary separation packages

The number of employees who were paid a targeted voluntary separation package during the reporting period was 1 (2022: 2). In 2022, targeted voluntary separation packages also include separation payments from the Public Sector Workforce Rejuvenation scheme.

	2023	2022
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	71	50
Leave paid to separated employees	33	41
Net cost to the Regulator	104	91

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.3. Employee benefits liability

	2023 \$'000	2022 \$'000
<u>Current</u>		
Annual leave	229	244
Long service leave	17	13
Skills and experience retention leave	21	17
Total current employee benefits	267	274
<u>Non-current</u>		
Long service leave	397	419
Total non-current employee benefits	397	419
Total employee benefits liability	664	693

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 1.5% (2022) to 2.0% (2023). This change had an immaterial net financial effect in the current financial year.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

AASB 119 *Employee Benefits* (AASB 119) contains the calculation methodology for long service leave liability.

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave liability and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departure and periods of service.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds increased from 3.5% in 2022 to 4.0% in 2023.

This change in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The actuarial assessment performed by DTF has increased the salary inflation rate from 2.5% in 2022 to 3.5% in 2023 for the long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$14 000 and employee benefits expense of \$14 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

4. Expenses

4.1. Supplies and services

	2023	2022
	\$'000	\$'000
Contractors and other outsourced services	228	308
Accommodation	300	297
Consultants	736	437
Legal costs	28	20
Service level agreement fees	326	321
Information technology expenses	167	192
General administration and consumables	60	51
Training and development	29	27
Minor works maintenance and equipment	17	3
Other*	27	30
Total supplies and services	1 918	1 686

* Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance Audit Act 1987* of \$26 000 (2022: \$25 000). No other services were provided by the Auditor-General's Department.

Accommodation

The Regulator's accommodation is provided by DTF under a Memorandum of Administrative Arrangement issued in accordance with Government wide accommodation policies between DTF and DIT. These arrangements do not meet the definition of a lease and accordingly is expensed (included in Accommodation).

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

4.2. Administration premium component of the premium distributions

	2023	2022
	\$'000	\$'000
Hospital and emergency services	34 283	35 739
Road safety services	13 481	13 458
Customer support and transaction services	10 967	10 700
Total administration premium component of the premium distributions	58 731	59 897

The administration premium component of the premium distributions fund the costs of a range of government services associated with the CTP Scheme. Refer to note 1.2 for details about the nature of these distributions.

4.3. Administration premium component refunds

	2023	2022
	\$'000	\$'000
Hospital and emergency services	526	507
Road safety fees	184	197
DIT premium collection fees	144	150
Regulator operations	86	100
Total administration premium component refunds	940	954

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5. Non-financial assets

5.1. Property, plant and equipment

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value.

Impairment

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

Reconciliation 2022-23

	IT equipment	Total
	\$'000	\$'000
Carrying amount at the beginning of the period	10	10
Depreciation	(3)	(3)
Carrying amount at the end of the period	7	7

Gross carrying amount

Gross carrying amount	17	17
Accumulated depreciation	(10)	(10)
Carrying amount at the end of the period	7	7

Reconciliation 2021-22

	IT equipment	Total
	\$'000	\$'000
Carrying amount at the beginning of the period	19	19
Depreciation	(9)	(9)
Carrying amount at the end of the period	10	10

Gross carrying amount

Gross carrying amount	226	226
Accumulated depreciation	(216)	(216)
Carrying amount at the end of the period	10	10

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.2. Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Reconciliation 2022-23	Externally purchased software \$'000	Externally developed software in progress \$'000	Total \$'000
Carrying amount at the beginning of the period	-	124	124
Additions	-	77	77
Capital work in progress transfers	183	(183)	-
Amortisation	(34)	-	(34)
Carrying amount at the end of the period	149	18	167
Gross carrying amount			
Gross carrying amount	183	18	201
Accumulated depreciation	(34)	-	(34)
Carrying amount at the end of the period	149	18	167

Reconciliation 2021-22	Externally purchased software \$'000	Externally developed software in progress \$'000	Total \$'000
Additions	-	124	124
Carrying amount at the end of the period	-	124	124
Gross carrying amount			
Gross carrying amount	1 390	124	1 514
Accumulated depreciation	(1 390)	-	(1 390)
Carrying amount at the end of the period	-	124	124

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.3. Depreciation and amortisation

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. No adjustments were made during the reporting period.

Useful life

Depreciation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

	Useful life (years)
Office equipment - IT	5
Externally purchased software	5

6. Financial assets

6.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Deposits with the Treasurer	46 874	41 204
Total cash and cash equivalents	46 874	41 204

Deposits with the Treasurer

The CTP Regulator's cash balance is held within the DTF's Operating Bank Account.

6.2. Receivables

	2023	2022
	\$'000	\$'000
GST Recoverable from DTF	914	654
Prepayments	38	34
Accrued revenue	517	492
Accrued interest revenue	162	-
Total current receivables	1 631	1 180

Prepayments are recognised for amounts paid for services not rendered by 30 June 2023. Accrued revenues are recognised for the administration premium component of the total premium collection up to and including 30 June 2023 but not yet received.

Prepayments and accrued revenues are non-interest bearing.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

7. Liabilities

7.1. Payables

	2023	2022
	\$'000	\$'000
Current		
Creditors and accrued expenses	10 113	8 125
Employment on-costs	43	44
Total current payables	10 156	8 169
Non-current		
Employment on-costs	40	41
Total non-current payables	40	41
Total payables	10 196	8 210

Payables are measured at nominal amounts.

Payables and accruals are recognised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken as leave has increased from 42% in 2022 to 43% in 2023. The average factor for the calculation of employer superannuation cost on-costs has increased from 10.6% in 2022 to 11.1% in 2023. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year are immaterial.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

7.2. Provisions

All provisions represent workers compensation.

	2023	2022
	\$'000	\$'000
Reconciliation of workers compensation (statutory and non-statutory)		
Carrying amount at the beginning of the period	30	16
Additional provisions recognised	7	14
Carrying amount at the end of the period	37	30

The Regulator is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Regulator is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventative programs.

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are nonserious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

8. Other disclosures

8.1. Cash flow

Reconciliation of net result to cash flows from operating activities

	2023	2022
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	46 874	41 204
Balance as per the Statement of Cash Flows	46 874	41 204
Reconciliation of net cash provided by/(used in) operating activities to net result		
Net cash provided by operating activities	5 747	452
Add / (less) non-cash items		
Depreciation and amortisation expense	(37)	(9)
Movement in assets and liabilities		
Increase/(decrease) in receivables	451	(865)
(Increase)/decrease in payables	(1 986)	31
Decrease in employee benefits	29	64
(Increase) in provisions	(7)	(14)
Net result	4 197	(341)

9. Outlook

9.1. Unrecognised contractual commitments

Commitments include other contractual commitments arising from contractual sources and are disclosed at their nominal value. As at 30 June 2023, the Regulator has contractual commitments for the provision of CTP Scheme actuarial services and internal audit functions as reported.

Other contractual commitments

	2023	2022
	\$'000	\$'000
No later than one year	564	507
Later than one year but not longer than five years	955	1 189
Total other commitments	1 519	1 696

9.2. Impact of Standards and Statements not yet effective

The Regulator continues to assess the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

9.3. Administered items

Statement of Comprehensive Income for the year ended 30 June 2023	2023	2022
	\$'000	\$'000
Administered income		
Stamp duty collected	45 062	43 117
Total administered income	45 062	43 117
Administered expenses		
Stamp duty expenses	44 398	42 457
Stamp duty refunds	664	660
Total administered expenses	45 062	43 117
Net result	-	-
Statement of Financial Position as at 30 June 2023	2023	2022
	\$'000	\$'000
Administered assets		
Receivables	335	335
Cash and cash equivalents	5 080	3 776
Total administered assets	5 415	4 111
Administered liabilities		
Payables	5 415	4 111
Total administered liabilities	5 415	4 111
Net administered assets	-	-
Statement of Cash Flows for the year ended 30 June 2023	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Taxation receipts	45 062	43 121
Cash generated from operating activities	45 062	43 121
Cash outflows		
Taxation payments	(43 758)	(43 220)
Cash used in operations	(43 758)	(43 220)
Net cash provided by / (used in) operating activities	1 304	(99)
Net increase / (decrease) in cash and cash equivalents	1 304	(99)
Cash and cash equivalents at the beginning of the reporting period	3 776	3 875
Cash and cash equivalents at the end of the reporting period	5 080	3 776

Refer to Note 1.2 for details on administered items.

CTP Regulator
Notes to and forming part of the financial statements
For the year ended 30 June 2023

9.4. Events after the reporting period

No circumstance has arisen that has affected or may significantly affect the Regulator's operations since 30 June 2023.

10. Measurement and risk

10.1. Financial instruments

Financial risk management

The Regulator's risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The Regulator's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Liquidity risk

The Regulator is funded from the administrative premium component of the total premiums. The Regulator notifies DTF of the cash flows associated with its legislated functions and ensures funding is available to meet the expected cash flows.

Impairment of financial assets

The Regulator considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

Market risk

The Regulator does not trade in foreign currency, nor enter into transactions for speculative purposes.

The Regulator does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in *T1 23 Management of Foreign Currency Exposures*.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Classification of financial instruments

The Regulator measures all financial instruments at amortised cost.